Digest

Digest means an item that has been through internal review of the Chancellor's Office and the review entities. The item now has form and substance, and is officially "entered into Consultation." The Council reviews the item and provides advice to the Chancellor.

CONSULTATION

Title: **2016-17 System Budget Request**

Date: **June 18, 2015**

Contact: **Dan Troy, Vice Chancellor for Fiscal Policy**

Background

By law, the Board of Governors must submit a request to the Department of Finance in September for use in the development of the Governor's January budget proposal. To assist the Board in this request, the Chancellor's Office annually convenes a Budget Workgroup to formulate a recommendation. The Budget Workgroup is composed of various CCC stakeholders, approximating the diversity of the Consultation Council.

The 2016-17 Budget Workgroup met on June 10th to begin planning for the CCC system's 2016-17 budget request. The Budget Workgroup is comprised of various CCC stakeholders, approximating the diversity of the Consultation Council.

Summary of Discussion

The initial discussion allowed participants to present their priorities and highlight those areas in need of attention and/or additional funding. The workgroup assumed some working parameters, such as the request will be in the range of $850 million, which is the approximate operational increase the system is expected to receive in 2015-16. The request should stay in this range to ensure that we can clearly delineate the system's priorities.

The group discussed both perennial areas of budget concern, such as COLA, access, and restoration of traditional categorical programs, as well as some new funding ideas. There was broad discussion concerning the implications of recent budget agreements, as well as the system's Strong Workforce Task Force and what, if any, impact these should have on the system's request.

Chancellor's Office 2016-17 Funding Priorities- Dan Troy

VC Troy outlined the following funding priorities for the system for 2016-17 and welcomed input from the group on modifications or items that should be added to the list.

- 3% increase in access
- $100M to fund the statutory COLA of 1.6%
- $250M increase in base allocation funding for general operating expenses
- Additional funding for professional development
- Funding to support/implement the recommendations of the Strong Workforce Task Force
- Increase in ongoing funding for Basic Skills

- Categorical program restoration-there is still approximately $60-$70M in categorical program funding that has not been restored (depending on the final 15-16 Budget)
- Additional funding for full-time faculty hiring

- Non-Prop 98- The Chancellor's Office is under resourced to do the work required related to the many initiatives approved in recent years. While this is not a local assistance issue, it is a priority for our office.

Update on the Strong Workforce Task Force – VC Van Ton-Quinlivan

The Chancellor's Office has convened a task force focused on workforce, specifically to look at policies and practices that can help us close the gap of the 1 million more middle skilled workers needed in the state.

Some of the issues the task force has discussed include:
- How to make courses and programs that are more responsive to labor market needs
- Sharing of best curriculum practices
- Tools or opportunities available to help CTE faculty to stay current
- Mitigating the risk and cost of starting and sustaining CTE programs

The Task force report will be posted on the website in July for public comment. The Governor's budget includes references to this task force, signaling an interest its recommendations. It is the hope is that the recommendations from the task force will lead to a comprehensive long-term investment in CTE that will address California's workforce preparation needs.

Key Funding Priorities Discussed by the Group
Many of the workgroup participants echoed support for the items shared by VCs Troy and Ton-Quinlivan, while also introducing other suggestions.

Some key areas discussed by the workgroup include the following:

➢ Access-The workgroup expressed support for a request of 3% for access in 2016-17. Overall, the system is growing and should capture all the growth funding available for 2014-15. The trend is up from 13-14 to 14-15, and there are still approximately 8,000 unfunded FTES in the system. This supports a need to ensure there is significant approved to offer access where it is needed. Some noted that while access is important, we also need to make sure the budget request is balanced so that those that aren't growing will benefit from other sources of funding.

➢ General Operating Expense Funding- The Governor's 2015-16 May Revision includes $266.7 million for support of district general operating expenses. This funding is critical to the colleges and is intended to ease the constrained discretionary funding environment colleges have experienced since the economic downturn. The colleges can use these funds to address the scheduled increases in STRS and PERS contribution rates, and to cover other fixed costs that have increased over time. The group expressed support for an additional request for general operating expense

funding in 2016-17 to help the colleges continue to restore the purchasing power that was lost during the years of the economic downturn.

➢ Basic Skills- Basic skills is an area of great interest to the governor and the legislature, as evidenced by the May Revision. While we do not oppose one-time funding for basic skills, it would be more useful to have ongoing resources to address an ongoing effort. It may be the time to formulate a comprehensive proposal to revise the Basic Skills Initiative categorical program.

➢ Technology- Some members of the group stated that they have heard concerns, especially from smaller districts that are unable to pass bonds, that they are having trouble finding money to fund technology infrastructure, including things such as switches, servers, wifi hot spots, etc. These items are not in the classrooms but are necessary to operate classroom technology, as well as other resources for students such as libraries and computer labs. Additionally, technology initiatives such as common assessment, education plans, and the online initiative are still being phased in. While the pilot colleges are usually well set up in terms of technology, as these initiatives roll out there will be colleges that may not have the technology in place to support them. An additional augmentation to TTIP would help the colleges manage these costs.

➢ Mental Health and Campus Safety- Several participants mentioned the issues of mental health and campus safety at the community colleges. It was stated that student services professionals are handling mental health issues currently, and there could be a greater need of services if the inmate education initiative is implemented. Campus safety is becoming more of a concern as there have been in increasing number of shootings on college campuses in recent years. Additionally, many women do not feel safe due to on-campus threats and assaults. Are there ways in which we can get ahead of the curve with a plan to address campus safety and/or the mental health issues that underlie much of the problem?. Perhaps this is an area where we could have a broader policy discussion that includes UC and CSU to see what they are doing around mental health and campus safety.

➢ Professional Development- Many members expressed interest in additional funding for professional development for faculty and staff. It was stated that professional development is crucial to student success and particularly important in light of all the changes occurring in the system (distance education, increasing use of technology, students coming out of the common core curriculum, etc.). Faculty and staff need on-going professional development so that their skills and knowledge are up to date. Members also stated that cultural competency training should be a component of professional development.

➢ Full-time Faculty Hiring- The Governor's 2015-16 May Revision includes $75 million for full-time faculty. Members expressed support for requesting an additional augmentation for this purpose in 2016-17. Full-time faculty benefit students as well as the colleges by providing critical services such as academic advising, ongoing

curriculum development, institutional planning and governance. For districts, hiring additional full-time faculty represents a substantial ongoing cost commitment. Additional funding for full-time faculty would help the colleges to make progress toward the goal of having 75 percent of instruction through full-time faculty.

➢ Part-time Faculty Office Hours and Pay Equity- While full-time faculty are crucial to the success of our students, part-time faculty also play a very important role in the CCC system. The three part-time faculty categorical programs were reduced by over 40 percent during the economic recession and have not been fully restored. Having access to part-time faculty during office hours supports student success. The workgroup discussed the need to restore funding for these categorical programs. Members also discussed the need to address part-time pay equity.

➢ Student Equity Plans- The group discussed whether or not to request an additional augmentation for student equity plans in 2016-17. The student success and support program and student equity program have received significant funding increases over the last few years. Some stated that it may be best to maintain the current funding level and begin to look at outcomes. Others stated that the student equity program is very new and will take a long time to see changes; we need to be careful about tapering off the request as it may send the message that this is not a priority for the system.

The group discussed the need to think about the budget request holistically and submit a cohesive proposal. Many of these funding priorities such as professional development, full-time faculty, part-time faculty office hours, basic skills, student equity plans and others are related to the common goal of improving the quality of instruction, student success and student equity. It may make sense to draw the link among these items in the request narrative.