

# CCFC FAST FAX

**Community College Facility Coalition**  
Legislative Update — February 26, 2010 — 1 Page  
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**2010 EDUCATION BOND PROSPECTS** — During the 2009 portion of the 2009-10 session of the Legislature, two bills were introduced which would have enacted an education bond (AB 220 (Brownley) proposed a K-University bond for 2010, but made no specific allocations. SB 217 (Ducheny) proposed a higher education bond for 2010 in the amount of \$8,630,000,000 for the November 2010 ballot). AB 220 was ultimately amended for another purpose and SB 271 died in January 2010 under the provisions of the Rules of the Legislature.

Last Friday (February 19<sup>th</sup>) was the last day for introduction of new bills for the 2010 session of the Legislature. None of these bills made provision for a public education bond for 2010. This is not the end of the line as bills are routinely amended as they proceed through the Legislature.

There is a water bond in the amount of \$11.1 billion slated to be on the November 2010 ballot, which has already cleared the necessary hurdles in the Legislature and the Administration. Proponents of this measure are not enthusiastic about seeing additional bonds on the November ballot.

The State Debt Advisory Commission has projected the cost of debt service for existing bonds to grow to as much as 9% of the General Fund budget during the next decade before declining to around 6½%. One of the primary causes of this pattern is the absence of significant growth in state revenues. There is little enthusiasm for more state bonds among key Legislators because of this debt service environment.

Still, there are reasons to be hopeful, and a substantial marketing effort is underway by K-12 advocates for a K-12 bond, because their remaining funds from the 2006 education bond (Proposition 1D) will likely be exhausted this year. Despite a statewide pattern of declining enrollment there are several pockets of growth around the state that will need facility funding assistance from the state. A demonstrated K-12 need is critical to convincing Legislators and the Administration of the need for a facility bond.

The Community Colleges, UC and CSU are all on record regarding their facility needs. The high unemployment rate has driven up demand for enrollment and, consequently, facilities at all higher education levels. These facts are being strongly advocated by representatives of each sector.

The Governor indicated in the release of the 2010 Budget in January that he would make a recommendation regarding funding for higher education facilities when he presented his May revise.

What the Governor's recommendation might be is not yet known, but it is difficult to conceive of a mechanism that will not involve some form of debt. It is our belief that there will be a strong effort to put an education bond on the November 2010 ballot.

Paul H. Holmes