

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
2004-05 Board Legislative Goals
Endorsed by the Foothill-De Anza Board of Trustees on March 8, 2004

Subject

Board Legislative Goals proposed for 2004-2005

Background

Each year, the board of trustees establishes the legislative priorities for the district. This updated draft document is the second reading of the goals that will be adopted for use in advocating the board's priorities to the legislature and the public in preparing for the 2004-05 fiscal year. The district affirms its continued commitment to the California Master Plan for Higher Education and its dedication to student access, equity, affordability and success.

The board first discussed the 2004-05 legislative advocacy plan at its January 20, 2004 meeting, after attending the CCLC Conference on Legislation in Sacramento. These revisions were made to the first draft as a result of the board's comments at its meeting of February 17, 2004, the District's coordination with the legislative goals and interests of the State Chancellor's Office and the Community College League of California (CCLC) as well as results of the March 2, 2004 election and the continuing advice and counsel from the district's governance constituencies and the legislative subcommittee of the Chancellor's Advisory Council. Since Propositions 55, 57 and 58 were passed on March 2nd, those items were removed from the original document. Revisions to the February 17, 2004 draft were subsequently reviewed by the Chancellor's Advisory Council and were endorsed by the Board of Trustees at its meeting of March 8, 2004.

Proposal

For the 2004-2005 legislative calendar, the board endorsed advocacy for the following priorities:

- A. State Legislative Priorities
 - 1. Augmentations and Equalization of Base Funding
 - 2. Increased Local Control
 - B. Federal Legislative Priorities
 - 1. Increased Federal Funding for Community Colleges
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A. STATE LEGISLATIVE PRIORITIES

1. AUGMENTATIONS AND EQUALIZATION OF BASE FUNDING

In light of the governor's January budget proposal for 2004-05, the District's advocacy should focus on the following areas:

- a. Support for maintenance of base revenue and growth, COLA and a continuing appropriation for community colleges in the absence of a state budget as well as support for increasing the Community College share of Proposition 98 to the 10.93% mandated level for the CCC-K-12 split;
- b. Support for the equalization proposal;
- c. Support Property Tax backfill equivalent to K-12;
- d. Support PERS backfill equivalent to K-12;
- e. Support a stable and predictable fee policy;
- f. Support community college funding for re-directed UC and CSU students and eliminate the blanket fee waiver proposal for re-directed students;
- g. Support for child care funding; and
- h. Support funding for full-time faculty and staff.

a. *Base Revenue, Growth and COLA*

Proposal: Support base revenue, advocate for a COLA, and support the plan to provide FHDA with growth funds. Provide community colleges with a continuing appropriation to community colleges during periods when the state is operating without a budget, identical to the K-12 funding continuation. Further, work to achieve the full community college share of Proposition 98 at the 10.98% mandated level for the CCC/K-12 split.

Benefits to the district: Increased revenue to partially restore funding losses and provide access and opportunity for Foothill-De Anza students. A COLA will allow the district some progress to address its compensation needs and operating costs. A continuing appropriation keeps community colleges operational when the state hasn't passed a budget. Full funding of the CCC share of Proposition 98 would provide critical base funding for the District.

Background: The governor's budget for 2004-05 provides community colleges with a good starting point in light of the state's fiscal crisis. It included no mid-year cuts and

offered growth funds for community colleges that are estimated to fund 1.2% growth for our district. This has the potential **to generate \$300,000 net income** by current estimates. While no COLA was proposed, recent news indicates the Governor intends to offer a 1.84% COLA in the May revise. **Estimated revenue is \$2.1 million for the district.** If realized, these funds will move to the district toward closing its \$12.7 million operating gap between its revenues and expenses to achieve a balanced budget for 2004-05. Community colleges are not provided operating funds when the state can't pass a budget on time. This policy is distinct from K-12 districts, and this proposal seeks consistency in state policy between community colleges and K-12 districts regarding funding appropriations during periods when the state is operating without a budget. Finally, a long-standing problem has been the state's inability to fully fund the 10.98% of Proposition 98 that was promised as the community college share.

b. Equalization

Proposal: Support the equalization proposal and work to bring Foothill-De Anza and all other low-funded community college districts to the state average.

Benefits to the district: Increased revenue to partially restore budget reductions and equalized funding per FTES.

Background: The Governor's budget includes a proposal to address the long-term problem of inequity within the community college funding allocation model that has existed since the passage of Proposition 13. Due to historical conditions, the state's centralized funding formula has placed the Foothill-De Anza Community College District among those districts receiving far less than the average in funding per FTES. A 2002-03 report by the State Chancellor's Office shows that Foothill-De Anza is \$300 below the average in funding per FTES. Foothill-De Anza is funded at \$3,647 per FTES, ranking 57th out of the 72 districts. The governor's budget proposes an \$80 million augmentation to begin to equalize the funding imbalance. Full equalization of all community college districts is estimated at \$240 million. The District's latest fiscal analysis estimates that **Foothill-De Anza would gain an estimated \$2 million to \$3.5 million if equalization is funded for 2004-05.**

c. Property tax backfill equivalent to K-12

Proposal: Advocate for property tax backfill equivalent to K-12.

Benefit to the district: A consistent policy on funding shortfalls for property taxes with K-12.

Background: Under current law, general fund apportionments to K-12 districts automatically adjust for changes in property tax revenues. Current law does not provide for a similar adjustment for community college districts. Therefore, when the property tax revenue and student fee revenue are lower than expected in a fiscal year, the system's only means to make up for the funding shortfall is to seek an appropriation from the Legislature. This proposal would seek to establish an automatic adjustment to the California Community Colleges General Fund apportionments in order to compensate for errors in projections of the system's property tax and student fee revenues in a fiscal year. This would provide the same backfill mechanism that is already in place for K-12.

d. PERS backfill equivalent to K-12

Proposal: Advocate for a PERS backfill equivalent to K-12.

Benefit to the district: Relief from increases in retirement costs.

Background: PERS backfill--Community colleges have had to absorb extraordinary increases in required employer contributions to the PERS and the STRS. For many years prior to 2002-2003, the strength of the PERS School Employer Account was such that districts enjoyed a zero contribution rate. Beginning in 2002-2003, PERS imposed a contribution rate of 2.894% of classified salaries, resulting in significant cost to the district. The rate jumped to 10.42% in 2003-2004, imposing costs of \$115 million systemwide to community colleges. PERS staff project the rate will increase to 12.2% for 2004-2005. The state has compensated K-12 districts for these increases, but not community colleges. K-12 receives an automatic backfill of the PERS increase of up to 13.02% of payroll. This proposal seeks similar coverage for community colleges. The governor's January budget proposal included this backfill amount for community colleges. If attempts to fund it in the current budget are unsuccessful, legislation will be necessary.

e. Need for a stable and predictable fee policy.

Proposal: Advocate for stable and predictable fees so students and families can plan ahead and budget for higher education expenses. Advocate for increased Board of Governors grants and Cal Grant funding to accompany any increase in student fees since only 25% of Foothill-De Anza low-income students benefit from Pell grants. Oppose the reintroduction of a differential fee for students holding bachelor degrees.

Benefits to the district: Allows students and families to plan an educational budget in advance. Provides equal access for training and retraining to displaced workers with bachelor's degrees. Provides financial support for California's financially needy students.

Background: The governor's proposal would increase community college fees from \$12 to \$17 per quarter unit, a 66% fee increase beyond the 44% increase in fees that was implemented last year. The governor recommends that higher education fees increase no more than 10% a year to allow students and their families to plan for covering the cost of higher education; however, the governor argues that since community college fees are among the lowest in the nation, our students should absorb a higher fee increase. The governor's budget also proposes a fee increase to \$33 per quarter unit for bachelor degree holders. A similar differential fee that was imposed in 1991 had an extremely detrimental effect on the mission of California Community Colleges. Two years after the fee was introduced in 1991, the Foothill-De Anza Community College District lost nearly 10% of its enrollment and took three years to recover after this fee was removed. If the differential fee is enacted, however, we advocate that holders of bachelor's degrees be eligible for the existing Board of Governors fee waiver rather than construct a separate fee waiver. Finally, regarding students on financial aid, 66% of the district's students who receive financial aid do not qualify for federal Pell grants and will not qualify as a result of the governor's proposal. Thus, it is very important that Board of Governors grants and incentives be provided to ensure that these students are able to

attend college without enduring further financial hardship given the dramatic fee increases that are proposed.

f. Funding for re-directed UC and CSU students

Proposal: Advocate for funding redirected students from CSU and UC and the elimination of the blanket fee waiver proposal.

Benefits to the district: Equal opportunity for all potential students.

Background: The governor's January budget included a proposal to limit enrollment in the CSU and UC system and redirect those students to community colleges. In addition, the proposal offers these students a fee waiver at the community college as an incentive. This proposal raises many concerns for community colleges. Implementing a new program of this magnitude prior to Fall of 2004 imposes a hardship on community colleges for a variety of practical reasons. In addition, if these students are to be accommodated, adequate funding must be provided to avoid displacing traditional community college students. We support offering fee waivers to students who qualify for the existing Board of Governors fee waiver that is already in place. The blanket fee waiver offers an unnecessary advantage to redirected students from UC and CSU. If redirected students receive priority in community college enrollment, this proposal could cause community colleges to turn away deserving students who have no other higher education option. Beyond these concerns, the UC and CSU systems have recently begun a practice of "dis-enrolling" students who do not meet upper-division academic requirements in English and mathematics. This policy brings ever-increasing numbers of under-prepared students to community colleges. In addition, if UC and CSU are forced to reduce their budgets, current students as well as new high school graduates seeking admission to UC and CSU will be turned away and may come to the community colleges. All these factors will place enormous pressures on community colleges at a time when demand is at an all-time high. Thus, we do not support offering blanket fee waivers to redirected students from UC or CSU.

g. Child Care Funding

Proposal: Advocate for funding campus child care centers.

Benefits to the district: Provides stable and predictable funding to maintain child care services for student parents. Child care centers provide workforce training opportunities for future early childhood teachers.

Background: These funds are critical to Foothill-De Anza's child care program and without them we will lose more than \$700,000 in tax-bailout funding for community colleges, and hundreds of thousands of dollars from the general child care funds that enable low-income students and welfare recipients to receive child care while attending a community college. These funds enable Foothill-De Anza to serve single parents and families seeking a community college education by providing child care to their children while their parents are taking classes.

h. Funding for full-time faculty and staff

Proposal: To advocate for the legislature to fully fund the 75-25 full-time faculty ratio as mandated in AB1725.

Benefits to the district: Adequate and predictable funding for all community colleges will allow Foothill-De Anza to fully carry out its mission and hire sufficient faculty and staff to meet student needs.

Background: Since the passage of AB 1725, community colleges have been mandated to move toward an instructional ratio of 75% full-time and 25% part-time faculty. Lack of sufficient funding has forced community colleges to rely on large numbers of part-time faculty. The legislature has never fully funded community colleges for the cost of hiring appropriate numbers of faculty and staff to serve students.

2. INCREASED LOCAL CONTROL

a. Reaffirm local governance and the dual governance responsibilities of the state board and local community college district boards of trustees

Proposal: Support SB 6.

Benefits to the district: Maintenance of the current degree of local control by the board of trustees by affirming the dual governance responsibilities of the state Board of Governors and local community college districts.

Background: SB 6, sponsored by Senator Dede Alpert, seeks to amend various sections of the Education Code relating to public governance issues. This legislation has undergone several revisions in the past year and is now supported by the community college trustees organization, CCCT.

b. Reduction of unfunded state mandates

Proposal: Oppose unfunded state mandates.

Benefits to the district: A suspension of some mandates will allow increased flexibility to meet determined program needs, and best serve students who are most in need of assistance. For example, suspending reporting mandates would allow more resources to go to serving students and less to administrative requirements and paperwork.

Background: The community colleges are suffering through the third consecutive year of per student funding reductions. Many of the mandates imposed by the legislature further constrain districts in their ability to survive difficult economic conditions. At the same time, the legislature has never fully funded community colleges for the cost of hiring appropriate numbers of faculty and staff to serve students. To illustrate the degree community colleges are regulated, note that the UC system enjoys constitutional autonomy, operating with less than 400 Education Code mandates while the California Community Colleges are closely micromanaged by the state, suffering under more than 3,000 Education Code mandates. Removing the unnecessary mandates that do not serve the state's interest would return a modicum of local control to boards of trustees. This would better serve each district's students through improved decision-making and increased efficiency and effectiveness at the local level.

c. Flexibility in fees

Proposal: Support giving local community college governing boards the authority to set and retain fees at the local level in specified areas.

Background: Fees are currently set by the state, and unlike the CSU and UC system, there is no flexibility for local districts to address specific needs.

Benefits to the district: In affording a degree of autonomy to boards of trustees, this proposal would provide a measure of local control, allowing governing boards to set fees to generate income in order to offset increasing costs by retaining and using those fees in areas specified by the local board.

B. FEDERAL LEGISLATIVE PRIORITIES

1. ADVOCATE FOR FEDERAL FUNDS FOR COMMUNITY COLLEGES

Proposal: Advocate on the federal level for the following priorities:

- Appropriate \$1.2 billion for the Perkins Basic State Grant Program;
- Increase HEA Title III-A funding to \$101.3 million;
- Raise the Pell Grant maximum to \$4,500 in FY 2005; and
- Support the following priorities for the reauthorization of the Community College Higher Education Act:
 - Eliminate the Pell Grant “tuition sensitivity” provision through the reauthorization of the Community College Higher Education Act;
 - Support a new program for teacher training at community colleges;
 - Improve the Workforce Investment Act (WIA);
 - Oppose for profit school access to institutional grants;
 - Reject arbitrary caps on tuitions;
 - Enhance the Perkins Act’s support for technical education;
 - Help low-income students benefit from the Hope Scholarship; and
 - Pass the Dream Act and Student Adjustment Act

Benefits to the district: These initiatives will provide access to critical funds to support vocational education and career programs, funding to support teacher training programs at the community colleges and the preservation and augmentation of federal financial aid funds to needy students and families.

Background: The federal budget was recently released and it included many areas of concern for community colleges. Of particular concern are changes to the WIA and the Perkins Act that would reduce funds for career and vocational programs at Foothill-De Anza. In addition, federal financial aid requirements are increasing, making it more difficult for community college students to qualify. In fact, only 25% of the district’s students who receive financial aid qualify for federal financial aid. The Pell Grant Program is essential to creating access to higher education for needy students. This proposal seeks a doubling of the authorized maximum grant over current funding levels, and elimination of the outdated “tuition sensitivity” provision, which prevents students attending the least expensive colleges from receiving the maximum grant. The elimination of tuition sensitivity is a priority for California community colleges since our fees are below the required threshold, and in turn, this puts political pressure on state legislators to raise fees.