California has long possessed a mythological hold on the American imagination. From the cinematic limelight of Los Angeles to the tech glow of Silicon Valley, California serves as a beacon of hope and a glimpse of the future. Given its reputation for being the diverse cultural face of the United States, it should come as no surprise that California is now a majority minority state. Population growth is expected to continue being driven by Latinos and Asian American and Pacific Islanders (AAPI) (CARE, 2012; Malcolm-Piqueux, et. al., 2013). Though policy experts ordinarily speak in terms of the importance of Latino and AAPI college graduates to the future economy of the nation, it is equally important to emphasize the notions of social justice and equity in improving access and attainment for these communities.

Despite the increase in Latino and AAPI populations in California, they are not participating in higher education at the same rate as their peers. Minority Serving Institutions (MSIs) have performed the critical function of educating and graduating students traditionally underserved by higher education. As the state with the most MSIs in the U.S., California must harness the power of its MSIs and promote policies that advance the success of all students.

This report explores California’s MSIs and their place within the state’s higher education landscape. The following questions guide our analysis: Who attends California’s MSIs? How does California’s higher education policy shape MSIs? Are MSIs being effectively used to address the pressing issues of access, equity, and attainment? To answer these questions, we brought together data from the U.S. Department of Education’s National Center for Education Statistics’ IPEDS Data Center, the California Community College Chancellor’s Office Data Mart, the California Postsecondary Education Commission, and the National Center for Higher Education Management Systems (NCHEMS).

CALIFORNIA CONTEXT

California boasts a population of over 38 million residents spread across diverse geographic regions. Of those, 39% are White, 38.4% Hispanic/Latino, 14.6% Asian (including Hawaiian and Pacific Islanders), 6.6% Black, 1.7% American Indian or Alaskan Native, and 3.7% two or more races. Hispanics and Asian American and Pacific Islanders are the fastest growing ethnic groups (U.S. Census Bureau, 2013; CARE, 2012; California Department of Housing and Community Development, 2013).

Though California alone boasts the eighth largest economy in the world (with a Gross Domestic Product of over $2.3 trillion as of 2015 according to the U.S. Bureau of Economic Analysis), the state also suffers substantial income disparity. Hispanics earned the lowest median household income at $25,191 of all racial and ethnic groups in 2012. Despite powerful economic sectors (such as technology in Silicon Valley), the overall economic health of Californians has been declining. The poverty rate was 17% in 2012, up from 14% in 2000. Even adjusting for inflation, median family income is declining, dropping from $74,731 to $66,215 in 2012 (Mortenson, 2014).
In California, rates of higher education participation and completion vary widely by region. For instance, 24.6% of 18-24-year-olds in the Inyo-Mono region are enrolled in higher education compared to 54.1% of the same demographic in the Central Coast area. Other regions with at least 50% of higher education participation amongst 18-24-year-olds include San Francisco Bay, Monterey Bay, Upper Sacramento Valley, Orange County, and Sacramento-Tahoe (Moore, Tan, and Shulock, 2014).

CALIFORNIA'S MINORITY SERVING INSTITUTIONS

California’s MSIs educate 90% of the state’s students of color. California has 133 MSIs, including 61 Hispanic-Serving Institutions (HSIs), 27 Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs), 41 institutions that are both AANAPISIs and HSIs, 3 institutions that are both HSIs and Primarily Black Institutions (PBIs), and 1 institution that is both an AANAPISI and a PBI.

Nearly 70% of California’s MSIs are community colleges. Both HSIs and AANAPISIs are clustered mostly in the Los Angeles Metro and San Francisco Bay regions, but many are also spread throughout the state.

California boasts the largest community college system in the U.S., comprising 50% of all public higher education in the state (Johnson, Reyes, and Ezekiel, 2012). The majority of these students attend campuses that are MSIs. Based on current IPEDS information, 88 CCCs are MSIs. In 2013-2014, 1.7 million students attended classes in these institutions. Nearly 80% of community colleges in California are MSIs. This number will surely rise in coming years given the increase in Hispanic and AAPI populations in the state.

CALIFORNIA’S HISPANIC SERVING INSTITUTIONS

HSIs are the oldest MSIs in California. Rising from the student activist movement of the early 1970s, leaders of the original HSIs created the Hispanic Association of Colleges and Universities in 1986 and introduced the moniker Hispanic-Serving Institution (Gasman and Conrad, 2013). As of 2014, there were 370 HSIs in the U.S.

The 1992 Reauthorization of the Higher Education Act of 1965 (HEA) introduced HSIs as an official designation, with federal grants to HSIs following in 1994 (Núñez, Hurtado, and Calderon Galdeano, 2015). According to Title III of the HEA, an HSI is defined as an accredited, degree-offering, public or private, not-profit higher education institution including over 25% full-time Hispanic enrollment. The 1998 Reauthorization of the HEA included Title V (Part A), the Developing Hispanic-Serving Institutions Program. Title V encourages colleges and universities to apply for grants targeted towards improving the academic performance of Hispanic students (Núñez, Hurtado, and Calderon Galdeano, 2015; HACU, 2014).

Over 60% of Californian Latino(2) college students attend an HSI. The state's HSIs also account for over 48% of all higher education in California. Given the size of the community college system, it should not be a surprise that over 72% of Latino students are enrolled in an HSI community college (Malcolm-Piqueux, et. al., 2013).

The growth of HSIs has occurred mostly due to their proximity to predominantly Hispanic neighborhoods. Low tuition also makes HSIs an attractive means of obtaining a college education. Thus, Latino students tend to enroll mostly in HSIs near their homes (HACU, 2014).

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1 Totals as of fall 2014. These include federally designated institutions. They do not include emerging MSIs.

2 For this report, we use Latino/a and Hispanic interchangeably due to the way in which datasets (e.g., IPEDS) tabulate demographic data, though we acknowledge that each term has a particular history and connotation.
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CALIFORNIA’S ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER SERVING INSTITUTIONS

According to the U.S. Census, the AAPI population is predicted to increase to 40 million by 2050 (White House Initiative on Asian Americans and Pacific Islanders, 2014). AAPI college enrollment is anticipated to increase by 35% over the next decade. There are approximately 1.2 million students attending AANAPISIs across the U.S. (APIACU, 2014).

AANAPISIs received official MSI designation by Congress in 2007 as part of the College Cost Reduction and Access Act. There are currently over 150 AANAPISIs in the U.S., representing 48 ethnicities and over 300 different languages (White House Initiative on Asian American and Pacific Islanders, 2014).

Like HSIs, an institution is designated as an AANAPISI through a competitive grant process. The institution must include at least 10% full-time enrolled AAPI students and a minimum threshold of low-income students. Similar to HSIs, most AANAPISIs in California are community colleges. AAPI students enrolled in AANAPISIs are more likely to be non-English speakers and immigrants (CARE, 2012).

Like HSIs and other MSIs, AANAPISIs direct federal grant funding towards student support programs. These include academic development, student services, leadership opportunities, professional development, research, and revenue development.

Unlike most HSIs, many AANAPISIs do not realize they are an AANAPISI and are eligible for federal funding. Of the 150 AANAPISIs, 78 applied for federal designation. Of those institutions, 14% received federal grants (CARE, 2012).

CALIFORNIA MSIs BY THE NUMBERS

We looked at data points for California MSIs according to these categories: enrollment, finance, and performance. We collected data from those MSIs included in IPEDS. Based on the unique differentiation of higher education in California, we analyzed MSIs by the following categories: two-year public (CCC), four-year public (CSU and UC) and four-year private.² By federal mandate, an MSI cannot be a for-profit institution and therefore, no for-profit institutions were included in this study.

ENROLLMENT

The rate of overall enrollment in MSIs differed across the segments. Enrollment in four-year public and private MSIs is rising, while enrollment in the community college MSIs began declining following the 2008 recession. We suggest explanations for this development in greater detail below. Despite declines in community college enrollment, the majority of California college enrollment has seen an astronomical increase in Latino students over the past decade.

Enrollment of full-time students in four-year public MSIs increased by 25% between 2003 and 2013 (from 253,925 students to 317,976 students). The largest increase by ethnicity was overwhelmingly Hispanic enrollment. Between 2003 and 2013, the Hispanic student population grew by 106% in four-year public institutions (from 55,486 students to 114,029 students).

²At this time, there are three two-year private institutions (Casa Loma College, Los Angeles ORT College, and Community Christian College). We did not include these, given the limited number of institutions for comparison and the fact that many variables were not available.
In two-year public institutions, enrollment (based on 12-month enrollment) declined by 16% between 2003 (1,985,966 students) and 2013 (1,666,993 students). As can be seen in Figure 3, this enrollment measure gradually increased from 2003 until the recent recession. It then plummeted thereafter, declining by 20% (from 2,072,650 students in 2009 to 1,666,993 students in 2013). Despite the decrease, Hispanic enrollment increased 21% between 2003 and 2013 (from 561,382 students to 677,643 students). Other ethnicities showed slight declines or increases. Though White students increased between 2004 and 2009, their enrollment declined after the recession in 2009. Since 2003, White student enrollment in community college MSIs dropped by 37% (from 710,245 students to 445,169 students).
Similar to four-year public MSIs, four-year private MSIs enjoyed enrollment gains between 2003 and 2013 (Figure 4 and 5). Total enrollment increased by 23% (66,524 to 81,718). Not surprisingly, the largest increase in ethnicity was amongst Hispanic students, who grew by 71% (from 9,882 students to 16,864 students). Hispanic students seemed to largely drive the enrollment increase in four-year private institutions. Other ethnicities did not change by substantial amounts, though the nonresident alien enrollment doubled between 2003 and 2013 (6,189 to 12,002).

Similar changes occurred in the two-year community colleges between 2003 and 2013. Hispanic enrollment soared from 28% to 41% of all enrollment, White student enrollment dropped from 36% to 27%, and Asian student enrollment dropped slightly from 16 to 14%.

In the two-year community colleges, Black enrollment remained steady at 9%, higher than in the four-year sector. There was also little change in Black enrollment in public four-year public and private institutions. As a percentage of community colleges, American Indian/Native Alaskan enrollment declined 51% (from 16,143 students to 6,760 students). In the CSU and UC systems, American Indian/Native Alaskan enrollment also plummeted by 50% (from 1,578 students to 782 students).
FINANCE

Since 2007, state appropriations for all public higher education fell by nearly $1.5 billion. Recent cuts to state funding are deeper than in previous times of economic decline. California’s Proposition 30 (passed in 2012) pumped an additional $210 million into higher education (Bohn, Reyes, and Johnson, 2013). Yet this measure is akin to putting a Band-Aid on an amputated limb. UC and CSU responded by raising tuition, even though tuition had already been increasing since the early 2000s. An agreement between CSU and UC leaders and Governor Brown froze tuition beginning in 2012. CSU and UC agreed to freeze tuition in return for an increase in state support (Legislative Analyst’s Office, 2014). Yet this agreement appears to be in jeopardy given current public discord between the governor and the UC over a significant proposed tuition increase. The CCC features a different funding formula and lacks a tuition-setting authority (Richardson and Martinez, 2009). Thus, community college tuitions have risen but not as much as four-year institution tuition rose between 2000 and 2013.

Below, we take a closer look at tuition, core revenue, and financial aid amounts over time. Each category is essential to understanding the change in both affordability and state support of higher education and the impact on California’s MSIs.

TUITION

While tuition within the community colleges and CSU system remain low-to-average compared to other states, UC tuition has risen above the national average for research universities. Private four-year universities remain mostly on par with national averages.4

- **FOUR-YEAR PUBLIC (CSU):** tuition increased 25% between 2009-2010 ($5,183) and 2013-2014 ($6,465) per student per year
- **FOUR-YEAR PUBLIC (UC):** tuition increased 32% between 2009-2010 ($10,051) and 2013-2014 ($13,253) per student per year
- **FOUR-YEAR PRIVATE:** 9% tuition increase between 2009-2010 ($28,723) and 2013-2014 ($31,418) per student per year. There is extreme variation in tuition amounts in four-year private institutions. For example, annual tuition at California Christian College was $8,275 in 2013-2014 while the tuition at University of Southern California was $46,298 that same year.
- **TWO-YEAR PUBLIC:** 57% tuition increase between 2009-2010 ($788) and 2013-2014 ($1,240) per student per year.

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4 Data are averages and have been adjusted for inflation using the Consumer Price Index according to 2014 dollars.
As Figures 6-8 show, California MSIs in all sectors (except for private institutions) lost state revenue between 2006 and 2013. The gap has been mostly filled with tuition rate increases and government grants and contracts. While California has provided some increased state allocations, MSIs (and all postsecondary institutions) must cope with the new funding realities.\(^5\)

- **FOUR-YEAR PUBLIC**: state appropriations dropped by 32% ($7,965 to $5,397).
- **FOUR-YEAR PUBLIC**: government grants and contracts increased by 56% ($2,987 to $4,672).
- **FOUR-YEAR PUBLIC**: tuition and fees rose by 51% ($4,174 to $6,298).
- **TWO-YEAR PUBLIC**: state appropriations began declining after 2007, with a steeper drop after 2011 ($4,244 to $3,095 in 2013).
- **TWO-YEAR PUBLIC**: local appropriations decreased after 2007 and then rebounded in 2010 ($3,409 to $2,778).
- **TWO-YEAR PUBLIC**: government grants and contracts steadily increased nearly 40% ($2,593 to $3,610).
- **TWO-YEAR PUBLIC**: tuition and fees remained mostly steady, rising from $777 to $796.
- **FOUR-YEAR PRIVATE**: tuition and fees increased by 23% ($16,453 to $20,181).
- **FOUR-YEAR PRIVATE**: not much change in other revenue sources.

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\(^5\) Core revenues per FTE enrollment by source. Data are averages and have been adjusted for inflation using the Consumer Price Index according to 2013 dollars.
California students have several financial assistance options. These include the state’s Cal Grant program, institutional financial awards, federal Pell grants, as well as scholarships and loans. Over half of all California postsecondary education students receive some form of financial aid. At California MSIs, nearly 80% of all students require financial support (Legislative Analyst’s Office, 2014). State support of financial aid has increased over the past decade: in 2000-2001, 6% of state support for higher education went towards financial aid, increasing to nearly 16% in 2011-2012. Cal Grants to CSU students more than doubled between 2007-2008 and 2012-2013 ($200 million to $450 million). The Cal Grant increase to UC students was even more dramatic, rising from $300 million to $750 million over the same time period. Similarly, CCC students received an additional $50 million ($50 million to $100 million) (Shulock and Moore, 2014). These increases reflect attempts to ameliorate the meteoric rise in tuition.
As can be seen in Figures 9-11, all sources of financial aid increased between 2007 and 2013 for MSIs in all sectors of California higher education. The average financial aid award, including all forms of financial assistance, increased 32% for CSU and UC students ($8,318 to $10,989). Financial aid increases were more pronounced in community college MSIs, with the average total award rising nearly 40% ($3,343 to $4,631). The percentage of full-time, first-time students receiving any aid increased 20 percentage points (50% to 70%), with similar increases in the percentage of students receiving Pell grants and state and local grants.

PERFORMANCE METRICS: GRADUATION, RETENTION AND TRANSFER RATES

We must emphasize that graduation and retention rates, though popular as measures of student achievement, should not be the sole means by which any institution is evaluated. As mentioned throughout this report, graduation and retention rates vary according to the primary make-up of an institution’s students. MSIs excel at educating many students in need of additional support. This includes those requiring remediation, those from lower-income backgrounds, and those who are the first generation in their families to attend college. Many of these students (though not all) do not graduate within four years. Many do not remain in college after their freshman year. We include these variables to demonstrate how they have changed over time and to determine if they have changed in relation to other variables.
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PERCENT OF STUDENTS RECEIVING FINANCIAL AID, FOUR-YEAR PRIVATE INSTITUTIONS, 2007-2013

Figure 11


GRADUATION RATES PER ETHNICITY AND RACIAL CATEGORY IN FOUR-YEAR PUBLIC INSTITUTIONS: 2004-2013 (AS PERCENTAGE)

Figure 12


GRADUATION RATES

In four-year public institutions, there were modest increases in graduation rates between 2004 and 2013 (see Figure 12). The overall graduation rate increased 5 percentage points (45% to 50%). The highest increase was in the Black student population, from 32% to 40% (having reached a high of 43% in 2010), as well as the White student population: from 47% to 55%.

Two-year public institutions, however, experienced substantial declines in graduation rates between 2004 and 2013. Black students’ graduation rate dropped from 22% to 14%, while for Hispanics it declined 29% to 19% and for Whites it went from 33% to 26%.

The total graduation rate increased from 53% in 2004 to 59% in 2013 in four-year private MSIs.6

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6Information for all ethnicities and races was not available in IPEDS for all four-year private institutions.
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GRADUATION RATES PER ETHNICITY AND RACIAL CATEGORY IN TWO-YEAR PUBLIC INSTITUTIONS: 2004-2013 (AS PERCENTAGE)

Figure 13

Figure showing graduation rates per ethnicity and racial category in two-year public institutions from 2004 to 2013.


RETENTION RATES

The nationwide retention rate for AANAPISIs is 78% and 67% for HSIs, with the national average for all higher education being 66% in 2011 (Gasman and Conrad, 2013).

In California’s four-year public institutions, the retention rate for full-time students increased from 81% to 85% (though it dipped after 2005). Despite a substantial decline in 2008 (from 66% in 2007 to 53% in 2008), the retention rate for full-time students in California’s two-year public institutions did not change significantly, rising from 67% in 2004 to 69% in 2013. The retention rate for part-time students increased slightly, growing from 40% to 44%. In four-year private institutions, there was little change, with the retention rate hovering between 79% and 81%.

TRANSFER RATE

According to California Community College Chancellor’s Office (CCCCO) Data Mart, the transfer rate between transferred students and the size of the transfer-intending cohort in MSIs dipped by 1% between 2002-2003 and 2009-2010 (40% to 39%). Yet transfer rates dropped more precipitously after the recession (2008-2009). Based on data collected from California Postsecondary Education Commission (CPEC), the decline appeared more drastic after 2009, dropping from 52,118 students to 41,830 students. This reflects transfer rate decreases across all CCCs. All ethnicities corresponded to this decline, though White students showed the steepest decrease (16,463 to 12,554).}

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7 Data covers 2004 to 2013
8 Transfer data available from cohorts beginning in 2002 to 2010.
MSIs: BEYOND THE NUMBERS

The above data on enrollment, finance, and performance measures do not exist in a vacuum. They indicate very real consequences of higher education policy. While external contextual forces also affect these figures (such as politics, economics, and natural conditions such as the ongoing 2015 drought), the orientation and performance of higher education is very much the product of statewide leadership and coordination of higher education policy.

We explore four primary challenges to California MSIs and Latino and AAPI students: the transfer function between community colleges and four-year public segments; higher education finance policy and the CCC; enrollment rationing at UC and CSU; and the increasing unaffordability of higher education overall in the state.

CHALLENGE #1: TRANSFER

Transfer is key to boosting college attainment. Recent legislation has sought to ease the pathway from community college to a baccalaureate institution. Yet the complexities and problems of California higher education policy continue to hinder the process (Bohn, Reyes, and Johnson, 2013). Passed in 2010, SB 1440 requires community colleges to create a specific associate's degree for transfer to a CSU campus. The bill's three main goals are to: reduce excess course units required for transfer, incentivize students to obtain an associate's degree before transferring, and increase transfers to four-year universities. A follow-up bill (SB 440) was enacted in 2012 to remedy what legislators saw as flaws in SB 1440. Transfer pathways remain blocked because there are still few majors in the associate's degree and many CSU campuses do not accept the associate's degree for all majors. In addition, the Master Plan policy that restricts enrollment in CSU to the top 33% of students could prevent students transferring from CCC (Moore and Shulock, 2014; Malcolm-Piqueux, et. al., 2013; Bohn, Reyes, and Johnson, 2013).

The Master Plan guarantees community college students a place in a four-year public university upon satisfactory completion of degree credits and a minimum GPA. Yet this guarantee is compromised by a policy wherein transfer agreements are set by individual campuses and not by the entire system. Thus, completion requirements at a community college might not match entry requirements at a four-year public university. In such instances, a student is required to take additional courses at a CSU campus (Moore and Shulock, 2014; Bohn, Reyes, and Johnson, 2013). Many students also transfer without having earned an associate's degree. The lack of system-wide transfer policies contributes to the small number of students successfully transferring and achieving a bachelor's degree.

CHALLENGE #2: FUNDING INEQUITY

California’s largest higher education system—which is now made up of 75% MSIs—is also its least funded. The CCC and hence the majority of California MSIs are allocated much less state funding than the UC, CSU, and K-12 education. While Proposition 98 guarantees a percentage of local funding to community colleges, total state and local appropriations still account for much less than the other segments. Unlike UC and CSU, CCC cannot fill state appropriation shortfalls with increased tuition since the legislature sets CCC tuition levels (Zumeta and Frankle, 2007). Another problem with Proposition 98 funding is that CCC splits this funding with K-12 education. This has created an intrinsic problem for CCC, since it is still seen by many policymakers as part of K-12 education (Richardson and Martinez, 2009).

While the state government reduced funding to all public higher education in the wake of the 2008 recession, CCC and hence the majority of the state’s MSIs suffered the deepest declines. It is important to note that public higher education in the state experienced funding cuts during prior economic downturns. Even so, UC and CSU saw some state allocation increases between 2010 and 2013 while the CCC system has experienced more year-to-year funding volatility and a more pronounced decline (Bohn, Reyes, and Johnson, 2013; Shulock and Moore, 2014).
The budgetary period following the recession led to draconian cuts in essential CCC and CSU services. Course sections, faculty, and advising services have been shed to accommodate the new budgetary realities on CCC campuses. The number of credit course sections shrank by 22% (from 257,488 in 2007-2008 to 201,945 in 2012-2013). Cuts to non-credit course sections were steeper, with a decline of 43% (Malcolm-Piqueux, et. al., 2013). A primary consequence of these cuts has been a decline in CCC enrollment of first-time students since 2009. The reduction in course sections has made it more difficult for students seeking to transfer and likely prohibits students hoping to begin their higher education in the community colleges (Malcolm-Piqueux, et. al., 2013; Bohn, Reyes, and Johnson, 2013).

Community colleges and MSIs are the embodiment of the Master Plan’s commitment to universal education. Since admission is guaranteed to all California residents with a high school diploma, access to community college has instead become obstructed via limited course and section availability. This is a direct contradiction of the Master Plan’s mission for the CCC to provide an education to all California residents who desire it. Participation rates have fallen by unprecedented margins since the 2008 recession for full-time and especially part-time students. A Public Policy Institute of California (2014) study suggests that community colleges prioritize current students when making difficult budgetary decisions, but this directly contributes to the ongoing fall in first-time student enrollment and reduces access. Considering that the majority of CCC students are minority and low-income, the impact on their enrollment has been especially disturbing.

**CHALLENGE #3: RATION AND IMPACTION**

The Master Plan policy of rationing enrollment to UC and CSU has led to access issues in the CCC. More and more academically prepared students are enrolling in the CCC system due to the lack of available seats in the four-year institutions. This is known as “impaction”—where campuses receive applications from more eligible candidates than available space—and it is an ongoing problem in California higher education (California State University, 2015; Shulock and Moore, 2014). As noted above, the Master Plan limits enrollment at UC to the top 12.5% of California high school graduates and at CSU to the top 33.3%.

Geiser and Atkinson (2012) argue that the ration policy leads to an access problem for four-year public institutions and low-baccalaureate completion rates compared to other states. They emphasize that while California’s low completion rate results from budget cuts, demographic changes, and lack of adequate K-12 sector preparation, most important has been the rationed enrollment in UC and CSU.

Despite legislative attention to transfer, some policy experts (Geiser and Atkinson, 2012; Moore and Shulock, 2014) contend that there is scant space for an influx of transfers to four-year institutions. This is arguably the biggest obstacle for California MSI students who begin the college pathway in community college and plan on obtaining a baccalaureate degree (CARE, 2012; Malcolm-Piqueux, et. al., 2013).

**CHALLENGE #4: AFFORDABILITY**

There are many indications that California higher education is becoming increasingly unaffordable. As noted above, tuition within all sectors of California higher education has increased substantially since the 2008 recession. An important factor in the cost of postsecondary education in California is falling median family income: $62,156 in 2000 (in 2012 dollars) to $58,328 in 2012 (Postsecondary Education Opportunity, 2013). Thus, the poorest families must use an increasing share of their annual income to pay for higher education (63.4% for a four-year public institution and 52.5% for a community college) (Bohn, Reyes, and Johnson, 2013).
Despite relatively low tuition, the CCC system still faces an affordability problem. While tuition comprises a smaller total cost for those attending community college, students pay more for educational supplies and living expenses and their costs are on par with those of CSU and UC students. Conversely, the Cal Grant program was not initially aimed at assisting community college students since the CCC remained nearly free for decades. Despite some measures to improve Cal Grant applicability to CCC students, many still do not receive an appropriate share of financial aid. This also compels a large number of students to enroll part-time (Shulock and Moore, 2007; Shulock, Moore, and Tan, 2014).

Another telling sign of the prohibitively rising costs of college in California is the new Middle Class Scholarship Program. Introduced in 2013, the program is geared towards those families who do not qualify for Cal Grants due to having a higher income. However, students in community colleges (and hence, most MSI students) are not eligible for the Middle Class Scholarship Program (California State Assembly Democratic Caucus, 2013).

CONCLUSION: MASTER PLAN AND CALIFORNIA MSIS

Critics of California’s Master Plan see it as an antiquated system suited for an earlier time (Callan, 2009; Douglass, 2010). Given its structural intransigence, the Master Plan does not allow for innovative approaches to higher education in the 21st century. Architects of the Master Plan likely did not foresee the coming changes sweeping the state and higher education, especially the increasingly non-White complexion of college classrooms (particularly in community colleges).

While the Master Plan does not mention MSIs, community colleges are mostly MSIs by proxy. Additionally, more CSU and UC campuses will become MSIs if the current demographic trajectory continues. The failure of policymakers to adequately address transfer complications, the inequity of CCC funding, and the lack of attention to the rationing of enrollment in UC and CSU demonstrates that MSIs are not being maximized for their proven power in educating minority and low-income students.

The data explored above implicate policymakers and higher education officials in their lack of attention and action on strategic statewide higher education initiatives that would advance MSIs as well as all of California postsecondary education. Our findings echo other policy analyses that highlight links between changes in performance metrics with policymaker and higher education leadership developments over time (such as declining state allocations and rising tuition) (Richardson, Reeves Bracco, Callan, and Finney, 1998; Callan, 2009; Shullock and Moore, 2007; Finney, Orosz, Riso, and Boland, 2014). The Master Plan constrains the power of policymakers and higher education officials in many capacities, yet there is still much both can do to bolster MSIs and all higher education institutions.

As we illustrate below, California’s MSIs employ diverse methods for supporting their students. California state government and education leaders should recognize models of innovation that can be applied to all higher education institutions. Other states can also learn from the example set by California MSIs. Despite challenges faced by California MSIs and California higher education overall, there is much both policymakers and institutions can do to shift the narrative from a defensive to a supportive vantage. Most important is for state and education leaders to recognize the value of California’s many MSIs and endorse initiatives aimed at strengthening them.

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9 Richardson, Reeves Bracco, Callan, and Finney, 1998; Callan, 2009; Shulock and Moore, 2007; Finney, Orosz, Riso, and Boland, 2014
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CALIFORNIA MSI SPOTLIGHTS

While policy reports such as this often paint a pessimistic portrait of the current state of higher education, MSIs do much to prepare students for academic and post-academic achievement. One way that many MSIs serve their students is by engaging them in activities that relate to their community and world (Gasman and Conrad, 2013). Another hallmark of many MSIs, including those in California, is how faculty and staff orient education around small learning communities with an emphasis on experiential education and real-world applicability (Harmon, 2012).

While what follows below is far from a complete list of what every MSI in the state does to advance the cause of serving minority and low-income students, it provides a telling snapshot of what California MSIs are doing to educate their students.

MISSION COLLEGE

AANAPISI
PUBLIC TWO-YEAR
APASS PROGRAM

The Asian American Pacific Student Success (APASS) Program includes academic and career counseling, college transition workshops, college campus field trips, and other activities. Mission College also focuses on STEM education, especially given its proximity to Silicon Valley. As part of its AANAPISI-centered programs, the college held its first Science Technology Engineering & Mathematics week during September 2013. The college also offers the STEM Learning Center.

LA SIERRA UNIVERSITY

AANAPISI/HSI
FOUR-YEAR PRIVATE
FIRST YEAR EXPERIENCE

La Sierra University is a private, four-year university with a Seventh Day Adventist identity. It is notable for employing the First Year Experience (FYE) program to support first-year students. Services include mentorship, tutoring, and career development. FYE also incorporates parental involvement to provide additional student support.

CALIFORNIA STATE UNIVERSITY – SAN BERNARDINO

HSI
FOUR-YEAR PUBLIC
LEAD ORGANIZATION

Cal State San Bernardino boasts one of the highest HSI retention rates in the country (89%) as well as one of the highest graduation rates amongst California MSIs (41%). Certainly contributing to the success of its students has been the Latino Education Action Days (LEAD) Organization. Though this consortium includes a wide range of people beyond campus, its primary goal is to advance Latinos in education. Their projects include the involvement of students, faculty, and administrators in coalition with members of the local community as well as the state, nation, and internationally. Though its projects do not focus solely on CSUSB students, the LEAD Organization has an undeniable impact on students within the university.
CALIFORNIA STATE UNIVERSITY – SACRAMENTO

AANAPISI
FOUR-YEAR PUBLIC
FULL CIRCLE PROJECT

Cal-State Sacramento offers the federally funded Full Circle Project to assist its students. As with the FYE in La Sierra and other California MSIs, the program’s goal is to increase retention and graduation rates. The program emphasizes student support via advising, leadership development, and civic engagement. A major component of the Full Circle Project is its Learning Communities, which consist of a group of classes designed to blend life skills courses with general courses.

LOS ANGELES VALLEY COLLEGE (LAVC)

HSI
PUBLIC TWO-YEAR
PASS

The Preparing All Students for Success (PASS) initiative stems from the Los Angeles Community College District’s partnership with Achieving the Dream, a national non-profit organization focused on advancing minority and low-income community college students. PASS targets courses and student support towards boosting retention, completion, and transfer.

LOS ANGELES SOUTHWEST COLLEGE

HSI/PBI
PUBLIC TWO YEAR
MIDDLE COLLEGE HIGH SCHOOL

LASC’s campus hosts the Los Angeles Middle College High School. It enables students to enroll in college classes and earn their associate’s degree while also obtaining their high school diploma. This partnership represents an important mode of collaboration between K-12 schools and higher education in California.

DE ANZA COLLEGE

AANAPISI
TWO-YEAR PUBLIC
IMPACT AAPI

Besides having the highest graduation rate amongst California’s MSI community colleges (60% in 2013), De Anza features the Initiatives to Maximize Positive Academic Achievement and Cultural Thriving (IMPACT). This program seeks to boost academic achievement and transfer among Asian American and Pacific Islander (AAPI) students at De Anza. It is an intensive curricular program providing individual support and opportunities for leadership and community impact.
CITY COLLEGE OF SAN FRANCISCO

AANAPISI
PUBLIC TWO-YEAR
APALU

Asian Pacific American Leaders United (APALU) is a federally funded program that strives to create the AAPI leaders of tomorrow. The one-year program blends curricular, community-based and on-campus collaboration to help students develop leadership skills with an eye towards social justice. The APALU experience incorporates internships with a host of possible community and business partners, including advocacy and community organizing, public health, arts and media, and youth coalition building.

RECOMMENDATIONS

INSTITUTIONAL LEVEL

- Continue to **IMPLEMENT AND STRENGTHEN** support services for students (learning communities, workshops, “specialized courses,” and so on). Scores of MSIs carry out this important work. It is imperative that emerging MSIs follow suit. These have been and should be the key strength of all MSIs. They should focus on leadership skills development, encourage campus and civic participation, and educate parents on how to best support their children in college as well as with understanding financial aid issues.

- **CREATE** professional development for faculty and staff attuned to the cultural characteristics of MSI students. An all-too-common critique of non-MSI institutions is that their administrative staff—particularly those in an advisory capacity—are unfamiliar with the backgrounds of minority and low-income students. Education analysts are increasingly focusing attention on this important issue.

- **IMPROVE** outreach to emerging MSIs. For instance, while 150 institutions are eligible to be AANAPISIs, only 78 institutions have formally applied for and received the designation. More institutions need to be aware of their eligibility and how they would benefit from becoming a federally designated MSI.

- **SUPPORT** MSI collaborations across MSI categories and within different higher education segments. The Southern California Consortium of Hispanic Serving Institutions (SCCHSI) is an example of such an alliance. Coalitions like the Hispanic Association of Colleges and Universities (HACU) and the National Commission on Asian American and Pacific Islander Research on Education (CARE) are essential for the sharing of knowledge and resources among MSIs.

- **DEVELOP** the skills to seek alternative sources of revenue. Public MSIs must prepare for a new economic era of diminished state support. An important route for fiscal resources is federal research grants. MSIs must learn to flex their development and grant-writing muscles.
POLICYMAKER LEVEL

- **IMPROVE** transfer from CCC to CSU and other four-year institutions. Given the limited enrollment capacity in the CSU system, policymakers must consider extending transfer agreements between the CCC and the UC and private four-year institutions.

- **REVISE** the state funding method of the CCC. Some policy experts suggest raising tuition at least to a level comparable to other states (Moore and Shulock, 2007; Zumeta and Frankle, 2007). This could be problematic, even with an increase in financial aid. We acknowledge that state governments are reluctant to significantly alter funding formulas. Yet the CCC and most California MSIs are in dire need of a funding mechanism that adequately affords individual institutions the bare minimum of funding to meet the cost of educating their students.

- **RECOGNIZE** the potential for MSIs to serve the state's students. They can do this through targeted grants and other legislation specifically designed to strengthen the state's MSIs.

- **DEVELOP** statewide leadership for postsecondary education. If higher education overall lacks statewide leadership and no major office advances a higher education agenda, there certainly is also a lack of statewide leadership for MSIs. Several legislators have proposed bills to create such a department. The California Postsecondary Education Commission (CPEC) was ostensibly the core state office for higher education. But CPEC was never afforded real power and Governor Brown vetoed it out of existence in 2011. Such an organization situated in the Governor’s Office could advance MSIs as an innovative approach to access and attainment.

- **POSITION** California’s MSIs as models of success. As illustrated above, many MSIs in the state boast initiatives that have proved pivotal to the success of their students. Other states can learn from the examples set by California’s MSIs.

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**STEM**

It is estimated that California will need 1.1 million STEM employees by 2018 (Carnevale et al., 2011). MSIs have a demonstrated strength by producing STEM graduates and will continue to perform this vital function. As the state with the most STEM jobs in the country, California should position its MSIs to receive the support necessary to carry on this mission. AANAPISIs such as San Jose State University make up 7 of the top 20 institutions awarding STEM degrees to AAPI graduates. Of the top 20 institutions awarding STEM degrees to Hispanic/Latino students, half are HSIs. Though HSIs comprise roughly 11% of higher education, these institutions awards approximately 40% of STEM bachelor’s degrees to Latinos (HACU, 2012; Santiago, Calderon Galdeano, and Taylor, 2015).
REFERENCES


