



# ***THE LEAGUE LEGISLATIVE UPDATE***

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### **Governor Outlines Current Year and Budget Year Reductions for CCs**

On the heels of his State of the State address where he outlined the disconnect between modest year to year revenue increases NOT keeping pace with rapid increases in expenditures, Governor Schwarzenegger declared the “budget wolf” has returned and reiterated the need for California to address its “spending problem”. In his speech on Tuesday, Governor Schwarzenegger outlined his plan in broad strokes “to cut spending across the board” and today the Administration released their plan to address a projected \$14.5 billion deficit. The specifics related to community colleges are listed below.

#### **2007-08 – Current Year**

The Administration has identified a \$1.4 billion drop in the minimum amount owed to K-14 education for Proposition 98; however the Administration is proposing to reduce Proposition 98 in the current year by “ONLY” \$400 million. The Administration proposes that a special session be convened immediately, to enact a \$360 million reduction for K-12 and a reduction of \$40 million for community colleges. The \$40 million amount identified for community colleges is NOT accompanied by specific program cuts and the Administration has committed to working with stakeholders to identify one-time savings. The League urges the Consultation Council Budget Workgroup task force to meet immediately and outline a plan to be brought forward to the full consultation council.

#### **2008-09 – Budget Year: PROPOSITION 98 SUSPENSION PROPOSED**

The Administration proposes to suspend the Proposition 98 guarantee and to fund K-14 education at \$55.7 billion which is roughly \$4 billion lower than statutory provisions of Proposition 98.

The Administration’s budget proposal for community colleges contains a workload budget increase which provides additional resources for growth of \$171.9 million (3 percent), COLA

\$291.7 million (4.94% percent), and a \$28.5 million increase for selected categorical programs. As quickly as the Governor giveth, he taketh away by proposing to reduce the workload budget he just crafted by \$483.5 million – a reduction in apportionments and categorical programs which reflects roughly a 7.2% reduction to the workload budget his Administration just crafted! This action results in community colleges receiving only 1% for enrollment growth – essentially a 67% percent reduction in access. The growth reduction essentially restricts access to 52,000 students (headcount) by artificially capping system growth below anticipated demand. Such a maneuver once again places the community colleges in the perilous position of responding to Sacramento budget cuts at the expense of meeting local community college enrollment demand.

The Administration also proposes altering the deferral mechanism by changing the final payment owed for the 2007-08 fiscal year from July 2008 to September 2008. In the event of a late budget, this will greatly impact a district's cash flow and may cause districts to incur borrowing costs at the expense of providing instruction and services to needy students.

The proposed budget also reflects a reduction of \$57.4 million resulting from a proposal to eliminate new awards for the Cal Grant B Competitive program. Renewal awards would not be affected. According to the Administration, this policy change is necessary to help contain the cost of government at this critical time. The Administration anticipates the projected increase in Federal Pell grants will help to mitigate the phase-out of the Cal Grant B Competitive program for eligible students.

A detailed proposed budget spreadsheet is available at: <http://www.ccleague.org/files/public/08-09%20Gov%20BUDGET.pdf> or by going to our website at [www.ccleague.org](http://www.ccleague.org).

### **A Viewpoint on the Community College Budget by League President/CEO Scott Lay**

Clearly, Governor Schwarzenegger's hands were tied in preparing this year's budget. His heart shows that he believes in increasing access to community colleges, while at the same time believing the wrong-minded political rhetoric that all of government is over-funded, and all of government should be cut—across the board.

What would the proposed unallocated cut of \$525 million do to community colleges? The official budget states "It is anticipated that colleges will respond to the reductions by limiting low-volume course offerings and reducing service levels in various categorically funded programs."

What are low-volume courses? The smallest classes are in nursing, allied health, and other high-demand career-technical fields.

What are "various categorically funded programs?" They are programs that serve disabled and economically disadvantaged students. They pay for the internet connections that bridge our programs to four-year universities and reach outlying populations through distance learning. Because of the 50% law, they are programs that can not be replaced if their funding is cut.

This budget calls for reducing community college enrollment by 2% below the governor's enrollment projection, which works out to about 52,000 headcount students. With the one-two

punch of an attack on the programs that are helping our most vulnerable populations, they are likely the first students to find that a college education is no longer within reach. Add to it the proposed elimination of the Competitive Cal Grant B program—which served 42,999 community college students with an average income of around \$14,000 in 2005-06—and, our most educationally and economically vulnerable students are certainly at risk.

At a time when more and more Californians are turning to our colleges, we're being asked by this budget to lock the doors--and with it, the aspirations of our future nurses, firefighters, doctors and business leaders. We want to ensure that the young people of today have the same opportunity the governor did when he arrived at Santa Monica College in 1977.

We know that, when we invest in community colleges, the state's economy benefits. Now is not the time to be cutting back on the workforce and training budget that will help our state's economy recover.

Your Community College League of California will be there to ensure that, when all is said is done, community colleges will be provided a fair budget that maintains the commitment to our communities and helps get California back to work.

### **CCCT Legislator of the Year: Nominations**

Since 2006, CCCT has recognized legislators to be honored as CCCT Legislator(s) of the Year who have demonstrated leadership on community college issues and legislation consistent with the priorities of the CCCT Board. CCCT will honor the 2008 Legislator of the Year at its conference in May.

The CCCT Board will begin discussing nominations for Legislator of the Year at the CCCT Board meeting on January 26, 2008, with final selection at the April meeting. As the CCCT Board begins the nomination and selection process, community college trustees are encouraged to nominate legislators who meet the criteria established by the CCCT Board for the award:

1. Legislative package: Has the legislator introduced legislation consistent with the CCCT legislative goals and priorities?
2. Voting record: Has the legislator consistently voted for the interest of community colleges in general, and more specifically in support of a strong, bilaterally governed community college system that maintains the maximum degree permissible of local control and authority?
3. Leadership on community college issues: Has the legislator taken the lead on community college issues, particularly in a manner that might have required special focus or difference with the leadership of his or her caucus?

Although the criterion does not require formal action, it is strongly encouraged that a nominee be chosen through adoption of a motion by the local trustees during a board meeting and forwarded to the CCCT Board, c/o The League.

## **Legislature Returns**

The Legislature returned to Sacramento last week. Until January 31<sup>st</sup>, committees will focus on 2007 bills which did not pass out of their house of origin last year. Some are “gut and amend” bills which switch from one subject area to another or delete controversial language which may be amended in later.

## **Education Facilities Bonds**

AB 100 (Mullin) – The Kindergarten-University Public Education Facilities Bond Act of 2008 proposed for the November 4, 2008 statewide general ballot – narrowly passed out of the Assembly Education Committee on a partisan vote (7-3). Republican members voted “no,” warning that the timing of the proposed ballot measure was unwise due to the budget crisis, and urged that the bonds be delayed for two years. The bill’s author, Assembly Education Committee Chair Mullin, argued that the vote could not be delayed since bond funds for higher education from previously-passed bonds have all been appropriated. AB 100 proposes a total of \$9.08 billion, with \$2.887 billion for higher education facilities, including \$1.507 billion for community college facilities.

## **Senate Education Committee**

The committee held an organizational meeting at which the chair, Senator Jack Scott, discussed the impact of the budget crisis. Although the Senate Education Committee is a policy committee, budget parameters are likely to limit the number of bills passed by it. Bills will be placed on the committee’s suspense file, where they will be held while costs are identified. Legislation to collect and establish data systems was identified as a committee priority for the committee. Senator Simitian expressed the hope that efforts to reform education are not abandoned, although Senator Scott spoke of the challenge of seeking reforms without funding. Senator Padilla urged priorities addressing the long-term demographic and workforce needs.

## **New BOGCCC Appointments**

Governor Schwarzenegger appointed two new members to the Board of Governors in December. They are: Robert V. McDonald, a Republican and executive director for the Black Chamber of Commerce of Orange County; and Alicia Perez, a Republican and manager for the Sacramento Municipal Utility District. Both are Republicans. (Perez is filling the seat vacated by John Koeberer while McDonald is filling a different vacancy.)

## **Research Reports**

*Green Lights and Red Tape: Improving Access to Financial Aid at California Community Colleges.* The Institute for College Access and Success. Berkeley CA. December 2007.  
<http://www.ticas.org/index.php>

This study of 22 California community colleges focused on policies and practices related to financial aid and found widely varying practices from college to college which had a significant effect on students’ access to financial aid. After citing a number of barriers created by the colleges, the report makes the following recommendations for colleges:

- 1) Reevaluate the existing policies and procedures that may create unnecessary student barriers;
- 2) Explore opportunities for collaboration throughout the college to maximize the chance for students to hear about financial aid and be encouraged to apply;
- 3) Integrate student feedback and other data collection into the development and evaluation of office policies and practice.

They then make the following recommendations for state and federal policymakers:

- 1) The California Legislature should increase financial aid administrative funding levels and provide incentives for colleges to increase spending on financial aid administration from their general funds;
- 2) The California Legislature should increase and expand the Cal Grant B to provide a greater amount of state grant aid to a larger share of students;  
Congress should continue to increase the federal Pell Grant, and revise the distribution formulas for federal campus-based aid programs;
- 3) The US Department of Education should simplify the federal aid application process.

### **CEO Changes**

- David Pelham, superintendent/president of the College of the Siskiyous since 2002, will become the new superintendent/president of San Luis Obispo CCD, effective March '08.
- Kathryn Jeffery, president of Hennepin Technical College in Minneapolis since 2006, has been appointed president of Sacramento City College, effective March 17. (Jeffery formerly worked at Columbia College, in the CCC System Office and at Sacramento City College earlier in her career.)
- DeRionne Pollard, vice president of Educational Affairs at College of Lake County, Grayslake, IL, has been appointed president of Las Positas College, effective February 2008.
- Celia Barberena, vice president of student services at Hartnell College, has been named president of Chabot College, effective January 2008.
- Philip R. Day, chancellor of CCSF since 1998, has been named president and CEO of the National Association of Student Financial Aid Administrators, effective March 1. The college has started a search for his replacement and hopes to have a new chancellor by July 1.