



# CALIFORNIA COMMUNITY COLLEGES

## CHANCELLOR'S OFFICE

### **MEDIA STATEMENT**

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### **California Community Colleges Chancellor Jack Scott Praises Legislature for Delaying Student Fee Increase until Summer 2012 if Mid-year Budget Cuts are Necessary**

*SACRAMENTO, Calif.* – The California Community Colleges Chancellor Jack Scott today issued a statement about the California Legislature's decision to delay implementation of a mid-year student fee increase to summer 2012 if state revenues fall more than \$1 billion below projections and trigger cuts are executed. The increase from \$36 to \$46 per unit was originally proposed for the spring 2012 term:

"I congratulate the Legislature for passing this bill (ABx1 32) that defers until summer a \$10 per unit fee increase in the event that mid-year budget cuts are deemed necessary. Without this change, colleges likely would have to implement the fee increase with only a couple of weeks' notice, and administrators would be placed in the untenable position of trying to collect higher fees from students who had already completed registration for spring classes. This bill, if signed by the governor, gives colleges and students adequate time to prepare for increased fees if they become necessary."

*The [California Community Colleges](#) is the largest system of higher education in the nation. It is composed of 72 districts and 112 colleges serving 2.6 million students each year. Community colleges supply workforce training, basic skills courses in English and math, and prepare students for transfer to four-year colleges and universities. The Chancellor's Office provides leadership, advocacy and support under the direction of the Board of Governors of the California Community Colleges.*

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**NOTE: Please see attached budget fact sheet and graph on enrollment demand.**



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*Office of Communications*

*Just the Facts*



## POTENTIAL 2011-12 MID-YEAR BUDGET REDUCTIONS

- If by December 15, 2011, state revenues fall more than \$1 billion below projections the community colleges will be cut by an additional \$30 million.
- If the shortfall is more than \$2 billion, community colleges will suffer a \$102 million cut.
- Either budget shortfall would result in a \$10 per unit fee increase from \$36 to \$46.

## IMPACT OF GOV. BROWN'S 2011-12 BUDGET TO THE CALIFORNIA COMMUNITY COLLEGES

- 6.8% budget reduction (\$400 million). This cut translates into approximately 200,000 students losing access to classes.
- \$10 fee increase, effective fall 2010, raised student fees from \$26 per credit unit to \$36 (38.5% increase).
- The \$10 per unit fee increase is anticipated to generate approximately \$110 million for the colleges to support an additional 50,000 students.
- More than \$129 million of the system's funding was deferred which will increase the cumulative total of delayed state payments to \$961 million, or roughly 17% of the system's annual funding.
- The community college system is currently being funded for 2.5 million students but enrollment demand is so high, in 2011-12 it is estimated up to 670,000 students seeking a community college education will not be served.

## IMPACT OF BUDGET CUTS TO COMMUNITY COLLEGE STUDENTS

- When implementing budget cuts, community college CEOs have been directed by state chancellor Jack Scott to retain courses that lead to job retraining, degrees, certificates, transfer, and that help increase basic English and math skills
- If a 2011-12 budget shortfall occurs and the per unit fees are increased to \$46 in the summer 2012, this would mean a 77% increase in student fees within a 1 year period.
- Under the current \$36 per credit unit fee, full-time students enrolled in 15 units pay approximately \$1,080 per academic year.

## PRIORITIES AND EFFICIENCIES

- The California Community Colleges is the most cost-effective system of education in California. While the state revenue needed to support one community college full-time student is slightly more than \$5,000 per year, that same student costs approximately \$7,500 in the K-12 system and \$20,000 and \$11,000, respectively, at UC and CSU.
- The community colleges have looked at every corner of the system to come up with efficiencies. Tactics implemented include course reductions, debt restructuring, administrative consolidations, energy savings programs, IT efficiencies, increased class sizes, reduced student services programs, furloughs, additional online instruction, increased industry partnerships and transfer coordination with the UC and CSU. The system is exhausting all options to free up additional funds and many college reserves are low.

## **CALIFORNIA HAS BEEN DIVESTING IN HIGHER EDUCATION FOR THE PAST 15 YEARS**

Enrollment at the California Community Colleges has grown 44% in the last 15 years, yet per student funding in 2009-10 (adjusted for inflation) was lower than it was in 1995-96.

- The demand for a community college education is continuing to outstrip resources. The California Community Colleges would have naturally grown by at least 5.5% in 2009-10. But instead, decreased funding caused the system to shrink by 4.8%.
- In the 2009-10 academic year, the system sustained \$520 million in budget cuts which equated to 8% of its overall budget. It is estimated that approximately 140,000 students were turned away from community college campuses in 2009-10 due to course reductions.
- For fall 2009, course sections were cut by 6.3% and enrollment dropped by 0.2% over fall 2008. While total headcount declined by only 0.2%, the system's first-time community college student enrollments decreased by 12% indicating that the hardest hit by budget reductions are recent high school graduates and displaced workers because they do not have priority registration.
- For fall 2011, course sections have been reduced by 5%.

## **ECONOMIC BENEFITS OF HIGHER EDUCATION**

- If just 2% more of Californians earned associate degrees and 1% more earned a bachelor's degree, our state's economy would grow by \$20 billion, state and local tax revenue would increase by \$1.2 billion a year and 174,000 new jobs would be created.
- The economic return on investment in California's higher education infrastructure is a win-win for the state and its taxpayers. For every \$1 California spends on higher education, it receives \$3 in return.
- The California Community Colleges is the largest provider of workforce training in the state and nation.

## **WORKFORCE SKILLS GAP**

- Undergraduate demand for the three public systems of higher education in California is expected to grow by 387,000 students by 2019. To accommodate the increase it will take \$1.5 billion more in revenue.
- If current funding trends persist, the Public Policy Institute of California estimates by 2025 California will face a shortage of 1 million college degree and certificate holders needed to fuel its workforce.
- Approximately 55% of CSU and 30% of UC bachelor's degree recipients started at the California Community Colleges.
- With baby boomers retiring as the best educated and most skilled workforce in U.S. history, labor experts are concerned that California will lack workers with the critical aptitude needed to replace them.

## **TOP 10 REASONS WHY COMMUNITY COLLEGES ARE A WISE INVESTMENT**

- 70% of California's higher education students are enrolled in a community college
- 25% of community college students nationwide are enrolled in the California Community Colleges
- 49% of California jobs offer middle skill wages, annual incomes of \$48,000-\$75,000
- 70% of nurses in California are educated in the community colleges
- 80% of firefighters, law enforcement officers and emergency medical technicians are credentialed at community colleges
- 55% of CSU baccalaureates awarded in 2007 started as community college students
- 30% of UC baccalaureates awarded in 2007 started as community college students

- 48% of UC bachelor’s degrees in science, technology, engineering and mathematics are earned by community college transfer students
- 75% of California’s GI Bill veterans attend a community college
- Every \$1 invested in higher education results in a \$3 increase in state revenues

