

CALIFORNIA COMMUNITY COLLEGES
2018-19 BUDGET & LEGISLATIVE PROPOSAL



SEPTEMBER 18, 2017

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INTRODUCTION

The California Community Colleges (CCCs) represent the largest system of higher education in the country and the largest workforce provider in California. More than two million students attend CCCs each year, seeking degrees and transfer to university, career technical education, and basic skills and remediation education. Our students represent one of the most diverse student bodies of any system, roughly matching the demographics of the state. The accessibility, affordability and quality of our community colleges has allowed California to send more young people to college than any other state, and to provide students seeking to transfer to a university a strong academic foundation.

Community colleges also face serious challenges as a system. Too few of our students make it to their desired goal, only 48 percent of community college students achieved their goal of obtaining a degree, certificate, or transfer within 6-years. Students who do complete their associate degree goals take a long time to do so, an average of 5.2 years; and, students accumulate significantly more units than are needed to graduate. Older and working adults are too often left behind due to a lack of supports and programming that serves adults who must also balance work, childcare and household demands. A focus on tuition has masked the overall affordability challenges our students face, and the state's financial aid structure does not provide sufficient assistance with non-tuition related costs of attendance. Serious achievement gaps exist, for low-income and students of color, and for regions throughout the state.

In July 2017, at the direction of Chancellor Oakley, the Foundation for California Community Colleges released the Vision for Success. This document outlined a vision for our system, with clear goals centered on the current and future needs of California. The report provided an honest look at the strengths and weaknesses of our system and framed a series of commitments that the system must make to California and our students in order to advance our goals for success.

The Vision for Success calls for the following system-wide five-year goals:

1. Increase by at least 20 percent the number of CCC students annually who acquire associate degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.
2. Increase by 35 percent the number of CCC students system-wide transferring annually to a UC or CSU.
3. Decrease the average number of units accumulated by CCC students earning an associate's degree, from approximately 87 total units (the most recent system-wide average) to 79 total units.
4. Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent.

5. Reduce equity gaps across all of the above measures by 40 percent within 5 years and closing those achievement gaps for good within 10 years.
6. Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good within 10 years.

The Vision for Success outlines seven core commitments the CCC system should make to achieve these ambitious goals:

1. Focus relentlessly on students' end goals.
2. Always design and decide with the student in mind.
3. Pair high expectations with high support.
4. Foster the use of data, inquiry, and evidence.
5. Take ownership of goals and performance.
6. Enable action and thoughtful innovation.
7. Lead the work of partnering across systems.

This document is built around the goals and commitments outlined in the Vision for Success and proposes to increase the state's investment in education to improve the colleges' ability to meet California's education and training needs.

The next section, 2018-19 Budget and Legislative Overview, describes the key pieces of the request in greater detail, while the last section contains the specific priorities for funding and policy changes for 2018-19.

CALIFORNIA COMMUNITY COLLEGES 2018-19 BUDGET AND LEGISLATIVE REQUEST OVERVIEW

Historically, the Governmental Relations and Finance & Facilities Planning Divisions of the Chancellor's Office have worked independently to develop and present annual budget and legislative requests to the Board of Governors. In approaching the 2018-19 budget and policy agenda, the Chancellor's Office determined that change was necessary. Recognizing the interconnectedness of the Legislative fiscal and policy processes, and the need to collaborate and integrate across Chancellor's Office divisions, this document represents a combined California Community Colleges' Board of Governors' 2018-19 Budget and Legislative Request.

The timing of the release of the Vision for Success and the requirements of the budget cycle meant that the traditional process for consultation had to be condensed. Members of Consultation Council as well as internal and external stakeholders were invited to a joint legislative and budget planning meeting on August 21, 2017. This meeting provided an opportunity for the Chancellor's Office to provide an overview of budget and policy priorities and allow participants to submit additional items for consideration.

This request reflects the funding and policy priorities necessary to advance the goals outlined in the strategic vision, and identifies the following priorities:

- Base increase to provide flexible funding to provide high-quality educational opportunities
- Promise programs to assist students transitioning from high school to community college
- Financial aid that reflects the total cost of attendance to help students succeed
- Additional resources for full-time and part-time faculty
- Expansion of online learning options for students
- Support for a culture of data-informed decision-making

The system budget request for 2018-19 totals approximately \$382.5 million, the specific recommended funding increases are described in further detail in the next section, 2018-19 Budget and Legislative Request Narrative.

2018-19 BUDGET AND LEGISLATIVE REQUEST NARRATIVE

The California Community Colleges budget and legislative request identifies the resources necessary for colleges to provide high-quality educational services that advance the goals outlined in the Vision for Success. The CCC system has been fortunate to receive increased funding in the past three budget cycles, and the increased revenue, combined with flexibility to address local needs, has gone a long way towards ensuring that the colleges can meet the challenges of meeting the state's workforce and educational needs for the 21st century.

This 2018-19 Board of Governors Budget and Legislative Proposal has been developed by the Chancellor's Office to ensure that colleges can function at maximum effectiveness to ensure the success of all students to meet their educational goals. The proposal identifies core priorities for funding and legislative changes in each of the Vision for Success goals. Details on each of these areas are provided below.

Vision for Success Goal #1

Increase by at least 20 percent the number of CCC students annually who acquire associate degrees, credentials, or specific skill sets that prepare them for an in-demand job.

General Operating Expenses

(\$200 million)

For 2018-19 the system is requesting an increase in base funding of \$200 million to help address general operating expenses. A base increase is vital to providing colleges with unrestricted resources that allow colleges to enhance local programming and address regional and community needs. This request will support colleges as they work to address all of the goals outlined in the Vision for Success.

In 2015-16, 2016-17, and 2017-18, the CCC system received \$267 million, \$75 million, and \$183.6 million respectively, as an augmentation to base funding, partly in recognition of increasing costs and a decline in purchasing power due to non-payment of COLAs between 2007-08 and 2012-13. We estimate the cumulative purchasing power lost over those years at nearly \$1 billion. Compounded with the lost purchasing power is the fact that over the last 10 years, the colleges have experienced raising costs due to information technology to provide modern instruction, costs of modern equipment necessary for students to gain up-to-date skills and be competitive in the job market, higher utility bills and health care costs, campus security, and other expenses. Colleges do not have enough discretionary funding to cover these increasing costs which are essential to providing higher education in the 21st century.

Flexible Learning Outcomes for Workers

(Funding/Statutory TBD)

This spring, Governor Brown asked CCC Chancellor Oakley to review and recommend options for establishing a community college that exclusively offers fully online degree programs to make college more accessible and affordable for non-traditional students. Since this time, the Board of Governors has accepted the Vision for Success, which calls for the system to better serve working

adults in order to meet California's workforce needs. Chancellor Oakley has convened a workgroup to develop a plan to provide 3 – 5 options that enable the community colleges of California to better deliver on the student success goals outlined on in the Vision for Success, including online opportunities. This work group is co-chaired by Executive Vice Chancellor for Workforce and Digital Futures Van Ton-Quinlivan and Cerritos Colleges President Jose Fierro and has representation from the Academic Senate (ASCCC) and other system representatives. Chancellor Oakley has defined the target population for these options as 'adults with some college and no certification' as well as 'working adults with vocational needs' to enable them to earn certifications that lead better workforce outcomes. This endeavor is called "Flex Learning Options for Workers" (FLOW).

On August 28-29, the workgroup met to review proposals in response to the Governor's request and Vision for Success goals. At the November meeting, the Board of Governors will be provided an overview of the workgroup findings and recommendations and will be asked to approve an associated budget and legislative request.

Vision for Success Goal #2

Increase by 35 percent the number of CCC students system-wide transferring annually to a UC or CSU.

Full-Time Faculty Hiring

(\$75 million)

Full-time faculty benefit students and colleges by providing critical services such as academic advising during faculty office hours, ongoing curriculum development, and by participating in institutional planning and shared governance. Hiring additional full-time faculty will advance all of the goals in the Strategic Vision, and is a key component of academic and curricular redesign. Faculty are vital to meeting the goal of increasing transfer-intersegmental faculty partnerships can advance new transfer pathways and help ensure CCC students are well prepared for success at four-year universities. For 2018-19, the system is requesting \$75 million to support the hiring of approximately 800 additional full-time faculty.

Part-Time Faculty Support

(\$25 million)

While full-time faculty are crucial to the success of our students, part-time faculty also play a very important role in the CCC system. The three part-time faculty categorical programs (parity, office hours, and health insurance) were reduced by over 40 percent during the economic recession. The 2016-17 budget included \$3.7 million to restore the part-time faculty office hours program to the pre-recession level. The 2017-18 budget included \$5 million for the part-time faculty offices hours program. For 2018-19, we are requesting \$25 million to support part-time faculty.

Cal Grants to Better Serve Community College Students

(TBD/Statutory)

While Cal Grant funding is not part of the California Community Colleges' budget, expansion of the Cal Grant funding available to community college students is a key component of achieving

the goals outlined in the Vision for Success. Two-thirds of California's higher education students are attending a California Community College, however only six percent of the total funding awarded by the Cal Grant program goes to community college students. This funding disparity reduces the ability of community college students to take more classes, increasing the time it takes to obtain a degree.

To help our students achieve their educational goals and ultimately increase the number of bachelor's degrees in this state, we encourage the state to accelerate the investment in Cal Grant through expanding the Cal Grant Entitlement Program to cover a larger proportion of Community College students and increasing the number of Competitive awards. Given the importance of the state's need to support equity and access, the Chancellor's Office will seek an increase in Cal Grant funding and associated statutory changes to expand and enhance the program.

Vision for Success Goal #3

Decrease the average number of units accumulated by CCC students earning an associate's degree, from approximately 87 total units (the most recent system-wide average) to 79 total units.

Basic Skills Transformation Grants

(\$25 million, one-time / Statutory)

Many students entering the CCC system need additional support in order to be successful in transfer-level coursework in English and/or math, but outcomes for students who are required to enroll in a traditional basic skills sequence are poor. According to the 2017 Statewide Student Success Scorecard, 34.2% of students who took a basic skills math course completed a college level math course within six years and 46.9% of students who took a basic skills English course completed a college-level English course within six years. The CCC and the state have sought to improve basic skills through expanding funding for the Basic Skills Initiative (BSI) and through establishing the Basic Skills and Student Outcomes Transformation Program. Colleges that have implemented high-impact practices to improve delivery of basic skills education have seen significant improvements. Funding has been insufficient to bring successful programs to scale.

The 2018-19 budget and legislative request includes the creation of a basic skills transformation grant program 2.0, to provide \$25 million (one-time) to fund grants to community colleges to support full-scale adoption of high-impact practices such as co-requisite remediation and contextualized basic skills courses.

Professional Development

(\$25 million/Statutory)

Ongoing professional development is a fundamental component of supporting the systemic change that will improve student success. Without a sustained and focused approach to professional development, individual institutions, let alone an entire educational system, cannot expect to change attitudes, help faculty and staff rethink how their colleges approach the issue of student success, and implement a continuous assessment process that brings about iterative improvement. Professional Development provides faculty and staff with the tools and skills necessary to address

the multiple needs and challenges faced with a comprehensive effort to improve student success in the CCC. Professional development enables faculty to be better prepared to work with all students from multiple backgrounds and educational needs. The increased use of technology will require new skills to facilitate more effective teaching and learning methods. For 2018-19, we are requesting \$25 million and associated statutory guidance to provide professional development that supports evidence-based practices aligned with the Strategic Vision.

CCCCO Staffing and Professional Development (\$2.5 million)

The Strategic Vision highlights the importance of the Chancellor's Office establishing a clear focus on student success, and providing strong, continuous support colleges as they strive to achieve these goals. For the CCCCCO, this means a transition away from a compliance-oriented oversight structure and toward a structure of support and technical assistance for colleges. This will require professional development and staffing resources aligned to this new role and responsibility. For 2018-19, we request \$2.5 million to support additional staff and ongoing professional development.

Vision for Success Goal #4

Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent.

Adult Education Data Sharing Agreements (Statutory)

AB 104 (Chapter 13, Statutes of 2015) established the Adult Education Block Grant (AEBG), an integrated, regional delivery system designed to provide education and workforce services to underserved adults. To ensure that funding accelerates adults into employment, living wages, and full engagement in society, the legislation required the CCC Chancellor's Office and the California Department of Education to identify a process and indicators for measuring the effectiveness of each regional consortium. The 2018-19 Budget and Legislative Request includes a statutory proposal to authorize a data sharing arrangement to allow access to aggregate wage data to support program evaluation.

Vision for Success Goal #5

Reduce equity gaps across all of the above measures by 40 percent within 5 years and closing those achievement gaps for good within 10 years.

Integration of Student Support Services (Statutory)

SB 85 (2017 Education Trailer Bill) established the California Community College Guided Pathways Grant Program and required the Chancellor's Office to establish a program to support college implementation of the Guided Pathways framework. Specifically called out in the statute

is the goal of ensuring colleges integrate existing student-success programs and services. This request will authorize the Chancellor's Office to build on the integration effort that established a single report structure for the Basic Skills Initiative, Student Success and Support Program, and Student Equity Program and seek statutory changes that align these programs to the integration required under the Guided Pathways framework. This will create a flexible intake process to support students and will assist colleges in advancing the goal of reducing achievement gaps for underserved student populations.

Equal Employment Opportunity

(\$5 million)

California Code of Regulations, title 5 section 53024.1 states that "[e]stablishing and maintaining a richly diverse workforce is an on-going process that requires continued institutionalized effort." Our colleges serve a highly diverse student population, reflective of the broader population of California, with 55 to 70 percent underrepresented students. Yet, in the past ten years, only 20 to 30 percent of full-time faculty hires were from underrepresented communities. At least 75 percent of the EEO Fund must be allocated to the districts to support activities to promote equal employment opportunity, including outreach and recruitment and in service training on the EEO requirements in title 5. In 2016, the Chancellor's Office changed the EEO Fund allocation model from an FTES allocation model to a performance-based method, whereby districts are required to meet multiple methods of success in promoting EEO in their pre-hiring, hiring, and post-hiring processes. The multiple methods allocation model required districts to certify compliance with certain title 5 requirements and identify specific efforts to promote EEO at the local level. Additional funding allocated to the districts would help colleges prioritize their efforts, institutionalize improved processes, and maintain positive momentum for EEO programs statewide. Additional funding for statewide EEO activities would allow the Chancellor's Office to provide further technical assistance, service, monitoring, and compliance functions.

Vision for Success Goal #6

Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good within 10 years.

California Promise Framework

(\$25 million/Statutory)

A successful College Promise program increases the number of high school students who graduate prepared for college, increases the number of students who earn a credential or degree from a community college, increases the number of student who successfully transfer to a UC or CSU, and reduces and eliminates achievement gaps and regional achievement gaps. The 2018-19 budget and legislative request proposes to establish a California Promise framework for the CCC system, to be administered by the Chancellor's Office. Under the program, which will require both budget appropriation and statutory authority, colleges would become eligible for funding to support the regional California Promise if they meet specified outlined participation requirements such as helping all students complete financial aid applications and participating in the guided pathways framework. The Chancellor's Office would be responsible for administering and monitoring compliance with the program.

2018-19 BUDGET AND LEGISLATIVE REQUEST SUMMARY

Item	Funding	Statutory Change
General Operating Expenses	\$200 Million	-
Project FLOW (Online Education)	TBD	TBD
Full-Time Faculty Hiring	\$75 Million	-
Part-Time Faculty Support	\$25 Million	-
Cal Grant Program / Financial Aid	TBD	Yes
Basic Skills Transformation Grants	\$25 Million (one-time)	Yes
Professional Development	\$25 Million	Yes
CCCCO Staffing and Development	\$2.5 Million	-
Adult Education Data Sharing	-	Yes
Integration of Student Support Services	-	Yes
Equal Employment Opportunity	\$5 Million	-
College Promise	\$25 Million	Yes

Total On-Going Funding Request

\$382.5 million