

CCFC FAST FAX

Community College Facility Coalition

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LEGISLATIVE ANALYST RELEASES ANALYSIS OF GOVERNOR'S BUDGET — One of the major steps in the development of the budget approved by the Legislature is the release of the Analysis of the Budget by the Legislative Analyst's Office (LAO). The LAO Analysis of the proposed 2010-11 Governor's Budget was released last Friday (February 26).

There was very little in the Governor's Budget for the LAO to scrutinize in the way of capital outlay projects, as only four projects were included for the community colleges and none for UC and CSU. The release of the Governor's Budget in January included a statement that the Governor would propose a mechanism for funding higher education infrastructure in his May Revision. The LAO recommended that the Legislature "exercise heightened scrutiny in reviewing new projects proposed in May."

While the capital outlay issue remains in limbo for the time being, other recommendations by the LAO, if implemented, will have a major bearing on community colleges. The proposed Governor's Budget includes funding for enrollment growth in all 3 sectors of higher education (CCC, UC and CSU). Both UC and CSU are planning on reducing enrollments in 2010-11 and using any enrollment increase funds to cover already enrolled unfunded students.

The LAO is recommending that the Governor's proposed funding increase for increased enrollments at the community colleges in 2020-11 be funded by a fee increase from \$26 per unit to \$40 per unit. The rationale is that this would be at virtually no cost to students because of state and federal aid programs. The LAO noted that by the end of 2008-09 some 47 districts were "overcap" and the remaining 25 are right at or just below their enrollment targets. The impact of the 3.3% community college reduction in the 2009-10 Budget has resulted in longer waiting lists for courses in many districts.

Budget hearings for the 2010-11 Budget are already underway in the Legislature. Toward the end of this process in May the Governor will release his May Revise (presumably including his recommendation for funding higher education infrastructure). Shortly after that the two Houses of the Legislature should conclude their budget review process and a Conference Committee will attempt to reconcile the differences between the two budget proposals. At that point, if history is any guide, the Governor and the Legislature will begin serious discussions regarding a final budget.

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