

January 10, 2013

Dear Yulian,

First, let me say what a nice feeling it is to open the state budget and see the numbers for community colleges in black, rather than red, ink. We owe a debt of gratitude to California's voters for their approval of Proposition 30 and the seven years of more stable funding that it provides.

The [budget plan](#) proposes sweeping policy changes that embrace and build upon work that has been done in recent years, and answers significant policy questions such as ones about the future of adult and noncredit education.

As is typical on January 10, there is no language that allows us to probe the details of each of these proposals. However, I am happy to report that Governor Brown's staff has made significant outreach to us and to the Chancellor to make it clear that we'll be part of the discussion about details in upcoming months.

The governor's proposal for all three systems highlights the need in California to increase college completion, and we anticipate a thorough discussion in the upcoming months. This is not about "rationing" or budget cutting anymore, but rather recognizing the economic and social justice mandates for tackling this issue.

Here are the major components of the proposed budget for community colleges:

- No change in student fees.
- **\$196.9 million (3.6%) for increased apportionments**, without specifying the use. There will be a discussion about the balance of access/restoration and quality through the budget process.
- **\$179 million for deferral buydown**, reducing borrowing needs of community college districts. This reduces the outstanding deferral to \$622 million.
- **\$133.2 million in increased General Fund** in 2013-14 to recognize that anticipated redevelopment revenues are not materializing. In 2012-13, the Administration is proposing \$47.8 million to offset proposed redevelopment shortfall, which will likely leave districts with a significant current year deficit.
- \$16.9 million to provide **increased access to matriculated students through the use of technology**.
- **Change the census-based apportionment system** to provide a larger apportionment amount to students who are still enrolled at the end of the semester/quarter.
- **Limit state-supported instruction in community colleges to 90 units**. Units beyond the cap would be not be state supported, but available at full cost to the student.
- **Require all students seeking a BOG Fee Waiver to complete a Free Application for Federal Student Aid (FAFSA)**.
- **Shift of the remaining adult education program, including \$300 million, from K-12 schools to community colleges**, and an additional \$15.7 million from the K-12 apprenticeship program to community college apprenticeship programs.
- **Creation of a \$450 million energy efficiency fund** for schools and community colleges

using funds from Proposition 39 (counts toward Proposition 98 guarantee), with \$49.5 million for community college projects.

Additionally, the California State University and the University of California are each provided \$125.1 million, including \$10 million each to increase access to technology-based courses for students. This is consistent with the commitment from last year's budget that, if the segments didn't raise fees in 2012-13, they would receive \$125 million in 2013-14.

The governor is to be commended for his tireless advocacy to advocate for Proposition 30 and for presenting a bold budget proposal that upholds the commitments he (and we) made to the voters in talking about the measure.

We will have more details during our joint budget webinar with the Chancellor's Office on Monday at 10 a.m., which you should have received an e-mail from Theresa Tena about. You can sign up for the budget webinar at:

<http://www.ccleague.org/i4a/forms/form.cfm?id=83>

Again, thank you for your advocacy on Proposition 30 and over the last several years.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lay".

Scott Lay
President and Chief Executive Officer
Orange Coast College '94

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Colleagues,

I thought you'd be interested in seeing the formal press release from the Chancellor's Office concerning the Governor's Budget. Also, here is a link to the budget on the Department of Finance's website:

<http://www.ebudget.ca.gov/>

Regards,
Dan Troy



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California Community Colleges Chancellor Brice W. Harris Lauds Gov. Brown's Budget Proposal that Increases Funding, Improves Online Education *Nearly \$200 million in added funding would expand opportunities for students*

SACRAMENTO -- California Community Colleges Chancellor Brice W. Harris today praised Gov. Jerry Brown for including in his proposed 2013-14 budget additional funding for community colleges and for his leadership of an initiative to help more students achieve their academic and career goals through improved online education.

"Governor Brown's leadership in passing Proposition 30 means California community colleges can begin to make room for some of the hundreds of thousands of students who have been shut out of our system due to recent funding cuts," Harris said. "This budget represents a good start toward financial recovery for our system. The governor and voters deserve credit for beginning this overdue reinvestment."

The governor's budget would provide \$197 million more to the college system in 2013-14 and directs the California Community Colleges Board of Governors to determine the best way to allocate the money to districts. The funding increase would allow colleges statewide to add back thousands of classes to serve some of the nearly 500,000 students turned away over the past four years during the state's financial crisis and at the same time continue the system's work to improve student success.

The additional funds, as well as \$179 million to make good on funding commitments that were deferred during the recession, will leave colleges with less debt and better positioned to meet the needs of an economy that increasingly is demanding college-educated workers.

Harris said that the California community college system has already laid the groundwork for the governor's desire to improve online education. Twenty-seven percent of community college

students take at least one course online each year, nearly 17 percent of all courses offered are through distance education, and almost half of all classes currently offered involve some online components. The California Community College Online Initiative would improve students' access to courses and increase rates of transfer and degree attainment in the following ways:

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- Creation of a centralized “virtual campus” that brings together several existing distance education services into a single hosting system with a 24/7 support center for students. Leveraging the purchasing power of the 112-college system would save money and help students find and take the courses they need through a common on-line course management portal.
- Expanded options for students to obtain college credit by exam. Working with the Academic Senate for California Community Colleges, the Chancellor’s Office will create challenge exams for core courses for Associate Degree for Transfer majors as well as remedial courses. Students would have the option of acquiring the skills and knowledge necessary to pass these exams through Massive Open Online Course (MOOCS) and credits awarded would be transportable California State University and the University of California.

The governor’s budget proposal also recognizes the significant role California’s community colleges play in workforce development, with significantly expanded resources for clean energy job training. The proposal also calls for shifting additional apprenticeship responsibilities to community colleges and shifting adult education responsibilities performed by K-12 to the community colleges. Over decades, uneven approaches to adult education have developed, with K-12 educating some students and community colleges educating others. Recent funding cuts have limited access to these classes, which help adults become economically self-sufficient.

“We view this budget proposal as a vote of confidence in our ability to provide workforce training and basic skills instruction to adult learners, and we look forward to conversations on ways to better serve these populations,” Harris said.

EDITOR’S NOTE: To see more about the California Community Colleges’ distance education program, go to the fact sheet at:
http://californiacommunitycolleges.cccco.edu/Portals/0/DocDownloads/PressReleases/JAN2013/DistanceEducationFactSheet_FINAL_011013.pdf.

The [California Community Colleges](#) is the largest system of higher education in the nation. It is composed of 72 districts and 112 colleges serving 2.4 million students per 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.