

PERALTA COMMUNITY COLLEGE DISTRICT



2014 Sacramento Update

 Mc Callum Group, Inc.

Presentation Topics

McCallum Group

- ❖ Budget
- ❖ Budget Issues for 2015
- ❖ Legislation
- ❖ Issues for 2015 & Beyond

2014-15 Budget Success

→ **Maximized restoration/growth funding allocation.**

→ **Successful in getting in getting significant funding to the equity plans (\$70 million)**

→ **Successful is getting significant funding to Student Success Categorical program (\$100).**

→ **Successful, through regulations, in decreasing student success match.**

2014-15 Budget Success

- **Flexibility on use of maintenance and instructional equipment funding.**
- **Elimination of match requirement on maintenance and instructional equipment funding.**
- **Additional funding to cover mandates (\$49.5 million)/maximum flexibility**
- **Language to convert CDCP funding rate to that of credit rate
Increase in Cal Grant B award to \$1,648**

2014-15 Budget Update

Budget Area	State Funding Apportionment	State Deferral	Potential Student Impact	Fee Level
<u>2014-15 Budget Act</u>	<p>2.75% restoration of access</p> <p>0.85% COLA</p>	<p>All but \$94.6 million of system deferrals will be paid off</p>	<p>31,900 FTES</p> <p>62,500 headcount</p>	<p>\$46/unit</p>

2014-15 Budget Update

Budget Area	Student Success	Deferred Maintenance/ Instructional Equipment	DSPS	Student Equity Plans	CalWORKS	EWD
<u>2013-14 Budget Act</u>	\$100 million	\$148 Million	\$30 million	\$70 million	\$8 Million	\$50 Million

2014-15 Budget Update

→ CalSTRS Rate Increase

- Included in the budget package was language that would fully fund CalSTRS over the next 30 years.
- The STRS employer rate for the 14-15 year will be 8.88%. From 2015-16 through 2019-20, the rate will grow by 1.85% annually and in 2020-21 it will grow by .97%.
- After 2020-21, the board may adjust the rate to ensure that the defined benefit program is fully funded by June 30, 2046.
- Overall the rate will have grown from 8.25% to 19.1% by 2020-21. This will be approximately \$250 million across the system once fully implemented.

2014-15 Budget Update

Innovation Grants

The budget contains \$50 million in funding for Innovation in Higher Education

❖ Awards through the Department of Finance to UC, CSU and Community Colleges that put forth proposals that will increase the number of individuals earning bachelor's degrees, help students earn bachelor's degrees within four years, make transfer easier.



2014-15 Budget Update

Proposition 39

Community colleges will receive \$37.5 million in funding for energy efficiency projects

❖ The funding will go to the Chancellor's Office to be allocated in same manor as last year.



2014-15 Budget Update

Career Pathways

- ❖ The budget enacts another round of 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 will likely go out similar to last year's grants. CDE is working on some changes to the allocation.
- ❖ Included language for 2+2+3 law program



2014-15 Budget Update

Adult Education

❖ Last year's budget allocated \$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.

❖ The Chancellor's Office, Department of Finance and the Department of Education continue to work on the outline for the consortia.

❖ Department of Finance/Administration will unveil their plan, which will include the funding mechanism likely with their January budget.



2015-16 Budget Issues

→ **Budget Surplus** – Trailer bill language was included in the budget that states that if Proposition 98 goes up, then the additional funding is first allocated to eliminate existing deferrals.

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

Apportionment – Restoring course sections for 500,000 students that were turned away & increasing funding for ongoing costs with COLA+.

Student Success – Provide funding to the Student Success Categorical program so and for the equity plans.

Professional Development – Provide funding for faculty & staff professional development.

Faculty Support – Faculty would like an item that focuses specifically on increasing the number of full-time faculty. Funding would be targeted to get districts closer to 75%.

2015-16 Budget Issues

→ **New funding formula** – Implementation of the new funding formula that was outlined in budget trailer bill

→ **Equity plans** – implementation of equity plans in order to access the funding provided to fund them.

→ **Property Tax Backfill** – guaranteed backfill for funding.

→ **CalSTRS** – Long-term plan to addressing the CalSTRS increases.

2014 Legislation

→ SB 1400 (Hancock) – Student Safety/Restraining Orders Sponsored Legislation

- Authorizes community college district to deny enrollment to a student against whom they successfully obtained a protective order.
- Worked with committee staff to generate support and get other districts and stakeholders to support.
- Signed by the Governor.

2014 Legislation

→ AB 1451 (Holden) – Concurrent Enrollment

- Held in Senate Appropriations due to opposition of CTA and some Senate staff.
- Made some significant changes to concurrent enrollment including creating partnership agreements. Including 11 unit cap increase desired by Peralta.
- Still a desire by the Department of Finance, members of the Legislature, state chancellor's office to bring this back

2014 Legislation

→ AB 2235 (Buchanan) – Statewide Education Bond

- Measure failed because the administration did not support it.
- Issues with coming back in 2016 because some may want to place a measure on the ballot to extend some of the temporary taxes.
- Issue with the Higher Education split of the bond proceeds.

2014 Legislation

→ SB 850 (Block) – Baccalaureate Degree Pilot Program

- 15 college pilot in areas that are not offered by UC or CSU.
- Limited in scope due to CNA and CSU opposition to offering nursing.
- State chancellor's office will be moving rather quickly to develop RFP and regulations.
- This is the first step in a larger discussion.

2014 Legislation

→ SB 1391 (Hancock) – Inmate Education

- Authorizes community colleges to generate credit rate funding for credit courses and CDCP funding for CDCP courses.
- Special provisions for grant funding for CTE programs with state facilities.
- This provides an additional avenue for districts to add FTES, while providing a vital service to their community.

Issues of 2015 & Beyond

→ Legislative Issues

1. Long-term solution to ongoing PT, RDA and fee shortfalls
2. Concurrent/Dual
3. No more accountability/reform
4. Adult Education/noncredit
5. Funding for the increase in STRS contributions
6. Education bond
7. Accreditation
8. Campus climate/safety
9. Economic and workforce development
10. New training programs for water project

Issues of 2015 & Beyond

Regulatory Issues

1. Continued implementation of Student Success Task Force recommendations
2. Implementation of the BA degree
3. Implementation of budget reporting requirements and goals

Politics for 2015

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- 1. New Leadership in both Houses.**
 - 2. Which direction and what priorities will come from both Houses with this new leadership?**
 - 3. Members in for longer periods of time with change to term limits.**
 - 4. We saw more Dems/Reps working together on bills/issues, but it is still dominated by Democrats.**

2014 Update

**What would you like to see for
MGI 2015 legislative priorities?**

Other questions?

