Higher Education in California
A primer on the state’s public colleges & universities

The Master Plan At a Glance

<table>
<thead>
<tr>
<th></th>
<th>CCC</th>
<th>CSU</th>
<th>UC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of institutions</td>
<td>112</td>
<td>23</td>
<td>10</td>
</tr>
<tr>
<td>Enrollment</td>
<td>open access</td>
<td>top 1/3 of high school grads</td>
<td>top 1/8 of high school grads</td>
</tr>
<tr>
<td>Governance</td>
<td>Governor-appointed Board of Governors; Board-selected Chancellor; locally-elected Board of Trustees; subject to legislative control</td>
<td>Governor-appointed Board of Trustees; Board-selected Chancellor; subject to legislative control</td>
<td>Governor-appointed Board of Regents; Board-appointed President; not subject to legislative control</td>
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Average Cost Per Full-Time Equivalent Student*, 2012-13

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<tr>
<th></th>
<th>CCC</th>
<th>CSU</th>
<th>UC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Share (Tuition &amp; Fees)</td>
<td>$5,447</td>
<td>$6,422</td>
<td>$8,260</td>
</tr>
<tr>
<td>State Share</td>
<td>$1,080</td>
<td>$5,000</td>
<td></td>
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</tbody>
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2012-13 State Budget (in billions)

- Higher Education: $11.4
- Other Expenditures: $133.9

Source: Legislative Analyst’s Office; Little Hoover Commission

* This per-student funding calculation includes amounts from the state General Fund, local property tax, student fee revenue, and federal stimulus funding.

3 segments
California Community Colleges (CCC), California State University (CSU), University of California (UC).

Enrollment
3.1 million students, making the system one of the largest in the world.

Coordination
The 1960 Master Plan for Higher Education defines each segment by its mission and admission criteria BUT there is currently no oversight body that ensures the systems work together.

Governance
accomplished through separate boards with various levels of autonomy.
The **California Community Colleges (CCC)** serves more than 2.4 million students at 112 colleges organized into 72 districts. Community colleges provide a variety of educational and career opportunities, including earning an associate degree, completing a training/certificate program, transfer preparation for a four-year university, as well as adult education and community service coursework. The CCC accept all applicants who are high school graduates, as well as any other adults who can benefit from attendance.

**Governance**

Responsibility of the CCC system is vested in a 17-member Board of Governors (BOG), whose members are appointed by the state Governor. The BOG is responsible for setting statewide policy, providing guidance for districts, and selecting a Chancellor to serve as CEO of the system. The Chancellor’s duties include leadership, policy development, fiscal and administrative oversight, statewide community relations, and legislative advocacy. The Chancellor brings recommendations to the board through a formal process of consultation made with the Consultation Council, which is composed of 18 representatives from all levels of the system.

In a governance structure modeled after K-12 school districts, each of the community college districts is governed by a locally-elected Board of Trustees, which oversees the operations and budgets of the colleges within the district and is responsible for the hiring/firing of campus presidents.

A 2012 Little Hoover Commission report noted that the Chancellor lacks the mechanisms necessary to “enforce common policies or practices to unify the system in pursuing statewide goals,” and recommended that the Chancellor’s Office be given more authority to oversee and coordinate the 72 districts.

**Public Funding**

Community colleges are funded through a K-14 formula, and therefore receive a minimum of 10.9% of total Proposition 98 appropriations. These funds are made up of state general fund support and local property taxes. In 2012-13, the state general fund budget for the CCC was approximately $3.8 billion including an additional $210 million due to the passage of Proposition 30.

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**California State University**

The country’s largest four-year university system.

Serving approximately 437,000 students at 23 campuses, the **California State University (CSU)** offers undergraduate and graduate education through master's programs and since 2006, a limited number of doctorate degrees jointly with the University of California. As outlined in the Master Plan, admission to the CSU is available to the top one-third (33.3%) of public high school graduates and all qualified community college transfer students.
Governance

A 25-member Board of Trustees adopts the rules, regulations, and policies governing the CSU. The Board consists of 16 members appointed by the Governor, subject to Senate confirmation, who serve for eight-year terms, as well as one faculty trustee appointed by the Governor from nominees proposed by the CSU Statewide Academic Senate, two student trustees appointed by the Governor from nominees proposed by the California State Student Association, and one trustee selected by the CSU Statewide Alumni Council. The faculty, student, and alumni trustees serve two-year terms. In addition, 5 members serve ex officio: the Governor, Lieutenant Governor, Speaker of the Assembly, State Superintendent of Public Instruction, and the CSU Chancellor. The Chancellor is appointed by the Trustees and serves as the system’s CEO. The Trustees also appoint the 23 campus presidents.

Public Funding

Throughout the years, the Legislature, Governor, and CSU have developed a patchwork of policies that guide how the system is financed. Procedurally, the Governor outlines funding for the CSU as part of the annual state budget proposal to the Legislature. This outline has, in recent years, been partly influenced by a higher education “compact,” a multi-year funding plan developed between the Governor’s administration and the CSU, the most recent of which was in effect between 2005 and 2011. The Governor’s proposal is then subject to legislative review as part of the annual state budget process. After factoring in enrollment changes, student fees, financial aid, cost of living adjustments, and earmarked funding, the Legislature sends a revised CSU budget proposal to the Governor for his/her signature or veto. In 2012-13, the state general fund budget for the CSU was approximately $2.5 billion.

University of California

The state’s premier research university.

The University of California (UC) provides undergraduate, graduate, and professional education to over 220,000 students at eleven campuses (including UC San Francisco which offers graduate/professional education only and UC Hastings Law School). It is the only public segment with the sole authority to issue doctoral degrees. Admission to the UC is guaranteed to the top 12.5% of public high school graduates and all qualified community college transfer students.

Governance

Unlike the CCC and CSU, the 26-member Board of Regents is established under the California Constitution and therefore, is not subject to legislative control. The Board is composed of 18 members appointed by the Governor, subject to Senate confirmation, who serve for 12-year terms, one UC student appointed by the Regents who serves a one-year term, and seven ex officio members: the Governor, Speaker of the Assembly, Superintendent of Public Instruction, President and Vice President of the Alumni Association of the UC, and the UC President. In addition, the Chair and Vice Chair of the UC Academic Council sit on the board as non-voting members. The Regents have the authority to appoint the UC President, the head of the
UC system, as well as the chancellors of the nine universities upon the recommendation of the President.

Public Funding

Of the UC total budget, 28% is used for direct student instructional programs and supportive activities, which is financed by state funds, student fees, and UC general funds (nonresident tuition and a portion of the overhead from federal and state contracts and grants). The UC’s state funding is procedurally satisfied in the same method as the CSU, developed through the annual state budget process. In 2012-13, the state general fund budget for the UC was approximately $2.6 billion.

Tuition, Fees, & Financial Aid

Board of Governors Fee Waiver and Cal Grants

State-funded financial aid exists in the form of Cal Grants administered by the California Student Aid Commission for enrollees at all three systems, as well as for students attending independent colleges and for-profit colleges and universities in California and a Board of Governors (BOG) fee waiver for community college students. The Cal Grant program is an entitlement program that requires students to meet specified age, GPA, and income criteria to qualify for one of three Cal Grants available. The Cal Grant A provides funds to help pay for tuition and fees at public and independent colleges in California, and some occupational and career colleges offering programs of at least two years in length. At the California State University and the University of California, the award covers systemwide tuition. The Cal Grant B provides funds to help pay for tuition, student fees and other educational costs in a for-credit instructional program of not less than one academic year in length. The Cal Grant C provides funds to assist with tuition and training costs for occupational, technical, and vocational programs. All Cal Grants are disbursed to schools directly. A limited number of competitive grants also exist for students who do not meet the entitlement criteria. A new program, The Middle Class Scholarship (MCS), will also be phased in over the next few years. The MCS will begin in the fall of the 2014-15 academic term and will provide grants to help lower tuition and fees by up to 40% for undergraduates at CSU and UC. The BOG fee waiver is a need-based assistance program that waives enrollment fees for qualifying community college students.

THE PROMISE OF THE MASTER PLAN FOR HIGHER EDUCATION IS DYING. California’s historic 1960 commitment to provide a place in college for every student who seeks the opportunity is at risk. Between 2007-2012, enrollment at California’s public colleges and universities has decreased by more than half a million students due to severe budget cuts.

A WORKFORCE SKILLS GAP THREATENS CALIFORNIA’S ECONOMY. California needs new college-educated workers to replace retiring Baby Boomers. The state needs an additional 2.3 million degree and certificate holders than we are on track to produce by 2025 in order to meet workforce demands and strengthen California’s economy.

DIRECT HIGH SCHOOL TO COLLEGE ENROLLMENT IS LOW. California ranks 22nd in the nation in the percentage of high school graduates who go directly to college with 64.5% attending within a year, a full 14% points behind the leading state.

COLLEGE COMPLETION RATES ARE MODEST. California’s average college completion rate is 53%, the 7th highest rate in the country but still incredibly low. In terms of degree attainment
among its student populations, California has a gap of 33.7 percentage points separating its White students from underrepresented minority students. This is the third largest gap in the nation.

**ENROLLMENT DEMAND IS BEING UNMET.** A survey conducted in 2012 by the California Community Colleges Chancellor’s Office found that 480,000 students across the state were on waiting lists. This lack of access is particularly troubling given that we expect demand to grow even more since the population age 15 and older is continuing to increase in our state.

**THE RACIAL OPPORTUNITY GAP IS NOT CLOSING.** California continues to be plagued by wide gaps in high school graduation, A-G completion, enrollment at four-year universities, and college graduation rates across racial/ethnic groups and regions.

**HIGHER EDUCATION PAYS.** For every $1 that California invests in students who attain higher education the state received $4.80 in return. On average, someone with a bachelor’s degree will earn $1.3 million more over a lifetime than someone with only a high school diploma.

**MORE STEM (SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH) GRADUATES ARE NEEDED.** STEM jobs fuel much of the state’s economic growth and job creation but California’s colleges and universities are not currently producing enough graduates in those fields. It is estimated that of 123 STEM occupations requiring postsecondary occupations, nearly half are likely to have shortages.

**THERE IS A CRITICAL SHORTAGE IN THE HEALTH WORKFORCE.** California will soon be hit by the ‘double whammy’ of its aging population who will leave healthcare jobs as they retire and demand for more healthcare as they age. Findings indicate that the top concern of hospitals is the aging health workforce.

**HIGHER EDUCATION IS NO LONGER A STATE PRIORITY.** The state spends more money on corrections than it does on its public universities even though between 2003 and 2010 our public university enrollment increased 13% and the prison population only increased 1%.

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**Which Solutions Can Improve College Access & Student Success?**

1. **Create a public agenda for higher education** that establishes benchmarks for college-going and completion, monitors progress toward these benchmarks, and aligns policies and budgets needed to reach them.

2. **Require and review college data on access and completion rates by race/ethnicity and utilize data to inform policy and budget strategies** for improving student outcomes and meeting workforce needs.

3. **Ensure strong coordination between California two-year colleges and four-year universities**, especially with regards to early college preparation and transfer.

4. **Increase funding for higher education** to ensure all eligible students have a spot in college. **Propose a funding mechanism that creates incentives beyond enrollment** and holds colleges and universities accountable for increasing student graduation and completion rates.

5. **Preserve financial aid for low-and moderate income Californians** through the Board of Governors Fee Waiver and Cal Grants while simultaneously ensuring that awarded students demonstrate satisfactory progress.
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The Campaign for College Opportunity is focused on a single mission: to ensure that the next generation of California students has the chance to attend college and succeed in order to keep our workforce and economy strong.

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