Memorandum

To: Members of the Board of Trustees  Date: March 30, 1976

From: Glenn G. Gooder, Superintendent-President

Subject: DEPARTMENT OF FINANCE PROPOSALS

Attached are summaries of Findings and Recommendations from a Finance Department report on proposed reforms in adult education in community colleges, high schools, and ROP's. I thought you would be interested in these summaries. They are contained in a 64-page report issued in February.

GGG:ba
Attachment
SUMMARY OF FINDINGS

1. There is currently no commonly accepted definition of adult education. For all practical purposes adult education may be defined as those educational programs designed for anyone who is legally an adult, that is, over 18 years of age. This report deals with only a portion of the available public educational programs for adults and includes:
   . Community Colleges
   . High School Adult Programs
   . Regional Occupational Centers and Programs

2. In the last several years growth rates in these programs have been dramatic. From the Fall of 1970 to the Fall of 1974, enrollments in community colleges, high school adult programs and regional occupational centers and programs (ROC/P's) increased from 1.3 million to 1.9 million; an increase of approximately 45 percent. Accompanying the 45 percent rise in enrollments has been a 138 percent increase in the state funds supporting these programs: from $175.6 million to $418.8 million.

3. In its earliest stages, adult education was primarily directed to instruction in literacy and citizenship. Over the past 100 years, adult education has been broadened to include high school diploma programs, technical and vocational training, general education and many course offerings of a personal interest and recreational nature.
4. With the broadening of the clientele served and curriculum offered, there have been a number of successive attempts to define the obligations of the State for the support of adult education.

5. Currently, state funding priorities are based solely upon student age and seat time (defined adult vs. other than defined adult) rather than upon the type of program or course of study. Present state funding formulas make no distinction between those academic and vocational courses and programs that clearly contribute to a literate and productive society, and those personal interest and recreational courses whose contribution is less self evident.

6. There are indications that the state-level controls in the administration of adult education are weak and ineffectual:

a. The course approval process does not appear to provide state-level officials with adequate controls. Approvals are almost automatic due to inadequate state regulations governing course approvals.

b. There appears to be a lack of effective program monitor and review activity by responsible state administrative agencies for insuring compliance with Education Code and Administrative Code provisions.

c. Educators generally agree on the criteria to be used in determining which vocational programs are exemplary, but no curriculum guidelines have been adopted.

d. There is a lack of periodic assessment and evaluation of vocational programs designed to insure that vocational programs are needed and are of a consistently high quality.
e. Administrators in the field have limited state guidelines and program information to guide them in educational planning.

7. There is a need to clarify the division of labor between high school adult programs, community colleges and regional occupational centers and programs (ROC/P's). While the enactment of Chapter 1269, Statutes of 1975 (AB 1821) promises to provide for a more careful monitoring of potential course duplication, there is at present no system which directs enrollment in essentially similar classes to the segment which can offer them at the least cost to the taxpayer at a given level of quality.

8. Chapter 14, Division 6 of the Education Code established ROC/P's as a separate delivery system for vocational training. The Education Code, however, is not clear whether ROC/P's are subject to the same fiscal accounting controls as school districts. There is a need to clarify the Code and subject ROC/P's to the same controls as school districts in order to preserve the fiscal integrity of public education.

9. Current school finance formulas provide several incentives for school districts to expand their low cost adult course offerings.

a. Present apportionment formulas provide the full foundation program amount for each additional "other than defined adult" ADA generated by an equalization aid school district. Often this is sufficient not only to cover the cost of a course, but also to generate a surplus.

b. The current revenue control system of financing adult programs guarantees an amount of revenue for each ADA that often exceeds the costs of adding that ADA in an adult program.
c. The revenue control system, which automatically entitles a district to a revenue limit amount per ADA, also acts as a disincentive for districts to establish their priorities. State and local funding under the revenue control system automatically follow local decisions to expand courses and programs.

10. Due to a phenomenon known as "reverse slippage" in programs where ADA is growing rapidly, state costs will increase at a rate which is substantially higher than the rate of increase in ADA. If present school finance mechanisms are not changed, state costs for the adult program can be expected to increase at a rate which is double or triple that of the rate of increase in the ADA in these programs.

11. The Budget Act limitation of a 5 percent increase in state support for adult enrollments in 1975-76 results in state apportionments of $127.6 million less than would have been apportioned under the existing Education Code provisions. State apportionments will increase $162.4 million above the 1976-77 Governor's Budget if the 5 percent limitation is not continued or statutory reforms are not enacted.
SUMMARY OF RECOMMENDATIONS

We recommend that:

1. The Education Code be amended to define more clearly the essential state interest and policy regarding adult education. (P. 12)

2. The Education Code be amended to eliminate state apportionments for recreational courses in high school adult schools and community colleges, commencing with the 1977-1978 fiscal year. (P. 13)

3. The Legislature charge the Department of Education and the Chancellor's Office of the Community Colleges with the responsibility for developing by April 1977, the Title V regulations necessary to insure that state funding is not apportioned to recreational courses. (P. 13)

4. The Education Code be amended to prohibit state apportionments for any course offered for the benefit of a restricted clientele in a location not accessible to the general public. (P. 15)

5. The Education Code be amended to restrict community colleges to offering courses for credit in lower division degree, certificate and approved occupational programs. Community colleges shall not provide state-supported noncredit continuing education courses for adults. All community college noncredit courses shall be funded from the community service permissive override tax. (P. 17)
6. The Legislature require the Board of Governors of the California Community Colleges to adopt Title V regulations requiring that all credit courses proposed by a college for inclusion within an existing program of study after July 1, 1977 also be approved by the Chancellor's Office to be eligible for state apportionments. (P. 17)

7. The Education Code be amended to specify that high school adult schools have the responsibility for providing state supported non-credit courses of all types including vocational. (P. 17)

8. The Education Code be amended to specify that adult basic education and high school diploma classes as well as those for General Equivalency Diploma test preparation for adults be the responsibility of the high school adult schools. (P. 17)

9. The Education Code be amended to provide that all joint-powers ROC/P's be governed by a board composed of members currently serving on school boards in the districts served by the ROC/P. (P. 17)

10. The Education Code be amended to provide that ROC/P enrollments be limited to concurrently enrolled high school students and that high school adult schools contract with the ROC/P's for the provision of vocational training. (P. 17)

11. The Education Code be amended to specify that occupational programs offered by these three entities shall be open to the general public and shall not supplant existing public or private courses or training. (P. 18)

12. The Legislature require the State Department of Education and the Chancellor's Office of the Community Colleges to prepare for
distribution by April 1, 1977, a detailed handbook for use by local educational agencies and regional councils established by Chapter 1269, Statutes of 1975 (AB 1821). The Handbook shall contain course approval criteria, implementation plans for Title V Regulations, procedures for securing course or program approval and the role of employers and their financial responsibilities if they are the sole or primary beneficiary of public manpower training programs. (P. 20)

13. The Education Code be amended to require that the State Department of Education and the Chancellor's Office monitor and review courses and programs for compliance with applicable statutes and regulations. (P. 20)

14. The Chancellor's Office of the Community Colleges in conjunction with the California Postsecondary Education Commission develop specific and complete standards for courses that may be credited toward an associate degree. (P. 21)

15. The Legislature require the State Department of Education and the Chancellor's Office of the Community Colleges to jointly develop curriculum standards for all occupational programs beginning January 1, 1977. (P. 21)

16. The Education Code be amended to require that each vocational program director provide students upon enrollment, information concerning the most reliable unbiased estimate of labor supply, employment and demand, wages and placement success in the student's chosen vocational field. (P. 21)
17. The Education Code be amended to require that all ROC/P's be subject to the same procedures and fiscal and accounting controls as school districts. Specifically we recommend that:

a. Governing boards shall hold public meetings and adopt budgets in public, as specified in Education Code 960 and 30504.

b. Governing boards shall be responsible for the development and approval of all courses and programs offered. (EC Chap. 2, Art. 1, Sec. 8001, 8002, 80514, 8057)

c. An annual audit be conducted in accordance with standards prescribed by Education Code Sections 1075.8 and 17206.

d. The governing board shall approve any budgetary transfers between expenditure classifications and undistributed reserves as required in Education Code Section 20951.

e. There shall be limitations on the use of revolving cash funds as specified in Education Code Section 21301-21306.

f. Powers to contract with other agencies shall be limited for ROC/P's in a manner similar to that specified in Education Code Article 7, Sections 1061-1066 and Article 4, Sections 15951-15963.

g. ROC/P's shall be authorized and limited to investment of funds as specified by Education Code Section 17203.

h. ROC/P's manage their fiscal affairs in accordance with the California School Accounting Manual as prescribed by Education Code Sections 17199 and 17200. (P. 22)

18. The Legislature amend the Education Code to eliminate the present system of funding high school adult programs, ROC/P's and community colleges and adopt the reform financing system described in Section IV, PP 30-44 of this report.
19. The Legislature amend the Education Code to require community colleges to charge a student services fee to finance student personnel services. We further recommend that:
   a. The fee be established at a level commensurate with the amount necessary to fund these services.
   b. The amount of the fee be phased in over a three-year period to allow the Board of Governors of the Community Colleges time to establish the policies and procedures applicable to this program.
   c. The Board of Governors of the Community Colleges develop procedures, adopt Title V regulations and recommend legislation necessary to assist low income, needy students in paying these fees either through financial aid or student assistance programs.
   d. The Board of Governors develop Title V regulations to insure that student services programs are established in a manner which is responsive to the needs of the students and which will reflect their financial participation.
   e. The student services fee revenues be treated as an abatement against state apportionments for community colleges. (P. 46-51)

20. Other ROC/P fiscal reforms:
   a. Allow no more than four hours ADA credit per day per student in ROC/P's.
   b. One ADA in ROC/P's would equal 700 classroom hours. (P. 44-46)