

# Board of Governors Meeting - September 21, 2015

Notes by Rita M. Mize, Ph.D.

## **Action Calendar**

### Approval of Contracts and Grants – Approved

The board received and approved contracts/grants to:

- 1) Support the design and development of career exploration videos for use with the Salary Surfer website;
- 2) Secure hotel space for the Student Success and Support program/Student Equity conference;
- 3) Renew a grant to support the Transfer Guarantee to Historically Black Colleges and Universities (HCBUs);
- 4) Renew and augment a grant to fund data-related technology assistance to the Workforce and Economic Development Division for an online accountability system to manage grants; and
- 5) Allow the Chancellor's Office to receive \$250,000 from the Energy Commission to plan and implement an alternative fuels and advanced vehicle technology apprenticeship training program.

### Adoption of 2016-17 System Budget Request – Adopted

Vice Chancellor Dan Troy presented an overview of the proposed budget request for 2016-17. It includes a total of \$968.5 million which exceeds the \$850 million that the system received for the 2015-16 (CY) fiscal year. Although the system does not expect to receive as much funding as in the current year (CY), Chancellor's Office staff believe that this proposal will give the Administration adequate alternatives within the likely band of funding.

The California Community Colleges Board of Governors 2016-17 System Budget Request is here.

League CEO Dr. Larry Galizio addressed the BOG regarding the support of the CCCT and CEOCCC boards for the System Budget request. Following is his testimony:

“On behalf of the CEO and CCCT Boards of the Community College League of California, I want to express our support for the 2016-17 System Budget Request. The 2016-17 request supports meaningful student access and success efforts while reflecting an understanding of innovative opportunities to improve programs and services.

The League is particularly pleased to see requests in three areas of growing need and momentum in our system – workforce, basic skills, and technology. By building on the findings of the Task Force on Workforce, Job Creation, and a Strong Economy, we are poised to effectively target resources where they will have the greatest impact. We appreciate the foresight to consider a collective approach to basic skills and look forward to further engaging in this

area of interest. Additionally, given the increasing reliance on technology-driven practices at colleges, we applaud the inclusion of cyber-security improvements in this request.

The League also values the important recognition of increasing base allocation funding to support growing general operation costs, such as increased PERS/STRS contribution rates, health insurance rates, and increasing energy expenses. A base augmentation will ensure that core student programs are unaffected by these growing cost pressures. The League will also build the case for increased Cal Grant resources to support students' full cost of attendance.

As the budget process unfolds, the League will continue to engage and build a case for the items included in this request. We look forward to working with our system partners to ensure that colleges are adequately funded to support the success of California students."

Dr. David Morse, President of the Academic Senate (ASCCC), expressed support and also requested a specific line item for professional development since it tends to get lost when included with other priorities. Dan Troy responded that his office is extremely supportive of professional development but is approaching this issue in "strategic ways" to obtain professional development funds without a direct earmark which would not likely be well-received by the Department of Finance or the Governor.

In their discussion, board members mentioned the importance of the \$80 million request for hiring full-time faculty, especially given the needs in the nursing and workforce development curricula.

Several board members commented on basic skills, most likely propelled by their retreat the prior day which highlighted the significant numbers of students and costs for supporting basic skills courses. Some questioned the proposed \$175 million (3%) for access with only \$20 million proposed for the basic skills categorical augmentation. Among the specific items included within the basic skills needs was funding for counselors given both the lack of student preparedness and the fact that approximately 50% of our students are low-income and do not receive guidance from family members.

Board Chair Baum wanted assurance that this request would not give the false impression that colleges are spending only \$60 million on basic skills, but rather are devoting thousands of faculty hours and serving hundreds of thousands of students in these programs. Dan Troy responded that significant funding for basic skills is embedded in the apportionment, Career Technical Education (CTE) and other budget categories.

Chancellor Harris responded that the \$105 million for the student success categorical program, as well as the \$80 million for full-time faculty and the general operations items, will all include basic skills. Dan Troy also noted that hiring counselors can be funded from the Student Success Support Program (SSSP) funds; both stressed that \$20 million for basic skills is reasonable

given the lack of interest by either the Legislature or the Governor's Office for categorical expenditures per se.

#### Independent Warrant Authority – Approved

This item (which was referred to as “fiscal independence” in the past), simply allows two districts, Grossmont-Cuyamaca and Chabot-Las Positas, to independently issue warrants without having them reviewed or approved by their local county offices of education. This methodology saves money for the local districts and is provided to those which have been audited for good fiscal controls and practices over time. With the addition of Grossmont-Cuyamaca and Chabot Las Positas, 17 of the 72 community college districts have this authority, which is allowed under the Government Code upon BOG approval if audits show long-term fiscal stability and management.

#### California Community Colleges 2016-17 Five-Year Capital Outlay Plan – Adopted

The Chancellor's Office has projected \$20.9 billion in capital facilities needs for the California Community Colleges over the five-year time frame of the plan (2016-2021). Of this amount, \$9.9 billion is for construction of new facilities and \$11 billion is for modernization of existing facilities. The total unmet facilities need for the colleges is estimated at \$29.2 billion. This includes estimated costs for construction of an additional 10.2 million assignable square feet for new facilities to meet enrollment growth and 28.3 million assignable square feet for the modernization of existing facilities (since over 50% of California's community college buildings are over 40 years old.)

The Chancellor's Office has proposed a one-year spending plan of 20 projects at a total cost of \$770.9 million, including \$477.8 million of state funds and \$293.1 million funded by local district bond measures. However, even funding for these new projects is dependent on passage of a statewide general obligation (GO) bond being approved by the voters in November 2016. An additional 106 projects in the first year are funded solely by the districts at a cost of \$666.4 million.

Staff reminded the board that the last state GO bond was in 2006; these funds have been fully expended. An education bond initiative has qualified for placement on the November 3, 2016 ballot. If approved by the voters, it would provide \$9 billion, to be distributed as follows: \$3 billion for new K-12 school construction; \$3 billion for K-12 school modernization; \$1 billion for charter schools and vocational education centers; and \$2 billion for community colleges.

As an initiative statute, this measure requires only a simple majority for passage; analysts believe that it generally would have a very good chance of passage in 2016 since it is a presidential general election. However, given the Governor's concerns about the “wall of debt” and his skepticism about the use of funds in the K-12 sector, this measure may have difficulty if he is not supportive. The full text of the initiative is here.

#### **First Reading – Each of these items will be on the November agenda for action.**

##### Nomination of 2016 Board Officers

The board nominated Geoffrey Baum for president; and Cecilia Estolano for vice-president (VP). The board noted that the bylaws need updating to remove the election of a member to serve on the (now defunct) California Postsecondary Education Commission and referred this item to the Chancellor. (The primary tasks of the president and VP are to consult with the Chancellor on BOG agendas and consider requests beyond the ordinary for travel and lodging of BOG members.)

#### Proposed Board of Governors' Meeting Dates for 2017

January	17-18
March	20-21
May	15-16
July	17-18
September	18-19
November	20-21

The November meeting is proposed for the same week as Thanksgiving; board members asked staff to consider moving that meeting to November 13-14. They also asked staff to consider avoiding the High Holy Days of the Jewish calendar. As with the other items in this section, this item will be an action items on the November agenda.

#### AB 1906 Community College Property - Direct Costs for Use Regulations (Public Hearing)

This item, which included a public hearing at which there were no speakers, proposed changes to Title 5 regulations in response to AB 1906 (Ch.233, Statutes of 2014) which expanded the definition of "direct costs" to allow college governing boards to charge a proportional amount for the maintenance, repair, restoration and refurbishment for the use of non-classroom space and schools grounds when determining the amount the district may charge for the use of its facilities until January 1, 2020. Chancellor's Office staff noted that this language mirrors the approach used by K-12 districts in setting these fees; in addition, it was vetted through the facilities task force.

### **Information and Reports**

#### Aspen Institute's New College Leadership Project

Mr. Josh Wyner, Executive Director, the Aspen Institute College Excellence Program, and Dr. Doug Houston, Chancellor, Yuba CCD, spoke to the board on the importance of college leadership for achieving greater student success.

The Aspen Institute's Excellence Program works to advance higher education practices, policies and leadership that significantly improve student outcomes in four areas: completion, equity, labor market and learning.

Mr. Wyner and Dr. Houston provided this PowerPoint presentation: [download it here](#). They noted that the Institute's program includes the qualities and administrative competencies which are essential for effective leaders, and stresses the importance of leadership in helping institutions achieve exceptional outcomes for students.

The Aspen Institute also coordinated their work with Achieving the Dream and their report, *Crisis and Opportunity: Aligning the Community College Presidency with Student Success*, (read it [here](#)). In doing so, they noted the importance of assisting trustees in the hiring process and in finding exceptional leaders.

Aspen staff also interviewed eight headhunters and learned that many trustees value risk-averse candidates, with strong external relationships. They seek candidates with whom they can work, but need to focus on those with some willingness to take risks for greater student success because that leads to change which is essential for good management.

The next steps include working with the forthcoming University of California, Davis, leadership institute which is under construction. With a new award from the Kresge Foundation, Aspen staff can work with California's boards, review documents and facilitate meetings of boards of trustees – without charging a fee as in the past. California is poised to become the third state in which Aspen has worked.

#### California High Speed Rail Authority

Jeff Morales, CEO of the California High-Speed Rail Authority (CHSRA) briefed the board on his work, with emphasis on its importance for the economy. He cited this infrastructure project as similar to the Master Plan for Higher Education in its impact on the economy and its importance for connecting all regions of the state, especially the Central Valley, to the major metropolitan areas for the first time.

Morales stressed that development of HSR is a necessity rather than an option due to the existing congestion at airports and on the highways, with the LAX-to-SFO air route as the busiest in the country. He also noted that HSR is essentially the “third runway” at LAX and will allow the airport to provide greater availability for longer trips.

Phase one is the San Francisco to Anaheim link; ultimately, there will also be an interstate link to Las Vegas, with the involvement of Chinese investment. The train is expected to decrease the time from Fresno to the Bay Area/Silicon Valley from one-half day to 35-40 minutes. The Los Angeles to Palmdale route, which currently takes two hours, would be reduced to 15 minutes.

The net effect on Central Valley cities will include the ability to develop a new master plan with denser, more sustainable development instead of consuming thousands of acres of prime farm land. Two large design-build contracts totaling \$2 billion have been signed and are expected to involve 200 small businesses. The new connectivity between regions is also expected to lead to many new jobs (as many as 10,000 in the Bay area alone) as well as the potential for creating new types of jobs.

The community colleges will be essential for preparing workers for related private sector jobs – in the areas of construction, operation, and maintenance of the system. The CHSRA will also

connect with “anchor institutions” such as colleges and hospitals, which form the foundation of cities and will partner with the colleges to ensure that the benefits to the economy are fully realized.

Morales estimated that each \$1 billion investment will yield 7,000 jobs, with one-third of them in direct construction. While the CHSRA is prohibited from using local preference hiring, they are able to target hiring from distressed zip codes.

Morales indicated that there is a significant need for trained workers; they have partnerships with the building trades and the Workforce Investment Boards, as well as 5-6 apprenticeship programs in Bakersfield and Fresno, with high placement. They also have early partnerships with community colleges in Merced, Modesto, and Fresno, and will be working with the colleges to develop a clearer understanding of the types of new jobs which will be created. Chancellor’s Office staff have also sponsored workshops with the labor community because hiring is through project labor agreements.

#### Accreditation Task Force Report

Chancellor Brice Harris provided brief introductory remarks on the history and background of this report. There were presentations by Chair Pam Walker, then by several key members of the task force including Rich Hansen (FACCC) on the history of the task forces; Stephen Blum (CCCT) on the importance of the peer review process; and Cindy Miles (CEOCCC) on the recommendations themselves, as well as the need to focus on the future by developing a list of criteria that colleges should meet.

After much discussion and testimony from fifteen members of the public, the BOG voted unanimously to direct Chancellor Harris to send the *Report of the California Community College Chancellor’s Office Task Force on Accreditation* to the National Advisory Committee on Institutional Quality and Integrity (NACIQI) accompanied by a letter indicating unanimous support for its findings by both the Task Force and BOG members.

Chancellor Harris noted that this is the “beginning of a robust conversation;” he will return to the board in November with recommendations for taking actions to move forward so that a “more robust recommendation and next steps” can be brought to the BOG by March 2016 as recommended by the Task Force.

Chancellor Harris noted that following the Task Force recommendations will include choosing a new accreditor which could take as long as six to seven years since colleges are on a 6 to 7-year accreditation cycle and cannot switch accreditors all at once, but only as each college is scheduled for renewal of its accreditation. In addition, it would be very difficult for colleges under any level of sanction to transition to a new accreditor.

The chancellor has engaged in “active conversation” with the United State Department of Education (USDE) about seeking a new accrediting agency either within our (western) region or

one from another region of the country. While the BOG has authority to accept a new accreditor, only the USDE can authorize any particular accrediting body to do so.

The chancellor then indicated that he had been contacted by ACCJC staff with a suggestion that they meet with the task force on October 9. The chancellor responded that he would prefer a meeting in late October, after Vice Chancellor Walker has had a chance to work with them to establish “ground rules” for such a meeting. The response from ACCJC was that they would only hold October 9 for the meeting; their next availability would be in January.

#### State and Federal Legislative Update

Vice Chancellor Vince Stewart focused on a few bills, with primary emphasis on AB 288, noting that it is the first concurrent enrollment bill approved after several years of attempts. He also cited the “tremendous efforts” of the League and LACCD advocates, and stated that he is “cautiously optimistic” about the likelihood of a gubernatorial signature.

Stewart reminded the board that AB 1385 and 1397 (accreditation) have been held by their author (Assemblymember Phil Ting) to allow the BOG to adopt and guide appropriate steps to remedy concerns about the current accreditation process.

For the federal update, Stewart noted that the White House has released a new college scorecard and simplification of the Free Application for Federal Student Aid (FAFSA).

#### Board Energy and Sustainability Award Program

There were several winners in various categories, pursuant to Proposition 39, including: Mt. San Antonio College, Santa Ana College, Sequoias, Victor Valley CC, Orange Coast College, Irvine Valley College, Santiago Canyon College. In addition, the BOG named Mr. Fred Diamond, Director of Facilities and Construction for Citrus CCD as their “Sustainability Champion” both for his work in his own district as well as his mentoring and advice for other districts throughout the system.

#### Adult Education Block Grant

At a previous meeting, the board approved the overall adult education program. This item provided information on the Adult Education block grant of \$525 million for 2015-16, with the Chancellor’s Office as the fiscal lead agency. The block grant was proposed to: 1) Stabilize existing K-12 providers; 2) Provide more access for areas with additional unmet need; and 3) Fund a new accountability and assessment system for adult education. The budget included highly prescriptive language, including \$337 million for K-12 maintenance of effort and \$163 million for consortia providers.