May 20, 2013

Good afternoon from Orange County, where Academic Senate for California Community Colleges president Michelle Pilati and I will be speaking on effective participatory governance shortly. Meanwhile, I'm in constant communication with League Vice President Theresa Tena, who is monitoring actions in Sacramento.

As you likely know, the Legislative Analyst's Office (LAO) released a report midday Friday that projected that state revenues would exceed the governor's May Revision projections by $2.8 billion. At the same time, the LAO provided an option to the Legislature by which funding for K-12 and community colleges ("Proposition 98") could actually be cut from the governor's May budget proposal. Talk about confusing!

The LAO's report provides a balanced possibility to conclude the 2013-14 state budget in a manner that restores access, addresses inflation, and begins the process of restoring our critical student success categorical programs—all for community colleges, while also addressing essential K-12 and other needs outside of the state's K-14 "Proposition 98" funding priority.

While the governor's May Revision was the best in years for community colleges, we recognize the non-education priorities and the fact that many of our students and their families rely on the state's health and social safety net that enables them to attend college. The LAO's increased revenue picture provides hope that we can tackle both educational and non-educational state needs.

As we talk to the Legislature this week, we are speaking about these priorities:

- 2012-13 ("One-time") funds: A proportional share (~10.93%) to the $1 billion provided to K-12, used to address scheduled and deferred maintenance, instructional equipment and library materials, and professional development.
- 2013-14 ("Ongoing") funds:
  - Adopt the governor's proposal of 1.63% enrollment restoration, 1.57% cost-of-living adjustment, and $50 million augmentation to the Student Success and Support Program (formally known as Matriculation, for total funding of $99.2 million)
  - To the extent additional funds are available, we support the following (not in a specific order):
    - addressing the roughly 18% in COLAs skipped during the state's recession to restore educational quality
    - augmenting enrollment restoration to around 2%
    - restoring targeted access-driven and student success categorical programs cut in recent years on a proportional basis, prioritizing those serving our most economically and physically challenged students

This is a very uncertain budget, as the revenue forecast has not been this cloudy since 2001-02. The governor and legislators of both parties have mutual desires to restore access to, and quality of, programs that have been cut since 2009-10, without making the same mistakes of falsely relying on revenues received by the state on a one-time basis for ongoing programs.

We are talking with legislators and the administration about your ongoing needs and will continue to articulate them and hope to have more definitive news for you later on this week.

Sincerely,

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