

**CALIFORNIA POSTSECONDARY EDUCATION COMMISSION**

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**Testimony of Olivia K. Singh, Vice Chair  
California Postsecondary Education Commission  
to the Little Hoover Commission January 26, 2005**

The California Postsecondary Education Commission (CPEC) is pleased to share with your commission some thoughts regarding the Governor's proposed reorganization of Boards and Commissions. The consolidation of CPEC with the Student Aid Commission (CSAC) into a new executive branch Office of Higher Education and Financial Aid is not in the best interest of state policy makers and, more importantly, is not in the best interest of the three million students and their families who currently access higher education in California.

CPEC is charged with advising the Governor and Legislature on policy and fiscal issues affecting higher education in California. Nearly 12% of the State's budget, more than \$12 billion in taxpayer dollars, is spent to ensure that California continues to provide high quality, affordable public higher education to its citizens. For over 30 years CPEC has provided independent, objective, nonpartisan policy analysis in critical areas of higher education including:

- The need for, and location of, new campuses and facilities
- Budget priorities of the institutions and systems of postsecondary education
- The appropriate level of student fees and state-funded financial aid
- Improving access and admission of students to postsecondary education
- Special research studies and analyses on a variety of higher education issues and topics

The reasons and rationale for the creation of, and the need for, an independent higher education coordinating Board have not changed. Indeed, the challenges of higher education today are even greater. Diversity, increasing demand for higher education, and increasing costs of higher education are all part of this challenge. The question of how well California is meeting the goals of the Master Plan for Higher Education impacts millions of Californians who are attending or will attend its postsecondary institutions. These institutions play a pivotal role in California's economy and are the pathway to a better life for its citizens. By focusing on specific issues when needed and assessing long - term trends continuously, CPEC acts both as a temperature gauge and barometer for California higher education.

Recent examples of both of these roles include:

Enrollment Projections – CPEC developed statewide and regional estimates of the number of students likely to enroll at our state's public colleges and universities. We alerted policymakers that more than 700,000 additional students

would seek to enroll in by 2010, and that the state should develop a plan to provide the faculty and facilities needed to educate these students.

Community College Nursing Programs – At the request of the Legislature, CPEC examined Community College nursing program admission requirements that impacted subsequent legislation in this area. The study recommended changes that could significantly increase, in a more effective and efficient manner, the number of nurses trained by the community colleges.

Refusal of New Law Schools – The Commission turned down proposals for two new public law schools, thereby saving the state in excess of \$60 million.

Eligibility – CPEC periodically conducts eligibility studies to determine the percentage of high school graduates who are eligible for admission to the state's public university systems. The Commission's work directly impacted how the universities set their respective admission policies.

Higher Education Statistics – CPEC regularly publishes longitudinal information and data to assist policy makers and the general public in better understanding the dynamics of state postsecondary education systems.

CPEC's effectiveness as an advisory body is dependent upon the cooperation of others in supplying the data and information necessary for informed and objective analysis. If there has been a criticism of CPEC it is that it lacks sufficient authority and resources to accomplish its mission. There is little doubt that CPEC would be more effective in carrying out its higher education planning responsibilities if it were vested with more authority to require information and data from the state's public colleges and universities. Additional budget review and academic program review responsibility, as well as authority for a higher education accountability structure that assesses the effectiveness of the state's public colleges and universities in meeting the needs of California citizens and employers would also greatly enhance CPEC's effectiveness.

The problem is not structural, nor is it a question of the Commission's composition. It is one of resources and the authority necessary to operate as an independent entity -- one that is not a captive of any special interest, be it the segments of higher education, the Legislature or the Governor's Office.

### ***Impact of Proposed Reorganization***

The Governor's proposal recommends that the functions of CPEC along with those of the Student Aid Commission be transferred to a new Office of Higher Education and Financial Aid. The rationale of the proposal is that CPEC should be an integral part of the higher education system, not a separate entity whose functions are similar to, or duplicative of, those of CSAC. It is difficult to find the logic in this proposal since:

- CSAC is fundamentally an administrative agency and does not perform higher education policy analysis beyond assessing the impact of the programs it administers. In fact, CPEC has recommended the decentralization of the Cal Grant programs - a major reform consistent with the goals of the Governor's reorganization efforts.
- The stated purpose of CPEC was the creation of an independent body to advise the Governor and the Legislature. The Governor's proposal simply makes CPEC another arm of the executive branch.
- There are only minor savings and very few, if any, operational efficiencies to be gained through the proposed consolidation.
- The broad spectrum of representation and diversity of members on CPEC's Board affords the input and perspective necessary to frame policy questions fairly and equitably and find answers that are practical, possible, and acceptable for California higher education.

The Governor's proposal also suggests that the proposed consolidation of higher education functions would result in enhanced policy and program coordination, improved accountability, and the elimination of overlapping responsibilities among the affected entities. To these points, it should be noted that:

- In fact, CPEC is defined in statute as California's higher education coordinating board, a structure replicated in 26 other states. CPEC focuses on identifying duplicative and overlapping programs and thereby promotes greater efficiency.
- Independence does not mean a lack of accountability. We believe that the Commission is accountable first and foremost to the people of California. The freedom to conduct research and analysis unfettered by political interests is essential.
- There are very few areas of overlapping responsibility with the Student Aid Commission.

In short, the people of California have much to lose and little to gain from the Governor's proposal.

In fact, it would seem that this particular attempt to "blow up the boxes" only folds a small agency into a larger more complex entity, arguably increasing bureaucracy. While there might be some virtue in this "box-within-a-box approach" from the perspective of an organizational chart of state agencies, in practice, there is little doubt that CPEC's existing higher education policy, planning, and coordination responsibilities would likely be subordinated to the day-to-day responsibilities associated with administering large, complex state and federal financial aid programs. More critically, the state would no longer have access to independent and objective analyses to assist policy makers in

developing sound higher education policies, since CPEC's current functions would be under the exclusive control and direction of the executive branch of state government.

It is this last point that we find most troubling about the proposal and the one whose impact should be most seriously considered. The state's ability to obtain independent, objective, non-partisan higher education policy analysis and advice would be significantly compromised if CPEC's functions were transferred and consolidated as proposed. The most critical areas where this might occur are:

1. **Access** – For Californians, what segment of higher education they will be able to attend is a major life decision. Independent evaluation of eligibility pools and their impact in assuring diversity and quality should be information made available without “spin”.
2. **Affordability** – The budget driven escalation of public higher education fees is of critical concern and should be considered to the extent possible, outside of the political process. Decisions about the availability of adequate student financial aid should not be left solely to the agency that administers the programs – the stakes are simply too high for Californians.
3. **Student Transfer** – Assessing the health and success of the transfer function should be undertaken by an entity without a direct budgetary stake in the outcome.
4. **Accountability** – The performance of public and private postsecondary education should be measured against reasonable standards established and monitored by an independent entity, and not through political agreements.

### ***Looking Ahead***

CPEC commissioners recognize that ongoing self-examination is imperative to the continued effectiveness of any organization. Recent legislative proposals have asked CPEC to develop a strategic plan and CPEC is currently examining how it can best structure itself and its work to assist the state and its policy leaders in ensuring the quality and sufficiency of future postsecondary education opportunities, in light of its diminished resources and reduced staffing. To do so, the Commission is partnering with external groups to assist it with its work – and might I note at no additional cost to the state.

The Commission itself is composed of 16 members – three appointed by the Governor, three appointed by the Senate Rules Committee, three appointed by the Speaker of the State Assembly, one representative from each of California's educational systems, and two student representatives. This composition ensures a variety of viewpoints that inform the Commission's actions, provides the general public with a forum to express its

concerns regarding the direction and future of California higher education, and sheds light on higher education issues of great importance.

Having said that, CPEC recognizes the concerns surrounding the proposed consolidation and is open to change. There are many models nationally from which offer a different approach to achieving the functions performed by CPEC. However, we believe that movement towards, not away from, meeting the core mission and values of CPEC, should motivate change.

Specifically, CPEC would be more effective in carrying out its higher education planning and coordinating responsibilities if it could:

- Require the state's public colleges and universities to provide any information and data requested by CPEC;
- Impact higher education budget proposals and decisions;
- Approve or disapprove the implementation of new academic and occupational programs proposed by the state's public colleges and universities;
- Assume authority for the oversight and governance of intersegmental educational programs; and
- Become fully responsible for a higher education accountability structure that assesses the effectiveness of the state's public colleges and universities in meeting the needs of California citizens and its employers.

Thank you for the opportunity to provide the Commission with this information and perspective. I would be happy to answer any questions or provide the members of the Little Hoover Commission with any additional materials that may be helpful in its deliberations.