

From: Chief Business Officers [<mailto:CBO-ALL@LISTSERV.CCCCO.EDU>] **On Behalf Of** Harris, Brice
Sent: Friday, January 09, 2015 10:16 AM
To: CBO-ALL@LISTSERV.CCCCO.EDU
Subject: 2015-16 Governor's Budget Proposal
Importance: High

Colleagues:

By now you have seen Vice Chancellor of Finance Dan Troy's summary of the January budget released earlier today by Governor Brown. Needless to say this is the best community college budget we have seen in many years, and frankly the best I have seen in my more than two-decade tenure in California. In proposing over \$800 million in ongoing funding and over \$300 million in one-time-only funds, Governor Brown has made clear his support for community colleges. Not only is his proposed financial investment important, but it is also significant that his priorities dovetail almost perfectly with our own. He has funded the restoration of access and student success for the third consecutive year, perhaps the first time in recent memory that a Governor has financially supported our initiatives over multiple years. The faith he continues to show in our system is a credit to all the tremendous work our colleges have done in recent years to serve as many students as possible, and to help our students succeed in greater and greater numbers.

In addition to acknowledging the tremendous support of Governor Brown for our colleges, my other reason for writing today is to caution you about this strong proposal. As we know, this is but the first step in what will be a long and protracted budget process. There will be some who want to see these numbers lowered and others who want to see the Governor's priorities changed. Even within our system there will be pressure to move money from one priority to another. Although this is certainly to be expected, we must work together to come to internal agreement about our priorities and to communicate that agreement in the Legislature. Over the next few weeks we will be working with all constituent groups to seek common ground on our budget messaging. If you have opinions about the budget I encourage you to work with your Consultation Council representatives to bring your suggestions through our shared-governance process.

Finally, a word about the future. Although I do not want to put a wet blanket on this excellent budget proposal, there are significant financial clouds on the horizon and I want us all to keep those issues in mind as we work on the budget this year. It is clear from the amount of discretion the Governor is suggesting in the \$125 million for support of "increased operating expenses," that he expects us to use these dollars wisely to solve some of our current and future financial issues. As we are all painfully aware, our colleges are facing tremendous needs for faculty and staff, increases in STRS and PERS contributions, un-funded or under-funded retiree health costs, professional development needs, and other core funding needs. Any one of these needs alone could encumber the entire \$125 million. Further, although Prop 98 may continue to grow in the out years, we do not expect the increases to be nearly as large and if Proposition 30 sunsets as planned, that will place even more pressure on a State budget with many more priorities than dollars. All of this is to say that this is a very important year for us financially. As we work together to present a united front in the Legislature let us be sure to push for expenditures that will ensure a quality education for our students, support our most important asset - our employees, and maintain financially healthy colleges.

Thank you for everything you do for our students. Have a great Spring term.

Brice