

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE****Assembly Member Kevin McCarty, Chair****TUESDAY, APRIL 18, 2017
9 AM, STATE CAPITOL ROOM 447**

CALIFORNIA COMMUNITY COLLEGES

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6870 CALIFORNIA COMMUNITY COLLEGES

The Governor's Budget proposes about \$5.5 billion in Proposition 98 General Fund support for community colleges, and \$472 million in General Fund support for the Chancellor's Office and other costs. The chart below is compiled by the Legislative Analyst's Office (LAO) and summarizes proposed funding levels in the January budget. The chart on the next page, compiled by the Chancellor's Office, compares proposed changes to various categorical programs by the Community College Board of Governors and the Governor's Budget.

California Community Colleges Funding by Source

(Dollars in Millions)

	2015-16 Revised	2016-17 Revised	2017-18 Proposed	Change From 2016-17	
				Amount	Percent
Proposition 98					
General Fund ^a	\$5,304	\$5,443	\$5,465	\$22	0.4%
Local property tax	2,630	2,803	2,959	156	5.6
Subtotals	(\$7,933)	(\$8,246)	(\$8,424)	(\$179)	(2.2%)
Other State					
Non-Proposition 98 General Fund ^b	\$435	\$522	\$472	-\$50	-9.5%
Lottery	232	227	227	—	—
Special funds and reimbursements	76	104	94	-10	-9.4
Subtotals	(\$744)	(\$853)	(\$793)	(\$60)	(-7.0%)
Other Local					
Enrollment fees	\$432	\$436	\$440	\$4	1.0%
Other local revenue ^c	2,437	2,488	2,456	-33	-1.3
Subtotals	(\$2,869)	(\$2,924)	(\$2,896)	(\$28)	(-1.0%)
Federal	\$298	\$297	\$297	—	—
Totals	\$11,843	\$12,320	\$12,411	\$91	0.7%
Full-Time Equivalent (FTE) Students	1,145,637	1,156,810	1,168,379	11,569	1.0%
Proposition 98 Funding Per FTE Student	\$6,925	\$7,128	\$7,210	\$82	1.2%
Total Funding Per FTE Student	\$10,338	\$10,650	\$10,622	-\$28	-0.3%

^aIncludes \$500 million each year (and an additional \$5 million in 2016-17) for the Adult Education Block Grant, of which more than \$400 million goes to school districts for their adult education services.

^bIncludes funding for state general obligation bond debt service, state contributions to the State Teachers' Retirement System (STRS), and Chancellor's Office operations. 2017-18 amount includes a \$64 million decline in debt service and a \$23 million increase in STRS contributions.

^cPrimarily consists of revenue from student fees (other than enrollment fees), sales and services, and grants and contracts, as well as local debt-service payments. Amounts are estimates and do not include federal and state student financial aid for nontuition costs or bond proceeds for capital outlay.

Posted January 2017.

Proposition 98 for CCCs
2017-18 Governor's Budget

Program Title	2016-17 Budget Act	2017-18 Governor's Budget	Change	2017-18 BOG Request	Notes
Apportionment Growth	114,260,000	79,300,000	-	125,000,000	
Apportionment COLA	-	94,100,000	-	100,000,000	
Apportionment Base Increase	75,000,000	23,600,000	-	200,000,000	
Full Time Faculty Hiring	-	-	-	100,000,000	
Apprenticeship	32,185,000	32,745,000	560,000	-	COLA
Apprenticeship Training & Instruction	21,429,000	22,127,000	698,000	-	COLA
Student Success for Basic Skills Students	50,037,000	50,037,000	-	-	
Student Financial Aid Administration	73,196,000	73,005,000	(191,000)	-	Workload adjustment
Public Outreach	-	-	-	10,000,000	
Students with Disabilities	115,388,000	117,096,000	1,708,000	-	COLA
Student Services for CalWORKs Recipients	43,580,000	44,224,984	644,984	-	COLA
Foster Care Education Program	5,254,000	5,254,000	-	-	
Student Success and Support Program	481,683,000	481,683,000	-	-	
Student Success and Support Program	285,183,000	285,183,000	-	-	
Student Equity	155,000,000	155,000,000	-	-	
Institutional Effectiveness Partnership Initiative	27,500,000	27,500,000	-	-	
E-transcript, E-planning, Common Assessment	14,000,000	14,000,000	-	-	
Professional Development	-	-	-	25,000,000	
Veterans Resource Centers	-	-	-	30,000,000	
Campus Safety	-	-	-	50,000,000	
Mental Health	-	-	-	25,000,000	
Student Needs	-	-	-	5,000,000	
Academic Senate for Community Colleges	768,000	768,000	-	-	
Equal Employment Opportunity	2,767,000	2,767,000	-	10,000,000	
Pathways to Community College Teaching	-	-	-	650,000	
Part-Time Faculty Health Insurance	490,000	490,000	-	500,000	
Part-Time Faculty Compensation	24,907,000	24,907,000	-	24,500,000	
Part-Time Faculty Office Hours	7,172,000	7,172,000	-	-	
Telecommunications and Technology Infrastructure	27,890,000	27,890,000	-	-	
Technology Support	-	-	-	50,000,000	
Integrated Library System	-	6,000,000	6,000,000	8,500,000	One-time
Open Educational Resources	-	-	-	20,000,000	
Economic Development	270,929,000	270,929,000	-	-	
Transfer Education and Articulation	698,000	698,000	-	-	
Extended Opportunity Programs and Services	123,189,000	125,012,197	1,823,197	-	COLA
Fund for Student Success	6,158,000	6,158,000	-	-	
Puente Project	1,921,000	1,921,000	-	-	
Mathematics, Engineering, Science Achievement	2,459,000	2,459,000	-	-	
Middle College High School Program	1,778,000	1,778,000	-	-	
Campus Childcare Tax Bailout	3,384,000	3,434,083	50,083	-	COLA
Nursing Program Support	13,378,000	13,378,000	-	-	
Expand the Delivery of Courses through Technology	18,000,000	28,000,000	10,000,000	-	
Online Course Exchange	10,000,000	10,000,000	-	10,000,000	
Zero Textbook cost degrees	5,000,000	-	(5,000,000)	-	Prior year one-time
Dept of Corrections E-readers	3,000,000	3,000,000	-	-	
Physical Plant and Instructional Support	154,328,000	43,720,000	(110,608,000)	-	One-time
Implementation of Guided Pathways	-	150,000,000	150,000,000	-	One-time
Full-Time Student Success Grant	41,174,000	44,308,000	3,134,000	-	Workload adjustment
Proposition 39 Energy Efficiency Projects	49,200,000	52,300,000	3,100,000	-	Revenue adjustment
Promise Programs	15,000,000	-	(15,000,000)	15,000,000	Prior year one-time
Innovation in Education	25,000,000	20,000,000	(5,000,000)	25,000,000	One-time

ITEMS TO BE HEARD

ISSUE 1: APPORTIONMENT PROPOSALS

The Subcommittee will discuss Governor's Budget proposals for apportionment, including \$79 million Proposition 98 General Fund to support 1.34% enrollment growth, \$94.1 million Proposition 98 General Fund to support a 1.48% cost-of-living adjustment, and \$23.6 million in additional funding as an unallocated base increase. Additionally, the Governor proposes trailer bill language that would repeal the Chancellor's Office's authority to allocate excess local revenue.

PANEL

- Maritza Urquiza, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office

BACKGROUND

Community colleges receive most of their state funding through apportionment, which provides funding for basic college needs and is largely based on enrollment. The state projects enrollment growth systemwide based on population changes, the economy, and prior-year enrollment demand. About \$6.1 billion of the community colleges' \$8.3 billion budget in the current year is apportionment funding, or about 73%.

The 2015 Budget Act provided \$157 million to support 3% enrollment growth and \$267 million for an unallocated base increase. The 2016 Budget Act provided \$114 million for 2% enrollment growth and \$75 million for an unallocated base increase. The base increases were intended to help colleges cover various costs, including faculty hiring, retirement costs and maintaining facilities.

Governor's 2017-18 Budget Proposal

The Governor's Budget includes a reduction of \$56 million to account for unused 2015-16 enrollment funding. The budget carries the lower base forward into 2016-17, achieving a similar amount of savings in the current year relative to the 2016 Budget Act.

The Governor proposes \$79 million for 1.34% enrollment growth (an additional 15,500 FTE students) for 2017-18. The Governor also proposes an increase of \$94.1 million Proposition 98 General Fund for a 1.48% cost-of-living adjustment. He also proposes to provide an increase of \$23.6 million Proposition 98 General Fund to support increase operating expenses in areas such as employee benefits, facilities, professional development, and other general expenses.

The Governor also proposes trailer bill language to repeal the Chancellor's Office authority to allocate excess local revenue. Under current law, if local property tax or student fee revenues exceed budget estimates, the chancellor may allocate the excess amounts to community college districts on an FTE basis for one-time purposes. The administration proposes to repeal this authority, noting that it is unnecessary and rarely applied.

LAO Recommendation

The LAO notes that systemwide enrollment growth in 2015-16 was only 0.4%, and preliminary estimates suggest that net systemwide growth in 2016-17 is only 0.2%. About 60% of districts are projecting some enrollment growth in 2016-17 compared with 2015-16 enrollment levels. Most of these districts, however, do not expect to reach their growth targets. Of 72 districts, only 14 (just under one-fifth) expect to meet their targets in 2016-17.

Given minimal systemwide enrollment growth in 2015-16 and continued economic growth, the LAO states that many campuses likely will see little to no growth in 2016-17 and 2017-08. The LAO recommends that the Legislature continue to monitor current year enrollment levels in May, when districts will report updated numbers. If the Legislature decides to reduce enrollment funding for one or both years, it could use any associated freed-up funds for other Proposition 98 priorities.

The LAO also notes that the cost-of-living adjustment rate the state uses for apportionments (and some categorical programs) will be locked down in April when the state receives updated data, and recommends the Legislature approve a cost-of-living adjustment once the rate is determined. The LAO states that apportionment increases can help community colleges cover higher pension costs, as well as meet other local priorities and cost pressures. If additional revenues are available in May, the Legislature may wish to provide an even larger base increase than the Governor proposes.

The LAO also recommends approving the Administration's trailer bill language to repeal the Chancellor's Office authority to allocate excess local revenue. According to the Chancellor's Office, it has only exercised its existing statutory authority to use excess local revenues for one-time purposes once in the last 20 years. This is because the state regularly adjusts current-year and prior-year appropriations during the annual budget process. In years when the state initially has underestimated local CCC revenues, it subsequently raises its estimates based on more current data. When local revenues come in below budget expectations, the state provides a General Fund backfill, state fiscal condition permitting. Because the state typically makes these adjustments as part of its regular budget process, repealing the existing authority that allows CCC to redirect excess local revenues to its own local one-time priorities likely would have little to no practical effect.

STAFF COMMENT/QUESTIONS

Access remains a key priority for the Legislature. Staff notes that this Subcommittee took action in March to support a new Community College Promise program, which will waive fees for all first-time, full-time freshmen at community colleges for the student's first year. It is possible that an incentive such as this action could encourage enrollment growth.

Nonetheless, staff agrees with the LAO that it is prudent to wait until May to determine an appropriate enrollment funding level. And it appears that relatively low unemployment rates in many parts of the state are stagnating enrollment levels at many colleges.

Additionally, colleges are advocating for an increase to the unallocated base increase. For example, the Community College League of California lists a base increase as its top priority, noting that rising pension costs alone could require as much as \$400 million in new spending systemwide during the next several years.

Finally, staff notes that the Governor's Budget provides no additional funding for other legislative priorities, such as increasing full-time faculty, better supporting part-time faculty, or providing more support for students who are military veterans. The Subcommittee will have to weigh enrollment growth and other apportionment issues with its priorities before determining a final budget.

Potential Questions

- What are the most current estimates for enrollment growth in the current year and for 2017-18?
- How do the Administration and Chancellor's Office view enrollment growth funding versus a base increase? Which should be a higher priority?
- What strategies are colleges using to ensure that communities, particularly traditionally underserved communities, are aware of the benefits of postsecondary education?

ISSUE 2: GUIDED PATHWAYS PROGRAM

The Subcommittee will discuss the Governor's Budget proposal to provide \$150 million one-time Proposition 98 General Fund to support a new Guided Pathways program at colleges. The proposal intends to support colleges in integrating existing student success programs and redesigning programs to make it easier for students to select educational goals and develop a clear plan to graduate.

PANEL

- Maritza Urquiza, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office
- Sonya Christian, Bakersfield College

BACKGROUND

According to the 2017 Student Success Scorecard released last month, less than half of California community college students complete a degree, certificate or transfer to a four-year university within six years of entering community college.

Many efforts underway to improve student success. The Legislature and community college system have sought to improve community college student success in recent years. The Legislature passed the Student Success Act of 2012 (Chapter 624 of 2012, SB 1456, Lowenthal), which required the Board of Governors to establish policies intended to ensure that every incoming student received assessment, orientation, and education planning support. In a companion reform effort, the Legislature also enacted the Student Transfer Achievement Reform Act (Chapter 428 of 2010, SB 1440, Padilla). This legislation required community colleges to create 60-unit associate degrees for transfer that streamlined and expedited transfer to CSU.

In addition to these policy changes, significant funding has been added to student support programs. The LAO notes that spending on these programs grew from \$243 million in 2012-13 to \$820 million in 2016-17. The following chart provides recent funding levels for these programs.

Figure 19

Ongoing State Funding for CCC Student Success Programs*(In Millions)*

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Revised	2016-17 Enacted	Increase From 2012-13
Student Success and Support Program	\$49	\$85	\$185	\$285	\$285	\$236
Student Equity Plans	—	—	70	155	155	155
Extended Opportunity Programs and Services	74	89	89	123	123	49
Disabled Student Program and Services	69	84	114	115	115	46
Basic Skills Initiative	20	20	20	20 ^a	50	30
CalWORKs Student Services	27	35	35	35	44	17
Institutional Effectiveness	—	—	3	18	28	28
Technology Projects ^b	—	14	14	14	14	14
Fund for Student Success ^c	4	4	4	4	6	2
Totals	\$243	\$331	\$604	\$769	\$820	\$577

^a In addition to the ongoing funding shown, the state provided \$85 million in one-time funding—\$60 million for the Community Colleges Basic Skills and Outcomes Transformation Program, \$15 million for the College Promise Innovation Grant Program, and \$10 million for the Basic Skills Partnership Pilot Program.

^b Consists of the Common Assessment Initiative, Education Planning Initiative, and electronic transcripts.

^c Supports the Mathematics, Engineering, and Science Achievement program; Middle College High School program; and Puente Project.

Guided Pathways programs developing in California and around the country.

Consensus is building that a key reason for poor community college outcomes is that colleges are poorly designed for students, who often have difficulty navigating the myriad choices available to them when selecting academic programs and courses. Data collected by Complete College America, for example, found that students who earned associate's degrees or certificates typically had taken far more courses than needed to achieve their outcome.

Guided Pathways programs attempt to address this issue. The LAO provides four basic components of these programs:

- Academic program maps detailing the courses students must complete each semester to earn a credential as efficiently as possible (often including default course selections and schedules).
- An intake process that helps students clarify their college and career goals, choose a program of study, and develop an academic plan based on a program map.
- Close monitoring of student progress paired with proactive student support services and feedback to help students stay on track.
- Institutional and program-specific student learning outcomes that are aligned with requirements for transfer and careers.

A number of national organizations and state higher education systems have initiated guided pathways demonstration projects. Universities like Florida State, Arizona State and Georgia State have developed programs. At the community college level, the Pathways Project led by the American Association for Community Colleges (AACC) launched in 2015 with 30 community colleges in 17 states (including 3 in California). Participating colleges attend six three-day institutes over two years to help them design and implement structured academic and career pathways for all their students. Colleges receive professional development and technical assistance from AACC and seven partner organizations, but no direct funding from the project. In 2016, the Foundation for California Community Colleges announced the California Guided Pathways Project, closely modeled on the AACC project, which will assist 20 California community colleges to develop and implement guided pathways.

Governor's 2017-18 Budget Proposal

The Governor's Budget proposes \$150 million one-time Proposition 98 General Fund to support Guided Pathways programs across the system. Trailer bill language states the intent that colleges integrate existing student success programs and develop a guided pathways model, based largely on the four components described previously.

The proposal calls for 90% of the funding to be distributed to colleges based on the following formula:

- 45% based on each college's share of the state's Pell Grant-eligible students;
- 35% percent based on each college's share of full-time equivalent enrollment;
- And 20% as a fixed base grant for each college.

To receive funding, colleges would have to demonstrate their commitment toward implementing guided pathways by (1) submitting a commitment letter signed by the governing board president, chief executive officer, and Academic Senate president; (2) attending a workshop; and (3) submitting an implementation plan that integrates existing student success programs.

The remaining funding proposed by the Governor (up to 10 percent) would be for statewide assistance and programmatic support. The Chancellor's Office would be required to submit a report by July 1, 2018 and annually thereafter for four more years. The first report is to detail the funding allocations, the second to summarize colleges' guided pathways implementation plans, and the three remaining reports to summarize each district's progress toward implementing its plan. In addition, the Chancellor is to include in each of the five reports any statutory or regulatory changes it believes are needed to facilitate colleges' further implementation of guided pathways.

LAO Recommendation

The LAO states that if successfully implemented, the guided pathways model could help colleges improve program coordination and achieve better student outcomes.

However, the LAO outlines the following concerns with the proposal:

The proposal differs from other successful guided pathways initiatives. Existing large-scale guided pathways initiatives have retained funding centrally to provide professional development and technical assistance to colleges, rather than funding colleges directly. Under these existing initiatives, only colleges with a strong interest in developing guided pathways and a willingness to reallocate existing resources choose to apply. The Governor's proposal takes a notably different approach, giving substantial grants directly to colleges and setting aside a relatively small share (10 percent) for centralized support. Such a decentralized approach could have the unintended effect of funding colleges that do not have a strong, broad-based commitment to the work, while shortchanging colleges on the professional development and technical assistance component.

Why \$150 million? The Governor provides no explanation for his proposed funding amount. The administration has indicated colleges likely would use their funding mainly for release time (or summer pay) for faculty, staff, and administrators to work on developing maps and other components. The administration, however, has not indicated the amount of release time envisioned or how it would be apportioned over the five-year implementation period.

Proposal missing details. The proposal also contains few details about how colleges could use their funds, what would be expected of them, or how the program would operate. Furthermore, the Governor's proposal lacks mechanisms to monitor progress, provide feedback for midcourse corrections, or contribute to the research on guided pathways implementation.

Not all colleges likely ready for reform. Colleges that have implemented guided pathways indicate that doing so requires a high level of commitment from college leaders, faculty, and staff. This is because the types of changes required often challenge longstanding patterns of organizational behavior and pedagogy. Building commitment takes time and is not always possible in all institutions. The Governor's proposal, however, would fund all colleges, even those that likely are not fully committed to or prepared for the associated work.

The LAO states that the Legislature should ask the Chancellor—who ultimately would be responsible for leading such an effort—to share his vision for the program and how it should be structured, implemented, and led, including how existing CCC resources (such as the Institutional Effectiveness Partnership Initiative and CCC Success Center) would contribute to the effort. The Chancellor could discuss the outcomes the state could expect from colleges receiving funding. The Chancellor also could address what changes might be needed in how the state organizes and funds CCC student success efforts, and how he would ensure that the proposed initiative does not become yet another programmatic silo. The Legislature also could ask the administration to present a rationale for its proposed dollar amount and timeline. With this information, the Legislature would be in a far better position to weigh the Governor's guided pathways proposal against its other priorities for one-time funds.

STAFF COMMENT/QUESTIONS

The proposal addresses a significant problem. This proposal seeks to address a real challenge.

According to the Community College Research Center, "Most community colleges, rather than offering structured pathways to a degree, operate on a self-service or "cafeteria" model, allowing students to choose from an abundance of disconnected courses, programs, and support services. Students often have difficulty navigating these choices and end up making poor decisions about what program to enter, what courses to take, and when to seek help. Many drop out of college altogether."

Good results so far. Guided Pathways programs appear to have shown positive results:

- Two-year completion rates for associate's degrees at Guttman Community College in New York rose to 28%, compared to about 6% nationally.
- At Georgia State University, completion rates among African American and Hispanic students rose from 25.6% and 22% to 56.3% and 54.8%, completely eliminating the achievement gap for these students when compared to white students.
- At Arizona State University, 91% of the Fall 2010 cohort were "on track" to graduate within four years after the university implemented a Guided Pathways program.

Legislature has supported other efforts to support better student outcomes. Progress is mixed. The Legislature already has dedicated a large amount of resources to help students better navigate community colleges, largely through the Student Success and Support Program (SSSP). An LAO review of this program released in September 2016 found that colleges have established policies that require students to complete certain core student support services (such as assessment, orientation, and education planning) to receive and maintain priority registration; and have hired more than 3,000 full-time equivalent student support staff, including additional counselors and instructors.

However, other findings by the LAO in that review may show why implementing a massive new reform such as Guided Pathways for all California colleges will be challenging. That review found that only a slight majority of students newly enrolled in Fall 2015 received assessment and placement services, a near majority received orientation and education planning, and about 40% received other counseling services by the end of the Fall term. The LAO also stated that that some colleges are not spending their SSSP and student equity funds strategically, and many students still do not complete all mandatory SSSP services in the specified time frames.

Guided Pathways requires a major, campuswide effort. Staff agrees with the LAO concern regarding whether all colleges are ready to embrace this program. The California Guided Pathways Project, which is seeking to support 20 community colleges in developing Guided Pathways, required colleges to commit to spending \$45,000 of

their own funds toward the reform, and required the submittal of an extensive, 16-page application in which colleges must show that they are prepared for a massive reform effort.

Other evidence also points to how much is required to attempt this change. Sierra College in Placer County reports it fully or partially reassigned two executive-level deans, one administrative assistant, 14 faculty, and one researcher while conducting its Guided Pathways redesign.

This is a very heavy lift, and it remains unclear if all or even most of California's colleges are ready to commit to this.

Trailer bill is too vague. Staff also concurs with the LAO assessment that the proposal as written is missing many details. All that is required is for local officials to sign a pledge that they intend to develop a guided pathways model, attend a workshop and create an implementation plan to integrate student success programs. While the trailer bill language includes a description of the key principals of a guided pathways program, there is no requirement that colleges submit a plan adhering to those goals. There are also no clear outcome goals or accountability measures, aside from annual reporting on activities.

Potential Questions

- Why \$150 million? What would allowable expenses be under this funding proposal?
- Should this funding be more targeted toward colleges willing to commit to this major reform? Should matching funds be required, or are there other ways to ensure that colleges receiving this money actually implement the program appropriately?
- How would current student success programs be integrated? What does that mean?
- Other organizations appear to be providing funding for this type of redesign. Should we allow these pilot projects to occur before committing major funding to this?
- The LAO notes that other Guided Pathways provide significant, centrally-located professional development and technical assistance. Why doesn't this proposal follow that model?
- How can the trailer bill language be strengthened to ensure colleges are creating a true guided pathways program?
- What are the student outcome goals for this program?

ISSUE 3: ONLINE EDUCATION INITIATIVE

The Subcommittee will discuss the Governor's Budget proposal to increase funding for the Online Education Initiative by \$10 million Proposition 98 General Fund. This proposal would bring total state support for the initiative to \$20 million annually.

PANEL

- Maritza Urquiza, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office

BACKGROUND

According to the Chancellor's Office, about 12% of full-time equivalent courses were conducted online in 2015-16.

The state initially funded the Online Education Initiative with \$17 million in 2013-14 and has provided a base amount of \$10 million annually thereafter to increase community college students' access to and success in online courses. In addition, the 2016 Budget Act included \$20 million in one-time funding to accelerate progress on the initiative.

The Initiative includes several projects: a common course management system for colleges, resources to help faculty design high-quality courses, online learner readiness modules, tutoring and counseling platforms, exam-proctoring solutions, and the CCC Online Course Exchange. The course exchange, which is being piloted in Spring 2017, is a system enabling students at any community college to see what degree-applicable online courses are offered at other colleges, enroll in those courses, and have their attendance and associated funding attributed to the appropriate colleges. Fifteen colleges are participating this spring, offering 20 courses to students.

All colleges use a course management system for both online and in-person classes. Faculty use the system to post course information (such as the syllabus), instructional content (such as readings and videos), assignments, and other material. Students use the system to submit assignments, collaborate with classmates, and communicate with instructors. Historically, each college or district has selected its own course management system from among several vendors. To facilitate statewide, online course sharing, the Chancellor's Office is requiring colleges that want to participate in the Online Course Exchange to use Canvas as their course management system and abandon former course management systems. As an incentive to join this system, the Chancellor's Office committed to cover all Canvas subscription and implementation costs through 2018-19, and a substantial portion of the costs thereafter.

To date, 103 of the 113 colleges have implemented this common system or have committed to doing so within the next two years.

Governor's 2017-18 Budget Proposal

The Governor's Budget proposes adding \$10 million ongoing Proposition 98 General Fund to the Online Education Initiative. Of this additional funding, \$8 million would support the Canvas course management system for all participating colleges. About \$2 million would be used to purchase online test proctoring and plagiarism detection tools and to support online tutoring and counseling programs.

LAO Recommendation

The LAO notes that the common course management system is providing a consistent interface for students enrolled at multiple colleges. In addition, the system is expanding access for all students to academic support resources (such as the online tutoring and counseling services) through their course web pages. The system also is providing more consistency for faculty who teach at multiple colleges and making the sharing of course materials and best practices easier.

Further, a systemwide course management system has lower subscription and administrative costs. The LAO notes that this has freed up funds for colleges to use for any local priority.

The LAO recommends rejecting the proposed augmentation. The LAO states that colleges are already realizing savings through the course management system, and part of it is already being subsidized by the state. The LAO notes that the implementation of this common system will likely happen without increases in funding.

STAFF COMMENT/QUESTIONS

Since 2013-14, the state has provided \$57 million in support of online courses.

The rationale for this proposal appears to be tied to a commitment the Chancellor's Office made to supporting college costs for the centralized course management system. However, the Legislature did not make this same commitment. In fact, staff notes that the Governor first proposed funding for online courses as a strategy to reduce higher education costs. Continuing to increase funding for this purpose seems to be contradictory to the initial goal.

The Subcommittee may wish to wait to determine May Revise revenue estimates, and then weigh this proposal against other legislative priorities, such as increasing full-time faculty, better supporting part-time faculty, or providing more support for students who are military veterans.

Potential Questions

- Why is this funding needed? Aren't all colleges going to adopt this centralized system regardless of state funding?
- What are online course completion outcomes, compared to in-person courses? Is there data on the types of students who are using online courses?

ISSUE 4: INTEGRATED LIBRARY SYSTEM

The Subcommittee will discuss the Governor's Budget proposal to provide \$6 million one-time Proposition 98 General Fund to develop and adopt a systemwide Integrated Library System (ILS).

PANEL

- Maritza Urquiza, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office

BACKGROUND

An ILS is software that libraries use to manage their collections and activities. Typical functions include acquisition and cataloging of books and other materials, providing ways for library users to search catalogs and access materials, and tracking the circulation of these materials.

All CCC academic libraries have some form of ILS. The CCC Council of Chief Librarians conducted surveys of community college library directors in 2014 and early 2017 to assess the adequacy of their existing ILS and interest in a systemwide ILS. The council found that a large majority of colleges' existing systems were older, locally hosted ones serving a single college. In contrast, the current leading technology is cloud-based, hosted by a vendor, and often serving multiple campuses or institutions. The council also found that more than three-fourths of respondents were interested in pursuing a systemwide ILS.

In addition to using a different architecture, newer ILS have a number of features typically not available in the older systems. These include, for example, comprehensive discovery tools that search across all types of resources—including physical books and periodicals in a library's collection, electronic books and journals, digital archives, and holdings in other participating libraries. Other features include the ability to deliver resources across the system more efficiently, better collection management tools for libraries, and rapid systemwide updating of software and electronic collections as needed.

Governor's 2017-18 Budget Proposal

The Governor's Budget proposes \$6 million one-time Proposition 98 General Fund to procure and implement a systemwide ILS. Costs also would include assisting colleges in moving existing catalogs and databases to the system and integrating it with existing student information systems.

LAO Recommendation

The LAO states that because an ILS would facilitate sharing of library materials across colleges, it would especially benefit students and faculty at colleges with more limited collections. Moreover, students who attend—and faculty who teach at—multiple community colleges would benefit from having a single user account and a single interface for all their library needs. Additionally, colleges could coordinate their library acquisitions to reduce duplication and expand the depth of their acquisitions in particular subject areas.

The LAO notes that based on a 2014 survey, the ILS could result in about \$4.5 million in ongoing savings to community colleges overall. Given the cost-effectiveness of a systemwide ILS and the likelihood of it resulting in better and more consistent services for students and faculty across the system, the LAO believes implementing it would be an effective use of one-time funds.

The LAO states that in deciding whether to approve state funds for the project, the Legislature could consider (1) the anticipated benefits to students and faculty of the new system, (2) the likelihood of the colleges developing a systemwide ILS on their own, and (3) competing priorities for use of one-time Proposition 98 funds.

STAFF COMMENT

Staff agrees with the LAO conclusion that this could be a good use of one-time funds, but that the Subcommittee could weigh other needs before determining whether to approve this proposal.

ISSUE 5: INNOVATION AWARDS

The Subcommittee will discuss the Governor's Budget proposal to provide \$20 million one-time Proposition 98 General Fund to support innovation awards for community colleges.

PANEL

- Maritza Urquiza, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office

BACKGROUND

The 2014 Budget Act provided \$50 million in one-time funding to promote innovative models of higher education at UC, CSU, and community college campuses. Campuses (or teams of campuses) that had undertaken initiatives to increase the number of bachelor's degrees awarded, improve four-year completion rates, or ease transfer across segments could apply for awards. Because awards were based on initiatives already implemented at the campuses, they functioned more like prizes or rewards than grants for specified future activities. A committee of seven members—five Governor's appointees (one each representing DOF, the three segments, and the State Board of Education) as well as two legislative appointees selected by the Speaker of the Assembly and the Senate Rules Committee, respectively—made award decisions, approving 14 of 57 applications. The winning applications were for strategies that included improving K-12 alignment to higher education standards and expectations, redesigning curriculum and teaching practices to improve outcomes, and using technology to expand access to courses. Each winning applicant received from \$2.5 million to \$5 million in award funds. Award recipients are to report on the effectiveness of their strategies by January 1, 2018 and January 1, 2020.

The Governor proposed another round of innovation awards in the 2015 Budget Act, but the proposal was rejected by the Legislature.

The 2016 Budget Act provided \$25 million one-time Proposition 98 General Fund for another round of the awards, this time focused exclusively on community colleges. Awards are based on proposed activities, and awards are to focus specifically on effective articulation and transfer pathways, successful transitions from higher education into the workforce, and innovations in technology and data. The Governor had more discretion in selecting his appointees to the awards committee. Award winners were announced earlier this month. Fourteen colleges or districts were selected, and each received a \$2 million or \$1 million award. The following chart indicates the winning colleges, the amount they received, and brief summary of their project.

College or District	Amount	Project Description
Cuesta College	\$2 M	Students earn an ADT tuition-and-fee-free for one year after high school, and earn up to 36 GE credits through expanded dual/concurrent enrollment while in high school and a second free year through the Cuesta Promise Scholarship. It will be implemented at Paso Robles High School.
Evergreen Valley College	\$2 M	Implements an online competency-based education format.
Los Angeles Trade-Technical College	\$2 M	Uses competency-based placement and education; increasing student support services; and competency-based education professional development.
Los Rios Community College District	\$2 M	Creates a regional, multi-system collaboration; invests in a new student scheduling and success software; and allow integrated counseling between the higher ed segments and K-12.
Palomar Community College District	\$2 M	Creates STEM academies by establishing intentionally scheduled learning communities for an entire 2-year pathway. Also integrates 3-D design and "making" into traditional math and science courses. Will also develop structure for guided pathways.
Santa Monica Community College District	\$2 M	Partner with Arizona State University to redesign an electronic pathways and student intervention tool.
Shasta College	\$2 M	Redesign curriculum and instruction through the Accelerated College Education and Bachelor's through Online and Local Degrees, targeting students with some or no college and low-income and first-generation students. These programs are built on guided pathways, hybrid learning, degree maps, and cohort support.
Sierra College	\$2 M	Begin career exploration with 9th graders, expand dual enrollment, launch the Promise program; publishing completion maps; establish success teams and increase student services; build a year-round schedule; restructure professional development.
South Orange Community College District	\$2 M	Create an electronic pathways tool for veterans that translate military experience into academic credit, and also help with career planning.
West Hills Community College District	\$2 M	Uses prior learning assessment credit articulation; professional development; multi-institutional online platform to facilitate the PLA process.
Riverside Community College District	\$2 M	Creates the Foster Youth Support Network to provide coordination between county services, schools, and support services for foster youth from high school to college.
Laney College	\$1 M	Utilizes technology-enabled learning for science courses.
Los Angeles Valley College	\$1 M	Develops the LA Reverse Transfer Pilot, and allows students who have completed significant college coursework to finish degrees.
West Hills Community College District	\$1 M	Partner with GeekWise Academy, where students can learn and work alongside senior web developers simultaneously.

Governor's 2017-18 Budget Proposal

The Governor's Budget proposes \$20 million one-time Proposition 98 General Fund for innovation awards to community colleges. Trailer bill language allows the Chancellor's Office substantial latitude to set award criteria and select winners, but the awards must focus on five areas:

1. Programs that support students from groups that are underrepresented in higher education, such as low-income students, underrepresented minority students, first-generation students, students who are current or former foster youth, and students with disabilities;
2. Programs for students who are active or previous members of the U.S. military;
3. Programs that support adults who have been displaced from the workforce or who are under-employed;
4. Programs that support incarcerated adults in prisons and jails, including formerly incarcerated adults;
5. Programs that incorporate technology to improve instruction and support services with a plan to ensure student success in these types of programs

LAO Recommendation

The LAO reiterates continuing concerns about this program, most notably that it provides relatively large sums to a small number of community colleges to implement local initiatives that would not necessarily have statewide impact.

The LAO also states that the proposal would add yet another program to the state's numerous existing efforts to improve community college student outcomes. The current plethora of programs already are challenging for colleges and the state to coordinate. Moreover, compared to the innovation awards, these existing programs are designed to have much broader statewide impact, with funds going to all colleges to implement already well-documented student success strategies.

The LAO recommends rejecting this proposal.

STAFF COMMENT/QUESTIONS

Staff notes that the innovation awards have been rejected by this Subcommittee each year they have been proposed. The Subcommittee's concerns are similar to those raised by the LAO.

Given the significant needs at colleges, including everything from rising pension costs to stagnant levels of full-time faculty, why spend money on a boutique program that has produced no clear results? Additionally, it appears that many programs funded by the two rounds of innovation awards were either already supported through other funding sources or would likely have been supported without this funding.

Countless colleges up and down the state have small, innovative programs based on evidence-based practices or emerging best practices. The state's problem is not a lack of innovation, it is scaling up best practices to serve a 2-million student system. This proposal does not address that problem.

Regarding this specific proposal, the five subject areas targeted, taken together, appear to include almost all community college students. Should this program be included in the final budget act, a better strategy might be to focus on a specific student group, such as veterans or under-employed adults, or a practice, such as local promise programs or remedial education reform. The current proposal could result in disparate programs that do very little to impact statewide outcomes.

Potential Questions

- How would the Chancellor's Office develop application criteria and select winners under this proposal? What amount of funding would be distributed to each winner?
- What would the Chancellor's goals be for this program?
- What are the Administration's goals for this program?

- Why shouldn't this money be used to support other existing student success programs?
- There are several private foundations that support innovative community college practices. Why should the state use scarce Proposition 98 funding for the same activity?

ISSUE 6: CHANCELLOR'S OFFICE POSITIONS PROPOSAL

The Subcommittee will discuss the Governor's Budget proposal to provide \$378,000 General Fund to add two vice chancellor positions to the Chancellor's Office.

PANEL

- Mollie Quasebarth, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office

BACKGROUND

The 17-member Board of Governors, appointed by the Governor, sets policy and provides guidance for the 72 districts and 113 colleges that constitute the California community college system. The board selects a chancellor for the system, and under state law, it may delegate its duties and powers to the chancellor. In practice, the board relies on the Chancellor's Office to conduct a formal consultation process with stakeholder groups and bring recommendations to the board for action. The Chancellor's Office also carries out oversight required by statutes and regulations, manages the day-to-day operations of the system, and manages implementation of statewide programs. In addition, the Chancellor's Office provides technical assistance to districts and colleges and conducts regional and statewide professional development activities—a role that has expanded in recent years with state funding for the Institutional Effectiveness Partnership Initiative.

As Figure 23 shows, the Chancellor's Office has an executive office led by the chancellor, executive vice chancellor, and deputy chancellor, as well as ten divisions. (The executive vice chancellor position currently is not used.) Other than Legal Affairs and Human Resources, which are led by a general counsel and a director, respectively, each of the remaining divisions is headed by a vice chancellor. Altogether, the Chancellor's Office has 166 authorized positions, of which between 85 percent and 90 percent typically are filled. The Governor, with the recommendation of the Board of Governors, appoints an executive vice chancellor, deputy chancellor, and four of the eight vice chancellors. The deputy chancellor appoints one additional vice chancellor. These appointees are exempt from state civil service. The three other vice chancellor positions are within the state civil service, in the career executive assignment (CEA) classification.

Figure 23**Senior Leadership Positions**

	Position	Exempt?	Status
Executive Office	Chancellor	Yes	Filled
	Executive Vice Chancellor	Yes	Vacant since 2014
	Deputy Chancellor	Yes	Filled
Divisions			
Academic Affairs	Vice Chancellor	Yes	Filled
Workforce and Economic Development	Vice Chancellor	Yes	Filled
Institutional Effectiveness	Vice Chancellor	Yes	Filled
College Finance and Facilities Planning	Vice Chancellor	Yes	Filled
Governmental Relations	Vice Chancellor	Yes	Filled
Communications and Marketing	Vice Chancellor	No	Filled
Technology, Research, and Information Systems	Vice Chancellor	No	Filled
Human Resources and Internal Operations	Director	No	Filled
Legal Affairs	General Counsel	No	Vacant
Student Services and Special Programs	Vice Chancellor	No	Vacant since 2014

Governor's 2017-18 Budget Proposal

The Governor's Budget includes \$378,000 General Fund for two additional exempt vice chancellor positions. The Governor proposes to make conforming changes to statute to authorize the two additional Governor's appointments. The administration indicates that the additional positions are to assist the Chancellor's Office's efforts to improve student success, address disparities in outcomes for disadvantaged groups, and develop the proposed guided pathways program.

As part of this proposal, the Department of Finance will collaborate with the Chancellor's Office throughout spring 2017 to revise the office's organizational framework. According to the administration and the Chancellor's Office, a goal of the review is to enable the new chancellor to shift the emphasis of the office from primarily conducting regulatory oversight toward primarily helping colleges meet statewide goals.

LAO Recommendation

The LAO states that the addition of more vice chancellors would not necessarily best address the shortcomings identified by the Chancellor's Office and the administration. It could turn out that the office needs greater capacity among research analysts, program specialists, or deans. Moreover, the proposed new positions would not necessarily address the office's difficulty in attracting and retaining senior leaders.

Given the administration and the chancellor are in the midst of reviewing the organizational framework of the Chancellor's Office, the LAO believes it would be premature to add more vice chancellor positions at this time. The LAO recommends the Legislature ask the administration and the Chancellor's Office to report on the results of their review during spring budget hearings. At that time, the Chancellor's Office might offer better justification for any proposal to add positions or funding to the office. The Chancellor's Office also could identify lower-value oversight activities that could be curtailed without adverse effect, thereby freeing up existing staff for higher priority.

STAFF COMMENT

The Department of Finance is currently reviewing the Chancellor's Office structure and is expecting to refine this proposal in the May Revise.

It is clear that increasing emphasis on improving student outcomes is changing the role of the Chancellor's Office from regulatory oversight to providing support and expertise to colleges. Staff concurs with the LAO, however, in that it remains unclear as to whether more positions are needed, or if a restructuring within existing resources is a more appropriate strategy.

**ISSUE 7: REVIEW OF BASIC SKILLS AND STUDENT OUTCOMES
TRANSFORMATION PROGRAM**

The Subcommittee will review implementation of the Basic Skills and Student Outcomes Transformation Program. Funding in the 2015 Budget Act and 2016 Budget Act provided grants to colleges to redesign remedial education programs to improve student outcomes.

PANEL

- Judy Heiman, Legislative Analyst's Office
- Mario Rodriguez, Community College Chancellor's Office
- Katie Hern, California Acceleration Project

BACKGROUND

Basic skills programs and courses provide foundational skills in reading, writing, math, and English as a second language (ESL), as well as tutoring, learning skills, and study skills. Courses may be offered for credit (typically reading, writing, and math) or noncredit (primarily ESL and tutoring), but most credit basic skills courses are not degree-applicable.

Basic skills programs are significant on most community college campuses. According to the LAO, more than 150,000 incoming degree, certificate, or transfer-seeking students entering colleges each Fall are classified as unprepared. In 2014-15, 28% of all English units taken at California community colleges were in basic skills English, and 24% of all math units taken were in basic skills math. Various factors contribute to this high rate, including that many students did not fully master skills during prior schooling; some students mastered skills in past but have forgotten them; and some students mastered skills but did not perform well on assessment tests.

Poor outcomes. Outcomes for basic skills students have been poor. According to the 2017 Student Success Scorecard:

- About 34% of students who took remedial math completed a college-level math course within six years.
- About 47% of students who took remedial English completed a college-level English course within six years.
- About 31% of students who took an ESL course completed a college-level course within six years.

There are numerous reasons for these outcomes. Notably, students entering community colleges unprepared for college-level work often come from poor-performing high schools or have other educational disadvantages. But many experts have identified systemic problems with community college basic skills programs that hinder student success. Problematic policies and practices include:

- Failing to send clear signals to students while they are still in high school about how well their reading, writing, and math skills are aligned with college-level standards and expectations;
- Failing to provide “refresher” classes or at least encouraging students to prepare before taking assessment tests;
- Relying heavily on standardized tests and inconsistent assessment practices - rather than students’ actual past performance in school - to place students in math and English courses;
- Creating multi-layered, semester-length sequences of remedial math and English courses and requiring students to complete sometimes years of remedial coursework before making it to college-level math and English;
- Designing and teaching remedial math and English courses that tend to be lecture-based, abstract in nature, and unconnected to other subject areas or students’ educational or professional interests and needs;
- Failing to integrate counseling, tutoring, and other support services with classroom instruction; and
- Failing to provide comprehensive and ongoing professional development opportunities for faculty and other staff regarding basic skills education.

The Legislature sought to improve basic skills programs in 2007 by establishing the Basic Skills Initiative (BSI), which created a categorical program with ongoing funding to support basic skills programs and students. The program received about \$33 million Proposition 98 General Fund in its first year, but during the Great Recession, funding dropped to only about \$20 million. The Governor’s Budget proposes \$50 million for this program for 2017-18, as part of an agreement that was reached last year.

Basic Skills and Student Outcomes Transformation Program. In an effort to further improve outcomes, the Legislature provided \$60 million one-time Proposition 98 General Fund in the 2015 Budget Act and \$30 million one-time Proposition 98 General Fund in the 2016 Budget Act to provide grants to colleges to improve remediation practices.

The goals of the Basic Skills and Student Outcomes Transformation Program are to increase the number of basic skills students who complete a college-level English or math course, or both, within a sequence of three or fewer courses after enrollment, and/or increase the number of basic skills students who earn an industry-relevant college certificate or a degree within two years of beginning college-level courses.

Districts applied for grants to help them adopt or expand the use of evidence-based models for basic skills assessment, placement, instruction, and student support. Colleges were required to implement at least two of seven practices outlined by the Chancellor’s Office in the grant application.

Eligible activities under the grant program include curriculum redesign, professional development, release time for faculty and staff, and data collection and reporting.

64 colleges have received grants. The chart below summarizes the practices that were allowed under the grant application and the number of colleges implementing each practice.

Evidence-Based Practice	Colleges Implementing
Providing proactive student support services that are integrated with the instruction	52
Adopting placement tests or other student assessment indicators and related policies that may include multiple measures of student performance	45
Increasing the placement of students directly in transferable gateway English and mathematics courses and career pathways, with remedial instruction integrated as appropriate for underprepared students	43
Developing two- and three-course sequences, as appropriate, for completion of a college-level English or mathematics course, or both, for underprepared students	41
Contextualizing remedial instruction in foundational skills for the industry cluster, pathways, or both	21
Aligning content in remedial courses with students' programs of academic or vocational study	17
Implementing other effective basic skills course strategies and practices as long as the college provides evidence that substantiates the practice is effective	15

Statutory language requires colleges to provide annual reports to the Chancellor's Office on implementation, including:

- (A) The total number and percentage of entering students identified as underprepared before receipt of the grant;
- (B) The number and percentage of entering students served by the grant program, disaggregated by type of practice implemented;
- (C) The number and percentage of entering students achieving the goals listed in for the program;
- (D) The number of faculty involved and faculty needs regarding the adoption and operation of courses under the plan;
- (E) If applicable, a narrative describing any subsequent adjustments to the design of the college's basic skills course practices or strategies adopted;
- (F) A description of any additional or expanded student supports offered;

- (G) A narrative describing the community college's efforts to collaborate with local school districts serving kindergarten and grades 1 to 12, inclusive, to better articulate English and math instruction between the high schools and the community colleges.

In addition, the Legislative Analyst's Office is required to evaluate the program's effectiveness in interim and final reports to be issued by December 1, 2019 and December 1, 2021, respectively.

STAFF COMMENT/QUESTIONS

This program appears to have met a significant need throughout the system, with almost half of the community colleges in the state receiving an award.

Staff notes the following questions and concerns as the colleges begin to implement redesigned basic skills programs:

Oversight is needed to ensure implementation is successful. The Chancellor's Office is offering some support for colleges as they work on this program. The Chancellor's Office's Academic Affairs division teamed with the Institutional Effectiveness Partnership Initiative (IEPI) in sponsoring a two-day summit last summer to connect colleges with groups that specialize in the practices and interventions the college would be implementing and to facilitate meetings between awarded colleges to share ideas. The Chancellor's Office reports that 61 of the 64 colleges sent 266 representatives—faculty, staff, and/or managers—to attend the summit.

This spring, the California Community College Success Network, the professional development arm of the Basic Skills Initiative, is offering four regional events geared toward colleges awarded a grant.

Aside from these convenings, however, staff notes that there is no structure in place to monitor implementation to ensure colleges are appropriately administering and teaching new programs and courses.

Particular attention should be paid to colleges implementing the "other" evidence-based practices category. Staff is aware of concerns raised about the final category of activities outlined in this grant, which allowed colleges to select other evidence based practices as long as they provided proof that the practice was effective. It was unclear how many colleges would pick this vague category, and how the Chancellor's Office would determine if a practice was truly evidence-based. Final data show that 15 colleges selected that category, and the Chancellor's Office reports that colleges are implementing strategies such as professional development centers and collaboration with K-12 partners. The Chancellor's Office and Legislature may wish to pay particular attention to these strategies as they are implemented.

How will the state measure success? While the LAO will issue evaluations in 2019 and 2021 of this program, the Legislature may wish to look at other ways to determine its effectiveness. One key data point will likely be the number of students in basic skills programs, as a number of colleges are implementing practices that should reduce the number of students required to enroll in basic skills courses.

Other data may need further discussion. The current Student Success Scorecard measures the percent of basic skills students who complete a college-level course within six years. Measuring cohorts after two-, three- and four-year intervals might be more appropriate, and provide a shorter lag time to determine whether redesigned programs are effective. The Scorecard does have one shorter-term metric, which provides data on how many students take a transfer-level English or math class within two years of entering the college. This may provide some indication of whether all students are moving more quickly through the college, but it does not break out information for basic skills students specifically.

The LAO has recommended that the Legislature consider requiring the Chancellor's Office to redesign the scorecard, including adding shorter cohort periods. Staff concurs with this recommendation.

What about the rest of the colleges? Sixty-four of the state's 113 colleges received grants through this program. Absent further funding, the Subcommittee may wish to ask how all of the practices being implemented via this program can be transferred to other colleges.

ISSUE 8: COMPTON COLLEGE

The Subcommittee will hear a presentation from the chief executive officer of the Compton Community College District on the college's effort to regain accreditation as a stand-alone college.

PANEL

- Keith Curry, Compton Community College District

BACKGROUND

Compton College's accreditation was terminated in 2005-06 primarily due to fiscal insolvency. In June 2006, Governor Schwarzenegger signed AB 318 (Dymally). This legislation provided a \$30 million line of credit, a mechanism for partnering with an accredited college, and authorized the State Chancellor to appoint a Special Trustee.

Under a partnership established pursuant to AB 318, El Camino Community College District established an educational center on the Compton campus and, since that time, has provided instructional and student services through the El Camino College Compton Community Educational Center (Compton Center). A Partnership Agreement outlines the agreement between the Compton and El Camino, and the management oversight of the Compton Center remains under the purview of the El Camino Board of Trustees

The Provost leads the Compton Center, reporting to the Superintendent/President of El Camino College. The Provost is responsible for all aspects of the Compton Center including its instructional programs, student services, and other programs and services. The Provost also serves as the Chief Executive Officer of Compton Community College District, reporting to the Special Trustee established under AB 318.

AB 318 provided authorization for the Chancellor's Office to suspend the authority of the Compton Board of Trustees for a period up to five years from the effective date of AB 318, plus a period lasting until the State Chancellor, FCMAT, the Department of Finance, and the Governor's Office concur with the Special Trustee that the district has, for two consecutive academic years, met the requirements of the comprehensive assessment conducted and the recovery plan prepared.

In January, the El Camino College Compton Center submitted an Institutional Self-Evaluation Report to the Accrediting Commission for Community and Junior Colleges (ACCJC) as part of the process of seeking accreditation.

On Feb. 14, the Chancellor's Office announced that the Governor, Department of Finance and the Chancellor concurred with the Special Trustee that governance of the Compton Community College District should be returned to the District's elected Board of Trustees.

On March 6-9, the Accrediting Commission for Community and Junior Colleges (ACCJC) External Evaluation Team conducted a four-day visit to the campus to review the evidence presented in the report, meet with employees, tour the campus, attend various campus meetings and participate in two open forums. The ACCJC will meet June 6-8, 2017 to review the official visiting team report. The college will be informed of El Camino College Compton Center's accreditation status via a letter from the ACCJC following that meeting.

STAFF COMMENT

Dr. Curry will provide an update on Compton College's efforts to regain accreditation status, which will allow it to become an independent college. The college could become a candidate for accreditation this summer, which could allow it to become fully accredited by 2020.

Staff is aware that the college anticipates incurring significant expenses as it seeks to end its reliance on El Camino College. One-time expenses, such as information technology systems and increased marketing, and ongoing expenses, such as increased staffing, may be required. Additionally, the college anticipates a potential enrollment decline, as some students may decide to stay at El Camino College instead of enrolling in Compton College when it reopens under its own governance. Enrollment stabilization funding may be required.