

## Ronald Nakasone

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**From:** Ron Nakasone  
**Sent:** Tuesday, December 13, 2011 1:33 PM  
**To:** gcc@seco.glendale.edu  
**Subject:** FW: Budget Update - Triggers  
**Attachments:** 2012\_Rev\_Forecast\_Determination.pdf

The Governor just declared that the State will implement the Tier 2 mid-year budget cuts. For GCC, the enrollment fee will go up to \$36/unit effective Summer 2012 and our state apportionment revenue will be further reduced approximately \$1.4 million.

Ron

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**From:** Troy, Dan [<mailto:dtroy@CCCCO.EDU>]  
**Sent:** Tuesday, December 13, 2011 1:22 PM  
**To:** [SO2CBO@LISTSERV.CCCNEXT.NET](mailto:SO2CBO@LISTSERV.CCCNEXT.NET)  
**Subject:** Budget Update - Triggers

Colleagues,

Today, Governor Brown and the Department of Finance announced that revenues for the 2011-12 fiscal year were estimated to fall \$2.2 billion below the budget assumptions made in June. Per statutory agreement reached by the Legislature and the Governor with the passage of the 2011 Budget Act, this shortfall will “trigger” both the Tier 1 and Tier 2 current year reductions outlined in statute and detailed in earlier communications. For the California Community Colleges, the impacts are as follows:

- A \$102 million reduction to base apportionments.
- An fee increase from \$36 to \$46 per unit commencing in the summer of 2012.

The Chancellor’s Office is preparing a memo to district chief business officials that will provide greater detail on the implementation of these reductions, but we thought it best to get the word out as soon as possible.

In addition to the news about the triggers, today’s press conference revealed some other interesting information.

- The Governor again indicated his intention to put an initiative on the November ballot to increase annual revenues by \$7B. He indicated that he is communicating with those proposing competing proposals in an effort to “clear the field” in November, though no agreements have yet been reached.
- He indicated that more cuts were coming in January, and that his budget proposal would again include midyear trigger reductions should the ballot initiative be rejected by the voters (so the \$7B in approved revenues will be assumed in his budget).
- Despite the bad news, the Governor did suggest that the economy is improving, just not enough to erase the deficit.
- Notably, the Department of Finance’s forecast is more optimistic than was the Legislative Analyst Office’s November forecast (they estimated a \$3.7 billion shortfall). Director Matosantos suggested this was due to higher November sales taxes and more up-to-date income information on 2010 incomes than had been available to the LAO at that time.
- All Tier 1 and Tier 2 reductions are fully enacted, with the sole exception of K-12 revenue limit cuts. While K-12 revenue limits could have been reduced up to \$1.5 billion if the forecasted shortfall had been \$4 billion or more,

the actual cut will only be \$79.6 million. K-12 did also lose \$248 million in transportation funding as part of the Tier 2 trigger, though.

Attached is the letter from the Department of Finance informing the Legislature of the midyear reductions. Again, we'll have more information out to CBOs about the implementation of the cuts, soon, and, of course, we will keep you posted on updates related to the January budget as they become available.

Regards,  
Dan Troy

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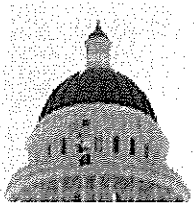
**Ronald Nakasone**

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**From:** Saodat Aziskhanova  
**Sent:** Friday, January 08, 2016 8:44 AM  
**To:** class  
**Cc:** issues  
**Subject:** FW: PAC News Flash 01-07-16: Governor Brown Releases His 2016-17 Budget Proposal

**From:** CSEA\_Governmental\_Relations\_Office [mailto:csea\_email@csea.com]  
**Sent:** Thursday, January 07, 2016 3:55 PM  
**To:** Saodat Aziskhanova <saodat@glendale.edu>  
**Subject:** PAC News Flash 01-07-16: Governor Brown Releases His 2016-17 Budget Proposal

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## **CSEA** *PAC News Flash*

Thursday, January 07, 2016

### **Governor Brown Releases His 2016-17 Budget Proposal**

The Governor released his 2016-17 budget proposal today and stated that relative to years past, the state budget continues to be in good shape.

As a result of a strong economy and funding from Proposition 30, California has experienced surging general fund growth. This growth will raise education funding to its highest level ever, tens of millions of Californians are now covered by health care, the minimum wage has been increased and low wage working families are provided some tax relief through the earned income tax credit.

With respect to education funding, the budget proposes an increased investment of \$5.4 billion. Of this amount, the budget provides just over \$2.8 billion for the Local Control Funding Formula, building on the \$12.8 billion provided over the last three years.

The Governor is also proposing a multi-billion plan to fund road repairs and will look to expand a tax on health plans to help generate approximately \$1 billion for Medi-Cal.

While the overall budget news was good, the Governor did urge caution that the state needed to maintain fiscal restraint and prudence or California could return to the fiscal crisis of several years ago. CSEA is also concerned that we could see a return of budget deficits in the near future, which could subsequently lead to our public schools and critical services facing significant cuts. This is why CSEA supports an extension of the Proposition 30 revenues. Maintaining these critical revenues will help keep our state budget balanced and prevent devastating cuts to programs affecting students, seniors and working families.

## Education Highlights of the Governor's Budget Proposal Include:

### K-12 Education

- **School District Local Control Funding Formula** - Provides a fourth-year investment of \$2.8 billion in the Local Control Funding Formula. A cost-of living adjustment (COLA) of 0.47 percent for school districts, County Offices of Education and charters schools are provided within the increases for the Local Control Funding Formula dependent on targeted funding level.
- **County Offices of Education Local Control Funding Formula** - Provides an increase of \$1.7 million to support a COLA and attendance changes for county offices of education. COLA of 0.47 percent for school districts, County Offices of Education and charters schools are provided within the increases for the Local Control Funding Formula dependent on targeted funding level.
- **One-time Discretionary Funding** - Proposes more than \$1.2 billion in discretionary one-time Proposition 98 funding for school districts, charter schools and county offices of education to further their investments in the implementation of Common Core and will offset any applicable mandate reimbursement claims.
- **Proposition 39** - Provides \$365.4 million to K-12 schools for energy efficiency project grants.
- **COLA for Categorical Programs** - Provides an increase of \$22.9 million to support a 0.47 percent COLA for categorical programs outside of the Local Control Funding Formula including: Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- **Proposition 47** - Provides \$7.3 million to improve outcomes for K-12 students by reducing truancy and supporting students who are at risk of dropping out or are victims of violent crime. Proposition 47 was approved in 2014 and reduced the penalties for certain non-serious and non-violent property and drug offenses. It also requires a portion of any resulting savings to be invested in K-12 truancy and dropout prevention, victim services and mental health and drug treatment.

### Community Colleges

- **Access** - \$114.7 million for increased access. This is an increase of roughly 2 percent, sufficient to expand access by close to 50,000 students.
- **Cost-of-Living Adjustment (COLA)** - \$29.3 million for a COLA of 0.47 percent. Certain categorical programs also receive a COLA, including EOPS, DSPS, CalWORKs and the Child Care Tax Bailout.
- **CTE Pathways** - \$48 million is funded for this program on an ongoing basis. The Governor's intent is to repeal the sunset date for this program to make it permanent.
- **Workforce** - \$200 million increase to improve and expand efforts for recommendations made by the Task Force on Workforce, Job Creation and Strong Economy.

- **Basic Skills** - \$30 million increase to the existing Basic Skills categorical to incentivize and support colleges that successfully implement research-based practices that transition students from basic skills to college-level programs.
- **Maintenance and Instructional Equipment** - \$289 million is provided and districts will have the flexibility to distribute funds among maintenance, instructional equipment, and drought response activities. No local match is required.
- **Proposition 39** - \$45 million is provided for energy efficiency projects and workforce development.
- **One-time Discretionary Funding** - \$76 million in one-time funding is provided on a per-FTES basis to retire outstanding mandate claims.

**What's Next:**

Now that the Governor has introduced his budget, the Legislature will begin their review and analysis of those proposals over the next several months to craft a legislative budget. In May, the Governor will issue a revision to these proposals with a better estimate of state revenues.

The Legislature has until June 15th to present their budget to the Governor. Under the requirements of Proposition 25, the Governor must sign the budget by June 30th.

CSEA will continue reviewing the details of the budget to analyze the impact on schools and community colleges.

**Caution:** This report is based on a preliminary analysis of the budget. Some proposals may change as additional details become available. We will provide you with additional reports on any new and significant findings.

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