

Peralta Community College District



McCallum Group, Inc.
A Catalyst for Change



Presentation Topics

McCallum Group

What we do

Budget

Budget Issues for 2013

Legislation

Issues for 2013 & Beyond

Pension Reform

What we do

- ❑ McCallum Group is Peralta's eyes, ears and voice in Sacramento. We spend hours developing and implementing budget and legislative strategy for the district.**
- ❑ We monitor and analyze thousands of bills and regulatory changes and their impact on Peralta.**
- ❑ Peralta participates in two weekly conference calls that include representatives from the League, the Chancellor's Office and other districts.**
- ❑ We build a coalition that includes the Chancellor's Office, the League, faculty groups and other districts.**

MGI - Overview

2012-13 Budget Success

- Defeated proposal to overhaul SB 361 funding formula.
- Defeated proposal to increase grade point requirements for Cal Grant students.
- Defeated proposal to eliminate funding for community college athletics.
- Defeated proposed changes to BOG fee waiver to limit eligibility.
- Secured language to guarantee estimated property tax increase from the elimination of redevelopment agencies.
- Secured an additional \$50 million in enrollment restoration funding.

MGI 2012-13 Budget

<i>Budget Scenario</i>	<i>State Funding</i>	<i>State Deferral</i>	<i>Peralta Funding</i>	<i>Potential Student Impact – State/District</i>	<i>Fee Level</i>
2012-13 budget (w/ Proposition 30)	\$50 million Apportionment restoration	\$159.9 million reduction in current deferred payments	\$882,000 in access funding \$2.82 million in deferral buy-down	10,000 FTES/ 176 FTES	\$46/unit
2012-13 budget (w/out Proposition 30)	(\$338.5 million)	No reduction in deferred payments.	(\$5.97 million)	(75,500 FTES)/ (1,310 FTES)	\$46/unit, but potentially more

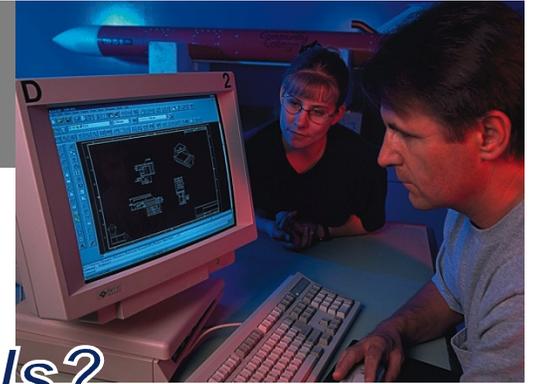
2013-14 Budget Issues



- **Proposition 30 passes** - where will funding be allocated; access, debt, or categorical programs?
- **Proposition 30 fails** - how restructure community colleges to adjust to the reductions? What type and level of fees?
- **SB 361 funding formula** – Governor proposed an overhaul of the funding formula, will he do it again?
- **SB 361 growth formula** – given the changing demographics of high school students, is it time to reexamine growth funding?

Budget Issues

What is the Solution if Prop 30 Fails?



- **Dealing with cuts**
 - Workload reduction
 - Issues of FON

- **Priority enrollment and enrollment management locally**
 - Part of Student Success Task Force

- **Do fees become a part of the solutions?**
 - If so, when?
 - What type of fees?
 - Technology fee
 - Higher Fees for high wage programs
 - Enrollment fee (all students)
 - Fee-based credit courses (Santa Monica model)

2012 Legislation (Sponsored)



**AB 2171 (Fong) – Campus safety.
Signed by the Governor.**

- **Authorizes Community College District to deny enrollment to a student expelled from another district for an act of violence.**
- **Guarantees evaluation process for that student prior to denial of enrollment.**



2012 Legislation (Signed)

- **AB 1748 (Fong) – Leasing flexibility**
- **SB 1280 (Pavley) – Best value Procurement**
- **SB 1070 (Steinberg) – CTE Pathways Reauthorization**
- **SB 1402 (Lieu) – Workforce and Economic Development Program Reauthorization**
- **SB 1456 (Lowenthal) – Student Success Act**

2012 Legislation



Vetoed/Failed

- **AB 852 (Fong) – Mandatory rehire rights for PT faculty**
- **AB 1826 (Hernandez) – Limit FT faculty overload**
- **SB 1328 (de Leon) – Campus bookstores**
- **SB 1516 (Leno) – “or equal” public contracting**
- **SB 1560 (Anderson) – Alter census date**

Issues of 2013 & Beyond

→ **Legislative Issues**

Accountability/Higher Education Oversight

Workforce and economic development programs

On-line education standards

STRS unfunded liability

Steyer Initiative on clean energy job training

→ **Regulator Issues**

Implementation of Student Success Task Force

Implementation of SB 1456 (Lowenthal) – BOG Fee Waiver

Student Aid Commission Wage and Placement Data

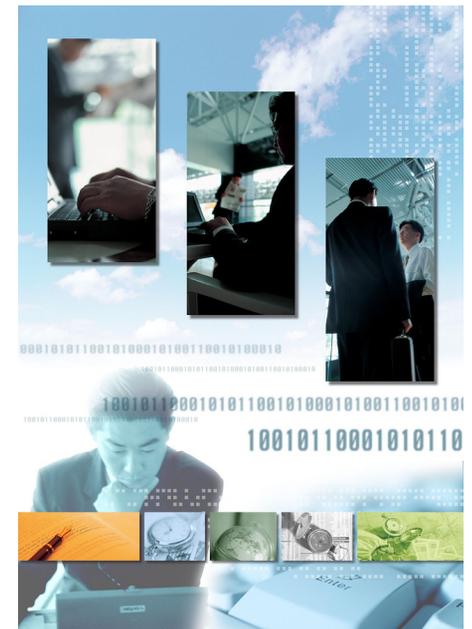
MGI

Pension Reform

→ **AB 340 (Furutani)** – Most provisions only impact **new members** who are hired and enter the system on or after January 1, 2013.

New Members

- Creditable compensation cap at \$110,000 or \$132,000 depending on participation in SS.
- Pay at least half of normal cost of the benefit.
- Retirement formula changes to 2% at 62 and 2.5% at 67 PERS/2.4% at 65 STRS.
- Three year average final compensation.
- Final benefit based on normal/recurring pay.



Pension Reform (Cont.)

→ **AB 340 (Furutani)** – Most provisions only impact *new members* who are hired and enter the system on or after January 1, 2013.

All Members (Current and New)

- Post retirement limits remain the same (960 hours for PERS/half median final compensation - \$40,000 - for STRS).
- 180 day sit-out after retirement (can be waived by local board in certain situations).
- No purchase of service credit after January 1, 2013.
- Felons forfeit retirement benefit.