

Budget Update Conference Committee Actions

6/09/15



Colleagues,

This evening the Conference Committee met and took several actions intended to sort out the differences between the two houses on the 2015-16 budget. It should be noted, however, that the Committee's actions do not reflect an agreement with the Governor. Given that the Committee based expenditures on the LAO's estimated revenues rather than what was estimated by the Department of Finance, it is likely this agreement will undergo changes prior to the enactment of a final budget.

Key areas of agreement by the Conference Committee include:

- * \$271M in general operating expense funding (a compromise figure between the Senate and Assembly level)
- * \$60M in 1-time funds for the Governor's Basic Skills and Student Outcomes Transformation Program - a grant program aimed at improving /expanding evidence-based practices in basic skills education. The Senate had previously rejected this proposal.
- * \$148M total for deferred maintenance and instructional equipment (the Senate had approved a higher amount)
- * \$15M in one-time funds approved for Professional Development, of which \$6M is for PD related to the SB 850 BA pilot programs
- * \$39M for financial aid support for Cal Grant B recipients taking 12 or more units (the Senate had not approved this proposal)
- * \$10M increase financial aid administration (the Senate had not approved this proposal)
- * Increases for certain categorical programs, including \$250k increase for the Academic Senate, \$ 2.4M for the Fund for Student Success, and \$2.23M to fund COLAs for various programs.
- * Reduces the 1-time pot of mandate reimbursement payments by about \$22M (the total amount would decrease from \$626M to about \$604M)

The committee agreed to fund the \$75M FT Faculty proposal, but narrowed the tiers to a range of \$73,000 to \$125,000 (the Governor had proposed a range of \$70,000 to \$190,000), included intent language urging districts to spend funds that would not be required to be spent on FT hires to support FT/PT faculty in ways that foster student success. Also, the CCCCCO would be required to provide a report on the FON.

Regarding Adult Education, the K12 MOE would extend to all categories of adult education expenditure for the 12-13 year, not just the 5 categories spelled out in AB 86, but would cap the total MOE at \$375M. Also, \$25M is provided (K12 funds) to support data management related to AE.

Note, that items highlighted above only reference areas of disagreement between the houses that needed to be resolved. For example, both houses had already agreed to fund a COLA of 1.02%, growth of 3%, significant increases to SSSP and Student Equity Plans, to restore EOPS and CalWORKs to pre-recession levels. These items have not changed.

As mentioned earlier, there will likely be some changes before there is a final Budget Act. The Conference Committee has approved funding for the California Community Colleges approximately \$80M over the Governor's May Revise proposal, so it is very possible that some of these items will be reduced or deleted prior to the end of the process. I believe it is still likely that there will be a final agreement in place by July 1.

I will keep you informed of significant changes as they occur.

Regards,
Dan Troy
Vice Chancellor, College Finance and Facilities Planning
California Community Colleges Chancellor's Office