

MAY REVISE INCREASES COMMUNITY COLLEGE FUNDING, IGNORES CRITICAL FACULTY PRIORITIES

On May 13, the Administration released its May revision (“May Revise”) to the January budget proposal, containing an increased COLA (4.23 percent, up from 3.93 percent in the January budget), \$40 million for equalization, and a restoration of the \$31.4 million vetoed from the 2004-05 budget.

The May Revise also proposes a one-time increase of \$10 million in the 2004-05 budget to enhance infrastructure and equipment in nursing programs, and a one-time increase of \$17.4 million in the 2005-06 fiscal year to improve vocational and technical course articulation between K-12 and community colleges.

According to the Department of Finance, the May Revise moves the community colleges closer to its statutory Proposition 98 split by increasing its share from 10.32 in the January budget proposal to 10.46 percent.

Although FACCC welcomes the aforementioned increases in the community college budget, it is disheartened to learn that the Governor has chosen to continue advocating a \$469 million reduction to the Defined Benefit program, representing a \$40 million cut to community colleges. Additionally, the Administration has ignored a \$33 million property tax shortfall in the current year, which could cause community colleges to make mid-year programmatic reductions. Both Houses of the Legislature have backfilled the cut to CalSTRS and the property tax shortfall.

FACCC continues to aggressively advocate faculty priorities in the System budget request, which were left out of the May Revise. These include professional development, full funding for the State Academic Senate, Matriculation, and the part-time faculty office hours, health benefits and pay equity programs.

A budget comparison chart is listed on the reverse side.

BUDGET RESOLUTION COULD TURN ON PROP 98 FUNDING

The Governor has been engaged in a substantial war of words with Democratic legislative leaders over Proposition 98 funding.

Last year, the California Teachers Association and other K-12 representatives negotiated an agreement with the Administration to temporarily remove \$2 billion from the Proposition 98 funding guarantee for K-12 and community colleges (neither FACCC nor any other organization solely representing community colleges was involved in the deal). The Governor and leading Democrats are now battling over what was contained in the deal, and whether the Administration actually reneged on its commitments.

At a recent meeting of the Senate Budget Subcommittee on Education Finance, the Legislative Analyst's Office testified that the effect of the deal, along with the Governor's decision not to return the money, has cost K-14 education \$3.8 billion in 2004-05, and approximately \$3.5 billion in 2005-06. Combining the two fiscal years, the annual loss to community colleges is roughly \$755.6 million.

The Senate budget writers placed an additional \$2 billion in Proposition 98 funds into its 2005-06 budget, while the Assembly Democratic leaders called for a restoration of the ten and eleven percent income tax brackets on the top income earners, with proceeds going to subsidize education. While it remains to be seen how the budget wars will play out, it is clear that Proposition 98 will be the focal point of the discussion.



FACCC CONFERENCE: STEVE GUNDERSON AND PHIL DAY CONFIRMED AS SPEAKERS

Former Congressman Steve Gunderson (R - WI) will keynote FACCC's upcoming conference. Gunderson's legislative record and public policy expertise are assured to create heightened attention to the fundamental role of community colleges in training tomorrow's workforce. Gunderson will speak from the podium, and join a panel of California experts, including San Francisco City College Chancellor Phil Day.

Registration is now open and discounts are still available. Visit www.faccc.org under “Education & Events” for details and to register online.

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**FACCC Conference Member Discounts Are Still Available.
 Visit www.faccc.org for details & to register online.**



InFACCC is a members-only newsletter of FACCC, the Faculty Association of California Community Colleges, Inc. FACCC is a nonprofit, professional organization that promotes unity and professionalism among California Community College faculty, and advocates on behalf of faculty to encourage policy makers to provide adequate resources and appropriate laws and regulations to assure Californians broad access to community college education.

May Revise 2005/06

**Comparison of
 Recommended Funding
 Increases Over 2004-05
 (Ongoing Funds)**

Dollars in Thousands

	System	Governor	Assembly	Senate
Maintain and Restore Educational Quality:				
Restore Vetoed Base Funding ¹	31,409	31,409	31,409	31,409
COLA (4.23%)	119,000	210,435	210,435	210,435
Restore One-Half of Prior-Year lost COLA	46,450	0	0	0
Professional Development	2,500	0	0	0
Fully Fund Part-Time Office Hours and Health Ins.	7,100	0	0	0
Restore Academic Senate	30	0	0	0
Provide Equitable Student Access:				
Enrollment Growth (3% apportionment; 1.89% select categoricals)	169,781	141,931	141,931	141,931
Equalization	80,000	40,000	0	40,000
Noncredit Rate Enhancement	30,000	0	20,000	0
Unfunded Enrollment	0	0	20,000	0
Restore Essential Services Critical to Student Success:				
Restore Matriculation/Counseling/Placement	23,300	0	0	0
Health Services Fee Backfill	14,000	0	0	0
Restore Special Service for CalWORKS Students	9,000	0	0	0
Partner in State's Economic and Workforce Development:				
Augment Economic/Workforce Development Program	15,458	0	0	0
Enhance Technology Infrastructure and Date:				
Data Sharing/CalPASS Partnership ²	500	500	500	1,000
Technical Budgeting Changes:				
Technical Budgeting Changes	0	14,990	14,990	14,990
TOTALS	548,528	439,265	439,265	439,765
ONE TIME FUNDS				
Professional Development	2,500	0	0	0
Scheduled Maintenance and Instructional Equipment	50,000	0	0	0
CALREN Network Access for CCC Centers	475	0	0	0
Electronic Transcript Exchange	691	0	0	0
Vocational Education Coursework Articulation	0	37,437	0	37,437
Mandate Claims (prior year)	0	0	10,000	0
Property Tax Backfill (current year) ³	33,000 ⁴	0	33,000	33,000
Added Nursing Enrollments: Start-up and Equipment (current year) ⁵	0	10,000	0	10,000
TOTALS – One Time Funds	86,666	47,437	43,000	80,437

1 While the Assembly and Senate agreed to the same allocation, the two Houses adopted two different versions of the budget bill language.

2 The Senate denied the Administration's proposal to make the expenditure of funds contingent upon a match from UC and CSU.

3 Although the two Houses agreed to the same allocation, the Senate used Prop 98 "settle up" funds, while the Assembly utilized the Prop 98 Reversion Account.

4 Since the current year property tax shortfall was revealed subsequent to the last meeting of the Community College Board of Governors, it was not part of the System's formal budget request. Nonetheless, the System has long argued that property tax shortfalls should be backfilled by the State.

5 Senate also approved the addition of two positions and \$150,000 (federal funds) for the Chancellor's Office to support the expansion of nursing education programs.

The Senate also approved the following items with "intent" language, contingent upon an additional \$2 billion in Proposition 98 (dollars in thousands):

(1) Additional Enrollment Growth:	\$27,850
(2) Additional Equalization	\$40,000
(3) Noncredit Rate Enhancement	\$30,000
(4) Restoration of Matriculation/Counseling/Placement	\$23,300
(5) Health Services Fee Backfill	\$14,000
(6) Restore Special Services for CalWORKS students	\$9,000
(7) Partially restore prior-year unfunded COLA	\$21,754
(8) Economic and Workforce Development	\$10,000
(9) Fully fund Part-Time Faculty Office Hrs/Health Insurance	\$7,100
(10) Restore funding for Academic Senate	\$30
(11) Professional Development	\$2,500
(12) Scheduled Maintenance and Instructional Equipment	\$22,500
(13) CALREN Network Access for CCC Centers	\$475
(14) Electronic Transcript Exchange	\$691
Total	\$209,200