California’s Higher Education System

California’s system is the largest—and among the most diverse—in the nation

California’s higher education system has 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 160 for-profit institutions. In total, the state’s colleges and universities enroll almost three million students from a wide range of backgrounds. An additional 170 private for-profit trade schools (postsecondary institutions that award vocational certificates but do not offer degrees) enroll about 30,000 students.

Eight out of every ten college students in California attend a public institution—and more than half are enrolled in the community college system. Even so, the share attending private schools is sizeable. Indeed, private nonprofit colleges enroll slightly more students than the University of California. Enrollment in private for-profit colleges has been declining after increasing sharply for many years.

Unlike most other states, California has not had a coordinating body for higher education over the past several decades. This has made goal setting, oversight, and coordination more challenging. The structure and principles established almost 60 years ago by the Master Plan for Higher Education remain largely unchanged. The Master Plan allowed the state’s public system 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. Current discussions and recent legislative efforts are moving the state toward reestablishing a higher education authority.

MOST CALIFORNIA STUDENTS ATTEND PUBLIC INSTITUTIONS

- California Community Colleges: 54%
- California State University: 18%
- University of California: 10%
- Private nonprofit: 12%
- Private for-profit: 6%

2.7 million students

SOURCE: Integrated Postsecondary Education Data System (IPEDS).
NOTE: Enrollment is for students at colleges that offer at least an associate degree as of fall 2017 (the most recent year of available data for private colleges).

California’s public institutions have distinct missions

- The University of California is the state’s primary academic research institution. UC has ten major campuses, five medical centers, and three national laboratories. In 2016–17, externally funded research expenditures totaled $4.6 billion at UC, with almost half coming from federal agencies. The National Institutes of Health (NIH) and the National Science Foundation (NSF) provided nearly three-quarters of UC’s
federal support. 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. The UC system, which is constitutionally independent of the state, is governed by a 26-member board of regents.

• **UC educates hundreds of thousands of students.**
UC educates more than 280,000 undergraduate and graduate students and employs about 228,000 faculty and staff. It is the state’s primary awarder of doctoral and professional degrees. UC’s undergraduate admission framework is highly selective: only the top eighth of California’s high school graduates are eligible. In-state undergraduate tuition and fees were $12,570 in the 2019–20 academic year. Each campus charges an additional mandatory local fee, which averages around $1,500.

• **The California State University is the largest university system in the nation.**
CSU provides undergraduate and graduate instruction to approximately 474,600 students on its 23 campuses and employs about 50,000 faculty and staff. The vast majority of CSU students are undergraduates—the top third of California’s high school graduates are eligible for admission—and CSU awards more bachelor’s degrees than any other segment of higher education in California (about 105,000 in 2017–18). But CSU also awards master’s and doctoral degrees in a few professional fields—and trains a majority of the state’s K–12 teachers. In-state undergraduate tuition and fees were $5,742 in the 2019–20 fiscal year, and local campus fees ranged from less than $1,000 at Fresno State to about $4,000 at Cal Poly San Luis Obispo. 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 are 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 114 colleges that are organized into 72 districts. In 2017–18, the community colleges awarded about 160,000 associate degrees, 78,000 credit certificates, and 18,000 noncredit certificates; more than 103,000 students transferred to four-year institutions. In Fall 2019, California’s 115th and first fully online community college will begin enrolling students into pilot vocational programs. Average annual tuition for full-time students is $1,104, but many students qualify for full fee waivers. The system is governed by a 17-member board of governors appointed by the governor. A locally elected board of trustees appoints campus presidents and oversees the operation and budgets of the colleges in each district.

• **The community colleges have multiple missions.**
California’s community colleges offer lower-division academic courses for students interested in transferring to four-year colleges; career education and vocational certificates; adult basic education, including English-language courses for nonnative speakers; and enrichment courses for members of the community. California’s high school graduates are more likely to attend community colleges than their peers in other states—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. In 2015, 15 bachelor’s degree pilot programs were approved, offering some community college students the opportunity to earn four-year degrees in applied fields such as dental hygiene, respiratory care, and mortuary science.

**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 about 44,000 students, while there are dozens of private nonprofits with fewer than 500 students. Graduate students make up a relatively high share of enrollment at private nonprofits. Most private nonprofit colleges are governed by boards of trustees. Many belong to the Association of Independent California Colleges and Universities. Three private nonprofits—Stanford, the University of Southern California, and the California Institute of Technology—are AAU members.

• **Private for-profits enroll large numbers of students ...**
For-profit colleges award a large share of certificates in California. After years of growth, enrollment at private for-profit colleges is beginning to decline. The largest for-profit educational institutions currently operating in California are Ashford University (with about 92,000 students, most part-time, in 2016–17), the University of Phoenix (17,000 students), and the Academy of Art University (16,000 students).
• ... and there are persistent 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 California. 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. The federal government has recently stepped back from regulations that could have cut off access to federal funding for some for-profit colleges.

California's higher education oversight is fractured

Because California does not have a higher education coordinating body, its colleges and universities are governed by a mix of government and independent entities. This makes it difficult for the state to set goals and coordinate its many systems. In other states, higher education coordinating bodies can facilitate the effective use of student-level longitudinal data to assess student progress from high school to college and career.

• The California Student Aid Commission oversees state financial aid expenditures.
  The California Student Aid Commission (CSAC) 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 grant aid providers in the country, awards about $2 billion annually to students who meet academic and need-based criteria. For the most part, Cal Grants cover tuition for low-income students at UC and CSU. There are 15 CSAC commissioners, most of whom serve four-year terms—11 are appointed by the governor, and the chair of the Senate Rules Committee and the Speaker of the Assembly each appoint 2.

• The US Department of Education provides financial aid and collects data on student outcomes.
  The US Department of Education administers federal financial aid programs that provide 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 descriptive summary-level data on thousands of higher education institutions across the country, including measures 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.
  Students receive federal or state financial aid to attend higher education institutions that are 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—though it is being challenged by the California Community College Chancellor’s Office. In general, these agencies evaluate the quality of higher education institutions through a peer review process.

• The Bureau for Private Postsecondary Education oversees private vocational institutions.
  California’s Bureau for Private Postsecondary Education (BPPE) is a state consumer protection agency that provides oversight and limited regulation. BPPE monitors and attempts to resolve consumer complaints, reviews educational programs, and provides operating licenses.

Looking ahead

Policymakers need to set overarching, long-term goals for higher education 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 almost 60 years ago, and it has no comprehensive plan for higher education that is consistent with 21st-century realities. There have been signs of progress—for example, the California Community Colleges and CSU recently adopted ambitious new goals to improve graduation rates, and the state has worked with UC and CSU to outline ways to increase the number of college graduates. Setting measurable goals—such as expanding eligibility for UC and CSU, increasing transfers from community colleges to four-year colleges, and ensuring that college is affordable for all students—is essential to a shared vision of the state’s future.
**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 transitions between high school and postsecondary education, and between two-year and four-year institutions. Policymakers and higher education authorities should strengthen critical mechanisms of coordination among these segments, including preparation for college in high school, dual enrollment, transitions to college, and transfer processes for community college students seeking to enroll in four-year colleges. The Associate Degree for Transfer program is a step in the right direction, but should be broadened to include more majors and more campuses.

**California is set to develop a statewide longitudinal data system.** The governor and legislature are actively working to create a data system, and California’s educational sectors have voiced support. Recently signed legislation will create a working group to answer critical questions about content, privacy, access, use, and governance. An integrated student data system can answer important questions about the educational pipeline and the impact of education on work and earnings. Such a system can also encourage stronger collaborations among institutions to improve student outcomes.