SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 1 ON EDUCATION
Senator Richard D. Roth, Chair
and
SENATE EDUCATION COMMITTEE
Senator Connie M. Leyva, Chair

Thursday, February 13th, 2020
9:30 a.m. - State Capitol - Room 4203

JOINT OVERSIGHT HEARING:
Update and Review of Calbright College

Consultants: Anita Lee and Olgalilia Ramirez

Panels

I. Overview of Calbright College
   ● Paul Steenhausen, Legislative Analyst’s Office

II. Updates on Calbright College
   ● Tom Epstein, President of the Board of Trustees, Calbright College
   ● Eloy Ortiz Oakley, Chancellor, California Community Colleges

III. Stakeholder Perspective
   ● John Stanskas, President, Academic Senate for California Community Colleges
   ● Jim Mahler, President of Community College Council, California Federation of Teachers
   ● Dr. Bill Scroggins, President and Chief Executive Officer, Mt. San Antonio College
   ● Kimberly Rosenberger, Government Relations Advocate, Service Employees International Union State Council
   ● Brandon Hooker, Senior Research Data Specialist, Labor Market Information Division at the Employment Development Department

IV. Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.
AB 1809 (Committee on Budget), Chapter 33, Statues of 2018, created a fully online community college, known as Calbright College, to be administered and overseen by the California Community Colleges Board of Governors (BOG) who act as the college’s Board of Trustees (BOT). The college was established to create accessible, flexible, and high quality online content, courses and programs with labor market value and provide industry-valued credentials for Californians. The proposal sought to help the 2.5 million Californians between the ages of 25 and 34 year olds whose highest educational attainment is either high school or some college. These courses and programs must lead to a pathway offered at a traditional college.

The 2018 budget provided $100 million Proposition 98 General Fund one-time for startup costs and $20 million Proposition 98 General Fund ongoing for operations. The startup funding may be spread over a seven-year period and used for technology, building space, and business plan development, among other things.

At the January 13, 2020 BOT meeting, Calbright College Chief Executive Officer (CEO) Heather Hiles resigned, effective March 31, 2020, and will be on leave until that time. On February 11, 2020, the BOT appointed Ajita Menon as interim President and CEO.

**BUDGET SPENDING**

As noted above, the 2018 budget provided Calbright College $100 million Proposition 98 General Fund one-time for startup costs and $20 million Proposition 98 General Fund ongoing for operations. During the 2018 budget deliberations, the Administration provided the Legislature a breakdown of how funds will be used:

- **$20 million Proposition 98 General Fund ongoing:** (1) $11 million for academic and classified salaries and benefits, (2) $3 million for technology, (3) $5 million for program pathways implementation, and (4) $1 million for professional services.

- **$100 million Proposition 98 General Fund one-time:** (1) $11 million for operating expenses, (2) $25 million for technology and capital outlay, (3) $23 million for core functions, (4) $16 million for scaling efforts, (5) $5 million for implementation of business plan and accreditation, and (6) $20 million for research and development.

**Update on Calbright Spending Plan.** In 2018-19 Calbright College spent approximately $3.4 million Proposition 98 General Fund ongoing, which almost exclusively paid for other operating expenses ($1.6 million of which was for administrative support for the Foundation for California Community Colleges and $1.4 million was for consultants). The college did not spend any of the one-time funding.

In 2019-20, Calbright College plans to spend $19.87 million Proposition 98 General Fund ongoing as follows: (1) $17.5 million on academic and classified salaries and employee benefits, and (2) $2.4 million on other operating expenses and technology. Calbright College also plans to spend $14.8 million in 2019-20 for capital outlay, which is funded by ongoing carryover from the 2018-
19 budget. In addition, Calbright College plans to spend $15.6 million Proposition 98 General Fund one-time as follows: (1) $5.5 million on operating expenses and learner supports, (2) $2.9 million on outreach, and (3) $7.2 million on technology capital outlay.

The balance of Calbright College’s budget is $84.4 million Proposition 98 General Fund one-time and $5.2 million Proposition 98 General Fund ongoing from 2018-19 unspent. Based on the milestone report, Calbright intends to expend the remaining one-time funds in Fiscal Year 2021-22. Staff notes that Calbright College’s spending plan does not track neatly with the breakdown that the Administration provided the Legislature during the 2018-19 budget process. From conversations with Calbright College, the Administration’s proposal was in place by the original implementation team, and was a point in-time projection of the spending needs and funding uses.

**Cost Per Student.** The milestone report also notes that based on planned enrollment and proposed budget, the cost per student enrolled in college will be approximately $98,000 in 2019-20 and will decrease to approximately $1,530 by 2025-26. Calbright College notes that this is because in 2019-20, it plans to enroll 350 students and in 2025-26 it plans to enroll 22,400 students, and systems and processes are being built and scaled.

**Fifty Percent Law.** Calbright College is required to comply with §84362 of the Education Code, also known as the 50 percent law. The 50 percent law requires districts to spend 50 percent of their general operating budget on salaries and benefits of faculty and instructional aids engaged in direct classroom instruction. During the November 18th Board of Trustees meeting, Calbright College noted that the Chancellor's Office will not be evaluating Calbright College for compliance with the 50 percent law because they do not receive apportionment. However, the Chancellor’s Office has since clarified with staff that the receipt of apportionment is not a required condition for compliance with the 50 percent law.

Existing law, §84040 of the Education Code, requires each community college district to provide an annual audit of all funds and the fiscal condition of the district to the BOG. The Chancellor’s Office determines the amount a district needs to spend to meet the 50 percent law based on these documents. The penalty associated with failing to comply with the 50 percent law is to withhold state apportionment. Calbright College was not evaluated for 2018-19 compliance with the 50 percent law because Calbright did not have specified education expenditures. As described in the **Update on Calbright Spending Plan** section of this report, the college spent $3.4 million Proposition 98 General Fund for operating expenses. For future years, Calbright College will be subject to the 50 percent law consistent with all California community college districts.

**Financial Reporting.** Existing law, §70901(b)(2) of the Education Code, requires the BOG to provide general supervision over community college districts. The BOG is required to evaluate and issue annual reports on the fiscal and educational effectiveness of community college districts according to outcome measures cooperatively developed by districts, and provide assistance when districts encounter severe management difficulties.

Additionally, Title 5 §58310 of the California Code of Regulations, requires that a designee of the governing board of each community college district submit a quarterly report and present on the
financial condition of the district to the district’s governing board. The district is also required to submit copies of the report to the Chancellor at least 45 days after each quarter.

Calbright College has informed staff that the college has submitted financial reports for 2018-19 and the first quarter of 2019-20 in the format prescribed by the Chancellor's Office. The college is working to finalize and submit their second quarter of 2019-20 financial report to the Chancellor’s Office. The college has also submitted their 2018-19 Report on Audit of Financial Statements to the Chancellor’s Office.

The Legislature may wish to ask the Chancellor’s Office regarding the BOG evaluation of the college’s fiscal and educational effectiveness, pursuant to existing law.

**PROGRAMS AND DEGREE**

Initially, Calbright College will provide short-term programs for working adults who have no postsecondary education or industry-valued credentials. Within the first three years, Calbright College is required to develop at least three short-term program pathways linked with industry needs. These pathways must not be duplicative of programs offered at existing community colleges and to be offered under a flexible calendar with open entry and exit times. This means that students are not bound to the traditional start and end dates of the academic calendar (semester or quarter). For every 10 pathways offered by the online college, at least one pathway must be developed in collaboration with an existing community college.

**Competency Based Education.** Existing law requires Calbright College to use competency based education that recognize students’ prior learning – this includes military services, registered apprenticeship training, existing industry certifications, or other career experience. Calbright College uses a direct assessment competency based education approach, which involves self-paced learning and evaluation of student achievement based on acquisition of competencies rather than the credit hours or clock hours of instructional time (such as traditional semesters and quarters). Examples of direct assessments include projects, papers, presentations, exams, or portfolios that demonstrate mastery of a desired skill. According to a 2020 Chancellor’s Office report, *Recommendations to Encourage the Use and Development of Competency-Based Courses and Programs and Review of the Statewide Approval Process to Offer Online Courses Under a Flexible Calendar*, under the direct assessment approach, programs establish “credit-hour equivalencies” for the student learning outcomes they evaluate and transcripts reflect competency gains rather than grades or credit hours earned.

**Programs.** During the 2018-19 legislative session, the Chancellor’s Office announced the first three programs in medical coding, information technology and supervisor roles. Calbright College is currently offering programs in medical coding for professional services, introduction to cybersecurity (Security+), and introduction to information technology support (A+). The college is currently not offering a program regarding supervisor roles. Calbright College states that prior to the appointment of the college’s current management, a decision was made not to develop the supervisor program because most of the jobs would be in retail, and the estimated wage gains were not significant enough.
Career Development and College Preparation (CDCP). Calbright College notes that their programs are non-credit Career Development and College Preparation (CDCP) pathways. CDCP provides instruction in elementary and secondary education, English as a second language (ESL), vocational skills, and workforce preparation that is part of a sequence of related courses leading to a certificate.

Enrollment. From October 1 through December 31, 2019, 2,625 students started their applications, 1,412 completed applications, 651 completed orientation, 465 completed their education plan, 449 enrolled in essentials courses, and 20 enrolled in a program pathway. Approximately 40 percent of students selected the IT support program, 20 percent selected the cyber security program, and 40 percent selected the medical coding program.

Of the 450 students that are enrolled in program essentials, 145 students (or 32 percent) are from Los Angeles County, 166 students from Orange, Riverside, Sacramento, San Bernardino and San Diego combined (or 36.8 percent), with the remaining 139 students spread throughout the state.

The chart below displays demographic data regarding enrolled Calbright College students, and compares them to CCC systemwide data from Data Mart.

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Calbright College Percentage</th>
<th>2018-19 Systemwide Percentage</th>
<th>2018-19 Systemwide Percentage – noncredit students (noncredit and vocational noncredit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None stated</td>
<td>12</td>
<td>5.1</td>
<td>12.6 and 12.4</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>16</td>
<td>45.3</td>
<td>41.5 and 34.9</td>
</tr>
<tr>
<td>Asian</td>
<td>9</td>
<td>11.5</td>
<td>17.4 and 14.2</td>
</tr>
<tr>
<td>Black or African American</td>
<td>18</td>
<td>5.8</td>
<td>3.2 and 4.9</td>
</tr>
<tr>
<td>American Indian / Alaskan Native</td>
<td>2</td>
<td>0.4</td>
<td>0.24 and 4.0</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>0</td>
<td>3.0</td>
<td>0.2 and 0.4</td>
</tr>
<tr>
<td>White</td>
<td>37</td>
<td>25.2</td>
<td>22.3 and 28.0</td>
</tr>
<tr>
<td>Multi-ethnicity</td>
<td>N/A</td>
<td>3.9</td>
<td>10.6 and 1.7</td>
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</table>

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Calbright College Percentage</th>
<th>2018-19 Systemwide Percentage</th>
<th>2018-19 Systemwide Percentage – noncredit students (noncredit and vocational noncredit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20 years old</td>
<td>0.9</td>
<td>28.9</td>
<td>14.5 and 3.7</td>
</tr>
<tr>
<td>Age 20-24 years old</td>
<td>7.3</td>
<td>28.9</td>
<td>10.4 and 11.2</td>
</tr>
<tr>
<td>Age 25-39 years old</td>
<td>49.1</td>
<td>26.9</td>
<td>25.5 and 36.8</td>
</tr>
<tr>
<td>Age 40 and above</td>
<td>42.7</td>
<td>15.3</td>
<td>49.5 and 48.4</td>
</tr>
<tr>
<td>Higher Education Attainment Level</td>
<td>Percentage of students in Spring 2019</td>
<td>Percentage of noncredit students in Spring 2019</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------------------------</td>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>No response</td>
<td>20</td>
<td>15.3</td>
<td></td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>24</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>No degree</td>
<td>47</td>
<td>71.6</td>
<td></td>
</tr>
<tr>
<td>Associated degree</td>
<td>9</td>
<td>4.1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High School Education Level</th>
<th>Percentage of students in Spring 2019</th>
<th>Percentage of noncredit students in Spring 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received a H.S. diploma in the US</td>
<td>74</td>
<td>62.2</td>
</tr>
<tr>
<td>Passed H.S. equivalency test and received a certificate</td>
<td>10</td>
<td>3.6</td>
</tr>
<tr>
<td>Received a diploma or from a foreign secondary school</td>
<td>11</td>
<td>4.7</td>
</tr>
<tr>
<td>Received a Certificate of California HS Proficiency</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Enrolled in adult School</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Not a graduate of, and no longer enrolled in H.S.</td>
<td>3</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**Associate Degree in General Studies.** The Calbright College Milestone Report, which was released on August 1, 2019, notes that it will offer an Associate Degree in General Studies.

Calbright College announced it will seek accreditation initially through the Distance Education Accrediting Commission (DEAC) and in the long-term will seek accreditation through Accrediting Commission of Community and Junior Colleges (ACCJC). ACCJC requires that an institution offer an associate degree with appropriate general education and area of studies. Accreditation is described more in depth later in the agenda. Calbright College has informed staff that the purpose of the associate degree in general studies is to meet standards for regional accreditation, and that it is not the intent of the college to expand associate degree offerings. However, it is unclear if an associate degree in general studies will meet ACCJC standards or if a four-year institution will accept credits associated with this degree.

**INDUSTRY AND EMPLOYER NEEDS**

Education Code §75007 (b)(2) specifies that while Calbright College seeks accreditation, California Workforce Development Board (CWDB) and the Employment Development Department (EDD) shall determine whether programs offered by the online college have job market value to California industries by utilizing existing programmatic review process. It is unclear if Calbright College has worked with CWDB and EDD, and whether they have determined
whether these programs have job market value. As of early January, CWDB staff indicated that they did not receive contact from Calbright College on this matter.

The Chancellor’s Office requested Calbright College provide labor market information to the Chancellor’s Office during their program review and approval process. Staff requested a copy of the labor market data that was submitted and reviewed, however, the Chancellor’s Office notes that “they did not maintain a copy as the information was not required to be chaptered at the state.”

The Chancellor’s Office operates under a data sharing agreement with the EDD to collect wage and employment data for program graduates. This information is provided to colleges and the Chancellor’s Office through Launchboard, and to the public through the Student Success Metrics and Salary Surfer. Salary Surfer uses the aggregated earnings of graduates from a five-year period to provide an estimate on the potential wages to be earned two and five years after receiving a certificate or degree in certain disciplines. However, a 2017 Legislative Analyst’s Office (LAO) Report, Effects of Increases in Noncredit Course Funding Rates, which reviewed career development and college preparation (CDCP) programs, notes that “the CCC Student Success Scorecard measures completion of certificates, degrees, or transfer within six years for students who initially enrolled in CDCP courses, but the Salary Surfer, which shows earnings of certain CCC graduates, as well as CCC’s basic skills outcomes tracking tool, exclude noncredit students.” Calbright College’s programs are noncredit CDCP.

**Job and Salary Projections.** Calbright College notes that they are working with the Chancellor’s Office to formalize their relationship with EDD. They also note that they consulted with data from EDD to help establish the first three job training programs. According to Calbright College’s milestone report, an estimated 11,000 new medical coder jobs will be added between 2017 and 2024. The milestone report also cited a CompTIA report, Cyber States 2018, which states that 400,000 technology jobs were posted in California 2017.

According to the Centers of Excellence (COE) for Labor Market Research, which provides labor market research for community colleges, notes that the 2018 median pay for medical records and health information technicians was approximately $45,000. COE notes that the median wage for a computer user support specialist, who has some college and no degree, is approximately $53,500.

In April of 2018, the Chancellor’s Office and the Service International Employees Union - United Health Workers (SEIU-UHW) announced a potential partnership with Calbright College to develop a medical coding program for their members. However, in 2019, SEIU-UHW instead partnered with Western Governors University (WGU) for a medical coding program.

**Business Partnerships.** Calbright College has stated that they will announce their first business partnerships in 2020. The college notes that it will target large-scale private employers. As noted earlier, 20 students are currently enrolled in the program pathways; the Legislature may wish to consider the timing of when students are ready to be placed in an apprenticeship or internship and when the employer partnerships are formalized. Additionally, the Legislature may wish to consider where students are located and where the business partnerships and apprenticeships are, and if this may impact access to training. Lastly, the Legislature may wish to ask how Calbright College is
working with local workforce investment boards and labor organizations to address local workforce needs and employee upskilling.

**PROGRAM AND DEGREE DUPLICATION**

Existing law, §75001(d)(1) of the Education Code, specifies that Calbright College must create new programs that are not duplicative of programs offered at other local community colleges. Existing law, §75001(f)(1) and (2) of the Education Code, also specifies that it is the intent of the Legislature that the college create unique content and deliver it in a manner that is not duplicative of programs offered at other local community colleges. For each new program, created the Chancellor’s office must notify the Legislature and the Department of Finance on how the program is not duplicative of programs offered at other colleges.

**Programs.** Calbright College currently offers programs in medical coding, cyber security and information technology. Many community colleges currently offer programs in these areas. The Academic Senate provided staff with the following non-exhaustive list of programs that may be similar:

- **Medical Coding**
  - Santa Barbara College: A fully online program available to students statewide and features a certificate of achievement that is available through the California Virtual Campus – Online Education Initiative (CVC-OEI).

- **Cybersecurity**
  - Merritt College: An online degree and certificate program.
  - San Diego Continuing Education: A competency based noncredit program.
  - Cosumnes River College, Fresno City College, Pierce College and Cerro Coso College partnership: A fully online program, available to students statewide, and offers online certificates of achievement through the CVC-OEI.

- **Introduction to Information Technology and Support:**
  - Cerro Coso College: A fully online program, available to students statewide, and features a fully online certificate of achievement through CVC-OEI.
  - San Diego Continuing Education: An interactive competency based online micro-credential academy that is free, fully online, and offers flexible scheduling. This program is set to launch in the fall of 2020.

Certificates of achievements (COA) are short programs of study designed for students wishing to enter a new career or enhance their current job skills. Typically, COAs focus on major courses and do not include general education coursework. In many cases, COA coursework can also satisfy Associate Degree or Associate Degree for Transfer (ADT) requirements.

The Chancellor’s Office states that the courses and programs highlighted by the Academic Senate do not use direct-assessment competency-based education, do not have an open entry and exit enrollment, do not offer a Career Development and College Preparation (CDCP) Competency Certificate, and are not non-credit programs (except for the San Diego cyber security program).
On September 30, 2019, the Chancellor’s Office notified the Department of Finance and the Legislature that the “combination of the Calbright College programs’ design elements involving competency-based learning, asynchronous self-paced learning, applied learning, and statewide online platform, establish that the programs are not duplicative of programs offered at other community colleges.” The Chancellor’s Office notes that while these individual elements may be implemented in existing programs, no existing program includes all of these elements.

The Chancellor’s Office further states that statute did not define “not duplicative,” and determined that it “not intended to be so broad as to preclude any overlap between Calbright College programs and other community college programs… statute does not require all content to be unique.”

The Chancellor’s Office further states that “while it may not be clear at this time where the line will be between a Calbright College program that is not duplicative and Calbright College program that is duplicative, this line will be clearer overtime as the Chancellor’s Office considers additional Calbright College programs.”

However, according to the Academic Senate of the California Community Colleges letter dated October 7, 2019, “California Code of Regulations Title 5 defines an ‘education program’ as ‘an organized sequence of courses leading to a defined objective, a degree, a certificate, a diploma, a license, or transfer to an institution of higher education’ In order for a program to be ‘non-duplicative,’ the program must consist of unique content, regardless of how the content is delivered. Any program that currently exists at any college, regardless of mode of delivery, would be a duplicative program.”

The Legislature may wish to consider whether the Chancellor’s Office and Calbright College’s interpretation of duplication is consistent with the Legislature’s intent. The differences in interpretation of duplication among stakeholders has led to confusion in the field, particularly among faculty and community colleges. In order to ensure compliance with statute and legislative intent of the college, the Legislature may wish to clarify the definition of duplication.

**General Studies Associate Degree.** According to the milestone report, Calbright College believes that the associate degree in general studies will not be duplicative of associate degrees at other community colleges. However, according to an August 5, 2019 letter, the Academic Senate for California Community Colleges stated that general studies degrees do not exist at other colleges because “Title 5 §55063 was amended in 2009 to clarify that a degree requires both a specific area of focus – an area of emphasis or a major- and general education; under Title 5, a degree cannot consist solely of general education… After 2009, colleges were required to delete general studies degrees as inappropriate to meet student needs.” Furthermore, ACCJC accreditation standards require “all degree programs include focused study in at least one area of inquiry or in an established interdisciplinary core.”

The Chancellor’s Office has not received a request from Calbright College to offer a general studies associates degree. If the Chancellor’s Office receives a request to approve an associate’s degree from Calbright College, the Academic Affairs Division will evaluate against all requirements for degree offerings, as is required of all colleges.
The Legislature may wish to consider if offering a general studies associate degree is appropriate given Title 5 regulations and ACCJC accreditation standards. Furthermore, the Legislature may also wish to consider Calbright College’s interpretation of duplication in the context of the associate’s degree in general studies compared to the other programs the college offers. Specifically, the Legislature may wish to ask how Calbright determined that the associate degree in general studies is not duplicative.

**ACCREDITATION**

Accreditation is a voluntary, non-governmental peer review process used to determine academic quality. Accrediting agencies are private organizations that establish operating standards for educational or professional institutions and programs, determine the extent to which the standards are met, and publicly announce their findings.

Under federal law, the United States Department of Education (USDE) establishes the general standards for accreditation agencies and is required to publish a list of recognized accrediting agencies that are deemed reliable authorities on the quality of education provided by their accredited institutions. There are three basic types of accreditation:

a) **Regional Accreditation.** There are six USDE-recognized regional accrediting agencies. Each regional accreditor encompasses public, the vast majority of non-profit private (independent), and some for-profit postsecondary educational institutions in the region it serves. California's regional accrediting agency is separated into two commissions: the Accrediting Commission for Community and Junior Colleges (ACCJC) and the Senior College and University Commission (WASC-Sr.).

b) **National Accreditation.** National accreditation is not based on geography, but more focused to evaluate specific types of schools and programs. National accreditation is designed to allow nontraditional colleges (trade schools, religious schools, certain online schools) to be compared against similarly designed institutions. Different standards and categories are measured, depending on the type of institution.

c) **Specialized/Programmatic Accreditation.** Offered by accrediting agencies that represent specific fields of study, these agencies do not accredit entire colleges but instead accredit the programs within colleges that prepare students for the specific field or industry. In most cases, specialized accreditation alone does not enable participation in state and federal financial aid programs.

The ACCJC is the regional accrediting agency for California community colleges. It accredits institutions in the western region of the country (California, Hawaii, and U.S. territories) which have as a primary mission the granting of associate degrees, but which may also award certificates and other credentials.

Colleges that offer predominantly distance or correspondence education may seek accreditation from the Distance Education Accreditation Commission (DEAC). DEAC is recognized by the
USDE as a national accrediting agency for distance education institutions. National accreditation is popular among online colleges as well as technical training, vocational and professional certification programs.

Students attending an unaccredited college may experience limitations including being ineligible to sit for some applicable licensure examination or for government financial aid programs. Additionally, a degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions.

Existing law requires the college seek accreditation and meet requirements for student to become eligible for federal and state financial aid. Statute also requires the College to provide evidence of having achieved pre-accreditation by April 1, 2022 and full accreditation from an agency recognized by the USDE by April 1, 2025. Calbright College had considered seeking accreditation from both the ACCJC and DEAC. It appears that the college has moved forward with the DEAC and it is unclear whether it plans to pursue ACCJC accreditation in the future. The accreditation process takes 18-24 months for DEAC. While Calbright College is seeking accreditation, current law requires the College to inform potential and enrolled student regarding the implications of taking courses prior to accreditation and how the college will help students rectify this issue in the future.

**MILESTONES**

Several Milestones and Reporting Requirements for College. Existing law requires the online college to meet certain program, administrative, and accreditation milestones within the first seven years. For example, by July 1, 2019, the college must:

1. Develop a seven-year implementation plan, validate a business plan, and develop three program pathways.
2. Develop internal business processes and personnel policies, such as hiring, salaries, and evaluations, and establish outcome goals including job classifications.
3. Map the student experience.
4. Develop an accreditation plan.
5. Create a statewide outreach plan, which includes working with immigrant groups and community based organizations.
6. Define the duties for instruction support, program development and other student experiences.
7. Establish a process for recognition of prior learnings.
8. Enroll students by the last quarter of 2019.

According to responses from Calbright College, the college believes it is in progress to meeting these statutory milestones. The remaining milestone goals and Calbright’s stated progress towards them are described the attachments titled, “California Online Community College Act” and “Statutory Milestone Update.”

Existing law, §75011 of the Education Code, requires the college to report by August 1, 2020, regarding start up milestones, including enrollment and program pathways. The college is also
required to report by August 1, 2021 regarding startup milestones, including student enrollment, the number of designed programs, and student outcomes. This report will be a comprehensive status report on the college’s activities and outcomes, including information regarding student employment and earning gains after completion of programs as well as other student success metrics, and a qualitative description of the college’s efforts and progress to reach and serve working adults.

In addition, by August 1, 2022 and each year thereafter, the college must also report on the progress on transition planning for the scaling phase and qualitative description of innovative teaching and student support practices and technologies developed by the college.

By January 1, 2026, an independent evaluator must assess Calbright College regarding progress on program production, relationships with industry partners and student success outcomes.

**STUDENT AND EMPLOYMENT SERVICES FEES**

**Student Fees.** Existing law authorizes Calbright College to establish an affordable fee structure that is equivalent to or less than fees charged by traditional community colleges. Students must also be eligible for fee waivers such as the College Promise Grant. The enrollment fees at the CCCs are the lowest in the country, at $46 per unit, and have not changed since 2012-13. During the 2018-19 budget deliberations, the Chancellor’s Office stated that Calbright College’s new fee structure could be an experimental, subscription-based flat rate for a set time period (or academic term). Prior to establishing the fee structure, the college must notify the Legislature and the Department of Finance 60 days before the effective date of the structure.

According to the Milestone Report, it is the college’s goal to offer free programs to students. However, information regarding this was not found on the college’s website, and the “financial aid” tab for students was under construction. Calbright College notes that they are offering non-credit Career Development and College Preparation (CDCP) pathways, and since students are not earning credit, students are not charged credit fees. Additionally, Calbright College staff has indicated that they will pay for students’ credential examination fees.

**Employment Services Fees.** Calbright College notes that once a student achieves their student learning outcomes, the student will be placed in a paid apprenticeship or internship. The milestone report states that the college intends to generate revenue through employment services fees. These fees include:

1. Employer of Record Services Fees: Calbright College will contract with employers to act as the employer of record, such as workers’ compensation, during the student’s paid apprenticeship. The target indirect costs will be between 15 percent and 30 percent of direct costs.

2. Job Placement Fees: Employers who employ a Calbright College graduate, and who do not participate in the apprenticeship phase, will pay a 15 percent placement fee on the first year base compensation for the position.
As noted earlier, Calbright College has not finalized their employer partnerships, and therefore it is unclear what the employment services fee will be or how much students will earn on their paid apprenticeships or internships. Calbright College notes that most of their students are working adults, which is why they are interested in the flexible course schedule that Calbright offers. The Legislature may wish to consider how students will be able to schedule their paid internships and apprenticeships when many students are working adults.

The Legislature may also wish to consider what the rationale is for authorizing Calbright College to offer an alternative fee structure if the college is currently offering free programs through the CDCP programs. The Legislature may wish to ask Calbright College if it plans to change its fee structure or program offerings, such as credit programs.

**GOVERNANCE**

Existing law specifies the Community College Board of Governors (BOG) serve as the Board of Trustees (BOT) of Calbright College. The 17-member BOG is appointed by the governor and formally interacts with state and federal officials and other state organizations. Existing law states that the BOG is expressly determined to not have a conflict of interest in the administration of Calbright College.

Unlike the BOG, each of the 72 community college districts has a locally-elected BOT, responsive to local community needs and charged with the operations of the local colleges, and typically serves four-year terms. Local BOT are elected either at large from the community college district boundaries or based on each trustee areas in the community college district.

Under this model, the BOG both oversees the entire statewide system and all 114 colleges, as well as manage the activities of Calbright College such as hiring of personnel and faculty, and curriculum development. Many Calbright College BOT meetings have been held on the same day as the BOG meetings, which have created time constraints in deliberating the college’s activities. Additionally, the BOG have also met to discuss Calbright College’s activities on the same day the Calbright College BOT have met. In recent BOG’s meetings, several board members as well as the public have questioned whether the BOG were the appropriate entity to act as the BOT to oversee the activities of Calbright College. While existing law expressively states that the BOG does not have a conflict of interest in the administration of Calbright College, the Legislature may wish to consider whether it is appropriate to have BOG and BOT meetings on the same day, especially when both meetings will be discussing Calbright College’s activities, or if this blurs the line of accountability and oversight.

As noted earlier, at the January 13, 2020 BOT meeting, Calbright College Chief Executive Officer (CEO) Heather Hiles resigned, effective March 31, 2020, and will be on leave until that time. On February 11, 2020, the BOT appointed Ajita Menon as interim President and CEO.
STAFFING AND HIRING

Existing law specifies that Calbright College’s chief executive officer is authorized to hire sufficient number of qualified faculty that meet minimum qualifications established by the college. Existing law also states that the BOG must employ and assign all personnel consistent with the minimum standards and establish employment practices, salaries and benefits for all employees. Existing law requires the BOG to contract with a community college district BOT for the purpose of establishing a separate collective bargaining agreement for Calbright College employees pursuant to the Educational Employment Relations Act. This allows faculty and staff to negotiate salaries, health, benefits, working conditions, class size, among others.

Staffing and Hiring Update. Calbright College has an agreement with South Orange Community College District (SOCCD) to provide support and consultation services, additionally the milestone report identifies SOCCD as the partner to assist the college for the purposes of collective bargaining. At this time, the college has hired 31 administrators and two classified employees. The college has not hired full-time faculty nor have they established an academic senate or collective bargaining agreement.

Calbright College’s BOT considered an item to hire faculty at their December 2019 and January 2020 board meetings, however, the items were not acted on. These items considered hiring two instructors, two learner coaches and one counselor. While each community college district may have different hiring processes and procedures, §87360 (b) of the Education Code states that “hiring criteria, policies, and procedures for new faculty members shall be developed and agreed upon jointly by representatives of the governing board, and the academic senate, and approved by the governing board.”

According to the SOCCD administrative regulation (AR) 4011.1, two thirds of the recruitment committee must be full-time faculty. Additionally, depending on the local process, discipline faculty may be involved in writing the job description, determining additional desirable or preferred qualifications, and applicant screening criteria. AR 4011.1 states that departmental faculty have 10 business days to review and comment on the job announcement draft and prepare a list of qualifications for the positions. The departmental faculty may also recommend supplementary duties and responsibilities. AR 4011.1 also states that at least two discipline experts from the committee shall determine which applicants meet minimum qualifications as described in the job announcement and in accordance to the minimum qualifications as determined by the BOG.

It is unclear if faculty were involved in Calbright College’s initial hiring committee, interviews, development of the job descriptions, or other hiring processes. In the legislative findings and declarations section of Calbright College’s authorizing statute, it states that “California recognizes the dedication of every faculty member, classified staff member, manager and administrator of the Community College system toward support the success of California’s community college students. As dedicated leaders, innovators and educators, faculty will be integral to the success of the California Online Community College.” Providing the academic senate and faculty the opportunity to meaningfully participate in the hiring process may help ensure discipline expertise, quality of their faculty peers and success for students.
Calbright College staff recently indicated that they will create a hiring committee with the state academic senate to help develop faculty and counselor hiring processes and procedures. As noted earlier, approximately 20 students have completed the program essentials portion of their curriculum and are now enrolled in the program pathways. As more students complete their “essentials courses” and begin their program pathways, faculty will be needed to provide instruction and support for students, as well as program and discipline expertise.

**OTHER ONLINE EDUCATION PROGRAMS**

**Leveraging Existing CCC Programs.** Existing law requires Calbright College to utilize and leverage, where appropriate, existing community college programs and activities including Zero-Textbook-Cost Degree Grant Program, Open Educational Resources, the Strong Workforce Program, Online Education Initiative (OEI) and the Guided Pathways Program framework.

Calbright College states that they have utilized some OEI resources, such as adopting best practices for online learning and instructional design. However, they have not utilized or leveraged the other programs listed above. Since it is clear that the Legislature’s intent to build upon existing work and promote collaboration, the Legislature may wish to ask what the rationale is for not utilizing and leveraging existing programs and resources within the community college system. Furthermore, since many community colleges are currently offering online education or CDCP programs, the Legislature may also wish to ask how Calbright College has worked or consulted with other colleges in developing their curriculum, pathways, and student support services among others.

**Online Education Initiative.** The OEI was established in 2013, and includes several projects: (1) a common course management system (Canvas) for colleges, (2) resources to help community college faculty design high-quality courses, (3) online learner readiness modules, (4) tutoring and counseling platforms, (5) exam-proctoring solutions, and (6) the CCC Online Course Exchange. Currently, 57 community colleges participate in the OEI consortium.

The state initially funded the OEI with $17 million Proposition 98 General Fund in 2013-14 and has provided a base amount of $10 million Proposition 98 General Fund annually thereafter to increase CCC students’ access to and success in online courses. The 2016-17 budget included $20 million one-time Proposition 98 General Fund to accelerate progress on the initiative. The 2017-18 budget increased the base amount by $10 million Proposition 98 General Fund ongoing; bringing annual funding to $20 million Proposition 98 General Fund ongoing to provide systemwide access to Canvas. The 2018-19 budget provided $35 million Proposition 98 General Fund one-time for the Improving Online CTE Pathways Grant, which is described later in the agenda.

**Online Course Exchange.** The CCC Online Course Exchange has six participating colleges that allow a student to search for an open online class across the participating colleges and enroll instantly without submitting an additional application. By June 2020, 11 additional colleges plan to participate in the online course exchange. The goal is to have this level of connectivity systemwide by June 2023.
**California Virtual Campus.** OEI also houses the California Virtual Campus, which provides an online course finder for 70 community colleges, and holds information regarding 88 associate degree for transfer programs that contain an online pathway, 73 short-term fully online certificates of achievement, and course section data for 17,280 courses.

**Canvas.** Calbright College is also required to contribute online content and classes to the OEIs common course management system, Canvas. Canvas allows students taking online courses to (1) interact with faculty, (2) access course materials, content and assignments, (3) submit work, (4) post materials, and (5) access help resources. Canvas is being used at 114 community colleges and students can use it on their mobile devices. Prior to Canvas, students taking online courses and faculty teaching online courses at multiple colleges had to navigate different interfaces and websites across colleges. Students from across the state, regardless of which college they are enrolled, will utilize canvas, which will help provide students consistency in their education experience. Canvas provides efficiencies in cost, training and ease of access for students.

Calbright College is required to inform professional development opportunities to the rest of the system regarding innovative teaching and support methodologies and technology through the OEI and Institutional Effectiveness Partnership Initiative.

Calbright College internally decided that the use of Canvas was not an appropriate learning management system for its courses because Canvas was not built for competency based programs. This was not publically discussed prior to the finalization of this decision.

**Improving Online CTE Pathways Grant Program.** The 2018-19 budget provided $35 million one-time Proposition 98 General Fund to provide competitive grants to community college districts that develop online programs and courses that support either of the following:

1. Lead to short-term, industry-valued certificates or credentials, or programs; or
2. Enable a student in a pathway developed by the California Online Community College to continue their education in a pathway offered by an existing college.

Grants may not exceed $500,000 per college/district and grants may be awarded to individual colleges or districts or multiple colleges or districts working as partners.

One hundred colleges responded to a Request for Applications process, and 70 qualifying projects were funded. These grants will create 407 new or improved fully online pathways leading to higher-wage employment. Many of these new programs will be implemented in June. Additionally, 792 courses were created or improved in 27 CTE discipline areas. The OEI will provide a comprehensive report of the awards to the Legislature in March. Below are summaries of four grants that were funded:

1. **Mt. San Antonio College** was awarded $250,000 in Improving Online CTE Pathways grant funds from CVC-OEI for a project called ‘Promoting Success for Online Students and Faculty.’ This project will: a) pilot tools for students to track progress on academic pathways, and b) build a coordinated support structure for students staying on their existing
academic pathways, especially online CTE pathways. Mt. SAC intends to build on existing support for online students by offering targeted support structures for specific groups whose success rates in online classes are disproportionately lower than the overall increase in online success rates.

2. **San Diego Continuing Education** was awarded $500,000 for a project called ‘Project WIN (Workforce Innovation Now): Initiatives to Support Immediate Online Growth and Quality.’ This project will: 1) serve working adult learners with noncredit career training in Business, Digital Media, and Information Technology; 2) integrate the college’s Strong Workforce Pathways work around intake, assessment, orientation, and counseling in support of online education; 3) create at least one new online CTE program in Coding; and 4) create or revise, and professionalize at least five hybrid certificates with at least ten courses in Business and Accounting, Information Technology, and/or Digital Media with NetLab for IT virtual labs.

3. **Norco College** was awarded $367,855 for a project called ‘Improving Online CTE Pathways Grant Program.’ This project will adapt Norco’s suite of Game Development programs so that students will have the option of completing them entirely online. Elements include: 1) effective online pedagogy and support strategies; 2) instructional materials including videos that reinforce online learning; and 3) virtual student support systems that will include supplemental instruction, tutoring and a remote game studio lab that will be accessible to students at regularly scheduled timeframes throughout each academic term.

4. **San Bernardino Valley College** was awarded $482,180 for a project called ‘Creating and Expanding Quality Accessible Online Pathways for Students.’ This project will 1) establish a formalized peer online course review process for CTE courses; 2) explore potential partnerships, curriculum, technologies, and unconventional lab solutions to support CTE programs requiring hands on labs, such as Diesel, to become fully online; 3) increase the number of high-quality fully-online CTE pathways by capitalizing on those programs currently offered partially online; and, 4) develop new fully-online CTE programs to meet workforce and industry needs, targeting American Sign Language Interpreting, Art and Entrepreneurship, and Media Academy.

As noted above, 100 out of the 115 colleges applied for the Improving Online CTE Pathways Grant, which demonstrates the systems interest in offering or improving online education programs. During the 2018 budget deliberations, some members of the Legislature noted that community colleges and OEI are currently offering online education programs. Moreover, some members of the Legislature questioned whether Calbright College should be a separate entity or if the OEI or other community colleges could be provided the flexibility and authority to offer programs that the proposed online college would do. Various organizations and stakeholder groups continue to raise these questions.

**Requires Chancellor’s Office to Make Recommendations for Providing Existing Colleges More Flexibility.** AB 1809 required the Chancellor’s Office, by January 1, 2019, to recommend to the Board of Governors ways of making online and competency-based programs easier and more attractive for colleges to develop and operate. The Chancellor’s Office recommendations
must include ways to streamline the processes for (1) funding noncredit competency-based programs, and (2) offering online courses under a flexible calendar. The Chancellor’s Office submitted the following recommendations to the Board of Governors at their January 18, 2020 meeting.

1. Convene a cross-sector workgroup to recommend a funding structure that would compensate colleges for direct assessment competency-based education offerings. This workgroup would be complemented by the Student Centered Funding Formula Oversight Committee, which is expected to recommend integrating non-credit programs within the new funding formula.

2. Design an alternative approval process for direct assessment competency-based education offerings, and specify policies and regulations to govern this process. This work should build from the foundational California Community College Curriculum Committee process and recommendations.

3. Further research the academic calendar policy constraints to understand the modifications required to enable direct assessment approaches to competency-based education.

4. Further research the options for modular scheduling and course scheduling independent of any term configuration.

5. Follow Calbright College’s development of competency-based education to learn from their experiences and to identify policy and regulation barriers and possible modifications.

Staff notes that the Chancellor’s Office report to the BOG was more than a year past the statutory deadline. Many of the recommendations from the Chancellor’s Office notes that additional research is needed to address the questions raised by the Legislature in 2018. The Legislature may wish to ask the Chancellor’s Office what the timeline is for the research and workgroup meetings, who will be involved in these deliberations, and a report back to the BOG as well as the Legislature on their activities. Furthermore, as colleges continue to expand their online programs and as Calbright College continues to develop, the Legislature may wish to continue to monitor and provide oversight over student outcomes, particularly addressing the achievement gaps and job attainment.