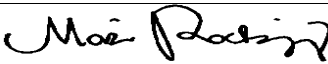# The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS
DATE: July 18, 2016

SUBJECT: 2017-18 System Budget Request		Item Number: 4.6	
		Attachment: No	
CATEGORY:	Finance and Facilities	TYPE OF BOARD CONSIDERATION:	
Recommended By: *Moe Rodrigz* Mario Rodriguez, Acting Vice Chancellor		Consent/Routine	
		First Reading	
Approved for Consideration: *Erik Skinner* Erik Skinner, Interim Chancellor		Action	
		Information	X

ISSUE: This item presents an update on the development of the 2017-18 System Budget Request and provides an opportunity for Board discussion and input.

BACKGROUND: By law, the Board of Governors must submit a request to the Department of Finance in September for use in the development of the Governor's January budget proposal. To assist the Board in this request, the Chancellor's Office annually convenes a budget workgroup to formulate a recommendation. The Budget Workgroup is composed of various system stakeholders, approximating the diversity of the Consultation Council.

The 2017-18 budget workgroup met on June 21st to begin planning for the CCC system's 2017-18 budget request. The workgroup will reconvene one more time subsequent to the September Board meeting to finalize a recommended system budget request.

RECOMMENDATION: This item is presented for Board information and discussion.

ANALYSIS: The budget workgroup's initial discussion allowed participants to present their priorities and highlight those areas in need of attention and/or additional funding.

The group discussed both perennial areas of budget concern, such as COLA, access, discretionary funding, and faculty support, as well as some new funding ideas. There was broad discussion concerning the implications of recent budget agreements, as well as the system's mission, and funding needs of the system as we move forward.

Chancellor's Office 2017-18 Funding Priorities

During the workgroup meeting, Acting Vice Chancellor Mario Rodriguez outlined four priorities that should be included in the 2017-18 system budget request and welcomed input from the group on modifications or items that should be added to the list. The four items discussed include the following:
- $125 million (2%) for access
- $75 million for COLA (estimated to be approximately 1%)
- $200 million for a base increase
- $100 million for full-time faculty

Key Funding Priorities Discussed by the Group

Some members questioned whether 2% for access may be too high considering many districts are not growing. It was stated that as a system, we can grow 2% since many areas of the state are expected to grow above 2%. We want to serve the demand that exists statewide since so many students were turned away during the recession. It is important that we keep the focus on access, as this is a priority for state policy makers.

Many of the budget workgroup participants echoed support for the items shared by Vice Chancellor Rodriguez, while also introducing other suggestions.

Some key areas discussed by the workgroup include the following:

➢ General Operating Revenue: The 2016-17 budget includes a $75 million base increase for support of district general operating expenses. This funding is critical to the colleges and is intended to ease the constrained discretionary funding environment colleges have experienced since the economic downturn. The colleges can use these funds to address the scheduled increases in pension contribution rates and to cover other fixed costs that have increased over time. The group expressed support for an additional request for general operating expense funding in 2017-18 to help the colleges continue to restore the purchasing power that was lost during the years of the economic downturn and cover general operating costs necessary to run a college.

➢ Faculty: The 2015-16 budget included $62.3 million for full-time faculty hiring. The enacted budget for 2016-17 did not include any added funding for this purpose. Members expressed

support for requesting an additional augmentation for full-time faculty hiring in 2017-18. Full-time faculty can benefit colleges and students by providing continuity and critical services such as academic advising, ongoing curriculum development, institutional planning and governance. While full-time faculty are crucial to the success of our students, part-time faculty also play a very important role in the CCC system. The three part-time faculty categorical programs (parity, office hours, and health insurance) were reduced by over 40 percent during the economic recession. The 2016-17 budget included $3.7 million to restore the part-time faculty office hours program to the pre-recession level. Members stated that we need to get the funding for these programs to at the level needed to support students, not necessarily restore to the prerecession level. Members also expressed support for additional funding for the Equal Employment Opportunity program, stating that in order to appeal to underrepresented groups; we need diversity in our faculty.

➤ Technology: Some members communicated concerns that districts are having trouble finding money to cover the increased costs of technology. These are costs that did not exist in the past. As colleges shift to a higher reliance on technology (evident in initiatives such as distance education, online course exchange, and common assessment) they need funding to cover the costs of updated computers, software, servers, Wi-Fi hot spots, etc. Another cost the colleges face in relation to technology is the cost of tech staff; colleges have expanded their tech staff significantly and these positions are high paying. Small colleges have less funding available to pay for these positions, which limits their technological capacity.

➤ Professional Development: Professional development for faculty and staff was mentioned as an area in need of additional funding. Professional development is crucial to student success and particularly important in light of all the changes occurring in the system (student success, distance education, increasing use of technology, etc). Faculty and staff need on-going professional development so that their skills and knowledge are up to date. Additionally, many CTE faculty are required by law to complete professional development regularly to ensure they are knowledgeable on the latest equipment, standards, and requirements.

➤ Open Educational Resources and Libraries: Members discussed the need for funding for development and implementation of open educational resources (OER). These are resources for students that are low or no cost and in some cases are used in place of traditional textbooks. The cost of textbooks can be a significant financial burden for students; these open educational resources, once developed, could substantially reduce students cost of attendance. In addition to OER, members talked about the need for a statewide integrated library database. Currently, colleges buy their own databases which contain electronic resources such as journal articles and other published works. Having a statewide library database would reduce costs overall and increase the quality of education as all students would have access to a much larger database of information. Studies looking at the cost to create an integrated data system have estimated $6 million in one-time costs and $2 million in ongoing costs.

➤ Veterans Services: The group expressed support for a budget request to enable the colleges to provide more services to veterans. Currently there is no specified funding in the budget for community colleges to support veterans. There was some discussion during the budget hearings

on the need that exists and the lack of resources for community colleges to fulfil that need. Some colleges have veteran's resource centers, however because there is no dedicated funding, many colleges don't offer these centers and some that do have centers do not have the capacity to effectively serve the many veterans on our campuses.

➢ Outreach: The 2016-17 budget includes $2.5 million for outreach, the language specifies this funding should be used to increase public outreach for baccalaureate pilot programs, non-English speaking households, and areas with declining enrollment. Some stated that outreach is important if we want to address the declining enrollment in the system. We need to get the word out that courses are available. It was also stated that the colleges need funding to do outreach regarding the support services that are available at the colleges. Oftentimes students end up dropping out because they are not aware of all the support programs and services that exist at the colleges.

➢ Campus Safety: Workgroup participants mentioned the issues of campus safety at the community colleges. Campus safety is becoming more of a concern as there have been a number of shootings on college campuses and in other public locations recently. There are a variety of needs related to campus safety. Members stated that colleges need funding for mental health services for students, basic building issues (i.e. doors that lock from the inside), training for faculty and staff on what to do in the event of a campus safety emergency, hiring armed security, etc. Some stated that this could be part of the base increase augmentation rather than creating a separate categorical program.