

AMENDED IN SENATE APRIL 5, 2016

**SENATE BILL**

**No. 1460**

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**Introduced by Senator Leno**

February 19, 2016

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An act to amend Section 84750.6 of the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

SB 1460, as amended, Leno. Community Colleges: ~~colleges:~~ *colleges:* funding: San Francisco Community College District.

Existing law requires the Board of Governors of the California Community Colleges to provide the San Francisco Community College District with certain revenues in the 2014–15, 2015–16, and 2016–17 fiscal years if the number of full-time equivalent students (FTES) of the community college district decreases from the 2012–13 fiscal year and certain conditions are satisfied, including that the board of governors finds the community college district or one of its campuses is in imminent jeopardy of losing its accreditation.

This bill would ~~require the board of governors, for the 2017–18, 2018–19, and 2019–20 fiscal years to provide to the San Francisco Community College District a revenue adjustment for the restoration of the reduction in apportionments, as specified.~~ *provide that for 3 fiscal years beginning with the 2017–18 fiscal year, the San Francisco Community College District shall be entitled to restoration of any reduction in apportionment revenue due to decreases in FTES if there is a subsequent increase in FTES.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Francisco Community College District.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 84750.6 of the Education Code is  
2 amended to read:

3 84750.6. (a) Notwithstanding Section 84750.5, the board of  
4 governors shall provide the San Francisco Community College  
5 District with revenues, as specified in subdivision (b), if, on the  
6 effective date of the act that adds this section, both of the following  
7 conditions are satisfied:

8 (1) The board of governors finds that the community college  
9 district or a campus of the community college district is in  
10 imminent jeopardy of losing its accreditation.

11 (2) The board of governors has exercised its authority pursuant  
12 to Section 84040 of this code and Section 58312 of Title 5 of the  
13 California Code of Regulations as that regulation read on April  
14 15, 2014.

15 (b) If the number of full-time equivalent students (FTES) of the  
16 community college district decreases from the number in the  
17 2012–13 fiscal year, the board of governors shall provide revenues  
18 to the community college district, as follows:

19 (1) For the 2014–15 fiscal year, an amount not less than the  
20 total amount that the community college district would receive if  
21 the level of attendance of FTES was the same level of attendance  
22 as in the 2012–13 fiscal year.

23 (2) For the 2015–16 fiscal year, an amount not less than 95  
24 percent of the total amount that the community college district  
25 would receive if the level of attendance of FTES was the same  
26 level of attendance as in the 2012–13 fiscal year.

27 (3) (A) For the 2016–17 fiscal year, an amount not less than 90  
28 percent of the total amount that the community college district  
29 would receive if the level of attendance of FTES was the same  
30 level of attendance as in the 2012–13 fiscal year.

31 (B) Funds shall be provided under this paragraph only if the  
32 Fiscal Crisis Management Assistance Team makes a finding no  
33 sooner than April 1, 2016, that the San Francisco Community  
34 College District is meeting or exceeding all of the following  
35 benchmarks:

- 1 (i) Effective fiscal controls and systems are in place.
- 2 (ii) The City College of San Francisco has, and is adhering to,  
3 prudent fiscal policies and practices, as corroborated by an analysis  
4 of multiyear projections of no less than three fiscal years  
5 commencing with the 2016–17 fiscal year.
- 6 (iii) The City College of San Francisco is applying resources  
7 in accordance with a budget plan approved by the special trustee.
- 8 (iv) The City College of San Francisco is maintaining  
9 appropriate fiscal reserves.
- 10 (v) The City College of San Francisco has, and is adhering to,  
11 a viable plan to address long-term liabilities including, but not  
12 necessarily limited to, “other postemployment benefits,” as that  
13 term is used in accordance with generally accepted accounting  
14 principles defined by the Governmental Accounting Standards  
15 Board as of April 15, 2014.
- 16 (c) The amounts calculated in paragraphs (1) to (3), inclusive,  
17 of subdivision (b) shall be adjusted by the chancellor to reflect  
18 cost-of-living adjustments, deficits in apportionments, or both, as  
19 appropriate for the applicable fiscal years.
- 20 (d) Subdivision (b) shall only be used to determine the  
21 apportionment funding to be allocated to the San Francisco  
22 Community College District. In computing statewide entitlements  
23 to funding based upon the attendance of FTES, the San Francisco  
24 Community College District shall not be credited with more FTES  
25 than were actually enrolled and in attendance.
- 26 (e) Subdivision (b) shall only be operative for a fiscal year in  
27 which the San Francisco Community College District is in  
28 compliance with Section 51016 of Title 5 of the California Code  
29 of Regulations as that regulation read on April 15, 2014.
- 30 (f) It is the intent of the Legislature that any amounts necessary  
31 to make the apportionments required pursuant to subdivision (b)  
32 be drawn from the state general apportionment revenues for  
33 community college districts.
- 34 (g) (1) The Chancellor of the City College of San Francisco  
35 shall submit all of the following to the appropriate policy and fiscal  
36 committees of the Legislature, the office of the Governor, the  
37 Legislative Analyst’s Office, and the Department of Finance on  
38 or before April 15, 2015:

1 (A) An overview of the college’s current accreditation status,  
2 including a description of any identified accreditation deficiencies  
3 and activities underway to address those deficiencies.

4 (B) Enrollment totals for the current and prior years.

5 (C) Updated enrollment projections for the two subsequent fiscal  
6 years.

7 (D) The number of course sections offered in the current and  
8 prior fiscal years.

9 (E) A thorough explanation of the district’s level of budgetary  
10 reserves and sources of revenue.

11 (F) A thorough multiyear budget plan that explains, at a  
12 minimum, both revenue sources and areas of expenditure.

13 (2) The Chancellor of the City College of San Francisco shall  
14 submit updates to the report submitted under paragraph (1) on or  
15 before the following dates:

16 (A) October 15, 2015.

17 (B) April 15, 2016.

18 (C) October 15, 2016, but only if funding is provided pursuant  
19 to paragraph (3) of subdivision (b).

20 (D) April 15, 2017, but only if funding is provided pursuant to  
21 paragraph (3) of subdivision (b).

22 ~~(h) Notwithstanding any other law, for the 2017–18, 2018–19,~~  
23 ~~and 2019–20 fiscal years, the board of governors shall provide the~~  
24 ~~San Francisco Community College District with a revenue~~  
25 ~~adjustment for restoration of apportionment revenue pursuant to~~  
26 ~~subparagraph (C) of paragraph (6) of subdivision (d) of Section~~  
27 ~~84750.5.~~

28 *(h) For three fiscal years beginning in the 2017–18 fiscal year,*  
29 *the San Francisco Community College District shall be entitled*  
30 *to restoration of any reduction in apportionment revenue due to*  
31 *decreases in FTES, up to the level of attendance of FTES funded*  
32 *in the 2012–13 fiscal year, if there is a subsequent increase in*  
33 *FTES.*

34 SEC. 2. The Legislature finds and declares that a special law  
35 is necessary and that a general law cannot be made applicable  
36 within the meaning of Section 16 of Article IV of the California  
37 Constitution because of the unique accreditation and fiscal  
38 challenges facing the San Francisco Community College District.

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