

Date of Hearing: May 5, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 927 (Medina) – As Amended April 12, 2021

Policy Committee: Higher Education Vote: 11 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill permanently allows California Community Colleges (CCCs) to offer baccalaureate degrees.

Specifically, this bill extends the operation of the CCC statewide baccalaureate degree pilot program indefinitely and removes requirements allowing no more than 15 CCC programs offer baccalaureate degrees. Instead, the bill allows for approval of a total of 30 CCC baccalaureate degree programs per academic year. In addition, the bill allows programs previously approved to continue. The bill continues to prohibit a CCC from offering a baccalaureate degree program or program curricula already offered by the California State University (CSU) or the University of California (UC).

The bill requires a CCC seeking approval to offer a baccalaureate degree program to provide evidence of unmet workforce needs to the CCC Chancellor's Office and requires, as part of the application and review process, the CCC Chancellor's Office take a minimum of 30 working days to validate the submitted information and assess the workforce value of the proposed baccalaureate degree program. The bill also requires the CCC Chancellor's Office to consult with and seek feedback from the CSU Chancellor and the UC President on proposed baccalaureate degree programs and whether they are duplicative of existing baccalaureate program offered at CSU or UC.

The bill also requires a CCC to continue to offer an associate degree program in the same academic subject for which a baccalaureate degree program has been approved, unless the community college district has received approval from the chancellor to eliminate the associate degree program.

FISCAL EFFECT:

- 1) Ongoing GF costs to the CCC Chancellor's Office of about \$250,000 to administer the expansion of the baccalaureate degree program.

Specifically, staff would be needed to facilitate the bi-annual application process by receiving and evaluating applications and corresponding with CSU and UC, provide implementation guidance, monitor program operations and offer technical assistance to ensure programs are adequately meeting local workforce needs and to provide other program oversight. However, costs ultimately would depend on the number of CCCs that opt to provide the program.

- 2) One-time Proposition 98 GF cost pressures, of an unknown amount, to CCCs opting to develop baccalaureate degree programs at their campuses. Costs would include development of programs and applications for program approval. According to CCCs who participated in the pilot program, the costs of program development and application process were largely absorbable within typical annual program approval processes for associate degrees and career technical education programs. Ongoing costs of providing these programs would be offset by state apportionments and student fee revenues.

Since participation by CCCs is voluntary, any associated costs are not reimbursable.

- 3) Potential ongoing Proposition 98 GF costs to provide apportionment funding to support students in baccalaureate degree programs, to the extent these students would not have otherwise enrolled at a CCC, as discussed in more detail in comment #2.

COMMENTS:

- 1) **Background.** The 1960 California Master Plan for Higher Education established a three-tier system of public postsecondary education for the state's students. CCC is to provide lower-division coursework leading to associate degrees and university transfer; CSU is to provide undergraduate degrees and graduate instruction for master degrees; and UC is to provide undergraduate degrees and graduate coursework for master degrees and doctoral degrees. The Legislature has authorized CSU to go beyond its original mission to offer four professional doctoral degrees, including Doctor of Audiology, Doctor of Education, Doctor of Physical Therapy and Doctor of Nursing. Additionally, CSU offers applied doctorates that are not duplicative of degrees offered by UC.

Recent legislation also authorized CCC to go beyond its original mission. SB 850 (Block), Chapter 747, Statutes of 2014, authorized the CCC Board of Governors, in consultation with CSU and UC, to establish a baccalaureate degree pilot program. The pilot program allowed up to 15 community college districts to offer one baccalaureate degree program each to meet local workforce needs as long as the program did not duplicate a baccalaureate degree program already offered by CSU or UC. Eleven types of baccalaureate programs ultimately were offered by CCCs, including automotive technology, industrial automation, mortuary science, dental hygiene and equine and ranch management. In the 2018-19 academic year, about 700 students were enrolled across all programs. The pilot is to sunset July 1, 2026.

The Legislative Analyst's Office (LAO) conducted interim and final evaluations of the baccalaureate degree pilot program. The final report, completed in 2020, found the most common benefit of the pilot cited by students was the relatively low cost of attending a community college baccalaureate degree program. The report also found no notable issues with the academic quality or rigor of the pilot programs. However, the report found several programs were very small, indicated limited student interest and also found little evidence that graduates from these pilot programs were helping employers fill hard-to-staff positions.

In its conclusions, the LAO indicates that if the Legislature extended the pilot, it should condition continued operation on programs meeting certain enrollment. The LAO also recommended the Legislature require the program to provide more concrete evidence demonstrating workforce need. The LAO also encouraged the Legislature to consider requiring a longer time line for reviewing applications, a clearer process for consultation with

CSU and more detailed fiscal accounting guidelines. The LAO also found the supplemental fee students pay for the pilot program, described in more detail in comment #2, did not appear warranted.

This bill makes several changes to the application timeline, the consultation process and the demonstration of workforce need. The bill does not contain more detailed fiscal accounting guidelines or enrollment and graduation targets for continued operation.

- 2) **CCC Program Funding.** The state provides annual per-student Proposition 98 GF to CCCs at the same rate for a student participating in a baccalaureate degree pilot program as for a student participating in an associate degree program or other credit-bearing program at CCCs. In the 2020-21 academic year, annual per-student apportionment funding to a CCC for a student participating in an associate degree program or other credit-bearing program is \$4,009, with additional funding of up to \$1,648, based on student demographics and performance outcomes.

A student participating in the baccalaureate degree pilot program pays the same amount as they would per unit for participating in an associate degree program, \$46 per unit, plus a supplemental fee of \$84 per unit, for a total cost of \$130 per unit. Low-income students have their base per-unit amount covered by CCC institutional aid, and may be eligible for additional financial aid to cover the supplemental fee. Both forms of aid are gift aid, meaning students do not have to pay them back. In total, the cost of tuition for a four-year baccalaureate program offered at CCC is \$10,560. Tuition for a baccalaureate program at CSU totals \$22,968, and tuition and systemwide fees for a four-year baccalaureate program at UC totals \$50,280.

- 3) **Prior Legislation.** SB 874 (Hill), of the 2019-20 Legislative Session, would have extended the operation of the statewide baccalaureate degree pilot program indefinitely. The bill was held in the Senate Committee on Education.

SB 769 (Hill), of the 2017-18 Legislative Session, would have extended the operation of the statewide baccalaureate degree pilot program until July 1, 2028. The bill was held in this committee.

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