ACADEMIC PROGRAM HIGHLIGHTS: Reading Apprenticeship Across the Curriculum – Shelley Circle

Shelley Circle and Sarah Hawes, from the Reading Department, have partnered over the last 1 ½ years and have been doing breakout sessions on Reading Apprenticeship, a key component of acceleration. Last fall they did a breakout session on Using Reading Apprenticeship across Disciplines to help inform faculty that strategies used in RA can be used in any discipline.

Reading Apprenticeship recognizes that in any discipline there are “outsiders” and “insiders”. Outsiders are students, who often come to courses unfamiliar with the structure and language of discipline texts as well as strategies experts use to unlock meaning and make sense of what they read. As they go from class to class, they are confronted with multiple types of discipline texts with very different ways of presenting information.

Insiders are the discipline experts who are well aware of the reading strategies needed, the shape and structure of discipline texts and arguments, and the language used to craft arguments and explanations.

Reading Apprenticeship strategies give faculty the tools they need to help bring outsiders in by making the “invisible” (expert reading processes and discipline-specific moves and strategies) visible for students. RA also emphasizes reading as both a social process and individual practice. It communicates to students that wrestling with the complexity of a text is a normal, natural process of reading.

S. Circle went over the different areas of the Reading Apprenticeship Framework which include Social Dimension, Cognitive Dimension, Personal Dimension and Knowledge-Building Dimension as related to students. Discussion took place regarding the different dimensions and an exercise in reading a difficult paragraph was done to allow faculty to experience being an “outsider” with a focus on strategies they used to navigate a complex text.
III. APPROVAL OF THE MINUTES (January 18, 2018)

M/S (T. Stovall, R. Smith) Motion to approve the minutes of January 18, 2018.

As there were no objections the minutes of January 18, 2018 were approved.

IV. CONSENT AGENDA

a. Appoint Brian Sinclair, Rob Stevenson, Noah Wilson, and Deborah Barr to the Hiring Committee for Art: Drawing, Full-Time Tenure Track position.
b. Appoint Brian Sinclair, Rob Stevenson, Noah Wilson, and Deborah Barr to the Hiring Committee for Art: Sculpture and Design, Full-Time Tenure Track position.

M/S (N. Wilson, S. Circle) Motion to approve the Consent Agenda.

As there was no objections the Consent Agenda was approved.

VII. SENATE BUSINESS (moved up in the Order of Agenda Items)

C. The Budget: Performance Based Funding and other Goodies

A. Alt went over the Governor’s Proposals for the 2018-19 State Budget and California Community Colleges, specifically the information regarding Community College Proposals on the Student-Focused Funding Formula for general apportionments listed on page 5.

The proposed formulas reviewed were:

- Base Grant (50% of funding) - based on enrollment using a per-full-time equivalent student (FTES) funding rate,
- Supplemental Grant (25% of funding) - based on the number of low-income students; those who receive a College Promise Grant (formerly Board of Governors) fee waiver or Pell Grant and the,
- Student Success Incentive Grant (25% of funding) – based on the number of degrees and certificates granted and the number of students completing them in three years or less, with additional funds for each Associate Degree for Transfer granted.

The proposed Student-Focused Funding formula also includes a hold harmless provision which ensures that no district receives less funding in 2018-19 than is allocated through the general apportionment in 2017-18. This is to begin in the new fiscal year, however, since our budget is to be adopted in June, and the State Budget is adopted in July, there is no clarity and details as to how our budget will be impacted.

There are many questions that have not been answered but A. Alt feels that we are ahead of the curve as this funding formula has come to the forefront about two years after the work that was started on different programs and initiatives. There will be a transition period that is unknown how it will be implemented at the district.

Questions were asked and answered.

V. PUBLIC COMMENTS - none

VI. REPORTS: Due to time constraints and the volume of work before the Senate, regular reports of the Legislative Analyst Report, Instruction Council, Facilities Council, Resource Allocation Council, College Council, Faculty Representative to the Board, Distance Education Committee, Students Services Council, Faculty Professional Development Coordinating Committee, and District Advisory Technology Committee will be provided electronically as an appendix to the minutes. Issues that arise from faculty participation
in these committees need to be brought for disposition to the Academic Executive before the publication of the agenda.

a. Associated Students Senate Report – Alexis Zaragoza

Free Lunch on Wednesdays (Flow) has begun on Wednesdays on East Campus and the third Wednesday on West Campus, a Valentine’s event will take place on February 14, 2018 which will be with the FLOW event and bags of candy and Valentines will be handed out, on February 12 – 15, 2018 will be African American Heritage Week, and on February 23, 2018 the African American Education Conference will take place.

b. Outcomes Assessment Workgroup Report – Nita Gopal, Chair OAW - No Report

c. Guided Pathways: Tina Giron, Shelley Circle, Rob Stevenson

C. Martin said on Thursday, January 25, 2018, 70 – 80 people attended the first Paving the Path Session. There were great questions and participation and more participants are needed. An announcement for the next Paving the Path Session will be sent out as the schedule may be redone as it has been realized that the order of the sessions are not in the best order for what was promised to be done. When “success” is talked about in this case, “success” is about program completion and ways need to be found to increase program completion.

d. President’s Report – Curtis Martin

C. Martin chose to forego his report for this meeting.

VII. SENATE BUSINESS
A. Resolution S18-A: Online Course Exchange

M/S (Th. Stovall, C. Mulder) Motion to approve Resolution S18-A: Online Course Exchange for a 1st Reading.

M. Smedshammer went over the reasons that MJC should join the OEI Consortium.

This is limited to C-ID courses. M. Smedshammer described the procedures to have a course approved. Upon joining the Consortium and your course is submitted if it doesn’t meet all the criteria on the rubric an instructional designer is assigned to you who coaches and works with you, one on one, to get your course up to the high standard they are looking for. An accessibility team also reviews the whole course to make sure that it is 100% accessible. Columbia College was part of the original cohort last semester and helped pave the way for MJC. Since Columbia was a part of the original cohort, the back end IT work has already been laid and all the complications have been worked out.

Questions were asked and answered and discussion took place.

If the student took a class with another college, the other college would get the FTES, but MJC would get the credit.

M/S/C (Th. Stovall, C. Mulder) Motion to approve Resolution S18-A: Online Course Exchange for a 1st Reading.

21 Ayes, 0 Opposed, 0 Abstentions

S. Amador left prior to this vote.
B. Intradistrict Course Equivalencies – Letitia Senechal

Intradistrict Course Equivalencies are agreements that have been established between discipline faculty over the years deemed that a course at Modesto Junior College is equivalent to a course at Columbia College. These agreements have been on the books for years and by working in the curriculum process there is curricular drift over time and these agreements are not necessarily being reviewed on a regular basis.

As the Articulation Officer, Letitia Senechal is the custodian for all these agreements for both colleges. She gave the circumstances why she came today to talk about these agreements. If you really look at the agreements you will find that these courses do not align. An example was given showing the difference.

L. Senechal explained that she was here to elevate discussion and awareness of the problems. Making final determinations about whether courses are really equivalent cannot be done by the Articulation Officer or a staffer.

L. Senechal explained what and how the C-ID came about. The list of established equivalencies was brought up on the computer and showed what existing courses have C-ID numbers and what existing courses do not. If there is a C-ID number for a course all community colleges and CSUs are supposed to automatically accept it.

Discipline faculty across the district need to get into a frame of mind and into a conversation and evaluation of the current equivalencies to make sure courses are indeed equivalent.

Questions and answers took place.

C. The Budget: Performance Based Funding and other Goodies – VP Al Alt – Moved up to following IV. Consent Agenda

D. CCC Chancellor Oakley’s “State of the System Report”

All senators took a minute to review the Vision for Success goals given by Chancellor Oakley. It was agreed upon that these goals are big and very ambitious goals.

The Vision for Success goals discussed were:

Goal 1: Increase the number of students earning credentials by at least 20%
Goal 2: Increase the number of students who transfer by 35%
Goal 3: Reduce average units accumulated by students who complete degrees to 79
Goal 4: Increase the number of students who get jobs in their field of study to 69%
Goal 5: Reduce equity gaps among underrepresented students by 40% over 5 years and eliminate in 10 years
Goal 6: Eliminate regional achievement gaps in 10 years

Guided Pathways promises career paths for students. Because these are ambitious goals it can be both exhilarating and frightening. MJC has come a long way over the last two years in some of these discussions. Depending on what takes place in the college these goals could be unhinged easily.

E. Ideas and Discussion Forum: What’s on Your Mind? Senatorial discussion on academic and professional issues of concern to faculty – Legislation to require publishers to make a “detailed description easily accessible on its Internet Web Site of how substantial content of the latest edition of a college textbook and supplemental materials differ from content of the preceding edition.”
C. Martin will keep the Ideas and Discussion Forum open during the semester if anyone has questions or comments about what is happening.

F. Board of Trustees Policies and Procedures: previously pulled 4101, 4105, 4300, New December 2017, 4020, 4240, 4250, new January 2018, 4026, 4225, 4227, 4228, 4229, 4236, 4260, 4-8070, New March 2018, 6400, 6850, 7125, 7232, 7310, 7330, 7336, 7-8037, 7-8053, 7-8059

Check the Policy Committee, Constituency Group Review for documents

All those in favor of passing the above policies. Carried.
18 Ayes, 0 Opposed, 2 Abstentions (J. Howen, T. Rojas)
D. Martin left prior to the vote.

INFORMATIONAL ITEMS – M. Robertson mentioned filling out a survey if using the Open Educational Resources by the middle of the month. OpenStax is a nonprofit ed-tech Initiative based at Rice University with Economics, Biology, Political Science, and History and they are quite good.

ITEMS FOR FUTURE AGENDAS: Course Unit Value, Academic Integrity, and Student Success; A.B. 705; Defining Plagiarism; use of publisher online canned courses and educational quality; Online Courses: Regular Effective Contact (or Regular Effective Interaction); Exit Survey for students dropping courses; noncredit education.

VII. ADJOURNMENT 5:44 pm

NEXT ACADEMIC SENATE MEETING: February 15, 2018

In accordance with the Ralph M. Brown Act and SB 751, minutes of the Modesto Junior College Academic Senate will record the votes of all members as follows: 1. Members recorded as absent are presumed not to have voted; 2. the names of members voting in the minority or abstaining are recorded; 3. All other members are presumed to have voted in the majority.
Serving our Students
INTRA-DISTRICT COURSE EQUIVALENCIES
Courses deemed "comparable" at Columbia College and Modesto Junior College

Lettia Tieman-Millar
MJC Accreditation Office
March 28, 2017

Definition
INTRA-DISTRICT EQUIVALENCIES:

Courses that discipline faculty have identified as comparable between MJC and Columbia for the purpose of satisfying:
- Degree/Certificate requirements
- Prerequisites
- General Education Breadth requirements

2017-2018

223

Currently, MJC courses* are deemed equivalent to Columbia courses

*Some equivalencies are in process at the time of this presentation

Academic Senate Meeting:
February 1, 2018
BUT FIRST... C-ID

C-ID OVERVIEW

- Stands for Course-Identifier
- California’s “super-numbering” system for CSU and CCC courses rooted in SB 1435
- Based on faculty-developed “descriptions”
  - Building blocks of ADFs
  - Developed by statewide discipline faculty interest groups (DFG)

C-ID OVERVIEW

- Colleges request approval of a course for a given C-ID
- DFG (discipline) faculty make final determinations
- Approval establishes statewide articulation for a CCC course until a course is substantially changed
C-ID & YCCD

State law mandates equivalency between MIC and Columbia when a courses is approved for the same C-ID.

POOF!
WHEN NO
NO C-ID EXISTS

YCCD EQUIVALENCY PROCESS

- Faculty, staff, or students flag potential equivalencies
- One college requests that discipline faculty review CORs for equivalency
- The other college reviews and accepts/declines request
- Paper documents signed/filed in the MIC Articulation office
- Equivalency is formalized with publication in both college catalogs and on the MIC website

Academic Senate Meeting:
February 1, 2018
CURRENT EQUIVALENCY PROCESS

1. Faculty, staff, or students flag potential equivalencies
2. One college requests discipline faculty review of outlines for equivalency
3. The other college reviews and accepts/declines request
4. Paper documents signed/filed in the MJC Articulation office
5. Equivalency is formalized with publication in both college catalogs and on the MJC website
6. Agreement is static
Your equivalencies aren't working.

What's the problem, Articulation Officer?

They aren't working for STUDENTS

Course substitution is harder for a YCCD transfer to enroll in a class than it is for a student outside the district.

They aren't working for FACULTY

Equivalency can have misalignment in things like content, unit values, breadth, hours, requisites, transfer articulation.
They aren’t working for OPERATIONS

Technicalities like those stated make an onerous, student-by-student process impeding enrollment and creating inefficiency and frustration.

What may be small problem for the colleges is a big problem for the students.

Eliem Dejerman, Anthropology major

HOW A&R PROCESSES EQUIVALENCIES

- A CC > MIC student requests evaluation of the CC transcript
- Evaluation Team identifies MJC-equivalent courses as “transfer” coursework
- Evaluations Team builds a database record establishing CC course equivalency to a specific MJC course
- Via the MJC course ID, course is “plugged in” to satisfy campus requirements in degree audit, prerequisites, etc.
FOR THE STUDENT

Equivalencies are in place indefinitely and are not re-reviewed, so:
- Course changes may degrade equivalency over time
- Approval for GE breadth, C-ID, articulation may differ
- Requisites may not match, affecting transfer preparation
- Unit values may differ
- Courses may have different levels of rigor (transfer, vocational, non-transfer)

FOR THE COLLEGE

- C-ID audit is needed to determine breadth and depth of misalignment with existing equivalencies
- Current process to review and transcribe VCED equivalencies is cumbersome, and
- Current technological and human processes can overlook hidden misalignments, adversely affecting GE completion, prerequisite preparation, transfer preparation, and rigor

POSSIBLE OPPORTUNITIES

- Cross-district DIPs to evaluate curriculum and codify, remove, and adopt equivalencies going forward.
- Colleges mutually agree on evolved process(es) and criteria for establishing and maintaining appropriate equivalencies
RESPONDING TO CHALLENGES

- MJC Instruction Office will audit CSIs and equivalencies in late spring
- Discrepancies will be presented to both colleges for review
- Final determinations will be made about existing equivalencies by both colleges via a process TBD

NEXT STEPS?

HELP Wanted
Financial aid representative reviewed the new Completion Grant which provides an additional $1,500 (annually) to full time students. The supplemental application for the Completion Grant can be found online or at the financial aid offices. Students are required to have complete education plan on file and are required to follow the plan.

James Todd reviewed the California Community Colleges State of the System report and discussed the six goals of the Chancellors’ office.
  - Increase the number of students earning credentials by at least 20%.
  - Increase the number of students who transfer by 35%.
  - Reduce the average units accumulated by students who complete degrees to 79%.
  - Increase the number of students who get jobs in their field of study to 69%.
  - Reduce equity gaps among underrepresented student by 40% and eliminate in 10 years.
  - Eliminate regional achievement gaps in 10 years.

James Todd also reviewed the Summary of the Governor’s Proposals for the 2018-2019 State Budget and California Community Colleges. The new funding formula was reviewed:
  - Base Grant (50% of funding) - based on enrollment using a per-full time student equivalent student (FTES) funding rate, similar to the current general apportionment calculation.
  - Supplemental Grant (25% of funding) – based on the number of low income students; those who receive a College Promise Grant (BOG) fee waiver or Pell Grant.
  - Student Success Incentive Grant (25% of funding) – Based on the number of degrees and certificates granted and the number of students completing them in three years or less, with additional funds for each Associate Degree for Transfer granted.

Update provided on changes in the Transfer & Career Center. Career services has been relocated to the West Campus. The Transfer Center will now solely focus on transfer support services. There are plans to offer career services on both campuses.

Angelica Guzman (Enrollment Services) provided an update on multiple measures. Students may now use their unofficial high school transcripts as a tool for placement. Placement is factored on courses completed and high school GPA (including common core course work).

Flerida Arias provided a copy of the Fall 2017/ Spring 2018 Success Teams within general counseling.
Big news out of RAC from last Friday: Governor Brown has proposed a new formula for funding community colleges and the state Chancellor is in full support. The new funding model (refer to pages 5 & 6 in the attached file) places the focus on butts in seats (FTEs) with a “Student-Focused Funding Formula” that breaks down as follows:

**Base Grant (50% of funding)** – FTEs

**Supplemental Grant (25% of funding)** – based on number of low-income students (those who receive BOG fee waivers or Pell Grants). We should benefit from this one.

**Student Success Incentive Grant (25% of funding)** – based on completion (number of degrees and certificates granted and the number of students completing them in three years or less, with additional funds for each Associate Degree for Transfer granted). The state Chancellor sees this element as an opportunity for schools to embrace Pathways because completion is now essential. Apparently, even non-credit certificates can count towards this funding. However, there is some talk about reducing the amount of money schools get for non-credit courses, which is a change from the current practice of equal pay for credit and non-credit courses.
Academic Senate Meeting:
February 1, 2018

Summary of the Governor’s Proposals for the
2018-19 State Budget and California Community Colleges

By School Services of California, Inc.

Introduction

What if life gave each of us a “mulligan” which in golf allows us to replay a shot to see if we can
do better? How would we use that “mulligan” to our best advantage?

Well, Governor Jerry Brown got that “mulligan” and used it fully. The opportunity to be
Governor at a young age, leaving office in 1974, then holding a variety of elected positions over
nearly three decades, then becoming Governor again in 2010 gave Governor Brown the replay
he wanted. Equipped with the experience and knowledge gained over a long political life,
Governor Brown was clearly ready to put his mark on the state a second time as Governor.
However, this was going to be the toughest course he had ever played!

The Challenge

Most of us remember what California looked like when Governor Brown was elected in the
middle of the Great Recession: Unemployment rates of 14%, among the highest in the nation;
significant cuts to education funding; the worst credit rating of any state in the U.S.; companies
moving out of California for greener pastures elsewhere; state revenues that consistently came
in lower than projected and left the state so cash-poor that it could not even pay annual
apportionments to schools and community colleges without substantial differals; reductions in
school and community college staffing, in addition to layoffs, furlough days, increase class sizes,
and significant cuts to categorical programs.

And the dysfunction extended far beyond public education. The rancorous environment and
partisan bickering in the Legislature led to State Budgets that were consistently months late and
filled with gimmicks to try to survive another year. The state General Fund carried a negative
reserve that was getting worse, not better. Federal judges were ordering the state to release
prisoners to reduce overcrowding. The housing market had collapsed to the extent that the
median price of homes was half what it had been four years before. Anyone longing for the
bad old days?

The Path to Recovery

Crisis leadership is about defining the key controllable elements of a critical situation and
massing resources at those points to bring about positive change. To accomplish that in a
situation like Governor Brown inherited, he used his extensive experience in governance, built
legislative support often by supermajority, and put his own personal charisma and reputation
on the line.

Later on, when the national economic recovery started, the Governor’s plan received a needed
and expected boost, but for the first three years of his term we remained mired in the Great
Recession and there was no external help to be had. California needed to create jobs,
opportunities for employers, and a stronger more sustainable tax base, all while supporting the
needs of former tax payers who had suddenly become tax receivers. Aided by temporary taxes,
spending reductions and difficult policy choices, Governor Brown tackled the problems facing the state.

We are advocates for public education and do not like the fact that during the Great Recession the bulk of the state Budget cuts were taken by education. We felt the same about the classified, certificated, and management staff members in school and community college districts shouldering the sacrifice of lower budgets and fewer jobs. But we also recognize that in order to save the ship you may have to offload the heaviest cargo, so sometimes the gold (in this case, our education programs) must be jettisoned. Moving the needle on California’s recovery required bold, immediate actions; and Governor Brown took those actions. There was no guarantee that the Governor’s plan would save our state, but the absence of action would guarantee defeat.

The Recovery

Aided by improving national and state economic conditions, California’s recovery allowed the Governor to reshape major state institutions. No more property tax diversions to Redevelopment Agencies, a long-term solvency plan for the state’s defunct pension plans, greater reliance on the top one-percent of taxpayers, and of course, restructuring of the entire educational delivery model. Beginning in 2013, and continuing today, we have enjoyed revenues that are higher than those projected by the state in every year. Conservative budgeting has allowed the Administration to avoid the temptation to restore spending too quickly and risk falling back into the downward spiral. The constitutionally required “true-up mechanism” for Proposition 98 is intended to ensure that education will eventually receive at least the minimum guarantee. By paying significant amounts in arrears, each year the Administration created a safety net in case future revenues did not come in as planned.

Overview of the Governor’s Budget Proposals

On Wednesday, January 10, 2018, shortly after 10:00 a.m., Governor Jerry Brown unveiled his final proposed State Budget for the upcoming 2018-19 fiscal year. He completed his “prepared” remarks on his State Budget proposal in about five minutes and then turned to questions from the press. The Governor led off with a statement that he was presenting a solid State Budget that prepares California for the future. Repeating the theme that has remained consistent throughout his second stint as Governor, Brown warned of the dire consequences of a recession, especially given the state’s volatile tax system. He noted that there have been ten recessions since World War II and that we must prepare for the eleventh. As a result, he is again highlighting the need to build up the state’s Rainy Day Fund and referenced last year’s Department of Finance (DOF) analysis of the devastating impacts of even a normal recession—a loss of $20 billion in revenues a year for three years.

During the Q&A period, the Governor was asked by former Sacramento Bee columnist Dan Walters about his proposal to aggressively fund the Rainy Day Fund. The Governor responded with, “I thought you retired,” which got a big laugh. He then went on to say, “This is about steady as you go or exuberance followed by regret and pain,” noting the effects of the dot-com
bubble under the Davis Administration and the fiscal aftermath inherited by former Governor Arnold Schwarzenegger.

In addition to significant proposals in Proposition 98, some of the major initiatives of the Governor’s State Budget include:

**Full Funding of the Rainy Day Fund:** Proposition 2, approved by California voters in 2014, established a constitutional goal of reserving 10% of tax revenues in a Rainy Day Fund. The Governor’s Budget proposes a $3.5 billion supplemental payment in addition to the constitutionally required transfer to the Rainy Day Fund for 2018-19. The two payments would bring the total Rainy Day Fund to $13.5 billion, which hits the 10% goal.

**Health Care Expansion:** Amidst growing uncertainly at the federal level, the Governor’s Budget provides funding to increase health care coverage to low-income Californians under the federal Affordable Care Act (ACA).

**Transportation Infrastructure:** The Budget reflects the first full year of funding under the Road Repair and Accountability Act of 2017 (Senate Bill 1), which provides stable, long-term funding for both state and local transportation infrastructure. This act proved $55 billion in new funding over the next decade, split evenly between state and local projects. For 2018-19, the Budget includes $4.6 billion in new transportation funding.

In closing his press conference, the Governor responded to a question about the changes he has seen in California since first becoming Governor in 1974. He noted the influence of Proposition 13, which inserted Sacramento decision making into the affairs of local government. He also said that there was more bipartisanship in the Legislature four decades ago, noting that both Republicans and Democrats elected the leadership of their houses. With regard to the State Budget, the Governor pointed out that prisons now account for 9% of the Budget compared to 3% during his first term as Governor in the late 1970s. He did acknowledge, however, that a Governor has a greater impact now than 40 years ago.

### The Economy and Revenues

**Economic Outlook**

While acknowledging the continued strength of both the state and national economies, and the subsequent increased revenues they produce, the Governor still has his eyes on ensuring California is prepared for the next inevitable downturn. In both his State Budget proposal and press conference, the Governor calls our attention to the fact that by the end of 2018-19 this recovery will match the longest recovery in post-war history. The previous periods of balanced State Budgets were all followed by large State Budget shortfalls, and the effects on California of the passage of the new federal tax bill, among other federal policies, are still largely unknown.

In light of these realities, Governor Brown proposes another State Budget based on the implementation of prudent fiscal practices that provide a balanced State Budget while continuing to plan and save for the future. While the economy continues to expand, even a moderate recession could significantly impact state revenues for several years to come. To ensure the state is ready for a potential slow down, the Governor’s State Budget proposes fully funding the Rainy Day Fund and allocating the majority of the revenue surplus to one-time...
expenses. The State Budget is clear that fully funding the Rainy Day fund may not eliminate the need for spending reductions should a recession or federal policy changes come to pass, but it should allow for the softening of potential cuts and/or shortening of the length of time any potential cuts would be effective.

At the national level, the stock market has reached an all-time high with no signs of slowing down. All three major indices reached new levels the first week in January, with the Dow Jones surpassing 25,000 for the first time. In spite of the Federal Reserve’s continued interest rate hikes, housing prices continue to rise and mortgage rates remain historically low. Wages are increasing and the unemployment rate for both the nation and California dropped to 4.6% and 4.1%, respectively, further narrowing the gap between the two. In addition, the country added 228,000 jobs in November 2017 and, as previously noted, the Governor’s State Budget anticipates modest growth for the California economy.

**State Revenues**

The Governor’s State Budget presents a rosy picture, with revenues higher than projections. Total state revenues are higher year over year, and the economy continues to grow, though modestly. The higher revenues, as expected, are due largely to an increase in personal income tax collections with sales and use tax also seeing an increase over those estimated by the DOF in the adopted 2017-18 Budget Act.

The Legislative Analyst’s Office (LAO) forecast release in November 2017 also estimated a significant increase in General Fund revenues. The LAO continued to provide two long-term estimates—one based on an economic growth scenario and another based on a mild recession scenario. Under the economic growth scenario, the State Budget will retain a surplus, with increases in revenues from the personal income tax driving the majority of the growth, while the recession scenario reflects a roughly $80 billion revenue loss, compared to the growth scenario, over the three fiscal years between 2019-20 and 2021-22.

**Proposition 98**

Adopted by state voters in 1988, Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee and (1) workload changes as measured by the change in average daily attendance (ADA), and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Over the last several years, Proposition 98 has provided significant gains to schools and community colleges as funding cuts endured through the Great Recession have been restored.

**Current-Year Minimum Guarantee**

For the current year, the Governor’s State Budget acknowledges that revenues are higher than projected in the adopted 2017-18 Budget Act, resulting in the increase of the current-year minimum guarantee. For the current year, the Proposition 98 guarantee is now estimated at $75.2 billion, up approximately $700 million from the enacted level.
Proposition 98 also requires the state to account for state funding that falls below the long-term target established by Test 2 (i.e., adjustments required by annual changes in per capita personal income). This cumulative shortfall is termed Maintenance Factor. The Governor’s State Budget notes that as of the end of 2017-18, the Maintenance Factor will be down to $228 million, as the Budget proposes a payment of $1.12 billion in the current year.

2017-18 Minimum Guarantee

For 2018-19, the Governor’s State Budget proposes a Proposition 98 guarantee of $78.3 billion, an increase of $3.1 billion year over year. The guarantee is based on Test 3, the change in per capita General Fund revenues, plus 0.5%, and the change in K-12 ADA, which is expected to decline in the budget year. The Governor’s State Budget notes that an additional $92 million in Maintenance Factor will be created—due to it being a Test 3 year—totaling just over $320 million at the end of 2018-19.

Community College Proposals

The most significant proposals to the 2018-19 Governor’s Budget are new initiatives that have been the subject of some recent discussions: a new funding formula for general apportionments and an online California community college.

New Funding Formula

The Governor proposes $175 million to fund the transition of community colleges to a new Student-Focused Funding Formula for general apportionments, which has some similarities to the K-12 Local Control Funding Formula (LCFF) that was implemented beginning 2013-14. The proposed formula is composed of:

- **Base Grant (50% of funding)**—based on enrollment using a per-full-time equivalent student (FTES) funding rate, similar to the current general apportionment calculation

- **Supplemental Grant (25% of funding)**—based on the number of low-income students; those who receive a College Promise Grant (formerly Board of Governors) fee waiver or Pell Grant

- **Student Success Incentive Grant (25% of funding)**—based on the number of degrees and certificates granted and the number of students completing them in three years or less, with additional funds for each Associate Degree for Transfer granted

Along with this new formula the Governor is proposing requirements that community colleges incorporate the goals of the Vision for Success within each college’s educational master plan and align each college’s budget with that plan (similar to the Local Control and Accountability Plan and budget requirements for K-12 education under the LCFF).

The proposed Student-Focused Funding Formula includes a hold harmless provision that ensures that no district receives less funding in 2018-19 than is allocated through the general
apportionment in 2017-18. Thereafter, the hold harmless provision is determined based upon the 2017-18 per-FTES general apportionment funding multiplied by the FTES for the year for which funding is being calculated.

California College Online

The Governor proposes $120 million ($20 million ongoing) to create a fully online community college that would focus on vocational training, career advancement opportunities, and credentialing for careers in child development, the service sector, advanced manufacturing, healthcare, in-home supportive services, and other areas. The enrollment focus would be on working adults that are not currently accessing higher education.

Apportionment funding for the fully online college would take into account student enrollment and the number of underrepresented students enrolled in the college, and would encourage the online college to focus on student success. Reflecting some of the concerns shared while this concept was discussed over the fall, the college will not impact traditional community colleges’ enrollment because its enrollment base will be working adults that are not currently accessing higher education.

Other General Apportionment Proposals

In addition to the $175 million proposed for transitioning to the new funding formula, the Governor’s 2018-19 State Budget proposal provides the following for general apportionments:

- $161.2 million increase to fund the estimated 2.51% statutory cost-of-living adjustment (COLA)
- $60 million increase to fund 1% growth
- $73.7 million decrease to reflect unused 2016-17 growth
- $5.4 million increase for offsetting enrollment fee revenues
- $230.2 million decrease to offset local property tax revenues

Similar to last year, the Governor does not propose any one-time discretionary funds for 2018-19—funds that have historically been counted as paying down outstanding state mandate claims. Also, consistent with the Governor’s prior proposals, there is no proposed change to current fee levels for the California Community Colleges (CCCs).

Workforce Programs

The Governor proposes $212 million for K-12 education to expand Career Technical Education programs aligned with the goals of the Strong Workforce Program. The Governor also proposes:

Academic Senate Meeting:
February 1, 2018
• $20.5 million for a COLA for the Adult Education Block Grant program, along with $5 million for a shared data collection and accountability system

• $17.8 million in ongoing funds for K-12 and community college apprenticeship programs, along with $30.6 million in one-time funds to backfill shortfalls in the reimbursement provided from 2013-14 through 2017-18

• $2 million to fund certified nursing assistant programs

Other Programs

The Governor’s 2019-19 State Budget proposals for other community college programs include:

• $275.2 million in one-time fund for deferred maintenance, instructional equipment, and specified water conservation projects, with no matching funds requirement

• $46 million to support the implementation of the California College Promise program, which rescinds the $46 per unit fee for all first-time resident students enrolled in 12 units or more per semester during their first year

• $44.9 million in Proposition 51 bond funds for 5 new and 15 continuing facilities projects

• $32.9 million to consolidate the Full-Time Student Success Grant and the Completion Grant programs, increasing the grant amounts and shifting to a per-unit per-semester/per-year grant; the proposed unit range is between 12 and 15 units per semester or 24 and 30 units per year

• $20 million in one-time funds for the Innovation Awards program for grants focused on enhancing equity

• $7.3 million to fund the 2.51% COLA for Disabled Student Programs and Services, Extended Opportunity Programs and Services, California Work Opportunity and Responsibility to Kids (CalWORKs), and Child Care Tax Bailout programs

• $2 million for the Chancellor’s Office to fill vacant positions and further support the local colleges in improving student success

Other Policy Initiatives

The Governor’s proposal includes imposing a new requirement on nonprofit institutions with students receiving Cal Grants that, starting in 2019-20, the sector must admit at least 2,500 students who have earned Associate Degrees for Transfer from the community colleges, and
they must be guaranteed junior standing. Starting in 2020-21 this requirement increases to 3,000 students.

The Rest of Higher Education

The Governor’s State Budget proposal acknowledges that both the University of California (UC) and the California State University (CSU) systems are proposing to increase tuition for 2018-19 by 2.5% and 4%, respectively. The Governor urges both systems to reduce their cost structures before increasing tuition again.

The UC and CSU systems are each proposed to receive $92.1 million consistent with the Governor’s long-term plan. In addition, the UC is proposed to receive $50 million upon meeting expectations related to the initiative that began last year to reduce its cost structure as well as addressing the findings in the State Auditor’s 2017 report regarding the Office of the President.

K-12 Education Proposals

The 2.51% statutory COLA is applied to the K-12 LCFF and the few categorical programs that still exist for K-12 education. Further, the Governor proposes to fully fund the LCFF, two years earlier than originally anticipated, at a cost of almost $3 billion. Also, K-12 education is proposed to receive approximately $295 per ADA in one-time discretionary funds that are scored against outstanding state mandate claims. There are no such funds proposed for the CCC at this point. However, the CCC is proposed to receive the one-time deferred maintenance and instructional equipment funds.

Child Care and Preschool

Maintaining a three-year agreement with the Legislature to increase investments in child care and preschool, the Governor’s Budget proposes to increase reimbursement rates and fund the final tranche of state preschool slots. Specifically, the 2018019 State Budget proposes to:

- Increase the Standard Reimbursement Rate by 2.8%, for a total General Fund and Proposition 98 investment of $47.7 million--$16.1 million and $31.6 million, respectfully
- Provide an ongoing $34.2 million to convert the temporary Regional Market Rate (RMR) “hold harmless” provision to a permanent provision, beginning in 2019-20
- Fund an additional 2,959 full-day State Preschool slots, beginning in April 2018
- Fulfill the fiscal year 2017-18 increase to the RMR to the 75th percentile of the 2016 regional market rate survey, beginning January 1, 2018
- Make a modest adjustment to CalWORKs Stage 2 and Stage 3 to reflect caseload and estimated costs of care
- Provide $125 million in one-time Proposition 98 funding and $42.2 million in federal Temporary Assistance for Needy Families funds to create the Inclusive Early Education Expansion Program to increase the availability of early education and care for children ages 0 to 5, targeting children in low-income areas.

The Governor also acknowledges the operation of state-approved pilot programs in 13 counties that authorizes providers in those counties to earn their full contracts through greater program flexibility. His proposal commits to working with providers in those counties to help streamline requirements.

**Federal Programs**

At the federal level, there remains continued uncertainty regarding federal appropriations for public education programs. In December 2017, Congress passed a Continuing Resolution (CR) that funds all discretionary funding at current levels until January 19, 2018. There are rumors that the CR will be extended through mid-February to allow Congress to work out deals on immigration and health care issues.

In his 2018-19 State Budget proposal, Governor Brown notes that, California’s relationship with the federal government has never been more uncertain.” The Budget proposal does not factor in the ramifications of the recently enacted federal tax bill, nor any additional proposed federal cost shifts resulting from the repeal of the ACA or other federal entitlements. The Governor indicates the May Revision will include a preliminary analysis of the proposed impact of the tax cuts and any enacted cost shifts on the state’s economy and revenues.

**In Closing**

In closing, remember that the Governor’s Budget proposals mark the beginning of the process, not the end. We expect the Legislature to push back on the Governor’s priorities and especially his revenue estimates. As the various proposals are considered by legislative committees, we can expect both confrontation and compromise; in our opinion, the Governor continues to win on the issues most important to him.

There was a time, not so long ago (certainly during Governor Brown’s political lifetime), when California was the envy of the world. We had the best public education system in the world. The best jobs, the best homes, the best weather, the best beaches, and we even had Disneyland! Employers came here for our educated work force and created high-paying jobs in aerospace, medicine, manufacturing, agriculture and construction. We were leaders in all those areas.

Then came Proposition 13 and the erosion of our infrastructure began. Our education system suffered immediate damage and we dropped from the top 5 to the bottom 10 states by any measure. The roads lasted, but not forever. The jobs first stopped coming to California, then started leaving. High-paying technical and professional jobs left and were replaced by lower-paying service industry jobs. More of California’s governmental and education expenditures
were funded by volatile sales and income taxes as opposed to the more stable property tax. By the 1980s, for the first time in our history, the population of tax receivers was growing faster than the economy itself.

We care about public education because we know it is the great equalizer. Not just economics, or safety, or social justice, or human dignity—but all of them are dependent upon an education system that builds our country one student at a time. No one Governor or one State Budget can be expected to address all of our needs, but every State Budget should be expected to make progress on the ones we hold most dear. We think this State Budget continues to advance those choices and priorities.

We also think Governor Brown is going out on top. He didn’t address every issue, perhaps not even to his own satisfaction, but he was our Winston Churchill and he “never gave up” on California, even in our “darkest hour.” Perhaps that is his greatest legacy.

--School Services of California, Inc. Staff