

From: Benjamin, Helen <hbenjamin@4cd.edu>
Sent: Friday, January 11, 2013 1:26 PM
To: 00-Everyone@CCCCD
Subject: Governor Brown's 2013-14 Budget Proposal

Dear District colleagues:

After four difficult years of a severe fiscal crisis and billions of dollars in cuts, California's economic outlook is improving based on yesterday's unveiling of the Governor's 2013-14 budget proposal.

Thanks in part to the passage of Proposition 30 in November 2012, a sense of financial stability is being felt in Sacramento. Instead of more painful cuts, the Governor is proposing a budget that includes additional funding for education and some policy changes that have an impact on community colleges. While the budget proposal is the first step of a lengthy and political process, it is a signal that perhaps we are beginning the financial recovery of the community college system. I like Scott Lay's comment: "The governor's proposal for all three systems highlights the need in California to increase college completion, and we anticipate a thorough discussion in the upcoming months. This is not about "rationing" or budget cutting anymore, but rather recognizing the economic and social justice mandates for tackling this issue".

The Governor's Budget Proposal

Governor Brown described his proposed \$97.7 billion general fund budget as balanced and fiscally conservative, with some increases in education at all levels. K-12 will receive support, as well as more local authority for decision-making and special funding for low-revenue school districts in poor areas. The California State University and the University of California are each provided \$125.1 million, including \$10 million each to increase access to technology-based courses for students. The California Community Colleges will receive a number of fiscal improvements, as well as policy changes, which are summarized below in reference to the impact upon the District. Bear in mind that the numbers below are based on the governor's *proposal*. These are not set in stone.

- **\$196.7 million in increased apportionment funding.** Although the California Community Colleges Board of Governors and Chancellor's Office must determine how to divide this funding in the allocation for FTES growth/restoration, COLA, and other purposes, this will be a significant boost for the entire system of community colleges.

4CD Impact. Apportionment funding is estimated to increase by approximately \$3.5 million.

- **\$179 million to buy-down deferrals.** This funding will be applied to the state's backlog in funding community colleges in a timely fashion during the year. Deferrals currently total almost \$1 billion. During the periods in which payment is not received, community college districts have had to rely upon their own reserves or borrow funds to support their payrolls, classes, and operations. This part of the Governor's Budget will make a dent in this practice, enabling the state to provide cash to districts sooner.

4CD Impact. The estimated impact of the deferral buy-down will mean our 2013-14 deferrals would go from \$21.9 million to \$17 million, a difference of \$4.9 million.

- **\$49.5 million to support energy efficiency efforts.** As part of the Proposition 39 income, funding will be available for community colleges to develop and expand workforce and career training programs in areas pertaining to clean energy and energy-efficiency.

4CD Impact. Details have not been announced yet to clarify how this funding will be allocated.

- **\$16.9 million to enhance online education.** Governor Brown hopes to see the creation of a centralized Virtual Campus, with a single hosting system, so that students throughout the state could find online classes through a common portal. There is also an interest in expanding this system to support SB 1440 transfer degree courses, remedial courses, and credit-by-examination.

4CD Impact. Details have not been announced yet to clarify how this funding will be allocated.

- **\$300 million to shift Adult Education responsibility from K-12 to CCCs.** As a result of several studies, including the recent study by the Little Hoover Commission, the Governor has joined the ranks of those who believe that Adult Education would best be provided by community colleges. This will be partial funding toward that goal.

4CD Impact. Details have not been announced yet to clarify how this funding will be allocated.

The Governor's Budget contains some other small financial items, as well as policy matters that will be sorted out in the weeks and months ahead. Among them, are the following:

- a five-year phase-in of an effort to base apportionment funding on student completion data rather than census date enrollment (This will be an entirely new process for all community college districts, including the 4CD.);
- a 90-unit cap above which no state support will be provided for students; and
- a requirement for Part B BOG fee waivers to require students to complete the federal FAFSA forms for financial aid, a new practice that will require adjustments by the Financial Aid offices).

The Governor's 2013-14 budget proposal does not restore all of the cuts we have endured over the past 5 years, but it is definitely a step in the right direction and presents a much better set of options than any budget has done in recent years. The attention given to education is laudable. I ask for your help to continue operating this District in a fiscally prudent manner.

Student Success Task Force Recommendations

Having some confidence that our financial situation has stabilized, I want to remind everyone we must not forget the important work that still lies ahead in achieving greater student success. Progress within the District has been made on many of the recommendations announced by the State Chancellor's Student Success Task Force, and we must remain vigilant in increasing the number of students earning certificates and degrees, matriculating into four-year institutions, and qualifying for good paying jobs that will improve our local economy.

Thank you for your continued focus on our students. Have a sensational weekend!

Helen

Helen Benjamin, Chancellor
Contra Costa Community College District
500 Court Street
Martinez, CA 94553
Please note my new direct phone number: 925 229 6820.

Cerruti, Linda

From: Benjamin, Helen
Sent: Wednesday, May 15, 2013 3:44 PM
To: 00-ALL EMPLOYEES DISTRICTWIDE
Subject: Governor's May Revise

Dear colleagues:

On Tuesday, May 14, 2013, the 2013-14 California budget entered its second major phase of development with Governor Jerry Brown's press conference in which he presented his May Revision budget. For California Community Colleges, yesterday's budget update is generally good news. Following the governor's initial budget proposal, made on January 10, 2013, the May Revision (also known as the May "Revise") is an update of the governor's fiscal plans based upon actions of the legislature and input from the public. The May Revision will become the basis for additional legislative review and action toward the countdown to June 15, 2013, the deadline for providing a final budget to comply with the July 1, 2013, deadline required by the California Constitution.

For community colleges, the governor's new budget proposal reflects compromises as well as new directions. For example, he withdrew his earlier proposals to:

- impose a 90-unit cap on students whose enrollment would qualify for state support;
- move the census date for establishing official enrollment data to a later time in the semester; and
- move the responsibility of adult education from K-12 to community colleges and replaced it with a new proposal that emphasizes a two-year planning process, utilizing \$30 million in planning grants and implementation funding of \$500 million available in 2015-16 for the formation of regional consortia involving community colleges and their K-12 counterparts.

The governor also added a one-term grace period for students to complete the complex federal financial aid form, FAFSA, in order to qualify for the California Community Colleges Board of Governor's fee waiver.

Most important, the governor has proposed increases in three types of apportionment funding, which is the ongoing funding that community college districts receive based upon the enrollment measure FTES (full-time-equivalent students). These proposed allocations, with their District impact, follow.

Cost-of-Living Adjustment (COLA). The proposal is for a COLA in the amount of \$87.5 million (1.57%). Our District would receive approximately \$2 million from this fund and would use it in accordance with our District allocation formula to address economic needs and inflationary costs.

Access. \$89.4 million has been earmarked for student "access" (i.e., restoration and growth) to instructional programs and services. Our District would receive approximately \$1.9 million of these funds.

Student Success. The Statewide Student Success Task Force concluded its work over a year ago with 22 recommendations for improving the rates of student persistence and completion in community college instructional programs. A number of the task force's strategies became the basis for Senate Bill 1456, which included specific requirements and metrics. The governor's budget would provide \$50 million to implement some of these new requirements. The District would receive approximately \$950,000. We are waiting to receive additional details on how we can spend this allocation.

Missing from this apportionment list is funding for two categorical programs, Disability Support Programs & Services (DSPS) and Equal Opportunity Programs and Services (EOPS). We will continue to advocate funding for these two programs so *all* of our students will have the resources they need to be successful.

Deferral Buy-Down. The May Revision includes and expands upon the governor's earlier proposal to begin to "buy-down" the "wall of debt" affecting all public organizations and service agencies in California. Community colleges have suffered severe cash-flow delays amounting to \$961 million in cash-flow constraints due to the state's bad practice of deferring timely payment of its obligations by months at a time. The governor's plan to reduce (buy-down) this debt would result in a balance of \$621 million that is owed to community colleges, thereby releasing cash payments faster. The District would benefit by approximately \$7.7 million in more timely payments.

The May Revision gives us hope of a somewhat better future for our District and the students we serve. As we celebrate the accomplishments of our students, I thank you for your continued dedication to helping our students achieve their goals.

Helen

Helen Benjamin, Chancellor
Contra Costa Community College District
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Martinez, CA 94553
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