

*Contract Education Summary for Faculty Involvement in Economic Development Breakout Session*

Contract Education - A Summary

In 1984, the California Legislature passed AB 3938 (Farr) which authorized a study of contractual education programs in the California Community colleges. The bill also authorized the creation of a task force charged with directing the study and recommending legislation. The Task Force had faculty representation from the Academic Senate (Pam Fisher and Erna Noble), CFT (Martin Hittelman and Robert Hancock), CTA (Donald Attore and Fred Horn), and FACCC (Les Birdsall) as well as from administration and business. Arthur Young & Company was hired as a consulting firm to collect and synthesize data regarding contractual education programs and presented a final report to the California Legislature and the Chancellor in June of 1986.

Summary of practices in 1986

Fifty-five districts in the state reported that they had at least one contractual education class. A few districts accounted for most of the contract dollars. The total for the three year period of study was \$41,260,547. A few districts accounted for most of the total: Foothill-DeAnza (\$2,946,960), Glendale (\$2,357,418), Long Beach (\$2,335,472), Los Angeles (\$9,967,909), North Orange County (\$1,933,842), Palomar (\$1,003,670), Peralta (\$2,330,382), Rancho Santiago (\$1,649,749), Sonoma County (\$1,049,848), South County (\$3,828,469), and Yosemite (\$1,260,425).

Districts reported a total of 1,419 programs over the three year period. 42.8% were with private industry, 24% were with public entities, and 33.3% were supported by public training funds.

In terms of the number of dollars spent, the distribution is quite different:

**Contracts with Private Industry:** For the most part these included classes which were designed to provide short-term skills training seminars or classes for company employees, most often in the area of business/management. The company funded the classes. 8.2 percent of all funds spent for contract education fell into this category.

**Contracts with Public Entities:** The type of programs were similar to those contracts with private industry but the contracting agency was a public agency. The programs were funded by the public agency. 6.6 percent of all funds spent for contract education fell into this category.

**Contracts Supported by Public Training Funds:** These were mostly under the Job Training Partnership Act (JTPA) and the California Employment Training Panel (ETP). The programs were most often occupationally oriented and designed to train unemployed persons for new jobs, or to retrain currently employed persons in new skills. 85.1 percent of all funds spent for contract education fell into this category.

Half of all contract education classes were offered for community college credit. The majority of courses were either existing college courses (44%) or modification of existing courses (35%). The majority of contractual classes were closed to the public (78.5%), and therefore, were not eligible for State ADA apportionment.

## Options used in contract education

The following are the options that are typically used in contract education:

For-credit, closed classes that do not generate ADA.

For-credit, open classes that generate ADA. These classes must be open to the general public.

Noncredit classes that generate noncredit ADA.

Noncredit, closed classes offered on a strictly self-supporting basis.

Noncredit, community services classes offered on a fee basis.

Adult education classes, for credit or not for credit.

## Legislation

The GET sponsored legislation, AB 995 (Farr), that converted many of the recommendations of the AB 3938 Task Force into law. Sections 78020-78023 were added to the education code under the CVF sponsored AB 995 (Farr) in 1987. The regulations are basically as follows:

“Contract Education~ means those situations in which a community college district contracts with a public or private entity for the purpose of providing instruction or services or both by the community college. [78020(a)]

A *Credit* class is any class offered for community college credit, regardless of whether the class generates state apportionment [78020(b)].

A *Noncredit* course that meets the criteria for apportionment pursuant to Section 84711 [78020(c)]. 84711 spells out 9 areas of noncredit. These are

1. Parenting
2. Basic skills
3. ESL
4. Citizenship for immigrants
5. Education for substantially handicapped persons
6. Short-term vocational programs with high employment potential
7. Education programs for older adults
8. Education programs in home economics
9. Health and safety education

If credit is not given or a class does not fall into one of the above categories, then it may not receive any state apportionment.

A *not-for-credit* class is one that is neither a credit course nor a noncredit course. This category includes community services offerings.

Community college districts may establish contract education programs by agreement with any public or private agency, corporation, association or any other person or body. The agreement is to provide specific educational programs or training to meet the specific needs of the body. The district must recover, from all revenue sources (both public and private) an amount equal to the actual costs (including administrative costs) incurred in providing these programs or training. ADA apportionment can not be received by the district for these programs unless all statutory and regulatory conditions for generating ADA are actually met. [78021].

Faculty in all credit and noncredit contract education classes shall be selected, hired, paid, and evaluated in the same manner as comparable faculty in the regular noncontract education program. (78022).

Nonprofit public benefit corporations that are not organized as auxiliary organizations pursuant to Article 6 of Chapter 6 of part 45 may not use the name of a district. They also may not employ the resources and staff of a community college without full compensation for all related costs [78023].

#### Other Education Code Sections

Section 78007 of the Education Code allows for contracting with the federal government to provide classes and courses to persons in military service.

Section 78010 provides for contracting with high schools to provide vocational classes.

Section 78011 allows for contracts to provide community college classes in regional occupational programs.

Section 78462.5 provides for the use of fees for classes which are not eligible for state apportionments. This section states that a student enrolled in such a class may be required by the governing board of a community college district to pay a fee. The total revenues derived from the fee may not exceed the estimated cost of all of these classes maintained.

#### Title V of the California Administrative Code

Sections 55170 and 58250 of the Administrative Code define contractual education classes as those offered by a community college in fulfillment of a contract with a public or private agency, a corporation, an association, or other body or person. Sections 55170(b) and 58251 state that if a contract class does not claim state ADA apportionment, and if there is no other legislation requiring a specific class to be authorized, then a community college district may offer the contract class without State approval. Sections 55100, 55150, and 55160 also specify a procedure for the approval of credit classes. If a contract class is supported by State funds, the class must be approved in the same manner as non-contract classes of the same type.

The requirements established for a credit course are that it be recommended by the college faculty and approved by the district board; that it be taught by a qualified instructor; that it be outlined and included in the college's files; that it grant units of credit; and that it have limitations on repeated enrollment.

A noncredit course must be approved by the local district governing board, may be taught by an instructor qualified to teach noncredit, and must be conducted according to a course outline and/or curriculum guide on file with the college.

A community service class does not require a qualified instructor and must be open to all members of the community. Community service classes are not generally eligible for State ADA.

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