



A HISTORIC RESHAPING OF CALIFORNIA'S PRIORITIES TO PROTECT HIGHER EDUCATION

Governor Schwarzenegger Proposes Bold Constitutional Amendment to Safeguard California's Future

"I will submit to you a constitutional amendment so that never again do we spend a greater percentage of our money on prisons than on higher education." (Gov. Arnold Schwarzenegger, State of the State Speech, 1/6/10)

California's universities are known around the world as the crown jewel of California's education system, and until recently, the state has treated them as such. But in the past decade, California's priorities have become out of whack and prisons have been put before education. In Fiscal Year 1981-1982, the state dedicated approximately 10 percent of its General Fund (GF) to higher education and just three percent to prisons. Today, prisons get nearly 11 percent while our universities get just over seven percent. This is wrong, and the Governor is proposing to make it right with a constitutional amendment that will permanently realign California's priorities and ensure that never again do prison uniforms take precedence over caps and gowns.

The Problem:

Recently, California has made incarceration a higher priority than education. While education is the key to California's continued success in research, innovation and economic vitality, state government has allowed prisons to take priority over education. Here are some facts:

- California spends billions of dollars more on prisons than on higher education. California's 2009-10 budget dedicated nearly 11 percent of GF spending to prisons – approximately \$9.3 billion – and just seven percent to our University of California (UC) and California State University (CSU) systems – nearly \$6.5 billion.
- California spends exorbitantly more on prisons than any other comparable state. In fact, California taxpayers spend \$18,000 more per prisoner than the ten largest states.

The Solution:

A bold constitutional amendment to ensure higher education comes before prisons. Under the Governor's initiative, *no less* than 10 percent of the GF would be allocated to fund UC and CSU institutions – and *no more* than seven percent would be allocated to the state's prison system. Here are some details:

- These mandatory limits would begin in the 2014-15 fiscal year. To reach the Governor's goal, the amendment will require the state shift money deducted from the costs of operating state prisons to higher education beginning in the 2011-12 fiscal year. The amount to shift to higher education will be determined by computing the difference between the current year's GF budget and the prior year's GF budget for the state prison system. Beginning in 2014, the legislature could apply other available resources to ensure that the UC and CSU systems are funded at no less than 10 percent of GF expenditures.

The amendment provides authority to the California Department of Corrections and Rehabilitation (CDCR) to contract with private prison operators to reduce costs. The idea of privatizing prisons is not new. It has been used in a number of states throughout the U.S. with great success and budget savings and is expected to save California billions of dollars.

- Early release is not an option. The amendment prohibits early release of prisoners as a means of reducing prisons costs to meet the 10 percent minimum funding level for higher education.
- The amendment is flexible enough to be compatible with California's budget cycles. The amendment provides flexibility by allowing the Governor or Legislature to suspend the mandate or modify funding levels during a fiscal emergency or other declared emergency or by a two-thirds vote of the legislature. Unlike measures that create future debt, if a suspension is ordered by the Governor or legislature no debt would be created.
- To see the draft legislative language the Administration submitted to the Legislative Counsel, click [here](#).

Why This Is A Good Idea:

This amendment will get California's priorities straight, and keep them straight. The Governor's proposal is not a one-time, band-aid solution for higher education. It is a historic, long-term commitment to make higher education a budget priority.

- This is the right kind of permanent spending with the right kind of flexibility. When it comes to education, the Governor believes ensuring a stable funding stream is imperative. He will ensure that any amendment passed includes flexibility for government to make necessary funding decisions in the event of a crisis.
- This is a long-term commitment to California's future. Students and educators alike will benefit from this amendment in the long term.
 - To help offset the current financial burden on students our budget crisis has caused, the Governor is proposing to stretch our shrinking budget dollars to increase funding for higher education by \$225 million.
- This amendment includes funding for Cal Grants. Cal Grants are included in the amendment's definition of higher education, therefore because the overall GF contribution to higher education will increase, the state's contribution to Cal Grants also increases.
- This amendment demonstrates the state's commitment to supporting children all the way from kindergarten to college graduation. This amendment has zero affect on Proposition 98. K-12 and Community Colleges will still be constitutionally protected as they have always been and will receive their fair share of funding in future budgets.
 - Community Colleges are funded under Proposition 98, therefore they will not be a part of the 10 percent funding guarantee the amendment will mandate for UC and CSU.