



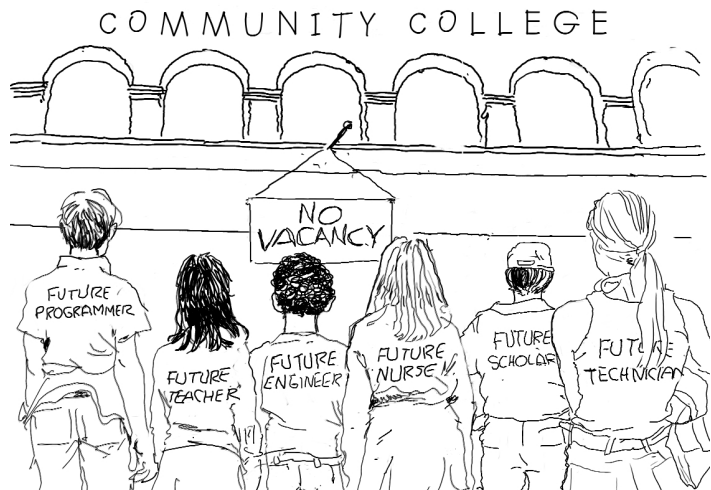
**League of Women Voters of California
Education Fund**

**Community Colleges: Fact Sheet for Legislators
Summer 2004**

The League of Women Voters of California, long an advocate for education, has recently completed a study of the California community colleges and actively supports a statewide community college system with sufficient resources to fulfill its overall goal: to offer all Californians access to a quality higher education.

“We have done so much with so little for so long it is now assumed we can do everything with nothing forever.”

(George P. Melendrez, Professor of Fire Technology, Yosemite Community College District)



CCC Dilemma

THE 109 CALIFORNIA COMMUNITY COLLEGES (CCCs) ARE INSTITUTIONS TRAPPED IN THE MIDDLE OF THE STATE'S EDUCATIONAL SYSTEM.

CCCs promise lifelong learning opportunities to anyone who might benefit, but they have no control over their own financing and little control over how money can be spent. They cannot raise fees and they have no ready body of advocates (parents or alumni) to promote their cause.

Despite debilitating fiscal constraints, the CCCs currently provide education for more than two million students per year, compared with 186,000 at University of California campuses and 380,000 at California State Universities. Two-thirds of all CSU graduates and one-third of all UC graduates began at CCCs, and 82% of Hispanic and African-American students in higher education in California began at community colleges. *This year for the first time the state's universities are restricting enrollment and expecting the already overwhelmed CCCs to serve the overflow of students qualified for university admission.*

CCCs are the great educational safety net, but they are charged with a more complex mission than the state's universities, and are asked to do so with far fewer dollars per student. In addition to offering their students remedial and basic skills instruction and formal opportunities to transfer to four-year colleges and universities, they provide certification and credentialed programs in many fields critical to their communi-

ties. Examples are medical, pharmaceutical, veterinary, and dental technology; nursing; computer science; office systems and administration; engineering; accounting; and automotive and aviation technology -- to name but a few. *Expertise in these and other fields translates into good jobs, self-sufficiency, and the ability to purchase goods and services and pay taxes, thereby reducing demand for costly support services and strengthening California's economy.*

NEVER ENOUGH MONEY:

FUNDING FOR CCC OPERATIONS IS DETERMINED ENTIRELY BY THE STATE

- ❖ **All student fees** as well as local property tax revenues flow to the state for reallocation among the CCCs according to a complex formula.
- ❖ **Based on Full-Time-Equivalent Student enrollment (FTES)**, the CCCs receive on average \$4,500 per FTES compared to roughly \$7,000 for K-12, \$10,000 for CSU, and \$20,000 for UC.
- ❖ **Budget cuts are forcing compromises in quality.** The gap between CCCs and the national average for community colleges is over \$3,000 per student.
- ❖ **Although CCCs can place bond measures** on local ballots for capital improvements and new buildings, they cannot raise funds to maintain those facilities except through a parcel tax, which requires a two-thirds vote.

GOVERNANCE CONSTRAINTS

- ❖ **Since the passage of Proposition 13** in 1978, tax and revenue allocations have been under the control of the Legislature and the initiative process.
- ❖ **Proposition 98**, an initiative passed by voters in 1988, provides a set of formulas in the state constitution for a guaranteed amount of the state general fund to go to K-12 and CCC education. By statute, 10.93% of that designated amount was specified for the CCCs. Since 1991, the Legislature has often used its authority to override the percentage distribution and has not allocated the CCCs their full share – a \$4 billion shortfall from 1992-93 through 2004-05.
- ❖ **The Legislature** funds growth in CCCs based on adult population growth and high school graduation rates, regardless of actual increases in CCC enrollment (6-10% for many campuses). Thus the CCCs are in a bind: they cannot limit enrollment, yet must cut back on sections and instructors for lack of funds. There were 175,000 students turned away from classes in 2004, and over 30,000 were unfunded.
- ❖ **Uncertainties and delays** in the state budget process leave the CCCs scrambling in the dark to adjust their own budgets. Often they must give teachers notice and cut programs to meet a March 15 deadline even though final state funding figures are frequently not determined until after district boards must make related fiscal decisions.

CALIFORNIA COMMUNITY COLLEGES MISSION STATEMENT

- ✧ To prepare students to transfer to four-year colleges;
- ✧ To provide workplace skills, career development and certification in a wide range of occupations;
- ✧ To offer opportunities for lifelong learning;
- ✧ To engage in programs fostering community economic development;
- ✧ To provide instruction in basic academic skills to those who lack them.

LEGISLATIVE REFERENCES

Proposition 13: An initiative enacted in June 1978 by a vote of 65% to 35% that made seven basic changes to the state's constitution:

- ✧ Rolled back property values for tax purposes to their 1975-76 level;
- ✧ Capped property tax rates at 1% of full cash value at the time of acquisition;
- ✧ Replaced annual property tax reassessment with reassessment at change of ownership;
- ✧ Set a limit on subsequent increases in value at an annual inflation factor of no more than 2%;
- ✧ Transferred the allocation of property tax revenue from local governmental jurisdictions to the state;
- ✧ Required any state revenue tax increase to be approved by a legislative vote of 2/3 of each house;
- ✧ Required any local special taxes raised by local governments to be approved by 2/3 of the voters.

AB 8: An act passed in 1980, intended to be "the long-term solution" by which the state replaced \$2.7 billion in lost revenue that had been the education share of local property taxes before the Proposition 13 one percent limit was imposed.

FTES (Full-Time-Equivalent Students): As with K-12 funding, state allocation to the community college system is tied to attendance count: ADA (Average Daily Attendance) for K-12 and FTES for community colleges. FTES is determined by the total enrollment (credit class units undertaken) divided by 15, deemed a full student load.

Proposition 98: A constitutional amendment passed in 1988, amended by Proposition 111 in 1990, that established a minimum funding level, or guarantee, for K-12 and CCC education. The amount provided annually depends on a number of factors including student enrollment, per capita personal income, and

projections of state tax revenues, according to formulas specified in the Constitution. Approximately 40% of the state general fund was guaranteed, and by statute, 10.93% of that for community colleges. The former percentage, however, has been altered by realignment of property taxes and general fund monies. The community colleges' share has dropped significantly during recessions. Proposition 98 may be suspended for a year by a two-thirds vote of the Legislature and signature of the Governor.

AB 1725: Major community college legislation passed in 1988 to allocate state general funds to community colleges, according to a complicated formula of program-based funding. It established the system of shared governance within local college districts.

Growth Factors: The maximum number of FTES above the previous year's enrollment that the state will fund is determined each year by the relevant legislative subcommittees in consultation with the Department of Finance and the Governor, and is based on the change in adult population and, for community colleges, the high school graduation rate. The Department of Finance calculates and *authorizes* the growth funding; the State Legislature *appropriates* the funds.

50% rule: This statute in the Education Code (applied to K-14) requires that at least 50% of a district's current education expenses must go only to direct costs of instruction. While originally intended to prevent K-12 systems from becoming top-heavy with administrators, it overlooks the fact that community colleges have many costs outside of classroom instruction essential to student success but not counted under the 50% classroom instruction rubric, such as librarians, academic and career counselors, grant administrators, and those providing other student services.

75% goal: Legislation which establishes a goal that at least 75% of credit hours of instruction at CCCs must be taught by full-time faculty. Since there is no funding to achieve this goal, some colleges have balanced their budgets by hiring part-time instructors at lower salary rates. Full-time instructors, however, provide a wider range of student services and serve more frequently on curriculum, planning, and negotiating committees.

**Further detail and information about the California Community College System
can be acquired by contacting:**

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