



Business & Fiscal Services Update: FY 2016-17 Proposed Budget Released

Jose Torres, Vice Chancellor, Business & Fiscal Services

January 2016

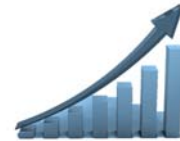
The Governor has released his initial budget proposal for FY 2016-17 and based on our preliminary analysis, it looks to be very solid with a few changes from the current year. While it is too soon to analyze the entire budget, we wanted to communicate to you key highlights that affect SBCCD.

Summary

Although the FY 2016-17 proposed budget appears to be a solid proposal for SBCCD, there are a few challenges in the upcoming year such as increases to STRS/PERS and the phasing out of Proposition 30 at the end of this year. The State Chancellor's Office continues to caution us to avoid "overcommitting to ongoing obligations" which "may lead to budget difficulties in the near future".

Details

Growth	2% (This is the growth that we expected and are utilizing within our multi-year forecast!)
COLA	.47% (This lower-than-expected COLA, combined with the lack of a base allocation increase, will make it difficult for districts to address increasing operating costs.)
Student Equity & SSSP	Same level of funding we are receiving for 2015-16.
One-time Funding (General Operating)	No additional one-time funding for general operating support.
Physical Plant & Instructional Equipment (Block Grant)	There is a very significant increase of almost 100%, which is great news. Similar to 2015-16, we will have the flexibility to distribute funds among maintenance, instructional equipment, and drought response activities with no local match required.
Proposition 39 – Energy Efficiency	Proposition 39 includes an increase in funding of about 16% from the current fiscal year.
Tuition Fees	No increases in tuition fees for our students!



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Other Items to Note

The budget proposal contains a couple of items worth mentioning; however, not enough information is available as of now. First item is the additional \$30 million increase to Basic Skills. According to the information we received, this additional funding is to incentivize and support colleges that successfully implement research-based practices that transition students from basic skills to college-level programs. The second item is the \$5 million set aside in order to provide incentives to programs that have no cost to students for the use of textbooks.

Next Steps

We will continue to monitor the State budget process and keep you updated on important developments. In the meantime, we are working with our partners in Sacramento to advocate for increases to COLA and the base allocation.