

## AGENDA

### JOINT MEETING OF THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE

**Meeting:** 11:30 a.m., Tuesday, November 17, 2015  
Glenn S. Dumke Auditorium

#### **Committee on Educational Policy**

Debra S. Farar, Chair  
Margaret Fortune, Vice Chair  
Silas H. Abrego  
Kelsey M. Brewer  
Rebecca D. Eisen  
Douglas Faigin  
Lupe C. Garcia  
Lillian Kimbell  
J. Lawrence Norton  
Steven G. Stepanek

#### **Committee on Finance**

Adam Day, Chair  
Peter J. Taylor, Vice Chair  
Silas H. Abrego  
Kelsey M. Brewer  
Rebecca D. Eisen  
Douglas Faigin  
Debra S. Farar  
Margaret Fortune  
Lupe C. Garcia  
Lillian Kimbell

#### **Consent**

Approval of the minutes of the meeting of September 8, 2015

#### **Discussion**

1. Academic Performance Measures (Academic Sustainability Plan), *Action*
2. Donahue Higher Education Act: Report on Hate Crime Statistics, *Information*

**MINUTES OF THE MEETING OF  
JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**September 8, 2015**

**Members Present**

**Educational Policy**

Debra S. Farar Chair  
Margaret Fortune, Vice Chair  
Silas H. Abrego  
Kelsey M. Brewer  
Rebecca D. Eisen  
Douglas Faigin  
Lupe C. Garcia  
Lillian Kimbell  
J. Lawrence Norton  
Steven G. Stepanek

**Finance**

Adam Day, Chair  
Peter J. Taylor, Vice Chair  
Silas H. Abrego  
Kelsey Brewer  
Rebecca D. Eisen  
Douglas Faigin  
Debra S. Farar  
Margaret Fortune  
Lillian Kimbell  
Lupe C. Garcia

Lou Monville, Chair of the Board  
Timothy P. White, Chancellor

Trustee Farar called the meeting to order.

**Approval of Minutes**

The minutes of November 12, 2014 were approved by consent as submitted.

**Academic Sustainability Plan, *Information***

Dr. Loren Blanchard, executive vice chancellor, Academic and Student Affairs, introduced the item reminding board members that the final Budget Act of 2014 required the California State University Board of Trustees to annually develop and approve a three-year Academic Sustainability Plan. He informed the board that the same requirement is included in the final Budget Act of 2015. He stated that this joint committee item will introduce the board to the proposed multi-year Academic Sustainability Plan and is meant to gather input on the recommended approach.

The plan will return to the board for final approval at the November 2015 trustees meeting. Mr. Ryan Storm, assistant vice chancellor for Budget and Dr. Ed Sullivan, assistant vice chancellor for Academic Research and Resources presented the item.

Mr. Storm began the presentation by providing background on the state law requiring the CSU's three-year Academic Sustainability Plan. Under the statute, the board is required to adopt a final plan and submit it to the state by November 30, 2015. He explained that the plan consisted of three components: 1) the CSU must estimate resident and non-resident enrollment for the next three academic years, 2) the CSU must establish goals for 16 performance measures for those three years, and 3) the CSU must prepare a balanced budget for those years.

Mr. Storm shared that the approach approved by the board in 2014 allowed staff to present a report to the state that reflected the CSU's ability to accomplish more if funded at the CSU support budget level rather than under the assumptions of the Governor's multi-year funding plan. The Academic Sustainability Plan approved in 2014 consisted of two parts, the first part used the administration's revenue assumptions and presented small gains along previously established trends for each measure. The second part used the board's support budget request to set slightly higher goals going forward, acknowledging that the CSU will continue to focus on student access, success and completion. Staff consulted with key stakeholders and constituencies to ensure that the goals and expectations that were incorporated into last year's plan were appropriate. The preliminary recommendation for this year's plan is consistent with key stakeholder and constituency input from a year ago.

Mr. Storm stated that similar to last year, the trustees' proposed 2016-2017 support budget requests a funding level above the administration's multi-year funding assumptions and would suggest a similar approach for the 2015 Academic Sustainability Plan. In addition, staff recommended that the CSU again prepare the Academic Sustainability Plan with the two scenarios, one using the Administration's revenue assumptions, and another using the CSU revenue assumptions. He stated this would allow staff to identify trends for all of the measures and show, as appropriate, where greater gains could occur if the state fully-funded the CSU support budget request versus the level envisioned by the administration.

In August 2015, staff received the administration's revenue assumptions and they are consistent with the Governor's multi-year funding plan, including additional funding for the next two years as a result of the retooling of the state's Middle Class Scholarship program. The incremental revenue assumptions provided by the Administration are: \$139 million in 2016-2017, \$155 million in 2017-2018 and \$135 million in 2018-2019. Additionally, the administration assumed no systemwide tuition or campus-based mandatory fee increases in 2016-2017.

Dr. Sullivan explained that estimates for the Academic Sustainability Plan are predicated on enrollment assumptions that replicate the assumptions staff used last year to form the plan. The administration's assumptions for the next three years allow the CSU to grow by only one percent each year. He added that the CSU assumption funds three percent enrollment growth, enabling

campuses to continue to enroll more freshmen and transfer students, while also making significant progress through student success and completion initiatives to increase student retention, encourage students to take larger unit loads, and shorten the overall time to degree. The two enrollment assumptions for the Academic Sustainability Plan will help staff estimate the trajectory of the 16 performance measures over the next three years.

He stated the 16 performance measures listed in the board item focus on four areas: access, student outcomes, efficient use of state funds/resources, and degree completion. Serving the needs of California, particularly those of low-income students and California Community Colleges transfer students, are strong themes throughout the performance measures. The Academic Sustainability Plan requires data for the past three years and estimates of the measures for the current year and three subsequent years based on planning assumptions. He stated that updated data for many of the measures would not be available until later this fall and that actual and estimated outcomes for the 16 measures would be included in the final plan presented to the board for approval at the November meeting.

Mr. Storm stated that this reporting requirement presented some challenges including varying perceptions of the plan depending on the audience. He stated that staff views the plan as a tool with the understanding that funding directly affects enrollment growth, which in turn affects the performance measures in future years. However as budgets have the potential to fluctuate from year-to-year, staff takes the view that if goals ultimately are not achieved, the university and the state should jointly evaluate the outcomes and find ways to continue to move in a positive direction of continued investment in the students of California. He added that some of the measures are difficult to assess within the span of only three years, for example, four- and six-year graduation rates. He stated that goals set for the next three years are most affected by decisions made one or two years ago and not by current or future budgets.

The plan also offers an another opportunity to tell the story of the CSU as a sound public investment that is vital to the state's economy, and an exceptional educational value for students, their families, and taxpayers. The plan also furthers the discussion with internal and external constituencies about appropriate funding levels and expectations on student access, success, and completion. Staff's recommendations are to proceed as follows: part one of the plan would meet the requirements of the law, and part two would exceed the minimum requirements of the law. The key components of part two would be to assume a higher revenue assumption which would allow for the board to establish greater goals than under the administration's revenue assumptions. He stated that this two-part approach would fulfill the requirements of the law and demonstrate to the administration, legislature, and others that with continued re-investment, the CSU could commit to greater student achievement, under the right circumstances.

President Joe Castro of CSU Fresno highlighted the importance of the Academic Sustainability Plan. He stated that CSU Fresno, like each of the CSU campuses, is fully committed to student access and success. He highlighted the fact that CSU Fresno is located in an area of key strategic importance to the state and nation, noting the central valley is the epicenter for agriculture with a

rapidly-growing population of students in the region who are academically prepared for the CSU. In addition, many of the families in the region are experiencing severe economic distress, which has been exacerbated by the drought. He stated the intersection of an increased qualified population and compelling economic challenge in the central valley positions the CSU Fresno, CSU Bakersfield, and CSU Stanislaus campuses to play a transformational role in creating a brighter future.

Dr. Castro stated that the students served by CSU Fresno are extraordinarily diverse and that the campus is both a Hispanic and Asian American, Native American, and Pacific Islander serving institution. He shared that 70 percent are first-generation college students with others having parents and grandparents who graduated from CSU Fresno. He added that many of their freshmen and transfer students come from small, rural communities with 80 percent coming from the San Joaquin Valley, which illustrates the placed-based nature of their region.

President Castro shared that the number of applications for admission to CSU Fresno has increased by 22 percent over the past five years. Historically the campus has admitted all academically eligible students, but has been unable to accommodate increasing numbers of qualified applicants during this time, which may unfortunately continue in fall 2016. He shared that CSU Fresno enrolled nearly 24,000 students in fall 2015, a record in their 105 year history, and expressed his gratitude for the additional enrollment allocated to his campus, recognizing that this commitment occurred because the Governor and Legislature agreed to fully fund the CSU budget request for three percent enrollment growth. However, had the state budget been adopted with just one percent enrollment growth, CSU Fresno would have been forced to deny admission to substantially more academically-eligible students. The Central Valley desperately needs more skilled residents in every part of their labor force, especially in the STEAM area, which is STEM with an added A for agriculture. He shared that CSU Fresno's six-year graduation rate has increased from 48 percent to nearly 58 percent in the past two years. The campus goal is to reach 70 percent by 2023.

He indicated the increased funding has been essential to supporting their students' success. For example, the \$2.3 million in new student success funds allocated to CSU Fresno will enable additional tenure-track faculty hires in STEAM areas, strengthen advising services, and further reduce bottleneck courses.

Dr. Castro concluded his remarks by sharing a photo with the board of CSU Fresno graduate Yesenia Thompson. He indicated that she was the most recent recipient of the University Graduate Medal, their top academic honor for a graduate student. Ms. Thompson was a DREAMER who grew up in the small, rural community of Lindsay and received her master's degree in biology from CSU Fresno. Her ultimate goal is to earn a doctoral degree and return to CSU Fresno as a professor. He added that there are more than 400,000 talented and diverse CSU students, like Yesenia, who have big dreams and who are poised to be the next generation of leaders. He thanked the board for their continued support and for the opportunity to share this information.

Dr. Blanchard summed up by acknowledging that CSU Fresno, like all CSU campuses, remain steadfastly committed to improving student access and success. This commitment is further strengthened by a shared responsibility to continue re-investment in the future of our state and nation. He added the CSU, as evidenced by Yesenia Thompson's story and many others like her, provides students with an opportunity for a quality education, one that lays the foundation for the next generation of leaders, innovators, researchers and dreamers.

Trustee Peter Taylor thanked the presenters and stressed his firm belief in metrics and benchmarking. He requested that if possible when the plan is finalized, to consider disaggregating the metrics by campus. If there was a way to demonstrate all the various statutory performances by campus it would help to educate the board on disparities among campus performance. This practice could help to inspire campus conversations and encourage greater sharing of best practices to scale across the system. He added that the CSU should not stop at academic performance measures, but should also look into fiscal performance metrics as the two are not mutually exclusive. He strongly encouraged staff to consider incorporating this approach into the plan that will be presented to the board for approval in November.

Trustee Hugo Morales commended Dr. Castro on his presentation. He stated that many areas have not recovered from the economic downturn including the San Joaquin Valley. He thanked them for the presentation and indicated it was very well put together and demonstrated the potential resources and the challenges in the San Joaquin Valley.

Trustee Lou Monville stated that in reviewing the request from the Department of Finance, the Governor's Office, and the statutory requirements, this will continue to be an ongoing discussion with policy makers in Sacramento. He believes they may benefit from continued conversations clarifying the distinction between four- and six-year graduation rates and the students served in the CSU. He inquired further about bridging the divide between the board's roles and responsibilities, relative to the legislature and governor, to articulate and uphold the CSU's mission to serve the students of California. Dr. Blanchard responded that the work underway to improve graduation rates ties in well with a number of items that are the focus of the CSU Graduation Initiative. He also noted the importance that increasing the number of faculty and level of advisement on CSU campuses plays in contributing to student success and completion. He added that an important takeaway from President Castro's presentation is that there is a culture of care that is not always easy to capture, measure, and articulate. He ventured to say that the sentiment is very clear that if a student is found to be eligible to be admitted into a CSU campus, the CSU has a collective responsibility to support their success and ensure they graduate. All of these combined efforts require a collective, collaborative approach that includes faculty, staff, administrators, students and the community to ensure students persist, graduate, and move into meaningful careers that provide opportunities to become leaders in their field and communities. Trustee Monville again underscored that this represents, at its core, the mission of the CSU and finding meaningful and impactful ways to communicate this mission to the legislature will continue to be a priority.

Trustee Monville asked how the CSU would go about discussing the value of enrollment growth and the State University Grant Program with the legislature. Mr. Storm responded that when the CSU grows enrollment, they are not selecting students based on their financial status but rather on whether they are academically eligible for the CSU. He recognized that the CSU serves those students who are not traditionally going to be able to afford the university and stated that they will have to view that collectively to do their fair share of advocating with the legislature and telling the stories of CSU students and the value added to the student, community and economy from completing a CSU degree.

Trustee Monville shared that he is continually trying to determine how to best reconcile the roles and responsibilities that the board is charged with by the legislature, as it relates to improving student success and increasing graduation rates, with an unpredictable financial model and therefore unpredictable enrollment. He stated that the sooner the board could have a sense of a predictable financial model, the sooner they could drill down into some of these metrics. He added he would like to be sure that the metrics are useful and report the work of the system as a whole, not exposing campuses on an individual basis. He appreciated the suggestion to report on the metrics disaggregated by campus, however wants to strike a balance that preserves and reinforces an important distinction of the CSU system and its unique 23 campuses and their important regional serving nature. He added that given that uniqueness, it allows for different student populations, a diverse offering of academic programs, and areas that cannot be uniformly compared across the board.

Mr. Storm stated that the system as a whole has been concerned about whether the CSU would receive consistent, sustainable funding sources. For the past three years, Governor Brown and his administration have proposed a minimal floor of sustainable and predictable revenue coming in from the State which has provided the system a bit of assurance of a trajectory towards more predictable and sustainable revenue. However, he stressed the importance of building conservative and reasonable revenue expectations along with proper reserves in case of a recession in the future. Mr. Storm commended the state for having delivered for the last three years.

Trustee Monville stated that looking forward, he encouraged the board to be mindful of the commitments being made as they rely on that predictable and appropriate funding model. He stated the importance of continuing to strengthen the partnership with the state and legislature moving forward in order to meet their combined obligation to the taxpayers of California and students. He stated that as the CSU receives funding to return to pre-recession levels, he wants to ensure expectations are managed accordingly so that investments made to support student success and completion are not adversely impacted when revenues fluctuate. Continuing to be mindful of this balance will be important to reiterate in discussions among all stakeholders moving forward.

Dr. Blanchard commented that there is significant information sharing across campuses, especially as it relates to student retention and persistence. He noted as an example CSU Fullerton's work in supplemental instruction that has been successfully scaled to additional campuses. He stated that he has found within the system a tremendous amount of collegiality, and a sense that they are all in the same race together trying to reach the same finish line.

Trustee Taylor stated he appreciated the collaborative culture of the CSU, though noted that being transparent with regards to data may serve to motivate campuses to meet and exceed their performance goals. He stated that performance disparities may sometimes be a result of structural challenges and beyond a campuses control but stressed again the importance of continuing to engage in transparent conversations.

Mr. Storm added that it remains important to build strong relationships with key leaders, fostering open and continuous communications with all members in Sacramento in order to consistently reinforce the value of the CSU.

Trustee Farar adjourned the meeting.

**JOINT MEETING OF THE  
COMMITTEES ON EDUCATIONAL POLICY AND FINANCE**

**Academic Performance Measures (Academic Sustainability Plan)**

**Presentation By**

Ryan Storm  
Assistant Vice Chancellor  
Budget

Ed Sullivan  
Assistant Vice Chancellor  
Academic Research and Resources

**Summary**

In 2014 state law was passed as a part of the budget bill requiring the California State University (CSU) Board of Trustees to develop and approve a three-year academic sustainability plan. There are no changes in 2015 to the requirements of the law. The plan presented here, and attached to this item, includes the required elements of the law, the Department of Finance assumptions that must be incorporated into the plan, and the use of trends to determine the three-year goals for both the state budget assumptions and also the CSU budget assumptions which go above and beyond the state plan. This action item seeks the board's approval of the 2015 Academic Sustainability Plan.

**Background**

Starting with the Budget Act of 2014 and continued in the Budget Act of 2015, the trustees are required to develop and approve a plan that details the university's academic and fiscal sustainability over a three-year period and submit that plan to the Department of Finance and the legislature no later than November 30, 2015.

The plan must include the following three components:

- 1) Projections of available resources in the 2016-2017, 2017-2018 and 2018-2019 fiscal years, using state general fund and tuition fee revenue assumptions provided by the Department of Finance. Projections of expenditures in each of those years and descriptions of any changes to current operations necessary to ensure that expenditures projected for those years are not greater than the available resources projected for those years.

- 2) Projections of resident and non-resident enrollment in each of those years.
- 3) Goals for 16 performance measures (described in state law) in each of those years (itemized below).

### **Components 1 and 2: Revenue, Expenditure and Enrollment Assumptions**

In a letter dated August 3, 2015, the Department of Finance revealed the state general fund and tuition fee revenue assumptions upon which the CSU is to build its academic sustainability plan. In short, the state general fund assumptions are to align with the governor's multi-year funding plan and include other baseline adjustments (e.g. savings from the middle class scholarship, state public works board debt service payments and the state's contribution to the Public Employees' Retirement System on behalf of CSU employees). In addition, the Department of Finance directed the board to craft a plan that assumes no systemwide tuition fee or category II campus-based fee increases. Following the same assumptions used in the 2014 plan approved by the board last year, the 2015 plan also includes a set of assumptions for the 16 performance measures based on a CSU budget plan that goes above and beyond the state's budget plan.

For illustration purposes, the Department of Finance expects the CSU to assume only \$139.4 million of new state general fund support and no new systemwide tuition fee revenue for 2016-2017. CSU's typical support budget request (a combination of state general fund support and tuition fee revenue) is \$100-\$150 million more than the current multi-year plan provides.

### **Component 3: Goals for Performance Measures**

State law identified 16 performance measures to be reported on every March. As detailed in the Department of Finance's assumptions, it cannot be expected that the CSU could establish and accomplish all of the goals in student achievement given the state's financial commitment to the CSU is barely returning to its 2008-2009 level of \$3 billion.

Another significant challenge is that the Department of Finance's assumptions provide only 40 to 50 cents of every dollar needed to meet CSU's most critical needs. Each of the 23 CSU campuses have implemented strategies to improve their graduation rates, close the achievement gap for underrepresented minorities, and increase retention rates across the board. Many of these efforts have been successful and the needle is moving in the right direction systemwide. With the funding of the trustees support budget in 2015-2016 more progress will continue to be made in the highest priority areas. However, the modest proposed increases in state funding for the next two years, combined with the mandate to hold tuition rates flat, handicaps the university's ability to maximize student success, scale up successful programs to serve more students, and compete against other university priorities such as mandatory costs, predictable compensation increases, and funding of deferred maintenance and infrastructure improvements.

The CSU Graduation Initiative 2025 includes stretch goals for each campus in six areas: four- and six-year graduation rates for freshman; two- and four-year graduation rates for transfer students; and closing the achievement gap for underrepresented freshmen and transfer students. Campus leaders have prioritized their budgets accordingly to meet these goals by focusing on increased tenure-density among faculty, improved advising, reducing bottlenecks, scaling high-impact practices, moving more students through college-preparation curriculum sooner, and using data to make decisions across campus. The 16 performance measures required by the law track some of this progress, and add additional metrics for further detail.

### **Performance Measures**

1. The number of California Community College (CCC) transfer students enrolled and the percentage of CCC transfer students as a proportion of the total number of undergraduate students enrolled.
2. The number of new CCC transfer students enrolled and the percentage of new CCC transfer students as a proportion of the total number of new undergraduate students enrolled.
3. The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.
4. The number of new low-income students enrolled and the percentage of low-income students as a proportion of the total number of new undergraduate students enrolled.
5. The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.
6. The four-year and six-year graduation rates for students who entered the university six years prior and, separately, for low-income students in that cohort.
7. The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.
8. The two-year and three-year transfer graduation rates for students who entered the university three years prior and, separately, for low-income students in that cohort.
9. The two-year, three-year, and four-year transfer graduation rates for students who entered the university four years prior and, separately, for low-income students in that cohort.

10. The number of degree completions annually, in total and for the following categories: (A) freshman entrants, (B) CCC transfer students, (C) graduate students, (D) low-income students.
11. The percentage of freshman entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within four years.
12. The percentage of CCC transfer students who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within two years.
13. For all students, the total amount of funds received from all sources specified for the year, divided by the number of degrees awarded that same year.
14. For undergraduate students, the total amount of funds received from all sources specified for the year expended for undergraduate education, divided by the number of undergraduate degrees awarded that same year.
15. The average number of CSU course credits and the total course credits, including credits accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and CCC transfer students.
16. The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students. "STEM fields" include, but are not limited to, all of the following: computer and information sciences, engineering and engineering technologies, biological and biomedical sciences, mathematics and statistics, physical sciences, and science technologies.

## **Conclusion**

This is an action item and it reflects staff's recommendation to the board to approve a statutorily-required Academic Sustainability Plan covering the 2016-2017, 2017-2018 and 2018-2019 fiscal years.

It is important that the trustees approve a plan with measured goals that are linked to reasonable data trends and can be achieved using current assumptions. There is ample evidence that additional financial resources will result in additional faculty and staff hiring and improvements to facilities, which are also essential for student success and completion.

Additionally, this approach furthers the discussion between CSU, the governor's office, the legislature, and others about appropriate funding levels, and meaningful ways to measure the progress of CSU as it relates to student success and completion.

### **Recommendation**

The following resolution is presented for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the Academic Sustainability Plan be approved; and be it further

**RESOLVED**, that the Academic Sustainability Plan be submitted no later than November 30, 2015 to the Director of Finance, the chairpersons of the committees in each house of the Legislature that consider the state budget, the chairpersons of the budget subcommittees in each house of the Legislature that consider the budget of the California State University, the chairpersons of the committees in each house of the Legislature that consider appropriations, and the chairpersons of the policy committees in each house of the Legislature with jurisdiction over bills relating to the University, as required by the Budget Act of 2015.

# Academic Sustainability Plan

As required by the Budget Act of 2015

Draft Report for Consideration by the  
CSU Board of Trustees

# Academic Sustainability Plan

## Introduction

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This document is the Academic Sustainability Plan (Plan) developed for approval by the California State University (CSU) Board of Trustees (Board), as required by the state Budget Act of 2015. The Plan meets the requirements of the law and where appropriate, the Plan establishes revenue and expenditure assumptions, student enrollment trends, and other performance measure trends and goals based on a more robust budget assumption. This approach furthers the discussion between CSU, the governor's office, the legislature, and others about appropriate funding levels and meaningful ways to measure access, success, retention, affordability, efficiency, and ultimately meet the workforce needs of California.

The Plan can mean different things to different people if expectations are not clearly articulated. This Plan is intended to be a planning tool for university leadership, state leadership, and CSU stakeholders. It is important to understand that the performance measures included in the Plan are influenced by many variables that are outside and beyond the CSU's direct control. Furthermore the measures are in most cases reliant on actions taken by the CSU and state in years prior to 2015-2016. Acknowledging these variables, the Plan is based on the best trend information available.

Enrollment assumptions affect outcome measures in the Plan. Improved retention efforts coupled with larger incoming classes have increased the number of CSU continuing students. As our student success efforts continue to mature and time-to-degree shortens with improved four-year rates for freshmen and two-year rates for transfers, we expect student access pressures will mediate. At the same time, degrees earned annually by CSU students are expected to increase significantly.

The requirements of the Plan ask the CSU to make a series of assumptions over the next three years, based on a set of budget assumptions, and take into account: access, progress toward degree, time-to-degree, graduation rates and total number of degrees completed. It is important to acknowledge how various systemwide and campus-based strategies implemented in previous years affect these measures.

The CSU focuses on providing an affordable, accessible, high-quality education to prepare students to become leaders in the changing workforce, making the CSU a vital economic engine for California.

- The CSU is the nation's largest four-year public university system with 23 campuses and 8 off campus centers.
- The CSU is the most ethnically diverse university in the country enrolling over 460,000 students and employing over 45,000 faculty and staff.
- The CSU stretches from Humboldt in the north to San Diego in the south.

## **Graduation Initiative**

The awarding of summer 2015 degrees marked the conclusion of the first phase of the CSU's Graduation Initiative. When the initiative originally launched in 2009, the CSU reinforced that the success of our students was of paramount importance. In mid-October 2014, each of the 23 CSU campuses received new goals that built upon expectations from the 2009 initiative as the CSU kicked off the *Graduation Initiative 2025*. These goals foster new campus-based strategies beyond those developed for the 2009 initiative, specifically to improve four- and six-year graduation rates, close the achievement gap for underrepresented minorities, and increase retention rates for all students. Systemwide, the CSU

surpassed the 2015 graduation rate goal of 54% indicating that the efforts implemented on campuses have been successful. The 2025 initiative goal expects system six-year rates to meet or exceed 60% and will require new innovative efforts beyond those used to date.

### **Early Assessment and Early Start Programs**

The Early Assessment Program has been in existence for more than a decade, and recent efforts have focused on aligning with the high-school smarter balanced assessments and CSU readiness expectations. The program identifies students who are college ready exiting their junior year of high school and those who could become college ready with an appropriate senior year experience in English and/or mathematics by completing additional coursework prior to high school graduation. This early identification allows students to focus on those subjects that will allow them to arrive college ready on the first day of CSU fall classes and likely be more successful in their academic endeavors.

Building on the successes of the Early Assessment Program and local campus approaches to address college readiness, such as Summer Bridge, the Early Start Program requires underprepared students simply “get started” on their pathway to proficiency in the summer preceding the freshman year of college. Students who have not demonstrated college readiness in English and/or mathematics upon graduation from high school must begin coursework through the Early Start Program in the summer. Intensive classes in English and mathematics strengthen skills and reduce the time necessary to get on track for their major. Increasing the number and percent of freshmen fully prepared for the rigors of college on their first day of fall classes improves the likelihood of future academic success.

### **Associate Degree for Transfer**

The associate degree for transfer provides guaranteed admission to a CSU campus for students continuing their studies in the subject area of the earned associate degree for transfer. Students are provided an aligned upper division pathway that will allow the bachelor’s degree to be earned upon successful completion of coursework by taking 60 semester units at the CSU. As more and more California Community College students choose this pathway the time to degree for transfers should be reduced overall.

### **Student Success Initiatives and Reducing Bottlenecks**

The CSU is committed to the authentic opportunity for students to achieve academic success. Priorities include efforts to increase student success through new and proven pedagogical strategies, improved academic support systems, access to online courses across CSU campuses, improved student advisement and scheduling systems, amplifying enriching activities (high-impact practices), and leveraging data to better inform student success efforts. System and campus level efforts complement each other and provide each entering class a better opportunity to achieve their academic goals.

### **Reducing Overall Units to Degree/Time-to-Degree**

The CSU has made significant progress through various initiatives to improve and support timely degree completion for all students. Notably, curricular reform between spring 2009 and fall 2014 reduced the percentage of baccalaureate degrees in excess of 120 required units from 29 percent to 5 percent systemwide. At the same time, the CSU strives to mitigate potential roadblocks that may delay graduation. Efforts to support timely degree completion have included eAdvising tools that provide early warning and predictive analytics where students receive better and faster feedback about their performance in critical courses. Continued and renewed investments supporting student success initiatives that improve a student’s time-to-degree can prove to pay positive economic dividends for both students and taxpayers, as students will require fewer state resources per degree. By shortening

time-to-degree, the university is able to increase access for new freshmen and new California community college transfers.

## **Budget Act Requirement**

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The Budget Act of 2015 (AB 93, Chapter 10) requires the Board to develop and approve a plan that details any changes necessary to ensure the university's academic and fiscal sustainability over a multi-year period and submit that plan to the state no later than November 30, 2015.

The plan must include the following three components:

- (1) Projections of available resources in the, 2016-2017, 2017-2018, and 2018-2019 fiscal years, using state general fund and tuition and fee revenue assumptions provided by the state Department of Finance (Finance). Projections of expenditures in each of those years and descriptions of any changes to current operations necessary to ensure that expenditures projected for those years are not greater than the available resources projected for those years.
- (2) Projections of resident and non-resident enrollment in each of those years.
- (3) Goals for 16 performance measures (described in state law) in each of those years.

In an August 3, 2015 letter to the CSU, Finance shared the state general fund and tuition and fee revenue assumptions upon which the CSU is to build its plan. In short, the state general fund assumptions are to align with the governor's office multi-year funding plan and include other baseline adjustments (e.g. the state's contribution to the Public Employees' Retirement System on behalf of CSU employees). In addition, Finance directed the Board to craft a plan that assumes no systemwide tuition or category II campus-based fee increases.

## **Approach**

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### ***Budget***

Minimally, the Board was tasked with preparing the Plan using the modest revenue assumptions from the state equivalent to a growth of approximately two percent per year in total operating revenues and to assume no tuition adjustments. To operate within those assumptions would be challenging because they fall short of CSU's annual, identified financial needs. For illustration purposes, the state expects the CSU to assume only \$139.4 million of new state general fund support and no new systemwide tuition revenue for 2016-17. CSU's typical support budget plan (a mix of state general fund support and tuition and fee revenue) requests a range of \$250 million to \$350 million per year in increased funds.

The Plan adopts two budget scenarios. First, the "State Budget" was constructed using the governor's office multi-year funding plan and tuition assumptions and complies with the legal requirement. As a result, the State Budget meets the minimum requirements of the law. Second, the "CSU Budget" was constructed using CSU-identified areas of needed investment and revenues to match those needs. Inclusion of the CSU Budget is not required by law, but it furthers the discussion with internal and external constituencies about appropriate funding levels for the CSU and expectations about student success and completion.

### ***Funded Student Enrollment***

Based on the State Budget and the CSU Budget as prepared for requirement 1, enrollment projections vary for, 2016-2017, 2017-2018, and 2018-2019. With a small budget increase allowed in the State Budget, and no tuition increases, the CSU can assume sufficient funding for a one percent increase in

funded enrollment. With a more robust budget laid out in the CSU Budget, a three percent increase in funded student enrollment could be realized.

Because enrollment funding is based on full-time equivalent students (FTES), this report translates that growth to a headcount number using currently available ratios. There are two variables that affect the size of each new entering class: 1) resources available and 2) the ratio of headcount to full-time equivalent students. As the CSU improves year-to-year retention rates, and continues to advise students toward a four-year path to a degree, the ratio will get closer to 1:1. New funds available in each of the next three years will allow for modest funded enrollment increases within each new cohort, and allow the CSU to focus on timelier degree completion where students enroll in 15 or more units each term.

### ***Goals for Performance Measures***

The third requirement requires the CSU establish goals for all 16 performance measures listed in state law. Before goals were established for each measure, it was important to first gauge how aggressive or cautious to be on the approach. Three possibilities were considered:

1. Cautious: Identify the status quo (e.g. current graduation rate) and establish goals so that the CSU would maintain pace over the next three years.
2. Measured: Identify recent, actual trend data, estimate the trend over the next three years, and establish goals that align with those projections.
3. Aggressive: The same identification and estimation of trends, but with aggressive goals that exceed estimated trends.

This Plan follows a measured approach. It neither sells short the abilities of CSU students, faculty, staff, and administrators to exceed the status quo, nor does it create subjective goals that are far reaching but may have little to no chance of being achieved given modest budget increases and a short timeline to affect change. This measured approach demonstrates that, even with the prescribed additional resources of the State Budget and the short timeline for goal setting, the CSU is committed to consistent improvements on these 16 performance measures. The CSU Budget assumptions translate to slightly sharper trend lines for some measures (8 of 16) and those have been reflected in this Plan. With resource assumptions above the State Budget, the CSU can commit to increased student access, more degrees earned, and an increased investment in student success per student. Other measures cannot be affected in a measurable way with new money in the next three years.

As an example, CSU campuses limited new enrollments in 2011-2012 and 2012-2013 due to the economic crisis and it is estimated that the number of graduates will rise slowly in 2016-2017 because of necessary fiscal policy decisions made in prior years that cannot be affected by an influx of funding in upcoming years. Increases in students earning degrees in recent years stems from improved retention/graduation efforts offsetting a potential drop resulting from limited new student enrollment five to six years ago.

### **Conclusion**

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The modest proposed increases in state funding, combined with the mandate to hold tuition rates flat for the next three years, limits the university's ability to maximize student success, scale up successful programs to reach more students, and compete against other fiscal priorities such as mandatory costs (e.g. employee benefits and new space maintenance), predictable compensation increases, and funding of deferred maintenance and infrastructure improvements. A more robust budget does allow for targeted allocation of resources for funded student enrollment increases and student success initiatives

that will positively affect graduation rates, progress and time-to-degree, and the efficiency of the system to graduate more students overall. As success efforts mature we expect that overall time-to-degree will be reduced and access for new students will increase. There is, however, a transition period where improved retention efforts result in a reduction of available seats, thus creating pressure to limit or reduce new student access. The CSU Budget recommendation does not require the CSU to choose between infrastructure needs and new student access for student success priorities in as stark a way as the State Budget would require.

The CSU Chancellor's Office and the 23 campuses are focused on meeting the needs of California by preparing an educated workforce and conscious global citizenry. More importantly we are focused on ensuring that every CSU student has an authentic opportunity to be challenged with academic rigor and to be successful in their chosen field and community.

## The Plan

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### (1) Budget

***Requirement: Projections of available resources in the 2016-2017, 2017-2018 and 2018-2019 fiscal years, using state general fund and tuition and fee revenue assumptions provided by the state Department of Finance. Projections of expenditures in each of those years and descriptions of any changes to current operations necessary to ensure that expenditures projected for those years are not greater than the available resources projected for those years.***

As noted earlier, this Plan includes two budgets. The first budget specifies the resource assumptions required by state law (represented by “State Budget”). The second budget includes resource assumptions that the CSU believes are more optimal (represented by “CSU Budget”). The differing resource assumptions of the two budgets create differing expenditure assumptions, which directly affect or influence the short-term trends and goals for a number of the performance measures.

**New General Fund Resources:** The State Budget assumes new general fund resources ranging from \$134.6 million to \$155.4 million per year, which aligns with the governor’s office multi-year funding plan for the CSU. The CSU Budget assumes new general fund resources of approximately \$250 million per year, which aligns more closely with the identified needs of the university.

**Tuition Revenue:** The State Budget assumes no change to any systemwide tuition rates through 2016-2017. The Board’s recommended 2016-2017 support budget request presumes no change in systemwide tuition rates for 2016-2017. Because the Board has the statutory authority and discretion to adjust tuition rates, the CSU Budget presumes the Board will determine the appropriate tuition rates on a case-by-case and year-by-year basis. Therefore no tuition increases are assumed in the plans for 2017-2018 or 2018-2019.

**Student Success Fees:** The State Budget assumes no change to existing and no new student success fees. A state moratorium on the creation of new student success fees is in effect through January 2016. Thereafter, policies adopted by the Board in January 2015 will govern the process that the Board, chancellor, campus leadership, and students will follow to determine if new student success fees are appropriate and necessary. Additionally, student success fee revenue stays on the campus at which it is collected and is not a part of the systemwide budget plan approved by the Board each November.

**Funded Student Enrollment:** Proposed and actual funded student enrollment decisions are exclusively made by the Board and the chancellor. For illustration purposes only, the Plan presumes the State Budget could only provide a one percent annual increase in funded student enrollment. Further, the Plan presumes the CSU Budget would allow for a three percent annual increase in funded student enrollment, which is consistent with the 2016-2017 preliminary and final drafts of the Board’s support budget request. Under these scenarios, the State Budget could increase FTES by approximately 3,560 per year and the CSU Budget could increase FTES by approximately 10,700 per year.

**All Other Expenditures:** For 2016-2017, all other expenditures for the State Budget and CSU Budget are consistent with the Board’s recommended 2016-2017 support budget request. Because the Board’s expenditure priorities exceed the State Budget’s resource assumptions, some 2016-2017 discretionary expenditures are displayed as “TBD” or “to be determined.” If the State Budget resource assumptions

were to come to pass in 2016-2017, CSU would have to decide how best to allocate the remaining, limited resources to these expenditure categories.

For 2017-2018 and 2018-2019 the State Budget and CSU Budget presume the Board and the chancellor will determine the appropriate expenditure levels on a case-by-case and year-by-year basis. Therefore, expenditures will be determined at a later date.

State Budget			
Revenues	2016/17	2017/18	2018/19
State General Fund Support Appropriation (base)	\$2,702,021,000	\$2,885,499,000	\$3,053,116,000
State Contribution for PERS retirement	44,072,000	12,235,000	12,348,000
State Revenue Assumptions:			
Governor's Office Multi-Year General Fund Plan	139,406,000	155,382,000	134,557,000
Tuition Fee Increase (undergraduate)	0	0	0
Tuition Fee Increase (graduate)	0	0	0
Tuition Fee Increase (doctorate)	0	0	0
Tuition Fee Increase (non-resident)	0	0	0
New Student Success Fees	0	0	0
General Obligation & Lease Revenue Debt Service Revenue from State (base)	303,944,000	311,809,000	316,879,000
Governor's Office commitment to lease revenue bond debt service payments	7,865,000	5,070,000	0
Net Tuition Fee & Other Fee Revenue (base)	2,145,812,000	2,164,445,000	2,183,264,330
Net Tuition Fee Revenue (Funded Student Enrollment Increase - 1% per year)	18,633,000	18,819,330	19,007,523
<b>Totals, Revenues</b>	<b>\$5,361,753,000</b>	<b>\$5,553,259,330</b>	<b>\$5,719,171,853</b>
Expenditures	2016/17	2017/18	2018/19
Operations (base)	\$4,847,833,000	\$5,049,944,000	\$5,236,380,330
State Contribution for PERS retirement	44,072,000	12,235,000	12,348,000
Mandatory Costs	42,970,000	TBD	TBD
Employee Compensation Pool	69,552,000	TBD	TBD
Student Success & Completion Initiatives	TBD	TBD	TBD
Funded Student Enrollment Increase - 1% per year	36,683,000	37,050,000	37,421,000
General Obligation & Lease Revenue Debt Service Payments (base)	303,944,000	311,809,000	316,879,000
Governor's Office commitment to lease revenue bond debt service payments	7,865,000	5,070,000	0
Facilities & Infrastructure	TBD	TBD	TBD
All Other Operating Expenditures To Be Determined by CSU	8,834,000	137,151,330	116,143,523
<b>Totals, Expenditures</b>	<b>\$5,361,753,000</b>	<b>\$5,553,259,330</b>	<b>\$5,719,171,853</b>
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Notes:			
TBD = To be determined by CSU leadership			
Unlike the CSU Budget, the revenue portion of the State Budget must include a reference to so called student success fees, which are campus-based fees that are collected, retained, and expended at campuses. These fees are not a systemwide revenue source and it is inappropriate to associate these fees with other systemwide revenue sources.			

Net Tuition Fee & Other Fee Revenue excludes State University Grant (SUG) estimates. SUG is a tuition fee waiver program for qualified students with financial need. It is revenue foregone by CSU (i.e. no actual collection and redistribution of money). Annual foregone revenue is in excess of \$655 million.

## CSU Budget

Revenues	2016/17	2017/18	2018/19
State General Fund Support Appropriation (base)	\$2,702,021,000	\$2,987,758,000	\$3,249,993,000
State Contribution for PERS retirement	44,072,000	12,235,000	12,348,000
CSU Revenue Assumptions:			
State General Fund	241,665,000	250,000,000	250,000,000
Tuition Fee Increase (undergraduate)	TBD	TBD	TBD
Tuition Fee Increase (graduate)	TBD	TBD	TBD
Tuition Fee Increase (doctorate)	TBD	TBD	TBD
Tuition Fee Increase (non-resident)	TBD	TBD	TBD
General Obligation & Lease Revenue Debt Service Revenue from State (base)	303,944,000	311,809,000	316,879,000
Governor's Office commitment to lease revenue bond debt service payments	7,865,000	5,070,000	0
Net Tuition Fee & Other Fee Revenue (base)	2,145,812,000	2,201,719,000	2,259,303,210
Net Tuition Fee Revenue (Funded Student Enrollment Increase - 3% per year)	55,907,000	57,584,210	59,311,736
<b>Totals, Revenues</b>	<b>\$5,501,286,000</b>	<b>\$5,826,175,210</b>	<b>\$6,147,834,946</b>

Expenditures	2016/17	2017/18	2018/19
Operations (base)	\$4,847,833,000	\$5,189,477,000	\$5,509,296,000
State Contribution for PERS retirement	44,072,000	12,235,000	12,348,000
Mandatory Costs	42,970,000	TBD	TBD
Employee Compensation Pool	69,552,000	TBD	TBD
Student Success & Completion Initiatives	50,000,000	TBD	TBD
Funded Student Enrollment Increase - 3% per year	110,050,000	113,352,000	116,753,000
General Obligation & Lease Revenue Debt Service Payments (base)	303,944,000	311,809,000	316,879,000
Governor's Office commitment to lease revenue bond debt service payments	7,865,000	5,070,000	0
Facilities & Infrastructure	25,000,000	TBD	TBD
All Other Operating Expenditures To Be Determined by CSU	0	194,232,000	192,559,000
<b>Totals, Expenditures</b>	<b>\$5,501,286,000</b>	<b>\$5,826,175,000</b>	<b>\$6,147,835,000</b>

Balance	\$0	\$0	\$0

Notes:

TBD = To be determined by CSU leadership

Unlike the State Budget, the CSU Budget excludes so called student success fees, which are campus-based fees that are collected, retained, and expended at campuses. These fees are not a systemwide revenue source.

Net Tuition Fee & Other Fee Revenue excludes State University Grant (SUG) estimates. SUG is a tuition fee waiver program for qualified students with financial need. It is revenue foregone by CSU (i.e. no actual collection and redistribution of money). Annual foregone revenue is in excess of \$655 million.

## (2) Enrollment Projections

**Requirement:** Projections of resident and non-resident enrollment in each of those years.

The three year budgets shown above include the State Budget assumption of one percent funded enrollment increases each year, and the CSU Budget assumption to increase three percent each year.

Enrollment funding is based on FTES; this report translates that growth to a headcount number using currently available ratios. Two of the variables that affect the size of each new entering class are: 1) available resources and 2) the ratio of headcount to full-time equivalent students. As the CSU improves year-to-year retention rates, and continues to advise students toward a four year path to a degree, the new headcount to FTES ratio will get closer and closer to 1:1. New funds available in each of the next three years will allow for modest increases in enrollment and allow the CSU to focus on a timelier degree completion with more students enrolling in 15 or more units each term.

The CSU has not set specific non-resident enrollment targets, however we project that non-resident enrollment will continue to make up around six percent of total enrollment. Non-resident students are not considered in the overall budget picture the way resident student targets are determined. The state does not fund the CSU for non-resident enrollment; rather these students are charged non-resident tuition in addition to state university tuition, to cover the full cost of their enrollment at the CSU.

**Resident and Non-Resident Enrollment – Headcount**

College Year	State Budget Assumptions		CSU Budget Assumptions	
	Resident	Non-Resident	Resident	Non-Resident
2011-2012	404,946	17,117	404,946	17,117
2012-2013	407,697	18,516	407,697	18,516
2013-2014	416,109	22,048	416,109	22,048
2014-2015	424,377	26,832	424,377	26,832
2015-2016 (Projected)	437,108	27,637	437,108	27,637
2016-2017 (Projected)	441,479	27,913	450,222	28,465
2017-2018 (Projected)	445,894	28,192	463,729	29,319
2018-2019 (Projected)	450,353	28,474	477,641	30,198

### (3) Goals for 16 Performance Measures

**Requirement:** Goals for 16 performance measures (described in state law) in each of those years.

#### Measures 1 – 4: Access

**Measure 1:** The number of CCC transfer students enrolled and the percentage of CCC transfer students as a proportion of the total number of undergraduate students enrolled.

**Measure 2:** The number of new CCC transfers students enrolled and the percentage of new CCC transfer students as a proportion of the total number of new undergraduate students enrolled.

Measures 1 and 2 ask for the number and proportion of CCC transfers within the total CSU population, and as a part of each new entering class. The tables below show the current trend within the CSU population, and projections based on the two budget assumptions presented previously. Transfer enrollment is affected by the CSU budget more than most measures. Table 1b shows how transfer enrollment will grow as a percentage of the total population because campuses will be able to accept and enroll transfers for both the fall and spring terms. Under the State Budget assumptions in Table 1a, the transfer population stays flat in proportion to the total population because the amount of funding available will not allow all campuses to open for transfer admission in the spring.

The effect on new transfer enrollment is most apparent in Tables 2a and 2b – where there is a noticeable reduction in overall transfer admission in 2a using the State Budget assumptions. Without the funding to open enrollment in the spring term for CCC transfer admission, the trends show a reduction in total new transfer enrollment between 2016-2017 and 2018-2019. When compared with new 2015-2016 expectations with more funding in the CSU Budget request scenario shown in Table 2b, the transfer population will grow slightly as a proportion of each new entering class.

**Measure 3:** The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.

**Measure 4:** The number of new low-income students enrolled and the percentage of low-income students as a proportion of the total number of new undergraduate students enrolled.

Measures 3 and 4 focus on the total number and proportion of low-income students within the undergraduate population and within the population of new students each year. Low-income was defined by the legislation to mean Pell-eligible students. While the CSU does not have direct outreach programs to communities based on socio-economic status, we do continue our efforts to ensure genuine access for students from underrepresented communities in the state, and there is certainly crossover between our underrepresented students and students who are eligible for federal Pell grants.

The headcount numbers are based on the percentage predicted from the enrollment projections associated with the State Budget and the CSU Budget. We believe that this measure is highly influenced by factors external to the university including the health and stability of the economy and the ability of students and families to afford college. During challenging economic times Pell eligibility will increase. When the economy stabilizes, and unemployment goes down, Pell eligibility will decrease. We project the percentage of Pell-eligible students will settle around 50 percent in the next three academic years, returning to a level seen in previously stable economic periods.

Ensuring the academic success of all California students and particularly low-income students remains a steadfast CSU priority. It is believed that this measure is focusing on the CSU's ability to provide access to all cross sections of the California population. The CSU is intensifying efforts to shrink or close the achievement gap for low-income students by 2025, and will continue extensive outreach and retention efforts to these populations. Access with the opportunity to succeed for all college going students is a critical part of CSU's mission. Meeting the financial aid needs of our students to ensure they all have the support to academically succeed remains a priority.

<b>Table 1a CCC Transfer Enrollment State Budget Assumptions</b>		
Fall Term	Headcount	Percent of Total Undergraduates
2011	129,246	36.4%
2012	134,958	36.8%
2013	136,352	36.2%
2014	138,342	35.9%
2015 (Projected)	143,322	36.1%
2016 (Projected)	144,612	36.0%
2017 (Projected)	145,190	35.7%
2018 (Projected)	145,480	35.4%

<b>Table 1b CCC Transfer Enrollment CSU Budget Assumptions</b>		
Fall Year	Headcount	Percent of Total Undergraduates
2011	129,246	36.4%
2012	134,958	36.8%
2013	136,352	36.2%
2014	138,342	35.9%
2015 (Projected)	143,322	36.1%
2016 (Projected)	149,055	36.2%
2017 (Projected)	153,527	36.1%
2018 (Projected)	157,365	35.9%

<b>Table 2a NEW CCC Transfer Enrollment State Budget Assumptions</b>		
College Year	Headcount	Percent of Total New Undergraduates
2011-2012	49,467	45.3%
2012-2013	42,745	42.0%
2013-2014	55,053	46.3%
2014-2015	56,134	46.3%
2015-2016 (Projected)	62,870	46.5%
2016-2017 (Projected)	58,406	46.5%
2017-2018 (Projected)	59,574	46.5%
2018-2019 (Projected)	60,170	46.5%

<b>Table 2b NEW CCC Transfer Enrollment CSU Budget Assumptions</b>		
College Year	Headcount	Percent of Total New Undergraduates
2011-2012	49,467	45.3%
2012-2013	42,745	42.0%
2013-2014	55,053	46.3%
2014-2015	56,134	46.3%
2015-2016 (Projected)	62,870	46.5%
2016-2017 (Projected)	63,184	46.5%
2017-2018 (Projected)	64,448	46.5%
2018-2019 (Projected)	66,381	46.5%

<b>Table 3a</b>		
<b>Low-Income Student Enrollment</b>		
<b>State Budget Assumptions</b>		
Fall Year	Pell-Recipient Headcount	Percent of Total Undergraduates
2010	146,302	41.9%
2011	164,951	44.9%
2012	173,553	45.6%
2013	185,321	47.3%
2014 (Projected)	196,110	48.5%
2015 (Projected)	207,528	49.8%
2016 (Projected)	210,549	50.1%
2017 (Projected)	213,614	50.3%

<b>Table 3b</b>		
<b>Low-Income Student Enrollment</b>		
<b>CSU Budget Assumptions</b>		
Fall Year	Pell-Recipient Headcount	Percent of Total Undergraduates
2010	146,302	41.9%
2011	164,951	44.9%
2012	173,553	45.6%
2013	185,321	47.3%
2014 (Projected)	196,110	48.5%
2015 (Projected)	207,528	49.8%
2016 (Projected)	215,583	50.3%
2017 (Projected)	223,951	50.7%

<b>Table 4a</b> <b>NEW Low-Income Student Enrollment</b> <b>State Budget Assumptions</b>		
College Year	New Pell-Recipient Headcount	Percent of Total New Undergraduates
2010-2011	49,861	44.6%
2011-2012	53,582	47.7%
2012-2013	51,693	48.9%
2013-2014	62,367	50.5%
2014-2015 (Projected)	63,614	50.2%
2015-2016 (Projected)	69,975	49.5%
2016-2017 (Projected)	63,677	48.5%
2017-2018 (Projected)	64,314	48.1%

<b>Table 4b</b> <b>NEW Low-Income Student Enrollment</b> <b>CSU Budget Assumptions</b>		
College Year	New Pell-Recipient Headcount	Percent of Total New Undergraduates
2010-2011	49,861	44.6%
2011-2012	53,582	47.7%
2012-2013	51,693	48.9%
2013-2014	62,367	50.5%
2014-2015 (Projected)	63,614	50.2%
2015-2016 (Projected)	69,975	49.5%
2016-2017 (Projected)	70,290	49.5%
2017-2018 (Projected)	71,344	49.2%

## Measures 5 - 10: Earned Degrees

**Measure 5:** The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.

**Measure 6:** The four-year and six-year graduation rates for students who entered the university six years prior and separately, for low-income students in that cohort.

Measures 5 and 6 are shown in Tables 5 and 6. These two measures set graduation rate goals for students who entered the CSU as a freshman four and six years ago, respectively. Both tables show graduation rates for students receiving Pell grants, students not receiving Pell grants, and the total rate for all undergraduates. The CSU is committed to increasing graduation rates for all students, and has recommitted to those efforts in phase II of the Graduation Initiative 2025. The goals shown for the graduating classes of 2016, 2017, and 2018 reflect the rates for cohorts that entered four and six years prior. Only one set of goals is set for these measures, rather than separating them based on budget assumptions. New money allocated to the CSU in 2016-2017, 2017-2018 and 2018-2019 will not have a measurable effect on students who entered the CSU four and six years prior. The goals shown below continue along the current trend. Increased state funding in these years will certainly have an effect on the graduation rates we are able to achieve for the cohorts that begin at the CSU during those same years with emphasis on closing the gap between Pell and non-Pell students, and the gap for underrepresented students.

**Measure 7:** The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.

**Measure 8:** The two-year and three-year transfer graduation rates for students who entered the university three years prior and, separately, for low-income students in that cohort.

**Measure 9:** The two-year, three-year, and four-year transfer graduation rates for students who entered the university four years prior and, separately, for low income students in that cohort.

Like measures 5 and 6, measures 7, 8, and 9 are not broken out based on two different budget assumptions. Tables 7, 8, and 9 are based on each new cohort of transfer students who then graduate two, three, or four years later. There is a significant increase in graduation rates between two and three years, and even more in year four. The projections for graduation years 2016, 2017, and 2018 continue to increase for all three measurements, with the fastest growth within the three year group. Campuses have not traditionally had separate transfer graduation rates, but have considered them as a part of their new graduation initiative goals for 2025. Unlike the first time freshman graduation rates, two-year transfer rates could be affected by larger increases in funding from the state in 2016-2017, as reported for the class of 2018. The CSU will continue to work to increase graduation rates for all students, and especially to close the gap for underrepresented minority students, and students receiving Pell grants.

As more students enroll in the CSU with Associate Degrees for Transfer (ADT), and are guaranteed that they can graduate with 60 CSU units, the two-year graduation rates are expected to exceed their current trend. However, with only two years of ADT students in the CSU, there is not enough information available at this time to modify the estimated graduates within any of the CSU graduation rate tables.

**Measure 10:** The number of degree completions annually, in total and for the following categories: freshman entrants, CCC transfers, graduate students, and low-income students (in all categories).

Total degree completions for freshmen, CCC transfers, graduate students and all students are shown in tables 10a and 10b indicating an increase in overall degree completions in all categories with a more robustly funded CSU Budget. A funding increase directly affects the number of courses that can be offered each term and allows the CSU to continue funding other priorities such as faculty hiring, additional academic advisors, and the expansion of high-impact practices that affect student success and completion. With a smaller State Budget assumption, degree completions will continue to grow at about the same pace it has grown each of the last three years. Under a more robust CSU Budget assumption, the growth in total degrees awarded is expected to rise at a faster pace.

<b>Table 5</b>				
<b>State or CSU Budget – 4-year First-Time, Full-Time Freshmen Graduation Rates</b>				
Fall Cohort	Graduation Year	Receiving Pell Grants	Not Receiving Pell Grants	All Students
2007	2011	9.6%	18.7%	15.9%
2008	2012	10.0%	19.2%	16.2%
2009	2013	11.2%	21.9%	17.8%
2010	2014	11.8%	24.0%	18.6%
2011 (Projected)	2015	11.8%	25.1%	18.9%
2012 (Projected)	2016	12.6%	26.1%	19.4%
2013 (Projected)	2017	13.5%	27.1%	19.9%
2014 (Projected)	2018	14.4%	28.1%	20.4%

<b>Table 6</b>				
<b>State or CSU Budget – 6-Year First-Time, Full-Time Freshmen Graduation Rates</b>				
Fall Cohort	Graduation Year	Receiving Pell Grant	Not Receiving Pell Grant	All Students
2005	2011	44.3%	54.5%	51.3%
2006	2012	44.2%	54.6%	51.4%
2007	2013	45.4%	54.7%	51.8%
2008	2014	47.9%	57.0%	54.0%
2009 (Projected)	2015	51.6%	60.2%	56.9%
2010 (Projected)	2016	52.9%	61.1%	57.5%
2011 (Projected)	2017	54.3%	62.0%	58.1%
2012 (Projected)	2018	55.7%	62.9%	58.7%

<b>Table 7</b>				
<b>Two-year California Community College Transfer Graduation Rates</b>				
Fall Cohort	Graduation Year	Receiving Pell Grants	Not Receiving Pell Grant	All Transfers
2009	2011	22.9%	25.6%	24.5%
2010	2012	26.1%	29.3%	27.8%
2011	2013	24.9%	28.6%	26.7%
2012	2014	27.3%	29.4%	28.3%
2013 (Projected)	2015	29.2%	30.9%	30.0%
2014 (Projected)	2016	29.8%	31.5%	30.5%
2015 (Projected)	2017	30.4%	32.2%	31.1%
2016 (Projected)	2018	31.0%	32.8%	31.7%

<b>Table 8</b>				
<b>Three-Year California Community College Transfer Graduation Rates</b>				
Fall Cohort	Graduation Year	Receiving Pell Grant	Not Receiving Pell Grant	All Transfers
2008	2011	51.8%	56.1%	54.6%
2009	2012	54.2%	57.8%	56.3%
2010	2013	59.7%	61.9%	60.9%
2011	2014	59.4%	63.2%	61.3%
2012 (Projected)	2015	61.5%	63.0%	62.2%
2013 (Projected)	2016	62.7%	64.2%	63.3%
2014 (Projected)	2017	63.9%	65.5%	64.5%
2015 (Projected)	2018	65.2%	66.8%	65.7%

<b>Table 9</b>				
<b>Four-Year California Community College Transfer Graduation Rates</b>				
Fall Cohort	Graduation Year	Receiving Pell Grant	Not Receiving Pell Grant	All Transfers
2007	2011	62.6%	65.7%	64.6%
2008	2012	65.1%	68.2%	67.2%
2009	2013	67.6%	70.4%	69.3%
2010	2014	72.0%	73.4%	72.8%
2011 (Projected)	2015	71.4%	74.1%	72.8%
2012 (Projected)	2016	72.1%	75.0%	73.5%
2013 (Projected)	2017	72.8%	75.9%	74.3%
2014 (Projected)	2018	73.5%	76.8%	75.1%

<b>Table 10a</b>					
<b>Total Degree Completions - State Budget</b>					
College Year	Freshmen Entrants	CCC Transfer Students	Graduate Students	Total*	Low-Income Students*
2011-2012	30,245	37,990	19,725	96,152	31,600
2012-2013	32,569	41,858	19,406	101,209	39,837
2013-2014	34,330	43,775	18,590	103,781	44,629
2014-2015	36,704	42,771	18,831	105,693	45,660
2015-2016 (Projected)	38,673	43,424	18,999	108,372	46,715
2016-2017 (Projected)	40,748	44,087	19,169	111,170	47,795
2017-2018 (Projected)	42,934	44,760	19,340	114,092	48,900
2018-2019 (Projected)	45,238	45,443	19,513	117,146	50,030

<b>Table 10b</b>					
<b>Total Degree Completions - CSU Budget</b>					
College Year	Freshmen Entrants	CCC Transfer Students	Graduate Students	Total*	Low-Income Students*
2011-2012	30,245	37,990	19,725	96,152	31,600
2012-2013	32,569	41,858	19,406	101,209	39,837
2013-2014	34,330	43,775	18,590	103,781	44,629
2014-2015	36,704	42,771	18,831	105,693	45,660
2015-2016 (Projected)	38,673	43,424	18,999	108,372	46,715
2016-2017 (Projected)	40,748	44,087	19,169	111,170	47,795
2017-2018 (Projected)	42,934	44,760	19,340	114,092	48,900
2018-2019 (Projected)	45,238	49,024	19,996	121,210	51,160

*\*Total includes all degree recipients, including those not reflected in the categories above (e.g. Non-California community college transfers, etc.). Low-income students' degrees for 2014-2015 are estimates as Pell awards data are not final.*

## Measures 11 - 15: Cost Efficiency and Time-to-Degree

**Measure 11:** The percentage of freshmen entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within four years.

**Measure 12:** The percentage of CCC transfer students who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within two years.

Measure 11 asks the CSU to report the number of students who have finished 30 semester units after their first year – indicating their progress toward graduating with 120 units in four years. Table 11 shows the percentage of freshmen entrants who return to the CSU for their second year, having completed 30 units in their first year. This is not something the CSU has traditionally measured, but the current trend shows consistent growth in the percentage of students completing 30 units in their first year. As campuses continue to examine academic policies and the high-impact practices that affect retention and graduation, this type of measure will continue to be examined.

To address Measure 12, the CSU cannot accurately measure the number of units taken by CCC transfers in their first year at the CSU as a measure for that student being “on track” to graduate in two years. Most CCC transfer students have taken well over 60 units when they transfer to the CSU, and the CSU will accept up to 70 units. The determination of which of those 60-plus units will apply toward their bachelor’s degree does not happen until a student applies for graduation, at which time a different set of transfer credits may be applied to the degree, than was intended when the student first enrolled.

<b>Table 11</b>		
<b>30 or more units at start of Year 2</b>		
<b>State or CSU Budget</b>		
<b>Fall Enrollment</b>	<b>% of Students with 30 Units or More</b>	<b>% of Students with Less than 30 Units</b>
2011	47.3%	52.7%
2012	47.3%	52.7%
2013	48.0%	52.0%
2014	50.3%	49.7%
2015 (Projected)	51.4%	48.6%
2016 (Projected)	52.5%	47.5%
2017 (Projected)	53.6%	46.4%
2018 (Projected)	54.7%	45.3%

**Measure 13:** For all students, the total amount of funds received from all sources specified for the year, divided by the number of degrees awarded that same year.

<b>Table 13 – Expenditures per Degree – All</b>		
College Year	State Budget	CSU Budget
2016-2017 (Projected)	\$41,505	\$42,652
2017-2018 (Projected)	\$42,028	\$44,219
2018-2019 (Projected)	\$42,322	\$44,271

**Measure 14:** For undergraduate students, the total amount of funds received from all sources specified for the year expended for undergraduate education, divided by the number of undergraduate degrees awarded that same year.

<b>Table 14 – Expenditures per Degree – Undergraduate</b>		
College Year	State Budget	CSU Budget
2016-2017 (Projected)	\$51,788	\$53,219
2017-2018 (Projected)	\$51,949	\$54,657
2018-2019 (Projected)	\$51,830	\$53,817

**Measure 15:** The average number of CSU course credits and the total course credits, including credits accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and CCC transfer students.

Measure 15, like measure 12, asks a question that does not yield a clear answer. What it shows is that all students, whether they entered as freshmen or transfers, have non-CSU units applied to their transcripts upon graduation; this can include upper division, lower division, and Advanced Placement units. The data available centrally includes total units earned at time of degree and total units taken elsewhere, either transferred in, or through Advanced Placement credit. This leaves derived CSU units which are not a real representation of the units taken or used for a specific degree. Campuses may be able to better answer this question for freshman entrants, but transfer units are not fully applied toward a degree until a student applies for graduation. Therefore, a campus would have difficulty answering this question until the student’s last term at the CSU

The CSU requires all academic programs to get as close to 120 required units as possible. Nearly 90 percent of programs are now at that level. Programs above 120 units have reviewed their academic requirements to ensure that their requirements in excess of 120 units are necessary to meet the learning objectives required of its graduates.

**Table 15**  
**Total Units Earned, per Bachelor's Degree**  
**State or CSU Budget**

College Year	Freshmen Entrants		California Community College Transfers		Total Undergraduate Students	
	CSU Units*	Total Units	CSU Units*	Total Units	CSU Units*	Total Units
2011-2012	128	139	61	141	90	141
2012-2013	129	139	59	141	89	141
2013-2014	129	139	58	141	88	141
2014-2015	128	138	57	141	88	141
2015-2016 (Projected)	128	138	57	141	88	140
2016-2017 (Projected)	128	138	57	141	88	140
2017-2018 (Projected)	128	138	57	140	88	140
2018-2019 (Projected)	128	138	57	140	88	140

\*CSU Units is derived from Total Units minus units earned elsewhere. It is not a direct reporting of CSU units taken.

### Measure 16: STEM Earned Degrees

**Measure 16:** The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students.

There is significant demand in California and nationwide for graduates with degrees in STEM fields. The CSU currently tracks STEM and health disciplines within STEM and are reporting both here. Like Measure 10 on degree completions, total STEM degrees will increase at a faster pace under a more robust CSU Budget assumption versus a State Budget assumption.

**Table 16a**  
**STEM Degrees, (excluding health) - State Budget**

College Year	Undergraduate Students	Graduate Students	Total	Low-Income Students*
2011-2012	13,921	4,187	18,108	5,314
2012-2013	15,361	3,960	19,321	6,963
2013-2014	17,061	3,817	20,878	8,397
2014-2015	18,519	4,278	22,797	8,802
2015-2016 (Projected)	19,867	4,402	24,269	9,227
2016-2017 (Projected)	21,314	4,520	25,834	9,672
2017-2018 (Projected)	22,866	4,641	27,507	10,139
2018-2019 (Projected)	24,531	4,766	29,297	10,628

<b>Table 16b</b>				
<b>STEM Degrees (excluding Health) - CSU Budget</b>				
College Year	Undergraduate Students	Graduate Students	Total	Low-Income Students*
2011-2012	13,921	4,187	18,108	5,314
2012-2013	15,361	3,960	19,321	6,963
2013-2014	17,061	3,817	20,878	8,397
2014-2015	18,519	4,278	22,797	8,802
2015-2016 (Projected)	19,867	4,402	24,269	9,227
2016-2017 (Projected)	21,314	4,520	25,834	9,672
2017-2018 (Projected)	22,866	4,641	27,507	10,139
2018-2019 (Projected)	25,656	4,882	30,538	10,910

*\*Low-income students' degrees for 2014-2015 are estimates as Pell awards data are not final.*

<b>Table 16c</b>				
<b>STEM Degrees, Health Only - State Budget</b>				
College Year	Undergraduate Students	Graduate Students	Total	Low-Income Students*
2011-2012	4,924	1,908	6,832	1,882
2012-2013	5,592	1,967	7,559	2,548
2013-2014	6,223	1,967	8,190	3,028
2014-2015	6,556	2,058	8,614	3,407
2015-2016 (Projected)	7,037	2,118	9,155	3,618
2016-2017 (Projected)	7,553	2,179	9,732	3,842
2017-2018 (Projected)	8,107	2,242	10,349	4,080
2018-2019 (Projected)	8,702	2,307	11,009	4,333

<b>Table 16d</b>				
<b>STEM Degrees, Health Only - CSU Budget</b>				
College Year	Undergraduate Students	Graduate Students	Total	Low-Income Students*
2011-2012	4,924	1,908	6,832	1,882
2012-2013	5,592	1,967	7,559	2,548
2013-2014	6,223	1,967	8,190	3,028
2014-2015	6,556	2,058	8,614	3,409
2015-2016 (Projected)	7,037	2,118	9,155	3,618
2016-2017 (Projected)	7,553	2,179	9,732	3,842
2017-2018 (Projected)	8,107	2,242	10,349	4,080
2018-2019 (Projected)	9,191	2,363	11,554	4,455

*\*Low-income students' degrees for 2014-2015 are estimates as Pell awards data are not final.*

**JOINT MEETING OF THE  
COMMITTEES ON EDUCATIONAL POLICY AND FINANCE**

**Donahue Higher Education Act: Annual Report on Hate Crimes**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Sally Miller  
CSU Systemwide Special Project Director  
Clery Analysis, Outreach, and Training

**Summary**

This item provides an annual report of hate crimes on campuses pursuant to Education Code § 67380, which requires the California State University (CSU) to compile statistics and report on hate crimes and non-criminal acts of hate violence by calendar year. The statute requires that the information be reported to the CSU Board of Trustees and then transmitted to the Legislative Analyst's Office by January 1 of each year.

**Background**

The CSU seeks to maintain a safe educational environment, which includes compliance with student safety laws and regulations. These include the Federal Jeanne Clery Disclosure of Campus Security and Crime Statistics Act (Clery Act) (20 U.S.C. 1092(f)) and the Violence Against Women Reauthorization Act of 2013, which amends the Clery Act under the Campus Sexual Violence Elimination Act provision (Campus SaVE Act). State laws and regulations include the Governor's 2004 California Campus Blueprint to Address Sexual Assault; and the Higher Education Act (Education Code § 67380, 67385.7, 67386, and 67390 et seq.).

Hate crime is defined in Penal Code § 422.55. Hate violence for reporting purposes is defined in Education Code § 67380(c) as *“any act of physical intimidation or physical harassment, physical force or physical violence, or the threat of physical force or physical violence, that is directed against any person or group of persons, or the property of any person or group of persons because of the ethnicity, race, national origin, religion, sex, sexual orientation, gender identity, gender expression, disability, or political or religious beliefs of that person or group.”*

With regard to the annual report required by Education Code § 67380, for the year ending December 31, 2014, two hate crimes and zero incidents of non-criminal acts of hate violence will be reported to the Legislative Analyst's office.