

## Assembly Bill No. 1417

### CHAPTER 581

An act relating to community colleges, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1417, Pacheco. Community colleges: funding.

(1) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. An item of the Budget Act of 2004 appropriated, among other amounts, \$193,591,000 from the General Fund to the board of governors for allocation to community college districts for general apportionment funding.

This bill would require the board of governors to provide recommendations, based on information to be developed in a study to be conducted by the Chancellor of the California Community Colleges, to the Legislature and the Governor regarding the design of a workable structure for the annual evaluation of district-level performance in meeting statewide educational outcome priorities, including the priorities consistent with the appropriation referenced above.

(2) An item of the Budget Act of 2004 appropriated, among other amounts, \$27,345,000 from the General Fund to the board of governors for allocation to community college districts for physical plant and instructional support.

This bill would set forth criteria in accordance with which a community college district could utilize a portion of these funds for the purpose of maintaining prior investments made for program enhancements for student success, provided that the district reports its planned expenditures to the chancellor on or before November 30, 2004, as prescribed.

(3) An item of the Budget Act of 2004 appropriated, among other amounts, \$50,828,000 from the General Fund to the board of governors for allocation to community college districts for part-time faculty compensation.

This bill would require that the amount appropriated in the Budget Act of 2004 for allocation to community college districts for part-time faculty compensation be allocated, as prescribed, solely to increase the compensation of part-time faculty from the amounts previously authorized. The bill would prohibit the use of these funds by a district to exceed the achievement of parity of compensation for part-time and full-time faculty in that district. The bill would authorize a district that has achieved parity to use these funds for any educational purpose.

(4) Because this bill would authorize the expenditure of funds previously appropriated to the board of governors for new purposes, it would make an appropriation.

(5) The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Board of Governors of the California Community Colleges shall provide recommendations to the Legislature and the Governor regarding the design of a workable structure for the annual evaluation of district-level performance in meeting statewide educational outcome priorities, including priorities consistent with Provision (4) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004. These recommendations shall be based on information and data provided by a study to be completed by the Chancellor of the California Community Colleges, with the input of institutional representatives of community college districts.

(b) In preparing the study referenced in subdivision (a), the Chancellor of the California Community Colleges may, as he or she judges necessary, consult with individuals with demonstrated expertise in higher education accountability and evaluation. The chancellor also shall consult with the Department of Finance and the Legislative Analyst's Office on an ongoing basis during the conduct of the study. The study process shall also afford community college organizations, and interested parties and individuals, the opportunity to review and comment on the proposed recommendations before their consideration and adoption by the Board of Governors of the California Community Colleges. The board of governors shall provide copies of the study and recommendations on or before March 25, 2005, to the Governor, the fiscal committees of the Legislature, and the higher education policy committees of the Legislature.



SEC. 2. (a) Notwithstanding any other provision of law, this section shall apply only to a community college district that meets either of the following criteria:

(1) The sum of funds allocated to that district from Schedule (1) of, pursuant to Provision (6) of, and from Schedule (3) of, pursuant to subdivision (b) of Provision (10) of, Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004, equals zero.

(2) The amount of the reduction in the district's Partnership for Excellence funds during the 2004-05 fiscal year, divided by the sum of funds allocated to that district from Schedule (1) of, pursuant to Provision (6) of, and from Schedule (3) of, pursuant to subdivision (b) of Provision (10) of, Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004, exceeds 50 percent.

(b) A district meeting the criteria in subdivision (a) may use all or a portion of the funds allocated to that district from Schedule (19) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 for the purpose of maintaining prior investments made for program enhancements for student success that otherwise would be jeopardized by the reduction in Partnership for Excellence funding, notwithstanding any other restriction upon the use of these funds. In no event may the amount of funds used by an applicable district for maintaining program enhancements exceed the amount of the reduction in Partnership for Excellence allocations realized by the district in the 2004-05 fiscal year.

(c) As a condition of utilizing the flexibility authorized by this section, each participating community college district shall report to the chancellor on its planned expenditures from Schedule (19) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 on or before November 30, 2004, in a format prescribed by the chancellor. The chancellor shall provide a summary report of these planned expenditures to the Governor, the Director of Finance, and the fiscal committees of the Legislature on or before December 31, 2004.

SEC. 3. (a) The funds allocated in Schedule (14) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 shall be allocated solely to increase the compensation of part-time faculty from the amounts previously authorized. These funds shall be distributed to community college districts based on the total of actual full-time equivalent students served in the previous fiscal year, and shall include a small district factor as determined by the chancellor. These funds shall be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each district's local collective bargaining process.

(b) The funds shall not supplant the amount of resources each district uses to compensate part-time faculty, and shall not be used to exceed the



achievement of parity in compensation for each part-time faculty employed by each district with regular full-time faculty of that district, as certified by the chancellor. If a district has achieved parity, its allocation under Schedule (14) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 may be used for any other educational purpose.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement, in a timely fashion, a necessary revision to the community college funding priorities adopted pursuant to the Budget Act of 2004, it is necessary that this act take effect immediately.

