

Date of Hearing: April 9, 2013

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Das Williams, Chair
AB 955 (Williams) – As Amended: April 2, 2013

SUBJECT: Community colleges: intersession extension programs.

SUMMARY: Authorizes California Community College (CCC) districts to offer self-supporting extension programs during summer and winter intersessions, provided the CCC districts has been at enrollment capacity for the prior two years. Specifically, this bill:

- 1) States that California must graduate more students with postsecondary education training in order to meet its workforce needs, yet significant budget cuts to the CCC over the past five years have resulted in decreased access to courses necessary to transfer to a four-year institution or obtain a degree or certificate.
- 2) Authorizes the governing board of any CCC district to offer an extension program, without the approval of the CCC Board of Governors, that meets the following requirements:
 - a) Limits extension offerings to summer and winter intersessions.
 - b) Requires a district to have served a number of students equal to or beyond its funding limit for the two immediately prior academic years, as provided in the annual Budget Act and reported by the CCC Office of the Chancellor.
 - c) Requires the program to be self-supporting, and that all associated costs for the program be recovered and prohibits a governing board from expending any general fund moneys to establish and maintain these courses.
 - d) Requires that enrollment be open to the public.
 - e) Limits extension offerings to courses leading to certificates, degrees or transfer preparation.
 - f) Requires that degree credit courses offered meet all requirements, standards, and criteria for courses under Title 5 of the California Code of Regulations, as specified.
 - g) Subjects the extension program to collective bargaining agreements.
 - h) Prohibits these courses from supplanting state-funded courses and prohibits the reduction of state-funded course sections or the transfer to extension of course sections for basic skills, workforce training, or transfer goals. Requires the governing board of a CCC district to annually certify compliance with this subdivision by board action taken at a regular session of the governing board.

Fees and Financial Aid

- 3) Authorizes a governing board to establish fees necessary to fund the course and based upon the district's nonresident fee rate for the year the course is offered.
- 4) Defines actual costs to include cost of instruction, necessary equipment and supplies, student services and institutional support and other costs used to calculate nonresident tuition.
- 5) Requires each CCC district maintaining an extension program to encourage broad participation in these programs and support access for students eligible for Board of Governors fee waivers, including but not limited to, providing students with information about financial aid programs, the American Opportunity Tax Credit, military benefits, scholarships, and other financial assistance that may be available to students, as well as working with campus foundations to provide financial assistance for students attending extension programs.

Oversight

- 6) Requires each participating district to annually collect student information, as specified, and conduct an analysis of the program effects on district workload and financial status, and to submit this information to the CCC Chancellor's Office by October 1 annually.
- 7) Requires the CCC Chancellor to submit all district information to the Legislative Analyst's Office (LAO) by November 1 of each year and the LAO to submit a report to the Legislature by January 1, 2017 that:
 - a) Summarizes the information received from districts.
 - b) Assesses the extent of compliance with legislative intent.
 - c) Makes suggestions for statutory improvements.

EXISTING LAW:

- 1) Establishes CCC as a part of public higher education. Current law establishes and differentiates the goals, missions and functions of California's public segments of higher education. (Education Code § 66010)
- 2) Provides that CCC's primary missions are to offer academic and vocational education at the lower division level for both recent high school graduates and those returning to school. Another primary mission is to advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement. In addition, current law provides that essential and important functions of the colleges include: basic skills instruction, providing English as a second language, adult noncredit instruction, and providing support services that help students to succeed at the postsecondary level. (EC § 66010.4)
- 3) Requires the governing board of a CCC district to admit any California resident (and authorizes them to admit any nonresident) possessing a high school diploma or the equivalent and authorizes the board to admit anyone who is capable of profiting from the instruction offered, as specified. (EC § 76000)

- 4) Requires that CCC students be charged a per unit fee and statutorily prescribes the fee level through the annual Budget process, except students enrolled in noncredit courses and in credit contract education courses, as specified, and California State University (CSU) and University of California (UC) students enrolled in CCC remedial classes, as specified, and provides for the waiver of these fees for students who have financial need or meet other specified criteria. (EC § 76300)
- 5) Requires the governing board of each CCC district to establish its nonresident tuition fee for the succeeding fiscal year by February 1 of each year based on a variety of factors. (EC § 76140)

FISCAL EFFECT: Unknown

COMMENTS: Need for the bill. According to the author, numerous researchers have raised concerns about California's ability to meet its workforce needs to sustain its economy. Experts estimate that California will need 3.5 million additional degrees in the next decade just to keep pace. The CCC is the key to meeting this need and providing opportunity for most Californians to achieve their educational and professional goals. Yet, recent budget shortfalls have resulted in the worst cuts to the system in recent memory—reductions that are unlikely to be completely restored in the near future. This bill would allow colleges to offer courses leading to transfer or a degree or certificate during intersessions. Since most campuses have eliminated programs, extension offerings give students an opportunity to take the courses they are not able to get during the state-supported regular session to accelerate the completion of their goals. And by providing additional opportunities for students to complete high-demand courses, this should free up space in the companion state-supported courses offered during the regular session, increasing all students' ability to complete their education in a timely manner. Participation in these programs is completely voluntary—it is up to the districts to offer extension programs, and it is the student's decision to take them.

Impact of budget cuts on CCC. Funding for CCC has been cut \$809 million, or 12%, over the past three years. According to a March 2013 report by the Public Policy Institute of California (PPIC), course offerings have declined from 420,000 to 334,000 since 2008—86,000 or 21% of course offerings—and most were credit courses necessary to transfer or obtain a degree or certificate. PPIC estimates that since 2008, 600,000 students have not been able to enroll in classes, and another 500,000 students were on waiting lists for Fall 2012 courses.

Reduced summer session offerings. Budget cuts resulted in reductions in a higher proportion of summer course sections than in either Fall or Spring terms, suggesting that many colleges tackled budget cuts by prioritizing course offerings in the primary Fall and Spring academic terms. PPIC notes that reductions in summer offerings may slow the completion rates for some students, as well as reduce the earnings for some faculty and staff who previously relied on summer income.

Differential fee precedent and access. CCC is intended to provide open access to all Californians, offering low fees and generous aid. While this bill allows extension courses only during intersessions when they will not compete with state-supported programs, it does create a precedent at CCC of providing courses for those willing to pay higher fees. These fees will be

based on nonresident tuition, which varies by district but averages around \$200 per unit (state-funded courses are \$46 per unit).

Who could benefit? The author notes that the lack of courses during intersessions impacts veterans, who must be enrolled in courses to access benefits to which they are entitled through the Post 9/11 GI Bill. The GI Bill covers a student's tuition, as well as housing and other expenses. However, a student must be enrolled in a course to access the housing benefit. Thus, when veterans attend a college that does not offer courses in the summer or winter, they do not receive the housing stipend, upon which many veterans depend. The availability of extension courses may also help students who wish to make progress toward their goals during the intersession, particularly those students who need only a course or two to complete but have been crowded out of those courses. Finally, the author notes that the lack of community college course offerings in workforce preparation fields has led many students to enroll in for-profit institutions, which are much more expensive than community colleges and often require students to incur significant loan debt.

Who may not? Cal Grants and CCC Board of Governors (BOG) fee waivers would not cover fees for extension programs, affecting low income students. Students could use any remaining Pell grants to cover these fees, which would also qualify for reimbursement under the American Opportunity Tax Credit (providing a refund of up to \$2,500 in educational costs for low income students to low income students). However without financial aid, low incomes students may not be able to afford extension courses, although they may benefit indirectly to the extent extension courses free up space in impacted state-supported courses.

If not this, then what? Reduce course offerings are a result of \$800 million in recent budget cuts. In its March report, PPIC notes that while the state's fiscal outlook has improved, the additional funding is unlikely to make up for years of significant cuts. The report concludes that if community colleges are to fulfill their multiple missions, the state must consider alternatives, including the following:

- 1) Pursue more local parcel taxes, although PPIC notes that only two of the four measures on the November 2012 ballot were approved by voters.
- 2) Increase student fees to bring more revenue into the system.
- 3) Reduce the income thresholds to qualify for a BOG fee waiver to bring more fee revenue into the system.
- 4) Require students to apply for federal financial aid in order to get a BOG fee waiver.
- 5) Consider alternative fee models, including charging more to those who can afford to pay more accompanied by aid to hold low-income students harmless.

CSU and UC extension programs. According to the CSU, their extended and continuing education programs offer baccalaureate and graduate degree programs, certificates, and many forms of specialized education and training for business, industry, and government. Many campus self-support units conduct programs during times when regular academic operations are recessed (early January and May). Current law authorizes the CSU to require and collect tuition fees for special sessions adequate to meet the cost of maintaining them and declares legislative

intent that these programs not supplant regular course offerings available on a state-supported basis during the regular academic year (EC § 89708). By Executive Order, these courses may only be offered to matriculated students on a self-support basis at times and in locations not supported by state general fund appropriations. The CSU reports that it enrolled over 266,000 students (over 16,000 FTES) in over 46,000 course sections through extended and continuing education programs in 2008-09.

According to the UC, its extension programs provide continuing education for adults who have already obtained an undergraduate degree and are looking for additional credentials. All extension programs offered by the UC are self-supporting and receive no state funding. According to the UC, University Extension offers about 17,000 courses annually and enrolls some 500,000 Californians in its programs each year.

Arguments in support. Long Beach Community College District states, "Years of reductions in state funding have reduced offerings significantly during intersessions despite soaring demand for access to higher education. AB 955 provides the ability for students to get the education they deserve, when they need it while providing a lower cost to BOG eligible students to promote access for all." The Service Employees International Union states that, while it does not take lightly concerns about the impact of differential fee model on low-income students, a disparate fee model already exists today where some students are able to pay exorbitant costs to attend high cost for-profit institutions where they incur debt they cannot afford.

Arguments in opposition. Several community college districts argue that this bill will create a differential fee for community college students opening a pathway for certain students that can afford to take those courses while disenfranchising students that do not have the means to access these high cost courses. The Faculty Association of California Community Colleges states that the Legislature must address the access crisis by directing the increase in base apportionment to only restoration and cost of living.

Related legislation. AB 606 (Williams), set for hearing in this Committee on April 9, would establish a CCC pilot program to increase applications for federal financial aid and the American opportunity tax credit. SB 1550 (Wright) of 2012, which failed passage in this Committee, would have authorized a narrow extension pilot program for career technical education courses. AB 515 (Brownley) of 2011, which died in the Senate Education Committee, would have authorized an extension program similar to that in this bill that could be offered concurrently with state-supported programs.

REGISTERED SUPPORT / OPPOSITION:

Support

College of the Canyons
Long Beach Community College District
Riverside Community College District
Service Employees International Union

Opposition

Faculty Association of California Community College

Kern Community College District
Los Angeles Community College District
Los Rios Community College District
Peralta Community College District
San Diego Community College District
Yosemite Community College District

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