

Final Budget FY 18/19

September 4, 2018

VICE CHANCELLOR'S BUDGET MESSAGE

State Budget Information

West Valley-Mission Community College District is one of the 72 locally governed districts in the California Community College (CCC) system. A district's budget allocation is determined by the Board of Governors and the State Chancellor's Office once the State Budget is approved. The allocations are based on revenues from state and local sources, including student fees. How much funding the colleges receive depends on the state's economy, state general fund revenues, and the spending priorities of the Governor and State Legislature. The amount of state funding for the community colleges is determined by Proposition 98, which guarantees that about 40% of the state general fund is allocated to the K-12 public school systems and community colleges. The share of the Proposition 98 funds for the community colleges varies annually. With the District becoming a Community Support District, it is no longer dependent on the State's apportionment for the general fund; however, it will continue to receive funding for student services categorical programs.

The District became the sixth "community support" community college district at the end of FY 12/13. This occurred because the District's local property tax revenues and enrollment fees exceeded the total funding that the State would have provided as calculated by SB 361 apportionment. Under "community support," there is no need to factor in any State apportionment because the property taxes and student fees surpass the minimum funding level established by the State. A "community support" district is not affected by statewide shortfalls.

On June 27, 2018, the Governor signed the General Fund FY 18/19 State Budget which revised the State Funding Formula to be effective for FY 18/19. The Governor proposed this new formula to improve colleges' ability to use their resources to support the vision for success. The intent of the new formula

is to provide a supplemental allocation, a supplemental student success allocation for each community college district pursuant to Section 32.84750.4.b. The allocations are based on several factors highlighted

The calculation shall only apply to the allocation of credit revenue.

There will be a three-year phase-in of the formula. The model is designed to provide 70 percent for the base allocation, 20 percent for the equity allocation, and 10 percent for the student success allocation in FY 18/19 (70-20-10 split), with a 65-20-15 split in FY 19/20, and a 60-20-20 split in FY 20/21.

The base allocation will be calculated based on the three-year rolling average comprised of funded FTES from the current year, the prior year, and the year prior to the prior year.

The supplemental allocation will be calculated based on the total points calculated for each community college district for Pell Grant recipients, AB 540 students, and California College Promise Grant recipients.

The student success allocation will be calculated for each community college

The Governor proposed for community colleges:

Retains total funding of \$120 million for online college. Amends trailer bill as follows:

- Establishes the college under the authority of the Board of Governors (BOG);
- Requires BOG to contract with a community college district for collective bargaining purposes;
- Clarifies that president would seek accreditation upon enrollment of first students;
- Clarifies intent of online college curriculum.

Proposes several key adjustments to the funding formula framework that was released in January. Under the May Revision funding formula, \$175 million ongoing and \$104 million one-time would be allocated to hold colleges harmless to 2017-18 levels. Includes Chancellor's recommendation to fund rates through a 60-20-20 split, using the same three funding elements.

On June 27, 2018, the Governor signed the State Budget. The following are changes to the May Revise.

\$50 million to increase full time faculty (ongoing).

\$50 million to increase part-time faculty office hours (one-time).

Decrease from \$143.5

5% reserve and 3% contingency reserve.
Dean & Department Chair positions fully funded.
Use the Resource Allocation Model.
Comply with statutory requirements.

The FY 18/19 unrestricted general fund budget is balanced using community support funds.