

**2013-14
Budget in Brief**

Chabot-Las Positas Community College District

Board of Trustees

Dr. Arnulfo Cedillo, President
Dr. Marshall Mitzman, Secretary
Dr. Barbara F. Mertes
Dr. Hal Gin
Mr. Carlo Vecchiarelli
Mr. Donald L. "Dobie" Gelles
Mrs. Isobel F. Dvorsky

Administration

Dr. Judy Walters, Interim Chancellor
Mr. Lorenzo Legaspi, Vice Chancellor
Business Services

**Summary of the Governor's May Revise
Budget Proposal for Fiscal Year 2013-14**

On Tuesday, May 14, 2013 Governor Jerry Brown announced the May Revision to his January Budget proposals. There is both good news and bad news to report.

First, the good news: the Governor recognized increased revenues to be received by the state in 2012-13 of \$4.5 billion above the level anticipated in January. The biggest downside is the Governor's revised revenue forecast for 2013-14. On the heels of a very positive revision for 2012-13 revenues, the Governor projects a downward adjustment to state revenues for 2013-14.

The Governor chose to put a significant portion of the Proposition 98 gains against a bigger buy down of deferrals. While we agree that deferrals need to be taken down, the pace of the buyback competes with program dollars in the near term.

The purpose of this Budget in Brief is to provide a quick overview of the Governor's proposal as it relates to the California Community Colleges and the Chabot-Las Positas Community College District.

Proposition 98

- The Governor's May Revision shows an increase to the Proposition 98 minimum guarantee of \$2.9 billion in the current year.
- However, because the Governor's May Revision also forecasts a weakening economy that results in a forecast of declining state revenues for 2013-14, the 2013-14 Proposition 98 guarantee is estimated to drop by \$941 million in the Budget year, to \$55.3 billion.
- Programmatic spending under the May Revision stays relatively unchanged.

Apportionments

Governor Brown increased his January proposal by \$30 million, for a total of \$226.9 million:

- \$87.5 million to fund a cost-of-living adjustment of 1.57%

- \$89.4 million for growth
- \$50 million for additional student support services, including orientation, assessments, counseling, advising, and education planning, as in the Student Success Act

Deferrals

Governor Brown proposes to use the \$179.9 million in deferral buy downs in his January Budget for 2013-14, instead be applied to 2012-13. He then proposes an additional \$63.7 million to buy down cross-year deferrals starting in 2013-14, resulting in a total remaining deferral amount of \$557.5 million in 2013-14.

Adult Education

Governor Brown dropped his January proposal to shift K-12 Adult Education programs to community colleges and to eliminate noncredit funding. Instead, Governor Brown proposes the status quo for two years with \$30 million in one-time funds for planning and implementation grants, along with \$500 million in ongoing funds starting in 2015-16 to fund adult education programs jointly operated by community colleges and school districts on a regional basis.

Apprenticeship Programs

Governor Brown proposes status quo for the current structure of apprenticeship programs but removes them from the categorical flexibility list. He also proposes to allow colleges to administer programs covering areas outside their district boundaries, similar to K-12 programs.

Census Dates

Governor Brown withdraws his January proposal for census date reform. He has replaced it with a proposal for consideration in the 2014-15 State Budget for a process to develop a broad-based framework to improve student success and establish appropriate incentives.

90-Unit Cap

Governor Brown withdraws his January proposal to impose a 90-unit cap on state funded units.

Fee Waivers

Governor Brown postpones his January proposal to require that each student be required to fill out a Free Application for Federal Student Aid and include both parent and student income. He proposes:

- To provide students one academic term to collect all documentation necessary to validate financial need
- That the Board of Governors establish criteria that provide emancipated students the opportunity to demonstrate that they are living independently of their parents and are financially in need
- That the new policies become effective in 2014-15

Proposition 39

In January 2013, the Governor's Budget allocated \$450 million generated by Proposition 39 to K-14 education for energy projects, \$49.5 million of which was for community colleges. The funding was proposed to be allocated on a per-average daily attendance basis for K-12 education and on a per-full time equivalent student basis for community colleges.

Due to higher Proposition 39 revenue estimates, the May Revision proposes an increase of \$12.5 million for K-12 education and \$1.5 million for community college energy efficiency projects, which brings the total amount of funding proposed for community colleges to \$51 million.

Technology Funds

The Governor proposes to dedicate \$16.9 million, unchanged from the January proposal, to increase the number of courses available through the use of technology for:

- Creation of a "virtual campus" to increase statewide access to 250 new courses delivered through technology
- Creation of a common centralized delivery and support infrastructure for all courses delivered through technology and for all colleges
- Expansion of options for students to earn college credit for demonstrated knowledge and skills through credit by exam

This quick overview is designed to inform the college community of the Governor's budget proposal and to assist the Chabot-Las Positas Community College District (CLPCCD) in developing its Tentative and Adoption budgets for fiscal year 2013-14.

Sources of Information:

California Community Colleges System Office

Community College League of California

School Services of California (SSC)

Office of the Governor website