

May 25, 2011

LAO Recommendations on Governor's Proposal to Eliminate CPEC

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Assembly Budget Subcommittee No. 2 on Education Finance

Hon. Susan Bonilla, Chair





Coordination—Why Is It Necessary?

- ☒ Guides public (and to some extent, private) higher education institutions toward collectively meeting state needs.
 - Maximizes value of higher education system to the state.
 - Considers external effects of individual segments' actions.
 - Balances institutional and public interests.
- ☒ State has traditionally looked to the California Postsecondary Education Commission (CPEC) to perform many coordination functions.



Recent LAO Findings on Coordination

- ☑ Coordination requires, above all, a clear public agenda for higher education.
- ☑ California's coordination mechanisms need strengthening (funding formulas, transfer processes, oversight, program approval, and regional structures).
- ☑ Reforms to CPEC would improve state's capacity for policy leadership:
 - Maintain independence from executive and legislative branches and increase independence from higher education segments.
 - Revise commission appointment process.
 - Assign clear responsibility for shepherding public agenda.
 - Create a more comprehensive statewide student data resource with enhanced research and analysis capabilities.



Governor's Proposal and LAO Response



Administration Proposal

- Eliminate CPEC by January 1, 2012.
- Transfer management of federal grant to California Department of Education.
- Discontinue other functions or transfer to existing agencies (segments).



LAO Response

- Some coordinating functions that the Governor would eliminate should be maintained independent from the public higher education segments.
- These include serving as a statewide and intersegmental information clearinghouse, and performing state-level review of new program and campus proposals.



Options for Consideration

- ☒ Reform CPEC
- ☒ Replace CPEC
- ☒ Establish future sunset for CPEC
- ☒ Relocate critical functions to existing board or department