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# SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair  
2015 - 2016 Regular

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**Bill No:** SB 42  
**Author:** Liu  
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**Subject:** Postsecondary education: California Commission on Higher Education Performance and Accountability

## SUMMARY

This bill recasts the California Postsecondary Education Commission as the California Commission on Higher Education Performance and Accountability, modifies the make-up of the prior commission, reduces and clarifies the Commission's functions and responsibilities, deletes a number of obsolete reporting requirements, and makes a number of conforming and technical changes.

## BACKGROUND

Existing law establishes the California Postsecondary Education Commission (CPEC) to be responsible for coordinating public, independent, and private postsecondary education in California and to provide independent policy analysis and recommendations to the Legislature and the Governor on postsecondary education policy. (Education Code § 66900 et. seq.)

Existing law prescribes the Commission composition to include the following 17 members:

1. One representative from each of the following bodies;
  - A. The University of California Regents.
  - B. The California State University Trustees.
  - C. The California Community College Board of Governors.
  - D. The Association of Independent Colleges and Universities.
2. The chair or designee of the Council for Private Postsecondary and Vocational Education.
3. The President or designee of the State Board of Education.
4. Nine representatives of the general public, with three appointed by the Governor, three by the Senate Rules Committee, and three by the speaker of the Assembly.
5. Two student representatives. (EC § 66901)

**ANALYSIS**

This bill:

1. Recasts the California Postsecondary Education Commission as the California Commission on Higher Education Performance and Accountability (CCHEPA).
2. Modifies the make-up of the prior commission. More specifically it provides for 17 members of the general public appointed as follows:
  - A. Requires that four members be appointed by the Speaker of the Assembly.
  - B. Requires that four members be appointed by the Senate Committee on Rules.
  - C. Requires that nine members, including the chairperson, be appointed by the Governor subject to Senate confirmation.
  - D. Requires that the CCHEPA be a representative of civic, business, and public school leaders.
  - E. Requires that CCHEPA members serve staggered six year terms.
3. Modifies the make-up of the advisory committee to the CCHEPA to include one student representative enrolled during their time of service and an executive officer from among the independent California colleges and universities, as specified.
4. Makes the Director of the CCHEPA subject to Senate confirmation.
5. Reduces and clarifies the CCHEPA's functions and responsibilities as follows:
  - A. Deletes a number of functions previously assigned to the California Postsecondary Education Commission (CPEC).
  - B. Requires that it articulate and monitor state performance objectives for higher education.
  - C. Requires that it advise the Legislature and the Governor regarding the need for, and location of, new institutions and campuses of public higher education.
  - D. Requires that it review proposals by the public segments for new programs, as specified, and make recommendations regarding those proposals to the Legislature and the Governor.

- E. Requires that it act as a clearinghouse for postsecondary education information and as a primary source of information for the Legislature, the Governor, and other agencies.
  - F. Requires that it develop and maintain a comprehensive database that ensures data compatibility, supports longitudinal studies, is compatible with K-12 data systems, provides internet access to data for the sectors of higher education in order to support statewide, segmental and individual campus educational research needs.
  - G. Requires that it review all proposals for changes in eligibility pools for admission to public institutions and segments of postsecondary education and that it periodically conduct eligibility studies.
  - H. Requires, through its use of information and its analytic capacity, that it inform the identification and periodic revision of state goals and priorities for higher education and evaluate both statewide and institutional performance in relation to these goals and priorities.
  - I. Requires that it manage data systems and maintain programmatic, policy, and fiscal expertise to receive and aggregate information reported by the institutions of higher education in this state.
  - J. Requires that it perform all other duties assigned by the Legislature.
6. Deletes a number of obsolete reporting requirements.
7. Makes a number of conforming and technical changes.

## STAFF COMMENTS

1. ***Need for the bill.*** California's education and workforce needs cannot be addressed by any single segment. According to the author, the state's approach to higher education must become more comprehensive if it is to ensure state-level workforce needs and priorities are being met. Numerous reports, including legislative reviews of the Master Plan for Higher Education and more recent reports from higher education experts, have called for California to establish a central higher education body. This central body is an important element of the state's ability to honor its promise of affordable, high quality postsecondary education for all high school graduates and adults who could benefit from instruction offered at California's colleges and universities. Without such an entity, California cannot systematically plan to address the current and future needs of all its students and the overall economy.

This bill represents the next necessary step in establishing greater clarity and accountability for our higher education system's performance in meeting the statewide goals for postsecondary education (SB 195, Liu, Chapter 367, Statutes of 2013) of equity, access, and success; alignment with workforce needs, and the effective and efficient use of resources. The bill reflects national trends,

recommendations from several recent reports, and recommendations by the Legislative Analyst.

2. ***History of CPEC.*** The 1960 Master Plan for Higher Education in California articulated basic state policies on higher education, such as assigning missions to the different higher education segments, specifying eligibility targets and expressing the state's intent that higher education remain accessible, affordable, high-quality and accountable. In addition, the Master Plan created an oversight body, the California Postsecondary Education Commission (CPEC) tasked with providing fiscal and policy recommendations to the Governor and Legislature; monitoring and coordinating public institutions; and ensuring comprehensive statewide planning for higher education and effective use of resources.

In the 2011-12 budget, the Governor vetoed funding for CPEC citing the agency's ineffectiveness in higher education oversight. In his veto message, the Governor acknowledged the well-established need for coordinating and guiding state higher education policy and requested that stakeholders explore alternative ways these functions could be fulfilled.

Although, the Governor eliminated all general fund support for CPEC, its statutory authority remains intact. This bill makes a number of changes to these existing provisions.

3. ***Related reports/recommendations.*** A number of recent reports have cited the need for an independent body to steward a public agenda for higher education. These include the following:
  - A. *Improving Higher Education Oversight* (LAO January 2012) – In this report the Legislative Analyst's Office (LAO) raised concerns that in the wake of CPEC's closure, the future of higher education oversight was unclear and noted that while the public segments had stepped in to assume some roles previously performed by CPEC, expressed concerns about how institutional and public interests would be balanced. The LAO also noted that while CPEC's performance had been problematic, several important functions performed by the commission had been lost. Among other things, the LAO recommended the Legislature re-establish an independent oversight body and increase the body's independence from the public higher education segments, assign the body with limited and clear responsibilities, and develop a more unified governing board appointment process.
  - B. *Charting A Course For California's Colleges: State Leadership in Higher Education* (California Competes, February 2014) – The report noted that California is one of only two states nationwide (the other being Michigan) without comprehensive oversight or coordination of higher education. The report opined that the state needs an independent agency to develop a public agenda for higher education that links the needs of the state's economy to the degree attainment outputs of the state's institutions. Further, that independence means that the entity would not have

representatives of the segments on its decision-making body to allow it to maintain its impartiality. Finally, the report recommended that the state's priorities be focused on the goals of access to quality programs and outcomes from those programs that the entity should be a coordinating agency and the segments should remain autonomous, that its primary functions should be planning and policy development, data collection, analysis and monitoring, and administration of state financial aid programs.

- C. *A New Vision for California Higher Education: A Model Public Agenda* (Institute for Higher Education Leadership and Policy, March 2014) – The report highlights the challenges faced by California and offers a model public agenda centered on these goals: addressing access and attainment; equity, affordability and efficiency; and state policy leadership. As regards policy leadership the report opines that this function is best filled by an executive branch entity, such as a California Office of Higher Education, that reports to the governor. The responsibilities of this office would be to, among other things, provide policy leadership and advise the Governor on higher education budget and policy development, administer financial aid programs, manage a coordinated higher education data system that allows for analysis of enrollments, progression, and completion across all public segments, manage a higher education accountability process and conduct analysis of goals and targets to assess how well regional efforts aggregate to meet statewide goals.

8. ***How is the new commission different?*** This bill amends existing statute to reflect many of the report recommendations outlined in staff comment #3. It narrows and focuses the Commission's functions to monitoring performance and accountability, program and new campus review, data management, and independent policy analysis and advising. The commission make-up is restructured to focus on a public agenda with public members appointed by the Legislature and Governor, and the postsecondary education segments participate in the Commission activities in an advisory capacity.

Notwithstanding the need for a commission that is independent of the postsecondary education segments and the need to focus on a public agenda, the higher education segments do play a critical role in informing and advising on the development of policy around performance, accountability, and data. Can the role of the segments as an advisory body be strengthened without compromising the Commission's independence?

9. ***Since the closure of California Postsecondary Education Commission (CPEC)?***

- A. *Performance and Accountability.* In the absence of a coordinating body, the Legislature and Governor have taken some steps toward developing, supporting and refining greater accountability for higher education. These efforts include the passage and development of agreed upon goals for higher education through the passage of SB 195 (Liu, Chaptered 2014).

SB 195 established statewide goals of improved student access, equity and success, degree/credential alignment with workforce needs, and the

efficient/effective use of resources. The 2013-14 and 2014-15 Budget Acts added reporting requirements around specified performance metrics and required the UC, CSU, and community colleges to set targets around these metrics consistent with the statewide goals outlined by SB 195 (Liu, 2014). However, there has been no clear articulation around specific state goals and no specific entity charged with stewarding a public agenda to guide budget and policy deliberations.

- B. *Data management.* The California Postsecondary Education Commission (CPEC) was able to obtain and maintain individual student records from the public higher education systems, link this data across the three segments using unique student identifiers, and used this information, as well as other publicly available datasets, to create useful data for the public and to respond to policymaker and legislative inquiries. Additionally, the CPEC provided each of the segments access to the data to support statewide, segmental and individual campus educational research needs. The CPEC functioned as a data management entity independent of the public segments, enabling the CPEC to perform analyses and provide information on behalf of and in response to requests from the Legislature or others, without relying on the "approval" or framing of information by the entity whose performance was being studied, analyzed, or evaluated.

Prior to its closure, the CPEC transferred its data warehouse to the CCC Chancellor's Office where the existing data is being housed and stored under an interagency agreement between the UC, CSU, and the CCC. According to the Chancellor's office, the existing database is being maintained, and the CPEC website is available to the public for purposes of access existing reports posted on the website. However, under the current arrangement, access to the data is limited, since each segment has control over access to its own student records and outside entities wishing to use the database information must secure the approval of each of the affected segments.

- C. *Program and campus review.* The CPEC's role in program and campus review was to coordinate the long-range planning of the state's public higher education systems as a means to ensure that they were working together to carry out their individual missions while serving the state's long-range workforce and economic needs. In its oversight report, the Legislative Analyst's Office (LAO) noted that no office or committee has the resources to devote to review of programs to identify long-term costs, alignment with state needs and institutional missions, duplication and priority relative to other demands.
10. ***Author's amendment.*** It is the intent of the author to clarify that the work of the Commission in regards to state goals and priorities for higher education is to

complement and advise on the existing goals and targets established by SB 195 and the Budget Acts, not establish yet a new set of goals and targets.

**Staff recommends** the bill be amended on page 27, to delete subdivision (f) and on page 27, line 25 after education insert “consistent with the goals outlined in section 66010.91 and the metrics outlined in sections 89295 and 92675.”

11. **Related and prior legislation.** Several bills have been introduced in an effort to improve higher education performance and accountability, and to re-establish CPEC’s most important functions. These include the following:

SB 1196 (Liu, 2014) would have established a process for setting specific educational attainment goals for the State. SB 1196 was held in the Assembly Appropriations Committee.

AB 1348 (John A. Pérez, 2014) which would have established the California Higher Education Authority, its governing board and its responsibilities, as specified, phased-in over a three-year period. AB 1348 was held in the Senate Appropriations Committee.

SB 1022 (Huff, Chaptered 394, Statutes of 2014) requires the CSU and requests the UC to provide labor market outcome data on their graduates.

AB 2190 (John A. Pérez, 2012) would have established a new state oversight and coordinating body for higher education. AB 2190 was held in the Assembly Appropriations Committee.

SB 721 (Lowenthal, 2012) would have established statewide goals for guiding budget and policy decisions. SB 721 was ultimately vetoed.

SB 1138 (Liu, 2011-12) would have established a central data management system for the higher education segments. SB 1138 was held in the Senate Appropriations Committee.

AB 2 (Portantino, 2011) and AB 218 (Portantino, 2009) essentially identical bills, required that the state to establish an accountability framework to biennially assess and report on the collective progress of the state's system of postsecondary education in meeting specified educational and economic goals. Both bills were heard and passed by this Committee and were subsequently held in the Senate Appropriations Committee.

## **SUPPORT**

None received.

## **OPPOSITION**

None received.