

The COMMUNITY COLLEGE UPDATE

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For 2018-19, the Statutory COLA Is Estimated to Be 2.71%

With the release of the latest economic data from the United States Department of Commerce (USDOC), it is estimated that the statutory cost-of-living adjustment (COLA) for 2018-19 will be 2.71%. This is an increase over the January Governor's Budget estimate for 2018-19 that projected the COLA to be 2.51%.

Today, April 27, 2018, the USDOC released the quarterly value of the Implicit Price Deflator for state and local government for the first quarter of the 2018 calendar year, which provides the last piece needed to calculate the 2018-19 statutory COLA for K-14 education.

During implementation of the K-12 Local Control Funding Formula (LCFF), the COLA is less significant of a factor for most K-12 educational agencies in estimating revenue changes for the upcoming year because it is applied to the target funding level as opposed to a direct application to the level of the appropriation for LCFF.

For community colleges, the COLA is applied directly to the base apportionment as well as to funding for Disabled Student Programs and Services (DSPS), Extended Opportunity Programs and Services (EOPS), California Work Opportunity and Responsibility to Kids (CalWORKs), and Child Care Tax Bailout programs.

—Dave Heckler

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