

The budget freefall: Three rounds of 2011-12 budget cuts

Solano CCD

Summary of estimated 2011-12 cuts for Solano CCD

Enacted Budget Cut:	\$-2,609,000
January "Triggered" Budget Cut:	\$-854,000
February Budget Cut:	-\$1,262,000
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Total 2011-12 Est. Budget Cut:	\$-4,726,000

The Budget Act

In the 2011-12 state budget, the state General Fund appropriation for community colleges was cut by \$400 million, which was expected to be partially offset by \$110 million in new fee revenue from a state-mandated increase in fees from \$26 to \$36 per unit.

In an effort to maintain the per-student funding received by the state, the Budget Act provided the Chancellor's Office with authority to reduce student workload commensurate with the funding cut taken by the community colleges. Districts reduced enrollment, as instructed, in all areas except enrollments in basic skills, workforce training and transfer-level coursework. Underlying the provision permitting colleges to reduce enrollments was an acknowledgment that colleges have NOT received a cost of living adjustment in four years while at the same time their fixed costs have increased (negotiated agreements, health & welfare benefits, utilities etc) significantly. While a workload reduction permits institutions to somewhat "preserve" instructional quality, the lack of investment in higher education results in "shutting the door" on students.

For Solano CCD, this reduced funding by approximately \$2,609,000, resulting in a workload reduction of 572 FTES, or approximately 191 course sections.

The January Trigger Cuts

In an effort to conclude the 2011-12 budget deliberations in June 2011, an additional \$4 billion of revenues was added to Governor Brown's May Revision projections to "preserve" overall programmatic funding statewide. Companion legislation to the budget act outlined additional programmatic reductions throughout the budget in the event revenues came in under projections. On December 13th the Department of Finance announced an additional \$981 million of "trigger" reductions of which \$102 million were specifically targeted at the community colleges. This \$102 million reduction to the colleges arrived 6 months into the fiscal year and came at the conclusion of the fall 2011 semester, and after spring 2012 schedules had been set. Given the dynamics unfolding related to the upcoming November election, it is likely the colleges will again find themselves on a "trigger" list which once again will compromise their ability to serve their communities.

For Solano CCD, this reduced funding by an additional amount of approximately \$600,000, resulting in an additional workload reduction of 138 FTES, or approximately 46 course sections. Additionally, the district was cut \$254,000 on a one-time basis.

The February Surprise

On February 16, California's community college districts were informed that they would have an additional \$149 million mid-year cut, on top of the \$313 million cut included in the 2011-12 enacted budget and the \$102 million made in January as part of the "budget triggers." This brings the total 2011-12 cuts to an astounding \$564 million.

The cut is due to lower-than-projected property tax and student enrollment fee revenues, which are ordinarily combined with state general fund revenues to provide each district's "apportionment"--the basic per-student funding that supports instruction and student services.

Of the \$564 million in total cuts, \$385 million is taken as a permanent "workload reduction," meaning fewer classes will be offered and fewer students will be served. The remaining \$149 million is a one-time reduction to funding per student, reducing funding from \$5,659 in 2008-09 to nearly \$5,000 in 2011-12.

For Solano CCD, this reduced funding by an additional amount of approximately \$1,262,000.