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February 17, 2010

Promise of California's Master Plan: Access Through Affordability

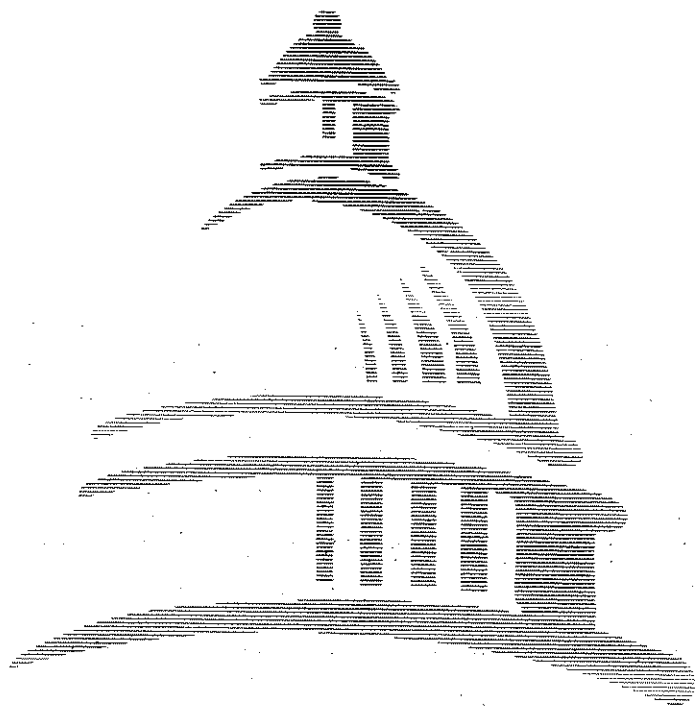
LEGISLATIVE ANALYST'S OFFICE

Presented to:

Joint Committee on the Master Plan for Education

Hon. Ira Ruskin, Chair

Hon. Gloria Negrete McLeod, Chair



Affordability Promise Not Well Defined

- ☑ Intent to cover higher education costs by a combination of state support and student fees, while ensuring that "able and qualified youth" are not deprived "educational opportunity."
  - Sets up key policy question: How much of the cost of education should be borne by the students?
- ☑ Distinguishes between "tuition" (to cover classroom costs) and "fees" (for services not directly related to instruction, such as lab and recreation fees).
  - Master Plan says students should pay fees, but not tuition.
  - Calls for periodic fee increases.
- ☑ Envisions financial aid programs to ensure affordability, with aid increasing in tandem with fees.

Affordability Generally Has Been Maintained

- ☑ Today, the distinction between fees and tuition has little meaning.
  - Fees set primarily on the basis of General Fund health rather than any direct relationship to education cost.
- ☑ Nevertheless, fees remain moderate by most standards.
  - California Community College fees by far lowest in nation.
  - University fees lower than comparison institutions.
- ☑ Financial aid available for lower-income families.
  - Cal Grants.
  - Institutional aid.
  - Federal aid.
- ☑ Overall cost remains an issue (particularly cost-per-degree).

Policy Considerations

☑ "Affordability " involves three interrelated factors:

- The sticker price of fees (for example, what a non-needy student pays).
- The availability of financial aid.
- The overall cost of education.

☑ Fees can help promote affordability and quality.

- They are a key source of support for higher education programs.
- They represent the student's investment in their education, reflecting a partnership between students and the state.
- They permit the state to target its higher education subsidies more selectively at needy students (through financial aid) rather than indiscriminately.

☑ Use financial aid—not fee levels—to ensure affordability to needy students.

☑ Pay attention to overall costs—not just the student's price.