

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

Board of Trustees

Mr. Carlo Vecchiarelli, President
Dr. Alison S. Lewis
Dr. Arnulfo Cedillo
Dr. Barbara F. Mertes
Mr. Donald L. Gelles
Dr. Hal G. Gin
Mrs. Isobel F. Dvorsky

Administration

Dr. Joel Kinnamon, Chancellor
Mr. Lorenzo Legaspi, Vice Chancellor,
Business Services

Governor's May Revise Budget Proposal

On May 14, 2008 Governor Arnold Schwarzenegger released his *May Revise* budget proposal for the 2008-09 fiscal year. The spending plan totaling \$144.3 billion abandons many of the budget cuts proposed in January and at the same time attempts to close a budget gap now pegged at \$17.2 billion. For California Community Colleges, the *May Revise* reflects a backfill to the current year property tax shortfall, an increase in enrollment growth and proposes to keep fees at \$20 per unit.

Below is a summary of the Governor's May Revision as it relates to California Community Colleges and Chabot-Las Positas Community College District.

Overview of Major Budget Changes

Lottery Borrowing and Backup Sales Tax Increase

- The Governor proposes raising \$15.2 billion through borrowing against future State Lottery revenues
- The proceeds would be set aside in a reserve, with \$5.1 billion to be transferred in the General Fund for 2008-09 to bridge the gap
- This proposal would require voter approval
- The Governor seeks to place the measure on the November 2008 General Election ballot
- If the plan to borrow against the lottery fails, the State would enact a one (1) cent increase in sales tax, lasting until State finances improve, or until 2010-11 at the latest

Proposition 98

- The *May Revise* withdraws the January proposal to suspend Proposition 98
- The Governor proposes to fully fund the Proposition 98 minimum guarantee
- *May Revise* still does not provide a cost of living adjustment (COLA). As a point of reference, the statutory COLA is 5.66%

Current Year 2007-08

- The *May Revise* proposes augmentation of approximately \$75 million to backfill the current year property tax shortfall of \$92 million
- The \$75 million will be made available in the 2008-09 fiscal year on a one-time basis

Budget Year 2008-09

- The *May Revise* proposes to fund an additional \$35.5 million for growth, bringing the total available to \$95.5 million, equal to a 1.67% growth. The January proposal provided only a 1% increase in enrollment growth
- The proposal includes an augmentation of \$138.7 million to backfill the reduction in estimated property tax revenues
- The proposal includes an increase of \$717,000 for the Board of Governors' Fee Waiver Program
- The proposal includes an increase of \$572,000 to restore the Foster Care Training reduction proposed in January

Conclusion

This summary of the Governor's May Revise is designed to assist the District in developing its Tentative and Adoption budgets for the fiscal year 2008-09

*Sources: Community College League of California
California Community College Systems Office
School Services of California (SSC)
Association of California Community College Administrators (ACCCA)*