

2008-09
Budget in Brief
Chabot-Las Positas Community College District

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Governor's January Budget Proposal

This briefing is intended to provide a very quick summary of the major items in the Governor's Budget Proposal as they relate to the Community Colleges and the Chabot-Las Positas Community College District.

On January 10, 2008, Governor Arnold Schwarzenegger submitted his proposed budget for 2008-09, pledging to eliminate the State's budget deficit of \$14.5 billion. The budget proposal includes reductions to nearly all General Fund programs including the education community. For the Community Colleges, this translates to reductions of almost \$525 million (\$40 million in the current year and \$483.5 million in the budget year).

Current Year 2007-08

- According to the Administration, Proposition 98 is now estimated to be appropriated above the minimum by \$1.4 billion. The Governor proposes to reduce the current year appropriation by only \$400 million (\$360 million reduction for K-12 and \$40 million reduction for community colleges).
- The Governor also issued proclamations declaring a fiscal emergency and calling a special session of the legislature to address the current year budget gap. Proposition 58, passed in 2004 allows the Governor to proclaim a fiscal emergency in specified circumstances, and submit proposed legislation to address the fiscal emergency. It also requires the legislature to stop other action and act on legislation proposed to address the emergency.
- The fiscal impact to Chabot-Las Positas Community College District is approximately \$600,000. This would be applied as a one time reduction to apportionments.

Budget Year 2008-09

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- The Governor proposes to suspend Proposition 98. This allows the Governor to fund Proposition 98 below the statutory provisions. The shortfall is roughly \$4 billion for K-14 education.
- For community colleges, this translates to about \$483.5 million with the majority of this loss related to the elimination of the Cost of Living Adjustment (COLA), reductions in enrollment growth and reductions in categorical programs.
 - Elimination of the COLA – this represents a \$291.7 million reduction. The statutory COLA for fiscal year 2008-09 is estimated at 4.94%.
 - Reduction in Enrollment Growth - The budget proposal provides funding for only 1% growth. The community colleges had requested funding for 3%. This represents a reduction of about \$111.8 million.
 - Reduction in Categorical Programs – This represents a 10.9% across the board reduction or \$80 million from a combination of withholding COLA and reductions below 2007-08 levels.

January 11, 2008