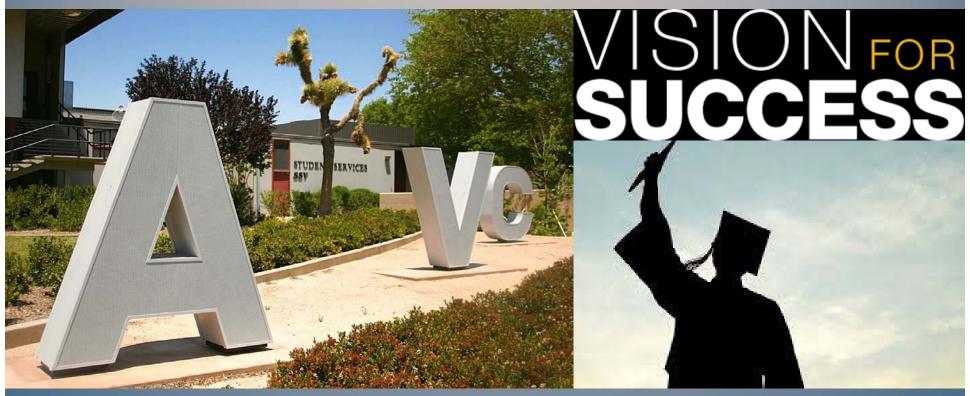


Fall 2019 Opening Day Budget Update



August 16, 2019

Diana Keelen, Chief Business Official

"The budget is not just a collection of numbers, but an expression of our values and aspirations."
~ Jacob Lew



Topics

- Summary of Community College Budget
- Student Centered Funding Formula (SCFF)
- 2018-2019 Estimated Actuals
- 2019-2020 Draft Adopted Budget



2019-2020 Governor's Budget Themes

Effective Government

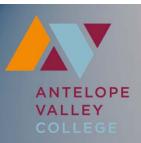
- Eliminating debts and paying down liabilities
- Reversing deferrals
- Building up Reserves

Affordability and Opportunity

- Funding for low income families
- Increasing K-12 funding per pupil
- Investing in Special Ed Programs
- Fund first years of community college for first time, full time students

Justice and Dignity

- Supporting local governments in assisting with the homelessness epidemic and mental health issues
- Significant investment in preventing and mitigating the homelessness epidemic
- Health care for undocumented immigrants

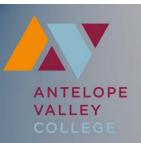


Summary of CA Community College Budget

Table 5: California Community Colleges Funding by Program at 2019 Budget Acta (In Millions)

Program	2018-19 Revised	2019-20	Change			
			Amount	Percent	Explanation of change	
Student Centered Funding Formula	\$7,165	\$7,430	265	3.69%	COLA, enrollment growth, minimum revenue provision	
Student Equity and Achievement Program	475	475	-	-		
Strong Workforce Program	255	248	-7	-2.75%	Remove \$7 one-time, \$7 in 2019-20 is from one-time sources	
Student Success Completion Grant	132	150	18	13.98%	Adjust for revised estimates of recipients	
Adult Education Program	131	135	4	3.14%	COLA (does not apply to \$5 million for data system)	
Disabled Students Programs and Services (DSPS)	120	124	4	3.26%	COLA	
Extended Opportunity Programs and Services (EOPS)	112	116	4	3.26%	COLA	
California College Promise (AB 19)	46	85	37	79.4%	Remove \$4 for revised estimates of recipients, add \$42.5 expansion	
Financial aid administration	92	76	-16	-17.28%	Remove \$14 one-time, adjust for revised estimates of fee waivers	
Full-time faculty hiring	50	50	-			
CalWORKs student services	45	47	1	3.26%	COLA	

Source: California Community College Joint Analysis, State Budget Update: Enacted 2019-2020 Budget, June 28, 2019

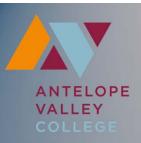


Summary of CA Community College Budget

Table 5: California Community Colleges Funding by Program at 2019 Budget Act^a (In Millions)

2018-19 2019-20 Change					
Program	2018-19	2019-20			
	Revised		Amount	Percent	Explanation of change
Apprenticeship (CCC districts)	53	44	-9	-17.13%	Remove \$10 one-time, COLA
Integrated technology	42	42	-	-	
Mandates Block Grant and reimbursements	33	34	1	1.85%	COLA, revised enrollment estimates
Institutional effectiveness Initiative	29	28	-1	-4.78%	Remove one-time funding
Part-time faculty compensation	25	25	-	-	
Online education initiative	58	23	-35	-60.34%	Remove one-time funding
Economic and Workforce Development	23	23	-	-	
NextUp (foster youth program)	20	20	-	-	
Calbright College (online college)	120	20	-100	-83.33%	Remove one-time funding
Cooperative Agencies Resources for Education (CARE)	16	17	1	3.26%	COLA
Lease revenue bond payments	32	16	-16	-49.00%	Adjust for actual obligations
Deferred maintenance and Instructional equipment (one time)	28	14	-14	-48.21%	Remove and add one-time funding
Nursing grants	13	13	0	-	
Part-time faculty office hours	62	12	-50	-80.42%	Remove one-time funding
Veterans Resource Centers	13	10	-3	-38.46%	Remove one-time funding and augment

Source: California Community College Joint Analysis, State Budget Update: Enacted 2019-2020 Budget, June 28, 2019



Summary of CA Community College Budget

Table 5: California Community Colleges Funding by Program at 2019 Budget Acta (In Millions)

	2010 10	2010 22	Change		
Program	2018-19 2019-20		Change		
	Revised		Amount	Percent	Explanation of change
Student housing program	-	9	9	-	Funding for new program
Foster Parent Education Program	5	6	0	7.61%	Backfill federal funding (\$0.4 million)
Childcare tax ballout	4	4	0	3.26%	COLA
Other ^b	3	3	-	2.66%	
Equal Employment Opportunity Program	5	3	-2	-43.39%	Remove one-time funding (EEO Fund)
Umoja	3	3	-	-	
Mathematics, Engineering, Science Achievement (MESA)	2	2	-	-	
Puente Project	2	2	-	-	
Middle College High School Program	2	2	-	-	
College-specific allocations	16	11	-5	-	Remove and add one-time funding
One-time program funding ^c	31	9	-22		Remove and add one-time funding
K-12 passthroughs (adult ed, K-12 apprenticeship, workforce)	621	606	-15	-2.42%	Remove one-time funding, COLA
Totals	\$9,884	\$9,937	\$49	0.49%	

^a Table reflects total programmatic funding for CCC, including amounts from prior years available for use in the years displayed.

COLA = cost-of-living adjustment.

^b Other programs include Academic Senate, transfer, FCMAT, and part-time faculty health insurance.

^c In 2018-19, includes one-time allocations for hunger-free campus, mental health services and training, re-entry grant program, and open educational resources. In 2019-20, includes basic needs programs, re-entry grant program, teacher credentialing partnerships, and assessment of college-based food programs.



Student Centered Funding Formula

Year 1:

70% Base (Enrollment) 3 year average FTES

20% Supplemental Grant

10% Student Success Initiative Grant

Year 2: - On Hold Using Year 1 per Gov Proposal

65% Base (Enrollment)

20% Supplemental Grant

15% Student Success Initiative Grant

Year 3:

60% Base (Enrollment)

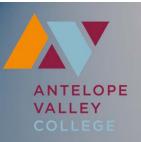
20% Supplemental Grant

20% Student Success Initiative Grant

 Hold Harmless held to 2017-2018 levels plus COLA for 3 years

Noncredit & CDCP
 separate
 Oversight Council
 created (Governor's
 Rep, Senate Rules
 Committee & Speaker)

Basic Skills, SSSP &
 Student Equity
 Combined into one
 allocation called the
 Student Equity &
 Achievement Program



2018-2019 Estimated Actuals Unrestricted

	<u> 2010-2019</u>
	Estimated Actuals
Beg. Balance	\$10,716,881
Revenue	\$77,384,075
Expenses	\$73,782,167
Ending Fund Balance	\$14,318,789
Surplus/(Deficit)	\$ 3,601,908
One Time Committed Funds & Assigned Reserves	\$ (500,000)
Unassigned Ending Fund Balance	\$ 13,818,789
Reserve %	19.4%

2019-2020 Draft Adopted Budget Unrestricted

VALLEY

	2019-2020 Draft Adopted Budget using 17-18 TCR base plus COLAs	Adopted Budget
	14,318,789	14,318,789
Beg. Balance		
	72,726,772	83,336,198
Revenue		
	77,228,028	77,228,028
Expenses*		
	9,817,533	20,426,960
Ending Fund Balance		
	(4,501,256)	6,108,171
Surplus/(Deficit)		
	(500,000)	(500,000)
One Time Committed Funds & Assigned Reserves		
	9,317,533	19,926,960
Unassigned Ending Fund Balance		
	12.7%	26.5%
Reserve %		

^{*} Expenses only include board approved negotiation agreement with classified and CMSA