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Diminished Access to the Baccalaureate for Low-Income and Minority Students in California: The Impact of Budget and Capacity Constraints on the Transfer Function

NANCY SHULOCK and COLLEEN MOORE

California's 1960 Master Plan for Higher Education promised all students a chance to pursue a baccalaureate degree by guaranteeing a place at one of the public 4-year institutions for all students who successfully fulfill a minimum set of requirements at a community college. However, capacity constraints in the state's public colleges and universities are calling into question this promise of access to the baccalaureate. Dramatic cuts to higher education budgets combined with significant enrollment pressures and fee increases are reducing access for students who are lower income and underrepresented minority whose primary gate to the baccalaureate is through the community college transfer process. This article draws on data analysis and interviews with system and campus administrators to document the mechanisms by which access for these students is being restricted. The article discusses policy implications for California, and outlines lessons for other states experiencing similar social, demographic, and fiscal trends.

Keywords: college access; community college transfer

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BACKGROUND

California ranks among the leaders nationally in college attendance, in numbers and in the percentage of young adults enrolling in postsecondary education (National Center for Public Policy and Higher Education, 2000, 2002). This noteworthy accomplishment is largely due to California's extensive and affordable community college system with open admissions. California ranks substantially lower on measures of student persistence and completion, including the timely completion of the baccalaureate. This less notable performance may also be related to the state's heavy reliance on community colleges for providing undergraduate education at the lower division level. Transfers from the state's community colleges to its senior institutions have remained remarkably flat—fluctuating between 50,000 and 60,000 students per year in the last decade (California Postsecondary Education Commission, 2002; Cohen, 2003), while community college enrollment has grown by nearly 400,000 students during that time.¹ During this time of severe state budget deficits coupled with increasing demand for postsecondary education, access to the baccalaureate is diminishing, with the greatest impact on students who are lower income, underrepresented minority, and disproportionately reliant on the community colleges as the gateway to higher education. This article examines how budget constraints and the associated capacity constraints in California's public colleges and universities are limiting access to higher education by students who are underrepresented.

California's Promise of Access

California's 1960 Master Plan for Higher Education provided a bold and unique plan for the state's public higher education system based on the principles of access, affordability, and excellence (California State Department of Education, 1960). This plan laid out a three-tiered system of higher education that included the University of California (UC), California State Universities (CSU), and the California Community Colleges (CCC). There is a clear differentiation of mission among the three segments. The UC provides graduate and undergraduate instruction and is the only segment that independently awards the doctorate as well as professional degrees in law and medicine. In addition, the UC is the primary state-supported academic research institution. The UC enrolls students from among the top 12.5% of the state's high school graduates and accounts for approximately 9% of enrollment in public higher education in the state. The CSU provides undergraduate instruction and graduate instruction through the master's degree and is the primary provider of teacher certification and professional master's degree

programs. In addition, CSU conducts applied research related to its instructional mission or its public service role. The CSU enrolls students from among the top one third of the state's high school graduates and accounts for about 17% of enrollment in public institutions. The CCC offer academic and vocational programs at the lower division level, as well as remedial instruction, noncredit adult education, and workforce training. The CCC admit any student "capable of profiting from the instruction offered" (California State Department of Education, 1960, p. 70) and serve more than 70% of all students enrolled in public postsecondary education.

Although the Master Plan reserved 4-year college attendance for the state's most well prepared and qualified students, it promised all students, regardless of preparation, a chance to pursue a baccalaureate degree by first attending a community college. Students who successfully fulfilled a minimum set of requirements at a community college were guaranteed a place at one of the public 4-year institutions. This transfer mechanism was a key concept that underpinned the California dream of higher education for all residents and linked its goals of access and affordability.

Model of the transfer process. The number of students who successfully transfer can be viewed in three stages: the supply of students intending to transfer, the success of the transfer function in preparing those students, and the ability of receiving 4-year institutions to accommodate those students.² This pipeline-process-capacity model is further defined as follows:

Pipeline: The number of community college students that intend to transfer to a 4-year institution is dependent on a number of factors, including student aspirations, social capital reflecting family and other support networks and their familiarity with higher education options, outreach efforts to recruit transfer students, and economic variables affecting students' perceptions of alternatives to pursuing the baccalaureate via the transfer process.

Process: Transfer processes include the mechanisms established to facilitate the transfer of students from community colleges. These may include articulation agreements regarding eligible coursework that satisfies entrance requirements at the receiving 4-year institutions, counseling efforts at the community college level, efforts to encourage transfer on community college campuses including transfer centers and dual admissions programs, and data collection and information sharing among the various institutions. Student and institutional efforts to ensure students' academic preparation for transfer are also critical.

Capacity: The capacity of receiving institutions to accommodate community college transfer students is the final stage of the model and the area examined in the current study. Capacity is influenced by state policy on institutional mission, by state resource allocation for operating and capital expenses, by institutional policies and practices, and by the numbers of eligible students seeking enrollment.

Concerns about California's transfer function. Static numbers of transfer students in a time of substantial growth in enrollments are of concern to California's policy makers, particularly in light of the economic importance of the baccalaureate to students and the state, and in the context of the state's growing population among groups traditionally underrepresented in higher education. There are many procedural barriers in California that make transfer a more complex process than in many other states. For example, there is no common transfer curriculum across institutions,³ and no Associate of Arts transfer degree. Instead, California institutions use a cumbersome articulation process that requires individual campus-to-campus articulation of individual courses.

Several revisions have been made to the Master Plan to improve the transfer process. In 1991, Senate Bill 121 called for the UC and CSU governing boards to make certain that transfer students receive priority admission and to ensure adequate upper division placements for CCC transfer students to all UC and CSU campuses. The state mandates that CSU and UC maintain at least 60% of their enrollment in the upper division to keep access open to transfer students. In 2002, the California Legislature updated its Master Plan to incorporate all levels of education, from kindergarten through graduate school (Joint Committee to Develop a Master Plan, 2002). The Plan offers a number of recommendations designed to bolster transfer, including

- developing more efficient articulation between the segments to enable students to freely transfer units between and among public colleges and universities;
- establishing a transfer Associate's Degree that would guarantee transfer admission to any CSU or UC campus; and
- authorizing community colleges to provide upper division instruction jointly with UC, CSU, or private institutions.

Although not yet enacted in the state's education code, these recommendations reaffirm the commitment of state policy makers to provide access to the baccalaureate through the transfer process.

Importance of community college transfer for underrepresented minority students. In California, 2-year community colleges were designed to be a more substantial part of the higher education system than they are in many other states. Community colleges enroll approximately 75% of California's college students, while the national average is less than 40% (National Center for Education Statistics, 2003). Community colleges play an even greater role in the education of California's students who are lower income and underrepresented minority. Latino students, in particular, make up a greater percentage of student enrollment in the community colleges (29%) than they do in the University of California (14%), the California State University (23%), or the state's private institutions (18%). Table 1 shows undergraduate enrollment in each segment by ethnicity.

The sheer size of the community college segment in California means that the community colleges are home to a much greater number of students who are minority than the other, smaller segments. In fact, nearly 80% of African American and Latino college students in California are found in the community colleges. Therefore, access to the baccalaureate for underrepresented minority students is gained primarily through the community colleges.

Threats to Access

California's promise of access as envisioned in the Master Plan is being called into question by the dual threats posed by a massive state budget deficit and significant enrollment growth.

Effects of California's budget crisis on higher education. During the economic expansion of the late 1990s, state revenue exceeded projections as the booming technology industry brought in tax revenues related to stock options and capital gains. Despite the volatility of the income tax as a source of state revenue, policy makers responded to the increased revenues with new and expanded programs in health, education, and social services, along with cuts in taxes such as the vehicle license fee. After the dot-com bust in 2000, state revenues leveled off and declined with the economic cycle; however, state spending did not decrease. The difference was made up through loans, bonds, and accounting changes that pushed the problem into future budget years. By 2002-2003, California was forced to begin cutting spending on state programs, including higher education.

Table 2 summarizes changes in expenditures on the three segments of higher education through the state's General Fund since 1997-1998. General Fund expenditures for higher education institutions increased by more than 40% during the 4-year period between 1997-1998 and 2001-2002 and then began a steady decline. The declining support for public higher education in

Table 1
Undergraduate Enrollment in California by Segment by Ethnicity, Fall 2002 (percentage in parentheses)

	Non-Hispanic White	Hispanic or Latino	Black	Asian	Filipino	American Indian	Other	Nonresident Alien	Total
UC	56,473 (39)	19,986 (14)	4,622 (3)	48,130 (34)	7,271 (5)	935 (1)	3,010 (2)	3,374 (2)	143,801 (100)
CSU	116,621 (41)	66,546 (23)	18,193 (6)	43,138 (15)	15,363 (5)	2,476 (1)	11,360 (4)	12,334 (4)	286,031 (100)
CCC	604,277 (43)	403,552 (29)	109,875 (8)	168,416 (12)	50,181 (4)	13,733 (1)	28,424 (2)	22,089 (2)	1,400,547 (100)
Private	86,642 (53)	30,201 (18)	12,001 (7)	26,111 (16)	NA	1,770 (1)	NA	8,397 (5)	165,122 (100)

Source: California Postsecondary Education Commission on-line student data, Total Enrollment by Segment by Ethnicity (Undergraduates), Fall 2002 (excludes no response category). Available at www.cpec.ca.gov/OnLineData/OnLineData.asp

Note: UC = University of California; CSU = California State Universities; CCC = California Community Colleges.

California comes at a time of significant growth in the college-age population. Although California's total population is expected to increase by 15% between 2000 and 2010, the population ages 15 to 24 years is expected to increase by 21% (California Department of Finance, 2004a).

As shown in the table, the UC system experienced more than a 18% decline in general fund support during the past 3 years, partially offset by a 10% increase in student fees in spring 2003, and an additional 30% increase in the fall. Major program cuts at the UC include one half the funding for K-12 outreach programs and reductions in administration, research, and student services. The final CSU budget for 2003-2004 of U.S. \$2.6 billion represents a 3% decline from the prior year. The budget originally received a much larger cut; however, midyear adjustments for higher pension contribution rates lessened the size of the overall reduction. The additional funds were not available for serving students, however, and the CSU was forced to cut enrollment growth, increase class size, and eliminate faculty and staff positions. Similar to UC, the CSU increased student fees by 10% in spring 2003 and another 30% in the fall.

The state's general fund investment in community colleges decreased by 2% from 2001-2002 to 2003-2004, while student fees were increased by more than 60%, from \$11 to \$18 per unit. State funding for enrollment growth of approximately 1.5% in 2003-2004 was grossly insufficient in light of projected enrollment growth of 4.6%, and funds for enrollment were largely offset by cuts in categorical programs. Coming at a time of significant increases in personnel and other costs, the budget cuts, though seemingly small, have had a dramatic effect on a segment of higher education already severely underfunded. Substantial reductions in course section offerings related to the budget cuts resulted in a 5% decline in enrollment since fall 2002 and a reduction of 175,000 students from the projected enrollment level prior to the budget cuts and related schedule reductions (California Community Colleges Chancellor's Office, 2003b).

Table 3 puts the declining state investment in the context of growing enrollment and increasing costs for providing higher education services, showing the state investment per full-time equivalent student (FTES) after adjusting for inflation using the California Consumer Price Index (CPI).⁴ The table shows that, in real dollars, the state investment per FTES in each segment declined substantially (ranging from 8% to 35% across the segments) between 2000-2001 and 2004-2005.

Gov. Arnold Schwarzenegger's initial budget for 2004-2005 proposed additional substantial cuts to UC and CSU.⁵ The budget proposed a 6% reduction in state funding for UC, and a reduction of 8% for CSU. The additional cuts would result in a nearly 20% decline in state support for UC since

Table 2
State General Fund Expenditures for Higher Education^a (dollars in millions)

	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Proposed 2004-2005 ^c
UC	2,180.4	2,517.8	2,715.8	3,191.6	3,322.7	3,150.0	2,868.1	2,708.8
CSU	1,872.4	2,098.7	2,175.4	2,429.0	2,680.7	2,697.1	2,625.7	2,496.7
CCC ^b	3,531.0	3,747.4	4,136.8	4,510.4	4,816.7	4,744.9	4,716.2	5,034.4
Total	7,583.8	8,363.9	9,028.0	10,131.0	10,820.1	10,592.0	10,210.0	10,239.9

Source: California Department of Finance (2004b, 2004c). Figures not adjusted for inflation.

Note: UC = University of California; CSU = California State Universities; CCC = California Community Colleges.

a. Excludes expenditures on the Student Aid Commission, the California Postsecondary Education Commission, Hastings College of the Law and general obligation bond interest.

b. Includes property tax revenue as a component of the state's obligation under Proposition 98.

c. The Community College totals for 2001-2002, 2002-2003, and 2003-2004 have been adjusted for shifts across fiscal years of the timing of apportionment funding that was done as part of budget-balancing strategies. We display the costs in the years for which the costs were incurred and services rendered.

Table 3
State Investment in Each Segment per FTES (\$2004)

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005 Budgeted
UC	18,970	20,816	19,269	16,847	14,801	13,583
CSU	8,946	9,339	9,105	8,540	8,036	7,309
CCC	4,802	4,836	4,684	4,410	4,379	4,427

Source: California Department of Finance (2004b, 2004c). Figures not adjusted for inflation. Dollar figures adjusted for inflation using the California Consumer Price Index—Urban Consumers (CPI-U).

Note: UC = University of California; CSU = California State Universities; CCC = California Community Colleges.

2001-2002, the year before the cuts began, and a 10% overall reduction for CSU. (The impact of these cuts on purchasing power is greater than the 20% and 10%, respectively, because of inflation.) The budget proposed to partially offset the additional reductions with a further increase in student fees of 14% for undergraduates and 20% to 25% for graduate students, in addition to a 20% increase in the out-of-state surcharge. The budget provided no funding for enrollment growth in either segment. In fact, it proposed to reduce freshman enrollment by 10% from current year levels, and to redirect those students to the community colleges with provisions to support their later transfer to UC or CSU.

When the final California budget was passed, the legislature restored a significant portion of the funding to UC and CSU for enrollment growth. This meant that, technically, students who had been denied admission and redirected to a community college were now eligible for admission as first-time freshmen to a university. However, it was difficult for the universities to implement this change at this late date and many students, previously denied admission, were unable to change their plans. Prior to these latest negotiations, the UC and the CSU had proceeded with the governor's redirection proposal and the student fee increases. Based on the governor's original proposal, UC denied admission to 7,600 eligible freshman applicants for fall 2004, offering them instead a guaranteed transfer to a UC campus after completing 2 years at a community college (Maxwell, 2004). CSU also diverted students to the community colleges for fall 2004, offering deferred admission to 3,800 freshman applicants after completing 2 years at a community college (California State University, 2004).

The governor proposed a 6.7% increase in General Fund support for the community colleges. The budget included funding for 3% enrollment growth, which approximates the level of growth that would be expected in the absence of other major changes. However, in view of the direct and indirect

restriction of access to the UC and the CSU through budget reductions and fee increases, and the large number of students who have already been shut out of the community colleges and could be looking to return, 3% enrollment growth funding will not be sufficient to accommodate all students seeking to attend the CCC.

Enrollment pressures of Tidal Wave II. The challenge posed by the substantial budget cuts for public colleges and universities in California is magnified by the increasing demand for higher education. The California Department of Finance (2003) estimated that enrollment in the state's public institutions of higher education will increase by more than 25% between 2003 and 2012. The phrase coined to characterize this growth is "Tidal Wave II," echoing the tidal wave of enrollments that occurred during the college years of the baby boom generation. Unlike the 1960s, however, the state's higher education system will not be able to undertake a massive building program to accommodate these students because of budget constraints and the absence of advanced planning.

In addition, the students will be more racially and ethnically diverse, coming largely from populations historically underrepresented in higher education. In particular, the Latino population ages 15 to 24 years is projected to increase by 33% between 2000 and 2010 (California Department of Finance, 2004a). These students will largely turn to community colleges as the place to begin their postsecondary education. Community colleges are expected to grow by some 350,000 students by 2012, while CSU is expected to see an additional 81,000 undergraduate students, and UC will grow by approximately 37,000 undergraduates (California Department of Finance, 2003). The ability of the community colleges to prepare students for transfer, and the capacity of UC and CSU to accommodate additional students, will have a substantial impact on the rate of baccalaureate attainment of this large and diverse group of students.

The state's declining investment in public higher education leaves little room for hope of meeting its promise to California's students of "access with quality." At the September 2002 conference on Envisioning a State of Learning, sponsored by the Center for California Studies and the Institute for Higher Education Leadership and Policy (Harrison, 2003), two prominent national experts on higher education policy, Patrick Callan and Dennis Jones, decried the complacency they observed in California where the state's Master Plan for Higher Education continues to be celebrated while access erodes daily under the crush of Tidal Wave II. They saw no efforts under way that could be expected to avert a disastrous situation with respect to equal educational opportunity for California's citizens and the production of an educated

workforce to sustain the global, information economy. The budget cuts enacted in 2003-2004 and 2004-2005 demonstrate the foresight of Callan and Jones, particularly in light of the governor's proposal to provide no funds for enrollment growth to UC or CSU, and indicate that the threat to access and educational opportunity they identified is now a reality.

PURPOSE AND METHODS

This article examines the issue of capacity constraints in California's public colleges and universities caused by declining resources and growing demand for enrollment. In particular, we address the following questions:

Is limited capacity posing a particular threat to access by students not eligible for UC or CSU, whose only access to higher education is through the community colleges?

If so, what are the mechanisms by which access for these students is being restricted?

What policy interventions might be indicated to preserve educational opportunity?

Our method included interviews with system and campus administrators from California's three public segments of higher education, as well as document review and data analysis. The document analysis included institutional publications and reports, campus and system Web sites, and other documents as appropriate. Our analysis draws on data supplied by the UC, CSU, and CCC central offices as well as data from the California Postsecondary Education Commission (CPEC) and the California Department of Finance.

Analysis

Our interviews and review of available data suggest that community college students are being denied their promised access to California's public universities through (a) failure by the state to fund enrollment growth, (b) increasing admissions requirements above the criteria established in the Master Plan, and (c) higher student fees that are pushing some UC- or CSU-eligible students into the community colleges and crowding out more traditional community college students.

Denial of access through failure to fund enrollment growth. For the first time, state policy makers are explicitly denying access to students eligible for enrollment in UC or CSU according to criteria laid out in the Master Plan. The governor's proposed budget for 2004-2005 (California Department of

Finance, 2004c) provided no funding for enrollment growth in either system in spite of projections from the Department of Finance of growth in all segments. In fact, the budget proposes a reduction in the enrollment of new freshmen at UC and CSU from 2003-2004 by 10%, with the intent to redirect these students to a community college. In prior years of fiscal constraint, the Governors' Budgets⁶ claimed to provide funding for enrollment growth while simultaneously making substantial cuts to other parts of the institutions' budgets. The proposed 2004-2005 budget, on the other hand, acknowledged openly for the first time that the decision not to fund enrollment growth would deny access to an estimated 15,000 eligible students, and recognized "that UC and CSU may need to expand enrollment growth-control measures that were initiated in 2003-04" (California Department of Finance, 2004c, p. 72).⁷

These enrollment management measures included decisions by the systems not to accept some transfer applications from community college students. UC did not accept any transfers for the winter term, returning approximately 1,600 applications submitted by students seeking to transfer (S. Handel, director of Transfer Enrollment Planning, personal communication, January 13, 2004; B. Tacconi, principal administrative analyst, UC Office of the President, personal communication, January 13, 2004). UC campuses generally do not accept transfers in the spring term but eliminated winter transfers as well, leaving students only the option of fall admission. Many CSU campuses did not accept any freshman or transfer applications for the spring 2004 term to avoid exceeding funded enrollment targets (California State University, 2003).⁸ Application patterns for the 2004-2005 academic year suggest that the enrollment management measures are producing pent-up demand among community college students. The number of students applying to transfer to UC for fall 2004 reached record levels, representing a 12.9% increase over fall 2003 (University of California Office of the President, 2004).⁹

Enrollment management efforts within the community colleges themselves are also affecting transfer by impeding student progress in completing the required courses. Only two enrollment management tools are available to community colleges: determining the number of course sections they can afford to offer, and assigning registration priority to particular groups of students (e.g., continuing students typically have priority over new students). Budget cuts to the community colleges led to a 3% decline in course section offerings between fall 2002 and spring 2003 (California Community Colleges Chancellor's Office, 2003b). There were substantial regional disparities in the impact of the cuts, with some colleges in the southern part of the state cutting course sections by up to 25%. The unofficial update by the

Chancellor's Office (P. Perry, personal communication, July 6, 2004) reported that course section offerings declined by 9.3% between fall 2002 and fall 2003, and total enrollment fell by 6.7% during the same period.

A severely constricted class schedule forces stiff competition among students for classroom seats. Those who lose out need additional semesters to complete the coursework required for transfer. Worse, many are discouraged from enrolling altogether. There is widespread consensus among community college officials that it is precisely those students from disadvantaged educational backgrounds who tend to be the losers in this competition for seats (Sara Lundquist, vice president for Student Affairs, Santa Ana College, personal communication, November 19, 2003; Rod Fleeman, vice chancellor for Finance, North Orange Coast Community College District, personal communication, November 19, 2003; Marjorie Lewis, president, Cypress College, personal communication, November 21, 2003; Jorge Sanchez, director of Institutional Research, Coast Community College District, personal communication, November 21, 2003; Francisco Rodriguez, president, Cosumnes College, personal communication, November 24, 2003). The same unofficial Chancellor's Office report (unofficial because one district had not yet reported its data) suggests that in one short year there have been changes that give cause for concern about the access provided to older, adult, and part-time students. The report found that between fall 2002 and fall 2003 there have been increases in the proportion of the student body in the following categories:

- students seeking degrees, certificates, or transfer;
- students enrolled in day courses;
- full-time students;
- continuing (as opposed to first-time) students; and
- students ages 18 to 24 years.

Conversely, the proportion of part-time, evening, and adult students has declined, as have first-time students who apparently lost out in the competition for classes to returning students who are generally given registration priority. The reported change in ethnic distribution is small, with slightly more Asian or Filipino or Pacific Islanders and slightly fewer Whites.

Restricting Access Through Higher Admissions Criteria

A central enrollment management mechanism available to UC and CSU is the authority to adjust admissions standards. An undergraduate program at UC or CSU can be designated as "impacted" when it receives more applications from fully qualified applicants than it can accommodate given the

instructional resources and physical capacity of the campus (California State University, 2002). In some cases, entire campuses are designated as impacted because all programs are enrolled to capacity. When a program or campus is impacted, additional restrictions or requirements are imposed, thereby increasing selectivity in the admissions process. The basic general education (GE) requirements for transfer as specified in the Master Plan are the following:

- UC: Minimum 2.4 GPA and 60 transferable units, one advanced math course or quantitative reasoning, four transferable courses from at least two of the following areas: arts and humanities, social sciences, behavioral sciences, or physical or biological sciences.
- CSU: Minimum 2.0 GPA and 60 transferable units¹⁰; of the 60 units, 30 must be in general education courses to include one course in oral communication, one course in written communication, one course in critical thinking, and one course in math or quantitative reasoning above the level of intermediate algebra.

If an eligible student applies to an impacted campus and is not accepted, efforts are made to redirect or refer the student to a campus where there is an opening in the student's field of interest.

The current impaction problem within the CSU system for upper division transfer students is largely driven by campus-wide impaction at San Diego, San Luis Obispo, and Long Beach, and nursing program impaction across the CSU system. The number of impacted CSU campuses and programs is growing. Although there were only 30 impacted programs in CSU in 2000-2001, there were 71 in 2002-2003, and the number is expected to continue growing (L. Washington, association director of Enrollment Management Services, CSU Chancellor's Office, personal communication, January 29 & 30, 2004).

As regional universities, CSU campuses offer a local area guarantee to transfer students who attend a community college located in their region (California State University, 2002). Local students must be admitted to an impacted campus according to the basic CSU admission criteria; out-of-region applicants are required to meet the more competitive supplemental criteria. However, admission to an impacted campus does not include assurance of admission to a specific program if that program is impacted. So the local so-called guarantee may not be enough to help community college students who have specific career interests involving impacted programs, or to help students in the San Diego, Long Beach, and San Luis Obispo areas, where all programs are impacted at their local campus.

Table 4
Disposition of Unduplicated Applications to California State University for California Community College Transfers

	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Applications received (unduplicated)	78,128	81,301	84,773	88,113	91,799	94,886
Incomplete applications	13,057	16,278	16,409	18,361	18,047	19,885
Admitted applicants	57,440	56,148	59,739	61,132	64,375	65,964
Denied applicants	6,047	6,818	6,959	7,962	8,818	8,445
Ineligible	NA	NA	NA	7,193	7,415	6,652
Eligible	NA	NA	NA	769	1,403	1,793

Source: California State University (2003).

Applications data from CSU provide evidence that increasing numbers of community college students who meet basic eligibility requirements for transfer are not being admitted to the system. Table 4 shows the disposition of applications for admission submitted to CSU by community college students seeking to transfer during 6 years. The total number of students denied admission increased by 40%, while the number of applications increased by one half that amount (21%). In 2002-2003, the number of applicants denied admission to CSU included nearly 1,800 students who met the basic eligibility requirements of the Master Plan, representing a 133% increase over 2 years.¹¹

Approximately 80% of nearly 17,000 transfer applicants to UC were accepted in fall 2001, the most recent year covered by published data (University of California Office of the President, 2003). UC does not provide information on the disposition of the nonadmitted applications like that provided in Table 4 for CSU. Staff report that UC offers admission somewhere in the system to all transfer-eligible applicants, although the system relies more heavily than CSU on a redirection process. It should be noted that the available UC data are more than 3 years old, while the most severe enrollment pressures are more recent.

The UC has designated many of its campuses and programs to be impacted and has raised admissions standards for students applying to transfer. Many programs require a GPA higher than the minimum of 2.4, sometimes substantially higher, and also require additional coursework for transfer applicants above the minimum criteria.¹² If transfer applicants are not

admitted to any campus to which they applied, the UC offers them the option of being included in a so-called referral pool from which their application is considered by other campuses with slots available. Many community college students who are "UC eligible" according to the Master Plan, in effect, may only be eligible to attend UC Santa Cruz or UC Riverside, as those are the only campuses where many programs can accommodate transfer students meeting only the minimum criteria. The average number of UC campuses applied to by transfer students has increased in recent years (from 2.0 in 1996 to 2.4 in 2000; T. Greenspan, director of Education Relations, UC Office of the President, personal communication, February 18, 2004), likely reflecting growing awareness among students of the increased competitiveness of admissions to the system. Even with the increased applications, approximately one in six eligible transfers—about 2,500—were referred to other UC campuses during the 2003 admissions cycle.

It is difficult to estimate the effect of increased admissions standards at UC and CSU on transfer as we do not know how many students are discouraged from applying for admission by the higher requirements at their campus or program of choice, or are admitted but decline the offer of redirection to another campus. Neither CSU nor UC could provide specific data on the enrollment rate of transfer applicants who are redirected; however, both segments agreed that it is low. Many students may find redirection to be an unmanageable barrier to transfer because of work, family, and/or financial considerations.

Restricting Access Through Higher Student Fees

Recent and proposed increases to student fees are also threatening access to the baccalaureate for students in California's community colleges. In addition to the 30% increase in student fees at UC and CSU in 2003-2004, proposals in the Governor's Budget for 2004-2005 (as implemented by the UC and CSU) include the following:

- a fee increase of 14% for UC and 13% for CSU (to \$6,312 and \$2,916 for full-time undergraduates, respectively) and
- a reduction in the availability of the state's need-based Cal Grant financial aid through a 10% reduction in the maximum allowable income for grant recipients.

The higher fees at UC or CSU, coupled with cuts in the Cal Grant program, may deter some community college students from transferring. In addition, the substantial increase in student fees at UC and CSU will likely push some

UC- and CSU-eligible students into the community colleges where they can attend at 12% or 27% of the cost, respectively.¹³ Along with the redirection of UC- and CSU-eligible freshmen to the community colleges, these proposals have the potential to alter the composition of community college students as fee increases and enrollment caps at the 4-year institutions create incentives for UC- and CSU-eligible students to enroll in community colleges. The governor also proposed an increase of 44% in community college fees for 2004-2005, an increase that would more than double the level of fees during 2 years (from \$11 to \$26 per unit). Fee increases and an increasingly competitive environment at the community colleges may dampen demand by those students who have no viable alternative to enrolling at a community college.

CONCLUSION

Capacity constraints in California's public colleges and universities are calling into question the state's promise of access to higher education. Of particular concern, dramatic cuts to higher education budgets combined with significant enrollment pressures and fee increases are reducing access for students who are lower income and underrepresented minority whose primary gate to the baccalaureate is through the community college transfer process. Although UC and CSU continue to offer admission somewhere in the system to most qualified transfer applicants, the impaction of programs and entire campuses and the resulting redirection of applications serve as significant barriers to transfer for students who are more place bound, who have very specific career interests and objectives, who are underprepared for college, or who have limited educational capital and are not as savvy to deadlines, fees, financial aid, and ways to navigate an increasingly competitive system.

New policies to redirect UC- and CSU-eligible students to community colleges (or to restrict eligibility to UC) and to increase fees substantially in all segments threaten to further limit access for students who are low income and educationally disadvantaged. As more students who had previously been deemed UC- and CSU-eligible enroll in the community colleges, the students who are more disadvantaged will face not only the existing challenge of finding available and practicable slots when they meet transfer requirements but also may be squeezed out of, or dissuaded from, ever beginning their postsecondary career. In view of the importance to the state of achieving high educational levels across the population, these limitations to college access must be addressed.

Policy Implications

Engaging the big policy question: What does access mean? For decades, Californians have benefited from the universal access to higher education assured by the operation of the transfer function. For a variety of reasons, including worrisome transfer and completion rates, variations in quality across institutions, eroding budgets, and now-explicit denial of access, it is time for policy makers to consider what California's promise of access to higher education means in the context of limited capacity and resources. Higher education officials are being forced to consider which students will be served and which will not; state policy makers must actively consider their own role in such choices. Outright denial of admission to qualified students is clearly a negation of access. However, what about the redirection or referral of qualified, place-bound students to far-away campuses? Although it may strain logic to argue that access is fulfilled only by admission to one's campus of choice, is there a point at which access becomes illusory? Enrollment and budget pressures during the next decade will severely strain the ability of the system to provide the kind of access Californians have come to expect. A business-as-usual approach that fails to confront this difficult issue is indefensible.

Engaging the access question means raising questions about mission differentiation (which students should be served by which institution?), eligibility requirements (is a truly open enrollment policy still viable?), enrollment management tools (should community colleges be granted more direct means to ration available slots than to simply expand or contract course offerings and let students compete for seats?), and governance (are regional-based admission and enrollment management strategies better able to meet students' needs than statewide approaches?).

Confronting the access or quality trade-off. Although the Master Plan highlights three primary values for the state's higher education system—access, quality, and affordability—the state's policies and practices emphasize access over all other considerations. Although a focus on access is laudable in the context of the state's highly diverse population, there is every reason for concern about diminished quality as we look ahead. UC and CSU are already making conscious choices to restrict access through enrollment management practices to preserve quality for the remaining students. No one in the community colleges wants to talk about the impact on quality of a single-minded pursuit of access because it involves making choices about who to serve—a mindset that is antithetical to the community college movement.

Students who attend the community colleges need smaller class sizes, substantial faculty attention, and comprehensive support services to succeed. However, the substantial budget cuts have forced community colleges to reduce student services as well as course sections, propelling them to a point beyond the access-quality trade-off to where access and quality have been diminished. Either subsidy levels will have to increase dramatically or serious, first-time discussions about where state subsidies for community colleges should be targeted will have to occur.

A related, and equally difficult, issue concerns the way in which the state funds higher education. The FTES model, as everyone agrees, creates an incentive for access, or enrollment, but not for completion or success. In addition to the belief in the value of access (for without access there can surely be no success), colleges and universities pursue access in part because of the fiscal incentive. If we truly engage the access or quality issue we will need a better understanding of the ways in which our higher education finance structures influence institutional behaviors and student outcomes. The challenge is to ensure that the values of access, quality, and success are properly balanced in state financing structures.

As a final point about quality and finance, we believe it is important that policy makers understand fully the implications of the decisions they have made about subsidy levels for the three segments of higher education. The degree of disparity between the per-student subsidy at the community colleges and that at the 4-year segments is far greater than the per-student subsidy differences across sectors in most other states. UC receives a subsidy per FTES that is about 4 times (400%) that provided to the community colleges while, on average, research universities across the country receive subsidies that are only 72% more per FTES than community colleges.¹⁴ Similarly, the state subsidy for CSU is about double that provided for the community colleges, compared to a national average of only a 7% differential between subsidies to comprehensive universities and community colleges. The base level of funding per student at the community colleges is deficient by any standard, even without considering the cuts of the past 2 years. Therefore, when policy makers propose to redirect UC- and CSU-eligible students to the community colleges on the grounds that it is far cheaper to educate students in that segment, they should understand that by doing so they are not providing an equivalent educational environment, at least as measured by overall levels of investment.

One additional aspect of the proposed redirection bears noting. If, as many suspect, the community colleges begin to serve a greater proportion of UC- and CSU-eligible students, their performance, as measured by indicators

such as transfer rates or retention rates, will improve. Policy makers should recognize this as merely the byproduct of the changing mix of students, and not as any indication that the traditional community college clientele is being better served.

Confronting the access and quality trade-off will require much more attention to, and analysis of, the relationship between subsidy levels and student outcomes such as completion, timely completion, quality of learning experiences, and career outcomes.

Improving data and analytical capability. To better understand the dimensions and consequences of capacity constraints for transfer students, California must improve its data collection and monitoring to understand whose access to what is being affected, and to monitor the impact of capacity constraints on students who are lower income and educationally disadvantaged. In particular, policy makers should track changes in the community college student population to monitor the effects of redirecting UC- and CSU-eligible students on more traditional community college students whose only access to higher education is through these institutions. Policy makers also need better data on the disposition of transfer applications to UC and CSU, and the reasons for the denial of transfer applicants meeting the minimum criteria for admission. Better data on the numbers of applications redirected to other campuses, and on the enrollment rates for transfer applicants who are redirected, would help policy makers understand the degree to which redirection serves as a barrier to transfer for certain students.

Searching for more efficient means to provide education. Finally, in an environment of limited state resources and growing needs for many of the services the state provides, policy makers and educators must search for more efficient means to serve the state's college students. Policy discussions about efficiency must be based on a strong analytical foundation to improve the prospects for achieving changes in state and institutional policy and practice. Examples of needed analytical work include

- determining the actual cost savings to the state of redirecting students away from the 4-year segments and into the community colleges, including not only considerations of the differences in state subsidy but also differences in retention, completion rates, and time-to-completion across segments;
- analyzing some typical patterns and outcomes for community college students with varying levels of proficiency and various educational goals to understand whether there are opportunities to streamline the movement of

students through the community colleges with the consistent use of assessment, a better sequencing of student coursework, and more effective academic advising;

- investigating alternative models to increase the numbers of entering college students who are prepared to perform college-level work and reduce the need for remediation; and
- exploring the complex relationship among fees, access (or participation rates), and completion rates to help policy makers find an acceptable balance among providing adequate institutional support for the state's colleges and universities, providing appropriate educational opportunities to students, and having reasonable expectations for educational outcomes in the context of state investment.

Lessons From California

As is often the case, California is experiencing social, demographic, and fiscal trends at a somewhat accelerated pace and on a larger scale than other states; however, the trends themselves are common ones. Across the nation, policy makers, educators, and higher education analysts and observers are focused on a number of challenges that this article highlighted in the context of diminishing access for underrepresented students. These challenges include the following:

- how to provide access to growing populations of students who are low income and minority in the face of severe budget constraints,
- how to recognize and document when quality is threatened by well-intentioned efforts to accommodate more and more students without proportional funding increases,
- how to build better connections with K-12 so that students will be better prepared to succeed in college,
- how to increase efficiency in ways that will not diminish quality, and
- how to align state priorities and funding practices around the need to extend educational opportunity and success to underrepresented populations.

The experience of California, described in this article, can offer one overriding lesson¹⁵: It is absolutely critical to design systems and processes that will call attention to a state's progress in educating its populations who are underrepresented. The resulting information can then energize the policy conversations that lead to needed changes. California has failed to do this for years, for lack of leadership, complacency about its heralded Master Plan, and skewed political power structures that have disadvantaged the

community colleges. New efforts to develop a state accountability framework designed around a set of policy goals are laying the foundation to redress this inattention.¹⁶

Other states are similarly developing accountability systems to track state progress in educating their populations and are focusing policy attention on improving postsecondary educational outcomes for minority populations. However, they may need to be particularly vigilant about these issues. In California, these issues may be easier to spot because of a highly segmented system of higher education and increasing political power among communities of color. In states where minority populations are not as concentrated in community colleges and where access to the baccalaureate is not as dependent on the transfer function, documenting problems of access and success for minority populations may be more difficult. Of greatest concern are those states that are going down the road to privatizing higher education. The public policy agenda that Californians are at least beginning to identify for themselves can quickly get lost when colleges and universities are encouraged to enter the marketplace to compete for students who can pay high tuitions and improve an institution's graduation rate.

NOTES

1. Information on enrollment by segment in California is available through the on-line data of the California Postsecondary Education Commission at www.cpec.ca.gov.

2. There is a substantial body of research literature on the factors that influence student transfer. Examples include Bradburn and Hurst, 2001; Cohen, 2003; Cohen and Brawer, 1996; Cuseo, 1998; Dougherty, 1992; Grubb, 1991; Hungar and Lieberman, 2001; Hurst and Bradburn, 2001; Schwartz, 2001; Shaw and London, 2001; and Striplin, 1999. This literature addresses student-level and institutional factors that influence transfer and, as such, addresses the first two stages of the three-stage model—the pipeline and the process. This article focuses on the capacity of California's colleges and universities to serve those students who seek to transfer.

3. The CSU is working to streamline transfer for community college students through offering admission priority to students who identify a major and select a campus by the time they have completed 45 units. CSU is working on developing 45 units of lower division requirements for each major that would be the same across all CSU campuses offering the program. The remaining 15 units needed to transfer would continue to be negotiated between individual CSU and CCC campuses. SB 1785 was recently enacted to implement this program.

4. The Consumer Price Index—Urban Consumers (CPI-U) for 2004 has not yet been released; however, we used a published estimate by Wachovia Services which predicts an increase in the CPI index of 2.5% over 2003.

5. The budget proposals and fee increases discussed here reflect the final, adopted budget, which augmented the budgets for UC and CSU to restore funding for enrollment growth. This technically allowed students to be admitted who were previously denied admission; however, it is unclear how many of these students actually gained access at such a late date in the process.

6. The Governor's Budgets mentioned were put forth by former Governors Pete Wilson and Gray Davis.

7. A final budget settlement that restored funding for enrollment growth for the UC and CSU was certainly a positive sign that the dangers of reducing college access have been recognized. However, looming future budget deficits and continuing unmet demand at the community colleges bode poorly for college access in the state. Moreover, the UC Regents have recently tightened their admissions criteria. That, in effect, reinstates the enrollment pressures on the CSU and the community colleges, from students who are no longer admissible to the UC, that were brought to bear by the governor's formal redirection proposal.

8. Some campuses accepted transfer applications, including Bakersfield, Fresno, Hayward, Humboldt, Monterey Bay, Sacramento, San Bernardino, San Francisco, San Jose, and Stanislaus.

9. This includes all transfer applicants to UC from within California, not only those from California community colleges.

10. The unit requirement was changed from 56 to 60 beginning with the fall 2004 term.

11. Data were not collected for Denied Eligible Applicants or Denied Ineligible Applicants until 2000-2001.

12. Impacted campuses include Berkeley, Davis, Irvine, Los Angeles, Santa Barbara, and San Diego.

13. Using full-time student fees for 2004-2005 of \$6,312 for UC, \$2,916 for CSU, and \$780 for CCC.

14. Data on state subsidies in California from the California Postsecondary Education Commission report, *Fiscal Profiles 2002* (2003). National data from the National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS; Wellman, 2003).

15. This would be in addition to specific lessons as states constantly look to one another for best practices on K-12 linkages, transfer practices, remediation, fee policy, and so on.

16. Legislation to implement this new framework, Senate Bill 1331, was vetoed but efforts to reintroduce it are underway.

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