

California Community Colleges 2020-21 Budget and Legislative Request

Introduction

The California Community Colleges is the largest system of higher education in the nation, made up of 73 districts and 115 colleges that serve 2.1 million students annually. The state's community colleges provide a range of educational needs aimed at supporting Californians' social and economic mobility, with students seeking to build foundational skills, gain career-related skills to enter or advance in their careers, or earn a degree or transfer to a four-year university.

In 2017, the Board of Governors embraced the *Vision for Success (Vision)*, which identifies the North Star our system must follow if we are to meet California's needs. The California Community Colleges' *Vision* guides interrelated reforms that will make higher education more accessible and equitable for millions of Californians at a time when the state needs it most.

Specifically, to intensify the focus on students' end goals, the Board of Governors adopted the following systemwide goals, which were built off the most recent data when the *Vision* was initially developed:

- Increase by at least 20 percent the number of students annually who acquire associate degrees, credentials, certificates, or specific skill sets that prepare them for in-demand jobs.
- Increase by 35 percent the number of students transferring annually to a University of California (UC) or a California State University (CSU).
- Decrease the average number of units accumulated by students earning an associate degree, from approximately 87 total units to 79 total units.
- Increase the percentage of exiting CTE students who report being employed in their field of study, from 60 percent to an improved rate of 69 percent.
- Reduce equity gaps across all of the above measures by 40 percent by 2022 and closing those achievement gaps for good by 2027.
- Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good by 2027.

We have initiated innovative and, some would say, disruptive changes that are focused on achieving these goals. California is restructuring the way community colleges are funded to reward community colleges that improve outcomes for low-income students; phasing out high-stakes placement exams and develop for-credit alternatives to remedial classes; expanding access to structured academic and career pathways; and establishing an online community college to provide education and workforce training for adults who cannot access classes at fixed times at a brick-and-mortar campus.

The Board of Governors' Budget and Legislative Request for 2020-21 furthers the *Vision* by proposing budget adjustments and policy changes that respond to these clear signals from state leaders about the outcomes necessary to support the state's future. It largely prioritizes additional resources in programs that leave discretion at the local level for districts to determine spending needs. The request responds to the input received from educators, advocates, and students themselves about what support is necessary to further the implementation of recent reforms and achieve the *Vision* goals. It also emphasizes the need for continual review of existing laws and policies to determine whether they are advancing—or constraining—colleges' ability to achieve the *Vision*.

This request also recognizes that per-student resources for the California Community Colleges has long been far too low, even as costs increase oftentimes faster than inflation, making it more difficult for colleges to even maintain existing programs. Historically, the Governor and the Legislature have not appropriated resources above the minimum guarantee of appropriations to schools and community colleges enacted in Proposition 98 and related laws. The impacts are real: for each student enrolled, the California Community Colleges receive less funding than the UC and the CSU do, even though the community colleges are likelier to enroll students who have faced the greatest barriers to educational attainment, including students from low-income families, first generation students, and black and Latinx students. State leaders must grapple with what this budget reality means for California's future. As a system, we strongly request both adequacy and equity. The state can make progress incrementally. It can expand support for programs that have historically been funded outside of the minimum guarantee, including financial aid for students, districts' retirement costs, and infrastructure.

This request also aims to build on the work Governor Newsom and the Legislature have advanced to create a California for All and strengthen the state's long-term budget resiliency. Today, too many Californians have faced systemic barriers to postsecondary educational attainment, and they now face greater risks as the state grapples with a future of work characterized by rapid change and instability. The California Community Colleges have always enrolled the most vulnerable Californians, and this request is designed to better support that work. At the same time, we recognize that our colleges must be bettered for coming budgets in which revenues will be more constrained. This request asks that existing obligations be preserved first and that the Governor and Legislature give the Board of Governors and the Chancellor's Office the tools to provide support most effectively.

Process

The California Constitution specifies that money may be drawn from the state treasury only through an appropriation made by law. The annual budget act is a bill that serves as the primary authority for expenditures (accounting for about two-thirds of appropriations). Other bills providing for appropriations related to the budget act (often referred to as trailer bills) are typically enacted with the budget. Existing law requires the

Board of Governors, in consultation with institutional representatives of the California Community Colleges and statewide faculty and staff organizations, to develop criteria and standards for the purpose of making the annual budget request for the California Community Colleges to the Governor and the Legislature.

Similarly, existing law requires the Chancellor's Office to prepare a five-year capital outlay plan identifying the statewide needs and priorities of the California Community Colleges. To allow the Chancellor's Office to meet this requirement, existing law also requires the governing board of each community college district to both prepare and submit to the Board of Governors of the California Community Colleges a systemwide five-year plan for capital construction annually. The Chancellor's Office reviews and approves the districts' five-year capital outlay plans as part of the annual capital outlay grant application process. The California Community Colleges Five-Year Capital Outlay Plan is compiled using information from the districts' approved plans.

Outside of the budget process, the Legislature also makes policy through bills and resolutions considered in the legislative process, with bills enacted by the Legislature presented to the Governor for consideration. The standing orders of the Board of Governors also generally require the Chancellor to seek the advice of the Consultation Council regarding positions on state legislation.

In May, the Chancellor's Office began the process to develop the 2020-21 Budget and Legislative Request by asking system constituents to submit concepts for inclusion in the proposal. From that call, the Chancellor's Office received nearly 50 proposals. The Board of Governors received an update at the July meeting. On August 14, the Chancellor's Office invited stakeholders to attend a workshop to discuss the proposals, and, on August 15, the Consultation Council discussed how the proposals might be prioritized as part of the system's request. When the Consultation Council discussed these issues, several members noted how critical it is for the system to commit to shared priorities. The Chancellor's Office has incorporated feedback from that consultative process into this document, with the intent that this request can be the basis for coordinated advocacy on the part of the California Community Colleges.

In using the proposals to generate recommendations, the Chancellor's Office aimed to determine:

- The extent to which a proposal furthers the *Vision*.
- Whether the proposal is statewide in nature.
- Whether the justification for state intervention is compelling.
- The extent to which available evidence suggests that the proposal would be effective in addressing an identified problem.
- The extent to which the proposal is consistent with prior statements of Board of Governors policy.
- The extent to which the proposal aligns with interests of the Governor and legislators.

The table on the following pages summarizes categories and specific proposals included in the 2020-21 Budget and Legislative Request. Appendix 1 articulates existing challenges and opportunities motivating the requests and the specific details of the requested actions. Appendix 2 shows the changes in funding in 2020-21 for programs included in the California Community Colleges Proposition 98 budget, assuming adoption of all of the proposals.

Although the Chancellor's Office's aim is that this proposal represent the focus of the system's advocacy over the next year, the Governmental Relations Division will also continue to update the Board of Governors on other policy proposals and seek Board consent to take positions on pending legislation aligned to the *Vision*.

Request Summary

Key: SO=State Operations, LA=Local Assistance, CO=Capital Outlay, Pos.=Positions Requested, GF=General Fund, 98=Proposition 98, BB=Budget Bill, TB=Trailer Bill, CCC=California Community Colleges, CCCC=California Community Colleges Chancellor's Office

Foundational Resources

Monetary denominations in the following chart are in thousands.

Proposals	SO	LA	CO	2020-21	Pos.	2021-22	Pos.	GF	98	BB	TB
Funding to Meet Current Obligations and Provide Cost Adjustments	N	Y	N	\$328,000	0	\$328,000	0	Y	Y	N	N
Support for Pension Contributions	Y	N	N	\$100,000	0	\$0	0	Y	N	Y	Y
Board of Governors' Capital Outlay Program	N	N	Y	\$649,707	0	\$366,739	0	N	N	Y	N

Focus on College Affordability

Monetary denominations in the following chart are in thousands.

Proposals	SO	LA	CO	2020-21	Pos.	2021-22	Pos.	GF	98	BB	TB
Financial Aid Reform	Y	Y	N	\$250,579	3	\$500,390	3	Y	N	Y	Y
Textbook Affordability	N	Y	N	\$10,000	0	\$0	0	Y	Y	Y	Y
Annual Survey of Students' Basic Needs	Y	N	N	\$350	0	\$350	0	Y	N	Y	N

Focus on Faculty and Staff

Monetary denominations in the following chart are in thousands.

Proposals	SO	LA	CO	2020-21	Pos.	2021-22	Pos.	GF	98	BB	TB
Implementation of Faculty and Staff Diversity Taskforce Recommendations	Y	Y	N	\$76,408	3	\$60,408	3	Y	Y	Y	N
Professional Development to Improve Teaching and Student Support	N	Y	N	\$15,000	0	\$15,000	0	Y	Y	Y	N
Part-Time Faculty Support	N	Y	N	\$10,000	0	\$10,000	0	Y	Y	Y	N

Targeted Resources to Address Student Needs

Monetary denominations in the following chart are in thousands.

Proposals	SO	LA	CO	2020-21	Pos.	2021-22	Pos.	GF	98	BB	TB
Augmentations for the Student Equity and Achievement Program	N	Y	N	\$20,000	0	\$20,000	0	Y	Y	N	N
Expansion of Mental Health Services	N	Y	N	\$10,000	0	\$10,000	0	N	N	Y	Y
Expansion of Educational Program for Incarcerated Students	N	Y	N	\$10,000	0	\$10,000	0	Y	Y	Y	Y

Expansion of State Supports to Serve System Needs

Monetary denominations in the following chart are in thousands.

Proposals	SO	LA	CO	2020-21	Pos.	2021-22	Pos.	GF	98	BB	TB
Establishment of System of Support for CCC	N	Y	N	\$0	0	\$0	0	Y	Y	Y	Y
Expansion of CCCCCO Research and Planning Unit	Y	N	N	\$945	6	\$945	6	Y	N	N	N
Establishment of CCCCCO Housing Unit	Y	Y	N	\$6,200	2	\$200	2	Y	Y	Y	Y
Establishment of CCCCCO Energy and Environmental Sustainability Unit	Y	N	N	\$200	2	\$200	2	N	N	N	N
CCC Library Services Platform	N	Y	N	\$4,000	0	\$4,000	0	Y	Y	N	N
Systemwide Awareness and Outreach	N	Y	N	\$2,500	0	\$0	0	Y	Y	N	N
Core Support for CCCCCO Operations	Y	N	N	\$2,300	13	\$2,300	13	Y	N	N	N