Budget Update

Colleagues,

I'd thought I'd give you a quick update on this evening’s actions of the Budget Conference Committee.

After weeks of behind the scenes wrangling, the Committee agreed to assume the level of revenues estimated in the Governor's May Revision. You may recall that the Legislative Analyst's Office believes that the Governor is underestimating revenues by a combined $3.3B over the prior, current and, budget years. Indeed, the State Controller reported on Monday that tax receipts for May were well above the May Revision estimates. In the interest of getting an on-time budget, though, the Conferees adopted the Governor's revenues with a promise to revisit expenditures in January if more revenues materialize.

Here are some of the key provisions of the budget as it relates to the California Community Colleges:

* $38M more in categorical funding than was proposed by the Governor (Brown provided $50M for the Student Success and Support item) including $15M for DSPS, $15M for EOPS, and $8M for CalWORKs.

* Adoption of a COLA (1.57%) and funding to restore access (1.63%).

* $30M for deferred maintenance (specified as one time funds, though paid with budget year money).

* $25M for local planning grants related to new adult education consortia.

* $48M for energy efficiency activities related to Proposition 39 to be allocated in a manner determined by the Chancellor's Office. District reporting requirements will be specified in trailer legislation. An additional $3M will be moved into the Energy Conservation Assistance Act (ECAA) revolving loan program administered by the California Energy Commission.

* $16.9M for the Online Education Initiative.

* $150k in funding for the Academic Senate.

* The budget agreement will pay down $30M in deferrals in 2013-14 whereas the May Revision would have paid down $63.7M.

There will be more details to investigate over the coming days - trailer legislation, in particular - but it would appear that a final budget has taken shape. I'll continue to keep you posted as we learn new information.

Regards,
Dan Troy

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