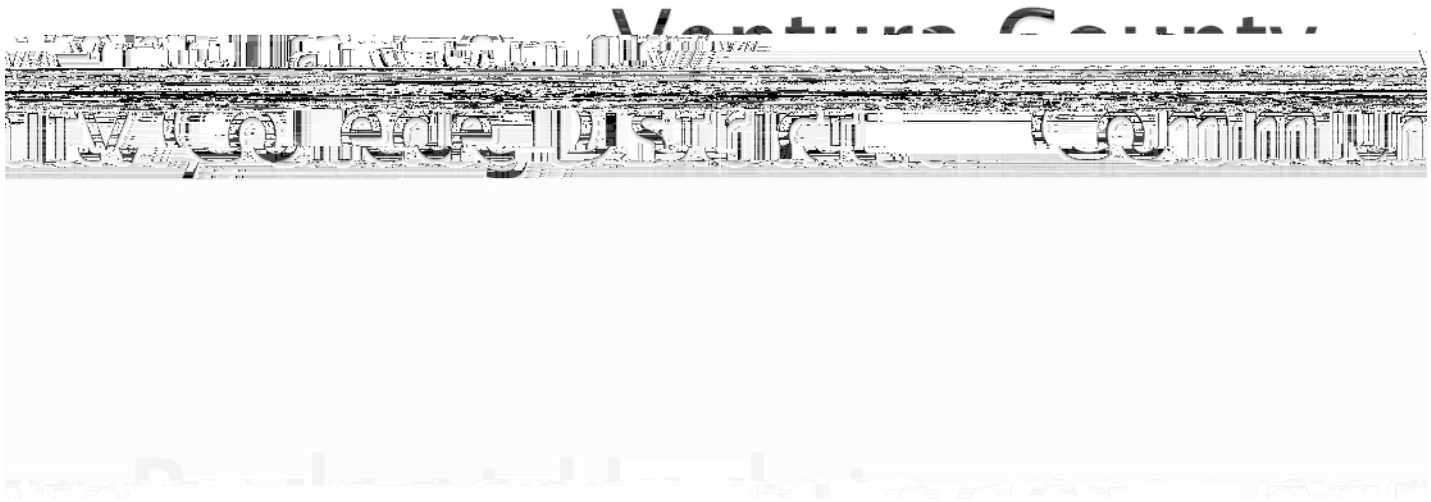
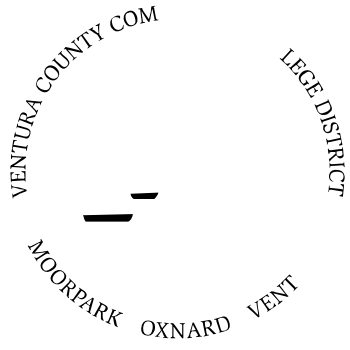
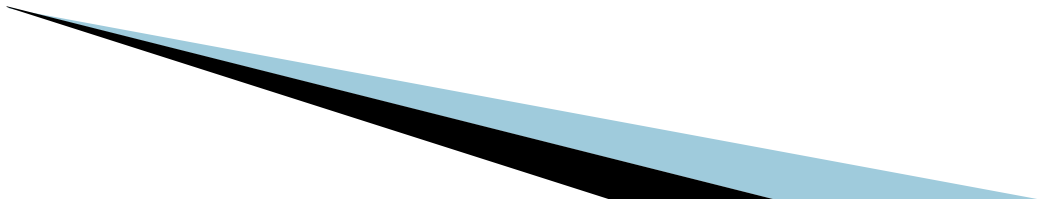




January 22, 2013

- **More Accountability**
- **Change the census-based apportionment system to one based on completion rates.** Intent is to phase in over several years.
- **90 unit cap for state subsidized instruction.** Units beyond the cap would not be state supported, but available at full cost to the student.
  - In VCCCD, in Fall 2012, 800 FTES were generated by students with greater than 90 units.
- **New FAFSA requirement** -Require

- First significant funding in 5 years, still $600 million less than in FY08.
- Governor supports more local decision making, LAO not so much.
- **$196.9 million (3.6%) for increased apportionments to the CCC system**
  - CCC Board of Governors to determine allocation type/amt, i.e COLA, restoration, categorical, etc.
  - **$**



Restricted Revenue	
Proposed New Energy Efficiency/Prop 39 Revenue (Out of state Corporate Tax revenue)	$1,100,000
If allocated by FTES. Most likely restricted funds for capital project. If by project, $ unknown.	

- Slightly higher funding drives expectations to unrealistic levels (high demand for dollars)
- State revenue has more volatility (as more is based on PIT, top 1% pay 40% of revenue)
- California economic recovery is slow, unemployment just released at 9.8% (2% higher than nation)
- Local revenue shortfalls
- Shift in student population - potential declining enrollment due to policy changes:
  - Course repeatability
  - Academic progress for BOGW
  - Limit of state funded units
  - Limit on financial aid
- Window for avoiding further budget cuts is narrow, solutions for revenue temporary
- Loss of increased revenue in Governor's proposal
  - CCC received higher proportional share of new money, other budget priorities may jeopardize some of this.

- January – Governor's proposed budget released (very beginning of process)
- January through May- Legislative hearings
- May 14- Governor to release May revise: update revenues, caseload and policy proposals
- June 15- Constitutional deadline for Legislature to send budget to Governor
- Sept/Oct- Trailer Bills (frequently much of CCC language/clarification occurs here)