



The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS
DATE: January 20-21, 2015

SUBJECT: 2015-16 Expenditure Plan		Item Number: 2.5	
		Attachment: Yes	
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 Workforce and Economic Development division 2015-16 expenditure plan for seven funding streams: Senate Bill 1402, Economic and Workforce Development program (\$22,929,000); federal Carl D. Perkins Career and Technical Education Act of 2006 local assistance and leadership funds (\$60,273,861); federal Enrollment and Retention nursing funds (\$13,378,000); Proposition 39 Clean Energy Jobs Act (\$4,700,000); California Apprenticeship funds (\$22,868,000); and, Senate Bill 1070, Career Technical Education Pathways Program funds (\$48,000,000).

Background: It is the intent of the Division, wherever possible, to target the investment of incentive funds against three thematic areas in support of the Doing What MATTERS for Jobs and Economy framework: regions, sectors, and technical assistance. Rather than approaching each funding stream 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 target incentive investments at priority and emergent sectors of importance to California’s economic regions, and to provide technical assistance to the field in these areas. This integrated approach leverages a combined \$172,148,861 to better support and enable the field to act on Doing What MATTERS for Jobs and the Economy. These funds will be competed as grants through a Request for Application process, 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 approve the Division of Workforce and Economic Development 2015 - 2016 Expenditure Plan.

Attachment 1

Funding Source	Total
SB 1402 Economic and Workforce Development	\$ 22,929,000
Carl D. Perkins (Federal)	\$ 60,273,861
Nursing Program	\$ 13,378,000
Proposition 39 Clean Energy Jobs Act	\$ 4,700,000
Apprenticeship Funds	\$ 22,868,000
SB 1070 Career Technical Education Pathways Program	\$ 48,000,000
AB 86 Adult Education	TBD
Total	\$ 172,148,861

Note: All funds are subject to availability of funding.

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:

- (1) The program shall be responsive to the needs of employers, workers, and students.
- (2) 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.
- (3) Program decisions shall be data driven and evidence based, investing resources and adopting practices on the basis of what works.
- (4) The program shall develop strong partnerships with the private sector, ensuring industry involvement in needs assessment, planning, and program evaluation.
- (5) The program shall be outcome oriented and accountable, measuring results for program participants, including students, employers, and workers.
- (6) The program shall be accessible to employers, workers, and students who may benefit from its operation.

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

- (1) To advance California’s economic growth and global competitiveness through education,

training, and services that contribute to continuous workforce improvement.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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 fund Sector Navigators, Deputy Sector Navigators, and regional and sectoral initiatives. 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 an Interagency Agreement 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 Carl D. Perkins Act is annually extended until federal reauthorization. The current 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; “(6) 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;
- service to individuals in State institutions, such as State correctional institutions and institutions that serve individuals with disabilities; and
- support of programs for special populations that lead to high skill, high wage careers.

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 2,180 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 two-year funding cycle began with the 2014-15 fiscal year.

In spring 2014, the Chancellor's Office conducted a noncompetitive grant application process to award grants for the two year fiscal cycle, 2014-15 and 2015-16. The enrollment enhancement grants were awarded based on the funding amount of \$8.4 million. The Chancellor's Office conducted a review to separate the schools with 15% or above attrition, from schools that have below the 15% attrition mark. The Chancellor's Office awarded funds from the \$8.3 million to colleges that justify the school's need and ability to admit the additional students for enrollment enhancement.

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

PROPOSITION 39 CLEAN ENERGY JOBS ACT

The California Clean Energy Jobs Act, approved by voters as Proposition 39, allocates funds to 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. It is anticipated that the California Community Colleges Chancellor's Office will be authorized to allocate \$4,700,000 during the 2015-16 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 on regional 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 requires 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, California Community College Foundation, 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 2014-145 provided \$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 RSI funding that was administered by the CDE 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.

SENATE BILL 1070 CAREER TECHNICAL EDUCATION PATHWAYS PROGRAM

Senate Bill 1070 (Steinberg) is the reauthorization of SB 70. In accordance with law, SB 1070 funds are 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.

Accordance to SB 1070, the CCCCO Chancellor and CDE 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 SB 1070 projects is contingent upon the availability of state funds and the additional approval of the Expenditure Plan by Department of Finance, as required by the legislation. Because the funding originates from the Quality Education Investment Act, and 2014-15 was the last year of funding, it has not been determined if SB 1070 will be funded in 2015-16. If funded at the full \$48,000,000 the Community College Chancellor's Office will allocate to California Department of Education \$15,360,000 as it has done for the past five years.

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 were provided to eligible consortia to develop regional plans for adult education. The intent of AB 86 is to expand and improve the provision of adult Education with incremental investments starting with the 2015-16 fiscal year. The 2015-16 budget will provide funding information.