This is the time of year when the true budget geeks watch state revenues on a daily basis and try to project what the governor's budgetary revision in May will have in store. As of last week, it appeared that revenues would be in line with the governor's January budget projections and initial optimism about a positive "upside" was dashed.

However, the last couple of days have had good budget news with above-expectations state collections in both withholding and in the net proceeds from the April 15 tax collection. There are now four business days left in April, which is the state's biggest revenue month. At this point, as I told the Southern California CEO Conference this morning, I project the following scenarios of growth beyond the January budget for state General Fund revenues:

- Low-range: Current year (one-time): $1.2b; Budget-year (ongoing): $1.26b
- Mid-range: Current year (one-time): $1.7b; Budget-year (ongoing): $1.85b
- High-range: Current year (one-time): $2.2b; Budget-year (ongoing): $2.31b

If these projections ring true, additional resources of between $60-$100 million would be available for community colleges in this budget for both the current and next fiscal years. Of course, we expect Governor Brown to continue to espouse fiscal austerity and it's possible the additional resources wouldn't be allocated until the end of the 2014-15 fiscal year in what we like to call "Proposition 98 Settle-Up."

We will continue to talk to the Legislature about our priorities beyond the governor's January proposal, as reflected in the League's recent talking points document. Our colleges have encountered a lot of pain over the last five years, but we're working hard in Sacramento to get you the revenue you need to restore access and services to students.

Meanwhile, today two significant bills were passed by the Senate Education Committee. SB 850 (Block), which would create a pilot project to allow community colleges to offer applied baccalaureate degrees, easily passed its first committee. The League historically was against the mission expansion, but the lessons from other states and the need for our students to reach credentials not available elsewhere led our boards to unanimously support the bill.

Additionally, SB 965 (Leno), which would provide financial breathing room for City College of San Francisco despite enrollment declines associated with its accreditation concerns. The bill has been crafted to minimize the impacts on other districts and the League believes the measure is essential to maintain access for the 77,000 students served by CCSF.

For the League's latest positions on legislation, visit our Bills of Interest page.

Sincerely,

Scott Lay
President and Chief Executive Officer
Orange Coast College '94