

Thursday January 19, 2012

My first Consultation Council meeting was very interesting and, apparently, much livelier than usual. The majority of discussions were around the implications of the Governors Budget proposal and the Student Success Task Force (SSTF) recommendations.

State Budget

The good news is that the state has smaller budgetary deficit to solve this year than in the past couple years, but we still face critical shortfalls. A \$4 billion increase for Prop 98 funding is dependent on the ballot measures passing this fall. If the ballot measures don't pass, community colleges are most likely facing another 5.5% workload reduction. And, that reduction would not be announced until midyear. The biggest surprise for everyone was Governor Brown's proposal to consolidate all categoricals for flexible spending, with only a few exceptions (TTIP, Foster Youth, and DSP&S). The CCCCCO is not supporting flex or consolidation. The Governor says that in the future he is inclined to start reinvesting in education with at least a 4% increase in funding, beginning in 2013-14. The other BIG surprise was the Governor's proposal to divorce funding for community colleges from the traditional FTES formula - basically requiring a repeal of SB 361. If this were to occur, the CCCCCO would need to come up with an alternative formula.

Changes to Cal Grants would also be hit hard - they are projecting \$302 million in savings as a result of proposed changes to how the program is done. \$1.2 million would be saved by raising the GPA requirement from the current 2.4 to the new 2.75 requirement. The majority of the impact will be to proprietary schools, but not all. The current budget projections assumed that fees revenue collected would be \$100 million more than it will be. The Department of Finance is not proposing to fill that gap. The recommendation for Community Colleges is to plan for the worst. This means assume cuts will occur in 2012-13. The normal budget process will prevail this year with the normal March and April budget hearings. May revision process is when you can expect the first real news.

SSTF Implementation

The CCCCCO reminded us all that many of the recommendations don't take new money; for example working on a common core, prioritizing schedules for student needs and using a common assessment are things we already do. SSTF recommends we shift the framework and take a longer term vision. There are 3 ways to implement:

- Collaboration and cite best practices, e.g., high school students come better prepared and better informed
- Legislation
- Change in regulations

The Vice Chancellor of Government Relations provided a handout showing the framework for potential legislation and the time frame for the process. At this point, it looks like four of the SSTF recommendations may require some legislation which could be contained in 1-4 bills. Work groups will be formed and the participant mix will focus on who has the body of knowledge needed. The recommendations requiring legislation are:

1. Recommendation 2.2 and 8.2
2. Rec 3.2
3. Rec 7.1

4. Rec 7.2 & 7.3

There followed a lot of discussion on the role and composition of any potential work groups and the difference between legislative and regulatory timelines. The Academic Senate pointed out that having an intermediate step and then a separate final common assessment may be problematic and not as good of an idea as just taking our time and then going to final step.

Government Relations Update

Other: BOG Fee Waiver Change

Part C eligibility currently says a student is eligible if they meet requirements from Federal guidelines. Fee waiver came hand in hand with implementing fees for first time at CCCC. In 1984 few computers, not many resources to do involved analysis so looked for simple and easy way to determine need. Demonstrated need was any student who could do so meaning calculation of cost of attendance (fees, materials, books, gas,) minus expected family contribution (set by Feds). Since 1984, even if student qualified for \$1.00 worth of need, they got all fee waiver and qualified for that entire year. This past year this came under scrutiny and defense of the "\$1 need policy." In light of that and SSTF the folks in charge decided it was a good time to reconsider and change. Current change announced would be instead of full fee waiver for \$1 need, any student with a minimum need of \$1,104 will get entire fee for entire year. Financial Aid office can adjust on case-by-case basis. \$1,104 is \$46 per unit times full time 24 units per year. 21,000 students or 1.7% of total fee waivers would be affected by this. Vice Chancellor Michalowski is working on white paper. The students affected most likely will not be eligible for Pell or Federal Work Study but only direct student loans, mostly unsubsidized or scholarships. Lots of discussion that students, CSSOs, CBOs, CEOs, and CIOs were not involved and consulted before this was written and done. This item will be on the agenda next month with additional and deeper data.

The first non-legislative SSTF recommendations that will most likely be addressed through regulatory revisions are Statewide Priority Registration, Mandatory Student Education Plans and Mandatory participation of students in a Student Success course. SSTF Recommendations 2.4, 2.5, 3.1 all under consideration and review already. How much time it will take to bring these forward will depend on staff time and how complicated the issues turn out to be.