



ANNUAL LEGISLATIVE PROGRESS REPORT 2010

Glendale Community College District



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October, 2010

Dear President, Trustees, Faculty, Staff and Students:

In times like these, accountability is key, and transparency is critical. So we'll get right to the point. Exactly what does Glendale Community College District receive in return on their investment of time and money with McCallum Group, Inc.? And what have we done for your District lately?

As the Glendale District's constant presence and consistent voice in Sacramento, we vigilantly monitor legislative and regulatory developments and diligently initiate and influence state-level changes to help your District:

- Sustain access and programs necessary for student success.
- **Protect resources** threatened by proposed policy changes.
- *Mitigate* painful budget cuts when necessary.
- *Gain* maximum funding and momentum whenever possible.

We navigate a very complex process by going above and beyond our frequent meetings with legislators. On the Glendale District's behalf, we ensure that you are heard and remembered at an *individual* District level as we:

- **Develop** and articulate your legislative priorities.
- *Nurture* long-term relationships with the many agencies of the Executive Branch of state government, including the Chancellor's Office.
- *Provide* sought-after, expert analysis for legislative, committee and executive staff regarding critical community college issues.
- *Influence* policy positions and build coalitions among the League, the Chancellor's Office, faculty groups and a host of other stakeholders.

As a result, this year Glendale could receive approximately \$2.8 million in additional funding despite the state's \$19 billion shortfall.

And of Glendale's five major reform initiatives, we accomplished three of them immediately and passed legislation that will set up policy discussions on one more

We also proactively engage your input and respectfully value your front-line involvement. We don't assume that your priorities are the same as every other district in the state. We know better. Given the mission of your college, nothing could be more important than hearing first-hand from those responsible for serving our students.

On behalf of the entire McCallum Group Team, we thank you for your trust and we appreciate our work together. We look forward to serving you in the year to come.

Best regards,

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1 | Executive Summary:

"The best way to predict the future is to create it."

— PETER DRUCKER

In a year with the worst California economy since the Great Depression, uncertainty abounded as the State budget presented the biggest challenge for community colleges.

Democrats started the year focused on three main issues: CalWORKS, Child Care and a minimum level of funding for K-12 education.

For Republicans, the highest priority was not increasing taxes.

For McCallum Group, the highest priority in 2010 was advocating to create a brighter future for Glendale Community College District. And that's what we did.

We are your voice in Sacramento, navigating a highly complex, ambiguous landscape of influence and policymaking to ensure that Glendale is consistently heard and remembered among a chorus of competing groups clamoring for attention and influence.

To ensure the success of Glendale's external legislative priorities, we began our input on bill analysis, Title 5 changes, executive orders, and briefings before they were even presented publicly, and continued to provide input through adoption and implementation.

As always, we are honored to protect your best interests and continually earn your trust.

Glendale District goals for 2010 included:

- Protect base funding
- Fund access and keep fees low
- Create guaranteed transfer path
- Create a single assessment tool
- Create basic skills funding model

Of the five major reform initiatives, we accomplished three of them immediately and passed legislation that will set the foundation for policy discussions on one more.

As a result, Glendale could receive approximately **\$2.8 million in additional funding**, despite a \$19 billion budget shortfall.

In addition to providing for a year-over-year funding augmentation, McCallum Group successfully got Republicans and Democrats in both the Senate and the Assembly focused on community college funding, and we defeated a proposal to increase fees to \$40/unit. Additionally, we defeated two budget policy proposals that would have been harmful to Glendale categorical programs.

Bottom Line:

Despite the state's \$19 billion shortfall, Glendale could receive approximately \$2.8 million in additional funding.

2 | Budget Strategy & Results

Budget Strategy

In 2010, California experienced one of the most difficult budget situations ever. With the collapse of the financial markets, the general fund budget shrunk from about \$100 billion to just over \$85 billion.

In order to fund CalWORKS, Child Care, provide funding above the Governor's proposal for K-12, as well as provide for the Governor's level of growth funding without a negative COLA, legislative leaders needed to provide for approximately \$3 billion in revenues above the Governor's budget proposal.

The last two budget cycles have been some of the most difficult in the history of community colleges. However, with strategic messaging, targeted outreach and a constant political presence, McCallum Group has managed to mitigate many of the potential cuts to Glendale. Over the course of the last two years, McCallum Group has provided for approximately \$6 million in funding to Glendale.

Budget Results

McCallum Group, in coordination with community college leadership, is the principal designer behind the budget strategy of the Glendale district and a statewide coalition.

We spent many hours developing and implementing a budget strategy for Glendale and coordinated a collaborative effort by the League, the Chancellors Office, as well as other community college districts throughout the state.

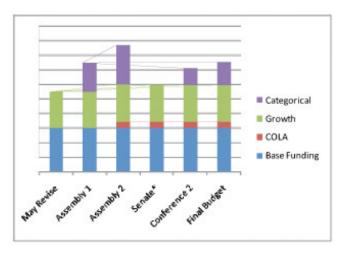
As a result, by successfully advocating for growth funding and low fees, we ensured that students will gain access to Glendale courses during these difficult economic times.

McCallum Group also protected Glendale funding by defeating a number of critical budget policy issues that would have seriously impacted the district:

- Retained thousands of dollars in Glendale basic skills categorical funding by defeating proposal to allocate basic skills funding on a performance-based model.
- Prevented a shift of \$260,000 of categorical funding from both part-time faculty and EOPS to augment CTE.
- Sustained more accessible fees by defeating LAO proposal to increase student fees to \$40/unit.
- Retained approximately \$2 million in Glendale funding for PE Courses by defeating LAO proposal to reduce base funding for PE courses by \$150 million
- Gained over \$1.1 million for Glendale in additional proposed funding in the Conference Committee budget. McCallum Group was the principal driver in increasing community college allocation in Assembly/Democratic budget proposal that would have added \$4 billion to Proposition 98 funding, but only \$100 million to community colleges.







^{*} Included Basic Skills and Financial Aid Language Defeated by McCallum Group

Budget numbers

- 1. Total Protected Funding = \$5 million
- 2. Total Additional Students Served = 800

GLENDALE LEGISLATIVE PRIORITIES

ITEM	CONFERENCE COMMITTEE	GOVERNOR	FINAL	GLENDALE CCD
Enrollment Growth	\$126 million	\$126 million	\$126 million	\$1.68 million
Categorical Funds	\$60 million*	No augmentation	\$80 million**	\$1.07 million
COLA	No negative COLA	-\$23 million	No negative COLA	\$308,000
Fees	No increase	No increase	No increase	No increase
Mandate	N/A	N/A	\$9.5 million	\$127,000
Deferral	No Deferral	No Deferral	\$189 million	\$2.53 Million

^{*\$35} million to backfill ARRA funds and \$25 million in Economic Development

Bottom Line:

In a year when the state was seeking to mitigate a \$19 billion budget gap, McCallum Group effectively lobbied for what could result in increased funding plus protection of funding of over \$5 million to the district's state funding without a fee increase.

^{**} Backfill of ARRA funds, Economic Development, and additional \$20 million in CTE

Influencing Policy

McCallum Group's role in influencing policy goes beyond sponsored legislation.

As Glendale's consistent presence and voice in Sacramento, McCallum Group's job begins long before bills are introduced or regulations are drafted.

As a respected source of community college expertise, McCallum Group is frequently consulted on new ideas and requested to give political and policy analysis on proposals— often before they are made public.

Thousands of bills. Hundreds of changes. One consistent presence.

Every two-year session approximately 5,000 bills are introduced. There are also hundreds of regulatory changes in various state agencies over that same period of time. We monitor every proposed change and analyze the impact that it will have on Glendale.

Of those 5,000 bills, approximately 150-200 will have some impact on the Glendale Community College District while there will be 10-15 regulatory changes that impact the district. We track, analyze and provide input to every measure that would somehow affect Glendale, and often actively engage Glendale in policymaking conversation so that we can better protect your interests.

Influencing Policy: A Case Study

Major areas of policy change are initiated annually by a myriad of interest groups. Many of those policy proposals would negatively impact Glendale, but some have potential and simply need a few "tweaks" for the legislation to greatly benefit the district.

SB 1143 (Liu) is a good case study in how McCallum Group's persistent, consistent influence in Sacramento benefits the district.

Situation:

In its original form, SB 1143 (Liu), sponsored by the Los Angeles Chamber of Commerce, would have established a performance-based funding model and:

Created a second community college census date

Based apportionment funding partially on retention rates for community colleges.

If this bill passed as written, Glendale would have lost funding for every student that failed to complete a course, regardless of the reason or level of readiness—at a time when support services are being cut by 43%.

Challenges:

Crafting the final version of the measure and generating sufficient support to get it to the Governor was challenging, because:

- Incremental amendments improved this bill and yet still contained provisions establishing a performance-based funding model for community colleges.
- Ambiguous support—Many on the right opposed the measure because it was not "strong enough" to generate change, while those on the left were still concerned about the direction the bill would go given its initial incarnation.



Influencing Policy: A Case Study, Continued

Phases of Influencing Policy:

Phase One: Analysis and Advocacy

McCallum Group met multiple times with the author and the sponsors who agreed to amend the bill so that any lost funding would remain in the community college system.

Result: An amended bill that retained funding but still contained performance-based funding provisions.

Phase Two: Coalition-building

McCallum Group gathered a coalition of opposition that included the Chancellor's Office, the League, the Faculty Association of California Community Colleges and other faculty groups, and a number of community college districts.

Result: A last-minute deal amending the bill garnered sufficient support to move the bill off of the Senate floor by requiring that a Board of Governors Task Force be established, and yet still contained provisions establishing a performance-based funding model for community colleges.

Phase Three: Input and Analysis

McCallum Group gathered input and analysis on the measure from our clients, including Glendale.

Result: Potential language that could go into the bill that would benefit Glendale.

Phase Four: Crafting Amendments, Building Support

McCallum Group worked with the Assembly committee staff and the committee Chair to craft amendments based on input from Glendale that removed references to performance-based funding and included language focusing on basic skills and integrating technology into student success.

McCallum Group then reached out to other districts, the League, faculty groups and the Chancellor's Office to garner sufficient support to move the bill with the new language out of policy committee, off the floor and to the Governor's Office.

Result: The Governor signed the bill.

Phase Five: Laying a Foundation for Future Success

References to performance-based funding were removed and laid the foundation for reforms in basic skills funding and technology usage to ensure student success. This revised focus provides a platform to showcase many of the successful programs that are already underway at Glendale while creating a vehicle to possibly provide funding for many of these programs.

Specific Policies Impacting Glendale

In addition to the five major policy goals, the McCallum Group team monitored thousands of bills, budget proposals and agency regulations focusing on those that would have a major impact on the Glendale College District.

We also protected Glendale's best interests in the face of major reform proposals pushed by outside groups that threatened to impact community college budgets and programs, and engaged in significant negotiations regarding retirement benefits.

Funding

Community college funding is now entering the post-SB 361 period, which creates dramatic implications for Glendale. While SB 361 added millions to the district's base funding, Glendale's primary service county is projected to have dramatic decreases in the number of students that will graduate from local high schools which will negatively impact the district's growth funding allocation. McCallum Group has already begun laying foundational steps to address this problem:

- McCallum Group retained Glendale funding by brokering the deal that successfully amended SB 1143 (Liu) to remove references to performance-based funding and instead inserted language that lays the foundation for community college funding discussions and the usage of technology to improve student success.
- Enhanced Basic Skills Funding—Initiated serious discussions regarding an enhanced basic skills funding formula.

Programs

McCallum Group was vigilant in influencing policy decisions and involved in many negotiations to craft policy that benefit Glendale. Some of the year's major policy proposals impacting Glendale's programs include:

- Accelerated nursing pilot program McCallum Group successfully took the lead in advocating
 for amendments to remove provisions of Speaker Pérez's AB 2823 that would have authorized
 community college districts to charge a differential fee for nursing and allied health programs.
- Electrician Certification McCallum Group involvement protected Glendale's electrician certification training program by negotiating and successfully amending the bill AB 2523 (Eng.)
- Financial Aid McCallum Group successfully advocated for amendments to a proposal that would have required the FAFSA form to be the default form for students to apply for a BOG fee waiver. The amendments, crafted in coordination with Glendale staff, would have created a pilot project to examine the best practices for maximizing state and federal financial aid for community college students.



Retirement and Compensation

McCallum Group serves as the primary representative for Glendale in the CalSTRS Retirement Coalition and before the CalSTRS Board. With the scandal in the city of Bell and a focus on pension reform, 2010 was a busy year for retirement and compensation advocacy.

- CEO Contracts McCallum Group took the lead in advocating for amendments to AB 827 (De La Torre) that remove provisions that would have required the board to publicly summarize a district Chancellor's performance review prior to authorizing a raise above COLA. Additionally, we successfully got a letter to the journal specifying that the bill's provisions only apply to district Chancellors and not administration.
- Anti-spiking measures We successfully advocated for amendments to AB 1425 (Simitian) providing authority to CalSTRS to establish regulations regarding "spiking" of pension benefits. Lobbied for greater flexibility on earnings provisions requiring 180-day waiting period.

Facilities and Contracting

- **Retained visibility for Glendale's projects** by successfully maintaining budget capital outlay project list proposed by Chancellor's Office even though state funding is not available at this time.
- Saved Glendale additional costs of approximately \$5,000 per roofing project by taking the lead in successfully opposing AB 635 (De La Torre) and crafting amendments to remove provisions requiring independent roofing consultants and to provide for exemption for emergency projects.

Regulations

In addition to monitoring and actively influencing legislation, McCallum Group monitors the many commissions and state agencies whose policies and regulations impact community colleges. The agencies range from the system Chancellor's Office to the Student Aid Commission to the California Energy Commission.

 Alternative Cal Grant delivery – McCallum Group monitored and provided input into the development at the Student Aid Commission of the proposed decentralized delivery model for Cal Grants.



4 | Legislative Accomplishments

Major Initiatives

■ SB 1440 (Padilla) — Requires community college districts to establish degrees for transfer that would guarantee students completing their requirements a slot at a CSU campus in junior standing. Students completing this degree pathway would also be provided priority enrollment to their local CSU campus.

Location: Signed by the Governor **Policy Goal:** Transfer guarantee

■ SB 1143 (Liu) — Requires the Board of Governors of the California Community Colleges to adopt a plan for promoting and improving student success and to establish a task force to examine the best practices within community colleges and effective models throughout the nation for accomplishing student success.

Location: Signed by the Governor **Policy Goal:** Basic skills funding model

Disappointments

AB 2682 (Block) – This measure requires the Chancellor's Office, using foundation and other non-state resources, to develop a single assessment exam that colleges may utilize for purposes of assessment and placement of students. The measure also requires the Chancellor's Office to establish a repository of student assessment exams that could be accessed by local districts for purposes of assessment and placement.

Location: Vetoed by the Governor **Policy Goal:** Single assessment

Next Steps: Still being pursued by Chancellor's Office

■ AB 1997 (Portantino) – This measure requires the Chancellor's Office to create a pilot project to increase student participation in both state and federal financial aid programs. The pilot would be voluntary and would include up to 10 campuses that may participate in the pilot

Location: Vetoed by the Governor **Policy Goal:** Financial aid expansion

Next Steps: Ongoing move to shift BOG waiver to FASFA may be another initiative next year

■ SB 1460 (Cedillo) – This measure would expand AB 540 students to include those that graduated from a secondary school and would have made AB 540 students eligible for all forms of California financial aid, including community college Board of Governors fee waivers.

Location: Vetoed by Governor **Policy Goal:** Increase Access



Major Bills of Interest

LEGISLATION	DESCRIPTION	CURRENT LOCATION
SB 82 (Hancock): Transportation Fees	Increase the maximum amount a district may charge for transportation plus parking services from \$60/semester to \$70/semester and increase the cap annually pursuant to the implicit price deflator.	Signed by Governor
SB 1425 (Simitian): Retirement Benefits	Prohibits pension spiking by, (1) authorizing CalSTRS and CalPERS to not include in retirement calculations any compensation they deem to be included strictly for the purpose of increasing one's retirement benefit; (2) limiting cash conversions of employee benefits and prohibiting final settlement payments from being included in retirement calculations; (3) prohibiting a retiree from returning as a retired annuitant prior to 180 days after retirement; and (4)defining which forms of compensation can be credited to the DB retirement and which forms must go to DBS.	Vetoed by Governor
SB 1460 (Cedillo): AB 540 Financial Aid	Expands AB 540 resident tuition benefits to include those who graduated from secondary school or achieved the equivalency thereof, rather than just high school. Also provides that AB 540 students are eligible for state financial aid, including the CCC Bog Fee Waiver program.	Vetoed by Governor
AB 220 (Brownley): Education Facilities	Would have placed an education bond on the November 2010 ballot, with community colleges receiving approximately \$800 million for CCC construction.	Held in Committee
AB 2302 (Fong): Transfer	Requires the CSU and Office of the CCC Chancellor to work together to establish methods to inform students, college advisers, and the general public about transfer pathways. Also requires the Chancellor of CCC to establish a process to facilitate the identification of courses that satisfy lower division preparation requirements throughout the CC system. Requests the UC to work in collaboration with the CCCs to design degrees that provide preparation for entry into a UC major.	Signed by Governor
AB 2297 (Brownley): Nonresident Fees	Authorizes a community college district to utilize alternative methods to calculate its nonresident fee level, and requires additional funding generated from those alternative calculations be used to enhance programs for resident students.	Signed by Governor
AB 2385 (Peréz): Allied Health Pilot Project	Creates an allied health and nursing degree pilot project to be developed in the Chancellor's Office and awarded to 5 campuses. The campuses would be required to provide specified services, such as tutoring, and accelerated to participating students and would receive enhanced funding for those services. The measure would authorize the Chancellor's Office to collect federal grant funds and private philanthropic donations for the program.	Signed by Governor

5 | Issues for 2011

While there were many great accomplishments for the Glendale Community College District in 2010, many of the policy and regulatory decisions that were made this year will serve to set up further policy and implementation discussions for 2011.

So that we can better strategize for the upcoming year on Glendale's behalf, McCallum Group conducted a survey of major education policymakers, including:

- Legislators, committee and administration staff
- Campaign policy staff for the major gubernatorial candidates
- The Legislative Analyst's Office
- Major foundations and nonprofit political organization.

We included questions regarding their focus on education issues for 2011 and what issues they believe will generate major policy discussions. Based on the results of this survey, we are identifying leverage points that will best position Glendale in the implementation of these important policy and budget decisions.

It is important that Glendale is able to provide up-to-date and timely analysis as actions are taken and decisions are made in Sacramento, as each of these major policy and budget choices will impact different districts differently:

- Transfer task force even with SB 1440 (Padilla) signed, there are a number of outstanding issues related to transfer. The Chancellor's Office may be convening an implementation task force that will look at the issues surrounding the implementation of the transfer degree. Some of these issues may require further legislation.
- Common assessment While AB 2628 was vetoed, the Chancellor's Office will continue to development of a single assessment tool and it may be an issue in the January budget. The development of a common assessment and the delivery of that test will be issues in the implementation of CCC Assess.
- Increasing financial aid opportunities While AB 1997 (Portantino) was vetoed, we expect the issue of increasing student access to Pell Grants to continue to be a major issue for community colleges.
- Accelerated nursing pilot program The Chancellor's Office will be tasked with developing the
 regulations to create accelerated nursing and allied health programs at up to five community
 colleges in California.
- Student success SB 1143 (Liu) will create a student success task force in the Chancellor's Office to look at best practices for promoting student success. We plan to use this task force as a way to gain support for last year's basic skills draft proposal as well as address the issues around declining high school graduation rates for Glendale. The post-SB 361 discussions will begin this year, and—like SB 361—will take a number of years to implement.



Budget Issues

- Fees With another budget deficit expected, we will continue to fight pushes to increase enrollment fees as a budget solution.
- Categorical flexibility Last year, community colleges were granted limited categorical flexibility through the 2012-13 fiscal years. There have been discussions regarding both expanding that flexibility as well as removing some of the flexibility prior to 2012-13. The discussions will include deciding whether to include CTE and economic development funding in the flex items of the categorical programs.
- Types of courses districts offer For the last two years, the LAO has proposed lowering the funding for or limiting the number of community college physical education and enrichment course offerings. We anticipate that this again will be an issue in the budget discussions.

Program Issues

- Cal Grant decentralization Last year's proposal was deemed unworkable by the three segments
 of higher education. It is anticipated that there will be further discussions regarding finding a
 more efficient, accessible way to deliver Cal Grants to students.
- Facilities delivery There could be discussions regarding streamlining community college facilities delivery and providing incentives to make facilities more energy efficient. We believe that this could be a great time to bring forth some innovative ideas.
- Statewide education bond With no education bond on the 2008 ballot or the 2010 ballot there is growing need for capital outlay funding to expand capacity and retrofit outdated facilities. We anticipate another push for a statewide education bond next year. Facilities delivery and providing incentives to make facilities more energy efficient.

Other Agenda Items:

- Master Plan for Higher Education The Master Plan Committee was extended and will likely hold hearings again next year. There is a growing focus on accountability and establishing statewide goals for higher education that will likely be a part of any Master Plan hearings.
- Health care training We heard that the Legislature could hold hearings specifically focused on the ability of community colleges to produce enough graduates in various health care professions (nursing, medical assistants, and other allied health fields) to meet the state's demand.

*Bottom Line:*McCallum Group will continue to proactively engage Glendale for input in policymaking as important, front-line decisions are made regarding new funding and program development.



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