

AGENDA

JOINT MEETING OF THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE

Meeting: 2:30 p.m., Wednesday, November 12, 2014
Glenn S. Dumke Auditorium

**Committee on Educational
Policy**

Debra S. Farar, Chair
Margaret Fortune, Vice Chair
Roberta Achtenberg
Talar Alexanian
Rebecca D. Eisen
Douglas Faigin
Lupe C. Garcia
Steven M. Glazer
Lillian Kimbell
J. Lawrence Norton
Steven G. Stepanek

Committee on Finance

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Lupe C. Garcia

Consent

Approval of the minutes of the meeting of September 9, 2014

Discussion

1. Approval of the Academic Sustainability Plan, *Action*

**MINUTES OF THE MEETING OF JOINT
COMMITTEES 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 9, 2014

Members Present

Educational Policy Committee

Debra S. Farar, Vice Chair
Rebecca D. Eisen
Lupe C. Garcia
Lillian Kimbell
Steven G. Stepanek

Finance Committee

Roberta Achtenberg, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Rebecca D. Eisen
Debra S. Farar
Margaret Fortune
Lupe Garcia

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

Trustee Farar called the meeting to order.

Academic Performance Measures (Academic Sustainability Plan), *Information Item*

Ryan Storm, Interim Assistant Vice Chancellor for Budget explained that the purpose of this item is to inform the board of a new state law that requires the board to prepare a multi-year academic sustainability plan and to gather the board's input on staff's recommended approach.

Mr. Storm stated that the law requires the CSU to report every March on sixteen performance measures, such as graduation rates, the cost per degree, and time to degree. In addition, the state requires the CSU to develop a plan that details the University's ability to establish academic-related goals and to do so within specific fiscal parameters. He indicated that the board must

adopt a final plan and submit it to the state by November 30, 2014. There are three significant components to this plan:

- 1) The CSU must establish goals for the sixteen performance measures for the next three academic/fiscal years;
- 2) The CSU must estimate resident and non-resident enrollment for those three years; and
- 3) The CSU must prepare a balanced budget for those years.

The required plan includes two sets of assumptions. First, the law requires the Governor's administration to provide the revenue assumptions upon which the board is supposed to build this plan. And second, the plan should assume no systemwide tuition or campus-based mandatory fee increases.

In addition to the plan prescribed by law, the board could supplement the plan using its own assumptions. As an example, Mr. Storm referred to an earlier Committee on Finance item where the board discussed developing a support budget plan for 2015-2016 that assumed expenditures that were about twice the size of the Governor's multi-year funding plan. More funding would allow the CSU to enroll more students, which would likely result in increases in the number of enrollments and graduates that could eclipse the current trend as well as any goals that could reasonably be crafted using the administration's assumptions. Under this example, investing more resources could result in more CSU-eligible students gaining access to the University and it could help the State's long-term economic need to increase the number of Californians with baccalaureate degrees.

Philip Garcia, Senior Director of Analytic Studies, presented the sixteen performance measures and noted that the Academic Sustainability Plan requires the CSU to provide a brief statistical history of the measures as well as projections of expected levels. Dr. Garcia illustrated the different enrollment projections that emerged between the Department of Finance-based budget assumptions and the Chancellor's Office demand-based assumptions. The Department of Finance assumptions presume there is funding to support a one percent increase in the CSU total resident headcounts between College Year 2015 and College Year 2017 whereas the Chancellor's Office assumption presumes the CSU needs to grow annually by three percent in order to serve more CSU eligible students. Under the Department of Finance assumptions, the CSU could attain an enrollment level of 433,000 students in 2017. That number represents 13,000 fewer students than attended the CSU in 2007, the year before recessionary cuts were initiated. Under the Chancellor's Office demand-based assumptions, the CSU could enroll 460,000 students, or roughly 14,000 more students than in 2007.

He then stated that goals for graduation rates are the core of the plan. The six-year graduation rate for freshmen has improved by more than 10 percentage points in the last 12 years. Using the goals set by the CSU Graduation Initiative, the CSU expects to exceed the initial six-year graduation rate goal of 54% by at least one percentage point by 2017. The CSU's recent history shows the percentage of 4-year completers has moved up from about 10 percent to about 16

percent between 2001 and 2010. The expectation is that the 4-year rate could reach about 19 percent in 2017.

He also stated that the plan requires goal setting for higher and faster rates of graduation for California community college transfers. The CSU has not set explicit goals for 2-year and 4-year graduation rates among new transfer students; however the CSU has created several pathways to guarantee associate degree for transfer students. There has been steady improvement in the 4-year graduation rate for transfer students, so the CSU expectation is that 4-year transfer rates will continue to move upward, passing the 70 percent marker. The CSU also expects the 2-year graduation rate to inch closer to the 30 percent.

Dr. Garcia noted that the Academic Sustainability Plan is to include enrollment goals for both freshmen and transfer low-income students. During the recent recession period, the percentage of Pell students rose from 36 percent in 2009-2010 to 49 percent by 2011-2012. The rise in the proportion of Pell students stemmed largely from a downturn in State funding resulting in the need for the CSU to implement higher fees. Additionally, depressed family incomes associated with the economic downturn also impacted the percentage of Pell recipients. With a stronger state economy, we could see a reduction in the percentage of Pell recipients. Regarding units earned, graduation rates the CSU expects Pell students to make improvements that, more or less, mirror the improvements for non-Pell students.

Mr. Storm added that there are challenges with the Academic Sustainability Plan. First, the final plan will mean different things to different people if expectations are not clearly articulated. Some could take the view that if goals are not reached, the plan could be seen as a failure. Another view could be that the plan is simply a planning tool. Under this view, if goals ultimately are not met, then the reaction could be one in which the University and the State jointly evaluate the situation and find ways to continue to move in a positive direction. Additionally, establishing goals could have several challenges. He stated that for example, some of the performance measures have little or no history. With little to no historical context new goals could be established too low or too high.

However, he stated that there are also opportunities with the plan. First, it is an opportunity to discuss how CSU is a sound state investment, is vital to the state's economy, and is an exceptional educational value for students and their families. Second, it furthers the discussion with internal and external constituencies about appropriate funding levels and expectations on student success and completion. Third, it shows how the CSU's Graduation Initiative increased the graduation rate and made the pathways to graduation more clear for all students. While there are many ways to approach the development of the Academic Sustainability Plan, staff recommends that the plan have two parts.

Mr. Storm stated that staff recommends that the first part of the plan include the requirements of the law while the second part would exceed the minimum requirements. The key components of

the second part of the plan would be to assume a higher revenue assumption which would allow the board to establish greater enrollment or access goals than under the Department of Finance's revenue assumptions. He further indicated that if the board elects to pursue this plan, the Chancellor's Office is committed to working with key stakeholders and constituencies to ensure that the goals and expectations that will be propose at the November meeting are appropriate. This two-part approach would fulfill the requirements of the law, but would also demonstrate to the administration, the legislature, and others that with adequate resources, the CSU could commit to greater student achievement.

Trustee Faigin inquired about the 60% six-year graduate rate target. Executive Vice Chancellor Ephraim Smith responded that in January's State of the University address, Chancellor White set a goal that by 2025 the system would reach a 60% six-year graduation rate for first time freshman. He added that the current graduation rate is 52-53%. In 2015, the CSU expects a rate of 54%. He stated there was a report done by the Public Policy Institute of California in which the Institute reported an achievable goal for the CSU of 60% and that 70% might be less attainable.

Trustee Faigin inquired if both plans could be used in the report. Mr. Storm responded that staff is proposing to use the Department of Finance's assumptions as well as a CSU needs based budget to develop the report.

Trustee Fortune asked if Mr. Storm could share the legislative intent behind the law. Mr. Storm responded that the primary driver is shifting away from an input based budget in the CSU to an output based budget. He added that it was a proposal from the Governor's administration. He stated that the Governor's administration would like to see how the CSU is performing and improving on limited resources.

Trustee Fortune then inquired about the intended audience of this report. Mr. Storm responded that it was the Department of Finance, the Governor's office, the Legislative Analyst's office, and legislative committees.

Trustee Monville thanked staff for the report and added that he is comfortable with the direction in which it is headed. He stated it is very important to tell the CSU story and recognize the students the CSU is serving and those that California needs the CSU to serve.

Chancellor White stated he is pleased to be accountable to our stakeholders, the public at large and our officials about the importance of California State University. He added that there are some unintended consequences of exercises like this, stating that it unintentionally implies that education is a commodity.

Trustee Day expressed his concern about the CSU being penalized for things outside of its control. He added that for some students it is not attainable to graduate within four to six years. He is concerned about how this plays into the report. Mr. Storm responded that staff will work

with the State to use it as a tool to try to improve student success rather than a mechanism for penalizing the CSU if goals are not met.

There being no further questions, Trustee Farar adjourned the Joint Committees on Educational Policy and Finance.

COMMITTEES ON EDUCATIONAL POLICY AND FINANCE

Approval of the Academic Sustainability Plan

Presentation By

Ryan Storm
Interim Assistant Vice Chancellor
Budget

Summary

New state law requires the California State University (CSU) Board of Trustees to develop and approve an academic sustainability plan covering the 2015-2016, 2016-2017, and 2017-2018 fiscal years. An information item was presented to the board at its September 2014 meeting and this item now requires action by the board. Accompanying this agenda item, as Attachment A, is the Proposed Academic Sustainability Plan (Plan) for the CSU which contains additional detail for the board's consideration.

Background

The Budget Act of 2014 requires the trustees 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, 2014.

According to state law, the plan must include the following three components:

1. Projections of available resources in the 2015-2016, 2016-2017 and 2017-2018 fiscal years, using state general fund and tuition and 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.

In a July 15, 2014 letter to the CSU, the Department of 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, the Department of Finance directed the board to craft a plan that assumes no systemwide tuition or category II campus-based fee increases.

At the September 2014 board of trustees meeting, a preliminary recommendation was presented to the board for its consideration and feedback. Since then, staff consulted with and solicited feedback from the California State Student Association, the Statewide Academic Senate, campus presidents, Academic Council (campus provosts), Student Affairs Council (campus vice presidents of student affairs), and the System Budget Advisory Committee (various CSU constituencies).

Summary of the Recommended Plan

In this section, we discuss the options available to the CSU and ultimately, the approach staff took in preparing the recommended Plan.

Managing Expectations

First, the Plan will mean different things to different people if expectations are not clearly articulated. Possibilities abound, but one view could be that the Plan is, in a way, a contract, and that if goals are not reached, then the Plan could be seen as a failure or a breach of contract and it could invite adverse political or budgetary actions. Another view is that the Plan is simply a planning tool. Under this view, if goals ultimately are not met, then the reaction could be one in which the university and the state jointly evaluate the situation and find ways to continue to move in a positive direction.

The Plan before the board recommends that they regard this as a planning tool for use by CSU and the state. A strong partnership between the state and CSU is critical to both parties, and in continuing to build that partnership the more we work together to empower students, staff, faculty, and administrators the better off we will be.

Budget

Minimally, CSU 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 a challenge because they fall short of CSU's annual, identified financial needs. For illustration purposes, the state expects the CSU to assume only \$119.5 million of new state general fund support and no new systemwide tuition fee revenue for 2015-2016. CSU's typical support budget plan (a mix of

state general fund support and tuition fee revenue) requests a range of \$250 million to \$350 million per year in increased funds.

The Plan under consideration recommends the adoption of two budget scenarios. First, the “State Budget” was constructed using the governor’s office multi-year funding plan and tuition fee 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. Including the CSU Budget is not required by law, but it furthers the discussion with internal and external constituencies about appropriate funding levels for CSU and expectations about student success and completion.

Approach

The law requires CSU to establish goals for each performance measure. 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 CSU would do no worse over the next three years than the status quo.
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 of trends, but with subjective goals that exceed estimated trends.

Staff recommends that the board take a measured approach for the final Plan. 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 may be politically appetizing but may have little to no chance of being achieved given modest budget increases, and a short timeline to affect change. Also, this approach would demonstrate to the governor’s office, the legislature, and others that even with the assumed, limited resources and the three-year timeline that CSU is willing to strive for improvements as they relate to the performance measures. Additional value can be found by way of the CSU Budget assumptions. With resource assumptions above the State Budget, CSU can commit to greater current and prospective student access and to increases in the expenditures per degree, resulting in more investment in both access and quality of a CSU education.

Goal Setting

CSU must establish goals for 16 performance measures laid out in state law. Staff concluded that funding commitments over the next three years can directly influence outcomes for eight performance measures during those three years, which are related to student enrollments and expenditures per degree. For example, under the State Budget and CSU Budget scenarios, enrollments can increase by one percent (approximately 3,500 full-time equivalent students) and three percent (approximately 10,400 FTES) per year, respectively. Funding commitments over the next three years can only begin to influence outcomes for the other eight performance measures in those same years. It is more likely that improvements would materialize after the plan's three-year window. The measures that fall into this grouping are the number of conferred degrees, total units earned at graduation, graduation rates, and progress toward degree. 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 dip in 2014-2015 and 2015-2016 because of necessary fiscal policy decisions made in those earlier years that cannot be affected by an influx of funding in those later years.

While CSU is compelled to create goals for several performance measures, CSU began setting graduation rate goals in 2006. In mid-October 2014, each of the 23 CSU campuses re-benched those goals for 2025 kicking off phase II of the Graduation Initiative. These goals are accompanied by campus-based strategies to improve four- and six-year graduation rates, close the achievement gap for under-represented minorities, and increase retention rates across the board. Systemwide, the CSU is on track to surpass the 2015 graduation rate goal of 54 percent, showing that many of the efforts implemented on campuses have been successful.

However, the modest proposed increases in state funding, combined with the mandate to hold tuition rates flat for the next three years, handicaps 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.

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 2015-2016, 2016-2017, and 2017-2018 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, 2014 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 2014.

Proposed Academic Sustainability Plan

November 12-13, 2014
CSU Board of Trustees

As required by the Budget Act of 2014

Academic Sustainability Plan

Introduction

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 2014. 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. The performance measures included in the Plan are influenced by many variables that are outside the CSU's direct control. For example, student behavior, in aggregate, can positively or negatively shape the outcome of many of the goals included in this Plan. Also, state general fund support could increase or decrease depending on the budgetary decisions of state leaders, which could have a direct influence on many of the goals and those underlying assumptions. Additionally, the state and federal economic condition, and its effect on California families, could play a significant role. Acknowledging these variables, the Plan is based on the best trend information available.

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 produced. However, it is important to acknowledge various systemwide and campus-based strategies already in place to positively affect these measures.

Graduation Initiative

CSU began setting graduation rate goals in 2009. In mid-October 2014, each of the 23 CSU campuses re-benchmarked those goals kicking off the *Graduation Initiative 2025*. These goals are accompanied by campus-based strategies to improve four- and six-year graduation rates, close the achievement gap for under-represented minorities, and increase retention rates across the board. Systemwide, the CSU is on track to surpass the 2015 graduation rate goal of 54%, indicating that many of the efforts implemented on campuses have been successful.

Early Assessment and Early Start Programs

The Early Assessment Program has been in existence for more than a decade. The program identifies students who are not ready for college-level courses in English and mathematics by the end of the junior year of high school and provides them with an opportunity to use their senior year to improve upon those skills. This early identification allows students to focus on those subjects and likely be more successful upon enrolling at the CSU.

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 to "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 or mathematics must begin

developmental coursework through the Early Start Program, but do not need to complete remediation in the summer. Intensive classes in English and mathematics strengthen skills and reduce the time necessary to get on the college track.

Associate Degree for Transfer

Recently, the California Community Colleges (CCC) Chancellor's Office provided the CSU with 5,082 records for students identified as graduates with an Associate Degree for Transfer from 2012-2013 to 2013-2014. When the CSU matched the records against systemwide applications files, 4,575 matched records were generated (90 percent of the records), indicating those graduates applied for transfer to the CSU. Ultimately, 4,337 were admitted to a CSU campus.

As of spring 2014, the CSU has identified 131 CSU graduates who entered with an Associate Degree for Transfer from a CCC. All of these graduates matriculated in fall 2012 or after and in some cases graduated less than 2 years after transfer. As the number of Associate Degrees for Transfers continues to expand at the community college level, the program is showing promise for initial transfer students successfully completing their degrees in a timely manner.

Student Success Initiatives

The CSU Enrollment Bottleneck Solutions Initiative, launched in 2013, is designed to accelerate student progress to degree and decrease bottlenecks that negatively impact students. Bottlenecks are anything that limits students' ability to make progress toward graduation. Demand often exceeds supply because: public universities are constrained by limited facilities and course requirements, faculty, staff and student schedules, limited resources, academic program requirements, and student readiness and their academic program choices.

Strategies and solutions to address the causes of enrollment bottlenecks include: course redesign to improve student success and access, CourseMatch, which offers CSU students access to online courses delivered by campuses other than their own, Virtual Labs where faculty can offer hybrid lab courses, and eAdvising to streamline advising, registration, and academic planning for undergraduate students at all 23 campuses.

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 has 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 ensure and mitigate potential roadblocks that may delay graduation. Efforts to support student success and timely degree completion have included eAdvising and 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.

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 447,000 students and employing 45,000 faculty and staff.

- The CSU stretches from Humboldt in the north to San Diego in the south.

Budget Act Requirement

The Budget Act of 2014 (Chapter 25 of the Statutes of 2014) 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, 2014.

The plan must include the following three components:

- (1) Projections of available resources in the 2015-2016, 2016-2017, and 2017-2018 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 a July 15, 2014 letter to 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

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 \$119.5 million of new state general fund support and no new systemwide tuition fee revenue for 2015-2016. CSU's typical support budget plan (a mix of state general fund support and tuition 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 fee 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. Including the CSU Budget is not required by law, but it furthers the discussion with internal and external constituencies about appropriate funding levels for CSU and expectations about student success and completion.

Funded Student Enrollment

Based on the State Budget and the CSU Budget prepared for requirement 1, enrollment projections vary for 2015-2016, 2016-2017 and 2017-2018. With a small budget increase allowed for 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) new 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 and 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 a faster time to degree where students enroll in 15 or more units each term.

Goals for Performance Measures

The third requirement requires the CSU to 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 CSU would do no worse 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 willing to strive for 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, CSU can commit to increased student access, more degrees granted, and an increase in spending 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 dip in 2014-2015 and 2015-2016 because of necessary fiscal policy decisions made in prior years that cannot be affected by an influx of funding in upcoming years.

Consultation

Between the September 2014 and November 2014 Board meetings, Chancellor's Office staff consulted with and solicited feedback from the California State Student Association, the Systemwide Academic Senate, campus presidents, the Academic Council (campus provosts), Student Affairs Council (campus vice presidents of student affairs), and the System Budget Advisory Committee (various CSU constituencies) on the approach taken in this Plan. The feedback from these groups was considered and incorporated into this final Plan.

Conclusion

The modest proposed increases in state funding, combined with the mandate to hold tuition rates flat for the next three years, handicaps 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. The CSU Budget does not require the CSU to exchange infrastructure needs or employee compensation 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.

The Plan

(1) Budget

Requirement: Projections of available resources in the 2015-2016, 2016-2017, and 2017-2018 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 \$119.5 million to \$129.2 million per year, which generally aligns with the governor’s office multi-year funding plan for 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 Fee Revenue: The State Budget assumes no change to any systemwide tuition fee levels through 2017-2018. The Board’s recommended 2015-2016 support budget request presumes no change in systemwide tuition fee levels for 2015-2016. Because the Board has the statutory authority and discretion to adjust tuition fee levels, the CSU Budget presumes the Board will determine the appropriate tuition fee levels on a case-by-case and year-by-year basis.

Student Success Fees: The State Budget assumes no change to existing and no new student success fees. The CSU Budget assumes no new student success fees will be created in 2015-2016 because a significant review of the fee policy related to this type of fee is underway and a state moratorium on the creation of new student success fees is in effect through January 2016. However, the CSU Budget presumes the Board and the Chancellor will retain the statutory discretion after 2015-2016 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 2015-2016 preliminary and final drafts of the Board’s support budget request. Under these scenarios, the State Budget could increase FTES by approximately 3,450 per year and the CSU Budget could increase FTES by approximately 10,400 per year.

All Other Expenditures: For 2015-2016, all other expenditures for the State Budget and CSU Budget are consistent with the Board’s recommended 2015-2016 support budget request. Because the Board’s expenditure priorities exceed the State Budget’s resource assumptions, some 2015-2016 discretionary

expenditures are displayed as “TBD” or “to be determined”. If the State Budget resource assumptions were to come to pass in 2015-2016, CSU would have to decide how best to allocate remaining, limited resources to these expenditure categories.

For 2016-2017 and 2017-2018, 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 Assumptions			
Revenues	2015/16	2016/17	2017/18
State General Fund Support Appropriation (base)	\$2,465,702,000	\$2,619,758,000	\$2,798,636,000
State Contribution for PERS retirement	34,589,000	54,632,000	26,674,000
State Revenue Assumptions:			
Governor's Office Multi-Year General Fund Plan	119,467,000	124,246,000	129,215,000
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)	296,316,000	303,944,000	311,809,000
Governor's Office commitment to lease revenue bond debt service payments	7,628,000	7,865,000	5,070,000
Net Tuition Fee & Other Fee Revenue (base)	2,045,274,000	2,062,746,000	2,080,392,720
Net Tuition Fee Revenue (Funded Student Enrollment Increase - 1% per year)	17,472,000	17,646,720	17,823,187
Totals, Revenues	\$4,986,448,000	\$5,190,837,720	\$5,369,619,907
Expenditures	2015/16	2016/17	2017/18
Operations (base)	\$4,510,976,000	\$4,682,504,000	\$4,879,028,720
State Contribution for PERS retirement	34,589,000	54,632,000	26,674,000
Mandatory Costs	23,077,000	TBD	TBD
Employee Compensation Pool	65,528,000	TBD	TBD
Student Success & Completion Initiatives	TBD	TBD	TBD
Center for California Studies	204,000	TBD	TBD
Funded Student Enrollment Increase - 1% per year	34,409,000	34,753,090	35,100,621
General Obligation & Lease Revenue Debt Service Payments (base)	296,316,000	303,944,000	311,809,000
Governor's Office commitment to lease revenue bond debt service payments	7,628,000	7,865,000	5,070,000
Facilities & Infrastructure (pay-as-you-go or debt financing)	TBD	TBD	TBD
Information Technology Infrastructure	TBD	TBD	TBD
All Other Operating Expenditures To Be Determined by CSU	13,721,000	107,139,630	111,937,566
Totals, Expenditures	\$4,986,448,000	\$5,190,837,720	\$5,369,619,907
Balance	\$0	\$0	\$0
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 \$600 million.			

CSU Budget Assumptions

Revenues	2015/16	2016/17	2017/18
State General Fund Support Appropriation (base)	\$2,465,702,000	\$2,716,901,000	\$3,021,533,000
State Contribution for PERS retirement	34,589,000	54,632,000	26,674,000
CSU Revenue Assumptions:			
State General Fund	216,610,000	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
New Student Success Fees	\$0	TBD	TBD
General Obligation & Lease Revenue Debt Service Revenue from State (base)	296,316,000	303,944,000	311,809,000
Governor's Office commitment to lease revenue bond debt service payments	7,628,000	7,865,000	5,070,000
Net Tuition Fee & Other Fee Revenue (base)	2,045,274,000	2,097,691,000	2,151,680,510
Net Tuition Fee Revenue (Funded Student Enrollment Increase - 3% per year)	52,417,000	53,989,510	55,609,195
Totals, Revenues	\$5,118,536,000	\$5,485,022,510	\$5,822,375,705
Expenditures			
	2015/16	2016/17	2017/18
Operations (base)	\$4,510,976,000	\$4,814,592,000	\$5,173,213,510
State Contribution for PERS retirement	34,589,000	54,632,000	26,674,000
Mandatory Costs	23,077,000	TBD	TBD
Employee Compensation Pool	65,528,000	TBD	TBD
Student Success & Completion Initiatives	38,000,000	TBD	TBD
Center for California Studies	204,000	TBD	TBD
Funded Student Enrollment Increase - 3% per year	103,218,000	106,314,540	109,503,976
General Obligation & Lease Revenue Debt Service Payments (base)	296,316,000	303,944,000	311,809,000
Governor's Office commitment to lease revenue bond debt service payments	7,628,000	7,865,000	5,070,000
Facilities & Infrastructure (pay-as-you-go or debt financing)	25,000,000	TBD	TBD
Information Technology Infrastructure	14,000,000	TBD	TBD
All Other Operating Expenditures To Be Determined by CSU	0	197,674,970	196,105,219
Totals, Expenditures	\$5,118,536,000	\$5,485,022,510	\$5,822,375,705
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 \$600 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.

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 (Current)	416,109	22,048	416,109	22,048
2014-2015 (Projected)	420,271	22,274	428,593	22,715
2015-2016 (Projected)	424,473	22,497	441,450	23,397
2016-2017 (Projected)	428,717	22,722	454,693	24,099
2017-2018 (Projected)	433,004	22,949	468,334	24,822

Enrollment funding is based on 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) New 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 and closer to 1:1. New funds available in each of the next three years will allow for modest increases in enrollment within each new cohort, and allow the CSU to focus on a faster time to degree where students enroll 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 five 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.

(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 our projections based on the two budget assumptions presented previously. Transfer enrollment is affected by the CSU budget more than most measures. You will see in Table 1b - 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 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 transfer enrollment between 2013-2014 and 2017-2018. However, CSU projections using the State Budget assumptions reveal that the transfer population within each new class of undergraduates will remain relatively flat. 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.

Tables 3a, 3b, 4a, and 4b all show a reduction in the percentage of Pell grant students among all undergraduates, and within each new cohort. 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 a recession or when tuition increases, 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 41 to 42 percent in the next three academic years, returning to a level seen in previously stable economic periods.

Low-income students and underrepresented students are not a 100 percent match, and therefore it is believed that this measure is getting at 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 underrepresented minority students by 2025, and will continue extensive outreach and retention efforts to these populations. Genuine access for all college going students is a critical part of CSU’s mission and meeting the financial aid needs of our students will also remain a priority.

Table 1a CCC Transfer Enrollment State Budget Assumptions		
Fall Term	Headcount	Percent of Total Undergraduates
2011	129,246	36.4%
2012	134,958	36.8%
2013 (Current)	136,352	36.2%
2014 (Projected)	137,797	36.3%
2015 (Projected)	139,258	36.3%
2016 (Projected)	140,734	36.3%
2017 (Projected)	142,226	36.3%

Table 1b CCC Transfer Enrollment CSU Budget Assumptions		
Fall Year	Headcount	Percent of Total Undergraduates
2011	129,246	36.4%
2012	134,958	36.8%
2013 (Current)	136,352	36.2%
2014 (Projected)	140,821	36.3%
2015 (Projected)	145,436	36.4%
2016 (Projected)	150,203	36.5%
2017 (Projected)	155,126	36.6%

Table 2a NEW CCC Transfer Enrollment State Budget Assumptions		
College Year	Headcount	Percent of Total New Undergraduates
2011-2012	49,467	45.3%
2012-2013	42,745	42.0%
2013-2014 (Current)	55,053	46.3%
2014-2015 (Projected)	52,065	46.3%
2015-2016 (Projected)	51,547	46.3%
2016-2017 (Projected)	53,027	46.4%
2017-2018 (Projected)	53,919	46.4%

Table 2b NEW CCC Transfer Enrollment CSU Budget Assumptions		
College Year	Headcount	Percent of Total New Undergraduates
2011-2012	49,467	45.3%
2012-2013	42,745	42.0%
2013-2014 (Current)	55,053	46.3%
2014-2015 (Projected)	55,714	46.5%
2015-2016 (Projected)	55,859	46.5%
2016-2017 (Projected)	58,300	46.6%
2017-2018 (Projected)	60,393	46.7%

Table 3a Low-Income Student Enrollment State Budget Assumptions		
Fall Year	Pell-Recipient Headcount	Percent of Total Undergraduates
2010	146,302	41.9%
2011	164,951	44.9%
2012 (Current)	173,272	45.6%
2013 (Projected)	171,876	44.8%
2014 (Projected)	170,491	44.0%
2015 (Projected)	169,117	43.2%
2016 (Projected)	167,755	42.4%

Table 3b Low-Income Student Enrollment CSU Budget Assumptions		
Fall Year	Pell-Recipient Headcount	Percent of Total Undergraduates
2010	146,302	41.9%
2011	164,951	44.9%
2012 (Current)	173,272	45.6%
2013 (Projected)	175,333	44.9%
2014 (Projected)	177,419	44.1%
2015 (Projected)	179,529	43.4%
2016 (Projected)	181,665	42.6%

Table 4a NEW Low-Income Student Enrollment State Budget Assumptions		
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 (Current)	51,693	48.9%
2013-2014 (Projected)	55,267	44.8%
2014-2015 (Projected)	52,719	45.2%
2015-2016 (Projected)	51,504	44.6%
2016-2017 (Projected)	50,614	42.6%

Table 4b NEW Low-Income Student Enrollment CSU Budget Assumptions		
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 (Current)	51,693	48.9%
2013-2014 (Projected)	55,267	44.8%
2014-2015 (Projected)	56,541	45.2%
2015-2016 (Projected)	57,518	44.9%
2016-2017 (Projected)	57,021	43.5%

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 on Tables 5 and 6. These two measures set graduation rate goals for students who entered the CSU as 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. The goals shown for the graduating classes of 2015, 2016, and 2017 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 2015-2016, 2016-2017 and 2017-2018 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 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 2015, 2016, and 2017 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 newly rebench targets 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 2015-2016, as reported for the class of 2017. 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.

Additionally, as more and more students enroll in the CSU with Associate Degrees for Transfer, and are guaranteed that they can graduate with 60 CSU units, the two-year graduation rates are expected to increase beyond their current trend. However, with only two years of Associate Degrees for Transfer students in the CSU, there is not enough information available at this time to plot those graduates within any of the CSU graduation rate trends.

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.

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 allocation, the growth in total degrees awarded is expected to rise at a faster pace.

Table 5				
State or CSU Budget – 4-year Graduation Rates				
Fall Cohort	Graduation Year	Receiving Pell Grants	Not Receiving Pell Grants	All Students
2007	2011	9.5%	18.6%	15.7%
2008	2012	9.9%	19.0%	16.0%
2009 (Current)	2013	10.8%	21.3%	17.3%
2010 (Projected)	2014	10.9%	21.9%	17.6%
2011 (Projected)	2015	11.0%	22.4%	17.9%
2012 (Projected)	2016	11.1%	23.0%	18.2%
2013 (Projected)	2017	11.2%	23.6%	18.5%

Table 6				
State or CSU Budget – 6-Year Graduation Rates				
Fall Cohort	Graduation Year	Receiving Pell Grant	Not Receiving Pell Grant	All Students
2005	2011	45.9%	57.3%	53.7%
2006	2012	45.6%	56.9%	53.4%
2007 (Current)	2013	46.0%	56.2%	53.0%
2008 (Projected)	2014	46.4%	57.0%	53.4%
2009 (Projected)	2015	46.8%	57.8%	53.9%
2010 (Projected)	2016	47.2%	58.6%	54.4%
2011 (Projected)	2017	47.6%	59.4%	54.9%

Table 7				
Two-year Transfer Graduation Rates				
Fall Cohort	Graduation Year	Receiving Pell Grants	Not Receiving Pell Grant	All Students
2009	2011	22.7%	24.9%	24.0%
2010	2012	26.3%	29.2%	27.8%
2011 (Current)	2013	24.8%	28.1%	26.5%
2012 (Projected)	2014	25.4%	28.8%	27.1%
2013 (Projected)	2015	26.0%	29.6%	27.8%
2014 (Projected)	2016	26.6%	30.4%	28.4%
2015 (Projected)	2017	27.2%	31.2%	29.1%

Table 8				
Three-Year Transfer Graduation Rates				
Fall Cohort	Graduation Year	Receiving Pell Grant	Not Receiving Pell Grant	All Students
2008	2011	50.9%	55.3%	53.8%
2009	2012	53.8%	57.0%	55.7%
2010 (Current)	2013	60.3%	62.4%	61.5%
2011 (Projected)	2014	62.0%	64.0%	63.0%
2012 (Projected)	2015	63.7%	65.6%	64.6%
2013 (Projected)	2016	65.5%	67.2%	66.2%
2014 (Projected)	2017	67.3%	68.9%	67.9%

Table 9				
Four-Year Transfer Graduation Rates				
Fall Cohort	Graduation Year	Receiving Pell Grant	Not Receiving Pell Grant	All Students
2007	2011	62.8%	65.4%	64.5%
2008	2012	64.7%	68.1%	67.0%
2009 (Current)	2013	67.5%	70.3%	69.2%
2010 (Projected)	2014	68.3%	71.2%	70.0%
2011 (Projected)	2015	69.2%	72.1%	70.9%
2012 (Projected)	2016	70.0%	73.0%	71.7%
2013 (Projected)	2017	70.8%	73.9%	72.6%

Table 10a					
Total Degree Completions - State Budget					
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 (Current)	34,254	43,741	18,574	103,637	40,318
2014-2015 (Projected)	36,038	42,411	18,755	104,128	40,562
2015-2016 (Projected)	37,915	43,152	18,938	106,788	40,807
2016-2017 (Projected)	39,889	43,906	19,122	109,562	41,054
2017-2018 (Projected)	41,966	44,673	19,308	112,457	41,302

Table 10b					
Total Degree Completions - CSU Budget					
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 (Current)	34,254	43,741	18,574	103,637	40,158
2014-2015 (Projected)	36,038	42,411	18,755	104,128	40,320
2015-2016 (Projected)	37,915	43,152	18,938	106,788	40,482
2016-2017 (Projected)	39,889	43,906	19,122	109,562	40,645
2017-2018 (Projected)	41,966	48,186	19,308	115,970	42,731

**Total includes all degree recipients, including those not reflected in the categories above (e.g. Non-California community college transfers, etc.).*

Measures 11 - 15: Cost Efficiency and Time to Degree

Measure 11: The focus is on 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 focus is on 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. This trend is projected to continue to grow and for the first time in 2015, more students will have taken 30 units their first year than not. As campuses continue to examine academic policies and the high-impact practices that affect retention and graduation, this type of measure will be examined. Current research and analysis reveals that the best predictor for future graduation is that a student is retained year-to-year, regardless of the number of units taken.

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. As was demonstrated in measures 7, 8, and 9, the transfer graduation rate doubles between year two and year three, and the CSU will continue working to increase opportunities for transfer students to finish their bachelor’s degrees as efficiently as possible.

Table 11 30 or more units at start of Year 2 State or CSU Budget		
Fall Enrollment	% of Students with 30 Units or More	% of Students with Less than 30 Units
2011	47.3%	52.7%
2012	47.3%	52.7%
2013 (Current)	48.0%	52.0%
2014 (Projected)	49.5%	50.5%
2015 (Projected)	50.9%	49.1%
2016 (Projected)	52.4%	47.6%
2017 (Projected)	53.8%	46.2%

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.

Table 13 – Expenditures per Degree – All		
College Year	State Budget	CSU Budget
2015-2016 (Projected)	\$39,923	\$41,049
2016-2017 (Projected)	\$40,638	\$43,088
2017-2018 (Projected)	\$41,094	\$43,532

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.

Table 14 – Expenditures per Degree – Undergraduate		
College Year	State Budget	CSU Budget
2015-2016 (Projected)	\$50,252	\$51,670
2016-2017 (Projected)	\$50,656	\$53,711
2017-2018 (Projected)	\$50,738	\$53,130

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 have 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	70	141	93	141
2012-2013	129	139	70	141	94	141
2013-2014 (Current)	128	139	70	141	93	141
2014-2015 (Projected)	128	139	70	141	93	140
2015-2016 (Projected)	128	139	69	140	93	140
2016-2017 (Projected)	128	139	69	140	93	140
2017-2018 (Projected)	128	139	69	140	93	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 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 (Current)	17,020	3,817	20,837	7,128
2014-2015 (Projected)	17,615	3,887	21,502	7,297
2015-2016 (Projected)	18,846	3,958	22,804	7,470
2016-2017 (Projected)	20,164	4,031	24,195	7,647
2017-2018 (Projected)	21,574	4,105	25,679	7,828

Table 16b				
STEM Degrees (excluding Health) - CSU 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 (Current)	17,020	3,817	20,837	7,128
2014-2015 (Projected)	17,615	3,887	21,502	7,297
2015-2016 (Projected)	18,846	3,958	22,804	7,470
2016-2017 (Projected)	20,164	4,031	24,195	7,647
2017-2018 (Projected)	23,187	4,427	27,614	8,440

Table 16c				
STEM Degrees, Health Only - State Budget				
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 (Current)	6,223	1,967	8,190	2,607
2014-2015 (Projected)	6,468	2,016	8,484	2,667
2015-2016 (Projected)	6,977	2,066	9,043	2,728
2016-2017 (Projected)	7,526	2,118	9,644	2,791
2017-2018 (Projected)	8,118	2,171	10,289	2,855

Table 16d				
STEM Degrees, Health Only - CSU Budget				
College Year	Undergraduate Students	Graduate Students	Total	Low-Income Students
2010-2011	4,924	1,908	6,832	1,882
2011-2012	5,592	1,967	7,559	2,548
2012-2013 (Current)	6,223	1,967	8,190	2,607
2013-2014 (Projected)	6,468	2,016	8,484	2,667
2014-2015 (Projected)	6,977	2,066	9,043	2,728
2015-2016 (Projected)	7,526	2,118	9,644	2,791
2016-2017 (Projected)	8,720	2,340	11,060	3,078