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December 7, 2011

Mr. Drew Bohan
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

RE: Minimum Conditions for State Aid: Parameters and Guideline

Dear Mr. Bohan:

The Department of Finance (Finance) has reviewed the proposed Parameters and Guidelines (Ps and Gs) for the Minimum Conditions for State Aid (02-TC-25 and 02-TC-31) mandate. In general, the Ps and Gs appear to be consistent with the Statement of Decision (SOD) adopted by the Commission on State Mandates (Commission) on May 26, 2011. However, Finance has the following concerns and requests that the Ps and Gs be amended accordingly:

Curriculum Standards

The SOD specifically states that Education Code section 70902 (b)(2)(A) requires community college districts (CCDs) to establish policies for educational programs and to approve educational programs. It further establishes that Education Code section 70902(b)(2)(B) requires the establishment of policies for the approval of individual courses offered as part of a program that has already been approved by the Board of Governors (BOG). The proposed Ps and Gs combine these two requirements so that CCDs are required to establish policies for courses of instruction and educational programs including those courses that are offered in approved programs "without referral to the board of governors". It is unclear whether the individual courses or the educational programs are "without referral to the board of governors". Finance requests that the activities be separated to avoid confusion.

The Ps and Gs would allow costs associated with submitting all courses of instruction to the BOG for approval regardless of whether or not they are offered as part of an approved educational program. However, Education Code section 70902(b)(2)(A) acknowledges that not all courses of instruction must be submitted to the BOG and that under specified conditions, may be offered without the approval of the BOG; therefore, the Ps and Gs should be clarified to reflect this distinction.

Open Courses

The Ps and Gs include references to the Ps and Gs for the Discrimination Complaint Procedures mandate; however, the purpose or value of these references is unclear. In order to avoid any confusion and inappropriate claims, the Ps and Gs should explicitly state what is needed instead of referencing the parameters and guidelines of a separate mandate. Therefore, Finance requests that the references be removed and the appropriate language be added.

Shared Governance

Section IV, subsection B, paragraph 4, of the Ps and Gs addressing release time states that activities related to granting release time for faculty members elected to serve as president and vice president of the Academic Senate are reimbursable, but subject to offsetting revenue provided to the Academic Senate by the annual Budget Act. However, the offsetting revenue language is omitted from subsequent paragraphs addressing allowable costs associated with the identification of release or reassigned time and the certification of the of the release time by the Chancellor's Office under specified conditions. Paragraph (c) of title 5, section 53207 of the California Code of Regulations (CCRs) specifies that if the Chancellor confirms the district certification, the district shall be reimbursed at the full-time temporary replacement cost. It further states that districts will be reimbursed by the Academic Senate for reasonable and documented administrative costs associated with hiring faculty to replace the faculty serving as president and vice president of the Academic Senate. We believe that all of the costs related to the activities of granting, identifying, and certifying release time for faculty members serving as president or vice president for the Academic Senate should be subject to offsetting revenue provided to the Academic Senate and that the Ps and Gs should be amended to reflect the offsetting revenue source.

Section IV, Subsections C and D, of the Ps and Gs addressing district and college staff and students incorrectly allows for costs associated with activities related to CCR, title 5, sections 51023.5 and 51023.7. While the Commission identified state-mandated activities related to Education Code 70902 (b)(7) which directs districts to establish procedures consistent with CCR, title 5, sections 51023.5 and 51023.7, the activities associated with these regulations are not mandated activities because CCDs do not face practical compulsion to comply. Consequently, Subsections C and D of Section IV should be amended to only reflect the allowable costs created by Education Code section 70902, subdivision (b)(7).

Transfer Centers

Section IV, Subsection A, of the Ps and Gs addresses activities related to the creation of a comprehensive transfer system; however, the SOD determined that while CCDs are accountable for the development and implementation of formal systemwide articulation and transfer agreements and other appropriate procedures to support and enhance the transfer function, Education Code section 66738 (b) does not require CCDs to create a comprehensive transfer system. Therefore, Finance requests that the activities associated with establishing a comprehensive transfer system be removed from the Ps and Gs.

In Section IV, Subsection B, the Ps and Gs allow for costs associated with the activities for the establishment and approval of courses of instruction. However, the SOD states that CCDs have been required to engage in the applicable activities mandated by Education Code section 70902, subdivision (b)(2)(B), CCR title 5, sections 55100, subdivision (b), and 55130, subdivision (c) since 1971 and, therefore, do not constitute a reimbursable mandated activity. Therefore, Finance requests this section be removed from the Ps and Gs.

Section IV, Subsection C, of the Ps and Gs inappropriately cites title 5, section 51027 of the CCRs as requiring services to be provided by transfer centers; however, the SOD determined that this regulation did not constitute a reimbursable state-mandate. Therefore, Finance requests the detailed activities relating to services required in transfer centers be removed from the Ps and Gs.

Additionally, Section IV, Subsection C, of the Ps and Gs identify activities related to evaluation and reporting. The SOD acknowledged the requirement of annual state reporting of statistical data and information on transfer students as being a reimbursable state mandated activity; however, districts are not required to perform internal evaluations of the effectiveness of the college's transfer efforts or the achievement of the transfer center plan. Any internal evaluation of the college's transfer programs by a CCD is voluntary and does not constitute a state-mandate activity; therefore these activities should be removed from the Ps and Gs.

Finally, several sections of the proposed Ps and Gs are incomplete. We concur with the State Controller's Office recommendations that incomplete sections be fully completed as appropriate. Furthermore, a consolidated Ps and Gs that incorporate the format of the reimbursable activities similar to the SOD would reduce confusion and provide clarity for the claimants and other parties.

If you have any questions regarding this letter, please contact Ed Hanson, Principal Finance Budget Analyst, at (916) 445-0328.

Sincerely,



Nick Schweizer
Program Budget Manager