# AS-3112-13/FGA (Rev)

# January 17-18, 2013

# Second Reading

AB 67 (Gorell) Post-Proposition 30 Freeze on Systemwide Student Fees and Tuition Increases

**1.** RESOLVED: That the Academic Senate of the California State University (ASCSU) has long recognized the need to bring order to what have been frequent and often unpredictable increases in student fees and commends the authors and co-sponsors of AB 67 for their efforts to address the issue; and be it further,

**2.** RESOLVED: That the ASCSU nonetheless has serious concerns with the language of AB 67 as currently written, specifically:

* The proposed legislation offers no guarantee that state general fund support for the CSU and other higher education segments during this period will be sufficient to offset the revenue lost through a lack of systemwide student fee and tuition increases;
* The legislation makes no provision for the implementation of compensating fee or tuition increases should the Proposition 30-based support become unavailable, due either to a downturn in the state’s fiscal situation or to changing political priorities; and be it further,

**3.** RESOLVED: That the ASCSU urge the authors of AB 67 to incorporate changes in the bill’s language that address these concerns by allowing for the possibility of fee/tuition increases under circumstances, such as those identified above, in which state general fund support (whether Proposition 30-based or otherwise) is insufficient to offset revenue lost to the state’s higher education segments by the absence of tuition/fee increases; and be it further

**4.** RESOLVED: That this resolution be distributed to the following:

* the Board of Trustees,
* the Office of the Chancellor,
* the Chancellor,
* campus Presidents,
* campus Senate Chairs,
* Academic Senate for the California Community Colleges,
* Academic Senate of the University of California,
* Assemblymember Gorell & AB 67 co-sponsors *[list to be provided]*
* Chair, Assembly Higher Education Committee

RATIONALE: Proposition 30 (Schools and Local Public Safety Protection Act of 2012), passed by California voters on November 6, 2012, increases personal income, sales, and use tax rates to generate revenue for K-14 public education in California. It is expected that this will also result in increased allocations in the state’s general fund support budgets for California higher education throughout the period that the Proposition 30 tax increases are in effect (fiscal years 2013-2014 through 2018-2019). AB 67 (Gorell) would prohibit any increases in systemwide student fees and tuition charged by the CSU and other higher education segments during this period. The intent of the legislation is to limit the burden placed on students and families by the frequent and often large fee increases such as those adopted by the higher education segments in recent years as a result of cuts in state support.

While the language of AB 67 as currently written, would prohibit fee or tuition increases at any time during the six-year period specified above, it offers no guarantee that state general fund support will continue at levels sufficient to offset the lack of fee/tuition increases, nor does it contain provisions to allow such increases should the state support not be forthcoming. Given the fiscal uncertainties plaguing California’s budget in recent years, this leaves California’s higher education systems – and particularly the CSU, due to its reliance on student tuition/fees and general fund allocations as principal funding sources – highly vulnerable to any changes in state budget priorities or downturns in revenue, especially at a time when the segments are facing increased enrollment demand while they have yet to recover from major funding cuts of the past several years.