

CALIFORNIA STATE UNIVERSITY, SACRAMENTO
INSTITUTE FOR HIGHER EDUCATION LEADERSHIP & POLICY

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Testimony on the Institute's Report:

“Facing Reality: California Needs a Statewide Agenda to Improve Higher Education Outcomes”

October 7, 2004

First, I would like to acknowledge the support of the *Campaign for College Opportunity*, which commissioned this report in an effort to understand what California can learn from other states about how to improve access to and success in postsecondary education. We studied seven other states that share California's high rates of growth and demographic change, including Arizona, Florida, Georgia, North Carolina, Texas, Virginia, and Washington. Based on our findings, the report outlines several actions we believe the Legislature and education leaders should take to begin to address the challenges in California.

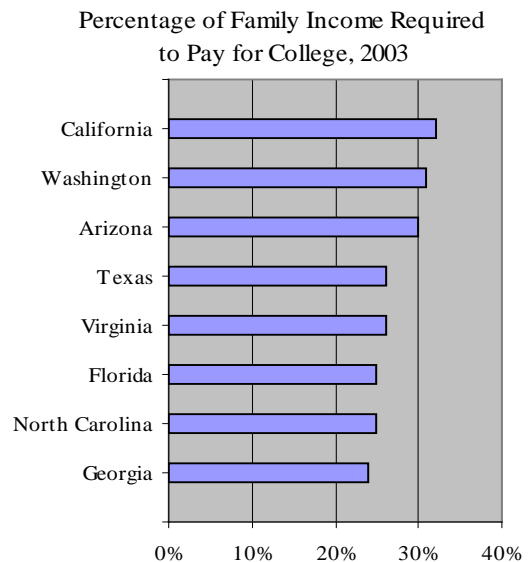
I. California's Performance in Higher Education

What we do Fairly Well – Keeping College Affordable and High Rates of Participation

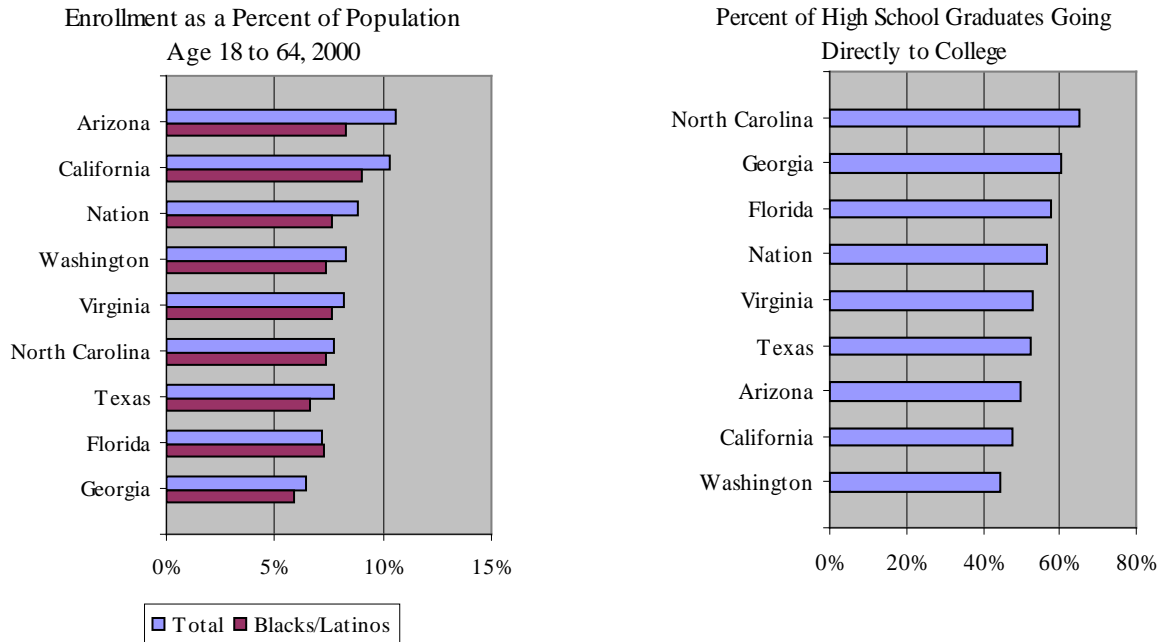
Despite substantial increases over the last several years, student fees in California remain below the national average. In addition, California does better than many states at providing need-based financial aid to low-income students through its Cal-Grant program. On a more cautionary note, fees have been increasing at a higher rate than in most other states and total college expenses (incl. room and board) take up a higher share of family income than in other states.

Avg. Undergraduate Resident Tuition and Fees
at Public 4-Year Institutions, 2003-04

	Tuition/Fees	Change from 2002-03
Virginia	\$5,003	19.1%
Nation	\$4,688	13.9%
Washington	\$4,565	6.8%
Texas	\$3,879	5.6%
Arizona	\$3,598	39.0%
California	\$3,597	31.8%
North Carolina	\$3,279	19.6%
Georgia	\$3,263	10.7%
Florida	\$2,903	7.1%

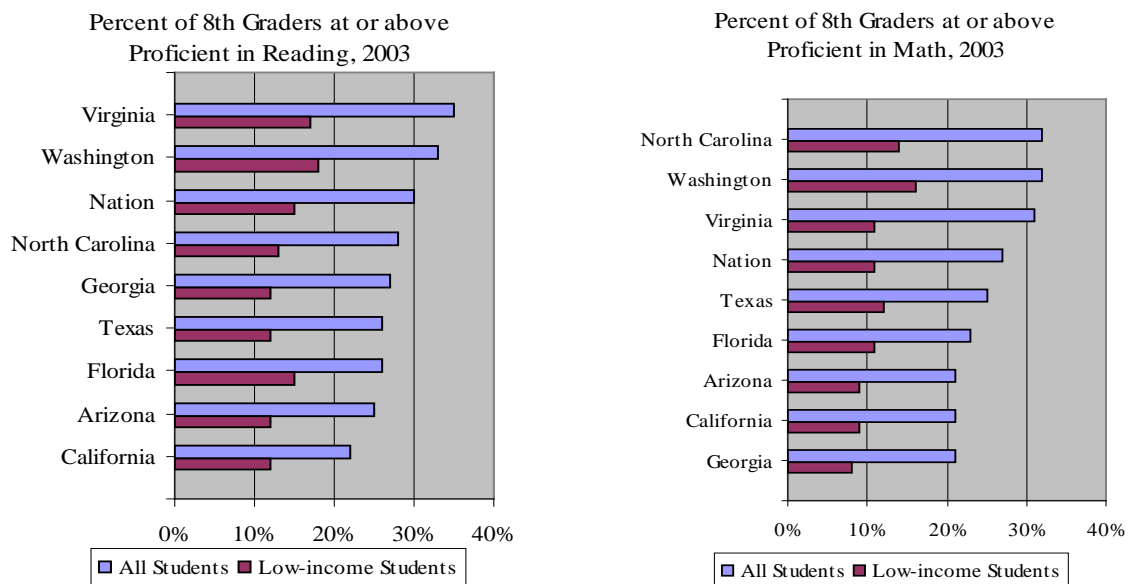


California's rate of enrollment in higher education is high, due largely to part-time enrollment in the low-cost, open-access community colleges. However, state residents often delay college attendance - recent high school graduates here are less likely to go directly to college than in all the selected states except Washington.

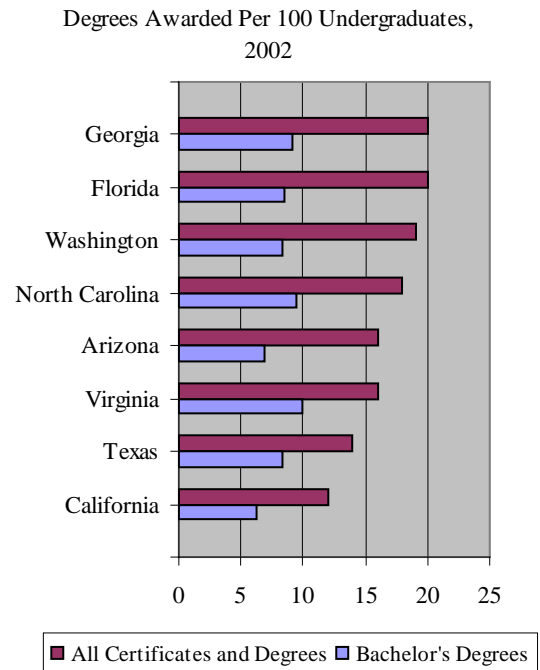
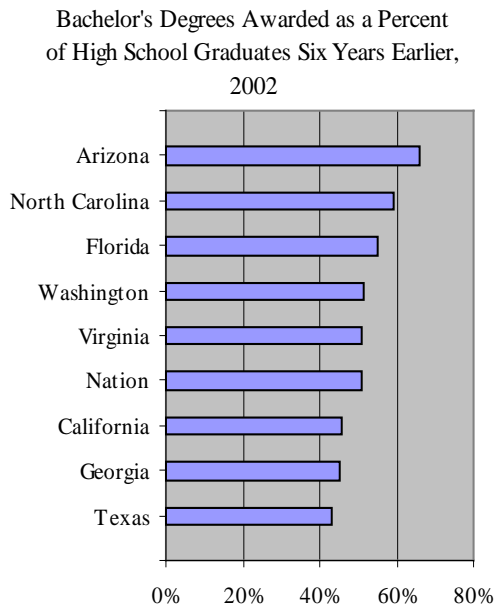


What we do Poorly – Preparing Students for College and Getting them to Graduate

Although California has made progress in the share of students taking college preparation courses, the state's 8th graders score at the bottom of our selected states, and below the national average, on standardized tests in both reading and math.



California performs well on graduation rate measures. However, these rate calculations only include first-time, full time students beginning their studies in four-year institutions. With California’s heavy reliance on community colleges, these rates primarily reflect the success of the most well-prepared and financially stable students who can attend full time at UC or CSU. California’s performance is very low on measures that consider degree completion in relation to enrollment and the number of high school graduates.



Particularly troubling, in view of the demographic trends in the state, is the disproportionate under-representation of African Americans and Latinos among those who complete degrees and certificates. California is ranked last among all 50 states in the drop-off in representation of African Americans and Latinos from their representation in the high school age population to their share of degree and certificate completers.

Percent that is African American/Latino at Various Stages of Education

	% of 18-year olds	% of High School Graduates	% of First-Time Freshmen	% of Degree Completers	Total Drop-off
California	48%	40%	31%	25%	- 23%
National avg.	30%	24%	21%	14%	- 16%

The things the state does well – keeping college affordable, high participation, and graduating well-prepared students – are not sufficient to maintain the state’s knowledge-based economy in this time of high growth rates and demographic changes. Given the dependence of our state’s

economy on knowledge workers, we should be producing certificates and degrees at rates well above national averages instead of struggling to stay out of the basement.

II. Efforts Underway in Other States

We found that all of the states we examined have done more than California to analyze statewide performance trends, to understand where their biggest problems are, and to develop plans and strategies for improvement. Several have developed and used sophisticated data systems to help them drill down to examine regional issues and track students across institutions, and a few (most notably Texas and Washington) have laid out a true statewide agenda for higher education.

The other states are getting better leadership on higher education issues than California, some from governors, some from state coordinating boards, and others through participation in national initiatives funded by foundations. Legislatures in several states are initiating studies to examine funding alternatives and to investigate higher education needs in the context of state economies. Many of the states have governance issues that present barriers to getting everyone behind the same agenda, but they are still making more progress than we are here in California. This is especially puzzling since we have some key structural and governance capacities that should make it easier to do state-level planning – a lack of will seems to be the problem.

III. Recommendations for California

We offer the following list of specific suggestions for what California's leaders must do to provide for the education levels necessary for social and economic prosperity:

1. Develop a statewide agenda and an accountability system - California comes out dead last among these states in the extent to which it has diagnosed its biggest challenges, communicated the urgency of these issues, and set forth a statewide agenda for addressing them;
2. Improve leadership capacity for higher education - the common denominator among those states that are making strides toward statewide planning is leadership that can force a statewide agenda to take precedence over institutional agendas, with that leadership coming from governors, legislatures, coordinating boards, governing boards, the business community, or some combination;
3. Develop a student tracking system and use it to learn what works - while other states are using data to diagnose their problems and track progress, California is fighting the development of a data system, and the impasse has reached the point where firm leadership is needed to mandate such a system, even if over the objections of the segments, and to ensure that it be used for policy analysis and not for institutional evaluation and comparisons;
4. Track program completion in the community colleges - there is no chance of designing better and more responsive education systems if we can't analyze student progress towards their goals;

5. Improve community college transfer - because California designed its postsecondary system to rely heavily on community colleges for lower division education, seamless transfer is more important in California than in most other states, yet we have among the worst transfer and articulation policies; and
6. Develop a real financing plan that projects the costs of meeting state goals and proposes how to pay through a combination of (a) fee/aid policies, (b) efficiencies, and (c) state appropriations.
7. Resist following other states down the road of privatizing higher education.