



June 17, 2015

Colleagues,

While final votes will not likely be cast until Friday, we can now share most of the detail of what will likely constitute the final 2015-16 budget for the California Community Colleges.

As mentioned in earlier messages, the Conference Committee agreed to a budget that reflected the priorities of the Assembly and Senate and utilized revenues estimates from the Legislative Analyst's Office (LAO) that were higher than those estimated at May Revision by the Department of Finance (DOF). Yesterday, the Governor held a press conference with the Speaker and Pro Tem announcing an agreement that would modify the Conference version enough to secure the Governor's signature. AB 93 details the Conference Committee proposal, while AB 123 will modify certain details of AB 93 to bring the final budget into alignment with yesterday's announced agreement.

The final agreement brings revenue estimates back into line with DOF's May Revision estimates. Given this, it is not surprising then much of the budget details for the California Community Colleges are similar to what was proposed at the May Revision. The budget includes funding to increase access by 3%, larger increases for SSSP and Student Equity Plans, a 1.02% COLA, rate equalization for CDCP, significant funding for mandate reimbursement and for deferred maintenance/instructional equipment, fully eliminates year-over-year deferrals, and funding for hiring more full-time faculty. In some cases, the totals for these items have altered a bit and some new items have been included, such as funding to restore EOPS to pre-recession levels, \$39M in financial aid grants for full-time students who receive Cal Grant B awards, and \$6M to fund startup costs for the BA degree pilot programs.

Attached is a table highlighting most of the final budget detail as we understand it at this point in time. The table outlines the amounts requested in the 15-16 System Budget Request, if any, the incremental changes funded in the budget, and the total funding amount for the item, where relevant. We hope you find this helpful. Of course, this should be considered unofficial until the Legislature approves AB 123 and the Governor signs that bill along with AB 93, but we thought the table would aid district planning for the coming fiscal year.

As districts plan their budgets, we do hope you will keep earlier cautions in mind. Scheduled increases in PERS and STRS contributions will claim a growing share of local operating funds in the coming years, plus Proposition 30 revenues will begin to phase out at the end of the 2016 calendar year. We are not long removed from sharp reductions to Community College funding, and the inherent volatility of Proposition 98 should not be forgotten. Times are good, today, but it is unlikely that we have seen our last recession.

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