

LACCD Legislative Update – January 15, 2014

1. LACCD's Legislative and Public Affairs' Priorities

Dual Enrollment

The Board of Governors adopted a legislative priority to sponsor and introduce legislation to expand dual enrollment. McCallum Group has been working closely with the state Chancellor's Office and the Governor's Office in the development of language and strategy. Recently, Assemblyman Chris Holden introduced legislation relating to dual enrollment. His language is similar to that of legislation introduced a few years ago by then-Assemblyman Portantino. McCallum Group has been working to generate support for the proposal among the League and other interest groups. Additionally, we have met with the administration and committee staff to discuss technical issues around dual enrollment and the need for the legislation. We are also setting up a meeting with Senator DeLeon to engage his interest.

Career Pathways

The Department of Education continues to develop the guidelines for the allocation of the \$250 million (K-14) in funding for K-12 schools and community colleges to develop career pathway programs. The guidelines and RFP could be released as early as this week. We will follow up with implementation issues. Leg's are interested in the development of LACCD/LA Unified discussions and want updates.

Weighted Student Formula

The administration released their January budget proposal and while there was not a move toward a weighted student formula or an overall change to the community college growth allocation, there are two proposals that are in response to LACCD priorities. The administration has proposed 3% in growth funding with language directing the Board of Governors to develop an allocation model that prioritizes those communities with the greatest unmet need in serving their community's higher education needs. Additionally, the administration proposed \$100 million in additional student success funding focused on basic skills and underrepresented students. We were told by DOF these proposal came from LACCD's request and we would need to fight hard to keep them in the budget.

Automatic Apportionment Backfill

The Board of Governors adopted a legislative priority to seek legislation that would provide for an automatic backfill of community college apportionments when actual receipts fell below budget act estimates. It was LACCD's desire to wait until the January budget proposal to see if the administration addressed the current-year shortfall prior to moving forward with a similar policy position. In his recent budget proposal, the Governor has tried up the community college shortfall and proposed some technical changes that, if adopted, would not automatically backfill shortfalls, but would allow for earlier identification of those shortfalls, providing greater budget certainty.

Adult Education

The Chancellor's Office and department of Education recently released the materials for the certification of eligibility. The materials were released December 19th and a letter of eligibility

from the Adult Education Regional Consortia fiscal agents is due on January 31, 2014. All other documentation is due February 24, 2014. The Certification of Eligibility is a non-competitive distribution of funds – it is based largely on regional population and regional need as relates to planning areas.

2. Governors January Budget Proposal

The Administration's January budget proposal provides a fantastic starting point for the Los Angeles Community College District as the 2014 budget cycle begins. The proposal addresses a number of needs specific to LACCD. Among the components of the budget are the following:

- COLA: \$48.5 million (.86%)
- Growth: \$155.2 million (3%) restoration of access – includes language that the BOG shall develop a funding allocation to prioritize districts with the greatest unmet need.
- Student Success: \$100 million for the student success categorical program (formerly matriculation) and additional \$100 million focused on underrepresented students.
- Maintenance and Instructional Equipment: \$175 million.
- Deferrals: \$592.4 million to completely eliminate inter-year deferrals.
- Funding Stability: Move up the deadline for determining funding shortfalls and provide \$38.4 million in the current year and \$35.6 million in the budget year for implementation.
- Innovation: \$50 million (non-98) for incentive funding for innovative ways to improve efficiency in student's earning bachelor's degrees.
- No fee increase and no additional "reform" proposals.

Discussion

The additional growth funding provides an opportunity to expand policies and programs that have been shown to improve student success, but in the past have not moved due to insufficient state funding. These include expansion of dual enrollment (an LACCD priority) and expansion of inmate education (supported by LACCD). The direction by the administration for the BOG to create an allocation model that prioritizes funding to the most needed areas also begins the conversation on an overall new funding formula, as we know that the issue of high school graduates being heavily weighted in the formula will be an issue in the near future. We will need to show that we can use this influx of funding as well as a possible May Revise pump that could provide \$100-\$200 million in additional funding because there is already pressure from some legislators to prioritize other areas of the budget. We will need to come up with a new growth formula by mid April.

The additional \$100 million to focus on underrepresented populations is a great win for LACCD and provides an opportunity to continue the discussion on the cost of educating basic skills students and closing the achievement gap.

We will need to be heavily engaged in the development of the growth allocation formula while also looking at issues around stabilization for districts that may not be able to reach their enrollment targets. Additionally, we will need to be heavily involved in the development of the allocation of funding to focus on underrepresented students.

League Legislative Conference

The League Conference is approaching quickly and McCallum Group, in coordination with Gonzalez, Quintana & Hunter, is working to set up meetings for the LACCD delegation that will

come to Sacramento at the end of January. Our focus will be on the LACCD legislative priorities as well as thanking the administration for the positive LACCD budget while pressing the Legislature to maintain the portions of the budget that are critical to the district.

Baccalaureate Degree

Senator Marty Block has introduced SB 850. The bill would authorize the State Chancellor to authorize community college districts to offer baccalaureate degrees at a limited number of campuses as determined by the Chancellor. The degrees would be limited as follows:

- One baccalaureate degree per campus
- Only in areas where there is documented unmet workforce needs
- Shall not unnecessarily duplicate similar programs offered by other public postsecondary institutions nearby
- District shall determine the level of matriculation, tuition and other appropriate costs
- The baccalaureate degree program would expire after 8 years

This is the initial draft of the measure and will not be the final product. The author is reaching out to all stakeholders in seeking to craft a bill that best fits the needs of all involved.

Update on Higher Education Bills

AB 330 (Chau) – would require Cal Grant participating institutions to provide their license examination passage rates, the institution’s 3-year cohort default rate, the institution’s percentage of undergraduate borrowers.

AB 548 (Salas) – would delete the repeal date on law authorizing community college nursing programs to use a multi-criteria screening process for nursing students when applications exceed available slots.

AB 977 (Salas) – would require the state Chancellor’s Office to convene a group of experts to research and recommend ways to address issues related to high-cost, high-demand courses and programs.

AB 1178 (Bocanegra) – would establish the California Promise Neighborhood Initiative to develop a system of up to 40 California promise neighborhoods throughout the state.

AB 1271 (Bonta) – would require open course provisions to be waived for courses offered in state correctional facilities and would increase the funding rate for students educated in a correction environment.

AB 1451 (Holden) – would expand concurrent enrollment opportunities for K-12 students in the context of a high school-community college partnership.

SB 850 (Block) – would authorize the Chancellor to approve the offering of one baccalaureate degree pilot program per campus per district.