

AMENDED IN ASSEMBLY APRIL 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2087**

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**Introduced by Assembly Member Ammiano**

February 20, 2014

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An act to amend Section ~~70901~~ 84040 of the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

AB 2087, as amended, Ammiano. Community colleges: Board of Governors of the California Community Colleges.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. ~~Existing law specifies the duties of the board of governors, including the duty to provide assistance when community college districts encounter severe management difficulties. Existing law requires the board of governors to adopt criteria and standards for periodic assessment of the fiscal condition of community college districts. Existing law requires the board of governors to develop, by regulation, appropriate procedures and actions for districts that fail to achieve fiscal stability or that fail to comply with the board of governors' recommendations. Existing law authorizes these procedures and remedies to include the appointment of a special trustee to manage the community college district.~~

~~This bill would prohibit the board, when exercising its duty to provide assistance when community college districts encounter severe management difficulties, from usurping, transferring, or limiting, in any way, the powers of the governing boards of these districts, as specified.~~

*This bill would require that the regulations pursuant to which the board may appoint a special trustee to manage a community college district provide specific benchmarks to indicate the presence of local capacity to resume management of the community college district and clear standards that provide for meaningful consultation by a special trustee with the community college district prior to decisionmaking.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 84040 of the Education Code is amended  
2 to read:

3 84040. (a) It is the intent of the Legislature to encourage sound  
4 fiscal management practices among community college districts  
5 for the most efficient and effective use of public funds for the  
6 education of community college students by strengthening fiscal  
7 accountability at the district and state levels.

8 (b) The governing board of each community college district  
9 shall provide for an annual audit of all funds, books, and accounts  
10 of the district in accordance with regulations of the board of  
11 governors. The audit shall be made by certified public accountants  
12 licensed by the California Board of Accountancy. In the event the  
13 governing board of a community college district fails to provide  
14 for an audit, the board of governors shall provide for an audit, and  
15 if the board of governors fails or is unable to make satisfactory  
16 arrangements for such an audit, the Department of Finance shall  
17 make arrangements for the audit. The cost of any audit described  
18 above shall be paid from district funds.

19 (c) The board of governors shall adopt criteria and standards  
20 for periodic assessment of the fiscal condition of community  
21 college districts, and ~~these~~ such regulations regarding the review  
22 and improvement of district fiscal conditions as necessary to  
23 encourage sound fiscal management practices. In so doing:

24 (1) The governing board of a community college district, as  
25 required by regulations of the board of governors, shall periodically  
26 report information to the board of governors regarding the fiscal  
27 condition of the district.

28 (2) The board of governors, by regulation, shall develop  
29 standards for district maintenance of sound fiscal conditions. The

1 regulations shall authorize a board comprehensive management  
2 review of any community college district which, after assessing  
3 itself or being assessed in accordance with board criteria and  
4 standards, is shown to be experiencing fiscal difficulty. On the  
5 basis of the findings of the management review, the board of  
6 governors may recommend appropriate changes in a district's  
7 management practices.

8 (3) The board of governors, by regulation, shall develop  
9 appropriate procedures and actions for districts that fail to achieve  
10 fiscal stability or that fail to comply with the board of governors'  
11 recommendations. The procedures and remedies may include the  
12 appointment of a special trustee to manage the *community college*  
13 *district. The regulations pursuant to which the board of governors*  
14 *may appoint a special trustee to manage the community college*  
15 *district shall include specific benchmarks to indicate the presence*  
16 *of local capacity to resume management of the community college*  
17 *district and clear standards that provide for meaningful*  
18 *consultation by a special trustee with the community college district*  
19 *prior to decisionmaking.* The board of governors shall be  
20 authorized to reduce or withhold apportionment to districts to pay  
21 for the cost of the special trustee, management review, or other  
22 extraordinary costs resulting from the district's fiscal difficulties  
23 and to ensure the stabilization of the district's financial condition.

24 (4) The board of governors shall report to the chairs of the  
25 educational policy and fiscal committees of both houses of the  
26 Legislature, the Director of Finance, and the Governor any  
27 corrective action taken by the district and any action taken against  
28 the district pursuant to paragraph (3).

29 ~~SECTION 1. Section 70901 of the Education Code, as amended~~  
30 ~~by Section 2 of Chapter 112 of the Statutes of 2011, is amended~~  
31 ~~to read:~~

32 ~~70901. (a) The Board of Governors of the California~~  
33 ~~Community Colleges shall provide leadership and direction in the~~  
34 ~~continuing development of the California Community Colleges as~~  
35 ~~an integral and effective element in the structure of public higher~~  
36 ~~education in the state. The work of the board of governors shall at~~  
37 ~~all times be directed to maintaining and continuing, to the~~  
38 ~~maximum degree permissible, local authority and control in the~~  
39 ~~administration of the California Community Colleges.~~

1     ~~(b) Subject to, and in furtherance of, subdivision (a), and in~~  
2 ~~consultation with community college districts and other interested~~  
3 ~~parties as specified in subdivision (c), the board of governors shall~~  
4 ~~provide general supervision over community college districts, and~~  
5 ~~shall, in furtherance of those purposes, perform the following~~  
6 ~~functions:~~  
7     ~~(1) Establish minimum standards as required by law, including,~~  
8 ~~but not limited to, the following:~~  
9     ~~(A) Minimum standards to govern student academic standards~~  
10 ~~relating to graduation requirements and probation, dismissal, and~~  
11 ~~readmission policies.~~  
12     ~~(B) Minimum standards for the employment of academic and~~  
13 ~~administrative staff in community colleges.~~  
14     ~~(C) Minimum standards for the formation of community colleges~~  
15 ~~and community college districts.~~  
16     ~~(D) Minimum standards for credit and noncredit classes.~~  
17     ~~(E) Minimum standards governing procedures established by~~  
18 ~~governing boards of community college districts to ensure faculty,~~  
19 ~~staff, and students the right to participate effectively in community~~  
20 ~~college district and college governance, and the opportunity to~~  
21 ~~express their opinions at the campus level and to ensure that these~~  
22 ~~opinions are given every reasonable consideration, and the right~~  
23 ~~of academic senates to assume primary responsibility for making~~  
24 ~~recommendations in the areas of curriculum and academic~~  
25 ~~standards.~~  
26     ~~(2) Evaluate and issue annual reports on the fiscal and~~  
27 ~~educational effectiveness of community college districts according~~  
28 ~~to outcome measures cooperatively developed with those~~  
29 ~~community college districts, and provide assistance when~~  
30 ~~community college districts encounter severe management~~  
31 ~~difficulties; however, the board shall not usurp, transfer, or limit,~~  
32 ~~in any way, the powers of the governing boards of community~~  
33 ~~college districts as specified in Section 70902.~~  
34     ~~(3) Conduct necessary systemwide research on community~~  
35 ~~colleges and provide appropriate information services, including,~~  
36 ~~but not limited to, definitions for the purpose of uniform reporting,~~  
37 ~~collection, compilation, and analysis of data for effective planning~~  
38 ~~and coordination, and dissemination of information.~~

1 ~~(4) Provide representation, advocacy, and accountability for the~~  
2 ~~California Community Colleges before state and national legislative~~  
3 ~~and executive agencies.~~

4 ~~(5) Administer state support programs, both operational and~~  
5 ~~capital outlay, and those federally supported programs for which~~  
6 ~~the board of governors has responsibility pursuant to state or federal~~  
7 ~~law. In so doing, the board of governors shall do the following:~~

8 ~~(A) (i) Annually prepare and adopt a proposed budget for the~~  
9 ~~California Community Colleges. The proposed budget shall, at a~~  
10 ~~minimum, identify the total revenue needs for serving educational~~  
11 ~~needs within the mission, the amount to be expended for the state~~  
12 ~~general apportionment, the amounts requested for various~~  
13 ~~categorical programs established by law, the amounts requested~~  
14 ~~for new programs and budget improvements, and the amount~~  
15 ~~requested for systemwide administration.~~

16 ~~(ii) The proposed budget for the California Community Colleges~~  
17 ~~shall be submitted to the Department of Finance in accordance~~  
18 ~~with established timelines for development of the annual Budget~~  
19 ~~Bill.~~

20 ~~(B) To the extent authorized by law, establish the method for~~  
21 ~~determining and allocating the state general apportionment.~~

22 ~~(C) Establish space and utilization standards for facility planning~~  
23 ~~in order to determine eligibility for state funds for construction~~  
24 ~~purposes.~~

25 ~~(6) Establish minimum conditions entitling community college~~  
26 ~~districts to receive state aid for support of community colleges. In~~  
27 ~~so doing, the board of governors shall establish and carry out a~~  
28 ~~periodic review of each community college district to determine~~  
29 ~~whether it has met the minimum conditions prescribed by the board~~  
30 ~~of governors.~~

31 ~~(7) Coordinate and encourage interdistrict, regional, and~~  
32 ~~statewide development of community college programs, facilities,~~  
33 ~~and services.~~

34 ~~(8) Facilitate articulation with other segments of higher~~  
35 ~~education with secondary education.~~

36 ~~(9) Review and approve comprehensive plans for each~~  
37 ~~community college district. The plans shall be submitted to the~~  
38 ~~board of governors by the governing board of each community~~  
39 ~~college district.~~

- 1     ~~(10) Review and approve all educational programs offered by~~  
2 ~~community college districts, and all courses that are not offered~~  
3 ~~as part of an educational program approved by the board of~~  
4 ~~governors.~~
- 5     ~~(11) Exercise general supervision over the formation of new~~  
6 ~~community college districts and the reorganization of existing~~  
7 ~~community college districts, including the approval or disapproval~~  
8 ~~of plans therefor.~~
- 9     ~~(12) Notwithstanding any other provision of law, be solely~~  
10 ~~responsible for establishing, maintaining, revising, and updating,~~  
11 ~~as necessary, the uniform budgeting and accounting structures and~~  
12 ~~procedures for the California Community Colleges.~~
- 13     ~~(13) Establish policies regarding interdistrict attendance of~~  
14 ~~students.~~
- 15     ~~(14) Advise and assist governing boards of community college~~  
16 ~~districts on the implementation and interpretation of state and~~  
17 ~~federal laws affecting community colleges.~~
- 18     ~~(15) Contract for the procurement of goods and services, as~~  
19 ~~necessary.~~
- 20     ~~(16) Carry out other functions as expressly provided by law.~~
- 21     ~~(e) Subject to, and in furtherance of, subdivision (a), the board~~  
22 ~~of governors shall have full authority to adopt rules and regulations~~  
23 ~~necessary and proper to execute the functions specified in this~~  
24 ~~section as well as other functions that the board of governors is~~  
25 ~~expressly authorized by statute to regulate.~~
- 26     ~~(d) Wherever in this section or any other statute a power is~~  
27 ~~vested in the board of governors, the board of governors, by a~~  
28 ~~majority vote, may adopt a rule delegating that power to the~~  
29 ~~chancellor, or any officer, employee, or committee of the California~~  
30 ~~Community Colleges, or community college district, as the board~~  
31 ~~of governors may designate. However, the board of governors~~  
32 ~~shall not delegate any power that is expressly made nondelegable~~  
33 ~~by statute. Any rule delegating authority shall prescribe the limits~~  
34 ~~of delegation.~~
- 35     ~~(e) In performing the functions specified in this section, the~~  
36 ~~board of governors shall establish and carry out a process for~~  
37 ~~consultation with institutional representatives of community college~~  
38 ~~districts so as to ensure their participation in the development and~~  
39 ~~review of policy proposals. The consultation process shall also~~  
40 ~~afford community college organizations, as well as interested~~

- 1 individuals and parties, an opportunity to review and comment on
- 2 proposed policy before it is adopted by the board of governors.
- 3 (f) ~~This section shall become operative on January 1, 2014.~~

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