



CONTINUING THE INVESTMENT CALIFORNIA COMMUNITY COLLEGES 2015-16 BUDGET POINTS

Community College League of California

JANUARY 2015

CONTINUING INVESTMENT TO ACHIEVE SUCCESS, EQUITY, AND ACCESS

After five years of disinvestment due to the economic downturn, community colleges have received funding to begin the slow process of rebuilding programs. This, combined with additional funding provided by passage of Proposition 30, is necessary in helping the colleges begin to rebuild crucial services and respond to students seeking to further their education and prepare for the workforce.

We are grateful to the Governor for his continued support of community colleges as well as his understanding of the substantial fiscal challenges that districts face in coming years due to PERS and STRS increases as well as the upcoming sunset of Proposition 30 revenues.

2015-16 BUDGET PROPOSAL FOR CALIFORNIA COMMUNITY COLLEGES

SUCCESS

\$100 million to increase orientation, assessment, placement and counseling.

EQUITY

\$100 million to close gaps in access and achievement as identified in local student equity plans.

ACCESS

\$106.9 million (2%) which will fund 45,000 additional students in districts with growing demands.

QUALITY

- **Cost of Living Adjustment** – \$92.4 million (1.58%) statutory COLA increase.
- **Operating Costs** – \$125 million for increased operations/flexibility.
- **Mandate Claims** – \$351 million one-time funds in mandate repayments will be important for helping colleges to restore lost purchasing power.
- **Final Deferral Payment** – \$94.5 million to retire deferrals.

INVESTING IN WORKFORCE DEVELOPMENT

- **Adult Education** – \$500 million for a K-14 block grant that builds on local collaboration of the AB 86 Regional Consortia.
- **Career Development College Preparation (CDCP) Rate Equalization** – \$49 million to equalize the CDCP non-credit rate to the credit rate.
- **Career Technical Education** – \$48 million in one-time funds to support the SB 1070 Career Technical Education Pathways Program.

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KEY POLICY POINTS

DUAL ENROLLMENT

All students deserve exposure and an opportunity to pursue higher education. For at-risk students, participation in dual enrollment courses is positively related to enrollment in a two or four-year college, a decreased need for academic remediation, and greater persistence in higher education. This is a cost-saving strategy to reduce remediation rates (not only at community colleges but also at UC and CSU), provide a pathway for students seeking advanced studies while in high school, decrease overall college tuition, and build strong connections between high schools and colleges. Doing so also is consistent with requirements of career pathways which mandate improving linkages between high schools and community colleges. Community colleges are committed to working with the Legislature and Administration to reform dual enrollment policies and to pass the College & Career Access Pathways (CCAP) Act.

FLEXIBILITY AND LOCAL DECISION MAKING

It is clear that the Governor has recognized the hard budget decisions that California's community colleges have made over the past several years. The 1.58% COLA, the \$125 million augmentation in our base allocation, and the \$351 million in mandate claim repayment will be important for helping colleges to restore lost purchasing power, make a down payment on PERS and STRS increases, or pay for deferred maintenance and instructional equipment and other one-time costs.

STABILITY

The League supports options for stable and predictable funding to enable the colleges to reverse the decline of approximately 500,000 students between 2007-08 and 2011-12, and to provide some relief due to the loss of \$800 million in the recent recession.

ADULT EDUCATION

We thank the Governor for proposing an adult education plan that embraces and builds upon the local collaboration of the AB 86 Regional Consortia. We will continue to stress the importance of a local fiscal decision making structure as part of the Regional Consortia that provides balance and gives community colleges an equal voice. We believe the continued reinvestment in adult education is necessary to fill unmet needs of many adults throughout the state. We support a one-year transition period followed by a funding formula that emphasizes collaborative service delivery and provides community colleges with the appropriate levels of funding to close service gaps in each region.

ADVANCING WORKFORCE SKILLS

We agree with the Governor's comprehensive approach to workforce development as demonstrated through the new budget investment in the *Investing in Workforce Skills* section of the proposed budget. We also support the work of the Board of Governors' Taskforce on Workforce, Job Creation and a Strong Economy and believe that legislation in this area should await the final deliberations of this task force.

FULL-TIME FACULTY

The benefits of increased levels of full-time faculty members are numerous, from having adequate staffing to provide needed stability for planning and curriculum development purposes to increasing availability to students outside the classroom.

CAPITAL FACILITIES

In recent years, the renovation, modernization and building of new facilities for community colleges have been a joint project of the state and local districts. Since all the funding from the last state general obligation bond in 2006 has been spent or committed, community colleges need a major investment in state support for their facilities. Many of these capital projects have safety implications. The Chancellor's Office estimates the need over the next ten years at approximately \$35 billion, with an estimated \$19.1 billion secured through local bonds and the remaining need for a state match of \$15.9 billion.

INCREASE STUDENT SUCCESS WITH FINANCIAL AID

One of the key drivers of student success is the ability to attend classes on a full-time basis. However, students often cannot do so unless they receive sufficient financial aid to support themselves to pay for textbooks, transportation, food, rent and the other costs of attendance. Unfortunately, the Cal Grant system is not an effective financial aid system for community college students because it is based on student fees which are a small share of total educational costs and results in our students receiving only 6% of the available funds annually. This under-investment in our state's neediest students often leads them to take fewer classes which lengthens their time to graduation.

MEETING DEMAND FOR CLASSES

The League is grateful for the Governor's investment of over \$100 million to serve 45,000 new students at colleges with growing demands for classes. During the recession, our colleges were forced to turn away over 500,000 students. This new investment will allow colleges to increase course offerings. We would like to work with the Administration and the Legislature to revisit the new growth allocation formula before implementation and craft a formula that provides predictability for our colleges and recognizes the differences in the regions we serve.