

FY 15/16 State Budget Update May Revise

Presented by: Susan Cheu
Vice President
Finance & College Operations
De Anza College

May 26, 2015

Highlights of Proposed Budget

- One of best budgets community colleges have seen in many years
 - For the most part the same as or better than January 2015 draft budget
 - Includes \$619 million in new Proposition 98 allocations to community colleges
- LAO recommendations and legislative budget process will result in continuing changes
- Community Colleges have not recovered “lost” purchasing power from budget downturn
- One-time versus ongoing funds

Highlights of Proposed Ongoing State Budget Allocations

Description (CCC System Wide Allocations)	FY14/15	FY15/16 (Jan)	FY15/16 (May)
COLA	0.85%	1.58%	1.02%
Operating Costs (Base Increase)	No Change	\$125M	\$266.7M
Growth	2.75%	2%	3%
Full Time Faculty	None	None	\$75M
Categorical Program COLA	No Change	No Change	\$2.5M
SSSP	\$199.184M	\$299.183M	\$299.183M
Equity	\$70M	\$170M	\$185M

Highlights of Proposed One-Time State Budget Allocations

Description (CCC System Wide Allocations)	FY14/15	FY15/16 (Jan)	FY15/16 (May)
CTE	\$50M	\$48M	\$48M
Mandate Backlog	\$49.5M	\$353.3M	\$627.8M
Scheduled Maintenance & Instructional Equipment	\$148M	None	\$148M
Basic Skills & Student Outcomes	No Augmentation	No Augmentation	\$60M

Items of Note

- Ongoing versus one-time funds
- Operating Expense augmentation earmarked for STRS/PERS, other operating increases
- Chancellor's Office has warned that this level of budget is not sustainable
- Governor does not support state bond measure for capital outlay – bond measures are winding down and need infrastructure support
- 50% effect on spending options
- Proposition 30 expires in 2016 and 2018

Questions?