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Contact: Paige Marlatt Dorr Office: 916.327.5356

Cell: 916.601.8005

Office E-mail: pdorr@cccco.edu
BlackBerry: pMarlatt@comcast.net

California Community Colleges Chancellor Jack Scott Comments on the State Budget Proposal

SACRAMENTO, Calif. – California Community Colleges Chancellor Jack Scott today offered the following comments on Governor Arnold Schwarzenegger's proposed 2010-11 State Budget.

"The governor's proposed budget underscores the reality that money invested in public education is money saved on incarceration of California's youth. California budgets in years past prioritized education over prisons as a preventive measure. We know that a highly educated person is far less likely to end up on the wrong side of the law than one who is not. This budget is trending in the right direction," said Chancellor Jack Scott.

"Given the state's dire fiscal circumstance, the proposal for the California Community Colleges is as favorable as we could have hoped," Chancellor Scott continued. "While this plan will not make up for the deep cuts the colleges experienced last year, it would help curb reductions in courses offered to our students. If students can't gain admission to the classes they need to graduate, then this becomes a back door denial of access to the California Community Colleges.

"As the state's largest provider of career technical education and workforce training, the community colleges serve as the state's economic recovery safety net. We are well positioned to re-train unemployed Californians and prepare them for work in growing health care and green technology industries. I understand the fiscal dilemma Governor Schwarzenegger is confronted with and I intend to work closely with him and the legislature to ensure community colleges can continue to aid in recovery efforts," Chancellor Scott concluded.

Highlights of the governor's proposed budget for the California Community Colleges include:

- **2.2 percent enrollment growth (\$126 million).** This proposed augmentation would fund approximately 26,000 full-time equivalent students and help the colleges respond to the tremendous enrollment demand they are currently experiencing.
- - 0.38% COLA (-\$22.9 million). Due to declines in labor and fuel costs, the statutory formula for calculating the cost of living adjustment (COLA) for colleges and K-12 schools produces a negative

adjustment for 2009-10. Accordingly, the governor proposes making this negative adjustment to college and school apportionments.

- **2010-11 Property Tax Adjustment.** The governor's budget assumes local property taxes allocated to the community colleges in 2010-11 will decline by \$33.7 million from their 2009-10 levels. The governor also identifies another \$5.6 billion in projected declines in other local revenues (student fees; oil and mineral revenues). The budget proposal makes a corresponding increase of \$39.3 in general fund resources to protect colleges from these declines.
- **Suspension of Mandates.** The governor proposes suspending all community college mandates that have been filed at the Commission on State Mandates.
- Categorical Funding. The governor proposes reducing funding for Extended Opportunity Programs and Services (EOPS) and Part-Time Faculty Compensation by \$10 million each and using these funds to augment SB 70 Career Technical Education (CTE) funding by \$20 million. Additionally, six workload categorical programs sustained COLA reductions totaling \$786,000, which represents their share of the -0.38% COLA. With these exceptions, the governor proposes funding categorical programs at the 2009-10 general fund levels.
- Increased Categorical Flexibility. The 2009-10 State Budget provided community college districts with flexibility to shift funds among various categorical programs, as well as relief from programmatic requirements. The governor proposes adding EOPS, Fund for Student Success (MESA, PUENTE, and Early College High School), and Basic Skills to the list of programs subject to the flexibility provisions.
- **SB 70 Trailer Bill Language.** The governor proposes enacting clean up legislation to clarify that SB 70 CTE funding is not subject to the categorical flexibility provision.
- Suspension of New Competitive Cal Grant Awards. The governor proposes that no new Competitive Cal Grant awards be made in 2010-11. This proposal would disproportionately impact community college students who are the primary recipients of this financial aid.

The California Community Colleges is the largest system of higher education in the nation comprised of 72 districts and 110 colleges serving 2.9 million students per year. Community colleges supply workforce training and basic skills education and prepare students for transfer to four-year colleges and universities. The Chancellor's Office provides leadership, advocacy and support under the direction of the Board of Governors of the California Community Colleges. For more information about the community colleges, please visit www.cccco.edu.