

May 14, 2010

Dear Colleagues:

This afternoon, Governor Schwarzenegger released his May Revision which offers adjustments to his January budget proposal. The updated budget plan, based on the Administration's latest revenue and expenditure estimates, will frame the remainder of this year's legislative budget process. With the basic parameters now in focus, the Capitol's budget deliberations will begin in earnest.

As expected, the size of the overall budget shortfall has not changed significantly from the magnitude identified in January. Whereas the January budget proposal contained an estimate of \$19.9 billion, the May Revision identifies an estimated budget shortfall of \$19.1 billion. What has changed is that many of the solutions proposed by the Governor in January are no longer available. Most significantly, \$6.9 billion that the Governor planned on getting from the federal government did not fully materialize.

To make up for these lost solutions, the Governor relies almost exclusively on deep budget cuts in health and human services program. Among these is the total elimination of CalWORKS welfare to work program (\$1.1 billion) and deep cuts to In-Home-Supportive Services (\$637 million). By anyone's standards these are brutal cuts that, if enacted, would represent a drastic reduction in the safety net available to California's most vulnerable citizens. Even the Governor's spokesman referred to the proposed cuts as "terrible."

Protecting Higher Education

As expected, funding for UC, CSU, and the California Community Colleges in the May Revision essentially mirrors the Governor's Budget released in January. In late April, Governor Schwarzenegger made public statements emphasizing the need to maintain the state's investment in higher education and threatening to veto any budget sent to him by the Legislature that provided less funding for higher education than proposed in his January budget.

In the May Revision, the Governor upped the ante by retracting his January proposals to reduce funding for CalGrant student financial aid. For community college students, the most notable item in the Governor's earlier proposal was the elimination of new Competitive CalGrant awards. The Governor now supports full funding for new Competitive CalGrant Awards in 2010-11 and has stated he will veto any budget that does not contain this funding. This change in position is a very positive development and reflects a willingness on the part of the Administration to engage with the higher education segments and student leaders.

California Community Colleges

For the California Community Colleges, the May Revision remains virtually unchanged from the Governor's Budget released in January. Key features, consistent with the January proposal include:

2.2 percent enrollment growth (\$126 million). This proposed augmentation would fund approximately 26,000 full-time equivalent students and help the colleges respond to the tremendous enrollment demand they are currently experiencing.

- 0.38% COLA (-\$22.9 million). While the economic factors used to calculate the COLA have changes slightly since January, the Administration chose not to update this figure.

Changes to the January budget proposal are as follows:

- A downward revision of \$6 million in 2010-11 local property tax revenues. The Governor proposes an augmentation of \$6 million in state funding to offset this reduction.
- A reduction of approximately \$6 million in federal TANF funds as a result of his proposed elimination of the CalWORKs program. In addition, the Governor proposes that the \$26.7 million in state funding previously provided for CCC CalWORKs be redirected to support any categorical expenditure through the Categorical Flexibility provision.

Cash Shortfalls

The May Revision notes that the state continues to face an extremely tight cash position. While no new proposals are made to address these challenges, the Governor does indicate that the Department of Finance, State Controller, and State Treasurer will continue to monitor the situation and present additional solutions as needed. This indicates a risk of additional funding deferrals being enacted.

Need for Continued Advocacy

While today's budget announcement contains much bad news, there is no question that the Governor has done everything possible to protect higher education, including the California Community Colleges. For this we owe him our appreciation and support. I encourage you to communicate your appreciation to the Governor and also express support for the May Revision in your dealings with your local legislators and the media.

We must be aware that the May Revision is not the finish line. As the budget process moves forward and the Legislature begins meaningful deliberation, state leaders will continue to wrestle with the tough choices before them. It is essential that we continue making our case that investment in the California Community Colleges will help to meet California's most pressing education and training needs. Keeping our doors open for California's unemployed, high school graduates, students displaced from UC and CSU, and returning veterans is the best bet for spurring a strong economic recovery and a brighter future for our state.

Regards,

Erik Skinner

Vice Chancellor for Fiscal Policy, California Community Colleges, Chancellor's Office

i3 Investing in Innovation

Grant

Abstract

Narrative

Budget Narrative

Submitted by: Diane Hollems

5/11/10

Total federal funds requested: \$4,147,754

20% match required: \$829,551

Match funding to date: \$607,000

(Proposal was submitted to i3 Foundation Registry for funding on 5/11/10)

ABSTRACT NARRATIVE

- **Project Title:** Santa Barbara City College, “Get Focused—Stay Focused”: Dual Enrollment Freshman Transition Project (DEFT)
- **Type of Grant Requested:** Development (CFDA# 84.396C)
- **Brief project description including project activities:**
DEFT is an innovative *adaptation of the Freshman Transition Initiative* designed by George Washington University to improve college preparation of high school students and promote higher success rates of college students. Addresses **Absolute Priority #3** and **Competitive Priorities #6 and #7** and begins with a 9th grade dual enrollment (college credit) freshman transition course to engage students to complete high school with the competencies required for college. Student progress is monitored by employing a 10-year online educational and career plan. Allows students to earn up to 12 units of Dual Enrollment courses while still in high school. Professional development is provided to high school district teachers and community college faculty delivered by the *Career Ladders Project*, *Cal-PASS* and the textbook publisher.
- **Summary of project objectives and expected outcomes**
Long Term Performance Objectives and Outcomes
Goal #1: Increase by 20% the number of high school graduates who enroll in community college (baseline: 43.7%).
Goal # 2: Increase by 20% the number of students who enter post-secondary education with a declared major.
Goal #3: Increase by 10% the number of dual enrollment students who enroll in Santa Barbara City College with at least 12 college units (baseline: 0).
Goal #4: Close the achievement gap by 10% for Limited English Proficient students as measured by the % who test into remediation courses the first year of college.
Goal #5: Increase by 5% the number of students who persist through the first year of post-secondary education (baseline 74%).
Goal #6: Increase by 5% the number of students who complete a certificate, degree, or transfer to 4-year universities or to the workplace
- **Target number of students to be served in the project:** **4,200**
- **Special project features:**
 - A 9th grade **Dual Enrollment Freshman Transition course model program**
 - An online **Academic and Career 10-Year-Plan** (my10yearplan.com)
 - College “experience” **Directed Learning Activities**
 - Opportunity to **earn 12 dual enrollment transferable college units** while in high school
 - Innovative **Second Life/Virtual World Career Exploration technology**
- **Official partners:** UCSB Graduate School of Education, George Washington University, Santa Barbara School Districts, Carpinteria Unified School District, Career Ladders Project and the California Partnership for Achieving Student Success (CalPASS).
- **Other Partners:** Academic Innovations, James Irvine Foundation, Hutton Foundation, and the Carpinteria Education Foundation.

College-wide Priorities for 2009-10

August 25, 2009

- a. Accreditation visit
- b. Internal and external communication regarding impact of budget reductions and other pertinent information
- c. Budget
 - i. Resolving structural imbalance
 - ii. Planning categorical programs staffing and operations beyond 2009-10
 - iii. Assessing the sustainability of reductions implemented, their impacts and how we will operate in 2010-11 and beyond
- d. Emergency preparedness
 - i. Training
 - ii. Processes
- e. Planning agendas identified in the self study
- f. Selected objectives from College Plan 2008-11; District Technology Plan 2008-11; Enrollment Management Plan 2009-11 and related implementation strategies/actions
- g. Banner 8 upgrade
- h. Preparation and application for a Title V grant