

**Self-Funded Classes:
Concerns, Questions, and Reasons for Support Expressed by Faculty**
Updated 7/23/2012

In response to the April 6, 2012 Board of Trustees directive that “The District shall consult with the leaders of the District Planning and Advisory Council to advise the Superintendent/President and the Board of Trustees on future efforts to expand student access,” DPAC has attempted to coordinate a collegewide discussion of the District’s self-funded courses proposal and any other proposals to expand student access. In the course of these discussions, two of the constituent groups represented on DPAC—the Academic Senate and the Management Association—developed sets of questions regarding the self-funded courses proposal. The “answers” (bolded and italicized) to these questions in this document are responses prepared by the Administration. (They were drafted by Randy Lawson and Teresita Rodriguez and reviewed by the entire senior staff.) This document is intended to provide answers to these specific questions, not to present various points of view regarding the merits of the proposal.

These responses were reviewed by the District Planning and Advisory Council at its June 27, 2012 and July 11, 2012 meetings. As a result of these discussions, the document has been revised to include a few clarifications.

Policy Questions

- Policies and procedures: many faculty members were concerned that SMC’s policies and procedures would not be followed for the self-funded courses, leading to confusion among faculty and students.

The College is committed to enforcing all current policies and procedures.

- Faculty expressed the concern that students who could afford to pay for higher-priced classes would be able to earn units faster than others who couldn’t; thus, they would receive a higher enrollment priority, giving them an advantage over their peers who couldn’t afford the classes.

While the additional units obtained through self-funded courses could potentially move a student to a higher enrollment priority status, it would be rare given the relatively small number of courses planned as self-funded in comparison with those offered as state-funded. Only students who are 3-6 units away from the next priority group could potentially be affected and since each group is approximately 30 units, very few would see any effect at all. Students taking self-funded courses could also be adversely affected when it comes to enrollment priority if they are approaching 90 units, which would move them to a low priority; or if courses are not completed successfully and students are approaching probationary status, which is identified in the new statewide enrollment priority system as a mechanism by which to lose enrollment priority.

Equity Questions

- The equity issue is a major concern. The term “two-tier system” was used by detractors of the concept. The concern here is whether we are sacrificing our core values by favoring the privileged.

The term “two-tiered system” was an incorrect characterization used by the media, not by SMC. The equity issue was a major consideration in designing the proposed program and is addressed in three major ways:

- 1. The basic concept of the program is to increase access to state-funded course sections by providing additional course sections beyond those funded by the State. If SMC were to offer a self-funded Winter 2013, this would open seats for state-funded course sections in Spring 2013. For example, if 25 students needing English 1 opt to enroll in a winter section, this would open up 25 seats in the spring semester for other students needing to take English 1.***
 - 2. The basic fee structure of the proposed program was designed to give all resident students a discounted per-class fee. For a three-hour class, resident students would be charged \$540, while nonresident students would be charged \$840.***
 - 3. For the proposed summer program, scholarships of \$300 based upon financial need were to be made available to continuing resident students. This would lower the cost of a three-hour class to \$240, only \$102 more than the enrollment fee charged for a state-funded course section. While not free, this is a dramatically lower cost than that of the alternatives some of our students are turning to—some of them extremely expensive for-profit options of questionable quality. Also, students receiving federal financial aid (for example, Pell and Veterans benefits) would be able to apply those funds toward the remaining \$102.***
- It would be more palatable to some if these courses were only offered when other state-apportionment-supported classes are not offered, e.g., in the winter.

From the beginning, planning has focused on the intersessions since SMC has chosen to focus the state-imposed “workload reductions” on intersessions rather than making significant reductions to the course offerings in fall and spring semesters. (This has been a fairly common approach among community colleges.) The proposed fifty self-funded course sections in addition to the 700+ state funded course sections in Summer 2012 were intended as a pilot in preparation for a Winter 2013 intersession that would be entirely fee-based.

Financial Questions

- Would the fees charged adequately cover the full cost of the program including student support services, supplies, and equipment?
- Was the amount proposed for the summer classes higher than it should have been? What is the cost needed to cover expenses?

For state-funded courses, the apportionment per FTES is intended to cover these costs beyond the direct instructional cost. For example, a three-hour class with 30 students generates 3 FTES, which results in just under \$14,000 in apportionment. The average direct instructional cost (taking into consideration both full-time and part-time faculty salaries and benefits) is approximately \$7,500. The fee structure for self-funded courses is based upon a principle of producing revenue approximately equal to state apportionment through a combination of nonresident fees, resident fees, and scholarship donations. It should be noted that the higher fee that nonresident students pay makes possible a much lower fee for California residents. Any excess revenue will be used in a subsequent semester or intersession to fund additional regular courses (at the \$46-per-unit state enrollment fee) beyond what the State is funding and/or pay for any existing unfunded FTES.

- If students are charged enough to help support students who cannot afford to pay, would that squeeze out the middle class students?

No. It will actually increase the options for all students. \$540 per three-hour class is considerably less than students would be forced to pay at any of the alternatives, some of them for-profits of questionable quality. Our counselors tell us that many of our students are seeking out these alternative options when we are unable to meet their needs, sometimes without gaining assurance that such courses will be accepted as equivalent by SMC or their eventual transfer destinations.

Practical Questions

- What happens if the classes don't fill?

We will follow our usual class cancellation policies and practices in consultation with department chairs for course sections that fall below the minimum class size of 18.

- What happens if the program is found to be illegal? Does that mean students will not receive credit?

SMC believes that its proposed contract education program is legal under the existing statutory language of the California Education Code. The College submitted a detailed legal analysis to the Chancellor's Office in March 2012 that outlines the legal authority for the program. To date, SMC has not received anything in writing disagreeing with our position.

There are several ways our program could be rendered illegal. The Education Code could be amended in ways that would specifically prohibit our program. Likewise, a court could rule that our interpretation of the Education Code is incorrect. Santa Monica College will comply with any binding determination that the program is illegal.

What happens when a government program is found illegal often depends on the timing of the determination. For example, if legislation were adopted to render the program illegal before the program started, the College would cancel the program. Once classes start under the program, it is likely they would be allowed to be completed before the College was required to bring itself into compliance. Since nothing about the program in any way compromises the requirements for granting credit to students, there is really no risk for students in terms of receiving credit for courses they successfully complete. In instances where the Chancellor's Office has found a college to be out of compliance for any reason, it has never taken action to deny credit to students, even in the most egregious situations.

Unknowns

- Concern related to the future of public education was expressed. Would success in such a program signal legislators that it is acceptable to relinquish responsibility for funding community college education for all?

This question is certainly correctly categorized in the "Unknowns" category. The proposed SMC model would simply not work for most California community colleges because it relies heavily upon our large nonresident student population. Despite the rhetoric about the California Master Plan for Education, the legislature has certainly proven over the last few years that, in difficult times, it has absolutely no problem with severely compromising access to higher education. However, the Proposition 98 guarantee is constitutionally based and therefore provides substantial protection for the system. Although the Governor and the Legislature can certainly "finker with it," repealing it would require a vote of the people.

- Concern was expressed that supplement could become supplant.

There is absolutely no motivation for SMC to turn down state funding in favor of offering self-funded classes. If and when state funding returns to previous levels and allows for normal enrollment growth, the need for a program like the one SMC is proposing will disappear.

Faculty Requests

- Place a limit on such a program; for example, pilot it for a period of time to see how it goes and give faculty an opportunity to weigh in again at various points. Another possible way to limit it is to only allow for a certain percentage of college classes to be offered under contract ed until a time when apportionment funding is fully restored.

As with any new program, its initial offering will be considered a pilot subject to evaluation before it is repeated.

- If SMC offers self-funded contract ed, it should be a high-quality program, worthy of the SMC reputation.

SMC will not offer any program that would compromise its reputation by not being of high quality.

- Only SMC faculty and SMC curriculum should be permitted with the same hiring process as is used now for hiring faculty. (All academic senate processes must be maintained.)

This program will include only courses approved through our existing curriculum process taught by our current faculty or new faculty hired through our current hiring process.

- All contractual obligations must remain in place for the faculty.

All faculty contractual provisions will remain in place.

- The Academic Senate or a senate committee should have the right to give input and feedback at every stage of the process.

The Academic Senate will play a key role in the implementation and evaluation of any such program.

- There should be complete transparency with the contractors.

Since the “contractor” will be a nonprofit operating under the auspices of the College and headed by a college employee, transparency should not pose a problem.

Reasons Expressed for Support

- A lack of a winter program severely hinders some students, for example
 - CTE students who need to address licensure issues to keep their jobs
 - veterans, who do not receive support when they are not enrolled in classes
 - international students and others who are paying to live in the area for the purpose of attending college.

- It is a waste of resources funded by community bond measures when facilities go unused.
- The local community has voted for several bond measures to support SMC. Would they continue to support SMC if they knew such an opportunity was passed up?
- Self-funded classes are already being offered at the 4-year institutions and contract ed programs are offered in K-12 schools. Why shouldn't SMC be allowed to do it too?
- It seems better to have SMC run a self-funded program (with our faculty and curriculum/ quality control) rather than having another entity come in to do it, e.g., UC Extension or Arizona State.
- Students are seeking other alternatives, e.g., ITT Tech, University of Phoenix, UC Extension, which are costlier and not as good as SMC.
- Students who turn to for-profits are not getting the same education, but they are racking up the debt.
- Staff can be fully employed; lay-offs and furloughs can be avoided if a self-funded winter session is offered.

Note: this information was gathered based on discussions at academic senate meetings (March 6, 2012, April 2, 2012), academic senate executive committee meetings (February 28, 2012, April 17, 2012, May 15, 2012), at the department chairs meetings (March 9, 2012, April 20, 2012), and at a chairs' meeting where information was reported from each department's discussion (May 4, 2012).

Questions for the self-funded FAQ:

(from the Management Association)

1. Why are community colleges the only education sector not able to offer extension courses and what would it take for community colleges to offer extension courses. (Maybe a definition of extension courses would be helpful here.)

Since the University of California is constitutionally based, it is not under the control of the legislature and was able to form UC Extension on its own. CSU Extension is authorized through Education Code (with a legislative origin, of course). It would require legislation (such as last year's AB 515) to establish a California Community Colleges Extension mechanism.

2. Public high schools currently offer for credit courses for a fee in summer - SMMUSD offers them through their Education Foundation. CSUs and UCs also offer summer courses for a higher fee than during the regular academic year. Wouldn't the Advance Your Dreams proposal be essentially the same thing? Why are community colleges excluded from these opportunities?

Faced with severe funding reductions, K-12 districts throughout California have established fee-based summer programs. SMC's challenge to the Chancellor's Office legal opinion argues that contract education provides a vehicle through which community colleges may offer credit courses for a fee.