COMMUNITY COLLEGE UPDATE

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Governor Brown's Community College Proposals Face Scrutiny

In his 2018-19 State Budget proposal, Governor Jerry Brown is offering two controversial measures for the California Community College (CCC) system. The first is his \$120 million (\$20 million ongoing) proposal to create a new fully online community college district under the California Community College Chancellor's Office. The new California Online Community College (COCC) would create and coordinate online courses and programs targeted toward "stranded workers," who are adults with a high school diploma but lack a college degree or certificate.

The second proposal is to change the \$6.2 billion CCC apportionment funding formula from one based almost entirely on enrollment to a model where half of the funds would be based on enrollment (Base Grant), a quarter of the funds would be based on the enrollment of low-income students (Supplemental Grant), and the last quarter of the funds would be based on degrees and certificates awarded (Student Success Incentive Grant). The proposal also includes a hold harmless provision that would ensure that community college districts would receive no less in 2018-19 than they received in 2017-18.

During the week of March 20, 2018, both of these proposals were scrutinized at the CCC Board of Governors (BOG) meeting and at a joint Assembly hearing that featured the Assembly Budget Subcommittee No. 2 on Education Finance and the Assembly Higher Education Committee. CCC Chancellor Eloy Oakley, who has been a champion of both proposals since their release, defended the measures at both the BOG meeting and the joint Assembly hearing.

Online College

Lawmakers at the joint Assembly hearing questioned the need to have a separate online college when there are already 114 community colleges and the Online Education Initiative (OEI) with the goal of increasing access to high-quality online courses. Assembly Higher Education Chair Jose Medina (D-Riverside) said that he is even more skeptical of the proposal now than when he first heard about it, and he does not see evidence that this college would be successful in helping the targeted population. Assembly Member Monique Limón (D-Santa Barbara) said that while she appreciates the essence of this proposal, she worries that first generation students who need to work will struggle under this model and may be left behind.

Similar concerns were expressed by the public and a handful of BOG members at the BOG meeting. Chancellor Oakley expressed appreciation for all of the feedback but maintained his position that this college is necessary to target a population of students who are not being served by the other 114 community colleges. He emphasized that the COCC would work collaboratively with the other colleges in the system and would complement, not impede, their work.

New Funding Formula

Running out of time, Committee Chair Kevin McCarty (D-Sacramento) decided to postpone the presentation on the new apportionment funding proposal but allowed for the public to comment on the item. The concerns expressed by the public were similar to those that were heard during the BOG meeting. Stakeholders' primary critique was on the Student Success Incentive Grant, which would allocate funds to colleges based on awarded degrees, certificates, and transfers. The concern is that the colleges that serve the most vulnerable student populations would lose a lot of funding because they do not have as many full-time equivalent students (FTE) as wealthier schools and thus award less certificates and degrees than their wealthier counterparts.

Chancellor Oakley argued that the current funding formula awards dollars based on FTES while the proposed formula incentivizes colleges to serve low-income students through the supplemental grant, which is also 25% of the formula. He also said that in order to correct any unintended consequences, the BOG is asking to retain its authority to change the formula if needed (with approval from the Department of Finance). BOG President Cecilia Estolano also defended the formula as a needed, bold measure to improve student achievement.

Stay Tuned

The video of the Assembly joint committee can be found <u>here</u>, and the video of the BOG meeting can be found <u>here</u>. The proposals will continue to be examined by the Legislature and the BOG until the completion of the budget process.

These two items will be discussed at the May 14-15, 2018, BOG meeting where the Board will hear how the proposals were changed in the Governor's May Revision, while the Senate Budget and Fiscal Review Subcommittee No. 1 on Education will debate the merits of the COCC proposal at its April 12, 2018, hearing and discuss the funding formula proposal the following week at its April 19, 2018, hearing.

Stay tuned for further information in future issues of the *Community College Update* as we monitor these developments.

-Kyle Hyland

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