

Executive Summary

California's community colleges are an essential component of the state's premier system of higher education. They guarantee our historical commitment to provide every Californian access to higher education.

The community colleges also are a public investment in the potential of all Californians. To protect that investment, state and college leaders need to strengthen systems of teaching and learning, quality assurance, responsibility and accountability to ensure that each college offers quality education to its entire community.

The future of our community colleges is being rapidly and profoundly reshaped by two inevitable trends – simply identified as "The New Economy" and "The New California."

First, as California enjoys an economic renaissance, the digital economy and global marketplace are breaking traditional ties between geography, jobs and wealth. For many, this new economy will require skills that do not exist now for jobs that do not exist now. Quality education will be the single greatest determinant in the long-term competitiveness of our residents and our regional economies. Some of California's foremost economists assert that our current prosperity provides an extraordinary opportunity to invest in education as a vaccination against economic uncertainty. We have a responsibility to seize this opportunity.

The second trend is the changing face of California and Californians. The children of yesterday's baby-boomers are now in the K-12 system and will soon be knocking at our college doors. They are joined by immigrants, former welfare recipients and refugees from the cold war economy – all seeking new skills to succeed in this new economy. At the same time, California is being profoundly redefined to reflect a global citizenry. "The New California" reflects traditional communities of Latinos, African-Americans, Asian-Americans and whites, along with growing numbers of distinct racial, ethnic, religious and cultural communities. We are Taiwanese, Filipino and Hmong, Christian, Hindu, Muslim and Sikh, Ukrainian and Iranian, Mexican and Brazilian and many others.

Analysts are debating whether the surge in college enrollments will be big or very big, and whether to build more classrooms or to limit enrollment. But for certain, these students will be far more diverse – in the languages

they speak, in their cultural frameworks, in how they learn and in what they need to know for their future success.

For the majority of Californians, their only viable option for post-secondary education is the system of community colleges. For significant numbers of California businesses, the community colleges are the primary source of much needed skilled and enthusiastic employees – our California workforce for the 21st century.

To effectively respond to each of these challenges, the Little Hoover Commission has concluded that we need to commit ourselves to one central strategy: The best way for our community colleges to deliver more education is to ensure they deliver better education for all.

- ❑ The state needs our community colleges to develop lifelong learners, yet teaching quality has too often taken a backseat. Fostering lifelong learners will require a more explicit commitment to developing quality teachers throughout our community college system. The Board of Governors of the California Community Colleges recognized in 1991 that few faculty come to our colleges prepared as skilled teachers, and few colleges devote resources to improve their faculty's teaching skills. Nearly 10 years later, University of California researchers assert that little has been done to remedy this critical problem.
- ❑ Access has been defined too narrowly as only low cost, when it must include attention to flexible schedules and teaching methods tailored to the needs of individual students. Limited research shows that many factors besides fees deter students from participation, including access to counselors and attractive course offerings. Overall, 19 percent of students who start classes do not finish them; 39 percent of the students who take a class one semester do not re-enroll the next.
- ❑ There is wide recognition that higher education funding should create incentives for quality improvement. Under the Partnership for Excellence program, the Governor and the Legislature offered the community colleges \$2.8 billion in supplemental funding over seven years to increase the number of transfers and of courses, programs and degrees completed by community college students. Despite this years-long effort to tie funding to outcomes, the bulk of community college funding remains tied only to the number of seats occupied on a given day early in each semester.
- ❑ The perennial fight over governance has been about more collaboration without sufficient attention to student success and

accountability. In 1988 the Legislature directed the Board of Governors to establish an annual accountability report, yet the Board's *Effectiveness Report* presents data only for the state as a whole. It does not identify which colleges are excelling and which are not. As a result the report has not created accountability for student success.

Some of our community colleges are making giant strides – seeking out those who otherwise would have the narrowest hope of succeeding and giving them a real opportunity to participate in the new economy and contribute to our new society. For some students, our colleges are delivering a real chance to graduate from the University of California and the California State University. For other students, success amounts to a skill and a job, and the community college is the link between them. For their communities, these colleges are satisfying the demand for skilled workers and entrepreneurs – before those jobs and those paychecks leave the state.

These colleges are responsive and innovative. They are partnering with communities, businesses, universities and their students to develop meaningful educational programs. They teach skills that are needed in the marketplace to those who want to succeed in the workforce. And they do so in ways that empower people to become lifelong learners.

Yet other community colleges still function like the extension of the K-12 system that they once were. Classes are offered each semester based on what instructors want to teach to those fully prepared and capable of seeking out the opportunity. In the name of providing "access," fees are kept low, but the consequences of failure are kept low as well.

A professor at the University of California, Los Angeles, considered a premier scholar on community colleges, says one of our biggest problems is the casual student – who repeatedly enrolls and drops out – together with the colleges that assume the path to success is paved with tolerance and neglect rather than standards and support. Besides consuming scarce resources, these students and colleges create a culture of low expectations that infects all.

Unfortunately, students, voters, community leaders and policy-makers have a difficult time distinguishing the enterprising colleges from the stagnant ones. The State funds both equally based on the number of students in seats on the fourth Monday in each semester. The primary financial incentive for colleges is to enroll students, rather than to teach them.

Absent a huge scandal, when voters go to the polls to elect college trustees they do not know whether the local colleges are responding to community needs and providing quality services. Perhaps most importantly, students do not have the information necessary to make smart choices as consumers. They may find their opportunities limited by colleges that inadvertently create barriers to success. Some of the best educational institutions in our nation are known for not letting their students fail. Some community colleges function in ways that seem to accept failure.

The State recently realized in its Healthy Families program that it is not sufficient to "offer" health services to uninsured families with children. The benefits – to the children first, and to society over time – only accrue if the services are of high quality and are actually utilized. Our community colleges are in the same situation.

To live up to their potential, our colleges must identify teaching quality as their first priority and dedicate the time and resources necessary to ensure that faculty have the skills to offer the highest quality education. Our colleges must publicly and assertively work with their students, businesses and their communities to determine whom they are going to serve, what services they are going to deliver and how they are going to deliver those services. They must track and publicly report their progress on each of these fronts.

To encourage and enable our community colleges to live up to their potential, the State needs to provide financial incentives to colleges to design and deliver high quality programs. Students should also have incentives to participate in and complete those programs. The State needs to facilitate regional cooperation and ensure that statewide interests are served. And it needs to promote accountability of each of the community colleges by publicly reporting their individual performance.

Measuring educational performance is a complicated and controversial issue. But while success is elusive, barriers cannot be overcome without a clear understanding of what is or is not being accomplished.

With accurate information, students and voters and community and business leaders will be able to make smart decisions about their colleges and therefore about their lives and their futures. And over time, Californians will see colleges that better prepare individuals and communities for dealing with our new, evermore competitive economy.

Toward these ends – and a finer community college system and a healthier state – the Little Hoover Commission offers California these four guideposts:

- 1. Make Teaching Count in Our Community Colleges.** The most essential and universal component for future success will be quality teaching. Regardless of the path students are on or the skills they need to acquire, faculty need the expertise to teach and inspire increasingly diverse Californians to become lifelong learners.
- 2. Ensure Access and Benefit for All Californians.** California has taken pride in limiting financial barriers to higher education. Now our college leaders must also address other barriers that limit access, such as course schedules that do not reflect the complexities of modern life. Our colleges must ensure that all doors to education remain open.
- 3. Align Funding with the Purposes of Our Colleges.** Every funding formula produces responses, intended or otherwise. We need to fund our community colleges in ways that promote continuous improvement in the quality of teaching and the development of lifelong learners.
- 4. Reinvigorate the Governance of Our Colleges.** The needs of our various communities will not be met without strong local leadership. And our state goals will not be met without strong state leadership.

After much testimony, analysis and deliberation, and with the assistance of many persons dedicated to serving California's community college students, the Little Hoover Commission has reached the following findings and recommendations:

Making Teaching Count

Finding 1: While the fundamental mission of community colleges should be to help millions of Californians become lifelong learners, this opportunity is often lost because insufficient attention is given to the quality of teaching.

Our community colleges cannot teach the New Californians to succeed in the New Economy unless they provide excellence in teaching and learning. They must be prepared to teach a more diverse student body with a wider range of learning needs and levels of academic preparation than was true in the past.

Each college needs to pursue every opportunity to ensure that its faculty have the skills and expertise they need to provide teaching excellence. Some community college faculty bring exemplary teaching experience and skills to their jobs. Yet the Board of Governors has recognized that most faculty are hired with little or no teaching experience or teacher education. And research at the University of California on community college teaching reveals that few colleges offer effective teacher education programs for faculty. In this void, researchers concluded, trial and error has become the dominant way most faculty learn to teach.

The colleges have three distinct opportunities to improve teaching: at the point of hiring, through professional development activities and through tenure review. The Board of Governors establishes minimum standards for hiring. Currently the colleges are not encouraged to assess the capacity or potential of applicants to become quality teachers. The State pays for professional development, but research points out the money is often spent instead on personal development or ineffective seminars. And tenure reviews, which have the potential to set a standard for teaching excellence, seldom emphasize teaching skills in that permanent hiring decision.

To bolster the quality of teaching, the community colleges should pursue all avenues to attract, improve and recognize faculty with excellent teaching abilities, for full-time and part-time faculty. In some disciplines the colleges can hire experienced teachers. In others, such as emerging technologies, the colleges may have to rely more on professional development and only award tenure when instructors have demonstrated that they have developed the capacity to teach.

Nothing is more critical to preparing Californians for the New Economy than emphasizing quality teaching in our 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 teaching 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.

Ensuring Access and Benefit For All

Finding 2: The promise of universal access to community college is unfulfilled. While State policy says that all who can benefit should have access, participation is limited by how resources are allocated, how, where and when courses are offered, and other administrative practices.

The Master Plan for Higher Education envisioned our community colleges offering every Californian access to higher education, including entry into a baccalaureate degree program as a transfer student. For more than a generation this goal was pursued by maintaining low fees and low eligibility requirements. Even so, experience and research show that many students are turned away. And many students who do enroll are thwarted in their efforts and do not complete their education.

Barriers to access are numerous. Funding caps limit the number of students admitted and semester-based schedules discourage people already in the workforce from taking classes. At Glendale College, which has one of the best reputations in the state, 40 percent of the admitted students do not enroll, most for reasons associated with how courses and services are offered or structured.

Many students who do enroll do not make progress. One reason is that counselors are overwhelmed. At Sacramento City College, the student to counselor ratio is 1,500-to-1. Retention efforts also fail to keep students on track; statewide just 22 percent of students who enroll in basic skills math courses advance to a higher level math course. Overall, one-fifth of the students who start classes does not finish them.

Some student progress is limited by funding choices. The Chancellor's Office has repeatedly stated that the colleges have to turn away students from English and other core academic courses, while the colleges offer more classes in physical education than in most other core academic disciplines.

College supporters maintain that low retention and advancement rates are signs of satisfaction – that the system is flexible enough to meet diverse student needs. Alternatively, it could mean the low cost of failure, rigid class schedules and poor support services discourage students from completing classes and programs. And without a doubt, dropouts consume limited resources and prevent other students from getting the classes they want.

Increasing access requires improving services to students. For students who want to transfer, barriers must be lowered. For those seeking marketable skills, programs need to be linked with regional economies. Colleges must identify potential students, provide the services necessary for their success and confirm that they benefit.

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 the 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.

Aligning Funding With Purpose

Finding 3: Community colleges are not funded in a way that encourages universal access, teaching excellence or student success.

Community colleges are largely funded on a simple formula based on how many students are in class on a single day early in each semester. In fiscal year 1999-00, the colleges received approximately \$4 billion through this process.

For the most part, local districts have discretion over which classes to offer and how to spend the resources. The shortcomings of this process are threefold: Funding is not tied to state or community priorities. The

financial incentive is to enroll students, rather than to help them complete courses or programs. And the funding system is not being used to account for and improve the performance of our colleges.

The State has tied some funding to specific programs, such as economic development. Yet overall, funding is not tied to goals established for the colleges. For example, the State puts a priority on preparing students for transfer to four-year universities and completing vocational education programs. In many communities, there is a shortage of nurses and electronics workers. But the colleges receive the same funding for students enrolled in physical education as students enrolled in biology or electronics. Given that it is more expensive to offer nursing classes, the formula can actually discourage colleges from proactively serving community needs.

By funding colleges based on enrollments early in the semester, the formula does not encourage colleges to help students complete classes and programs. There are no direct incentives to identify why students give up on classes or drop out of programs. And since those efforts would require resources, the colleges are actually discouraged from diverting funds from efforts to enroll students to efforts to retain them.

Finally, the funding formula limits the ability of the State to influence the performance of the colleges. And the performance of different colleges varies dramatically. Course completion rates, for example, range from 62 percent to 87 percent. Yet those numbers are not even considered when allocating scarce resources.

Policy-makers have agreed on the need to improve such outcomes as successful course completions and student transfers. The Governor and the Legislature have even been willing, through the Partnership for Excellence program, to give the colleges more resources to improve those outcomes. But the State is still a long way from a funding system that serves to align resources with priorities, that encourage colleges to improve outcomes, and directs resources to colleges that are truly serving students and communities.

Funding colleges based on the value they bring to their communities is controversial. Across the nation, educators and policy-makers are struggling with ways to reward outcomes and encourage improvement. To craft an effective and accepted funding policy for California would require significant analysis, extraordinary expertise, and persistent leadership. The Commission believes that task falls within the roles and responsibilities of the Chancellor and the Board of Governors.

The first step, however, is for state policy-makers and college leaders to commit themselves to a funding system that encourages colleges to meet the needs of regional economies and individual students, and directs resources to those colleges doing the most to prepare all Californians for the New Economy.

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.

Reinvigorating Governance

Finding 4: The Board of Governors is not sufficiently ensuring that statewide goals are being met. Local boards are not universally ensuring community needs are being met. Policy-makers, community leaders, students and voters lack the information necessary to hold both local and State board members accountable.

The debate over how to govern the community colleges has bounced back and forth between calls for either a strong state-controlled system or a system of locally autonomous colleges. The existing structure is a hybrid in which authority, responsibility and accountability have become muddled, diminishing the ability of our community colleges – both as a system and individually – to respond to the challenges before them.

The Board of Governors has the authority to establish state policies and oversee the performance of the colleges. But the board has not provided the outcomes requested by the Governor and Legislature: including higher transfer rates, more degrees and certificates, and improved student retention and persistence. While the board is hobbled with a cumbersome decision-making process, its authority is further eroded when dissatisfied parties "appeal" its decisions to the Legislature.

The 71 locally elected boards are expected to administer the colleges, but their performance is as varied as they are numerous. Because voters do not have the information to judge their performance, election box accountability is diminished. Because students lack information, they cannot be smart consumers.

Some advocates, including the Citizens' Commission on Higher Education, recommend replacing locally elected trustees with appointed advisory boards and creating a strong "state" community college system. But as presently constituted the Board of Governors and the Chancellor do not have the capacity to administer 107 colleges. A strong state system also would diminish the ability of individual communities to shape the colleges to their distinct needs.

The challenge is to develop a governance system that ensures that statewide goals are met, that regional economies are understood, and that colleges respond to the diverse needs and learning styles of all

potential students. Those demands require a governance model that provides leadership and accountability both from the top down and from the bottom up.

The Board of Governors and the Chancellor's Office have statewide responsibilities, including setting standards for teaching quality, ensuring that all students have reasonable access to appropriate programs, and using the budget and other means to encourage colleges to improve services. If strengthened, they could set higher standards and inspire the colleges to exceed them.

The Chancellor's Office also has responsibilities that are regional in nature, including promoting economic development, curriculum development and transfer and articulation. These responsibilities are based on local relationships between the colleges, their communities and universities. The Chancellor's office needs to be reorganized to effectively administer these programs.

The colleges, meanwhile, are preparing the next Rhodes Scholar for transfer, supporting foster parents, teaching pre-collegiate English and educating the next wave of technology innovators. They respond to the needs of their respective communities by specializing. These efforts can best be led by local boards, provided they are sufficiently connected to their communities – business and civic leaders, students and voters. Given information, these constituencies can choose excellence and advocate for change.

California needs colleges that are individually responsive to the needs of their students and their communities. It also needs a system of colleges that meets the needs of all Californians. A State and local partnership is required – but one in which responsibilities and authorities are clear and all parties can be held accountable for their respective performance.

Recommendation 4: The Governor and the 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.

The Community Colleges A Public Higher Education System to Benefit All Californians

California's community colleges are a tremendous resource. Their potential is not realized. Taken together, the Little Hoover Commission's recommendations would strengthen the Board of Governors to lead and serve the community colleges as a system and fortify the ability of local boards to respond to community needs.

The State Board of Governors

The Commission's recommendations would fortify the role of the Board of Governors and the Chancellor to:

- Ensure that the community colleges improve the quality of teaching.
- Ensure that all Californians are able to benefit from the range of college services.
- Ensure that funding rewards students and colleges for quality and efficiency.
- Ensure that the colleges perform their functions.
- Ensure that students, college board members, parents, business owners, taxpayers, voters and other constituencies have access to clear and compelling information on the quality and adequacy of their colleges.

Local Community College Boards

The Commission's recommendations challenge locally-elected boards to:

- Ensure that college faculty and students become lifelong learners.
- Ensure that colleges offer those services most needed by the community and actively pursue those who can benefit.
- Ensure that faculty, students and administrators are motivated and have incentives to work aggressively and efficiently toward outcome goals.
- Ensure that the public is well aware of the priorities the colleges have identified and the level of success the colleges have achieved.