



OFFICE OF THE CHANCELLOR

June 20, 2018

To: Legislative and Public Affairs Committee Members
From: Maria Luisa Veloz
Administrative Officer to the Chancellor
Subject: State Legislative and Public Affairs Update

Upcoming deadlines for this session:

Major activities:

- June 1: Bills introduced in the first house that passed are now in policy committees of the opposite house.
- June 4: Committee meetings may resume.
- June 8: The Budget Conference Committee put together the legislative version of the budget
- June 15: Budget bill must be adopted by midnight
- TBD: Governor signs the budget with line item vetoes.

Upcoming Legislative Deadlines:

June 29: Last day for policy committees to hear and report fiscal bills to fiscal committees

July 4: Holiday

July 6: Summer recess begins

August 6: Legislature reconvenes

August 17: Last day for fiscal committees to meet and to report bills to the floor.

BUDGET UPDATE – 2018-19 Budget Agreement

Prepared by: MGI

Budget Agreement

The Governor and Legislative leaders reached an agreement on the budget early Friday morning, June 8th. We understand that the two major community college issues, the funding formula and the online college were two of the final issues decided in negotiations. In the end, the Governor mostly won on both issues, however, there were compromises that were included in both the online college and the funding formula. In addition to the two major issues, there were a number of smaller priorities that are to be funded under this budget plan.

Funding Formula

The Governor and Legislative leaders came to an agreement on a new funding formula that will begin in the 2018-19 fiscal year. Under the formula districts will be funded not just on enrollment, but also based on the number of low income students they enroll and based on success metrics that students attain while they are attending the college.

- Three-year hold harmless
 - Districts receive at least as much as they do in 2017-18 plus a COLA for three years
- Framework shift with three-year phase in
 - 2018-19 – 70% enrollment – 20% low income – 10% performance
 - 2020-21 – 60% enrollment – 20% low income – 20% performance
 - Does not end summer shift
- Creation of oversight body to recommend changes to the formula. Members selected by:
 - Governor
 - Speaker
 - Senate Rules Committee
- 20% Low Income factor based on the number of low income students as defined as Pell grant recipients, AB 540 students and California Promise (BOG) recipients
- 10% Success allocation based on point system
 - Completion of ADT (4 pts)
 - Completion of AD or CCC BA (3 pts)
 - Credit certificates of 16 units or more (2 pts)
 - Completion of transfer-level English and math within first year of enrollment (2 pts)
 - Transfer to four-year institution (1.5 pts)
 - Completion of CTE units (1 pt)
 - Attainment of regional living wage after one year of completion (1 pt)
 - Pell recipients would receive additional set of points
- Noncredit funded outside of funding formula
- Consolidation of SSSP, Student Equity and basic skills into Student Equity & Achievement Program

Online College

The Governor and the Legislature agreed to create a new 115th completely online community college. The action maintains the \$100 million one-time and \$20 million ongoing to support the college. Other characteristics of the college include:

- *Governance:* Maintains BOG as the board of the online college and has them and the State Chancellor choose a President of the college.
- *Collective Bargaining:* College will partner with an existing district to establish an agreement.
- *Student Success:* College would report outcomes measures similar to all other community colleges and would be required to share promising practices.
- *Noncompete Language:* College would not be able to offer courses offered by traditional community colleges.
- *Local Funding to Expand OEI:* \$35 million in one-time funding for competitive grants to community college districts to develop online programs, courses and content.

Other Adjustments

There were a number of individual items that were included in the final budget package. Among the major items approved by the Legislature were the following:

- \$60 million for 1% growth
- \$173.1 for 2.71% COLA
- \$46 million for implementation of the California College Promise (AB 19 (Santiago))
- \$50 million to increase Full-Time Faculty
- \$50 million one-time for Part-Time Faculty Office Hours
- \$23 million for Deferred Maintenance
- \$10 million one-time for Student Hunger
- \$8.5 million one-time for Veteran Resource Centers
- \$10 million one-time for P-Tech Program
- \$5 million one-time for Re-Entry Programs for Incarcerated
- \$10 million one-time for Mental Health Services
- \$10 million one-time for Legal Services for Undocumented Immigrant Students
- \$800,000 one-time for LA Valley College Family Resource Center

Next Steps

The Legislature passed the main budget bill last week. They must pass the bill by June 15th or they do not get paid until the measure is passed. They subsequently passed the budget trailer bills earlier this week. The budget bill and the trailer bill go to the Governor where he will sign them before the new fiscal year. He has the ability to line-item veto items from the budget bill or veto trailer bills, but we do not anticipate that he will do so.

LEGISLATIVE UPDATE –

Prepared by: SES

This section is organized as follows:

- LACCD Sponsored Bills
 - AB 2306-Santiago: Student Financial Aid: Cal Grant Program
 - AB 3101-Carrillo: Community Colleges
- Positions Taken by LACCD
 - AB 1009-Wilk: Community Colleges: Tutoring
 - SB 1406-Hill: Public postsecondary education: community college districts: baccalaureate degree pilot program
- Recommended Positions
 - AB 1037: Limon: Student financial aid: Cal Grant B Service Incentive Program
 - AB 1935-Irwin: Community Colleges: Tutoring
 - AB 3153-Levine: Student Financial Aid: Summer Term Students

LACCD SPONSORED BILLS

AB 2306 [Santiago] – Student Financial Aid: Cal Grant Program

LACCD Position: Sponsored by LACCD

Status: Assembly Appropriations Committee; held under submission

Summary:

This measure would increase the Cal Grant eligibility requirement for a community college student, or former student who transfers to a four-year institution. The bill will allow students who are eligible to receive the Cal Grant award for the amount of six years of attendance instead of only four years.

Position:

- District position is support. (Sponsored)

Update:

- The measure passed the Assembly Committee on Higher Education on a 9-2 vote.
- The measure is held the Assembly Appropriations Committee on the Suspense file.

Support and Opposition:

Alliance for Children's Rights
California Student Aid Commission
Community College League of California
Faculty Association of California Community Colleges
Foothill-De Anza Community College District
Kern Community College District
Los Rios Community College District
North Orange Community College District
Peralta Community College District
San Diego Community College District
San Francisco Community College District
San Jose-Evergreen Community College District
South Orange County Community College District
Yuba Community College District

No opposition recorded.

Background and Analysis: As you recall, last month, in consultation with the district, submitted to the author and to the committee staff proposed amendments to contain the costs in order to increase the chances of getting the bill off the Suspense file. Despite this effort, the Chair held the bill in the Appropriations Committee. Both the author's office and SES has made a number of inquiries to the Appropriations Committee staff to determine the reason for holding the bill in the committee. There has yet to be a response to our inquiries.

Although purely conjecture, one reason the bill was held was the author had fourteen bills in suspense totaling and the committee was unable to meet all the author's requests given the fiscal effect of his legislative package exceed \$325 million. Asm Santiago's bills on suspense included:

Bills Authored by Asm Santiago Adopted by Asm Appropriations Committee

AB 1862: immigrations services: grants
AB 1937: public employment: payroll deductions
AB 1971: mental health services: involuntary detention: gravely disabled
AB 2005: Child Abuse Central Index
AB 2112: Federal 21st Century Cures Act: community-based crisis response plan: grant
AB 2189: Hazardous substances: lead: cleanup: Exide Technologies facility
AB 2505: California State University: budget oversight policies
AB 2868: County of Los Angeles: limited-term law clerk
AB 2930: Unlawful detainer: nuisance: unlawful weapons and ammunition

Total Known Cost – Minimum \$25.5 million

Bills Authored by Asm Santiago Held in Asm Appropriations Committee Suspense File

AB 1942: CA Earned Income Tax Credit: Earned Income Tax Credit Information Act
AB 1949: Explosives: flamethrowing devices
AB 2306: Student Financial Aid: Cal Grant Program
AB 2817: Firearms: emergency transfers
AB 2833: Personal income taxes: renter's credit

Total Known Cost – Minimum \$303 million over 3 years

Recommendation: N/A

AB 3101 [Carrillo] – Community Colleges

LACCD Position: Sponsored by LACCD

Status: Passed Senate Education Committee [6-0]; referred to Senate Appropriations Committee.

Summary:

This measure requires the Board of Governors of the California Community Colleges to revise CCCApply application process by no later than July 31, 2019 so only data that is required by the federal government, or that is otherwise necessary as determined by the Board, is collected during the process.

Position:

- District position is support. (Sponsored)

Update:

- This measure is to be heard in the Senate Appropriations Committee [hearing not yet scheduled]
- The bill went out 'Do pass' on 6-0 vote from Senate Education Committee on June 6.
 - Amended May 29, 2018
 - Amendments exempts a student seeking to enroll exclusively in noncredit courses from community college residency classification requirements.

Support and Opposition:

Support:

Cerritos Community College District
Coastline Community College
Community College League of California
Contra Costa Community College District
Faculty Association of California Community Colleges
Foothill-De Anza Community College District
Golden West Community College
Kern Community College District
Lassen Community College District
Los Angeles Community College District (Sponsor)
Los Rios Community College District
North Orange Community College District
Orange Coast College
Peralta Community College District
San Bernardino Community College District
Solano Community College District
Southwestern Community College District

Opposition:

None recorded

Recommendation: N/A

POSITIONS ON BILLS TAKEN BY LACCD

SB 1009 [Wilk] – Community Colleges: Tutoring

LACCD Position: Support

Status: Amended in Senate Education Committee, held in Senate Appropriations Committee on Suspense file.

Summary:

This measure would provide that supervised tutoring for courses, and classes, in all subject areas regardless of being transfer-credit or not would be eligible for state apportionment funding. The measure would apply:

- Whether the student has been referred by a faculty member to tutoring
- Self-initiated tutoring.

Position:

- LACCD position is support.

Update:

- This bill was held on the Senate Appropriations Committee suspense file.
- NOTE: AB 1935 [Irwin] is similar legislation that would also authorize state apportionment funding for tutoring students but applies only to degree applicable and transfer level courses. AB 1935 is in the Senate Education Committee.

Support and Opposition:

Support:

Coast Colleges
College of the Canyons
Foothill-De Anza Community College District
Kern Community College District
Los Rios Community College District
Peralta Community College District
San Diego Community College District
San Francisco Community College District
South Orange County Community College District
West Hills Community College District
Yuba Community College District

Opposition:

None recorded

Recommendation: As an alternative support of AB 1935-Irwin, which is a scaled-down version of SB 1009-Wilk.

**SB 1406 [Hill] - Public postsecondary education: community college districts:
baccalaureate degree pilot program
LACCD Position: Support
Status: Passed Senate [36-0]. Referred to Assembly Committee on Higher Education**

Summary:

The Board of Governors, in consultation with the California State University (CSU) and the University of California (UC) may establish baccalaureate degree pilot programs, at up to 15 community college districts, with one baccalaureate degree program each. This measure:

- Extends the sunset date for the Board of Governors to establish baccalaureate degree pilot programs by two years to July 1, 2023.
- Requires that a student participating in a baccalaureate pilot degree program to begin the program no later than the 2022-23 academic year.
- Repeals an existing requirement that would require student participating in the baccalaureate pilot degree program to complete their degree by the end of the 2022-23 academic year.

Position:

- LACCD position is support.

Update:

- This bill is in Assembly Committee on Higher Education. Hearing not yet set.

Support and Opposition:

Support:

California Community College Chancellor's Office
Community College League of California
Feather River College
Foothill-De Anza Community College District
Grossmont-Cuyamaca Community College District
Kern Community College District
Los Rios Community College District
Mira Costa Community College District
North Orange Community College District
Peralta Community College District
San Diego Community College District
San Diego Mesa College
San Francisco Community College District
South Orange County Community College District
Southwestern Community College District
Yuba Community College District

Opposition:

None recorded.

Recommendation: N/A

Bills Recommended for Support

AB 1037 [Limon] – Postsecondary education: student financial aid: Cal Grant B Service Incentive Grant

Status: Passed Senate Education [5-0], Referred to Senate Appropriations Committee

Summary:

Establishes a new program titled the Cal Grant B Service Incentive Grant Program. The program provides 2,500 grants to Dream Act students who perform a minimum of 300 hours of community service or volunteer work during the academic year. Maximum award is \$1,500 per semester or \$1,000 per quarter for a maximum of 8 semesters or 12 quarters.

Update:

- This bill is in Senate Appropriations Committee. Hearing date not set.
- The bill passed Senate Education Committee on 5-0 vote [Wilk not voting]
- This bill is a priority of the Latino Legislative Caucus.

Support and Opposition:

Support:

Association of Independent California Colleges and University
California Community Colleges Chancellor's Office
California Faculty Association
California Immigrant Policy Center
California Student Aid Commission
Coalition for Humane Immigrant Rights
Community College League of California
Community College League of California
Education Trust-West
Faculty Association of California Community Colleges
Foothill-De Anza Community College District
KID CITY HOPE PLACE
Los Angeles Area Chamber of Commerce
Los Rios Community College District
MALDEF
Peralta Community College District
Real Coalition
San Diego Community College District
South Orange County Community College District
Southern California College Access Network
Students making a change
The Campaign for College Opportunity
The Civil Rights Project
The Institute for College Access and Success
University of Southern California

Opposition:

None recorded.

Recommendation: Support

AB 1935-Irwin: Community colleges: tutoring

Status: Passed Senate Education on 6-0 vote. Senate Appropriations Committee

Summary: This bill makes supervised tutoring for basic skills and for degree-applicable and transfer-level courses offered at the community colleges eligible for state apportionment funding.

Update:

- SB 1009 [Wilk] which made apportionment funding in tutoring for all classes in community colleges is on the Senate Appropriations Committee suspense file and is a dead bill.
- AB 1935 [Irwin] is the remaining live vehicle that would make some courses eligible for apportionment funding.

Support and Opposition:

Support:

Association of California Community College Administrators
Association of Colleges for Tutoring and Learning Assistance
AVID Center
California Community College Board of Governors
California Community College League of California
California Edge Coalition
California Federation of Teachers
Central Valley Higher Education Consortium
Chief Student Services Officers Association
Community College League of California
Foothill-De Anza Community College District
Kern Community College District
Los Rios Community College District
MALDEF
Mt. San Antonio College Board of Trustees
Peralta Community College District
San Diego Community College District
San Francisco Community College District
San Jose Evergreen Community College District
South Orange County Community College District
The Association of Colleges for Tutoring and Learning Assistance
The Campaign for College Opportunity
The Education Trust-West
United Way Greater Los Angeles
Yuba Community College Districts

Opposition:

None recorded.

Recommendation: It would be appropriate to support AB 1935 given that SB 1009 is no longer moving.

AB 3153 [Levine]: Student financial aid: Cal Grants: summer term students
Status: Passed Assembly floor 67 to 5. In Senate Rules for assignment.

Summary: This bill expands the total period of eligibility for a student to receive a Cal Grant A or Cal Grant B awards. For community college students, the bill allows community college students to receive an additional Summer Cal Grant award for one summer term of up to nine units.

Update:

- AB 2306 [Santiago] which increased Cal Grant eligibility from four years to six years was held in the Assembly Appropriations Committee suspense file.
- Although AB 3153 [Levine] does not directly address the concerns LACCD has relative to community college students, it does provide additional access for community college students by expanding Cal Grant eligibility for summer school courses.

Support and Opposition:

Support:

California State University
University of California

Opposition:

None on file

Recommendation: Support AB 3153 [Levine]. It provides additional access for community college transfer students for summer session.