

# RALTA COMMUNITY COLLEGE DISTRI



## 2013 Sacramento Update

 Mc Callum Group, Inc.

# Presentation

## Topics

### McCallum Group

- ❖ What we do
- ❖ Budget
- ❖ Budget Issues for 2014
- ❖ Legislation
- ❖ Issues for 2014 & Beyond

# 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.**
- ✓ **Chancellor Ortiz and General Counsel Nguyen are directly involved in the annual development of strategy for access and student success.**
- ✓ **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 in order to gain maximum leverage for Peralta Community College District.**

# 2013-14 Budget

## Success

- **Defeated proposal to have Board of Governors allocate funding rather than the Legislature and the Governor.**
- **Defeated proposal to alter census date and fund colleges based on completion.**
- **Defeated proposal to limit students to 90 credit units.**
- **Defeated proposed changes to BOG fee waiver to limit eligibility.**
- **Secured language to guarantee estimated property tax increase from the elimination of redevelopment agencies.**

# 2013-14 Budget

## Success

→ **Successful in majority of Proposition 39 funds being allocated on a per student basis through the Chancellor's Office.**

→ **Maintained adult education/noncredit consortium funding in the Chancellor's Office.**

→ **Successful in generating \$89 million for growth/restoration.**

→ **Successful in generating \$50 million in funding for Student Success Act.**

→ **Secured \$30 million in additional funding for deferred maintenance.**

# 2013-14 Budget

## Update

### Budget Area

#### State Funding Apportionment

\$89 million restoration of access

\$87.5 million COLA

#### State Deferral

\$30 million reduction in current deferred payments in 2013-14

#### Potential Student Impact

20,000 FTES

40,000 headcount

#### Fee Level

\$46/unit

### 2013-14 Budget Act

# 2013-14 Budget

## Update

### Budget Area

Student Success

Deferred Maintenance

OEPS/DSPS

Online Education Coordination

CalWORKS

Academic Senate

\$50 million

\$30 Million

\$15 million

\$16.9 million

\$8 Million

\$150,000

\$15 million

### 2013-14 Budget Act

# 2013-14 Budget Update

## → RDA Shortfall

- Difference between DOF numbers and what community colleges are reporting – approximately \$80 million
- DOF believes that additional revenues will be coming in
- County audits to find out what is the problem
- Budget trailer bill authorizes backfill by end of year and cash flow flexibility
- We met with Governor staff numerous times to find a solution. Tom Burke has also been involved in finding a solution.

# 2013-14 Budget

## Proposition 39 Update

*Community colleges will receive \$46 million in funding for energy efficiency projects*

❖ The funding will go to the Chancellor's Office to be allocated at the discretion of the Chancellor.

❖ \$6 million will be allocated via competitive grants through

the Workforce and Economic Development program.

❖ \$40 million will be allocated to districts for energy efficiency and clean energy generation projects based on a district's FTES and after approval of specific proposals.

❖ Legislation to fast track release of funding to colleges passed legislature and signed by Governor



# 2013-14 Budget

## Adult Education Update

❖ The budget allocates \$25 million through the Chancellor's Office for local planning grants to set up adult education consortia between community college districts and K-12 districts.



*Under the language either a community college or a K-12 district may serve as the fiscal agent for the consortium, but the monies can only be used for basic skills, citizenship and ESL, programs for adults with disabilities, short-term CTE programs and apprenticeship.*

# 2013-14 Budget

## Career Pathways Update

- ❖ The budget creates the California Career Pathways Trust allocating \$250 million to the Dept of Education to be allocated to K-12 districts and community college districts through competitive grants

- ❖ The money is available for expenditure in the 2013-14 to the 2015-16 fiscal years inclusive.

- ❖ Funding is with CDE, but requires input from Chancellor's Office. Planning on releasing the standards later in the year.



# 2013-14 Budget

## Other Issues Update

- ❖ Enrollment priority for CalWORKS students
  
- ❖ Shifts oversight of Apprenticeship program to Community College Chancellor's Office and moves it out of the flex categories.
  
- ❖ Establish Middle Class Scholarship fund which will provide financial aid through the Student Aid Commission to California students attending UC and CSU with family incomes less than \$150,000.

# 2014-15 Budget Issues

→ **Budget Surplus** – We are projecting a surplus. Where will that additional funding be spent? Could be as much as \$200 million. Governor wants deferral we are looking at one-time use.

→ **2014-15 Budget Strategy and Priorities**

- ***Access*** – top priority is restoring course sections for 500,000 students that were turned away.
- ***COLA*** – It has been years since our last COLA. Looking at potential COLA+
- ***Student Success*** – provide funding to the Student Success Categorical program so that colleges are best able to implement best practices.
- ***Deferral*** – 7 year strategy on buying down the deferral

# 2014-15 Budget Issues

→ **RDA Backfill** – guaranteed backfill for funding.

→ **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?

→ **Accountability** – Governor and legislature adopted accountability provisions for CSU and UC, will he expect the same for community colleges?

# 2013 Legislation (Sponsored)

## → SB 730 (Hancock) – Partnership programs

- ❖ Would have authorized community college districts to lift the 11-unit cap and provide some priority to special part-time high school students.
- ❖ Held in Senate Education Committee
- ❖ Many interested parties – two-pronged approach
- ❖ Holding meetings with various stakeholders to move the policy forward this year. Peralta organized September 19<sup>th</sup> Stakeholders summit with 45 attendees statewide, including Senator Hancock, State Chancellor's Office reps, and League reps.

# 2013 Legislation (Signed)

- **AB 182 (Buchanan) – Regulation of CABs**
- **AB 595 (Gomez) – Priority enrollment EOPS & DSPS**
- **AB 955 (Williams) – Extension course pilot project  
– Chancellor Ortiz Testified on this bill in the Senate**
- **AB 1030 (Cooley) – Student trustee vacancy**
- **AB 1358 (Fong) – Student representation fee**
- **SB 141 (Correa) – Children of deported or voluntarily departed parents**

# 2013 Legislation (Signed)

- **SB 150 (Lara) – Nonresident tuition exemption for concurrently enrolled students**
- **SB 195 (Liu) – State higher education goals**
- **SB 440 (Padilla) – Deadlines for implementation of SB 1440**
- **SB 681 (Hernandez) – Piggyback contract streamlining**

# 2013 Legislation

## Vetoed/2-Year Bills:

→ AB 13 (Chavez) – Resident tuition for veterans

→ AB 950 (Chau) – Faculty full-time instruction limit

→ AB 1348 (Perez) – Higher education authority (CPEC 2)

→ SB 173 (Liu) – Adult Education funding

→ SB 284 & 285 (de Leon) – Tax credit and Cal Grant expansion

→ SB 530 (Steinberg) – Online e

# Issues of 2014 & Beyond

## Legislative Issues

1. Long-term solution to ongoing PT, RDA and fee shortfalls
2. Concurrent/Dual
3. BA degree for targeted programs
4. Adult Education/noncredit reduction in targeted areas
5. STRS unfunded liability
6. Education bond – 3 projects
7. No more accountability/reform

## Regulatory Issues

1. Continued implementation of Student Success Task Force
2. Implementation of Adult Education planning grants
3. Implementation of Pathways program
4. Implementation of Proposition 39
5. Student Aid Commission Wage

# 2013 Update

**Questions?**

