Community College League of California

Government Relations Update

June 2018
Today’s Discussion

• Federal Update

• Budget Update

• Legislative Update

• Q & A
Federal Update
PROSPER Act

Reauthorizes Higher Education Act.

Reduces access, equity and student success:
• Eliminates key financial aid programs.
• 100% liability for unearned financial aid.
• Elimination of Title III-A grants.

Strong push to bring to House floor.

Call Your Congressmember!
Immigration Reform

Pressure from moderate and conservative Republicans.

Moderate Republicans: Discharge Petition
• Would have forced votes on four separate measures relating to immigration reform.

Conservative Republicans: Withholding votes for Farm Bill
• Will not vote for the Farm Bill without also having a vote on immigration.

Compromise: Vote on two measures
• Measure 1: Would restrict legal immigration, fund the border wall and codify DACA into law without a path to citizenship.

• Measure 2: Unknown
Budget Update
State Budget: The Big Picture

Education makes up half of state spending.

General Fund: $200B

- K-12 Education: $55.9B
- CCCs: $9.2B
- Higher Education: $6.8B

Other:
- Health and Social Services
- Criminal Justice and the Courts
### Reserves

- By the end of 2018-19, the rainy day fund will climb to an estimated $13.8 billion
  - It’s constitutional maximum level.

- Additional $2 billion estimated balance in state’s traditional reserve

- Total reserves under the budget plan exceed $15.9 billion
Budget Recap

Augmentations Receiving Less Attention:

• $46 M in College Promise

• $50 M ongoing for full-time faculty

• $13.5 M one-time, $5 M ongoing for financial aid technology

• $6 M for Open Educational Resources (OER)

• $35 M one-time for Online Education Initiative (OER)
Funding Formula Update
Key Numbers

9 Districts in stability both current and prior year

14 Districts with NO Stability in past 2 years

58 Districts in stability in 1 of the past 2 years

$263 million in stability revenue for FY 2016-17

$176 million in stability revenue for FY 2017-18
The birth rate has been declining in California since the late 2000s.

Projected to decline further from 12.6 births per 1,000 population in 2015 to 9.4 per 1,000 in 2060.

Source: DOF
• Statewide K-12 enrollment is projected to decline by 1 percent from 2015-16 to 2024-25.

• Riverside and Kern Counties are projected to experience the greatest enrollment increases, with gains over the period of 5 percent and 10 percent respectively.

• Los Angeles and Orange Counties are projected to experience the greatest enrollment decreases, with declines over the period of 6 percent and 8 percent respectively.
## Funding Formula

<table>
<thead>
<tr>
<th>70% Base</th>
<th>60%</th>
<th>20% Supplement (Equity)</th>
<th>10% Success</th>
</tr>
</thead>
</table>
| • Measures FTES enrollment based on a three-year average. | • Pell Grant headcount enrollment<br>• Headcount enrollment of ALL students who receive a College Promise Grant fee waiver (formerly known as the BOG Fee Waiver)<br>• AB 540 students per the California Dream Grant application | Progress<br>• Transfer-level mathematics and English within first year<br>Outcomes<br>• AA/AS degree<br>• Transfer to ANY accredited 4-year institution<br>• ADT<br>• Credit certificates 18 units or greater<br>• 9 (CTE) units |}

Wages<br>• Regional living wage after one year
# Funding Formula

## Other Elements

**Hold Harmless Provision** — Establishes a 3-year hold harmless. Districts would be held harmless to 2017-18 levels plus COLA for three years.

**Stability** – Additional stability provisions that will protect colleges from revenue declines in future years - **each year, a district would receive the greater of their past year or current year funding**.

**District Choice** – Maintaining summer shift flexibility for districts.

**COLA** — Colleges are guaranteed at least a cost-of-living increase for three years.
Online Education Update
Online College

• Maintains funding at $20 million ongoing and $100 million one-time
• The Compromise modifies the Governor’s January proposal with the following:
  • Governance. Specifies that the Board of Governors would serve as the governing board of the online community college, and that the Chancellor and Board of Governors would choose the president of the online college.
  • Collective Bargaining. The college would partner with an existing district for the purpose of establishing a collective bargaining agreement. The online college’s president would retain authority to recommend staff for hire and to assign and direct staff workload.
Online College

• **Student Success.** The online college would provide a comprehensive status report in its third year of operation regarding student outcomes.

• **Accreditation.** Establishes a timeline for accreditation by requiring the new college to provide evidence to the Department of Finance and the Legislature that it has achieved accreditation candidacy or pre-accreditation by 2022 and full accreditation by 2025.

• **Curriculum.** Clarifies the intent of the online college is to create unique content and not duplicate content offered by local colleges. The faculty of the online college would also review the OEI protocols for content and adopt them as appropriate. Prohibits the new college from charging fees higher than a traditional college.
OEI & Future of Online

• $35 million one-time Proposition 98 to the Online Education Initiative for competitive grants to community college districts to develop online programs, courses and content.

• Requires the Chancellor's Office to review and make recommendations on (1) noncredit funding rates, and make recommendations to encourage the development of competency-based programs, and (2) the statewide approval process to offer an online course under a flexible calendar.
League Priority:
Financial Aid Technology Advancement & Innovation

Under-Resourced Financial Aid Offices:

• Financial aid processing is long, labor intensive and can take up to four weeks.
• New initiatives increase administrative burden for financial aid offices.
  o FAFSA Completion
  o AB 19
  o Student Success Incentive Grants

Solution:

• Provide a technology modernization increase to financial aid offices
• Includes funding for software updates reduction of financial aid processing time.

Budget Act:
Allocates $5 million ongoing and $13.5 million one-time to upgrade colleges’ financial aid management systems for more efficient processing.
League Priority:
Open Educational Resources

Addressing the High Cost of Textbooks:

Allocates $6 million one-time for the establishment of a statewide open educational resources (OER) program.

Today, textbooks comprise an estimated 40% of the total cost of attendance at community colleges.
AB 195 Fix

- **AB 195 Fix** – The League is working with a large coalition to get a fix on AB 195 in the Budget Act. It is no longer feasible to adopt a fix through the legislative process in time to protect November 2018 bonds. A fix is needed by July 1, 2018.

- Trailer bill language is proposed to suspend for two years the local bond-related provisions in AB 195 (Obernolte, Chapter 105, Statutes of 2017) to allow time for concerns to be addressed through the policy process and not affect near-term elections.

- AB 195 requires changes to the ballot label for local bonds to include in the statement to be voted on the amount of money to be raised annually and the rate and duration of the tax to be levied, instead of making such a requirement applicable only to local initiative measures.

- Asm. Obernolte has mentioned two possible legislative vehicles.
  - One of the two, AB 2848, never had a policy hearing and is dead.
  - The second, AB 6, does not contain any language related to this issue. The draft language would still require misleading information on the ballot label and as such, we oppose that proposal.
Legislative Update
Legislative Timeline

- **June 1**: Bills must have passed from the house of origin
- **June 29**: Last day for bills to pass policy committees in second house
- **Aug. 17**: Appropriations deadline in second house
- **Aug. 31**: Last day for any bill to pass
- **Sept. 30**: Last day for Governor to sign or veto
Collective Bargaining: 
*Janus vs. AFSCME*

- Legal challenges to the constitutionality of union “fair share” fees continue. A case in Illinois – Janus v. AFSCME* (Janus) – is in the United States Supreme Court.

- With the appointment of Justice Neil Gorsuch by President Trump, the Supreme Court once again has strong conservative leanings.

- Many believe that it is likely the court will overturn long-standing case law, deeming “fair share” fees as a violation of free speech.
AB 1435 (Gonzalez Fletcher): College Athlete Protection Act

- AB 1435 would create a statewide athletics oversight panel with significant regulatory powers - duplicative of functions of the California Community College Athletic Association (CCCAA) or the United States Department of Education.
- The panel would have:
  - Unlimited investigatory and subpoena powers that could put community colleges out of compliance of federal law.
  - Limitless ability to issue fines for perceived violations of panel crafted regulations and no process for institutions to process them.

Senate Education Hearing: June 27, 2018
Position: Oppose Unless Amended into a Study Bill
Community College Athletics: Effective Student Success Programs

### 2014-15 Momentum Points and Success Rates: Student Athletes Compared to College Body

<table>
<thead>
<tr>
<th>Population</th>
<th>Athletes</th>
<th>College</th>
<th>Athletes</th>
<th>College</th>
<th>Successful Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>64%</td>
<td>13%</td>
<td>60%</td>
<td>54%</td>
<td><strong>53%</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>39%</strong></td>
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Policies designed to improve academic success and welfare of student athletes:

- All collegiate athletes are required to attend college full time.
- Most coaches are full time, tenured faculty.
- Strict limitations on ability to recruit outside of college’s area.
- Ban on athletic scholarships.
- Strict concussion and return to play protocols.
**Placement: AB 1805**

**AB 1805 (Irwin):** Assessment and placement

- Requires each community college to inform students of their rights to access transfer-level coursework and of the multiple measures placement policies as adopted by the college under AB 705.
- Requires information be communicated in language that is easily understandable, and be prominently featured in the community college catalog, orientation materials, college’s website, and shared with the student.

**PASSED** Senate Education.
Payroll Deductions: AB 1937 (Santiago) and AB 2049 (Gonzalez Fletcher)

AB 1937 (Santiago) Public Employment: Payroll Deductions

Clarifies that collective bargaining units representing public employees must create a process in which an employee elects to leave the union. If the process is not followed, the employer can continue to deduct dues from that employee’s paycheck.

AB 2049 (Gonzalez Fletcher): Payroll Deductions for Employee Organization Dues

This bill would require a collective bargaining units and classified employees to agree upon a process in which a classified employee may elect to opt out of pay dues to his or her collective bargaining unit. If the employee elects to leave the collective bargaining unit but does not follow the process, a college may elect to continue to deduct union dues.

Both **PASSED** into the State Senate.
Campus Dorms: AB 1961 (Choi)

AB 1961 (Choi) Campus Meal Plans

- Would have mandated that campuses with dorms separate out their dorms and meal plans.

- Amended to require colleges to post the cost of housing and meal plans separately, but permits them to be bundled together.

**PASSED** into the State Senate.
Collective Bargaining: AB 2012 (Medina)

AB 2012 (Medina): Collective Bargaining: Differential Pay

- Regardless of what differential pay system a college utilizes for academic or classified employees, a college would be required to pay an employee at least 50% of an employee’s salary for a 12 workweek portion of parental leave.

- Effectively eliminates differential pay for employees if their compensation is lower than half of their pay while on leave.

PASSED Senate Education.
AB 3101 (Carrillo): College Application: CCCApply

• This bill would require CCCApply to be revised by 2019 to only collect student enrollment data that is required by the federal government.

• If the data can be collected at another time, CCCApply would be directed to collect that data after the time of enrollment.

PASSED State Education.
College Affordability: AB 3153 (Levine)

AB 3153 (Levine) Cal Grants: Summer Term Students

Would permit two summer sessions of Cal Grants not to be counted against eligibility window.

PASSED into State Senate.
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Questions?

Thank You!