

Date of Hearing: April 22, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Das Williams, Chair

AB 2153 (Gray) – As Amended: April 8, 2014

SUBJECT: Postsecondary education: course offerings.

SUMMARY: Establishes a definition for "supplanting" for the purposes of determining if California State University (CSU) and California Community College (CCC) special session (extension) courses are offered within the allowances provided in law. Specifically, this bill:

- 1) For the purpose of CCC extension courses:
  - a) Defines the term "supplant" to mean to increase the number of extension course offerings and correspondingly decrease the number of regular course offerings at a campus.
- 2) For the purpose of CSU extension courses:
  - a) Prohibits an extension course from supplanting a state-supported course during the regular academic year, including summer and winter intersessions;
    - i) Defines "supplant" to mean when a matriculated student is required to take an extension course to graduate because a state-supported section of that course is unavailable either because the state-supported course is not offered in that term or because all state-supported sessions are full at the student's campus.
  - b) Requires, to the extent possible, each campus to ensure that any course required as a condition of degree completion to be offered as a state-supported course;
  - c) Provides that a matriculated student who is required to take an extension course to graduate because a state-supported section is unavailable at the student's campus shall pay the lesser of the state-supported section and extension course fee. Requires, to the extent possible, campuses to not use general fund dollars to support an extension course;
  - d) Prohibits a campus from reducing the number of state-supported section course offerings while increasing extension offerings of that course;
  - e) Prohibits campuses from offering extension programs at the campus at times or in locations that limit the number of regular course offerings that receive state funding;
  - f) Prohibits the number of extension courses of any individual course, including online courses, from exceeding the number of state-supported sections of that course at a campus;
  - g) Provides that, with the approval from the Chancellor's Office, a campus may add an extension section of a state-supported degree program course so long as:

- i) The campus has made the determination that state resources are inadequate to provide for additional state-supported sections;
  - ii) There is no corresponding reduction in the number of state-supported sections on that campus;
  - iii) There is still sufficient demand to sustain both the state-supported and the extension course sections; and,
  - iv) The extension section or sections comply with all applicable state laws and systemwide and campus policies.
- h) Requires the CSU Chancellor to provide guidance to campuses regarding compliance and requires the CSU Trustees to annually certify compliance at a regular meeting and transmit certification to the Legislature by June 30 of each academic year; and,
- i) Establishes Legislative intent that CSU provide core curriculum through state-supported academic programs, that a matriculated student of CSU is entitled to a postsecondary education within the bounds of a state-supported tuition and fee structure, and that a campus of CSU shall not require a student to enroll in a special session program, section, or course in order to receive his or her postsecondary education in a timely manner.

EXISTING LAW:

- 1) For purposes of CCC extension courses:
- a) Requires the CCC Chancellor's Office (CCCCO) to establish a voluntary pilot program, until January 1, 2018, that authorizes specified community colleges (College of the Canyons, Crafton Hills College, Long Beach City College, Oxnard College, Pasadena City College, and Solano Community College) to establish and maintain an extension program.
    - i) The program is required to comply with all of the following:
      - (1) Offered during summer and winter intersessions only;
      - (2) Self-supporting;
      - (3) Open to the public;
      - (4) Developed in compliance with existing law and regulations;
      - (5) Subject to collective bargaining; and,
      - (6) Offer courses that lead to certificates, degrees, or transfer preparation.
    - ii) The CCC District is required to meet the following conditions:
      - (1) At enrollment capacity for the prior two years;

- (2) Not received stabilization funding in the prior two years;
  - (3) Offer only courses for credit with state apportionment funding that meet basic skills, transfer, or workforce development objectives;
  - (4) Prioritize enrollment of students in state apportionment funded courses by promoting policies that prioritize enrollment for matriculated students making satisfactory progress toward a basic skills, transfer, or workforce development goal;
  - (5) Prioritize current resident students then and new resident students for enrollment in extension programs;
  - (6) Prohibits claiming apportionment for some noncredit physical education, or visual or performing arts courses unless necessary for degree completion; and,
  - (7) Prohibits expending general fund dollars for establishment or maintenance of extension programs.
- iii) Prohibits an extension credit course from supplanting any course funded with state apportionments or from being offered at times or in locations that supplant or limit the offering of programs that receive state funding;
  - iv) Prohibits reduction of a state-funded course section needed by students to achieve basic skills, workforce training, or transfer goals, with the intent of reestablishing those course sections as part of the extension program and requires the CCC District to certify compliance;
  - v) Authorizes the CCC District to charge students enrolled in an extension course a fee that covers the actual cost of the course and that is based upon the district's nonresident fee rate for the year the course is offered;
  - vi) Requires one-third of revenue collected to be used by the CCC District to provide financial assistance to students enrolling in extension courses, and requires related reporting and outreach on financial assistance programs; and,
  - vii) Requires data collection and reporting from CCC Districts, and requires the CCCCO to report to the Legislative Analyst's Office (LAO), and requires the LAO to report to the Legislature by January 1, 2017.
- 2) For purposes of CSU extension courses:
    - a) Requires CSU to establish tuition/fees adequate to meet the cost of maintaining "special sessions" (extension courses/programs) and defines "special sessions" to mean self-supporting instructional programs conducted by CSU, including, but not be limited to, career enrichment and retraining programs; and,

- b) Establishes Legislative intent that extension programs may be provided throughout the year, and shall not supplant regular course offerings available on a non self-supporting basis during the regular academic year.

FISCAL EFFECT: Unknown

COMMENTS: Purpose of this bill. According to the author, CCC and CSU extension programs have "resulted in increased costs for students who can ill afford the additional fees but also cannot afford to delay their graduation. As a result of impacted class enrollment, almost half of students who enroll exclusively in self-supported classes have an income of less than \$25,000." The author notes that in 2012, "the Joint Legislative Audit Committee approved an audit which focused on the policies, procedures, fee structures, revenues and reserve balances within the CSU Extended Education program and its adherence to existing system wide policies and applicable state laws. According to state law, these self-supporting courses shall not supplant regular course offerings available on a non-self-supporting basis during the regular academic year. However, in December 2013, the California State Auditor's Office released the completed audit and found it to be unclear whether supplanting of state-supported classes occurred." This bill responds to the State Auditor's recommendations by "clarifying the definition of the term supplant and requiring annual measures to ensure state-sponsored course offerings are not supplanted or replaced by these added-cost courses."

CCC extension. As previously outlined, AB 955 (Williams, Chapter 710, Statutes of 2013) establishes a pilot program for up to six CCC districts to offer extension courses, until January 1, 2018. The pilot program includes clear requirements and restrictions on the use of extension at these six campuses. A definition of "supplanting" does not appear necessary for CCC extension courses in light of the clear statutory guidance provided to CCC districts participating in the pilot program.

The definition of supplanting established by this bill, to increase the number of extension course offerings and correspondingly decrease the number of regular course ("one-for-one"), also appears in conflict with the existing requirements. The existing prohibition on supplanting (replacing) courses specifically protects against the supplanting of courses funded through state apportionment. The "one-for-one" defining established in this bill does not appear to account for reductions in state funding that may lead to decreased state-funded courses and increased extension courses in order to meet student need.

Finally, AB 955 established a five-year pilot program to be reviewed by the LAO; meaning, the Legislature will have an opportunity to establish additional definitions and/or parameters on CCC extension, should the Legislature decide to continue or expand the pilot program.

***The Committee may wish to consider removing Section 1, which defines "supplanting" for the purposes of CCC extension courses, from the scope of this bill.***

CSU extension: background. Governed by CSU Executive Order 1047, special sessions are offered as part of CSU's Extended Education to support and extend the mission of the CSU with quality programs that are affordably priced. Under the CSU Extended and Continuing Education Program, campuses offer baccalaureate and graduate degree programs, certificates, and many forms of specialized education and training for business, industry, and government.

While the composition of these campus programs varies considerably, most maintain the following common instructional elements:

- 1) Special session degree, certificate, and credential programs.
- 2) Open University, (permits nonmatriculated students to enroll in regular university courses on a space available basis, pay self-support fees and earn university academic credit).
- 3) Contract and extension credit.
- 4) Non-credit certificates, courses, and programs.
- 5) Continuing education units.

Many campus self-support units conduct programs during times when regular academic operations are recessed (early January and May).

CSU extension: BSA Audit. In December 2013, the Bureau of State Audits (BSA) released an audit report concerning extended education in CSU and the supplanting of state-supported courses. BSA found difficulty in determining the extent to which "supplanting" occurred due to lack of clarity in the term. The BSA audit considered two interpretations of supplanting: (1) a campus could not require a student to enroll in a self-supported course as the only path to their degree; and, (2) the plain meaning definition of replacing a state-supported section with an extension section. In analyzing campus course data for fiscal years 2007-08 through 2011-12, BSA found potential instances of supplanting under both definitions. BSA recommended that the Legislature provide direction regarding the interpretation of supplanting, and provided several recommendations to the CSU Chancellor's Office regarding oversight and compliance of campus extension program activities.

CSU extension: summer and winter intersession. As currently drafted, this bill would prohibit CSU from offering an extension course in summer or winter intersession, or in any term, unless state-supported sections of that course were offered and available to matriculated students. According to CSU, self-support enrollment by regular matriculated students is about 3% of overall extended education enrollment. Over 80% of those regular matriculated students, however, are taking extension courses in summer school, primarily due to funding constraints that made state-supported sections unavailable during summer and winter intersessions. By restricting the ability of CSU to offer extension courses in summer, without simultaneously increasing funding to provide state-supported courses, this bill could inadvertently result in increased time to degree.

***The Committee may wish to consider an amendment to define supplanting to have occurred only when a matriculated student is required to take a more expensive special session course to graduate because that course is not offered or is full in any academic year, rather than term, and specifically excluding summer and winter intersession terms.***

CSU extension: allowances for budget constraints and enrollment demands. Extension courses and programs are intended to be supplemental, and not replace regular state-supported course offerings. However, there are instances where changing enrollment demands, unsustainable program costs, or state budget constraints force difficult decisions about course and program

offerings. This bill, without providing additional resources to CSU to assure ongoing availability of state-supported courses and programs, could inadvertently result in elimination of both state-supported and extended education programs. Elimination of CSU extension programs would remove an option currently available to non-traditional students who otherwise may enroll in private and for-profit educational institutions; this issue may be particularly relevant in graduate programs which cater to working professionals.

***The Committee may wish to consider amendments to provide additional allowances for CSU extension programs to respond to budget reductions and changing enrollment demands, to limit the scope of the bill to undergraduate programs, and to and to express support for sufficient funding for CSU state-supported academic programs.***

CSU extension: Is this bill premature? In response to the BSA audit, the CSU Chancellor's Office established an Extended Education State Audit Task Force to develop a definition of supplanting and make a recommendation to the Chancellor. The Task Force includes five campus presidents, four faculty members, two provosts, two extended education representatives, and two Office of the Chancellor representatives. The Task Force solicited comments/feedback from the CSU community, and has held meetings open to the public to discuss definition options. The final recommendations are expected to be presented to the Chancellor in June.

***The Committee may wish to consider whether it is appropriate to wait for the CSU Chancellor's Office Task Force recommendations before establishing a statutory definition.***

#### REGISTERED SUPPORT / OPPOSITION:

##### Support

American Federation of State, County and Municipal Employees  
 California Faculty Association  
 California Labor Federation  
 California School Employees Association  
 California Teachers Association  
 Service Employees International Union

##### Opposition

California State University, Office of the Chancellor  
 California State University, Sacramento  
 California State University, Channel Islands  
 California State University, Fullerton  
 Humboldt State University  
 Long Beach Community College District  
 San Jose State University  
 Sonoma State University