

# The Case for a Statewide Higher Education Coordination Entity

Decades ago, California made a promise in the Master Plan for Higher Education that every high school graduate would be guaranteed a spot in higher education. In the years since, volatile economic changes, steep fee increases, and burgeoning student enrollment have stretched California's higher education system beyond its capacity. Together, these dynamics hamper degree completion and slow the state's progress towards improving attainment across regions and populations. Not only is students' social mobility diminished, but the impact upon the state's economy is profound—job creation is fast outpacing the number of qualified workers, and California faces a degree and credential gap of over 2 million by 2025.

Amidst this churn, California is one of two states without a central organizing body to guide higher education's response to these dynamics (see Box 1). In the absence of coordination, each of California's public higher education segments—the California Community Colleges, California State University, and University of California—function as an independent body. Consequently, there is no authority for statewide goal-setting or accountability, no comprehensive strategic planning, no integrated education data system, and inadequate mechanisms to smooth students' progress through and between systems.

Without a coordinating entity:

» **California continues to lag in degree production.**

College enrollment growth in California is slowing and completion efforts are not making up for the state's lackluster performance in degree attainment. At the current rate of production, California is not on track to regain its place as a top-ten degree attainment state and will face a shortage of over 2 million two- and four-year degrees by 2025. California needs a coordinated, cross-segmental strategy to improve degree completion with clear goals to articulate the state's priorities and fair metrics to ensure accountability for making progress towards them.

» **Planning for the future is clumsy and inadequate.**

Absent a planning body to establish a north star and direct policymaking to reach statewide goals, California loses the opportunity to plan strategically for the future around issues of higher education and the workforce. Several regional consortia have developed partnerships to think innovatively about challenges facing students—from college affordability to apprenticeships and workforce development. Statewide coordination would ensure that the best learning from these projects is leveraged at-scale and in accordance with the state's future needs.

» **Higher education data systems are fragmented and incomplete.**

California is one of only six states in the nation without an integrated education data system. While California's higher education segments independently hold rich data, this disjointed approach limits the public's knowledge of how the whole system is performing and where gaps exist in the education-to-employment pipeline. Lack of key information prevents families from being informed consumers of higher education and limits fact-based state policy decisions, such as whether and where to establish a new campus to address our capacity constraints.

» **Students are slipping through the cracks.** Transfer from community college to four-year institutions is essential to the state's commitment to universal access to higher education. Yet transfer rates remain low, due in part to administrative complexities. Recent data shows that only 22.5 percent of California Community College students transferred after four years. Without coordinated governance, transfer policies vary by institution and pathways from two- to four-year programs appear opaque and difficult to navigate. Current initiatives aimed at improving these outcomes, like the Associate Degree for Transfer, are limited by their segmented approach.

## BOX 1: WHAT HAPPENED TO CALIFORNIA'S HIGHER EDUCATION COORDINATING BODY?

The California Postsecondary Education Commission (CPEC) was established in 1974 as the state's coordination and planning body for higher education. According to the authorizing legislation, CPEC was designed to integrate policy, fiscal, and programmatic analysis to enable efficient use of public resources and "to promote diversity, innovation, and responsiveness to student and societal needs."

Despite its worthy goals, the agency faced challenges balancing system coordination responsibilities with its research and policy analysis tasks. The law creating CPEC directed the agency to work in close coordination with segments, while also maintaining an objective, independent, and nonpartisan position to inform the policymaking of the governor and legislature. The tension that resulted from managing these dual roles gradually led to questions about CPEC's impartiality and to a slow, steady decline in resources for the agency. Ultimately, CPEC was defunded in 2011-12 by Governor Jerry Brown.

## Understanding Political Viability

State legislators have long recognized the need for an independent coordinating entity. Since 2012, six bills have passed policy committees with overwhelming support and one making it to the governor's desk. In the SB 42 veto message in 2015, Governor Jerry Brown acknowledged the need to align postsecondary outcomes to the state's economic needs and ensure the efficient and effective use of resources. But he also expressed skepticism that a new office was necessary to accomplish those goals. Since then, a central decision in establishing a new oversight body has been in balancing its coordination roles against its oversight function. Despite this challenge, the existing decentralized system is not making as much progress as California needs to fulfill its promise for equitable degree attainment and robust regional economies.

## A Solution to Enable California to Deliver on its Postsecondary Needs

**California needs an independent, statewide coordinating entity to uphold a public agenda for higher education that links the needs of the state's economy to the degree completion outputs of the state's institutions.** The coordinating entity should set goals for the state's higher education system and develop strategies for attaining them. To achieve its purpose, one of the body's priorities should be to own and centralize data collection across the segments and integrate these data with information from the P-12 system and the workforce. This will enable the entity to make recommendations for improvement to the state and segments with regards to projecting needs, identifying gaps, improving efficiencies, and enhancing accountability (see Box 2). The composition of the coordinating entity is critical to its credibility and its success; to maintain independence, representatives from the segments should play an advisory rather than a decision-making role in its governance.

## BOX 2: WHAT RESPONSIBILITIES WOULD A COORDINATING ENTITY HOLD?

**Projecting Needs:** Assessing the state's current and future needs in postsecondary training and education.

**Identifying Gaps:** Identifying incongruences between programs currently available and those that are demanded by the economy and by students, including adults, low-income students, and underrepresented students.

**Developing Cost-Effective Strategies:** Developing proposals for improving postsecondary outcomes that consider taxpayer costs and student costs and identifying new policies that allow resources to be used more wisely.

**Enhancing Accountability:** Proposing and evaluating policies that enhance accountability for publicly funded institutions and making recommendations to the governor and legislature with the needs of students and communities in mind.

California's future economic leadership depends on providing citizens with the skills, knowledge, and creativity that support strong workforce engagement and social mobility. A coordinating entity is needed to steer higher education investments towards the state's goals for economic competitiveness and vibrant communities. Policymakers, students, and educators need clear goals and independent information to make important decisions and know whether the state is on track. A new higher education coordinating body should be tasked with these leadership responsibilities.