

Chabot-Las Positas Community College District
Budget in Brief
2011-12

Summary of the Governor's January
Budget Proposal for Fiscal Year 2011-12

On January 10, 2011, the Governor released his State Budget Proposal for the 2011-12 fiscal year. The Governor's Budget estimates the 18-month budget gap to be \$25.4 billion, with \$8.2 billion occurring in 2010-11 and \$17.2 billion in 2011-12. The budget includes spending cuts of \$12.5 billion, revenue increases of \$12 billion, and \$1.9 billion in other solutions. The proposal balances the budget and creates a \$1 billion reserve. The budget proposes to keep K-12 education funding flat assuming voters approve a five-year extension to the temporary taxes enacted with the 2009-10 Budget. The Governor proposes extending the flexibility measures, including categorical flexibility, by two more years. The proposal includes a \$1.5 billion cut to CalWORKs and a major reduction in child care funding, including several programs administered by the California Department of Education.

Recognizing the urgency of the state's fiscal problems, the Budget calls for an accelerated timeline to restore balance to the state's finances. It assumes that all necessary statutory changes to implement budget solutions will be adopted by the Legislature and signed by the Governor by March. This will allow the necessary ballot measures to be placed before the voters at a statewide special election in June. In addition, early enactment of budget proposals will lead to implementation sooner allowing greater savings to be achieved by the end of 2011-12.

Below is a summary of the Governor's Budget Proposal as it relates to the California Community Colleges and the Chabot-Las Positas Community College District. The major components of the 2011-12 Budget Proposal for California Community Colleges include:

For the Budget Year 2011-12

- 1.9% enrollment growth funding, equivalent to 22,700 FTES (\$110 million)
- Decrease of \$400 million in funding by "reforming census dates" (6.8% budget reduction)
- Increase in fees from \$26 per unit to \$36 per unit (\$110 million), which would fund the enrollment growth
- 0.00% COLA funding though the budget estimates a 1.67% COLA
- Ongoing funding of \$89.9 million for K-14 mandates to provide level funding, relative to 2010-11, for reimbursement of state-mandated costs (current law suspends for three years those programs that were suspended during the 2010-11 fiscal year)
- \$1.7 million increase in financial aid administration

The \$400 million cut eliminates funding for 90,500 full-time equivalent students (FTES), or over 215,000 headcount students. After enrollment growth, funding will be eliminated for 67,856 FTES, or 161,141 students. The Community College League of California (CCLC) estimates the C-LP share of cuts would total \$5,851,000. CCLC estimates the loss in headcount for Chabot College to be 1,333 students and for Las Positas College to be 823 students. C-LP estimates the growth funding of 1.9% to approximate \$1,451,000. The net reduction in apportionment revenue is estimated to be \$4,400,000.

The cuts to community colleges assume the voters approve \$12 billion in additional revenues at a June election. If this revenue does not materialize, the community college share would require an additional \$500 million cut in each of the next five years – a \$2.5 billion cut.

Proposition 98

Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee and (1) workload changes as measured by the change in average daily attendance (ADA), and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Under certain circumstances, the minimum level is set by a fixed percentage of General Fund revenues. Through a series of manipulations, fund shifts, and new interpretations of the constitutional measure, Proposition 98 is becoming even more complex and providing an even less certain guarantee of funding for K-12 education and the community colleges.

2011-12 Proposition 98 Minimum Guarantee

The budget keeps Proposition 98 funding essentially level, assuming voters approve a five-year extension to the temporary taxes enacted with the 2009-10 Budget. For the budget year, the minimum guarantee is projected at \$49.3 billion for K-12, community colleges, and other state agencies that serve students. This equates to approximately 41.22% of total general fund revenues.

Categorical Programs

- Extend categorical flexibility through 2014-15
- \$1.5 billion cut to CalWORKs though no cuts are expected to the California Community College CalWORKs program
- Cuts to child care programs, including some administered by the California Department of Education

Apportionment Deferrals

The Governor's budget proposal includes an additional \$129 million in inter-year apportionment deferrals.

Sources of Information:

California Community Colleges System Office

Community College League of California

School Services of California (SSC)

Office of the Governor website