

UNPRECEDENTED CUTS DEMAND FACULTY UNITY

By Dean Murakami

The California Community Colleges are facing serious budget cuts this coming year. This is an unprecedented time in which the recession has caused high unemployment of 12.5%, a decline in personal income and, as a result, a decline in personal income tax revenue to the state. In addition, the unemployment, under-employment, and lower personal income are also reflected in the fall in sales tax revenues. Personal Income Taxes (45%), Sales Taxes (32%), and Corporate Taxes (9%) are the primary sources of revenue for the state General Fund in which K-12 and community colleges receive their funding. As a result, the decline in state revenues has caused a structural imbalance between the General Fund revenues versus the costs to run the state's programs and services. This imbalance is the state budget deficit and Governor Brown and the legislature are trying to deal with a \$25.5 billion deficit in the proposed 2011-12 budget. In addition, the Legislative Analyst's Office (LAO) has predicted that these deficits will continue for the next several years without a correction that includes cuts and increased revenues (taxes). Since the total General Fund is \$86.6 billion, the deficit is 29% of the total General Fund. We could close down all of higher education (University of California, California State University, and Community Colleges) and still only account for \$10.5 billion of the deficit. We could close down all Health and Social Service programs in the state and still be just short in addressing the budget deficit. Since education (K-12 through university) is 52% of the General Fund, there is no easy way for education to escape significant budget cuts. How deep will the cuts be to community colleges and what does this mean to Los Rios?

Governor Brown proposes \$529 million in Proposition 98 General Fund savings. Below are the specific cuts to community colleges if Governor Brown's "Revenue Initiative" is placed on the ballot for June and passed by the voters.

1. A \$400 million reduction in base apportionments including a \$129 million deferral of base apportionment into the next fiscal year.
2. A \$10 per unit student fee increase from \$26 per unit to \$36 per unit.
3. Colleges will receive \$110 million in growth funds from the student fee increase.
4. While community colleges will receive a net reduction of \$290 million, the Brown Administration



wants "increased efficiency" in order to minimize the impact on students. Also being considered is a change in the funding formula for community colleges by moving the census date to the end of the semester, to reprioritize enrollment, and a potential higher student fee increase.

5. If the "Revenue/Tax Initiative" cannot be placed on the ballot or is not passed by the voters, then the reduction in base apportionments could increase from \$400 million to approximately \$900 million.

While we recognize that the structural deficit is very large and that budget cuts are inevitable, there are critical budget policy issues that we have been discussing with legislators and testifying in budget committees. A \$400 million budget cut is too large for community colleges to absorb without affecting our programs and students. In the Proposition 98 funding formula, why have all the cuts been targeted on community colleges, while K-12 receives no cuts at all. The Governor could have reduced community college cuts by \$100 million which equates to 1.6% of our budget and shifted those cuts to the K-12 budget. That \$100 million budget cut would equate to only a 0.16% cut to the K-12 system. There is a political strategy in relating the tax initiative in June directly to funding the education of our children, but the Proposition 98 split could have been more equitable without affecting the political/publicity campaign for the initiative.

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BUDGET CUTS

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I have been very consistent in arguing against any form of performance-based funding for community colleges. The Governor's proposal to change our census date to the end of the semester would have the same effect. This would especially harm community college districts that serve students from low socio-economic areas since they have higher attrition rates. Those districts that need the most help in serving the most vulnerable students in California would be penalized under this proposal. This proposal would also negatively impact districts when they offer courses with lower completion rates such as math, statistics, and science courses. Is that the intention of the Governor, to keep community colleges from offering our students a full and well rounded curriculum? In addition, this policy rewards districts and faculty for decreasing academic standards by having all students complete their classes. Community college faculty are proud of the fact that our transfer students are equally successful at California State University and the University of California as the students who started as freshmen at those universities. In addition, about 60% of CSU students and 30% of UC students that graduate each year started at community colleges. The performance-based funding proposal will reward community colleges for graduating more students with degrees and certificates regardless of quality, and not care if they fail later as transfer students or in a job. It is the basic corporate model of just make more widgets and do it as cheaply as possible. That is not why we chose education as a career; we care that if our students graduate and transfer to a university, that they have the tools and education to be successful; that if they graduate with a certificate they can be successful in their job.

Even if community colleges managed to graduate more transfer students, there is no room for them at CSU or UC. What pains me the most, as the state continues to reduce funding for public higher education, is that we force more and more of our most vulnerable students into the for-profit colleges, having them be exploited and incur a lifetime of debt.

It is also important to note that while the student population for UC and CSU has grown very modestly since 1960, the vast majority of growth in higher education has relied on community colleges (figure 1). In addition, if you compare the per student funding in higher education since 2007, community colleges are the only segment to see a decrease in state funding of -3.9% (chart on next page). So the state has relied on community colleges to fulfill the need for higher education, but has reduced our funding per student, while CSU and UC have received an increase.

A \$10/unit fee increase of 38% is not a moderate increase for our students. Many of our students will take fewer units or drop out of college altogether even with the Board of Governors waivers, Pell Grants, and Federal Tax Credits available. The primary problem with the student fee increase is that the state is using those fees (\$110 million) to fund our programs. This is a terrible mistake because student fees would now be incorporated into the Proposition 98 formula, which was never the intent. While community colleges are getting an 11% split of Prop 98 funds, \$110 million of that comes directly out of the pockets of our students, those that can least afford it. As a result, our students are paying more so that K-12 can get a larger share of Prop 98 funds. In addition, the state can now underfund community colleges and offset that by increasing student fees. Just look at what has happened to student tuition at CSU and UC and you can see why this sets community colleges down a path of skyrocketing fees for our students. I don't think there is any credible argument for tying student fees to the funding of our programs and I have been the most vocal in opposition to this proposal at Consultation Council, Senate Budget Committee, and in my personal visits with all our local legislators.

So how will these budget cuts affect Los Rios? According to the Community College League of California (CCLC), Los Rios will incur a \$13.2 million budget cut.

How will that affect the faculty bucket? Our bucket will be cut by \$6.7 million, which equates to a 4.8% reduction. In addition, our bucket needs an additional \$2.5 million to maintain our current salary schedule due to the cost of faculty step increases. So we need to account for \$9.2 million in our bucket, and that doesn't include the increase in health care which is currently being negotiated.

Part of this deficit will be made up from lottery funds and property tax backfill which may account for about \$2 million.

There will be a 2.5% reduction in sections, which equates to a loss of 400 sections, 18,000 students, and the loss of available courses for our valuable part time faculty (some may no longer qualify for health insurance!) and overload. This will account for another \$1.2 million.

So \$3.2 million has been accounted for; now we need to find another \$6 million in our bucket. We have few faculty bucket options for us to consider such as reduce Type A & B Leaves, reduce more sections, freeze

PROGRAMMATIC FUNDING PER STUDENT FOR HIGHER EDUCATION						
	2007-08	2008-09	2009-10	2010-11	CHANGE	PERCENT
UNIVERSITY OF CALIFORNIA	\$20,345	\$18,948	\$17,484	\$21,087	\$741.8	3.6%
CALIFORNIA STATE UNIVERSITY	11,038	10,791	10,143	11,542	503.8	4.6
CALIFORNIA COMMUNITY COLLEGES	5,731	5,636	5,551	5,506	-224.8	-3.9

all step increases, reduce the salary schedule, reduce department chair reassigned time, initiate furloughs, or eliminate adjunct office hours. We will work with the district to be as creative and strategic as possible in considering any cuts and the use of reserves to minimally affect our mission to serve our students.

We also need to consider if the legislature fails to get the votes for the tax initiative on the ballot or if the public votes down the tax initiative. That would result in additional \$500 million cut to community colleges. According to the CCLC, Los Rios will have a budget cut of \$23.2 million if the legislature votes to fully fund Prop 98, but that budget cut will increase to \$35.9 million if the legislature votes to suspend Prop 98. Budget cuts of this magnitude would have a devastating effect on our programs, students, and faculty. Unfortunately, we must consider these possibilities as we plan for next year.

LOS RIOS BUDGET CUTS

Budget with passage of tax initiative: \$13.2 million

Budget, failure of tax initiative, funding of Prop 98: \$23.2 million

Budget, failure of tax initiative, suspension of Prop 98: \$35.9 million

A vote on the budget by the legislature is scheduled for the first week of March, which is why I have been attending the Assembly and Senate Budget Committees as they discussed community colleges. I have testified against the changes in census date, increase in student fees, and tying student fees directly to our funding. I have also met personally with Assembly and Senate members in the Los Rios District in mid-February because the vote on the budget is coming so quickly and most decisions will have been made by March 1st.

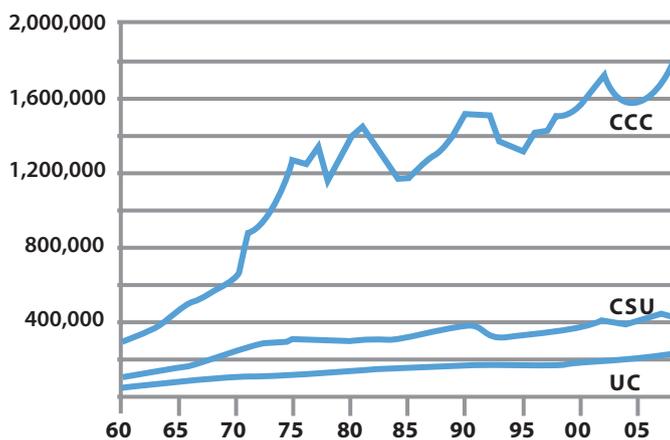
We need your help. We can still be effective in making our case against many of the policy decisions concerning the community college budget, such as performance-based funding, change in the census date, student fee increases, and tying student fees to our funding. Write, call, or visit your Assembly or Senate representative and let them know you care. If you need help in making an appointment to visit your representative then just call the LRCFT office and we can make the arrangements for you. Think about bringing some students with you. In addition, I strongly encourage you and your students to attend the Faculty Association for California Community Colleges (FACCC) Advocacy & Policy Conference where you will be given talking points and arrangements will be made for you to visit your local representative. You can register on the FACCC website at www.FACCC.org.

I think that many of you will agree that the budget cuts to Los Rios if the Tax Initiative fails to pass will be draconian. If the Tax Initiative is on the June Ballot, then I hope that you will volunteer to work with us in the campaign. Please email us if you will volunteer to help us.

I want to assure all of you that while these budget cuts look daunting, it is not time for us to panic or give credence to any rumors. LRCFT has worked with the District in meeting severe budget cuts before and we will do it again. We will have to make some very difficult decisions, sacrifices will have to be made, and we must all share some of the pain. Please be patient and we will make it through the most challenging budget time in our history.

GROWTH IN COLLEGE ENROLLMENT FOCUSED AT COMMUNITY COLLEGES

Number of Students Enrolled, by System



— Since 1960, student enrollment at the state's public universities has grown by an average of about 3 percent per year. This has generally tracked with population growth.

— Community college enrollment has been much more volatile, and more than quadrupled over the first 15 years of this period. The average annual increase over the full period is 3.8 percent. Community college enrollment is especially responsive to economic conditions and the prevailing job market. ■