



## League Budget Update #22: November 6, 2008

### Governor Proposes \$322 Million Cut to Community Colleges

Today, Governor called a special session of the state Legislature to address California's emerging budget shortfall. State revenues are plunging as the impact of the housing and stock market declines.

The governor proposes \$9.2 billion in current year budget solutions, including \$4.7 billion in new taxes and \$4.5 billion in budget cuts. Specifically, the governor proposes increasing the state sales tax by 1.5 cents, expanding the sales tax to include some services, increasing alcohol taxes by 5 cents per drink, and instituting an oil severance tax.

The governor proposes significant cuts to education, including community colleges. For higher education, he adds to cuts (including below-statutory COLA) approved in September for all segments to create roughly 10% total cuts for this fiscal year. K-12 spending would be cut by \$2.2 billion.

#### For community colleges, the Governor proposes:

- Cutting \$39.8 million, which is the remaining funded 0.68% for the cost-of-living adjustment. This results in a cut of 5.66% from the statutory funding level.
- A five percent (5%) cut to each district's general apportionment (\$292.4 million). Allowing districts to backfill portions of their general apportionment cut by doing a mid-year shift from categorical program funding. Normal consultation and public meetings requirements would be required.

We intend to fight these proposed cuts by talking about the increased enrollment we are seeing on our campuses and the incredible job that faculty and staff are doing expanding career-technical education programs and addressing the basic skills crisis. It's going to be a difficult fight, and we will need your help. Meanwhile, I am sharing with you the talking points that we sent out to public information officers earlier today.

### Community colleges: California's Economic Stimulus

#### Mid-year Budget Cuts Talking Points

##### Overall

- The 10% cut at a time of 10% enrollment increase will lead to a slashing of 165,000 full-time equivalent students, or **nearly one quarter of a million Californians seeking job training and education at our community colleges**. \* At best, this will slow California's economic recovery; at worst, it will accelerate our state's economic decline.

\* There are currently 100,000 unfunded FTES and the governor's proposal would slash funding for another 64,066 FTES. Each FTES translates into 1.51 term headcount students.

- As California's unemployment rate is projected to continue to rise, enrollment demand at community colleges will continue to increase.
- Instead of a \$332 million cut, the Legislature and Governor **should fund the 100,000 unfunded**

**full-time students** currently being served as required by law by California's community colleges. **The cost of serving these students is over \$450 million.**

- Community colleges have been belt-tightening for years. **Community colleges receive one-half what the California State University receives per student and one-third what the University of California receives.**

### **Property Tax Backfill Guarantee**

- Any mid-year proposal for community colleges must be accompanied by the same guarantee of property tax revenues that the Legislature and Governor have made for K-12 schools.

### **"Categorical Flexibility"**

- While we have sought new flexible funds in each year's budget to enable local college trustees, administrators, faculty and staff to address localized needs, the "categorical flexibility" proposal **will simply pit disabled students against poor students and career-technical programs against major initiatives to address the basic skills crisis.**



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