

# SUBCOMMITTEE NO. 1

# Agenda

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Senator Marty Block, Chair  
Senator Benjamin Allen  
Senator John M. W. Moorlach



**Tuesday, May 19, 2015**  
**1:30 pm or Upon Call of the Chair**  
**Room 2040**

Consultant: Anita Lee  
Part B

<u>Item</u>	<u>Department</u>
<b>6120</b>	<b>California State Library</b>
<b>6870</b>	<b>California Community Colleges (CCC)</b>
<b>6910</b>	<b>Innovation Awards</b>

### ***Vote Only Item***

Issue 1: State Library Literacy Program  
Issue 2: Funding Broadband Project Support  
Issue 3: Funding for Broadband Equipment Grants  
Issue 4: Funding for Preservation Activities  
Issue 5: CCC May Revise Technical Adjustments  
Issue 6: CCC Growth Funding  
Issue 7: CCC Unallocated base increase  
Issue 8: CCC Programmatic Workload  
Issue 9: CCC Trailer Bill Language Proposals

Public Comment

### **Discussion Items**

Issue 10: CCC Augmentations to Governor's May Revise  
Issue 11: CCC Student Success and Implementing Statewide Performance Strategies  
Issue 12: Non-resident Veterans Tuition Trailer Bill Language

Public Comment

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## Items Proposed for Vote Only

### 6120 CALIFORNIA STATE LIBRARY

### 6870 BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES

<b>Issue 1: State Library Literacy Program</b>
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**Governor's Proposal.** The May Revision proposes an increase of \$2 million General Fund ongoing for the Literacy and English Acquisition Services Program. This would raise the total funding for the program to \$4.8 million.

**Background.** The Program allocates funds to public libraries to support instruction in basic literacy for adults. The 2014 Budget Act provided a one-time increase of \$1 million General Fund to support adult literacy programs.

**Staff Recommendation.** Approve as proposed.

<b>Issue 2: Funding Broadband Project Support</b>
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**Governor's Proposal.** The May Revision proposes an increase of \$225,000 General Fund ongoing for a contract with an entity to provide administrative and fiscal services related to the California Public Library Broadband Project.

**Background:** The California Public Library Broadband Project seeks to connect local public libraries to a statewide high-speed internet network. The California State Library has entered into an agreement with the Califa Library Group for administrative services associated with the Broadband Project.

**Staff Recommendation.** Approve as proposed.

<b>Issue 3: Funding for Broadband Equipment Grants</b>
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**Governor's Proposal.** The May Revision proposes an increase of \$1.5 million General Fund on a one-time basis for broadband equipment grants to public libraries.

**Background.** The 2014 Budget Act provided a one-time increase of \$1 million for this purpose. These grants will help libraries acquire additional equipment, network upgrades, or modifications to physical sites, or some combination of these items, to support broadband Internet access. The State Library reports that 65 libraries were awarded grants for technology upgrades. The grants ranged from \$20,000 to \$30,000. (The library used the \$1 million in the budget for this purposes and additional funding for the State Library Act funding to support these grants).

**Staff Recommendation.** Approve as proposed.

<b>Issue 4: Funding for Preservation Activities</b>
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**Governor's Proposal.** The May Revision proposes an increase of \$521,000 General Fund, including \$181,000 ongoing for 2 new positions and \$340,000 on a one-time basis for digital scanning equipment. This request would allow the Library to make critical improvements to better preserve historical materials in its possession.

**Background.** The State Librarian notes that a large backlogs exist of both print and photographic digitization and preservation both because of a lack of capacity and projects from other parts of the library being added to the responsibilities assigned by the section that currently houses the book preservation team.

**Staff Recommendation.** Approve as proposed.

<b>Issue 5: CCC May Revise Technical Adjustments</b>
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**Governor's Proposal.** The May Revision includes the following technical adjustments:

<b>Community College May Revise Technical Adjustments</b>		
<b>Student Enrollment Fee Revenue</b>	\$7.3 million Prop 98 GF	Reflects a decrease in estimated student enrollment fund revenue
<b>Student Financial Aid Administration and Board Financial Assistance</b>	\$1.3 million Prop 98 GF	Adjustments consistent with revised estimates of waived fees. Includes provision BBL.
<b>Technical Base Apportionment</b>	\$14 million	Reflect estimated FTE stability restoration earn back by districts that declined in enrollment
<b>Local Tax Revenue Net Offsetting</b>	-\$156 million Prop 98 GF	Decrease to reflect revised estimates of local tax revenue that is allocated.
<b>Education Protection Account Revenues</b>	\$58 million Prop 98 GF	Reflects revised EPA revenue and offset
<b>Career Development and College Preparation Rate Change</b>	\$474,000 Prop 98 GF	Reflects revised estimates of CDCP as adopted in the 2014-15 Budget
<b>Decrease Clean Energy Job Creation Fund Revenue</b>	-\$825,000 Job Creation Fund (Prop 39)	Decrease to reflect revenue estimates.
<b>Mandated Programs Block Grant</b>	-\$691,000 Prop 98 GF	Decrease to align block grant funding with revised full-time equivalent students estimate.

The Governor's May Revise also proposes to shift funding for the College Planning and Preparation Website to the Department of Education's budget.

Additionally, the Governor's May Revision includes provisional language amendments that were inadvertently omitted in January regarding maintenance allowance as well as reimbursements for colleges for the cost of federal aid repayments.

**Staff Recommendation.** Approve; however, conform to the Proposition 98 package, as needed.

#### **Issue 6: CCC Growth Funding**

**Governor's Proposal.** The May Revision proposes funding for 3 percent enrollment growth, instead of 2 percent growth, which was proposed in January. The revised plan would provide \$156.5 million Proposition 98 General Fund for enrollment growth.

**Background.** The subcommittee heard this issue on April 30<sup>th</sup>, at which time concerns were expressed regarding the Governor's budget proposal. The two primary concerns were that the traditional enrollment growth schedule was folded into the main apportionment schedule, and makes a change in the enrollment restoration that reduces community college funding by \$42 million.

The 2014-15 budget act provided for a 2.75 percent enrollment growth (\$140 million Proposition 98 General Fund); for an increase of approximately 60,000 students, or 30,000 Full Time Equivalent Students (FTES). College officials note that systemwide enrollment growth is about 1.9 percent; although some colleges growth is higher and one-third are not growing. The data indicates a wide range of growth among districts, with some districts reporting reduced enrollment and some districts showing double-digit growth.

Although systemwide growth is below the 2.75 percent target in the current year, some colleges still have unfunded enrollment. After covering the expected 1.9 percent enrollment growth, current-year funding will be sufficient to convert about half of unfunded enrollment into funded enrollment. The Administration cites Corinthian Colleges' closure, adult education consortia, remaining unfunded FTES, and new growth allocation model among reasons for the increase from 2 percent to 3 percent in the May Revision.

**Staff Recommendation.** Approve as proposed, adopt BBL to reinstate a separate enrollment growth schedule to display \$156.5 million Proposition 98 General Fund will be used for enrollment growth, and adopt BBL to reinstate the restoration schedule.

**Issue 7: Unallocated base increase**

**Governor's Proposal.** The Governor's May Revise provides a \$142 million unallocated base increase above the Governor's January proposal for a total of \$267 million. As in January, the Governor's May Revise suggests various uses such as facilities, retirement benefits, professional development, and converting more faculty to full-time, but leaves funds unrestricted.

**Staff Comments.** The subcommittee heard this issue in its' April 30<sup>th</sup> hearing. The Governor's budget summary states this increase is "in recognition of the increased operating costs in the areas of facilities, retirement benefits, professional development, converting part-time faculty to full-time, and other general expenses." Budget bill language does not specifically direct this increase to those issues, which provides colleges with wide discretion as to how they use the increase funds. There is concern that the Governor's budget leaves unaddressed many legislative priorities and reduces the transparency of how state funds are spent.

The Chancellor's Office notes that foregone Cost-of-Living-Adjustment (COLA) during the recession likely cost the community college system \$900 million. Upcoming retirement costs, split between the CalSTRS and CalPERS system, will add \$400 million annually to college costs. Thus, the Chancellor's Office argues that this proposal for an undesignated funding increase can help colleges handle retirement costs and other mandatory costs, such as utilities, health care, and information technology needs.

**Staff Recommendation.** Approve Governor's proposal.

**Issue 8: CCC Programmatic Workload**

**Governor's Proposal.** The May Revision requests \$340,000 General Fund to provide the Chancellor's Office with 6 positions to address workload in several areas as a part of its efforts to improve outcomes and promote effective profession, administrative and educational practices at local community colleges.

**Staff Recommendation.** Approve as proposed.

**Issue 9: CCC Trailer Bill Language Proposals**

**Governor's Proposal.** The Governor's proposed budget includes the following trailer bill language requests:

- **Career Technical Education Pathways Program.** This proposal will extend the program until July 1, 2016 and appropriates \$48 million Proposition 98 funds for the purposes of funding this program.

- **Adjust Budget Formula.** This proposal will allow the Chancellor's Office to adjust apportionment funding to reflect the increased base operating expense funding, which is discussed below.
- **Foster Care Education Program.** This proposal codifies existing budget bill language that specifies funds allocated for the Foster Care Education Program must be used for foster parent and relative/kinship care provider education and training, and colleges that receive these funds must comply with reporting requirements and develop a foster parent and relative/kinship plan.
- **Codification of Reporting Requirements.** This proposal codifies existing budget bill language that requires the Chancellor's Office to report annually by December 31<sup>st</sup> on Student Success Basic Skills Program, Student Financial Administration program, technology assistance for Student Success and Support Program, and the Telecommunications and Technology Infrastructure program.
- **Redevelopment Agency Funding and Education Protection Account Backfill Trailer Bills.** This proposal would provide the Department of Finance the authority to modify and update General Fund appropriations based on updated revenue estimates for redevelopment agencies and Education Protection Account (Proposition 30). Under the proposal, Proposition 98 General Fund would be used to offset any difference between (1) estimated revenues for community colleges from redevelopment agencies and the Education Protection Account (Proposition 30) and (2) the amounts distributed to colleges from these sources by June 30. This change will allow districts to have more certainty when preparing their fiscal plans.

The Administration also released updated technical amendments to the Redevelopment Agency Revenue trailer bill:

*(c) In making the determinations pursuant to subdivision (a) and (b), the Director of Finance shall consider any other local property tax revenues and student fee revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act for that fiscal year.*

**Staff Recommendation.** Approve as proposed.

**Issues to be Heard****Issue 10: CCC Augmentations to Governor's May Revise****Panel**

- Keith Nazaam, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Dan Troy, California Community Colleges

Based on the Legislative Analyst's Office's revenue estimates, it is proposed that the subcommittee adopt additional expenditures of \$80 million Prop 98 General Fund in 2015-16 and \$19 million Prop 98 General Fund in 2014-15, as outlined in the following chart.

<b>Proposed Augmentations for Community Colleges</b>				
<i>(In Millions)</i>				
<b>2015-16</b>				
<b>Issues</b>	<b>Admin May Revise</b>	<b>Proposed Augmentation</b>	<b>Total</b>	<b>Comments</b>
<b>Categorical Programs</b>				
Academic Senate		<b>\$0.20</b>	\$0.2	Provide COLA and augmentation
Apprenticeship (community colleges)		<b>\$0.1</b>	\$0.1	Provide COLA
Apprenticeship (school districts)		<b>\$0.2</b>	\$0.2	Provide COLA
CalWORKs student services	\$0.4	<b>\$15.0</b>	\$15.4	Provide COLA and augmentation to restore to 2007-08 levels
Campus child care support	\$0.0		\$0.0	Provide COLA
District financial crisis oversight		<b>\$0.006</b>	\$0.0	Provide COLA
Disabled Students Program	\$1.2		\$1.2	Provide COLA
Economic and Workforce Development		<b>\$0.2</b>	\$0.2	Provide COLA
EOPS	\$0.9	<b>\$34.0</b>	\$34.9	Provide COLA and augmentation to restore to 2008-09 levels
Equal Employment Opportunity		<b>\$0.0</b>	\$0.0	Provide COLA
Financial aid administration	\$1.3	<b>\$0.7</b>	\$2.0	Provide COLA and workload adjustment
Foster and Kinship Care Education		<b>\$0.1</b>	\$0.1	Provide COLA
Fund for Student Success		<b>\$0.04</b>	\$0.0	Provide COLA
Pay Down Mandate		<b>\$25.10</b>	\$25.1	
Mandate block grant	-\$0.7	<b>\$0.0</b>	-\$0.7	Provide COLA
Nursing grants		<b>\$0.1</b>	\$0.1	Provide COLA
Online/technology initiative		<b>\$0.1</b>	\$0.1	Provide COLA
Part-time faculty compensation		<b>\$0.3</b>	\$0.3	Provide COLA
Part-time faculty health insurance		<b>\$0.005</b>	\$0.0	Provide COLA
Part-time faculty office hours		<b>\$3.5</b>	\$3.5	Provide COLA and restore to 2008-09 levels
Physical Plant and Instructional Support	\$100.0	<b>\$25.0</b>	\$125.0	Provide one-time funds
Student Success for Basic Skills Students		<b>\$0.2</b>	\$0.2	Provide COLA
Telecommunications and technology services	-\$1.9	<b>\$0.2</b>	-\$1.7	Provide COLA and technical adjustments
Transfer education and articulation		<b>\$0.01</b>	\$0.0	Provide COLA
<b>Other Appropriations</b>				
Enrollment Growth	\$49.7		\$49.7	Fund 3% growth (instead of 2%)
Unallocated Base Increase	\$141.7		\$141.7	Add to \$125 million January proposal
Full-Time Faculty	\$75.0		\$75.0	Increase full-time faculty ratios
COLA	-\$31.3		-\$31.3	Adjust based on statutory rate
Institutional Effectiveness	\$15.0		\$15.0	Augment technical assistance program
Student Equity	\$15.0		\$15.0	Augment student equity program
Innovation Awards	\$25.0	<b>-\$25.0</b>	\$0.0	Shift funding to Proposition 98
Other Adjustments	-\$93.0		-\$93.0	Various technical adjustments
<b>Total Augmentation 2015-16</b>	<b>\$298.211</b>	<b>\$80.0</b>	<b>\$378.240</b>	
<b>2014-15</b>				
<b>Issues</b>	<b>Admin May Revise</b>	<b>Proposed Augmentation</b>	<b>Total</b>	<b>Comments</b>
Paydown Mandates	\$261.2		\$261.2	
Basic Skills Initiatives	\$62.0	-\$62.0	\$0.0	Reject proposed new initiatives
Physical Plant and Instructional Support	\$48.0		\$48.0	Provide one-time funds
Awards for Innovation	\$23.0		\$23.0	Shift funding to Proposition 98
Baccalaureate Program Start-up		\$17	\$16.5	Provide one-time funds
Adult Education Consortia Data Systems		\$49.5	\$49.5	Provide one-time funds
Incarcerated Adult Education		\$15	\$15.0	Provide one-time funds
<b>Total Augmentation 2014-15</b>	<b>\$394.220</b>	<b>\$19</b>	<b>\$413.220</b>	

Note: Items appearing as \$0.0 are positive amounts smaller than \$500,000.

**Background.** The subcommittee heard the community colleges budget on April 30<sup>th</sup>.

In addition, the subcommittee's plan would augment or change the Governor's proposal, as follows:

- The May Revision includes a one-time increase of \$275 million, for a total of \$626 million, to pay down outstanding mandate debt claims by community colleges. Provides \$93.5 million in 2013-14 funds and \$407.2 million in 2014-15 funds to pay down the mandate backlog (rather than \$80 million and \$146 million, respectively, as proposed in January), with conforming trailer bill language. The subcommittee proposes to augment this by \$25 million in 2015-16 funds.
- The May Revision includes a one-time increase of \$148 million for deferred maintenance and instructional equipment, which includes \$48 million in the current year and \$100 million in the budget year with no matching funds requirement as well as provisional language and trailer bill for this purpose. The subcommittee proposes to augment this by \$25 million.
- The May Revision provides \$75 million for full-time faculty. Funds are for colleges to hire additional full-time faculty, thereby increasing their full-time to part-time faculty ratios. The Administration expects an increase of approximately 600 full-time faculty. The Legislature has long recognized that full-time faculty are critical to student outcomes, as they are easier for students to meet with and are more likely to be engaged in campus and educational improvement efforts. Legislation approved in 1988 outlines a state goal that 75% of credit hours at community colleges be taught by full-time faculty.

The subcommittee proposes to approve the Governor's May Revision proposal, with modifications, reducing the number in 2.(e)(2)(A) from \$70,000 to the full-time faculty replacement cost based on the starting (instead of average) salary for a full-time faculty member, and reducing the numbers in (B) through (E) proportionally.

- The May Revision provides \$60 million on a one-time basis for Basic Skills and Student Outcomes Transformation Program. Colleges would use these grants to adopt or expand the use of evidence-based models of basic skills assessment, placement, and instruction.

Staff has concerns about districts' capacity to undertake another large scale reform initiative on top of Student Success and Support, Student Equity, and Institutional Effectiveness Initiatives. Additionally, it is unclear if the use of one-time funds would adequately address an on-going problem of student success and support. Staff notes that this is separate from the existing basic skills

categorical that already provides faculty and staff development to improve curriculum, student services and program practices in basic skills. The subcommittee proposes to reject this proposal.

- The May Revision provides an increase of \$2.5 million to reflect a cost-of-living-adjustment for several categorical programs: Disabled Student Programs and Services; Extended Opportunities Programs and Services program; Special Services for CalWORKs Recipient program; and, the Child Care Tax Bailout program. The subcommittee proposes to provide the same level of COLA to various categoricals displayed above that have not received recent augmentations.
- The May Revision includes an increase of \$2 million one-time Proposition 98 General Fund for a pilot program to provide incentives to community college districts and the CSU to coordinate their efforts to provide instruction in basic skills to incoming CSU students. Trailer bill language states that the Chancellor's Office would distribute 4 \$500,000 grants to community colleges seeking to partner with CSU campuses to provide basic skills courses for CSU students. The subcommittee has various concerns and questions regarding this proposal:
  - Would CSU students pay community college or CSU fees for these classes?
  - How does this impact the CSU Early Start program, which provides incoming CSU students with remedial education the summer before beginning CSU?
  - Would community colleges offer special classes solely for CSU students, or would the students be integrated into regular community college courses?
  - Can't students already take these courses? Why is this necessary?The subcommittee proposes to reject this proposal.
- Includes a 1.02 percent COLA of \$61 million rather than the 1.58 percent that was proposed in January, as well as conforming provisional budget bill language.
- May Revise proposes to provide an additional \$25 million Proposition 98 General Funds for Innovation Awards for community college campuses. In addition, the May Revise shifts \$23 million in 2014-15 Awards funding from the General Fund to Proposition 98 General Fund, to reflect the amount of awards won by community college campuses. While the goals of this program are worthwhile, but it is not clear that providing small, one-time prizes to various campuses who apply for the award is the best use of funding to achieve the goals. Instead, the subcommittee proposes to repurpose the \$25 million for more appropriate one-time purposes.
- May Revise proposes to reduce one-time infrastructure funding of \$1.4 million Prop 98 General Fund provided in the 2014-15 fiscal year, as well as conforming provisional budget bill language.

In addition to the items described above, the subcommittee proposes the following:

- An increase of \$34 million for EOPS to restore the program back to its 2008-09 levels.
- An Increase of \$15 million for CalWORKS student services to restore the program back to its 2007-08 levels.
- An increase of \$3.5 million for part-time faculty office hours to restore the program back to its 2008-09 levels.
- \$17 million in one-time Proposition 98 funds for the purpose of implementing and providing professional development for a statewide baccalaureate degree pilot program at not more than 15 community college districts, with one baccalaureate degree program each.
- An additional \$200,000 to support the Academic Senate for California Community Colleges. The Academic Senate plays a central and vital role for the community college system. Its emphasis on facilitating the faculty voice in all statewide and local academic and professional matters has allowed for the effective implementation of major critical policy directives, recent ones being the Student Success Initiative, the Associate Degree for Transfer, Open Education Resources, and Community College Baccalaureates.
- \$50 million in one-time Proposition 98 funds for the purpose of collecting adult education consortia data and outcomes, and modify trailer bill language to:
  - Require the development of a common data and accountability system for any courses funded under the Adult Education Block Grant.
  - Define the outcome data to be collected and reported to the Chancellor's Office by recipients of Adult Education Block Grant Funds.
  - Authorize the use of funds for purposes of developing the data collection systems necessary at the local level to meet these reporting requirements.

**Staff Recommendation.** Based on the LAO's revenue projections, approve the proposed augmentations of \$80 million in Proposition 98 General Funds in 2015-16 and \$19 million in Proposition 98 General Funds in 2014-15, as displayed in the chart above. In addition, adopt placeholder budget bill and trailer bill language necessary to implement the subcommittee's proposals.

<b>Issue 11: Student Success and Implementing Statewide Performance Strategies</b>
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**Panel**

- Keith Nazaam, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Dan Troy, California Community Colleges

**Governor's Proposal.** The Governor's May Revision includes an increase of \$15 million for Student Equity Plans, and \$15 million for the Institutional Effectiveness Partnership Initiative above the Governor's January proposal, which was \$100 million and \$2.5 million, respectively.

**Background.** The Subcommittee heard this issue on April 30<sup>th</sup>. The Governor's budget proposes to provide an additional \$100 million Proposition 98 General Fund for the Student Success and Support Program (SSSP), and \$115 million Proposition 98 General Fund for Student Equity Plans. The budget allows the Chancellor's Office to use up to \$14 million of this amount for e-transcript, e-planning, and common assessment tools. Additionally, the budget allows up to \$17.5 million for the Institutional Effectiveness Partnership Initiative with \$12 million for the state to develop and disseminate statewide effective professional, administrative, and educational practices including the development of curriculum and practices for members of the California Conservation Corps and for inmates to support the effective implementation of Chapter 695, Statutes of 2014, and \$5.5 million to provide local technical assistance to support the implementation of effective practices across all districts.

In addition, the May Revision proposes provisional language to implement foster youth services pursuant to Chapter 771, Statutes of 2014, but does not tie this to a specific amount. Staff recommends the following amendment to BBL to ensure that this population of students receives adequate and appropriate student support services.

(C) Consistent with the intent of Chapter 771, Statutes of 2014 and within the funds allocated to community college districts pursuant to this paragraph, the chancellor shall enter into agreements with up to 10 community college districts to provide additional services in support of postsecondary education for foster youth. **Up to \$15 million of the funds allocated to community college districts pursuant to this paragraph shall be prioritized for services pursuant to Chapter 771, Statutes of 2014.** Further, the chancellor shall ensure that the list of eligible expenditures developed pursuant to subdivision (d) of Education Code Section 78221 includes expenditures that are consistent with the intent of Chapter 771, Statutes of 2014.

The Governor's proposal also includes intent language for the Chancellor to identify community college districts that would be willing to use up to \$5 million combined for the purpose to receive a match of private to state funds to provide adult inmate education, however, this does not require districts to dedicate funds for this purpose. In California, at least ten California-based and national private foundations are prepared to launch a

public-private partnership funding model for this purpose, specifically to provide career technical education, and traditional academic education inside county jails and state prisons, mentoring support programs for formerly incarcerated students on college campuses, and links to reentry services for those students' success. These foundations are prepared to contribute a \$15 million investment over three years, however private funding could be withdrawn if the state does not match the funding with a \$15 million contribution over three years.

Additionally, some stakeholders have indicated that some districts believe they cannot use student equity funding to support existing categorical programs. However, this is not the case, as statute clearly states that equity planning should consider existing categorical programs as it determines measures to address inequity. Staff recommends that the following BBL to ensure that existing categoricals are able to access student equity funding. Item 6870-101-0001, Provision 10 (b)(2)(c): Nothing in this provision prevents existing student-equity related categorical programs or campus based programs from accessing student equity plan funds.

**Staff Recommendation:** (1) Approve the Governor's proposal of \$100 million for SSSP and \$115 million for Student Equity Plans, (2) Amend the Governor's proposed BBL regarding the implementation of foster youth to state that up to \$15 million shall be used for provide adequate support for foster youth student, (3) Adopt placerholder BBL to require the Chancellor's office to provide one-time matching funds of \$15 million Proposition 98 funds for purpose to receive a match of private to state funds to provide adult inmate education and supporting the educational success of currently and formerly incarcerated community college students, (4) Adopt BBL to clarify that existing student-equity related programs may access student equity plan funds.

**Issue 12: CCC Veterans Non-Resident Tuition****Panel**

- Keith Nazaam, Department of Finance
- Judy Heiman, Legislative Analyst's Office
- Dan Troy, California Community Colleges

**Governor's Proposal.** The Governor's May Revision proposes conforming trailer bill language to further clarify community college compliance with the Veterans Access, Choice and Accountability Act of 2014.

**Background.** This federal Act requires the U.S. Department of Veterans Affairs to disapprove programs of education eligible for GI Bill education benefit programs at institutions of higher learning if the institutions charge qualifying veterans and dependents tuition and fees in excess of the in-state rate for resident students for terms beginning after July 1, 2015.

Chapter 639, Statutes of 2014 required the California State University, the California Community Colleges, and requests that the University of California update and adopt policies to comply with recent changes to federal law that require all public universities and colleges, as a condition of receiving GI Bill funding, to offer in-state tuition rates to eligible veterans.

The Administration notes that additional clarification was requested from the federal Veteran's Administration to comply with the provisions of federal law. The proposed trailer bill seeks conform the definition of "covered individual" pursuant to federal law and clarifying that community colleges may claim these students for apportionment purposes.

**Staff Recommendation.** Approve as proposed.