

AMENDED IN SENATE MARCH 27, 2003

SENATE BILL

No. 76

Introduced by Senator Denham

*(Coauthors: Assembly Members Bates, Benoit, La Suer, Longville,
Maze, Runner, and Strickland)*

January 22, 2003

An act to amend Sections 69514.5, 69653, 78211.5, 78216, 87107, 87108, 87150, 87151, 87152, 87153, 87154, 87867, and 87885 of, to add Article 3 (commencing with Section 84050) to Chapter 1 of Part 50 of, and to repeal Section 87868 of, the Education Code, relating to education finance, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 76, as amended, Denham. Education finance: California Community Colleges: *block grants*.

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. *In the annual Budget Act, funds are appropriated to the board of governors for allocation to community college districts for the support of the operations of these districts.*

This bill would declare the intent of the Legislature to effectuate a recommendation of the Legislative Analyst's Office by funding 11 of the categorical programs of the California Community Colleges through 2 block grants in the 2003–04 fiscal year.

The bill would establish the Student Services Block Grant for the funding of prescribed programs relating to the Community College Student Financial Aid Outreach Program, Community College Extended Opportunity Programs and Services, the Fund for Student Success, and matriculation services. The bill would also establish the Faculty Support Block Grant for the funding of prescribed programs relating to instructional improvement, faculty and staff development, faculty and staff diversity, compensation of part-time faculty, the Part-time Community College Faculty Health Insurance Program, and the Community College Part-time Faculty Office Hours Program. The bill would also make numerous technical and conforming changes relating to the establishment of these block grants.

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

1 SECTION 1. (a) The Legislature finds and declares both of
2 the following:

3 (1) In its 2002–03 Budget Analysis, the Legislative Analyst’s
4 Office (LAO) recommended that 11 of the categorical programs
5 of the California Community Colleges be funded through two
6 block grants. The two block grants would be for “Student
7 Services” and “Faculty and Staff Support,” respectively.

8 (2) The LAO noted that “different community college districts
9 face different demands for these programs” and that “block grants
10 would promote efficiency by allowing districts to allocate funding
11 among these programs in a way that best suits their needs, while
12 at the same time allowing the Legislature to specify an overall
13 level of funding for the general categories of student services and
14 faculty and staff support.”

15 (b) It is, therefore, the intent of the Legislature to effectuate this
16 recommendation in the 2003–04 fiscal year.

17 SEC. 2. *Section 69514.5 of the Education Code is amended to*
18 *read:*

19 69514.5. (a) The Community College Student Financial Aid
20 Outreach Program is hereby established. The commission ~~shall~~
21 *may*, in consultation with the office of the Chancellor of the



1 California Community Colleges, develop and administer this
2 program for the purpose of providing financial aid training to high
3 school and community college counselors and advisors who work
4 with students planning to attend or attending a community college.
5 This training ~~shall~~ *may* also address the specific needs of all of the
6 following:

7 (1) Community college students intending to transfer to a
8 four-year institution of higher education.

9 (2) Foster youth.

10 (3) Students with disabilities.

11 (b) The program shall provide specialized information on
12 financial aid opportunities available to community college
13 students, with a particular focus on students who plan to transfer
14 to a four-year college or university. The commission shall work in
15 collaboration with the Chancellor of the California Community
16 Colleges and other segments of higher education to develop and
17 distribute this specialized information to assist community college
18 students who are planning to transfer to a four-year college or
19 university. Each year, the program shall offer financial aid
20 workshops for high school and community college counselors,
21 targeted for students planning to attend a community college or to
22 transfer from a community college to a four-year institution of
23 higher education. The program shall assist community college
24 counselors in conducting student and family workshops that
25 provide general information about financial aid and technical
26 assistance in completing financial aid forms.

27 (c) The program shall concentrate its efforts on high schools
28 and community colleges that are located in geographic areas that
29 have a high percentage of low-income families.

30 *SEC. 3. Section 69653 of the Education Code is amended to*
31 *read:*

32 ~~69653. Applications shall be subject to the approval of the~~
33 ~~board. Upon approval by the board, it shall certify an~~
34 ~~apportionment or apportionments to the Controller. The~~
35 ~~Controller shall draw warrants on the State Treasury in the~~
36 ~~amounts certified in favor of the governing board of the~~
37 ~~community college district which has jurisdiction over the~~
38 ~~applicant district in accordance with a schedule of payments~~
39 ~~established by the board and approved by the Department of~~
40 ~~Finance Funding for the programs established under this chapter~~



1 shall be allocated by the governing board of each participating
2 community college district from its allocation from the Student
3 Services Block Grant established pursuant to Section 84050.

4 SEC. 4. Section 78211.5 of the Education Code is amended to
5 read:

6 78211.5. (a) The Board of Governors of the California
7 Community Colleges shall initially provide for full
8 implementation of the matriculation services specified in Section
9 78212 in as many community colleges as the funds appropriated
10 for this purpose allow.

11 (b) Because of the need to develop and evaluate data on a
12 standard statewide basis concerning the implementation and
13 effectiveness of the matriculation services described in this article,
14 any college or district ~~receiving~~ utilizing funding ~~under~~ from the
15 Student Services Block Grant, established by Section 84050, for
16 the purposes of this article shall agree to carry out its provisions as
17 specified, but shall be bound to that agreement only for the period
18 during which funding is received pursuant to this article. The
19 obligations of the college or district under the agreement shall
20 include, but not necessarily be limited to, the expenditure of funds
21 received pursuant to this article for only those matriculation
22 services approved by the board of governors and the contribution
23 toward the purposes of this article of matching funds as the board
24 of governors may require pursuant to Section 78216.

25 SEC. 5. Section 78216 of the Education Code is amended to
26 read:

27 78216. (a) The Legislature recognizes that community
28 college districts are currently funding various components of
29 student matriculation through existing counseling, assessment,
30 and other student services, but that adequate student matriculation
31 cannot be realized without supplemental funding support.

32 (b) ~~The board of governors shall develop a formula for funding~~
33 ~~student matriculation services at community colleges. The~~
34 ~~formula shall include the requirement that the districts or colleges~~
35 ~~contribute matching funds in an amount to be established by the~~
36 ~~board of governors in each case, and shall reflect, but not be~~
37 ~~limited to, all of the following considerations:~~

38 ~~(1) The number of students to receive matriculation services at~~
39 ~~each college.~~



1 ~~(2) The levels of support for matriculation services provided at~~
2 ~~each college prior to July 1, 1985, and the need for funding~~
3 ~~assistance in the implementation of the program set forth in this~~
4 ~~article.~~

5 ~~(3) The relative needs for matriculation services, based on~~
6 ~~special student populations such as low-income students, students~~
7 ~~with language differences, students with physical and learning~~
8 ~~disabilities, and students in need of remedial instruction.~~

9 ~~(4) The requirement that funds for matriculation services be~~
10 ~~expended only for services approved by the board of governors.~~

11 ~~(5) The requirement that any district or college receiving~~
12 ~~funding pursuant to this section agree to implement this article~~
13 ~~during the period in which it receives that funding.~~

14 ~~(6) The need for computer hardware and software to provide~~
15 ~~approved matriculation services, and for institutional research~~
16 ~~personnel for ongoing evaluation.~~

17 ~~(e) The board of governors shall require participating colleges~~
18 ~~to develop a plan for student matriculation that reflects all of the~~
19 ~~following:~~

20 ~~(1) A method for providing the services specified in Section~~
21 ~~78212.~~

22 ~~(2) The college budget for the matriculation services pursuant~~
23 ~~to Sections 78212 and 78214.~~

24 ~~(3) The development and training of staff and faculty to~~
25 ~~implement the matriculation services.~~

26 ~~(4) In multicampus districts, the coordination of the college~~
27 ~~matriculation plan with other college plans.~~

28 ~~(5) Computerized information services and institutional~~
29 ~~research and evaluation necessary for implementation of this~~
30 ~~article.~~

31 ~~(d) The board of governors may allocate up to 5 percent of the~~
32 ~~total funds appropriated for student matriculation for state~~
33 ~~administrative operations to carry out the intent of this article,~~
34 ~~subject to the review of the annual budget process governing board~~
35 ~~of each participating community college district shall fund its~~
36 ~~matriculation programs from its allocation from the Student~~
37 ~~Services Block Grant established by Section 84050. A~~
38 ~~participating community college district shall contribute~~
39 ~~matching funds in an amount determined by the Board of~~
40 ~~Governors of the California Community Colleges.~~



1 SEC. 6. Article 3 (commencing with Section 84050) is added
2 to Chapter 1 of Part 50 of the Education Code, to read:

3

4

Article 3. Block Grants

5

6 84050. (a) The Student Services Block Grant is hereby
7 established. The Student Services Block Grant shall be funded by
8 an appropriation in the annual Budget Act, and shall be used for
9 the support of programs previously funded as categorical
10 programs. These programs include, but are not necessarily limited
11 to, the Community College Student Financial Aid Outreach
12 Program established by Section 69514.5, Community College
13 Extended Opportunity Programs and Services established by
14 Article 8 (commencing with Section 69640) of Chapter 2 of Part
15 42, the Fund for Student Success, and matriculation services
16 specified in Section 78212.

17 (b) The board of governors shall develop a formula for
18 distributing the funds appropriated in the Student Services Block
19 Grant to community college districts. The formula shall include a
20 requirement that districts or campuses contribute matching funds
21 in an amount to be established by the board of governors on a
22 case-by-case basis. This amount shall reflect all of the following
23 considerations:

24 (1) The number of students enrolled at each campus.

25 (2) The levels of support for services provided at each campus
26 and the need for funding assistance in the implementation of the
27 programs set forth in this section.

28 (3) The relative needs for services, based on special student
29 populations such as low-income students, students with language
30 differences, students with physical or learning disabilities, or
31 students in need of remedial instruction.

32 (4) A requirement that funds for services be expended only for
33 services approved by the board of governors or the governing
34 board of the community college district, as appropriate.

35 (5) A requirement that any community college district or
36 campus that receives funding pursuant to this section agree to
37 implement this section during the period for which it receives that
38 funding.

39 (c) The governing board of each community college district
40 may encumber funds it receives from the Student Services Block



1 *Grant only to implement the programs specified in subdivision (a).*
2 *Using these funds, the governing board may fund these programs*
3 *at any level that it deems appropriate.*

4 *(d) Each fiscal year, on or before September 15, the board of*
5 *governors shall submit to the Director of Finance a report, for*
6 *inclusion in the Governor's Budget, including its*
7 *recommendations regarding the funding level of the Student*
8 *Services Block Grant for the subsequent fiscal year.*

9 *(e) In any fiscal year, no more than 5 percent of the funding*
10 *allocated in the Faculty Support Block Grant may be expended for*
11 *administration of the block grant.*

12 84052. *(a) The Faculty Support Block Grant is hereby*
13 *established. The Faculty Support Block Grant shall be funded by*
14 *an appropriation in the annual Budget Act, and shall be used for*
15 *the support of programs previously funded as categorical*
16 *programs. These programs include, but are not necessarily limited*
17 *to, programs for the purpose of instructional improvement as*
18 *implemented pursuant to Article 7 (commencing with Section*
19 *84381) of Chapter 3, programs relating to faculty and staff*
20 *development as implemented pursuant to Article 5 (commencing*
21 *with Section 87150) of Chapter 1 of Part 51, programs to promote*
22 *faculty and staff diversity as implemented pursuant to Article 4*
23 *(commencing with Section 87100) of Chapter 1 of Part 51,*
24 *compensation of part-time faculty, the Part-time Community*
25 *College Faculty Health Insurance Program established by Article*
26 *9 (commencing with Section 87860) of Chapter 3 of Part 51, and*
27 *the Community College Part-time Faculty Office Hours Program*
28 *established by Article 10 (commencing with Section 87880) of*
29 *Chapter 3 of Part 51.*

30 *(b) The board of governors shall develop a formula for*
31 *distributing the funds appropriated in the Faculty Support Block*
32 *Grant to community college districts. The formula shall include a*
33 *requirement that districts or campuses contribute matching funds*
34 *in an amount to be established by the board of governors on a*
35 *case-by-case basis. This amount shall reflect all of the following*
36 *considerations:*

37 *(1) The number of students enrolled at each campus.*

38 *(2) The levels of support for services provided at each campus*
39 *and the need for funding assistance in the implementation of the*
40 *programs set forth in this section.*



1 (3) A requirement that any community college district or
2 campus that receives funding pursuant to this section agree to
3 implement this section during the period for which it receives that
4 funding.

5 (c) The governing board of each community college district
6 may encumber funds it receives from the Faculty Support Block
7 Grant only to implement the programs specified in subdivision (a).
8 Using these funds, the governing board may fund these programs
9 at any level that it deems appropriate.

10 (d) Each fiscal year, on or before September 15, the board of
11 governors shall submit to the Director of Finance a report, for
12 inclusion in the Governor's Budget, including its
13 recommendations regarding the funding level of the Faculty
14 Support Block Grant for the subsequent fiscal year.

15 (e) In any fiscal year, no more than 5 percent of the funding
16 allocated in the Faculty Support Block Grant may be expended for
17 administration of the block grant.

18 SEC. 7. Section 87107 of the Education Code is amended to
19 read:

20 87107. In order to support the activities required and
21 authorized by this article, the Employment Opportunity Fund is
22 hereby established. The fund shall include moneys appropriated in
23 the annual Budget Act through the Faculty Support Block Grant
24 established by Section 84052 or provided, pursuant to Section
25 87482.7, through transfer. The moneys in the fund shall be
26 ~~administered~~ allocated by the board of governors to the governing
27 boards of community college districts through the Faculty Support
28 Block Grant for expenditure as the governing boards deem
29 appropriate for the purpose of promoting equal employment
30 opportunities in hiring and promotion at community college
31 districts.

32 SEC. 8. Section 87108 of the Education Code is amended to
33 read:

34 87108. (a) The board of governors shall adopt regulations for
35 the use, by community college districts, of the ~~fund~~ funds allocated
36 from the Faculty Support Block Grant, established by Section
37 84052, for the purposes of this article. Those uses may include, but
38 need not be limited to, all of the following:



1 (1) Activities designed to encourage community college
2 students to become qualified for, and seek, employment as
3 community college faculty or administrators.

4 (2) Outreach and recruitment.

5 (3) In-service training on equal employment opportunities.

6 (4) Accommodations for applicants and employees with
7 disabilities.

8 (5) Activities to promote equal employment opportunities and
9 implement the requirements of this article.

10 (b) The Board of Governors of the California Community
11 Colleges may use not more than 25 percent of the revenues in the
12 fund to provide technical assistance, service, monitoring, and
13 compliance functions. Service functions under this subdivision
14 may include, but are not necessarily limited to, the provision of a
15 clearinghouse for advertising community college district job
16 opportunities and for allowing persons seeking jobs to make
17 known their interest in community college employment. This
18 clearinghouse shall include a special emphasis on faculty
19 internship employment opportunities and on reaching students
20 who are qualified for faculty internship programs. The remaining
21 balance in the fund may be allocated to the individual community
22 college districts as prescribed by the board of governors.

23 *SEC. 9. Section 87150 of the Education Code is amended to*
24 *read:*

25 87150. There is hereby created in the State Treasury the
26 Community College Faculty and Staff Development Fund, ~~to be~~
27 *which is* administered by the Board of Governors of the California
28 Community Colleges, ~~the~~. *The purpose of which the fund is to*
29 *provide state general funds to community colleges for supporting*
30 *locally developed and implemented faculty and staff development*
31 *programs. For each fiscal year, an amount shall be appropriated*
32 *in the Faculty Support Block Grant for deposit into the fund.*
33 *Moneys deposited in the fund are for allocation to the governing*
34 *boards of community college districts.*

35 *SEC. 10. Section 87151 of the Education Code is amended to*
36 *read:*

37 87151. ~~The Board of Governors of the California Community~~
38 ~~Colleges~~ *governing board of each participating community*
39 *college district shall annually allocate funds appropriated in the*
40 *Faculty Support Block Grant and allocated to the district for the*



1 purposes of this article to each ~~community college~~ *campus in that*
2 district whose chief executive officer has submitted to the
3 ~~chancellor governing board~~ an affidavit ~~which~~ *that* includes all of
4 *the following*:

5 (a) A statement that ~~each the campus within the district~~ has an
6 advisory committee, composed of administrators, faculty, and
7 staff representatives, which has assisted in the assessment of the
8 faculty and staff development needs and in the design of the plan
9 to meet those needs.

10 (b) A campus human development resources plan has been
11 completed for the current and subsequent fiscal years.

12 (c) A report of the actual expenditures for faculty and staff
13 development *on that campus* for the preceding year.

14 *SEC. 11. Section 87152 of the Education Code is amended to*
15 *read:*

16 87152. (a) The initial allocation to each district, from funds
17 appropriated by the Legislature ~~therefor~~ *through the Faculty*
18 *Support Block Grant*, shall be an amount equivalent to one-half of
19 one percent of the fiscal year revenues, as defined by *former*
20 *Section 84700 as it existed on January 1, 1989*, received by the
21 district, for the 1987–88 fiscal year.

22 (b) In subsequent fiscal years, no district shall receive an
23 allocation greater than 2 percent of its fiscal year revenues, as
24 defined in Section 84700, for the prior fiscal year.

25 *SEC. 12. Section 87153 of the Education Code is amended to*
26 *read:*

27 87153. The authorized uses of funds allocated under this
28 article ~~shall~~ include, *but are not necessarily limited to*, all of the
29 following:

30 (a) Improvement of teaching.

31 (b) Maintenance of current academic and technical knowledge
32 and skills.

33 (c) In-service training for vocational education and
34 employment preparation programs.

35 (d) Retraining to meet changing institutional needs.

36 (e) Intersegmental exchange programs.

37 (f) Development of innovations in instructional and
38 administrative techniques and program effectiveness.

39 (g) Computer and technological proficiency programs.



1 (h) Courses and training implementing affirmative action and
2 upward mobility programs.

3 (i) Other activities determined to be related to educational and
4 professional development pursuant to criteria established by the
5 Board of Governors of the California Community Colleges,
6 including, but not necessarily limited to, programs designed to
7 develop self-esteem.

8 *SEC. 13. Section 87154 of the Education Code is amended to*
9 *read:*

10 87154. This article shall be operative during any fiscal year
11 only if funds are ~~provided therefor~~ *allocated for its purposes to the*
12 *community college district governing boards through the Faculty*
13 *Support Block Grant* in the annual Budget Act for that fiscal year
14 or other legislation.

15 *SEC. 14. Section 87867 of the Education Code is amended to*
16 *read:*

17 87867. By June 15 of each year, the ~~Chancellor of the~~
18 ~~California Community Colleges shall apportion to governing~~
19 ~~board of~~ each community college district that establishes a
20 program pursuant to this article *may encumber, from the funds*
21 *allocated to it from the Faculty Support Block Grant*, an amount
22 that equals up to one-half of the total cost of the individual
23 enrollment premiums required to be paid for the health insurance
24 coverage of participating part-time faculty and their dependents in
25 the district. ~~The chancellor shall distribute funds that have been~~
26 ~~appropriated specifically for this purpose proportionally~~

27 (b) *The governing board of a participating community college*
28 *district may encumber the funds allocated to it in the Faculty*
29 *Support Block Grant based on each that district's total costs for*
30 *premiums for those districts that submit verification of the costs*
31 *of premiums for eligible employees for a fiscal year, but in no*
32 *event shall the allocation. The amount allocated from the Faculty*
33 *Support Block Grant to any district may not exceed one-half of the*
34 *cost of the verified premiums. If funds appropriated allocated for*
35 *this purpose exceed one-half of the verified cost of premiums for*
36 *all participating districts statewide, the balance that exceeds that*
37 *amount shall revert to the General Fund annually.*

38 *SEC. 15. Section 87868 of the Education Code is repealed.*



1 ~~87868. It is the intent of the Legislature that ongoing funding~~
2 ~~for the purposes of this article be subject to annual Budget Act~~
3 ~~appropriations.~~

4 *SEC. 16. Section 87885 of the Education Code is amended to*
5 *read:*

6 87885. (a) The Part-Time Faculty Office Hours Program
7 Fund is hereby established in the State Treasury. *For each fiscal*
8 *year, an amount shall be appropriated in the annual Budget Act*
9 *through the Faculty Support Block Grant, established by Section*
10 *84052, for deposit into the fund. Moneys deposited into the fund*
11 *are for allocation to the governing boards of participating*
12 *community college districts.*

13 (b) ~~On or before June 15 of each year, the Chancellor of the~~
14 ~~California Community Colleges shall apportion to each~~
15 ~~community college district that establishes a program pursuant to~~
16 ~~this article an amount of up to 50 percent of the total costs of~~
17 ~~compensation paid for office hours of part-time faculty, as defined~~
18 ~~in Section 87882. The chancellor shall distribute funds that are~~
19 ~~appropriated in the annual Budget Act specifically for this purpose~~
20 ~~proportionally based on each district's total costs for office hours~~
21 ~~of part-time faculty pursuant to the verification submitted by the~~
22 ~~community college district in accordance with subdivision (c) of~~
23 ~~Section 87884 for that fiscal year. In no event, however, shall the~~
24 ~~allocation to any district in a fiscal year exceed 50 percent of the~~
25 ~~total costs of the compensation paid for office hours of part-time~~
26 ~~faculty pursuant to this article.~~

27 (c) ~~It is the intent of the Legislature that funding for the~~
28 ~~purposes of this article be included in the Faculty Support Block~~
29 ~~Grant in the annual Budget Act.~~

30 *SEC. 17. This act is an urgency statute necessary for the*
31 *immediate preservation of the public peace, health, or safety*
32 *within the meaning of Article IV of the Constitution and shall go*
33 *into immediate effect. The facts constituting the necessity are:*

34 In order to implement the Budget Act of 2003 at the earliest
35 possible time, it is necessary that this act take effect immediately.

