

First Monday Report

Focus on the Budget:
Fiscal Year 2014-2015
(FY2015) Budget
Developments at the
State Level



Issue 22, June 2, 2014

Upcoming Events:

- Jun 3 Statewide Primary Election
- Jun 8 RVT Graduation Ceremony
10:00 AM
Equine Unit
- Jun 10 Student Awards Brunch
9:45 AM
Music Lawn
Tickets are \$15 each
- Jun 10 Faculty Gala
3:00 PM
The Great Hall
Theme "Pierce Idol"
- Jun 10 LAPC's 66th Commencement
6:00 PM
Rocky Young Park

FY2015 Budget Developments

Each winter and spring, we go through the process of analyzing and evaluating the projected revenue available for distribution in support of statewide programs, including the funds proposed for California community colleges. The Governor is required to announce the State budget by January 10. This announcement is the beginning of the budget season. Once the initial proposals are made, all the constituencies and interest groups affected by state funding spend the spring visiting the Capitol to lobby for their specific needs. In some cases, these lobbying efforts are intended to solidify the Governor's proposals, and in others lobbying is focused on requesting more support. Community colleges were well treated in Governor Brown's January budget so many of our lobbying efforts this spring were focused

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New LACCD Chancellor: Dr. Francisco Rodriguez

Dr. Rodriguez comes to us from Mira Costa Community College District where he held the position of president and superintendent for five years and has been in higher education for nearly 30 years. During his tenure at Mira Costa, he has been credited with helping the college district balance the budget and more than double student graduation numbers. "It's wonderful," Rodriguez said of becoming Chancellor. "I'm looking forward to raising the academic achievement for students, first and foremost – (of them) ultimately completing their educational goals." ([Los Angeles Daily News](#))



Budget

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on supporting his initial proposal. I made two trips to the Capitol to visit with local legislators this year. The first was at the end of January in association with other community colleges; the second visit was at the end of April with representatives from the University of California and the California State University to represent the needs of all California public higher education. During the April visit, I saw several LACCD colleagues there also lobbying on behalf of funding community colleges.

Following the January budget, the Governor's Office annually produces what is called the May revision, also called the May Revise. This update to the initial January budget proposal occurs each May following revenue collections in April, including the reconciliation of personal income taxes. Once the Governor's revised proposal is made public, the Department of Finance (DOF) and the Legislative Analyst's Office (LAO) evaluate the data and make their own revenue projections and recommendations for how the projected revenue should be disbursed to the various state-funded agencies and programs. These additional analyses signal the final phases of the budget deliberations leading to a final budget, which is now required to be in place no later than June 30.

What appears below is a chart showing the various budget proposals, including the final budget numbers for the 2013-2014 fiscal year for comparison through the recently released Legislature's proposal, which is based on the LAO's evaluation of available revenue and recommended allocations to California community colleges. The LAO reported an additional \$2.5 billion more in revenue over the 2012-2013 through the 2014-2015 fiscal years. As a result of this higher revenue, the joint proposal from both houses of the Legislature chose to fund additional spending over the Governor's budget. According to Dan Troy, Vice Chancellor of Finance at the California Community Colleges Chancellor's Office, "In total, the CCCs would receive \$246 million more in funding in the 14-15 fiscal year than under the Governor's plan and \$34 million more than the 13-14 fiscal year."

In the chart below (see page 3) reductions in funding from the Governor's January budget proposal are shown in yellow; increases from the January budget proposal are shown in green.

This is the second fiscal year in a row that the LAO and the DOF projected that current year revenue increases would carry forward into the next fiscal year. According to the CCCCO's Vice Chancellor Troy, "Last year, the Governor prevailed on the level of revenues though he did agree to make room for expenditures for certain categorical programs in the final budget." In their proposal, the joint houses of the Legislature largely affirmed the Governor's budget but proposed to augment several categories. Since there is basic agreement on the funded areas, it is likely that the focus of budget discussions over the coming weeks will be to convince the Governor to adopt a less fiscally conservative

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approach to funding the FY2015 budget. Once the full budget committees of each house meet and affirm the work of their subcommittees, meetings between the representative of the Legislature and the Governor will take place to craft the final budget.

Various Budget Proposals

Item	FY 2013-2014	FY 2015 January	FY 2015 May Revision	FY 2015 Legislature
COLA	0.0%	0.86%	0.85%	1.70%
Growth/Restoration	1.63%	3.00%	2.75%	2.75%
Student Success and Support Programs (SSSP)	\$99,183,000.	\$199,183,000.	\$199,183,000.	\$199,183,000.
SSSP-Equity Funds	\$0.00	\$100,000,000.	\$100,000,000.	\$100,000,000.
DSP&S	\$84,233,000.	\$84,233,000.	\$84,233,000.	\$134,200,000.
EOP&S	\$88,605,000.	\$88,605,000.	\$88,605,000.	\$106,600,000.
Economic Workforce and Development	\$22,929,000.	\$22,929,000.	\$22,929,000.	\$22,929,000.
Student Financial Aid	\$67,537,000.	\$67,896,000.	\$67,896,000.	\$67,896,000.
CalWORKS	\$35,545,000.	\$35,545,000.	\$35,545,000.	\$49,500,000.
Basic Skills	\$20,037,000.	\$20,037,000.	\$20,037,000.	\$25,000,000.
Nursing Education	\$13,378,000.	\$13,378,000.	\$13,378,000.	\$13,378,000.
Transfer and Articulation	\$698,000.	\$698,000.	\$698,000.	\$698,000.
Foster Care Education Program	\$11,786,000.	\$11,786,000.	\$11,786,000.	\$11,786,000.
Campus Childcare Tax Bailout	\$3,350,000.	\$3,350,000.	\$3,350,000.	\$6,800,000.
Part-time Faculty Compensation	\$24,907,000.	\$24,907,000.	\$24,907,000.	\$24,907,000.
Part-time Faculty Office Hours	\$3,514,000.	\$3,514,000.	\$3,514,000.	\$10,000,000.
Part-time Faculty Health Care	\$490,000.	\$490,000.	\$490,000.	\$490,000.
Convert Part-time to Full-time Positions	\$00.00	\$00.00	\$00.00	\$25,000,000.
Telecommunications and Technology Infrastructure	\$15,790,000.	\$15,790,000.	\$20,390,000.	\$20,390,000.
One-Time Funds:				
Physical Plant and Instructional Equipment	\$00.00	\$175,000,000.	\$148,000,000. Physical Plant uses only -- no match required in FY 2015	\$199,300,000. Flexibility in use for equipment or facilities
Economic Workforce and Development	\$00.00	\$00.00	\$50,000,000.	\$82,900,000.
Telecommunications and Technology	\$00.00	\$00.00	\$1,400,000.	\$1,400,000.