



Governor Releases Conservative FY 14-15 Budget Plan Amid Growing Surplus, Punts Adult Education Funding Structure to FY 15-16 as Expected

Governor Jerry Brown this week introduced his FY 14-15 budget plan that provides for a \$155 billion budget – a conservative plan that emphasizes restraint, despite the economic growth that currently has the state \$4.2 billion ahead of projections going in to the next fiscal year, July 1st. Putting it in to perspective, when Governor Brown took office in 2011 he was challenged with a \$26.6 billion deficit that resulted in massive cuts to programs across the board – even after those same programs had endured massive cuts in the preceding years under Governor Schwarzenegger.

While emphasizing restraint, however, it does contain more than 8% in General Fund spending increases to the tune of \$106.8 billion in General Fund expenditures. At its core, the plan proposes to pay off the Governor's so-called "wall of debt," create a \$1.6 billion "rainy day fund," and increase public school spending for K-12 by 11.4% after years of devastating cuts. The proposal – particularly the paying down of the "wall of debt" in four years – was applauded by Democrats and Republicans alike. That said, severe concern was raised by Democrats and advocacy organizations about the failure to restore social service cuts that have been excruciating over the past few budget cycles.

With regard to adult education, the Governor's proposal reiterates the 2013 provisions related to coordination through regional consortia, continuation of adults in correctional facilities program, and maintenance of effort through FY 14-15. Additionally, it reaffirms the Administration's commitment to making an investment in the FY 15-16 budget for adult education, including adult education provided in county jails, through a single restricted categorical program. The timing of this new investment is intended to coincide with the completion of the consortia plans intended to be completed in early 2015.

Perhaps the biggest accomplishment to date is the fact that the Administration is committed to investment in the two delivery systems through a dedicated, categorical program. Getting to this point has taken a great deal of effort and countless conversations with the Department of Finance. That said, clearly the details are critical. Currently the Department is envisioning the categorical allocation to be placed at the state level with the Community College Chancellor's Office as the fiscal agent with resources to be distributed directly to K-12 adult schools and other consortia partners based on the regional consortia plans. We've already begun conversations with the Department to discuss this approach, share our concerns and contemplate other options – or, at minimum, clear, explicit safeguards to protect funding for the K-12 system. During these discussions the Department has continued to reiterate their commitment to K-12 based adult education and interest in maintaining a healthy system. Additionally, it should be noted the very positive, collaborative relationships that not only I as your advocate have built with key decision makers and Department officials, but that your colleagues in the field have as well. Representatives like Joanne Durkee (Mt. Diablo) and Bob Harper (Campbell), to name just two, have direct lines of communication with Department officials and are continuing to educate them on the

development of the regional consortia efforts – challenges and opportunities, with a focused eye towards their implications for FY 15-16 funding and beyond.

Given the Administration is not intending to push forward with such big structural and fiscal changes this budget cycle, it should be noted the positive view that we have that adult education – without even being a significant part of this budget proposal – was explicitly and positively discussed in the Governor's Budget documents. Further, with over a year ahead of us to put in place the FY 15-16 and beyond fiscal structure, we will not be wasting any time ensuring we work with the Department and Legislature starting immediately to get it right. In this regard, CAEAA and CCAE are currently working on a FY 15-16 strategy document/proposal to begin that work in earnest in the coming weeks. While the document is still in process, we hope to be able to share it with the field soon and will absolutely be discussing its components – if not releasing it – in time for discussion at the CAEAA conference and CCAE Board meeting later this month.

Ultimately, it is important to remember that negotiations will continue for the next year and no ground has been lost – in fact, we continue to gain ground steadily. In this regard, we urge you – now more than ever – to remain active, involved, and continue to engage with your local legislators. Remember, we must keep legislators engaged not just in a time of crisis, but through each year so that they are educated and prepared to be with us when the tough decisions and negotiations need to be made. Invite them to your events; visit them during their sidewalk/office/coffee hours; have them preside over your graduations; etc. They need to continue to hear from you and the relationship needs to be fostered so when push comes to shove they remember you (and us) in FY 15-16. Case in point – it was the Legislature who took a stand to stem the bleeding for K-12 based adult education through the maintenance of effort (MOE) in last year's budget. They took a stand once, but it was because you in the field were engaged with them every step of the way. Keep it up – strength in numbers!

Adult Education Informational Hearing

The Senate Education Committee and Assembly Higher Education Committee will hold a joint hearing on **January 29th** at 10 a.m. in Room 4203 of the Capitol to discuss adult education. The discussion is an important one, particularly in light of the push for reform by the Administration and call to coordination under the AB 86 regional consortia effort. The meeting will have a series of panels, including presentation by the California Department of Education, Legislative Analyst's Office (LAO), and stakeholders in both the K-12 and CCC adult education system. We have been working with the Committees to structure the hearing and in this regard both CAEAA and CCAE will be represented in the panel discussions. Further, at the close of the meeting opportunity for public comment will be offered.