

PAFC NEWS

POLITICAL ACTION FUND COMMITTEE NEWS

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LRCFT POLITICAL ACTION FUND COMMITTEE LAUNCHES NEWSLETTER

The LRCFT's Political Action Fund Committee (PAFC), in an effort to reach out to all Los Rios faculty and make them aware of the PAFC's presence and positions, is publishing this first in what is hoped to be a continuing series of informational newsletters that will be published periodically at least once each semester.

In this issue you will find articles on the propositions appearing on the March 2 primary ballot and the PAFC's position on those propositions; a word from the PAFC's president, Michael Crowley; information on the background of the Proposition 98 "split;" and an endorsement.

We welcome your suggestions and comments. More importantly, we would welcome your participation on the PAFC and any donation you might want to make, either monthly through payroll deduction or a one-time-only offering.

Finally, no LRCFT dues or agency fee funds were expended on the production and printing of this newsletter. All expenses were provided by the voluntary contributions received from Los Rios faculty.

BALLOT PROPOSITIONS

On the March 2 primary ballot you will be asked to vote for, among other issues, four ballot propositions. There are two bond measures among the four propositions.

PROP 55 The Kindergarten-University Public Education Facilities Bond Act of 2004. This measure allows the state to issue \$12.3 billion of general obligation bonds for construction and renovation of K-12 school facilities (\$10 billion) and higher education facilities (\$2.3 billion).

PROP 57 The Economic Recovery Bond Act. This proposition, if passed, would authorize the state to issue a bond of up to \$15 billion to deal with its budget deficit. The bond authorized by this measure would be used in place of the deficit-financing bond authorized last year by the Legislature.

For the uninitiated, bond financing is a type of long-term borrowing that the state uses to raise money for various purposes. The state obtains the money by selling bonds to investors. In exchange, it agrees to repay this money, with interest, according to a specified schedule.

There are three types of bonds that the state sells.

- **General Fund-supported Bonds.** These bonds are paid off from the state's General Fund, which is largely supported by tax revenues. General obligation bonds, the majority of bonds sold by the state, must be approved by the voters and the repayment of these bonds is guaranteed by the State Constitution.
- **Traditional Revenue Bonds.** These bonds, like General Fund-supported bonds, are used to finance capital projects but are not supported by the general fund. Instead, they are paid off from a designated revenue stream, usually generated by the projects they finance, such as bridge tolls. These bonds do not require voter approval.

The direct costs of bond financing depends mainly on the interest rates and the time period over which they are repaid. Most general obligation bonds are paid off over a 30-year period. Assuming current tax-exempt interest rates for such bonds (about 5.25%), the cost of paying them off over 30 years is about two dollars for each one dollar borrowed—one dollar for the dollar borrowed and one dollar for interest. Since the cost is spread out over 30 years, after adjusting for inflation, the cost is

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considerably less—about \$1.25 for each \$1 borrowed.

The Legislative Analyst's Office has estimated that the state's debt service, if each of the two bond measures is approved, would be between 6.4 and 6.9 percent annually. That means that 6.4 to 6.9 percent of the state's general fund would be earmarked for debt repayment.

The two other propositions on the March 2 ballot are:

PROPOSITION 56

The official title is the State Budget, Related Taxes, and Reserve. Voting Requirements. Penalties (don't ask me who thinks up these names). The unofficial name for Prop 56 is the Budget Accountability Act. This measure would amend the state's Constitution to permit the Legislature to pass the state budget and tax increase measures related to the budget by a 55 percent vote instead of the two-thirds required currently. It would require that 25 percent of "excess" state revenue (up to five percent of General Fund spending) be set aside as a reserve. These reserve funds could be spent only in certain circumstances. The measure would also require that the Legislature and Governor lose salary and expenses each day the budget is late and require the Legislature to stay in session until a budget is passed.

PROPOSITION 58

The California Balanced Budget Act would amend the state Constitution to make changes related to 1) enactment and maintenance of a balanced state budget, 2) the establishment of specific reserve requirements, and 3) a restriction on future deficit-related borrowing. The proposition requires that the state adopt a balanced budget and provides for mid-year adjustments in the event that the budget falls out of balance. This measure would only take effect if Proposition 57 is approved also.

At its last meeting, the PAFC voted to endorse Propositions 55 and 56.

PAFC ENDORSES DAVE JONES FOR THE 9TH ASSEMBLY DISTRICT.

The March 2nd primary will be the first step in determining a successor to Darrell Steinberg, who is seeking to move on to the State Senate.

AFTER INTERVIEWING FIVE CANDIDATES TO REPLACE ASSEMBLYMAN STEINBERG, THE LRCFT POLITICAL ACTION FUND COMMITTEE DETERMINED THAT DAVE JONES WOULD BE THE MOST EFFECTIVE ADVOCATE FOR EDUCATION ISSUES, FAC- ULTY INTERESTS AND THE INTERESTS OF WORKING PEOPLE GENERALLY.

He is committed to public education and other issues affecting working families. As a member of the Sacramento City Council, Jones was the leading voice on the City Council for a living wage ordinance and other labor-related issues. In his interview he demonstrated a superior grasp of education issues, such as the Proposition 98 split, supporting the enforcement of the 89/11 split, which until now has been honored more in the breach.

He is committed to increasing the total funding to community colleges and to working with the California Federation of Teachers (LRCFT's state affiliate) to aid all faculty, including UC lecturers and community college part-timers. He is opposed to raising tuition because he knows it serves as a barrier to attendance for many students.

We believe he will bring his considerable skills and intelligence to the Assembly in order to serve the interests of the citizens of the 9th Assembly District. We urge you to cast your ballot for Dave Jones, whether you vote by mail or go to the polls on March 2nd.

If you are interested in volunteering for the Dave Jones campaign, please call (916) 441-6523. ■

COMMUNITY COLLEGE FUNDING—IT'S ALL ABOUT THE "SPLIT"

By Dennis Smith

As most of us know, Proposition 98 is a constitutional provision requiring a minimum funding level for California's K-14 public education systems that would be equal to 40% of the State's annual general revenues. What most of us may not know is that the original language was not explicit about how much of the Proposition 98 funds would be allocated to community colleges. In 1989, legislation was enacted that required and described the calculation of the "split" between the K-12 and community college systems. That definition is found in California Education Code Section 41203.1 and it reads as if it would require a team of accountants and lawyers to translate it. They have translated the language and the community college portion was determined to be 10.93% of each year's Proposition 98 funding.

Unfortunately for community college students, the legal "split" amount has been suspended by the legislature in every year since 1992. In 2003 – 2004 for example, the community colleges received only a 9.6% share of available funds. Our students exercised some political voice last year but when competing with "the kids" and the K-12 system there is usually no contest. The Sacramento Bee has likened our political situation with being in a cage with a 900-pound gorilla with only one bunch of bananas between us. Still, I do not believe that it is too much to demand that the legislature and the administration follow the law and give community college students their fair and legal share of Proposition 98.

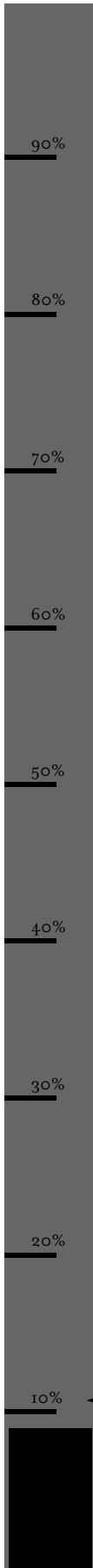
Last year, Assembly Member Robert Pacheco introduced two pieces of legislation (AB1508 and ACA 13) that would have made it more difficult for the community college "split" to be routinely suspended. Neither of the bills got out of committee hearings and both are held on suspension at this time. So, do we give up? Never! Our

students need to be educated about the consequences of not getting our fair and legal share of Proposition 98 funds year after year after year. If we cannot compete with the lobbyists for the 900-pound gorilla, then the students have to be inspired to engage once again in direct political action on behalf of themselves. They must get radicalized around getting their fair and legal share of Proposition 98.

A study by the Public Policy Institute of California released last month reports that California is ranked 45th out of 49 states in spending per community college students. The same report calls for the state to fully fund the money guaranteed them under Proposition 98. Similar calls for a fair and legal share for community colleges was made at a press conference held at Sacramento City College in the fall semester. Robert Turnage, Vice Chancellor for Fiscal Policy, with the Community College Chancellor's Office explained that given expected growth in the State's Proposition 98 guarantee in the 2004 – 05 fiscal year, honoring the statutory split would result in an increase in community college funding of almost \$700 million.

With this amount of money, classes would not have to be cut, student fees would not have to be increased, and colleges would be able to hire sufficient full-time faculty and staff to ensure student success. Will you help to educate our students? Will you help them to flex their political muscle in the coming budget struggles? A college education includes citizenship across the curriculum and for the next six weeks, it looks like voter registration efforts, letters to public officials, working with the news media, visits to legislators, student rallies, and the big event on the 15th of next month – March in March II. If you did not participate last year, don't miss this incredible event. Look for more specific communication about how you may help the students to understand the issues and to demand their fair and legal share of Proposition 98 funding. ■

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IN 2003 – 2004 FOR EXAMPLE, THE COMMUNITY COLLEGES RECEIVED ONLY A 9.6% SHARE OF AVAILABLE FUNDS.

IT'S NOT YOUR DUES

By Michael Crowley

Since the early 1980s, the LRCFT Political Action Fund has existed to make sure that Los Rios faculty have some influence in the process of determining who will sit on the Los Rios Board of Trustees. If we lived in an ideal world, or at least an ideal state, we wouldn't need a political action fund. The governor, legislators, and especially taxpayers would all recognize how important the community colleges are and would make community college funding a priority. They would even see community colleges as more important than prisons. In an ideal state, community college funding and all educational funding would be as sacred as defense funding is at the federal level.

Twenty-five years ago, in the aftermath of Proposition 13, we learned that in the real state of California nothing in public funding is sacred. Every dollar is another scrap in an unending political dogfight. We had hungry years in the early eighties, years of double digit inflation with no pay raises. Finally, after angry contract negotiations nearly ended in job actions (our euphemism for strike), we got a pay raise. And with the pay raise, a lesson: snarling and snapping is more effective than sit up and beg.

With that lesson came the certitude that in politics, money is power. But we were determined that it not come out of your dues money. We started a political action fund that was a two-buck affair with very little faculty participation. Our response was to start building a more effective fund using face-to-face campaigning and art auctions at the Union picnics. Faculty members were asked to make small monthly payroll deductions. The typical pledge was five dollars and the fund began to grow. Soon we had a few hundred dollars that we used to support a neutral board member in his re-election campaign. Since most of the members of the Los

Rios Board of Trustees opposed the union, helping a neutral one was the best we could do.

No deals were made. After a lengthy interview, we offered him our endorsement and money for his campaign. We asked for nothing in return. We told him our support was for his positive attitude toward the students and the district. He was re-elected and soon afterwards became the president of the Board. His new, more positive attitude toward the Union was quite obvious to those of us who attended the Board meetings. And then came another candidate and another.

THE COMMON THREAD RUNNING THROUGHOUT THE COMMITTEE'S HISTORY IS THE CONCERN FOR EDUCATION AND THE INTERESTS OF FACULTY.

The Political Action Fund Committee's procedure has always been the same. We interview candidates, both those running the first time and those running for re-election and then make our recommendations to the Union's executive board. Some candidates we ignored, some we endorsed, and some we endorsed with a campaign contribution. Endorsements and contributions have been given in the same spirit: a positive attitude towards faculty and students, which has always been enough; no deals needed. From the mid eighties to the early nineties the relations between our Union and the Los Rios Board improved so much that we agreed to negotiate with mutual respect in a manner that recognized the rights and obligations of both sides. The result has been labor peace, rapid contract negotiations, increased faculty rights and participation, increased salaries and annual retro checks.

The Political Action Fund Committee's view of its role in the endorsement process has changed over the years. For several years after its formation, the Committee made a decision to restrict its endorsements to those candidates running for positions on the Los Rios Board of Trustees. Beginning in the early 1990s, the Committee decided to reach beyond the borders of Los Rios and the Board of Trustees to endorse and contribute to candidates for the state Assembly and Senate. Thus, we endorsed and contributed to the candidacies of Gilbert Cedillo for State Assembly and Hilda Solis for State Senate.

Then, in the late 1990s the pendulum swung back in the other direction and the Committee once again restricted itself to endorsing and contributing to the candidacies of those running for the Los Rios Board of Trustees and to the Los Rios construction bond measures.

We now believe the situation calls for the Committee to once again assert itself beyond Los Rios. Last year the Committee contributed to the March in March and it has contributed again this year to the March in March II. It also contributed to the campaign to defeat Proposition 54, the Ward Connerly-sponsored initiative that would have forbidden California public agencies from collecting information about race, ethnicity, color, or national origin. The Committee has also endorsed the candidacy of Dave Jones for Assembly.

The common thread running throughout the Committee's history is the concern for education and the interests of faculty. Whenever a decision was made to go beyond the borders of Los Rios, those were the criteria the Committee used to make its decision.

We invite your participation in the work of this important committee. ■