

2013-14 Governor's Budget CCC Trailer Bill Analysis

Shift K-12 Apprenticeship Program to CCCs

- Repeals Article 8 of Chapter 1 of Part 6 of the EC, commencing with Section 8150)
- Amends ECS 79146 and 79148, and adds ECS 79149.1, 79149.2, 79149.3, 79149.4, 79149.5, 79149.6)

Currently, Apprenticeship Programs in California are administered by Division of Apprenticeship Standards (DAS) in partnership with the Superintendent of Public Instruction and the Chancellor of the California Community Colleges. This bill proposes to shift the responsibility of all apprenticeship programs from K-12 to the California Community Colleges. The CCCCO would receive approximately \$15.7 million (previously allocated to K-12) to be used to administer the apprenticeship programs.

SEC. 1. This section repeals Article 8, of Chapter 1, of Part 6, of Division 1, of Title 1 of the California Education Code (Sections 8150 through 8156). Sections 41-46 propose to add this language to the education code as sections 79149.1 through 79149.6, conforming with the intent to shift K-12 apprenticeship programs to the CCC's. References to the Superintendent of Public Instruction are changed to refer to the Chancellor of the California Community Colleges.

SEC. 39. This section amends Education Code Section (ECS) 79146 to eliminate reference to the State Department of Education. As amended, it states that the board of governors may establish apprenticeship programs in collaboration with the DAS.

SEC. 40. This section amends ECS 79148 to eliminate the requirement of the DAS, State Department of Education, and the CCCCO to report to the Governor and the Legislature on the outcomes resulting from apprenticeship training projects.

SEC. 41. This section adds section 79149.1 to the Education Code. The language comes from ECS 8150 (which Section 1 proposes to repeal), but eliminates reference to Superintendent of Public Instruction.

SEC. 42. This section adds section 79149.2 to the Education Code. The language comes from ECS 8151 (which Section 1 proposes to repeal).

SEC. 43. This section adds section 79149.3 to the Education Code. The language comes from ECS 8152 (which Section 1 proposes to repeal), but eliminates reference to

Superintendent of Public Instruction, replacing this with the Chancellor of the California Community Colleges.

SEC. 44. This section adds section 79149.4 to the Education Code. The language comes from ECS 8153.5 (which Section 1 proposes to repeal).

SEC. 45. This section adds section 79149.5 to the Education Code. The language comes from ECS 8154 (which Section 1 proposes to repeal), but eliminates reference to Superintendent of Public Instruction.

SEC. 46. This section adds section 79149.6 to the Education Code. The language comes from ECS 8155 (which Section 1 proposes to repeal), but eliminates reference to Superintendent of Public Instruction.

CCC Unit Cap and BOG Fee Waiver Reform

- Amends ECS 76300 and adds ECS 76305

SEC. 37. This section amends ECS 76300 to require students to file a Free Application for Federal Student Aid (FAFSA) or California Dream Application in order to determine whether they are eligible to receive a BOG Fee Waiver (Part A, B or C). Currently, students are not required to file a FAFSA to determine eligibility for Part A or Part B BOG Fee Waivers; however, they are required to file a FAFSA to determine eligibility for Part C BOG Fee Waivers.

*We have been informed by the Department of Finance that the intent of the governor's proposal was to require that the FAFSA be filed to determine students' eligibility for BOG fee waivers, Part B and C only, and students who qualify for the BOG fee waiver Part A will still not be required to file the FAFSA. The Department of Finance plans to amend the language of the trailer bill accordingly.

SEC. 38. This section adds ECS 76305 requiring students who have completed more than 90 units to pay the nonresident tuition fee for each unit of credit coursework above 90 units. This is a statewide cap and applies to units earned at any California Community College. This 90 unit cap would not apply toward remedial courses, advanced placement or dual enrollment units earned by a student while in high school.

This section would allow the board of governors to grant a waiver on a case-by-case basis to students who may have exceeded the unit cap due to factors beyond their control. This waiver would allow a student to continue paying the resident tuition rate on a per unit basis. The board of governors is to create guidelines and criteria to be used in

determining whether a student is eligible to receive a waiver. These criteria should include, at a minimum, an exception for courses and units that a student enrolled in because they were unable to enroll in the courses they need for their degree program due to lack of access to those courses.

Community college districts would not receive apportionments for any courses taken by students in excess of 90 units, regardless of whether or not the student received a waiver. Colleges should use nonresident tuition revenue collected from students taking courses in excess of the 90 unit cap toward the instructional costs of these courses. General fund savings offset by these revenues should be used to provide additional courses that are in high demand.

This section would require the board of governors/CCCCO to report annually to the legislature and the Department of Finance on the following:

1. The number of students who exceeded the unit cap.
2. The number of students who paid the nonresident tuition and the number of units completed by these students.
3. The amount of non-resident tuition revenue collected as a result of the unit cap.
4. How general fund savings offset by the non-resident tuition revenue were used, including the number of additional courses funded using this general fund savings.
5. The number of waivers granted and the criterion used to grant each type of waiver.

These reporting requirements will remain in place through the 2023-24 fiscal year.

Community College Deferrals

- Amends and adds ECS 84321.6

SEC. 47. This section amends ECS 84321.6 to pay down community college deferrals so that the deferral amount appropriated in 2013-14 is reduced to \$801,094,000. Additionally, it eliminates language which states that this section would go into effect only if Proposition 30 passed. This section is repealed on January 14, 2014.

SEC. 48. This section adds ECS 84321.6 as of December 15, 2013 to pay down community college deferrals so that the deferral amount appropriated in 2014-15 is reduced to \$622,045,000. This section is repealed as of January 1, 2015.

Eliminate the CCC Instructional Improvement Program

- Repeals Article 7, commencing with Section 84381

SEC. 49. This section repeals Article 7, of Chapter 3, of Part 50, of Division 7, of Title 3 of the California Education Code (commencing with Section 84381) to eliminate the Instructional Improvement Program.

Community College Attendance Accounting Reform

- Amends ECS 84501

SEC. 50. This section amends ECS 84501 to compute full time equivalent students (FTES) based on the number of students in class at the end of the term (rather than at the census date used currently). This change is to be phased in over 5 years, in a manner determined by the board of governors, until 100 percent of FTES are computed based on the number of students enrolled at the end of the term in the 2017-18 fiscal year. Any savings realized from this adjustment are to be shifted toward the district's Student Success and Support Program. For colleges that do not increase graduation rates over a reasonable period of time (as defined by the board of governors); the board of governors shall adopt regulations to redirect savings to other districts. This section also proposes that the chancellor's office evaluate the effectiveness to reinvesting savings into district's Student Success and Support Programs and submit a report with recommendations to the Department of Finance by September 30, 2015.

Shift Responsibility for Adult Education to CCCs

- Amends ECS 84750.5, 84756, 84757, 84759, and 84760.5

The governor's budget trailer bill proposes to shift the responsibility for all K-12 adult education programs to the CCCCO. The CCCCO would receive \$300 million in new funding to be used to administer adult education programs for the 2013-14 fiscal year.

SEC. 51. This section amends ECS 84750.5 by eliminating all reference to noncredit programs. Additionally, language which describes funding rates for noncredit courses and for career development and college preparation courses is also eliminated. Instead, the CCCCO would receive an amount in the annual Budget Act (\$300 million is proposed for 2013-14) and allocate these funds to districts for adult education programs based on an equal rate of funding per FTES.

SEC. 52. This section amends ECS 84756 by replacing the term "noncredit" with "adult education". It also eliminates language stating that community college districts with noncredit programs should consider the need for both credit and noncredit allocations.

SEC. 53. This section amends ECS 84757 stating that adult education programs administered by the CCCCO would be funded through the Adult Education Block Grant, these funds would be distributed to districts based on an equal rate of funding per FTES.

There are 5 categories of courses/programs that would be eligible to receive funding through this block grant:

- (1) Elementary and secondary education, basic skills and remedial training
- (2) English as a second language
- (3) Citizenship courses
- (4) Programs for persons with disabilities
- (5) Short-term vocational programs with high employment potential

These five categories are the only courses which would be eligible for funding. Education programs for parenting, older adults, home economics, and health and safety education would no longer qualify for adult education funding. This section states that the Chancellor's Office, in consultation with the State Department of Education, shall issue guidelines to ensure that adult education funding is used to reflect the existing capacities and expertise of adult schools and that adult education is accessible to people living in all geographic areas of the state.

SEC. 54. This section amends ECS 84759 by replacing the term "noncredit" with "adult education" programs.

SEC. 55. This section repeals ECS 84760.5 which would eliminate all enhanced noncredit courses. These courses previously considered enhanced noncredit courses would instead be noncredit courses funded under the Adult Education Block Grant.

Current Year Backfill of Education Protection Account Funds for CCCs

- Adds uncodified section

SEC. 65. This section adds an uncodified section to the education code stating that if the revenue generated for the Education Protection Account as a result of the passage of Proposition 30 are less than the amount reflected in the Budget Act of 2012 for community colleges, the difference will be paid out of the state's general fund on or before June 30, 2014.

Budget Year Backfill of Education Protection Account Funds for CCCs

- Adds uncodified section

SEC. 66. This section adds an uncodified section to the education code stating that if the revenue generated for the Education Protection Account as a result of the passage of Proposition 30 are less than the amount reflected in the Budget Act of 2013 for community colleges, the difference will be paid out of the state's general fund on or before June 30, 2014.

Backfill of Redevelopment Agencies Revenues for CCCs

- Adds uncodified section

SEC. 67. This section adds an uncodified section to the education code stating that the Budget Act of 2013 will appropriate portion of the savings realized as a result of the dissolution of redevelopment agencies to community colleges. If the revenue generated is less than expected, community colleges will receive the difference out of the state's general fund on or before June 30, 2014.