

## Community College Ballot Measure

### **Background**

The Californians for Community Colleges, a joint advocacy effort of the Community College League of California, the Faculty Association of the California Community Colleges and the Los Angeles Colleges Faculty Guild, is considering a ballot measure for November 2006. The three-pronged ballot measure would address Proposition 98, bilateral governance and student fees.

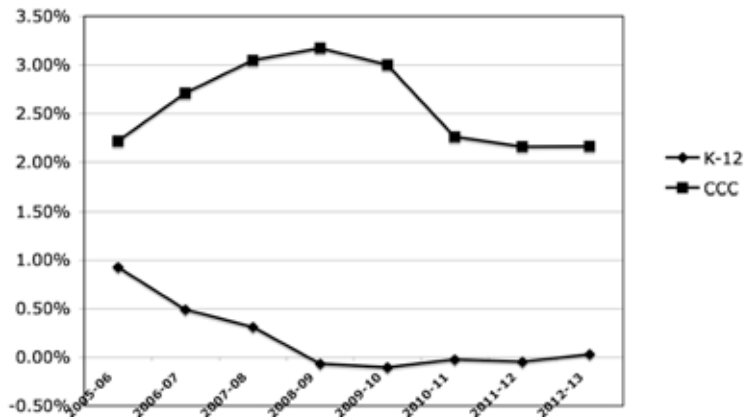
Because changes to Proposition 98 require an amendment to the constitution, they must be placed before the voters. Over the last year, community college leaders have approached legislators about introducing the measure as a legislative constitutional amendment, which would avoid the signature-gathering phase of the effort. While legislators were supportive of the contents of the measure, they believed a legislative effort would be futile.

### **Avoiding the Impending Proposition 98 Funding Crunch Due to Slowing K-12 Enrollment Growth**

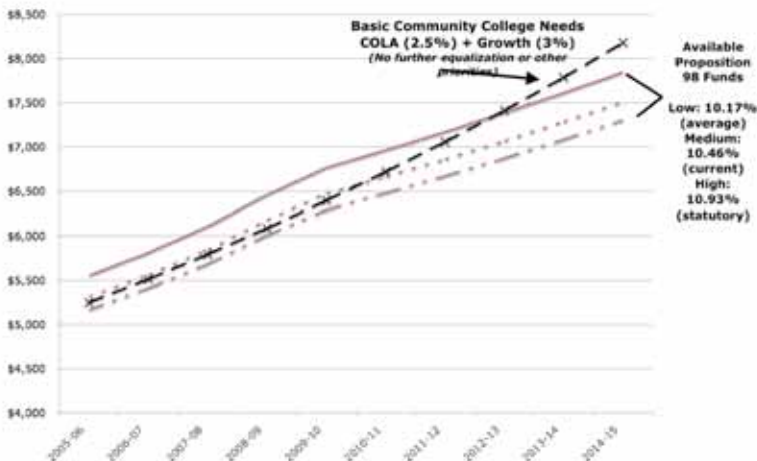
While the draft community college ballot measure addresses several issues of longstanding frustration to community college leaders, the primary reason for the discussion of a ballot measure is the challenge faced within Proposition 98 funds. In 2004, community college leaders recognized that an impending decline in the rate of K-12 enrollment growth—a primary driver of the annual change in Proposition 98—would threaten the ability of community colleges to keep the doors open through the next ten years.

While K-12 enrollment growth

**Diverging K-12 Rates Provide a Proposition 98 "Crunch" Requiring Changes to the Guarantee's Calculation**



**Proposition 98 Will be Insufficient to Fund COLA and Growth Through the Next 10 Years**



will be slowing, or perhaps even declining, the Department of Finance estimates that community college enrollment will grow at a 2-3% annual rate through the next ten years. The calculation of Proposition 98, however, is based solely on inflation and the growth in K-12 enrollment.

If the Legislature and Governor continue to view Proposition 98 as a floor rather than a ceiling, this decline in K-12 enrollment growth—and corresponding

slowing of growth in Proposition 98—will directly threaten the ability of community colleges to meet basic needs.

Specifically, if changes are not made to the growth calculation of Proposition 98 and the Legislative Analyst's projections for Proposition 98 are correct, funding for community colleges will be \$300 million short by 2014-15, *assuming that nothing other than COLA and growth is funded over the next ten years and community colleges are provided the statutory guarantee of 10.93%.*

**Proposed solution:** *Establish a separate Proposition 98 guarantee for community colleges that grows annually with the existing Proposition 98 inflation factor and community college enrollment growth.*

### ***Protecting Independent Bilateral Governance***

Another reason to seek constitutional changes is the continued frustration the system has in ensuring independent governance of the community colleges. While UC and CSU both have the ability to make largely autonomous day-to-day decisions, the Chancellor of the California Community Colleges is required to take a lead from the Governor's Office, which appoints the senior level staff and proposes the annual staffing and administrative expenditure levels of the System Office.

Further, it is likely that there will be future threats against district governance such as SB 6 in 2003, which directly threatened the ability of locally elected trustees to provide policy guidance for their districts.

**Proposed solution:** *Establish the California Community Colleges in the constitution, securing bilateral governance and providing the System Office with autonomy similar to that of the California State University.*

### ***Reasonable Student Fees and Enrollment Management***

The recent experience of student fee increases has again demonstrated the price sensibility of California's community college students. While analysis continues to be conducted, it appears that the historic elasticity analysis that enrollment demand declines 0.7% for every 1.0% increase in student fees continues to be true. Thus, during a period when California's community colleges are widely expected to be growing significantly to address Tidal Wave II, college districts are actually finding that students have been dissuaded from attending to their educational needs.

While the concern about the impact of dramatic fluctuation in student fees has rightfully been placed on the students, the institutions and the faculty and staff that work for them often feel the impact. When fee levels are changed at an expected level, enrollment in the immediately following semester is highly unpredictable, affecting the number of courses taught and revenue received by the district.

Political leaders have a natural adversity to increasing student fees and have, at times, lowered them when the state was prosperous. In the history of community college student fees, which were established in 1984, legislators and the governor have avoided increasing fees until they believed it was absolutely necessary, and then increased the per unit rate significantly to "make up" for years in which the fee level was not changed. As with almost

any product, this pricing model triggers the most adverse response to changes in fee levels, leading to significant enrollment fluctuations.

**Proposed solution:** *Reduce fees to \$20 per unit and limit future fee increases to the lesser of the annual change in per capita personal income or 10%.*

## **Qualification**

Many observers believe that the most important phase of a community college ballot measure is the qualification phase. To qualify a constitutional amendment—required for a change of Proposition 98—would require approximately 598,000 valid signatures. While this is higher than the number of signatures required for a statutory initiative, most political professionals believe that the number of signatures will climb significantly after the November 2006 gubernatorial election, which will be used to determine requisite signatures through 2008.

With nearly two million Californians working in or attending a community college, it is possible that a significant number of valid signatures could be obtained through voluntary efforts on college campuses. However, previous campaigns show that the error rate and quantity of invalid signatures is significantly higher in volunteer efforts. Therefore, most strategists believe that a significant number of the qualifying signatures will come from a paid gathering effort averaging \$1.00 to \$1.50 per signature.

Californians for Community Colleges has identified a cost of qualification of \$1.1 million.

## **Winning**

An initiative constitutional amendment requires a simple majority (50%) for approval. The cost of a campaign to persuade the voters to approve a ballot measure is based on two factors—the initial response of the voters to the measure's language and the level and resources of opposition to the measure.

The community college ballot measure is carefully crafted to appeal to the voters and to avoid drawing opposition from organizations with significant resources that might otherwise campaign against it. Initial testing of the measure shows that 63% of the voters support the measure, and the level of support increases after voters hear the arguments for and against the measure. Thus, proponents of the measure believe that the voters are highly likely to approve the measure if there is little or no funded opposition.

However, if community college supporters raise over one million dollars to qualify the measure, they should also plan to raise the resources for the measure to succeed on Election Day. For this reason, Californians for Community Colleges is developing a plan to raise \$3 million for the persuasion phase of the campaign to ensure the voters understand the ballot measure and support it.

## **District fundraising goals**

Of the \$4 million that Californians for Community Colleges hopes to raise for the ballot measure, local district leaders will be asked to raise \$2.5 million. This includes the critical \$1.1 million needed to qualify the measure. District fundraising targets are set based on credit enrollment, with a goal each for the qualification phase (March 2006) and the persuasion phase (September 2006).