August 5, 2014

Dear Colleagues:

I wanted to let you know where things stand with SB 850 (Block), the community college baccalaureate pilot program. First of all, the legislature is back in session as of Monday following a summer recess. Most pending legislation must be resolved by the end of August.

Having been recommended forward by the Assembly Higher Education Committee, with several amendments, SB 850 went to the Assembly Appropriations Committee for a financial overview. We have been providing information to the committee, as have the State Department of Finance and the CCC Chancellor’s Office. Following a hearing on Wednesday, the bill will go into the Suspense file for deeper review and is expected to be heard on August 15th. The basic tenor of the discussions to date has been very positive at the policy level. However, at the finance level, there are two key issues, which Senator Block will need to address via further amendments:

- **Fees.** There is already language in the bill to the effect that upper-division fees could not exceed those of the CSU. Following lots of testimony and follow-up, I reported to you earlier that language would be inserted into the measure that would create a fee structure where student would pay the current base rate of $46/unit for all courses for all 4 years of the program and that this fee would be eligible for the CCC Board of Governors (BOG) waiver. For upper-division work in the last two years of the program, there would be an additional $84/unit fee (tuition) , which would not be eligible for the BOG waiver, but would be eligible for other financial aid such as Cal and Pell grants. This would bring the total cost of the four-year baccalaureate program to $10,560, which is very close to the $10,000 bachelor’s degree that the Governor has mentioned that he would like to see. This fee structure has now been inserted into the bill.

- **State Reimbursement/Compensation.** The Department of Finance has argued that the state should not reimburse colleges for upper-division work at a per-FTES rate that is higher than the per-FTES rate for lower-division work. Previous iterations of the bill contained provisions that would have authorized the CCC Board of Governors to create a “marginal” FTES rate that could be no higher than the CSU rate. At the present time, it looks as though the state compensation rate will remain at its current per-FTES level and that the increased costs of the baccalaureate level will be borne by the student’s higher payment for upper-division courses and may possibly be enhanced by any other grants that may apply to the program, such as the Innovation Fund. Many of us are
concerned that community colleges will once again be asked to do more for less. For the purposes of the pilot program, it is clear that this approach will favor districts that are able to absorb the cost. However, this will also be part of the evaluation and report, which will include a financial review, and there is a good chance that if the pilot is successful, the final authorization may include a higher rate of reimbursement/compensation.

I am pleased to see how far we have come with this important idea for our system of community colleges. We are understanding the trade-offs that we have to make to ensure passage of this bill and we are hopeful that once the pilot is approved and evaluated we can move in the progressive direction that 21 states have already set for their community colleges.

Thanks for your continuing efforts and support.

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