



# CALIFORNIA COMMUNITY COLLEGES

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## CHANCELLOR'S OFFICE

### PRESS RELEASE

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### **California Community Colleges Chancellor Jack Scott Glad System Avoided Further Budget Cuts; Says Deferrals Still Cause for Concern**

*SACRAMENTO, Calif.* – The California Legislature today, unable to reach an agreement on Gov. Jerry Brown's May budget proposal, approved a plan to close the state's remaining \$9.6 billion deficit. The budget that passed both Houses on a majority vote, will now go to the governor's desk for review. Although the California Community Colleges did not sustain additional cuts beyond the \$290 million originally proposed in the governor's January budget, the plan defers \$129 million in funding which will increase the cumulative total of delayed state payments to \$961 million, or roughly 17% of the system's annual funding.

"The budget passed today falls short of our hopes for a balanced, long-term solution," said California Community Colleges Chancellor Jack Scott. "I understand that lawmakers were required to get a budget out by June 15 and I am relieved that the community colleges did not incur cuts beyond the \$290 million already proposed. However, the deferred payments and the Legislature's inability to reduce the state's 'wall of debt,' will be problematic for academic planning and may push some of our colleges to borrow money that will have to be paid back with interest."

With statewide unemployment at 11.9%, masses of jobless Californians are enrolling in community colleges in order to access the training they need to return to work. Additionally, students displaced from the University of California and the California State University systems due to restricted admissions are arriving at community college campuses by the tens of thousands to begin their higher education.

"Our colleges are attempting to meet enrollment demands but they cannot do so without sufficient resources," said Chancellor Scott. "In 2009-10 we had to turn away 140,000 students due to course reductions. I will call upon our CEOs to provide access to as many individuals as possible but it's extremely difficult when we are essentially asking colleges to live off of their savings accounts and credit cards."

The demand for a community college education is continuing to outstrip resources. The California Community Colleges would have naturally grown by at least 5.5% in 2009-10. But instead, decreased funding caused the system to shrink by 4.8%.

If the governor signs the budget plan passed by the Legislature today, the California Community Colleges will have sustained more than \$800 million in cuts over the last three fiscal years. In the 2009-10 academic year, the system sustained \$520 million in budget cuts which equated to 8% of its overall budget. With the additional \$290 million in reductions proposed for the 2011-12 academic year, it is estimated that at least

140,000 additional students will lose access due to further course section reductions and the elimination of some career training programs.

Enrollment at the California Community Colleges grew 44% over the last 15 years, yet per student funding in 2009-10 (adjusted for inflation) was lower than it was in 1995-96.

“I am aware of the gravity of the state’s budget problems,” said Chancellor Scott. “Community colleges can play a key role in California’s economic recovery but lawmakers need to understand that it’s time to come up with an honest solution and stop this unparalleled divestment in higher education that will hurt students and hinder the workforce for years to come.”

*The [California Community Colleges](#) is the largest system of higher education in the nation. It is composed of 72 districts and 112 colleges serving 2.76 million students each year. Community colleges supply workforce training, basic skills courses in English and math, 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.*

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***NOTE: Please see attached sheet for supplemental information on the budget plan for fiscal year 2011-12:***



### **Information on the Legislature's budget plan for fiscal year 2011-12:**

- **5% budget reduction (\$290 million).** The governor's May revised budget maintains the \$400 million cut and \$10 per unit student fee increase originally recommended in his January budget proposal for fiscal year 2011-12. The fee increase will generate \$110 million for the colleges to support access for additional students.
  - The \$400 million budget reduction will be partially offset by the \$110 million generated through the fee increase which means the proposed overall reduction for the California Community Colleges is \$290 million. This cut translates into approximately 140,000 students losing access to classes.
  - **The fee increase, beginning fall 2011, will raise student fees from \$26 per credit unit to \$36 (38.5% increase).**
- **Inter-year deferrals.** The Legislature is recommending deferring an additional \$129 million in payments to the California Community Colleges in fiscal year 2011-12 – this will bring the cumulative total of deferrals to \$961 million.

### **Impact of proposed budget cuts to community college students**

- When implementing budget cuts in prior years, community college CEOs were directed by state chancellor Jack Scott to retain courses that lead to job retraining, degrees, certificates, transfer, and that help increase basic English and math skills.

### **California has been divesting in higher education in the past 15 years**

- Enrollment at the California Community Colleges has grown 44% in the last 15 years, yet per student funding in 2009-10 (adjusted for inflation) was lower than it was in 1995-96.
- The demand for a community college education is continuing to outstrip resources. The California Community Colleges would have naturally grown by at least 5.5% in 2009-10. But instead, decreased funding caused the system to shrink by 4.8%.
- In the 2009-10 academic year, the system sustained \$520 million in budget cuts which equated to 8% of its overall budget. It is estimated that approximately 140,000 students were turned away from community college campuses in 2009-10 due to course reductions.
- **The California Community Colleges are serving 200,000 students for which the system is receiving no state remuneration.**
- For fall 2009, course sections were cut by 6.3% and enrollment dropped by 0.2% over fall 2008. While total headcount declined by only 0.2%, the system's first-time community college student enrollments decreased by 12% indicating that the hardest hit by budget reductions are recent high school graduates and displaced workers because they do not have priority registration.