APPEARANCES

NATURAL HISTORY MUSEUM OF LOS ANGELES COUNTY

Dr. Jane Pisano, President and Director

Jeff Rudolph, President
California Science Center

COMMISSION MEMBERS

Bill Hauck, Co-Chairperson
President, CA Business Roundtable

Joanne Kozberg, Co-Chairperson
Partner, CA Strategies

Jess "Jay" Benton, Executive Vice President
ABM Industries

Dale Bonner, Partner
Epstein Becker & Green, P.C.

Jim Brulte, Senator
California State Legislature

James Canales, President & CEO
The James Irvine Foundation

Mike Carona, Sheriff
Orange County

Patricia Dando, Vice-Mayor
City of San Jose

David Davenport, Distinguished Professor
Pepperdine University

Denise Ducheny, Senator
California State Legislature

Joel Fox, President
Small Business Action Committee

Steve Frates, Ph.D.
Claremont-McKenna College

Russ Gould, President, The Gould Group

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
APPEARANCES (CONT.)

COMMISSION MEMBERS (CONT.)

Irene M. Ibarra, Executive Vice President
The California Endowment

J.J. Jelincic, President
CA State Employees Association

Steve Olsen, Vice Chancellor
Finance & Budget
University of California, Los Angeles

Beverly O’Neill, Mayor
City of Long Beach

Peter Taylor, Managing Director
Lehman Brothers Public Finance

Leland Yee, Assembly Member
California State Legislature

K-12 AND VOCATIONAL EDUCATION PANEL

John D. Anderson, Superintendent of Schools,
Imperial County
President, California County Superintendents
Education Services Association (CCSESA)

Jim Ashwanden, Executive Director
California Agricultural Teachers' Association

David W. Gordon, Superintendent
Sacramento County Office of Education

William S. Lamberg, Director
Government Relations, United Teachers Los Angeles (UTLA)

James Lanich, Ph.D., Executive Director
Just for the Kids - California

David A. Sanchez, Vice President
California Teachers Association

Barbara F. Smith, Retired Superintendent and Consultant
Capistrano Unified School District

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
APPEARANCES (CONT.)

HIGHER EDUCATION PANEL

Peter W. Blackman, Administrative Vice Chancellor  
University of California, Los Angeles

M.R.C. Greenwood, Provost and Senior Vice President  
Academic Affairs, University of California

Peter J. Landsberger, Ph.D., Chancellor  
Los Angeles Community College District

David M. Roth, Deputy to the President,  
Occidental College  
Chairman, California Student Aid Commission

Nancy Shulock, Ph.D., Executive Director  
Institute for Higher Education Leadership & Policy  
California State University, Sacramento

David S. Spence, Ph.D., Executive Vice Chancellor and Chief Academic Officer, California State University

David Viar, Chief Executive Officer  
Community College League of California

VOLUNTEERISM PANEL

Nicholas Bollman, Founder and President  
California Center for Regional Leadership  
Commissioner, California Service Corps

M.R.C. Greenwood, Provost and Senior Vice President  
Academic Affairs, University of California

Elaine Ikeda, Ph.D., Executive Director  
California Campus Compact

Bruce Sito, Executive Director  
Los Angeles Conservation Corps  
(Appeared on behalf of  
Nancy Peterson, Consultant  
Service and Volunteerism)

David S. Spence, Ph.D., Executive Vice Chancellor and Chief Academic Officer  
California State University

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
APPEARANCES (CONT.)

STAFF

Chon Gutierrez, Co-Executive Director
California Performance Review

Susan Hogg, Team Leader

Kitty Williamson, Team Leader

Mary V. Sandy, Team Leader

Karl Engelbach, Team Leader

Anne Sheehan

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
# INDEX

<table>
<thead>
<tr>
<th>Welcome</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Jane Pisano, President and Director</td>
<td>2</td>
</tr>
<tr>
<td>Natural History Museum of Los Angeles County</td>
<td></td>
</tr>
<tr>
<td>Jeff Rudolph, President</td>
<td>1</td>
</tr>
<tr>
<td>California Science Center</td>
<td></td>
</tr>
<tr>
<td>Welcoming Remarks</td>
<td>5</td>
</tr>
<tr>
<td>Joanne Kozberg, Co-Chairperson</td>
<td></td>
</tr>
<tr>
<td>Bill Hauck, Co-Chairperson</td>
<td></td>
</tr>
<tr>
<td>Overview of California Performance Review</td>
<td>7</td>
</tr>
<tr>
<td>Recommendations</td>
<td></td>
</tr>
<tr>
<td>Chon Gutierrez, Co-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Susan Hogg, Team Leader</td>
<td>10</td>
</tr>
<tr>
<td>Mary Sandy, Team Leader</td>
<td>12</td>
</tr>
<tr>
<td>Kitty Williamson, Team Leader</td>
<td>19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>K-12 and Vocational Education Panel</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>David W. Gordon, Superintendent</td>
<td>69</td>
</tr>
<tr>
<td>Sacramento County Office of Education</td>
<td></td>
</tr>
<tr>
<td>William S. Lambert, Director, Government Relations</td>
<td>73</td>
</tr>
<tr>
<td>United Teachers Los Angeles (UTLA)</td>
<td></td>
</tr>
<tr>
<td>David A. Sanchez, Vice President</td>
<td>80</td>
</tr>
<tr>
<td>California Teachers Association</td>
<td></td>
</tr>
<tr>
<td>Jim Ashwanden, Executive Director</td>
<td>84</td>
</tr>
<tr>
<td>California Agricultural Teachers' Association</td>
<td></td>
</tr>
<tr>
<td>Barbara F. Smith, Retired Superintendent, Consultant, Capistrano Unified School District</td>
<td>88</td>
</tr>
<tr>
<td>James Lanich, Ph.D., Executive Director</td>
<td>92</td>
</tr>
<tr>
<td>Just for the Kids-California</td>
<td></td>
</tr>
<tr>
<td>John Anderson, Superintendent of Schools, Imperial County, President, California County Superintendents Education Services Association</td>
<td>96</td>
</tr>
</tbody>
</table>

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
<table>
<thead>
<tr>
<th>Index (Cont.)</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lunch</td>
<td>121</td>
</tr>
<tr>
<td>Discussion of CPR Commissioner Report Process</td>
<td>122</td>
</tr>
</tbody>
</table>

**Higher Education Panel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.R.C. Greenwood, Provost and Senior Vice President Academic Affairs, University of California</td>
<td>152</td>
</tr>
<tr>
<td>David S. Spence, Ph.D., Executive Vice Chancellor and Chief Academic Officer, California State University</td>
<td>157</td>
</tr>
<tr>
<td>Nancy Shulock, Ph.D., Executive Director, Institute for Higher Education Leadership and Policy, California State University, Sacramento</td>
<td>161</td>
</tr>
<tr>
<td>Peter J. Landsberger, Ph.D., Chancellor Los Angeles Community College District</td>
<td>166</td>
</tr>
<tr>
<td>David Viar, Chief Executive Officer Community College League of California</td>
<td>170</td>
</tr>
<tr>
<td>David Roth, Deputy to the President, Occidental College Chairman, California Student Aid Commission</td>
<td>174</td>
</tr>
<tr>
<td>Peter W. Blackman, Administrative Vice Chancellor University of California, Los Angeles</td>
<td>179</td>
</tr>
</tbody>
</table>

**Volunteerism Panel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicholas Bollman, Founder and President California Center for Regional Leadership Commissioner, California Service Corps</td>
<td>210</td>
</tr>
<tr>
<td>Elaine Ikeda, Ph.D., Executive Director California Campus Compact</td>
<td>216</td>
</tr>
<tr>
<td>David S. Spence, Ph.D., Executive Vice Chancellor and Chief Academic Officer, California State University</td>
<td>219</td>
</tr>
</tbody>
</table>
Volunteerism Panel (Cont.)

M.R.C. Greenwood, Provost and Senior Vice President Academic Affairs, University of California 222

Bruce Sito, Executive Director Los Angeles Conservation Corps 224

Public Comment

William Chadwick, Chairman, Exposition Park California Science Center Chairman, California Memorial Colosseum Commission 231

Joe Lamond, President and CEO International Music Products Association 233

Veronica Villalobos Association of Independent California Colleges and Universities 235

Susan Woolam, Concerned Citizen 238

Deena Cervantes, Student Trustee Santa Monica College 240

Bill Vandenberg, Baldwin Hills Conservancy 241

Erica Flores, Assistant Director Center for Law in the Public Interest 244

Maryann Webster, Sierra Club 246

Dale Mentink, Senior Attorney Protection and Advocacy 248

Howard Welinsky, Chairman California Postsecondary Education Commission 251

Judith Mandel, Teacher College of the Desert 253

Alex Alanis, Legislative Advocate California Bankers Association 255
<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laura Kerr</td>
<td>California State Student Association</td>
<td>258</td>
</tr>
<tr>
<td>Nancy Strohl</td>
<td>Director, Child Care Law Center</td>
<td>260</td>
</tr>
<tr>
<td>Michael Hulsizer</td>
<td>Kern County Superintendent of Schools Office</td>
<td>262</td>
</tr>
<tr>
<td>Sheila H. Smith</td>
<td>California Association for Gifted</td>
<td>265</td>
</tr>
<tr>
<td>Dr. Ismael Nuno</td>
<td>Past-President, American Heart Association Western States Affiliate</td>
<td>267</td>
</tr>
<tr>
<td>Anne Fennell</td>
<td>Public School Music Teacher Creator and Director of Music Venture</td>
<td>269</td>
</tr>
<tr>
<td>Kit Bagnell</td>
<td>County of Los Angeles Department of Public Works</td>
<td>272</td>
</tr>
<tr>
<td>Julio Zoni Giron</td>
<td>Founder, PICA</td>
<td>274</td>
</tr>
<tr>
<td>Ernest Hamilton</td>
<td>Los Angeles County Commission on Disabilities, Paralyzed Veterans of America</td>
<td>277</td>
</tr>
<tr>
<td></td>
<td>Vietnam Veterans of America, Governor's Committee on Employment for People With Disabilities</td>
<td></td>
</tr>
<tr>
<td>Mark Basin</td>
<td>Executive Director, Ventura County Maritime Museum</td>
<td>280</td>
</tr>
<tr>
<td>Pat Wilson</td>
<td>President, Advisory Council Los Angeles County Area Agency on Aging</td>
<td>282</td>
</tr>
<tr>
<td>Dr. Murray M. Morgan</td>
<td></td>
<td>284</td>
</tr>
<tr>
<td>John Travis</td>
<td>President, California Faculty Association</td>
<td>286</td>
</tr>
</tbody>
</table>

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
I N D E X (CONT.)

<table>
<thead>
<tr>
<th>Item</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjournment</td>
<td>287</td>
</tr>
<tr>
<td>Certificate of Reporter</td>
<td>288</td>
</tr>
</tbody>
</table>

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
COMMISSION CO-CHAIRPERSON KOZBERG: On behalf of the Commission, I want to say what a pleasure it is to be at the Natural History Museum and also in Exposition Park.

And we're going to start, today, with a welcome from Dr. Jane Pisano, and Jeff Rudolph, representing the Natural History Museum and the California Science Center.

Jane and Jeff.

It's a little hard to see from up here. All right, we will try and speak closer to the mike, thank you very much.

I think we'll probably postpone a couple of minutes. Oh, there's Jeff, okay.

CALIFORNIA SCIENCE CENTER PRESIDENT RUDOLPH: Good morning. I'm Jeff Rudolph, President and CEO of the California Science Center, and it is a pleasure to welcome all of you to Exposition Park, on behalf of everyone at the Science Center and at Exposition Park.

It's a very special day for us today, after many years, that several people worked on helping to develop the Science Center School. Today is opening day for our Science Center School, a K-5 neighborhood elementary school, charter developed in partnership between the Science Center and L.A. Unified School District, that will serve as a model for science, math, and technology education in the elementary
school.

And the other half of that facility is expanded facilities for our Amgen Center for Science Learning, which will focus on professional development for teachers and other educators, taking the lessons learned to teachers throughout the region and State.

The other thing, I'd like to extend an invitation to all the Commissions and staff is to, after the hearing, if you have time, come over. Most of the Science Center closes at 5:00, but we have a very, very special exhibit running now, called Body Worlds, the anatomical exhibition of real human bodies. It is, in my own judgment, probably the most amazing I've ever seen, an exhibit of human physiology, anatomy, and health that allows us, through looking at real human specimens, to really learn about our own bodies and tremendous health messages.

And that exhibit is open late, so anytime until 8:00 you're welcome to come over and see it, if you have a chance today. Thanks, again, for being here.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you, Jeff.

Dr. Jane Pisano, who also served on the Constitutional Revision Commission with Bill Hauck.

NATURAL HISTORY MUSEUM PRESIDENT PISANO: Good morning. I'm just so delighted that you're here. I'm so
pleased to welcome you to this Museum and to Exposition Park.

I want to thank everyone in the audience, also, for coming.

Your work is so important and I want to thank you for undertaking it.

I can think of nothing more vital for our State than to really think hard about what we do as a government and how we provide our services. This is an outstanding Commission, and I know you're going to learn a lot through public hearings, and you're going to share with us your wisdom after you travel through the State. So thank you very much.

A word about the Natural History Museum. It's actually a family of museums, we have three museums. In addition to this facility, there's the Page Museum, at the La Brea Tar Pits, and the Hart Ranch, in Santa Clarita.

At those three facilities we serve over a million people a year. Of that million, 335,000 are school children, who come in school groups, free of charge.

And in addition to that million, we serve another 350,000 children a year off site, principally in a partnership with the Los Angeles Unified School District.

You may have seen our Earth Mobile, our Sea Mobile, and our Sky Mobile traveling around the region.
That's this museum, and those are off site learning centers, which park in the school yards, particularly in schools where it's an awfully long distance from the museum.

We have here a very ambitious mission, which is to inspire wonder, discovery, and responsibility for our natural and cultural worlds. And a very, very ambitious vision, which is to become a new model of a world class natural history museum for the 21st century.

And we try to accomplish all that through what I think is a very important public/private partnership. The County supports this institution. But in addition, the Natural History Museum Foundation generates revenue through earned income, principally admissions, and our shops, and our cafe.

Our researchers receive contracts and grants, principally from the federal government, to support their research.

And finally, philanthropy is a very important part of what we do.

And so I think, maybe, we may be a model for the future for California, in that we are an institution that provides very important public services, and we do so with public support, but also with a large measure of private support, as well.

With that said, I want to wish you well. I know
that your work will be very successful, and we're excited to hear what will happen today. Thank you very much.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.
And before we begin, let's go around the table so that we can introduce ourselves to the audience.

COMMISSIONER JELINCIC: J.J. Jelincic, President of the California State Employees Association.

COMMISSIONER DUCHENY: State Senator Denise Moreno Ducheny, representing South San Diego, Imperial County, and the Coachella Valley.

COMMISSIONER TAYLOR: Peter Taylor, I'm the Managing Director at Lehman Brothers, an investment bank, and I work here, in the Los Angeles office.

COMMISSIONER BENTON: Jay Benton, Retiring Chief Operating Officer, currently Executive Vice President ABM Industries, based in San Francisco.

COMMISSIONER CARONA: Mike Carona, Sheriff, Orange County.

COMMISSIONER OLSEN: Steven Olsen, Vice Chancellor for Finance and Budget at UCLA.

COMMISSIONER CANALES: Jim Canales, President and CEO of the James Irvine Foundation.

COMMISSION CO-CHAIRPERSON KOZBERG: Joanne Kozberg, Partner, California Strategies, and former Secretary, State and Consumer Services Agency.
COMMISSION CO-CHAIRPERSON HAUCK: I'm Bill Hauck, the President of the California Business Roundtable.

COMMISSIONER DANDO: Good morning, I'm Pat Dando, Vice-Mayor, City of San Jose.

COMMISSIONER DAVENPORT: I'm David Davenport, Professor of Public Policy, at Pepperdine University, and a Research Fellow at the Hoover Institution, at Stanford.

COMMISSIONER FRATES: Steve Frates, Senior Fellow at the Rose Institute of State and Local Government.

COMMISSIONER IBARRA: Good morning. I'm Irene Ibarra, I'm the Executive Vice President of the California Endowment.

COMMISSIONER O'NEILL: I'm Beverly O'Neill, the Mayor of Long Beach, formerly President of Long Beach City College.

COMMISSIONER BONNER: And I'm Dale Bonner, the former Corporations Commissioner, and currently a private attorney with Epstein, Becker & Green, here, in Los Angeles.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you. As I'm sure you already know, Governor Schwarzenegger brought together a very seasoned and insightful team of 275 veterans of State government, to take a look at its structure, and at its functions, and how it could be a good service government for the 21st century, for California.

We are not the authors of that report. We are not
those seasoned veterans, in the same way, but we have been charged by the Governor with phase two, to take the report that these seasoned veterans have produced, and to vet it to the public, to get input from varying perspectives and from the general citizenry.

So this is about our fourth hearing, we will have several more, and then we will synthesize the public testimony, and later today you'll hear us discuss what we, as a committee, Commission will be doing in terms of our report.

But first, you're going to hear from Chon Gutierrez, who headed up the team, with Billy Hamilton, of those seasoned veterans.

CO-EXECUTIVE DIRECTOR GUTIERREZ: Thank you, Madam Chair. Members, it's a pleasure to be here with you, this morning.

The Governor did, through Executive Order, create the California Performance Review effort.

It was my responsibility to assemble a team. I went about that by a variety of different ways of identifying potential applicants for the process. The Governor sent an e-mail to all the State employees. As a result of that, we received over 1,300 applications. We went through them. We put together a team, we put together 14 different teams, 7 that were functionally focused and 7
that were organizationally focused, or horizontal, that is, like information technology, that cut across all lines.

Each team had a team leader and the teams varied in size from some as small as 15, to others that were 30 in size.

They focused on how to make government more dynamic, how to better provide services, how to be more efficient, how to take advantage of technology, particularly.

Our focus was on how to improve the existing delivery of service. Our focus was not to reduce government. Our focus was not to reduce services. It was just the opposite, how can we improve services, how can we deliver services more efficiently.

There were two major legal issues that we dealt with, in terms of how we structured our recommendations. There were some recommendations that we structured that could be accomplished through the Little Hoover Commission process, which is called the Governor's Reorganization Authority, and it does involve legislative decision making, and we put decisions into that category.

And we put decisions into a second category that required making changes in the law that would require legislation.

So the report is structured along those lines.
Things that can be done administratively, or that can be
done with legislative changes in law, and those things that
can be done through reorganizational changes.

One of the teams, the Education Team, was a very
seasoned team, a team with a great deal of experience in the
area of research and in the area of education. Over 50
percent of the members of that team had advanced degrees.
Six of them worked specifically in educational areas, on
policy, and program, and research issues. Three of them
were involved in the preparation of people for the work
force. Two were actually involved, on a personal level, by
being members of school boards. Two were K-12 teachers, and
five were instructors in postsecondary education.

So today, what we propose to do is give you an
overview of those recommendations. To set the broad theme,
we have Susan Hogg, who is a former County Supervisor,
former School Board Member, and has over 25 years of State
government. She's to my immediate right.

To her right is Mary Sandy, who is the Associate
Director of the Teacher Education Program at California
State University, in Sacramento. She has over 20 years of
experience in educational policy with the State.

And to her right is sitting Kitty Williamson, who
is the Operations Manager of the State Training Center. She
has a Master's in Public Policy and has over 28 years of
experience in State government.

To my left is Karl, who's the Chief Fiscal and Policy Analyst with CPEC, and holds an MBA from UC Davis, with over 20 years of experience with State government. He has no speaking role, he's simply a manage machine. But he is an expert, and if questions come up that require his input, he is prepared to do that.

So I'd like to turn the mike over, now, to Susan Hogg.

COMMISSION CO-CHAIRPERSON KOZBERG: And can you speak very close to the mike?

TEAM LEADER HOGG: Yes. Thank you, Madam Chair, Mr. Chairman.

Members of the Commission, this is an honor to be here today to talk to you about the Education, Training and Volunteerism Team.

We're working out the logistics of the system here.

My role in this is to talk about the context and scope of the Education Team. Ms. Sandy is going to talk about structure and organization of the education area, and Ms. Williamson is going to talk about the issues and recommendations.

Public education is important, it touches everyone. One out of every four Californians is involved in
public education. This is students, teachers, and
noninstructional staff. This doesn't even include all the
parent and volunteer involvement.

Fifty-two percent of the General Fund is spent on
education, which is about $40 billion dollars annually, so
we can see the magnitude of their efforts.

In the K-12 area there are 6.2 million students in
public school, 1,056 school districts, 9,087 public schools,
and 309,773 teachers. Again, just showing this amazing
issue they were trying to reach.

Higher education has 2.2 million students, 109
community colleges, 23 California State Universities, and 10
University of California campuses.

The focus of the Education Team was twofold, how
to make the system work better, improve accountability,
improve program effectiveness, and create a more cost
efficient system.

Their other component was how education fits in
with the economy, ensuring that we will have a skilled and
educated work force to meet our labor market needs.

In doing their efforts, the Education, Training
and Volunteerism Team reviewed over 300 reports, general
articles, and studies, examined best practices from other
states and countries, interviewed 200 stakeholders, and
received more than 600 e-mails and letters with suggestions.
and input.

TEAM LEADER SANDY: Thank you and good morning, Chair Kozberg, Chair Hauck, members of the Commission. It is truly a pleasure to be with you, today, to present the findings and recommendations of the Education, Training and Volunteerism Team that worked on the California Performance Review.

There were two phases to our work, undertaken by the Education Team. Phase one involved a systematic review of education governance, and phase two involved a review of specific issues and programs within K through 12 education, postsecondary education, work force preparation, and volunteerism.

The proposed reorganization of education governance emerged early in the CPR process and served as a framework and a backdrop for the rest of the team's work on specific issues.

I will present the Education Team's reorganization proposal and my colleague, Ms. Williamson, will close the presentation with a brief overview of the issues that were developed by the Education Team.

As has been reported by many review bodies during the last century, most recently the Joint Committee to Develop a Master Plan for Education, the Legislative Analyst, and the Constitution Revision Commission, education
governance in California lacks coherence, coordination and accountability.

The graphic on this slide identifies several of the more than 16 entities that establish policies and rules that impact California's education and work force preparation system. But they do not work together. There are no clear lines of authority and there are often major disconnects that limit the effectiveness of the education system in producing an educated citizenry that can sustain and grow the State's economy.

Efforts and proposals to overhaul education governance have not, to date, born fruit. And it became clear to the Education Team that a different approach was in order.

Toward this end, the Education Team recommended the creation of a new Education and Work Force Preparation Department that would consolidate selected education agencies, remove administrative duplication, invite the development of coherent pre-K through 20 education policy, improve effectiveness and accountability within and across education programs, and promote greater alignment between education and the State's work force needs.

The Government Code allows the Governor to reorganize governmental entities that are authorized in statute, but does not allow reorganization plans to
incorporate Constitutional officers.

As a result, the Education Team's reorganization proposal does not include the Superintendent of Public Instruction, the California Department of Education, the State Board of Education, or the University of California. All of those entities are identified in the Constitution and not eligible for reorganization, according to the Government Code.

Other entities that the Education Team retained, in its reorganization proposal, include the Community College's Chancellor's Office, local community college governing boards, the California State University Board of Trustees, and the Commission on Teacher Credentialing.

The graphic on this slide depicts the Education Team's reorganization proposal. Solid lines on this chart are proposed lines of authority and dotted lines are intended to be lines of communication.

As proposed, the Department of Education and Work Force Preparation will have four distinct divisions, which are depicted across the bottom of this chart, which is difficult to read from the audience. I'm sorry for that.

The first major division within this new department would be a Division of Higher Education, which would consist of four discrete units that work in concert with one another, to improve policies and services for
California's students, businesses, and the general public.

The four units within this Division would include a Chancellor's Office for providing policy direction and oversight to California's community colleges; a unit dedicated to policy development, planning and accountability for California's higher education system; a unit that oversees California's private postsecondary education institutions; and, finally, a unit that administers student financial aid programs.

The functions of the California Community College Chancellor's Office, the California Postsecondary Education Commission, the California Student Aid Commission, and the Bureau for Private Postsecondary and Vocational Education would be transferred to this Division, under this proposal.

The second major division identified within this new Department would be a Division of Teacher and Program Accountability, and it would consist of two units.

The Program Accountability and Budget Coordination Unit would provide long-range analysis and planning for meeting the educational needs of all Californians and provide policy and fiscal advice to the Secretary, the Administration, and the larger policy community.

The Teacher Credentialing Unit, in this Division, would provide staffing and administrative support to the Commission on Teacher Credentialing. This proposal retains
the Commission as an independent policy board and moves
administrative support and oversight to the Secretary for
Education and Work Force Preparation.

The third major division within this Department
would be a Division of Work Force Preparation that would
work on coordinating education and work force preparation
programs. The group in this Division would staff a new,
proposed Education and Work Force Council, which is depicted
up on the left-hand side -- right-hand side of this chart.

And this Council would bring the State's leaders in
education and work force development together, and create a
forum for the discussion and resolution of cross-cutting
policy issues affecting the coordination of education, work
force preparation, and economic development.

The fourth and final division in this proposed
Department of Education and Work Force Preparation would be
the California State Library, which would continue to serve
as the State's main public research library.

This new Department is not intended to duplicate,
subsume, or replace the work of the Superintendent of Public
Instruction, the Department of Education, or the State Board
of Education.

These entities will retain, under this proposal,
their full responsibility for administering the public
schools and all of the programs within the public schools
that are currently within their purview.

This new Department is intended, however, to serve as a central point of coordination for education policy and to focus our attention on the nexus between our education systems and the need for a well-prepared work force.

COMMISSION CO-CHAIRPERSON HAUCK: Can I ask you a question before you go on here?

TEAM LEADER SANDY: I'm sorry.

COMMISSION CO-CHAIRPERSON HAUCK: I know the Superintendent of Public Instruction is referred to and created by the Constitution. It was not my understanding that the Department is in the Constitution. So I was assuming, obviously incorrectly, that you were going to bring the Department into this new entity and consolidate the functions under one entity, and provide other responsibilities to the Superintendent. Is that incorrect?

CO-EXECUTIVE DIRECTOR GUTIERREZ: The recommendation before you does not deal with the Superintendent and the Department of Education because of the Constitutional limitations. We were very mindful of that. And one of the thoughts that, at least I had, was that you, as a body, can look at that issue and modify the recommendation that we've put on the table, if you feel that's appropriate, and address it.

Now, that will require a Constitutional amendment.
of some kind.

COMMISSION CO-CHAIRPERSON HAUCK: But Chon, isn't it, and correct me if I'm wrong here, the Superintendent is a Constitutional officer.

CO-EXECUTIVE DIRECTOR GUTIERREZ: That's correct.

COMMISSION CO-CHAIRPERSON HAUCK: The Department, and I don't have a Constitution in front of me, but I don't recall the State Department of Education being included in the Constitution, that it is a statutory agency funded by the Legislature and the Governor.

CO-EXECUTIVE DIRECTOR GUTIERREZ: Well, it's our understanding that it is.

TEAM LEADER SANDY: Yes, let me clarify that. And you are exactly right, the Superintendent is named in the Constitution, the Department of Education is not.

But in statute, the Department of Education is assigned specifically to the Superintendent for oversight and management, and it was our understanding that, from a legal perspective, we were not able to amend or adjust any of the scope of work that belonged to a Constitutionally-named officer in a reorganization proposal.

That simply takes it out of the reorganization as the mechanism for making changes. It does, however, leave open, as Mr. Gutierrez has said, you know, the whole range of possibilities, but through different mechanisms than a
reorganization proposal.

COMMISSION CO-CHAIRPERSON HAUCK: You have a legal opinion, a written legal opinion on that point?

CO-EXECUTIVE DIRECTOR GUTIERREZ: We have counsel that we had, a seasoned attorney. We will be happy to talk in more detail to you. Quite frankly, from a peer policy point of view, we would rather have, we, as CPR, would rather have the interpretation that you're suggesting that you have, rather than the one that's more formalized in the document before you.

We believe that there is value in taking a look at the Department of Education and moving its reporting relationship. We simply didn't address that, in writing, because of the advice that we got from counsel.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, I think that is a point we may want to --

CO-EXECUTIVE DIRECTOR GUTIERREZ: We'll be happy to work with you on that.

COMMISSION CO-CHAIRPERSON HAUCK: Thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Kitty.

TEAM LEADER WILLIAMSON: Thank you very much.

The Education, Training and Volunteerism Team wrote 33 issue papers. Our concluding four slides give you a sampling of recommendations. The time constraints

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
prohibit discussing all of the recommendations here, today.

Regarding K through 12 education, we found that
the funding system is complex and burdensome, and does not
result in the most effective use of resources.

Some of our recommendations in this area are to
regionalize the county educational infrastructure. That
involves the County Superintendents of Schools, the County
Boards of Educations, the County Offices of Education.

We propose using 11 regions, that have already
been established by the California County Superintendents
Educational Services Association.

Another recommendation is to professionalize the
chief school business officers by establishing professional
qualifications for them.

Another recommendation is to change how we
purchase textbooks, using a more competitive purchasing
process. As you may have noticed already, changing
purchasing processes is a theme that runs through a number
of our CPR recommendations.

Another recommendation is to pilot replacing
categorical and mandated funding with performance-based
contracts, with K through 12 schools.

And another recommendation was to change the
enrollment entry date of kindergartners to enhance their
success, a change which has already been adopted in most
Another area that we took a look at was work force preparation. We found that California's economy has become highly dependent on a skilled, educated work force. Today, 55 percent of the jobs require education and training beyond the high school level, and the majority of those jobs require specialized training and education, but not necessarily to a bachelor's degree level.

For example, computer support specialists, nurses, electricians, carpenters, automotive repair are all professions that require advanced study and training, but not necessarily a bachelor's degree.

We also learned that in today's high tech, new economy, workers need ongoing education and training throughout their work careers to keep pace with changing skills and knowledge.

With these findings in mind, we developed several recommendations. One is to encourage rigorous high school career technical education, which leads to both higher education and to employment in the new economy.

Another recommendation is to establish training partnerships with private industry, so that workers will have the ability to do that training and education that they need throughout their careers.

A third recommendation is to establish an
Education and Work Force Council, something that Mary Sandy touched on in her discussion.

And a final recommendation is to allow community colleges to hire a greater proportion of skilled practitioners as career technical instructors.

A third area that we looked at was higher education. In this area, all of our recommendations had a focus of improving the system of public higher education and maintaining its high quality, while ensuring access and affordability for California residents.

Our recommendation is to make it easier to transfer from a community college to one of our four-year institutions, to obtain a bachelor's degree.

We recommend providing a fee waiver, in lieu of a Cal Grant award, thus saving administrative costs.

We recommend increasing nonresident tuition to full, fair market value.

We recommend establishing community college enrollment priorities, giving preference to students who are in degree and transfer programs.

We recommend piloting bachelor's degrees for community colleges, especially those in rural areas and high demand fields.

And we recommend establishing an accountability system, identifying goals and measuring progress.
You may have also noticed that is a theme that
runs through a fair amount of the CPR report.

The last area that we addressed was volunteerism.
A major finding in the volunteerism area is that
volunteerism has declined over the last 20 years, so that
today, only 25 percent of adults in California volunteer
their time in community activities.

We also found that the State's organization, laws,
and systems do not encourage volunteering and philanthropy.

We proposed to remove barriers for the use of
donated funds. We proposed, also, requiring community
college students -- I'm sorry, college students in UCs,
CSUs, and community colleges to perform 16 hours of
community service as a prerequisite for receiving a degree.

And finally, two of our recommendations have
already been substantially adopted. Governor Schwarzenegger
issued an Executive Order in August, establishing the
California Service Corps, to consolidate service, and
volunteers, and programs.

And also, AB-2690 was signed by the Governor on
August 27th, that amends the Labor Code to exempt volunteers
from prevailing wage requirements. That is following our
recommendation to remove legal impediments to volunteerism.

Thank you.
continue, if you have a few more.

TEAM LEADER WILLIAMSON: Oh, okay. In all, we had
33 issue papers, 62 recommendations, and although a number
of our issue papers could not be costed out, because we
could not come up with a precise fiscal estimate, those that
could be costed out showed a $4.1 billion savings,
cumulatively, over the next five years.

Thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Do we have questions?

Senator Ducheny.

COMMISSIONER DUCHENY: Thank you. I actually have
several. But let me just start with the one that you
mentioned on the savings. But isn't most of that savings
generated by the kindergarten proposal?

TEAM LEADER WILLIAMSON: A lot of that is, yes.

COMMISSIONER DUCHENY: And without considering the
cost of child care as the offsetting cost that child care
would be for those same students that were denied access to
kindergarten?

TEAM LEADER WILLIAMSON: It is only savings to the
General Fund there.

COMMISSIONER DUCHENY: Right. So you don't
acknowledge the cost, that that same money would have to go
into child care?
TEAM LEADER WILLIAMSON: I believe that the Fiscal Impact Statement does acknowledge that, but that is not included in the estimate of cost savings.

COMMISSIONER DUCHENY: But it doesn't include it in the number?

TEAM LEADER WILLIAMSON: Yes.

COMMISSIONER DUCHENY: Okay. When you considered the consolidation and the desire to limit the number of County Offices of Education, did you look at possibilities of incentivizing the thousand local school districts to consolidate, rather than the 58 County Offices of Ed.?

TEAM LEADER WILLIAMSON: That's a good question. I am not sure if that was considered. I'm sorry, that was not an issue paper that I, personally, worked on.

COMMISSIONER DUCHENY: Okay. And did you think about whether the CTC might go with the Superintendent and the Department of Education, or did you just sort of stay away from all the Superintendent issues?

TEAM LEADER SANDY: We did look at where the Commission should go, and if it should go anywhere, and the Team recommended, at the end of the day, that that particular set of issues, the issues around the qualifications of the work force, discipline of the teaching work force, et cetera, benefitted from having a professional standards board serve as a policy board under the direction
or under the administrative support of a Secretary for Education.

COMMISSIONER DUCHENY: And what about the Work Force Investment Board? I mean, I kind of like your Education Work Force Council, but it didn't look like you overlapped enough with the Work Force Investment Act Board which, actually, is statutorily required by the feds.

TEAM LEADER HOGG: Yes, in our hearing in San Jose, we had covered the Work Force Investment Board as part of general government, and I made a note, today, to make sure we --

COMMISSIONER DUCHENY: What did you recommend there, I'm sorry, I couldn't go to that one.

TEAM LEADER HOGG: In that hearing, it is to look at the 50 Work Force Investment Boards and areas, and consolidate them to 20 or 30, through consortiums, because including San Jose, who has a consortium model, already, we're promoting a consortium model because it saves about $500,000 in administrative cost per Board, and keeps local areas engaged.

COMMISSIONER DUCHENY: But how would they relate to the proposed Work Force Investment Education, or whatever it's called, Education and Work Force Council.

TEAM LEADER HOGG: What I did, Senator, is I made a note, as soon as that was coming in this topic area, that
as soon as we go back I want to look at those two papers and
see how that all fits together.

COMMISSIONER DUCHENY: Yeah, okay.

TEAM LEADER HOGG: I made a note of that
immediately.

COMMISSIONER DUCHENY: And one last one, on the
constitutional issues, Chon, that the State Board of
Education, you said, is theoretically, constitutionally
mandated, and are its powers, then -- or whoever knows the
legal -- I mean, it kind of follows on the Chairman's
question about --

TEAM LEADER SANDY: The State Board is named in
the Commission, it's role and responsibilities are defined
in the Ed. Code, but not in the Constitution.

COMMISSIONER DUCHENY: Not in the Constitution.

TEAM LEADER SANDY: Because it is named as a body
in the Constitution.

COMMISSIONER DUCHENY: But without parameters --

TEAM LEADER SANDY: That's correct.

COMMISSIONER DUCHENY: -- as to what its
responsibilities are, so that could be changed statutorily?

TEAM LEADER SANDY: That's correct.

COMMISSIONER DUCHENY: And does the Constitution
specify how it's appointed?

TEAM LEADER SANDY: No, it simply says that -- no,
I don't think that it does, no.

COMMISSIONER DUCHENY: So, in theory, they could be elected, as opposed to appointed?

TEAM LEADER SANDY: In theory.

COMMISSIONER DUCHENY: But it doesn't say they do more than K-12? I mean, you're proposing to have them oversee K through 20, which is a whole new concept.

TEAM LEADER SANDY: And let me clarify that point. Right now, the State Board has a statutory mandate of a K-12 policy role, and to expand that role would require an amendment to the statute, most likely.

For the State Board of Education to engage in discussion and policy dialogue around a pre-K through 20 scope doesn't require statutory change. But any change in their authority to expand it into higher education, would require a change in statute. That's our understanding.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

I have Davenport, Frates, O'Neill, Carona, and Fox.

Okay, Davenport.

COMMISSIONER DAVENPORT: Yeah, I think you have some excellent recommendations that need consideration. A concern I have is that it seems to me that some of your recommendations cross the line from government reorganization, which is sort of the task of your group and
our group, on the one hand, and educational policy on the
other.

And let me just give you two or three examples.

It strikes me that changing the entry age into kindergarten
is almost entirely a question of educational policy, when
are students ready, when can students best learn? There's
really no government reorganization about that.

The savings is really a one-time savings, that
just follows one smaller cohort all the way through school.

So it strikes me, and I guess I'm asking a
conceptual question, that conceptually, a Government
Performance Review Commission should not be making an
educational policy recommendation about something that's
essentially substance. And I think, probably, we'll spend a
lot of our time today hearing people's concerns about that,
when it seems to me that shouldn't even be a concern of a
Performance Review Commission.

A couple of smaller ones in higher education
strike me as similar, though not as clear as that one, to
say that UC, Cal State, and the community colleges should
have a common general studies curriculum or core curriculum,
it seems to me that the educational consequences of that
completely overwhelm the transfer improvements that we get
from that.

To some degree, similar about volunteerism. It
seems to be requiring colleges to require volunteerism,
again, has huge educational implications.
So, essentially, that's my question, is I like a
number of your recommendations, but it seems to me,
particularly the kindergarten one just really is not a
Performance Review issue, it's an educational policy issue.
And again, to some degree, I think some of the others wander
into that territory too freely.
Maybe you can take it as a comment or you can
respond, whatever you think.

CO-EXECUTIVE DIRECTOR GUTIERREZ: Let me just
offer a couple minor points, in a very broad way. We saw
our charge as twofold, certainly. The first is to take a
look at the programs that are being delivered and make some
judgments as to whether they need to continue to exist.
If we believed they needed to continue to exist,
we saw that our responsibility was to identify ways of
delivering it in a more efficient way.
We also looked at the issue of organizational
structure because we really thought that was at the heart of
reform and change.
We didn't have time to take a look at every single
issue that we wanted to take a look at and we, quite
frankly, envisioned some kind of an effort, like the one
that you're going through today, reviewing our
recommendations, and our thinking was to select a few that
crossed into the policy area, to indicate further areas of
further discussion through some other vehicle, call it CPR
Two, or call it some other name, but these issues should be
addressed.

COMMISSIONER DAVENPORT: But just take the
kindergarten one, for an example, I guess it's somewhat more
efficient to teach five-year-olds than four-year-olds, or
six-year-olds than five-year-olds, but again, that's not
really an efficiency question; is it?

CO-EXECUTIVE DIRECTOR GUTIERREZ: Well, I think it
is. I didn't spend a lot of time with the team member that
developed that issue but, clearly, the focus that they
looked at was what is the relative return on investment, I
hate to put it in those terms, of starting at one age versus
another age.

COMMISSIONER DAVENPORT: Yeah, I didn't really see
that argument developed in the material, maybe I missed
that.

COMMISSION CO-CHAIRPERSON KOZBERG: Steve Frates.

COMMISSIONER FRATES: First, let me compliment you
for wrestling with a real plate of spaghetti, when you look
at school financing, it's arcane in the extreme, you might
say.

But two things there often overlap, one is the
relationship between financing and policy and then the
structural relationships. And most particularly you've
talked about reorganizing the County Office of Education.
In some counties, and in some school districts, various
school districts contract between and amongst themselves to
provide certain types of special education. In other
counties that's not the case.

Did you look at those kinds of variabilities, did
you look at the efficiencies that could be accomplished
there, number one?

TEAM LEADER SANDY: Yes, in fact, we did. We
looked closely at the County Offices of Education and found
that about ten percent of the funding that supports the
County Offices of Education is State funding.

County Offices are largely supported through fee
for services, through grants, through other means, other
than the State. So the question that the Team undertook
was, is it better to deliver the services to all of the
students that need services from the counties, through 58
separate counties, or could that be consolidated in some way
that would enable more funds to be devoted to serving the
students, themselves, rather than supporting 58
infrastructures to support those.

COMMISSIONER FRATES: Right. Well, of course,
looking at net efficiency is what you're after there, too.
TEAM LEADER SANDY: Net efficiency without undermining the level of service to the students who are, in many ways, the most needy in our public school system.

So there was attention there, certainly a policy question that our recommendation was that this be looked at seriously, a regionalizing of the delivery of State services could, in fact, improve services and improve the efficiency, and the availability of resources to direct to those students.

COMMISSIONER FRATES: And then a second one, somewhat related to another, certainly challenged group, in the educational establishment, and that's the people in each district that have to fill out the myriad forms and requirements for data and information.

I notice in the report that you said that you "never did tap bottom on whether there was a master list," and, certainly, that might be the first step towards reorganization. And anybody who gets that is going to find the Rosetta Stone of school administration in California.

COMMISSION CO-CHAIRPERSON KOZBERG: Beverly O'Neill.

COMMISSIONER FRATES: Does that exist, by the way? Does such a list exist?

TEAM LEADER SANDY: Not that we were able to learn.
COMMISSIONER FRATES: I feel better, I think.

COMMISSION CO-CHAIRPERSON KOZBERG: Beverly.

COMMISSIONER O'NEILL: Oh, thank you very much. I agree, you did a good job looking at what we're facing, and not just in California. Of all of the things that we're talking about in this California Performance Review, I feel that I've had more background in this particular area, especially, and I'm very concerned about education work force and job development.

I think it's a crisis for our country. I was Chair of the Job Education Work Force Committee for the Conference of Mayors, and we had four summits, Boston, New Orleans, Kansas City, and in Long Beach.

Each area is entirely different. They don't teach logging in Southern California. We had an economist do a study of every one of these cities, and every one is different in the type of development that they need.

And if we don't face this crisis that we have, especially with the increasing gap between skilled and unskilled workers, we are in very, very bad shape. And so the work force development and education have to work together, and there has to be a cohesiveness that their goals are the same. And they're not the same for every city.

And throughout the nation there are school
districts that are -- large cities are taking over their own
school districts, have nothing to do with the state anymore.

And that's why it's so important that we have
something that is workable, something that is cooperative
with one another.

I want to tell you, for the most part I think you
have good recommendations, and I would love to have a
further discussion on the understanding of some of the
recommendations, because I don't understand why you came up
with them. But we haven't got time for all of that right
now.

But I am concerned, I think that the 109 community
colleges, and that's why I said that I was formerly from
higher education and community colleges, before I became
Mayor, is the only open access for every age, and it
absolutely is the strength of our higher education. You
know, I'm biased in that.

But I'm talking about the community colleges are
the face of California. And I think that I don't
understand, in your structure, why they are with areas that
are not providers. Community colleges are providers, the
same as the State University system and the University of
California. And I don't understand why the dotted line, or
the broken line is not the same for them as it is under the
Undersecretary of Higher Education Policy, because that puts
it under the State Board of Education. And I think that
that is not the proper placement for that.

TEAM LEADER SANDY: Let me take a stab at that.

What we the team found, in looking at the community college
system, is certainly we could endorse, easily, everything
you've said, it is one of the shining lights in California
and in the nation.

COMMISSIONER O'NEILL: No other state has this.

TEAM LEADER SANDY: It's absolutely true, it's one
of the best things that we have in this State, in terms of
public education, investment of public funds in education.
There are so many layers of governance in that system that
it seemed to us that that bogs down the decision making and
the ability to move with alacrity to make changes, to
initiate new programs, et cetera.

There is a Chancellor, there is a Chancellor's
Office, there is a Board of Governors, there are 72 local
boards, and then there are 109 community colleges.

So in the spirit of finding ways to make things
more efficient, to make decision making easier, to make
things happen with a little bit more ease, we looked at that
system and thought that removing a Board of Governors from
that layer wouldn't take away the value and the real essence
of the community college, as a system.

But moving the administration of that work into
the work of this Higher Education Division brings with it
the opportunity for greater coordination with the higher
education planning function, with the student aid function,
with the oversight of private institution functions.

All of these functions already exist in
government, so our proposal here was to bring all of these
higher education governing agencies together, in one
division, that could consolidate and coordinate their work
with more effectiveness and, we hope, achieve greater
efficiency and better services for the students. So that
was the intent there.

But the 109 community colleges still have the
reporting relationships that they would have, their
Chancellor simply moves into this.

COMMISSIONER O'NEILL: But the oversight of the
Chancellor is in a different position.

TEAM LEADER SANDY: The Chancellor, in this
proposal, would report to the Secretary for Education.

COMMISSIONER O'NEILL: And I agree with some of
the things you said, but I don't think the autonomy comes
with the placement of where it is right now. And I think
that there are a multitude of layers, but I think that they
could be restructured under the same areas that they are
currently in, rather than move them to a new area, which
actually gives you more layers above the community colleges
than they have now.

And if you want them to coordinate with the higher education systems, as you've recommended, the placement is still incorrect, I think. And I haven't had a chance to talk to anybody that's currently in the business. And I was glad that this afternoon we'll have a chance to hear about that.

But just looking at it from my career, before I became in government, I can see that more levels are not going to help at all.

COMMISSION CO-CHAIRPERSON KOZBERG: Peter Taylor.

COMMISSIONER TAYLOR: Thank you, Madam Chair, I appreciate it. I have a couple of questions, if that's okay, and then I'd love to get in the queue later, if there's additional time.

Your recommendation ETV 10, where you talk performance-based contracts for K through 12 districts, I found that intriguing. I like the idea of setting goals and people working towards a common understanding of what those goals and objectives are.

Then, in ETV 7, you're talking about kind of reducing all those reports that school districts have to fill out and are quite burdensome.

If you're giving the State a very active role in oversight and working with local districts, and performance-
based management, aren't you really kind of just redesigning
all the reports they have to currently fill out, anyway?
And instead of tossing chairs off the deck, to lighten the
load, aren't you really kind of just rearranging chairs and,
especially, the work load would remain pretty similar?

TEAM LEADER WILLIAMSON: The issue paper dealing
with reports was based on some work done in other states.
The way that laws are written, a report gets put into
statute and then it continues on year after year, even when
its utility has passed on.

Other states have found that when they review the
reports required, to the Legislature, that they can get a
substantial reduction in the number of reports produced.
Some reports have just outlived their usefulness and it
needs to be rethought.

COMMISSIONER TAYLOR: And the second question goes
to the recommendation on community college transferring,
making it easier for community college students to transfer.
I had the privilege, for a couple of years, to serve as an
alumni rep. on the UC Board of Regents, about four or five
years ago, representing my alma mater, UCLA.

And at the time, former Regent Gould was the one
who put a great deal of pressure on UC to try to do a better
job in facilitating the transfer of class credit.

I came to the conclusion at the time that the
likelyhood of this happening in my lifetime or that of my
children was between slim and none because, for all intents
and purposes, it's really a faculty decision.
    As much as, at times, I wanted to wrest it away
from faculty, it's virtually impossible.
    Your recommendation doesn't really mention the
role that faculty play in trying to facilitate this. Can
this really happen, again, in my lifetime or that of my
children?

COMMISSION CO-CHAIRPERSON KOZBERG: Karl, yes.

TEAM LEADER ENGELBACH: As you've indicated, we've
been working on the issue of transfer for a number of years.
All of the higher education systems have been focused on
this issue. There has been an increase in the number of
community college transfers going on to both UC and CSU. It
is a challenge.

And essentially, in this issue paper, we tried to
identify that further work needs to be done.
    You're absolutely correct that faculty are at the
heart of the issue of identifying what courses are
transferrable from one institution to another. But we hope
that working collaboratively, between the Governing Boards
and the faculty, that we can try to streamline and improve
the process, so that more students who are in our community
college system, who seek a baccalaureate degree, can
actually obtain that from one of our four-year colleges and universities. I do think it will be a continued challenge.

COMMISSION CO-CHAIRPERSON HAUCK: Peter, it's more likely to succeed in the CSU, than it is in the UC.

COMMISSION CO-CHAIRPERSON KOZBERG: But it's getting better, so hold that thought to the afternoon and you can ask it again.

Sheriff Carona.

COMMISSIONER CARONA: Madam Chair, this is more on the heels of Chairman Hauck's question that he posed, and I think it was a good one, referenced the Superintendent of Public Instruction and the Department of Education, those things that are constitutional mandates and then those statutory requirements that have been now put under Constitutional officers.

If we're going to legally research the question that Chairman Hauck put forward, then I think in all fairness to Chon and his group, because they were tasked with not looking at Constitutional officers, or those responsibilities that are lumped under Constitutional officers, that we give them the opportunity to not only review the Superintendent of Public Instruction and the Department of Education, but tomorrow we're going to be looking at Public Safety.

We have exempted the Attorney General, under the
Division of Law Enforcement, which clearly was an issue, is an issue.

And our final hearings, at UC Davis, are going to be dealing with government restructuring and some of the Executive Branch issues.

And so I think if we're going to move forward with a legal opinion, and that's the will of the Chairs, then I would ask that Chon and his group look at those other subsets, because they're going to come into play for discussion.

CO-EXECUTIVE DIRECTOR GUTIERREZ: Mr. Chairman, Members, that's an excellent suggestion. May I formalize it a little bit more. At UC Davis we're going to talk about organizational structure. How about I bring a legal team that addresses that issue, in response to your question, lays it out.

I think it's much clearer, in the case of the Attorney General, than it is in the Superintendent of Public Instruction and the Department of Education issue.

But we can have a legal team walk you through that issue, set the framework, and then you can look at it in its proper context. Or I can have something written up, whatever pleases the Chair.

COMMISSION CO-CHAIRPERSON HAUCK: I think we're going to want to pursue this, Chon.
CO-EXECUTIVE DIRECTOR GUTIERREZ: Okay.

COMMISSION CO-CHAIRPERSON HAUCK: Maybe we ought to have a discussion, separately, to try to aim what you do and what you bring back on the 27th.

CO-EXECUTIVE DIRECTOR GUTIERREZ: And, of course, we'll be happy to do whatever you want.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Joel Fox.

COMMISSIONER FOX: Thank you. Actually, my first two questions really follow right on Mike's question, and Bill's comments. Because as I understand it, because the Superintendent's position is Constitutional, you did not involve yourself in the discussion of whether or not education should go under the Governor, through the Board of Education, and eliminate the Superintendent's position or, conversely, the Education infrastructure go under the Superintendent, with the Governor's office not having much involvement at all.

It seems to me, though, that there is a discussion to be had on all points of cost saving, accountability, and effectiveness. And you spent a lot of time with this issue, and so my first question was would you care to comment or do you want to wait for the UC Davis discussion? And then I have a second question.

CO-EXECUTIVE DIRECTOR GUTIERREZ: Well, we'll be
happy to comment, it's the Chair as to how they want to handle it.

But let me tell you, very clearly, that was an assignment that Kitty dealt with.

COMMISSIONER FOX: I understand.

CO-EXECUTIVE DIRECTOR GUTIERREZ: And the only reason it's not before you is because of legal advice from our staff, that said you really can't address that through the Little Hoover process.

But there's Kitty, who I'm sure should -- I'm sorry, Mary.

TEAM LEADER SANDY: You know, certainly, you know one of the major documents that we reviewed, early on in our work, was the Master Plan for Education, that was developed and produced just in the last several years. And that document was the result of years of work by a huge group of education stakeholders from across the spectrum, and their recommendations were to substantially reorganize the Superintendent's role, vis-a-vis the Secretary's role, vis-a-vis the State Board's role.

In fact, there was a bill that went through the Legislature this year, SB 6, that was part of the Master Plan set of bills, that would have done just that. That bill failed miserably, and it failed right before our eyes as we were working on this issue.
And so our question became, you know, is that where we're going to invest our recommendations or are we going to look at taking a different angle on this? And we decided to take a different angle, and to put in place the Secretary for Education and Work Force Preparation as the Governor's central voice in education, to instantiate that in law, through the Little Hoover reorganization process, and then to see what happens as a result of that. Moving that from an advisory office, that's established through Executive Order, into an office that's established in the law, with a mandate and a focus, will change the relationships in education and change the conversation in education.

And then what is the next question? And we weren't prepared to answer that question. We really need to see how it all unfolds.

So that's really where we were with that question.

COMMISSIONER FOX: Well, I think you've successfully started a debate.

Let me ask my second question, maybe on behalf of any college students that might be out there. A little inconsistency, at least, in the volunteer section, where you require students to perform a community service, did you look at any other kind of an incentive that might be used, so that there would be true volunteerism, rather than a
requirement?

TEAM LEADER WILLIAMSON: I'm not sure that we did. The notion there was that all of the college students, at UC, CSU, and community colleges are paying only a portion of their tuition, the true cost of their education is certainly greater than the tuition that they pay, and it was a good idea to have the concept of giving something back. Sixteen hours of community service, over the course of getting a bachelor's degree, is a small, additional price to pay.

COMMISSION CO-CHAIRPERSON KOZBERG: Senator Brulte, than Pat Dando, Russ Gould, and J.J.

COMMISSIONER BRULTE: Well, Joel asked one of my questions and thank you for that, Joel. I don't know how you reconcile volunteerism versus requirement.

COMMISSIONER FOX: Maybe it's just terminology that has to be --

COMMISSIONER BRULTE: Mandatory volunteerism just strikes me as --

COMMISSIONER FOX: The military requires it on a two-year basis.

COMMISSIONER BRULTE: I want to bore in, just a little bit more, on the Constitutional question. You did not deal with Constitutional officers or Constitutional issues?

CO-EXECUTIVE DIRECTOR GUTIERREZ: We did not deal
with issues that our attorneys advised us could not be
addressed through the Governor's reorganizational authority.
And the Governor's reorganizational authority limits him to
reorganize those areas of government that he has legal
responsibility for.

COMMISSIONER BRULTE: Then let me ask you a
question, one of your recommendations is a Constitutional
amendment relative to County Superintendents. Can you
explain to me why you chose to deal with that Constitutional
issue and is that outside the purview or --

CO-EXECUTIVE DIRECTOR GUTIERREZ: We focused -- my
answer was focused on the Governor's reorganizational
authority and what can be accomplished using that legal
vehicle. We made a conscious decision that those issues
that would require a Constitutional amendment to change the
organizational responsibility of the statewide elected
officials, that that would have to be addressed at another
time, under different circumstances.

I'm sorry, was that --

COMMISSIONER BRULTE: Well, what's the difference
between a Constitutional amendment dealing with County
Offices of Education, and a Constitutional change dealing
with the State Superintendent?

CO-EXECUTIVE DIRECTOR GUTIERREZ: I guess there
isn't any.
TEAM LEADER WILLIAMSON: We simply did not propose a Constitutional -- that the Governor, or anyone else, sponsor a Constitutional amendment.

COMMISSIONER BRULTE: No, you proposed that the Governor work with the Legislature to create a Constitutional change relative to the County Superintendents.

TEAM LEADER WILLIAMSON: That's correct. but as Mr. Gutierrez is explaining, the process for launching an amendment to the Constitution is well understood. It cannot occur in the context of a reorganization.

So the Superintendent and the whole governance issue, and within the context of the reorganization we could not take that up, for those reasons.

Certainly, we could have recommended that the Governor and the Legislature, you know, engage in a revision to the Constitution regarding this, but we did not.

CO-EXECUTIVE DIRECTOR GUTIERREZ: Let me really direct on that, that we made a decision not to go forward with recommendations for Constitutional amendments. It sounds like we were not consistent on that one point.

COMMISSIONER BRULTE: Okay. I mean, you know, a legitimate answer may be that it's easier to pick a fight with county sups. than Jack O'Connell, that's a legitimate answer.
CO-EXECUTIVE DIRECTOR GUTIERREZ: Well, we leave
those judgments to you, Senator.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

COMMISSIONER BRULTE: No, let me --

COMMISSION CO-CHAIRPERSON KOZBERG: Okay.

COMMISSIONER BRULTE: What would your response be,
I mean, I think there's a legitimate question about
regionalizing, certainly in some areas, county sups. I
mean, in my area they do a really good job, you know, where
you have one county sup. and one county school board, that
it's clear there's overlapping jurisdiction there, where you
have one school district in some of the more rural counties.

There is an argument to be made, I think, that
where you have elected County Superintendents, and you have
elected County School Boards, they may not be necessary, and
that's one that I'd like to pursue further at some point,
either publicly or privately.

The normal rationale is we elect school boards at
the local level, they hire a superintendent. So that's
clear, so where you have an elected superintendent it may
not be necessary to have an elected county school board or
an appointed county school board, that makes sense to me.

How do you then take that argument to the
statewide level? There are a lot of people who argue that
because we have an elected State Superintendent, you don't
need a State School Board that's appointed. How do you reconcile what you're proposing at the local level and what Governors have historically opposed at the State level?

CO-EXECUTIVE DIRECTOR GUTIERREZ: Did we get into that issue?

TEAM LEADER SANDY: That's a hard question, and I'm not sure how to reconcile that here, in the next ten seconds.

We approached those issues from different vantage points. The question around the utility of county offices, as yet another layer of structure between the students in our classrooms and the Governor of the State of California. It seemed to the Team that that was a level of governance that could be restructured without having a negative impact on the students in our classrooms. And we approached the question from that vantage point.

The question of the superintendent elected, versus appointed, a State Board elected versus appointed, you know, it's a very complex question. And many groups, in the last hundred years, have engaged that question seriously and come up with recommendations, and we read those reviews and reports, the Constitutional Revision Commission, and all of their recommendations, and said this is a complex issue.

The Legislature, the Governor, and the policy community are going to have to figure this out. And what's
our value to add? That's what we could do in 12 weeks, and
that's probably as much reconciling as I can do on that very
complex question.

COMMISSIONER BRULTE: Well, the reason I think
that's important, and you need to walk it through, and I'm
going to come back to that in one minute.

Let me just ask you one other question, relative
to county sups. There is a movement, legislatively, driven
legislatively, signed off by the exec., to give county sups.
greater oversight. In fact, before we bailed out Oakland,
to the tune of another $60 million, we gave county
superintendents greater authority to review at least the
financial aspects.

And that occurred during the course of your
review. Did that impact any decisions you made?

TEAM LEADER SANDY: Certainly. You know, we
looked at the fiscal oversight function of the community, of
the county offices and found, in fact, that it's fairly
uneven in its application. And that in many counties that's
very well done and in some counties, it's not so well done.

And the question that we at least discussed, if
not recommended anything about, was are the counties the
appropriate body to do that fiscal oversight, or are there
other bodies in this State that might be better able to
manage the fiscal oversight, FICMAT, for instance, and are
there other ways that we can --

COMMISSIONER BRULTE: The State Superintendent?

TEAM LEADER SANDY: The State Superintendent.

Well, the State Superintendent, right now, uses the 58 counties to collect information at the district level and it filters upward in that manner. But it filters upward unevenly, that was one of our findings. And that unevenness calls into question the value of that structure. Is that structure really the best structure for the fiscal oversight?

We have another issue paper that looked at the requirements for school business officers, and the recommendation there is that at the district level, the State needs to get a better handle on the business officer qualifications to manage the books. Are they well qualified, are they well trained, is there some uniformity in that?

COMMISSIONER BRULTE: Sure, and that makes a great deal of sense.

TEAM LEADER SANDY: Yeah, and so certainly, at that level, we thought the fiscal -- we need to make improvements at the district level. But how it filters up from there is an open question and we questioned the value of the county offices in continuing in that role.

COMMISSIONER BRULTE: Okay, the reason I raised
that, without taking too much time, is that we have a review
that was prepared by staff, given to the Governor, who then
gave it to us to review, and sometime later today, or
tomorrow, we're going to have a discussion about what we
actually do. Because, at some point, this has to go to the
Legislature for an up or down vote, and we then either fix
part of these or we don't.

And the reason I asked that question is because
the Legislature is a fairly complex group that's already had
a number of discussions, on a number of these issues.

I mean, for example, I agree with the kindergarten
issue. I think we're teaching -- I mean, we ought to raise
the age, because we're not doing a very good job, and most
kindergarten professionals that I talk to, tell us that.

However, the Legislature, correctly or
incorrectly, sees that as a child care issue, and so they've
resisted changing that unless we take all of the savings and
put it into child care.

So these, hopefully, we'll have a discussion
further.

The last question. I had asked, and haven't seen
it yet, doesn't mean you haven't done it yet, but I'd asked
for a program-by-program, recommendation-by-recommendation
as to what was additional cost, a transfer, or a new tax, or
actual savings.
And I don't know, Chon, have you been able to put that together?

CO-EXECUTIVE DIRECTOR GUTIERREZ: We've done that. We formatted it in the way that we may have to sit down with you and change the format, though, because the way you've just asked the question doesn't match the format.

What we did is we identified every single instance in which there was a fee increase of any kind, or a tax increase of any kind. For example, out-of-state students coming into UC, we consider that to be an increase, so that would be in that category.

COMMISSIONER BRULTE: Okay.

CO-EXECUTIVE DIRECTOR GUTIERREZ: There are other instances, however, where we recommend a more aggressive collection of federal funds, where we're actually transferring money from the federal government to us.

COMMISSIONER BRULTE: Sure.

CO-EXECUTIVE DIRECTOR GUTIERREZ: We assumed you weren't interested in those. But in terms of those --

COMMISSIONER BRULTE: Well, my interest was, as I said in the first hearing, I mean you assert X billion dollars worth of savings.

CO-EXECUTIVE DIRECTOR GUTIERREZ: And we identified all of them.

COMMISSIONER BRULTE: And those should be
identified in what's real savings, what is a transfer of
cost to another level of government, what is a transfer of
cost to individuals or taxpayers.

CO-EXECUTIVE DIRECTOR GUTIERREZ: And we've done
all of that, and we've listed each instance where we believe
they fall into your definition.

COMMISSIONER BRULTE: Okay, maybe we can go over
that.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

This is a very important discussion that we're all having,
but I want to remind my colleagues we are running over our
time limit, and we're now to hear from Pat Dando, Russ
Gould, J.J., and Jay.

COMMISSIONER DANDO: Thank you. First of all,
thank you for your good work, you've certainly given us a
lot to chew on. And I have to say that, as a local
official, there isn't any subject that emits more emotion
and more passion than education of our children.

I have many questions. I'm a teacher by
profession, so as I read over this, I had all kinds of
questions. But in the spirit of trying to stay within our
time frame, I'm going to limit it to two.

I will mention that Senator Brulte brought up one
area that I have, but I'm not going to go into that, that's
the level of power of the Superintendent, especially as it
relates to Oakland.

And also, when you -- and so my two questions are, one, as you looked at school districts and regionalizing county superintendents, did you also look at efficiencies of numbers of school districts in individual cities? For instance, San Jose has 28 school districts, with 28 hired superintendents, 28 school boards. Actually, it may be 32, but I'll say 28, just to be conservative.

One school district has one school and yet, it has all the duplicative services.

So did that play into looking at your recommendation on county superintendents?

TEAM LEADER SANDY: We certainly looked at the issue and we did not develop an issue paper on that particular issue. We had 12 weeks in which to conduct this review and write our recommendations, and that one is maybe for CPR Two. It certainly is a worthy question, but it's not one that we developed fully.

COMMISSIONER DANDO: Well, I think as, not only efficiency-based, but just the quality of the services that are provided, that that's something that you should take into further consideration.

My second question has to do with the kindergarten age. I don't think there's much debate that we know our children learn best between the ages of 3 to 6. And where
many states are now looking at universal preschool, we're
now talking about lowering the age -- or raising the age of
children going into kindergarten.

And we also know that most of those children that
thrive in kindergarten, even if they're not five, fall along
socioeconomic lines and the environment that they come from.

So my question is did you look at the potential of
cost savings, because I get your investment on return. Did
you look at cost savings that you may realize later, down
the educational chain, if you were to consider preschool,
rather than just cutting off the age at kindergarten?

TEAM LEADER WILLIAMSON: Yes, we did start to look
at that. Just as Mary answered the last question, that is
one of those issues that we took an initial look at. We're
hoping we'd be able to develop an issue paper in the area of
preschool, and given the time constraints of the whole
project, that was not one we were able to fully develop and
include in our issue papers, here.

COMMISSIONER DANDO: Well, that's something that I
would really be interested in knowing more about. I think
Senator Brulte said there's a lot of hesitation to make
changes at that level, unless you're willing to take the
changes and put them into something else that would benefit
young children and the learning.

We certainly know that within California we need
to make some changes in education. Nationwide, we rank at
or near the bottom, so we know that we need to make changes,
and I'm open to all of these.

But my concern is that we cut off our nose to
spite our face, and do not get children into learning
environments early, when we know that they can succeed.

TEAM LEADER SANDY: Let me just add, our silence
on the preschool issue does not indicate a lack of support
or interest in universal preschool. We did not have the
time to investigate that fully.

But we did believe that changing the age for entry
into kindergarten was an idea that was worth considering on
its own merit, given the reforms of the last ten years in
our public schools, the move towards much higher academic
standards, K through 12, has had an impact.

And the question became do we admit them at four,
and then provide all kinds of expensive interventions
through the third grade, or do we change the entry level,
hope for a higher level of maturity and readiness to engage
with the rigors of the curriculum.

And that's where the Education Team landed, that
this was an idea worth considering on its own merit, but not
at the expense of a universal preschool concept. It's
simply something we did not have the time to engage.

COMMISSIONER DANDO: Well, in the spirit of trying
to make something happen, realizing that good education
isn't democrat or republican, and knowing that in order to
make some changes at that kindergarten level you may have to
do something else.

So I would really appreciate knowing the cost
savings, and if you were to put that into universal
preschool, or California preschool, what then would you save
throughout the course of that child's education with
remedial, and counseling, and other kinds of services.

Thank you.


COMMISSIONER GOULD: Thank you. First, I'd like
to thank you for the great work and the clarity of the
presentation today, it's very helpful. This is obviously a
complex and thorny issue.

I've got one comment to make and then I'll do a
quick question. There was some question relative to the
scope of the work and whether you were overreaching, if you
will, in terms of looking at a couple of areas, such as
kindergarten, kind of helping facilitate community college
transfer, et cetera, movement.

And I guess my view of the role of this project
was to really look at how can we effectively and efficiently
provide services to the people of California. And under
that charge, I think you have the license to do that.
Whether there are, and I would agree there are complex educational policy issues accompanied with it, I wouldn't shy away merely because you kind of head into that water.

Certainly, on the kindergarten issue, you know, we've had a lot of discussion today, I'm not going to go into it further, but I think it's fair territory to think about whether we are providing the most effective way of providing services to young children and whether it's effective for them.

The issue of transfer and the ability of students to be able to navigate their way through the complex higher education systems in the State, I was reminded that I've had some passion about this issue in the past. I don't think I've entirely lost it. And so I think that is a very fair question.

Because I think the higher education community needs to continue to think about its clients. And its clients are not only the students, but also the taxpayers, their families, who are trying to assist and make that work for their student. And it is not an insular issue to the higher education community, but it is one that I think they really need to look at their client base.

Now, off that soapbox. Just a question that you raised regarding piloting bachelor's degrees being provided
at the community colleges.

You know, we have had a master plan in education for some time. There has been some angst about whether we're going to have degree envy crop up, and mission creep start to erode what is intended to be a framework for moving people through.

And I guess what I'm wondering is did you consider regional collaboration of institutions to facilitate both use of facilities and the talented faculty that we have, on all segments of higher education, in lieu of giving a particular segment, such as the community colleges, a new degree opportunity?

TEAM LEADER ENGELBACH: Yes, we did. As you probably already know, there are a number of regional collaboratives that are already working quite well to provide students with baccalaureate degrees in various regions of the State. CSU faculty and UC faculty actually offer some of the course work at the actual community college campus.

In other regions of the State, particularly rural areas of the State, those collaboratives haven't developed or haven't formed quickly enough. For example, there is a great desire for an increase in the number of baccalaureate programs offered up in the most northern part of the State, Superior, California. The residents of that region look
toward the CSU Chico to come and provide services. Thus far, CSU Chico, for a variety of reasons, hasn't been able to do so.

So the real question is how do we still provide access and opportunities in residents, in under-served areas of the State, to obtain the baccalaureate degrees that they need in order to help support their own communities and the State's economy.

I know this is a departure from the State's master plan, but we were interested in ensuring that Californians have access to the education that they need to support their own communities, as well as the economic well being of our State.

COMMISSION CO-CHAIRPERSON KOZBERG: J.J.

COMMISSIONER JELINCIC: A number of observations and then a question. In 06, you suggested the repeal of 1419. I assume that was a timing difference, it probably wouldn't have appeared today, after the end of the legislation.

In 07, you proposed getting rid of a bunch of needless reports. I represent a lot of people in the Department of Education, community colleges, they all agree getting rid of needless reports is a good idea, they just don't agree on what the needless reports are.

I admire your political judgment in not proposing
to eliminate all of the community college school boards. That probably would have created more problems than it was worth.

Another contradiction on the Constitutional amendments is last week we talked about a Constitutional amendment that affected SPB and discipline. As the son of a shop teacher, I certainly agree that we need to link the work force and education, and we need to bring back what we used to call voc. ed.

What we really need to do is provide skills to our people and provide good quality jobs. And if you really want to increase volunteerism, then you help create a society in which one income can support a family, and that will do more to increase volunteerism, than requiring college students to do 16 hours in four years.

Now, to get to my question. On the Superintendent of Schools, they provide a number of services, you know, special education, court-ordered schools, migrant services. How do you propose to provide those services?

TEAM LEADER SANDY: The recommendation is to determine the extent to which those services can be consolidated and offered in 10 regional sites, rather than 58 regional sites, and that was the proposal. Not to stop delivering those services, and certainly not to make it impossible for students that need those services, to get
those services, because of a regional structure.

But to determine whether 10 regional centers could provide those services, effectively, to the students that need them.

That's the question and then our recommendation is that the State move in that direction.

COMMISSIONER JELINCIC: And how much did you work through how feasible you really think that is?

TEAM LEADER SANDY: Well, I guess that's a judgment call. We engaged a number of stakeholders in conversation about that, and determined that it was worth further consideration, and study, and evaluation. So we did consider it and we did discuss it.

COMMISSIONER JELINCIC: Okay, thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

And the last question goes to Jay.

COMMISSIONER BENTON: Yes, thank you, Madam Chair, and I join in thanking you for all of the good work you've done.

I can't get into the inner workings of the organization of California education, I just am not equipped for that. So I'd like to move the discussion to 40,000 feet.

Now, I was struck by, you know, we're the California Performance Review, and I was struck by the word
"Performance" and the lack of discussion of performance.

That is to say, by your statement we're spending $40 billion a year, what do we get for that? How do you measure that? If we were talking about other areas of government, you'd be discussing, as we've done in the past, you know, throughput, output, and that, you know, and I realize that's very difficult to do in education. I mean, that's a thorny issue.

But could you share with us whether or not you gave discussion, when you began your discussions, to the very broad question of how are California schools performing, that is to say, the output of our $40 billion, and how that compares with whatever else is out there that might be comparable, recognizing there may be nothing.

But could you just share your thoughts on that area, please?

TEAM LEADER WILLIAMSON: One area where we did get into that discussion is in that higher education area. I touched on it briefly, in my very quick summary.

We had one paper, number 21, to establish an accountability system to identify goals, and performance measures, and to start measuring outcomes towards those goals. That was in the context of higher education, so we did have that discussion at that level.

TEAM LEADER SANDY: And certainly, performance was
a theme that, you know, was a daily mantra, that what is the performance that we're measuring, that we're evaluating?

In the whole, at the 40,000 foot level, we were looking at systems, and we were looking at dysfunctionality in the current systems, and in 12 weeks the value we hoped to add was to provide some more functionality, because there was, I guess, an unspoken belief that greater functionality in our systems will result in greater performance of the system.

But we had 12 weeks to do the work, and the questions that you're raising, we absolutely respect the question that you're raising. It's a longer study. And you know, there are huge efforts underway, that are well-funded in this State, to evaluate the performance of our schools. And the results are mixed.

And you know, we could have taken a close look at those accountability mechanisms and evaluated those, and it's our fervent hope that somebody will in the next phase of work.

But our approach was a systems approach for now, given the time we worked with it.

TEAM LEADER HOGG: We also have ETV 10, which is the performance-based contract to move from the categorical funding to outcome based, and I think that somewhat addresses that. The discussion about readiness of
kindergartners and their success in school, drop-out rates, was addressed in that paper on a brief note. So I think that was a summary of that. But certainly, that didn't make that the large component of the study.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

COMMISSIONER BENTON: Thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: I'd like to thank you for an excellent presentation and an excellent discussion.

That concludes this part of the program and we're going to now bring up the K-12 Panel.

COMMISSION CO-CHAIRPERSON HAUCK: Well, while that's happening, just I'd like to say to fellow Commissioners that -- well, pretty soon, they'll turn this mike on, or maybe not.

Everybody's being very polite this morning, both witnesses and members of the Commission. The governance structure in California's education system is a mess, it's an outright, unbelievable, outrageous mess. There are lots of interests, lots of folks who'd like to protect the status quo. We spend $40 billion a year, at least, on this. And as Pat was just pointing out, we're at, in terms of performance, at 48, or 47, or 46, wherever we are in terms of the states. There's no performance standard, you know, for the expense -- for the expenditure of that.
kind of money.

The difficulty here is it is a complex subject, but the premise is very clear, it's a mess. And there's no reason to be polite about it.

The question is, you know, how do you, over some period of time how do you straighten it out?

An editorial comment on my part.

COMMISSION CO-CHAIRPERSON KOZBERG: And now to the people working in the field. This is the K-12 Panel. As you get assembled, just let me do a few housekeeping things.

As we break for lunch, there is a facility to have lunch. If you go to the back of the room, there will be people who will take you through the museum, so that you don't have to pay admission to go have lunch.

Also, for public testimony, I know many of you have signed up. You're welcome to speak on any subject that CPR is covering.

What we have been finding is that some of the individuals who have come to speak before us are concerned with issues that are really not related to CPR.

What we have done is brought in ombudsmen, that you are welcome to speak to on any issue of your concern, local or state, and we'll make sure that it gets attention.

So that if you have concern whether or not you're addressing CPR-related issues or general issues of concern,
please see Cathy Poncabare in the lobby of this facility.

And now, if we could turn to our Panel, if you could do self-introductions, and we're going to start with David Gordon.

You're limited to five minutes, you'll see a little card come up, warning you, and then a red card go up at the end of the time, so that we can leave time for discussion.

And also, if you could focus your comments on what you agree with in the CPR report, what you disagree with, and what you would do differently.

PANEL MEMBER GORDON: Do you want me to just introduce myself, or start my comments as well?

COMMISSION CO-CHAIRPERSON KOZBERG: Introduce yourself for the audience, and start your comments.

PANEL MEMBER GORDON: I'm Dave Gordon, I'm the County Superintendent of Schools in Sacramento County, and I was, until six weeks ago, the District Superintendent of the Elk Grove Unified School District in Sacramento.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you. If you would like to start your comments, and then everyone will do self-introduction at the start of their comments. And you have to get very close to the mike.

PANEL MEMBER GORDON: Okay, thank you very much.

As I said, I started this job about six weeks ago, and about
three days later a reporter called and said, how do you feel about the Commission proposing to eliminate the County Superintendents. And the next call was from my wife, who said "I'm concerned about the family budget."

But seriously, I want to speak this morning to the services the County Offices provide, the leadership and the support that they provide to districts and schools in some very important areas in this State, today.

The comment was made earlier, and I think it's worth reviewing, the vastness and the diversity of school districts in this State. We serve 6,300,000 students in California. That's more students than the population of 37 states. The State of Washington has about 6.1 million people.

We have an extremely diverse State, with over a hundred languages. My former district served families speaking 85 languages. We have 1,056 districts in the State. Only 22 of those have more than 35,000 students.

My former district was the eighth largest, at 58,000 students.

The 200th largest district in California, you've probably passed it many times driving from here to Sacramento, Los Banos has 7,800 students, which means there's about 800 districts smaller than 7,800 students, which means there are districts which need an awful lot of
help. And I think the comment made about district reorganization was very pertinent, because if that was attacked there would be a whole different landscape. But you have districts as small as nine students in the State. And in some counties, a 300-student district is a big district.

The County Offices basically provide three types of services. Number one, direct services to many of our most vulnerable children, particularly about 50,000 special ed. students who are served, primarily the most severely handicapped, who are certainly not able to be served by the very small districts and, in many cases, in the case of my former district, not even by very large districts, because it was more efficient to concentrate the services.

Secondly, juvenile court, community day school, expelled students, about 125,000 of them served every year. And in terms of their relationship with county government, it is very effective to have a county superintendent because most of those students are, in some way or another, wards of the court, or somehow connected to dysfunctions in the foster care system.

The second set of service is professional development, teacher training, technical assistance. Counties do a great deal of training in curriculum, using materials. For example, our County Office, alone, has
trained about 10,000 teachers in the Los Angeles Unified
School District, through collaborative relationships among
the counties.

Other services, assistance to turn around under-
performing schools, support for preschool and early
childhood programs, regional occupation programs, which get
at the relationship between high school education and work
place development.

The third major cluster of services, financial and
program oversight. I heard the comment made that there was
inconsistency in the quality of this function. I haven't
heard that, in my experience. And I think the comment was
made that the Legislature has, and is contemplating,
enhancing the County Office responsibilities through AB
2736, the Dauscher Bill.

And as we speak today, here, in Fresno County, the
County Superintendent, working with the FICMAT Team, which
is a creature of the County Offices, is working to pull the
Fresno Unified School District out of some very, very severe
financial difficulties.

Just in the last couple of weeks, the Legislature
passed four bills to call on County Superintendents to
oversee the monitoring of the Williams case settlement,
looking at books, materials, and teacher adequacy in low
performing schools.
Final point, I think the recommendation to look at consolidation is a wise one. I think that can be accomplished within the current structure. Because when you look at 58 County Offices, that's 109,000 students per County Superintendent. They're elected officials, they're close to the customer, and they have the kind of relationships that I think District Superintendents often appreciate.

Thank you for your time.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Bill.

PANEL MEMBER LAMBERT: Yes, thank you. I'm Bill Lambert, I'm the Director of Government Relations for United Teachers Los Angeles.

Your summary says that high school should prepare students for higher education, as well as work force, and I agree. Every student in America is important and deserves to have a successful life.

To achieve this goal, high schools must address the needs of all students, those who are college bound and those who will enter the work force upon graduation. We know that 70 to 75 percent of all graduating high school students will go to work upon graduation. This is proven every year. Only 25 percent go to a four-year college or university.
Yet, in California, our high school curriculum is a hundred percent geared to college admission. Very few high schools have any type of career programs, even though we have supposedly mandated a career-to-work component throughout our curriculum.

By career, we are not talking about the old tracking method of college bound versus vocational. We are talking about skilled labor, management skills, and entrepreneurial know-how. We're talking about mid-level entry jobs that still require a solid academic background, peppered with other skills.

I believe that paying attention to every student's need and creating a high sense of self-esteem in every student is an absolute necessity. But the number one way to increase self-esteem is to give a person, a student, a sense of purpose and worth, and there are many avenues to that destination.

There's a sharp contrast to the message, I believe, that we send to our students, that the only way to be a success is to go to college.

Congress has passed a new law, "No Child Left Behind." I'd like to add a phrase to that, "No Child Should Be Discounted" because they don't have the desire, the finance, or the aptitude to go to college.

About six months ago, I heard the Chief of Police,
L.A. Chief of Police Bratton, and Minister Cecil Murray, on
cable TV, with two gang kids from East Los Angeles. The two
teenagers were asked what it would take for them to leave
the gang? The answer was, teach me a good and decent
paying job.

USA Today has a story entitled "Major Cause of
According to the article, "while job outsourcing fires up
all-American outrage, it masks a more prevalent problem:
joblessness among young people that's caused by high dropout
rates. Each year, about 4 million 18-year-olds should
graduate from high school. Of those, 1.2 million drop out
without a degree. Estimates of the jobs lost each year to
outsourcing vary, with many economists putting the figure in
the hundreds of thousands. That's far less than the
millions of young who are unemployed because they didn't
finish high school."

And unemployment among dropouts is growing.
During 2003, there were 2.4 million young people, ages 16 to
24, that didn't finish high school at the time the jobless
rate rose to 9 percent.

Yet, dropout-driven unemployment doesn't get the
high level attention of outsourcing because states hide the
problem behind exaggerated graduation rates. North Carolina
reports 92 percent of its students graduate. Independent
studies estimate the actual rate is 63 percent, according to
a recent report by Education Trust, a nonprofit group.
California says 87 percent graduate, when a more accurate
estimate is 67 percent, and we don't know how many kids
dropped out before they did all of that.

With a good career program, we go save these kids.
In the Sacramento Bee, and that's over there, you
can look at it for Dan Walters.

We have to begin a discussion of one of the
greatest voids in our high school, an emphasis on career
education. I say high school because I want -- I would turn
me off, too.

I say high school because I want every 14-year-old
student to begin to have a chance in life. I want them to
go to school every day, looking forward to learning, and to
know that this learning is headed somewhere, and that
somewhere is the American dream.

I want every student to feel a sense of
accomplishment, and this accomplishment can only be realized
through sincere effort and increased motivation on the part
of the student. And how do we get kids motivated? By
giving every student the vision they are someone who is
going to make it.

Should all students be proficient in English?
Absolutely. Mathematics? Absolutely. Should they have a
well-rounded education? Of course. But they cannot accomplish the above if they are not motivated, and if they can't succeed, and if they aren't even in school.

Attached is a story I cut out of the San Francisco Chronicle, March 2, 2004. I'm going to read it to you, and if I take two seconds over five minutes -- it talks about unexcused absences, truancy, the answer seems to be more truancy officers, and that isn't the answer, folks. Here it is, this is a quote and this is in San Francisco Unified School District:

"African American and Latino students make up 36 percent of the district's population. They accounted, however, for 66 percent of the K-12 students who have 12 or more unexcused absences during the year 2002-03, according to numbers from a leaked report prepared by the district's research planning and accountability department. The raw data is eye-opening. Of the 8,258 African American students in San Francisco public schools, 1,934 missed 12 or more days for no acceptable reason. Of the 11,986 Latino students, 1,651 missed 12 or more days. Compare
these numbers to the 17,900 Chinese
students who attended the city's public
schools; only 344 had 12 or more
unexcused absences.
The breakdown by ethnicity is crucial,
because we can’t target a solution if we
don't know who's having the problem or
what it's about. It's important, too,
because African Americans and Latinos
are over represented in San Francisco's
juvenile hall, reinforcing studies that
show a direct correlation between
truancy and juvenile delinquency.
Predictably, there's also a strong
correlation between"

COMMISSION CO-CHAIRPERSON KOZBERG: Bill, could
you conclude, please?

PANEL MEMBER LAMBERT: I've got one more page to
read and I really want to read it. Do you mind?

COMMISSION CO-CHAIRPERSON KOZBERG: I think we
need, in the interest of time, for Q and A --
PANEL MEMBER LAMBERT: I will just do this, let me
just get to my last page, because I want to do this. I
think this is important.

I have a suggestion to all of this, and here’s my
suggestion; the federal government sends to counties and cities, dollars earmarked "Welfare to Work." These funds are important to those unemployed who are out of work and who have to be trained or retrained to obtain skills needed for employment in today's market.

Currently, our secondary schools are not part of the welfare formula. Our proposal is to allow our high schools to obtain "Welfare to Work" dollars in order to implement career programs. If we could use these funds, we can offer all students a reason to stay in school and improve their daily attendance. The government could get twice as much for the same amount of dollars. We modernize and establish career programs in high schools, high school students can take advantage of up-to-date modern career opportunities from 8:00 to 3:00 in the afternoon. From 3:00 to 10:00, "Welfare to Work" and adult education can utilize the same training facilities and modern equipment, and we'll have the best trained teachers.

As a part of this proposal we need to consult most of you up here, the business community, the chambers of commerce to determine what the needs of business will be in the next 10 to 15 years so that we can put these programs and have meaning for everyone.

All of us are concerned with dropouts, poor attendance, gangs, and safety. Making our students
successful gives them a new reason to stay in school and enjoy a quality life. "No Child Should be Left Behind and No Child Should Be Left Out."

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you, Bill.

David.

PANEL MEMBER SANCHEZ: Thank you and good morning. My name is David Sanchez, I'm the Vice President of the California Teachers Association, I'm also a kindergarten teacher from Santa Maria.

And we're pleased to be here today, to give our reactions to the recommendations of the CPR, and the goal of the Commission that prepared these recommendations was laudable.

We all want a more efficient government that will save tax dollars, however, we must remember that the role of government in a democracy is not simply efficiency. Dictatorships make the trains run on time, but they do not reflect the needs and aspirations of its citizens.

This is the goal of government in a democratic society, and our general concern with the recommendations of the CPR is that they go too far in reducing public access to government and undercut the role of elected officials, in favor of appointed ones.

I'll now address the specific recommendations.
CTA opposes the recommendation to restructure the Secretary of Education. We've been on record for some time that this office is redundant and unnecessary, and should be eliminated.

We believe that by eliminating the Secretary for Education position and transferring responsibility for education policy to the Superintendent of Public Instruction, the State can achieve efficiency and cost savings.

California currently has a statewide elected Constitutional officer, who voters can hold accountable for the quality of K-12 public education. The appropriate changes are to align authority for educational policy development and implementation under the State Superintendent of Public Instruction who, in turn, is directly responsible to the voters of California.

CTA has concerns about the proposed restructure of K-12 infrastructure. CTA believes that educational services provided by the County Offices of Education are an integral part of the educational program provided to many students, teachers and parents.

Implementation of this recommendation transfers decision making from officials, who are elected locally, and creates a larger, state bureaucracy that is farther from ordinary citizens. This change, if implemented, may produce
many unintended consequences, resulting in reduced quality
of services to students and school districts.

CTA believes that local school districts and
County Offices must be able to make decisions that best fit
the needs of their schools and communities.

In addition, the additional requirements and
duties added to County Offices, based on Williams versus the
California lawsuit, it seems counter productive to seek the
consolidation of services into regions.

Consistent with our position on legislation, CTA
opposes the recommendation to repeat SB 1410, which enacted
ten safeguards to prevent school districts from outsourcing
school services, without ensuring that those contracts are
competitive, employed qualified individuals, and actual
savings as a result of the outsourcing.

The current law allows sufficient flexibility for
instances where school staff lacks the expertise to do the
work, they may look outside of their system for these
services.

Now, CTA supports, with reservations, the
recommendation to change the enrollment date for
kindergarten. In general, it's supportive of the policy
recommendation to change the kindergarten entry date to
reflect the more rigorous academic content of kindergarten
curriculum. However, we are extremely concerned with the
proposal before the Commission, which seeks to make this
policy change in order to achieve State cost savings.

As pointed out by the Leg. Analyst, the immediate
implementation would have a great impact on local school
board district budgets.

School districts should be given the flexibility
to phase in the change over a longer period. Now, if
students are to see their entrance into kindergarten
delayed, they must gain access to quality public preschool
programs to ensure they receive the academic preparation to
succeed when they enter kindergarten.

Now, CTA has concerns about the recommendations to
balance career technical education, and higher ed. in high
school. While we agree with the spirit behind ETV 25, we
have concerns regarding the implementation.

CTA supports expanded academic opportunities in
career technical education, but we have concerns about
intentional or unintentional misplacement of students into
curriculum tracks based on their ethnicity, socioeconomic
status, or native language.

Currently, we have areas of concern around the
over-representation of ethnic minority students in low
ability courses, and the under-representation of those
students in the college prep and accelerated academic
programs.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
As this recommendation evolves, it will be critical that this added curriculum expand student opportunities and not restrict them.

Additional, as noted in the Leg. Analyst's report, on the CPR recommendations, implementation of this idea would not save the State, but cost $300,000, as development of additional course work would create a new mandate for school districts, new dollars are necessary to cover the associated costs.

The LAO notes that the additional costs are proposed to be supported with Proposition 98 funds. Well, given that $9.4 billion has been cut from Prop. 98 since 2001, it will be difficult, if not impossible, for Prop. 98 to absorb these costs without harming current programs.

In conclusion, I hope that you will consider the concerns we have raised about these recommendations, as you move forward. Thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Jim.

PANEL MEMBER ASHWANDEN: Jim Ashwanden, I'm currently the Executive Director of the California Agricultural Teachers' Association, and also served as a Vice Chair of the Vocational Alliance, which is a group of educational entities in Sacramento, based in the Sacramento area, interested in strengthening career technical education.
I'm not going to read my written testimony, you have copies of that. But I would like to run through and make some very pointed comments, in several areas.

First of all, as a parent, as a school board member, and as a product of California schools, I think the recommendations and findings in this report, relative to career technical education, specifically Section 25, are right on target.

There's a growing recognition that although we've done an incredible amount of work in school reform, that it isn't always addressing the needs of all students. And to have a real world application of and marriage between what academics and school, in general, can provide, is going to include more than just looking at standardized test scores.

The recommendations contained in the report, in this section, are reflective of the Governor's wishes to stimulate economic development in California by ensuring availability of a well-trained work force.

One of the key points I would like to make gets to the efficiency issue that was raised, earlier today. When we look at a 30 percent disappearance rate between the grades 9 and 12, in California's public schools, that ought to tell us that we're not always looking at the most efficient use of California's educational resources. Those are lost assets that walk out of our schools and end up...
being a greater cost in societal and economic loss to this State, than we have been willing to address.

The implementation of these recommendations are crucial to do in a timely manner. If we're going to turn around some of the academic performance and the economic vitality of California, it's going to be necessary to address these issues.

I would like to walk through, real quickly, the recommendations addressed in Section 25-A, B, C, and D. The first recommendation is relative to high school graduation requirements. Critical, critical point here. The adoption of flexible graduation courses is not inconsistent with ongoing school reform efforts. In terms of standards and accountability it is a false choice to frame that reference and that debate between academics and career technical education.

It's not a choice between two paths, it's multiple means to a desired end. All of us want the same thing, a productive, positive work force, students that are well-equipped for all of the challenges that face them during their life.

And to frame this in some kind of false dichotomy, with a false debate of whether we're going to teach kids career information or academics is a false debate that we need to get beyond.
Associating seat time has become the way we define graduation requirements. In order to graduate, you must spend an appropriate amount of time in a seat, in a class call. That does not get to the issue. There are multiple paths, again, that can do a better job of addressing learning styles, interest, and motivation.

At the end of the day all of us want accountability that's real. Not just what students know, but what they can do. Curriculum that goes beyond rigorous, but is also relevant, meaningful, and useful is not the domain of any one area in education.

It's time we recognized that high quality education can, should, and does occur in career technical education.

The strategic planning recommendation is dead on target, let's at least engage in the debate of what career tech can do and how it can fit in.

The standards and framework recommendation, we strongly support standards and frameworks. It took us a decade, legislatively, to force the Department of Education to begin the work of developing standards and frameworks in career technical education. It's years overdue.

Finally, the academic performance index recommendation is again on target. Standardized test scores, there's nothing inherently wrong with that, it's not
the whole picture. And measuring the school's ability to
meet the needs of all students, and by all means, is a much
more desired state.

And in conclusion, I would just like to say that
this need is real, it's immediate, we need to just change
perceptions and assumptions.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.
Barbara.

PANEL MEMBER SMITH: Thank you. My name is
Barbara Smith and I retired as a School Superintendent from
San Rafael City Schools in 2001. Looking around for a way
not to lose my mind, I decided to become a consultant in
special education for our local school district, Capistrano
Unified, which I am representing today.

On behalf of the Superintendent, James Fleming,
and the Board, we wanted to voice our strong support for
your three recommendations to improve the special education
hearing and mediation process.

Capistrano's experience, we believe, is
representative of experiences throughout the State. We have
50,000 children, from 12 communities in Southern Orange
County, over 4,700 of whom receive special education
services. Last year we dealt with 80 due process claims, 53
percent of which we were able to resolve through mediation,
11 percent of which went to due process, and 43 percent of
which seemed to fade away.

That cost our District in excess of close to $1 million, in one year.

We strongly urge you to follow your own recommendations and continue to move towards transferring the responsibility for conducting special education hearings and mediations to California's Office of Administrative Hearings, OAH.

In 1988, the responsibility for this function was transferred from OAH to McGeorge School of Law. During the nineties, the number of special education students in California increased by 33 percent, but the amount of litigation, cases filed in the same period increased by 256 percent.

There is widespread and growing concern among the K-12 community that the current administration of hearings is inefficient and inconsistent with State and federal laws. The litany of our concerns is outlined in our written testimony. Suffice it to say that we strongly believe that if OAH takes over this responsibility, and the hearings are conducted by experienced, well-trained Administrative Law Judges, following California's Administrative Procedures, and the State and federal laws for IDEA, that it will result in fair, consistent, and a coherent process, which will be efficient and streamline the due process hearings that do
In turn, not only will we realize the $500,000 savings your staff has identified, but there will be untold savings to local school districts, because we believe that the number of cases going to due process will decrease, that the number of cases resolved through mediation will increase. That the time and staff required to conduct these hearings will decrease. That the number of costly, and I mean very costly, federal appeals will decrease, and the instance of frivolous claims will decrease.

Further, these improvements will help us to address a significant, and grave, and growing problem as protracted litigation is having an incredibly poor effect on the morale and efficacy of dedicated teachers, speech therapists, occupational therapists, psychologists, autism specialists, behaviorists, and other staffs, who are simply drained by the litigation they find themselves confronting.

There are over 700 procedural errors that can be made, from a paperwork perspective, in one child's individual education plan. Our staff lives in fear that a paper mistake, not a substantive mistake, not a problem doing harm to a child, a paper mistake will result in the District finding themselves in litigation, there being costs attended to that, and the person, themselves, finding themselves in an adversarial legal situation.
These teachers and professionals did not come to this community to be in the legal arena, they came to work with children.

We are hopeful that this CPR recommendation to change the administration of the hearings can be an important step in stemming the tide of chaos resulting from this kind of litigation.

We also urge you to move forward with your recommendation to increase mediation. We believe you can do this most effectively by establishing grants for local alternative dispute resolution programs, in school districts, and by creating mandatory mediation-only meetings, prior to formal due process. Such mandatory meetings would not include attorneys.

And finally, we want to encourage the Governor and Commission to move forward with the recommendation to give mediators the ability to work as nonbinding arbitrators.

We believe this will be particularly effective if those arbitrators are experienced and credible OAH Administrative Law Judges. When we have a credible person suggesting what a settlement should be, there's a great motivation to settle it.

Finally, we just simply want to thank you so much for the opportunity to share our thoughts with you today.

It is vital that we stem and reduce the tide, and expense,
and waste of special education litigation in this State, and
redirect those dollars to the classroom and the very
children the litigation is surrounding. Thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

James.

PANEL MEMBER LANICH: Madam Co-Chair Kozberg, Co-
Chair Hauck, and other members of the CPR Commission, I'm
Jim Lanich, Executive Director of Just for the Kids-
California, a nonprofit organization dedicated to improving
student achievement in California's public schools.

First, I want to commend the Commission for taking
this important step in forwarding the efficiency and
effectiveness of our education system.

In terms of the specific recommendations regarding
the CPR, I support the voters' view in this State, and in
other states, that the Governor is ultimately accountable
for the performance of schools and in improving student
academic achievement.

There are others in this room, like Co-Chairman
Bill Hauck, who is far more knowledgeable and experienced in
the impact of an aligned educational system, from Governor
to student, than I'll ever be, and that is not why I was
asked to come speak with you today.

I have been invited to speak to you today, simply
about student achievement and educational accountability.
We have enormous challenges ahead of us to bring all of our K-12 youngsters to academic proficiency over the next ten years, in reading, mathematics, and other core content areas. This includes the Hispanic kids, the African American kids, the White kids, the English language learners, and the poor kids, and all others.

Success requires an unprecedented urgency and focus by the adults in our State. Failure is not an option, and the work force for tomorrow depends upon their success today.

I'm probably the only one, today, who will tell you that raising student achievement in California is not dependent upon spending more money. We now have world class standards in place, an assessment and accountability system that has been steady for three years. More money has been spent on instructional materials to teach to the standards over the last five years, than ever before.

Since 2001, there's been a 33 percent increase in federal Title I funding to assist with the education of poor children in this State.

The solutions do not reside within the adult, bureaucratic, and special interests group processes. We must change our rhetoric to results, meaning academic proficiency in reading, mathematics, and other core subjects.
It's simple. Parents have their kids in the classrooms today. These kids do not have a shelf life. There is no time to get ready. We must act swiftly, with purpose and with high expectations.

The good news is the solutions for success are out there and we know where they are. We work with teachers and principals every day and it always comes down to one simple thing, these committed educators need strategies on how they can be most successful teaching our academically and socially challenged children, and in helping those students gain the academic skills promised to them through the public education system.

They welcome help from wherever they can get it, and help is not far away. In every corner of our State there are high-performing, high-improving schools, who are reducing achievement gaps, overcoming the challenges of English language acquisition, poverty, disparate starting points, and other challenges.

By connecting these teachers, principals, and administrators to those who are having greater academic success, educators begin to see and understand what high-performing districts, schools, and classrooms look like, and their success follows.

Teachers don't need government agencies and State departments to do this. They need access to the tools of
the 21st century, telephones, the internet, cars, and tennis shoes, for them to visit and learn from the schools that are working.

Resources need not be poured into State bureaucracies, seeking to provide schools with cumbersome data and reporting systems. Thanks to a very committed business, education, and community leadership, we now have a data and school improvement system built already. And this largest database of longitudinally linked student level records and best practice research was created at no cost to the California taxpayers. More importantly, it's offered to teachers, parents, and the community free of charge so that they can make sound educational decisions.

I'll say it again, it's built and it's free. Now, we need to get busy and use it.

Raising student achievement need not be a mysterious enterprise. It's hard work, but the most rewarding when successful. Using the achievement data, and the internet, we can now identify those that are succeeding in high-performing schools and classrooms, that are overcoming challenges and excuses in raising achievement.

We can now easily discover the successful strategies they use and get them into the hands of teachers and principals who need them most.

Connecting our teachers and principals to high-
performing schools and classrooms right in their own neighborhoods, with students who look just like theirs, is working. This process of school improvement should serve as the foundation of our State's accountability system.

In closing, these teachers and principals who are succeeding in raising student achievement, and reducing achievement gaps, overcoming the challenges and excuses of failure, need a voice. Their brains need to be picked and the results need to be exploited. We need to turn to our high-performing schools -- we need to turn our high-performing schools into teaching hospitals. By doing so, we can transcend the bureaucratic and adult agendas, and focus on rapidly getting all students to academic proficiencies, so they can be better prepared for their future.

Thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

John. You're going to have to cozy up to that mike.

PANEL MEMBER ANDERSON: Good afternoon. I'm John Anderson, Imperial County Superintendent of Schools, as well as President of the California County Superintendents Educational Services Association.

Is that working?

COMMISSION CO-CHAIRPERSON KOZBERG: A little closer.
PANEL MEMBER ANDERSON: All right. I'm proud to be one of those 58 California Constitutional officers, serving public education in this State.

Earlier, you heard from Dave Gordon about the severely handicapped students that we teach through the County Offices of Education, as well as the court-adjudicated students that we teach, and it seems to me that a point I'd like to draw with you is that our ability to do that is predicated on our relationships with the school districts on a very localized basis.

The SELPAs that we operate to serve those severely handicapped students, are a joint venture between the school districts, who are actually receiving the funding, and the County Offices, with whom they entrust that funding to achieve economies of scale and efficiency, as we serve those students in ways that they are not able to do.

The same is true with the court-adjudicated students. We work closely with the Sheriff, Probation, County Mental Health Departments, and Social Services, especially Probation, however, in working with those students.

And it's one of the things that strikes me about the recommendations that have come out are that you're looking at regionalizing, somehow, the Offices of the County Superintendents, but I heard nothing about Sheriffs, for
example. Would one Sheriff serve several counties? Or one Chief Executive Officer for Social Services for several counties? Do we need 58 County Administrators through this State? Do we need 58 Boards of Supervisors in the various counties?

It seems to me this is a very narrowly targeted recommendation that overlooks many of the fine accomplishments of County Superintendents.

We could not deliver the services, as well as we do, if we did not have strong relationships with Sheriffs, with Chief Probation Officers, with the Departments of Social Services, Mental Health, and so forth.

Also, I think we're valued in our counties, not because most of us are elected, but because in fact we are relatively independent, because we're elected, and we have a good deal of stature that is valued by local School Boards and School Superintendents.

During the past five months I helped 8 of the 16 districts in my county pick new superintendents. That's a trusted relationship between those local School Boards and their local County Superintendent of Schools, to help them pick their CEOs for the future education of their students. And that's just one example.

As we work more closely with our local districts, they like us because we are local, because we are...
accessible, we are accountable. Those SELPAs, those special education services that we provide, the District Superintendents sit with me and we figure out the best way to provide those services. I am the broker for those services, on their behalf. I'm accountable to them. If I didn't exist, they'd have to go to Riverside, or San Diego, or perhaps even Orange Counties to have their voices heard.

I think that this recommendation requires an awful lot more study.

Part of the school accountability program has involved training teachers. This summer, more than half the teachers in our county, over 700 teachers, received 40 hours of instruction in math and language arts, using the State-adopted textbooks, the best pedagogy available, as well as excellent models for instructors in that in-service.

We will be following up, through the County Office, on that instruction, on that staff development, during the course of this school year, as our staff visits those classrooms that those teachers are working in, in order to ensure fidelity to the instruction.

In effect, I think you'd be losing an awful lot of local leadership were you to follow through with that recommendation to eliminate County Superintendents of Schools and somehow devise a regional structure that removed accountability from the local level, gave local school
districts and local school boards less input into the
decisions that impacted their children, at great cost. I
just don't see efficiency in that.

Let me conclude by making a couple of points. The
University California tried to reach out into rural areas,
recently. They found that most of their students were
coming from the urban areas, contiguous to campuses.
Currently, County Superintendents are establishing P-16
Councils, that's pre-kindergarten through 16th grade. We
are helping the University by helping them do their outreach
on the local level, through the County Offices of Education.

This is the kind of innovative leadership that
counties can help other State agencies bring out into the
local areas.

Thank you very much.

COMMISSION CO-CHAIRPERSON KOZBERG:  Thank you.

Questions from the Commission?

Dale?

COMMISSIONER BONNER:  My question is somewhat
informational, as to either of the County representatives.
On this point you were making about the role that you play
with the local Boards of Education, I'm wondering if you can
just characterize to whom the County Superintendent is
accountable, and precisely how is that accountability
exacted in any specific way?

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
PANEL MEMBER ANDERSON: The accountability is to the voter, in my case. Fifty-three of the 58 County Superintendents are elected, five are appointed. It's the voting constituency of Imperial County that I'm accountable to. Every four years I stand for election.

COMMISSIONER BONNER: Dave?

PANEL MEMBER GORDON: Yeah, I am one of the five who is not elected, I am appointed by the local County Board of Education, which is elected.

COMMISSIONER BONNER: And just following that point, when you identified or delineated some of the services that you provide at the local level, can you talk about getting to a question that was raised earlier, how it is you measure the value of the service you provide, or the performance of the programs that you administer?

PANEL MEMBER GORDON: Well, the direct service programs that were mentioned, the special education programs, the court school programs are evaluated in just the way a district-operated program would be evaluated, through the normal State accountability, federal accountability system.

The comment was made about special education disputes about placement and services. We have to go through the same process. And our county, as an example, has very few, if any, hearings and disputes over the quality
of the services.

The quality of the services to districts, that is the technical assistance, the financial oversight. The financial oversight is measured by do the districts stay above water and are they able to pay their bills, and we monitor them on a monthly, and in some cases, a weekly basis during the year, if they're potentially in a place where they might run into trouble.

In other words, we don't wait until they file a statement that they're in deficit, we monitor them on a regular basis.

I meet with the local superintendents once a month, and I'm on the phone to them all of the time to get feedback on how are we doing, how is the quality of the service, is it helpful.

For example, with this Williams case, we will be collaboratively working with the superintendents to say how can we work together to make this oversight and review helpful, not just a compliance exercise, but something that will help you improve the quality of instruction in the schools.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you. I have Yee, Canales, Olsen, and Ducheny.

COMMISSIONER YEE: Thank you very much, Madam Chair.
I've got a couple of questions, one related to the County Superintendents, and one Mr. Lanich talked about, language learning.

But for the County Superintendents, you know, there's two main areas for County Superintendents, one is court schools, and special ed. You know, I think the gentleman on the far right there had talked about special ed. and the SELPA units, and so on.

Why not just simply have the responsible superintendent of a particular county area, or regional area select an administrator to just simply monitor those or operate those, and supervise those special education programs that are more county rather than district responsible. And that maybe, to some extent, will take care of the majority of County Superintendent's responsibility, and then maybe the Board of Education's responsibility.

What's wrong with that particular model?

PANEL MEMBER ANDERSON: I'm not sure I understand the distinction you're trying to draw. An administrator, as opposed to a superintendent, that's monitoring it?

COMMISSIONER YEE: That's right. So for example, rather than you supervising the county special ed. program, you have the superintendents from a couple of the districts coming together, forming maybe a steering committee of some sort, that then hires an administrator to then oversee all
the different county special education programs?

PANEL MEMBER ANDERSON: Right. That administrator currently is our SELPA Director.

COMMISSIONER YEE: That's right.

PANEL MEMBER ANDERSON: He does directly supervise the various programs that take place through the county. We also have a special education director, because we operate programs in seven different communities in our county. It would be very difficult for three district superintendents to meet regularly enough with that administrator to provide the personnel guidance, the hiring guidance, all of the personnel functions that go along with operating a program, as well as stay on top of the curriculum, as well as visit the classes. When are those superintendents going to do that, when they've got their own issues within their own districts to be accountable for?

COMMISSIONER YEE: And I'll stop here. But it seems to me that there might be some administrative structure that we can establish, that provides that kind of supervision, the hiring and all the things you talk about, but not sort of create a level of a superintendency, that somehow draws a salary, draws the expenses, and all the concomitant support responsibilities or services that go along with a superintendency. I mean, that's a point that I would raise. You know, I'm sure you guys have fancy
offices, and this and that, and that's the kind of thing I'm
talking about.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.
Perhaps you can follow that up, later.

COMMISSIONER YEE: The last point that I want to
raise with Jim Lanich, you know, what is the role of second
language, and I'm not necessarily talking about bilingual
education, but what is the role of helping kids attain a
second language or maintain a second language at the
elementary level?

One of the paradoxes that I have is that we have
so many youngsters that come into our K-12 education, and
they have a language. It may not be English. But we don't
do a whole lot to maintain that. And yet, then we then have
them, at high school, asking them to take French, German,
Spanish, whatever it may be. It seemed to me that if we
invest some time and energy into helping children maintain
that language, that they then have a second language to
fulfill our liberal arts requirement, whatever it might be,
to graduate from high school.

And in so many other countries, in Asia, and in
Europe, youngsters at the elementary grades, they have a
second language. And yet, in America here, we don't do
anything. And I don't know if you have any comments about
that?

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
PANEL MEMBER LANICH: I'm not an expert in what I think I hear you asking for. Our work is centered around those trying to break through a barrier of their language acquisition, to reach academic proficiency in a content area, in the English language. So that's where we focus our work on, and how to do that.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Jim Canales.

COMMISSIONER CANALES: Thank you very much. My question has to do with ETV 25, which is the career technical education, and we heard, if I heard the testimony correctly, we heard Mr. Lambert and Mr. Ashwanden, I believe, speak quite passionately and with a sense of urgency about the importance of moving forward on this recommendation, so that we don't lose a whole cohort of children in California, who are at risk of being lost, for all the reasons that you articulated.

So I guess my question, then, is for Mr. Sanchez, given his comments, and the concerns that you expressed on behalf of CTA, about the recommendation.

And if I heard your concerns accurately, it wasn't so much a categorical opposition to the recommendation, as much as a concern about the way in which implementation was being described and I think, specifically, a focus on a concern related to potential tracking.
And I think I would find it helpful if you could perhaps extend your testimony a bit to provide a little bit more detail about how you would solve the problem. I understand what you've identified as a concern, I don't understand how you -- what you propose to get us from here to there. Because I think all three of you are working towards the same goal. I don't have a sense of what it would take to have CTA be supportive of our getting to that goal.

PANEL MEMBER SANCHEZ: You know, we are most supportive of the idea of being able to provide career technical programs for our high school students. Our concern, that you mentioned earlier, was in fact that we're concerned that a form of tracking could take place, as it has in the past, when we used to have these kinds of programs in high school.

When I was going to high school, the minute I came into the high school program as an ethnic minority, I was not given the opportunity to be able to apply or to be encouraged to attend college prep. courses when I came in, they automatically wanted to place me in a career voc. ed. program. Which, luckily for me, both of my parents were educators, and they realized that this is not the right way to go of placing him in a path that's not going to get him into a higher ed. program.
There's got to be some kind of an oversight, someone at the school site, someone at the school district, that's going to be able to work with the counselors, who are doing this, to make sure that they do not do this kind of tracking that has been done in the past, and that will work collaboratively with parents and educators to ensure that these students are going to be given the opportunity to equal access to all programs, whether it be technically-oriented or it be college-based programs.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

Steve Olsen.

PANEL MEMBER LAMBERT: Can I get into that for just one minute? I put something in your folder, which deals with a thing that we've been trying to do at Jordan High, it's not accomplished yet, and it's setting up academies at schools to where students have total choice between the academics of going to the university and going into the work force, and doing exactly what Mr. Sanchez says. We don't want tracking.

But if a student goes into a high school, and they're 14 years old, they have to have an array of choices, including the university. You know, how many kids, students, will go in and take some vocational courses, career courses, which will enhance them in their preparation for college, too.
So if you don't have choices, then the only choice
14-year-old kids have is to leave, and that's not a choice
for all of us. And that's the choice that's being made now.
We are chasing 14-year-old students out of school because
they can't see the end of the rainbow at the university and
they can't see the end of the rainbow in getting a good job.
And that's one of the reasons I came here today is
because I wanted to bring that point home, and I wanted to
bring it home in such a point, and that's why I talk about
"Welfare to Work" -- and I'm finished -- and that is that
when you leave here today, you all got to get together and
decide that within the next six months we're going to start
some pilot programs in California and get this thing going,
so we can show the world it works, because otherwise we've
wasted our time.
I don't want to waste our time and I know that the
California Taxpayers Association, if they could figure out a
way to use current money in more than one way, they'd be
very happy to do it, and I know how to show you the way.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you,
Bill.
Steve Olsen.
COMMISSIONER OLSEN: Thank you, Madam Chair.
My question's for Mr. Sanchez, regarding the
recommendation involving the Superintendent of Public

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
To be honest with you, I'm fairly skeptical of your argument and I'd like to give you an opportunity to improve it. I can't imagine that the issue could really be about the two or three million dollars that is at stake in the budget of the Office of the Secretary. I mean, if it costs us an extra two or three million dollars to get better governance of it, it seems to me it would be worth it. So that can't be the kernel of your argument.

I can't imagine the issue of partisanship versus nonpartisanship could be the kernel of it, either. I hadn't noticed that Jack O'Connell's stature was really enhanced when he stopped being a democrat and starting being nonpartisan, and I certainly didn't notice it when Max Rafferty stopped being a republican and started being nonpartisan. So that can't be it.

It seems to me that what this is really about is the Governor, and whether or not the Governor should be the primary State official responsible for providing leadership for education or not.

And there is an answer in the 1879 Constitution, which was no, that the Governor should not have that responsibility.

So my question to you is why does that still make sense today?
PANEL MEMBER SANCHEZ: If I may, and as a classroom teacher, working in a school district here, in California, and in my position as the Vice President of the California Teachers Association, we do meet regularly with the Governor, and with previous Governors, including the one who recently lost his job.

We made it very clearly to him, the previous one, that under "No Child Left Behind" he is directly responsible and is going to be held accountable for not being able to meet the goals under "No Child Left Behind." Frankly, he was astounded.

Under this current Governor, we have met with him and explained to him how "No Child Left Behind" is going to be reflective upon him, as the Governor, and he is, therefore, responsible, he's the guy who's going to be held accountable.

Now, under the Superintendent of Public Instruction versus the Secretary of Education, I believe that's what he's called, we don't -- none of us have ever met with this guy. We have no clues to what that department does. We have no clue what his role is in government. We have no clue how this particular office is going to have any kind of an impact on any of our school districts, whatsoever. We get our marching orders from the State Department of Education, including the State Superintendent.
of Public Instruction. Those are the two entities that school districts and teachers have been working with as long as I can remember, since I've been in the educational business for 20 plus years.

I've met previous Secretaries of Education. I've talked to them about educational policy and stuff, but their impact with the Governor and the State Legislature has had very little effect, as far as I know, in regards to -- as versus the State Superintendent of Public Instruction, who is duly elected and responsible for providing the best possible K-12 public education to the State of California.

That's my argument. If I knew what this other department did, I would be more knowledgeable about how they are cost effective and really have a role in State government. But not ever having the opportunity to work with them, or that they're influential with this particular Governor, has included them in discussions with our organization, tells me that, well, maybe they're not that important.

COMMISSIONER OLSEN: But abolishing that office would not clear up any remaining issues regarding where the actual leadership for education policy rests. There was a series of disputes, as I recall, between Superintendent Hoenig and the State Board a number of years ago, there was litigation, and those resolved largely in favor of the
Board. So that, as I understand it, the responsibility rests fairly soundly, now, not with the Superintendent, but with the Board of Education.

The structure that's being proposed here, with the exception of the issue we discussed earlier, about the Department of Education being outside, it seems to me would clarify the roles and responsibilities of who is in charge and, ultimately, who is held accountable for that.

Right now, if there are substantial failures in the educational system, a Governor could fairly claim to the voters, who might want to hold him accountable for that lack of performance, that in fact he doesn't have all the policy tools that are necessary in order to ensure that improved level of performance. The current system lets the Governor off the hook.

Isn't it more important to hold the Governor accountable, than the Superintendent of Public Instruction, in the eyes of the voters?

PANEL MEMBER SANCHEZ: Yes.

COMMISSION CO-CHAIRPERSON KOZBERG: Thank you.

And unless I've missed anyone, the last question goes to Denise Ducheny.

COMMISSIONER DUCHENY: Thank you. I have a couple, and I guess I can kind of merge them. And particularly, and just sort of the insights of whoever on
this panel, on the school to career issues. Once upon a
time, during the last recession, when I was on a college
board, we were engaged actively in a thing called "School to
Career," that had federal funding, and there was a whole
movement, that I recall, that had substantial federal funds
behind it.

So the first question is does anybody know if
those still exist?

PANEL MEMBER ASHWANDEN: No, the federal funding
for school to career, which was a distinctly different
program than what we would call career technical education
in school. School to career was kind of an all encompassing
something that would happen, infused throughout school, that
would make children aware of careers. And it was a pilot,
that essentially the money was sunsetted and it's not
currently being funded. That's not exactly the issue that
we're addressing in terms of high school education.

COMMISSIONER DUCHENY: But it raises the question
that, at least the way we were trying to implement it, as I
recall in San Diego County, had a lot to do with creating
seamless, you know, K-16 education in a broader sense. And
we were trying to establish paths that said if you're going
to follow health careers, you do these things in high
school, you can then seamlessly avoid -- part of the
discussion had a lot to do with avoiding the tracking
problem. It's you get a certain level of preparation that
would allow you, then, to become a nurse. And you can start
at this level and then later, if you want to become an RN,
you can go to college, or you go to community college, and
then you go to college.

But the base level of education at the high school
level either can allow you to go work, or go work and go to
community college, and then increase. And so, somehow, it
seems to me that's really the notion that we're getting back
to here, if we want to do work force education.

And I've been very frustrated the last few years
with the whole thing, that's actually mentioned in the
report, about high schools going totally A through G. ROPs
have sort of disappeared from the face of the earth. Adult
education, nobody in this report, or anywhere else today has
talked about at all, non-credit adult education, which
really is the vocational education program to a large
degree. And whether it's run by a community college or a
high school district, tends to be the vocationally-based
programs that a lot of students you've all been talking
about go to.

And how to consolidate those things and make sense
out of it, it just seems to me maybe streamlining with
community colleges. I mean, we've played around with some
pilots with middle colleges in this State, a little bit, but
not to a very extensive degree.

But the truth is community colleges and adult education programs, whether they're high school or community college run, tend to have invested in the computers that you need to learn how to fix cars and, you know, the nursing programs, and all of the technical education that we talk about.

What would we need to do to just -- I don't think it takes a lot of new structure to just get the incentives in place, to get County Superintendents, maybe John, but you know, and folks to help push that model where we can use the joint facilities that we have, and that high school students -- I mean, the report does talk about concurrent enrollment, but where high school students could take the car mechanics class over at the adult education center, or the community college program, and still be moving toward a high school diploma.

PANEL MEMBER ASHWANDEN: The challenge in the philosophies of school to career and career tech, all of us have the same vision of a very seamless, and I want to -- career technical education, in our vision, is anti -- it's the ultimate anti-tracking. That you have kids that associate, from a very early age, their educational goals with something tangible at the end of the day.

And that's where the breakdown has been, that we
get these kids that say, no, you're going to occupy seat
time in a class called this, and we never associate that
with something down the line.

And I'll use one example. Twenty years ago, the
average age of an apprentice, going into an industry-based
apprenticeship program, was 19. Today it's 29. They're
wandering in the wilderness for ten years --

COMMISSIONER DUCHENY: And plumbers make more than
teachers, I'm sorry to say.

PANEL MEMBER ASHWANDEN: -- because they're not

aware

of -- there isn't a seamless venue where they can walk in
and begin to understand how their education and their career
wishes can be met.

And what our position is, is that there are very
exciting ways to channel the academic growth that all of us
want, this is not about anti-standards or anti-
accountability. It's the ultimate goal to use that
motivation and interest in a way that motivates themselves
to gain that academic knowledge.

You've got to understand math to put a sprinkler
system in a backyard, or to align a car, or build a house,
or do engineering. And wherever you fit on that, let's get
the math skills. At the end of the day, we need them in the
classroom. We can't have 30 percent of them gone and claim
to have any academic success.

COMMISSIONER DUCHENY: But the question is how do we merge the -- I mean, it seems to me those are things that can be regional. You can't have every school district, especially those ones under the Los Banos size, that one of you talked about, I mean a school district with 500 kids cannot invest in a large program. And it goes back to County Offices utilizing community college resources in a more constructive way. I mean, finding ways that we maximize those, you know, our Work Force Investment Board resources.

PANEL MEMBER LAMBERT: Just money, I just want to talk about money, because he's pretty well answered the question. There was a story in the Los Angeles Times, this really got me going, two years ago. And this story in the L.A. Times said that the County of Los Angeles had over $200 million in "Welfare to Work" money they couldn't spend because they couldn't find the students.

I know that six months ago the Los Angeles City Council had $70 million in "Welfare to Work" money. I don't know what they did with it.

So what I'm saying is that there's an amount of money out there that, because the reality of life is that we can talk about welfare to work, you know, about career education, school to career. If there's no money, nobody's
going to do anything about it, but you give a good lip
service. We've got to make a beginning.

Now, this is federal money, so it isn't all of
yours. But there's enough, sitting up here at these tables,
to go after the federal government and begin a dialogue
whereby we can start up some programs in which we can begin
to save the 14-year-old kids, because that's what you want
to do.

COMMISSIONER DUCHENY: Yeah.

PANEL MEMBER LAMBERT: That's where we go and get
them.

COMMISSIONER DUCHENY: There are a lot of federal
constraints on the "Welfare to Work" money.

PANEL MEMBER LAMBERT: And there's a way of
unrestraining that, and that's what I'm talking about is
unrestraining it.

COMMISSION CO-CHAIRPERSON KOZBERG: David, did you
want to comment?

PANEL MEMBER GORDON: Yes, I just wanted to
mention one model that we had used in my former district,
that's around the State, called the Partnership Academy,
it's a school within a school. It has the advantage, number
one, of reducing the size of the group within a high school.
So for example, one of our high schools had an
agriculture academy. A lot of the courses would be
presented in the context of that field, ag. science and so
on, so that students would get the rigorous academic
training, plus the exposure to the hands-on aspects of the
field.

We had about 20 of them. They're not that
difficult to do and they can be done on a regional basis,
and I would recommend you to take a look at those.

COMMISSIONER DUCHENY: I remember those. I do
remember those, thank you.

COMMISSION CO-CHAIRPERSON KOZBERG: John.

PANEL MEMBER ANDERSON: I'd also add, very
briefly, that there are very successful models of regional
partnerships to do these very kinds of things. If you look
at Stanislaus and Tulare Counties, where the County Offices
of Education have teamed with local school districts and the
community college to set some of these very same programs
up.

COMMISSION CO-CHAIRPERSON KOZBERG: I'd like to
thank the Panel, and I'd also like to encourage you
following up on a number of the questions here, today, to
further elaborate, especially on the organizational
structure and the career opportunities that we're seeking
here, especially the structural issues will come forward at
a meeting in Davis. And, obviously, you can see that career
needs are very high for the State.
I'd like to thank you for an excellent panel. We are now going to be adjourned for lunch. Lunch will be for a half-hour, and then we'll resume, and we're going to have a Commission meeting within a Commission meeting. Thank you.

(Thereupon, the luncheon recess was held.)
Afternoon Session

Commission Co-Chairperson Hauck: Okay. As you know, a number of the members of the Commission, and others, have asked where we're going with this, let's put it that way. You should have received, in your e-mail, an outline for this discussion. Does everybody have one of those in front of them? If you don't, I have a few more here.

Anybody else?

Let's see if we can't put some parameters around the discussion. Obviously, we can't have this discussion for the entire afternoon, we're already behind schedule. But you know, let's try to take a half-an-hour to 40 minutes to do this. And I think, with the objective of hearing from everybody, anybody and everybody that wants to say something about where we might go with this.

And also, then, understanding that the chances are that we're going to have to do another, at least one more discussion like this and, potentially, I guess it's up to you, potentially to do a meeting of the Commission, devoted, without public testimony, without any testimony, devoted solely to the question can we reach -- can and should we reach some consensus on recommendations we would like to make to the Governor.

And by that I don't mean unanimity, I mean consensus.

Peters Shorthand Reporting Corporation (916) 362-2345
And obviously, at the end of this process, as we've said more than once, members of the Commission, you know, are completely free to communicate their own point of view upon any or all of the recommendations that are in the report, individually, to the Governor. So that premise, that stays in place regardless of whether we decide we can reach some consensus.

The outline suggests, you know, a place to start this discussion, in the sense that Joanne and I, at least, have put down here three areas that we could talk about, three subjects, three subject areas, major ideas that we might want to recommend.

And by that, I don't mean -- let me give you an example of what something like that might be. If we all agree that a Department of Infrastructure might make sense for the State of California, I think it would be a reasonable idea for us to suggest to the Governor that we support that concept and support a creation of a Department of Infrastructure, you know, with some of the general purposes that are outlined in the report, but short of making a list of all of the ingredients of the department.

I think that's the kind of thing we really ought to leave to the Governor and the Governor's Office. I don't think any chief executive likes to be told, you know, down to the nth detail what needs to be included in an entity.
like that.

I think it would be helpful to him if we would
either endorse or not, you know, that concept. So that's in
this first item here, that's the kind of thing we're talking
about.

The second is pretty clear, areas in the report
that we want to express some reservation about.
And then the third, whether there are a few, and I
don't mean a lot, but a few areas that the report either
didn't deal with, or other groups have looked at that are
not included in this report.

So we don't, today, you know, we don't need to
conclude this discussion, I think it would be difficult to
do that, but we really should make a start on do you all,
for openers, think that these three areas are where we might
focus our attention? And if you do, let's find out. And if
you don't, say so, and make any other suggestion you want to
make.

So the floor is open for that discussion.

COMMISSIONER DAVENPORT: I'll just say, I wish
this had been our charge from the beginning, from the
Governor. But since it was not, I think it would increase
our workload tenfold to try to reach consensus on even major
issues.

I assume that you've already crossed the bridge
that the Governor would like to or be open to receiving
something like this? I mean, if I were a CEO and I'd asked
somebody to receive testimony, I would not necessarily want
to be boxed in by getting recommendations, so I assume you
have or would cross that bridge.

But it just doesn't seem realistic to me, for us
to make recommendations starting at this phase, with the
amount of time we have.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, anybody
else? Joel?

COMMISSIONER FOX: Well, I see, I'd like to
specifically talk about the third point. I see this as very
much a time of opportunity, and I think this Commission can
go above and beyond what the California Performance Review
did in its period of time, where it was limited to deal with
Constitutional changes and Constitutional revisions.

And I would like this Commission to have the
ability at least to suggest to the Governor and the
Legislature, that they take a look at some big structural
reforms that have come out of other commissions, in the
past, and things that have been talked about for a long time
in California, such as the State and local governmental
relationships.

If you look back at the history of California,
you'll find about every 30 years or so there are major
changes in the way we govern ourselves and, frankly, we're
in that period now, we're actually probably a little overdue
for that look. And I think the time is now, and this
Governor is somebody who can help make it happen.

So I would like to argue that this Commission
should put forward, at least as suggestions, without being
too specific, I guess, we won't have the time to do that,
and I take David's point on the workload, big ideas of
looking at regional changes, looking at State and local
government relationships, of the Department of Revenue idea.
Some ideas that came out of your previous Commission,
Mr. Chairman, which I served on, which Steve Frates served
on, and Russ, and even Jane Pisano, who introduced us here
today. I think there were some good ideas in that report,
and I think some of those should be brought up, whether they
are Constitutional changes or not.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. Others?
Go ahead, and let's just go down the line here, start, Jim,
and then we'll go right down the line.

COMMISSIONER CANALES: Thanks very much. I wanted
to make one observation and then ask a question. The
observation is in the second area that's described, about
areas where the Commission might express reservations. I'm
wondering if there's any merit to think about that in two
parts. One where there would be reservations expressed in
the sense that there's really more work that's needed to be done.

We heard, on the Panel this morning, I don't know how many times we hear, we only had 12 weeks, we only had 12 weeks. And it suggests to me, and that's been a constant refrain, that there might be some of these ideas that really are just worthy of more exploration, and there may be some benefit in seeking that further time for more exploration.

And then there may very well be some other ideas that are just completely non-starters, based on what we have heard. So we might think about that second element in those two categories.

I think my question is, and it comes back to David's, I think, very good point about what exactly our charge is. If I recall some of the language in the charge to this Commission, there was language around synthesis of public input.

COMMISSION CO-CHAIRPERSON HAUCK: Right.

COMMISSIONER CANALES: And it's not entirely clear to me how it is we are approaching that responsibility. I think for each of us to provide our own feedback is fine, based on our own perches and our understandings of these issues, and that's certainly helpful, and beneficial and, hopefully, useful.

But I'm wondering what the mechanism is for us to
be able to talk about what we have heard over these seven
hearings, and how we provide some sense of synthesis of that
or whether that's a staff responsibility.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, let's try
to answer that question.

COMMISSIONER CANALES: Thanks.

COMMISSION CO-CHAIRPERSON HAUCK: There is a
summary being done after each hearing, and I want to let
Anne respond to that point.

MS. SHEEHAN: All right, thank you. In response
to the synthesis, what we are doing after each of the
hearings, the transcript, the actual transcript of the
hearing goes up on the website the next week, and then as we
get additional comments or testimony from people, we are
cataloguing that and we'll be summarizing the comments, pro
or con, for a certain recommendation in each of the subject
areas, which will really be sort of the guts of what would
be the working report to the Governor, in terms of the
synthesis of this process.

COMMISSIONER CANALES: I just observed that I'm
not absolutely certain that a transcript, and I've read
these, that are 270 pages each, necessarily represents a
synthesis, per se, as much as a summary.

MS. SHEEHAN: My point is the transcript does go
up for people, who were not here, to read it. And then we
will be doing a synthesis of all the testimony that has come in from when we started this, either through the internet, e-mail, or the hearings here, today.

Because, as you know, this is not the only way -- the people sitting here at this table is not the only way we are taking comments into the CPR Commission process.

COMMISSION CO-CHAIRPERSON HAUCK: Yeah, Sheriff?

COMMISSIONER CARONA: Mr. Chairman, following along with my colleague's comments, I think it's probably embedded in the fact that the Governor's put together this Commission, that there's an expectation we come out with some type of recommendations, whether they be thematic or very specific.

And with all due respect to Dr. Davenport, I think if we were to do it with all 1,200 of the recommendations, it probably would increase our workload tenfold.

But I think if we were to take a day, as Commissioners, to try to see if we couldn't synthesize what we've heard in public testimony, what we've debated amongst ourselves, either formally or informally, and see if we couldn't give that back to the Governor.

I think what you've done here, both you and your Co-Chair, in giving us three areas, is probably a healthy place for us to go.

My sense is that there's an expectation of the
public, given the fact that the Governor has formed a
Commission, much like the 9/11 Commission, or the
Christopher Commission, they're looking for some type of
report out.

And while I don't want to tie the hands of the
Governor, I do think it's important for us, as
Commissioners, to give him some type of feedback from the
number of hours that we've sat and listened, and the number
of reports that we've read through.

And I think we can do that in a thoughtful way,
through debate with each other, and maybe be able to come to
consensus.

And surprisingly, just talking to some of my
colleagues, maybe even unanimity on particular issues.

COMMISSION CO-CHAIRPERSON HAUCK: Okay.
COMMISSIONER BENTON: Thank you. I support the
Sheriff's position. And I'd like to expand it a little.
The folks who put this report together, the 275, and
particularly the leadership, have also heard all this
testimony. And I think, at some part, I'd like to get a
response back from them as to what they heard that might
even modify what they sent to the Governor, initially.

It might be that they heard some things, we all
heard some things that would -- we could come together
quickly, to say that should be altered or changed, based on
testimony. So I'd like to add that to the comments of the
Sheriff.

COMMISSIONER TAYLOR: Mr. Chair, I agree with the
previous two Commissioners, and their points of view, as
well articulated, particularly by the Sheriff. I think
there is an expectation that after hearing all this, and
reading the 2,574 pages, plus the several hundred pages of
additional written testimony, that we would take an opinion.

And to be honest, probably half of these
recommendations are really kind of common sense and they
have not sparked controversy. There have been a few,
clearly, that have really brought out the passions in
people, but there are some that are pretty straight forward,
and nothing wrong with us in identifying what those are, and
encouraging the Governor, and the Legislature, and the
policymakers to move forward with those as quickly as
possible.

Those that need further investigation, as our
colleague, Mr. Canales said, it's fine to identify those, as
well. There are a couple of others that, you know, perhaps
based upon the testimony, the staff may want to rethink.
And you know, I'd like to know what those are in terms of a
third category.

So I'd like to see us kind of take it to one other
level, perhaps as you identified here in your one-page
COMMISSION CO-CHAIRPERSON HAUCK: Denise.

COMMISSIONER DUCHENY: Well, I have been listening to folks here. I have been one that's been concerned that we utilize the expertise of this Panel, and the diversity of views that are existing, just on the Panel, to sort of analyze these things and see where there is consensus.

I mean, I think one way to do it might be to actually ask the staff to do that summary, the way you're describing, and use that as the basis for the discussion. Because what's unwieldy is always sort of, okay, now how do you talk about 2,500 pages.

And I know I've had the Senate staff actually try to break it down into things that are reorganization, things that are Legislative, policy changes, and things that are administrative orders, if you will, or that can be done administratively, and try to separate the recommendations that way. Because the way they are now, they're all sort of by topic and it's hard to distinguish between them.

And I didn't bring it with me today, but I do have a breakdown like that. Because I think part of it goes back to something people said earlier, are we really looking at reorganization recommendations, or are we looking at these sort of broader policy recommendations, most of which would require legislation, as Senator Brulte pointed out earlier.
And others that are straight up, you know, recommend to the Governor to do this administratively, do it now, you don't need a reorganization to do this. 

Others are tied to the reorganization. Some of the administrative things in here you can't do unless you -- don't make sense unless you've changed the structure.

COMMISSION CO-CHAIRPERSON HAUCK: I don't think there's any way that we can get into looking at all the recommendations that could be implemented administratively by the Governor. I think, if we were to do this, we'd be focused on major reorganization proposals --

COMMISSIONER DUCHENY: And major policy changes.

COMMISSION CO-CHAIRPERSON HAUCK: -- and maybe a few major policy issues, without necessarily suggesting a remedy.

COMMISSIONER DUCHENY: Well, what I meant by that, though, is if we separate out all the other ones, then you don't have to talk about them. I mean, if you at least have separated the categories. Because what happens, when you talk about it by subject matter, the way this report is laid out, you end up talking about all of the different levels of possible changes. So that if you separate them out and say, okay, let's just talk about the larger ones, then you can get some focus for the discussion.
COMMISSION CO-CHAIRPERSON HAUCK: Realistically, that's all we can do, if we can do it at all, that's all we can do.

COMMISSIONER DUCHENY: Yeah, even if we could do that. But I think it's worthwhile to utilize the expertise of the Panel at some level. And I apologize, because I suspect, when this meeting might be held, I might not be able to be at it, if it's held in early October.

But I do think it's important to do.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. J.J., did you want to get into this?

COMMISSIONER JELINCIC: Yeah, I'm one of the people that's been pushing the question of what, exactly, is our role. And ultimately, I think I'm going to come around to agree with Dave.

If you go to the original order, it clearly looks like the intent was that this Panel was going to have some influence over the recommendations that came out. The way it happened, the report actually got done, and then the Panel got created. This Panel isn't going to be able to change a word of this report.

In some ways, you know, I think our function has been to identify those things that are dead on arrival and encourage the Governor not to waste political capital on, identify those things that, gee, how come we didn't do that
before, you know, like trying to get more money out of the feds.

And so I think that at this point, any kind of a consensus that we can develop, unless we're willing to commit to probably a couple of days of really meeting and some real candid conservation, becomes so general as it's things like, you know, it makes sense to look at the government every 20 years and see if we put people, you know, functions grouped together. Yes, we think it's important that we provide public services efficiently.

But I don't think we come to anything that is particularly useful, given the fact that this is already out.

So I think I'm inclined to agree with Dave, and I will admit that that's a change from my initial position, a couple of weeks ago.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Beverly.

COMMISSIONER O'NEILL: I think she was before me.

COMMISSION CO-CHAIRPERSON HAUCK: Dale, I'll start with you and come right back down this way.

COMMISSIONER BONNER: Okay, I guess a couple of thoughts. One, I just am questioning as to how much consensus we may be able to achieve, although I don't think we have any choice but to try, or at least to make some effort, first, to figure that out.
And I guess the question, to me, is a process one in terms of how you do that, and it seems clear to me that we would need to have at least, potentially, one full day where we would have this kind of dialogue or discussion among ourselves.

COMMISSION CO-CHAIRPERSON HAUCK: I mean, let's not make any mystery out of this. If the majority of you all want to do that, we would have to spend a day, or some portion of a day, I would suggest no more than a day, we're already devoting a lot of time to this. And by some process we would make a list, probably, you know, to put it in front of all of you to say, here's a list. Here's a list that's focused on policy and focused on reorganization proposals, and maybe a couple of additional ones Joel might want to throw in.

You know, let's go down the list. And it's not ten pages of lists, it's two pages. Let's go down the list and say can we reach some majority consensus, let's put it that way. We're not going to get a unanimous agreement on much of anything.

Is that going to be useful, ultimately? Yeah, I think so. Probably, the Governor would appreciate that.

But process-wise, that's how I see how we might do this. Obviously, we're open to other suggestions.

COMMISSIONER BONNER: Yeah, the only thing I would
add to that, and just a thought, in terms of the points Anne was making about the synthesizing the public input, I don't see our role as simply spewing forth a collection of personal views and opinions about these issues, so that we completely set aside what we heard at the public hearings, and just putting our own opinions out there.

Nor do I see our role as simply saying to the Governor, you know, here's what we heard, and leaving it at that.

But on the other hand, I think my views about what might be possible to do, what might be wise to do, you know, what might be viable, would be influenced, to some degree, by going through and reviewing a little bit of what we heard and what we think the public testimony was, recognizing that everybody who has a view, and something good to say, didn't come to these hearings.

But from a process standpoint, and I don't know if it will make sense, when we complete our round of hearings, to have a week, two weeks of time in between to develop some of that information, have it disseminated in a way, at least to give ourselves time to review it, and digest it, and get a few thoughts together, and then we can come together and have the other discussion.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Joanne.

COMMISSION CO-CHAIRPERSON KOZBERG: Yeah, I think
we could even have something simpler, where we could have
the areas sent to us and we could, on our own, say where we
think there's consensus. But we may find that we're so
polar opposite that we know, now, that we won't have a
consensus, or we can see that there is a thrust going in
that direction.

COMMISSIONER BONNER: Because there's some
consensus developing now; right? I mean, there's some
consensus developing here, that we ought to pursue
consensus, so that's worth something.

COMMISSIONER O'NEILL: Consensus on consensus,
that's what we'll have.

I think that one of the things that has come to
me, and just I agree with the Sheriff, that something needs
to come out of this, and I think that the suggestions that
we're getting are good, today.

But I think what Jim Canales was saying, about the
public input that we have had, during the past few weeks
there have been many issues brought forward, but one
prevailing theme from the public, that I've heard, is not an
issue -- but it's not on a particular issue, and it's the
fear of citizens not being heard on commissions and boards.

When you talk about streamlining, all of a sudden
you're talking about cutting out things, and they're
frightened that they're not going to be able to be part of
the issues facing California, the threat of not serving on
committees and boards, and utilizing people throughout the
State of California, so that they feel that they've been
heard.

You know, the gentleman I think we'll always
remember is the one on aging, in the first meeting that we
had, and he was saying, you know, you're going to be there
someday, and you need to listen to me. And he called us all
young, I loved it.

COMMISSIONER BONNER: I'd like him to come back.

COMMISSIONER O'NEILL: Yeah, I still remember him.

But you know, utilizing the citizens, it's part of the
education for the State, and it's individuals and it brings
transparency to government.

And you know, State issues need to be aired, and
they need to be aired by the citizens of the State on
health, on quality of life issues. And people tend to
protect and defend what they create. And the number of
people represented in the entire State, that they feel
they're involved in the process, and I don't think we can
lose that human potential.

And I think if we are going to allay some of the
fears that we've heard, of people saying we're not going to
be able to have a chance to have our input, whether it's on
a board, or a commission, or an ad hoc committee, and they
don't even know what the bureaucracy is above them, they
just know at the level that they feel they've had input.

And there is money involved in having commissions
and boards, whether you're having a resource person or
coordination, or follow through, but in the end I think the
advantages outweigh the education, and transparency, and
involvement of our citizens outweigh the costs and avoids
future misunderstandings.

And I think in some way we have to say that, you
know, we're not cutting you out, people are still going to
be involved in the process, at whatever level. It may not
be at the top level, but you're still going to be heard.

COMMISSION CO-CHAIRPERSON HAUCK: Well, if there's
anything government does well, it's process.

COMMISSIONER O'NEILL: I know, it goes on forever.

COMMISSION CO-CHAIRPERSON HAUCK: I mean, to a
point, that's just fine.

COMMISSIONER O'NEILL: Okay.

COMMISSIONER IBARRA: Not to add to more process,
but the question is in part about process. I would like to
see us act as a Commission, and not as individuals. Whoever
said that, I totally endorse that.

We have that opportunity to do it on our own, but
I feel that we were appointed as a Commission, with
different levels of expertise, observation, and
representation from around the State.

So, in so doing, most of these
recommendations -- not most of them, many of the
recommendations get to operational level, or policy level,
or overall restructuring levels. And when they get to
operational levels, as we all know, they can be
operationalized in lots of different ways, there's not one
way to do that.

So I would recommend that what we look at is the
major, overriding observations that we had, as we sat as a
Commission.

In other words, I would not like us to just submit
transcripts of what we heard but, rather, what did we make
of what we heard, what were the themes of what we heard,
what were the major ideas that came out.

Because if you think about it, the Governor gets
the very, very good work that was already done, that was
very specific. Then he appoints this group of people to say
what did you hear about that, as you went out there?

And so I think we have an obligation to say what
we heard about that, what we judge about that, and what more
needs to be done.

In my opinion, there's many of these
recommendations that have to be linked to policy, to
direction, and to leadership, and they can't just be taken
alone. And I'm sure that the group that worked on this
didn't think they could be taken alone, they needed to be
handed over to somebody else.

But if we could make recommendations about that,
then I think we're exercising our role, as a Commission. I
don't think we should think about how we operationalize
these things, I don't think we should micro-manage any of
this.

I, further, don't think that we would be well-
served for each of us to dream this up, I do think we should
get staff work, and I welcome the input of having something
that's outlined for us.

But I think it's our obligation to report, to the
Governor, what we observed, what we judged, and what we
recommend, based on having this experience. That's the
scope of what we can do.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. Steve.

COMMISSIONER FRATES: I think that there's no harm
in us giving something to the Governor, reflecting what the
Commission either thinks, saw, heard, that thinks it's worth
extrapolating.

No matter what we do in that regard, the Governor
or the Legislature can either accept it or reject,
selectively use it. What do we really offer? We offer one
more sounding board. Perhaps we offer a little more context
on the specific things that people, who have spoken to this
Commission, brought to bear.

Everybody who's spoken before us, I think, has
been very conscientious, very well prepared, and oftentimes
very passionate about what their viewpoint is on a
particular issue.

I think one of the values that we might bring to the equation there is do we see any overarching things or
any substantive issues, and perhaps we discern something that we feel either warrants further attention, or we can
couch that perception in some way that gives a little bit of depth and context to what the Governor might otherwise have
to sit through.

Although, I rather suspect that there's a junior staffer in the Governor's office, who's going to wade
through all the stuff we read, plus all the stuff that was produced, plus all the testimony, and I feel sorry for that person. But maybe we can help him along a little bit.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thanks,
Steve.

COMMISSIONER DANDO: Well, in respect for the time that we have left, let me just say that I agree with most
everything that has been said to date, when it comes to our making a recommendation as a Commission.

I want to just mention that I believe it would be
a great opportunity lost if we did not take advantage of the
people around this table, to use their expertise, and their
experiences in providing a recommendation, if we can come to
that. I agree it should be more organizational and not get
into the minutiae.

But the bottom line is, my sense is that this
Governor would appreciate an advisory recommendation.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. Steve.

COMMISSIONER OLSEN: I think that, after going
through this process so far, that what I've concluded is
that the public believes that there are very substantial
improvements in the way that government can operate, both in
a policy level, a governance level, and an operating level,
and I think the extent of the recommendations we've
received, and also the testimony we've received, supports
the public's view.

We've heard from many of our witnesses that they
support the process, that they want to cooperate.

There is this one little recommendation, you know,
with respect to the Seismic Safety Commission, and whatever
it is, we think is off point, but everything else is
terrific.

I don't think we have to drag ourselves to a
review of weighing in on individual recommendations, but I
think there are several areas in which we should weigh in as
a matter of broad principle.

One, I think, is the question of whether or not we support the notion of a wholesale reorganization of the entire Executive Branch. That's a significant issue that's presented to us. I don't really think we have the option of remaining silent on that question. Either we think that it needs to be undertaken, or we think that it is too much to undertake, or ill-conceived, or something.

And if we believe that it is too ambitious, then we ought to weigh in and identify those areas which we think the best case has been made and recommend that the Governor work with the Legislature on a reorganization plan in a broadly stated area.

Other areas, I think there is at least one, or possibly more areas in which I think the recommendations may have been too timid. I'm thinking, in particular, of the whole issue involving State and local relations and I think Joel is right, I think that we should weigh in on that area, and I think that it's possible that the staff recommendations have been bounded by some of the ballot measures that are on the November ballot, and I don't think that we should necessarily feel that constraint as we approach those issues.

I don't think we should be bounded, as the staff felt limited, by Constitutional issues. In fact, tomorrow,
in Long Beach, when we hear the correctional issues, there
actually is a specific recommendation for a Constitutional
amendment and it comes out of the recommendations from the
group chaired by Governor Deukmejian. So there is one group
that didn't feel they were limited in that way, and even
though we need to identify those areas that might require
Constitutional change, I don't think that anything we say
ought to be necessarily limited. And I think that that
means that the establishment of Constitutional officers
ought to be within the scope of what we think about.

Then, finally, I think there is one area in
which -- and this is nothing else but my personal view, and
is probably based on my own work or expertise, this whole
area of government operations and technology, and human
resources policy is one which I think that the Commission
should weigh in on, at least in a general sense.

There's no question in my mind, and I think the
recommendations clearly establish the fact that California's
business practices are really quite archaic and obsolete,
and they need to modernized, and in a whole range of issues
involving technology, procurement, the way we undertake
capital acquisition in financing, and human resources
practices. All of these need to be brought up to date and I
don't think that we need to weigh in specifically on which
recommendations need to be implemented, specifically, but I
don't think we should remain silent on this matter.

COMMISSION CO-CHAIRPERSON HAUCK: Joanne.

COMMISSION CO-CHAIRPERSON KOZBERG: I think, you know, and maybe looking at next steps, what we need to do is evaluate everything that we've heard, and try and articulate it, and get it out to you to see if we've captured it.

Anne, if it wouldn't put you in a difficult situation, if you could sort of share with us, one thing that I'm interested in is how do we -- we are one aspect of this review and I know that the agency Secretaries and departments are all looking at this, as well.

Has there been thought given to how we all reweave back together?

MS. SHEEHAN: Well, at the -- and you're right, this Commission is one aspect because the idea would be that at the end of your process you provide a report to the Governor, in addition to what I heard here, today, is giving some broad recommendations to him from the experience that you've had through this process.

At the same time the Cabinet agencies are looking at the recommendations, providing their input to the Governor, and also looking at the reorganization proposals and providing their thoughts, which will also come together at the end of the process.

In terms of how the Governor's office wants to
sort of weave that all in, I think the idea is to present
all of the findings to the Governor, so he can go forward
and make the policy recommendations that he would like to
move forward with.

So I'm not sure if that specifically addresses the
question, but I think it would be all of it sort of
culminating at some point in, you know, October, at the end
of this process, and providing that information back into
the Governor, to put before him for his decisions on how he
wants to move forward on all of these things.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, let me
make a suggestion here, to try to conclude this discussion.
It sounds like there is pretty good agreement that you'd
like to try to make an attempt to reach some consensus on X
number of broader-based recommendations; is that correct?

(Commissioners respond.)

COMMISSION CO-CHAIRPERSON HAUCK: Okay. What I
would propose is that to do that, we're going to have to
devote at least a day, or a portion of a day, and I'd prefer
that it wasn't two days, subsequent to the September 27th.
So we would need a date soon thereafter, hopefully, that we
could convene, again without the normal testimony, and with
the proper preparation, documentation in front of you, you
know, in advance of the meeting, so that you could come to
the meeting prepared to agree and disagree with proposals.
The ingredients, I think, of a session like that probably ought to include some feedback from the CPR staff as to their reaction, probably through Chon, of what they've heard in the course of the seven hearings and how they evaluate and react to what they've heard.

We also should have, as Dale points out, I think we should have the ability to review the public testimony, at least in summary, so that we apply two elements in that process. One is what we've heard in the public testimony.

Or three maybe. The second is our own judgment as to what makes sense and, the third would be just our general experience with respect to State government and other enterprises that everybody around the table has been involved in, as to what things can work and what things don't work.

Does that sound like a reasonable way to proceed with this?

COMMISSIONER BENTON: Could I just ask a question, and it comes from Anne, something you said. You said that in addition to us, there's another group looking at this report?

MS. SHEEHAN: No, I mean, the Governor has asked his own Cabinet Secretaries to also look at that and provide their input to him.

COMMISSIONER BENTON: Okay, and I guess my
question is would we have access to Cabinet Secretaries' comments on this report?

MS. SHEEHAN: I can check for you and let you know next week, because they have not submitted them to us, yet, but I can check and get back to you. My guess would be that you can have some input from them in terms of what their general thoughts are on these.

COMMISSIONER BENTON: I mean, I think that would be helpful.

COMMISSION CO-CHAIRPERSON HAUCK: Well, I mean any way can -- I'm going to come back to what David said to begin with, pretty soon. I mean, you could put every Agency Secretary in front of this Commission and say, you know, how do you respond to the recommendations that apply to your area? If we do that, it's going to take a considerable amount of time.

So I think we're going to have to apply our own judgment here. If there's any ability to get some input from the Agency Secretaries, short of some full scale presentation, I think that would be fine. But I think we probably ought to conclude that even if that isn't possible, we should conclude what we're doing here in the manner that we're now describing. Does that make sense?

Okay, we'll talk about how much time is going to
be required subsequent to the 27th, in order to put the kind
of materials together that would permit us to have the
discussion we're talking about, to get them to you, I guess,
maybe four or five days, at least, in advance of the
meeting, so that you can absorb them, and then set a meeting
date. So, hopefully, no later than the middle of October, I
think. I mean, I think the Governor would appreciate that,
as well.

COMMISSIONER BENTON: Mr. Chairman, I have one
comment, though. We're all sensitive to how much time this
takes and how much time has been put into it, and certainly
controlling more time. Having said that, it's a very
important project and I would like the clock not to
determine the quality of the report, if it's possible.

COMMISSION CO-CHAIRPERSON HAUCK: We'll shoot for
the day and, you know, at some point we have to put an end
to this, that's the point I'm making. As important as it
is, and I don't -- I mean, I've devoted a lot of my life to
doing this kind of stuff which, you know, people are
continually asking me why don't you have your head examined.

On the record, this is it. This is it. We're
either going to get some things done this time, or someone,
subsequent to me, is going to be involved in it.

COMMISSIONER JELINCIC: I was just wondering if
anybody believes you that this is it?
COMMISSION CO-CHAIRPERSON HAUCK: Well, it doesn't matter whether you believe it, I believe it.

(Laughter.)

COMMISSION CO-CHAIRPERSON HAUCK: Okay, do we have anything else in this section that we need to talk about? I think the conclusion's clear and we'll proceed accordingly.

Okay, let's move to our next panel, which is related to the issues in higher education. Thank you all for being here today. Democracy is a great process, isn't it?

Rather than introducing each of you, I'd like to ask each of you, in the course of making your presentation, to introduce yourself and say the organization, and your position, at least, and any other point you'd like to make.

And I'd like to start with M.R.C. Greenwood from the University of California.

PANEL MEMBER GREENWOOD: Well, good afternoon, Mr. Chairman, and Co-Chair Kozberg, I'm delighted -- oh, I'm sorry, I'm not close enough? Usually, my voice carries to the back of the room without it.

So once again, good afternoon, and I'd like to thank the Co-Chairs, Mr. Hauck and our Regent Kozberg, for inviting me to give the testimony this afternoon.

For those of you who don't know me, I'm M.R.C. Greenwood, I'm the Provost and the Senior Vice President for
Academic Affairs at the University of California, a position I have occupied for a mere five months at this point, having previously served for eight years as the Chancellor of the University of California, at Santa Cruz.

First, let me say that the University of California strongly supports the general goals of the California Performance Review, and we do appreciate the Governor's leadership and the hard work of those who have served on this Commission, and on the report, and now on the Commission, and helping to bring about the kind of conversation that is necessary to move us forward with increased efficiency, better services, and generally greater assistance to the State.

I'm going to step from my prepared text for just a second. We have quite a few comments that we have made on a number of the report's issues. I don't have time in five minutes to cover them all, so I'm going to stick to the ones that I think are most important.

But I'm going to answer a question that Commissioner Benton asked this morning, which is what do we get? What is the State getting for this money that they're investing, and in this particular case, the University of California.

And I can answer that question for you. What you're getting is the best research university in the
country. You're getting the best graduation rates, among
the best graduation rates in the country, in public research
universities. You're getting three to four dollars, for
every dollar the State invests, being brought back into the
State by other mechanisms that the University engages in.
And the most rigorous post-tenure review system in the
nation. And an entrepreneurial organization.

That becomes very important because a lot of the
discussion this morning circled around job training. And
you can't have job training in the State of California if
you don't have job creation. And that's a very important
part that the University of California plays in our role, in
the higher education segment, of trying to make California
more competitive, with a thriving economy, and a climate
that attracts new businesses, and creates new businesses,
and provides jobs for the State.

UC's been critical, as I'm sure many of you know,
in many of these areas, but let me just give you one
particular example. In the field of biotechnology, one of
the great new industry areas, now with the fusion of biotech
infotech and nanotech increasingly important. One in three
biotech firms in the State of California have been founded
by a UC scientist, and 85 percent of the biotech firms
employ UC alumni.

So we're talking about not only what it costs to
educate a student in the State of California, and the
University of California, but also what does it mean for the
State of California to have this research university as part
of its competitiveness and its ability to attract industry.

So without the world class system of higher
education, which includes our colleagues in the CSU and the
community colleges, the State of California would certainly
be a fundamentally different State.

And in the higher education arena, we rank very
high, nationally, with respect to these criteria.

So our areas of agreement, concerns, and
suggestions focus primarily on areas related to
strengthening and preserving the core tenets of the Master
Plan, which I will remind you, in its own way, was the
result of the equivalent of a California Performance Review
in 1960, trying to take a very disorganized State system of
higher education, which we could still argue needs some
improvement but, nonetheless, was reorganized in a way which
has been emulated by many states and by many around the
nation.

We do agree that one of the best ways to guarantee
statewide access to a bachelor's degree is to enhance the
community college transfer function, and your report spends
some time on how one might do this. The University is
committed to that.
And I'm already on one minute, so I'm going to just move on to the next two things which are really important. I would just say we are moving on the transfer functions and we have done a number of things, and we're willing to work to improve it more.

We have two major concerns here, and they both focus on financial aid. One is we're very concerned that CPR proposal ETV 16, which proposes that Cal Grants be converted to fee waivers, is going to divert funding away from the most needy students, to less needy students, and the University of California has the highest percentage of needy students in a research university in the nation, so this is a real concern of ours.

The other is that there are very significant, we believe, unintended consequences, as a consequence of the proposal to raise the out-of-state tuition. This might seem, on first blush, to be a good way of raising revenues through an increase in non-resident tuition. At the undergraduate level this is speculative, at best, we believe, because raising the tuition might or might not attract more out-of-state students, which would provide a revenue source. And even if it did attract students at a high enough rate to produce a significant revenue source, it would do it by displacing California residents, which potentially flies in the face of the University of
California's concern.

And the other thing I'm going to say, because I must get this in, is that the increases in the non-resident tuition could deal a devastating blow to the quality of our graduate programs and, thus, to the California economy.

It is the case that in order for California's Universities to have the most competitive graduate students, they must provide competitive financial aid. This means providing aid, reimbursing fees and tuition for most of our top students.

Without the ability to do this, we will not be able to attract the quality of students who work with our faculty to build new industries and to create the economy for the State of California.

It is not a revenue source. It is, in fact, a competitive issue for us.

I'll stop here because the other issues that we're concerned about are covered adequately in our written testimony. I'll be happy to answer any questions and thank you for the opportunity.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, M.R.C., thank you.

Dave.

PANEL MEMBER SPENCE: Thank you, Chairs Hauck and Kozberg, for inviting us to be here.
You have my brief, written statement, it addresses four of the recommendations of the report.

I just want to take a few minutes here, primarily, to outline and emphasize the need to improve the effectiveness of the --

COMMISION CO-CHAIRPERSON HAUCK: Dave, you need to say who you are.

PANEL MEMBER SPENCE: I'm sorry, Dave Spence, I'm the Chief Academic Officer of California State University.

We think that the Commission report cannot emphasize the improvement of the transfer function too much, in terms of how critical it is that students can move from two years at a California community college to a university campus, without having to take courses that they could have taken at the community college, or without taking courses at community colleges that they don't really need.

Just four, brief points about this. In California, more than any other state, more students and higher proportions of students seeking the four-year baccalaureate degree spend their freshman and sophomore years at California community college and then transfer to CSU or UC, especially CSU.

In any one year we'll admit 55,000 transfers from California community colleges. Forty thousand of the 62, 63 thousand undergraduate degrees we award each year are
The Master Plan has directed this. Other states have found this transfer process to be a very cost-effective way to earn the undergraduate degree.

The goal of an effective transfer system, at least with respect to a 120-hour baccalaureate degree, is for the student to take 60 units at a California community college and only another 60 units at a UC or CSU.

Cost effectiveness comes by limiting the more expensive instruction received at a university to the last two years.

The second point is the fact that the transfer process in California is not cost effective, as evidenced by the fact that the average transfer student at CSU takes 157 credits or units. Our average undergraduate program is 124 units. They take 81 units at the California community college and another 76 at the CSU campus.

The cost to the State, alone, of these additional units, runs over a hundred million dollars, and that's equivalent to providing access or increasing our enrollment capacity on a permanent basis by 25,000 additional students.

The next point is that there are two structural reasons for this broken process. First, our over 30 public universities don't have the same requirements for the 60 units of lower division work the students take at the
community college. So unless the prospective transfer
student knows to which campus he or she will be transferring
by their freshman year, they certainly won't have taken the
right courses which will transfer, in full, to the senior
university.

Second, our California community colleges
generally, and for very good reasons in the past, do not
expect students to declare a major early enough and do not
have a clearly delineated associate degree of only 60 units,
through which transfer students are guided.

The final point is that the solutions, and some of
them are listed in the report, are straight forward and, for
the most part, underway.

First, California State University, with the help
of the Board adopting some policy amendments to our internal
policies, and through legislation, has found a way, and I'm
proud of our faculty for coming together across our 23
campuses and agreeing on common requirements for all of our
primary program majors. They have found a way to ensure
that no matter where the transfer student starts or ends at
a CSU campus, they will come with the right 60 credits and
then it's up to us to get them out in another 60 units or
two years.

Finally, for the State to gain the maximum effect
from these improved pathways, the California community
PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
colleges need to institutionalize these common programs in
the form of distinctive associate degree programs,
specifically aimed at students which begin at community
colleges knowing they want that undergraduate degree.

These programs should be 60 units. Many of them
now are 66 units, we only need 60 units to transfer.

The other three points, I will just say with
respect to the fee waivers, I agree with what M.R.C. said,
this would really disadvantage our most needy students.

Second, the proposal that community colleges offer
baccalaureate degrees, this is something that's part of the
mission of CSU. We're permitted to providing associate
degrees in geographic areas of the State where they're not
now found.

And finally, I'll just say that with respect to
the accountability process recommended, I think Nancy's
going to speak to that, CSU fully supports that and we
support the legislation that's expected to put that into
practice.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you,
Dave.

Well, Nancy, why don't you take it from there.

PANEL MEMBER SHULOCK: Thank you. I'm Nancy
Shulock, I direct the Institution for Higher Education

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
Leadership and Policy at Cal State University, Sacramento.

And I want to clarify that although I work at a CSU campus, my views do not officially represent the CSU system. They reflect my judgment, as somebody who studies higher education policy, both in California and across the nation, of what California needs.

And in that regard, this occasion is especially timely for me. Our Institute has just completed a study for the newly formed Campaign for College Opportunity, that I know Chairman Hauck is well-acquainted with.

This was a study of what California can learn from other high growth states about how to define and implement a statewide agenda to improve access and success in higher education.

We've concluded from this study that California badly needs the kind of Executive Branch attention that the CPR reflects. It's really embarrassing that other states have strategic plans, agendas, data systems, accountability structures, and we have pending bills.

California, frankly, is in trouble. We have fine institutions, but huge unmet State needs, and no plans for meeting them.

I'm going to address the five recommendations that I view as most important to addressing the urgent problems that we face. The first one, recommendation number 03, on
consolidating State higher education agencies.

The CPR identified some key problems, but has the wrong solutions, in my view. These four agencies should not be consolidated simply because they all have something to do with higher education. We need a strong coordinating board, one with authority and resources to develop plans to meet the State's needs. Not just its own staff resources, but resources to influence the segments to respond to the State agenda.

CPEC does need to be more accountable to the Governor, because Executive Branch support is vital to implementing a State plan, once developed, but CPEC should not be in the Secretary's office, where it can become too politicized. Accountability to the Governor can be accomplished through the appointment of Commissioners.

Combining the Student Aid Commission and CPEC is a reasonable thing to think about because integrating student aid policies into a State's overall program and finance planning is absolutely critical.

The community colleges should remain outside the Secretary's office. The current structure is ineffective because the Board of Governors has minimal authority to influence resource allocation to districts. This problem should be addressed directly, the Board needs more authority.
Also, the community colleges serve over 70 percent of public college enrollments in the State and must be an equal partner to the UC and CSU in collective planning for education beyond high school.

The bottom line, in my view, is that we have ineffective boards, not because they are separate and not because they don't report to the Governor, they're ineffective because we refuse to give them the authority and the resources to be effective.

The next recommendation is number 21, on higher education accountability. I strongly support this recommendation in CPR. SB 1331 reflects a model effort in which all the segments, including the independents, came together to develop a set of principles by which the segments would be accountable to meet the State's needs, consistent with each one's unique mission. We should proceed to implement SB 1331.

The third recommendation, number 19, on establishing community college enrollment priorities. I think CPR has identified the right problem, but the wrong solution.

We absolutely must set better priorities within the community colleges. There are too many perpetual students, as CPR noted. The culture of the system must become more oriented to completion and accountable for
producing degrees and certificates, but the recommended
priorities are too simplistic. It is wrong to give students
with BAs the lowest priority.

The community colleges must meet State work force
needs and there are scores of BA holders who need
retraining, and who employers need to be retrained.

The State should set priorities, but in setting
them should look at more than just the number of accrued
units. We need to look at assessment and placement
policies, or lack thereof, at fee policies, and late
registration, and other things we know impede progress and
completion. And we need to finally define what it means to
enroll anyone who can benefit.

The fourth recommendation, number 15, on transfer,
I agree completely with the recommendation. Transfer
policies in California are worse than almost every state.
Everyone knows it, but despite all the alphabet soup
programs we have to address it, our policies remain a
disservice to students and an inefficient use of State
resources.

We need to get beyond the defensive academic
arguments and adopt a core transfer curriculum. Many other
states have done it and hell has not frozen over.

Finally, number 23, on expanding options for the
bachelor's degree through community college pilot
baccalaureates. This, in my view, is a bad idea. The
community colleges have many or more missions than they can
manage already, and California has enough real problems that
we should not try to fix something that's not broken.
Let other states waste time and money fighting
battles over mission. We have 32 public and numerous
private colleges and universities that can offer upper
division instruction on community college campuses to
increase access in rural and under-served areas.
Thank you.
COMMISSION CO-CHAIRPERSON HAUCK: Okay. Well,
let's go to the community colleges at this point.
Peter.
PANEL MEMBER LANDSBERGER: Yes, good afternoon.
I'm Peter Landsberger, Chancellor of the Los Angeles
Community Colleges, and I've held various roles in the
California community colleges for more than 25 years.
I'm here this afternoon in part to stand in for
the State Chancellor, Mark Drummond, who is in the Bay Area
fulfilling a long-standing commitment, but I want to make it
clear at the outset that the views I'm expressing today are
mine and not Mark's.
And I also think it's incumbent upon me to make it
clear that while I have no reason to believe that the
perspective I will be expressing differs to any significant
extent from the views of the Board, I'm speaking not on behalf of the Board of Trustees of the Los Angeles Community Colleges, but on my own behalf, with one exception. And that exception has to do with ETV 3, the proposal to combine the Chancellor's Office with various other bureaus and commissions.

On August 11th, the Board of Trustees voted unanimously to oppose ETV 3, the recommendation that advances that particular idea.

Chapter three of the report contains many good recommendations affecting community colleges that ought to be pursued, and several more that need to be approached with caution or simply rejected, in my view.

Time constraints obviously prevent me from discussing all of the recommendations, but let me begin by listing a few that I believe are important and good.

ETV 8, reforming the concurrent enrollment funding and options; ETV 15, making it easier for students to transfer; ETV 16, providing a fee waiver in lieu of the Cal Grant award; and, in particular, ETV 25, balancing career technical education and college preparation in high schools.

Most of these recommendations address very important public policy issues and present suggestions that would greatly improve the ability of the colleges to serve students and to be more responsive to evolving community
needs and expectations.

In particular, I'd like to comment on ETV 25, which you had some discussion about this morning. The line between so-called vocational education and college prep. is fast, in my view, becoming obsolete. Employers tell us that they need graduates who possess requisite technical knowledge and skill for their industry, but who also have strong speaking, writing, reading, and mathematics ability, who are good critical thinkers, who are adept at working in teams with people from a wide range of cultures and backgrounds, and who manifest important personal characteristics, like discipline, responsibility, honesty, and creativity.

These are the very things that one used to think of as being a natural byproduct of a good liberal arts education.

Conversely, every history major and every art major is likely to have some sort of career and needs to know how knowledge is applied in the world.

The point is that career technical education and so-called college prep. are not mutually exclusive. Increasingly, preparation for a good career requires at least some college work, often two years.

Growing evidence also shows that, if well done, incorporation of applied career technical education in
school curricula not only yields more student success, but improves students' understanding of the importance of doing well in school and encourages them to set future career and education goals.

   Everything that we can do to -- it also, by the way, prepares students better and makes them more motivated college students.

   So everything that we can do to persuade students and parents that good career technical education really is college prep., and to foster the efforts of our schools to establish effective career academies, and similar offerings, that prepare students well, and give them meaningful career and educational options, is something we should support.

Which of the recommendations of chapter three do I view with less enthusiasm? There are several. ETV 3, as I've mentioned, ETV 19, establishing statewide community college enrollment priorities. ETV 23, expanding the options for the bachelor's degree. ETV 27, modifying the 75 percent full time faculty requirement. And ETV 33, requiring public service.

ETV 3, in my view, is the most troubling and obviously wrong-handed of all the CPR recommendations that I've looked at closely. Among all of the segments of higher education, it would single out the community colleges for radical restructuring and merge it into the bureaucracy of
the Executive Branch, along with a disparate set of agencies that have little, if anything, in common.

The reasons for such a move are unclear, but the risks are obvious.

COMMISSION CO-CHAIRPERSON HAUCK: Peter, you need to wind it up.

PANEL MEMBER LANDSBERGER: Eliminating the Board of Governors and merging the Chancellor's Office into the Executive Branch would expose the system to excessive political influence and maybe outright interference. The move doesn't yield significant savings.

And as Chancellor Drummond said, some say bluntly, and I'm quoting him, "it warrants no further consideration."

I agree, entirely. Thank you for allowing me to express my views.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. That's pretty definitive.

David. Real quick, J.J.

COMMISSIONER JELINCIC: Did you say you supported the fee waiver?

PANEL MEMBER LANDSBERGER: Yes.

COMMISSIONER JELINCIC: Okay.

PANEL MEMBER VIAR: I'm David Viar, the Chief Executive Officer of the Community College League of California. Leaders of the community colleges, local
boards, administrators, faculty members, staff, and students do not support the elimination of the Board of Governors and the regulation of our system Chancellor to line position, answering to an undersecretary, who answers to a deputy, who answers to the Secretary of Education.

This opposition is not because we are against change or are comfortable with the status quo. Far be it.

The opposition is because the change proposed will not save money, will not provide for greater efficiency and effectiveness within our important system and, ultimately, will not increase access to our colleges, programs, and services.

I compliment the efforts of those who worked on this undertaking and I support their clear recognition of the important role that community colleges play in contributing to the social and economic well-being of our State. I commend them for their endorsement of the valuable local nature of community colleges and the role of the locally elected governing boards.

Coordination among education entities is essential, but ETV 1 and 3 raise serious questions. Should and can one appointee of the Governor be the person to establish the vision, goals, and strategies that guide public policy through education and work force preparation, or is there greater value in independent boards given
authority to focus on the mission of the entities they lead, coordinate, and oversee?

The CPR report calls for elimination of certain independent boards, such as the Board of Governors, yet that word, itself, is their very value, independence. For the sake of a clear organization chart we sacrifice an independent Board and Chancellor, who are to focus on helping the community colleges fulfill their mission, in coordination with others.

How can this proposal truly create coordination, when it maintains separate Governing Boards for UC and CSU, a California Department of Education, and a Superintendent of Public Instruction? Subsuming the leadership of a postsecondary system of 109 colleges, serving around 2 million people a year, with a comprehensive mission and a diverse student population, under a State Board with primary responsibility for pre-K through 12, will not result in coordination. It will result in less focus and attention to strengthening and improving the community colleges.

Does greater efficiency come from a single State level department? My observation, working in two large states and in Washington D.C., has been, the larger the state or federal department gets, the more bureaucratic and cumbersome it becomes. The more difficult it is for citizens to know who to turn to for problem solving. The
more difficult it is to manage and direct. And the more
those providing the services at the local level are tied in
knots by undue oversight, reporting, and bureaucracy that
slows their response to local, regional, and State needs.

A realistic approach to the coordination sought is
ETV 2, that calls for an Education and Work Force Council.
This Council has great potential to bring the leaders
together and result in the coordination talked about, but it
should not just be for the development of biennial reports.
The leaders of the various groups, working on work force
development and on education, should be coming together,
regularly, to share their goals, their objectives, and what
they're doing in a real coordinating way, and then their
view should be given the highest level of respect within the
Governor's political and policy decision making hierarchy.

A second proposal that will enhance efficiency and
lead to greater effectiveness is to give the community
college system Board and Chancellor the authority necessary
to fulfill their responsibilities and to engage with others,
in an equal way, in the important coordination sought by the
CPR.

This requires freeing the system office from
Department of Personnel Administration and Department of
Finance Approval processes. These are the boxes to blow up.
Approval processes for everything, from how the office is

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
structured, to the level of compensation provided staff, to how money is spent within the system, to how education policy is implemented. Give the system office an amount of money to do its job of coordinating, and leading, and supporting the local community colleges, and then hold the Chancellor and State Board accountable.

As the quote of Ronald Reagan, included in the CPR report says, "surround yourself with the best people you can find," and I paraphrase, a good Board of Governors and Chancellor, "delegate authority," and I paraphrase, to the system, "and don't interfere," and if I may paraphrase, hold them accountable.

This is the direction that we should go for improvement of coordination, effectiveness, and efficiency within our system and for education. Thank you.

(AppAUSE.)

COMMISSION CO-CHAIRPERSON HAUCK: Okay. David Roth.

PANEL MEMBER ROTH: So many Davids, so little time.

COMMISSION CO-CHAIRPERSON HAUCK: So many Davids, yes.

PANEL MEMBER ROTH: Thanks for the opportunity to be a part of this important process. I'm David Roth, Chairman of the California Student Aid Commission, and

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
Deputy to the President at Occidental College, the alma mater of at least one of the Commissioners here, today.

In launching the CPR process, as was just mentioned, you recall the Governor said he wanted to "blow up the boxes."

In our view, the Student Aid Commission happens to be one box that was blown up and successfully reengineered seven years ago, during the administration of former Republican Governor, Pete Wilson.

In 1997, the California Legislature and Governor Wilson authorized the Commission to establish EDFUND as a nonprofit, public benefit auxiliary to handle the Commission's participation in the federal loan program.

I'm pleased to report that the Commission/EDFUND partnership has been a major success and, today, is a generator of millions of dollars of revenue for the State of California.

For example, in this year's Budget Act, there is included a one-time transfer of $146.5 million from the Student Loan Operating Fund, to fund Cal Grant awards, providing a major savings in General Fund expenditures.

Once more, the Commission administrative budget is currently funded entirely by the Student Loan Operating Fund, at no cost at all to the General Fund or to taxpayers.

And I'm also pleased to report that the Governor and the
Legislature, in recent weeks, have enacted legislation
design to ensure the long-term viability of the Commission
and EDFUND, and to sustain our ability to provide public
benefits to students and institutions in the future.

As you know, from our written reports, the
Commission respectfully, but strongly, opposes a number of
CPR's specific recommendations, for reasons, that we hope
you will find resonant, we certainly do.

Adoption of CPR proposals, as submitted, will lead
to, number one, elimination of a State Agency that has
generated more than $399 million in revenue for the State,
for public service initiatives, since 1997.

Most importantly, almost $200 million of which
would have otherwise been General Fund expenditures.

Number two, loss of potential revenue generated by
the Commission, at EDFUND, to continue to provide direct
public benefits, and the possible redirection of these
revenues to for-profit vendors.

Number three, greatly increased costs to
taxpayers. The estimated taxpayer cost for decentralization
of the Cal Grant program, alone, ranges from one to four
million.

Number four, loss of at least $12 million per year
in matching federal financial aid funds.

Number five, loss of public accountability and
oversight by the elimination of a Commission directly responsible and responsive to the public.

Number six, a position of a more complex and less reliable financial aid system for students, due to a lack of uniformity in determining program eligibility.

Number seven, increased ongoing work loads at UC, CSU, and independent campuses, at an unknown cost.

Number eight, a greater demand for institutional aid at the UC and CSUs, in the face of severe budgetary cuts.

And finally, the rollback of legislation, recently signed by the Governor, giving the Commission and EDFUND the authority to develop diversified financial aid services to generate more revenue for the State of California.

Clearly, there would be harmful consequences for students, taxpayers, and institutions if the CPR proposals were to be implemented.

The students we serve represent a wide variety of students and a spectrum of people, and it is essential that all of these students know their financial aid options and that they can expect continuity and uniformity in the distribution of aid.

The revenue generated by EDFUND's service to more than 4,600 institutions nationwide, including 1,285 in California, has been recycled into a direct public benefit.
to California students, California institutions, and this
State, as a whole.

It is against this record of performance in
government efficiency that the CPR recommendations have been
made. And with all due respect, it is our belief that the
recommendations are, in fact, recycled proposals, by and
large, that have already been rejected by the Legislature.

And if anyone were to argue anything other than
that the Commission is made up of a diverse, talented, and
deeply committed group of people, they would be sorely
mistaken.

I have the honor of Chairing a Commission of
people who volunteer significant portions of their lives to
this work, people who have full and rewarding careers, as
you do, but for whom their service to the Commission is a
high and noble calling.

There can be no State benefit that will come from
the elimination of a Commission responsible to the people.
These people are experts in their fields, who are solely
dedicated to ensuring that each and every student can and
will achieve to their potential.

In closing, I would like to offer that the
Commission would consider other reform proposals that would
reduce taxpayer costs and increase efficiencies in current
operations, but would also make more sense from a policy-
making point of view.
For instance, as was mentioned today, the Commission would be well-suited to absorb some of the functions of the California Postsecondary Education Commission, CPEC, as suggested by a number of my colleagues. Such a consolidation would allow the State to better coordinate policy decision making in a current era of rising college fees but, unfortunately, decreasing financial aid resources.

Let me reassure you that we are certainly ready to do our part to have the best government possible, to provide the best services and benefits to students and institutions.

Thank you again for the time, and I look forward to any questions.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, David, thank you.

And last, but not least, Peter.

PANEL MEMBER BLACKMAN: Thank you. I'm Pete Blackman, I serve as the Administrative Vice Chancellor at UCLA, where I've long been responsible for business processes, capital programs, construction, and much more in terms of campus operations, so my focus will be there.

The report is to be congratulated as to its recommendations regarding business processes, in specific, and capital matters, infrastructure. Again, written
material has been delivered to you that describes the
University of California position in support of many of
these items.

These initiatives are extraordinarily important to
us and I believe these observations really cross over to all
aspects of higher education, because the problems which we
confront at UC, or at a large-scale campus, such as UCLA,
are simply indicative, and they involve the fact of enormous
increases in complexity, transactional volume, increase in
capital volume, driven by both enrollment growth and other
phenomena, at a point in time of diminishing resource.

And the business operating challenges inherent in
that particular equation are extraordinarily challenging
ones, with which I'll lead quickly to three items that are
as much exemplary, as otherwise, that are in the report, all
of which are matters of support from our point of view.

First, the recommendation to simplify and
standardize State contracts for grants, State contracts and
grants terms and conditions, an item which is both valuable
to us, procedurally, but in part because research grants
perform an extraordinarily important economic role in
connection with a place like the University of California.

But also because it serves to me as a classic
example of how better coordination in processing can aid
both sides of the equation by standardizing and finding IT-
based performances that will assist us to move those papers or former papers through in a transactional manner that actually saves millions of dollars on both sides.

Item 2 is energy consumption and energy cost. You make comment on that in your report and, certainly, we support and have in place many initiatives which have to do with constraining consumption and which are mitigating in that regard.

They are known items, building sustainability, conversion of existing building programs, other technical techniques.

But I wanted to point out something that is really important to us, and that is that the enormous rise and cost of energy for us, as operators, coupled with the fact of constrained budget for our purchased utilities, has created a circumstance in which we all operate, or mostly operate at deficit in terms of that aspect of the purchased utilities side of our lives. And that puts pressure on other aspects of maintenance budgets, which have a very bad impact, long-term, in terms of both deferred maintenance and maintenance sustenance.

But in particular, it's difficult to finance, long-term, the capital cost of mitigating initiatives if you are running at a deficit. And so we have a very bad equation in that regard, one which needs to have some form
of redress, lest it accelerate.

And then finally, and somewhat energetically,
support for the recommendation to expand the techniques of
construction delivery methodology for public entities. We
have large scale capital programs, involving considerable
dollars.

UC operates in accord with a particular
legislative scheme, but there are analogous schemes that
focus on other elements of higher education.

We need to have greater flexibility so that we can
acquire construction services in ways that are not
constrained by low-bid structures, which are really quite
doctrinaire, and allow us to get best productivity. Many
other public agencies, elsewhere, are permitted more
flexibilities in these regards, so quality components can be
better introduced.

And that can take a couple of forms, many forms,
but the important point is that the current structure of the
legislative demand places us on a low-bid basis, in a fairly
rigorous way, which creates exactly the wrong dynamic
between construction contractor and client at the front end,
and it breeds dispute over time and potentially accelerating
cost, some of which is unpredictable cost, particularly in
the context of a bid environment, such as today, which we
all know to be remarkably pyrotechnic.
This situation needs legislative redress, but the point I make around it, that is important to me, is the scale of the endeavor, capital development and delivery is very high. And so small matters of gain, percentage-wise, can result in enormous dollar economies.

Finally, just to point out that we, in administration, well recognize that our tasks do not constitute the mission of these higher educational institutions. Research, public service, and instruction are those.

But our support for that mission is important and, indeed, necessary. And the economies which we can achieve, particularly to the extent that we can couple with the State of California in seeking those economies, either in joint programs, or using volumes, for example in the procurement context, to achieve those economies, can be very important in terms of savings that then can translate into benefit to the academic mission.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you.

Thank you all.

To begin with some questions, I'm going to ask one and then we'll go to the rest of the Commission.

This one's for Nancy. And maybe, David, if you want to comment on this, although you did speak to it. I
get the clear impression you're not too enamored of the community college recommendation in CPR.

So let's turn it around and ask the question, which I think David did provide some answer to. If you don't agree with the recommendation, what kind of additional authority would you give to the Board of Governors of the community colleges and the Chancellor's Office to operate, given that they operate in the context of a so-called system, which is really not a system at all, of community colleges that have their own, I think I heard earlier today, 72 separate Governing Boards, locally elected?

The community colleges have constantly had one leg in higher education and one leg in K-12 education; how do we get out of this?

PANEL MEMBER SHULOCK: One answer to that, I believe, is that they need to have some control over resources, they can't just be a pass-through of formulaic allocations to the districts, they have to have --

COMMISSION CO-CHAIRPERSON HAUCK: They being?

PANEL MEMBER SHULOCK: The Board of Governors, the Chancellor's Office has to have the authority to influence allocations to the districts.

And then secondly, I think, and I haven't studied it enough to give too many specifics, but I think that there should be more, that they should have more control over some
statewide policies. For example, the recommendations, and we differ, I think, on this Panel, but the recommendation for setting enrollment priorities. I think, certainly, there are differences across the 72 districts, but I think there are more similarities than we lead ourselves to believe.

So I think that there should be much more policy centralization and most definitely control over some resource allocation.

COMMISSION CO-CHAIRPERSON HAUCK: Do you want to add, David?

PANEL MEMBER VIAR: Well, I would say that, one, the so-called system of community colleges, I believe, has as much control over its local community colleges as the so-called systems of the University of California and the CSU, in terms of your Boards being able to deliver every one of your universities to do exactly what the Board wants done and what the Chancellor wants done.

I've heard from the President of UC, and the Chancellor of CSU, in the past, that says, I cannot deliver the transfer of core requirements that you seek in the community colleges, and I'm not going to touch it, we're not going to be involved in it. That was talked about earlier.

I think our bilateral governance structure does recognize the key roots that community colleges have in
their local communities, that is a tie to the public schools
and K-12, which is part of our history, our tradition, and
part of our mission.

But we also have a post-secondary nature. I would
like us to begin to be seen as an entity that serves local
communities, with both postsecondary and public school sides
to it. It doesn't have to be one or the other, we take the
best of both in terms of the service, and we're serving
people that come to us without English basic skills, without
math basic skills, because of the failures of our public
schools, and we move them through a continuum that gets them
into universities at the level that is necessary.

We have a wide range of responsibilities, but I
think the bilateral structure, with a State Board overseeing
and coordinating, and providing leadership with the local
boards, is not a so-called system. It may not be the system
as you define it, but it is a system, and I think it works
well.

In terms of the authority, Nancy's laid out some,
but a lot of it has to do with the second-guessing of the
Department of Finance, the Department of Personnel
Administration, people within the Governor's Office, even
the Legislature, which chooses many times to establish
specific laws that go to the day-to-day work of the
community colleges, rather than the broad, general nature.
Some of that relates to the fact that we're local in nature and they want their local community colleges to be the best they can. But we need to break that habit of the Legislature, turn over what you want to the system, and let us then proceed to do it, and hold us accountable.

COMMISSION CO-CHAIRPERSON HAUCK: Okay.

Questions? Peter?

COMMISSIONER TAYLOR: Thank you, Mr. Chair. I have a few questions. First, as a follow up on Chairman Hauck's point, David, let me play devil's advocate on that point just for a little bit.

Since we do have locally elected boards, responsive to local voters and constituencies, designing programs to meet local needs, if there's a need for a statewide entity to coordinate, lead, support the 72 districts, why could not an organization like yours play that role and, frankly, take the money that's spent on the Chancellor's Office and give it to the local level, where it could be spent on additional services for students?

PANEL MEMBER VIAR: That is an intriguing idea and one that has actually been put into practice in New Jersey, when Governor Whittman was in office, in which she did eliminate the various agencies of state government and said to the universities and community colleges, you're responsible. You do it right, you do it well, we leave you...
alone. You don't, we're back to strong control.

I think that the factor that is missing is that a voluntary organization, such as the Community College League, which works to assist and support the colleges in everything from government relations to cooperative purchase programs, purchase of electricity, and the like, on behalf of the colleges, those are things that are done of a voluntary nature and supportive.

There are some things that must be done at the State level in order to show the accountability and how the dollars are being spent. When you consider that with Proposition 13, the money now comes to Sacramento and back, we need to have a system office that can help the Legislature understand that we are accountable and that we are doing the right things, and that is best done, I believe, by a system office.

And I think, also, the public has a right to be a part of the oversight of community colleges of a system nature. That can't be done through a 501(c)(3) organization, such as mine. That is best done by the public being represented through the Governor's appointments to a State Board, so that the public has that ability, which they would not have, with an organization such as mine.

We do a lot of things together, and we're able to do many things that the UC and CSU offices would do, at far
less cost through our voluntary organization, and it's that teamwork that has served us well. I think both need to remain in place.

PANEL MEMBER LANDSBERGER: That last point that David made is extremely important and, congruent with it, is the fact that the State Chancellor, as an official governmental agent and a representative of the independent Board of Governors, is a spokesperson for the colleges, as an entity, that somebody from an independent organization really couldn't replace.

COMMISSIONER TAYLOR: The next question's for David Roth and, again, just to get my biases out on the table, for all Commissioners to understand, I had an opportunity to serve as a Commissioner on the Student Aid Commission for two years, and I know just enough to be dangerous.

But my recollection is, as you said, EDFUND was blown up a few years ago, or it was created after blowing up the boxes in 1997. EDFUND's in a very competitive business; is it not?

PANEL MEMBER ROTH: That's correct.

COMMISSIONER TAYLOR: It competes for business with other State guarantee agencies, as well as private sector companies.

PANEL MEMBER ROTH: That is correct.
COMMISSIONER TAYLOR: Those revenues you
mentioned, that have been funneled back to the General Fund,
or used to save the General Fund money, are in fact a result
of EDFUND providing a competitive product and good service
vis-a-vis other options.

PANEL MEMBER ROTH: That's correct.

COMMISSIONER TAYLOR: The choice of whether or not
to use EDFUND or another one of these service guarantee
agencies is the choice of each individual campus; is it not?

PANEL MEMBER ROTH: That is correct.

COMMISSIONER TAYLOR: And so if we, in fact, fix
something's that not broken, we run the risk of campuses in
fact hiring other, out-of-state guarantee agencies and
affect the profits from such going to other states?

PANEL MEMBER ROTH: That is correct. And let me
use an example from an institution near and dear to my
heart, Occidental. At Occidental, our financial aid
director has the opportunity to work with SallieMae, to work
with EDFUND, to work with, as she was saying to me the other
day, two dozen organizations that come to her on a yearly
basis, hoping to get our guarantee business.

We have made a decision, institutional decision,
that we want to benefit the State of California, we are a
California institution, although we certainly draw from
around the world. But we believe that the benefits to the

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
students that we serve, and the revenues that come from
there, the loans which they must take, it makes a lot of
sense for those revenues and the benefits from those
revenues to go directly to the State's infrastructure and,
more specifically, to the grant programs, which we would and
I would like to see become far more significant than our
loan program.

COMMISSIONER TAYLOR: So, in fact, we're cycling
money from California students to benefit California
students?

PANEL MEMBER ROTH: That's correct.

COMMISSIONER TAYLOR: Okay. The last question, I
promise, Mr. Chair. Ms. Shulock, transfer in California is
a mess, it is a disservice to students and a waste of State
resources. Earlier this morning, in the course of the
conversations, I expressed maybe an outdated opinion that in
fact this problem wouldn't be solved in my lifetime or that
of my kids, in part because ultimate responsibility lies
with faculty and my previous experience, mind you four orive years old, was such that it just wasn't high enough
priority.

One, is this in fact something that can be
resolved without heavy, heavy faculty involvement?

And then, number two, I'm going to ask M.R.C.
Greenwood to comment and see if you agree if, in fact,
transfer in California is a mess, and a disservice to
students, and a waste of State resources?

PANEL MEMBER SHULOCK: Well, all I can say is that
other states, most other states have figured out a way
around this without having the extensive course-by-course,
campus-by-campus approval and articulation.

I haven't personally worked on articulation
agreements or worked on this issue, so I'm not going to sit
here and say that we have too much faculty involvement, or
we don't need faculty involvement. I'm just saying that it
seems to be possible to get it done, and we're not getting
it done.

And we say, and the CPR principle is there for
students first, or customers first, people first, and this
just seems to be one of those situations where other
interests are being put ahead of student interests, and I
just think it's one that we can't let alone.

COMMISSION CO-CHAIRPERSON HAUCK: David, I mean,
you should get into this in terms of what we're doing
lately.

PANEL MEMBER SPENCE: Now?

COMMISSION CO-CHAIRPERSON HAUCK: Yeah.

PANEL MEMBER SPENCE: We're doing it. You're
exactly right. The academic and campus provincial, it's
stronger in California than any other place I've been, and

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
that's why it hasn't been done, and that's why I am proud of
the CSU faculty. It can only be done through the faculty,
and after four years of hard work, they have agreed to
develop these common requirements across all 23 CSU
campuses.

PANEL MEMBER GREENWOOD: Let me respond to that,
if I can, and say -- oh, pull the microphone closer. Can
you hear me now?

I do think that there are many things that can be
done to improve transfer in the State of California. I will
also say that other states may have a perfect 60-unit
transfer into the four-year institutions, however, other
states are not characterized by the quality of the
universities that we have here, in the State of California,
and I think that that's something that you have to consider.

Because from our point of view, it's not just the
quality and how many students we get into the university,
but whether they are actually qualified to take the courses
at the higher level and can graduate and finish in a timely
fashion.

And right now, in the University of California,
the students that transfer into the University of California
graduate at the same rates, or better, even in difficult
majors, such as engineering, than do students who are native
students, who come in as freshmen, suggesting to us that
while complexity is not necessarily as efficient as we would
sometimes like, it may be allowing students to come into the
system who are prepared to succeed at very high rates.

Having said that, the University of California has
finished articulation agreements with every single one of
the community colleges. We are articulating our top majors
on our campuses, and our faculty are working very closely
with the CSU and community college faculty. And to the
extent that we can come up with agreements on courses that
transfer into majors, we will certainly be working on that.

And we are working on, if you will, the nifty-
sixty units, that would really help a student to know that
they can transfer into most of our campuses.

So we do consider this a very important direction.

I think it can be done, Peter. Yes, the faculty are
involved. I would not want to ever say that we would want
to put into place bureaucratic requirements for courses that
our faculty do not think are going to prepare the students
for the lives and the careers we want them to have.

And as a product of that education, I suspect you
appreciate our faculty, as well.

COMMISSION CO-CHAIRPERSON HAUCK: Joanne.

COMMISSION CO-CHAIRPERSON KOZBERG: Having spent a
year on the latest examination of the Master Plan, and on
governance, and I think I'm asking two questions as I ask
this, it became clear that there was a need for greater communication against all the segments, including the independent segments, as well, which educate a lot of our young people.

It seems that it depends more on the goodwill of personalities in the positions to function in that communication.

With that in mind, I'm asking two questions. One is how do you see this Education Work Force Council working, from your perspectives?

And also, could you, UC, and CSU, comment, from your relative independent positions, what you think of some of the suggested reorganizations?

PANEL MEMBER GREENWOOD: Okay. Well, let me say that I think that, and our written comments do address this, that we believe that the proposed Council could be very useful and effective for the State in terms of helping to assess the State's needs for an educated work force, and in helping to do a statewide assessment of what the various segments of higher education will need to do in order to meet those needs.

I will, however, caution you of something that the University's aware of, and since there are a number of business leaders on the Commission, I don't mean to offend anyone, but it has often been the case in these kinds of
assessments, that business is out a year, or two, or three years with what they think their work force needs are going to be, while the responsibility of at least the University of California is to try to create people who are trained for what's going to happen next.

Which is always the -- who is the hockey player who's always saying you don't skate to where the puck is, you skate to where the puck is going to be. That's going to be the continuing issue for it.

With respect to the reorganization, the major reorganizations of higher education, that the Commission proposed, effective segments other than UC.

We are, however, concerned about the graph that we saw this morning, that I didn't see earlier, of a proposed policy section for K-20, in the Secretary of Education's office.

We haven't had time to analyze how that would relate to the Regents and how that would relate to the various other responsibilities that we think we need to preserve independent authority for, but that did surprise me.

And the second thing that I think we would go on record with, and I didn't have time in my earlier comments, we do not think that a reorganization that would extend the number of public institutions that are giving baccalaureate
degrees is a very good idea.

COMMISSION CO-CHAIRPERSON KOZBERG: David Spence.

PANEL MEMBER SPENCE: I just have a couple comments,

Chair Kozberg.

COMMISSION CO-CHAIRPERSON HAUCK: Dave, get up to that microphone, will you, you're hard to hear.

PANEL MEMBER SPENCE: First, you know, I used to think after 30 years in this stuff that we've spent too much time on structure. I mean, any structure can work with the right people. And I no longer think that.

I do very much believe in the way University of California and CSU are governed, and it's very important. And I can tell you and, you know, Bill Hauck's probably going to fire me one of these days, but the ability to appoint and fire presidents is a very, very critical part of what we do. We don't do it much, but it does get the attention.

COMMISSION CO-CHAIRPERSON HAUCK: Agreed.

PANEL MEMBER SPENCE: The other thing I'll say is that, and I'm talking here about governance, as opposed to coordination, and I've worked for both kinds of Boards. The other point that I'll say, and I don't want to meddle here, David, but I don't know how the coordinating board, with the community colleges, with all the statutory requirements for
consultation, you know, gets anything done on time. And
they do get things done on time. It is actually spelled out
in the statutes, layer and layer of consultation.

Of course, we do that, too, we must do that with
our faculties, and campuses, and others, but I think that
really does get in the way.

COMMISSION CO-CHAIRPERSON HAUCK: David.

COMMISSIONER DAVENPORT: I'd like to ask Nancy,
though others might comment, if you like, someone commented
earlier that in a sense the California Master Plan was a way
of organizing, at least, the boxes in a broad sense.

And so I'd like to ask you, as you read these
recommendations as a whole, how do you feel they correlate
to the Master Plan? Do they support it, do the undercut it,
is the Master Plan broken in any way? Would a better way to
approach reform be to start with a real effort to change the
Master Plan, first, and then let the form follow that? Why
wasn't Master Plan reform more effective when we tried it a
few years ago, anyway?

So just the relationship between these
recommendations, as a whole, and this Master Plan, which I
think we believe was, at least, a way of organizing higher
ed.

PANEL MEMBER SHULOCK: Wow, that's a big one.

COMMISSIONER DAVENPORT: Yeah, you can comment on
any of those you want or just --

PANEL MEMBER SHULOCK: Well, I think that the
structure in the Master Plan has the overall structure that
California has been known for all these many years, of the
differentiated segments, has some strengths and some
weaknesses.

And the weaknesses are, and we've observed it
today, it's so easy to just talk about the community
colleges and do they do a good job or not, and UC, and does
it do a good job or not, and CSU. And it's so easy to avoid
talking about the connectivity problems.

But as I've studied other states, I see that there
are other problems of not having a structured, segmented
governance system because you have 27 different institutions
that you have to get to the table before you can even
attempt to have a conversation about statewide needs.

So in that sense, you know, I think that the
Master Plan is helpful because it does leave us with a
capacity to bring people around the table. But we're not
doing it.

And I referred, in the beginning, to a report that
our Institute is just finishing up for the Campaign for
College Opportunity, and one of our major conclusions was
that we have this unused capacity. We have capacity, while
other states are fighting about mission, and who gets to
offer the baccalaureate, and who doesn't want to serve the
growing undergraduate population, and all of these kinds of
things. We don't have to fight about that.

We have a few number of players, we could get them
around the table, we could move ahead on a State plan, but
we don't. We're not taking advantage of the ability to do
statewide planning, and we don't want to authorize our
boards, and we don't want to exert the leadership that would
get everybody around, focusing on a statewide agenda. So
while you heard from everybody at the table how well their
institutions are doing, and they are, what I've written
about in a number of places is how you can have fine,
successful institutions, where even if you look at their
performance outcomes, they're fine and acceptable, but
you're missing a whole bunch of unmet statewide needs.

We have people coming out of high school, not
proficient to begin college. We have a very low rate of
college going right out of high school, which we know is a
successful pattern.

We have very low completion rates, baccalaureate
production, compared to others.

We have a capacity problem. Of course, anybody
who's been reading the paper for the last year knows about
all the problems that the segments have had in accommodating
the growing enrollments.
And those are the kinds of things that, for some reason, our Master Plan structure is not allowing us to address.

And probably, since we're so entrenched in the structure, the best way to resolve it is not to blow it up, but to figure out how to put over the top of it the leadership to make it work.

COMMISSION CO-CHAIRPERSON HAUCK: Go ahead, M.R.C.

PANEL MEMBER GREENWOOD: Well, I agree with the last thing that Nancy just said, which is that if there is a problem of meeting State needs, and I certainly agree that there are pockets of concern. And I'm not sure, Nancy, that I agree with you that we have the lowest college going rates, because the data that I saw, not too long ago, showed that California had very high postsecondary education in 18 to 24-year-olds, but our problem was we weren't producing as many baccalaureates as we would like to see.

But, nonetheless, one of the big problems we have had in recent years is that we have not had a very strong CPEC. We've not had a California Postsecondary Education Commission which has been able to do something.

And I will point out that in the 1960 Master Plan, one of the critical components was an intersegmental coordinating component of it that was to really be responsible for getting these issues on the table.
So the Commission's report does visit this, it visits it in a way which I think you've heard from several speakers. There is some dissatisfaction with moving this into the Secretary of Education's portfolio.

I think there are significant advantages to having an independent group, if it were really independent, and if it were able to help the segments work together to move forward.

If it's simply a policing agency, or a gotcha agency, it's not going to be very helpful to the State or to the various segments, as well.

So I think that if you could have, if you could look, again, at the original tenets of the Master Plan, and look at one of the critical components, which was a structure which has not sustained and served us well, which was a coordinating function, that would be a worthwhile thing for the Commission to look at and to figure out what the 21st century version of that might be.

COMMISSIONER DUCHENY: Mr. Blackman, my question is for you, it's a little bit different line of questions. But in your comments, you mentioned that you wanted to recommend some improvements for your business operations, especially in the areas of construction and energy.

And the reason I want to ask you this question is because a few weeks ago we heard from a panel, with the
private sector, that they had some of the same concerns, I think, you were mentioning.

So you mention the need to improve the outdated competitive bid process, of which you were under for capital projects. Within that, could you focus it more specifically on design and engineering, which is what we heard from the private sector capital projects.

PANEL MEMBER BLACKMAN: Well, let me attack that from several different points of view. First, when we discuss business processes holding aside capital, of course we have a rather rich environment of new business architecture that attacks transactional management, which infects capital, because things like corporate accounting style practices impact with that.

The thrust of the other observations, and that's a whole rich and engaging dialogue about modern practices, which we all have to bring forward, because they have to be more economical and facile, something that the State needs to do, that we need to do, and private business is doing. We're all actually moving in similar directions because these large entities have many consistent qualities about business management, associated with public or private, more similar than many people might imagine, partly because of the scale and acuity of need.

As far as construction is concerned, there is not
question that the nature of design is an important place to start with reference to cost control. Poorly designed buildings and poorly specified buildings lead to extra cost. Sometimes, that process is one where you have a lot of change, attempt to control cost during the design period and that, in and of itself, is a challenge. But over time you build, particularly because of the larger scale dimension of capital construction in these higher education institutions, we're very large developers, is really what it amounts to. At the present moment, I have well over $2 billion worth of capital value under management at UCLA, alone, let alone what's going on elsewhere in the University of California system.

So, in a sense, that's a real estate developer's task, in all regards, in terms of environmental qualification, in terms of finance, and so forth. And we have a relatively sophisticated group of people, hopefully, who have been accomplished there, over time, and now seasoned, to attack issues like how do you design to value.

The problem that we confront, the legislative problem we confront is the ability to acquire construction services of historic reliability and of quality, along with price vitality, is constrained through some dimensions to a somewhat high bound and out of, sort of cycle, with
contemporary business reality form of construction bidding.

And that's a great frustration to all of us, who see private equivalents, which have more flexibility, some public equivalents that have more flexibility.

The classic example is, and then I'll move past it, because it deserves no more here, is that the mere fact that a construction contractor, in a very large scale project, let's say the Nanosciences Institute that I'm dealing with at the very moment, which is a hundred million dollar project, taking alone, one of the large scale hospitals, has done a superb job. Meaning by that, was low bid. Furthermore, was not a change jockey and, indeed, honored the contract fairly in a collegial and partnership way throughout the necessary resolution over a three or four-year period of time, of all of the detailed issues, and cost-generative issues, and large scale, hundred million, two hundred or three hundred million dollars worth of construction, and honored those fairly by resolving, around negotiations of a rational nature, those kinds of issues.

The fact that that particular purveyor of services cannot be valued, in my next bid competition, for all of that fine performance, and is exactly at the same start point of another purveyor, who has worked every possible change dimension, driven costs north, and made the consumption of any kind of rational sort of contingency a
difficult thing to manage, is at the base of frustration.
And we have to bring this system to a more
practical management structure to --

COMMISSIONER DUCHENY: Thank you. I think we got
that, and the reason I ask is that I think we've seen some
overlapping between concerns of the private sector, as well
as the public sector.

I asked that, because I see it not only as a way
to improve the quality of education, but also as a job
generator and a money saver. Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. We have
several more people who want to ask questions and we're way
behind time. So I'd like, if you can avoid asking your
question, please do. If you can't avoid it, ask us fast,
and please give us some fast answers, not long answers,
because we're reducing the time we have for public testimony
and we don't want to do that.

Leland Yee is next.

COMMISSIONER YEE: I just have one comment and
then I do have a question relative to this whole issue of
contracting and construction contracting.

There were some comments about the fact that maybe
the Legislature may not want to or should not get involved
so much in higher ed., and so on.

And let me just comment that there's probably no
more important issue in the State of California than education. I cannot tell you how many calls I get, letters that I get, where there's something going on with their K-12 education or higher ed.

And this is just my personal reflection, and I'm not putting blame on anybody. If there's any blame, probably all across both the Administration and the Legislature, and also K-12 education.

But K-12 education did not bode well for the State of California in this last budget session, when segments within K-12 literally said to students that I know that we said you could come into our institution, but because we don't have whatever resources, we're going to turn you down. We told our children, California children, that we don't want you here and, unfortunately, many of them left our State and they are not going to come back. And that was not a good thing.

It was a Legislator that stepped in to try to sort of band-aid the problem, but we really didn't fix the problem.

And it's for those reasons that I think many of us, in the Legislature, feel that we do need to get involved and we will stay involved. And that's just my sort of observation.

But relative to, I think, the important point of
just contracting out and construction, and it's something
that I know a little bit about, I spent eight years on the
Board of Education, and what have you, and I do understand
the need to give institutions some flexibility so that you
can, in fact, get the product that you want, maybe a little
bit better product than through other means, such as
contracting out.

But it's important for us to remember, the reason
why we have these kinds of low bid contract is because there
was a history of graft and corruption and that, in fact,
people would give contracts out to their friends, and other
individuals, and we used an objective criteria. And the
objective criteria was, essentially, the dollars that would,
in fact, go into a public building.

And I think the concern that many of us have is
that you go into this sort of negotiated price, that you had
some individuals to come in and negotiate that price, and
not others. And to that extent, there may be some concern
about whether or not public dollars are used in some
inappropriate way.

Now, with the concerns that you've expressed,
cannot the fact that you had a low bidder, who seemed to
really work with you in resolving some of the disagreements
on prices, within the framework of a responsible and
responsive bidder, can't you then allow those kinds of
qualitative experiences to enter into your evaluation the
next time around for determining who would be low bidder?

PANEL MEMBER BLACKMAN: I'll be brief. The answer
is, under this current legislative structure, no, that's
exactly -- one is always going to have an objective set of
criteria and that takes careful consideration because the
same policies have to be met, about which you are concerned
and should be, but at the present moment the flexibilities
in the law are not such to permit us to give, say, value
points or other dimensions for that. That's what we're
discussing, but it's complicated.

COMMISSIONER YEE: Just a quick follow up, then.
If we were to change the law to allow you to take into
consideration some of those qualitative indicators, would
you then still be comfortable with a low bid process?

PANEL MEMBER BLACKMAN: I think it has to find a
sense of objectivity involving price, but also not being
exclusively priced, and there has to be objectivity
associated with it or it can't function in the public
environment.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Pete,
draft up something and give it to Leland.

Okay, I know you're all going to be unhappy with
me, but we're going to stop this, and the questions right
now, because we are way behind time and we are really
cutting into the time that we have for public testimony,
even though we're going to five o'clock today, and I really
don't want to do that.

So thank you all for a good discussion here,
today.

We're going to move to our next panel, on
Volunteerism.

COMMISSIONER O'NEILL: Mr. Chair, I didn't have a
question, I just wanted to thank them. David, and David,
and Peter, and Nancy, thank you for validating my concerns,
and you were eloquent in your opposition to that. Thank you
very much.

(Applause.)

COMMISSION CO-CHAIRPERSON HAUCK: Okay, we want to
get started here. The subject of this discussion is
volunteerism, okay, a mandate to volunteer. Yeah, required
volunteering.

Again, we'll ask each of the Panelists to
introduce themselves. I'm going to ask Nick Bollman to
begin and, please introduce yourself, Nick, and take it
away.

PANEL MEMBER BOLLMAN: Thank you, Mr. Chairman and
members of the Commission. I'm Nick Bollman, I'm President
of the California Center for Regional Leadership.

Thank you very much for the opportunity to appear
before this Commission.

COMMISSION CO-CHAIRPERSON HAUCK: Hold on a second, Nick.

PANEL MEMBER BOLLMAN: Yes.

COMMISSION CO-CHAIRPERSON HAUCK: Folks in the back, if you would please take the conversations outside, it's not easy to hear, either in the audience or up here. And you need to get close to that mike, Nick.

PANEL MEMBER BOLLMAN: Okay. I'm Nick Bollman, President of the California Center for Regional Leadership. Thank you very much for the opportunity to appear before this Commission, to discuss the recommendations of the California Performance Review Team on expanding opportunities for volunteerism.

I want to commend the Governor, and the CPR Team, in particular, for bringing the issue of volunteerism into a broad and comprehensive review of the role of State government.

In fact, I cannot think of another, similar effort in the State of California in which volunteerism and service has been brought to the attention of the public, and the policymakers, along with other important issues, like K-12 education, higher education, infrastructure, and so forth. Giving prominence to this issue is historic.

The late John Gardner, a great public servant, a
great Californian, and a friend and mentor to many of us, once said, "Liberty and duty, freedom and responsibility, that's the deal."

By virtue of being Americans and wanting to be virtuous Americans, we gladly bear the responsibility of serving others as part and parcel of enjoying the freedom and opportunities given us.

We do not do this in some trivial quid pro quo, I give, you get, you give, I get, but of a piece. Serving each other is one of the things we mean when we say, I am an American.

Service to others can take many forms, defending our country, working in a homeless shelter, serving on a nonprofit board, turning out at a public forum, on an important public issue, registering to vote and voting at every election. These are all ways that we serve each other, but they are voluntary acts, and that is the source of their moral power. The willingness to take responsibility for each other is the lifeblood that has given longevity to the American system of governance.

Therefore, in discussing the role of government, specifically State government, in encouraging and supporting volunteerism and service, and civic engagement, we must be ever mindful not to treat this government role as simply programmatic or regulatory.
Compare the Girl Scouts, and the Soviet Union's Young Pioneers, and you'll see the difference. Or as much as we decry the failure of Americans to register and vote, our system is far preferable to the countries in which 99 percent of the electorate turn out to vote for single party candidates.

It's only if we appreciate that volunteerism and the voluntary sector are rooted in a commitment to be responsible for each other that this sector is one that must be treated with due respect by the public sector, and that will enable the true power of volunteerism to be unleashed.

In this context, I will address myself only to the CPR Team recommendation with regard to restructuring the Governor's Office of Service and Volunteerism. I'd be happy to answer questions on any of the other recommendations.

I applaud this specific recommendation and, indeed, as a member of the Go Serve Commission, under the last Administration, I offered the motion to change our name to the California Service Corps, after hearing a very compelling presentation by the First Lady, Maria Shriver, on her vision for what California can do to promote service and volunteerism.

However, the CPR Team did not recommend the full flowering of this role and the fulfillment of a possibility that many of us have only dreamed about for years.
So I will recommend five ways in which I think we can strengthen the role of State government and the California Service Corps to promote and support service and volunteerism.

First, promote the full spectrum of volunteer or service activities. We know about the conventional means of serving each other, part-time volunteerism, senior volunteers, and volunteer center activity. We know about stipended service, AmeriCorps, the California Conservation Corps. We’re aware of employment-based service, and faith-based service and, of course, school-based service.

And I would just digress for a moment to make a point about the recommendation of the CPR Team that service be mandated in higher education. I would actually go beyond that recommendation and say that it ought to be mandated throughout public education, K through university. Not because the students owe that back to California, I think that’s the wrong answer, or the wrong reason, but particularly because it is a part of the learning process.

We need to learn to serve, just as we need to learn to read, or write, or draw, or solve mathematical puzzles. And, therefore, it's an appropriate request of students that they serve, and integrate that into the curriculum with providing strong, professional support for their field activities.
But in the field of service, we oughtn't to limit ourselves just to the conventional. I would suggest that we ought to be promoting civic engagement. In your own role here, as members of this Commission, although some of you have had second thoughts about it, apparently, is an example of the important ways in which we serve each other. And the State government can, indeed, promote and support service through civic engagement.

There are a number of other recommendations that I've made in the written testimony. Let me conclude with just one additional quote, from another great American, Sargent Shriver. "We are optimists," he wrote, "we believe that things can be accomplished and that those who have ideals and are willing to work for them can often attain their ambitions. In short, that the world is not too much with us, but by sincere and untiring effort can be made a better place to live in."

Sargent Shriver was all of 20 years old when he made that statement and he lived his life by it. Something tells me that California can live by that philosophy, too, with the leadership from the Governor, and the First Lady, partnership from the Civil Society, and if we just have ideals and are willing to work for them.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Nick,
thank you.

Elaine.

PANEL MEMBER IKEDA: My name is Elaine Ikeda, and I am the Executive Director of California Campus Compact. I'm honored to have this opportunity to speak to you, today, about ETV 33, the recommendation to require --

COMMISSION CO-CHAIRPERSON HAUCK: Wait, why don't you say a minute about what the Campus Compact is?

PANEL MEMBER IKEDA: That was my next paragraph, thank you.

I'm speaking about the recommendation to require community service of public college and university students. I represent California Campus Compact, a membership organization of 55 college and university presidents, throughout California, who are committed to engaging students in community service, or volunteer service, and academic service learning, service which is embedded in courses.

Our membership includes two-year and four-year public and private higher education institutions, with staff specifically dedicated to promoting the civic development of our students. We have been in existence for 15 years and we provide training and funding to colleges to assist them in involving more students in service experiences.

Our membership includes all 23 of the Cal State
University campuses and 6 of the 10 UC campuses, in addition to some community colleges and many private universities in the State.

For the past 20 years there's been an increasing amount of research that documents the positive outcomes in students engaging in volunteer service and service learning, and there are important differences between those two forms of service.

And I have provided you with written testimony that draws on the research, and best practices, that have been culled from the field, to comment on the proposed recommendation and some key challenges that must be addressed. But due to the time limits, I will just be focusing on a few issues here.

Somebody mentioned, earlier, about the words "mandated volunteerism," and I think addressing that issue is connecting service with learning.

What is the connection between the proposed community service requirement, a requirement that students serve as volunteers, and the core teaching and learning mission of higher education? Service learning, as opposed to volunteerism, is a teaching methodology designed to link academic study with community service and it provides students the opportunity to reflect upon the links between theory and practice.
Our experience and research has demonstrated that academic service learning, conducted in high quality manners, can have lasting positive effects on students, and those outcomes are listed in the written testimony.

In regards to fiscal impact, in addition to issues of tracking and recording the volunteer service, who will pay for the cost of security clearances, such as fingerprinting, which may be required when working with children, or background checks? Current estimates on the cost of these screening procedures range from $75 to $100 per person.

In regards to the quality of service, both for the students and for the recipients of the service, who will train and supervise the community service volunteers on campus, and in the community, to ensure that they are not harming others or being harmed? What are the risk management and liability issues? And do we want students, who are unhappy about being required to serve, going out in the community?

What impact will this requirement have on community agencies and their abilities to serve their communities? Are they prepared to handle the significant number of students that will be approaching them for volunteer opportunities?

And who constitutes what is considered service? I
had a student ask, will mowing my grandmother's lawn suffice?

We strongly support all students having the opportunity to experience and demonstrate community-based civic engagement and service as part of their educational experience. When properly implemented, we know that there is a deep, tangible value in such experiences for student learning and student success; for the community, by addressing unmet community needs; and for higher education and community relations, and for the overall public good.

California Campus Compact is uniquely positioned to work with the Governor to further develop the community service proposal so that students and the community can be best served and to build upon the Governor's support for community service in higher education.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Elaine, thank you.

Dave Spence.

PANEL MEMBER SPENCE: I'm Dave Spence, Chief Academic Officer, California State University, and again I thank you for inviting me.

The CSU agrees with the importance of the goal, as stated in the Commission's recommendation, for a community service requirement for all college students.
At the same time, we have a different viewpoint on the best way to fulfill that goal. And we would encourage, as opposed to mandate, the development of community service learning opportunities for all CSU students. And we've really had tremendous success with this approach, since we started it in the year 2000.

In that year, the Board of Trustees passed a wonderful resolution, in response to a request from the Governor, for a community service requirement for all students at CSU and University of California.

Our Board of Trustees was very supportive, and the resolution called on the Chancellor, and each of our 23 Presidents, to ensure that all students have opportunities to participate in community service, service learning deemed academically appropriate by the faculty, or both.

This resolution also stated that the Board of Trustees, through the Chancellor, endorse campus efforts to make service an expectation, condition, or a requirement for the undergraduate education experience, and we believe that these two statements really do underscore the significance of community service learning in the CSU.

Moreover, since that time, it has really worked. Since the year 2000, each CSU campus has created or strengthened a Service Learning Office, and designated a Service Learning Leader. And every campus now offers
service learning courses.

In the '03-'04 academic year, 60,000 students had the opportunity to participate in service learning and that was a hundred percent increase since 2000.

Additionally, a 2002 survey showed that 185,000 CSU students, or 45 percent of the student body, at that time, were involved in community service. And their contributions amounted to more than 30 million hours of volunteer time each year, or an equivalent, in terms of the minimum wage value, of $200 million.

The State of California's financial investment was a critical part of our growth in this area. Starting in the 2001 fiscal year, CSU has received a total of nearly $8 million from the State, to support service learning, in exchange for accountability on specific goals.

One of the commitments was to match the State's contribution with private sources, and the CSU has successfully raised an additional $7 million to supplement the State's baseline contribution.

So this modest contribution from the State, combined with the dedication of our faculty and staff have really brought us, in fact Elaine will tell you, and our people, really national prominence in this area.

And in closing, I'll just say that this has worked without the mandate, and we believe that we can continue to
strengthen our programs effectively through the current approach.

COMMISSION CO-CHAIRPERSON HAUCK: But just to clarify, the service is not a requirement for the degree?

PANEL MEMBER SPENCE: That's correct, it is not a requirement.

COMMISSION CO-CHAIRPERSON HAUCK: Thank you.

M.R.C.

PANEL MEMBER GREENWOOD: Well, Mr. Hauck, I'm going to make you very happy, I'm going to be very brief on this.

Most of what I was planning to say has been covered, either by Elaine or just now by my colleague, David Spence.

So what I want to just go on record for the University of California as saying is, the University is founded on public service. Teaching research in public service, it's something we try to model for our students, and something we encourage them for.

And like CSU, we have been steadily building courses, on all of our campuses, that offer community service and community teaching opportunities.

We have a lot of volunteer organizations that are put together by students. I could go through and make a long list of the voluntary service that students do. Just
to put it in perspective, when I was Chancellor at Santa
Cruz, we did a survey that showed that the students at UC
Santa Cruz were providing a million hours of community
service to the local community, just from our campus, alone.

So we do not want to see a mandatory graduate
requirement. This could be the most expensive 16-hour
requirement that you can possibly imagine. By the time we
got through certifying that it was educationally relevant,
being able to track it, getting through all the things that
Elaine identified, students working with kids have to be
fingerprinted, there are lots of things that have to be
done, we think it could be a very expensive graduation
requirement.

And just on top of that, some very relevant
research shows that when students are mandated to do
voluntary service, they do a much less good job of it,
they're less happy about it, and they don't get the
educational benefit.

So I would encourage you to continue to explore
working with us, and working with ways to create an
environment in which every student has an opportunity and
every student wants to take that opportunity, and we are
able to, in one way or another, document the improvement in
volunteerism in the State, that's contributed by the public
higher education segment. So that's where I would be on
this.

COMMISSION CO-CHAIRPERSON HAUCK: Good. Okay,

thank you.

And finally, I don't have your name.

PANEL MEMBER SITO: It's not Nancy Peterson.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: No, I didn't

think so.

PANEL MEMBER SITO: My name is Bruce Sito. I'm

the Executive Director of the Los Angeles Conservation

Corps, and I'm pinch-hitting for Nancy because she had an

emergency at home, in the Bay Area. And also because I have

28 years of experience in the conservation and service corps

movement. Ten years working at the California Conservation

Corps, and 18 years as the Co-founding Staff Person of the

Los Angeles Conservation Corps.

I'm going to summarize most of what Nancy has

said, because you have her testimony in front of you, I

believe. I also want to highlight one particular area I

think will go unnoticed here, unless I say something.

I applaud the California Performance Review's

recommendation to expand opportunities for volunteerism. As

noted in the CPR report, California has a rich history of

volunteerism. Different motivations, needs, and

opportunities trigger Californians to serve their
communities in different ways, at different points in their
life.

The State has and should continue to advance the
ethic and practice of service and volunteerism through a
variety of roles, regulations, and resources. When well-
designed and implemented, service and volunteerism provide a
win/win for California. For Californians, who serve, and
for those whose needs are met through the service of the
individuals, not only is meaningful service accomplished,
but the server also gains.

I think the transfer of different departments or
agencies into the California Service Corps is a good idea,
and it works, and as noted in this paper, strong
consideration should be given to a number of evaluations and
studies that have been done in the past, that really spell
out and clarify how some of these moves can work, or how
some of these programs can exist.

And it should be noted, also, strong consideration
should be given, if there is a transfer of these agencies or
departments, or programs, strong consideration should be
given towards how, financially, this all works.

And in particular, the California Conservation
Corps is the one transfer that I would like to comment on.

I support the CPR's rule that the California
Conservation Corps is currently at risk, that there needs to
be careful examination with structure, operation, and cost. Additional flexibility and authority could result in the generation of new funding sources. However, I also believe the feasibility of ensuring CCC's sustainability through an entrepreneurial focus should be carefully addressed.

California currently has 11 independent community conservation corps, like the L.A. Conservation Corps, the Conservation Corps of Long Beach, the San Jose Conservation Corps, other corps throughout the State of California.

Developed over the last 20 years, these independent corps have secured diverse funding from local and State sources. Their entrepreneurial approach and track record provides many lessons for the California Conservation Corps. They have demonstrated that it can be done, primarily in urban areas, where they have been able to tap leadership and local resources. However, much of the CCC is based in rural areas and undertakes public service work, disaster preparedness, and response, et cetera, that is costly and may not have alternative funding sources.

Additionally, it would not be desirable to put the California Conservation Corps in a competitive position with the existing community conservation corps.

I recommend that the California's long-standing commitment to the Conservation Corps be continued. The Corps, both the CCC, and the local conservation corps,
should remain part of a vital network that develops California young people through public service and paid work.

The CCC also serves as an important disaster preparedness and response resource. However, the CCC is at a critical juncture as it is faced with dwindling resources and significant programmatic cuts. A process should be set up to review and rethink its operation and scope to clearly articulate its future role in disaster preparedness, and response, conversation work, other community service projects, most importantly the development of youth, broader service and volunteerism, particularly in volunteer generation and coordination, relationship to the community conservation corps, and how they meet State and local needs in a coordinated and not competitive manner.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you.

Questions? Joel.

COMMISSIONER FOX: Yes, Nick, I tend to think, I thought that the key to the Spence/Greenwood approach was rather compelling and you had a different point of view on the mandated requirement. So my question is really an opportunity to respond to that, and I also would ask do you see any other kind of incentive, besides requirement, to get folks to do the volunteer work?
PANEL MEMBER BOLLMAN: Well, over a period of time there have been many ways in which incentives have been given. Certainly, financial aid incentives are one example of that, and they've been very successful.

We haven't actually expanded as much of the federal financial aid to community service opportunities, as ought to be the case. There have been some efforts to change that, but unsuccessful.

I do think that when we talk about mandate, people tend to think, well, this is something we've got to do next year. The performance of the CSU, I think, is a good example of where if you set the goal, the target for mandating service, out far enough into the future, then the system can adjust, and resources will have to be found to support this. You wouldn't want to make this an unfunded mandate.

But if there's enough time to plan and to grow community service opportunities, with good curricular support, as well as field support, it seems to me that we ought to be able to accept a mandate of that kind.


COMMISSIONER CANALES: Just a quick one. Nick, for you, as well. You allude to it, I think, in your written testimony slightly, but I'm wondering if in the
conversations you've had on the Go Service Commission,
whether the recommendation that appears in the CPR report,
related to the California Arts Council being subsumed into
this broader agency, whether you all have had any discussion
about that? It's not anything that any of the panelists
mentioned and it seems to me a pretty fundamental
recommendation?

PANEL MEMBER BOLLMAN: It is, and the answer is
no, we have not talked about it in the Commission.

COMMISSIONER CANALES: Thank you.

PANEL MEMBER BOLLMAN: We have talked about, Jim,
however, the idea that the California Service Corps ought to
engage private philanthropy, organized philanthropy in
California, and I know that's something that you are
obviously involved in, and many of the Commissioners are.

There is no state in the country that has
organized, at the gubernatorial level, a productive
partnership conversation with organized philanthropy,
private foundations, family foundations, community
foundations, to identify opportunities for partnership in
serving the people of California. And we've begun to talk
about how we might do that, and that is one of my
recommendations in my written testimony.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you.

Thank all of you on the Panel, we appreciate your
willingness to be here, today.

While the Panel is withdrawing, we are going to
now move to the public testimony portion of our hearing.
Before we begin, I want to ask Joanne, while she's doing
what she's doing. The ground rules here are we ask each
speaker to speak for no more than three minutes. There is a
timekeeper, who is right to my right here, and will prompt
you with cards. The yellow card means you have a minute and
then the red card means that you need to stop.

We'd like to get to as many people as possible, we
will take public testimony from now until five o'clock,
which was the scheduled adjournment time for the Commission.

And with that, Joanne.

COMMISSION CO-CHAIRPERSON KOZBERG: Okay, just a
couple of things. There are a number of people here from
the Baldwin Hills Conservancy. We thank you for coming. We
would like you to select, amongst yourselves, three key
speakers. And if you could go out front, they have all of
your cards, and they'll return them, and we'll make sure
that the three of you are heard.

Also, as we mentioned earlier, there is an
ombudsman present, so if there are issues that are
nonrelated to CPR, if they're local issues or State, we're
here to help you. And so I would tell you to think about
your discussion and whether it is not related to CPR.
And to that end, could Robert Chavez, who looks like he has a local issue, go to see someone at the front desk in the lobby.

And also, if you have had a chance to speak at one of the other Commission hearings, we will be taking new speakers, first.

Thank you, Bill.

COMMISSION CO-CHAIRPERSON HAUCK: Just, do you all want five minutes? No, okay.

All right, the way we're going to do this is I'll give you the names of five first speakers. Please be prepared to come to the microphone when it's your turn. The first one is William Chadwick, the second Joe Lamond, the third, Veronica Villalobos, fourth, Cindy Allen, and fifth, Susan Woolam.

So the first speaker is William Chadwick.

MR. CHADWICK: Thank you. Good afternoon. My name is Bill Chadwick, I am Chairman of Exposition Park, in the California Science Center. I also serve as the State's first Chair of the Los Angeles Memorial Coliseum Commission.

Thank you for this opportunity. I'm here to make comments on the proposal to eliminate the general funding for the California Science Center.

When I first sat back to think about this, I was
reminded of a forum I was in, in Washington D.C., many years ago, and I was asked what I thought about the proposed Constitutional Amendment to provide women with equal rights, and my response was, I was embarrassed to live in a country that even had to think about that proposition, that it was inherent in the Constitution.

Why is that relevant? I'm a little bit embarrassed to live in a State that's considering reducing funding for the California Science Center. I'd like to put that in context, if I may. California is the fifth or the sixth largest economy in the world, and we lead the United States and/or the world in many categories.

Yet, when we focus on the state of children's education in the areas of science and technology, it's truly shameful. When they rank science knowledge among fourth graders in the United States, the State of California ranks 47th, ahead of Louisiana, Mississippi, and New Mexico, 47th, that's fourth graders.

Now, surprisingly enough, and somewhat shockingly, these statistics get worse as they move on to eighth grade, where we rank dead last. Actually, we're tied with Hawaii for 49th place.

This is the fifth largest economy, a leader in many areas in the United States and the nation, and we're weak in the two areas, science and technology, that are
probably going to do more to drive our economic future than any other area.

If State funding for the California Science Center is eliminated, and it's at approximately 9 and a half million dollars, or less than half of what it costs to operate and maintain the California Science Center, what you're going to find is sooner, rather than later, the California Science Center will have to be closed. Charging admission is not a solution. Charging admission is going to reduce attendance.

You may or may not know, the Science Center is not free today. You'll end up closing the California Science Center, you'll end up decreasing money that's available for public safety, making this park, which is a crime free zone, a bad place, and not a good place.

Thank you very much.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, Bill.

The next is Joe Lamond. After Joe, then we have Veronica, Cindy Allen, and Susan Woolam, if you would come close to a microphone, please.

Joe.

MR. LAMOND: Thank you for the opportunity to speak today. My name is Joe Lamond, I'm the President and CEO of NAMM, the International Music Products Association.
We represent manufacturers and retailers in musical instruments and sound products, companies such as Yamaha, Fender, Gibson, JBL, which provides the sound system today. And I'm here to speak on ETV 25 in the proposal, to eliminate the arts requirement for graduation in high school, if you're going on to a career track.

After the day you've had, I'll be as brief as possible. But we respectfully feel that that is a bad idea. We feel that it's in conflict with the goals of the State, and the Governor, which is to attract a very qualified and widely diverse work force to the State of California.

I have the opportunity to spend time in companies, like eBay, and Google, and Qualcomm, and in those offices you see very highly technically qualified employees, but you also see a lot of guitars, and keyboards, and a work force that is very, very diverse in the arts.

We feel it goes against what the public perception is. Gallup reports show that it's in the high 90s, the percent of the general public feel that music is an integral part of education, and three-quarters feel it should be mandated as part of everyday education.

And we feel it's in conflict with what research proves, and that research links music education with higher test scores. It links music education with reduced incidents of teen violence, drug and alcohol abuse, and
anti-social behavior.

And we feel, socially, it goes back to a Socrates quote where, when speaking on education he said, "I would teach all things, but first I would teach music, for in music are the keys to all learning."

So we would like to respectfully recommend that the arts are not limited from the CTE graduation requirements, as outlined by ETV 25. Additionally, the State should mandate the standards and framework for every classroom to ensure equity for all students to a complete education, one that includes music and the arts, regardless of wealth or ethnicity.

In our organization, there are almost 2,000 member companies in California. We personally offer our intentions, our interests, our resources, our networks, and ideas to help in this dialogue and expand opportunity for young people in the State through our membership, which employs over a hundred thousand people. We would like to work hand-in-hand with Sacramento and help make this a reality.

Thank you very much.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, Joe.

Veronica Villalobos. Take it away, Veronica.

MS. VILLALOBOS: Thank you. My name is Veronica...
Villalobos, I'm with the Association of Independent California Colleges and Universities. AICCU represents 77 nonprofit, WASC accredited universities throughout the State. We have four major issues that I just wanted to highlight, and we have also submitted testimony.

The first is that the Education and Work Force Council, that would advise the Secretary of Education on work force and education needs of the State, we believe would benefit from representation by the independent sector, and also by the business community, particularly if the State is interested in leveraging resources, increasing efficiencies, and building private/public partnerships to meet the State's labor needs.

Second, we would urge the establishment of a lay board if there's to be a consolidation of CSAC and CPEC, and others, a lay board that would be experts in the policy areas of higher education, and that would provide advice to the Secretary of Education and, possibly, the Council.

Third, we have some concerns regarding the Cal Grant proposal, that would shift the program to a fee waiver program from UC and CSU. The Cal Grant program is extremely important to our students in the independent sector, and there's no mention of how this shift would affect our students or the delivery of such grants to our students.

Above all, regardless of how grants are delivered
to institutions or students, we urge the Commission to
support the principle of the entitlement program, and to
support such values as transferability of the grant, of
choice, and of access, above all.

Lastly, there are two issues that we are opposed
to in the CPR. The first is allowing community colleges to
offer four-year baccalaureate degrees. We believe this
would be detrimental to the Master Plan and the issue of
differentiation of function by the public sector.

And lastly, we are opposed to the shifting of
costs of accrediting teacher education programs to the
actual programs. Currently, CTC does visits and accredits
institutions and programs of teacher education. The CPR
suggests that programs, themselves, should bear the cost.
This, particularly, would impact independent institutions.
We have 43 programs of teacher preparation. UC and CSU
would be covered by the General Fund, or the cost would be a
General Fund cost and, ourselves, we would have to pay for
this cost.

We ask the CPR, the Commissioners to look at
alternatives to simplify the accreditation visits, to look
at a much more cost efficient way of evaluating teacher
education programs, rather than shifting the entire cost to
our programs.

Again, we submitted testimony, which is much more
detailed.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, Veronica.

Cindy Allen. She had to leave, okay.

Susan Woolam. And Susan, just before you begin, the next five folks are Deena Cervantes, Deeba Hargis, Erica Flores, Maryann Webster, and Dale Mentink, M-e-n-t-i-n-k, Mentink.

Okay, Susan.

MS. WOOLAM: My name is Susan Woolam and today I speak as a concerned citizen. The CPR process has been portrayed as an open process, open to State workers and the general public. However, there's evidence to the contrary. Although it's true that all State workers were e-mailed and offered a chance to work on the CPR plan, any State worker who pursued the opportunity on the CPR website quickly discovered that the jobs with the CPR were restricted to executive level managers and some analysts, a group not representative of average State workers.

That means that the vast majority of State workers, those first to be impacted by and expected to implement the plan, were systematically excluded. Furthermore, it has been reported in the press that those who were chosen had to sign confidentiality
agreements. This does not sound like an open process.

As for the general public, their input has been
restricted largely to e-mail submissions and a relatively
few public hearings. But in a practical sense, those who
attend the hearings are restricted to those who can take
time off during the day, and the times for public input are
limited at two hours at the end of the day. In Riverside,
this time was reduced by 30 minutes. Today, by 35.

Fortunately, CPR staff do try to get persons to
speak at other hearings, like I am today.

It has been reported in the press that public
interest groups and environmental groups have less access to
the CPR process than business groups. Again, the openness
of the CPR process is in question.

I urge the Commissioners to treat the current CPR
report as only a first draft. I suggest the next revision
include input from regional and neighborhood citizens'
councils, that would meet at places and times accessible to
all citizens of California. This process could take a long
time. But, if the goal of the CPR is to make government
more effective for, and responsive to, all citizens,
shouldn't they at least be given a fair chance to provide
meaningful input.

Thank you for letting me speak today.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you,
Susan.

Next is Deena Cervantes. And after Deena is Deeba Hargis.

Deena.

MS. CERVANTES: Hello, good afternoon, my name is Deena Cervantes, I'm the Student Trustee at Santa Monica College. And I'm accompanied, today, by Chris Franklin, which is our student representative on the Board of Governors, and Dorian Wiles, which is also a Student Trustee at Ventura College.

Today we're here on behalf of CALSACC, which is the California Student Association of Community Colleges, and we wanted to express our concerns specifically with recommendation ETV 01, the restructuring of the role of the Secretary of Education, just because we feel that this is unfair to the community colleges.

There's 109 community colleges, 2.9 million students, and we feel that we would lose our voice if this were to happen, and we want you to be aware of that.

We do represent the biggest system of higher education in the State and in the country. So we feel that it's unfair that the community colleges are being picked on again. We've already received higher fees, last year, the previous year we lost 250,000 students. And again, we feel we're being put against the wall and it's not fair.
Another concern that we have was that we were not invited to be on the expert panel. We are the ones that are going to be affected, and we did not hear an invitation or anything about this. And we heard about it, but we didn't how we can come and participate. We came today to present a resolution, and speak to you, and let you know what our concerns are. But we would have liked to be experts on this panel, since we are the ones that are going to be affected.

Thank you.

(Applause.)

COMMISSION CO-CHAIRPERSON HAUCK: Thank you.

The next is Deeba Hargis, if I'm saying that correctly. Correct me, if I'm wrong.

MR. VANDENBERG: No, it's not Deeba, it's actually Bill Vandenberg. Deeba had to leave earlier.

COMMISSION CO-CHAIRPERSON HAUCK: I was way off.

MR. VANDENBERG: I did submit a speaker card late, and I'm here, representing the same organization that Deeba would have spoken for, which is the Friends of Baldwin Hills. Also, I'm representing the State of California Sierra Club.

My name is Bill Vandenberg, I am a member of both organizations. I live here, in Inglewood, I've been an active member of my community as a volunteer, and I've done a lot of work with the Baldwin Hills Park and the Baldwin
Hills Conservancy.

We're representing both organizations in opposition to the devolving of any of the conservancies under the Department of Resources.

Specifically related to the Baldwin Hills Conservancy, we are a very park poor community, and we've worked very hard to campaign and pass Prop. 40. We had money earmarked for the expansion of Kenny Hahn State Park, operated by L.A. County, and to be what we called the one big part, to serve the needs, the very specific needs of our community.

In the recommendations of the Commission, one of the main criticisms regarding the conservancies was the perception of the Commission that it did not meet the needs or serve the needs of most of the residents of the State, that they were very specific to local communities.

That's not the case at all. The park that we're proposing to build, in the Baldwin Hills, would rival Central Park, in New York, for its size and for the facilities it would offer. Clearly, it would not be a local park, it would be a park for the entire state and all the residents of California.

Our second objection, and we're going to submit written testimony at your next meeting, which I believe is going to be in Fresno, which I cannot attend. The cost

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
savings that you're proposing would be achieved by
dissolving these conservancies, in our mind of thinking does
not justify the impact it will have, and what it will cost
us in terms of getting these facilities created, that we've
worked so hard over the past several years to bring forth.

So again, we are in opposition of your
recommendations. And we look forward to seeing you in
Fresno.

COMMISSION CO-CHAIRPERSON HAUCK: Okay. Before
you leave the microphone, let me make it clear to you, and
to anybody else that's here from the Baldwin Hills, or
interested in the Baldwin Hills Conservancy, the
recommendation in the report is not a recommendation made by
this Commission. It's a recommendation made by the folks
that were involved in that aspect of the California
Performance Review.

This Commission has made no recommendation,
actually, on any of the proposals in the report.
Ultimately, we may do so, but to date this Commission has
not made a recommendation regarding the Conservancy or any
other aspect of the report. Just to be clear, okay.

MR. VANDENBERG: That's fair. And actually, we're
going to say that we recommend that you ignore those
recommendations.

(Laughter.)
COMMISSION CO-CHAIRPERSON HAUCK: I understand that. I got that point.

Erica Flores.

MS. FLORES: Good afternoon. My name is Erica Flores and I'm Assistant Director at the Center For Law in the Public Interest, which is a nonprofit public interest law firm that seeks justice for traditionally under-served communities, with a particular focus on ensuring equal access to public resources, like parks and recreation.

On behalf of a growing coalition of community-based organizations and advocates, I'm here to express strong opposition to the California Performance Review. I was calling them recommendations, also, but I'll just say it and not mean it, I guess. Recommendations to devolve the Baldwin Hills Conservancy into a local joint powers authority, remove State level majority participation on the Governing Board of the Conservancy, and eliminate State environmental license plate funds and bond funds to support the Conservancy.

As a matter of civil rights, environmental justice, human health, and the environment, the recommendations pose a substantial threat to the Baldwin Hill Master Plan, a two-square-mile area that is slated to become a world class park and natural space for all the people of California to enjoy.
The Baldwin Hills Park is the nation's biggest planned natural urban park in over 100 years, bigger than Golden Gate Park in San Francisco and, as Mr. Vandenberg said, bigger than Central Park, also.

For nearly two decades, the plan for an urban wilderness in the heart of Los Angeles remained stagnant. Community voices called for our State-elected officials to establish the Baldwin Hills Conservancy and, in 2002, California voters passed Proposition 40, the largest resource bond in U.S. history, providing $2.6 billion for parks, clean water, and clean air.

Proposition 40 passed with overwhelming support of communities of color and low income communities, including 77 percent of black voters, 74 percent of Latino voters, 60 percent of Asian voters, and 56 percent of non-Hispanic white voters.

Seventy-five percent of voters, with an annual family income below $20,000, and 61 percent with a high school diploma or less, supported Proposition 40.

Proposition 40 provided park funds to the Baldwin Hills Conservancy to implement the Baldwin Hills Master Plan. These funds have been approved by the voters and must be disbursed by the State, as the voters intended when they voted for Proposition 40. And we'll oppose any efforts to eliminate this funding.
The Baldwin Hills rest at the environmentally and
demographically diverse center of Los Angeles, at the
intersection of the African American, Latino, and Anglo
communities, easily accessible to millions of people. With
stunning views of the Los Angeles Basin, the Pacific Ocean,
and surrounding mountains, the Baldwin Hills offer a unique
opportunity within an urban community, that is extremely
park poor, to create an urban wilderness for all the people
of California to enjoy.

The Baldwin Hills Conservancy is creating a park
of statewide importance and we oppose any effort to minimize
the Conservancy's importance or treat the Conservancy
different from other regional conservancies.

Without the Baldwin Hills Conservancy, the
community-based vision for a park in the Baldwin Hills may
not be realized.

The Friends of the Baldwin Hills are circulating a
petition, coalition is growing, and we will be submitting
comments, in writing, and we will continue to work to ensure
full and fair public participation.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Erica,
thank you.

Maryann Webster.

MS. WEBSTER: Thank you for the opportunity to
I'm Maryann Webster, I'm from the Sierra Club. I also live in Culver City, which is a stone's throw from the Baldwin Hills Park.

And I need to start by saying that I was very interested in the panel that talked about volunteerism because, as a former community college teacher, and as a volunteer for the Sierra Club, we feel, and we see the trend of volunteers for conservation opportunities. After all, the L.A. Chapter has some 57,000 members, and it's run almost entirely by volunteers, so I wanted to just support the concept of volunteering.

And I also wanted to say that the Baldwin Hills Conservancy is a critical resource for the creation of the Baldwin Hills Park. And as my fellow speakers have said, it is an urban park, which is terrifically important.

Now, I know that the resource part of your job is going to come up in Fresno, and we do plan to have a Sierra Club spokesman there. However, I really felt I had to get up and say something because there are so many people who are outside, with a sign, saying "Save Our Park." And I guess what I want to say is "Save Our Baldwin Hills Conservancy." Because as the Conservancy goes, with the $40 million, so goes the park.

And after all, if you knew the geography of L.A., you would know that the Baldwin Hills Park is connected to...
the Biona Creek Watershed, which goes out to the ocean. And
the importance of that is that the environmental restoration
of Biona Creek is a large part of the mission of the Baldwin
Hills Conservancy.

And so they know, they've been there, they've
studied it. They are an excellent group. We are in good
hands. And I hope you will, when the time comes, support
the present Baldwin Hills Conservancy.

Thank you very much.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Maryanne,

thank you.

Dale Mentink. And while Dale is coming forward,
the next speakers will be Howard Welinsky, Judith Mandel,
Alex Alanis, Laura Kerr.

Dale.

MR. MENTINK: Thank you. Dale Mentink, I'm a
Senior Attorney with the Protection of --

(Audience feedback.)

MR. MENTINK: I'm with Protection and Advocacy.

We represent individuals with disabilities throughout
California, including children in special education. I'm
here to ask you not to adopt or accept ETV Number 13, the
proposal to move special education due process proceedings
from the McGeorge School of Law to the Office of
Administrative Hearings.
Basically, we're doing this for two reasons. One, the Office of Administrative Hearings is not intending to use specialist hearing officers to hear these disputes, they're going to use generalist judges who hear a variety of local and State disputes.

And secondly, the proposal is to reduce costs of this service by about 30 percent, and we think that something has to give because the Office of Administrative Hearing's judges earn substantially more than the hearing officers and mediators who are doing this work right now, for the McGeorge School of Law, and so the quality is going to have to decline. And time spent by each judge, on each case, is going to have to be lessened.

I've been with the organization for 17 years, I've had a chance to practice in front of the hearing officers, who are hearing the cases now, and have been for 15 years, as well as before the Office of Administrative Hearing's judges, pre-1988, and currently, as they hear other disputes of a disability nature.

The current system really uses hearing officers who have the ability, the special expertise to delve into the record, to develop the record at these hearings, ask the witnesses the questions that need to be asked of them, while they're under oath, and to really help develop the facts and apply the applicable law, that parents, who are representing...
themselves in these proceedings, really don't know how to do
and don't do, as a general rule.

If we turn the work over to the Office of
Administrative Hearings, and they're under kind of a hurried
effort to reduce the length of these hearings, and the
amount of work that's put into each case, we're really
concerned about those parents who are trying to represent
themselves, who don't know how to conduct themselves and,
really, it's the school districts, who are represented by
attorneys in 90 percent of these cases, who will prevail,
without question, and due process is really sacrificed.

One error, I think, that the Commission is
operating under, and it's partly our agency's fault, in
comments we were solicited to make before the report was
written, and that is that the recommendation is in part
based on an assumption that people have to travel to a
certain city to have their hearings heard. That's
incorrect. When we made that recommendation to regionalize
hearing officers, we were doing so really as a suggestion to
reduce the travel budget of the hearing officers, not the
public. The people don't travel to these hearings, the
hearing officers travel to them. And so I just wanted to
make that correct.

Thank you for your time.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you,
Howard Welinsky.

MR. WELINSKY: Chairs and Members of the Commission, my name is Howard Welinsky, I am the Chair of the California Postsecondary Education Commission, commonly referred to as CPEC.

We have submitted written material, which I hope you have an opportunity to review. I will not read it, I'll try and highlight it, and provide some of the more flamboyant parts of it.

I'm speaking to the recommendation ETV number 3, which would consolidate the Commission with the Department of Higher Education, and eliminate the Commission, and essentially put the functions within the Executive Branch of government.

We believe this staff proposal does not serve the public interest. As we know, the Executive Branch is a hierarchy, it generally moves in one broad direction, one broad policy direction.

CPEC is a 16-member body, 9 public members appointed by the Legislature and the Governor. It includes a member of the UC Board of Regents, a CSU Trustee, a member of the State Board of Education, a representative from the independent institutions, which are the private sector, and the Community College Board, as well as two student members.
We are an independent coordinating body, dealing with higher education. We take a long-term view of the world. In an age of term limits and sound bites, we're an agency that's trying to look at the long-term needs of higher education.

As we know, the higher education system in our State is very complex. We're the only body taking a look at the long-term view questions, such as future enrollment needs. Do we need more bond money for future construction? Looking at it from, you know, in 1999 this Commission suggested that by the year 2010 we would need room for 714,000 more higher ed. students, and that provided a pathway for some of the higher ed. bonds that we passed.

So we look at we're a diverse Commission, we're independent. We feel that by eliminating the Commission, as such, we would weaken the independence, it would be consolidated with the Executive Branch.

We also serve a coordinating role with higher education, since we have members of various segments serving. And I see my time is out. Let me just say that there is a recommendation to consolidate with the Student Aid Commission. We would oppose that. We're a policy-making body. To consolidate us with the Student Aid Commission really doesn't make a lot of rational sense, and we've suggested perhaps Student Aid should be decentralized.
at the campuses, as Pell Grants are done.

I hope you have a chance to read our prepared

testimony. Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Howard,

thank you.

Judith Mandel.

MS. MANDEL: Good afternoon. My name is Judith

Mandel, and I am retired from K-12, and I have been teaching

at the community college, the College of the Desert, since

1989, so I have a pretty good overview of the two systems.

I was already an instructor when it was the K-14

system, and there was good reason to separate the two

systems.

I want you to consider the following, the missions

of the K-12 system and the community college systems are
different. The State Education Law, though similar in some
instances, is different. The structure of curriculum and
purposes are different. The local control, which addresses
the needs of our students, is different.

If you proceed on returning the community colleges
to an arm of the Secretary of Education, you will need to
hire more personnel knowledgeable in community college
purposes, State Education Code, federal codes, as mandated,
and the needs of each community wherein the physical plants
of the colleges are located.
And I can tell you that students in the San Francisco Community Colleges, and students in my College of the Desert have very different needs, so that you need to know that there are disparities throughout the whole state.

As far as the transfer policy that I heard today, at College of the Desert we have had an ongoing dialogue and articulation with Cal State San Bernardino, and UC Riverside, that both actually teach our students. We have the continuum going on. We have invited the K-12 administrators, business community, our faculty, our classified, our administrators, our Board of Trustees, and we've been having dialogues for a number of years, which has resulted in our looking at our curriculum and trying to restructure our courses to meet both areas, the areas of transfer students and the areas of students who need to have skills for the business community.

And I think it would be a real problem for us to have an overstructure that impedes us from moving forward, because of all the different levels that we would have to meet.

As far as volunteerism is concerned, I would like you to look very carefully at mandating it. We have many students, who work 40 hours per week, come to the college and take three, four, five courses, and because they need them to improve their skills or to get jobs, and I think
that imposing 16 hours on top of that would be impossible for them to fulfill.

Thank you very much for your consideration.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, Judith.

Alex Alanis. After Alex we have Laura Kerr, Nancy Strohl, Michael Hulsizer, and Sheila Smith.

Alex.

MR. ALANIS: Good afternoon, Chairs of the Commission, and Commission members, I'm Alex Alanis, Legislative Advocate for the California Bankers Association.

The California Bankers Association, a trade association established in 1891, is one of the largest state banking trade associations in the country. CBA leads the way in developing relevant educational and legislative solutions to some of California's more pressing financial and banking issues.

CBA's membership includes more than 300 of California's commercial, industrial, and community banks and savings associations in California.

CBA supports the CPR recommendation, CPR Commission's historic undertaking, bringing State government into the 21st century.

CBA supports the CPR Commission's innovative and visionary approach to governing that will bring about more
accountability, prioritize demands and resources, and coordinate governmental functions.

CBA agrees with the CPR Commission's view that the people of California know that government plays a vital role in our State's economy. By the same token, people do not want a government that is wasteful, inefficient, or a burden on the economy.

CBA also agrees with CPR's specific proposal to contract out the delivery of student loan guaranteed administrative services, which should result in a reduction of State costs and an efficient program that delivers student loans.

For several years, CBA members and other private lending institutions have had a positive working relationship with the California Student Aid Commission and its auxiliary, EDFUND. However, this year legislation was enacted, as part of the Omnibus Budget Trailer Bill which, among other things, attempts to give the Student Aid Commission and EDFUND broad powers to directly compete with private lending institutions, currently providing student loan origination, loan servicing, and capitalization services.

We have serious concerns with this expansion of powers, that may have negatively altered a long-standing relationship that private lenders have had with Student Aid

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
Commission and EDFUND.

CBA is supportive of policies that encourage competition, however, we believe that the new legislation creates an unfair and uneven playing field for private lenders. The Student Aid Commission and EDFUND's expanded powers establish a State program that has an anti-competitive advantage over its private sector lenders, who currently offer student loans to private student loan servicing.

There may be a significant incentive to direct students, receiving Cal Grant monies, to the EDFUND loan program, which may completely undercut private lending institutions that offer such loans today.

Also, EDFUND and the Student Aid Commission will be competing as a tax-free entity, utilizing State and/or federal government funds for competing with private sector lenders, who have to pay taxes on their profits.

We believe these expanded powers are antithetical to CPR's commission and the goal of streamlining government. We support CPR's recommendation to contract out CSAC services.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, Alex.

Laura Kerr.
MS. KERR: Laura Kerr, with the California State Student Association.

First, I want to thank you for being here still, I can tell you're tired, and I appreciate you being here, so thank you for listening.

I represent the California State Student Association. My Board of Directors is made up of student leaders that are elected and appointed from each of the CSUs, so we have a big Board of Directors.

I'm here to talk about five specific recommendations within the CPR report. First, I'd like to voice our support for the attention that has been paid to the transfer requirements, that does need to be cleaned up. Much to the chagrin of many students, they find that when they transfer they have extra units. It makes them angry and it's not efficient. So I appreciate that attention.

We also support two pieces of legislation, one by Senator Scott and one by Senator Brulte, that would help to streamline that process, and we hope to see that move forward.

It hasn't been talked about very much today, but I wanted to also show our support for the textbook position paper in there. We think that textbooks are an important part of the rising costs of higher education, and there are a lot of things that publishers do to drive up the cost of...
textbooks. And in an environment where fees are going up and aid is coming down, I really appreciate, we appreciate that paper and your attention there.

We share the concerns, with others, about converting the Cal Grant Entitlement Program to a fee waiver. We have been involved in the process of looking at Cal Grant reforms, and aren't entirely adverse to decentralizing Cal Grants, but we are concerned about Cal Grant B recipients, and the competitive Cal Grant program, and how it would operate. And so I would encourage you to look at that very closely.

We, of course, oppose out-of-state tuition increases. We think that it's an inappropriate way to raise funds for the State. We basically feel that by asking students and families to pay more, now, you're mortgaging the future by making it harder and harder for more students to get involved in higher education, and making it harder for intellectual capital from other areas in the nation, and in the world, to come to California and to contribute to our economy.

Finally, I just wanted to touch on mandatory community service. I think Elaine Ikeda and David Spence did a good job of addressing those issues. We do appreciate the efforts that the CSU has put forth in the area of service learning, and we think that experiential learning is
a very important part of a student's educational process.

But mandating community service really takes the experience out of it. And we have concerns with the way that the CPR paper says that the program would be coordinated. We think it will actually cost more than less.

And I see that I'm done, so thank you very much.

COMMISSION CO-CHAIRPERSON HAUCK: Thank you, Laura.

Nancy Strohl. After Nancy, Michael Hulsizer.

MS. STROHL: Thank you. I'm Nancy Strohl, I'm the Director of the Child Care Law Center. We're a statewide legal services organization that really concentrates on making sure that all children, including those low income families, and with disabilities, have access to child care.

And I think child care is such a critical issue to the State. I mean, certainly critical to anyone sitting in this room who have children at home, who are in child care. But it's also critical as part of school readiness, which has been brought up several times in the questioning, to welfare reform, and to our community's health, and making sure that every child has an opportunity.

Yet, there isn't anything about child care, or early care and education included in the education proposals. There's a mention a few times of pre-K. I did numerous searches and reading, and it's not defined anywhere...
or really considered.

However, there are very far-reaching and important child care proposals in the Health and Human Services sections, which, because things are spread throughout the report, we're extremely concerned that child care, as a vital issue, is not going to get the kind of attention that it needs.

We've submitted seven pages of testimony, commenting on these various proposals. But I want to talk to you just about one very serious one, which sort of highlights the way these are buried, but really could have consequences. And that is that in HHS 04, CalWORKs Child Care Administration, there's a proposal to bifurcate the early care and education of children, whose parents are on cash aid, and the rest of the subsidized child care system.

That is, if your parents are on cash aid, and you're in child care, you are not going to be touched by the child care system that's part of the Department of Education, and has early care and education standards, you're going to be in one that's run by County Welfare Departments, many of whom do great jobs with different kinds of programs, but it's not the kind of integrated early education that these very vulnerable children need.

There's also a proposal to eliminate Stage Three. Stage Three has been discussed and discussed in the
Legislature by advocates. It's the child care for parents who were once on welfare, who are still eligible for State subsidies, in terms of their income and the age of their child, who really haven't reached the self-sufficiency wage.

We've discussed this, debated this, developed a lot of materials on it, but there's just a couple throw-away sentences, which the LAO also picked up on, in the HHS proposal to eliminate this.

So we are extremely concerned about child care quality being increased, about all children having access, and about there not being a kind of piecemeal approach to child care. There's, in fact, the School Readiness Commission, there have been numerous legislative hearings, there's the First Five Commission, there's extensive preschool efforts in many different counties, and it would be extremely unfortunate if the proposals, buried in the different parts of this proposal, were actually implemented to the detriment of those other efforts.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you. Michael. I don't know, did I get the right name correct, close?

MR. HULSIZER: Michael Hulsizer.

COMMISSION CO-CHAIRPERSON HAUCK: Hulsizer, okay.

MR. HULSIZER: With the Kern County Superintendent
of Schools Office. And I'm here to talk about child care as well, as an educator. Specifically, I want to speak to HHS 05, the issue involving improving protection for children who receive child care from unlicensed or license-exempt providers.

You have written testimony in your packet from Steve Saunders, who is the Administrator for the Division of Child Development and Family Services, in our office, and he could not remain, so I'd like to just summarize, quickly, our point on this.

First of all, we want to commend the team for highlighting what we consider is a major problem in current law, which really puts children, who are in families, who receive subsidized child care from license-exempt providers, at a safety risk.

The team highlights some very important facts. First of all, while families who receive care have a range of options, from licensed center-based care to license-exempt care, license-exempt care being relatives, or individuals who care for their own children and one other family's children.

While they have that option, the law requires that license-exempt providers must pass criminal checks or child abuse checks. But, unfortunately, the law currently allows those providers, once they've applied to be cleared, to
receive payment, receive subsidy until such time as their fingerprints or their criminal checks have cleared.

What we know from the Department of Justice, now, is that 12 percent of those license-exempt providers annually fail those clearances, and all of those people have received subsidy from the State, and have essentially been sanctioned to provide care for children.

In our county, in Kern, alone, since 1998, 650 individuals have received subsidies, have received payments totaling $2.8 million, and these people were ultimately found to have a criminal background or had a child abuse background.

We think this unnecessarily places children at risk.

We think we can protect children and still provide access to quality, and a range of quality care, and license-exempt care.

The Department of Justice reports that 85 percent of all license-exempt providers, who are ultimately cleared, are cleared in one to three days. That means only three percent of the people, who are ultimately determined to be eligible, take more than three days. We think that we should be denying people access to receive subsidies until they've been cleared. It's just not important to put children at risk for this.
Thank you for moving this issue on. Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Thanks.

Okay, Sheila Smith. And after Sheila, Dr. Ismael Nuno, Anne Fennell, Kit Bagnell, Julio Zoni Giron, and John Farion.

MS. SMITH: Good evening, California Performance Review Committee, and thank you for the opportunity to speak to you. I am representing California Association for Gifted, which represents 450,000 students and parents throughout the State of California.

I'm also the District Coordinator for Gifted/Talented Programs in Los Angeles Unified School District. We represent 60,000 of those students. Those students are often poor students, and often children of color, with very highly diverse needs.

I am here to speak about EP 10, and there are issues for your consideration. First of all, in terms of funding, gifted education is currently funded similar to a block grant. School districts now participate voluntarily, and they have the ability, the flexibility to tailor programs according to local community and student needs.

But school districts are held accountable for what they do and, indeed, the accountability is rigorous in terms of GATE standards, which have been approved by the California Board of Education.
We already know, research supports, that the effects of block grants with relationship to gifted programs, indicates that administrators and teachers will choose to allocate funds to students who are struggling, as opposed to those for whom they are beyond standards, or who meet and exceed the standards.

In Gifted Talented Programs, we believe in exceeding the standards and, subsequently, when those standards are not exceeded, often gifted students are ignored.

The education of gifted students has a very positive effect on the education of all students. Research also shows that when teachers are well-educated to differentiate curriculum and instruction for gifted students, they are also prepared to teach our highly diverse learners, and the effect of utilizing instructional strategies is very important.

In the economic and political platform for California, it outlines the importance of entrepreneurial efforts to attract business and industry to the State. It is in the interest of California to develop these students, who think critically, and produce creatively. It is also within our best interest to produce students who perform extremely well, not only as a model, but as a demonstrated model for other programs.
I want to tell you that when I went to college,
UCLA, I knew that California was behind me, every
Californian. And I want to tell you that today we need to
be just as behind every student, as possible.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Sheila,

thank you.

Dr., is it -- well, I'm probably butchering your

name, Doctor.

DR. NUNO: Great, thank you. My name is

Dr. Ismael Nuno. I'm the immediate Past-President of the

American Heart Association for the Western States Affiliate.

I was unable to attend to the August 20th, public

Health and Human Services meeting in San Diego, and at this
time I would like to provide my public comments as they

certain to the recommendation by the California Performance

Review, to include the dissolution of the California Heart

Disease and Stroke Prevention Task Force.

The rationale for the dissolutionment is that the

appointments to the Task Force have not been made,

therefore, the Secretary of the new Department of Health and

Human Services can appoint an ad hoc advisory committee, if

it is determined that there is a need.

However, this rationale is flawed. As of present,

the Pro Tem of the Senate and the Speaker of the Assembly

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
have made appointments. The Governor of the State of California is the only one that has not.

Heart disease and stroke are the number one and number three causes of death in the State of California, we cannot ignore these facts. The Task Force, mandated by AB 1220, is supported entirely by private funding, the American Heart Association, Kaiser Permanente, Astro Seneca, at no cost to the California taxpayers.

The Task Force would be instrumental in drafting a State Master Plan to prevent and treat heart disease and stroke. Once the Master Plan is complete, California will qualify for comprehensive funding through the Centers for Disease Control and Prevention, which amounts to $1 million a year. This money will go directly to supporting community-based prevention and treatment programs to fight obesity, tobacco prevention and cessation, and strengthening CPR programs throughout our communities.

Every day, in the United States, 2,600 people die of heart disease and stroke. That's one victim every 33 seconds. The cost to us, in the United States last year, was $368 billion. I cannot tell you how much it was in California.

But, Mr. Chairman, we are not asking you for funding, we are asking you for the opportunity to keep the Task Force alive, so that we can put California in a more
favorable position to obtain national funds for the prevention of heart disease and stroke. We cannot ignore the number one killer in California, it is killing our people.

The American Heart Association strongly opposes the California Performance Review Recommendation and requests your support as we strive to preserve this very important State effort for our people in California.

Thank you very much.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, Doctor.

Anne Fennell.

MS. FENNELL: Hello, my name is Anne Fennell, I'm a public school music teacher, and the creator and Director of Music Venture, supported by the International Music Products Industry, and researched by the International Foundation of Music Research.

Thank you to the Commissioners and the education members for your work on the recommendations and hearing my personal findings with ETV 25.

I'm here, today, to call your attention to the lack of "No Child Left Behind" core subjects proposed in the academic career technical track requirements for high school graduation. Please consider a single alternative, to mandate all core subjects in each proposed high school
graduation track.

The core academic subjects of NCLB include foreign languages and the arts. To be compliant with federal demands, we must align our curricular requirements to the federal standards. Let us leave no subject behind.

As the presenter of the U.S. Department of Education's Research Best Practice Summit, this past July, we addressed the concern that the arts have been neglected so as to meet other academic requirements.

Following our research presentation, the U.S. Secretary of Education, Rod Paige, sent out a letter to 16,000 superintendents across the United States, stating that the arts should not be neglected or cut as a result of NCLB.

And while we know the arts stand alone as a vital subject matter, let me share with you some scientific research findings that support increased learning in academic engagement for the arts.

In the last decade, the National Endowment of the Arts researched eight arts-focused schools, grades K-12, that showed credible links between the arts programs and educational accomplishments.

The arts-integrated Drew School, in Virginia, found that the arts were the key ingredient for improving language acquisition achievement in second language.
James Petrill, and UCLA, studied the performance of more than 1,000 students in four districts and found eight percentile points growth in language arts, using the arts-integrated program, "Different Ways of Knowing."

Kentucky demonstrated that this art program, alone, contributed to 25 percent increase in math scores and 10 percent increase in social science scores.

Quoting the L.A. Times, just three days ago, California Superintendent of Public Education, Jack O'Connell, has argued vigorously for requiring all high school students to pass courses that would allow them to enroll at a State University. This would require foreign languages and art classes be included in the academic career track. This formula will provide equitable education for all.

I am very concerned that a track without all NCLB core subjects is tantamount to educational profiling and we begin attracting kids in middle school. If a student, for various academic needs, cannot take an arts class, i.e., second language learners, these students become immediately placed in the academic career track. Yet, if the arts are required, they have a chance at college.

The quality of access to knowledge and learning is a critical issue and important to our democratic society.
Institutionalized racism is rampant in public schools, and educational profiling or tracking that does not provide equitable access will exacerbate this problem.

In the language and culturally rich State of California, all graduation tracks would benefit from foreign language requirements and arts education. All world cultures are understood in growth of the arts. We understand people, from different countries, by studying their cultures, which is the arts.

To create any percentage of a population that is aesthetically and culturally illiterate is to create the demise of our culture, which defines our humanity, as we know it today. Please consider to include all core subjects in the track.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you.

Kit Bagnell.

MR. BAGNELL: Good afternoon, Commissioners. My name is Kit Bagnell, I'm with the County of Los Angeles Department of Public Works. Thank you for the opportunity to speak with respect to infrastructure issues, specifically with respect to transportation. I was unable to speak at Riverside, due to time constraints.

Two comments I want to read for the record, today. One with respect to Infrastructure recommendation number 13,
the proposed transfer of State roadways to local agencies, without State support.

The County of Los Angeles operates and maintains over 3,000 miles of highways within the unincorporated county areas. Virtually every trip, whether by bike, bus, or automobile begins and ends on the local road system.

With transportation funding severely limited, it is a constant struggle to address the steadily deteriorating condition of our local roadways.

When pursuing relinquishment or turning over of State highways to local jurisdictions, CalTRANS currently performs work or provides funding in order to bring the roadway into a state of good repair, prior to transfer to the local agency.

In the absence of this effort, on behalf of the State, shedding of responsibility of roadways, without financial support, would merely pass the financial burden and liability onto the local agency, as an unfunded mandate, further straining local road dollars.

The State's current procedures to work with the local agencies to facilitate sustainable relinquishment of roadways should, therefore, be supported.

With respect to proposed organizational changes regarding infrastructure, as you know, currently the State Transportation Project Planning and Programming activities
are administered by the California Transportation
Commission, dedicated solely to transportation issues, with
assistance from Commission staff and CalTrans.

Rolling up these responsibilities to an authority,
with numerous other responsibilities, other than
transportation, as proposed by the new Infrastructure
Authority, could degrade valuable, needed expertise, as well
as the ability of local and regional agencies to have
transportation priorities recognized at the State level.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Thank you.

Julio Giron.

MR. GIRON: Good afternoon, good evening. My name
is Julio Giron, and I'm one of the non-girlie men who voted
for Arnold Schwarzenegger and supported him during his
campaign. And I'm still supporting him.

I would like, Mr. Chairman, to request you, before
I start with my comments, that we, the parents, all the
customers on this matter, tomorrow the public comment will
not be at the end of these meetings.

Tomorrow, the meeting is in the beautiful City of
Long Beach, one of the most beautiful cities in this State.
The Mayor is there. Even though we might have a different
membership in the party, I am a Republican, I'm not going to
hide that, I'm not in the closet.
Here we go, public education. I am a student, I have two, beautiful boys, who go to public schools in Los Angeles County. I am the Founder of PICA, Parties in Control. We do not support corrupt administrators and corrupt labor unions. And I'm seeing Mr. Carona over there, tomorrow is public safety, it's going to be nice, because the neighbor unions, go back to public education, are one of the people responsible for this mess in our public education system.

I would like to make this comment in regards to one of the people who spoke here, saying that out-of-the-state students should not pay more. No, they should pay more. I am a United States citizen, I've been living in the State of California for almost 24 years, I'm not an illegal immigrant, I am playing by the rules. And my sons were born here, in California.

It is not fair that we, the parents, are left behind in this kind of thing, Mr. Chairman, and Members of this Commission. We are requesting to how we, the people who are the experts on this matter, because we are, like myself, going to a public community college. My older son is in a public community college, and my younger son is going to a public school.

There are no more games on this matter. We are asking to you that we, the parents, who don't support labor
unions, because we understand that PTA, Parents and Teachers
Association, are hand-in-hand with many, UTA, and all these
labor unions who support this kind of broken system.

My question to you, Mr. Chairman, is why these
people, when they sit in that table, they have unlimited
time to speak, and when we come at the end of this meeting,
are left behind with when many people's tired, where all of
you are very tired. And tomorrow, we are asking that in
that beautiful City of Long Beach, at least public comment
is at eleven o'clock in the morning, not at the end of the
day.

I'm here on my own time, I'm not getting paid for
this. I'm here, involved, because we are paying too much
money in public education. We don't want to pay that
tuition of $26 and we are supporting school vultures.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you,
Julio.

here, huh.

MS. HARGAS: Mr. Chairman, evidently John's not
here, and I was wondering if I could speak? I've been here
since nine o'clock this morning and I'm --

COMMISSION CO-CHAIRPERSON HAUCK: What's your
name?

MS. HARGAS: My name is Debra Hargis, and I did
submit a speaker card but, evidently, I stepped out --

(Audience feedback.)

COMMISSION CO-CHAIRPERSON HAUCK: Julio, I heard you, okay. No more. I heard you.

We're only going to take the cards in the order that we got them here, so ask you to stand down here.

MS. HARGAS: Okay.

COMMISSION CO-CHAIRPERSON HAUCK: Ernest Hamilton,

and while Ernest is coming up, Thomas Jordan, Mark Basin, Pat Wilson, and Murray Morgan.

Ernest Hamilton.

MR. HAMILTON: Good afternoon, Commissioners. My name is Ernest Hamilton, I'm representing the Los Angeles County Commission on Disabilities, the Paralyzed Veterans of America, and the Vietnam Veterans of America. I'm an appointed member of the Governor's Committee on Employment for People with Disabilities.

I want to thank the CPR Commission for holding these hearings, and asking input from the community members.

I agree that these are trying times, financially, for the entire country, as well as the State of California.

Both the country and the State of California are facing problems regarding the budget.

My main purpose, today, is to respond to the CPR's recommendation under evaluating California boards and
commissions. I would like to urge the CPR to reconsider eliminating the Governor's Committee of Employment for People With Disabilities, as it is today. I strongly feel that the elimination of this committee has far more damaging results than the CPR has envisioned.

I understand that the organizational structure is chaotic and cumbersome. I also understand that the State is in need of a comprehensive plan for reform that calls for accountability and an improved way services are provided to its residents.

What I don't understand is why does the disability community always have to suffer just because of the lack of efficiency of the bureaucrats in office, that are making the mistakes and mismanagement at our expense.

Here, we have the Governor's Committee on Employment for People with Disabilities, who are utilizing volunteers -- volunteers -- and employees, along with the members of the business community, who are looking out for the welfare of the disability community. This alliance has been successful since the inception of the Committee in 1947.

The Governor's Committee has been so successful that they were written into recent legislation, which designated them as the employment watch dog for the welfare of people with disabilities.
It would be a moral crime to diminish the responsibility of a committee that is out here, advocating for the civil rights of such an under-served, overlooked community. If the responsibility of the Committee is diminished, the impact of services and the outreach will be less effective.

The CPR is lumping people with disabilities in one group. They can't be thinking of the people who are actually involved in this population. I'm specifically talking about disabled veterans, who fought for the right for everybody to work. They will be directly affected by the elimination of the vital employment services provided by the Governor's Committee.

Aren't our veterans having enough problems, without losing more services.

I am talking, also, about the thousands of people with mental or emotional disabilities. What will happen to them if this Committee can no longer reach out to them and provide important services?

Just as last year, the Los Angeles County Board of Supervisors voted to close down Rancho Los Amigos Rehabilitation Center, and this medical center is the largest and the best facility that provides medical services to the disability community. Why is it that our State -- oh, boy, I'll stop.
Anyway, I urge you to reconsider the elimination of the Governor's Committee on People with Disabilities. Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Ernest, thank you.


MR. BASIN: Good afternoon, I'm Mark Basin, Executive Director of the Ventura County Maritime Museum, in Oxnard.

First, as a retired senior naval officer, who participated in many performance reviews and reinventing government programs, in the Department of Defense, I want to tell you all that I recognize what you're doing, the daunting task you have ahead of you, and I applaud your efforts.

I'm here, today, as a member of the Board of Directors of the California Association of Museums, known as CAM. CAM is a nonprofit service organization, representing the State's 1,300 diverse museums, and serves as an advocate for museum interest at the State and national level.

The Board of CAM urges you all to consider, in your review, a plan that brings all of the State's arts and cultural agencies together under one department. Museums contribute significantly to the State's arts and cultural
landscape by serving over 26 million visitors annually,
acting as a repository for California's natural and cultural
history, and providing educational programs for all ages.

In order to accomplish these missions, museums
work closely with local and regional arts organizations,
with tourism bureaus, and convention visitor bureaus to
attract and maintain a visitor base and to expand and
improve programming.

Museums partner with libraries and archives to
share research and archiving material, and satisfy research
requests from the public.

The State's museums are, and will be a primary
means of accomplishing the missions of the California
Cultural and Historic Endowment, and voter-directed bond
funds distributed by Parks and Rec.

CAM recommends that the Commission consider
establishing a Department of Cultural Affairs, similar to
that implemented by several other states, comprising the
following agencies; the California Cultural and Historical
Endowment, the California Arts Council. That question was
asked earlier about a member who, I believe had to leave,
not under the Office of Volunteerism, please.

Parks and Recreation, Library and Archives. Not under the
Department of Education, as recommended in the report. And
the Travel and Tourism Commission.
This model, already implemented by several states, would link State cultural and arts agencies together under one department and create a more cohesive and effective cultural agenda that would better serve the people of California.

The Board of Directors of the California Association of Museums, and its members, stand ready to assist the Commission in this task, in any that we can.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you.

Pat Wilson.

MS. WILSON: My name is Pat Wilson, I'm President of the Advisory Council of the Los Angeles County Area Agency on Aging. And we support the proposals to rationalize, streamline, and more effectively provide essential services to older Californians.

As we consider such proposals, we emphasize the importance of maintaining active participation by seniors at every level of the discussions, and in the continual monitoring of governmental actions that are of crucial importance.

Issues of importance to the aging are not limited to activities of the Department of Aging. Some of our most important concerns are the responsibility of other agencies. Housing is the responsibility of Housing and Community
Development. Healthcare, the Departments of Health and Mental Health. Transportation is still another agency.

It is absolutely essential that there is a representative body from the senior community, that considers the whole picture, as stated by Mayor O'Neill. We have such a body in the California Commission on Aging, with members appointed by the Governor and the Legislature under the terms of the Older Americans Act. In the Older Americans Act, it has the responsibility of advising the Governor, the Legislature, and all departments in State government.

The members of the Commission are unpaid. The expenses of the Commission are paid from federal funds, and receive no California General Fund appropriations. The current Commissioners include leading academic experts, and a majority of active seniors, who are representative geographically and are an organizational cross-section of aging Californians, and volunteer their time. As I do mine.

During the past three years, the California Commission on Aging has made an enormous, important contribution to aging policy, at a time when there is the beginning of a predicted demographic explosion in the size of the senior population.

Based on hearings in Eureka, Fresno, San Diego, Marin County, Los Angeles, and Ontario, and a statewide
forum in Sacramento, the Commission has created a strategic
plan to help guide aging policy for the coming period. It
has been an indispensable link between the many State
departments that are concerned with acting issues and the
senior population.

We urge the rejection of the unfortunate proposal
to abolish the California Commission on Aging.

Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, Pat, thank
you.

Dr. Morgan.

DR. MORGAN: Good evening. I drove from Davis,
and I support the idea behind the performance evaluation of
the State. I was affiliated with the University of
California. I was a research scientist and was punished for
integrity, put in jail, I can barely make it, I was arrested
as a cage killing. That's out of the question. But I have
suggestion. What is forgotten is that please write my e-
mail, because you will need it. I take the liberty to ask
you. It's Murray Morgan, M-u-r-r-a-y, last name Morgan, at
netlink.

I love to see a Governor that I don't like. And I
am an immigrant. I strongly disagree with land of
opportunity. No, it is not.

Anyhow, my comment is that what is forgotten in
public service and academic service is that it is implied
with sacrifice. So salaries within the public service
should be low. Salaries at faculties and university, here,
is four times than in Europe, everywhere. And a senior
administrator, when a faculty becomes, let's say, a full
professor, $120,000, $130,000 he gets. He becomes a
President, he gets $400,000.

And I urge you to concentrate on implementing, on
adopting a new technology, that is communication technology,
management, and decentralized university.

Let me give you an example. You have ten campuses
of the University of California. Ten campuses has five
school of medicine, five departments of, let's say, surgery.
We can get more administration with new technology, with a
little conferencing we can have one department chair for
Department of Surgery, we can have one President, we have
one Chancellor. We don't have Vice Chancellor, Associate
Vice Chancellor, each one with $280,000.

There is somebody from Texas and he has come and
he wants to make efficient our government and everything.
But do you know that he has said $700,000 University's
President salary. Did you notice that, or you want to
implement that?

Anyhow, please communicate with me. I am
available. I know a philanthropy person who is willing, at
no cost for university, to help the university to adopt a
financial management and business management, and you can
just centralize, concentrate on reducing the administrative
costs.

There is corruption, there is mismanagement.

Thank you very much, I'm sorry.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you.

John Travis.

MR. TRAVIS: Thank you, Mr. Chairman, and
Commissioners. My name is John Travis, I'm the President of
the California Faculty Association, which represents the
faculty at the California State University, 22,000
instructional faculty, counselors, coaches, and librarians.

We've looked through the Commission reports and I
have submitted, to you, written testimony that is directed
towards several issues. I just want to bring up a couple of
them, so perhaps some other speakers can follow me.

We're opposed to the consolidation that the
current President of CPEC referred to earlier. CPEC is a
valuable institution for public higher education in
California, and higher education in general, and we think
that it needs to continue its independent functioning on
behalf of educational issues.

We're also opposed to the essential elimination of
the Superintendent of Public Instruction. As the primary
teacher of teachers in California, we found that the
Superintendent of Public Instruction has always been very
helpful in shaping the curriculum for our institutions, and
helping us to provide teachers for California's children.

We are also supportive of the notions of
accountability in the ETV 21. We did support Senate Bill
1331. We do think, however, missing from this discussion of
accountability is some emphasis placed on making the central
administrations of higher education bureaucracies also
accountable for the resources that are being expended.

We think that there needs to be a more aggressive
oversight of the resources that are being spent in higher
education.

Earlier today, there was some discussion about
what each of the institutions, that are being affected here,
by the Performance Review Commission, what they bring into
the economy. And in California, the California State
University, which has a General Fund budget of approximately
two and a half billion dollars, actually brings into the
economy of the State of California almost $15 billion. And
we're proud of that contribution to California's economy,
but we think that when accountability measures are applied,
rather than being solely for faculty and students on
outcomes, there also should be some accountability for the
expenditure of the resources by the administrations.
Thank you.

COMMISSION CO-CHAIRPERSON HAUCK: Okay, thank you, John.

That is going to be all the time that we have today. For the folks who signed up to speak, and were not able to speak, you're welcome to come to our hearing tomorrow, in Long Beach. And secondly, you're more than welcome to either write or e-mail the Commission. It's www.cpr.gov. Is that correct? Www.cpr.ca.gov.

All right. And with no further business, we are recessed. Let me ask the Commission just to stand by here, just for a second. But we are adjourned.

(Thereupon, the September 9th meeting and public hearing of the California Performance Review was adjourned at 5:10 p.m.)

--o0o--

* * * * * * * * *

* * * * * * * * *

* * * * * * * * *

* * * * * * * * *

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing State of California, California Performance Review Education, Training and Volunteerism hearing was reported by my staff and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties in this matter, nor in any way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of September, 2004.

Ronald J. Peters
Certified Shorthand Reporter
License Number 2780
Certified Manager of Reporting Services
Registered Professional Reporter

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345