

## **Board of Trustees Agenda Item**

**Board Meeting Date:** March 1, 2010

### **Title of Item: Categorical Program Flexibility**

#### **Background and Analysis:**

The Governor signed major revisions to the 2009-10 state budget into law on July 28, 2009. Among the changes were flexibility allowances within proscribed Categorical Programs in an effort to blunt the effect of such severe budget reductions. Federal funds from the American Recovery and Reinvestment Act State Stabilization (ARRA) monies, assumed at this time to total \$130 million for the California Community College System, were expected to further buffer on a one-time basis, these Categorical Program cuts. Funding at that level would have limited program cuts to these programs of only 15 to 32%. Ultimately, the ARRA funds amounted to only \$35 million system-wide; far below the level previously anticipated resulting in much deeper program reductions.

A summary of these allowed Categorical Program changes follows:

- Districts are allowed to redirect funds from any of the designated categorical programs to support any other categorical program funded in the state budget.
- Before exercising this flexibility, districts are required to discuss the redirection of funds at a regularly scheduled public meeting and take testimony from the public.
- Districts exercising this funding flexibility are relieved of all state statutory, regulatory, and provisional requirements associated with the twelve programs contained in the flexibility category.
- For categorical programs in the flexibility category, funding allocations for each district are set at the same amount received by the district in 2008-09, less the 2009-10 cut.

These flexibility measures will be in place through the 2012-13 fiscal year.

Attachment I depicts the array of categorical programs for which flexibility is allowed, budget cuts for each and the total ARRA funding and its application.

The following transfers to trigger the flexibility mechanism are proposed:

- Foothill: Categorical Inter-fund transfer of \$1,000 from Non-Credit Matriculation to EOPS.
- De Anza: Categorical Inter-fund transfer of \$1,000 from Matriculation to EOPS.

#### **Recommendation:**

Board action to adopt the attached budget transfers and trigger the allowed categorical funding flexibility

Submitted by:	Andy Dunn, Vice Chancellor, ext. 6201
Additional contact	
Is backup provided?	Yes

# **Categorical Fund Cuts Analysis**

Prepared by Bret Watson  
November 17, 2009

	2009/10 State's Latest Allocation				2008/09 Actual (Based on P-2)					Estimated Cut Amounts for 2009/10							ARRA (Federal Backfill Allocation) 2009/10			
	2009/10 Foothill State	2009/10 De Anza State	2009/10 District State	Total State Allocation	2008/09 Foothill Actual	2008/09 De Anza Actual	2008/09 District Actual	Total Budget	Percent % Cut	2009/10 Foothill Cuts	2009/10 De Anza Cuts	2009/10 District Cuts	Current Total Distr. Cuts	Previous Total Distr. Sept. 1 Cuts	Difference	Fund	2009/10 Foothill ARRA	2009/10 De Anza ARRA	2009/10 District ARRA	Total Federal ARRA
Categorical Programs																				
Protected Programs																				
Basic Skills	90,000	333,776	0	423,776	100,000	197,096	0	297,096	-43%	-10,000	136,680	0	126,680	-95,071	221,751	21	3,553	13,178	0	16,731
EOPS	446,125	707,937	0	1,154,062	739,329	1,180,407	0	1,919,736	40%	-293,204	-472,470	0	-765,674	-614,316	-151,358	21	46,659	74,042	0	120,701
CARE	34,460	79,380	0	113,840	57,272	131,911	0	189,183	40%	-22,812	-52,531	0	-75,343	-60,539	-14,804	21	3,225	7,843	0	11,068
CalWORKs	307,142	0	0	307,142	0	608,089	0	608,089	49%	0	-300,947	0	-300,947	-194,588	-106,359	21	0	25,034	0	25,034
DSP&S	1,041,967	773,738	0	1,815,705	1,915,901	1,430,321	0	3,346,222	46%	-873,934	-656,583	0	-1,530,517	-1,070,791	-459,726	22	140,834	104,579	0	245,413
High Tech Center Training Unit (Part of DSP&S)	0	885,888	0	885,888	0	1,054,628	0	1,054,628	16%	0	-168,740	0	-168,740	-337,481	168,741	21	0	0	0	0
Telecommunications / Technology (TTIP)	0	0	0	0	36,036	36,036	0	72,072	100%	-36,036	-36,036	0	-72,072	-28,829	-43,243	21	0	0	0	0
Student Financial Aid Administration (BFAP)	322,156	524,164	0	846,320	373,837	553,167	0	927,004	9%	-51,681	-29,003	0	-80,684	0	-80,684	21	0	0	0	0
Total Protected	1,934,708	3,612,025	0	5,546,733	3,222,375	5,191,655	0	8,414,030		-1,287,667	-1,579,630	0	-2,867,297	-2,401,615	-465,682		194,271	224,676	0	418,947
Block (Allows Flexibility)																				
Apprenticeship	1,045,653	0	0	1,045,653	2,027,312	106,701	0	2,134,013	51%	-981,659	-106,701	0	-1,088,360	-1,365,768	277,408	15	109,199	0	0	109,199
Child Care Tax Bailout	0	405,503	0	405,503	0	827,468	0	827,468	51%	0	-421,965	0	-421,965	-529,580	107,615	26	0	42,366	0	42,366
Equal Employment Opportunity (Staff Diversity)	1,468	1,468	10,000	12,935	9,733	9,733	10,001	29,467	56%	-8,266	-8,266	-1	-16,532	-18,859	2,327	21	1,266	1,266	0	2,532
Transfer Education and Articulation	1,440	1,440	0	2,880	4,000	4,000	0	8,000	64%	-2,560	-2,560	0	-5,120	-5,120	0	21	0	0	0	0
Matriculation (Credit)	503,476	715,259	0	1,218,735	1,029,667	1,462,789	0	2,492,456	51%	-526,191	-747,530	0	-1,273,721	-1,595,172	321,451	21	52,366	74,393	0	126,759
Matriculation (Non-credit)	0	0	56,560	56,560	123,788	0	0	123,788	54%	-123,788	0	56,560	-67,228	-79,224	11,996	21	5,903	0	0	5,903
Part-Time Faculty Compensation	0	0	702,925	702,925	0	0	1,434,467	1,434,467	51%	0	0	-731,542	-731,542	-918,059	186,517	14	0	0	73,362	73,362
Part-Time Faculty Health Insurance	0	0	0	0	0	0	55,800	55,800	100%	0	0	-55,800	-55,800	-35,712	-20,088	14	0	0	0	0
Part-Time Faculty Office Hours	0	0	0	0	0	0	239,914	239,914	100%	0	0	-239,914	-239,914	-153,545	-86,369	14	0	0	0	0
Career Technical Education (CTE)	399,860	0	0	399,860	399,860	0	0	399,860	0%	0	0	0	0	0	0	21	0	0	0	0
Economic Development	693,008	0	0	693,008	1,043,825	0	0	1,043,825	0%	-350,817	0	0	-350,817	0	-350,817	21	72,334	0	0	72,334
Instructional Support (Equipment)	0	0	0	0	143,988	209,144	0	353,132	100%	-143,988	-209,144	0	-353,132	-353,132	0	21	0	0	0	0
Physical Plant(Scheduled Maintenance)	0	0	0	0	0	0	353,163	353,163	100%	0	0	-353,163	-353,163	-353,163	0	76	0	0	0	0
Total Block	2,644,905	1,123,670	769,485	4,538,059	4,782,173	2,619,835	2,093,345	9,495,353		-2,137,269	-1,496,166	-1,323,860	-4,957,294	-5,407,334	450,040		241,068	118,025	73,362	432,455
Grand Total	4,579,613	4,735,695	769,485	10,084,792	8,004,548	7,811,490	2,093,345	17,909,383		-3,424,936	-3,075,796	-1,323,860	-7,824,591	-7,808,948	-15,643		435,339	342,701	73,362	851,402

## **Assumptions:**

Blue = Latest Figures from Erik Skinner's 9/24/09 Simulation worksheet.

Yellow = 2008/09 P-2 Actual Revenue Received

Peach = Estimated Cut (Difference between new categorical figures and last years actuals)

Pink = Total District Cut Amounts

Grey = Total District Cuts from previous Sept. 1, 2009 Scenario.

White = Difference between Current Cuts and Sept. 1st cuts.

Green = ARRA Fund breakout by campus/program

Total Loss of Part-time Faculty Funds -1,027,256