



# HIGHER EDUCATION — IN — CALIFORNIA

*An introduction to the state's public colleges & universities*

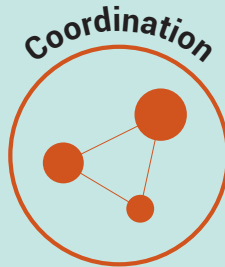
July 2016



# California Higher Education at a Glance



2,631,000 students,  
making the system  
one of the largest in  
the world.



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.



Accomplished  
through separate  
boards with  
various levels of  
autonomy.

## California Community Colleges (CCC)

113 Colleges

Open access  
enrollment

Governed by Governor-  
appointed Board of  
Governors; Board-selected  
Chancellor; locally-elected  
Board of Trustees; subject to  
legislative control

## California State University (CSU)

23 Universities

Enrolls the top 1/3  
of high school graduates

Governed by Governor-  
appointed Board of Trustees;  
Board-selected Chancellor;  
subject to legislative control

## University of California (UC)

10 Universities

Enrolls the top 1/8  
of high school graduates

Governed by Governor-  
appointed Board of Regents;  
Board-appointed President;  
**not** subject to legislative  
control





# California Higher Education

California  
Postsecondary  
Education  
Commission  
\*defunded

Governor/Legislature

California Student  
Aid Commission  
(14 Commissioners)

Financial Aid  
(\$2 billion disbursed)

University of  
California

UC Regents  
(26 members)

President hired  
by UC Regents

10 campuses  
(257,000 students)

California State  
University

CSU Trustees  
(25 members)

Chancellor hired  
by CSU Trustees

23 campuses  
(474,000 students)

California  
Community  
Colleges

CCC Board of  
Governors  
(17 members)

Chancellor hired  
by CCC Board of  
Governors

72 districts  
(445 locally-elected  
Trustees)

113 campuses  
(1,900,000 students)

Gov. appoints  
Consumer  
Agency Secretary  
and Dept. of  
Consumer Affairs  
Director

Bureau  
for Private  
Postsecondary  
Education

Hundreds of  
non-profit, for-  
profit, and out-  
of-state public  
postsecondary  
providers



# California Community Colleges

*the largest system of higher education in the nation*

The **California Community Colleges** serve more than 1.9 million students at 113 colleges organized into 72 districts. California 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. In 2014, a pilot program was established to authorize up to 15 California Community Colleges to establish a baccalaureate degree program in a field of study not offered by the California State University or University of California. The California Community Colleges accept all applicants who are high school graduates, as well as any other adults who can benefit from attendance.

## Governance

Responsibility for the California Community Colleges 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 policy recommendations to the BOG through a formal process of consultation made with the Consultation Council, which is composed of 18 representatives of institutional groups such as trustees, executive officers, students, administrators, student services officers and representative organizations, such as faculty and staff unions and associations.

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

Reports have documented that the statewide Community College Chancellor lacks the authority necessary to enforce common policies or practices to unify the 72 districts and 113 colleges in pursuing statewide goals.



# California State University

*the country's largest four-year university system*



Serving approximately 474,000 students at 23 campuses, the **California State University (CSU)** offers undergraduate and graduate education primarily through master's degree programs, with a limited number of doctoral degree programs in educational leadership, physical therapy, and nursing practice. 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 California Community College transfer students. Among the requirements for eligibility to the CSU is successful completion of both the SAT/ACT and A-G curriculum – a set of courses California high school students must complete to apply to four-year public universities.

## 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; 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, five 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.

# University of California

*the state's premier research university*

The **University of California (UC)** provides undergraduate, graduate, and professional education to over 257,000 students at 10 campuses (including UC San Francisco which offers only graduate/professional degrees). An 11th campus, UC Hastings College of the Law, is affiliated with the UC but is overseen by a separate board of directors. The UC 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 California Community College transfer students. Similar to the CSU, minimum eligibility requirements to the UC include successful completion of both the SAT/ACT and A-G curriculum.



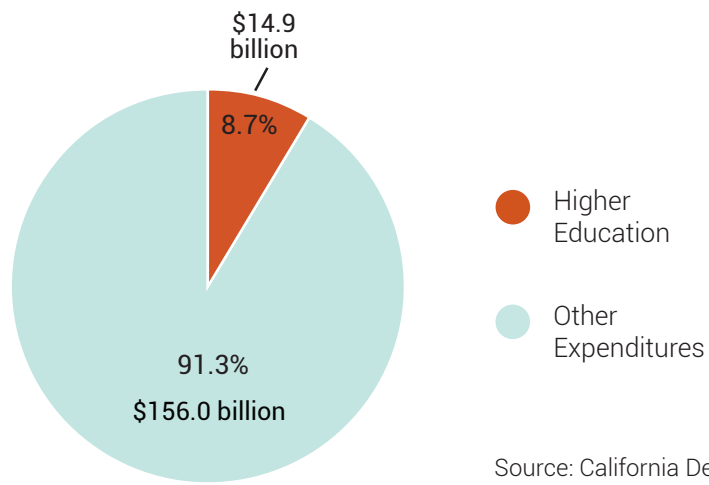
## Governance

Unlike the California Community Colleges 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 including the Governor, Lieutenant Governor, Speaker of the Assembly, Superintendent of Public Instruction, President and Vice President of the Alumni Associations of the UC, and the UC President. Additionally, two faculty members, the Chair and Vice Chair of the UC Academic Council – the administrative arm of the Academic Senate which represents faculty – 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 ten universities upon the recommendation of the President.

# State Funding

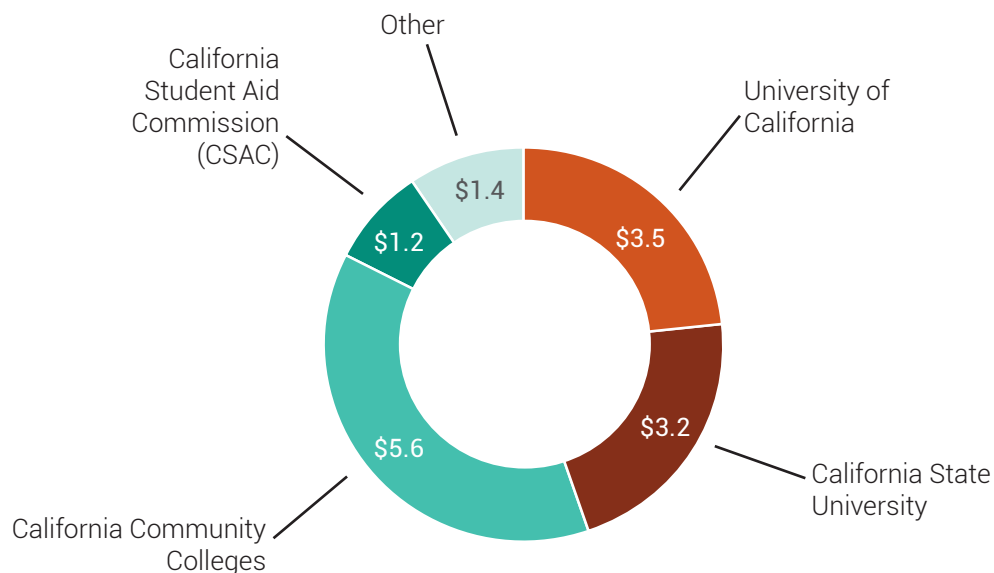
Procedurally, the Governor outlines funding for the California Community Colleges, CSU and UC as part of the annual state budget proposal to the Legislature. The General Fund and student tuition are the primary sources of financing undergraduate instructional costs at the UC, CSU, and California Community Colleges. California Community Colleges rely heavily on the state General Fund and local property tax revenue whereas UC and CSU rely heavily on state General Fund and student tuition. California Community Colleges are included in a K-14 formula established by Proposition 98 which guarantees a minimum level of funding for K-12 schools and California Community Colleges.

**Figure 1: Higher Education Represented 8.7% of the 2016-17 State Budget (State Funds)**



Source: California Department of Finance

**Figure 2: 2016-17 State Higher Education Expenditures (in Billions)**



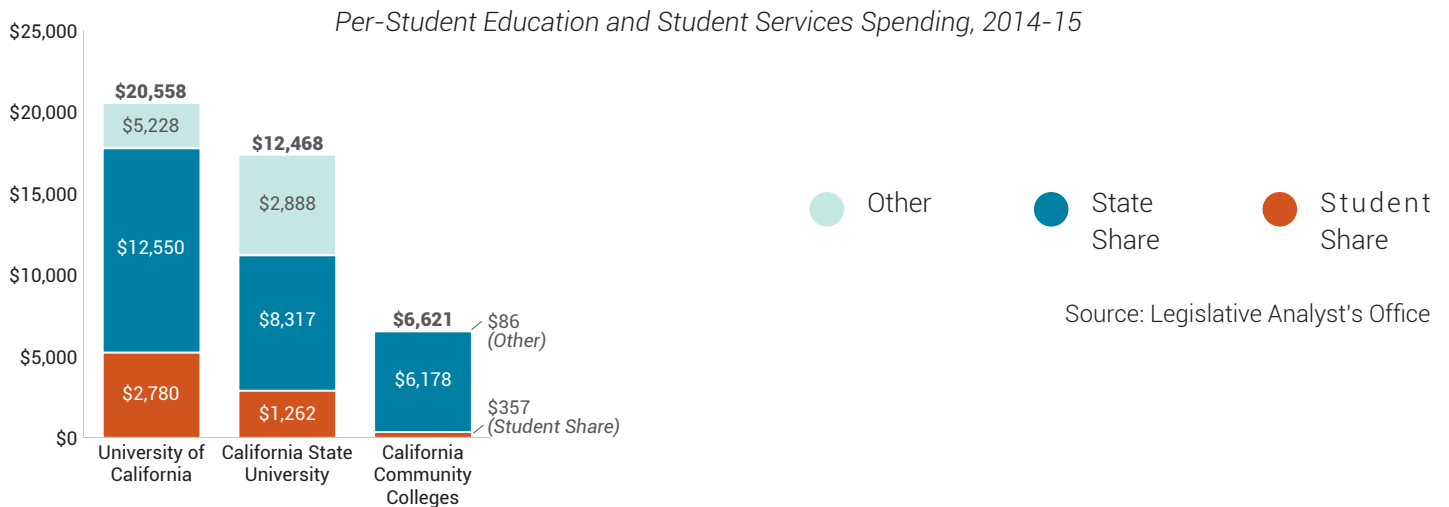
Source: California Department of Finance

State funding and policy priorities are one of the most significant determinants in shaping the number of Californians who attend the UC and CSU. Although demand for California's public four-year institutions has steadily increased over time, state spending per student has followed the opposite trajectory and remains near its lowest point in more than 30 years. This is in spite of annual increases in General Fund allocations for higher education since 2012 brought about by both the general



recovery of the state economy and the passage of Proposition 30 in 2012 – which temporarily raised tax rates to help prevent more than \$5 billion in education cuts. Subsequently, in 2013 Governor Brown committed to a multi-year stable funding plan for the UC and CSU which assumed increased General Fund support over a four-year period with an expectation that they maintain tuition at 2011-12 levels through 2016-17. The personal income tax rate increases under Proposition 30 is set to expire at the end of 2018. Additionally, the 2015 and 2016 state budgets allocated one-time funding to enroll more California students at the CSU (2015: 10,400 students; 2016: 5,194 students) and UC (2015: 5,000 students; 2016: 2,500 students). Despite declines in per-student funding, the state is still shouldering a large share of education costs, after state aid to students has been distributed.

**Figure 3: The State Covers Most Educational Costs Through Aid Distributed to Both Institutions and Students**

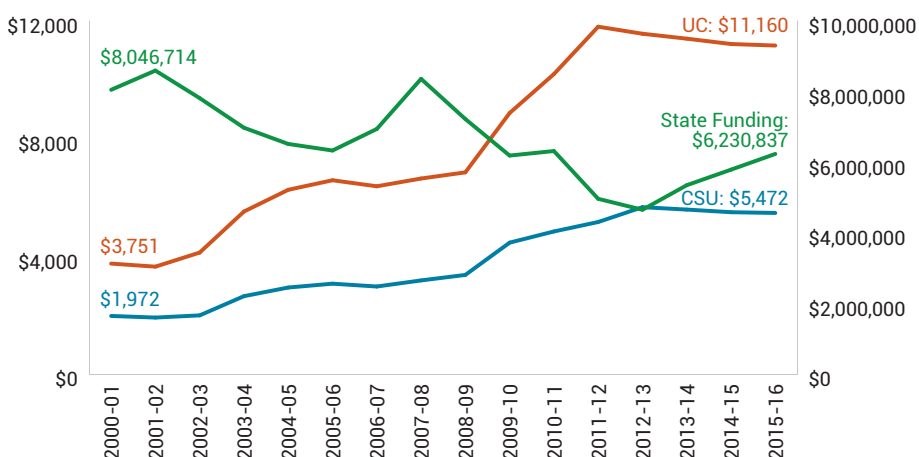


## Tuition, Fees & Financial Aid

Annual tuition and fees for California residents are currently estimated at \$13,400 at the University of California and \$5,472 at a California State University. At the California Community Colleges, enrollment fees per semester are \$46 a unit for California residents (among the lowest in the nation with full-time enrollment considered 12 or more units during a regular semester). Prior to 1984, California Community Colleges charged no fee. Tuition and fees represent only one element of the total cost of college. Other costs include books and supplies, transportation, food and housing.

**Figure 4: As State Funding Decreases, Tuition Increases at California's Public Universities**

Tuition at UC and CSU compared to total state funding for both systems, 2000-01 to 2015-16 (adjusted for inflation, 2015 dollars)



Source: The Campaign for College Opportunity

\*Only mandatory tuition is included in the figure for the UC. Information posted does not include mandatory fees at the campus or state level for the UC. For the CSU, the data encompasses mandatory student and fees at the systemwide level.

State-funded financial aid exists in the form of **Cal Grants**, available for enrollees at all three systems, as well as for students attending independent colleges and for-profit universities in California; the **Middle Class Scholarship**, available for undergraduates at the UC and CSU; and the **Board of Governors (BOG) Fee Waiver**, available specifically for students at California Community Colleges. The Cal Grant and Middle Class Scholarship programs are administered by the California Student Aid Commission (CSAC) while the BOG Fee Waiver is administered by the California Community Colleges Chancellor's Office. CSAC is responsible for dispersing over \$2 billion in financial aid annually.

The Cal Grant program is an entitlement program that requires students to meet specified age, GPA, and income criteria to qualify. All Cal Grants are disbursed to schools directly. Eligibility for Cal Grant awards is primarily geared towards traditional, younger students attending a four-year university. Additionally, the assistance provided by the Cal Grant is focused on tuition and fee assistance, as opposed to the total cost of college attendance. As such, Cal Grants in the form of tuition and fee assistance alleviates a higher percentage of the total cost of attendance for students attending the CSU or UC, where tuition and fees are significantly higher than at California Community Colleges (Figure 5).

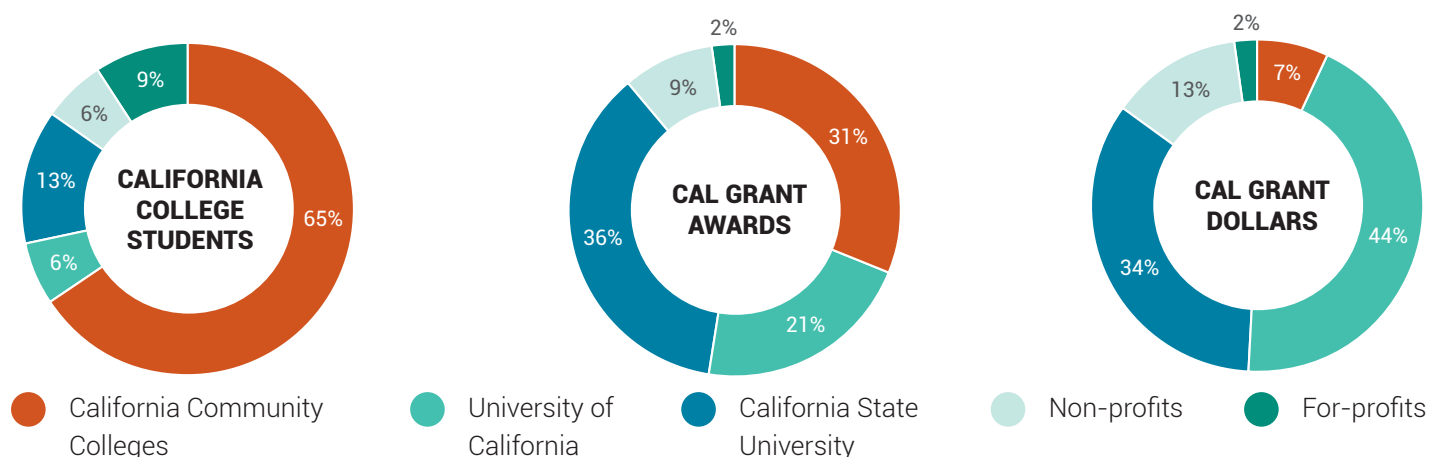
Cal Grant A	Cal Grant B	Cal Grant C
<ul style="list-style-type: none"> <li>helps pay for tuition and fees at public and independent four-year colleges in California</li> <li>award amounts vary by type of college</li> <li>minimum 3.0 high school GPA or minimum 2.4 college GPA</li> <li>course of study must lead to an associate degree or bachelor's degree</li> </ul>	<ul style="list-style-type: none"> <li>provides a living allowance to help cover living expenses, books, supplies and transportation; and assistance with tuition and fees after the first year, at a two- or four-year college</li> <li>living allowance up to \$1,656; tuition award amount varies by college</li> <li>minimum 2.0 GPA</li> </ul>	<ul style="list-style-type: none"> <li>assists with costs of a technical or career education</li> <li>up to \$547 for books, tools and equipment; and up to \$2,462 more for tuition and fees at a school other than a California Community College</li> <li>funding available for up to two-years</li> </ul>
<i>*In addition to the entitlement awards, a limited number of competitive Cal Grants exist for students who do not meet the entitlement criteria.</i>		

Source: California Student Aid Commission

Further aiding affordability is the BOG Fee Waiver, a need-based assistance program that waives enrollment fees for eligible California Community College students.

The newest program, the Middle Class Scholarship (MCS), provides undergraduate students at CSU and UC with family incomes up to \$150,000, a scholarship to help lower tuition and fees by up to 40%. The MCS has been phased in over four years and will reach full implementation in 2017-18.

**Figure 5: Despite the California Community Colleges Enrolling Twice the Number of Students, UC and CSU Students Account for Almost 80% of Cal Grant Dollar Recipients**



Source: The Institute for College Access & Success (TICAS)



# Statewide Accountability & Coordination

The California Postsecondary Education Commission (CPEC) was established in 1974 as the state planning and coordinating body for higher education and as successor to the Coordinating Council for Higher Education, part of the state's 1960 Master Plan for Higher Education. The primary statutory purposes of the CPEC were to develop an ongoing statewide plan for a coordinated system of postsecondary education; identify and recommend policies to meet the educational, research and public service needs of the state; and advise the Governor and Legislature on policy and budget priorities that best preserve access to high quality postsecondary education opportunities.

**The Commission's funding was eliminated in 2011 by Governor Brown** in an effort to reduce the cost of state operations and requesting that the three public higher education segments explore ways to "more effectively

improve coordination and development of higher education policy." This leaves California as one of two states nationwide without statewide oversight or coordination of its higher education system.

In the absence of a coordinating body, in 2013 the state adopted statewide goals for California's postsecondary education system (Senate Bill 195, Liu) with the intent that these goals guide the state budget and policy decisions for higher education. These goals include improving student access and success; better aligning degrees and credentials with the state's economic, workforce, and civic needs; and ensuring the effective and efficient use of resources to improve outcomes and maintain affordability. However, there are no performance measures to monitor progress toward these goals or a specific entity stewarding progress of these goals.



# 9 Things You Should Know

**1. California's historic 1960 commitment to provide a place in college for every student who seeks the opportunity is at risk.** Between 2009-2014, the CSU turned away nearly 140,000 eligible applicants. At the UC, five of the nine undergraduate campuses enrolled fewer California resident freshman in 2013 than in 2007.

**2. A workforce skills gap threatens California's economy.** California needs new college-educated workers to replace retiring Baby Boomers. **The state needs an additional 2.4 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.**

**3. California sends too few students directly into 4-Year public universities.** California ranks 49th in the country in 4-year enrollment. California Community Colleges enroll almost three times as many students as UC and CSU combined where low completion rates contribute to the state being 45th in the country in the rate of BA completion.

**4. College completion rates must improve.** The six-year completion rate for California Community Colleges is 47%; and the six-year graduation rates for the CSU and UC are 57%; and 85% respectively.

**5. Remediation at California Community Colleges is broken.** Millions of students fall out of California Community Colleges because of a broken remedial education system. Of the 2.1 million students served by the California Community Colleges, **over 70% are assessed as needing remediation of which 2/3 will never complete a degree, certificate or transfer.**

**6. Gaps in college access and completion by race/ethnicity persist.** 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.

**7. For every \$1 that California invests in students who attain higher education the state receives \$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.

**8. More STEM (Science, Technology, Engineering, and Math) and health graduates are needed.** STEM and health 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. In fact, California is ranked toward the bottom of the country for bachelor's degree completion rates in health, engineering, and computer science.

**9. The real cost of college is beyond tuition.** Extended time and credits to degree means higher tuition, greater fees, more books, greater living expenses and forgone wages. The cost to a CSU student who graduates in six years instead of four is over \$110,000. The cost to a California Community College student who graduates with an associate's degree in three years instead of two years is over \$23,000.



# Which Solutions Can Improve College Access & Student Success?

**SET STATEWIDE GOALS FOR HIGHER EDUCATION** that establish benchmarks for college going and completion, are explicit about closing racial/ethnic gaps, monitor progress, and align policies and budgets needed to reach them.

Require and review college data on access and completion rates by race/ethnicity and **UTILIZE DATA TO INFORM POLICY AND BUDGET STRATEGY** for improving student outcomes and meeting workforce needs.

**ENSURE STRONG COORDINATION BETWEEN CALIFORNIA TWO YEAR COLLEGES AND FOUR YEAR UNIVERSITIES** especially with regards to early college preparation, basic skills education and transfer.

**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.

**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.



To access the sources that were consulted for this publication please contact the Campaign at [info@collegecampaign.org](mailto:info@collegecampaign.org).

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# ABOUT THE CAMPAIGN

The Campaign for College Opportunity is a broad-based, bipartisan coalition, including business, education and civil rights leaders that is dedicated to ensuring that all Californians have an equal opportunity to attend and succeed in college in order to build a vibrant workforce, economy and democracy. The Campaign works to create an environment of change and lead the state toward effective policy solutions. It is focused upon substantially increasing the number of students attending two- and four-year colleges in California so that we can produce the 2.3 million additional college graduates that our state needs.

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