

Date of Hearing: April 9, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1727 (Weber) – As Amended April 1, 2019

SUBJECT: Community colleges: career development and college preparation courses

SUMMARY: Provides that accounting for the amount of full-time equivalent students (FTES) enrolled in career development and college preparation (CDCP) courses at a California Community College (CCC), which are not open-entry/open-exit courses, may be determined on either census date basis, as specified, or a positive attendance count basis, as specified; requires the CCC Board of Governors to adopt regulations to implement this change.

EXISTING LAW:

- 1) Prior to 2018-19, general purpose apportionments for credit instruction were funded based on an annual allocation according to the number of colleges and off-campus centers in a community college district and, principally, on a rate per full-time equivalent student (FTES) for enrollment in credit courses. The rate, which was adjusted annually for changes in the cost of living, was \$5,151 per FTES in 2017-18. (EC Section 84750.5(d)(2).)
- 2) Funds noncredit instruction, except for CDCP courses, at an established rate per FTES (currently \$3,347) and adjusts the rate annually for the change in the cost of living. (EC Sect. 84750.5(d)(3).)
- 3) Provides that CDCP courses, which are also noncredit, shall be funded at the same level as the credit rate, as established pursuant to (1), which is \$5,457 per FTES in 2018-19. (EC Sect. 84750(d)(4)(A)(ii).)
- 4) Stipulates that the following courses and classes, for which no credit is given, and that are offered in a sequence of courses leading to a certificate of completion, that lead to improved employability or job placement opportunities, or to a certificate of competency in a recognized career field by providing a transition to college-level coursework, completion of an associate of arts degree, or for transfer to a four-year degree program, and that meet funding criteria established by the CCC Board of Governors, shall be eligible for funding, as CDCP courses, at the credit rate as established in (3): (EC Sect. 84760.5.)
 - a) Classes and courses in elementary and secondary basic skills;
 - b) Classes and courses for students, eligible for educational services in workforce preparation classes, in the basic skills of speaking, listening, reading, writing, mathematics, decisionmaking, and problem-solving skills that are necessary to participate in job-specific technical training;
 - c) Short-term vocational programs with high-employment potential, as determined by the chancellor in consultation with the Employment Development Department utilizing job demand data provided by that department; and

- d) Classes and courses in English as a second language and vocational English as a second language.

Districts offering courses described above, but not eligible for funding at the credit rate are eligible for funding at the noncredit rate per (2).

- 5) Requires districts to compute FTES units for credit courses scheduled coterminously with the term by multiplying the student contact hours of active enrollment as of Monday of the week nearest to one-fifth of the length of the term (the census date) by the term length multiplier, and dividing by 525. (Title 5, California Code of Regulations (CCR) Section 58003.1(b).)
- 6) Requires districts to compute FTES units for credit courses scheduled to meet for five or more days and scheduled regularly with respect to the number of hours during each scheduled day, but not scheduled coterminously with the college's primary term, or scheduled during the summer or other intersession, by multiplying the daily student contact hours of active enrollment as of the census days nearest to one fifth of the length of the course by the number of days the course is scheduled to meet, and dividing by 525. (Title 5, CCR Section 58003(c).)
- 7) Authorizes a district, in lieu of applying (5) or (6), to use positive attendance count, i.e. to compute FTES units for any credit course by dividing the actual student contact hours of attendance by 525. (Title 5, CCR Section 58003(g).)
- 8) Requires that the FTES units, for any noncredit course, except for distance education courses, or for any open exit/open entry course, be determined using a positive attendance count. (Title 5, CCR Section 58006.)

FISCAL EFFECT: Unknown

COMMENTS:

Background and Purpose. Currently, all noncredit CCC courses, including CDCP courses, are funded pursuant to positive attendance rules, which means that students are only funded for the days when they are actually in the classroom. The reason for this is so that districts can have open entry/open exit courses that easily allow noncredit students to move between courses once they have mastered certain course material. Colleges also offer some noncredit courses under a “managed enrollment” structure, whereby a course has set starting and end dates, respectively, and all enrolled students are required to attend for the entire length of the course. Enrollment in such courses is also accounted for based on positive attendance.

As opposed to noncredit courses, credit courses are funded based on a census date, which counts all students enrolled as of that date, regardless of how often they have or will attend class. The census date method recognizes that there are fixed costs to offering a course, regardless of whether or not all students show up for every class. This method is also easier than positive attendance to administer, as faculty do not have to record and report attendance for every class period.

CDCP courses are all noncredit, thus enrollment is accounted for based on positive attendance. Though they are noncredit courses, however, CDCP courses are funded at the higher rate for

credit courses, as that credit rate was determined by formula prior to this year. (See #1 above.) Due to the difference in attendance accounting between positive attendance and census date, however, CDCP courses actually generate less revenue to a district than the credit rate formula yields, because all students enrolled in CDCP courses are typically not present for every class. AB 1727, for those CDCP courses are offered under a managed enrollment structure, would provide districts the option of accounting for enrollment by using a census date.

This change would likely incentivize districts to increase the proportion of CDCP courses offered under managed enrollment, both for the slightly higher revenue that such courses would generate, as well as for the reduced administrative burden, if districts opt to use census date accounting for such courses. More notable than the revenue enhancement and administrative benefits, however, some districts indicate that managed enrollment courses have been shown to achieve better results than open entry/open exit courses, in terms of student attendance and completion and better perceptions among students regarding their learning environment. (Noncredit courses, including CDCP, are also free to students, and students do not use up any of their financial aid eligibility while taking such courses.)

Credit/Noncredit/CDCP Background. The following background information is from the Legislative Analyst's Office (LAO) March 2017 report, "Effects of Increases in Noncredit Course Funding Rates."

In general, community colleges fulfill their mission of offering the first two years of college instruction in academic and vocational subjects through credit instruction, whereas they use noncredit instruction to address much of their precollegiate adult education mission. Regulations, however, permit colleges to offer some precollegiate instruction on a credit basis, including some ESL, secondary English and math courses, and many vocational education courses.

Though CCC credit and noncredit instruction overlap, they differ in certain ways. For example, credit courses may be in any academic or vocational subject, whereas noncredit instruction is limited to ten categories. Also, noncredit courses may be open entry/open exit. Students are charged enrollment fees only for credit courses, and the state funds some noncredit courses at a lower rate than credit courses and calculates attendance differently.

Credit instruction, which all CCCs offer, accounts for 94 percent of FTES enrollment and noncredit instruction accounts for 5 percent. (The remaining 1 percent is tutoring.) As mentioned above, state law permits community colleges to offer noncredit courses in ten instructional areas. Four of these instructional areas are eligible for the CDCP designation: elementary and secondary education, ESL, short-term vocational programs, and workforce preparation (such as communication skills). In addition to being in an eligible instructional area, a course must be offered as part of a sequence of related courses leading to a noncredit certificate (such as certificates in basic reading skills and healthcare careers preparation) to qualify as CDCP.

In 2015-16, community colleges served about 68,000 FTE students in noncredit courses, 57 percent of which were in CDCP. The largest instructional areas are ESL and elementary and secondary education, accounting for 61 percent and 25 percent, respectively, of CDCP enrollment in 2015-16. Vocational courses comprise 13 percent of CDCP enrollment and workforce preparation was 1 percent.

SB 361 (Scott), Chapter 631, Statutes of 2006, created the CDCP course category and raised the state funding rate for these courses to 71 percent of the credit rate, compared with 60 percent of the credit rate for other types of noncredit instruction (such as citizenship and parenting classes). SB 860 (Senate Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2014, further increased the state's funding rate for CDCP courses to 100 percent of the credit rate, effective beginning in 2015-16. The higher rate was intended to encourage colleges to expand their CDCP offerings and, in particular, better support noncredit vocational programs, which sometimes have relatively high equipment and facility costs.

REGISTERED SUPPORT / OPPOSITION:**Support**

Community College League of California
Foothill-De Anza Community College District
North Orange County Community College District
Peralta Community College District
San Diego Community College District
San Francisco Community College District
Santiago Canyon College
Victor Valley College
West Hills College Lemoore

Opposition

None on file.

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