

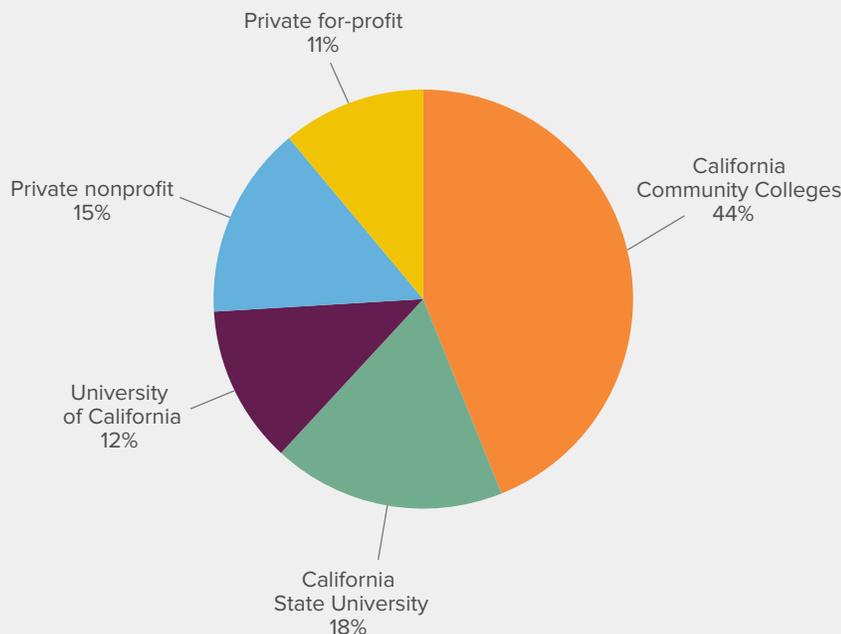
California's system is the largest—and one of the most diverse—in the nation

California's higher education system includes three public segments—the University of California (UC), the California State University (CSU), and the California Community Colleges. It also includes more than 150 private nonprofit colleges and about 200 for-profit institutions. In total, the state's colleges and universities enroll more than two million students from a wide range of backgrounds.

Most students attend public colleges, but a sizable share (26%) attend private schools. Indeed, private nonprofit colleges enroll more students than the University of California. Enrollment in private for-profit colleges has started to decline after increasing sharply for many years.

Unlike most other states, California has no coordinating body for its higher education systems. This makes goal-setting, oversight, and coordination among systems more challenging. The Master Plan for Higher Education, adopted by the state legislature in 1960, established a structure and a set of principles for public higher education that are still largely in effect. Through the Master Plan, the state's public system was able to accommodate dramatic increases in enrollment for several decades while providing broad access and charging little or no tuition. But over the past two decades, tuition has risen sharply and enrollment has not kept up with demand—largely because of reductions in state support.

MOST CALIFORNIA STUDENTS ATTEND PUBLIC INSTITUTIONS



SOURCE: Integrated Postsecondary Education Data System (IPEDS), 2012–13 data.

NOTES: Restricted to two-year or above colleges. Enrollment is for full-time equivalent students.

California's public systems have distinct missions

- **The University of California is the state's primary academic research institution . . .**
The University of California has ten major campuses, five medical centers, and three national laboratories. The university brings in around \$1 billion in federal research funds each year. Six of the schools—Berkeley, Davis, Irvine, Los Angeles, San Diego, and Santa Barbara—are members of the Association of American Universities (AAU), along with 56 other top research-intensive universities in North America. The UC system is constitutionally independent of the state, which means it has more autonomy than CSU; it is governed by a 26-member board of regents.
- **. . . yet it also educates hundreds of thousands of students.**
UC educates almost 250,000 undergraduate and graduate students and is the state's primary awarder of doctoral and professional degrees. Undergraduate tuition and fees averaged \$12,240 in the 2015–16 academic year, and each campus also charges an average of \$1,211 in mandatory fees. The UC is highly selective: only the top eighth of high school graduates are eligible for admission.
- **The California State University is the largest university system in the nation.**
CSU provides undergraduate and graduate instruction to approximately 360,000 students on its 23 campuses. The vast majority of students are undergraduates, but CSU awards master's and doctoral degrees in a few professional fields—and it trains a majority of the state's K–12 teachers. CSU awards more bachelor's degrees than any other segment of higher education in California. Tuition and fees averaged \$5,472 in the 2014–15 fiscal year, and local campus fees averaged about \$1,000. The top third of high school graduates are eligible for admission to CSU. The CSU system is governed by a 25-member board of trustees; most are appointed by the governor and confirmed by the senate.
- **The California Community Colleges constitute the nation's largest higher education system.**
The state's community colleges enroll 2.1 million students (about 900,000 on a full-time equivalent basis) at 113 colleges that are organized into 72 districts. In 2013–14, the community colleges awarded more than 60,000 certificates; 107,000 associate degrees; and transferred more than 105,000 students to four-year institutions. Compared to other states, California relies more heavily on community colleges and less on four-year institutions—the state ranks fifth nationwide in the share of recent high school graduates who enroll in community colleges and 47th in the share who start at four-year schools.
- **The community colleges have multiple missions and a distinct governing structure.**
California's community colleges offer lower-division academic courses for students interested in transferring to four-year colleges; career technical education and vocational certificates; adult basic education, including English language courses for non-native speakers; and enrichment courses for members of the community. Average annual tuition for full-time students is about \$1,100, but many students qualify for full fee waivers. The system is governed by a 17-member board of governors appointed by the governor of California. A locally elected board of trustees appoints campus presidents and oversees the operation and budgets of the colleges in each district.

California's private institutions vary widely in size, selectivity, and mission

- **Private nonprofit colleges range from large research institutions to small liberal arts colleges.**
California's largest private nonprofit, the University of Southern California, enrolls more than 15,000 undergraduates. In contrast, at several private nonprofits there are fewer than 500 undergraduates. Graduate students make up a relatively high share of enrollment at private nonprofits. Three private nonprofits—Stanford, the University of Southern California, and the California Institute of Technology—are AAU members. Private nonprofit colleges are independent and most are governed by a board of trustees. Many belong to the Association of Independent California Colleges and Universities.
- **Private for-profit colleges serve large numbers of students . . .**
For-profit colleges award more than 60 percent of certificates in California. After years of rapid growth, enrollment at private for-profit colleges is beginning to decline. The largest for-profit educational institutions currently operating in California are the University of Phoenix, the Art Institute of California, Academy of Art University, and the Marinello Schools of Beauty; each enrolls more than 10,000 full-time students.

- . . . but there are growing concerns about cost and quality.

Private for-profit colleges account for a disproportionate share of student debt and loan defaults. Controversies over the cost and quality of the training offered by private for-profits have led to greater oversight. In 2015, one of the largest private for-profit colleges (Heald College and its parent, Corinthian Colleges) ceased operations after investigations by the federal government and by attorneys general in several states, including California.

Higher education in California is regulated by many agencies and organizations

Because California does not have a higher education coordinating body, its colleges and universities are governed by a mix of government and independent entities. As a result, the state has trouble setting goals and coordinating its many systems.

- **The California Student Aid Commission oversees state financial aid expenditures.**
The California Student Aid Commission administers financial aid programs for California residents attending public and private universities, colleges, and vocational schools in the state. The Cal Grant program, one of the largest in the country, awards \$2 billion annually to students who meet academic and need-based criteria. Most of the awards cover tuition for low-income students at UC and CSU. There are 15 commissioners, most of whom serve four-year terms—11 are appointed by the governor and two each are appointed by the chair of the Senate Rules Committee and the Speaker of the Assembly.
- **The United States Department of Education provides financial aid and collects data on student outcomes.**
The US Department of Education administers federal financial aid programs, including grants and subsidized student loans. Like many other states, California uses the department’s Free Application for Federal Student Aid (FAFSA) to determine eligibility for its own grant and loan programs. The department collects and publishes data on thousands of higher education institutions across the country, including student outcomes such as graduation rates and student debt. This data helps the department evaluate higher education institutions. It also helps parents and students make college choices.
- **Accreditation agencies provide independent oversight of higher education institutions.**
Students cannot receive federal or state financial aid to attend higher education institutions that are not accredited by one of several independent agencies. California’s primary accreditor is the Western Association of Schools and Colleges (WASC). The Accrediting Commission for Community and Junior Colleges—a division of WASC—handles accreditation for two-year colleges (that role is being challenged by the California Community College Chancellor’s Office). In general, these agencies use a peer review process to evaluate the quality of higher education institutions.
- **The Bureau for Private Postsecondary Education oversees the state’s private vocational institutions.**
California’s Bureau for Private Postsecondary Education (BPPE) is a state consumer protection agency that provides oversight and limited regulation of California’s private vocational postsecondary educational institutions. BPPE monitors and attempts to resolve consumer complaints, evaluates educational quality, and provides licenses to operate.

Looking ahead

In the absence of a higher education coordinating agency, how can California coordinate and regulate its higher education system? Policymakers need to find a way to set overarching, long-term goals and devise strategies to achieve them. They also need to identify the most effective ways to hold institutions accountable to students and to the state.

The state needs to set new goals for its higher education system. California has not updated many of its goals for higher education since the Master Plan was adopted more than 50 years ago, and it has no overarching plan for higher education that is consistent with 21st-century realities. Identifying new goals—including eligibility for UC and CSU, transfer from community colleges to four-year colleges, and ensuring that college is affordable for all students—is essential if we are to measure our progress toward a shared vision for the state’s future.

Funding decisions should be tied to increasing the number of college graduates. The state could encourage more students to go to four-year colleges by providing more funding for enrollment growth at UC and CSU, and by providing

more Cal Grant support for students to attend private nonprofit colleges. At the California Community Colleges, the state should consider fiscal incentives to increase high-demand vocational programs and improve transfer pathways to four-year colleges.

Higher education institutions should work with each other and with the state's K–12 system. To improve student outcomes, special attention must be paid to transition points between high school and postsecondary education, and between two-year and four-year institutions. The actions of the segments—and individual campuses within those segments—are interdependent. Policymakers and higher education authorities should look to strengthen critical mechanisms of coordination between segments, including transfer processes, as well as data collection and sharing.

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