California Faces a Skills Gap

If current trends continue:

- **California’s economy will demand more highly educated workers**
  - By 2025, 41% of jobs will require a bachelor’s degree

- **Population will not supply enough college graduates to meet projected needs**
  - By 2025, 35% of California adults will have a bachelor’s degree

- **Shortfall of 1 million college graduates**
Why Study the Master Plan?

- Master Plan governs the state’s public higher education systems
- Public systems account for three of every four bachelor’s degrees awarded
- The Master Plan needs updating
California Lags in College Enrollment of High School Graduates

Percent of high school graduates enrolling in college, 2006

- New York: 74.4%
- Massachusetts: 70.8%
- New Jersey: 61.3%
- Minnesota: 55.8%
- Georgia: 55.7%
- Virginia: 54.9%
- Maryland: 53.8%
- North Carolina: 53.3%
- Michigan: 52.4%
- Tennessee: 51.2%
- Indiana: 48.6%
- Pennsylvania: 47.5%
- Wisconsin: 47.1%
- Illinois: 46.3%
- Florida: 46.1%
- Ohio: 45.8%
- Missouri: 44.4%
- California: 55.8%
- Texas: 53.1%
- Washington: 48.2%

California has the lowest percentage of high school graduates enrolling in college among the listed states.
Multiple Pathways to Increasing the Number of College Graduates

- Increase **eligibility** for CSU and UC
- Increase **transfer** from community colleges to four-year colleges and universities
- Increase **completion** rates at CSU and UC
Outline

- Eligibility, transfer, and completion
- Funding
- Recommendations
Eligibility Levels Have Not Changed in 50 Years, But Economy Has

<table>
<thead>
<tr>
<th>Year</th>
<th>CSU Eligibility</th>
<th>UC Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>17.4%</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>24.8%</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>28.5%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>32.4%</td>
<td>33.5%</td>
</tr>
<tr>
<td>2008</td>
<td>33.5%</td>
<td></td>
</tr>
<tr>
<td>2025 Projection</td>
<td>41.0%</td>
<td></td>
</tr>
</tbody>
</table>
California Should Set New Eligibility Goals

- Current: 33.3% for CSU
- Proposed: 40% for CSU

- Current: 12.5% for UC
- Proposed: 15% for UC

Phase-in period
## New Eligibility Levels Would Diversify the Student Population

### Academic Ranking of California High School Graduates by Ethnicity, 2005

<table>
<thead>
<tr>
<th>Student rank</th>
<th>% White</th>
<th>% African American</th>
<th>% Latino</th>
<th>% Asian</th>
<th>% American Indian</th>
<th>% Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 10%</td>
<td>58.7</td>
<td>2.2</td>
<td>13.9</td>
<td>22.5</td>
<td>0.0</td>
<td>2.7</td>
</tr>
<tr>
<td>10th–20th percentile</td>
<td>55.3</td>
<td>4.2</td>
<td>15.8</td>
<td>21.3</td>
<td>0.7</td>
<td>2.7</td>
</tr>
<tr>
<td>20th–30th percentile</td>
<td>48.6</td>
<td>5.6</td>
<td>25.5</td>
<td>17.6</td>
<td>0.5</td>
<td>2.3</td>
</tr>
<tr>
<td>30th–40th percentile</td>
<td>47.5</td>
<td>7.0</td>
<td>27.0</td>
<td>16.1</td>
<td>0.3</td>
<td>2.2</td>
</tr>
<tr>
<td>40th–50th percentile</td>
<td>41.7</td>
<td>11.8</td>
<td>34.2</td>
<td>10.7</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>50th–60th percentile</td>
<td>40.2</td>
<td>12.9</td>
<td>34.0</td>
<td>11.5</td>
<td>0.5</td>
<td>1.0</td>
</tr>
<tr>
<td>60th–70th percentile</td>
<td>39.8</td>
<td>10.8</td>
<td>33.3</td>
<td>13.9</td>
<td>1.4</td>
<td>0.7</td>
</tr>
<tr>
<td>70th–80th percentile</td>
<td>37.1</td>
<td>9.8</td>
<td>42.5</td>
<td>9.5</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>80th–90th percentile</td>
<td>32.6</td>
<td>12.5</td>
<td>46.3</td>
<td>7.8</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Bottom 10%</td>
<td>24.0</td>
<td>15.2</td>
<td>54.8</td>
<td>4.3</td>
<td>0.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>
College Readiness an Issue, But High School Grads Are Improving...

Percent of high school graduates taking advanced math courses

<table>
<thead>
<tr>
<th>Year</th>
<th>California</th>
<th>Rest of United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>33%</td>
<td>52%</td>
</tr>
<tr>
<td>2005</td>
<td>44%</td>
<td>21%</td>
</tr>
</tbody>
</table>

- Any advanced math
- Calculus
...And Fewer College Students Require Remediation

Percent of CSU freshmen requiring remediation in math

- Total
- White
- Latino
- Asian
- African American
- Female
- Male

1998
2008
Outline

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Transfer Is Underutilized

- Potential is enormous
  - Community colleges enroll 70% of all undergraduates in California
  - Less costly to state and student
  - Increased diversity

- But...
  - Community colleges have several missions
  - Vast majority of community college students do not transfer
  - Diversity not currently reflected in transfer population
Transfer Goals Need to Be Changed

- No explicit transfer requirements in Master Plan
  - Target ratio of upper to lower division students is 60:40
  - Indirectly encourages transfer
- A better target: the share of CSU and UC grads who are transfer students
- By 2025, new goals for transfer students:
  - 60% of graduates at CSU
  - 40% at UC
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CSU Completion Rates Have Risen

Six-year completion rates

- 1981: 33%
- 1983: 33%
- 1985: 38%
- 1987: 38%
- 1989: 38%
- 1991: 38%
- 1993: 38%
- 1995: 38%
- 1997: 38%
- 1999: 38%
- 2001: 49%
- 2003: 49%
- 2005: 49%
- 2007: 49%

Completion rates have risen from 33% in 1981 to 49% in 2007.
But More Progress Is Needed

- Completion rate goals should become part of the Master Plan
- New completion rate target should be – 69% at CSU by 2025
- New CSU graduation initiative goals are in line with this target
PPIC and CSU Agree on New Targets

Six-year completion rates

- CSU historical
- CSU new target
- PPIC ambitious target
- PPIC moderate target
Outline

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Funding Challenges

- Higher education more vulnerable to state cuts than other services
- Recent cuts most severe for UC and CSU
- PPIC proposed changes would cost $1.6 billion once fully implemented in 2025
Increased Fees Have Made Up for Reduced State Support

Student fees, 1960-2010

- UC
- CSU

[Graph showing the increase in student fees from 1960-2011 for UC and CSU, with a significant rise in recent years.]
Outline

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Higher Education Garnering Much Attention

- LAO, IHELP, and CPEC reports
- Joint Committee on the Master Plan
- UC Commission on the Future
- CSU graduation initiative
- Community College League’s Commission on the Future
PPIC Recommendations

The state should
- Set clear goals and measure progress toward those goals
- Continue to develop a robust longitudinal student database
- Provide funding consistent with its goals

New goals should include increases in
- Eligibility
- Transfer
- Completion rates
Higher Education in California: New Goals for the Master Plan

Hans Johnson
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.

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