



**COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA**



**Academic Senate
for California Community Colleges**

LEADERSHIP. EMPOWERMENT. VOICE.



**Chief Student Services Officers
Association**

May 30, 2019

Senator Holly Mitchell, Chair
Senate Budget Committee
State Capitol Room 5019

Assemblymember Phil Ting, Chair
Assembly Budget Committee
State Capitol, Room 6026

**RE: 2019-20 Budget Conference Committee
California Community College Budget (6870-101-0001)**

Dear Senator Mitchell and Assemblymember Ting:

On behalf of the Community College League of California (the League), the Academic Senate for California Community Colleges (ASCCC), the California Community Colleges Chief Instructional Officers (CCCCIOs), and the Chief Student Services Officers Association (CSSOs) we write to reiterate our appreciation for your demonstrated support of community colleges, and to respectfully offer recommendations as they relate to the final 2019-20 State Budget negotiations and their direct impact on our state’s 72 public community college districts and the 2.2 million Californians we serve.

The League, ASCCC, CCCIOs, and CSSOs would like to offer the following considerations on specific proposals which will be considered by the 2019 Budget Conference Committee.

**Approve \$49 Million One-Time Resources To Fully Fund the SCFF –
Backfill SCFF and Property Tax Shortfalls**

The 21st Century labor market necessitates some postsecondary education. This economic reality requires a continued investment in and protection of the educational opportunities provided by California’s public Community Colleges. Therefore, we respectfully ask State leaders to protect funding for colleges and include a technical adjustment which would provide an apportionment of \$49 million corresponding to a shortfall in the Student Centered Funding Formula (SCFF). Additionally, we support the Assembly’s direction to use savings and unspent funds from the Online College for statewide priorities such as a necessary backfill to the SCFF in the current fiscal year.

In 2018-19, state leaders adopted a new funding formula for California’s – and the nation’s – largest public system of higher education predicated on the goal of increasing successful outcomes of low-income and traditionally underserved Californians. The transition has included uncertainty both about which data sources were to be employed and an absence of reliable simulations of formula outcomes. Districts and colleges are confronting increased uncertainty in planning, negotiations, and fulfilling their

mission. Therefore, to support a more effective transition to the new SCFF, our priority request is a \$49 million backfill appropriation to fully fund the SCFF as enacted and implemented for the 2018-19 fiscal year. The urgency of this request is exacerbated by the fact that colleges are only weeks away from student graduations, and failure to do so will result in diminished service, instruction, and support for regions of our state and a loss of support for the SCFF. A funding cut to current fiscal year operations would be devastating to core academic programs and student supports.

Adopt Sensible Modifications to the Student Centered Funding Formula for 2019-20

In an effort to effectively implement the SCFF and mitigate unintended results, we respectfully urge you to adopt the following recommendations to the new funding formula effective at the beginning the 2019-20 fiscal year:

1. Extend the hold harmless period by one year – *Senate and Assembly versions*.
2. Award colleges only once per year per student for the highest award achieved – *Senate version*.
3. Cap performance funding at 10% of the formula – *Assembly version*.
4. Level the point system for associate degree awards so that all educational goals and achievements of comparable unit values are counted equally.
5. Ensure programs supporting special-admit students, incarcerated individuals, Career Development College Prep (CDCP) noncredit students, and Instructional Service Agreements (ISAs) receive full FTES funding per the existing 100% FTES formula.
6. Count transfer outcomes in as many districts as necessary if the student completed at least 12 units at the district the year prior to transfer.

We further emphasize that an essential component of an effective funding formula is building the institutional capacity of the 72 districts. This necessitates a substantial infusion of general operations funding for California Community Colleges. Our complete list of recommendations for the SCFF is included as an addendum to this letter.

Approve Senate and Assembly Capital Outlay Proposals –

Fund All 2019-20 Capital Outlay Plan Proposition 51 Projects

We thank the Senate and Assembly for recognizing the severity and consequences of further delaying the release of Proposition 51 bond dollars for construction of community college facilities projects across California. In 2016, California voters approved a facilities bond providing a \$2 billion infrastructure investment in California's community colleges. For the 2019-20 budget, the Administration continues prior practice and only funds a fraction of approved capital projects. This effectively dismisses voter support for Proposition 51 and perpetuates an inefficient and imprudent approach. Our urgency is exacerbated by California Community Colleges' unmet facilities need of \$42 billion over the next 10 years. Failure to fund these capital projects is a missed opportunity to create jobs and to cultivate a skilled and educated workforce in communities throughout the state.

We are also concerned the Administration has deviated from the existing and effective facilities program. Straying from this rational approach by not releasing Proposition 51 funds has created a backlog of projects and has produced a disruptive and confusing process for colleges. As a result, these projects have been unnecessarily burdened with cost escalation. Since late 2017, material and building costs have risen to 2-3% per month. Therefore, a significant challenge confronting districts is the State's expectation that districts bear the entire cost escalation without the ability to adjust or redesign projects to reduce local costs. **We respectfully urge you to honor the will of California voters by refusing to approve the Budget Act unless it includes funding for all 2019-20 approved community college capital outlay projects.**

Adopt Senate Deferred Maintenance Proposal of \$42.3 Million –

Protect and Strengthen College Infrastructure & Learning Resources

We are extremely grateful for the proposed investment in deferred maintenance and instructional equipment made by the Governor, Assembly, and Senate. During the final negotiation, we urge you to adopt the Senate's version of the deferred maintenance plan which would allocate \$42.3 million. Colleges are grappling with aging infrastructure that will need to be replaced, renovated, or retrofitted, and the resources needed to tackle such projects compete with student supports and services. The absence of instructional equipment and deferred maintenance funds represent a threat to a college's ability to offer quality learning experiences on a safe, clean, and adequately equipped campus environment. Districts respectfully urge an allocation of deferred maintenance and instructional equipment dollars in the Legislative Budget. These resources are not only essential for student services and supports, but also to protect California's infrastructure across all 114 campuses and 78 centers statewide.

Financial Aid that Equitably Serves Community College Students –

Establish a General Fund Community College Financial Aid Program

Across California, concerns about college costs and affordability are widespread. Most research identifies community college students, especially students of color, as a population particularly impacted by college costs. Despite having the lowest tuition in the nation, the true cost of attending a community college is out of reach for many low-income Californians. Nearly half of all CCC students have their fees waived under the California College Promise Grant, yet they often struggle to cover the non-tuition costs of college such as food, housing, transportation, childcare, and textbooks; these non-tuition costs comprise more than 90 percent of their total college costs and can exceed \$19,000 annually.

Most disheartening is the fact that despite comprising two-thirds of the California higher education population, community college students receive only six percent of Cal Grant resources. We respectfully request that you consider financial aid reform that covers the total cost of attendance for community college students. Specifically, we request the creation of a California Community College Financial Aid Program to provide need-based financial aid to help students and families with the total cost of attending college. A more robust and more equitable investment in community college students is a necessary condition of California's long-term prosperity.

Adopt Assembly Full-Time Faculty Proposal –

Support Resources for Full-Time Faculty Hiring

Full-time faculty are an essential component of institutional quality and continuity. We encourage funding that supports resources to hire full-time faculty. Specifically, we ask that you adopt the Assembly proposal which provides \$40 million ongoing funds to increase the hiring of full-time faculty. Further, this proposal recognizes our diversity needs by requiring colleges to use Equal Employment Opportunity best practices when hiring.

Adopt Assembly K-12 Strong Workforce and CTE Incentive Grant Plan –

Technical Adjustments to the Proposition 98 Split

In 2018-19, the Budget Act created the K-12 Strong Workforce Program and allocated \$150 million to fund its efforts. Given the design and purpose of this program is to support efforts within K-12 schools, we urge the program be scored on the K-12 side of Proposition 98 and recalculate the Proposition 98 split to accurately fund each segment with its due resources. We ask that you adopt the Assembly's technical adjustments to score the program to K-12 and maintain adherence to the statutory split by appropriately assigning resources to the system they serve.

Appropriate Targeted Expenditures Only in Exceptional Circumstances –

We recognize that in exceptional circumstances targeted expenditures may be necessary to support districts and colleges so they may fulfill their mission.. In contrast, direct funds to specific districts or colleges absent exceptional circumstances weaken support for access and opportunity statewide, and diminish an equitable approach to student success. We encourage adherence to student and community needs statewide.

Our respective organizations are appreciative of the time you and your staff dedicate to listening to district perspectives. Thank you for considering our position and please do not hesitate to contact us if you have any questions.

Sincerely,



Larry Galizio, Ph.D.
President/CEO
Community College League of California



John Stankas
President
Academic Senate for CCC



Kelly Fowler
President
CCC Chief Instructional Officers



Kathleen Moberg
President
Chief Student Services Officers

cc:

Senator Holly J. Mitchell (D-Los Angeles), Chair
Senator John M. W. Moorlach (R-Costa Mesa)
Senator Jim Nielsen (R-Tehama)
Senator Richard D. Roth (D-Riverside)
Senator Nancy Skinner (D-Berkeley)
Assemblymembers Phil Ting (D-San Francisco)
Assemblymember Chad Mayes (R-Yucca Valley)
Assemblymember Kevin McCarty (D-Sacramento)
Assemblymember Jay Obernolte (R-Big Bear Lake)
Assemblymember Shirley Weber (D-San Diego)
Members, Senate Budget Subcommittee #1
Members, Assembly Budget Subcommittee #2
Lande Ajose, Office of the Governor
Chris Ferguson, Department of Finance
Maritza Urquiza, Department of Finance
Megan Baher, Education Policy Director, Office of the Senate President pro Tem
Monica Henestroza, Principal Consultant, Office of the Assembly Speaker
Anita Lee, Consultant, Senate Budget and Fiscal Review Committee
Mark Martin, Senior Consultant, Assembly Budget Committee
Edgar Cabral, Legislative Analyst's Office
Christian Osmena, Vice Chancellor, California Community Colleges
Lizette Navarette, Vice President, Community College League of California
California Community College Trustees
Chief Executive Officers of California Community Colleges

Addendum

Adopt Sensible Modifications to the Student Centered Funding Formula

Properly structured and adequately funded, the SCFF has the potential to move to a system of more equitable outcomes while ensuring students have access to high-quality community colleges. In an effort to strengthen the SCFF and mitigate unintended results, we present the following recommendations to support a successful transition and implementation of the new funding formula:

- Secure the 2018-19 Total Computational Revenue (TCR) plus cumulative COLAs as the new base for all districts. This base allocation is necessary for maintenance of district and campus operations, helping to build institutional capacity, and to permit proper implementation of Guided Pathways and related initiatives confronting equity gaps and improving student persistence and outcomes.
- Incorporate a Stop-Loss provision within the SCFF to protect statewide access to quality, affordable public postsecondary education.
- Extend hold-harmless provisions to fiscal year 2021-22 to determine and mitigate data-integrity concerns, to increase trust in local data critical to the success of the formula, to provide sufficient time to analyze unintended consequences, and most importantly, to ensure data efficacy in advancing student equity, inclusion, and success.
- Level the point system so that all associate degrees, associate degrees for transfer and transfer to four-year accredited institutions have the same point value.
- Recognize only the highest award achieved by the same student in a given fiscal year as a means of prioritizing per-student success (in the Success Grant portion of the formula) as opposed to incentivizing award maximization, and redirect savings (from elimination of the current point differentials) to the District Base Grant allocation.
- Keep the Student Success Grant portion of the funding formula set at 10% of the total allocation to mitigate volatility – substantial year-to-year fluctuations in awards – and fiscal uncertainty.
- Ensure programs supporting special-admit students, incarcerated individuals, Career Development College Prep (CDCP) noncredit students, and Instructional Service Agreements (ISAs) receive full FTES funding per the existing 100% FTES formula.
- Count outcomes in as many districts as necessary as long as the student took 12 or more units in the district in the year prior to transfer.
- Determine Pell Grant points based on eligibility rather than award status.
- Utilize the Institutional Effectiveness Partnership Initiative (IEPI) structure and resources to create an intentional strategy that blends technical assistance to colleges and local professional development support throughout the implementation of the formula.

An essential component of an effective funding formula is building the institutional capacity of the 72 districts. This necessitates a substantial infusion of general operations funding for California Community Colleges.