

## **CFA Board of Directors' Resolution in Opposition to the Deficit Bond and Spending Caps**

WHEREAS the Governor's \$15 billion deficit bond and spending cap proposal offers no permanent solution to the structural ongoing state deficit problem and actually makes it worse; and

WHEREAS refinancing and adding debt (through the repeal of the Vehicle License Fee) to be financed over a longer period of time adds to the ongoing structural problem by nearly doubling the total costs of borrowing, estimated to be \$24 billion over a 15-year period; and

WHEREAS more borrowing would force our children and our grandchildren to pay billions more in interest over the next several decades; and

WHEREAS education, healthcare, and funding for transportation and infrastructure would have to be cut over the next several years just to pay off the debt; and

WHEREAS constitutional spending caps that are based on the CPI, as proposed by the Governor, would ratchet down services and not allow them to keep up with the growth of the economy; and

WHEREAS a cap based on the CPI means that Proposition 98 would quickly eat up all of the General Fund; and

WHEREAS a cap based on the CPI means that legislators would be unable to restore services that were cut in bad economic times; and

WHEREAS the deficit bond and spending caps proposal, if passed, would threaten future state funding for the CSU and seriously jeopardize quality, access, and affordability of public higher education for millions of potential future students;

BE IT THEREFORE RESOLVED that the CFA Board of Directors opposes the proposal to address the budget crisis through a deficit bond and spending caps and urges faculty, students, and staff of the CSU to convey their concerns to the Governor and state legislators.

*Approved by CFA  
Board of Directors December 6, 2003*