

## K-12 Enrollment Growth Slows; UC and CSU Enrollments Decline

|  | 1992-93<br>Enrollment <sup>a</sup><br>(Estimate) | Average<br>Annual Growth Rate |                               |
|--|--|-------------------------------|-------------------------------|
|  |  | 1984-85<br>Through<br>1990-91 | 1990-91<br>Through<br>1992-93 |
| Kindergarten through<br>high school (K-12) | 5,520,586  | 3.3%                          | 2.3%                          |
| Community colleges                         | 878,582  | NA <sup>b</sup>               | 2.2                           |
| California State University (CSU)          | 257,000  | 2.3                           | -3.9                          |
| University of California (UC)              | 153,407  | 2.6                           | -0.8                          |

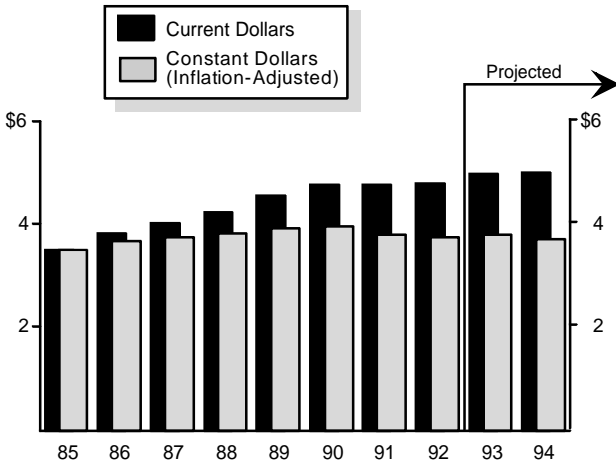
<sup>a</sup> Enrollment figures are average daily attendance (ADA) for K-12 and full-time equivalents (FTEs) for higher education.

<sup>b</sup> Not available.

- Annual growth of average daily attendance in K-12 schools slowed dramatically in 1992-93 to 1.6 percent. A similarly slow rate of growth is expected in 1993-94 as California continues to experience net out-migration to other states in the face of a persistent recession.
- During the past two years, CSU enrollment has declined an average of 3.9 percent annually, primarily due to budget reductions.
- UC enrollment has declined an average of 0.8 percent over the past two years.

## Inflation-Adjusted Funding Per K-12 Student Declining Since 1989-90<sup>a</sup>

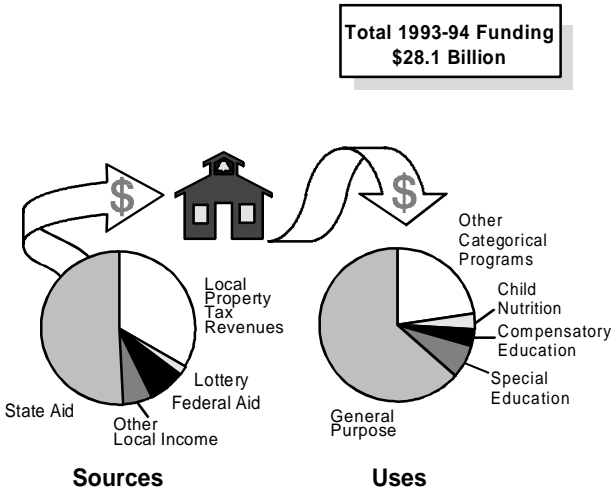
(In Thousands)



<sup>a</sup> Data are for fiscal years ending in year shown.

- This figure shows funding from all state, federal, and local sources per student (ADA).
- Per-student funding in inflation-adjusted dollars increases by a cumulative total of 6.2 percent during this ten-year period.
- More recently, however, per-student funding in inflation-adjusted dollars decreases by 5.9 percent between 1989-90 and 1993-94.

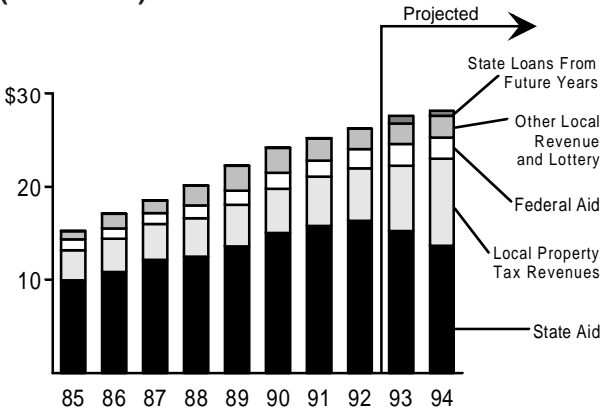
## One-Third of Proposed K-12 School Spending is for “Categorical” Programs



- More than one-third of school spending is for “categorical” programs targeted at specific groups of students or particular needs.
- State aid provides half of total proposed school funding in 1993-94.
- Lottery revenues provide the smallest share of school funding.

## Share of K-12 Education Funding Paid by Local Property Taxes Proposed to Increase Dramatically<sup>a</sup>

(In Billions)



<sup>a</sup> Data are for fiscal years ending in year shown.

- K-12 funding from all sources has increased by 84 percent since 1984-85.
- The smallest percentage increase has been in state aid, while the largest percentage increase has been in local property taxes.
- Over half of the property tax increase is explained by shifts of property tax revenues from other local governments to schools in 1992-93 and proposed for 1993-94 in order to reduce state school funding obligations under Proposition 98.

## K-12 Pupils Becoming More Ethnically and Linguistically Diverse

|                                | Percent of Total K-12 Enrollment |         |
|--------------------------------|----------------------------------|---------|
|                                | 1981-82                          | 1991-92 |
| <b>Ethnicity</b>               |                                  |         |
| White (non-Hispanic)           | 56.4%                            | 44.5%   |
| Hispanic                       | 25.8                             | 35.3    |
| African American               | 9.9                              | 8.6     |
| Asian or Pacific Islander      | 5.5                              | 8.6     |
| Filipino                       | 1.6                              | 2.3     |
| American Indian/Alaskan Native | 0.8                              | 0.8     |
| <b>Language</b>                |                                  |         |
| Limited English Proficiency    | 10.7%                            | 20.1%   |

- The majority of K-12 pupils in 1981-82 were non-Hispanic white (56 percent). In 1991-92, 44 percent of all K-12 pupils were non-Hispanic white, and no ethnic group constituted a majority among K-12 pupils.
- The proportion of Hispanic K-12 students increased significantly, from about one-quarter of total enrollment in 1981-82 to more than one-third in 1991-92.
- The proportion of pupils classified by the State Department of Education as limited-English proficient nearly doubled from 11 percent in 1981-82 to 20 percent in 1991-92.

## Higher Education Student Fees Increasing Rapidly

|                                      | Annual Student Fee |         |                      | Percent Change<br>1990-91<br>To<br>1992-93 |
|--------------------------------------|--------------------|---------|----------------------|--|
|                                      | 1990-91            | 1991-92 | 1992-93 <sup>a</sup> |  |
| <b>University of California</b>      |                    |         |                      |  |
| Undergraduate/graduate               | \$1,624            | \$2,274 | \$2,824              | 73.9%                                      |
| Medicine/law                         | 2,000              | 2,650   | 3,200                | 60.0                                       |
| <b>California State University</b>   | \$780              | \$936   | \$1,308              | 67.7%                                      |
| <b>California Community Colleges</b> |                    |         |                      |  |
| Part-time student (10 units)         | \$100              | \$120   | \$200                | 100.0%                                     |
| Full-time student (15 units)         | 100                | 120     | 300                  | 200.0                                      |
| <b>Hastings College of the Law</b>   | \$2,000            | \$2,650 | \$3,200              | 60.0%                                      |
| <b>California Maritime Academy</b>   | \$928              | \$978   | \$1,369              | 47.5%                                      |

<sup>a</sup> 1992-93 fees are as of January 1, 1993.

- Community college fees have increased the most rapidly—200 percent for a full-time student—but they remain the lowest in the nation.
- 1993-94 fees are not shown because the budget does not propose specific fee increases for any of the segments.

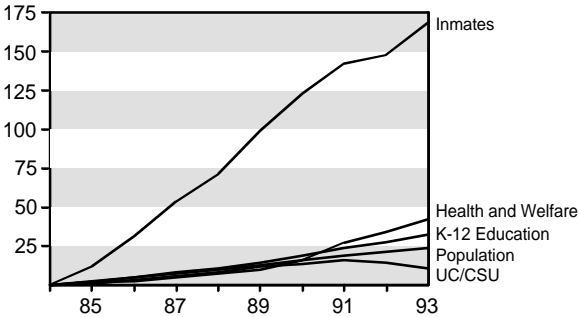
## Annual Cost Per Participant Varies Widely Among Major Programs 1992-93

|   | Number of Participants (In Millions) | Average Cost per Participant |                  |
|---|--------------------------------------|------------------------------|------------------|
|   |                                      | General Fund                 | Total Government |
| <b>Education—students</b>               |                                      |                              |                  |
| K-12                                    | 5.2                                  | \$2,930                      | \$4,200          |
| UC                                      | 0.2                                  | 12,300                       | 12,300           |
| CSU                                     | 0.3                                  | 5,800                        | 5,800            |
| <b>Health and Welfare—beneficiaries</b> |                                      |                              |                  |
| Medi-Cal                                | 5.0                                  | \$1,100                      | \$2,100          |
| AFDC                                    | 2.5                                  | 1,138                        | 2,360            |
| SSI/SSP                                 | 1.0                                  | 2,303                        | 5,110            |
| <b>Corrections</b>                      |                                      |                              |                  |
| Prison Inmates                          | 0.1                                  | \$20,900                     | \$20,900         |

- Prison inmates have the highest cost but are the least numerous.
- The costs shown are averages. The range of individual costs is especially large in Medi-Cal. Nursing home patients, for example, cost about \$25,000 annually to support.
- On a per-student basis, UC is twice as expensive as CSU.

## Prison Population is Growing Much Faster Than Other Caseloads

Percent Growth  
Since 1983-84

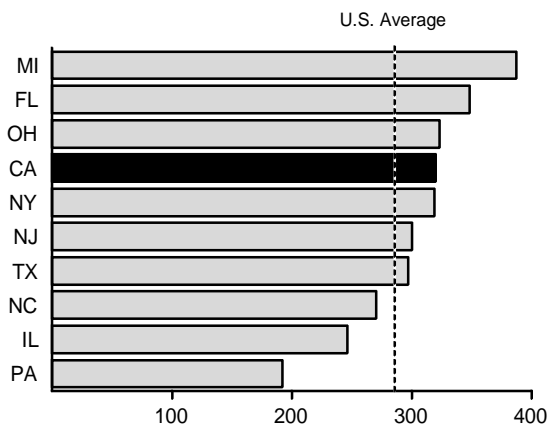


<sup>a</sup> Data are for fiscal years ending in year shown.

- The number of prison inmates has been growing much more rapidly than any other group, in part due to mandatory and longer sentences.
- A rapid rise in the number of health and welfare beneficiaries began in 1989-90 due to the growth in welfare caseloads and additional federally mandated eligibility categories.
- Enrollment at UC and CSU has declined in the last two years. The CSU reduction, which has been more dramatic than at UC, is due to budget constraints.



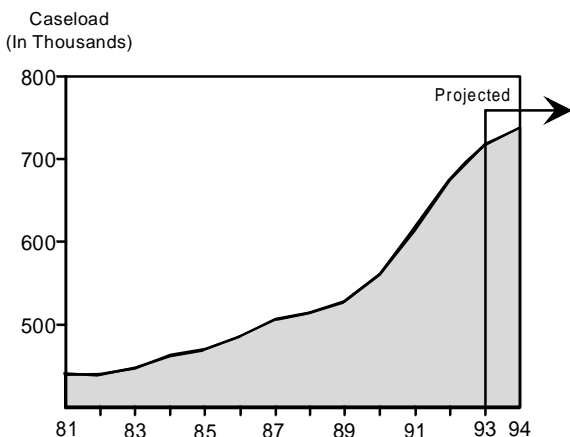
## California's Incarceration Rate<sup>a</sup> Is Above Most Other Large States 1991



<sup>a</sup> Number of persons with prison sentences of more than one year per 100,000 residents.

- California had the fourth highest incarceration rate among the ten largest states in 1991.
- Incarceration rates reflect the sentencing practices of each state, such as the length of sentences, in addition to the frequency and severity of crimes committed.

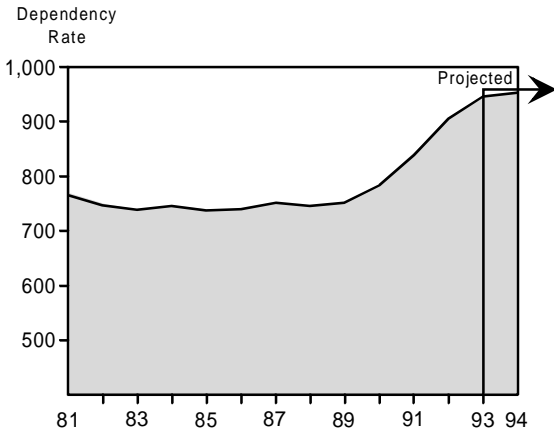
## California's AFDC Caseloads Have Been Increasing<sup>a</sup>



<sup>a</sup> Aid to Families with Dependent Children (AFDC cases) excludes foster care and unemployed parent cases. Data are for fiscal years ending in year shown.

- Factors contributing to the increase in the AFDC caseloads include demographic changes, such as (1) the increase in the number of women of childbearing age, and (2) the increase in the number of “child only” cases, including citizen children of undocumented immigrants.
- Societal changes, such as the increase in births to unwed mothers and the increase in the proportion of women having children, have contributed to the recent growth in cases.

## California's Families Have Become More Dependent on Welfare<sup>a</sup>




<sup>a</sup> Data are for fiscal years ending in year shown.

- The dependency rate is the number of AFDC (Family Group) cases per 10,000 women age 15 through 44. Thus, the graph “controls” for the effect of population changes on the caseload.
- The dependency rate remained constant between 1980-81 and 1988-89, thereby suggesting that population increase (women of child-bearing age) was the dominant factor in explaining caseload growth during this period. Since 1988-89, societal changes have played a more important role.

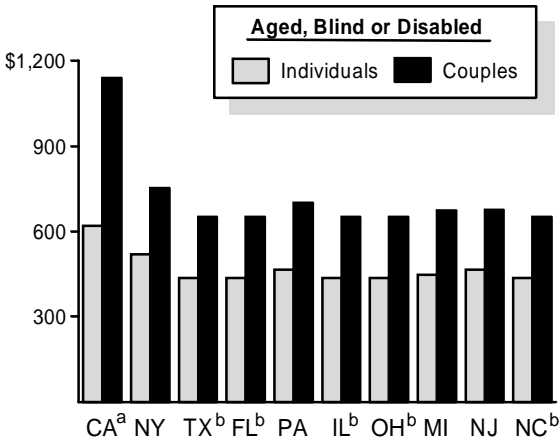
## California's AFDC Grants Highest Among The Ten Largest States January 1993

<sup>a</sup> These states have regional grants. Amount shown is for major population center.

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- Of the ten largest states, California provides the highest maximum welfare grant to families under Aid to Families with Dependent Children. Amounts shown are for a family of three under the family group component—generally single parents—which includes most recipients.
  - AFDC recipients also receive federal food stamp benefits, which decline as the grant amount increase.
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## California's SSI/SSP Welfare Grants Highest Among the Ten Largest States January 1993



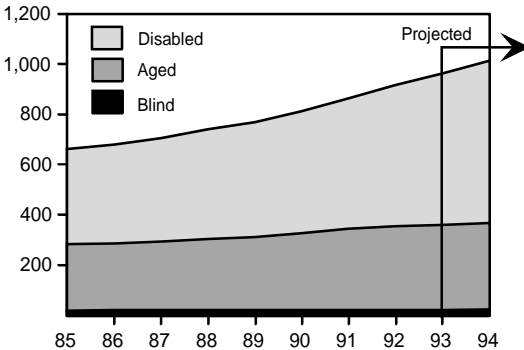
<sup>a</sup> California provides an additional payment to blind persons.

<sup>b</sup> Federal amount only; state provides no supplemental grant.

- California's SSI/SSP grant levels are 19 percent larger for individuals and 51 percent higher for couples than those in the state with the second largest grants (New York).
- Of the ten largest states, five do not provide any state supplemental grant. In those states, eligible persons receive only the federal SSI amount (\$434 for individuals or \$652 for couples).

## The Disabled Represent the Largest and Fastest Growing Segment of the SSI/SSP Caseload<sup>a</sup>

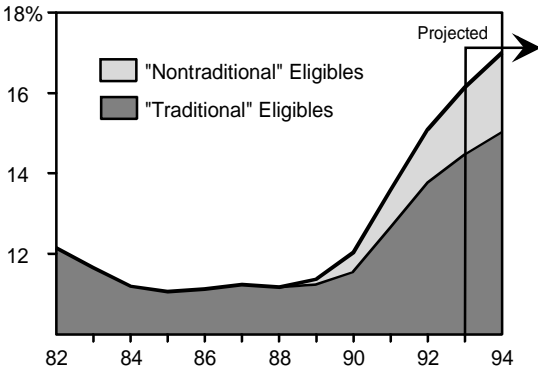
SSI/SSP Cases  
(In Thousands)



<sup>a</sup> Data are for fiscal years ending in year shown.

- The SSI/SSP program provides cash assistance to low-income persons who are elderly, disabled or blind.
- Major factors explaining the growth in the SSI/SSP disabled caseload:
  - Increase in AIDS-related disabilities
  - Federal expansion of eligibility
  - Increased life expectancy for disabled persons
  - Federal and state outreach programs

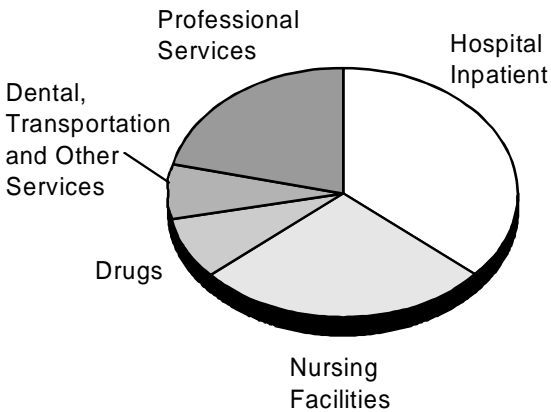
## Percentage of Californians on Medi-Cal Growing Rapidly<sup>a</sup>



<sup>a</sup> Data are for fiscal years ending in year shown.

- Currently the Medi-Cal Program serves a dramatically higher proportion of California's population than was the case at any point in the 1980s.
- Federal and state decisions to expand Medi-Cal coverage to "nontraditional" eligibles—largely newly legalized and undocumented persons and children and pregnant women—account for some, though not the majority, of the increase.
- About one in six Californians, or 5.4 million persons, will be eligible for Medi-Cal in 1993-94.

## More Than Half of Medi-Cal Spending is for Hospitals and Nursing Facilities

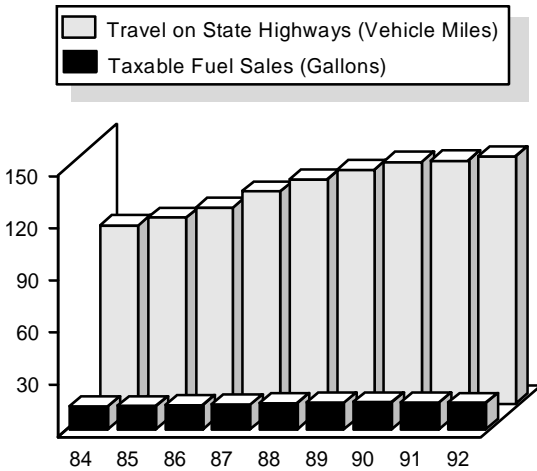


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- Over 60 percent of Medi-Cal expenditures are for hospital inpatient costs and long-term care in nursing facilities.
  - Long-term care recipients are about one percent of Medi-Cal beneficiaries, yet they account for roughly one-quarter of the program's cost.



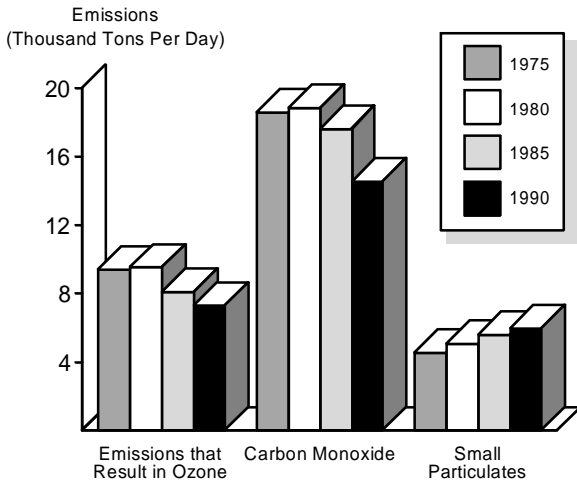
## Travel On State Highways Has Increased While Fuel Consumption Has Remained Stable

(In Billions)



- Californians continue to drive more each year, yet they are not using more gasoline and other motor fuels because vehicles are more fuel efficient.
- Taxes on gasoline and other motor fuels are the major source of revenue for highway construction and maintenance, and for mass transit. With fuel use flat, increasing funds for transportation has required increasing the tax rate per gallon of fuel.

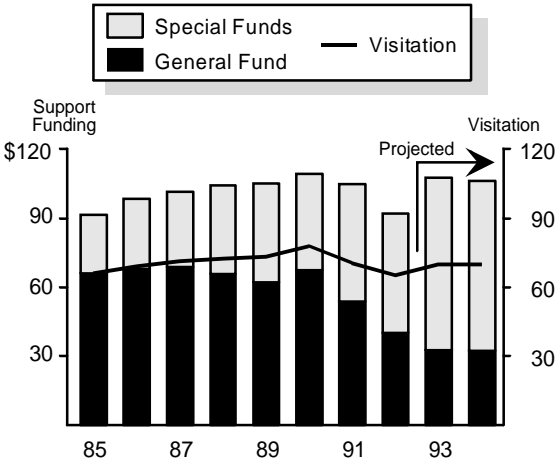
## Progress in Reducing Air Pollutant Emissions Varies



- Statewide emissions of carbon monoxide and pollutants that create ozone have declined by about 22 percent since 1975 despite a 39 percent population increase.
- Statewide emissions of small particulate matter have steadily increased over the same period primarily due to increased population and vehicle-miles traveled. These small particles (which include dust from roads, construction, and motor vehicles) can threaten human health and reduce visibility.

## State Parks General Fund Support Is Declining<sup>a</sup>

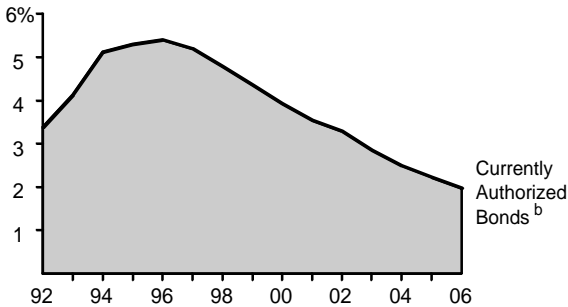
(In Millions)



<sup>a</sup> Constant (inflation adjusted) 1984-85 dollars; excludes federal funds. Data are for fiscal years ending in year shown.

- General Fund support for state park operations has declined sharply and has been replaced by special fund support.
- Special fund support for park operations is primarily from park user fees and certain portions of state cigarette and gasoline taxes.
- The Department of Parks and Recreation attributes reduced visitation to fee increases, weather, and the recession.

## Share of State Revenue Needed for Bond Payments Peaks in 1995-96<sup>a</sup>



<sup>a</sup>Data are for fiscal years ending in year shown.

<sup>b</sup>Includes both voter-approved general obligation bonds and bonds financed by state lease payments.

- This figure shows estimated costs to pay principal and interest on currently authorized state bonds as a percentage of projected state General Fund revenues (the state's debt-service ratio).
- Current 5-year capital outlay plans exceed authorized bond funding by \$24 billion.
- Issuing \$5 billion annually of additional bonds, starting in 1994-95, would raise the debt-service ratio to a peak of 8.6 percent in 2002-03.