

Impact Assessment of a Proposed Public Comprehensive University: California State University Stockton

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Prepared for:

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Executive Summary

This analysis examines the need and potential economic impacts associated with the construction and operation of a California State University (CSU) campus in Stockton California. The analysis clearly shows that Stockton and the surrounding metropolitan area are the most underserved region in California, and that there would be local, regional and statewide economic development benefits from establishing a new CSU-Stockton campus.

Local Need for Higher Education

- Stockton-Lodi MSA (San Joaquin County) is the largest metropolitan area in California and the 2nd largest metropolitan area in the United States without a public college or university.
- The City of Stockton is nearly three times farther from a CSU or UC than any of California's other large cities.
- San Joaquin County's population is among the fastest growing in California .
- College readiness in San Joaquin County has been steadily increasing:
 - The adult population with at least a high school education rose from 62.6% in 1980 to 78.1% in 2015.
 - The high school graduation rate increased from 70.8% in 2009 to 82.3% in 2014.
 - The percentage of high school graduates meeting the minimum freshman admission requirements for a UC or CSU rose from less than 22% in 2005 to more than 30% in 2014.
- The County's residents have shown an increasing propensity to enroll in the CSU system, but enrollment is still limited by access:
 - From 2006 to 2015, County residents enrolled in a CSU rose more than 50% from around 4,800 in 2000 to 7,300 in 2015.
 - Despite overall growth in CSU enrollment, San Joaquin County enrollment in CSU-Stanislaus has declined 15% over the past decade and CSU-Stanislaus enrolls fewer than 20% of San Joaquin County's CSU students.
 - We project San Joaquin County CSU enrollment is about 25% below where it would be with a local campus.

Statewide/Regional Need and Institutional Focus

- Currently, permanent campus capacity across the CSU-System is exceeded by nearly 80,000 full time equivalent students (FTES).
- Inland investments in the CSU system were identified in a recent (2016) Bay Area Council Economic Institute report on as the top recommendation for enhancing economic prosperity in the Northern California Megaregion.¹

¹ Bellisario et al. (2016) *The Northern California Megaregion: Innovative, Connected, and Growing*. Bay Area Council Economic Institute.

- San Joaquin County CSU enrollment is shifting strongly away from the Central Valley and towards the Bay Area and Sacramento, reflecting broader shifts in the regional economy.
- 17 of the 23 CSU institutions in 2017-2018 have some form of enhanced admissions criteria because of excess enrollment demand.
- The lack of engineering programs at CSU-Stanislaus and limited engineering programs at CSU-East Bay, when combined with regional workforce needs and increased Silicon Valley integration, supports a Polytechnic focus for a future CSU-Stockton.

Economic Impacts

This analysis estimates that the direct economic impacts in San Joaquin County associated with construction of a CSU campus in Stockton is between \$436 and \$558 million. That level of direct expenditure equates to direct County employment from 2,081 to 2,673 jobs. After accounting for the indirect and induced impacts in San Joaquin County, the total economic impact associated with construction of a CSU-Stockton is between \$604 and \$774 million. Those total expenditures would equate with 3,346 to 4,292 jobs in the County during construction.

CSU-Stockton construction expenditures economic impacts

Impact Type	Employment		Output	
	7,500 FTES	10,000 FTES	7,500 FTES	10,000 FTES
Direct Effect	2,081	2,673	\$435,662,791	\$557,849,740
Total Effect	3,346	4,292	\$604,206,687	\$773,681,025

We estimate that the direct economic impacts of a CSU-Stockton's operational and other ongoing expenditures in San Joaquin County are between \$180 and \$240 million. Those direct expenditures equate to direct County employment from 1,795 to 2,393 jobs. After accounting for the indirect and induced impacts in San Joaquin County, the total economic impact associated with operating a CSU-Stockton is between \$269 and \$359 million. Those total expenditures translate to between 2,442 and 3,256 jobs annually in the County.

CSU-Stockton operations and other ongoing expenditures economic impacts

Impact Type	Employment		Output	
	7,500 FTES	10,000 FTES	7,500 FTES	10,000 FTES
Direct Effect	1,795	2,393	\$180,010,246	\$240,013,659
Total Effect	2,442	3,256	\$269,047,155	\$358,729,536