

Here is the newest information regarding the February '08 Primary. PTA will NOT take a position on Proposition 92.

You can read the details...

Thank you.

Mary Anne Wassem

1st V.P. Burbank Council PTA

CALIFORNIA STATE PTA

2327 L Street, Sacramento, CA 95816

LEGISLATION INFORMATION ALERT

DATE: November 26, 2007

PTA POSITION ON BALLOT MEASURES FEBRUARY 2008 PRIMARY ELECTION BALLOT

Proposition 92

*Community Colleges. Funding. Governance. Fees.
Initiative Constitutional Amendment and Statute*

The California State PTA has voted NOT to take a position on Proposition 92, an initiative measure that would make constitutional and statutory changes regarding the governance and funding of California's community colleges. Proposition 92 will appear on the February 5, 2008, primary election ballot. This paper includes information collected from the California State PTA's study of the initiative and PTA's rationale for not taking a position on Proposition 92.

RATIONALE FOR PTA NOT TAKING A POSITION ON PROPOSITION 92

The California State PTA, following several months of study and discussion by the Legislation Committee, decided not to take a position on Proposition 92 for the following reasons:

- PTA authority to take a position is limited to only one of the six constitutional and statutory provisions of the initiative. This is the provision to establish separate funding guarantees for the K-12 and Community Colleges systems. **While it was determined that PTA position statements, resolutions and previous actions on similar measures relate to the initiative, these policy statements gave unclear and sometimes conflicting direction as to whether PTA should support or oppose Proposition 92.**

- The most compelling statements contained in position statements and resolutions identified by

PTA as authority for taking a position on Proposition 92 would probably direct PTA to support the initiative. For example, the PTA position statement, *Education: Higher Education* states “The California State PTA believes that California’s system of higher education, including community colleges...plays a critical role in the economic and cultural vitality of our state and nation,” and “The California State PTA supports adequate funding for California’s system of higher education to ensure that eligible students have access to a higher education.”

- PTA’s study of Proposition 92 found that the Legislative Analyst projected the new community college funding formula would increase state costs for K-14 education by \$100 million in 2007-08, and by more than \$300 million in both 2008-09 and 2009-10. Because there is no new revenue source identified to pay for the increase in funds going to the community colleges, there would likely be a decrease in the amount of non-Proposition 98 General Fund money available for programs other than education that affect children and youth. The Background Summary for the PTA resolution (*Make Children First* (adopted by delegates to the 1992 annual PTA convention) states “PTA since its founding has been concerned for the ‘whole’ child—his [her] health, safety, education and general well-being. In a time of shrinking resources in our state and worsening conditions for our children, we must reiterate PTA’s concern for the ‘whole’ child...”

CONCLUSION

The California State PTA supports efforts to increase funding for all levels of public education; however, the association has determined that the funding provisions of Proposition 92 make it a seriously flawed initiative. It would, as the Legislative Analyst states, increase state costs for K-14 education without a source of revenue to make up for the additional costs. On balance, while several PTA policy statements lean toward support for the goals of the measure, the association does not support the proposed means to achieve them. Therefore, we believe it is in the best interest of the California State PTA and its units, councils and districts not to take a position on Proposition 92.

Title and Summary:

The Attorney General has prepared the following Title and Summary for Proposition 92: *Community Colleges. Funding. Governance. Fees. Initiative Constitutional Amendment and Statute*

Establishes in state constitution a system of independent public community college districts and Board of Governors. Generally, requires minimum levels of state funding for school districts and community college districts to be calculated separately, using different criteria and separately appropriated. Allocates 10.46 percent of current Proposition 98 school funding maintenance factor to community colleges. Sets community college fees at \$15/unit per semester; limits future fee increases. Provides formula for allocation by Legislature to community college districts that would not otherwise receive general fund revenues through community college apportionment.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential increases in state spending on K-14 education of about \$135 million in 2007-08, \$275 million in 2008-09, and \$470 million in 2009-2010, with unknown impact annually thereafter. Annual loss of fee revenues to community colleges of about \$71 million in 2007-08, with unknown impacts annually thereafter.

Proposition 92 contains four constitutional provisions that would

- establish the system of local community colleges;
- establish locally-elected community college trustees;
- establish separate funding guarantees for the K-12 and community college

systems; and

- change the community college governance structure by expanding the membership of the Board of Governors and giving more authority to the Board.

The initiative also includes statutory provisions that would

- reduce community college student fees to \$15 per unit; and
- implement the separate K-12 and Community College funding formulas

according to a specified calculation.

BACKGROUND INFORMATION

The non-partisan Legislative Analyst's Office has provided the following background information on Proposition 92: The California Community Colleges are institutions of higher education that serve 2.5 million full and part-time students annually. The community college system is comprised of 109 campuses operated by 72 districts that are governed by locally elected boards of trustees. The system offers academic, vocational, and recreational programs at the lower division level for recent high school graduates and any other adults who can benefit from instruction. Community colleges also operate programs to promote economic development and provide adult education.

About two-thirds of the funding that supports community college programs is state General Fund support and local property tax revenues that are counted towards the state Proposition 98 spending total. Proposition 98, which was subsequently amended by Proposition 111, establishes a minimum annual funding level for K-14 schools (K-12 schools and community colleges). Each year the Proposition 98 formula establishes a new K-14 minimum funding level by increasing the prior-year funding level by the growth in K-12 attendance and growth in the economy. The exact amount the state is required to spend on Proposition 98 each year depends on specific calculations or "tests." Test 1 is based on a given percentage of General Fund revenues (currently about 41 percent) and Test 2 is based on growth in state personal income and K-12 attendance. In a Test 3 year (based on growth in per capita General Fund revenues and K-12 attendance) or when the Legislature suspends the Proposition 98 guarantee, the state provides less growth in K-14 funding than it would under Test 1 or Test 2, creating a funding gap called the "maintenance factor." Proposition 98 contains a mechanism to gradually build the maintenance factor back into the funding base.

Proposition 92 would change the Proposition 98 formula by establishing separate funding guarantees for the community college and K-12 systems. Beginning in 2007-08 the total

amount of General Fund and local property tax revenues allocated to school districts and community colleges under Test 2 and Test 3 would be calculated separately for each system. In Test 2 and Test 3 years, the minimum funding guarantee for K-12 schools would increase according to the existing Proposition 98 formula, based on growth in the economy and K-12 attendance. The minimum funding guarantee for community colleges would be based on changes in the college-age population and the prior year unemployment rate above 5 percent. However, community college growth is capped at 5 percent in any year. Test 1 would continue to be calculated as one number covering both K-12 and community colleges.

ARGUMENTS FOR

The proponents of Proposition 92 believe community colleges need a guaranteed funding stream to match student enrollment. They say the Proposition 98 “crunch” is already impacting community colleges since K-12 enrollment is declining and the community college budget is artificially capped by K-12 enrollment. They say K-12 funding will not be harmed since “Proposition 92 is simply an extension of Proposition 98” and the initiative allows community college funding to increase over the next ten years through natural growth in the state’s General Fund and does not raise taxes. They believe community colleges are a good investment and that the cost-benefit return is estimated at a three-dollar return to the California economy for every dollar spent. Finally, they believe that lowering community college fees will protect less advantaged students, and that they have succeeded in eliminating an unfair federal tuition sensitivity provision in the Pell Grant program. The proponents of Proposition 92 include, among others, the Community College League of California, the California Federation of Teachers, the Faculty Association of California Community Colleges, the Community College Association, and the California School Employees Association.

ARGUMENTS AGAINST

The opponents of Proposition 92 say the measure locks new spending into the California Constitution with no way to pay for it. They believe the measure is another example of “ballot box budgeting” and “autopilot spending,” and will make worse the budget deficit now projected to be \$8 billion next year.

They say Proposition 92 contains no accountability measures to ensure funds reach community college classrooms and no audits or penalties for missing funds. They believe that to say the measure will be funded “through natural growth in the state’s General Fund” ignores the fact that the General Fund would not necessarily increase by an amount needed to cover the additional costs. Finally, they point out that Proposition 92 would be difficult to amend, making it almost impossible to rectify unintended consequences without another ballot measure. Among the opponents of Proposition 92 are the California Teachers Association, the California Chamber of Commerce, the California Taxpayers Association, the California Faculty Association, the League of Women Voters of California, and the California Business Roundtable.