

COLLEGE AFFORDABILITY ACT OF 2008

Section 1. Title.

This Act shall be known and may be cited as the “College Affordability Act of 2008.”

Section 2. Findings and Purpose.

The People of the State of California hereby make the following findings and declare their purpose in enacting the Act is as follows:

- (a) Education is the foundation of our society and we should be doing everything possible to help all students go to college.
- (b) The State of California has a historical commitment to making higher education accessible and affordable for all eligible students.
- (c) California’s 21st century economy needs a strong public university system accessible and affordable to all Californians that can provide an educated workforce.
- (d) Student tuition, commonly referred to as fees, at the University of California and the California State University has almost doubled in the past six years, making it much more difficult for California families to send their children to college.
- (e) According to a recent study released by the Public Policy Institute of California, nearly two-thirds of Californians say that a person must have a college education to succeed in today’s workplace and that the cost of college prevents qualified, motivated students from pursuing higher education. An overwhelming share of residents (84%) say college affordability is a problem.
- (f) This measure would freeze the statewide mandatory fees paid by resident undergraduate students to attend the University of California and the California State University for five years beginning July 1, 2009 and then prevent any future increases from exceeding the annual percentage change in cost of living (the California Consumer Price Index) beginning July 1, 2014.
- (g) This measure would create new additional funding for the University of California and the California State University by imposing an additional tax of one percent (1 %) on taxpayers’ personal income above one million dollars (\$1,000,000).
- (h) This measure would require that sixty percent (60%) of the new revenues be used for additional funding for the University of California and the California State University and that forty percent (40%) of the revenues could be used for additional funding for K-14 public schools.

(i) The additional funding for the University of California and the California State University will be used specifically for the cost of educating resident undergraduate students including student instructional materials, new technology, student scholarships and grants, libraries, improving campus safety and faculty salaries.

(j) This measure establishes the College Affordability Funding Accountability Panel comprised of college administrators, faculty and students to provide an annual accountability update to the public as to how the additional revenue raised by this Act is spent by the University of California and the California State University. The annual accountability update will provide a detailed spending breakdown on a campus by campus basis and will be made available to the public by posting on the University of California and the California State University websites.

(k) This measure will help give all of California's children the opportunity to attend college.

Section 3. Amendment of California Education Code.

Article 3 of Part 40 of Division 5 of Title 3 of the Education Code is amended by adding new Section 66026 to read:

66026. (a) Notwithstanding any other provision of law, effective July 1, 2009 and continuing for a period of five years, there shall be no increase in statewide mandatory fees paid by resident undergraduate students to attend the California State University. The statewide mandatory fees paid by resident undergraduate students attending the California State University shall not exceed the fees in effect as of the base year. For purposes of this section, the base year shall mean the statewide mandatory fees paid by resident undergraduate students to attend the California State University in the academic year of 2008-2009. Effective July 1, 2014, any increase in statewide mandatory fees paid by resident undergraduate students to attend the California State University shall not exceed the annual percentage change in the California Consumer Price Index.

(b) Notwithstanding any other provision of law, effective July 1, 2009 and continuing for a period of five years, there shall be no increase in statewide mandatory fees paid by resident undergraduate students to attend the University of California. The statewide mandatory fees paid by students attending the University of California shall not exceed the fees in effect as of the base year. For purposes of this section, the base year shall mean the statewide mandatory fees paid by resident undergraduate students to attend the University of California in the academic year of 2008-2009. Effective July 1, 2014, any increase in statewide mandatory fees paid by resident undergraduate students to attend the University of California shall not exceed the annual percentage change in the California Consumer Price Index. No provision of this subsection shall apply to the University of California except to the extent that the Regents of the University of California, by appropriate resolution, make that provision applicable.

(c) There is hereby established the College Affordability Funding Accountability Panel. The Panel shall be comprised of six members appointed by the Governor for a term of two years, including two members representing administrators at the University of California and the California State University, two members representing faculty at the University of California and the California State University and two members representing resident undergraduate

students attending the University of California and the California State University. The Panel shall annually review how the University of California and the California State University spend any monies received pursuant to Revenue and Taxation Code section 17043. The Panel shall annually provide an accountability update to the public that details how these monies were spent by the University of California and California State University on a campus by campus basis in the preceding fiscal year. The accountability update shall be posted on the University of California and the California State University websites.

Section 4. Amendment of Revenue and Taxation Code.

Section 17043 is added to the Revenue and Taxation Code to read:

17043. (a) For each taxable year beginning on or after January 1, 2009, in addition to any other taxes imposed by this part, an additional tax shall be imposed at the rate of one percent (1 %) on that portion of a taxpayer's taxable income in excess of one million dollars (\$1,000,000).

(b) The revenue from the additional tax imposed under Section 17043 shall be deposited in the General Fund of the State Treasury. Sixty percent (60%) of these revenues shall be placed in a special account in the General Fund of the State Treasury and are continuously appropriated and shall be disbursed on an annual basis by the Legislature to the University of California and California State University and shall be used for the cost of educating resident undergraduate students attending the University of California and the California State University, including, but not limited to, student instructional materials, new technology, student scholarships and grants, libraries, improving campus safety and faculty salaries.

(c) The ratio for revenues disbursed by the Legislature to the University of California and the California State University respectively pursuant to this section shall be the same ratio between the resident undergraduate statewide mandatory fee revenue collected by the University of California and the California State University respectively in the 2006-2007 academic year.

(d) If the Regents of the University of California do not pass a resolution pursuant to Education Code section 66026 (b), the University of California shall receive no revenues provided for in this section. In that event, the California State University shall also receive all of the revenues that would have been received by the University of California.

(e) The funding established pursuant to the College Affordability Act of 2008 shall be used to supplement existing levels of federal, state and local funding for the University of California or the California State University and not to supplant existing levels of funding. The moneys in the special account in the General Fund of the State Treasury established pursuant to Section 17043 (b) may not be used for any other purpose other than the purposes authorized by the College Affordability Act of 2008, and may not be loaned to any other fund of the State or to any fund of a county, or any other entity, or borrowed by the Legislature, or any other state or local agency for any other purpose than the purposes authorized by the College Affordability Act of 2008.

Section 5. Severability.

If any provision of this Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.