



CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

MEDIA STATEMENT

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Community Colleges Chancellor Jack Scott Reacts to Gov. Brown's Budget; Proposed Cuts Hurt Colleges' Ability to Serve Students and Harm California's Economic Recovery

SACRAMENTO, Calif. – California Community Colleges Chancellor Jack Scott today released the following statement on Gov. Jerry Brown's state budget proposal:

"These are difficult times for California and there's no way to avoid the pain of budget cuts. However, if our community colleges sustain reductions of this magnitude, we anticipate up to 350,000 students will be turned away next year.

"California's economy is highly dependent upon an educated workforce and it's the taxpayer who is short changed when colleges and universities turn away students. If just 2% more of California's population earned associate degrees and 1% more earned bachelor's degrees, the state's economy would grow by \$20 billion. Those educated workers would generate state and local taxes of \$1.2 billion a year and 174,000 new jobs would be created in California.

"The UC, CSU and California Community Colleges can get our state headed back in the right direction. But, we cannot do it with continually shrinking budgets. Remember, higher education is not a cost to California, but an investment."

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 per year. Community colleges supply workforce training, a 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.

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California Community Colleges Impact of Gov. Brown's 2011-12 Proposed State Budget

(January 2011)

Impact to the California Community Colleges:

- **6.8% budget reduction (\$400 million).** This cut translates into approximately 400,000 students losing access to classes (200,000 students already in the system for which the colleges are receiving no state remuneration and roughly 200,000 additional students).
- **The proposed \$10 per unit fee increase would generate \$110 million for the colleges to support an additional 50,000 students.**
- **With the fee increase as many as 350,000 students could lose access to a community college education.**
- **\$10 fee increase would raise student fees from \$26 per credit unit to \$36 (38.5% increase).**

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.

Total proposed cuts to three segments of higher education

- University of California \$500 million
- California State University \$500 million
- California Community Colleges \$400 million
\$1.4 billion

Priorities and efficiencies

- The California Community Colleges is the most cost-effective system of education in California. While the state revenue needed to support one community college full-time student is slightly

more than \$5,000 per year, that same student costs approximately \$7,500 in the K-12 system and \$20,000 and \$11,000, respectively, at UC and CSU.

- The community colleges have looked at every corner of the system to come up with efficiencies. Tactics implemented include course reductions, debt restructuring, administrative consolidations, energy savings programs, IT efficiencies, increased class sizes, reduced student services programs, furloughs, additional online instruction, increased industry partnerships and transfer coordination with the UCs and CSUs. The system is exhausting all options to free up additional funds and many college reserves are low.

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.

Economic benefits of higher education

- If just 2% more of Californians earned associate degrees and 1% more earned a bachelor's degree, our state's economy would grow by \$20 billion, state and local tax revenue would increase by \$1.2 billion a year and 174,000 new jobs would be created.
- The economic return on investment in California's higher education infrastructure is a win-win for the state and its taxpayers. For every \$1 California spends on higher education, it receives \$3 in return.

- The California Community Colleges is the largest provider of workforce training in the state and nation.

Workforce skills gap

- Undergraduate demand for the three public systems of higher education in California is expected to grow by 387,000 students by 2019. To accommodate the increase it will take \$1.5 billion more in revenue.
- If current funding trends persist, the Public Policy Institute of California estimates by 2025 California will face a shortage of 1 million college degree and certificate holders needed to fuel its workforce.
- Approximately 55% of CSU and 30% of UC bachelor’s degree recipients started at the California Community Colleges.
- With baby boomers retiring as the best educated and most skilled workforce in U.S. history, labor experts are concerned that California will lack workers with the critical aptitude needed to replace them.

Estimated financial impact of fee increase to students

- Under the current \$26 per credit unit fee, full-time students enrolled in 15 units pay approximately \$780 per academic year.
 - With the proposed fee increase to \$36 per credit unit, full-time students would pay 38.5% more or roughly \$1,080 per academic year.

Fee history

<u>Fiscal Year</u>	<u>Fee (per unit)</u>
➤ 1984-85	\$5*
➤ 1991-92	\$6
➤ 1993-94	\$10
➤ 1994-95	\$13
➤ 1998-99	\$12

- 1999-00 \$11
- 2003-04 \$18
- 2004-05 \$26
- 2006-07 \$20
- 2009-10 \$26
- 2011-12 \$36 (*proposed amount in Gov. Brown's Jan. 2011 budget*)

**Prior to 1984, community colleges charged no fee*

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