



# ***THE LEAGUE LEGISLATIVE UPDATE***

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## ***IN THIS UPDATE:***

- Upcoming Legislative Hearings ..... 1
- Changes within the Capitol..... 2
- Master Plan Committee Hearing..... 2
- Peter Schrag on Community College Fees ..... 3
- Legislative Analyst’s Office Releases Fiscal Projections..... 4
- Free Health Benefits Training and Follow-up Services for Community College Districts 5
- Reports ..... 5
- Community College League of California's Legislative Conference ..... 6
- BOG News ..... 6
- Staffing Changes..... 6
- CEO Changes..... 7

## **Upcoming Legislative Hearings**

The Legislature reconvenes for its 2010 session on January 4<sup>th</sup>. Among the first community college bills scheduled for hearing are:

### **January 5, 2010**

Assembly Higher Education Committee, State Capitol Room 437, 1:30 p.m.

• AB 35 (Furutani) -- Education Workforce Development. This bill would declare legislative intent to seek development of a strategic plan in the education system for workforce preparation, and would require the State Postsecondary Education Commission to conduct stakeholder meetings to develop recommendations for a strategic plan for workforce development and career technical education in the public education system. Assemblymember Furutani plans to submit amendments this week to specify greater detail on measurements and data to be provided to CPEC by the segments so that progress can be evaluated.

League Position: Watch

### **January 11, 2010**

Assembly Revenue and Taxation Committee, State Capitol Room 126, 1:30 p.m.

• AB 656 (Torricono) -- California Higher Education Endowment Corporation: Oil and Gas Severance Tax. As proposed to be amended, this bill would establish the State Higher Education Endowment Corporation (HEEC), and a 12.5% oil and gas severance tax on producers to be continuously appropriated in the state Higher Education Fund for distribution in the following proportions: 25% to California Community Colleges; 25% to the University of California; and 50% to the California State University. The bill also contains a maintenance of effort clause for all three institutions so that current appropriations for each segment could not be supplanted; and, establishes two seats each for UC, CSU and community colleges on the HEEC. The

proposed funding in this bill would generate approximately \$312 million annually for community colleges.

League Position: Support, in recognition of the need for additional revenues to keep faith with the Master Plan for Higher Education.

### **Changes within the Capitol**

The Assembly Democratic Caucus unanimously supported first-term Assemblymember John Perez of LA (AD 46) to replace Karen Bass as next Speaker of the Assembly. The official floor vote will occur in January. Perez, cousin of LA Mayor Antonio Villaraigosa, represents downtown LA, Vernon, and Huntington Park areas in Los Angeles County, the districts formerly represented by Assembly member Fabian Nunez.

The Senate Education Committee's long-time respected committee consultants Jim Wilson (chief consultant) and Nancy Anton (consultant) have retired from the Senate. Nancy worked primarily on higher education issues, student fees, and nursing and health occupations.

The Senate Budget Committee's Seija Virtanen replaces Amy Supinger as the higher education consultant to Budget Subcommittee #1 on Education. Supinger left the State Senate to work as consultant in higher education policy and research.

Assembly Member V. Manuel Perez (Imperial County) announced that Assembly Fellow Ivan Carrillo will be staffing higher education issues, specifically Perez' work as a member of the Joint Committee for Review of the Master Plan for Higher Education

### **Master Plan Committee Hearing**

The first hearing of the new Committee for Review of the Master Plan for Higher Education was held on Monday December 7th. According to co-chair Ruskin, "We are convening because many objective research reports suggest that our system is now at risk, and because so very much has changed since 1960. Things are very different now."

Over the course of five public hearings, the committee intends to evaluate how the Master Plan can be revised to meet higher education needs now, and in the first half of the 21st century. The committee's final four public hearings will be conducted during the first quarter of 2010, and will focus on eligibility and access, affordability and financing, accountability and quality, and coordination and efficiency.

Members of the committee include: Assemblymembers Ira Ruskin (co-chair); Marty Block; Wilmer Amina Carter; Connie Conway; Paul Cook; Warren Furutani; Cathleen Galgiani; Jim Nielsen; V. Manuel Perez; and Anthony Portantino. Senators include: Gloria Negrete McLeod (Co-Chair); Sam Aanestad; Elaine Alquist; Abel Maldonado; Loni Hancock; Carol Liu; Alex Padilla; Gloria Romero; Roderick Wright; and Mark Wyland.

Monday's hearing included five panels, ranging from chairs and staff of former Master Plan reviews, the heads of the higher education systems, policy analysts who have written about the

status of the Master Plan; to student leaders of each system and business and labor representatives.

Chancellor Jack Scott's presentation is available on-line at: <http://cocco.edu/>

Among the more telling presentations was that of Dr. Brian Murphy, chief consultant to the 1986 Joint Legislative Committee for Review of the Master Plan and currently president of DeAnza College. In offering advice to the members, Murphy recommended the following based on his work with the committee in the 1980's:

- 1) Growth of the economy depends on growth in higher education so bring in economists who can link long-term investment in education with economic growth. In order to meet the President's goal of 1 million more college graduates by 2020, California should graduate 157,000 more students annually for each of the next ten years; instead, California higher education has turned away approximately 300,000 students last year, setting the US back two years.
- 2) Social peace is at stake so we must use short resources to provide maximum access.
- 3) Democracy is at stake – meaning multicultural democracy which includes poetics, language and culture.
- 4) Do not modify the Master Plan back to the current fiscal crisis – to do so would be a disaster. Instead, reaffirm the promises of the Master Plan.
- 5) Re-affirm the Master Plan's promise – do not compromise it by reorganizing it to what you can now afford....You can't solve the higher education problem absent a reform of the financial system." He also advised the committee to consider the California Tax Reform Association's, "Ten Ideas for \$20 Billion" (which is available at: <http://caltaxreform.org/?p=211>)
- 6) It is essential to engage the public in order for this committee to be effective.

Steve Boillard of the Legislative Analyst's Office offered the following critique of the "blurred focus" of state higher education policy:

- 1) The current state of higher education does not match the Master Plan which calls for no tuition, exclusive assignment of the doctorate to UC, and eligibility for UC at 12.5%.
- 2) Key funding decisions are made without clear state fee policies, such as on the basis of ability to pay.
- 3) There is no policy for enrollment increases; rather they are left to the universities themselves. Also, there is no agreement regarding the real cost of funding education.
- 4) The very important Cal-Grant entitlement is constantly threatened with extinction.
- 5) Several other elements of the Master Plan elements are under threat, due to severe cuts to the CPEC budget and lack of oversight of for-profit institutions over the last two years.

In other comments, Assemblymember Marty Block expressed interest in allowing community colleges to offer the baccalaureate degree in areas such as San Diego where CSU is seriously impacted; and virtually all community college speakers advocated retention of low fees.

### **Peter Schrag on Community College Fees**

Peter Schrag, former editorial writer for the Sacramento Bee and a longtime education writer, spoke to a group of policy analysts in Sacramento last week. Although his presentation was primarily on the issues confronting the University of California and concern about their high

fees, he also noted that he agreed with the Legislative Analyst’s Office that community college fees should be raised. Schrag asserted that students could be reimbursed through federal financial aid policies instead of “leaving federal money on the table.”

**Legislative Analyst’s Office Releases Fiscal Projections**

On November 18<sup>th</sup>, Legislative Analyst Mac Taylor released the Legislative Analyst’s Office (LAO) fiscal projections for 2009-10 through 2014-15. The report projected the 2009-10 current budget year would conclude with a \$6.3 billion deficit absent corrective actions, and the 2010-11 budget fiscal year would result in expenditures exceeding revenues by roughly \$14.4 billion. Along with these sobering current and budget year predictions, the report did contain evidence of an economic recovery underway for California. According to the report, the “free fall” in general fund revenues has ended. California is expected to face continued structural shortfalls through 2014-15. These structural shortfalls will be driven primarily by program expenditures exceeding budget act estimates, the prior emphasis on one-time solutions, and the sunset of temporary tax increases imposed in February 2009.

The LAO also forecasts a \$1 billion increase in the 2009-10 Proposition 98 guarantee and attributes it to a timing issue surrounding the 2008-09 revenue figures. In July, when the 2009-10 budget was completed, the revenues for 2008-09 were understated by \$2 billion from the amounts which were actually received. Since the Proposition 98 guarantee is driven by the year to year change in revenue, this \$2 billion adjustment results in underfunding of the 2009-10 guarantee. In recognition of Proposition 98 revenue volatility, the LAO recommends that no action be taken on this item until the May Revision when updated revenue figures will be available.

<i>(in billions)</i>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>General Fund</b>	35,977	36,706	34,907	38,725	41,801	44,410
<b>Local Property Taxes</b>	15,406	14,343	14,150	14,335	14,702	15,260
<b>TOTAL</b>	51,383	51,049	49,057	53,060	56,503	59,670
<b>New Community College Funds at 11.2% (in millions)</b>	73	-37	-223	448	386	355

As reflected in the “New Community College Funds” line, under current law, Proposition 98 performance will likely lead to insufficient funding to meet restoration of apportionment and categorical program reductions, both foregone and current cost-of-living adjustments, and enrollment growth. Meanwhile the actual community college budget request for 2010-11 is \$808 million.

Given that Proposition 98 is actually under-appropriated in 2009-10 it is difficult to imagine that community colleges would experience a mid-year reduction. In addition, the federal American Recovery and Reinvestment Act (ARRA) stipulates that K-12 and institutions of higher education (IHEs) must meet baseline maintenance of effort (MOE) funding requirements; for 2009-10, these requirements have been met at current budget levels. The only way to provide less funding would be for California to seek a waiver from the federal government.

To view the complete report go to: <http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=2143>

### **Free Health Benefits Training and Follow-up Services for Community College Districts**

For over two years, the League has been a full participant in the California Education Coalition for Health Care Reform (CECHCR), an independent, statewide partnership of employer and employee organizations committed to improving health care quality and reducing health care costs in public education. Through education, training and advocacy, CECHCR empowers districts to make informed purchasing decisions.

The following Coalition services are available free of charge to community college and school districts:

- Access to health benefits training and follow-up services for management/union teams to help districts improve the quality and reduce the costs of their health care;
- Work with the education community's large purchasers of health insurance to create economies of scale, improve health care quality, and find common ground for reform;
- Sponsorship of an annual Health Care Summit which brings together experts in the field, elected officials and policy makers to share knowledge and help connect purchasing and policy agendas to further the goals of CECHCR.

CECHCR trainings include:

- the basics of working effectively as a labor/ management committee that deals with health benefits in order to obtain the highest quality of services from consultants, and brokers;
- a primer on the health benefits industry and how to access a broad range of information including how to assess local hospital quality and how to choose a health plan; and
- basic insurance models as well as important information on risk pools, health savings accounts, cash-in-lieu of benefits, putting negotiated benefit money on the salary schedule, wellness and disease management and the latest GASB updates.

Once a district has participated in any of these three modules, it is eligible to contact CECHCR for follow-up services to meet individual district needs and provide assistance to help support implementation of the education program contained in the three modules summarized above.

Trainings are presented by a volunteer labor-management team with experience in public education and passion for helping others improve their health benefits efforts. Each training module is three hours in length. For more information or to sign up for training in your area, please contact the CECHCR office at 916-567-9911 extension 18 or visit [www.cechcr.org](http://www.cechcr.org).

### **Reports**

*Ready or Not, Here They Come: Lining Up for the State University*, California Postsecondary Education Commission (CPEC) [http://www.cpec.ca.gov/Agendas/Agenda0912/Item\\_06.pdf](http://www.cpec.ca.gov/Agendas/Agenda0912/Item_06.pdf)  
In this report, CPEC estimates that the state should prepare for 57,000 additional CSU undergraduate students by 2015. Between 2015 and 2019, undergraduate demand is likely to remain virtually unchanged, due in part to projected declines in the number of high school

graduates, which will impact freshman enrollments at CSU, and slower community college growth, which will impact transfers. If CSU reduces enrollment by 40,000 over the next two years because of reduced funding, nearly 56,000 prospective students might be denied access by fall 2011.

*Recommendations for Legislative Consideration from Audits Issued During 2008 and 2009*

Bureau of State Audits (BSA). <http://www.bsa.ca.gov/pdfs/reports/2009-701.pdf>

In this annual report the BSA recommends that legislation be considered to require California Community Colleges to implement strategies to control textbook costs, specifically legislation to grant authority to the Chancellor's Office to require campuses to implement their recommendations aimed at lowering college textbook costs, including increasing awareness and transparency about campus bookstore markups and ensuring that faculty are aware of steps they can take to possibly control textbook costs. The Chancellor's Office's response was that they do not currently have such statutory authority.

*Many Shades of Green: Diversity and Distribution of California's Green Jobs*, Next 10,

December 2009 [http://www.nextten.org/next10/publications/green\\_jobs.html](http://www.nextten.org/next10/publications/green_jobs.html)

This report provides the most comprehensive green jobs accounting to date, systematically tracking the most recent available data on green companies, job type, location and growth across every sector and region of California. While it does not specifically relate to community colleges, many districts may find its data useful as they respond to local needs.

### **Community College League of California's Legislative Conference**

The Community College League of California's Legislative Conference will be held at the Sheraton Grand Hotel in Sacramento on January 24-25th. For full details on registration and conference topics, please go to: <http://www.ccleague.org/i4a/pages/index.cfm?pageID=3424>

### **BOG News**

The Governor has made two appointments to the Board of Governors:

- Henry A. J. Ramos, 50, San Luis Obispo, Democrat, principal, Mauer Kunst Consulting (business and foundation consulting); and
- Michelle Price, 27, Desert Hot Springs, decline-to-state, sales associate, Follett Higher Education Group.

Debbie Malumed has been elected president of the Board of Governors with Scott Himmelstein as the vice president, effective with the January 2010 meeting.

### **Staffing Changes**

- George R. Boggs, president of the American Association of Community Colleges (AACC) for a decade and an ardent advocate for community colleges for more than 40 years, has announced his retirement from the association effective December 31, 2010.

- AACC has named Dr. Christopher Mullin as the first policy analyst for that organization, using funding from the Lumina Foundation for Education. This appointment is intended to expand AACC's capacity to assess and contextualize public policy affecting student access and success, including support and education regarding the "Achieving the Dream: Community Colleges Count initiative."
- Barry Russell, vice president of instruction at College of the Siskiyous, has been appointed vice chancellor for academic affairs in the CCC Chancellor's Office, replacing Carole Bogue-Feinour who has retired.

### **CEO Changes**

- Rosa Perez, chancellor of San Jose-Evergreen CCD since 2005, will be on medical leave until early 2010, and will retire on June 30, 2010. While Perez is on medical leave, Jeanine Hawk, the district's vice chancellor of administrative services, will serve as acting chancellor.
- Frances White, College of Marin president since 2004, will retire in June 2010.
- Dr. Mary Retterer, president of Cerro Coso Community College (of Kern CCD) since 2006, has announced her retirement, effective June 30th.
- David Pelham, superintendent/president of Cuesta College since February 2008, has announced that he will leave in December 2009, to take a position with a college in Abu Dabi, United Arab Emirates.
- Ken White, dean of business, behavioral and social sciences, has been appointed acting president of Modesto Junior College, effective December 1st, replacing Richard Rose.
- Linda Thor, president of Rio Salado College in Arizona since 1990, and formerly president of West LA College before her Arizona appointment, has been named chancellor of the Foothill-DeAnza CCD, starting February 16th. She succeeds Martha Kanter who left to become U.S. Under Secretary of Education, overseeing all of postsecondary education.