

California Competes

Higher Education for a Strong Economy

The Road Ahead: Higher Education, California's Promise and Our Future Economy

California's continued economic leadership will depend on developing the talent and creativity of individuals who make this state their home. A new report from California civic and business leaders – entitled *The Road Ahead* – finds that the state needs to increase the number of college degrees and technical credentials it is producing by **2.3 million over the next dozen years**. This translates to approximately 4% more every year over each previous year.

The report from California Competes calls for streamlined management of community colleges and greater coordination across all types of colleges to ensure that these institutions best serve students and California's economy.

The Need for 2.3 Million More Credentials: For California to continue to be economic leaders, we will need 5.5 million college graduates and technical certificate holders who can succeed in the high-skilled labor market by 2025. However, we are currently on track to produce 3.2 million, leaving a gap of 2.3 million. California can and must do better in graduating students if we are to maintain our competitive edge.

Today's Student Challenges: Despite higher education being an important avenue for individuals of all ages and backgrounds to gain the skills necessary to succeed economically, today's students face too many obstacles when trying to earn degrees and technical credentials. Many students are not able to pursue the classes they need either because of overcrowding. Often the classes they need are not offered, which results in costly delays in completing their degrees.

The Opportunity to Improve, Strengthen and Streamline Higher Education: The time is right to make significant changes to improve results in California's colleges by increasing their effectiveness and efficiency. We can succeed by focusing on well-planned improvements that offer students the greatest opportunities for transformational change and help California achieve continued economic prosperity.

Streamlining Community College Management: Community colleges serve more students than any other sector, so it is essential that we work hard to make them as effective as possible. This is particularly important in California, where one-fourth of all community college students in the nation reside, yet we have one of the lowest rates of completion.

We must **streamline community college management** to better address the needs of students and be more responsive to California's economic and workforce needs.

The California Community College system office must be more flexible, responsive to changing conditions and accountable for ensuring student success. There must be a stronger advising system for students so

they have greater clarity on how to attain a degree or credential. There must also be greater emphasis on completions and transfers to ensure that all students are working towards a specific goal.

The business and civic leaders issuing the report also believe that there is a strong need to **restore clear accountability** to local boards of trustees so community colleges can more fully address the needs of local students and the local economy.

Strengthening all Higher Education: For all individuals who are part of the higher education system, it is important that degrees and credentials are meaningful and help them succeed in the high-skilled labor market. Decisions about offerings should therefore be well-informed and based on the types of degrees that are most likely to produce the greatest benefits to students and the state.

California Competes believes that the best way accomplish this goal is through a **Higher Education Investment Board**. The board could serve as a mechanism that helps the state better understand how to improve attainment rates for transfers, degrees and certificates across all colleges and universities. Responsibilities of the board would include:

- Projecting the types of degrees that will be needed in the workforce;
- Developing cost-effective strategies to address those needs; and,
- Partnering with system leaders to enhance accountability and ensure those needs are met.

Helping California Succeed: California Competes believes that, despite the challenges faced by students and the current budget cuts to higher education, a high-quality higher education system continues to be crucial to maintaining California's position as an economic leader. For this reason, California must ensure that our colleges are delivering real value at reasonable costs.

California can continue to be a magnet for investment, leadership, student achievement and innovation if we take the steps necessary to improve, strengthen and streamline the higher education system. Funding challenges only underscore the need to improve colleges and universities so that every penny invested in the system is used well.

If individuals come together and support the improvements proposed in the report, we can guarantee success for our students and California's economy.