

2008

PROPOSITION 92. COMMUNITY
COLLEGES. FUNDING. GOVERNANCE.
FEES.

Follow this and additional works at: http://repository.uchastings.edu/ca_ballot_props

Recommended Citation

PROPOSITION 92. COMMUNITY COLLEGES. FUNDING. GOVERNANCE. FEES. California Proposition 92 (2008).
http://repository.uchastings.edu/ca_ballot_props/1272

This Proposition is brought to you for free and open access by the California Ballot Propositions and Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Propositions by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact marcusc@uchastings.edu.

**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 LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increase in state spending on K–14 education from 2007–08 through 2009–10—averaging about \$300 million per year, with unknown impacts annually thereafter.
- Loss of student fee revenues to community colleges—potentially about \$70 million annually.

ANALYSIS BY THE LEGISLATIVE ANALYST

SUMMARY

This measure makes major changes to the State Constitution and state laws relating to the California Community Colleges (CCC). As shown in Figure 1, the measure affects CCC funding requirements, fee levels, and system governance. Each of the measure’s key provisions is discussed in more detail below.

BACKGROUND

California Community Colleges provide instruction to about 2.5 million students annually. The CCC system is made up of 109 colleges operated by 72 districts throughout the state. The system provides a number of educational programs, including:

- Academic instruction at the lower division (freshman and sophomore) collegiate level.
- English as a Second Language courses.
- Vocational education (such as nursing and automotive technology).
- Recreational courses (such as golf and cooking classes).

The CCC system spends over \$8 billion in public funds annually. About two-thirds of the funding that supports community college programs comes from the state General Fund and

<p>Figure 1 Proposition 92: Main Provisions</p> <ul style="list-style-type: none"> ✓ Education Funding Level <ul style="list-style-type: none"> • Changes current minimum education funding requirement into two separate requirements: one for K–12 schools and one for community colleges. ✓ Student Fees <ul style="list-style-type: none"> • Lowers community college education fees from \$20 per unit to \$15 per unit. • Significantly limits the state’s authority to increase fee levels in future years. ✓ Governance <ul style="list-style-type: none"> • Formally establishes the community colleges in the State Constitution. • Increases the size of the community colleges’ state governing board and the board’s administrative authority.
--

local property taxes. The remaining one-third comes from other sources (such as student fee revenue and federal funds).

EDUCATION FUNDING LEVEL

Current Law

Each year, the state must provide at least a minimum level of funding for elementary and

secondary schools (K–12) and the community colleges (together called K–14 education). This requirement, adopted by voters in 1988 through Proposition 98, is met using both state General Fund and local property tax revenues. Each year, the Proposition 98 formula calculates a new K–14 minimum amount of financial support by adjusting the previous year’s level based on changes in the economy and K–12 attendance. (Community college enrollment is not a factor in calculating the minimum K–14 funding level.) An additional requirement specifies that K–14 education must receive at least a specified percentage (about 40 percent) of General Fund revenues each year.

Each year, the state allocates Proposition 98 funding between K–12 schools and community colleges. In recent years, community colleges have received between 10 percent and 11 percent of total Proposition 98 funds.

Proposal

As noted above, existing law guarantees a certain minimum amount of annual financial support for K–14 education. Proposition 92 replaces this single requirement with two: one for K–12 education and one for community colleges. These new minimum funding requirements would take effect in 2007–08 and be based on spending in 2006–07.

The new K–12 funding formula would use the same year-to-year growth factors as under current law. The same would be true for the new CCC funding formula, with one important exception. Specifically, in place of K–12 attendance, a new growth factor based primarily on the young adult population would be used for calculating the community college minimum funding level. This population growth factor uses the greater of two population growth rates: (1) state residents between 17 and 21 years of age or (2) state residents between 22 and 25 years of age. The growth factor is further increased in any year that the state’s unemployment rate exceeds 5 percent. (The state unemployment rate exceeded 5 percent in 13 of the past 15 years.) However, the measure limits the total community college population growth factor to no more than 5 percent in any year.

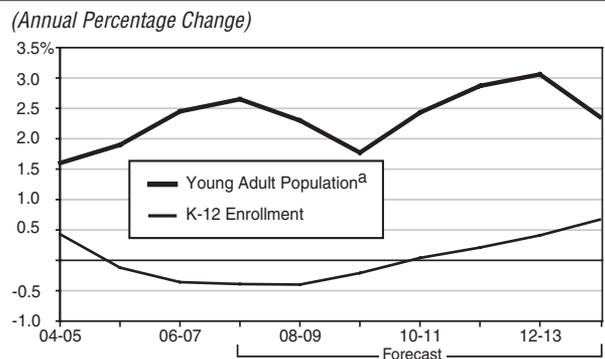
Unlike the K–12 funding guarantee, the community college funding requirement would not be adjusted to reflect how many students are actually served. That is, there would be no direct relationship between required CCC funding levels and actual student enrollment.

The measure would not change the existing requirement that roughly 40 percent of General Fund revenues be spent on K–14 education. Consequently, Proposition 92’s new funding formulas would not apply in years when K–14’s share of General Fund spending was less than this level. In these years, the existing single minimum funding requirement would apply and the state would continue to have discretion over how to allocate funds between K–12 schools and community colleges.

Fiscal Effect

From 2007–08 through 2009–10, we estimate the initiative would require the state to spend more for K–14 education than under current law—an average of around \$300 million per year. This is primarily because the measure’s student population growth factor under the new CCC funding requirement (the state’s population of young adults) is forecast to grow faster than K–12 attendance. As shown in Figure 2, K–12 attendance is expected to experience declines for

**Figure 2
Young Adult Population Is Expected to Grow Much Faster Than K–12 Students**



^a Greater of growth rates of state residents between 17 to 21 years old and 22 to 25 years old. This rate would help determine growth in community colleges’ minimum funding guarantee under Proposition 92. This rate would be increased further when state unemployment exceeds 5 percent.

the next few years. By contrast, the young adult population is forecast to grow between 2 percent to 3 percent for the next several years.

In the initial two years that the measure would be in effect (2007–08 and 2008–09), we estimate it would allocate roughly one-half of the increased funds to K–12 schools. (This results from the interaction between this measure and recent legislative action on K–12’s budget.) Then, in 2009–10, it would direct most new funding to community colleges. Starting in 2010–11 and continuing for the near future, we do not expect that the new funding formulas established by Proposition 92 would be in effect. This is because the measure’s combined minimum funding levels for K–12 schools and community colleges would most likely fall below the roughly 40 percent of state General Fund revenues to be spent on K–14 education. As noted earlier, the measure does not apply under such conditions. Instead, the minimum funding requirement for K–14 education would be calculated as it is under current law. Thus, there would be no net fiscal effect for the state in these years. In addition, the state would have the authority to allocate funding between K–12 education and the community colleges however it chose.

It is unclear when the formulas would again require the state to spend more than the required share of state General Fund revenues on K–14 education. When they did, the fiscal effect would depend on the performance of the economy as well as the relative growth rates between K–12 attendance and the CCC student population growth factor.

STUDENT FEES

Current Law

As discussed above, Proposition 98 funds (General Fund and local property taxes) provide the major source of support for CCC. In addition, most students pay education fees that contribute to the community colleges’ overall funding. Fee revenue is available to the community colleges for the same general purposes as Proposition 98 funding. These fees cover a small portion (less than 10 percent) of resident students’ total educational

costs. In 2007–08, student fees provide about \$285 million in revenue to the community colleges.

California’s community college fees, which are set by the state, have consistently been the lowest in the country. Prior to 1984, the state did not charge a fee at all. In the past decade, fee levels have fluctuated between \$11 and \$26 per unit. The current per-unit fee is \$20, which means that a full-time student taking 30 units per academic year pays \$600.

About one-quarter of all CCC students do not pay any educational fees. This is because current law waives the fees for resident students who demonstrate financial need. Most of these students are low- to middle-income. Generally, a community college student living at home, with a younger sibling and married parents, could have annual family income up to roughly \$65,000 and still qualify for a fee waiver.

Proposal

This measure reduces student fees to \$15 per unit beginning in fall 2008. Thus, total annual fees for a student taking a full-time load of 30 units during the 2008–09 academic year would be \$450, which is \$150 less than the current level. (This fee reduction would have no direct impact on needy students because fees are already waived for all students who demonstrate financial need.)

The measure also significantly limits the Legislature’s authority to increase fees in subsequent years. Any fee increase would require a two-thirds vote of both houses. In addition, the measure limits annual fee increases to the lower of:

- 10 percent.
- The percentage change in per capita personal income in California (which typically averages about 4 percent).

For example, at \$15 per unit, a 4 percent growth in per capita personal income (the lower of the two formulas) would allow for an increase of 60 cents. However, since the measure also requires the rounding down of any fee increase to the nearest dollar, the fee level would remain at \$15. The measure would require a simple majority vote in the Legislature in order to *reduce* fees.

Fiscal Effect

If the measure passes, it is likely that fees would remain at or near \$15 per unit for many years. This is because at this level the Legislature could only increase the fee if per capita personal income exceeded 6.7 percent in any given year. (This has occurred just once in the past 20 years.)

The revenue impact of a fee reduction under this measure would depend on the fee level that would have existed without this measure. If the fee level would have otherwise remained at its current amount (\$20 per unit), the community colleges would collect about \$70 million less in annual student fee revenue as a result of this measure.

GOVERNANCE

Current Law

The State Constitution currently references the community colleges in various financial contexts (such as their eligibility for Proposition 98 funds), but it does not formally establish or define the community colleges. This has been done instead through laws adopted by the Legislature. Under current laws, the community colleges are operated by districts that are governed by locally elected Boards of Trustees. The state provides these governing boards with significant autonomy in matters such as:

- Determining course offerings.
- Hiring and compensating campus staff.
- Managing district property.

The Board of Governors (BOG) of the California Community Colleges oversees the statewide system. Key functions of BOG include:

- Setting minimum standards for districts (such as student graduation requirements).
- Coordinating statewide programs.
- Providing technical assistance to the districts.
- Appointing a chancellor to run day-to-day operations and make recommendations on policy matters. (The chancellor’s executive staff—deputy and vice chancellors—are appointed by the Governor.)

The BOG consists of 17 members (16 voting and 1 nonvoting). The Governor appoints these members to terms of either two or six years. Currently, the Governor is required to select 5 of the 17 members from lists of persons approved by specified community college organizations (such as faculty and staff groups).

Proposal

The measure amends the State Constitution to formally recognize the CCC system. For example, it specifies in the Constitution that the community college system is a part of the state’s public school system, and is made up of districts that are governed by locally elected boards.

Proposition 92 makes a number of changes affecting BOG. For example, it amends the Constitution to increase the number of members to 19 (all with voting rights). In addition, the measure amends statute to require the Governor to appoint additional BOG members from lists provided by specified community college organizations.

The measure also gives BOG more control over its staff and its budget. For example, it authorizes BOG (rather than the Governor) to appoint and set compensation levels for executive officers. Moreover, the measure gives BOG “full power” over how to spend funds appropriated for its administrative expenses in the annual budget.

Proposition 92 does not change the current responsibilities of BOG or its authority over community college districts.

Fiscal Effect

This measure would not change the state’s authority to appropriate funding for the BOG’s administrative budget. As a result, it would not have any direct impact on state costs. The proposition, however, would give BOG more control over whatever funds are provided to it.

★ ARGUMENT IN FAVOR OF PROPOSITION 92 ★

Proposition 92 does not raise taxes. It lowers community college fees to \$15 per unit and limits future fee increases. In 2004, the Legislature hiked fees to \$26 per unit. This resulted in 305,000 fewer Californians enrolling in community college. That hurt California. Proposition 92 won't allow that to happen again.

"Whenever there is a tight budget, it seems that community colleges suffer the most even though the system is by far the most efficiently run in California . . ." Contra Costa Times, April 30, 2007

CALIFORNIA'S COMMUNITY COLLEGES GENERATE MORE THAN THEY COST. For every \$1 the state spends on community colleges, the colleges generate \$3 back to the state budget as millions of graduates earn better wages. A full-time community college student costs less than half what the state spends on a CSU student and only one-third of what the state spends on a UC student.

" . . . [C]ommunity colleges remain the best educational bargain around. Community colleges need our help . . ." Ventura County Star, March 8, 2007

CALIFORNIA'S COMMUNITY COLLEGES ARE THE GATEWAY TO THE MIDDLE CLASS. Community college students who earned a vocational degree or certificate see their wages jump from \$25,600 to \$47,571 three years after earning their degree.

70% of all Californians attending college are enrolled in a community college. The average student is a 28-year-old working Californian. 60% of the students are women. 30% of all Latinos in America attending college are enrolled in a California Community College. There are 241,000 Californians from Asian and Pacific Islander backgrounds. And 90,000 more African American students in community colleges than in the CSU and UC systems combined.

"Our community college system faces many challenges . . . but it's getting the job done. It's high-time California stopped

snubbing its community-college system." San Francisco Chronicle, March 21, 2007

CALIFORNIA'S COMMUNITY COLLEGES ARE IMPORTANT TO OUR ECONOMY. By the year 2025 California will need 39% of the workforce to have a college education. Former Federal Reserve Chairman Alan Greenspan said, "Community colleges are America's economic engine."

"Passing the Community College Initiative will offer more affordable and accessible academic and vocational education . . . without raising taxes." Chamber of Commerce, Sacramento

Proposition 92 guarantees the community college system independence from state politics. The Community College League of California supports Proposition 92.

Proposition 92 guarantees minimum funding will grow as the college-age population grows so students are not turned away. The Faculty Association of the California Community Colleges supports Proposition 92.

Proposition 92 guarantees that the lower \$15 per unit fees can only be raised as Californians' personal income grows . . . but never by more than 10%. The Los Angeles College Faculty Guild supports Proposition 92.

Proposition 92 guarantees that Proposition 98 funding for K-12 schools is protected. The California Federation of Teachers supports Proposition 92.

Proposition 92 lowers community college fees . . . AND GIVES EVERY CALIFORNIAN THE CHANCE TO GO TO COLLEGE. Vote YES on 92. It doesn't raise taxes.

WILLIAM HEWITT, President
Faculty Association of California Community Colleges
REBECCA J. GARCÍA, President
California Community College Trustees
DENNIS SMITH, Secretary Treasurer
California Federation of Teachers

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 92 ★

Proposition 92 Is Not What It Seems.

We all support our community colleges, but Prop. 92 is not the answer. If it were truly written to improve our community colleges, many of us would support it. Unfortunately, it's flawed and deserves a "no" vote.

Prop. 92 contains huge state spending increases—with no way to pay for it!

Prop. 92 locks huge spending increases into California's Constitution—a half a billion dollars over the first three years (source: California Legislative Analyst)—without a way to pay for it. Politicians will have to get the money somewhere—either by *raising taxes or cutting other critical programs.*

Prop. 92 will worsen California's budget crisis.

California's budget deficit is projected to be over \$8 billion next year and Proposition 92 will make matters worse. *Can California really afford to further stress a state budget which already struggles to fund public education, healthcare, public safety?*

Proposition 92 contains no audits, no penalties for misusing funds, and nothing to ensure money will ever get into college classrooms!

Proponents say 92 guarantees independence from state politics but what it really guarantees is independence from ANY accountability. 92 creates an expanded community college board and lets them set salaries and benefits for additional bureaucrats and administrators *with no independent oversight. Taxpayers won't know how the funds are spent!*

We support community colleges, but Prop. 92 could actually result in funding cuts for K-12 schools, state colleges, and universities.

Teachers, employers, and taxpayers urge "no" on 92!

ALLAN ZAREMBERG, President
California Chamber of Commerce
JOEL FOX, President
Small Business Action Committee
TERESA CASAZZA, Acting President
California Taxpayers' Association

★ ARGUMENT AGAINST PROPOSITION 92 ★

PROPOSITION 92 IS NOT WHAT IT SEEMS. IT WOULD CAUSE MORE PROBLEMS THAN IT COULD EVER SOLVE AND DESERVES YOUR “NO” VOTE.

The question before voters is NOT whether community colleges are important. We are all strong supporters of our community college system.

Instead, the real question is whether California can afford to lock a huge new spending mandate into our Constitution that:

- Contains no accountability provisions to make sure the money ends up in the college classroom instead of being wasted on bureaucracy or administration; and that could jeopardize funding for K–12 schools, healthcare, and law enforcement.

A broad coalition of classroom teachers, other educators, and taxpayer and business groups have studied this proposal and concluded that *Proposition 92 is flawed and a bad deal for our children and for California*. Here’s why:

PROPOSITION 92 HAS NO ACCOUNTABILITY REQUIREMENTS TO MAKE SURE THE MONEY GETS INTO CLASSROOMS.

- It mandates hundreds of millions of dollars in taxpayer spending with no assurances the new money wouldn’t be wasted on more bureaucracy and administrative “overhead.” Under Proposition 92, taxpayers will never know how the funds are really spent.
- It doesn’t dedicate the money to specific purposes like computers, books, and labs. It requires NO public audits and contains NO penalties for misusing the funds.
- It amounts to a blank taxpayer check that could be spent to hire even more bureaucrats and administrators, give them huge raises, or build them extravagant offices.

PROPOSITION 92 MANDATES TAXPAYER SPENDING WITHOUT A WAY TO PAY FOR IT.

- Nowhere in the measure does it identify a way to pay for all the new spending. The politicians would be left to decide. *They could raise the sales tax or put new taxes on other items or even increase our income taxes to raise the money this measure would require. Or, they could cut education funding, including K–12 schools.*

- We all want to make sure our public schools and colleges have the funds they need to teach our children, but this initiative gives community colleges preferential treatment. It doesn’t make sense to spend \$70 million to roll back fees that are already the lowest in the nation (just \$20 a unit—and a third of the national average) and then ask taxpayers to pay more or cut funding for other critical needs.

THE STATE HAS MANY OTHER PRESSING NEEDS THAT MUST BE ADDRESSED, LIKE FUNDING K–12 SCHOOLS, HEALTHCARE, AND PUBLIC SAFETY.

- California still faces chronic budget deficits—projected to be more than 5 billion dollars in 2008. Proposition 92 would make it even worse.

- We should not lock new spending requirements into our Constitution at the expense of our children’s education, our healthcare, and law enforcement.

THERE ARE BETTER WAYS TO IMPROVE OUR COMMUNITY COLLEGES WITHOUT ALL THE PROBLEMS CREATED BY PROPOSITION 92.

Proposition 92 is the wrong way to go.

Please join us in voting “NO” on Proposition 92.

DAVID A. SANCHEZ, President
California Teachers Association

BILL HAUCK, President
California Business Roundtable

TERESA CASAZZA, Acting President
California Taxpayers’ Association

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 92 ★

The opponents of Proposition 92 say rolling back community college fees “doesn’t make sense.”

WE ARE COMMUNITY COLLEGE STUDENTS AND WE DISAGREE. In 2003–04, when the Legislature hiked fees from \$11 to \$26 per unit, 305,000 fewer students attended California community colleges.

The opponents of Proposition 92 say we should let the Legislature continue to make all of the decisions. That’s easy for them to say . . . **THEY ALL HIRE LOBBYISTS TO FIGHT FOR THEM.** Community college students don’t have lobbyists . . . but we do have you, the voters.

PROPOSITION 92 DOESN’T RAISE YOUR TAXES . . . IT LOWERS OUR FEES. State law requires the non-partisan Legislative Analyst to highlight any tax increases in Proposition 92, but look carefully. There is nothing to highlight because it doesn’t raise taxes.

PROPOSITION 92 GIVES EVERY CALIFORNIAN A CHANCE TO GO TO COLLEGE. Community college graduates become our nurses, firefighters, and police officers. After completing school, community college graduates earn

\$47,571 . . . but only \$25,600 if they don’t.

PROPOSITION 92 PROTECTS ACCOUNTABILITY LAWS—GUARANTEEING THAT THE MONEY IS SPENT IN THE CLASSROOM.

Skyrocketing community college fees are nothing more than a tax on us—community college students. We are parents, veterans back from Iraq, and first generation college students working our way through school for a better life.

We work at minimum wage jobs so we can afford books, pay rent, raise families . . . and finish college.

PLEASE VOTE YES ON PROPOSITION 92 AND LOWER OUR FEES SO MORE CALIFORNIANS CAN GO TO COLLEGE. THANK YOU.

STEFAN LEE, Student
Sacramento City College

VALERIE NOVAK, Student
San Joaquin Delta College

SAMUEL AGUILAR III, Student
College of the Desert

PROP 92 Community Colleges. Funding. Governance. Fees. Initiative Constitutional Amendment and Statute.

SUMMARY *Put on the Ballot by Petition Signatures*

Establishes independent community college districts and Board of Governors. Requires minimum funding for schools and community colleges to be calculated separately. Sets fees at \$15/unit and limits future increases. Fiscal Impact: Increased state spending on K–14 education from 2007–08 through 2009–10 averaging about \$300 million annually, with unknown impacts annually thereafter. Potential loss in community college student fee revenues of about \$70 million annually.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The existing formula that establishes a minimum funding level for K–12 schools and community colleges would be replaced with separate formulas for each system. Community college fees would be reduced from \$20 per unit to \$15 per unit, and various changes would be made to the state-level community college governing board.

NO A NO vote on this measure means: Existing laws regarding community college funding, fees, and governance would be unchanged.

ARGUMENTS

PRO Proposition 92 doesn't raise taxes. It lowers community college fees to \$15 per unit, limits future fee increases, and stabilizes funding. When the Legislature doubled community college fees, 305,000 fewer Californians enrolled. Wages for students who earn a community college vocational degree jump from \$25,600 to \$47,571 in three years.

CON 92 isn't what it seems. It locks huge new spending into California's Constitution with no way to pay for it, which could result in new taxes or cuts to critical programs, including K–12 schools. It contains no accountability and no guarantee funds will reach college classrooms. No on 92.

FOR ADDITIONAL INFORMATION

FOR
Scott Lay
Yes on Proposition 92
2017 O Street
Sacramento, CA 95811
(916) 444-8641
admin@prop92yes.com
www.prop92yes.com

AGAINST
Californians for Fair
Education Funding,
No on Proposition 92
3001 Douglas Blvd. #225
Roseville, CA 95661
(916) 218-6640
info@noprop92.org
www.noprop92.org

PROP 93 Limits on Legislators' Terms in Office. Initiative Constitutional Amendment.

SUMMARY *Put on the Ballot by Petition Signatures*

Reduces permissible state legislative service to 12 years. Allows 12 years' service in one house. Current legislators can serve 12 years in current house, regardless of prior legislative service. Fiscal Impact: No direct fiscal effect on state or local governments.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Members of the State Legislature could serve a maximum total of 12 years in office—without regard to whether the years were served in the Assembly or Senate. Some current Members could serve more than the 14 total years now allowed.

NO A NO vote on this measure means: Members of the State Legislature could continue to serve a maximum total of 14 years in office—up to 6 years in the Assembly and up to 8 years in the Senate.

ARGUMENTS

PRO Prop. 93 strikes a reasonable balance between the need to elect new people with fresh ideas and the need for knowledgeable, experienced legislators working to protect taxpayers. Independent studies prove it will help make our Legislature more effective, accountable, and better able to deal with the complex problems facing California.

CON Proposition 93 is a scam written by politicians and funded by special interests. It has a special loophole that benefits 42 termed out incumbent politicians by giving them more time in office. It doubles Assembly terms from 6 to 12 years and increases Senate terms from 8 to 12 years.

FOR ADDITIONAL INFORMATION

FOR
Charu Khopkar
Committee for Term Limits
and Legislative Reform
1510 J Street, Suite 210
Sacramento, CA 95814
(916) 443-7817
info@termlimitsreform.com
www.termlimitsreform.com

AGAINST
Bob Adney
California Term Limits
Defense Fund
2331 El Camino Ave.
Sacramento, CA 95821
(916) 482-5000
CATermLimits@gmail.com
www.stopthepoliticians.com

or in part, for a *any fiscal year preceding the 2007–08 fiscal year* if *all both* of the following conditions are met:

(A) The Governor issues a proclamation that declares that, due to a severe state fiscal hardship, the suspension of the transfer of revenues required by subdivision (a) is necessary:

(1) *The Governor has issued a proclamation that declares that the transfer of revenues pursuant to subdivision (a) will result in a significant negative fiscal impact on the range of functions of government funded by the General Fund of the State.*

(B) (2) The Legislature enacts by statute, pursuant to a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, a suspension for that fiscal year of the transfer of revenues required by *pursuant to subdivision (a) and, provided that* the bill does not contain any other unrelated provision.

(C) ~~No later than the effective date of the statute described in subparagraph (B), a separate statute is enacted that provides for the full repayment to the Transportation Investment Fund of the total amount of revenue that was not transferred to that fund as a result of the suspension, including interest as provided by law. This full repayment shall be made not later than the end of the third fiscal year immediately following the fiscal year to which the suspension applies.~~

(2)(A) The transfer required by subdivision (a) shall not be suspended for more than two fiscal years during any period of 10 consecutive fiscal years, which period begins with the first fiscal year commencing on or after July 1, 2007, for which the transfer required by subdivision (a) is suspended:

(B) The transfer required by subdivision (a) shall not be suspended during any fiscal year if a full repayment required by a statute enacted in accordance with subparagraph (C) of paragraph (1) has not yet been completed:

(e) (1) *The total amount, as of July 1, 2007, of revenues that were not transferred from the General Fund of the State to the Transportation Investment Fund because of a suspension pursuant to subdivision (d) shall be repaid to the Transportation Fund no later than June 30, 2017. Until this total amount has been repaid, the amount of that repayment to be made in each fiscal year shall not be less than 1/10 of the total amount due.*

(2) *The Legislature may provide by statute for the issuance of bonds by the State or local agencies, as applicable, that are secured by the payments required by paragraph (1). Proceeds of the sale of the bonds shall be applied for purposes consistent with this article, and for costs associated with the issuance and sale of bonds.*

(e) (f) The Legislature may enact a statute that modifies the percentage shares set forth in subdivision (c) by a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, provided that the bill does not contain any other unrelated provision and that the moneys described in subdivision (a) are expended solely for the purposes set forth in paragraph (2) of subdivision (b).

(f) (1) ~~An amount equivalent to the total amount of revenues that were not transferred from the General Fund of the State to the Transportation Investment Fund, as of July 1, 2007, because of a suspension of transfer of revenues pursuant to this section as it read on January 1, 2006, but excluding the amount to be paid to the Transportation Deferred Investment Fund pursuant to Section 63048.65 of the Government Code, shall be transferred from the General Fund to the Transportation Investment Fund no later than June 30, 2016. Until this total amount has been transferred, the amount of transfer payments to be made in each fiscal year shall not be less than one-tenth of the total amount required to be transferred by June 30, 2016. The transferred revenues shall be allocated solely for the purposes set forth in this section as if they had been received in the absence of a suspension of transfer of revenues:~~

(2) ~~The Legislature may provide by statute for the issuance of bonds by the state or local agencies, as applicable, that are secured by the minimum transfer payments required by paragraph (1). Proceeds from the sale of those bonds shall be allocated solely for the purposes set forth in this section as if they were revenues subject to allocation pursuant to paragraph (2) of subdivision (b):~~

SECTION 6. Article XIX C is added to the California Constitution, to read:

SECTION 1. Tax revenues designated in Articles XIX and XIX B, and funds designated in Article XIX A may be loaned to the General Fund to meet the short term cash flow needs of the State only if the loan is to be repaid in full to the fund or account from which it was borrowed during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year. In no event shall any loan authorized herein impede in any manner the transportation purpose for which the revenues are generated and exist.

SECTION 7. CONFLICTING BALLOT MEASURES.

In the event that this measure and another measure or measures relating to the disposition of transportation revenues shall appear on the same state-wide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.

PROPOSITION 92

This initiative measure is submitted to the people of California in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends provisions of, and adds provisions to, the California Constitution and the Education Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout~~ type and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title

This measure shall be known and may be cited as the “Community College Governance, Funding Stabilization, and Student Fee Reduction Act.”

SECTION 2. Findings and Declarations of Purpose

The people of the State of California find and declare that:

1. California’s community colleges enroll over 2.5 million students each year, providing opportunities for higher education and the skills to be competitive in California’s workforce.
2. California’s community colleges are affordable. Low student fees and financial aid have made community colleges a gateway to a better life for millions of Californians.
3. Business leaders call California’s community colleges a vital component of our state’s workforce development, contributing to a healthy economy.
4. The state can fund community college enrollment growth without raising taxes or taking funds from K–12 schools. A dual-funding mechanism under Proposition 98 will achieve both.
5. This initiative will lower student fees and prevent fees from increasing at a rate faster than the growth in personal incomes.
6. Community colleges should be accountable to taxpayers through the election of local boards facing regular election.

Therefore, the people of the State of California hereby adopt the Community College Governance, Funding Stabilization, and Student Fee Reduction Act.

SECTION 3. Section 4 of Article VII of the California Constitution is amended to read:

SEC. 4. The following are exempt from civil service:

(a) Officers and employees appointed or employed by the Legislature, either house, or legislative committees.

(b) Officers and employees appointed or employed by councils, commissions or public corporations in the judicial branch or by a court of record or officer thereof.

(c) Officers elected by the people and a deputy and an employee selected by each elected officer.

(d) Members of boards and commissions.

(e) A deputy or employee selected by each board or commission either appointed by the Governor or authorized by statute.

(f) State officers directly appointed by the Governor with or without the consent or confirmation of the Senate and the employees of the Governor's office, and the employees of the Lieutenant Governor's office directly appointed or employed by the Lieutenant Governor.

(g) A deputy or employee selected by each officer, except members of boards and commissions, exempted under Section 4(f).

(h) Officers and employees of the University of California and the California State Colleges University and executive officers of the Board of Governors of the California Community Colleges.

(i) The teaching staff of schools under the jurisdiction of the Department of Education or the Superintendent of Public Instruction.

(j) Member, inmate, and patient help in state homes, charitable or correctional institutions, and state facilities for mentally ill or retarded persons.

(k) Members of the militia while engaged in military service.

(l) Officers and employees of district agricultural associations employed less than 6 months in a calendar year.

(m) In addition to positions exempted by other provisions of this section, the Attorney General may appoint or employ six deputies or employees, the Public Utilities Commission may appoint or employ one deputy or employee, and the Legislative Counsel may appoint or employ two deputies or employees.

SECTION 4. Section 17 is added to Article IX of the California Constitution, to read:

SEC. 17. The Legislature shall provide for an independent public postsecondary education system of local community college districts as part of the Public School System.

SECTION 5. Section 18 is added to Article IX of the California Constitution, to read:

SEC. 18. Each local community college district within the system shall be established in accordance with law and governed by a locally elected board whose functions shall be delineated in law.

SECTION 6. Section 19 is added to Article IX of the California Constitution, to read:

SEC. 19. (a) The independent postsecondary education system of local community college districts shall be coordinated by a system office governed by a Board of Governors of the California Community Colleges composed of 19 members appointed by the Governor.

(b) The membership of the Board of Governors of the California Community Colleges shall include 12 public members, at least three of whom are, or have been, elected local community college district board members, who shall serve six-year terms. In addition there shall be two current or former community college employees, three current or former community college faculty members, who shall serve three-year terms, and two community college students, who shall serve one-year terms.

(c) The Board of Governors of the California Community Colleges shall have full power to employ and set the compensation for executive officers of the system office exempt from civil service pursuant to Section 4 of Article VII and to determine expenditures within the system office budget established by law.

(d) The work of the Board of Governors of the California Community Colleges at all times shall be directed to maintaining and continuing, to the maximum degree permissible, local authority and control in the governance and administration of the local community college districts and system.

(e) The Legislature shall provide through the annual budget act sufficient funding for state operations to provide accountability and leadership of the system of local community college districts.

(f) No provisions of the Community College Governance, Funding Stabilization, and Student Fee Reduction Act shall be interpreted or applied to exempt the Board of Governors, or the community colleges, from obligations imposed by law with respect to matters other than those imposed by that act. Nor shall any provision of that act be construed or applied to authorize the Board of Governors, or any board officer or agent, to exercise authority with respect to the wages, hours or working conditions of employees of any community college district. Nor shall any provision of that act be construed or applied to alter the rights of the state employees of the Chancellor's Office Community Colleges System Office with respect to the state civil service or collective bargaining as set forth in applicable law. In adopting the Community College Governance, Funding Stabilization, and Student Fee Reduction Act, the people do not intend to establish the community colleges, the Board of Governors, or any individual college or district, as a "constitutional agency" as that term is used in the decisional law of this State, or to divest any community college employee or labor organization, or any community college district or governing board, of any previously accrued right, nor to affect the standards of judicial review applicable to actions of the Board of Governors, the community colleges, or any individual college or district, as to any matter other than those which affect the Board of Governors internal organization as set forth in the Community College Governance, Funding Stabilization, and Student Fee Reduction Act.

SECTION 7. Section 8 of Article XVI of the California Constitution is amended to read:

SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.

(b) Commencing with the 1990-91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of the following amounts:

(1) The amount which, as a percentage of General Fund revenues which may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986-87.

(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B. This paragraph shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus one half of one percent.

(3) (A) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.

(B) In addition, an amount equal to one-half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.

(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income in a fiscal year is greater than the percentage growth in per capita General Fund revenues plus one half of one percent.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or 3(3) of subdivision (b) in the subsequent fiscal year.

(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h)(i), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys actually appropriated for school districts and community college districts in that fiscal year.

(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund revenues from proceeds of taxes and one-half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.

(f) Commencing with the 2007–08 fiscal year, in determining the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes pursuant to paragraph (2) of subdivision (b), paragraph (3) of subdivision (b), or in the calculation of the maintenance factor created under subdivision (d), the amount shall be separately calculated and appropriated by the Legislature to school districts and community college districts.

(g) For purposes of calculating the total allocations to school districts pursuant to this section, “changes in enrollment” shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.

(h) For the purposes of calculating the total allocations to community college districts pursuant to this section, “changes in enrollment” shall be measured by the change in the population served by the independent system of public community colleges and other appropriate factors determined pursuant to statute.

(i) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV.

SECTION 8. Section 41210 is added to the Education Code, to read:

41210. Notwithstanding any other provision of law, “total allocations to school districts and community college districts” shall not include any of the following:

(a) Any program that was funded by the General Fund and local property taxes in the 2004–05 fiscal year, but not considered as total allocations to school districts and community college districts for the purposes of this section in the 2004–05 fiscal year.

(b) Repayment of bonded indebtedness issued pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) or its successors or issued after the effective date of this statute pursuant to Chapter 3.7 (commencing with Section 15820.30) or Chapter 3.8 (commencing with Section 15820.50) of Part 10b of Division 3 of Title 2 of the Government Code or its successors.

SECTION 9. Section 41211 is added to the Education Code, to read:

41211. (a) “Changes in enrollment” pursuant to subdivision (h) of Section 8 of Article XVI of the California Constitution shall be the greater of:

(1) The percentage change in population from the second preceding year to the preceding year of the population of residents of the state between age 17 and age 21, inclusive, or

(2) The percentage change in population from the second preceding year to the preceding year of the population of residents of the state between age 22 and age 25, inclusive.

(b) The amount calculated for “changes in enrollment” in subdivision (a) shall be increased by the positive difference of the percentage rate of unemployment of California residents from the third quarter of the preceding year less 5 percent.

(c) If the amount calculated for “changes in enrollment” pursuant to subdivisions (a) and (b) is less than 1 percent and the percentage of residents of the state enrolled in community colleges is less than the average percentage of residents enrolled in community colleges in the preceding 20 years, “changes in enrollment” shall be 1 percent.

(d) Notwithstanding subdivisions (a) and (b), in no year shall “changes in enrollment” pursuant to subdivision (h) of Section 8 of Article XVI of the California Constitution exceed 5 percent.

SECTION 10. Section 41212 is added to the Education Code, to read:

41212. Notwithstanding any other provision of law, 10.46 percent of any funds allocated as repayment of the maintenance factor pursuant to subdivision (e) of Section 8 of Article XVI of the California Constitution existing on the effective date of this section shall be allocated to community colleges.

SECTION 11. Section 41213 is added to the Education Code, to read:

41213. (a) For the purposes of determining the amount required to be appropriated for community colleges pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution, the amount calculated and appropriated for community colleges shall be not less than the greater of the following amounts:

(1) The total General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes appropriated for the support of community colleges in the 2005–06 fiscal year, adjusted by subdivision (b) of Section 8 of Article XVI of the California Constitution for each subsequent year until the effective date of this section.

(2) The total General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes appropriated for the support of community colleges in the 2006–07 fiscal year, adjusted by

subdivision (b) of Section 8 of Article XVI of the California Constitution for each subsequent year until the effective date of this section.

SECTION 12. Section 70901.5 of the Education Code is amended to read:

70901.5. (a) The ~~board of governors~~ *Board of Governors of the California Community Colleges* shall establish procedures for the adoption of rules and regulations governing the California Community Colleges. Among other matters, the procedures shall implement the following requirements:

(1) Written notice of a proposed action shall be provided to each community college district and to all other interested parties and individuals, including the educational policy and fiscal committees of the Legislature and the Department of Finance, at least 45 days in advance of adoption. The regulations shall become effective no earlier than 30 days after adoption.

(2) The proposed regulations shall be accompanied by an estimate, prepared in accordance with instructions adopted by the Department of Finance, of the effect of the proposed regulations with regard to the costs or savings to any state agency, the cost of any state-mandated local program as governed by Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, any other costs or savings of local agencies, and the costs or savings in federal funding provided to state agencies.

(3) The ~~board of governors~~ *Board of Governors of the California Community Colleges* shall ensure that all proposed regulations of the board meet the standards of “necessity,” “authority,” “clarity,” “consistency,” “reference,” and “nonduplication,” as those terms are defined in Section 11349 of the Government Code. A district governing board or any other interested party may challenge any proposed regulatory action regarding the application of these standards.

(4) Prior to the adoption of regulations, the ~~board of governors~~ *Board of Governors of the California Community Colleges* shall consider and respond to all written and oral comments received during the comment period.

(5) The effective date for a regulation shall be suspended if, within 30 60 days after adoption by the ~~board of governors~~ *Board of Governors of the California Community Colleges*, at least two-thirds of all local district governing boards vote, in open session, to disapprove the regulation. With respect to any regulation so disapproved, the ~~board of governors~~ *Board of Governors of the California Community Colleges* shall provide at least 45 additional days for review, comment, and hearing, including at least one hearing before the board itself. After the additional period of review, comment, and hearing, the board may do any of the following:

- (A) Reject or withdraw the regulation.
- (B) Substantially amend the regulation to address the concerns raised during the additional review period, and then adopt the revised regulation. The regulation shall be treated as a newly adopted regulation, and shall go into effect in accordance with those procedures.
- (C) Readopt the regulation as originally adopted, or with those nonsubstantive, technical amendments deemed necessary to clarify the intent of the original regulation. If the ~~board of governors~~ *Board of Governors of the California Community Colleges* decides to readopt a regulation, with or without technical amendments, it shall also adopt a written declaration and determination regarding the specific state interests it has found necessary to protect by means of the specific language or requirements of the regulation. A readopted regulation may then be challenged pursuant to existing law in a court of competent jurisdiction, and shall not be subject to any further appeal within the California Community Colleges.

(6) As to any regulation which the Department of Finance determines would create a state-mandated local program cost, the ~~board of governors~~ shall not adopt the regulation until the Department of Finance has certified to the ~~board of governors~~ and to the Legislature that a source of funds is available to reimburse that cost.

(7) (6) Any district or other interested party may propose a new regulation or challenge any existing regulation.

(b) Except as expressly provided by this section, and except as provided by resolution of the ~~board of governors~~ *Board of Governors of the California Community Colleges*, the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to regulations adopted by the ~~board of governors~~ *Board of Governors of the California Community Colleges*.

SECTION 13. Section 71000 of the Education Code is amended to read:

71000. There is in the state government a Board of Governors of the California Community Colleges, consisting of ~~16~~ 19 voting members and ~~one nonvoting member~~, appointed by the Governor, as follows:

(a) Twelve *public* members, each appointed with the advice and consent of two-thirds of the membership of the Senate to six-year staggered terms. ~~Two~~ Three of these members shall be current or former elected members of local community college district governing boards, *appointed from a list of at least three persons submitted to the Governor by the statewide organization representing locally elected community college trustees recognized to participate in the consultation process established by subdivision (e) of Section 70901.*

(b) (1) (A) ~~One~~ Two voting student member, *members, who shall serve one-year terms.* and ~~one nonvoting student member, who exercise their duties in accordance with the procedure set forth in paragraph (3).~~

(B) (2) These students shall be enrolled in a community college with a minimum of five semester units, or its equivalent, at the time of the appointment and throughout the period of their terms, or until a replacement has been named. A student member shall be enrolled in a community college at least one semester prior to his or her appointment, and shall meet and maintain the minimum standards of scholarship prescribed for community college students.

(C) (3) Each student member shall be appointed from a list of names of at least three persons submitted to the Governor by the ~~California Student Association of Community Colleges~~ *statewide organizations representing community college student governments recognized to participate in the consultation process established by subdivision (e) of Section 70901.*

(2) ~~The term of office of one student member of the board shall commence on July 1 of an even-numbered year, and expire on June 30 two years thereafter. The term of office of the other student member of the board shall commence on July 1 of an odd-numbered year, and expire on June 30 two years thereafter. Notwithstanding paragraph (1), a student member who graduates from his or her college on or after January 1 of the second year of his or her term of office may serve the remainder of the term.~~

(3) ~~During the first year of a student member’s term, a student member shall be a member of the board and may attend all meetings of the board and its committees. At these meetings, a student member may fully participate in discussion and debate, but may not vote. During the second year of a student member’s term, a student member may exercise the same right to attend meetings of the board, and its committees, and shall have the same right to vote as the members appointed pursuant to subdivisions (a) and (c).~~

(4) ~~Notwithstanding paragraph (3), if a student member resigns from office or a vacancy is otherwise created in that office during the second year of a student member’s term, the remaining student member shall immediately assume the office created by the vacancy and all of the participation privileges of the second-year student member, including the right to vote, for the remainder of that term of office.~~

(c) ~~Two~~ Three voting *current or former* tenured faculty members from a community college, who shall be appointed for ~~two~~ three-year terms. The Governor shall appoint each faculty member from a list of names of at least three persons furnished by the Academic Senate of the California Community Colleges. Each seat designated as a tenured faculty member seat shall be filled by a tenured faculty member from a community college pursuant to this section and Section 71003.

(d) ~~One~~ Two voting classified *current or former* employee, *employees*, who shall be appointed by the Governor for ~~three-year terms~~ a two-year term. The Governor shall appoint ~~one of the employees~~ the classified

employee member from a list of at least three *current classified employees* persons furnished by the exclusive representatives of classified employees of the California Community Colleges. *The Governor shall appoint one of the employees from a list of at least three persons submitted to the Governor by the statewide organization representing community college chief executive officers recognized to participate in the consultation process established by subdivision (e) of Section 70901.*

SECTION 14. Section 71003 of the Education Code is amended to read:

71003. (a) Except for the student members, the faculty members, and the ~~classified employee member~~ members appointed by the Governor, any vacancy in an appointed position on the board shall be filled by appointment by the Governor, subject to confirmation by two-thirds of the membership of the Senate. A vacancy in the office of a student member, a faculty member, or ~~the classified an~~ employee member shall be filled by appointment by the Governor.

(b) ~~The~~ *Except in the case of the student members, the appointee to fill a vacancy shall hold office only for the balance of the unexpired term. Vacancies in the student member positions shall be filled by an appointment by the Governor for a full one-year term.*

SECTION 15. Section 71090.5 of the Education Code is amended to read:

~~71090.5. In addition to the position authorized by Pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution, the Governor, with the recommendation of the board of governors, the Board of Governors of the California Community Colleges shall appoint a Chancellor and up to six deputy chancellors and vice chancellors, who shall be exempt from state civil service. The appointments shall not exceed an aggregate total of six seven, for both the positions appointed pursuant to this section. of deputy and vice chancellor.~~

SECTION 16. Section 76301 is added to the Education Code, to read:

76301. (a) *Notwithstanding any other provision of law, the fee prescribed by Section 76300 shall be fifteen dollars (\$15) per unit per semester or the fee existing on the effective date of this section, whichever is lower.*

(b) *The fee prescribed by Section 76300 and this section shall not be increased in any year by an amount exceeding the lesser of:*

(1) *The percentage change in per capita personal income of California residents from the second preceding year to the immediate preceding year, rounded down to the nearest whole dollar; or*

(2) *Ten percent.*

(c) *This section shall be effective with the first full fall academic term commencing at least 60 days following the effective date of this section.*

SECTION 17. Section 76301.5 is added to the Education Code, to read:

76301.5. (a) *The Legislature shall allocate to any community college district that does not receive General Fund revenues through the community college apportionment because the district's local property tax and student fee revenue exceeds the general revenue calculated for the district in the annual Budget Act an amount equal to the total revenue that would have been generated by the district if the fee otherwise had remained at the level on the day preceding the effective date of this section.*

(b) *This section shall be effective only in years in which the fee prescribed by this chapter is less than the fee existing on the day preceding the effective date of this section.*

SECTION 18. Section 84754 is added to the Education Code, to read:

84754. (a) *Notwithstanding any other provision of law, decreases in FTES shall result in revenue reductions made evenly over a three-year period beginning in the year following the initial year of decrease in FTES.*

(b) *Districts shall be entitled to the restoration of any reductions in apportionment revenue due to decreases in FTES during the three years following the initial year of decrease in FTES if there is a subsequent increase in FTES.*

(c) *No district shall be entitled to revenue stability pursuant to subdivision (a) for more than 10 percent of its pre-decline total FTES, unless the Chancellor issues a finding that the decline was the consequence of a natural or man-made disaster or a regionalized financial calamity.*

(d) *By enacting this section, the people intend to maintain access for students and provide fiscal stability for community college districts and their employees during periods of enrollment instability.*

SECTION 19. GENERAL PROVISIONS

(a) **Conflicting Measures:**

(1) This measure is intended to be comprehensive. It is the intent of the people that in the event that this measure and another initiative measure or measures relating to the same issue shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

(2) If this measure is approved by the voters but superseded by law by any other conflicting ballot measure approved by the voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.

(b) **Severability:** The provisions of this act are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(c) **Amendment:** The provisions of Sections 8 through 15, inclusive, and Section 17 of this act may be amended by a statute that is passed by a vote of four-fifths of the membership of each house of the Legislature and signed by the Governor. All amendments to Sections 8 through 15, inclusive, of this act shall be to further the act and shall be consistent with its purposes. The per-unit fee level set by subdivision (a) of Section 16 of this act may be increased pursuant to subdivision (b) of Section 16 of this act by a statute specifically and exclusively for that purpose that is passed by a vote of two-thirds of the membership of each house and signed by the Governor. The per-unit fee level set by subdivision (a) of Section 16 of this act may be reduced by a statute that is passed by a majority vote of each house and signed by the Governor.

PROPOSITION 93

This initiative measure is submitted to the people of California in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends the California Constitution; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

TERM LIMITS AND LEGISLATIVE REFORM ACT

SECTION 1. TITLE.

This measure shall be known as the “Term Limits and Legislative Reform Act.”

