

## Robertson, Beth

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**From:** Kratochvil, Bob  
**Sent:** Friday, January 31, 2014 1:56 PM  
**To:** LMC ALL Employees  
**Subject:** Information on Governor's Budget  
**Attachments:** CA Governors Budget Proposal 2014-15\_4CD Gov Bd Mtg\_1-22-14.pdf

Colleagues:

I wanted to provide a briefing on recent information regarding the 2014-15 Governor's Budget for the State of California. The attached information was shared last week with the Shared Governance Council and was included in a District presentation to the Governing Board that same evening. Below are some highlights:

**Key funding proposals:**

The Governor's proposed budget – although the highest in State history – places billions of dollars into reserves and "rainy" day fund, and addresses significant long-term liabilities and debt. The plan increases the Proposition 98 guarantee by 11.4% and proposes pay off deferrals to K-14.

For community colleges, the Governor aims to fund additional dollars (3% restoration) of access, which would provide additional FTES growth. Funds would raise the value of FTES from \$4,636 to \$4,676. Although the funding distribution within the community colleges is not known, it is estimated that \$200 million will be allocated to the Student Success and Support Program, categorical (restricted) funds in support of the Student Success Act.

Restricted funds in the amount of \$39 million are set aside for energy efficiency projects per Proposition 39.

**Policy matters:**

The Governor is not proposing any adjustment to the \$46 per unit enrollment fee. He moves forward with his plan to develop regional adult education consortia. The Governor also is proposing a constitutional amendment regarding spending policy intended to alleviate drastic cuts that have occurred in education in the past.

**Summary:**

Overall, the Governor's budget is a very positive commitment to higher education, and provides substantial growth to the Proposition 98 guarantee. Additional dollars are included for FTES enrollment growth and the Governor is committed to paying down debt and long-term obligations. Although the Governor's proposed budget is positive, funds for ongoing, discretionary spending are very modest.

It certainly is important to note that this is the Governor's proposal only. Legislative reviews will occur throughout the next several months, the "May Revise" by the Department of Finance will update revenue projections and make revisions to proposals, and the adopted budget is expected by June 30.

We will keep you apprised of budget proposal adjustments as new information is made available.

Bob

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