



FOLLOW THE MONEY

**CALIFORNIA
SYSTEMATICALLY
UNDERINVESTS
IN BLACK DEGREE
ATTAINMENT**

FEBRUARY 2021

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Each year, the state of California spends billions of dollars on funding for the University of California (UC), California State University (CSU), and California Community Colleges (CCC). Those dollars are invested to ensure all California residents have an opportunity to gain the skills and education they need to participate in and advance the state's workforce and economy. Except, higher education investment does not fall equitably across racial/ethnic groups. In fact, when you follow the money, Black students are systematically underinvested in by the state when it comes to higher education funding, perpetuating economic inequity for Black Californians and the maintenance of a permanent underclass.

Systematic underinvestment in Black degree attainment did not happen by accident. Underinvestment and a lack of support for Black students to both pursue and graduate with a college degree has been reinforced by a fundamentally discriminatory funding model and higher education structure that disadvantages Black Californians. It is time for our state leaders to take responsibility for this racist funding structure and take urgent action to equitize funding so that Black students can thrive and have the same opportunities afforded to other Californians.

This brief measures the disparate student funding by race and ethnicity in California with the goal of addressing structural inequities that result in a system of higher education that spends less on its African-American/Black and Latinx students than their White peers.

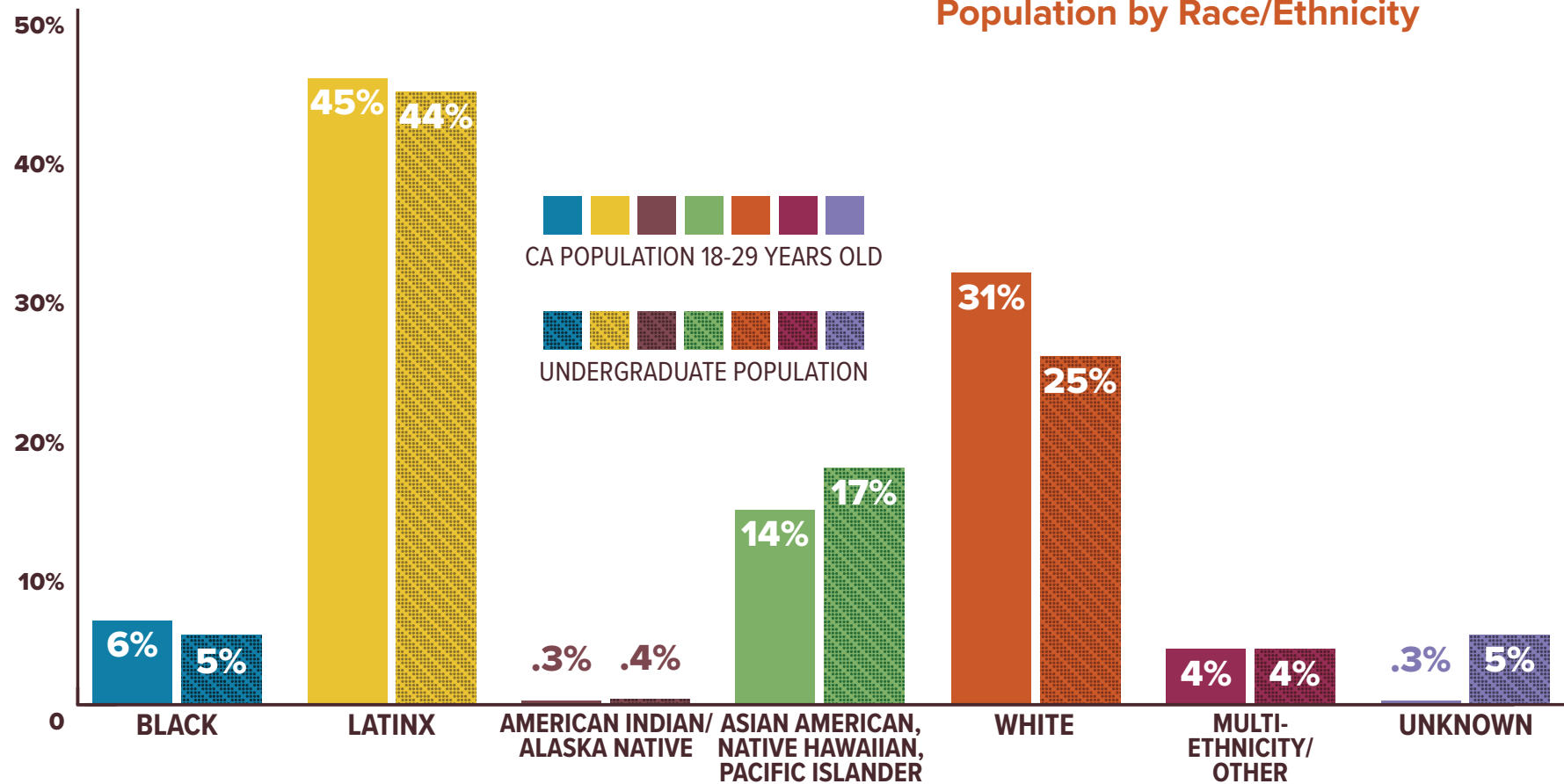


When viewed as a whole, the state's system of higher education appears to be serving students of all races and ethnicities. Figure 1, below, compares California's undergraduate public higher education population and California's population of young people, aged 18-29. These populations are broadly similar. This bigger picture, however, masks substantial variation in the enrollment patterns of California's higher education population.

Sixty-nine percent of California's population is racially diverse, and 71 percent of its undergraduate population is racially diverse.



Figure 1. California Population (18-29) and California Public Undergraduate Population by Race/Ethnicity



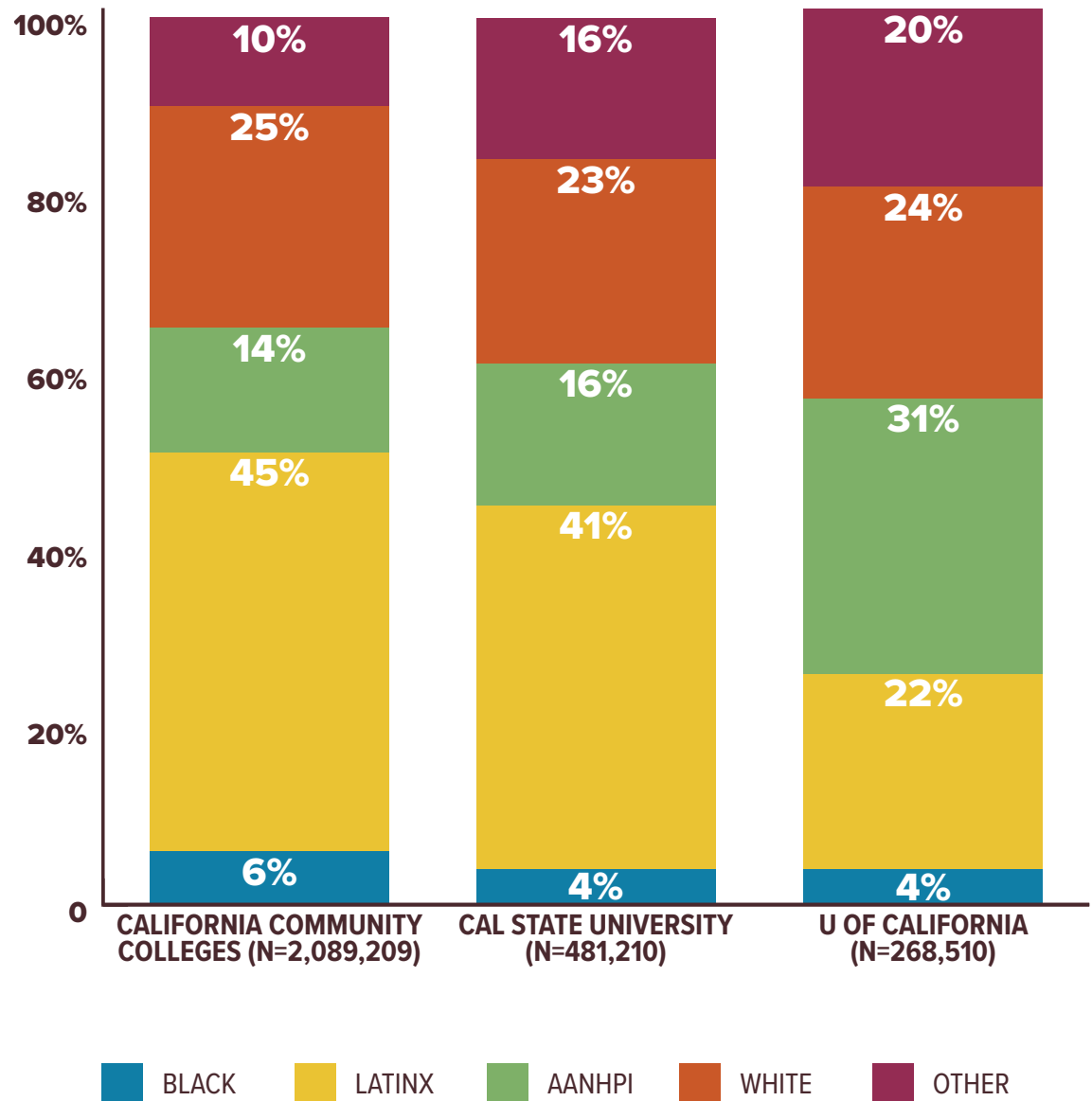
Siqueiros, M. (2020). Left Out: California's Higher Education Governing Boards Do Not Reflect the Racial and Gender Diversity of California and its Student Body. Los Angeles, CA: Campaign for College Opportunity. Retrieved from: [https:// collegecampaign.org/portfolio/left-out-governance-2020/](https://collegecampaign.org/portfolio/left-out-governance-2020/)

Historical inequities have limited access for underrepresented minorities to the more prestigious and better-funded University of California.

Indeed the UC only recently accepted a class in which Latinx students comprise the largest category of students – 36 percent – for the first time in the system’s history.¹ As can be seen in Figure 1, however, Latinx residents comprise 45 percent of the state’s 18-29 year old population. Furthermore, admission and enrollment are two very different concepts. As can be seen in Figure 2, African-American/Black students account for four percent of UC students and Latinx students account for 22 percent of the UC student population. These numbers are six percent and 45 percent, respectively, at the California Community Colleges. Figure 2 also shows the relative populations of the three segments – There are over 2 million California Community College students, compared to about 480,000 CSU students and 268,000 UC students across the various campuses.



Figure 2. California Public Higher Education – Race/Ethnicity as Share of Segment Population, 2018-19

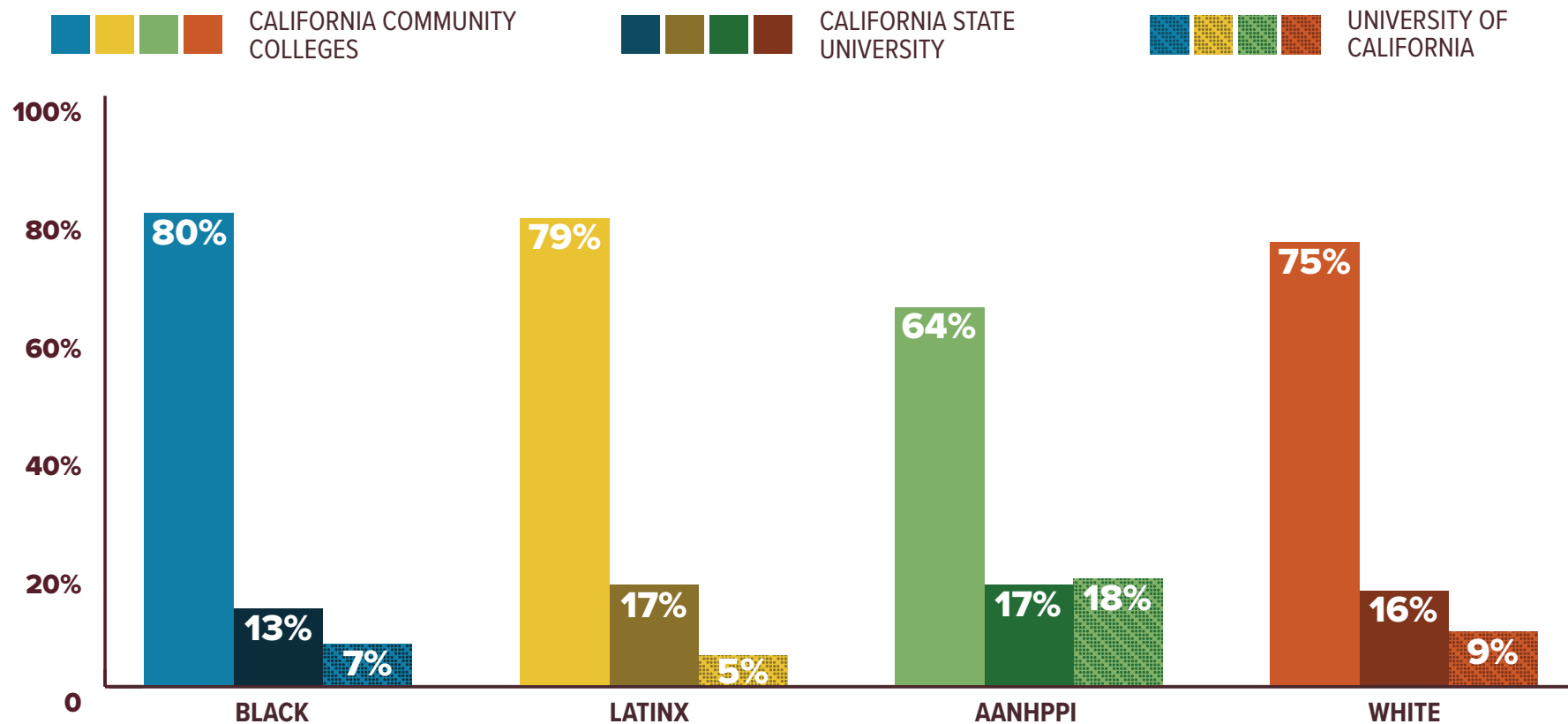


African-American/Black and Latinx students account for more than half of the CA Community College population, but only a quarter of the UC population.

Figure 3 shows the public higher education enrollment in California broken down by race and system. Across demographic subgroups, community colleges educate the vast majority of students. Even among Asian American, Native Hawaiian, and Pacific Islander students, the group with the lowest share enrolled in community colleges, almost two-thirds of students attend a community college. A much greater share of African-American/Black and Latinx students – roughly four in five – attend the state’s community colleges.



Figure 3. Enrollment in CA Public Higher Education Segment by Race/Ethnicity



Four out of five African-American/Black and Latinx students are enrolled in a CA Community College, compared to three out of four White students, and three out of five Asian American/Native Hawaiian/Pacific Islander.

Funding patterns are different across the various systems. Table 1 shows the Net Educational Appropriations for each of the three segments, as well as the headcount populations for the 2018-2019 year. These data do not include money sent to campuses in the form of Cal Grant tuition assistance. To calculate overall per-student funding, we add together the total state funding provided to each system and divide by

the number of enrolled students. Though the CA Community Colleges system does receive four times the revenue of the UC system, the community college population is several times larger than that of the UC. Given the community colleges' massive population, the overall average per-student appropriation is just under \$6,000.

On a per-student basis, the UC is funded at almost TWICE the rate of the CA Community Colleges.



Table 1. Net Appropriations and Student Headcounts

	University of California	California State University	California Community Colleges
Net Educational Appropriations	\$2,594,485,000	\$3,984,878,000	\$10,230,478,000
Student Headcount	268,510	481,210	2,089,209
Dollars per Student	\$9,663	\$8,281	\$4,897

Amounts to \$5,921 per student when averaged across the three systems.

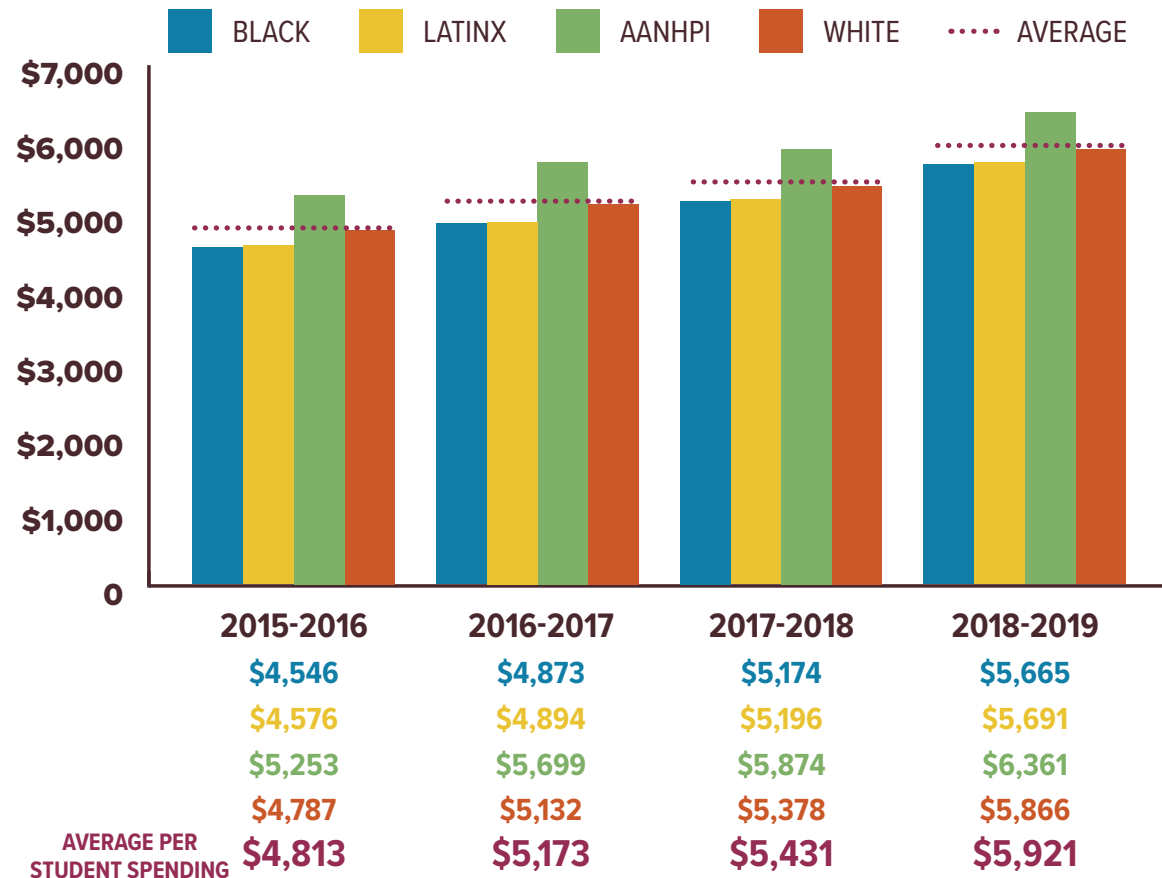
These enrollment patterns, when combined with the greater per-student funding provided to the four-year systems relative to the CCC, and the UC relative to the CSU, create a system that has consistently spent less per African-American/Black and per Latinx student than it has for each White student enrolled.

To determine average funding for each race, we evenly allocate a system's funding according to the racial composition of the system's student body. Within each racial group, we combine the funding for each system and divide by the total number of students to arrive at a per-student funding figure by racial category. The results of this analysis are presented in Figure 4.

Note: Due to differences between data sets, students who did not identify among the categories displayed were grouped together. These students were included in all calculations, though we opt not to display this bar due to difficulties with interpretation.



Figure 4. California Net Education Appropriations by Student Race/Ethnicity



In an equitable funding model, all four bars within a given year would be the same height. As shown in Figure 4, the average investment per student in 2018-2019 was \$5,921. The average investment per African-American/Black student was \$5,665.



California is one of just seven states where funding had recovered to pre-Great Recession levels.

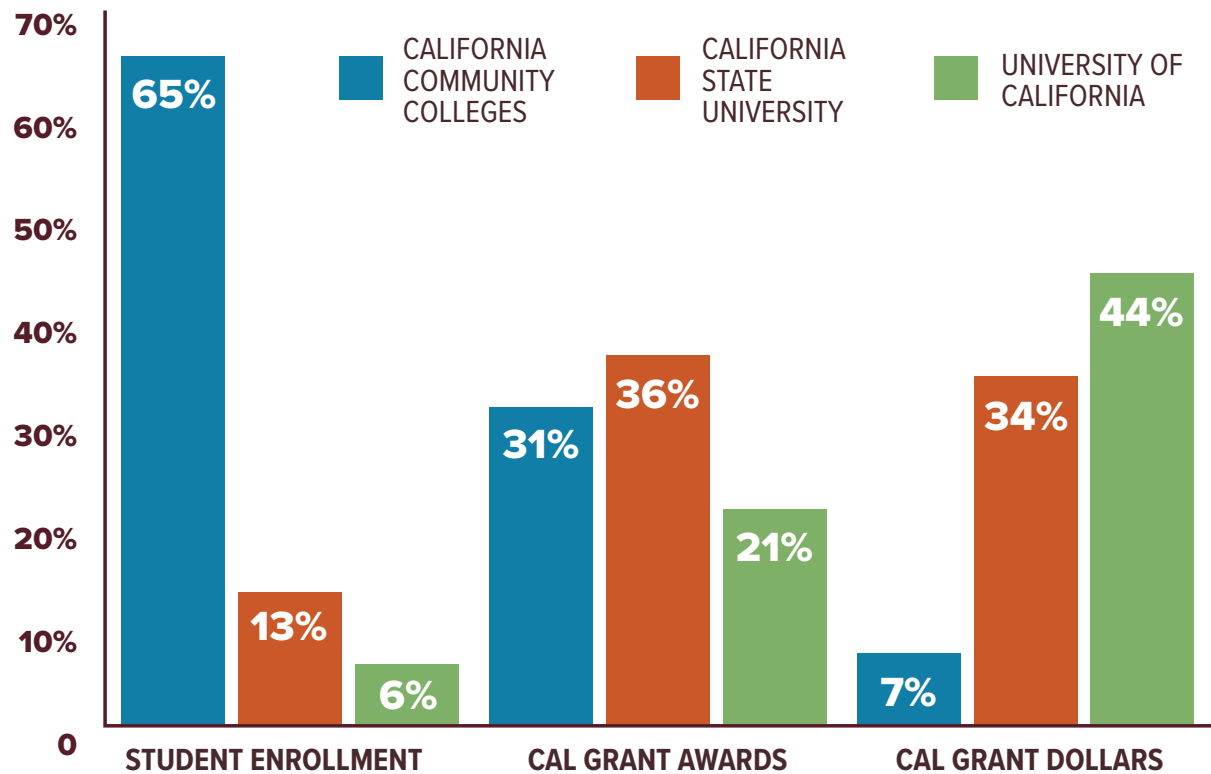
The good news is that per student funding has increased over the past four years – **California is one of just seven states where funding had recovered to pre-Great Recession levels²** – and this increase occurs across all groups. Additionally, per-student gaps in state funding by race have narrowed over the years examined in this brief. These gaps, however, remain persistent and pernicious. **In the 2018-19 academic year, the gap between per-African-American/Black student funding and per-White student funding was just over \$200**, compared to \$241 four years prior. That gap was \$175 for Latinx students relative to their White peers in 2018-19, down from \$211 four years prior.

Asian American, Native Hawaiian, and Pacific Islander students have the highest per-student funding of any racial category. This result stems from the group's overrepresentation among UC students – **over a third of the UC's admitted class for 2020 is Asian American,³** and as can be seen in Figure 2 above, 18 percent of AANHPI students are enrolled at a UC, compared to seven percent of African-American/Black students and five percent of Latinx students. We note that there is substantial variation in higher education enrollment patterns within the AANHPI population, though the data used for the analysis does not allow for a more nuanced analysis. We encourage you to read ***The State of Higher Education for Asian American, Native Hawaiian, and Pacific Islander Californians.***

It is important to note that this analysis does not include state funding delivered in the form of the Cal Grant. The California Student Aid Commission (CSAC) administers the multi-billion-dollar tuition and living assistance program. Unfortunately, CSAC does not have demographic information about the race/ethnicity of Cal Grant recipients. The Institute for College Access and Success (TICAS) reports, however, that **UC students account for six percent of the state's students (including students at private institutions), but 21 percent of all Cal Grant recipients and 44 percent of Cal Grant dollars.** **Community college students – 65% of the student population – received just seven percent of the state's Cal Grant dollars.**⁴ Given the enrollment patterns noted above, inclusion of Cal Grant dollars would likely show a larger gap in state funding by race/ethnicity, as more dollars are being spent in systems with lower shares of African-American/Black and Latinx students.



Figure 5. Percentage of Students Enrolled and Cal Grant Awards/Dollars Received by Segment



Source: The Institute for College Access & Success. (2016). *How and why to improve Cal Grants*. Oakland, CA: Author.

Implications

Community colleges in California educate the vast majority of the state's students across racial demographics. These colleges disproportionately enroll the state's African-American/Black and Latinx students, but they are funded at lower per-student levels than California's other segments. This disparity creates a system in which the state spends less per African-American/Black and Latinx student than it does per White and Asian American student. As the Governor and California Legislature consider a budget picture far bleaker than those of recent years, it is critical to ensure cuts and reductions account for an already uneven funding distribution for our state's students of color.

Acknowledgements

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Dr. Vikash Reddy was the primary author of this report. Audrey Dow, Senior Vice President at the Campaign for College Opportunity, Dr. Darla Cooper, Executive Director of the RP Group, and Sophia Laderman, Senior Policy Analyst at the State Higher Education Executive Officers Association, provided valuable feedback and insights. Committee members included Dr. Aldredge, Dr. Bush, and Dr. Curry.

This brief would not have been possible without data and support from the State Higher Education Executive Officers Association.

A Note on Data Sources

To assemble this dataset, we combine data from four sources. The first is from the Association of State Higher Education Executive Officers (SHEEO). SHEEO publishes an annual report titled, *State Higher Education Finance*, in which the organization documents trends in state support for higher education. In creating this report each year, researchers at SHEEO work with representatives from each state to ascertain how much money is spent from all state and local sources on the state's higher education institutions. As such, this dataset includes information about funding that comes from outside of the legislature's General Fund and presents a more complete picture than an analysis of legislative appropriations alone. This dataset includes the net educational appropriations for each public segment. To create a dataset that

allows for cross-state comparisons, SHEEO removes medical school funding and medical students from their analyses.

We assembled data on segment enrollments from Cal-PASS Plus, the California State University Institutional Research and Planning Office, and the University of California InfoCenter. For both the CSU and UC systems, we limited enrollment data to "State Supported Enrollment." To align our enrollment data with the finance data, we eliminated medical school enrollments from the UC enrollment counts.

Due to differences in data reporting from various sources, it was not possible to disaggregate the Asian American/Native Hawaiian/Pacific Islander group.

1 Watanabe, T. (2020, July 16). For the first time, Latinos are the largest group of Californians admitted to UC. *Los Angeles Times*. Retrieved from: <https://www.latimes.com/california/story/2020-07-16/latinos-uc-berkeley-diverse-class-history>

2 Laderman, S. & Weeden, D. (2020) *State of Higher Education Finance, FY 2019*. Boulder, CO: State Higher Education Executive Officers Association. Retrieved from: https://shef.sheeo.org/wp-content/uploads/2020/04/SHEEO_SHEF_FY19_Report.pdf

3 Watanabe (2020)

4 The Institute for College Access and Success. (2016). *How and Why to Improve Cal Grants*. Oakland, CA: Author. Retrieved from: https://ticas.org/wp-content/uploads/legacy-files/pub_files/how_and_why_to_improve_cal_grants.pdf

