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Information Item

California Student Aid Commission

Presentation by the California Postsecondary Education Commission (CPEC) on a report on undergraduate enrollment demand projections

Dr. Stacy Wilson, Senior Researcher and Policy Analyst for the California Postsecondary Education Commission (CPEC), has been invited by the Commission to discuss his report on undergraduate enrollment demand projections. His presentation is enclosed.

Dr. Wilson currently serves as a Senior Research Analyst for the California Postsecondary Education. His primary responsibilities include coordinating the review of proposals for new academic degree programs and college campuses. He also conducts policy research on issues pertaining to educational equity and access and was appointed to the Cal-SOAP Advisory Committee in 2006. Dr. Wilson teaches quantitative research methods in the Department of Public Administration at California State University, East Bay and was awarded the Distinguished Professor of the Year Award in 2000.

He received his B.A in Political Science from the University of California at Berkeley and a doctorate degree from the University of San Francisco in Cognition and Student Learning.

Responsible Person(s): Diana Fuentes-Michel
Executive Director
California Student Aid Commission

CPEC

California Postsecondary Education Commission

READY OR NOT, HERE THEY COME:

The Complete Series of Undergraduate Enrollment Demand and Capacity Projections, 2009–2019

The Complete Series of Undergraduate Enrollment Demand and Capacity Projections, 2009–2019

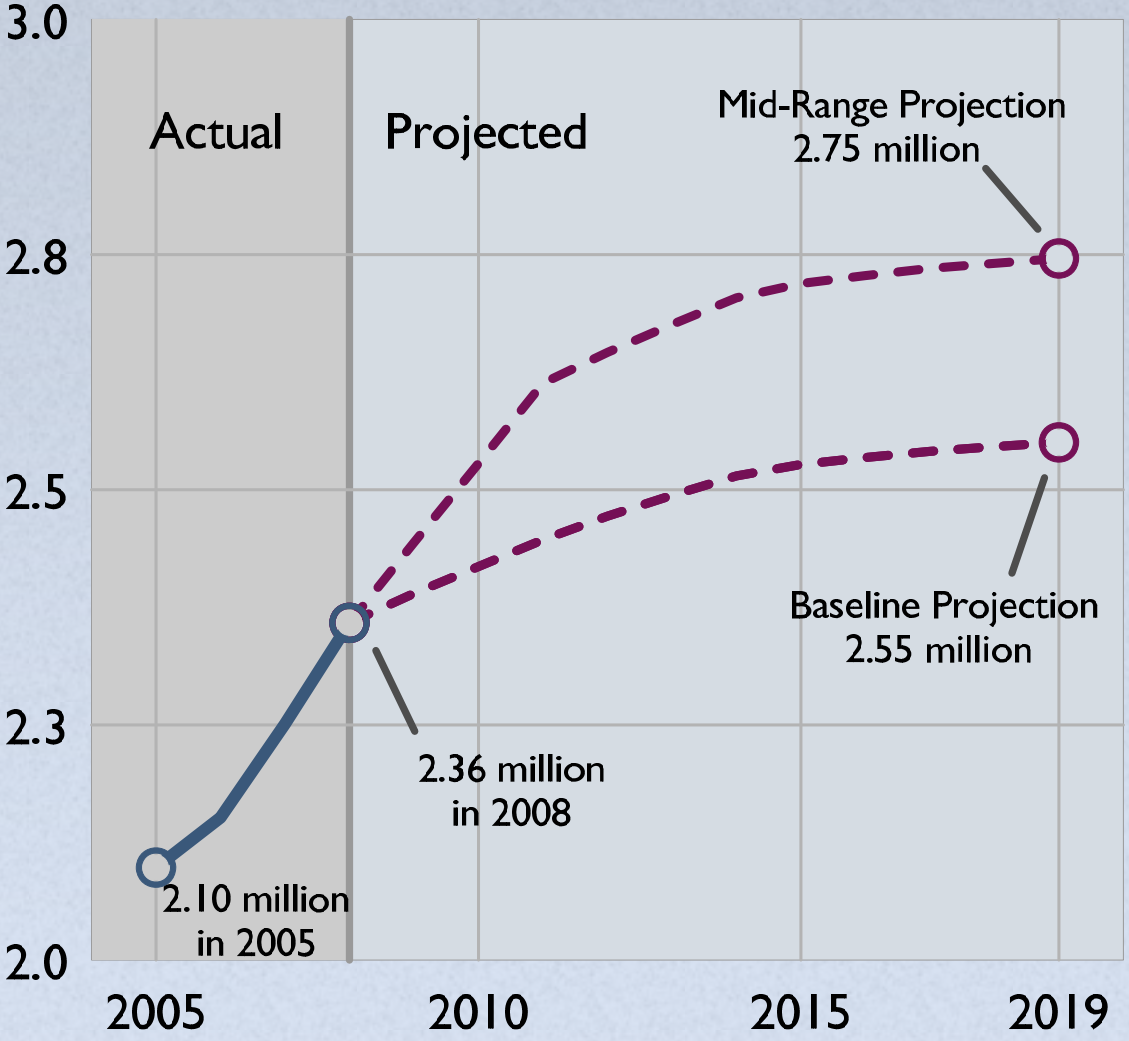
Factors Influencing Enrollment Demand

- the election of President Barrack Obama, who is calling for greater college participation and is releasing federal stimulus dollars to support college access;
- the Governor's 2010 State of the State Address expressing his desire to gradually increase higher education apportionment funding to 10.0 percent of the state's general fund;
- California State University's innovative recruitment efforts, one of which seeks to increase the representation of Black students by disseminating admission information at predominately Black churches;
  clip available at: www.calstate.edu/supersunday/

Factors Influencing Enrollment Demand

- The University of California's scholastic eligibility component that seeks to increase the enrollment of inter-city youth attending low-performing public high schools by granting admission to those students that place within the top 4 percent of the graduating class on UC college-preparatory subjects;
- a projected two-year state budget deficient of nearly $20.0 billion that is being resolved and a federal deficit of $1.6 trillion;
- a gradual California economic recovery that is beginning to post modest recovery statistics in major sectors; and
- the establishment of a legislative subcommittee to revisit California's Master Plan for Higher Education.

Research Question 1: What is the level of public undergraduate enrollment demand anticipated between 2008 and 2019 by higher education system and ethnicity?



Research Question 1: What is the level of public undergraduate enrollment demand anticipated between 2008 and 2019 by higher education system and ethnicity?

Tab 8.a

Display 1 Mid-Range Forecast, Public Higher Education Undergraduates, 2008–2019

Fall	Community colleges	CSU	UC	Total
2008	1,823,516	362,226	172,775	2,358,517
2009	1,897,197	370,371	176,284	2,443,852
2010	1,969,143	378,910	179,960	2,528,013
2011	2,041,666	387,863	183,811	2,613,340
2012	2,060,953	397,253	187,850	2,646,056
2013	2,076,558	407,099	192,086	2,675,743
2014	2,090,152	417,442	196,448	2,704,042
2015	2,103,820	419,572	195,880	2,719,272
2016	2,113,684	419,405	194,621	2,727,710
2017	2,122,914	418,730	193,701	2,735,345
2018	2,130,174	417,309	193,254	2,740,737
2019	2,136,779	416,106	193,018	2,745,903
Percent change	17.2%	14.9%	11.7%	16.4%
Additional students	313,263	53,880	20,243	387,386

Research Question 1: What is the level of public undergraduate enrollment demand anticipated between 2008 and 2019 by higher education system and ethnicity?

Display 2 Mid-Range Forecast, Differences in Undergraduate Demand between 2008 and 2019

	American Indian	Asian	Black	Latino	White/Other
Community colleges	2,527	53,633	10,286	245,536	1,281
CSU	371	12,171	2,760	52,571	–13,993
UC	116	11,624	285	15,637	–7,419
Total increase	3,014	77,428	13,331	313,744	–20,131
Percent change	14.4	16.7	7.5	42.3	–2.1

Differences are measured by subtracting the 2008 actual undergraduate enrollment from the 2019 estimate.

Research Question 2: What level of public investment is required to fully fund the Commission's Mid-Range Forecast of undergraduate enrollment demand over the next ten years? Tab 8.a

Display 3 Mid-Range Forecast – Marginal Cost Between 2008–09 and 2019–20

System	Additional Headcount	Additional FTES	2008 Marginal Cost per FTES	$ – millions	11-year average
Community colleges	313,263	225,549	$4,247	$957.9	$87.1
CSU	53,880	44,720	$8,029	$359.1	$32.6
UC	20,243	19,170	$11,000	$210.9	$19.2
Totals	387,386	289,439	—	$1,528.0	$139.0

Amounts shown are adjusted to 2008. Community college marginal cost reflects a weighted mean of credit, non-credit, and career development instruction.

Research Question 3: What is the magnitude of the educational opportunity gap that might result if the state is unable or unwilling to fully fund undergraduate enrollment demand in the near term?

Tab 8.a

Display 4 Potential Loss in Undergraduate College Opportunity

Potential loss in opportunity		Enrollment management
Community colleges	–219,308	May hold enrollments constant at 2008 levels because of uncertain enrollment growth funding.
CSU	–55,823	May reduce enrollments by 40,000 because of budget uncertainties.
UC	–6,908	Freshmen enrollments reduced by 2,256 students (2,136 FTES) during 2009-10 and a proposed additional reduction of 1,584 (1,500 FTES) for 2010-11.
Total Headcount Loss	–282,039	Opportunity loss could be reduced significantly if the Legislature adopts the Governor's enrollment growth plans.
Total FTES Loss	–210,770	

Research Question 4: What are the major economic and social consequences of not fully funding undergraduate enrollment demand?

Return on Investment – Higher Education Investment Options			
	Fixed Capacity*	Increased College-going**	Improved Completion***
Initial State Investment (thousands)	$1,300 savings	- $1,400	- $2,200
Taxes gained/lost (including incarceration costs and subsidies)	$ - 4,100	+ $6,700	+ $6,800
Net loss/gain of individual (initial investment – taxes lost)	$ -2,800	$5,300	$4,600
Net loss/gain of cohort (net loss/gain x 2015 cohort)	- $1.5 billion	+ $3.0 billion	+ $3.7 billion

Represents the 2015 cohort

* No enrollment growth ** Moderate increase in high school graduates and college-going

*** Increase in college completion, amounts in 2008 dollars.

Research Question 5: What is the amount of additional assignable square feet (ASF) of lecture and laboratory space needed by the higher education system to meet enrollment growth over the next ten years? What are the required capital investment costs by higher education system?

Tab 8.a

Figure 9 State-Adopted Space and Utilization Standards for Lecturer and Laboratory Classrooms

Attribute	Lecture Standard	Laboratory Standard Averaged by Commission	
	All Systems	CSU & UC	Community Col-leges
Weekly Room Hours	53 Hours	23.8	27.5
Station Occupancy	66%	84%	85%
Weekly Station Hours	35 Hours	20 Hours	23.4 Hours
ASF per Station	15 ASF	50 ASF	106 ASF
WSCH per ASF	2.331	.40	.22
WSCH per 100 ASF	233.1	40.0	22.0
FTES Capacity per 100 ASF	15.54 FTES	2.67 FTES	1.5 FTES

Research Question 5: What is the amount of additional assignable square feet of (ASF) of lecture and laboratory space needed by the higher education system to meet enrollment growth over the next ten years? What are the required capital investment costs by higher education system?

Display 5 FTES Lecture and Laboratory Capacity Analysis

	Community colleges	CSU	UC
Projected headcount demand 2019	2,136,779	594,437	238,293
Projected FTES demand 2019	1,538,481	493,382	225,643
Current FTES capacity	1,113,318	344,362	184,470
Additional FTES capacity needed by 2019	425,163	149,020	41,172

UC and CSU projected headcount demand includes graduate and undergraduate FTES.

Research Question 6: What cost-cutting efficiencies should be explored as viable alternatives to constructing new classroom facilities?

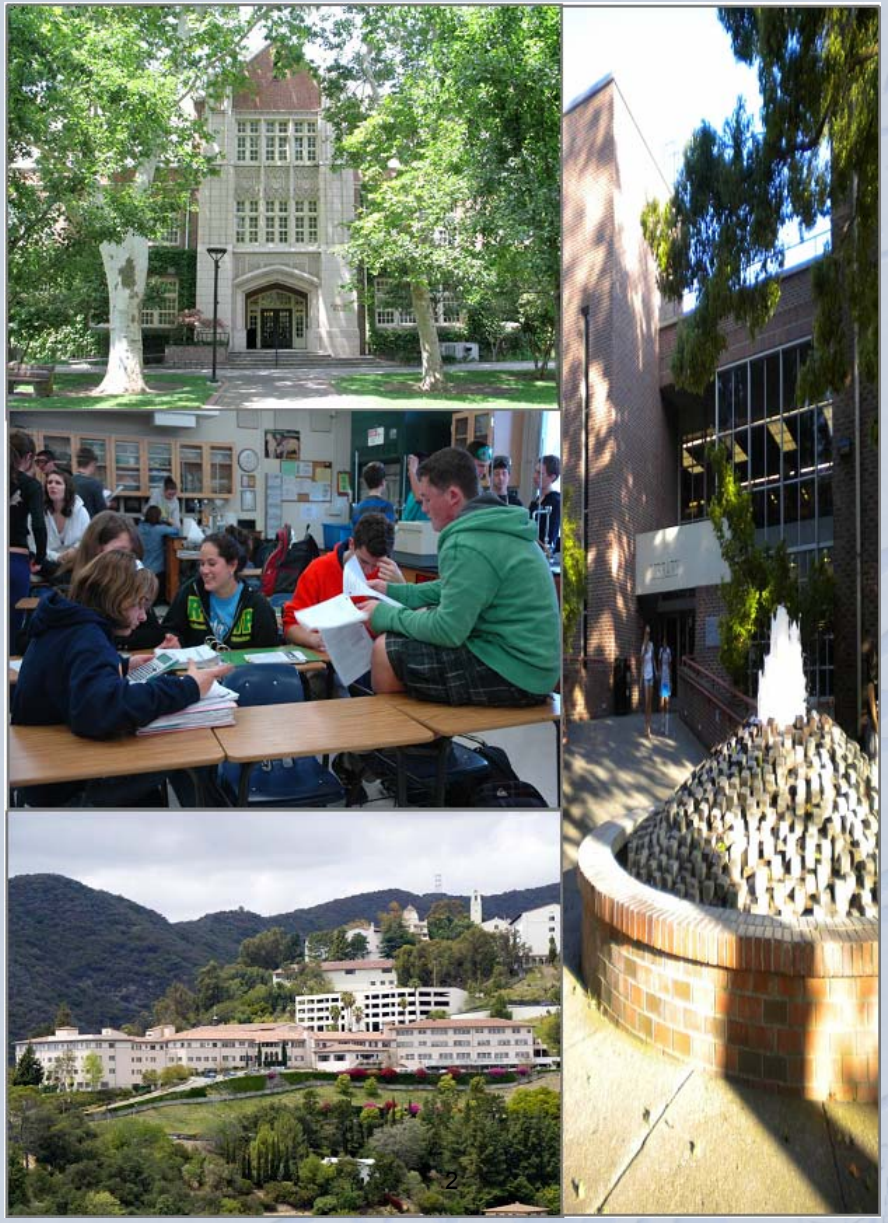
Cost-effective solutions include:

- New capital projects with an emphasis on shared facility use;
- Distance education arrangements and technology-mediated instruction;
- Evening and weekend course offerings;
- Instructional practices that lead students to be more proficient learners so they can realize their educational aspirations more quickly.
  - Examples include practices that foster student engagement and discovery, time on task, and self-paced learning tend to make students more proficient learners, thereby reducing time-to-degree.

Questions?

CPEC

Ready for Learning



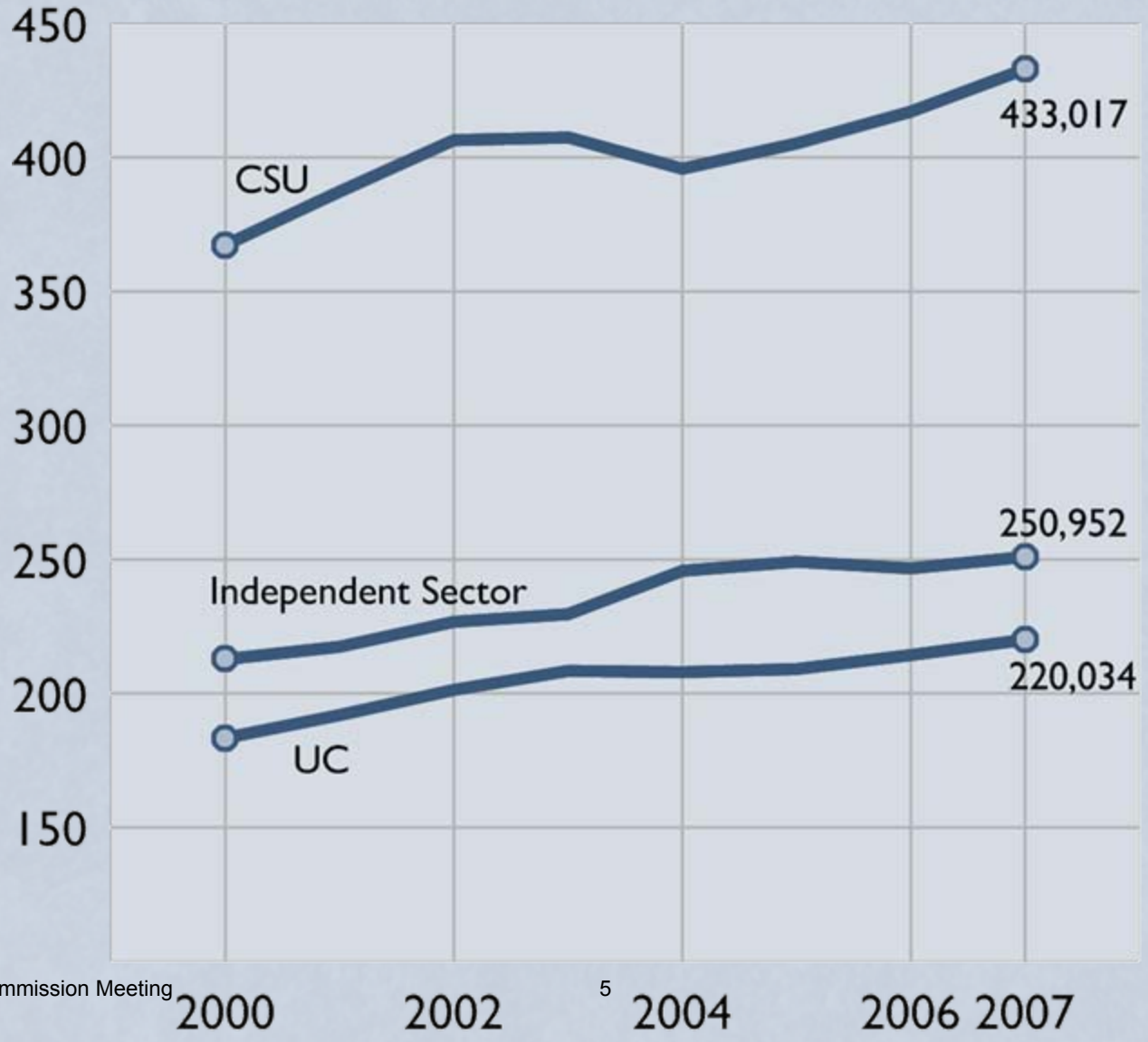
Impetus for the Report

- Update policymakers and the general public on the range of institutions serving California and the importance of incorporating the independents as part of state higher education long-range planning.
- Provide a benchmark estimate of undergraduate demand for the independents by student ethnicity and institution type.
- Highlight key demographic and economic factors that influence demand for the independents.
- Identify additional data elements that would enable CPEC to derive undergraduate projections for the independents that are more refined and useful for higher education planning.

Classification of Independent Colleges and Universities in California

- Doctoral Research
- Comprehensive, FTES over 5,000
- Comprehensive, FTES under 5,000
- Liberal arts, above average endowments
- Liberal arts, average endowments, FTES over 1,000
- Small Liberal arts, average endowments, FTES under 1,000
- Creative Arts
- Specialized

Total Enrollments, 2000-2007



Mid-Range Forecast by Category

	Doctoral research	Comprehensive FTE >5,000	Comprehensive FTE <5,000	Liberal arts, high endowment	Liberal arts FTE >1,000	Small liberal arts	Creative arts	Specialized	Total
2007	25,463	44,530	22,107	8,616	19,289	7,276	5,799	1,292	134,371
2008	25,606	45,516	23,192	8,654	19,791	7,313	6,426	1,303	137,801
2009	25,750	46,588	23,602	8,694	20,368	7,352	6,622	1,315	140,290
2010	25,861	47,625	23,996	8,723	20,943	7,381	6,814	1,324	142,668
2011	25,985	47,858	24,084	8,755	21,095	7,414	6,832	1,334	143,357
2012	26,087	48,048	24,149	8,779	21,228	7,439	6,843	1,344	143,917
2013	26,160	48,185	24,188	8,794	21,339	7,456	6,847	1,352	144,320
2014	26,204	48,269	24,200	8,798	21,425	7,464	6,843	1,358	144,562
2015	26,200	48,261	24,166	8,786	21,471	7,458	6,828	1,361	144,532
2016	26,187	47,947	24,122	8,771	21,507	7,449	6,810	1,364	144,157
2017	26,156	48,031	24,064	8,751	21,529	7,435	6,788	1,366	144,120
2018	26,122	48,109	24,000	8,729	21,546	7,419	6,765	1,368	144,057
2019	26,107	48,081	23,956	8,713	21,583	7,409	6,747	1,370	143,967
change	644	3,551	1,849	97	2,294	133	948	78	9,596
	2.5%	8.0%	8.4%	1.1%	11.9%	1.8%	16.4%	6.1%	7.1%

What we had to work with…

- Student Level Status
- Institution Attended
- Ethnicity

What we would like to have…

- Longitudinal data pertaining to community college transfer, freshmen enrollments and graduation rates.
- Freshmen and transfer persistence and graduation rates
- Gender, age and ethnicity of students.

Meetings with AICCU

- CPEC staff will continue to explore with AICCU the possibility of independent colleges and universities reporting more data elements so that future enrollment projections will be more refined and useful to educational planners and public officials.

Factors Influencing Demand

- Enrollment caps
- A recognition that net price in the independent segment affects enrollments.
- The level of governmentally and institutionally provided financial assistance available.
- The relationship between net prices in the public segment and net prices in the independent sector.
- The perceived educational value and instructional quality in the independent sector.
- Dollar value of the Cal Grant.
- The level of tuition dependency.

Key Comments & Recommendations Submitted by AICCU

- Projected growth in undergraduate demand is too low.
- A demographic forecast model might yield misleading results when applied to the independents.
- The use of a mid-point single growth factor will result in inaccurate demand estimates.