



September 2010

State Legislative Update

Despite a Challenging Year, Community Colleges Score Accomplishments...

The Legislature officially closed its regular two-year Legislative session just after midnight on Wednesday morning, September 1, 2010. The final hours of session were highly contentious as Legislative leaders dealt with several last minute amendments and wrangled over the fate of numerous remaining bills. Despite a frantic push at the end of session to deal with last-minute business, the Legislature closed down without a state budget and left many bills languishing to their defeat.

In the midst of this politically charged environment and fiscal uncertainty, the California Community Colleges succeeded in pursuing several major student-centered reform measures and amending other bills vastly improving how they serve the community colleges.

Transfer Degree Guarantee

Senate Bill 1440 (Padilla), the major community college transfer degree bill that guarantees access to the CSU with junior standing, was unanimously approved by both houses of the Legislature and now awaits action by the Governor. In addition Assembly Bill 2302 (Fong), its companion measure was also approved by the Legislature and sent to the Governor. This measure complements full implementation of the transfer guarantee program. Together these two measures are touted as landmark legislation and two of the most significant higher education bills to be approved by the Legislature in decades. The Governor is expected to take favorable action on these bills. Once acted upon by the Governor, both California Community College Chancellor Jack Scott and California State University Chancellor Charlie Reed have announced plans to immediately convene a Transfer Degree Implementation Task Force to aid in the smooth implementation of the new transfer program beginning in the fall 2011 academic term.

Student Success

The Legislature also unanimously approved Assembly Bill 2682 (Block), the community college common assessment bill. This bill offers a common assessment tool, which would be available on-line, to colleges free of charge. This approach would help colleges offer the common tests to students and would save significant resources that could be redirected to support other student service priorities. The bill demonstrates evidence of the system's commitment to continue looking for new approaches that help

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students succeed in their academic pursuits in a cost-effective manner. This bill also awaits the Governor's action.

The community colleges were also able to change the direction of a "student success" bill that in its original form would have been highly detrimental to the colleges. Senate Bill 1143 (Liu) originally would have required that community college funding be based on student course completion as a way to improve student success. This original proposal had significant problems and would have potentially caused the system to lose millions of dollars of base funding at a time when colleges are already struggling to cope with severe budget cuts. The bill was eventually gutted and amended to direct the Board of Governors to convene a Task Force to examine how to improve student success and adopt a plan for increasing student success. The Board would be required to present the plan prior to implementation to the Legislature on or before March 2012.

Other Noteworthy End of Session Developments

In the final days of session, the Legislature gutted and amended several local government compensation and pension reform bills in response to the City of Bell salary scandal. These bills focused on increasing compensation transparency and placing new restrictions on retirements for local government, which included local community college districts. One bill in particular was extremely problematic for community college districts. Assembly Bill 827 (De La Torre) would have imposed new restrictions on approving compensation increases, including the requirement that executive performance evaluations of executives who report to local governing boards be held in public session. The community colleges aggressively opposed this requirement, citing that public performance reviews of this nature could politicize the process and discourage talented leaders from pursuing executive leadership posts within the California Community Colleges. The bill was amended to change this provision to instead permit these evaluations to be conducted in closed session, with a summary provided at a public session if the proposed salary increase is greater than the consumer price index.

A second bill that caught last-minute attention was Assembly Bill 194 (Torricono), a local retirement measure. AB 194 caps retirement compensation for employees hired after January 1, 2011 under either the State Teachers' Retirement System or Public Employees' Retirement System for any employee at 125% of the compensation of the Governor in 2009. Under this measure, the compensation limit would be reduced from the current \$245,000 level to \$217,483. This cap does not limit the actual salary, but places a limit on an individual's pensionable salary.

In the end, several compensation and pension bills were approved, including AB 827 (De La Torre) and AB 194 (Torricono). The bills are summarized in the body of this report.

In another unexpected and last-minute action, the Legislature amended and approved AB 1413 (Fuentes, Coto) as a companion measure to SB 1460 (Cedillo), the California Dream Act. Together, the two bills provide AB 540 students with access to Cal Grants, BOG Fee Waivers, and Institutional aid. Assembly Bill 1413 can only go into effect if the Governor signs SB 1460.

Several other important bills are highlighted in this report that deal with a variety of issues that affect the community colleges. The report provides a brief summary of the bill and current status in the Legislature. Attached, you also will find the legislative tracking matrix, which provides a comprehensive list of all community college bills monitored by the Chancellor's Office. The bills are organized as Tier 1 or Tier 2 bills. Tier 1 bills are high priority measures on which the Chancellor's Office has taken a position. Tier 2 bills significant to the community colleges, but the Chancellor's Office has not yet taken a formal position.

COMMUNITY COLLEGE BILLS OF INTEREST

(Organized by Issue)

COORDINATION AND EFFICIENCY

AB 1713 (Furutani) California Community Colleges: Reporting Requirements (Sponsor)

Analysis/Summary: This bill consolidates the concurrent enrollment reporting requirements, moves the report for career development courses from March to July, and deletes the outdated reporting requirement on adult education and noncredit data collection.

Comments: This bill creates greater efficiency for the Chancellor's Office and is sponsored by the Board of Governors.

Location: AB 1713 has been enrolled to the Governor.

Position: Sponsor/Support

CTE/GREEN JOBS/ENERGY/JOBS

SB 675 (Steinberg) Green Jobs CTE – Education Fund

Analysis/Summary: SB 675 was substantially amended in the Assembly Appropriations Committee and now creates a program to provide grants to partnership academies. The initial funding source was replaced and SB 675 now requires the California Energy Commission to set aside \$8 million annually over five years to fund start-up of an estimated 200 new academies in the growing job sectors of clean technology and renewable energy.

Comments: The Chancellor's Office supported SB 675 as it went into the Assembly Appropriations Committee when it was drafted to create a program to award grants to fund construction and enhancement projects associated with educating and training individuals in preparation for jobs in clean technology industries. SB 675 included an advisory council including the Chancellor of the California Community Colleges as a council member. The council has also been removed from the bill.

Location: SB 675 has been enrolled to the Governor.

Position: No Position (under review)

SB 1332 (Dutton) Radiologic Technology

Analysis/Summary: SB 1332 would require the Department of Public Health (DPH) to approve schools that meet the Joint Review Committee of Education in Radiologic Technology (JRCERT) standards. The bill also requires the department to adopt the standards through a specified process before approving schools. Since 1996, JRCERT standards have been accepted in lieu of the California Department of Public Health's Title 17 regulations that were established in 1985. SB 1332 would preclude DPH from suddenly enforcing outdated regulations and use the JRCERT accreditation process utilized by the state over the past 14 years, rather than the 1985 regulations.

Comments: Title 17 regulations for Radiologic Technology Programs are widely considered to be outdated and not reflective of current needs. CSU and community college program directors state that compliance with the outdated Title 17 regulations would put their national certification in jeopardy. Even though Title 17 regulations are outdated, DPH has the authority to enforce these regulations. DPH attempted to enforce these regulations in 2007 and numerous college programs as well as clinical placement facilities were put on notice that their programs were deemed out of compliance. This bill clarifies that colleges who meet JRCERT standards are in compliance with the law.

Location: SB 1332 has been enrolled to the Governor.

Position: Support

EXECUTIVE COMPENSATION AND DISCLOSURE

AB 194 (Torrico) Retirement: Local Employees

Analysis/Summary: AB 194 caps retirement compensation for employees hired after January 1, 2011 under either the State Teachers' Retirement System or Public Employees' Retirement System for any employee at 125% of the compensation of the Governor in 2009 which was \$173,987 (125% equals \$217,483). The cap does not place a limit on salary levels, but on pensionable salary.

Location: AB 194 has been enrolled to the Governor.

Position: No position

AB 827 (De La Torre) Local Public Employees Contracts

Analysis/Summary: AB 827 prohibits a local agency contract for "excluded employees"* executed or renewed on or after January 1, 2011 from containing:

- An automatic contract renewal.
- An automatic compensation increase that exceeds a cost of living adjustment.
- An automatic compensation increase that is linked to a third-party contract, including agreements under the Meyers-Milias-Brown Act or the Education Code's employee relations provisions.
- A severance payment greater than the amount allowed by current law.

The bill also requires that the results of the performance review for exempt employees be summarized in an open session of the governing board before a compensation increase greater than the consumer price index is approved (any raise after January 1, 2011).

*An excluded employee is a person who is or will be employed by, and report directly to, the Legislative body of a local governing board that is not subject to the Meyers-Milias-Brown Act and the Public Records Act.

Comments: The Community College League of California and local districts expressed strong concerns with conducting performance reviews in public. Consequently, AB 827 was amended, deleting the requirement to hold public meetings on performance reviews. The August 27th amendment permits discussion regarding performance evaluations to take place under closed session. The author will submit a letter to the Assembly Journal clarifying that this bill only applies to community college district chancellors and superintendents/presidents of single college districts.

Location: AB 827 has been enrolled to the Governor.

Position: No position

AB 1955 (De La Torre) Brown Act: Salary and Compensation Disclosures

Analysis/Summary: This bill requires a local government (including community college districts) to publicly post the compensation and benefits for employees who report directly to the governing board in a conspicuous public place and on the local agency's web site at least seven days prior to ratification in open session.

Comments: According to the Community College League, this would only affect the district CEO, although an inspector general or general counsel that reports directly to the governing board would be covered as well.

Location: AB 1955 failed passage in the Legislature.

Position: No position

AB 1987 (Ma) Public Retirement: Final Compensation: Retirees

Analysis/Summary: AB 1987 establishes minimum standards and requirements for all public retirement systems in California with respect to final compensation, ongoing audits with penalties for noncompliance, and prohibitions against a retiree from immediately returning to employment with the public employer on a part-time or contract basis. This bill would prohibit members of Public Employees' Retirement System (PERS) or State Teachers' Retirement System (STRS) who retire after January 1, 2012 from working (including part-time or under contract) for a PERS/STRS employer for 180 days after retirement. The bill also limits what can be included in calculations that determine final retirement compensation. For example, if AB 1987 is enacted only one year of accrued vacation time is permitted to be included in final compensation calculations versus an unlimited amount of vacation time which is currently allowed. This legislation is "double-joined" with SB 1425 (Simitian) and will only be operative if both bills are signed into law.

Location: AB 1987 has been enrolled to the Governor.

Position: No Position

SB 501 (Correa) Local Government: Salary Disclosures

Analysis/Summary: SB 501 would require local government officers to submit a compensation disclosure form to the Secretary of State. Each local government will also be required to post the information from those forms on their web site.

Location: SB 501 failed passage on the Senate Floor.

Position: No position

SB 1425 (Simitian) Public Retirement: Final Compensation

Analysis/Summary: This bill would prohibit members of Public Employees' Retirement System (PERS) or State Teachers' Retirement System (STRS) who retire after January 1, 2012 from working (including part-time or under contract) for a PERS/STRS employer for 180 days after retirement. This bill specifies that if a STRS retiree earns compensation in violation of this requirement, his or her retirement allowance will be reduced by the amount of compensation earned in the prohibited period. This bill also makes statutory changes to bring the provisions of the Teachers' Retirement Law (TRL) and the Public Employees' Retirement Law (PERL) into compliance with the new requirements imposed on all public retirement systems by this bill. This bill becomes operative for all active and future members of the retirement systems beginning July 1, 2011, and is "double joined" to passage of AB 1987 (Ma).

Comments: SB 1425 and AB 1987 (Ma) include similar provisions. These are two pension reform bills to curtail "pension spiking" and "double dipping" of benefits. SB 1425 makes declarations regarding the manipulation of retirement benefits, including pension spiking, and the duties of the retirement systems to employ sound and equitable principles of oversight and the treatment of compensation.

Location: SB 1425 has been enrolled to the Governor.

Position: No Position

FINANCE/FUNDING/FACILITIES

AB 185 (J. Perez) Education: Federal Funds

Analysis/Summary: This bill would appropriate \$903,845,000 from the Federal Trust Fund (Fund) to the Board of Governors of the California Community Colleges (CCC), State Department of Education, University of California, and the California State University for the 2010-11 fiscal year. The CCC will be appropriated \$5,000,000 from the Fund.

Location: AB 185 has been enrolled to the Governor.

Position: No position

SB 1143 (Liu) Community College Funding

Analysis/Summary: SB 1143 has been amended to direct the Board of Governors of the California Community Colleges (BOG) to convene a task force to examine best practices and models throughout the nation for gauging, promoting and improving student success within California's Community Colleges. The BOG is required to report to the Legislature no later than March 1, 2012 on its proposed plan to improve student success and completion.

Location: SB 1143 has been enrolled to the Governor.

Position: Support

SB 1473 (Wyland) School Facilities Bond Proceeds: Performance Audits

Analysis/Summary: SB 1473 would mandate that all Proposition 39 mandatory performance and financial audits conform to the Generally Accepted Government Auditing Standards (GAGAS). GAGAS

standards are promulgated under the leadership of the Comptroller General of the United States, who heads the U.S. General Accounting Office.

Location: SB 1473 has been enrolled to the Governor.

Position: Support

NURSING

AB 2344 (Nielsen) Nursing: Approved Schools

Analysis/Summary: AB 2344 redefines “institution of higher education” for the purposes of approving schools of nursing to include community colleges and for-profit private postsecondary institutions offering an associate of arts or associate of science degree, and clarifies a nursing school that is not an “institution of higher education” may affiliate with an institution of higher education offering either an associate of arts or an associate of science degree.

Location: AB 2344 was signed by the Governor.

Position: No position

AB 2385 (J. Perez) Community Colleges: Accelerated Nursing and Allied Health Care Pilot Program

Analysis/Summary: This bill establishes a pilot community college program under the direction of the California Community College Chancellor’s Office, which may establish pilot sites at up to five campuses. Qualifying programs must provide certified training, include high quality curriculum and have the ability to expand programs as needed. The pilot program would facilitate the development of innovative models to expand the state’s capacity to prepare a qualified health care workforce. The Chancellor’s Office is directed to pursue a variety of funding sources to help support implementation of the bill. However, implementation of this pilot project is contingent on the availability of supplemental funds. Upon implementation of the pilot program, the Chancellor’s Office shall evaluate the effectiveness of the program and report to the Legislature on or before January 1, 2017.

Location: AB 2385 has been enrolled to the Governor.

Position: Support

OTHER

AB 1901 (Ruskin) Postsecondary Education: Master Plan for Higher Education

Analysis/Summary: This bill adds the report of the Joint Committee for the Master Plan for Higher Education. It also establishes legislative intent that the committee be used as a guide for higher education policy.

Location: AB 1901 was signed by the Governor.

Position: Support

SB 82 (Hancock) Community Colleges: Parking and Transportation Fees

Analysis/Summary: This bill would increase the limits on the parking services fee. Increases in parking and transportation fees will be determined by the Implicit Price Deflator for State and Local Government Purchases of Goods and Services published by the United States Department of Commerce. The bill

would also repeal the provisions that prohibit a governing board from entering into, or extending a contract for, transportation services provided by a common carrier or municipally owned transit system unless approved by a vote of the students.

Comment: This bill follows prior Legislation for specified districts and last year's AB 774 (Cook) that authorizes all districts to charge transportation fees to students and employees if approved by a majority of students and employees at the district. SB 82 removes the limit on fees. Several districts have used the current statute to provide mass transit services. SB 82 was amended on the Assembly floor to remove all references to parking fees and now only relates to transportation fees.

Location: SB 82 has been enrolled to the Governor.

Position: No position

SB 330 (Yee) Public Records: State Agency: Auxiliary Organizations

Analysis/Summary: SB 330 adds CCC, CSU, and UC foundations to the Public Records Act and adds provisions protecting the confidentiality of fundraising strategies and work-product that could be used by competitors. The bill also permits that the foundations can request anonymity of donors if their donation is \$500 or less.

Comments: Amendments that address concerns about proprietary fundraising information and preserve donor anonymity were included to exempt specified information, such as fundraising strategy and research on potential donors from the California Public Records Act. SB 330 was amended on the Assembly floor to add "addresses, and telephone numbers" to the section of the bills that are already exempt from disclosure, the names of persons who volunteer services or donate to specified entities if those persons request anonymity.

Location: SB 330 has been enrolled to the Governor.

Position: The recent amendments addressed our concerns and we are no longer in opposition.

STUDENT FEES/AFFORDABILITY

AB 1413 (Fuentes and Coto) Student Financial Aid: Eligibility

Analysis/Summary: Beginning January 1, 2011, AB 1413 establishes the California Dream Act of 2010 for purposes of permitting AB 540 students to apply for the Cal Grant student aid program if they meet requirements for nonresident tuition exemption. AB 1413 specifies that these students would only be able to receive a Competitive Cal Grant A or B award, if funding remains after all other eligible non-AB 540 students have received grants. The bill also broadens the definition of nonresident tuition students eligible for an AB 540 exemption to include graduates of adult education and technical schools provided the individual spent at least one year in a California high school. Enactment of AB 1413 is contingent upon SB 1460 (Cedillo) being signed into law.

Location: AB 1413 has been enrolled to the Governor.

Position: No Position

AB 1997 (Portantino) California Community Colleges: Student Financial Aid Programs

Analysis/Summary: AB 1997 requires the Chancellor's Office to implement a voluntary pilot program at up to 10 community colleges to identify strategies and best practices that increase student participation

in both state and federal financial aid programs. The Chancellor's Office is required to submit a report to the Legislative Analyst's Office (LAO) by January 10, 2013 regarding strategies and techniques used at the pilot sites. The LAO is then required to issue a report to the Legislature that includes recommendations for statewide expansion of the pilot, a statistical analysis of financial aid applications and awards before and after the pilot, and a summary of the major strategies and techniques employed by participating campuses.

Location: AB 1997 has been enrolled to the Governor.

Position: Support

AB 2086 (Coto) Public Postsecondary Education: Federal Assistance: Publication of Professional Licensure Examination Passage Rates

Analysis/Summary: AB 2086 would require postsecondary institutions to provide information regarding where the public may access license examination passage rates for the most recently available year, if that data is electronically available through an Internet web site of a state licensing or regulatory agency. Postsecondary institutions are permitted to place an Internet web site address with the required data on the institution's enrollment, application, and/or program information materials. Responsibility for certification of compliance rests with the postsecondary institution.

Comments: The purpose of this bill is to provide students, parents, taxpayers, policymakers, and employers with information about whether the higher education institutions and programs they attend, support, and/or finance are effective in terms of student learning and imparting the skills necessary to be successful in the workplace.

Location: AB 2086 has been enrolled to the Governor.

Position: No position

AB 2203 (Solario) Public Postsecondary Education: College Textbooks

Analysis/Summary: The most recent amendments to this bill remove all references to the California Community Colleges Board of Governors. AB 2203 now requires the California State University Trustees and encourages the University of California to review internal transfer policies and revise transfer policies to ensure that textbooks selected for transfer or general education courses may be used by the student for as long as the information in the textbook is current and reflects contemporary thinking in the discipline.

Location: AB 2203 has been enrolled to the Governor.

Position: No position

AB 2297 (Brownley) Community Colleges: Nonresident Fees

Analysis/Summary: This bill would allow local CCC governing boards to adopt a nonresident fee that is no greater than the average of nonresident fees of public community colleges in 12 states with comparable costs of living, based on a cost-of-living index as determined by the United States Department of Labor or a cooperating government agency.

Location: AB 2297 has been enrolled to the Governor.

Position: No position

SB 957 (Price) Student Financial Aid: Cal Grant C Awards

Analysis/Summary: SB 957 requires the California Student Aid Commission to give priority for Cal Grant C awards to students pursuing training in fields with high employment need, high salary or wage projections, or high employment growth. It also calls for a review and update to the areas of occupational and technical training for which students may utilize Cal Grant C awards at least every five years. The Legislative Analyst's Office is required to submit a report to the Governor and Legislature on the outcomes of the Cal Grant C program every other year beginning April 1, 2014.

Location: SB 957 has been enrolled to the Governor.

Position: No position

SB 1460 (Cedillo) Student Financial Aid: Eligibility

Analysis/Summary: AB 1460 establishes the California Dream Act of 2010 and provides that a person who is eligible under AB 540 provisions is limited to eligibility to apply for institutional financial aid and scholarships derived from non-state funds, beginning January 1, 2011. AB 540 students would not be eligible to apply for state aid, i.e. the Cal Grant program. Under AB 540, non-resident fees are waived for students who have attended a California school three or more years, one of these years must be in high school, and graduated from a California secondary school.

Location: SB 1460 has been enrolled to the Governor.

Position: No position

STUDENT SUCCESS

AB 2682 (Block) Community Colleges: Student Assessments: Pilot Project (Sponsor)

Analysis/Summary: This bill requires the Board of Governors to establish a pilot project with the goal of creating a set of centralized common assessments in English, Math, and English as a Second Language. Colleges will be asked to use these online, common assessment tools at a fraction of the cost of their current assessments. These assessments are used for placement and advising. The Board of Governors is directed to convene an advisory committee for the pilot projects and report on specified progress by February 28, 2011.

Comments: The bill was unanimously approved by the Legislature and sent to the Governor. The Department of Finance opposes AB 2682. Their analysis states that the bill is unnecessary, and that efficiencies and greater savings could be gained if the project used the Early Assessment Program. Staff has been working with the Department of Finance on amendments to address their concerns.

Location: AB 2682 has been enrolled to the Governor.

Position: Sponsor/Support

TRANSFER

AB 2302 (Fong) Postsecondary Education: Student Transfer

Analysis/Summary: AB 2302 is intended to complement the transfer pathway program that would be established through SB 1440 (Padilla). Recent amendments to AB 2302 require the Chancellor's Office of the California Community Colleges (CCC) and the California State University (CSU) to collaboratively

develop the most effective methods of advising students, college advisors, and parents of the new transfer pathway via the Internet web site and other means of communication. CCC and CSU faculty are directed to consider existing local articulation agreements in developing the new associate degree for transfer. AB 2302 also requires the Chancellor's Office to establish a process to facilitate the identification of courses that satisfy lower division preparation requirements throughout the community colleges system and to include a description of this process in a report to be submitted to the Legislature.

Location: AB 2302 has been enrolled to the Governor.

Position: Support

SB 1440 (Padilla) California Community Colleges: Student Transfer (Sponsor)

Analysis/Summary: SB 1440 establishes the Student Transfer Achievement Reform (STAR) Act. SB 1440 requires a community college district to grant an associate degree for transfer to a student in that student's field of study once a student has met degree and transfer requirements for a particular major. Upon completion of the transfer associate degree, the student is eligible for transfer with junior standing into the California State University (CSU) system. Students will be given priority consideration when applying to a particular program that is similar to the student's community college area of emphasis. The bill prohibits a community college district or campus from adding local course requirements in addition to requirements of the STAR Act, and prohibits the CSU from requiring a transferring student to repeat courses similar to those taken at the community college that counted toward their associate degree for transfer.

Comments: This legislation greatly streamlines and simplifies the current transfer process, and generates significant cost savings at the campus level that would be used to serve approximately 40,000 additional new community college students and 13,000 new CSU students. The Community College League of California was successful in securing waivers from all 72 community college districts to resolve problems in the bill regarding the mandated cost issue.

Location: SB 1440 has been enrolled to the Governor.

Position: Sponsor/Support

VETERANS

SB 1075 (Correa) Military Service: Benefits

Analysis/Summary: SB 1075 provides that if a student is called to active, full-time military duty that interrupts the individual's course of study, the institution is required to make arrangements to reasonably accommodate and assist the student in meeting all coursework requirements that he or she may have missed due to compulsory military service. This would apply to both private and public postsecondary institutions.

Comments: This bill is sponsored by the California National Guard.

Location: SB 1075 has been enrolled to the Governor.

Position: No position

*Prepared by the Government Relations Division
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