

## “SHARED SOLUTIONS” FAST FACTS

### Methodology

“Shared Solutions” examines how more state funding, increased higher education efficiencies (systemic efficiencies and institutional efficiencies) and tuition revenue can play a role as solutions to fund college enrollment growth. As a way to demonstrate the need for *shared* solutions, the study analyzes the likelihood that each means of financing could bear all of the additional costs identified through 2015-16.

The study also finds that if college-going rates in California remain constant by race, the state will see a decline in the overall college participation rate over the next decade, as the share of the young adult population that is Latino increases dramatically. On the other hand, if college-going rates improve for underrepresented groups, the state will be on a path of greater college participation. This improved scenario, which is closer to enrollment forecasts by other experts, is used to develop options for funding higher education enrollment.

### State funding unlikely to rise to needed levels

- Over the last five years, higher education’s share of the state budget has declined.
- Meeting the costs entirely from increased state appropriations would take a 26 percent increase in state appropriations by the year 2016, before inflation. The study notes that pinning our college future on this level of general fund growth is unrealistic.
- Over 10 years, the cumulative expenditure over current levels could be an estimated \$24 billion.

### Efficiencies could contribute a share

- Meeting the costs totally through “institutional efficiencies” alone, the kinds of campus-based actions that are typically taken to respond to reduced budgets, would require efficiency gains of 17 percent across all higher-education systems. The study notes that this is an impossible feat given that it exceeds the total administrative budgets in both the University of California (UC) and the California State University (CSU).
- The study advises that efficiency efforts should instead be focused on “systemic efficiencies” that improve the flow of students from high school through community college and university. These efficiencies require policy reforms, that if accomplished, could free up slots in higher education and contribute significantly to the financing solution. Some of the efficiencies the study examines are earning college credits in high school, reducing remediation in college and improving the transfer path between the community colleges and the CSU and UC. The authors warn, however, that some efficiency improvements require upfront investments in advising and other student services that will ultimately improve the graduation rates of students.

### Student fees are only part of a solution

- If the state depends only on raising fees to fund enrollment growth, the increased costs would require fee revenue to increase by 71 percent over the decade. To make up for students needing financial aid and for inflation, actual fees charged would have to be even higher, a prospect that is unpalatable given California’s commitment to affordable higher education.

