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CA Free College- Research & Policy Memo

Unveiling Horizons: Navigating the Free College Journey in California

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Summary

The landscape analysis delves into various aspects related to free college models, California's budgetary changes, incarceration issues, and firsthand narratives. The report argues that free

college fosters more freedom and less stress for students, increasing accessibility to education and potentially reducing crime rates. It goes on with an examination of European free college models, focusing on the University of Munich's budget and Germany's tuition-free policies, highlighting the link between education quality and cost. Comparisons between European free college nations and American universities, such as the University of Munich and the University of California Davis, challenge misconceptions about free college models' impact on education quality. The analysis contrasts different models like First Dollar and Last Dollar programs, assessing their effectiveness in addressing college affordability.

Moving on to California's budget breakdown, the analysis discusses shifts in higher education funding and excessive allocations for probation and corrections. This section emphasizes the financial disparities in education and the disproportionate funding for the prison system. Personal accounts shed light on the political landscape regarding free college and California's prison system expenditure. It underscores the importance of free college, aiming to mitigate student debt and post-education financial hardships. It addresses the inequality gap in education, stressing the impact on Black, Indigenous, and people of color students and low income students.

Opponents of the free college model make unfounded claims concerning lower university success rates and inadequate finances to support publicly funded college, and they believe free college would diminish the quality of education. Ultimately, the analysis advocates for the implementation of a free college model in California, supported by verified data and realistic solutions. It aims to inform and mobilize voters, highlighting the potential benefits of free college in addressing societal inequalities and promoting educational access for all.

In California, the University of California (UC) and California State University (CSU) systems face budgetary challenges affecting college affordability. The UC system's budget has declined per student, leading to increased tuition reliance and administrative costs. Despite a massive budget, UC schools have diversity issues and rely heavily on out-of-state enrollment for revenue. Meanwhile, the CSU system struggles with rising tuition, low graduation rates, budget deficits, and enrollment drops. Affordability programs like CSU Affordable Learning Solutions aim to make education more accessible, but challenges persist. And others like the UC Blue and Gold

Plan fall short of covering average Californian families. Proposals for free college face hurdles such as cost and political consensus. Advocates suggest reallocating funds from the prison system to higher education, highlighting the comparable budgets of both sectors despite shifting incarceration trends and rising costs. Overall, addressing college affordability requires comprehensive strategies, including policy reforms and budget reallocations, to ensure equitable access to higher education in California.

Introduction

Why: America is a land of opportunity and endless dreams. With an education system that provides K-12 schooling free of charge, the U.S. values education as a right. Although the US holds an accessible primary and secondary educational system, it lacks an equitable higher education structure. Th**e** student-led movement for free college has recently found its way into the mainstream media. Encouragingly, Americans on both ends of the political spectrum are exploring proposals to institute free college. Free college would lift the financial burden associated with higher education and expand educational accessibility to those of underserved socioeconomic backgrounds. The expansion of higher education will lead to lower poverty rates, a strong labor force, and economic prosperity. While education is essential to upward mobility in American society, access to postsecondary education is not as egalitarian in the U.S. as it is in other wealthy countries. When discussing the quality of education, K–12 education is frequently the main topic of discussion, but higher education is identically crucial. This paper will demonstrate the viability of a free college model in California through verified data and case studies. This report aims to enlighten, educate, and organize voters with information relevant to policymakers, education organizations, advocates, students, and the general public. Inequitable access to education disproportionately plagues Black and brown communities. These communities have the potential and drive to succeed, yet they lack the federal and state backing that will bridge the gaps to their educational success. This report will hopefully inspire individuals and organizations to recognize the viability of free college for all. Education is an American right that everyone—no matter their ethnic or socioeconomic background—should have, along with the resources to succeed.

What: This landscape analysis will provide data on European free college models, California budgetary changes, incarceration, and firsthand narratives on educational resources in California prisons. I will begin with the European free college model, going over the University of Munich's budget before venturing into Germany's free tuition policy. Next, I'll utilize this to gauge Germany and the U.S. and establish a link between the cost and quality of educational institutions. I'll follow into California's budgetary breakdown, addressing shifts in higher education and budgets for probation and corrections. This aims to bring forth the financial shortfalls in education and the overabundance of funding for the California prison system. I'll provide an overview regarding the shortcomings of the substantial budget, for-profit model of operation and the subpar services that California prisons provide. I will then dive into some personal accounts from blank and blank to analyze the free college political scene as well as California's prison system usage of funds.

Why is free college a good idea?

Reduce student debt and post-education financial hardships

College affordability is a major issue that impacts millions of students entering college. More than half (57.4%) of all undergraduate students in the U.S. take out federal student loans to afford postsecondary education (NBER 2022). It even shows that people of color are at a higher disadvantage, with people of color on average taking out more loans than their white counterparts. As of 2023, there are over 40 million loan borrowers in the US with a total outstanding loan debt of $1.645 trillion (Federal Student Aid 2023). The average undergrad student will end up borrowing around $32,000 just to earn their bachelor's degree. For some context, the average cost of living in California is $53,082, while the starting salary is $52,000, according to the U.S. Bureau of Economic Analysis. Following graduation, students have increasing pressure to immediately obtain a job to pay off loans rather than focusing on building their personal capital and exploring their intended careers. Students who couldn't finish their degrees and took out loans are left with excessive debt while earning low wages. Excessive student loan debt can also impact a student's ability to attend graduate school and their capability to make larger purchases such as a home and or vehicles. Reasons why delaying large purchases negatively impact an individual and a country are related to economic spending and capital. Piles of debt on young adults can lead them to feel trapped in a cycle of financial hardship that leads them to no other alternative than to accept and power through the first employment opportunity they can obtain.

Free college could help lessen the current inequality gap

The inequality gap among Black, Indigenous, and people of color (BIPOC) students and those from families of low income show a stark contrast in comparison to white families of higher income. On average in America, 40% of students drop out of public universities because they can't afford it anymore, and 79% delay their graduation to pursue jobs (Hanson & Checked 2023). With the average annual cost for a four-year public institution for a student living on campus being $26,000 and $32,900 for a private institution, it is much more difficult for families of lower to middle class to afford an education (NCES 2023). The National Bureau of Economic Research (NBER) found that white students—especially those of middle to higher income—benefit from the Free Application for Federal Student Aid (FAFSA) not assessing parental assets, with home equity and retirement plans excluded from grant calculations, leading to more aid. NBER states, "White students tend to receive implicit subsidies (funds) that are $2,200 and $800 per year greater than subsidies received by Black students and Hispanic students, respectively" (Levine & Ritter 2022 P. 3). BIPOC students and their families are financially burdened, with BIPOC student loan borrowers three times more likely to be behind on student loan payments. The newly revised FAFSA application has yet to show its promised innovations.

More Freedom, Less Stress

Students who are unable to afford college frequently have to work part-time jobs, which can interfere with their educational pursuits. In its Student Financial Wellness Survey (2023), which the Trellis Company conducted, 66% of survey respondents stated that they worry about their ability to pay for tuition. More than half (58%) of students stated they have difficulty concentrating on their school work due to their financial situations. Research suggests that students suffering from financial burdens during college often develop mental health issues, drop out at higher rates, and have poor academic performance. A Columbia University sponsored survey found that two-thirds of student affairs administrators felt that mental health is their top concern. Despite the ongoing debate of the accruement of a four-year degree, the average annual salary for a bachelor-degree-holding worker age 22-27 is $60,000, whereas a high school graduate has an annual salary $36,000 (APLU 2024). Nondegree holders maintain higher unemployment rates at 4%—nearly double that of college graduates. Not to mention, during times of recession, college-educated workers display lower rates of unemployment. In a report conducted by Pew Research Center, it was found that during the COVID-19 recession, non-degree-holding workers exhibited an unemployment rate of 18%, compared to 10% for workers with bachelor's degrees. Without the consent burden of high tuition, financial freedom lowers student stress and in return has the potential to create more funds that may drive the economy in the long term.

More people can go to college

With the rising tuition and housing cost at universities throughout the country, a state-funded education has the potential to positively impact attendance rates. An NBER study (2023) suggests that a free college model will encourage higher enrollment and attendance rates due to its ability to dismiss risk assessments related to college financing and eliminating FAFSA as a barrier for first generation families. Many students aspire to obtain an education and expand their intellectual assets, but a college education can be very costly. Students from families of low income often decide not to attend college to avoid taking out student loans or becoming a financial burden to their families. If the cost of higher education were no longer a factor in the decision to attend or not, students would be empowered to make decisions that are more aligned with their aspirations without the fear of education contributing to their financial burdens. With the expansion of college attendance, a stronger, more educated workforce will emerge that will lead to increased levels of gross domestic product (GDP). A stronger workforce will be created with the increase in educated citizens who have the potential to drive technological and societal innovations. Highly educated states tend to exert some of the highest rates of GDP per capita worldwide. A study that the University of Georgia conducted concluded that a 1% increase in state college or university graduates would boost GDP by 0.5% (Burt 2022). The investment in a free college model will raise enrollment and in return drive our economy into prosperity ramping up our nation's success.

Decrease crime

A state-sponsored free college model would generate positive social effects. Studies show that increased access to education would lead to a decline in crime because more people would have access to desirable employment and higher education. Increasing college graduation rates leads to a decrease in crime rates and a 5% increase in graduation, which means a 17% decrease in the homicide rate (Gonzalez 2015). The idea is that less youth are on the streets living in poverty and involving themselves in criminal activities; as a result, criminal homicide rates will decrease with the rise in educational opportunity. The evidence highlights a clear connection between increased college graduation rates and decreased crime. Funding students' education rather than expanding the prison system could help to curb crime rates in California.

European examples of free college systems: University of Munich vs. UC Davis

Several European Union (EU) nations have a long-standing history of providing free to low-cost college. Countries such as Norway and Sweden fully cover the cost of their citizens' higher education with the exception of minor campus fees that aren't more than 500 euro per year. Most free college models even allow foreigners to study abroad for free. For example, in Germany, all citizens of EU and non-EU nations study at their public institutions free of cost. European nations funded their institutions through their massive tax system, which compared to the U.S. can be seen as implausible. The average individual income tax bill in most European nations with a free college model ranges from 40% to 55% of gross income. These heavy tax bills may seem ludicrous compared to 13.6% for the average American tax rate and 10% for lower-income households (Foundation 2024). But it is essential to keep in mind that many of these European nations hold strong social safety nets that have instituted welfare state regimes intended to steer away from the traditional as-needed system utilized in America. Europe on the other hand holds some of the strongest welfare regimes in the world with some of the most-effective social policies and preventive health care systems. Examples of these policies include the universalist health care policies in Nordic countries that cover health care for all citizens mostly through public provisions. Most European nations hold contributory social policies where taxes finance child care, pensions, family leave, and unemployment insurance. These European nations fund their free college models proactively through taxation, a collective investment that pays off economically for each country.

Table 1: Free College Nations in Europe

Nation	**Cost**	**Eligibility**	**Tertiary postsecondary educational attainment percent (ages 18-24)**	**Gross domestic product per capita**
Germany	150 to 250 euro per semester	All European Union (EU) citizens and foreign students	35.1	$48,756.00
Norway	Free	All EU and European Economic Area (EEA) citizen	50.9	$79,636.27
France	170 euro/year	All EU and EEA citizens	49.4	$27,386.53
Denmark	Free plus government stipends of 900 euros/month if not living with parents	Danish citizens and EU citizens (no stipend)	47.1	$40,066.03
Austria	First two semesters free all others 363 euro/semester	All EU and EEA citizens	41.4	$46,697.86
Finland	Free	All EU and EEA citizen	43.8	$52,135.25
Sweden	Free	All EU, EEA, and permanent residents	49.2	$55,985.97

University of Munich vs. UC Davis example

One of the most common arguments against instituting a free college model is that it would create an inevitable low-cost system that would deliver lower educational quality. The concept behind this argument is that four-year public institutions will have no choice but to cut higher education budgets, which may decrease access to course material, qualified staff, and/or technology. To assess this concern, I present a comparative analysis of two universities, Technical University of Munich (TUM) and UC Davis. TUM and UC Davis have similar enrollment numbers but a *massive* budget difference (Note: Data in this section is from 2020).

- UC Davis' total enrollment of both undergraduate and graduate students is 40,000, and at TUM, it is 50,000.
- UC Davis' budget is $3.78 billion (excluding medical center) in 2023, and TUM's budget is 1.8 billion euros ($1.9 billion).
- Academic ranking is a crucial factor that many opponents of free college present related to free college models in Europe, especially when comparing to the education quality in America. According to U.S. News and World Report, UC Davis ranks 73rd in the world for best global universities, while TUM ranks 30th.
- In this juxtaposition, TUM—a university with 10,000 more students that ranks significantly higher on the international academic ranking spends much less money per student while maintaining a higher level of education and providing free tuition.
- This leads to the question: Where does budgeting go wrong for colleges and universities in the U.S.? Why does TUM, which spends around the same amount as UC Davis, rank higher in quality of education, enroll 10,000 more students, and can afford to provide free tuition?
- Higher income tax rates in Germany range from 12% to 45% using the same progressive tax bracket system as the U.S.? Generally speaking, Germany holds a bracket system where individuals who fall under higher income levels are taxed at higher rates with an additional 8% or 9% tax imposed for members of the Catholic church. The highest tax rate is 45% for those earning more than 277,000 euro. There is only federal income tax in Germany.
- The U.S. tax bracket can range from 10% to 50% depending on state. These differences aren't grand, especially taking into account a high tax state such as California, which has the highest tax rate in the U.S, of up to 12.3% for state income tax alone.
- The German average salary is 45,00 euros ($48,722), and that is tax at a rate of 36%

percent (McEvoy 2023). In California, the average salary is $76,000, which is taxed at a rate of 32% (USBLS 2024). The average tax difference between the two isn't grand but can be impactful.

Welfare state

It is crucial to understand that I am not stating that America should adopt a similar tax model as Germany. Instead, I argue that with a lower total budget and strong government support, TUM is able to maintain its educational ranking while providing free tuition. I understand that the welfare state and domestic politics dictate the strength of a country's social safety net. As Table 1 displays, there is a high GDP per capita trend in countries that provide free college tuition. These are generally Nordic nations, but their welfare state model explains why they provide these services. The social democratic models see social benefits as rights of citizenship where universalism is the founding ideology. Universalism is a model that seeks to provide benefits of social policies to all of a nation's citizens regardless of economic status or background. This model is by far the most effective and equal with social policies such as universal health care, paternal leave, and free higher education. With an inequality gini coefficient, a measurement of income inequality, of 0.273 and a poverty rate of about 9%, Sweden's democratic social regime is by far the most attractive and beneficial at fighting income disparities while providing inclusive social services. In sum, the welfare state typology heavily influences the strength of the welfare state regime because it is a basis of the type of social policies as well as its benefit qualifications. In contrast to Nordic social democratic regimes, the liberal model inhibits a means-tested poor relief system that provides welfare benefits to only poor populations. The liberal model uses a means-tested system where government assistance is given to only those who demonstrate need.The issues with the liberal model stem from its high stigmatization and low decommodification, which we see in the U.S.'s reliance on the market. Political scientist Kees Van Kerbengen states, "if citizens wish more than basic protection—life insurance or a private pension scheme—they need to purchase that on the market or acquire it via the employer" (Kerbengen 66). The issues that the market-based welfare model presents are that it incentivizes rich classes to seek high-quality services that the market provides that, without the state, the poor population cannot afford. This is why a tax reform to strengthen the U.S. welfare state would seem radical. The U.S. welfare state policies are in no way convergent to that of

Europe’s and are by far weaker.

Last dollar vs. first dollar models (free college model alternatives)

College students and recent graduates in the U.S. are more in debt now than they’ve ever been, according to the NY Post.. As tuition continues to rise, these issues seem to have no end. Various states across the U.S. have, in fact, attempted to mitigate the growing financial crisis present in funding college tuition by instituting scholarship programs that grant additional financial aid. These are programs that are usually labeled first dollar or last dollar grants that give money before or after aid needs. Although they have been shown to be slightly effective, they still leave students with crippling debt. Here’s how these free college alternatives do not offer the same advantages as the free college model.

First dollar

- First dollar states will cover the cost of tuition and fees before factoring in financial aid. Regardless of the amount of aid a student receives under a first dollar program, a specific amount will be granted for tuition, fee, transportation, room, board, and other school-related expenses.
    - Ex: Jim was granted $10,000 in federal grants to pay for his $15,000 tuition and fees. Apart from this, he was granted $8,000 from his state, and he can use the $3,000 that is left over for any school expenses. Under this model, the $3,000 is refunded to the student and the grant is considered before the tuition aid is involved.
- Students of low income can pay for not only tuition and fees but also living expenses, books, transportation, and other educational materials by combining need-based state and federal grants on top of first-dollar scholarships. These costs make up approximately 80% of the cost of attending community college in the U.S., according to the University of Wisconsin-Madison.
- California Promise College Program: A California grant program initiative passed through Assembly Bill 1741 in 2016. This program waives all tuition/ class enrollment fees at the participating California community colleges (CCC) for all California residents. This program may also cover the parking permit cost, material, and any textbooks.

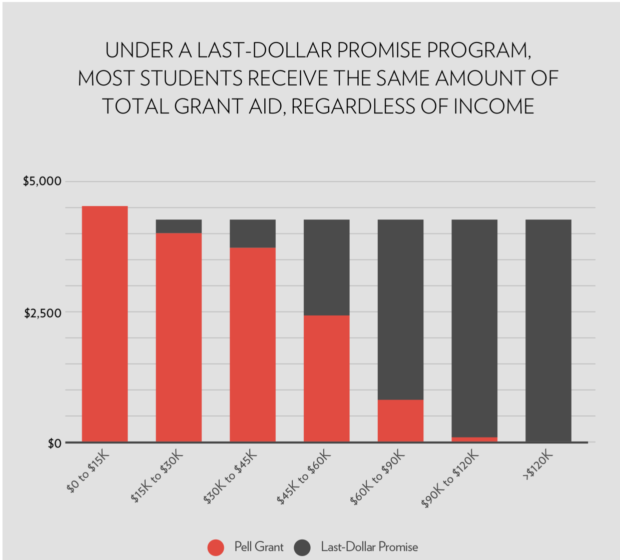
- Pros: Higher range of coverage for various family incomes, especially targeting families of lower income, can cover unqualified expenses such as room and board (if enough aid is left over after cover tuition and fees). This is easier to fund due to coverage being based on tuition and fees.

Cons: The first dollar model is twice as expensive as other models, and it still allows for student loans. If students receive aid under the a first dollar model, anything left over that the state assumes as estimated family contribution will be granted through a loan.

Last dollar program

- Last dollar programs will cover the cost of tuition and fees after factoring in financial aid. After all of the grants, scholarships, loans, and or work-study, a student's aid will be based off of the remaining cost of attendance. This will essentially cover their expected family contribution.
    - Ex: FAFSA granted Joan $12,000 in grants including loans and aid money to pay for her $22,000 tuition and fees. Under a last dollar model, the remaining $10,000—assuming that her expected family contribution is $0—is granted to pay for the difference that was not covered under financial aid.
- In 2017, New York instituted a last dollar program to provide students of low and middle income with free tuition to four-year universities. As a last dollar program, the Excelsior Scholarship is intended for New York resident students whose families make less than $125,000 annually. The requirements for this scholarship are that students must keep a 2.0 GPA, enroll full time, and find employment in New York state after graduating.
- Pros: Last dollar models are cheaper to fund than alternative models, and they expand coverage to a wider range of incomes levels. An example of covering a wider range of income levels is the California middle class scholarship that grants scholarships to California students of middle-class income generally upward of $100,000.
- Cons: This model is less beneficial for families of lower incomes; families with middle and high incomes will consume the majority of the last dollar budget.

  Chart A

- 

Key legislation and political action

The free college movement is not new to the political realm because issues of college affordability and attendance have been present for some decades now. Legislators in California started the movement with a push toward the expansion of the CCC system that has led to several pathway programs into four-year universities. Like many political movements, opponents have attempted to shut down efforts at free college; but with great success, advocates alongside legislators have managed to pass significant bills.

Key legislation

- AB1862: Assemblyman Miguel Santiago proposed this bill, but it did not pass in the California 2020 election. The proposal attempted to provide free tuition for students who revived their associate degree at a California community college, and it would have covered their first two years of enrollment at a California state university.
- SB 412: This bill establishes that a minimum of 10 California state universities must launch the California Promise program and make a commitment to a student who meets the requirements to help them earn a bachelor's degree in four years. It will also assist students who hold an Associate of Arts degree and transfer into a four-year California public university.
- AB 928:Marc Berman proposed this bill, which was approved in 2021. The proposal

established the Associate Degree for Transfer, which would expedite the procedures for transfer students and ensure enrollment in the UC and CSU systems. This was generally a pathway for community college students into four-year universities to make college more affordable and streamline the process.

- AB 132: This bill was proposed and amended in 2022. This bill established the expansion of the Cal Grant (California college financial aid grant) and revised the middle-class scholarship that covers the difference in cost of attendance and financial aid. This bill also grants $115 millions for the Zero Textbook Cost degree program, which is a grant to cover the cost of textbooks at California community colleges.
- AB 1291: This bill was proposed and amended in 2023. This is essentially a pipeline for California community college students to establish a pathway into the UC system. This pilot program was intended to provide a clear guideline between the Associate Degree for Transfer program board, UCs, and CSU to increase transfer admission into UCs. This bill will launch a trial program at UCLA that will provide priority admissions to CCC transfers of specific majors.
- SB 4: This bill was proposed and amended in 2023. This law will increase affordable housing projects for public colleges in California by streamlining the permit process and overriding local zoning restrictions. This bill is key for California students and families because the student housing shortages at various California public situations significantly increase the cost of attendance for students.

Although California has made tremendous steps in expanding college accessibility, it still lacks a program that can transform college attendance rates and provide tuition-free education to all Californianas.

Political action

Political advocacy organizations are essential actors within the free college movement. Organizations have mobilized voters, funded campaigns, and gathered data to support free college programs nationwide.

Some free college/college affordability organizations are:

- RISE:
    - RISE is a nonprofit organization that establishes student-led advocacy campaigns

    surrounding access to higher education, financial aid, campus resources, and debt relief.
    - In 2020, RISE mobilized more than 100,000 college students and youth voters in electorally contentious states such as California, Georgia, Michigan, Pennsylvania, and Wisconsin.
    - RISE's advocacy campaigns have influenced the creation of free college programs in various stages of development, ranging from proposed to operational in California, Michigan, and New Mexico.
- The Campaign for Free College Tuition:
    - This is a nonprofit bipartisan coalition that strives to formulate policies nationwide that support college affordability and free college programs.
    - It receives funding for independent research that tracks tuition pricing trends, emerging college data, and key legislation.
    - It partners with local organizations, U.S. legislators, and research institutions to push for free college policy.

UC and CSU System

California Public Institutions

Supporters of free college must understand that the operating budgets of the CSU and UC systems as well as the California government budget must be transparent to address the pervasive free college challenges in California. Often opponents of free college policies say these proposals are far too expensive. The primary issue with California's public higher educational system is its lack of funding relative to other California social safety net sectors. Although funding is an issue, the use of funds has also presented an obstacle to free college because administrative costs are high in the CSU and UC system.

UC Budget 2023-2024

- $46.9 billion UC budget in 2022-2023
- 10 campuses statewide
- 295,573 graduates and undergraduates enrolled
- Enrollment by ethnicity:

    - 4.7% African American
    - 23.3% Hispanic
    - 0.6% American Indian
    - 0.3% Native Hawaiian/Pacific Islander
    - 33% Asian
    - 21.6% white
    - 2.7% domestic unknown
    - 13.9% international
- 33% Pell Grant recipients
- 37% first-generation students

Issues with the UC budget

It isn't news that UC, although the largest public higher education system in California, has struggled to maintain an efficient spending strategy with its limited budget. In response to the state's lack of funding, the UC system chose to increase tuition prices to meet budgetary gaps. The increase will only further restrict those with financial troubles and, as a result, will constrict educational attainment.

- Since 2000-2001, core funding per student has declined by over 33%.
- "As a percentage of the University's core fund operating budget, student tuition and fees have grown from less than 10% in 1980-81 to 57% in 2020-21, while State support has declined from 87% in 1980-81 to 39% in 2020-21" (*UC Accountability Report* 2021).
- "The number of those making at least $500,000 annually grew by 14% in the last year, to 445, and the system's administrative ranks have swelled by 60% over the last decade — far outpacing tenure-track faculty" (*UC Accountability Report* 2021).
- The UC system has statistically become more expensive and more reliant on the revenue made off of tuition and fees. Although there has been an increase in people of color enrollment populations since the 1960s, tuition has increased an average of 2.5% annually over the last 20 years. In 2013, tuition was set at $11,160, and now as of 2023, it is $14,436. These increases have heavily burdened many campuses and have caused outrage statewide. Administration cost have also grew over the last decade due to a 60% rank increase in UC administration.

- In comparison with its international population as well as its out-of-state enrollment numbers totaling over 15% compared to CSU, UC heavily benefits from out-of-state tuition, which is $34,000 dollars.

Current affordability plan issues:

- Current UC blue and gold plan: For California students whose annual family income is under $80,000 and who qualify for financial aid, gift aid (grants and scholarships) fully cover systemwide tuition and fees during the first four years at UC (or two years for transfer students).
- The average family income in California is about $125,000, and the median is $85,000. This policy doesn't even cover the average family in California and families of lower class to middle class are left with the financial burden of college costs.
- Stats show that to live comfortably in California, a single person needs a salary of $80,000. The issue with the blue and gold plan is that it doesn't even cover the average California family. This is a current issue in the UC system affordability programs because only 33% of those enrolled at UC schools qualify and receive pell grant assistance.

Why not fund UC for free college

The UC system is a massive educational network that holds some of the most prestigious institutions in the U.S. From issues regarding origin of funds of the budget to issues present within its demographics, a free college model may not be as beneficial in the UC system as would the CSUs. Let's look at diversity issues, the massive UC budget, the out-of-state population, and the high reliance on tuition within the UC system.

- Diversity issues: Although UC hosts one of the most diverse higher education systems compared to other states across the country, it still doesn't bear comparison with the CSU system. UC's top universities fail to equitably represent California'ss young Black and Latino populations. Through its study, the Urban Institute found that Latino students are underrepresented at seven of the nine undergraduate UC campuses. Black students are underrepresented at all undergraduate UC campuses. According to the population of 18- to 24-year-olds, Hispanic students are underrepresented by 21 percentage points at UC

San Diego, and Black students are underrepresented by 4 percentage points (Monarrez & Washington 2020). Not to mention, after the Supreme Court struck down affirmative action, enrollment of Hispanic and Black students plummeted 40% at UCLA and UC Berkeley.

- UC's massive budget: The total UC budget in 2023 was $46.9 billion; this is greater than the combined budget of the CSU and CCC systems. The UC alongside the CSU system saw a state support increase of over $200 million despite the budgetary crisis. Despite the CSU system's substantial size, higher education budgetary acts tend to benefit the UC system relative to its enrollment size. In no way is this to say that the massive budget size is an issue for the UC system, because there are still considerable areas of funding and uncompleted projects that must be fulfilled.
- Out-of-state enrollment issue: The out-of-state enrollment issue has been present in the UC system for decades, especially in its top universities, such as UCLA, UC Santa Barbara, and UC Berkeley. In 2020, the admitted out-of-state freshman population class systemwide was 19%, with some campuses enrolling up to 26% of the total incoming class. For comparison, the CSU system hasn't admitted over 6% of out-of-state students for the total incoming class systemwide. The UC system has had major issues with nonresident enrollment, which in consequence led to the proposal by the Senate's budget subcommittee on education that would effectively set a 10% limit for out-of-state enrollment by 2033.
- High tuition reliance: The UC system benefits highly from tuition, with 57% of its total budget dependent on tuition and fees (*UC Accountability Report* 2021). For some comparison, out-of-state tuition and fees for UC undergraduate institutions is a little over $50,000; while in-state tuition is set at $14,436. Reforming a system that is highly dependent on tuition for the majority of its budget is vastly complicated. Out-of-state students make up 16.6% of UC's total student population. This makes it billions of dollars in profit from out-of-state students. Although the reversal of this model is possible, the financial burden presented by funding a tuition-funded budget can prove difficult

CSU system

The CSU system is the largest higher education institution in California that comprises several campuses and serves a majority California resident population. The CSU model is shaped around five key points but the most essential are access and affordability. First, access to resources and an adequate education is what makes the CSU effective system available to hundreds of thousands of Californians. Second, it offers affordability. The CSU system is notorious for its low-cost model—it holds less than half of the UC total budget and doubles its student population. The section below will display how crucial the racial and financial demographic of the CSU system is to understanding why the implementation of a free college model under this system would be more beneficial.

- $8.1 billion CSU budget in 2022-2023
- 23 campuses statewide
- 457,992 graduates and undergraduates enrolled

CSU 2022 enrollment:

- 47.7% Hispanic/Latino
- 21.0% white
- 16.0% Asian
- 4.3% two or more races
- 4.0% Black/African American
- 3.4% international students
- 3.2% race and ethnicity unknown
- 0.3% Native Hawaiian/other Pacific Islander
- 0.2% American Indian/Alaska Native

Where CSU students are from

- 94% of all enrolled students are from California.
- 94% of new undergraduate transfers are from California community colleges.
- 88% of first-time students attended California public high schools.
- Nearly 460,000 students enrolled in CSU in fall 2022.
- More than half of CSU students are from traditionally underrepresented backgrounds.
- Nearly half of undergraduates receive the Pell Grant.
- Nearly one-third of undergraduates are the first in their families to attend college.

Financial population stats:

- 82% of all CSU students received financial aid.
- 60% of allCSU undergraduates paid $0 tuition.
- 50% are Pell grant recipients.

Issues in the CSU system:

- Rising tuition: Rising tuition has been an issue throughout the CSU system that saw a 6% annual increase in tuition over the next five years as of 2023 (Zinshteyn 2023). Tuition will increase $342 because the total tuition will be $6,084 per year (2023). By the end of the five-year plan, the tuition will have increased from $5,742 to $7,682 (2023). The rise of tuition is in part due to the large budget deficit—a report concluded that CSU revenues from tuition and state funds will be 29% to 41% less than what is needed by 2030 (Cal state 2023).
- Graduation rates: Compared to the national graduation rate for four-year degrees (62%), the CSU system has struggled with its current rate being at 35%. Preliminary data released in 2023 show that the CSU's systemwide four-year graduation rate for first-year students remains at 35%, nearly doubling the rate (19%) at the launch of the initiative in 2015 (Smith 2023). The graduation rate falls to 28% in 2022 for minority students and individuals of low income.
- Budget deficit: The year 2021-2022 saw a huge deficit in funds, with the overall CSU system seeing a $1.5 billion gap (Zinshteyn 2023). This came after its 40-page report in 2021 revealed that many sectors in the funding are not meeting their financial goal, with student services being the least funded at 68%. This also doesn't take into account the $6 billion in back-up construction maintenance projects across various campuses.
- Enrollment drop: With the rising cost of college tuition and the financial hardships that the COVID-19 pandemic caused from 2019 to 2023, CSU enrollment staggered 6% from 2019 to 2023 (Smith 2024). The largest impact occurred in 2020 when all campuses went remote with campuses such as SF expediting a 20% drop in enrollment, which was by far the worst statewide.

Current affordability programs:

- CSU affordable learning solutions: This is a college affordability program that is intended to make college resources and material more accessible and affordable to students of low income. CSU has increased the number of courses that use free or inexpensive course materials from Affordable Learning Solutions in an effort to increase retention and promote fair access to education. The program saves CSU students approximately $77 million annually (Rubl 2021).

- Basic Needs Allocation Funds Housing Grants: Upon receiving $10 million in recurring funding for basic needs projects from the 2022-2023 California budget, the CSU encouraged its schools to allocate half of their allotment to student housing needs (CSU 2022). The Legislature also extended a grant of $492 million to build over 3,000 total occupancy dorm spaces across nine of their campuses. That was approved to meet rent crisis corners across various campuses, specifically San Francisco, Humboldt, and Dominguez Hills.
- 2023-2024 Budget Increase proposal: At the beginning of 2024, Gavin Newsom announced that the CSU system as well as UCs will be receiving an increase in budget despite the ongoing state budgetary concerns. Newson proposed a 5% increase, which equates to $227.3 million in total CSU budget to be contributed by the state starting in the new year.

The CSU system has increased its efforts to expand financial programs that will serve a majority of their students. From programs that advocate for housing availability to educational resources access the CSU has pushed the CA legislators to expand college affordability programs.

California Budget and the Incarceration System

California budget relocation proposal

As I have mentioned previously, free college can be highly beneficial to not only low-income communities but also societies as a whole. From lower student debt to expanding access to higher education, a free college model would highly benefit California. This proposal is not very simple to comprise, with issues such as cost and political consensus being the main concern for many free college advocacy groups. Models such as the first dollar and last dollar programs have their perks but ultimately fail to expand access to higher education in comparison to a tuition free model. In this section, I will discuss the CA state budget and propose reallocating funds from the prison system into higher education. I will discuss the budgetary trends of the CA incarceration sector and discuss the benefits in funding education.

California budget

- The total state budget for five of its major sectors is $311 billion, which is funded through income tax, sales and use tax, and corporate tax.
- 2023-2024 Corrections and Rehabilitation California Total Budget: $18,543,197,000 ($14,749,820,000 out of the budget is from general funds), 6% of total budget
- 2023-2024 Higher Education California total budget: $23,487,749 ($23,487,749,000 out of the budget from general funds), 7.4% of total budget

It is evident that the California prison budget is on par with higher education. These numbers don't explain the full story, but from a comparative standpoint, they demonstrate that Californians care about higher education just as much as they do maintaining the incarceration system.

California incarceration budget issues:

Rising Budget Trend: California incarceration system budget has been on a rise despite the ongoing budget crisis and the drop in prison population. In 2000, the incarceration and rehabilitation budget was only $4.4 billion (adjusted for inflation, it's about $7,880,573,751.45 dollars today), which is almost double of what the budget is today (CADF 2023). In addition, the huge decrease in inmates doesn't align with the increase in budget; the year 2000 saw a California inmate population of 165,090 (Hayes et al 2022). This drop from the year 2000 does not concur with its budget that is set to increase another 3%, while sectors such as inmate education and rehabilitation have been neglected yet again. The soaring medical costs over the past 10 years are at over 67% due to the vacancy at many prison facilities (Hwang & Duara 2024). California has splurged a mere $1.1 billion on temporary medical staff over the last five years, and some of the shortages have leveraged the power dynamic for the prison doctor union that was successful in pushing for a $42,000 bonus on top of its existing annual raises and benefit enhancements (Hwang & Duara 2024).

Inmate population drop: As shown in Figure 1, the average daily prison population is projected to be 93,400 in 2023‑2024, a decrease of about 2,800 people (3%) from the estimated current‑year level (LOA 2023). The average daily parole population is projected to be 41,300 in 2023‑2024, a decrease of 2,300 people (%) from the estimated current‑year level. To show the progression of the inmate population in 2014, the California total prison population was about 135,600; that is over a 40,000 inmate difference. These trends show that by June 30, 2026, the institution population is expected to decrease to 89,249 inmates, which is 3.3% (2,871 inmates) higher than what was expected in the fall 2022 population projections.

Prison guard and medical staff salary: Prison guards and medical staff in California are among some of the highest paid in the country. For the 2018-2019 fiscal year, the average employee salary for the California Department of Corrections and Rehabilitation was 158,000, which was a 43% increase from 2010. To put this into perspective, in 2010 the average salary for CDCR employees was set at 110,000; this massive increase is triple the rate of inflation. During summer 2023, prison guards saw a 10,000 bonus as well as revamped 401k plan on top of current employee benefits. Although California has taken the initiative to close some prison facilities, with savings per closure being upward of $200 million, the expansion of employee benefits and wage increase has diminished savings (Hwang & Duara 2024).

Educational resources in prison: Educational resources in prison are scarce, with only 3% of total budget going to these services (CADF 2023). It often has proven difficult for large groups of inmates to receive services.

Imprisoning cost: The cost of imprisoning an individual is wildly high, while the cost of maintaining a California inmate is $132,860 annually (Hwang & Duara 2024). The cost to imprison a person in California is the same as the cost to cover four years of tuition for two California students or five students CSU tuition for four years. Various opponents would argue that these high costs are to ensure adequate rehabilitative and health services, but the reality is that 91% of the spending per prisoner is from costs such as salaries and facility upkeep (Hwang & Duara 2024). The actual costs of rehabilitative services and educational programs for inmates is only about 3% of the total correctional spending. The issue with this spending isn't most of the services that inmates directly receive but rather the security cost and employee salaries that make imprisonment costly.

Voices of some California formerly incarcerated individuals

The issues with various prisons across the globe is the disruption of monetary resources and quality of services. One individual I interviewed, Danny Murillo, a formerly incarcerated Californian who successfully earned a master's degree at CSU Long Beach and currently works as associate director at Berkely underground schools, expressed, “There is a stark difference in the allocation of resources between San Quentin and the majority of prisons in California.” Though Murillo expressed that different prisons have various resources, he also stated that one will have a puppy theory program for veterans and another may have special rehabilitation services. Many programs are spread out across various facilities, but they fail to reach or are not available to all inmates. When I asked Murillo for his insight on how CDCR dictates which facilities get what services, he stated, “Location — we have a lot of do-gooders in the Bay Area, and San Quentin is really close by. Los Angeles … Lancaster is close to where the nonprofits [can fund services].”

Impact of higher education in prisons

When discussing the impact of education in prisons, Murillo stated, “Education in prison can be very transformative and empowering for an individual, but it can also change the culture of the prison.” He added that education brings more racial unity that traditional California prisons lack due to the “racial politics on the yard.” There are more congregations of various racial groups working on an educational assignment.

It is also important to keep in mind that although education within prisons is key to lowering recidivism rates, institutions must create a supportive path that utilizes the educational experiences inmates gain and translates those scholarly lessons into society. Another key point Murillo made was that inmates need key partnerships between regional education institutions and prison facilities. Murillo gave an example that sometimes inmates fall out after obtaining educational degrees because of issues when trying to connect with local institutions after being released from a facility that is across the state.

Prison budget issues

I asked Murillo about the massive prison budget and the use of the funds, specifically prison guard salaries. He expressed that the starting salary even for a prison guard "is wild," at a whooping $85,000 per year. He also exposed that prison guards can make tens of thousands more in addition to their salaries via overtime. Murillo stated that he experienced instances where prison guards would shut whole facilities down and claim an emergency when in reality there was no need to do so and it was just a way to get overtime hours.

Education experiences in prisons

Dieudonne, a community leader and youth advocate program coordinator at the Urban peace movement, was a victim of the school-to-prison pipeline and has overcome massive obstacles that led to his successful educational career at UCLA. He is now a successful business owner who, through his community connections and lived experiences, has become a pivotal member within the community that advocates for community resources and incarcerated youth.

Dieudonne shared with me his incarceration experience, where he was met with questioning by a prison guard for educating himself on Black authors. He expressed to me that guards are OK with prisoners harming themselves or being violent toward one another, but when it comes to individuals healing or educating themselves, guards see that as a danger. After serving his sentences, Dieudonne utilized the grants and scholarships provided for formerly incarcerated individuals and took the step to attend community college. He was connected with FAFSA workshop resources and was informed about Educational Opportunity Program, which was a major contributor to funding his college education. Dieudonne expressed that the resources and scholarship he received, which included $5,000 in excess grants after tuition, a bus pass, and textbook vouchers, fueled his academic success. He also stated that administration underfunds or neglects a lot of the college programs instituted at California prisons. Dieudonne gave a prime example when he stated, "The [corrections officers] deliberately wouldn't hand me my books or materials on time; [I] couldn't do my homework." It is wild to see that correctional officers don't see the importance of education or see these resources as privileges that can be stripped at any time. The truth is that American prisons focus highly on punitive measures of punishment rather than reeducation and rehabilitation. Even prison staff, those members who are tasked with cultivating a positive performative environment, lack rehabilitative ideologies. Dieudonne stated that a lieutenant didn't believe that inmates should receive free education and how it was unfair that prison guards have to pay for their kids to go to school. This is a great representation of ideology that is incubated in the fund budgeting process. Many prison administrations don't care about educating inmates or integrating individuals back into society; they care about maintaining order and punishing individuals for the crimes they have committed. Another interesting point Dieudonne made that Murillo also expressed is that the guards were abusing overtime; he recalled that guards would shut down the whole prison when there was no need to do so. Based on Dieudonne's and Murillo's experiences, the California prison system operates on an insanely high budget that minimally benefits inmates. From guards abusing overtime to inmates upkeeping the prisons through cheap labor, it seems that the California Legislature could reallocate funds and invest in communities and educate youth before moving those funds into administrative needs of the criminal justice system.

CSU Free Tuition Sample Policy Memo

Memorandum

To: Mike Fong, Chair of the California Assembly Committee on Higher Education
From: Alex Gomez, (insert title)
Date: Nov. 20, 2023
RE: Free tuition possibilities within CSU system

The policy memo advocates for the implementation of free college tuition in California's public higher education system, with a focus on the California State University (CSU) system. California's pressing issues, including crime and income inequality, are linked to educational attainment. The memo notes that higher college graduation rates are associated with reduced crime rates, but current tuition costs contribute to high dropout rates, particularly within the CSU system, where graduation rates are lower than the national average, especially among minority students and those of low income. **The memo recommends excluding the University of California (UC) system from the free tuition model due to its higher costs and revenue generation, suggesting that a free tuition model would have a greater impact on lower-income communities within the CSU system, which serves a more diverse student population.** Recommendations include reallocating funds from the non rehabilitative section of the incarceration and rehabilitation budget toward higher education, particularly within the CSU system. By investing in educational and rehabilitative programs, the memo proposes reducing the prison population, lowering recidivism rates, and ultimately saving taxpayer dollars. This reallocation of funds would not only address the economic burden of tuition costs but also promote a more educated workforce and economic prosperity. **The long-term plan suggests gradually closing prisons as recidivism rates decline, further freeing up funds for educational initiatives within the CSU system and addressing basic needs for students.** Overall, the memo advocates for a comprehensive approach prioritizing education and rehabilitation over punishment to foster social and economic advancement in California.

Free college models in Europe translated to California

Free tuition has been at the forefront of a lot of organizations' efforts nationwide yet it lacks much support in Congress. Major European nations such as Germany, Norway, and Sweden cover all of European Union (EU) citizens' tuition fees and still maintain a competitive educational rank. Many opponents to the free tuition model may say that European nations have incredibly high taxes and have nowhere near as prestigious postsecondary institutions. This is somewhat true, but it doesn't tell us the whole story. Europe indeed has significantly higher tax rates, which for the most part fund its tuition, but it is important to keep in mind that most European universities have low budgets and are still home to competitive institutions. There is a strong correlation between EU free tuition countries and high levels of gross domestic product (GDP) per capita. This isn't a surprise to any expert because it is evident that highly educated populations led to higher incomes and large GDPs. By presenting this idea of the massive education policies in Europe, I don't mean to mimic them. I mean to present their success. The information and success stories from these major European regimes can be brought home but in a model that fits California. California holds some of the most diverse and highly educated individuals in the nation; yet, it is not home to any free four-year tuition initiatives. The California public higher education system was free at its founding, with the UC and CSU systems only changing students' small fees. It wasn't until the second half of the 20th century where tuition costs were implanted. California holds some of the most prestigious public institutions worldwide, but a few issues come with their tuition cost. The CSU tuition is set at around $5,742 this excludes mandatory campus fees that can add anywhere from a few hundred dollars up to a couple thousand. These prices do not even take into account the real cost of attendance for four-year public universities in California, which is around $27,288. With the cost of education being so high in this state, we consequently have some of the highest college dropout rates in the country with California residents being 46.5% more likely to drop out of college then the average U.S. resident (educationdata.org). These numbers come as no surprise because the financial burden that marginalized populations experience are highly correlated to the high tuition rates in California. A survey conducted by Higher ED Drive in 2017 found that the top reason for leaving college was because of financial pressure (42% of the population).

Exclude UC System

Focusing on and heavily funding the CSU system can be highly beneficial considering their racial and economic demographics that demonstrate financial need. The UC system has its tuition set at $14,436, which is more than double that of the CSU tuition price. Not only is the tuition cost much higher within the UC system, but so is the revenue it produces with the UC Medical Centers funding 36% ($9,720,000,000) of the total UC budget. The whole CSU budget of 23 campuses is $8,827,627,000, which is less than the revenue the Medical Center contributes toward the UC budget, not to mention the total UC budget is set at $47 billion. While it is clear that the UC system circulates higher quantities of funds than the CSU system,the already high-cost, highly funded UC system will be much more difficult to fund than the CSU if a free tuition model were put in place. Lower-income communities of color will also benefit much more from a free college tuition system instituted at CSU rather than the UC system. The UC system's total enrollment in 2022 was 294,309 with 27.8% composed of African Americans, Latinos, Native Americans, and Pacific Islanders. On the other hand, CSU colleges hold a total of 457,992 students, and 56.5% of them are Latino, African Americans, Native Americans, and Pacific Islanders. It is evident that with the low-cost, low-budget, and highly diverse CSU system, it will be much more beneficial to implement a free tuition model within it. This doesn't mean that in the future this proposal can't expand to the UC system, but for a smoother transition, CSU implementation is much more feasible.

Increased College Enrollment Means Greater Economic Prosperity Key Findings

California has become a haven for crime, resource deprivation, and income inequality; yet, we don't seek the avenues that alleviate these issues. Funding basic needs such as food security, housing, and education is core to decreasing the presence of delinquency and economic hardships. Studies have shown that increasing college graduation rates mean a decrease in crime rates, and a 5% increase in graduation meant a 17% decrease in the homicide rate. It is also evident that college tuition costs and postgraduation debt are a reality that most Californians face. Research has shown that on average, 50% of students drop out of public universities because they can't afford it anymore, and 79% delay their graduation to pursue jobs. This is most evident in the CSU system, where compared to the national graduation rate for four-year degrees (62%), the CSU system has struggled with its current rate being at 35%. Graduation rates fell to

28% in 2022 for minority students and individuals of low income. Economic disparities are an issue in California, and academic performance and success have been directly linked to an individual's socioeconomic status. It is shown that even when students of color or those with low-income backgrounds attend a university, tuition and academic-related costs are a burden. Studies demonstrate that on average, 50% of students drop out of public universities because they can't afford it anymore, and 79% delay their graduation to pursue jobs. The CSU system presents the most need for a free college education, because as stated previously, there are higher rates of attendance of Pell Grant-eligible Californianas of low income (50%). Although CSU holds a large percentage of students who pay zero tuition, CSU still lacks a sufficient budget compared to UC. It is also key to note that 82% of all CSU systems receive financial aid. It is evident that there is a need for the expansion of the higher education budget to close the gap in tuition coverage and student service funding. The CSU system saw a huge deficit in funds, with the overall CSU system seeing a $1.5 billion gap. This came after its 40-page report in 2021 showed that many sectors in CSU's funding are not meeting their financial goal, with student services being the least funded at 68%. The issue is clear, and yet the CSU system has not done much to address these budgetary needs.

Budget issues are not only present within higher education but are also critical within corrections and rehabilitation institutions. The primary issue is the budget increase despite the major drop in the inmate population. In 2000, the incarceration and rehabilitation budget was only $4.4 billion (adjusted for inflation, it's about $7,880,573,751.45 today), which is almost double what the budget is today ($18,543,197,000). These budgetary rises do not align with the decreased inmate population, with the average daily prison population projected to be 93,400 in 2023‑2024, a decrease of about 2,800 people (3%) from the estimated current‑year level. For comparison, in 2014, the California total prison population was about 135,600. That is a more than 40,000 inmate difference—not to mention that the cost of imprisonment is extremely high. In California, the cost of imprisoning an individual is $132,860 dollars annually. Opponents would say that these costs fund the increase in services that inmates receive; yet, research supports that 91% of the spending per prisoner is because of costs such as salaries and facility upkeep. The actual costs of rehabilitative services and educational programs for inmates is only about 3% of the total correctional spending. A large proportion of the funds is directed toward CDCR employees.

For the 2018-2019 fiscal year, the average employee salary for the CDCR was $158,000, which was a 43% increase from 2010. To put this into perspective, in 2010, the average salary for CDCR employees was set at $110,000. This massive increase is triple the rate of inflation. That is not to say that employees do not deserve these pay rates; but, the correctional system seems to focus on punishment and maintaining order rather than rehabilitation. These Ameri-centric punishment ideologies have created a system that focuses on security rather than decreasing recidivism and reeducating individuals. The key to these findings is if California can fund higher education, it will essentially further decrease the inmate population, which will lead to a more educated workforce and economic prosperity.

Policy Recommendations

The California higher education committee must reanalyze the incarceration and rehabilitation budget. To understand the value of education, the cost of tuition must be clear. It has been estimated that it would cost $2 billion in tuition for all California residents attending CCC, CSU, and UC to receive free tuition. If California were to reduce its prison prison population by more than 30,000 incarcerated people, the state could potentially save $1.5 billion. A feasible plan to reduce the prison population is funding higher education programs in prison, because research shows that education reduces recidivism rates by more than 40%. If California creates a 20-year plan that will start with an investment of rehabilitative and educational services sponsored under the CCC, CSU, and UC systems, then it could reduce the recidivism rate by up to 50%. The state could fund inmate education through government bonds and/or the reallocation of funds that will require overtime limits on prison guards and long-term contracts for correctional facilities' medical staff. The objective of such a plan would be to reduce the inmate population not by decreasing crime sentencing but by refocusing the prison system on rehabilitation and education rather than punishment. As the recidivism rates drop, California can commence the closure of additional prisons, which will save hundreds of millions of additional dollars on top of the $1.5 billion saved from reducing the prison population by 30,000 inmates. The funds gathered from these policies would open up nearly $2 billion of funding, which the state could allocate to the CSU system to begin with and use any additional funds for basic needs such as food and health care for CSU students.

Conclusion

In conclusion, I am advocating for free college tuition in California's public higher education system, particularly within the CSU system. By reallocating funds from the incarceration budget to education, I suggest California address both educational access and criminal justice reform. Prioritizing education over punishment could lead to reduced incarceration rates and significant cost savings. My proposed reforms aim to foster social equity and economic prosperity by investing in educational and rehabilitative programs. By excluding the higher-cost UC system and focusing on the more diverse CSU system, I target lower-income communities. Overall, I'm calling for strategic planning and resource allocation to create lasting positive impacts on individuals and society, emphasizing the importance of education in addressing societal challenges.

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