

Assembly Bill No. 734

Passed the Assembly August 26, 1999

Chief Clerk of the Assembly

Passed the Senate August 24, 1999

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor



CHAPTER _____

An act relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

AB 734, Romero. Community colleges: finance.

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. Existing law requires the Chancellor of the California Community Colleges to calculate the revenue level of each community college district in accordance with a prescribed procedure.

This bill would require the Board of Governors of the California Community Colleges to report to the Legislature and the Governor on prescribed issues relating to community college financing, and to attempt to provide this report on or before January 15, 2000.

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

SECTION 1. The Legislature finds and declares all of the following:

(a) In 1986, Assembly Bill 3049 of the 1985–86 Regular Session (Chapter 1465 of the Statutes of 1986) called for a comprehensive review of community college financing based on the reform proposals of the Commission for Review of the Master Plan for Higher Education. The recommendations of the review were transmitted by the Chancellor of the California Community Colleges to the Legislature in 1987, and were subsequently adopted in Assembly Bill 1725 of the 1987–88 Regular Session (Chapter 973 of the Statutes of 1988).

(b) That review resulted in a restructuring of the community college financing system, aimed at making it



more consistent with the status and role of the colleges as postsecondary institutions. The new structure was based on a program-based funding formula that weighed various categories, such as instruction, instructional services, student services, maintenance and operations, and institutional support. In addition, multicollege district and small district factors were considered in funding formulas, as well as equalization funding for districts below the program-based funding standards.

(c) After a decade of experience, it is appropriate to review the funding structure in order to ensure that it provides access to high-quality educational services to California students irrespective of the college or district at which they are enrolled. To that end, the Chancellor of the California Community Colleges has convened a broad-based task force on community college funding formulas to address issues related to program-based funding, enrollment growth, equalization, cost-of-living adjustments, and noncredit instruction. For example, the task force will consider whether districts with significant underserved adult populations receive appropriate weight in enrollment growth allocation formulas.

SEC. 2. Notwithstanding Section 7550.5 of the Government Code, the Board of Governors of the California Community Colleges shall report to the Legislature and the Governor on community college financing. In preparing the report, the board of governors shall consider issues regarding program-based funding criteria, the enrollment growth funding formula, the equalization funding formula, the cost-of-living adjustment, and funding formulas for noncredit instruction. The board of governors shall attempt to provide this report to the Legislature and the Governor on or before January 15, 2000. The report shall identify any budgetary changes or statutory modifications necessary to accomplish the recommendations of the board of governors.



Approved _____, 1999

Governor

