

SB 965 (Leno)

Introduced 2/10/14

Funding Stability for City College of San Francisco

SUMMARY

SB 965 is key to the future of City College of San Francisco (CCSF) by protecting it from severe declines in funding that could jeopardize the future of this critically important educational institution in San Francisco and the Bay Area. The bill would stabilize funding for the next four years as the college works to restore student enrollment and maintain accreditation.

BACKGROUND

There are few options available to the California Community Colleges Board of Governors, or to its Chancellor, to help a community college district that faces severe challenges, including significant declines in enrollment.

Current law ties a community college's revenue level for each fiscal year to the amount of full-time equivalent students (FTES) served during the fiscal year. During times of declines in enrollment, existing law provides for only a single year of stabilization funding, where the district would receive at least the same funding for enrollment as it received in the previous fiscal year.

If a district's enrollment continues to decline beyond the one year of stabilization funding provided in current law, the district's funding would be reduced based on the decline in FTES.

PROBLEM

Existing law does not provide any further aid to struggling districts, beyond the one year of funding stabilization.

Accreditation challenges at CCSF have raised serious concerns at the college and in the community. CCSF is an essential provider of higher education in San Francisco, and for many students it represents the only point of access to a college degree, certificate or workforce training. CCSF is a major provider of skilled workers for San Francisco employers and one of the largest employers and customers of city businesses.

Although CCSF is making significant progress to fully meet accreditation standards, a significant number of students have opted not to enroll or re-enroll due to uncertainty about CCSF's long-term survival. In the past year alone, enrollment has declined by approximately 16%, resulting in a corresponding reduction in district funding for the current fiscal year.

Without immediate corrective action, this downward trend of enrollment and funding will force deep programmatic reductions, in turn leading to further loss of enrollment, and posing a major threat to CCSF's survival.

SOLUTION – SB 965

SB 965 would provide desperately needed relief by leveling out the funding at San Francisco Community College District while it addresses its accreditation challenges. The bill would authorize the California Community Colleges Board of Governors to provide stabilization funding to the district, if:

- The district is in jeopardy of losing its accreditation.
- The number of FTES at the district decreases from the number enrolled during the 2013-14 fiscal year.
- The district meets additional accountability measures.

The four years of stabilization funding provided to the district would be calculated based on funding received during the 2013-14 fiscal year (base year), as follows:

- For the 2014-15 fiscal year, an amount equal to the base year revenue.
- For the 2015-16 fiscal year, an amount not less than 95 percent of the amount received for the base year.
- For the 2016-17 fiscal year, an amount not less than 90 percent of the amount received for the base year.
- For the 2017-18 fiscal year, an amount not less than 85 percent of the amount received for the base year.

These changes will provide the district with a predictable funding level and preserve the district's ability to serve the educational needs of San Francisco

while it continues its progress toward maintaining accreditation.

STATUS

Introduced – 2/10/2014

SUPPORT

California Community Colleges
Chancellor's Office (Sponsor)

FOR MORE INFORMATION

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, Leno.

General Subject: Community colleges: funding: San Francisco Community College District.

Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state.

Existing law requires the board of governors to develop criteria and standards, in accordance with specified statewide minimum requirements, for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature and allocating state general apportionment revenues. Those statewide minimum requirements include, among other things, a requirement that the calculations of each community college district's revenue level for each fiscal



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year be based on specified criteria, with revenue adjustments being made for increases or decreases in full-time equivalent students and for other specified purposes.

This bill, for the 2014–15 fiscal year to the 2017–18 fiscal year, inclusive, would require the board of governors to provide the San Francisco Community College District with revenues, as specified, if the community college district or a campus of the community college district is in imminent jeopardy of losing its accreditation and the board of governors has appointed a special trustee to manage the community college district.

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Francisco Community College District.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



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An act to add Section 84750.6 to the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 84750.6 is added to the Education Code, to read:

84750.6. (a) Notwithstanding Section 84750.5, the board of governors shall provide the San Francisco Community College District with revenues, as specified in subdivision (b), if both of the following conditions are satisfied:

(1) The community college district or a campus of the community college district is in imminent jeopardy of losing its accreditation.

(2) The board of governors has appointed a special trustee to manage the community college district.

(b) If the number of full-time equivalent students (FTES) of the community college district decreases from the number in the 2013–14 fiscal year, the board of governors should provide revenues to the community college district, as follows:

(1) For the 2014–15 fiscal year, an amount not less than the total amount that was received by the community college district for the attendance of FTES in the 2013–14 fiscal year.

(2) For the 2015–16 fiscal year, an amount not less than 95 percent of the total amount that was received by the community college district for the attendance of FTES in the 2013–14 fiscal year.

(3) For the 2016–17 fiscal year, an amount not less than 90 percent of the total amount that was received by the community college district for the attendance of FTES in the 2013–14 fiscal year.



(4) For the 2017–18 fiscal year, an amount not less than 85 percent of the total amount that was received by the community college district for the attendance of FTES in the 2013–14 fiscal year.

(c) The amounts calculated in paragraphs (1) to (4), inclusive, of subdivision (b) shall be adjusted by the chancellor to reflect cost-of-living adjustments, deficits in apportionments, or both, as appropriate for the applicable fiscal years.

(d) Subdivision (b) shall only be used to determine the apportionment funding to be allocated to the San Francisco Community College District. In computing statewide entitlements to funding based upon the attendance of FTES, the San Francisco Community College District shall not be credited with more FTES than were actually enrolled and in attendance.

(e) It is the intent of the Legislature that any amounts necessary to make the apportionments required pursuant to subdivision (b) be drawn from the state general apportionment revenues for community college districts.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique accreditation and fiscal challenges facing the San Francisco Community College District.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:



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The accreditation and fiscal problems facing the San Francisco Community College District threaten its ability to preserve the health and safety of its students and require an immediate response.

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