



Office of Government Relations

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

January 2016 Newsletter

Upcoming Events:

Jan. 19 – 20
Board of Governors
Meeting
Chancellor's Office
Sacramento

Jan. 20
ACBO Budget Workshop
Sheraton Grand
Sacramento

Jan. 21
Consultation Council
Chancellor's Office
Sacramento

Jan. 30
CCCT Board Meeting
Sheraton Grand
Sacramento

Jan. 31-Feb. 1
Legislative Conference
Sheraton Grand
Sacramento
[Register here!](#)

Jan. 31
CEOCCC Board Meeting
Sheraton Grand
Sacramento

Follow bills tracked at:
www.ccleague.org/bills

Governor Focuses on Workforce in 2016-17 Budget

Governor Brown released his 2016-17 state budget proposal on Thursday, January 7th. While few major policy changes were presented in the January budget proposal, workforce and basic skills reforms appear as high priorities. For the state, the 2016-17 proposal



outlined a \$168 billion spending plan, an increase of two percent over 2015-16 levels. The Proposition 98 guarantee grew to \$71.6 Billion, representing a 50 percent increase over 5 years.

The Legislative Analyst noted that the "Governor's emphasis on reserves is appropriate." Brown proposes using a significant portion of discretionary resources to double the size of budget reserves to \$10 billion - an approach that is lauded as prudent and key to weathering the next recession with minimal disruption to public programs.

For community colleges, the Governor's 2016-17 proposal provides over \$400 million in new ongoing Proposition 98 resources, and approximately \$380 million in one-time funds. One-time resources present an opportunity for strategic investments in curriculum development, technological infrastructure, acceleration of new or ongoing initiatives, and other measures to strengthen programs and support student success.

Programmatic Elements of the 2016-17 Budget Proposal

Within Governor Brown's pragmatic proposal, four spending areas stand out: Strong Workforce; Basic Skills; Zero-Textbook-Cost Degrees; and Deferred Maintenance and Instructional Equipment. Below are highlights of the major features of these proposals:

- Workforce and Career Technical Education: The budget proposes \$200 million to support the Strong Workforce Program and to expand CTE courses and programs. A major component of this proposal is the call for a regional accountability structure that is aligned with the Task Force's recommendations. The workforce proposal also includes an increase of \$48 million to make the CTE Pathways Program (SB 1070) permanent.
- Basic Skills: The budget proposes an increase of \$30 million to implement practices that increase students' mobility to college-level courses.
- Zero-Textbook-Cost Degrees: One of the new policy proposals in the Governor's budget is an increase of \$5 million to support community college efforts to begin creating zero-textbook-cost degree, certificate, and credential programs. The proposal would provide grants to colleges for every zero-textbook-cost degree created by the colleges, emphasizing alignment with existing Associate Degrees for Transfer (ADTs).
- Deferred Maintenance and Instructional Equipment: An increase of \$283 million, which includes a one-time allocation of \$255 million from Proposition 98 General Funds and \$28 million from prior years' Proposition 98 settle-up, is provided for deferred maintenance, instructional equipment, and specified water conservation projects.

Challenges Within the 2016-17 Budget Proposal

The budget proposal is absent critical resources for the success of colleges and their students.

- Base Augmentation/General Operations: Essential funds to help relieve the burden of increased PERS/STRS contribution rates, employer health rates, and increasing energy costs are missing in the 2016-17 budget proposal. These funds are needed to help stabilize colleges and address escalating ongoing costs.
- Financial Aid: The budget proposal is also silent about the need for increased investment in financial aid, particularly the Cal Grant program.

The Governor's budget summary is available [here](#). A link to the chart illustrating the major components of the proposed budget for community colleges can be found [here](#).

By presenting a pragmatic budget proposal, Governor Brown maintains his commitments to education while exercising restraint in light of an uncertain revenue future. Such fiscal prudence must be practiced by community colleges as well, to address STRS and PERS contribution costs estimated to increase to approximately \$400 million annually by 2021.

Any questions about the Governor's 2016-17 budget proposal should be addressed to Lizette Navarette at lizette@cleague.org, or follow budget updates on the League's [Budget & Policy Center](#).

Department of Education Rejects California Accrediting Agency Appeal

Earlier this month the Department of Education (DOE) rejected an appeal by the Accrediting Commission for Junior and Community Colleges (ACCJC) of the DOE findings that it was out of compliance with two federal accreditation standards. The DOE has given the ACCJC 12 months to

demonstrate that it has come into compliance with federal regulations or the ACCJC will lose its ability to accredit community colleges.

The DOE found that the ACCJC is out of compliance with the following two standards:

- Acceptance of the agency by its stakeholders.
- Having adequate procedures and policies to ensure that “academics” are represented throughout the accreditation process.

The rejection of the appeal is the latest in a series of setbacks for the ACCJC. In December, the National Advisory Committee on Institutional Quality and Integrity (NACIQI) voted to recommend that DOE to remove the ACCJC’s authority to accredit baccalaureate degrees; in November, the Board of Governors directed Chancellor Harris to investigate new models of accreditation. Chancellor Harris is expected to make his recommendation regarding whether or not the ACCJC should remain the accrediting agency for California’s community colleges in March of this year.

To see the full text of the letter, [click here](#).

Potential Compromise for Proposition 30 Extension

A proposal titled *The California Children’s Education and Health Care Protection Act of 2016* appears to be the result of a compromise between the California Teachers Association (CTA) and the California Hospital Association (CHA) to develop an initiative to extend major components of Proposition 30.

Last fall, both CTA and CHA submitted separate initiatives to the Secretary of State to extend the provision of Proposition 30 that increased taxes on the state’s highest income earners. The CHA proposal would have made Proposition 30 permanent and split the added revenue between schools, early childhood education, and Medi-Cal funding; while the CTA plan would have only extended the income tax portions of Proposition 30 through 2030.

In early December, CTA and CHA filed a new joint initiative with compromise language to avoid having competing initiatives on the same ballot. CTA is not likely to take a formal position on the compromise proposal until its 700-member State Council approves the new language. The joint initiative, the *California Children’s Education and Health Care Protection Act of 2016*, is closer to the CTA’s original proposal than to CHA’s. It would extend Proposition 30’s higher tax on high earners through 2030, with K-12 schools and community colleges having “first call” on appropriations to meet the funding requirements of Proposition 98. After obligations to schools are fully funded, then up to \$2 billion (45%), of the new revenues would fund health care for children and their families through Medi-Cal; any remaining resources would increase the General Fund. The sponsors must collect 585,407 signatures by June in order to qualify the compromise proposal for the November 2016 ballot.

Even as a joint initiative, the *California Children’s Education and Health Care Protection Act of 2016* faces a challenge due to the lack of voter appetite for tax increases — the latest PPIC poll indicates that only about half of California’s likely voters favor extending Proposition 30’s temporary tax increases (49% support, 47% oppose).

The compromise measure was also expected to have challenges since Governor Brown initially indicated that he was concerned about language which excluded directing a portion of the proposal's revenues to the Rainy Day Fund approved by voters in 2014. However, the initiative backers quickly revised their proposal to include deposits into that reserve account, which is likely to move the Governor to a neutral position.

Proposition 30 has yielded between \$6 billion and \$10 billion annually, primarily benefiting K-12 schools and community colleges. The sales tax increase expires in 2016 and the income tax on high-wage earners expires in 2018. Without the extension, K-12 revenues are projected to be flat after 2018 and will decline if there is a recession. Adding to the financial pressures, K-12 and community colleges are facing a \$2 billion increase in pension costs over the next four years.

Promoting California's Promise Keepers at Legislative Conference

An exciting two days await at the 2016 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. More than ever, this year's conference offers the chance for rich conversations about the most important topics impacting community colleges and the opportunity for close conversations with leading higher education policy makers.

Highlights include:

Sunday, January 31, 2016



11:45 a.m. – 1:15 p.m. • Opening General Session

The California Promise: Working Together to Reduce Financial Barriers to College Using the national framework, the California College Promise will take advantage of our unique student financial aid funding model and connects to other initiatives to increase student success. Contra Costa CCD Chancellor Helen Benjamin will moderate this session that includes panelists Martha Kanter, Executive Director for the College Promise Campaign and former Undersecretary at the US Department of Education; Christopher Cabaldon, Mayor of West Sacramento; and Debbie Cochrane with The Institute of College Access and Success.



4:00 p.m. – 5:00 p.m. • An Hour with Belle S. Wheelan

Understand the process of accreditation from an in-depth perspective of peer evaluation and an ongoing program of improvement in a session by Belle S. Wheelan, President of the Southern Association of Colleges and Schools Commission on Colleges.

Monday, February 1, 2016

10:30 a.m. – 11:15 a.m. • Legislator Townhall Conversations

On Monday, take part in a robust discussion about higher education in California with one of three key policy makers – Senator Connie Leyva or Assemblymembers Jose Medina, or Shirley Weber – during the Legislator Town Hall session.



Senator Connie Leyva



*Assemblymember
Jose Medina*



*Assemblymember
Shirley Weber*

For a complete schedule and to register online, visit www.ccleague.org/legconf/.

Preview of 2016-17 Policy Talking Points

The Most Robust Free Tuition Plan in the Nation: The California Board of Governors Fee Waiver

- Over 1 million of California's 2.1 million community college students receive a fee waiver each year
- 66% of the units taught at California Community Colleges are taken by students whose fees are waived
- This year the BOG Fee Waiver is projected to provide an equivalent of about \$803 million in tuition aid

Why Free Tuition is Not Enough

Through experience, California has learned that tuition is only a small part of a student's total cost of attendance. A conversation about affordability must include financial aid for students to cover cost of living including books, food, and other critical expenses. Leveraging the momentum of the national framework, the California College Promise builds on the state's financial aid funding model and connects to campus-level initiatives that increase student success.

The California College Promise: Removing Financial Barriers to Community Colleges

Both community colleges and the state have a role in delivering the California College Promise. Colleges can build on the promise of access and success by partnering with K-12 and universities, college foundations and the private sector to further decrease access costs for students from underrepresented communities. The state can, and should, do its part by reforming Cal Grants to better serve community college students.

A Broken Promise: Cal Grants and Community College Students

- Once the total cost of attendance and all available financial aid is taken into account, it is more expensive for a financially needy student to attend a community college than a UC or CSU campus.
- Community college students are more likely to be socio-economically disadvantaged, undocumented, retraining adults, or the first in their family to attend college.
- Despite comprising about two-thirds of the higher education population in California, community college students receive only six percent of the resources distributed by Cal Grants.

Fulfilling the California Promise

Reforming Cal Grants to Better Serve Community College Students:

Increase the number of competitive Cal Grants. Currently there are nearly 300,000 qualified applicants for only 25,500 awards. It is significantly easier to gain admission to UC Berkeley or UCLA than to receive a Cal Grant.

Increase the Cal Grant B Access award. Currently set at \$1,551, this grant would be \$6,000 today if it had kept pace with inflation.

Make policy changes to ensure Cal Grants serve non-traditional age students. More than 30% of community college students are over the age of 28.

CEO Changes

Each month League staff provides information about the movement of CEOs between colleges or toward retirement.

Erlinda Martinez, President of Santa Ana College since 2005, plans to retire in June 2016, not December 2015 as previously reported in our December newsletter.

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

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