



Business & Fiscal Services Update: FY 2017-18 Revised Budget Released

Jose Torres, Vice Chancellor, Business & Fiscal Services

May 2017

The Governor has released his revision to the FY 2017-18 budget proposal and based on our preliminary analysis, it seems that our advocacy work over the past several months to increase ongoing revenues and one-time funds has paid off. While it is too soon to analyze the entire budget, we wanted to communicate to you key highlights that affect SBCCD. Please keep in mind that the May Revision is not the final budget and is subject to change.

Summary

Although the FY 2017-18 revised budget appears to be a great win for SBCCD, there are a few continued challenges in the upcoming year such as increases to STRS/PERS, the decrease to the Physical Plant and Instructional Equipment program and the elimination of one-time funds.

The Community College League of California states that "The May Revision is driven by economic insecurity based on a mild drop in state revenue coupled with uncertainty about federally-funded programs."¹ We need to continue to be cautious how we spend our funding since Governor Brown has emphasized "a belief that the current spending trajectory will lead to a state budget deficit" (Galizio 2017).

Details

Growth	Down 1.00% from 1.34% <i>The state will continue to fund districts based on the new growth formula, which translates to approximately 2.00% for SBCCD. Our multi-year forecast will continue to use 1.5% enrollment growth as recommended by the District Enrollment Management Committee.</i>
COLA	1.56% increase from 1.48% <i>It is estimated that the COLA will provide approximately \$1.3 million to SBCCD in order to cover a portion of the estimated \$2 million increase to STRS/PERS.</i>
Student Equity & SSSP	No augmentation

¹ Galizio, L., Ph.D. (2017, May 11). Governor's 2017-18 May Revision [E-mail].



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One-time Funding (General Operating)	No additional one-time funding for general operating support
Physical Plant & Instructional Equipment (Block Grant)	<p>Approximate increase of \$1.9 million from proposed budget of \$500,000</p> <p><i>While this initially seems like great news, the concern is that we will not receive this funding until P2 in FY 2018-19 (April 2018) and that it may be subject to decreases due to low state revenue.</i></p>
Proposition 39 – Energy Efficiency	<p>Increase in funding of about 14% from the current fiscal year</p> <p><i>This funding is for solar facilities at SBVC and the District Office as stated in program review.</i></p>
Tuition Fees	No increases in tuition fees for our students!
Base Augmentation	<p>Significant increase in the proximate amount of \$186.3 million</p> <p><i>This equates to approximately \$2.5 million (up from \$300 thousand) for SBCCD.</i></p>

Other Items to Note

The budget revision maintains funding for guided pathways and we will continue advocating to keep the requirements as flexible as possible so that SBCCD may utilize these funds in a way that best serves our students. It is important to note, however, that there is an existing trailer bill that will determine funding allocation and requirements.

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 the permanency of increases to the base allocation.

Community College League of California
May Revision 2017-18

Item	2016-17 Enacted Totals	2017-18 System Budget Request	2017-18 Governor's January Proposal	2017-18 May Revision	Notes
Ongoing Funds					
Cost of Living Adjustment (COLA)	0%	1%	\$94.1 M (1.48%)	\$97 M (1.56%)	
Enrollment Growth	2%	2%	\$79.3 M (1.34%)	\$57.8 M (1%)	Allows the system to serve around 24,000 more students.
Base Augmentation	\$75 M	\$200 M	\$23.6 M	\$183.6 M	
Student Success and Support Program (SSSP)	No Augmentation	No Augmentation	No Augmentation	No Augmentation	
SSSP - Equity	No Augmentation	No Augmentation	No Augmentation	No Augmentation	
Workforce & CTE Pathways	\$248 M	No Augmentation	No Augmentation	No Augmentation	
Basic Skills	\$30M	\$25M	No Augmentation	No Augmentation	
COLA for EOPS, DSPPS, Cal Works, Childcare Tax Bailout	0%	1%	\$5.6 M (1.48%)	\$5.6 M (1.56%)	
Full-Time Student Success Grants	\$41.2 M	No Augmentation	No Augmentation	\$5 M	About \$600 per full-time student.
Online Education Initiative	No Augmentation	\$10 M	\$10 M	\$10 M	
One-Time Funds					
Guided Pathways			\$150 M	\$150 M	Amends trailer bill language: (1) clarify the Guided Pathways four pillar framework; (2) clarify the funds will be used for release time, professional development, and technology solutions; (3) CO authority to require program criteria, qualitative and quantitative indicators; and (4) requires annual report.
Integrated Library Systems			\$6 M	\$6 M	
Deferred Maintenance & Instructional Equipment		\$184.5M	\$43.7 M	\$135.8 M	Will <u>not</u> be allocated until P2 in 2018-19
Prop 39 Clean Energy Job Creation Fund			\$52.3 M	\$46.5 M	
Equal Employment Opportunity Program				\$1.82 M	One-time from FON penalties
RDA Backfill				\$31.7 M	One-time, allocated on FTES basis to backfill for lower than estimated RDA revenue.
Innovation Awards		\$25M	\$20 M	\$20 M	Focus areas to be determined by CCC Chancellor.