

Chabot and LPC Colleagues, Please find below a cogent response to groups like the Community College League and CCCCEO that are leaning toward supporting Chancellor Oakley and Governor Brown's horribly flawed proposed funding formula.

Dear Area 6 Colleagues:

I appreciate receiving the CEO Board notes from Kathleen Burke. Like Dianne VanHook, I have real reservations about continued CCLC and CCCCEO advocacy for the proposed funding formula.

If you recall from our March CEO gathering, a couple of prominent CEO's stood up pledging that they would not support a funding formula that damages rural and small districts at the expense of others. Even with the changes proposed, a number of our districts stand to only benefit from COLA for one year, after which the impacts of the funding formula are either uncertain or bound to produce a radical downsizing in budgets. Meanwhile, several small districts stand to gain from the new funding formula with 2018-19 budget increases as large as 23% to 27% of their budgets (see Antelope Valley, Lassen, and Palo Verde). While I am happy for my colleagues at those colleges, the list of COLA-capped colleges should raise alarm among our group. That list includes:

West Valley (BA)
South Orange (BA)
San Mateo (BA)
Marin (BA)
San Jose (BA)
Foothill
North Orange
Sonoma
Chabot-Las Positas
Santa Monica
Palomar
San Luis Obispo
Long Beach
Southwestern
Monterey
Ohlone
Rio Hondo
Peralta
Solano
Cabrillo
Los Rios
Contra Costa

Those districts provide instruction to 35% of all credit students in the system and represent 33.7% of all of the planned budgeted expenditures in 2018-19. So the new funding formula promises only COLA to districts comprising more than a third of the entire system...while at the same time shifting massive infusions of dollars to small districts with limited capacity to grow and hire staff with those new dollars.

Meanwhile, consider the characteristics and traits of the students impacted in the above districts. They are students living in the high-priced residential markets of our state (Bay Area, Silicon Valley, Coastal, Orange County, Suburban San Diego). Underrepresented students and those who are poor who live in the most inequitable employment and housing markets of the state and country will get shafted under this new funding formula. Why? Because the model has not been vetted for these kinds of inevitable outcomes. The fact that this continues to get rolled out without this type of analysis and gee-whiz second guessing is dumbfounding.

So -- where is the CCLC and CEO Board leadership in calling out these issues? In the rush to adopt a performance based funding model we are rushing head-first into a potentially dangerous period of funding cycles filled with 1) uncertainty; 2) unknown consequences; 3) known consequences (see above); and 4) a likely "certificates arms race" that will reward nimble faculty senates and curriculum committees and punish those that are more deliberative. And no-one has tested the viability of the model under economic recessions, a fact that we will regret within just a few years.

For these reasons and more, I, like Dianne VanHook, have had to start lobbying my local legislators for a different, even-tempered approach. Using some of the information culled from her college's efforts and my own, I have floated two different compromise ideas: 1) revert to the existing funding formula with some base increases and new money for faculty hiring; or 2) examine the possibility of a 90-5-5 split on the funding formula. In other words, start small not big. Test the impacts and refine the metrics to improve the model and make it less radical in its funding shifts. Deploy a representative work group that includes a bevy or institutional researchers, faculty, CBO's, CIO's, CSSSO's and CEO's with a lot of experience in the system and allow that group to recommend incremental adjustments to refine the funding approach.

If I was hearing the CEO group and CCLC making those kinds of arguments, I would feel okay. As it stands, I have to make my own pitch to my own legislators, one of whom -- by happy coincidence -- happens to be the Senate Majority Leader.

Please join me in calling for a more sensible solution to the funding formula idea.

Matt Wetstein
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