

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 29, 2010
POSITION: Oppose
SPONSOR: Campaign for College Opportunity, CA
Community Colleges Chancellor's Office,
California State University, Student Senate for
California Community Colleges, CA Student
Senate Association

BILL NUMBER: SB 1440
AUTHOR: A. Padilla
RELATED BILLS: AB 2302, Fong

BILL SUMMARY: Community Colleges: Student Transfer

This bill would establish the Student Transfer Achievement Reform Act effective with the 2011-12 academic year. Specifically, this bill would: 1) require a community college district (CCD) to grant an associate degree to a student in his or her field of study that deems the student eligible to transfer to a California State University (CSU) baccalaureate program after meeting specified requirements, 2) require the CSU to guarantee admission to students at the junior level, and 3) authorize the CSU to require transfer students to take additional courses as specified.

Additionally, this bill would require the Legislative Analyst's Office (LAO) to provide the Legislature with an update on the implementation of the transfer degree program in the spring of 2012. The LAO would also be required to provide the Legislature an additional report within four years of the program's implementation that assesses the outcomes of the transfer program and any statutory changes necessary to further the goals of the transfer program.

FISCAL SUMMARY

This bill could create a reimbursable state-mandate costing millions of dollars of Proposition 98 General Fund. Assuming all 110 community colleges develop program-specific transfer degrees with 23 CSUs at a cost of \$10,000 to \$100,000 per CCC, this bill could generate a reimbursable state-mandate costs ranging from \$1.1 million to \$11 million. However, the California Community College Chancellor's Office estimates that this bill could generate efficiency savings of approximately \$75 million by reducing the number unnecessary courses taken by CCC students. This savings could be used to serve an additional 40,000 students at the CCCs.

The CSU estimates that approximately \$85 million would become available through the efficiencies provided by streamlining the transfer process and would give access to approximately 14,000 additional students as a result of reducing the duplicative coursework.

COMMENTS

The Department of Finance opposes this bill because it could create a reimbursable state-mandate costing millions of dollars Proposition 98 General Fund by requiring CCCs to grant an associate degree for transfer to students that meet specified requirements. It is our understanding that amendments to this bill are being considered that would minimize the mandate concern.

Analyst/Principal Date Program Budget Manager Date
(0331) E. Hanson Jeannie Oropeza

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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**ANALYSIS****A. Programmatic Analysis**

Current law requires the CSUs and UCs, in conjunction with CCCs, to develop discipline-specific articulation agreements and transfer program agreements that guarantee a student who meets specified requirements admission to the respective CSU or UC system. Although there have been efforts to improve the transfer process, it continues to be burdensome and confusing for students. The intent of this bill is to streamline the process and create efficiencies that allow students to successfully complete a baccalaureate degree without undue delay or unnecessary excess units.

This bill would require a community college district to grant an associate degree for transfer to a student in his or her field of study that would make the student eligible to transfer into a CSU baccalaureate program. Specific requirements for the associate degree include completing 60 semester units, or 90 quarter units, that are eligible for transfer to a CSU. These units would include general education requirements and 18 semester units, or 27 quarterly units, in a major or area of emphasis. Finally, the student would be required to obtain a minimum grade point average of 2.0.

The CSUs would be required to guarantee admission to these students at the junior level with priority admission in the student's major, or a similar major, or area of emphasis. The bill clarifies that those students who have entered into a transfer agreement prior to the fall term of 2011-12 would be not be affected by the priority for admission granted with the newly created transfer degree. Additionally, the bill would authorize the CSU to require transfer students to take additional courses as long as the total units taken at the CSU are less than half of the total units required for the major, with an exemption for high unit majors upon agreement by the CSU and the CCC. The community college transfer units would not be allowed to be counted as upper division requirements at the CSU, and the CSU would not be allowed to require the transfer student to repeat courses that are similar to those taken at a CCC.

The bill would also require the LAO to provide the Legislature with an update on the implementation of the transfer degree program in the spring of 2012. The LAO would also be required to provide the Legislature an additional report within four years of the program's implementation that assesses the outcomes of the transfer program and any statutory changes necessary to further the goals of the transfer program. Specific outcomes include, but are not limited to: 1) transfer rates, 2) the average amount of time and units it takes a student earn an associate degree and subsequent baccalaureate degree, 3) student progression and completion rates, and 4) other relevant indicators of student success.

According to the author, this bill addresses one of the key barriers to student transfers by clarifying and streamlining the transfer process. By reducing inconsistent, duplicative and inconsistent coursework requirements for transfer from the CCCs to the CSUs, more students could graduate in a timely manner, which would allow CCCs and CSUs to serve more students.

AB 2302 (Fong), is mostly duplicative of this bill and would require the CSUs, and recommend UCs, to accept associate degrees for transfer, admit those students with junior class status, and give them priority consideration for admission to impacted programs or a comparable program.

**B. Fiscal Analysis**

This bill could create a reimbursable state-mandate costing millions of dollars of Proposition 98 General Fund. Assuming all 110 community colleges develop program-specific transfer degrees with 23 CSUs at a cost of \$10,000 to \$100,000 per CCC, this bill could generate reimbursable state-mandated costs ranging from \$1.1 million to \$11 million.

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However, the CCCCCO projects an estimated \$75 million saving could result from this bill, which would allow the CCCs to serve an additional 40,000 students annually. If CCCs can reduce the number of unnecessary units taken by 10 units per student, or 0.33 FTES (10/30); the annual average of 50,000 students transferring to CSUs would generate approximately 16,700 fewer FTES (50,000 \* 0.33). The \$75 million savings assume an FTES reimbursement rate of \$4,500 (16,700 x \$4,500).

According to the CSU, this bill would create efficiencies that could generate a savings of approximately \$85 million assuming the bill could save 11,500 FTES at a reimbursement rate of \$7,300. This savings would allow approximately 14,000 additional students to attend CSU.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP	2010-2011		2011-2012		2012-2013		
	RV	98	FC	FC	FC	FC			
6610/CSU	LA	No	-----	See Fiscal Summary	-----			0001	
6870/Comm College	LA	Yes	-----	See Fiscal Summary	-----			0001	