

CALIFORNIA COMMUNITY COLLEGES
2019-20 BUDGET & LEGISLATIVE REQUEST



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Introduction

The California Community Colleges is the largest system of higher education in the nation, made up of 73 districts and 115 colleges that serve 2.1 million students annually. California community colleges provide career education and workforce training, preparation for transfer to four-year universities; and basic skills education, and they meet the needs of the communities they serve in other ways.

Although access has long been a hallmark of the system, student success has more recently become similarly emphasized. In 2017, the Board of Governors of the California Community Colleges accepted the *Vision for Success*, which identifies the North Star our system must follow if we are to meet the needs of California. The Board of Governors adopted the following systemwide goals laid out in the *Vision*:

- 1) Increase by at least 20 percent the number of students annually who acquire associate degrees, credentials, certificates, or specific skill sets that prepare them for in-demand jobs.
- 2) Increase by 35 percent the number of students transferring annually to a campus of the University of California (UC) or the California State University (CSU).
- 3) Decrease the average number of units accumulated by students earning an associate degree, from approximately 87 total units (the most recent average when the goals were adopted) to 79 total units.
- 4) Increase the percentage of exiting CTE students who report being employed in their field of study, from 60 percent (the most recent percentage when the goals were adopted) to an improved rate of 69 percent.
- 5) Reduce equity gaps across all of the above measures by 40 percent by 2022 and closing those achievement gaps for good by 2027.
- 6) Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good by 2027.

The *Vision for Success* also reflects a set of commitments made on behalf of the system, as follows:

- 1) Focus relentlessly on students' end goals.
- 2) Always design and decide with the student in mind.
- 3) Pair high expectations with high support.
- 4) Foster the use of data, inquiry, and evidence.
- 5) Take ownership of goals and performance.
- 6) Enable action and thoughtful innovation.
- 7) Lead the work of partnering across systems.

Consistent with the focus on student success, the *Vision's* specific goals, and its commitments, the California Community Colleges have embarked on a set of changes aligned under the Guided Pathways framework.

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The 2019-20 Budget and Legislative Request seeks to further the *Vision for Success*, allowing leaders at community colleges to design programs in the way that best meets the needs of their students, with clear signals from state leaders about the outcomes that are necessary to support the state's future. This work is currently being carried out through the Guided Pathways framework, which is premised on four "pillars": creating clear curricular pathways to employment and further education, helping students choose and enter their pathway, helping students stay on their path, and ensuring that learning is happening with intentional outcomes.

This proposal builds on the progress made in the 2018-19 budget. Notably, this year's budget enacted the Student Centered Funding Formula, which seeks to align resource allocation with the *Vision for Success* goals. At the same time, the new laws require districts to adopt goals aligned with the *Vision for Success* and to align comprehensive plans and local budgets with those goals. Our system's 2019-20 budget request intends to support implementation of those changes—recognizing also that per-student resources for the California Community Colleges remain too low and that costs of maintaining existing programs are rising beyond inflation. It prioritizes providing additional resources in programs that leave discretion at the local level for districts to determine spending priorities. It also emphasizes the need for continual review of existing laws and policies to determine whether they are advancing—or constraining—colleges' ability to achieve the *Vision*. That work will require systemwide capacity, and it will be supported by the Success Center for California Community Colleges.

In adopting the annual budget, state leaders make important decisions about which costs count toward the "minimum guarantee" for schools and community colleges (enacted in Proposition 98 and related laws). Historically, the Governor and the Legislature have not chosen to appropriate resources above the minimum guarantee. Given the relatively low per-student funding at community colleges (especially compared to funding at the UC and the CSU and funding for K-12 schools), this request expects that resources for expanded programs that have historically been funded separately from the minimum guarantee or that are funded separately from institutional resources for other segments (such as funding for student financial aid programs) would not count toward the constitutional obligation.

The 2019-20 budget and legislative cycles represent an important transition for the state. In November, Californians will elect a new Governor, and in December, a new Legislature will be seated. Over the coming months, the Board of Governors have a unique opportunity to articulate how the California Community Colleges can support social and economic justice for all Californians. With new leadership at the state level, the Chancellor's Office intends to engage in conversations around the demands on our educational system presented by a rapidly-changing economy and increasingly unstable workforce. The Chancellor's Office anticipates that the new leadership will explore policies that link the education segments and other related state agencies—possibly through the reestablishment of higher education governance agency. Further, the need to address skills gaps statewide and across regions may lead to reconsideration about how the *Master Plan for Higher Education in California* (adopted in 1960) differentiated functions across the public higher education segments. While it would

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be premature to include these items in the 2019-20 request, the Chancellor's Office will update the Board of Governors as these and other policy discussions commence with a new Administration and legislative leaders.

Process

The California Constitution specifies that money may be drawn from the state treasury only through an appropriation made by law. The annual budget act is a bill that serves as the primary authority for expenditures (accounting for about two-thirds of appropriations). Other bills providing for appropriations related to the budget act (often referred to as trailer bills) are typically enacted with the budget. Existing law requires the Board of Governors, in consultation with institutional representatives of the California Community Colleges and statewide faculty and staff organizations, to develop criteria and standards for the purpose of making the annual budget request for the California Community Colleges to the Governor and the Legislature.

Outside of the budget process, the Legislature also makes policy through bills and resolutions considered in the legislative process, with bills enacted by the Legislature presented to the Governor for his consideration. The standing orders of the Board of Governors also generally require the Chancellor to seek the advice of the Consultation Council regarding positions on state legislation.

The Chancellor's Office has worked to better integrate the system's advocacy before the Governor and the Legislature. These efforts are led by the Governmental Relations and College Finance and Facilities Planning divisions. Consistent with the approach the Board of Governors took this past year, the Board of Governors would adopt a single request that would guide advocacy as a part of the state's processes to approve the annual budget and policy bills.

The timeline for the development of this request was presented to the Consultation Council at the May 17, 2018, meeting, and members of Consultation Council were invited to submit proposals for consideration by June 29, 2018. The Board of Governors received an update on the process at the July 16, 2018, meeting. The submittals were presented at the Consultation Council meeting on July 19, 2018. The Consultation Council met again on August 16, 2018, to review a draft of the budget and legislative request. The Chancellor's Office has incorporated feedback from that meeting into this document.

The state budgets on an incremental basis. That is, the state generally estimates the costs of existing laws and policies and evaluates changes based on policymakers' policy preferences. Therefore, this request assumes that changes in the costs of existing programs (such as implementation of the Student Centered Funding Formula, which involves costs associated with changes in enrollment and outcomes) would be funded. The budget and legislative request includes changes to existing laws and policies. In developing this request, the Chancellor's Office has considered a range of proposals, including increases in base funding, changes in academic programs, changes in personnel-related programs (including faculty-related

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programs), changes in programs related to educational services (including authority for the establishment of new degrees), and facilities improvements.

In considering these requests, the Chancellor's Office applied a set of criteria, aiming to determine:

- The extent to which the proposal furthers the *Vision for Success*.
- Whether the proposal is statewide in nature.
- Whether the justification for state intervention is compelling.
- The extent to which available evidence suggests that the proposal would be effective in addressing an identified problem.
- The extent to which the proposal is consistent with prior statements of Board of Governors policy.
- The extent to which the proposal aligns with interests of the Governor and legislators.

The table on the following page summarizes categories included in the 2019-20 Budget and Legislative Request. The narrative on the subsequent pages articulates existing challenges and opportunities motivating the requests and the specific details of the requested actions.

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Summary

Description	Action
1. Adjustment to Funding Rates Specified for the Student Centered Funding Formula	<p>Additional appropriations consistent with available Proposition 98 resources, with related changes in statutes to adjust funding rates. (Costs of 5-percent adjustment estimated at \$345 million Proposition 98 General Fund.)</p> <p>\$250,000 Proposition 98 General Fund in 2019-20 and 2020-21 (\$500,000 total) for support of oversight committee.</p> <p>\$250,000 Proposition 98 General Fund in 2019-20, 2020-21, and 2021-22 (\$750,000 total) for evaluation.</p>
2. Comprehensive Support for All Students	
Reforms to the Cal Grant Program Focused on Community College Students	Changes in statutes to reform Cal Grant program. (Costs of reforms estimated at \$1.5 billion—to be funded from General Fund.)
Augmentations for the Student Equity and Achievement Program	Augmentation of \$23 million (representing 5-percent increase). Changes in statutes authorizing establishment of allocation methodology. One position for state leadership.
Further Outreach to Support Colleges in Making the “College Promise” Real for Students	An additional \$5 million one-time and statutes to establish the program. Two positions for state leadership.
3. Improved Quality through Support for Education Professionals	
Ongoing Funding for College-Wide Professional Development	An additional \$25 million ongoing and statutes to establish the program. One position for state leadership.
Ongoing Funding to Support Faculty	An additional \$50 million ongoing and statutes around faculty programs. One position for state leadership.
Pilot Program to Improve Faculty Diversity	An additional \$15 million one-time. One position for state leadership.
4. Expanded Access to Work-Based Learning within Guided Pathways	\$20 million one-time and statutes to establish the program. One position for state leadership.
5. Statewide Leadership for Educational Equity	
Data Use for Educational Improvement	Changes in statutes and expected General Fund costs.
Greater Capacity for Chancellor’s Office Leadership of Statewide Change	<p>Augmentation of \$2 million for state operations budget.</p> <p>Changes in statutes around various local assistance programs.</p>
Better Library Services through Statewide Approach	\$4 million annually for five years beginning in 2019-20 (\$20 million total) with related language.

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1. Adjustments to Funding Rates Specified for the Student Centered Funding Formula

The 2018-19 budget began a transition to the Student Centered Funding Formula (SCFF). The new formula calculates general apportionments—discretionary funds available to community college districts to use pursuant to local priorities—using three calculations: (1) a base allocation, which largely reflects full-time equivalent enrollment at the district; (2) a supplemental allocation, which allocates funds based on the numbers of students who received a College Promise Grant, students who received a Pell grant, and AB 540 students; and (3) a student success allocation, which allocates funds on the basis of outcomes related to student success. Under this new model, noncredit enrollment and some other types of enrollment would be funded at current rates.

Specifically, the outcomes measured are the number of associate degrees for transfer (ADTs) awarded, the number of associate degrees (other than ADTs) awarded, the number of baccalaureate degrees awarded, the number of credit certificates awarded, the number of students who completed transfer-level mathematics and English within their first academic year of enrollment, the number of students who transferred to four-year universities, the number of students who completed nine or more career-technical education (CTE) units, and the number of students who attained a regional living wage. The formula also provides “premiums” for the outcomes of College Promise Grant recipients and Pell Grant recipients.

The Board of Governors requests an increase in funding for the Student Centered Funding Formula to increase the rates provided through each of the allocations. (This request is in addition to the cost-of-living adjustments and other baseline adjustments that are typically made for community college apportionments as part of the budget process.) In approving this request, the state would recognize increases in the districts’ operating expenses while providing them with discretionary resources to achieve their locally-adopted goals. Although the amount of funds allocated for these purposes would be based on the size of the increases in the Proposition 98 minimum guarantee, this request represents the highest priority for additional Proposition 98 funds.

Specifically, the Board of Governors believes that a 5-percent increase in the rates would be appropriate. Based on current estimates of enrollment, such an increase would require \$345 million. This estimate would be revised during the budget process.

Further, the Board of Governors requests \$250,000 in 2019-20 and 2020-21 (\$500,000 total) to support the Student Centered Funding Formula Oversight Committee, which was created in legislation that accompanied the 2018-19 budget.

Finally, the Board of Governors requests \$260,000 in 2019-20, 2020-21, and 2021-22 (\$750,000 total) for evaluations of the impacts of the formula. These evaluations would consider what changes districts and colleges are making and how the formula affects student outcomes.

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2. Comprehensive Support for All Students

Reforms to the Cal Grant Program Focused on Community College Students

Since 1977, the state's financial aid programs have provided the Cal Grant A (specifically targeted for tuition assistance), Cal Grant B (for both tuition assistance and living expenses) and Cal Grant C (for tuition assistance and living expenses for career education programs) to California students. Initially, funding amounts were dependent on annual budget appropriations. In 2001, the state provided a "guarantee" of financial aid to certain low-income students through the creation of entitlement programs. In specifying which students would be entitled to awards, the statutes largely focuses on traditional-aged students who meet minimum academic and need thresholds. Students that do not qualify for entitlement awards must compete for a limited number of awards. The Cal Grant competitive awards are currently limited to 25,750 new awards annually. The Cal Grant C awards are also limited, providing 7,761 new awards annually.

This program design creates real inequities across the systems. The entitlement program's focus on recent high school graduates who meet certain academic requirements means that most community college students do not meet. Further, because low-income community college students receive a California College Promise Grant, they do not receive tuition assistance through the Cal Grant program—meaning their Cal Grant award is limited to the "access award" provided in the Cal Grant B and C programs (\$1,656 and \$547, maximum awards respectively).

Specifically, while the California Community Colleges serve more low-income students than the University of California, the California State University and California nonprofit institutions combined, community college students receive only a fraction of financial aid awards provided under the Cal Grant Program. In 2017-18, of the 2.3 million students enrolled in the California Community Colleges, about 43 percent met the income requirements to qualify for a fee waiver under the California College Promise Grant but only 213,750 (about 9 percent) received a Cal Grant award. By comparison, nearly 40 percent of undergraduate students at UC and about 36 percent at the CSU received a Cal Grant. In terms of total funding provided by the Cal Grant system, community college students receive about \$140 million of the nearly \$2 billion invested annually in the program. That is, while the community college system enrolls about two-thirds of the undergraduate students in this state, the state directs only about 7 percent of Cal Grant funds to the community college students.

During the 2017-18 legislative session, the Legislative Analyst's Office, the Century Foundation, and the Institute for College Access and Success (TICAS) all issued recommendations that focused on the need to infuse additional resources into the Cal Grant directed specifically toward community college students. These organizations also recommended simplifying the program for students and their families.

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Although funding for the state's Cal Grant program is not part of the California Community Colleges' budget, expansion of financial aid for community college students is a key component of achieving the goals outlined in the *Vision for Success* (referred to as *Vision*), given evidence that additional financial aid improves the likelihood of retention and completion. Therefore, the Board of Governors requests the following reforms to the Cal Grant program:

- 1) Redesign the Cal Grant program to link the maximum awards to the total cost of attendance (rather than tuition).
- 2) Entitle students to awards based on the student's financial need as defined by the expected family contribution (rather than how old they are, how recently they graduated from high school, or what their grade point average was).
- 3) Extend the Cal Grant to all certificate and associate degree programs offered at community colleges, regardless of whether the programs are oriented to transfer to four-year universities or to careers.

This item assumes that an additional \$1.5 billion will be needed for support of the Cal Grant program. The cost estimate is based on the report by The Century Foundation, entitled "Expanding Opportunity, Reducing Debt." As discussed earlier, these types of appropriations have not historically been counted toward meeting the Proposition 98 minimum guarantee, and we would expect that augmentations would continue to be counted outside of those totals.

Augmentations for the Student Equity and Achievement Program

Historically, the Legislature and the Board of Governors have attempted to address the needs of special populations through narrow categorical or grant funds that include restrictions on program design and authorized expenditures. The *Vision for Success* calls on the Chancellor's Office to change this approach, with a greater focus on student outcomes rather than on central monitoring of inputs.

Consistent with this approach, the 2018-19 budget consolidated three previous categorical programs (the Student Success and Support Program, Student Equity Plans, and the Basic Skills Initiative) into the streamlined Student Equity and Achievement Program. This program is intended to provide districts with adequate flexibility to support students—especially those with the greatest needs—in meeting the outcomes included in the Student Centered Funding Formula.

The Board of Governors requests a 5-percent increase in funding for the Student Equity and Achievement Program, amounting to \$23 million (in addition to the \$475 million currently budgeted), to support services to students who face barriers to their success in the community colleges. Across districts, these include inmates, veterans, and low-income students, as well as other groups for whom our data has found disproportionate impacts of current practices on their outcomes. Further, the Board of Governors requests authority to establish, through the

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consultative process, a methodology for allocation of funds appropriated for the program. Again, the formula should create appropriate financial incentives for meeting the goals of the *Vision for Success* and give districts flexibility to design programs and determine expenditures. Finally, the Board of Governors requests one permanent staff position to support the Chancellor's Office in fulfilling these functions.

Further Outreach to Support Colleges in Making the "College Promise" Real for Students

As discussed, financial aid plays a vital role in the ability of students to attend college full-time and focus on their education. In addition to providing support for community college students in the state's Cal Grant program, there is a need to help colleges better inform students and families on the array of federal, state and local financial aid resources available to them. Many colleges have begun using the "College Promise" framework to provide students information about the funding and services available to support their success.

In 2017, the Board of Governors changed the name of the Board of Governors Fee Waiver to the California College Promise Grant (CCPG). This change sought to take advantage of the power of students' recognition of college promise programs. Subsequently, the Legislature approved Assembly Bill 19 (Santiago, 2017) to create the California College Promise to establish a framework that maximizes access to existing financial aid programs, encourages colleges to engage in evidence-based student success strategies, and authorizes funding to be used to support one year of free tuition for first-time, full-time students who do not already qualify for the CCPG. In recent months, the Chancellor's Office has identified a need to provide colleges with resources that can help them accurately and completely provide information to students and families regarding financial aid.

Further, the California Community Colleges must help students understand the options available to them once they leave our system—including transfer to a range of four-year institutions. The Associate Degree for Transfer (ADT) is increasingly becoming the state's primary transfer pathway for students, whether they seek to transfer to the California State University, the University of California, Western Governors University, historically Black colleges and universities (HBCUs), and other four-year independent institutions. In recent months, the Board of Governors has announced formal partnerships with many of these universities.

Finally, the system must continue to identify opportunities to serve adults for whom education can provide opportunity in California's dynamic economy. The 2018-19 budget established the California Online Community College to offer short-term credentials to adults who have not yet attained a college credential—building on previous efforts, like the Strong Workforce program, aimed at improving the links between higher education and the workforce. In creating clearer messages about college promises, the system must also think about how to improve outreach to working adults.

Therefore, as more colleges implement promise programs, and as more systems and colleges begin to accept the ADT pathway, there is an increasing need to ensure that colleges

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understand—and can effectively communicate to their students—information about these “guarantees,” college costs, and pathways to success. The Board of Governors requests the creation of a College Success Awareness Team, responsible for identifying information needs, developing resources that can be used locally, and providing professional development to practitioners. The intent is to assist districts in better reaching the students in their communities. As appropriate, and aligned to those local efforts, funds may be used to provide direct outreach to students and families and provide statewide resources that can be accessed directly by students and families. Specifically, this item requests \$5 million, which would be budgeted one-time but available over multiple years. Further, the item requests two permanent staff at the Chancellor’s Office to oversee this work.

3. Improved Quality through Support for Education Professionals

Ongoing Funding for College-Wide Professional Development

Ongoing professional development is a fundamental component of supporting the systemic change that will improve student success. Without a sustained and focused approach to professional development, the California Community Colleges will struggle to change attitudes and behaviors, and help faculty and staff rethink how their colleges approach student outcomes consistent with the goals of the *Vision for Success*. Professional development provides faculty and staff with the tools and skills necessary to address the many challenges that arise during a comprehensive effort to improve student success in our system. The support also helps faculty and staff become even more prepared to work with all students from diverse backgrounds who arrive with unique educational needs.

In discussing the current state of professional development in the system, the Chancellor’s Office has noted specific need for opportunities for classified staff. The work of classified staff is critical in supporting students in meeting their educational goals, and the engagement of those classified employees is necessary to achieving the goals outlined in the *Vision for Success* and the comprehensive change required by the Guided Pathways framework. In legislation that would accompany the 2018-19 budget, \$5 million would be available on a one-time basis to support professional development for classified staff. These funds represent an important initial investment in their work.

The Board of Governors requests \$25 million ongoing, with statutes that would specify their use to further the *Vision for Success*. We expect that these funds would help address the unmet needs for professional development of classified employees. This item also requests one position in the Chancellor’s Office to lead the statewide work to implement this program.

Ongoing Funding to Support Faculty

Faculty are essential in meeting the *Vision for Success* goals through their teaching activities but also by providing critical services beyond those duties, such as performing academic advising during office hours, carrying out curriculum development, and participating in institutional

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planning and shared governance. Ensuring faculty are supported in fulfilling these additional duties will advance the goals in the *Vision*; it is also a key component of institutional change required in the Guided Pathways framework.

Laws governing the California Community Colleges address expenditures for faculty, and the system budget currently provides support directly for faculty through a number of allocations. Notably, existing statutes and regulations, commonly known as the “Fifty Percent Law,” requires each district to spend at least half of its current expense of education each fiscal year for salaries and benefits of classroom instructors. Districts also are required to districts to increase the number of full-time faculty in proportion to the amount of growth in funded credit enrollment. In 2015-16, the Legislature included \$62 million to increase the number of full-time faculty (and the amount has been adjusted by changes in the cost-of-living since then). In 2018-19, the Legislature provided \$50 million for those purposes. The annual budget also includes \$38 million for three programs targeted at part-time faculty—for compensation, office hours, and health benefits—and the 2018-19 budget included an additional \$50 million one-time for the office hours program.

Notably, over the last several years, a Workgroup on Regulations, has been reviewing changes to regulations related to the 50 Percent Law and full-time faculty. In March 2016, that Workgroup presented a proposal to the Consultation Council. Last year, Chancellor Oakley asked the group to evaluate its recommendations in light of changes in policy that had occurred since its initial presentation, including the adoption of the *Vision*. Given the enactment of the Student Centered Funding Formula, the Chancellor has asked that the work continue to be reviewed.

The Board of Governors requests \$50 million ongoing to increase support for faculty. As part of the discussions around this augmentation, the Chancellor’s Office intends to use the consultative process (including deliberations by the Workgroup on Regulations) to determine how best to allocate funds for faculty to support their work, allow for deliberation at the local level about the best uses of funds (including through collective bargaining), and advance the *Vision*. The item also requests one staff position in the Chancellor’s Office to administer the programs.

Pilot Program to Improve Faculty Diversity

The *Vision for Success* commits the system to cutting achievement gaps by forty percent within 5 years and fully closing those achievement gaps within 10 years. Recent data shows that more than half of students indicate they are from underrepresented minority groups, while less than a quarter of full-time faculty identify with those groups. Districts have a responsibility to establish a workforce that is continually responsive to the needs of our diverse student population – evidence suggests that students’ academic outcomes improve when their instructors share their identities.

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The state supports institutional efforts through allocations specifically for the Equal Employment Opportunity program. Those funds may be used for outreach and recruitment; training on equal employment opportunity; accommodations for applicants and employees with disabilities; activities designed to encourage students to become qualified for, and seek, employment as community college faculty or administrators; and other activities to promote equal employment opportunity. However, building the “pipeline” of diverse faculty requires expanded efforts on a statewide basis. Those who might be interested in becoming community college faculty may come from many different backgrounds and may seek employment across districts, and it may be infeasible for individual districts to carry out comprehensive efforts to reach them.

The Board of Governors requests \$15 million one-time for the Pathways to Community College Teaching Pilot Program, with one position for administration of the program. The pilot would explore a new approach to create a pipeline for California community college students to become faculty within the community college system. This statewide effort would conduct outreach to community college students, establish partnerships with four-year universities and graduate schools around admissions and the establishment of programs designed around community college teaching; coordinate faculty internships at community college districts; and provide financial support for graduate education. These funds would also be used for an evaluation of the program’s effectiveness in diversifying the faculty workforce.

4. Expanded Access to Work-Based Learning within Guided Pathways

Expanding opportunities for work-based learning can help prepare students to meet the workforce needs of the changing California economy. These types of experiences have often taken place in the community colleges through apprenticeships, which are administered through partnerships with employers and colleges and registered with the state Division of Apprenticeship Standards. Apprenticeships represent unique opportunities for students to “earn and learn.” Generally, apprenticeships must consist of structured on-the-job training with a mentor and related classroom instruction. Through the program, apprentices earn a wage that increases as the apprentice masters new skills. Notably, California’s state plan as part of implementation of the federal Workforce Investment and Opportunity Act commits the state to growing the number of apprenticeships to 128,000 by 2027—essentially doubling the number of apprenticeships compared to those offered in 2017. This emphasis requires additional action by the California Community Colleges. Today, most apprenticeship programs are established for occupations in the construction and building trades, and women and ethnic minority groups tend to be underrepresented in many apprenticeship programs.

The Board of Governors requests \$20 million one-time to continue to expand work-based learning, including apprenticeship, in the community colleges, with one position to provide leadership on these efforts. These “earn and learn” experiences are consistent with the Guided Pathways framework—representing a pathway with a clear end of higher-wage employment. The proposal builds on ongoing funding provided through the Strong Workforce program that is aligning college programs with regional needs. These funds would be used to develop new

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systems to recognize students' work experiences as part of their academic programs—expanding competency-based education throughout the system. Further, it would allow for the creation of tools to continue to ease the barriers to registration of new apprenticeships. Over time, as they become aligned under Guided Pathways, these programs should be funded through our main funding mechanisms, including the Student Centered Funding Formula.

5. Statewide Leadership for Educational Equity

Data Use for Educational Improvement

As described above, a core commitment of the *Vision for Success* is to use data and evidence to drive decisions across the system. While the Chancellor's Office has experienced some success in negotiating agreements across the education segments and with other state agencies to support data sharing (a first step toward longitudinal data), significant limitations remain with that agreement-by-agreement approach. Reaching an agreement requires significant time (typically months) spent on legal negotiations and technology work. Many of these efforts are often unsuccessful, largely because of questions regarding proprietary rights, liability under federal and state privacy laws, and individual agency priorities and workloads—amounting to time that could have been spent otherwise supporting community college districts in improving student success.

When these discussions have taken place in the past, they have typically focused on creating a “longitudinal” data system that allows us to better understand how a student moves from the K-12 system through higher education and into the workforce. In thinking about new systems, we should also be mindful that our students typically experience the education system at the same time they are accessing other public systems, such as the health care and social services systems. Better understanding their relationships with these systems can also help us provide more effective comprehensive supports.

The Board of Governors proposes to support the Administration and Legislature in establishing a data system that is consistent with the following criteria:

- It includes clear goals and principles—specifically, that the purpose of the establishment of such a system is to allow agencies to help students be more supported and successful through the education system and into the workforce.
- It is governed by transparent rules around privacy, security, and authorized access and use. Specifically, data should be shared in all directions, and no single party should control access. The legal interpretation of privacy laws, such as the Federal Educational Rights and Privacy Act (FERPA), should be so that laws are not used as a means to control or deny access inappropriately.

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- It supports real-time student-level data exchange that can be used to (1) provide intervention and support for students, (2) improve state policies, and (3) evaluate, through rigorous research, policies and practices.

The cost of establishment of a new data tracking system will vary depending on what data elements are included, how the data is transmitted, and whether a new government entity would be created for administration of the system. Appropriations for these kinds of costs have not historically been counted toward meeting the Proposition 98 minimum guarantee. Therefore, as discussed earlier, we would expect that new appropriations would be counted outside of those Proposition 98 totals.

Greater Capacity for Chancellor's Office Leadership of Statewide Change

The *Vision for Success* expects the Board of Governors, through the Chancellor's Office, to take a stronger—and different—role in guiding the system, with regard to the relationship between the state and the community college districts and to the relationship between the community college system and the other education segments. The state currently supports that type of leadership in two ways. First, it provides a budget for the “state operations” of the Chancellor's Office. Second, it budgets several statewide activities through direct “local assistance” appropriations or through “set-asides” in various categorical programs. Those funds are administered through contracts and grants between the system and particular community college districts who receive an administrative percentage of the set asides.

With regard to the office's state operations, the Board of Governors requests an additional \$2 million. These funds would help the Chancellor's Office provide expanded guidance around the *Vision* and the implementation of the Guided Pathways framework. Recent budgets have support additional resources for state operations at the Chancellor's Office. The office continues to review its administrative capacity, given major new initiatives that have been authorized in recent years and its shift to an organization focused more on building capacity at the local level. The annual General Fund budget for state operations for the system is \$17 million—a small fraction of a percentage of the more than \$9 billion in Proposition 98 resources that flow through the system. These staff are necessary to support the system through its current transition, including the development of local goals, comprehensive plans aligned with those goals, and budgets in support of those modified plans.

With regard to the local assistance funds, the Board of Governors requests changes in statutes that would allow those funding sources to be unified and used more strategically. Because they are budgeted separately, these programs can be difficult to manage in support of the *Vision for Success*. Further, the Board requests authority for the Chancellor's Office to expend those funds directly if such expenditures would allow for more efficient use of the resources.

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Better Library Services through Statewide Approach

In recent years, the state has achieved improved services at lower costs by administering some programs centrally. As part of the 2017-18 budget, the state provided \$6 million for planning for CCC Library Services Platform, which aims to allow all college libraries to transition to a cloud-based services platform. These funds have allowed for implementation of the new system at all college libraries that choose to participate, with the first year of the effort focused on the request and selection of a vendor and the second year focuses on implementation and training.

The Board of Governors requests \$4 million annually for five years beginning in 2019-20 (\$20 million total) for implementation of this systemwide instructional project. We believe this project represents another model of how the system can use resources effectively to meet the needs of today's students.