

Date of Hearing: June 24, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Das Williams, Chair
SB 1196 (Liu) – As Amended: May 25, 2014

SENATE VOTE: 36-0

SUBJECT: Public postsecondary education: state goals.

SUMMARY: Establishes a process for setting postsecondary educational attainment goals and requires that these goals guide the development of five-year plans by the California Community Colleges (CCC), the California State University (CSU), and the University of California (UC) for making progress toward the state's goals. Specifically, this bill:

- 1) Requires the Governor, or designee, in consultation with private industry, policy research entities, and any other entity the Governor deems appropriate, to identify and establish specific educational attainment goals for the segments of postsecondary education in the state and a target date for these segments to achieve these goals.
- 2) Establishes intent that the goals established be challenging and quantifiable; address achievement gaps for underrepresented populations; increase and align the educational attainment of California's adult population to the workforce and economic needs of the state; be guided by statewide goals; and guide the development of the five-year plans adopted pursuant to existing requirements.
- 3) Requires the CSU Trustees, CCC Board of Governors and, as a condition of receiving a General Fund appropriation from the state, the UC Regents to each develop and adopt a five-year plan for making progress toward established statewide goals.
- 4) Requires the Governor, or designee, to convene a technical working group to advise in the development of the five-year plans required and provides that the technical working group shall include all of the following:
 - a) One representative from each of the segments of public postsecondary education;
 - b) One representative from the Department of Finance;
 - c) At least one, but no more than three, members with expertise in statewide accountability efforts; and,
 - d) A representative of the Legislative Analyst's Office.
- 5) Requires the technical working group to identify and define specific metrics for measuring performance and progress towards satisfying the statewide goals; requires the metrics to include performance measures for the awarding degrees and graduating students with job skills that align with California's workforce and economic needs; and requires a coordinated and centralized process for collecting and reporting information required in the plans.

- 6) Requires the five-year plans to include, but not be limited to, specific objectives for satisfying the statewide attainment goals and progress on each of the performance measures established for their segments, respectively, commencing with the 2015–16 fiscal year.
- 7) Requires, in developing and adopting their respective five-year plans UC, CSU and CCC to establish a process for setting their respective attainment goals and performance targets at a regional and campus level and to collaborate across their respective segments in order to set attainment goals and performance targets that align with statewide and regional needs.
- 8) Requires UC, CSU and CCC to annually report to the Legislature on each of their five-year plans and progress toward both statewide goals and their respective objectives as part of the state budget process. Sunsets this reporting requirement on January 1, 2021.

EXISTING LAW

- 1) Outlines the following goals for guiding budget and policy decisions in higher education:
 - a) Improved student success, to include, but not be limited to, greater participation by demographic groups that have participated at lower rates, greater completion by all students and improved outcomes for graduates.
 - b) Better alignment of degrees and credentials awarded with the state's economic, workforce and civic needs.
 - c) Effective and efficient use of resources in order to increase high-quality postsecondary educational outcomes and maintain affordability.
- 2) Declares intent that appropriate metrics be identified, defined, and formally adopted to monitor progress toward the achievement of the state's goals, and declares intent that the metrics be used to ensure the effective and efficient use of state resources available to postsecondary education, and that progress on the adopted metrics be reported and considered as part of the state's annual budget process.

FISCAL EFFECT: According to the Senate Appropriations Committee: potentially significant costs to the Governor's designee, to consult with private industry and policy research entities to establish state goals, and to convene the required work group; approximately \$800,000 in costs to UC to participate in the intensive work group, to develop a 5-year plan, collaborate with the other segments, establish a process at the campus and regional levels for achieving goals, and annually report on progress toward attaining the goals; significant costs to CSU, likely in the hundreds of thousands of dollars, to conduct similar work to UC; significant costs to CCC, potentially in the hundreds of thousands of dollars, but costs would depend on the extent to which the work would be duplicative of work already completed.

COMMENTS: Background. The Legislature has been considering statewide higher education goals and objectives for over a decade; beginning with a study commissioned by the Senate in 2002 that served as the basis for several legislative efforts. As part of its recent reports on higher education oversight, the LAO has recommended that the Legislature and the Administration establish a clear public agenda for higher education, including specific and focused statewide

goals that could serve as the framework for an accountability system designed to align higher education performance with the state's needs.

The 2013-14 Budget Act education trailer bill (AB 94) required CSU and UC to report annually on specified performance measures, in order to inform budget and policy decisions and promote effective and efficient use of resources. As heard by this committee, SB 195 (Liu), Chapter 367, Statutes of 2013, attempted to expand upon the 2013-14 Budget Act requirements by establishing a working group to review and improve upon reported elements, to include recommendations for CCC and private college reporting and outcome measures, and to make recommendations for ongoing evaluation of progress toward achieving outlined goals. In response to requests from the Governor's Office, SB 195 was subsequently amended to remove all provisions except the establishment of general statewide goals for higher education, and intent to identify specific metrics for measuring progress toward statewide goals. Committee staff understands that the Governor's Office committed to the author to convene stakeholder meetings to evaluate the development of metrics for purposes of monitoring progress toward meeting outlined goals. Committee staff understands that two stakeholder meetings were held in the fall of 2013.

The 2014-15 Budget Act (SB 852) requires UC and CSU to approve three-year "sustainability plans" that use projections of funding provided by the Department of Finance to establish projections of resident and non-resident enrollment and the university's goals for the performance measures that are required to be adopted pursuant to AB 94. UC and CSU are required to report these plans by November 30, 2014. Additionally, CCCs are required, pursuant to the 2014-15 Budget Act higher education trailer bill (SB 860), to establish and report, as a condition of receipt of Student Success Funds, on Student Equity Plans, the plans are designed to ensure equal educational opportunities and to promote student success for all students.

Purpose of this bill. According to the author, this bill is intended to propose a more collaborative process that engages the Legislature, the public postsecondary education segments and the Administration in the development of the sustainability plans adopted in the 2014-15 Budget Act. This bill establishes a process that includes all three entities to ensure that all participate in the development of the sustainability plans envisioned by the Governor. This bill acknowledges that the segments of postsecondary education have a responsibility to inform the Legislature and Administration of their goals and targets and what they plan to accomplish, but that the State also has a responsibility to be clear about its needs and expectations if we are to make progress towards our statewide goals.

Issues to consider. The author and committee may wish to consider the following:

- 1) Statewide goal setting. This bill requires the Governor, or designee, to consult with private industry, policy research entities, and any other entity the Governor deems appropriate, to identify and establish specific educational attainment goals for the segments of postsecondary education and a target date for these segments to achieve these goals.

The author may wish to require the Governor, or designee, to also consult with representatives from the segments of postsecondary education in setting goals and targets.

- 2) Duplicative reporting. This bill requires the segments to develop five-year plans outlining objectives for satisfying the statewide attainment goals. As previously outlined, the 2014-15 Budget Act contained a requirement for CSU and UC to report three-year "sustainability

plans" that include reporting on progress toward goals for performance measures. An important difference between the reporting required in this bill and that established in the Budget Act is the role of the technical working group in advising of the development of the plans and the requirement that the plans be linked to overall statewide postsecondary goals. However, the financial and resource impact on the segments for the creation of two reports should be considered.

The author may wish to require (1) the specific reporting requirement contained in this bill to be, to the extent feasible, consolidated with the sustainability plans required of CSU and UC, and the Student Equity Plans required of CCC, pursuant to the 2014-15 Budget Act, and (2) the metrics for measuring performance to be, to the extent feasible, consolidated with the UC and CSU reported elements required pursuant to the 2013-14 Budget Act.

- 3) Independent and private postsecondary institutions. The goals and intent for metrics established pursuant to SB 195 (Liu, 2014) included all segments of higher education, including independent institutions and private postsecondary institutions. This bill requires representation from all segments of higher education, but reporting and goal setting is only specifically required of CCC, CSU and UC. As identified in SB 195, independent and private institutions play an important role in meeting the state's educational needs. Further, many independent and private postsecondary educational institutions receive significant public funds (state and federal) through participation in student aid programs.

The author may wish to consider requiring the task force to make recommendations regarding private institutions, particularly those receiving public funds through participation in student aid programs, reporting on progress toward achieving state goals, similar to the reporting required of the public segments.

- 4) Legislative task force representation. This bill establishes the working group membership to consist of segmental representatives, Department of Finance, the Legislative Analyst's Office, and members with expertise in accountability.

To ensure Legislative representation, the author may wish to establish the chairs of the appropriate Legislative policy committee, or their designees, as members of the working group. Additionally, the author may wish to provide the Governor the authority to add to the task force representation, as appropriate.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

Community College League of California
 Faculty Association of California Community Colleges
 Kern Community College District
 Los Rios Community College District
 South Orange County Community College District

Yuba Community College District

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