



# News Release

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## COMMUNITY COLLEGE FUNDING LEVELS CONFIRMED BY 2003-04 BUDGET

SACRAMENTO – California Community College officials breathed a sigh of relief as Governor Gray Davis signed the 2003-04 Budget on Saturday. Making good on his promise to protect funding for education, a promise also made by the Legislature, the Governor approved the entire community college funding package sent to him by the Legislature. When all sources of revenue are combined, overall funding for the community colleges is reduced by just 1.7 percent (about \$86.8 million) compared to the level of funding provided in the 2002-03 Budget Act.

Though State General Fund spending for the community colleges is reduced by more than \$250 million—a 9.4 percent reduction—the net reduction is only \$86.8 million because of the increase in student fees and anticipated growth in property tax revenues.

The budget includes the following specifics for the 108 community colleges:

- provides funds for 1.5 percent enrollment growth (approximately 15,500 additional full-time students). However, actual enrollments in the colleges have been increasing by 4 to 5 percent per year in recent years, and the colleges are already serving tens of thousands of students without funding.
- makes a major reduction of funding for the Partnership for Excellence program from \$293 million to \$225 million; reduces funding for Part-time Faculty Compensation from \$57 million to \$50.8 million; and makes about \$10 million in reductions to two categorical programs that fund Instructional Equipment and Scheduled Maintenance.

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- allows the community colleges to defer \$200 million in revenue to July of 2004, the start of the 2004-05 fiscal year. The funds, however, will be usable for 2003-04 costs, thus sparing the colleges from making an additional \$200 million in reductions in the current year. The deferral consists of \$150 million in general apportionment funds and \$50 million in Partnership for Excellence funds being allocated to colleges in July 2004, instead of June 2004. The deferred amounts will be credited to 2004-05 funding, and will be paid back over several years.

The budget also raises student enrollment fees from the current \$11 per unit to \$18 per unit (a 64 percent increase), effective for the fall term (which begins in August for most colleges). However, the budget also provides for a major expansion of programs to ensure students are aware of financial aid, and that they receive assistance in securing this aid.

Overall, the signed budget reflects a funding level that is much more workable than the huge reductions originally proposed in January. At that time, the colleges faced a 10.6 percent cut that would have reduced overall funding by \$530 million. Through a unified effort with all the colleges and organizations, and through the willingness of the Governor and the Legislature to listen and respond, the community colleges were able to secure a reduction that is roughly proportionate to the reductions imposed upon the University of California, the California State University, and the K-12 schools.

Thomas J. Nussbaum, Chancellor of the California Community Colleges, expressed relief that the budget has been signed, noting that the State Controller can now release July apportionment payments – which were being withheld pending a signed budget – to the 72 college districts. He noted, however, that tough times still lie ahead for the system.

“Given the impossible fiscal conditions, we recognize that Governor Davis and the Legislature placed a high priority on protecting funding for public education, and we also recognize that major compromise was necessary in order to get a budget at all. We thank them for this commitment, and we thank them for acting. Still, this is a very challenging budget for the California Community Colleges, our students, and the State we serve. Despite the laudable efforts of the Governor and the Legislature, this is still a budget that leaves us no option but to turn away tens of thousand of students, compromise quality, and, inevitably, lose ground in our quest to improve the rates and numbers of students who succeed.”

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