

Date of Hearing: March 24, 2021

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 421 (Ward) – As Introduced February 4, 2021

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; and, requires the CCC Board of Governors (BOG) to adopt regulations to implement this change no later than May 31, 2022.

EXISTING LAW:

- 1) Requires the CCC BOG develop criteria and standards for the purpose of making the annual budget request for the CCC to the Governor and the Legislature, and for the purpose of allocating the state general apportionment revenues. Stipulates the BOG shall develop the criteria and standards within the following statewide minimum requirements:
 - a) The calculations of each community college district's (CCDs) revenue level for each fiscal year shall be based on the level of general apportionment revenues, state and local, the community college district received for the prior year plus any amount attributed to a deficit from the adopted standards to be developed pursuant to this section, with revenue adjustments being made for increases or decreases in FTES, for equalization of funding per credit FTES, for necessary alignment of funding per FTES between credit and noncredit programs, for inflation, and for other purposes authorized by law; and,
 - b) Commencing with the 2006–07 fiscal year, the funding mechanism developed shall recognize the need for CCDs to receive an annual allocation based on the number of colleges and comprehensive centers in the community college district. In addition to this basic allocation, the marginal amount of credit revenue allocated per FTES shall be funded at a rate not less than \$4,367, as adjusted for the change in the cost of living in subsequent annual budget acts (Education Code (EC) Section 84750.5).
- 2) Funds noncredit instruction, except for CDCP courses, at an established rate per FTES and adjusts the rate annually for the change in the cost of living (EC Section 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 all of (1) above (EC Section 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 BOG, shall be eligible for funding, as CDCP courses, at the credit rate as established in (3) above:

- 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 (ESL) and vocational English as a second language (EC Section 84760.5).

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

- 5) Encourages CCDs to expedite the development of targeted credit or noncredit short-term workforce training programs, in accordance with all of the following:
 - a) Short-term workforce training programs that focus on economic recovery and result in job placement;
 - b) Short-term workforce training programs that focus on the reskilling and upskilling of individuals; and,
 - c) Short-term workforce training programs that have at least one proven employer partner, demonstrate job vacancies, and submit verification to the chancellor's office.

Specifies that verification includes the projected number of individuals served, completion rates, and job placement rates. Further, states Legislative intent that, where possible, short-term noncredit workforce training programs should be utilized to be responsive to the workforce training needs of employers, with the ability to transition to credit or noncredit courses and programs upon successful completion of a program established. Colleges are encouraged to develop workforce training that utilizes competency-based approaches, and applies credit for prior learning where possible (EC Section 88821).

- 6) 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)).
- 7) 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)).

- 8) Authorizes a district, in lieu of applying (6) or (7) above, 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)).
- 9) 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 on credit, noncredit and CDCP.* According to the Legislative Analyst's Office, community colleges in general, 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. Additionally, 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% of FTES enrollment and noncredit instruction accounts for 5%. To note, the remaining 1% is tutoring. As aforementioned, state law permits CCCs 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.

Purpose of this measure. According to the author, "While CDCP noncredit courses and credit courses receive the same funding per FTES, CDCP noncredit courses actually generate less funding than credit courses because of the way attendance accounting is required to be done."

AB 421 will align funding for noncredit CDCP courses by authorizing the attendance CDCP noncredit courses to be taken according to a census date, rather than positive attendance.

Census date versus positive attendance. The number of FTES is a main component for determining CCC funding. The FTES represents the number of enrolled students whom attend 15 hours each week during the semester (or a group of students who, together, attend 15 hours each week). In an academic year, these hypothetical full-time students generate 525 student contact hours each. Even though not all students are full-time and not all classes are scheduled for the

same number of weeks, FTES provides a unit of measure applicable to all classes and calendar types and is used for funding calculations only.

However, the way in which FTES is calculated depends on the course section because attendance accounting procedures vary. The meeting schedule of the course section determines the procedure. Typically, attendance is determined on a weekly census basis, meaning student attendance is measured on a single census date in the term. For courses that are irregularly scheduled, including noncredit courses, a positive attendance basis is used, meaning the actual hours that students attend must be tracked and reported.

Committee comments. Committee Staff understands that the CCC Chancellor's Office (CCCCO) has questioned if the provisions of this measure diminish the ability of the BOG to temporarily suspend or modify regulations. The CCCCCO notes that in 2020, the BOG authorized colleges to use the alternative accounting procedures for noncredit courses, which they contend may not have been possible if this measure had been existing law.

Moving forward, the author may wish to work closely with the CCCCCO in order to address the concerns raised by the CCCCCO.

Prior legislation. AB 1727 (Weber) of 2019, which passed unanimously from this Committee on April 9, 2019, was virtually identical to this measure.

AB 1727 was vetoed by the Governor with the following message:

“This bill requires the Board of Governors of the California Community Colleges to adopt regulations that authorize the use of a census date attendance accounting method to compute full-time equivalent students for certain noncredit courses known as Career Development and College Preparation courses. This bill changes how enrollment in these courses is tracked and would likely increase costs by tens of millions of dollars. For this reason, I am unable to sign this bill.”

SB 361 (Scott), Chapter 631, Statutes of 2006, created the enhanced noncredit course category and raised the state funding rate for these courses to 71% of the credit rate, compared with 60% of the credit rate for other types of noncredit instruction.

SB 860 (Senate Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2014, increased the state's funding rate for enhanced noncredit courses to 100% of the credit rate, effective beginning in the 2015-16 academic year.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of Community and Continuing Education
Community College League of California
Faculty Association of California Community Colleges
Kern Community College District
Los Angeles College Faculty Guild, Local 1521
Mt. San Antonio College
North Orange County Community College District

Peralta Community College District
San Diego Community College District
San Francisco Community College District
Yuba Community College District

Opposition

None on file.

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