

2009-10
System Budget Proposal



California Community Colleges
System Office

September 2008



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**CALIFORNIA COMMUNITY COLLEGES
2009-10 SYSTEM BUDGET PROPOSAL**



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This is a working draft subject to revisions pending final disposition of the 2008-09 state budget and final action of the Board of Governors California Community Colleges.



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PREFACE

The missions and goals of the California Community Colleges have changed dramatically over the years. Alone among the education segments, community colleges today must meet several divergent educational goals, depending on the needs of the communities they serve. When the first “junior colleges” were established in the U.S. in the early 20th century, they were intended to provide a more economical way for students to complete their first two years of college before transferring to a four-year institution. Over time, the mission of the colleges expanded. Today community colleges not only prepare students for transfer to four-year colleges and universities, but also provide: associate degrees and professional certificates; job skills to meet labor force needs; basic skills instruction; remedial education; contract training for local businesses; and personal enrichment courses.

Since California Community College (CCC) districts serve their individual communities, each college offers a different mix of courses to meet these missions. Collectively, the colleges meet critical statewide needs, and all of the state’s community colleges will be challenged by the increasing need to prepare the labor force for the economy of the future.

Budget Request Prioritizes Base Funding Needs

This Budget Request has been prepared with an awareness of the dire fiscal predicament facing the state. As of the writing of this request, the state had yet to enact the 2008-09 fiscal year budget due to differences on how to address a \$15 billion budget shortfall. Given this fiscal uncertainty, the fact that the state failed to fully fund community college core needs in 2007-08 in the amount of \$63 million (the unfunded portion of the property tax shortfall and unfunded enrollment growth), and the likelihood that the state will again fall short of fully funding the system’s funding needs in 2008-09, the 2009-10 budget request prioritizes funding to support core programs and services. Without funding to support base costs, the capacity of the colleges to deliver much needed education and training is compromised and the purchasing power of education programs erodes, and with it erodes the capacity of colleges to serve students.

System Strategic Plan for the California Community Colleges

This budget proposal is built on the framework of the strategic plan adopted by the Board of Governors in January 2006. The *System Strategic Plan for the California Community Colleges* provides a comprehensive road map for improving educational outcomes for students. The *System Strategic Plan* addresses the major demographic, economic, and educational issues that California will face in the coming decade. Developed through extensive consultation with the colleges’ educational leaders and external partners, this plan provides a framework for state policymakers and the colleges to work together on behalf of shared strategic goals of statewide significance. The five strategic goal areas identified in the *System Strategic Plan* are:

- A. College Awareness and Access**
- B. Student Success and Readiness**
- C. Partnerships for Economic and Workforce Development**
- D. System Effectiveness**
- E. Resource Development**

In practice, these strategic goal areas overlap and work together to help the colleges meet their multiple missions. Many of the specific initiatives identified in this budget proposal address more than one of the above categories.

California Community Colleges: Solutions to California's Economic Crisis

This budget proposal has been developed at a time when California is at an economic crossroads, facing an unprecedented workforce crisis. California has long been one of the wealthiest and best-educated states in the nation. The state has invested in building a world-renowned system of public higher education, which in turn has helped spawn a vibrant business sector. Due largely to this investment in higher education, California holds claim to being the eighth largest economy in the world and has been a key contributor to growth in the global economy through innovations in areas such as information technology, aerospace, and agriculture.¹

However, California's position as a world economic leader is threatened. California's per capita income has fallen from 25 percent above the national average in 1960 to just six percent today.² This decline is being driven largely by two powerful trends – the world economy's increasing reliance on educated, highly skilled workers, and California's lagging levels of educational achievement. According to the National Center for Public Policy and Higher Education, if California's educational attainment trends continue along the current trajectory, the average per capita income of California residents is projected to decline by 11 percent over the next two decades – the largest projected decline in the country.³

Long gone are the days when a high school diploma was sufficient to secure a high-wage job. In today's economy, such jobs require education and training beyond high school. Unfortunately, just as advanced education and training have become more important in the workplace, California's level of educational attainment has declined. In 1960, California was 25 percent above the national average in producing high school graduates; now we are five percent below the national average. Over the same period, the proportion of the state's population with a four-year degree dropped from 25 percent above the national average to just 10 percent above the national average.⁴ Out of every 100 students entering ninth grade, only 19 graduate with either an associate's or bachelor's degree.⁵ We are losing too many students along the educational pipeline at a time when our state's economy desperately needs more skilled and educated workers. California's business sector is deeply concerned about these education trends, and has been vocal about its growing need for a better educated, more highly-skilled workforce.

It is only through significantly improving education and training outcomes for our state's residents that we will be able to meet the economy's workforce needs. If California fails to rise to this challenge, more employers will leave the state seeking better labor pools. Clearly, such an exodus would undermine economic opportunity for Californians and diminish our ability to maintain our role as an economic world leader.

¹ California Business Round Table and Campaign for College Opportunity, *Keeping California's Edge*, April 2006.

² Campaign for College Opportunity, *Return on Investment*, November 2005.

³ National Center for Public Policy and Higher Education, *Projected Drop in California Most Severe in U.S.*, November 2005.

⁴ Campaign for College Opportunity, *Return on Investment*, November 2005.

⁵ National Center for Public Policy and Higher Education, *The Educational Pipeline: Big Investment, Big Return*, April 2004.

California Community Colleges: Solutions to California's Workforce Crisis

The California Community Colleges are uniquely positioned to help the state address this looming social and economic crisis. The community colleges have an unparalleled track record of delivering a wide range of education and training programs designed to meet local student and employer needs. Following are some of the many ways they have met the state's demand for high quality education and training:

- More than 70 percent of California's higher education students are enrolled in a CCC.⁶
- Almost 60 percent of all graduates of the California State University (CSU) and 30 percent of graduates of the University of California (UC) transferred from a CCC.⁷
- On average, students completing a degree or certificate at a CCC increase their earnings by 63 percent, or \$18,630, within three years.⁸
- Approximately 70 percent of all new nurses trained in California are trained at a CCC.⁹

In addition, the community college system's size and geographic distribution make it the only segment of higher education capable of delivering education and workforce training on the large scale needed to reverse the state's current trends in educational achievement. Each year, the community colleges provide education and training to over 2.7 million students at 110 colleges, making it the largest higher education system in the world. Only the community colleges have the educational infrastructure to deliver services to the millions of people, at all stages of their educational and professional careers, in the timeframe necessary to address the state's current economic challenges.

The *System Budget Proposal for 2009-10* focuses on funding programs and projects that will support the capacity of the community colleges to meet California's critical workforce needs. Rooted firmly in the *System Strategic Plan's* five goal areas, the budget proposal includes bold new policy initiatives to improve college-going rates, expand program capacity, and improve program effectiveness. Taken as a whole, this budget proposal presents an investment plan to provide Californians with the increased access to the education and training needed to participate in and benefit from the new economy.

⁶ 2007 Focus on Results, Accountability Reporting in the California Community Colleges, Chancellor's Office, California Community Colleges, March 2007.

⁷ 2007 Focus on Results, Accountability Reporting in the California Community Colleges, March 2007.

⁸ 2007 Focus on Results, Accountability Reporting in the California Community Colleges, March 2007.

⁹ California Board of Registered Nursing, 2005-2006 Annual School Report.

CALIFORNIA COMMUNITY COLLEGES 2009-10 Budget Overview

Education Code section 70901(b) (5) (A) directs the Board of Governors to prepare and adopt an annual System Budget Request, using the consultation process established under state law. This budget is focused on “local assistance” to the college districts, funded under Proposition 98. The local assistance budget is distinct from the System Office budget—which is ineligible for Proposition 98 funds—and capital outlay budget, which is largely funded with bonds and is separately reviewed by the Board. At its July meeting, the Board reviewed a timeline and framework for preparation of the 2009-10 System Budget. A budget work group, comprised of many members and designees of the Consultation Council, other college representatives, System Office staff and several “outside” individuals who have been part of the strategic plan process, met three times during July and August to work on details of the budget request. The evolving budget proposal was discussed at the July and August meetings of the Consultation Council. The recommended System Budget Request reflects a general consensus of Consultation.

The System Budget recommendation presented to the Board at this meeting is based on the following assumptions:

- The *System Strategic Plan* provides the framework for the system’s budget plan. All budget proposals included in the System Budget Request advance priority strategic plan goals.
- In light of the state’s current budget crisis, this request prioritizes funding to support core programs and services. Without funding to support these base costs, the capacity of the colleges to deliver much-needed education and training is compromised. Funding for new initiatives and program expansions therefore should come only after core baseline costs are addressed.
- California faces an economic and workforce crisis that requires immediate action. California is in danger of losing its position as a world economic leader if current levels of educational achievement persist. To secure high-paying jobs in the new economy, workers need significant post-secondary education and cutting-edge skills. Without a sufficient supply of such high-skilled workers, California businesses will be disadvantaged as they compete with other states and nations.
- The California Community Colleges are uniquely positioned to help California meet this challenge by preparing workers for the new economy. Our expertise in education and training delivery and our presence in communities across the state make us an integral part of the solution to this looming policy crisis.

The recommended increase in the system budget for 2009-10 totals \$1.068 billion in ongoing Proposition 98 funds and \$419 million in one-time funds. Ongoing Proposition 98 funding would grow to \$7.5 billion. This and all other recommended funding increases are summarized in the table below and described in further detail in the next section, *2009-10 Budget Narrative*.

TABLE I

California Community Colleges 2009-10 System Budget Summary of Recommended Funding Increases *(Dollars in Thousands)*

Strategic Plan Goal Areas / Budget Items	Ongoing Funds	One- Time Funds
College Awareness and Access		
2008-09 COLA deficiency (estimate based on Conference Committee version) *	219,719	
COLA (4%) *	257,915	
Growth (4%) *	239,475	
Career Development and College Preparation *	30,000	
Maintaining Effectiveness of Student Services Categorical Programs *	21,803	
School-to-College Bridge Program	4,200	
Student Success and Readiness		
CCC Student Success Initiative	50,000	
Assessment, Counseling, and Placement	18,000	
Fund for Student Success	2,500	
Part-Time Faculty Office Hours	8,750	
Part-Time Faculty Health Insurance	7,850	
Increasing Full-Time Faculty Positions	45,000	
Compensation Equity for Part-Time Faculty	50,000	
Partnerships for Economic and Workforce Development		
Governor's Career Technical Education Initiative Expansion	48,000	
System Effectiveness		
Videoconferencing Infrastructure Replacement		2,000
Accreditation Assistance Team	2,000	
CalPASS Expansion	2,000	
Professional Development and Training	10,000	
Student Senate Support	300	
Academic Senate COLA	190	
Core Infrastructure Needs		
Instructional Equipment		100,000
Facilities Maintenance		100,000
Reimbursement of State Mandates	50,000	217,000
TOTAL	\$1,067,702	\$419,000

* Base funding, necessary to maintain current level of instruction and services.

BUDGET NARRATIVE AND FUNDING THE SYSTEM STRATEGIC PLAN

A. College Awareness and Access – Increase awareness of college as a viable option and enhance access to higher education for growing populations.

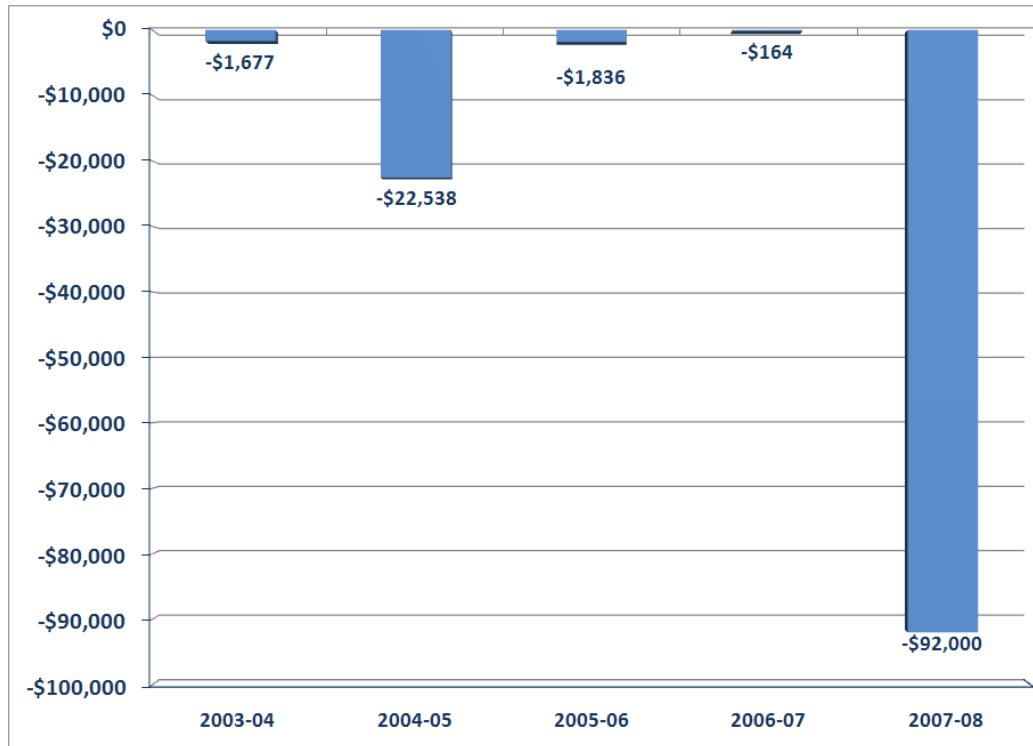
Stronger outreach to a growing population is critical to the development of the educated and talented workforce California needs to remain a competitive economic leader. The community colleges will ensure that Californians of any race, sex, age, color, ethnicity, economic means and national origin have access to a college education and all the lifelong benefits that come with it.
–System Strategic Plan

In an effort to meet these goals, the following initiatives are recommended:

Permanent Property Tax Backfill. In 2007-08, community college property tax receipts fell short of Budget Act estimates by over \$90 million. This property tax shortfall translated into a cut to colleges' general purpose revenues, significantly reducing resources available to support educational services. As shown in the graph below, *Property Tax Shortfalls by Fiscal Year*, property tax budget estimates have not matched actual property tax receipts for colleges for the past five years. While the 2008-09 Budget Act proposes to backfill \$75 million of the shortfall and the legislature provided a partial property tax backfill in 2004-05, the community colleges do not receive an automatic backfill when property tax estimates are wrong. In fact, this error in estimating property taxes is only corrected in the following fiscal year and only if the Governor and Legislature agree to provide relief in the form of additional funding.

To remove any future funding uncertainty and to avoid mid-year cuts to base programs, we seek a statutory change that would provide colleges with an automatic funding backfill of property taxes, similar to the one currently in place for K-12 school districts.

Property Tax Shortfalls by Fiscal Year



Restoring 2008-09 Lost Cost-of-Living-Adjustment (COLA) (\$219,719,000) Historically, the community colleges have received annual COLA increases. However, the current budget crisis precluded the state from providing a full COLA to colleges in 2008-09. This lack of a full COLA eroded the purchasing power of colleges and with it the capacity of colleges to serve students. Each year, the colleges face nondiscretionary cost increases for in areas such as staffing, employee health benefits, and utilities. These cost increases, when not addressed through a COLA, force colleges to make budget cuts that have negative impacts on students, including reductions in the number and variety of courses offered, reduced ability to develop new curriculum in response to changing workforce needs, and fewer counselors available to assist students.

In the past, K-12 have benefited from restoration of lost COLAs through the “revenue limit deficit” mechanism. The community colleges need restoration of their lost COLA for the very same reason as K-12 schools—without it their capacity to serve California’s students would be permanently depressed.

COLA (\$257,915,000) In addition to restoration of last year’s COLA, this request also seeks a budget year COLA for the general apportionment and selected categorical programs. The provision of COLA is necessary to preserve access to high-quality programs in the face of inflation. The price index specified by law is the same as specified for K-12 education, the state and local government price deflator published by the federal government. This \$258 million request assumes a 4.0 percent increase in this price index for 2009-10, based on preliminary

information. The number will be revised as updated information becomes available and will be finalized at the time of the Governor's May Revision in 2009.

Enrollment Growth (\$239,475,000) Education Code section 84750.5 states that the annual statewide enrollment growth request shall be based on, at a *minimum*, the sum of the statewide change in the adult population and the percent of statewide unemployment above five percent. The statewide adult population increase is 1.67 percent and June's unemployment rate was 7.3 percent. The statutory minimum growth rate using these two factors would provide the colleges with approximately 4.0 percent growth funding in 2009-10, allowing an additional 43,000 FTES to be served throughout the state.

There are several factors that warrant enrollment funding growth of at least this level. To begin with, over the past few years, the system has seen a trend of strong growth in student demand for additional courses. During the 2006-07 year, the system experienced a 4 percent increase in FTES over the prior year or 44,000 FTES. The robust growth experienced in 2006-07 continued into 2007-08 with statewide growth coming in at 3.2 percent or 33,000 FTES. Unfortunately, due to a shortage of enrollment growth funding in the state budget, not all eligible growth was funded in 2007-08. As a consequence, the System Office was forced to apply a "growth deficit" to certain districts experiencing growth beyond their growth revenue caps resulting in a \$43 million loss in funding for those districts. This was the first time since 2003-04 that the state was not able to fully fund enrollment demand.

Further, our forecast for 2009-10 anticipates a continuation of the strong growth based on the following circumstances:

- A weakening economy that will likely lead to increased demand for classes as displaced workers return to school to acquire additional job skills.
- The growing need for currently employed workers to update their technical skills in order to remain competitive in the workplace.
- Fee increases and enrollment management decisions at UC and CSU will lead more students to begin their four-year college education in the community colleges.

Based on recent growth trends and the factors noted above, we propose budgeting for enrollment growth of 4.0 percent in 2009-10. However, we should know more about developing trends as we approach the spring budget hearings and will revise the recommended request accordingly.

This request also applies 1.67 percent growth rate to six categorical programs that historically have received such funding: the basic skills supplement, Extended Opportunity Programs and Services (EOPS), Disabled Student Programs and Services (DSPS), Cooperative Agencies Resources for Education program (CARE), Matriculation, and the childcare tax bailout program. The growth request includes \$6 million to fund growth for these student support programs.

Finally, it should be noted that a failure to sufficiently fund growth could impede access to higher education and undermine the community colleges' ability to meet California's vital needs for education and workforce training, especially during a time of rising unemployment throughout the state. As the graph below highlights, community college enrollments grow when

unemployment rises. As of June, the statewide unemployment rate hit 7.3 percent. While we have no official attendance reports yet, informal surveys of college districts across the state are indicating surging enrollments in many districts ranging from 5 to 15 percent for fall 2008.

(graph to be inserted)

The state's best strategy for meeting the higher education access needs of its citizens within constrained state resources is to place maximum possible emphasis on access to the community colleges. This growth proposal serves key state objectives, and does so in the most cost-effective way possible, given the far lower costs to the state for access to higher education through the community colleges than through any other segment.

Career Development and College Preparation (\$30,000,000) The *2006-07 Budget Act* provided \$30 million as a first installment of augmented resources to community colleges to enhance funding for certain noncredit courses in basic skills, English as a Second Language (ESL) and short-term vocational courses with high employment potential. The full cost of funding this program is estimated at \$45 million. This request seeks another \$30 million as a second installment of resources to augment the CDCP funding rate with the intention that the system would seek the remaining \$12 million in future years to fully fund CDCP noncredit courses, ultimately bringing the rate up to a level comparable to the system's credit rate.

Legislation signed by the Governor in September 2006 recognized the importance of offering certain noncredit courses in a sequence of instruction leading to a degree or certificate, or improved job opportunities, and authorized a higher rate of funding for these "career development and college preparation" noncredit courses. The legislation, Senate Bill 361, required the development of criteria and standards to establish the eligibility of courses for this augmented funding. Those recommendations, based on a task force of chief instructional officers and members of the academic senate, were approved by the Board of Governors in November 2006.

Noncredit instruction in Career Development and College Preparation is becoming a gateway for countless numbers of the state's immigrants into productive involvement in American society; the gateway for thousands of state residents who are unemployed or on welfare into job training and productive employment; the gateway for others lacking high school diplomas, or persons from families without college experience, into credit instruction and the attainment of associate and bachelor's degrees. Research at City College of San Francisco shows that about one third of that college's credit students started in a noncredit course. More dramatically, 53 percent of African-American students and 52 percent of Latino students earning associate degrees at the college started as noncredit students.

Given the sweeping demographic changes occurring in California in the last decade and expected in the coming decades, and given California's critical workforce preparation needs, the adequate provision of noncredit instruction, particularly in the priority areas encompassed in Career Development and College Preparation, is critical to California's future. The *2006-07 Budget Act* provided the first stage of the needed investment in this critical educational area for the state. No additional funds have been provided for this effort in subsequent budgets. We recommend a further augmentation of \$30 million in 2009-10 to continue the gradual fulfillment of this important state objective.

Maintaining Effectiveness of Student Services Categorical Programs (\$21,803,171) The student services categorical programs initiative consists of three components described below.

- *Restoring Matriculation (\$13,100,000)* Several recent reports have focused on the numbers of students who enroll in CCCs and who do not either complete a degree or certificate or transfer to four-year institutions. These reports have highlighted the need for improved rates of student success, and the role of support services in helping students succeed in defining and reaching their goals. The *System Strategic Plan* describes in detail the essential role of improved programs and support services to ensure all students can achieve their educational and career objectives.

One of the most critical areas for student success is met through a state program known as Matriculation. This program provides a specific set of services and related activities beginning with a student's arrival on campus and proceeding throughout the student's community college career. These services are organized into components that include orientation, assessment, placement and counseling. The Matriculation program touches every student entering the system with at least one of its service components, and provides specific support essential for the success of at-risk, first-time students in transition from high school, as well as other at-risk populations, to define and complete specific academic goals. Matriculation services assure that students find access to the courses and programs for which they are eligible and that supportive services are available to help support their success. For countless community college students these support services make the difference between an effective pathway to an educational objective (such as a certificate, degree, or desired skill) and an unguided pathway to an inconclusive end. Ultimately, for many students, these services—or the lack of them—spell the difference between educational success and failure. The state has a compelling fiscal and policy basis for assuring that its considerable investment in community college students—over \$6 billion annually—results in as many students as possible making appropriate educational choices, moving in an efficient way through the colleges, and enjoying success in attaining educational objectives.

In the *2002-03 Budget Act*, the Matriculation program suffered a 29 percent reduction from its 2001-02 base allocation in the that has yet to be completely restored. This reduction significantly affected the services that are provided to students in the community colleges. Matriculation programs are funded by a 25 percent state allocation matched with 75 percent local funds, so the effect of state cuts has an even more devastating effect on local programs. The 2002-03 budget cut and the shortfall over the succeeding years, with the additional effect of a lack of funding for growth or COLA, have forced colleges to significantly reduce and/or eliminate services in each of the Matriculation components. During this same period, the need for these services, both in intensity and number, have increased. Students come to the community colleges increasingly underprepared and in need of more intensive services, at the same time that their number continues to grow in both the credit and noncredit areas. We recommend restoration of the \$13.1 million to restore the Matriculation program to its previous funding level.

- *COLA and Growth for CalWORKs, FKCE, and BFAP-SFAA (\$7,214,091)* Several state programs provide funding to improve educational success for financially disadvantaged student populations. Most of these categorical programs receive annual adjustments for inflation and population growth. However, three of these programs – California Work Opportunities and Responsibility to Kids (CalWORKs), Foster and Kinship Care Education (FKCE) and the Board Financial Assistance Program – Student Financial Aid Administration (BFAP-SFAA) programs – do not receive funding adjustments for increases in population or costs of living. Because staff employed by these programs are entitled to salary increases negotiated on a college-wide basis, programs that don't receive increased funding have to reduce services in order to cover payroll costs.

The CalWORKs program provides special services to CalWORKs students who are currently welfare recipients or who are in transition from welfare to achieve long-term self-sufficiency. The FKCE program provides education and training to potential and current foster parents to assist them in meeting the increasingly complicated needs of the foster children and youth in their care. The BFAP-SFAA program provides support for the determination of eligibility and delivery of federal, state and institutional financial aid programs to eligible students.

These three programs have provided support to economically disadvantaged students for many years without receiving funding augmentations related to population growth or cost of living adjustments. We recommend the state provide \$7,214,091 augmentation in 2009-10 to reflect COLA and growth adjustments to these three categorical programs.

- *Funding Categorical Programs for New Colleges (\$1,489,080)* Besides educational and administrative services, new colleges require the student services provided through the CalWORKs, CARE, DSPP, EOPS, Financial Aid Administration and Matriculation categorical programs. The allocation formula for each of these programs provides every college a base amount to cover basic operation costs and to ensure a minimum level of funding for small colleges, and then distributes the remaining available funds on workload measures related to the number of students served. Currently, when a new college is accredited, the workload portion of its categorical entitlement is accommodated within existing total program resources because the new college's students were previously funded through the parent college from which the new college grew. The *base* portion of its allocation, however, can only be provided through either a budget augmentation (such as proposed here) or by reducing the base funding for all other colleges.

Increased funds are requested to address the following new colleges: West Hills Lemoore College was accredited in June 2006, Woodland College was accredited in June 2008, and both Norco and Moreno Valley Colleges are expected to be accredited in 2009-10. The requested funds are needed as base funding for these colleges to avoid erosion of the limited categorical funds for all colleges. We recommend an ongoing augmentation of \$1,489,080, commencing in 2009-10, to meet the projected minimum funding needs in the categorical programs for these four new community colleges.

Promoting Early Awareness and Outreach through the Statewide Bridge Program (\$4,200,000) The *System Strategic Plan* sets forth five strategic goals, with the first two focusing on college access and success. Goal A is focused on assuring early awareness of college as a

viable option for K-12 students and parents, especially for the less traditional college-going populations. Goal B focuses on improving college readiness and providing programs and services to ensure that all students can achieve their educational and career objectives. Although identified as separate goals, these two system priorities are deeply intertwined. One of the factors leading to these goals in the *System Strategic Plan* has been the steady decline in the rate of young adults who attend college.

Over the last several years, the participation rates of 18-24 year olds in community colleges have been progressively falling.¹⁰ In addition, despite the fact that a variety of studies over the last decade have underscored the increased economic imperative of having at least some level of postsecondary education, California ranks 48th nationally in terms of the percentage of public high school students going to any college.¹¹ These statistics are unacceptable. They indicate not only a great personal loss to those individuals who do not access higher education, but also an enormous social, civic and economic loss to families, local communities and California as a whole.

There are many reasons students do not enroll in higher education. Many students leave high school with inadequate academic preparation and a lack of awareness of the processes or requirements for pursuing higher education. Others do not attempt college because they are unaware of the many financial resources and support services available to assist them in attending postsecondary education. UC and CSU operate a variety of academic preparation programs and outreach efforts that collaborate with K-12 institutions to address these problems, but their efforts reach a relatively small percentage of California high school students, just as their enrollments can only accommodate, at best, the top-performing one third. The CCCs have received no funding for statewide outreach activities to partner with high schools, and must rely on local relationships. Without a coordinated statewide effort, K-12 students, parents, teachers and administrators do not have access to consistent information about the processes, requirements and resources at community colleges, and the State fails to leverage resources or achieve efficiencies in program development and delivery.

With 110 colleges offering both transfer and career/technical education programs, the community colleges are *the* access point to higher education for most high school graduates. They are also the perfect transition partners for local K-12 institutions. This proposal is intended to address the lack of coordinated statewide outreach and academic preparation efforts in the community colleges by establishing the School-to-College Bridge program.

The School-to-College Bridge program is an innovative new program, inspired by a successful program developed by Victor Valley College and its feeder high schools. The program assumes that all students, regardless of whether their goal includes entering the workforce or obtaining an academic degree, should apply to a postsecondary institution before leaving high school. The program creates partnerships between community colleges and their feeder high schools and middle schools, and represents an innovative approach to connecting high school students to community colleges as well as other institutions of higher education, with the goal of increasing academic preparation of high school graduates and their college-going rates through these specific objectives:

¹⁰ 2007 Focus on Results, Accountability Reporting in the California Community Colleges, Chancellor's Office, California Community Colleges, Sacramento, March 2007.

¹¹ The National Center for Higher Education Management Systems Information Center, <http://www.higheredinfo.org/dbrowser/index.php?submeasure=63&year=2004&level=nation&mode=graph&state=0>, 2007.

- 70 percent of high school seniors apply to a postsecondary institution.
- High school seniors become the ambassadors for the program.
- Community colleges become the base for K-14 coordinated education.
- Communication and collaboration among local K-14 faculty, staff and administrators is greatly improved.
- The Bridge process begins in the 6th grade.

The proposed statewide program would take the application process from the college campus into high school classrooms by working with high school faculty to provide lessons and activities that culminate in students submitting a college application, taking the local college placement exam and applying for financial aid at their own high school. Students explore career interests, academic programs and financial aid options, and, also participate in student-guided tours of a college campus.

Program costs are estimated at \$100,000 per college per year. With slots for 37 colleges being proposed in the first year, this proposal requests a total of \$4,200,000, including \$3,700,000 in funding for grants to local colleges for program development and administration ($\$100,000 \times 37 = \$3,700,000$) and an additional \$500,000 in funds to be set aside at the system level for statewide coordination and leadership activities. The set-aside funds will be used for practitioner workshops, to support peer-to-peer convenings (for K-12 administrators to meet with community college administrators, K-12 faculty to meet with community college faculty, K-12 counselors to meet with community college counselors, etc.), and for program evaluation. The total request for the 2009-2010 fiscal year is \$4,200,000.

B. Student Success and Readiness – Promote College Readiness and Provide the Programs and Services to Enable All Students to Achieve Their Educational and Career Goals.

Readiness programs and services must be strengthened to increase student success, especially for students lacking basic math and/or English skills. In addition, there must be greater consistency between high school curriculum, assessments and standards, and those of the colleges. – System Strategic Plan

In an effort to meet these goals, the following initiatives are recommended:

CCC Student Success Initiative (\$50,000,000) As noted in the *System Strategic Plan*, developing solutions to meet basic skills needs is critical to success in all other community college missions, including career training, transfer, and lifelong learning. More than half of all entering community college students who are assessed in basic skills place at levels below college readiness. Of the students assessed, only about 12 percent are prepared for transfer-level math, and about 25 percent are prepared for transfer-level English. Moreover, the statewide course success rate in basic skills courses (about 60 percent) is at least 10 percentage points lower than success rates for other courses. In addition, course success rates in basic skills classes are even lower for certain ethnic groups. It is particularly important to effectively assist students who need to improve performance levels in ESL and basic skills, and the critical place to start is in the ESL/basic skills programs, the gateway to certificate and degree completion and transfer to four-year institutions. Since this effort needs the participation and support of the entire institution, the colleges must take a global approach to the instruction of basic skills so that faculty from all areas participate in “across-the-curriculum” efforts to reinforce application of skills, and so that student services provide additional counseling, tutoring and other means of student support to further ensure success rates of basic skills students.

With funds allocated in the *2006-07 Budget Act*, the System Office contracted for a review of the literature and effective practices in ESL/basic skills. This review describes key features of successful programs, identifies possible options for making programmatic improvements, and serves as the foundation for college activities. As part of the *2007-08 Budget Act*, the state provided \$33.1 million to establish the CCC Student Success Initiative, in order to support implementation of the effective ESL/basic skills practices identified in the review. The initiative included an increased emphasis on students transitioning from high school as well as strengthened accountability measures.

Additional funds will be needed in 2009-10 to implement the effective practices, provide sufficient faculty development opportunities, and implement a research protocol to measure ESL/basic skills student success. It is anticipated that additional staff, materials, equipment, and faculty development will be required to fully implement effective practices and programmatic components needed to significantly increase success rates of ESL and basic skills students. It is recommended that an additional \$50 million be dedicated to ESL/basic skills on an ongoing basis with a minimum of \$100,000 per college. \$1.6 million of that amount would be provided for faculty and staff development activities/events in ESL/basic skills. Because it is important to measure student success in ESL and basic skills, another \$1.5 million of the \$50 million amount will be issued through an RFA process to fund a five-year project to develop and implement a research protocol to measure success rates of ESL/basic skills students and

link increases with effective practices. Finally, \$10 million of these funds would be used to convert adjunct faculty positions to full-time faculty positions in ESL/basic skills and to fund ESL/basic skills adjunct faculty office hours. The balance of funds would be allocated to districts to improve the effectiveness of ESL/basic skills programs and services.

Assessment, Counseling, and Placement (\$18,000,000) The Assessment, Counseling, and Placement initiative consists of two components described below.

- *Improving Assessment and Placement (\$8,000,000)* As part of the Matriculation process in the community colleges, assessments are designed to authenticate or provide evidence of prior student learning. On the basis of assessment results, students undergo a process of course placement that takes into consideration their test results and the findings of companion measures that are meant to ascertain additional skills, knowledge or abilities that correlate to the students' probabilities of being successful in given courses. These assessments occur before enrollment and are meant to provide a full picture of the student's needs and assist in directing the student to courses that are in line with the student's current abilities, within the discipline being measured, for instance, English, math or reading.

Student success is highly valued by the colleges, and the *System Strategic Plan* has identified it as a primary goal. An effective assessment system, one which directly links students to the courses most closely correlated with their needs and skill levels, is critical to student success. To optimize student success, colleges must ensure that all students have the opportunity for a holistic and deliberate assessment that captures student abilities and is complemented by counseling and instructional faculty and administration efforts to marry needs and curricula. Appropriate assessment and placement techniques are a key prerequisite for greater student persistence and retention. To provide assessment and placement services to greater numbers of incoming community college students, this initiative proposes an additional \$8 million to support the addition of assessment technicians, readers/raters of written assessments (English and ESL), and orientation materials.

- *Increasing Full-Time Faculty (\$10,000,000)* It has been a longstanding goal of the system to increase the percentage of full-time faculty, which includes counseling faculty. As more and more students enter the colleges underprepared, the need for experienced full-time counselors to assist students in achieving their educational goals becomes ever more important. Thus, we recommend that \$10 million be devoted to increasing the number of full-time counselors who will encourage and guide students through the Matriculation processes and services that will help assure their college success.

Fund for Student Success (\$2,516,800) Fund for Student Success consists of two components described below.

- *Mathematics, Engineering and Science Achievement (MESA) (\$2,216,800)* According to the Center for the Future of Teaching and Learning, over 100,000 teachers will retire in the next 10 years, and more than 33,000 new math and science teachers will be needed in California due to attrition and retirement during the same period. This proposal seeks to increase the number of math and science teachers in California by expanding the mission and capacity of the Mathematics, Engineering and Science Achievement (MESA)

program in the California Community Colleges. The MESA program is a primary source of calculus-based majors capable of filling the growing need for mathematics and science teaching positions in California middle and secondary schools. The program expansion will enable the MESA CCC Program to transfer 1,500 students over the next 10 years who have the goal of becoming math and science teachers, as well as 6,000 additional students with the goal of entering other science, technology, engineering, and math (STEM) careers. The proposal will expand the base funding for 28 existing MESA projects and increase the overall number of MESA projects by 12 to a total of 40. This proposal recommends expanding the community college MESA Program by \$2,216,800.

- *Umoja Student Success and Retention (\$300,000)* The *System Strategic Plan* clearly documents the need to improve student success and readiness. Goal B focuses on improving college readiness and providing programs and services to ensure all students can achieve their educational and career objectives. In addition, Goal A emphasizes the need to promote college awareness and access, including supporting equity and diversity at the colleges to build a strong society and enable a multicultural democracy. This request seeks \$300,000 to address these goals by funding a statewide administrative structure to support Student Success and Retention programs at colleges based upon the grass-roots model of the Umoja community. Umoja actively serves and promotes student success for all students through a curriculum and pedagogy responsive to the legacy and culture of African Americans. Umoja programs are open to all students; emphasize development of Learning Communities; and focus on cultural, academic, and other student supports.

The model is flexible to allow variation at the local level; it includes: coordination, support services, organizational structure and an instructional component. Colleges offer comprehensive support services, including guidance/counseling courses, counseling and mentoring to first year students, and follow-up services until the student reaches his or her educational goal. Colleges provide infrastructure for the program (e.g., release time to faculty and the program coordinator, office space) and participate in an assessment process that includes collection of qualitative and quantitative data.

Students who are members of the Umoja community participate in core Umoja-sponsored activities. In addition, they engage in various matriculation components, such as completing orientation and their student educational plans; enroll in Guidance/Counseling courses; meet with counselors and mentors each term; and apply for financial aid.

The funds requested would provide statewide leadership, training, professional development to colleges in developing student success programs with these components. The funds would support a director, two part-time regional coordinators, and a clerical assistant; enable development of materials; and provide administrative costs to conduct regional symposia and summer institutes. Program staff would also support pilot colleges through site visits designed to provide formative evaluation information to college administration and staff and provide recommendations for strengthening program outcomes.

Fully Fund Part-time Faculty Office Hours and Health Insurance (\$16,600,000) The requested augmentations to these two part-time faculty programs would bring state funding in line with the real costs and with the intent of the establishing legislation. We discuss the details of each program below, beginning with part-time faculty office hours.

- *Part-Time Faculty Office Hours (\$8,750,000)* The requested augmentation of \$8.75 million would bring annual funding in line with the real costs of providing office hours. The program has grown since its inception in the late 1990s, as more districts pay for office hours to improve services to students attending classes taught by adjunct faculty—which is exactly the effect intended by the Legislature.

Chapter 933, Statutes of 1997, established the part-time faculty office hour program and provided that the state would reimburse 50 percent of the costs for part-time faculty office hours. For the first three years of the program, the state met its reimbursement obligation by adding over \$5 million during this period to keep pace with the program’s expansion. However, since 2002-03, the state has failed to provide any additional funding for office hours, despite tremendous growth in the program. In eight years, the total program costs have increased from \$7.8 million to \$31.8 million, but annual state appropriations have not kept pace. As a consequence, districts have increasingly been forced to pick up a larger share of program costs than the Legislature intended. This has put pressure on the ability of districts to fund other educational needs. For the 2007-08 fiscal year, claims show a deficit of \$8,731,916, forcing reimbursement of district claims to fall to only 45 percent of the incentive that the Legislature intended.

Part-Time Faculty Office Hours Funding History

	00/01	01/02	02/03	03/04	04/05	05-06	06-07	07-08
Total Costs	\$11,714,853	\$18,981,808	\$21,458,722	\$20,973,259	\$22,930,607	\$23,716,542	\$28,341,848	\$31,807,831
State Share 50%	\$5,857,432	\$9,490,904	\$10,729,361	\$10,486,630	\$11,465,304	\$11,858,271	\$14,170,924	15,903,916
Appropriation	\$5,653,000	\$7,172,000	\$7,172,000	\$7,172,000	\$7,172,000	\$7,172,000	\$7,172,000	7,172,000
(Deficit)	(204,432)	(2,318,904)	(3,557,361)	(\$3,314,630)	(\$4,293,304)	(\$4,686,271)	(\$6,998,927)	(\$8,731,916)
Deficit Factor	.97	.76	.67	.68	.62	.60	.51	.45
Districts	24	34	37	37	29	33	37	37

The program for reimbursing districts for part-time faculty office hours, with a one-to-one state-local match, addresses issues of statewide concern. Providing office hours for part-time faculty benefits students by enabling these faculty members to meet with students and to prepare class work. We recommend that the program be augmented by at least the amount of the currently-known deficit so that program funding matches legislative intent. This augmentation will secure continued provision of part-time faculty office hours, which will directly contribute to student success.

- *Part-Time Faculty Health Insurance (\$7,850,000)* The requested augmentation of \$7.85 million would bring the appropriation in line with the real costs of this program. Chapter 943, Statutes of 1996, established this program to provide state incentive for community college districts to offer health insurance for their part-time faculty. The intent of the Legislature was that part-time faculty and their eligible dependents have continuous access to the same health insurance benefits enjoyed by full-time faculty. To this purpose, the

state would provide up to 50 percent of the total cost of the individual enrollment premiums paid by the district for health insurance coverage for part-time faculty and their dependents.

Part-time Faculty Health Insurance Funding History

	00/01	01/02	02/03	03/04	04/05	05-06	06-07	07-08
Total Premiums	\$3,718,026	\$5,074,032	\$8,846,643	\$9,997,101	\$11,548,633	\$14,529,135	\$16,818,173	\$18,978,861
State Share	\$2,348,092	\$3,311,280	\$4,409,631	\$4,822,978	\$5,570,000	\$6,979,038	\$7,714,411	\$8,845,908
Appropriation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Excess/(Deficit)	(\$1,348,092)	(\$2,311,280)	(\$3,409,631)	(\$3,822,978)	(\$4,570,000)	(\$5,979,038)	(\$6,714,411)	(\$7,845,908)
Reimbursement %	43%	30%	23%	21%	18%	14%	13%	11%
Districts involved	23	27	26	28	25	28	29	29

During the first two years of the program, sufficient funds were appropriated by the state to pay the full share intended. Since that time the program growth has been substantial, as the program achieved its intent of bringing many districts into participation. In response to this growth, and in keeping with legislative intent to pay half the program costs, the state provided an additional \$500,000 in fiscal year 1999-00 to keep pace with program growth. However, the state has provided no additional augmentations for this program since that time. As a result, the claims received to date will cause the funds for 2007-08 to be prorated at 11 percent, and districts will have to provide more than \$7 million that was not anticipated.

In establishing the Part-Time Faculty Health Insurance program, the state recognized that community colleges have historically hired part-time faculty to meet community needs. Part-time faculty can provide hiring flexibility, and often fill voids created by unanticipated enrollment growth. In some cases, part-time faculty are able to provide colleges with technical expertise that regular full-time faculty may lack. Currently this program is only offering 11 percent of the incentive that the Legislature intended, and there is a danger that districts will cease to participate in the program. Fewer than half of the college districts currently participate. We therefore recommend that the program be augmented by a bit more than the amount of the 2007-08 deficit of \$7,845,908.

Increase Full-Time Faculty Positions (\$45,000,000) This proposal requests funds to help districts begin progress toward the state’s longstanding goal that full-time faculty provide at least 75 percent of a district’s instruction. The landmark CCC legislation, AB 1725, enacted in 1988, included a requirement that the Board of Governors establish such a standard. In Fall 1988, the percentage of full-time faculty averaged approximately 63 percent statewide, with considerable range between districts. In Fall 2007, this measure had actually fallen to approximately 59 percent, with only two districts at the desired standard. In the first few fiscal years following enactment of AB 1725, the state provided “program improvement” funds to help districts hire the necessary full-time faculty. It has been many years, however, since the state has provided such funds.

Full-time faculty bring substantial benefits to the academic life of a college, including ongoing curriculum development, advising of students during faculty office hours, and faculty participation in institutional planning and governance. The hiring of additional full-time faculty, however, represents a substantial ongoing cost commitment for community college districts. Historically, districts have relied on enrollment growth funding to hire new full-time faculty.

This allows districts to add full-time faculty at a rate proportional to the rate of change in funded FTES, but does not permit sustained progress toward the 75 percent goal.

To help move the system toward the goal envisioned in AB 1725, this proposal would provide funds sufficient to increase each district's full-time faculty ratio by 2 percentage points above its current level. We estimate that \$45 million in ongoing funds is needed to achieve this 2 percent increment of change.

Part-Time Faculty Compensation Parity (\$50,000,000) Statewide studies in 2000 and 2001 by the California State Auditor and the California Postsecondary Education Commission concluded that community college part-time faculty are not compensated at commensurate levels of pay as full-time faculty performing comparable instructional work. To address this pay inequity, the CCC System requested funding over several years to close this pay gap. The *2001-02 Budget Act* included \$57 million for this purpose. Due to the across-the-board funding cuts imposed in 2002-03, this amount was reduced to \$50.8 million, a funding level that has remained unchanged to this date.

This proposal looks to resume the effort begun by the system in 2001-02 to close the gap in pay between part-time faculty and full-time faculty. Accordingly, this funding request seeks an augmentation of \$50 million to move the system closer to the goal of providing pay parity to part-time faculty.

C. Partnerships for Economic and Workforce Development – Strengthen the Colleges' Capacities to Respond to Current and Emerging Labor Market Needs and to Prepare Students to Compete in a Global Economy.

Career training geared toward students who are seeking to learn a trade or skill has long been a mission of the Community Colleges. With high growth and emerging fields as the backbone of California's economy, a skilled labor pool is necessary to meet employer needs and ensure California's long-term economic vitality. Through workforce training, the colleges play a critical role in the state's economic development efforts. – System Strategic Plan

In an effort to meet these goals, the following initiative is recommended:

Governor's Career Technical Education Initiative Expansion (\$48,000,000) California has begun to re-establish and re-invigorate career technical education through an alignment with economic development and workforce development priorities. While the Governor's initiative on Career Technical Education (CTE) and Economic Development has provided critical resources to expand CTE, much remains to be done. Significantly, the initial reaction from California's communities and the pent-up demand for such resources – which far outstripped their availability – conveys the magnitude of the work to be done, and the willingness of stakeholders to address the underlying challenges.

In September 2005, the Governor signed SB 70 (Scott), the CTE initiative, to expand CTE instruction and enhance partnerships between secondary and postsecondary CTE programs. This initiative – championed by Governor Schwarzenegger and refined with the involvement of many stakeholders – used the existing CCC Economic and Workforce Development program's system

of Strategic Initiatives and regional development centers as a model to improve career pathways and education's connections with business and industry. Initial SB 70 funding of \$20 million for the 2005-06 fiscal year was followed by a like amount in the *2006-07 Budget Act*. In September 2006, the Governor signed SB 1133, which added \$32 million to the initiative for the 2007-08 year, and \$38 million per year in the years 2008-09 through 2013-14.

To date, virtually all California communities are benefiting from grants awarded to consortia consisting of community colleges and K-12 partners, including high schools, middle schools, and Regional Occupational Centers and Programs (ROCPs). However, to transform CTE in California, the true need is much larger than the funding available to date. With approximately 1,000 school districts in the state, many secondary school students will not have the opportunity to reap the benefits of improved career pathways and linkages with community colleges without a substantial influx of funding. The development of and exposure to new and exciting careers is crucial for young people today. New workforce entrants need to receive job-related skills while obtaining a high school diploma. Readyng students for careers helps to reduce dropout rates, and assists in their ability to apply knowledge and build skills for lifelong career development.

Building on this initial implementation of California's "career technical education and economic development initiative," this budget request will:

- Prepare the future workforce of California with the skills needed for emerging high skill, high opportunity industry areas based on data and analytics.
- Respond to new economic strategic opportunity areas, such as "green technology," as well as continuing critical workforce shortage areas, such as nursing and allied health.
- Introduce new and expand, refresh, and repurpose existing career pathways and models to revitalize career education, resulting in more enrollments and readiness for the workforce.
- Increase career exposure and partnerships between education segments and business that address regional economic and labor market needs.

The infusion of a "Green, Sustainable" focus will specifically target occupational preparation as conducted at the community colleges, while ensuring that students have adequate foundational preparation in K-12 and ROCPs.

The core of this reform effort is a realization that a long-term system of engaging career education and preparation based on data and analytics must span California's educational systems from the earliest enrollments to life-long learning. While the community colleges have established effective postsecondary conduits for occupational education and training aligned strategically with economic growth opportunities, linkages to and redesign of K-12 educational programs need to be part of this effort. These initiatives enhance and support a market-responsive effort that provides opportunities for students to access quality careers and incumbent workers to continuously refresh or refocus their skills to compete in an ever-transforming labor market.

D. System Effectiveness – Improve System Effectiveness through Communication and Coordination, Regulatory Reform, and Performance Measurement.

By increasing the effectiveness of the System we also improve student success. Communication, coordination, regulatory reform, and performance measurement will all play key roles in attaining this goal. – System Strategic Plan

Towards meeting the goal of improving system effectiveness, the following budget augmentations are recommended:

Videoconferencing Infrastructure Replacement (\$2,000,000 one-time) The current videoconferencing equipment used by the colleges and districts was purchased in 2002-03. The system has received notice from the manufacturer that all equipment will be discontinued and no longer serviced, and has reached the end of its life. Districts and colleges use this videoconferencing equipment for instruction and/or administrative meetings, and with the cost of travel rising, usage has grown. To ensure a uniform set of videoconferencing products for interoperability and support, the videoconferencing equipment has historically been purchased and maintained centrally through the Telecommunications and Technology Infrastructure Program. It is estimated that the cost will be approximately \$15,000 per site to upgrade to a more current and higher resolution videoconferencing system. The total for 130 college and district sites is approximately \$2 million of one-time funds.

Accreditation Assistance Team (\$2,000,000) The CCCs are accredited by the Western Association of Schools and Colleges (WASC) through the Accrediting Commission for Community and Junior Colleges (ACCJC). WASC, an independent accrediting entity, sets accrediting standards colleges must meet in order to remain accredited, including fiscal and academic accountability measures. WASC accrediting teams routinely and periodically visit campuses to perform accreditation analyses in accordance with their standards.

Accreditation visits require a campus to produce an array of performance data about the campus, its fiscal and academic climate, and how it is meeting its requirement to produce student learning outcomes. Campuses that have ample staffing, especially in the institutional research areas, are more capable of producing the data and student learning outcome evidence necessary to retain accreditation. Campuses that have little research capacity routinely struggle to produce such data and evidence, and as a result are far more likely to be put on accreditation warning or probationary status.

The problem is exacerbated by the fact that, due to fiscal diseconomies of scale, the smaller colleges often do not have the fiscal capacity to employ a full-time research staffer. Recently, there has been an increase in accreditation warnings and probations placed on smaller colleges, and many are in danger of receiving accrediting sanctions that threaten their existence. This situation occurred in the recent past at Compton Community College District, where WASC denied accreditation, and as a result, the campus had to be fiscally rescued by the state and re-opened as a center of the El Camino College District.

The proposed solution is to create a central resource of institutional research and student learning outcome capacity for the CCC system that would focus its efforts primarily on assisting colleges that have little research capacity and are in danger of losing their accreditation. This

Accreditation Assistance Team would also serve as a clearinghouse of information related to accreditation, institutional effectiveness, and identification and assessment of student learning outcomes for the entire system to access. The Team would operate with a staff that is mobile and would visit campuses statewide so they could leverage this specialized knowledge. Ultimately the goal of the Team would be to ensure that all community colleges keep their accreditation status intact and contiguous, and preserve the state's interest and investment in community college campuses.

Cal-PASS Expansion (\$2,000,000) California continues to have a problem that affects students as they transition across educational segments. That problem is a misalignment of the curricula among the educational segments (K-12, community colleges and universities) leading to a lack of continuity. This problem is not unique to our state; it exists across the country, and has been described as follows: "The coursework between high school and college is not connected; students graduate from high school under one set of standards and, three months later, are required to meet a whole new set of standards in college."

The results of this problem in California can be seen every fall when large numbers of high school graduates matriculate to our community colleges and universities, still requiring remedial course work in Basic Skills areas such as English and Mathematics. The remediation rates in California's postsecondary education system are discouraging. Over 30 percent of entering freshmen among the UC schools and over half of the students entering a CSU institution require remediation. Among students attending CCCs, the remediation rate is over 70 percent. High remediation rates are correlated with poor persistence in postsecondary education.

Collaboration among the segments does not occur frequently, systemically, or systematically. It is well-documented that K-12, community college and university segments function independently of one another, and consequently it is a challenge to align curriculum to best prepare students for the next level of learning. The work done by the California Partnership for Achieving Student Success (Cal-PASS) over the last several years has mitigated this situation in geographic areas where there are Professional Learning Councils (PLCs) established.

PLCs are regionally based. Faculty from the various segments share the same student body over time, creating added incentive to ensure students are prepared when they transfer from one segment to the next. Cal-PASS councils add to cost savings by reducing the need for remedial sections of core disciplines (English, Math, Reading) due to better alignment of courses, curricula continuity and better-prepared students. Faculty achieve these outcomes by developing, implementing, and evaluating innovations. The dollars used to fund innovations thus far have allowed faculty in councils across the state to produce "Deconstructed Standards" products, putting California at the forefront of standards-based instruction that is rigorous and relevant. Deconstructed Standards -- which include a breakdown of each standard into key components, identification of necessary prior knowledge, new knowledge, educational outcomes, necessary new physical skills (e.g., use of a compass), assessable results, and model assessment items -- have been developed for Algebra I (Beginning), Algebra II (Intermediate), Geometry (in draft form), and the English Standards for Grades 11 & 12 (in progress). Also in the planning stages are Pre-Calculus and Biology. Deconstructed Standards are being used to design scope and sequence, train new and returning faculty, and select textbooks in districts across the state.

Additional dollars from the state will enable councils to better serve Cal-PASS regions, both those currently members of Cal-PASS and new regions choosing to join Cal-PASS. One-time

money provided by the legislature for the 2007-08 year has been helpful in getting new councils operable. But, without additional ongoing funds, the work of these new councils cannot be sustained. The Cal-PASS initiative, currently in its fifth year, has demonstrated success on a regional basis in several areas of the state and consequently warrants the request for additional funding. The additional cost for build-out of PLCs to serve existing and new regions more fully is \$2 million.

Professional Development and Training (\$10,000,000) The *System Strategic Plan* addresses the need to maintain and promote high standards of academic rigor and excellence on community college campuses. Maintenance of high academic standards requires dedicated resources to support professional training for all campus staff, including faculty, classified employees and administrators. State funding for professional development, moreover, remains one of the top System priorities for the faculty, staff, and management alike.

This request seeks \$10 million to help meet training needs. The request has two parts: \$8 million to be divided among all districts, based on the number of students they serve, and \$2 million on a grant allocation basis to develop training opportunities that encourage innovation and regionalization in both an urban and a rural sector.

Eight million dollars would leverage local funds by requiring a 2 to 1 (state to local) match obligation. Each district would receive an allocation of these funds on a dollar per full-time student basis, with a minimum funding allocation established for small districts. Suggested uses of these funds include, but are not limited to, the following areas: administrator training; technical training for classified and paraprofessional employees, including CTE faculty/staff and basic skills faculty/staff; training for new faculty/staff; and training for faculty/staff dedicated to teaching methods that reach under-prepared students.

The \$2 million in grant funds would be used to develop innovative regionalization centers in a rural and urban corridor. Two districts, one rural and one urban, would each be awarded \$1 million to establish professional development/training programs to coordinate and provide training opportunities for colleges facing similar training/development needs. This coordinated training approach would utilize economies of scale that would help mitigate training costs. The grantees would research and evaluate innovative training programs that could then be provided to all colleges on a regional or statewide basis.

Accountability structures would be developed to ensure that the funds would be utilized in the most effective manner possible, with a requirement that each district accepting training funds provide the System Office with expenditure and performance reports annually.

Academic Senate COLA (\$190,000) The statewide Academic Senate is the official representative, under Education Code Section 70901, for the over 58,000 faculty of California's community colleges to assist the Chancellor and the Board of Governors in the formation of state policies, particularly on academic and professional matters that directly shape the quality of education provided to the System's more than two million students.

The Academic Senate has operated on a modest budget since the enactment of AB 1725 in 1988. In the 2002-03 fiscal year, the Senate's budget was reduced from \$497,000 to \$467,000 as part of widespread cuts caused by the state's fiscal crisis. While the Academic Senate continues to

provide representation, training and resources for faculty, it is also impacted by expanding external costs and responsibilities derived from Agency Review, and associated with college pathways for secondary education and university transfer agreements, which have added significantly to its operating expenses. Aside from costs associated with responsibilities to the Consultation Council, the Board of Governors, the System Office, and state legislators, the Senate has had to accommodate ongoing fiscal increases that are beyond its control, such as reassigned time, travel, meetings, and publications. Given that the Academic Senate has operated on a reduced budget for six years, even as fiscal costs increased, the recommended solution is to restore the Academic Senate's funding and provide it with the lost COLA since 2002-03.

Student Senate Support (\$300,000) Title 5 of the California Code of Regulations recognizes the Student Senate as the official voice to represent community college students. Further, the Education Code mandates participation by students in shared governance at the state and local levels. Throughout the years, representation by students was fulfilled through a statewide membership organization. Since the dissolution of that organization, a reformation effort to establish a statewide representative Student Senate began in October 2005. In May 2006, a new structure of the Student Senate for California Community Colleges was ratified by the local student governments. Currently, there is no dedicated funding for the Student Senate to effectively operate.

To facilitate Student Senate representation, the System Office has earmarked a portion of its state operations budget to allow for travel and minimal support. This has created a considerable drain on the scarce resources needed to provide general support for the System Office. The Student Senate has been effectively gaining momentum since the implementation of its new governance structure and this has created an undue financial burden on the System Office. These costs are anticipated to increase as the Student Senate has grown with additional members on the Council, and with greater participation in an annual Fall and Spring General Assembly convened by the Student Senate. Given the level of participation and engagement with the local student government senates, it is inappropriate for the System Office's state operations funds to continue to serve as sole support for this effort.

This proposal is to provide funding for the Student Senate through local assistance (Proposition 98) funds. Shared governance activities throughout the community college system are supported through local assistance funding. Districts utilize such funds to provide support for local student government activities, including coordination with the Student Senate. The legal authority provided for student participation in shared governance is shared with the Academic Senate, the comparable representative body for the faculty. Currently the Academic Senate receives funding from Proposition 98 funds. Given that the scope and representative model for the students is similar to that of the Academic Senate, it is appropriate that the Student Senate receive equal consideration in receiving a reasonable level of support to fulfill its legal mandates.

E. Resource Development/Core Infrastructure Needs – Provide Enhanced Resources and Allocation Methods to Ensure High Quality Education for All.

Students will need higher levels of support and basic skills education, and enrollments are expected to surge in inland areas while growing substantially in most other areas. The plan includes strategies to improve and optimize the System's resources and allocation methods to ensure high-quality education for all. – System Strategic Plan

In an effort to meet these goals, the following initiatives are recommended.

Physical Plant and Instructional Support Block Grant (\$200,000,000 one-time) This proposal seeks \$200 million in one-time funds to meet a backlog of physical plant and instructional equipment replacement demands brought on by prior budget cuts in this area.

The 2004-05 *Budget Act* renamed this consolidated appropriation grant the “physical plant and instructional support” block grant. This new consolidated program includes scheduled maintenance and special repairs of facilities; instructional equipment and library materials replacement; and hazardous substances abatement projects. The 2006-07 *Budget Act* appropriated \$27.3 million of ongoing funds for the block grant. In addition, the 2006-07 education budget trailer bill (AB 1802) supplemented the block grant with \$94 million of one-time funds. Block grant funds are distributed to districts on an equal basis per FTES (with a small-district minimum). Districts are free to spend funds on any “mix” of the permitted activities that best suits local needs. For instructional equipment and library material expenditures, districts must match one local dollar for each three dollars expended from the block grant. For physical plant expenditures, districts must meet a maintenance-of-effort (MOE) requirement and match one local dollar for each state dollar.

As recently as the 2000-01 fiscal year, the state devoted a total of \$106 million of ongoing funds for the three programs that later were consolidated into the block grant. The state's effort declined beginning in 2001-02 and again in 2002-03 with mid-year cuts. With these prior year reductions to this program, the level of state investment in matching local expenditures on facility maintenance, instructional equipment, library materials, and hazardous substance abatement falls far short of the large backlog of needs. Eventually, the state investment should return to at least the levels that existed in 2000-01. In the short term, however, the “scalable” nature of these types of expenditures makes them good candidates for supplemental funding from one-time funding sources. Therefore, we recommend the state provide \$200 million in one-time funds to meet the continued statewide backlog of projects.

Reimbursement of State Mandates (\$50,000,000 ongoing and \$217,000,000 one-time) When the state mandates a new program or higher level of service upon local agencies, including schools and colleges, the *Constitution of California* requires the state to reimburse the local entities for the relevant costs. The Commission on State Mandates rules whether a mandate claim brought by a local agency is reimbursable by the state and sets the “parameters and guidelines” that determine the dollar amount of the reimbursement owed to local agencies.

Over the past three decades, the Commission has agreed that the state has imposed unfunded mandates on college districts and must reimburse them for the cost of these mandates. The Commission rulings notwithstanding, the state has not provided funds to fully reimburse schools

and colleges for these outstanding mandates for several years. The dollar amount of community college outstanding mandates as of July 2008 is \$267 million, with a substantial amount of new claims expected. Examples of some of these mandates include student recordkeeping requirements, governance issues, and administrative costs of collective bargaining. Recent state budgets have provided \$4 million annually in ongoing funding to help pay down these outstanding mandates. However, this amount is inadequate to keep up with the annual generation of required reimbursement.

The state is required to pay interest on all outstanding claims. Thus, every year that the state defers payment adds to the state's ultimate costs. The 2009-10 System Budget proposes \$50 million ongoing and \$217 million in one-time funds to help make progress towards fully reimbursing college districts for outstanding mandate costs. The request for one-time funds is intended to continue the progress made in 2006-07 to reduce the backlog of unfunded mandates. The request for ongoing funds is intended to return the state to funding the annual flow of approved claims on a current basis.

DRAFT

California Community Colleges
2008-09 System Budget
Summary of Recommended Funding Increases
(Dollars in Thousands)

Strategic Plan Goal Areas / Budget Items	Ongoing Funds	One-Time Funds
College Awareness and Access		
COLA (3%)	\$189,804	
Enrollment growth (3.5%)	213,950	
Career Development and College Preparation instruction	30,000	
Maintaining effectiveness of student services categorical programs	7,628	
Financial aid participation	3,500	
School-to-College Bridge Program	9,750	
Student Success and Readiness		
CCC Student Success Initiative	50,000	
Restoring and building Matriculation services	37,100	
Part-time faculty office hours	7,000	
Part-time faculty health insurance	15,000	
Increase full-time faculty positions	45,000	
Compensation equity for part-time faculty	50,000	
Transfer initiative	11,000	
Partnerships for Economic and Workforce Development		
Governor's Career Technical Education Initiative Expansion	48,000	
CTE equipment		\$ 30,000
System Effectiveness		
IT infrastructure and offsite centers connectivity	5,000	
Technology initiatives	2,350	1,300
Professional and staff development	10,000	
Accreditation Assistance Team	2,000	
CalPASS	2,000	
Student Senate	300	
Academic Senate – COLA	36	
Open Education Resources Centers		3,000
Resource Development		
Reimbursement of state mandates	20,000	40,000
Instructional equipment		100,000
Facilities maintenance		100,000
Total	\$759,418	\$274,300