

June 15, 2009

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*Executive Director*

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The Honorable Governor Schwarzenegger  
Governor of California  
State Capitol Building  
Sacramento, CA 95814

Dear Governor Schwarzenegger:

California's unprecedented budget crisis threatens to have a devastating impact upon all our citizens unless resolved soon. The Campaign for College Opportunity's mission is to expand access and opportunity for students to go to college and to cultivate an educated workforce for California's economic well-being. While we support new revenues as a vehicle to create a more balanced budget, we understand that cuts to higher education are necessary.

However, it is important that we prioritize spending cuts in ways that do not fundamentally undermine California's proud tradition of access to college for high school and re-entry students. We have carefully reviewed the latest budget proposals from your office and the Legislative Analyst's Office (LAO) and we recommend the following:

**Student Affordability**

- **Oppose** the reduction of the Cal Grant maximum award for private institutions, the elimination of new awards for the Cal Grant competitive program, the decoupling of the Cal Grant award from UC/CSU fee increases, the elimination of all new Cal Grants for incoming freshman and phasing out of all future Cal Grants. **Support** the freeze on Cal Grant income eligibility levels. (\$7 million in savings)

**California Community Colleges**

- **Support** the LAO recommendation to fund California Community College physical education and recreational courses at non-credit rate. (\$120 million in savings)
- **Support** the Governor's recommendation to reduce categorical programs by 55%. We recommend that community colleges have the flexibility to spend the remaining 45% in a manner determined locally. (\$333 million in savings)
- **Support** the Governor's recommendation to provide greater flexibility to Community Colleges by relaxing the 50% law. We recommend implementing this relaxation through 2012, with an optional extension for an additional three years if the increased flexibility has yielded positive results.
- **Support** the designation of the Board of Governors to implement a common statewide assessment at all community colleges, in order to maximize student success and ensure the adequate assessment, placement and interventions for students as they begin college.
- **Support** fee increases to \$30 a unit for the 2009-10 school year and \$40 a unit for the 2010-11 school year, as long as the Board of Governors fee waiver program for low income students remain in place. We also recommend that

fee revenue remain with the local college district to offset the property tax shortfall, and that 25% of the additional fee revenue be allocated towards financial aid. (Estimated \$120 million in additional revenue for 2009-10; Estimated \$225 in additional revenue 2010-11. To help offset \$116.7 from property tax shortfall savings)

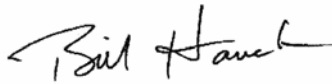
**California State University and University of California**

- **Support** the flexibility for the CSU and UC systems in the allocation of budget reductions, with the provision that at least 50% of the cuts come from increased faculty course load, increased class size, and reductions in state sponsored research funding, in order to minimize further impact to student access. (Exact savings unknown, but hundreds of millions depending on final budget adopted)
- **Oppose** all cuts to CSU and UC outreach and academic preparation programs, but **support** a comprehensive evaluation of these programs.

Faced with these difficult choices, it is our strong belief that these recommendations help prioritize our spending and give emphasis to the core values of serving students and preparing our future workforce. Should these reductions be adopted, they would provide some important relief towards closing the budget gap.

We welcome the opportunity to discuss our position with you further. If you have any questions or would like to schedule a meeting, please contact Michele Siqueiros our Executive Director at 213-817-6034 or via email at [michele@collegecampaign.org](mailto:michele@collegecampaign.org)

Sincerely,



Bill Hauck  
*Chair of the Board*  
Campaign for College Opportunity  
*President, California Business Roundtable*



Gary Hart  
*Board Member*  
Campaign for College Opportunity  
*Former California Secretary of Education*