

2017-2018 Governor's Proposed Budget

Board of Trustees Meeting

February 9, 2017

2017-2018 Proposed Budget State Overview



Topics of Discussion

- ❖ State Budget Overview
- ❖ Community College Overview
- ❖ Prop 51 – Facilities Bond
- ❖ Next Steps

2017-2018 Proposed Budget State Overview



Governor Brown released the 2017-2018 Proposed Budget on
January 10, 2017

Themes: Recognizing the Increased Risk for Out-Years

Urging Educational Agencies to Shore up Reserves

2017-2018 Proposed Budget State Overview



- ❖ General Fund Revenues proposed at \$124 Billion (4.4% increase)
- ❖ General Fund Expenditures proposed at \$122.5 Billion (0.2% decline)
- ❖ Raining Day Fund Balance of \$7.9 Billion
- ❖ State Revenues are projected to be down \$5.8 Billion over the three-year period of 2015-16, 2016-17, and 2017-18

2017-2018 Proposed Budget Prop 98



- ❖ For Current Year (2016/17) Prop 98 guarantee is estimated at \$71.4 Billion
 - ❖ Down \$506 million from enacted level
- ❖ For 2017/18 Prop 98 guarantee is estimated at \$73.5 billion
 - ❖ A decrease of \$953 million (relative to the 16/17 Budget Act)
 - ❖ The Prop 98 split between K-12 and community college districts has not been maintained. Community colleges will receive 10.87% of the Prop 98 dollars yet we should receive 10.93%, a reduction of close to \$45 million.

2017-2018 Proposed Budget Community College Overview



The Governor's Budget Proposal provides \$400 million in additional funding for the Community College Systems.

- \$94.1 million to fund 1.48% statutory COLA
- \$79.3 million to fund 1.34% growth
 - Equates to 11,500 FTES
- \$3.8 million to offset decreased student enrollment fees
- \$23.6 million to fund base apportionment increase
- No one-time funding for Outstanding State Mandated Claims

2017-2018 Proposed Budget Community College Overview



- \$6 million for Integrated Library System for all CCC Students
- \$10 million for the Online Education Initiative
- \$5.4 million to provide the 1.48% COLA to:
 - Extended Opportunity Program and Services
 - Disabled Student Services
 - Cal WORKs
 - Child Care Tax Bailout Programs
- No funding increase for:
 - Student Success and Support
 - Student Equity
 - Basic Skills
 - Strong Workforce Program

2017-2018 Proposed Budget Community College Overview



One-Time Funding

- \$150 million to provide grant for developing and implementing Guided Pathway Programs
- \$43.7 million Deferred Maintenance and Instruction Equipment
 - No matching requirements
- \$52.3 million for Prop 39 energy efficiency program
- \$20 million for Innovation Awards program

2017-2018 Proposed Budget

Prop 51 – Facilities Bond



- ❖ Governor only funded 5 out of the 29 Capital Outlay Projects which were approved by the Board of Governors
- ❖ Focus on projects that addressed critical health and safety needs as well as improving existing instructional infrastructure.
- ❖ Governor Proposed the following projects:
 - Pasadena's Armen Sarafain Building Seismic Replacement
 - San Francisco's Alemany Center Seismic Upgrade
 - San Francisco's Ocean Campus Utility Replacement
 - Fullerton's Business and Humanities Buildings Modernization
 - Compton's Instructional Building 2 Replacement

2017-2018 Proposed Budget

Prop 51 – Facilities Bond



Mt. San Jacinto College					
Chancellors Office Spending Scenarios for Prop 51 Funding					
Funding Year	Proposed a Year Ago	Proposed Now	San Jacinto Campus	Meniffee Center	
2016-17	\$ 500,000,000	\$ -			
2017-18	\$ 500,000,000	\$ 750,000,000		Math & Science Building	
2018-19	\$ 500,000,000	\$ 750,000,000	Science and Technology	Student Services Building	
2019-20	\$ 500,000,000	\$ 500,000,000	Cultural Arts Center	Performing Arts Facility	
2020-21			TBD	TBD	
2021-22			TBD	TBD	
Total	\$ 2,000,000,000	\$ 2,000,000,000			

**As presented at the December 9, 2016 Capital Projects Workshop*

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Prop 51 – Facilities Bond



Mt. San Jacinto College			
Chancellor's Office Capital Outlay Process*			
Funding Year		San Jacinto Campus	Meniffee Center
2016-17	\$ -		
2017-18	\$ -		
2018-19	\$		Math & Science Building
2019-20	\$ 750,000,000	Science and Technology	Student Services Building
2020-21	\$ 500,000,000		
2021-22		TBD	TBD

**Per the Chancellor's Office 5-Year Construction Plan Memorandum – February 8, 2017*

2017-2018 Proposed Budget

Next Steps



- ❖ The January budget proposal is the beginning of the annual budget process, not the end.
- ❖ The Governor and the Legislature will discuss the proposals and possible changes over the next several months.
- ❖ 2015/16 Recalc. to be released February 2017
- ❖ 2016/17 P-1 to be released on February 24, 2017
- ❖ Governor's Revised Budget to be released in May

Questions?

Governor's Proposed Budget 2017-2018

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