

College Opportunity Risk Assessment: California



For California to thrive, all residents must have access to quality higher education. This state risk assessment is the first state-by-state analytic tool to compare the many intersecting risks to postsecondary educational opportunity. These risks are shaped by a complex interplay of dynamic forces that are internal and external to higher education.

Intersecting risks related to educational performance, educational equity, higher education funding and productivity, and state economy and finances threaten California’s ability to provide the number of educated workers that its economy needs.

PROJECTED NEED

The nation will need **60%** of its workforce to have college degrees, workforce certificates, industry certifications, and other high-quality college credentials by 2025. In 2016, **48.4%** of California residents had these credentials.

If the state fails to improve, California will fall short of this 60% benchmark by **2,498,602** credentials in 2025.

RISK CATEGORIES

Understanding California’s areas of greatest risk to educational opportunity is critical to creating effective public policies for the future.



Education Performance

Risk: **LOW**



Education Equity

Risk: **LOW**



Higher Education Funding & Productivity

Risk: **HIGH**



State Economy & Finances

Risk: **MODERATE**

For more information see the national report, *College Opportunity at Risk: An Assessment of the States*, and the State Risk Assessment Technical Guide, both available at <https://irhe.gse.upenn.edu/College-Opportunity-at-Risk>.

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Education Performance



RISK RANKING

California ranks **1st** in the nation for educational performance.

L T R S K



ST RISK

Preparation

Student performance in national assessments in mathematics and reading, high school graduation rates, and AP courses.

29.2% of 4th graders are proficient and above in NAEP Mathematics.

RANK: 48TH

27.8% of 4th graders are proficient and above in NAEP Reading.

RANK: 48TH

27.1% of 8th graders are proficient and above in NAEP Mathematics.

RANK: 41ST

28.4% of 8th graders are proficient and above in NAEP Reading.

RANK: 40TH

82% of students graduate from high school.

RANK: 22ND

35.3 passing AP test scores per 100 juniors and seniors.

RANK: 8TH

To calculate the Education Performance risk ranking, each indicator (preparation, participation, completion, and affordability) receives a single score based on its individual components. The state risk ranking is determined by adding these four rankings together. For more details, see page 3 of the technical guide.

Participation

The extent to which young adults and working-age adults enroll in educational programs beyond high school.

41.3% of 18–24-year-olds are enrolled in educational programs beyond high school.

RANK: 13TH

6.1% of 25–64-year-olds are enrolled in educational programs beyond high school.

RANK: 8TH

Completion

Completion of college programs in a timely manner.

37.0% of community college students earn an associate's degree within three years.

RANK: 10TH

63.5% of students enrolled in four-year institutions earn their bachelor's degree within six years.

RANK: 12TH

Affordability

Percent of family income, on average, after all financial aid, to pay educational costs to attend postsecondary institutions in the state.

Student and families pay, on average, 20.5% of family income after all financial aid to attend postsecondary education.

RANK: 3RD



Educational Equity



RISK RANKING

California ranks **2nd** in the nation for educational equity.



High School Completion Equity

High school graduation gap between white students and students from all other racial and ethnic groups.

The graduation rate of white students in California is 7.1 percentage points higher than that of students from all other racial and ethnic groups.

RANK: 12TH

Postsecondary Participation Equity

Percentage of racial and ethnic minority students enrolled in degree or workforce certificate programs compared to the racial and ethnic minority population in the state.

There is a 3.6 percentage point difference between racial and ethnic minority students enrolled in degree or workforce certificate programs and the percentage of this group in the overall state population. A smaller proportion of students from racial and ethnic minorities are enrolled in undergraduate institutions than are in the population.

RANK: 19TH

Postsecondary Completion Equity

Postsecondary completion gap between white students and students from all other racial and ethnic groups.

The on-time four-year and two-year degree completion rate of white students is 3.9 percentage points higher than that of students from all other racial and ethnic groups.

RANK: 6TH

Geographic Equity

The distance from each county center to the closest in-state degree-granting education institution.

There is an average of 3.6 miles between each county center and the closest degree-granting institution.

RANK: 4TH



Higher Education Funding & Productivity



Postsecondary Productivity

The total state investment in higher education per undergraduate degree and certificate produced at all public institutions.

California spends \$42,349 per degree and certificate produced at all public institutions.

RANK: 43RD

Degrees and Workforce Certificates Awarded

The educational efficiency of degree-granting institutions, in terms of the number of workforce certificates and degrees awarded for every 100 full-time equivalent students.

California awards 22.7 degrees per 100 full-time equivalent students per year at all degree-granting institutions.

RANK: 44TH

Volatility of Higher Education Appropriations

The average annual fluctuation of higher education appropriations from year to year, between 2000 and 2015.

The amount of money California appropriated specifically for higher education fluctuated, on average, 6.4 percentage points per year between 2000 and 2015.

RANK: 40TH



State Economy & Finances



RISK RANKING

California ranks **25th** for state economy and finances.

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Volatility of General Fund Expenditures

The average annual fluctuation of state expenditures from year to year, between 2000 and 2015.

California's expenditures fluctuated on average 4.0 percentage points per year between 2000 and 2015.

RANK: 43RD

State Gross Domestic Product

Total revenue from all goods and services in a state's economy.

California's GDP per capita in 2016 was \$59,117.

RANK: 8TH

New Economy Index

The extent to which a state's economy matches knowledge-based industries.

RANK: 2ND

State Reserves

"Rainy day" fund resources maintained to offset economic downturns.

Between FY2016 and FY2018, California's average rainy day fund balance as a share of annual expenditures was 6.8%.

RANK: 18TH

State Debt and Unfunded Liabilities

Debt and unfunded liabilities as a portion of state revenue.

California's debt and unfunded liabilities total 267.3% of annual state revenues.

RANK: 35TH

Income Inequality

The gap between the median family income of families in the highest and lowest income groups.

California's families whose income is \$110k or more have incomes that are 12.2 times as much the annual income of families whose income is \$30k or less.

RANK: 46TH

Recommended Steps for State Policymakers

- Enhance the State Risk Assessment with additional state-level data to provide specificity and context for assessing state risks to educational opportunity.
- Conduct a statewide “public policy audit” to understand the policies that increase risks to educational opportunity.
- Using the results of a policy audit, develop a fiscally sustainable compact for higher education that enhances college opportunity, specifying the responsibilities of students and families, colleges and universities, and taxpayers.
- Use the State Risk Assessment to inform state higher education budgeting and accountability on an ongoing basis.