



CALIFORNIA'S COMMUNITY COLLEGES 2013-14 BUDGET POINTS

Community College League of California

JANUARY 2013

LEAGUE POSITION ON GOVERNOR'S PROPOSED BUDGET

We are grateful to the Governor for his hard work in joining us to gain passage of Proposition 30 that has provided additional funding for our colleges while bringing the budget into balance. We also welcome the Governor's proposal to provide community colleges with a 11.4% share of Proposition 98 funds.

We thank the Administration for its continued commitment to backfill redevelopment funds that were proposed for community colleges but may not materialize. This is particularly important for our colleges because Education Protection Account revenues and existing deferrals mean colleges will receive roughly 30% of their unrestricted funds after June 15th – almost 15 days prior to the end of the fiscal year.

DETERMINING THE USE OF PROPOSED FUNDING INCREASES

The community college system **welcomes the \$197 million in proposed new funding** and suggests that there are several **key areas of need** for which these funds would be particularly welcome:

- a cost-of-living adjustment (COLA) that, for 2013-14 is estimated at 1.65% (\$90 million);
- and a 2% enrollment restoration/access factor (\$110 million) to restore 24,100 full-time equivalent students, a portion of the student enrollment lost to the system over the past five years.

DEFERRAL BUY-DOWN

The Governor is proposing a deferral buy-down of \$179 million to reduce the outstanding community college deferral from \$801 million to \$622 million. While we agree that the deferred funding needs to be repaid to the colleges in a timely manner, **restoring the real cuts taken by the colleges should be partially remedied by diverting \$20 million of these funds for the Student Success initiatives endorsed by the Legislature last year in SB 1456.** This minor diversion would only slightly lengthen the repayment of deferred funds from four to five years.

PROPOSED REVISIONS TO FUNDING MODEL

We believe that, in lieu of the 90-unit credit cap that is likely to have both adverse and unintended consequences, the Legislature and Governor should **allow the SB 1440 and Student Success legislative and regulatory initiatives of last year to take hold.** We believe that these reforms will yield the completion improvements being sought by the Governor without the unintended consequences or disruption that could arise with introduction of a new 90-unit credit cap.

We also believe that the **proposed census/completion reform should be deferred until the statutory student success reforms of last year, the regulatory changes regarding priority registration, and the statutory transfer changes included in SB 1440 have been fully implemented.** Again, we believe that these will meet the goals of the governor without confronting the colleges and students with further change.

Therefore, we urge further discussion between the community college system and the Administration to clarify our intentions in meeting our shared goal of increasing access and completions.

ONLINE EDUCATION

Community colleges provide more online instruction than any other public higher education system in California. We share the Governor's goal to expand use of this important technology as much as possible, especially for students who can be successful in this learning mode and those who are far from a campus and/or have work-related conflicts in meeting an on-campus schedule. We will encourage discussion with the Administration and the Legislature regarding the best use of these funds, with the possible suggestion that the proposed funds be used to invest in collective purchasing of infrastructure that can benefit multiple colleges.

We commit to continue to support online instruction and to expand it to the degree possible while retaining quality.

- In 2010-11, 120,905 FTES were funded through online instruction in the community colleges.

The CCC system is also committed to continuing to work with the California Virtual College Online Course Catalog that enables students to locate distance education course offerings throughout the System and to enlarge the database to include courses at CSU and UC campuses as well.

ADULT/NONCREDIT EDUCATION

We thank the Governor for his support for community colleges and recognition of the importance of providing education to students who are in need of adult/noncredit instruction. We look forward to continuing discussions during the legislative process regarding the appropriate number of authorized programs in adult/noncredit education as well as discussions to determine how the existing adult education infrastructure can be transferred to, and/or utilized by, community college districts that may be commencing to offer adult and noncredit education.

LEAGUE POSITION ON PROPOSITION 39 FUNDING

We believe that the intent of Proposition 39 and that of the voters was to assure that K-14 receives the bulk of the benefits and **we will seek to add community colleges to legislation which proposes to implement the provisions of Proposition 39.**

We believe that the funding provided to community colleges should be divided into two portions:

1. approximately 20% to be provided on a competitive basis to district consortiums for funding regional energy efficiency and clean energy job training programs; and
2. approximately 80% on an FTES basis (which includes a small districts allocation) for facilities improvement at college districts. These latter funds will help fund energy-efficiency capital improvements that have been delayed due to the defunding of the scheduled maintenance categorical program in the 2009-10 budget act and exhaustion of state general obligation funds.

LEAGUE POSITION ON PARCEL TAXES

We continue to believe that California's voters should be given the opportunity to allow local voters to approve parcel taxes with a 55% vote to provide needed operating funds for the colleges. (SCA 3, Hill, Leno and Pavley)