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CONTACT: Blake Ulveling, (510) 282-1489, blake@collegecampaign.org

**BUDGET CUTS TO HIGHER EDUCATION:
Cumulative impact of past and present cuts imperils the state's economic future**

Los Angeles, Calif. – Higher education in California will suffer yet another major blow in less than six years with the recent announcement of new budget cuts to higher education. The University of California, the California State University, and the state's Community College system have not yet recovered from cuts that stemmed from the dot.com crash earlier this decade.

“The state simply can't afford to make these cuts to higher education,” according to Michele Siqueiros, Executive Director of the Campaign for College Opportunity. “Higher education is the key to our ability to create the robust economy that would prevent the need for future budget cuts.”

Both the UC Board of Regents and the CSU Trustees met this week to announce the impact that the new budget proposal will have on their universities. CSU may need to turn away 10,000 qualified students and possibly increase fees in order to maintain the quality of education they offer. The UC Regents have said that they will not increase fees, but that means cutting millions of dollars out of existing programs and wages.

This new mid-year budget proposal includes over \$65 million in proposed mid-year cuts to the UC system and 66 million in proposed mid-year cuts to the CSU system. This comes on the heels of cuts that were included in the *2008-09 State Budget* that went into effect this past September.

For the state's Community Colleges, who have a mandate of open enrollment and already operate with lean budgets, these cuts could significantly increase class size and reduce services that support student success. The Community College system anticipates roughly 3 percent enrollment growth each year. It is possible that enrollment will exceed 3 percent growth in the coming years because increases in enrollment often come when the economy slows down and because many students turned away from the UCs and CSUs will begin their education at a community college.

This new mid-year budget proposal includes \$332.2 million in proposed mid-year cuts to the California Community Colleges. This comes on the heels of \$290 million in cuts that were included in the *2008-09 State Budget* that went into effect this past September.

This means tens of thousands fewer community college students being assessed for proper course placement, meeting with counselors, and receiving follow-up counseling to help students in academic probation complete their programs. It also means long waitlists for students trying

to get into classes forcing students to take more time to complete their programs – a frustration that costs students more and can lead to drop-out.

All of these changes come at precisely the time when the state needs to be enrolling and graduating many more students to meet the demand for a more educated workforce, notes Siqueiros.

“It is easy to look at each budget year as a snapshot,” according to Siqueiros. “But if we look at state funding for our public colleges and universities over time, it paints a portrait of a state that isn’t taking advantage of the opportunity to invest in our growing young adult population to meet workforce demands in the next decade, and to reap the benefits of increased revenues for our state.”

From 2002 to 2005, the UC and CSU each experienced well over \$500 million (half a billion) in funding shortfalls. Community Colleges also experienced significant reductions in both General Fund and property tax revenue during this period.

In order to recover from the cuts earlier this decade, the state’s higher education institutions were forced to implement measures such as cutting courses, increasing class size, and hiring lecturers rather than tenured faculty. The new cuts will result in long-term impacts.

The Campaign for College Opportunity notes that legislators can mitigate these potentially devastating consequences by balancing the budget in a way that does not endanger higher education funding and imperil the state’s future economy.

The Campaign for College Opportunity recommends:

1. The budget process should account for the long-term future and the Governor and Legislature should work together to ensure access and opportunity in higher education.
2. This is the decade we need to invest in Higher education and meet the future workforce demands.
3. The state’s higher education institutions have been supplementing decreasing General Fund money with increased student fees. It is time look for other resources, besides students, to supplement this decrease in General Fund support for our colleges and universities.

Last spring, when the prospect of budget cuts were first being discussed, the Campaign for College Opportunity sponsored a study titled “Cumulative Impact: How cuts to higher education and the Cal Grant program in the recent past, today, and in the near future will affect access and opportunity for California’s students.” The study was researched by Time Gage, Former Director of the California Department of Finance, and his Blue Sky Consulting Group.

The study estimated the likely cost of higher education in California over the next decade and explores the capacity of the General Fund to pay these costs. It used a projection model based on

the same methodology used by the Legislative Analyst's Office and sets up a set of scenarios using a "current law" baseline, the 2008-09 proposed budget at the time, as well as looking at how budget cuts earlier this decade impact the results.

Media interested in learning more or reading last spring's "Cumulative Impact" Report should contact Blake Ulveling at: (510) 282-1489 or blake@collegecampaign.org or go to www.collegecampaign.org/budget.

About the Campaign for College Opportunity: The Campaign for College Opportunity is a broad-based, bipartisan coalition, including business, education and labor leaders, and is dedicated to ensuring the next generation of Californians has the opportunity to go to college. For more information, visit: www.collegecampaign.org.

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