

From: Scott Lay [scottlay@ccleague.org]
Sent: Tuesday, December 13, 2011 4:06 PM
To: Yulian Ligioso
Subject: Triggers mean more cuts.



A DEFINING MOMENT

Community College League of California

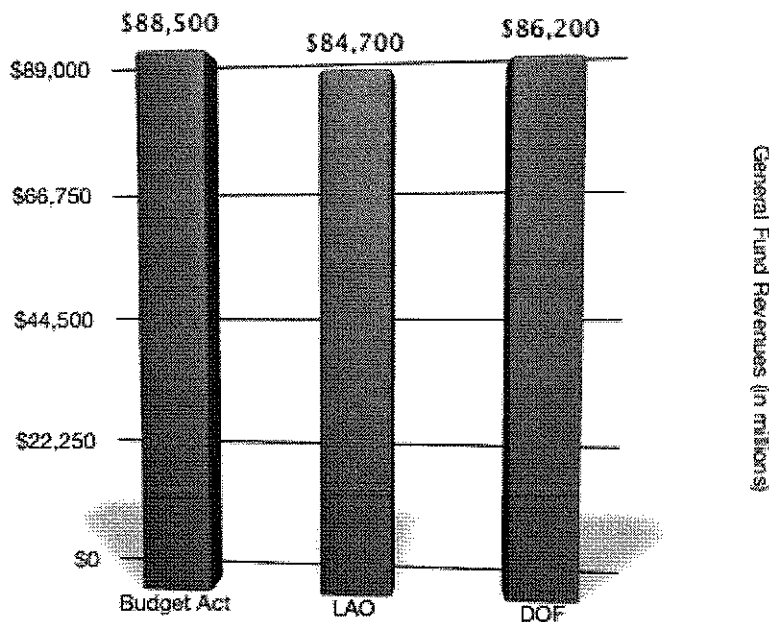
December 13, 2011

Dear Yulian,

As you may have heard, the governor announced today his mid-year cut scenario for the current year. As expected, community colleges will take a \$102 million mid-year cut, effective January. Additionally the community college per-unit credit fee will increase to \$46, effective summer 2012.

Specifically, \$30 million will be treated as a one-time deficit, and \$72 million will be permanently reduced--spread across each district's apportionment as yet another workload reduction. That means permanent reduction in access to courses for our students.

The only surprise in today's announcement was that the governor decided to minimize the cut to K-12 schools. Instead of the \$1.35 billion cut projected by the Legislative Analyst's Office, the governor will only cut K-12 budgets by \$327.6 million--\$248 million from home-to-school transportation and \$79.6 million from general per-student funding.



As reflected in the chart above, the Department of Finance projects that revenues will be \$1.6 billion higher than projected by the Legislative Analyst's Office on November 16 (and thus \$2.2 billion below the Budget Act). While this was sufficient to "pull" both triggers completely, the governor decided to shield K-12 schools from the largest cut--over \$1 billion in general revenue. With language approved by the Legislature in the final moments of the budget debate that limited the ability of K-12 schools to realize any actual savings in the current year, many school districts argued this was just an unallocated cut.

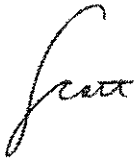
Of course, this leaves community colleges with a significant (nearly 2%) cut in the current year, offset only by the increased student fee revenues from summer 2012 that might be attributed to the 2011-12 fiscal year. Additionally, I have significant concerns that jumping from \$26/unit to \$46/unit in under a year may dissuade students from continuing their education, even considering California's continuing national lead in low fees.

Clearly, K-12 was protected, and there are both political and policy reasons for the decision. The fact is that the state needs more revenue--for higher education, for health and human services, and for public safety. According to the Public Policy Institute of California's [poll released today](#), California's voters want to see more revenue specifically dedicated to education. We are heartened that the governor's plan would fund K-12 and community colleges, and look forward to the details explaining the restoration of funding to community colleges.

The League will likely be a strong advocate for reasonable increased revenues for education and other public services. We anticipate the governor's January 10 budget, which will explain where the nearly \$7 billion in increased revenues will be spent if the voters agree to new revenues. In this round, K-12 was protected, which was likely reasonable, but we can not ignore the price to California from the continued disinvestment from higher education.

As advocates for an accessible, affordable and equitable higher education for all Californians, we look forward to the governor's plan in January.

Sincerely,



Scott Lay
President and Chief Executive Officer, The League
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