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Overview of the Governor's 2008-09 Budget Proposal for the California Community Colleges

LEGISLATIVE ANALYST'S OFFICE

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Assembly Budget Subcommittee No. 2

On Education Finance

Hon. Julia Brownley, Chair





Governor's Budget Proposal

Figure 1	
California Community Colleges	
Governor's Proposition 98 Budget Proposal	
<i>(In Millions)</i>	
2007-08 Budget Act	\$6,208.8
Reduction to apportionments	-\$40.0
Technical adjustments	-1.4
2007-08 Revised	\$6,167.5
"Workload Budget" Adjustments	
Restore 2007-08 reduction to apportionments	\$40.0
Cost-of-living adjustment (COLA) for apportionments (4.94 percent)	291.7
Enrollment growth for apportionments (3 percent)	172.0
COLA and enrollment growth for categorical programs	28.5
Technical adjustments	6.5
Subtotal	(\$538.7)
Governor's "Workload" Estimate for 2008-09	\$6,706.2
Governor's "Budget Balancing Reductions"	
Eliminate COLA for apportionments	-\$291.7
Reduce enrollment growth for apportionments to 1 percent	-111.9
Reduce categorical programs across the board	-80.0
Subtotal	(\$483.5)
2008-09 Proposal	\$6,222.7
Change From 2007-08 Revised Budget:	
Amount	\$55.2
Percent	0.9%



Governor's Budget Proposal (Continued)

- The Governor proposes a one-time current-year reduction to districts' general-purpose funding (apportionments).
- For 2008-09, the Governor first estimates "workload" cost increases, then reduces the General Fund share of the workload calculations for apportionments and each categorical program by 10.9 percent.
- The budget proposal includes no cost-of-living adjustment (COLA), provides \$60 million for 1 percent enrollment growth, and reduces categorical funding by a total of \$80 million from the workload level.
- The Governor's budget-year proposal is \$484 million less than his 2008-09 workload calculations.
 - Would provide \$55 million *more* than revised current-year levels.



Governor's Budget Proposal by Program

Figure 2

Major Community College Programs Funded by Proposition 98^a

(Dollars in Millions)

	Estimated 2007-08	Proposed 2008-09	Change	
			Amount	Percent
Apportionments				
General Fund	\$3,346.9	\$3,300.4	-\$46.5	-1.4%
Local property tax revenue	2,051.7	2,196.2	144.5	7.0
Subtotals	(\$5,398.6)	(\$5,496.6)	(\$98.0)	(1.8%)
Categorical Programs				
Basic skills improvement	\$33.1	\$29.5	-\$3.6	-10.9%
Matriculation	101.8	98.0	-3.8	-3.7
Career technical education	20.0	17.8	-2.2	-10.9
Nursing	22.1	19.7	-2.4	-10.9
Extended Opportunity Programs and Services	122.3	117.8	-4.5	-3.7
Disabled students	115.0	110.8	-4.2	-3.7
Apprenticeships	15.2	14.2	-1.0	-6.5
Services for CalWORKs ^b recipients	43.6	38.8	-4.7	-10.9
Part-time faculty compensation	50.8	45.3	-5.5	-10.9
Part-time faculty office hours	7.2	6.4	-0.8	-10.9
Part-time faculty health insurance	1.0	0.9	-0.1	-10.9
Physical plant and instructional support	27.3	24.4	-3.0	-10.9
Economic development program	46.8	41.7	-5.1	-10.9
Telecommunications and technology services	26.2	23.3	-2.9	-10.9
Financial aid/outreach	51.6	45.0	-6.6	-12.8
Child care funds for students	6.8	6.4	-0.4	-6.5
Foster Parent Training Program	5.3	4.7	-0.6	-10.9
Fund for Student Success	6.2	5.5	-0.7	-10.9
Other programs	8.2	7.8	-0.5	-5.6
Subtotals, categorical programs	(\$710.5)	(\$658.0)	(\$52.5)	(-7.4%)
Other Appropriations				
Lease payments	\$58.3	\$68.1	\$9.8	16.8%
Totals	\$6,167.5	\$6,222.7	\$55.2	0.9%

^a Excludes available funding appropriated in prior fiscal years.

^b California Work Opportunity and Responsibility to Kids.



Governor's Budget Proposal by Program

(Continued)

- ☑ Funding for apportionments would increase slightly in 2008-09 (\$98 million, or 1.8 percent), due largely to the Governor's proposal to restore the current-year cut as well as provide \$60 million for enrollment growth.
- ☑ The Governor's budget would reduce total funding for categorical programs by about \$53 million (7 percent) from the revised current-year level.
- ☑ Cuts to categorical programs, would range from 3.7 percent to 10.9 percent.
 - The exact percent reduction depends on whether the administration first estimates a COLA (and/or growth for enrollment) in the workload estimate prior to cutting the program by 10.9 percent.



Issues for Legislative Consideration

- The Governor's plan to reduce Proposition 98 spending would result in actual midyear cuts to core funding for community colleges.
 - The Legislature should examine ways to achieve savings that minimize programmatic impacts.

- Across-the-board reductions fail to differentiate community college programs in terms of importance and value.
 - We recommend the Legislature determine which programs are most important, and give first funding priority to these programs.

- The Governor's budget provides funding for 1 percent enrollment growth. Our preliminary estimates suggest demographically driven growth of 1.7 percent.