

PROPOSED RESOLUTION CONCERNING THE DISINVESTMENT IN THE CALIFORNIA COMMUNITY COLLEGES AND PROPOSITION 30

September 10-11, 2012

ACTION

Presentation: Dan Troy, Vice Chancellor of College Finance and Facilities Planning

Item 2.3

Issue

This item presents a proposed resolution for the board that would express concern over the state's decline in investment in the California Community Colleges and the impact of Proposition 30.

Background

During the discussion of agenda item 4.2 at the July 2012 Board of Governors meeting, concerning the recently enacted state budget, some members of the board expressed their displeasure over the lack of state funding support for the California Community Colleges. This discussion led to an agreement that the board would consider adopting a resolution that would communicate their concern over the state's disinvestment in the system. Attached is a proposed resolution for consideration.

Additionally, during the August meeting of the Consultation Council, the council requested that the board consider endorsing Proposition 30, The School and Local Public Safety Act, which has the official title, Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding.

Proposition 30 appears on the November ballot and would increase personal income taxes for upper-income earners for seven years (2012 through 2018) and would increase the sales tax by $\frac{1}{4}$ of a cent for every dollar of goods purchased for four years (2013 through 2016). The Legislative Analyst's Office estimates that the initiative would raise about \$6 billion in annual state revenues from the 2012-13 fiscal year through the 2016-17 fiscal year, and smaller amounts in the 2011-12, 2017-18, and 2018-19 fiscal years.

The 2012 budget assumes successful passage of Proposition 30, and its failure would result in the enactment of \$6 billion in midyear trigger reductions, primarily in the area of education. As discussed during the July Board of Governors meeting, the California Community Colleges will receive \$209.9 million in new funding (\$50 million for growth and \$159.9 million to buy down deferrals) if Proposition 30 is approved by the voters. If the initiative fails, the colleges would lose that \$209.9 million and absorb an additional base reduction of \$338.6 million.

Recommended Action

The Board of Governors is asked to adopt the attached resolution. Further, at the request of the Consultation Council, the board is asked to consider endorsing Proposition 30.

Concerning The State's Disinvestment In the California Community Colleges

- Whereas,** The California Community Colleges is the nation's largest system of higher education and provides access to higher education for more than 2.4 million students; and
- Whereas,** The California Community Colleges provide an affordable path to four-year degrees, as 55 percent of California State University graduates and nearly 30 percent of University of California graduates transferred from a community college; and
- Whereas,** The California Community Colleges is the largest workforce training provider in the state and plays an essential role in keeping California's economy competitive; and
- Whereas,** The foundation for a strong economic recovery and job growth requires a highly-skilled workforce; and
- Whereas,** California's historic commitment to higher education has played a critical role in the success and prosperity of California for generations; and
- Whereas,** A 2009 study from the Public Policy Institute of California found that California will face a shortage of one-million educated workers by the year 2025, and a study this year by University of California researchers concluded that for every \$1 invested in public higher education, the state gets \$4.50 in return; and
- Whereas,** California Community Colleges has been cut by \$809 million or 12 percent since the since the 2008-09 fiscal year; and
- Whereas,** The California Community Colleges has seen unfunded cost-of-living increases reduce purchasing power by over 16 percent since the 2007-08 fiscal year; and
- Whereas,** Student fees have increased by 130 percent since the 2008-09 fiscal year; and
- Whereas,** Budget cuts in recent years have reduced access for hundreds of thousands of students and limited crucial services at a time when demand for community college education has soared due to high numbers of recent high school graduates, unemployed workers seeking retraining, and veterans seeking the college education they earned through their service to this country; and
- Whereas,** The California Community Colleges has improved efficiency within its system during these tough economic times and is implementing sweeping changes that will improve student success and streamline the transfer process; *now, therefore, be it*

Resolved, That the California Community Colleges Board of Governors and Chancellor Jack Scott call on state leaders to once again make investment in all postsecondary education a top priority so that economy can prosper and our citizens can achieve the promise that higher education can offer.

President

Chancellor