

Assembly Select Committee on the
Master Plan for Higher Education in California

Keeping the Promise

A review of the Master Plan and
California's higher education system

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I would also like to thank the 2017-2018 members of the Select Committee (Assemblymembers Joaquin Arambula, Catherine Baker, Autumn Burke, Phillip Chen, Susan Eggman, Jacqui Irwin, Kevin Kiley, Evan Low, Jose Medina, and Shirley Weber) who joined me in a series of five Select Committee hearings throughout California during the first two years of the Select Committee—from Sacramento to San José, to Fresno, to Riverside, and back to Sacramento. I would particularly like to acknowledge and thank Assemblymember Jose Medina, the Chair of the Assembly Higher Education Committee, for attending all five hearings. My colleagues on the Select Committee have been invaluable to me as we have gone through this process and will prove invaluable over the coming years as the Select Committee continues our work.

I would like to personally thank all of the panelists who provided informative and engaging testimony at our hearings. These individuals included leaders of the community colleges, CSU, and UC; the Association of Independent California Colleges and Universities; the Legislative Analyst's Office; the California Student Aid Commission; higher education experts, the business community; workforce development practitioners; students; the Academic Senates; faculty; staff; union representatives; and researchers. I also would like to thank the hundreds of individuals who attended or watched the hearings and provided public comment.

A special thanks to San José State University, Fresno City College, and University of California, Riverside for hosting the Select Committee hearings on their campuses. It was crucial to have these higher education conversations at our institutions of learning.

Finally, I would like to thank my staff, Ellen Green and Elizabeth Schmitt, for their tireless work organizing the hearings and compiling this report.



Marc Berman
Assemblymember, 24th Assembly District
Chair, Select Committee on the Master Plan for Higher Education in California

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INTRODUCTION

In 1960, California made a promise to its students to provide accessible, affordable, and high quality higher education. To accomplish this, the state developed a visionary plan for the future of higher education, known as the Master Plan. This framework document outlined the state's goals for higher education and has guided policy since 1960. California's higher education system is envied and emulated throughout the nation, and is critically important to both the upward economic mobility of residents as well as the state's economic vitality as the 5th largest economy in the world. The state owes it to both current and future generations of students to make sure that the Master Plan evolves to meet the needs of today and tomorrow.

There have been legislative reviews of the Master Plan at various points over the past 60 years. Major reviews occurred in the early 1970s, late 1980s, and early 2000s. The most recent review by a legislative committee was conducted in 2010, coinciding with the 50th anniversary of the Master Plan. However, the substance of the plan remains largely the same.

Much has changed since 1960—population growth, increased student diversity, as well as the field of education itself. Technology is also advancing along with the rise of new industries. Both have altered student needs and boosted demand for higher education.

The Select Committee on the Master Plan for Higher Education in California was established in March 2017 to conduct a thorough legislative review to ensure the Master Plan reflects the current needs of students and responds to a host of issues never previously envisioned. The issues related to higher education are incredibly complex and the Select Committee is intended to be a multi-year endeavor. A thoughtful, deliberative, and long-term approach is necessary.

Over a two year period, the Select Committee convened five hearings throughout the state including in the Bay Area, Central Valley, and Southern California. The hearings focused on the following topics: an overview and status of higher education, California's workforce needs, the needs of students, the needs of faculty and staff, and an overview and status of higher education finance.

This report summarizes the testimony from the five hearings and highlights the first two years of the Select Committee's information gathering phase. The report also includes key findings that originated from testimony as well as policy themes. The findings and policy themes were not voted on by members of the Select Committee. The policy themes instead come from the panelists.

Now more than ever one fundamental truth is clear: California must keep its promise.

KEY FINDINGS

The following are key findings that highlight important takeaways that were discussed during the Select Committee's five hearings.

- **California's student population has changed significantly since 1960.** Seventy-nine percent of the traditional college age population (18-24 year olds) in 1960 was white. In comparison, in 2015, 69 percent were students of color. Today's student population also includes more non-traditional students, such as individuals who are older, working, or are parents. California's higher education institutions are now serving a more diverse student body, which leads to further equity considerations.
- **The transfer process is complex and difficult to navigate.** Many students attend community college with the hope of transferring to complete a bachelor's degree. However, the path from community college to four-year institution is often complex and confusing. The CSU and UC offer their own versions of admission guarantees and two different sets of lower- division, general education requirements for transfer students. Although a majority of community college students enroll with the goal of transferring, only 4 percent do so within two years and only 38 percent after six years. Transfer students will also take 6.4 years to secure a bachelor's at the UC and 7 years at the CSU, which results in an additional \$36,000 to \$38,000 in expenses for transfer students compared to students enrolling directly at a four-year institution.
- **California's higher education system faces a capacity challenge.** An increasing share of high school graduates are completing college preparatory coursework (36 percent in 2007, 43 percent in 2015). This has led to eligible students being turned away from four-year universities at a time when the economy is demanding more workers with bachelor's degrees. Capacity will be an ongoing issue, which relates to eligibility thresholds and enrollment.
- **California faces a shortage of highly educated workers.** Economic projections to 2030 show that about 40 percent of jobs will require at least a bachelor's degree, while demographic projections suggest only about 33 percent of Californians will have at least a bachelor's degree. To address this degree gap, California is projected to need 1.1 million more bachelor's degrees by 2030 than the state is on pace to achieve if current trends persist.

- **Students are increasingly shouldering the costs of their higher education.** While core spending per student has increased since 1960, the share of core funding that comes from state support has decreased and the share of funding that comes from tuition has increased. In 1965, student tuition and fees represented about 8 percent of core funds per full-time equivalent student at CSU and UC. In 2015, student tuition and fees represented 48 percent of core funds per full-time equivalent student at CSU and 57 percent of core funds per full-time equivalent student at UC. A portion of tuition revenue is covered by financial aid.
- **Students' total cost of attendance includes more than tuition.** The total cost of attendance includes living expenses, such as housing, food, textbooks, transportation, and health care. While community colleges have the lowest tuition in the country, and about half of all of California's public college and university students attend tuition free, the California Student Aid Commission estimates that for 2017-18, a full-time student living independently off-campus has over \$19,000 in costs beyond tuition. Financial aid for non-tuition costs is limited, which affects affordability.
- **Students are struggling to meet their basic needs.** California students face housing insecurity, including homelessness, and food insecurity at alarming rates. Some groups of students are disproportionately impacted by basic needs insecurity, including students of color, first-generation college students, and financial aid recipients. Housing and food insecurity as well as poor access to mental health services are barriers to academic success.
- **Faculty and staff are critical to meeting the needs of students.** Faculty and staff across higher education systems are on the front lines of improving student outcomes. Faculty recognize the benefits of diversity and are taking steps to increase faculty diversity to reflect the diversity of the student population. Faculty and staff are also seeking opportunities for professional development in order to support students.
- **Infrastructure at public institutions is aging.** There is an immense and pressing need to construct, renovate, and repair facilities as well as address deferred maintenance. Community colleges, the CSU, and the UC have estimated that they will need a combined \$47.2 billion to construct new facilities and modernize existing facilities in the next five years alone.
- **Revenue volatility leads to unpredictable funding for higher education institutions.** The state funds public higher education institutions through a boom-and-bust cycle that results in increasing General Fund support during robust economic times and declining or limited funding during difficult economic times. Consequently, funding is unpredictable and tuitions tend to increase during economic downturns.

- **Clearly defined statewide higher education goals are essential to adequately and strategically plan for the future.** Higher education encompasses complex systems that rely on multiple decision makers at various levels of authority. Statewide planning for higher education has been disjointed and ad hoc, lacking a clear, consistent, and coordinated vision. Existing law states the intent of the Legislature that budget and policy decisions regarding postsecondary education generally adhere to the goals of improving student access and success, better aligning degrees and credentials with the state's economic, workforce, and civic needs, and ensuring the effective and efficient use of resources in order to increase high-quality postsecondary educational outcomes and maintain affordability. Setting clear and measurable goals across the entire higher education system would lead to policies and strategies that adequately plan for the future and manage resources to advance student success.

POLICY THEMES

The following are policy themes that emerged across panelists' testimony during the Select Committee's five hearings.

Build on recent progress to streamline and improve the transfer process to make it easier for students to navigate. Recent reforms, such as the Associate Degree for Transfer and remedial education reform, have made important gains. Streamlining the transfer process is critical to increasing degree attainment and closing equity gaps. This can include developing methods and tools to help students better navigate their institution, continuing reforms to eliminate non-credit bearing remedial education, and improving student-centered academic advising on campuses. Improving the transfer process will also help close the degree gap. Coordination between the segments is critical to ensuring the transfer process works for students.

Eliminate equity gaps in California's higher education system. Disproportionate numbers of Latino, African American, and Pell or Promise Grant recipients at community colleges are placed into non-credit bearing remedial education courses, significantly affecting students' ability to attain a degree or transfer. Remedial education reforms are addressing this. Students of color and underrepresented students suffer from higher rates of food insecurity, housing insecurity, and homelessness. Low-income students and underrepresented students graduate at lower rates than their peers. Affordability challenges negatively impact students in several ways, such as rising student debt burdens and students' ability to get to college or through college in a timely manner, which has contributed to equity gaps in college access and completion. Research also shows that equity gaps are a problem of practice, not deficits in the abilities of students. A conversation about access must be paired with a conversation about equity to ensure that the benefits of higher education reach all students.

Close the workforce skills gap by improving degree completion. California could establish new policies and practices to enroll more students, especially in four-year colleges and universities, and ensure greater success of students already in college. Improving access and success among groups historically underrepresented in higher education, including low-income students, first-generation college students, Latinos, and African Americans is essential. Campuses have already made substantial progress and set ambitious goals to close the gap. For example, CSU campuses have embarked on a very ambitious graduation initiative to improve completion rates, and the community colleges have a new vision for success that if realized, would increase the number of transfer students to UC and CSU by 35 percent over the next five years.

Address statewide and regional workforce needs. California’s higher education systems could be much more integrated with the state’s workforce system to ensure the state is developing talent in the fields that are growing in the varied regional economies. The state could identify clear statewide and regional workforce goals for the segments to accomplish as well as consider aligning course curricula with economic needs. It may also be beneficial to inform students about labor market opportunities as they make choices about courses of study to pursue. To meet immediate workforce needs, the state could consider re-engaging adults with some college and no degree.

Update financial aid policies to respond to the total cost of attendance. This includes addressing the non-tuition costs of housing, food, textbooks, transportation, and other expenses. Cal Grant amounts are generally linked to tuition costs, even though the expenses of attending and successfully completing college go far beyond that. In particular, students at community colleges, where financial aid is the most limited, feel the challenge of paying for non-tuition costs most acutely. The state could revise measures of expenses and need by establishing new targets for the Cal Grant that account for the high cost of living in California, particularly for low- and middle-class Californians, and respond to the real cost of college, moving beyond tuition and fees to create a more standardized method to consider all expenses.

Ensure students’ basic needs are met. Basic needs insecurity has a direct impact on student academic success. The state could explore creative short-term and long-term solutions to address homelessness and housing insecurity and food insecurity as well as increase access to mental health services. Improving financial aid policies to address students’ total cost of attendance will be a critical part of meeting their basic needs.

Tackle higher education finance challenge. Higher education funding has been negatively affected by recessions due to revenue volatility. The state and higher education systems could address higher education finance by building better predictability for institutional leaders, the state, and students and their families accompanied by need-based aid to protect college affordability for low-income students.

Create a longitudinal data system. Statewide education data systems are antiquated and do not integrate data across institutions or with K-12 or workforce development partners. An integrated longitudinal data system could help identify policies that work and ones that do not. In addition, a longitudinal data system could develop strong data-driven solutions to support integrated planning, program navigation for students, and data-sharing. This is currently underway. The 2019-2020 Budget provided \$10 million to plan for and develop a longitudinal data system to connect information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies.

Explore reestablishing a coordinating body to carry out statewide planning and oversight of California's higher education system. The California Postsecondary Education Commission (CPEC), which was defunded in 2011, was responsible for statewide planning. The state could identify what core functions of CPEC are needed today. A successful coordinating body would provide objective, nonpartisan, empirically-based analysis of higher education needs with a focus on meeting statewide goals.

NEXT STEPS

The Select Committee on the Master Plan for Higher Education in California held five informational hearings between 2017 and 2018 to explore how the state's landmark higher education plan has upheld the promise of an accessible, affordable, high quality education for students in the 21st century. The following pages of this report summarize what the Select Committee learned from each hearing.

The first hearing provided an overview and status of higher education. The second hearing discussed California's workforce needs and the workforce skills gap that California faces over the next decade. The third hearing focused on the needs of students and examined the total cost of attendance, basic needs such as housing, food, and access to mental health services, as well as equity and student success. The fourth hearing built off of the discussion of student needs, and explored what faculty and staff need in order to support our students. The fifth and final hearing identified key challenges in financing higher education institutions and examined California's financial aid system. Agendas, testimonies, and videos of the five hearings as well as an electronic copy of this report can be found on the Select Committee's webpage at <https://a24.asmdc.org/camasterplan>.

Following the Select Committee hearings, higher education efforts have gained momentum in California. The 2019-2020 Budget provided \$10 million to plan for and develop a longitudinal data system to connect information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies. The Budget also established the California Cradle-to-Career Data System Workgroup, which will assess and recommend data system structural components, processes, and options for expansion and enhancement of data system functionality as well as advise ongoing efforts to develop, administer, and enhance the data system.

Further, Governor Newsom in August 2019 announced the formation of the Governor's Council for Post-Secondary Education. The Council will serve as an independent consultative resource to the Governor around the economic and social impact of higher education in the state and will examine issues relating to future capacity, enrollment planning, community college transfers, general education and coordination at the state and regional levels, and make recommendations to the Governor for action. Many of these issues were discussed during the Select Committee hearings.

The California Student Aid Commission is at the center of a major legislative and budget effort to reform and expand student financial aid. In September 2019, the authors of legislation to overhaul state financial aid (Assemblymembers Medina and McCarty and Senator Leyva) formally requested that the California Student Aid Commission convene a Cal Grant Reform Work Group to issue specific legislative and budget reform recommendations, which was released on March 6, 2020.

In addition, California, along with six other states, joined the Attainment Academy, which supports states in prioritizing and refining strategies to meet post-secondary education attainment goals. Through the Attainment Academy, participating states will develop a focused and coherent plan to implement the necessary strategies to reach statewide goals, secure a renewed commitment across various stakeholders to increase postsecondary attainment, and begin to implement their newly established priorities.

It is clear that there are challenges the state needs to address to keep its promise to students of providing an accessible, affordable, high quality higher education to all students who qualify. The Select Committee examined many of these higher education issues; however, there is still much more that can and should be explored.

Moving forward, to complement many of the aforementioned efforts that are currently underway, the Select Committee will focus on the transfer process. The transfer function is an essential component of the Master Plan's commitment to access. However, the Master Plan did not say how transfer would work in practice for students. While recent efforts such as the Associate Degree for Transfer and remedial education reform have made important gains, there is a need to further streamline and make the transfer process easier for students to navigate. This is critical to increasing degree attainment and closing equity gaps.

Prior to the COVID-19 pandemic, the Select Committee was planning to hold hearings to delve deeper into the issue of transfer and identify ways to improve the transfer function for students. However, given the limitations of the current situation, the transfer discussion will take place virtually through briefings. These conversations will happen in partnership with stakeholders in the fall and will focus on the state of transfer in California, particularly the 10-year anniversary of Associate Degree for Transfer, and the student perspective on the transfer experience. The Select Committee will continue to take a thoughtful, deliberative, and long-term approach to ensure that the promise of California's Master Plan endures and responds to the changing needs of current and future generations.

SUMMARY OF SELECT COMMITTEE HEARINGS

Overview and Status of Higher Education in California

Thursday, August 31, 2017

9:00 a.m. – 12:00 p.m., State Capitol, Sacramento

The first Select Committee hearing began with a high-level overview of the Master Plan and higher education in California. The Legislative Analyst's Office and the leaders of the higher education institutions, including the private nonprofit institutions, discussed the status of the state's higher education system today.

Overview of Higher Education in California

Jennifer Kuhn, Deputy Legislative Analyst, Legislative Analyst's Office

Deputy Legislative Analyst Jennifer Kuhn set the stage for the hearing by sharing the key ways the Legislature can impact higher education, which are as important today as they were in 1960. These include:

- Defining the mission for the entire system as well as for each of the segments.
- Determining eligibility pools.
- Providing state support for higher education and setting expectations regarding the cost of education, tuition levels, financial aid, student contributions from working during college, and student borrowing.
- Holding the segments accountable.
- Creating a governance structure that promotes the effective management of each segment as well as coordination among all the segments—public and private.

Deputy Legislative Analyst Kuhn then outlined the core components tenants of the 1960 Master Plan. Several components of the Master Plan were put into the Donahoe Act of 1960, but some were not and remain treated effectively as guiding policy. The Master Plan defined the mission of the three public segments. The California Community Colleges (CCC) are to provide lower-division general education and technical education with a focus on workforce certificates, associate degrees, and transfer preparation as well as provide instruction in basic skills. The California State University (CSU) is to provide undergraduate and graduate education with a focus on bachelor's degrees, master's degrees, and teaching credentials. The University of California (UC) is to provide undergraduate and graduate education through the doctoral degree as well as graduate professional education and serve as the state's primary research institution.

Deputy Legislative Analyst Kuhn also described the eligibility pools designed under the Master Plan. The community colleges are to be "open access" institutions, meaning any adult may attend

regardless of incoming skill level or prior academic attainment. CSU is to draw their freshmen from the top 33 percent of high school graduates and UC is to draw their freshmen from the top 12.5 percent of high school graduates. CSU and UC are to accept all transfer students who have completed general and pre-major education requirements with a minimum 2.0 and 2.4 grade point average, respectively.

The Master Plan also set cost and funding expectations. As structured under the Master Plan, the community colleges are to provide the lowest-cost education among the segments (measured by cost per student), and UC, the highest-cost education. State general fund support would be aligned accordingly, providing the least amount of support at community colleges and the most support at UC. The Master Plan also set forth financial aid expectations. Financial aid was to promote student access, allow for greater student choice, and relieve pressure on the public segments.

Deputy Legislative Analyst Kuhn shared other key components of the Master Plan, including governance. Since the creation of the UC Board of Regents (prior to the Master Plan), the CSU Board of Trustees (created by the Donahoe Act), and the CCC Board of Governors (established in 1967), the state has delegated substantial responsibilities to these governing boards to manage enrollment, allocate funding, determine staffing levels, set compensation policies, oversee building projects, and, for UC and CSU, set tuition and fee policies. The Donahoe Act also created the Coordinating Council for Higher Education and entrusted it with statewide planning and coordination. In 1973, the state replaced the Coordinating Council with the California Postsecondary Education Commission (CPEC), which largely maintained the same core mission. However, due to concerns with its effectiveness, CPEC was defunded in 2011.

Deputy Legislative Analyst Kuhn also pointed to critical changes that have taken place since the Master Plan was developed more than half a century ago. Figure 1.1 and Figure 1.2 on the following page highlight some of those changes.

California Demographics Have Changed in Notable Ways Since 1960

	1960	2015
Race and Ethnicity (18-24 year olds)		
White	79%	31%
Hispanic	12	46
Black	6	6
Asian	2	13
Other	1	4
Educational Attainment (25-64 year olds)		
No high school diploma	44%	17%
High school diploma, no college	29	20
Some college ^a	16	30
Bachelor's degree or higher	11	32

^a Includes associate degrees.

Figure 1.1

California's Higher Education System Has Changed in Notable Ways Since 1960

	1960	2015	Change
Full-Time Equivalent Enrollment			
CCC	98,000	1,138,000	1,040,000
CSU	61,000	395,000	334,000
UC	44,000	253,000	209,000
Totals	203,000	1,786,000	1,583,000
Number of Campuses			
CCC	64	113	49
CSU	16	23	7
UC	6	10	4
Totals	86	146	60
Average Campus Size			
CCC	1,500	10,100	8,600
CSU	3,800	17,200	13,400
UC	7,300	25,300	18,000
Core Funding Per Student (2015 Dollars)^a			
CCC	— ^b	\$7,900	— ^b
CSU	\$11,300	\$14,300	\$3,000
UC	\$27,700	\$28,300	\$600
State General Fund Per Student (2015 Dollars)^c			
CCC	— ^b	\$7,400	— ^b
CSU	\$10,200	\$8,800	-\$1,400
UC	\$25,800	\$15,400	-\$10,400
Systemwide Tuition Charges (2015 Dollars)^d			
CCC	—	\$1,380	\$1,380
CSU	\$754	\$5,472	\$4,718
UC	\$1,371	\$12,240	\$10,869

^a Reflects state General Fund, student tuition and fee revenue, and local property tax revenue per full-time equivalent student.
^b Data for 1960 not readily available for community colleges.
^c Excludes debt service on general obligation bonds at UC and CSU and spending on retiree health benefits at CSU, as 1960 amounts are not available. Includes local property tax revenue at CCC.
^d Reflects systemwide charges for a resident undergraduate.

Figure 1.2

Notably, as shown in Figure 1.2 on the previous page, the three public segments in 1960 together served about 200,000 full-time equivalent students. In 2015 this was up to approximately 1.8 million—almost a nine-fold increase. When compared to the college-age population, it increased roughly threefold. The number of campuses also increased, but even with 60 additional campuses, average enrollments at campuses increased at all of the segments significantly. Core funding numbers measure both state support and tuition support. In 2015, in inflation adjusted terms, core funding was higher than in 1960. But what comprises that core funding has changed, with state support down and tuition support up. At UC, per student state support is down about \$10,000 and tuition support per student is up about \$10,000.

Deputy Legislative Analyst Kuhn also highlighted changes in the state's economy. In 1960, manufacturing was the largest sector and accounted for about a quarter of all jobs—it is down to about 10 percent today. The largest sector today is retail jobs; retail (including restaurants) was almost 20 percent of jobs in 2015. The health and social service sector jobs are much greater today than in 1960 and businesses and professional services jobs make up a larger sector today. The IT sector did not exist in 1960 and many common jobs today—computer scientist, information officer, web designer—did not exist in 1960.

Given that California has changed, Deputy Legislative Analyst Kuhn noted, the Legislature has attempted to revise the Master Plan over the years. One of the most notable recent developments has been the increasing overlap of mission of the segments, such as authorizing community colleges to offer bachelor's degrees and allowing CSU to offer doctoral degrees. Another notable development has been the expansion of eligibility and enrollment at the universities. The most recent freshman eligibility study found that CSU was drawing from the top 41 percent of high school graduates and UC from the top 13.9 percent—both beyond the Master Plan eligibility pools. Over the last few years, enrollment has increased at UC and CSU at the same time that there have been slight drops in high school enrollments and high school graduates.

The state recently expanded financial aid and has also placed a much greater emphasis on student outcomes rather than focusing on enrollment targets. The state now requires each segment to report on key performance measures including persistence rates, graduation rates, and units per degree.

Since 2010, both the state and the segments have made notable improvements in transfer, particularly among community colleges and CSU. Two particularly important developments were the creation of the Associate Degree for Transfer and allowing students who had an Associate Degree for Transfer to attend CSU and get their bachelor's degree within two additional years of work. While the state and the segments have made substantial improvement in some coordination areas, Deputy Legislative Analyst Kuhn noted, one might argue that the state has taken a step

backwards on statewide planning. As previously mentioned, California defunded its statewide planning agency in 2011 and has yet to replace it with a vision and a structure that would provide strategic planning.

Deputy Legislative Analyst Kuhn concluded with a series of questions for the Select Committee to consider when revisiting the Master Plan. These questions touched on topics such as each segment's mission, eligibility pools, tuition and financial aid policies, accountability, and governance and statewide planning.

California Community Colleges

Eloy Ortiz Oakley, Chancellor, California Community Colleges

Chancellor Eloy Ortiz Oakley began by sharing data about the California Community Colleges. The community colleges currently serve more than 2.1 million students in 114 communities across the state. Community colleges reflect the diversity of the state and serve a wide spectrum of students, with one-third of community college students between the ages of 20 and 24, about a quarter between the ages of 25 to 39, and 16 percent over the age of 40. Chancellor Oakley conveyed that community colleges are the gateway to higher education for first-generation students, students of color, and low-income students; 42 percent of community college students are first-generation students.

Community colleges have the lowest tuition in the country. The Board of Governors fee waiver program ensures that all low-income students pay no fees at all; currently about one million students in the community colleges do not pay tuition.

Close to one third of the UC graduates and over half of the CSU graduates started at the community colleges. The community colleges have committed to increasing transfer to CSU and UC by 35 percent annually. However, Chancellor Oakley noted, if the community colleges accomplish that goal, there is no room at CSU or UC for those students. He posed the question, how will the state create the transfer capacity that is needed if community colleges and K-12 are successful in moving more students toward the CSU and the UC?

Chancellor Oakley then suggested that the Master Plan reflected the best thinking of 1960, but it no longer reflects the reality of 2017. There is an expectation now that workers have some sort of college credential, which was not the case in 1960. Chancellor Oakley emphasized that the state must pair its historical commitment to access with a new commitment to student success. He argued that attending college is not enough anymore. Instead, the state needs to ensure that students finish with a credential, which is critical to get into today's workforce. Chancellor Oakley also recommended rethinking the eligibility and transfer ratios to reflect current degree production

needs. He underscored that there is no coordinating body looking at the needs of the state and sharing it with the systems.

Chancellor Oakley also asserted that financial aid policies need to be re-examined. Policies should respond to the true cost of attending college. He shared that the Institute for College Access and Success examined the affordability of colleges and universities in California and found that it is more costly for a student to attend a community college in the Sacramento area than it is to attend UC Davis. Chancellor Oakley emphasized that the low cost of tuition has masked the true cost of attending college. He also noted that many of the challenges community colleges face are due to the fact that students have to work in order to go to school, in order to afford housing, in order to afford transportation, books, and everything else that goes into attending college.

Chancellor Oakley pointed out that the Master Plan created clear structures and segments and that the community colleges are one part of the higher education system. While he believes that the segments should coordinate, Chancellor Oakley outlined that his job is to protect and advocate for the interest of his segment, not to always think about how his segment should work with the other segments to ensure that they are meeting the needs of California. Therefore, he asserted that the state needs some other mechanism to help coordinate efforts and investments.

Chancellor Oakley suggested that the state's challenge is that too few of our students make it to their desired goal. Despite strong focus on improving equity, community colleges still struggle with persistent achievement gaps. Chancellor Oakley noted that recently there has been an influx of funding and statutory guidance to improve student outcomes, close achievement gaps, and improve remedial education through investment in the basic skills transformation grant and basic skills program. He stated that these investments have moved the system to think more strategically about evaluating performance and student outcomes.

Chancellor Oakley emphasized that the community colleges need to make fundamental changes in the way they serve students. He concluded by sharing some promising practices currently underway, which include the Guided Pathways framework, the California Promise Programs, improving assessment and placement to evaluate college readiness, and focusing on data-driven decision making. Chancellor Oakley suggested the state develop a common student data system to better support students as they progress from Pre-K into the workforce.

California State University

Dr. Joseph I. Castro, President, California State University, Fresno

President Joseph I. Castro asserted that the Master Plan created a dynamic, high-quality system with multiple points of entry, serving a great variety of student needs. The differentiation between

systems means that segments can each tailor academic program offerings to particular cohorts of students. This also means that wrap-around services can be targeted to provide individualized education at scale.

President Castro acknowledged that California faces a drought of 1 million bachelor's degrees by 2025. He shared that the CSU well placed to address at least half that drought. The CSU has a plan through Graduation Initiative 2025 that will help more students graduate with high-quality degrees sooner. President Castro argued that the CSU needs a more robust commitment from the state and an honest conversation about steady enrollment growth.

President Castro pointed out that half the teachers in the state earn their credentials through the CSU. But not as well known is that more than half of all California's bachelor's degrees in agriculture, public administration, engineering, criminal justice, and business are earned at the CSU. President Castro also stated that the CSU has stepped in to offer applied doctorate degrees in high need areas where there is a clearly demonstrated workforce need, such as in Education, Nursing, and Physical Therapy.

President Castro also shared that the impact of the CSU is magnified by the fact that the segment serves a student population that resembles California. In fact, two-thirds of bachelor's degrees earned by Latinos or Latinas in this state are earned at the CSU. Additionally, the CSU system, like the state, has no ethnic or racial majority. Through the Graduation Initiative 2025, CSU has committed to closing racial, ethnic, and economic achievement gaps.

President Castro asserted that while the Master Plan has served our state well, planners 50 years ago did not anticipate partnerships across the education continuum and rising demand for higher education, especially in areas where the population is growing rapidly such as the San Joaquin Valley and the Inland Empire. For example, seventeen CSU campuses have built admissions-related partnerships with community colleges or high schools.

President Castro shared that CSU campuses are natural regional players given their number and distribution throughout the state and the fact that CSU often serves place-bound students, who learn, live, work, and raise families in their local communities. Recognizing the significant number of community college students the CSU receives, the CSU has worked together with the California Community Colleges to develop Associate Degree for Transfer (ADT) agreements. ADT programs are shining examples of working across segments to provide clear pipelines for students to earn degrees in 120 units, while completing their university degree in a seamless and timely way.

President Castro acknowledged that more than one third of California's graduating high school students are ready and eligible to start at a CSU campus. The recent eligibility study's findings that

41 percent of high school graduates are fully eligible for CSU admission means that more and more students are academically preparing themselves to attend college. But he pointed out that it also raises questions about serving these first-time freshmen students while still offering robust pathways for transfer students.

There are two ways to respond to this, President Castro asserted. First, the CSU could become more selective, changing the profile of the students served. Second, the state can revise its five-decade old ideas about who should go to college and earn a bachelor's degree.

President Castro stated that the CSU will continue to do their part. For example, the CSU is finding better ways to address entering students' skills gaps, ways that do not involve zero-credit remedial or developmental education. The CSU is also moving away from make-it-or-break-it placement exams and taking a more expansive view of students' skills and qualifications and leveraging technology to help guide and track students throughout their academic careers. The CSU is addressing administrative and financial burdens that may impede student success and will continue to foster a sense of belonging on campus for all students.

President Castro concluded by urging the Legislature to provide robust funding for enrollment, facilities and student services to give today's and tomorrow's students the opportunity to fully utilize their extraordinary talents and to fulfill their dreams as California's next generation of leaders.

University of California

Janet Napolitano, President, University of California

President Janet Napolitano defined the Master Plan as a compact between the state and its political leaders, the institutions of higher education, students and their families, and the people of the state of California. The institutions of higher education agreed to provide access to all eligible residents and to end costly duplication of programs. The state and its leaders agreed to provide sufficient and reliable general fund support. Students were required to meet certain academic standards, and students and their families were expected to pay for a greater share of non-instructional costs. The residents of the state were expected to support sufficient taxation and general bond obligation acts to finance the operating and capital costs of the new campuses necessary to meet California's needs.

The Master Plan, President Napolitano suggested, worked better than expected. A much higher proportion of California's population is in college now than was the case in 1960, and this is true for every ethnic group and for both genders. Enrollment in public higher education institutions has increased tenfold since 1960, far exceeding the rate of the state's population growth. The UC, the CSU, and the community colleges have grown enormously since 1960 in response to increasing demand for higher education. UC has added four campuses, CSU added eight, and the community

colleges added fifty in the period since the Master Plan. Similar to the other higher education leaders, President Napolitano also recognized that capacity is an ongoing issue that will need to be addressed.

President Napolitano also acknowledged that this does not mean the Master Plan should remain static. When it came to affordability, the Master Plan's focus in 1960 was on the cost of tuition alone, with little regard to the full costs of attendance—including room and board, educational materials, transportation, or health care. Affordability remains a big issue. The Master Plan policies have evolved such that current students have access to federal, state, and institutional aid that makes it possible for low-income California students to attend and have their tuition costs fully covered. President Napolitano shared that at UC, 57 percent of California resident students have their tuition fully covered; however, other costs of attendance need to be accommodated.

President Napolitano addressed several challenges looking ahead to the next 50 years. The first challenge is demographics. Other states are facing declines in their number of high school graduates. While such declines have been predicted for decades in California, the current reality has been the opposite. Every year, California sees more high school graduates than predicted, and more importantly, better prepared and more diverse high school graduates. California needs these high school graduates to attend college in greater proportions to meet the state's workforce demands.

The second challenge President Napolitano focused on is infrastructure. California has slowed its investment in higher education infrastructure dramatically. The state has not had a major higher education bond act since 2006. President Napolitano acknowledged that it is hard to imagine California will find the funding to add the number of campuses built since 1960, but it is necessary to find a way to expand capacity and address deteriorating infrastructure at existing campuses. Today's students deserve the same quality education as past generations of Californians, stated President Napolitano. As UC continues to expand enrollment, it is critical to provide students with the classrooms, the laboratories, the libraries, and the living spaces they need to thrive and succeed.

Another challenge President Napolitano identified is federal funding. California may not be able to count on the federal government to support higher education at the same level as it has in the past. She stated that the Master Plan wisely encouraged the state to enable UC faculty to spend a significant amount of their time on research as well as on teaching. This investment from the state in research-oriented faculty has paid off—faculty bring in \$4 to \$5 billion annually in federal and private research funding to the state. President Napolitano emphasized the value of having a true public research university system that will help create the jobs of the future.

Another challenge President Napolitano acknowledged is growing income inequality. This is a problem here in California and throughout the nation. She discussed that a robust higher education

system can help address rising income inequality by educating more California students, by driving economic growth, by serving the state's needs in areas such as health care and food production, and through its intellectual and research capacity.

Finally, the state, nation, and world face what President Napolitano defined as “grand challenges”—issues such as climate change and the need for alternative energy, global food needs, challenges in health care delivery, immigration, and the need for continued technological innovation. She asserted that California has historically led the way in tackling these problems, and will continue to do so with support of UC as its research arm.

Given the magnitude of these challenges and the magnitude of the opportunity, President Napolitano urged that now is neither the time to get complacent, nor to de-emphasize the importance of higher education to the future of California. She encouraged the Legislature to be as bold today as the leaders of the 1960s were and to reaffirm the compact between the state, its public higher education institutions, students, and taxpayers.

Association of Independent California Colleges and Universities (AICCU)

Kristen Soares, President, AICCU

President Kristen Soares began by describing California's independent sector of higher education. The independent sector serves over 186,000 students, or just over 22 percent of enrollment among the 4-year segments, each year. The independent student body reflects the diversity of the state. Of undergraduate students, 39 percent are Caucasian and 60 percent are Latino, Asian American, African American, and Native American.

President Soares shared that the ability of independent institutions to provide individualized attention in small classroom settings, within a specific campus environment that seeks to serve their students and their needs is a hallmark of independent sector education. The sector also offers college opportunities to 27,000 low-income Cal Grant students. President Soares noted that Cal Grant students in the independent sector have a higher four-year graduation rate of 63 percent, compared to their peers at 52 percent, despite the challenges that many low-income, first generation students confront in college.

President Soares asserted that the independent sector is the leader in preparing California's advanced/professional workforce, with over 152,000 graduate students in fields such as dentistry, pharmacy, law, all aspects of STEM. The sector also prepares over 43 percent of credentialed new K-12 teachers every year.

The 78 institutions that are members of the Association of Independent California Colleges and Universities (AICCU) are all private, nonprofit, and regionally accredited, all with a rich diversity of academic and research missions. President Soares conveyed that some institutions are comparable to the UC, while others are comparable to the CSU in terms of academic focus, research capabilities, admissions, and other aspects. AICCU's establishment was to support a public-private partnership with the state to ensure students have access to a higher education institution in California—whether public or private—and to relieve enrollment pressures on the state colleges and universities, and save the state money by utilizing capacity and facilities of private institutions.

President Soares suggested that the independent sector played a very important role in the establishment of the Master Plan and its framework. The independent colleges were recognized as having distinct missions, while serving an important role of providing access to California students across the state.

As the state reexamines the Master Plan and its future, President Soares asked that the state again utilize the capacity of the independent sector, with an emphasis on financial aid. She reiterated a suggestion by the Legislative Analyst's Office (LAO) that California needs to once again grow the Cal Grant award so that more low-income students can attend private nonprofit institutions, and thereby help relieve the enrollment pressure on public institutions. Moving forward, President Soares urged the Legislature to protect these students from cuts and examine this as a part of future discussions on access and success.

President Soares also noted that the Master Plan placed an important emphasis on transfer from community colleges to four-year institutions. Independent institutions also provide access to community college students to attain their baccalaureate degrees. Nearly every undergraduate AICCU institution actively accepts and reserves places for transfer students. Today, 56 of 69 undergraduate serving institutions have formalized articulation agreements with their regional community colleges.

President Soares also spoke to how the sectors are working together. She concluded that this is where the independent sector has taken on this challenge, especially at the regional level to create the innovative partnerships, particularly with the regional community colleges, to think about how to utilize space and to utilize faculty expertise in both systems, and around workforce needs. To improve access, graduation, and help meet workforce needs, President Soares shared that private institutions have created innovative programs and expanded ways of delivery, such as distance education, online education, and hybrid models, which can further cater to the growing population of non-traditional students.

Ensuring the Master Plan Meets California’s Workforce Needs
Wednesday, November 1, 2017
9:30 a.m. – 12:00 p.m., San José State University, San José

The second Select Committee hearing examined California’s workforce needs, the workforce skills gap, and the role that the state’s higher education system can play in meeting workforce demands. The Select Committee heard from researchers, the business community, and workforce development practitioners.

What are California’s Workforce Needs?

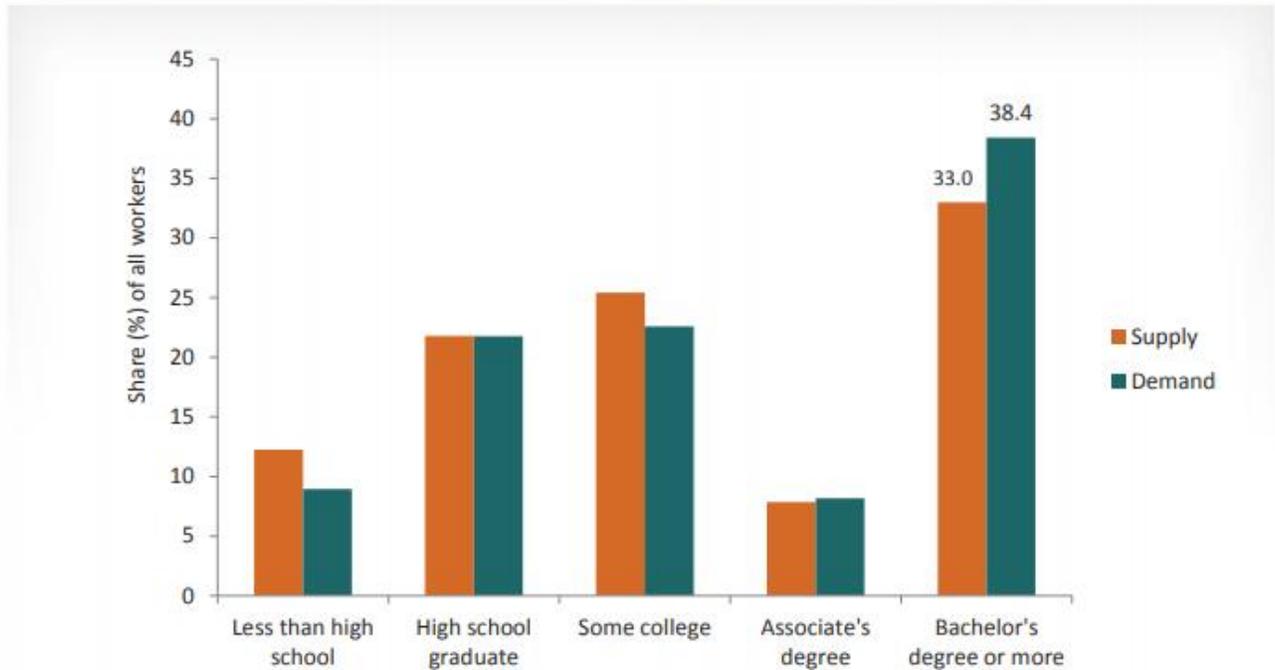
Hans Johnson, Director of the Public Policy Institute of California Higher Education Center and Senior Fellow, Public Policy Institute of California

Hans Johnson painted a picture of where California is now and where the state is headed with respect to the labor market and the need for a more highly educated population.

First, Dr. Johnson discussed projections from the Public Policy Institute of California (PPIC), which look at California’s economy and population between now and 2030. The primary finding is that California faces a shortage of highly educated workers, what PPIC calls a workforce skills gap. Others have called it a degree gap. Specifically, the projections show that if California’s population continues its trend, and higher education institutions continue to serve students in the same way they have been historically, California will not have enough college graduates with a bachelor’s degree.

Figure 2.1 on the following page shows projections for the supply of workers. The data illustrates that economic projections to 2030 show that almost two in five jobs—about 38 percent—will require at least a bachelor’s degree, while demographic projections suggest only about one in three—33 percent of Californians will have at least a bachelor’s degree. Therefore, California is projected to fall about 1.1 million workers short of economic demand.

Demand for highly educated workers will exceed supply by 2030

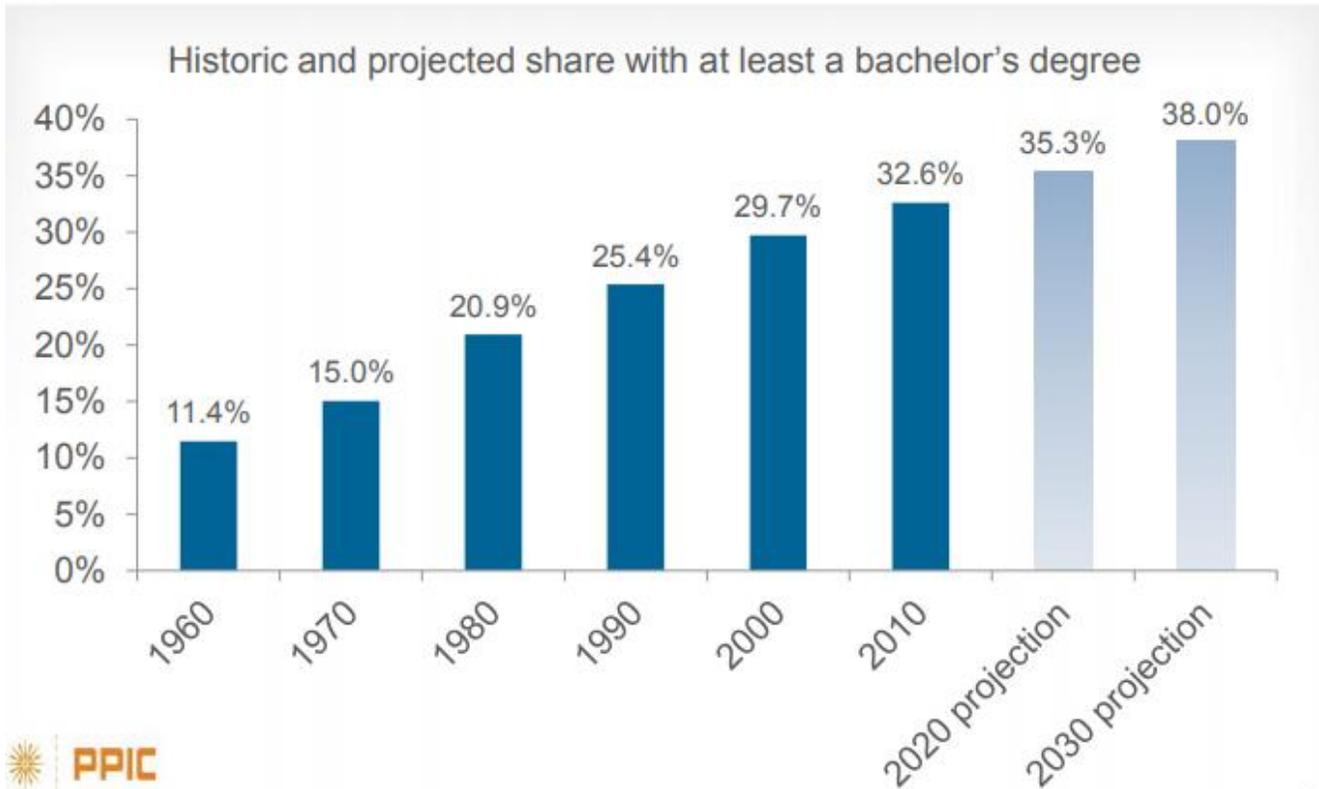


1

Figure 2.1

Dr. Johnson shared that California's economy and economies throughout the world have increasingly been demanding more highly educated workers. Figure 2.2 on the following page shows California's projected share of workers with at least a bachelor's degree from the labor market demand side, illustrating PPIC's finding that a growing share of jobs will require at least a bachelor's degree.

Our economic projections are consistent with long-term trends



2

Figure 2.2

In 1960 when the Master Plan was developed, only one out of nine—11 percent of workers in California—had a bachelor's degree. The Master Plan allowed for the top one-third of high school students to go to the CSU system and the top one-eighth, 12.5 percent, to go to the UC. Dr. Johnson noted that in an economy where only 11 percent of workers had a bachelor's degree, that the Master Plan was very progressive and forward-thinking. Today, California still has those same proportions from the Master Plan. Yet about a third of workers have a bachelor's degree or more, and the projection is that that trend of increasing demand for college graduates will continue.

Dr. Johnson highlighted the two key drivers of this trend. One is a shift in the economy towards occupations and industries that typically require more higher education, and the other is a shift within occupations themselves from requirements that workers have an associate's or less education towards having a bachelor's degree or more. Dr. Johnson noted that recessions are places where the economy often gets restructured. The previous recession hurt most less-educated workers. In fact, people with a bachelor's degree or graduate degree had very little employment losses during the

downturn. Coming out of the downturn, job growth has been most robust among occupations that require a high level of education.

Figure 2.3 below shows the percent increase in employment from 2010 to 2015. The three bars on the left in the figure (occupations that are highly dependent on college graduates, occupations dependent on college graduates, and occupations with some college graduates) show occupations where at least 40 percent of the workers have a bachelor’s degree. All of those three occupation categories are growing faster than the other two categories.

Job growth has been strongest for occupations that rely on college graduates

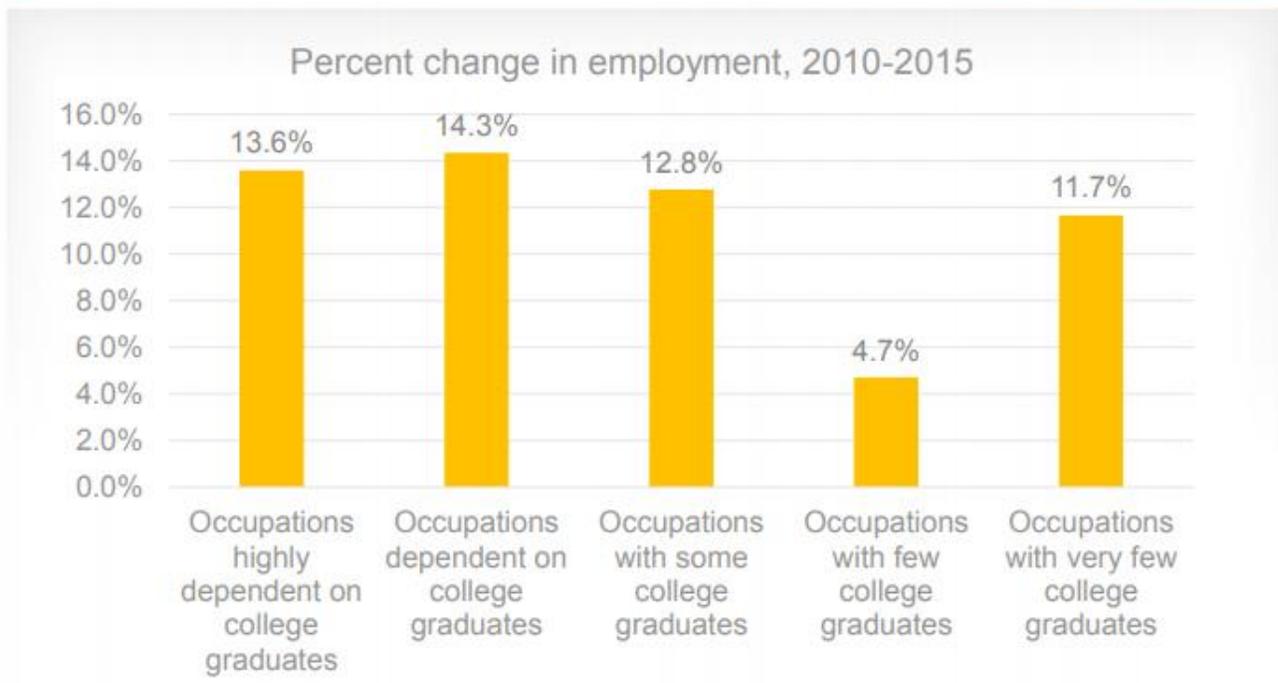


Figure 2.3

Dr. Johnson described another way to measure demand, which is by examining labor market outcomes such as labor force participation rates and unemployment rates. College graduates, on average, do very well in California’s labor market. For example, people with a bachelor’s degree earn twice as much as people who have a high school diploma. These wage premiums are at an all-time high and have been going up for decades. Even as the share of workers with a bachelor’s degree has

grown in California’s economy, the rewards to those degrees have also grown—a sure sign of strong labor market demand.

PPIC examined this trend across majors. Certain majors are more remunerative or lucrative than other majors. Figure 2.4 below shows the net lifetime payoff of going to college, from a wage perspective, compared to only having a high school diploma. Students who major in engineering and computer science do very well in California with a net lifetime payoff of over a million dollars. But even at the lowest level, those least well-paid majors still do better than they would have if they had not graduated from college.

Net lifetime payoff of college is enormous, regardless of major

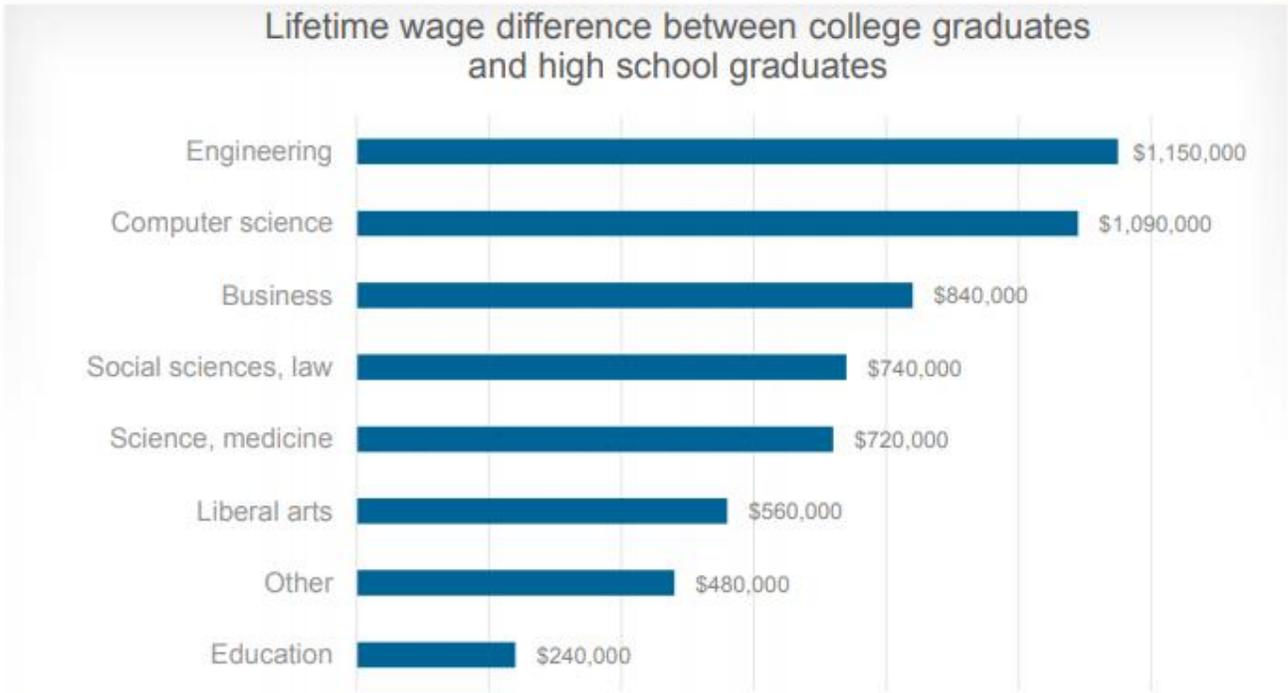


Figure 2.4

After focusing on the economic implications, Dr. Johnson turned to the population implications. He identified a critical challenge is the retirement of the baby boomers. Called the “silver tsunami” by some, this aging out of the labor force of millions of older adults is the first time in the history of California that such a large and well-educated group is exiting the labor force. They are being

replaced by young adult populations that are not growing nearly as fast. Dr. Johnson explained that this creates a tremendous challenge in terms of improving the pipeline to and through college.

Dr. Johnson identified that generational progress in higher education has stalled in California. Figure 2.5 below shows the share of workers who have at least a bachelor’s degree. The share of 55 to 64 year olds who are reaching retirement age in California is about 31 percent. That is higher than any other country in the chart.

Generational progress in higher education has stalled in California

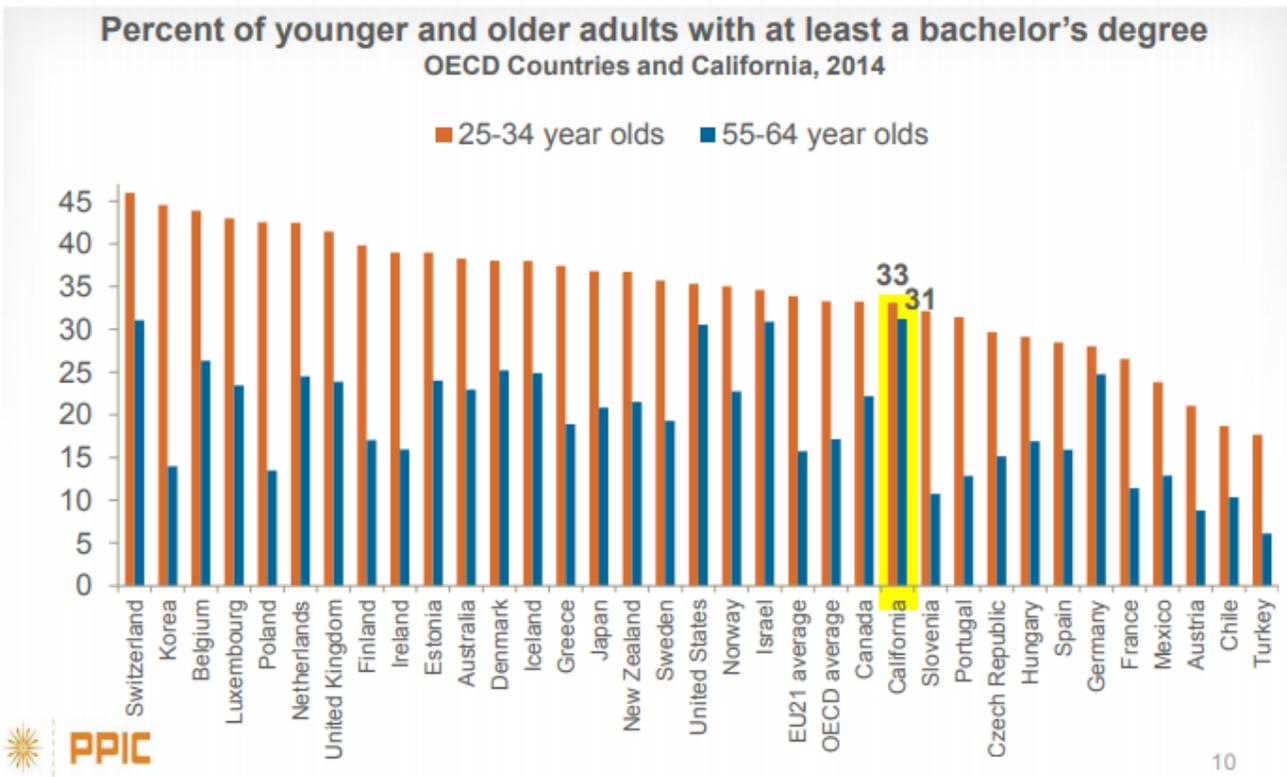


Figure 2.5

However, with respect to young adults, 25 to 34 year olds, California ranks near the bottom. Dr. Johnson suggested that California is competing in a global economy; however, the state is not equipping young adults to succeed in that global economy as well as other countries who have higher percentages of 25 to 34 year olds with at least a bachelor’s degree.

Dr. Johnson shared that PPIC has focused on the pipeline from high school to higher education, noting that it is a very leaky pipeline.

For every 1,000 ninth graders in California based on current transition rates and completion rates, just a little over 300 will end up earning a bachelor's degree at current rates. California does well in terms of the transition from high school to college, ranking fifth in the country in the share of high school graduates that go to community colleges. However California ranks near the bottom, 47th in the country, in the share of high school graduates that go to a four-year college or university. Dr. Johnson stated that this is a tremendous challenge and has clear Master Plan implications. He also expressed that the number that connects the community colleges with four-year colleges and universities is simply too low.

Dr. Johnson then highlighted ways to close the gap. California will have to increase the number of bachelor's degrees awarded each year. Dr. Johnson acknowledged that this is an ambitious goal, but he pointed out that there are periods in history where California has grown the number of bachelor's degrees awarded in a similar magnitude to what PPIC is projecting—1.1 million more bachelor's degrees by 2030. In order to meet those projections, he recommended that California needs to improve completion, improve transfer, improve first-time access especially to four-year colleges and universities.

Dr. Johnson concluded by noting that campuses have already made substantial progress and set ambitious goals to close the gap. For example, CSU campuses have embarked on a very ambitious graduation initiative to improve completion rates, and the community colleges have a new vision for success that if realized, would increase the number of transfer students to UC and CSU by 35 percent over the next five years, which is exactly consistent with what needs to happen according to PPIC projections.

Lande Ajose, Executive Director, California Competes

Lande Ajose continued the discussion on the importance of degree attainment for California's economy with an additional focus on having more equitable outcomes for all of the state's residents.

Dr. Ajose noted that in the 1960s, California emerged as an economic powerhouse that was not just the envy of other states, but of nations. She noted that it was the implementation of the Master Plan in the 1960s that expanded access to higher education and contributed to this unprecedented economic growth.

Dr. Ajose suggested that despite the investment in higher education, California has slipped in terms

of producing the kind of talent that the state needs to remain an economic powerhouse. One reason is that California is not producing nearly enough skilled graduates.

Shown in Figure 2.6 below, the state’s degree and credential attainment is at 48 percent. As a result, California ranks 17th out of all the states in the nation in terms of the proportion of adults between the ages of 25 and 64 with an associate’s degree or above.

What does it take to be Top 10?

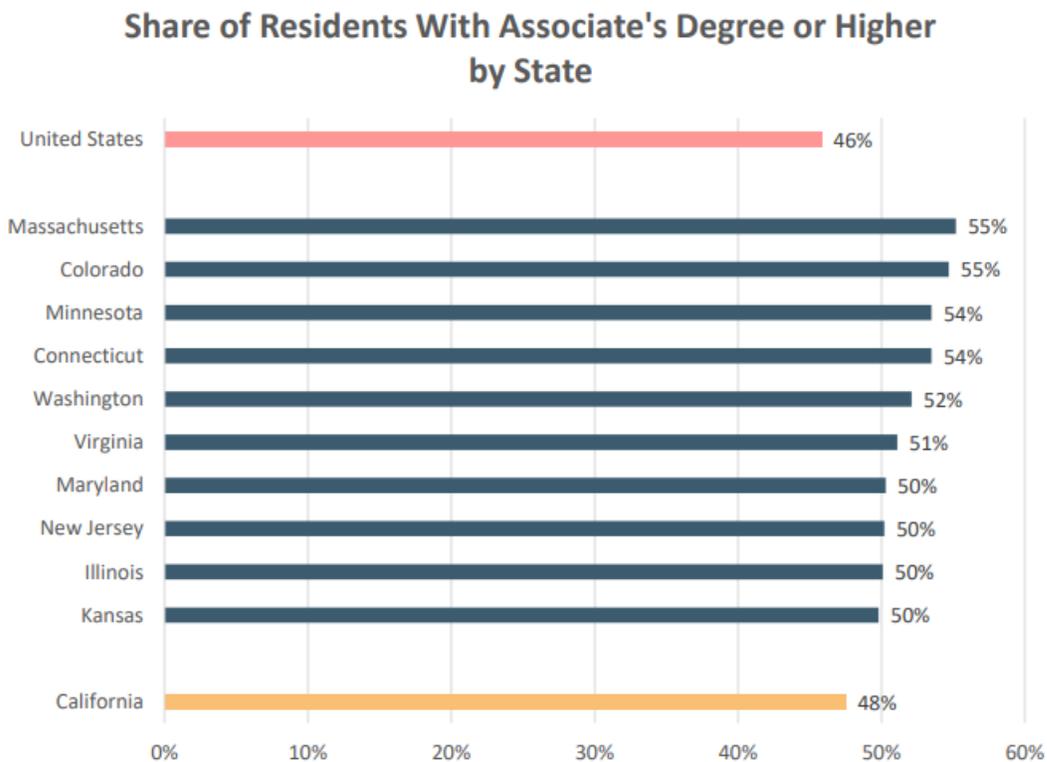


Figure 2.6

Dr. Ajose referenced California Competes’ report titled “Mind the Gap.” This report found that by 2025, if current trends continue, California will not produce the quality, quantity, or diversity of college degrees needed to maintain the state’s economic vitality. That analysis is predicated on the idea that California should be amongst the top 10 states in the nation producing college graduates. Like the Public Policy Institute of California (PPIC), California Competes estimates the degree gap to contain about one million bachelor’s degrees.

Dr. Ajose also emphasized that sub-baccalaureate degrees are important not only for the economic gains that they deliver to individuals, but also because of the other benefits to society that go with

having a postsecondary education credential. Those with sub-baccalaureate degrees will contribute to the state by way of tax revenue. Degree attainment is also positively correlated with greater civic engagement, such as voting.

Dr. Ajose identified that the problem that California faces is that the state cannot increase degree production in time to meet the need by 2025. Similar to compounding interest, Figure 2.7 below shows that California would need to increase degree production by 10 percent per year, every year, in order to close the gap.

The Degree Gap

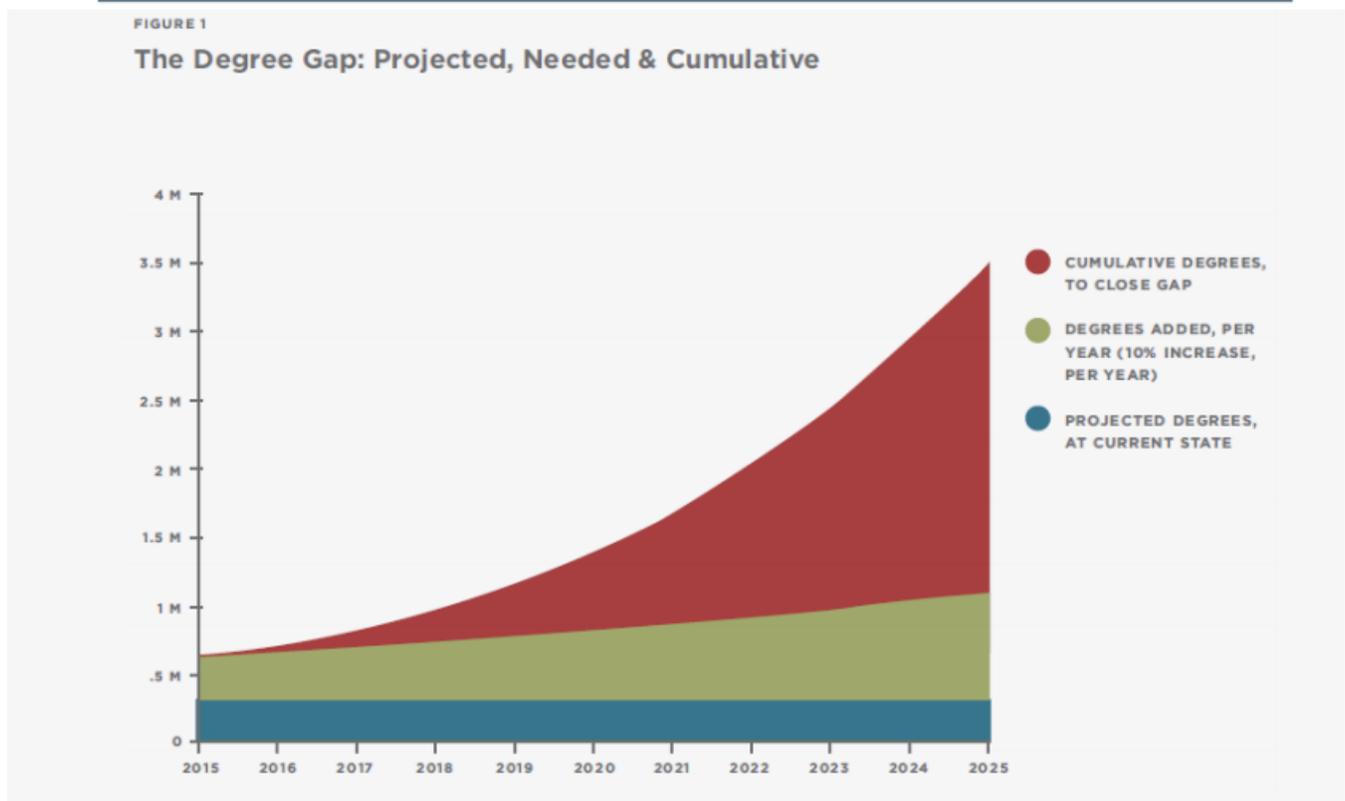


Figure 2.7

Dr. Ajose noted that the institutional segments are mindful of these pressures to increase degree completion, albeit for some different reasons. Concerns about California residents having access have prompted the UC to expand the number of seats in recent years by 10,000. But even at a six-year graduation rate of 84 percent, the system would only generate an additional 8,400 graduates. The CSU, which has a paltry system wide four-year graduation rate of 19 percent, has embarked on an ambitious Graduation Initiative for 2025. But their bold initiative would yield just over a half million new graduates. While these two initiatives are significant and would make a dent, it still leaves the state substantially short in terms of closing the gap.

As shown in Figure 2.8 below, these two initiatives would not even make up a quarter of the additional degrees needed by 2025.

Institutional goals are key to increasing degree attainment

CSU's Graduation Initiative has potential to reduce the degree gap.

- If enrollment increases at projected rates and all campuses meet stretch targets, CSU could produce an additional 500,000+ BA degrees by 2025.
- Our analysis predicts a much lower gain.

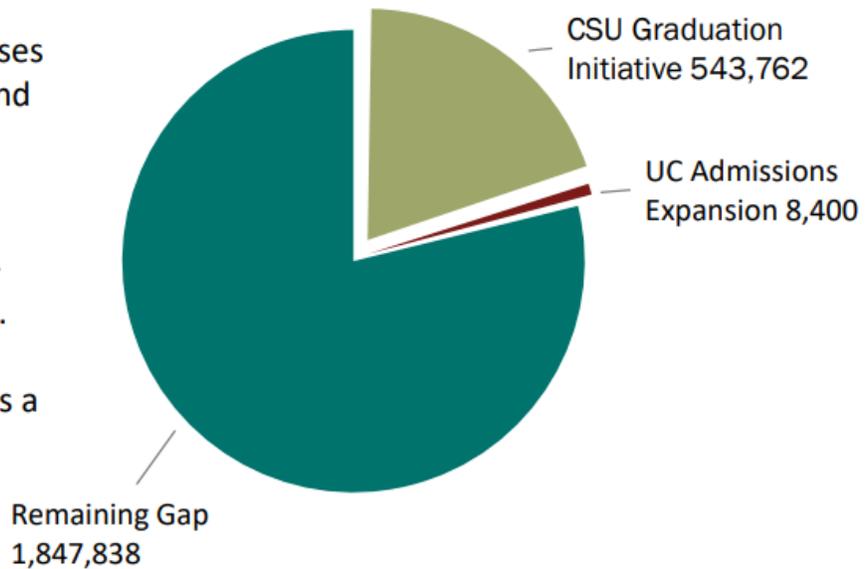


Figure 2.8

Dr. Ajose shared that the California Competes' report also examined choices around course of study over a 10-year period. The report found that, despite the much-discussed need for more STEM majors, fewer than 25 percent of graduates at the UC and CSU majored in biology, health professions, engineering, and computer science. When disaggregated by race, California Competes found sharp differences in the likelihood of different racial and ethnic groups to major in these fields. Engineering, for example, is not among the top ten majors for Blacks or Latinos, even though statewide it ranks seventh.

Dr. Ajose's examination of the top ten sub-baccalaureate credentials, shown in Figure 2.9 on the following page, revealed that 43 percent of all degrees were taken in the health professions while only four percent were taken in computer tech and engineering, respectively. Again, when disaggregated by race, outcomes are very much differentiated by race.

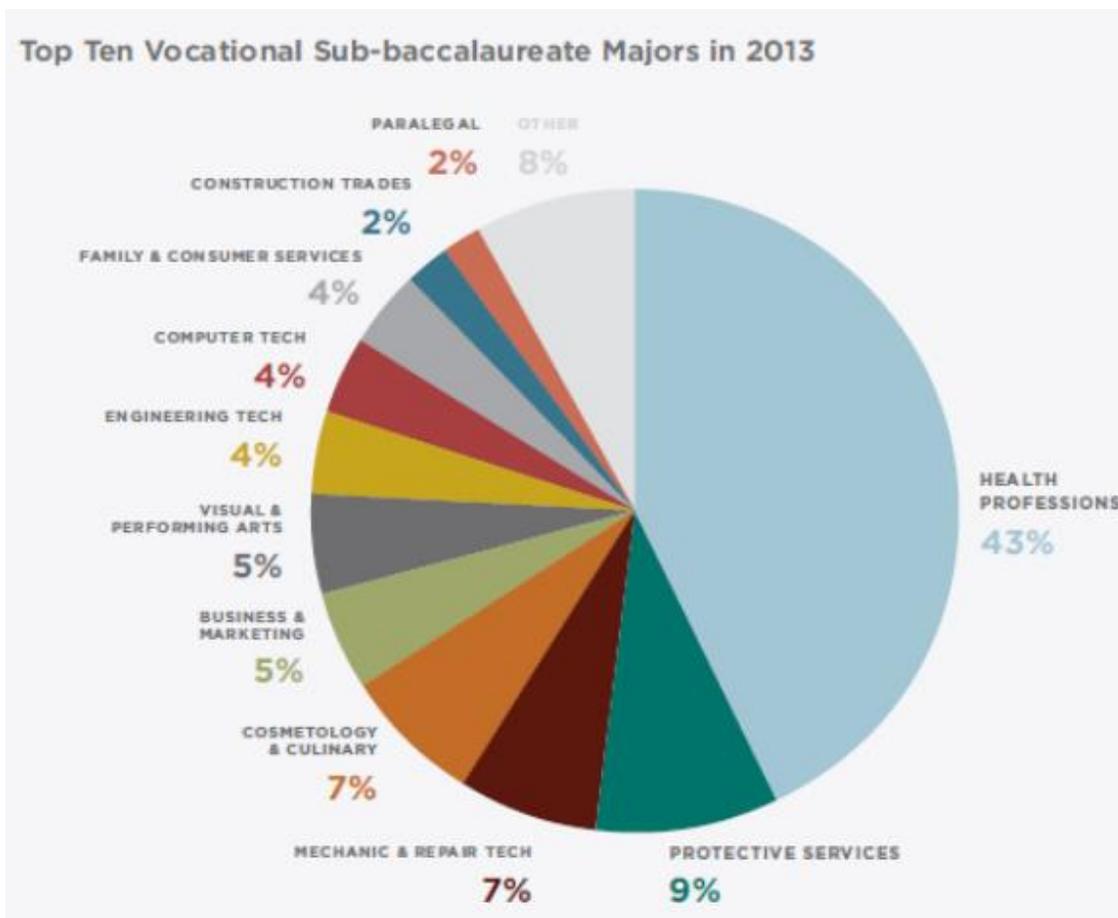


Figure 2.9

Dr. Ajose mentioned that knitting together all of the data is not for the weak of heart. California has antiquated data systems that do not integrate institutional data, and certainly do not integrate it with partners in workforce or partners in K-12. She shared that is problematic in terms of being able to develop strong solutions.

Dr. Ajose made several recommendations to the Select Committee. She noted that when the Master Plan was originally crafted in 1960, it focused on elements necessary for expanding and guaranteeing access to California residents. Since then, the demographics of California have changed dramatically, and the state needs higher education systems to respond to a host of issues never envisioned by the Master Plan architects. She suggested that a conversation about access must be paired with a conversation about equity to ensure that the benefits of higher education reach broad and deep in ways that serve civic and economic interests. She also stressed that affordability must not only be thought of as an issue of tuition, but also in terms of managing the total cost of attendance, which includes addressing the steep costs of housing, transportation, books, and other expenses. Dr. Ajose also suggested that the state must not rely on accrediting agencies to ensure that California maintains academic quality, but that the state must develop mechanisms to do this. She stressed that California must also find ways to address the systemic inequities that exist within

the K-12 system to ensure that those inequities do not result in educational stratification within the higher education system. Finally, she recommended that California’s higher education systems must be much more integrated with the state’s workforce system to ensure the state is developing talent in the fields that are growing in the varied regional economies.

Dr. Ajose closed by urging the Select Committee to consider policies that will focus on increased degree attainment for students, paying particular attention to the majors that the state most needs to fuel the economy, and ensuring that that state has greater equity in those academic majors. She explained that this will necessitate improving advising systems to ensure that students are informed about labor market opportunities as they make choices about courses of study to pursue. She also suggested that the state must align course curricula with economic needs, being ever mindful that business cycles move more rapidly than higher education. Finally, Dr. Ajose emphasized that California can address more immediate workforce needs by re-engaging those in the state with some college and no degree—adults with labor market experience for whom an additional semester or a year of education would allow them to complete their degrees and be meaningfully engaged in the economy. Dr. Ajose concluded that taken together, these policies can equitably expand opportunity for California residents as well as for the state’s broader economy.

Perspective from the Business Community

Laura Guio, Vice President, Systems Services Center of Competency and Sales, IBM

Laura Guio testified how IBM has confronted California’s workforce challenges. She shared that at IBM alone, thousands of job openings are never answered on a daily basis. Those thousands of jobs need high technology skills, but not necessarily a four-year degree. Ms. Guio asserted that IBM is trying to address a struggling number of modern middle-class jobs that are going unfilled in the nation. She explained that they are not blue-collar jobs and not white-collar jobs; they are what IBM is calling “New Collar” jobs.

“New Collar” jobs are roles in some of the technology industry’s fastest growing fields—from cybersecurity and cloud computing to cognitive business and digital design—that do not always require a traditional bachelor’s degree. What they require instead is the right mix of in-demand skill sets. She expressed that these opportunities can help fill a lot of the job needs in the technology industry today. Ms. Guio also noted that another key area of focus for IBM is retraining veterans. IBM has committed to hiring 2,000 veterans in the next four years to fill some of these “New Collar” jobs.

Ms. Guio highlighted that with IBM’s emphasis on “New Collar” jobs, IBM is working to make the Information Technology industry more inclusive, and are calling on policymakers worldwide to create more pathways for students and midcareer professionals to build “New Collar” career skills.

She emphasized the critical role that community colleges can play in “New Collar” jobs. IBM has identified 15 community colleges in the United States where IBM works in conjunction with these community colleges to make sure that their curriculum is matching the job openings within IBM’s workforce.

Ms. Guio then spoke to IBM’s efforts to address the workforce challenge. She described how IBM has worked with educators and policymakers to develop a new education model called Pathways in Technology Early College High Schools (P-TECH), which IBM initiated in recent years. P-TECH schools are public schools spanning grades nine to 14 that bring together the best elements of high school, college, and career. Within six years, students graduate with a no-cost associate’s degree in applied science, engineering, computers or other competitive STEM disciplines, along with the skills and knowledge they need to continue their studies or step easily into high-growth “New Collar” jobs. These are positions in some of the nation’s fastest-growing industries where what matters most is having in-demand skills. Some of these graduates are participating in IBM’s industry-leading apprentice program, and more graduates are in the hiring pipeline.

Ms. Guio concluded that P-TECH is a great example of how industry coupling with higher education and the high school level can partner and develop a program that satisfies the needs of both the community and the workforce.

Scott McGuckin, Senior Director, Talent Acquisition, Kaiser Permanente

Scott McGuckin spoke specifically to California’s health care workforce needs. He asserted that a robust health care workforce is critical to Kaiser Permanente accomplishing its mission to provide high quality affordable health care and to improve the health of their members in the communities that they serve.

Mr. McGuckin reinforced comments made by previous panelists that California’s population is growing, aging, and becoming increasingly diverse—trends that place an untenable burden on the state’s health care workforce. He emphasized that the pipeline of health care providers including doctors, nurses, therapists, and elder care specialists has not kept pace with demand, particularly in underserved rural and ethnically and linguistically diverse communities. Mr. McGuckin suggested that more coordinated planning and investment is needed now to ensure that California has the right people with the right training in the right places to fill current new roles that will be essential to meeting future health needs.

Mr. McGuckin also stated that workforce diversity is important to improving the health and wellness of Californians. Many experts believe that a workforce that mirrors the racial and ethnic

diversity of California will increase access to care and improve the quality of care for patients. He highlighted that a more diverse cadre of physicians, nurses, and other healthcare delivery professionals is a crucial strategy for improving the health and wellness of underserved communities.

McGuckin shared what Kaiser Permanente is doing to both increase the development of their workforce and also some of the partnerships that they have found to be successful with higher education institutions in California. He highlighted their Graduate Medical Education program. The purpose of this program is to provide an organized educational program with guidance and supervision for residents, facilitating the resident's professional and personal development while ensuring that they provide adequate safety for their patients. Kaiser Permanente trains residents from university and community-based programs throughout California, including UC Davis, UC San Francisco, UC Irvine, UC Riverside, and UCLA.

Kaiser Permanente also has a degree completion program with Coastline Community College in Costa Mesa. This program is designed for those who have already completed some college-level coursework who would now like the opportunity to turn that collection of classes into an academic certificate or an associate's degree. Mr. McGuckin suggested that what makes this program successful for Kaiser Permanente's employees is that Coastline has several articulation agreements with institutions within California that offer guaranteed admission. Kaiser Permanente also has a Registered Nurse to Bachelor of Science in Nursing program with CSU Fullerton, and a partnership with CSU San Marcos for employees to complete lab science prerequisites courses online that may be required for Nursing and Allied Health programs.

In addition to those, Kaiser Permanente also provides community benefit workforce development grants. One example is the Santa Rosa Junior College High School Pathways to Health Careers Program. Since 2015, Kaiser Permanente supported this program which works with Sonoma County 11th and 12th grade students from underrepresented backgrounds in a multi-year program that features advanced health care professional training, job shadowing, and work-based learning. Over 375 students have gone through the program since 2015. Mr. McGuckin also shared how Kaiser Permanente is directly contributing to the academic development of the health care workforce in California through the Kaiser Permanente School of Allied Health Sciences and the Kaiser Permanente School of Medicine, which is scheduled to open fall 2019.

With regard to what role higher education plays in meeting workforce needs and what role industry can play, Mr. McGuckin shared that Kaiser Permanente believes that industry should articulate its needs, including trends in the marketplace. He asserted that industry needs to invest in higher education to ensure that higher education is as relevant as possible. Mr. McGuckin also suggested that in addition to fostering strong relationships between industry and higher education, universities

need to become as agile as possible because of the speed of change in industry. He shared his belief that together industry and higher education institutions can provide education, develop critical thinking skills and practical work experience, and provide access to the latest scientific research.

Mr. McGuckin concluded that developing a coordinated and comprehensive strategy to expand the training and educational supports and programs is needed to increase the supply of California's health care workforce, which cannot be done in isolation and will require intentional levels of collaboration and cooperation between multiple players.

Nicole Rice, Policy Director, California Manufacturers & Technology Association

Nicole Rice discussed workforce needs specific to the manufacturing industry. She spoke broadly about how the manufacturing industry sees the challenges and opportunities with the higher education system. While Ms. Rice noted that there are many great things happening in the field, she shared systemic concerns and challenges that need to be addressed.

Ms. Rice asserted that the Master Plan is a structural document, and that its main goal was to delineate the roles of the different segments of the system. The role of vocational education or career preparation was housed in the community colleges.

Ms. Rice suggested the standard for educational attainment is now the requirements of the UC. However, she noted that by UC's own admission, the UC does not have a workforce goal. Ms. Rice shared that the UC is not training welders or maintenance mechanics or plant operators, which are those middle skill jobs that the manufacturing industry desperately needs. She argued that the loss of delineation between the segments is creating a serious disconnect between California's higher education system and the world of work, and continues to make the attainment of a degree the success of an education system, instead of preparing students for careers to be able to compete in the 21st century economy. Ms. Rice stated that if that situation is not addressed, then the middle skills pipeline will continue to operate at a deficit, and industries such as manufacturing will continue to struggle to find workers, which prohibits them from being competitive in California and nationally.

She encouraged the Select Committee to embrace the delineations among the segments and stressed the importance of career technical education programs in both K-12 and higher education. Ms. Rice noted that the manufacturing industry is working with community colleges to build a manufacturing workforce and enhance students' career opportunities and goals. She defined high quality successful programs as programs that are aligned to industry needs and informed by labor market data. However, Ms. Rice claimed that the industry continues to see "hit and miss" programs that are designed to provide that type of training.

In closing, Ms. Rice emphasized that as the global marketplace demands greater innovation and technological aptitude, California needs a reliable pipeline of highly-trained individuals to meet not only future needs, but current ones as well.

Addressing Workforce Needs

Barbara Baran, Co-Director, California EDGE Coalition

Barbara Baran focused her comments on career technical education (CTE) and on middle-skill jobs, which are jobs that require a considerable amount of post high school education and training, but not necessarily a bachelor's degree.

Dr. Baran asserted that for a set of complex historical reasons, California has tended to undervalue career education compared to other states. Moving forward, she suggested that California honor CTE as a core mission of higher education, and that the state ensure that the funding streams for those programs are adequate and reliable. She noted that while high quality CTE programs are often quite expensive, they also pay significant benefits in terms of the salaries that graduates are able to obtain. Dr. Baran also recommended that the state ensure that policy implementation takes into account what the impact on CTE programs is likely to be. If the state is not thoughtful about the special needs of the career technical programs, there could be unintended consequences.

Dr. Baran specifically emphasized the need to increase investment in work-based learning. This is both one way of addressing the real financial barriers that many students face, but also a more effective way to learn for many people. She called for a growth and extension of work-based learning, which involves closer integration with the employer community.

Speaking to the need to ensure the long-term importance of CTE, Dr. Baran acknowledged that in the past decade, policymakers have tried to be responsive to the needs of California's very different regional economies. One outcome has been a proliferation of legislatively mandated regional bodies. Dr. Baran noted that unfortunately, many of these bodies have failed to effectively engage business and labor. She encouraged the Select Committee to think about addressing the structural barriers that continue to exist despite consortium after consortium bringing together educational segments and business and labor.

Dr. Baran's next recommendation centered around eliminating key barriers to student access, progress, and success. She emphasized that California needs to provide a debt-free pathway for all students to make it through college and ensure that CTE students have access to those financial supports. This should consider the total cost of attendance, such as living costs. She argued that California's higher education institutions need to eliminate the remedial education sinkhole that swallows up so many students by changing placement policies, and by implementing evidence-based

practices that will get students through without any or minimal remedial education. She also advocated for significantly expanding navigational assistance to students. She also identified the need to link workforce programs and higher education institutions in order to create pathways to high wage jobs. She also called attention to the adult education system, and for pathways from adult education into the community colleges and through to the CSU and the UC.

Lastly, Dr. Baran reiterated that California's educational systems need shared vision and meaningful data. California data and accountability systems lag behind the rest of the nation in terms of the ability to track student outcomes through the educational system to identify what is working and what is not. She concluded that without a comprehensive cross-system longitudinal data system, the state is making policy by anecdote rather than using evidence.

Dr. Alma Salazar, Senior Vice President, Center for Education Excellence and Talent Development, Los Angeles Area Chamber of Commerce

Dr. Alma Salazar provided a business perspective on addressing California's workforce needs. She encouraged the Select Committee to look holistically at the P-20 continuum: the interdependence between early education, K-12, higher education, and workforce development that is absolutely paramount if the state is going to make any headway.

Dr. Salazar commended the California Community College system which, through the Strong Workforce Program, has begun to respond to the needs of employers and focused on becoming demand-driven. She also pointed out a regional best practice in Los Angeles. In 2017, the Los Angeles Area Chamber of Commerce in partnership with the Los Angeles Economic Development Corporation, the Southern California Leadership Council, the Center of Excellence for Labor Market Research, and the 19 Los Angeles Community Colleges launched the Center for a Competitive Workforce. The Center for a Competitive Workforce is focused around putting together a continuous feedback loop between community colleges, business, and industry partners so that higher education is much more intentional about meeting labor market demand.

Dr. Salazar outlined the focus of the Center around three core pillars of work. The first pillar of work is focused on research and analysis, such as what is driving labor needs in the region and what the supply side looks like. This research and analysis focuses on how community colleges can produce the labor force that employers seek. The Center also examines how to ensure and strengthen that alignment and how to identify where gaps exist. The Center recently released its first report illustrating what the top 20 middle-skill occupations are in the Los Angeles Basin (which encompasses Los Angeles and Orange counties) coupled with how colleges are providing the supply side for employers.

The second pillar of work is focused specifically on the formation and engagement of six regional industry councils. These are the six industries that are in high demand in the Los Angeles Basin, ranging from health care services, professional and technical services, entertainment, port related transport and support activities, aerospace, and bio-medical. The six regional industry councils bring business and industry leaders together and are responsible for validating labor market data, advising on necessary occupational skills, and designing curriculum and programs.

The third pillar of work is focused on supporting business and education partnerships so that colleges are able to interface directly with employers to provide work-based learning opportunities, such as internships and other experiences to help bring learning to life for young adults.

Dr. Salazar provided several recommendations to the Select Committee:

- Promote transformational strategies that connect employers with higher education and workforce programs to improve student outcomes.
- Elevate strategies that help students and workers navigate career pathways and acquire skills.
- Support implementation of the California Community Colleges Strong Workforce Program as a foundational mechanism for aligning resources with market needs.
- Create a state-level cross-agency team between workforce and higher education to identify strategies and funding streams to more effectively serve business and industry.
- Create incentive funding and accountability for workforce system stakeholders to coordinate regional engagement strategies that align with demand-side measures.
- Support investments in sector partnerships, convening employers with higher education, training, labor, and community-based organizations to close skill gaps.
- Support and document regional pilot projects to identify promising practices to benchmark and incentivize statewide business-engagement measures for workforce and education initiatives that focus on bridging the skills gap and building a talent pipeline.

Lastly, Dr. Salazar reinforced the need for a longitudinal data system. She also highlighted that employers repeatedly seek workers with foundational skills, and asked the Select Committee to look at ways to assess how young adults are mastering and demonstrating those competencies. She concluded that irrespective of occupation or industry, essential skills are absolutely paramount to success.

Josué García, Chief Executive Officer, Santa Clara & San Benito Counties Building & Construction Trades Council

Josué García spoke specifically to the workforce needs of the construction industry. He shared that in Santa Clara County alone, the Building and Construction Trades Council spent over \$15 million a year training men and women in the construction industry. The Building and Construction Trades

Council get entry-level workers and then bring them through the apprenticeship program.

Mr. García identified that the industry is more and more seeing the need for training. The Building and Construction Trades Council has 20 centers throughout the state. But Mr. García asserted that more training between management and labor is needed. In the construction industry, he stated that they have construction workers who are blue-collar workers, and they have the management, the architects, and the engineers who are white-collar workers. Mr. García explained that there is now a need to have a lighter shade of blue and a darker shade of white because of technology.

To train workers with the skills they need, the construction industry partners with three community college districts in the region: Foothill-DeAnza Community College District, San José-Evergreen Community College District, and West Valley-Mission Community College District. They are working on what are called stackable credentials. Workers can take courses as they have time and stack them up, and at some point have a college degree.

Mr. García also discussed the nonprofit arm of the Building and Construction Trades Council that is responsible for getting construction into education from K-12 to colleges. He shared that they go to the classrooms, and teachers and school personnel come to the construction industry so they can learn from each other, which has been very successful. The Building and Construction Trades Council also provides paid internships for high school students, where they make more than minimum wage.

Mr. García concluded by sharing a story from a mother that he interacted with at a career fair. Mr. García said that the mother was concerned about what her son would do because he was more interested in the sparks of a grinder than attending college. After learning about the construction industry, the mother now recognized a career path for her son.

Ensuring the Master Plan Meets the Needs of Students
Thursday, March 1, 2018
2:00 p.m. – 5:00 p.m., Fresno City College, Fresno

The Select Committee’s third hearing was student-centered, focusing on issues critical to students such as affordability, basic needs including food, mental health, and housing, and equity and student success. The hearing featured student speakers from all four institutions of higher education, and student voices were complemented by higher education experts from The Institute for College Access and Success, representatives from the three public segments, the Campaign for College Opportunity, and the Central Valley Higher Education Consortium.

Affordability: Total Cost of Attendance for Students

Spencer Brandt, Student, UC Santa Barbara

Spencer Brandt, a third year student at UC Santa Barbara (UCSB), spoke as a representative of the UC Student Association, which is a system-wide advocacy group for the over 270,000 undergraduate, graduate, and professional UC students.

Upon enrolling at UCSB, Mr. Brandt stated, he quickly learned that the cost of college for students is not confined to the classroom. The cost of college includes books, course readers, lab coats, housing, which is often in saturated markets with perpetually rising rents, and food and other basic needs. Academic success, Mr. Brandt asserted, does not begin and end in the classroom. In reality it extends to every student’s home environment. Mr. Brandt described tough decisions about whether to buy every book that he needed for a class, or to go to the market and buy ingredients for dinner, wondering how to come up with those extra few dollars to pay rent. Mr. Brandt stated, “I’ve maxed out on the amount of student loans I can have. I can tell you the names of every financial assistance program that we have on campus: which ones are grants, which ones are loans, which ones require proof of an eviction notice before they step in with meager assistance. Because I’ve been searching for every possible avenue to pay for these costs.”

Mr. Brandt noted that at the federal level, student aid grant programs have been decimated. In 1980, the Pell Grant covered 77 percent of the cost of college attendance. Today, it covers less than one third of that cost. He stated that the Pell Grant is no longer tied to inflation, and uncertainty and neglect at the federal level threatens to impose further financial hardship on students. He also shared that increased enrollments have impacted the housing markets for campuses across the state. Mr. Brandt described his first year living in a cramped triple room on campus; the last freshman double rooms on his campus were recently converted to triples to accommodate rising enrollment.

After moving off-campus, where costs were ostensibly lower than the residence halls, Mr. Brandt said, “We quickly realized that the only way to find something halfway affordable was to find some friends who were willing to pack into an apartment like sardines.” Mr. Brandt and his friends ended up signing a lease with 10 people on the bottom story of a duplex for a total of \$6,850 a month, well above the cost estimates posted on the UCSB website. He described his living situation and said, “Today, as far as our landlord knows, we have eight people living in our little blue apartment. But in reality, anywhere from 10 to 13 people are crammed into two bedrooms and one garage on any given night, some who are additional sub-lesers, some who are friends, some who are experiencing homelessness.”

Mr. Brandt further explained that the Cal Grant does not cover his cost of living, such as food, or the cost of education during the summer months. Because the Cal Grant does not extend into the summer, he is left in a time crunch to finish his degree in four years before his financial aid runs out. “I had no idea about any of this before I stepped foot on campus and experienced the trial by fire that students know all too well. We need a more accurate and transparent assessment of these costs, so that they can make the right financial decisions,” said Mr. Brandt.

Lastly, this leaves books, course readers, and other educational supplies, as a third, consistently under-prioritized cost that students bear. Housing, food, and these examples are the true costs of attendance and go far beyond tuition and fees. Mr. Brandt stressed that students are engaged in a constant balancing act, weighing their academic attainment against their basic needs.

Mr. Brandt argued that in order to support a vision of opportunity and social justice for all California students, and to meet the needs of California’s vibrant economy, the state must increase the number of students with degrees, and close the degree gap.

Mr. Brandt suggested that the California public higher education system clearly lacks the resources to accomplish this major task without additional funding. “Come visit our classrooms, and sit with students in the aisles of our lecture halls, who are struggling to get into the classes they need to graduate on time. Visit our research labs, and talk to our researchers who work with aging and dilapidated equipment. Call our Counseling and Psychological Services center, and try to schedule an appointment. I can promise you’ll wait a while before you can see a therapist, and once you do, follow up visits are scheduled weeks away, if at all. Now imagine that these institutions have enrolled thousands and thousands of more students, without adequate reinvestment, and try to tell me they’re still the number one public higher education system in the nation,” asserted Mr. Brandt.

Mr. Brandt argued that California must collectively reimagine the role of higher education. “I believe every resident must have the right to attend college without debt, without tuition, and without an unbearable cost of living. Students on our campus have high hopes in our collective

ability to produce that long term vision for public higher education in our state,” said Mr. Brandt. He concluded by advocating for raising per-student spending in all segments of higher education, lowering the cost of attendance for students, and working together, as students, as workers, as faculty, as colleges, and as policymakers, to make that vision a reality.

Debbie Cochrane, Vice President, The Institute for College Access & Success

Debbie Cochrane began by emphasizing that affordability is critical to both students’ access and success in college. Textbooks, transportation, food, housing—those are all costs of attendance for college in addition to tuition. Ms. Cochrane explained that if a student only has resources to cover the tuition bill and not those other costs, the student cannot afford to keep coming back to the classroom, visiting the library, visiting the tutoring center, or going to a professor’s office hours. She continued that those non-tuition costs are the types of financial aid that students need to succeed in college.

Ms. Cochrane noted that California has done a relatively good job with making access to college affordable. In California, young adults are much more likely to enroll in college than their peers nationally. The community colleges have the lowest tuition in the country. At all of California’s public college and universities about half of students attend tuition-free due to the state’s financial aid policies.

However, Ms. Cochrane noted that the state does not do as good of a job supporting students with non-tuition costs. The California Student Aid Commission estimates that for 2017-18, a full-time student living independently off-campus—which the majority of all public college students do—has over \$19,000 in costs beyond tuition, as demonstrated by Figure 3.1 on the following page.

Enabling Students to Be Successful: Non-Tuition Cost Components

5

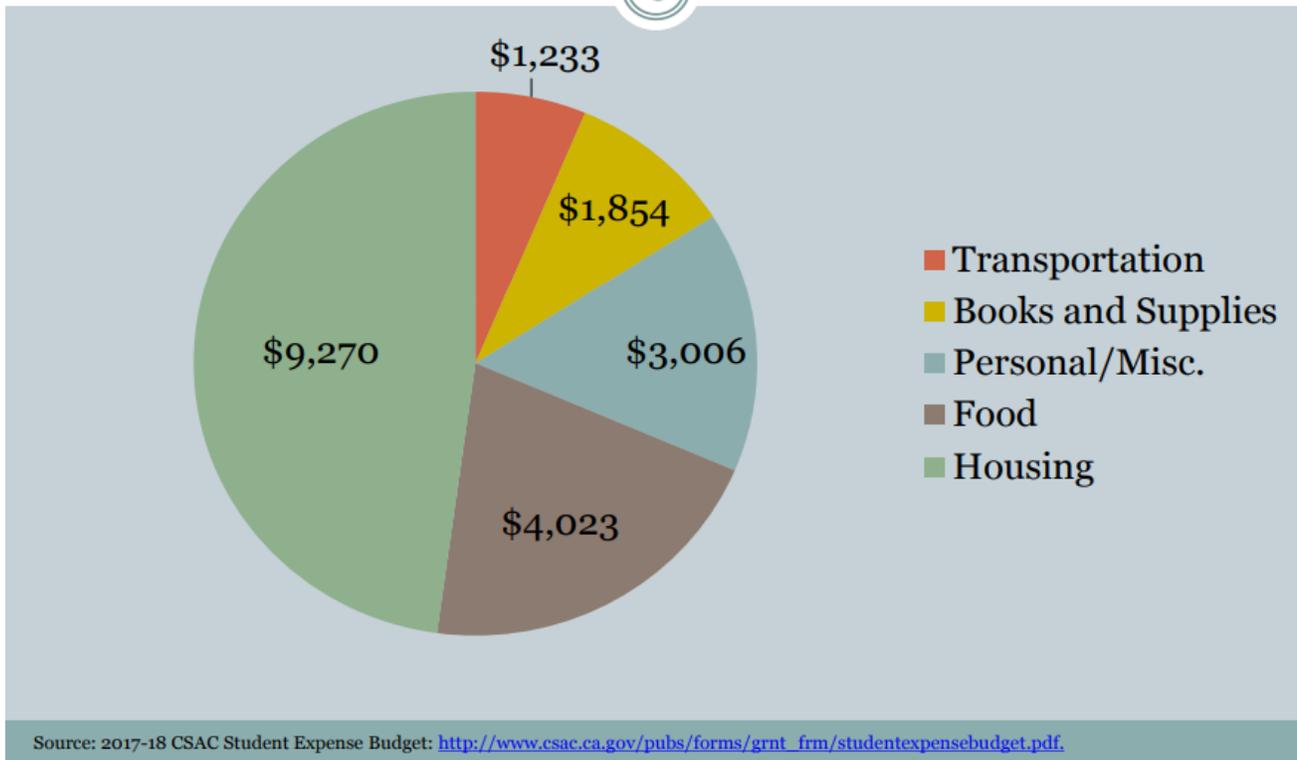


Figure 3.1

Focusing on three public colleges in the Sacramento area, Ms. Cochrane demonstrated how much of a difference it makes to look at total college costs as opposed to just tuition through Figure 3.2 and Figure 3.3 on the following page. Considering only tuition costs, Figure 3.2 shows that community colleges are by far the least expensive option of the three choices that a Sacramento area student might be faced with. But when accounting for non-tuition costs, the differences shrink as shown in Figure 3.3.

Tuition Costs at Three Public California Institutions

6

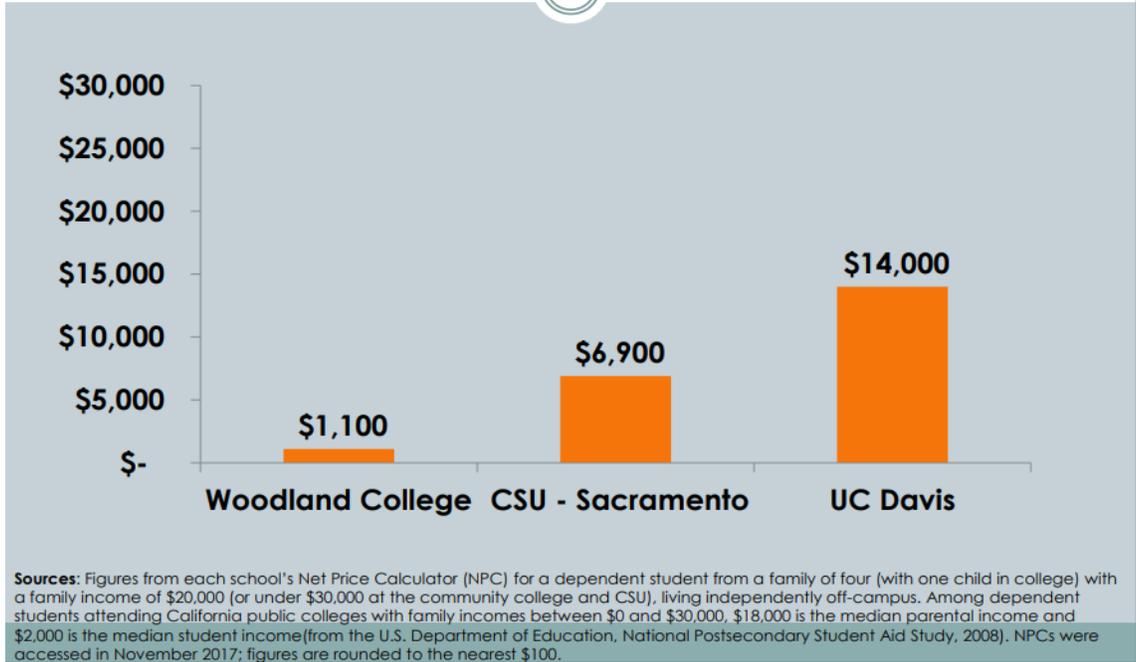


Figure 3.2

Total Cost of Attendance at Three Public California Institutions

7

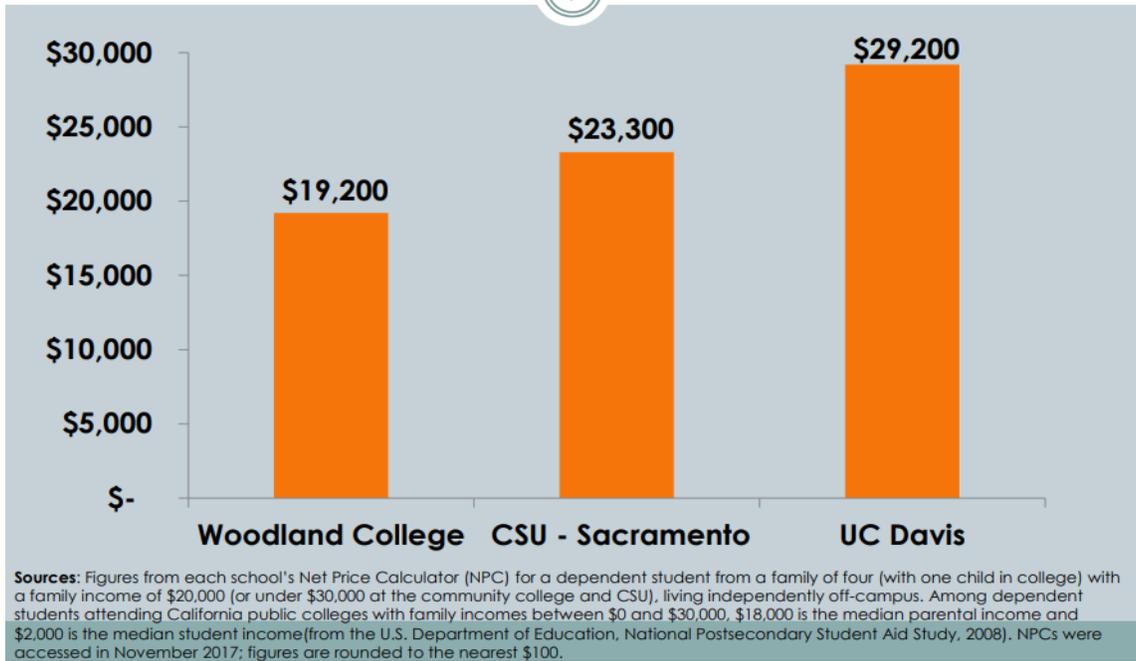


Figure 3.3

Figure 3.4 below shows colleges' estimates of student costs, which come from colleges' net price calculators. Net price is what it actually costs students to attend, or the full cost of college after grant aid is taken into account. Net price calculators are consumer tools designed to help prospective students and families understand what it costs to attend college. Ms. Cochrane shared that The Institute for College Access & Success (TICAS) looked at the net price calculators for 27 public colleges across the state—all nine of the undergraduate serving UCs and nearby CSUs and community college campuses—to see what it costs low-income students to attend each of these colleges. TICAS focused on low-income students, defined as having family incomes under \$30,000, because analyses of college affordability across income groups consistently show that it is the lowest income students for whom college costs are most burdensome. Ms. Cochrane also noted that the majority of African American, Latino, and Native American college students have family incomes under \$30,000.

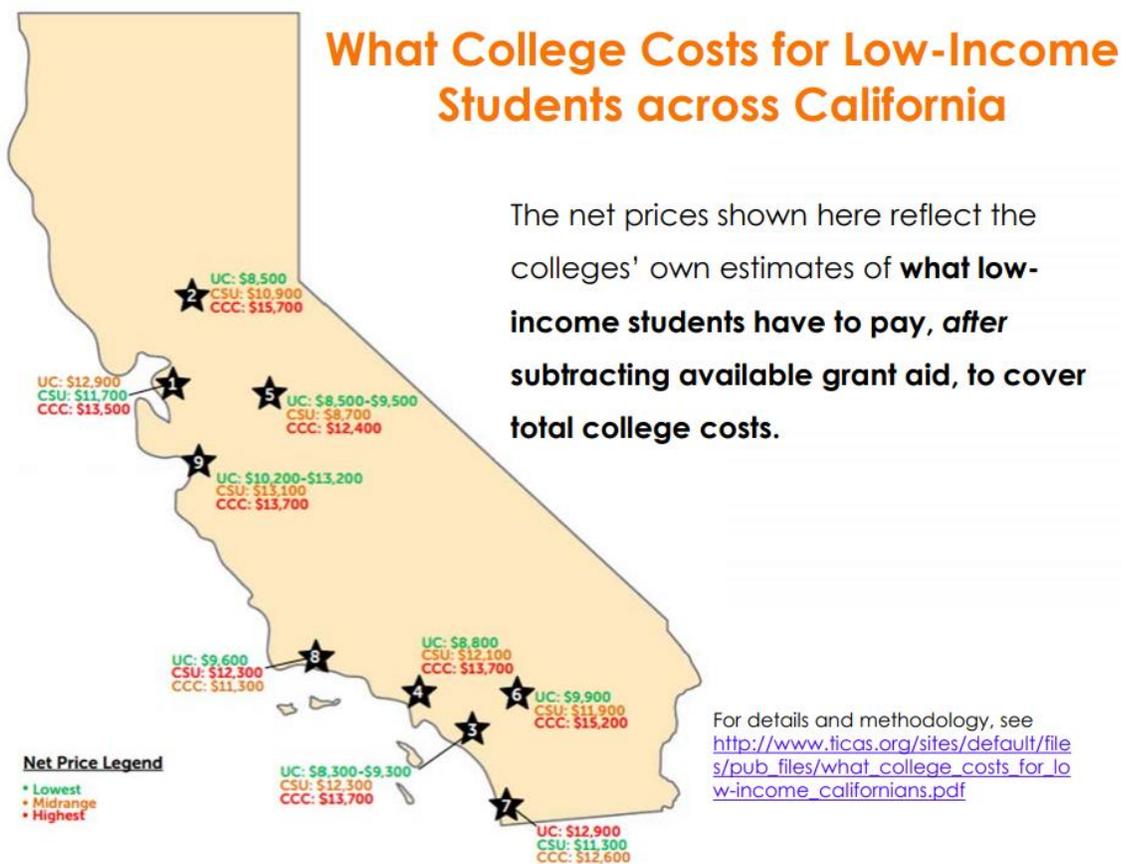


Figure 3.4

In 2016, TICAS surveyed 12,000 California community college students about the tradeoffs they face in paying for college, and students overwhelmingly discussed the challenges posed by their non-tuition costs. Ms. Cochrane described that many students shared stories about their struggles with homelessness or near homelessness, and that students pointed out specifically how little financial aid is available to help cover those costs. Students also shared with TICAS stories about

having to choose between buying textbooks and eating. Many students pointed to textbook costs as being unreasonably high, such as \$200 per book, with one student asking directly, “How is a low-income student supposed to afford this?” Part of TICAS’ survey asked students what they are likely to do if they cannot afford required textbooks: 32 percent of students said they do what they could to pass their courses without the books, and 27 percent said they were likely to drop out of the course. This exemplifies how students, when faced with unaffordable college costs, make choices that influence whether they will graduate, in what amount of time, and at what cost.

Ms. Cochrane focused on the impact of affordability on California’s low-income families. She shared that TICAS recently found that the vast majority of CSU graduates with student loan debt came from families with incomes of no greater than \$54,000. Nearly two-thirds came from families with incomes less than \$27,000. Public data from UC show similar trends: about half of all bachelor’s degree graduates with debt had family income less than \$55,000, and the lowest income students were three times as likely to have debt as their highest income peers. Ms. Cochrane stated that this is a critically important trend to understand as policymakers look towards state solutions to ensure that a college education is affordable.

Ms. Cochrane also explained that students may choose to work to cover college costs. At all of the 27 public colleges in Figure 3.4 from the previous page, the lowest income students would have to work more than 20 hours a week to cover net costs; at some colleges in all three segments students would have to work more than 30 hours a week. This already takes into account the grant aid that is available. Needing to spend this much time working means less time studying. More than any other single topic that came out in TICAS’ student survey, students shared how these tradeoffs for their time were holding them back academically.

Moving forward, to ensure that the Master Plan’s promise of educational opportunity is realized, Ms. Cochrane advocated for more and better investments in need-based financial aid to better recognize and address the total costs of college that students are facing. She emphasized that the state must ensure that financial aid investments are targeted at students for whom college costs are the most burdensome, and for whom barriers to enrollment and completion are most pronounced.

Ms. Cochrane discussed the limits of the Cal Grant program in supporting students’ non-tuition costs. While the Cal Grant program does provide some support to students for non-tuition costs, hundreds of thousands of eligible students are turned away each year because there are not enough grants available. For example, if a student is not a recent high school graduate, the student has to compete for grant aid. The California Student Aid Commission reported that over 400,000 eligible applicants competed for only 25,750 awards.

Ms. Cochrane also noted that for the applicants who do receive a competitive Cal Grant, the portion that covers non-tuition costs has not kept pace. Had the award kept pace with inflation, it would be worth over \$6,500 today. Instead, the maximum award is \$1,672. In recent years, the Legislature has created two new financial aid programs to increase this award for full-time community college students in particular. She stated that this is very important progress in the right direction, but it is also important to recognize that less than five percent of community college students receive the Cal Grant upon which these additional aid programs are based.

Ms. Cochrane shared that TICAS recently interviewed 22 experts throughout the state about their perceptions on the strengths and challenges related to college affordability in California. Among these experts there was resounding consensus that California has a college affordability problem. All interviewees agreed that improving college affordability means focusing on covering non-tuition costs. Many also expressed the importance of doing more for the neediest students, including non-traditional and underserved students, community college students, former foster youth, and other first-generation students. Experts also universally agreed that affordability challenges negatively impact students in several ways, such as rising student debt burdens and students' ability to get to college or through college in a timely manner, which has contributed to equity gaps in college access and completion.

Ms. Cochrane concluded that within the current state financial aid structure, the simplest way to make targeted investments to address these challenges is to increase the number of Cal Grants available and increase the size of the grant for non-tuition costs. But she also underscored the need for broader systemic reform, such as reducing the complexity of the financial aid system and correcting outdated assumptions about who today's students are.

Basic Needs of Students: Food, Mental Health, and Housing

Maggie White, Student, CSU Stanislaus

Maggie White, a student at CSU Stanislaus and President of Cal State Student Association, which represents the nearly half a million CSU students, addressed the Select Committee on the topic of students' basic needs. Ms. White began by acknowledging that this issue is not unique to any one system. "The needs of students to identify affordable housing and to remain housed throughout college, to feed ourselves on a day to day basis, and to at least attempt to take care of our mental health during the rigors of our education, are, unfortunately, not unique just to the students I represent in the CSU system," stated Ms. White.

Ms. White stated that the privilege of attending college is a great thing, but that this narrative has in some ways hidden the severe struggles of students. Ms. White pointed out that if a student lacks access to their basic needs—food, housing, mental health resources—they have a larger likelihood

of struggling in college, dropping out before completion, and leaving the institution with debt but no degree.

In 2018 the CSU released their system wide basic needs report, and the findings were very grim. Nearly 200,000 CSU students face some form of food insecurity. Ms. White asserted, “I think the assumption is that the college experience should be a struggle. Everyone struggles in college, so why should this generation be any different? But I would like to think that the struggle we reference ought to be connected to the academic rigors of a program, that mental and emotional development that occurs when you’re sitting in a classroom surrounded by diverse thought and opinion on a subject, not whether or not someone is able to access enough sufficiently nutritious food to get themselves through the day.”

Ms. White emphasized the negative impact of basic needs insecurity. For example, students who have trouble feeding themselves report having more trouble in class. While great work is being done to achieve the goal of higher graduation rates, Ms. White noted, without addressing students’ basic needs, that work will not be truly maximized, nor will it be equitable.

The issue of food insecurity is widespread, but cuts differently among different student groups. Ms. White illustrated that while system-wide, 41.6 percent of CSU students reported some form of food insecurity, 65.9 percent of students who identified as both Black/African American and first generation reported some form of food insecurity. Ms. White emphasized that as California addresses food insecurity, the work must be done intentionally and with the state’s dedication to equity at the forefront. There have been a number of advancements, from partnerships with county food banks, to donations from community members, to connecting students with CalFresh benefits.

Ms. White also discussed that CSU students have not remained unscathed from the statewide affordable housing crisis. She shared that 10.9 percent of students system wide—52,000 CSU students—reported being homeless sometime within the last year. Students who identified as both Black/African American and first generation reported higher than average numbers at 18 percent. “I probably don’t have to tell you that when you’re homeless, turning in that paper on time, attending class or office hours, and participating in high impact practices and academic programs is probably the last thing on your mind,” said Ms. White.

Ms. White highlighted how the issue of student homelessness remains such a challenging issue to face because there are so few low-cost solutions. She explained that campus housing is not a solution for most students, because on many campuses, the prices mirror the local costs of housing, and in most cases, there are not many vacancies in campus housing to serve those students who become homeless during the year. Many campuses have stepped up to try to help students who are

homeless with emergency short-term housing options. However, she recognized that while these emergency, short-term housing solutions offer students temporary safety, they are not permanent solutions.

Lastly, Ms. White addressed the topic of mental health by stressing that mental health is linked to food and housing insecurity. Students have worked hard for the past few years to try to expand mental health resources on campuses, but unfortunately, they have not been successful enough. Ms. White asserted that the national standard for mental health counselors on a college campus is one mental health counselor per 1500 students; however, only 13 of CSU's 23 campuses have anything close to or under that range and at Fresno State, San Francisco State, and Cal State LA, the ratio is one counselor to more than 3,000 students. Ms. White explained, "These ratios mean that on many campuses, to deal with the lack of mental health counselors, students report wait times of up to a month to see a counselor in person and a cap on visits through the year. No student, when they've found the courage to come forward and acknowledge their mental health issues, should have to wait so long and have such a lack of access to the help they need to be safe and successful on their campus."

Ms. White also noted that on all campuses, student fees are being used to pay for these mental health resources and that the most obvious way to expand these resources on campus is to increase these campus-based fees. She does not believe that this is a viable solution for students. Ms. White concluded that this only compounds the cycle of affordability and mental health challenges as students are already struggling with food costs, housing costs, and rising tuition and fees.

Tim Galarneau, University of California Basic Needs Co-Chair, UC Santa Cruz

Tim Galarneau began by identifying a challenge that impacts basic needs: the costs of attendance. He shared that today's expenses other than tuition can account for more than 60 percent of the total cost of attending a college or university and over the past four decades, the cost of living for college students has increased by over 80 percent. Mr. Galarneau further stated that older generations were able to pay for much more than millennials now as past wages only cover one third of today's costs.

Mr. Galarneau spoke to the UC's commitment to addressing student basic needs. Through President Napolitano's Global Food Initiative, launched in 2014, the UC has worked to align existing student support services and programs within a food access and basic needs framework. Initial efforts sought to research the scale of need and develop, implement, and assess interventions to address student food insecurity as well as better understand the housing and homelessness dimensions of basic needs for UC students. Mr. Galarneau explained that the UC administered various student surveys across campuses and began incorporating both food insecurity and

homelessness questions into their surveys and he shared that 44 percent of undergraduate students and 26 percent of graduate students reported having experienced food insecurity.

After discussing the UC's efforts to measure and research food and housing insecurity across campuses, Mr. Galarneau turned to prevention and support. In 2014-2015, the Global Food Initiative Food Access and Security Basic Needs subcommittee initiated campus-level working groups to better assess student needs on the campus level as well as to inform system wide efforts. He also highlighted that President Napolitano allocated \$75,000 per campus to address the immediate challenges of ensuring student access to nutritious food, while Mr. Galarneau and fellow co-chair Ruben Canedo from UC Berkeley developed a multiyear strategic plan. Further, President Napolitano committed an additional \$3.3 million over a two-year period, 2016-2018, to provide emergency assistance, financial aid and food literacy, and life skills training to strengthen the impact of the working groups on each campus.

Mr. Galarneau discussed that the UC has made significant headway on food access and basic needs efforts, such as:

- Hosting semi-annual system-wide Basic Needs leadership meetings.
- Facilitating monthly system-wide campus leadership Basic Needs calls and quarterly professional development webinars.
- Releasing a Student Food Access and Security Toolkit on campus level food insecurity interventions.
- Establishing shared Basic Needs outcome and impact evaluation and reporting timelines for campus efforts.
- Providing over 22,000 students with direct Basic Needs services and support on campuses.
- Launching central online websites and communication resources for Basic Needs on all campuses.
- Opening four Basic Needs Resource Centers with other campuses going online by Fall 2018.
- Engaging with the Department of Social Services to increase CalFresh awareness.
- Enrolling over 8,000 students in CalFresh with proactive county-to-campus support teams.
- Releasing the UC Food and Housing Security Report in December 2017.

Mr. Galarneau expressed that tackling the challenges of food and basic needs security is a long-term, resource-driven endeavor. He concluded that the UC is developing a Master Plan for Basic Needs that will utilize a prevention and education approach to ensure at-risk student populations are equipped to succeed academically while accessing the resources to maintain a basic needs secure lived experience.

Dr. Denise Bevly, Director of Student Wellness and Basic Needs Initiative, California State University Office of the Chancellor

Dr. Denise Bevly shared how the 23 CSU campuses are helping students who are experiencing challenges related to their basic needs. In 2015, the CSU commissioned a phase one snapshot study of a small student population that found that approximately one in five students experienced food insecurity while one in 12 experienced housing insecurity. The CSU recently released phase two in February 2018, which confirmed much of the data from the snapshot study.

Dr. Bevly reinforced comments made by other panelists that when students' basic needs are not addressed, it can have an impact on both their personal and academic growth, impeding their ability to achieve their goals and earn a degree. She emphasized that this is why student well-being is a priority in Graduation Initiative 2025, the CSU's plan to ensure that all students have the opportunity to be successful and graduate in a timely manner.

Dr. Bevly explained that the results from the snapshot study were a call to action for the CSU to do more to help students who need it the most. As a result, CSU campuses have been linking students to resources, services, and programs that address food insecurity, housing displacement, homelessness, and financial crisis. For students struggling with food insecurity, all 23 campuses have either a food pantry or a food distribution program. In addition, all campuses provide CalFresh application assistance to eligible students so that they have healthy eating options. Further, a majority of campuses offer meals through meal sharing and meal voucher programs. For example, Fresno State offers a comprehensive food security program that includes an on-campus food pantry, a meal sharing program, CalFresh outreach and application assistance, and a campus garden that provides students with access to fresh fruits and vegetables. Fresno State was also one of the first campuses in the nation to develop an app that alerts students to available food that is left over from on-campus events, preventing food waste and providing an opportunity for students to receive free food.

Dr. Bevly also discussed the issue of housing insecurity. CSU campuses provide students with short-term emergency housing. More than two-thirds of campuses offer on-campus emergency housing or vouchers for off-campus housing. For example, at CSU Chico, staff provide students facing emergency housing crises with hotel vouchers to provide short-term relief, and the campus will serve as a co-signer on lease agreements to help students transition into long-term housing. Similarly, Cal State Northridge provides funding for security deposits to help students in need of procuring housing.

Dr. Bevly also touched on how CSU campuses provide financial assistance to students in need. More than 80 percent of CSU students receive some form of non-loan aid. She also discussed that

the majority of CSU campuses also provide emergency grants. For example, San José State offers emergency grants to students that are not required to be repaid. Sacramento State also offers emergency grants and hosts financial literacy workshops to teach students about money management and budgeting. She also mentioned that many campuses have targeted fundraising campaigns aimed at raising funds for basic needs resources. For example, at CSU East Bay, the campus and Associated Students worked together to establish a campaign to solicit donations from the community in support of students' basic needs. In the first year alone, more than \$160,000 in donations were secured, as well as over 1,800 meal swipe donations, 1,900 donated items, and \$4,500 in emergency aid.

Dr. Bevly stated that the CSU is implementing the Basic Needs Initiative to coordinate services across campuses to help reach all students in need of support. The initiative is structured around five areas:

- 1) Immediate Needs: Addressing the immediate needs of students.
- 2) Growth: Growing campus-based basic needs services to reach additional students.
- 3) Scale: Scaling best practices from one campus to across the system.
- 4) Collaboration: Working with partners and collaborating.
- 5) Sustainable Impact: Ensuring long-term sustainability of basic needs services.

Dr. Bevly concluded her remarks by describing the impact of \$2.5 million recently allocated to all three of the higher education systems in California. In the CSU, the dollars are being distributed to all 23 campuses to help them be designated as hunger free. She emphasized that these funds are critical in helping campuses develop, implement, and enhance resources related to food insecurity and housing displacement.

Colleen Ganley Ammerman, Program Specialist, California Community Colleges Chancellor's Office

Colleen Ganley Ammerman began by describing the California Community Colleges system, which is comprised of 72 districts and 114 colleges. Ms. Ganley noted that of the total student population (more than 2.1 million students), two thirds are considered part-time students, meaning they are taking less than 12 units. These part-time students are often working adults, parents, or individuals who are working multiple jobs to make ends meet.

In 2017, the Community Colleges Board of Governors formally adopted a new Vision for Success. Figure 3.5 on the following page outlines the metrics driving the new Vision for Success.

California Community College: Vision for Success

- Increase completion rates (20%)
- Increase transfer rates (35%)
- Decrease unit accumulation (from 87 units to 79)
- Increase Career Technical Education employment in field of study (from 60% to 69%)
- Reduce local equity gaps (40%)
- Reduce regional equity gaps completely in 10 years

<https://vision.foundationccc.org/looking-ahead>



CALIFORNIA COMMUNITY COLLEGES

Figure 3.5

Ms. Ganley then discussed basic needs data nationally and at the state level. Nationally, the Wisconsin HOPE Lab conducted a survey in 2017. That survey included 70 community colleges across the country, including 14 community colleges in California. The data shows that two in three community college students reported that they were food insecure, 50 percent reported that they were housing insecure, and 13 to 14 percent reported that they were homeless. She noted that while statewide data on the entire community college student body is not available, Los Angeles Community College District, which is one of the larger districts, surveyed almost 6,000 of their students. Almost 63 percent of students reported food insecurity, 55 percent of students reported housing insecurity, and almost 19 percent of students reported being homeless. As it related to housing, Ms. Ganley explained that generally, the community colleges do not have housing resources. Eleven community college districts offer housing resources in the form of on-campus dorms.

Ms. Ganley shared that in 2017 the Chancellor's Office conducted a system wide survey to faculty, staff, and administrator regarding basic needs resources and supports available to students. The survey results showed that about 68 percent of respondents reported the availability of a food

pantry on campus, almost 62 percent reported support services to students enrolling in CalFresh benefits, and almost 61 percent reported other available food resources including meal vouchers, grocery gift cards, and farmer's market products.

Ms. Ganley discussed how the community colleges are funding their efforts to meet the basic needs of students. Similar to the UC and CSU, the community colleges received \$2.5 million in one-time funds for food security activities. The community colleges in addition received a one-time apportionment for \$4.5 million for mental health services. The funds for food security activities were allocated to support either creating or expanding campus-paid food pantries, and to ensure that students have information about CalFresh benefits. The Chancellor's Office is connecting CalFresh staff and local food banks with community colleges and is also working with external partners including the Department of Social Services and the United States Department of Agriculture to leverage external resources.

Ms. Ganley concluded by sharing how the community colleges are working to improve mental health services. She emphasized the limited number of resources to support students who have mental health needs related to stress, depression, and anxiety, for example. In terms of mental health provider to student ratios, Ms. Ganley conveyed that most campuses have three or less practitioners expected to serve 30,000 to 50,000 students. Fortunately, with the \$4.5 million in funding, the community colleges aim to provide direct services, train faculty and staff on prevention and early intervention, and help colleges develop formal referral networks with county and community-based mental health service providers. The Chancellor's Office is also sponsoring statewide resources including a crisis text line for students, which provides text-based mental health support and suicide prevention training, which to date has trained more than 65,000 faculty, staff, and students at the community colleges.

Ensuring Equity and Student Success

Alejandro Lomeli, Student, Long Beach City College

Alejandro Lomeli, a student at Long Beach City College and Vice President of the Student Senate for California Community Colleges, the organization that is the official representative for the 2.1 million students across the community college system, addressed the topic of equity and student success.

Mr. Lomeli began by telling his personal story about navigating the community college system. He said, "When I first decided to return back to school after my year and a half break, I would not have imagined myself still being here four years later. I would never have imagined myself having to drop out of several classes due to conflicting work schedules, as well as balancing two or three part-time jobs at a time." He continued, "I never would have imagined myself, just this semester specifically, having to drop a Communication 60 class three separate times because it was canceled on me due

to just conflicting schedules and class cancellations. And I most certainly never would have thought four years from now earlier that I would be here at Fresno City College, speaking to you about some issues in regards to on behalf of my fellow peers about issues relating to equity and student academic success.”

Mr. Lomeli argued that the time of “junior” colleges being two-year institutions is no longer the case. The latest information out of the Chancellor’s Office, Mr. Lomeli pointed out, is that six to seven percent of students actually graduate or receive any type of degree within two years. In fact, the practice of students taking longer than two years is so embedded into the system that data often tracks students in 6-year cohorts.

Mr. Lomeli continued to share his personal experience and stated, “Whenever my family from Mexico comes to visit, they are always asking me how school is going, and for the most part, are ecstatic that I’m spending any time at all in my higher education journey. We also value the commitment to hard work, and I don’t think the thought has ever occurred to my parents that I would ever be able to not work while attending college. On the contrary, friends from different upbringings often question me about my decisions to take a year off or my decisions to even work while attending a college. Maybe I am spending too much time working, maybe I am spending too much time trying to earn some money and not focusing on my degree, but there should be some form of balance: a balance where I should still be able fulfill my cultural and work responsibilities of attending school, while being able to complete those within two or three years.”

Mr. Lomeli posed the question, what is holding students back? He offered several possible responses:

- Is it the remediation or “basic skills” that set students up immediately in a position where they have no other option but to finish a sequence of courses that can easily take two or three years just to reach transfer level?
- Is it course offerings and class scheduling that are unpredictable and sometimes offer zero suggestions for students to move forward from any type of sequence?
- Is it the cultural piece that sometimes is not translated correctly when speaking to a counselor who may not look like a student or know about future plans and expected family values?
- Is it a lack of financial aid resources to support attending a college that requires a \$150 textbook?
- Is it the misrepresented sticker price of college that attending a university does not accurately represent the cost of attendance?
- Is it that students have such minimal resources that they are suffering from food and housing insecurity and such unstable living conditions, affecting their performance?

Mr. Lomeli asserted that the answer to improving equity and academic success across campuses is not as simple as fixing a specific issue or placing reactive proposals. “From the onset, we are alone in maneuvering through an almost archaic website to fill out confusing application questions. We wait in lines for impossible times only to be told we have to come back in two to three weeks to meet with a counselor that has a one to 700 student ratio. We hope that our financial aid, if awarded, is disbursed early enough to have our books by the second week of class all while managing to balance a successful work, family, and some of us even have a social life. Institutions will be the first to tell you that they are doing everything they can to improve the idea of academic success of their students, that some students are just labeled and just come unprepared, but even if the tools are there, we need to do better to show students that those tools really are there and where to find them.”

Mr. Lomeli offered several suggestions for improving equity and student success among community college students. He cautioned against requiring all students to take 15 units per quarter, arguing that students who cannot maintain full-time status now will not be incentivized by an extra increase in financial aid to push them through. If the colleges move toward a system of providing more resources to individuals of full-time status taking more than 12 units or 15 units, he encouraged policymakers to consider the reality that this shift may displace some students even further.

Mr. Lomeli also suggested a focus on course scheduling and class offerings. “As a community college student when I first enrolled, I didn’t know what classes were going to be offered a semester ahead of time. And that’s the reality that a lot of community college students face,” Mr. Lomeli pointed out. He encouraged community college leaders to look at class offerings from a student-centered approach, especially in regard to evening and weekend classes.

Mr. Lomeli also addressed the topic of remediation. Relying on placement tests to assess students is changing. He stated that multiple measures have come to the forefront of deciding when a student is ready and will be most successful, such as Grade Point Average, previous workload, or even a 30-minute counselor visit. Mr. Lomeli acknowledged that an assessment might not be the answer to questions surrounding placement and remediation, but argued that the state needs more comparable data to go about creating and adjusting reflective courses instead of using outdated metrics that may negatively impact students. He advocated that higher education institutions form a greater data sharing relationship with K-12 partners.

Mr. Lomeli concluded by noting that conversations around equity and student success are not singular issues. Student success is directly related to issues discussed earlier like college affordability and basic needs. There is no doubt that these issues affect students differently, some more than others. But he argued that if California plans to move forward a relevant vision for a 21st century

higher education system, this vision must meet the needs of all students whether they be working adults, single mothers, straight out of high school, or from different ethnic groups.

Manuel John Cantu, Student, Fresno Pacific University

Manuel John Cantu, a student at Fresno Pacific University, shared his personal experience navigating the higher education system as a community college student who transferred to a nonprofit private university. “My academic journey starts in a small rural city called McFarland. McFarland is a city that is over ninety percent Hispanic and similar to most small rural cities in the San Joaquin Valley, McFarland is home to many low-income and immigrant families,” Mr. Cantu said. Growing up in an underserved community, Mr. Cantu realized that despite the apparent inequity in McFarland, he still found himself ready and encouraged to succeed in higher education.

“I was prepared because I was blessed with great parents and a great family,” said Mr. Cantu.” I acknowledge them because they are the real reason for my success. My grandparents emigrated here from Mexico with the Bracero program. They had hopes of living the American Dream. They would of course face many hardships but they managed to instill the idea of grit and determination into my parents. As a result of their efforts, both of my parents would eventually graduate from college and my father would also continue on to receive his Master’s degree and become a school administrator. The stage had already been set for me to be more likely to succeed although I did not know it.”

Mr. Cantu described how important role models, such as his parents and teachers in McFarland, helped him succeed and reach college. He explained, “Now that I look back I see the value in growing up in McFarland. Role models that looked like me surrounded me and led me to believe that anything could be possible.” He suggested that students need role models that will empower them in order to flourish and succeed academically.

Mr. Cantu then identified how universities can help fix equity in their communities. He shared his experience working as a Multicultural Peer Mentor, where he serves as a role model, friend, and mentor to first-generation students who need help navigating their higher education journey. He emphasized that programs such as the Multicultural Peer Mentor program are integral in improving equity for first-generation students.

Mr. Cantu shared that first-generation students can often feel lost in universities since they do not have that family member who blazed the trail before them in higher education. They are often not reaffirmed that this is the right decision for them. Parents often do not understand the challenges that their child faces and so resentment can grow between parent and child. First-generation students sometimes do not know how to manage their time outside of a high school setting; these

students may also prioritize work over studying to help out their family's financial burdens. Students under the Deferred Action for Childhood Arrivals (DACA) policy are also sometimes fearful of applying to government programs and college in general. This can be very discouraging for students, so it is Mr. Cantu's job as a Peer Mentor to bridge the gap for these students, help them stay on the path, and give them role models that are wiser and that look like them. "We want to be that for our students," said Mr. Cantu.

Mr. Cantu used his own personal experience to emphasize the importance of diversity. "Universities need to be able to encourage leaders to be aware and truly represent their student body. I believe students benefit the most when they have mentors they can relate to."

Lastly, Mr. Cantu passionately encouraged students to be proud of their roots and support one another. "If you come from a humble place, use that to your advantage, showcase your ability to overcome adversity and rise to the challenge. That is a valuable skill set that you get the privilege to have," asserted Mr. Cantu. He concluded, "If you are a person that comes from inequity and succeeds, do your best to become a role model to other people. I drew inspiration from many people who I did not even know. Every college acceptance letter that I heard about from an upperclassman was a great inspiration to me. Every time I heard that someone transferred to University in two to three years, that was a great inspiration to me. Every time I heard that someone got a job right after college, that was a great inspiration to me, and they may never have even known. Remember, you can inspire people just by your own personal success and the testimony you can share. So let's share a trend of generational success. I believe that starts at the university level by applying great leaders."

Michele Siqueiros, President, The Campaign for College Opportunity

Michele Siqueiros began by sharing her personal story with higher education. "I used to always say that I was super lucky that I got to college. You see, my mother immigrated here from Mexico with only a sixth grade education. She had no idea how to help me fill out that FAFSA. So I used to say that I was lucky that I was able to fill out that FAFSA, that I was encouraged to apply to college, that I ended up going to Pitzer and then UCLA on an affirmative action scholarship, that I got out of college with about \$16,000 in debt which was pretty fantastic at that time, given the world-class education I got at both institutions."

Ms. Siqueiros then cautioned that her story is absolutely not at all related to luck. In fact, she argued, it is related to decisions made by policymakers. "Because it was policymakers that ensured there was financial aid so that I could go to college, that there were student loans so that I could afford to get there and get through, and it was those affirmative action supports that allowed me to

go to grad school and be the first in my family to earn not only a bachelor's degree but a master's degree," Ms. Siqueiros explained.

Ms. Siqueiros shared that The Campaign for College Opportunity was founded by David Wolf and Steve Weiner, who were baby boomers that got to benefit from the Master Plan promise, got to go to UC for free, and were dismayed in the early 2000s that state leaders were not funding higher education sufficiently to make sure that students could have that promise.

Ms. Siqueiros noted that there has been much progress in expanding college access in California but not enough to close the projected shortfall of college graduates to meet workforce needs. More and more Californians are ready to go to college, want to go to college, and are eligible to get in to college. However, UC and CSU continue to turn away eligible students every single day because the state does not provide enough funding to take more students.

Ms. Siqueiros discussed how eligibility and enrollment has changed over time. In 1995, about 35 percent of high school graduates completed A-G courses, course requirements that determine eligibility for the UC and CSU. Today, that number has increased significantly to a record 44 percent. When disaggregated by race, 49.7 percent of white students completed A-G courses compared to 34.6 percent of Latinx and 32.7 percent of Black students. Ms. Siqueiros remarked that this is unacceptable and that inequities in access to A-G courses continue to disproportionately impact students of color.

Ms. Siqueiros also declared that the enrollment caps set by the Master Plan compound the opportunity gap faced by students of color in admissions to four-year universities. She urged the state to lift the enrollment caps at the UC and the CSU. "It should not be harder for our kids to get into college than it was for us, especially since this economy practically requires a college education," she asserted.

Ms. Siqueiros also discussed what she identified as the "transfer maze." The limits of the Master Plan enrollment caps and inadequate funding for CSU and UC force many students to attend community college first with the hopes of transferring to complete a bachelor's degree. Unfortunately, the route from community colleges to four-year institutions is much more a maze than a straightforward pathway, as the student panelists attested. Although a majority of community college students enroll with the goal of transferring, only four percent do so within two years and only 38 percent after six years. Transfer students will take 6.4 years to secure a bachelor's at the UC and seven years at the CSU, which results in an additional \$36,000 to \$38,000 in expenses for transfer students compared to freshman admits.

Ms. Siqueiros emphasized that the transfer process is broken in California due to the lack of coordination between the segments. California is also unique in its lack of a statewide official or entity that ensures the various segments have to work together more seamlessly. Ms. Siqueiros recommended that such an entity must have the responsibility, authority, and capacity (staff and financial resources) to be effective in advancing a state change agenda for California. She asserted that it is not an agenda for the UC, not an agenda for the CSU, not an agenda for the community colleges, but an agenda for California and its students. Specifically, she stressed that the agenda should be to increase college access and attainment rates, to improve transfer, and close equity gaps. She recommended that California needs an entity that keeps the interests of the students and the state at the center of any conversation between the segments.

Ms. Siqueiros then focused on the Associate Degree for Transfer (ADT). The CSU and the UC offer their own admission guarantees and two different sets of lower division general education requirements for transfer students. She shared that in 2010, The Campaign for College Opportunity sponsored legislation to establish the ADT, which offers seamless 120 unit paths to bachelor's degrees. Students earning this ADT are guaranteed admission to the CSU with junior standing and a guarantee that they will not have to complete more than 60 units. There are now ADTs in 32 majors, with colleges still developing more programs. Ms. Siqueiros shared statistics that demonstrate the impact of the ADT program. Students that transfer to a CSU with an ADT earned that bachelor's degree at a higher rate (48 percent) than students that transfer the traditional route (27 percent). She advocated for expanding and strengthening the ADT.

Ms. Siqueiros also discussed issues associated with remediation. For example, she shared data showing that disproportionate numbers of Latinx students, Black students, and Pell or Promise Grant recipients are placed into remediation. She emphasized the importance of colleges utilizing multiple measures when assessing students and maximize placement into college-level coursework.

Ms. Siqueiros noted that Guided Pathways at the community colleges is also another means to shape college practices to foster more equitable and successful student outcomes. She explained that the number of transfer pathways can be confusing to students, particularly the 42 percent of community college students that are the first in their families to attend. In 2017, the state invested \$150 million to expand Guided Pathways in community colleges. Ms. Siqueiros suggested that implementing Guided Pathways and closing racial equity gaps should be top priorities at every campus and the state should continue to provide resources, technical expertise, and accountability to meet these priorities.

Ms. Siqueiros concluded by emphasizing the importance of diversity in higher education institutions. While Latinx students now compose 43 percent and Black students another six percent of enrollment in California public postsecondary systems, only 12 percent of faculty members are

Latinx and only five percent are Black. Leadership roles are still highly exclusive, with whites comprising 60 percent of senior leadership roles, more than 60 percent of faculty, over 70 percent of campus Academic Senates, and over 80 percent of the system Academic Senates across community colleges and universities. Ms. Siqueiros reinforced the importance of students being able to see themselves in the leaders in front of them. She urged policymakers to require community colleges and universities to collect and report data by race and gender on college leaders, faculty, and academic senators and to put forward action plans to ensure greater inclusivity on campuses that reflect the diversity of California.

Benjamin T. Duran, Ed.D., Executive Director, Central Valley Higher Education Consortium

Benjamin T. Duran shared how the Central Valley Higher Education Consortium has undertaken regional efforts to improve equity and student success. The Consortium is a group of colleges and universities from San Joaquin County to Kern County, which includes 14 community colleges, three CSUs, UC Merced, and five independent colleges and universities in the Central Valley.

First, Dr. Duran emphasized how the Consortium has focused on co-requisite remediation in English and Math as a strategy to improve equity. He shared that 92 percent of community college students never transfer because they cannot get past college algebra. To address this problem, Dr. Duran highlighted that colleges and universities in the Consortium are implementing co-requisite remediation. He used the example of an English 1A class. Students who would have previously been placed in non-credit bearing remedial courses are instead placed directly into transfer-level English 1A but are given additional hours of tutorial and assistance to help them succeed. The Consortium is focused on scaling co-requisite remediation across the region.

Dr. Duran also shared the Consortium's efforts on 15 to finish, which are geared toward improving time to degree and improving persistence. While he acknowledged Mr. Lomeli's point that not all students will be able to attend full-time, he emphasized the value that taking a fuller load can result in for students who can attend full-time. He noted research that students who attend full-time are completing and are completing faster.

Dr. Duran also recommended that the Legislature create longitudinal data and data sharing platforms that would share data from K-12 partners to the community colleges to CSU and UC. He noted that currently, the data exists in individual silos, but a longitudinal data system would allow relevant stakeholders to follow a student from elementary school through high school and to community college and university, while including parents and students in the process.

Dr. Duran also discussed regional efforts to implement Guided Pathways at community colleges across the Central Valley. He outlined the four pillars of Guided Pathways, which include: (1) create

clear curricular pathways to employment and further education, (2) help students choose and enter their pathway, (3) help students stay on their path, and (4) ensure that learning is happening with intentional outcomes.

Dr. Duran closed by emphasizing that tremendous professional learning will be required to successfully implement reforms such as co-requisite remediation, 15 to finish, and Guided Pathways.

Meeting the Needs of Faculty and Staff to Support Students
Friday, May 4, 2018
10:30 a.m. – 1:30 p.m., University of California, Riverside, Riverside

After learning about the needs of students, the Select Committee focused its fourth hearing on the needs of faculty and staff across California's higher education institutions. The Select Committee heard from the Academic Senates of the three public segments and a representative from University of Southern California's Center for Urban Education who discussed professional development and academic initiatives, from union representatives who addressed faculty, lecturer, and staff needs across the segments, and from student services and support staff who are essential to California's higher education system.

Professional Development and Academic Initiatives

Professor Julie Bruno, President, Academic Senate for California Community Colleges

Professor Julie Bruno discussed the critical role of professional development among community college faculty. She shared that faculty need access to professional development for three very specific reasons: (1) to maintain currency in their disciplines, (2) to develop and implement strategies for effective teaching and learning, and (3) to fulfill their roles and responsibilities in college governance and service.

Professor Bruno suggested that much of the professional development currently provided by the state is designed to train faculty on implementing state-directed initiatives. She pointed out that there is no consistent support for community college faculty to maintain currency in their area of expertise or to improve in pedagogy. While Professor Bruno acknowledged that all colleges support professional development in concept, she claimed that few provide the resources necessary for all faculty to attend professional development events. As a result, faculty—particularly part-time faculty—are frequently left to bear the cost of professional development activities within their disciplines. To add context, the community college system employs more than 18,000 full-time faculty and over 40,000 part-time faculty.

Further, Professor Bruno asserted that when the state adds on the requirement for college service responsibilities, office hours, and other job services in addition to the full-time job of teaching, fitting professional development into already tight schedules becomes difficult at best. Compounded with the additional cost and a lack of sufficient college support, such as providing substitute teachers, it is quite challenging for full-time faculty to attend and almost impossible for part-time faculty to participate.

Professor Bruno argued that the state can ensure the health and vitality of higher education by investing in the state's most important resource, the individuals working at California's colleges. She identified one action the state could take that would not require additional funding, which would be to designate a percentage of community college base funding be allocated to professional development. She also suggested another action that would require new funding, which would be to fund a professional development categorical.

Professor Bruno then turned to discuss the topic of faculty diversity. She shared that the Academic Senate has long been in support of increasing the diversity of faculty to reflect the diversity of the student population. In support of this goal the statewide Equal Employment Opportunity and Diversity Advisory Committee developed a handbook on best practices for promoting diversity in the hiring process. Subsequently, the Academic Senate and the Chancellor's Office provided professional development workshops on implementing those best practices, which resulted in significant changes at most colleges.

However, Professor Bruno asserted that California will never achieve the results the state desires if it continues to rely on an intermittent approach when colleges hire a good number of faculty one year but in other years, even when the state budget is strong, rely on part-time faculty and, perhaps, replace retirements. She advocated for a sustained effort and the resources necessary to make real progress.

AB 1725 set a goal of 75 percent of credit instruction taught by full-time faculty. Currently, the community college system hovers around an average of 55 percent, stated Professor Bruno. She argued that this low percentage of full-time faculty has very real consequences for students and colleges. Hiring full-time faculty every year would allow colleges to make progress on the 75 percent goal, improve the diversity of the academy, and provide the critical support students need from faculty of all backgrounds to achieve their educational goals.

Professor Bruno also emphasized that when colleges do hire part-time faculty, colleges need to honor them as professionals by ensuring that they have the support necessary to teach the diverse body of students.

Importantly, Professor Bruno asserted that community colleges need to recruit their own students to come back and teach. She conveyed that this means that there must be a clear path from the community college to the CSU and UC, as well as mentoring and paid internship opportunities. A critical component in such pathway is some assurance that a teaching position, or assistance in obtaining a position, is available at the end of the path.

Professor Bruno concluded that taken together these three efforts—dedicated funding to hire full-time faculty, parity for part-time faculty, and a pathway to teaching in the community colleges— will ultimately provide a sustainable strategy for improving the diversity of faculty to the benefit of students and colleges.

Professor Christine M. Miller, Chair, Academic Senate of the California State University

Professor Christine M. Miller focused her testimony around the gaps to mind in higher education: gaps in skills achievement, completion, and funding.

First, Professor Miller discussed gaps related to student basic skills and how faculty development efforts address these gaps. Skills gaps address the preparation students bring with them to college, or whether they are college ready. The CSU is addressing skills gaps by pursuing developmental education initiatives as part of Graduation Initiative 2025. Courses formally known as “remedial” are being transitioned into credit bearing experiences. She explained that converting these courses has required a great deal of faculty development, in the form of course redesign, using approaches like supplemental instruction and stretch models.

The next gap Professor Miller addressed was graduation rates for historically underserved populations, such as students of color. She highlighted how faculty development is helping close the achievement gap. For example, faculty develop what are called high-impact practices (HIPs). HIPs include study abroad, service learning internships, and learning communities. Professor Miller stated that there is a link between HIPs and achievement gaps. In fact, CSU Northridge reported that Latino students are 10 percent more likely than their peers to earn a bachelor’s degree if they do one HIP, and if they do more than one, the effect is cumulative. However, she noted that there is a big caveat as it relates to HIPs: quality matters. As a result, Professor Miller argued that faculty development matters because that is how quality is achieved and maintained.

CSU faculty are also paying close attention to completion gaps. What faculty want to see is that when a student enters the university, they persist at whatever pace works for them. They would rather not see them stop, and they certainly do not want to see them drop out. Professor Miller shared that faculty look for ways they can improve persistence rates, which ultimately closes completion gaps. She recognized that there are many reasons why students might not stick with their education, but one key reason is cost, including the cost of textbooks. Professor Miller pointed out that all three Academic Senates are actively involved in reducing textbook costs for students by involving faculty in ways to keep college affordable so students can complete their degree.

In addition to the completion gap, Professor Miller shared that faculty are also mindful of the workforce gap. She explained that online education is not a silver bullet to meet this need, but that

it certainly can help with certain populations of students—those who are more mature and farther along in their degree programs. To address the workforce gap, she argued that more full-time, tenure-track faculty are needed. This led into the focus on the tenure density gap, which as Professor Miller explained, can only be solved by hiring more tenure-track faculty. She also noted that once faculty are hired, it is critical to support them through professional development, such as online learning modules, instructor led training sessions, and specific campus training opportunities.

Lastly, Professor Miller highlighted one important gap: the gap between the amount of state funding colleges receive and the amount of money they need to operate. Professor Miller stated that the CSU has built up a lot of momentum with the Graduation Initiative; however, without full funding, that momentum will be stopped in its tracks and the initiative will go backward, courtesy of significant cuts on every campus.

Professor Miller concluded that CSU faculty are minding the gaps in skills, achievement, completion, workforce needs, and tenure density. She further advocated for funding and faculty development to close all of these gaps, and asked the Legislature to mind the gaps with them.

Professor Shane N. White, Chair, University of California Academic Senate

Professor Shane N. White discussed professional development opportunities available to UC faculty. He acknowledged that the Academic Senate could do better to develop a system-wide transparent clearinghouse that would help to better share resources to help increase and diversify representation.

While Professor White noted that UC faculty have access to professional development opportunities, he suggested that a far bigger challenge is a more basic one—that of institutional resources.

He shared that the UC has nearly 23,000 faculty: approximately 11,000 ladder-rank, under 4,000 lecturers, and the balance being clinical, in-residence, and adjunct faculty. However, given the recent surge in enrollment, as well as decreased funding, he also shared that the student to faculty ratio has worsened.

Professor White also touched on the topic of transfer. The Board of Admissions and Relations with Schools (BOARS) is an Academic Senate Committee, which regulates the policies and practices of admission to the UC and has been engaged on implementing a brand new transfer guarantee of admission to the UC. This is built upon the 21 transfer pathways initiated by the faculty to incentivize and reward good academic preparation.

He stated that the UC has been successful in admitting and enrolling transfer students, reaching a system-wide two to one freshman to transfer ratio. But he also acknowledged that there is more to be done both in reaching potential transfer students and in supporting them after enrollment. He suggested that more resources for faculty to better support enrolled transfer students is needed.

Professor White also spoke to increasing faculty diversity at the UC to mirror the diversity of the student body. In 2006, the Academic Senate recommended a diversity statement. The Board of Regents subsequently adopted it. Professor White also emphasized that the President's Postdoctoral Fellowship Program is key to supporting the diversification of the UC faculty through financial support and career development training for postdoctoral scholars who show promise to be successful faculty at UC or elsewhere. While this program has been effective, he explained that it is too small. Last year, over 800 applicants competed for just 24 slots.

Professor White emphasized that normal attrition and enlightened replacement is insufficient to move the needle on diversifying the faculty fast enough. More is needed. Professor White urged that greatly enlarging the President's Postdoctoral Fellowship Program would make a difference.

Looking forward, Professor White suggested that all the low-hanging fruit have already been picked. He reiterated that the real problem is institutional resources. The student to faculty ratio, which he asserted is a universal metric of academic quality, has steadily worsened over the last decades. He emphasized that institutional resources and the student to faculty ratio are directly related.

Professor White described how the state's funding for the UC has fallen short. Professional development and student support are constrained by a steadily worsening student to faculty ratio, which adversely impacts the ability of the faculty to serve students. Professor White concluded that the state needs to reverse this trend and improving the student to faculty ratio must be a key priority for state reinvestment.

Dr. Sarah Klotz, Associate Director for Leadership and Institutional Transformation, Center for Urban Education, Rossier School of Education, University of Southern California (USC)

Dr. Sarah Klotz began by stating that the design of the Master Plan has led to results which today have racial implications. She shared that the vast majority of California's African American, Latinx, Native American, and Pacific Islander students matriculate in community colleges. She pointed out that these students are subject to disproportionate remediation and complete degree, certificate, and transfer goals at lower rates than their white and Asian peers. At the Center for Urban Education, their research shows that these equity gaps are a problem of practice, not deficits in the abilities of students.

Dr. Klotz discussed what the Center for Urban Education is doing in the area of professional development to ensure that California’s higher education system is serving minoritized racial groups equitably.

Dr. Klotz asserted that faculty are rarely trained in the key competencies that will allow them to serve students in equitable ways. She argued that the most important take-away for faculty is that subject area expertise is insufficient to address the challenges faced in higher education today.

Dr. Klotz urged that faculty need to become institutional empowerment agents for students of color. This means learning to teach in culturally sustaining ways, to build high levels of equity-minded data literacy, and to interrogate taken for granted policies that block African American, Latinx, Native American, and Pacific Islander students from educational opportunity.

Dr. Klotz focused on one area where the Center for Urban Education is leading professional learning: equity in faculty hiring. Rather than providing best practices, the Center for Urban Education focuses on best practitioners. The Center for Urban Education takes into account the high levels of context-specific knowledge that faculty possess and provide inquiry protocols for faculty to look into their own practice and engage in ongoing learning across the professional lifespan. She noted that it is widely acknowledged that faculty hiring in California is out of step with the demographics of current students.

Figure 4.1 below illustrates the undergraduate demographic representation in the state.

2.8 MILLION CA UNDERGRADUATES

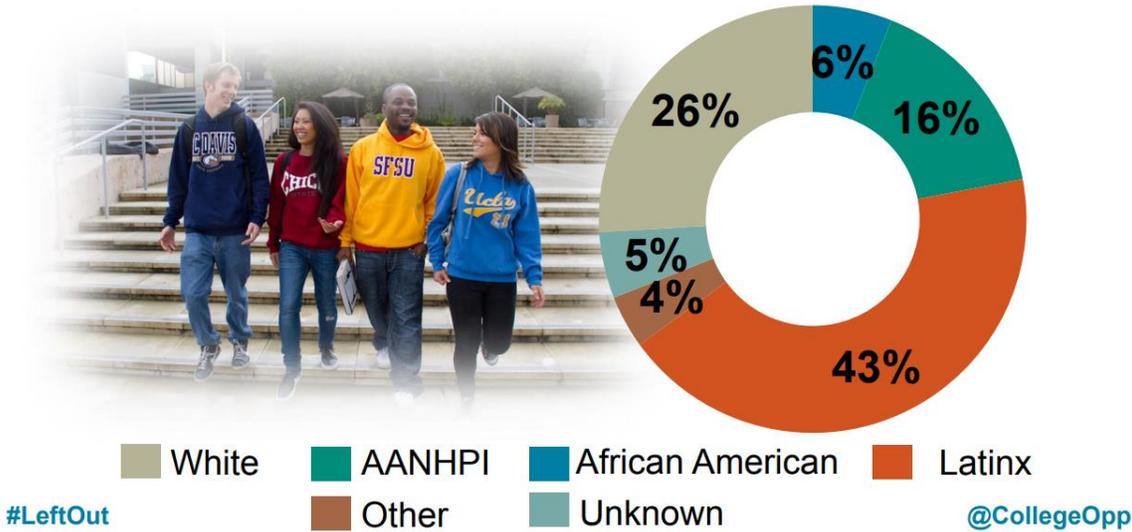


Figure 4.1

Figure 4.2 below depicts the demographic representation of the professionals in higher education that are currently working in the field—the vast majority of whom are white.

FACULTY & SENIOR LEADERSHIP IN CA PUBLIC HIGHER ED

TWO-THIRDS OF LEADERSHIP & TENURED FACULTY POSITIONS IN CALIFORNIA HIGHER ED ARE OCCUPIED BY WHITES

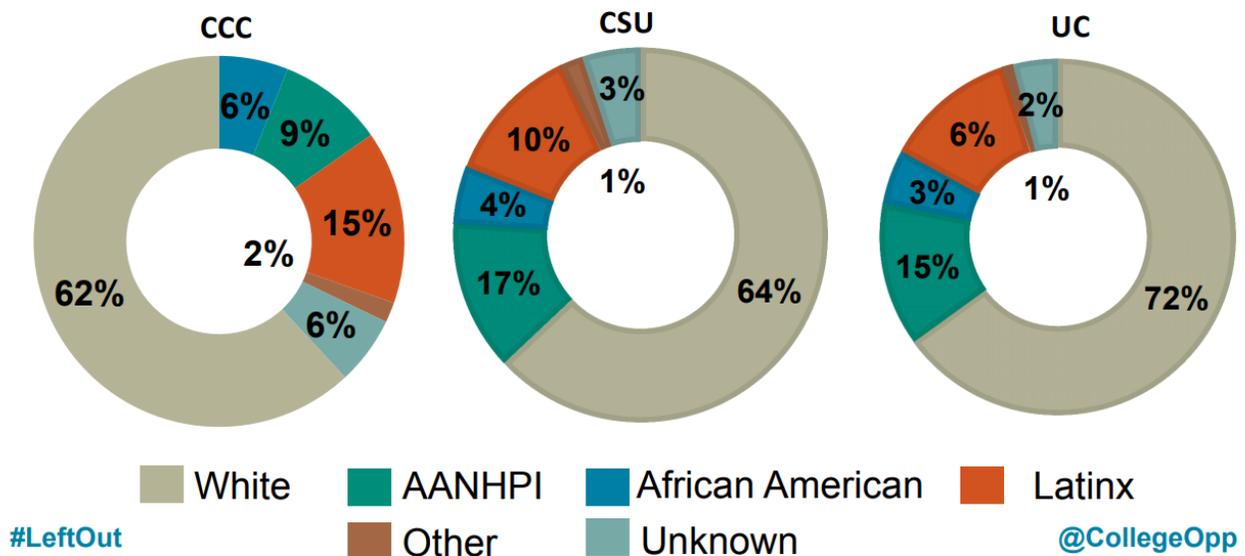


Figure 4.2

Dr. Klotz discussed the importance of a diverse faculty. She shared research which found that:

- Students of color experience better outcomes when taught by faculty of color and are more likely to identify with and approach faculty of their same racial ethnic background.
- Culturally responsive classrooms led by faculty of color have high expectations and favorable views of students, utilize pedagogical approaches that are relevant to, and advance the learning of, students of color, and curb the “stereotype threat” experienced by students of color.
- Faculty of color enhance the “sense of belonging” that students of color can feel on campus.
- Faculty of color are more likely to advocate for, and build relationships with, students.

The work of the Center for Urban Education includes convening faculty from across campus to engage deeply in discussions of racial equity with the goal that faculty become researchers into their own practice and change agents willing to advocate for their racially minoritized students. For example, the Center for Urban Education has convened over 40 community college campuses to look into their faculty hiring processes. She described that teams work together to learn about implicit bias and to build interpersonal strategies to disrupt explicit bias in hiring committee

meetings. Dr. Klotz announced that the Center for Urban Education is already seeing widespread changes in job announcements used across the state after one year of engagement.

To conclude, Dr. Klotz restated the importance of faculty development outside of their subject areas. She recommended that the state should fund more programming for faculty to come together across disciplinary areas and learn how to bring critical race consciousness into their practice. One action she suggested the state can take that does not require funding is to reframe and shift policy language around achievement versus opportunity gaps. She argued that it is crucial to no longer talk about the achievement gap as a problem of student motivation or preparation and instead recognize the inequities that stem from institutions.

Needs of California Faculty and Lecturers: Union Perspective

Dr. Jonathan McLeod, Professor of History and Vice President of AFT Guild Local 1931, California Federation of Teachers

Dr. Jonathan McLeod, a professor of history at San Diego Mesa College, represented the California Federation of Teachers. He addressed challenges faced by community college faculty and offered recommendations for improvement.

Dr. McLeod pointed out that instead of a predictable revenue stream, community college districts are forced to chase enrollment, demonstrating to the Legislature and the Governor that they are being productive and deserving of their full apportionment. Given the continuous ebbing and flowing of enrollment, especially now, when the numbers of graduating high school seniors is retreating, he argued that enrollment management-driven decisions often lead to imprudent policies that adversely affect both students and the faculty trying to serve them.

Dr. McLeod also argued that since the mid-1970s, the growing reliance of colleges and universities on contingent faculty to teach students, while pulling tenure lines, has been a dirty secret. As data from the Chancellor's Office indicate, during Fall Semester 2016, the headcount of adjunct faculty employed in the community colleges was 42,044, or 69.3 percent of the aggregate community college faculty headcount of 60,633. Limited to assignments of 67 percent of a full load per academic year in any one district, Dr. McLeod explained that many of the adjuncts in the urban and suburban areas of the state have assignments in multiple districts simultaneously. Even with those paychecks, most adjunct faculty struggle to meet the costs of living. He asserted that this employment practice also affects students, as adjunct faculty who work at multiple campuses may be unable to consult with students to the extent that their tenure-line colleagues do.

Dr. McLeod insisted that for at least the last fifteen years, community colleges have been confronted with new initiatives or mid-course corrections from ongoing top-down mandated

reform campaigns, which have often emanated from the Chancellor's Office or even the U.S. Department of Education. He stated that all are launched from the top ranks, with minimal input from faculty professionals, who have practical experience and subject-matter expertise.

Dr. McLeod concluded by providing several suggestions and requests to the Legislature from community college faculty:

- Replace the inefficient enrollment-based funding model with a simple formula allocating a proportion of the annual budget resources to the community colleges to meet the dynamic environment.
- Fund the transformation of the community college faculty by turning away from the over-reliance on adjunct faculty and instead investing in the hiring of tenure-line faculty.
- Boost funding for the community college districts to enhance adjunct faculty salary schedules and to raise the level of compensation for adjunct faculty holding even limited office hours.
- Build on recent progress to improve the counselor to student ratio.
- Allocate funding for student services to address food insecurity in the student population.
- Provide incentives for the community college districts to partner with public agencies on identifying practical solutions to housing insecurity problems plaguing so many students.
- Stop the privatization of the public community colleges. Dr. McLeod argued that the impact of grant funding is undermining shared governance and redirecting the mission of the colleges, with little substantive input from all stakeholders.

Dr. Sharon Elise, Professor of Sociology and Associate Vice President South of Council for Affirmative Action, California Faculty Association

Dr. Sharon Elise, Professor and Chair of the Sociology Department at CSU San Marcos, represented the California Faculty Association, which encompasses more than 28,000 tenure-line professors, lecturers, librarians, counselors, and coaches on the 23 campuses of the CSU system.

Dr. Elise began her testimony by addressing the issue of access. She shared that California high school students have risen to meet CSU qualifications and they deserve access. Yet both the CSU and UC turned away tens of thousands of qualified Californians annually. She defined this as a crisis for California's long-term economic and social wellbeing because those prospective students will either go to other institutions (possibly out of the state) or even worse, decide not to pursue a college degree at all.

Dr. Elise also mentioned California Faculty Association's research report, *Equity Interrupted*, which has shown that the CSU system educates a far more diverse student body today than it did 30 years

ago. Ninety-four percent of the student body in the CSU is from California and nearly three-quarters identify as students of color. The report also showed that as the number of students of color has increased, public funding for the CSU has decreased.

Acknowledging that higher education is an important opportunity structure, and that it is helpful for the economy as well, Dr. Elise urged the Legislature to fund the CSU at a level that ensures that all qualified California high school graduates and community college transfer students are admitted to a public university.

Dr. Elise also discussed the issue of equity and how racism is a problem. She explained that a related aspect of student need is that faculty be able to provide students equity in education, which is not possible without attention to problems of implicit bias in faculty hiring and evaluation that obstruct the diversification of the faculty. She emphasized that students need and deserve a faculty that mirrors the composition of California and of the overall CSU student population.

She also reiterated that decades of research show that underrepresented students and students of color need a “culturally relevant” curricula and pedagogy to thrive. Dr. Elise stated that this means that the state must transform traditional notions of the cornerstones of higher education to not just include, but even center, courses in Ethnic Studies and Women’s Studies along with pedagogies based in collaborative learning, service-learning, and community engagement that articulate with the community ethos from which many students draw their strength.

Dr. Elise then addressed the challenges and barriers that faculty face in meeting student needs. She suggested that central to this issue is tenure-track faculty. She argued that quality higher education can only be assured by ending recent trends toward reliance on “temporary” faculty. Fifty percent of CSU faculty are non-tenure track. Dr. Elise suggested that students deserve a high quality education and tenure-track faculty can ensure they get the guidance and support they need. The California Faculty Association proposed a budget request to dedicate ongoing funds to increase the hiring of tenure-track faculty and part of that request asked the CSU to seriously consider the existing qualified lecturer pool as candidates for new tenure-track faculty positions.

Dr. Elise concluded with recommendations. She advocated for shared governance and stated that it is important for the CSU to respect the ways that faculty consultation can inform and shape the direction and shape of education in the state. Lastly, she advocated for a dedicated source of funding for higher education.

Dr. Mia L. McIver, Writing Programs Lecturer and President of University Council-American Federation of Teachers

Dr. Mia L. McIver, a contingent faculty member at UCLA, spoke on behalf of the labor union representing UC lecturers and librarians, the non-tenure-track faculty who are integral to the UC.

Dr. McIver stated that UC's 4,700 lecturers teach one-third of undergraduate student credit hours, which are often gateway classes that offer entries to the major. She also pointed out that instructors (including adjuncts, visiting assistant professors, academic student employees, and others) teach nearly one-half of undergraduate credit hours.

She also discussed how faculty growth is occurring mainly in contingent job titles and that there is a greater reliance on temporary faculty. Dr. McIver shared that like many of her colleagues she works multiple jobs to make ends meet and has been a temporary faculty member for eight years.

She argued that a two-tier model exists and this drives a wedge between faculty. She emphasized that this is not only a matter of equity within faculty hierarchy, but also of racial and gender equity as lecturers are more likely than tenure-track faculty to be women and people of color.

Dr. McIver then shared her recommendations which included:

- Restoring state funding to historically high levels and dedicating a stable funding source to all three segments of public higher education.
- Reforming the Board of Regents to ensure its members better reflect California's residents and UC stakeholders, promote educational instead of corporate governance, and include a seat for a contingent faculty member.
- Including measures of contingent faculty welfare in accountability metrics for the UC and set ambitious targets for the UC to meet.
- Advocating for contingent faculty professional development and inclusion in academic initiatives.

While taking care not to infringe on the autonomy of the UC, Dr. McIver concluded that the Legislature should encourage the Regents to:

- Stop forced turnover by instituting rehiring rights for early-career contingent faculty.
- Improve quality of instruction by replacing Student Evaluations of Teaching with a peer-review model of teaching evaluation.
- Establish pay parity among tenure-track and non-tenure-track faculty.
- Enfranchise lecturers and adjuncts through membership in the UC Academic Senate.

Needs of Student Services Staff

Dr. James Todd, Vice President of Student Services, Modesto Junior College

Dr. James Todd spoke to the needs of student services staff and focused on how the community college system, broadly based on access and enrollment, can move toward a success-driven model that is also focused on addressing equity.

Dr. Todd recognized that in an era of Guided Pathways and transformational work on community college campuses, there is great need to retrain and restructure organizations. He asserted that systemic approaches are needed to help colleges retrain staff, including professional development programs in pursuit of student success and equity.

Dr. Todd also identified that statewide technology and tools are needed to support integrated planning, program navigation for students, data sharing, and tracking. Examples can include electronic catalogs that integrate with curriculum, data dashboards that can track students and their educational plan progress from community colleges to universities, refined websites for efficient educational planning and career goal setting, infrastructure for prior learning assessment, programs for online counseling and academic advising, and technology for just-in-time support that is integrated with instructional efforts.

In addition, Dr. Todd emphasized the need for clear structural pathways from community colleges to CSU and UC with an emphasis on building capacity for local guaranteed admission and a pipeline of degree attainment. He noted that data shows that community college students, once they transfer, often do better than those that start at the CSU or the UC. Dr. Todd acknowledged that while the Associate Degree for Transfer has provided pathways, and Guided Pathways is aimed at helping in this effort, many problems remain in terms of alignment, articulation, and providing a true efficient pipeline for students who could benefit from attending community college with a guaranteed entry into a local CSU or UC.

He offered several recommendations:

- Intensive statewide branding of a pipeline of success from community colleges to CSU and UC.
- A reconceptualization of the articulation process (including broad intersegmental professional development).
- Engendering an infrastructure that promotes more community college lower division enrollments and more capacity in CSUs and UCs for upper division courses.
- Technological infrastructure for statewide cross-system educational planning.
- Guaranteed entry into local universities.

Dr. Todd also emphasized the need to redesign and support effective advising at scale. Currently, counselors provide educational planning at community colleges, including academic, personal, and career counseling. He shared that many colleges have counselor to student ratios of one to more than 1,000 and the system is not currently designed to provide counseling services at scale. Dr. Todd suggested that either more funding for counselors is needed, or structural changes may need to occur that could enable the community colleges to collaboratively rethink forms of academic advising to meet the needs of all students. He also suggested that student-centered educational planning as well as appropriate intersegmental technology may warrant investigation and investment. He also mentioned that more focused professional development for counselors in terms of transfer and career services is needed.

Lastly, Dr. Todd discussed that community colleges need increased funding to holistically meet student needs. In order to achieve successful completion of students' educational goals, he argued that the system needs clear financial and structural support for all students, including mental health and health services, basic needs (including addressing food, transportation, and housing insecurities), disability services, and increased services for disproportionately impacted populations. In addition, to effectively serve high need students and increase completion rates, the system needs a funding model that supports additional classified personnel and faculty advising. He concluded that funding community colleges per student in ways that address parity across the systems and meet the needs of students in terms of instruction and support is imperative.

Dr. Bridget Driscoll, Associate Vice President of Retention, University Academic Advisement and Learning, California State University, Dominguez Hills

Dr. Bridget Driscoll was invited to speak on the panel, but was unable to present at the hearing. Her submitted testimony can be found at: <https://a24.asmdc.org/fourth-select-committee-hearing-may-4-2018>.

Jose Aguilar, Director of Financial Aid, University of California, Riverside

Jose Aguilar began his testimony by asserting that students deserve and need support services to succeed in attaining a degree. He described examples of support services, which include academic support services, admissions, financial aid, career and enrichment services, housing, food, and social safety net programs, health and mental health services, and access to technology.

Mr. Aguilar highlighted that state funding is key to ensure adequate services are provided to the growing student population. He discussed that increases in staffing have not kept up to the student growth levels. For the 2017-18 award year, the UC Riverside Financial Aid Office had a staff of 28 full-time employees to serve approximately 23,300 students. Of the 28 full-time employees, nine are

designated as financial aid counselors who serve the total student body, which has complex and unique financial circumstances. This translates to a 2,600 to one student to financial aid counselor ratio. Mr. Aguilar relayed that ten years ago, at eight financial aid counselors available to serve 18,000 students, the ratio was 2,260 to one. In comparison, the student to financial aid counselor ratio has increased by 340 students per counselor. He explained that financial aid officers are regularly asked to do more with less, resulting in staff working overtime to meet the demands of students. He also pointed out that excess overtime often causes staff burnout that then leads to staff turnover.

Mr. Aguilar acknowledged that this challenge is not unique to UC Riverside. He noted that other UC financial aid offices are also severely understaffed to meet the needs of their respective student bodies. Further, he acknowledged that adequate staffing is also a challenge in other departments and is not limited to financial aid offices.

Mr. Aguilar also emphasized that staff need to be adequately compensated and that staff salaries must be competitive with the private sector. He shared that he often loses well-trained and talented staff to other institutions due to low salaries. Adequate facilities, supportive services, and healthy work environments also contribute to a staff members' overall job satisfaction, which translates into improved customer service for the campus community. He conveyed that professional development is also a key factor in assisting staff in the continuous process of acquiring new knowledge and skills that relate to their profession, job responsibilities, or work environment.

Mr. Aguilar also underscored the importance of understanding the challenges and opportunities that staff face. UC recently conducted a staff engagement survey, which has helped UC Riverside identify areas of strength (for example, positive working relationships and communication with supervisors) and areas for attention (for example, workload and change management). He stated that it is vital to collaborate with staff to develop solutions and value their perspective in improving efficiencies.

Mr. Aguilar concluded by recommending that the state provide adequate funding and resources for staff to support student growth, increase capacity, and address deteriorating infrastructure at existing campuses.

Needs of Staff: Union Perspective

Bill Rawlings, Computer Facilities Coordinator and Chair of Community College Committee, California School Employees Association

Bill Rawlings, a member of the California Community Colleges Board of Governors, and a classified employee at Mt. San Antonio College for almost 20 years, spoke as a representative of the

California School Employees Association (CSEA). CSEA represents over 240,000 classified employees in California public schools and colleges.

Mr. Rawlings pointed out that having more classified school employees on campus means being able to deliver more services to meet the needs of students, including: more financial aid services, more residential services, counseling, tutoring, health care, information technology support, campus safety, and job placement services. He also noted that like any profession, better pay helps to recruit and retain better professionals.

Mr. Rawlings focused on the importance of ongoing professional development. He shared that the number one issue CSEA members repeatedly ask for is more training and ongoing professional development to have the latest information and continuously upgrade their skills to adequately address the changing needs of students and to support their success.

Mr. Rawlings also addressed the challenges and barriers staff face in meeting student needs. He recommended that the state needs to find a way to stop or minimize the repeated use of short-term and temporary employees, who are often minimally trained and skilled, as a way to avoid providing health and retirement benefits to employees. Many colleges hire non-permanent classified employees, such as student workers, short-term workers, extended substitutes, and professional experts, in lieu of hiring permanent classified employees. Mr. Rawlings acknowledged that certain conditions may exist to warrant the use of these temporary and short-term employees to fulfill a limited, temporary need. However, he emphasized that the need should truly be limited, and they should not outnumber the permanent classified employees.

Another challenge he raised is that some colleges hire multiple part-time classified employees instead of fewer full-time classified employees since part-time employees do not receive health insurance benefits and retirement benefits. Mr. Rawlings stated that when the work can be done by one person in a full-time position, the preference would be to hire a full-time employee. He also shared that full-time positions encourage classified employees to be more committed to their job, more invested in the outcomes they help produce with students, and more engaged in the campus culture, thereby promoting a consistent workforce instead of constant turnover.

Mr. Rawlings suggested that shared governance will make colleges and universities better for students to succeed. He noted that studies show that collaboration between labor and management at a K-12 campus leads to better student achievement. He urged that it would be important to have the exclusive representative for the workers as a member and participant in the shared governance process along with board members, administrators, and faculty. He also pointed out that including staff in the shared governance process has minimal to no financial implications.

Mr. Rawlings concluded that with more funding, the state should look at more full-time staffing, as well as improve pay and benefits, and professional development to retain hardworking employees. He conveyed that having dedicated and engaged employees is a necessary investment in California's colleges and universities and has a direct impact on student success.

Vicky McLeod, Budget Specialist and Vice Chair of Legislative Committee, California State University Employees Union

Vicky McLeod, an employee at Cal State Fullerton who has worked for the CSU for over 30 years, spoke on behalf of the CSU Employees Union, which represents 16,000 employees.

Ms. McLeod stated that the support staff of the CSU are the backbone and brain trust of the university, but nonetheless they are often overlooked. In order to assist students, she suggested that support staff positions should be fully funded and employees need to move through the salary range to retain the campus workforce. She stated that there is a void in addressing the need to increase staff positions and that staff often have to do more with less.

Ms. McLeod discussed the critical role of support staff. Support staff are at the frontline and the first contact a student interacts with when being admitted. They give students guidance, enroll them in classes, and assist them with learning the department and faculty, and understanding the policies and procedures of each campus. Staff also create, organize, collaborate, prioritize responsibilities that guide and monitor students towards their educational success.

She highlighted that California's higher education system should take into consideration the knowledge, expertise, longevity, and dedication that staff supply to the CSU campuses. She shared that the CSU Employees Union has requested to have a support staff seat on the Board of Trustees. Ms. McLeod stated that allowing input from support staff would give insight from a person who interacts daily with campus issues and concerns related to students.

Ms. McLeod also shared that there has been a recent trend of newly hired support staff leaving the CSU due to no movement through the salary range. She discussed that retention is an issue for staff and is a disservice to students. By not retaining employees, the duties fall on the remaining employees for institutional knowledge and memory. She also noted that there is an inversion. New employees are being hired, but hired at a higher salary than long time employees. She shared that this causes a morale issue among staff.

Ms. McLeod concluded that employees' number one goal is to support students. She discussed a potential employment survey, which she expressed would determine if the appropriate number of management, faculty, and staff positions are hired to effectively serve the CSU student population.

Christine Stuckey, Senior Custodian, AFSCME Local 3299

Christine Stuckey, a senior custodian at UC Riverside and a union representative from AFSCME Local 3299, shared that custodians and other support staff across the UC system are understaffed.

She noted that support staff do not have enough equipment to work, but are asked to work more with less.

As a senior custodian, she shared that she has more buildings to maintain, but less people to do the work. She also pointed out that this is a problem not just for custodians, but other support staff as well.

Ms. Stuckey asserted that support staff enjoy doing their job, but do not feel treated well and face uncertainty about their benefits and health care. She also expressed that support staff feel unhappy and mistreated. “They want to be treated the way the campus looks,” said Ms. Stuckey. She emphasized that it takes all employees to keep a university running, including custodians like her.

Lastly, Ms. Stuckey asked the state to stop outsourcing support staff positions. “It’s just every day coming to work and not knowing if I have a job, if I don’t. Please do not outsource our jobs. Keep us working. All we ask is give us a level playing field that is fair so we can work,” concluded Ms. Stuckey.

Overview and Status of Higher Education Finance in California

Tuesday, August 14, 2018

1:30 p.m. – 4:00 p.m., State Capitol, Sacramento

The Select Committee's fifth and final hearing brought the discussion back to the State Capitol. In the first panel, the Legislative Analyst's Office and the College Futures Foundation outlined the budget process and historical background of higher education funding and identified key challenges in financing higher education institutions. In the second panel, the Legislative Analyst's Office, the California Student Aid Commission, and The Century Foundation examined California's financial aid system and recommended reforms.

Overview of Budget Process and Higher Education Finance Challenges

Paul Steenhausen, Principal Fiscal & Policy Analyst, Legislative Analyst's Office

Principal Fiscal & Policy Analyst Paul Steenhausen provided a summary of key community college funding developments since the Master Plan was adopted. He covered how community college funding sources have changed throughout the decades as well as major changes in the state's method for allocating funds to the colleges.

Analyst Steenhausen noted that there have been a number of significant events such as voter initiatives, economic upswings, and recessions that have played a major role in shaping community college funding. At one time, community colleges relied primarily on local property taxes for their funding. This changed abruptly in the late 1970s when voters passed Proposition 13, which capped the property tax rate that local governments, including community college districts, could charge.

Through the years, the state's economic situation has had a major influence on community college funding. In good times, the colleges generally have seen an upswing in revenues and spending ability. In down times, most notably the recent Great Recession, community colleges have experienced reductions and cuts.

Since 1988, community colleges as well as K-12 schools have been governed by another proposition: Proposition 98. Proposition 98 guarantees a minimum level of annual funding for community colleges and K-12 education.

Figure 5.1 on the following page depicts how funding sources have changed over a 50-year period from the mid-1960s through 2015-16. Analyst Steenhausen explained that the funding (which is comprised of state funds, local property taxes, and student fees) is presented as a system-wide average per full-time equivalent student and that the dollar amounts are adjusted for inflation. The

impact of both Proposition 13 and the Great Recession is evident in the figure with the steep declines in funding.

LAO  **Funding Trends**
LEGISLATIVE ANALYST'S OFFICE

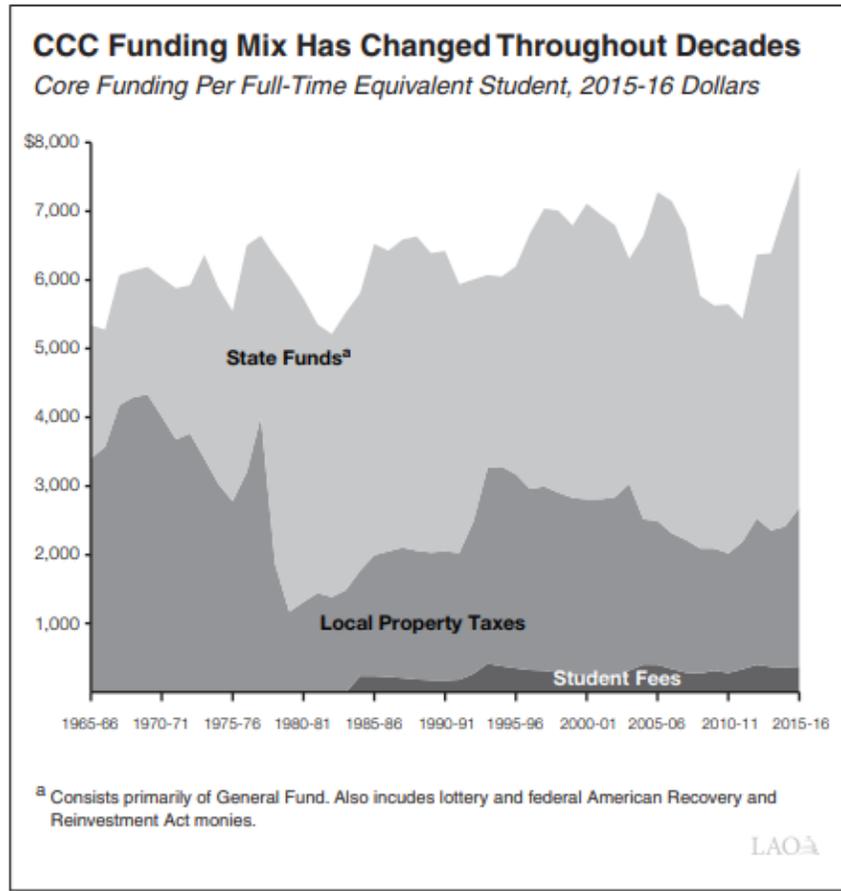


Figure 5.1

Analyst Steenhausen also summarized how funding is allocated to community colleges. Historically, most funding has been provided to colleges as general purpose monies, which the colleges call apportionment. Over the years, the Legislature has designated more and more funding for specified purposes, from student services to career technical education to facilities maintenance.

Historically, community colleges have received apportionment funds based on enrollment. This has created a strong incentive for community colleges to provide access to students. However, there has been criticism over the years that funding based on enrollment does not create a strong incentive for colleges to ensure that students successfully make it through a program and earn a degree or certificate. In 2018, the Legislature and Governor agreed to fund the community college

apportionment at least in part on student outcomes, such as degree and certificate achievement. The new funding formula also gives a supplemental per-student amount for community colleges serving low-income students to recognize the generally higher costs that colleges incur to educate these students.

Analyst Steenhausen outlined major issues facing the Legislature in light of recent budget changes. Over the years, community college funding has been negatively affected by recessions. He asserted that the main protection against cuts during recessions is a strong reserve and by the end of 2018-19, it is estimated that the state will have a total reserve of about \$16 billion. An important ongoing consideration is what level of reserves the Legislature should aim for in the coming years.

He also described that the Legislature faces an ongoing question of how much funding is provided in the form of apportionments compared to categorical programs. Community college officials tend to prefer apportionments, which provide more flexibility to address local priorities. But the advantage of restricted funding from the perspective of the Legislature is that the Legislature can target funds for statewide priorities.

Analyst Steenhausen highlighted that the Legislature will have an important role in monitoring the effects of the new funding formula on college operations and student outcomes. The Legislature will need to consider whether the formula is creating better incentives for colleges as well as how much funding should be linked to enrollment versus student outcomes.

On the issues of spending flexibility and the new funding formula, he also conveyed that the Legislature may want to decide whether other categorical programs should be consolidated—some of the other 27 or so that are still intact.

Analyst Steenhausen also examined the issue of funding instruction. He concluded that looking ahead the Legislature may want to revisit how funding policies can better support nontraditional forms of instruction and emerging best practices, such as competency-based instruction, to respond to innovative changes that have never previously been envisioned.

Jason Constantouros, Senior Fiscal & Policy Analyst, Legislative Analyst's Office

Senior Fiscal & Policy Analyst Jason Constantouros provided a summary of CSU and UC funding developments. He also discussed changes in the way the state has determined how much funding to provide to the university segments. He focused primarily on core funding—state funding and student tuition and fees—which are the primary source of funds for the CSU and the UC.

Analyst Constantouros provided an overview of major developments over the years involving core funding. He characterized these developments into two key trends. The first trend is overall core funding, which has been somewhat volatile over the years, increasing when state revenues were generally strong and decreasing when state revenues were generally weak. Much of that volatility has especially come from the state General Fund. Looking at funding per student over time, tuition and fees have tended to be a somewhat more stable revenue source for the universities.

The second trend is related to the mix of core funding between state General Fund and student tuition and fees. Student tuition and fees have become an increasing share of core funding over time. As tuition and fees have increased, so has financial aid spending.

Figure 5.2 below shows the share of state funds and student tuition and fees over time for CSU. This has been somewhat volatile over the years, with certain peaks, such as in the late 1980s and also in the early 2000s, followed by declines in per student funding generally corresponding to years when there were recessions or budget reductions. Much of that volatility has been related to state funding. It is also evident in the Figure 5.2 that student tuition and fees over time have been an increasing share of core funding.

LAO LEGISLATIVE ANALYST'S OFFICE **CSU Funding Trends**

Core Funds Per Full-Time Equivalent Student, 2015-16 Dollars

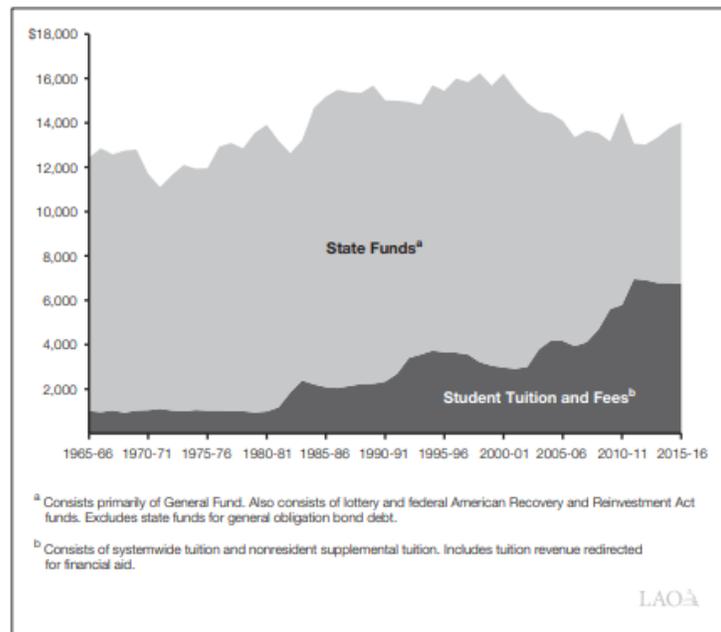


Figure 5.2

The funding trends are very similar for the UC, as shown below in Figure 5.3.

LAO LEGISLATIVE ANALYST'S OFFICE **UC Funding Trends**

Core Funds Per Full-Time Equivalent Student, 2015-16 Dollars

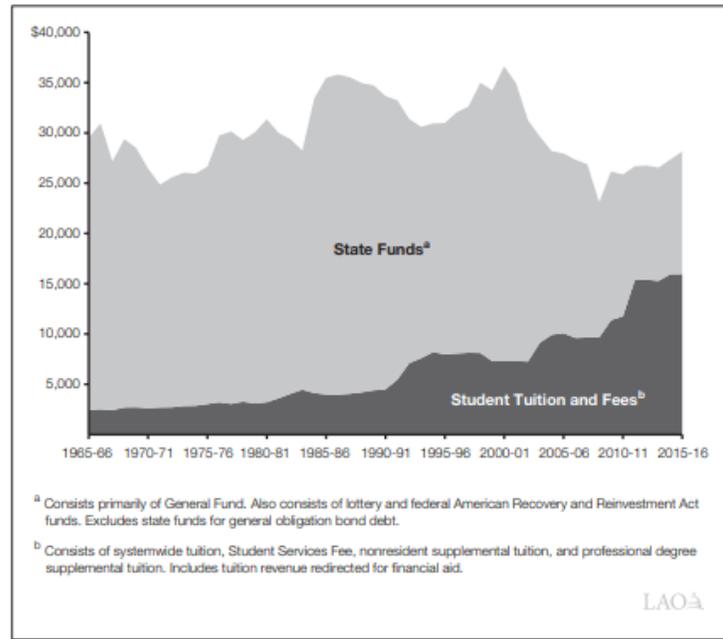


Figure 5.3

Analyst Constantouros then provided an overview of major changes in budget practice for the CSU and the UC. In the 1960s, the budget process was much more formula-driven and primarily workload based. For every new student that the universities enrolled, they received a certain subsidy for that new student. Formulas were also used for staffing increases and other cost increases.

Beginning in the 1990s, the state moved away from budget formulas to a more flexible, negotiated budget process for the universities. In doing so, the Legislature defaulted a lot of their control and gave more control and responsibility to the segments to manage their cost increases.

Particularly in recent years, CSU and UC funding has been directed by the administration, with the Legislature reviewing the administration proposals and negotiating any additional augmentations.

In the late 1990s and early 2000s, the Legislature created numerous categorical programs, which restricted funding for specific purposes. However, during the 2008 recession and following the

recovery, the state eliminated most of the budgeted categorical programs to provide greater flexibility to the segments.

The state also recently revised the way it reviews facilities, giving a lot more control to the segments to approve new facility projects and giving the segments more responsibility to fund those projects.

Analyst Constantouros also noted that the state, a few years ago, developed performance measures that CSU and UC must report each year. The performance measures include graduation rates, low-income student enrollment, the units that students accumulate when they graduate, and other various measures. Unlike the new community college formula, these performance measures are not integrated into a budget formula and are only informational.

Analyst Constantouros concluded by discussing major budget issues facing the Legislature. Similar to community colleges, he suggested the Legislature consider setting an overall state reserve. He also advised the Legislature to select a budgetary approach to fund the universities. He also mentioned that the Legislature may wish to review what level of control to exert over university spending in areas, such as setting enrollment targets, reviewing compensation levels, and possibly reviewing other policies. Analyst Constantouros stated that the Legislature may also want to consider incorporating performance measures into the budget process. Lastly, he noted that the Legislature faces the perennial issue of how to share costs between the state and students.

Monica Lozano, President and CEO, College Futures Foundation

Monica Lozano shared that the College Futures Foundation began examining college finance because of growing concerns that the system of paying for higher education has become a barrier to increasing bachelor's degree attainment among all students, and has become particularly challenging for low-income and first-generation students. This led College Futures Foundation to work on the topic of higher education finance to better understand the elements of the issue and explore ways to solve it.

Ms. Lozano shared that College Futures Foundation's primary focus has been on the CSU and the UC, which educates nearly three-quarters of the state's baccalaureate recipients. Over the past few years, College Futures Foundation has convened a series of conversations among individuals with deep expertise on public policy and higher education finance and commissioned significant amounts of research. She expressed that her testimony and recommendations are a reflection of this analysis.

Ms. Lozano focused on three aspects to the finance challenges facing California public universities: revenue instability, cost management, and transparency in decision-making.

First, she described revenue volatility and the growing dependence on tuition. She acknowledged that this is the most widely documented and best understood facet of the higher education finance problem, and it relates to declining or unpredictable state revenue levels linked to increases in tuition by universities. Sources of revenues to California's General Fund have shifted substantially in recent decades to personal income tax and high-income taxpayers. The income earned by these taxpayers is more dependent on capital gains, making the General Fund disproportionately affected by economic booms and busts, as the Legislative Analyst's Office discussed. As the General Fund has decreased, tuitions charged to students have increased. Given that major tax reform is highly unlikely, Ms. Lozano asserted that the state must find ways to buffer against these inevitable precipitous declines.

Second, Ms. Lozano addressed budgeting practices associated with fixed costs. Both state and university budget practices treat employee benefits as fixed costs, which means they are funded ahead of other priorities. Even as revenues have become less predictable, a larger share is needed to pay for the fixed costs of employee benefits, pensions, and retiree health care. Benefit levels have improved, but the primary cost drivers have been the cost of health care and changes in accounting rules that now require benefits committed to retirees to be shown as institutional liabilities or debt. She indicated that while the problem of spending on benefits is well-recognized within California and nationally, changes will have to happen slowly over many years.

Third, Ms. Lozano discussed state and institutional decision-making. She explained that state and institutional decision makers too often are working across purposes, without common goals, shared language, and mutual accountability. State government and higher education are complex systems that rely on multiple decision makers at various levels of authority. She emphasized that the absence of shared goals, common fiscal benchmarks, and accountability systems hamper attempts to adequately plan for and manage resources in a way to advance student success.

Ms. Lozano then discussed her recommendations. Given the complexity of the challenges, she recommended a comprehensive approach that includes revenue buffering, tuition stabilization and predictability, cost management, and productivity improvements.

Ms. Lozano first focused on revenue and tuition predictability. She advised that the state and higher education systems should address revenue smoothing to reduce volatility from year to year and build better predictability for institutional leaders, the state, and students and their families. She suggested that this should occur through a combination of moderate and predictable increases in General Fund support from the state, moderate and predictable increases in tuition by cohort accompanied by need-based aid to protect college affordability for low-income students, and increases in the contingency reserves dedicated to higher education. She also stated that the state share of core funding of public higher education should be maintained at least at current levels.

Ms. Lozano then touched on budgeting practices associated with the fixed costs of employee benefits. She recommended that the decision-making process for employee benefits should be revised to increase transparency and to illuminate tradeoffs between spending on benefits and other options, including salaries, new faculty positions, or lower increases in student tuitions.

Ms. Lozano also recommended improved public accountability and better transparency for fiscal decisions. She acknowledged that a comprehensive problem requires a comprehensive solution. She suggested that the Department of Finance, the Legislature, and both university systems must identify and agree upon key indicators focused on resource use and performance. She argued that addressing the gaps in understanding of the basic facts about revenues and spending that exist between state and institutional leaders and illuminating cost levers will improve public dialogue, legislative decision-making, and shared governance between the state and the institutions working to fund higher education in the future.

Ms. Lozano provided a short analysis and description of the problems public universities face in terms of capital finance, which must be addressed to accommodate the growing demand for postsecondary education. She suggested that the state needs a systematic approach to paying for renovations, repairs, and deferred maintenance, beginning with decisions about revenue sources and ways to establish funding priorities. The needs for capital funding in higher education are enormous and growing. She stressed that the California Community Colleges, the UC, and the CSU have estimated that they will need a combined \$47.2 billion to construct new facilities and modernize existing facilities in the next five years alone. She mentioned that College Futures Foundation is currently involved in a research project to determine the capacity challenge in higher education through 2030.

Ms. Lozano concluded by stressing that California needs to come up with sustainable ways to pay for public university systems. Solutions must include a focus on affordability and total cost of attendance. Achieving solutions posed by the current system of higher education finance requires a systematic and thoughtful approach that takes the long view.

Financing Student Aid in California

Jennifer Kuhn, Deputy Legislative Analyst, Legislative Analyst's Office

Deputy Legislative Analyst Jennifer Kuhn provided a high level overview of funding for financial aid programs in California.

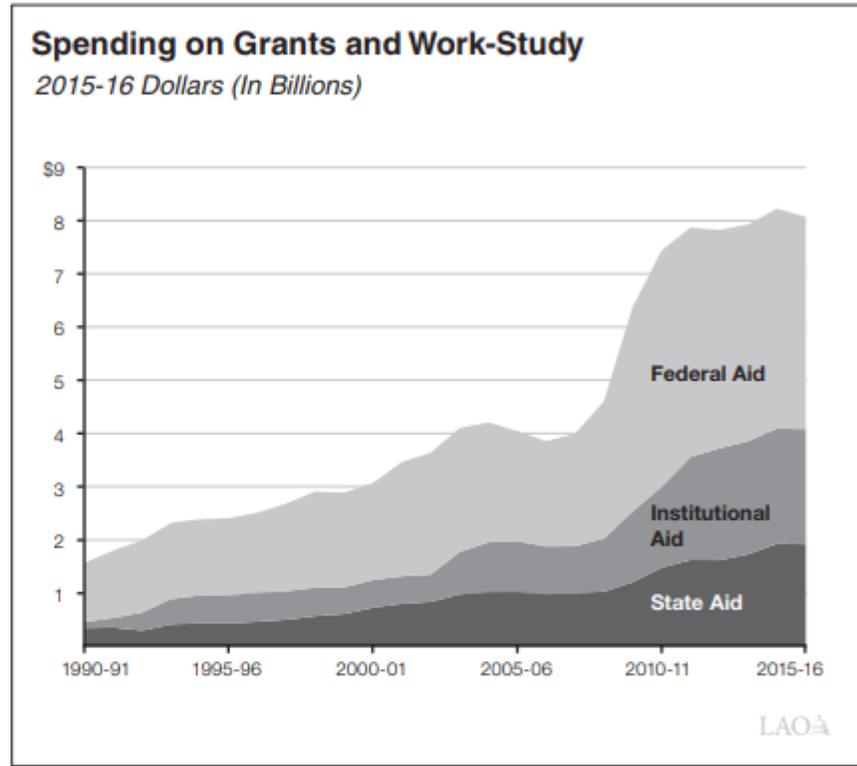
Deputy Legislative Analyst Kuhn first discussed major financial aid developments. She explained that historically, the state has provided large subsidies to all three public higher education segments. These subsidies significantly reduce tuition costs for all students. In 2015-16, the state subsidies

covered 95 percent of the education costs at the community colleges, 68 percent at CSU, and 62 percent at UC.

In the mid 1950s, the state provided its first targeted financial aid program, which provided tuition assistance to students attending private institutions. In the late 1970s, the state created the Cal Grant program, comprised of Cal Grant A (tuition assistance only), Cal Grant B (tuition assistance and a living allowance), and Cal Grant C (book and supply allowances for students enrolled in occupational training programs). The structure put in place for the Cal Grant program is largely the same as it is today.

In the 1980s, CSU and the community colleges established their own institutional aid programs. UC already had an institutional aid program in place. In the 2000s, the state made Cal Grants an entitlement for recent high school graduates and certain transfer students, created a limited number of competitive grants, and changed the Cal Grant C to ensure the program focused on areas of high workforce demand and students from disadvantaged backgrounds. Other major developments included the state extending aid to eligible undocumented students, the state creating the Middle Class Scholarship program to provide assistance to middle-income CSU and UC students, and the state prioritizing full-time attendance by granting financially needy community college students who are enrolled full-time with more aid for their living costs.

Deputy Legislative Analyst Kuhn also provided comparable information on financial aid spending for undergraduate students shown in Figure 5.4 on the following page. Figure 5.4 also describes two financial aid trends.



- Aid Increases as Tuition Increases.** Because Cal Grants provide full tuition coverage, Cal Grant spending increased significantly as tuition charges increased.
- Increases in Aid Have Been Substantial Over Past 25 Years.** State spending on financial aid programs has increased five-fold in inflation-adjusted dollars over this period.

Figure 5.4

Deputy Legislative Analyst Kuhn suggested that financial aid appears to be working generally as intended, where lower income students are facing a lower net price. She explained that net price is a measure of a student’s cost of attendance, including living costs. It subtracts all of a student’s gift and aid and looks at the price a student has to pay.

Figure 5.5 below shows the students' net price across the segments based on family income distribution.



Aid Results in Lower Cost of Attendance for Lower-Income Students

Share of Students and Net Price by Family Income			
<i>2015-16</i>			
	CCC	CSU	UC
Share of Students			
\$0–30,000	67%	41%	36%
\$30,001–48,000	20	21	20
\$48,001–75,000	11	17	18
\$75,001–110,000	1	10	11
Over \$110,000	—	12	14
Net Price			
\$0–30,000	\$5,731	\$6,851	\$9,266
\$30,001–48,000	6,386	8,244	10,287
\$48,001–75,000	8,672	12,099	13,580
\$75,001–110,000	10,093	16,607	20,627
Over \$110,000	11,989	18,815	29,290

Note: Net price is the total cost of attendance (tuition and living costs) less gift aid. The figure shows net price for first-time, full-time resident undergraduates who apply for any form of federal student aid.

- A Notable Share of Undergraduates Receive Grant Aid.** In 2015-16, 58 percent undergraduates at CCC, 67 percent at CSU, and 66 percent at UC received grant aid.
- Net Price Is Lower for Low-Income Students/Families.** After factoring all gift aid (grants and scholarships), low-income students face notably lower costs than higher-income students.

Figure 5.5

Deputy Legislative Analyst Kuhn concluded by identifying major budget issues related to financial aid. She discussed that the Legislature faces the perennial policy issue of how to weigh unrestricted state funding for each of the three segments, which benefits all students, versus targeted state financial aid for financially needy students. She also shared that the Legislature needs to consider how best to prioritize financial aid dollars among financially needy students. The state has linked aid with student age, length of time from high school graduation, income and assets, academic criteria, type of educational program, and number of units taken per term. She pointed out that the Legislature may want to revisit these criteria. Deputy Legislative Analyst Kuhn also suggested that

the Legislature should consider the most effect ways to increase aid for living costs. She pointed out that the state has increased tuition assistance much more rapidly than assistance with living costs. Finally, Deputy Legislative Analyst Kuhn highlighted the complexity of the financial aid system for students to navigate and asked the Legislature to consider what the state should do to streamline and simplify the financial aid system for students.

Lupita Cortez Alcalá, Executive Director, California Student Aid Commission

Lupita Cortez Alcalá provided an update on the status of financial aid in California and discussed the California Student Aid Commission’s vision for a 21st century financial aid system that serves the needs of today’s students.

Ms. Cortez Alcalá shared that the California Student Aid Commission administers more than \$2 billion in grant aid and that California’s financial aid programs serve over 400,000 California undergraduates. She highlighted aspects of the state’s robust and progressive financial aid system:

- The Cal Grant High School Entitlement Program ensures that all current or recent high school graduates that meet income and GPA requirements are entitled to state grant aid. This grant provides up to four years of support for full-time students, paying 100 percent of tuition and fees at a UC or CSU campus, or up to \$9,000 at a private four-year institution.
- The Cal Grant Transfer Entitlement Program provides that a student who attends a California community college, transfers before age 28, and meets income and GPA requirements, is entitled to a Cal Grant at a four-year institution.
- The California Dream Act Application allows Dreamers to access state financial aid, which is critical to helping this population afford college, since they are currently ineligible for federal financial aid, such as the Pell Grant or Federal Work Study programs.

Ms. Cortez Alcalá pointed out that the ongoing student debt crisis and the focus on food and housing insecurity have provided an opportunity for the state to reexamine the current financial aid system. She also noted that the demographics of California’s students have changed over time. More students are first-generation, low-income, and students of color. She emphasized that students today look different, work more, and might even be older. As a result, she also discussed how the financial aid system can be modernized to serve the needs of today’s student.

Ms. Cortez Alcalá described shortcomings and several gaps in the current financial aid system that she argued should be addressed through comprehensive Cal Grant reform.

First, she discussed the Competitive Cal Grant program, which is not an entitlement and offers a fixed number of awards per year, currently 25,750. However, each year, over 350,000 students apply, meaning that less than eight percent of applicants receive an award. Most students that are

considered for the Competitive Cal Grant are non-traditional, returning, or older students. She suggested that policymakers should consider whether the state should limit the financial aid available to older adults who need to attend college to learn new skills or compete in new industries.

Second, Ms. Cortez Alcalá touched on the Cal Grant B Access Award, which provides support for college expenses beyond tuition, such as textbooks, housing, transportation, and other non-tuition educational expenses. The Cal Grant B Access Award provides eligible students with up to \$1,672 per year. She revealed that this award has not kept pace with inflation and is an insufficient amount of support in the face of rising housing costs. She also stated that the California Student Aid Commission strongly encourages the Legislature to appropriate funding to phase in an increase to this award. While this would result in a substantial fiscal impact, it would also pay significant dividends, by reducing student food and housing insecurity and reducing reliance on loan debt.

Third, Ms. Cortez Alcalá explained that differing income ceilings and GPA requirements between Cal Grant A and Cal Grant B (both of which comprise the Cal Grant High School Entitlement Program) create a gap that causes over 30,000 low- to middle-income students to be ineligible for a Cal Grant. For example, the Cal Grant B requires eligible students to have at least a 2.0 high school GPA, while the Cal Grant A requires a 3.0 GPA. However, the income ceiling for Cal Grant A (\$98,900 for a family of four) is higher than that for Cal Grant B (\$58,200).

Fourth, she described the limitation that nearly all students receiving a Cal Grant B and attending a four-year institution (public or private) receive the Access Award for books and supplies (\$1,672 dollars) in their first year of attendance, but do not receive a Cal Grant for tuition and fees. This is due to a 1970s-era provision in law that assumed all students from a low-income background would automatically attend a community college first and thus did not “need” tuition and fees coverage. She asserted that this exclusion unnecessarily adds to the complexity of the Cal Grant program, and is based on obsolete assumptions about low-income families.

Ms. Cortez Alcalá then discussed what the California Student Aid Commission envisions for the future. She suggested that the state needs to do more to better address the total cost of attendance beyond just tuition and fees, considering that the costs associated with living expenses are outpacing the rising costs of tuition and fees. She also conveyed that the California Student Aid Commission will be reinstating the Student Expenses and Resources Survey (SEARS), which was suspended due to funding cuts. SEARS was used to build a statewide Student Expense Budget—an annual estimate of what a typical California student can expect to pay for non-tuition costs of attending college, including housing, food, transportation, and books and supplies. She also shared that the California Student Aid Commission, through a partnership with The Century Foundation, commissioned a report, released in spring 2018, which includes recommendations for a modern, 21st century financial aid system.

Ms. Cortez Alcalá concluded that the California Student Aid Commission’s vision for financial aid is a streamlined, single state grant aid program that makes the overall cost of attendance manageable for all low- and middle-income students by reducing the need to rely on loan debt, increasing the amount of aid provided to students with the highest overall need, and doubling down on California’s commitment to college affordability.

Robert Shireman, Senior Fellow, The Century Foundation

Robert Shireman spoke on behalf of The Century Foundation, which is a progressive think tank with a mission to promote educational opportunity and reduce economic inequality. He began by stating that The Century Foundation was tasked by the California Student Aid Commission to analyze California’s financial aid system and identify options for improving affordability. Mr. Shireman and other members of the project team interviewed more than fifty stakeholders, including representatives from college access organizations, K-12 education, all of the higher education segments, several state agencies, and an expert advisory panel.

Mr. Shireman acknowledged that California is a leader in providing financial aid to residents; however, the research identified two major challenges:

- 1) Serious gaps in aid remain for too many low- and middle-income students, resulting in a reliance on significant loans or excessive work, and which may deter potential college students from enrolling at all.
- 2) The effectiveness of the available aid is undermined by a complicated structure that makes it difficult for families to navigate and rely upon the system.

The Century Foundation’s research found that California’s student aid programs consist of a complex and incomplete patchwork, with numerous eligibility restrictions. For example, age, the length of time spent out of high school, and slight variations in parental income, family assets, and GPA may all have outsized effects on which version of the Cal Grant a student receives, if any, and how much aid a student qualifies for. Mr. Shireman illustrated that these complexities mask the clear message required for financial aid to be effective. Students who may qualify for aid may not know it, may not understand the maze of requirements, and will have no way of predicting how much aid they may receive—and thus may not even apply for college or financial help in the first place.

Another finding from the research indicated that Cal Grant amounts are generally linked to tuition costs, even though the expenses of attending and successfully completing college go far beyond that. Some grant aid provided directly to students by institutions (a financial aid funding stream separate from the Cal Grant) may help students in need with some of those expenses, but students

at community colleges, where aid is the most limited, feel the challenge of paying for non-tuition costs most acutely.

Mr. Shireman summarized that the findings from the report suggested revamping the Cal Grant program to meet affordability targets. The report recommended a three-step process to broaden and strengthen the Cal Grant at the UCs, CSUs, and community colleges, such that, when fully implemented, would minimize students' need to borrow for college:

- 1) Reconfigure the Cal Grant, consolidating it into one program, eliminating current restrictions that shut out hundreds of thousands of students, replacing eligibility requirements with a simple consideration of a family's income and thus their expected financial contribution to their child's education, and expanding investments to reach initial affordability targets. This would also take into account both funding streams from the Cal Grant and from existing aid provided directly by institutions to meet those affordability targets.
- 2) Revise measures of expenses and need, establishing new targets for the Cal Grant that account for the high cost of living in California, particularly for low- and middle-class Californians, and respond to the true cost of college, moving beyond tuition and fees to create a more standardized method to consider all expenses.
- 3) Expand the Cal Grant to reduce or eliminate the need for loans, using the revised affordability measurements to provide adequate funding to reduce students' need for loans or excessive work, ultimately moving in the direction of debt-free college degrees.

Mr. Shireman recognized that most of the recommendations would require significant additional investments in the Cal Grant in order to serve all eligible Californians. He also provided recommendations that the state could take to improve the effectiveness of the current financial aid system even without additional funding. Specifically, The Century Foundation endorsed a modernized, technology-savvy aid system to better provide students with personalized, easy-to-understand information, which included the following recommendations:

- 1) Make college estimates and comparisons easier, through a simple check-box on state income tax forms for families to request a financial aid estimate for multiple sample institutions (a community college, a CSU and UC campus, and a nearby nonprofit). This means that families would receive up-to-date, tailored information about the aid for which they would likely qualify based on their income when their children reach college age. This highly scalable and targeted outreach would connect potentially millions of people to usable information who might otherwise assume college is too expensive or not have the information needed to effectively plan for the future.
- 2) Improve and compare financial aid award letters, using the California Student Aid Commission's improved web presence to allow students to decipher and compare aid grants across institutions. Right now, financial aid award letters are hard to understand without

outside help or a parent who has been through the process; many schools use different terminology to describe the same loan, and in some cases, it can be difficult to understand which offering is a grant or a loan. By requiring schools to use similar terminology and compare on one centralized site, students and families can make more informed decisions.

- 3) Increase assistance to students, piloting low-cost interventions to coach students through the aid application and enrollment process, focusing on individuals with the greatest financial need. Research shows that even with clear information, students need additional help navigating the financial aid process. In order to truly make a difference at closing gaps in access, the state needs to figure out how to do that at scale.
- 4) Facilitate saving for college, building on efforts to inform families about the cost of college and encourage setting aside money as early as a child's kindergarten years. The California Student Aid Commission should partner with efforts to create early college savings accounts to build pilots to ensure those families receive clear information about aid available.

Mr. Shireman closed by emphasizing that it is the Legislature's turn to take the reins on this issue and encouraged the Select Committee to think boldly about reforms such as these recommendations that could help make college a reality for millions of Californians.

APPENDIX 1: SELECT COMMITTEE WORKPLAN



**Assembly Select Committee on
the Master Plan for Higher Education in California**
Marc Berman, Chair

Background:

In 1960, California developed a visionary plan for the future of higher education, known as the Master Plan. Much has changed in California during the ensuing decades—population growth, increased diversity, a change in leading industries and their need for talent, as well as in the field of education itself. There have been legislative reviews of the Master Plan at various points over the past 60 years, although the substance of the plan remains largely the same. Major reviews occurred in the early 1970s, late 1980s, and early 2000s. The most recent review by a legislative committee was conducted in 2010, coinciding with the 50th anniversary of the Master Plan.

Purpose:

The Select Committee on the Master Plan for Higher Education in California was established in March 2017 to conduct a thorough legislative review to ensure the Master Plan reflects the current needs of students and responds to a host of issues never previously envisioned. The Select Committee convened five public hearings during the 2017-18 Legislative Session, the first and fifth hearings in Sacramento as well as hearings throughout the state, including in the Bay Area, Central Valley, and Southern California.

Hearing Schedule:

Date	Location	Issues and Witnesses
August 31, 2017	State Capitol	Overview and Status of Higher Education in California Legislative Analyst's Office California Community Colleges (CCC) California State University (CSU) University of California (UC) Association of Independent California Colleges and Universities

November 1, 2017	San José State University	<p>Ensuring the Master Plan Meets California’s Workforce Needs</p> <p>Public Policy Institute of California California Competes IBM Kaiser Permanente California Manufacturers & Technology Association California EDGE Coalition Los Angeles Area Chamber of Commerce Santa Clara & San Benito Counties Building & Construction Trades Council</p>
March 1, 2018	Fresno City College	<p>Ensuring the Master Plan Meets the Needs of Students</p> <p>UC Student The Institute for College Access & Success CSU Student UC Basic Needs Co-Chair CSU Director of Student Wellness and Basic Needs Initiative CCC Chancellor’s Office CCC Student Fresno Pacific University Student The Campaign for College Opportunity Central Valley Higher Education Consortium</p>
May 4, 2018	UC, Riverside	<p>Meeting the Needs of Faculty and Staff to Support Students</p> <p>Academic Senate for CCC Academic Senate of the CSU UC Academic Senate Center for Urban Education at University of Southern California California Federation of Teachers California Faculty Association University Council-American Federation of Teachers Vice President of Student Services at Modesto Junior College Director of Financial Aid at UC, Riverside California School Employees Association California State University Employees Union AFSCME Local 3299</p>

August 14, 2018

State Capitol

Overview and Status of Higher Education Finance in California

Legislative Analyst's Office
College Futures Foundation
California Student Aid Commission
The Century Foundation

APPENDIX 2: SELECT COMMITTEE HEARING AGENDAS

Members

Dr. Joaquin Arambula
Catharine B. Baker
Autumn R. Burke
Phillip Chen
Susan Talamantes Eggman
Jacqui Irwin
Kevin Kiley
Evan Low
Jose Medina
Shirley N. Weber



Assembly California Legislature



ASSEMBLY SELECT COMMITTEE ON THE MASTER PLAN FOR HIGHER EDUCATION IN CALIFORNIA MARC BERMAN, CHAIR

OVERVIEW AND STATUS OF HIGHER EDUCATION IN CALIFORNIA

Thursday, August 31, 2017

State Capitol, Room 447

9:00 a.m. – 12:00 p.m.

AGENDA

- 9:00 a.m. Welcome and Opening Remarks
- Chair Marc Berman
 - Members of the Select Committee
- 9:15 a.m. Overview of Higher Education in California
- Jennifer Kuhn, Deputy Legislative Analyst, Legislative Analyst's Office
- 9:45 a.m. California Community Colleges
- Eloy Ortiz Oakley, Chancellor, California Community Colleges
- 10:15 a.m. California State University
- Dr. Joseph I. Castro, President, California State University, Fresno
- 10:45 a.m. University of California
- Janet Napolitano, President, University of California
- 11:15 a.m. Association of Independent California Colleges and Universities (AICCU)
- Kristen Soares, President, AICCU
- 11:45 a.m. Public Comment
- 12:00 p.m. Closing Comments
- Chair Marc Berman

Members
Dr. Joaquin Arambula
Catharine B. Baker
Autumn R. Burke
Phillip Chen
Susan Talamantes Eggman
Jacqui Irwin
Kevin Kiley
Evan Low
Jose Medina
Shirley N. Weber



Assembly
California Legislature



ASSEMBLY SELECT COMMITTEE ON
THE MASTER PLAN FOR HIGHER EDUCATION IN
CALIFORNIA
MARC BERMAN, CHAIR

ENSURING THE MASTER PLAN MEETS CALIFORNIA'S WORKFORCE NEEDS

Wednesday, November 1, 2017

San José State University, Student Union Theater

1 Washington Square

San José

9:30 a.m. – 12:00 p.m.

AGENDA

- 9:30 a.m. Welcome
- Dr. Mary A. Papazian, President, San José State University
- 9:35 a.m. Opening Remarks
- Chair Marc Berman
 - Members of the Select Committee
- 9:45 a.m. What are California's Workforce Needs?
- Hans Johnson, Director of the Public Policy Institute of California Higher Education Center and Senior Fellow, Public Policy Institute of California
 - Lande Ajose, Executive Director, California Competes
- 10:20 a.m. Perspective from the Business Community
- Laura Guio, Vice President, Systems Services Center of Competency and Sales, IBM
 - Scott McGuckin, Senior Director, Talent Acquisition, Kaiser Permanente
 - Nicole Rice, Policy Director, California Manufacturers & Technology Association
- 11:10 a.m. Addressing Workforce Needs
- Barbara Baran, Co-Director, California EDGE Coalition
 - Dr. Alma Salazar, Senior Vice President, Center for Education Excellence and Talent Development, Los Angeles Area Chamber of Commerce
 - Josué García, Chief Executive Officer, Santa Clara & San Benito Counties Building & Construction Trades Council
- 11:45 a.m. Public Comment
- 12:00 p.m. Closing Comments
- Chair Marc Berman

Members
Dr. Joaquin Arambula
Catherine B. Baker
Autumn R. Burke
Phillip Chan
Susan Talamantes Eggman
Jacqui Irwin
Kevin Kiley
Evan Low
Jose Medina
Shirley N. Weber



Assembly
California Legislature
ASSEMBLY SELECT COMMITTEE ON
THE MASTER PLAN FOR HIGHER EDUCATION IN
CALIFORNIA
MARC BERMAN, CHAIR

ENSURING THE MASTER PLAN MEETS THE NEEDS OF STUDENTS
Thursday, March 1, 2018
Fresno City College
Skylight Room - Old Administration Building 251
1101 East University Ave, Fresno, CA
2:00 p.m. – 5:00 p.m.

AGENDA

- 2:00 p.m. Welcome
- Dr. Carole Goldsmith, President, Fresno City College
- 2:05 p.m. Opening Remarks
- Chair Marc Berman
 - Members of the Select Committee
- 2:15 p.m. Affordability: Total Cost of Attendance for Students
- Spencer Brandt, Student, UC Santa Barbara
 - Debbie Cochrane, Vice President, The Institute for College Access & Success
- 2:40 p.m. Basic Needs of Students: Food, Mental Health, and Housing
- Maggie White, Student, CSU Stanislaus
 - Tim Galarneau, University of California Basic Needs Co-Chair, UC Santa Cruz
 - Dr. Denise Bevly, Director of Student Wellness and Basic Needs Initiative, California State University Office of the Chancellor
 - Colleen Ganley Ammerman, Program Specialist, California Community Colleges Chancellor's Office
- 3:30 p.m. Ensuring Equity and Student Success
- Alejandro Lomeli, Student, Long Beach City College
 - Manuel John Cantu, Student, Fresno Pacific University
 - Michele Siqueiros, President, The Campaign for College Opportunity
 - Benjamin T. Duran, Ed.D., Executive Director, Central Valley Higher Education Consortium
- 4:20 p.m. Public Comment
- 4:55 p.m. Closing Comments

Members
Dr. Joaquin Arambula
Catharine B. Baker
Autumn R. Burke
Phillip Chen
Susan Talamantes Eggman
Jacqui Irwin
Kevin Kiley
Evan Low
Jose Medina
Shirley N. Weber



**Assembly
California Legislature**



**ASSEMBLY SELECT COMMITTEE ON
THE MASTER PLAN FOR HIGHER EDUCATION IN
CALIFORNIA
MARC BERMAN, CHAIR**

MEETING THE NEEDS OF FACULTY AND STAFF TO SUPPORT STUDENTS

Friday, May 4, 2018

University of California, Riverside

Alumni & Visitors Center

3701 Canyon Crest Drive, Riverside, CA 92507

10:30 a.m. – 1:30 p.m.

AGENDA

Professional Development and Academic Initiatives

- Professor Julie Bruno, President, Academic Senate for California Community Colleges
- Professor Christine M. Miller, Chair, Academic Senate of the California State University
- Professor Shane N. White, Chair, University of California Academic Senate
- Dr. Sarah Klotz, Associate Director for Leadership and Institutional Transformation, Center for Urban Education, Rossier School of Education, University of Southern California

Needs of California Faculty and Lecturers: Union Perspective

- Dr. Jonathan McLeod, Professor of History and Vice President of AFT Guild Local 1931, California Federation of Teachers
- Dr. Sharon Elise, Professor of Sociology and Associate Vice President South of Council for Affirmative Action, California Faculty Association
- Dr. Mia L. McIver, Writing Programs Lecturer and President of University Council-American Federation of Teachers

Needs of Student Services Staff

- Dr. James Todd, Vice President of Student Services, Modesto Junior College
- Dr. Bridget Driscoll, Associate Vice President of Retention, University Academic Advisement and Learning, California State University, Dominguez Hills*
- Jose Aguilar, Director of Financial Aid, University of California, Riverside

Needs of Staff: Union Perspective

- Bill Rawlings, Computer Facilities Coordinator and Chair of Community College Committee, California School Employees Association
- Vicky McLeod, Budget Specialist and Vice Chair of Legislative Committee, California State University Employees Union
- Christine Stuckey, Senior Custodian, AFSCME Local 3299

Public Comment

* Invited, but unable to present.

Members

Dr. Joaquin Arambula
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**ASSEMBLY SELECT COMMITTEE ON
THE MASTER PLAN FOR HIGHER EDUCATION IN
CALIFORNIA
MARC BERMAN, CHAIR**

OVERVIEW AND STATUS OF HIGHER EDUCATION FINANCE IN CALIFORNIA

**Tuesday, August 14, 2018
State Capitol, Room 437
1:30 p.m. – 4:00 p.m.**

AGENDA

- 1:30 p.m. Welcome and Opening Remarks
- Chair Marc Berman
 - Members of the Select Committee
- 1:45 p.m. Overview of Budget Process and Higher Education Finance Challenges
- Paul Steenhausen, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
 - Jason Constantouros, Senior Fiscal & Policy Analyst, Legislative Analyst's Office
 - Monica Lozano, President and CEO, College Futures Foundation
- 2:35 p.m. Financing Student Aid in California
- Jennifer Kuhn, Deputy Legislative Analyst, Legislative Analyst's Office
 - Lupita Cortez Alcalá, Executive Director, California Student Aid Commission
 - Robert Shireman, Senior Fellow, The Century Foundation
- 3:25 p.m. Public Comment
- 4:00 p.m. Closing Comments
- Chair Marc Berman