

From Master Plan to Mediocrity: Higher Education Performance & Policy in California

Executive Summary

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Overview

As pioneered by the 1960 Master Plan, California's public system of higher education was the envy of the nation for over 30 years. Its three-part system—consisting of California Community Colleges (CCC), California State University (CSU), and the prestigious University of California (UC)—was designed to ensure college access for all Californians as well as to promote excellence in research.

But California's public education system has not kept pace with economic changes. Only 38.8% of adults over 25 years of age had an associate's degree or higher in 2012, placing California 23rd in the nation in degree attainment. Deep cuts in state funding and the lack of a long-term, viable finance policy for higher education, as well as political indifference about higher education policy, have forced California's public colleges and universities to reduce enrollment, staff, faculty, and student services while increasing tuition and fees.

If current trends continue, the state will experience severe shortfalls in the number of people with the workforce certificates and degrees needed to ensure prosperity and social mobility for the majority of Californians.

Mediocre Performance in Several Key Areas

California continues to boast the lowest priced public higher education system in the nation, but a marked decline in affordability—as well as persistent disparities in college preparation, participation, and completion by race, ethnicity, and income—is worrisome. Here is a brief summary of how the state fares in various performance areas:

- **Preparation:** California has shown signs of improvement in college preparation. More 8th graders achieved minimum proficiency levels on national reading and math assessments in 2013 than they did in 2000, but the numbers are still unacceptably low (27% were proficient in math, 29% in reading)
- **Participation:** Participation rates have improved overall since the 1990s, but the Great Recession took a serious toll on the number of students entering college. The college-going rate was below the national average in 2010 and had declined from 2008 levels.
- **Affordability:** While family income in California has shrunk, the sticker price for college has risen sharply. Since 2007-2008 tuition and fees increased 84% at UC and 85% at CSU. During this same period, fees more than doubled at CCC, but the cost of attending a two-year public college in California remains the lowest in the nation.
- **Completion:** Degree completion is above the national average in the UC system, but completion rates in community colleges and CSU campuses are well below national averages.
- **Research:** UC institutions consistently rank among the nation's top research universities, but data suggest that UC protected research *at the expense of* instruction and public service during the economic recession.
- **Equity:** Substantial differences by racial and ethnic background persist in virtually all performance areas, with Black and Hispanic students faring the worst. There are also significant gaps in performance across geographic regions.

What's Behind the Decline?

Three themes drive the mediocre, and in some cases declining, higher education performance in California:

- A complex political environment and political indifference, which has led to a lack of statewide higher education policy leadership.
 - California's ballot initiative process increasingly hinders the ability of state leaders to engage in long-term policies decoupled from a particular initiative, political campaign, or gubernatorial administration.
 - Each segment (UC, USC, and CCC) creates individualized policies rather than policies that support increasing educational attainment to meet the state's overall current and future economic needs.
- The absence of a coordinated statewide finance policy, which undermines chances of improving degree attainment rates and threatens affordability.
 - State appropriations, tuition, and financial aid are established separately with no consideration as to how they align with statewide policies.
 - Appropriations are not tied to the performance of the segments and, in the case of CSU and UC, are largely determined through annual compacts with the governor.
 - Despite increased efforts to provide state financial aid to college students, such aid does not meet students' needs.
- Inadequate attention to educational transition points between high school and postsecondary education and between two- and four-year institutions, which is an obstacle to increasing higher education attainment in the state.
 - K-12 curriculum is not aligned with training and education programs beyond high school.
 - Despite recent efforts to streamline transfer from CCC to CSU, the transition from community college to the other two segments remains unnecessarily difficult for students.
 - There are insufficient incentives for providing career-technical educational pathways.

These findings illustrate the persistent absence of long-term state policy leadership and a persistent reliance on short-term political fixes to address higher education—a stark contrast to state leadership from the 1960s to through the 1980s.

The Litmus Test for Any Fix

Several recent reports have recommended policies for improving California's higher education performance, including replacing the three-segment system with a regional structure. Although specific policy recommendations are beyond the scope of our report, the litmus test for any proposal should be its ability to address the three themes that we identify as driving the decline. In particular, the political and fiscal arenas must change for higher education in the state to adequately serve the needs of all Californians.