

All Staff Email Sent December 4, 2006

Hello Everyone,

The Governor's budget has been released. Slightly better news. The Governor's budget for the support fund is \$483 million. That is 12.7% above current biennium but only 4.5% above where we were in 2001. This should be the "floor" but there is a lot of work to do to get this number to \$529 million. This is an increase in the total public resources that were included in our projection of a little less than \$1 million for Lane. This will reduce our deficit some but not enough.

In addition, our Health and Wellness building is among the \$87.6 million of bonding in the Governor's budget. The Opportunity Grant funding has been increased to \$110 million (up from 76 million)

Finally, there are a number of categorical funds for Pathways (\$1 million); HealthCare (\$2.2 million); Workforce (\$2.2 million) among others.

The Governor's budget is based on the December revenue forecast AND a tobacco tax. There is a proposal to eliminate the corporate kicker to create a rainy day fund. Also, there is a proposal to increase the corporate minimum. It would fund access to Head Start, funding the Opportunity Grant and \$10 million for a Oregon Skill Up Program (workforce development) I have been involved with the development of this program in my capacity as chair of the Presidents' Council Sub Committee on Economic Innovation and as a member of the Oregon Workforce Investment Board.

We probably want to balance being grateful to the governor for a substantial increase which is a good start to repair the damage that has been done; but it does not go far enough to address the disinvestment of the past few years. We will be working very hard to assure that the governor's budget is the floor and that we aggressively lobby the legislature to increase the number to at least \$529 million for all community colleges. The governor is not opposed to increasing his number if the revenue forecasts in March and May show that there are more funds available.

We will be developing a new projection for the board meeting on Wednesday and will post it on the web site on Thursday.

If you have any questions, let me know.

Thanks. Mary.