

**2007-08
Budget in Brief**

Chabot-Las Positas Community College District

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**Governor's January Budget Proposal – Continues Commitment
to the California Community College system.**

On January 10, 2007 Governor Arnold Schwarzenegger released his budget proposal for 2007-08 fiscal year. One day after he gave his fourth State of the State address where he focused on addressing environmental, healthcare, education, and infrastructure issues. The Governor reinforced his commitment to fully fund education while maintaining a balanced budget.

Below is our initial review of the Governor's Budget Proposal as it relates to California Community Colleges and the Chabot-Las Positas Community College District:

Proposition 98

The community colleges percentage share of Proposition 98 funding for K-14 education is 11.06%, the highest ever.

Fee Reduction Backfill

\$33.2 million increase to offset fee revenue reduction due to the reduction in student fees from \$26 per unit to \$20 per unit in the spring of 2007.

COLA

\$224.9 million increase for a cost-of-living increase (4.04% COLA) for general purpose Apportionments.

Growth

\$109.1 million increase (2%) for enrollment growth for Apportionments. This level exceeds the 1.65% change in the adult population which is the current statutory index for system growth.

COLA & Growth for Categorical Programs

There is a \$19.6 million increase for Categorical Program Enrollment Growth and COLA (2 % and 4.04%, respectively) for certain programs that provide essential services to special populations, including Basic Skills, Matriculation, Disabled Students Programs and Services, Campus Childcare Tax Bailout, and Extended Opportunity Programs and Services. The Governor's budget proposes to provide growth for categorical funding at the same growth rate used for the general apportionment.

Matriculation/Counseling/Placement-Plus the Proposed New Initiative “CCC Student Success Initiative”

\$33.1 million redirection of surplus Basic Skills Overcap incentive funding to support additional Matriculation and support services for community college students. Of this amount, \$19.1 million is specifically dedicated to additional counseling and tutoring services for those students most at risk of failing to complete a program.

Fiscal Crisis Management Assistance Team (FCMAT)

\$350,000 in ongoing funds is provided for Fiscal Crisis and Management Team (FCMAT) assistance to CCCs to ensure resources are available to respond to financial instability indicators or other signs of trouble before they develop into insolvency such as recently occurred at the Compton CCD.

Nursing Initiative

This was not a system BCP, but the Administration made it clear that it would require funding for a nursing initiative during the budget development process. That advanced knowledge allowed representatives from the CCC system to participate in developing the actual terms of the initiative. This initiative provides \$9 million one-time current year funding and \$9 million ongoing funding to support additional nursing program investments in community colleges.

CalPASS

California Partnership for Achieving Student Success Program. This was not a Board of Governors’ approved system BCP. The proposal was developed after the system’s request was submitted to DOF. Both the DOF and the Administration have voiced strong support for the CalPASS program and they have provided \$1 million in one-time current year funds for (CalPASS), “a project that helps all segments determine the efficacy of curriculum for articulated course sequences between segments to ensure successful student outcomes.

The Governor’s Proposed Budget provides NO funding for the following:

Career Development and College Preparation
Student Services Allocations for Newly Accredited Colleges
Basic Skills Initiative
Part-Time Faculty Office Hours/Health Insurance
Increase-Full-Time Faculty Positions
Compensation Equity for Part-Time Faculty
Mathematics Engineering Science Achievement (MESA)
Career Technical Education Equipment
Economic Development – Regional Clearinghouses
Academic Senate – COLA
Technology Items
Reimbursement of State Mandates
Physical Plant/Instructional Equipment

**SB 361 (Scott)/Community Colleges
Funding Formula Reform**

California Community Colleges System Office

- A comprehensive reform to the formula that allocate general-purpose apportionments to the 72 districts, based on extensive work by a group of chief financial offices from 12 of the districts, and further work by the System Office and Consultation with college representatives around the state.
- Replaces an overly complex and outdated formula with one that is more transparent and equitable.
- Provides a more comprehensive form of equalization that recognizes the fixed costs of operating individual colleges and centers.
- Improves the calculation of district/specific enrollment growth caps.
- Addresses demographic and financial challenges of colleges serving rural areas.

Components of Funding Formula

Foundation Revenue

The Foundation Revenues are based on the number and size of colleges and centers in each district.

Credit and Non-Credit Base Revenues

The amount per FTES is equalized for 90% of all community college districts.

Cost of Living Adjustments (COLA)

The state COLA is applied to the various components of the formula; Foundation Revenues and the Credit and Non-Credit Rate per FTES.

Chabot-Las Positas Community College District – General Apportionment - Simulation

<u>Foundation Revenue</u>		
Chabot College	(>10,000 FTES)	3,500,000
Las Positas College	(>10,000 FTES)	3,000,000
<u>Credit-Non Credit Base Revenues</u>		
Credit FTES x Rate	16,322.97 x \$4.367	71,282,410
Non-Credit FTES x Rate	601.07 x \$2,626	1,578,410
SB 361 Base Revenue Guarantee		

**SB 361 Simulation (Based on 2006-07 P1) for
Chabot-Las Positas Community College District**

Foundation Revenue

Chabot College	(>10,000 FTES)	3,500,000	
Las Positas College	(<10,000 FTES)	<u>3,000,000</u>	
	Subtotal Foundation Revenue		6,500,000

Credit-Non Credit Base Revenues

Credit FTES x Rate (16,323 x 4.367)	71,282,541	
Non-Credit FTES x Rate (601 x 2.626)	<u>1,578,226</u>	
	Subtotal Credit-Non Credit	72,860,767

SB 361 Base Revenue Guarantee 79,360,767

2007-08 Cost of Living Adjustment (4.04%)

Foundation COLA	262,600	
Credit COLA	2,879,815	
Non-Credit COLA	<u>63,760</u>	
	Subtotal COLA	3,206,175

2007-08 Growth

District Growth Rate (2.40%)	1,748,658
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TOTAL FUNDING UNDER SB 361 \$84,315,600

Basic Allocation Base Rates

Multi-college basic allocation rates:

FTES >=20,000	\$4,000,000
FTES >=10,000<20,000	\$3,500,000
FTES <10,000	\$3,000,000

Basic Allocation Base Rates for Centers

Approved CPEC centers \$1,000,000

“Grandfathered” centers or previously approved CPEC centers:

FTES >=1,000	\$1,000,000
FTES >=750<1,000	\$ 750,000
FTES >=500<750	\$ 500,000
FTES >=250<500	\$ 250,000
FTES >=250	\$ 125,000

Basic Allocation: Rural College

Criteria for augmentation of \$500,000:

- Service area population density less than half the statewide average
- Less than 5,000 credit FTES
- Single college district