

## Coordinating Higher Education in California

In the coming years, California will need a growing supply of educated workers to meet the demands of a dynamic state economy, and this supply will must come from populations that have historically been underrepresented in higher education. The higher education sector will need strong state policy leadership focused on the long-term success of the state to overcome difficult demographic, economic, and political challenges on the horizon. The development of a new coordinating body given the proper authority and resources could provide the essential leadership necessary to confront these challenges and help secure the future prosperity of the state. The new coordinating body has the potential to maximize state investments by creating more efficient and effective higher education systems focused on achieving outcomes such as ensuring affordable access to postsecondary education, increasing educational attainment, closing equity gaps, and meeting workforce demands.

**Designating an entity with the responsibility to develop and provide leadership in implementing a long-term strategy to improve postsecondary education attainment and outcomes is a nationally recognized best practice in state higher education policy.**<sup>1</sup> Since the California Postsecondary Education Commission (CPEC) was defunded in 2011, California has not had a state-level entity responsible for planning, oversight, and coordination of higher education. **In the absence of a coordinating body, higher education leadership in California has been driven by institutional interests and short-term political considerations that do not necessarily serve the broader interests of the state.**<sup>2</sup>

**California currently stands out as one of two states without a statewide coordinating body for higher education.** Other states have implemented a variety of higher education governance structures that have evolved over time.<sup>3</sup> In the second half of the twentieth century, most states created entities with a state-level, rather than institutional-level, focus to manage enrollment growth, prevent program duplication, and reduce conflict between institutions. These state entities were designed to promote efficiency and coordination of the higher education sector.<sup>4</sup> While each state created a unique structure, two broad categories of entities emerged: consolidated governing boards and coordinating boards. The state-level governing boards consolidated the management of institutions under one state-level board. Alternatively, states created coordinating boards with varying levels of authority to oversee institutions and provide policy leadership to achieve state-level objectives. Some of the entities, such as the California Postsecondary Education Commission, were given an advisory role with limited authority. In contrast to the weak structure that previously existed in California, the states successfully implementing and sustaining postsecondary education reforms have strong state leadership from their coordinating agencies.<sup>5</sup>

Since CPEC's defunding, there have been a number of legislative attempts to reinstate and reimagine the role of statewide postsecondary planning. In 2012, Assembly Member John Perez introduced Assembly Bill 2190 to create the California Higher Education Authority and also transfer to this proposed agency the prior responsibilities of CPEC, however, the bill was ultimately held in the Appropriations Committee and unsuccessful. In 2014, Speaker Perez introduced another nearly identical bill, AB 1348, which again was ultimately unsuccessful. The following year, the then chair of the Senate Education Committee introduced SB 42 which would have established the Office of Higher Education Performance & Accountability (OHEPA) under the Governor's authority, but with an advisory board defined by the statute. Although SB 42 was supported by the legislature, it was vetoed by Governor Brown. Current

legislators have continued to call for greater state coordination, with Assembly Members Bonta and Low each introducing bills addressing this need either by establishing a Blue Ribbon Commission to research and provide recommendations regarding higher education (AB 2434 in 2016, AB 1038 in 2017) or fully establishing a OHEPA (AB 1837 in 2016, AB 217 in 2017, and AB 1936 in 2018) as proposed by Senator Liu in SB 42. Each of the bills introduced by Assembly Members Bonta and Low has been held in the Appropriations Committees.

## LESSONS LEARNED AND BEST PRACTICES FROM OTHER STATES

National efforts outline a structure and enumerated duties for a postsecondary coordinating body. **A new state-level higher education coordinating body does not replace the system governing boards, but rather is designed to work with and empower the three segments to meet the future postsecondary education needs of California.** To this end, the coordinating body will leave the day-to-day operations of individual campuses in the hands of faculty, administrators, and governing boards to focus on adding value to the state by ensuring the higher education sector operates more efficiently and serves all students well.

### ESTABLISHING THE COORDINATING BODY

- **Appointment** - The most common structure for appointing body members is to have the governor appoint the members with consent of the legislature (typically the Senate or upper chamber). This arrangement provides input from the executive and legislative branches in the construction of the commission. If the body is only appointed by the governor without consent required from the legislature, then there is a risk that the body would be conceived as agent of the governor rather than the state.
- **Composition** - A coordinating body typically has between 10-20 voting members and is expected to reflect the broader composition of the state. To this end, the body should represent the geographic, gender, and racial/ethnic makeup of the state and be composed of internal and external stakeholders—with the systems occupying no more than 1/3 of the total seats (to ensure no imbalance of power).
- **Chief Executive** - The body will need a chief executive and staff that carry out day-to-day operations and provide guidance during the decision-making process. The individual responsible for this leadership role has different titles in various states (e.g. executive director, commissioner, etc.) but is commonly referred to as the state higher education executive officer or SHEEO. Because the body provides leadership for the legislature, governor's office, and the state, it is recommended that the SHEEO be appointed by and serve at the pleasure of the body. This arrangement provides separation from the political process and decouples the position from a direct relationship to an elected governor subject to the whims of the election cycle. As a result, the SHEEO can maintain the coordinating body's focus on the long-term goals of the state. In California, the SHEEO position will need to be viewed as a high-stature position commensurate with the leadership of each of the systems.

### DUTIES AND RESPONSIBILITIES

For the coordinating body to successfully fulfill its mission, it will need explicit statutory or constitutional authority. The coordinating body ought to serve as the state-level higher education experts, who can offer an informed and unbiased perspective to state higher education planning, budgeting, and policy. The following list of duties and responsibilities is taken from the most successful coordinating entities from around the country:

- **State-level Planning and Coordination** - One of the most important duties of a coordinating entity is to develop a state-level plan or agenda for the higher education sector. Within this public

agenda, the coordinating body should establish and monitor progress toward statewide goals. Ensuring the three systems collaborate on strategically important initiatives, such as transfer and articulation, will be one of the most important coordination roles the commission will serve. Many of the following duties provide tools for the commission to achieve the state-level goals.

- **Budget** - The coordinating body needs to be actively involved in developing the higher education budget. Following other coordinating structures in the country, the California coordinating body should develop a consolidated budget recommendation for the entire public higher education sector for consideration by the governor and legislature. The budgetary responsibility also includes the development, modification, implementation, and operation of any funding formulas and outcome-based funding programs. This authority ensures state priorities are addressed effectively and efficiently with public funding.
- **Capital Planning** - Prioritizing and selecting capital projects tends to be a very political process that is frequently dominated by parochial or political interests rather than what is best for the state. Empowering the coordinating body with the authority to review and rank order capital needs of the higher education sector will ensure state-level interests are given priority.
- **Approval of New Campus Locations** - With the authority to select the location of new institutions, the coordinating body should prioritize state-level concerns, especially where population growth is expected and demand for higher education is highest. Providing the coordinating body with the authority to determine the location of new campuses will help minimize parochial and political influences in the selection process.
- **Program Approval** - With the authority to approve new programs, the coordinating body can ensure there is adequate demand for new programs and minimal duplication with existing programs. The coordinating body should also have the authority to review and make recommendations for the termination of existing programs. Program approval does not include the ability to decide which courses are taught or course content. However, the coordinating body will be responsible for statewide academic policy and ensuring academic quality.
- **Tuition Control** - In recent years, states have found success by establishing a range that institutions or their governing boards are able to set tuition. The coordinating body establishes this range by considering several factors including institutional revenue needs, affordability, student success, and the statewide public agenda for higher education.
- **Data and Information** - The coordinating body ought to have the responsibility to collect and maintain a statewide data system. This will require data collection and sharing with all three segments. The data and information collected should be used to develop and monitor progress toward state goals. The coordinating body will require the necessary internal staff expertise to appropriately analyze and make use of the data.
- **Institutional Accountability** - The coordinating body ought to have the authority and responsibility to hold institutions accountable for the accomplishment of specific state goals, outcomes, and academic quality. This requires the collection of high-quality data as discussed above.
- **Coordination with the K-12, Private Postsecondary, and Workforce Sectors** - The coordinating body needs to take a leading role in coordinating the postsecondary sector with other vital state-level agencies.

Beyond the specific official duties and responsibilities of the coordinating body, such successful coordinating entities also fill additional roles, including:

- Advising the governor and state legislature on higher education issues

- Serving as advocates for the higher education system, not for individual institutional interests
- Mediating between lawmakers and system leaders
- Ensuring higher education works for and serves the interests of students and the state as a whole

## COSTS AND STAFFING

Coordinating bodies can have the best designed structures and all the appropriate authority but still be unsuccessful without the proper leadership and staff capacity. Making the necessary investment to attract and retain talent will be a critical component of the commission’s success. With the wide range of responsibilities outlined above, the large scale of the higher education enterprise in California, powerful college and university systems with large professional staffs, and a challenging political environment, the coordinating body will need a large staff with specialized skills and training to fulfill its mission. While the average coordinating office has 73 staff, the size and scope of California will require a much larger than average staff. Moreover, the high cost of living in California means salaries will need to be higher to attract the best talent.

A robust, fully staffed coordinating body should have an estimated budget of \$30 million dollars. To put the proposed budget in perspective, the request would be approximately one-third of the \$92.1 million dollar increase in base funding the University of California received in 2019 Fiscal Year budget.<sup>6</sup>

The following section provides additional information on the staffing and budgets of coordinating entities from across the country.

Full-time equivalent (FTE) staff in coordinating boards:

- Median - 55
- Mean - 73
- Standard deviation - 68
- Range - 7 to 266

Coordinating board operating budgets:

- Median - \$7,283,233 (per capita \$1.12)
- Mean - \$12,283,233 (per capita \$3.49)
- Standard deviation - \$11,531,671 (per capita \$6.24)
- Range - \$281,200 to \$35,997,469 (per capita \$0.30 to \$27.11)
- If the CA coordinating commission had a budget of \$30,000,000 the budget per capita would be \$0.76

For operating budget per FTE, nationally amongst coordinating boards we have:

Average budget per FTE	\$164,229
Median Budget per FTE	\$133,561
SD Budget per FTE	\$169,200

For salaries for key executive officers in coordination boards we have:

National Salaries from Coordinating Boards	SHEEO	Chief Academic Officer	Chief Financial Officer	Government Relations	Communications Officer	Chief Information Officer
Average Salary	\$182,370	\$129,334	\$125,107	\$99,340	\$95,110	\$110,270
Median Salary	\$169,288	\$120,588	\$118,226	\$97,474	\$94,432	\$103,743
Standard Deviation	\$69,117	\$40,216	\$26,597	\$29,072	\$27,133	\$27,412
Range	\$82,359-\$378,560	\$61,596-\$223,450	\$80,000-\$189,000	\$56,000-\$176,000	\$28,000-\$145,899	\$66,672-\$168,873

Given the scope of the work, the size of the higher education systems in California, and the political acumen necessary to work effectively with other system leaders, we recommend paying a highly competitive salary to the executive officer of the coordinating board.

## CONCLUSION

The lack of strong state policy leadership in the higher education sector has resulted in declining access to affordable higher education opportunities in California at a time when greater educational attainment is needed.<sup>7</sup> To counter this trend, ensure access to postsecondary opportunities for all residents, close equity gaps, and be positioned to meet future workforce needs, California will need strong state leadership. A higher education coordinating entity with the proper authority and staff capacity will be best positioned to provide this leadership and promote the continued prosperity of California residents.

## ENDNOTES

<sup>1</sup> National Center for Public Policy and Higher Education. "The Need for State Policy Leadership." *State Capacity for Higher Education Policy: A Special Supplement to National Crosstalk* (2005).

<sup>2</sup> Callan, Patrick M. 2014. "Higher Education in California: Rise and Fall." Pp. 233–56 in *Higher Education in the American West*, edited by L.F. Goodchild, R. W. Jonsen, P. Limerick, and D. A. Longanecker. New York, New York: Palgrave Macmillan.

<sup>3</sup> McGuinness, Aims. "State policy leadership for the future: History of state coordination and governance and alternatives for the future." *Education Commission of the States* (2016).

<sup>4</sup> Richardson Jr, Richard C., Kathy Reeves Bracco, Patrick M. Callan, and Joni E. Finney. *Designing State Higher Education Systems for a New Century. Series on Higher Education*. Oryx Press, Phoenix, AZ, 1998.

<sup>5</sup> McGuinness, 2016

<sup>6</sup> California Department of Finance, "California State Budget–2018-19: Higher Education," 2018. Retrieved from <http://www.ebudget.ca.gov/2018-19/pdf/Enacted/BudgetSummary/HigherEducation.pdf>.

<sup>7</sup> Callan, 2014

ONE MISSION: Making College Dreams a Reality

The Campaign for  
**College 15** Years  
Opportunity

---

WWW.COLLEGECAMPAIGN.ORG

---

LOS ANGELES OFFICE  
1149 S. Hill Street, Ste. 925  
Los Angeles, CA 90015  
Tel: (213) 744-9434  
Fax: (877) 207-3560

SACRAMENTO OFFICE  
1512 14th Street  
Sacramento, CA 95814  
Tel: (916) 443-1681  
Fax: (916) 443-1682

WASHINGTON DC OFFICE  
1825 K Street  
Suite 720  
Washington DC, 20006



@CollegeCampaign



@CollegeOpp

---

BOARD OF DIRECTORS

---

Thomas A. Saenz, Chair  
Rob Lapsley, Vice Chair  
Lisa A. Smith, Treasurer  
Rory O’Sullivan, Secretary  
Maria Anguiano  
Estela Mara Bensimon  
Camila Chavez  
Sonya Christian

Pamela David  
Paul Granillo  
Vincent Pan  
Darline Robles  
Irma Rodriguez-Moisa  
David Wolf  
J. Luke Wood