The California State University (CSU) has an ambitious objective, the Graduation Initiative 2025. This is a plan to dramatically improve four-year and six-year graduation rates for all students while simultaneously eliminating all differences in graduation rates—called achievement gaps—between underrepresented students. These groups include minority students and non-underrepresented minority students, low-income Pell Grant eligible students and non-low-income non-Pell Grant eligible students, and first-generation students and non-first-generation students. In this paper, I argue that the initiative largely fails to address many root problems facing CSU students’ slow graduation rates, most importantly the effects of cost of attendance on student’s time to degree. In my critique of the initiative, I conclude that the plan must account more for non-traditional and low-income students through making courses more accessible and adjusting high tuition and cost of living.
Introduction

The California State University (CSU) has an ambitious goal: to dramatically improve four-year and six-year graduation rates for all students while simultaneously eliminating all differences in graduation rates (called achievement gaps) between underrepresented minority students and non-underrepresented minority students, low-income Pell Grant eligible students and non-low-income non-Pell Grant eligible students, and first-generation students and non-first-generation students. This goal will supposedly be achieved through the CSU’s new Graduation Initiative (GI) 2025.

This initiative is the product of the sociopolitical and economic needs of the state of California today, yet it is uniquely shaped by the history, purpose, and changing demographics of the state’s institutions of higher education. In this paper, I will first provide A History of the CSU, which will provide historical context in which the initiative takes place. Second, I will explore Issues Facing Today’s CSU, which will analyze the current state of higher education in California and the national context of higher education in which it exists. Third, I will examine Issues Impacting Student Success and Graduation, and look at four issues which most impact students’ graduation rates and time to degree. Fourth, I will argue that Graduation Initiative 2025 is deeply flawed, inequitable, and incapable of achieving its goal of eliminating all achievement gaps. I will then examine how a revised Graduation Initiative 2025 could better serve low-income students by explicitly naming and exploring cost of attendance, cost of living, and other factors which affect and are affected by graduation rates.

My analysis here is highly informed by my involvement with student activist groups, particularly Students for Quality Education, positions on student government organizations, particularly the Cal State Student Association, and as a student at Cal Poly San Luis Obispo, one of the California State University’s twenty-three campuses. Much of my work with these groups and as a student has been around ensuring the affordability and accessibility of Higher Education in California. This paper is, therefore, highly shaped by formal and informal interactions with CSU Chancellor Timothy White, the CSU Office of the Chancellor, Trustees on the CSU Board of Trustees, administrators at Cal Poly SLO, student activists at Cal Poly SLO and at other CSU campuses, student government leaders across the CSU, and my fellow CSU students over the last three years.

A History of the CSU

The California State University is the product of California’s 1960 Master Plan for Higher Education in California, which outlined a mission for California’s then existing higher education institutions: the accessible Junior Colleges, the more selective State Colleges, and most selective University of California system. The 1960 Master Plan created a tuition-free education system which gave all California residents access to a high quality and affordable higher education, and therefore access to the American Dream.\(^1\) California higher education institutions were by law forbidden to charge tuition or fees for instructionally related activities, but fees were allowed for non-instructional activities, such as counseling and health services.\(^2\) This model allowed California’s higher education system to be recognized by the United States and other nations around the world as a model system of higher education.\(^3\) The California model of higher education served the

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\(^3\) op. cit., fn. 1
people of the state; by 1960, forty-five percent of the California population had taken advantage of the state’s higher education institutions, compared to the national average of twenty-five percent. The CSU became known as the People’s University because of its accessibility and mission to serve the people of California. Important to note for our later exploration of the contemporary state of higher education in the CSU: the CSU was founded on the principles of equity and universal access.

Much has changed since the original 1960 Master Plan’s vision for higher education in California. The state’s higher education institutions needed to adjust to California’s changing demographics and increasing population and enrollment demands. The 1960 Master Plan made the false assumption that California’s Higher Education institutions would continue to serve “ethnically homogenous, well-prepared, recent high school graduates who would attend college on a full-time basis.” By 1987, California’s higher education institutions weren’t serving only traditional students anymore: the average undergraduate graduate was older than 24, not 22, and the average community college student was 30. Many students required remedial courses, and many more worked full-time: in 1987, 70 percent of community college students worked more than 35 hours a week. Important to the changing shape of higher education in California, non-traditional students would take longer and cost more to graduate. Additionally, enrollment across the state was skyrocketing: the California State University’s enrollment nearly doubled between 1970 and today. Alongside the changing face of the California college student, the state also faced large changes in its tax structure. Proposition 13, passed by California voters in 1978 and still in effect today, drastically reduced property taxes in the state, therefore reducing state tax revenues. Reduced state tax revenues means less money for higher education. Proposition 13 also meant that higher education must rely on a less stable tax source, income tax, which is very volatile during recessions. This means that higher education funding in California is now highly dependent on the state’s (often fluctuating) economy. This tax structure would prove to be especially problematic during times of economic stagnation or recession: as we will see, the state would be forced to make massive cuts during California’s budget crisis between 2008 and 2012.

Declining tax revenues, increasing enrollment demands, and the increasing cost of educating students due to the changing face of the California undergraduate student marked the beginning of the end for the 1960 California Master Plan’s vision for free higher education. The CSU, along with the University of California, began to increase system-wide tuition: CSU students paid $441 per academic year in 1982. As a 1982 New York Times article stated: “Free Education is No More.” In response to these changing trends in California, the state formed a Commission for the Review of the Master Plan for Higher Education, which released a new Master Plan in 1987 laying out new goals for the state’s higher education institutions. The plan specifically called on the state

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4 Ibid.
6 Ibid.
8 The passage of Proposition 13 resulted in fewer local tax revenue, resulting in fewer funds for local communities to fund K-12 education. To counteract this, the state (rather than local communities) paid for significantly more K-12 education costs (The state paid 42 percent of K-12 education costs in 78/79 and 66 percent in 79/80 after Proposition 13 passed). This meant that the state had fewer funds to pay for Higher Education. See more: Race to the Bottom? California’s Support for Schools Lags the Nation. California Budget Project. June 2010.
9 Op. cit., fn. 1
10 Ibid.
11 Op. cit., fn. 2
and California’s institutions of higher education to ensure that all Californians “have unrestricted opportunity to fulfill their educational potential and aspirations.”

Despite this plan, the CSU, alongside the University of California, continued to increase tuition and fees: by 2001, undergraduate tuition alone in the CSU was $1,428 per year, and was $5,472 by 2011. Increasing enrollment and costs would form the CSU of today: the largest and most diverse public four-year university system in the United States, with 23 campuses, eight off-campus centers, over 470,000 students, and more than 49,000 faculty and staff.

**Issues Facing Today’s CSU**

Today, many issues face the CSU, the largest and most diverse public four-year university system in the United States. In this section, I will emphasize four issues: declining state investment in the CSU, increasing tuition and fees, declining quality of education, and increasing selectivity. The next section will explain how these issues impact student success and graduation.

At the height of the Great Recession in 2008, higher education in California was plagued with massive budget cuts and skyrocketing tuition and fees. During the 2007/08 academic year, California allocated nearly $3B to the CSU. In light of a massive budget deficit, the state’s allocation sunk to $2.3B in 2009/10 and less than $2B in 2011/12, a decrease in $1B or one-third of the state’s allocation to the CSU over four years. The percent decrease in state spending per student in all higher education in California between 2008 and 2013, adjusted for inflation, was 29.3 percent, or $2,464 less state dollars per year.

In response to these cuts, the CSU furloughed employees, decreased enrollment, and skyrocketed undergraduate tuition, increasing from $2,772 in 2007/08 to $5,472 in 2011/12, an increase of 108.7 percent. Additionally, CSU campus-based fees increased significantly, including the addition of new campus-based fees, such as the Student Success Fee.

It is also important to note that skyrocketing tuition and fees is a common theme in public higher education across the United States. Between 2007/08 and 2012/13, tuition has increased more than 50 percent in seven states, more than 25 percent in 18 states, and more than 15 percent in 40 states. California, however, has seen some of the highest tuition increases in the nation: between 2008 and 2013, California had the second highest average percent increase in tuition at public four-year colleges, a 72 percent increase, equating to $3,923. As Figure 1 shows, the burden of affording public higher education is increasingly being placed on students across the nation, however, California is leading the way. The results of declining state investment in higher education is vast and extends far beyond just cost of attendance, affecting both students’ ability to enter the CSU and the quality of education they receive once there.

A wide body of literature has shown that student and faculty interactions are central components to student success, however, the status of faculty in the CSU is diminishing. Lecturers as a percentage of total teaching faculty are the highest they have ever been in the CSU. 60 percent of all faculty...
are lecturers. Lecturers focus almost exclusively on classroom teaching and therefore are not compensated for giving service to the university, including committee work and proposing new courses. Additionally, fewer tenure-line faculty are teaching in the CSU today than ten years ago, and until recently, faculty compensation has remained stagnant or declined. Further, the state’s inability to fund higher education in California has resulted in the CSU’s inability to meet enrollment demands. Between 2009-10 and 2014-15, an average of 23,000 eligible and qualified applicants were denied admittance into the CSU each year, totaling 30,209 eligible students in 2014-15, and nearly 140,000 eligible students over six years. Limited enrollment means increased selectivity, so qualified students are turned away from attending a CSU, even those which serve their own community. For example, a qualified student who lives five minutes from CSU Fullerton and applies may be denied admission and be required to commute long distances to other CSU’s around the Los Angeles area. Rising selectivity is not just a California issue, however. While the number of applicants nationwide to four-year colleges and universities has doubled since the early 1970s, the number of available slots has changed little.

In response to increasing tuition and fees, the need for increased enrollment, the decline in quality education, and the erosion of the original vision for higher education in California, the California State Legislature convened a Joint Committee on California’s Master Plan between 2009 and 2010, ironically marking the 50th anniversary of the 1960 Master Plan, to reassess the status of higher education in the state. The committee, acknowledging that higher education in California was at risk, stated that they “[reaffirm] the essential tenets of the California Master Plan for Higher Education: universal access, affordability and high quality.” The Joint Committee also highlighted the need to not only ensure access to higher education for all Californians, but also to focus on completion results, and to eliminate achievement gaps, without sacrificing quality. This reaffirmation of the original Master Plan, however, has not come to fruition. Today, the state and the CSU have somewhat recovered from the Great Recession of 2008: the state’s allocation to the CSU for the 2016/17 year was $2.8B, which is still $200M less than the state’s allocation in 2007/08.

...
As we will later explore, declining state investment, resulting in increased tuition and fees, directly impacts students’ ability to access higher education and pay for it once they get there. Obviously related to Graduation Initiative 2025, students working in order to pay tuition, fees, and cost of living expenses is a large, yet under-discussed, barrier to underrepresented and low-income students’ ability to graduate in a timely manner.

**Issues Impacting Student Success and Graduation**

The Public Policy Institute of California emphasizes four factors which contribute to slow time-to-degree for students: course availability, college preparedness, students working to cover expenses, and the availability of financial aid. In this section, I will analyze each of these individually, although many of these factors may intersect, especially for students of color, low-income students, and first-generation students.

Many students struggle to simply enroll in the courses they need to graduate. One Long Beach State student, talking about enrolling for classes, told the LA Daily News, “what I do is pray, please God, let me get my classes.” In 2013, the CSU conducted a Bottleneck Course Survey which identified 866 bottleneck courses across the CSU: at least 2,103 additional course sections need to be offered to address these bottlenecks. These bottlenecks exist because of a lack of funding to hire faculty, a lack of qualified part-time faculty, and lack of classroom or lab space to hold classes. Students struggle to make progress toward their degree if they are unable to enroll in courses.

College preparedness also plays a major role in completion rates for undergraduates, and students who enter university academically prepared are much more likely both to graduate and to graduate in a shorter time. Issues of college (un)preparedness are often caused by the quality and funding of K-12 education for students. Students who enter college unprepared for college-level coursework often need to take remedial courses, requiring more courses and time to finish their degree. In 2014, 42 percent of first-time freshmen in the CSU required remediation in at least one subject. Low-income, Pell Grant eligible students are more likely than their non-low-income peers to be first-generation and come from underfunded K-12 school districts, meaning they are more likely to require additional remedial courses and academic support.

Cost, and therefore students working to cover expenses, is also a major barrier to student success and graduation. During the 2015-16 academic year, the average price to attend the CSU was $23,565, of which only 29 percent ($6,759) was tuition and fees. Other costs include books and supplies ($1,500-1,900), transportation ($1,000 to $1,500), food and housing ($4,231 to $16,146 depending on housing situation and campus location), and miscellaneous personal expenses (around $1,400). The CSU’s own research states that there are “causal impacts of college costs and financial aid on college outcomes” and that cost of attendance affects student enrollment, completion, and choice in institution. On-time graduation rates are lowest for low-income and working students: graduation and persistence rates are highest for students who are Pell-ineligible and not working (five-year graduation rate for Fall 2009 cohort: 60.8 percent), and lowest for working Pell-eligible students (five-year graduation rate for Fall 2009 cohort: 50.7 percent).

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29 “Improving College Completion,” The Public Policy Institute of California (April 2016).
30 Josh Dulaney. “Bottleneck courses resulting in students struggling to graduate.” Los Angeles Daily News, October 12, 2013.
31 Ibid.
32 Ibid., fn. 29
33 Ibid.
35 Ibid., 5.
36 “Making College Affordable,” The Public Policy Institute of California (April 2016.)
$35M in one-time funding to the CSU to increase four-year graduation rates and two-year transfer rates, contingent on the CSU releasing plans on how they would spend that money. This triggered the CSU system to produce their current CSU system-wide Graduation Initiative 2025 plan and for individual CSU campuses to make their own campus Graduation Initiative 2025 plans. The money allocated to the CSU through AB 1602 was specifically and exclusively allocated to improve four-year first time undergraduate and two-year transfer graduation rates, not for improving six-year first time undergraduate and four-year transfer graduation rates, the rate at which many nontraditional students graduate, whom the CSU exists to serve.

The CSU has an ambitious goal: to dramatically increase graduation rates for all students and eliminate all achievement gaps for under-represented minority (URM, by ethnicity or first-generation status) and low-income students. Examples of achievement gaps that are particularity relevant to Graduation Initiative 2025 are the differences in four-year and six-year graduation rates between URM and non-URM students and between low-income and non-low-income students.

To meet these goals, the CSU system-wide Graduation Initiative 2025 plan outlines broad system wide plans to meet graduation rate goals and eliminate achievement gaps, and individual campus plans outline their own specific campus-based strategies. The current CSU System-wide Graduation Initiative 2025 Plan highlights four key system-wide strategies to improve graduation rates. First, to increase the average number of courses that students earn during the academic year above the current 12.9 units per term by adding class sections and advisors to work with students to increase their unit load.

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Graduation Initiative 2025

The Public Policy Institute of California projects that by 2030, California will be 1.1 million workers with bachelor’s degrees short of economic demand. This is a startling figure for political leaders in the state, and one that has triggered the need for more college graduates as soon as possible. Assembly Bill 1602, signed into law in June 2016, allocated

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Ibid., 17.

op. cit., fn. 34

Timothy White. “State of the CSU,” (Address, The California State University Board of Trustees, January 26, 2016)

“Addressing California’s Skills Gap,” The Public Policy Institute of California (April 2016).
Second, to increase summer and winter course enrollment by encouraging students to enroll in these courses. Third, to replace course-taking that does not contribute to degree requirements with courses which do contribute to degree requirements. Currently, students on average take about one semester’s worth of units more than the minimum required for their bachelor’s degree. Lastly, to redesign high failure courses and change pedagogy to prevent students from failing and having to retake courses. The CSU hopes to achieve the graduation rates illustrated in Table I and eliminate all achievement gaps by 2025. Strategies that aim to increase a student’s ability to enroll in highly impacted, difficult-to-enroll-in classes are likely to affect all students to varying degrees, as are efforts to improve educational strategies in high failure courses. The above strategies, however, are not inherently innovative and are not directed at specifically eliminating achievement gaps, but rather seem to be most directed at improving graduation rates for traditional, non-URM, non-low-income students. Encouraging and providing opportunities for students to increase their course load would only improve time-to-degree for students who are able to take an increased course load. Encouraging students to take summer and winter courses would only benefit students who can afford to take these courses: financial aid does not cover summer courses, and many students work full-time over academic breaks to earn money to pay for tuition, fees, and living expenses. The current system-wide strategies to improve graduation rates would be particularly helpful for traditional students whose largest barrier to graduation is not related to their ability to enroll full-time or take courses during traditional term breaks. By only highlighting the above strategies, the current system-wide GI 2025 plan ignores the realities of the very students that the initiative is claiming to support: non-traditional students, especially low-income ones, who work part- or full-time to pay for their education and living expenses, preventing them from enrolling in full unit loads. Because of this, Graduation Initiative 2025, in its current form, will fail to achieve its mission.

While increasing the availability of courses, especially bottleneck courses, and redesigning high-failure courses to promote student success would likely improve graduation rates for all students, the system wide GI 2025 plan highlights few, if any, specific strategies to close achievement gaps. Individual campuses may envision strategies to close achievement gaps with their individual campus’ GI 2025 plans, but the lack of system-wide strategies and planning to close achievement gaps as a component of the current system wide Graduation Initiative 2025 is an area of concern. Another fear about GI 2025 is that it will exclude certain types of students as an (un)intended consequence of its mission to improve graduation rates: “one way to improve graduation rates is to exclude students who face greater challenges to graduating.” If access to the CSU does not improve by increasing enrollment, graduation rates may improve, but that increase will be at least

Table I: Target Graduation Rates from Graduation Initiative 2025

<table>
<thead>
<tr>
<th>Completion Metric</th>
<th>Current Rates</th>
<th>Revised 2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Time Freshman Four-Year Graduation Rate</td>
<td>19%</td>
<td>40%</td>
</tr>
<tr>
<td>First-Time Freshman: Six-Year Graduation Rate</td>
<td>57%</td>
<td>70%</td>
</tr>
<tr>
<td>Transfer Students: Two-Year Graduation Rate</td>
<td>31%</td>
<td>45%</td>
</tr>
<tr>
<td>Transfer Students: Four-Year Graduation Rate</td>
<td>73%</td>
<td>85%</td>
</tr>
<tr>
<td>Achievement Gap by Ethnicity</td>
<td>11 Points</td>
<td>0 Points</td>
</tr>
<tr>
<td>Achievement Gap by Pell Eligibility</td>
<td>8 Points</td>
<td>0 Points</td>
</tr>
<tr>
<td>Achievement Gap by First Generation Status</td>
<td>13 Points</td>
<td>0 Points</td>
</tr>
</tbody>
</table>

45 op. cit., fn. 34

46 “The CSU Graduation & Achievement Gap Initiative,” California Faculty Association (April 2010).
partly caused by increased admissions criteria and selectivity.

At the CSU Graduation Initiative Symposium in August 2016, presenters from across the CSU highlighted unique methodologies and strategies to close achievement gaps and serve low-income, underrepresented minority, and first-generation students, giving hope that Graduation Initiative 2025 would have the ability to actually close all achievement gaps. However, current documents coming out of the CSU relating to closing achievement gaps are underwhelming at best. The largest disappointment is the way in which Graduation Initiative 2025 ignores significant causes of achievement gaps and decreased graduation rates: student tuition, fees, and cost of living. Particularly, the way in which high tuition, fees, and cost of living means that students need to work many hours per week in order to afford to live and attend the CSU, taking away time that students could be working toward their degree. 75 percent of CSU students work more than 20 hours per week.\textsuperscript{47} Not one document from GI 2025 mentions or explores the effects that cost has on graduation rates, despite the fact that the CSU’s own research states that cost of attendance effects completion.\textsuperscript{48}

Additionally, GI 2025 fails to mention how things such as student homelessness or food insecurity contribute to lower graduation rates. A recent CSU survey found that one in ten CSU students are homeless, and one in five students do not have steady access to food.\textsuperscript{49} The lack of these issues being discussed in GI 2025 is concerning: not having safe access to food or housing would surely distract students from their studies, and delay time to graduation. Since these issues are not discussed, they will not be addressed as a part of GI 2025.

\textsuperscript{47} “Made in the CSU Fact Sheet,” \textit{California State Student Association} (March 2016).
\textsuperscript{48} \textit{op. cit.}, fn. 38
\textsuperscript{49} Rosanna Xia, “1 in 10 Cal State students is homeless, study finds,” \textit{Los Angeles Times}, (June 20, 2016).