

## DOCUMENT RESUME

ED 356 806

JC 930 154

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TITLE Public Policy by Anecdote: The Case of Community College Fees.  
INSTITUTION California Higher Education Policy Center, San Jose.  
PUB DATE Apr 93  
NOTE 12p.  
AVAILABLE FROM California Higher Education Policy Center, 160 West Santa Clara Street, Suite 704, San Jose, CA 95113.  
PUB TYPE Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Reports - Research/Technical (143)

EDRS PRICE MF01/PC01 Plus Postage.  
DESCRIPTORS Community Colleges; Dropouts; Educational Finance; Educational Legislation; Enrollment; Financial Exigency; Government School Relationship; Paying for College; \*Policy Formation; \*Politics of Education; \*State Legislation; Student Behavior; \*Student Educational Objectives; \*Tuition; Two Year Colleges; Two Year College Students  
IDENTIFIERS \*California Community Colleges; \*Reverse Transfer Students

## ABSTRACT

As part of an effort to end the California budget stalemate, an agreement was reached among state legislators to increase tuition fees for community college students and to impose a \$50-per-unit "differential fee" on students already holding a baccalaureate degree. A survey by the Chancellor's Office for the California Community Colleges (CCC) found that 48% of these baccalaureate (BA) degree holders, or roughly 60,000 students, dropped out in response to the fee increase. Given that three out of five baccalaureate-holding students attend community colleges for job training or skills upgrading, the fee increase undermines the state's ability to retrain its workforce, further exacerbating the statewide economic slump. The imposition of the differential fee was a last-minute budget agreement, not preceded by public debate, and most observers agree that the fee was adopted for economic, rather than educational or public policy reasons. In supporting the fee, legislative proponents relied on anecdotes about college graduates taking "personal enrichment" and "recreational" courses at community colleges. They argued that BA holders were taking places away from less sophisticated first-time students, and that priority should be given to those who have not yet had an opportunity to attend college. While the Chancellor of the CCC supported the fee increase, groups representing students, faculty members, and administrators opposed it. With implementation of the new fee in January 1993, segments of the CCC have experienced considerable enrollment declines, including a 14% decline in the Los Rios district, and a 15% decline at Foothill College. Contrary to the arguments of many who favored the legislation, significant enrollment declines have taken place in the skills upgrading and job retraining courses. (PAA)

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# PUBLIC POLICY BY ANECDOTE

The Case of Community College Fees

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APRIL 1993

A REPORT FROM

**THE CALIFORNIA  
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## INTRODUCTION

Policy by Anecdote is the first in a series of reports from the California Higher Education Policy Center. The series will include case studies, analytic studies, essays and reports of meetings and seminars sponsored by the Center. Their purpose is to inform and stimulate discussion about issues important to the future of California higher education.

This report is a case study in the development of public policy for higher education. It addresses two issues the Center believes to be of great importance and will return to in future work: the process through which important policy decisions are made, and the effects of such decisions on the lives of individual Californians. Among the questions the Center seeks to probe through this study and other projects are these: How are important decisions affecting higher education made? What are the operative processes and values? What kinds of information influence decisions? How is the information analyzed, and by whom? Who is hurt and who are the beneficiaries of particular policies? Do policies, however developed, achieve their intended results? Are there unintended consequences? If so, could they have been anticipated? To the extent that such consequences are negative for the state or for individuals, can this be attributed to flaws in the policy process?

Of course, it is both the strength and weakness of case studies that they deal with the particular. It is left to the reader to determine whether the events described in this report are unique to this case or typical of the ways public policy decisions are made for California higher education. In addition to the descriptive studies inaugurated with this report, the Center will begin a series of policy commentaries in which it will set forth our interpretations of important developments, conclusions and recommendations on important policy issues.

The suggestion for the project that led to Policy by Anecdote was made by K. Patricia Cross, Conner Professor of Education at the University of California, Berkeley, and one of the most astute scholars and observers of American and California higher education. While Professor Cross bears no responsibility for the outcome, the Center is grateful to her for proposing this line of inquiry.

The Center encourages readers of this report and other Center publications to share your responses, criticisms, and suggestions with us.

Patrick M. Callan  
Executive Director

## PUBLIC POLICY BY ANECDOTE

When Renee Tyler moved from southern California to Sacramento a year and a half ago, she hoped the state's community college system would help her obtain a badly needed teaching credential.

Tyler, 41, had taught high school French in Torrance for five years but soon learned she would need a second credential, preferably in Spanish, to get a job in the Sacramento area.

She enrolled at American River College, one of three campuses in the Los Rios Community College District, commuting 30 miles three times a week while keeping house for her husband Gary and two children. All of Tyler's grades were "A's" and she was the top student in several of her classes.

But all this ended last January, when the state began to require community college students who already held baccalaureate degrees to pay a \$50-per-unit "differential fee." The two classes Tyler had hoped to take in the spring semester would have cost \$400, plus books and parking fees, a price she could not afford.

Now Renee Tyler, would-be high school teacher, is looking for a part-time job in a fast food restaurant, to supplement the family income.

"I can't get a job because I have to go to school to qualify and I can't afford to go to school because I don't have a job," the frustrated Tyler said recently.

She is not alone. Thousands of prospective community college students throughout the state find themselves in similar predicaments, victims of a fee that was imposed to help break last year's prolonged budget stalemate between Governor Pete Wilson and the Democrat-controlled State Legislature.

A survey by the statewide community college chancellor's office found that 48 percent of the students who held baccalaureate degrees--about 60,000 individuals--dropped out this winter or spring semester because of the fee increase.

Since three out of five students with baccalaureate degrees attend community college to receive job training or to upgrade their career skills, the fee increase has dealt a serious blow to the state's ability to retrain its workforce during the deepest economic slump California has experienced since the Great Depression.

One might think that such a crucial move would have been preceded by a full public debate, but that was not the case.

**"I can't get a job because I have to go to school to qualify and I can't afford to go to school because I don't have a job."**

The decision to impose a hefty differential fee, while also increasing charges for most students from \$6 to \$10 per unit, was made by Governor Pete Wilson, a Republican, and a handful of Democratic legislative leaders as part of a last-minute budget agreement.

Although the differential fee idea had been kicking around Sacramento for a decade, and there had been some discussion about the merits of the idea during legislative hearings last year, most of those who followed the bitter budget battle agree that the \$50 fee was adopted for economic, not educational or public policy, reasons.

"In the end, it was a straight budget deal," said David L. Viar, president of the Community College League of California, which represents trustees and

administrators in the 107-college system. "There was very little that was philosophical about it."

The Wilson Administration initially hoped the fee would yield at least \$40 million, to help balance the shaky 1992-93 state budget. Now, community college officials say less than \$20 million will be taken in this year because almost half of the baccalaureate degree holders have stopped taking community college classes.

Democratic State Assembly Speaker Willie Brown, who usually opposes student fee increases, as well as almost anything else proposed by Governor Wilson, was persuaded by Democratic Assemblyman Bob Campbell and by a group of young legislative aides that most of the baccalaureate degree holders in the community college system were, as Brown later called them, "rich housewives" who wanted to study French so they could converse with waiters on their next European vacations.

Upset because many introductory courses in English, math and other subjects were so overcrowded on some community college campuses that many new students could not be accommodated, Campbell argued that "it doesn't make sense to give valuable space to people who already have bachelor degrees while we deprive first-time student of the opportunity to go to college."

This is especially true, Campbell said, if the B.A. holders are taking community college classes for "personal enrichment" and not for serious academic or job training reasons.

Danny Alvarez, consultant to the Assembly higher education subcommittee chaired by Campbell, said he and Stuart Marshall of the Legislative Analyst's office visited about a dozen community colleges

during the last year and found that students with baccalaureate or even master's degrees were taking "recreational" courses such as photography and rumba dancing.

"Two years ago, a lot of people in the Bay Area were taking Spanish so they could attend the Olympics in Barcelona," Marshall said. "These are courses that people are taking for pleasure, they aren't job-related at all."

But critics call this "public policy by anecdote," contending that neither Speaker Brown nor Campbell nor the Legislative Analyst's office nor anyone else knew how many of the 130,000 B.A. degree holders in the community colleges last year were there for "personal enrichment." Indeed, surveys conducted by the statewide chancellor's office indicate that about 60 percent of the B.A. degree holders are people like Renee Tyler, who need community college classes for job retraining or to keep jobs they already have.

"These people aren't taking basket-weaving classes," said Bonnie Slosson, a lobbyist for the Community College League of California. "They need these courses to get jobs and the state needs them to have jobs if the economy is ever going to recover."

Jeanne Howe is a 39-year-old Sacramento housewife and mother of two young children who has found her UC Davis baccalaureate and master's degrees in English, Greek and classics not very useful in today's job market.

Howe was hoping to establish a dressmaking and alterations business in her home so she could work while caring for her youngsters. Toward that end, she had attended Sacramento City College since 1988, but her efforts to build a new career ended when the \$50-per-unit fee

was adopted.

"It really irritates me when they say people are taking recreational courses," Howe said. "For me, and a lot of people I knew at City College, that's not true at all. We needed those classes to make a living."

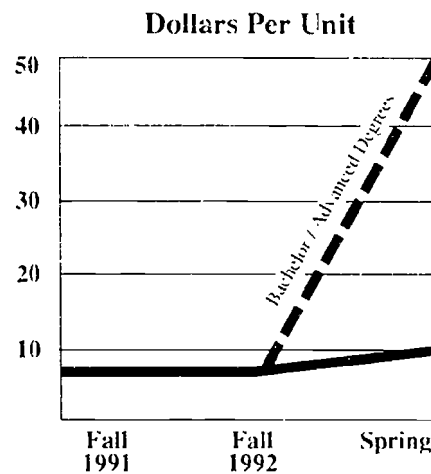
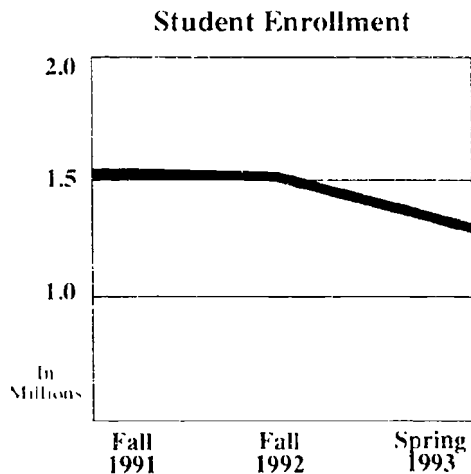
Susan Hammond, 41, has a 20-year-old social welfare degree from San Diego State University that produced few job opportunities. Instead, Hammond worked in banking and real estate. Then she got married, moved to Sacramento and tried to start a new career as a preschool teacher, taking classes at Consumnes River College, but her efforts have been thwarted by the new fees.

"I'm in the process of trying to change my career," Hammond said.

1992-93 budget, it contained a proposal to withdraw all state financial support from students who already had earned 90 college credit units, as well as a recommendation that the general community college fee be raised from \$6 to \$20 per unit.

Mertes argues that by agreeing to the differential fee (though he wanted it to be \$33 per unit, not \$50), it was possible to hold the fee for other students to \$10 per unit.

"It was pretty clear to me early on last year that we were going to have a differential fee," Mertes said in a recent interview. "I thought it was best for me to structure the fees in a way that would do the least harm to the greatest number of



Source: Chancellor's Office, California Community Colleges

"Unfortunately, I have a college degree but I don't have enough money to pay for the courses I need to make the change."

Statewide Community College Chancellor David Mertes acknowledged that "there's a downside" to the differential fee but defended it because "it helped us keep fees lower" for the rest of the 1.3 million students in the two-year colleges.

When Governor Wilson introduced his

students."

The chancellor recalled that there have been discussions in Sacramento about charging higher fees for community college students with baccalaureate or higher degrees since 1983, when former Governor George Deukmejian imposed the first general fee in the history of the two-year schools--\$5 per unit.

"The rationale for it was that the

Master Plan for Higher Education (the complex set of state laws and "gentleman's agreements" that has governed California postsecondary education policy for more than 30 years) called for 'open access' but it didn't say you had open access for your entire life but only for a period of time," the chancellor said.

Nothing came of the idea at the time, nor was much heard about it for several years after that, despite steadily worsening state budgets.

Then, last year, Assemblyman Robert Campbell, believing that B.A. holders were taking places away from "less sophisticated first-time students, students who didn't know their way around the system" introduced legislation to establish the differential fee policy.

At the same time, Tom Hayden, who was then chairman of the Assembly Higher Education committee and is now a state senator, called for higher fees for University of California and California State University students who were seeking second baccalaureate or master's degrees.

The bills gained little attention early last year, when the governor, forecasting an economic recovery for California, included in his 1992-93 budget a 10.1 percent increase for the community colleges.

However, when mid-year revenue figures showed the state's economy to be in a continuing deep recession, if not a depression, Wilson revised his budget and the two-year colleges received a cut instead of an increase. The governor also asked for a student fee increase from \$6 to \$20 per unit, as well as the \$50 differential fee for those with a baccalaureate or advanced degree.

"The governor's position was that in

tough times, priority should be given to those who hadn't had their first bite of the apple yet," said Ray Reinhard, assistant secretary of child development and education in the Wilson administration.

When legislative hearings began on the differential fee and duplicate degree legislation, now combined into a single bill with Campbell as author, supporters made frequent references to "rich housewives" and rumba dancing classes, while those who opposed the fees had little factual ammunition.

Community college officials argued that the new policy would be difficult to administer because students could avoid the fee easily by lying about past educational experience. They also sensed that the fees would hit hardest at those who needed new job skills, but they lacked solid information to support this belief.

"Our hunch was that this fee was going to hurt people who needed classes for job retraining, in this terrible economy, but we couldn't go in and fight without hard-core facts," said Susie Williams, Director of Community and Media Relations for the Los Rios Community College District in Sacramento.

Nevertheless, the Campbell bill was defeated in the Assembly Higher Education Committee (though it passed narrowly on reconsideration) and then in the Assembly Ways and Means Committee.

Only a strong speech by Speaker Brown got the bill through the Assembly as a whole but when the legislation moved to the State Senate, it died again in the Senate Education Committee.

"I thought that was it. I thought we had killed it," said Patrick McCallum, executive director of the Faculty Association of the California Community



Colleges and one of the most vigorous lobbyists for the two-year schools in the State Capitol.

But the young legislative staffers who believed passionately in the differential fee, especially Danny Alvarez and Marlene Garcia, Speaker Brown's higher education adviser, refused to give up.

"I feel strongly about this," Garcia said in an interview. "I feel sorry for those poor kids who can't get into those

*"Our hunch was that this fee was going to hurt people who needed classes for job retraining, in this terrible economy, but we couldn't go in and fight without hard-core facts."*

impacted (introductory) classes and I think this is going to help them, although I realize it's going to cause some hardships, too."

The fee increases were supported by the California Postsecondary Education Commission, which advises the governor and the Legislature on higher education policy, and by such key legislators as Democratic State Senator Gary Hart, chairman of the Senate Education Committee, and Senator Becky Morgan, the committee's Republican vice chairwoman.

A split in the community college ranks hurt the anti-fee cause. Organizations representing students, faculty members, administrators and trustees of local college districts opposed the legislation. Even some members of the systemwide Board of Governors, all of whom were appointed by Wilson or Deukmejian, were opposed.

But Chancellor Mertes supported the higher fee for B.A. holders all through last spring and summer, telling legislative committees and the Wilson administration

that it would be an acceptable part of a total community college funding package.

"It was regrettable," said David Viar, of the Community College League. "The idea really did start with him."

"I know I was at odds with the field on this," Mertes said. "They thought they could kill the fee increase if everybody would just hang together. But I thought if the Speaker was supporting this, and Senator Roberti (State Senate leader David A. Roberti) was supporting it, and there was support in the governor's office, where were the opponents going to go?"

As the governor and the Legislature battled two months beyond the June 30 budget deadline, community college fee increases--for all students as well as the B.A. holders--began to seem inevitable. Policy considerations, to the limited extent that they existed, were ignored in the final duel over dollars.

"It started out as a policy issue but it ended up as a fiscal one," said Christopher Cabaldon, chief consultant to the Assembly Higher Education Committee.

In the final days before a budget agreement was reached on September 2--63 days after the deadline mandated by the state Constitution, Senator Roberti tried unsuccessfully to eliminate the differential fee. Roberti and Brown then proposed to the governor that the fee be limited to \$33, but Wilson threatened to veto the entire multi-billion-dollar school finance package if it did not contain the \$50 fee.

The higher charges took effect in January and the effects were immediate across the state.

For example, overall enrollment in the three-campus San Diego Community College District has fallen 6.5 percent and Chancellor August Gallego attributed most of the loss to the differential fee.



In the Los Rios district, enrollment has dropped more than 14 percent in the evening division, where most of the baccalaureate degree students were to be found.

A fiscal crisis has gripped Foothill College, on the peninsula south of San Francisco, where students with a

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baccalaureate or higher degree made up 30 percent of last year's enrollment. This winter, Foothill lost 15 percent of its students as the B.A. holders departed the campus in droves.

Dozens of classes have been canceled but the college still faces a \$2 million budget deficit.

"I don't get it," said Bill Patterson, dean of instruction and career education at Foothill. "I recently attended a Silicon Valley seminar and all the speakers were telling us about the need for a more highly trained work force and yet we're letting a tremendous resource for that kind of training--the community colleges--just slide away."

"It's false economy," said Gallego, the San Diego chancellor. "Educational policy is being driven by economic necessity and the result is bound to be bad."

So far, differential fees do not seem to be achieving the goals sought by their advocates.

While many B.A. holders who have dropped out of community colleges may have been pursuing "personal enrichment,"

many more apparently were in search of job training or "retraining."

"I don't buy that argument," Assemblyman Campbell said. "I'll bet you 75 percent of them turn out to be making at least \$50,000 a year."

The early numbers do not support Campbell's belief. For instance, at De Anza College, in Cupertino, 419 B.A. holders were taking accounting classes last winter, only 183 this year. In business classes, enrollment has dropped from 348 to 135, in computer applications and office systems from 1,209 to 517.

"Those are not 'personal enrichment' classes," noted Jim Lucas, Director of Institutional Studies at the college.

Eighty-four percent of the B.A. holders who registered for spring semester classes in the San Diego Community College District were "unemployed or underemployed people who were trying to upgrade their job skills," Chancellor Gallego said. "The higher fee penalizes people who need this education."

Campbell and legislative staff members pointed out that the fee can be waived for "dislocated workers" or "displaced housewives" but local community college officials say state and federal definitions for those categories are so complex that few people ever are granted waivers.

The departure of 60,000 baccalaureate and master degree holders has not created more places in community colleges for the first-time students that Campbell and others are concerned about--the low-income and minority youngsters who have been crowded out of introductory courses on some campuses.

"That's really a lot of bunk," Gallego said. "The low-income folks are not going to be enrolled in the same courses as the

degree holders."

Said Bill Patterson, dean of instruction at Foothill College, "I need ESL (English as a Second Language) instructors and people to teach basic courses in math and physical sciences. I can't get them from accounting or psychology."

Marlene Garcia said she and others who support differential fees understand that the B.A. holders and first-time students are not interchangeable but added, "over time, we believe resources can be shifted away from some areas and into these impacted basic skills classes, both within a single campus and also between campuses. Of course, the faculty doesn't like that."

Said Christopher Cabaldon, "the unspoken reason why the districts and the faculty are so concerned" about differential fees is that "they like to teach those B.A. students and don't want to change. That's especially true in the suburban districts that have a lot of B.A. students and the suburban districts control all the statewide community college groups. That's why there has been so much controversy over what we thought was a pretty simple proposal."

The notion that driving baccalaureate students away from community colleges will lead to reallocation of faculty positions is "another myth," Gallego said. If instructors have tenure, they cannot be fired, he said, and "to think we're going to be able to force some faculty members out of subjects like art history into teaching basic skills classes--that just isn't going to happen."

If it did happen, Gallego and others suggested, the number of community college students who qualify for transfer to a University of California or California State University campus would be even

smaller than it is now.

To date, then, the differential fee policy has been an almost complete disaster. Revenue is falling far short of expectations, thousands of people in need of job training have been driven away from community colleges, and the goal of providing more

**Eighty-four percent of the B.A. holders who registered for spring semester classes in the San Diego Community College District were "unemployed or underemployed people who were trying to upgrade their job skills." - Chancellor August Gallego.**

classroom spaces for low-income and minority first-time students has not been achieved.

However, these failures have not influenced Governor Wilson, who has proposed a \$30-per-unit fee for most community college students next year, along with removal of all state support for those with baccalaureate degrees. This would have the effect of increasing fees for the B.A. students to more than \$100 per unit.

Some believe the loss of B.A. students also has caused a decline in the level of instruction, since those students often stimulate class discussions and keep instructors on their toes.

Senator Hart is concerned that losing the B.A. students could lead to "dumbing down" many community college courses but Hart reluctantly voted for the \$50-per-unit charge because he thought it might hold down the level of fees charged other community college students.

In the end, most of the differential fee decisions, like Hart's, were made for budgetary not educational policy reasons, an outcome that was deplored by both supporters and opponents of the higher charges.

Assemblyman Campbell spoke for many when he said, "we need to figure out what our priorities are going to be, instead of reacting every time there's a budget crisis. That's the trouble with state government. We don't have a long-range policy for water or transportation or energy or higher education or anything else. We just make a bunch of ad hoc decisions to get through the budget year."

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