

Degrees of Education

A Tale of 'Too Big to Fail' in Higher Education

By Kevin Carey

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For the last two years, the City College of San Francisco has operated in the shadow of imminent death. It is the city's main community college, with 77,000 students, and in June 2012 its accreditor warned that chronic financial and organizational mismanagement threatened its future. If the problems weren't fixed in short order, the accreditor said, it would shut down the college. A year later, the accreditor decided that City College's remedial efforts were too little, too late, and ordered the campus to close its doors this July.

The political backlash was fierce. The faculty union lodged a formal complaint with the Department of Education against the accreditor, the [Accrediting Commission for Community and Junior Colleges](#), challenging its right to exist. A separate lawsuit is scheduled to go to trial this year. Politicians including the House minority leader, Nancy Pelosi, whose district includes part of City College, issued public condemnations. Finally, last month, with the scheduled closing date weeks away, the accreditor gave in. The college was granted two more years to improve, and most observers assume that the threat of dissolution has passed.

Most of City College's problems, however, remain unsolved. Its brush with mortality illustrates a much larger problem in higher education. Millions of students are enrolled in colleges accountable to no one other than accreditors that lack the will and authority to govern them. Because the consequences of closing these institutions are so severe, they have become, in effect, "too big to fail."

The San Francisco crisis has roots that stretch back a half century, to the 1960 creation of the state's blueprint for public higher education. The California Master Plan established three institutional tiers: The best students would attend elite University of California research universities; the next-best would enroll in the California State University System; and the bottom 60 percent or so would start in two-year community colleges, with the possibility of moving to a four-year college later. It was, in theory, a way to educate a rapidly growing student population inexpensively.

But when it came to actually running community colleges, the state fell short. Many of the existing two-year schools had begun as locally run junior colleges with no tradition of state control. Instead of being led by a single chancellor, like the universities, each of California's 112 community colleges is governed by a locally elected board. The state also passed a law requiring the boards to share day-to-day decision-making power formally with faculty unions.

A result has been chaos and dysfunction in many places. With no state leadership, and with boards and faculty unable to resolve their many differences, institutions like City College have achieved terrible results for students. [According](#) to the Department of Education, almost 70 percent of City College students fail to graduate on time, and only 14 percent transfer elsewhere. The widely used Community College Survey of Student Engagement found that City College's academic practices are below par on every available measure, including levels of student-faculty interaction and teaching methods that foster active and collaborative learning. The faculty-dominated college, the accrediting commission noted, had hired many more tenured professors than it could afford to pay.



Cited by its accreditor for chronic financial and organizational mismanagement, City College of San Francisco operated in the shadow of imminent shutdown for two years. Noah Berger for The New York Times

The accreditor, an independent, nonprofit body that determines whether colleges can receive federal financial aid, is the only outside organization with substantial regulatory authority over schools like City College. But like an army with no weapons other than thermonuclear bombs, its power is too potent and blunt to use.

While accreditors can issue a variety of stern warnings — more than half of California’s community colleges have received one since 2003 — the only accrediting punishment of real consequence is the death penalty. That puts accreditors in a very difficult position: allow a low-performing college to continue serving students badly, or face a political firestorm in shuttering a major public institution while throwing tens of thousands of students on to the street with no guarantee of another affordable college in which to enroll.

Accreditors are also financed and managed as membership organizations of colleges. Other colleges contribute volunteers to conduct site visits and evaluations, and college administrators are generally loath to condemn peers at other institutions publicly, particularly since their turn for review will eventually come. As a result, only the absolute worst-case colleges even approach facing meaningful sanctions. Simple mediocrity is ignored.

If this were only a California problem, it would be bad enough. The state’s two-year college system [enrolls](#) 2.3 million people, about a quarter of all community college students in America. But to varying degrees, the predicament of unaccountable colleges overseen by ineffective accreditors exists nationwide.

Politicians generally take a hands-off approach to higher education. While many big-city mayors have staked their careers on turning around troubled K-12 school systems, it is rare to see a major political effort focused on fixing dysfunctional local community college. Slots on public university boards of trustees, which are ostensibly charged with protecting the public interest, are often given as political favors to donors and alumni.

Private nonprofit colleges are subject to little, if any, direct oversight, even though many of them receive a vast majority of their revenue from federal financial aid. For-profit higher education corporations have received greater scrutiny in recent years, including Corinthian Colleges, which is [in the process of closing down](#) in the face of declining enrollment and multiple government investigations into its marketing practices and job placement rates. But Corinthian’s shutdown is happening in spite of the accreditation system. All of its campuses remain accredited today. And federal regulators are far less likely to scrutinize a public institution like City College.

It all adds up to unaccountable, too-big-to-fail institutions that are [falling behind the rest of the world](#) when it comes to helping students learn and making sure they graduate.

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