

Greetings CIOs:

I hope you are all enjoying a long holiday weekend...and if you are bored and reading email, be prepared -- this message includes a budget update and you are forewarned that the news is as grim as it gets (sorry).

Yesterday, Chancellor Scott held his monthly Consultation Council meeting. Most of the time was spent on the budget update. This budget update is not yet available online but please read my notes attached for the details. (Again, please note that blue font words in the attachment are links to documents.)

Other agenda items included a government relations update, SB 1440 and 1143 updates, and the Title 5 prereq changes.

Here are my quick notes:

(1) Budget = BAD. We are told to have a Plan A (Governor Brown's budget is passed) and a Plan B (LAO's doomsday budget becomes reality). To see the "doomsday" budget, please read the article I have pasted in below. I'm pretty sure you have all seen this...the LAO released this on February 11. Please note that the CCLC website updated their budget scenarios to now include this "doomsday" forecast (see this at <http://www.ccleague.net/district-budget-impact/>). The doomsday forecast includes a \$1 billion cut to the CCC system.

The mood was somber and Chancellor Scott stated that we can no longer promise no layoffs. It will come as no surprise to you that Chancellor Scott again called to eliminate avocational courses and to adjust registration priorities to help those students that need courses to transfer are favored over those that are in courses for enrichment purposes. The only bright light at the table may have been the FACCC call to civic responsibility and the encouragement for us to all get the vote out in June, with hopes of the tax extensions passing.

(2) Government relations updates emphasized the flurry of activity occurring now with bills being quickly prepared. See the full report at: <http://www.cccco.edu/ChancellorsOffice/Divisions/GovRelations/tabid/231/Default.aspx>.

Of interest at the State level are Veterans' issues (allowing credit for skills acquired while in active duty) and state pension reform.

At the Federal level, the proposed Pell grant cuts are seen as particularly damaging. We are all urged to contact our congress members, particularly those that are Republicans, and to get our voices heard: DO NOT CUT PELL GRANTS.

(3) There were a series of updates on SB 1440 (going well), SB 1143 (seems to be proceeding), Title 5 prereq changes (opposition seems to stem from misunderstanding the new language and safeguards that are in place).

If ever there was a time for us to come together and discuss as a group how to work locally and at the state-wide level to address our common issues, this is the time. PLEASE take this opportunity and plan to attend our Spring CIO Conference in Monterey. (see: <http://www.ccccio.org/conference/registration.html>)

Keep the faith -- there is no profession more noble than that of education. Working together we can help maintain the best community college system in the nation. We are told this system will not look the same, but we are here to make sure that the changes that are made are done so with reason and our resolve to assure student success.

Melinda Nish
Vice President, Instruction
Orange Coast College
President, CCCCIO Executive Board, 2010-2011

Legislative analyst identifies massive cuts if taxes fail<<http://blogs.sacbee.com/capitolalertlatest/2011/02/legislative-analyst-identifies.html>>

If lawmakers pursue a cuts-only budget to solve the state's \$26.6 billion deficit, they could eliminate class-size reduction, require that kindergarten students be 5 years old at enrollment and hike university tuition by another 7 to 10 percent, according to a new review by the nonpartisan Legislative Analyst's Office<<http://topics.sacbee.com/Legislative+Analyst%27s+Office/>>.

There's also a stark option for state workers: reduce pay by an additional 9.24 percent (equal to two furlough days) and reduce state contributions to employee health care by 30 percent.

The Feb. 10 letter responds to Sen. Mark Leno, D-San Francisco, who asked the Analyst's Office<<http://topics.sacbee.com/Office/>> what the Legislature<<http://topics.sacbee.com/Legislature/>> could do if voters or lawmakers reject tax revenues<<http://topics.sacbee.com/tax+revenues/>> proposed by Gov. Jerry Brown<<http://topics.sacbee.com/Jerry+Brown/>>. The LAO<<http://topics.sacbee.com/LAO/>> offered \$13.5 billion in alternatives, presuming under Leno's request that the ballot taxes would not succeed and other revenue ideas like eliminating enterprise zones would fail.

Democrats were at odds as to whether to release the list, let alone pursue a vote on items suggested by the Legislative Analyst.<<http://topics.sacbee.com/Legislative+Analyst/>> Brown purposely chose not to outline an alternative budget should his five-year extension of tax hikes<<http://topics.sacbee.com/tax+hikes/>> fail to make the ballot or be rejected by voters.

But Leno and Senate President Pro Tem Darrell Steinberg<<http://topics.sacbee.com/Darrell+Steinberg/>>, D-Sacramento, said voters need to know what is at stake. Leno's office<<http://topics.sacbee.com/Office/>> provided the letter Monday.

As was expected, the alternatives are grim - \$4.5 billion less for K-12 schools than Brown proposed, as well as a \$1.7 billion reduction to universities and community colleges. The Analyst's Office<<http://topics.sacbee.com/Office/>> also laid out \$2.6 billion in cuts to corrections and courts, \$1.2 billion in health and social services reductions, \$1.8 billion in cuts to "general" state and local government operations and \$1.7 billion in cuts to transportation and resources.

Jason Sisney, LAO<<http://topics.sacbee.com/LAO/>> director of state finance, emphasized that his office<<http://topics.sacbee.com/Office/>> was not

necessarily recommending the cuts, but offering options that responded to a hypothetical suggested by Leno.

"We tried to score savings we thought were realistic under the law," Sisney said. "We attempted to identify as many options that would avoid touching core programs as much as possible."

Here's a sampling of what the Analyst's Office<<http://topics.sacbee.com/Office/>> proposed as alternatives to higher tax extensions proposed by Brown (savings in parentheses):

K-12 Schools

- Eliminate K-3 class size reduction (\$1.275 billion)
- Require that kindergarteners be 5 years old at enrollment in 2011-12 (\$700 million)

Community Colleges

- Impose a 90-unit cap on each student's taxpayer-subsidized credits (\$250 million)
- Increase community college fees from \$26/unit to \$66/unit (\$170 million)
- Eliminate state subsidy for intercollegiate athletics (\$55 million)

- Suspend Prop 98 guarantee and impose an additional cut on Community Colleges (\$685 million)

Universities

- Increase tuition another 7 percent for UC and 10 percent for CSU (\$270 million)
- Reduce CSU enrollment by 5 percent (\$124 million)
- Reduce personnel costs by 10 percent at UC and 5 percent at CSU (\$408 million)

Health and Social Services

- Reduce state-paid IHSS provider salary to minimum wage (\$300 million)
- Eliminate food and cash aid for noncitizens whom courts have determined can receive benefits (\$190 million)
- Stricter income eligibility for welfare-to-work recipients (\$180 million)

Criminal Justice and Judiciary

- Require second and third "strikes" to be serious or violent in "Three Strikes" sentencing (\$50 million)
- Eliminate funding for public safety grant programs (\$506 million)
- Automated speed enforcement cameras (\$150 million)
- Two furloughs a month for court employees (\$130 million)

General Government

- Reduce state employee pay an additional 9.24 percent, equal to two furlough days (\$700 million)
- Reduce state contribution to employee health care by 30 percent (\$330 million)
- End state general fund support for Small Business Loan Guarantee Program (\$24 million)
- Eliminate Department of Fair Employment and Housing and state commission (\$17.2 million)

Transportation

-- Enact another accounting swap that eliminates sales tax on diesel and increases weight fees, reducing funds for local transit and intercity rail (\$400 million)

Resources and Environmental Protection

-- Allow oil drilling at Tranquillon Ridge (\$100 million)

-- Reduce wildland firefighting costs by imposing a new fee on residential property owners in areas protected by the state, clarifying that the state is not fiscally responsible for loss of life and property and shrinking territory for which state is responsible (\$300 million)

Read more: <http://blogs.sacbee.com/capitolalertlatest/2011/02/legislative-analyst-identifies.html#ixzz1DyHOTAeC>