



The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: November 12-13, 2013

SUBJECT: 2014-15 Expenditure Plan		Item Number: 2.5	
		Attachment: No	
CATEGORY:	Workforce and Economic Development	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Van Ton-Quinlivan, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Brice W. Harris, Chancellor	Action	X
		Information	

ISSUE: This item requests the approval of the 2014-15 expenditure plans for seven funding streams: Senate Bill 1402 Economic and Workforce Development program; Senate Bill 1070 Career Technical Education Pathways Program; Carl D. Perkins Career and Technical Education Act of 2006 Leadership; Enrollment and Retention Nursing; Proposition 39 Clean Energy Jobs Act; the Apprenticeship; and, the AB 86 Adult Education Planning Grant.

BACKGROUND: Rather than approaching each in a silo, which has been the historical practice, the Doing What MATTERS for Jobs and Economy framework proposes that these funds be leveraged to invest against three themes: sectors, regions, and technical assistance to the field. On their own, none of these funding streams are sufficient. In combination, the system can better support and enable the field to act on Doing What MATTERS for Jobs and the Economy. The vast majority of these funds will be competed for as grants through a request for application process to meet the funding stream’s requirements, at which time the details of each award will be determined. Awards over the \$100,000 threshold will be brought back to the Board of Governors for approval.

RECOMMENDED ACTION: It is recommended that the Board of Governors approve the expenditure plan for the seven funding streams.

Funding Source	Sector Programming	Region Programming	Technical Assistance	Other	Total
SB 1402 Economic and Workforce Development	\$ 20,349,475		\$ 2,579,525		\$ 22,929,000
SB 1070 Career Technical Education Pathways Program	\$ 3,300,000	\$ 10,845,000	\$ 2,175,000	\$ 7,680,000 California Department of Education allocation	\$ 24,000,000
Carl D. Perkins Leadership (Federal)		\$ 1,990,000	\$ 1,783,861	\$ 1,500,000 CCCCO Indirect	\$ 5,273,861
Nursing Program Support	\$ 13,378,000				\$ 13,378,000
Proposition 39 Clean Energy Jobs Act	\$ 5,400,000		\$ 600,000		\$ 6,000,000
AB 86 Adult Education Planning Grant		\$ 22,500,000	\$ 2,500,000		\$ 25,000,000
Apprenticeship Funds	\$ 22,868,000				\$ 22,868,000
Total	\$ 65,295,475	\$ 35,335,000	\$ 9,638,386	\$ 9,180,000	\$119,448,861

Note: Carl D. Perkin's Local Assistance funding will be brought to the Board of Governors at a future date when 2014-15 funding levels are determined by the federal government.

Note: All funds are subject to level and availability of funding.

ANALYSIS: The programs of the Division of Workforce and Economic Development bridge the skills and jobs mismatch and prepare California’s workforce for the 21st century. The division serves as the administrator for several streams of state and federal funds, including:

- Senate Bill 1402 Economic and workforce Development funds;
- Senate Bill 1070 Career Technical Education Pathways Program;
- Carl D. Perkins Career and Technical Education Act of 2006
- Enrollment and Retention Nursing Program funds;
- Assembly Bill 86 Adult Education Planning and Implementation funds;
- Proposition 39 Clean Energy Jobs Act; and
- California Apprenticeship funds.

The division collaborates with employers, organized labor, local communities, their community colleges, and other education providers through programming supported by these funds to close the skills gap and foster successful student completion.

The goals of Doing What MATTERS for Jobs and the Economy are as follows: to supply in-demand skills for employers; create relevant career pathways and stackable credentials; promote student success; and, get Californians into open jobs.

Key activities under this framework include: a focus on regional priority and emergent sectors and industry clusters to take effective practices to scale; integrate and leverage programming between funding streams; promote common metrics for student success; remove structural barriers to implementation.

It is the intent of the division, wherever possible, to target the investment of incentive funds against three thematic areas in support of this framework: regions, sectors, and technical assistance.

What follows is a brief description of each funding source.

Senate Bill 1070 Career and Technical Education Pathways Program

Senate Bill 1070 (Steinberg) is the reauthorization of Senate Bill 70. In accordance with law, Senate Bill 1070 funds shall be used to assist economic and workforce regional development centers and consortia, community colleges, middle schools, high schools, and regional occupational centers and programs to improve linkages and career technical education pathways between high schools and community colleges to accomplish following objectives:

- Increase the readiness of middle school and high school pupils for, and their access to, postsecondary education and careers in high-need, high-growth, or emerging regional economic sectors.
- Increase student success in postsecondary education and training for careers in high-need, high-growth, or emerging regional economic sectors.

For fiscal year 2014-15, Senate Bill 1070 is anticipated to be funded at \$24M (as compared to \$48M in 2013-14). The community colleges shall receive \$16,320,000 with the California Department of Education receiving \$7,680,000 as has been past practice in the percent of the allocation. Because the funding originates from the Quality Education Investment Act, and 2014-15 is the last year of funding, it is expected that Senate Bill 1070 will not be funded beyond 2014-15.

According to Senate Bill 1070, the California Community College Chancellor and the California Department of Education Superintendent shall award first priority for contracts and grants to applicants that can demonstrate comprehensive regional collaboration to create new pathways or course sequences that begin with foundational preparation or exploration in middle school, continue with high school level courses that combine rigorous academics with career education, and are articulated with local community colleges and four-year public postsecondary educational institutions, with meaningful involvement, where appropriate, from regional industry and labor organizations, professional trade associations, and local workforce investment boards.

The funding of Senate Bill 1070 projects is contingent upon the availability of state funds and the additional approval of the expenditure plan by the Department of Finance, as required by the legislation.

Senate Bill 1402 Economic and Workforce Development Program

Senate Bill 1402 (Lieu) reauthorized the Economic and workforce Development program for five years, effective January 1, 2013, with the following intended principles:

- The program shall be responsive to the needs of employers, workers, and students.
- The program shall collaborate with other public institutions, aligning resources to foster cooperation across workforce education and service delivery systems, and building well-articulated career pathways.
- Program decisions shall be data driven and evidence based, investing resources and adopting practices on the basis of what works.
- The program shall develop strong partnerships with the private sector, ensuring industry involvement in needs assessment, planning, and program evaluation.
- The program shall be outcome oriented and accountable, measuring results for program participants, including students, employers, and workers.
- The program shall be accessible to employers, workers, and students who may benefit from its operation.

Senate Bill 1402 stated the mission for the economic and workforce development program as follows:

- To advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement.
- To advance California's economic and jobs recovery and sustain economic growth through labor market-aligned education workforce training services, and sector strategies focusing

on continuous workforce improvement, technology deployment, and business development, to meet the needs of California's competitive and emerging industry sectors and industry clusters.

- To use labor market information to advise the Chancellor's Office and regional community college bodies on the workforce needs of California's competitive and emerging industry sectors and industry clusters.
- To provide technical assistance and logistical, technical, and communications infrastructure support that engenders alignment between the career technical education programs of the community college system and the needs of California's competitive and emerging industry sectors and industry clusters.
- To collaborate and coordinate investment with other state, regional, or local agencies involved in education and workforce training in California, including, but not necessarily limited to, the California Workforce Investment Board, local workforce investment boards, the Employment Training Panel, the State Department of Education, and the Employment Development Department.
- To identify, acquire, and leverage community college and other financial and in-kind public and private resources to support economic and workforce development and the career technical education programs of the state's community colleges.
- To work with representatives of business, labor, and professional trade associations to explore and develop alternatives for assisting incumbent workers in the state's competitive and emerging industry sectors. A key objective is to enable incumbent workers to become more competitive in their region's labor market, increase competency, and identify career pathways to economic self-sufficiency, economic security, and lifelong access to good-paying jobs.

Grants shall be awarded on a competitive basis to districts to accomplish the mission and goals of the program, provided that funds are appropriated for this purpose in the annual budget act.

Carl D. Perkins Technical Education Act Federal Leadership Funds

Federal funds under the act flow to the sole state agency, currently the Department of Education, and are divided between secondary and postsecondary education through a Memorandum of Understanding jointly agreed to by the State Board of Education and the Board of Governors. The California State Transition Plan for 2007-08, approved by the State Board of Education and the Board of Governors, set forth the allocation method of funds between the Chancellor's Office and the Department of Education for the first program year based on the funds received in 2006-07. The current five-year state plan provides that the allocation method of funds between the agencies remain the same.

Carl D. Perkins federal funds are divided into three categories. Eighty-five percent of the funds must go directly to the community colleges as local assistance funds, referred to as Perkins 1C funds. They are appropriated by formula based upon the number of Career Technical Education enrollments at the college. Five percent of the funds may be used by the Chancellor's Office for state administrative activities, referred to as indirect funds, and ten percent of Perkins funding is

used for state leadership activities, referred to as Perkins 1B funds. The required state leadership activities include:

- an assessment of the vocational and technical education programs carried out with funds under this title that includes an assessment of how the needs of special populations are being met and how such programs are designed to enable special populations to meet state adjusted levels of performance and prepare the special populations for further learning or for high skill, high wage careers;
- developing, improving, or expanding the use of technology in vocational and technical education
- professional development programs, including providing comprehensive professional development (including initial teacher preparation) for vocational and technical, academic, guidance, and administrative personnel
- support for vocational and technical education programs that improve the academic, and vocational and technical skills of students participating in vocational and technical education programs by strengthening the academic, and vocational and technical components of such vocational and technical education programs through the integration of academics with vocational and technical education to ensure learning in the core academic, and vocational and technical subjects;
- preparation for nontraditional training and employment; supporting partnerships among local educational agencies, institutions of higher education, adult education providers, and, as appropriate, other entities, such as employers, labor organizations, parents, and local partnerships, to enable students to achieve State academic standards, and vocational and technical skills;
- to serve individuals in state institutions, such as state correctional institutions and institutions that serve individuals with disabilities; and
- support programs for special populations that lead to high skill, high wage careers.

Award grants and project funds will go to districts accomplishing the mission and goals of the program.

Nursing Program Support

In 2013, the state budget allocated \$13.3 million funding (\$8.4 million for enrollment growth and \$4.9 million for assessment, remediation, and retention) for community college nursing programs. Senate Bill 1309 (Stats. 2006, Ch. 837) provided specific criteria to address the reduction of attrition in community college nursing programs so as to implement and maintain assessment/readiness testing for colleges with nursing programs that have attrition rates greater than 15 percent. This funding increased the capacity of the nursing programs to 1,188 additional enrollment slots.

California community colleges will receive \$13.3 million. Of these budgeted funds, \$8.4 million is to expand nursing program enrollments and \$4.9 million is to be allocated to reduce attrition. The next two-year funding cycle begins with the 2014-16 fiscal year, and staff is currently developing the request for applications, to be released after the board has approved this expenditure plan.

In spring 2014, the Chancellor's Office will conduct a noncompetitive grant application process to award grants for the next two fiscal cycles, 2014-15 and 2015-16. The enrollment enhancement grants will be awarded based on the funding amount of \$8.4 million. The Chancellor's Office conducts a review to separate the colleges with 15 percent or above attrition, from those that have below the 15 percent attrition mark. The Chancellor's Office will award funds from the \$8.3 million to colleges that justify their need and ability to admit the additional students for enrollment enhancement.

In spring 2014, the Chancellor's Office will simultaneously conduct a noncompetitive grant application process to award grants from the \$4.9 million to those schools with attrition rates greater than 15 percent to provide intense programs to assist their students with remediation and attrition reduction. These grants are also to be allocated over the next two fiscal cycles, 2014-15 and 2015-16.

Proposition 39 Clean Energy Jobs Act

The California Clean Energy Jobs Act, approved by voters as Proposition 39, allocates monies into the Jobs Creation fund for the purpose of supporting projects that create jobs in California to improve energy efficiency and expand clean energy generation. A portion of the funding is allocated to provide for job training and workforce development and public-private partnerships for eligible projects. The California Community Colleges Chancellor's Office is authorized to allocate \$6 million during the 2013-14 fiscal year.

The majority of the funding will be distributed through a request for application process designed to align with the Doing What MATTERS for Jobs and the Economy framework already in place. The request for application will focus funding to supply in-demand skilled workers for employers, create relevant career pathways and stackable credentials, promote student success while building and leveraging existing job placement systems to connect college students to jobs.

The grant will require a focused collaboration with other agencies to braid their workforce investment funding with this funding. These agencies include the California Workforce Investment Board, California Conservation Corps, Foundation for California Community Colleges, the Division of Apprenticeship Standards, the Employment Development Department, and the California Department of Education.

California Apprenticeship Program

The California community colleges have approximately 25,000 apprentices enrolled in over 160 apprenticeship programs comprised of a total of 66 trades/crafts titles located on 39 campuses. Apprentices receive on-the-job training via their employer, and then also attend class to receive industry approved related and supplemental instruction, referred to as RSI. Through many of the related and supplemental instruction apprenticeship programs an apprentice can earn a certificate or an Associate of Arts or Associate of Science degree. The apprenticeship placements are typically three to five years in length. To provide apprenticeship training for their employees, many apprenticeship programs partner with the California Community Colleges or with the California

Department of Education's Regional Occupational Programs or Centers and Adult Schools.

The California Budget Act of 2013-14 provides \$7,174,000 for the apprenticeship related and supplemental instruction and removed the "flexibility" provision that had been in place since 2008. All related and supplemental instruction funding is now dedicated to apprenticeship programs. In addition, the geographic restriction which limited community colleges from working with statewide or multi-district based apprenticeship program sponsors was removed. Lastly, the \$15,694,000 of related and supplemental instruction funding that was administered by the California Department of Education was shifted to the California Community Colleges Chancellor's Office to remove any duplication of effort and provide cost savings to the state. Those local education agencies affiliated with the California Department of Education continue to work with apprenticeship program sponsors, and the program is coordinated through the Workforce and Economic Development division. All apprenticeship funding is used for related and supplemental instruction.

Assembly Bill 86 Adult Education Planning Grant

The 2013-2014 State Budget appropriated \$25 million to the California Community College Chancellor's Office to allocate funding for two-year planning and implementation grants. The funds will be provided to eligible consortia for the purpose of developing regional plans for adult education. Assembly Bill 86 outlines expectations for consortium development as well as planning and implementation requirements to establish the Adult Education Consortium Program. The intent of Assembly Bill 86 is to expand and improve the provision of adult education with incremental investments starting with the 2015-16 fiscal year. In accordance with the legislation the planning and implementation grant funds shall be used to better provide adults with the following:

- Elementary and secondary basic skills, including classes required for a high school diploma or high school equivalency certificate.
- Classes and courses for immigrants eligible for education services in citizenship and English as a second language and workforce preparation classes in basic skills.
- Education programs for adults with disabilities.
- Short-term career technical education programs with high employment potential.
- Programs for apprentices.

Each Adult Education Consortium plan must include at a minimum:

- An evaluation of current level and types of adult education programs within its region including education for adults in correctional facilities, credit, noncredit and enhanced noncredit adult education coursework and programs funding through title II of the federal Workforce Investment Act.
- An evaluation of current needs for adult education programs within its region.
- Plans for parties that make up the Adult Education Consortia to integrate their existing programs and create seamless transitions into postsecondary education or the workforce.
- Plans to address the gaps identified.
- Plans to employ approaches proven to accelerate a student's progress toward his or her academics or career goals.

- Plans to collaborate in the provision of ongoing professional development opportunities for faculty and other staff to help them achieve greater program integration and improve student outcomes.
- Plans to leverage existing regional structures.

The California Community Colleges Chancellor's Office and the California Department of Education are working in partnership to implement the requirements outlined in Assembly Bill 86. The agencies jointly established an Assembly Bill 86 Cabinet to guide and oversee the activities of a work group that will develop a comprehensive request for application. The work group tasks include development of a website, <http://ab86.cccco.edu>, weekly webinars, town hall meetings, surveys to the field for input, listservs, consultation with experts and feedback from members of a newly established Stakeholder Sounding Board. The cabinet and work group will ensure an equitable and transparent process is used to listen to and inform the field whereby all stakeholders will have an opportunity to provide feedback and input into the planning. Additionally, the California Community Colleges Chancellor's Office and the California Department of Education are required to jointly submit two progress reports to the Legislature, one in March of 2014, and the second in March of 2015.