



Office of Government Relations

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

January 2015 Newsletter

Upcoming Events:

Jan. 7 – 9: ACCJC Meeting,
Sacramento

Jan. 9: Governor's
Proposed Budget to be
Released

Jan. 14: ACCCA Budget
Workshop, Convention
Center, Sacramento

Jan. 15: Consultation
Council, CCCCCO

Jan. 20 – 21: Board of
Governors Meeting

Jan. 21: Announcement of
Baccalaureate Pilot
Program Colleges

Jan. 25-26: Annual League
Legislative Conference,
Sheraton, Sacramento

Jan. 25: CEOCCC Board
Sheraton, Sacramento

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*Have an event you would
like to highlight? Send
event info to:*
lizette@ccleague.org.

Legislature to Focus on Higher Education in 2015: Good News or Bad News?



The 2015 legislative session has begun with introduction of several very important higher education measures primarily directed at the University of California. Although legislators were in town only one day during the month of December, it is clear that there is serious concern about UC and high student demand, high tuition, and priority for

California residents, among other issues. These proposals take on added weight because they are sponsored by both Assembly Speaker Toni Atkins and Senate President pro tem Kevin de Leon. The higher education bills and budget proposals introduced to date include:

- SB 15 (Block/De Leon) would provide \$150 million to UC and CSU in the first year of the plan, with each system receiving \$50 million for additional student support services and \$25 million each to increase course offerings. These funds are to come from diversion of funds from the Middle Class Scholarship program and a tuition increase of 17 percent for out-of-state students. This measure also would repeal the planned 11 percent cut to Cal Grant funds and support 7,500 new grants for older, "non-traditional" students.

- SCA1 (Lara/Cannella) is a constitutional amendment which, if passed by a 2/3 vote of each legislative house and approved by the voters of the state, would remove UC's constitutional autonomy and instead, make it subject to legislative control over finances and other key decisions. The sole issues which would not be under control of the Legislature would be restraints on academic freedom or imposition of educational or curricular requirements on students.

In addition to these significant measures, Assembly Speaker Toni Atkins focused the final portion of her remarks at the opening session of the Assembly on the UC Board of Regents' plan to increase tuition by 5% annually for the next five years, unless an equivalent amount of money is provided in the state budget. In expressing her opposition to this proposal, Atkins proposed that the Legislature provide an additional \$50 million for UC, increase the middle-class scholarships

and cap the number of out-of-state students. In addition, she announced that the Assembly will take a “zero-based” approach in developing the UC budget. This would require building the university’s budget from zero rather than using the prior year’s spending as the baseline amount. The intent is to examine every line item, and to seek efficiencies and prioritization for expenditures.

Some of the mistrust among legislators is embedded in the perceived lack of transparency of the University of California due to its limited response to AB 94, the higher education budget trailer bill of 2013, which required the University of California and California State University to report (beginning on October 1, 2014 and biannually thereafter) on the separate costs for undergraduate, graduate and professional school education on a campus-by-campus basis, with the intent of providing information on how much the university systems spend on instruction and research, and the difference in educational costs among different disciplines.

In response to the language in AB 94, the UC requested an extension to October 31. At that time, UC submitted a seven-page preliminary report which explained that accurately breaking out expenditures would be “extremely challenging” because of overlap between research and instruction, and because “funds are neither budgeted nor spent according to these categories.” This report promised a final report in six weeks while cautioning that its information “should be used cautiously.” However, as of mid-December, UC had not yet submitted the report to the Department of Finance. Legislators are particularly interested in this report from UC because of the administration’s argument that they need additional money while administrators have received large salary increases and pension costs are rising.

Basically, both the Governor and legislators are opposed to the proposed fee increase at UC, but they are not in agreement about the solution. While the Governor wants stronger accountability and a study of where cuts can be made at UC, some legislators want to “buy out” the proposed tuition fee with additional funding for UC and CSU, while others want to “rein in” UC by reducing its constitutional autonomy.

Questions for higher education this session include: Will this added attention lead to more oversight of all the higher education systems – for example, added accountability measures? Will it lead to a proposal to re-consider and update the Master Plan for Higher Education? Will legislators focus on the successes of the community colleges and provide more support to enable colleges to develop more applied baccalaureate programs and/or improve transfer rates? Could the added focus mean that more UC and CSU slots will be made available for community college transfer students to junior status? Only time will tell...

New Year, New Legislative Leadership, New Bills

As we ring in the New Year, the California legislature welcomes a host of changes from committee leadership, to policy and fiscal priorities. Early December, Assembly Speaker Toni Atkins announced committee chairs for the new session. Committee leaders have significant influence over which bills get hearings, and their fate in those hearings. Below are the new leaders of the key committees that affect higher education, specifically community colleges.

Appropriations:

Assemblyman Jimmy Gomez, D-Los Angeles

Budget:

Assemblywoman Shirley Weber, D-San Diego

Higher Education: Assemblyman Jose Medina, D-Riverside
Governmental Organization: Assemblyman Adam Gray, D-Merced

California Senate leader Kevin de León also announced his leadership team and committee chairmanships in late December. While many committees saw a shake up, committees addressing higher education will have some continued stability in this next legislative session.

Appropriations: Senator Ricardo Lara, D-Bell Gardens
Banking and Financial Institutions: Senator Marty Block, D-San Diego
Budget and Fiscal Review: Senator Mark Leno, D-San Francisco
Budget Subcommittee #1 – Education: Senator Marty Block, D-San Diego
Education: Senator Carol Liu, D-LaCañada/Flintridge
Governmental Organization: Senator Isadore Hall III, D-South Bay
Joint Legislative Budget: Senator Mark Leno, D-San Francisco

In the first days of the 2014-15 session, the legislature also provided an insight into policy areas of interest and introduced several bills that will shape the year’s focus. The bills listed below are a sample of the subject areas of interest.

AB 13 (Chávez): Community colleges: exemptions from nonresident tuition.

Current law generally requires community college districts to charge a tuition fee to nonresident students, but exempts specified community college students from paying that nonresident tuition fee. This bill would additionally exempt nonresident students enrolled at a community college who are using, or are intending to use, Federal GI Bill education benefits to cover the costs associated with enrollment as a community college student.

AB 17 (Bonilla): Personal income tax: credit: qualified tuition program.

This bill would, under the Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on or after January 1, 2016, and before January 1, 2021, allow a credit in the amount of 20% of the monetary contributions made to a qualified tuition program by a qualified taxpayer not to exceed \$500. This bill would provide for the payment of a credit amount in excess of tax liability upon an appropriation by the Legislature for that purpose.

AB 25 (Gipson): Financial aid: Cal Grant program: renewal.

This bill would require the Student Aid Commission to establish an appeals process for an otherwise qualifying institution that fails to satisfy the 3-year cohort default rate and graduation rate requirements, and would make non-substantive and conforming changes.

AB 27 (Chávez): Public postsecondary education: exemption from nonresident tuition.

This bill would require the California State University, and request the University of California, to exempt from paying nonresident tuition a student or prospective student of their respective segments who is using, or is intending to use, “GI Bill education benefits” while enrolled as a student of that segment.

AB 42 (Kim): Public postsecondary education: funding and mandatory fees.

This bill would prohibit UC, CSU, or community colleges from increasing fees or tuition above the 2014-15 level during the 2015-16 to 2018-19 school years.

SB 12 (Beall): Foster youth.

This bill would express legislative intent to require that a placement order for a person who is in the custody of a juvenile facility remain in place until the person attains 18 years of age and is released from custody, in order to help ensure that the person may remain eligible for foster youth benefits upon his or her release from custody.

SB 15 (Block): Postsecondary education: financial aid.

This bill would increase the total number of Competitive Cal Grant A and B awards granted annually to 30,000 and would increase the maximum tuition award amount for Cal Grant A and B for students at private nonprofit postsecondary schools to \$9,084 for the 2015-16 award year and each award year thereafter.

SB 42 (Liu): California Commission on Higher Education Performance and Accountability.

This bill would change the composition of, and rename, CPEC as the California Commission on Higher Education Performance and Accountability, and would recast and revise its various functions and responsibilities. The bill would make conforming changes to delete obsolete provisions of, and make numerous nonsubstantive changes to, existing law.

SB 45 (Mendoza): Economic development.

Current law provides for various economic development programs throughout the state that foster community sustainability and community and economic development. Current law also authorizes local agencies to finance the purchase, construction, expansion, improvement, or rehabilitation of certain types of facilities. This spot bill would state legislative intent to authorize local governmental entities to use tax increment financing for the development of economic planning, infrastructure, and educational facilities.

Future of Higher Education and Equity is Focus of Legislative Conference

On January 25, we invite you to look to the future as Dr. Manuel Pastor makes the case for the importance of equity and inclusion for the future of California and higher education at the Annual Legislative Conference. The League's Annual Legislative Conference in Sacramento is an important gathering of community college leaders and advocates as they share with legislators and key staff the budget and policy priorities which will increase student and college success. This year's conference will also provide one of the first opportunities to connect with new Assembly Higher Education Committee Chair Jose Medina, as well as other key legislative leaders. Below is the schedule at a glance so that you can gather your team of advocates and plan your visit!

Sunday, January 25, 2015

10:30AM - 11:55AM	Breakout Sessions
12:05PM - 1:30PM	Opening Keynote: Dr. Manuel Pastor, "California Looking Forward: Why Equity and Inclusion Matter for All of Us." Biography/Talk .
1:45PM - 2:45PM	Breakout Sessions
3:00PM - 4:00PM	Budget Discussion
4:00PM - 5:00PM	CCCCO Technology Initiatives Showcase
5:00PM - 6:00PM	Association Meetings
5:30PM - 7:30PM	Reception

Monday, January 26, 2015

7:30AM - 9:00AM	The Democracy Commitment: Brian Murphy
9:15AM - 10:15AM	Breakout Sessions
10:30AM - 11:20AM	Discussion with Legislators: Jose Medina, Marty Block
11:20 AM-11:50 AM	Higher Education Outlook: Hans Johnson, PPIC
12:00 AM-12:30PM	Talking Points Briefing
12:30 PM-1:30PM	Lunch Keynote: Senate President pro Tempore Kevin de Leon

Register today at: www.ccleague.org/legconf/.

Must Read

By Rita Mize, Director of State Policy & Research

Consequential Boards: Adding Value Where It Matters Most

Report of the National Commission on College and University Board Governance. Association of Governing Boards, 2014.

The value of American higher education faces multiple risks, and changes in governance are needed to address them. At risk are accessibility and degree attainment for current and future students, institutional fiscal sustainability, educational quality, economic development and social equity, service to communities, and knowledge creation.

Boards must be at the forefront of these changes in higher education because their fiduciary role requires them to focus on strategic long-term issues and the intersection of internal and public interests. While they are not the source of all of the governance challenges in higher education, boards can play a critical role in improving decision making within the sector. This report offers seven recommendations aimed at boards in support of the distinct role only they can play in improving institutional value through more effective governance:

- 1) Boards must improve value in their institutions and lead a restoration of public trust in higher education itself.
- 2) Boards must add value to institutional leadership and decision –making by focusing on their essential role as institutional fiduciaries.
- 3) Boards must act to ensure the long-term sustainability of their institutions by addressing changed finances and the imperative to deliver a high-quality education at a lower cost.
- 4) Boards must improve shared governance within their institutions through attention to board-president relationships and a reinvigoration of faculty shared governance. Boards additionally must attend to leadership development in their institutions, both for presidents and faculty. This recommendation is of particular important because, as the report notes, “a key threat to improving institutional value comes from the instability in leadership caused by presidential turnover...due partly to the aging of the population and partly to growing tensions between boards and presidents over their responsible roles and responsibilities....” The report further notes that this is a major concern because the most recent American Council of Education survey of college presidents indicates that almost

1/3 of public university presidents, and half of community college presidents, expect to leave their jobs within five years.

5) Boards must improve their own capacity and functionality through increased attention to the qualifications and recruitment of members, board orientation, committee composition, and removal of members for cause.

6) Boards must focus their time on issues of greatest consequence to the institution by reducing time spent reviewing routine reports and redirecting attention to cross-cutting and strategic issues not addressed elsewhere.

7) Boards must hold themselves accountable for their own performance by modeling the same behaviors and performance they expect from others in their institutions.

Read the full report at: <http://agb.org/print/2777>

For more information, contact the League's Government Relations staff:

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