

Board Briefs

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The Role of States

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Each State Has Its Own Regulatory Profile

This issue of *Board Briefs* explores the various roles that state governments take with regard to community colleges.

State regulation took shape during the second half of the 20th century when the states began providing more financial resources to colleges and devised ways to hold them accountable for state interests. By the 1970s, virtually all states had

either a governing board or a coordinating board as its regulatory authority.

Each state's history, size, government, and economy have influenced its regulatory profile. For example, in some states governors drive major changes while in others legislatures are the catalysts. Some states unite public and higher education authority in one board, while others divide

these powers.

Community college patterns are the least predictable. Depending on the state, they may be regulated as part of (1) higher education, (2) public schools, (3) all of education, or (4) as a separate segment.

Regulation to What End?

Leaders hold generally common aims for the citizens of their states. They want them to be safe in their homes and on the streets; they want them to breathe clean air and drink pure water; they want them to live healthy lives and to have access to affordable health care when illness or injury strikes. They also seek economic stability and self-sufficiency for the citizens of the state – they want them to have the means to enjoy the benefits of a middle-class lifestyle.

Statistics show that achievement of these desired ends is increasingly dependent on the education levels of the population. It is now nearly impossible to achieve that middle-class lifestyle without the benefit of postsecondary education – not necessarily a baccalaureate degree but some education beyond high school.

Thus, there exists increasing commonality among state-level goals concerning higher education to ensure that:

~A higher proportion of

students graduate from secondary schools and achieve proficiency in academic subjects in the process.

~More students attend college and persist to graduation.

~College attendance remains affordable to students from all socioeconomic groups.

~Employment opportunities are created for a highly skilled workforce.



Will State Regulation Continue to Grow?

Yes. Regulation has been increasing, propelled by competition for state funds, rising costs of higher education, growing public dissatisfaction, and calls for greater accountability and productivity. Long-standing problems such as weak inter-institutional transfer protocols and poor measures of outcomes have also fueled regulation.

Analysts point to several emerging trends that may dictate still greater state control of higher education:

~New uses of technology give geographic boundaries less meaning.

~The impetus for a seamless K-16 system weakens the importance of individual education sectors.

~Demands to simplify governance and expedite decision-making are growing.

Who Pays? How Much? For What?

The challenge for state leaders is to determine how much to subsidize higher education, including community colleges, and how to do it in a way that advances state priorities.

The heart of the dilemma lies in balancing what is fair, reasonable and right to invest in the public benefits of a college-

educated populace in the context of other important priorities such as public schools, prisons, transportation, and health care.

Just as community college trustees in Texas must resolve this dilemma when setting rates for tuition and local property taxes each year, so must state leaders arrive at an

answer for the state appropriation to higher education every two years.

The table below illustrates the interplay between public and private, economic and social benefits deriving from higher educational attainment.

Because higher education is a responsibility of the states in our federal system of government, state policy is the primary tool for ensuring that the many benefits of higher education accrue to the citizens of the state and to the collective society.

Western Interstate Commission for Higher Education, 2003

Benefits of Higher Educational Attainment

	Public	Private
Economic	<ul style="list-style-type: none"> ✓ Increased tax revenues ✓ Higher productivity ✓ Increased consumer spending ✓ Higher levels of workforce preparation ✓ Lower levels of reliance on government support 	<ul style="list-style-type: none"> ✓ Higher labor-market returns to better-educated individuals ✓ Greater consistency and rates of employment ✓ Higher levels of savings ✓ Better working conditions ✓ Greater mobility
Social	<ul style="list-style-type: none"> ✓ Production of leaders from diverse communities ✓ Increased charitable giving and community service ✓ Greater civic engagement ✓ Increased rates of voting ✓ Greater social cohesion ✓ Lower public health care costs 	<ul style="list-style-type: none"> ✓ Improved health and longer life expectancy ✓ More leisure time ✓ Access to better information regarding consumer choices ✓ Increased personal status

Source: Puser & Doane, "Public Purpose and Private Enterprise," *Change*, June 26, 2001.

Where Community Colleges Intersect with the State

Texas state government consists of three familiar branches: executive, judicial, and legislative.

The judicial branch...

Except for litigation (mostly in the lower courts) and the occasional request for an attorney general's opinion, there is little interaction between community colleges and the judicial branch of state government.

The legislative branch...

Just the opposite holds true for the legislative branch which convenes in regular session January through May of odd-numbered years to consider a dizzying array of bills. "You're never safe when the legislature is in session" is a favorite caution.

The single most important legislation for community colleges is the appropriations bill, always among the last to be

passed and signed by the governor.

To stay abreast and to influence proposed legislation, community college CEOs created the Texas Association of Community Colleges (TACC) in 1947 to represent them in the state capitol. Some community college districts also employ their own legislative liaisons as does DCCCD in the person of Justin Lonon, vice chancellor for public and government affairs.

During a typical legislative session, college CEOs, their chief business officers and their legislative liaisons make frequent and often spur-of-the-moment daytrips to Austin. Founding Chancellor Bill Priest traveled to Austin so often during his 15-year tenure with DCCCD (1965-80) that someone painted his signature bowtie on a

photograph of an airplane. (The original is part of the "Priest Papers" in DCCCD's archives.)

The legislative branch is sufficiently important to be treated in a separate issue of *Board Briefs* (Volume I, Issue 20, January 2010, "Trustees' Advocacy Role").

The executive branch...

The executive branch includes the governor's office, coordinating board, various licensing agencies, retirement and insurance systems, and other entities. Pages 4-6 of this issue focus on the executive branch.



Founding Chancellor Bill Priest traveled to Austin so often that someone painted his signature bowtie on a photograph of an airplane.



DCCCD trustees have always been active in the state capitol. Pictured here with Governor Mark White (who is seated) are Trustees J.D. Hall, Don Buchholz, Pattie Powell and Chancellor Jan LeCroy (photo circa 1985).

Trustees Strengthen Ties to State Government

In 2006 DCCCD Trustee Kitty Boyle undertook to create a community college caucus in the Texas legislature. At last count, 113 of 150 representatives and 26 of 31 senators were members of the caucus.

Mrs. Boyle and her colleagues in the Alamo, Austin, and Del Mar districts – Trustees

Roberto Zárate, Allen Kaplan, and Chris Adler, among others – were also instrumental in creating a new state association for community college board members – the Community College Association of Texas Trustees (CCATT).

CCATT's purpose is to unite and mobilize community college

trustees to work with TACC in advocating and advancing education, education-related legislation, and increased recognition of the impact of community colleges on the economy of Texas. For more information about CCATT, visit www.texastrustees.org.



Allen Kaplan
President
CCATT

Texas Relies on Coordinating, not Governing Board



John B. Connally
39th Texas Governor
1963-1969

In 1965 Texas began serious efforts at state regulation when the 59th legislature established the Texas Higher Education Coordinating Board. Governor John Connally, known as the higher education governor, was the impetus behind the measure which stipulated that the governor would appoint the eighteen-member lay board – the state’s highest authority for the planning and development of public higher education.

Community (junior) colleges were placed under the Coordinating Board’s purview, giving them new-found credibility and status.

Over time, the Coordinating Board’s influence has touched virtually all aspects of community college life. Today, it approves degree programs, monitors course curricula, and guides transfer of credit. It develops the formulas used by the governor and

Legislative Budget Board in their funding recommendations to the legislature. It authorizes elections to create new community college districts, guides distance and off-campus education, sets expectations for college assessment and placement, administers student financial aid, and regulates dual credit.

Closing the Gaps: Response to a Perfect Storm

The 2000 census data underscored worrisome demographic trends that challenged the viability of higher education and revealed weaknesses in the nation’s education of its workforce. Baby Boomers, the largest generation in American history, would retire in record numbers. African-Americans and Hispanics,

whose numbers were growing and who should help fill the employment void, were dropping in college participation. The gap these two dynamics created was viewed as an oncoming crisis.

In Texas the Coordinating Board responded with *Closing the Gaps by 2015*, a state plan for higher education. It

identified four goals that immediately began to influence policy, funding, and implementation decisions of the legislature, governor, and the state’s public colleges and universities.

Four Goals and a Big Hurdle

Goal 1: **Participation** – By 2015, enroll 630,000 more students in higher education. (The majority of new students are expected to enroll in community colleges!)

Goal 2: **Success** – By 2015, award 210,000 more degrees, certificates, and other identifiable student successes from high quality programs.

Goal 3: **Excellence** – By 2015, substantially increase the number of nationally recognized programs or services.

Goal 4: **Research** – By 2015, increase the level of federal science and engineering research funding.

Texas community colleges are “putting their shoulders into” these ambitious goals and are finding, to no one’s surprise, that the vast majority of “new” students need costly remediation before beginning college-level studies. It is a giant hurdle and the topic of an upcoming issue of *Board Briefs*.

Reckoning with Governor's 2007 Veto in the 82nd Legislative Session

When ending the 80th legislative session in June 2007, Texas Governor Rick Perry surprised community colleges when he line-item vetoed funding for employee health insurance in the final appropriations bill.

Supporters across the state rallied to defend community colleges, which were unprepared

for the sudden loss of funding. Eventually, the funding was temporarily restored.

However, the issue of employee health insurance is in the spotlight again, one of two priorities that community colleges have for the 82nd legislative session, which will convene January 11, 2011.

The first community college priority for the 82nd session is appropriations in the amount of \$2.286 billion, a level that includes \$442 million for the unprecedented growth in student enrollment in community colleges over the past two years.



Rick Perry
47th Texas Governor
(assumed office 2000)

Commissioner Sparks Important Debates

Commissioner of Higher Education Raymund Paredes favors awarding financial aid to students based not only on need, but also on merit as measured by achievement and aptitude scores. He argues that need-plus-merit produces better results.

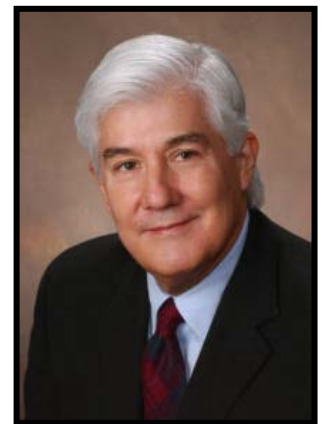
Sen. Rodney Ellis (D-Houston), a chief architect of the TEXAS Grants Program which uses need-based criteria, has urged the commissioner and members of the Coordinating Board to

preserve the program's original criteria.

All agree the TEXAS Grants Program needs more funding.

The commissioner has also come under fire for advocating that the state's appropriation be allocated on the basis of course completions rather than enrollments. Many community college trustees and CEOs agree in principle; their objection is to the formula he has proposed for making the allocations.

A third topic that keeps the commissioner's name front-and-center is his sharp criticism of developmental programs. However, his points are not without grounds, and many local trustees themselves, such as those in Dallas, have urged for years that "improving remediation" should be a top priority for community colleges.



Raymund Paredes
Texas Commissioner of
Higher Education
(appointed 2004)

Executive Branch Reaches All Parts of Colleges

In addition to the Governor's Office and Coordinating Board, DCCCD intersects in significant ways with the Texas Education Agency, which regulates Richland Collegiate High School, and with a wide range of state licensing agencies that are gatekeepers for

students' entry into their careers.

Texas community colleges are also supported in important ways by the state library, procurement services, Texas Workforce Commission, and others – including the state systems for employee health

insurance and retirement: ERS and TRS.

Because they are critically important to community college employees, background information about ERS and TRS is given on p. 6.

DCCCD

1601 S. Lamar Street
Dallas, TX 75215

PHONE: 214-378-1609
FAX: 214-378-1610

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GRAPHICS DESIGN
Pam Canalizo-Johnson
Theresa Rose

EDITOR
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ERS: Employee Retirement System of Texas

Conceived during the 1930s depression and turmoil of World War II, ERS was established in 1947 as a Retirement, Disability and Death Compensation Fund for state employees. The change that affected ERS more than any in its +50-year history came in 1975 when the legislature created the Texas Employees Uniform Group Insurance Program to provide high quality health insurance and other optional coverage for employees, retirees and their eligible dependents. Known as the UGIP, it has grown over the years and now also offers this health insurance coverage to most state institutions of higher education. DCCCD joined UGIP in 1992. In Spring 2010, ERS/UGIP announced several cost containment measures that increase costs to employees. As partial offset for the increased costs, DCCCD Chancellor Wright Lassiter has recommended a \$325 one-time stipend be paid to each employee during fiscal year 2010-11.

TRS: Teacher Retirement System of Texas

TRS became fully funded in 1941 when a constitutional amendment was passed that allowed regular contributions from public school teachers to be matched with contributions from the state. Originally membership was voluntary, but it later became compulsory. The fund is administered by a nine-member state board of trustees. TRS is a defined-benefit retirement plan. Participation is compulsory for DCCCD's non-contractual employees. DCCCD's contractual employees (administrators and faculty) may choose between TRS or an optional, defined-contribution program.

Sources Used in This Issue

Atlanta Journal-Constitution, WICHE Policy Insights, The Handbook of Texas Online, LBJ School of Public Affairs, Education Commission of the States (various briefs), www.ers.state.tx.us, www.trs.state.tx.us, www.thecb.state.tx.us, Change magazine (June 26, 2001), www.tacc.org, Dallas Morning News, DCCCD Legal Counsel Robert Young, DCCCD Trustee Kitty Boyle and DCCCD Chancellor Wright Lassiter.

About Our Organization...

The mission of DCCCD is to equip students for successful living and responsible citizenship in a rapidly changing local, national and world community. Educational opportunities are offered without regard to race, color, age, national origin, religion, sex, disability, sexual orientation, or genetic information. Equal educational opportunity includes admission, recruitment, extra-curricular programs and activities, access to course offerings, counseling and testing, financial aid, employment, health and insurance services, and athletics.

Takeaways from this Issue

ACROSS

1. In Texas John Connally is known as the higher education _____.
3. Leaders want citizens in their states to have the means to enjoy the _____ of a middle-class lifestyle.
7. State regulation took shape when states began providing more financial resources to colleges and devised ways to make them _____ for state interests.
9. The vast majority of "new" students need costly _____ before beginning college-level studies.

DOWN

1. New technologies give _____ boundaries less meaning.
2. A wide range of state licensing agencies are _____ for students' entry into their careers.
4. Governor Perry has referred to community colleges as the _____ of Texas' system of higher education.
5. The challenge for state leaders is to determine how much to _____ higher education.
6. "You're never _____ when the legislature is in session."
8. The abbreviation for the new trustee association in Texas is _____.

