

April 6, 2018

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Anthony Beebe, Ph.D., Ed.D.
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Honorable Senator Anthony J. Portantino
Subcommittee 1 on Education
State Capitol
1316 10th Street, Room 3086
Sacramento, CA 95814

Dear Senator Portantino,

We write to you today representing the eight community college districts along California's Central Coast. Our single-college districts share many characteristics and often share the challenges that come from serving students in a region that lacks much of the educational access found in large cities.

You are undoubtedly aware of the proposed revisions to the community college funding formula being discussed in Sacramento at this time. We agree that our current funding model, based solely on enrollment, is insufficient to address the needs of California's 114 colleges. However, we are concerned with the unintended consequences that will arise from moving to a new formula without appropriate due diligence.

The Governor's proposed budget includes a revised funding formula that would begin to award 50 percent of a college's base budget on enrollment, 25 percent targeted to address equity issues, and 25 percent based on performance. The legislative analysis completed by the staff of the Assembly Budget Subcommittee on Higher Education raises some serious concerns about the proposal. As originally constructed, the proposal represents a radical shift in funding approaches to \$6 billion worth of appropriations for the nation's single largest system of higher education. At a time when we need to expand access and completion to meet the state's workforce needs, the current proposal results in funding reductions for more than half of the college districts in the system. The proposed impacts on at least three of our eight Central Coast colleges would be devastating.

While we are deeply concerned about the proposed formula, we should be clear that we are supportive of moving to a system that recognizes the equity needs of our colleges and rewards performance for moving the needle on completion. We know that the state needs an influx of highly skilled workers, and California's community colleges are stepping up to provide those workers. Since 2012, our colleges have increased the number of degrees and certificates awarded by more than 50 percent - a combined total of a quarter-million additional degrees and certificates awarded to Californians.

We are supportive of the work of our CEO colleagues that have been examining the proposal for the past two months. With less than a month to go until the May Revise, the workgroup has developed guiding principles that will be the basis for an upcoming recommendation. Those principles include:

- Significantly increase base funding before implementation of a new funding formula;
- Provide at least two years of transition funding at a new, higher base level to allow for continued development and improvement of the new funding model before beginning implementation in Year Three;
- Develop fewer, simpler metrics in a new formula with a focus on equity, inclusion and predictable impacts;
- Consolidate SSSP, Student Equity, and BSI categorical programs into a single program at current funding levels;
- Continue a focus on access, including a mechanism to fund growth for districts experiencing growth;
- Include a strong consistency approach to funding, such as a three-year average for base funding and/or a provision for smoothing of significant declines in enrollment;
- Assign summer FTE to the fiscal year in which instruction was held.

We would add two more items to this list that are critical to the Central Coast colleges and other rural, single college districts:

- Recognition of service to students from the college's defined service area; and,
- Development of equity measures that are based on California metrics (i.e., use BOG fee waiver as the measure rather than Pell grant funding).

To be clear, we support the concept of expanding equity funding and moving to some component of performance based funding. At the same time, the formula must recognize the needs of all colleges and provide a glide path that allows us to prepare for the new system.

On behalf of our students and communities, we thank you for your time in considering this and we thank you for your service. As always, we stand ready to provide additional information to you as you need it.

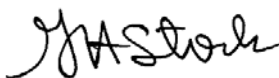
Best wishes to you,



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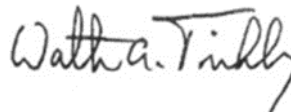
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cc: Eloy Ortiz Oakley, Chancellor, California Community Colleges
Larry Galizio, President, Community College League of California
Brian King, Chancellor, Los Rios Community College District