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CALIFORNIA’S HIGHER EDUCATION SYSTEM: TOO BIG TO FAIL, BUT FAILING ANYWAY?

Expansive New Penn GSE report provides litmus test for any proposed fix to the ailing system

Philadelphia, PA, April 29, 2014 — California’s public system of higher education is rudderless, with a vortex of political, economic, and demographic forces threatening its ability to meet the state’s future economic and civic needs. With the world’s 12th-largest economy and 14 percent of all enrolled undergraduates in the nation, California and its higher education system have an impact far beyond state borders. As the urgency for addressing the many problems plaguing the once-heralded system grows, so too does the list of remedies offered by business and policy groups in the state.

But will any of the proposed solutions actually work?

From Master Plan to Mediocrity: Higher Education Performance and Policy in California provides a litmus test for any recommended fix, while also exposing the many factors contributing to the unstable system. The report was issued today by Penn GSE’s [Institute for Research on Higher Education](#) (IHRE).

Led by Penn GSE professor [Joni E. Finney](#), who pioneered Measuring Up, the nation’s first report card on higher education, the research team identifies themes that emerged in the 1990s that have set the state’s three-part system of colleges and universities adrift, among them a persistent absence of long-term state policy leadership and a persistent reliance on short-term political fixes to address higher education. This situation is in stark contrast to the 1960s through the 1980s—when the system was the envy of the nation and state leaders provided clear and appropriate guidance, through a Master Plan that was well suited for the 20th century.

Since the 1990s, California’s public education system has not kept pace with economic and demographic 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 necessary to ensure prosperity and social mobility for the majority of Californians. But the problem reaches beyond state lines. “*Because of the outsized role that California plays in the nation’s economy and in*

educating the nation's college students," says Finney, "you could say that the system is too big to fail."

For any remedy to address the needs of the state's increasingly diverse population and the economic sector's growing need for a highly educated workforce, it must attend to the following issues:

- A complex political environment and political indifference, which has led to a lack of statewide higher education policy leadership. For example:
 - 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 higher education segment—the University of California (UC) system, the California State University (CSU) system, and California Community Colleges (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. For example:
 - State appropriations, tuition, and financial aid are established separately with no consideration as to their effect on certificate and degree attainment for Californians.
 - Appropriations are not tied to the performance of the segments and, in the case of CSU and UC, are largely determined through annual agreements with the governor.
 - Despite increased efforts to provide state financial aid to college students, such aid does not come close to meeting students' needs.
- Inadequate pipelines between high schools and postsecondary institutions and between two- and four-year institutions, which create obstacles to increasing higher education attainment in the state. For example:
 - K-12 curriculum is largely 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.

"The research team purposely remained agnostic about specific solutions," says Finney, "because our goal is for the report to serve as a tool—a litmus test, so to speak—that state leaders can use to evaluate any recommendation, including those recently issued by various California business and policy groups. Ultimately, the responsibility for the future health of California's public colleges and universities rests squarely with the governor and legislature. The stakes are high, but continued indifference will come at a great cost to the state and the nation."

About Penn GSE

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