CITY COLLEGE OF SAN FRANCISCO

LEGISLATIVE AND BUDGETARY PRIORITIES

FY2002-2003
INTRODUCTION

City College of San Francisco Budgetary and Legislative Priority Packet is presented to the City and County of San Francisco Delegation as a guide to City College’s position on the proposed community college funding and substantive issues that will be addressed during the 2002 Legislative Session for Fiscal Year 2002-2003.

The format follows that of the Board of Governor’s Community Colleges’ Budget Requests, but it also includes specific projections and impact analysis as it applies to City College. The information regarding the budget requests reflects our operational requirements and priorities. The Capital Outlay Budget requests for City College of San Francisco are also included.

There are a number of Legislative Issues, which will be coming before the legislature in one form or another, and an attempt has been made to highlight our position on these issues. The issues that are included are those that have been identified-to-date by City College and will be expanded and/or modified as they move through the budget and legislative cycle.

It will be our practice throughout the legislative session to keep the entire delegation appraised of information regarding City College of San Francisco and the Board of Governor’s legislative priorities, as they develop and evolve. The Chancellor, his Governmental Relations Liaison, Dr. Dale Shimasaki, CEO of Strategic Education Services, and Leslie P. Smith, Dean of Governmental Relations, are and will be available to assist the delegations upon call and to advise on other issues pertinent to community colleges and post-secondary education.

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CITY COLLEGE OF SAN FRANCISCO
LEGISLATIVE AND BUDGETARY PRIORITIES LIST

BUDGET REQUEST FY 2002-2003

ONGOING FUNDS

Outlined below are the major components of the Governor’s 2002-2003 January Budget Proposal and how they impact on CCSF. The Governor’s Budget Proposal includes $6.3 billion for the California community colleges, a net increase of $104 million, representing 1.7% increase over last year. This compares favorably with the other segments of higher education: UC is getting a 1% increase and CSU a .8% increase. As to the community college’s share of Proposition 98, we stay constant at 10.21%. The Governor’s January 2002 Budget Proposal also recommended major cuts to some of our categorical program allocations which have been in place for many years. The overall budget strategy contained in this document is to

♦ ensure that the system receive COLA and growth allocations to cover the costs of maintaining our effort and access to our students as recommended by the Governor;
♦ restore funding for all Governor recommended cuts;
♦ support City College’s additional priorities
♦ include funding for City College’s Capital Outlay priorities to keep facilities planning on track; and
♦ advocate for State and Federal legislative priorities.

The impact on City College of both the augmentations and the cuts will be presented. An overall profile of the institution is included.

OPERATING BUDGET

SUPPORT THE GOVERNOR’S AUGMENTATIONS

COLA (2.15%)

The anticipated statutory COLA is 2.15%, however, this amount does not adequately cover the costs of step increases or the explosion in health care costs, nor does it provide COLA on all programs, most specifically the three part-time equity funds or Partnership for Excellence. By their very definition, these programs incur increases costs just to maintain their current level of effort.

Funding the statutory COLA is fundamental to maintaining our current level of educational services.

Governor’s Proposal: $88,752,000
CCSF Anticipated Allocation: $2,700,000
Growth (3%)

The system requested a growth rate of 4% to accommodate the overwhelming demand experienced by all segments of post-secondary education systems during an economic downtown and the real increase in the college-age population due to expected demographic trends. However, the Governor has recommended funding growth at 3% in his proposed budget. The good news is the doors to a college education stay open. The bad news is that this actually translates to a loss of $74 per Full-Time Equivalent Student (FTES) in terms of total dollars available to the community colleges and the total number of students served. In fact, the per student funding will even decrease more as districts serve all students who need an education, producing unfunded overcap growth.

The state calculates the exact growth rate for each district based on adult population growth, high school graduation rate, and participation rate. In order to receive all eligible growth dollars, a district must reach its “Growth Cap”. However, since there is more growth in the system than is funded in the Governor’s Proposal, it is anticipated that all district’s will have a prorated growth allocation. This could go as low as 65 cents on the dollar. The only way to correct this inequity is to increase the percent of growth funded.

Governor’s Proposal: $118,706,000
CCSF Anticipated Allocation: $2,300,000 (if we reach our growth cap.)

Part-Time Compensation

The Governor has made the first year allotment of $57 million for Part-Time Equity and the $7 million for Part-Time Office Hours ongoing. While this does not increase the amount of the allocation, it indicates the Governor’s commitment to continue to fund these programs.

Instructional Equipment and Library Materials

The Governor has recommended restoring the Instructional Equipment and Library Materials line item to $49 million in ongoing funds. For City College, this means an additional $1,138,950 for instructional equipment and library materials.

Governor’s Proposal: $34,000,000
CCSF Anticipated Allocation: $1,138,950

Scheduled Maintenance

Like Instructional Equipment, the Governor has recommended restoring the Scheduled Maintenance line item to its 1999-2000 level with ongoing dollars. Thus our schedule for replacing our aging fire alarm systems and other scheduled maintenance projects are back on track.

Governor’s Proposal: $32,000,000
CCSF Anticipated Allocation: Project based
RESTORE THE CUTS

Matriculation

The Matriculation budget took a 35% hit, resulting in an estimated loss of $950,000 to CCSF. These dollars have been used to fund assessment, placement, and counseling activities in both credit and noncredit.

As City College of San Francisco continues to serve more students with less dollars, there can only be a negative effect on the integrity of the classroom. For example, since all students will no longer be able to be assessed and appropriately placed, students will self-select the courses in which they enroll. Prerequisites will not be enforced, increasing a student’s risk of failure; course repetitions will increase while retention will decrease. The quality of student support services will be negatively impacted even further because we will continue to keep the door open to students who need an education. The problem is that these students also need access to student support services in order for their educational experience to be a success.

Governor’s Proposal:  - $26,782,000
CCSF Anticipated Reduction:  - $950,000

CalWORKS/TANF

CalWORKS and TANF took the biggest hit. All $8 million of the TANF dollars and $50 million of the CalWORKS dollars have been taken out of the community colleges’ budget. This leaves only the $15 million for childcare in the system budget. For San Francisco, this amounts to a loss of about $1.5 million.

In the past, these funds have been used for work-study, job placement and program administration and coordination activities. In particular, the $18 million for student work-study will be abolished, leaving only $22 million statewide for all work-study for all students.

Not only the community colleges were hit with these cuts. The K-12 adult education system also lost $36 million from their allocation. The system will be trying to get these dollars back and directed towards the educational system rather than the human social services or employment development agencies, but it will be an uphill battle. The Governor has targeted his newly proposed Labor Agency as the lead in providing services and training to CalWORKS clients. The CalWORKS caseload is expected to increase 4% in the coming year. Furthermore, qualifying to receive childcare will be more difficult. For example, those transitioning off CalWORKS will no longer be automatically eligible to continue to receive childcare benefits and beneficiaries will be expected to pay a larger share of the costs.

Additionally, President Bush is proposing changes to the Federal TANF program that 1) increases the work requirement, 2) decreases the flexibility to use education to fulfill the participation requirements, and 3) substantially increases the cost to the State. We will have to carefully monitor the TANF reauthorization process in order to continue to provide access to an education to our CalWORKS students. It is the only route to true, long-term financial stability and self-sufficiency for our most vulnerable population.

Governor’s Proposal:  - $58,000,000
CCSF Anticipated Reduction:  - $1,500,000
Economic Development

The Governor has proposed significant cuts to the current Economic Development Program, focusing on the regional centers, the backbone of the community colleges regional approach to education. Currently, City College of San Francisco has a Regional Health Occupations Resource Center, a Center of Excellence, an Applied Competitive Technologies Center, a Small Business Development Center, an Advanced Transportation Technologies Center, a Biotechnologies Center and a Workplace Learning Resource Center. If the current proposed cuts are implemented, we would lose funding for these efforts. There is discussion to move the cuts from the centers to the competitive grants portion of the Economic Development program.

In order to continue the Economic Development mission of the community colleges, it is necessary to pass legislation to reauthorize the Community Colleges Economic Development program. Currently this program sunsets in January 2003.  

Governor’s Proposal: - $8,850,000  
CCSF Anticipated Reduction: - $1,246,000 (CCSF is grantee but all funds are not used by CCSF.)

Faculty and Staff Development

The Governor has recommended cutting all funds targeted for Faculty and Staff Development. Thus any funds used for these activities will have to come from the individual employees or out of each district’s general fund budget. For years, the community colleges have been attempting to increase the allocations for staff development activities, but have been unsuccessful. This is especially surprising given the Governor’s commitment to providing funds for training K-12 teachers. This may be a case where our reputation for high quality instruction has hurt our advocacy for adequate funding in this area. With the large number of retirements expected in the next 10 years and the number of new hires needed to replace these retirements, address expansion issues, upgrade part-time faculty and offer new programs, there is no expectation that the training needs of our faculty and staff will diminish in the near future. Pursuit of a tax credit for faculty, paralleling what was previously granted to K-12 teachers, is under discussion.

Governor’s Proposal: - $5,233,000  
CCSF Anticipated Reduction: - $171,435

Telecommunications and Technology

The Governor also eliminated all of the $8 million directed towards faculty and staff development for technology; a loss of $249,862 to CCSF. Additionally, he has recommended cutting funding in half for local district Telecommunications and Technology efforts, for an estimated loss of $130,000 to the college.

Governor’s Proposal: - $19,800,000  
CCSF Anticipated Reduction: - $380,000
Other Cuts

The Governor has recommended $9,985,000 in cuts to the Funds for Student Success, stating that Partnership for Excellence dollars can be used to backfill these activities. All recommended cuts will come from the individual, short term, competitive grants funding stream.

Additionally, the Governor has recommended cuts to two programs he recently initiated--$5,000,000 cut to Teacher and Reading Development and $1 million to Nursing Program Expansion. These cuts need to be restored.

ADDITIONAL BUDGETARY PRIORITIES FOR CITY COLLEGE

COLA for Categoricals

While a COLA for general apportionment and selected categoricals has been proposed by the Governors, several important programs have been left out. An additional $6.45 million is needed to fund COLA on Partnership for Excellence, $1.4 million for Part-time Faculty Compensation; and $1.6 million for the rest of the categorical programs. Thus, **to fully fund a 2.15% COLA, the system needs an additional $9.45 million.**

Part-Time Compensation

While the Governor has made the first year allotment of $57 million for Part-Time Equity and the $7 million for Part-Time Office Hours *ongoing*, indicating his commitment to continue to fund these programs, the second of three augmentations of $57 million each was not part of the Governor’s January Budget proposal. Both City College of San Francisco and the State have had long term policies supporting the concept of “Equal Pay for Equal Work”. **The initial $57 million was just for the first of three years** of augmentations needed to close the gap between part and full time faculty. There needs to be continued attention given to this matter.

Additionally, the first installment of $57 million did not receive a COLA. Since all these monies are directed towards salaries and benefits, there needs to be a **COLA added** on to both of these programs, and the Part-time Faculty Health Insurance Fund for **an augmentation of $1.4 million.**

Workforce Development Initiative

Recognizing the importance of educating California’s workforce, both the Governor and the Community College system proposed changes to the way those workers are educated, emphasizing lifelong learning opportunities, a seamless structure, and clear ladders to career opportunities. Fundamental to both proposals was the integration of basic or academic skills into both vocational education and skills training offerings.

Of fundamental importance to City College of San Francisco is the workforce preparation component which begins to recognize the importance of our noncredit programs as a gateway to opportunity. For example, at City College 31% of our degree recipients and 41% of our transfer ready students used our noncredit educational programs to reach their goals.
A cornerstone of the system’s workforce preparation proposal was to begin to move noncredit towards funding equity with credit. Currently, noncredit instruction is funded at roughly half the rate of dollars/FTES of credit instruction. This level of funding does not cover the true costs associated with delivering the quality of education required to ensure that the most economically, educationally and socially disadvantaged students in our society succeed. It is estimated that $24 million would move targeted noncredit students one-quarter of the way towards equity with their credit counterparts.

There is clearly a state interest in developing a workforce development/workforce preparation initiative and thus increasing the ability of colleges to respond to workforce needs, especially in the areas of workforce preparation, such as English language acquisition, Citizenship training, and basic skills development.

To offer the comprehensive range of services on the scale required to significantly impact California’s economic future and the economic future of Californians, the State must rely on an educational institution that is decentralized, responsive to local business and community concerns and already successfully engaged in worker training. California’s community colleges offer a unique set of assets: their location, relationship with the communities they serve, and expertise in providing remedial education, skills training and life-long. The community colleges are ready and able to do the job.

**CAPITAL OUTLAY**

The legislature has passed AB16 (Hertzberg) which will send two bonds—$13 billion in November 2002 and $12.3 billion in March 2004 to the voters. The higher education split is 40%/30%/30%, with 40% going to the community colleges. This would result in a total of $1.84 billion for the community colleges, including the revenue bonds passed as part of the economic stimulus package.

City College of San Francisco needs the following out of the statewide education bond.

- **Preliminary Plans for the Chinatown/North Beach Campus** $1,334,000
- **Working Drawings for the Mission Campus** $900,000
- **Preliminary Plans/Working Drawings for John Adams Campus** $2,000,000

**KEY LEGISLATIVE ISSUES**

These issues are consistent with the system’s legislative package.

**STATE LEGISLATION**

*Automatic Property Tax Backfill*

The community colleges base and implement their budgets based on estimated tax revenues, thus expenditures, course schedules, hiring, and most other expenses are encumbered before the state accurately knows its revenues for the fiscal year. The community colleges should receive an automatic property tax backfill as K-12 does.
CalWORKS

TANF is being reauthorized nationally, so efforts to improve benefits to our students will be taking place at both the state and federal level. National standards require that students spend 2-hours outside of the classroom studying for each hour in the classroom. To not count these homework hours towards the 32-hours per week requirement puts an unfair burden on CalWORKS recipients in educational programs.

Federal Conformity

The Governor is recommending that California conform to changes in the Federal Tax Code. The federal Economic Growth and Tax Relief Reconciliation Act of 2001 made a number of significant changes, particularly in the tax treatment of retirement plans. It is estimated that the increases in allowable contributions to retirement plans will cost the state about $44 million. The total conformity package will however result in an increase in revenue to that state of about $177.5 million, mostly from conforming the estimated payment rules and by requiring corporations to use their federal election, such as Subchapter S, for state purposes.

Design Build Facilities

Allow community colleges to use the design built process for capital projects. Currently K-12 is allowed to use this more efficient, less costly process.

FEDERAL LEGISLATION

TANF

Barriers to new, current and prior TANF recipients pursuing their educational goals to ensure lifelong self-sufficiency must be removed.

Pell Grant Tuition Sensitivity

California community college students must not be penalized because the taxpayers have made a commitment to keep fees low.

International Students

Ensure that international students, their programs and their institutions are treated as fairly and equitably as possible as SEVIS is implemented.

Higher Education Tax Credits

Amend current higher education tax credit programs so that they benefit California community college students.
ABOUT THE COLLEGE

Established in 1935, City College of San Francisco has grown to become the largest multi-campus single community college in the nation, educating over 100,000 students annually. CCSF is a neighborhood-based college characterized by its diversity. The district has 9 campuses and more than 100 instructional sites throughout the City serving such diverse populations as Asian and Latino immigrants, downtown office workers, economically disadvantaged citizens, and San Francisco’s large Gay and Lesbian population. CCSF currently has programs in both credit and non-credit instruction addressing a variety of needs including:

- associate degrees, credentials and certificates,
- language and citizenship skills,
- vocational and technical education,
- transfer to baccalaureate colleges,
- economic and community development,
- business and computer training, and
- adult education and GED preparation and examination.

Student Population

CCSF educates more total students each term than all other post-secondary institutions in the City combined. The 100,544 enrolled students at CCSF compares to 26,826 students attending San Francisco State University, 7,803 students at the University of San Francisco, 6,049 students at Golden Gate University, and 3,720 students attending the University of California San Francisco campus.

These students are near equally divided in credit and non-credit programs. Women outnumber men at CCSF. Fifty-five percent of credit students and 60% of non-credit students are women.

City College of San Francisco serves one of the most diverse student populations in the nation. A full 67% of credit students and 73% of non-credit students are members of ethnic minorities. More specifically, of credit students, 34% are Asian and Pacific Islander, 15% are Latino, 8% are African American, 8% are Filipino, and 1% are Native American. In non-credit programs, 41% are Asian and Pacific Islander, 23% are Latino, 6% are African American, 2% are Filipino, and less than 1% are Native American. CCSF serves a higher proportion of minority students than exists in the general San Francisco population, as well as a large segment of the gay and lesbian community.

Many students at CCSF are older than traditional college students, averaging 27 years. Sixty-two percent of credit students are 86% of non-credit students, or more than 46,000 total students each fall, are age 25 or older. Of these, 2,800 credit and 10,850 non-credit students are age 50 or older. This age diversity is reflected in the wide range of courses and programs offered at CCSF campuses, many aimed at older adults.

CCSF’s annual enrollment base also includes:

- 28,000 vocational students,
- 35,000 ESL students,
- over 1,300 international students,
• 2,100 economically disadvantaged students through the Extended Opportunity Program and Services (EOPS) program,
• some 2,000 disabled students, and
• more than 8,500 students receiving financial aid grants annually.

Services and Programs

A broad range of academic programs and student services are targeted at helping students succeed. CCSF has more than 100 programs providing instruction in:

• liberal arts and sciences,
• engineering and technology,
• English as a second language,
• fine arts,
• foreign languages,
• interdisciplinary programs,
• basic skills and remedial education,
• studies of special populations, such as Philippine studies and Gay, Lesbian, and Bisexual studies, and
• technological and vocational fields such as health and biotechnology, auto and aircraft technology, business services, graphic communications and multimedia.

Additionally, City College offers support services for:

• career planning and job placement,
• academic and personal counseling,
• disabled students,
• economically disadvantaged students, and
• international education.

The College provides technical training for business and industry through both the contract education program, educating more than 700 students annually, and the continuing education program, which served nearly 5,080 students last year. Additionally, CCSF provides job training to San Francisco residents through the “CalWORKs” program and various workforce and economic development initiatives.

The key mission at City College is the success of our students. Annually CCSF:

• awards over 1,000 associates degrees,
• awards more than 700 vocational and technical certificates,
• prepares students to pass health sciences licensure exams at well above national rates,
• transfers over 260 students to UC and more than 1,300 students to CSU, and
• assists over 650 students in receiving high school equivalency (GED) certificates.

Resources

In the 2000/2001 fiscal year, CCSF had $175 million in revenues and a positive ending balance. Of expenditures, 85% was spent on personnel salaries and benefits and 11% went to supplies and
operating expenses, leaving little flexibility, only 4% available to support capital outlay, innovation, and new program development.

As part of the educational mission of community colleges established in California’s Master Plan for Higher Education, CCSF is dedicated to providing affordable educational access to all area residents. The College currently charges $11 per credit unit for instruction, with an annual cost to students of around $300 for books and other materials.

In the fall term of 2000, City College employed 1,932 faculty, 941 staff, and 43 administrators. City College has nine campuses and over 100 sites throughout San Francisco. In 1996, the College opened the Louise and Claude Rosenberg, Jr. Library and Learning Resource Center on the Phelan Campus, the largest library at any community college in California. This library houses more than 144,000 volumes and is home to language labs and computer resources.