



Facts about Proposition 92

On November 15, 2007, the UC Regents voted to oppose Proposition 92, which will appear on the February ballot. They did so, even while recognizing the vital partnership that the University has with the California Community Colleges, because they consider that Prop. 92 could result in a reduction in the University's state-funded budget, which in turn could result in an erosion of University programs and services. This fact sheet was prepared to address questions that have arisen about the Regents' vote.

The largest system of higher education in the world, California's community colleges provide educational, vocational and transfer programs to more than 2.5 million students each year.

The proposed state measure on the February primary ballot – known as the Community College Governance, Funding Stabilization, and Student Fee Reduction Act – would establish a separate Proposition 98 funding guarantee for California's community colleges apart from K-12 education funding, as well as a separate enrollment growth formula. Prop. 92 also contains constitutional and statutory provisions to reduce student fees and alter the governance of the community colleges.

According to the state Legislative Analyst's Office, Prop. 92 would require the state to spend more for K-14 education than under current law – nearly \$1 billion over the next three years.

Prop. 92 and student fees

Prop. 92 contains constitutional and statutory provisions to reduce student fees from \$20 to \$15 per unit. To keep fees more stable, it further restricts future increases to no more than 10% annually or to the increase in per capita personal income, whichever is lower.

Prop. 92 does not cover fees for students at the University of California or the California State University. (Nearly a third of UC's undergraduate students transfer from community colleges, however.)

The Legislative Analyst's Office notes that the Prop. 92 reduction in community college fees would result in a \$70 million loss in student-fee revenue in 2007-08, with unknown financial impacts in future years.

Supporters and opponents

Supporters of Prop. 92 (www.prop92yes.com) argue that it would guarantee needed funding for the state's community college system, which is the largest system of higher education in the world. It would set a predictable, stable and affordable student fee structure and change college governance policies for the better, they believe.

Supporters include the Community College League of California, the California Federation of Teachers, the Faculty Association of California Community Colleges, the California School Employees Association and the California Community College Association.

Prop. 92 opponents (www.noprop92.org) include the UC Board of Regents, the California State University Board of Trustees, the California Chamber of Commerce, the California Teachers Association, the League of Women Voters of California, the Small Business Action



Committee, the California Business Roundtable, the California Taxpayers Association and the California Faculty Association.

Some opponents argue that Prop. 92 requires more state funding and reduces student fees for one segment of higher education (the community colleges) without regard to the needs of all of higher education in California. Since it does not create or identify any new revenue sources, unprotected state programs such as UC and CSU would be competing for a smaller share of available state General Funds.

The UC Regents noted that Prop. 92 could result in a reduction in UC's state-funded budget, which in turn could result in an erosion of University programs and services. It could also potentially increase pressure to raise fees even further at UC and CSU to make up for unavailable state funding.

Did you know?

UC's share of the state General Fund has fallen from 7% in 1970 to just over 3% today. Since 1990, the state's contribution to the cost of education for each UC student has fallen 34%, from \$15,830 to \$10,370 in constant inflation-adjusted dollars.

Potential impacts on state budget process

- Prop. 92 would further reduce the already constrained discretionary part of the overall state budget. The only significant areas where the state could make budget cuts would be in funding for UC, CSU, health and human services, and prisons.
- It would restrict the ability of the Legislature and the Governor to set state spending priorities in the annual budget process at a time when the state is expected to face even larger budget deficits.
- Changing Prop. 92 funding provisions would require a 4/5ths vote of the Legislature. Under the fee formula in Prop. 92, community college fees could very rarely be increased; and, even in years when they could, a 2/3rds vote of the Legislature would be required.

For more information

Read more about Prop. 92, including the UC Regents' resolution and the full text of ballot arguments:

www.universityofcalifornia.edu/news/prop92