

# Peralta Community College District



 *McCallum Group, Inc.*  
A Catalyst for Change



# Presentation Topics

## McCallum Group

What we do

Budget

Budget Issues for 2012

Sponsored Legislation

Legislation

Issues for 2012 & Beyond

## What we do

- **McCallum Group is Peralta's eyes, ears and voice in Sacramento.**
- **Every two-year session there are thousands of bills and regulatory changes proposed. We monitor every proposed change and analyze its impact on Peralta.**
- **We help build a coalition that includes the Chancellor's Office, the League, faculty groups and other districts.**

## MGI - Overview

# 2011 Successes (Budget)

- Defeated proposed census date change.
- Defeated Increase of fees to \$60/unit.
- Defeated reduced funding rate for credit basic skills.
- Defeated unit cap on the number of taxpayer subsidized credits that a student may take.
- Defeated proposal to eliminate funding for repetition of enrichment courses.
- Reduction taken as a workload reduction.

# MGI 2011-12 Budget

<i>Budget Scenario</i>	<i>System Cut</i>	<i>Peralta</i>	<i>Deferral</i>	<i>Potential Student Impact</i>	<i>Fee Level</i>
<b>Governor Jan Proposal (w/ tax extension)</b>	\$400 million	\$ 5.46 million	\$129 million	2,520	\$36/unit
<b>All Cuts budget (LAO Worst Case Scenario)</b>	\$1.3 billion	\$ 23.4 million	Unknown	8,000	\$66/unit
<b>June Budget</b>	\$400 million	\$ 5.46 million	\$129 million	2,520	\$36/unit
<b>New Worst Case Scenario</b>	\$502 million	\$ 6.7 million	\$129 million	3,090	\$46/unit

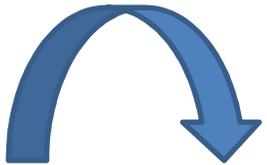
# MGI 2011-12 Budget

## Trigger Cuts:

- ✓ Tier 0 (at least \$3 billion of the \$4 billion of new revenue materializes): No additional cuts.
- ✓ Tier 1 (between \$2 billion and \$3 billion new revenue materializes): \$30 million apportionment cut, increase in fees by \$10/unit effective summer session of 2012.
- ✓ Tier 2 (between \$0 and \$2 billion of new revenue materializes) Tier 1 cut and fee increase, PLUS additional \$72 million apportionment cut (workload reduction assumed).

**\*\* Expect Trigger 2 cuts.**

## 2011-12 Budget Issues



### 2011 Trigger Cuts

- Tier 1:
  - ✓ \$30 million apportionment cut
- Tier 2:
  - ✓ \$72 million with workload reduction assumed



### 2012 January Budget

- Assume November tax initiative
  - ✓ \$200 - \$400 million additional funding to CCCs
- Trigger cuts if initiative fails
  - ✓ Districts must plan for the worst

## 2011-12 Budget Issues



### ***Multiple Tax Proposals***

- Governor's Proposal**
  - Income tax on high earners and sales tax
- CFT Proposal**
  - Income tax on high earners
- Think Long Proposal**
  - Extend sales tax to services
- Molly Munger Proposal**
  - Income tax on high earners earmarked for K-12
- Oil Severance Tax**
  - Oil severance tax earmarked for K-university education
- UC and CSU Tuition Free**
  - Income tax on high earners to eliminate UC and CSU fees

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## 2011-12 Budget Issues

*Proponents have about 45 days to unite  
around one of the tax proposals.*



## Budget Issues

*What is the Solution?*



→ **Where to fund community colleges?**

- Apportionments – buy down workload reduction
- Categorical programs
- Student Success
- Mandates

→ **If tax measure fails, where should community colleges be cut?**

- Apportionments – workload reduction
- Categorical programs
- Other

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## 2011 Sponsored Legislation



- AB 795 (Block) – Smoking fine; signed by Governor.
- AB 844 (Lara) – nonresident student trustee; signed by Governor.
- SB 774 (Hancock) – increases cap on parking fee; signed by Governor.
- AB 288 (Fong) – student expulsion; vetoed by Governor.

## MGI - Overview

# 2011 Legislation (Successes)

→ **AB 131 (Cedillo) – California Dream Act.**

→ **AB 743 (Block) – Single assessment tool.**

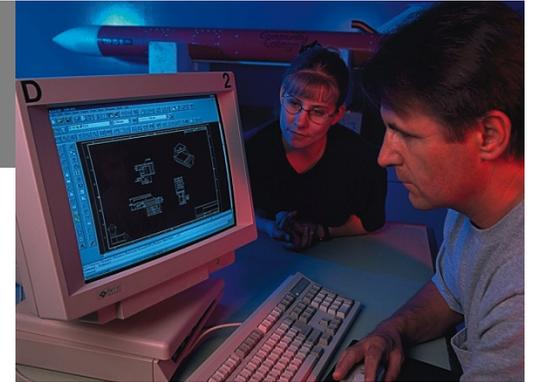
## 2011 Success (Legislative)



### Vetoed/Stopped

- **AB 1342 (Dickinson) – Would have required districts to undertake a separate bidding procedure for roofing contracts.**
- **SB 27 (Simitian) – Would have limited final compensation for PERS and STRS retirees.**

## 2011 Other Bills of Interest



### 2-year bills

- **AB 160 (Portantino) – Concurrent enrollment.**
- **AB 319 (Swanson) – Inmate education.**
- **SCA 5 (Simitian) – lower threshold for parcel tax to 55%.**

## Issues of 2012 & Beyond

→ Issues will be driven by Colleges, legislators in leadership positions, by staff, and the Student Success Task Force.

→ The Student Success Taskforce.

Basic Skills

BOG Waiver/Financial Aid

Prioritization

Accountability/Statewide Goals

Categorical Programs

Technology



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## Issues of 2012 & Beyond

→ **Other Legislative/Budget Issues:**

**Pension Reform**

**STRS Unfunded Liability**

**Facilities**

**Procurement**

**Fees**

**Jobs/Economic Development**

**Efficiency**

**SB 1440 implementation**

