2016/2017 Governors Budget Highlights

January 20, 2015
$200M for student success

- These funds will be split evenly between Student Success and Support Program (SSSP) and Student Equity Plans. We are aware that districts will want to know what local match will be required for the budget year, and we’re committed to informing you of that decision soon.

- WE ARE ELIGIBLE FOR THESE FUNDS
$125M to increase base allocation funding

- This increase is intended to ease the constrained discretionary funding environment colleges have experienced since the economic downturn. These funds can help colleges address the scheduled increases in STRS and PERS contribution rates, for example.

- WE ARE NOT ELIBLE FOR THESE FUNDS
Increase Access & COLA

- 106.9 M for increased access around the system
- 92.4 Million for COLA of 1.58%
- WE ARE NOT ELIGIBLE FOR THESE FUNDS
$49M to fund CDCP rate equalization

- Legislation passed concurrently with the 2014 Budget Act equalized the CDCP rate to that of the resident credit rate commencing with the 2015-16 year. This augmentation would fund that increased cost.
- This is to raise the non-credit reimbursement rate to get it closer to the credit rate for apportionment districts

- **WE ARE NOT ELIGIBLE FOR THESE INCREASES**
Career Technical Education & Apprenticeship Funding

- **$48M for CTE Program** - These *one-time* funds are proposed for support of the SB 1070 Career Technical Education Pathways Program

- **WE ARE ELIGIBLE FOR THESE FUNDS**

- **$29.1M for Apprenticeship** - $14.1M of these funds would restore the rates and seats of current programs back to the 2007-08 levels and an additional $15M is proposed for innovative apprenticeship projects that focus on new and emerging industries with unmet labor market demand.

- **WE ARE NOT ELIGIBLE FOR THESE FUNDS**
$39.6M for Proposition 39

- These funds support projects and workforce development related to energy sustainability, consistent with the provisions of Proposition 39.

- WE ARE ELIGIBLE FOR THESE FUNDS
$353.3M to pay down outstanding mandate claims

- These one-time funds would be allocated to districts on a per-FTES basis. They would retire outstanding mandate claims, to the extent districts have any such obligations on the books. While the majority of these funds are attributable to the current and prior years, approximately $125M counts against the 2015-16 minimum guarantee.

- This is for deferred maintenance and instructional equipment funding and will be based on the current spring semester 2015. Estimated to be about 1.2 million in total for COM.
Conclusion

- Districts will face substantial challenges in the coming years due to increases in the STRS and PERS employer contribution rates.
- Further, these increases will need to be addressed by colleges as Proposition 30 revenues phase out (the sales tax provision expires on December 31, 2016 and the income tax provision expires two years later).
- Moreover, many districts also face large OPEB liabilities
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