



Business & Fiscal Services Update: FY 2018-19 Proposed Budget Released

Jose Torres, Vice Chancellor, Business & Fiscal Services

January 2018

The Governor has released his initial budget proposal for FY 2018-19 and based on our preliminary analysis, it looks to be a conservative budget with a few significant changes from the current year. While it is too soon to analyze the entire budget, we wanted to communicate to you key highlights that affect SBCCD.

Summary

The Governor’s proposed budget maintains the same funding level for most programs as FY 2017-18 levels with a few one-time increases to certain categories. According to the Community College League of California, “Governor Brown’s budget reflects concern with appropriating one-time funds for ongoing purposes...”¹

Student Success, Equity, Workforce, CTE Pathways, and Basic skills remain at the same level as the current fiscal year. Additional one-time allocations include funding of the College Promise Grant in order to implement AB 19, the establishment of a new online college, and a significant increase to Physical Plant & Instructional Equipment.

Governor Brown’s proposed budget includes changes that could benefit SBCCD with a Cost of Living Adjustment (COLA) of approximately 2.51% and Enrollment Growth of 1%.

SBCCD should continue to budget conservatively and prepare for a possible future economic downturn as well as the guaranteed increases to STRS and PERS retirement costs.

Details

Growth	1.00% <i>The state will continue to fund districts based on the new growth formula, which translates to approximately 1.7% for SBCCD. Our multi-year forecast will continue to use 1.5% enrollment growth as recommended by the District Enrollment Management Committee.</i>
COLA	2.51% <i>It is estimated that the COLA increase will provide \$2 million to SBCCD in order to cover a portion of the estimated \$2 million increase to STRS/PERS.</i>

¹ <https://www.ccleague.org/advocacy/legislative-updates/governor-browns-proposed-2018-19-state-budget>



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Student Equity & SSSP	Same levels as FY 2017-18
One-time Funding (General Operating)	No additional one-time funding for general operating support
Physical Plant & Instructional Equipment	Proposed to be \$274.3 million <i>It is estimated that SBCCD could receive approximately \$3.5 million. It is important to note that the Physical Plant & Instructional Equipment is the first item to get adjusted downward as negotiations take place in Sacramento.</i>
Proposition 39 – Energy Efficiency	No funding <i>FY 2017-18 was the last and final year of this program.</i>
Tuition Fees	No increases in tuition fees for our students!
Base Augmentation	The proposed budget includes an increase to the Base funding by \$175 million <i>This funding will be based on a new formula. It is unknown at the moment how SBCCD will benefit from this performance-based funding model.</i>

Other items to Note

The budget proposal contains an increase to base augmentation based on a new funding formula. Preliminary information indicates this funding will be distributed to districts based on enrollment, number of low-income students, and number of degrees/certificates awarded.

Next Steps

We will continue to monitor the State budget process and keep you updated on important developments. In the meantime, we are working with our partners in Sacramento to advocate for increases to the base allocation and one-time funding to cover future increases to STRS and PERS.