

Peaks, valleys and opportunities

Focusing on student success in challenging times.



100 years of funding

- Handy Dandy primer “Managers Handbook”
- CC Funding History Outlined
- Milestones
 - state support based upon a “foundation” program concept
 - equalization an issue
 - state GF and local resources combined to reach the level of NEEDED resources (i.e. revenue limit)



100 years of funding

The 1970s

- Peak
 - 1973: each district guaranteed to receive full funding for FTES served
- Valley
 - 1975: 5% enrollment cap placed on districts



100 years of funding

The 1970s (continued)

- Proposition 13 passed June 6, 1978 by 65% of the electorate
- People's Initiative to Limit Property Taxation
 - CC Revenue roughly 7% lower than the prior year
 - CC now state funded





Wednesday, May 19, 2010

100 years of funding

The 1980s

- 1982 \$30 M reduction for “recreational / avocational classes
- 1983 Non credit classes funded at 50% of the credit rate
- 1984 Student fee charged for the first time; \$50 per semester for students enrolled in greater than 6 units; Fee were used to supplant GF support NOT supplement



100 years of funding

The 1980s

- 1988: A Historic Year
 - AB 1725
 - Comprehensive community college reform
 - Established Program Based Funding
 - Proposition 98
 - Provided a minimum funding level for K-12 and community colleges
 - Statutory split between K-12 (89.07%) and CCC (10.93%) established



100 years of funding

- 1989 and 1990 Colleges received \$70 M each year for program improvement.

The 1990s

- 1991 – Program Based Funding fully implemented
 - Workload drivers: FTES, headcount, GSF
- 1992 Property Tax shortfall
 - Removed the 10 unit cap to charge fees
 - \$50 differential fee for BA holders
 - Statutory split between K-12 and CCC



100 years of funding

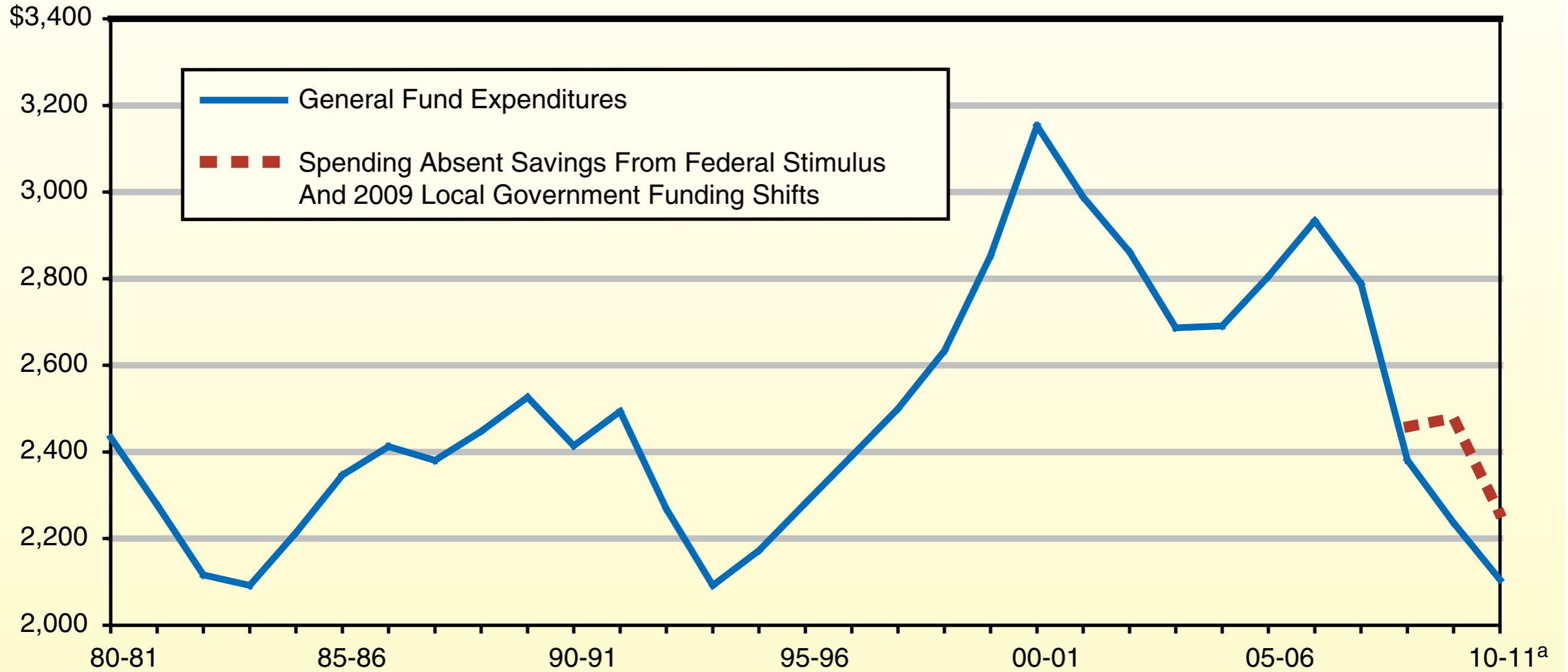
- NO COLA provided:
1991-92, thru 1994-95
- Statutory Prop. 98 split suspended:
1992-93 - 2007-08
- The cyclical feast and famine continued



Figure 3

Inflation-Adjusted Per Capita General Fund Spending

2009-10 Base Year, State and Local Government Deflator



^a Reflects Governor's May Revision proposed spending levels for 2009-10 and 2010-11.

100 years of funding

- Feast 1995 – 2000
 - Growth, COLA, tremendous ramp up in categorical programs
 - Fee remained low
 - Partnership for Excellence program
- Famine 2001 – 2003
 - Property Tax shortfalls
 - Categorical reductions – PFE, EOPS, DSPS etc..
 - \$25 M reduction concurrent enrollment
 - Sporadic COLA
 - Funding deferral
 - Enrollment Fee increases



100 years of funding

- Feast 2004 - 2007
 - SB 361 Revised Funding Formula –
 - Longstanding issue of equalization addressed
 - Fee reduction
- Famine 2008 - ??????
 - Apportionment & categorical cuts
 - Attacks on specific curricular areas
 - Fee increase(s)



Today

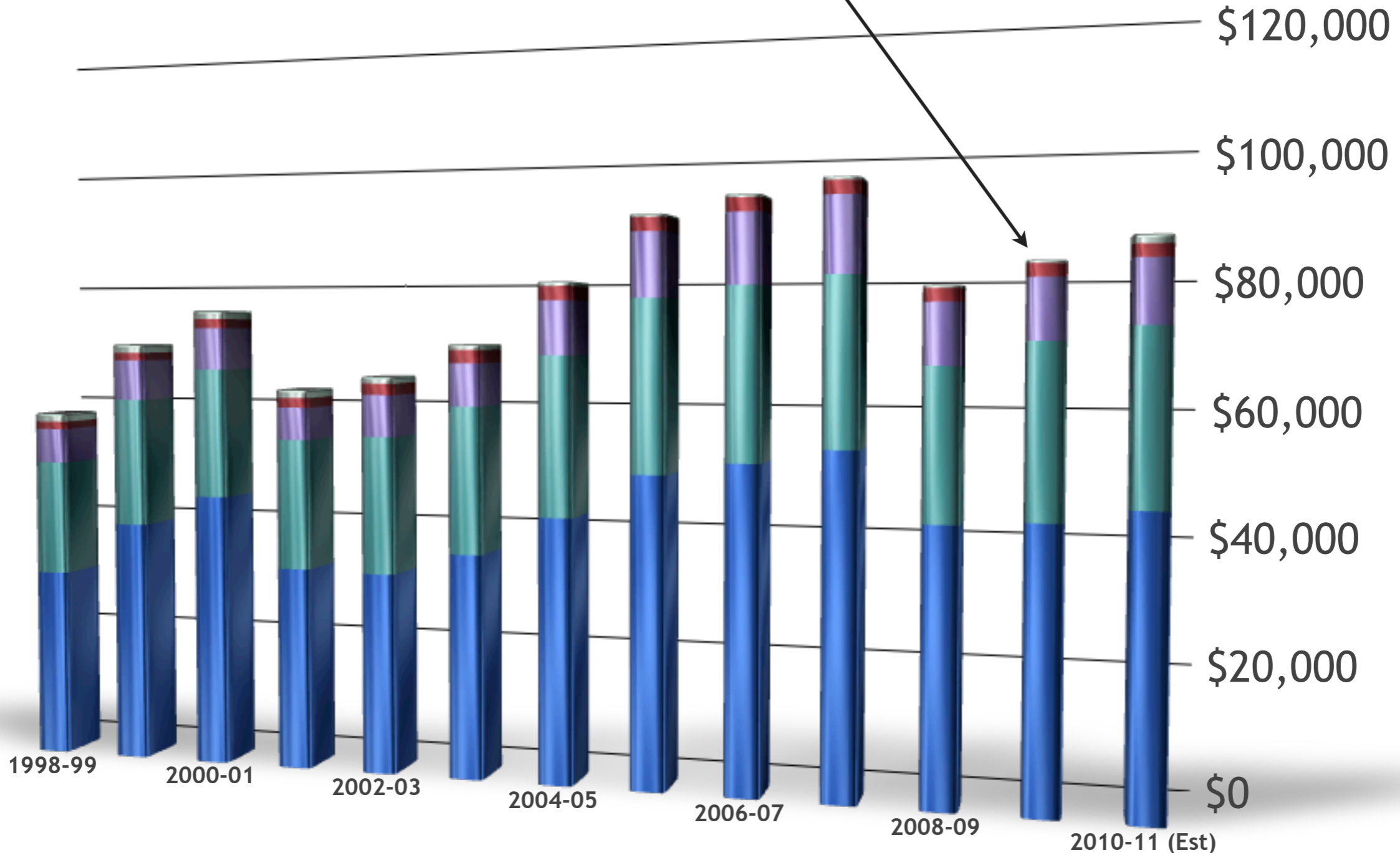
- The Perfect Storm: Unprecedented enrollment amidst a tight state purse.
- largest high school graduating class (“crest” of Tidal Wave II)
- 2.3 million unemployed Californians (1.3 million over “full employment” baseline)
- **The Result: 2009-10 89,000 FTES unfunded, even with 9,300 fewer students being served.**



General Fund Tax Revenues

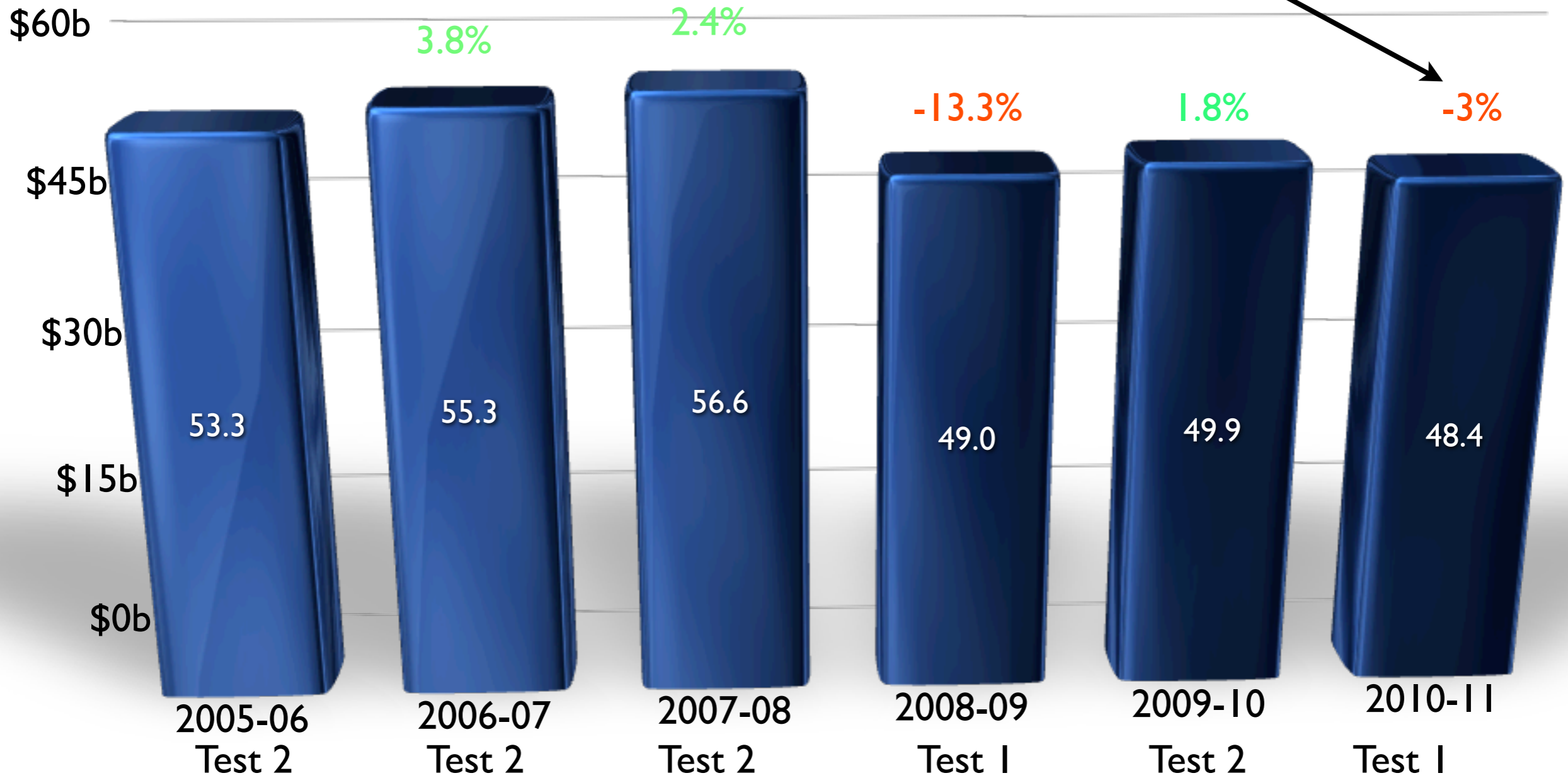
Includes \$10.6 billion in new tax revenues!

- Other Taxes
- Insurance Tax
- Bank and Corporation Tax
- Sales and Use Tax
- Personal Income Tax



Proposition 98

“Rebenched” to remove child care



Proposed CCC Budget

- 2.21% enrollment growth
- -0.38% COLA
- \$10 million cut each from EOPS and Part-time faculty compensation
- \$20 million augmentation to career-technical education
- Additional categorical flexibility
- Continuation of existing deferrals



Outlook

- 2010-11
 - Gov: \$17.9b deficit (comb. of current and budget years)
 - Community colleges: from -\$100 million to + \$150 million
- 2011-12
 - Full (\$10.9 billion) effect of tax increase sunset realized, as well as \$1 billion in corporate tax cuts.
 - LAO: \$4.9 billion deficit assuming May Revise enactment
- 2012-13
 - LAO: \$6.5 billion deficit
 - Maintenance factor, economy combine to increase budgets more than COLA/growth
 - Need to change maintenance factor language
- 2013-14
 - LAO: \$4.4 billion deficit
- 2014-15
 - LAO: \$4 billion deficit



A new focus on student success

Recognizing fiscal reality and meeting the moral and economic imperative.



Kool-Aid



Community College Reform *is not*

- an indictment of the work of community college faculty, staff and leaders.
- a political fad.
- a rationale for cutting budgets.
- pie in the sky.



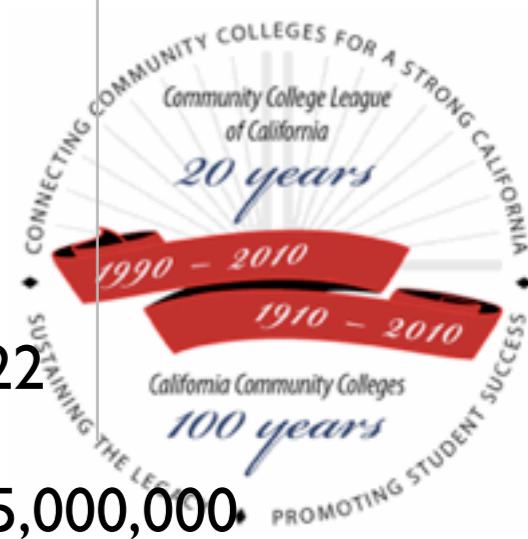
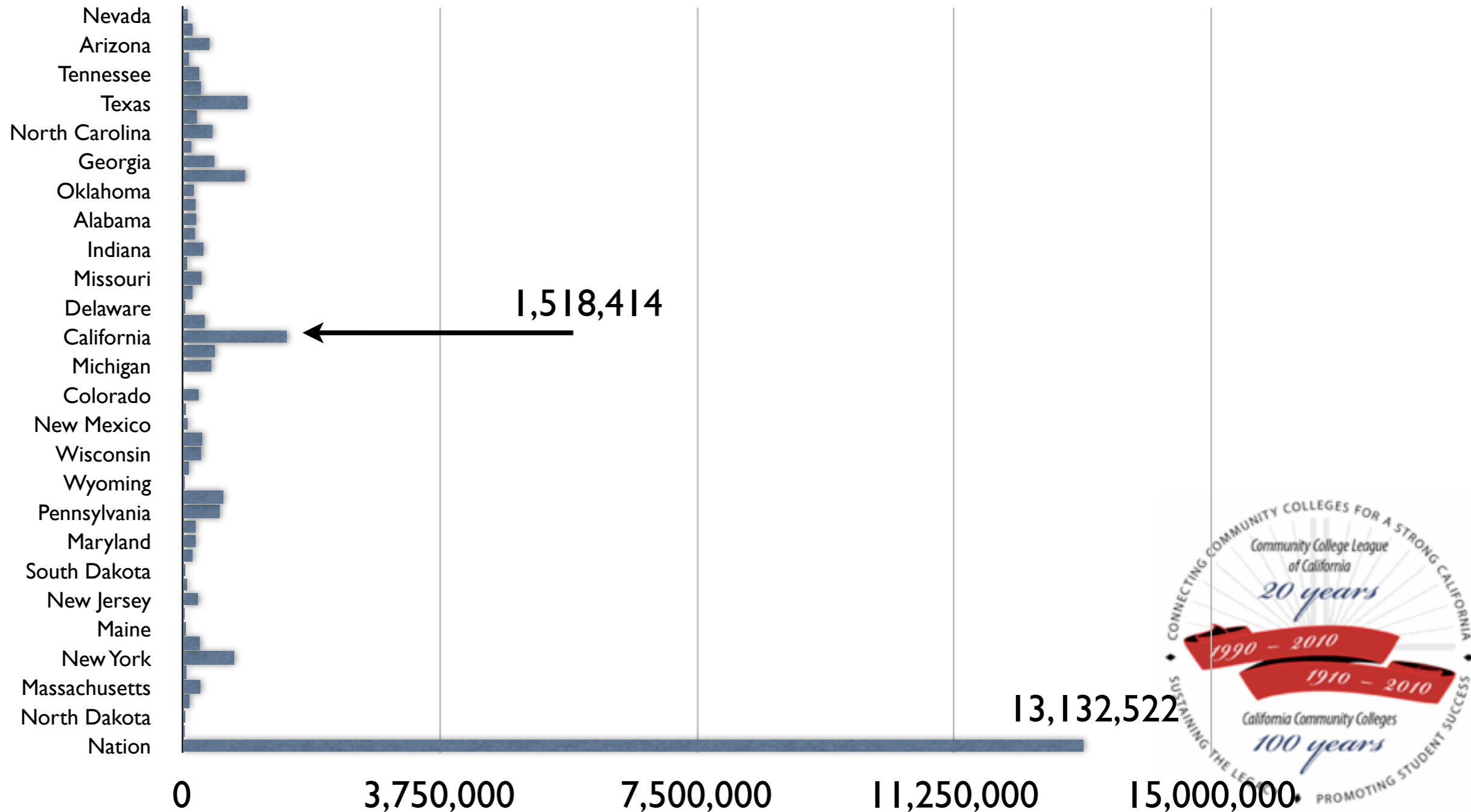
Community College Reform *is*

- economically necessary.
- achievable.
- morally incumbent.



Economic Necessity

Total additional degrees and certificates needed by 2020





California is becoming less educated than other states

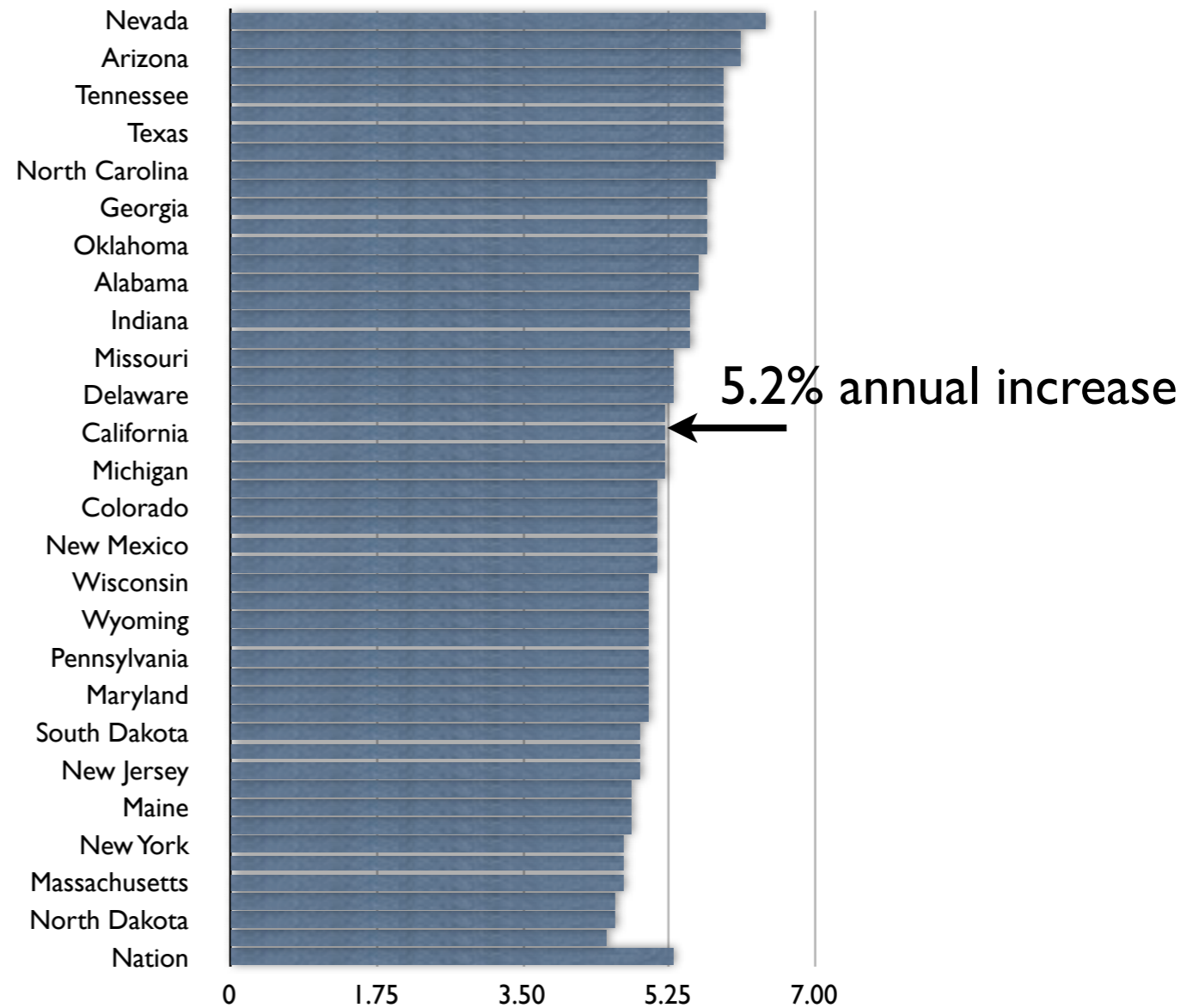
Age Group	Assoc. or Higher	Bach. or Higher
>64	3rd	4th
45-64	14th	13th
35-44	26th	17th
25-34	31st	26th





Achievable

California needs 23,006 additional degrees and certificates annually to reach its share of the national goal, a 5.2% annual increase.



Morally Incumbent

Access does not deliver success equally.

Race/ethnicity

- 33% for Asian students
- 27% for white students
- 18% for Latino students
- 15% for black students

Age

- 27% for students age 17-19
- 21% for students in their 20s
- 18% for students in their 30s
- 16% for students age 40 or older



Good news

- From 92-93 to 08-09, headcount went up 28%.
- AA/AS production went up 64%.
- Certificate production went up 125%.
- Total degree production went up 82%.



Current Annual Transfers and Completions 2007-08

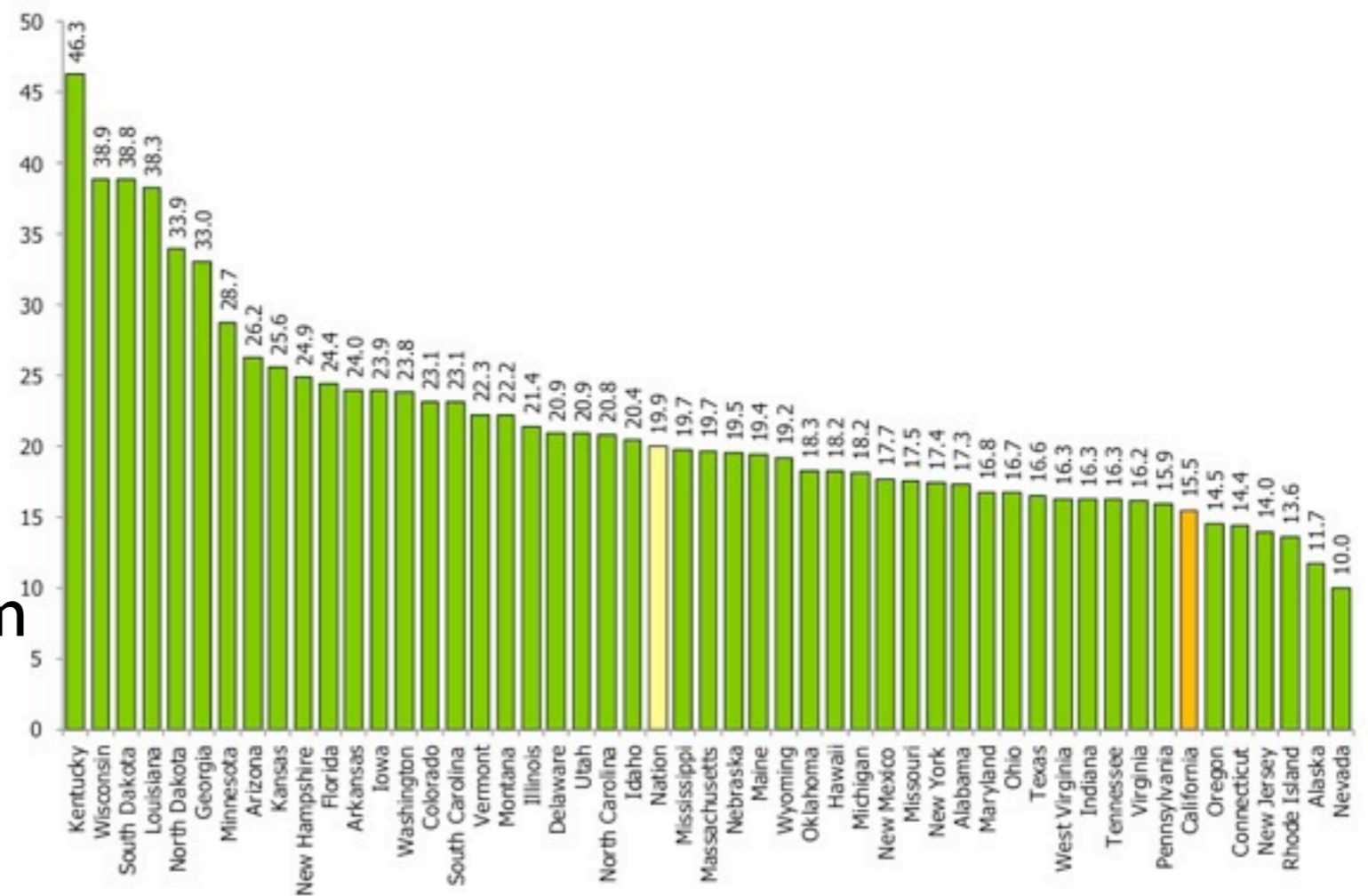
Transfers	UC: CSU: ISP: OOS:	13,909 54,971 23,322 14,464
AA/AS Degrees		82,477
Certificates		48,528



Not-so-good news

Figure 5. Total Credentials Awarded (Less than Bachelors) per 100 FTE Undergraduates Public Associate Colleges (2006-07)

- California is very high participation, but below average in degree and certificate completion.
- Current budget crisis will reduce outputs from UC and CSU, and possibly transfer slots.



We can improve
student success and
maintain access.



California's advantages

- Best network of colleges.
- Low baseline.
- Huge student population.
- High public/legislative respect for community colleges.



California's disadvantages

- Diversity of students, institutions and regions.
- Politically driven system.
- Limited funding sources.
- Difficulty of statewide and regional coordination.

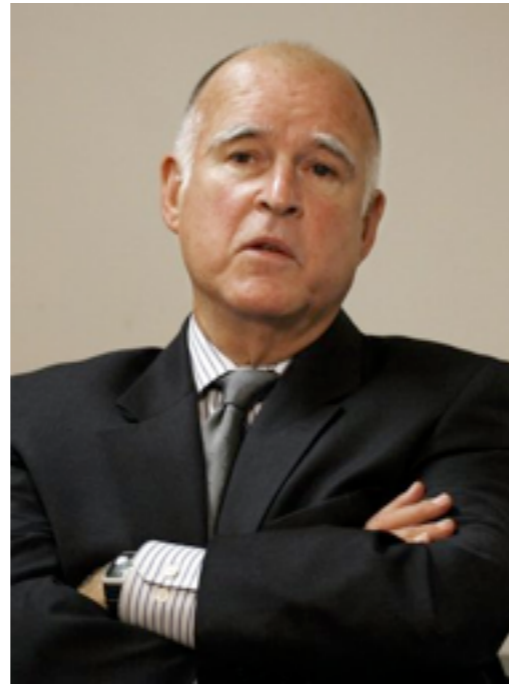


Reform is coming.
Who will lead it?





Steve Poizner



Jerry Brown



Meg Whitman





The Window of Opportunity



Commission on the Future



Objective

Publish a report identifying policy and practice changes that, if incorporated, could be reasonably implemented by 2020 and would measurably increase community college student achievement in quality degree, certificate, and transfer programs.



Vision: In California, all residents have the opportunity to complete a quality postsecondary education in a timely manner.

- **Access** - California should continue to lead the nation in participation.
- **Success** - Programs and support services should be designed to maximize the ability of students to complete a postsecondary education.
- **Equity** - Access and success should regularly be monitored in a disaggregated manner and interventions to close achievement gaps should be a campus priority.



The BHAGs (Goals)

- **Success:** California's community colleges will increase completions by 1.5 million by 2020.
- **Access:** California's community colleges will achieve a participation rate of _____ per 1,000 adults in each region of the state.
- **Equity:** California's community colleges will reduce the achievement gap to not more than _____% of the average for any demographic group.



**Finance,
Fees &
Affordability**

**Assessment,
Placement &
Prerequisites**

**Research,
Accountability &
Leadership**

**Transfer and
Degree
Completion**

Basic Skills

“Outcomes” funding

- SB 1143: authored by Carol Liu (D-Pasadena) to redistribute apportionment dollars based on census+completion
- Our emerging alternative:
 - Additive, categorical program funding by AB 3:
 - Base planning and implementation grants
 - Point-based achievement award recognizing milestones (“momentum points”) and college activities (i.e. FAFSA completions)



