

SERVING STUDENTS, SERVING CALIFORNIA:

**UPDATING THE CALIFORNIA COMMUNITY
COLLEGES TO MEET EVOLVING DEMANDS**



LITTLE HOOVER COMMISSION

February 2012

Little Hoover Commission

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To Promote Economy and Efficiency

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives....

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

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State of California

LITTLE HOOVER COMMISSION

February 28, 2012

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The Honorable Edmund G. Brown, Jr.
Governor of California

The Honorable Darrell Steinberg
President pro Tempore of the Senate
and members of the Senate

The Honorable John A. Pérez
Speaker of the Assembly
and members of the Assembly

The Honorable Robert Huff
Senate Minority Leader

The Honorable Connie Conway
Assembly Minority Leader

Dear Governor and Members of the Legislature:

California's community colleges have been the gateway to a better life for many Californians and an essential tool for the state to build better citizens as well as the workforce needed to support California's dynamic economy. Now more than ever, the state and its people need the system to help students succeed, to move up and move forward with their lives.

In theory, anyone can enter and everyone has the opportunity to succeed. But in trying to be all things to everyone, the community colleges are coming up short for many students. Thousands leave without the degrees and certificates they sought. Thousands more want to stay but cannot get into the classes they need.

The causes are many: a priority enrollment system that rewards longevity, unprepared students who may take seats from others ready for college-level classes, and budget cuts that have reduced the number of courses and class sections across the system. Most glaring, however, is the lack of agreement about the system's primary mission, one that is recognized from the Capitol to the classroom – a problem that confounds efforts to set priorities around student success goals.

Chancellor Jack Scott has encouraged the state's 72 community college districts to focus on basic skills education, career technical education and successfully transferring students to four-year institutions for further education. This mix reflects both the range of needs and capacities of California's students and of the state as a whole. Locally elected boards, however, often feel pressure to devote scarce resources to less critical areas of study. California's lawmakers must explicitly adopt these three areas of student endeavors as the primary mission of the community college system and adopt measurable student success in these areas as its primary goal.

California's community colleges are at risk because the system lacks statewide leadership that can articulate the system's mission, set student success priorities and help local districts and students achieve them. This lack of leadership is not for want of talented people. The current governance structure, however, hobbles the role of the Board of Governors and leaves the Office of the Chancellor with little more than a megaphone and the power of persuasion.

If California is to help its community college students achieve their goals and meet the state's future needs, the state must focus the system's goals around student success, set priorities that support those goals and empower the system's leaders to implement them. These reforms were necessary before the recession; they are critical now.

The Commission recommends moving the Office of the Chancellor out of the executive branch, following the example of establishing the California State University system as an independent state entity. The Chancellor should have the authority to hire vice

chancellors and other senior staff and the power to develop system-wide priorities and incentives to drive student success.

When California's leaders have considered the colleges' goal of providing open access to higher education, they traditionally have looked at enrollment as a measure of success. Today, funding formulas reward added enrollment, despite a reduction in class offerings that shunt students to waiting lists. The reality is that California is rationing access to community colleges, but not in a rational way, rather, in 112 different ways as each campus struggles to accommodate students for whom they have no room.

As it focuses the mission of its community colleges, California must update its funding policies to reward colleges and students not just for showing up, but for progressing toward an educational goal. The Governor and Legislature must consider new approaches that include benchmarks for true success, not just enrollment. To meet these goals, local districts and colleges should be given greater flexibility in how they allocate their resources, incentives for innovation and regional collaboration, and rewards for meeting student success benchmarks.

California's commitment to student success will involve looking beyond the community college system to the state's capacity to educate all levels of adult learners. The state's school districts are redirecting resources once dedicated to their Adult Education programs. This is shrinking the state's ability to help newcomers become proficient in English; to help adults who, for whatever reason, never completed a high school education to achieve that milestone; to help those adults with the greatest learning deficiencies gain the skills they need to function on a daily basis. Before this capacity is lost, the state should transfer responsibility for educating all adult learners to the community colleges, and with it, all funding previously earmarked for Adult Schools. Community colleges have a direct stake in how well these students learn.

The California Community Colleges Chancellor's Office convened a task force to examine many of the same issues presented here. The Student Success Task Force released a report earlier this year that came to many of the same conclusions and made similar recommendations. Too many students are finishing high school without the skills they need to be successful in college. Too many adults lack the ability to fulfill their true potential and realize their goals.

The recommendations in this report do not abandon the belief that access to higher education should be open to all. The Commission, however, asks more from students in taking greater responsibility for preparing for college-level classes and developing an educational plan that will get them to their goal, whether it is completing one or two courses to gain pertinent job skills or earning a certificate or degree. The recommendations ask more of the community college system, as well, to prepare students and support them in their efforts.

Measures that are developed from these recommendations must be nuanced to meet local needs and account for the diversity of the state. Local boards know their communities' needs, and reforms must fit local conditions. But reform is overdue. Delay will shortchange students impatient to start new lives and handicap the state's economy and future workforce.

The Commission looks forward to working with you to implement these recommendations.

Sincerely,



Daniel W. Hancock
Chairman

The Commission voted 7-1 to adopt the report with abstentions from two new Commissioners who had not participated in the study.

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Executive Summary

California's community college system, which has played an essential role in building better citizens and the state's dynamic economy, is at a critical juncture. The system's ability to provide an accessible, affordable path to higher education for all Californians is at risk, put at peril by a lack of statewide leadership that must be addressed before the system's power to transform lives is irrevocably eroded. The state's economic recovery depends, in no small measure, on the community college system's ability to train, retrain, and ready a competent and competitive workforce. The people of California's ability to participate in new economies, as well as to realize their own individual potential, rests in the promise of the system.

For decades, the state has relied on the ability of the community college system to serve a diverse student body, from those pursuing a path toward a better job or more advanced education to those pursuing education for the simple pleasure of learning. Unlike the state's other higher education institutions, the California Community Colleges have operated as "open access" institutions, available to a broad cross section of California's adult learners seeking collegiate training. For many students, and especially for those from the most humble beginnings, the community colleges have been the state's only public higher education institution that provides them with an opportunity to become self-sufficient, prosperous individuals and community members. Community college also has been a key entry point for those who need a second chance, such as displaced workers, students who did not thrive in high school, economically disadvantaged students who can only afford to attend part-time and adults seeking to build a new career.

In the past, the system, and the state's leaders, have measured community colleges' success in terms of enrollment. In providing Californians access to affordable higher education opportunities, the community colleges have excelled.

Measuring success by enrollment, however, tells only part of the story. Despite the high numbers of students entering the state's community colleges, California – at 36 in one national ranking – is lagging behind the nation as a whole in the percentage of students who complete community college with a certificate or a degree. As a result, California

Community Colleges Poised to Fill Gaps in Education and Workforce Needs

The majority of community college students indicate a goal of earning a skill-related certificate, an associate-level degree or transferring to a four-year college or university; however, far fewer achieve these milestones.

Most entering students enroll unprepared for college-level work: Approximately 90 percent of all incoming community college students arrive unprepared for college-level math while about 75 percent are not prepared for college-level English.

Compared to community college students in other states, California's students are less likely to complete with a degree or certificate:

California ranks 36th in the nation in percentage of students who complete community college with a degree or certificate.

Research suggests that, even after a period of seven years, most California community college students do not earn a degree or certificate, nor transfer to a four-year university. Many drop out before completing 30 units – approximately half of what is required to earn a typical associate's degree.

The need is great: Many job openings now and in the future, will require employees to have "middle-skill" training, more than a high school diploma, but less than a bachelor's degree. Research suggests the number of California workers prepared for these jobs is declining. Many other jobs, approximately 41 percent, will require a bachelor's degree, but estimates suggest California is on track to accommodate just 35 percent.

To meet national and state workforce needs, credible estimates suggest California needs to produce approximately 1 million more college graduates by 2020, or increase completions by about 13 percent a year.

Many adult Californians are not yet college-ready: More than 5.3 million adults in California have yet to earn a high school diploma or successfully pass the General Educational Development (GED) exam; half of these adults have educational attainment levels below the ninth grade.

Nearly 25 percent of the adult population in California is functionally illiterate.

spends more than other states for each community college degree awarded and each student completion.

Research suggests the state's community colleges are not, and have not been, producing the numbers of graduates California will need, nor the mix of skills the state's evolving economy will require. The state's workforce needs more workers prepared to fill jobs that require at least some postsecondary training – the kind offered by the California Community Colleges through the system's credit degree and certificate programs.

The problem has been exacerbated by the current funding crisis. Repeated budget cuts have translated into a reduction in courses and class sections, growing class waiting lists and increased class sizes, even as funding formulas encourage colleges to take every student who signs up. Some get discouraged and drop out. Many students are turned away – by one estimate, more than 140,000 students for an 8 percent reduction in state funding.

California's fiscal reality means that the state will operate in an environment of scarcity and must invest limited education dollars wisely. For community colleges and for students, the state must build its strategy around increasing the number of students who:

- Make progress in the basic skills they need to do college-level work;
- Learn the career technical skills they need to improve their employment opportunities; and,
- Successfully complete the requirements for transferring to four-year institutions for undergraduate degrees.

Over the course of its study, the Commission found barriers to producing these outcomes, including:

- A lack of agreement on the community

college system's priorities from top to bottom, in part the result of a decentralized governance structure;

- A governance structure that separates the system's leaders in the Chancellor's Office from funding decisions, authority for policy development and the creation of strategies to improve student success outcomes;
- A funding system that lacks transparency and consistency, and promotes enrollment, while preventing system leaders from investing in strategies to improve student success; and,
- A lack of an integrated approach to basic skills education and a shrinking capacity to deliver such education.

California must explicitly prioritize its investment in the California Community Colleges around the goals of student success and ensure that these priorities are shared from the Capitol down to the classroom.

This will require focusing on the system's top priorities, empowering its leadership to create strategies to drive progress to these priorities, changing the funding structure to reinforce these priorities, and giving the community college system responsibility for providing basic skill preparation to California's adult learners.

The findings and conclusions in this study are consistent with many of the findings of the Student Success Task Force, which finished its work as the Commission was conducting its study. The task force report, adopted by the Board of Governors in January 2012, marks an extraordinary step for the California Community Colleges, especially because in developing their recommendations the task force members had to satisfy so many different constituencies. For their efforts to improve student graduation rates, increase the number of students who earn degrees and certificates and successfully transfer to four year universities, the task force deserves credit for a job well done. The Commission's recommendations likewise are built around the need to enhance student success, but in several important respects, ask for more significant reforms, including: refining the mission of the system; granting additional policy and fiscal authority to the Board of Governors and system Chancellor; and consolidating the state's adult education programs, and funding to support them, under the auspices of the community colleges.

Comparison of Related Reform Proposals For the California Community Colleges

	Recommendation	Little Hoover Commission	Student Success Task Force
Mission and Governance	Refine mission scope to prioritize preparation for transfer to four-year universities, career technical education and adult basic education	✓	
	Restructure continuing education enrichment courses to operate on a cost recovery basis	✓	
	Strengthen the Chancellor's Office	✓	✓
	Grant additional authority to Board of Governors	✓	
	Review and revise statutes and regulations to give community colleges greater flexibility in achieving goals	✓	
	Implement a student success scorecard		✓
Student Behavior	Develop and support a longitudinal student record system		✓
	Revise system wide enrollment priorities	✓	✓
	Establish a credit unit cap	✓	✓
	Establish policies to encourage all students to demonstrate progress toward and achievement of their educational goals	✓	
	Establish additional criteria for Board of Governors fee waivers	✓	✓
	Set local student success goals consistent with statewide goals		✓
	Increase college and career readiness through common standards, developed with K-12		✓
	Strengthen support for entering students	✓	✓
	Require students to begin addressing basic skills deficiencies in their first year		✓
	Encourage students to attend full-time		✓
Funding	Align course offerings to meet student needs		✓
	Revise the funding mechanism for the community colleges	✓	
	Establish a plan for fee increases	✓	
	Tie a portion of funding to student outcomes	✓	
	Establish alternate enrollment fees	✓	✓
	Encourage categorical program streamlining and cooperation		✓
Basic Skills	Invest in a new Student Support Initiative		✓
	Shift responsibility and funding for all adult basic skills education programs to the community colleges	✓	
	Encourage innovation and flexibility in the delivery of basic skills instruction		✓
	Support the development of alternative basic skills curriculum		✓
	Develop a comprehensive strategy for addressing basic skills education in California		✓

California needs more of its community college students to be successful, both for their own benefit as well as for the benefit of California now and in the future. To this end, the Commission's recommendations ask students to take more responsibility for their success as well as ask California's leaders and the state's community colleges to play a larger role in ensuring student success.

Rationing, But Not Rationally

California lacks a clear mission for its community colleges and clear expectations for what they must achieve, a weakness that has been made more apparent in the current environment of scarce resources and competing demands. The California Community Colleges are charged with pursuing multiple missions, creating an incoherent set of expectations about what the community colleges should deliver. Yet, today, the entire mission of the community colleges is in jeopardy. Though the Chancellor has called on the system to target scarce resources in three core mission areas – basic skills education, career technical education and preparation for transfer – community college districts have sufficient autonomy that they can prioritize investments in other ways to reflect expectations in different communities about what types of educational services the community colleges should provide.

To help put students on a path toward a viable career as well as further educational opportunities, and to ensure the state has a strong and capable workforce ready to meet the diverse needs of its regions, the state must refine and narrow the scope of programs the community colleges are required to provide. California's leaders must send a clear message that student success in basic skills, workforce training and transfer for further education are the primary missions of the California Community Colleges. While there is clear public value to providing learning opportunities for individuals who are not seeking educational or career advancement, serving such interests must be secondary and should be pursued using local dollars.

Moving toward student success in the three core mission areas will require the community college system to address longstanding issues:

- State funding policies encourage community colleges to focus on getting students *into* the system, not *through* the system successfully.
- Increased competition for fewer classes and course sections has packed classrooms, forcing thousands of motivated students onto waiting lists. Some take courses they do not want in order to stay in school, in the process, displacing students who want and need those courses.

- Open access combined with current enrollment priorities at many community colleges give long-term students first choice of classes ahead of new students such as recent high school graduates trying to begin their educational careers or returning workers seeking to enhance their skills. Access must be preserved for all who are pursuing higher education goals, or who are building the skills to enable them to pursue those goals, and are willing to prepare themselves to meet those goals.
- A lack of policies to place an upper limit on the number of units in which students can enroll while paying the state's low tuition fees, makes students face few penalties for continuing to take additional courses without developing an educational plan.
- A large number of students are unprepared or underprepared to succeed in college-level courses. The system does not adequately assess their abilities and help them develop appropriate ways to address their educational deficits.

A system-wide focus on student success must be supported by policies that encourage behaviors that are demonstrated to help students progress through their college careers. California's community colleges must have consistent, state-wide policies in place to make sure students who are not yet prepared to succeed in courses do not displace students who are academically ready. Simultaneously, the community colleges must be able to provide appropriate levels of instruction for these underprepared students through a combination of credit and non-credit courses.

The current governance structure does not allow the Chancellor to lead the system. The Chancellor's Office needs greater authority and flexibility to craft incentives to drive change at the local district level, subject to the approval of the Board of Governors. California's community college districts should be given more flexibility in how they spend their classroom money to include other forms of student support. This will mean changes in governance and funding that will require the backing of the Governor and the Legislature.

Students, too, must be held accountable for their own success and must demonstrate their commitment toward achieving their goals. Policies establishing enrollment priority must be crafted to protect the status of veterans and disadvantaged students, but also help prepared and motivated students who pass their classes move forward and out, making more room for new students behind them. Students who show a willingness to actively engage in their success and who demonstrate progress toward their goals should be rewarded with higher enrollment priority and, for those who qualify, continued access to fee waivers.

Students should be encouraged to develop educational plans and goals, and provided the support to help them along the way – especially in assessing and re-assessing their goals through their educational journey. For some students, educational plans should be as focused as completing one or two courses required for employment advancement, while for other students, educational plans might articulate a multi-semester path toward a certificate, degree or transfer. Students who are not enrolled in courses or programs within the core missions or who are using community colleges' for pleasure should be required to pay a tuition fee that reflects the true cost of their courses.

Recommendation 1: To meet the needs of students and the state, and make the best use of finite educational resources, California must make explicit that the primary goal of the California Community Colleges is to foster measurable student progress in three core areas of study: preparation for transfer to four-year institutions, career technical education and adult basic education. Other missions, while valuable, are secondary to these three.

- All colleges should offer enrollment priority in academic and career technical education courses to:
 - ✓ Current students and new students, including recent high school graduates who demonstrate preparedness by completing matriculation components, including participating in orientation, taking a standardized statewide diagnostic assessment, and participating in counseling to develop an educational plan based on assessment results.
 - ✓ Returning students who demonstrate progress toward achieving their goals, including students who are transitioning from adult basic education programs into collegiate credit courses.
 - ✓ Students, including workers, who are returning to upgrade their career skills and who have developed an educational plan.
- All students should demonstrate a commitment to progressing toward and achieving their educational goals.
 - ✓ To encourage students to advance in their study plans, districts should cap the number of class credits that students can accrue at the standard tuition level, subject to Board of Governors approval. For credits exceeding that cap, students should pay fees that reflect the full cost of providing classes and forfeit their enrollment priority.
 - ✓ To continue to receive a fee waiver from the Board of Governors, students should be required to demonstrate satisfactory academic progress in the prior school term, for example by maintaining at least a 2.0 grade point average in courses in their educational

plans. Students should receive the Board of Governors fee waiver only for credits up to the district-set credit cap.

- ✓ Students who enroll in a community college course solely for enrichment purposes should pay a tuition fee that reflects the full cost of the course.

Improving Governance

The California Community Colleges operate within a governance structure designed decades ago that concentrated power at the local level, leaving the Board of Governors and Chancellor's Office little actual authority to create or drive system-wide priorities. The ability to set funding and policy goals, the authority to collect and distribute money, and the ability to address an individual college's unique problems lie largely outside of the current governance structure. The current decentralized structure of the community college system makes it difficult to prioritize overarching goals, implement system-wide initiatives, coordinate efforts or reward innovation.

Other states have begun to identify goals for their community college systems, and develop conditions for their colleges to help students progress toward their own goals. In California today, however, there is no clear venue for these conversations within the state's community college system.

The ability of the California Community Colleges to operate as a system is limited by:

- Statute governing the community colleges that sets the autonomy of districts as paramount, even though local control has eroded over time through various changes to the state Constitution and statutes. Still, every community college administration is answerable to its local board of trustees, which is answerable to community voters, and far less so to the Chancellor's Office, which lacks a mechanism to enforce policies.
- State mandate laws which constrain the ability of the Board of Governors and Chancellor to require local action; regulations often are drafted as permissive, rather than enforceable, actions.
- The structure and authority of the Chancellor's Office, which exists as a separate state department within the Governor's Administration, outside the community college system. The Chancellor's Office receives a state General Fund allocation separate from the community college system as a whole. Executive staff are gubernatorial appointments, not hired by the Chancellor.

- The regulatory environment in which the community colleges operate prescribes much of how they allocate state resources and constrains the ability of the local boards to make decisions about how to invest scarce dollars. Similarly, the Board of Governors and Chancellor lack the authority to make decisions about how money is allocated to the community colleges, and operate without a strong mechanism to tie system funding to system priorities.

Though the California Community Colleges have benefited from exceptional leadership, particularly in the current Chancellor, the system structure hinders the Chancellor's ability to lead the system. The community colleges need a leadership structure that allows system leaders to allocate money to direct action toward statewide goals and that can hold colleges accountable for results. The Commission heard from leaders within the community college system as well as policy experts outside the system who suggested that the California Community Colleges be relocated from the executive branch of the state government and made an independent entity, following the example of the California State University System. Such a transfer would create the governance structure that would allow the community college system to operate more as a system.

The Commission saw considerable value in the role of the local district boards to advocate and represent their communities and to ensure their community colleges meet local needs, as long as they are consistent with the policy and performance priorities of the Board of Governors and system Chancellor. The Commission also saw opportunities for the community colleges to capture greater efficiencies through greater coordination and integration among community college districts. With more formal alliances, the community colleges could benefit from regional economies of scale in terms of greater purchasing power, stronger influence, and the ability to share knowledge and resources, particularly where districts share common economies and goals, as well as faculty and students. Significant regulatory barriers, however, tend to discourage districts from formally consolidating.

To enhance their ability to address the Board of Governors and Chancellor's policy and performance priorities, community college districts should be given relief from rules and regulations that prescribe how they accomplish these goals. Most important is bolstering the ability of colleges to provide the support services necessary to help all students achieve, but that are especially necessary for the colleges to serve those who have few options for improving their individual circumstances. The Board of Governors currently has limited powers to grant community college districts waivers from certain statutory

requirements. Following the model of the authority enjoyed by the State Board of Education to oversee and enforce common policies across the state's school system, the state should expand the authority of the Board of Governors to waive statutory and regulatory requirements to allow community college districts greater flexibility in meeting the intent of the law.

Recommendation 2: The California Community Colleges governance structure must be aligned to better support student success.

- The state must strengthen the governance of the community college system by creating a stronger, more independent Chancellor's Office that is empowered to establish policy directives, create accountability metrics, monitor and oversee community college districts, hold community college districts accountable for results, and when necessary, intervene in community college district affairs.
 - ✓ The Chancellor's Office should be established as an independent state entity.
 - ✓ The Chancellor should be empowered to hire executive staff.
 - ✓ The Chancellor's Office should be empowered to establish system-wide priorities by creating financial incentives for the colleges to bolster student success.
- State policies should focus on a few broad goals for the community colleges.
 - ✓ The state must give community colleges greater flexibility in how they deploy resources to achieve district and system goals, while holding the colleges accountable for results.
 - ✓ To encourage greater regional orientation, cooperation and coordination among the California Community College districts, the Legislature should review and revise statutes and regulations that hinder such initiatives, and remove barriers for community college districts that can improve outcomes and create value through merger, consolidation or coordination.
 - ✓ The Legislature should grant the Board of Governors additional authority to establish an appeals process to temporarily exempt districts from statutory requirements, when state funding is reduced, in order to improve student success rates.

Funding Success

California's process for funding its community colleges is shaped not only by constitutional requirements, but formulas within formulas, set in part by statute that lawmakers regularly suspend. This leads to a lack of

transparency and year-to-year consistency, impeding the community college system's ability to make long-term budget plans based on a predictable funding stream. As the money is allocated directly to the districts, the Chancellor has few tools to create fiscal incentives to drive districts toward system-wide policy goals.

The Commission heard from community college representatives who said that the way the state splits the minimum funding guarantee between the state's schools and community colleges is out-of-date and has regularly put community colleges at a disadvantage in meeting increased demand during economic downturns, when more adults turn to the community colleges to retool job skills or learn new skills for better jobs.

California relies heavily on a formula to calculate annual appropriations for each district, largely based on the number and size of colleges and centers in the district, as well as the number and type of full-time equivalent students. The Board of Governors has a role at the front end of this process each year in developing a budget request for the Governor and Legislature, but lacks a say at the back end in determining how colleges allocate those resources.

Low tuition has been a good deal for students, provided that they can get the classes they need. The state's emphasis on open access without focus on student intent, together with the peculiarities of the way California funds its community colleges, create the incentive to enroll more students even as classes are eliminated. The goal of open access can end up competing with the goals of student success when fewer students get the classes they need to progress toward certificates, transfer or other life goals.

Nominally the leaders of the California Community Colleges, the Board of Governors and system Chancellor lack authority to set tuition and determine how money is allocated to the community colleges, and are not able to create fiscal incentives to drive community college performance. The Commission heard that California's profusion of rules and regulations governing the community colleges limits the ability of institutions to develop policies and practices that drive student success, such as hiring college counselors, part-time tutors or advisors who could help students develop educational plans and goals and assist students along the way.

Though California briefly experimented with measuring the performance of colleges in meeting specified student success markers, the effort was abandoned even as many other states moved ahead to establish outcomes-based funding strategies.

The Governor and Legislature need to re-examine the existing formula-driven policies to establish a richer, more variegated calculation for determining the annual rate of funding for the community colleges. The Commission recognizes that including additional measures in funding calculations has the potential to affect K-12 funding, but the overall funding determination should recognize California's stake in the success of both systems.

The state's policy of providing low community college tuition should be built into a long-term financial strategy for the community college system. Tuition increases should be predictable, incremental and part of a larger plan developed by the Board of Governors to improve student success in the California Community Colleges. In years when tuition is increased, the added increment should be allocated to the Chancellor's Office to determine how best to direct it within the community college system.

The current policy of tying base funding to student enrollment has been important for supporting broad access to the community colleges, but it has done little to ensure that state investment in the community colleges pays off for students or the state as a whole by encouraging practices that help students complete programs of study and achieve their educational goals.

Empowering the Board of Governors and Chancellor to lead the system according to a system-wide strategy is a first step. A portion of community college funding should be tied to student outcomes, giving the Chancellor a mechanism to reward colleges for helping students progress toward their educational goals. Colleges should be rewarded for increasing the number of students who progress toward and reach their educational goals. To mitigate unintended consequences, implementation should begin with willing community college districts before extending throughout the system.

In addition, the state must loosen existing regulations that restrict how community colleges can spend their limited dollars. The community colleges should be held accountable for outcomes, but given flexibility in achieving them. Consistent with the earlier recommendation, the Board of Governors should have more authority to grant waivers regarding how colleges spend their money, particularly in years of fiscal stress, to ensure that colleges have the ability to invest in those policies and practices that have been proven to improve student success.

Recommendation 3: Funding for the community colleges must be predictable and appropriate to support student success and completion.

- The state should amend the statutory funding formula for the community colleges to include additional measures to better align with the state's need for more community college graduates.
- The Board of Governors should establish a plan to determine when fee increases are warranted. The plan should include a process to increase student fees in a predictable and incremental manner, with adequate advance notice, while ensuring qualified students have access to financial aid.
 - ✓ Additional revenue generated from student fee increases should be allocated to the Chancellor's Office to support student success practices.

Recommendation 4: Spending priorities for the community colleges must be aligned with the mission to help students succeed in achieving their academic goals.

- A portion of state funding for the California Community Colleges should be used to incentivize identified student outcomes. The formula should:
 - ✓ Reward colleges that increase the number of students who pass certain milestones that have been shown to improve student success.
 - ✓ Provide incentives for student attainment of certain goals, such as completion of basic skills sequences or earning a certificate, credential or degree.
 - ✓ Include incentives to reward colleges for the number of certificates and degrees awarded in high-need industry and workforce areas, as identified by the Chancellor's Office.
 - ✓ Be weighted to address equity issues and ensure the colleges continue to serve disadvantaged populations.
 - ✓ Begin implementation of these concepts starting with willing community college districts to help the system identify and address unintended consequences.
- The state must grant community colleges additional flexibility in how they spend their money, particularly to allow colleges to devote more resources to counseling.

Linking Basic Skills to Student Success

As part of the state's open access mission, community colleges admit unprepared and underprepared students, offering them basic skills

classes that allow students the opportunity to address skill deficits in a given subject area and attempt to catch up, while taking other classes for which they are more adequately prepared to succeed. While many of these students need a year or less of remediation, others are much further behind. In addition to remedial education, these students often require support services, such as counseling and tutoring, and additional time to achieve their goals. All community colleges provide some for-credit basic skills programs designed to prepare students for college-level work. Only a few colleges, however, currently have robust noncredit basic skills programs to serve those who are the furthest behind and have the greatest educational needs.

The California Community Colleges share responsibility with the state's school districts for providing adult education. Neither system is exclusively responsible for adult education programs, creating little accountability for results. The community college system explicitly states that basic education is one of its key missions and, as many of these students go on to take more community college classes, the system has a direct stake in having these students do well.

Adult Schools operated by local K-12 school districts historically have provided the majority of adult education opportunities in the state, but an increasing number of school districts are sharply curtailing or eliminating their adult education programs. Granted greater flexibility over their use of categorical funds, school districts are shifting money previously earmarked for adult education to their K-12 programs. This in turn has resulted in more adult students turning to the community colleges to get the skills they need to achieve their goals.

Where to house adult education has been a topic of discussion for decades, both in good times and bad. As the state's capacity to deliver adult education shrinks, the state must again reconsider how it can accommodate California's long-standing need for basic skills education. The solution must ensure Californians have access to critical basic skills programs that create pathways for students to become more productive citizens, whether through learning English, job skills or pursuing further college-level education.

To best serve adult students in need of basic education to improve themselves and their prospects and to better prepare students in all parts of the state for success in college-level classes, California must consolidate responsibility for adult education programs into a single entity.

Based on examples in San Francisco and San Diego, where community college districts offer a full array of basic skills programs, some

community college leaders see an opportunity to increase these students' chances for success if colleges take a greater role in providing adult education and, for those students who are interested, preparing them for college-level work.

Following the lead of 32 other states, California should consolidate adult education programs under the community college system. Rather than invest new money into adult education, California should send previously allocated Adult School dollars to the community colleges, allowing the community colleges also to qualify for related federal funding.

To manage this larger responsibility, the community colleges should build up their noncredit and credit basic skills programs based on successful models already in place in several community college districts. Basic skills programs should coordinate with existing career technical education and job training programs to create accelerated paths and learning opportunities with real-life relevance so that students gain fundamental skills as they progress toward, and ultimately pursue, postsecondary training. Particularly in areas where Adult Schools have maintained strong programs for adult learners, community colleges should take advantage of existing expertise and capacity to create an integrated system.

Where possible, the community colleges should use satellite campuses and centers, as well as community college campuses, to provide opportunities for students to study in smaller, more individualized learning environments, in locations closer to students' homes, work sites and children's schools.

Recommendation 5: The California Community College system should administer all of the state's adult basic education programs, and the state should shift responsibility and funding for Adult Education to the community colleges.

- Using the successes in several community college districts, including San Diego and San Francisco, the community colleges should offer adult basic education programs and provide clear and accessible pathways for students to transfer into community college credit academic and career technical education programs.
- The state should increase the funding allocated to the California Community Colleges to reflect this additional responsibility. The amount of the increase should be proportional and equitable to the amount the state currently earmarks for Adult Schools in K-12 school districts. The community colleges should be required to use this new money to support adult basic education programs.

Introduction

The Commission previously examined the California Community Colleges in its 1986 study, *Inadequate Financial Accountability in California's Community College System*, and again in its 2000 study, *Open Doors and Open Minds: Improving Access and Quality in California's Community Colleges*.

When the Commission last reviewed California's Community Colleges more than a decade ago, it found enormous potential in the system's ability to meet individual and community needs, but also identified barriers. The Commission recommended a number of measures to strengthen community colleges' ability to reach their potential, including improving teacher quality, ensuring universal access, realigning funding to drive student success and strengthening the governance of the community college system. While the system made significant progress in many of these areas, some of the recommendations are still relevant today. The full list of recommendations is included in Appendix C.

The Commission initiated this study early in 2011 to review the organization and effectiveness of the state's community college system in achieving its multiple missions. The study focuses broadly on how the community college system's structure and finances influence colleges' ability to help students achieve, rather than a narrow focus on the practices that promote individual student success. This study also provided the opportunity for the Commission to follow up on themes from its recent looks at economic development, career technical education and educational governance. Together, these studies highlight the need to develop postsecondary education opportunities to strengthen the state's workforce and create pathways for individuals to improve their ability to get better jobs and become more active citizens.

In pursuing its study, the Commission convened three public hearings and several additional public meetings. At the first public hearing, held in February 2011, the Commission discussed the governance structure of California's community college system and learned about how the system receives state funding. The Commission heard from the current Chancellor of the system, two college presidents and the executive director of the Institute for Higher Education Leadership and Policy.

The second hearing, in April 2011, allowed the Commission to discuss the community college system's governance structure in greater detail and assess certain policy levers that are used to guide the system. The Commission heard from two students, the president of the Academic Senate for the California Community Colleges, three chancellors and the president of the Central Valley Higher Education Consortium, as well as the executive director emeritus of the Accrediting Commission for Community and Junior Colleges.

At the final hearing, held in June 2011, the Commission learned about the role of basic skills education in the community college system. The Commission heard from a panel of experts from the California Community Colleges Chancellor's Office and the Department of Education, the executive director of the Career Ladders Project, leaders from San Diego and San Francisco community college districts, as well as a panel of basic skills educators and administrators representing adult schools and community colleges in San Mateo and Santa Clara counties. Hearing witnesses are listed in Appendix A.

In addition to the public hearings, the Commission also held a series of public meetings to hear from community college trustees, policy experts, economic development and workforce advocates and other stakeholders. The Community College Subcommittee convened an advisory committee meeting in June 2011, bringing together a group of community college trustees from across the state. A second advisory committee meeting was held in August 2011 to gather input from a group of external stakeholders. The final subcommittee meeting was held in October 2011 to learn more about community college finance policy. A list of experts who spoke at these public meetings is included in Appendix B.

Commission staff met with the California Postsecondary Education Commission in June 2011 as well as the Board of Governors of the California Community Colleges in July 2011, and visited two centers in the Los Rios Community College District in July 2011.

Commission staff received valuable feedback from a number of experts representing various components of California's community college system, from both inside and outside of government. Though the Commission greatly benefited from the contributions of all who shared their expertise, the findings and recommendations in this report are the Commission's own.

All written testimony submitted electronically for each of the hearings, and this report is available online at the Commission Web site, www.lhc.ca.gov.

California's Community College System

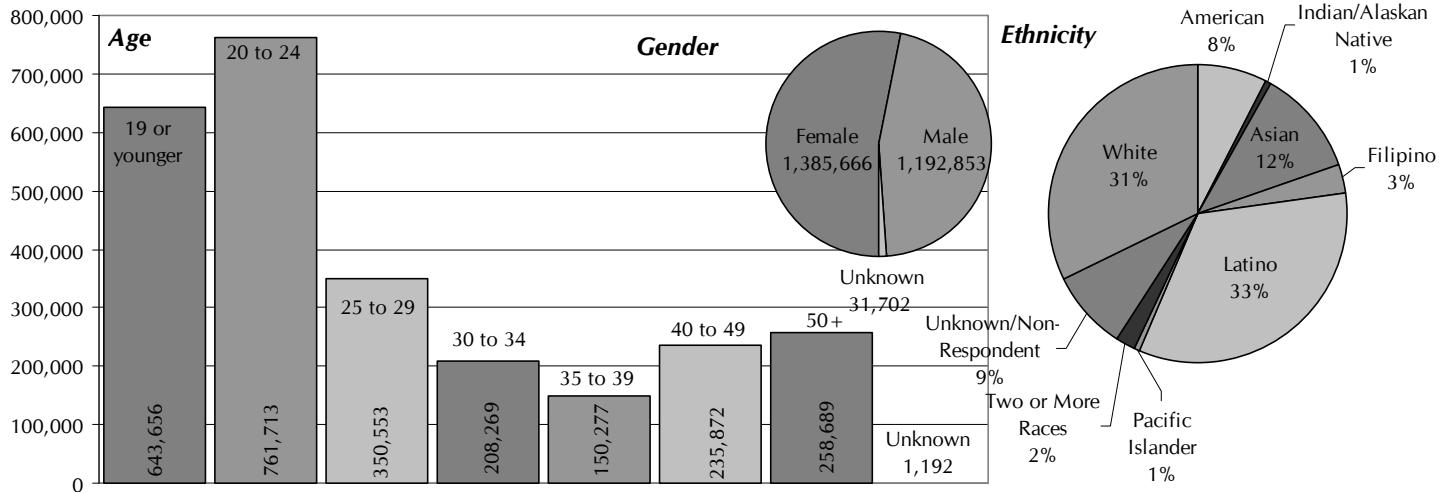
The California Community College system is the nation's largest college system, with 112 campuses governed by 72 districts and a combined budget of \$6.4 billion.¹ More than 2.6 million students, enrolled in a California community college during the 2010-11 academic year.²

The colleges and their advocates pride themselves on serving as a critical entry point to higher education and a sustainable career for many students, particularly low-income students and minority students, who otherwise might not pursue higher learning, as well as those who are the first in their families to attend college. Community college students reflect the diversity of the state: about one third of students are Latino, and nearly as many are white, however, Asian students represent about 12 percent of the student body and African-American students represent just under 10 percent. More than half of the community college student population is of traditional college-going age, 18-24, while 20 percent is between the ages of 25-34. About a quarter of the student population is 35 years old or older. Slightly more than half of the system's students are female.³

The majority of students, approximately 65 percent, come to the community colleges with the goal of earning a certificate or degree, or transferring to a four-year university. Though another 35 percent of students do not list a degree or certificate as their goal, many may be pursuing courses to improve their job skills directly or indirectly, through English language courses, for example. The community colleges also enroll a large number of adults, nearly a fifth of the total student population, who are not seeking job training or academic advancement, but who are pursuing education for their own personal enrichment.⁴

Of the students enrolled during the 2010-11 academic year, about 1.2 million, or 46 percent, were full-time equivalent students enrolled in credit courses that could be counted toward a certificate or degree. For the same academic year, the community colleges awarded more than 85,000 associate's degrees, and approximately 35,000 credit certificates.⁵

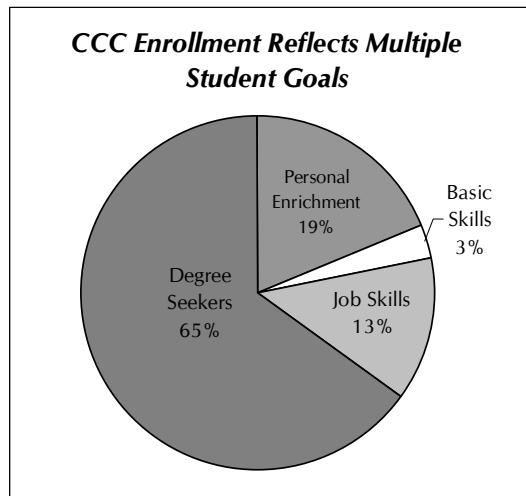
California Community College Demographics, 2010-11



Source: California Community Colleges Chancellor's Office. Data Mart. Annual Student Data. 2010-11.

Additionally, in 2009-10, the most recent year for which data is available, just 92,000 California Community College students transferred to a four-year university. Of these students, 41 percent transferred to a CSU, 16 percent transferred to a UC, another 25 percent transferred to a private institution in California and the remainder enrolled in college outside of California. That year, more than 50 percent of CSU graduates and nearly 28 percent of UC graduates began their educational career at a California Community College.⁶

Research indicates that California will need to increase production of these awards and transfers to ensure the strength and capacity of the state's workforce now and in the future.



Source: Nancy Shulock, Executive Director, Institute for Higher Education and Leadership Policy. January 25, 2011. Written communication.

A number of recent studies have shown that many students leave community college before earning a certificate or degree or transferring to a four-year university. In one example, a 2009 report by the Institute for Higher Education Leadership and Policy, found that the majority of students left before achieving their stated goals. The institute is associated with California State University, Sacramento, and its research emphasizes the California Community Colleges. The study tracked a cohort of first-time community college students enrolling in 2000-01 over a period of 7 years. Of those who stayed enrolled for at least two years, many made significant progress toward earning a certificate or completing a degree, but ultimately failed to do so. About 62 percent completed at least 12 or more units of college level credits; more than 40 percent completed 30 or more college level credits – half way to the transfer requirement of 60 credits. Only 3.3 percent of students

earned a certificate and only 7.9 percent earned an associate's degree while enrolled at a community college. Nearly 23 percent transferred. A 2007 report from the California Postsecondary Education Commission produced similar findings.⁷

More Students Unprepared. Part of the low completion rate of California's community college students can be attributed to the growing number of students who, for various reasons, enter the colleges unprepared or underprepared for college-level work. The Commission heard from community college administrators who said many recent high school graduates are entering college assuming they are ready for college-level work only to learn that they are actually unprepared because the minimum high school graduation requirements do not align with the skills students need to be college ready. "As long as it is acceptable for students to pass the [California high school exit exam] with 10th grade English and 8th grade math skills, we will have problems," San Diego Community College District Chancellor Constance Carroll told Commission staff. Additionally, some students, particularly workers displaced by the economy, may be returning to college after years away from school and need to brush up on skills they had previously mastered. Still other students may be newcomers, still mastering the English language as they pursue academic and workforce training.

Evolving Mission and Governance

The structure governing the California Community Colleges has not changed much since the late 1960s, though the system's mission has expanded considerably from the time community colleges were first established in the early twentieth century.

Origins Linked to High Schools. California's first community colleges were established as extensions of high schools. Through legislation enacted in 1907, high schools were allowed to create "junior colleges" to provide a general undergraduate education to local students, approximating the first two years of university courses. In the early 1920s, the Legislature authorized the creation of separate colleges, in addition to the programs offered in high schools. By the late 1950s, half of the state's 56 "junior" colleges operated as separate institutions, distinct from high schools. In these early years, the colleges were part of the state's public school system and fell under the jurisdiction of the State Board of Education, which also administered the state's elementary, high schools and adult schools.⁸

Changes in the economy during California's post-war industrial boom created demand for new skills and a more educated society. In response,

the Legislature in 1959 called for a wholesale evaluation of the state's higher education system, which resulted in a policy report, the Master Plan for Higher Education, the following year.⁹

From the Master Plan to Today. The California Master Plan for Higher Education in 1960 formally declared the right of all Californians to universal opportunity and access to the state's higher education system, and included recommendations for the respective scope and mission of each tier of the system's three institutions.

While the plan recommended the University of California and California State College systems limit access to their institutions, respectively, to the top one-eighth and one-third of the state's high school graduates, the California Community Colleges were to be accessible to any California resident who graduated from high school or who was over 18 years old and "capable of profiting from the instruction offered."¹⁰

The Master Plan also affirmed the authority and autonomy of the system-wide governing bodies for the University of California and State College systems – recommending that the State Colleges, later called the California State University, like the University of California, be split off from the State Board of Education and overseen by its own governing board. The assumption was that removing the task of overseeing the State Colleges would free up the Board of Education to focus on the junior colleges.¹¹

Through the Donahoe Higher Education Act of 1960, the Legislature implemented many of the recommendations in the Master Plan report, including separating the State Colleges from the State Board of Education and elevating the community colleges to the state's higher education system. The Donahoe Act also directed the State Board of Education to establish minimum standards for forming and operating the colleges and authorized the board to supervise the community college system along with the state's school system. Today, statute directs community college districts to admit California residents possessing a high school diploma, or the equivalent, as well as "any apprentice...who...is capable of profiting from the instruction offered" and "any other person who is over 18 years of age and who, in the judgment of the board, is capable of profiting from the instruction offered."¹²

In 1967, the Governor and Legislature created the Board of Governors for the Community Colleges to oversee the community colleges and formally established the community college district system, requiring all areas of the state to be included within a community college district.¹³ The community colleges would continue to be controlled and governed by

locally elected boards empowered with the authority to make policy and fiscal decisions affecting the community colleges.

The emphasis on the local orientation of community colleges has persisted despite subsequent changes that have slowly shifted authority away from local governing boards. One such shift occurred with the passage of Proposition 13 in 1978, which moved taxing authority from local governing boards to the Legislature and Governor and gave the state an increased role in community college governance and operations. As a result of Proposition 13, the bulk of funding for the community colleges has been acquired on a statewide, rather than a local basis; student enrollment fees have been determined by the Legislature as part of the state budget process, rather than set locally by district trustees; and, students have been able to flow among the colleges, rather than be restricted in their enrollment to the institution in the district in which they lived.

Mission Creep

Today, California's community colleges are "comprehensive" schools – serving students who are pursuing a broad range of goals – from improving English language skills and acquiring relevant in-demand job skills to transferring to a four-year university or simply providing an opportunity for students to pursue education for pleasure. The role of California's community colleges, however, has not always been this broad.

Since the community colleges were first established, the Legislature has expanded their mission on several occasions to reflect the state's changing needs:

- 1907: Community, or "junior," colleges were first established as an extension of high schools, authorized to provide a general undergraduate education that approximated the first two years of university courses.
- 1917: Junior colleges were authorized to provide courses on "the mechanical and industrial arts, household economics, agriculture, civic education and commerce."
- 1967: Legislation expanded the mission of the colleges to include vocational degree programs, continuing adult education programs including basic education, remediation and citizenship skills.
- 1996: Legislation broadened the mission to include workforce, economic and community development programs.

Today, California's Education Code directs community colleges to pursue two primary missions – academic and vocational instruction and workforce improvement – along with several secondary priorities, such as remedial education, English as a second language, adult non-credit instruction and support services. Community colleges offer additional programs for adults, such as programs for foster parents and contract education for private businesses.

Without clear prioritization, stakeholders are left to debate how to balance several important goals: access, course completion, certificate or degree obtainment, transfer, personal enrichment or some combination of these and other objectives. The latest Master Plan review, conducted in 2010 by the Joint Committee on the Master Plan for Higher Education, found that "the lack of such goals [among the state's higher education institutions] makes it difficult to develop sound systems of criteria for advancement or clear systems of accountability." The committee did not, however, recommend a process for articulating such goals.

Sources: California Code. Chapter 304, Statutes of 1917. As cited in Nussbaum. November 1992. "Too Much Law...Too Much Structure: Together We Can Cut the Gordian Knot." Also, California Education Code. Section 66010.4. Also, Joint Committee on the Master Plan for Higher Education. July 1, 2010. "Appreciating Our Past, Ensuring Our Future: A Public Agenda of Needs for Higher Education in California."

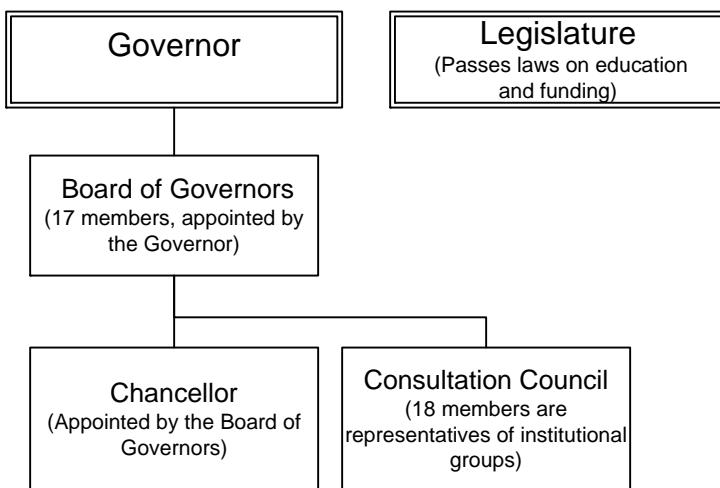
A System of Shared Governance

In part a response to some of the fallout from Proposition 13, the community colleges underwent significant governance changes in 1988 with the passage of the Community College Reform Act (AB 1725).¹⁴ Among other changes, the legislation called for the Board of Governors to develop policies and guidelines concerning the role of faculty and students in community college governance, and also created a Consultation Council to include more stakeholders in statewide decisions. Ensuing regulations created a shared governance system that established a consultative governance process to include administrators, faculty, students and other groups in campus decisions.

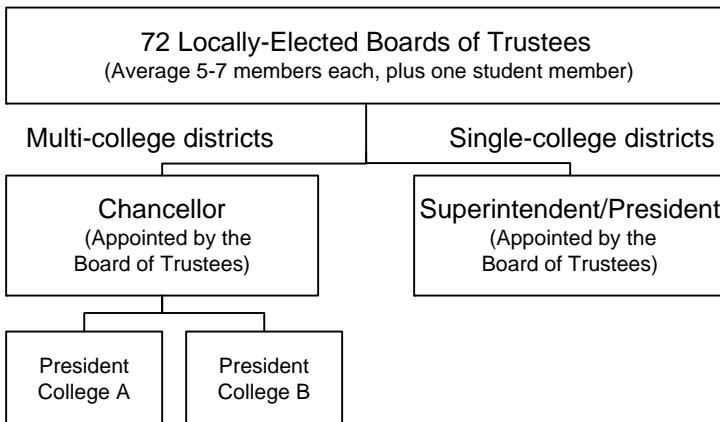
Today, several actors share a role in directly governing the California Community Colleges, namely: the state Board of Governors, the

Chancellor, locally elected trustees in the state's 72 community college districts, local presidents and chancellors, faculty and students in the state's 112 community colleges.

Basic State Level Governance Structure



Basic District Level Governance Structure



The Board of Governors is responsible for developing statewide policy for and providing long-range planning and guidance to the California Community Colleges. The 17-member board has authority to establish minimum academic and personnel standards, evaluate and report on the fiscal and educational effectiveness of the community college districts, conduct research, administer fiscal support programs and select the Chancellor of the community college system.¹⁵

The board is assisted by an 18-member Consultation Council in developing and recommending policy proposals and providing advice on system-wide proposals, such as budget and legislative programs. The council is chaired by the system Chancellor and is comprised of trustees, executive officers, students, administrators, business officers, student services officers, instructional officers, and faculty and staff unions and employee associations.¹⁶

The System Chancellor. The Chancellor of the California Community Colleges is appointed by the Board of Governors and serves as chief executive officer of the board. Under the direction of the board, the Chancellor provides policy leadership and advocates for the community college system, monitors system compliance and accountability with state statutes and regulations and provides technical assistance and legal advice to the colleges.

The Chancellor's Office is a state agency, supported by the General Fund. Funding and staffing levels are subject to fluctuations in the state's budget. The office currently has 146 allocated positions, down from a high of 236 in 2001-02. By comparison, in 2010, the University of

Coordinating Higher Education in California

California's public system of higher education, composed of three separate institutions, reflects the intentions of the authors of the 1960 California Master Plan for Higher Education, which defined who, when and under what conditions students can enroll in each of the state's higher education institutions:

University of California (UC) is the state's primary academic research institution composed of 10 campuses, which in 2010-11 served approximately 234,000 full-time equivalent students. UC provides undergraduate, graduate and professional education and is the only institution with the sole authority to issue doctoral degrees. Admission is available to the top one-eighth of high school graduates.

California State University (CSU) provides both undergraduate and graduate education, through the master's level, with two exceptions, at each of its 23 campuses. CSU is authorized to award a Doctor of Education in educational leadership and other doctorates can be awarded if issued jointly with UC or an independent institution. Admission is available to the top one-third of high school graduates. In 2010-11, approximately 340,000 full-time equivalent students enrolled in a CSU.

California Community Colleges (CCC) provide academic and vocational instruction, through the first two years of undergraduate education, as well as remedial instruction, English as a Second Language courses, adult non-credit instruction, community services courses and workforce training services. Admission to one of the state's 112 community colleges is available for any student capable of benefiting from instruction. In 2010-11, approximately 1.28 million full-time equivalent students enrolled in a community college.

While overall governance of public higher education institutions varies across the U.S., many states have established a consolidated governing board or a coordinating board to organize higher education planning and policies. California's original Master Plan for Higher Education called for such a body to coordinate policy for California's public and independent colleges and universities, and advise the Governor and Legislature on major higher education policy, budget and planning issues. For nearly 40 years, the California Postsecondary Education Commission served these functions; however, the commission was eliminated in the 2011-12 state budget.

The commission was an important source of higher education data: commission reports advised policy-makers on a range of topics including eligibility and enrollment, degree completion, transfers, student demographics and college affordability. In recent years, the commission was criticized for failing to develop or maintain a statewide higher education plan, leading to several proposals to restructure or eliminate the commission. In eliminating the commission's funding, Governor Brown said that the organization was ineffective and suggested the state's higher education institutions "explore alternative ways to more effectively improve coordination and development of higher education policy."

Source: University of California, Office of the President. "California Master Plan for Higher Education: Major Features." http://ucfuture.universityofcalifornia.edu/documents/ca_masterplan_summary.pdf. Also, Legislative Analyst's Office. January 19, 2011. "The 2011-12 Budget: Higher Education Budget in Context." Also, Education Commission of the States. State Comparisons: State-Level Coordinating and/or Governing Agency. <http://mb2.ecs.org/reports/Report.aspx?id=222>. Also, Governor Edmund G. Brown. June 30, 2011. SB 87 veto message. Also, Richard Richardson, Jr., et. al. March 2005. "Public Policy and Higher Education Performance in the State of California."

California and California State University systems, with fewer campuses and smaller student populations, were allocated approximately 1,500 and 550 employees, respectively.¹⁷

Boards of Trustees. Modeled on local school boards, each of the state's 72 community college districts is governed by a board of locally-elected trustees, held accountable to local voters. Major responsibilities are defined in statute and include:

- Establishing policies for academic and facilities plans and programs; instruction and educational programs; academic standards, probation, dismissal and re-admission policies, as well as graduation requirements.
- Setting employment practices, salaries and benefits for district employees and managing and controlling district property.
- Determining the district's academic calendar, including which holidays to observe.¹⁸

Trustees may, and do, delegate responsibilities to chief executive officers, typically district chancellors or college presidents.¹⁹ Several have suggested that without the finance authority that community college boards held prior to the passage of Proposition 13, the ability to hire a chief executive officer is the single most important role of a community college board.

District Chief Executive Officers. Appointed by community college district governing boards, chief executive officers administer local board policies and generally are responsible for overseeing the day-to-day operations of the college or colleges within their district.

The role of chief executive officers varies depending on the district's structure as a single-college or multi-college district. More than two-thirds of California's community college districts are single-college districts, serving students through one accredited college, often at more than one campus location. In these districts, the trustees delegate authority to a chief executive who usually serves as both superintendent of the district and president of the college and is responsible for the district's day-to-day operations. In contrast, multiple college districts, comprised of two or more accredited colleges, are headed by a chancellor to oversee district operations, who then delegates authority to presidents to oversee the colleges.

Faculty. Community college faculty have considerable influence in local district decisions. Starting in the early 1960s the Legislature encouraged junior colleges to establish academic senates, which over time grew in authority and influence. This led to the 1970 formation of Statewide

Academic Senates, and culminated in Legislation in 1988 mandating a formal governance role for faculty. Today, the statewide Academic Senate of the California Community Colleges, a non-profit organization, led by 14 representatives from college academic senates, is recognized as the official voice of the community college faculty on statewide policy discussions involving academic and professional matters. Community college governing boards are required to either reach mutual agreement or rely primarily on the advice and judgment of the Academic Senate on decisions in some 11 policy areas.²⁰

Variation Among California Community College Districts

California's community college districts reflect the diversity of the state – in terms of the number of students served, the geographic size of the district, the number of college campuses and centers, the number of county borders included within a district, as well as the number and types of awards granted. No two community college districts are alike.

The majority of community college district governing boards oversee just one community college, though many of these districts include multiple college campuses and centers.

By many counts, the Los Angeles Community College District is the largest community college district in California, both in terms of the number of students enrolled and the number of colleges. Kern Community College District is the largest, however, in terms of its geographic layout and Yuba Community College District, in Northern California, crosses boundaries with the most counties.

In contrast, the Feather River Community College District in Plumas County is among the smallest in the state in terms of number of students enrolled (just 3,060 students during the 2010-11 school year). And, covering just 38 square miles, Glendale Community College District, which enrolled just over 30,000 students during the 2010-11 school year, is the smallest in terms of geography.

The Los Angeles Community College District also awards the most associate's degrees and credit certificates, though Los Rios Community College District, with four colleges in the greater Sacramento region, also awards a high number of associate's degrees, and Sonoma Community College District, with one college in the North Bay Area, awards a high number of credit certificates and awards.

San Diego Community College awards the majority of the community college system's non-credit awards, however, several other districts, including Rancho Santiago, North Orange, Santa Barbara, San Francisco, Palomar and State Center, also issue many non-credit awards.

By the Numbers, 2010-11

	<u>Biggest</u>	<u>Smallest</u>
Student Headcount Enrollment:	Los Angeles (241,148)	Feather River (3,066)
Number of Colleges:	Los Angeles (9)	49 districts have just one college
District Footprint, Square Miles:	Kern (21,290)	Glendale (38)
Number of Counties Covered:	Yuba (8)	43 districts cross boundaries with just one county
Number of Associate's Degrees:	Los Angeles (5,202)	Palo Verde (114)
Number Credit Certificates or Awards:	Los Angeles (4,246)	West Kern (12)
Number Non-credit Certificates:	San Diego (1,347)	N/A

A table comparing select community college districts, including those mentioned above, is included as Appendix F.

Students. The State Board of Education adopted regulations in 1991 to guarantee a formal role for students in community college governance. District governing boards were required to provide an “opportunity for students to participate in the formulation and development of district and college policies and procedures that have or will have a significant effect on students” and were limited their ability to take action without student input.²¹ Today, student involvement is required for any district or college policy which the board determines will have a significant impact on students, such as decisions regarding grading policies, codes of student conduct, academic disciplinary policies, curriculum development, student fees, and student services planning and development.²²

Several organizations have studied how to reform the California Community College system and improve its governance. The most recent and most important review was conducted last year by the California Community Colleges Student Success Task Force. In January 2012, the task force issued recommendations for improving student outcomes within the California Community Colleges, including strengthening statewide leadership of the community colleges and increasing coordination among colleges, that were later adopted by the Board of Governors. A summary of past reviews of the community college system is included as Appendix E and a comparison of recommendations from the Student Success Task Force and this Commission are included in Appendix D.

Evolving Finance

Today the state’s budget process drives many of the financial policy decisions for the California Community Colleges, but this was not always the case. Two ballot initiatives significantly changed the finance landscape for the community colleges, shifting greater financial responsibility to the Legislature from individual districts:

- Through the People’s Initiative to Limit Property Taxation, or Proposition 13, voters in 1978 curtailed the ability of community college districts to raise revenues and shifted primary fiscal authority to the state from locally-elected boards of trustees. Until the late 1970s, locally-elected boards of trustees could make a larger number of policy and fiscal decisions affecting community colleges, as well as levy taxes to fund those decisions.
- Through the Classroom Instructional Improvement and Accountability Act, or Proposition 98, voters in 1988 mandated a minimum level of annual funding for K-14 education. The amount was intended to grow along with attendance and changes in the economy to provide a stabilized funding stream for K-12

schools and community colleges. The initiative did not specify how to divide money annually between K-12 schools and the community colleges; the Legislature makes this determination through the state budget process.

Funding Sources

California Community Colleges receive funding from student fees, as well as federal, state and local governments.

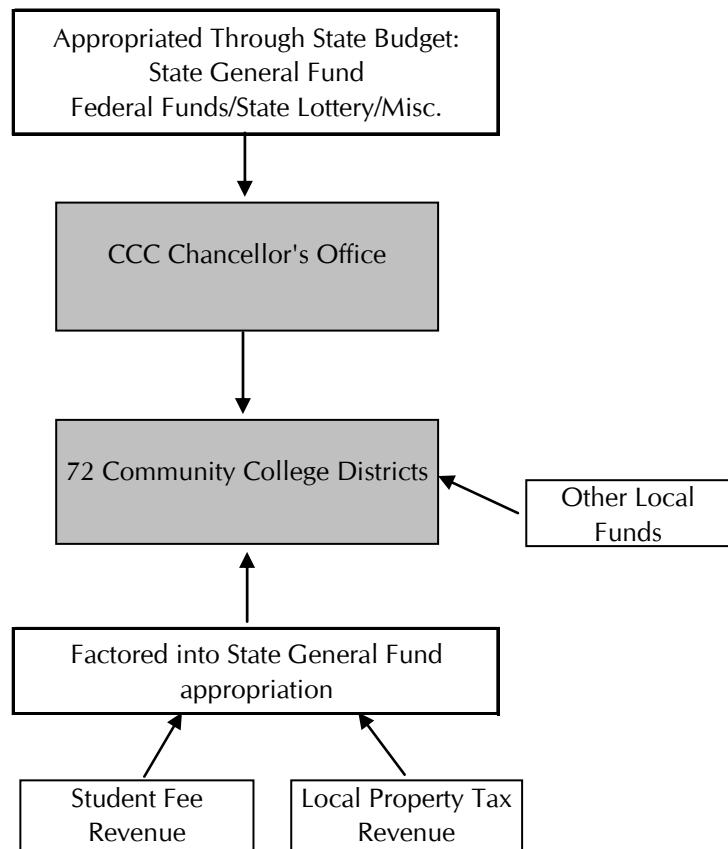
Minimum Funding Guarantee. The minimum funding guarantee, set out in Proposition 98, is met through a combination of General Fund and local property tax revenues and usually totals about 40 percent of the General Fund; the specific amount is determined by one of three “tests,” based on General Fund revenues, the state population, growth in per capita personal income, local property taxes and K-12 average daily attendance.

The community college system’s minimum guarantee supports community colleges’ general apportionment and categorical programs. In past years, the community colleges have received about 10 to 11 percent of the Proposition 98 minimum funding guarantee. In 2011-12, this amounted to approximately \$3.46 billion from the General Fund and another \$1.9 billion from property taxes.²³

Other State Funds. In addition to Proposition 98 dollars, the community colleges receive state money from the State Lottery and community college bond funds, as well as federal money through the Perkins Vocational and Technical Education Act, the Workforce Investment Act, and revenue generated from oil and minerals extracted from federal lands in California.

The Chancellor’s Office is funded through a separate line-item in the state budget, which puts it in competition with other agencies for its share of the state’s non-Proposition 98 General Fund dollars. In the 2011-12 Budget Act, the Chancellor’s Office received \$9.8 million, up from about \$9 million in the 2009-10 budget.²⁴

California Community College Funding Sources



Source: Nancy Shulock and Colleen Moore, Institute for Higher Education Leadership & Policy. October 2007. "Invest in Success: How Finance Policy Can Increase Student Success at California's Community Colleges." Page 10.

California Community Colleges Budget Summary**2011-12 Budget Act (in thousands)****Proposition 98**

General Fund	
Apportionments	\$2,162,888
Categorical Programs	397,345
Lease Payments	63,767
FCMAT	570
Mandates	9,541
Non-budget act deferral payment ^a	832,000
Property Tax Revenue	
Subtotal	\$5,414,643

Other General Fund

Prop. 98 Reversion Account & Settle-Up	\$50,030
State Operations	9,848
Teachers' Retirement	105,736
Bond Payments	250,201
Compton Loan Repayment	-707
Subtotal	\$415,108

Other Funds

State Lottery	\$168,546
Other Funds	12,314
Federal Funds	756
Oil and Mineral Revenue	7,933
Student Fees	456,566
Subtotal	\$646,115

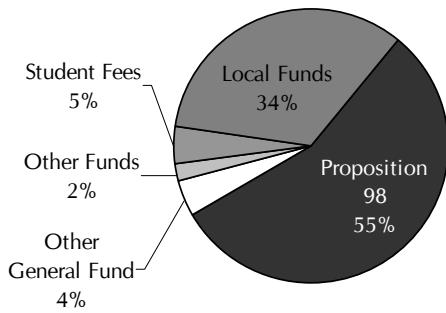
Local Funds

Federal Funds	\$384,201
Local Debt Service	542,464
Other Local Funds	2,378,628
Subtotal	\$3,305,293

Total Funding **\$9,781,159**

^a: The 2010-11 budget included a deferral of \$832 million, paid to the community colleges in the 2011-12 fiscal year. The 2011-12 budget act includes a \$961 million deferral, payable to the community colleges in the 2012-13 fiscal year.

Source: Ed Hanson, Principal Program Budget Analyst, California Department of Finance. September 26, 2011. Personal communication.



General Apportionment. Each year through the state budget process, the Legislature and Governor determine how much state money the community college system will receive for general purpose funding and categorical programs. Community college apportionments pay for general operating expenses and are generally met through a combination of General Fund dollars, local property taxes and student fee revenues. In 2011-12, the California Community Colleges apportionment totaled approximately \$5.53 billion, down from \$5.82 billion in 2010-11 and \$6.12 billion in 2006-07.²⁵

The amount of each district's annual apportionment is determined by a formula established in statute that accounts for a district's fixed costs, such as the number and size of colleges and centers in the district, as well as variable costs, including the number and type of full-time equivalent students (FTES) enrolled on census day – generally one-fifth of the way through the term.²⁶ Districts are paid a different amount per FTES depending on the type of class in which a student enrolls; \$4,367 per FTES in credit instruction, \$2,626 per FTES in non-credit instruction and \$3,092 per FTES in career development and college preparation non-credit courses. Annual apportionment totals are based on the prior year's apportionment, as well as changes in inflation, the cost-of-living and other growth factors. The state has not provided a cost of living adjustment since the 2007-08 budget year.²⁷

When determining how much of the General Fund is needed to meet community college apportionments, the Legislature and Governor first estimate how much money the colleges will receive from student fee revenues, local property taxes and oil and mineral revenues, then provide the remainder in state General Funds.

Three community college districts – Marin, South Orange and Mira Costa – generate enough property tax revenue that they do not qualify for state contribution to meet their basic apportionment.²⁸ These “basic aid” districts generate more local property tax revenue than their apportionment allocation. Basic aid districts are allowed to keep the local property tax revenue in excess of their apportionment, but receive no General Fund money toward their apportionment. They do, however, continue to receive separate state funding for categorical programs.

A community college district's base apportionment can be reduced by the Board of Governors if a district fails to comply with the state's 50 percent law, which requires community college districts to spend 50 percent of the district's “current expense of education” on salaries of classroom instructors, including instructional aides.²⁹ The Board of Governors has allowed districts to apply for exemptions to this requirement in recent years because of budget cuts.

Categorical Programs. In addition to their base allocation, community college districts receive separate General Fund money to support about 20 categorical program areas, including, for example, financial aid administration, economic and workforce development, extended opportunity programs and services, telecommunications and technology services, transfer education and articulation, matriculation services and equal employment opportunity programs.

The colleges received approximately \$397 million from the General Fund in the 2011-12 budget year to support the following targeted activities:³⁰

- Apprenticeship programs.
- Childcare tax bailout.
- Economic and workforce development program.
- Extended Opportunity Programs and Services (EOPS).
- Faculty and staff diversity (Equal Employment Opportunity programs).
- Financial aid administration.
- Foster care education programs.
- Fund for student success.
- Matriculation services.
- Nursing program support.
- Part-time faculty health insurance, compensation and office hours.
- Physical plant and instructional support.
- Programs and services for California Work Opportunity and Responsibility to Kids (CalWORKS) students.
- Programs and services for disabled students.
- Student Success Initiative – basic skills programs.
- Telecommunications and technology services.
- Transfer education and articulation.

Allocating funding by category allows the Governor and Legislature to drive state policy priorities at the local level. Community college districts have the ability to “flex” the dollars allocated for several of these targeted programs to support other categorical programs, a benefit, if a limited one. Categorical programs generally enjoy strong stakeholder support and are seen by some college officials as a way to protect money for specific programs from pressures to redirect the funding elsewhere.³¹

Student Fees and Financial Aid. Community college districts directly collect revenue from local property taxes as well as student fees. Each year as part of the state budget process, the Legislature determines the amount students will be charged to enroll in a community college.

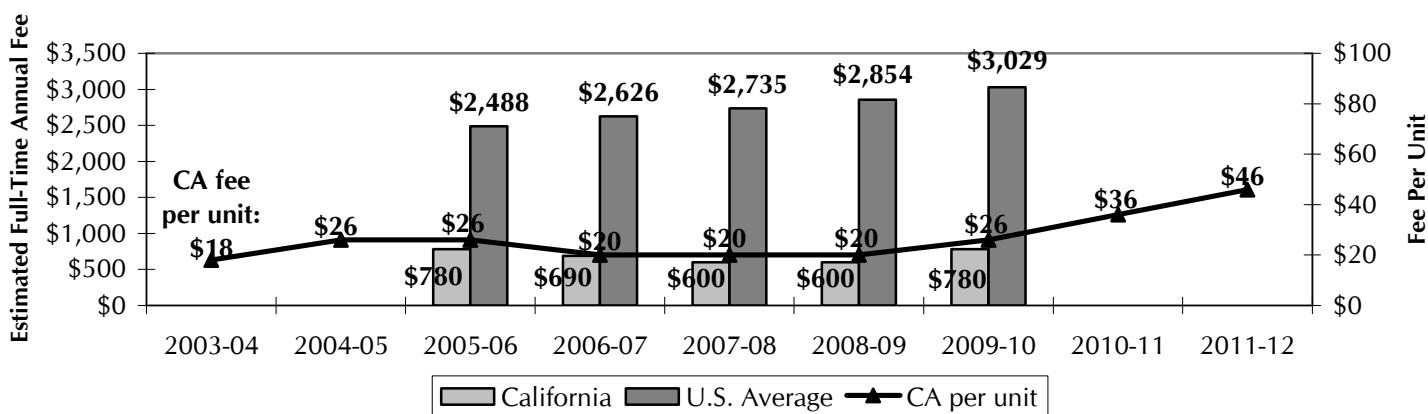
In keeping with the Master Plan’s emphasis on student access to higher education opportunities, Californians have long championed policies maintaining low fees. Prior to 1984, students paid nothing to enroll in a

community college, and for many years students paid less than \$10 per unit.³² As a result, California's community colleges offer access to higher education at a low, affordable cost, well below what students are charged in other states. The current \$36 a unit enrollment fee, up from \$26 in 2009-10, still is far below the national average and will remain so even when the fees are increased to \$46 in spring 2012. At \$46 a unit, California's community college fees will be the second lowest in the nation, just above New Mexico.³³

The amount of fees California residents pay to enroll in any of the state's higher education institutions has increased in recent years, though less so at the community colleges. Even when student fees will increase to \$46, California community college students will only be required to pay about 20 percent of the cost of their education, compared to students attending the University of California or California State University who must pay 57 percent and 48 percent, respectively.³⁴

Revenue from community college fees, which the budget estimated to be about \$450 million in 2011-12, contributes to a district's general apportionment – along with local property tax revenues and General Fund support – and can be used to pay for general expenses.³⁵ In years when the total amount of student fee revenue collected by the system increases, the Governor and Legislature can choose to use the fee money to provide additional funding beyond the amount guaranteed by Proposition 98 or to use the fee money to replace, or supplant, Proposition 98 General Fund dollars.³⁶

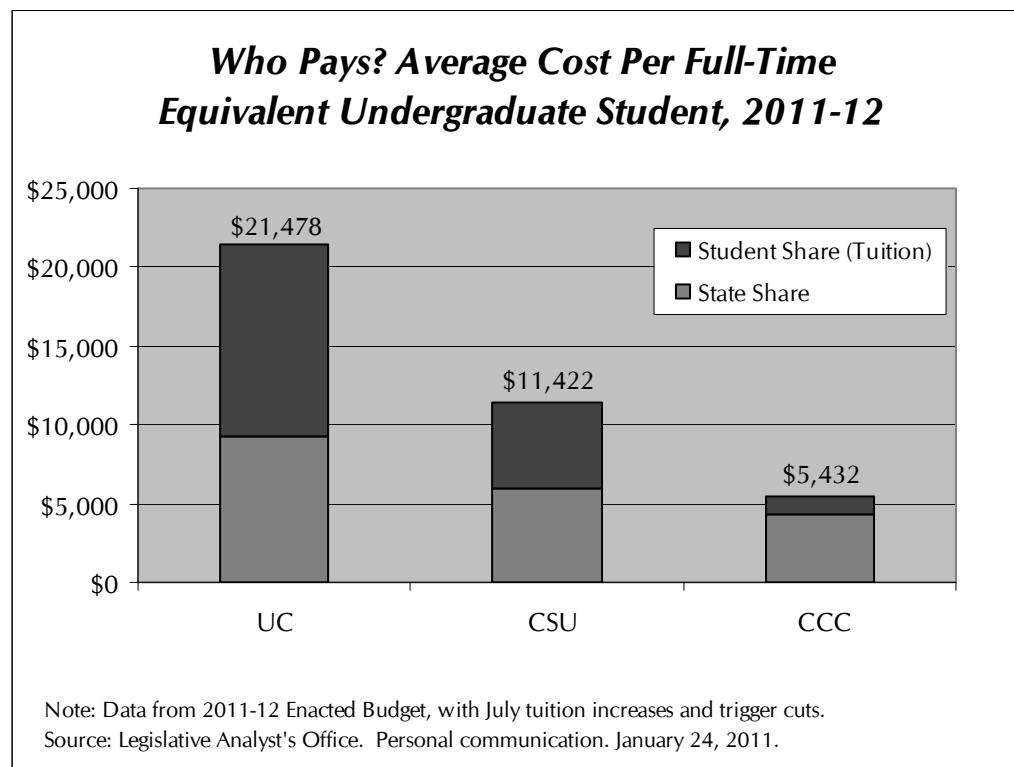
California Community College Fees Well Below National Average



Sources: Washington Higher Education Coordinating Board. March 2010. "2009-10 Tuition and Fee Rates. A National Comparison." <http://www.hecb.wa.gov/sites/default/files/TuitionandFees2009-10Report-Final.pdf>. Web site accessed on January 5, 2012. Also, California Community Colleges Chancellor's Office. "Student Enrollment Fee History."

Note on National data: The Washington Higher Education Coordinating Board does not include South Dakota in the national average, as there are no community colleges operating in the state. Also, the national fee estimates include the tuition and required fees for a full-time student enrolled for a full academic year; optional fees are not included unless they are paid by all full-time students. Full-time students are calculated by 45 quarter hours or 30 semester hours.

Many students pay no fees and receive financial aid to offset the cost of attendance. In the 2010-11 school year, the most recent year for which data is available, more than one million students received a fee waiver from the Board of Governors. These waivers totaled approximately \$410 million in community college fees.³⁷ Eligibility for the Board of Governor's fee waiver is limited to California residents and is based on a student's ability to pay.³⁸



In addition to the Board of Governor's fee waiver program, students may qualify for other financial aid programs, including Cal Grants, which offer state-funded aid for California high school graduates; Pell Grants, which offer federally-funded aid for low-income students; federal subsidies through the American Opportunity Credit, the Lifetime Learning Credit and tuition and fee tax deductions; as well as other subsidized and unsubsidized loan programs.³⁹ In 2010-11, California community college students received more than \$1.75 billion in grants, \$335 million in loans, \$16 million in scholarships and \$28 million through work study programs.⁴⁰ Compared to students in other states, students attending California's community colleges are less likely to apply for federal financial aid programs, potentially leaving hundreds of millions of federal dollars untapped.⁴¹

Rationing Access, But Not Rationally

California has long touted the strength of its higher education system and its ability to provide an accessible, affordable path to higher education for all Californians, but the ability of the California Community Colleges to fulfill this vision is in jeopardy.

California's community colleges, with 112 campuses and additional satellite centers spanning the breadth of the state, are geographically accessible to the majority of the state's students. Unlike the state's four-year universities, California Community Colleges operate as open institutions, by law admitting "any California resident who possesses a high school diploma" or anyone 18 years of age or older "who is capable of profiting from the instruction offered."⁴²

Functioning within a broadly defined, and sometimes contradictory, mission, the community colleges are often expected to serve as "all things to all people." These expectations have been supported by policies in California that have traditionally maintained low community college fees and access requirements as a way to recognize the value of additional, postsecondary education in allowing individuals to develop their potential. More broadly, these policies have acknowledged the importance of a better-educated population to strong communities and a healthy and fast-changing economy.

The state has relied on the California Community Colleges to take a wide variety of students, from recent high school graduates looking to earn a certificate that can result in a better-paying job to students looking to transfer to a four-year institution for an undergraduate degree. The system has welcomed older students, including those returning to school to update their skills or develop new skills. Importantly, California's community colleges have been a place for people who need remedial education in some areas to catch up on basic skills while earning credit in classes for which they are prepared.

Today, however, California is facing growing demand for community college education, propelled by population growth and a weak economy. At the same time, community college campuses are reducing class offerings and turning students away because of funding cuts that have

California's Workforce Needs

A 2009 study by the Skills2Compete-California Campaign estimated that between 2006 and 2016, some 43 percent of California's job openings will require employees with "middle-skill" training, requiring workers to have completed more than a high school diploma, but less than a bachelor's degree; 32 percent will require employees with "high-skills" obtained through completing a four-year degree or more. California's workforce, however, lacks enough workers prepared to fill these jobs. Critical jobs in specific industries, such as infrastructure, will require community college-trained workers, but not enough Californians have yet developed the skills to fill these jobs.

Similarly, the Public Policy Institute of California estimated that by 2025, 41 percent of jobs will require a bachelor's degree or higher, but only 35 percent of adults will be prepared to meet this demand. An earlier PPIC report warned that California was relying too heavily on non-native Californians to meet the demands of the state's economy – relying on workers from other states and nations to relocate to and work in California. As a consequence, PPIC predicted, the state would starve its economy by failing to give its residents a chance to prepare themselves for future jobs.

Together, these projections signal the need for California's community colleges to increase both the number of students who complete two-year degrees and certificates and the number who successfully transfer to, then graduate from, four-year institutions.

Sources: Skills2Compete-California Campaign. California's Forgotten Middle-skill Jobs: Meeting the Demands of a 21st Century Economy. October 2009. Also, PolicyLink. 2010. "Pathways Out of Poverty for Vulnerable Californians." Also, Hans Johnson, senior fellow and associate director of research, Public Policy Institute of California. 2010. "Higher Education in California: New Goals for the Master Plan." Also, Public Policy Institute of California. 2005. "California 2025: Taking on the Future."

35 percent do not list a degree or certificate as their goal, many may be pursuing courses to improve their job skills directly or indirectly, through English language courses, for example. A significant number of students, about 13 percent, set out to enhance their job skills or learn new skills to improve their employability, and a small percentage of students, less than 5 percent, seek to improve basic skills.⁴⁴ Many students, however, leave the community college system before having achieved any of these goals.

not been offset by increased revenue from fee increases. In the five years between the 2007-08 school year and 2011-12, the state community college system saw state contributions from its General Fund apportionment and categorical funding fall by more than a third, to \$2.56 billion from a peak of \$3.89 billion.

Budget cuts have undermined the state's promise of open access to higher education and highlighted the need to prioritize unequivocally the community colleges mission. Explicitly or not, California's community college system is rationing access. Instead of using a rational criteria, however, the system is limiting access in an ad hoc fashion that varies campus to campus, in 112 different ways, sending students to scramble for classes at different colleges, sometimes in different districts.⁴³ In its broad array of missions, the system has tried to be all things to all students, though data on results show that the system is not helping enough students achieve their stated aims, or providing the state with the greater number of more educated employees a growing and changing economy will need.

Research by the California State University, Sacramento's Institute for Higher Education Leadership and Policy show that approximately 65 percent of the students who enroll seek a skill-related certificate, an associate-level degree or to transfer to a four-year college or university. Although

The institute, in a 2009 study, found that only 3.3 percent of students earned a certificate and only 7.9 percent earned an associate's degree while enrolled at a community college. The study found that the majority of students who enrolled did not earn a degree or certificate, nor did they transfer to a four-year university. The study, which tracked a cohort of first-time "degree-seeking" community college students over a seven-year period, found that many students were no longer enrolled after two years. Of those who stayed, many met significant milestones on the way to completing a degree. About 62 percent completed at least 12 or more units of college level credits; more than 40 percent completed 30 or more college level credits – halfway to the transfer requirement of 60 units. A 2007 report from the California Postsecondary Education Commission produced similar findings.⁴⁵

Multiple Missions Leave Priorities Unclear

The California Community Colleges are charged with pursuing several missions – lower division academic and vocational instruction and economic and workforce development programs, as well as providing remedial instruction, English as a Second Language (ESL) and adult non-credit instruction.⁴⁶ In addition, the colleges provide students opportunities for educational enrichment and lifelong learning. However, the state's Education Code fails to clarify how the community colleges are to prioritize these multiple missions, how they are to work with the state's other higher education institutions, and to what end.

In testimony and in discussions with community college leaders at different levels of the system, the Commission heard that campuses have widely differing views of what the top priorities should be for the overall system, even after accounting for different regional conditions and needs. At times, these priorities conflict with policies established by the Chancellor's Office to lead the community college system. Some communities, for example, expect community colleges to offer an array of courses, including enrichment or lifelong learning courses, because these types of courses have been available through the community colleges in the past. In part, these divergences can be attributed to the multiple "primary" missions assigned to the community college system in state statute.

Among legislators, community college leaders, faculty members and the general public, there is little consensus as to the definition of "student success" for the California Community Colleges. To some, student success is a function of student access and the number of students served. To others, student success is a matter of aligning investments, and student outcomes, in the California Community Colleges with the

Two Primary Missions

California's community colleges are tasked with pursuing multiple, and sometimes competing, missions. With two primary missions, along with secondary priorities, California's Education Code does not send a consistent signal to community colleges about how to prioritize their academic programs and allocate limited resources.

*"The California Community colleges shall, as a **primary mission**, offer academic and vocational instruction at the lower division level for both younger and older students, including those persons returning to school ... These institutions may grant the associate in arts and the associate in science degrees.*

"In addition to the primary mission of academic and vocational instruction, the community colleges shall offer instruction and courses to achieve all of the following:

The provision of remedial instruction for those in need of it and, in conjunction with the school districts, instruction in English as a second language, adult non-credit instruction, and support services which help students succeed at the postsecondary level are reaffirmed and supported as essential and important functions of the community colleges.

The provision of adult non-credit education curricula in areas defined as being in the state's interest is an essential and important function of the community colleges.

The provision of community services courses and programs is an authorized function of the community colleges so long as their provision is fully compatible with an institution's ability to meet its obligations in its primary missions.

*A **primary mission** of the California Community Colleges is to advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous work force improvement."*

Though the Chancellor has called for community colleges to narrow their focus in core mission areas, this broad statutory mission definition allows community college districts to prioritize the elements of these missions in different ways – all while following the letter of the law.

Source: California Education Code. Section 66010.4

state's economic needs. A measure of that form of success would look at completion, such as the number of students who complete courses or the number who earn a certificate or degree, or who transfer to a four-year university. Others are not convinced that these definitions of transfer or completion are the appropriate end goal. Success to some might be the number of students who persist from one quarter or one year to the next without dropping out; to others, the number who complete remedial coursework, if needed, or complete general education requirements. It might be the number of students who enroll on a full-time basis or maintain a passing grade point average. This lack of consensus complicates the state's ability to set priorities.

"We do not have a coherent set of expectations about what the community college system should deliver," David Wolf, former executive director of the WASC Accrediting Commission for Community and Junior Colleges, said during a Commission advisory meeting. "Since the 1960s, there's been no clear statement [from the state] about what the system is to achieve. The 'what' is being studied by other organizations. We never connect the goal with what we [the colleges] do."⁴⁷

Echoing this view is Michele Siqueiros, executive director of the Campaign for College Opportunity, a non-profit organization co-founded in 2003 by an alliance between the Mexican American Legal Defense and Education Fund, the California Business Roundtable and the Community College League of California, to ensure California students have the chance to attend and succeed in college in order to support a strong workforce and economy for the state. Ms. Siqueiros told the Commission the "lack of goals and intentionality around achieving those goals" is one of the greatest challenges for the California Community Colleges. There is no mechanism in place, for example, for the community colleges to

systematically invest resources in programs in high-needs industries or to prepare workers for the growing number of middle-skills jobs the state's economy will require.

The lack of clarity is not limited to the community college system; it is a central weakness of California's 50-year-old Master Plan for Higher Education. A legislative committee formed to reassess the plan after five decades concluded in 2010 that the state's lack of goals among its three higher education institutions "makes it difficult to develop sound systems of criteria for advancement or clear systems of accountability."⁴⁸

By at least two measures – what our society needs and how our students are performing – California has fallen short. To turn the tide, many within the California Community Colleges see a need to focus on specific priorities and have identified improving student success as the critical outcome for the community colleges.

Prioritizing Investment to Meet State Needs

If the community college system's stakeholders do not agree on what constitutes student success, there has been consensus on a general measure of system success – access, as measured by student enrollment. By many counts, the system has done a good job of ensuring that a diverse student body gets through the door of the community college system. Shrinking budgets have translated into shrinking access as colleges cut course offerings, by one estimate, shutting out more than 140,000 students for an 8 percent reduction in state funding.⁴⁹

In this environment of scarcity, the community colleges are no longer capable of serving the "Top 100 percent" of Californians.

"The question is not whether we're going to deprive students, but which 600,000?" Steve Weiner, a board member of the Campaign for College Opportunity, said. "We are rationing community college education."⁵⁰

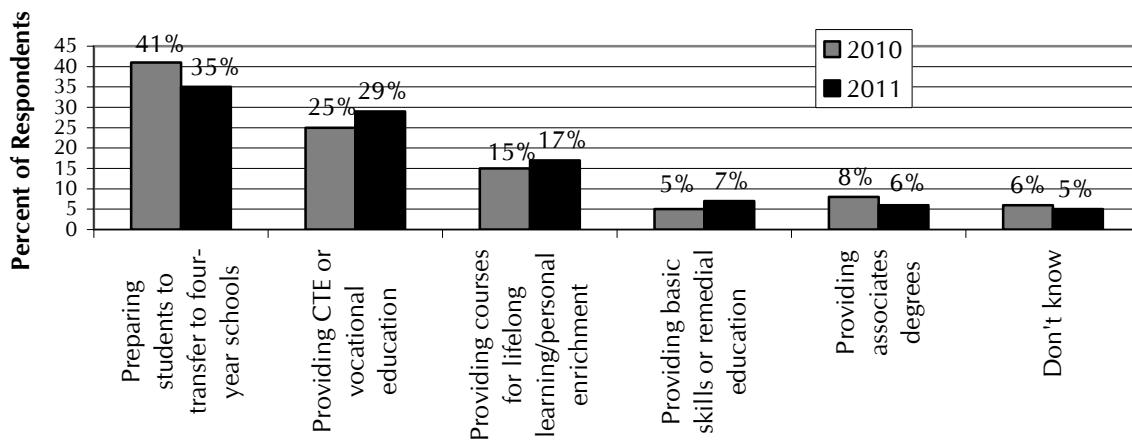
The community college system has sustained significant budget reductions – more than \$500 million in categorical and general apportionment cuts in 2009-10 and another \$300 million in general apportionment cuts in 2011-12 despite fee increases. At the same time, the number of students enrolled in and the number of course sections offered throughout the community colleges have declined.⁵¹ In response, the Chancellor has encouraged community colleges to prioritize resources toward workforce training, transfer and basic skills. "We consider these three instructional areas to be our core mission," Chancellor Jack Scott told the Commission. "Other courses such as

aerobics for seniors and parenting classes, while also valuable to our society, cannot compete with the need to help Californians progress toward their academic and career goals.”⁵² However, these priorities do not always reflect the expectations in each community about what types of educational services the community colleges should provide. Faced with diminished resources and the dilemma of which students to serve, it is difficult to argue with this vision.

Need to Ration Rationally. Focusing on student success in the three core areas truly addresses the most important needs of students and of California. Currently, however, there is no formal policy to declare these as the most important goals for the California Community Colleges endorsed at all levels of the system.

Without a clear public agenda for the community colleges, or a sense of what they are trying to achieve, Californians cannot be blamed for continuing to expect their local community colleges to meet multiple and diverse goals. Asked to identify the most important goal for the community colleges, Californians polled by the Public Policy Institute of California in October and November 2011 were split in their responses: More than one-third identified preparing students to transfer to four-year colleges and universities as the most important goal for the community colleges, but almost 30 percent of Californians thought providing career technical or vocational education was of primary importance and nearly 20 percent identified lifelong learning as a top goal. Compared to those surveyed the year before, fewer Californians said in 2011 that providing associate degrees and providing basic skills or remedial education were the most important goals for the California Community Colleges.⁵³

***Public Perception of the Most Important Goal
of the California Community Colleges***



Sources: Public Policy Institute of California. November 2010 and November 2011. “PPIC Statewide Survey: Californians and Higher Education.”

At the district level, these broad expectations can create pressure for locally elected community college governing boards as they try to balance the preferences of the community against the Chancellor's urging to focus on meaningful statewide goals. Community colleges were meant to be closely linked to a defined community and reflect their preferences, though this has resulted in a growing list of community interests that are difficult to meet, especially in the current and foreseeable economic environment, David Wolf said.⁵⁴

In some districts, public demand remains high for enrichment or lifelong learning courses, even as the system faces additional budget cuts and the Chancellor and others encourage districts to cut courses in these areas. One trustee told Commissioners that her board faces particularly strong resistance from community members over cuts to the district's enrichment programs, such as conversational Italian and ceramics, though these are the types of programs that the system Chancellor has suggested should be de-emphasized.⁵⁵

Across the system, thousands of students enroll in community colleges for purposes other than transfer, career technical education or basic skills. Research from the Institute for Higher Education Leadership and Policy suggests that, system-wide, nearly a fifth of students enroll in a community college for personal enrichment.⁵⁶

In some districts, aligning with policy goals established by the Chancellor is not a matter of philosophy, but of allocating resources in the face of community expectations after years of building up popular non-core enrichment programs and their attendant personnel and infrastructure. "It's been a challenge," Eloy Oakley, Superintendent and President of Long Beach Community College District, told the Commission.

To meet the needs of the state's future workforce, instead of rationing access by default, the California Community Colleges must ration rationally. "It's much more important for us to meet the needs of transfer students and CTE students, than it is for [us to provide] personal enrichment courses," Chancellor Jack Scott told the Commission.⁵⁷

Personal enrichment courses necessarily must take a lower priority if the primary goal of the California Community Colleges is not to create permanent students, but to educate people and help them improve themselves so that they can move forward to lead more fulfilling, productive lives.

"I think we're at a point in California where education that is going to be compensated by the state should have a purpose," San Diego Chancellor

Constance Carroll told Commissioners. “The purpose should be a measurable purpose and the institutions should be held accountable for achieving that end.”⁵⁸

Roadblocks to Success

As currently structured, and funded, the community colleges cannot ensure both access and success. Improving student success is important on its own merits, but also holds promise for ultimately improving access by moving more students through community college, opening up chairs for more students to file in behind.

“The community colleges are in a no-win situation now,” Long Beach Trustee Doug Otto told the Commission. “Not long ago, the only question was access. The colleges are now expected to provide full open access and achieve high levels of success simultaneously.”

Moving toward success will require the community colleges to address long-standing, sometimes controversial, issues:

Funding Policies Support Enrollment Growth. The bulk of funding for community colleges comes from the state apportionment, much of it tied to the number of full-time equivalent students enrolled and the number and size of college campuses and centers each district has. The system as a whole depends in part on student fee revenue, though California has long maintained lower than average fees as a way to ensure access.

These policies reward community colleges on the basis of student enrollment, and encourage colleges to maintain or increase the number of students enrolled early in the school term as a method to generate revenue, rather than focusing on getting students into college, helping them establish and follow an educational plan so that when they leave, they have accomplished their goals.

More Students Underprepared; Students Can’t Get Counseling, Assistance. Underprepared students require additional guidance and support, such as counseling and tutoring and require additional time to build up their skill levels for college work. Without additional guidance to develop educational goals and a plan for how to achieve them, many students, particularly first-generation college-goers, lose momentum and often lose their way. State funding policies that prioritize the proportion of money spent in the classrooms leaves other parts of districts’ budgets vulnerable when funding is reduced, such as investments in counselors, tutors and other student support that has been shown to help students persist and progress.

Until recently, community college students could enroll in transfer-level courses without completing a prerequisite course. This resulted in students signing up for classes for which they lacked needed background knowledge or skills, and later dropping out, repeating the course or failing with little consequence, taking a spot that could have been used by a better-prepared student who lacked enrollment priority. Though the Board of Governors, under the guidance of the Academic Senate, recently modified requirements for applying prerequisites to courses, the policy change will not be immediate.⁵⁹

UC and CSU Moves Increase Competition for Seats. Funding cuts at the University of California and California State University system have narrowed the door to higher education for many Californians, making entrance into these institutions much more competitive than it has been in the past. To offset the loss of about \$1.4 billion in General Fund support, these two institutions have increased fees, as well as increased enrollment of more non-resident students who pay higher tuition than students from California.⁶⁰ As the state's public four-year institutions continue to restrict admission and increase fees, more students have turned to the community colleges with the ultimate goal of transferring to a four-year public university. This creates competition for seats with students for whom the community colleges represent the only door into the state's public higher education system. Adding enrollment pressure: a weak job market and persistent high unemployment that generate demand from people seeking to learn new skills in the hopes of becoming employed.⁶¹

Students, faculty and administrators told the Commission that increased competition for fewer classes and course sections has packed classrooms, forcing thousands of motivated students to add their names to waiting lists or take courses they do not want in order to stay in school, at times displacing students who want and need those courses. "Students just get lost on the track," American River College student Alex Pader told Commissioners. "It's like the community pool. Everyone is trying to fight for a place."⁶²

Enrollment Priorities Not Linked to Missions, Favor High-Unit Earners. Current enrollment policies at many community colleges give long-time students high priority for classes, even before new students such as recent high school graduates trying to begin their educational careers or returning workers seeking to enhance their skills.

California's Education Code gives community colleges some direction in prioritizing student enrollment, though it leaves districts with considerable latitude. Under current state law, community colleges are required to give enrollment priority to current military personnel and

"There are enrollment priorities in place, but they may not create the incentives we want."

Michele Siqueiros,
Executive Director, The
Campaign for College
Opportunity

veterans as well as foster youth and to assign low enrollment priority to high school students who are concurrently enrolled at a community college.⁶³ Between these bookends, local governing boards have discretion to establish their own enrollment priorities; producing a diverse array of enrollment priorities across the system. Districts also often give priority to students with disabilities, low-income students participating in Extended Opportunity Programs and Services, student athletes and students participating in the state's CalWORKs program. Continuing students who were enrolled in the previous term usually receive high enrollment priority. Among those not receiving priority enrollment are most first-time students, who often have no priority.⁶⁴

A student's enrollment priority is connected to whether a student can get the right classes to move forward. For some students, failing to get a seat in a particular class, at best, means having to rearrange course sequences or taking a course that will not propel them toward their goals. At worse, it means dropping out and delaying or abandoning their dreams. "I was almost one of those students that did give up because I was trying so hard to find just three classes that I could take with a late appointment," American River College student Noah Golinko told Commissioners. "Had I not been so persistent, I would have fallen through the cracks this semester and I don't know if I would have ever gone back."⁶⁵

To successfully earn a degree or certificate, or to transfer to a four-year institution, students must complete a set number of units. Most associates degrees require students to complete 60 semester units at a community college while maintaining at least a 2.0 (or "C") grade point average. Students generally need about the same number of units to transfer into a four-year college or university with junior standing. Many career technical programs require students to complete at least 18 units before earning a certificate, though the total varies by program.

According to research conducted by the Legislative Analyst's Office, nearly 120,000 students who had already earned 90 or more units enrolled in one of the state's community colleges during the 2009-10 school year. More than 9,000 of them already had accumulated 150 or more units.⁶⁶ While some of these students may be well on the way to achieving a certificate or degree or completing a program of study, current registration policies at many community colleges grant early registration priority to continuing students who have already accumulated a high number of students.

No Upper Limit on Number of Units. Under current rules, there is no upper limit on how many units a student may accumulate. Several community college policy experts have suggested the community colleges

establish a cap on the number of state-subsidized units a student can accrue, noting federal regulations that require students to make satisfactory academic progress in order to continue to qualify for federal financial aid. The federal rules limit the time a student has to complete his or her program of study, for undergraduate programs, measured in the number of units needed to complete the most extensive degree, up to 150 percent of the number of units required to complete their educational program.⁶⁷

The Legislative Analyst's Office in a January 2011 report suggested students who have accumulated more than 100 units should be required to pay the full cost of their instruction. Similarly, the Student Success Task Force, in January 2012, suggested students should lose enrollment priority if they do not follow their education plans, fail to declare programs of study, or are placed on academic probation for two consecutive terms or after accruing 100 units, not including units earned in basic skills and English as a Second Language courses.

Some groups have expressed concern that establishing a unit cap would limit students' ability to explore their options or return to college to pursue a new career path. Others, however, believe that the 100-unit allowance is sufficient for students to explore multiple academic and career paths, as it represents more than 150 percent of the 60 units needed to earn most associates degrees.

In either case, any unit cap should not be instituted without also ensuring adequate counseling services are in place to assist students along their educational path.

Policies to Promote Student Success

In July 2011 the Board of Governors adopted stricter regulations to limit the number of times students could repeat classes on the state's dime. Beginning in spring 2012, community college districts will receive apportionment funding up to three times for a student's enrollment in a course he or she has previously taken. Districts will be allowed to claim apportionment a fourth time for a student going through an appeals process.

Before the change, Title V regulations allowed a community college district to claim apportionment for a student who withdrew from the same credit course, up to four times, and allowed a student to repeat the same course up to two times to improve a substandard grade, such as an "F" or a "no pass." Community college districts continued to receive apportionment for students who repeated courses or withdrew from a course early and state policies lacked a mechanism to discourage districts from allowing students to re-enroll in classes multiple times. Under these policies, more than 441,000 students in 2009-10 had enrolled in the same courses three times and more than 246,000 had enrolled in the same courses four or more times. Most of the repetition occurred in physical education, music, general mathematics, dance and English courses.

With the goals of weeding out chronically poor performing students to make room for those who have yet to have a chance at a class, the new policy is designed to encourage, both, students to be more serious about completing classes and community college districts to provide students the supports they need, such as counseling, to ensure that they complete courses. "I see it as shutting the door on the people who can't get classes," board member Michelle Price explained to her colleagues at the July Board of Governors meeting. "If you are repeating a class three or four times, you are taking a seat from a student who can't get in at all." Students who exceed their enrollment limits in one district can enroll in the course for credit in another district, subject to the same repeat limits.

The Legislative Analyst's Office has proposed that regulatory changes go further, restricting the number of times a district can claim apportionment for a student's enrollment in an activity course, such as physical education or visual or performing arts. Rather than claiming apportionment multiple times, the LAO suggests districts should be limited to claim apportionment the first time a student enrolls in an activity course.

Sources: Board of Governors. May 9-10 and July 11, 2011. Item 3.2. Proposed Title 5 Change on Apportionment Limit for Enrollment in Credit Courses (Sections 55024, 55040, 55042, 58161, and 58161.5). Also, Legislative Analyst's Office. January 20, 2011. "The 2011-12 Budget: Prioritizing Course Enrollment At the Community Colleges."

No Penalties for Poor Performance. Students face little penalty for poor academic performance or for lack of academic progress. Until recently, students could repeat courses without limit, penalty, or declaring an educational goal. In 2011, amid resistance from some faculty representatives, the Board of Governors adopted stricter regulations to cap the number of times a student could repeat a course, a recognition that, in light of fewer class offerings, unprepared students were displacing students who were ready to take the classes and needed it to progress with their education plans. The Student Senate for California Community Colleges supported the reform as a way to maximize the number of students who can get into classes.⁶⁸

In the 2010-11 school year, the most recent year for which data is available, almost 45 percent all students enrolled received a waiver from the Board of Governors, representing about \$410 million in waived fees.⁶⁹ Eligibility for the fee waiver is based on financial need. Students qualify for the waiver as long as they are eligible to enroll in credit courses.⁷⁰ Renewal is not dependent on academic standards or progress toward goals, nor is there a limit on the times a student can attempt the same course while receiving the board waiver. By contrast, eligibility for federal financial aid is based on several factors in addition to financial need, including the condition that students are working toward a degree or certificate in an eligible program and maintain satisfactory academic progress while enrolled.⁷¹

Doing What Works, Reinforcing Student Success

Research indicates that certain factors can predict how well a student will do in college; for example, students who have parents who attended college or who were academically prepared in high school are more likely to succeed.

There also are student behaviors that indicate how well a student will succeed. Most likely to persist and achieve their goals are students who declare a goal of completing a certificate, degree or transfer, and demonstrate progress toward that goal, by attending at least half time. Less likely are students who do not state a goal of completion or do not attend at least half time. Community college students who enroll continuously, drop few courses, register on time and enroll in an orientation course are more apt to complete courses and achieve their goals of earning a certificate, associate degree or transferring to a four-year university.⁷²

Higher education research also suggests that there are certain policies and support services that can contribute to student success, particularly for non-traditional college students, including:

- Orientation courses or programs to help students learn what is expected of them and what financial aid opportunities are available.
- Tools to assess students' skills, incorporated into policies to place students in courses appropriate for their skill levels.
- Opportunities for academic advising or planning to help students refine their educational goals and develop educational plans and goals.
- Opportunities to participate in small learning communities, take classes as a cohort and learn from instructors who coordinate course materials and jointly review student progress, or participate in supplemental instruction or workshops outside of regular classes.⁷³

To shift the philosophy of the community colleges toward emphasizing student success, the California Community Colleges must be able to institute practices that have proven successful in helping students achieve. This approach requires more of the colleges; it also requires more of the students.

Promising Movement from the Community College System. To their credit, the California Community Colleges, driven largely by the work for the Student Success Task Force, are taking important steps to improve student outcomes, particularly in the areas of transfer, workforce preparation and basic skills education.

In 2011, following direction from the Legislature provided in SB 1143 (Liu), the Community College Board of Governors established a task force to examine best practices and models for accomplishing student success. The task force included community college presidents, professors, counselors and students, as well as academic research and business leaders and elected officials. Its 20 members met repeatedly throughout 2011 to investigate strategies for the promoting student success within the community colleges.

The task force reviewed various issues related to student success, such as community colleges' links to high school, how students are matriculated, how the colleges offer instruction and how the colleges are funded. Much of the focus was on assessing, advising, counseling and supports to get on a plan once students arrive, but the task force also explored how to:

- Increase student access to financial aid and academic counselors;
- Improve student assessment;
- Improve linkages between community colleges and high schools;
- Improve delivery of basic skills training;
- Use technology to help students build and use educational plans and for the colleges to track student progress;
- Help counselors and advisors be more efficient; and,
- Consolidate categorical programs to create greater administrative flexibility.

The task force also looked to other states for models of how to fund community college systems to improve student completion rates, including exploring how other states use performance-based funding models to improve student success.

After six months of inquiry, the task force developed 22 recommendations aimed at improving the educational outcomes of California community college students and the workforce preparedness of the state. Among the most prominent recommendations, the task force called for making fee waivers contingent on a student's progress toward his or her academic goals; requiring incoming students to participate in diagnostic assessment and orientation and develop individual education plans, as well as make progress on addressing basic skills needs during their first year; encouraging more students to declare programs of study and participate in student success courses; and granting additional authority to the Chancellor's Office.

In its study, the Commission found similar need for students to play a larger role in their own success and identified a need for the community college system to be empowered with stronger centralized leadership, but found opportunity as well to use limited state dollars to drive student success and identified the need to create an integrated approach to delivery of adult education.

Though some of the recommendations can be implemented without changes in statute or regulations, others will require input from system and state policy-makers. To start the conversation, the Board of Governors in January 2012 adopted the task force recommendations and on February 1, 2012, the Legislature held a joint oversight hearing to begin to review the proposals to advance student success in the California Community Colleges.

Making Student Success a Statewide Priority

The community college system plays a critically important function in offering a huge number of Californians from a wide range of backgrounds a path to develop their potential through higher education. The system has seen its revenues significantly reduced, with little expectation that funding from the state will grow substantially in the foreseeable future. There are, and will be, fewer dollars to invest in the California Community Colleges.

Against the backdrop of a deep and lengthy recession, the system is getting a hard look by its leaders, faculty and students, as well as by those who both have benefitted from the system and depend on it for better-prepared, better-educated Californians now and in the future.

The system needs to change, and this need would exist even if the state and the system could return to the flush times of the past.

Modeling Success in the California Community Colleges

Across the state, California's community colleges are developing model programs to drive student success. Two stand-out examples include work being done in Santa Cruz County and in Long Beach.

Cabrillo Community College District in Santa Cruz County offers a model one-semester program, Academy for College Excellence, or ACE, that helps students identify their strengths and goals, and develop academic and career plans to help put them on a path toward success. "Before they start the academic year, students begin a period of personal exploration, focusing on identifying their goals and wishes and becoming more self-aware," Cabrillo trustee Rebecca Garcia explained. The program has been so successful in changing how students see themselves and in turning around their lives that other community colleges are picking up the model, trustee Garcia told Commission staff.

In a unique partnership that spans the educational pipeline and has created a seamless path for Long Beach students to pursue higher education, the Long Beach Promise is designed to improve college preparation, access and completion. Students are encouraged, beginning as early as the fourth or fifth grades, to work toward pursuing a college education and are rewarded for showing academic improvement.

Through the Promise, local high school graduates who immediately enroll in Long Beach City College are awarded a tuition-free first semester and priority registration, and for those who complete minimum college preparatory requirements or community college transfer requirements, guaranteed admission to California State University Long Beach. Once at Long Beach City College, students are given additional guidance and are required to participate in a student success course to develop educational plans and learn more about financial aid opportunities, Long Beach Superintendent and President Eloy Oakley explained to Commission staff.

In addition, to increase focus on the students, Long Beach City College is just beginning to "structure classes when students want to take them, not when teachers want to teach." This program is student focused," trustee Doug Otto told Commissioners. Already in its third year, the Promise is showing positive results: More Long Beach Unified School District graduates are enrolling in postsecondary courses at the city college or state university; they are better prepared than their peers from other school districts and fewer are dropping out after their first semester.

Sources: Rebecca Garcia, Trustee, Cabrillo Community College. January 22, 2011. Personal communication. Also, Long Beach Unified School District, Long Beach Community College and California State University, Long Beach. March 2010. "Long Beach College Promise: Progress Report." Also, Eloy Oakley, Superintendent and President, Long Beach Community College District. January 20 and May 10, 2011. Personal communication.

The state must maximize investment of limited dollars and prioritize, refine and narrow the scope of programs the community colleges are required to provide. To serve the students who need community college to start or restart their adult lives, and to serve the communities who need them, the system needs to focus on enabling their success. To do so, the state must expect more of its students as well as of its community colleges and California's leaders must take the first steps to enable the success of both.

The current environment requires the California Community Colleges to re-evaluate, prioritize and enforce implementation of the most important missions, to help put students on a path toward a viable career and further educational opportunities and to ensure the state has a strong and capable workforce ready to meet the diverse needs of its regions.

Chancellor Scott has used his leadership role to emphasize the importance of focusing on helping students succeed in developing basic skills, earning career technical education certificates and degrees and transferring to four-year institutions. The Chancellor needs California's leaders to endorse these priorities so that the message is clear to local district boards of directors. The Chancellor's Office will need additional authority and flexibility to craft incentives to drive change at the local district level, subject to the approval of the Board of Governors. These will mean changes in governance and funding that will require the support of the Governor and the Legislature.

The Commission shares Chancellor Scott's focus on the importance of basic skills classes as an essential component to student success, recognizing that not all who take these courses will ultimately earn certificates, two-year degrees or transfer to a California State University or University of California campus. While many students have profound education deficits, some need remedial work in one area of study but not another. Still others, enrolled in English as a Second Language courses, may find that their language skills cross a threshold that allows them to accelerate in their college-level work. These issues are explored later in this report.

System reform must start with the clear message from California's elected leaders from the Capitol to local district boards: Student success in basic skills, workforce training and transfer for further education are the primary missions of the California Community Colleges. As part of California's system of higher education, the community colleges must re-emphasize and prioritize these three core missions. While there is clear public value to providing learning opportunities for individuals who are not seeking academic or career advancement, the system's enrichment mission must explicitly be secondary to ensuring programs in the core missions. Districts should not support student enrollment in

enrichment programs with limited state dollars, but rather should seek alternative funding sources to provide these opportunities.

Further, California must re-examine the notion of “open access” and focus on providing access to educational opportunities at the community colleges, but not necessarily to opportunities to learn simply for the sake of learning. With limited resources, the community colleges must ensure open access for all ages and abilities of adult learners to pursue collegiate-level workforce and educational training; however, the state can no longer afford to subsidize classes for adults seeking to learn solely for enrichment purposes. Though the community colleges should continue to be allowed to provide courses for leisure or lifelong learning, districts must find a local way of paying for these opportunities.

California’s community colleges must focus on helping students move forward by establishing enrollment policies that reward progress and providing support services that help students achieve their educational goals. This focus on student success must be supported by policies governing the community colleges that encourage behaviors that improve student outcomes. They should include:

- Rewards for students who participate in academic assessment, planning, advising and tutoring, rather than making these services entirely optional. The Legislative Analyst’s Office, Student Success Task Force and others have recommended that the California Community Colleges establish more consistent statewide enrollment priorities that reward student participation in these programs. Students who show a willingness to actively engage in their success, and who demonstrate the capacity to achieve their goals by articulating plans and making successful progress toward them, should be rewarded with higher enrollment priority.
- Support to keep students progressing on paths toward their goals. California’s community colleges must ensure that appropriate and sufficient counselors, advisors and other support staff are available to assist students in goal-setting, academic planning and advising to address changes that may occur along the way. This likely will require allowing districts more flexibility in how they spend their classroom money to include other forms of student support.
- An enrollment priority system that protects the status of veterans and disadvantaged students, but helps prepared and motivated students who pass their classes move forward and out, making more room for new students behind them. Such policies must be crafted to recognize that the path for many motivated students is not always linear and that community college students often are

juggling family and work responsibilities that prevent them from taking full-time course schedules.

The Board of Governors and the Chancellor's Office have made important starts in this area. The decisions to cap the number of times a student may take the same course and to allow college-level classes to require prerequisite course work were difficult and in some quarters unpopular. These actions recognize that resources are finite, whether taxpayer dollars, classroom seats or students' time, and that California must make the most of them. The Board of Governors, in adopting recommendations by the Student Success Task Force, has called for the community colleges to adopt a number of important reforms to encourage positive student behaviors and help students advance toward academic and workforce goals.

California's community colleges must have consistent, statewide policies in place, such as prerequisites, to make sure students who are not yet prepared to succeed in courses do not displace students who are ready to learn and progress. Simultaneously, the community colleges must have programs to provide appropriate levels of instruction to all adult learners, regardless of their skill levels when they first enroll. When students demonstrate academic progress in basic skills programs, they should be recognized with higher enrollment priority into college-level courses.

Giving certain students higher priority necessarily means other students will receive lower priority. The Commission believes that a focus on student success that embraces both academic success and achievement in basic skills classes that demonstrate progress toward eventual college-level coursework preserves equity of access while maintaining the state's obligation to be efficient with higher education resources and rewarding the efforts of those who work to improve themselves to the ultimate benefit of the state as a whole.

Under such a structure, students who have accrued a high number of credit units without establishing an education plan and making satisfactory progress toward their academic goals should cede registration priority as well as the ability to receive tuition fee waivers, so that they do not displace students who have goals and are making progress toward them.

Students, too, must be held accountable for their own success and must demonstrate their commitment toward achieving their goals. Students demonstrating satisfactory academic progress should be rewarded with enrollment priority and, for low-income students, access to student fee waivers. Students who are not enrolled in programs within the core missions or who are using the community colleges' resources only for

personal enrichment should be required to pay a tuition fee that reflects the true cost of their course load.

The California Community Colleges no longer can afford to allow students unlimited ability to enroll in courses without making progress toward educational goals. Several recent reports have suggested the community colleges cap the number of state-subsidized units a student can accrue at 100, after which students would have to pay fees that reflect the full cost of their education.⁷⁴ Choosing a specific target for the cap requires careful consideration and an opportunity for a full airing of views, including a discussion of appeals. The proper place for this discussion is before the Board of Governors.

To encourage successful student behavior, the Board of Governors should establish conditions for renewal fee waivers; students enrolling in the community colleges for free should be required to demonstrate that they are engaged in their success. At the very least, to continue to receive a fee waiver, students should be required to be make satisfactory progress toward their academic goal, within the unit cap established by the Board of Governors.

Recommendation 1: To meet the needs of students and the state, and make the best use of finite educational resources, California must make explicit that the primary goal of the California Community Colleges is to foster measurable student progress in three core areas of study: preparation for transfer to four-year institutions, career technical education and adult basic education. Other missions, while valuable, are secondary to these three.

- All colleges should offer enrollment priority in academic and career technical education courses to:
 - ✓ Current students and new students, including recent high school graduates who demonstrate preparedness by completing matriculation components, including participating in orientation, taking a standardized statewide diagnostic assessment, and participating in counseling to develop an educational plan based on assessment results.
 - ✓ Returning students who demonstrate progress toward achieving their goals, including students who are transitioning from adult basic education programs into collegiate credit courses.
 - ✓ Students, including workers, who are returning to upgrade their career skills and who have developed an educational plan.
- All students should demonstrate a commitment to progressing toward and achieving their educational goals.

- ✓ To encourage students to advance in their study plans, districts should cap the number of class credits that students can accrue at the standard tuition level, subject to Board of Governors approval. For credits exceeding that cap, students should pay fees that reflect the full cost of providing classes and forfeit their enrollment priority.
- ✓ To continue to receive a fee waiver from the Board of Governors, students should be required to demonstrate satisfactory academic progress in the prior school term, for example by maintaining at least a 2.0 grade point average in courses in their educational plans. Students should receive the Board of Governors fee waiver only for credits up to the district-set credit cap.
- ✓ Students who enroll in a community college course solely for enrichment purposes should pay a tuition fee that reflects the full cost of the course.

Improving Governance

The California Community Colleges operate within a governance structure designed decades ago that concentrated power at the district level, giving locally elected trustees the authority to set education priorities and to raise and spend money locally. The structure reflected the widely varying needs of geographically separated districts and their often distinct regional economies.

The passage of Proposition 13 in 1978 set in motion a series of changes that shifted authority to raise revenues and allocate funding away from local districts without creating a new leadership structure within the system that was equipped with those authorities linked to the ability to set and execute policy.

The need and expectation for local boards to be able to address specific local demands and conditions remained, though the boards were increasingly less capable to respond as before. At the same time, the existing decentralized structure made it difficult for the state as a whole to prioritize overarching goals, implement system-wide initiatives, coordinate efforts or reward innovation.

While other states have begun to identify goals for their community college systems and develop conditions for the colleges to help students progress toward their own goals, there is no clear venue for these conversations within California's system.

Nominally the leaders of the system, the Board of Governors and the Chancellor lack explicit authority to drive the system, the fiscal authority necessary to allocate resources to achieve system goals and to create incentives for districts to improve student success, and the authority to address individual and unique problems as they arise in districts and on college campuses. Instead, these powers are largely vested with the Governor and Legislature.

In contrast to its counterparts in the University of California and the California State University systems, the Chancellor's Office of the California Community Colleges exists as a separate state department within the Governor's Administration, outside the community college system, and receives a separate state budget allocation than does the community college system as a whole.

If California is to increase community college student success in basic skills, career technical education and transferring to four-year institutions, it needs a leadership structure that can allocate money toward actions to implement statewide goals and hold colleges accountable for results. This can only be accomplished through structural reform. “California can’t tweak or spend its way out of this,” Patrick Callan, one of the nation’s preeminent higher education policy researchers with the National Center for Public Policy and Higher Education, warned.⁷⁵

Central Leadership Structure Weak by Design

The Board of Governors, appointed by the Governor, and the system Chancellor, hired by the board, are seen as the leaders of the community college system, responsible for supervising standards, establishing the system’s budget, and providing statewide leadership and policy direction to the community college districts. In this capacity, policy-makers look to the board and Chancellor to provide guidance in responding to important statewide policy issues, such as how to meet record enrollment demand, how to retrain the state’s large population of displaced workers and how to educate the generation of current and future students for the jobs of tomorrow. These leaders, however, lack the policy authority to effect real change in how the community colleges, as a system, will address these needs and improve student success.

District Autonomy Paramount

The Board of Governors and Chancellor have not always been seen as system leaders. When the positions first were created in 1967, the Legislature emphasized local control, while codifying several contradictions into the new system’s governance structure. Though the community colleges were granted the responsibilities of a postsecondary education system, they maintained the trappings of a K-12 system. The authority to set policy direction for the colleges, and generate tax revenue to support those policy agendas, for many years, remained with the local governing boards. The authority of the system office was intentionally limited – designed to enforce the laws governing the community college system, but not to set policy.⁷⁶

In statute, the autonomy of community college districts remains paramount today. The community college system still is set up like the state’s K-12 school system to be run and governed by boards of trustees. Every community college administration is answerable to its local board of trustees, and the boards are answerable to community voters. Both

administrators and trustees are less answerable to the Chancellor, which lacks a mechanism to enforce policies.⁷⁷

State Mandate Laws Limits Authority to Direct System Actions

State mandate laws further limits the ability of the Board of Governors to require local action. To protect local entities, including community college districts, from unfunded state mandates, they are entitled to reimbursement from the state when a new law, Governor's Executive Order, or regulation issued by a state entity creates a new program or requires a local entity to provide a higher level of service, but does not include additional funding to cover the new service or increased costs. In periods of tight state budgets, the Legislature will not adopt, and the Department of Finance will oppose, policies that include a local mandate because it could result in an additional cost to the state.

"California's community colleges have all the liabilities of local control, all the liabilities of state control and none of the assets of either."

Patrick Callan, President,
National Center for Public
Policy and Higher Education

For similar reasons, regulations adopted by the Board of Governors are often drafted as permission to take recommended actions, not as a requirement to act. The permissive nature of regulations makes it difficult for the Board of Governors and Chancellor to institute system-wide policies, such as developing a common approach to assessment, placement and prerequisites for college-level work, even though they are demonstrated approaches to improving student success. To high schools and students looking to learn what it means to be college-ready and what to expect, this decentralized approach to policy-making creates 112 different messages, higher education researcher Nancy Shulock told Commissioners.⁷⁸

Operations Influenced By Appointee Process, Civil Service Rules

Though California's community college Chancellor is responsible for guiding, overseeing and advocating for the largest higher education system in the nation, there are limits to the Chancellor's ability to staff and manage the system's central governing office.

The Governor, not the system Chancellor, appoints members of the Chancellor's executive cabinet, including the two executive vice chancellors and nine vice chancellors who oversee the divisions of the Chancellor's Office. Although the Chancellor can recommend individuals for appointments and assist in the vetting process, the selection of appointments, as well as the determination of their compensation levels, ultimately are gubernatorial decisions, and appointees serve at the

Working to Develop Common Policies

With so many students entering the community colleges unprepared for college-level work, it is especially important that the community colleges have a common assessment system to measure student proficiency in core curricular areas. Without a common assessment tool used by all community colleges, the community colleges were not sending a consistent message to students about what it means to be college ready. The Chancellor's Office worked with the Legislature to sponsor a bill to address this issue by requiring the Board of Governors to establish a common assessment system for community colleges to use in three core curricular areas: English, math, and English as a Second Language. Though community college districts cannot be required to use the common assessment tool, the Board of Governors will provide it to the districts at no charge as an incentive to encourage districts use the tool, thus allowing those districts to redirect funds previously spent on assessment to other purposes.

Similarly, the Board of Governors in March 2011 approved regulatory changes developed by the Academic Senate to add an additional method for community college districts to establish course prerequisites through a content review process – a methodology commonly used by higher education faculty nationally to ensure students have the skills necessary to succeed in college-level work. The language is permissive, allowing districts to opt-in to using the new method, but does not require them to do so.

Sources: AB 743 (Block). Chapter 615, Statutes of 2011. Also, Constance Carroll, Chancellor, San Diego Community College District. March 25, 2011. Personal communication. Also, Board of Governors. January 10-11, 2011. Item 7.1. Title V, Section 55003: Policies for Prerequisites, Corequisites and Advisories on Recommended Preparation. March 7-8. Item 2.1. Title V, Section 55003: Policies for Prerequisites, Corequisites and Advisories on Recommended Preparation.

Governor's pleasure. When the Chancellor and the Governor are working from the same perspective, the approach works well.

Staffing appointments for the community colleges may or may not be high on a Governor's agenda, depending on the volume of appointments that must be made and priorities in filling vacancies. Delays, however, can harm the ability of the Chancellor's Office to oversee the community college system. Moreover, the appointment process does not guarantee that an individual will have a strong background in higher education policy, nor does it guarantee that an individual will fit with the staffing and leadership needs of the Chancellor's Office at any particular point in time.

"High-level staff appointments frequently take a great deal of time to complete and can be subject to influence from the Administration in the office at the time. This can lead to those top staff positions being viewed more as political appointments than higher education leadership roles," Los Rios Community College District Chancellor Brice Harris told the Commission.⁷⁹

Looked at from the outside, California's governance structure "simply prevents the Chancellor from being a Chancellor," David Longanecker, president of the Western Interstate Commission for Higher Education (WICHE), said. "He can't provide the coordination and direction necessary to guide the system into a positive future."⁸⁰ The nonprofit organization represents 15 states, including California, that work to improve access to higher education and ensure student success.

Initially Powerful, Local Control Diminished

The California Master Plan for Higher Education gave local district boards of trustees responsibility for overseeing academic programs, courses and standards to ensure they meet the needs of the students and the local and regional employers. Local boards also were responsible for developing policies and actions related to faculty and personnel, including negotiating benefits and salaries as well as addressing other

fiscal and management issues. By design, the plan vested the bulk of authority for the system in the state's various local governing boards, rather than centralizing authority in a state office.⁸¹

Local control of the community colleges has eroded significantly since, first through the shifting of finance authority to the state, later through the layers of statutes and regulations established in Sacramento that specified how boards of trustees and their college chief executive officers can allocate resources.

Since the late 1970s, revenue authority for the community colleges has been separate from local policy-making – a consequence of Proposition 13, which sharply limited property tax increases and moved property tax collection and spending decisions to Sacramento. “Proposition 13 was the beginning of the end of governing locally,” Los Angeles Community College District Trustee Georgia Mercer told Commission staff. In approving the initiative, voters stripped local community college governing boards of their taxing authority and so lost a major driver in their ability to set policy. Though local governing boards maintained all of the seeming responsibility for governing the colleges, no longer could they generate revenues to support individual colleges’ priorities. As shown by voter turnout for local district board elections, communities became less engaged with their local colleges than when the boards had the ability to sponsor local property initiatives, trustees told the Commission.

Rather than hold local board members accountable or turn to them for policy changes, community members increasingly sought assistance from their legislative representatives, trustees told the Commission. As a result, the Legislature began playing a more central role in guiding many institution-level policy decisions. When problems arise within a community college, solutions are often sought through the Legislature. Those solutions, however, tend to produce broad fixes that apply not just to a single district, but to the entire community college system, adding reporting and compliance requirements for all campuses.⁸²

The Commission heard from many community college leaders who believe California’s extensive education code limits the colleges’ ability to operate effectively or innovate.⁸³ Riverside Community College Chancellor Gregory Gray told Commissioners, “It is perplexing and paradoxical that we elect a local board, yet virtually all mandates come from Sacramento. The state Legislature tells us the number of students we can serve, the tuition or enrollment fees we can charge, the amount of space we are allowed in which to educate students, and even the percentage of state funding that can be used for furniture and equipment.”⁸⁴

Some of these rules were inherited by the community colleges as carryovers from when the community colleges were part of the K-12 system. An example often cited to the Commission was the Field Act, enacted in 1933 following a devastating 6.3 magnitude earthquake in Long Beach. The act mandates earthquake resistant construction in California's school and community college districts.⁸⁵

Regulatory Impact on Local Leadership

The community college system relies on good leadership at every level, but the plethora of rules governing the system also impacts the stability and quality of leadership within it. The average tenure for a college chief administrator in California is low – approximately 4.5 years according to a 2011 study by the Community College League of California. While retirements account for the vast majority of this loss, a high number of community college leaders are vacating their positions “under fire” – having had their contracts bought out or leaving because of problems within their respective districts.

Anecdotally, the Commission heard that much of the executive turnover, particularly for administrators who come from another state, is partly attributable to the complexity of California's regulatory system for its community colleges. California's community colleges are governed by too many rules to expect that administrators will be familiar with all of them, much less be accountable to all of them. For many administrators, the task is “daunting,” David Wolf told Commissioners.

It takes years for community college administrators from other states to understand California's laws and figure out how to navigate within the state's highly regulatory environment, Chancellor Gregory Gray told Commissioners. Chancellor Gray took the helm of the Riverside Community College District in 2009 after serving in higher education leadership positions in Florida, New York and Pennsylvania. Of the 13 chief executive officers hired from other states in 2009-10, he recalled just one other who, two years later, is still in California. To administrators in other states, the California Community Colleges look like a “foreign country,” he said.

Sources: Community College League of California. 2011. “CEO Tenure and Retention Study.” 5th Update, January 2007-December 2010. Also, Brice Harris, Gregory Gray, David Wolf. April 28, 2011. Testimony to the Commission.

Community colleges have long sought relief from the restrictions imposed by the Field Act. Some community college administrators said compliance with the Field Act unfairly holds community colleges to construction standards that are for buildings that house youth – standards to which city governments and other public entities who serve adults are not held accountable. Districts estimate relief from Field Act requirements could save as much as 20 percent on the cost of building a new college facility, while still complying with local building standards. Legislation was introduced in 2009 to remove community colleges from the Field Act, but was eventually enacted to provide an additional, alternative process for the community colleges to comply with the state's seismic safety requirements outside of the Field Act. This separate, alternative process became part of the California Building Standards Code in January 2011, and maintains equivalent standards for occupancy safety as the Field Act while utilizing building standards for commercial, state, California State University and University of California buildings. When constructing or renovating an instructional facility, community colleges can now choose to either comply with existing Field Act requirements or use the newer alternative process. It is anticipated that the alternative process will save community colleges time and money, thereby stretching limited construction dollars.⁸⁶

In testimony and during advisory committee meetings, community college leaders also expressed frustration at the “50 percent” law, which they said limited their ability to shift resources to student support services important to student success. Enacted in 1961, state law requires both school and community college districts to spend half of a district's “current

expense of education” on salaries and benefits of classroom instructors, including instructional aides.⁸⁷ A district that fails to comply may seek a waiver from the Board of Governors, but if an exemption is not granted, the board may reduce the district’s base apportionment in the following fiscal year.

Critics of this law say that counselors, librarians and ongoing costs of maintaining technology all fall on the “wrong side” of the 50 percent law. Proponents, however, say the law is important for ensuring colleges maintain numbers of full-time faculty because students are more likely to succeed when taught by full-time faculty; they suggest that the percentage should be increased to include support staff, such as counselors.⁸⁸

The Commission heard from some that governance reforms in the 1980s further diluted the local board’s authority by moving the system toward a shared governance model. Both faculty and students have mandated roles to participate in district and college decision-making in several specific academic and professional policy areas, such as developing curriculum and academic requirements. Some critics suggest the shared governance process has put too high a premium on consensus and diluted the decision-making process to the degree that significant decisions cannot be made because there are too many groups with the power to veto.⁸⁹

Through diffused policy authority and disconnected fiscal authority, community college governing boards are limited in their ability to respond to changing local, as well as state needs and are left to perform routine approvals. Several suggested that, in this environment, the central function of a local governing board is to hire and fire district and college chief executive officers.⁹⁰

Power of the Purse Outside the System

By two important measures – the power to hand out money and the authority to add new laws to govern the system – the Legislature plays the dominant role in governing the California Community Colleges. This leadership role is by default rather than by design, but community college leaders as well as those who study the system say that it prevents others, such as the Board of Governors and system Chancellor, from taking a more active and meaningful role in leading the state’s community college system.

Existing finance policies and funding practices treat the community college districts and Chancellor’s Office as separate entities, not a single

Staffing the Chancellor's Office

The Chancellor's Office, as a state agency, is funded through a separate line-item in the state budget, which puts the office in the position of competing with other departments and agencies for General Fund dollars. Like other state departments, funding and staffing levels are subject to fluctuations in the state's budget. In recent years the state's budget crisis has resulted in the Chancellor's Office reducing its staff to 146 positions from 153 in 2009-10; a significant decrease from a high of 236 in 2001-02. By comparison, the University of California Office of the President and Chancellor's Office of the California State University currently have approximately 1,500 and 550 employees, respectively.

Reduced staffing in the Chancellor's Office makes it difficult to maintain a strong presence with policy-makers and creates a vacuum for other groups and professional organizations to fill and dilute the voice of the community college system.

Sources: Department of Finance. Three-Year Expenditures & Personnel Years. <http://www.ebudget.ca.gov/StateAgencyBudgets/6013/6870/spr.html>. Also, University of California Office of the President. "Annual Budget for UC Office of the President." Fiscal Year 2010-11 Appropriations. <http://www.universityofcalifornia.edu/reportingtransparency/>. Also, Elena Amezcuia, Administrative Assistant, System-wide Human Resources, CSU Chancellor's Office. December 21, 2011. Personal communication

system. Unlike the CSU or UC systems, where funding is distributed first to the central office to be allocated throughout the system, the community colleges receive the bulk of their funding from the state. The amount is determined each year by a complicated formula established in statute and tied to the number and size of colleges and centers in the district, as well as the number and type of full-time equivalent students enrolled early in the term.⁹¹

Under this structure, the Chancellor lacks authority to change the funding formula or hold districts accountable for how they spend state dollars.⁹² California's current financing system rewards colleges on the basis of student enrollment, and encourages colleges to maintain or increase the number of students enrolled early in the school term to generate revenue.

In other states, community college systems are experimenting with recalculating funding models to drive student success, but California's governance structure lacks a leader that can harness the authority to shift funding for improved student outcomes to the goal of improving student success. With the exception of tying district dollars to student enrollment numbers, money allocated to the community colleges and the Chancellor's Office is not linked to a broader set of statewide policy objectives. With state resources distributed directly to community colleges, the Chancellor lacks authority to ensure resources are

spent to support system goals, local or regional workforce needs or student outcomes. The Chancellor's Office can only monitor community college districts for compliance with reporting requirements, though cannot enforce compliance.

Megaphone, But No Stick

Altogether, these structural and policy limitations restrict the ability of the California Community Colleges to operate as a system, leaving the Chancellor's Office to function more as a megaphone, a mechanism for the Board of Governors and system Chancellor to call out directions to the confederation of community college districts, but lacking authority to enforce common policies or practices to unify the system in pursuing statewide goals.

Current Chancellor Jack Scott has made clear that his goals are for colleges to prioritize resources around improving transfers, career technical education and basic skills. As Chancellor Scott told the Commission: “My biggest authority is the bully pulpit.”⁹³ The power to suggest, exhort and encourage only goes so far, however.

The Commission heard from many leaders within the community college system, including trustees and college chief executive officers, that the Chancellor needs additional authority to operate the community colleges more as a unified system if the state is going to improve outcomes for students.

“Just as I hire and fire my vice presidents, the Chancellor needs that flexibility. And, just as I am held responsible for outcomes, the Chancellor needs that same accountability,” Long Beach Community College Superintendent and President Eloy Oakley told Commissioners. “Given the size of our system … there has to be a better model that provides the Chancellor’s Office, particularly, more of a role in determining, implementing and executing state policy for the system while allowing the colleges to implement that policy as they see best at the local level.”⁹⁴

In a meeting with trustees from 12 community college districts from across the state, the Commission heard that the community colleges needed a more powerful Chancellor’s Office to lead the system. A stronger Chancellor’s Office could unite the districts around change, they said, particularly if the office were vested with the authority to implement plans and enforce compliance around broad policy goals.

Trustees told the Commission the Chancellor’s Office should have the authority to address some of the day-to-day challenges that districts face, rather than turning to the Legislature for statutory solutions. One trustee suggested that, rather than crafting one-size-fits-all legislative solutions to district problems, it would be better if the Chancellor’s Office had the authority to approve and direct policies that could be tailored to districts’ differing circumstances. Trustees also told the Commission that the Chancellor’s Office should have the authority to intervene and solve problems in districts, for example, to handle situations of fiscal mismanagement.⁹⁵

Investing the Chancellor’s Office with greater authority also could give the Chancellor, on behalf of the system as a whole, the ability to lead a conversation with policy-makers about how to simplify the rules governing the community college system. Community college leaders told the Commission that, with fewer rules, colleges would better

understand what is expected of them, and the Board of Governors and Chancellor's Office would be more capable of ensuring accountability.⁹⁶

In its current configuration, the Chancellor's Office is constrained in its ability to provide basic oversight and coordination, limiting its potential to unite the system's various districts behind a statewide mission to improve student success.

Los Rios Chancellor Brice Harris, in a statement echoed by other leaders, suggested that the California Community College system be relocated from the executive branch of the state government and be made an independent entity. As part of such a transition, the Board of Governors should be given more authority for oversight and to direct the system through the Chancellor's Office, accountable to the board. The office, and its budget, should be integrated into the community college system.

The Student Success Task Force, with members representing community college presidents, faculty, counselors, students as well as stakeholders outside the community college system, recommended in its January 2012 report that the state strengthen the community college system office.

California already has examples of what these entities could look like, using the California State University system as a model for the community colleges and the State Board of Education as a model for the Board of Governors.

The CSU Model

Today, the California State University system operates largely as a trust, administered by a 25-member Board of Trustees. Though the Legislature can exert influence over the system through enactment of statutes, the leadership of the California State University system wields broad authority to shape policies and manage the system. The California State University system has not always enjoyed as much autonomy as it now does.

In the 1990s, the Legislature enacted a series of reforms to expand the authority of the Board of Trustees, first, through greater autonomy to procure materials, supplies, equipment and services directly (previously the board had to seek approval for purchases from the Department of General Services) and later, through greater management autonomy by removing CSU from the statutory definition of state agency and allowing the system to adopt regulations independently of the Office of Administrative Law oversight.⁹⁷

How Much of the CSU Model Is Appropriate For the California Community Colleges?

Throughout the Commission's investigation, several current community college leaders discussed how the community college system might benefit from adopting some aspects of the California State University governance model.

For example, the California State University system Chancellor is responsible for hiring all college presidents, but when asked if this authority was appropriate for the Chancellor of the community colleges, many believed this authority was at the heart of local control and should remain with local governing boards. However, a few college executives, when asked directly if they would rather work for the system Chancellor or local governing boards, said they would prefer to work directly for the Chancellor, implying a desire for a much more centralized system.

The following are some key distinctions between the authority of the central offices of the California State University and California Community College systems. Though the Commission did not weigh the merits of many of these distinctions, they may warrant future consideration by policy-makers.

Authority of Governing Board: The 25-member Board of Trustees appoints the CSU Chancellor and Vice Chancellors to serve as chief executive officers of the system and the presidents to serve as chief executive officers of their respective colleges; the 17- member CCC Board of Governors appoints the Chancellor to serve as the chief executive officer of the system, but the Governor appoints the Vice Chancellors to work with the Chancellor and the state's 72 locally-elected boards of trustees select chancellors or presidents to serve as chief executive officers of their respective community college districts.

Shared Governance: CSU Academic Senate recommends academic policies to the trustees, Chancellor and college leaders; through shared governance, the CCC Academic Senate has primary jurisdiction in 11 specific areas and local governing boards are required to either reach mutual agreement or rely primarily on the advice and judgment of the academic senate on decisions in these areas.

Funding: The CSU Office of the Chancellor secures the CSU General Fund and capital outlay budgets and coordinates system-wide efforts in areas such as technology, academic affairs, business affairs, institutional research, physical plant development, employee relations, state and federal governmental affairs, legal affairs, university advancement, and public affairs; the California Community Colleges receive a minimum annual amount of General Fund dollars, secured through Proposition 98 and allocated to the districts through a formula established in state statute; the CCC Chancellor's Office receives separate line-item funding through the state General Fund.

Faculty: CSU Faculty Association is the exclusive collective bargaining representative for the California State University faculty; CCC collective bargaining is conducted through several organizations and varies by district.

Sources: Academic Senate. http://www.calstate.edu/AcadSen/Records/About_the_Senate/. Also, California Code of Regulations, Title 5, Section 53200-53204. Also, Robert Gabriner, Director, Office of Institutional Development, Research and Planning, Board of Trustees. October 26, 1995. "Community Reform Act of 1988 (AB 1725) Shared Governance and Local Governing Boards." Also, CSU 2010 Fact Sheet. <http://www.calstate.edu/PA/2010Facts/leadership.shtml>. Also, <http://www.calfac.org/fact-sheet/who-california-faculty-association>. Also, Karen Zamarripa, Assistant Vice Chancellor, Advocacy and State Relations, the California State University. July 24, 2011. Personal communication.

Though the California State University system is not completely independent of legislative oversight, the governance reforms enabled the system to operate more efficiently. Several leaders within the community college system, including the current system Chancellor, told the Commission that the California Community Colleges would benefit from greater centralization modeled after the California State University system reforms.

Shifting from a state agency to a state entity “would vest more authority to oversee and direct the system in the hands of the Board of Governors, and if combined with allowing the State Chancellor and the Board to employ the top-level leaders of the system, would help the system become less bureaucratic and cumbersome to manage,” Los Rios Chancellor Brice Harris told Commissioners.⁹⁸

Using the California State University experience as a model, the Chancellor’s Office of the California Community Colleges sponsored 2010 legislation, AB 2109 (Ruskin), to take the first step toward greater autonomy by removing the California Community Colleges from the designation of state agencies in California’s Government Code and providing the Board of Governors expanded authority to hire vice chancellors in the Chancellor’s Office. Though introduced and amended, the bill failed to be heard in the Assembly Higher Education Committee.

“The Chancellor’s Office was set up as a state agency, which does handicap this operation,” Chancellor Scott told Commissioners. “It would be better if it were set up … like CSU, which is an independent office. Being a state agency has some problems connected with it [and] I think it would be better for it to be an independent agency.”⁹⁹

Colleges Could Benefit if Board of Governors Had Greater Authority

Providing the Board of Governors the same degree of authority enjoyed by the State Board of Education, to enforce common policies across the system and exercise discretion in granting waivers to districts from certain state laws and regulations, could benefit the community college system. The Board of Governors currently has limited powers to grant community college districts waivers from certain statutory requirements. For example, the board can grant community college districts exemptions from the 50 percent law if they meet conditions of serious hardship set out in statute. The community college board also has the ability to freeze the Faculty Obligation Number, a regulation relating to the ratio of full-time to part-time faculty employed by a college, in years when the college’s budget is inadequate.

The state should expand this authority and grant the Board of Governors authority to waive additional statutes or reporting requirements to give community college districts greater flexibility in meeting the intent of the law. The State Board of Education already enjoys this latitude to provide flexibility to school districts and county offices of education in how they meet the intent of the law. As well, the State Board of Education regularly considers requests for both general and specific waivers from

statutes in the California Education Code, state Title V regulations and some federal regulations. Included in waiver applications, schools or districts must describe how relief from a rule will affect students, faculty and the community and explain how the specific need otherwise will be addressed.

Making the Chancellor independent and explicitly responsible for the community college system as a whole offers the state the opportunity to better see and analyze California's 72 districts and 112 colleges as a single organization. This presents the potential for greater cooperation and coordination among community colleges as well as with nearby CSU and UC campuses in the service of strategic goals, specifically, improving the system's ability to help students learn, develop themselves and move forward.

Over the course of its study, the Commission saw great value in the role of the local district boards, specifically to advocate and represent their communities and to ensure their community colleges meet local needs. Whether California needs to have 72 separate community college districts, however, remains a legitimate question, and one that deserves further consideration.

The Commission saw examples of cooperation and coordination, but also opportunities for the community colleges to capture greater efficiencies as well as barriers that impede even greater coordination and integration.

With more formal alliances, the community colleges could further benefit from regional economies of scale in terms of greater purchasing power, stronger influence and the ability to share knowledge and resources, particularly where districts share common economies and goals, as well as faculty and students.¹⁰⁰ The Commission found cultural barriers to greater regional integration as well as regulatory hurdles that make more formal consolidation time consuming and costly.

Regional Partnerships in the CCCs

Each of the state's 112 community colleges participates in one of seven regional consortia, organized around the state's 10 economic regions to coordinate and collaborate regional services, with a focus on vocational education and economic development. Additionally, a number of community colleges already are involved in voluntary regional partnerships, mostly formed with a focus on improving student participation and completion rates. For example:

- The Central Valley Higher Education Consortium, which includes the 25 accredited community colleges, public and private colleges and universities serving a 10-county region spanning from Stockton to Bakersfield, is working on building a Central Valley degree completion model to improve transfer rates between participating two-year and four-year institutions and is working with the San Joaquin Valley Partnership to create pathways for students to get into the workforce.
- The San Diego and Imperial Counties Community College Association, which includes representatives from the six districts and nine community colleges in the greater San Diego region as well as San Diego State University, has partnered for almost 50 years to identify and address regional higher education issues. The consortium recently applied for and received a grant to help displaced workers be re-trained and re-employed, tapping San Diego Community College District Continuing Education to provide basic skills instruction to all students in the program who test below a certain level.

Sources: Benjamin Duran, President, Central Valley Higher Education Consortium; Superintendent and President, Merced College. April 28, 2011. Written testimony to the Commission. Also, Dana Quittner, Government Relations, Grossmont-Cuyamaca Community College District. April 7, 2011. Personal communication. Also, Kendra Jeffcoat, Ph.D., Coordinator of the SDICCCA Internship Program. December 1, 2011. Personal communication. Also, Constance Carroll. June 23, 2011. Written testimony.

The cultural barriers are important to acknowledge as they are rooted in community college districts' historical sense of self-reliance, community identity and independence. In the context of the need to increase the overall level of student success, however, such considerations may be less meaningful to today's students given subsequent urban development patterns, enrollment bases that overlap and budget constraints.

The organization and division of the state's 72 community college districts is a product of the community colleges origins in the state's K-12 school system. It is not surprising, then, that 15 districts are within the borders of Los Angeles County, home to more than a quarter of California residents; that Orange County has four separate districts; or that the San Francisco Peninsula has four districts in the 30 miles from San Mateo to San Jose. In each case, urban growth has created metropolitan regions of contiguous communities interlaced with freeways that obscure the original necessity for separate districts.

Particularly in urban areas, the district model might have been more important when students were confined to enrollment in their home districts, a consideration made less meaningful now that students can enroll in more than one community college district – and do to get the classes they need.¹⁰¹ Where several community college districts are located in the same urban area and where students easily enroll in and travel between districts, there appears to be at least the potential for greater efficiency through combining administrative functions and coordinating class offerings to minimize overlap, especially for districts that are struggling financially.

The Commission also found that, while some districts are actively discussing how to coordinate and cooperate across district lines, significant regulatory barriers tend to discourage broaching the topic of consolidating districts. In extreme cases, community college districts under financial distress may determine that being absorbed by a neighboring district is the best way to keep the doors open for students. The Commission learned of several districts that have proposed consolidation, but were turned down by potential partners because the costs were prohibitive for the larger district.¹⁰²

The costs associated with consolidation are too high for many districts, particularly struggling districts, to seriously consider the proposal. For example, California law requires merged districts to retain all nonacademic employees for a minimum of two years.¹⁰³ Districts that seek to merge to decrease overhead costs and improve administrative efficiency cannot begin to save money until two years after the districts have merged. This delays financial benefits of a merger until long after the actual consolidation has taken place. Additionally, a merger

requires the new district to hold a special election to select new trustees, incurring both the fiscal costs of the election as well as the political costs to those trustees who would lose their seats in a consolidation.

These difficult discussions are necessary given both cultural and societal changes, as well as today's economic crisis. Even in the best fiscal times, California's current decentralized governance structure leaves the community college system without a forum to examine and assess the issues with leaders invested with the authority to act in the interests of the system as a whole. While the Legislature and the Governor clearly have a role in such discussions, the appropriate place for them to start is with the Board of Governors and an independent Chancellor's Office that can see the system's overall needs in terms of its overall goals.

Building A Better System Structure

The local district board structure was created for a California made unrecognizable by urban growth, advances in transportation, communication and information technology and the political watershed of Proposition 13, which both limited increases in property taxes and shifted control of their revenues to the Legislature.

The role of the local board remains an important one, but for the state to achieve the goals of improved student success, the community college system needs strong central leadership, accountable to the Board of Governors but separate from the state executive branch. As structured, the community colleges are starved of essential leadership in Sacramento needed to triage the system through the current crisis and lead the system toward a stronger tomorrow. The California Community Colleges must have a functioning, independent central office vested with the authority to set and enforce fiscal and policy priorities for the system and the internal capacity to execute this role.

The Board of Governors and Chancellor need authority to lead and direct change and create incentives to drive performance toward the community college system's three goals of transfer, career technical education and basic skills. Alignment around the system's missions will not occur unless the Chancellor can enforce policy decisions. As noted by the Student Success Task Force, stronger statewide coordination could allow greater sharing and facilitation of new ideas to help students succeed and find ways to ramp up best practices already in place in individual districts.

As a first step, the Chancellor needs the same independence for the central office of the community college system as the state has granted to the Chancellor of the California State University system. The

Chancellor's Office of the California Community Colleges has to be separated from state government and needs additional autonomy to operate the community colleges as a system. As an autonomous state entity, the Chancellor should have the authority to hire executive vice chancellors and other leaders of the executive team to ensure that those responsible for leading the system are the most qualified for the job.

To truly lead the community college system, the Chancellor's Office has to have the authority to direct the state's money to the community colleges' core missions and it needs to be a part of the same budget stream that supports the community college system. This does not necessarily mean that the Chancellor's Office should grow in size, but rather that the resources allocated to support the Chancellor's Office should grow or contract along with the entire community college system.

The Legislature should continue to hold the colleges accountable through its fiscal authority to allocate state resources to the community college system as part of the state budget process and its policy authority to set broad goals for the system, as it does now for the California State University system. The Governor should retain the authority to appoint and consult with the Board of Governors.

The more independent Chancellor should work with policy-makers to review the effectiveness and strengths of the existing statutes and examine where the community college system might benefit from greater flexibility. The Board of Governors should be empowered to grant such waivers where appropriate in the case of regulations. The board should be empowered as well to adopt rules that allow colleges flexibility to develop and implement successful, scalable programs that have been proven effective in meeting student needs.

Community college districts should remain responsible for implementing policy directives from the Board of Governors and system Chancellor, but, particularly during times when state funding is reduced, should be given relief from rules and regulations that prescribe how they accomplish their goals. Community colleges should be required to show how they will meet the intent of the rule and ensure that the waiver will not negatively impact student success.

Recommendation 2: The California Community Colleges governance structure must be aligned to better support student success.

- ❑ The state must strengthen the governance of the community college system by creating a stronger, more independent Chancellor's Office that is empowered to establish policy directives, create accountability metrics, monitor and oversee community college districts, hold

community college districts accountable for results, and when necessary, intervene in community college district affairs.

- ✓ The Chancellor's Office should be established as an independent state entity.
- ✓ The Chancellor should be empowered to hire executive staff.
- ✓ The Chancellor's Office should be empowered to establish system-wide priorities by creating financial incentives for the colleges to bolster student success.
- State policies should focus on a few broad goals for the community colleges.
 - ✓ The state must give community colleges greater flexibility in how they deploy resources to achieve district and system goals, while holding the colleges accountable for results.
 - ✓ To encourage greater regional orientation, cooperation and coordination among the California Community College districts, the Legislature should review and revise statutes and regulations that hinder such initiatives, and remove barriers for community college districts that can improve outcomes and create value through merger, consolidation or coordination.
 - ✓ The Legislature should grant the Board of Governors additional authority to establish an appeals process to temporarily exempt districts from statutory requirements, when state funding is reduced, in order to improve student success rates.

Funding Not Predictable, Linked to Goals

California's community colleges are funded through a combination of General Fund money, property tax revenues, student tuition and special fund contributions. Tuition has been kept low to make community college affordable to students from the broadest range of backgrounds, which for years made California's community colleges the nation's best value for post-secondary education. Even with sharp increases in fees over the past two years – a 77 percent hike, to \$46 a unit from \$26 a unit – the cost of attending California's community colleges is well below the national average. In comparison to other states, however, California's combined state and local contributions to the community college system are below average.¹⁰⁴

Low tuition has been a good deal for students, provided they can get the classes they need. The state's emphasis on open access, however, together with the peculiarities of the way California funds its community colleges, create the incentive to enroll more students even as classes are eliminated. The goal of open access can end up competing with the goal of student success when fewer students get the classes they need to progress toward certificates, transfer or other life goals.

California's process for funding its community colleges differs from those of all other states. It is shaped not only by constitutional requirements, but also formulas within formulas, set in part by statute that lawmakers regularly suspend. As the money is allocated directly to the districts, the Chancellor has few tools to create fiscal incentives to drive districts toward desired policy goals. When tax revenues are tight, the funding formulas also constrain the Legislature's ability to fund new community college initiatives without taking money from K-12 education.

The amount of money the community college system will receive is determined each year through a process of dividing a pool of money defined by Proposition 98. The 1988 voter initiative was designed to protect K-14 public education budgets by setting a minimum guaranteed level of funding. The guarantee is locked into the state constitution, though the actual minimum can vary according to three different calculations to be used depending upon economic conditions. The

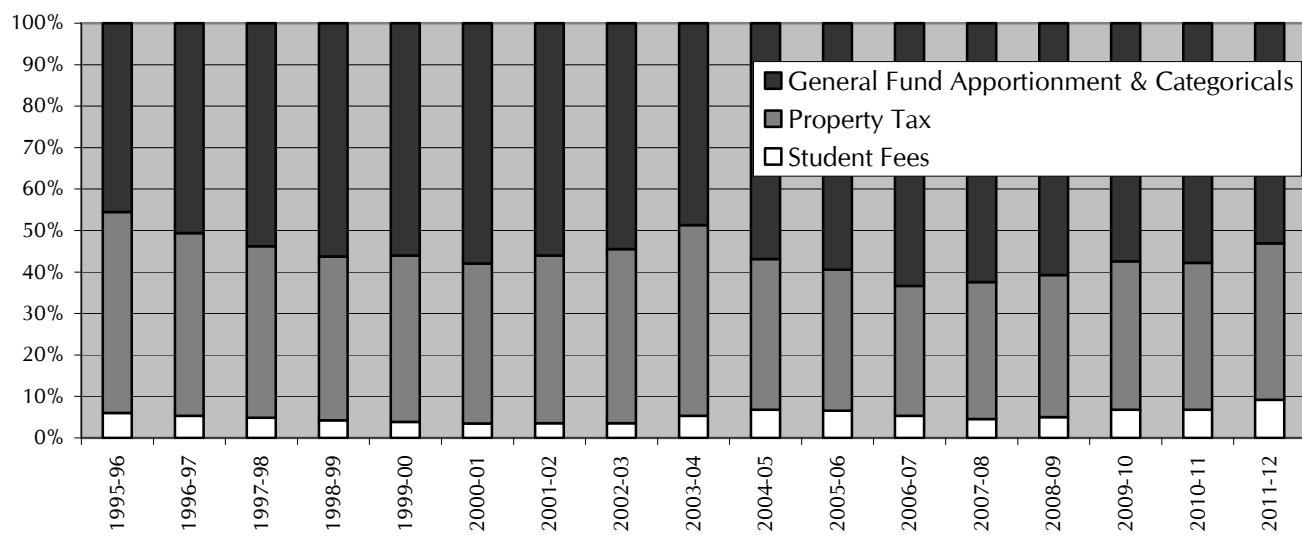
relative shares awarded to K-12 and to the community colleges are established by statute through another set of formulas.

The size of the pool varies from year to year; shrinking revenues have prevented the state from funding the pool at any level above the minimum in recent years.

Revenues from tuition fees also are used for this calculation. In contrast to the California State University and University of California systems, tuition fees for the California Community Colleges are set through the state budget approval process, not by the system's board. Revenue from community college fees, an estimated \$450 million in 2011-12, go to the state, as do property tax revenues collected on behalf of the college districts.¹⁰⁵ In years when the total amount of student fee revenue collected by the system increases, the Governor and Legislature can choose to use the fee money to provide additional funding beyond the amount guaranteed by Proposition 98 or to use the fee money to supplant General Fund dollars in the Proposition 98 pool.¹⁰⁶ State increases in tuition and other fees do not necessarily directly produce additional revenues for local community college districts, community college leaders told the Commission.

Statute calls for allocating the Proposition 98 pool to community colleges based on the proportion the system received in the 1989-90 budget, which amounts to about 11 percent, though this statute often is suspended, resulting in a smaller share for community colleges.¹⁰⁷

Student Fees Remain Low, but Account for Growing Share of Total California Community College System Funding



Source: Chris Yatooma, Director of Fiscal Services, California Community Colleges Chancellor's Office. September 12, 2011. Personal communication.

Patrick Murphy, a researcher for the Public Policy Institute of California, in his 2004 study of community college funding, said the annual split, given the higher political visibility of public schools, does not benefit the community colleges: "Consequently, each additional dollar that the CCC system receives represents one less dollar going to K-12. The evidence suggests that, when faced with this explicit choice, state elected officials possess a distinct preference for the K-12 system."¹⁰⁸

The Commission heard from community college representatives who said that the way the split is calculated in statute is out of date and that the community colleges have been short-changed by this process, especially in years when the economy is in decline and more adults turn to the community colleges to retool job skills or learn new skills for better jobs. Community college leaders say this weakness in the funding process can be addressed through legislation without revisiting Proposition 98, improving equity for districts and enhancing the ability of districts to develop long-term spending plans.

Distribution Mechanism Prevents Chancellor From Using Fiscal Tools for Policy Goals

As currently structured, the Board of Governors and Chancellor lack authority to set tuition and determine how money is allocated to the community colleges, and are not able to create fiscal incentives to drive community college performance.

The Board of Governors' role is at the front end of the process, each year developing a budget request for the Governor and Legislature proposing how to allocate state general apportionment to the community colleges. In building its request, the board estimates the amount of each district's fixed costs, such as the number and size of campuses in the district, as well as variable costs, such as the number and type of full-time equivalent students (FTES), adjusted for changes from the prior year's enrollment levels and inflation. The FTES component represents a composite of variables. The actual headcount of full-time students at a given campus is higher, as campuses often take on additional students for which they do not receive funding.¹⁰⁹

The Chancellor's role is as an advocate for how the split of the minimum funding guarantee is made and how much of the money is allocated to the community colleges. In making the key decisions on how the money is distributed to the community colleges, however, the Chancellor is outside of the process. This prevents the leader of the system from having direct influence on spending decisions or the ability to link funding to policies that drive specific goals, such as student success. By

contrast, the CSU and UC systems receive an allotment from the Legislature to spend according to their trustees' priorities.

Funding Enrollment, Not Completion

Current state finance policies lack a mechanism to encourage community colleges to serve the goal of improving student success. The funding process does, however, reward a growing student population, both through low tuition and by tying a portion of base funding to enrollment. At the same time, rules on how colleges can spend the money can undermine the ability of college districts to invest in strategies proven to promote student academic success and completion.

The calculation that determines how much money each district receives is based in large part on the number of full-time equivalent students served, which is drawn from student enrollment at a census point in each term – generally one-fifth of the way into the academic term.

Though the Legislature establishes an upper limit on the number of students for which the community colleges can receive funding, this finance system encourages colleges to maintain or increase the number of students enrolled early in the academic term. Referred to by some community college administrators as the “enrollment chase,” in years when the state economy was healthy, community colleges had fiscal incentives to attract more students. William Scroggins, superintendent and president of the College of the Sequoias, told Commissioners, “[T]he only way to increase revenues is to grow enrollment. And for many years that is exactly what we did, any way we could.”

The state’s funding policy has been important for ensuring broad access to the community colleges, though it has done little to ensure that state investment in the community colleges encourages practices that help students complete programs of study and achieve their educational goals. Nor does it reward community colleges for the number of students who move through basic English and math to get to college-level work, complete a certificate or degree, leave school to take a better paying job or transfer to a four-year institution. “In other words,” President Scroggins told Commissioners, “we are paid for something other than achieving our statutory mission.”¹¹⁰

Within this funding system, community colleges do not face financial consequences when students drop a class after census day. While some students may leave for reasons beyond the influence of the community colleges, for example to take a job, to take care of personal or family responsibilities or because they were not interested in the course, some

students leave because they were not prepared for the course or could not get the tutoring they needed outside of class to support their academic work. This represents significant opportunity costs in human terms for the students who dropped out and for those who could not get in, as well as an inefficient investment of scarce resources. The state's failure to keep more students engaged long enough to complete courses or earn certificates or degrees has required the community colleges to spend about 30 percent more than the national average per degree (\$96,098 compared to \$73,940) and about 40 percent more per completion (\$65,474 compared to \$46,759).¹¹¹ These added costs represent opportunities lost: California ranks 36th in the nation in percent of the adult population ages 25-64 with an associate's degree.¹¹²

Regulations Limit Investment in Success Strategies

While community colleges have a fiscal incentive to maximize the number of students enrolled, community college administrators must make other spending decisions within a highly regulated environment that sometimes discourages community colleges from investing in practices that have been proven to support student success. Los Rios Chancellor Harris told the Commission, “[D]uring the recent decline in funding for example, colleges have been forced to reduce their offerings in order to stay within their funded enrollment cap.” In deciding which courses to cut, he said, community colleges must be mindful of various laws that restrict how community colleges can spend their resources and on balancing mission priorities to meet, both, the needs of the individual district and direction from the state to protect career technical education, basic skills and transfer.

Among the most commonly cited challenges are the 50 percent law and the full-time/part-time faculty ratio. The 50 percent law, for example, requires districts to spend at least half of their annual operating budgets on salaries and benefits for instructors, which limits, especially in years of reduced resources, the amount of money available for counselors, tutors, financial aid advisors, librarians and other support personnel.¹¹³ State law articulates a goal for districts to employ 75 percent full-time faculty and directs districts that do not meet this target to apply a portion of the district's program improvement allocation toward achieving the goal. The Board of Governors has established regulations to direct districts on how to meet the goal as well as fiscal penalties for districts that fail to comply.¹¹⁴ Faculty and others said that full-time faculty serve a broader purpose on college campuses beyond in-classroom teaching, for example by reviewing programs, writing curriculum, holding office hours, participating in student advising, serving in administrative functions and participating in Academic Senates – made possible by their

full-time status. Faculty members and representatives of faculty organizations told the Commission of their concern that roll-backs to these laws would mean less money in the classroom, but also a decrease in the ability of full-time faculty to serve these various functions.¹¹⁵

The Commission heard from community college administrators that compliance with these two rules drives much of the budgeting decisions at an institutional level and forces community college administrators to serve as “rule-followers, rather than innovative leaders.”¹¹⁶ Though community colleges are being encouraged by national, state and internal initiatives to focus on improving student success, the Commission heard that these, and other rules, limit the ability of community colleges to hire the support staff, such as college counselors or part-time tutors or advisors, that could help students develop educational plans and goals, and assist students along the way. “The community colleges are faced with a quandary: The Legislature wants to move toward enhancing student success, but we know that there most likely will be no additional funds,” explained Kern Community College District Chief Financial Officer Tom Burke. “To enhance student success, I believe there has to be a shift toward support services. But the regulations we face create barriers to the student success model.”¹¹⁷

The California community colleges function “in what is the most complicated and constraining regulatory environment of any community college system in the country,” Dennis Jones, president of the National Center for Higher Education Management Systems, said. “The list of ‘have-tos’ and ‘can’t-dos’ is extraordinary. The colleges are so tightly regulated that they can’t be held accountable for performance.”¹¹⁸

Tying Funding with Student Outcomes: Models from Other States

Across the nation, states are experimenting with ways to drive postsecondary student success and improve college retention and completion rates. Such strategies include shifting funding strategies away from only paying for enrollment to those that also support successful student outcomes, such as course or degree completion. Though the scope of these initiatives varies – some policies focus on community colleges, and others target all public higher education institutions – many revolve around the concept that financial incentives can be used to drive improved college completion rates.

According to the Community College Research Center at Columbia University, between 1979 and 2007, 26 states enacted performance funding initiatives for higher education, though 14 later abandoned the

approach for various reasons, such as lack of political, institutional or business support; loss of proponents; or procedural issues related to the funding process. Though this approach has not received widespread support, several states are considering the strategy as a way to manage limited resources while answering the national call for more college graduates.

- **Washington**, in 2007, established the Student Achievement Initiative for the state's community and technical colleges. In 2009, the state began rewarding colleges for their performance in helping students reach certain goals or achievements, such as competency in basic skills or passing college-level math and developmental courses, and outcome measures such as the number of degrees and certificates granted. By design, colleges are not to be financially punished for their performance, but rather rewarded for improvements. Implementation was phased in, allowing colleges a "learning year" to study how policies might affect their institutions and to develop plans to improve before funding became tied to performance. Though Washington is still studying the impact of these reforms, a president of one of the state's community colleges said that, with the progression system, community colleges are aligned around the theme of student success and now celebrate gains of improvement in ESL and basic skills courses.¹¹⁹ The Student Achievement Initiative marks Washington's second attempt at establishing performance funding for public higher education institutions. The first, in 1997, targeted both two- and four-year institutions but was discontinued two years later, after failing to garner both political and institutional support.¹²⁰
- **Ohio** ties state higher education funding goals articulated in the state's 10-year strategic plan for education, such as course and degree completion, with the goal of leveraging higher education assets to improve the state's economic prosperity. Funding differs by institution type, but was designed to provide extra support for critical workforce areas and at-risk students. Placing these factors into the funding formula creates the expectation that colleges will be judged as a result and need a proactive strategy to help students achieve their goals, Eric Fingerhut, former Ohio state senator and former chair of the Ohio Board of Regents, said in a June 2011 meeting with the California Community Colleges Task Force on Student Success. Ohio has plans to bring community colleges into the state's system of performance funding by measuring certificate and degree completion, as well as "success points," such as completing 15 credit hours, which indicate whether a student is moving forward. The funding formula no longer uses census-day enrollment

reports to determine institutional funding levels, but rather ties funding to course completion with a grade of D or higher. This shift in funding strategy has changed the way Ohio policy-makers and higher education leaders use data: Public reports and reports to the legislature are provided in terms of success, not enrollment, Mr. Fingerhut said.¹²¹

- **Indiana** bases 5 percent of state higher education funding on performance measures, such as total degree completion and degree completion by low-income students. The enrollment component of the state's funding formula is based on credits completed rather than courses attempted. Beginning with state incentives for universities which received federal research funding, Indiana later added other factors such as course and degree completion, on-time graduation rates, and an incentive for community colleges to increase the number of students who transfer to four-year institutions. As an incentive to improve course completions and the success of low-income students, the state calculates enrollment at the end of the semester and ties 10 percent of a college's funding to course completion.¹²²
- **Tennessee**, in 1979, began a system of performance funding for the state's two- and four-year higher education institutions rewarding institutions up to 2 percent of their annual appropriations for achieving certain performance goals. Now colleges receive up to 5 percent of funding based on tailored benchmarks in graduation, retention and other areas related to the institutions' missions. In addition, in 2010, the Tennessee Legislature passed the Complete College Tennessee Act, moving the state's higher education funding from an enrollment-driven formula to one based on outcomes. Beginning in 2011-12, state funding for community colleges will be based on several measures, including student accumulation of 12, 24 and 36 hours of credit instruction; workforce training; associate degrees and certificates granted; job placements, and remedial and developmental success. An additional 40 percent bonus is given for credit and degree completion by low-income and adult students. Funding for state colleges will be allocated by the same process using different criteria.¹²³
- **Illinois** again is considering establishing a higher education performance funding initiative after almost a decade-long hiatus. Lawmakers in 2010 passed a resolution to analyze best practices in other states for incentivizing certificate and degree completion. Between 1998 and 2002, Illinois community colleges received a small amount of state funding (less than 1 percent of state appropriations to the community colleges in 2001) based on several state goals, including student satisfaction, educational

advancement, success in employment and continued pursuit of education, and transfers, as well as the percentage of remedial courses completed each fiscal year. Though the amount of funding involved was small, Illinois eliminated the incentive program during a period of economic recession.¹²⁴

In part, these efforts are driven by a national agenda to improve college completion rates. Legislators could avoid annual political vulnerabilities by establishing the funding levels then delegating the authority to distribute funds to higher education systems. Complete College America, a non-profit group with the aim of helping governors, state legislators, educators and campus administrators enable more college students to finish their education, said such an approach has advantages for legislators. “More than 20 state university governing boards currently have the authority and flexibility to distribute state higher education funding after their state legislatures appropriate it. Using these bodies to allocate funds based on performance can help insulate legislators from

Strategies to Improve Student Postsecondary Success

The Lumina Foundation, the nation’s leading private foundation dedicated to increasing students’ access to and success in postsecondary education, has called for states to pursue fiscal and policy strategies that increase educational attainment, including focusing scarce state resources on higher education productivity and completion. Lumina recommends that states specifically target resources to help students succeed by:

- Rewarding institutions that focus on students completing quality programs.
- Rewarding students for completing courses and programs.
- Expanding and strengthening lower-cost, non-traditional institutional options.
- Investing in institutions that adopt good business practices.
- Creating accelerated associate degree programs targeted to working adults and displaced workers, and when possible, expanding them to all students.

Similarly, Complete College America has called for states to shift from apportioning state resources based on student enrollment to a performance funding approach that values outcomes, such as class completion or credentials awarded. In recommending strategies for states to employ, Complete College America suggests that states:

- Select a few, key measures, such as courses completed, degrees produced, credentials with labor market value earned and on-time completions.
- Involve legislators and higher education officials in the design of a performance funding system.
- Count enrollment on the last day of class instead of during the first two weeks of the semester, or base funding on completed courses rather than courses attempted.
- Tie a modest percentage of base funding to performance (5 percent or more), then adjust the amount over time.
- Avoid guaranteeing a funding floor.
- Begin immediately, then adjust measures over time, to avoid political pressure to delay implementation.
- Vest the authority to distribute state funding to governing boards, not state legislatures.

Sources: The Lumina Foundation. “Lumina’s Policy Priorities for States.” http://www.luminafoundation.org/state_work/state_policy_agenda. Also, Complete College America. “Essential Steps For States: Shift to Performance Funding.” http://www.completecollege.org/path_forward/essentialsteps/.

difficult local politics. Experience shows that the pressure on legislatures to introduce ‘hold harmless’ provisions for colleges and universities is immense. If possible, ask legislators to make the tough vote to enact the policy one time – not every budget session.”¹²⁵

The National Governors Association also has identified performance funding as a key strategy for governors to restructure college costs and graduate more students. In 2010, the association convened a Work Group on Common College Completion Metrics to recommend common higher education outcome and progress measures that all states should collect and report. Measures include: degrees awarded, graduation rates, transfer rates, time and credits to degree, enrollment in remediation education, success beyond remedial education, success in first-year college courses, credit accumulation, retention rates and course completion. Improving data collection and reporting around these measures could be used as a mechanism to improve higher education accountability and decisions about how to invest limited resources.¹²⁶

Considering Outcomes-Based Funding for California’s Community Colleges

Like half the states, California has not yet established an outcomes-based funding strategy for any of its higher education institutions, though the state has experimented with the strategy in other publicly-funded sectors. The California Community Colleges’ Partnership for Excellence initiative was seen by some as the state’s first attempt to link higher education accountability and funding; however, it did not change the way money was allocated to the community colleges and evolved into an accountability project. More recently, the concept of performance funding, used to some degree by half of the states, has been raised in a couple of recent legislative proposals.

Performance Measurements Without Fiscal Consequences: The Partnership for Excellence. Through the Partnership for Excellence, the state committed to protect base funding for community colleges and invest \$100 million a year for community colleges, beginning in 1998-99, to improve performance in five outcome areas by 2005-06: transfer, degrees and certificates awarded, successful course completion, workforce development and basic skills improvement.

State funding for the partnership was to be allocated in annual increments to reach \$700 million by the end of the partnership, awarded to the community colleges based on the number of full-time equivalent students in each district. In the third year of the program, the Board of Governors was given the authority to create direct incentives at the

district level if districts were not progressing toward performance goals. If it so chose, the board could have established a program that tied funding directly to performance.

For the first two years of the partnership, districts reported data for each of five performance outcome areas. In the third year, the Board of Governors reviewed the programs to determine if reasonable progress was being made toward the goals, though opted not to do so.

In practice, the amount of state support awarded to the community colleges for partnership activities varied each fiscal year, and in 2001-02, the state provided no additional funding. When the partnership expired in 2005, community colleges were no longer required to report progress on partnership indicators, though they still are required to report performance, today done through the Accountability Reporting for the Community Colleges (ARCC) system.¹²⁷

Recent Finance Reform Proposals. Last year, two legislative attempts were made to move to a formula driven by outcomes:

- The Accelerating Student Success College Initiative of 2010 (AB 2542), introduced by Assembly Minority Leader Connie Conway (R-Visalia), would have set up a performance funding pilot for five community colleges. In exchange for volunteering to receive funding based on student course completion, participating colleges would have been given greater flexibility to allocate resources as well as exemptions from several statutes and regulations. Though a number of colleges indicated interest, the bill received heavy opposition from faculty unions and failed to pass out of the higher education policy committee.
- As initially drafted, SB 1143, introduced by Senator Carol Liu (D-Pasadena), would have changed the community college apportionment formula to count average enrollment twice – at the one-fifth point and at course completion – rather than just on a census day early in the term. In its early form, the bill was opposed by community college advocates who said this reform would reduce already scarce community college resources. The author successfully recast the bill to require the Board of Governors to establish a task force charged with studying models for improving student completion rates. The board presented the task force's report to the Legislature in February 2012.¹²⁸

In its final report, the task force refrained from recommending that the state implement outcomes-based funding, though a vocal minority supported such reform. A contingent of task force members expressed concern that changing the funding model to emphasize outcomes might

encourage community colleges to “cream” students that would to improve their success rates, or penalize colleges serving disadvantaged populations, or increase overall funding volatility. Instead, the task force said the Chancellor’s Office should continue monitoring efforts in other states and model how such reforms might work in California.¹²⁹

The concept to reward community colleges for improving their performance in achieving certain objectives has met continued resistance, though others argue that the current funding formula already pays for performance. “The community colleges have performance-based funding now: It is defined as enrolling students, and they do an extraordinary job,” Paul Steenhausen, principal fiscal and policy analyst with the Legislative Analyst’s Office, explained. “But there are other dimensions of performance and success.”¹³⁰

Funding Success

California’s process for funding the California Community Colleges fails to produce a predictable funding stream. In statute, the split of the minimum funding guarantee is inconsistent year to year, and fails to account for changing environmental factors, such as unemployment, workforce needs that drive demand for community colleges, or changing demographics of the state’s school-age population.¹³¹ Funding typically drops at the same time that a weak economy fuels added demand for enrollment. And because the Legislature has the authority to suspend statute prescribing the split – and often has exercised this authority – the community colleges have little way of predicting how much funding they will receive on a year-to-year basis, making long-term planning difficult.

The Governor and Legislature should re-examine this formula to establish a richer, more variegated calculation for determining the annual rate of funding for the community colleges. The Commission recognizes that including additional measures may change the split outcomes, which could come at the expense of K-12 funding. This determination, however, should be made in a consistent manner that takes into account the changing needs of both systems in a fashion that allows both community colleges and school districts to plan future budgets with greater confidence.

The state has long-maintained a low fee policy for students to enroll in the community colleges. While the Commission believes this is an important tool for keeping the doors open to higher education, the state must recognize this policy choice comes with consequences. In recent years, the state has opted to increase student fees to offset General Fund costs, though California’s community colleges remain among the most

affordable in the nation. Compared to community college students in other states, California's students pay only a small share of their overall education costs. In exchange for the benefit of receiving a high-quality education at a low cost, students should have greater accountability for using the community colleges in a productive manner, making satisfactory progress toward an educational goal, within a certain credit limit established by the Board of Governors. Students enrolling for personal enrichment should pay the full cost of their education.

If the state is to continue to offer low fees, this policy decision should be built into a long-term financial strategy for the community college system. Increases in fees should be predictable, incremental and part of a larger plan developed by the Board of Governors to improve student success in the California Community Colleges. In years when fees increase, the difference should be allocated to the Chancellor's Office to determine how best to direct it within the community college system.

Additionally, California's community colleges must target investment of limited resources to best serve the system's goals – to help students succeed in acquiring basic skills, workforce and career technical training and preparation to transfer to four-year universities. In addition to funding community colleges to support access, the state must devise a funding system that encourages improving rates of student success. Though the current policy of tying base funding to student enrollments has supported broad access to community colleges, it has done little to ensure that state investment in the colleges also encourages students to complete their programs of study and achieve their educational goals. The success of the community colleges in providing access to so many Californians proves that the colleges are responsive to financial incentives: California must augment the incentive structure to reward other student outcomes. As other states are experimenting with ways to tie funding to outcomes and improve rates of student achievement, California cannot get left behind.

Empowering the Board of Governors and Chancellor with the authority to lead the system by proposing reform necessary to guide the community colleges in a unified strategy and developing measurable goals for the colleges to achieve is a first step. Additionally, the Chancellor should have the authority to reward colleges for helping students progress toward their educational goals.

In addition to establishing a strategy to tie a portion of community college funding to student outcomes, the state must also loosen some of the existing regulations that constrain how community colleges can spend their limited dollars. The community colleges should be held accountable for outcomes, but given flexibility in achieving them.

Consistent with the earlier recommendation, the Board of Governors should have more authority to grant waivers regarding how colleges spend their money, particularly in years of fiscal stress.

Recommendation 3: Funding for the community colleges must be predictable and appropriate to support student success and completion.

- ❑ The state should amend the statutory funding formula for the community colleges to include additional measures to better align with the state's need for more community college graduates.
- ❑ The Board of Governors should establish a plan to determine when fee increases are warranted. The plan should include a process to increase student fees in a predictable and incremental manner, with adequate advance notice, while ensuring qualified students have access to financial aid.
 - ✓ Additional revenue generated from student fee increases should be allocated to the Chancellor's Office to support student success practices.

Recommendation 4: Spending priorities for the community colleges must be aligned with the mission to help students succeed in achieving their academic goals.

- ❑ A portion of state funding for the California Community Colleges should be used to incentivize identified student outcomes. The formula should:
 - ✓ Reward colleges that increase the number of students who pass certain milestones that have been shown to improve student success.
 - ✓ Provide incentives for student attainment of certain goals, such as completion of basic skills sequences or earning a certificate, credential or degree.
 - ✓ Include incentives to reward colleges for the number of certificates and degrees awarded in high-need industry and workforce areas, as identified by the Chancellor's Office.
 - ✓ Be weighted to address equity issues and ensure the colleges continue to serve disadvantaged populations.
 - ✓ Begin implementation of these concepts starting with willing community college districts to help the system identify and address unintended consequences.
- ❑ The state must grant community colleges additional flexibility in how they spend their money, particularly to allow colleges to devote more resources to counseling.

Linking Basic Skills to Student Success

More students who are not yet prepared for college-level work are enrolling in California's community colleges. Unprepared students often require more support services, such as counseling and tutoring, and additional time to catch up. Some drop out before gaining the skills they need to be ready for college. Some students enroll in college classes without the knowledge or skills to succeed, and often drop out, repeat the course or fail.¹³²

The need for basic skills education among so many community college students creates a host of undesirable outcomes, not only for the students who are unprepared to succeed in college, but for their peers blocked from courses by unprepared students, for colleges expending limited resources to create opportunities for all students to learn, as well as for the state, which needs for these students to be successful.

Community college leaders told the Commission that the estimated proportion of unprepared students is high – approximately 90 percent of incoming students arrive unprepared for college-level math while about 75 percent are not prepared for college-level English.¹³³ Although not all incoming students are assessed, tests show that many community college students need a year or less of remediation; others are much further behind. For example, in 2009, only 15 percent of students assessed were ready for college-level math. Of those assessed, more than 43 percent were just one or two levels behind; however, 41 percent tested well below college level.¹³⁴ Many of these students are learning for the first time that they are not ready for college-level work. And, for students with greater remedial needs, the traditional long sequences of basic skills courses leave students with more opportunities to drop out before reaching college-level work and completing their academic goals.¹³⁵

Though legislation was passed to improve the rates of student assessment, community colleges do not assess the majority of incoming students to identify skill gaps, and with budget cutbacks, community colleges have fewer resources to invest in counselors and support services to help students determine what classes they need to take to become college ready and to help them stay the course.¹³⁶ Even for the students who are assessed with remedial needs, there is no way of

guaranteeing that students complete basic skills programs before enrolling in college-level work.

Community colleges have long-recognized this dynamic, and admitted students with education deficits, offering them basic skills classes on both a for-credit and non-credit basis that allowed them the opportunity to address their deficits in a given subject area, while taking other classes for which they were more adequately prepared to succeed. Students are in need of basic skills classes for a variety of reasons. Some are recent arrivals to this country and need better English skills; others failed to learn what they needed while in grade school or high school; still others never completed high school. Some are returning to school after years in the workforce and need to brush up on forgotten lessons. Their needs vary, as does the time they require to catch up. For these reasons, providing basic skills classes that can give students the chance to catch up, then move up, has long been considered a key mission of the community college system.

California's System of Basic Skills Education

Basic skills education consists primarily of courses in reading and writing, mathematics and English as a Second Language (ESL), though other programs are offered.

Basic skills courses in the adult schools emphasize primary and secondary education, up to the equivalent of a high school diploma, as well as ESL, for adults of all ages. Community college non-credit basic skills courses are often equivalent in content to courses provided in adult schools, however, community college credit basic skills courses explicitly focus on preparing students for postsecondary work to earn a degree, transfer, or complete a career technical education program.

Though the adult schools and community colleges often share missions, the types of students enrolled in each institution varies. Community college basic skills students tend to be younger, most are 25 years of age or younger, while just one third of adult school students are 24 years of age or younger. Nearly a quarter of ESL students enrolled in an adult school are 45 years of age or older. Students enrolled in Adult Schools tend to have lower levels of educational attainment and proficiency than community college basic skills students. Many basic skills students, enrolled in programs in either institution, are Latino.

Source: Barbara Baran, Senior Fellow, California Budget Project. June 3, 2011. Letter to the Commission.

All community colleges provide some for-credit basic skills programs designed to prepare students for college-level work. Only a few, however, currently have robust non-credit basic skills programs, designed ultimately to help students complete a high school diploma or earn a GED. In 2010, 20 of the state's 112 community colleges offered no not-for-credit basic skills courses, while another 26 colleges offered minimal opportunities to address severe deficiencies in basic math and English skills.¹³⁷

Since the 1960s, the responsibility for providing basic skills education has been shared between the community college system and the state's system of Adult Schools, which are run primarily through public unified school districts or high school districts. Local school districts once accounted for more than 70 percent of California's adult basic education courses, but that proportion is falling as budgets are cut and funding shifts to other K-12 priorities. Until recently, there has been little formal effort to coordinate the two systems, by establishing standard definitions of preparedness or common standards, or by determining how best to link students from programs in one system to another.

Evolution of California's Adult Education System

Early Programs For Adults. Distinct educational programs for California's adult learners have long been a critical component of the state's educational system – creating opportunities for adults to improve English language skills, become more engaged citizens and more skilled workers. California's first Adult School was established in San Francisco in 1856 to provide elementary-level and vocational education to the city's immigrants, many of them Cantonese workers. By the early 1900s, adult schools throughout the state offered elementary and vocational education, as well as "Americanization" classes for immigrants, through free classes at night. The scope of programs offered through Adult Schools expanded over time as schools customized programs to meet local needs and interests and prepare students with the skills they would need to accommodate the state's thriving and changing economy. Even in the early years, however, policy-makers and experts debated how these programs should be governed and organized within the state's educational system. By the 1930s, statewide reviews first recommended eliminating some programs or consolidating adult schools into the junior college system. These recommendations would be repeated nearly every decade.

During the 1950s, adult education programs were offered through unified school districts, high school districts and junior colleges, under the supervision of the Bureau of Adult Education in the State Department of Education. As junior colleges separated from school districts beginning in 1967, college districts negotiated with school districts for the responsibility of providing adult education.

A few districts, San Diego, San Francisco and Santa Barbara, viewed community colleges as the most appropriate home for adult education as colleges educate adults. These colleges opted to become the sole provider of continuing adult education programs. Today, Rancho Santiago and North Orange Community College Districts also employ this model. In all other cities, Adult Schools remain part of K-12 school districts, on the rationale that the instruction provided was below college level. Still, community colleges were allowed to offer some continuing education programs through mutual agreements established with local Adult Schools.

Attempts to Delineate Functions of Programs In Each System. To prevent duplication, the Legislature directed community college and school districts to establish delineation of function agreements that would specify the types of adult classes each segment would offer. Legislation specified that adult basic education – English and math up to the 12th grade level, as well as English as a Second Language courses – would be the sole responsibility of high school and unified school districts, except in those communities where community colleges took on full responsibility. Only Adult Schools could offer high school diploma programs, but community colleges could offer courses that would lead to a high school diploma. Both Adult Schools and community colleges could provide vocational and occupational training for adults, as well as educational programs in parenting, consumer education, civics, arts and the humanities and other special fields. Only community colleges were allowed to provide postsecondary programs for adults, up to the 14th grade level. Districts were supposed to reach mutual agreements through coordinating councils composed of representatives from each district involved, which were to meet, at a minimum, on a quarterly basis. Disagreements over the delineation of function would go to the state Board of Education and the Board of Governors of the Community Colleges to be resolved.

Despite legislative attempts to clarify the roles of each system through these mutually established agreements, in many cases, Adult Schools and community colleges continued to vie for students.

Shared Role. A court ruling resulting from a lawsuit filed in 1994 by six school districts blurred the lines previously established under delineation-of-function agreements. The school districts charged that a number of community colleges had violated the law by providing adult basic education and high school diploma programs without negotiating mutual delineation-of-function agreements. The court found that laws enacted since the 1970s required the community colleges to offer a broad range of adult programs, including remedial instruction, English as a Second Language instruction and adult non-credit instruction and that "the Legislature expressed a preference that community colleges offer the broad range of adult education programs listed [in statute] and required that community colleges offer most forms of adult education." Ultimately, community colleges' right and obligation to offer adult education programs, with or without delineation-of-function agreements with school districts, was affirmed.

Because the lawsuit essentially nullified the need for mutual agreements, Adult Schools and community colleges generally stopped working together, leaving each school or college to build up their programs independently. These courses remain free to students regardless of which system is responsible for administering them.

Sources: See endnote 138.

Neither system is exclusively responsible for adult education programs; there is little accountability for results, though the community college system explicitly states that basic education is one of its key missions.

Based on the experience of community college districts such as San Francisco and San Diego, some community college leaders told the Commission that they see an opportunity to increase these students' chances for success if community colleges take a greater role in preparing these students for college-level classes, particularly given the sharp cutbacks in Adult School programs offered by K-12 districts.

Wherever the classes are taught, community colleges need the state's adult basic education programs to be successful to help drive the community college system's broader mission of student progress and achievement.

Funding Shift Squeezes Adult Programs in School Districts

While Adult Schools still provide the majority of adult education opportunities for California's adult learners, an increasing number of students are turning to the community colleges to get the training they need to achieve their goals. Between the 2005-06 school year and the 2009-10 school year, enrollment in for-credit and non-credit community college basic skills courses climbed 15 percent, from 472,918 to 543,914 students.

During the same period, Adult School enrollment in three core categories, Adult Basic Education, English as a Second Language and Adult Secondary Education/General Education Development and career and technical courses fell 24.5 percent, from 901,938 to 680,937 students. Overall enrollment in Adult School programs, which include citizenship classes, parenting classes and home economics fell 33 percent, from 1.16 million to 776,853 students.

The 33 percent overall drop in Adult School enrollment statewide is largely the result of the reduction – and in some cases elimination – of Adult School programs as local district boards of education shifted state money previously earmarked for Adult School programs to their K-12 programs to offset other budget cuts. Local districts were allowed to temporarily shift the money because the Legislature, acknowledging the burden of across-the-board budget cuts to public schools, offered districts greater flexibility in how they spent General Fund “categorical” money, albeit reduced, that previously had been allocated to 40 defined spending categories, among them Adult School programs.¹³⁹

California Department of Education officials estimate that 2010-11 enrollment in Adult School programs will be about half the 1.2 million student peak reached in 2007-08.¹⁴⁰ During a monitoring visit that year, officials from the U.S. Department of Education's Office of Vocational and Adult Education touted California's adult education system as the nation's best.

"Things were going on that are not in any other state," Patrick Ainsworth, assistant superintendent of the California Department of Education, told the Commission. "They wanted to use us as a model. But since then a large portion of our adult education system has been dismantled. We have a shell of what our former programs were."¹⁴¹

In the 2005-06 school year, 71 percent of the state's adult education students were in Adult School programs, while 29 percent were in programs offered through community colleges. By 2009-10, community colleges enrolled 41 percent of the state's adult education program students, a proportion expected to climb, while Adult Schools accounted for 59 percent of adult learner enrollment.

Though school districts are not required to report to the California Department of Education about how they are spending reallocated categorical dollars, a June 2011 survey of 150 school districts, conducted by the Montebello School District, gave some indication of what is happening across the state:

- Thirty school districts diverted all of their adult education funding into other program areas; more than a third of these districts have shuttered their Adult Schools entirely;
- Another 20 school districts have redirected at least 60 percent of their adult education funds, forcing adult schools to pare both the number and types of classes offered and the number of students served.
- Thirteen local districts left state funding for their adult schools intact.¹⁴²

The Need for Adult Education is Great, for Students and the State

Despite ample argument about where programs for adult learners should be located, there is no debate about the need for such programs. Nearly 25 percent of the adult population in California is functionally illiterate, lacking basic reading, writing and math skills necessary to manage ordinary daily tasks such as filling out basic employment forms, communicating with children's teachers, accessing public services or reading a prescription. Though many jobs in today's economy require workers to have more advanced skills and additional training beyond the high school level, more than 5.3 million adults in California have yet to earn a high school diploma or successfully pass the General Educational Development (GED) exam; half of these adults have educational attainment levels below the ninth grade.

Failing to reach this milestone has significant opportunity costs for individuals and the state: Without a high school diploma, workers tend to earn less than their peers who have completed some postsecondary education. Immigrants are 15 percent less likely to become naturalized citizens. High school dropouts are five to eight times more likely to be incarcerated. Conversely, high school graduates are twice as likely to vote as people with an eighth grade education or less, and tend to live longer and healthier lives than people who do not complete high school. Children of parents who have demonstrated higher academic achievement tend to do better in school than their peers whose parents were not successful academically.

Additionally, approximately 27 percent of Californians between the ages of 18 and 44 are unprepared for postsecondary education or for "middle-skill" jobs which require some postsecondary education or training. These "middle-skill" jobs represent the largest share of jobs in California, now and in the future.

Sources: Patrick Ainsworth. June 23, 2011. Testimony to the Commission. Also, California Department of Education. November 2011. "Linking Adults to Opportunity: Transformation of the California Department of Education Adult Education Program." Also, WestEd. November 2009. "Adult Education in California: Strategic Planning Process Needs Assessment." Also, Skills2Compete-California Campaign. October 2009. California's Forgotten Middle-skill Jobs: Meeting the Demands of a 21st Century Economy.

Impact of Funding Policies on Adult Schools Across the State

Many communities that have had a long tradition of supporting adult education have in recent years made the difficult decision to reduce funding for these programs in order to make ends meet.

The Oakland Unified School District, which has provided classes for adult English learners since the 1880s, will offer no English as a Second Language courses, vocational or career training or programs for the elderly and disabled in the 2011-12 school year. Once known for having one of the state's most robust adult education programs, the Oakland district enrolled fewer than 2,400 students in adult education classes in 2010, down from about 25,000 just a few years earlier.

The San Juan Unified School District, in suburban Sacramento, closed nearly all adult education programs in January 2011. The district previously had enrolled more than 12,000 students on three campuses, with a budget of \$7 million. Today, the district operates two of its three adult education campuses on a limited basis, relying on a small amount carried over from last year, a federal grant, some fees and a partnership with a not-for-profit organization.

The San Jose Unified School District, which has offered adult education courses since 1917, voted in January 2011 to redirect \$3.5 million from the district's adult education program to restore five furlough days in regular K-12 classes. The shifted money represents 67 percent of the adult education program's budget, and the reduction will result in the closure of two adult education campuses, elimination of half of the district's GED classes elimination of all classes for senior citizens, and will require the district to lay off of more than 100 employees.

Anaheim Union School District officials cut their 20-year-old adult education program in June 2011. Student enrollment had drastically declined over a couple of years, especially in the district's ESL program. In 2010-11, the student population fluctuated around 100 or 150 students and the cost of maintaining the program far exceeded the funding and the ability of students to pay.

Los Angeles Unified School District in December 2011 proposed zeroing out its \$120 million Division of Adult and Career Education in the 2012-13 budget – the board delayed a final decision in February 2012 and will consider the issue again in March. The district serves approximately 350,000 students in more than 30 adult schools across the greater Los Angeles region.

Sources: Scott Morris. June 1, 2011. "Adult Education Dismantled." East Bay Express. Also, San Juan Unified School District. Board of Education. January 25, 2011. Minutes. <http://www.sanjuan.edu/about.cfm?subpage=497>. Also, <http://www.adultedlearners.org/browse/index.cfm?fuseaction=viewList&catid=110>. Also, San Juan Unified School District. January 20, 2011. Regular Session Board Meeting. <http://sjusd.csbaagendaonline.net/cgi-bin/WebObjects/sjusd-eAgenda.woa/wa/displayMeeting?meetingID=341>. Also, CBS San Francisco. January 28, 2011. "San Jose Schools Cut GED Classes to Shore Up K-12." <http://sanfrancisco.cbslocal.com/2011/01/28/san-jose-schools-cut-ged-classes-to-shore-up-k-12/>. Also, San Juan Unified School District staff. January 19, 2012. Communication with staff. Also, Anaheim Union School District staff. January 10, 2012. Communication with staff. Also, Sandy Banks. January 28, 2012. "Adult education on L.A. Unified's chopping block." *Los Angeles Times*.

Crisis as Opportunity for Cooperation, Coordination

Though community colleges and local school districts share responsibility for adult education courses, it has not always been an easy relationship. Recent moves toward greater cooperation and coordination in some areas between school districts and nearby community college districts come against a backdrop of competition for students and the state funding that came with them, as well as litigation over which district had exclusive responsibility – as outlined in "delineation of function agreements" – to provide adult education programs. A major court ruling in 1997 established that both local school districts and community colleges may offer adult education programs in the same

subject areas and, significantly, that community colleges had the obligation of providing such programs to meet the Legislature's intended goals for community college education. The ruling had the effect of further cooling cooperative efforts in subsequent years, until the prolonged economic recession and state's budget crisis created a new urgency to find ways to serve adult learners.¹⁴³

In Contra Costa County, the Pittsburg Adult Education Center is working with Los Medanos Community College to develop pathways into the local petroleum industry for students. In Los Angeles County, the Burbank Adult School has partnered with Glendale Community College and Los Angeles Valley College to make it easier for adult school students to transition to community college by inviting college counselors to visit adult schools and talk to students about what to expect and how to prepare. Before funding was cut, the Los Angeles Valley College had offered a dual enrollment program with Burbank Adult School for some certificate programs. Students would attend community college courses on the adult school campus, then transfer to the community college to complete their certificate.¹⁴⁴

In Contra Costa County, Diablo Valley College and Mt. Diablo Adult School have come together to establish stronger links in career and technical courses, as well as English-learner classes and other basic skills programs. Kim Schenk, Diablo Valley College's dean of career technical education and economic development, said the college is considered a "transfer college," and prioritizes that mission above all others. Given that emphasis, it is not equipped to provide the board array and different levels of basic skills education its incoming students need, she said, as the college offers "virtually no non-credit programs." The for-credit remedial programs that Diablo Valley offers only go two levels below college readiness. Mt. Diablo Adult Education, however, has a strong basic skills program that can help prepare students for college-level work at the community college. "Their program became our non-credit program," Dean Schenk said. Recently, the two schools have developed a bridge program for English learners that blends basic skills courses with vocational courses in early childhood education. The schools have developed a similar bridge program in phlebotomy for students pursuing a medical lab technician certificate at Diablo Valley College.¹⁴⁵

In a collaboration unique for its size and scope, adult educators from 10 community colleges and 18 adult schools in San Mateo and Santa Clara counties formed the Alliance for Language Learners' Integration, Education and Success (ALLIES) Network in 2010 to improve English language acquisition for adults. Jennifer Castello, a professor at Cañada College in San Mateo, told the Commission that for many years, the

college had an informal relationship with Menlo Park's Sequoia Adult School, and relied on students to find their way to the college. Now, the adult education programs have aligned course offerings and they assess and refer students to the appropriate institution based on their skill level. Though the goals of the effort are specific, the ALLIES partnership may have potential for improving coordination of basic education programs in other skills areas. Paul Downs, who is coordinating the network's efforts, told Commission staff that as the member organizations are participating in the spirit of collaboration, it is easier for the group to broach previously taboo subjects such as which origination is better equipped to provide certain services, and discuss ways to avoid duplication and provide students with a better sense of the pathways available to them and where they lead.¹⁴⁶

There also are some promising signs of collaboration at the state level. Staff from the Department of Education and the Chancellor's Office have met to begin discussing strategies for improving coordination of adult education programs in specific areas, such as developing course articulation agreements so students can move seamlessly from programs in one system to the next, aligning readiness assessments so the definition of what it means to be "college ready" is consistent across programs, and developing bridge programs to create pathways for students to move up.¹⁴⁷ In July 2011, Michael Kirst, president of the State Board of Education, met with the Board of Governors to discuss the need to develop new definitions of college readiness and to create common assessment programs. While these conversations are a positive step, no formal plan exists to coordinate statewide services for basic skills education programs. California still lacks a definitive combined inventory of all adult education programs that would allow administrators to identify gaps or overlaps in program offerings.

Further gains through collaboration, however, may be more than offset by the trend of school districts reducing or eliminating their adult education programs.

Community Colleges Increase Focus on Basic Skills

Prior to the cutbacks in Adult School programs in local school districts, California's community colleges launched specific efforts to enhance their adult basic skills programs, in keeping with the system's mission to serve students in need of these classes and recognizing the potential in some of them to soon take advantage of the college-level curriculum. The most notable is the Chancellor's Office Basic Skills Initiative, started in 2006 after two years of planning. In the first phase of this effort, the Chancellor's Office awarded a \$700,000 competitive grant to the Foothill-

DeAnza Community College District to identify effective practices in basic skills programs and to showcase existing efforts across the state. As part of the initiative, a college self-assessment tool was developed to help colleges compare how their practices fit with those identified in the report. Colleges which agreed to assess their basic skills programs and develop plans for improvement became eligible for additional funding. Those that failed to develop plans for their basic skills programs could be denied money. “We are doing a good job of getting more students to completion of [basic skills] courses. We’re moving them to the next level and then, on top of that, we’re getting them out of basic skills and into the transfer and into the job training programs at a higher rate than we have in the past,” Vice Chancellor Barry Russell told Commissioners.¹⁴⁸ As part of the same initiative, the Chancellor’s Office recently awarded the Los Angeles Community College District a \$1.6 million competitive grant to build a statewide Basic Skills Center and Network that will be able to coordinate data and information resources.

As a result of these and other initiatives, faculty and staff through the community college system are pioneering strategies to improve outcomes for basic skills students. They include integrating basic skills with for-credit career technical coursework that makes the lessons more relevant for students’ career goals, accelerating learning modules to more quickly build students’ skills and providing additional support services, such as counseling, to help students stay the course.

The Chancellor’s Office must rely on using districts, chosen through a competitive process, to coordinate efforts because of conditions on how state money allocated to the community colleges can be spent. Vice Chancellor Russell told the Commission that

Bridging Basic Skills and Career Technical Education

A number of community college districts are experimenting with educational models that link basic skills and career technical education curriculum to accelerate student learning and career placement through a pilot program launched by the Chancellor’s Office in 2007. In 29 community colleges in three major regions of the state – the East Bay, Central Valley and Los Angeles – nearly 6,400 students have enrolled in the Career Advancement Academies (CAA) since 2010 and many are succeeding. Nearly 75 percent of all CAA students have earned a passing grade of C or better and nearly 90 percent have completed all of the courses they attempted – these outcomes are remarkably high considering the challenges many of these students face when entering college. Many students are economically disadvantaged and many begin with low basic skills and without a high school diploma.

To bring some of the success of the Career Advancement Academies to scale across the community college system, Linda Collins, executive director of the Career Ladders Project, told the Commission California would need to:

- Prioritize the basic skills mission and underscore the importance of effectively serving underprepared students.
- Make bridge and career pathway programming a state priority and streamline student movement into college and career across all segments of education and training.
- Examine existing funding streams and redirect them toward more effective practices and programs.
- Support development of alternatives to traditional curriculum sequences using linked or contextualized curriculum across curricular areas that can accelerate students’ progress toward their goals.
- Make certification and completion – not just degree completion – a priority for the system; prioritize pathway models that include certificates that are “stackable” and nested within the degree and transfer structure to promote students’ continuing educational and career advancement.
- Build student supports and academic and career advising into everyday academic experience.
- Support development for a longitudinal data system that follows students across educational as well as workforce systems.

Source: Linda Collins, Executive Director, Career Ladders Project. June 23, 2011. Testimony to the Commission.

changes in the law would give the Chancellor's Office more flexibility to enhance other system-wide programs, build greater basic skills capacity and ensure consistency in program oversight.¹⁴⁹

During the course of the Commission's study, adult education programs in two community college districts stood out as examples of how community colleges can prepare students for college-level work and accustom students to their institutions' standards and expectations, while serving the broader needs of the adult learner community.

San Diego Continuing Education

Like many other community colleges, the San Diego Community College District has a high need for remedial classes. More than 75 percent of its incoming students are assessed as performing below college level. In San Diego, however, these students do not have to leave the district to get the skills they need to succeed.

San Diego Community College District has provided all adult education programs within San Diego since 1973. Continuing Education serves more than 100,000 students each year on six campuses as well as 300 sites through the community. Students can enroll in a wide range of non-credit programs, some of which have ladders to the district's credit basic skills courses that provide training starting at two levels below the collegiate level. Like its three community colleges, Continuing Education is also accredited by the Western Association of School and Colleges Commission.

More students enter one of the district's community colleges through Continuing Education than from all of the high schools within the San Diego Unified School District. The district found that those students who first enroll in Continuing Education, even if just an eight-hour course to brush-up on basic skills, fare far better than their peers who enrolled directly in one of the district's colleges. Continuing Education students score higher in college placement exams, potentially reducing the time it takes for a student to achieve his or her goal. They also have higher persistence rates from semester to semester and greater retention rates within classes.¹⁵⁰

One characteristic that makes San Diego Continuing Education successful is its ability to pair Career Technical Education with contextualized basic skills instruction in the same classroom, the program's president, Anthony Beebe, told the Commission. "In these cases, a CTE faculty team-teaches with a basic skills faculty member, tightly and thoroughly integrating their curricula. The payoff is that students learn both topics more quickly, making sense of the importance

"I worry that California, as a state, doesn't have the same integrated approach to adult education and credit education as we have because I think, particularly given the problems we have in remediation, that is exactly what is needed."

Constance Carroll,
Chancellor San Diego
Community College
District

of the two topics and how they fit together.” The lessons are more relevant to students, he said, motivating the students to be more successful. San Diego adapted this model from Washington State’s I-BEST (Integrated Basic Education Skills Training) program, which since 2002 has become one of the nation’s leading basic skills models.

Like many school district-sponsored Adult Schools, San Diego Continuing Education offers programs to help students earn a high school diploma, prepares them for the General Education Development (GED) certificate and offers citizenship and English language classes, as well as job training. Through its non-credit program, students can enroll in more than 20 different certificate programs, such as automotive technology, child development, culinary arts, green building and metal trades, which provide students specialized job skills. Classes also are available for seniors, through the district’s Emeritus Program, parents and adults with disabilities. Many classes are open-entry/open-exit, allowing students to enroll when convenient and proceed at their own pace.

City College of San Francisco

Like San Diego Community College District, San Francisco Community College District provides all adult education programs for students within the City and County of San Francisco. San Francisco City College serves about 100,000 students annually on nine campuses and in many sites throughout San Francisco.

More than 25,000 students each semester enroll in non-credit courses to improve their math or English skills. “ESL, math and English are taken by students not as a major, but rather as a course of study that opens the door to the students’ true reason for study, whether it is to pursue further academic study, a CTE curriculum, citizenship, or other goal,” Leslie Smith, vice chancellor of governmental relations, told Commissioners.¹⁵¹

In San Francisco, the non-credit student population represents the diversity of the city: About 40 percent are Asian, a quarter are Latino; almost 70 percent are enrolled in English as a Second Language courses. “Non-credit students are immigrant, disabled, unemployed, underemployed, re-entry, second chance, undereducated,” Ms. Smith said, “but all come to City College for a chance to change their life for the better.”

Similar to San Diego’s experience, nearly every student who enrolls in San Francisco City College directly from high school places below college-level math or English. Those students who enroll in one of the college’s

non-credit programs before transferring to credit courses and those who enroll in non-credit while taking credit courses tend to do better in terms of courses passed and grade point average than students who enroll directly into credit courses, Ms. Smith says.

Ms. Smith credits San Francisco's success in serving non-credit students to a number of reasons, including flexibility in program scheduling, integration of different programs and accessibility to the college's campuses. City College's non-credit programs operate in an open-entry/open-exit model to accommodate students' schedules and needs, particularly for students trying to balance education with a job, children, or other life responsibilities. The open-entry/open-exit also has been helpful for quickly meeting students' needs, for example, a student who loses a job and needs to retrain quickly can enroll immediately rather than wait for the next semester to start.

Non-credit programs are integrated across the system. For example, City College has one English as a Second Language department, though ESL programs are offered at eight different campuses as well as sites throughout the community. City College integrates basic skills with vocational or transfer-level education to ease the transition for students to achieve their goals.

City College's off-site locations allow students to access programs near their homes, workplaces or children's school sites. As students progress in skill level, and grow in their confidence, they can enroll in a broader array of courses, both for-credit and non-credit, on one of the nine college campuses. Although the Commission heard from some who say basic skills students are intimidated by the "college" part of community colleges, Ms. Smith said that, because San Francisco City College has a presence in neighborhoods throughout the city, students do not have these fears. "At some point, it clicks that they are going to college, regardless of where they are enrolled," Ms. Smith said.¹⁵²

Leveraging Strengths to Build One System

The question of ultimate responsibility for California's adult education programs has been unresolved since the 1960s, when community college districts separated from school districts. This creates a lack of accountability for results. From a system perspective, however, community colleges benefit directly and immediately from adult education programs that perform well.

Proposals to reform the governance of the state's adult education programs have been stuck in a political tug-of-war between the two

systems, despite the need to coordinate systems to boost success levels for community college students and the obvious benefits of having more adult Californians who can read, write, do basic math and speak English.

The last comprehensive legislative review of the state's adult education programs occurred in 1981, when the Commission on Adult Education Policy found that state funding policies created incentives for programs to break away from delineation-of-function agreements in order to chase enrollment dollars. The commission considered whether the state should merge all adult education programs into the community college system, though its recommendations ultimately did not address governance. Instead, the commission suggested the state should provide equal funding for programs in both systems and encouraged districts to negotiate new delineation-of-function agreements.¹⁵³

The issue of governance again was examined in a 2002 legislative review when the Joint Committee to Develop a Master Plan for Education took on adult education. A recommendation in an early draft called for consolidating administrative oversight for adult education under the community college system, sparking protests from the adult education community. When the final report was issued, the committee was silent on the location of adult education governance and instead called for a taskforce to continue to explore the issue.¹⁵⁴

After a year of investigating California's basic skills system, the California Budget Project, a non-profit organization focused on studying the impact of policies on low- and middle-income Californians, found a lack of integration and alignment between adult schools and community colleges, as well as between community college non-credit and credit programs across the state. Additionally, it found the adult education programs often failed to provide students sufficient support services or were organized in lengthy sequences that did not serve student needs.

California Budget Project Recommendations to Improve Basic Skills Education

To improve, the California Budget Project suggested the state should:

- Establish clear goals for what the state's investment is intended to achieve, and implement a coordinated effort to improve occupational and academic outcomes. Included should be a set of goals to transition more basic skills students to postsecondary education and jobs and to increase the share of basic skills students who achieve certificates.
- Integrate its adult education programs, either through common governance or through well-coordinated local and regional networks. The state should pilot the development of "gateway" centers that create partnerships among the school districts and community colleges and other stakeholders to prepare and transition basic skills students into postsecondary education or jobs.
- Focus programs both in school districts and community colleges on key components of student success, including: assessment and placement, instructional practices, financial aid policies, support services, professional development and English as a Second Language. Develop strategies to accelerate student learning through integrating basic skills into content courses or collapsing the number of courses students need to complete.
- Implement an accountability framework for all basic skills programs and develop a comprehensive, integrated data system; create a basic skills report card to share with the Legislature.

Assemblymember Warren Furutani (D- Long Beach) authored AB 1315 in 2011 to establish Gateway Centers to improve coordination among local adult schools, community colleges and workforce programs. The bill was put on suspense by the Assembly Appropriations Committee.

Sources: California Budget Project. May 2011. "Gateway to a Better Future: Creating a Basic Skills System for California." Also, Barbara Baran. May 6, 2011. California Budget Project Briefing. Sacramento, California. Also, AB 1315 (Furutani). May 27, 2011. Bill Analysis.

Most recently, the Student Success Task Force in January 2012 found a crisis in basic skills education at the community college level and recommended the system develop more effective models of basic skills instruction that could be scaled up throughout the system, including using learning communities, modularized, intensive or supplemental instruction, contextualized learning and team teaching. Recognizing the role of K-12 partners in adult education, the task force recommended the state develop a comprehensive strategy for addressing basic skills and ESL education in California and suggested policy-makers should re-examine the impact of budgetary flexibility on the state's Adult School programs.

A Systemic Approach to Basic Skills Education

In California today, no single entity is responsible for providing adult basic skills education, for setting standards for educational achievement or defining desired outcomes, or for creating pathways for students to progress toward college-level work or master the skills that will be required of many of the state's future jobs. California's failure to integrate its adult education system does a disservice to students and the state as a whole.

Though there has been little agreement about how to integrate the two systems, the discussion is increasingly moot given the deliberate choice by many local school districts to dismantle their Adult School programs and use money previously assigned to adult education to bolster their core K-12 programs.

As the state's capacity to deliver adult education shrinks as school districts shift resources, the state must reconsider how to accommodate California's need for basic skills education. The solution must ensure Californians have access to critical basic skills programs that create pathways for students to become more productive citizens, whether through learning English, job skills or further college-level education.

To best serve adult students in need of basic education to improve themselves and their prospects and to better prepare students in all parts of the state for success in college-level classes, California must consolidate responsibility for adult education programs into a single entity. The Commission heard from many community college leaders that they would be willing to take on responsibility for the state's adult education programs – if funding was provided to support the growth. "If the community colleges do not step up to the plate and educate our poor adults, then the alternative cost must be assessed. We will be creating a permanent underclass, without opportunity to improve, and with an

unacceptably high probability of costing the state and its taxpayers more as we turn too many of our adults from assets to liabilities,” San Francisco Community College District’s Leslie Smith told the Commission.¹⁵⁵

California’s community college system has a built-in incentive to ensure the educational success of this student population and has demonstrated its capacity to develop adult learners to the point that they can perform at the college level. The community colleges already consider providing basic skills education one of the system’s most important missions; community college educators are skilled at teaching adult learners; and models already exist within the system for providing a comprehensive range of learning opportunities for adults. “In our opinion, community colleges have the most expertise in educating the adult population, from pedagogy to support services,” San Diego Chancellor Constance Carroll and Continuing Education President Anthony Beebe told Commissioners. “As a long-term goal, it would seem appropriate to assign this function to community colleges, along with appropriate funding.”¹⁵⁶

In consolidating adult education programs under the community college system, California would be following the lead of 32 other states.¹⁵⁷

Rather than invest new money into adult education, California should send previously allocated Adult School dollars to the community colleges, allowing community colleges to qualify for related federal funding. With funding to serve additional adult learners, the community colleges could open the doors wider for students of all abilities and create true entryways to postsecondary training for the state’s adult learners.

Though this funding shift will take money from local school districts, removing a temporary benefit that granted them budget flexibility, the state must take action to preserve its capacity to provide educational opportunities for adult learners at every ability level. Better educated

Creating Basic Skills Academies

In developing a unified approach to basic skills education, the California Community Colleges should leverage lessons from community college districts, like San Diego and San Francisco, that already have integrated robust non-credit programs into district services to educate all levels of adult learners. Some best practices include:

- Offering non-credit programs, including some level of support services, in accessible locations in communities throughout the district;
- Establishing a clear delineation of function and assigned levels between developmental education non-credit and credit programs;
- Creating instructional “ladders” for course and program alignment between non-credit and credit offerings, including articulation agreements, to create pathways for students to move from non-credit programs to credit coursework, whether offered through an integrated organizational structure or in a separate institution;
- Increasing the number and percentage of the non-credit offerings under the Career Development and College Preparation (CDCP) category;
- Using the non-credit program as a feeder to transition students into the credit program;
- Making an organizational commitment to offering and supporting non-credit programs; and
- Creating leadership positions for the non-credit program that are equal in level and compensation to the comparable positions in the credit program.

Sources: Constance Carroll and Anthony Beebe. June 23, 2011. Written testimony to the Commission. Also, Leslie Smith, Associate Vice Chancellor of Governmental Relations, City College of San Francisco. June 23, 2011. Written testimony to the Commission.

adults provide a host of benefits to their communities, particularly if they are parents who, through their additional education, are more able to provide for their families and participate more fully in their children's education, both of which would boost their children's chances for success in school.

To manage this larger responsibility, the community colleges should build up their non-credit programs based on successful models already in place in several community college districts. Non-credit programs should be designed to link to credit programs and create course ladders for students – even if the adult student initially had not planned to achieve postsecondary academic or career training.¹⁵⁸ Non-credit programs should coordinate with existing career technical education and job training programs to create accelerated paths and learning opportunities with real-life relevance so that students gain fundamental skills as they pursue postsecondary training. In areas where Adult Schools have maintained strong programs for adult learners, community colleges should take advantage of existing expertise and capacity to create an integrated system.

To maintain comfortable learning environments for adults who may not initially see themselves as “college” students, the community colleges should use satellite campuses and centers, as well as community college campuses, to provide opportunities for students to study in smaller, more individualized learning environments, in locations closer to students’ homes, work sites and children’s schools. Additionally, community colleges should use the non-credit programs’ open-entry/open-exit model to remain flexible to students’ schedules and provide opportunities for students to enroll in the non-credit courses they need, when they need them.

Recommendation 5: The California Community College system should administer all of the state’s adult basic education programs, and the state should shift responsibility and funding for Adult Education to the community colleges.

- Using the successes in several community college districts, including San Diego and San Francisco, the community colleges should offer adult basic education programs and provide clear and accessible pathways for students to transfer into community college credit academic and career technical education programs.
- The state should increase the funding allocated to the California Community Colleges to reflect this additional responsibility. The amount of the increase should be proportional and equitable to the amount the state currently earmarks for Adult Schools in K-12 school districts. The community colleges should be required to use this new money to support adult basic education programs.

Conclusion

California's community colleges have long been a vehicle for Californians to realize their dreams, as well as an engine for social mobility and economic growth. The community college system, however, is at risk, making vulnerable its ability to provide first- and second-chance learning opportunities for students, many without other options for pursuing higher education, and to produce the workforce the state needs.

Even before the recent economic slump took a toll on the colleges' budgets and capacity to serve all students seeking a community college education, the colleges operated within a system that lacked clarity about its mission and goals, capacity to mobilize resources and strategies toward its goals, and the leadership necessary to guide the colleges. The current budget crisis has served only to exacerbate the need to address these long-standing, and sometimes controversial, problems.

California cannot afford to lose this capacity, especially when the state, and the nation, most need students to succeed and the system to thrive.

To get the system on track to better meet both individual student and broader societal needs, California must:

- Make student success a statewide priority by focusing policies and resources on ensuring access to the system, and improving student rates of transferring to four-year universities, gaining relevant career and workforce training, including earning certificates and degrees, and improving basic skills;
- Clarify what is needed from the community college system, develop a unified strategy and measurable goals, and align the system, from the top to the bottom, to support state needs and goals;
- Build a stronger system structure, with leadership empowered to drive policy decisions and hold colleges accountable for student success;
- Provide relief from rules and regulations that prescribe how local colleges accomplish the system's goals, but hold colleges accountable for achievement;

- Create a predictable funding stream to help the system, as well as individual colleges, plan how to adjust resources to respond to changing demographic, economic and workforce needs; and
- Ensure continued state capacity to provide basic skills education.

The Commission found that, as structured, the community colleges are starved of essential state leadership needed to guide the system through the current economic crisis, hone its mission and lead the system toward a stronger tomorrow.

California must continue to guarantee open access to education, but must clarify that the guarantee is for those opportunities that will further a student's educational goals, not to provide entertainment or leisure activities. Going forward, the colleges must focus resources more efficiently by supporting programs that will help students succeed in developing basic skills, earning career technical education certificates and degrees and transferring to four-year institutions. While there is clear public value to providing learning opportunities for individuals who are not seeking educational or career advancement, the system's enrichment mission must explicitly be secondary.

Aligning these goals throughout the system, and ensuring accountability toward achieving them, will require focused leadership – much more so than is in place now. As a first step, the Board of Governors and Chancellor must be explicitly charged to lead the community colleges, responsible for driving system change and held accountable for results. The Chancellor also must be independent and empowered to direct the state's money to the community colleges' core missions. The Board of Governors should be empowered to grant districts waivers where appropriate and adopt rules that allow colleges flexibility to develop and implement successful, scalable programs that have proven effective in meeting student needs.

Additionally, focusing on core missions will require changes in funding that will need the support of the Governor and Legislature. California's community colleges must target investment of limited resources to best serve the system's goals. In addition to funding community colleges to support access, the state must devise a funding system that drives improvement in student outcomes. To this end, the Chancellor must have the authority to reward colleges for helping students progress toward their educational goals. As other states experiment with ways to tie funding to outcomes and improve rates of student achievement, California is falling behind.

Given the state's needs for more people with more skills, the California Community Colleges can no longer afford to allow students unlimited ability to enroll in courses without making progress toward an educational goal. Students must share responsibility for their success and should be required to demonstrate their commitment toward articulating, evaluating and ultimately achieving their educational goals.

As the state's economy demands more workers with some level of postsecondary training, California must maintain, and grow, capacity to serve all levels of adult learners. The state's adult education system is crumbling, largely from budget decisions made in school districts across the state. In response, California must immediately act to preserve access to critical basic skills programs that create pathways for students to become more productive citizens, whether through learning functional math and English or critical job skills. The state must enable the community colleges to step up their ability to serve all levels of adult learners by shifting responsibility, and existing funding, for all of the state's adult education programs to the community colleges. With funding to serve additional adult learners, the community colleges could open the doors wider for students of all abilities and create true entryways to postsecondary training for Californians toward better opportunities, regardless of the starting ability.

Appendices & Notes

- ✓ ***Public Hearing Witnesses***
- ✓ ***Little Hoover Commission Public Meetings***
- ✓ ***Little Hoover Commission Recommendations, March 2000***
- ✓ ***Comparison of Related Reform Proposals for the California Community Colleges***
 - ✓ ***Past Calls for Governance Reform***
 - ✓ ***Variation Among California's Community College Districts***
- ✓ ***Notes***

Appendix A

Public Hearing Witnesses

Public Hearing on California Community College System
February 24, 2011

Eloy Oakley, Superintendent and President,
Long Beach Community College District

William Scroggins, Superintendent and
President, College of the Sequoias

Jack Scott, Chancellor, California Community
Colleges

Nancy Shulock, Executive Director, Institute
for Higher Education Leadership and Policy

Public Hearing on California Community College System
April 28, 2011

Benjamin Duran, President, Central Valley
Higher Education Consortium;
Superintendent and President, Merced College

Brice Harris, Chancellor, Los Rios Community
College District

Ronald Galatolo, Chancellor and
Superintendent, San Mateo Community
College District

Alex Pader, President, Student Senate for
California Community Colleges; Student,
American River College

Noah Golinko, Student, American River
College

Jane Patton, President, Academic Senate for
California Community Colleges

Gregory Gray, Chancellor, Riverside
Community College District

David Wolf, Executive Director Emeritus,
Accrediting Commission for Community and
Junior Colleges, Western Association of
Schools and Colleges

Public Hearing on California Community College System
June 23, 2011

Patrick Ainsworth, Assistant Superintendent,
California Department of Education

Anthony Beebe, President of San Diego
Community College District Continuing
Education

Constance Carroll, Chancellor, San Diego
Community College District

Jennifer Castello, Professor, Cañada College

Linda Collins, Executive Director, Career
Ladders Project for California Community
Colleges

Lionel de Maine, Chief Operations Officer,
Sequoia Adult School

Paul Downs, ALLIES Network consultant, PDC
Consulting

Debra Jones, Administrator of the Adult
Education Office, California Department of
Education

Barry Russell, Vice Chancellor of Academic
Affairs, California Community Colleges
Chancellor's Office

Leslie Smith, Associate Vice Chancellor for
Governmental Relations, City College of San
Francisco

Appendix B

Little Hoover Commission Public Meetings

***California Community College System Advisory Committee Meeting – June 22, 2011
Sacramento, California***

Anthony Beebe, President of San Diego Community College District Continuing Education

Constance Carroll, Chancellor, San Diego Community College District

Laura Casas Frier, Trustee, Foothill-De Anza Community College District

Jeff Daucher, Liaison to the Little Hoover Commission, California Teachers Association

Isobel Dvorsky, Trustee, Chabot-Las Positas Community College District

Ellen Gutierrez, Member, California Teachers Association

Pamela Haynes, Trustee, Los Rios Community College District

Richard Holofer, Trustee, San Mateo County Community College District

Louise Jaffe, Trustee, Santa Monica College

Jeanette Mann, Trustee, Pasadena City College

Roberta Mason, Trustee, Lake Tahoe Community College

William McGinnis, Trustee, Butte-Glenn Community College District

Rita Mize, Director, State Policy and Research, Community College League of California

Manny Ontiveros, Trustee, North Orange County Community College District

Doug Otto, Trustee, Long Beach City College

Claudia Sandberg-Larsen, Liaison to the Little Hoover Commission, California Teachers Association

Wanden Treanor, Trustee, College of Marin

Peter Zschiesche, Trustee, San Diego Community College District

California Community College System Advisory Committee Meeting – August 24, 2011
Sacramento, California

Julie Adams, Executive Director, Academic Senate for California Community Colleges

Mandi Bailhache, Legislative Aide, Office of Assemblymember Alyson Huber

Marlene Garcia, Vice Chancellor of Governmental Relations and External Affairs, California Community Colleges Chancellor's Office

Joshua Golka, Legislative Advocate, California School Employees Association

Barbara Halsey, Executive Director, California Workforce Association

Jonathan Lightman, Executive Director, Faculty Association of California Community Colleges

Mike Magee, Administrator/Director of State Government Relations, California Community Colleges Chancellor's Office

Hilary McLean, Project Manager, Blueprint for Community College Student Success, Capital Impact

Rita Mize, Director, State Policy and Research, Community College League of California

Michelle Pilati, President, Academic Senate for California Community Colleges

David Roth, Senior Advisor, California Competes

Nancy Shulock, Executive Director, Institute for Higher Education Leadership and Policy

Leslie Smith, Associate Vice Chancellor for Governmental Relations, City College of San Francisco

Paul Steenhausen, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Michelle Underwood, Legislative Coordinator, School Services of California

Nancy Vogel, Principal Consultant, Senate Office of Oversight and Outcomes

Mark Wade Lieu, Basic Skills and ESL, California Community Colleges Chancellor's Office

Steve Weiner, Board Member, The Campaign for College Opportunity

David Wolk, Board Member, The Campaign for College Opportunity

***California Community College System Advisory Committee Meeting – October 7, 2011
Sacramento, California***

Thomas Burke, Chief Financial Officer, Kern Community College District; President, Association of Chief Business Officials

Jeff Daucher, Liaison to the Little Hoover Commission, California Teachers Association

Marlene Garcia, Vice Chancellor of Government Relations, California Community Colleges Chancellor's Office

Claudia Sandberg-Larsen, Liaison to the Little Hoover Commission, California Teachers Association

Michele Siqueiros, Executive Director, The Campaign for College Opportunity

Erik Skinner, Executive Vice Chancellor of Programs, California Community Colleges Chancellor's Office

Leslie Smith, Associate Vice Chancellor for Governmental Relations, City College of San Francisco

Paul Steenhausen, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Dan Troy, Vice Chancellor of College Finance and Facilities Planning, California Community Colleges Chancellor's Office

Rebekah Turnbaugh, Program and Fund Development Associate, The Campaign for College Opportunity

Appendix C

Little Hoover Commission Recommendations, March 2000

“Open Doors and Open Minds: Improving Access and Quality in California’s Community Colleges”

Recommendation 1: Policy-makers, college leaders and faculty should make quality teaching and learning the hallmark of the California community colleges. A policy focused on quality teaching should:

- **Establish hiring qualifications that include teacher excellence.** The Board of Governors should set minimum qualifications for full-time and part-time faculty hiring that require evidence of teaching skills as well as discipline-specific expertise. The Board should consider requiring education in pedagogy as a prerequisite to employment, or at least as a condition of continued employment.
- **Develop teaching and learning centers.** The Legislature should establish and the Board of Governors should administer a competitive grant program to encourage community college faculty members to create learning communities, teaching centers, or other programs that promote teaching and learning excellence. Teaching and learning centers need to be responsive to the needs of full-time and part-time faculty.
- **Transform tenure to motivate teaching excellence.** No instructional faculty member should be awarded tenure without demonstrating teaching excellence. College leaders should transform the tenure process and other personnel decisions to motivate quality teaching.
- **Create incentives for institutions and faculty to improve teaching and learning.** The Board of Governors should establish incentives that are appropriate for full-time and part-time faculty, including:
 - ✓ Basing employment and tenure decisions primarily on teaching quality.
 - ✓ Subsidizing tuition for faculty participating in teacher education programs.
 - ✓ Rewarding faculty with recognized education in pedagogy.
 - ✓ Recognizing teaching excellence with annual awards.
 - ✓ Designating select faculty members as “Mentoring Teachers” based on validated teaching excellence.
- **Hold the Board of Governors and local boards of trustees accountable for teaching and learning quality.** The Legislature and Governor should fund periodic independent evaluations of efforts by local boards and the Board of Governors to improve the quality of teaching and learning in the community colleges. Evaluations should review the extent that teaching styles respond to the diverse learning needs of California’s students and should apply to the work of full-time and part-time faculty.

Recommendation 2: To make universal access a reality, each community college should determine which community members they should serve, what services they should provide and how those services will be provided.

- The Board of Governors should require each local board to annually, publicly identify community needs and establish goals to meet them.** Each local board should assess – publicly, deliberately and within the context of state-established missions – how its colleges can best serve its communities. Each local board should publicly and clearly establish which services it will provide, such as transfer, workforce development and adult education.
- The Board of Governors should require each local board to determine which community members it will serve and how it will serve them.** Each local board should identify its students and tailor services – including outreach, matriculation, scheduling, curriculum, and teaching – to ensure successful outcomes for those students.
- The Board of Governors should develop a plan for improving matriculation services.** The Board of Governors should present a plan with annual updates to the Governor and Legislature for improving and funding matriculation services. The plan should identify ways for the State to improve availability and quality of services. The plan should pay particular attention to students who repeatedly drop classes or who are taking classes unrelated to their entrance goals and require them to attend academic counseling sessions to focus their efforts. The Chancellor’s Office should develop a guide for individual colleges to aid in assessing when intervention is necessary.
- The Board of Governors should encourage regional cooperation, discourage inefficient duplication and ensure statewide access goals are met.** The Board of Governors should periodically assess the regional availability of all mission-oriented services – such as undergraduate transfer and workforce development programs – and develop plans to close gaps and improve program effectiveness.
- The Governor and Legislature should fund an evaluation process to determine which students our community colleges are serving and which they are not.** The State should determine who has true access to the community colleges and who is left out and understand the opportunity costs of current access policies.

Recommendation 3: The Governor and the Legislature should require the Board of Governors to develop a funding system that encourages universal access, teaching excellence and student success. Specifically the Board of Governors should:

- Revise the community college funding mechanism.** Community college funding formulas should include variables that encourage colleges to expand educational opportunities and improve outcomes. Base funding should create incentives for each college to:
 - ✓ Recruit and serve educationally disadvantaged members of its communities;
 - ✓ Promote course and degree completion;
 - ✓ Transfer students to four-year colleges and universities;
 - ✓ Move students into high-wage employment.
- Create incentives for the colleges to improve their services.** In addition to stable base funding linked to outcomes, the colleges need incentives that promote service improvement. Wherever

feasible, the Board of Governors should build incentives into existing categorical funding and grant programs to leverage improvement in student outcomes.

- ❑ **Establish compacts to fill unmet needs.** When the Board of Governors determines that state-established missions are not adequately addressed in a given community or region, it should enter into funding compacts with community colleges in that region to provide targeted services.
- ❑ **Establish incentives for students to complete a program of study.** Among the options the Board of Governors should consider:
 - ✓ Gradual and moderate increases in student fees for students who repeatedly drop and re-enroll in courses. Targeted fee increases should create a disincentive to repeatedly drop courses.
 - ✓ Educational scholarships and workforce grants for students who obtain associate's degrees, who transfer with advanced standing to baccalaureate degree-granting institutions, or who obtain a certificate within a set timeframe.
 - ✓ Fee rebates for students who obtain degrees or certificates within set timeframes.
- ❑ **Evaluate and refine incentives.** Incentives for colleges and students should be designed to promote outcomes while ensuring that no student is prevented from attending a community college because of financial need or other barriers.

Recommendation 4: The Governor and Legislature should reform the community college governance structure to increase the accountability and efficacy of college leaders. Specifically:

- ❑ **Strengthen the state Board of Governors.** The Board of Governors should be empowered to facilitate excellence in the community colleges, to establish statewide access and educational goals, and to enable voters and students to scrutinize their colleges. Two ways to strengthen the Board of Governors would be:
 - ✓ Revise the make-up of the Board of Governors. The board may be a more independent, robust and credible voice and force if it represents legislative as well as executive interests and concerns.
 - ✓ Improve scrutiny of potential appointees. The appointing authorities should recruit to the Board of Governors high caliber persons who are willing to dedicate the time and resources necessary to lead our community colleges toward realizing their full potential.
- ❑ **Align the Chancellor's Office with its various levels of responsibilities.** The Board of Governors should replace the single statewide, central office with a smaller central office and several regional offices. The central office should handle statewide responsibilities where the Chancellor serves as the head of the system. Regional offices should handle those functions that are community-based and designed to support the needs and successes of the local colleges and college students.
- ❑ **Create a California Community College Office of Accountability.** The Office of Accountability should be created within the Chancellor's Office and charged with monitoring quality control in our community colleges. Its responsibilities should include performing oversight functions, assessing weaknesses and proposing improvements. The Office of Accountability should publish the annual

accountability report that should be revised to include effectiveness data for each of our community colleges.

- Require all local boards to annually publish and disseminate information on their goals and results.** Based on the assessments called for in Recommendation 2, all local boards should be required to publish an annual mission report that details the district's goals for the upcoming academic year. District goals should be based on the expertise of each college and address the needs of their economic, academic and business communities. The report should identify goals for transfer students, professional enhancement priorities and vocational education and establish which services will be provided to support these goals. To better aid the public in understanding, clearly and easily, how local districts are spending limited financial resources, and to better hold districts and individual colleges accountable, all local boards should be required to publicly release their mission reports in a press conference to be followed by an open meeting to discuss the elements of the district report with the public. The press conference/meeting should occur on the same day statewide to ensure maximum public focus and exposure. The public also should be well aware of which interests are supporting the election of each community college board member. Annual mission reports should refer the public to sources of information that identify campaign contributions received by community college trustees.

Appendix D

Comparison of Related Reform Proposals for the California Community Colleges

	Recommendation	Little Hoover Commission	Student Success Task Force
Mission and Governance	Refine mission scope to prioritize preparation for transfer to four-year universities, career technical education and adult basic education	✓	
	Restructure continuing education enrichment courses to operate on a cost recovery basis	✓	
	Strengthen the Chancellor's Office	✓	✓
	Grant additional authority to Board of Governors	✓	
	Review and revise statutes and regulations to give community colleges greater flexibility in achieving goals	✓	
	Implement a student success scorecard		✓
Student Behavior	Develop and support a longitudinal student record system		✓
	Revise system wide enrollment priorities	✓	✓
	Establish a credit unit cap	✓	✓
	Establish policies to encourage all students to demonstrate progress toward and achievement of their educational goals	✓	
	Establish additional criteria for Board of Governors fee waivers	✓	✓
	Set local student success goals consistent with statewide goals		✓
	Increase college and career readiness through common standards, developed with K-12		✓
	Strengthen support for entering students	✓	✓
	Require students to begin addressing basic skills deficiencies in their first year		✓
	Encourage students to attend full-time		✓
Funding	Align course offerings to meet student needs		✓
	Revise the funding mechanism for the community colleges	✓	
	Establish a plan for fee increases	✓	
	Tie a portion of funding to student outcomes	✓	
	Establish alternate enrollment fees	✓	✓
	Encourage categorical program streamlining and cooperation		✓
Basic Skills	Invest in a new Student Support Initiative		✓
	Shift responsibility and funding for all adult basic skills education programs to the community colleges	✓	
	Encourage innovation and flexibility in the delivery of basic skills instruction		✓
	Support the development of alternative basic skills curriculum		✓
	Develop a comprehensive strategy for addressing basic skills education in California		✓

Appendix E

Past Calls for Governance Reform

Though reforming governance structures is often used as a last resort because of the political pressures involved with such change, over the last several decades, higher education policy experts and other interested groups have called for such reform within the California Community Colleges. Many of the past California reviews and reforms of the California Community Colleges have been framed around the Master Plan, based on the assumption that the structure established for the community colleges in 1960 is still the right structure to meet today's higher education needs. Yet 50 years later, the community college system faces serious structural challenges, summarized in one recent review as "a high degree of state regulation that recalls remnants of its history as part of the public school system; a central office that is held accountable for system outcomes yet has little influence over those outcomes; and, consensus governance structures that struggle to reach consensus in a highly contentious environment."¹

The last major structural change to the community colleges occurred in 1988, when the Legislature enacted the Community College Reform Act (AB 1725) which, among other reforms, mandated a shared governance structure to oversee the state's community colleges and directed the Board of Governors to establish standards to ensure faculty, staff and students have the right to participate effectively in district and college governance, the opportunity to express opinions at the campus level, and ensure that these opinions are given every reasonable consideration. The act also guaranteed the right of Academic Senates to assume primary responsibility for making recommendations in the areas of curriculum and academic standards. These reforms have been a source of debate for years, pitting those who believe a stronger, state-controlled centralized system would best serve the state against those who champion the strength and benefits of a system of locally autonomous colleges.

Since the community colleges moved toward a model of shared governance, several reviews voiced strong concern about the ability of the California Community Colleges to operate as a system. Calling for wholesale restructuring of the community college system, the California Citizens Commission on Higher Education's 1999 report, "Toward A State of Learning," recommended eliminating the district system and instead structuring the system around college campuses led by appointed Governance Councils, accountable to the statewide Board of Trustees. Although other studies have not recommended such drastic governance reforms, many have called for some shift of authority between the Board of Governors and local governing boards and many, including this Commission, have focused on the role of the system Chancellor:

- The California Postsecondary Education Commission's 1998 report, "Toward a Unified State System," described the community colleges as a confederation of independent decision-making bodies. It recommended redistributing governance authority and administrative responsibility between the Board of Governors and local trustees to foster a more unified state system while preserving local control. The commission recommended reconstituting the Chancellor's Office as an education entity, rather than a state agency.
- The Little Hoover Commission's 2000 report, "Open Doors, Open Minds," found that the community colleges lacked the leadership necessary to manage the community college system and target limited public resources toward the best investments. The Commission recommended improving governance by strengthening the Board of Governors to monitor and oversee quality among community college districts, and for local boards to be more transparent about their goals and progress in meeting them.

¹ Richard Richardson, Nancy Shulock, Robert Teranishi and Shaila Mulholland. Alliance for International Higher Education Policy Studies. March 2005. "Public Policy and Higher Education Performance in the State of California." Page 35.

- The 2002 Joint Legislative Committee to Develop a Master Plan for Higher Education, chaired by Senator Dede Alpert also recommended the Chancellor needed additional authority and suggested the community colleges should become a public trust with similar authority and flexibility to those of the University of California or California State University governing boards.

Most recently, the California Community Colleges Student Success Task Force in 2012 found the community colleges could benefit from a stronger Chancellor's Office, capable of both leading the community colleges as well as driving statewide efforts to improve student outcomes. The task force recommended the Chancellor's Office should have authority, appropriate staffing and adequate resources to provide leadership, oversight, technical assistance and dissemination of best practices and should have the authority to implement state policies.

Appendix F

Variation Among California's Community College Districts

District	Student Headcount Enrollment 2010-11	Colleges	Square Miles	Counties	Associate of Arts or Science	Credit Certificate or Award	Noncredit Certificate
Barstow	5,253	Barstow College	9,157	San Bernardino	337	27	0
Copper Mountain	3,305	Copper Mountain College	1,342	San Bernardino	138	21	0
Feather River	3,066	Feather River College	2,613	Plumas	179	81	0
Glendale	30,918	Glendale Community College	38	Los Angeles	512	218	87
Kern	41,653	Bakersfield College, Cerro Coso Community College, Porterville College	21,290	Inyo, Kern, Mono, San Bernardino, Tulare	1,364	810	0
Lassen	5,684	Lassen College	4,584	Lassen, Modoc, Mono, Sierra	130	163	0
Los Angeles	241,418	East LA College, LA City College, LA Harbor College, LA Mission College, LA Pierce College, LA Southwest College, LA Trade-Tech College, LA Valley College, West LA College	822	Los Angeles	5,202	4,246	0
Los Rios	124,796	American River College, Consumnes River College, Folsom Lake College, Sacramento City College	2,423	El Dorado, Placer, Sacramento, Yolo	4,452	2,171	0
Palo Verde	5,712	Palo Verde College	6,519	Riverside, San Bernardino	114	342	0
Rancho Santiago	101,817	Santa Ana College, Santiago Canyon College	183	Orange	2,140	2,163	708
San Diego	131,969	San Diego City College, San Diego Mesa College, San Diego Miramar College	204	San Diego	2,175	1,096	1,347
San Francisco	89,525	City College of San Francisco	47	San Francisco	1,232	1,574	226
Shasta-Tehama-Trinity Joint	14,040	Shasta College	10,132	Shasta, Tehama, Trinity, Lassen, Modoc, Humboldt	643	288	0
Sonoma	43,744	Santa Rosa Junior College	1,588	Sonoma, Marin, Mendocino	1,318	3,288	0
Siskiyou	4,587	College of the Siskiyous	6,386	Siskiyou	166	42	0
West Kern	15,977	Taft College	767	Kern	268	12	22
Yosemite	30,867	Columbia College, Modesto Junior College	4,707	Calaveras, Merced, Stanislaus, Tuolumne, San Joaquin, Santa Clara	1,462	401	0
Yuba	14,784	Woodland Community College, Yuba College	4,139	Yuba, Yolo, Sutter, Butte, Colusa, Glenn, Lake, Placer	722	259	0

Note: The community college districts above were selected to highlight variations across the California Community Colleges in terms of district size, student enrollment and awards. The circles are meant to highlight extremes in each of the categories, for example, indicating the largest and smallest districts in terms of students served or geographic size.

Sources: California Community Colleges Chancellor's Office. <http://californiacommunitycolleges.cccco.edu/maps/districts.asp>. Also, California Community College GIS Collaborative. <http://www.cccgis.org/Documents/tabid/151/Default.aspx?EntryId=1279>. Also, California Community Colleges Chancellor's Office. Data Mart. Student Demographics, Student Program Awards, 2010-11.

Notes

1. Ed Hanson, Principal Program Budget Analyst, California Department of Finance. September 26, 2011. Personal communication.
 2. California Community Colleges Chancellor's Office. Data Mart. "Student Demographics – Annual." Statewide student headcount, 2010-11 academic year.
 3. California Community Colleges Chancellor's Office. Data Mart. "Student Demographics – Annual." Statewide student headcount by ethnicity, age and gender, 2010-11 academic year.
 4. Nancy Shulock, Executive Director, Institute for Higher Education Leadership and Policy. January 25, 2011. Written communication.
 5. California Community Colleges Chancellor's Office. Data Mart. "Full-Time Equivalent Students (FTES)." Statewide credit status, annual 2010-11. Also, "Student Program Awards." Statewide, all awards, 2010-11 academic year. Also, California Community Colleges Chancellor's Office. See endnote 2.
 6. California Community Colleges Chancellor's Office. March 30, 2011. "Focus on Results: Accountability Reporting for the California Community Colleges." Student progress and achievement: degree/certificate/transfer. Pages 8-9.
 7. Colleen Moore, Nancy Shulock, Jeremy Offenstein, Institute for Higher Education Leadership and Policy. October 2009. "Steps to Success: Analyzing Milestone Achievement to Improve Community College Student Outcomes." Page 3.
- Note: In a 2007 report entitled "California Higher Education Accountability: Goal – Student Success. California Community Colleges Students' Degrees and Certificates Awarded and Successful Transfers," the California Postsecondary Education Commission found that less than a third of first-time community college students who enrolled in a credit program during Fall 2000 had either earned a two-year degree or transferred to a California public university by 2005. About 20 percent were still enrolled in the community college system after five years and over half of the students no longer were enrolled.
8. California State Political Code, Chapter 69, Statutes of 1907. http://sunsite.berkeley.edu/uchistory/archives_exhibits/masterplan/law3.html. Also, California Postsecondary Education Commission. December 1998. "Toward a Unified State System."
 9. John Aubrey Douglass. "The California Idea and American Higher Education: 1850 to the 1960 Master Plan." Pages 246-247.
 10. California State Department of Education. 1960. "A Master Plan For Higher Education in California, 1960-1975." Page 70.
 11. California State Department of Education. Pages 29 and 38. See endnote 10.
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 13. California Education Code, Section 74000.

Note: Although the district system ensures geographic access to higher education and today many students in rural and remote areas have improved access, some parts of the state are still not part of a community college district. See: California Community Colleges GIS Collaborative. California Community Colleges District Boundaries. <http://www.cccgis.org/CCCDistrictBoundaries/tabid/626/Default.aspx>.

14. Tab Livingston, Mathematics Instructor, Orange Coast College. 1998. "History of California's AB 1725 and Its Major Provisions."
15. Board of Governors, California Community Colleges. January 2010. "Procedures and Standing Orders of the Board of Governors." Page 1.
<http://www.cccco.edu/ChancellorsOffice/BoardofGovernors/ProceduresandStandingOrders/tabid/516/Default.aspx>.
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<http://www.cccco.edu/SystemOffice/ConsultationCouncil/tabid/522/Default.aspx>. Also, Richard Richardson, Nancy Shulock, Robert Teranishi and Shaila Mulholland. March 2005. "Public Policy and Higher Education Performance in the State of California." Alliance for International Higher Education Policy Studies.
17. University of California Office of the President. "Annual Budget for UC Office of the President." Fiscal Year 2010-11 Appropriations.
<http://www.universityofcalifornia.edu/reportingtransparency/>. Also, Elena Amezcua, Administrative Assistant, System-wide Human Resources, CSU Chancellor's Office. December 21, 2011. Personal communication.
18. California Education Code, Sections 72022, 72023 and 72023.5.
19. California Education Code, Sections 70902 and 72400.
20. California Code of Regulations, Title 5, Sections 53200-53204. Also, Robert Gabriner, Director, Office of Institutional Development, Research and Planning, Board of Trustees. October 26, 1995. "Community Reform Act of 1988 (AB 1725) Shared Governance and Local Governing Boards."
21. California Code of Regulations, Title 5, Section 51023.7.
22. Robert Gabriner, Director, Office of Institutional Development, Research and Planning, Board of Trustees. See endnote 20.
23. Ed Hanson, Principal Program Budget Analyst, California Department of Finance. See endnote 1.
24. Ed Hanson, Principal Program Budget Analyst, California Department of Finance. See endnote 1.
25. California Community Colleges Chancellor's Office. "Budget Summary Table," Budget Comparison 2010-11 to 2011-12. And "Spreadsheet showing 8-years of Community College Funding," Budget Comparison Over the Years.
<http://www.cccco.edu/ChancellorsOffice/Divisions/FinanceFacilities/FiscalServices/Budget/tabid/1285/Default.aspx>.
Note: In addition to General Fund dollars, local property taxes and student fee revenues, several other funding sources – including federal oil and mineral revenues, deferrals from the prior year's budget and growth for apportionments support general apportionment – support community colleges' general apportionment.
26. California Education Code, Section 84750.5. Also, SB 361 (Scott), Chapter 631, Statutes of 2006. Also, California Community Colleges Chancellor's Office. "Primer on Computing Full-Time Equivalent Student (FTES)." Note: FTES is not a measure of "headcount enrollment," or the total number of students enrolled in courses full-time, rather, it is a measure of the time students spend in class, such as actual attendance in each class meeting or daily or weekly census. FTES is equivalent to 525 hours of student instruction, but is calculated differently depending on the type of course.

27. California Community Colleges Chancellor's Office. June 20, 2011. "2010-11 Second Principal Apportionment Exhibit C." Also, Chris Yatooma, Director of Fiscal Services, California Community Colleges, Chancellor's Office. September 21, 2011. Personal communication.
28. Rick Simpson, Deputy Chief of Staff for Assembly Speaker John Pérez. January 18, 2011. Personal communication. Also, Patrick J. Murphy, Adjunct Policy Fellow, Public Policy Institute of California. "Financing California's Community Colleges." Page 51.
29. California Education Code, Section 84362.
30. SB 87 (Leno), Chapter 33, Statutes of 2011. Also, California Community Colleges Chancellor's Office. "Categorical Program Overview 2011-12 Governor's Budget." <http://www.cccco.edu/ChancellorsOffice/Divisions/FinanceFacilities/FiscalServices/Budget/tabid/1285/Default.aspx>.
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Little Hoover Commission Members

CHAIRMAN DANIEL W. HANCOCK (D-San Ramon) Appointed to the Commission by Assembly Speaker Cruz Bustamante in July 1997. Reappointed by Assembly Speaker Robert M. Hertzberg in January 2001, by Speaker Fabian Núñez in March 2006 and by Speaker Karen Bass in January 2009. Former president of Shapell Industries of Northern California. Chairman of the Commission since March 2007.

VICE CHAIRMAN EUGENE "MITCH" MITCHELL (R-Carlsbad) Appointed to the Commission by Governor Arnold Schwarzenegger in April 2004 and reappointed in December 2010. Regional vice president of external affairs for San Diego Gas & Electric Company. Vice chairman of the Commission since March 2007.

KATCHO ACHADJIAN (R-San Luis Obispo) Appointed to the Commission by Assembly Speaker John Pérez in July 2011. Elected to the 33th Assembly District in 2010. Represents Arroyo Grande, Atascadero, Grover Beach, Guadalupe, Lompoc, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo and Santa Maria.

MARYLIN C. BREWER (R-Newport Beach) Appointed to the Commission by Governor Arnold Schwarzenegger in October 2006 and reappointed by Governor Schwarzenegger in December 2010. Recently served as a commissioner on the Orange County Transportation Authority. From 1994 to 2002, represented the 70th Assembly District in the California State Assembly.

VIRGINIA ELLIS (D-Sacramento) Appointed to the Commission by the Senate Rules Committee in January 2011. Former Sacramento bureau chief for the Los Angeles Times.

ASSEMBLYMEMBER ALYSON HUBER (D-El Dorado Hills) Appointed to the Commission by Assembly Speaker John Pérez in March 2010. Elected to the 10th Assembly District in 2008 to represent all of Amador County and portions of Sacramento, El Dorado and San Joaquin counties.

LOREN KAYE (R-Sacramento) Appointed to the Commission by Governor Arnold Schwarzenegger in March 2006 and reappointed in December 2010. President of the California Foundation for Commerce and Education. Former partner at KP Public Affairs. Served in senior policy positions for Governors Pete Wilson and George Deukmejian, including cabinet secretary to the governor and undersecretary for the California Trade and Commerce Agency.

TOM QUINN (D-Marina del Ray) Appointed to the Commission by Governor Edmond Brown Jr. in February 2012. President of Americom Broadcasting, chairman of Reno Media Group and chairman of City News Service Inc. Former chairman of the California Air Resources Board and board member of the Tahoe Regional Planning Agency.

SENATOR MICHAEL J. RUBIO (D-East Bakersfield) Appointed to the Commission by the Senate Rules Committee in February 2011. Elected to the 16th Senate District in November 2010 to represent all or portions of Fresno, Kern, Kings and Tulare counties.

DAVID A. SCHWARZ (R-Beverly Hills) Appointed to the Commission by Governor Arnold Schwarzenegger in October 2007 and reappointed by Governor Schwarzenegger in December 2010. Partner in the Los Angeles office of Irell & Manella LLP and a member of the firm's litigation workgroup. Former U.S. delegate to the United Nations Human Rights Commission.

JONATHAN SHAPIRO (D-Beverly Hills) Appointed to the Commission by the Senate Rules Committee in April 2010. Writer and producer for NBC, HBO and Warner Brothers. Former chief of staff to Lt. Governor Cruz Bustamante, counsel for the law firm of O'Melveny & Myers, federal prosecutor for the U.S. Department of Justice Criminal Division in Washington, D.C., and the Central District of California.

MARK VARGAS (D-Los Angeles) Appointed to the Commission by Assembly Speaker John Pérez in February 2012. President of Mission Infrastructure. Former special assistant to Governor Gray Davis and state liaison to the governments of Baja California and Baja California Sur. Board member of the California YMCA Youth & Government Model Legislature and Court, Inland Action and Grand Performances.

SENATOR MARK WYLAND (R-Escondido) Appointed to the Commission by the Senate Rules Committee in February 2011. Elected to the 38th Senate District in 2006 and re-elected in November 2010. Represents San Clemente and San Juan Capistrano counties and the cities of Carlsbad, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach and Vista.

Full biographies available from the Commission's Web site at www.lhc.ca.gov.

“Democracy itself is a process of change, and satisfaction and complacency are enemies of good government.”

*Governor Edmund G. “Pat” Brown,
addressing the inaugural meeting of the Little Hoover Commission,
April 24, 1962, Sacramento, California*