

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



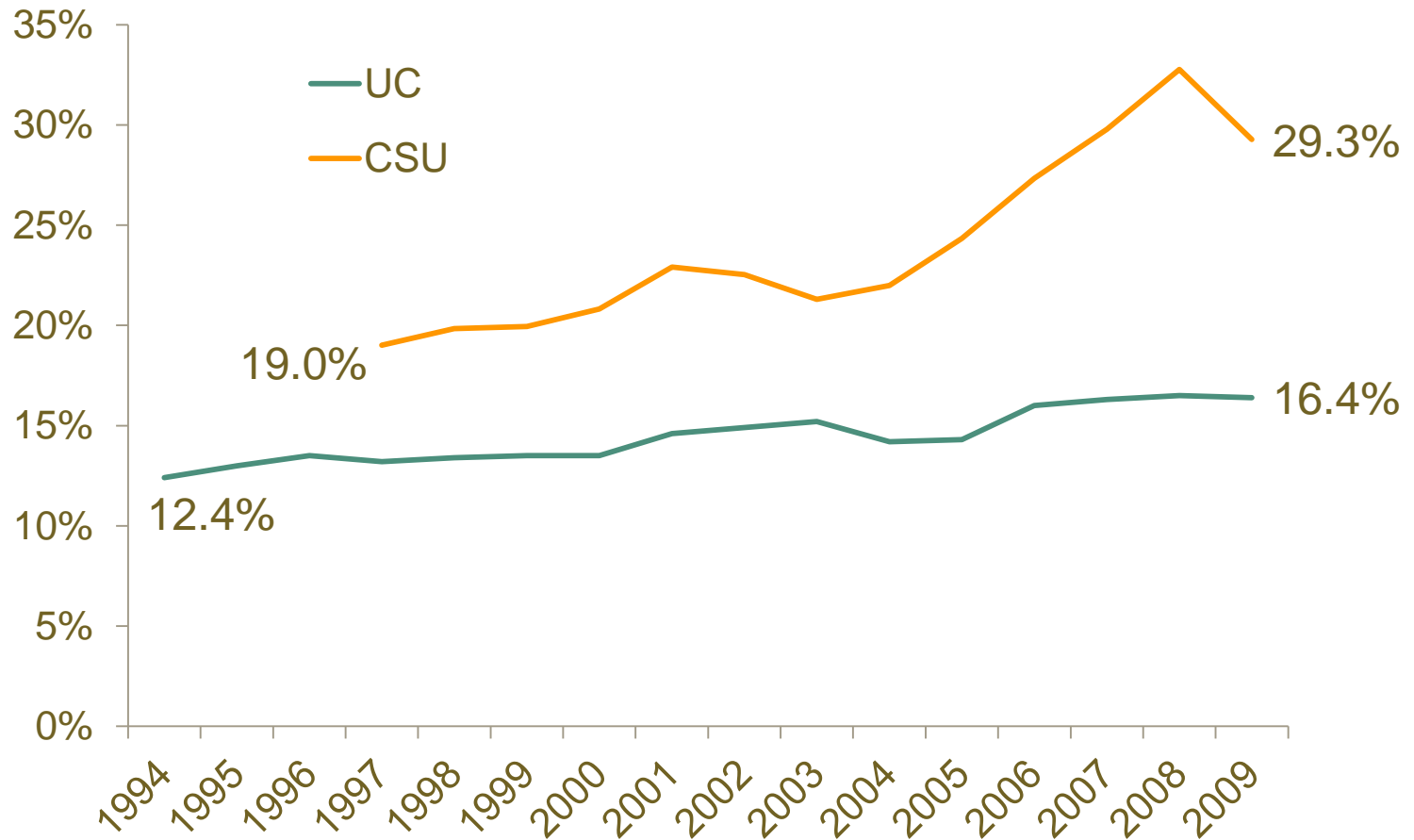
...But California Needs More College Graduates

- 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



We Focus on Recent High School Graduates

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



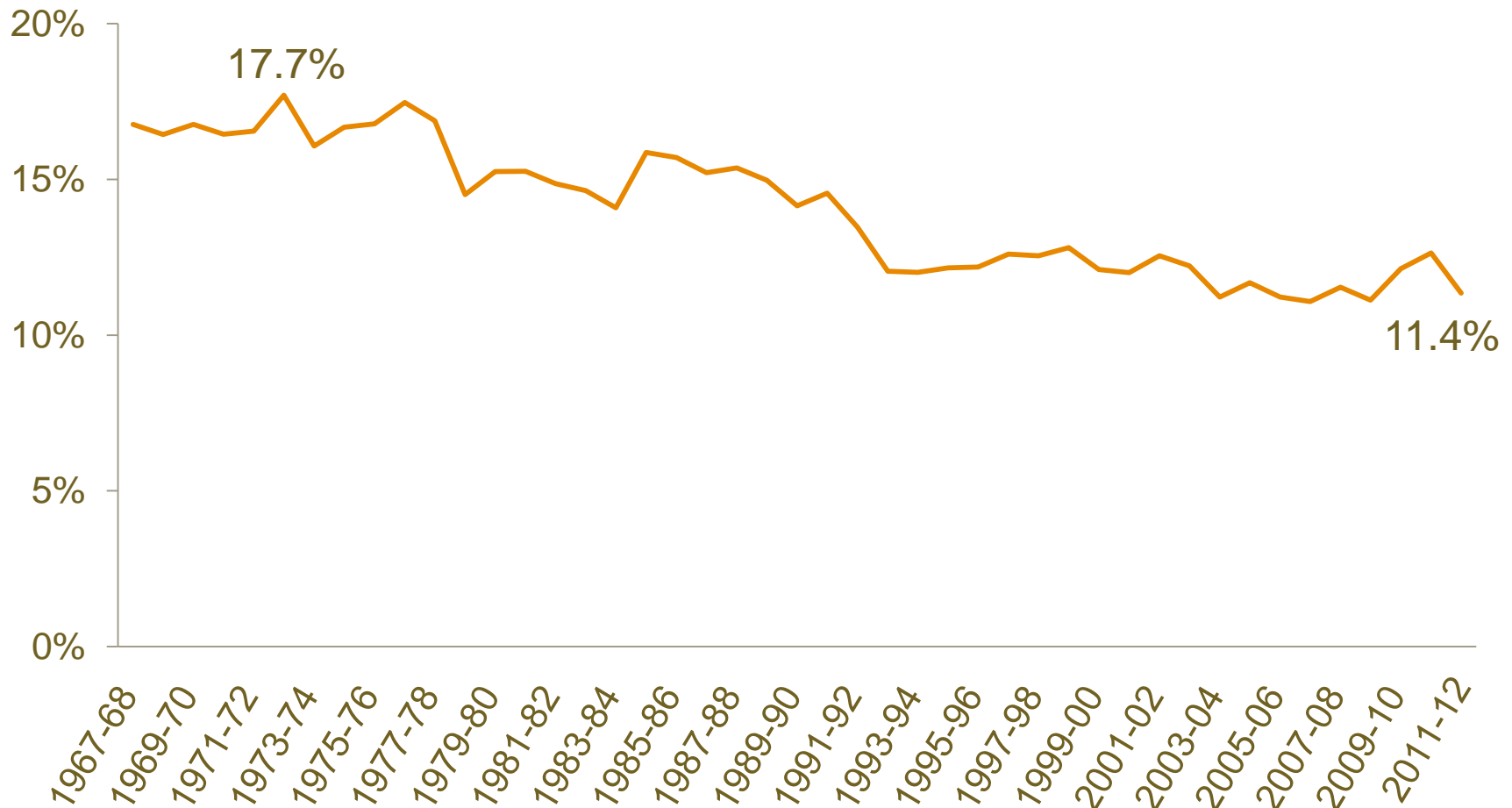
Outline

- Higher education funding
- Responses of public colleges
- Changes in enrollment
- Implications for California



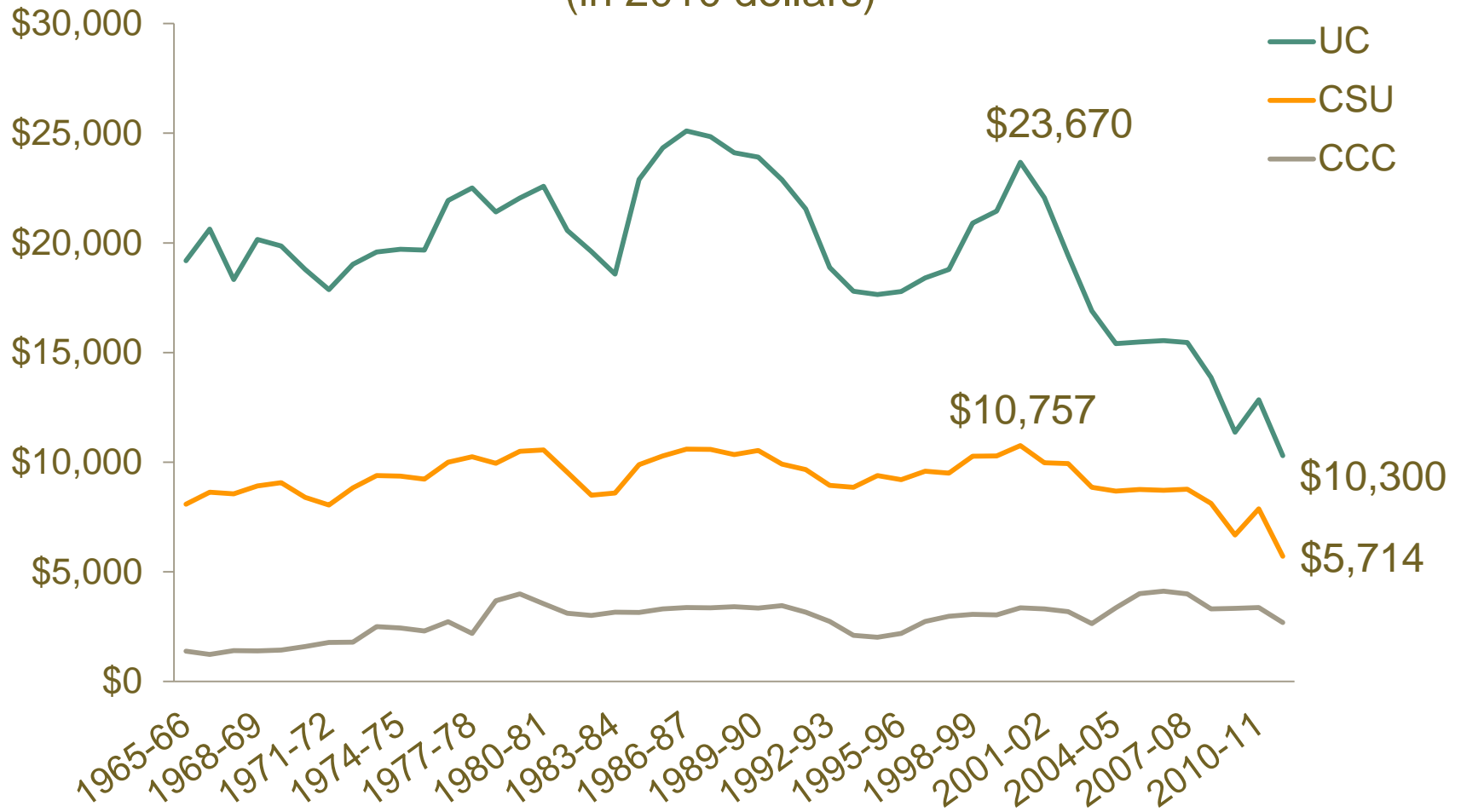
State Funding for Higher Education Has Declined

Higher education funding as a share of all general fund expenditures

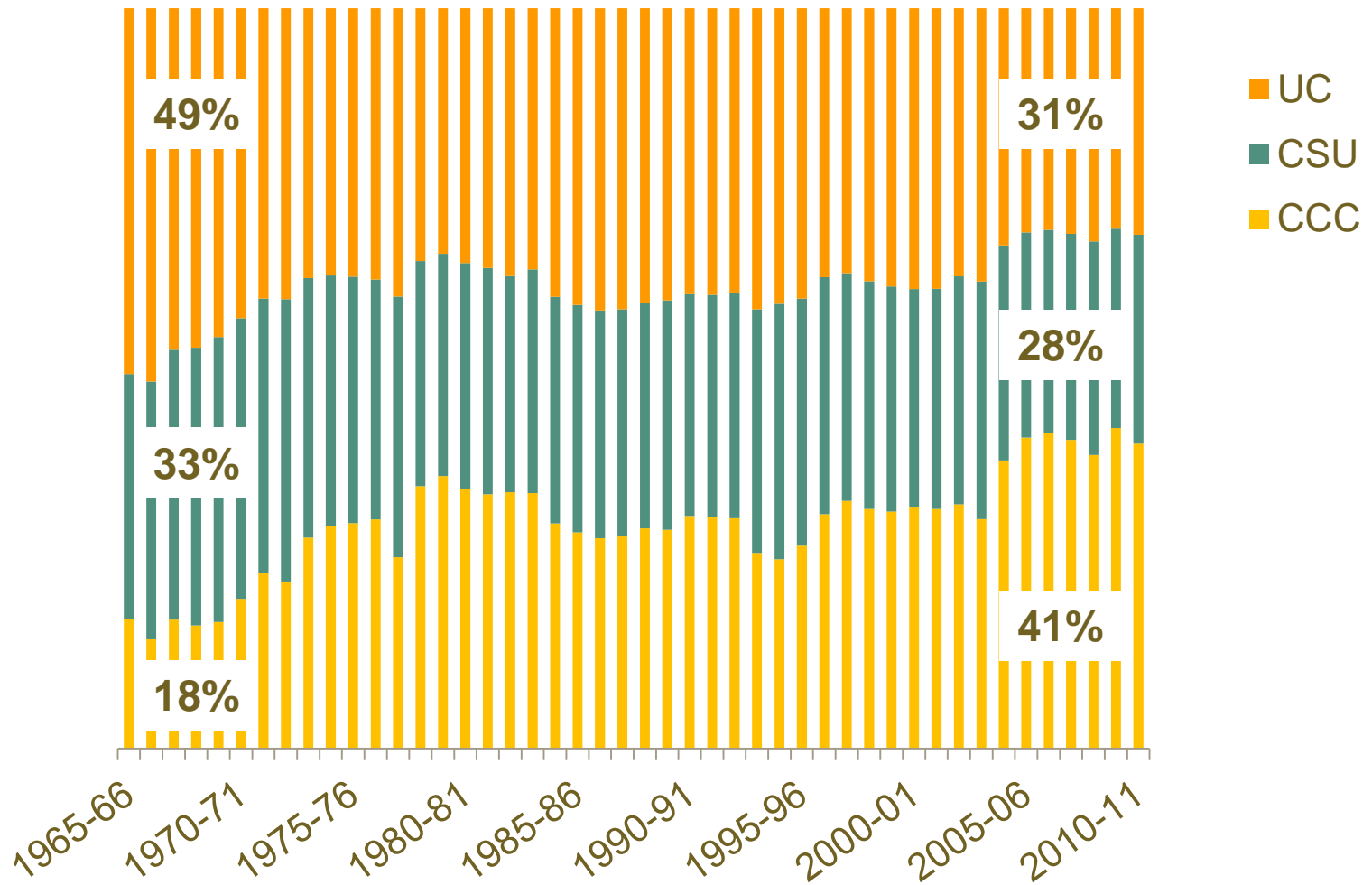


State Funding Per Student Has Declined Sharply at UC and CSU

General Fund Appropriations per FTE Student
(in 2010 dollars)



Largest Share of Higher Ed Funds Now Go to Community College



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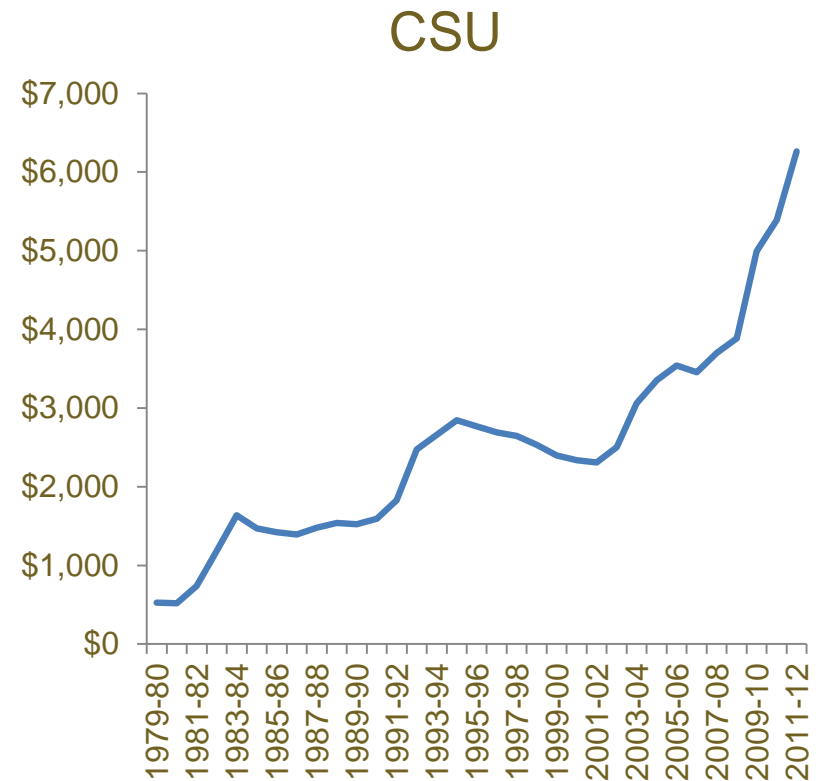
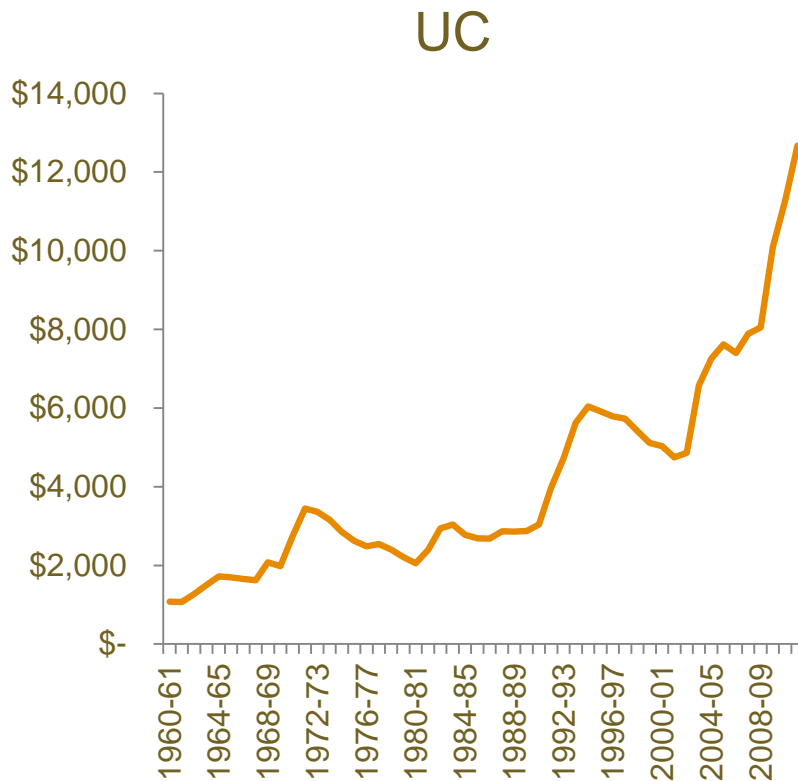
Colleges Have Reduced Expenses and Raised Tuition

- Cut staff, courses, services
- Increased tuition and fees
- Engaged in enrollment management



Tuition Increases Have Been Dramatic...

Tuition and Fees



...And Larger Than in Other States

UC

	Tuition and fees 2007–08	Tuition and fees 2010–11	Change
Average for UC campuses	\$7,533	\$11,305	50%
Comparison campuses	\$6,899	\$ 8,526	24%

CSU

	Tuition and fees 2007–08	Tuition and fees 2010–11	Change
Average for CSU campuses	\$3,494	\$5,139	47%
Comparison campuses	\$5,656	\$6,708	19%



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”

Impacted

San Diego State

Long Beach State

San Francisco State

Sacramento State

Not impacted

Cal State Channel Islands

Cal State Dominguez Hills

Humboldt State

Cal State Stanislaus

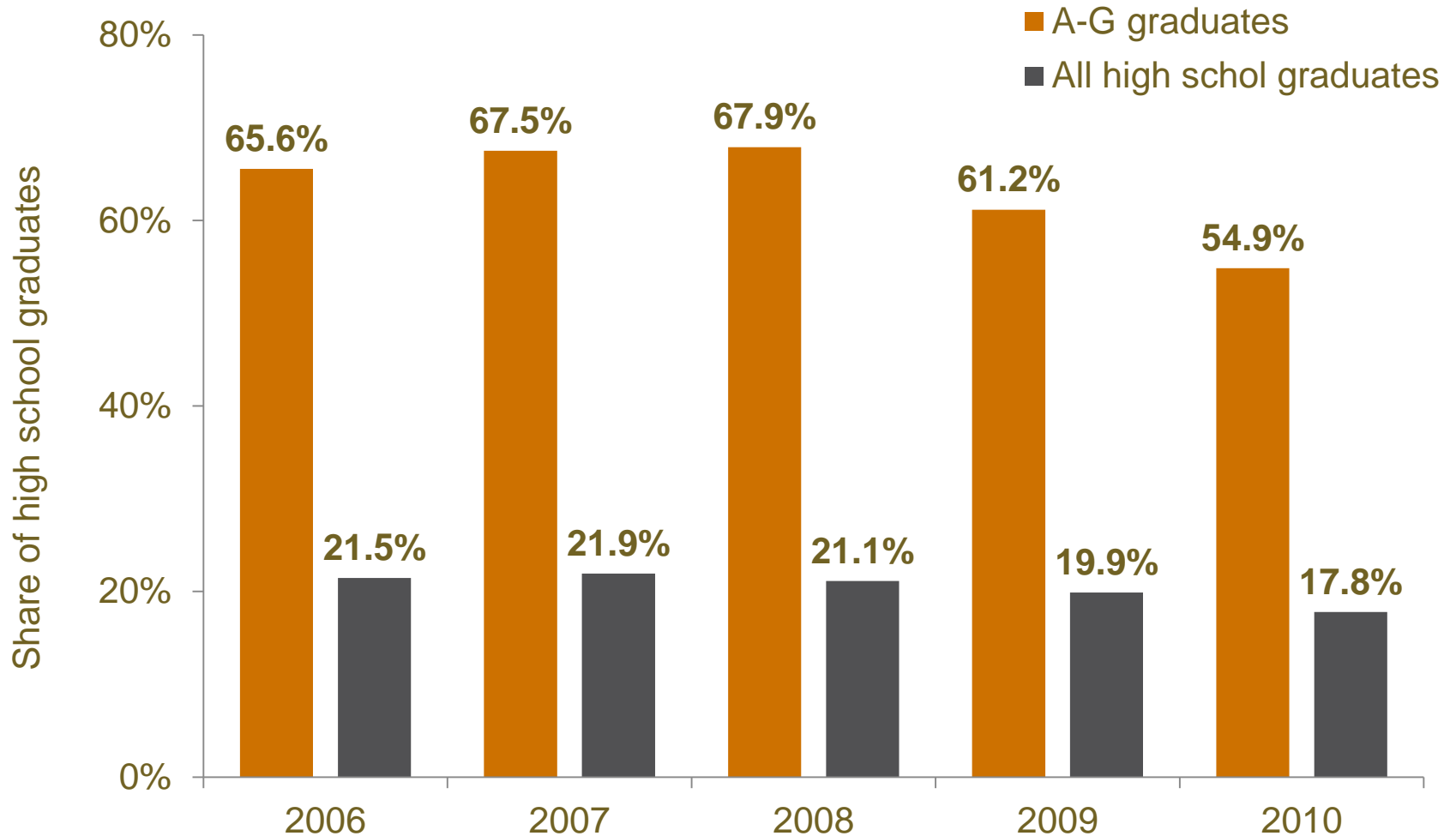


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Enrollment Rates Have Declined



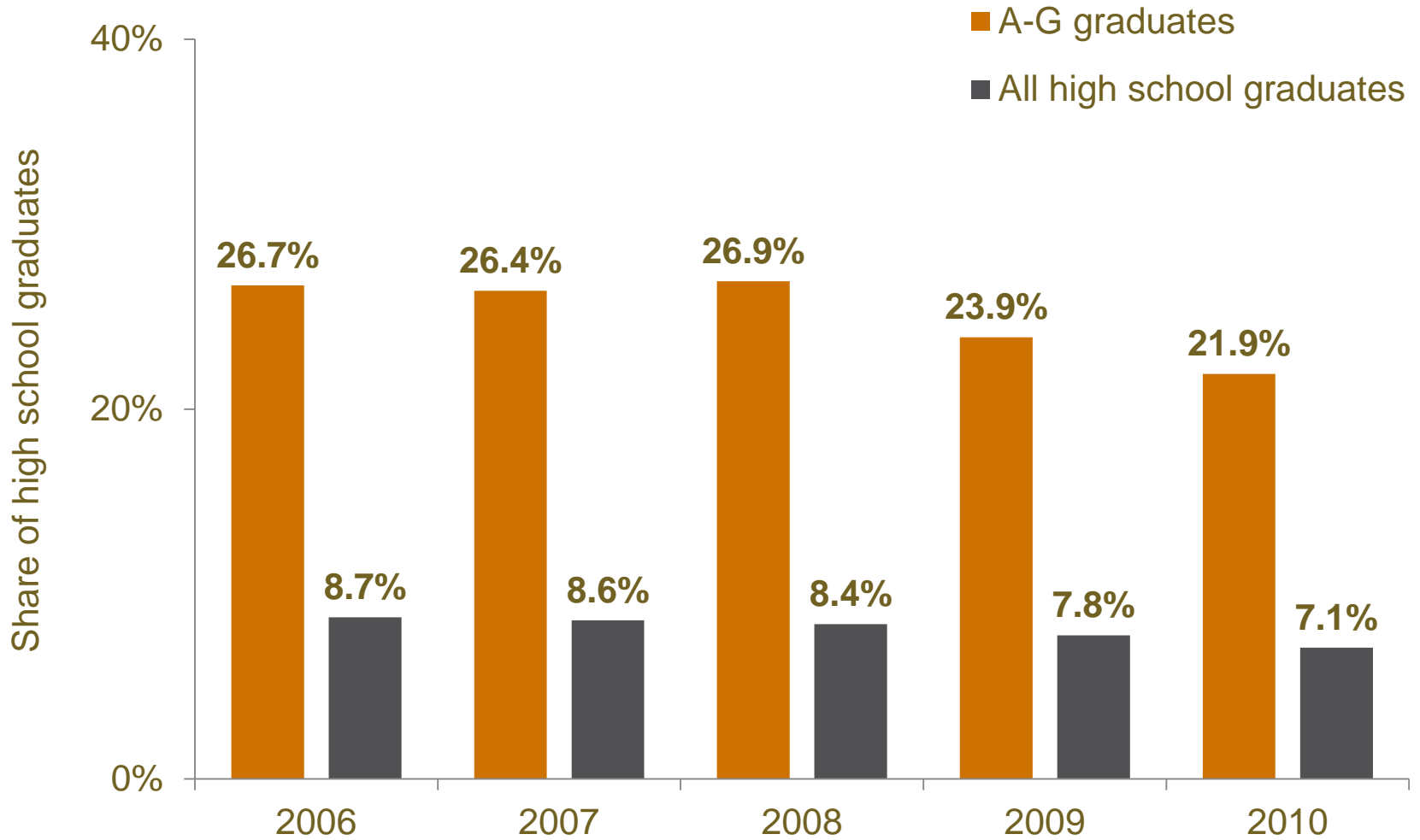
Declines Have Occurred in All Ethnic Groups

Enrollment rates of recent high school graduates to UC or CSU

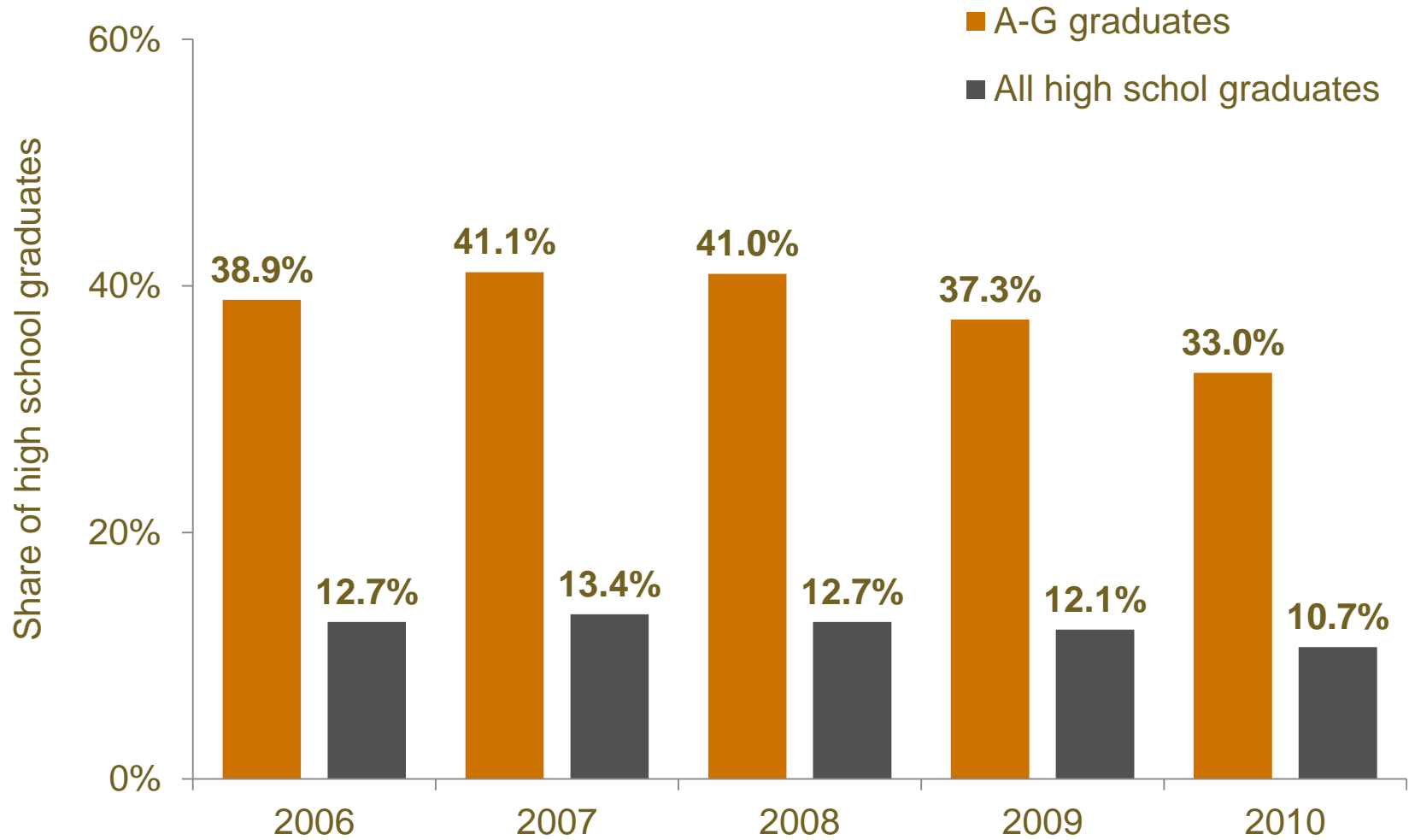
	Latino	White	Asian	African American
2007	15.9%	20.3%	44.8%	19.7%
2008	15.8%	19.9%	42.0%	19.3%
2009	15.3%	18.6%	38.6%	15.7%
2010	14.2%	16.9%	37.7%	13.7%



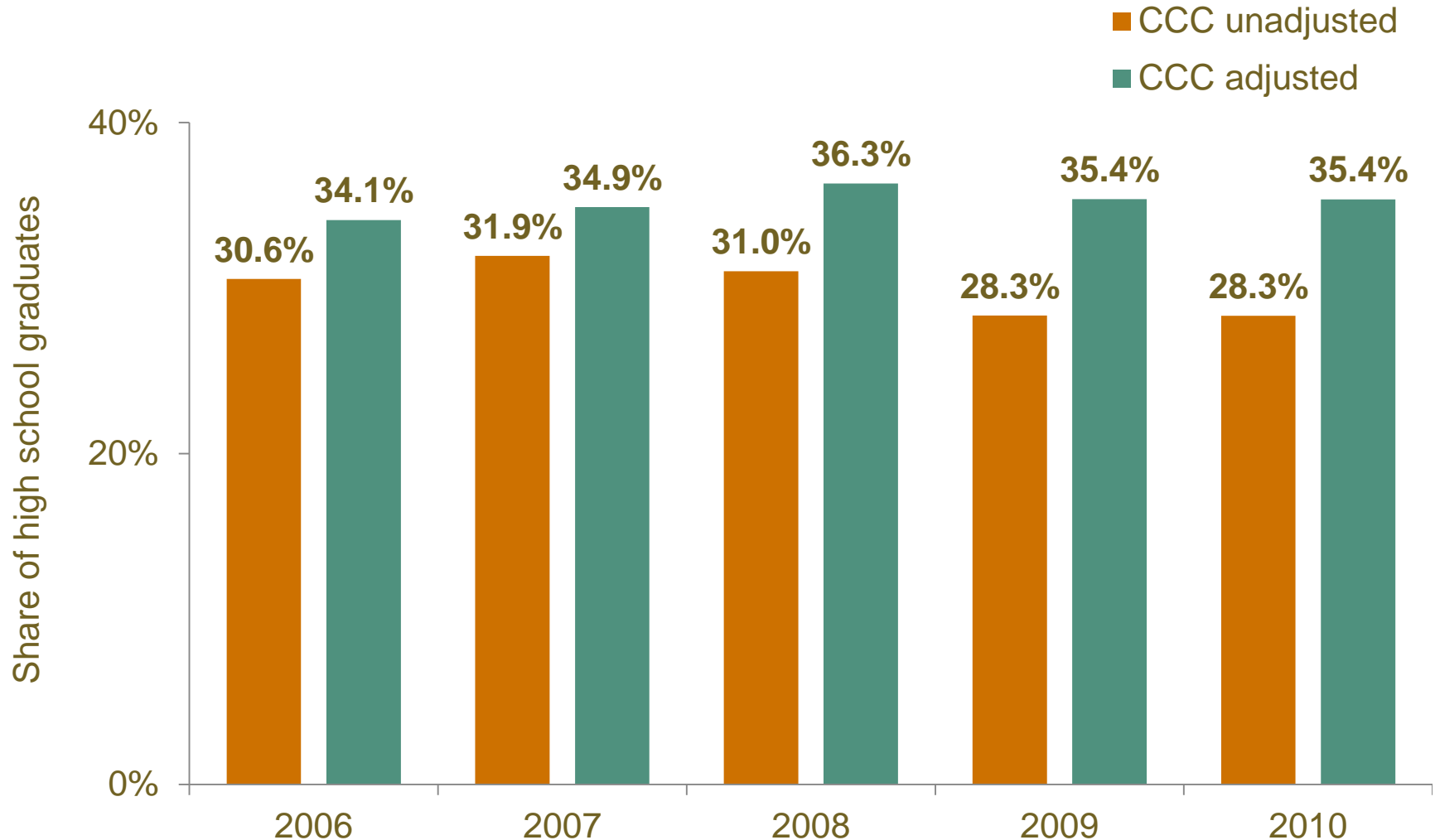
Declines Have Occurred at UC...



...And at CSU



Slight Increase at CCCs Does Not Make Up for These Declines



Where Are They Going?

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



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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



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Notes on the use of these slides

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Thank you for your interest in this work.

