Community Colleges, Transfer, & California’s Competitiveness

California’s Growing Workforce Challenge: Your Advantages, Lost Advantages, and Needed Advantages

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California’s Workforce Challenge

- A high-skill/high-wage economy
  - Well educated
  - Indigenous to California
- Affordable high quality of life
- And evidence of this

- A Postsecondary Education system that supports such an economy, society, and personal life style

- So, how does California stack up?
What California has (and needs to keep)

- As A State
  - A Very Competitive Economy – 3rd on the State New Economy Index
  - Wealth – 11th in personal income
  - Great on ROI to education – 1st in earnings difference between high-school and college (BA or AA)
  - Talent accumulation -- net importer of highly educated talent.
California Net Migration of Residents Age 22-64 by Level of Education, 2004-05

- Bachelor's Degree: 22,625
- Graduate/Professional Degree: 16,522
What California has (and needs to keep)

- Higher Education’s Contribution
  - Research Excellence
    - 7 of the top 25 ranked Research Universities (Shanghai Jiao Tong index) in the West – Stanford (2), UC Berkeley (3), Cal Tech (5), UCLA (11), UCSD (12), UW (14), UCSF (16)
    - The Rest
      - East: 7 (1 quasi-public, 6 privates)
      - Mid West: 3 (2 publics, one private)
      - South: 1 (private)
Overall State Scores on Measures of Innovation Assets

Note: Score is calculated as sum of rankings on ten separate subindex scores.

Source: Development Report Card for the States, CFED
Science and Engineering Degrees as a Share of Higher Education Degrees Conferred by State, 2004-05

Note: Science and Engineering include Agricultural Sciences, Biological and Biomedical Sciences, Physical Sciences, Science Tech, Health Sciences, Computer Science, Mathematics and Statistics, Engineering, and Engineering Tech. Degrees include Associate, Bachelor’s, Masters and Doctorate Degrees.

Source: NCES, IPEDS 2005 Completions File; c2005_a Final Release Data File
What California has (and needs to keep)

- Higher Education’s Contribution
  - Human Capital
    - Leads the nation in adult participation (5.1% of adults 25-49 enrolled)

- Process rather than Product
  - Prestige
  - Mission Differentiation
  - An efficient financing structure
What does that mean – an efficient financing structure

- **Funding Per FTE Student (2004)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>California</th>
<th>WICHE</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Year Insts</td>
<td>$5,599</td>
<td>$6,884</td>
<td>15\textsuperscript{th}</td>
</tr>
<tr>
<td>BA/Masters</td>
<td>13,151</td>
<td>12,865</td>
<td>7\textsuperscript{th}</td>
</tr>
<tr>
<td>Research/Dr</td>
<td>45,295</td>
<td>32,736</td>
<td>2\textsuperscript{nd}</td>
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</tbody>
</table>

- **Share of Student by Sector**

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<tbody>
<tr>
<td>2 Years</td>
<td>61%</td>
<td>53%</td>
<td>1\textsuperscript{st}</td>
</tr>
<tr>
<td>BA/Masters</td>
<td>22</td>
<td>19</td>
<td>6\textsuperscript{th}</td>
</tr>
<tr>
<td>Research/Dr</td>
<td>17</td>
<td>29</td>
<td>15\textsuperscript{th}</td>
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What California has (and needs to keep)

- A Reasonably Productive System -- OVERALL
Performance Relative to Total Funding per FTE – Overall Index Scores for State Higher Education Systems (NCHEMS)
What California had, but lost (and needs to regain)

- As A State
  - A Competitive Workforce
Percent of Civilian Population Age 25-64 Participating in the Workforce, 2000

Source: U.S. Census Bureau
Differential National Performance:
Differences in College Attainment (Associate and Higher) Between Young and Older Adults—Percent of Adults with College Degrees

Source: U.S. Census Bureau, 2000 Census via NCHEMS
Percent of Adults with an Associate Degree or Higher by Age Group—Leading OECD Countries, the U.S., and California
International Competitive/Declining Performance: Percent of Adults with an Associate or Higher Degree

Source: Organisation of Economic Cooperation and Development, American Community Survey via NCHEMS
What California had, but lost (and needs to regain)

- As A State
  - A Competitive Workforce
  - Talent Accumulation
California Net Migration of Residents Age 22-64 by Level of Education, 2004-05 (NCHEMS/Census)

- Less than High School: 27,843
- High School: -19,742
- Some College: -20,168
- Associate Degree: -3,795
- Bachelor's Degree: 22,625
- Graduate/Professional Degree: 16,522
- Total: 23,285

Bar chart showing net migration for different levels of education.
Projected Percent Change in Occupations Requiring Some Postsecondary Training, 2002-2012 (NCHEMS)

Note: Some college, Associate, Bachelor’s and higher.

Source: ACINet, Career InfoNet
What California had, but lost (and needs to regain)

- As A State
  - A Competitive Workforce
  - Talent Accumulation
  - A viable education production function
What does that mean – California has lost a viable production function?

<table>
<thead>
<tr>
<th></th>
<th>California</th>
<th>U.S.</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Grad H.S. on time</td>
<td>70.7%</td>
<td>69.7%</td>
<td>30th</td>
</tr>
<tr>
<td>Enter College</td>
<td>30.9%</td>
<td>38.8%</td>
<td>46th</td>
</tr>
<tr>
<td>Grad-150% time</td>
<td>16.9%</td>
<td>18.4%</td>
<td>29th</td>
</tr>
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</table>
What does that mean – California has lost a viable production function?

Community College System Leaks Badly

- 24-26.5% of those intending to do so, transfer or complete the AA. (Beyond the open door)

- 74,564 Assoc Degrees in 03-04 -- 1.4 million students (5 percent)

- Bensimon’s work (USC) shows extreme differences in success by race/ethnicity
Difference Between Whites and Next Largest Race/Ethnic Group in Percentage of Adults Age 25-34 with an Associate Degree or Higher, 2000 (NCHEMS)

Source: U.S. Census Bureau, PUMS (based on 2000 Census)
What does that mean – California has lost a viable production function?

Community College System Leaks Badly

- 24-26.5% of those intending to do so, transfer or complete the AA. (Beyond the open door)
- 74,564 Assoc Degrees in 03-04 -- 1.4 million students (5 percent)
- Bensimon’s work (USC) shows extreme differences in success by race/ethnicity
- But also shows that intentional action can make a big difference
What California had, but lost (and needs to regain)

- As A State
  - A Competitive Workforce
  - Talent Accumulation
  - A viable education production function
  - The State Resources to Invest
Projected State and Local Budget Deficits as a Percent of Revenues, 2013

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005
What California had, but lost (and needs to regain)

- Within Higher Education
  - An affordable system
How Can That Be – We lead in low fees

- On tuition (06-07)
  - Community Colleges
    - US: $2,272
    - WICHE: $2,237
    - CA: $690

- But that isn’t that half of it.
How Can It Be So

- Cheap Isn’t Always Efficient
  - Can mean Leaving Money On The Table
    - Bad News
      - California Community Colleges leave substantial federal Pell & Tax Credits unused
- Cost of living is a unique California challenge
How Can That Be – We lead in low fees and high financial aid

- On tuition (06-07)
  - Community Colleges
    - US: $2,272
    - WICHE: $2,237
    - CA: $690
  - 4-Year Institutions
    - US: $5,836
    - WICHE: $4,351
    - CA: $4,220

- On financial aid
  
  U.S.: $446
  WICHE: $386
  California: $514
What California had, but lost (and needs to regain)

- Within Higher Education
  - An affordable system
  - A cost-effective system
    - Hold it, you just said . . .
Performance Relative to Total Funding per FTE – Overall Index Scores for State Higher Education Systems (NCHEMS)
Student Pipeline Result, 2002 (NCHEMS)
What California had, but lost (and needs to regain)

- Within Higher Education
  - An affordable system
  - A cost-effective system
  - A strong Community College system

**THROUGH PUT** Has To Improve

- Resource Starved, Given The Mission
- Funding Per FTE Student (2004)
  - CaliforniaWICHERank
  - 2 Year Insts $5,599 $6,884 15th
What California never had (but really needs)

- A true accountability structure
  - You lack *clear goals* – what California expects from higher education
  - You lack *strong metrics* – what measures would demonstrate progress toward those goals
  - You lack an *integrated data system* that is needed to support strong metrics
  - Nothing contemplated on student learning

- Higher Education needs to be an evidence-based public service
Competing in the Flat World

- America led the world economy in the 20th Century
- And California led America
  - Exceptional Higher Education was key
  - Talent accumulation was also key
  - And Community College was the linchpin
- Competition is no longer within American; it is global.
  - Others
    - Competing successfully on human capital
    - Preparing to compete on research
- It’s a new “New World”