

# The California Budget

# Normal Process

- Begins in September with submission from agencies of budget requests
- Governor comes out in January with initial proposal
- Legislature holds overview hearings
- Governor revises proposal based on projected revenues in May Revision
- Legislature deliberates and passes budget bill
- Governor signs with line item vetoes

# Last Year and Current Year

- Process different because of fiscal crisis
- Last year February solution was a two-year fix which was substantially revised after May revenue numbers and June election.
- This year February solution limited to current year, budget year solutions held until revenues better known.

# Deep Cuts to CCCs in 2009-10

- CCC total funding cut by more than \$520 million or 8 percent:
  - \$333 million cut to categorical programs
  - \$193 million cut to general purpose funds that support instruction
  - Student fees raised to \$26 per unit

# Unprecedented Enrollment Demand

- High unemployment
- Students being displaced from UC and CSU
- Record numbers of high school graduates

# Budget Impacts on the Colleges

- Budget cuts have forced most districts to make significant reductions in the number of course sections
- Most districts have cut between 5 and 10 percent of course sections--primarily those taught by part-time faculty.

# Budget Impacts (cont.)

- Students are having difficulty accessing the courses they need
- Almost all course sections are full
- Waiting lists are longer than ever
- Many students are being turned away

# Budget Impact (cont.)

- Many districts used one-time funds to protect categorical programs
- Some reductions in counseling, tutoring, and other support services
- Even more drastic reductions in student support services likely this Spring and next Fall.



# Cuts/No Cuts to Education

- Compared to current year 2009-2010 the Governor's budget for 2010-2011 would
  - cut funding for K-12 by \$1.9 billion
  - augment community colleges by \$200 million
  - increase CSU and UC by a combined \$800 million

# However

- Per-Student Funding Comparison to 2007-2008
  - K-12 from \$8,364 to \$7,417 equals -11.3%
  - CCC from \$5,591 to \$5,321 equals -4.8%
  - CSU from \$11,289 to \$11,722 equals 3.8%
  - UC from \$21,778 to \$22,920 equals 5.2%

# Legislative Analyst Recommendations

- Proposition 98--Either suspend 98 or meet the minimum guarantee through revenue increases or cuts to other budget areas.
- Increase funding for community colleges via fee increases (\$40/credit unit).
- Hold UC and CSU to 2007-2008 levels

# Fee Revenue: 2007-2008 to Current and Budget Year

	2007-08	2009-10	2010-11	
UC	\$1.065 B	\$1.371 B	\$1.794 B	68%
CSU	\$.9 B	\$1.158 B	\$1.26 B	40%
CCC	\$.094 B	\$.357 B	\$.365 B	388%

# Enrollment Growth

	2007-08 Budgeted	2007-08 Actual	2009-10 Estimated	2010-11 Proposed
UC	198,455	203,906	212,888	209,976
CSU	342,893	353,914	340,643	339,873
CCC	1,169,606	1,182,627	1,298,300	1,188,129

# Other Community College Proposals

## Current Year Proposals

- Elimination of competitive CalGrant
  - Legislature rejected proposal
- Expansion of Deferrals
  - New March deferral added for current year
  - Budget year deferrals kept at \$1 billion

# Budget Year Proposals

- Governor proposes a 3.9% increase--\$219 million
- After adjusting for deferrals, increase is \$56 million
- No fee increase
- Negative 0.38% COLA
  - LAO recommends rejection
- Growth of 2.2%

# Next Steps

- Legislature will hold overview hearings
- May will bring updated revenue forecasts
- June primary election
- Long hot summer



# What You Can Do

- Your advocacy can shape the budget outcomes for the CCCs:
  - March 2 Community College Lobby Day
  - March 4 Day of Action
  - March 22 March in March IV
  - Ongoing Actions
    - Meetings with local legislators
    - Letters to the editor