

BACK TO THE FUTURE: HISTORY/CONTEXT OF COMMUNITY COLLEGES

Administrative Retreat
January 23, 2019

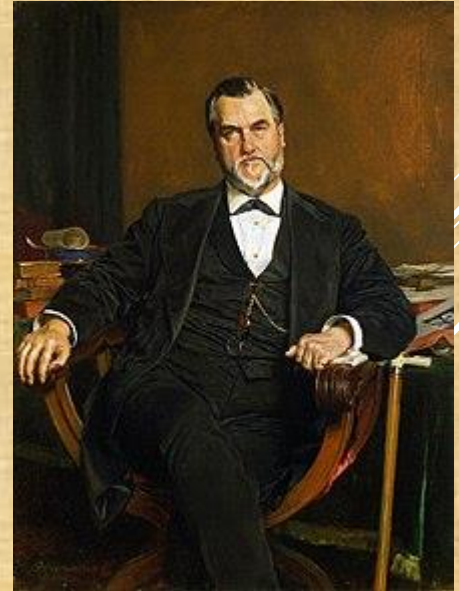
Dr. Dianne Van Hook

WHERE DID COMMUNITY COLLEGES COME FROM?



SETTING THE STAGE FOR COMMUNITY COLLEGES

- ▶ The election of **Leland Stanford** in **1862** marked the emergence of a business class that came to dominate the politics and economy of California.
- ▶ These Republicans of the time urged government activism in social and economic development.
- ▶ An era was open to expand and pay for public education.
- ▶ *The common schools began to develop and now there could be a serious look at higher education.*



WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ Finally in **1866**, sixteen years after the California constitution called for it, the legislature sanctioned the formation of a single and secular *Agricultural and Mechanical Arts College*.
- ▶ The next ten years brought much debate over the role of that state college and its governance.
- ▶ The battles were among those who wanted it to be a traditional university with **classical curriculum v. applied programs** and those who wanted educators to control v. state control by the legislature.
- ▶ It was a battle of the **agrarians v. the bankers and businessmen**.

WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ The **1870's** saw much dissatisfaction, turmoil and economic and social upheaval in California and reform minded leaders, seeking to pull California out of its political and economic woes, called for a second constitutional convention.
- ▶ That convention addressed many issues, but for tonight let's look at the state university debate because that was a harbinger of the increased debate around the country about the American university and from that debate the junior colleges emerged.

WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ During the **1879 Constitutional Convention**, the debates centered on many divergent views of California's future: populist agrarian/businessmen and elites; state control or local; educate all/educate less.
- ▶ In the end, following much political intrigue, timing of votes and re-votes, the University of California was made a public trust and tuition free and given constitutional protection.
- ▶ It was on a vote of **70 – 59**. Essentially UC had become a fourth branch of government.



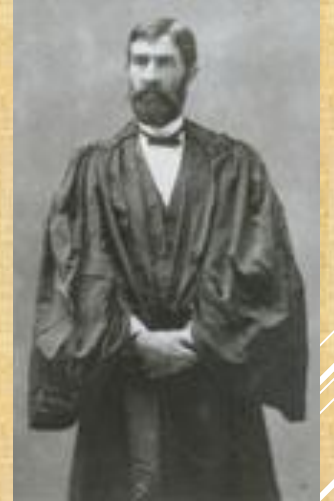
WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ At this time in **1879**, only **19** public high schools existed in California and that was not to change as the Convention took action to deny state funds to public high schools.
- ▶ It was argued high schools did not benefit the children of the working class or the farmer whose children would need to go to work at the end of their common school education.
- ▶ Ironically, UC proponents at the **Constitutional Convention** had battled to protect the institution from meddling politicians but in their focused efforts for protection had left a Constitution which failed to speak to a well-rounded system of public education and a legislature that felt no need to fund the university short of certain land grant revenues.

WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ California now had, as newly-appointed UC **President William Reid** said,

“Higher education freely offered, but the means of obtaining suitable preparation for it denied – a University free to those who can afford to pay for a high school education, but practically cut off from those not able to incur the preliminary expense, the very persons whose education it is of special interest to the state to secure.”



A GREAT DREAM

A VISION HELD BY SOME – BUT MUCH
PERSEVERANCE WAS NEEDED TO
REACH THE GREAT DREAM

WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ **The Progressives** created a vision called the *California Idea* – a vision of public higher education as an ameliorative and proactive agent of state and local government, which would set the state for a modern and scientifically advanced society.
- ▶ By **1903**, the ban on state funding for high schools had been eliminated and by **1922** the high school population had gone from **17,000** to **227,000**.
- ▶ Many other government reforms were underway addressing social and economic needs.
- ▶ *Now questions could be addressed as to the transition from high school to the university, how many could be accommodated, who should be served, and who would train the workers.*

WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ One of the reforms – **the junior college** – was a decade away, but the seed was being developed, soon to be planted and then germinated. A vision, a great dream, perseverance.
- ▶ The seed *started in the Midwest* – but good ideas often start elsewhere and then take hold in California and this was the case. It was an idea that fit the goals of the Progressives and their definition of the California Dream.

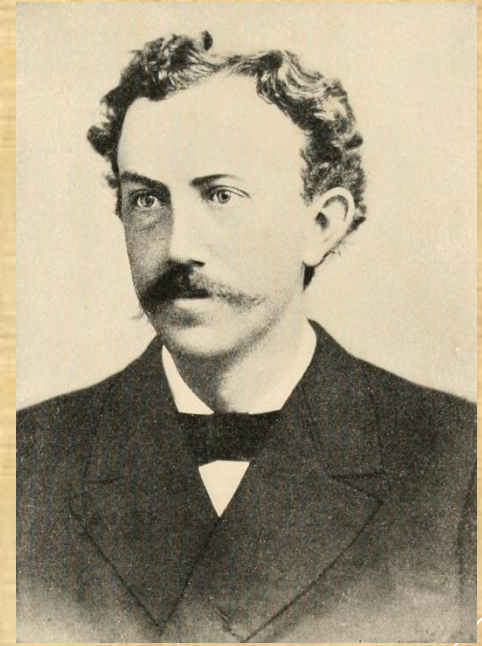
WHERE DID COMMUNITY COLLEGES COME FROM?

- ▶ The idea was generated around the debate about the meaning and purpose of the university and whether the first two years of collegiate work were really secondary school in nature and whether the first 2 year focus on general education sampling of different kinds of knowledge was a distraction from the greater university purpose in the last 2 years of focusing on intellectual careers.
- ▶ The proponents of this idea, led by **University of Chicago President William Rainey Harper**, argued that such a restructuring could address the two stages of intellectual development after high school, save the costs to the university of the first 2 years, create feeders to secure university enrollments and let young men mature.

DAVID STARR JORDAN

- ▶ California's leading educator and respected state figure, David Starr Jordan, president of Stanford, initially opposed the idea.

“There is no difference...the university furnishes the college its inspiration and the college furnishes the university its life. They cannot be isolated.”



DAVID STARR JORDAN

- ▶ Three years later Jordan's views had changed.
- ▶ Now he argued to his governing board that Stanford should admit only *junior level students*, set up its own junior college academy and enter into agreements with regional colleges.
- ▶ “*College teachers should devote themselves to making men out of boys rather than striving pitifully to be recognized as researchers,*” he declared.
- ▶ The board rejected the idea at the urging of the faculty.



ALEXIS LANGE

- ▶ Nearby at **Berkeley**, though, was a professor, **Alexis Lange**, *who truly moved the dream – the imaginative view—forward.*
- ▶ Lange wrote and lectured extensively on the junior college idea.
- ▶ And as Dean of the Berkeley Education Dept., a member of the State Board of Education and an ex officio member of the State Senate Education Committee, he **had influence.**

LANGE'S VIEW OF JUNIOR COLLEGE

- ▶ There is little difference between the first two years of college and high school.
- ▶ There needed to be a delineation of the purpose of the college and the university.
- ▶ Access to postsecondary education should be easy and affordable.
- ▶ UC could not handle the expected and unprecedented enrollment demand.
- ▶ The junior college creation would be a part of a general reorganization of California public education – a reorganization that would be a model for the nation (problems solved through highly trained and efficient intelligence).

LANGE'S VISION OF THE JUNIOR COLLEGE

- ▶ He saw junior colleges as extensions of local public high schools.
- ▶ Felt junior colleges should offer liberal arts programs of sufficient quality so that some, but not all, students might enroll at Berkeley.
- ▶ Junior colleges should provide a substantial expansion of vocational training.

LANGE'S EFFORTS UC BERKLEY

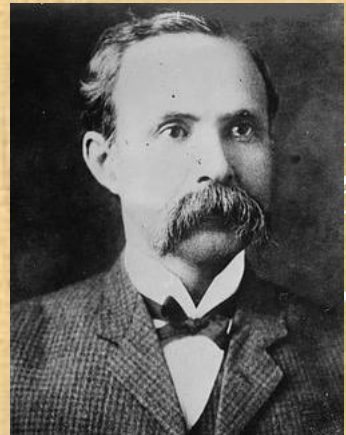


- ▶ Under Lange's leadership at UC, in **1905** agreements were developed with several normal schools and private colleges to admit students into junior year.
- ▶ By **1907**, as Jordan's proposal was being rejected, UC set forth a defined lower division curriculum leading to a junior college certificate that would assure admittance at UC the junior year.

SENATOR CAMINETTI

Many of us may fight hard for local control, but we must never forget at times state action and support can provide the impetus for positive change.

- ▶ And such was the case for the junior college idea. The cause was taken up by **Senator Caminetti**, a friend of Lange.
- ▶ He believed strongly in providing education at all levels and in all areas of the state.
- ▶ His legislation was passed in **1907** allowing for state supported junior colleges.
- ▶ Illinois may lay claim to the first public junior college 100 years ago – but California was the first state to enact the dream into law for all the state -- a law that authorized local high schools to offer the first two years of university courses.



FRESNO AND SANTA BARBARA



- ▶ By **1910**, **Fresno** and then **Santa Barbara**, became the first high schools to formally act and the movement was underway.
- ▶ Fresno, by the way, as did those that followed, declared equal goals for university preparation and vocational curriculum (two primary missions still in place today).
- ▶ Nine more junior colleges followed within the next five years. It was clear the dream was becoming a reality..

“TWO INSTITUTIONS IN ONE

- ▶ In **1917** state law was enacted that made it clear that the junior college was, as **Edwin Snyder** of the **State Board of Education** put it, “*Two institutions in one* **1)** a college serving as a stepping stone to university and **2)** a technical school training the laborer for California’s emerging industries.”
- ▶ The movement, indeed, was taking hold and the idea was popular, resulting in **1921** in legislation that authorized the formation of junior college districts separate from the high school districts – their own boards, their own focus, their own budgets.

THE SUZZALLO REPORT

- ▶ The growing demand for university education and the conflicting views on how it should be offered resulted in the first of many education studies to come.
- ▶ The ***Suzzallo Report*** was to address the mounting criticisms of the amount spent on the university, the inequitable distribution of education funds, the restrictions on opportunity, the arbitrary university admission standards and the lack of occupational education.
- ▶ The report was issued and was met with charges it was elitist and failing to address Californian's robust desire and need for access to higher education.
- ▶ The divergent views were not resolved and for decades to come, But while debate raged about the university, the junior colleges continued to grow and serve their communities.

EARL WARREN



- ▶ In the **1940's Earl Warren** became **governor** and World War II created an economic boom.
- ▶ Governor Warren argued for an *activist government* and significant planning for a transition to a peacetime economy.
- ▶ He knew there would be a big influx of people to California and a need for jobs for the returning veterans.
- ▶ Warren urged:
 - ✓ Rebuilding and expansion of the state's infrastructure, and
 - ✓ Massive expansion of vocational education.

THE 1945 & 1947 REPORTS

- ▶ As part of the planning efforts two major studies of education were conducted resulting in reports in 1945 and 1947.
- ▶ The **1945 report** called for:
 - ✓ reforming state financing of local schools
 - ✓ creation of unified school districts, and
 - ✓ appointing the State Superintendent but electing the State Board.
- ▶ The **1947 report** urged semiautonomous status and distinct roles for UC, the state colleges and the junior colleges with voluntary coordination by a Liaison Committee.

THE DEMOCRATIC WAY OF LIFE

- ▶ The junior colleges represented California's commitment to a "*democratic way of life*," the report declared and set the mission as:
 - ✓ **Transfer** (the most important function for the citizens)
 - ✓ **Terminal (vocational education for 18 – 21 year olds)**
 - ✓ **General (so students can function effectively as a member of a family, community, state and world)**
 - ✓ **Orientation and guidance (so a student can choose a life work), and**
 - ✓ **Adult education (so all adults can have opportunities for cultural and vocational opportunities).**

THE STRAYER REPORT

- ▶ In **1947** there were **50** junior colleges and **2** under construction.
- ▶ But the **Strayer Report** said *many more* were required to meet the tremendous increase in enrollments projected (based on the first ever study of **age cohorts, immigration rates, birth rates** and *ideal* college-going **rates**).
- ▶ The Strayer Report interestingly came out the same time as the **Truman Commission Federal Report** “*Higher Education for American Democracy.*”
- ▶ That report was the first to give high visibility to the term “*community colleges*” – community colleges as centers of learning for the entire community.

THE STRAYER REPORT

- ▶ The Progressives ideal of the California Dream as the model for the American Dream was coming to pass.
- ▶ Yet the Strayer Report did not achieve its lofty goals.
- ▶ The **1950's** saw California growing much faster than projected, rising costs of higher education to the state raised concerns, there was skilled labor shortage, legislators were seeking colleges in their own area, the *Red Scare* had people looking at the University as a hotbed of subversion, conservative **Governor Knight** arrived and the state colleges were battling the University over who could offer advanced level engineering education.

GOVERNOR PAT BROWN

- ▶ The junior colleges continued to grow, reaching **60** by the time **Pat Brown** assumed the governorship, and serving **300,000** students out of a **total** of **450,000** in all of higher education.
- ▶ At the same time as Brown took office, **UC** was installing **Clark Kerr** as President, the state colleges were working together and gaining more influence and legislators were clamoring for state colleges in their regions.
- ▶ The time was ripe for another study, which was put in place under legislation authored by **Assemblywoman Donahoe** and pushed by **Senator Miller** – both in the Bakersfield area.



THE MASTER PLAN OF 1960

- ▶ Because the state colleges remained under the **State Board of Education** as well as the junior colleges, any reform would need the support of both boards.
- ▶ Therefore **Clark Kerr** became central in forging agreement – a labor negotiator, diplomat and a believer in access.
- ▶ What ultimately was achieved after much politics, brinksmanship, threats, and thoughtful planning, was the **Master Plan of 1960**.
- ▶ A plan that has come to be viewed as the foremost example of statewide education planning and as a blueprint for universal access to higher education while preserving the distinct missions of the three parts.

WHAT THE MASTER PLAN OF 1960 ACHIEVED



- ▶ The plan in its essence did the following: It diverted more lower-division students to the junior colleges which were declared to be better prepared to screen, counsel and provide remedial support.
- ▶ UC now would admit the top 12.5%, the state colleges the top 1/3 and the junior colleges would be an open door to the rest.
- ▶ Although this distribution was expected to save money, the junior colleges were promised additional state funds.
- ▶ The Master Plan maintained the basic mission for each of the segments but spoke of joint doctorates for selected programs.

WHAT THE MASTER PLAN OF 1960 ACHIEVED

- ▶ For governance, the state colleges were given their own board and the junior colleges were kept under the State Board of Education.
- ▶ An advisory Coordinating Council also was put in place.
- ▶ As author **John Douglas** said, the Master Plan “*is not about the individual achievement of one or more segments. It is what they represent collectively – balancing mass higher education with the concept of meritocracy.*”
- ▶ In **1967** state oversight of the **84** local community colleges was placed with a newly established **Board of Governors of the California Community Colleges**.
- ▶ It assumed the responsibilities of the State Board and took on staff from the State Board to become the **Chancellor’s Office**.

PROPOSITION 13



- ▶ No history of the California community colleges would be complete without reference to **Proposition 13** and its dramatic effect of shifting much power to Sacramento.
- ▶ By **1987** our numbers had reached **105** colleges and around **1.3 million** students out of **1.8 million** in all of California higher education and a review of the Master Plan, which resulted in **AB1725**, concluded the community colleges should:
 - ✓ recognize certain priorities in the mission,
 - ✓ be viewed and function more like postsecondary education, and
 - ✓ function more as a system with delineated functions for the state and local boards.

CALIFORNIA COMMUNITY COLLEGES TODAY



TODAY'S CALIFORNIA COMMUNITY COLLEGES

- ▶ A look at today's California community colleges provides proof that the reasons for establishing junior colleges have been addressed with distinction.
 - ▶ Education remains essential for the *social* and *economic* well-being of the state and its citizens (and through our comprehensive services and programs, we provide it).
 - ▶ Education and training are required beyond the K-12 level (and through our wide-ranging curriculum, we provide it).
 - ▶ All citizens can benefit and should have access to all levels of education (and through our **115** colleges and scores of centers we provide).
 - ▶ Universities alone cannot meet the higher education needs (and with our great faculty, staff and facilities, we provide).

COMMUNITY COLLEGES MISSION AND FUNCTION

- ▶ A look at today's California community colleges provides proof that the mission and functions envisioned remain essential.
 - ✓ Transfer
 - ✓ Vocational and Economic Development
 - ✓ Transitional (basic skills, ESL, remedial)
 - ✓ Adult and General Education, and
 - ✓ Community Service
 - ✓ Workforce Training
 - ✓ Regional Economic Development
 - ✓ Guided Pathways and Canyons Completes
 - ✓ College Promise
 - ✓ Pathways
 - ✓ Resulting in Successful Placement!

GOVERNANCE OF THE COMMUNITY COLLEGES

- ▶ A look at today's California community colleges provides proof that the governance of the community colleges is best left in the local communities with a coordinating and support role at the state level.
- ▶ The Proof is in the numbers:
 - ✓ **2.1 million** students
 - ✓ **8** of every **100 adults** in a California community college
 - ✓ Over **50%** of Californians have attended or have family members who have attended
 - ✓ An enrollment that almost mirrors the state's ethnicity:
 - **45% white** **17% Asian-American**
 - **27% Latino/Hispanic** **9% African-American**

GOVERNANCE OF THE COMMUNITY COLLEGES

▶ The Proof is in the numbers (continued):

✓ **A wide age range:**

- **58%** under **30**
- **27%** **30 – 50**
- **11%** over age **50**

✓ **A diverse curriculum meeting many goals of students:**

- **43%** occupational education and training
- **31%** transfer
- **25%** personal and professional improvement

✓ **Articulation with the universities:**

- **60%** of CSU degrees to students transferring from community college
- **31%** of UC degrees to students transferring from community college

✓ **Economic success:**

- Those with a California community college associate degree earn an average of **\$250,000** more in lifetime than those with a high school diploma.

A QUICK OVERVIEW OF THE FUNDING MECHANISMS OF CALIFORNIA COMMUNITY COLLEGES



WHAT WE WILL COVER...

- ▶ How our System has been funded over the past 4 decades and how we have never been fully funded for the functions we perform and the outcomes we deliver.

***Funding Formulas and
Growth Factors
1967-Present***

▶ **While form should follow function...**

- ✓ Often it works the other way

▶ **The growth and funding formulas...**

- ✓ Dictate (to some degree) what we can do, how many we can serve, and how we do it.

▶ **On the other hand, how many students we serve influences how much money we get in the budget and what we are able to do**

- ✓ Which in returns impacts the funding formula.



THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

The Community College System Has Had 4 Major Funding Models Since 1967

- ✓ **Pre-AB 1725: 1967 - Average Daily Attendance**
- ✓ **AB 1725: 1990 - Program Based Funding (Funding the Function)**
- ✓ **SB 361: 2006 – 2015 Equalized Funding**
- ✓ **SB 860: 2015 - 2018 Reaching out to Underserved Populations**
- ✓ **Now, the 2018-2019 Governor's Budget – the *Student Centered Funding Formula*, proposes another major overhaul.**

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

THE PAST....

Pre - AB 1725 (1967)

- ▶ Created by Legislation in 1967
- ▶ Based on Average Daily Attendance which was originally part of K-12 (K-14), as were most of the community college districts.

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

THE PAST....

AB 1725: (1990) Program Based Funding (Funding the Function)

***** Never fully funded***

Rationale/Background:

- ▶ The BOG was required by AB 1725 to develop “Criteria and Standards” for a Program-Based Funding Mechanism.
- ▶ A Task Force was established on Community College Financing Pursuant to AB 3409 and the Ad Hoc Committee for Community College Financing Reform was convened by the Chancellor’s Office to develop a formula that would:
 - ✓ Allocate the General State apportionments, exclusive of Capital Outlay and Categorical Expenditures.
 - ✓ Establish a Financing Mechanism “*Which Would Differentiate Among the Major Categories of Operating Community Colleges...*”

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

THE PAST....

AB 1725: (1990) Program Based Funding (Funding the Function)

***** Never fully funded***

Formula

▶ Apportionment Revenue Components

- ✓ Prior year Apportionment Revenue (Base Revenue)
- ✓ COLA
- ✓ Program Improvement/Equalization (***Never Funded***)
- ✓ Growth/Decline/Restoration
- ✓ Stability (Phases of Decline)
- ✓ Maintenance & Operation Institutional Support

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS – PROGRAM BASED FUNDING

Growth Formula to Determine Funding % Cap was based on:

Blended Rate of A and B

- ✓ A. Adult Population Change x College Population over 21
- ✓ B. High School Graduates Change x College Population under 21

ADD:

- ✓ C. Statewide Average Participation Rate – District Participation Rate

AND:

- ✓ D. One-Half of 90% of the Change in the New State Approved Facilities being brought online

Workload Measures to Determine Increase in Growth Funding \$ Cap included:

- ✓ 1. Instruction (Credit) FTES
- ✓ 2. Instructional Services (Credit) FTES
- ✓ 3. Student Services (Credit) Credit Headcount
- ✓ 4. Maintenance and Operations Square Feet
- ✓ 5. Institutional Support % of Total Allocation

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

SB361 – (2006) Equalization Formula

RATIONALE – THE FORMULA WAS TO:

- ▶ Establish a simple, more equitable method of funding that recognizes the unique circumstances surrounding the creation of different districts
- ▶ Protect instruction and student services by ensuring districts are provided stable, reliable funding that is not eroded by inflationary pressures
- ▶ Establish clear budget priorities for each year's State budget deliberations and seek additional funding to protect core operational and instructional needs for a more stable and effective distribution of scheduled maintenance and instructional equipment funds

APPORTIONMENT REVENUE COMPONENTS:

- ▶ **2006-2007 Equalized Base Funding per FTES - \$4,100**
 - ✓ 90% of Statewide Average Funding per FTES
 - (excluding Basic Aid Districts)
 - Adjusted by COLA Annually

- ▶ **Basic Allocation Based on FTES per Single College District**
 - ✓ > 20,000 FTES \$5 Million (adj annually by COLA)
 - ✓ > 10,000 FTES \$4 Million (adj annually by COLA)
 - ✓ < 10,000 FTES \$3 Million (adj annually by COLA)
 - ✓ > 1,000 FTES \$1 Million for CPEC Approved Center

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

SB361 – (2006) Equalization Formula – continued....

Growth Rate to Determine Funding %:

▶ The Sum of...

- ✓ **A.** Adult Population Change x College Population over 21
- ✓ **B.** High School Graduates Change x College Population Under 21
- ✓ **C.** One-quarter of the District's Primary County's Unemployment Rate Over Full Employment, Not To Exceed 2%
- ✓ **D.** 1/3 of the District's 3 Year Over Cap (102% to 110% of cap)
- ✓ **Add E. only if the sum of A through D is less than or equal to 10%**
- ✓ **E.** New Facilities Factor: 90% of Funding for FTES to be set in the new space.
 - ✓ **45% in year one**
 - ✓ **45% in year two**
 - ✓ **Equaling 90%**

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

SB 860 – (2015) Underserved Populations

Education Code 84750.5e: Legislatively Mandated as of June 30, 2014

- ▶ The Chancellor of the Community Colleges shall develop, and the Board of Governors shall adopt, a revised apportionment Growth Formula for use commencing with the 2015-2016 Fiscal Year
- ▶ “Primary Missions of the Segment” means credit and noncredit courses specified in Section 84757, 2-6 inclusive.

In developing the revised formula, the Chancellor shall consider multiple factors in determining need; however, the primary factors shall be:

- ▶ Within a community college district’s boundaries:
 - ✓ A. The number of persons under 25 years of age without a college degree, and the number of persons 25 to 64 years of age, inclusive, without a college degree
 - ✓ B. The number of persons who are unemployed, have limited English skills, who are in poverty, or who exhibit other signs of being disadvantaged

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

SB 860 – (2015) Underserved Populations – continued....

Growth Funding Formula: Allocation Model Factors

▶ Educational Attainment

- ✓ Percentage of Individuals That Do Not Have a Bachelor's Degree

▶ Unemployment

- ✓ Individuals 16 Years of Age or Older Who are Unemployed

▶ Pell (Poverty Indicator)

- ✓ Annual Percentage of Students Attending the District Receiving a Pell grant

▶ Participation Rate Ratio

- ✓ The Unduplicated Headcount of Students Divided by the Total Adult Population

▶ Unfunded FTES

- ✓ The 3 Year Average of Unfunded FTES in the District – Required a Minimum of 1% Unfunded FTES in Each of the Previous 3 Years

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

THE FUTURE....

The Governor's Budget – *Student Centered Funding Formula (2018-2022)*

Funding Formula

The Governor's Budget acknowledges that an enrollment-only formula fails to capture the comprehensive mission of CCCs and the counter-cyclical nature of college enrollment. The need for a new student-focused funding formula is exacerbated by the fact that community colleges have lost nearly \$100 million in enrollment growth over the last two years.

The Governor proposes a **\$270 million** budget for the new funding formula, which is built on four primary parameters:

- ▶ **Base Allocation – 70% in Year 1, 65% in Year 2, 60% in Year 3**
- ▶ **Funds Credit FTES at reduced rate above, based on a Three-Year Rolling Average (less Carveouts)**
 - ▶ **Carves out Dual Enrollment and Incarcerated FTES to be funded at 100%**
- ▶ **Funds Traditional Non-Credit and CDCP Non-Credit at 100% of their rates increased by COLA each year.**
- ▶ **Provides A Rural Allocation Consistent With The Prior Formula**
- ▶ **Basic Allocation is funded at established rates based on level of FTES Consistent with Prior Formula**

THE HISTORY OF GROWTH AND PREVIOUS FUNDING FORMULAS

THE FUTURE....

The Governor's Budget – *Student Centered Funding Formula* (2018-2022)

- ▶ **Supplemental Allocation – 20%**
 - ✓ Pell Grant Headcount Enrollment
 - ✓ College Promise Grant (BOG Waiver) - Headcount Enrollment Of ALL Students
 - ✓ AB 540 Students Per The California Dream Grant Application
- ▶ **Student Success Incentive Allocation – 10% in Year 1, 15% in Year 2, 20% in Year 3**
 - ✓ Progress: Transfer-level Mathematics And English Within First Year
 - ✓ Outcomes: AA/AS degree, Transfer to ANY Accredited 4-year Institution, ADT, Credit Certificates 16 Units Or Greater, 9 (CTE) Units
 - ✓ Wages: Regional Living Wage After One Year
 - ✓ Success Equity Add On – Additional funding for Pell Grant, California Promise Grant and AB 540 students achieving success metrics
- ▶ **Hold Harmless Provision**—During the first three years of implementation, districts would be held harmless to 2017-18 levels plus COLA, compounded yearly.

COMMITTEES

- ▶ **CEO Student-Centered Funding Formula Task Force (CCLC)**
- ▶ **Community College Student Success Funding Formula Oversight Committee**
- ▶ **Chief Executive Officers of the California Community College Board (CEOCCC)**



IMPACT OF THE PROPOSED FUNDING FORMULA ON COC

THE CONTEXT

- ▶ There were only **14** Districts who were **Not in Stability** last 10 years.
- ▶ **58** Districts were in **Stability** over last 2 years alone.
- ▶ In 2017-18 there was **\$26m** in unused growth funds (out of \$57m)

COC has **NEVER** been on Stability Funding!

THE DEVIL IS IN THE DETAILS...

The Funding Formula proposed by the Chancellor's Office and Department of Finance would...

- ▶ **Reduce** funding for Public Safety training to 60 cents on the dollar by year 3;
- ▶ **Ignore** progress made on AB 705 to reduce the number of remedial classes students must take (we excelled in that with a **76%** increase in graduates between 2011 and 2017);
- ▶ **Fund colleges disproportionately** based on the number of students with Pell, College Promise Grant or AB540 awards (rewards colleges with high percentage of students on financial aid regardless of achievement);
- ▶ **Incentivize colleges** to encourage students **to rely on Pell**, which can increase the students' loan debt;

THE DEVIL IS IN THE DETAILS...

The Funding Formula proposed by the Chancellor's Office and Department of Finance...

- ▶ **Does not fully fund** students who are here for upskilling training – *The DWM Initiative* – who are already working, but desire to retrain and upskill to obtain better employment and wage earnings;
- ▶ **Does not fund the** functions needed to support students in the Pathways Initiative;
- ▶ **Does not support** part-time students as well as full-time students;
- ▶ **Assumes** students on financial aid do not do as well as students who are not receiving financial aid (academic profiling);
- ▶ **Does not account for economic shifts** (declines due to economic conditions and subsequent dips in our funding);
- ▶ **Does not fully fund veterans** to attend as they are not usually on BOG waivers or Pell;

THE DEVIL IS IN THE DETAILS...

The Funding Formula proposed by the Chancellor's Office and Department of Finance ***does not reward high performing districts*** like COC who:

- ▶ Set new records for the largest graduating class – **2,046** in **2017**, an increase of **40%** over the Class of 2015 – and an increase in the number of degrees awarded – **2,531**, an increase of **86%** over two years;
- ▶ Earned the state's number **2** completion on the Student Success Scorecard with nearly **80%** of our college-prepared students completing a degree or certificate or prepared to transfer to a four-year university;
- ▶ Achieved the number **4** transfer rate out of 21 community colleges in Los Angeles County;
- ▶ Saved our students **\$4 million** in **2017/18** by offering courses and degrees that utilize Open Educational Resources (OER);
- ▶ **Ranked #3 in ADTs** in the state – received award in December.

THE DEVIL IS IN THE DETAILS...

The Funding Formula proposed by the Chancellor's Office and Department of Finance **does not reward high performing districts** like COC who:

- ▶ **Condensed basic skills math and English** courses which resulted in a 76% increase in graduates between 2011 and 2017 and led to improved graduation rates for under-represented students:

- ✓ African American **132%**
- ✓ Asian **113%**
- ✓ Latino **193%**

- ▶ **Implemented changes** in our math placement processes that resulted in 70% of new students beginning with transfer-level math classes.
- ▶ **Ranked 7th out of 114** community colleges in California in the percent of students who take CTE courses;
- ▶ **Received awards for 18** career education programs that were designated as **"Workforce Stars"** by the state Chancellor's Office for helping students enter careers that match their field of study, or increase their pay.

THE DEVIL IS IN THE DETAILS...

The Funding Formula proposed by the Chancellor's Office and Department of Finance...

- ▶ ***Eliminates equalization*** – fair funding for **90%** of the districts – that we worked 25 years to achieve and instead re-establishes the funding rate which will range from **\$5,200** to almost **\$12,00 per student, depending on the college.**
- ▶ This Formula ***Does Not Reward Success*** (based on data received from the State in July 2018):
 - ✓ Reliable and accurate data is not available to predict **3** of the **7** metrics (CTE 9 units, Living Wage, Transfer Level M & E);
 - ✓ On the **4** metrics left to compare (AAs, ADTs, Certificate 18+ units and Transfers), of the **20** districts that have negative metrics in 2 of the 4, **8** still receive **7%** more, while one receives a **19.2%** increase.
 - ✓ Of the districts that have positive increases in **all** of these 4 metrics – **10** of them receive only **2.7%** or **3.7%**. ***How does that work?***
 - ✓ It does not provide scenarios or detail.
- ▶ ***Does not account for funding decline in a recession***, when we need more dollars because more students are available to go to college because they are not working.

KEY POINTS FROM THE NEW U TEXT

- ▶ The College income premium is largely a product of self-selection.
- ▶ Overall student outcomes haven't been great for the past decade.
- ▶ Colleges aren't spending as much on teaching and learning as on arguably extrinsic pursuits.
- ▶ Affordability and debt have been game changers in public perception of college.

Questions?

