

# Peralta Community College District

## Sacramento Update



December 9, 2008

# Addressing the Budget Situation

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- This is the worst budget situation for community colleges since Proposition 13, and the worst that I have seen in my 29 years working directly with community colleges.
- Getting through this is going to require collaboration, innovation, and strong political action.

# 20007-08 Budget

- ❑ 2008 began with mid-year cuts for the 2007-08 budget year.
- ❑ \$506 million cut to K-14 education.

## Community College Portion of 2007-08 Mid-year Cuts

	<i>Original Proposal</i>	<i>Final Outcome</i>
Level of cut	\$53 million	<b>\$31 million</b>
Source of funding cut	Primarily from CTE funding	<b>Unallocated categorical programs from past years.</b>

# 2008-09 Budget Success

2008-09 Budget Difficult, but better than proposed.  
2008-09 Community College Budget

<i>Category</i>	<i>Proposal</i>	<i>Final Outcome</i>
Growth	1% in Jan proposal 1.67% in May Revise	<b>2% Growth</b>
COLA	No COLA	<b>.68% COLA</b>
Categorical Programs	\$80 million cut from 2007-08 budget level	<b>Funded at 2007-08 budget levels</b>
Fees	\$26/unit LAO Proposal	<b>No Fee Increase</b>

# 2008-09 Budget Successes

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<i>Category</i>	<i>Proposal</i>	<i>Final Outcome</i>
Property tax	No backfill provided	<b>\$75 million</b>
Competitive Cal Grant	Eliminated	<b>Sustained</b>
Deferred apportionments	From Jan, Feb & March to April, May & June	<b>Same as proposed</b>

# 2008-09 Budget Special Session

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- ❑ The Governor called a special session prior to the end of the 2007-08 session in order to address a budget that was already \$11.2 billion out of balance in the current year and projected to be \$28 billion out of balance over the next 19 months.
- ❑ Both the Assembly and Senate met to debate and vote on a Democratic proposal that would have provided for \$8.1 billion in cuts and \$8.1 billion in revenue increases.

# 2008-09 Budget Special Session

## Special Session Proposals (Over 19 Months)

<i>Category</i>	<i>Administration</i>	<i>LAO</i>	<i>Floor Proposal</i>
Prop 98	\$3.2 billion	\$3.5 billion	<b>\$4.2 billion</b>
CCC	\$409.2 million	Over \$350 million	<b>\$200 million</b>
Fees	No Increase	\$26/unit 1/08 \$30/unit 7/08	<b>No increase</b>
Peralta Cut	\$7.5 million	\$6.4 million	<b>\$3.8 million</b>

# 2008-09 Budget

## Moving Forward

### Challenges

- ❑ LAO projects property tax shortfall for community colleges in the neighborhood of \$45-\$55 million in the current year.
  - This would be an additional \$1 million mid-year cut to the Peralta district.
- ❑ Still no indication that Republicans are willing to vote for revenues.

# 2008-09 Budget Moving Forward

## Fiscal Emergency

- The Governor has declared a Fiscal Emergency under Proposition 58.
  - Legislature has 45 days to submit legislation to the Governor that addresses the budget imbalance.
  - The Legislature may not take action on any other issues or adjourn until they have done so.

# 2008-09 Budget Message

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- **No more cuts:** The \$200 million cut over two years to community colleges is deep and will hurt access. However, at \$200 million, the threat would be to 100,000 students instead of the 270,000 that the Governor's proposal would have cut.
- **Community colleges key to the state's economic recovery:** Enrollments are growing as displaced workers are returning upgrade job skills and get themselves back into the job market. Even under a \$200 million cut, our colleges could not add new, expensive career tech courses vital to the economic recovery of the state.

# 2008-09 Budget Message

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- **Community college funding is still threatened by property tax shortfall:** The LAO projects a current year property tax shortfall of \$45-\$55 million for community colleges. Because CCCs are not automatically backfilled like K-12, this is an additional mid-year cut to which other educational segments are not subject. The legislature should address this ongoing problem for community colleges.
- **Fees:** Last time fees were dramatically increased the community colleges lost 300,000 students. While we oppose a fee increase, we could handle a moderate increase implemented in the fall with an inflator similar to Proposition 92.

# 2008-09 Budget

## Next Steps

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- **Student legislative visits:** Identify student leaders, particularly those in fire fighting, police, nursing, and clean/green technology programs and have them visit legislators asking for no more cuts to community colleges.
- **Hold a press conference:** Hold a press conference on campus that highlights the success of community college students and how cuts would impact those students and the district.
- **Invite legislators to campus:** Invite new members of the legislature to tour one of the Peralta campuses. This is also a good time to invite returning members on a return trip to one of the campuses.

# Budget Options

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## Options for Moving Forward

- If the votes are not there for a tax increase, revenues must be generated in order to backfill proposed funding cuts.
  - ✓ Special Election ballot measure to increase taxes targeted for education.
  - ✓ Federal government assistance.
  - ✓ Authorization of fees targeted for workforce training programs at community colleges.
  - ✓ Modest fee increase.

# 2008 Legislative Update

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- ❑ It was a difficult year legislatively, as the Governor vetoed 35% of the bills sent to his desk. This is more than any other Governor has vetoed in one year, ever.
- ❑ Overall, the Governor vetoed 415 bills and signed 772.

# 2008 Successes

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- ❑ AB 1980 (Swanson): authorizes Peralta community college district to charge a fee to students in order to offer a discounted transit pass.
- ❑ AB 3071 (GO Committee): authorizes Peralta to serve beer and wine on campus in connection to “special events.”
- ❑ SB 588 (Runner): authorizes alternative building standards mirroring the CSU standards for Community Colleges.
- ❑ SB 1737 (Padilla): extends current exemptions on concurrent enrollment until January, 2014.

# 2009 Legislative Agenda

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- ❑ Property Tax Backfill: provide an ongoing backfill for community colleges.
  
- ❑ Fee Inflator: would limit the amount that the legislature could raise community college fees to the lower of:
  - 10%.
  - Percentage change in per capita personal income.