



CPEC

Executive Director's Report

California Postsecondary Education Commission
www.cpec.ca.gov

September 7, 2011 • Karen Humphrey, *Executive Director*

Good morning Commissioners, guests and staff. I have a lot to say this morning, but I would first like to start with some news about the Improving Teacher Quality State Grants Program.

As you may know, the reauthorization of the Elementary and Secondary Education Act is still a question mark. In late June, Marcia Trott, the administrator of our ITQ program and I traveled to Washington DC to discuss the law, especially Title II-A and the future of the ITQ program, with administration and legislative staff.

We had many productive conversations, including a particularly good meeting with Undersecretary of Education Martha Kanter. She indicated the administration is rethinking higher education involvement in K-12, and is moving toward considering higher education a partner in delivering teacher professional development, not just a vendor selling services to school districts. It appears that state education agencies could be key players in that partnership, a notion the administration may support in ESEA reauthorization negotiations.

We can't predict with certainty, but it appears reauthorization will not happen this year, and possibly not next because it's an election year. So ITQ could remain in place as is for some time yet. Higher education's role in a final bill is also unpredictable, but we do see signs that our message about meaningful higher education involvement in teacher professional development is getting through.

In the meantime, we will move the ITQ program — the only piece of CPEC still in place because it is federally-funded — to the California Department of Education. CDE has the willingness, expertise, and supportive environment to assure its success, and, as I mentioned, it may also be the future locus of the higher education connection to teacher professional development. We're grateful for CDE's welcome and their cooperation in this transition; we have a meeting next week to start the process, and the move will likely take place next month, after the federal fiscal year closes.

On a more general note, this is my final report as your Executive Director, as it is your final meeting as a Commission. I consider it a bittersweet moment.

Here's a quick synopsis of where we stand: shutdown will be Friday, November 18 or the day the last employee leaves, whichever comes first.

Our staff is at significant risk of layoff and unemployment because jobs are scarce, especially in state government. Our AB 1570 database is at risk. Our website and its resources will likely disappear, at least for the moment. Our paper and electronic documents will be preserved but won't be as accessible as they are here. Also, the state will lose its only independent, research-based policy agency representing the public interest on higher education.

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I want to take this opportunity to provide sort of a valedictory to this agency and its people — both commissioners and staff — and to integrate within that the best information I have right now about what will happen to our assets and resources.

As you know, CPEC is 38 years old, and was established by statute in 1973 as successor to the Coordinating Council on Higher Education, which was part of the 1960 Master Plan for Higher Education. The Master Plan is California's ground-breaking commitment to a diverse, accessible, affordable mix of high quality public and private higher education critical to the future of this state. Our work has really been under way in California for over 50 years.

CPEC's charge was to coordinate the many segments of higher education, public and private, help plan for the future, and offer data-driven, research-based policy advice to all comers — starting with the Governor and the Legislature, but including all other stakeholders and the public at large.

The prime resource CPEC has had for that is a team of extraordinarily talented people — not just those who are here today but, over the years, some of the best higher education thinkers in the state.

The people I have been blessed to work with since I joined CPEC in 2004 are as talented and as dedicated as any who worked here over the years. Because the agency was cut in half nine years ago, they have also been more productive and innovative than ever, and their output of work product has barely diminished. I'm not going to try to talk about each one because we'd be here all day, but you know all of them, you support all of them, and you know that each of them has contributed mightily to CPEC's quality and effectiveness. They are our greatest asset.

CPEC, more than any other place I have worked, has a collaborative culture and a family atmosphere that fosters sharing of responsibility and a collective approach to serving the public. People enjoy working here — and they work hard. They are all outstanding public servants — never forgetting their job is to make the state of California a better place.

I believe CPEC's work has been a significant contributor to California's reputation as the higher education leader in the world, and I don't want that overlooked as this agency disappears.

We also particularly enjoy working here because we constantly try to infuse the staff with young people — especially college students on their first professional assignments who remind us daily of what our work is all about. Most recently, we've had three — Kathy Luong, who volunteered in the executive office, Carmina Gutierrez, who worked for ITQ, and David Zeff, a UC Scholar. All worked hard for little or no money, and all are now part of the CPEC family.

A side note: David arrived at CPEC only a week before we were notified of our shutdown. I told him he could go to another agency if he wished, but he chose to stay here, support our efforts to deal with the shutdown, and to learn from the situation so he could write about it as a class project. He's now back at UC Riverside, planning to do graduate work in higher education policy. Being at CPEC sparked his interest in a field he had not previously considered.

What happens to our staff is my greatest concern. This is the year that alternatives to layoffs seem to have run out in state government. All our employees are on a 120-day clock that expires in mid-November. They have preferential status as job applicants because of their layoff status, but this year, there are several thousand people in the same boat. The hiring freeze and further general fund cuts in most departments has severely limited job openings. We deeply appreciate that some of you contacted state officials you know personally to call their attention to the need for placements; all were receptive but all are also facing budget and hiring limitations themselves.

Over the past week or so, more of our staff members have been invited to interviews, and I hope some receive offers of employment in other agencies. Some are also looking at jobs outside state government. We are doing all we can to help them find positions, but I'm deeply concerned about what will happen by mid-November. Many staff members are facing unemployment.

Retirement is an option for some, but not a preferred option. I am the only employee who is actually retirement age, and I will retire. That enables me to better manage our shutdown and assist employees, and I'm grateful for that.

The Department of Finance and Governor's office have made clear November 18 is our closing day, so our efforts to find placements will redouble in the coming weeks. But it's not certain what the outcome will be for our staff.

There is a human cost to downsizing government. California is experiencing very deep, painful cuts that hurt employees, hurt the state's ability to serve its citizens, and hurt the economy. Over the last 30 years, we have downsized to the point where we are destroying the infrastructure of this state and driving talented people from even entering public service.

Despite the media and political bashing public employees get, working for the public is both valuable and meaningful. At its best, it supports California's economy, environment, education, public safety, and quality of life.

There is no doubt we have to do the public's work more economically and productively, but CPEC, like many public agencies, has been improving its productivity and effectiveness for years. Both the private and the public sectors should always be seeking to work better, smarter, and cheaper.

But ultimately, you get what you pay for, and California's direction has been to pay less and to erode the valuable public assets that support a healthy private sector and a citizenry with a good quality of life. That's the case with us.

Aside from the personal cost to our staff, which is devastating, I believe that cutting CPEC is a serious public policy mistake — one we will pay for in higher costs in postsecondary education and far less knowledgeable decision making about higher education in the future.

This is not just about our agency. The state's premier public higher education systems are at very serious risk right now. We have reduced funding for them so drastically in the past few years, and increased students' costs in attending them so much, that it is only a matter of time before we can't keep a straight face when we call them "public."

Of course, the systems can improve their productivity and effectiveness — that's what Stacy's report on student success today is all about. And they're making progress. Those improvements just can't offset the \$650 million cut from both UC and CSU in one whack in this budget year. You cannot do that and not pay a price in the ability to serve the students knocking at your door.

This is not just true in our stellar four-year institutions — UC and CSU. California's community colleges are the largest public education system in the world, and a precious asset. They are where a growing state population finds the most opportunity, especially those historically denied access to higher education. They have taken huge budget hits as well — and those hits limit opportunity for thousands of students.

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Another point I make one last time: systemic improvements that we need may not happen unless our state policymakers better describe the goals that improvement should lead to. Without a state-level agenda for higher education, supported by the Governor and the Legislature, one with clear goals and adequate support, higher education in California — public and private — will not meet our state's need for educated citizens. As a result, opportunity will be denied to thousands of Californians who want higher education and who we need to be educated.

All of our postsecondary institutions, public or private, also depend on a pre-K-12 system that moves faster toward a goal of graduating every student “ready for college and career.” If there is argument I've made since I entered the education arena, it's that “college *or* career” must be changed to “college *and* career.” So we must start thinking and acting in a pre-school to graduate school continuum.

We know everybody who wants economic security and a good quality of life for their family needs SOME kind of education beyond high school. Our systems are trying to meet that diverse need — but the challenges to providing what is required grow ever more difficult. And if this year's revenues don't come in as projected, UC and CSU will be hit with another \$100 million cut mid-year. Both are likely to raise tuition again. How long can we keep doing this?

Turning back to CPEC's role, our work has been to understand these trends, use data to suggest responses, and offer options to policymakers to drive needed change.

Over the years, CPEC has done many studies anticipating student enrollment, reviewing eligibility for UC and CSU, identifying transfer and student aid needs, and recommending policy remedies. We've made that information widely available to policymakers and the public on our website.

We have close to 50 years of studies and research reports and Commission deliberations on our shelves. Fortunately, there is a state library — which will take many of our resources and make as much publicly available as possible — and the State Archives, which will store and catalog our most valuable and historic materials. The history of California higher education over 50 years is in these documents; we're lucky to have other state institutions to preserve them.

We are particularly grateful that both institutions want our electronic document files as well as paper copies — it's their recognition of a new era in document management and will help make documents available via the Internet. In recent years, CPEC has saved lots of money by doing most of our publishing online. I'm glad the e-files can be saved — but they'll be harder to find than the easily available website access we've given for many years.

That leads to our key asset — the database built by our staff over the past 20–25 years as technology expanded and the Internet became a prime tool for sharing knowledge.

There are two pieces of our database: one is the 1.6 billion records we make available to the public on the CPEC website. For that, we draw from many public sources of data, especially federal sources like the U.S. Census and IPEDS, and state resources at the Employment Development Department, Department of Education, and Department of Finance.

Those records also include almost every document published by CPEC, except for a few very old documents that have not been digitized. You don't have to order these documents on paper — you can download them on your own computer.

Numbers for the website data on the public systems — UC, CSU, and community colleges — are aggregated from the other piece of our system—the AB 1570 longitudinal database, which includes 120 million student records from UC, CSU and the community colleges stretching back 20 years.

While the aggregated numbers from the student identifier data inform the website, the individual records are not accessible — they're subject to laws on student privacy. But by collecting this data and linking it — as only CPEC is empowered to do — we provide accurate numbers on the website, and conduct well-informed research on how California higher education is doing. Although we do have a plan to avoid destroying the linked student data, this resource is still at incredible risk.

CPEC has been part of an interagency effort involving the public segments, CDE, and the Employment Development Department. We have been moving toward finally creating the comprehensive longitudinal pre-K-to-20-to-workforce database that California has long needed for policy guidance and improvement, and which we promised the federal government we would actually create.

With CPEC's impending closure, we have looked at parking the database with one of the partners rather than to simply wipe the servers clean. It can't be used in linked form by any segment because of re-disclosure prohibitions, but it may be possible to maintain it to help develop the larger longitudinal database.

Right now, CPEC is awaiting data from the segments to update our files in mid-September; we'll then transfer the data to a parking place at the Community Colleges Chancellor's Office. That does not guarantee its preservation beyond a fairly limited time period, especially because, in CPEC's absence, there is not yet legal authority or staff to update and sustain it.

But the partners will explore how they can move forward on the longitudinal database effort and address the complex legal, policy, and resource issues that we were already beginning to tackle. Until those issues are dealt with, it will not be possible to use that data for any research or analysis in its linked form because CPEC will be gone.

The data partnership was an important step forward in the effort to get a comprehensive system up and running, as was the launching of the K-12 CalPADS system. CPEC's expertise in linking system-to-system data — which we've done successfully for almost a decade — and our ability to use data for policy — made us an important partner. CPEC's elimination sets the effort back.

Also, without CPEC, the incredibly informative website on higher education policy and data that we created may be lost. All the Interagency partners agree it would be a tragedy to take the website down. But at this point, no one has resources to sustain it, and the administration has not agreed to support any additional staff in another agency to keep it alive. The partners are looking for a solution, but without one, the website could come down either when our IT staff move to new positions or CPEC closes. As I recently said in the Capitol Morning Report, if you want something off the CPEC website — data or documents — you better download it as soon as possible.

The present players — K-12, the public higher education segments, and EDD — are essential but not sufficient to govern such a database. Other stakeholders — the Governor, Legislature, policy agencies, and research organizations need to be involved. And that system, no matter what form it takes, does not substitute for CPEC's primary role as a separate independent body charged with using the data to conduct research and evaluate higher education.

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The key to that role is CPEC's position as an "honest broker" — beholden to no particular educational segment or political institution, but speaking for the state's interests as a whole. It has been an independent voice that tried to understand what is really happening in higher education and to inform the decision making that shaped it over many years.

I'll address one more important role of CPEC, in addition to what I've already talked about — our responsibility to review program and campus expansion in the public systems. We have no veto power over programs, but we must approve new campuses and educational centers. Even with limited power, our opinions do matter to the segments.

Over the years, the high standards we developed for using public funds on new facilities and programs have influenced decision making at the campus and system levels. This results in more proposals with strong justification, fewer proposals we cannot support, and an overall positive impact on decisions to spend public money.

Because CPEC is better suited to look at the big picture of the state's interests rather than to micro-manage the segments, we were looking at a broader approach than project-by-project review. However, CPEC's elimination means even project-by-project oversight will terminate with no viable substitute — the segments will make decisions with no external review.

The danger here is that, once the economy improves, the segments may be pushed by local needs and politics to push for programs and facilities that an objective review would find wanting. The Legislature will end up mediating more budget fights with little guidance about which investments are wise and which are not. That's the kind of thing a coordinating body was specifically created to reduce, if not eliminate.

Ultimately, CPEC's mission to inform and influence public policy on higher education is the core of our work. And what makes that happen is the commission itself — the dedicated citizens who gather several times a year to bring your wisdom, experience, and passion for higher education to bear. I believe the mix of knowledge, life experience, and thoughtful discussion you all bring to the issues before you is what makes CPEC's recommendations valuable.

Your leadership in pushing forward a public agenda for higher education — an effort that will now unfortunately be cut short — makes it clear that you are not a rubber stamp for your paid staff. You are active and informed drivers of CPEC's work — and you are exemplary representatives of the public boards and commissions that strengthen not just the state's policies but the democratic process itself. You'll receive certificates of appreciation for your service — but they will not in any way be adequate thanks for what you have done.

I also note that your status as Commissioners is still up in the air. We've asked the Governor's office, Speaker of the Assembly, and Senate Rules Committee if you remain Commissioners or not. We understand the administration will seek to remove CPEC's statutes at some point in the future. But until that happens, we assume the Commission remains in existence, even though it has no capacity to operate. You need to know your status — if nothing else than for compliance with FPPC reporting requirements. We'll continue to work with the appointing authorities and advise you as soon as we can.

I know that at the moment, CPEC's elimination is not seen as a big deal in the overall picture of California's future. I also am fully aware of the huge budget deficits we continue to face and which are cited as justification for this action. But I don't buy that the small amount for this agency in-

cluded in the balanced budget finally passed by the Legislature — even though that budget is pretty fragile — is important to balancing the state's books. While it's impossible to calculate the higher education costs avoided in the future, they will certainly be larger than what is saved by getting rid of us. CPEC's value-added to the state is worth far more than our miniscule annual budget.

California is at a very difficult point. We need a more informed and civil dialog about what California's public systems must have to support both a strong economy and a good quality of life for every resident of the state. I wish the Governor and Legislature well in trying to develop that dialog and engage the voters in it — and I regret that CPEC's objective and often wise policy advice will not be available to inform it.

I want to express my gratitude to our staff for their years of good work and for their amazing fortitude in continuing to try their best, even facing possible unemployment. They have remained cheerful and upbeat, and I know each and every one will continue their dedication to public service.

I want to express my gratitude to you — first for continuing to engage so deeply in this work and to do so as partners with, not as bosses over, your staff, and second for giving me the honor and opportunity to serve in this role. I thank you for your confidence; I will certainly endeavor to live up to it for the remaining weeks I lead this agency.

No matter what our work is about, no matter how much energy we focus on public policy, data, and the other products in which we deal, the bottom line for me is people. The commissioners and staff are CPEC's greatest strength. Someday, when policymakers realize how big a mistake it was to eliminate CPEC, I believe they will reinvent it. I only hope that when they do, they are able to bring to it people of the wisdom, dedication, integrity, and decency of those who serve now.