



**SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT**

Office of the Chancellor

*Cañada College, Redwood City
College of San Mateo, San Mateo
Skyline College, San Bruno*

**TESTIMONY OF RON GALATOLO, CHANCELLOR OF THE SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT, BEFORE THE LITTLE HOOVER
COMMISSION HEARING ON “CALIFORNIA’S COMMUNITY COLLEGE SYSTEM”
APRIL 28, 2011**

Chairman Hancock, Vice Chairman Mitchell and Members of the Committee:

Thank you for inviting me to testify on California’s community college system relative to its core mission and to learn about opportunities for better outcomes and improved efficiencies.

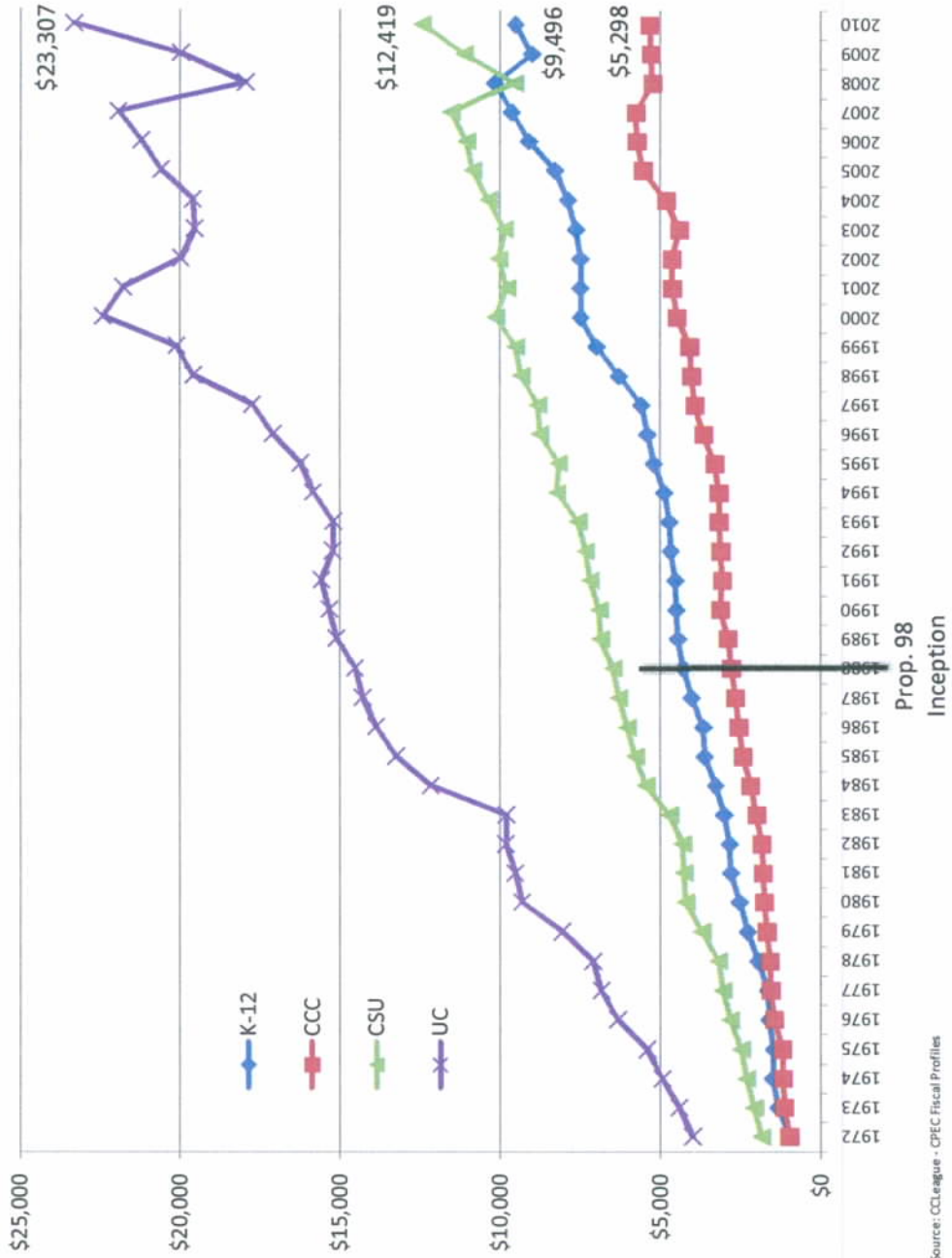
My name is Ron Galatolo and I have been the Chancellor of the San Mateo County Community College District for well over a decade and a leader in California Community Colleges for nearly 25 years. The San Mateo County Community College District is coterminous with the boundary of San Mateo County and serves approximately 40,000 students per year. Our core mission focuses on preparing students for transfer to four-year universities, developing workforce and occupational skills and delivering remedial instruction to enhance post-secondary learning.

Below is a summary of the key points I plan to address as part of my oral testimony:

- I was formerly a Certified Public Accountant with KPMG Peat Marwick
- Given my professional background, I will address the complex finance system we operate under and the impact over-regulation has on my ability to effectively lead our institution
- Due to an overabundance of statute that has a punitive economic impact – increasingly, I see my executive role as less of a “strategic leader” and more of a “statutory follower”
- Regulations such as the 50% Law, 75-25 Ratio (driven by a Faculty Obligation Number), 67% part-time faculty load, 195 day classified employment rule, contracted services, etc. often prevent me from making fiscally prudent decisions – especially in times of financial exigency. I have yet to witness any compelling empirical data that clearly substantiates a direct benefit to students or the necessity of such special interest laws and regulations
- Certain statute – such as the Faculty Obligation Number borne indirectly from AB 1725 – is under the control of the Board of Governors. Through Title 5, they solely determine the nature and impact of such regulations. While consultation exists, there are many other forces at work that prevent or discourage pragmatic flexibility with a regulation.
- To the aforementioned point, the Board of Governors makes policy decisions at a state level that may conflict with or create dissonance at the local level. Elected officials in local jurisdictions have no authority to directly exclude or modify such regulations

- In terms of state funding, or lack thereof, there has been a systematic dismantling of California's public education system. Community college funding, relative to K-12, CSU and UC, has been hardest hit over the past three decades – post Proposition 13 era
- State Apportionment is less stable than local property taxes. In poor economic times, the Governors and Legislature have “raided” these predictable and measurable revenue sources to bolster State Apportionment shortfalls. This, in turn, has created economic insecurity at the local level – similar to what we're seeing in Redevelopment Agencies.
- I firmly believe in the “vertical integration” of public education. More specifically, we currently operate as four distinct silos (K-12, Community Colleges, CSU and UC) and while we openly tout strong pacts between those systems, the reality is we mainly focus on “what's ours” and protect the turf that fundamentally separates us. The 1960 Master Plan for Higher Education codified that behavior and it still largely persists today
- California should not distinguish itself as 110 discrete community colleges and 23 distinct CSU campuses, but rather 130+ institutions of higher learning that concentrate on delivering synchronized associate, baccalaureate, masters and terminal public education to a diverse community of learners. Moreover, since the funding for community colleges is 1/3 of CSU, California should leverage that funding disparity to educate lower division (and possibly upper division) students at much more affordable two-year institutions.
- We have a few “firsts” in our District – they include the recent passage of a parcel tax, development of onsite faculty and staff housing and a multi-faceted fitness center – all providing much needed revenue to augment our General Fund. Initiatives such as these will have to be the norm for public institutions to remain financially solvent
- Although communities have been traditionally very supportive of local public education, voter thresholds must be lowered beyond a major majority for them to be effective in the long run. Our District has been very successful in passing two General Obligation Bond measures at a 55% threshold and barely passed (by less than .3%) a parcel tax
- We need more flexibility and less restriction – legislation such as AB 1000 (design build) afforded our District the ability to stretch bond proceeds by planning and constructing projects that were all under budget and in-service well before their anticipated completion dates. Most importantly, we have experienced zero litigation on these projects which is measurably different than our experience through traditional public works contracts that require the selection of a builder to the lowest responsive bidder who often recaptures aggressive initial bids through subsequent costly change orders
- Similar to Cañada College or College of the Canyons, if the State encouraged and funded University Centers on community college campuses where a student completes the first two years of a fully-articulated program as a “community college student” and completes a four-year degree through a CSU partner – while remaining on the community college campus – the State would save about \$14,000 per student and the program would produce more graduates in a shorter period of time. In addition, a University Center situated in an area without a local CSU presence would better serve the needs of place bound students who might not otherwise have an opportunity to pursue a public four-year degree.
- The attached graph depicts a number of issues concerning the obvious funding disparity in California's public education system. The key observations on that chart illustrate the disparity and distribution of wealth between the four segments of public education over an extended period of time. In addition, the reductions already acted upon for the 2011 Budget Act will cut community colleges funding to \$4,953 per FTES – nearly ½ of K-12.

California Public Education Funding per FTES/ADA 1972-2010



KEY OBSERVATIONS

In 1972, community college funding was 3% higher than K-12. Over the next three decades, K-12 funding has exceeded community college funding by nearly double (fy 2008) and over 51% on the average during that same period.

Since Prop 98 (K-14 funding), the gap between K-12 and community college funding has created an increasingly disproportionate distribution of resources.

Funding for UC and CSU has outpaced community colleges by a considerable margin. Consistently, UC has received four times the amount of funding and CSU has received double the amount when compared to community colleges.

Considering that community colleges provide lower-division transfer education at considerably less cost when compared to UC or CSU, a substantial amount of apportionment could be saved if the state leveraged the 110 community colleges to deliver a combination of upper and lower division curriculum to students - University Center model at Cañada College.