

Memo

ADDENDUM

TO: ALL STAFF

From: Ned Doffoney, Chancellor

Date: May 20, 2009

The Budget: Many things are different now

Life as we know it began to change at about 2 p.m. last Thursday. That's when the Governor announced new budget scenarios that take "devastating blows" at our community colleges. Things only got worse when voters rejected the budget-related measures in yesterday's special election.

We weathered the budget storm earlier this year, as noted in my memos to you during the past several months. That metaphor no longer stands, however. Many things are different now.

Eric Skinner, Vice Chancellor for Fiscal Policy, California Community Colleges, immediately offered the following response to the Governor's May 14 budget proposals: "Clearly the magnitude of these proposed cuts would deliver a devastating blow to the community colleges as they attempt to serve the tremendous demand from unemployed Californians and students shut out from UC and CSU. We are troubled that, based on a preliminary assessment, it appears that the community colleges were targeted for a disproportionate share of budget cuts. Further, this proposal does not appear to take into account the roughly \$3 billion in federal stimulus funds allocated to K-12, UC, and CSU to address the earlier cuts to those segments."

The budget revision package presented by the Governor during his news conference last week included two different scenarios. One estimated a \$15.4-billion shortfall if the budget-related measures on yesterday's special election ballot passed, and the other estimated a \$21.3-billion shortfall if the measures failed. We now know that we are looking at that larger, \$21.3-billion shortfall.

For the NOCCCD, this shortfall could mean a reduction of state funding in the staggering amounts of \$15 million in ongoing funds and \$12.1 million in one-time funds. That's a total of \$27.1 million in cuts next year.

Our Vice Chancellor of Finance and Facilities and District Director of Fiscal Affairs are in Sacramento for a budget officers meeting. They will bring more information back to the NOCCCD, and we also will receive more details around the time of the Governor's May Revise Budget, scheduled for release next Thursday, May 28.

In addition, as a result of this unprecedented turn of events, the NOCCCD District Planning Council, with representatives from each constituent group, will continue to meet during the summer months. You may watch for updates on MyGateway. Depending on what happens this summer, we also may send communications to you at your homes via the postal service.

We will keep in touch with you as a new round of budget debates begins in the State Legislature and we work through these troubling times.