UNION NEWS

DECEMBER 2011

AFT LOCAL 2279
2126 K STREET
P: 916-448-2452
F: 916-448-1480
www.lrcft.org

COMMUNITY COLLEGES STRUGGLE TO BE RECOGNIZED FOR OUR STUDENT'S SUCCESS AND FUNDING

By Dean Murakami

IN THIS ISSUE

Oh my God!! Did the community college snowball survive in hell; is the San Andreas fault ready to plunge California into the Pacific; is global warming ready to plunge us into a new ice age; did Nancy Shulock actually say something positive about California's community colleges??

Nancy Shulock's recent report Dollars and Sense from the Institute for Higher Education Leadership & Policy actually had some positive results for community colleges.

— CCC enrolls far more students than the other two segments combined and a much larger percentage of total enrollment than most states' community colleges.

— CCC serves 71% of students enrolled in California's public institutions. Nationally, by contrast, about 53% of students attending public institutions attend community colleges.

— CCC serves a greater number and proportion of underrepresented and nontraditional students.

Black, Latino, and Native American students make up:
— 38% of headcount enrollment at CCC
— 31% of undergraduate headcount enrollment at CSU
— 18% of undergraduate headcount enrollment at UC.

Among Latinos who attend one of the public segments:
— 77% attend CCC
— 17% attend CSU
— 5% attend UC.

Among African Americans who attend one of the public segments:
— 79% attend CCC
— 16% attend CSU
— 5% attend UC.

Comparatively, California has far greater differentials in education-and-related-costs (E&R) spending across its three systems of higher education. CCC's E&R spending per FTES is about one-third of that at UC; nationally, public associate colleges spend about two-thirds what public research institutions spend.

In addition, funding for community colleges in California is 13% lower than the national average.

One of Shulock's key policy considerations is that "The sector that serves the most—and the most disadvantaged—students, spends the least, by far, on education and related costs." That's because we get less funding per student than any other public education system in California.

California's community colleges do the most with the least funding. However, another report "The Road Ahead: A Look at Trends in the Educational Attainment of Community College Students" by Christopher Mullin from the American Association of Community Colleges illustrates even greater success in California's community colleges.

— The number of total credentials (degrees & certificates) earned at community colleges increased 127% between 1989–1990 and 2009–2010, while enrollment increased 65%, making for average yearly increases of 6.3% and 3.25%, respectively.

[continued on next page]

[from previous page]

— 90% increase in earned credentials and a 17% increase in enrollment by White students,
— 283% increase in earned credentials and a 137% increase in enrollment by Black students,
— 440% increase in earned credentials and a 226% increase in enrollment by Hispanic students,
— 253% increase in earned credentials and a 131% increase in enrollment by Asian/Pacific Islander students, and
— 242% increase in earned credentials and a 85% increase in enrollment by American Indian/ Alaska Native students.

When breaking it down by degree and certificate it looks even better.

DEGREE EARNERS

— 52% increase in degrees by White students,
— 204% increase in degrees by Black students,
— 383% increase in degrees by Hispanic students,
— 230% increase in degrees by Asian/Pacific Islander students,
— 182% increase in degrees by American Indian/ Alaska Native students.

CERTIFICATE EARNERS

— 203% increase in certificates by White students,
— 416% increase in certificates by Black students,
— 575% increase in certificates by Hispanic students,
— 308% increase in certificates by Asian/Pacific Islander students, and
— 361% increase in certificates by American Indian/ Alaska Native students.

It is interesting to note that while Nancy Shulock was on the Chancellor's Student Success Task force and continued to support performance based funding, that recommendation was dropped. Even in the testimony at the legislative committee, while she stated that she and Senator Carol Liu had preferred that performance-based funding remained in the Student Success Task Force Report, Shulock was not as forceful as many predicted. Maybe her position was softened by her own research and the one by the American Association of Community Colleges.

It is undeniable that when you look at the trend in community colleges over the past 20 years, there have been very significant gains not recognized by the general public. While we still have a long way to go to close the achievement gap, it is clear that progress has been made and should be recognized. However, much of what we have gained is being threatened by the budget cuts over the past few years. The data available for Nancy Shulock's report stops in 2009, before

the most significant budget cuts to community colleges. Shulock states that "For CCC, which received just a small share of ARRA funding, state and local appropriations increased by 8% between 2002 and 2009. Since then, however, CCC has faced cuts in state appropriations, including a $400 million cut in the 2011-12 budget (so far)."

So far, community colleges have sustained an 11% decrease in funding since 2008 and, as a result, Los Rios has been forced to reduce the number of classes (and loss of so many part-time faculty), initiated out of pocket medical, and has not been able to increase the salary schedule for several years. The Faculty Bucket is using district reserves in order to maintain the current salary schedule; otherwise there would be a 5% decrease in the salary schedule. While we are concerned about triggered budget cuts this year, the greater concern is the reports that the structural deficit remains and there will be large state budget deficits again next year. We keep thinking that we have reached the bottom after each budget cycle, but it looks like the negative trend will continue for several years. This will mean further cuts to community colleges and potentially more classes cut and reductions in the faculty bucket in Los Rios.

The budget challenges we are facing in community colleges is a microcosm of what has been happening in the country.

The Wall Street and housing market collapse (housing market collapse was $8 trillion) has been the primary cause of the state budget deficits across the country. You can look at three recent publications, A Generation of Widening Inequality by the

[continued on next page]

[from page 2]

California Budget Project, Trends in Distribution of Household Income by the Congressional Budget Office, and Charts: Here's what the Wall Street Protesters are So Angry About by Henry Blodget from the Business Insider (http://www.businessinsider.com/what-wall-street-protesters-are-so-angry-about-2011-10?op=1). All of these studies illustrate that there is record unemployment, yet corporate profits have increased to an all time high, worker productivity has increased, CEO salaries have increased and, yet, worker salaries have decreased. The concentration of wealth over the past 20 years is obvious, but the consequence is in the political and policy-making decisions that directly affect us. For example, the extremely wealthy have set up foundations (e.g. Gates, Broad, Lumina, Irvine, Hewlett) and their supported organizations (e.g. EdVoice, Campaign for College Opportunity) to move their corporate perspective on education. This has resulted in the push toward charter schools, attempts to implement charter schools for community colleges, defunding public higher education to move more students into private for-profit colleges, trying to implement performance-based funding for community colleges (SB 1143, Liu), trying to move community colleges toward a for-profit structure (SB 515, Brownley), and promoting statewide testing and assessment, which are corporate based.

CALIFORNIA BUDGET PROJECT

— The middle fifth of Californians had an average income of approximately $35,000 in 2009.

— The top 1 percent had an average income of $1.2 million – 33 times the average income of the middle fifth. That gap is about twice as large as it was a generation ago.

— This means that in 2009, the average Californian in the top 1 percent of the distribution earned in less than eight workdays what the average middle-income Californian earned in a year.

— The substantial rise in CEO compensation has widened the gap between top executives and the average worker.

— The average CEO's annual pay was 35 times that of the average nonsupervisory or production worker – workers who make up approximately 80 percent of the workforce –in 1978.

— In 2007, the average CEO's annual pay was 275 times the average worker's pay.

— In other words, the average CEO earned more in one workday than the average worker earned in one year.

At the same time, there has been a systematic campaign to blame public employees and the unions for the state deficits and that public employee pensions (STRS & PERS) are about to make the state go broke. John Stossl claims that public employees contribute zero toward their pensions. Really?!! Others, like Charles Duhigg, in a New York Times story, singles out public employee pensions as the critical cause of budget deficits. The move to outlaw or restrict public employee collective bargaining started in Wisconsin and Ohio. Now, in California, one initiative has been filed that would remove collective bargaining rights from public employees and another initiative that has qualified for the November 2012 general election would remove all unions from being involved in the political process. This is because the major opposition to the wealthy elite's efforts to move their agenda has been the unions; so, just remove them from the equation.

The focused attack on public employees is further illustrated by two other initiatives that were just filed that would significantly change our pensions and move future employees into defined contribution plans. These initiatives were filed by Dan Pellissier and funded by John D. Arnold, a billionaire who made most of his money as an Enron Corporation executive in Texas and then became a hedge fund operator (Centaurus Advisors LLC). Enron was a company that manipulated California's electrical rates, raided their employee pensions and left the workers holding an empty retirement bag. John P. Arnold escaped with his hundreds of millions of dollars. So, the hypocrisy of him being the primary supporter in these public employee retirement initiatives is amazing; but, with his funding it will probably get on the ballot in November.

As more and more wealth has been concentrated in the very few, the few have an extraordinary influence on the political and social direction of the country.

This is why taxes on the very wealthy and corporations have gone down over the years and investment in workers/people in the form of public services like education, Medicare, Social Security, and healthcare have been attacked. Those of us who have been in the middle of this battle to fund public education, watched the tide continue to flow against us, but the public never seemed to notice. Suddenly, some have seen that with so many people out of work, career-type jobs are for the very few today, jobs are being outsourced, companies are no longer vested in your community, many families are losing their homes,

[continued on next page]

[from page 3]

people with aging parents have lost public services, college tuition is skyrocketing, the prospects for our children look dim, but corporate profits are high, the price for Wall Street and banking excesses are being borne by the average worker, and CEOs and executives make even more money and bonuses. People started to see an inherent unfairness and government (whether Democrat or Republican) seemed unwilling or unable to help. That has been at the heart of Occupy Wall Street and that frustration has culminated in this movement to say the direction of the country has to change to where we all benefit from the economy, not just the few, that this country needs to invest in the people, not exploit them. Where the Occupy Wall Street movement eventually winds up is not known, but the actions resonate with those in the labor movement. That is why the AFL-CIO, California Labor Federation, Sacramento Central labor Council, American Federation of Teachers, California Federation of Teachers, and the Los Rios College Federation of Teachers endorse Occupy Wall Street and we have been participating in Occupy Sacramento. Occupy Wall Street is not organized, controlled, or primarily funded by the labor unions, but many of us have participated because we understand their frustration. If we want to reverse the trend of defunding community colleges and other public services, then the conversation has to change and we hope that Occupy Wall Street will help to open the dialog.

While we continue to experience these budget cuts to education, we have been supportive of the federal initiatives that will help us get through these tough economic times. This is why we had a rally for the Jobs Act at Cosumnes River College. "The Teachers and First Responders Act" would have prevented the layoffs of 37,000 teachers in California, almost 400,000 teachers nationwide, and would have hired more police and firefighters. The cost would have been paid for by a 0.5% tax increase on millionaires. The "Rebuild America Jobs Act" would have provided thousands of construction jobs to help rebuild our infrastructure across this nation. Right here in Los Rios, this act would have provided about $40 million in modernization fund. That means support for local businesses, construction jobs, apprenticeship programs, and better facilities for our students, all paid for by a 0.7% tax increase on millionaires. Both of these acts would have directly benefited Los Rios and that is why LRCFT supported them; but, of course, they were not passed by the Senate.

Many believe that such a tax increase on millionaires would be very detrimental to small businesses. However, the California Budget Project shows that of all the millionaires in the United States, only 2.5% are small business owners. As a matter of fact, only 3.3% of all small businesses earn $1 million or more. Many small businesses may have gross sales of over $1 million, but when it comes to net profit (income) very few will make over $1 million. Over 75% of small business owners make $200,000 or less.

LRCFT has also been active in ReFund California, a group of students, educators, and staff primarily from California State University (CSU) and the University of California (UC) that seeks to stop the increases in tuition and to increase funding for public higher education. The actions in November at the CSU and UC campuses were organized by ReFund California.

For those that still want to blame public employees for the budget deficit, here are some facts from George Skelton in the Orange County Register.

— Cutting state employees' salaries will not fix the budget. Furloughs last year equaled a 14-percent salary cut, yet the deficit still looms.

— Firing every employee under the governor's control would still not erase the deficit. That includes every prison guard, CHP officer, DMV worker, and state parks worker. That's because roughly 70 percent of the state budget goes to schools and local government.

— Reducing pension costs would not solve the problem either. Next year, $2.1 billion will come out of the state's general fund for pensions.

— Unions represent about 10 percent of the governor's workforce.

You can also read the report The Wrong Target: Public Sector Unions and State Budget Deficits by Sylvia A. Allegretto, Ken Jacobs and Laurel Lucia (http://www.irle.berkeley.edu/research/state_budget_deficits_oct2011.pdf) that shows public sector employment has not appreciably changed in the past 20 years, and it doesn't matter if it is a state with public sector unions or not. Also, public sector compensation as a percentage of the budget has actually gone down in the last 20 years, from about 23% in 1992 to about 19.5% today. One of the main conclusions is that the state budget will continue to have structural deficits which cannot be addressed by cuts to public employee wages and benefits. The primary way to resolve the state budget deficit is to address the housing crisis, which so far nobody seems to want to touch.

In conclusion, I believe that one of the strengths of Los Rios is that LRCFT values fiscal responsibility and when times are good we all benefit, but in

[continued on next page]

[from page 4]

tough economic times we plan and share the sacrifice. LRCFT is not interested in destroying financial institutions, corporations, or public institutions, because they, along with small businesses, are critical for employment and our economy. But, unlike in Los Rios, it seems that one side has a systematic and highly funded campaign to blame the worker and unions as the cause of the economic collapse and our state budget deficits. While so many workers in California are bearing the brunt of this economic recession and with public employees taking furlough days and reductions in benefits, the sacrifice does not seem to be shared by the very wealthy. It is that inequity that LRCFT will continue to stand against and fight.