

MOVING CALIFORNIA AHEAD: INCREASING COLLEGE COMPLETION IN THE GOLDEN STATE



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Opportunities for the State of California
to Utilize the College Access &
Completion Innovation Fund
and The American Graduation Initiative

INTRODUCTION

The future of California depends upon its citizens and the education they acquire. The Public Policy Institute of California notes that we will need one million additional baccalaureate degrees between now and 2025 in order to meet the workforce needs of the future. This means that our community colleges and universities must increase access to college and help students succeed. The strength of our state, the power of our economy, and the vitality of our local communities depend upon it.

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On February 24, 2009, during a joint session of Congress, President Barack Obama stated, “We will provide the support necessary for all young Americans to complete college and meet a new goal: By 2020, America will once again have the highest proportion of college graduates in the world.” According to the *National Report Card on Higher Education* published in 2008, the United States is 7th in the world for college participation behind Korea, Greece, Poland, Ireland, Belgium, and Hungary and 15th in the number of degrees completed per 100 students enrolled in higher education.

In order to meet this goal, the President has made college affordability, increasing college-going, and college graduation a priority. Pell Grants were increased and linked to the consumer price index (plus 1%) and a \$2,500 tax credit for eligible students was made permanent. Efforts to streamline the financial aid application process are underway to make it easier for students and their parents to apply for assistance and new federal grant opportunities will encourage investment in higher education to support increasing the number of students and adults who attend college and earn a postsecondary certificate or degree.

Currently under review in the Senate Committee on Health, Education, Labor, and Pensions, HR 3221: the Student Aid and Fiscal Responsibility Act (Congressman George Miller-D CA), includes an effort to modernize the federal student loan program and contains the College Access and Completion Innovation Fund and the American Graduation Initiative which, combined, represent an enormous opportunity for higher education.

The opportunity for new funding for higher education in California’s grim economic climate is a positive development, but more importantly, the priorities that support strategies for states to increase college-going and improve student success are such that they must be pursued regardless.

2010 represents the 50th anniversary of the signing of the Master Plan for Higher Education. As a result, the people of California have reaped the benefits that a skilled and educated workforce provides. We have developed a robust economy based upon creativity and innovation. Yet, we now run the risk of losing one of the greatest assets this state has: our public

higher education system. We are already falling behind, turning away thousands of eligible students from our community colleges and universities at a time when we are 40th in the nation in the number of students who go directly from high school into college.

COLLEGE ACCESS AND COMPLETION INNOVATION FUND & THE AMERICAN GRADUATION INITIATIVE

Summary of the Fund

The College Access and Completion Fund provides financial incentives across the nation over the next four years to promote student success in higher education, with a focus on retaining and graduating students from postsecondary education programs.

If passed by Congress and signed by the President in its current form, it would authorize and appropriate \$2.5 billion dollars over five years. It includes the following three types of grants:

- **College Access Challenge Grants** (25%)—Distributed to states by formula
- **State Innovation and Completion Grants** (50%)—Competitive
- **Innovation in College Access and Completion National Activities Grants** (23%)—Competitive

State Innovation and Completion Grants will be awarded annually on a competitive basis to states meeting the application requirements set forth in the bill. States are required to provide assurances that they will develop and submit a statewide Access and Completion Plan engaging key education stakeholders in the state to increase the state's rate of persistence in, and completion of, postsecondary education. The state is authorized to provide sub-grants to nonprofit organizations and guaranty agencies for assistance in carrying out the state grant. Priority is given to states who partner with philanthropic organizations or guaranty agencies.

At least one-third of the state program (including both federal and non-federal shares) must be used for activities benefiting students at two-year institutions, no more than 10% of funds shall be used for development and implementation of statewide longitudinal data systems, and no more than 6% of funds can be used for administrative purposes relating to the grant.

COLLEGE ACCESS & COMPLETION FUND			
2010-2014: \$660 million/year			
	College Access Challenge Grants	State Innovation Completion Grants	Innovation in College Access & Completion Grants
<i>Funding</i>	25% \$150 million/year	50% \$300 million/year	23% \$138 million/year
<i>Distribution</i>	Formula	Competitive	Competitive
<i>Focus</i>	Outreach, Financial Aid	Enrollment, Persistence, Completion	Innovative programs to increase #s with degrees and certificates
<i>Grantee</i>	States	States	Institutions, states, nonprofits
<i>Federal Cost Share</i>	2/3	2/3	2/3
<i>Minimum Grant</i>	--	--	\$1,000,000

Source: Christopher Cabaldon, New America Foundation

AMERICAN GRADUATION INITIATIVE

2010-2013: \$730 million/year | 2014-2019: \$680 million/year

	Grants to Institutions	Grants to States for Community College Reform
<i>Funding</i>	2010-2013 \$630 million/year	2014-2019 \$630 million/year
<i>Distribution</i>	Competitive	Competitive
<i>Focus</i>	Innovative or proven programs to improve completion of degree or credential	--
<i>Grantee</i>	Institutions	State
<i>Federal Cost Share</i>	1/2	1/2
<i>Minimum Grant</i>	\$750,000	--

Source: Christopher Cabaldon, New America Foundation

Under the **Innovation in College Access and Completion National Activities Grants**, higher education institutions, nonprofit organizations, philanthropic organizations, guaranty agencies, and states are eligible to apply for grants awarded on a competitive basis for not less than \$1,000,000. *Grant funds may be used for innovative programs, policies, and services that increase the number of individuals with postsecondary degrees or certificates.*

Under the **American Graduation Initiative**, there are an additional two types of grants that will be made between 2010 and 2019. The first is grants to institutions that demonstrate innovative or proven programs to improve student completion of a degree or credential. Beginning in 2014, additional grants to states for community college reform will be available on a competitive basis. Both of these provide a 50% share by the federal government.

Opportunities for the State of California to Utilize the Fund

California has a unique opportunity to secure much needed higher education funding that could help provide necessary funds for higher education and promote the type of reforms in our higher education system that will help us meet the workforce needs of the future. Yet California faces significant challenges in receiving these funds. Each participating state must possess an organizational or political entity that can:

1. Establish and build consensus around goals that commit the state to making a specific contribution to achieving the national degree-attainment goal;
2. Monitor and report annual progress towards this goal;
3. Develop strategies for using program funds to further this agenda;
4. Provide oversight of how funds are used and maximize the innovations throughout the state; and,
5. Compile data needed for planning, implementation, and evaluation.

California does not currently have such an entity in place; therefore, the National Center for Higher Education Management Systems has proposed the following three options to address this:

1. Create a Blue Ribbon Commission in charge of the first three functions described above.
2. Identify an existing organization in the state with both the capacity and credibility to lead this work.
3. Create a new nonprofit outside the current higher education governance structure that could be charged with both planning and implementation.

Each of these options will require collaboration between the Governor and legislative leadership.

Specifically, the fund would require California to:

- Submit an Access and Completion Plan outlining annual and long-term goals for increasing postsecondary persistence and completion rates;
- Disaggregate goals for addressing labor market needs by income, race, ethnicity, gender, disability, and age of students; and,
- Articulate goals for intersegmental coordination in order to achieve higher proportions of college graduates.

A CALIFORNIA CONVENING

In the fall of 2009, forty leaders from across the state gathered in San Francisco to discuss the fund (HR 3221) and its possible applications for California.

Greg Darnieder, Special Assistant for College Access at the U.S. Department of Education, provided an overview of federal efforts to increase college-going and improve completion through the College Access and Completion Innovation Fund. Darnieder shared that there are a variety of funds that will be available to support college access and completion over the next few years, but that a long-term strategy is needed for California to significantly increase college-going and student success.

Dennis Jones, President of the National Center for Higher Education Management Systems (NCHEMS), noted that the U.S. will need 150,528 more college graduates than the year before (each year through 2020) if it is to meet President Obama's goal. California would need to produce an additional 16,261 of those degrees (on top of the degrees produced the previous year, each year through 2020) in order to make its fair share contribution towards the national goal.

Absent critical leadership in California, Jones and other leaders noted that California faces some challenges in contributing our share towards the national goal, in meeting our own direct workforce needs for more educated workers, and in our ability to be competitive in accessing some of the new federal dollars for higher education. While this additional degree completion figure is feasible, at a time of cuts to higher education, decreased access for students to our community colleges and four-year universities, and lower college completion among community college and CSU students than is ideal—without establishing a clear agenda to reach this goal—California will fall short. In the report, *Utilizing College Completion and Innovation Funds to Improve Postsecondary Attainment in California*, Jones provides a more thorough overview of the fund itself and specific suggestions for how California can make itself more competitive to access these federal dollars.

**“Our hope is that
each state will set a
long-term strategy
that ensures greater
college access,
student persistency
and success,
especially for
underrepresented
students.”**

GREG DARNIEDER
U.S. Department of Education

Possible Solutions

During the fall convening, the following ideas were prominently discussed and highlighted:

1. A Defined Goal for California Higher Education is Necessary

Whether or not California is successful in obtaining College Access and Completion Innovation Funds, the state's long-term economic prosperity is dependent on our ability to send more students to college and ensure that they succeed in attaining some level of postsecondary success.

Participants noted that key stakeholders need to be involved in defining these goals. If our higher education system leaders are absent from the discussion to articulate statewide goals, progress will be slow and greatly fragmented. There was strong consensus that we must ensure that goal setting supports closing the gap between racial and ethnic minority students and their white counterparts. Additionally, participants noted that a focus on under-educated adults who are encouraged to return to college is necessary to help meet the skills gap of the future.

2. We Need Good Data

A clear understanding of where the leaks in the pipeline exist is still missing because of a lack of good data. Having relevant and complete data sets from kindergarten through higher education and into the workforce is crucial to identifying problems that will lead to innovative solutions.

Participants noted that data systems are not integrated or connected to each other and do not cover postsecondary outcomes and connection to the workforce. This issue has to be resolved to access federal dollars through these funds and in Race to the Top monies. Additionally, the importance and need for college readiness measures within the data should be identified to provide feedback on college preparation of students in high school.



Dennis Jones, President, National Center for Higher Education Management Systems

The California State University's Early Assessment Program (EAP) was noted as a promising practice that could be expanded more broadly and help facilitate the collaboration between community colleges and four-year universities and bring greater consensus towards a college readiness definition. Finally, a few experts noted that we do not have good mechanisms for using the data in education beyond accountability and towards scalable interventions to improve practice and student preparation for college.

3. Support Students and Align Educational Systems

In order to improve success rates for students once in college, there needs to be a stronger link between K-12 and higher education to ensure that expectations and preparation are better coordinated. The goal should be to improve students' preparation for college

and support them in their pathway to achieving their college certificate or degree. Participants noted that California needs clearer pathways from community colleges to four-year universities and greater access to support services that will help them succeed.

While participants did not unanimously agree that a common definition for college readiness was necessary, it was clear that better coordination among K-12 and higher education systems and among community colleges and four-year universities would support improving the pathway for students. Additionally, several participants remarked that to achieve improved student outcomes, greater investment in student services (counseling, tutoring, etc.) was needed along with a review of the efficiency of restricting funding solely for instruction.

NEXT STEPS

The Campaign for College Opportunity will continue to monitor the progress of the federal legislation and funding opportunities for higher education in California. We will also participate and support the engagement of a broad-based and bi-partisan coalition of stakeholders that can engage our state policymakers and higher education leaders towards the articulation of college access and success goals. California must increase its competitiveness in accessing these monies and, more importantly, put itself on track to protect one of our most valuable assets – our higher education system.

We will work together with other allies to:

1. Widely disseminate information about the federal funds to relevant networks.
2. Provide recommendations to congressional policymakers and the U.S. Department of Education on how to strengthen California's ability to access these funds and contribute to the national goals set forth by the President.
3. Help to define and articulate measurable college access and completion goals in California.
4. Press the Governor, legislature, and education leaders to position our state to access these funds and, in particular, support pilot projects such as Accelerated Learning College and other innovative efforts that would qualify for these federal grants.
5. Raise attention on these priorities with the media through editorial board visits and opinion editorials throughout California.

This is not the time to leave any additional funds for higher education on the table or miss the opportunity to improve higher education in order to better serve students and produce the workforce we need.

California must aggressively seek and apply for available funds, especially in light of the devastating state cuts to our colleges and universities. These federal funds could represent the perfect opportunity for California to establish a real plan for higher education that is focused on increasing college-going and improving student success. It will also support us in meeting our own critical challenge to educate our citizens and produce the one million additional college graduates required by our workforce by 2025.



(l-r) **Hans Johnson**, Public Policy Institute of California; **Paul Steenhausen**, Legislative Analyst's Office; **Kay McClenney**, California Leadership Alliance for Student Success; **Erica Romero**, Hispanic Association of Colleges & Universities; **Nancy Shulock**, Institute for Higher Education Leadership & Policy. Not pictured: **Eloy Ortiz Oakley**, Long Beach City College.

THANKS & ACKNOWLEDGEMENTS

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We would also like to thank our coalition partners who provided substantive advice and feedback by participating in the convening in San Francisco.

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The Campaign for College Opportunity is a broad-based, bi-partisan 501(c)(3) nonprofit organization devoted to ensuring that the next generation of California students has the chance to attend college and achieve their postsecondary educational goals. Through building a strong, committed coalition of key education, industry, labor, and policy leaders, as well as engaging in public awareness efforts which highlight the crisis facing higher education in California, The Campaign works to create an environment of change and lead the state towards effective policy solutions.

The Campaign for College Opportunity was founded in 2003 by the California Business Roundtable, the Mexican American Legal Defense and Educational Fund (MALDEF), and the Community College League of California.