

STATE AND SYSTEM BUDGET PROCESS

- Building the community college system budget begins a year prior to the start of the fiscal year. For example, building of the 2008-09 fiscal year budget started in July 2007.
- Education Code section 70901 (b)(5)(A) directs the Board of Governors (BOG) to prepare and adopt an annual system budget request.
- Chancellor's Office convenes a "Budget Work Group" of Consultation Council members and other selected representatives to help develop, through a series of budget meetings during the summer, an outline of the system's budget request.
- Budget outline brought before the full Consultation Council for review and discussion at its July and August meetings.
- In September, Chancellor's Office staff present a draft System Budget Proposal to the BOG for comment and approval.
- Upon BOG approval, the System Budget Proposal is formally submitted to the Department of Finance (DOF) in the form of Budget Change Proposals (BCPs).
- BCPs are reviewed and analyzed by DOF staff, with successful BCPs included in the Governor's January 10th Budget Proposal as changes to the prior year's base budget.
- On January 10th, Governor's Budget Proposal formally introduced in the form of a Budget Bill in each house of the Legislature.
- Late February through early May, legislative hearings are held with DOF, the Legislative Analyst's Office, System Office staff and others providing testimony at the budget subcommittee hearings.
- Governor's May Revision submitted to the Legislature and consists of changes in Proposition 98 revenues, general fund revenues, enrollments, population et al. (Note: budget committees in each house usually wait until after the May Revision to pass their budget bills out of committee and to the full house).

- Budget bills voted on in each house are usually referred to a conference committee to resolve differences that exist between the Senate and Assembly Budget Bills.
- 2/3rds vote in each house is required to pass the final budget package agreed to by the conference committee before it's submitted to the Governor for signature. June 15th is the Constitutional deadline for the Legislature to pass the Budget Bill (a deadline rarely met).
- Governor may reduce or eliminate any appropriation through the line-item veto. When Governor signs the bill it becomes law and is known as the Budget Act.
- The budget package also includes separate "trailer bills" necessary to authorize and/or implement various program or revenue changes.
- Reminder: State funds for districts cannot flow until the budget is enacted. Until the Legislature and the Governor come to an agreement on the budget, no money can be provided to college districts for that fiscal year.