

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/21/2012
POSITION: Oppose

BILL NUMBER: SB 721
AUTHOR: Lowenthal, Alan

BILL SUMMARY: California Postsecondary Education: State Goals

This bill would establish a new state framework to assess the state's postsecondary education system in meeting three specified goals: (1) improving student success, (2) better aligning degrees and credentials with the state's economic, workforce, and civic needs, and (3) ensuring the effective and efficient use of resources to increase high-quality postsecondary educational outcomes and maintain affordability.

The Legislative Analyst's Office (LAO) would convene a working group to identify a set of 6 to 12 appropriate metrics to monitor the progress toward achieving the three goals. The bill would state legislative intent to establish interim targets for each of the metrics, to be achieved by 2025.

FISCAL SUMMARY

The LAO stated that it could undertake all the activities this bill would require within currently available resources. Although the bill states that the selected metrics should be derived from publicly available data sources, it is unspecific as to the kinds of indices that might eventually be adopted.

The costs to the Department of Finance (Finance) and the postsecondary education segments to participate in the working group should be absorbable. None of the public higher education institutions have indicated significant new data-reporting and assessment costs, pending the final determination of the data collection and reporting requirements that the bill would entail.

COMMENTS

Finance is opposed to this bill, because creating a working group to establish a higher education accountability framework is unnecessary. It is the intent of the Administration to continue working with the segments and the Legislature to improve fiscal flexibility and accountability for student outcomes in higher education.

Analyst/Principal (0384) S.Swan Date Program Budget Manager Nicolas Schweizer Date
Department Deputy Director Date
Governor's Office: By: Date: Position Approved Position Disapproved
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SB 721

COMMENTS (continued)

management of all costs through fiscal incentives. While the Budget Act does not reflect a comprehensive long-term higher education vision, it does reflect the Administration's goal of maintaining affordability by holding tuition and fees at UC and CSU at 2011-12 levels. The Budget Act also provides both segments with greater flexibility to manage their 2011-12 budget reductions by eliminating many set-asides in their budgets.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP	FC	2012-2013 FC	2013-2014 FC	2014-2015	
	RV	98					
0020/Legislative	SO	No			----- See Fiscal Summary -----		0001
8860/Finance	SO	No			----- No/Minor Fiscal Impact -----		0001
6440/UC	SO	No			----- See Fiscal Summary -----		0001
6610/CSU	SO	No			----- See Fiscal Summary -----		0001
6870/Comm College	SO	No			----- See Fiscal Summary -----		0001