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### **DR. ADRIENE "ALEX" DAVIS**

*Assistant Vice Chancellor, EWD, ED Services  
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June 9, 2020

Mr. Chris Ferguson

Principal Program Budget Analyst

California Department of Finance Education Systems Unit

915 L Street, 7<sup>th</sup> Floor

Sacramento, California 95814

Dear Mr. Ferguson:

On behalf of the CEO Executive Committee of the Los Angeles Orange County Regional Consortium (LAOCRC), this letter represents the views, interests and concerns of the 28 colleges and the presidents and district chancellors across 15 districts. Our region enrolls 40% (848,490) of the students attending California Community Colleges and, now with the impact of COVID-19, we anticipate that number to increase as a result of the rise in pandemic unemployment insurance (UI) claims and loss of employment.

According to the California Policy Lab and data from the California Employment Development Department, the total number of claims during the COVID-19 crisis continues to climb to historical heights, with over 4.6 million initial claims being filed in California in the eight weeks between March 15, 2020 and May 9, 2020, surpassing the total of 3.8 million claims during the Great Recession in 2009. What's even more concerning is that by May 9, 2020, over 24% of women and 19% of men from the labor force filed initial UI claims and workers between ages 20-24, 25-34, and 35-44 are disproportionately affected by this crisis and filing for UI benefits.

The table below (California Policy Lab, May 2020) provides an age demographic snapshot of UI claims filed in the midst of the COVID-19 pandemic. The California Community College System will be instrumental in providing career training for many of these individuals who now find themselves without employment.

TABLE 3: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Age Group

AGE GROUP	WEEK ENDING APRIL 25TH	WEEK ENDING MAY 2ND	WEEK ENDING MAY 9TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
16-19	12,341	13,702	10,407	148,778	531,000	28.0
20-24	45,728	47,979	35,484	602,601	1,741,000	34.6
25-34	86,125	87,751	60,074	1,174,877	4,780,000	24.6
35-44	60,769	59,422	38,848	792,048	4,303,000	18.4
45-54	54,672	51,160	33,137	694,180	3,904,000	17.8
55-64	46,417	41,510	26,233	571,583	3,019,000	18.9
65-85	15,229	13,427	8,580	188,329	1,152,000	16.3
Column Total	321,281	314,951	212,763	4,172,396	19,430,000	21.5

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Does not include PUA claims. Tabulations based on initial UI claims file. Column Total excludes claimants with unreported age or those reporting age less than 16 or greater than 85.

As California Community Colleges rapidly mobilized in record time in response to the coronavirus pandemic, transitioning tens of thousands of in-person class instruction on to remote and online instruction, our institutions continued to provide hands-on training for over 20,000 first responders and essential health care professionals who are on track to enter the workforce this year. However, as the largest higher education system that serves 2.2 million students, we still face unprecedented challenges in adapting to multiple technologies and strategies to serve the state's most vulnerable and deeply affected populations. In light of rising unemployment rates, historical trends indicate that Californians will return to community colleges to improve their career prospects and reintegrate into the workforce. With this, we urge you to consider the proposed solutions below, which we believe to be strategic in our economic recovery and critical to support current and anticipated career education training. The livelihoods of our underserved students and unemployed Californians have been impacted beyond the Great Recession and their lives are hanging in the balance. To do our part in positively and effectively responding to the impact that of this pandemic, we are proposing the following solutions:

### **Proposed Solutions to Rebuild Our Workforce and Restart California's Economy**

As the regional consortium that serves the highest number of the most under-resourced students and now faced with an unprecedented unemployment pandemic surge, it's even more critical to secure the following structures and resources in the California 2020-2021 State Budget:

- 1. Ongoing and Stability of Investments for Strong Workforce Program Allocations to Represent a 70/30 Split to Districts and Regional Consortia**
  - 2. Ongoing and Stability of Economic and Workforce Development Funds**
  - 3. Equity in Distribution of Strong Workforce Program Allocation by Changing Formula of Unemployment Rate to Unemployed Person Factor**
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- 1. Rationale for Ongoing and Stability of Strong Workforce Program Funding Allocations with Augmentation to the 60/40 Split to Districts and Regional Consortia:** Strong Workforce Program (SWP) investments are powering California's economy and creating greater access to higher education. Many programs and activities that are supported by SWP investments are building bridges for student success by closing critical skill gaps, both in the workforce and in basic academic readiness, and are helping our community colleges to keep up the pace with responding to our regional industries that are rapidly changing. SWP investments have made a tremendous difference in the advancement of our career education programs, build a unique and powerful identity with industry and our students, and improve outreach to future professionals in our communities through regional marketing strategies. A 60% proposed reduction to SWP allocations is catastrophic, unsustainable and untenable, especially at a time when getting the unemployed upskilled and back-to-work is not only critical for employers and businesses to compete effectively in a global economy, but even more critical for the survival of our local communities across the State.

As such, we feel strongly that, while these investments serve an important role in developing economies of scale through partnership and collaboration with our regional consortium, our college districts require additional resources to respond to the local needs of our students and community business employers. As such, we are requesting a 70/30 split consideration to districts and the regional consortia. However, we strongly advocate for the regional consortia structure and think that they, in partnership with the State, make significant contribution to laying the foundation for ongoing opportunity, prosperity and equality for all students who seek career education support with our member community colleges.

- 2. Rationale for Ongoing and Stability of Economic and Workforce Development Funds:** As our state and regions move forward and position our respective organizations to undergird the development of a back-to-work workforce to contribute to economic recovery, maintaining the stability of the existing resources through the Chancellor's Office Economic and Workforce Development (EWD) funds is paramount. This structure is critical to staying abreast of supply and demand for Labor Marketing Information for the community colleges to do effective career education planning at both local and regional levels. Our community colleges continue to work together with the Workforce Development Boards to mitigate a fragmented economic and workforce development system.

The EWD resource is the primary funding for our state and regions to support the work needed in economic and workforce development coordination and it continues to add value to this regard. More importantly, the EWD resources have a role to play in Labor Market Information supported by our Centers of Excellence, which is used to provide technical assistance in the development of all of our Career Education courses that are offered throughout the region and state. There is no other resource in our ecosystem that provides LMI reports for occupational supply and demand. Additionally, the EWD resource supports our Regional Directors of Employment Engagement who serve as liaisons between education and industry, and are critical to maintaining and expanding employer partnerships and brokering internships and job placement transactions for our students. Losing this resource could further disconnect students from access to opportunities to relevant career education and employability in industry.

- 3. Rationale for Equity in Distribution of Strong Workforce Program Allocation by Changing Formula of Unemployment Rate to Unemployed Person Factor:** Using unemployment rate (rather than an equitable metric such as unemployed persons) to calculate 2019-2020 SWP allocations resulted in an unexpected and dramatic shift in funding that affected regions with the largest population of underserved students and communities. Since emphasis is placed on getting "persons" into jobs, it's equally important to use the total metric of unemployed persons as the third factor in calculating SWP base and incentive allocations.

As the largest community college student-serving region in the State, in 2018-2019, Los Angeles and Orange counties served 39%, or 848,490 students, of the 2.2M students in the California Community College system. Thirty-three percent (33%) of the students we serve are disadvantaged, including:

- 38% of first-generation students
- 37% in need of EOPS services.
- 35% of economically disadvantaged students
- 35% of students who have accessed financial aid
- 30% of foster youth
- 30% of students with disabilities
- 27% of student-veterans

Thank you for considering our proposed solutions. We respectfully request priority consideration for the aforementioned rational and would like to have an opportunity to discuss this further to ultimately inform the Governor's Final 2020-2021 Budget.

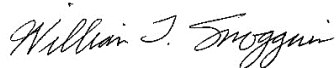
Sincerely,



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