

## **Governor's Proposed 2019/20 Budget – January 2019**

### **Impacts on SRJC**

Governor Newsom released his first proposed budget on January 10, 2019. Overall, it was a fiscally responsible budget and signaled his support for education. The budget proposal included an increase of \$246 million for California community colleges. The highlights include:

- A 3.46% COLA for the unrestricted general fund, as well as the DSPS, EOPS/CARE, Adult Ed, CalWORKs, Mandate Block, and Apprenticeship programs
- A 0.55% allocation for enrollment growth
- \$40 million for the expansion of the AB 19 – California College Promise to include a second year for first time, full time students
- \$30.9 million for the construction of the STEM building
- Freeze on the phase in of the student centered funding formula so that the percentage allocation would remain at 70% base/20% supplemental/10% success. Rates will increase by the funded COLA only. He also proposed a cap on the year over year growth on the student success allocation portion that Districts can achieve to be 10% and adjusted the definition for transfer to a 4 year institution to now only be counted one time (more info pending).
- Expansion of the Cal Grant program to include a new supplemental award for students with dependent children and expands the number of competitive awards available
- \$10 million to begin the development of a new longitudinal student data system
- Makes permanent previous one time funding to provide immigrant legal services for eligible students
- Pension bailout - \$2.3 billion contribution to STRS to reduce pension liabilities, thus possibly reducing the Districts required contributions by 1% in 19/20 and 20/21. The Governor has also proposed additional contributions to PERS and STRS but those would reduce the state's liability, so it has no impact on SRJC.

Of note that is NOT included is that there is no instructional equipment or scheduled maintenance funds. Also, the COLA for categorical programs needs to be expanded to include the SEA and SFAA programs, along with the part time faculty reimbursement programs.

Just a reminder, there is still a long road ahead in the state's budget process and we will keep you updated as more information is known. We will be in the last year of the guaranteed funding under the fire waiver and continuing to reduce expenses in line with the long-term plan to realign the size of our district to the number of students we currently are serving.

More detailed budget information can be found at:

<https://extranet.cccco.edu/Portals/1/CFFP/Fiscal/Budget%20News/2019-20/In%20Depth%20Analysis%20of%20the%20State%20Budget.pdf>

Please feel free to send me any questions at [kjolley@santarosa.edu](mailto:kjolley@santarosa.edu) and the latest information on the budget can always be found at <https://accounting.santarosa.edu/budget-updates>