



INSTITUTE FOR HIGHER EDUCATION
LEADERSHIP & POLICY

IT COULD HAPPEN:

Unleashing the Potential of California's Community Colleges
to Help Students Succeed and California Thrive

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February 2008



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It Could Happen: Executive Summary

This report integrates three reports we have produced in the past year, all focused on how to increase student success in the California Community Colleges (CCC). More students need to complete certificate, degree, and transfer programs because of the growing need for a college education in today's economy.

Through our research we have identified an array of strategies that have been shown to increase student success. These are documented in our research report *Beyond the Open Door*. Colleges are not applying these strategies in large part because policies and institutional culture inhibit them from doing so, as we first described in our policy brief *Rules of the Game*. Many of the inhibiting policies are finance policies which contain powerful incentives that drive the behaviors of faculty, staff, and students. While the policies were adopted with good intentions, the incentives they create are not optimal for student success. We analyzed these incentives in a detailed report called *Invest in Success*.

The conclusion that we draw from this body of work is that significant and lasting gains in student success will require that we reform finance policy and reshape the culture of the system to put student needs ahead of the many interests and concerns that compete for resources and attention. In this report we explain what changes in finance policy and institutional culture are necessary conditions for significant gains in student success. We lay out an agenda for policy reform and provide a vision for greater student success in the California Community Colleges.

California Needs More College Graduates

- Far too few Californians are earning college degrees for the state to remain in the same class as leaders in the global economy. Instead of gaining on those leaders, we are losing ground. Our younger working-age populations are less well educated than older working-age Californians. This pattern is the reverse of that in other countries, and we are falling behind other states in this country in the portion of the population with college degrees. That is not what we have come to expect from California.
- In order to reach the education levels of the most competitive economies, the number of students earning college degrees each year in California (associate and bachelors) would have to increase by *more than fifty percent*. That is, for every two graduates, we need three instead.
- The community colleges are indispensable to any effort to educate more Californians because they serve the majority of undergraduates, including large shares of the students who pursue a bachelor's degree in the state's universities. The colleges are particularly important to increasing education levels among the growing Latino population. Increasing the enrollment of degree-seeking students and improving completion rates would go far to help solve California's education problem.

Student Success: We Know What Works But We Don't Do It

- In our research we identified the following strategies that have been shown to promote student success:
 1. increase students' *readiness* for college before they arrive
 2. help students achieve *early success* by directing them to the right classes at the beginning, including remedial work if they need it
 3. help students establish *clear educational goals and pathways* for achieving those goals
 4. encourage students to follow *effective enrollment patterns* – such as attending full-time and continuously (without stopping out and re-starting)
 5. provide the *intensive support services* students need to succeed in and out of the classroom
 6. *use data to inform decisions* about helping students succeed
- Despite all the evidence about effective strategies, current policies and practices across the CCC do not consistently reflect this knowledge.

Finance Policies Prevent Greater Student Success

Certain state finance policies – while well-intentioned in their original design – have come to prevent the colleges from doing a better job at helping students succeed. Finance policy prevents the colleges from applying the knowledge about what works for three reasons:

- *There are not enough resources* for the colleges to fulfill their multiple missions because funding levels do not reflect the high cost of educating underprepared students.
- *Existing resources are distributed in ways that encourage enrollment but not success* because the primary incentive built into funding policies is for colleges to enroll students but not necessarily help them complete their courses or an academic program.
- Colleges have *too little flexibility* to use their resources to meet student needs because they must follow many specific systemwide rules even though they face very different local conditions.

Institutional Culture Inhibits Student Success

The institutional culture of the CCC inhibits changes to finance policies as well as changes to academic/support policies that could increase student success. The impact of current systemwide commitments to increase student success is limited by the following aspects of the institutional culture:

- Many priorities compete with student success in a large and diverse system with multiple stakeholders and a consensus model of decision making.
- Entrenched assumptions prevent consideration of new approaches.
- There is a disinclination to consider policy change as the system seeks to improve student success.

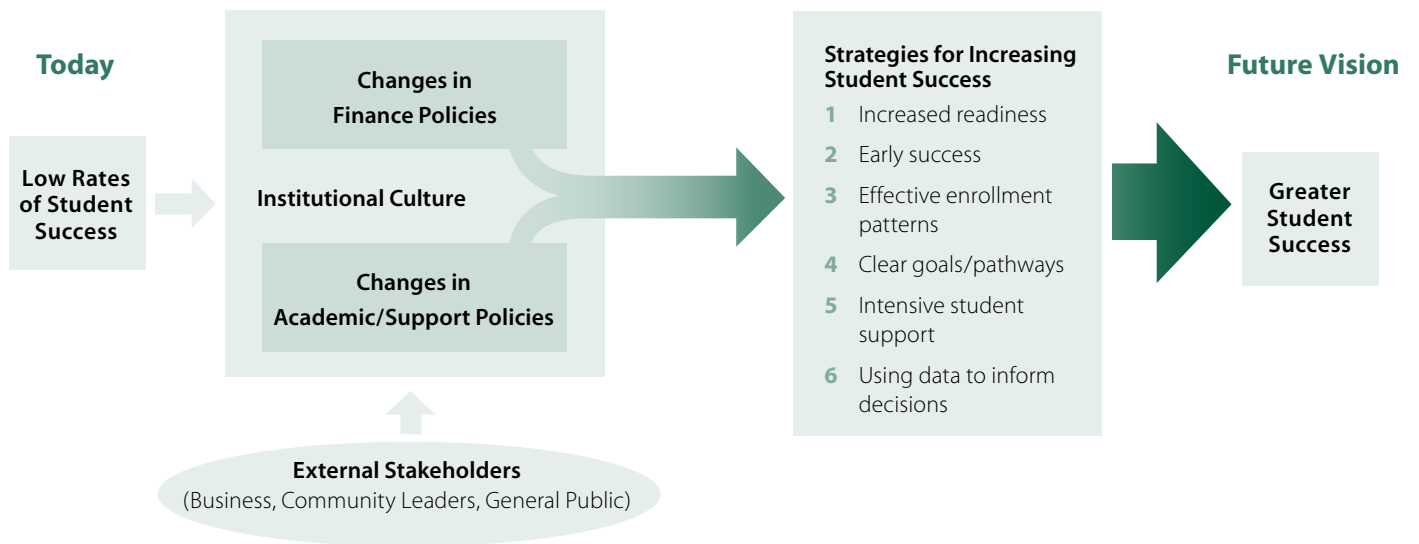
It Could Happen: Executive Summary

Policy Changes Can Promote Student Success Strategies

- A package of reforms to change the financial rules of the game can be enacted to provide resources from the state and student fees to better match the CCC mission, change the basic funding formula to incorporate incentives for colleges to increase student success instead of just enrollment, and give colleges more flexibility to use their resources as local conditions warrant to accomplish successful outcomes.
- System and college leadership can commit to place the priority on student success that will be necessary to implement the six success strategies. Among the most important changes to academic and student support policies that they could make would be to standardize the definition of college readiness, ensure that all degree-seeking students are assessed for college readiness and directed to appropriate courses, advise students into academic programs, provide clearer pathways to earning certificates and degrees, and require that students make academic progress as a condition for renewal of the Board of Governors fee waiver.

It Could Happen: An Achievable Agenda for Student Success

- Our discussions with faculty, administrators, student services staff, college researchers, and outside researchers and policy experts have revealed a strong and growing interest in policy change and agreement about the six strategies for improving student success.
- Despite the growing interest in change, changes of *the magnitude needed* are unlikely to emerge from within the community college system. The system relies on a consensus model of governance that yields only incremental changes. A consensus model would almost certainly rule out many of the policy changes needed to achieve big gains in student success.
- With each passing year of minimal change, another set of students is knocked off the path to the better life achieved through a college education. California cannot afford the social and economic consequences of continuing to leave so many students behind.
- Stakeholders from outside the system – business leaders seeking educated workers, Latino and other community leaders calling for institutions that work for the new majority, and the general public who understands the value of a college degree – must increase their expectations for success and become strong partners with those inside the system who have indicated a willingness to work for policy change and for the institutional change that it will require.
- If implemented, the changes we recommend would result in increased access for degree-seeking students and greater rates of success, such that the community colleges could indeed do their share to help the state reach a competitive level of educated citizens and workers.
- If all segments of higher education would make equivalent improvements, California public higher education could once again take credit for making California the Golden State.



California Needs More College Graduates

The State is Losing its Competitive Edge

California's economic position is declining relative to other states, and the United States is itself becoming less competitive as other nations move aggressively to educate their populations. While the U.S. leads the Organization for Economic Cooperation and Development (OECD) nations in the percent of its population ages 55 to 64 with an associate degree or higher, its ranking falls to tenth for the 25 to 34 age group (see Figure 1). Ours is one of the only nations where older adults are more educated than younger adults.¹

Other states within the U.S. are doing a better job educating young people than is California. The state's ranking in the share of the population with a college degree falls steadily with each younger age group (see Table 1). Demographic changes pose a challenge to reversing this trend, as the white share of the working-age population will continue to decline, and will be replaced by Latinos who have been historically under-represented in higher education.

For Every Two Graduates, We Need Three Instead

Several studies of California's workforce warn of an impending shortage of college-educated workers.² For a variety of reasons, we can no longer solve this problem by importing educated workers.³ California must improve rates of degree attainment among its own population to

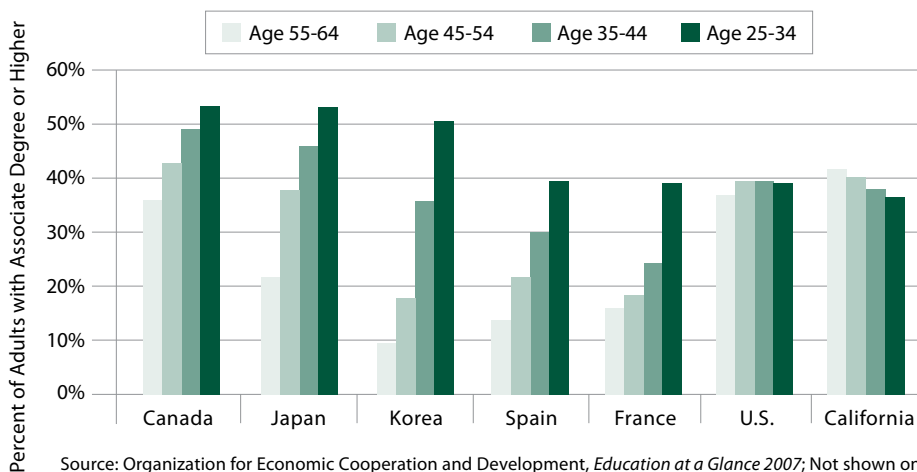
Table 1
California is Becoming Less Educated than Other States

| Age Group | Rank among States in Share of Population with Associate Degrees or Higher | Rank among States in Share of Population with Bachelor's Degree or Higher |
|--------------|---|---|
| 65 and older | 3 rd | 7 th |
| 45 to 64 | 14 th | 12 th |
| 35 to 44 | 25 th | 18 th |
| 25 to 34 | 29 th | 24 th |

Source: NCHEMS Information Center for Higher Education Policymaking and Analysis (www.higheredinfo.org) based on data from the US Census Bureau, 2006 American Community Survey

meet the needs of the state's information-based economy. The National Center for Higher Education Management Systems (NCHEMS) recently estimated that California needs to increase the number of individuals who earn associate or bachelor's degrees every year by 55 percent in order to remain competitive in 2025 (see Figure 2).⁴ An increase of this magnitude would mean that about 132,000 more students would need to earn associate and bachelor's degrees each year, on top of the 240,000 who already earn degrees each year in any of the state's colleges or universities (public and private).⁵ This is an ambitious goal, but working to achieve it would be consistent with California's history as a leader in developing an education-driven economy.

Figure 1: Educational Attainment Increasing Dramatically in Many Countries; U.S. Now Ranks 10th in Attainment of Young Adults; Attainment is Declining in California



Source: Organization for Economic Cooperation and Development, *Education at a Glance 2007*; Not shown on the graph are Belgium, Ireland, Norway and Denmark, which also rank ahead of the U.S. on attainment among young adults (attainment in those countries is similarly increasing for younger populations)

The Community College Role is Huge

The 1960 Master Plan for Higher Education assigned a major role to the community colleges by limiting direct enrollment into a public university to one-third of high school graduates.⁶ Assuming that the elements of the Master Plan that determine enrollment shares across the public sectors remain the same, and that the private sector role remains about the same, every segment of higher education would have to increase the number of students to whom it awards degrees annually by

55 percent. The California Community Colleges (CCC) are indispensable to any effort to increase college degrees because they serve the majority of undergraduates in the state (see Figure 3), including large shares of the students who go on to earn bachelor's degrees in the state's universities. The CCC is particularly important to any effort to increase degree attainment among the growing Latino population.

Nearly 70 percent of all students receiving associate or bachelor's degrees from the state's public colleges and universities each year are either CCC students or students at the University of California (UC) and California State University (CSU) who transferred from the CCC.⁷ Over 135,000 CCC students either earn an associate degree or transfer to a university each year,⁸ but the state could do much better if the CCC system served more degree-seeking students and rates of completion among those students increased. Rates of completing certificates, degrees and transfers in the CCC are low (see Table 2).⁹

The even lower rates of success among Latino students are of great concern given their growing share of the student population and the state's workforce.

Across the country, expectations are rising for community colleges to not only provide access to growing numbers of individuals but to help them earn college degrees. Nowhere is this more important than in California, where community colleges serve a much larger portion of the total college enrollment than in most other states.

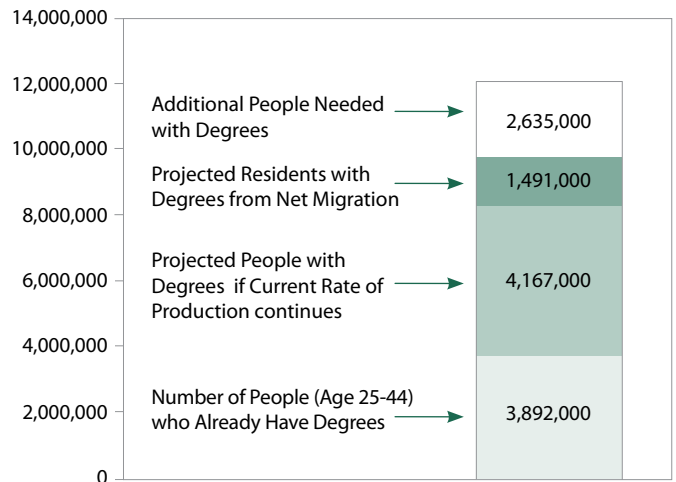
Table 2
Completion Rates are Low at California Community Colleges, Especially among Under-Represented Minority Students

| | Completion Rate |
|--------------------|-----------------|
| All Degree-Seekers | 24% |
| By Race/Ethnicity: | |
| Asian | 33% |
| White | 27% |
| Latino | 18% |
| Black | 15% |

Source: Moore, C. & Shulock, N. (2007). *Beyond the open door: Increasing student success in the California Community Colleges*. Sacramento, CA: Institute for Higher Education Leadership & Policy, California State University, Sacramento

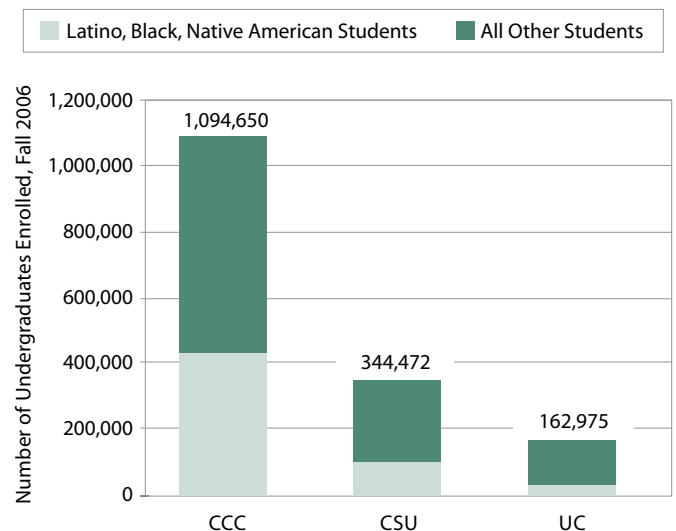
Note: Completion rate defined as the number of degree-seekers who completed a certificate, degree or transfer within 6 years divided by the total number of degree-seekers.

Figure 2: California Must Increase Degree Production to Be Competitive with Best-Performing Countries in 2025



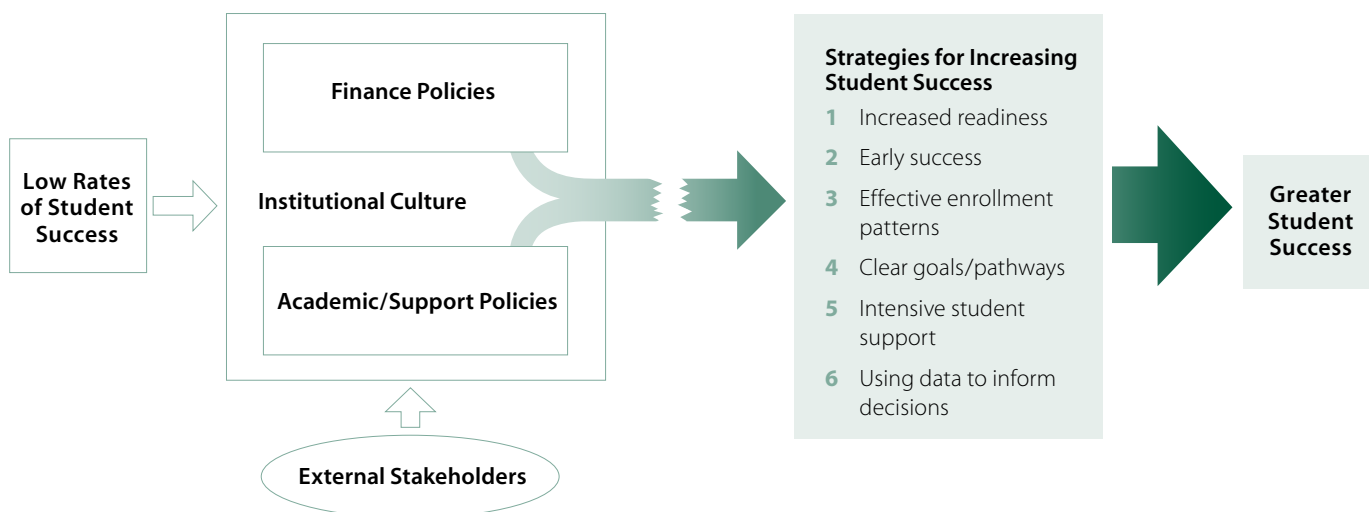
Source: National Center for Higher Education Management Systems, special analysis done for the *Making Opportunity Affordable* initiative sponsored by the Lumina Foundation

Figure 3: Most Undergraduates in California are Enrolled in the CCC



Source: California Postsecondary Education Commission on-line data for Fall 2006 (excludes non-credit enrollment and enrollment of BA holders in the CCC)

Student Success: We Know What Works But We Don't Do It



The community colleges provide open access to higher education for any adult in California. They serve the students with the lowest levels of academic preparation and the most life challenges to overcome in order to be successful in college. They do so with the lowest per-student funding of any segment of public education. For these reasons, rates of student success and degree completion cannot reasonably be expected to match those in the four-year institutions. However, as we first outlined in *Rules of the Game*,¹⁰ certain state policies – while well-intentioned in their original design – have come to prevent the colleges from doing a better job at helping students succeed.

As we discussed in *Beyond the Open Door*,¹¹ there is much known about the factors that are important in student success, and about policies and practices that promote completion of college programs. The research literature points to six broad strategies for achieving student success. Unfortunately, current policies and practices do not reflect what is known about applying these six strategies to help more students succeed in college.

1 Increased Readiness

Research shows that academic preparation is the strongest predictor of college success, that students who enter college needing substantial remediation of basic skills are far less likely to succeed, and that alignment across educational sectors contributes to better preparation. However, current policies contribute to poor academic preparation and high need for remediation among incoming students.

- High school and community college curricula are poorly aligned.
- The extreme variation in the processes and standards for assessment of English and math skills sends conflicting messages about the kind of preparation students need to be successful at college-level work.
- The clearest message students receive is about open access, without the complementary message about the standards students will need to meet to successfully complete a college program.
- Colleges are funded almost entirely on the basis of enrollment in the third week of the term, giving them a disincentive to emphasize college readiness for fear of discouraging enrollment.
- The state discourages concurrent enrollment of high school students in community colleges because concerns about “double dipping” into state resources take precedence over encouraging student success.

2 Early Success

While research indicates that community college students are best served when assessment is mandatory, students are placed in courses appropriate to their skill levels, and any needed remediation is begun immediately upon enrollment, policies in the CCC do not support these actions.

- Many students are not assessed, with huge variations in practices among colleges.

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- Students are often allowed to enroll in courses for which they are not prepared to succeed, and to delay or even avoid remediation.
 - The onerous process required to establish course prerequisites leads many colleges to allow open access to courses, resulting in high rates of failure among students who are not prepared to succeed and challenges for instructors who have well-prepared and poorly-prepared students in the same class.
 - The state's financing formulas encourage open enrollment into courses because colleges are funded for third-week enrollment irrespective of whether students complete their courses.

3 Clear Goals and Pathways

Research indicates the importance of providing students with early counseling and orientation services to help them set clear goals and get them on a pathway to success, but current policies leave students without the help they need to find and follow a successful pathway.

- Students in the CCC are provided minimal initial counseling to help them understand their options and to set specific program goals.
- The colleges often do not emphasize the importance of credentials, and do not structure their certificate and degree programs to allow students to earn lower credentials on the pathway toward higher credentials.
- The state has not developed "transfer associate" degrees to lay out a clear transfer path to the UC or CSU.
- Few students receive a full complement of the matriculation services that are intended to set them on a path to success, which should include the development of an educational plan.

4 Effective Enrollment Patterns

Research demonstrates that students are more likely to succeed if they minimize their work hours, enroll full-time, attend continuously without stopping out, and avoid registering late for classes and dropping and repeating

courses too frequently. Current policies do not support students in following these effective enrollment patterns.

- California has assumed that low fees and fee waivers would provide affordable access to the CCC, but fees account for only about five percent of college costs. There has been too little focus on providing financial aid for the larger costs of attendance including books and supplies, transportation, and living expenses.
- Because of limited financial aid, too many community college students work too many hours in an effort to cover these other costs and attend college only part time, resulting in low persistence and completion rates.
- Restrictions on on-campus employment deny students the opportunity to earn needed money while staying engaged with the campus community.
- Current funding mechanisms based solely on enrollment encourage colleges to allow students to register late for classes.
- In order to maximize enrollment, few colleges place limits on course drops or repeats.

5 Intensive Student Support

Today's community college students are more likely than those of past decades to be first-generation college students, unfamiliar with the structures and processes of higher education. They are more likely to be low-income, to come from under-represented minority populations, and to be academically under-prepared for college-level work. They require intensive support services to be successful, but current policies leave colleges unable to provide adequate services.

- Restrictions on the use of funds can prevent college leaders from directing resources to provide the services students need, especially in colleges that serve predominantly under-prepared students.
- Budgetary and other processes erect unnecessary barriers to collaboration between academic and student services professionals and to implementation of learning communities and other innovations that integrate student services with academics.

Student Success: We Know What Works But We Don't Do It

- Too little professional development is available to help faculty and support services staff understand how to develop innovative pedagogical approaches and service delivery structures that can contribute to student success.
- Orientation courses (often called college success courses) are voluntary in the CCC, and few students take advantage of the opportunity such courses offer to help them better understand the college process and develop strategies for success.

6 Using Data to Inform Decisions

Many states across the nation are working to develop comprehensive student-level data systems and the “culture of evidence” that supports institutional improvement. Although the CCC has a well-developed data system, it is designed to meet reporting requirements and to support budget allocation, rather than to inform decisions about institutional improvement around student success.

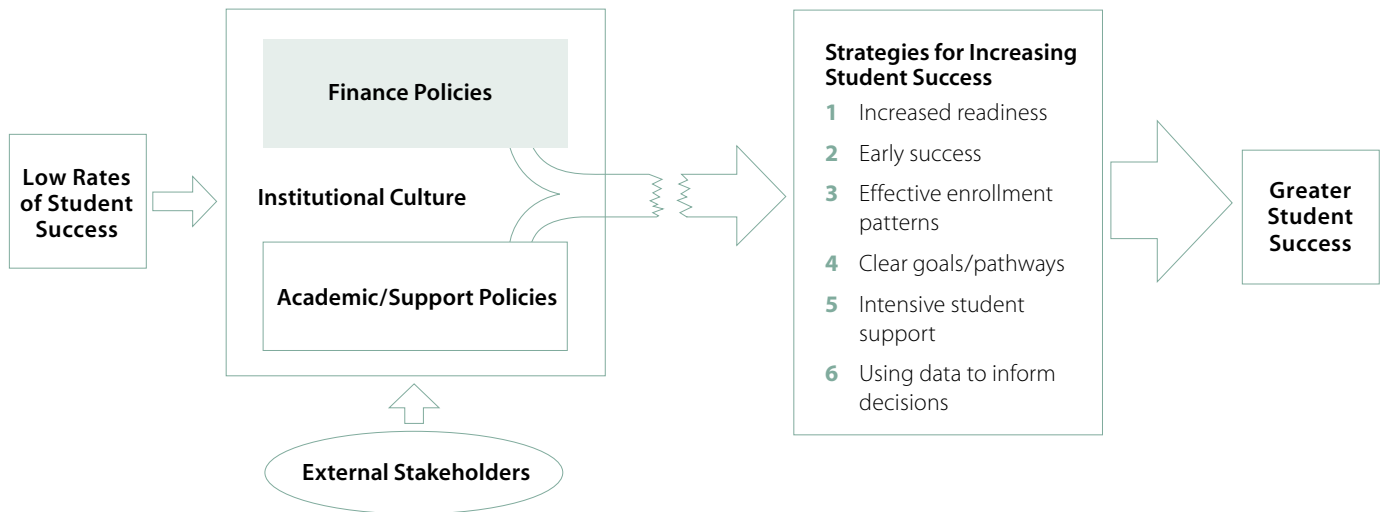
- California has no comprehensive K-16 data system to monitor students across the public K-12, community college, and university systems.
- No data are available at the CCC system level to identify students who need remediation of basic skills, so outcomes for such students cannot be monitored.

- The CCC accountability reporting system does not track or report the progress of students until they successfully complete 12 units and attempt a threshold-level English, math or occupational course – preventing attention to a major problem of early dropouts. The system also does not track student progress and success by race/ethnicity.
- The system’s data system does not identify the academic program a student is intending to complete, or the student support services they receive, making it impossible to evaluate the effectiveness of various programs and services at helping students succeed.
- Some additional data are available at the college level, but many colleges lack the research capacity to use such data for institutional improvement.

Attention to these six strategies could help the community colleges make significant progress in getting more students through an academic program. But overturning current policies and practices requires confronting a complex set of financial rules that have skewed the focus of colleges away from students and towards revenue generation. It requires, as well, confronting an institutional culture that has great stakes in the status quo. The next two sections discuss these obstacles to change.



Finance Policies Prevent Greater Student Success



Financial “Rules of the Game” Discourage Colleges from Implementing the Strategies that Work

The mismatch between current CCC practices and what is known about helping students succeed in college does not reflect a lack of concern for students or a lack of understanding about how to help them. Instead, it is in large part because state policies prevent (or at least discourage) colleges from aligning their policies and practices with the research findings. As we described in *Invest in Success*,¹² the major policy issues impeding the colleges are largely related to three aspects of finance:

- There are not enough resources for the colleges to successfully fulfill their missions.
- Existing resources are distributed in ways that encourage enrollment but not success.
- Colleges have too little flexibility to use their resources to meet student needs.

With the majority of finance policies working at cross purposes to student success, there is little chance of effective policy reform if we don’t change the financial rules of the game. Examples of specific policies that serve as money-related barriers to student success are listed below for each of the three problem areas.

Not Enough Resources

The populations served by the colleges often have limited academic preparation and substantial life challenges to overcome. Such students are not easy or cheap to educate, but require a substantial financial investment in order to help them succeed in college. State policies are not currently providing enough resources to either the colleges or the students themselves.

- Proposition 98, the major source of revenue, generates funding for community colleges based on factors unrelated to the growth in CCC enrollment.
- California’s funding per student is well below the national average in large part because of very low fees that generate little revenue. Fees are by far the lowest in the nation and are readily waived for low and middle income students (with the exception of undocumented students).
- The fee revenues that are collected are treated as an offset to state appropriations and do not provide individual colleges with resources to respond to unanticipated demand or otherwise meet students’ needs.
- Financial aid policy has been guided by the erroneous assumption that low fees ensure affordability. With fees accounting for only about five percent of college costs, this assumption has diverted attention from helping students obtain aid for needs other than fees. California community college students leave millions of dollars of federal aid

unused – for which they are currently eligible and which they need for the more substantial costs of books, supplies, transportation, and living expenses.

- The size of state CalGrant awards for CCC students has declined steeply in purchasing power and provides scant help for students to meet their full college expenses.

Existing Resources are Not Targeted to Achieve Student Success

The incentives built into funding policies encourage the colleges to enroll students but not necessarily help them succeed. The resource-poor community colleges must always be concerned with next year's budget simply to survive. College faculty and staff are sometimes driven to maximize revenues and respond to fiscal incentives – even when those actions may not be best for students.

- State funding formulas for K-14 education create a disincentive for cooperation between K-12 and CCC on college readiness reform because the two systems compete against one another for a fixed amount of resources.
- FTES-based funding policies create pressures to enroll students until the official count occurs in the third week but give no financial incentive to improve outcomes such as persistence, course completion, acquisition of basic skills proficiency, degree completion, or student learning. This encourages colleges to maximize funding by taking actions not in the best interest of student success, such as allowing late registration and minimizing use of course prerequisites.
- Colleges face disincentives to offer high-cost programs, such as nursing, that may be in the best interests of students, local communities, and the state.
- Funding formulas for many categorical programs are based on enrollment and therefore do not provide assurance that the goals of the programs are actually addressed.
- The Board of Governors fee waiver – the cost of which is part of the state support for the CCC – is renewable without any evidence of academic progress on the student's part.

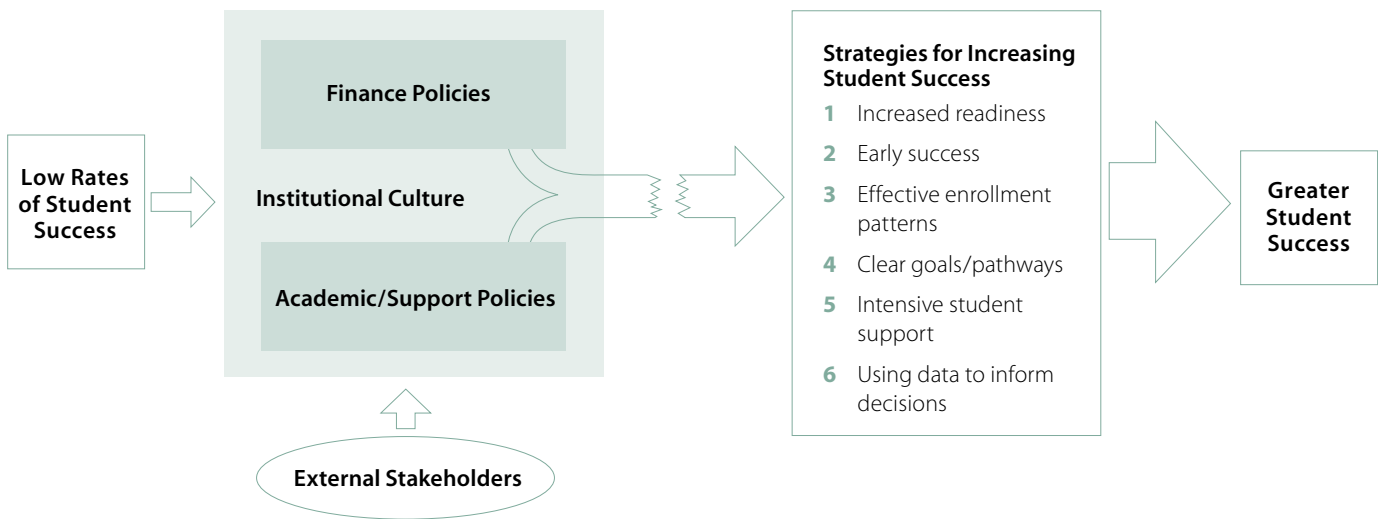
Too Little Flexibility in College Use of Resources to Meet Student Needs

Current policies do not provide colleges with sufficient authority and flexibility to best address the success of their students, in contrast to prescriptions for good public management that emphasize the importance of holding organizations responsible for *what* they must accomplish while providing them with flexibility in *how* they reach those goals.

- Each categorical program contains extensive requirements for *how* the funds must be spent – with little focus on *what* the programs are to accomplish.
- Categorical programs create administrative silos, which serve as barriers to collaboration between academic affairs and student affairs in addressing the whole student. They prevent the development of college-wide priorities for the allocation of resources.
- “One-size-fits-all” restrictions on the use of funds deprive college leaders of the flexibility and authority they need to manage their institutions to meet the specific needs of their students, in view of the vastly different circumstances faced by the 109 colleges in student preparation and local labor market and community needs.¹³

Many strategies for increasing student success will be out of reach without more resources, as researchers and practitioners have documented the high costs of serving under-prepared students. A large complement of reforms will similarly be unattainable as long as colleges receive their funds primarily on the basis of third-week enrollment and lack strong financial incentives to help students persist. Finally, efforts to increase student success will be hampered to the extent that college leaders face myriad constraints on and requirements for the use of their resources. Community colleges have an exceedingly difficult and vital mission to fulfill on behalf of students, local communities, and the state of California. A better set of finance policies would allow the CCC to fulfill this mission more effectively.

Institutional Culture Inhibits Student Success



The institutional culture of the CCC inhibits changes to finance policies as well as changes to academic/support policies that could increase student success. The impact of current systemwide efforts to increase student success is limited by the following aspects of the institutional culture:

- Many priorities compete with student success across the large, diverse system with multiple stakeholders and a consensus model of decision making.
- Some entrenched assumptions prevent full consideration of key aspects of student success strategies.
- There is a disinclination to consider policy change as a strategy that could help the system accomplish its student success goals.

Examples of how these aspects of institutional culture inhibit a stronger focus on student success are provided below.

Priorities that Compete With Student Success

The CCC is a unique higher education “system” in that it is a collection of 72 locally-governed districts, each with its own elected trustees, with a state-level governance structure overlaid. Local trustees negotiate union contracts with faculty and staff and make some academic policies, but have virtually no authority over revenue generation and only limited authority over resource allocation. Districts receive their funds from the state and are subject to countless state-level laws and regulations governing financial and academic

operations, many of which are responsive to stakeholder interests that are separate from a focus on student success. Academic senates at the local and statewide levels add another complex layer of governance with respect to academic issues. With 109 colleges blanketing the state, legislators become sensitive to their individual colleges’ needs and are reluctant to make changes that might benefit the system as a whole for fear of disregarding local concerns. A state-mandated shared governance process has, over time, become a consensus model with virtual veto power exercised by numerous parties. Within this system, proposed changes are almost always viewed through the lens of “winners” and “losers” among districts and stakeholder groups – a practice that exerts a strong force against change.

The heavy use of categorical programs to fund student services and the 50 percent law to guarantee minimum funding for instruction illustrate one way that these stakeholder dynamics prevent the application of known student success strategies. Budgets become divided into “theirs” and “ours” and strategies to *coordinate* academic and student support services to best help students succeed become thwarted. As another example, efforts to develop a systemwide definition of college readiness and a high school early assessment program to help prospective students better prepare to succeed in college are stalled by differences of opinion about if and when statewide concerns take precedence over local district autonomy.

Entrenched Assumptions that Prevent Consideration of Success Strategies

All large institutions develop a shared set of assumptions and beliefs about the organization.¹⁴ Individuals working in the institution usually adopt the assumptions and beliefs, often without really thinking about the consequences or any alternatives. In the CCC several of these assumptions conspire to prevent the kinds of changes that are increasingly being implemented elsewhere to improve student success. *We believe the following assumptions are misguided* and prevent a systemwide shift of priority toward student success:

- Students are treated most fairly when there are minimal requirements and maximal choices because requirements are barriers and choices are opportunities.
- Countless statewide rules and regulations are needed to specify and monitor *how* each college uses its financial and human resources as a means of ensuring appropriate local decision making.
- Equity in resource allocation is principally about equity to *districts*, not necessarily to students.
- “Success” in community college is not appropriately measured by completion of an academic program.

Adherence to these assumptions rules out a number of important reforms to policy and practice. The impulse to minimize requirements of students, for example, prevents colleges from requiring orientation even in the face of data that show that students who take orientation classes have higher retention rates. Conversely, the desire to maximize choices precludes policies to advise students into degree programs and construct clear pathways for them to follow. The faith in prescriptive system rules positions the system against attempts to grant flexibility in the use of resources, even as a recent task force reaffirmed the strong belief in “local determination of what best supports student success.”¹⁵ The district-centered approach to equity prevents finance approaches that might grant more funding per student to districts with more under-prepared (and costly to serve) students. It also prevents districts from instituting a campus-

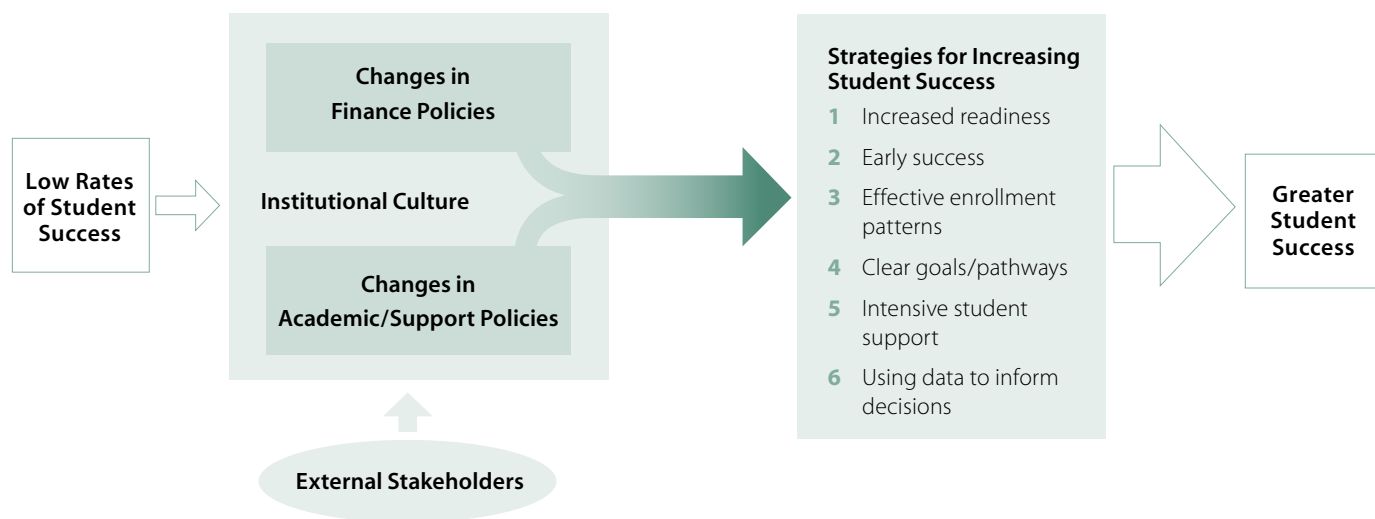
based fee aimed at encouraging successful enrollment behaviors, such as a late registration fee, because some districts might raise more revenue than others. Finally, the resistance to *completion* as a measure of college success has caused California to lag many other states in adopting policies to ensure that access to college will result in college degrees for more students.¹⁶

Disinclination to Consider Policy Change

Current efforts to implement the Strategic Plan, adopted by the Board of Governors in January 2006, illustrate how the CCC tends not to consider prospects for larger scale policy change and instead focuses only on improving practices within a given set of policies. The Plan’s strategies of “removing barriers to access and success – improving student services,” “basic skills as the foundation for student success,” and “assessment and placement” address issues that are critical to increasing the number of Californians with college degrees.¹⁷ However, the implementation approach relies on a model of change by which best practices will spread across the system as a result of research, information dissemination, and dialogue.¹⁸ The implementation plan calls for more state resources but not for changes in how resources are allocated or used. There appears to be little consideration of the possibility that current policies could be changed – even those set by the Board of Governors – to help colleges produce better results.

Examples of policies that could greatly advance these Strategic Plan goals include requiring students to make forward academic progress as a condition of continued fee waiver eligibility, easing the process for establishing course prerequisites, and modifying allocation and hiring policies in order to ensure that there are sufficient basic skills courses to accommodate students who are directed to remedial coursework. Efforts to adopt best practices *within the constraints of existing policy* are not likely to produce optimal results. No amount of commitment and hard work across the system can have the needed impact while these larger policies work at cross purposes to student success.

Policy Changes Can Promote Student Success Strategies



We have described how finance policies and the prevailing institutional culture are preventing application of knowledge about how to improve student success. In this section we provide recommendations for policy change – both for changes to finance policy and for academic/support policy changes that could be accomplished by the system if it could overcome the constraints imposed by the current institutional culture.

First, we put forth a comprehensive set of changes in finance policy. We organize these recommendations to show how they would address the three problems we have identified with current finance policies: a lack of overall resources, poor targeting of existing resources, and too little flexibility for colleges in the use of resources. Next we show more specifically how policy changes would promote implementation of each of the six strategies. We distinguish between finance policy changes and academic/support policy changes that would both require a dedicated effort to overcome institutional culture barriers to student success.

It is our conclusion that necessary gains in student success will only be achieved through policy reform. Because the institutional culture inhibits reform, external stakeholders can help advance the pace of change by increasing their expectations for community college student success.

Recommended Changes in Finance Policy

More resources for colleges and students

- Increase the state’s investment significantly in educating community college students seeking a credential, basic skills, or workforce advancement
- Allow districts to retain fee revenue on top of the state appropriation
- Adopt differential per-unit fees – with a lower per-unit charge for full-time course load
- Increase the size of the CalGrant award to help students defray the non-fee costs of college
- Provide a budget for the Chancellor’s Office consistent with its mission to lead the largest segment of higher education in the state

Existing resources better targeted to achieve student success

- Incorporate fiscal incentives for cooperation between K-12 and community colleges on college readiness into K-14 education funding
- Reduce the portion of the base allocation to districts that comes from 3rd week enrollment and incorporate incentives for student progress and success

- Provide enriched funding levels for serving under-prepared and low-income students with added incentive for graduating such students
- Change allocation formulas of categorical programs to encourage the outcomes that the categorical programs are intended to achieve
- Incorporate incentives for offering high-need, high-cost programs into the base funding model

More flexibility in college use of resources to meet local needs

- Modify the 50 percent law to incorporate all but administrative and facility expenditures to allow colleges to find the best mix of academic, academic support, and student support services to promote student success¹⁹
- In conjunction with an allocation formula that rewards student progress and success, minimize rules that prescribe how colleges are to spend their funds
- Eliminate or re-design categorical programs that create silos between academic affairs and student affairs and prevent colleges from adopting college-wide priorities for resource allocation and holistic approaches to education
- For remaining categorical programs, minimize requirements for how funds must be used and focus accountability on ensuring that program objectives are met

How Policy Changes Can Promote Student Success Strategies

1 Increased readiness

Finance policy changes. Reforming finance policy will improve college readiness by fostering collaboration between the K-12 and community college sectors around curriculum alignment – a reform direction that is being pursued vigorously nationwide. Under current finance mechanisms, community colleges have no fiscal incentive to promote readiness because they are funded for enrollment irrespective of how under-prepared students are for college. Since Proposition 98 divides funding between K-12 and the CCC, more efforts to promote readiness in high school could mean

less money allocated to the CCC. A portion of Proposition 98 funding could be reserved for cooperative efforts to improve readiness.

Academic/support policy changes. The above reforms require that the community colleges adopt a standardized definition of college readiness – again, something where California is lagging behind much of the country. To increase college readiness, the CCC should:

- standardize the definition of college readiness and adopt an early assessment program in high school
- disseminate strong messages about the benefits of attending direct from high school, full-time, and continuously

2 Early success

Finance policy changes. The effectiveness of the assessment and placement process has been questioned by many in recent years, including groups within the CCC system, as being overly complex and ineffective in directing students to appropriate classes in which to begin their college careers.²⁰ One barrier to fixing this problem would be overcome by the funding changes we recommend. If colleges were less dependent on 3rd week FTES funding, and were rewarded for student progress and success, they would be more willing to (a) require under-prepared students to take remedial courses and (b) enforce prerequisites for enrolling in college-level courses. Under current funding mechanisms they risk loss of FTES funding by imposing such requirements.

Academic/support policy changes. An effective assessment and placement process starts with actions that the CCC can take now to ensure that students are assessed to determine if they are ready for college-level work. Contrary to widespread fears, a common assessment pegged to a systemwide readiness standard *does not* require a standardized curriculum. Colleges could maintain variable local curricula that they judge will best bring students to the college-ready standard. These and other actions can be taken now to help students build positive academic momentum in the all-important first year of college:

- standardize assessment instruments to use in conjunction with multiple measures

Policy Changes Can Promote Student Success Strategies

- ensure that all degree-seeking students are assessed for college readiness
- set academic progress conditions for Board of Governors fee waiver renewal
- institute early alert systems to identify students early who are in need of help
- where the Chancellor's Office has discretion over allocations (e.g., the basic skills funds), use distribution methods (other than FTES) that encourage student success

3 Clear goals and pathways

Finance policy changes. This strategy requires additional resources to give students the early guidance they need to set their academic goals, lay out a plan for achieving them, and receive full orientation to college. These resources can come as a result of a variety of the money reforms listed above, i.e., additional state and/or student fee revenues, better targeted matriculation funds, and modifications to the 50 percent law.

Academic/support policy changes. In addition to giving students more guidance to find their way through a confusing array of options, much can be done to ease the information burden on students by streamlining and structuring the options available to them. This could enhance students' chances of following a path that leads to one or more educational credentials. With the exception of the last item, which requires collaboration with the two public university systems, the colleges should be able, independently, to do the following to help students:

- require degree-seeking students to enroll officially in an academic program by a certain time
- create more structure to degree pathways, including sequencing certificates as first steps on the way to associate degrees
- develop transfer associate degrees and/or a common general education core to simplify the transfer path and process for transfer-bound students

4 Effective enrollment patterns

Finance policy changes. In *Beyond the Open Door* we identified a number of enrollment patterns that were more effective in promoting student success. Full-time and continuous enrollment, timely course registration, and minimal course dropping were among the successful patterns. Excessive work hours, usually related to financial need, can cause students to spend too little time in class and on related school work. An increased state investment in financial aid, and incentives for colleges to help students apply for the aid for which they are eligible, would help more students attend on a more full-time and continuous basis. A differential fee structure, with the lowest per-unit fee for full-time course loads, would provide incentives for students to follow effective patterns.

Academic/support policy changes. The following actions could be taken by colleges and the system to encourage effective enrollment patterns:

- require academic progress for BOG fee waiver renewal
- reduce restrictions on on-campus jobs to increase time on campus
- allow colleges to charge campus-based fees to encourage effective enrollment patterns (e.g., fees for late registration, course add/drop/repeat)
- provide incentives for full-time, continuous enrollment (e.g., priority registration)
- revise academic policies to encourage student progress

5 Intensive student support

Finance policy changes. More resources are needed to support student services. As noted above under the "clear goals and pathways" strategy, these resources can come as a result of additional revenues, better targeted matriculation funds, and modifications to the 50 percent law.

Academic/support policy changes. In addition to the silos that are structured into the categorical program regulations, there are college and system policies that are currently inhibiting innovative approaches to basic skills instruction (and probably other academic programs) that combine academics with student support. Accordingly, the colleges and system should:

- revise academic policies that inhibit collaboration between academic and student affairs (e.g., policies related to how faculty and staff are funded to coordinate their efforts and to the academic calendar constraints on how classes can be structured)

6 Using data to inform decisions

Finance policy changes. The CCC has a well-developed management information system (MIS) that supports the recently-developed Accountability Reporting for Community Colleges (ARCC) system. More resources would allow more development and use of these systemwide tools and more investment in research and planning across the system where there is a wide variation in capacity. It is especially critical that the state follow the lead of many other states in developing the K-16 student data system that will allow researchers to answer many more questions about student success as students move across educational segments.

Academic/support policy changes. There are some critical elements missing from the MIS and ARCC that the CCC should remedy soon by taking the following steps:

- expand the systemwide MIS system to collect: (1) readiness data (e.g., high school transcripts, CST²¹ scores), (2) assessment data from assessments administered by the colleges, (3) data on enrollment in programs (not just courses) (4) students' use of matriculation and other student services
- modify the ARCC reporting system to report student progress and success rates (1) for students with fewer than 12 units, (2) by race/ethnicity

Leadership to Put Student Success First

One of the many challenges facing the leadership of the California Community Colleges – the leadership at all levels – is to keep student success as the primary focus amid the competing stakeholder demands and interests in the vast and diverse system. The policy changes we have outlined reflect such a focus. The finance policy reforms will mostly require legislative action. Many of the academic/support policy changes, however, can be accomplished through internal steps to change system policy and practice. In all cases, change will not come easy and will require leaders inside and outside the system to focus relentlessly on the needs of the students.

It Could Happen: An Achievable Agenda for Student Success

A Growing Interest in Policy Change

Since the publication of *Rules of the Game*, we have spoken with and heard from many people about the need and prospects for the kinds of policy changes we believe are warranted. After publishing *Beyond the Open Door* and *Invest in Success*, we invited individuals from inside and outside the system to join advisory panels to share reactions and ideas for moving forward. The panels included community college system officials, faculty, administrators, student services staff, institutional researchers, and outside researchers and policy experts. We have encountered a strong and growing interest in pursuing, or at least considering, many of the recommendations outlined in the previous section.

The formal responses we received from advisors reveal a strong consensus that we have identified the right six strategies for improving student success. Everyone agrees that the first year is a critical period in which much more needs to be done to help students become oriented to college, set appropriate goals, enroll in the right classes, and get the help they need in and out of the classroom. Actions to increase student preparation before arriving are strongly supported, as are efforts to help students get sufficient financial support to spend more time in college and less time at work. Everyone wants good data to better understand what helps students succeed.

There is also widespread agreement that a funding system that rewards colleges for enrolling students but not for helping them succeed has serious problems. There is far less consensus as to what system, if any, would be better. Our suggestions for introducing new funding elements that create incentives for student progress and success have been met with considerable support, but with the proper admonition that care be taken to design any new system carefully. Some people strongly agree with our analysis that rules and regulations governing how funds are spent are excessive and prevent innovation and responsiveness. Others strongly support the current set of rules.

From our consultations, we have concluded that there is a core of potential change agents who would support efforts to reform finance policy as well as many of the other changes we recommend. This group, and others of like minds could help shape the institutional culture to be more supportive of the needed changes.

Incremental Change is Too Slow

In spite of growing support for the fundamental changes we recommend, the prevailing view within the system is that any change must be incremental because it is necessary to find common ground among the various internal stakeholders in the system. The CCC shared governance system ensures that changes are considered deliberately and that consensus is sought wherever possible. A consensus model of change would almost certainly rule out the finance policy changes that we believe are needed. It has for years ruled out many of the other actions we recommend, including many that are embraced by the system's most dedicated faculty and staff.²² Another common view within the system is that nothing of significance can be accomplished without a huge infusion of state resources.

We believe that the students of California and the state itself are poorly served by an incremental approach or by waiting for the state's fiscal picture to brighten and lawmakers to shift substantial amounts of resources from other sectors to community colleges. With each passing year of minimal change, another set of students is knocked off the path to the better life achieved through a college education. The time between enacting policy change and seeing more educated Californians is already several years, at best. How many more students will we leave behind and how long can California withstand declining education levels and the social and economic implications that come with it? There are steps that can be taken until more state resources become available and those steps can help the CCC make a stronger claim for those resources.

Engaging External Partners in an Agenda for Student Success

Change of the magnitude that we envision rarely occurs totally from within an organization – especially one as large, complex, and steeped in rules and traditions as the CCC. Stakeholders from outside the system – business leaders seeking educated workers, Latino and other community leaders calling for institutions that work for the new majority, and the general public who understands the value of a college degree – must become helpful partners to those inside the system who have indicated a willingness to work for change by increasing their expectations that the system help students earn college degrees.

We believe that having a clear agenda for change will help this partnership develop and will sustain it as it necessarily confronts opposition elements. It should be easier for those inside the system to push a student-centered agenda if such an agenda has a size and shape. In this section we offer an agenda for policy change which we believe could garner sufficient support inside and outside the community college system to lead to significant and lasting increases in community college student success.

A Vision of Success (see foldout insert)

To illustrate that the community colleges could do their share to help California produce more educated people, we present a vision of success by comparing the outcomes for the 1999-2000 cohort of first-time CCC students (as originally presented in *Rules of the Game*) with a hypothetical cohort of students entering the CCC after the implementation of the recommended policy changes.

To create this hypothetical cohort of students, we imagined how many more people would seek certificates or degrees, or transfer from a community college if the state matched the national average in the percent of students going directly to college after high school and encouraged more young people who have fallen out of the educational system to return to school and enter a community college. We also imagined how many more people would complete a community college education if there were more degree seekers and if the student success strategies we recommend were implemented. Effective implementation of the student success strategies would be reflected in an increased number of students entering college prepared, attending full time, and attending continuously.

Based on what we know about the higher success rates of students who follow these patterns, students in our imagined cohort earn degrees at higher rates than the actual cohort we studied (31 percent completion compared to 24 percent). The combined estimated effect of increasing *access* to the community colleges for degree-seeking students and increasing the *success rates* of enrolled students from 24 percent to 31 percent is about 50 percent more students completing a program.²³ This is close to the increase that is needed annually to bring California up to the level of the leading economies.

An Achievable Agenda for Student Success

Changes in Finance Policy

- ✓ Increase the state's investment in educating community college students seeking a credential, basic skills, or workforce advancement
- ✓ Allow districts to retain fee revenue on top of the state appropriation
- ✓ Reduce the portion of the base allocation to districts that comes from 3rd week enrollment and incorporate incentives for student progress and success
- ✓ Provide enriched funding levels for serving under-prepared and low-income students with added incentive for graduating such students
- ✓ Modify the 50 percent law to incorporate all but administrative and facility expenditures to allow colleges to find the best mix of academic, academic support, and student support services to promote student success
- ✓ In conjunction with an allocation formula that rewards student progress and success, minimize rules that prescribe how colleges are to spend their funds

Academic/Support Policy Changes

- ✓ Standardize the definition of college readiness
- ✓ Ensure that all degree-seeking students are assessed for college readiness and directed to appropriate courses
- ✓ Advise students into academic programs
- ✓ Provide clearer pathways to earning certificates and degrees
- ✓ Require that students make academic progress as a condition for renewal of the Board of Governors fee waiver

The community college system is the biggest supplier of educated Californians – serving 70 percent of the students who annually earn college degrees. But the UC and the CSU must also do better if enough Californians are to become college educated. The universities will need to expand their undergraduate enrollment so that a growing number of community college transfers have a place to continue their education. And they will need to serve students better so that, once again, the public system of higher education in California can collectively take credit for making California the Golden State.

Notes

- ¹ National Center for Higher Education Management Systems and Jobs for the Future (2007). *Adding it up: State challenges for increasing college access and success*. Boston, MA: Jobs for the Future.
- ² Fountain, R. & Cosgrove, M. (2006). *Keeping California's edge: The growing demand for highly educated workers*. Sacramento, CA: Applied Research Center, California State University, Sacramento; Baldassare, M. & Hanak, E. (2005). *California 2025: It's your choice*. San Francisco: Public Policy Institute of California.
- ³ Johnson, H. P. & Reed, D. (2007). Can California import enough college graduates to meet workforce needs? *California Counts: Demographic Trends and Profiles*, 8(4), May. San Francisco: Public Policy Institute of California.
- ⁴ These figures are based on a special analysis done by the National Center for Higher Education Management Systems for the *Making Opportunity Affordable* initiative sponsored by the Lumina Foundation. The data were provided by Dennis Jones, President of NCHEMS.
- ⁵ The NCHEMS projections do not address the number of individuals with postsecondary certificates that will be needed, although we recognize that certificate-level education is an important function of the community colleges.
- ⁶ The University of California serves the top one-eighth of high school graduates and the California State University serves the top one-third. The community colleges serve all Californians age 18 or over who can benefit from college.
- ⁷ Based on data from the California Postsecondary Education Commission, representing an average of figures for 2002-2005.
- ⁸ *Ibid.*
- ⁹ Several other studies have found low rates of transfer and degree completion in the CCC, each using a different method of identifying students attempting to complete, including: Horn, L. & Lew, S. (2007). *Unexpected pathways: Transfer patterns of California community college students*. Berkeley, CA: MPR Associates, Inc.; California Postsecondary Education Commission (2007). *California higher education accountability: Goal-student success: Measure: California community college students' degrees and certificates awarded and successful transfers*. Sacramento, CA: CPEC; Sengupta, R. & Jepsen, C. (2006). *California's community college students*. San Francisco, CA: Public Policy Institute of California.
- ¹⁰ Shulock, N. & Moore, C. (2007). *Rules of the game: How state policy creates barriers to degree completion and impedes student success in the California Community Colleges*. Sacramento, CA: Institute for Higher Education Leadership & Policy, California State University, Sacramento.
- ¹¹ Moore, C. & Shulock, N. (2007). *Beyond the open door: Increasing student success in the California Community Colleges*. Sacramento, CA: Institute for Higher Education Leadership & Policy, California State University, Sacramento.
- ¹² Shulock, N. & Moore, C. (2007). *Invest in success: How finance policy can increase student success at California's community colleges*. Sacramento, CA: Institute for Higher Education Leadership & Policy, California State University, Sacramento.
- ¹³ Examples of these restrictions can be found in *Invest in Success*, pp. 25-30. They include requirements for the portion of budgets that must be spent on instruction and the portion of teaching that must be delivered by full-time faculty and restrictions on the number of consecutive semesters that temporary faculty may be employed.
- ¹⁴ Morgan, G. (1997). *Images of Organization*. Thousand Oaks, CA: Sage Publications. Schein, E (1993). *Organizational Culture and Leadership*. In Shafritz, J and Ott, J. S. (eds.) (2001). *Classics of Organization Theory*. Fortworth: Harcourt College Publishers.
- ¹⁵ Report of the Consultation Council Task Force on Assessment to the Board of Governors of the California Community Colleges, 2007, p. 7.
- ¹⁶ See pp.50-52 of *Invest in Success* for a description of the policy reforms being considered elsewhere.
- ¹⁷ The system's strategic plan, titled *Education and the Economy: Shaping California's Future Today*, can be found at <http://strategicplan.cccco.edu/>.
- ¹⁸ *System Strategic Plan Implementation Status Update*, October 2007. Available at http://strategicplan.cccco.edu/Portals/0/goal_update_10_16_07.pdf.
- ¹⁹ The "50 Percent Law" requires every district to spend at least 50 percent of its operating budget on salaries of classroom instructors (California Education Code 84362(d)).
- ²⁰ See *Beyond the Open Door* pp.23-34 for a critical analysis of the process and pp. 32-33 for a summary of efforts within the system to address problems with the process.
- ²¹ California Standards Tests – administered to students annually through 11th grade.
- ²² A good example is the assessment and placement issue which has been studied internally for years. Most recently, after a strong call for action by the Board of Governors, a task force was not able to agree that all degree-seeking students should be assessed.
- ²³ Data are not available to make a precise estimate of the impact on completion of increased access and more students following more successful enrollment patterns. This is only a rough projection made from our own analysis of enrollment patterns in *Beyond the Open Door* intended to instill a vision about the possibilities of a greater community college role in educating Californians.





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thanks the following sponsors for their support of this research and report.



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