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California's Low Tuition Model Questioned

As most of American higher education has over time abandoned the idea that the best way to ensure access to college is by keeping tuitions low, California has clung to the principle as it was laid out in the state's 1960 master plan for higher education. To this day, students at its community colleges pay by far the country's lowest "fees" (a phrase the state uses in lieu of tuition).

But a new study concludes that California's emphasis on low fees has not prevented the state's community college students from having a significant problem with college affordability. In fact, the study suggests, state officials' single-minded pursuit of low fees has led them to shortchange financial aid spending and other policies that might actually help more low-income students afford and complete a higher education.

"This challenges one of California's most cherished myths, that you can get [affordability for community college students] by having colleges in geographic proximity to the most people and through low fees alone," said Patrick Callan, president of the National Center for Public Policy in Higher Education, which released the report, "[California Community Colleges: Making Them Stronger and More Affordable.](#)"

The study finds that despite those historically low fees (which, while always comparatively low, tend to fall when economic times are good and rise in recessions), enrollments (especially of lower-income students) shrunk at the California Community Colleges system from 2002 to 2005, the period the study examined. In addition, the students who did enroll saw their unmet financial need rise.

That, write the authors, William Zumeta and Deborah Frankle, is because the fees that the colleges charge make up just 5 percent of the total cost of attendance for the typical fee-paying student who lives on his or her own. (More than half of full-time students at California's two-year colleges don't pay any fees at all — the system waives them due to financial need.) The prices of rental housing, textbooks, health and child care, and transportation — all components of a student's college expenses — have all grown at significantly higher rates than inflation, and add up to dwarf the fees.

Although students' financial need has increased, their access to state and federal financial aid to pay for college has lagged, the report finds. The purchasing power of the state's primary financial aid program, Cal Grants, has increased by just 15 percent over the past 20 years, and the number of Cal Grant Competitive grants, which largely serve community college students, have not grown in number since being created in 2000-1.

In addition, the study, using data prepared by [MPR Associates](#), finds that credit-seeking students at California community colleges are significantly less likely than their peers in several other states to receive federal Pell Grants; 15 percent of California two-year students receive the grants for low-income students, compared to 25 percent of students in other states. A similar gap exists for federal student loans. The study's authors, attribute the shortfalls in federal aid in part to the fact that financial aid offices at California's community colleges are significantly less well funded and staffed than their counterparts at the University of California and California State University systems,

even though the two-year colleges have far more needy students.

More generally, though, the authors tie the lack of focus on financial aid — both directly in terms of state grant funds and indirectly in terms of attention paid to encouraging community college students to take advantage of federal assistance — back to the state’s historical emphasis on low fees, which rose from \$11 to \$26 a credit hour earlier this decade but dropped to \$20 last year. “An important reason for these gaps is the longstanding perception that low fees and fee waivers largely eliminate affordability problems for California community college students, a perception which has in turn led to insufficient attention to financial aid,” they write.

The community college students’ solution to their affordability problems (and the lack of financial aid), the study finds, is to work more. About 80 percent of them work, and those who do work an average of 32 hours a week (23 for full-time dependent students). That is significantly more than the 15-20 hour a week point at which most higher education experts believe work begins to have a negative impact on students’ academic success. ([Another recent report](#) found that students at California’s community colleges earn degrees and transfer at extremely low rates.)

The authors — Zumeta is a senior fellow at the public policy center and a professor of public affairs and higher education at the University of Washington, and Frankle a research analyst at the Institute for College Access and Success — offer several suggestions aimed at stabilizing the financial support for community college students.

They call first for slowly increasing fees over time (tied to changes in the growth of state per capita income) and giving the funds generated by the increase, as well as a matching amount in increased state appropriations, to the community colleges to use for additional financial aid for needy students and for programs aimed at increasing retention and graduation rates. The authors assert that recession-driven fee increases in 2003-4 and 2004-5 did not result in significant enrollment losses, and that the types of modest increases they are proposing would not necessarily diminish college access, especially because so many students of modest means have their fees waived.

The report also recommends significantly increasing state spending on the Cal Grants program and for continuing if not adding to state support for a recently enacted program aimed at encouraging more community college students to participate in federal grant and loan programs, or others like it. The report also suggests that the state matching funds might be used to create a specific grant program designed for the special needs of community college students.

The study’s call for fee increases is likely to generate some heartburn among some legislators and faculty leaders, for whom California’s low tuition model is close to sacred. A statewide ballot initiative being discussed would cut the fees to \$15 per credit, in fact. Officials of the Faculty Association of California Community Colleges and the Academic Senate for California Community Colleges could not be reached for comment Tuesday.

But the California Community Colleges Chancellor’s Office gave a hint of the controversy surrounding the topic of fees in [a news release it issued](#) about Chancellor Marshall (Mark) Drummond’s testimony before a legislative subcommittee Tuesday. Drummond, celebrating enrollment growth, attributed the increases to the reduction in enrollment fees. “With fees down from \$26 to \$20 per unit this semester ... we are pleased to be able to meet the needs of more Californians and that’s very good news.”

“In the coming academic year,” the chancellor’s office said in its news release, “the fee reduction is likely to encourage even greater numbers of students to enter the community colleges, according to Chancellor Drummond.”

— [Doug Lederman](#)

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