

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: January 7, 2008
POSITION: Neutral, note concerns

BILL NUMBER: SB 361
AUTHOR: J. Scott
RELATED BILLS: SB 325

BILL SUMMARY: Revise CPEC's Statutory Duties

This bill would delete a number of review and reporting requirements of the California Postsecondary Education Commission (CPEC). Specifically, this bill would delete the requirement that CPEC:

- Periodically review and recommend the need for, and availability of, postsecondary programs for adult and continuing education - CPEC has generally reported on adult education programs as part of other topics;
Periodically report on specified information of independent institutions, and make recommendations concerning state policies and programs that have a significant impact on independent institutions - CPEC last reported on independent institutions in 1995;
Periodically review the Student Opportunity and Access Program (CalSOAP), as part of CPEC's assessment of state student academic development programs - the last formal report on CalSOAP was done in 1996;
Submit a biennial report regarding the state's standardized testing - the most recent CPEC report on standardized testing pursuant to the statutory requirement was done in 1990.

The bill also would repeal an existing law enacted in 1991 that established the Higher Education Accountability Program. One of the provisions of this law required CPEC to submit an annual higher education report to the Legislature and the Governor to provide information on significant indicators of the performance of the public colleges and universities. CPEC last produced such a report in 2002, and has since transitioned to online data reporting and producing accountability reports on specific topics. The author notes that this bill is intended to complement SB 325 (Scott), which would establish a higher education accountability framework administered by CPEC to assess the progress of the state's postsecondary educational system in meeting specified educational and economic goals.

FISCAL SUMMARY

The Department of Finance (Finance) notes that this bill's removal of these limited reporting requirements from CPEC's responsibilities would have no fiscal impact on the operating budget of CPEC. The intent of this bill, according to the author's office, is to ensure that CPEC's limited resources be used to support the Legislature's highest priorities and activities. The Governor's Budget proposes a 10 percent unallocated reduction of \$223,000.

COMMENTS

While Finance is neutral with respect to the bill's deletion of lower priority reporting requirements for CPEC, we note this bill fails to prioritize CPEC's remaining statutory duties and areas of study. The remaining activities identified in statute are not likely to be equal in importance and, thus, CPEC would still be unclear on which priorities to pursue if all expectations could not be met under limited resources. In the 2008-09 Governor's Budget, the Administration has proposed provisional language that CPEC prioritize its most important workloads to ensure that the following statutory responsibilities are completed:

- All reviews and recommendations of the need for new institutions for the public higher education segments;

Analyst/Principal (0384) S. Swan Date Program Budget Manager Jeannie Oropeza Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

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**AUTHOR**

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- All reviews and recommendations of the need for new programs for the public higher education segments; and
- Serve as the designated state educational agency to carry out federal education programs.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2007-2008	2008-2009	2009-2010	
6420/CPEC	SO	No		----- No/Minor Fiscal Impact -----			0001