

Date of Hearing: April 21, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 986 (Gipson) – As Amended March 26, 2015

SUBJECT: Community Colleges: Compton Community College District: report

SUMMARY: Requires the special trustee of the Compton Community College District (CCD) to provide a report to the Legislature. Specifically, **this bill:**

- 1) Requires the special trustee of the Compton CCD to report to the Legislature concerning the priorities identified in each Fiscal Crisis and Management Assistance Team (FCMAT) report and provide a response on how the special trustee intends to resolve issues identified in the FCMAT report in a timely manner, not to exceed 150 days from receipt of the report.
- 2) Provides that in any instance that there is a decline in performance, the special trustee shall specifically identify strategies for ensuring progress in its response to that report.
- 3) Provides for reimbursement if the Commission on State Mandates determines the provisions of this bill contain mandated local costs.

EXISTING LAW:

- 1) In 2004, AB 61 (Dymally) authorized the California Community College (CCC) Board of Governors to authorize the CCC Chancellor to suspend the authority of the Compton CCD Board of Trustees and appoint a special trustee, at expense to Compton CCD, to manage operations. The law establishes that the special trustee remains in place until the Chancellor, FCMAT, the Director of Finance, and the Governor concur with the special trustee that the Compton CCD has, for two consecutive years, met the requirements of the assessment and recovery plan. (Education Code Section 71093)
- 2) In 2005, AB 318 (Dymally) provided an emergency appropriation of \$30,000,000 from the General Fund to the CCC Board of Governors for apportionment to the Compton CCD to facilitate the establishment of a partnership with another CCC district to continue educational programs at the Compton CCD campus, following the loss of Compton CCD's accreditation. (EDC Sections 41329.58 and 74292-74296)
- 3) AB 318 also required FCMAT to conduct an audit by October 30, 2006, of alleged fraud, misappropriation of funds, and illegal fiscal practices at Compton CCD and report to the CCC Board of Governors and the Department of Finance. FCMAT was required to, by January 31, 2007, conduct a comprehensive audit and prepare a recovery plan. Finally, FCMAT was required to file regular written status reports to the Legislature and Governor, among others, regarding Compton CCD's progress toward addressing deficiencies identified by FCMAT and the Accrediting Commission for Community and Junior Colleges (ACCJC). (EDC Section 41329.59)
- 4) In 2014, following the potential loss of accreditation and the appointment of a special trustee at San Francisco Community College District, AB 2087 (Ammiano) was enacted to require the CCC BOG to ensure regulations governing the appointment of a special trustee to

manage a community college district include specific benchmarks to indicate the presence of local capacity to resume management of the district and clear standards that require meaningful consultation by a special trustee with the district prior to decision making. (EDC Section 84040)

FISCAL EFFECT: Unknown

COMMENTS: *Background.* On May 21, 2004, the CCC Chancellor issued Executive Order No. 2004-01, to initiate state intervention to resolve long-standing fiscal problems at Compton CCD. A full-time special trustee was appointed and undertook a number of activities in an attempt to resolve the Compton CCD's fiscal problems. On January 31, 2005, the Accrediting Commission of Community and Junior Colleges (ACCJC) announced it had placed Compton CCD on "show cause" status and required the district to correct a series of deficiencies related to fiscal management and stability. On June 17, 2005, ACCJC announced it had reviewed Compton CCDs "show cause report" and determined the district had not adequately addressed deficiencies and terminated accreditation effective August 19, 2005.

Federal and state laws provide that the termination of accreditation results in the immediate loss of all state and federal funds, including general funds and categorical apportionment revenues, financial aid, and maintenance funds. In order to ensure instructional services could continue at the Compton CCD campus, on August 21, 2006, the El Camino Community College District (ECCCD) approved a partnership agreement to establish the Compton Center. The agreement for the Compton Center includes operations under the direct management of El Camino CCD through a vice president on the Compton Center site. The vice president reports to the superintendent/president of El Camino CCD for the operational aspects of the Compton Center, including its instructional programs and student services. Business services, facilities, personnel, governance components and other programs and services are managed by the Compton CCD's chief executive officer (CEO). The CEO reports to the state special trustee for the Compton CCD. The Compton CCD five-member elected Board of Trustees remains in place, but its role is limited to an advisory capacity.

Purpose of this bill. According to the author, in order for the Compton CCD Board of Trustees to be able to fully govern autonomously, they must be provided every opportunity to be a direct stakeholder and hold similar capacity to what they will be expected to assume once they are accredited. The author notes that this bill is intended to make progress toward the long-term goal of returning governing authority to the Compton CCD Board of Trustees.

FCMAT progress report. The initial FCMAT comprehensive review of Compton CCD took place in April 2007, and assessed the Compton CCD using 335 professional and legal standards in five areas of district operations. The standards were aligned to the four standards of the ACCJC to develop specific recommendations for operational improvements that would help prepare the district to return to fiscal solvency and local governance and enhance its readiness to re-establish accreditation.

In October of 2014, FCMAT released its 8th progress report on Compton CCD, as is required under the provisions of AB 318. According to FCMAT, the process for the Compton CCD requires much time and improvement and will likely proceed incrementally. FCMAT anticipates that the Compton CCD will continue to make the progress necessary for an eventual return to local governance. However, at the time of the 2014 report, the required criteria had not been met and governance authority could not be returned to the local Board of Trustees. FCMAT noted

that the return of legal powers and duties to the elected board is contingent on meeting specified requirements.

ACCJC progress. ECCCD and Compton CCD are working together to obtain independent accreditation for the El Camino Compton Center. In January of 2015, the Compton Center submitted an eligibility application to ACCJC. This application is the first step toward obtaining independent accreditation of the Compton Center. Once independent accreditation is obtained and Compton CCD has met all state requirements for returning local control, both processes may take several more years, the ECCCD and Compton CCD could seek to apply for a substantive change from ACCJC to reflect the change in governance.

Suggested amendments.

- 1) As previously outlined, the special trustee is appointed by the CCC Board of Governors and reports to the CCC Chancellor. Therefore, committee staff recommends this bill be amended to establish that the report required to be completed pursuant to this bill be compiled and submitted by the CCC Chancellor rather than the special trustee.
- 2) A clarifying amendment is necessary to require the report to be submitted to the Legislature within 150 days following the issuance of each FCMAT report.

REGISTERED SUPPORT / OPPOSITION:

Support

None on File

Opposition

None on File

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