

California Competes

Higher Education for a Strong Economy

December 2, 2014

MEMORANDUM

To: Community College Board of Governors
From: Robert Shireman and Lande Ajose
Re: Reaching needy communities

In January Governor Brown proposed a budget that would steer enrollment growth in the community colleges toward unmet need: areas of the state where community college enrollment is low given the number of people without a college degree and given the rates of poverty and unemployment. As enacted by the legislature, SB 860 included measures of in-district need and also recognized the permeability of district boundaries by conferring more growth on districts that do a good job serving Californians in high-need neighborhoods.

The legislature appropriately left many of the details and definitions of the funding formula up to the Board of Governors. We are writing to express concern that the process of developing the formula thus far has not been sufficient to the task.

For the past ten months, discussions of the funding formula have been limited to a closed task force of 13 district business officers. There have been no meetings to involve those responsible for academic planning, instruction, outreach, advising or other elements necessary to reach target populations. Furthermore, there have been no public meetings to identify the needs of employers or to gather input from organizations representing populations underserved by public higher education. Our requests to discuss these issues with relevant staff in the Chancellor's office and with the task force were turned down. The result, unfortunately, is that a draft formula presented at the November 20 Consultation Council meeting reflects neither the needs of the state nor the thrust of SB 860 (see attached).

Consultation is not meaningful if it only occurs when it is too late to do anything different. It is not too late now, but we are writing with some urgency because it will be too late if the discussions do not begin until after the next BOG meeting. Assessing the needs of the state requires conferring beyond the business officers and beyond the internal community college stakeholders. Involving outside parties in discussions like these, early on, helps to educate everyone involved and contributes to better solutions.

We are eager to assist in your efforts to make sure that the benefits of community college education and training reach the areas where the needs are the greatest. Please let us know how we can engage in the process before it is too late to provide meaningful input.

cc: Chancellor Brice Harris
Hon. Toni Atkins, Assembly Speaker
Hon. Kevin de León, Senate President pro tempore
Hon. Das Williams, chair, Assembly Committee on Higher Education
Hon. Carol Liu, chair, Senate Education Committee

Hon. Marty Block, chair, Senate Budget Subcommittee on Education
Director Michael Cohen, Department of Finance
Judy Heiman, Legislative Analyst's Office
CCCCO Consultation Council
CCCCO Advisory Workgroup on Fiscal Affairs

	SB 860	11/20 Draft	Discussion
Need within district boundaries	"The number of persons...without a college degree"	A district's percentage without degrees is subtracted from the state average, then the differences-in-percentages are "constrained" between 1 and 10 (with all negatives becoming 1 and anything above 10 becoming 10).	This should be a positive number for all districts (every district has people without degrees).
	"The number of persons...who are unemployed"	As with degree attainment, each district's deviation from the statewide average is figured and constrained.	This should be a positive number for all districts (every district has people who are unemployed).
	"The number of persons who...have limited English skills"	Not included	
	"The number of persons...who are in poverty"	The district's proportion of Pell Grant recipients is used to determine each district's constrained deviation from the statewide average.	Pell Grants measure poverty among enrolled students, not poverty of people in a geographic area. (Pell Grants numbers would be more appropriate as a replacement for the need adjustment below).
	"The number of persons who show other signs of being disadvantaged, as determined by the chancellor"	The draft includes an "unfunded FTES" factor.	Unfunded FTES is not a measure of "disadvantaged" people living in the district.
Need outside or inside district boundaries	"adjust upward" the the in-district need determination based on the district's "effectiveness in serving residents of neighborhoods ...that exhibit the highest levels of need in the state"	Not included (required to be implemented in 2016-17)	This measure, which allows the chancellor significant discretion in its details, is important in recognizing the role community colleges play in addressing needs both in and outside district boundaries. (The chancellor's office asked the legislature to delay required implementation of this measure).
Base enrollment	district's "share of statewide enrollment"	Headcount of CC students living within a district's boundaries, divided by population of the district, with the resulting percentage subtracted from the state average.	The draft figures a relative participation rate rather than a district's enrollment share.
Growth allocation after minimum restoration	"relative share of the difference between" district's need and enrollment	The draft takes a weighted average of the five indexes above and then distributes growth based on the relative share of the output.	The SB 860 formula is asking: How well does current enrollment address the need, compared to other districts? Growth is supposed to be allocated according to the answer: more unmet need, more growth.