

# Equity, Interrupted:

## How California Is Cheating Its Future

A report on disinvestment and its impact on students in 'The People's University'  
January 2017



"If the ladder of educational opportunity rises high at the doors of some youth and scarcely rises at the doors of others, while at the same time formal education is made a prerequisite to occupational and social advance, then education may become the means, not of eliminating race and class distinctions, but of deepening and solidifying them.

—Harry S. Truman: "Statement by the President Making Public a Report of the Commission on Higher Education" December 15, 1947.

### **EXECUTIVE SUMMARY**

The 23-campus California State University system educates a far more diverse student body than it did 30 years ago. But, this report finds that as the number of students of color has increased, public funding for the CSU has decreased.

Or, as one faculty member has put it, "As the student body of the CSU became darker, funding became lighter."

The change in both the number of students of color and the public funding for these students has been gradual but persistent. It does not arise necessarily from a conscious choice; the decline in funding comes amid a general questioning of funding "public goods" as the demography of the United States has been changing.

But the impact is clear, as this report reveals. California is spending less for each student today, when nearly three out of four are students of color, than it did in 1985 when the majority of CSU students were white.

In too many ways, today's more diverse students are being cheated out of the education that they deserve and that their predecessors of 30 years ago enjoyed.

We offer today's students "education on the cheap," one that may be considered "good enough" for them but that is decidedly less rich than the educational experience the whiter, more privileged CSU students of the past enjoyed.

The facts about key differences for students in 1985 and students in 2015—who they are and what they get—reveal a hidden picture of inequity that must be faced and that should be changed.

**View or download the full report at [www.calfac.org/equity-interrupted](http://www.calfac.org/equity-interrupted)**

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## KEY FINDINGS

### Support

- California spends 41 percent less on a CSU student today than 30 years ago. This is a long, gradual abandonment of the state's commitment to fund the CSU and other public higher education segments, and it must be corrected.
- Instead of providing a higher education system that maximizes access and quality for the benefit of the state, California is increasing costs to families, shrinking access through high tuition costs, and failing to support a new, more diverse generation of CSU students who will help the state prosper in the 21st century.

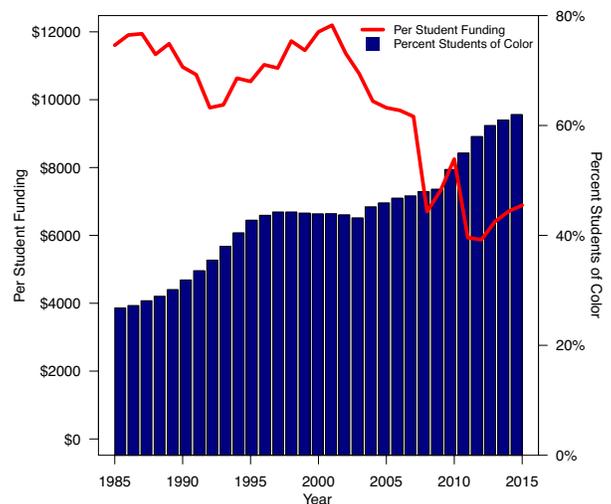
### California and the CSU: Then and Now

- Over the past 30 years, the CSU body has become far more ethnically and racially diverse.
- In 1985, 63% of students identified as white while 27% identified with another ethnic group. By 2015, 26% of students identified as white, while 62% were of other ethnicities.
- 18 of 23 CSU campuses are currently recognized by the Department of Education as Hispanic Serving Institutions, colleges and universities.

### Economic challenges facing our students

- Most CSU students are low-income or come from low-income families. In 2015, more than half of the CSU's nearly 475,000 students (54%) received Pell Grants (a need-based federal program for low-income undergraduates).
- Homelessness and food insecurity are harsh realities for many CSU students today. According to a study commissioned by the CSU Chancellor's Office, 1 in 10 students today is homeless and 1 in 5 doesn't always have enough food. This lack of adequate resources has tangible impacts on students and their chances of academic success.
- CSU students work to cover basic needs, not for extra spending money. Some 40% are not their parents' dependent and must work to support themselves, and nearly 25% have dependents of their own to support.

Figure 8: General Fund Dollars per CSU Student (real dollars) and the Percentage of Students of Color, by Year



Source: CSU Statistical Reports

- In 1985, a CSU student working a minimum wage job would have to work 199 hours to pay for tuition and fees for one academic year; in 2015, a student would have to work 682 hours.
- 1/3 of CSU students are the first-generation college students and on many campuses, this number is much higher. (At CSU Fullerton it's roughly 50 percent; at CSU East Bay around 40 percent). First-gen students often must first learn how universities work and to understand their intricacies, creating additional challenges for success.

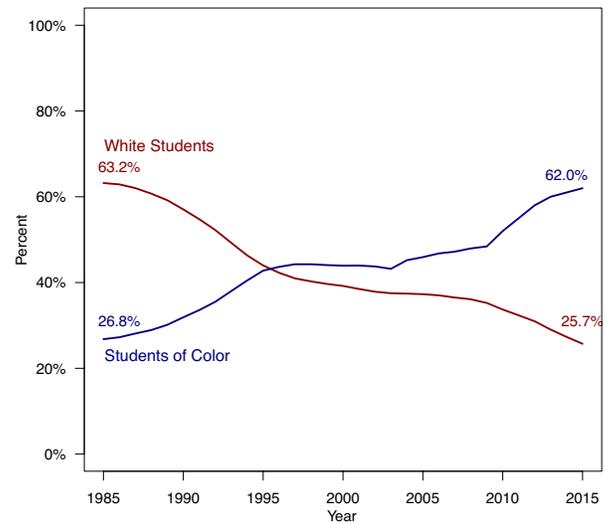
## State Disinvestment in the CSU

- State funding has not kept pace with the strong growth in the CSU student enrollment. While the CSU student body has grown by 64% over the past 30 years, the CSU budget has actually decreased by 2.9% over the same 30-year span (in real dollars).
- Despite regular and large tuition and fee hikes, they haven't made up the funding difference. State funding and tuition increases combined have only increased CSU funding by 41.5% in real (inflation-adjusted) dollars.
- If the CSU today had resources (state funding + tuition) comparable to 1985, it would have over \$773 million more in its operating budget to serve students.
- The CSU budget has not recovered from the Great Recession. In 2015, the CSU received 17.7% less from the state (in real dollars) than it received in 2007-08. And the CSU system was serving 48,000 more students in 2015 than it was in 2007-08.
- State support per student today is only \$6,888, compared with \$11,607 in 1985 (adjusted for inflation).
- This harsh trend was described by one faculty member: "As the student body of the CSU became darker, funding became lighter."

## Bottom line

- Today's more diverse students are being shortchanged. And the long-term shortfall in state funding that's accumulated over the years has massive implications for students, including inability to get into the CSU, skyrocketing tuition (costs have grown 923% over the past 30 years), and fewer faculty available for students who do get in.
- California can afford to do better. California's economy is strong. Average per capita income has grown substantially over the last 30 years. Not only are we failing to fund the CSU in line with past levels, we also are not funding the CSU in line with California's actual current wealth.
- California is failing the CSU. The state spent 4.4% of its overall budget on the CSU in 1985. In 2015-16, that number was down to 2.4%.
- Systemic underfunding has consequences. Insufficient state funding drives bad policy. The push for students to graduate within four to six years too often leads to policies fraught with complications and negative, if unintended, consequences for students like those who attend the CSU. It even hampers graduation rates; higher education experts conclude that funding per student is one of the strongest predictors of college graduation. Well-intended policies developed to mask inadequate funding punishes the majority of CSU students.

Figure 3: CSU Total Enrollment by Race/Ethnicity, 1985 to 2015



Source: CSU Analytic Studies, Statistical Reports

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