

May 15, 2018

The Honorable Holly Mitchell
The Honorable Anthony Portantino
Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

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American Federation of
Teachers, AFL-CIO

RE: Community College Funding Formula Proposal – Oppose

Dear Senators Mitchell and Portantino:

The California Federation of Teachers deeply appreciated an Assembly hearing on the Administration’s performance-based funding proposal and calls on you to reject that proposal.

Since that hearing, some details of the funding proposal have changed, but the proposal still does not address key issues raised at the legislative hearing:

- Research shows a significant risk that **performance funding will inadvertently hurt students of color and low-income students, and the colleges that serve large numbers of these students**. National research also shows little, if any, upside to performance funding on students’ academic trajectories. At best, it may show modest progress in short-term certificates as colleges “game the system” in order to obtain the financial resources necessary to continue serving their communities.
- The new funding formula **widens the gap between the richest and poorest districts by over 25%** after just two years. This runs 180 degrees counter to the previous intent of the legislature to ensure all Districts are equally, and fairly funded.
- The new funding formula allocates \$279 million, **54% of all new CC funding, to ensure Districts are “held harmless” from the effects of the formula**. The fact that 54% of the CC allocation must be used to “fix” the formula should be telling in and of itself.
- The vast majority of students this new formula purports to help, those **students most at-risk, are disproportionately found in non-credit programs, yet there is no provision in the new formula to address the needs of non-credit students**.
- Although there is a two year hold harmless provision, there is no safety net for years three and beyond. If districts cannot meet the metrics mandated in the formula by that time, **they could lose 20-40% of their revenue**, which would have a catastrophic impact.
- **The proposed funding formula strips the Legislature of its authority to set the statewide funding formula because it recognizes that the proposed formula will have unintended consequences and will need to be fixed in short order, likely multiple times.**

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The list of problems with this proposal is long, and the stakes have been raised by the recent Legislative Analyst's Office (LAO) analysis that shows Proposition 98 is unlikely to grow in out years, even if state revenue increases significantly. Without more funding coming into this system, more colleges will be "losers," and this loss of funds will make it even harder for colleges that serve large numbers of students of color and very low-income students to "catch up" to colleges that are advantaged with a higher per-student funding rate.

At your hearing, the LAO cautioned that "studies to date have not found improvements in student performance after adopting performance-based funding formulas, and a formula based on performance could create incentives for faculty to inflate grades to ensure student completion." We concur with this assessment.

For these reasons, we ask that you reject this proposal, and redirect the funds allocated for this purpose to (1) the community college base allocation and (2) programs to support full-time faculty hires and part-time faculty office hours, which have a strong demonstrated research basis for improving student success.

Sincerely,



Jim Mahler, President

Community College Council of the California Federation of Teachers

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cc: Members, Senate Budget and Fiscal Review Committee
Members, Senate Budget Subcommittee No. 1
The Honorable Toni Atkins, Senate President Pro Temp
Kimberly Rodriguez, Office of Senate Pro Temp Atkins
Anita Lee, Senate Budget and Fiscal Review Committee
Lark Park, Office of Governor Jerry Brown
Chris Ferguson, Department of Finance