

## 2016/17 Budget- May revise

Funding	January	May Revise	Impact on FHDA
Ongoing	in millions/%	in millions/%	
COLA	0.47%	0.00%	A \$29.3 million decrease is proposed to reflect a 0% COLA. (Approximately \$700,000 reduction to new funding for FHDA from the January budget proposal.)
Enrollment growth (Access)	2%	2%	No impact for FHDA due to projected "flat" enrollment. FHDA could qualify for up to \$2.7 million of new ongoing funding if we had the enrollment demand. But since we have declined or been static in FTEs in recent years, this will not be available to FHDA.
3SP	-	-	
Equity	-	-	
Operating costs/base allocation increase	75.00	75.00	These funds will help colleges make up for the purchasing power lost during the recent recession and to help mitigate other cost increases on the horizon (pension, health care, campus safety, technology, etc.). Approximately \$1.8 million in new base funding for FHDA
Basic Skills	30.00	30.00	\$30 million increase to the existing Basic Skills categorical to incentivize and support colleges that successfully implement research-based practices that transition students from basic skills to college-level programs. We are told that the increase is ongoing and the allocation model will include a hold harmless provision so that no college will receive less in the future than they currently receive, despite changes to the allocation methodology. (FHDA would receive approximately \$425,000 based on our 2015-16 allocation.) There are no changes to the Basic Skills Initiative program; however, the \$30 million increase provided at the Governor's Budget remains in the May Revision.
Instit Effectiveness	10.00	10.00	\$10 million is added to the Institutional Effectiveness program statewide, in part, to augment support of technical assistance to the colleges. (Allocation based on grant award process. FHDA currently receives \$50,000 annually for up to five years.) No change since January proposal.
<b>One Time</b>			
Mandate backlog	76.00	108.50	\$76 million in one-time funding was proposed on a per-FTEs basis to retire outstanding mandate claims. (Approximately \$1.8 million in new one-time funding.) A \$29.2 million increase to retire prior mandate claims, which brings the new total to \$108.5 million. While these funds are unrestricted, language encourages these funds to be used to promote campus security, technology, and professional development. (Will translate to an approximate additional \$700,000 one-time funding to FHDA.)
Deferred Maintenance and Instr Equip	289.00	219.40	A \$70.1 million decrease for the statewide Deferred Maintenance and Instructional Equipment program to help support other priorities contained in the May Revision. This lowers the total amount for the program to \$219.4 million. In addition, the cap for seismic retrofit projects is proposed to increase to \$646,000. (One-time) (Potential for up to \$6.9 million to FHDA decreases to approximately \$5 million if allocated based on recent past practice. This remains the most significant funding augmentation in the governor's proposal.) Note: Unofficially, this reduction is what was used to fund the increase in CC base funding noted in the second bullet above.
Innovation Awards	25	25.00	\$25 million is proposed for grants related to innovative practices in community colleges. More details on criteria will be released with the trailer bill. This item is proposed on a one-time basis, though the funding comes from ongoing resources. (Unknown. Allocation to be based on competitive grants awards.) No change from January proposal.
Zero Textbook Cost Degree	5	5.00	\$5 million was proposed in January to incentivize programs that have no costs to students for the use of textbooks. This item is proposed on a one-time basis, though the funding comes from ongoing resources. (Unknown. Grant allocation formula to follow in trailer bill language.) No dollar changes to the zero-textbook cost degree proposal; however, the following changes to the program propose: (1) award amounts are decreased from a maximum of \$500,000 to a maximum of \$200,000 per grant, (2) financial sustainability of the degree is now a factor for consideration in the grant process, (3) faculty purview and compliance with ADA are now specifically mentioned, and (4) a start date of 2018-19 for these degrees to be offered is included.
<b>Other</b>			
Fees			No fee increases are proposed at this time. (Although it does not improve funding for the district, this is good news for students and our efforts to increase enrollments.) No change.
Workforce	200.00	200.00	There are no dollar changes to the Strong Workforce Program; however, the May Revision proposes the following changes: (1) requires the Chancellor's Office to provide options for course approval to be completed in a half a year and one year, (2) requires the Chancellor's Office to provide options for curriculum to be portable once approved, (3) requires a 60%/40% (college/region) split of funding allocated to regions, (4) allows up to 60% of the funding received by the college to be used for ongoing purposes, and (5) makes maintenance of effort based on percent of CTE FTEs to total FTEs. (Unknown until funding formula is determined in trailer bill language.)
Data Security	3.00	3.00	\$3 million is added statewide to the TTIP program for the purpose of enhancing data security. (Approximately \$75,000 of new funding for FHDA.) No change since January proposal.
Prop 39	45.00	49.30	\$45 million was proposed in January for energy efficiency projects and workforce development consistent with the intent of Proposition 39. (Approximately \$1 million in new fund for FHDA's.) A \$4.1 million increase proposed in May revise for Proposition 39 energy efficiency projects. This increases the total amount for the program to \$49.3 million for the fourth year of the program. (Will add approximately \$100,000 to FHDA funding.)
Apprenticeship	1.80	1.80	\$1.8 million statewide is provided for the purpose of providing parity to apprenticeship rates relating to various general purpose funding augmentations received by colleges in 2015-16 (e.g., the general operating expense funds, funds for full-time faculty hiring). (Unknown. Allocation formula details not yet available.) No change.
Cal Grant	39.00	39.00	\$39 million state wide is continued for the Full-Time Student Success Grant, which provides supplemental financial assistance to Cal Grant B recipients taking 12 units or more. (Maintains FHDA's current funding level of approximately \$350,000.) No change.