



CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

To: Chief Executive Officers
From: Jack Scott, Chancellor
Date: May 20, 2009
Subject: Budget

The past week has clearly been devastating to all of us. On Thursday, May 14 we were shocked by the Governor's harsh budget proposals and then yesterday's defeat of the ballot initiatives further complicated the disaster. This means that \$5.8 billion is added to the \$8 billion short fall in the 2009-10 budget, making a total of \$13.98 billion deficit in the 2009-10 budget.

The Governor has proposed the following cuts to the community colleges.

Current year (2008-09)

- Defer an additional \$115 million in apportionments from 2008-09 to 2009-10.
- \$85 million in across-the-board cuts to categorical programs.
- It is estimated that these will be a \$42.1 million property tax short fall and no backfill is proposed.

Budget year (2009-10)

- \$343 million in across-the-board cuts categorical programs.
- \$120 million cut to implement lowering the funding rate for credit P.E. and recreational courses to non-credit rate.
- Eliminate 2% enrollment growth, a cut of \$116 million (leaving 1% enrollment growth).
- It is estimated that there will be a \$116.7 million in property tax shortfall with no backfill proposed.

So the news is bleak. However, these are several things to emphasize.

First, realize that this is the budget proposed by the Governor, not the final budget. The Legislature must be involved. In fact, they will fashion the budget that the Governor eventually signs. For that reason I have redirected my efforts to talk to legislative leaders. During the past week, I have talked to two of four legislative leaders; the two chairs of the Assembly and Senate budget committees, and several other key legislators. I emphasized in these conversations that this proposed budget has disproportionately cut community colleges.

Second, there is no promise but there is the possibility of some relief from the federal stimulus package. There remains some of that federal money that has not yet been allocated. I have received some glimmer of hope from Administration officials about that possibility.

But make no mistake about it: tough times are ahead. I would advise all of you to take steps such as the following: 1) Reduce course sections for the next year. We can longer to educate above the cap. 2) In most cases, don't replace resignations and retirements. 3) Reduce administrative costs by having fewer administrators oversee larger areas.

Of course, some savings cannot be effected because of collective bargaining agreements. However you might be able to negotiate savings when your faculty and staff realize that layoffs can only be prevented by such concessions. I am sure that these are other savings that you can design, so use all your inventions. And communicate to your staff just how difficult the situation is.

We will do what we can in the Chancellor's Office to support you. We will advocate for the colleges as strongly as possible, but there is no way the colleges can escape. Perhaps by sharing ideas we can come through this crisis. But, make no mistake about it, community colleges have suffered a real setback in terms of offering service to the thousands of students who desperately need us. It is a shame, but the reality must be faced.

The main thing is to pull together, continue to do the important work that we do, and serve the students. We can do this even with the limited resources that the state has given us.