

2008-09
System Budget Proposal



California Community Colleges
System Office

September, 2007



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**CALIFORNIA COMMUNITY COLLEGES
2008-09 SYSTEM BUDGET PROPOSAL**



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PREFACE

The missions and goals of the California Community Colleges have changed dramatically over the years. Alone among the education segments, community colleges today must meet several divergent educational goals, depending on the needs of the communities they serve. When the first “junior colleges” were established in the U.S. in the early 20th century, they were intended to provide a more economical way for students to complete their first two years of college before transferring to a four-year institution. Over time, the mission of the colleges expanded. Today community colleges not only prepare students for transfer to four-year colleges and universities, but also provide:

- associate degrees and professional certificates,
- needed job skills for the labor force,
- basic skills instruction,
- remedial education,
- contract training for local businesses, and
- personal enrichment courses.

Since California Community College (CCC) districts serve their individual communities, each college offers a different mix of courses to meet these missions. Collectively, the colleges meet critical statewide needs, and all of the state’s community colleges will be challenged by the increasing need to prepare the labor force for the economy of the future.

System Strategic Plan for the California Community Colleges

This budget proposal has been prepared in the context of a system strategic plan, which was adopted by the Board of Governors in January 2006. The *System Strategic Plan for the California Community Colleges* provides a comprehensive road map for improving educational outcomes for students. The *System Strategic Plan* addresses the major demographic, economic, and educational issues that California will face in the coming decade. Developed through extensive consultation with the colleges’ educational leaders and external partners, this plan provides a framework for state policymakers and the colleges to work together on behalf of shared strategic goals of statewide significance. The five strategic goal areas identified in the *System Strategic Plan* are:

- A. College Awareness and Access**
- B. Student Success and Readiness**
- C. Partnerships for Economic and Workforce Development**
- D. System Effectiveness**
- E. Resource Development**

In practice, these strategic goal areas overlap and work together to help the colleges meet their multiple missions. Many of the specific initiatives identified in this budget proposal address more than one of the above categories.

Economic Context: California's Workforce Crisis

This budget proposal has been developed at a time when California is at an economic crossroads, facing an unprecedented workforce crisis. California has long been one of the wealthiest and best-educated states in the nation. The state has invested in building a world-renowned system of public higher education, which in turn has helped spawn a vibrant business sector. Due largely to this investment in higher education, California holds claim to being the eighth largest economy in the world and has been a key contributor to growth in the global economy through innovations in areas such as information technology, aerospace, and agriculture.¹

However, California's position as a world economic leader is threatened. California's per capita income has fallen from 25 percent above the national average in 1960 to just six percent today.² This decline is being driven largely by two powerful trends – the world economy's increasing reliance on educated, highly skilled workers, and California's lagging levels of educational achievement. According to the National Center for Public Policy and Higher Education, if California's educational attainment trends continue along the current trajectory, the average per capita income of California residents is projected to decline by 11 percent over the next two decades – the largest projected decline in the country.³

Long gone are the days when a high school diploma was sufficient to secure a high-wage job. In today's economy, such jobs require education and training beyond high school. Unfortunately, just as advanced education and training have become more important in the workplace, California's level of educational attainment has declined. In 1960, California was 25 percent above the national average in producing high school graduates; now we are five percent below the national average. Over the same period, the proportion of the state's population with a four-year degree dropped from 25 percent above the national average to just 10 percent above the national average.⁴ Out of every 100 students entering ninth grade, only 19 graduate with either an associate's or bachelor's degree.⁵ We are losing too many students along the educational pipeline at a time when our state's economy desperately needs more skilled and educated workers. California's business sector is deeply concerned about these education trends, and has been vocal about its growing need for a better educated, more highly-skilled workforce.

It is only through significantly improving education and training outcomes for our state's residents that we will be able to meet the economy's workforce needs. If California fails to rise to this challenge, more employers will leave the state seeking better labor pools. Clearly, such an exodus would undermine economic opportunity for Californians and diminish our ability to maintain our role as an economic world leader.

¹ California Business Round Table and Campaign for College Opportunity, *Keeping California's Edge*, April 2006.

² Campaign for College Opportunity, *Return on Investment*, November 2005.

³ National Center for Public Policy and Higher Education, *Projected Drop in California Most Severe in U.S.*, November 2005.

⁴ Campaign for College Opportunity, *Return on Investment*, November 2005.

⁵ National Center for Public Policy and Higher Education, *The Educational Pipeline: Big Investment, Big Return*, April 2004.

California Community Colleges: Solutions to California's Workforce Crisis

The California Community Colleges are uniquely positioned to help the state address this looming social and economic crisis. The community colleges have an unparalleled track record of delivering a wide range of education and training programs designed to meet local student and employer needs. Following are some of the many ways they have met the state's demand for high quality education and training:

- More than 70 percent of California's higher education students are enrolled in a CCC.⁶
- Almost 60 percent of all graduates of the California State University (CSU) and 30 percent of graduates of the University of California (UC) transferred from a CCC.⁷
- On average, students completing a degree or certificate at a CCC increase their earnings by 63 percent, or \$18,630, within three years.⁸
- Approximately 70 percent of all new nurses trained in California are trained at a CCC.⁹

In addition, the community college system's size and geographic distribution make it the only segment of higher education capable of delivering education and workforce training on the large scale needed to reverse the state's current trends in educational achievement. Each year, the community colleges provide education and training to over 2.5 million students at 109 colleges, making it the largest higher education system in the world. Only the community colleges have the educational infrastructure to deliver services to the millions of people, at all stages of their educational and professional careers, in the timeframe necessary to address the state's current economic challenges.

The *System Budget Proposal for 2008-09* focuses on funding programs and projects that will expand the capacity of the community colleges to meet California's critical workforce needs. Rooted firmly in the *System Strategic Plan's* five goal areas, the budget proposal includes bold new policy initiatives to improve college-going rates, expand program capacity, and improve program effectiveness. Taken as a whole, this budget proposal presents an investment plan to provide Californians with the increased access to the education and training needed to participate in and benefit from the new economy.

⁶ 2007 Focus on Results, Accountability Reporting in the California Community Colleges, Chancellor's Office, California Community Colleges, Sacramento http://www.cccco.edu/divisions/tris/rp/ab_1417/ARCC_Report_2007.pdf

⁷ 2007 Focus on Results, Accountability Reporting in the California Community Colleges.

⁸ 2007 Focus on Results, Accountability Reporting in the California Community Colleges.

⁹ Data obtained from California Board of Registered Nursing, 2005-2006 Annual School Report.

CALIFORNIA COMMUNITY COLLEGES 2008-09 Budget Overview

Education Code section 70901(b) (5) (A) directs the Board of Governors to prepare and adopt an annual System Budget Request, using the consultation process established under state law. This budget is focused on “local assistance” to the college districts, funded under Proposition 98. The local assistance budget is distinct from the System Office budget—which is ineligible for Proposition 98 funds—and capital outlay budget, which is largely funded with bonds and is separately reviewed by the Board. At its July meeting, the Board reviewed a timeline and framework for preparation of the 2008-09 System Budget. A budget work group, comprised of many members and designees of the Consultation Council, other college representatives, System Office staff and several “outside” individuals who have been part of the strategic plan process, met three times during July and August to work on details of the budget request. The evolving budget proposal was discussed at the July and August meetings of the Consultation Council. The recommended System Budget Request reflects a general consensus of Consultation.

The System Budget recommendation presented to the Board at this meeting is based on the following assumptions:

- The *System Strategic Plan* provides the framework of priorities around which to build the system’s budget plan. All budget proposals included in the System Budget Request should advance priority strategic plan goals.
- The capacity of the California Community Colleges to advance the Strategic Plan and meet the state’s needs will require significant additional investment of Proposition 98 resources.
- California faces a workforce crisis that requires immediate action. A number of recent studies have concluded that California is in danger of losing its position as a world economic leader if current levels of educational achievement persist. To secure high-paying jobs in the new economy, workers need significant post-secondary education and cutting-edge skills. Without a sufficient supply of such high-skilled workers, California businesses will be disadvantaged as they compete with other states and nations.
- The California Community Colleges are uniquely positioned to help California meet this challenge by preparing workers for the new economy. Our expertise in education and training delivery and our presence in communities across the state make us an integral part of the solution to this looming policy crisis.

The recommended increase in the system budget for 2008-09 totals \$759 million in ongoing Proposition 98 funds and \$274 million in one-time funds. Ongoing Proposition 98 funding would grow from the current level of \$6.213 billion to \$6.972 billion, an increase of 12.2 percent. This and all other recommended funding increases are summarized in the table below and described in further detail in the next section, *2008-09 Budget/Strategic Plan Initiatives*.

California Community Colleges
2008-09 System Budget
Summary of Recommended Funding Increases
(Dollars in Thousands)

Strategic Plan Goal Areas / Budget Items	Ongoing Funds	One-Time Funds
College Awareness and Access		
COLA (3%)	\$189,804	
Enrollment growth (3.5%)	213,950	
Career Development and College Preparation instruction	30,000	
Maintaining effectiveness of student services categorical programs	7,628	
Financial aid participation	3,500	
School-to-College Bridge Program	9,750	
Student Success and Readiness		
CCC Student Success Initiative	50,000	
Restoring and building Matriculation services	37,100	
Part-time faculty office hours	7,000	
Part-time faculty health insurance	15,000	
Increase full-time faculty positions	45,000	
Compensation equity for part-time faculty	50,000	
Transfer initiative	11,000	
Partnerships for Economic and Workforce Development		
Governor's Career Technical Education Initiative Expansion	48,000	
CTE equipment		\$ 30,000
System Effectiveness		
IT infrastructure and offsite centers connectivity	5,000	
Technology initiatives	2,350	1,300
Professional and staff development	10,000	
Accreditation Assistance Team	2,000	
CalPASS	2,000	
Student Senate	300	
Academic Senate – COLA	36	
Open Education Resources Centers		3,000
Resource Development		
Reimbursement of state mandates	20,000	40,000
Instructional equipment		100,000
Facilities maintenance		100,000
Total	\$759,418	\$274,300

2008-09 BUDGET/STRATEGIC PLAN INITIATIVES

The System Budget for 2008-09 has been prepared in the context of the *System Strategic Plan*. The five strategic goal areas identified in the Strategic Plan are:

- A. College Awareness and Access
- B. Student Success and Readiness
- C. Partnerships for Economic and Workforce Development
- D. System Effectiveness
- E. Resource Development

These categories are not independent of one another. In practice, they overlap, and many of the specific initiatives identified in this proposed budget address more than one of the above categories. Nevertheless, for ease of exposition, the specific initiatives described in this section have been organized by the five strategic goal areas, based on the category that is most applicable to each initiative.

A. College Awareness and Access – Increase awareness of college as a viable option and enhance access to higher education for growing populations.

Stronger outreach to a growing population is critical to the development of the educated and talented workforce California needs to remain a competitive economic leader. The community colleges will ensure that Californians of any race, sex, age, color, ethnicity, economic means and national origin have access to a college education and all the lifelong benefits that come with it.
-- *System Strategic Plan*

In an effort to meet these goals, the following initiatives are recommended:

Cost-of-Living-Adjustment (COLA) (\$189,804,000) The community colleges historically receive COLA in the general apportionment and selected categorical programs. The provision of COLA is necessary to preserve access to high-quality programs in the face of inflation. The price index specified by law is the same as specified for K-12 education, the state and local government price deflator published by the federal government. The *2007-08 Budget Act* COLA was 4.53 percent. This \$189 million request assumes a 3.0 percent increase in this price index for 2008-09, based on preliminary information. The number will be revised as updated information becomes available and will be finalized at the time of the Governor's May Revision in 2008.

Enrollment Growth (\$213,950,000) California's historic commitment to access to higher education is unique among all the states. Our community colleges serve as the foundation for this commitment to access for all, as envisioned in the state's *Master Plan for Higher Education* and as codified in state law. Education Code section 76000 states: "The governing board of a community college district shall admit to the community college any California resident, and may admit any nonresident, possessing a high school diploma or the equivalent thereof." State regulations promulgated under authority of this code section further provide for open admission of any adult capable of profiting from instruction at a community college. Other sections of the

Education Code provide for enrollment in community colleges, on a special full-time or part-time basis, of high school students who may benefit from college courses.

Demographic and economic forces have combined to create dramatic rates of growth in demand for CCC programs. The rate of growth of full-time equivalent students (FTES) served by the colleges grew at ever-increasing rates each year from 1998-99 (at 3.86 percent) through 2001-02 (at 5.5 percent). Funded rates of growth fell short of actual growth in each year, leading to a peak of unfunded FTES totaling 35,477 in 2001-02. For the system to serve over 35,000 unfunded FTES—roughly equivalent to the enrollment of UCLA—was not fiscally sustainable. This became evident in the Fall 2002 term, when the colleges collectively reduced available courses by over 2,400 sections (1.4 percent), notwithstanding continuing growth in demand and a state budget providing 3 percent enrollment growth funding. The most dramatic development, however, occurred in the Spring 2003 term, when another 5,776 sections were dropped and system enrollment fell for the first time in 8 years. This significant reversal in enrollment trends clearly was due to supply constraints occasioned by budget cuts (both real and threatened) rather than a sudden change in demand. We estimate that approximately 90,000 students lost access in Spring 2003 alone, due to the budget cuts and loss of course sections.

Despite the reversal of enrollment trends, actual FTES grew by 2.8 percent in 2002-03. This was far less than the growth that would have happened in the absence of budget cuts, but it is also noteworthy when compared with Fall and Spring term enrollment declines. This phenomenon was likely due to the dynamics of students securing space in ever-scarcer course sections. We believe that full-time students, generally, were more persistent and successful in securing space in “over-booked” classrooms than part-time students.

In the 2003-04 fiscal year the system received funding to support only 1.5 percent enrollment growth. Many districts with perennially high levels of unfunded FTES were finally forced to drop course sections – and FTES – because of the cumulative effect of wide-ranging budget cuts. In addition, the 64 percent increase in the enrollment fee – from \$11 to \$18 per credit unit – had some retarding effect on enrollment, although it is difficult to separate out the magnitude of this effect from the other competing effects on enrollment. The decline in enrollment continued in 2004-05, coinciding with another large jump in enrollment fees, to \$26 per credit unit.

In the 2005-06 fiscal year, enrollment trends were mixed across the state, with roughly half the districts growing in FTES and the other half declining in FTES. The supply of course sections was no longer a constraining factor due to restored budgets. However, the higher enrollment fee established in Fall 2004 continued to restrain demand to some extent. Also, a smaller cohort of first-time students from the prior years (2003-04 and 2004-05) meant that the cohort of *continuing* students was necessarily smaller in 2005-06, thus causing a lingering retarding effect on total FTES. Because fewer districts were growing in 2005-06, the amount of funds budgeted for enrollment growth exceeded demand. As a result, the *2006-07 Budget Act* reverted about \$85 million of 2005-06 growth funds and also made an ongoing adjustment of similar magnitude in the 2006-07 base for apportionments. Finally, budgeted enrollment growth for 2006-07 was scaled back from the originally proposed 3 percent to 2 percent.

During the 2006-07 year, the system actually experienced a 3.74 percent increase in FTES over the prior year. However, even with this robust rate of growth, not all available apportionment funds were needed to fund the increase. This, combined with the state’s weakening fiscal

condition, led to the *2007-08 May Revision* proposing an \$80 million reduction in base apportionments due to “unused current and prior year growth funding.” Despite a substantial effort by the system to educate the Administration and Legislature on the need to retain these funds in the base to ensure adequate funding for restoration, the \$80 million reduction was ultimately adopted in the *2007-08 Budget Act*.

While the full impact of this \$80 million reduction is not known at this point, it is undeniable that the action has reduced the capacity of the System to fund enrollments. This capacity was vital to ensure that increases in FTES, both in districts restoring earlier declines and districts experiencing new growth, were fully funded. Depending on the rate of FTES growth experienced by districts in 2007-08, it is possible that the System will return to an unfunded situation, as experienced earlier in the decade. If this occurs, it would again undermine the colleges’ abilities to appropriately serve all the students who seek to access the community colleges.

Our forecast for 2008-09 anticipates a continuation of the strong growth the System is currently experiencing. A number of factors have allowed this growth to occur: recent CCC fee reductions; full funding for FTES in recent state budgets; and expanded outreach concerning student financial aid. Absent funding constraints from the state we expect this strong growth trend to continue.

Some specific factors shaping our FTES growth projections for 2008-09 year include:

- A weakening economy will likely lead to increased demand for classes as displaced workers return to school to acquire additional job skills.
- The growing need for currently employed workers to update their technical skills in order to remain competitive in the workplace.
- Fee increases at UC and CSU will lead more students to begin their four-year college education in the community colleges.

Based on recent growth trends and the factors noted above, we propose budgeting for enrollment growth of 3.5 percent in 2008-09. However, we should know more about developing trends as we approach the spring budget hearings and will revise the recommended request accordingly.

This request also applies 3.5 percent growth to six categorical programs that historically have received such funding: the basic skills supplement, extended opportunity programs and services (EOPS), disabled student programs and services (DSPS), Cooperative Agencies Resources for Education program (CARE), Matriculation, and the childcare tax bailout program.

It should be noted that insufficient growth funding would impede access to higher education and undermine the community colleges’ ability to meet the state’s vital needs for education and workforce training. This proposal serves these key state objectives, and does so in the most cost-effective way possible, given the far lower costs to the state for access to higher education through the community colleges than through any other segment. Indeed, the state’s best strategy for meeting the higher education access needs of its citizens within constrained state resources is to place maximum possible emphasis on access to the community colleges.

Career Development and College Preparation (\$30,000,000) The *2006-07 Budget Act* provided \$30 million as a first installment of augmented resources to community colleges to enhance funding for certain noncredit courses in basic skills, English as a Second Language (ESL) and short-term vocational courses with high employment potential. Legislation signed by the Governor in September 2006 recognized the importance of offering certain noncredit courses in a sequence of instruction leading to a degree or certificate, or improved job opportunities, and authorized a higher rate of funding for these “career development and college preparation” noncredit courses. The legislation, Senate Bill 361, required the development of criteria and standards to establish the eligibility of courses for this augmented funding. Those recommendations, based on a task force of chief instructional officers and members of the academic senate, were approved by the Board of Governors in November 2006.

The *New Approach to Community College Funding* report, adopted by the Board in March 2005, and on which SB 361 was based, calls for funding for this new category of noncredit instruction to gradually rise to what is called the “state-supported credit rate.” This is a rate that is a bit less than the rate for credit instruction. For 2007-08, a second augmentation of \$30 million was requested to provide additional progress toward the strategic plan goal. The *2007-08 Budget Act* as passed by the Legislature contained \$13.8 million for this purpose. However, the Governor vetoed the proposed augmentation, stating that accountability measures for these courses had not yet been implemented. Such accountability measures are currently in the process of being developed, with input from the Department of Finance. Thus, for 2008-09, we propose an augmentation in the amount of \$30 million, to bring the funding for these critical noncredit courses closer to the target state-supported credit rate.

Noncredit instruction in Career Development and College Preparation will be the gateway for countless numbers of the state’s immigrants into productive involvement in American society; the gateway for thousands of state residents who are unemployed or on welfare into job training and productive employment; the gateway for others lacking high school diplomas, or persons from families without college experience, into credit instruction and the attainment of associate and bachelor’s degrees. Research at City College of San Francisco shows that about one third of that college’s credit students started in a noncredit course. More dramatically, 53 percent of African-American students and 52 percent of Latino students earning associate degrees at the college started as noncredit students.

Given the sweeping demographic changes occurring in California in the last decade and expected in the coming decades, and given California’s critical workforce preparation needs, the adequate provision of noncredit instruction, particularly in the priority areas encompassed in Career Development and College Preparation, is critical to California’s future.

The vast majority of noncredit students are among the least prepared academically, and from the most disadvantaged backgrounds. Because of this they are among the students most in need of additional counseling and attention. Notwithstanding these facts, however, the state’s investment still falls short of the need, both in the aggregate and on a per-student basis. The *New Approach to Community College Funding* and SB 361 have laid out a rational plan to solve this problem and assure better resources and better educational outcomes. The *2006-07 Budget Act* provided the first stage of the needed investment in this critical educational area for the state. We recommend a further augmentation of \$30 million in 2008-09 to continue the gradual fulfillment of this important state objective.

Maintaining Effectiveness of Student Services Categorical Programs (\$7,628,489) The student services categorical programs initiative consists of two components described below.

- *COLA and Growth for CalWORKs, FKCE, and BFAP-SFAA (\$6,156,125)* Several state programs provide funding to improve educational success for financially disadvantaged student populations. Most of these categorical programs receive annual adjustments for inflation and population growth. However, three of these programs – California Work Opportunities and Responsibility to Kids (CalWORKs), Foster and Kinship Care Education (FKCE) and the Board Financial Assistance Program - Student Financial Aid Administration (BFAP-SFAA) programs – do not receive funding adjustments for increases in population or costs of living. Because staff employed by these programs are entitled to salary increases negotiated on a college-wide basis, programs that don't receive increased funding have to reduce services in order to cover payroll costs.

The CalWORKs program provides special services to CalWORKs students who are currently welfare recipients or who are in transition from welfare to achieve long-term self-sufficiency. The FKCE program provides education and training to potential and current foster parents to assist them in meeting the increasingly complicated needs of the foster children and youth in their care. The BFAP-SFAA program provides support for the determination of eligibility and delivery of federal, state and institutional financial aid programs to eligible students.

These three programs have provided support to economically disadvantaged students for many years without receiving funding augmentations related to population growth or cost of living adjustments. We recommend the state provide a \$6,156,125 augmentation in 2008-09 to reflect COLA and growth adjustments to these three categorical programs.

- *Funding Categorical Programs for New Colleges (\$1,472,364)* Besides educational and administrative services, new colleges require the student services provided through the CalWORKs, CARE, DSP&S, EOPS, Financial Aid Administration and Matriculation categorical programs. The allocation formula for each of these programs provides every college a base amount to cover basic operation costs and to ensure a minimum level of funding for small colleges, and then distributes the remaining available funds on workload measures related to the number of students served. Currently, when a new college is accredited, the workload portion of its categorical entitlement is accommodated within existing total program resources because the new college's students were previously funded through the parent college from which the new college grew. The *base* portion of its allocation, however, can only be provided through either a budget augmentation (such as proposed here) or by reducing the base funding for all other colleges.

With West Hills Lemoore College accredited in June 2006, and Norco, Moreno Valley and Woodland Colleges expected to be accredited in 2007-08, the requested funds are needed as base funding for these colleges to avoid erosion of the limited categorical funds for all colleges. We recommend an ongoing augmentation of \$1,472,364, commencing in 2008-09, to meet the projected minimum funding needs in the categorical programs for these four new community colleges.

Financial Aid Participation (\$3,500,000) More CCC students could take advantage of federal Pell Grants than are currently doing so. This federal resource helps low-income students pay for books and supplies, room and board, and transportation and child care, enabling more students to enroll full-time and remain enrolled until completion of their educational objective.

The challenges of serving students with Pell Grants as well as other federal and state aid programs can be addressed with additional performance-based funding for outreach activities on campuses and in communities. Although significant progress has been made in increasing the numbers of students receiving financial aid since community colleges were provided dedicated funding for financial aid administration in the 2003-04 budget, there remains a need for additional staffing resources targeted to assisting students and potential students with completing and submitting the Free Application for Federal Student Aid (FAFSA) and to process, document eligibility, award and disburse grants and other financial aid. This is a direct result of the nature of the FAFSA, which, with its greater complexity and length, requires more hands-on support than the simpler Board of Governors fee waiver application. Performance-based administrative funding provided to CCC financial aid offices that is targeted towards annually increasing the number of new Pell Grant recipients would focus financial aid office resources on this difficult but rewarding task.

It should be noted that the community college system's expenditure for the administration of financial aid programs remains well below that of the other public segments of higher education. In 2005-06, CCC districts spent about \$40 per student on financial aid administration, while the CSU system spent about \$80 per student and the UC system spent about \$150 per student. In light of this funding differential, there is a clear state interest in providing incentive funding to assist community colleges to seek workable, creative, and student-centered strategies for improving participation rates in all financial aid programs, but especially in Pell Grants. Financial aid programs are, for many low-income and disadvantaged students, the key to higher education access and success. Failure to reach and serve these students and prospective students will compromise student success, restrict access to higher education and ultimately result in adverse economic impact on both these students and the state.

Promoting Early Awareness and Outreach through the Statewide Bridge Program (\$9,750,000) The *System Strategic Plan* sets forth five strategic goals, with the first two focusing on college access and success. Goal A is focused on assuring early awareness of college as a viable option for K-12 students and parents, especially for the less traditional college-going populations. Goal B focuses on improving college readiness and providing programs and services to ensure that all students can achieve their educational and career objectives. Although identified as separate goals, these two system priorities are deeply intertwined. One of the factors leading to these goals in the *System Strategic Plan* has been the steady decline in the rate of young adults who attend college.

Over the last several years, the participation rates of 18-24 year olds in community colleges have been progressively falling.¹⁰ In addition, despite the fact that a variety of studies over the last

¹⁰ 2007 Focus on Results, Accountability Reporting in the California Community Colleges, Chancellor's Office, California Community Colleges, Sacramento http://www.cccco.edu/divisions/tris/rp/ab_1417/ARCC_Report_2007.pdf

decade have underscored the increased economic imperative of having at least some level of postsecondary education, California ranks 48th nationally in terms of the percentage of public high school students going to any college.¹¹ These statistics are unacceptable. They indicate not only a great personal loss to those individuals who do not access higher education, but also an enormous social, civic and economic loss to families, local communities and California as a whole.

There are many reasons students do not enroll in higher education. Many students leave high school with inadequate academic preparation and a lack of awareness of the processes or requirements for pursuing higher education. Others do not attempt college because they are unaware of the many financial resources and support services available to assist them in attending postsecondary education. UC and CSU operate a variety of academic preparation programs and outreach efforts that collaborate with K-12 institutions to address these problems, but their efforts reach a relatively small percentage of California high school students, just as their enrollments can only accommodate, at best, the top-performing one third. The CCCs have received no funding for statewide outreach activities to partner with high schools, and must rely on local relationships. Without a coordinated statewide effort, K-12 students, parents, teachers and administrators do not have access to consistent information about the processes, requirements and resources at community colleges, and the State fails to leverage resources or achieve efficiencies in program development and delivery.

With 109 colleges offering both transfer and career/technical education programs, the community colleges are *the* access point to higher education for most high school graduates. They are also the perfect transition partners for local K-12 institutions. This proposal is intended to address the lack of coordinated statewide outreach and academic preparation efforts in the community colleges by establishing the School-to-College Bridge program.

The School-to-College Bridge program is an innovative new program, inspired by a successful program developed by Victor Valley College and its feeder high schools. The program assumes that all students, regardless of whether their goal includes entering the workforce or obtaining an academic degree, should apply to a postsecondary institution before leaving high school. The program creates partnerships between community colleges and their feeder high schools and middle schools, and represents an innovative approach to connecting high school students to community colleges as well as other institutions of higher education, with the goal of increasing academic preparation of high school graduates and their college-going rates through these specific objectives:

- 70% of high school seniors apply to a postsecondary institution.
- High school seniors become the ambassadors for the program.
- Community colleges become the base for K-14 coordinated education.
- Communication and collaboration among local K-14 faculty, staff and administrators is greatly improved.
- The Bridge process begins in the 6th grade.

¹¹ The National Center for Higher Education Management Systems Information Center, <http://www.higheredinfo.org/dbrowser/index.php?submeasure=63&year=2004&level=nation&mode=graph&state=0>

The proposed statewide program would take the application process from the college campus into high school classrooms by working with high school faculty to provide lessons and activities that culminate in students submitting a college application, taking the local college placement exam and applying for financial aid at their own high school. Students explore career interests, academic programs and financial aid options, and also participate in student-guided tours of a college campus.

Program costs are estimated at \$250,000 per college per year. With slots for 37 colleges being proposed in the first year, this proposal requests \$9,250,000 (\$250,000 x 37) in funding for grants to local colleges for program development and administration and an additional \$500,000 in funds to be set aside at the system level for statewide coordination and leadership activities. The total request for the 2008-09 fiscal year is \$9,750,000. The System Office would submit additional requests in future years, anticipating a request for \$19,000,000 in the second year of the program to accommodate 37 additional colleges, and its maximum funding level in the third year of \$28,250,000.

B. Student Success and Readiness – Promote College Readiness and Provide the Programs and Services to Enable All Students to Achieve Their Educational and Career Goals.

Readiness programs and services must be strengthened to increase student success, especially for students lacking basic math and/or English skills. In addition, there must be greater consistency between high school curriculum, assessments and standards, and those of the colleges. – System Strategic Plan

In an effort to meet these goals, the following initiatives are recommended:

CCC Student Success Initiative (\$50,000,000) As noted in the *System Strategic Plan*, developing solutions to meet basic skills needs is critical to success in all other community college missions, including career training, transfer, and lifelong learning. More than half of all entering community college students who are assessed in basic skills place at levels below college readiness. Of the students assessed, only about 12 percent place in transfer-level math, and about 25 percent place in transfer-level English. Moreover, the statewide course success rate in basic skills courses (about 60 percent) is at least 10 percentage points lower than success rates for other courses. In addition, course success rates in basic skills classes are even lower for certain ethnic groups. It is particularly important to effectively assist students who need to improve performance levels in ESL and basic skills, and the critical place to start is in the ESL/basic skills programs, the gateway to certificate and degree completion and transfer to four-year institutions. Since this effort needs the participation and support of the entire institution, the colleges must take a global approach to the instruction of basic skills so that faculty from all areas participate in “across-the-curriculum” efforts to reinforce application of skills, and so that student services provide additional counseling, tutoring and other means of student support to further ensure success rates of basic skills students.

With funds allocated in the *2006-07 Budget Act*, the System Office contracted for a review of the literature and effective practices in ESL/basic skills. This review describes key features of successful programs, identifies possible options for making programmatic improvements, and serves as the foundation for college activities. In August 2007, the Legislature passed a state budget providing \$33.1 million in redirected basic skills “overcap” funds to support

implementation of the effective ESL/basic skills practices identified in the review. These funds, however, were vetoed by the Governor and set aside “in anticipation of legislation that would appropriate this amount to increase the rate of successful outcomes for students who are not adequately prepared for college-level work.” As a result of negotiations between the Administration and the System Office, the funds were fully restored in AB 194, providing the resources necessary to enhance basic skills and ESL effectiveness. The agreement included an increased emphasis on students transitioning from high school as well as strengthened accountability measures.

Additional funds will be needed in 2008-09 to implement the effective practices, provide sufficient faculty development opportunities, and implement a research protocol to measure ESL/basic skills student success. It is anticipated that additional staff, materials, equipment, and faculty development will be required to fully implement effective practices and programmatic components needed to significantly increase success rates of ESL and basic skills students. It is recommended that an additional \$50 million be dedicated to ESL/basic skills on an ongoing basis with a minimum of \$100,000 per college. \$1.6 million of that amount would be provided for faculty and staff development activities/events in ESL/basic skills. Because it is important to measure student success in ESL and basic skills, another \$1.5 million of the \$50 million amount will be issued through an RFA process to fund a five-year project to develop and implement a research protocol to measure success rates of ESL/basic skills students and link increases with effective practices. Finally, \$10 million of these funds would be used to convert adjunct faculty positions to full-time faculty positions in ESL/basic skills and to fund ESL/basic skills adjunct faculty office hours. The balance of funds would be allocated to districts to improve the effectiveness of ESL/basic skills programs and services.

Restoring and Building Matriculation Services (\$37,100,000) The Matriculation Services initiative consists of three components described below.

- *Restoring Matriculation (\$15,100,000)* Several recent reports have focused on the numbers of students who enroll in CCCs and who do not either complete a degree or certificate or transfer to four-year institutions. These reports have highlighted the need for improved rates of student success, and the role of support services in helping students succeed in defining and reaching their goals. The System Strategic Plan describes in detail the essential role of improved programs and support services to ensure all students can achieve their educational and career objectives.

One of the most critical areas for student success is met through a state program known as Matriculation. This program provides a specific set of services and related activities beginning with a student’s arrival on campus and proceeding throughout the student’s community college career. These services are organized into components that include orientation, assessment, placement and counseling. The Matriculation program touches every student entering the system with at least one of its service components, and provides specific support essential for the success of at-risk, first-time students in transition from high school, as well as other at-risk populations, to define and complete specific academic goals. Matriculation services assure that students find access to the courses and programs for which they are eligible and that supportive services are available to help support their success. For countless community college students these support services make the difference between an effective pathway to an educational

objective (such as a certificate, degree, or desired skill) and an unguided pathway to an inconclusive end. Ultimately, for many students, these services—or the lack of them—spell the difference between educational success and failure. The state has a compelling fiscal and policy basis for assuring that its considerable investment in community college students—over \$6 billion annually—results in as many students as possible making appropriate educational choices, moving in an efficient way through the colleges, and enjoying success in attaining educational objectives.

The Matriculation program suffered a 29% reduction from its 2001-02 base allocation in the *2002-03 Budget Act* that has yet to be completely restored. This reduction significantly affected the services that are provided to students in the community colleges. Matriculation programs are funded by a 25% state allocation matched with 75% local funds, so the effect of state cuts has an even more devastating effect on local programs. The 2002-03 budget cut and the shortfall over the succeeding years, with the additional effect of a lack of funding for growth or COLA, have forced colleges to significantly reduce and/or eliminate services in each of the Matriculation components. During this same period, the need for these services, both in intensity and number, have increased. Students come to the community colleges increasingly underprepared and in need of more intensive services, at the same time that their number continues to grow in both the credit and noncredit areas. We recommend restoration of the \$14 million that was cut from the Matriculation program in 2002-03, and an additional \$1.1 million for growth and COLA, for a total of \$15.1 million to restore the Matriculation program to its previous funding level.

- *Improving Assessment and Placement (\$12,000,000)* As part of the Matriculation process in the community colleges, assessments are designed to authenticate or provide evidence of prior student learning. On the basis of assessment results, students undergo a process of course placement that takes into consideration their test results and the findings of companion measures that are meant to ascertain additional skills, knowledge or abilities that correlate to the students' probabilities of being successful in given courses. These assessments occur before enrollment and are meant to provide a full picture of the student's needs and assist in directing the student to courses that are in line with the student's current abilities, within the discipline being measured, for instance, English, math or reading.

Student success is highly valued by the colleges, and the *System Strategic Plan* has identified it as a primary goal. An effective assessment system, one which directly links students to the courses most closely correlated with their needs and skill levels, is critical to student success. To optimize student success colleges must ensure that all students have the opportunity for a holistic and deliberate assessment that captures student abilities and is complemented by counseling and instructional faculty and administration efforts to marry needs and curricula. Appropriate assessment and placement techniques are a key prerequisite for greater student persistence and retention. To provide assessment and placement services to greater numbers of incoming community college students, this initiative proposes an additional \$12 million to support the addition of assessment technicians, readers/raters of written assessments (English and ESL), and orientation materials.

- *Increasing Full-Time Faculty (\$10,000,000)* It has been a longstanding goal of the system to increase the percentage of full-time faculty, which includes counseling faculty. As more and more students enter the colleges underprepared, the need for experienced full-time counselors to assist students in achieving their educational goals becomes ever more important. Thus we recommend that \$10 million be devoted to increasing the number of full-time counselors who will encourage and guide students through the Matriculation processes and services that will help assure their college success.

Fully Fund Part-time Faculty Office Hours and Health Insurance (\$22,000,000) The requested augmentations to these two part-time faculty programs would bring state funding in line with the real costs and with the intent of the establishing legislation. We discuss the details of each program below, beginning with part-time faculty health insurance.

- *Part-Time Faculty Health Insurance (\$15,000,000)* The requested augmentation of \$15 million would bring the appropriation in line with the real costs of this program, and includes growth and COLA. Chapter 943, Statutes of 1996, established this program to provide state incentive for community college districts to offer health insurance for their part-time faculty. The intent of the Legislature was that part-time faculty and their eligible dependents have continuous access to the same health insurance benefits enjoyed by full-time faculty. To this purpose, the state would provide up to 50 percent of the total cost of the individual enrollment premiums paid by the district for health insurance coverage for part-time faculty and their dependents.

During the first two years of the program sufficient funds were appropriated by the state to pay the full share intended. Since that time the program growth has been substantial, as the program achieved its intent of bringing many districts into participation. In response to this growth, and in keeping with legislative intent to pay half the program costs, the state provided an additional \$500,000 in fiscal year 1999-00 to keep pace with program growth. However, the state has provided no additional augmentations for this program since that time. As a result, the claims received to date will cause the funds for 2006-07 to be prorated at 13 percent, and districts will have to provide nearly \$7 million that was not anticipated.

Part-time Faculty Health Insurance Funding History

	99/00	00/01	01/02	02/03	03/04	04/05	05-06	06-07
Total Premiums	\$1,460,661	\$3,718,026	\$5,074,032	\$8,846,643	\$9,997,101	\$11,548,633	\$14,529,135	\$16,818,173
State Share	\$925,891	\$2,348,092	\$3,311,280	\$4,409,631	\$4,822,978	\$5,570,000	\$6,979,038	\$7,714,411
Appropriation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Excess/(Deficit)	\$74,109	(\$1,348,092)	(\$2,311,280)	(\$3,409,631)	(\$3,822,978)	(\$4,570,000)	(\$5,979,038)	(\$6,714,411)
Reimbursement %	100%	43%	30%	23%	21%	18%	14%	13%
Districts involved	16	23	27	26	28	25	28	29

In establishing the Part-Time Faculty Health Insurance program, the state recognized that community colleges have historically hired part-time faculty to meet community needs. Part-time faculty can provide hiring flexibility, and often fill voids created by

unanticipated enrollment growth. In some cases, part-time faculty are able to provide colleges with technical expertise that regular full-time faculty may lack. Currently this program is only offering 13 percent of the incentive that the Legislature intended, and there is a danger that districts will cease to participate in the program. Fewer than half of the college districts currently participate. We therefore recommend that the program be augmented by a bit more than twice the amount of the current deficit of nearly \$7 million, so that more districts – possibly all 72 – will be encouraged to provide health insurance benefits to their part-time faculty, as the Legislature intended.

- *Part-Time Faculty Office Hours (\$7,000,000)* The requested augmentation of \$7 million would bring annual funding in line with the real costs of providing office hours. The program has grown since its inception in the late 1990s, as more districts pay for office hours to improve services to students attending classes taught by adjunct faculty—which is exactly the effect intended by the Legislature.

Chapter 933, Statutes of 1997, established the part-time faculty office hour program and provided that the state would reimburse 50 percent of the costs for part-time faculty office hours. For the first three years of the program, the state met its reimbursement obligation by adding over \$5 million during this period to keep pace with the program’s expansion. However, since 2002-03, the state has failed to provide any additional funding for office hours, despite tremendous growth in the program. In seven years the total program costs have increased from \$7.8 million to \$28.3 million, but annual state appropriations have not kept pace. As a consequence, districts have increasingly been forced to pick up a larger share of program costs than the Legislature intended. This has put pressure on the ability of districts to fund other educational needs. For the 2006-07 fiscal year, claims show a deficit of \$7 million, forcing reimbursement of district claims to fall to only 51 percent of the incentive that the Legislature intended.

Part-time Faculty Office Hours Funding History

	99/00	00/01	01/02	02/03	03/04	04/05	05-06	06-07
Total Costs	\$7,775,820	\$11,714,853	\$18,981,808	\$21,458,722	\$20,973,259	\$22,930,607	\$23,716,542	\$28,341,848
State Share 50%	\$3,887,910	\$5,857,432	\$9,490,904	\$10,729,361	\$10,486,630	\$11,465,304	\$11,858,271	\$14,170,924
Appropriation	\$2,500,000	\$5,653,000	\$7,172,000	\$7,172,000	\$7,172,000	\$7,172,000	\$7,172,000	\$7,172,000
(Deficit)	(1,387,910)	(204,432)	(2,318,904)	(3,557,361)	(\$3,314,630)	(\$4,293,304)	(\$4,686,271)	(\$6,998,927)
Deficit Factor	.64	.97	.76	.67	.68	.62	.60	.51
Districts	19	24	34	37	37	29	33	37

The program for reimbursing districts for part-time faculty office hours, with a one-to-one state-local match, addresses issues of statewide concern. Providing office hours for part-time faculty benefits students by enabling these faculty members to meet with students and to prepare class work. We recommend that the program be augmented by at least the amount of the currently known deficit — \$7 million — so that program funding matches legislative intent. This augmentation will secure continued provision of part-time faculty office hours, which will directly contribute to student success.

Increase Full-Time Faculty Positions (\$45,000,000) This proposal requests funds to help districts begin progress toward the state’s longstanding goal that full-time faculty provide at least 75 percent of a district’s instruction. The landmark CCC legislation, AB 1725, enacted in 1988, included a requirement that the Board of Governors establish such a standard. In Fall 1988, the percentage of full-time faculty averaged approximately 63 percent statewide, with considerable range between districts. In Fall 2005, this measure had actually fallen to approximately 61 percent, with only two districts at the desired standard. In the first few fiscal years following enactment of AB 1725, the state provided “program improvement” funds to help districts hire the necessary full-time faculty. It has been many years, however, since the state has provided such funds.

Full-time faculty bring substantial benefits to the academic life of a college, including ongoing curriculum development, advising of students during faculty office hours, and faculty participation in institutional planning and governance. The hiring of additional full-time faculty, however, represents a substantial ongoing cost commitment for community college districts. Historically, districts have relied on enrollment growth funding to hire new full-time faculty. This allows districts to add full-time faculty at a rate proportional to the rate of change in funded FTES, but does not permit sustained progress toward the 75 percent goal.

To help move the system toward the goal envisioned in AB 1725, this proposal would provide funds sufficient to increase each district’s full-time faculty ratio by 2 percentage points above its current level. We estimate that \$45 million in ongoing funds is needed to achieve this 2 percent increment of change.

Part-Time Faculty Compensation Parity (\$50,000,000) Statewide studies in 2000 and 2001 by the California State Auditor and the California Postsecondary Education Commission concluded that community college part-time faculty are not compensated at commensurate levels of pay as full-time faculty performing comparable instructional work. To address this pay inequity, the CCC System requested funding over several years to close this pay gap. The *2001-02 Budget Act* included \$57 million for this purpose. Due to the across-the-board funding cuts imposed in 2002-03, this amount was reduced to \$50.8 million, a funding level that has remained unchanged to this date.

This proposal looks to resume the effort begun by the system in 2001-02 to close the gap in pay between part-time faculty and full-time faculty. Accordingly, this funding request seeks an augmentation of \$50 million to move the system closer to the goal of providing pay parity to part-time faculty.

Transfer Initiative (\$11,000,000) This initiative will expand transfer activities on each of the 110 college campuses that will lead to an increase in the number of community college students who transfer to four-year institutions. Currently, the number of community college transfer students applying to UC and CSU is flat or declining, leaving available transfer slots unfilled. As of Summer 2007, half the UC campuses and 11 of the 23 CSU campuses still had transfer slots available for Fall 2007. Consequently, transfer spaces at several UC and CSU campuses are likely to go unfilled.

Transfer services are funded at the discretion of each college district, using general purpose revenues. Given scarce resources and competing demands, local funds to support these services

and to conduct student follow-up activities to help guide potential transfer students to four-year institutions have been insufficient at many colleges. With additional, targeted resources, colleges can do more to move students into available transfer slots at the four-year universities. For example, we know that there are certain colleges and transfer center programs that are highly successful at reaching out, finding and helping transition students to baccalaureate institutions. In addition, each year the community colleges produce a relatively high number of students who meet the definition of being “transfer prepared” (i.e., having completed 60 transferable credits with a minimum 2.0 GPA), but who do not transfer.

The \$11,000,000 proposed for fiscal year 2008-09 would provide each college with \$100,000 to support a base level of services and functions at each college. This allocation of funds would help to equalize transfer services throughout the state by reinvigorating transfer services at those colleges hardest hit by past budget reductions. With a relatively small investment of state resources dedicated to providing additional transfer services, the community colleges could produce sufficient numbers of transfer students to fill all available transfer slots at UC and CSU campuses.

Listed below are some examples of the types of services that colleges could fund with their \$100,000 allocation:

- Early identification and contact of students with transfer course-taking patterns. For example, identification of students who have taken transfer level math/English and completed 30 credits. This would require college identification of these students using electronic records, mailings/emails to those students, initial counselor contact and follow up with these students.
- Identification and intervention with “transfer prepared” students to determine why they have not transferred and counseling these students on overcoming barriers to their transfer.
- Additional counseling and advising hours so more students are able to confer with a transfer counselor. While the numbers vary from campus to campus, counselor-to-student ratios average 1:1,900 on college campuses. These funds could support additional student contact hours to ensure students are seeing counselors and developing education plans that will facilitate their transfer.
- Fund a full-time counselor/coordinator to serve as the college point person for conveying effective transfer activities so the latest information on transfer admission requirements is communicated to counselors and students. The counselor/coordinator will work with counselors/support staff in monitoring and encouraging the progress of students who have either identified transfer as their goal or who, by their course taking patterns, have demonstrated the potential to be successful transfer students.
- Support transfer identified students to visit prospective four-year universities, speak with admissions officers and meet four-year institution faculty. A number of colleges have discontinued campus visits because of increased costs of transportation. However, campus visits help promote student transfer.

- Follow up with students who have been admitted to a university in the spring for the following fall semester. Often, students who have been admitted to a university fail to complete the necessary paper work for housing, financial aid, etc., resulting in their inability to transfer the following fall. Having community college counseling and transfer center staff contact these students in the semester prior to transfer provides an opportunity to address these requirements and help to facilitate their transfer to the university.

Community colleges can do a better job, if given the resources, of tracking, monitoring and intervening with students to ensure that more of them transfer to four-year institutions and complete a baccalaureate degree.

C. Partnerships for Economic and Workforce Development – Strengthen the Colleges’ Capacities to Respond to Current and Emerging Labor Market Needs and to Prepare Students to Compete in a Global Economy.

Career training geared toward students who are seeking to learn a trade or skill has long been a mission of the Community Colleges. With high growth and emerging fields as the backbone of California’s economy, a skilled labor pool is necessary to meet employer needs and ensure California’s long-term economic vitality. Through workforce training, the colleges play a critical role in the state’s economic development efforts. – System Strategic Plan

In an effort to meet these goals, the following initiatives are recommended:

Governor’s Career Technical Education Initiative Expansion (\$48,000,000) In September 2005, the Governor signed SB 70 (Scott), the Career Technical Education (CTE) initiative, to expand CTE instruction and enhance partnerships between secondary and postsecondary CTE programs. This initiative used the existing California Community College Economic and Workforce Development program’s system of regional development centers as a model to improve career pathways and education’s connections with business and industry. Initial SB 70 funding of \$20 million for the 2005-06 fiscal year was followed by a like amount in the 2006-07 Budget Act. In September 2006, the Governor signed SB 1133, which added \$32 million to the initiative for the 2007-08 year, and \$38 million per year in the years 2008-09 through 2013-14.

To date, more than 100 grants have been awarded to consortia consisting of community colleges and K-12 partners, including high schools, middle schools, and Regional Occupational Centers and Programs (ROCPs), and more than 200 new grants are expected to be awarded to additional partnerships in 2007-08. However, if the goal is to transform CTE in California, these numbers pale in comparison to the need: with approximately 1,000 school districts in the state, many secondary school students will not have the opportunity to reap the benefits of improved career pathways and linkages with community colleges without a substantial influx of funding.

Building on the initial implementation the Governor’s CTE Initiative, this request will accomplish many objectives:

- Expand successful career pathway programs to achieve more CTE enrollments and promote workforce readiness. Target critical workforce shortage areas, such as in nursing and allied health.
- Develop new, demand-driven career pathways in response to emerging economic activity areas, such as “Green Technology.”
- Expand career exploration opportunities for middle school and high school students. These opportunities, provided through partnerships between education segments and the business community, allow students to see firsthand the range of exciting career opportunities available.
- Improve professional development options for CTE instructors.
- Establish regional training simulation labs in critical career areas. For example, nursing and allied health education will be greatly boosted by access to high tech classrooms that provide students with “virtual reality” learning situations.
- Expand the scope of CTE initiatives to include new strategies to address the needs of students who have several barriers when seeking employment, such as individuals with limited work experience or ex-offender status, or those requiring additional remediation.
- Expand the capacity of both the System Office and CDE to effectively monitor the wide range of grants and activities in a manner that would increase the return on investment for the Initiative as a whole.

Career Technical Education Equipment (\$30,000,000 one-time funds) This proposal seeks state funding to support grants to college districts for CTE equipment, materials and minor facility remodeling. An allocation of \$40 million in one-time funding was provided to the community colleges for this purpose as part of the 2006-07 budget trailer bill. The Governor and Legislature understand the important role colleges play in training students in CTE and have provided resources to the colleges in the past two fiscal years to meet this challenge. However, additional funding for CTE, especially updating equipment and materials purchases at colleges and off-campus centers, is warranted in 2008-09 in order to meet the backlog of equipment needs in CTE areas.

D. System Effectiveness – Improve System Effectiveness through Communication and Coordination, Regulatory Reform, and Performance Measurement.

By increasing the effectiveness of the System we also improve student success. Communication, coordination, regulatory reform, and performance measurement will all play key roles in attaining this goal. – System Strategic Plan

Acknowledging Technology’s Role in the Plan. Inherent throughout the Strategic Plan’s goals and implementation strategies is the use of technology and technological infrastructure and resources as an aid to achieve the outcomes of the plan. Information Technology (IT) plays a vital supporting role in all of the plan’s strategic goal areas.

Why Technology is Important. The CCCs use technology to enable students to be successful in their academic careers, and ultimately to be participants in a knowledge-based society. The CCCs provide universal access to quality education, and thus this technology aids in bridging access gaps that may be caused by income or geographical disparities (the “digital divide”). California is a technology state, serving as the birthplace of many of the discoveries leading to

the information age, and home to many of the major companies involved in creating this new future. Technology firms continue to be major employers within the state, and many technology-based occupations remain understaffed due to the lack of skilled workers. This IT-driven economy has placed some unprecedented responsibilities on the community colleges in responding to the state's need for an educated citizenry.

Scott A. Langhorst, in *Changing the Channel: Community Colleges In The Information Age*,¹² states that "community colleges must chart a new course using technology to navigate through the shoals of access, accountability, diversity and quality." [Vol. 25, no. 3, p. 55 (1997)] The colleges must be prepared to serve these students, as well as their older counterparts seeking training and education, with state-of-the-art classrooms and student support services, and skilled faculty and staff. It is not realistic to expect community college students to function without a baseline of networks, hardware, and software similar to what they will confront every day in the workplace. Therefore, colleges must expand the appropriate use of technology in providing support services, performing administrative functions, and in delivering instruction to achieve optimum use of existing physical plant and to best meet the learning needs of students.

Towards meeting the goal of improving system effectiveness, the following budget augmentations are recommended:

IT Infrastructure and Offsite Centers Connectivity (\$5,000,000) The Infrastructure proposal concentrates on stabilizing access to the Internet for students, faculty and staff by providing backup circuits for colleges to eliminate the single connection point that currently exists. It also includes ongoing funding for the connection to the education network by the official off-site centers, which was implemented in 2006-07. The Infrastructure proposal would build minimum wireless access at each college and center, primarily focusing in the libraries and student centers. This request seeks to protect the network and services that have been emerging over the last 10 years upon which the colleges have become increasingly reliant for their administrative and academic services. This initiative would pilot a central disaster recovery solution using virtualization technology to assess the viability of having alternative storage of critical college system data to assist colleges in restoring their operations following catastrophic loss.

Technology Initiatives (\$2,350,000 ongoing and \$1,300,000 one-time) The technology initiatives consist of three components described below.

Technology Pilot Fund (\$750,000) The primary function of the CCC Telecommunications and Technology Infrastructure Program (TTIP) is to provide innovative, cost-effective solutions to common technological problems shared by the 109 campuses. To date, the TTIP program has saved the state and the CCC system millions of dollars by implementing a number of centralized technology applications that provide equity and economies of scale for technology as a System-wide commodity.

The concepts for potential and future technology solutions come both from the System Office and the colleges and districts; both have served to drive the development of TTIP-funded projects. In prior years of TTIP funding, a model applications fund was

¹² Community College Review, *Changing the Channel: Community Colleges In The Information Age*, Vol. 25, no. 3, p. 55 (1997).

established to act as seed money for pilot programs that were being investigated for viability and scalability as a System-wide technology project. This “piloting fund” spawned a number of valuable utilities, such as CCCApply, CCCTran, and CCC Confer. The Telecommunications and Technology Advisory Committee (TTAC) has proposed several areas that would provide great benefit to the CCC System and are in support of the *System Strategic Plan*, but many cannot be explored without this seed money. The proposed solution is to create a permanent fund that is earmarked for pilot project development for proof of concept of future technology applications. To avoid requesting funding from the state for untested projects, such a piloting fund would fully prove the scalability and viability of technology concepts (and eliminate those that do not scale or apply).

- *CCCApply (\$1,600,000)* CCCApply is the statewide online application center for California Community Colleges. It streamlines the application process for students and colleges alike. Currently 92 of the 109 colleges are members of CCCApply. Last year over 750,000 applications were submitted through CCCApply. Most colleges process 80% to 100% of their applications using CCCApply.

When CCCApply was launched there were major budget cuts through the system. In order to assist the colleges, TTAC approved setting aside \$1,000,000 in one-time funds from the TTIP to fund mini-grants. Because colleges were joining at different times, these funds were able to be spread out over three years, with colleges beginning to pay 25% in year four, 50% in year five, and 75% in year six. In year seven, colleges were to take over the ongoing maintenance expense. This was done to allow the colleges to recover from the year when cuts occurred and ease into a payment plan. Many colleges are now nearing the end of the mini-grant funding, however, and have been unable to secure a permanent funding source within their own institutions.

Because the application has been so successful, the CCCApply Steering Committee believes that permanent ongoing funding is needed to provide for continued access to this application (English and Spanish versions). The Steering Committee is comprised of individuals from approximately 10 member colleges who represent different areas and demographics of the system. Each college appoints an IT and an Admissions and Records member to the Steering Committee. The Steering Committee is also requesting some ongoing funds to continue its work on behalf of the system and to fund the annual user training workshop held each year for all colleges. The Steering Committee also proposes to expand the application to include matriculation services, assessment and orientation online, which have been in the committee’s workplan for some time.

COLA for Technology and Telecommunications Infrastructure Program (\$1,300,000 one-time) The TTIP fund was established in 1996 as a source of system funding for the development and procurement of System-wide technology programs and services that established economies of scale and equity for the 109 CCC campuses. Since 1996, the TTIP fund has increased and decreased over time with the state budget situation. Many valuable projects have been established through TTIP, including System-wide internet connectivity and networking, common electronic application (CCCApply), electronic libraries subscription services, System-wide videoconferencing, audioconferencing and e-conferencing (CCCConfer), and centralized hosting of streaming media content used in

distance education (CCCSAT). All of these projects have operated since inception with a fixed annual budget, and have now operated over 5 years without any type of budgetary augmentation to cover the increasing costs of usage, technology upgrades, additional campuses and offsite centers to serve, and staffing and salary increases due to employees of the districts that house these grants and projects. As a result, a number of projects have had to reduce services, lay off staff, or are about to levy usage fees upon the colleges for their ongoing services. What is needed for the TTIP funded programs is a one-time COLA to allow these projects to “catch up” with these increased costs, and tie their future funding to the growth in Prop 98 for the community college system so this does not continue to be a systemic funding problem in the future.

Accreditation Assistance Team (\$2,000,000) The CCCs are accredited by the Western Association of Schools and Colleges (WASC) through the Accrediting Commission for Community and Junior Colleges (ACCJC). WASC, an independent accrediting entity, sets accrediting standards colleges must meet in order to remain accredited, including fiscal and academic accountability measures. WASC accrediting teams routinely and periodically visit campuses to perform accreditation analyses in accordance with their standards.

Accreditation visits require a campus to produce an array of performance data about the campus, its fiscal and academic climate, and how it is meeting its requirement to produce student learning outcomes. Campuses that have ample staffing, especially in the institutional research areas, are more capable of producing the data and student learning outcome evidence necessary to retain accreditation. Campuses that have little research capacity routinely struggle to produce such data and evidence, and as a result are far more likely to be put on accreditation warning or probationary status.

The problem is exacerbated by the fact that the fiscal diseconomies of scale of smaller community college campuses have created a situation where the smaller colleges often do not have the fiscal capacity to employ a full-time research staffer. Smaller campuses are frequently more fiscally fragile, another area scrutinized by accreditation teams. Recently, there has been an increase in accreditation warnings and probations placed on smaller colleges, and many are in danger of receiving accrediting sanctions that threaten their existence. This situation occurred in the recent past at Compton Community College District, where WASC denied accreditation, and as a result, the campus had to be fiscally rescued by the state and re-opened as a center of the El Camino College District.

The proposed solution is to create a central resource of institutional research and student learning outcome capacity for the CCC system that would focus its efforts primarily on assisting colleges that have little research capacity and are in danger of losing their accreditation. This Accreditation Assistance Team would also serve as a clearinghouse of information related to accreditation, institutional effectiveness, and identification and assessment of student learning outcomes for the entire system to access. The Team would operate with a staff that is mobile and would visit campuses statewide so they could leverage this specialized knowledge. Ultimately the goal of the Team would be to ensure that all community colleges keep their accreditation status intact and contiguous, and preserve the state’s interest and investment in community college campuses.

Cal PASS Expansion (\$2,000,000) California continues to have a problem that affects students as they transition across educational segments. That problem is a misalignment of the curricula among the educational segments (K-12, community colleges and universities) leading to a lack of continuity. This problem is not unique to our state; it exists across the country, and has been described as follows: “The coursework between high school and college is not connected; students graduate from high school under one set of standards and, three months later, are required to meet a whole new set of standards in college.”

The results of this problem in California can be seen every fall when large numbers of high school graduates matriculate to our community colleges and universities, still requiring remedial course work in Basic Skills areas such as English and Mathematics. The remediation rates in California’s postsecondary education system are discouraging. Over 30 percent of entering freshmen among the UC schools and over half of the students entering a CSU institution require remediation. Among students attending CCCs, the remediation rate is over 70 percent. High remediation rates are correlated with poor persistence in postsecondary education.

Collaboration among the segments does not occur frequently, systemically, or systematically. It is well-documented that K-12, community college and university segments function independently of one another, and consequently it is a challenge to align curriculum to best prepare students for the next level of learning. The work CalPASS has done over the last several years has mitigated this situation in geographic areas where there are Professional Learning Councils (PLCs) established.

PLCs are regionally based. Faculty from the various segments share the same student body over time, creating added incentive to ensure students are prepared when they transfer from one segment to the next. CalPASS councils add to cost savings by reducing the need for remedial sections of core disciplines (English, Math, Reading) due to better alignment of courses, curricula continuity and better-prepared students. Faculty achieve these outcomes by developing, implementing, and evaluating innovations. The dollars used to fund innovations thus far have allowed faculty in councils across the state to produce “Deconstructed Standards” products, putting California at the forefront of standards-based instruction that is rigorous and relevant. Deconstructed Standards -- which include a breakdown of each standard into key components, identification of necessary prior knowledge, new knowledge, educational outcomes, necessary new physical skills (e.g., use of a compass), assessable results, and model assessment items -- have been developed for Algebra I (Beginning), Algebra II (Intermediate), Geometry (in draft form), and the English Standards for Grades 11 & 12 (in progress). Also in the planning stages are Pre-Calculus and Biology. Deconstructed Standards are being used to design scope and sequence, train new and returning faculty, and select textbooks in districts across the state.

Additional dollars from the state will enable councils to better serve CalPASS regions, both those currently members of Cal-PASS and new regions choosing to join CalPASS. One-time money provided by the legislature for the 2007-08 year has been helpful in getting new councils operable. But without additional ongoing funds, the work of these new councils cannot be sustained. The CalPASS initiative, currently in its fourth year, has demonstrated success on a regional basis in several areas of the state and consequently warrants the request for additional funding. The additional cost for build-out of PLCs to serve existing and new regions more fully is \$2 million.

Professional Development (\$10,000,000) The *System Strategic Plan* addresses the need to maintain and promote high standards of academic rigor and excellence on community college campuses. Maintenance of high academic standards requires dedicated resources to support professional training for all campus staff, including faculty, classified employees and administrators. State funding for professional development, moreover, remains one of the top System priorities for the faculty, staff, and management alike.

This request seeks \$10 million to help meet training needs. The request has two parts: \$8 million to be divided among all districts, based on the number of students they serve, and \$2 million on a grant allocation basis to develop training opportunities that encourage innovation and regionalization in both an urban and a rural sector.

Eight million dollars would leverage local funds by requiring a 2 to 1 (state to local) match obligation. Each district would receive an allocation of these funds on a dollar per full-time student basis, with a minimum funding allocation established for small districts. Suggested uses of these funds include, but are not limited to, the following areas: administrator training; technical training for classified and paraprofessional employees, including CTE faculty/staff and basic skills faculty/staff; training for new faculty/staff; and training for faculty/staff dedicated to teaching methods that reach under-prepared students.

The \$2 million in grant funds would be used to develop innovative regionalization centers in a rural and urban corridor. Two districts, one rural and one urban, would each be awarded \$1 million to establish professional development/training programs to coordinate and provide training opportunities for colleges facing similar training/development needs. This coordinated training approach would utilize economies of scale that would help mitigate training costs. The grantees would research and evaluate innovative training programs that could then be provided to all colleges on a regional or statewide basis.

Accountability structures would be developed to ensure that said funds are utilized in the most effective manner possible, with a requirement that each district accepting training funds provide the System Office with expenditure and performance reports annually.

Academic Senate COLA (\$36,000) The statewide Academic Senate is the official representative, under Education Code Section 70901, for the over 58,000 faculty of California's community colleges to assist the Chancellor and the Board of Governors in the formation of state policies, particularly on academic and professional matters that directly shape the quality of education provided to the System's more than two million students.

The Academic Senate has operated on a modest budget since the enactment of AB 1725 in 1988. In the 2002-03 fiscal year, the Senate's budget was reduced from \$497,000 to \$467,000 as part of widespread cuts caused by the state's fiscal crisis. While the Academic Senate continues to provide representation, training and resources for faculty, it is also impacted by expanding external costs and responsibilities derived from Agency Review, and associated with college pathways for secondary education and university transfer agreements, which have added significantly to its operating expenses. Aside from costs associated with responsibilities to the Consultation Council, the Board of Governors, the System Office, and state legislators, the Senate has had to accommodate ongoing fiscal increases that are beyond its control, such as reassigned time, travel, meetings, and publications. Given that the Academic Senate has operated

on a reduced budget for six years, even as fiscal costs increased, the recommended solution is to provide the Academic Senate with COLA in the 2008-09 and future budgets.

Student Senate (\$300,000) Title 5 of the California Code of Regulations recognizes the Student Senate as the official voice to represent community college students. Further, the Education Code mandates participation by students in shared governance at the state and local levels. Throughout the years, representation by students was fulfilled through a statewide membership organization. Since the dissolution of that organization, a reformation effort to establish a statewide representative Student Senate began in October 2005. In May 2006, a new structure of the Student Senate for California Community Colleges was ratified by the local student governments. Currently, there is no dedicated funding for the Student Senate to effectively operate.

To facilitate Student Senate representation, the System Office has earmarked a portion of its state operations budget to allow for travel and minimal support. This has created a considerable drain on the scarce resources needed to provide general support for the System Office. The Student Senate has been effectively gaining momentum since the implementation of its new governance structure and this has created an undue financial burden on the System Office. These costs are anticipated to increase as the Student Senate has grown with additional members on the Council, and with greater participation in an annual Fall and Spring General Assembly convened by the Student Senate. Given the level of participation and engagement with the local student government senates, it is inappropriate for the System Office's state operations funds to continue to serve as sole support for this effort.

This proposal is to provide funding for the Student Senate through local assistance (Proposition 98) funds. Shared governance activities throughout the community college system are supported through local assistance funding. Districts utilize such funds to provide support for local student government activities, including coordination with the Student Senate. The legal authority provided for student participation in shared governance is shared with the Academic Senate, the comparable representative body for the faculty. Currently the Academic Senate receives funding from Proposition 98 funds. Given that the scope and representative model for the students is similar to that of the Academic Senate, it is appropriate that the Student Senate receive equal consideration in receiving a reasonable level of support to fulfill its legal mandates.

CCC Open Education Resources Centers (\$3,000,000) Open Education Resources (OER) are learning materials or resources whose copyrights have expired or have been released with an intellectual property license that permits their free use by others for non-commercial educational purposes without the permission of the original author or creators. OER include items such as textbooks, streaming video in classroom lectures, tests, and software. These resources provide free alternatives to traditional classroom materials, such as textbooks, which are requiring an increasing share of community college students' limited budgets.

The proposed solution is to establish OER Centers to promote, develop and/or use these materials to increase access and reduce the cost of educational books and materials. This two-year competitive grant-funded pilot program would offer the state a model for generating OER for immediate use by thousands of community college students and their faculty. Higher education must take a first step in reducing the cost of education – especially the rapidly rising

costs of traditional textbooks and course materials. OER will offer a significant advantage to the state and its citizens.

E. Resource Development – Provide Enhanced Resources and Allocation Methods to Ensure High Quality Education for All.

Students will need higher levels of support and basic skills education, and enrollments are expected to surge in inland areas while growing substantially in most other areas. The plan includes strategies to improve and optimize the System’s resources and allocation methods to ensure high-quality education for all. – System Strategic Plan

In an effort to meet these goals, the following initiatives are recommended:

Physical Plant and Instructional Support Block Grant (\$200,000,000 one-time) This proposal seeks \$200 million of one-time funds to meet a backlog of physical plant and instructional equipment replacement demands brought on by prior budget cuts in this area.

The *2004-05 Budget Act* renamed this consolidated appropriation grant the “physical plant and instructional support” block grant. This new consolidated program includes scheduled maintenance and special repairs of facilities; instructional equipment and library materials replacement; and hazardous substances abatement projects. The *2006-07 Budget Act* appropriated \$27.3 million of ongoing funds for the block grant. In addition, the 2006-07 education budget trailer bill (AB 1802) supplemented the block grant with \$94 million of one-time funds. Block grant funds are distributed to districts on an equal basis per FTES (with a small-district minimum). Districts are free to spend funds on any “mix” of the permitted activities that best suits local needs. For instructional equipment and library material expenditures, districts must match one local dollar for each three dollars expended from the block grant. For physical plant expenditures, districts must meet a maintenance-of-effort (MOE) requirement and match one local dollar for each state dollar.

As recently as the 2000-01 fiscal year, the state devoted a total of \$106 million of ongoing funds for the three programs that later were consolidated into the block grant. The state’s effort declined beginning in 2001-02 and again in 2002-03 with mid-year cuts. With these prior year reductions to this program, the level of state investment in matching local expenditures on facility maintenance, instructional equipment, library materials, and hazardous substance abatement falls far short of the large backlog of needs. Eventually, the state investment should return to at least the levels that existed in 2000-01. In the short term, however, the “scalable” nature of these types of expenditures makes them good candidates for supplemental funding from one-time funding sources. Therefore, we recommend the state provide \$200 million in one-time funds to meet the continued statewide backlog of projects.

Reimbursement of State Mandates (\$20,000,000 ongoing and \$40,000,000 one-time) When the state mandates a new program or higher level of service upon local agencies, including schools and colleges, the *Constitution of California* requires the state to reimburse the local entities for the relevant costs. The Commission on State Mandates rules whether a mandate claim brought by a local agency is reimbursable by the state and sets the “parameters and guidelines” that determine the dollar amount of the reimbursement owed to local agencies.

Over the past three decades, the Commission has agreed that the state has imposed unfunded mandates on college districts and must reimburse them for the cost of these mandates. The Commission rulings notwithstanding, the state has not provided funds to fully reimburse schools and colleges for these outstanding mandates for several years. The dollar amount of community college outstanding mandates as of July 2007 is \$67 million, with a substantial amount of new claims expected. Examples of some of these mandates include student recordkeeping requirements, governance issues and administrative costs of collective bargaining. The *2006-07 Budget Act* provided \$4 million in ongoing funding to help pay down these outstanding mandates. However, this amount is inadequate to keep up with the annual generation of required reimbursement. No additional funds were provided for this purpose in the *2007-08 Budget Act*.

The state is required to pay interest on all outstanding claims. Thus, every year that the state defers payment adds to the state's ultimate costs. The 2008-09 System Budget proposes \$20 million ongoing and \$40 million in one-time funds to help make progress towards fully reimbursing college districts for outstanding mandate costs. The request for one-time funds is intended to continue the progress made in 2006-07 to reduce the backlog of unfunded mandates. The request for ongoing funds is intended to return the state to funding the annual flow of approved claims on a current basis.

APPENDIX 1

CALIFORNIA COMMUNITY COLLEGES 2007-08 BUDGET OVERVIEW

As shown in Table 1, the *2007-08 Budget Act* added \$318 million of ongoing Proposition 98 funding to the California Community Colleges above the level of the *2006-07 Budget Act*, for a total of \$6.2 billion (Proposition 98). This represents a year-to-year increase of 5.4 percent. The community college share of K-14 Proposition 98 spending rose from about 10.7 percent to 10.9 percent, the highest share received by the community colleges since the 1991-92 fiscal year. In addition, as shown in Table 2, the community colleges received one-time Proposition 98 funds totaling \$21.2 million. Together, these new resources for the System total \$339.4 million.

Community college highlights from the budget package include:

- \$263 million to fully fund the 4.53 percent cost-of-living-adjustment for apportionments and specified categorical programs.
- \$107.5 million to fund 2 percent enrollment growth. (Funding for another 1 percent increase in FTES remains in the base budget, for a total capacity to fund 3 percent growth in FTES). Of that total, \$10 million is provided to support noncredit instruction to prepare students to pass the California High School Exit Exam.
- \$33.2 million to compensate districts for the full-year costs associated with the reduction of the student enrollment fee from \$26 per credit unit to \$20 per credit unit.
- Reversion of unused 2006-07 apportionment funds on March 14, 2008. This timeframe will allow the system office to process and fund all apportionment claims submitted for 2006-07.
- \$80 million base reduction in apportionments commencing 2007-08. The stated rationale for this reduction was that the CCC System has had unused growth funding in the current and prior fiscal years.
- \$21.2 million in one-time funds, including: \$8.1 million for deferred maintenance and instructional equipment; \$8.1 million for equipment for nursing and allied health programs; \$4 million for start-up grants for four new nursing programs; and \$1 million for CalPASS faculty councils.
- The Governor vetoed \$33.1 million to implement the CCC System's basic skills initiative, and set these funds aside, stating his intent to work with the CCC System to develop a program with similar goals.

In addition, the enacted budget also included the System's full capital outlay request of \$535.9 million from bond funds.

The Governor vetoed some System priorities, including the following:

- \$13.8 million to augment funding rates for Career Development/College Preparation instruction (enhanced non-credit instruction) and \$4 million in one-time funding for Part-Time Faculty Health Insurance.

TABLE 1
2007-08 System Budget Request and Budget Act
Comparison of Recommended Funding Increases Over 2006-07
(Ongoing Proposition 98 only)
Dollars in Thousands

	SYSTEM BUDGET	BUDGET ACT
College Awareness and Access		
Fee reduction backfill	\$40,000	\$33,245
COLA (4.53% at Budget Act)	298,000	263,340
Growth (2% at Budget Act)	170,000	107,532 ^a
Apportionment base reduction		-80,000
Career Development and College Preparation Instruction	30,000	
COLA and growth for CalWORKs, Financial Aid Administration, and Foster Care Education/Training	5,635	
Student services allocations for newly accredited colleges	873	
Student Success and Readiness		
Basic Skills Initiative	(33,100)	(33,100) ^b
Matriculation restoration	14,000	
Part-time faculty office hours/health insurance	12,000	
Increase full-time faculty positions	45,000	
Compensation equity for part-time faculty	50,000	
Special services for CalWORKs students	9,000	
Mathematics Engineering Science Achievement (MESA)	2,200	
EOPS Book Grants		1,900
Partnerships for Economic and Workforce Development		
Governor's Career Technical Education Initiative (SB 70)	(32,000)	(32,000) ^c
Economic Development – regional clearinghouses	2,000	
Nursing attrition reduction		5,214
System Effectiveness		
Academic Senate - COLA	23	
Technology items	14,300	
Professional and staff development	10,000	
Resource Development		
Fiscal Crisis Management Assistance Team (FCMAT)	570	570
Reimbursement of state mandates	16,000	
Technical adjustments		-3,602
TOTALS	\$710,601	\$318,199

- a/ Total includes \$10 million in continuing funding for CAHSEE instruction.
- b/ System requested redirection of \$33.1 million in basic skills “over cap” funding to support the Basic Skills Initiative. The Governor vetoed these funds, setting them aside and stating a willingness to work with the System to develop a student success initiative to accomplish similar objectives.
- c/ SB 1133 appropriated \$32 million for the Governor’s Career Technical Education Initiative for 2007-08.

TABLE 2

2007-08 Enacted Budget -- One-Time Funds
Dollars in Thousands

	Enacted
Instructional Equipment/Facilities Maintenance	\$8,084
Nursing and allied health equipment	8,084
Start-up funds for 4 new nursing programs	4,000
CalPASS	1,000
Total	\$21,168