



INSTITUTE FOR HIGHER EDUCATION  
LEADERSHIP & POLICY

# RULES OF THE GAME:

*How State Policy Creates Barriers to Degree Completion and Impedes Student Success  
in the California Community Colleges*

by  
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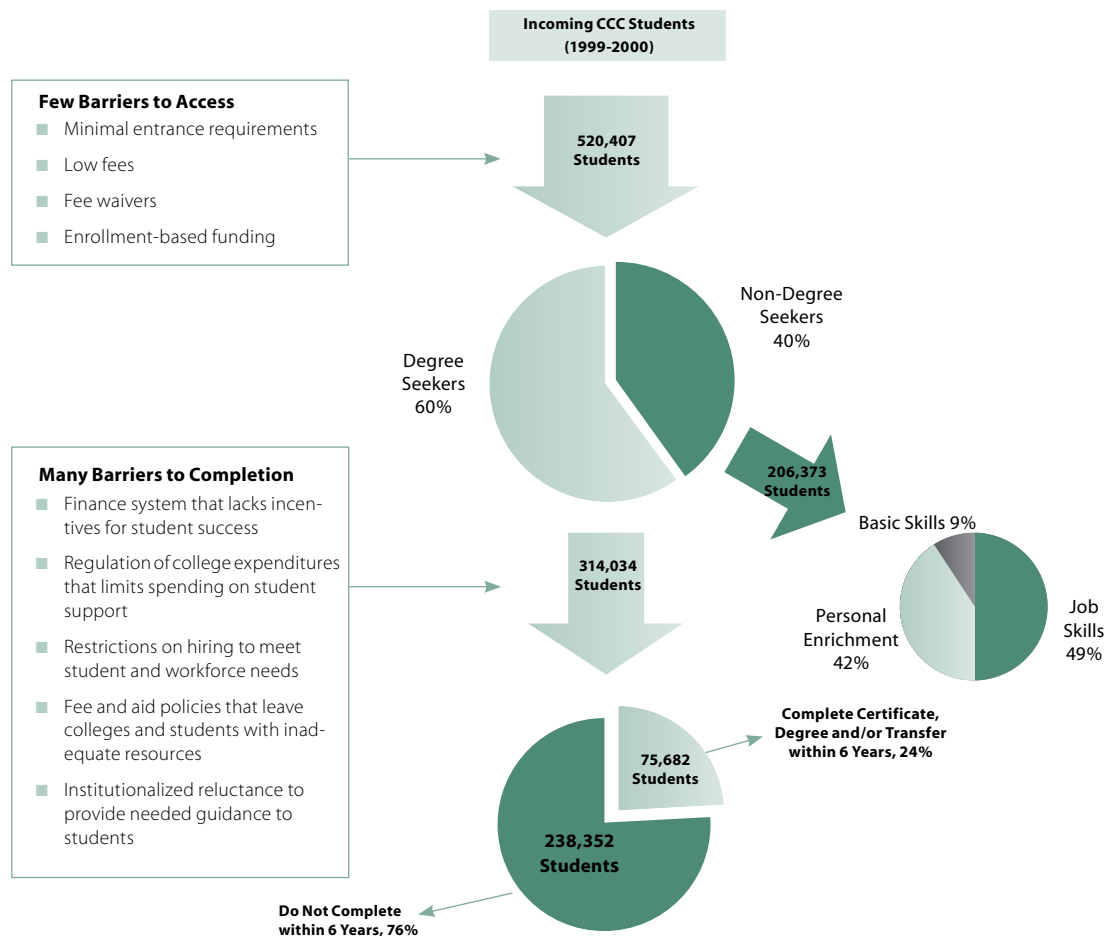
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# Executive Summary

## Low Rates of Degree Completion and Student Success are Threats to California's Future

- Low rates of completion in the community colleges present a serious problem for California's future. Studies project a shortage of college-educated workers to meet the demands of the state's growing knowledge-based economy.
- About 40 percent of first-time students in the California community colleges are not seeking a degree or certificate, but are pursuing basic skills, job skills, or personal enrichment.
- Of the 60 percent who *are* seeking a degree or certificate, only about one-fourth succeed in transferring to a university and/or earning an associate's degree or a certificate within six years.
- Without big gains in educational attainment, especially among the growing Latino population, the state's per capita income will soon fall below the national average and the average education level of the California workforce will decline.



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## Policies Create Barriers to Degree Completion and Impede Student Success

- Historically, public policy has been focused on *removing barriers to access*. These policies have succeeded, as California enjoys high rates of college enrollment.
- But these access-oriented policies have had the unintended consequence of inhibiting completion.
- Barriers to completion result from state public policies in several areas that create the “rules of the game” by which colleges and students make choices that serve to impede student success.
- We must give equal attention to *removing barriers to completion* in view of the urgent need to increase education levels of the state’s workforce. It is not enough simply to open the door to students. Success must be redefined as ensuring that students reach their goals.

## Removing Policy Barriers to Completion Can Increase Student Success and Help the California Economy

- Changes to state policy in the following five areas can reduce barriers to completion:
  1. Reform finance policy by incorporating incentives for completion instead of solely rewarding access.
  2. Grant colleges more flexibility to use their funds to enhance student completion.
  3. Grant colleges more flexibility to hire the faculty and staff they judge will best help students meet their academic goals so they can succeed in today’s workforce.
  4. Modify student fee and financial aid policies to help students meet the high costs of college attendance beyond fees, to encourage more students to attend full-time, and to give colleges more access to fee revenues.
  5. Revise college policies so there are clearer standards and assessments for college readiness, matched with better counseling and support to help students plan and navigate their college careers to maximize their chances of success.
- Nearly three-fourths of California’s public college undergraduates enroll in our community colleges, making the colleges the most important link in the chain of upward mobility and economic health in California. This brief shows that with the right policy reforms, we can solve many of the problems that contribute to the low rates of completion that are impeding the success of students and the state.

# Access without Completion is Putting California's Future at Risk

## Access is Not Enough

The California Community Colleges (CCC) are providing broad access to college, but that access is not translating into degree completion—a troubling trend that could have profound repercussions for the future of the state.<sup>1</sup> Today, less than one-fourth of CCC students fulfill their goal of completing a community college program. Access without completion gives California's college students a false sense of opportunity and could jeopardize the state's competitive edge in the global economy.<sup>2</sup> Low completion is in part due to state policy which, in its focus on access, has produced barriers to completion which have gone unrecognized or unattended. Data from the 520,000 students who entered the CCC in the 1999-2000 academic year help illuminate the policy barriers to completion that must be identified and removed.

California's growing knowledge economy is creating enormous demand for educated workers at the same time that waves of baby boomers are beginning to retire from the workforce. These trends place California at risk of seeing a decline in the percentage of its workforce that is college-educated. The rapidly growing Latino population is currently the least-well educated. Without significant gains in educational attainment among Latinos, the average education level of the California workforce will decline.<sup>3</sup> If this happens, the state's per capita income will fall below the national average in about five years,

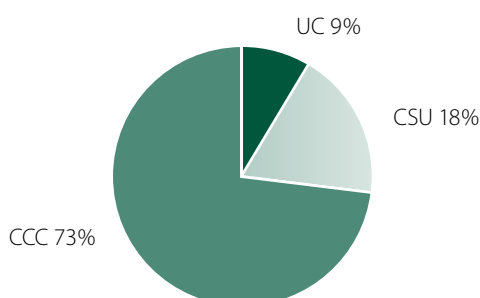
leading to a deteriorating tax base and increasing difficulty for the state to provide services to its people.

The CCC are critical to reversing these troubling trends. By design of the 1960 Master Plan, the CCC's more than 100 campuses serve the majority of college students. Under statewide admission criteria, only the top one-third of high school graduates are eligible for direct enrollment in the University of California (UC) or the California State University (CSU), while the remaining two thirds are directed to the CCC. Many in the top one-third choose to attend the CCC. In all, about 73% of California's public undergraduates attend the CCC, as shown in Figure 1. But far too few of them are earning degrees and certificates to satisfy the projected workforce needs of the state for individuals with college degrees. California is already nearly last among states in the number of degrees and certificates awarded in relation to the number of students enrolled in higher education.<sup>4</sup> And two recent studies warn that without increased degree production there will be a shortage of college-educated workers to meet the demands of the state's economy.<sup>5</sup>

## State Policies Impede Completion by Focusing Exclusively on Removing Barriers to Access

For too long, Californians and their elected representatives have been satisfied with high levels of access and have focused policy attention on *removing barriers to enrolling* in college. With emerging concerns about inadequate education levels of the state's workforce, the time has come to turn attention to *removing barriers to completion*. When, as we document in this policy brief, *less than one-fourth* of the students who enroll intending to complete a college program do so, change surely appears warranted. The good news is that we know that state and system policies are a major cause of the low rates—policies that successfully promote access but unintentionally hinder completion.

Figure 1:  
Most Public Undergraduates Attend the CCC



Californians have always viewed community college as a path to upward mobility, but today that path is obstructed by state policies that, however well-intentioned, are not working for the majority of students. Californians need and demand policies that yield a good return on their tax dollar investment, yet the community colleges serve so many students with such constrained resources that, for too many students, the outcomes are inadequate. The threat to our state's economic future requires that we reject the oft-heard claim that community colleges are "efficient because they are cheap." No matter how "cheap," access without an equivalent commitment to student success conveys false hopes to students and the state. This policy brief, based on two in-depth studies of how finance and enrollment policies affect student success,<sup>6</sup> describes the role that current policies play in impeding completion, and offers recommendations for policy change to better the prospects for students and the state.

Policy discussions about completion rates at the CCC have been frustrated for years by the fact that, unlike students who enroll in UC or CSU, many students enroll in the CCC for reasons other

than earning a degree or a certificate. Community college officials have justifiably been wary of completion rate measures that do not account for these multiple intentions of students—which lead to "multiple missions" of the colleges. But it is not simple to compute completion rates for those students who do seek to earn a college credential. Current enrollment processes and data systems do not generate clear information about students' goals, thwarting efforts to understand the magnitude of the completion problem or if students with other goals meet those goals.

The research summarized in this policy brief is aimed at documenting and improving the success rates of students seeking credentials. This has required developing a method for distinguishing between those who seek a degree or certificate and those who do not (see box). *Using this method, we conclude that in the 1999-2000 entering cohort 60 percent of students were seeking a degree or certificate and 40 percent were not.*<sup>7</sup> By dividing a CCC entering class into degree-seekers (which include both degrees and certificates) and non-degree-seekers, we hope to open up new avenues of discussion about completion and multiple missions.

## Methodology

### Description of California Community College Data

Data for this research are from the California Community Colleges Chancellor's Office. The dataset contains demographic and course-taking records for all students enrolled in the system, as well as records of degrees/certificates earned and transfers to 4-year universities.<sup>8</sup> We analyzed data for the entering cohort of students who initially enrolled in one or more credit courses during the 1999-2000 academic year. We did not include non-credit students or high school students. Our data set included 520,407 students. We tracked the students over a six-year period, through 2004-05.

### Method for Classifying Students as "Degree-Seeking"

Students were classified as "degree-seekers" if they:

1. were age 17-19 at the time of initial enrollment; *and/or*
2. indicated a goal of degree or certificate completion or transfer upon enrollment or after meeting with a counselor; *and/or*
3. demonstrated intent to complete through their behavior by completing at least 12 units and attempting a transfer- or degree-level English or math course.

### Rationale for Three "Degree-Seeking" Criteria

1. Research demonstrates that younger community college students are more likely than older students to report a goal of earning a degree or transferring to a university, and are more likely to actually achieve that goal.<sup>9</sup> In our dataset, more than two-thirds of completions occurred among students who were under 20 years of age at initial enrollment.
2. Two-thirds of students who successfully completed had indicated a goal of completing when they enrolled or after meeting with a counselor, suggesting that age and stated intent are equally valid indicators of degree-intent.
3. The third criterion, a measure of behavioral intent to complete, was adopted by the CCC as part of AB1417 accountability reporting based on analysis of student course-taking behaviors.

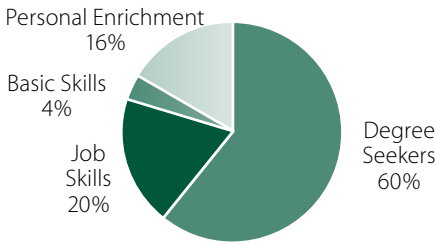
# Multiple Missions: Key to Understanding Completion Rates

## Understanding Non-Degree-Seekers: Job Skills, Basic Skills, or Personal Enrichment

Differentiating degree-seekers from non-degree-seekers is an important step in assuring that the analysis of student progress toward completion is undertaken *only* for those students seeking to complete a program. Before turning to degree-seekers, however, it is worth taking a brief look at non-degree-seekers to understand how aspects of the colleges’ multiple missions can serve to raise education levels of the state’s workforce - which is the principal concern of this study.

The non-degree-seekers, who together make up 40% of the entering cohort we examined, fall into three very different categories (see Figure 2) based on the types of courses they take. The

Figure 2:  
CCC have Multiple Missions



majority of courses for “job skills” students are occupational, as classified by the CCC. “Basic skills” students take a majority of remedial courses. “Personal enrichment” students are those for whom the majority of course enrollments are neither occupational nor remedial; courses such as physical education and art qualify as personal enrichment.

The majority of non-degree-seekers are pursuing either basic skills or job skills that one can assume will help them enter or advance in the workplace. However, a significant minority (42%) are taking courses for personal enrichment. Figures 3-5 display a breakdown of the course enrollments for each category of non-degree-seeking student.

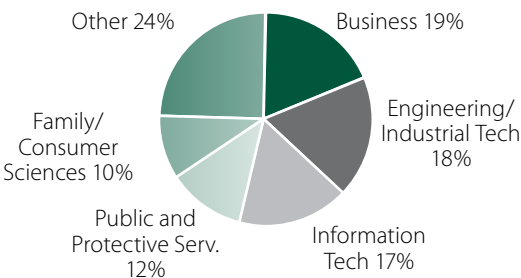
## Job Skills

Many students need courses for job-related purposes but do not need a certificate or degree. The majority of “job skills” students are white and over age 30. They tend to take a few courses over a short period of time and complete those courses successfully.

### A Typical Job Skills Student

A 38-year-old white male initially enrolled with a stated goal of acquiring job skills. He enrolled in five Information Technology courses over three terms. He dropped one course after the census date. He attempted 14 units and completed 12.

Figure 3:  
Course Enrollments of Job Skills Students



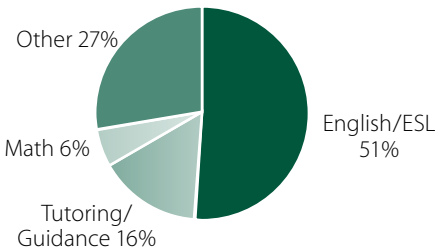
## Basic Skills

The smallest portion of non-degree-seekers are those trying to acquire basic skills. Most of them are non-white, largely due to the need among immigrant populations for English courses. They attempt the most units among the three groups of non-degree-seekers but have the lowest rates of successful course completion.

### A Typical Basic Skills Student

A 34-year-old Hispanic female initially enrolled with a stated goal of improving basic skills. She enrolled in four ESL/English courses over two terms. She dropped two of the courses. She attempted 12 units and completed 6.

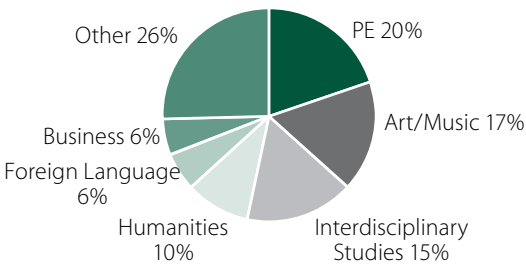
Figure 4:  
Course Enrollments of Basic Skills Students



### Personal Enrichment

Community colleges offer a wide array of courses that individuals of all ages and education levels find enriching, but a few subjects draw the most interest. One-third of these students enrolled *only* in physical education, art, music, or foreign language courses. The majority of these students enroll for more than one term and for more than six units, but the rate of successful course completion for this group is lower than all but the basic skills students.

Figure 5:  
Course Enrollments of Personal Enrichment Students



### A Typical Personal Enrichment Student

A 40-year-old white female initially enrolled with a stated goal of intellectual/cultural development. She enrolled in four foreign language classes and two PE classes over three terms. She dropped two of the foreign language courses. She attempted 17 units and completed 12 units.

Table 1:  
Differences across Student Populations

	Degree Seekers (60%)	Non-Degree-Seekers (40%)		
		Job Skills	Basic Skills	Personal Enrichment
<b>Age at Enrollment</b>				
Under 30	83%	11%	21%	18%
Over 30	17%	89%	79%	82%
<b>Gender</b>				
Female	53%	53%	61%	58%
Male	47%	47%	39%	42%
<b>Race/Ethnicity</b>				
White	42%	57%	19%	57%
Latino	29%	21%	51%	20%
Asian	17%	11%	19%	12%
Black	9%	8%	9%	8%
Other	3%	3%	2%	3%
<b>Avg. Course Completion Ratio*</b>	61%	68%	45%	58%
<b>Units Attempted</b>				
<=6	13%	51%	32%	44%
>6 to 12	9%	21%	29%	27%
>12	77%	27%	40%	30%
<b>Terms Attended**</b>				
1	15%	52%	45%	42%
2-3	20%	27%	34%	34%
4-5	15%	11%	12%	11%
>5	50%	10%	9%	13%

\* Defined as the share of courses successfully completed with a grade of A-C (or Credit if the course was pass/fail)

\*\* Total number of terms enrolled, including summer term and winter intersession

Table 1 shows that degree-seekers and the three groups of non-degree-seekers differ significantly in important ways beyond their goals. Compared to degree-seekers, non-degree-seekers as a whole are older, more likely to be white, and take fewer courses over fewer terms, although about one-quarter of them attend for at least four terms. We now turn to patterns of student progress and success for the 60% who are seeking a college degree.

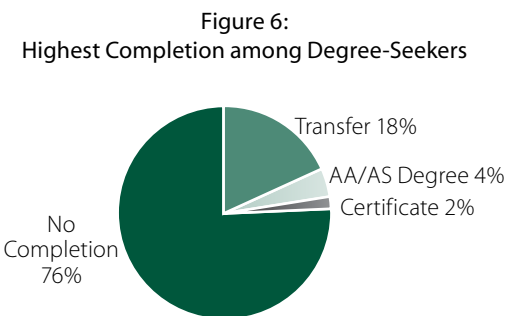
# Degree-Seekers: Completion Rates are Low

## A Look at the Data

Approximately one in four degree-seekers in the cohort “completed” – meaning they earned a certificate or degree, transferred to a four-year university, or achieved some combination of those outcomes within six years of enrolling in the CCC. Figure 6 shows *the highest* completion level for those who completed. Eighteen percent of degree-seekers transferred to a four-year institution, while an additional six percent earned a certificate or an associate’s degree without transferring. *76% of degree-seekers did not achieve any of these outcomes within six years of enrolling in the CCC.*<sup>10</sup>

Although we define transfer to a four-year institution as “completion,” many transfer students end up with no college degree. An associate’s degree is not required in order to transfer and most students do not get one before transferring. If they then fail to complete the baccalaureate, they have no college degree to show for their considerable efforts (e.g., about 68% of CCC transfers to CSU graduate within 6 years).

We have uncovered some patterns in the completion data that are worthy of note, because they can help guide efforts to craft policy solutions.



## Race/Ethnicity Matters

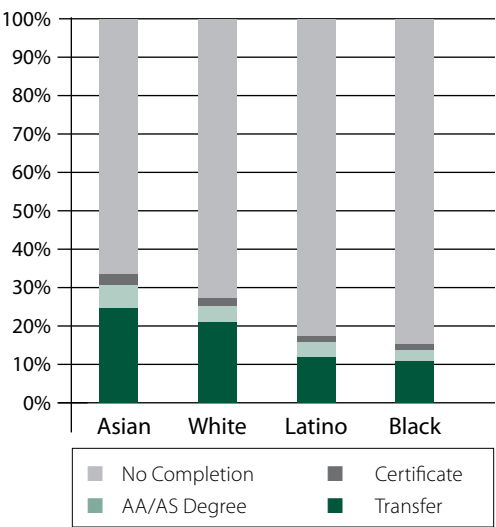
Black and Latino students have lower rates of completion than white and Asian students, due in large part to substantially lower rates of transfer to four-year institutions (see Figure 7). The rates of completion in the cohort were:

- 15% for black students;
- 18% for Latino students;
- 27% for white students; and
- 33% for Asian students

These disparities are of critical importance because Latino students make up the fastest-growing population within community colleges as well as the workforce.

The community college is viewed as the principal route to upward mobility for many of California’s Latinos, but the disparities in completion rates belie this hope.

**Figure 7:**  
Highest Completion among Degree Seekers  
by Race/Ethnicity



## Age Matters

Research consistently finds that younger students are more likely to finish college. In our analysis, we found that the older students were upon initial enrollment, the less likely they were to complete a program of study. The percentage of students in each age group that completed a program of study were:

- 27% of students between ages 17 to 19;
- 21% of students in their 20s;
- 18% of students in their 30s; and
- 16% of students age 40 or older.

This pattern is important to note because the community colleges are typically commended for being accessible to students of all ages and they enroll students of all ages. But judging from the data, as well as national research, degree-seeking students take on an additional risk of never completing, the longer they delay college enrollment.

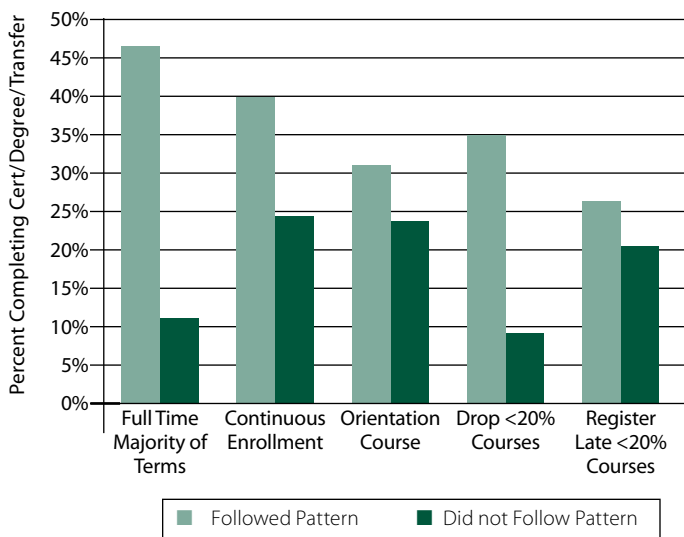


## Enrollment Patterns Matter

We found that enrollment patterns are related to student success (see Figure 8). In particular, completion was more likely among those who:

- attended full time in a majority of terms enrolled;
- enrolled continuously without taking time off;
- completed an orientation course;
- dropped few of their courses; or
- registered on time for most of their courses.

Figure 8:  
Certain Enrollment Patterns are Related to Higher Completion



These patterns help illuminate the completion problem in the CCC because too few degree-seekers in the CCC follow these documented, successful patterns of enrollment. Only about one third of students enrolled full time (12+ units) in a majority of the terms they attended, yet these students were *four times* more likely to complete than the two-thirds who enrolled part-time in most terms. Similarly, only about one-third enrolled continuously without stopping out. Only one in six students took an orientation course. More than 40% of students dropped more than one in five of the courses they enrolled in, and 46% registered late for more than one in five courses.

## What Can be Done about Low Completion Rates?

Without question, the lower completion rates for Latinos, who will account for the largest growth in the workforce in the coming years, should force this issue to the top of the state's policy agenda. The finding that completion decreases steadily with age of entry signals a need to send stronger messages about the importance of early college enrollment, and to institute financial incentives through fee and aid policies that make timely enrollment possible. The findings that part-time enrollment and other course-taking patterns can sharply increase a student's risk of never completing college should drive policy reforms as well so that students are more aware of, and more likely to follow, successful patterns.

We turn now to specific areas of policy where we have identified barriers to completion and student success. Understanding and addressing these policy barriers offer the best hope of improving the prospects for students and the state.

# Rules of the Game: Policy Barriers to Completion

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## Policies Promote Access But Not Completion

For decades policies have been adopted in the interest of removing barriers to access. These policies have been successful, as California enjoys very high rates of college enrollment. But with a steadfast focus on access comes the need for an increased commitment to help students succeed. In view of the urgency of increasing the education levels of the state's workforce, it is crucial to give equal priority to reforming those policies that are serving as *barriers to completion*. The rest of this report, therefore, focuses exclusively on degree-seekers and the policies that are impeding their degree completion.

Some argue that completion rates are destined to be low at open enrollment institutions and that the colleges can't do anything about it until they attract better-prepared high school graduates. They insist that California's community colleges do the best they can given their resources and their mission to help the students that other educational institutions neglect. *This argument ignores the powerful impact that policies can have through the incentives they create. It also displays a certain hopelessness that can't be accepted in view of the state's urgent need for more educated workers.*

Our research leads us to conclude that there are severe policy dysfunctions that contribute to the low completion rates. Policies can depress completion rates by creating incentives *for colleges* to behave in certain ways and by creating incentives *for students* to make certain choices. For example, because the CCC are funded based on the number of students registered for classes on a certain day, colleges logically seek to fill seats. Students "see" the effect of the policy (and the college response) when they are allowed to register late for classes with no penalty, pre-requisites are loosely enforced, and remedial courses can be postponed.

We refer to policies as the "*rules of the game*." They have been developed incrementally over decades, usually in response to reasonable

concerns. However, well-intentioned policies sometimes encourage behavior that was not intended or foreseen. Community colleges follow the rules in order to survive financially, legally, and politically. The rules also create incentives for students, who respond in order to simplify their lives, to reduce their costs, or simply because they prefer some things over others. But the combined impact of the actions of colleges and the choices of students is low completion. Often college officials know how to help students complete their degrees, but current policies either restrict or discourage those actions. Students may not know what choices are best and our policies are not helping them make the best choices. In short, we have designed a system that impedes, rather than facilitates, college completion. *It is time to change those rules and design a better system.*

## Specific Policy Barriers

We have identified five clusters of policies which have been adopted over time for understandable reasons, but have had the unintended consequence of inhibiting completion.<sup>11</sup>

Four of the policy clusters involve finance, broadly defined to include laws and regulations that affect how much funding each college receives, how colleges can use their funds, the fees students pay, and the conditions of student financial aid eligibility. These policies reflect evolving political consensus about adequacy and fairness and the traditional regulatory approach to controlling how public funds are spent. A fifth set of policies influences how students are advised and counseled to choose courses and make academic decisions. These policies are especially influential for under-prepared students. We discuss these five sets of policies below and illustrate how the policies, despite their original intentions, are depressing completion rates.

## 1 Enrollment-based Funding

The most notable feature of CCC finance policy is that colleges receive most of their funds based on enrollment at a set date early in the term. This leads to what many college officials disparagingly call the “FTE chase” in reference to the “full-time equivalent” computation of enrollment that pays most of the bills. This chase can lead to a variety of actions that are boons to enrollment but deterrents to completion. In short, current finance policy places disproportionate emphasis on the front end of a student’s college pathway: we are buying college enrollments but not college completion.

### Enrollment-based funding



#### encourages colleges to do the following to maximize funding:

- Encourage incoming students without stressing the need for preparation
- Allow degree-seeking students to avoid initial assessment
- Make remedial education voluntary
- Get as many students enrolled through week 3 as possible
- Allow students to register late for classes
- Postpone exams and assignments until after week 3
- Minimize the use of course pre-requisites

#### allows students to do the following in response to college policies:

- Register late for courses
- Avoid getting assessed for basic skills proficiency
- Avoid or delay enrolling in remedial courses
- Take college-level courses before being prepared to succeed

## 2 Regulation of Expenditures

There are numerous rules about how colleges must spend their funds. Most significant is the law that each college must spend at least 50% of its budget on direct classroom instruction - on the salaries and benefits of faculty for their classroom teaching. This means that colleges face strict limits on what they can spend on staff who provide support services that are essential to so many of today’s CCC students, such as academic advisors, financial aid advisors, information technology consultants, health care staff, and orientation leaders. Also on the “wrong” side of the 50% is the time that faculty spend working with students outside of the classroom, such as on advising, working with student organizations, or updating curricula; faculty salaries are literally split into the two categories.

Another source of heavy regulation are categorical programs, which provide funding for specific purposes – such as disabled student services and financial aid administration. These programs typically have elaborate regulations about how the funds must be spent within each program, require colleges to allocate matching funds in specified ways, and require extensive documentation of the uses of funds.

### Regulation of expenditures



#### requires colleges to comply by:

- Hiring a mix of faculty and staff that may not be optimal to ensure student success
- Spending funds on lower priorities than those that could promote greater student success
- Spending scarce time and money documenting and justifying inputs instead of outcomes

Such regulations reflect the traditional approach to public agency accountability, under which managers are held accountable *not for the outcomes* they accomplish but for *how they use their resources*. Newer approaches call for managers to clearly articulate goals and be accountable for results. This requires that managers be granted flexibility to use organizational resources as they judge will best produce the desired results. Leaders in the CCC are in a tough position because they are increasingly being asked to account for *outcomes* but are highly constrained as to *how* they may spend their funds. These restrictions have very real implications for student success.

# Rules of the Game: Policy Barriers to Completion *(cont.)*

## 3 Restrictions on Hiring

Similar to the regulation of expenditures is a set of restrictions on hiring. For example, state law requires that 75% of instruction at each college be taught by full-time faculty<sup>12</sup>. There are also limitations on workload and hiring of part-time and temporary faculty. Various provisions of union contracts and academic policy can also limit a college's ability to best meet students' needs through its hiring decisions. All of these provisions were well-intentioned efforts to address the rights of faculty and to ensure a corps of full-time faculty that is essential to quality instruction. But they have an impact on a college's ability to offer the courses and teach the skills that students want and that are needed by employers in the local communi-

### Restrictions on hiring



#### require colleges to comply by:

- Basing faculty hiring decisions on arbitrary ratios rather than the needs of the students and the community
- Restricting course offerings that students want and that are needed by employers in the local communities
- Canceling classes that students need to graduate, if taught by part-timers
- Offering too few remedial classes if full-time faculty are not available

ties that the colleges are supposed to serve. They also limit a college's flexibility to adjust staffing patterns to follow enrollment trends.

## 4 Student Fees and Financial Aid

Unlike most other states, fee revenue constitutes a very small portion of the funds available to California's community college system—only about 7%. Reflecting a priority on access, student fees are the lowest in the nation by far. Moreover, needy students can readily get their fees waived and about 29% of students do so, accounting for a full 42% of units taken.<sup>13</sup> Colleges receive state funds to replace revenue lost from waived fees. Therefore, fee waivers can enhance college revenues by increasing enrollment (and the associated state funding) without reducing fee revenue. Colleges are prohibited from charging other kinds of fees that are common elsewhere, such as technology fees or fees for dropping or adding courses late in the term or repeating courses multiple times. Finally, fees collected from students do not add to a college's resource base. Each college has a computed formula allotment and fee revenues are counted toward the allotment *before* state funds are allocated to make the college whole. The lack of a link between fees collected and resources available removes any incentive for colleges to support fee increases.

These various fee policy provisions encourage colleges to view fees only as a barrier to enrollments (and therefore funding) rather than a source of revenue that could enhance services to students. In the end, although state support per student is similar to many other states, the low fees mean that total per student funding levels are well below national averages.<sup>14</sup>

### Student fee and aid policy



#### encourages colleges to:

- Oppose fee increases, leading to below average revenues
- Provide minimal oversight of fee waiver eligibility
- Focus less on available federal and state aid than is desirable

#### encourages students to:

- Enroll in courses without much forethought
- Add and drop courses repeatedly without financial consequence
- Forgo available federal and state aid
- Work more hours and attend part-time more than necessary

Because access to the CCC has been historically framed around low fees, financial aid policy has emphasized low fees and fee waivers, rather than overall college affordability. This gives students a false sense of opportunity since fees account for only 5% to 7% of the total cost of college attendance (items like room, board, textbooks, childcare, and transportation need to be considered).<sup>15</sup> Students are advised to apply for fee waivers but efforts to steer them to other forms of federal and state aid fall short, leaving California's community college students with more unmet need (after financial aid) than community college students nationally.<sup>16</sup> With inadequate financial aid, students work more hours and attend on a more part-time basis, both of which are factors in low completion.

## 5 Institutional Role in Guiding Student Course-taking

With so many incoming students under-prepared, policies that affect how colleges counsel students into the appropriate courses are indispensable to student success.

CCC policies in this arena are heavily influenced by a 1988 legal challenge by the Mexican American Legal Defense and Educational Fund (MALDEF) that raised concerns that the approach to assessing and placing students in courses was disproportionately directing Latino students into remedial courses. MALDEF dropped the lawsuit in 1991 after the CCC agreed to enact regulations to address equity concerns about assessment, course placement, and prerequisites. Since 1991, in response to the lawsuit and as protection against future legal challenge, the CCC Board of Governors has adopted an extensive set of regulations. The population of under-prepared students and English-learners has expanded dramatically in the CCC such that it is imperative that these policies help students succeed. Our analysis leads us to conclude that contrary to their intent, these policies are *impeding degree completion*.

**Student “right to fail.”** CCC policies diverge in most respects from the growing national literature on promoting the success of under-prepared students. Although there is some variation across the system, in most of the 109 colleges policies reflect an institutional philosophy described by many within the CCC system as “the students’ right to fail.” The philosophy is grounded in concerns about access and racial/ethnic differences in learning styles, language competency, and academic opportunity. It manifests itself in the reluctance to impose requirements on students even when professionals and research data support such requirements as aids to student success. CCC students increasingly enter the system with little in their personal experiences that equip them to succeed in college without proactive and continual guidance. Yet students are allowed to make their own choices largely without guidance. Students are not strictly required to be assessed for basic skills proficiency, nor are they required to begin remedial coursework in their first term or to take the courses at all. There is generally nothing preventing them from taking advanced courses before attaining basic skills proficiency. Students are not typically required to take an orientation course (often called “college success” courses) or to

### Policies on student course-taking choices



#### encourage colleges to:

- Avoid providing necessary guidance to students
- Avoid mandates relating to course-taking

#### encourage students to:

- Avoid getting assessed for basic skills proficiency
- Ignore recommended course placement
- Take college-level courses before they are prepared to succeed
- Avoid getting needed academic advising

see academic advisors periodically to ensure they have defined a pathway to program completion. Since these lenient policies also tend to increase enrollment, as students have open access to courses, there is no financial reason for colleges to question the presumed legal basis for the policies.

**Institutional responsibility to help students succeed.** In stark contrast to CCC policies, the national trend is toward embracing a philosophy of “the institutional responsibility to help students succeed.” States participating in national demonstration projects are moving to set and communicate clear and consistent standards of college readiness, assess all incoming students and place them in appropriate classes, require early remediation of basic skills deficiencies before allowing students to pursue higher-level coursework, and help students identify program goals and pathways for meeting their goals.<sup>17</sup> This commitment to student success requires a level of student support that may be precluded under current CCC policies that limit revenues and restrict or discourage certain expenditures.

**Confusion about MALDEF’s legal challenge.** There is tremendous confusion and misguided conventional wisdom throughout the CCC system as to what the 1988 MALDEF litigation means for delivery of instruction and services. This confusion has led directly to the current atmosphere in which colleges hesitate to provide students with necessary guidance, most likely contrary to MALDEF’s goals. Colleges assume that they are unable to require most anything of students—even an orientation course known to increase student success. MALDEF has indicated, through support for recent legislation<sup>18</sup> and in personal conversations, that it favors efforts to help students succeed, including the judicious use of assessment, prerequisites, and other requirements aimed at increasing student success. We believe that the CCC could modify many of its policies to conform to national trends aimed at helping under-prepared students earn college degrees.

# Recommendations for Removing Policy Barriers to Completion

Our recommendations derive from the policy dysfunctions identified above and are aimed at removing the barriers to completion that accompany current policies. We offer the broad outlines of new policy directions with the intention of spurring discussions about the specific elements of new policy.

## **BARRIER TO COMPLETION:**

### **1** Enrollment-based Funding



## **RECOMMENDATION:**

Fund completions along with enrollments, with bonus funding for completions by disadvantaged and under-prepared students

Changing the basic formula by which colleges are funded by the state could have a powerful impact on completion. Instead of funding colleges solely for the number of students *enrolled* on a set day early in the term, colleges could receive a substantial portion of their base funds for the number of students who *complete* courses or programs or who progress to some threshold point. There are many options for the level of completion for which colleges could be funded. These include completion of courses, completion of 12 units, completion of basic skills, and/or completion of an academic program.

There is, of course, the potential for a new set of undesirable incentives to emerge. One of these would be a reduced willingness of colleges to enroll disadvantaged or under-prepared

students who, historically, have lower completion rates. This could readily be addressed by providing *bonus funding* to colleges for completions by such students. Financially disadvantaged students could be identified by their eligibility for

federal financial aid. This would have the added advantage of giving colleges an incentive to get students to apply for federal financial aid. Other mechanisms could be developed for identifying the under-prepared students for whom colleges would be given added incentive to serve.

A second concern is that colleges could lower academic standards to increase completion irrespective of student learning. This is a genuine issue that should be addressed as options are considered, but should not be reason alone to reject a model that includes funding completions. There is considerable good work underway in the CCC on setting academic standards and assessing student learning which should have implications for developing a policy that rewards student completion while ensuring academic quality.

## **BARRIER TO COMPLETION:**

### **2** Regulation of Expenditures



## **RECOMMENDATION:**

Give colleges flexibility to use their funds to produce desired outcomes

It is unreasonable and inefficient to expect colleges to promote the success of their students when they are subject to so much regulation about *how* they can and cannot use their limited resources. Current policies are contrary to the reform movement in public management which has called for accountability for outcomes in exchange for management flexibility to achieve the outcomes. Moreover, the colleges

are locally governed to reflect key differences in local circumstances. There is no reason why a “one size fits all” prescription regarding how to use their resources will work across 109 colleges.

Funding colleges for successful outcomes and freeing them to pursue those outcomes provides the best hope for achieving success. The requirement that 50% of each college’s budget be spent on direct classroom instruction is perhaps the biggest regulatory obstacle to degree completion but there are many other regulatory impediments to student success that could be removed.

## **BARRIER TO COMPLETION:**

### **3** Restrictions on Hiring



## **RECOMMENDATION:**

Give colleges flexibility to obtain the human resources they judge will best help students complete academic programs in areas that will strengthen the state and local workforce.

Principles of effective management, referenced in the previous recommendation, also call for college leaders to be able to hire the faculty and staff most needed at their local colleges, given

workforce needs, student demand, and prevailing conditions of the local job market. An area of particular concern is basic skills. One reason that students delay remedial coursework is that colleges lack faculty to offer enough course sections. Another critical area is nursing, where there is a huge state-wide shortage of nurses and many students who want to pursue nursing programs. But innovative approaches to addressing the shortage of nursing faculty run afoul of vari-



ous legal provisions and academic policies. A third area is career and technical education for which adjunct faculty bring needed practical skills to the classroom. Colleges need the flexibility to strike a balance among the rights of faculty, the benefits of a corps

of full-time faculty, and the need to provide the best available instruction in each local community. Finding that balance in each college can yield the best results for students, the local economy, and the state.

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**BARRIER TO COMPLETION:****4** Student Fees and Aid Policy**RECOMMENDATIONS:**

- Allow colleges to benefit from fee revenue
- Remove restrictions on campus-based fees
- Develop affordability policy based on total cost of college attendance

officials should be allowed to make those decisions locally.

**Develop affordability policy.**

A new approach to affordability should be developed that recognizes the full cost

**Allow colleges to benefit from fee revenue.** A mechanism should be developed by which fee revenue would provide a distinct, additional source of revenue to colleges without disadvantaging colleges with high rates of fee waivers.

**Remove restrictions on campus-based fees.** As part of the effort to give colleges more tools to manage their finances in the interest of student success, and to encourage successful student behaviors like timely enrollment, the prohibition against campus-based fees should be removed and college

of attending college and expands options for students to obtain financial assistance beyond low fees and fee waivers. The policy should balance the need for affordable education with colleges' need for financial capacity to promote student success. The financial aid elements of a new policy should aim to: (1) increase student participation in state and federal aid programs;<sup>19</sup> (2) increase institutional aid beyond fee waivers; and (3) provide financial incentives for full-time college attendance in view of the strong correlation between full-time enrollment and college completion.

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**BARRIER TO COMPLETION:****5** Policies on Student Course-taking Choices**RECOMMENDATIONS:**

- Revise assessment/placement policies
- Revise campus matriculation policies

that colleges can ensure that students have the necessary skills to succeed in their courses.

**Revise campus matriculation**

**Revise assessment/placement policies.** Assessment and placement policies should be revised to reflect an institutional responsibility to help students succeed. This includes setting clear standards and sending consistent messages to incoming students about what it takes to be "college ready" at community college, and moving toward standardization across colleges of assessment instruments and placement policies. Assessment should be mandatory for degree-seeking students; students with remedial needs should be placed into basic skills courses in their first term. The process for establishing prerequisites should be modified so

**policies.** Degree-seeking students should declare a specific program focus and update their program intent annually. Colleges should provide clear guidance as to the pathways that students can follow to progress quickly toward completion of the selected program. All degree-seeking students should receive substantive orientation to college to help them understand what their options are, what resources are available to them, and what is expected of them in order to maximize their chances of success.

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**Conclusion**

California's future depends heavily on its system of higher education; the community colleges, by virtue of their sheer size and vital set of missions, are the linchpin of that system. Public policy can be a powerful tool for shaping the state's future. The policy

recommendations presented here are offered in the hope that Californians committed to a strong future can work together to devise new policies that will allow everyone to enjoy the benefits of a well-educated California. More resources will undoubtedly be needed, but also needed are policies that ensure that available resources are used wisely to produce the intended results.

- <sup>1</sup> For another recent discussion of low completion rates in the California Community Colleges, see Sengupta, R. & Jepsen, C. (2006). California's Community College Students. *California Counts: Demographic Trends and Profiles*, 8(2), November. San Francisco: Public Policy Institute of California.
- <sup>2</sup> We recognize that students can derive a benefit from community college enrollment even without completing a degree or certificate. For example, they may obtain steady employment or increased wages after some coursework, short of a degree. However, the data are clear that the state needs more workers with postsecondary credentials. This report is focused on meeting that need by increasing completion rates in the CCC.
- <sup>3</sup> National Center for Higher Education Management Systems (2005). *As America becomes More Diverse: The Impact of State Higher Education Inequality, California State Profile*. Boulder, CO: Author. Available at [www.higheredinfo.org/raceethnicity/California\\_State\\_Profile.pdf](http://www.higheredinfo.org/raceethnicity/California_State_Profile.pdf).
- <sup>4</sup> See the NCHEMS Information Center for State Higher Education Policymaking and Analysis at [www.higheredinfo.org](http://www.higheredinfo.org) and *Measuring Up 2006* at [www.highereducation.org](http://www.highereducation.org).
- <sup>5</sup> Fountain, R. and Cosgrove, M. (2006). *Keeping California's Edge: The Growing Demand for Highly Educated Workers*. Sacramento, CA: California State University, Sacramento Applied Research Center; Baldassare, M. and Hanak, E. (2005). *California 2025: It's Your Choice*. San Francisco: Public Policy Institute of California.
- <sup>6</sup> Shulock, N. and Moore, C. (2007, forthcoming). *Rules of the Game: How State Finance Policy Impedes Student Success at California Community Colleges; and Help Wanted: State and System Policies are Impeding Student Success in the California Community Colleges*. Sacramento, CA: California State University, Sacramento Institute for Higher Education Leadership & Policy.
- <sup>7</sup> We consulted with college institutional researchers, research staff in the CCC Chancellor's Office, and officials throughout the system in developing this definition of "degree-seekers." The consensus was that it was a reasonable approach to the lack of firm data on student goals and that 60/40 seemed accurate.
- <sup>8</sup> Through the National Student Clearinghouse (NSC), transfers to all public and private universities are captured. The exception would be institutions that choose not to report data to NSC. According to the Clearinghouse, more than 2800 colleges, enrolling 91% of college students, report data to NSC.
- <sup>9</sup> For example, see Hoachlander, G. & Carroll, C.D. (2003). *Community College Students: Goals, Academic Preparation, and Outcomes*. Washington, DC: National Center for Education Statistics.
- <sup>10</sup> Our measure of the share of CCC students that complete a certificate or associate degree (but do not transfer to a university) may be somewhat understated. Some CCC students may transfer to a two-year proprietary institution and complete a certificate or associates degree there.
- <sup>11</sup> This policy brief focuses on policies internal to the CCC. There are additional policy barriers to student success that span across the segments of education (e.g., complex articulation and transfer system).
- <sup>12</sup> As implemented through Board of Governor regulations, 75% has become a goal rather than a firm requirement. Colleges are penalized if their percentage declines from an established baseline and if they fail to add full-time faculty in proportion to their enrollment growth.
- <sup>13</sup> Students with fee waivers take more units, on average.
- <sup>14</sup> While strictly comparable inter-state comparisons of community college funding are not available, it is widely reported that California's colleges are funded at about 60 percent of the national average when considering both state appropriations and tuition/fee revenues.
- <sup>15</sup> Zumeta, W. and Frankle, D. (2007). *California Community Colleges: Making Them Stronger and More Affordable*. San Jose: National Center for Public Policy and Higher Education, forthcoming.
- <sup>16</sup> *Ibid.*
- <sup>17</sup> *The Achieving the Dream* project sponsored by the Lumina Foundation and the *Bridges to Opportunity* program of the Ford Foundation are two examples of these approaches.
- <sup>18</sup> MALDEF supported SB 1563 (Escutia) to establish an early assessment program for the CCC on a pilot basis and SB 1309 (Scott) which included provisions for ensuring students are able to demonstrate readiness before entry into nursing programs.
- <sup>19</sup> Zumeta and Frankle (2007) document the positive impact that the Board Financial Assistance Program has had in expanding student participation in state and federal financial aid programs and recommend its expansion.



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