Impact of Budget Cuts on the California Community Colleges & Value of the System to California

(Updated January 14, 2013)

Funding for California Community Colleges has been cut by $809 million, or 12 percent, since 2008-09.

Gov. Jerry Brown’s 2013-2014 State Budget Proposal:

- $315.7 million for Adult Education/Apprenticeship shift from K-12 to California Community Colleges.
- $197.7 million apportionment increase.
- $179 million in money owed to system by previous deferrals.
- $49.5 million energy efficiency/Proposition 39.
- $16.5 million online education improvements.

Proposition 30 is already making a difference this year:

- Community colleges will receive $210 million in additional funds in 2012-13. Most of that money would be used to make good on deferred funding commitments by the state to colleges, but passage of the measure would make room for an additional 20,000 students.
- Approximately 3,300 classes will be added to the system for the spring 2013 semester.

California has been divesting in higher education:

- 2009-10 categorical cut ($313 million) and apportionment cut ($190 million); 2011-12 apportionment cut ($385 million).
- Served more than 252,000 FTES for whom the colleges did not receive funding; while additionally reluctantly turning away another 129,000 FTES due to workload reduction.
- Received no statutory cost-of-living increase between 2007-08 and 2012-13 creating a cumulative loss of purchasing power totaling 18.3 percent, or $994 million.
- Reduced course sections ranging between 5 to 15 percent per college. Increased class size.
- Fees increased from $20/unit in 2008-09 to $46/unit in 2012-13 – a 130 percent increase in five years.
- The California Community Colleges enrollment decreased by more than 485,000 students to 2.4 million in three academic years (from 2008-09 to 2011-12) due to severe budget cuts.
- Course sections (classes) were reduced by approximately 24 percent due to state funding reductions. Non-credit course sections saw a bigger decrease of approximately 38 percent.
- Seventy percent of responding colleges in a 2012 California Community Colleges survey report reductions in enrollment and course sections. Cuts in staffing have been made at 87 percent of those responding colleges and 80% report having waitlists for classes.
From 2008-09 to 2011-12 the community college system reduced summer and winter sections by nearly 50 percent due to reduced funding and mid-year trigger cuts that made it difficult for colleges to plan. The California Community Colleges survey shows that 82 percent of responding colleges did not offer winter classes for 2012-13.

**Colleges have been forced to:**
- Reduce course offerings by roughly 15 percent resulting in hundreds of thousands of students being turned away.
- Increase class sizes.
- Lay off adjunct faculty and other staff and institute furloughs.
- Spend down reserves and borrow money to manage cash flow.

**Value to California:**
- California community colleges educate 70 percent of our state’s nurses.
- California community colleges train 80 percent of firefighters, law enforcement personnel, and emergency medical technicians.
- Twenty-eight percent of University of California and 55 percent of California State University graduates started at a California community college.
- Transfer students from the California Community Colleges to the University of California system currently account for 48 percent of UC’s bachelor’s degrees in science, technology, engineering and mathematics.
- Community colleges offer associate degrees and short-term job training certificates in more than 175 fields, and approximately 25,000 apprentices are educated each year to meet the demand for a skilled workforce.
- Nearly 50 percent of all California veterans receiving GI educational benefits attend a California community college for workforce training, to earn an associate degree or to work toward transferring to a four-year university.

**High return on college education:**
- The California Community Colleges is the largest provider of workforce training in the state and nation.
- For every $1 California invests in students who graduate from college, it will receive a net return on investment of $4.50.
- Californians with a college degree will earn $1,340,000 more than their peers with only a high school diploma. Students who earn a degree or certificate from a California community college nearly double their earnings within three years.
- Attending or graduating from a community college doubles an individual’s chance of finding a job compared to those who failed to complete high school.
- The California Community Colleges is the state’s most cost-effective system of education – the revenue needed to support one full-time community college student is slightly more than $5,000 per year.
- The U.S. Bureau of Labor Statistics projects that occupations that require an associate degree will grow by 19 percent through 2018 – this is twice the national average and faster than the new job growth for those with a bachelor’s degree.
2013-14 budget timeline:

- **January – May, 2013**: Legislative hearings.
- **End of January, 2013**: Legislative Analyst’s Office to release its budget analysis.
- **May 14, 2013**: Governor to release May Revise: update revenues, caseload and policy proposals.
- **June 15, 2013**: Constitutional deadline for Legislature to send budget to governor.

Priorities and efficiencies:

- The Student Success Initiative of 2012 will help improve educational outcomes, improve the workforce preparedness of the state and close the achievement gap for historically underrepresented students. It will decrease the amount of time it will take students to earn a degree, certificate and/or transfer to a four-year university, which saves students and taxpayers money through reforms and efficiencies.
- In 2012, the California Community Colleges and California State University launched the new Associate Degree for Transfer program that simplifies the student transfer process between the two systems. The initiative will generate approximately $160 million annually in cost savings and those savings will provide access to 40,000 additional community college students and nearly 14,000 California State University students each year.
- 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 UC and CSU. The system is exhausting all options to free up additional funds and many college reserves are low.

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.
- 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. With enrollment decreasing nearly half a million students in three years, it’s obvious we’re going in the wrong direction.
- 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.
**California Community Colleges fee history:**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Fee (per unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>$5*</td>
</tr>
<tr>
<td>1991-92</td>
<td>$6</td>
</tr>
<tr>
<td>1993-94</td>
<td>$10</td>
</tr>
<tr>
<td>1994-95</td>
<td>$13</td>
</tr>
<tr>
<td>1998-99</td>
<td>$12</td>
</tr>
<tr>
<td>1999-00</td>
<td>$11</td>
</tr>
<tr>
<td>2003-04</td>
<td>$18</td>
</tr>
<tr>
<td>2004-05</td>
<td>$26</td>
</tr>
<tr>
<td>2006-07</td>
<td>$20</td>
</tr>
<tr>
<td>2009-10</td>
<td>$26</td>
</tr>
<tr>
<td>2011-12</td>
<td>$36</td>
</tr>
<tr>
<td>Summer 2012</td>
<td>$46</td>
</tr>
</tbody>
</table>

*Prior to 1984, community colleges charged no fee*