COMMUNITY COLLEGE LEAGUE
OF CALIFORNIA

State Budget Update
February 2016

2016-17 BUDGET TRAILER BILL SUMMARY

The Budget Trailer Bill Language is the implementing statute needed to effectuate the proposals in the annual Budget Bill. The Governor's proposed 2016 Budget Trailer Bill was released on February 2. This year, the community college Trailer Bill proposal includes policy implementation details and requirements for:

- The Strong Workforce Program (Page 1)
- The Student Success for Basic Skills Program (Page 5)
- The Zero-Textbook-Cost Associate Degree Grant Program (Page 7)
- The Awards for Innovation in Higher Education (Page 8)
- The Adult Education Block Grant (Page 9)

Strong Workforce Program - Trailer Bill Language:

SUMMARY: The Governor's 2016-17 budget proposes $200 million for the Strong Workforce Program. The Trailer Bill language statutorily establishes the program under §88820 Part 54.5 of the Education Code to expand the availability of quality community college CTE and workforce development programs. The proposal by the Administration would create a regional structure for the planning and development of new or expanded programs and it would use that regional structure to distribute funds to colleges.

The Strong Workforce Program would comply with the California Strategic Workforce Development Plan required by the federal Workforce Innovation and Opportunity Act (WIOA). The proposal calls for a regional structure based on California's WIOA Regional Planning Units.

Analysis:

The Strong Workforce proposal is one of the highest stakes item in the 2016-17 budget – the robust investment makes it important to establish a program construct that works for practitioners on the ground. The new Strong Workforce Program establishes a funding and planning model similar to Adult Education Block Grant (AEBG) in order to expand CTE offerings statewide; this indicates that regional planning is a key priority of the Administration. The principles outlined for the distribution of funds are consistent with the goals of the Strong Workforce Taskforce; they focus on expanded or new quality programs. The proposal does not establish a concrete plan to accomplish this but instead allows regional CTE consortia to make determinations around new or expanded programs among the participating colleges. As proposed, the Strong Workforce Program does not provide colleges with a base level of funding to address the ongoing costs of existing CTE programs.

The regional planning structure is a valuable piece of this new program. As proposed by the Governor, planning every four years is a reasonable timeframe. Regional planning will help statewide coordination and provide the opportunity to close service needs. However, there

are concerns about issues between districts in agreeing to a governance model, fiscal agent, and funding allocations. Currently, some college districts participate in multiple WIOA regions. However, the Department Of Finance (DOF) intends for each college district to participate in only one region, therefore the final regional structure will include multiple college districts per region. The proposal also emphasizes avoidance of duplication but some duplication may be necessary to support commuting students in high-density areas or rural areas with limited transportation options.

The new Strong Workforce Program moves to a performance accountability model in the 2017-18 fiscal year. Considering the level of planning needed to identify workforce priorities and to form regional structures for planning and funding, the timeline identified in the trailer bill seems too short for effective implementation. A few questions remain from the current language such as the final composition of the regions since WIOA regions are not aligned with current Doing What Matters regions and implications for other regional collaboratives in which colleges participate. Additionally, a framework statement on expanding programs for vulnerable populations or closing service gaps in not included in this proposal.

Structure Proposed for the Strong Workforce Program:
- Sets up a regional structure for planning of CTE programs and delivery of funds.
- No later than June 30, 2017, the Chancellor's Office shall present to the Board of Governors policies, regulations and guidance necessary to implement the Strong Workforce Program. Plan shall:
    1. Include regional development, implementation and sharing of effective practices, curriculum models and courses.
    2. Enable districts to develop CTE workforce outcome and CTE associate degrees for transfer.
    3. Provide performance and labor market data to help align programming with regional labor market needs.
    4. Encourage local efficiency through regional partnerships.
    5. Enable students to transfer college-level CTE credits across college districts, CSU and UC.
    6. Improve engagement with employers to provide work-based learning.
    7. Enable college districts to optimize their resources.
    8. Ensure expenditures are focused on improving workforce outcomes.
    9. Streamline the process for course and curriculum approval.
    10. Reevaluate the minimum qualifications for CTE instructors.
- The Chancellor's Office shall review plans every four-years and determine if each regional collaborative has made significant progress in meeting goals, and provide technical assistance to collaboratives that have not.

Conditions for Receiving Funds:
- Be member of a CTE regional consortium.
- Identify a regional fiscal agent.
- Identify and agree to a regional governance model.

- o   Participants can include K-12, CSU and workforce partners.
- o   Only community colleges can determine the governance model.
- Provide an analysis of regional labor market needs, an inventory of regional priorities, and programs and goals.
- Provide a work plan, a spending plan and budget for regionally prioritized projects.
  - o   Work plans are due every 4 years.
  - o   Update may be submitted annually.
- Funds appropriated shall supplement, not supplant.
- CTE regional consortia shall allocate funds only to college districts.

Receiving Funds In 2016-17:
- Chancellor's Office will consider the following <u>for allocation of 2016-17 funds</u>:
  1. **Local unemployment rates**
  2. **Proportion of CTE FTES**
  3. **Proportion of projected job openings.**
- Up to 5% to a college district for statewide activities and program administration.
- By August 30, 2016, the Chancellor's Office shall recommend the allocation of funds to CTE regional consortia. Funds will be sent to the fiscal agent for distribution to college districts.

Receiving Funds After July 1, 2017:
- The Chancellor's Office shall recommend allocation of funds to CTE regional consortia based on:
  1. 2016-17 criteria; **and**
  2. Portion of successful workforce outcomes as evidenced by WIOA performance accountability measures.
- Regional collaboratives shall have an approved plan that includes:
  - o   An identified fiscal agent
  - o   An identified governance model
  - o   Analysis of regional labor market needs including wage data
  - o   Regionally prioritized projects
  - o   Measurable regional goals aligned to WIOA
  - o   Description of alignment with other regional work plans and spending plans
- Plans shall be approved regionally every four years by January 31.
- Plans should avoid duplication.
- College districts shall meet at least annually with their regional collaborative
- College districts should utilize regional plans to inform campus-level planning

Federal WIOA Performance Accountability Measures:
The language also calls for alignment with the federal WIOA Performance Accountability Measures which consist of the following:
1. Percentage of participants who are in unsubsidized employment during the second quarter after exit from the program;
2. Percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program;

3. Median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
4. Percentage of participants who obtain a credential, diploma or GED during participation in or within 1 year after exit from the program;
5. Percentage of participants who, during a program year, are in an education that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
6. Indicators of effectiveness in serving employers.

Student Success for Basic Skills Program – Trailer Bill Language:

SUMMARY: The Trailer Bill rewrites the current Basic Skills Initiative (BSI) and proposes to establish the Student Success for Basic Skills Program, adding §88815 Part 54.3 to the Education Code, to improve the number of students successfully completing basic skills course sequences and transitioning to college-level math and English coursework. The proposal by the Administration sets minimum conditions for colleges in order to access <u>new</u> basic skills funds. These minimum conditions include: 1) resubmitting a basic skills plan, and 2) implementing multiple measures.

This language corresponds to the Governor's budget proposal which would augment funding for basic skills by $30 million, bringing the total funding for the Student Success for Basic Skills program to $50 million. The program allocates up to 5% to a selected college district for the administration of faculty and staff development to improve curriculum, instruction, and student services in English as a second language (ESL) and basic skills. Funds are designed to be released as grants to districts. While the program does not establish a competitive grant process, it does outline specific qualifying criteria and performance metrics for the funds. Under this proposal, college districts' basic skills funding would be held harmless at 2015-16 levels, meaning colleges will not receive less funding than they received under the (current) the BSI and would be eligible for additional dollars if they meet the parameters of the bill.

Analysis:
The new Student Success of Basic Skills Program essentially reconfigures the distribution of Basic Skills dollars in an attempt to incentivize improved outcomes and performance. As proposed, it is unclear if the funding structure would reward districts that successfully move students through remedial course sequences to college level math and English, or if its would provide additional resources to districts struggling to improve basic skills outcomes. It is however clear that the Administration is hoping to move colleges towards the practices emphasized in the Basic Skills Transformation program (§88800 of the Education Code). The new program plans to rank colleges based on their outcomes in order to identify which colleges can benefit from technical assistance.

As proposed, the Student Success for Basic Skills programs intends to increase the number of students that progress through remedial course sequences and ultimately complete college-level courses. The proposal focused on measuring performance outcome in order to incentivize researched practices that more effectively place students in courses, accelerates completion, and promotes curriculum redesign.

It is likely that the new model will have unintended equity consequences by adding a performance factor to ESL programs which already serve vulnerable student populations.

The structure does not account for learning needs of retraining adults or immigrant populations who often take some time to arrive at transfer level. Additionally, the program provides a stronger weight to colleges that have applied or received Basic Skills Transformation program grants. Due to the late release of the grant RFP and

implementation criteria, the timeline is problematic and may limit the colleges that can potentially qualify for new ongoing basic skills resources.

Use of Funds:
Funding can be used for a variety of purposes, including:
- Program and curriculum planning and development
- Student assessment
- Advisement and counseling services
- Tutoring
- Articulation
- Instructional equipment and materials
- Implementation or expansion of practices identified in the Basic Skills Transformation Program of 2015.

Eligibility Criteria and Funding Allocation:
A college district <u>must</u>:
1. Complete a revised assessment of programs and activities serving basic skills and ESL students
2. Submit to the Chancellor's Office an action and expenditure plan
3. Establish multiple measures for assessment and placement

Funding Allocation Based On:
- The percent of students who first enroll in a course below transfer level English or math or ESL and complete a college level course.
- The percent of incoming students undergoing assessment to pass college-level English or math within one year and within two years
- A 20% weighting for districts that participated in the prior year's basic skills grant
- Minimum allocation of $100,000 per college
- Five lowest-performing districts will be encouraged to apply for technical assistance

Basic Skills Transformation (Budget Act of 2015) – Qualifying Criteria (§88810):
The 2016-17 Budget Trailer Bill language references these criteria in order to qualify for new basic skills funds.

Expand the use or application of, <u>two or more</u> of the following evidence-based practices:
1. Adopting placement tests that include multiple measures of student performance.
2. Increasing the placements into gateway English and mathematics courses that are transferable to UC or CSU and CTE pathways, with remedial instruction integrated.
3. Aligning content in remedial courses with programs of study.
4. Contextualizing remedial instruction.
5. Providing student support services that are integrated with instruction.
6. Developing two-and three-course sequences for completion of a college-level English or mathematics course, or both, for underprepared students, by either utilizing technology or other effective basic skills course practices.

Zero-Textbook-Cost Associate Degree Grant Program – Trailer Bill Language:

SUMMARY: The Trailer Bill adds Article 4 (§78050) to the Education Code, the Zero-Textbook-Cost Associate Degree Grant Program, to reduce the overall cost of education for students. A "zero-textbook-cost degree" is defined as an associate's degree or CTE certificate that can be earned without conventional textbook costs. The program calls for the Chancellor's Office to distribute grants of up to $500,000 for each zero-textbook-cost degree (Z-degree) it develops. The Chancellor may distribute both planning and implementation grants. This language implements the Governor's proposed $5 million, one-time grant proposal to reduce student textbook costs.

Analysis:

The Administration hopes to address college affordability by eliminating the reliance on traditional textbooks. Textbooks have become one of community college students' highest educational expenses. It is likely that the development of Z-degrees will be an extensive process; therefore, the two-year period of fund availability makes the program more promising. The Academic Senate of California Community Colleges is engaged in this effort and will encourage colleges to work collaboratively with their local academic senates in the development of these degrees. The focus on increasing college affordability is consistent with League policy priorities.

Conditions for Receiving Funds:
1. Develop and implement a Z-degree from an existing associate degree for transfer (ADT) or existing CTE certificate, or develop a certificate with high market value as a Z-degree.
2. Give priority to developing Z-degrees from existing degrees for transfer.
3. Develop model Z-degrees and post them on the California Digital Open Source Library.
4. Ensure that Z-degrees are clearly identified in college catalogs and course schedules.
5. Provide the Chancellor's Office with planning and outcome information.
6. Consult with the college's academic senate.
7. Include faculty, administrators, and other content-focused staff.

Up to 10% of the funds allocated in the Budget Act of 2016 for this program can be allocated to a college for administration of the program. By June 30, 2019, the Chancellor's Office shall report to the Legislature and DOF on: 1) the number of degrees developed, 2) the estimated annual savings by students, 3) the number of students who completed Z-degrees, and 4) recommendations to increase or improve the program. Funds not awarded in 2016-17 may be awarded in 2017-18.

Awards for Innovation in Higher Education – Trailer Bill Language:

The Trailer Bill adds Article 2.6 (§6010.96) to the Education Code, establishing the Awards for Innovation in Higher Education program. The program establishes a Committee on Awards for Innovation in Higher Education consisting of 7 members, include the Director of Finance, an appointee of the Speaker of the Assembly, an appointee of the Senate Rules Committee and four appointees of the Governor. The proposal uses $25 million in one-time funds allocated in the proposed Budget Bill and make awards of at least $4 million each.

Criteria For Receiving an Award:

At least one award shall be made in each category:
1. Implementation of a concurrent enrollment program that allows students to earn a diploma and an associate degree for transfer (ADT) or CTE credential.
2. Implementation of a program that allows students to earn industry-recognized credentials and an ADT.
3. Implementation of a program that allows students to earn industry-recognized credentials through skill competencies and prior learning.
4. A set of fully online courses for basic skills in both English and math.
5. A set of fully online courses that meet IGETC, are included in the C-ID system, and available to all California residents.
6. Wide use of open educational resources (OER).

Analysis:

This is the third year the Department of Finance has proposed the Awards for Innovation; however, instead of structuring the program as a prize for a college's existing efforts, this year the awards are structured as incentives to advance specific educational practices that increase access and save students time and money. The proposed structure may provide colleges with start-up resources for practices that have been supported by the League, such as concurrent enrollment and OER. The program does not have to be implemented at the time of application but an applicant must provide evidence that the program can be implemented in a short period of time and is sustainable. .

Adult Education Trailer Bill Amendment:

The Trailer Bill amends §84905 of the Education Code, the Adult Education Block Grant (AEBG). The amendments states that each consortia shall consider the input of students, school district teachers, community college faculty, principals, administrators, classified staff and the local bargaining units of the school districts and community college districts before it makes a decision.

Analysis:

This amendment addresses concerns posed by organizations representing faculty and classified staff that their input was not considered when approving AEBG regional consortia plans. This amendment will likely prevent the introduction of a bill sponsored by CSEA to specifically including classified staff in consortia planning. The proposal respects local control and does not prescribe how input should be considered.