

## Agenda Page 38—Item 6870-101-0001— Community College Proposition 98 Savings Under May Revision

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- ☑ Reduces spending by \$237 million in 2008-09 and \$697 million in 2009-10, compared to February levels.
- ☑ **2008-09:** Defers additional \$115 million in district payments to 2009-10.
- ☑ Estimates local property tax shortfalls.
  - **2008-09:** \$37 million (does not propose backfill).
  - **2009-10:** \$117 million (provides partial backfill using \$58 million in 2009-10 growth funds and \$5 million from prior years).
- ☑ Reduces funding, provides new flexibility for categorical programs.
  - **2008-09:** \$85 million in program reductions (12 percent of categorical base).
  - **2009-10:** Additional \$248 million in reductions (for a total of \$333 million, or 47 percent of base).
- ☑ Eliminates enrollment growth funding for apportionments (\$175 million) and categoricals (\$10 million).
- ☑ Lowers funding rate for recreational classes (\$120 million).
- ☑ New funds from federal government and student fees could help mitigate cuts.
  - Approximately \$130 million from state fiscal stabilization fund.
  - Revenues from fee increases could partially backfill reductions.

## Agenda Page 41—Item 6870-101-0001— Governor’s Proposed Flex Item for California Community Colleges Would Include Vast Majority of Categorical Programs

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*(In Thousands)*

	2009-10 February Budget Act	2009-10 May Revise
<b>Flexibility With Cuts</b>		
Extended Opportunity Program/Services	\$125,960	\$56,824
Disabled students program	118,461	53,441
Assessment/counseling (matriculation)	104,857	47,304
Part-time faculty compensation	50,828	23,618
Economic development	46,790	21,741
Services for CalWORKs recipients	43,580	20,250
Basic skills initiative	33,100	15,380
Physical plant/instructional support	27,345	12,706
Nursing enrollment and retention grants	22,100	10,269
Career technical education (SB 70)	20,000	9,293
Apprenticeships	14,641	6,803
Part-time faculty office hours	7,172	3,333
Child care tax bailout	6,836	3,176
Fund for Student Success	6,158	2,861
Faculty/staff diversity	1,747	812
Transfer/articulation	1,424	662
Part-time faculty health insurance	1,000	465
Academic Senate	467	217
Subtotals	(\$632,466)	(\$289,155)
<b>No Flexibility, No Cuts</b>		
Financial aid counseling/outreach	\$52,203	\$52,884
Telecommunications/technology services	26,197	26,197
Foster Parent Training Program	5,254	5,254
Subtotals	(\$83,654)	(\$84,335)
<b>Grand Totals</b>	<b>\$716,120</b>	<b>\$373,490</b>

## Agenda Page 42—Item 6870-101-0001— Community College Fees

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- ☒ California Community College (CCC) fees are the lowest in the country (\$20 per unit).
  - Fees were last raised in 2004-05. (Fees were *reduced* to the current level in 2007.)
- ☒ Financially needy students receive a state fee waiver.
- ☒ About two-thirds of students would qualify for full fee aid through the state's fee waiver program or new federal American Opportunity tax credit (assuming fees of up to \$60 per unit).
  - About 90 percent of students would qualify for either a state fee waiver or a full or partial tax offset to their fees.
- ☒ Revenue from higher fees could help mitigate the effect of cuts on CCC.
- ☒ Legislature could set aside a portion of funding generated by fee increases for additional outreach and financial-aid counseling.

## Agenda Page 42—Item 6870-101-0001— Federal Tax Benefits Applied Toward Higher Education Fees

**2009**

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American Opportunity Credit	Lifetime Learning Credit	Tuition and Fee Deduction
<ul style="list-style-type: none"> <li>• Directly reduces tax bill and/or provides partial tax refund to those without sufficient income tax liability.</li> <li>• Covers 100 percent of the first \$2,000 in tuition payments and textbook costs. Covers 25 percent of the second \$2,000 (for maximum tax credit of \$2,500).</li> <li>• Designed for students who: <ul style="list-style-type: none"> <li>— Are in first through fourth year of college.</li> <li>— Attend at least half time.</li> <li>— Are attempting to transfer or acquire a certificate or degree.</li> </ul> </li> <li>• Provides full benefits at adjusted income of up to \$160,000 for married filers (\$80,000 for single filers) and provides partial benefit at adjusted income of up to \$180,000 (\$90,000 for single filers).</li> </ul>	<ul style="list-style-type: none"> <li>• Directly reduces tax bill for unlimited number of years.</li> <li>• Covers 20 percent of first \$10,000 in fee payments (up to \$2,000 per tax year).</li> <li>• Designed for students who: <ul style="list-style-type: none"> <li>— Already have a bachelor's degree.</li> <li>— Carry any unit load.</li> <li>— Seek to transfer or obtain a degree/certificate—or simply upgrade job skills.</li> </ul> </li> <li>• Provides full benefits at adjusted income of up to \$100,000 for married filers (\$50,000 for single filers) and provides partial benefit at adjusted income of up to \$120,000 (\$60,000 for single filers).</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces taxable income.</li> <li>• Deducts between \$2,000 and \$4,000 in fee payments (depending on income level).</li> <li>• Designed for any student not qualifying for a tax credit.</li> <li>• Capped at adjusted income of \$80,000 for single filers and \$160,000 for married filers.</li> </ul>