

Date of Hearing: January 14, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Das Williams, Chair
AB 977 (Salas) – As Amended: January 7, 2014

SUBJECT: Community colleges: career and technical education programs.

SUMMARY: Requires the California Community Colleges (CCC) Chancellor to convene a group of experts in career technical education (CTE), business, or industry. The group must include individuals who are CCC faculty members or administrators, and representatives of private sector business or industry. Requires the group of experts to research and recommend ways to address the technical, policy, and fiscal issues related to implementing differential funding for credit-bearing high-cost, high-demand courses and programs, including career technical education offered at CCC campuses, that regions deem valuable to their economies. Requires the group of experts to report findings to the Legislature on or before January 1, 2016.

FISCAL EFFECT: Unknown.

COMMENTS: Background. In 2006, SB 361 (Scott), Chapter 631, replaced the CCC program-based funding system with an allocation mechanism that generally provides a single rate per full-time equivalent student (FTES) for all districts. In 2013-14, credit courses are funded at \$4636 per FTES, non-credit courses are funded at \$2788 FTES, and "enhanced" non-credit courses, which include college development and career preparation courses, are funded at \$3283.

Financing high-priority workforce programs. In August of 2013, the Institute for Higher Education Leadership Policy (IHELP) released a report entitled "Workforce Investments: State Strategies to Preserve Higher-Cost Career Education Programs in Community and Technical Colleges" which found that California's current funding structure creates a fiscal disincentive to support high-cost programs. IHELP studied the CTE funding practices of 20 states, which could potentially be adapted to California. IHELP identified differential funding as a potential strategy for California. According to IHELP, thirteen of the 20 states reviewed have some form of differential funding, whereby state funding formulas take differential program costs into account in calculating need or allocations for institutions.

Purpose of this bill. According to the author, California's failure to adequately support CTE has led to a ten-year decline in CTE's share of overall system enrollment at a time when the need for postsecondary education, credential, and certificate attainment has grown. The author notes that despite the success of many CTE programs, CTE is disadvantaged in the competition for resources within CCC. CTE programs are often more expensive to offer than traditional classes due to the need for equipment facilities and staff, smaller class sizes, and more faculty time spent on updating curriculum and engaging with industry and employers. The author argues that a funding formula that takes differential program costs into account in determining allocations is a promising approach to increasing investments in CTE.

Existing efforts and recommendations. The Economic and Workforce Development (EWD) program within the CCC Chancellor's Office (CCCCO) exists to bridge the gap between workforce needs and skills training provided by CCC. The EWD collaborates with employers, organized labor, local communities, community colleges and other educational entities. The

Economic Development Program Advisory Committee (EDPAC) and Workforce & Economic Performance Advisory Committee (WEDPAC) are advisory bodies to the EWD. Committee staff understands that these advisory committees are in the process of reviewing the options outlined in the IHELP report and making recommendations regarding CTE program funding.

REGISTERED SUPPORT / OPPOSITION:

Support

California Edge Coalition
California Manufacturers and Technology Association

Opposition

None on File

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