RCCD | RIVERSIDE COMMUNITY COLLEGE DISTRICT

OFFICE OF THE CHANCELLOR

MORENO VALLEY COLLEGE | NORCO COLLEGE | RIVERSIDE CITY COLLEGE

Little Hoover Commission Testimony
California Community College System
April 28, 2011

Gregory W. Gray, Chancellor
Riverside Community College District

If California is to regain economic power, 21st century jobs, sustainable growth, and its "golden promise," California Community Colleges cannot remain higher education's indentured servant.

Increasingly, community colleges are directed to do more with a great deal less, while receiving considerably fewer dollars per student than K-12, CSU, and UC. We also have considerably less flexibility in determining how to serve students, no control over setting enrollment and program fees, and zero self-determination in the face of overwhelming regulation.

Yet, California Community Colleges under the mandate of open enrollment educate more students than the CSU and UC systems combined—in fact, nearly 400% more, while receiving 54% to 84% less in per student funding.

California Community Colleges also serve the people with the greatest needs. In many ways, community colleges are the Statue of Liberty of higher education. Through the open doors of this state's 112 community colleges pass the "tired, the poor, the brilliant, the immigrant, the academically unprepared..." Like countless others before them, these 2.5 million men and women—most between the ages of 18 and 60—are in search of opportunities. Transfer preparation. Career technical training. Better skills for better jobs. A way back! A way out! A way up!

Statistics from two separate studies—one conducted by CSU, one by UC—showed that California community college transfer students perform on par or better than their native four-year classmates. In terms of graduation rates, transfer students outperformed both native CSU and UC students by 2% points.[1] Our experience indicates that community colleges are the fastest, most efficient way to prepare a skilled workforce and address immediate employer needs. And our records reflect that a majority of community college students graduating from high-demand career tech programs such as nursing, public safety, and physician assistant stay to live

[1] CSU Graduation and Continuation Rates: The System www.asd.calstate.edu/gradrates/comparison.shtml
UC Transfer Students: An Analysis of Performance, Preparation and Variance Among Colleges and Divisions http://timetodegree.ucdavis.edu/pdf/transfer_study_analysis.pdf

and work in local communities. More than 90% of RCCD graduates in those fields are now productive local community members and taxpayers.

Unfortunately, statistics also show that the California Legislature has chosen to disinvest in its community colleges at the very moment in history when community colleges are most needed. In 2009/10, the State Legislature cut funding for community colleges by $544 million. The Governor's proposed January budget for 2011/12 cuts funding an additional $400 million. If an all-cuts budget subsequently is passed, that number likely will increase to well over $600 million. Community Colleges State Chancellor Jack Scott predicts that, in an all-cuts scenario, more than 400,000 students will be shut out of the community college system. To roughly paraphrase former U.S. President Gerald Ford, the current state of higher education is a California tragedy in which we all have played a part.

The Riverside Community College District has risen to the challenge of doing more with less, much less, but for how long can we be expected to bear that burden and remain productive. Whether we wish to admit it or not, we are in a crisis—one in which budget-driven necessity steamrolls innovation and progress. Reform is desperately needed and, in that spirit, I want to thank you for the opportunity to provide written and verbal testimony to the Commission.

Shared Governance Structure

The Higher Education Master Plan is past its prime. In many ways it is equivalent to the first automobiles—serviceable, capable of more, but restricted by an arbitrary speed limit of four miles an hour and a flagman walking in front of the vehicle. We still have cars and we still have the Higher Education Master Plan, but with cars at least we are no longer driving Panhard-Levassors or even Model Ts. Not only must the Master Plan be reviewed, it must be rethought, redesigned and rejuvenated. And, the people around the table must include individuals whose frame of reference extends beyond California and California politics.

The Master Plan was a remarkable achievement in its day, but it envisioned "junior" colleges. Since then, the world has undergone fundamental change. What we need today are community colleges where career tech, workforce training, skills training and retraining join transfer education as a major part of the mission. However, when we talk about such things, there is no recognition of what that requires in terms of funding. What is required is a new model that provides a literate, skilled, and adaptable workforce so important to the future economy of California.

Coming from higher education leadership positions in several other states, including Pennsylvania and Florida, it is clear California community colleges are over-regulated. 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. That type of over-regulation is absurd even before one considers the two other layers under which community colleges operate: CPEC (California Postsecondary Education Commission) and WASC (Western Association of Schools and Colleges) standards. The imbalance of power crushes our ability to achieve our core missions.

What sense does it make to elect local trustees, accountable to local voters, when community colleges are controlled by Sacramento? In essence, locally elected boards are granted a single power: to hire and fire a chancellor. Anything else is proscribed—either by accreditation standards, Education Code, or state budget and funding allocations. Meanwhile, California community colleges (and, thus taxpayers) are required to spend anywhere from $500,000 to $1,000,000 biannually on trustee elections depending on the number of trustees and the size of the district. All to elect a board that has very limited powers.

Based on my pre-California experience, I believe one option would be for the community college system to emulate the governance structure of either the CSU or UC systems. One with centralized state guidelines administered perhaps through a central department. The caveat would be that the essence of community colleges could not be lost and that we continue to serve the local needs of our diverse communities. Guidelines or statutes should be few and broad—allowing local California Community College Districts to respond directly to their community and education needs. As such, the scope of the districts' authority would encompass setting the number of students served, establishing and retaining enrollment fees, green-lighting new construction, and securing additional local funding, either through property taxes, parcel taxes, local bond measures, or private fundraising. In conjunction with this approach, I believe that we have to consider moving from elected boards to appointed boards.

In Florida, for example, the Governor appoints community college district boards of trustees. In Pennsylvania, the County Supervisors appoint community college boards of trustees. This eliminates the need for spending millions of dollars on elections; frees candidates from trying to raise tens of thousands of dollars to win a board seat; and, reduces the potential for graft and corruption tied to contractors, vendors, and other special interests (preventing, for instance, repeats of the problems that recently plagued the Los Angeles Community College District). Most of all, appointed boards would ensure that individuals with questionable and many times un-vetted backgrounds could not be elected and handed responsibility for governing institutions with multimillion dollar budgets and the lives and futures of thousands of employees and students. Using RCCD as a snapshot, we are talking about a district that spans 540 sq. miles, serves a population of 1.4 million, administers a $700 million construction program and a $150 million annual operating budget, educates over 100,000 students annually, and employs more than 2,000 people. It makes sense to take chance out of the equation to the extent possible.

If a decision is made to establish appointed boards, it is crucial that authority be based where the governance rests. For local appointed boards of trustees, the county supervisors should make appointments. For a statewide-appointed board, the Governor should make the appointments.

Complex Financial System

The term complex understates the problem. Byzantine, labyrinthine come to mind.

Without doubt, California has one of the most archaic and bureaucratic education funding models that I have found in my 30+ year career. Around every corner, challenges lurk.

<u>Challenge 1:</u> Sacramento exerts sole financial control. Finances are determined and administered in Sacramento. Frankly, the finance system reminds me in some ways of a fiefdom. K-12 districts, community colleges, CSU, and UC are the serfs. We collect property taxes, tuition and fees and deliver them to Sacramento. Sacramento then returns a portion of the money for us to

"feed" the populace. But even in this system inequities exist. K-12 districts receive $7,957 per student; CSUs receive $11,614; UCs receive $20,641.[2] Community colleges? A miserly $5,376. This is woefully inadequate for the segment that provides the vast majority of the knowledge and skilled workers who keep the state and economy in operation.

With such a low level of recompense, how can community colleges be expected to absorb the growing numbers of students [20,000 projected for 2011] shut out of the CSU and UC system because of enrollment reductions? Or provide remedial education for the tens of thousands of students emerging from K-12 each June unprepared for college level work? We are stretched beyond thin, and a threadbare education will not suffice if California is to return to its former glory as a beacon for the rest of the country.

Challenge 2: Proposition 98 is a hybrid—and not the good kind of hybrid. For K-12 it guarantees a minimum level of the state budget, year in and year out, making some level of long-term planning possible. This is not the case with community colleges. For community colleges, Prop 98, for the most part, prevents us from controlling our own destiny. The reasonable solution is to either make us fully part of the K-12 system or give us our freedom and the power of self-determination. The state cannot approach this half-heartedly. It must find a way to allow community colleges to establish mission priorities based upon the needs of their communities and the local business sector. It is only in that way that community colleges can hope to succeed in the areas of sustained economic development and community education. I recommend serious consideration be given to the idea of separating community colleges from K-12.

Challenge 3: Stabilize a level of state funding for community colleges and do so on the basis of the true costs of providing education and training. As an institution, we are prepared to deal with an $18 million budget shortfall next year. And, I know that our sister institutions up and down this great state have made similar preparations. Unfortunately, in the past few weeks the game changed [as it has in at least 18 of the past 25 years] as Sacramento legislators once again became embroiled in partisan budget politics. If you asked me to name the one thing that will kill off California community colleges faster than anything else, I tell you that it is UNCERTAINTY. Uncertainty is a roadblock that prevents any semblance of long-term operational or fiscal planning. In its absence, community colleges are left to react rather than innovate.

Challenge 4: Pay only for accountability. In today's social and economic environment, community colleges are faced with three monumental tasks: maintain access, increase transfer and career tech preparation, and prepare the unprepared. In each case, the state gave us the job, but not the main tool: money.

Everyone seems to agree that higher education systems will face workload reductions. In simple terms, this means that access to a college education will diminish or even disappear for hundreds of thousands of students. The sad fact is that if we are to maintain quality in our two-year and four-year learning environments, faculty and institutions can only accommodate a specific, reduced number of students. That's the trade-off: quality for access. One solution to the general access problem in higher education may be to allow community colleges to offer focused bachelor degree programs. Florida, for example, offers bachelor's degrees in nursing, business and other career technical fields. Florida colleges and universities have found that these

[2] Community College League of California: Fast Facts 2011
http://www.ccleague.org/files/public/FF2011_rev0211.pdf

programs, rather than competing with those offered by four-year institutions, end up offering more access and additional opportunities for students to earn a four-year degree.

The second task—career tech preparation—falls squarely on community colleges. No one doubts that community colleges are equipped to accomplish the task. We've proven that year in and year out. The problem is that we have had to do that on the back of transfer programs because the state provides a single per credit enrollment fee and single per student funding allocation, regardless of how much a program costs to operate. For instance, offering a general education section costs significantly less than offering a career tech class section. The differential is due to equipment, faculty, and material costs. It simply costs more to educate a physician assistant or nursing student than it does a humanities student. Other states have solved this problem by implementing some version of a differential funding model or provide a higher level of per student funding.

For instance, at Pennsylvania community colleges, students pay $91/credit, along with a $60 student activity fee and a $180 technology fee each semester. In Florida, community college tuition is $95/credit. A student enrolled in a high-cost program like Culinary Arts, for instance, pays the $95/unit fee plus a $2,069 lab fee. The Culinary Arts associate degree requires eight laboratory classes, thus the total program fee of $18,152. In New York, community college tuition is $186/credit under a three-source funding model: 1/3 state, 1/3 county, and 1/3 tuition.

Similar alternative and differential funding models could provide solutions for California community college's high-cost program issue, and at the same time have minimal impact on students. For the average California student, almost all of the increased tuition and program fees associated with the examples above would be covered through financial aid. It is my understanding that California leaves more federal student financial aid money on the table than any other state. As college administrators make even more budget cuts, career training may become too expensive to maintain, causing the state to experience a huge shortfall in trained workers.

Community colleges' third task relates to remedial education. Increasingly, our colleges are called upon to educate high school graduates who cannot do college level work—particularly in mathematics and English. At RCCD, on average 96% of incoming students do not meet requirements for college level math classes; nearly 82% cannot be placed in college level English classes. And we are charged with providing remedial education to a vast and diverse population. This is not just an RCCD problem; it exists at every community college in the state. The K-12 system is graduating students who require extensive remedial education—education that can add two to three years to the time spent at community colleges. The burden on the community college system is incredible…and unsustainable. Putting aside for the moment any relevant pedagogical arguments, the state should consider new solutions:

1. Don't permit students out of high school until they attain the required level of competency in math and English.

2. If students graduate without basic skills of a certain level and need to be educated by community colleges, require the K-12 districts to pay the additional costs associated with remediation.

3. Give community colleges the K-12 level of funding—$7,957—per remedial student.

Radical ideas? Or revolutionary? Others will decide, probably long after I complete my career in education. But let us at least start the discussion. It requires discourse to have dialogue.

In the end, the answer to the issues facing California Community Colleges may follow the principle set by Occam's razor: the simplest solution may be the correct solution. Reduce bureaucracy. Empower local communities to govern community colleges. Let the community in community colleges become real!

IN THIS SECTION

LOCAL NEWS: PAGES A2-A8

HEMET-SAN JACINTO AND THE PASS.....A3-4
SOUTHWEST RIVERSIDE COUNTY.....A4-5
RIVERSIDE-EASTVALE-CORONA.....A6-8
SAN BERNARDINO COUNTY.....A7
CALIFORNIA.....A13

LOCAL NEWS

IN SECTION C

LOCAL NEWS: PAGES C1-C2

OBITUARIES.....C5
TV LISTINGS.....C6
SUDOKU.....C8
COMICS.....C8-9
CROSSWORD.....C9

RCC district seeks autonomy

RIVERSIDE: The college chancellor tells the chamber he wants to raise local funds to support the campuses.

BY DAYNA STRAEHLEY
THE PRESS-ENTERPRISE

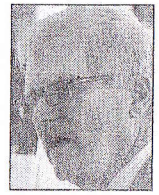
Riverside Community College District wants to be able to set its own tuition, decide how many students to enroll and how many classrooms to open without the state dictating those decisions, Chancellor Gregory Gray said Tuesday.

"If there was ever a time for reform, it's now," Gray told the Business-Education Partnership of the Greater Riverside Chambers of Commerce. California community colleges are just starting to think about possibilities for raising their own revenue, he said.

"The idea (that) we're going to get funding out of something besides the state is just a foreign concept," Gray said.

He said he raised $22 million at Penn State, money that built buildings, hired professors and created seats for more students.

He said RCC is starting its own campaign to raise $100 million by its 100th anniversary in 2016 and solicit major donors to match gifts such as the $5 million from Henry W. Coil Jr. to pay for programs at the future Henry W. and Alice Edna Coil School for the Arts.



Gregory Gray

The district can build classrooms and labs funded by Measure C construction bonds but can't pay to staff them. The construction money cannot be spent for salaries or operating costs by law.

Gray said in the two years he has been in Riverside, the district has had $27 million in budget cuts and faces another $18.4 million reduction under the governor's budget proposals. He said the three-year total is more than the entire budget of La Sierra University, a smaller private university in Riverside.

He said he's tired of cutting budgets just "so we can get through the year, and then do it all over again next year."

The proposed budget cuts will mean even fewer classes next year, and the three colleges in Riverside, Moreno Valley and Norco will carry more unfunded students, Gray said.

He said he wants to look at revenue from local parcel taxes, donations and other sources.

A chamber group recently returned from Sacramento, where they approached state lawmakers of both parties about differential tuition. Classes requiring expensive laboratory equipment cost the district more than classes such as English, and the lab classes typically lead to higher-paying careers.

Higher tuition would be offset by more students' qualifying for financial aid, Gray said.

Reach Dayna Straehley at 951-368-9455 or dstraehley@PE.com

State shouldn't meddle in running colleges

BY GREGORY W. GRAY

The Press-Enterprise editorial, "College mission" (Our Views, Jan. 25), argued that the state Legislature should decide which classes community colleges teach and which students receive a college education. Frankly, the paper's logic eludes me.

Isn't this the same Legislature whose partisan politics routinely gridlock the Capitol? That failed to pass a state budget on time in 17 out of the last 25 years? Whose average voter approval rating last rose above 40 percent a decade ago, and has since been falling steadily — hitting 15 percent in 2008, 13 percent in 2009, and 10 percent last year?

My point is not aimed at individual senators and Assembly members. But a state legislative body simply is not intended, structured or equipped to oversee every function of government or society.

An inalienable truth is that California community colleges belong to their communities, not the state. Local boards elected by local voters govern them. In this way, community colleges can respond directly to the communities' needs.

Three underlying problems that arise from this disconnect are evident in the state legislative analyst's recommendations.

First, while the state dictates that community colleges accept any student who applies, it doesn't provide the level of funding to support this open enrollment policy.

Second, the state places a priority on increasing career technical education, yet doesn't recognize that these equipment-extensive classes cost colleges more to provide and should be funded at a higher level than general education courses.

Third, the state gives community colleges zero flexibility. It controls community college enrollment fees, community college budgets, the number of community college students served, and even the amount of facility space on community college campuses used to teach those students.

The "state Capitol" is not a community, nor should it attempt to manage California's communities. Soon Sacramento will even mandate the way in which our trustees are elected, which will increase by more than $400,000 the election costs Riverside Community College District pays. It's time for the state to give community colleges what they need to do the job and get out of our way.

RCCD has been part of this community for 95 years. Our three colleges serve more than 100,000 students annually. We've built strong ties to industry, and partnerships with local businesses, public agencies, and educational institutions. A recent study indicated that RCCD enjoys an 89 percent favorable community rating. I am confident that our sister CCDs are well-regarded, too. Allow the "community" to run its "community" college.

Even though community colleges are the most direct path to the workplace for new graduates and unemployed workers, and the only path to higher education for many underprivileged students, we do not "expect to escape the fallout from the state's perpetual budget deficits." In fact, by July 1 when I will observe my second anniversary as RCCD's chancellor, we will have had to cut at least $40 million from our budget.

Community colleges are prepared to shoulder our fair share of the burden in order to get California back on sound financial footing. In return, we simply ask the state to step back so that we can do the job. What's needed isn't more regulation, but rather regulatory reform to allow us to control our own destinies. Recently, I met with several legislators, all of whom called for reform. I agree! The time for California to reform its control over community colleges so that we can fulfill our mission is long overdue.

Let us serve our communities and be governed by our communities.

Gregory W. Gray is chancellor of the Riverside Community College District.