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Infrastructure Bond Implementation: Higher Education

LEGISLATIVE ANALYST'S OFFICE

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142 Public Higher Education Campuses in California



University of California

- 10 campuses and various affiliated institutions
- 210,000 students (fall headcount)



California State University

- 23 campuses
- 420,000 students



California Community Colleges

- 109 campuses, operated by 72 locally governed districts
- 1.6 million students (Unduplicated headcount over course of a full year is about 2.5 million)



Higher Education Bonds Over the Past Decade

	1996	1998	2000	2002	2004	2006
UC	—	—	—	\$408	\$690	\$890 ^b
CSU	—	—	—	496	690	690
CCC	—	—	—	746	920	1,507
Totals	\$975^a	\$2,500^a	—	\$1,650	\$2,300	\$3,087

^a Not allocated among segments by bond measure.
^b \$200 million is available for medical education programs.

- ☒ Voters approved \$10.5 billion in general obligation bonds for higher education over the past decade.
- ☒ Propositions in 1996 and 1998 did not allocate funds among segments. Allocation decisions were made by the Legislature. Specific allocations were made by the measures approved in 2002, 2004, and 2006.



Governor's Proposed Higher Education Expenditures From Proposition 1D

Proposition 1D Spending				
Program	2006-07	2007-08	Total	Unspent
University of California	\$340	\$503	\$843	\$47
California State University	284	376	660	30
California Community College	432	479	911	596
Totals	\$1,056	\$1,358	\$2,414	\$673

- ☒ The Governor's budget proposal would result in the expenditures of about 78 percent of higher education funding from Proposition 1D.
- ☒ Construction projects would focus on renovation and improvement of existing facilities.



Major Additional Bond Funding Proposed for 2008 and 2010

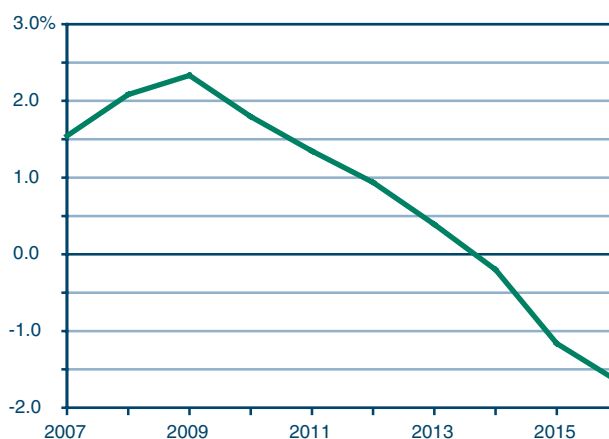
Governor's Proposed Strategic Growth Plan Higher Education Programs			
<i>(In Millions)</i>			
	2008	2010	Totals
University of California	\$1.7	\$1.0	\$2.8
California State University	1.7	1.0	2.8
California Community Colleges	3.8	2.3	6.0
Totals	\$7.2	\$4.3	\$11.5

- ☒ Governor's proposal would provide a total of \$11.5 billion in additional bond funding for the three segments in 2008 and 2010.
- ☒ This is slightly more than the total of higher education bond allocations from 1996 through 2006.



Growth in College-Age Population to Slow Sharply After 2009

Projected Annual Change in 18- to 24-Year Olds



- ☒ Growth in the state's population of 18- to 24-year olds (a key determinant of enrollment demand) will slow starting in 2009. This population group will actually decline beginning in 2014.
- ☒ The state's population of 25- to 44-year olds is expected to remain relatively flat during this period, with average annual growth of less than 0.4 percent.
- ☒ These trends will reduce annual enrollment growth cost pressures. At the same time, other factors—such as changing participation rates by different age, gender, and ethnic groups—will affect future higher education enrollment.



Legislative Considerations



Slowing growth (and decline) in college-age population reduces need for expansion of instructional facilities.

- Modernization, remodeling will be a focus.



Proposed projects should be consistent with enrollment projections and campus long range plans.

- Expansion plans involve policy choices about graduate and undergraduate access, eligibility, affordability, state workforce changes, linkages among the educational segments, regional distribution of facilities, and other considerations.
- Recent legal decisions underscore importance of mitigating impacts on local communities.



Segments still have considerable capacity in summer term.

- Summer enrollment currently a fraction of fall term enrollment.
- State fully supports summer enrollment; students pay no extra fees.
- Focusing enrollment growth in summer term reduces need for new facilities, provides students with more choice, evens out local impacts.