Defunding Higher Education: What Are the Effects on College Enrollment?

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Supported with funding from the Donald Bren Foundation and The James Irvine Foundation
Cuts to Higher Education Have Taken a Toll...

- Budget cuts have been dramatic
- Institutions have responded in multiple ways
  - Increased tuition
  - Enrollment management
- Enrollment rates have declined
…But California Needs More College Graduates

- Projections for 2025
  - 35% of adults will have a bachelor’s degree
  - 41% of jobs will require a bachelor’s degree
- Shortfall of 1 million college graduates with a bachelor’s degree
- Additional shortfall of college graduates with an associate’s degree or certificate
Demand for College Is Increasing

Share of high school graduates applying to and eligible for UC or CSU

- UC: 12.4%, 16.4%, 19.0%, 29.3%
- CSU: 0%, 5%, 10%, 15%, 20%, 25%, 30%, 35%

UC and CSU trends from 1994 to 2009:
- UC: 12.4% in 1994, 19.0% in 1997, 16.4% in 2009
- CSU: 0% in 1994, 19.0% in 1997, 29.3% in 2009
We Focus on Recent High School Graduates

- Critical time in educational path
- Changes in higher education polices affect this group the most
- Long-term implications for the state
Outline

- Higher education funding
- Responses of public colleges
- Changes in enrollment
- Implications for California
State Funding for Higher Education Has Declined

Higher education funding as a share of all general fund expenditures

1967-68 to 2011-12
State Funding Per Student Has Declined Sharply at UC and CSU

General Fund Appropriations per FTE Student
(in 2010 dollars)

- UC: $23,670, $10,757, $10,300
- CSU: $10,000, $5,714
- CCC: $0, $5,000

Yearly data from 1965-66 to 2010-11.
Largest Share of Higher Ed Funds Now Go to Community College

1965-66: 18%
1970-71: 18%
1975-76: 33%
1980-81: 49%
1985-86: 41%
1990-91: 31%
1995-96: 28%
2000-01: 41%
2005-06: 31%
2010-11: 28%

UC
CSU
CCC
Outline

- Higher education funding
- Responses of public colleges
- Changes in enrollment
- Implications for California
Colleges Have Reduced Expenses and Raised Tuition

- Cut staff, courses, services
- Increased tuition and fees
- Engaged in enrollment management
Tuition Increases Have Been Dramatic...

Tuition and Fees

UC

CSU


$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000


$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000 $8,000 $9,000 $10,000 $11,000 $12,000 $13,000 $14,000


$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000 $8,000 $9,000 $10,000 $11,000 $12,000 $13,000 $14,000

...And Larger Than in Other States

**UC**

<table>
<thead>
<tr>
<th></th>
<th>Tuition and fees 2007–08</th>
<th>Tuition and fees 2010–11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average for UC campuses</td>
<td>$7,533</td>
<td>$11,305</td>
<td>50%</td>
</tr>
<tr>
<td>Comparison campuses</td>
<td>$6,899</td>
<td>$8,526</td>
<td>24%</td>
</tr>
</tbody>
</table>

**CSU**

<table>
<thead>
<tr>
<th></th>
<th>Tuition and fees 2007–08</th>
<th>Tuition and fees 2010–11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average for CSU campuses</td>
<td>$3,494</td>
<td>$5,139</td>
<td>47%</td>
</tr>
<tr>
<td>Comparison campuses</td>
<td>$5,656</td>
<td>$6,708</td>
<td>19%</td>
</tr>
</tbody>
</table>
UC and CSU Have Adopted Policies to Limit Enrollment

- At UC, increasing shares of students are placed in “referral pool”
- At CSU, 16 of 23 campuses are “impacted”

<table>
<thead>
<tr>
<th>Impacted</th>
<th>Not impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego State</td>
<td>Cal State Channel Islands</td>
</tr>
<tr>
<td>Long Beach State</td>
<td>Cal State Dominguez Hills</td>
</tr>
<tr>
<td>San Francisco State</td>
<td>Humboldt State</td>
</tr>
<tr>
<td>Sacramento State</td>
<td>Cal State Stanislaus</td>
</tr>
</tbody>
</table>
Outline

- Higher education funding
- Responses of public colleges
- Changes in enrollment
- Implications for California
Enrollment Rates Have Declined

Share of high school graduates

- A-G graduates
- All high school graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>A-G Graduates</th>
<th>All Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>65.6%</td>
<td>21.5%</td>
</tr>
<tr>
<td>2007</td>
<td>67.5%</td>
<td>21.9%</td>
</tr>
<tr>
<td>2008</td>
<td>67.9%</td>
<td>21.1%</td>
</tr>
<tr>
<td>2009</td>
<td>61.2%</td>
<td>19.9%</td>
</tr>
<tr>
<td>2010</td>
<td>54.9%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>
Declines Have Occurred in All Ethnic Groups

<table>
<thead>
<tr>
<th></th>
<th>Latino</th>
<th>White</th>
<th>Asian</th>
<th>African American</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>15.9%</td>
<td>20.3%</td>
<td>44.8%</td>
<td>19.7%</td>
</tr>
<tr>
<td>2008</td>
<td>15.8%</td>
<td>19.9%</td>
<td>42.0%</td>
<td>19.3%</td>
</tr>
<tr>
<td>2009</td>
<td>15.3%</td>
<td>18.6%</td>
<td>38.6%</td>
<td>15.7%</td>
</tr>
<tr>
<td>2010</td>
<td>14.2%</td>
<td>16.9%</td>
<td>37.7%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>
Declines Have Occurred at UC...

- A-G graduates
- All high school graduates

Share of high school graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>A-G graduates</th>
<th>All high school graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>26.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>2007</td>
<td>26.4%</td>
<td>8.6%</td>
</tr>
<tr>
<td>2008</td>
<td>26.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>2009</td>
<td>23.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>2010</td>
<td>21.9%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>
...And at CSU

![Graph showing the share of high school graduates and A-G graduates from 2006 to 2010. The graph indicates a decrease in A-G graduates from 2006 (38.9%) to 2010 (10.7%).]
Slight Increase at CCCs Does Not Make Up for These Declines

<table>
<thead>
<tr>
<th>Year</th>
<th>CCC unadjusted</th>
<th>CCC adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>30.6%</td>
<td>34.1%</td>
</tr>
<tr>
<td>2007</td>
<td>31.9%</td>
<td>34.9%</td>
</tr>
<tr>
<td>2008</td>
<td>31.0%</td>
<td>36.3%</td>
</tr>
<tr>
<td>2009</td>
<td>28.3%</td>
<td>35.4%</td>
</tr>
<tr>
<td>2010</td>
<td>28.3%</td>
<td>35.4%</td>
</tr>
</tbody>
</table>
Where Are They Going?

- No change in private college enrollment rates in California
- Increase in out-of-state enrollment
- Some are deferring college altogether
Outline

- Higher education funding
- Responses of public colleges
- Changes in enrollment
- Implications for California
Lower Enrollment Rates Mean Fewer College Graduates

- Loss of 20,000 first-time freshmen at UC and CSU
- At current completion rates, that equals 12,000 baccalaureates
Economic Implications Are Enormous

- Wages of college graduates have increased relative to high school graduates
- College graduates much less likely to be unemployed
- Return on investment lost
What Should Policymakers Do?

- Reinvest in higher education
- Ensure higher education expenditures are focused
  - Fund outcomes as well as enrollment
- Find alternative ways to allow families to pay for college
  - Deferred loans
  - Set tuition programs
- Realize that increased efficiencies will not make up for large disinvestments
Defunding Higher Education:

What Are the Effects on College Enrollment?

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Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.