



California Community Colleges Budget Talking Points

The California Community Colleges play a vital role in responding to the state's need for a more highly educated and trained workforce. According to a recent study by the Public Policy Institute of California, *California 2025*, by the year 2020, two of every five jobs will require a college graduate, an increase from one-third of all jobs in 2005. In absolute terms, the total number of jobs requiring a college education is expected to increase by 4.5 million by 2020. To remain competitive in the global economy, California must increase the number of its citizens attending and graduating from college.

California's Community Colleges are the world's largest system of higher education consisting of 109 colleges that educate more than 2.6 million students each year. The colleges serve 73 percent of all students enrolled in California higher education. Two-thirds of all CSU graduates and one-third of UC graduates began their college years at community colleges as transfer students. Because of its size and geographic distribution, the community college system is uniquely positioned to deliver education and workforce training on the scale needed to help turn California's economy around and remain competitive.

While we understand the enormity of the current budget crisis and understand that the community colleges will very likely be required to absorb some level of budget reductions, the \$483 million in cuts proposed in the Governor's budget would be devastating to the community colleges. It is our responsibility to explain the real impact of these proposed cuts on our students and on the community colleges' ability to deliver education and training to an ever-growing population.

Key Issues in the Proposed 2008-2009 Budget:

- ✓ *Unfunded enrollment comes at a time when demand for community college education is at an all time high.* The Governor's proposed budget would constrain enrollment growth to 1% instead of funding the true demand of 3% growth, translating into a cut of \$112 million. In the 2006-07 academic year, the community colleges served a record 1.15 million full-time equivalent students. This growth trend is continuing in 2007-08 with 63 of the 72 college districts reporting growth, but it will take additional enrollment funding to maintain this progress.
 - Community colleges are only now rebounding from the budget cuts suffered earlier this decade when student fees were increased and course sections were significantly reduced. These two actions caused enrollments to decline by more than 300,000 students and we have only recently returned to a growth mode.
 - **Reducing enrollment growth funding from 3% to 1% means that the districts will be left without the resources necessary to provide classes for more than 50,000 students.** These students will be left without access to the education and training they need to secure good paying jobs. As a result, California businesses will find it even more difficult to find the highly skilled workers needed to compete in today's economy.
 - Full funding for community college enrollment is the most cost-effective way for the state to ensure access to higher education and meet critical workforce needs.



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- ✓ Because the community colleges are open access institutions, unfunded enrollment will impact all 2.6 million community college students as they see long waiting lines and early class closures for courses they need to graduate. This will delay transfer to four-year institutions, and degree or certificate completion, ultimately prolonging entry into the workforce.
- ✓ Cuts to student services threaten student success. The Governor's budget proposes across-the-board cuts to all categorical programs ranging from 4% to 11%, totaling \$80 million. These programs form the student services infrastructure that helps students succeed, providing core services including counseling, support for disabled and struggling students, financial aid assistance, and academic support for students needing basic skills.
 - Students using support services most often are low-income, first-generation college-going and are forced to juggle work and family responsibilities. These services provide essential support and hold the key to student success.
 - College counselors are already spread thin with a ratio of 1,900 students for every counselor. The proposed cuts would only worsen this situation, denying students the assistance they need to access crucial support services and succeed in their educational objectives.
 - More than 70% of incoming community college students require basic skills education to ensure academic success. The proposed cuts would dramatically impact the college's ability to provide basic skills courses and the academic and tutorial services to help students succeed.
- ✓ Lack of COLA would erode colleges' spending power. The Governor's proposed budget does not provide a COLA for community colleges, representing a cut of \$292 million. Due to the effects of inflation, community colleges will face higher costs in 2008-09 for staffing, health care, utilities, and other goods and services. If no COLA is provided, colleges will be forced to make cuts in base programs—reducing course sections, cutting student services, and eliminating other vital education services—in order to cover these nondiscretionary cost increases.
- ✓ Current-year property tax shortfall delivers a devastating mid-year hit. Property tax receipts allocated to the community colleges are coming in \$80 million below the level assumed in the 2007-08 state budget. This translates into an unanticipated hit to community college budgets three-quarters of the way through the current fiscal year. This mid-year cut is particularly destructive as it comes just as community colleges brace for a challenging 2008-09 state budget. It is crucial that state budget makers assist community colleges by appropriating funds to backfill this shortfall in the current year and also adjust property tax estimates for the 2008-09 budget so that this budget cut does not occur again next year.



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- ✓ College affordability is the number one issue on the minds of students and their families when making a decision about whether to attend college. The Governor's budget does not propose community college student fee increases, but does propose to eliminate new Competitive Cal Grant awards totaling \$57.4 million.
 - The community college system supports the Governor's proposal to hold fees at current levels and appreciates the support for keeping student costs down. Community college students are more prone to "sticker shock" than students in the other segments of higher education.
 - However, the Governor's proposal to eliminate new competitive Cal Grant awards would dismantle a vital financial aid program and result in 22,500 fewer students getting these awards in the upcoming academic year. Competitive Cal Grants serve the lowest-income and most disadvantaged students, of which 70 percent attend California community colleges. For these students, not receiving a Cal Grant award makes the difference between attending and not attending college.