

Federal and State Role in Education

Mt San Antonio College
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President & CEO
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Overview: Feds & Education

- 10th Amendment: **State Rights to Education**
- **US Dept of Education**: Mission, History, Budget
- US Dept of Education **Policy Levers**
 - Financial Incentives
 - Financial Subsidies
 - Compliance-Based Funding
 - Accreditation
 - Office of Civil Rights
 - Labor Law: FERPA &FLSA
- Mt. SAC Effects of **Trump Budget Cuts, Policies**

Overview: California & Education

- **Rule by Proposition:** Prop 13, Prop 98, Prop 30, Prop 55
- **Over Regulation** Education Code, Title 5, Local Control
- Mt. SAC **Budget Challenges and Opportunities**
 - Increased funding, but in restricted categories
 - Limited COLA plus pension debt requires good college financial management
 - Limited state facilities funding requires local property tax facility bonds
- Mt. SAC **Educational Challenges and Opportunities**
 - Job growth and fewer HS grads = lower college demand
 - Shifting economy means changing educational programs

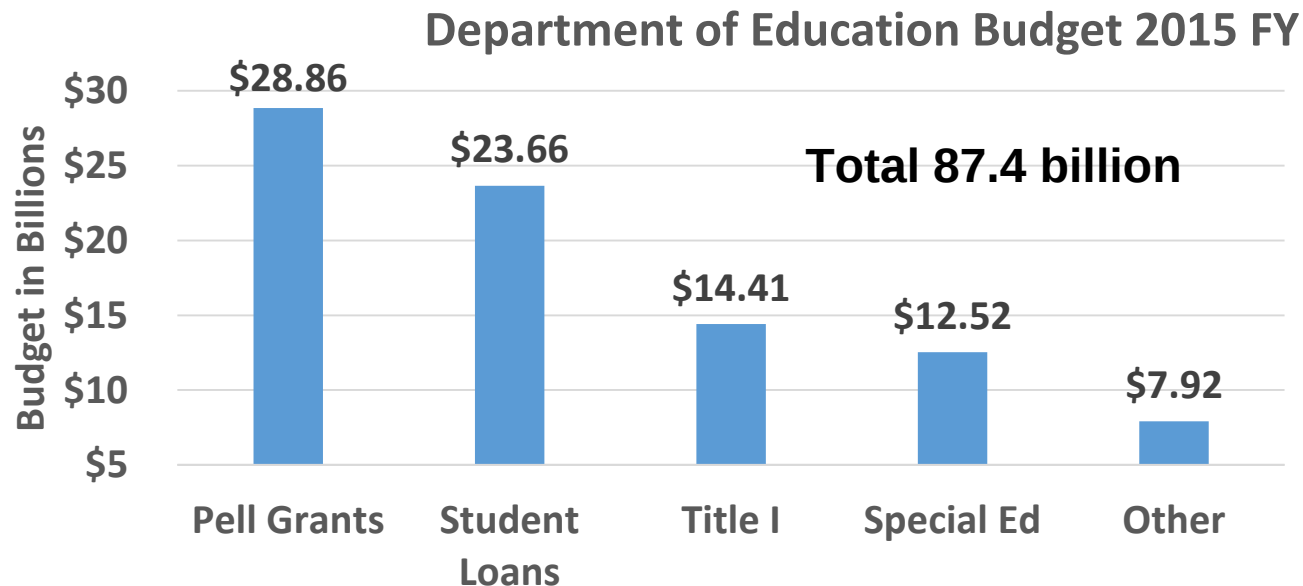
10th Amendment: States Rights

“The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”

- Embodies the principle of federalism and states' rights.
- The federal government possesses only those powers delegated by the Constitution—**education is a state right**.
- Congress may encourage states to implement national minimum standards; known as **cooperative federalism**.
- For example, federal educational funds may not be accepted without compliance with the federal *Individuals with Disabilities Education Act*.

U.S. Department of Education

- Signed into law by President Jimmy Carter on October 17, 1979; began operating on May 4, 1980 (Previously HEW)
- Mission is “to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.”



USDE Policy Levers

Financial Incentives

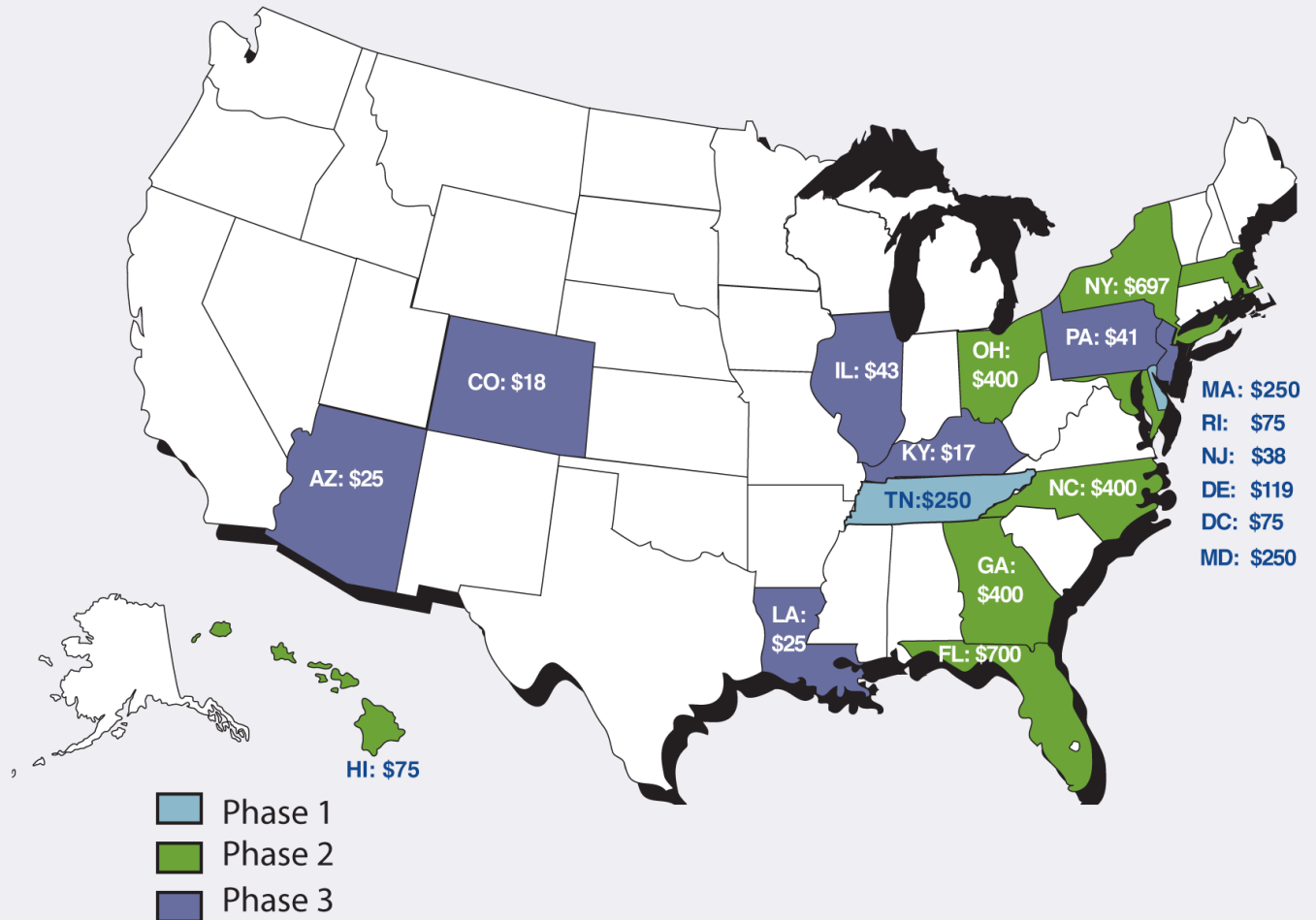
- DE offers \$\$ to states **IF** policies are followed.
Example: Race to the Top (Obama: \$4.35 billion in 2009 thru ARRA funds). Policy “points” for:

Great Teachers & Leaders	General Selection Criteria
State Success Factors	Lowest-Achieving Schools
Standards and Assessments	Instructional Data Systems
- **California was not funded:**
“Gov. Jerry Brown was reluctant to commit the state to a series of requirements imposed by the Obama administration, such as tying teacher evaluations to test scores of their students.” *EdSource* 11/24/11 ([link](#))

Race to the Top States and Award Amounts

(in millions)

Our state continues to struggle just to get a fair share of federal funds.



USDE Policy Levers

Accreditation

- Accreditation is a process of evaluation on **standards set by a peer review board**. Mt. SAC is evaluated by the Accrediting Commission for Community and Junior Colleges, ACCJC.
- Accreditation is **required to receive federal and state funds**.
- Accreditors like ACCJC must be “recognized” by the Department of Education by meeting **regulatory** criteria ([link](#)).
- Since 2008, thru “recognition,” ED mandates **33 additional** accreditation standards NOT in ACCJC standards ([link](#)) Types :

Public Notification of a Team Visit
Student Achievement
Credits, Length, Tuition Transfer

Distance Education
Student Complaints
Title IV Compliance

Example: Verify identity of a student in a distance education course.

Mt. SAC just had an ACCJC site visit and met ALL standards.

USDE Policy Levers

Financial Subsidies

Department of Education provides direct subsidies to a number of programs including the following which President Trump has proposed to eliminate in the budget submitted to Congress.

- \$445 million Corporation for Public Broadcasting
 - KPCC (PCC), KVCR (SBVC), **Mt. SAC** Radio/TV Program
- \$148 million National Endowment for the Arts
 - At **Mt. SAC**: Benjamin Mosaic; *Singcopation* at Monterey Jazz Festival; Artists at Gallery Exhibitions
- \$148 million for National Endowment for the Humanities
 - Grants to **Mt. SAC** faculty in Drama, History, and Music; students in ARISE

USDE Policy Levers

Compliance-Based Funding

- Mt. SAC and our students receive millions of dollars in **direct funding based on our compliance** with U.S. Department of Education regulations and executive orders.
- Pell Grants: In 2015-2016, **12,716 students** received **\$42 million**, average \$3,327. For 8,072 (**63.47%**) their Pell Grant did not meet their FAFSA need.
- Federal Grants in the **Last Five Years: \$12.5 Million**
Title V (MSI) \$7.3 M; NSF \$950 K; TriO (SSS) \$2.6 M

USDE Policy Levers

Dept of Ed Office of Civil Rights

- Title VI, Prohibits discrimination based on race, color or national origin in programs or activities which receive federal financial assistance.
- Title IX, Prohibits discrimination based on sex in education programs or activities that receive Federal financial assistance. **Dear Colleague Letters**
 - Restrooms and Locker Rooms. A school must allow transgender students access to bathrooms and locker rooms consistent with their gender identity. 5/13/16
- Section 504 of the Rehabilitation Act, Prohibits discrimination on the basis of disability.

USDE Policy Levers

Labor Law: FERPA & FLSA

- Family Educational Rights and Privacy Act (FERPA) is a Federal law that protects the privacy of student education records at all schools that receive funds from the U.S. Department of Education. (**16 exceptions**)
- The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and child labor standards. **Obama rule would require overtime for income up to \$47,476 was \$23,660**



And Now for
California

113 Community
Colleges in 72
Districts

California Ruled by Proposition: Prop 13, Prop 98, Prop 30/55

- Prop 13 (1978) limited property tax increases to an inflation or 2%. Reassessment allowed when ownership changes or construction is done.
- Prop 98 (1988) requires a minimum of about 40% of the state budget to be spent on K-14.
- Prop 30 (2012) raised sales tax by 0.25% for 4 years, tax on income over \$250,000 by 10.3% for 7 years. Resulted in \$5 billion per year to K-14.
- Prop 55 (2016) extended high wage tax to 2013 \$4 billion per year to K-14 and health care.

**2012-13
budget was
\$131 billion,
discretionary
was just \$28
billion, 22%**

**California has
lost control
of its budget**

Ed Code, Title 5 & Local Control

- California Education Code comprises laws enacted by the Legislature for elementary, secondary, community college and university levels and has **2,534** pages. Arizona Ed Code has **1,092**.
- Title 5 of the California Code of Regulations for Community Colleges has **59,606 sections** enacted by the Board of Governors who are Governor's appointees.
- The 72 California Community College each have a locally elected Board of Trustees, **432** in all.

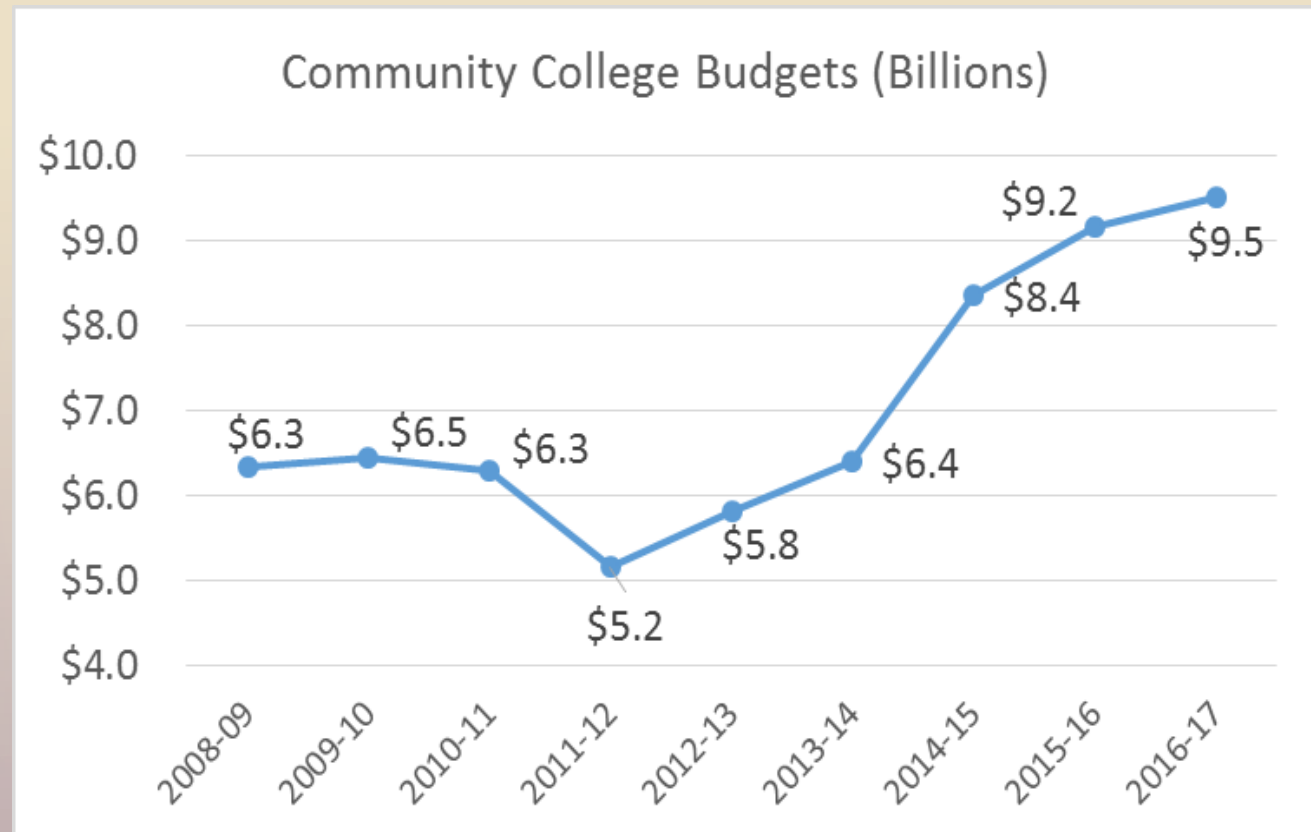
Mt. SAC Copes with External Forces

Budget Challenges & Opportunities

- 1) Increased funding during economic recovery, but in restricted categories
- 2) Limited COLA plus pension debt needs good college financial management
- 3) Limited state facilities funding means local property tax facility bonds

Budget Opportunity

Increased Community College Funding



Budget Challenge

Restricted
Budget
Line Items,
One-time
Funding

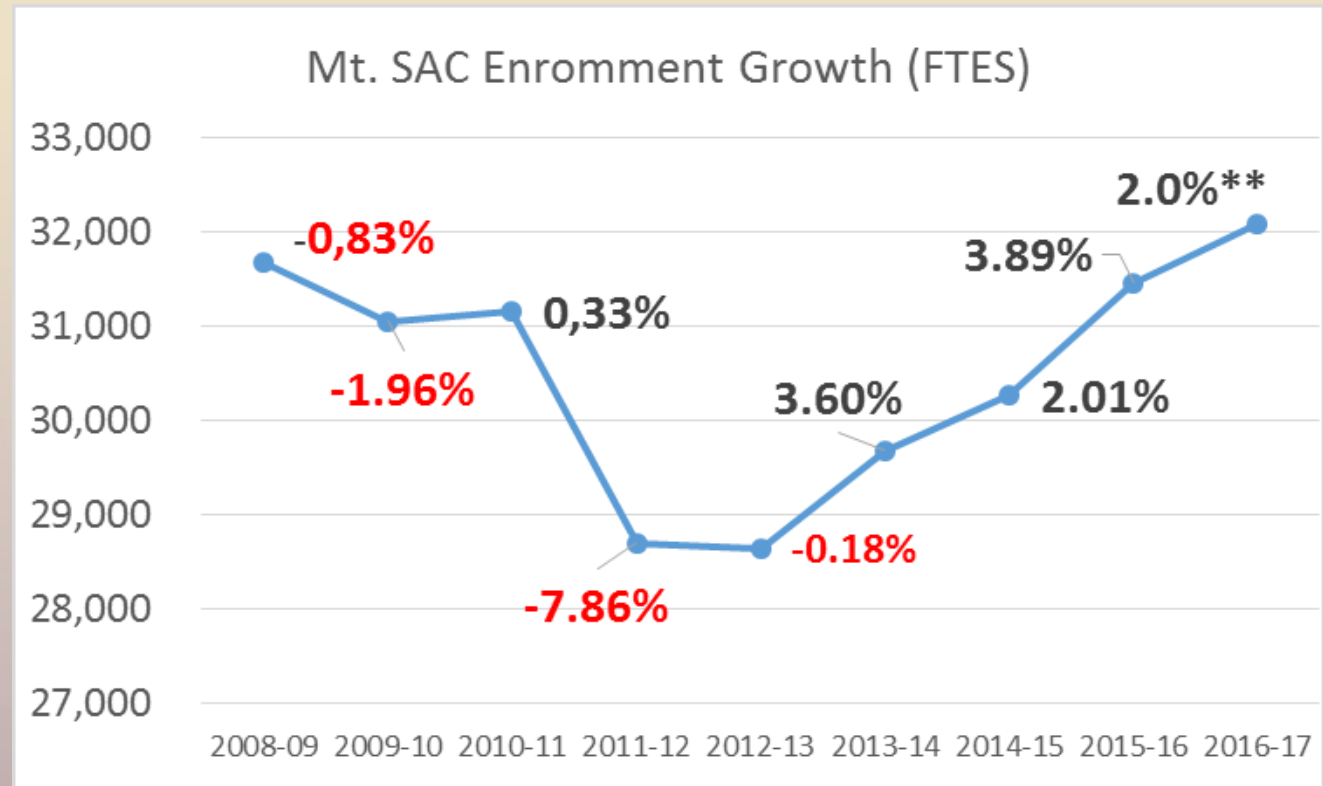
Requires
Creative
Management

Program	2015-16 Budget	Program	2015-16 Budget
1. Base	5,902,741,000	2. Nursing	13,378,000
3. Growth	156,457,000	4. Part-time	24,907,000
5. COLA	61,022,000	6. Part-time	490,000
7. General Operating	266,692,000	8. Part-time	3,514,000
9. Full-time Faculty	62,320,000	10. Student Equity	155,000,000
11. Academic Senate	468,000	12. Student	285,183,000
13. Apprenticeship	51,924,000	14. Students with	115,388,000
15. Basic Skills Innovation	20,037,000	16. Technology	19,890,000
17. CalGrant B Supplement	39,000,000	18. Technology	24,000,000
19. CalWORKs Services	34,897,000	20. Transfer and	698,000
21. Childcare Campus Tax Bailout	3,384,000	22. Physical Plant	148,000,000
23. Economic Development	22,929,000	24. Basic Skills	70,000,000
25. Energy Efficiency (Prop 39)	38,737,000	26. Mandates	632,024,000
27. Extended Opportunity Prog & Serv	123,189,000	28. Financial Aid	3,000,000
29. Faculty and Staff Diversity (EEO)	767,000	30. BA Pilot	6,000,000
31. Financial Aid Administration	70,727,000	32. CTE Pathways	48,000,000
33. Fiscal Crisis & Mgt Asst Team	576,000	34. General Fund	2,523,473,000
35. Foster Care Education	5,254,000	36. Local Property	2,613,151,000
37. Fund for Student Success	3,792,000	38. Student	416,087,000
39. Institutional Effectiveness	17,500,000	40. Education	884,839,000
41. Lease-Revenue Bond Payments	55,568,000	42. Federal Oil &	11,682,000
43. Mandates Payments	31,823,000		

State Directs Spending Thru Restricted Funds

Budget Opportunity

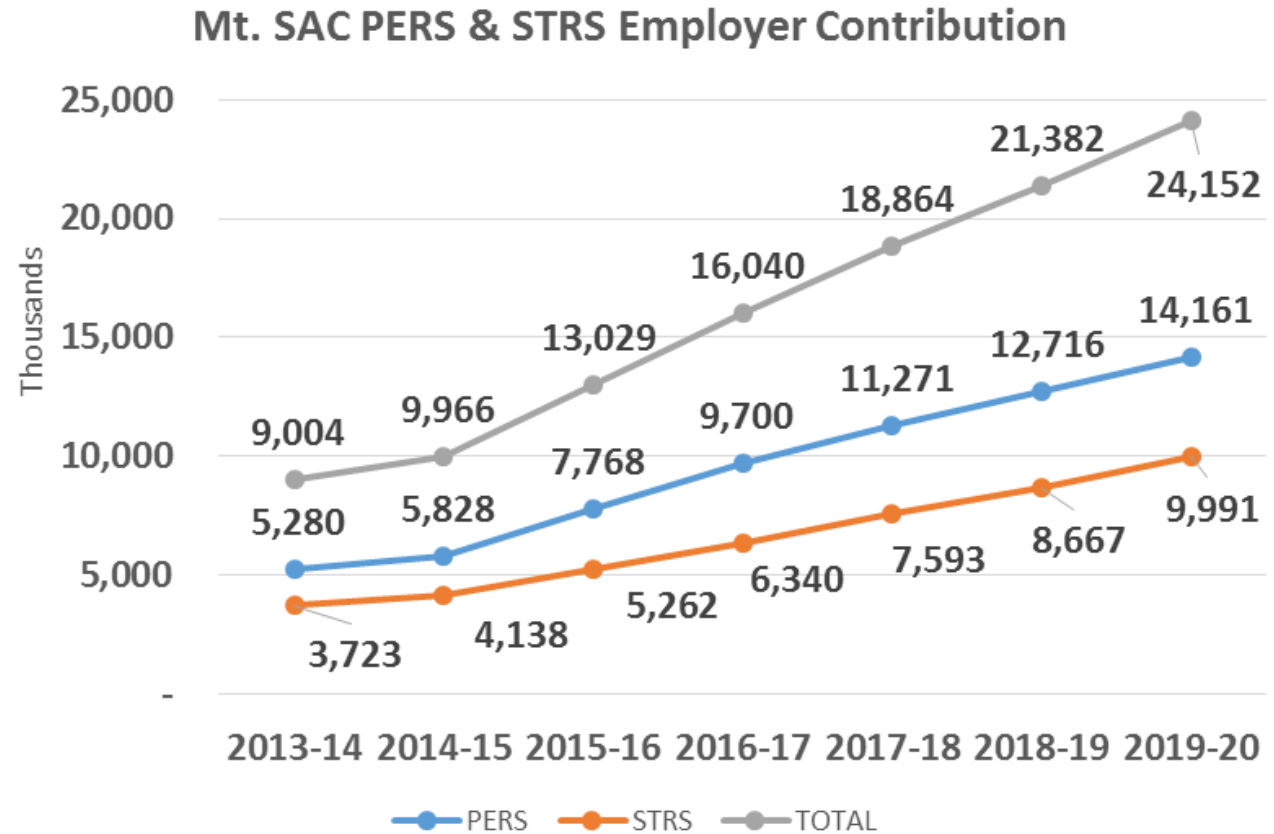
Mt. SAC Uses
\$\$\$ to
Increase
Enrollment



**projected

Budget Challenge

Exploding Pension Debt and Low COLA



Year	07-8	08-9	09-10	10-1	11-2	12-3	13-4	14-5	15-6	16-7
COLA	4.53	0.68	0	0	0	0	1.57	0.85	1.02	0

Budget Opportunity

Build Reserves; Reduce Debt

- Fiscal Prudence and Consistent Budget Management:
 - Year End Balance produces Solid Reserve Level

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
30.3 M	33.8 M	30.3 M	27.7 M	30.2 M	34.5 M	40.9 M
21.5%	23.9%	21.3%	19.4%	20.6%	22.5%	21.3%

- Long Term Budget Plan anticipate future fiscal need
 - Investing one-time funds in irrevocable trusts to pre-fund know out-year obligations

Mt. SAC Retiree Health Benefit Trust: \$75 M

CalSTRS & CalPERS Retirement Trust: \$8 M

**Moody's Bond
rating: Aa1 up
from Aa2**

Challenge: Less State Facility Funds

State School Bonds

1998 Prop 1A	\$9.2 B
2002 Prop 47	\$13.05
2004 Prop 55	\$12.3 B
2006 Prop 1D	\$10.4 B
2016 Prop 51	\$9.0 B

Mt. SAC State Funded Projects Since 2001:

Agricultural Sciences	\$9,284,000
Classroom Renovation	\$8,982,000
Design Technology	\$10,571,000
Seismic Retrofit 1B/C	\$2,148,000
Admin Remodel	\$6,267,000
Total	\$37,252,000

Opportunity: Local School Bonds

Mt. SAC Measure R (2001): \$221 M

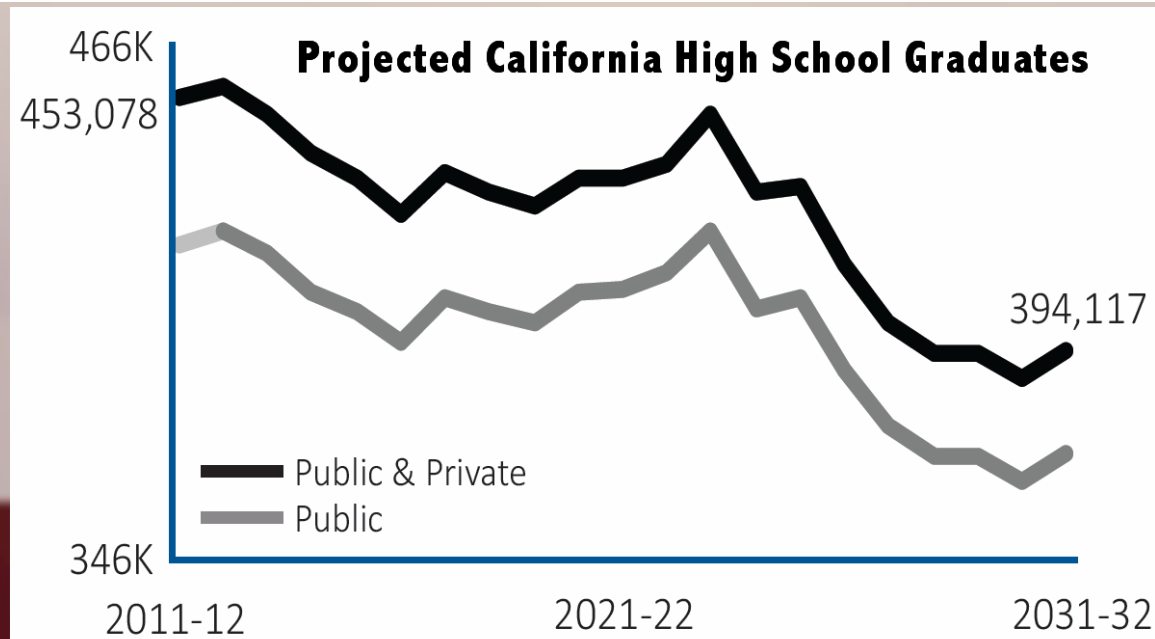
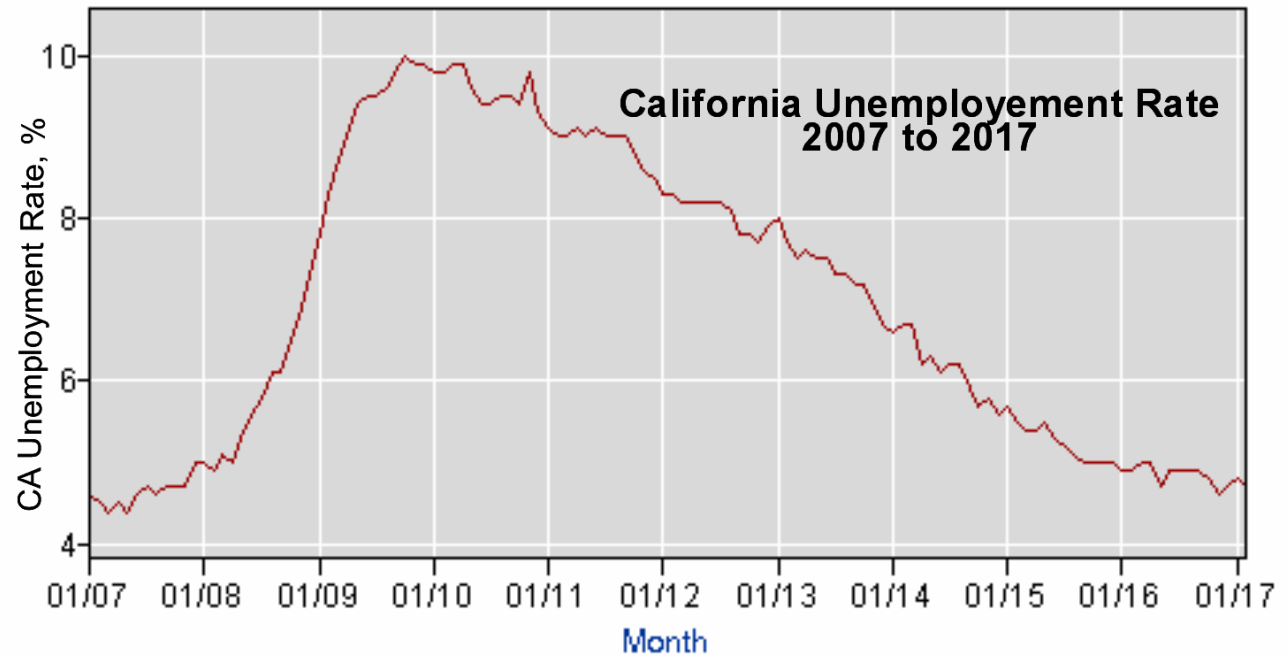
Mt. SAC Measure RR (2008): \$353 M

Mt. SAC Copes with External Forces

Education Challenges & Opportunities

- Job growth and fewer high school grads mean lower college demand
- Shifting economy means changing educational programs

Job Growth & Declining HS Grads Reduce College Demand



Opportunity: Workforce Training

- CCC Workforce Plan: 25 Recommendations
- 2016-17 Budget: \$200 M Workforce Funding
- **Mt. SAC:**
 - Largest CTE College in LA County: 7,720 FTES
 - High Job Placement/High Wages

Program	2 Yrs After	5 Yrs After
Aviation Science	\$66,741	\$76,187
Business Management	\$42,236	\$48,839
Computer & Network Tech	\$55,311	\$65,291
Electronic Systems Tech	\$49,495	\$55,340
Fire Technology	\$43,246	\$59,596
Paramedic	\$65,091	\$93,400
Psychiatric Technician	\$60,245	\$61,637

Salary Surfer at salarysurfer.cccco.edu

Opportunity: BA in Community Colleges

- State: 15 Pilot Colleges offering BA's
- Mt. SAC on-campus Bachelor's Degrees
 - Nursing: thru Mt. St. Mary College
 - Business: thru University of La Verne
 - Aviation Mgt: thru Southern Illinois U
 - Fire Science Mgt: thru Southern Illinois U





**Mt. SAC
Strives,
Survives &
Thrives**