

April 4, 2011

The Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 96814

Honorable Members of the Commission,

I appreciate the opportunity to testify before you on April 28, 2011 and provide this document in preparation for that discussion. The majority of my career was devoted to the California Community Colleges (CCCs) in one way or another. I hold the colleges and those that lead them in high regard. At the same time the Commission is most timely in asking searching questions about key aspects of the operations of the colleges and the results they provide for students and the state. Though I am associated with organizations that speak to issues in higher education, I do not represent them before you; the opinions expressed here are mine alone.

The colleges have much to be proud of and, over a long period of time, they have served California very well. There can be no doubting their contribution to the economic and social health of the state by providing opportunities for students, many of whom would likely not have achieved as much without the programs they offer. However, like all large and complex organizational phenomena, over time the CCCs have been impacted by events beyond their control and subject to the accumulation of well intended controls that have become most burdensome, negatively affecting the efficiency and effectiveness of college operations.

The last attempt to take a sweeping look at the colleges took place in 1988 when John Vasconcellos spearheaded a review that ultimately resulted in AB 1725. No similar review has been conducted since. Importantly, the vaunted Master Plan for Higher Education (the Donahoe Act of 1960) is woefully dated and has not been significantly revised in decades. As a result, there is much in need of attention. I will discuss the issues of which I think you should be aware under four headings.

Mission and Funding

The culture of the community college is founded on excellence in teaching (as opposed to research) and close linkages to a defined community. This has meant attempting to meet the needs of a growing list of community interests. This is fine when resources are adequate to these undertakings. However, the long list of programs now available in the CCCs cannot be well provided in the current economic environment and for the foreseeable future. In my view the times require a dispassionate look at the needs of the state (after all, it is the California taxpayer who supports the vast proportion of the expenses of the CCCs) and the specific community

involved and then asking the colleges to provide only those services that are of the highest priority. And we should expect these services to be of top quality. Traditionally, the core of community college offerings have related to transfer and vocational education. The provision of large basic skills programs has been an understandable adaptation to large numbers of enrollees who are not ready for collegiate work. In most instances the community college is not the best place to deliver sub-collegiate material.

Whatever the official mission of the colleges is to be, the funding mechanism used to support it should align such that the colleges receive incentives to deliver what the state wishes to pay for. As things are today, the state is paying for access to CCC offerings (based on the number of full-time-equivalent students in attendance on the third week of each semester). It is not only access that the state needs; of at least equal importance is completion. I would urge the Commission to pay close attention to the CCCCO's Task Force on Student Success now developing a plan to enhance student completion. It is essential, in my mind, that that plan include a revision of the CCC funding formula that pays the colleges for not only students who enroll in courses but also students who complete courses and programs. In this regard I encourage you to become familiar with proposals that would do this. One particularly thoughtful formulation has been authored by Bill Scroggins, president of College of the Sequoias, and I am sure he would be pleased to share it with you.

Regulation

From a regulatory standpoint, the CCCs grew out of k-12 education. In the 1960s and 70s there were attempts to provide relief from some of the difficulties this involved. With the passage of Proposition 13 and the replacement of local property tax revenues by state-raised tax revenues, the legislature became a refreshed locus of rule-making, and this has persisted for over three decades. The result of all of this is an enormous assemblage of code and regulation, all well intended, but much either dated or simply very hard to implement or deleterious to college operations when implemented. For some colleges intrusions such as those represented by the "50% law" (requiring half of the campus general fund budget to be spent on "instruction" as defined), or "75/25" (that requires campuses to work toward offering 75% of their credit classes by full-time instructors), or myriad other constraints on local flexibility inhibit the colleges from performing at their best, and in many cases from operating efficiently. From time-to-time the CCC Chancellor's Office has attempted to streamline all of this, but so far with no significant result. The time is long overdue for a panel of well-qualified persons to review the regulatory circumstances of the colleges and to put forward a design for a major overhaul. The objective should be a greatly reduced code of regulations that provides local flexibility with reasonable provisions for accountability to the state.

Leadership

Whatever the mission or regulatory environment—or for that matter, whatever governance arrangements are in place—successful community college operations require top-notch administrative leadership. In fact, the more problematic the conditions within which the college operates, the more talent required of the leadership to produce desired outcomes. Over the last ten years or so there has been a large turnover of college leaders, primarily due to the retirement of a generation of college presidents and vice presidents. Even before this, the turnover rate of CCC chief executive officers began to increase and average time-in-office fell. The last datum I recall on this matter indicated average CEO tenure of around four years and falling. Further, the resumes of those who are assuming these key positions are less impressive than was the case in the past; both levels of experience and formal academic preparation are reduced. Through the 1980s, a search to fill a vacancy in a CCC presidency would typically attract 100 or more candidates from throughout the country, many highly qualified. In recent years similar selection processes involve 20 or 30 candidates, few from outside of California, many with limited experience and professional training. Where first-class leadership is not present at a college, there is an increased likelihood of regulatory and accreditation compliance problems, and poor college outcomes performance.

There are many reasons for this including the increasing difficulty of senior management positions, until recently a lack of advanced professional development opportunities on the West Coast, a lack of incentives for the most talented faculty leaders to transition to junior administrative posts, a perception that working for an elected board can be awkward and unpleasant, and a variety of policy issues that make administrative positions unattractive (e.g., most districts provide no sabbatical type development opportunities for administrators; included in AB 1725 is a provision that prevents a person who has gained tenure in one district from transferring to another district without foregoing tenure).

While I believe the leadership problems described here will continue for some time, there are reasons for a bit of optimism. Now that the California State University is authorized to grant the EdD degree, aspiring leaders can find convenient opportunities for doctoral study; and some presidents are reporting enhanced talent flowing into junior positions, perhaps the result of changes in salary schedules that provide enhanced financial incentive. I would urge an initiative that examines the state of community college leadership, in all of its complexity, with an eye toward developing policy improvements that will attract and support outstanding leaders.

Governance

Nobody—*nobody*—would design for the CCCs the governance arrangements that are now in place. The various elements tell of incremental changes that resulted from origins in k-12 districts (local boards, elected and appointed), the State Master Plan for Higher Education (the Chancellor's Office and the Board of Governors), Proposition 13 (and the rise in prominence of

legislative oversight) and the reform movement of 1988 (AB 1725 and a formal version of “shared governance”)—to name just a few key components. The result is neither strong local control, nor a coherent, centralized state-wide system. The CCC Chancellor’s Office operates within the civil service system, primarily charged with trying to speak for all of the 72 districts (particularly with regard to funding) while at the same time responsible for enforcing the over-extensive code and regulation generated by the legislature. Without “millage authority,” local boards have little control over the fiscal fate of their districts. Rather, they are primarily concerned with performing routine required approvals. Most significantly, the dynamics of board elections since the passage of the Rodda Act in 1976 has made the influence of collective bargaining agents crucial. Particularly in urban areas, but to some degree in most districts, unions have adroitly used their resources to elect board members friendly to their interests. In no few cases, this has resulted in situations where “management” is stuck between the union representatives at the bargaining table and union-elected board members when it is time to authorize a contract. This is not in the public interest. Local boards involve other problems including micro-management, “grandstanding” by members interested in running for higher elected office, and the occasional truly eccentric person who gets elected to office (and I would note that in some districts not many candidates seek membership on a community college board, and it takes only a small number of votes to get elected).

Change in CCC governance arrangements, I am told, would be most difficult to achieve because local communities like the idea of an elected board (and there are on a state-wide basis on the order of 500 elected CCC board members at this moment), and there is no significant constituency calling for strengthening a central authority. This may be good, because neither the strong local or highly centralized models are likely to be best for California at this time. Rather, I have been impressed by some of the thinking in recent years which would regionalize higher education in California around 10 or so “natural” sub-parts of the state. Within each region would be enhanced coordination between UC, CSU, CCCs and high schools, to make for better transitions for students and more efficient use of higher education resources. While the UC Regents, the CSU Trustees and the Board of Governors would continue to exercise overall state-level oversight and accountability for their segments, regional governance arrangements would be developed that would have some of the powers now exercised by the Regents, Trustees and Board of Governors, and the powers of the CCC local boards. Each community college would have some form of community advisory committee. Obviously there are many complexities that would accompany such a change, but the regional approach has the clear advantage of focusing higher education energies at a geographically sensible place—not a truly local community, but an area with a manageable population, within which are located all levels of higher education opportunities, economic coherence and a wide range of jobs. I am not ready to place a bet on regionalization, but I do believe that thinking along these lines is the most promising option available at this time.

The California Community Colleges represent an enormous state investment, are a significant organizational achievement, and have made vital contributions to the well-being of the state and millions of its individual citizens. The time has come to clearly define the obligations the colleges have to California and its citizens in the years ahead, and make changes that will enhance the abilities of the colleges to further its legacy.

I look forward to meeting with you to this end.

Best wishes,

David B. Wolf