

Date of Hearing: June 24, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Das Williams, Chair
SB 850 (Block) – As Amended: June 16, 2014

SENATE VOTE: 34-0

SUBJECT: Public postsecondary education: community college districts: baccalaureate degree pilot program.

SUMMARY: Authorizes the California Community Colleges (CCC) Board of Governors (BOG), in consultation with the California State University (CSU) and the University of California (UC), to establish a statewide baccalaureate degree pilot program at not more than 15 community college districts, as specified. Specifically, this bill:

- 1) Authorizes the BOG, commencing on January 1, 2015, in consultation with the CSU and the UC, to establish a statewide baccalaureate degree pilot program at not more than 15 CCC districts with one baccalaureate degree program each, to be determined by the CCC Chancellor and approved by the BOG; and, specifies that the pilot shall commence no later than the 2017-18 Academic Year (AY) and that a participating student shall complete his or her degree by the end of the 2022-23 AY.
- 2) Specifies that a CCC district shall seek approval to offer a baccalaureate degree program through the appropriate accreditation body; and when seeking approval from the BOG, a district must maintain the mission of the CCC and, as part of the pilot program have the additional mission to provide high-quality undergraduate education at an affordable price for students and the state.
- 3) Specifies that a CCC district shall not offer more than one baccalaureate degree program, as determined by the governing board of the district and approved by the BOG, and subject to the following limitations:
 - a) A district shall identify and document unmet workforce needs in the subject area of the baccalaureate degree to be offered and offer a baccalaureate degree at a campus in a subject area with unmet workforce needs in the local community or region of the district;
 - b) A baccalaureate degree pilot program shall not offer a baccalaureate degree program or program curricula already offered by the CSU or the UC;
 - c) A district shall have the expertise, resources, and student interest to offer a quality baccalaureate degree in the chosen field of study;
 - d) A district shall not offer more than one baccalaureate degree program within the district, which shall be limited to one campus within the district; and,
 - e) A district shall notify a student who applies to the district's baccalaureate degree pilot program that the student is required to complete his or her baccalaureate degree by the end of the 2022-23 AY.

- 4) Specifies that a district shall maintain separate records for students who are enrolled in courses in the pilot program; and that a student shall be reported as a CCC student for enrollment in a lower division course and as a baccalaureate degree program student for enrollment in an upper division course.
- 5) Requires a governing board of a district seeking authorization to offer a baccalaureate degree pilot program shall submit all of the following for review by the CCC Chancellor and approval by the BOG:
 - a) The administrative plan for the baccalaureate degree pilot program;
 - b) A description of the baccalaureate degree pilot program's curriculum, faculty, and facilities;
 - c) The enrollment projections for the baccalaureate degree pilot program;
 - d) Documentation regarding unmet workforce needs specifically related to the proposed baccalaureate degree pilot program; and,
 - e) Documentation of consultation with the CSU and the UC regarding collaborative approaches to meeting regional workforce needs.
- 6) Requires the BOG to develop, and adopt by regulation, a funding model, for the support of the pilot program that is based on a calculation of the number of full-time equivalent students (FTES) enrolled in all district pilot programs.
- 7) Specifies that funding for each FTES shall be at an agreed upon marginal cost calculation that shall not exceed the CSU's marginal cost calculation for a FTES; and that students in the pilot program, shall not be charged fees higher than the mandatory systemwide fees charged for baccalaureate degree programs at the CSU.
- 8) Stipulates that fees for upper division coursework in a baccalaureate degree pilot program shall be set and approved by the Legislature in a manner consistent with the setting of fees for lower division coursework at the CCC; and fees for lower division coursework in a baccalaureate degree pilot program shall not exceed the fees for other lower division coursework offered by the CCC.
- 9) Requires the Department of Finance (DOF) and the Legislative Analyst's Office (LAO) to jointly conduct a statewide evaluation of the statewide baccalaureate degree pilot program and issue a report of their findings to the Governor and the Legislature, on or before July 1, 2021. Specifies that the evaluation shall consider all of the following:
 - a) The number of new district baccalaureate degree pilot programs implemented, including information identifying the number of new programs, applicants, admissions, enrollments, and degree recipients;

- b) The extent to which the baccalaureate degree pilot programs fulfill identified workforce needs for new baccalaureate degree programs, including statewide supply and demand data that considers capacity at the CSU, the UC, and in California's independent colleges and universities;
 - c) Information on the place of employment of students and the subsequent job placement of graduates;
 - d) Baccalaureate degree program costs and the funding sources that were used to finance these programs, including a calculation of cost per degree awarded; and, the costs of the baccalaureate degree programs to students, the amount of financial aid offered, and student debt levels of graduates of the programs;
 - e) Time-to-degree rates and completion rates for the baccalaureate degree pilot programs; and,
 - f) The extent to which the programs established under this measure are in compliance with the requirements of this measure.
- 10) Requires a participating district to submit the information necessary in order for the DOF and the LAO to conduct their evaluation, as specified, to the CCC Chancellor, who shall provide the information to the evaluators upon request.
- 11) Sunsets the pilot program on January 1, 2024.

EXISTING LAW differentiates the missions and functions of public and independent institutions of higher education. Under these provisions:

- 1) The UC is authorized to provide undergraduate and graduate instruction and has exclusive jurisdiction in public higher education over graduate instruction in the professions of law, medicine, dentistry and veterinary medicine. The UC is also the primary state-supported academic agency for research;
- 2) The primary mission of the CSU is required to offer undergraduate and graduate instruction through the master's degree. The CSU is authorized to establish two-year programs only when mutually agreed upon by the Trustees and the CCC BOG. The CSU is also authorized to jointly award the doctoral degree with the UC and with one or more independent institutions of higher education;
- 3) The independent institutions of higher education are required to provide undergraduate and graduate instruction and research in accordance with their respective missions; and,
- 4) The mission and function of the CCC is the offering of academic and vocational instruction at the lower division level and the CCC are authorized to grant the associate in arts and the associate in science degree. The community colleges are also required to offer remedial instruction, English as a Second Language instruction, and adult noncredit instruction, and support services which help students succeed at the postsecondary level (Education Code § 66010.4).

FISCAL EFFECT: According to the Senate Appropriations Committee, the following cost factors are associated with this measure:

- 1) Statewide administration: Significant one-time costs, likely in the low hundreds of thousands of dollars, to develop guidelines and create a baccalaureate degree pilot program, and to select up to 15 CCC districts to participate. Ongoing administrative costs of approximately \$350,000 for a 15 CCC district pilot program. Actual costs will depend on the number of participating CCC districts, as well as the level of guidance and oversight needed to ensure the program's success;
- 2) Local implementation: Significant local costs and potentially significant revenue for CCC districts that elect to participate, depending on the program structure and the type of degree offered (relative to the expense of providing upper division courses). To the extent that students who participate in the program would otherwise have attended a CSU campus, the state cost for the student's enrollment would likely be similar; to the extent that this promoted enrollment for students who would otherwise not take additional college coursework, there will be additional state costs for increased enrollment; and,
- 3) Evaluation: Minor costs to the DOF and LAO to conduct a statewide evaluation of the program, as specified.

COMMENTS: Need for the bill. According to the author, the state faces an urgent need to increase the number of Californian's with four-year degrees by 2025, necessitating an additional 60,000 baccalaureate degrees per year. The author contends that this bill seeks to find new methods for addressing this skills gap by authorizing the offering of baccalaureate degrees at California's community colleges. According to the author, this bill is patterned after the applied baccalaureate degree model offered in community colleges of more than twenty other states.

Baccalaureate Degree Study. In 2013, the CCC Chancellor appointed a study group to review the various aspects of bachelor degrees at community colleges. The "Report from California Community Colleges Baccalaureate Degree Study Group," acknowledges questions and reservations that community college bachelor's degrees represent a further erosion of the Master Plan, the potential for duplication of programs, and concerns that broadening the CCC mission would diminish attention to transfer, basic skills, and career technical education, especially as the system moves towards restoring access levels compromised by recent economic conditions. The study group recommended that the CCC Chancellor's Office (CCCCO) and the BOG conduct necessary research and policy analysis related to offering CCC baccalaureates including; a cost study, CCCCCO workload projections for related reviewing, approving and reporting, and a definition of the types of baccalaureates appropriate for the CCC. The group also recommended that further work proceed with ongoing dialog with the CSU and UC, and that further study should consider the potential impact on the current mission of the CCC as well as on existing programs at local campuses.

Master Plan. Notwithstanding the differentiation of the mission envisioned by the Master Plan and outlined in statute, the Legislature has authorized the CSU to go beyond its original mission to offer three doctoral degrees. These include:

- 1) Authority to offer the Ed.D, an applied doctorate in education. (EC § 66040 - § 66040.7). Thirteen CSU campuses offer an Ed.D. under this authority.

- 2) Authority to offer the Doctor of Physical Therapy (DPT) degree. This degree was to focus on preparation of physical therapists to provide health care services and required to be consistent with meeting professional accreditation requirements (EC § 66042 - § 66042.3).
- 3) Authorization, until July 1, 2018, to offer a Doctor or Nursing Practice (DNP) through a pilot program at three CSU campuses. This degree was to focus on the preparation of clinical faculty, and was prohibited from replacing or supplanting CSU master's degree nursing programs. Enrollment was capped at 90 FTES for all three campuses and enrollment of new students is prohibited on or after July 1, 2018. In fall 2012, the CSU launched two programs, a joint program with CSU Fresno and CSU San Jose, and a CSU Fullerton-Long Beach-Los Angeles joint program.

These programs were all subject to California Postsecondary Education Commission (CPEC) review, evaluation and recommendation. Fees were capped at the rate charged at the UC, no additional funding was provided by the state, and these programs were to be implemented without diminishing or reducing enrollment in undergraduate programs. Statewide evaluations of the new programs were to be jointly conducted by the CSU, the LAO and the DOF.

Types of 4-year degrees envision? This measure prohibits a participating community college district to offer a baccalaureate degree that is offered by a CSU or a UC; with that in mind, the bill only allows for the awarding of what translates to very specific 4-year degrees that are career technical in nature. According to several community college districts interested in participating in the pilot, the following is a brief list (not exhaustive) of the types of 4-year degrees that would be offered in the pilot: a) dental hygiene; b) industrial technology; c) allied health technology; d) emergency medical technician; and e) data management for health care.

Committee considerations and amendments. BOG fee waiver? Should participating students who currently qualify for a BOG fee waiver be eligible to receive the BOG fee waiver for the pilot program if they did not have their income verified when submitting a BOG fee waiver form – which traditionally is the case at community colleges? Students would have a much better opportunity to qualify for additional federal dollars and potentially be able to afford the program if they completed the Free Application for Federal Aid (FAFSA) in lieu of the BOG fee waiver form. **Staff recommends that the bill be amended to require as a condition of eligibility to be considered for participation in the pilot, that community college districts have a stated policy in place that potential students wishing to receive the BOG fee waiver must complete and submit a FAFSA or Cal Dream Act form.**

Start-up date? According to a few community college districts interested in participating in the pilot, they could implement this program as early as fall 2015; the measure currently specifies that the BOG shall develop and adopt regulations regarding various facets of the pilot and that the pilot program shall commence no later than the 2017-18 AY. If the measure is chaptered and goes into effect on January 1, 2015; it is uncertain as to the length of time the BOG will take before developing and adopting regulations regarding the pilot. **Staff recommends that the bill be amended to stipulate that on or before March 31, 2015, the BOG shall develop and adopt regulations as specified.**

Reporting requirements? The measure requires the DOF and the LAO to jointly conduct a statewide evaluation of the pilot program and report to the Governor and the Legislature, on

before July 1, 2021, on a number of evaluation criteria, as specified, including, but not limited to: a) the extent to which the pilot programs fulfill identified workforce needs for new baccalaureate degree programs, including statewide supply and demand data that considers capacity at the CSU, UC, and in California's independent colleges and universities; b) information on the place of employment of students and the subsequent job placement of graduates; and, c) the extent to which the programs established are in compliance with the requirements of this measure.

If the pilot is implemented as early as fall 2015, then on or before July 1, 2021, the DOF and the LAO should have enough data to evaluate the merits of the pilot; however, if the pilot does not officially start up until subsequent years, they may not have enough data to evaluate the pilot and subsequently report on the specified criteria. **Staff recommends that the bill be amended to stipulate that the DOF and the LAO, on or before July 1, 2022, shall submit their final report to the Governor and the Legislature. Staff also recommends that the bill be amended to stipulate that on or before July 1, 2018, the DOF and the LAO shall issue a progress report of the pilot to the Governor and the Legislature; the progress report shall include, but not be limited to, all of the following: a) how many community colleges applied for the pilot; b) what were the potential 4-year degrees that were denied and why; c) baccalaureate degree program costs and the funding sources that were used to finance these programs; d) current trends in workforce demands requiring 4-year degrees for technical education related fields; e) current completion rates for the first cohorts of participants; and, f) recommendations on whether and how the pilot program can be expanded.**

Funding the pilot? The measure stipulates that funding for each FTES shall be an agreed upon marginal cost calculation that shall not exceed the CSU's marginal cost calculation for FTES. It is unclear who needs to agree to the marginal cost calculation. **Staff recommends that the bill be amended to specify that the BOG needs to agree to the marginal cost calculation.**

Submission of materials for approval? The measure stipulates that a governing board of a community college district seeking authorization to offer the pilot shall submit various information for review by the CCC Chancellor, including, but not limited to: a) the proposed administrative plan for the pilot program; and, b) documentation regarding unmet workforce needs specifically related to the proposed pilot program.

Since the pilot will require a different funding model **staff recommends that the bill be amended to specify that the proposed administrative plan shall include the governing board's funding plan.** Additionally, since a governing board shall provide documentation regarding unmet workforce needs, as it relates to its proposed pilot, **staff recommends that the bill be amended to specify that the documentation specifically address why a 4-year degree is necessary in the degree it brings forward for approval.**

As stated in the "Master Plan" section of this analysis, the CSU has been given authority to confer three different doctoral degrees. These degrees are very narrow in scope and at the time had CPEC online and able to review and evaluate its programs. In the absence of CPEC, the Committee may wish to determine what structure is necessary to review, evaluate and recommend new baccalaureate degree programs at the CCC. Additionally, **the Committee may wish to consider whether or not there should be provisions that ensure that funding for baccalaureate degree programs does not occur at the expense of expansion of adult**

education programs, basic skills, career technical education or undergraduate transfer programs.

Prior legislation. AB 661 (Block) of 2011, which was moved to the inactive file by the author on the Assembly Floor, authorized the Grossmont-Cuyamaca and the San Mateo Community College Districts to offer one baccalaureate degree pilot program per campus.

AB 2400 (Block) of 2010, which was held in this committee by request of the author, authorized the San Diego, Grossmont-Cuyamaca and San Mateo Community Colleges Districts to establish baccalaureate degree pilot programs.

REGISTERED SUPPORT / OPPOSITION:

Support

American Legion, Department of California
American Nurses Association\California
AMVETS, Department of California
Barton Health
California Architects Board
California Association of County Veterans Service Officer
California Chamber of Commerce
California Community Colleges Chancellor's Office
California State Commanders Veterans Council
California State University
Citrus College
City of South Lake Tahoe
Coastline Community College
College of the Canyons
College of Marin
Community College League of California
Contra Costa Community College District
Cupertino Chamber of Commerce
Foothill-De Anza Community College District
Gavilan Joint Community College District
Golden West College
Grossmont-Cuyamaca Community College District
Heavenly Mountain Resort
Imperial Valley College
Kern Community College District
Los Altos Chamber of Commerce
Los Angeles Community College District
Mid-Peninsula Dental Society
Milpitas Chamber of Commerce
MiraCosta Community College District
Morgan Hill Chamber of Commerce
Mountain View Chamber of Commerce
Napa Valley Community College District
Oceanside Chamber of Commerce

Pasadena Community College District
Peralta Community College District
Rancho Santiago Community College District
Respiratory Care Board of California
San Bernardino Community College District
San Diego City College
San Diego Community College District
San Diego Community College District, Continuing Education
San Diego and Imperial Valley Counties Community Colleges Association
San Diego Regional Chamber of Commerce
San Diego Unified School District
San Jose-Evergreen Community College District
San Jose Silicon Valley Chamber of Commerce
Santa Clara Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santa Monica Community College District
Shasta-Tehama-Trinity Joint Community College District
South County Economic Development Council
South Orange County Community College District
Southwestern Community College District
Tahoe South
Technology Credit Union
Tri-City Medical Center
Veterans Caucus of the California Democratic Party
Veterans of Foreign Wars, Department of California
Vietnam Veterans of America, California State Council
West Hills Community College District
West Kern Community College District
Yosemite Community College District
Yuba Community College District
25 Individuals

Opposition

Faculty Association of California Community Colleges

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