



June 24, 2009

Dear Martha,

First off, this morning we are unveiling the latest [district-by-district impact](#) of the Conference Committee's budget plan. This is using the latest data available and will inevitably vary when the cuts are fully implemented next year and as each district's final current year data is tabulated. Please don't hesitate to ask either [Theresa Tena](#) or [me](#) any questions or offer any comments about the site, which is at <http://www.ccleague.org/impact>.

The Legislature has scheduled votes for today on the Conference Committee's budget plan, although it's clear that Republicans are not embracing the tax increases (vehicle license, oil and tobacco) included in the plan, and are demanding a deeper level of cuts.

The screenshot shows the website's navigation menu on the left with categories like Events, Leadership Development, District Services, and Governmental Relations. The main content area is titled 'GOVERNMENTAL RELATIONS' and features a section for 'Impact of Proposed Budget Cuts'. It includes a dropdown menu to 'Select a district', a 'Get District Impact' button, and a summary of 'Projected lost students: 162,000'. Below this, it lists 'Statewide Cuts' and 'General Cuts' with a table of financial impacts.

General Cuts	
The budget falls short of funding several revenue shortfalls, makes an unallocated reduction to reduce workload (enrollment), and assumes revenue from the planned fee increase from \$20/unit to \$25/unit.	
Enrollment growth:	-\$175,213,000
Est. general apportionment shortfall:	-\$41,000,000
Est. 2008-09 general apportionment shortfall:	-\$41,000,000
Unallocated apportionment reduction:	-\$120,000,000

It's a frustrating but necessary part of the process, a sort of getting-to-know-you "first date" during which each party tries to determine the true intentions and bottom line of the other. Meanwhile, the very real budgetary time bomb ticks away.

Many community college districts are trying to finalize their borrowing for the next fiscal year this week, a usually routine task complicated by the budgetary uncertainty. Like cities and counties, community college districts borrow money from private investors to get through the austere months leading to December property taxes, and now many are having to borrow to accommodate "deferrals" included in the budget plan. Sensibly, private investors and rating agencies usually like to see a final budget before lending the money.

Further, while there is consensus that the fee for community colleges will be \$26/unit this fall, colleges conducting registration now are limited to collecting \$20, and then will have to chase down students for the other \$6 when the deal is done. It certainly is no way to run the world's largest system of higher education.

Many districts are forced to make difficult decisions, with staffing reductions, compensation reductions and furloughs a very real possibility and necessity. The sooner the Legislature takes action, the more time everyone is going to have to make the life adjustments necessary to weather the situation.

We are in an odd advocacy position. While our faculty and staff, students and districts would all benefit from quick action, we don't really want to express gratitude for a poorly crafted budget for community colleges. It may be the best we can get in this environment, but it's a travesty that we are reducing enrollment by 6% at a time of huge enrollment demand. Further, the deep cuts to categorical programs are being mitigated by speculative federal funds that, if received, will only fill the holes this year. Next year, we're right back at the starting board with 32-62% cuts in most of our categorical programs. Finally, after several years of being ignored as we pleaded for a long-term fee policy, the Legislature plans a 30% increase with little notice to students and to the colleges already registering them.

Thus, we are "sitting tight" today. We will watch the Legislature's "first dance" and, like the members themselves, we will try to ascertain the end game. For those that want to follow today's actions on a "play-by-play" basis, follow the [League's Twitter stream](#). Meanwhile, stay tuned for more advocacy opportunities, and thank you for raising your voice for community colleges.

Thank you,

A handwritten signature in cursive script that reads "Scott".

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

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