SYSTEM SUPPORT PROGRAM

BUILDING A SYSTEM RESPONSIVE TO STUDENT AND DISTRICT NEEDS

Background

The State of California funds several statewide support and accountability activities for the California Community Colleges, including:

- Statewide and regional professional development training
- Systemwide technology services
- Oversight and evaluation for certain categorical programs
- Statewide outreach campaigns supporting student recruitment
- Technical assistance for colleges and districts

These activities are funded through a variety of mechanisms, including budgetary set-asides within categorical programs and direct local assistance appropriations. Some of these activities are administered directly by the Chancellor's Office, while others are run by various districts, typically under contracts or grants between the Board of Governors and the district. Moreover, some programs include funding for administration, oversight, and/or evaluation ranging from one to five percent of program appropriations, while others receive no such funding at all. Because these statewide activities were developed independently of each other, are budgeted separately, and are managed by different entities, implementation efforts are not always effectively aligned to meet district needs or in pursuit of the goals in the *Vision for Success*. The 2020-21 Governor's Budget proposes budget bill and trailer bill language to consolidate $125 million in funding from existing categorical set-asides and statewide programs to a new California Community Colleges System Support Program. The proposal was part of the Chancellor's Office systemwide budget and legislative request that went through an evaluation and review process with Consultation Council, the official participatory governance body for the system. The proposal received Consultation Council support before it was approved by the Board of Governors.

BENEFITS OF THE SYSTEM SUPPORT PROGRAM

ALIGNMENT WITH VISION FOR SUCCESS GOALS

Because set-aside funds were established at different points in time and many established prior to the development of the Board of Governors' *Vision for Success*, many do not adequately reflect current priorities. The additional flexibility provided by the proposed System Support Program will allow the use of set-aside funds to allocate funding in a manner that support students and respond to changing needs. In addition, it will enable the Chancellor's Office to work cohesively and effectively across investments, maximizing the system's limited resources and ensuring alignment to the *Vision for Success* goals.

IMPLEMENTATION AND TRANSPARENCY

The trailer bill language identifies the proposed System Support Program's intent to include the purposes currently required by all the independent set-asides that would be the subject of the consolidation and would take effect on July 1, 2020, as part of the State's budget package. The Chancellor's Office anticipates that full implementation of the proposed System Support Program will require 12 to 18 months. The Board of Governors would be required to adopt an annual budget for the new program and report on expenditures for the prior fiscal year. This approach would ensure that stakeholders, both inside and outside of our system, have greater access to information about the alignment of statewide activities with the *Vision for Success* and their use in support of our students.

COORDINATED TECHNOLOGY PROJECTS

The Chancellor's Office increasingly needs to provide systemwide technology solutions for our system. Often these projects are related to, or support, multiple programs. In such instances, it would be appropriate to use multiple funding streams to support them while also leveraging cross functionality. Our ability to implement technology projects has been hampered by the set-aside funding silos and the limitations placed on their use.

BENEFITS OF THE SYSTEM SUPPORT PROGRAM

UNIFIED FISCAL AGENCY PRACTICES

The Chancellor’s Office utilizes multiple community college districts as fiscal agents and each has their own contracting standards. This structure has contributed to a divergence in contracting approaches within the Chancellor’s Office. The trailer bill authorizes the Chancellor’s Office to use “one or more” community college districts. We anticipate using fewer fiscal agents than we currently do, while also clarifying required criteria for serving in this capacity and creating structures that ensure common practice and guidelines across investments.

IMPROVED COORDINATION AND OVERSIGHT

Since programs were established independently of each other and at different times, they lack consistency in administration and fiscal oversight methods. For example, some programs allow set-aside funds to be used only for administration, while others support the use of funds for program evaluation and accountability. This has contributed to set-aside funds being subject to different approaches to contracting within the Chancellor’s Office. The proposed System Support Program would clarify that funds are available for administration, evaluation, and accountability for all programs, centralize oversight of the set-aside funds, and ensure best practices are implemented for all granting and contracting activities.

REDUCED COSTS AND INCREASED SAVINGS

The Chancellor’s Office intends that fiscal agents will work on a fee-for-service model that will reduce administrative costs, and allow more funding to be available for student programs and state-level services. In addition, this new program will facilitate the implementation of a more uniform approach to costing contracts funded through our fiscal agents. The Chancellor’s Office will potentially consolidate multiple contracts for the same or similar services by coordinating these expenditures across multiple programs. This should result in savings from economies of scale and the elimination of duplicated administrative fees. Increased savings will allow the Chancellor’s Office to support programs through a comprehensive all-inclusive strategy, avoiding silos of state investments.

A NEW WAY OF MEETING DISTRICT NEEDS

Programs incorporated into the proposed System Support Program will not see a decrease in funding. Account coding is the only change these programs will see. The trailer bill language consolidates $125 million from the following statewide and categorical set-asides into the proposed System Support Program:

- Student Equity and Achievement Program (SEA)
- Cooperating Agencies for Foster Youth (CAFYES)
- CCC Strong Workforce Program
- Institutional Effectiveness Partnership Initiative (IEPI)
- Integrated Technology
- Transfer Education and Articulation
- Expand Delivery of Courses through Technology
- Statewide outreach campaigns related to affordability, transfer, and outreach to non-English speaking/bilingual households

The following programs could be supported by the proposed System Support Program and be eligible for the benefits of this streamlined structure. Further, these programs would not see a shift in funding. These programs would benefit from statewide activities provided by the System Support Program but would retain their set-aside funding, including any unused set-aside funding previously allocated for support of local activities:

- Extended Opportunity Programs & Services (EOPS)
- Disabled Students Programs and Services (DSPS)
- Nursing Education Program

The Chancellor’s Office is coordinating across divisions to develop an implementation plan should this program go into effect in 2020-21. Initially, many contracts and grants would remain in place, and would undergo review for possible improvements as contracts and grants approach renewal. The proposed System Support Program will enable the Chancellor’s Office to more effectively support colleges through increased coordination, efficiency, and transparency.

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