



January 23, 2017

President's Waypoint: We're off to a Great Start!

I hope you were safe and dry, after the crazy rain this weekend. Aside from the rain, I feel good about our start to the semester. The "Spring All Campus Kickoff" was outstanding! There was something for everyone, whether you were getting your CPR Certification, creating a Vision Board, or learning about lynda.com. The rain did cause havoc with a couple of our temporary buildings, resulting in relocating some classes. The good news is that once the new West Campus building is completed, we'll be able to remove the problem East Campus portables.

The Governor's Preliminary Budget.

On a statewide level, Governor Brown released his preliminary budget on January 10th. While it is still very early in the budget process and changes will likely occur between now and the May Revise, I want to spend a little time talking about his budget. First, from a high-level perspective, the Governor has made it clear that the Trump administration has suggested policy changes that could affect the state budget. It is too early to speculate which changes will be put into place, when they will take effect, or how they will affect the budget and economy, so the Governor is taking a "wait-and-see" approach, rather than reacting to campaign rhetoric. The Governor offered the following in his introductory budget remarks:

This year's budget will be the most difficult that we have faced since 2012. The surging tide of revenue increases that we enjoyed the past few years appears to have turned. Instead, we now face a budget deficit of \$2 billion. While this amount pales in comparison to the \$27 billion deficit we faced in 2011, it demands our attention. Small deficits can quickly mushroom into large ones if not promptly eliminated. While rolling back some planned spending increases, my proposed budget protects our most important achievements—more money for education, an earned income tax credit for working families, the rising minimum wage, the extension of health care to millions, and the pay down of our long-term liabilities. In all likelihood, the coming years will bring even worse financial news—either from the start of the next inevitable recession or from changes at the federal level. This uncertainty about the future makes acting responsibly now even more important.

Granted, this statement does not exactly instill great warmth, happiness, and security! However, it does express a prudent cautionary perspective. This relates to the unknowns of the new administration and the current California economic expansion. We're currently entering the eighth year of economic expansion - the third longest economic expansion in California history! With the average expansion period being five years, the economic thinkers are steadfast in their predictions of a looming a recession. We'll see.

In terms of budget specifics, the budget has been described by the legislative analysts as "vanilla." Lyndsay Maas, Acting Vice President of Business Services, has done an excellent job providing us the

following summary of the augmentations for the California Community College budget and that for SBCC.

COLA (Unrestricted General Fund) - \$94.1 million for a 1.48% COLA from ongoing apportionment. ***Approximately \$1,080,000 for SBCC.***

COLA (Restricted Funds) - \$5.4 million for a 1.48% COLA for the Apprenticeship, EOPS, DSPS, CalWORKs and the Child Care Tax Bailout programs. ***Approximately \$62,000 for SBCC.***

Increased Operating Expenses - \$23.6 million for a base increase to cover increasing operating costs, especially due to rising employer pension cost. ***Approximately \$271,000 for SBCC.***

Deferred Maintenance and Instructional Equipment - \$43.7 million (one-time) ***Approximately \$500,000 for SBCC.***

Growth - \$79.3 million for a 1.34% growth in access from apportionment. ***Due to SBCC's declining enrollment, unfortunately no growth funding will be allocated to SBCC!***

Guided Pathways - \$150 million increase for grants to community colleges to develop integrated, institution-wide approach to student success. (one-time) ***Approximately \$1,725,000 for SBCC if awarded grant.***

Innovation Awards - \$20 million for grants to incentivize development and implementation of innovative practices in various functional areas as determined by the Chancellor. (one-time) ***Approximately \$230,000 for SBCC if awarded grant.***

Online Education Initiative - \$10 million to purchase a learning management system that will be provided free to colleges. ***Approximately \$115,000 for SBCC.***

Integrated Library System - \$6 million for the procurement of an integrated library system that allows every student to access a cloud-based, up-to-date library catalog. (one-time) ***Approximately \$70,000 for SBCC.***

Proposition 39 Clean Energy Job Creation Fund - \$52.3 million for energy efficiency projects. (one-time) ***Approximately \$600,000 for SBCC.***

SSSP, SEP, and other student support programs - The budget provides the same level of funding as 2016-17 for Student Success and Support, Student Equity Plans, Basic Skills Students Program, Adult Education, and Strong Workforce programs.

We will certainly continue to monitor the state budget situation and provide information as we receive it.

Until then, together forward,



Anthony E. Beebe, Superintendent/President
Santa Barbara City College