



*The Vision for Higher Education
Where do we go from here?*

Funding the Future of the CSU: Part II

A symposium looking for ideas on how to address future needs on funding and the California Master Plan for Higher Education.

SYMPOSIUM FULL TRANSCRIPT REPORT



October 11, 2012
Hosted by the faculty of Cal State Northridge

FULL TRANSCRIPT REPORT OF SYMPOSIUM PREFACE

Since the inception of the California Master Plan for Higher Education in 1960, the once idealized model for higher education has been challenged. Supported by a few economic booms the system was able to maintain itself but with each subsequent economic downturn the state has chosen to increasingly underfund the system. This systemic problem of underfunding public higher education institutions prevails throughout the United States as well. With the economic crisis of 2008, higher education in California has taken a critical hit because its poorly defined funding model was incapable of accommodating the crisis and consequently put the system on a perilous road, challenging its purpose and meaning to the state. Most critics imply that the plan is in principle a good however, there was never any provisions in the plan for how it would be properly funded.

Motivated by this phenomenon, in January of 2011 the faculty of Cal State Northridge began to act as host to a series of symposiums designed to explore the future of higher education and the California State University system (CSU) in particular. (See: www.csun.edu/csufuture for more information on these events.) This effort was embraced because of a perceived lack of guidance in finding solutions to the pesky problems confronting the health of higher education. In these symposiums two topics have had popular interest due in most part to the sour economic condition of the state and it's subsequent choice of defunding; one being the funding model itself and the other, being the relevance of the Master Plan not only for today but importantly for the future.

What appears to motivate these central topics in these amazing fast changing times seems to be the erosion in commitment to higher ed. from the legislature and perhaps the general public. The erosion of state side funding to college institutions signals a change in commitment in how it values public higher education. Changes in technology, information access, and a global economy suggest that the theory of the original Master Plan may need rethinking in order to meet the demands of an unpredictable future.

This history frames the symposium held on October 11, 2012 at the LAX Marriott Hotel. Though this event was hosted by the faculty of Cal State Northridge it was co-sponsored by the Academic Senate of the CSU, the CSU Alumni Council, the CSU Academic Council and the California State Student Association. Even with venue limitations the event enjoyed participation from various CSU stakeholders: university administration, faculty, students, alumni, trustees and the Chancellor's office.

Much of the time was spent exploring ideas on funding and educational strategies that would best serve students for the future.

The event was recorded and this particular report represents the full copy of those transcripts. The report is organized in the order of the event. It represents the actual transcriptions from the event. It is our hope that the information contained herein will be helpful to those whose task it is to continue shaping the future of the CSU.

FULL TRANSCRIPT REPORT OF SYMPOSIUM

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SYMPOSIUM OPENING:



Steven Stepanek
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Steven Stepanek: Welcome to the symposium on “Funding the Future of CSU”, sponsored by the faculty at California State University Northridge. My name is Steven Stepanek. I’m at Cal State Northridge. A number of you have been receiving various e-mails from me.) At Northridge, I’m the Chair of the Computer Science Department. I also serve as the elected Faculty President of our Faculty Governance Structure, and I also happen to be a senator for the Statewide Academic Senate for the CSU. So I’m a little bit busy.

California is currently celebrating 50 years under what we call the "master plan" for higher education in the state. But as that slide states when you read through it, the CSU is really at a crossroads. We can't continue to sustain our current goal of quality education to all qualified California high school graduates with the current funding model. Something has got to give.

By the end of this symposium, we're looking to have gathered sufficient ideas from today's discussions to create a white paper describing your recommendations for a new model that can allow the CSU to focus on its long -term goals once again, rather than our current year-by-year survival tactics. Or to use one analogy from just a conversation just a few minutes ago, we're in a car and we're more worried about being rear-ended than looking forward to where we're actually driving; so we got to fix that.

Each of you has been invited to this event because of your knowledge, experience, opinions, and creative insights. So much for the flattery. [laughter]

We assume you're already familiar with the issues; so we plan to spend little time in actually reviewing them. We believe the less editorializing we do, the more time it would be for creative ideas to be expressed; and that goes for the speakers and also you as participants. The problem is while we value creative spirit, we also need to work together in a collaborative attempt to develop a plausible model for moving forward. To provide the appropriate opportunities for discussion, we've organized today's event as follows -- and you do have a program that you should have picked up when you first came in. So we're going to have a keynote address shortly by President King Alexander from Cal State Long Beach. Then we're going to have our first morning breakout session, and that particular session is going to focus on CSU funding options for the future. So the morning is basically on funding. Then we're going to have lunch. And then what's going to happen is we're going to have what are called participant observers, which a number of you are. And the participant observers are going to roam between the different breakout groups, and they're going to be observing the overall conversations you have had, plus they're going to have their own insight. And they will form a panel and give individual reports immediately after lunch on that first work session. Then we'll immediately go into a second breakout session, and this is going to be the master plan for the future, where we're going to discuss just what should the master plan for higher education be for California and for the CSU. After that particular breakout session, we're again going to have the participant observers come up and give a report. And then we will have our closing panel of individuals who will be discussing what the next steps are. And that next steps is going to be a very wide open statement because it's both next steps for us and next steps for the CSU in terms of what's actually happening.

I wish to recognize the event cosponsors: the Academic Senate of the CSU, the CSU Alumni Council, the CSU Academic Council, and the California State Student Association are all equal partners in this particular event. We applaud the fact that they were all quite willing and very supportive to assist us. We also wish to recognize the breakout monitors, participant observers, and the CSU support staff that made this event possible. If you look in your program, on the third page, there's a list of all these individuals. But I'm going to ask could all of you that are in one of those particular groups to please stand.

[Applause]

So once again, we thank you all for your extra assistance, because at various levels, you're not only participating in this event and providing your insight, but you're also taking on these extra duties and responsibilities. If you have any questions about this particular event, there are three individuals in particular that you need to seek out. One of them is Michael Hoggan. Waive your hand. Another one is Sandra Chong. Sandra, where are you?

And of course, I'm the third person. So if you have any particular issues, concerns, problems, please, please, let us know.

Who are today's participants? Who did we invite? Well, we invited leaders. We invited student leaders from the actual student bodies and also from the CSSA executive committee. The facility that are here are all ASCSU senators or campus senate leaders. We have CSU presidents, provosts, members of the board of trustees, distinguished alumni, and representatives from state government, in particular from the Legislative Analyst's Office. So we have a very, very broad range of people; but they're all people that are playing leadership roles, both in terms of what's going on in their own campuses and again potentially for the future of CSU.

Logistics. Well, you passed the first test. You found the location; you found this room. That's the big blue dot on the map. (Referring to map in video display) Now, the next most important room, which many of you have already discovered, is the big red dot. That's the bathrooms. [laughter]. Out the hall, to the right, and then a left. Okay. For the breakout rooms, there's a total of four breakout rooms that we're going to be using; and they're the small little blue dots. Three of them are going to be down this corridor just across from us. But then the fourth one, you end up having to go outside and down the next corridor, which means you actually go past the bathrooms, past the elevators; and then you're going down that particular corridor for that other room. So that's one of the logistics that's taken care of. Another logistic, parking. Sorry about the slight confusion. The hotel changed how they were going to handle parking for us, and we only found out that as we were, literally, arriving.

So my detailed instructions about the way parking was going to work, you may have noticed the ramp was closed, there was no attendant, et cetera. So you ended up parking in the open lot. What you will do is the following: There is a special convention rate that we have, it's \$12. And the way it works is you need to hang onto the white ticket you have right now. You then, from the registration desk, need to pick up a greenish colored ticket, which is the actual event parking ticket. And then you have two options: One option is when you're actually exiting at the automated gate, you put the white ticket in first, then you put the green ticket in. At that point it should be saying you owe \$12. And I've been told that that particular machine at the gate actually can take cash or credit cards. If you don't want to overly risk it, you want to expedite things a little bit, if you go upstairs and go where the valet parking area is, there is an automated machine that you can prepay your parking so that when you're at the actual gate, you just stick the one ticket you have left in, the gate opens; and you're out. So please do remember, if you parked here today, to pick up one of the green tickets from the registration desk.

Another logistic, several of you have been asking about Internet access. Yes, we do have Internet access but only in a limited count. After all, part of this particular event has to do with the funding issues of the CSU. We're trying to keep the costs for this particular event at a minimum; so that's why there was no Danish this morning, with the polite statement that there is a Starbucks upstairs if you're really desperate for a Danish. Also for the wireless, out of necessity and need for those that are the participant observers and the note takers, yes, we have arrangements and you should be able to get Internet access. It is a shared account. So one of the reasons I want to make sure everyone is aware is it's a classic situation, almost like in a classroom setting. If you start sharing with others, you're only going to hurt yourself. Because the moment we hit 25 users, that's it. No one else is going to be able to get on. So please, please, do try to restrict. One thing that we are setting up is we'll have a station; and if there's a real high demand to set up a second station outside of the registration area with a PC, that will have Internet access. So if you absolutely have to get on and see some e-mails at some point, we're going to provide you with that opportunity. Let me see.

The next logistic: lunch. One of the things that you might have noticed in the agenda is it looks like lunch is a very short period. What we're actually trying to do is maximize the amount of time that we can spend in discussions today. So we've limited lunch to actually 30 minutes. The way it's going to work is we're going to have box lunches; and they're going to be set up outside, labeled in terms of what they are. And you grab one and come back into this particular room. Then for a half hour, you can just have table discussions. And then if you're still eating that cookie, or whatever the last part of whatever is in the boxed lunch -- you know, it always makes it a mystery meal that way. Right? What will happen is we'll start having the initial reports, the initial breakout panel reports from the participant observers for a period of time. And it's okay if you're still eating at that particular time. So in a sense there is more than a half hour for lunch, it's just that we're purposely doing a little bit of an overlap.

With regards to the breakout sessions, if you look at the back of your badge, most of you will have a number between one and six. That represents which particular breakout group you've been assigned to. And also on the back of the program is the same table that I have up on the slide right now; so you don't necessarily have to copy it down. But this identifies what particular breakout room you'd be going to. Group five and group six are both meeting in this room. We'll simply break those two groups in different corners and let you proceed to have your conversations that way. And you're going to be able to move some of the furniture around to accommodate your particular needs for those two particular breakout groups when you start here. In the breakout rooms there is going to be poster boards, and there will be water that's available also. And you go from there. Your moderators have been given instructions in terms of how those particulars sessions are going to actually work.

At this particular time, I would like to turn the mic over to President Dianne Harrison, from California State University Northridge, to say a few opening remarks.

[Applause]



Dianne F. Harrison
President, California State University, Northridge

President, California State University, Monterey Bay. 2006 to 2012

Ph.D Washington University in St Louis in social work.
Masters in social work, University of Alabama
B.A. in American Studies, University of Alabama

Dianne Harrison: Thank you. I'm going to be very brief and give you a little bit of the history and the context of where and why some of our faculty at Cal State Northridge have been involved.

Beginning about two years ago, as I understand, several members of the Northridge faculty came together as problem solvers around budget issues in the CSU. Northridge faculty pride themselves -- and I've seen it already in action -- as collaborators and problem solvers. That was the beginning part of coming together and trying to discuss budget issues, not only for the campus, but for the entire CSU. Some of these faculty members are here today, some of whom we've already named. There are others who would have liked to be here today, but who were unable to attend. I want to acknowledge publicly everyone's efforts, especially all of these faculty efforts, to think outside the box and about seeking strategies for funding the future of the CSU.

Faculty President Steven Stepanek has been instrumental in this role. And others like Michael Hoggan, Sandra Chong, Carol Shubin, Werner Horn, Michael Neubauer, Cheryl Spector, Ivor Weiner, Nate Thomas, Melanie Williams, Rick Moore, and Wayne Smith have also contributed. As you can see, there is a large group of faculty who have been involved. Others from our campus include Provost Harry Hellenbrand -- most of you know Harry and his famous white papers that have been key to thinking outside the box and encouraging the kind of creative strategies that we hope we can leave here with today; Dean Joyce Feucht-Haviar, who is unable to stand due to her recent injury, but who we're so glad to see here today; and Dean Michael Spagna, who is here to my right. We also forwarded to you a couple of white papers that some of our faculty have prepared, that I hope you have a chance at some point to read.

In conclusion, I welcome you on behalf of Cal State University Northridge. We are the logistics behind this; but I think more importantly, we are representing the faculty who want to participate and have a voice at the table for what happens to us and our future, and I'm very appreciative of those efforts. Thank you.

[Applause]

Stepanek: One of the key roles that I get to play is to try to make sure that the event is on time, and you may have noticed that I purposely kind of rushed through my remarks so that we're now actually a few minutes ahead of schedule instead of an hour behind. So it's now my particular pleasure to introduce President F. King Alexander from Cal State Long Beach.

[Applause]

OPENING KEYNOTE ADDRESS:



F. King Alexander
President, California State University, Long Beach

Respected national expert in domestic and international higher education finance and public policy
Past Director of the Higher Education Program at University of Illinois at Urbana-Champaign
Faculty Affiliate at Cornell University's Higher Education Research Institute.

Ph.D. University of Wisconsin-Madison in Higher Education Finance and Public Policy
Masters from Oxford University (England)
B.A. from St. Lawrence University in political science.

President Alexander: I'd like to congratulate many of our large CSU institutions because the data released in 2010 which shows that among the 115 largest universities in America, 10 of the least-spending 20 are CSUs, so we're the most efficient operation. Congratulations. I can't wait to go back home and tell our parents that we're going to spend less on your children than most schools do throughout the United States.

I think the more we work with the data, the more it clearly shows the nature of the situation we're dealing with and the position we're in. I appreciate Judy Heiman being here because the Legislative Analyst Office has been working with us on these topics.

I spoke to a group at Northridge last April on this topic, so some of this may be repetitive to you. Many things haven't really changed since then. We are going into a presidential election year, where very little has been said about higher education. There are some very, important issues that need to be addressed which we need to focus on as a system, and as a nation.

I'm going to start this talk at 30,000 feet. Last July 2nd, I had a wonderful opportunity to go to Washington, DC. I was standing in front of the Lincoln Memorial in cap and gown with about 60 other university presidents. We looked pretty out of place, with all the tourists. It was about 110 degrees. We're all sweating profusely, as we laid a wreath at the foot of the statue of Abraham Lincoln, at the Lincoln Memorial. We did this gesture because; July 2nd is a very important day. July 2nd is the 150th anniversary of the Morrill Act. Signified the 1862 Morrell Act is where Congress and Abraham Lincoln got together and said, "We need to create and partner with states to force states to create public higher education institutions." This act became the foundation. This really became the foundation of what we ultimately ended up being institutions such as a CSU and many of the public universities.

We were questioned the other day, when we did a press conference on Prop 30. The first question was, "How can you ask taxpayers to support and invest during these difficult, difficult times?" Well when the Morrill Act was signed, it was just one day after the Seven Days Battle in Virginia, where 36,000 troops were killed. It was two months after Shiloh. It was one year before Gettysburg. And in fact, two months before the Battle of Gettysburg was fought, where Robert E Lee had Washington basically surrounded, the Act of Incorporation was signed by Abraham Lincoln and the US Congress, which created the National Academy of Science.

So when we talk about our difficult times, I'd like just to refer back about 150 years ago, because what was created in those most difficult times became the foundation for our public higher education systems. Our nation has benefitted for the last 150 years, endlessly, socially, and individually because of that effort. The Morrill Act became a bell-winner, it became an international model for what access and the elimination of sort of elitist higher education should ultimately be, as our OECD peers have done since 1990, in terms of eliminating, creating new institutions, expanding access. I just want us to think back about those real difficult times, in which we created public higher education.

But let me fast forward a little bit from 1862. The last battle that we had in higher education at the federal level, occurred in debates between the years of 1965 to 1972. The debate was whether the federal government has any role in education, and should it have a much greater role. There are those in Washington today and there are those running for office today that say that the federal government has no responsibility in education: that this is a state issue. Education should belong to that of the states and the federal government should have their hands off. Well we know this: because of state disinvestment, the State of Colorado in the year 2022 will not spend a single penny on higher education if the trends continue. The nation will abandon all of its commitments in the year 2058,

if these trends continue as is. And these trends that I'm talking about basically started around 1980. California will not spend a dime in support of higher education in 2048, if nothing changes. Colorado leads this trend and it looks as if many states well follow.

How did we get here? Well there are a couple of facts that I'd like to lay out. Number one is that this nation is at the lowest point of higher education funding, when measured by tax effort, since 1965. It's the lowest funding level since 1965, when measured by tax effort. Let me also point out that in 1965, we had 4.5 million students in public higher education. Today we have 17 million in public higher education. At the same time, we're at our highest level of public funding of private higher education. We've never funded private higher education the way we're funding it today. The amount of money going to private higher education through direct student aid programs, through American Opportunity Tax Credit, of which \$20 billion is spent a year on middle class tax breaks that nobody seems to factor into our tuition discussions, of which 12.5 million families are getting the benefit of \$2,500 back since the year 2009. And in fact, if most of our campuses that are here, Diane's here from Northridge and we've got Fullerton and many others, and I'd see Tomas is here -- if you go back to 2009, none of our campuses have raised tuition more than \$2,500, but we've given 55% of our parents a \$2,500 tuition tax credit since 2009 each and every year. So you could actually argue, when you factor these issues into the equation, that we're charging \$600 less for our middle class families. Because of the tuition tax credit that nobody seems to associate with tuition or our universities or what's going on in higher education.

Let me put that \$20 billion federal expenditure in perspective. Pell Grants are only \$30 million. So it's conceivable, if these are renewed, which President Obama wants to do, that within a year or two, the American Opportunity Tax Credit for middle class families will surpass Pell Grants as being the largest direct federal expenditure that we have for higher education. Those benefits go to families with \$60,000 to \$180,000 income. Three billion go into families of \$100,000 and more... \$100,000 to \$180,000. So we have to factor all this into the equation.

But let me go back to 1965 and 1970 and talk about the unintended consequences. The debate that went on during that period pitted public higher education against private higher education at the federal level. Private higher education was very worried because they lost 50% of their student population because of this beast that was just starting to emerge in the United States, called the American Community College System, private higher education was down to 25% of the student population. They were very concerned about the future of private higher education. So they lobbied very hard in Washington, got the [inaudible] commission and everybody on support, saying that the federal government must adopt a market-based voucher system for higher education, of where the students take a voucher and go to an institution. The student can take a grant and go to any institution without drawing distinctions, without carving out any mission differentiation of whether you serve low-income populations, whether you're efficient, whether you're affordable -- without any differentiation at the federal level. That was done and finally approved in 1972. And in large part, it was done to salvage the diversity of the American higher education system and to salvage private higher education.

The assumption the federal government also made at that time was that the states would take care of public higher education. The states were to be the primary vehicle of funding higher education access, and the federal government would simply augment what the states currently did. They would augment with additional resources to help lower income students who would then have widespread choice. The federal government was never going to be the primary supplier of revenues to higher education.

Well, this past year, our state government contributed \$72 billion to our state higher education systems: one of the lowest levels, as I pointed out, since 1965, when based on tax effort. The federal government is now up to \$180 billion in this revenue supply and assistance to higher education. So now the federal government has become the primary player. The problem is that \$180 billion dollars at the federal level is tuition and fee-based, it's not institutional-based. The states' funding was and continues to be institutional based, to be able to remain affordable and to keep access spreading. So what happened about 1980, we expanded the federal role in this by blowing the doors off the caps on our student loans. So those that raised tuition can either get money from students and grants, or they can tell students to just take out student loans.

About the same time in 1980, which is the high point of state support for higher education, states started to erode their contributions to higher education? The high point that we've seen actually was 1980, compared to where we are today, which is actually 47% below how we funded higher education in 1980. What state legislators realized -- and this is one of the unintended consequences of having so much money going through federal direct student aid. What legislators realized is that they can always cut higher education, because we have another revenue source; which can be raised through tuition. And there were no protections on federal and state higher education: there are no federal protections for us. You know we're the big target.

In 1965, something else was adopted and I'd like to draw some parallels with this. In 1965, the Elementary to the Secondary Education Act, ESEA, Title I schools was up for reauthorization. The federal government said, "We know low-income students are costly, and if you have a certain threshold of low income student access to your campus through free lunch, we're going to augment what the states do and provide additional resources to those schools that have a higher percentage of low income students. So on one hand, in the K-12 sector, the federal government adopts a certain strategy. When it comes to higher education, there was no augmentation on the federal government level to our institutions. So those of us that have a very high percentage of low income students, which the CSU institutions are, represent eight of the nation's 25 largest universities that have the highest percentage. Two of them -- Northridge and Fresno -- have the highest percentage of Pell-eligible students in the country among large universities. We don't get any assistance, even though we would be considered free-lunch universities or Title I universities.

For some reason, when a child turned 18 years old and went to college, they must have gotten rid of all their socioeconomic differences. So we don't have any incentives at the federal level, butí our peers in K-12 do! In addition, with ESEA, there are federal protections that force states to keep their funding levels up. Despite being ñfree-lunchö schools, states cannot pull their money out and supplant it with federal money. That's called the Maintenance of Effort Provision in ESEA. We however, don't have any Maintenance of Effort Provisions: so as the federal government increases Pell Grants, states have continued to back their support out. Tuition goes up, completely negating any new student aid that we put in the system. There are no protections.

Now, at the same time there's no distinction at the federal government level, between what mission we serve. Do you serve large numbers of low-income students? Are you serving low-income, costly students well? Are you affordable? Or have you just run up costs and shoved students into a massive amount of debt? The federal government says, "No, we only Pontius Piloted this. We have no responsibility in what a university does." So this is another unintended consequence that has occurred since 1990. Since we drew no mission differentiations and we put no parameters and we let the market rule at the federal level, we've had a new industry surface in American higher education called theö for-profitö sector.

Now, there are universities up and down the interstate that have sprung up in the last five to ten years. Many of you see their signs. You don't even know who they are. We have three in an industrial park in Long Beach, Alliant International University, Trident University and my favorite, the University of the United States of America. They're not market-based, as they say in their speeches or as they tell accreditation. Actually most of them are almost 90% reliant on federal direct student aid or Pell Grants, or GI Bill benefits. They are more reliant on public funds than we are! In fact, this new sector that has emerged in this market-based arena has 11% of student population, 30% of all Pell Grants and 47% of all student loan defaults. Now, these are our competition. Until this past year, those institutions not only got Pell Grant money, but got three times as much as the CSU institutions received. Why? Because they charge more, or said they charged more. Or played the sticker price game, which nobody in Sacramento truly understood until the data clearly showed that if you go Patten University in Oakland, you can get a \$13,000 Pell Grant. But if you go to Cal State Long Beach, you get \$3,900. So these are not market-based institutions.

Right now, there's a difficult fight in Washington to corral this, to reel this back in, because right now the federal government is supplanting state investment. I know this is bad news, and it's been ongoing.

California has recently caught up to the national trend, but we've seemed to escalate in the last two years. We had been slowly eroding our support, but now we jumped to full-scale erosion; now we've caught up to the national average, so now we're in the same spiral downward.

The states are not going to fund higher education unless something is done. What can be done? Well, you hear a lot of ads about the stimulus packages. I believe one fault of the Obama administration and their team is that they just haven't been able to describe very well what they've done with it. They need ñPRö help, because the thousands of teaching jobs we saved, tens of thousands of courses we saved with those three stimulus packages -- tens of thousands of jobs. We had a science facility that was going to be shut down. The economic stimulus package saved 300 construction jobs, and they finished that science building. But more importantly, what the economic stimulus packages had embedded within it was some federal protections of higher education. What do I mean by that? The federal government said that we will give you educational stimulus funds only if you do not cut your higher education levels below the 2006 funding level. Now, this was a very difficult fight in Washington, to get that language passed. If George Miller from California and John Tierney from Boston hadn't been our champion on it, it wouldn't have been there. And on the Senate side, Senator Harkin and Senator Durbin, who believed in these protections.

What was amazing is that we had 48 governors who signed on against this idea. And to this day, the Na-

tional Governor's Association -- this is the number one issue: that they don't want to see higher education have federal protections. Because they said, "How can you force us to keep our funding in higher education when you've already done it for K-12 and you've also done it for Medicaid?" You see, without the federal protections, once the stimulus packages went away, once the House turned over and there wasn't going to be a forced stimulus package, higher education would lose its federal protection. And even the Democratic legislature here in California dropped us to 1994 funding levels, well below 2006. And in fact, that language in the stimulus package, the federal protections, the Maintenance of Effort provisions, was so important that 20 states, on the first stimulus package bill, 20 states cut their higher education budget right to where that federal threshold was but would not dare cross it; because if they did they had to give back federal money. Lamar Alexander, the champion on the Senate floor, said that this was the worst idea he's ever seen in higher education. His state, Tennessee, with a \$1.1 billion higher education budget, the first thing they did is cut their higher education budget within \$13 dollars of where the federal penalty kicks in; and left it there for three stimulus packages.

This clearly shows the significance of a needed new federal partnership; a new federal partnership, like Abraham Lincoln created in 1862. But this new federal partnership's not about creating universities, but it's about states keeping their investments in universities and colleges. If nothing is done, Colorado clearly shows where we're all going. There won't be any investments in higher education. And states like California will simply abdicate this responsibility to the federal government, through tuition-based or tax credit or whatever new program gets developed at the federal level. So as you can see, those that have been tuition-reliant, with no differentiation on mission, with no differentiation in the private sector, have never had it better than they do today.

Those of us that have been state-reliant, that have done everything we can to enroll less out-of-state students, to serve more in-state students; those of us that have done everything we can to keep our students out of debt, to remain affordable, and to be among the most efficient universities in the country are the universities in the greatest jeopardy today. And if we do not stop these states from this abdication, this dereliction of duty to this responsibility, then we simply will not have funding for higher education in the future coming from the states. It will be all tuition-based through the federal government. That is clearly the path that we're on right now. And California is as bad as many of the bad guys out there. It's just that we've done it much quicker. Let me give you an anecdote, when I was President of Murray State the Speaker of the State Senate of the State of Kentucky, David Williams pulled me aside in the University of Mobile parking lot and said, "King, I'm going to get reelected because I'm not going to increase revenues, because I don't want to be seen to raise taxes in support of anything. But I'm going to let you raise tuition. I'm going to let you go to the federal government and get your assistance through them. And that's going to get me reelected." Other legislatures have figured this out as well. They figured out that higher education is expendable. Forty states cut higher education last year without any federal protections. Forty states! The same year they put 20% more funding into Medicaid. Why? Because there's a federal match in Medicaid! What are prisons protected for additional funding and health-related issues? Because the federal judiciary system comes in about every three years and says, "You better do something else for us." We don't have any federal protections.

Looking at this current election cycle, I think there is some good news on the horizon. Because we do know President Obama and Secretary Arne Duncan understand that when it comes to college cost, there are good guys and bad guys, when it comes to states, there are good states and bad states. In the discussions that have been going on for the last two years -- at least with the White House Domestic Policy group and others -- they are fully committed to the idea that \$180 billion in federal assistance somehow needs to be tied to state behavior, somehow needs to force states to keep in the game, to keep investing, just like K-12 and the Title I schools have forced states to keep their money in. Let me point out that when Title I went into effect, the first thing the states tried to do is remove their money from poor schools and supplant them with the Title I funds, to let the federal dollars replace the state funds. Because of the law, ESEA, and the court system which went all the way to the United States Supreme Court in 1978 which said that the States better put their money back into the poor schools. This is the type of protection we must have in higher education, if indeed we're prioritizing higher education as a nation. These protections are essential.

On one side of the aisle, we do know President Obama's people are fully committed to this. Senator Harkin's staff talks about these topics, they want to write it into every bit of federal legislation. On the other side of the aisle, we're trying to gain ground. But there's a lack of understanding. On the House side, with Representative Kline from Minnesota -- they're completely against federal protections on higher education. They're also completely against the federal role in higher education, at a time when states are removing themselves from all funding of higher education. So that's the dilemma we're in.

We're the only LECD country in the world that pours money into private sector institutions; not only not-

for-profit, but for-profit higher education institutions. Ask your colleagues around the world. We're the only sector in higher education that has lost our bearings on accreditation. Everybody's accredited. I mean, just pull up the list of accredited institutions and take a look at who you're accredited alongside of. We're accredited alongside Patten University of Oakland, along with Berkeley and Stanford. Patten University's Vice President of Academic Affairs, their President and their Vice President of Student Services are all sisters in the same family. That's the same accreditation we have. So it seems as if we've lost our bearing on accreditation.

There's going to be a lot of new discussions about state regulation on who qualifies to be a university. As a CSU, we're very supportive of those in Washington trying to develop the state regulation issues. But right now, we've got to do something before our states completely abandon their commitments to higher education.

So when we talk about federal regulation or we talk about the idea of a new federal partnership, I think the time is now. It's as needed more now than it's ever been. But it's not for the creation of new universities, but a federal partnership to utilize \$180 billion in federal money, to force states to keep supporting CSU institutions, to keep us from driving tuition and fees up. And if we don't see this, we're going to see a whole plethora of new ideas that have no impact on access, such as Assembly member Perez's bill to give middle-class students a scholarship. The discussion was middle-class families needed a break. However, nobody has realized middle-class families just pulled in \$20 billion at the federal level in tuition tax assistance! All of this data has to be part of the equation as we go forward. More importantly, we need the federal government to step in to our state to stop it from disinvesting in students and collapsing future access and affordability. This is what we're going to be working, at the federal level.

This November 6th is a very, very important date for higher education. We don't know which way it's going to go. You've seen the polls. But there is an understanding that the federal government cannot continue pouring money into student aid and protecting the funding going to student aid when states are backing their funding out. Basically, supplanting what states are doing with nothing but tuition-based federal assistance. So I don't want to seem to be pessimistic about this, but the trends are certainly working against us in this arena. So we need to think very broadly about how we pursue our policies; how we get our newspapers to quit talking about percentage growth in tuition and fees. We're still \$2,500 below the national average. And we still have the least amount of student debt in America. And the papers have never mentioned the fact that 55% of California parents took home \$2,500 in tuition tax assistance in 2009, 2010, 2011, and will be in 2012 and so on; and if extended, on and on and on. So all this has to be part of the discussion.

And sort of to sum this up, if we had funded higher education like we did K-12 at the federal level, we would have a completely different funding strategy today. Our institutions that have large numbers of costly students, like the CSU institutions, would be getting federal assistance. We'd be getting federal assistance, just like our K-12 schools are getting federal assistance because we would qualify to be a Title I higher education system. It would actually have created incentives for those institutions to remain Title I by serving low-income populations. Instead of the perverse incentives that we have today, which drive everybody away from serving low-income students, such as US News and World Report, such as private rankings and other sources, that when direct student aid was adopted at the federal level, it was said that by making this market-based system, without funding institutions directly, the University of Chicago will be able to become like the University of Illinois. Actually, that's not what's happening. The University of Chicago is just as University of Chicago as it's ever been. But the University of Illinois has become more like the University of Chicago. They're down to half this low-income population that they used to serve. In fact, the richest universities in America, both public and private, now are the universities with the least amounts of Pell Grant students and low-income students entering their campuses today. And those numbers have never been lower. So we're fighting the opposite that our K-12 colleagues are fighting. We've got conflicting policies at the federal level.

The market-based approach has worked. It saved private higher education. In fact, it has made private higher education so lucrative that we can't even reel in all the for-profit universities that are springing up at every industrial park up and down the east and west coasts: so private higher education has been saved. And you can compare their per-student expenditures to ours. They're well above ours, and they continue to grow well above and beyond ours. But the real issues are public higher education institutions that have to be public and remain committed to their missions.

I'm not talking about Virginia. Even the legislature in Virginia refers to Virginia as the University of New Jersey at Charlottesville, because they're up to 40% out-of-state students. I'm not talking about Michigan. I'm not talking about the universities with vast endowments and very small numbers of low-income populations and very few who do little service to their own states. I'm talking about the bulk of the rest of us that remain committed to states, remain committed to first-generation students who are getting no assistance.

However, if we were Title I higher education institutions, we'd be able to provide a lot of money for those programs that we know cost a lot. So this is part of the equation, and I've laid this out because I want everybody to understand that when we talk about tuition and fees, we can't talk about it in a box or in a bubble. You've got \$180 billion in tuition-related federal assistance and we're now down to \$72 billion in state-related institutional assistance. The challenge is, how are we going to leverage the \$180 to force the \$72 billion up instead of down before we don't get any institutional assistance? So this is the spiraling trend that we're caught up in.

I do believe it requires a new federal/state partnership, the type that Lincoln created, to create public universities. But ours needs to be a partnership that stops states from disinvesting and turns this trend around; otherwise, we're going to be cannibalizing ourselves, arguing with each other.

I love the efficiency argument. That's why I started with it. The press asked me the other day, "Higher education can be more efficient, can't it?" Well, they certainly can. But I know my campus spends \$12,100 per student, Cal Tech spends \$350,000 per student per year: and everybody else is somewhere in the middle. Yeah, we could be more efficient. We could also close. That would save a lot of money! But we're already at the low end; we're close to the bone -- you hear this all over the country. Take a look at the data. We really are on the low end of spending. Now, that's not good to tell our faculty. That's not good to tell our staff. That's not good to tell our students and tell their parents!

But until that type of efficiency gets rewarded, we are forced to figure out new strategies in order to keep our doors open and to remain accessible. The sad thing is that we're all doing this on our backs and on our shoulders, on the backs of our faculty and staff. And we're doing it in ways that nobody else is doing it because we're funded so low.

So that's sort of the landscape we're living in as I see it. There will be times when we're asked to challenge the accreditation of bodies and organizations. I bet you didn't know that WASC has a 21-member board, and that we only get two votes of that 21 member board. Yet the CSU constitutes 55% of the students that are accredited by WASC. Drop the UCs in there, there's 70% of the students represented by WASC. We get four of 21 votes at accreditation. Our vote counts just as much as Patten University's. So we need you to challenge the status quo and to look for new ideas, new policies, new directives, that we can join behind because we're doing what the public wants and needs. We just aren't getting rewarded for it. And we need to convince our state to reward those doing the things that they want to see higher education do, which is what the CSU does.

So thank you very much for your time. I hope this opens the door for a lot of discussions in your smaller groups. These are big issues. We didn't get here overnight and we're not going to get out of here overnight. But we're all in this together and certainly, the data's on our side. But we need to make sure that the state funding formulas reward what we're doing and the federal government wakes up to realize that if they allow states to continually back out of their commitments to higher education, like California, then we're not going to have state investments at all within the next 30 years of higher education. Thank you very much.

[Applause]

Stepanek: We have some time for about three, four minutes of questions. Do you have some questions from the floor? Yes.

Kathy Kaiser: Well unfortunately, I'm from the north, as you know, and we are dominated by Republicans and agriculture, and when we've gone to the legislature, they put the argument in a framework that, "Well, it's higher ed. or babiesí or old people, or... handicapped." They put it in a conundrum that no matter what you're asking for, you're taking it away from someone else. So I think that mentality is very crushing to the argument for more funding. But they just back up into a space that there's nothing else for them to do. We're easy targets.

President Alexander: That's just an excuse for not raising revenues. There are 30 OECD countries and we're 27th or 28th, in terms of taxation per gross domestic product. Only Turkey and Mexico are less than us. This nation leads the world in incarceration. We're spending \$55,000 per incarcerated prisoner. And if this passage of November 6 goes down, Cal State Long Beach will get \$3,600 per student. Those are excuses.

I don't have a lot of faith in our legislature. I've been in six of them. Both the Democrats and the Republicans say education is one of their top three priorities. No, it's not! No, it's not!

In K-12, we have the largest child-teacher ratios in the country. I went to parent-teacher night the other night. The smallest classroom at Woodrow Wilson High School had 36 chairs in it. The national average is 23. The legislature is not prioritizing education. These are about societal choices.

Let's go back to Lincoln. Did he have to pass the Morrill Act or National Academies of Science in the midst of the nation's Civil War? Yes. And then create thousands -- tens of thousands of dollars through land transfers to the state to create public higher education? Yes. What's interesting, they said the same thing when the stimulus packages came. They said, "Well, we have to pit this against the other thing." You know what they did? They didn't pit anything against anything. The only thing that mattered to them was the 2006 penalties, and they cut the budget, and the state knows this well -- the state's one of the few and you guys are one of the few that knew that it didn't matter what they said; it was where the federal penalties kick in.

Higher education needs federal protections because legislatures undoubtedly will renege and this goes for Kentucky or Florida or California -- they are going to choose reelection over raising revenues.

And they also said this about Medicaid. I said, "Why did you put 20% more money into Medicaid?" And they said, "Because there was federal money on the table. Did you want us to leave that money on the table?" They had no idea where it was going. All they did was jump to the federal money. And I said, "Maybe you should have left that money on the table because then you wouldn't have cut us so much. Because if you keep doing that each and every year, you cut us and put more money there, then basically, you're disinvesting on the next generation. And you're pouring more and more money on the aging generation. Sort of the Florida effect, where everybody moved to retire in Florida, nobody supported education and children because they did it in their other states. Once they hit the Florida line -- and they were Democrats from Massachusetts, New York! Once they hit the Florida line, they became meaner. I grew up in Florida so I know. They became meaner and the Claude Pepper bunch took over the politics of Florida. Florida's universities are probably the only other universities that have crammed more students into their institutions with no money than we have. In Central Florida, there are 58,000 students with no money.

So that's what's happening here. We're prioritizing the issues of the aging over the issues of the coming generations of students and children. These are about -- societal choices. So I wouldn't let them use those excuses. They are excuses on why they don't want to raise revenues to support the demand, for higher education in this state.

STEPANEK: Actually, we've now already run out of time, so thank you, again, President Alexander, for coming here and for your thought provoking comments.

[Applause]

[Break for Work Session No. 1 “CSU Funding Options for the Future.”]

Please note that in this work session there were five groups discussing the same basic questions on funding.

Each work group had a scribe taking notes. We have assembled the notes from the five work groups in Session #1 and have included them in the Appendix at the end of the document. They will provide an indication of the greater depth of the discussions that took place.

REPORT OUT: for SESSION NO. 1:

The following Participant Observers describe their summation of thoughts and ideas from observing several of the work sessions.



Mohammad Qayoumi
President, San Jose State University

(And a professor of electrical engineering)

President, California State University East Bay, 2006 to 2011
Ph.D. from University of Cincinnati in electrical engineering.
MBA and Masters from University of Cincinnati in electrical engineering
B.A. from American University of Beirut in electrical engineering.
He is a licensed professional engineer and a certified management accountant.

President Qayoumi: Thank you and good afternoon everyone. First of all I had a chance to meet with a couple of groups and I heard a few questions on the topic of the Master Plan; öWhat can we do with the current Master Plan, is the Master Plan alive is it dead?ö öWhat has happened to the Master Plan over time?ö öWhat are the ways in which we can look at our fee structures?ö Indeed how can we move our State supported or State assisted or tuition based financial system? Are there ways in which we can look at our graduate programs to get relief, should some of our graduate programs be Self Support? Should any of the grad programs be State support? Can we look at different campuses to have different tuition models? Should we look at different programs to have different models? How can we get some industries more interested in some of these areas? Especially if these industries consider hiring our alums in high technology firms? Many of our alums are ready for success.? To what extent can we ask for their support? These were some of the key thoughts that came out of the discussions. In one of the groups came the question: when the CSU started about 50 years ago with the one third set-aside, was that a good model? So just how can we look at these issues for making a better future?

So based on these key elements I wanted to make a few comments. First of all inferred in many of the discussions is the idea that we think that the Legislature is irrational: that is something that we should all accept. We live in a political system; and they work within a political area. We simply have to deal with the politics. We also have the issues that President Alexander talked about in his keynote address. It is true that we don't have much of a way to control the elections, and we don't have much of a fund raising to put the good ones back in office. How many of you know of legislators who got elected because they supported higher education? [laughter] OK, that should clear up that aspect.

When we talk about the Master Plan we always try to look at it as if it were this great document with the combination of the Magna Carta and the U.S. Constitution and the Hammurabi Code and everything else. I think that very few of us go back and look at the circumstances under which the Master Plan was put together.

The Master Plan was basically put together with a group, Clark Kerr being the architect of that plan. He specifically wanted to make sure that he limit the role of the legislature in the CSU system. Second, at that time he wanted to be sure that what he called östate collegesö not get involved in a lot of notoriety. That was the legal basis of that document. He talks about that fact that he only wanted this agreement with the legislature to serve for about 15 years. It was never meant to be a long term document. In one of the interviews he gave with a UC Berkeley magazine he said that they were not trying to create a high minded and tremulous society. His whole deal was, how can we really deal with the legislature, to limit the role of the legislature. He was the one that very much wanted to make sure the Berkeley would have a very prominent position and he was opposed when UC Santa Cruz got started, not very happy about this.

As far as the CSU was concerned he wanted to make sure that the CSU would never get a PhD program. If you look back to those days you would find that a lot of the present colleges were very much against the deal that was being worked out in the Master Plan. This is one of the things we commonly talk about in the CSU. One of the key elements we were able to get Chancellor Glen Dumke to agree to put in the Master Plan was basically to get the CSU campuses can have joint doctorate programs. That became one of those elements and key, to be sure that in terms of the funding the UC would have a large part of the funding and as part of the research funding that will come as a benefit for the UC as a whole.

I think that one discussion topic that I did not hear (and unfortunately I have not even heard in the state as a whole) is that because of the funds structure we've limited our high school graduates for college, the bound for and college ready students, headed for the CSU or UC campuses because of the way that enrollment has been limited. Nobody is talking about that. This year 27,000 college bound/ready students from California have left and gone to other states. If we look at it just in terms of lost tuition we are talking about \$300,000,000 to \$350,000,000. On top of that each and every one of those students would spend an additional \$300,000,000 to \$350,000,000 for their housing, food, cars and everything else. That's \$700,000,000 California dollars that you can use a four to five multiplier for economic activity. Somewhere between 2.8 to 3.5 billion dollars of economic activity was robbed out of California and no legislator is talking about it. So we should expect the legislature to really look at these key issues. But even more importantly those 27,000 individuals when they graduate will likely not come back to California. And this is really the human capital of California that always pay taxes to educate students through eighth grade we are losing. Especially as the state I think we have always had to import our graduates. I think that this is one of the key elements that we have not looked at and we need to look at very closely. Secondly, within the discussion groups there was some talk about flexibility. If I go back to the cuts of 91-92; I was in the CSU at that time, and one of the simple lines even back then was that we needed a lot of flexibility. One other thing was that of a parody of going to a formula, that the Orange Book was supposed to go away, although its formula is still seems alive and well. *[laughter]* But at least the formula officially went away. After that the basic formulas became that the campuses grew they would get more funds and the campuses did not grow well, good luck to them. And that is basically what happened. The whole intention became how the campuses could really grow. Unfortunately when you look at 2012 by contrast the Legislature has done everything they can to see how they can limit our flexibility rather than give us more flexibility. So I think that this is one of the key elements that we can really look at.

When you talk about these 27,000 students which I mentioned earlier who have left the state, and if you look at it over a four year period you are talking about over 100,000. When the legislature gives the CSU its budget the fact is that they are subsidizing a number of students. In addition, students from the State should be able to come to the CSU very much like we accommodate non-state students. At least those dollars would remain within California and we will have the human capital that the state needs.

In one of the groups we talked a little about alumni; to what extent can we really offer programs and make courses available for our alumni so that they can continually get retrained? Which one of our campuses sends a letter to our alumni saying that you know, "Dear Mr. or Ms. Alumni or Alumna, What we taught you ten years ago is obsolete" *[laughter]* you need to come back and get retrained." But in reality they have to continue more kinds of retraining programs. What if you are an alumna/alumnus and you are paying so many dollars as part of your alumni association and some of that money could be used to give them an opportunity to take one or two courses. The more you can help make our alumni to be successful the more they will be engaged with our campuses. So that can be a source of funding that we can potentially look at.

There was an area we did not talk a lot about which was; what are the specific things we can change in order to reduce the costs of operation as a whole. I was very glad to see that to see the courtesy to contract, at least for the faculty, that evaluations might go to an automated system. I hope we would someday put our RTP material on line, I mean look at the millions of trees that would be saved! *[laughter]* just because of the CSU faculty RTP system! So if the faculty had their own electronic portfolio, life would be so much easier for faculty and reviewers.

I heard in one of the groups, some discussion about how programs and courses could be shared among campuses. Unless we can get to a point where we can really share some of these resources we are missing a bit, because I think that is the only way that we keep some of the unique programs that we have all across our campuses. Because for many of them they will not be able to have the infrastructure and resources to actually be able to attract and retain high quality faculty for those programs.

One of the other areas we did not have much discussion about was how technology, especially the massive open on-line courses. How is that technology going to affect our cost structure, how is that going to impact us in our ability to contain costs?

One of the White Papers we have been working on will be issued in the next day or two. I will send a link so you can make sure everyone can get a copy of it. One of the proposals in that paper considers looking at the first two years of a college education, of reconsidering lower division courses. Can you really can take about 25 to 40 of those courses that constitute primarily most of a two year education system and put those courses in a massive open source on-line system? And could we not do this as well for remediation programs? And then students in high school could access with high GPA could take some of these introductory courses while they are still in

high school along with their AP courses. A lot of students in the community colleges and the CSU could also make good use those courses. Some of those students could actually be finishing their course work much sooner. We could hopefully reduce a lot of the costs, especially in the STEM areas. I think that would be a way that we can really reduce the cost of construction over all. Right now if you look at the offers, know that students who go to community colleges and then go to four year institutions in California on average they take about 154 credits verses 120 which should be the average unit number for graduation.

Regarding the transfer issue and our position in the nation, the loss for us is about \$30 billion dollars a year. Unless we can do something about fairness in articulation, where a Calc. 101 at Northridge compared to the one at San Jose State compared to the one at East Bay or Fullerton or any other campus, hopefully those courses are the same. So we can at least get to some of those courses unified and get to some kind of commonality that students could really learn and benefit from.

If we are successful at these things we could then we can look at the upper division courses where the individual campus could offer unique aspects and unique approaches to their courses. And that could offer advantage and bring individual identity to the institution and the way those courses could really be. I think that would be a way that we really could reduce that overall cost of construction in a major way. So that I had so I have a few minutes for a few questions.

Stepanek: By all means, do we have a few questions for President Qayoumi?

Bob Linscheid: I would be curious President Qayoumi, if you could talk a second about the “brain drain” which you essentially articulated; 27,000 freshman leaving California each season -- education going to other states.

Not only do they not return to benefit our citizens in the form of a work force but they take their college with them. Can you approach that same perspective on the aspect of recruiting students from outside California not that I am just taking it by-the-way, I am not a big advocate of that, I am just talking about the economic impact of that as well. How many are we loosing and how many are we gaining? Do you have a sense of that?

Qayoumi: I think that the number of students we lose is about four to five times more than the number of student we keep. So I think that the number of students that come from other states is about 600,000 thousand. We lose about 27,000.

In the last decade the number of students going to Arizona has quadrupled and in Oregon it has also increased in some of the numbers. Part of the way the current dynamic is that we lose far more than what we gain. There was one example of one student, supposedly a graduating senior from Franklin High School in Elk Grove, close to Sacramento, the student had a 3.8 average and he was not accepted at San Diego State, not at Cal Poly, he was accepted at Arizona State and moved to Arizona. More than likely that student will not come back.

Bob Linscheid: Thank you.

Stepanek: Any additional questions? Yes.

[Audience Person]: Thank you. I was very interested when you talked about the open source for lower division and putting a lot of lower division on-line and I think I heard you say remediation, if you could speak to that as well as this idea of reducing the 120 / 180 unit cap across the board.

How do we balance the need for physically sound measures with the overarching need for solid quality pedagogy? So if you could speak to that.

Qayoumi: First of all in terms of the MOOC (massive open online course) courses and talking about some of these lower division courses that’s primarily what the White Paper is talking about so hopefully you will be getting that in a couple of days. But my view if you want to talk about 120 credits a 130 or whatever, when every student graduates from college and they go to work usually their employers will give them a particular problem. They won’t ask them did you get a 4.0 in this particular course or did you learn this particular problem in your chemistry class, biology or history class. They are given a set of problems that they are expected to solved based on all of that summative knowledge that they have established. My personal view is that whether we talk about credit system or whether you talk about seat time: this class is too old, this class is obsolete – we have to get into a competency based system. How can we accomplish a competency based system? What are some of the assessments? And really are there are some more robust learning analysis so we can really assess how students are doing.

ing? I don't think that just the number of courses is the question alone. It's really about looking at the inter-linkages and the whole summative approaches of that is really going to help us. I really hope that as part of this a process we examine the ways we look at our curriculum and do it in a more holistic way, in a way that will be more systemic and really look at the overall competencies that our students need and our graduates demand from us and they deserve. That basically is the approach I would take.

Thank you very much.

[Applause]

Stepanek: Another particular item, in case you haven't figured it out already, while we're in these main sessions -- not the breakouts but the main ones -- the audio and video is being recorded. You know, hopefully it doesn't inhibit you too much, but just simply be aware that edited transcripts and videos will be posted on the website in due time. Also, in recognition of the fact that there is such a limited amount of time today and that many of you may have a feeling that, gee, if only we could've kept that morning breakout going another hour, I would've said the following. We encourage and invite you to write down your thoughts, suggestions and submit them to one of the three people having to do with this particular event: Michael, myself or Sandra and we will make sure that they get integrated into the overall reports on the website for you. So at this particular time I give the mic to Steve Bollard..



Steve Boillard

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Education

PhD/1992, Political Science, University of California, Santa Barbara

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Steven Boillard: Well, thanks. I appreciate the opportunity this morning to sit in on three of the breakout sessions. I'm thinking about what the charge given to us today, and the title of the work session number 1, ö CSU funding options for the future. ö What strikes me is that a lot of the conversation is not directly about funding options. I know that a number of us got together back in the spring and had a conversation. I think it was focused more broadly the budget problem and how to confront it, and here, I think, we're essentially trying to focus more narrowly on funding, and I think what we found in the sessions, at least the ones that I was sitting in on, is that you really can't separate the funding issue that much. You can't really separate it from some other pieces. So what I'd offer is a structure for thinking about this using three large themes, three large facets to the problems we're trying to confront. I heard answers and suggestions and questions in all three of these.

The first one I've called ömission, ö and maybe you could call it öworkload, ö but either way it gets at the question: what do we do? As a university, what do we do? There's a lot of talk about the Master Plan, and the Master Plan has some very explicit prescriptions and very explicit direction to the university. You must accept the top one third of all high school graduates. That is an obligation on the part of the system. It directs the university to provide high quality instruction at the Bachelor's, Master's level, as well as applied research and public service. So there are a number of things that the university is asked to do, and one facet of this conversation is: do we want to change any of that? To what extent do we offer each of these different pieces of the mission? So that's one area in which I think we have a conversation. What do we do? What's the mission? What kind of workload do we take on?

The second one is about what I call cost and efficiency, and that is -- whatever the decision, whatever the mission is, what's it going to cost us to provide that? This is where I think the legislature has a lot of the conversations. Like efficiency, how can we drive down the cost per outcome? I'll put on the Sacramento hat. The problem, I think, in the way the state budgets higher education is this: what the state buys when it provides funding to the

university are really just full-time equivalent students. Everything's denominated in this FTES. So if the state budget says we're funding 340,000 FTES and the university enrolls 340,000 FTES, then in the eyes of the budget, the job is done. But the problem is that that measure is such an elastic concept, obviously. Just being 30 units -- 30 hours of sitting in a seat, you can do that in a very inexpensive way by putting students in very large classes with minimal lab facilities with adjunct professors. Or you can do that by employing a much more expensive model with small classes, seminar kind of setting, full professors, great lab facilities, student support services. In the eyes of the budget, it makes no difference. They're both an FTES. So when you start talking on the second question about cost, you know, what does it cost to produce what we are asked to do ó there are many ways to reduce the cost per FTES, as we've just been talking about. It doesn't necessarily mean efficiency, and I don't think King Alexander would disagree with me when I say that, his measure of the most efficient institution really isn't a very robust measure of efficiency. It's just identifying which institutions are spending the least per FTES, with no measure of quality. Again, that doesn't necessarily mean that they're the most efficient. So I think that this second concept, this second facet of the conversation, is a really difficult one because it forces us, on the question of efficiency, not to say how do we lower the cost per FTES, but how do we reduce the cost perí what? Per unit of learning? This is why the accountability conversations go off the rails, because there is no consensus about what are those units of outcome that we want to buy.

So if you like that, we now go to the third category, which is funding, which ostensibly is the reason that we're here. Whatever we decide about the mission and whatever we decide about how much we should be spending for it, we encounter a third question which is: Where do we get the dough? Historically, the preponderance of that money has come from the state general fund, and I think much of the reason we are here today is because that money has been declining over the last number of years. I think part of the problem is there is no obvious endpoint to this because when you make a reduction to the university, the university has found ways to contend with that. The enterprise has not come to a screeching halt. Tuition's gone up, yes. Again, class size has increased. One of the things that I think is really painful and has involved a lot of controversy is how the university invests in enrollment management. How do you continue to honor, at least on paper, the promise of accepting the top one third of high school grads while at the same time admitting fewer students? It's kind of magic but, you know, technically we succeed because all eligible students do have the opportunity to go somewhere in the system. It's just that we know that they're not going to get their first choice. If you apply to San Diego State, we can say òcongratulations. Youøve been admitted to the system! But you canøt go to SDSU. How would you like to go to Humboldt instead? And the applicant says no, and the system avoids an enrollment without technically denying access. So, this third category of how do we fund it, leads us to acknowledge that state support has continued to go decline, with no real clear endpoint. Somehow, weøve absorbed the cuts in a way that, at least on paper, doesnøt result in a clear breach of the Master Plan. I think this is where we have a much harder part of the conversation.

Really, I think there's this kind of ñless filling, tastes greatñ kind of debate going on. Some say about Sacramento: if they only knew, if Sacramento only understood how important higher education is. If they understood, they wouldnøt cut us. This reminds me of my academic work back when I was teaching Soviet foreign policy, and I did a lot of research on Russian history, and there was this mythology among the peasants back just before the revolution, if the Czar only knew, if he only knew how bad it was out here in the outlying regions. If he only knew, heød make things better. But the fact is the Czar did know how bad it was, but it just wasn't bothering him that much. I think it's not as if the legislature doesnøt recognize how important the university is, how important investing in education is. I think that message does get out, but it's not changing the minds of the policymakers. So emphasizing that line is not going to get us very far. If you just argue a little harder, it's not going to turn things around. Because as I think King said in response to a question earlier today, everyone else is making arguments about why public funding for their causes also has a positive return on investment. Investments in public health has an important return. Investments in transportation infrastructure, investments in the environment, water storage, they all have return on investment. It's just that a lot of these others are either constitutionally protected or there is an initiative that's passed that guarantees funding going to a number of these. Higher education, we have a hard time admitting, is not an entitlement in this state. So, again, I think arguing to Sacramento that higher education is really, really important is not going to change the fact also that the state legislature is facing about a \$10 billion budget problem. I sense that the real issue in Sacramento is -- the funding problem the university faces is exogenously created. It's not something going on within the university. It's the way the budget is structured and the way the process works in developing a budget in Sacramento, the mood of the California voters, the way tax increases are approved in this state, those are all outside of the control of the university. So, anyway, getting to the third point of funding. One side says if they only knew. The other side says the money is not coming back, and I heard a lot of that in meetings today. If you take that view that there's not going to be a return of the good old days

in terms of funding coming to the university, then what else can the university do to fund the things we decided in the first two facets of what I was talking about?

That's where we turn to things like tuition, where I think there's actually a very healthy and a very constructive conversation going on because this was something that until recently just could not even be talked about. You know, should we have -- we didn't even call it tuition until a year ago. Right? We just called it fee. You know, we couldn't use the T word until a year ago, and now we're starting to say, well, okay, how does tuition fit into this? How should students pay? And if students are going to pay, how do we protect affordability through financial aid programs? That calls into question what to do with the SUG? I don't have the answer to any of that, but that's where I think a lot of that conversation is heading now. I think, again, that's very constructive, but then the conversation has turned to other sources of funding. Do we go to the federal government? That's partly what King's talking about. Do we go to outside fund raising? Do we go to self-support programs?

To kind of wind this up, that starts to link back to the first question that if you start moving towards higher tuition, self-support programs, et cetera., even just outside funding from outside donors, it starts to call into question the mission of what is a public university. And I don't think that's a rhetorical question. I think really that's a question we have to grapple with. What does it mean to be a public university? I think you need to answer that question before you can then say, here's what we're going to turn for funding. So after lobbing that grenade, I think I'll pass this on to my colleague.

[Laughter]



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Michael Spagna: Thank you, Steve. I thought it was very helpful when we were debriefing over lunch to think about those three buckets, as Steve set them out, because when you think about them and you look at them, they really are interdependent. You know, when you look at mission, cost and efficiency and ultimately funding, they're all interdependent. I'm going to try and synthesize what I heard across the three rooms I sat in on. We also, I understand from Steve and Michael Hoggan, will be providing these notes to you. So these will be synthesized and sent to you to look at in more detail. So I'll try and capture some of these, and let me start with the first one.

So the first one that came up, this was in one of the groups was a discussion about -- and these are things that I think this is a healthy opportunity for us to throw out these ideas, think about how they're interdependent and think about what categories they fall into, and then, I guess, the real challenge for us moving forward is thinking about which of these are going to have the best return on investment. You know, if we had to prioritize, as you were saying, Steve, and as we heard across the groups, if we had limited energy and resources, are we going to spend time to lobby the legislature? Or are we going to try and work on efficiency where we're going to look at alternative funding? So it's thinking about that.

So one of the ideas that came up, and this is to give you an example of how these are interdependent, was that we should as a system get out of the business of remediation. We should just admit students that don't require remediation, and there have been examples of this at CUNY in terms of making this type of decision. But in that conversation it was very interesting because as that idea came up, it then prompted a lot of conversation around our mission concerning the CSU's responsibility to provide access to students -- even those that require remediation. In my work as a dean of education, at one time, not as long ago as seven years ago, the CSU system was preparing two out of three teachers in the state. It no longer is near that proportion. It's now much less. One could conclude, based on enrollment tallies across CSU campuses that we're getting out of the teacher preparation business, but is it intentional? What I'd like to do is share some of the things I heard across the three groups and ask you to reflect upon which bucket each idea falls into. Also, do these ideas fall into interdependent choices for the CSU?

One example I heard, and this was from a student perspective, are we really putting out there the true cost of higher education to students? I think the example was given of when we pay for vehicle registration. When you get the vehicle registration bill, you get a delineation of what costs are included in the bill. However, we don't really do that when we talk about tuition and fees; and the point was, would that help? Would it help educate students? Would it help educate others, faculties and so forth, about what goes into paying for higher education?

Another idea shared was the point of leveraging the 2.7 million CSU alums that we have throughout the state. Are we really being aggressive in getting to our alumni groups to really try and involve them? Mo Qayoumi brought up an additional point, which is ongoing professional development and education beyond earning a degree -- and this actually will fit very easily into one of the categories for funding. In my business, in teacher preparation, we wind up preparing people for a thirty or forty year career. Now, they do get some additional training on the job but nothing similar to what we do, and in a recent study conducted in the Los Angeles Unified School District, second largest in the nation, you need to know that first and second year teachers are being placed with the lower achieving kids, kids who have the most significant learning needs. So what does that do? It provides a whole new generation of kids not getting proper education. It also results in a high attrition rate among novice teachers. Should we be exploring ongoing professional development beyond what we typically do in the CSU?

Another example is that we have a bifurcated system, and I think Ephraim Smith made this comment, a very sage one, and it goes back to King Alexander's keynote, which was the notion that we have to be careful about the levels of funding and support so that, as King Alexander put it, if state funding is diminished and that provides institutional support and we're relying on federal support that really goes into any kind of subsidy or fee abatement, then we can't use those interchangeably. So we have to separate those, and we have to think those through in terms of how those could be leveraged.

Another element would involve how difficult it is structurally to collaborate across campuses. So in really doing innovation and working with campuses, particularly in the LA basin, we have five CSU's that want to work on X, Y and Z, but we have internal structural barriers to be able to do that. That's linked to another category.

Several of the groups talked about are we really, as a CSU system, are we really being specific in addressing specific regional needs, and are we kind of organizing ourselves to do that? Are we taking advantage of business and industry and how we leverage those areas?

Another comment that came up, and this came up at our previous meeting back in the spring as well, is the observation that every CSU campus currently attempts to provide excellent programming across a wide variety of disciplines. So if we have certain CSU's that really have expertise and excellence that can be demonstrated in engineering, why are we not capitalizing on this expertise in a regional manner? We've seen some of that develop, for instance, in the LA basin regarding teacher preparation. What used to be five colleges of education has now become three colleges in the LA basin.

Another element that came up, which I thought was very interesting, was the notion of communications. We had talked about this in the spring. This goes back to the CSU mission, and it goes back to lobbying. There was discussion about how we have two types of conversation, internal and external conversations. Internal conversations allow us to promote and value differences of opinion. But when we go out and we go forward into external groups, how do we act in a unified manner? Can we preserve that internal differentiation that we have across campuses but go forth in a more unified voice? That was something that was echoed in the previous meeting as well.

Somebody mentioned, related to how we communicate, that in many cases we target the legislative branch, we do not target the executive branch, and so we're not getting to the governor. Is this a mistake in not simultaneously getting to the governor as well?

Then one final comment I'd make about economies of scale, and it's brought up about online instruction and instructional investments. I think having a thoughtful dialogue, and this came up across the groups, about not just simply gravitating to one solution and saying, well, now online instruction is going to solve our problems. It's being thoughtful about the larger infrastructure issues related to that. It's being thoughtful about how we're making instructional choices and how these choices are mindful of disruptive innovations. As it's been said by Christiansen over at Harvard Business School, are we going to be in a position where we're simply trying to survive in higher education? Or are we trying to be in an area where we can thrive? And that's kind of the geography that we face across currently in higher education.

So, I'll stop there. If I misrepresented any of those ideas, we now have an opportunity to ask questions, give comments, maybe clarify some things or maybe there was an important issue that came up as Steve and I rotted between groups that we missed. We have some space now to be able to share those ideas and comments.

Stepanek: Floor's open. Dianne Harrison

Harrison: In our group we talked about two other things that ought to be included. One was the issue of some level of autonomy for the campuses and, of course, once you get down into the details of that, it becomes a little more tension ridden.

The other piece, though, is about not just tuition in general but how we look at that entire structure and what we do with it. Personally, I believe that the tuition per credit unit is about the fairest thing we can do for all of our students. I appreciated the program's white paper from San Bernardino that broke out the numbers and showed that our part-time students are paying exorbitant rates for their credit versus the full-time students who are taking over 15, 18, or more hours. I think that really has to be looked at.

Boillard: On the second point, tuition pricing, yeah, that's part of the broader range of incentives and how do we create -- one way to try and manage demand is through pricing. On the autonomy question, you know, this is a tough one because, if you go back and look at the Master Plan, you'll hear some conversations about whether the Master Plan is dead, whether it can come to life. California's created a higher education system 50 years ago with different components that all had distinct roles to play. So the mission was defined, and there was interdependency, particularly on the change your pathway from community colleges to the CSU and UC's. The remediation question was supposed to be more dealt with in that way. We had a coordinating body, CPEC, which we no longer have today. So the sense I have is if the state is going to be significantly reducing support of universities as it has been, there's a lot of voices in universities that say the state now has less of a role in dictating what's going to happen, and that could mean that the universities need more autonomy in order to contend with our reduced funding, come up with other ways to manage enrollment, to come up with other kind of fund raising opportunities, which, you know, there's a logic to that. The problem or at least the issue that would have to be dealt with, I think, is you now end up with a very different system that's no longer a system. It's a bunch of autonomous, anomic groups, and you lose the power, I think, that had been envisioned in the Master Plan, of a coordinated system where a student in one part of the state knows that there is a guarantee to be going to this system of higher education because there were some kind of common rules, common expectations.

Spagna: And I would add on the autonomy issue, one thing that I forgot to mention was that it was clearly said in a couple of groups that if we really engage in legislative advocacy, we should change the message from simply saying “give us more money” or “restore the money” to “let us keep our flexibility.” Let us keep our flexibility was very strongly emphasized in several of the groups. I think King Alexander showed that there had been 32 bills just in this year alone to try and take away flexibility within the CSU system. So let us do what we can do best but don't take away that flexibility.

[Audience person]: I just wanted to say one other thing that was brought up which is that WASK is going to come out with a redesign in a few weeks, and that everybody should take a look at that and voice your concerns if you think that some of the standards that we are held to are not being enforced at other schools. Well, if that's the case, then take a look at that redesign and make your voices heard.

Spagna: The issue of accreditation was talked about in one group in particular, and along those lines, I think the exact comment was that “accreditation is a national disgrace,” and the notion of how do we get more integrated in the process. We have an example in California where a for-profit school came out to central California to prepare teachers, and then they put through a cohort of 30 teachers, and then at the end said, “well, you're not getting a credential in the state of California, it's in New York where we're from.” That problem came to CTC, and then who did they come to try and help these students who now didn't have a credential in California? They came to the CSU, and we basically worked with these 30 students to get them credentialed and be able to work in California schools. While we were doing that, this out-of-state organization recruited another cohort! So it shows you problems we encounter when institutions work around and/or manipulate accreditation bodies and standards.

Stepanek: Other questions? Thanks, Jerry.

Jerald Schutte: Two things came out of our session that I would like to call to your attention. I would classify them as “unity” and “strategic planning”. One impediment dividing our institution of higher education is the fact

that we have multiple constituencies. That is, students and faculty and administration are looked at as separate stakeholders. One of the easiest ways to destroy solidarity of purpose is to create tension among those groups competing for scarce resources. As long as we have adversarial relationships among the needs of students, faculty and the administration, Sacramento wins.

Therefore, one of the solutions arising from our group discussion was to develop the opportunity to leverage the collective muscle, if you will, reflected in the alumni association, the parents of students, as well as our administration and CFA. We believe if we can design a strategic solution around that kind of lobbying potential, and combine it with an awareness that the strategic plan is not based on simply immediate outcomes (e.g. graduation rates), but how important those outcomes are (not just specific economic understandings of the impact of higher education, such as how many people we employ, or what their average salary is, but rather the broader scope of the multiplier effect of that kind of employment), then the Legislature's gains a different view in looking at allocating resources.

Unfortunately, what we have is voter and politicians' short-term practical viewpoint applied to education's long-term needs. As such, in looking at the near-term view, voters and politicians will say, for example, "yes allocate more money to fighting crime because we are getting criminals off the street by building more prisons", and point to the crime rate in justifying their position on resource allocation, precisely because they can see immediate results. However, in education, when someone is employed and it creates that multiplier effect, those long-term effects aren't nearly as apparent.

Therefore, the challenge is to leverage the strength of our collective constituencies in evolving a more comprehensive view of higher education's strategic needs to affect politicians' tactical decisions of allocation. If successful, we will significantly ease the current situation.

Boillard: Just one quick response to that because I think you're right. I mean, part of it is that there's lack of unity in message. I think that the university would be much stronger and much more successful if there were more unity.

When we start talking about getting the message out, I guess, the one thing I would point out is that there's a broader lack of understanding in the whole public about higher education and about funding and about costs and about access. This confused message filters up to Sacramento. The one thing that it still works pretty well in this state is that the legislature and individual legislators become responsive when constituents are demanding something. So I think when you talk about the message, I wouldn't just focus on Sacramento. The public needs to understand better the issues and tradeoffs of higher education, and in turn needs to communicate a clear message to Sacramento. I think, again, there's just this widespread lack of understanding about what higher education is, what it does, how it works.

[Audience member:] One of the things that we talked about in our group was the need for a change in culture up and down the CSU. Certainly, the environment has changed since the time the Master Plan was established. A lot has changed, and we talk about it at every level. For example, alumni topic came up a lot from the dentist alumni over there. (Pointing) If we wait until people graduate to start training them how to become alumni, it's too late. We need to change it so that the minute they become freshmen, they are beneficiaries of the CSU education. They graduate. They become the taxpayers and the parents of the next generation, and we need to get them inculcated in the idea that this doesn't come free and that we have to support it. We have that opportunity at earliest level to talk to students about this.

Also, I look around the Academic Senate and around this room, and I see a lot of people who I haven't seen for many, many, many years who've done an incredible job. But we have new faculty in the system who came up at a different time, who were educated with different technologies, who have a different approach to things, who are post master plan, and we need to bring them into the discussion as well. Because, as somebody said, doing what we've always done isn't working and won't work so we need some new ideas. So I think that we change into a culture of how we adapt to this change at every level in the system. Thank you.

Spagna: And there was an issue that came from one of the groups about college readiness, thinking about college readiness, but that idea of recruitment and bringing people in, we spend a lot of time in local high schools and middle schools, where this discussion does not surprise all of you, but being at Cal State Northridge and being right in the larger San Fernando Valley, I regularly go into schools and I am asked "Where is CSUN?" Can we come visit there? And these are middle schools. We want students in these schools to think about college affiliation before even getting into high school.

[Audience person:] I think the master plan 50 years ago did not assume that students would come to CSU ready to do college work, and we're spending way too much money on remediation. So as we have this conversation of the future of CSU, we really need to tackle the college readiness question and the remediation question, and it's really having a very negative impact on all of us in the CSU.

Boillard: And there's a number of ways, I think, you can start to address that question, and certainly I'd go back to part of the coordination of partnership question about certain expectations at the high school level. You know, there are many facets to this, but one place that it shows up, and it's almost heretical to even suggest it, is in the guaranteed eligibility pool of the top 1/3 of high school graduates. The master plan 50 years ago, 52 years ago, established that pool. It was a somewhat arbitrary number, negotiated with the segments. One thing that a lot of people don't recognize, the Master Plan didn't broaden access to the universities. At the time, CSU was bringing in a larger eligibility pool than one third. It was closer to 40 or 45 percent. The master plan tried to clamp down on how many people would be eligible to go to CSU, and offered pathway to community colleges. There's nothing magic about the one third. It was a negotiated number, and if you look at people down towards the 33rd percentile, that's, you know, that's where you find a disproportionate number of your remediation issues. I'm not saying that the state should turn their back on those people. I'm just saying that if you want to start having remediation conversation, one place to look is at the eligibility criteria to get into the university. And that's an issue from the omissionö bucket that we talked about earlier.

[Audience person:] We discussed several different ways to generate revenue, and one of the problems with these alternate sources of revenue is that they don't really necessarily contribute to baseline funding. So for operational expenses how do you keep up with hiring faculty when you're spreading them thinner and thinner to pursue these other sources of revenue? What are you doing with the comments on that?

Boillard: I'll give my quick answer into that. I think you make a great distinction. We used to talk about what's baseline funding and what's one-time funding. Everyone wants ongoing öbaseö funding. The reason for much of the budget problem we currently have is because we got one-time funding in the year 2000 in the form of this windfall of about \$10 billion dollars in revenue from the dot com boom, and it all went away the next year, it turned out to be a spike. It's a one-time increase, but we made ongoing commitments with it, and we really haven't entirely dealt with that disconnect over the last 10 or 12 years. But I fear, and I don't want this to sound glib, but I fear that these days, even state funding can't be seen as baseline funding. Any budget you get in the given year, I think, should be treated as one time because you don't know what next year holds. This is hard to make a distinction. Nothing's guaranteed anymore, which is really problematic, but I think that's how volatile our funding structure is.

Jerald Schutte: Just very quick point about the stakeholders in higher ed. I'd be willing to bet that of all the stakeholders we need to get to the table one of the most is corporate California. I think they can play a really strong role in helping lobbying Sacramento for higher education because they're looking for the skill sets that we produce, and about 10 years ago is a good example. When the state of California wanted to roll back the science requirement in kids K5, it was corporate California came down on Sacramento and lobbied them to prevent that from happening; they caused a 180 degree reversal on what their decision was. So I would think they should be at the table as well.

Spagna: I know that President Harrison was just at a meeting and convened the local community college presidents to do just this in the San Fernando Valley; to bring in corporations and businesses to talk about various industries, and the needs that they have regarding a well trained workforce, building curriculum, internships and so forth. But leveraging that is a very important issue.

Joyce Feucht-Haviar: I have a couple of comments. The first is about how one uses different types of funding. Based on my experience at other institutions, the CSU makes some unnecessary assumptions about what is permanent funding and one-time funding. And, based on those assumptions, the CSU also makes other related assumptions about what one can do with those two kinds of funding. But, in fact, no funding is permanent (as state budget cuts over time have confirmed). Further at many institutions around the country, it is commonplace to assume that full-time faculty hires can and will be supported by a mix of funding sources (donated dollars, dollars from grants

and contracts, endowment funds, the tuition and fees students pay, state funds, earned revenue -- in the CSU's case, self-support program revenue, and the like). At other institutions, there is an assumption that the funding mix will change - one grant will end, and another of a different sort may start, one donor may not give again but another will, one self-support program might decline but another will be created, and so forth. At the CSU, the long years with a heavy reliance on state funding have led many to assume that the core work of the CSU can only be funded with state dollars (General Fund dollars), but, in fact, there is nothing that requires that and indeed one can support full-time tenure-track faculty hires in departments with a funding mix. One can, for example, use the dollars from a department's self-support programs to hire full-time tenure-track faculty who might teach in those self-support programs and in state-support programs. But, that would require CSU campuses to begin to think differently about the funding mix - think in terms of their core funding being all dollars flowing into the campus and its department, colleges, and units when budgets are developed and plans are made to move the campus forward. Indeed, part of our challenge going forward is to say that all of this money has to be in play and be part of the planning, and yes, things shift over time, but as you pointed out, so do state dollars. Looking at the funding as whole dollars, real dollars, and using them accordingly, is important.

The second observation was to your point about the system and autonomy, and I think there's another way to achieve that, which is to bind ourselves around common principles and purposes, rather than policies. The notion is we would be committed to a seamlessness of vision, purpose, and values - but how those are realized on different campuses working in a different context would vary -- we would then open doors for innovation. Overly controlling that by trying to say, “don't do this, don't do that, do it this way,” makes people less likely to be really innovate - to own their future, to take responsibility campus to campus for creating a future that is right for that campus and the region it serves - a future that is both excellent and distinctive. I think we've gotten ourselves into the trap where people are not assuming it's their responsibility at a particular campus to find creative solutions that get us there, or that they have the power to do it. I think we would see some really exciting things happen if we worked with a bit less central control and a bit more cultivation of shared principles and vision.

Boillard: I like the way you phrased that. I'll bring up accountability again even though it's a controversial topic to talk about at a university. It's the lack of consensus about the outcomes that we're looking for from the University, a lack of ability to measure and know where we have that. That leads, I think, the state to instead take a much more kind of ham-handed regulation approach. So instead of saying that you're going to do the job of providing quality education to all eligible students, which is hard to operationalize, instead the state could say you're only going to spend this much money on executive compensation and you're only going to have your admissions open this amount of time and your tuition has to be set this way. You know, it is very confining and, frankly, inefficient, but I think that until there can be a better basis for knowing, for keeping track of the output from the university that the states can be very input focused; and again, that's the highly inefficient I agree.

Audience person: Steve, I really appreciate your comments on structuring our conversation into three buckets including the first bucket's mission, that we contextualize the efficiency in that context, efficiency for what purpose? President Alexander mentioned that the most efficient method of getting cost down was to close down our campus, because your dollars are zero. The question is, for what purpose?

I think it is about time for us to ask ourselves, why won't we do those things? [inaudible] to present our mission at this current time.

Boillard: I wish I had an answer to the mission question. I've been walking around for the last five years, like Diogenes, looking for an answer to the question of, you know, what is the distinction of a public university and a private university? Because I think a lot of the mission questions come into play a lot because a lot of the answers you start coming up with start to look like privatization. By privatization, it's defined to me in different ways, but I'm thinking about it as students paying the cost, they cover their own cost and there's no public support any longer for the university.

Part of me feels like even if you eliminated all state funding for our public universities, it wouldn't be the end of the public universities. The question is: Is there anything other than getting public funding that makes a public university public? I think there's a lot of different answers to that, and I don't have an answer to it; but, I sense that that's what we're struggling with.

When we look at our possible solutions, whether it has to do with excluding remedial education to students who require it or whether it has to do with increasing tuition, whether it means eliminating the research func-

tion. I heard some people talking about making graduate programs going to self-support. All of these things, I think, force us to take stock of what does it mean to be a public university? So I do think that they're all interdependent pieces; and again, I'm not pretending I have the answer to this. I just think -- my main point I was just trying to make is you can't discuss the funding question in isolation without confronting these other questions. On affordability, again, I think King Alexander was trying to make a good point, but I think he kind of overplayed it. I think there's no efficiency in closing down all your buildings. Just because you eliminate costs, there's no outcome. So there's nothing efficient about that. Efficiency, as I conceived it in this schema I'm setting up, is getting the results you care about in less cost, but that forces you first to come up with, what are the results you care about?

[Audience member:] You know, I became an academic because I like the idea of having a career in which I can mull things over. öMullingö is a very appealing way to spend one's day and we do a lot of it in CSU. We do to some extent even in meetings like this, but to a great extent in all of our bodies, from Long Beach to our academic senates, and I think we have reached a point at which we really have to control our mulling [laughter] and take some action and take some risks as an institution and as universities and deliberate along the way, all right?

I'm a rhetorician, and I know about making contingent decisions and seeing how they play, and then shifting, shifting, shifting things as one moves forward in order to adjust for those contingencies. But we are not very good at risk taking in this system or even on our campuses. We tend to mull a lot. So I would suggest one answer, all right? Several weeks back I was asking a question, how can we create a self-paced course for our students to get them more access, to make them more successful, to give them more time, et cetera, et cetera? And we're going through a bunch of ideas, but ultimately we came up against people soft. [Laughter] öPeople Soft can't do it.ö That was it. You know, we just left the room. People soft can't do it, and we run up against these kinds of obstacles all the time, which just sort of bring closure to the conversation and send us back to what we were doing before.

My final point here is that we need to have the wherewithal and the courage to pilot some genuinely innovative solutions. We don't have to do them as a whole system; it's too much of a lumbering challenge for us, but individual campuses, individual programs, individual colleges and colleges in schools can pilot innovations. All right?

Or populations of students, if they can get past some of the bureaucratic obstacles that keep them from piloting and will keep them from moving forward, and if we have both a system and administrations and faculty who will say, yeah, go ahead and try that. Let's see how it works, and let's waive this and waive that, you know, condition for the purposes of your piloting this so we can see how it works. We have to do more of that because we have to become more nimble. If we don't become more nimble as a system inside of about five years, we'll be so far behind. Those who argue -- that argument will be that we're serving students in a way that the students perceive to be more responsive are going to be way ahead of us. So I just want to argue for this piloting process, really. That's the main point. I think we should have more pilots going in the system that are very substantial and genuinely innovative and break through the barriers of bureaucratic obstacles.

[Applause]

I approve this message. [Laughter]

[Audience member:] That's a pretty tough act to follow. I would like to respond to some of the earlier comments in the session. I think Sacramento does recognize the value of the CSU, and it's obvious by the way Prop 30 has come about. Prop 30's leveraged against the CSU's credit alone with the public in the state, not to get the CSU more funding but to get other entities funding. If we don't pass Prop 30, this university system that you like is going to be hurt. We're held hostage.

What I'm saying beyond that is you talked about how construction projects have this immediate impact. You put the signs, "Your Tax Dollars at Work." Well, how about putting up signs around the CSU campuses, "Your Future Boss at Work?"

[Laughter]

Boillard: And again, just to be clear, I wasn't suggesting that we don't think there is value coming to diversity. I guess, I was just saying that that argument only goes so far in our current environment in Sacramento,

which is we've got a \$10 billion gap and we owe money to all these other folks as well. Plus, this subject was discussed at most of the tables, and it's not an obvious one, but I feel the need to mention it, which is the fact that the universities -- the trustees are able to on their own increase tuition. This enables the legislature to make cuts without getting the blood of the corresponding tuition increases on its hands.

Stepanek: It's getting that time, yes. So we will take about a 15 minute break. The actual work session number 2 is going to start at 1:45 and then run to 3:15, and then shortly after that reconvene again in this room. So happy communicating and yes, same rooms that you were in before.

[Break for Work Session #2 “A Master Plan for the Future”]

Please note that in this work session there were five groups discussing the same basic questions on funding. Each work group had a scribe taking notes. We have assembled the notes from the five work groups in Session #2 and have included them in the Appendix at the end of the document. They will provide an indication of the greater depth of the discussions that took place.

REPORT OUT” for SESSION NO. 2: “A Master Plan for the Future”



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Judy Heiman: Good afternoon. I was trying to think about how to frame my observations in digestible ways. I sat in two separate groups who had two separate sets of questions so we had to cover a little more ground. So I was thinking about this and writing up as a story where you might answer all the key questions about revisions for the Master Plan with the who, what, why, when and where.

So let's start with “who.” There was a lot of discussion in the first group about who we should be serving. This is really the mission question. And particularly on the topic of “remediation” and about the expectations in the Master Plan and the realities of today and what that means when half of the 1/3 students need remediation and what that means vis-a-vis the relationship with K-12. And that's commonly where we go with this conversation when we talk about the need for remediation: isn't it K-12's job, and if they are not doing it do we have a responsibility to do it? But the fresh thing that I heard today, that was really encouraging, is that the Early Start Program, which kicked in this year, is already starting to show some movement on K-12.

Bill Covino talked about sitting down in front of superintendents in Fresno and saying, “here is the story, this program kicks in this year, if students can't get in then we will be pointing right back to the school districts and we need your help to prevent this happening. It's not too late to deal with these seniors, to use the EAP and to

start making a difference.ö And in fact they have a lot activity going on in the senior year in high school; they had more math remediation completed during the summer than ever before.

So that is really starting to show some movement and that gets at some themes that we heard earlier, that instead of getting too specific about what each campus should be doing, set the expectations and let the local campuses and regions figure out how to meet those expectations.

The other comment I heard that fits into the öwhoö question relates to Steveös earlier comment about whatös different about being a public university, what makes us a public university. And the answer was that we have a responsibility to reflect the demographics of the larger population. So that was called out as a key difference.

The öwhat:ö öWhatö is it that we should be offering to these students as part of the Master Plan vision? There are a couple of tensions here, one between comprehensiveness and specialization. And some of that is geographically determined, for instance Chico has an obligation to provide a more comprehensive program because they serve a very large area, and there are other campuses where specialization could make much more sense. Where you have three campuses very close together they donöt all need to offer every single program. Can they ask themselves the hard questions about öWhat is it that we really do well?ö And at what level should that question be asked? Is there a role for the Chancellorös Office, is there a role for the state, or is that something that should happen among campuses?

The other tension related to öwhat is it that we are offeringö is regarding research and the role of research at the university. The Master Plan obviously saw the University of California as the primary research institution for the state; saw the CSU as the primary teaching institution with some acknowledgement for pedagogical research but not much beyond that. The reality has changed, faculty have acknowledged that research is a much bigger component of faculty evaluation rubrics than it used to be, itös an expectation. And I asked, is that mission creep? That wasnöt the original role of the CSU. To the extent that you are doing more research, what has to give? And the answer is that what has crept is societal expectations. Graduates are expected to not just be passive receivers of knowledge but they are expected to innovate, they are expected to create, and how do you develop graduates with those skills if your teaching practices donöt involve them in research and inquiry? So if it is mission creep itös in response to the needs of society. But the result of this is that there is more squeeze on the faculty trying to figure out how to incorporate it. And the solution that the faculty has found is to have a very integrated framework of teaching, service, and research where you cannot distinguish among them. A course may involve field research, the students are out there, they are providing service, you could not tease these pieces apart even if you wanted to.

The öwhere:ö The place where the öwhereö question comes in is, where are the students coming from that we are serving. In here is the tension between serving local and regional needs and serving state wide needs. San Diego was very much in the discussion having faced that tension and having dealt with it in a particular way.

In the discussion I heard that it is important to recognize that campuses have differences and to nurture those differences and allow campuses to work to their strengths, and at the same time there was an equally strong sentiment that of course we have an obligation to meet the needs regionally, we are a regional university. This is another tension that would have to be resolved in a new Master Plan.

The öwhy.ö -- That goes back to the mission question and what it means to be a public institution and the main answer there was access. We have a responsibility to provide access and we do provide access to an extent that private institution do not. We need to be a public good, responsible to regional and state needs. So in a real sense access is why we are here, what makes us different.

Other tensions emerge in relation to K-12, that there is a real obligation as a public institution-- particularly if we are thinking about a Master Plan structure--to think about it in the context of the K-12 system and preparing student all the way through. Helping the K-12 system, helping students set their expectations, and creating more of a pathway, would be key elements there.

Another tension regarding why we are here and what makes us different, and maybe this is a broader tension, is one between the role as a preparer for the work force and as a preparer of an educated citizenry, which are not mutually exclusive but a question of emphasis. A lot of the rhetoric about the role of higher education is that we need to meet work force needs and we need to invest more in the programs that affect Californiaös economy. But there is a risk of undervaluing the broad liberal education and humanities that are not in the headlines as far as the work force is concerned. And finally, one of the best answers to what makes public institution different from private institutions is that public institutions have the benefit of lots of legislative intrusion.

[laughter]

We did not talk about the öwhen,ö but I am going to add it in as another consideration. The timing consideration here is the pace. There is a lot of concern about graduation rates, how long it takes students to get

through, the number of units. I think the question from a state policy perspective and a Master Plan perspective would be how long should the state subsidize students? Should there be a limit on the number of units that students take under state subsidy? Should there be some expectations about the pace of completion?

So there are your five őWős that could be addressed in the Master Plan and some comments in those areas from the two groups I observed.



Professor David Hood
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David Hood: I am reporting from a couple of groups with a couple of different questions. One is Judithős group and it was talking about the purpose of higher education and the purpose of the Master Plan. And in the group there was the discussion of the juxtaposition of a pragmatic view of higher education, that is career preparation or contribution to the economy and a more abstract view of higher education teaching people to think and just to learn. I suppose one of these is called education and the other is called training.

Another point they talked about was civic engagement. And they thought that civic engagement should be a key outcome of higher education. In other words, are we trying to inculcate in our students the fact that they are supposed to be active members of the society? Are they supposed to participate in society? And is part of the purpose upward mobility? That is, are we supposed to show our students how they move up in the world both intellectually as well as socially and economically? That's an interesting question by the way.

There's also the question about whether higher education is a public good or a private good. If it's a private good, it also ends up as a public good because there's higher taxes and things like that. And so is there any -- is there a real difference between public good and private good? That's an interesting question right there.

Then they -- this group started talking about the contemporary CSU and the Master Plan and what we're going to do with the Master Plan. I have some ideas. And although teaching does remain the primary role of CSU research is also one of the responsibilities of the CSU. Research is a matter of responsibility both with an aspect of teaching; that is, the undergraduate research component of most classes. It's also fundamental to the university faculty because those of us who research also keep cutting edge of our fields and we are able to then transfer that information to our students. So although teaching is a primary focus, we also have research as one component. Now, this is not necessarily recognized by the legislature. It's also not necessarily recognized by the LAO. But on the other hand, I'm sure they're going to have a discussion of that later on.

And we also talked about flexibility of campuses. That is, do the campuses have enough flexibility to handle that research as a component? And do the campuses have a certain amount of control over their fees? Or does all control come from the legislature?

Then there are differences among campuses. And we need to understand the differences among the campuses. We need to understand the campus; you should be given autonomy and flexibility. And as one person put it, do we want the Articles of Confederation or the Constitution? So in other words, are we 23 separate little nations wandering around together in United Nations, which is handled by the secretary general, Charlie Reed? Or are we going to be one great big university under the president, Charlie Reed. So that's a good question. Which we want -- do we want to centralize or decentralize the government structure. And by the way that applies not just to the campuses; it also applies to the system.

Now, in the future Master Plan the UC system is pretty much set as it is. However, this group had certain questions about the community colleges' role because they thought there was an imbalance between the number of community colleges and the number of their undergraduates and the number of campuses of community colleges. And they were thinking that perhaps the enrollment in the community colleges is much too great for them to be able to accept all the students who want to enter. So the general thought was that the UC's role was fairly well-established. Ours was close to set and that the community colleges needed to be examined a little bit more.

But, the question was how courses were going to be taught in 20 years because the old Master Plan was written in 1960 well before the Internet and certainly before Google. When the Master Plan was envisioning the

future, this future was only about 10 or 15 years out. And so, if we are going to redo the Master Plan, the question is are we going to redo the master plan as perhaps as it should be? Or as it might be? That is the question.

And now, the other group was talking about a quality vision for other higher education in California. And it talked about the Master Plan as -- in terms of what it is, and what it was not. That was an interesting discussion. Should everyone go to college? Should we deal with the underserved? What are the underserved?

In the California Master Plan, the question is what it is and what it is not. And higher education, this particular group thought that higher education should be supported by society, with perhaps a multiple level series of support for different ones. And so the vision they thought should be based upon the future not on the past. The idea of looking to the future and not to the past for your guidance does provide a certain amount of intellectual stimulus.

This group also said that the education should permit graduates to become civic minded. That sounds a little bit like the civic engagement of the previous group. And the question that this group asks though was should everyone go to college? That's an interesting question. Is Shakespeare for everyone? That's an interesting thought. And if you're going to re-examining higher education in California, perhaps you want to have the governor appoint a commission to do that. Perhaps we want a reasonable economic development plan to make sure that everyone knows that higher education is important and needs to be a priority. But the revenue base of California needs to increase. Because right now we've got a sub-structural deficit and that won't work. And this group looked also wanted to re-exam petulantly why private schools got so much money. Good question. They wanted to re-prioritize quality in the curriculum and programs that monitor what the community needs.

This was an interesting series of discussions. But then they looked towards the implementation of this particular vision. And they asked, “what were the principles upon which this new vision was going to be implemented?” For instance, should there be a system or campus autonomy? Don't you see the similarity? Should there -- there should be price flexibility. Price flexibility is something that I think Ephraim Smith has been talking about. There should be access for levels, I think that's perhaps true. They should affirm the role of higher education to foster dynamic, prosperous community service and democracy. I think you want to be all things to all people. And they wanted to address the question of student success. That is, retention. Perhaps that this group thought they should create a scaffolding system so that students don't fall through the cracks. Talk about a mixed metaphor.

There was the question or the role of the central system versus the role of the campuses that again came up. They wanted to leave room for experimentation at the local level. Well, that's an interesting notion. They wanted to offer high impact connections and practices. In other words, job training and internships, and to learn successful programs. And then finally, they wanted a revision of the polytechnic concept. These are two groups that have dealt with questions -- answered slightly different questions. And they come up with a certain amount of similarity. And I find that the similarities between the two pretty much obviate the differences. And I think it was an exciting, interesting discussion. And I thank you for it.

[Applause]

Stepanek: We will now turn to Joyce.



Joyce Feucht-Haviar
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California State University, Northridge*

Education: BA, Ohio University including a teaching credential
MA, University of Chicago
Post graduate work at University of Chicago, University of Virginia and UCLA studying marketing, theology and philosophy, cultural anthropol-

Joyce Feucht-Haviar: I was thinking about the conversation within the CSU about the whole notion of funding in the future. I think there's consensus around the fact that for the CSU, this is a time for versatility, for innova-

tion. Smart heads put together can find solutions for most of these problems. I think we just have to empower ourselves to do that. That led me to think about the notion of the Master Plan. In the discussions I was participating in, there were two approaches. One was to allow the current Master Plan to define the conversation, so that the future Master Plan was a reaction to the existing Master Plan. To me, that narrowed the slate. It made the conversation about somebody else's agenda, rather than being able to say the future is something we should look at as a blank canvas. I don't think we should abandon history in forming our discussion, but I do think that the notion of forward focus is significant. I think that, if you look between 1960 and 2012, not only has the CSU changed, but the world of work has changed. The world of community has changed. The needs of educational outcomes have changed.

There's recognition at various levels that students that come to us today are going to be graduating and working for the next 20 or 30 years, not the past 20 or 30 years. And the world they will face is considerably different. The CSU stands at the edge of a remarkably creative time. We have an ability to connect to a global scholarly world, a global world of work. We have interesting new technologies. We have cross-disciplinary possibilities. We can work together. We can reconfigure the way in which faculty work across disciplinary lines or institutional lines. And every time the conversation would move in that direction, there would be thinking about what stands in the way. There was a comment this morning from somebody in the audience about mulling things over and coming up with an idea, and then finding out that PeopleSoft couldn't do it. In fact, PeopleSoft could do it. It's an institutional, structural issue that stands in the way of doing it. It's something we created and something we can change. I think the notion that working together we can make a significant change in these kinds of things needs to be a part of what forms our discussion going forward. It is quite possible to integrate some of the issues that we see now as polar. Does somebody need a general education and a strong liberal arts background, with conceptual skills, to be a good citizen? Absolutely. Are those different conceptual skills than are required to be an innovative practitioner in any field today? They're really not. If you want to be an innovative engineer or a forefront thinking creative individual in medical practice, those habits of mind that understand the broader issues are part of the same ability to solve problems and see the need for applied research.

Can we make creative curriculum that integrates all those components and doesn't look at them as separate pieces? I think almost everybody in this room would say, certainly we could. What stands in our way are practices we put there, ourselves. The notion of how we're funded, FTES, whether or not somebody wants to change a course, give up a course, work with somebody else -- that funding formula is something that we as a CSU, as a state, have created. And we can undo it, if we wish.

What a public university is, in the end, is an institution that has a long-term stake in the game. We're part of the State of California. We're part of its future. Issues of access, funding and all that certainly play in. But we carry forward humankind's intellectual heritage and the possibilities for the future and make that a reality for the state and the system, or we're going nowhere. We're not going to pick up stakes and move to another place. We have a long-term stake in this game. And that should mean a lot to employers, to regents and to the alumni we graduate.

I was also reminded of a conversation I had recently with the Metropolitan Transit Authority of the region here in Los Angeles. They're responsible for doing things like fixing the 405 freeway. The head, who has a wonderful and unfortunate name of Doug Failing, is trying to change the whole culture of that organization to do something called ödesign-build.ö Their practice in the past for large projects has been to plan very carefully: to go over all the details, to try to eliminate the risk, to have everything worked out. Even though they're not academics, they're doing mulling and then going ahead with the project. That means that many projects start five, six, seven years after the money was allocated. They've now decided that what they're going to do in light of the fact that none of those plans ever went forward without change in seven years, is to do something called ödesign-build.ö They're going to get a general plan. They're going to start building. They're going to learn as they go. They'll make adjustments in the plan. And they'll continue. Maybe we in the CSU should adopt the ödesign-buildö model and assume that substantial change does not have to wait for the governor to decide anything for us to straighten out the possible funding formulas. And it just requires that, at the next meeting we go to, we keep the big picture in mind, that we get the bigger idea, and that we find a way to get it done and don't stop when somebody says, PeopleSoft won't do it. And that's my observation.

[Applause]

Stepanek: Once again, the floor is open. Are there any questions?

[Audience Person]: We talk about public institutions as being distinguished by having a long-term stake in the game. How do you distinguish us from places like Rhode Island Grad School or University of Pennsylvania, which was there before the state was a state but is far from being a public institution, or Harvard Business, the first European-based Catholic school?

Feucht-Haviar: I think it's what game you have a stake in. I mentioned in an earlier comment that I was at the University of Chicago, which has a stake in many games but considers itself to be accidentally located in Chicago. It sees itself as having a national and international mission. Certainly it has done many things for Chicago, but that is not where it sees its major stake. I think the CSU or public university is a global citizen, too. But its major stake is trying to make a difference for California. We're trying to make a difference for this public. And what that is between 1960, 2012 and 2050 is going to change. I think if we're really going to fulfill our mission, if we're doing the same thing we did 20 years ago, and we're assuming graduate schools do the same thing 20 years from now, we're really not playing our part in the game.

[Audience Person]: The word that came up for the day is öflexibility.ö Our master plan is 52 years old. And I know it was great at the time. But we're still talking about it in 52 years. And product life cycles are short named in the business world, and technology is changing. And so if we're going to even talk about building a new Master Plan, it's got to be a living, breathing, evolving plan. I was looking at the science agendas for Common Core in a meeting. And we said when that was written there was no environmental science, there was no computer science. And so you have to broaden what we mean by science. And that's within 20 years or so. We talked about flexibility in that context as well as the flexibility of funding. We're not asking for more money. We're asking for more flexibility in freedom from legislation -- legislative intrusion. If we're going to have a new Master Plan, it's going to have built in flexibility. Thank you.

Feucht-Haviar: I think that's the ödesign-buildö principle. It is the notion of agility and flexibility, the notion that one assumes that one keeps thinking, like somebody talking to me about the importance of critical thinking. And I said, well, even regular thinking would be useful.

We make a lot of assumptions about the fact that this is all worked out, and we're just going to do X, Y and Z. And we don't often ask, what if? Why not? How can we do this next thing? I think as keepers of what should be an intellectual thinking community, it is incumbent upon us to reflect that kind of a model, really looking ahead, calling attention to other people to the things that are emerging in our communities. And we should be able to say, what we thought was a great idea five or six years ago. If we want it to continue to be a great idea, we have to keep looking at the world. We have to keep thinking. We have to build on that. And as we move forward, we maybe say, we're going over there. But once we get to that door, we have a bigger view of the next horizon. So the fact that we adapt and change and keep thinking about it should be definitive of what an academic community is all about.

Heiman: Those of you who were at the session two meetings back on campus at the performing arts center might remember that I held up a copy of the Master Plan printed book that said 1960 to 1975 right on the cover. You know, it was intended as a 15-year plan explicitly. Of course, there's been legislation tacked onto it so its life has in some ways been extended. But there is a school of thought that says the whole notion of Master Plan, particularly given the reverence with which people hold the original master plan, is too limiting. That maybe we need to get away from that idea and instead we should just think about a ten-year plan. We need an interim plan. Set some targets. Set some goals. And don't be burdened by the need to do something on the scale of the 1960 Master Plan.

Feucht-Haviar: I think that the era of 1960's and the late 1950's lent itself to thinking along those lines. You see in other aspects of society at that time the notion that there was going to be a sameness, a stability, that we had arrived somewhere, that you could project out 15 years and it would hold. I think in our current world we know that 10 years out is a stretch. Five years out is a stretch. But that doesn't mean we can't have common principles, underlying aspirations that guide us: common agreements to the outcomes. I think that if we can focus on that, that maybe there's less need for regulation, if the notion of outcomes and where we're heading is clearer. I think we actually know that. Maybe we don't articulate it often enough.

John Tarjan: Earlier, somebody said we spent too much money on remediation. And I absolutely agree. But

I don't think we spend too much money on what happens in remediation. We just spend it on at the wrong time. My wife teaches at a college, and we would comment that in learning the basics, certain students need to go to community college. But the community college might say, “No, they need to go to the adult school.” The adult school says they need to do it in high school. The high schools say that they need to learn it in junior high. And I would submit that the students graduating from high school today are different than ones that were graduating from high school 52 years ago. Maybe we should consider a “Master Plan for Education in California” and take a broader view, because I think that we have all this overlap.

I'll give you one more example. We had a board item on American institutions. We had a discussion about it, but you all know that the UC says, “Oh, yeah. We need good citizens, but they studied that all in high school.” There's a disconnect. They're the same A through G pattern, but somehow they say they've already had all this. And we say we're not so sure they had all this. And I think we need to take a broader perspective. May we need to look beyond just higher education.

Feucht-Haviar: One of the interesting things about that notion of, can we handle that, is like somebody once told me that you shouldn't read King Lear until you're about 65. And it certainly is a powerful work at 15, 20 and 25. I don't know that one ever stops moving along in an understanding of what it is to be a citizen or a parent or a member of a community, and with the notions of lifelong education or the returning person or the career changing person and remediation. There are so many ways that one could solve that with new technologies, games and other kinds of teaching tools. But the notion that somebody should not get out of the game too early is certainly an important issue. Could we go about it in a good way? I'm not sure.

Tarjan: But let me say that I really wasn't referring to not necessarily doing lifelong learning. It's, do we focus on preparation starting from an earlier age? And another example in that contentious issue that we've dealt with -- kids career technical education. And our associates brought up what they do in Germany: and I don't want to say that their model is better than what we do. But, many people feel that at this stage that we haven't given enough attention to career technical education. So they pass some legislation saying the CSU has to do the following thing. We'll put it under A through G. To me we're not taking a systems approach to this, a comprehensive approach. We're trying to piecemeal it. So I'm saying to Judy and others, maybe you could make the case to the governor and convene a commission and take a look at education as a whole in California not just higher education.

Heiman: You know, clearly you're right, that any look at post-secondary issues must have to do with preparation. I can't help but think about the last big master planning effort though. I wasn't here. It was before my return to California, in the early 2000's. There was a legislative effort to develop a new Master Plan for education at all levels. It was a massive effort. There was foundation support. There was legislative staff on loan. And when people talk -- people don't like to talk about it actually. And then they do it kind of sounds like war stories. Because it just collapsed under its own weight. It did come out with a report with what, more than 100 specific recommendations. And I don't know of any of them that actually got implemented. It was just too much.

So, I think that really supports Joyce's notion of, let's not be too specific here, let's just set some broader goals. We need to talk about principles and purposes and outcomes, like Steve said. And those should include attention to preparation and attention to different types of education, including career technical. But I would just caution anybody who undertook that to do it at the right level of analysis.

Stepanek: Any other immediate questions? Yes.

Dianne Harrison: This isn't really a question so much as a comment. Having heard all of the discussions today, I'm intrigued by what seems to be a little bit of “either/or” thinking: Either we start from the old Master Plan and work from there; either we have access or no flexibility. I don't see it that way. We need to move forward thinking about what the CSU can do internally, if you will, to advance ourselves, to improve what is happening here relative to funding and relative to the education of our students and what they're learning.

And as Joyce pointed out, we have enough creative minds to figure out what kind of flexibility we need that doesn't sacrifice our mission of access on the campuses or in the system. When we talk about funding, I believe flexibility is going to be the key to getting funding. Without it we won't and it will be much more difficult to get there.

I am not as intimidated by the old master plan because I've only been in California a little over six years. Instead, we should focus on the assets of the CSU: I have heard so many people ó and so many of our faculty ó

describing the quality of the teaching; the commitment of the faculty; the integration of research into their classrooms; our inventiveness in the communities where we live; and our concern about repairing these, not just for the state of California, which we already do, but also for the 21st century.

I would argue that we can do a lot of the things that have been brought up today without moving away from our crucial mission of providing access. And I do think we can still solve the remediation issues and remain working with K through 12, which, of course, our colleges of education and the rest of us are already doing. So one of my suggested action steps ó and, Steve, I know you're going to move there soon ó is a proposal that includes a set of performance measures. That's not easy to get to agreement on, even with some flexibility. But I think we can do that. The performance measures don't even need to be the same for the system. We can have campus-based performance measures that reflects the uniqueness of an institution, but that also reflects being a member of the CSU system.

Stepanek: Thank you. I'd like to thank this particular panel who participated and we will reset ourselves for the closing ñNext Stepsö panel.

[Applause]

“NEXT STEPS” CLOSING SESSION:

Stepanek: Showing no particular preference we will begin the Next Steps segment by going down the line. As you can see we are allowing open ended statements from a broad array of disciplines. David we will start with you.



Professor David Hood
Department of History
California State University, Long Beach

Ph.D., SCU
B.A., University of California Santa Barbara

David Hood: Thank you very much, this has been a very enlightening symposium and I am going to bring a descent closure to it, we will find out. I think the California Master Plan was a great idea ó for its time. I have laid out the three segments of public post secondary education in California, their goals, their missions, their student populations. It was a great idea and a wonderful plan, one that the rest of the world tried to emulate. And it worked like a charm as long as California had the money to support it.

[laughter]

Now, the Master Plan's formation in history is well chronicled by Don Gerth who in his book "The People's University" reveals how the University of California maneuvered behind the scenes to enhance the mission of the University of California as the only public research institution in the state. And also to cripple the CSU's mission so it would never include research as part of its purpose. The University of California wanted either to assume the CSU and make it totally subordinate or they wanted to keep the CSU as part of the department of education at the same level of and run by the same board as the high schools and the community colleges. Fortunately the president of San Francisco State College was a member of the team that negotiated the Master Plan. He argued that the state colleges needed their own board of trustees, something that the University of California feared. Since politics always includes trade-offs the colleges got their own board, the chair of the board is sitting up there, but in return they had to give up the applied doctorate. Thus the CSU never asked for the applied doctorate as long as Glenn Dumke was chancellor because as president of San Francisco State College he had made a deal with the University of California back in 1960. He wasn't going to go back on his word. And that's why we didn't ask for it, by the

way. He was a fascinating man.

I'll tell a story, I guess. He didn't like disciplinary meetings and so the history people or the English people weren't supposed to get together. I guess, I suppose we were subversive and historians are rabble-rousers and so we got together at Chico and I was elected chair of the California history chairs for the first chair, and of course, one of my jobs was to have a meeting at Long Beach, so I called a meeting in Long Beach. The presidents were told not to pay for our travel or anything like that, and since we were meeting in Long Beach and the chancellor's office was in Long Beach, I talked to Steve Horn the president and I invited Glenn Dumke to come to the meeting to speak. Some people thought I was kind of foolish and they thought that maybe I would lose my tenure. But on the other hand, Dumke came. Since I had the seating arrangements under my perview, I had him sit next to me and I just filled his ear with how wonderful these disciplinary meetings were and how much benefit they gave. And as he left Glenn said, "You know, I think I'm going to tell the presidents they can go ahead and fund the transportation and the travel for these meetings. It's a good meeting." So he changed. He was a fascinating man. Of course, he was a historian so he's obviously very intelligent. [laughter]

Now, good as it was, the master plan was not attached to a funding source, rather it was dependent upon the largess of the California legislator and the governor. And as long as California was flush, this plan worked. When California's economy suffered, the master plan became unworkable. And so over the years the original master plan had been studied and revised but nowhere in those studies had the funding source been identified. And so study after study came and went '75, '88, '93, 2000, 2010. Every so often the legislature rolls up its sleeves, appoints an expensive staff to the study team, and listens to interminable but predictable testimony; that series of educational experts who always tell the legislature that the Master Plan needs more money to function properly. At each revision the legislature solemnly agrees that the Master Plan does need a stable funding source, it endorses the study team's recommendations, and then it does nothing. So I have here the revisions. '75, is there any money? No. [Drops plan in a waste bucket.] [Laughter] Well, let's try '87. Is there any money? No. [Drops plan in a waste bucket.] [Laughter] Hey, this is real fancy. This is the '88 öCaliforniaö Faces California's future.ö Is there any money? No. [Drops plan in a waste bucket.] [Laughter] Here's a graph report öMaster Plan in Focus.ö Hey '93 but there's no money. [Drops plan in a waste bucket.] [Laughter] Here's öReinvent, Reinvest, the Master Plan Revision.ö This is '93 and once again, there's no money. [Drops plan in a waste bucket.] [Laughter] And this is the one that you talked about. This is real pretty [inaudible] Master Plan for Education, 2000. Is there any mention of money? No. [Drops plan in a waste bucket.] [Laughter] The last attempt, by the way, is kind of funny and only two pages worth of report. [laughter] And I want to read you the last paragraph of the last page of the report. You might be able to guess that this was written by a politician. Listen up. öThe committee recommends that the joint committee on the master plan for higher education be extended into the 2011 year to continue the work completed thus far.ö Politicians always like to be reappointed and not reelected.

Well, so that's the history of the Master Plan. The only thing I've left is, since I'm a pack rat, this is the original Master Plan and I keep it for sentimental reasons. I actually keep that joke too, but that's another point.

So year by year the problem is the master plan becomes more and more outdated. Year by year the CSU suffers from decreasing support. Year by year the CSU educates more and more students for which the state provides less and less and it educates those students thanks to the generous but unending efforts of the overworked and underpaid faculty, staff, and administers. Our students would have received better education had we received adequate funding. The classes are too large, the time to graduation is too long, yet every time we do more with less the legislative analyst's office tells the legislature that if we're able to do more with less, then they should give us even less so that we can do even more. [laughter] It is a vicious cycle. [laughter]

And I ask you just who is going to be penalized by this educational nightmare? Well, you might say that the administers, staff, and faculty who haven't had a raise in four years are being penalized. Maybe. Perhaps the more perspicacious and enlightened observer would say that the students are the ones who are forced to pay the penalty for the legislature's indifference.

I have yet another answer. Look, we're supposed to be preparing California's children for the leadership of this state. If they're not as well prepared, then the penalty for it legislature's failure to properly fund the CSU will be paid by California's future. A future that will be less ripe and less prosperous then it would have been had its leaders been educated by appropriately funded university systems.

Now, it's true that the master plan had been violated. No, no, no, it's been destroyed by the California legislature. It's also true that free public higher education is not an option in today's economic climate. But if we fail to step up to the plate to make financial sacrifices and invest in the future, then California will continue to suffer from a very serious brain drain as faculty leave to teach and do research and more importantly as students leave to attend colleges in other states; states with more enlightened perspectives on public higher education. In other

words, unless we act and act now California will suffer tremendously and irrevocably. In the years following World War II, our state became an intellectual and economic powerhouse because of its highly educated workforce, and we are just about to lose the tremendous advantage that we inherited. An advantage bequeathed to us by those who sacrificed years ago so that our future could prosper. That's a grim analysis.

But you know, we live in a university, and we're privileged to live in a university where people are expected to use their imaginations, where all things might be possible, and where the future might lead to unlimited horizons. And so in spite of the harsh economic realities confronting us today, please allow me to offer an alternate vision of what the future might bring. Some people, analysts, might even disagree with this because it's economically unfeasible. But on the other hand, we should be free to dream. Look, is there anything that could be done about this grim reality that confronts us?

Let's step back a moment and consider yet another ongoing debate about another sector of public policy. Congress has recently enacted a series of laws that it allowed this nation to become and to join the rest of the world. In Europe healthcare is not a privilege it's a right guaranteed to all people. And now finally the United States has joined the rest of the developed nations who believe that healthcare is a right for all citizens. In California education is not just a privilege it's an enforced privilege for everyone through the age of 16. If you're under 16 and you aren't in school, the truant officers come looking for you. In other words, through the age of 16 in California public education is a right that the state enforces. So I ask you, why stop at 16? Why, in one of the richest nations in the world, why is higher education not a right? Why shouldn't all young people be provided the right of free public higher education? It shouldn't matter if a person enrolls in vocational training or in a university. The youth of one of the wealthiest countries in the world deserves as a right free public higher education. Now, understand it's not going to be easy to convince the public and the legislature staff will tell them that making higher education a right will cost a lot of money. But this room is full of highly educated very influential people. You have contacts with the economic, intellectual, and political leadership of this state. The people in this room can change California. The people in this room can make this happen. Yes you can. So what are you waiting for? Go do it.

[Clapping]

Stepanek: Judy, you get to respond. [laughter]



Legislative Analyst's Office

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Judy Heiman: I'd love to respond. I loved your comments and very inspiring. We do try very hard at the LAO to inform ourselves and make thoughtful recommendations and we have actually been the voice criticizing recommendations for unallocated cuts to the universities and making it clear that when the legislature makes an unallocated cut, which the governor usually recommends, that in fact it really should acknowledge that that means, particularly in the short run, it's reducing access or it's increasing cost to students. There's just no other way particularly with last minute cuts to absorb that, so we've been saying it doesn't make sense to pretend that the campuses can do more with less. If you're giving them less, you have to accept that they're either going to do less or charge more for it. But that is [inaudible].

There were three things I wanted to respond to from today's comments in thinking about what next. One, on the state level, one sort of cross sector and one as far as CSU. As far as what's next for the state, we've already talked today about an appropriate role for the state being to set some higher level priorities, principles, purposes and to set those out and then allow flexibility as far as how to meet them. We think that makes a lot of sense.

There was an effort this year to -- in fact the legislature passed a bill to set goals for higher education. It's something that unbelievably California is absolutely lacking. We don't have formal goals for higher education. There were three overarching goals; access and success was one area, aligning with state economic workforce and civic needs was another area, and then efficiency and effectiveness in the use of resources to ensure affordability was the third area.

So those were the high level goals. Our office was to convene a working group with the segments and the department of finance and others to come up with appropriate measures for those goals. And then information from this performance measurement would be used to inform public policy and to inform budget decisions regarding higher education. The governor vetoed that the bill and had some concerns about it, but has expressed some interest in having some sort a goal framework and accountability system for higher education. I think that there will be continued efforts in that regard, and I think it would be important for you to be involved in those efforts and helping to define how success should be measured for the system. If indeed the state should set high level goals, not get in your way to much; what sorts of measures would allow for flexibility yet ensure that broad state interests, which to be honest sometimes bump right up against the interests of campus or departmental or faculty groups; how can we ensure that those interests will be protected while allowing for flexibility? And I think transfer is a good example. Certainly enforcing some sort of transfer framework does step on autonomy, but on the other hand, how do you make sure that students can get what they need in an efficient way in a state system? So that's something I pose to you. I think there will be an accountability system. I think there is a role for the segments to be very involved in helping us to define what that should look like at a level that will make sense.

Joyce has talked about design builds as a model for this and I like that image. But even that highway -- where is she now -- even that highway had to be designed and built to some sort of the specifications so what should those specifications be and how do we know it's built right?

So that's kind of the immediate next steps I see for the state. One issue, one thing I wanted to suggest to you is to not be quite so quick to dismiss the private sector. King Alexander this morning talked about Patten University as an example of, you know, look we're accredited right next to this little university in Oakland. Well, Patten University is not a bad institution. Some of you may have heard that Janet Holmgren who was president of Mills College is now heading up Patten University. She was previously chair of the board of the Carnegie endowment for the kind of foundation for the advancement of teaching and this institution has deep roots in the community and is known for developing leaders and pursuing social justice. And, you know, it's just one example. We're actually involved in a project right now that involves looking at accreditation of private institutions, and I've been to visit several and there are some bad ones out there. And there are some very good ones out there and they should not be painted with the same brush.

We have a capacity issue in California. We have a funding issue and that translates directly to the capacity issue. The public segments can't accommodate all the students that need to be accommodated, so there's a role for the nonprofit sector, there's a role for the for profit sector. What kind of safeguards can we put in place to make sure that we are supporting only the good ones and not the ones that are not serving students well? We took some steps in that direction this year with Cal Grant changes but that's again something that you should be involved. Somebody mentioned getting involved with responding to WASC's new proposals and making sure that the same standards are being applied to all institutions. But if there're private institutions, for profit institutions that can meet those high standards, we need them. Okay.

Now to the CSU. I think President Harrison is the lead for a reason. Her exhortation to not wait for permission from the state and to go out and start doing things; my fellow panelist here is charging you with the same thing. I couldn't agree more. There is a lot that you can do within the CSU system probably even at lower levels within the system at the campus level and beyond to make changes, and you have already started. I want to give you credit for a lot of things that you've already put into place. There's been movement in the last few years largely in response to the budget crisis. But I have to say, some very good things have come out of the budget crisis that should probably have been done a long time ago but they're just, you know, there wasn't the pressure to get that done. Improvement in transfer is a big one; the graduation initiative; some of the particular strategies under the graduation initiative like the very structured freshman year program at East Bay; the super seniors program; some administrative purchasing efficiencies; phasing out some unproductive programs; the online initiative; some of the enrollment management strategies such as not accepting lower division transfers who are not prepared for CSU; not accepting as many students by exception. These are many common sense things that you've done and that shouldn't be reversed.

And in addition, I'm here hearing talk of things that would have been unmentionable just a few years ago. I'm talking about coming up with performance measures; a wish to hold you accountable. Perhaps even to use for

funding purposes. You know if I were to predict, I don't really see that happening at the state level in the immediate future. But that is something that you could do at the system level without waiting for the state. Looking at year round weekend and evening. There was talk this morning of competency-based education, self-paced learning, prior learning assessment. These are all things that you can do without waiting for permission or without waiting for a Master Plan. So I would encourage you to keep innovating, and at the same time get involved in some of these larger State efforts to look at how should the state then look at what you doing? How do we make sure that we're serving a truly public statewide purpose? And I'll stop there for now. Pass the mic on.



A. Robert Linscheid
Chair, CSU Board of Trustees
Alumni Trustee

President, The Linscheid Company, Inc.
President, Western Baseball League
Chief Executive Officer, Greater Chico Chamber of Commerce
2008 California State University, Chico Distinguished Alumni Award

Bob Linscheid: Well, it's been quite a day. Let me give some context to my participation here. I was given a phone call during the summer about a program that was happening at Northridge by Ben Quillian in the chancellor's office and introduced me to Michael Hoggan, and Michael called and said, "Hey, we've got a group of faculty members on our campus that are very concerned about the future of higher education. We held a symposium in April. I'd like to send you the results but I'd like to engage you in a dialogue about how we could take some of our ideas and take them forward." And so I said, "Well, sure I'd love to come over and see it." And as a trustee I try to get around to as many campuses as I can. I've been to every single one of them. Some of those were in the '70s when I was a student body president, so I still take credit for it. [laughter] By the way Don Gerth was my professor of Public Policy in higher education in 1974 at Chico State, and I have his first book "The Invisible Giant" wasn't which cost \$9.95 and I still have it and it has the price tag in there. And so I went over and met with the faculty leadership at Northridge. I can't remember if this was before or after we hired Dianne but what a great opportunity for me to talk with some people that were really concerned and passionate about their role as professors and the contribution that they wanted to make in making this thing better. And it actually almost gave me a lump in the throat because as a product of this system, I was never -- you know, I was born in Pittsburg, California and raised in Antioch I -- you know, higher education was the furthest thing from my mind until I went to work for U.S. Steel and decided that I didn't want to work this way for the rest of my life and the community college and the story is history by now. But it really resonated with me that as the chair of the board and a product of this system, that there's got to be a better way of doing it than we're doing it now. And so I want to thank the Professors Stepanek and Michael Hoggan and the entire group at Northridge for not only engaging me in the conversation but following it through and making this event happen.

It means a lot and my goal today was to come and do a lot of listening and one thing about being the chair of the board at a CSU event, you can do a lot of listening. [laughter] And unlike some of the meetings I've been at where I'd like to encourage manners, this event was terrific. And I'm a numerology guy, so imagine here we are on 10/11/12 charting a course and conversation about what's possible for our system that we all are passionate about where we and our colleague educate 427,000 students 95,000 graduate into the California economic system.

I kind of got the feeling of a family reunion here where we all are part of the CSU family. We love some of our family members. If you've been to a family reunion, you know what I'm talking about. [laughter] Some of our members we don't like so much but they are related to us. We are all passionate, and some we just basically tolerate. But to me it's a start of something major. You see, when I came on the board in 2005, it seems like forever ago, since that time we have replaced 14 presidents and a chancellor. Dianne Harrison twice; once in Monterey Bay and once here. We brought her from Florida State to Monterey Bay and up here. You know as a graduate from Alabama, she hasn't really seen a division one football game yet. [laughter]

And so the idea of making the family stronger, you know, the reports that the professor was showing and

throwing in the garbage can, that was great drama, but you know, I've always learned to play the game with the cards your dealt. And you know we're not going to get the support from the legislature; we've got to figure out a different way.

And a couple of things resonated with me that President Alexander talked about; first of all I'm glad you taped it because I'm going to go back and listen to it again. I was trying to write down all the statistics but I gave up, so thanks for taping this thing. But this is an opportunity to unify our base, our family behind a vision and mission to educate more and more Californians.

And who's been benefitting? My clients. You see, in my professional world, when I have an opportunity to do it, I'm in economic development focusing on innovation. And I harken back to the trustees meeting when one of Dianne Harrison's professors[?] Ray Vetac] presented to the board of trustees about this new innovation that he'd created in which undergraduate student would be able to map the ocean floor. And I probed the professor a little bit in open session about, have you ever examined the commercial opportunity of this science? And the look on his face and the answer said, not really. It carved up something in me because I deal with people everything single day that have an idea and all they need is a little bit of capital or a little bit of mentoring. And I've seen it happen in my little town of Chico where a guy had a passion that he could sell toilet supplies on the internet, and everybody along the way told him it was a dumb idea. And seven years after he did it he sold his company for a reported \$85 million. It told me that even in little towns that are university based that there is an opportunity to create something to change the world.

And in our town we've had four exits -- the economic power of an exit in a community where you are funded by private equity or venture capital and you sell that and you make people rich, there's nothing wrong with that, and this is America, right? So these are the kinds of experiences I've had as being a volunteer trustee for you, for the alumni in particular because that's who I represent. And these are just some of the things that resonated with me as I sat here listening to people talk about this unit.

And so what I'm deeply committed to is trying to build flexibility in any policy that we do. You'll see in trustee meetings we refer to the presidents a lot because they're in the trenches. You folks are in the trenches. We get to sit up there and vote yes or no based on information that we have at the time. So I'm committing to you to bring the business community more engaged because we've been silent. They're the ones that benefit from the workforce and there's a better way of doing it. So that's a piece that I believe I can provide both professionally and related to my chairmanship, and I want to do that. I want to pledge to be more nimble. I want to figure out a way do things quicker. I love the idea of pilot programs. You know, let's test something out, and I'm really committed to the advocacy of kicking the For Profits in the ass. I think that they need to be as responsible to their students as we are to ours. And if it's accreditation, if it's funding from Pell or whatever it has to do with, you can bet. You know when I go in to see one of my congressman friends and Dick Gephardt walks out, who is a lobbyist for the for profits, I know that we've got an uphill battle, and so I'm committed to try to help with that.

We've got these big plans and I appreciate that Judy being here today and giving us a perspective that I think is important for us to take hold of because there are good institutions throughout and we can't hit them all with a broad brush. But the big Master Plan, the thick plan, reminds me of these economic development studies that are done. Imagine drinking water from a fire hose because that's about what these [inaudible] are like. You can't possibly do 37 things. So in the economic development world, a partner of mine and I developed an information score card. We wanted to help communities compare what they needed to increase the probability of innovation occurring; innovation defined as an idea that leads to an economic benefit.

And we decided that there were four things but you don't know from the practicality of your strengths. You identify your impediments. And I think our impediments right now are that we have to figure out how to deliver education to more students cheaper. Okay. Now that I've said that, how are we going to do that? Well, we're going to talk about this 120 unit thing. Is that really possible? Are there exceptions to that policy to make that work? Can we free up 12,000 spaces? I don't know the answer to that question. How about online and technology? All of that plays a role, but also applied research plays a role. I'm a big advocate for that and I'm going to figure that out a bit more. I'm probably the only other person in the room that remembers Glenn Dumke. That's because I was a student when he was chancellor. [laughter]

And you know, the folks that built this system, Ted Marion who was a trustee in the '60s has a library named after him at Chico. I remember Ted, and I remember what he said about what he thought his role, and I never would have believed that I'd be sitting in his shoes some day.

But those are my kind of reactions to some of the things that I'd like to commit to get done before I leave the board. You see I wasn't appointed by the governor, folks. I was elected by the alumni, so that doesn't make me any different than a regular trustee, but I want you to know how much I appreciate you all being here because I

think it's this kind of dialogue and discussion that's going to yield greater returns than we possibly know in the future starting from today.

And I want to acknowledge one of my colleagues in the audience Larry Norton. Larry, raise your hand over here. He's currently new. [clapping] You know that fire hose story? That's probably how Larry is feeling right now with all of that. And I want to also acknowledge President Thomas Morales for being here today. He's one of the mighty 15 that I had the pleasure of serving on. And Dianne Harrison, of course, and all of you thanks for the opportunity to serve you and be here today.

[Clapping]

**Dr. Harold Hellenbrand**

Interim President of California State University, Northridge
Provost and Vice President for Academic Affairs

Dean and Professor, College of Liberal Arts, Cal Poly, San Luis Obispo 1998-2004
Dean and Professor, College of Liberal Arts, University of Minnesota, Duluth 1994-1998

B.A. Degree in English and American literature, Harvard College

Harry Hellenbrand: I want to make a couple of recommendations for what we can do next and I'll focus my comments in relationship to what's been said today.

So number one is I think we need to take a different attitude in relationship to the legislature than we currently have. I support proposition 30 as an example of where we will be running into a problem where we will be trading out will be receiving a permanent cut to the state funding and trading out the fees that were put in place this year in the spring on the assumption that fees are less permanent in our constitution than state dollars and the reality is somewhat different than that. We put ourselves in the position for looking for one year or two year solutions and not the reality of the state right now which is that ongoing funding is not going to be there.

Let me go on to point number two. Point number two is you need to be realistic. When the Master Plan was put into place in the late '50s and early 1960s, California could assume and the Master Plan could assume that there would be GDP growth in the state of at least two and a half percent a year, the demographic base would be expanding, the middle class would be growing, industries would be coming into the state and there was not the threat of global competition. No one of those assumptions holds true these days and to assume that you can build a system on the assumption of the late 1950s and early 1960s is crazy. We have to operate under different assumptions.

Thirdly, we have to have a different view of fees and a different view of money in the system. And I've said this many times before, and I sometimes get threatened and shouted at when I've said this, and even though I've been threatened I will not be shy about it. First thing is we have to understand that we have less state money and because we have less state money we are relying on managed contracts and fees. And we might not like that but that in fact is the case and indeed the business world and the world outside the university operates under what we call in academia, onetime funding. I'm not really sure if you're working for a private company or you're working for a private school that you have an ongoing source of permanent funds and operate on a day to day and month to month basis. That's where we are working at. We have to change our imagination and we have to learn how to make permanent commitments against what we previously stated as onetime funds because that's the world we're working in.

So this is related to the point that Joyce mentioned before; I wonder sometimes if we have a financial crisis or if we have an imagination and conceptual crisis. We have to change the way we look at things. We said that fees are too high and they might be higher than they were over the last several years, that's for sure. But when I take a look at the discounts that CSU provides and look at all the aid that it awards, I see that the aid and grant dollars wipe out the fee dollars that students pay when you look at those two sums. And that isn't how the money is allocated to individuals, but if the two sums wipe one another out, that means there's money there to make this a

tuition-free system if we wanted to. Of course the United States and public institutions have not done that. That's not because of nature, that's because of policy decisions about we allocate money. So it's not that we need more money we just need to look at the money that we have and think about it differently.

Secondly, related to that point; we take a look at how much it costs to go through higher education. You look at the sticker price and say it costs \$7,200 a year to go through the CSU. Well, 40 to 50 percent of the students in CSU and public institutions nationally are getting at least two-thirds of their fees covered by the federal, state, and local aid. And if half of the students are going to community colleges would be paying 1/5th of what they would pay in 4 years institutions then the math works out a bit differently. So if you're going to the community colleges in California and you go two years at the community college where your fees are covered in half by the state paying \$1,000 in fees for two years, you're paying \$14,000 for those two years in the CSU, fifty percent into that is covered by state aid and that's broken down in half. So we need to get a realistic sense of what students are actually paying and how we allocate out our aid in grants. And we have to do this because if we're going to be making policy decisions, those policy decisions have to be made on the net cost of what students pay and the net cost of our earning structure in our universities.

When you take a look at the Master Plan, I think there are a lot of things we can do if we thing about it. Number one is the Master Plan organized lists in higher education and K-12 by implication in horizontal layers. And those layers basically were connected by ladders from the community colleges. The assumption is people moving up the ladder are going to be between 19 and 21 and they move one way up the ladder and they move from one school to the next school in transfer via a linear process. And the systems would have hands on contact with one another: minimal coordination necessary to get this process done.

We now have swarms of students in higher education and taking a couple classes and working at a couple of institutions at the same time and so many credits across a higher education system, and what we need right now is cooperation among institutions regionally not a Master Plan that speaks to an entity that really doesn't exist, which is a unit such as the CSU or a unit such as the UC or units such as the community college: which is a plutonic idea but institutions that are horizontally stacked on top of one another in a hierarchy.

Students attend institutions attend them regionally by attending several institutions at the same time and I would argue that what we need is not a new Master Plan where we need more local cooperation and vertical integration among the K-12 system, community colleges, the CSU the UCs. We need to take regional responsibility for what we're doing and operate together collectively. We don't need committees or state charters to do that piece. We just need to get the work done collaboratively and that could begin immediately and should begin immediately.

There should be constructive pathways for students to get through higher education. I need to make a point about cost. I'll look at it from the student point of view and then I'll look at it from the institution point of view. If I raise the fees from \$7,000 to \$8,000 a year, but then I can take a year off the time it takes a student to complete a degree by putting in continuation rate, I'm saving that student \$ 7,000 bucks the increase in fees might cost the student \$4,000. So in the long run, we have to work up the full cost of education over four or five years not an annual cost of education.

So when we're looking at institutions, we have to make sure that we're funding people in a way at institutions that encourages parsimonious behavior. They pay me to run an institution by FTE process at the institution: I love that because there's no guide on how to allocate that FTE. It makes me hold it to a product as Judy said. And it makes me perform up to specifications that students have a certain level of knowledge when they leave or that they get successful jobs or that they have a certain number of graduates per FTE that we produce and that changes the nature of the game for me in some ways.

And I think to do our job well we have to have good data and that data can't just be provided by institutions, it has to be provided by the Federal and state. I consider it to be an absolute crime, it's immoral, and it's just stupid policy not to be able to get information from the State of California so you can track students from K-12 through higher education into the job market. We had to fight like hell to be able to get the job records for 45,000 CSUN graduates. It's like we had to put money in duffel bags and leaving them under bridges at night to get the data from people.

[laughter]

So if we are going to have expectations about performance and you don't provide the data, that's just a contradiction in thinking.

The next piece is we have to be realistic in our thinking about how the state and its role is constituted. I might not like it but we live in a capitalist society and so as I understand it from my brief readings of these things, it seems to me this means that each year we're expected to produce more goods at a cheaper cost with better quality. That's the nature of spreading the goods of society to as many people as possible. But I don't understand why

we should assume we would be held exempt from that in higher education. We have to find ways to build efficiency in our structure which leads me to the next point.

As we move away from state dollars and you rely more on fee dollars and more on grants and contracts you have to accumulate balance so that you can make investments. Fundamentally we are an R and D operation. If you go to any R and D operation across the United States and you tell them that you operate on a cash basis, where you spend every damn dollar you get each year, and you don't invest anything, they will look at you and tell you that you are absolutely crazy.

How you make change? You make change by investing and how do make investments? You make investments by saving and getting money. Of course our balances in funding have to change dramatically. There are many more things I can say but I'll stop there.

I really think the issue before us is not so much a cash issue, not so much a fiscal issue. It's a conceptual issue and an ideological issue and an imaginative issue, and if you can get those things lined up, we'll be in much better shape than we are right now.

[applause]

Stepanek: My goals and comments are going to be very brief. A number of people have asked, what is the next step in terms of actually this event and us, and I will try to attempt a little bit of what our thinking is right now in terms of some of the people that have put this event together. In terms of the funding issues we're looking at the first step being done. We're getting the conversations going. This is the critical thing is to get that action actually happening. What we're now hoping is that from the various reports that come from the prior events and this particular event, that organizations such as the ASCSU and the CSU Board of Trustees and others will be able to use that as a source of information to try to target very specific items that can be brought up for more detailed discussion in terms of how we might be able to move forward on them. So what I'm kind of saying is we're trying to take this particular aspect of this conversation and now advance it up to another level.

In the meantime, not that Larry had any influence on this, but he gave a hint about what Northridge is up to next because we're not by any means done. We're looking in April to try to have another sort of event, but I need to be honest. We're looking at this particular event as being more regional for the greater Los Angeles area. Why? Because we're shifting away from aspects of funding and looking very specifically in terms of students, the product we produce, the needs of the community. We're looking at trying to have an event where we're going to have the CSU campuses, the community colleges, and even the UC if they wish to participate. In terms of this is what we get from LA unified and some of the other outlying school districts. How can we cooperate to end up having a better product that's coming through our overall system? And one of the things that we're going to be interested in is if one of the northern campuses -- and we're having some very preliminary discussions in both San Francisco and Sacramento -- that if they wanted a whole similar sort of event very near to when we're having ours because they have their same sort of situation but some of their particular concerns are going to be a little bit different than ours because of just the regional needs. So that's kind of where we're at right now. Michael Hogan, would you like to add a few more comments?

Michael Hoggan: Yes, I would. First of all I want to say thank you all very much for being here. I'm not sure that if you feel what I feel but you're the people that need to make the necessary changes happen. We made this invitation to you with the encouragement we got from Bob and the CSU and other organizations with the sense that we needed to gather people who had creative minds and who have some influence in the CSU and the state and who care as passionately as we do about the success of the CSU. We are not willing to let it go down on our watch. And so what is it that we need to do? Well we have advanced the discussion to at least a point where the people who matter in the discussion are somewhat on the same page. So now as we consider the next steps it is most important to keep this interaction, this communication going; keep the CSU family connected in the discussion, that we don't leave here and go back and isolate ourselves in our individual task as is the normal custom. So the next step is for you to start thinking about that process and I know we're preaching to the choir and I know if there's any body of people that's completely overworked, you're it. But still if we don't do it, then who will? And I think the answer to that question is rather obvious. So I'm speaking just to encourage you to be willing to stay involved in the discussion, to figure out what you can do, what's in your power. And for crying out loud, please stay connected with us. We want to help in any way we can. Thanks.

[Clapping]

Stepanek: In closing, I really appreciate those of you who were able to stay till the very end. I'm very proud to say that we're ending approximately two, two and a half minutes ahead of our schedule.

This concludes the open session transcriptions.

Appendix 1 Funding Discussions

The following is the distillation of notes taken from each of the five work groups on the topic of funding; they cumulative and not listed with any priority. The conversations were open and candid allowing for creative thought the this represents those thoughts.

THOUGHTS ON THE INCREASE OF EFFICIENCY:

1. Voters appear to value efficiency. How do we get the public to understand that CSU system is already efficient?
2. Share cuts across all division equally
3. Better use of Facilities:
 - Better utilization of existing facilities; offering weekend courses, increasing online courses
 - Work on the basis of 12-month per year; with mix of self- and state-support funding
4. Students/courses/programs/campuses
 - Educate students on how to drop units to degree [REF: AVP of UG at SJSU has created a 50 ways to drop your units and students are advised to take addition units/courses and turn it into a masters degree.]
 - Create one stop shop student advising
 - Reduce number of course offerings; scheduling under scrutiny
 - Eliminate small programs that are duplicated within a CSU region
 - Eliminate under-enrolled sections, super seniors,
 - Eliminating some graduation requirements that are excess of those required by the system
 - Implement self-paced courses, if we can figure out how to get People Soft to work
 - Use common course numbering system
 - 120 units to degree completion, not without issues:
 - Examine alternatives to seat time
 - Change of unit caps should not be done at the cost of our core values; should not sacrifice educational quality
 - Move to assessment-based learning, rather than seat-time
 - Reduce super seniors (many in art, engineering, and nursing)
 - Reduce course repeaters
 - Need to do better advisement of students --intrusive advisement to redirect them to pathways to success through mentoring, career counseling, major advisement; students fail to graduate, accrue heavy debt
 - Increased class size--use UC model (larger lower division classes, and smaller upper division classes), but this requires facilities large enough to accommodate large class sections
 - Merge smaller campuses
 - Consolidate campus functions such as IT and budget
 - Centralize and standardize systems possibly even aspects of the curriculum, BUT with care
 - Get out of the remediation of students; reallocate remediation dollars to help time to degree, (CUNY model)

- Use degree audit data to let those students closest to graduation to give registration priority
 - Consolidate advancement offices ó do we need 24 advancement offices in the system?
 - Consolidate PURCHASING departmentó do we need 24 centers for purchasing in the system?
 - NO NEW DOCTORATE PROGRAMS
 - Collaborate with OPEN COURSES, e.g., MIT
 - Reorganization of academic colleges ó maybe only need 6 colleges, not 8 colleges
 - Eliminate expensive programs
5. Make better use of credential student teachers; perhaps have them teach developmental math and English classes on Saturdays; it should be a part of the credential programs
 6. Think about how we can do MORE with the same
 7. Do things DIFFERENTLY with less
 8. Cross-institutional collaborations, e.g., with CCCs? Should CSUs teach the 1st two years?
 - Given the enrollment pattern at CSUs, maybe better at CCCs for first two years and the last two years at CSUs (rebuttals: first two years of our students are the least expensive; John Aubrey Douglass indicate that annual cost to students at CSU is much lower but cost to graduation/completion is much higher--\$49K vs. \$80K)
 - CCC transfer is poor; only 23% college completion rate
 9. Consolidate programs across CSU campuses;
 - Do we really need all those engineering programs close together? Maybe offer engineering programs at 4-5 campuses
 - TV film production programs are very expensive, changes always happening in hardware, so how many TV film production programs do we need in CSU?
 - Allow students to register cross campuses to access classes
 - Another example is system-wide GE? One set of GE for the CSU would be ideal with standardization of course numbering system across CSUs would be helpful; common Lower Division system?
 - Look at concurrent enrollment with other CSUs and CCCs
 10. Eliminated adjuncts
 11. Tenure track faculty positions left unfilled through attrition
 12. Not replacing FT faculty; filling positions with part timers;

INCREASE ENROLLMENT:

1. Increase access without eroding instructional quality (tenured faculty) or student support and engagement
2. If enrollment is increased, we will also need to increase student support services
3. Create STOPPED OUT and COME BACK programs for those who lack the maturity to continue after 2 year degrees from CCCs
4. STOP OUT students should be treated as valued customers; we need to find ways to re-engage them
5. Increase OUT OF STATE students
6. Increase INTERNATIONAL students (East Bay has long had a tradition of international students; currently 10%), but public may not want to supplant CA residents for international students [Mo talked about how CSU could wipe out its deficits with 2,000 int'l students]; need to increase int'l student services with increased int'l student enrollment (NOTE: Public perception is that resident students cannot get classes due to international students; we need to be careful not to over advertise nonresident students (4-4.5%) funding resident students ó public sees this as giving away something they have invested in.)
7. Issues with meeting int'l students' religious/nutritional needs & requirements
8. Differential schooling experiences for native students compared to the transfer students
9. Students do not believe we can enroll out way out of problems

10. Many students are leaving the CA and/or doing a year at UC to finish
11. Remember obligations to serve our region
12. system puts a lid on FTES ó some campuses may be able to grow themselves out of budget situation. Am aware of the political problem with this but 9% of our students are super seniors and we are turning away eligible students.

INCREASE TUITION/FEES:

1. Make it be known that increase in tuition/fee is due to decrease in state investment in CSUs (allow transparency -- show the true cost and sources of contributions)
2. Revamp CSU tuition model, e.g., per unit basis
3. Provide predictable tuition for parents
4. Allow differential tuition by campuses
5. Allow differential tuition by courses or programs; impose additional costs on students in high cost programs
6. Have the State subsidize high cost programs more generously
7. Tax employers of high cost program graduates
8. Tax employers for producing personnel
9. Have the corporations/hospitals to subsidize programs to produce qualified graduates they employ
10. Continuing to increase student fees may address problem short term but will this be sustainable in the long run?
11. Change fee structure for those repeating courses & are in third tier
12. Charge by unit? Rebate for students who finish in fewer units or less than average time?
13. If we raise tuition in response to state cuts, it sends the message we can handle such cuts ourselves; we need to determine what education costs and tell the state what it costs to educate students
14. If tuition continues to increase, we will reach the breaking point when first generation college students can no longer afford to attend
15. Think of tuition independent of state funding
16. Pay by the creditó same cost for full and part time students.
17. Charge for excess unitsó most students with excess units are often not successful; use fees and tuition to encourage good behaviors
18. Raise non-resident tuition to increase revenue for our resident students
19. Phased tuition prices depending on how long students stay, with higher fees the longer student stay.
20. Allow campus autonomy
21. Maybe when students are paying more than half of their tuition, they are going to want to have a stronger voice and say that CSU should have autonomy as UC

PUBLIC RELATIONS:

1. Need better PR; we need to tell our stories to the public
2. Establish a common voice to speak for higher ed; make the case, ADVOCATE
3. We are talking to the wrong people; we need to do some targeting lobbying
4. Educate the public to decrease spending on incarceration; increase expenditure on education, which will yield higher return rate
5. Educate public on cost of education; where CSU gets its dollars, comparison state costs; cost of BA over a lifetime & benefits of earning BA
6. Educate the public about 18 year olds at CSUs in comparison to older students at for-profit institutions; quite different social, emotional and learning needs
7. Make a case for education as a key to avoid recidivism; make a case for educating women, etc, as an economic and social justice driver
8. Make a case that CSU help increase in workforce; Could this be the wrong message to public?
9. Appeal to votersónatural tendencies to rank higher education higher than other priorities

10. Instead of focusing on budgets and cuts, why not focus on what CSUs delivers to the State, e.g., value and return on education
11. Allow varying strategies across campuses to address budget cuts? We have diversity across campuses and probably need more flexibility on campuses and convince the public of varying needs across students
12. How can we better market ourselves to the legislature, governor? Can we hold legislators accountable?
13. Unify our message to the publicâ ONE VOICE
14. Capitalize on the opportunity with the new Chancellor coming on board
15. Inform and mobilize students to vote
16. Inform and mobilize parents
17. Inform the public about all the first generation students CSU educate; how can we make the public understand what these first generation graduates do for CA?
18. Need ONE consistent voice or message across the system when communicating with the public; CSU has a great message but it gets lost among others
19. Critical messages are blurred over presidential salary controversy and with CFA sending mixed messages around this front
20. The disconnect between CFA and CSU is tragic
21. Convince the public that their decisions today will have consequences on its future
22. Show public what the State look like in 2020 if we keep disinvesting in higher education? Describe the impact of expenditures in higher education extrapolated to 2020 ó both increase and decrease
23. CSU as the engine that drives the future of CA
24. In regard to accreditation, educate the public about the much too much power of privates
25. Apply political pressure to leverage federal money (per King Alexander)
26. Increase CSU reps on WASC
27. Increase state regulations to put road blocks for CAâs for-profits (state authorization policies on for-profits is woefully lacking. Possibly work through consumer affairs and legislation but be sure to get others involved so as not to appear self-serving)
28. REFORM legislatureâ public is disgusted with legislature right now
29. Get corporations to speak up for CSUs
30. Many CSU students are not registered to vote; get them registered to vote
31. Look at student learning outcome and convince public that CSU works; teach better, teach differently
32. What is the nature of political ADVOCACY we need to do?
33. IMPROVE and BROADEN communication to public
34. Educate the public about the TRUTH in cost disclosures
35. Educate public that per student spending is much higher at CSUs because students arrive underprepared; CSUs do it without the accompanying revenues
36. Educate public about what college graduates mean for their communities ó not just for employers
37. Need to frame public goods argument with a UNIFIED voice that includes students, faculty and administration
38. Advocate lobbying
39. Present a united front externally by maintaining multiple perspective internally

REDUCE SUGs:

1. This is the most generous internal aid program in the nation, setting aside 33%.
2. Ask Kevin McCarthy why federal policy shifts money to proprietary institutions?
3. Loss of SUGs will significantly damage graduate programs

INCREASE USE OF E-TEXTS:

1. To help moderate the impact of increased costs on students (1/3 prefer e-books; 1/3 prefer paper texts; 1/3 somewhat indifferent)
2. We will need to better prepare faculty and students to use electronic texts
3. Need to have publishers address problems with e-books
4. Publicize all that CSU does to keep textbooks affordable for students ó communicate this info to leverage public support for the CSU
5. CSU facilities need updating to handle technology
6. Issues with student learning with e-texts noted
7. Gerry Hanley has done a brilliant job of saving millions of dollars with system-wide initiatives on e-texts
8. Examine open source

EXAMINE ROLE OF TECHNOLOGY IN EDUCATIONAL PROCESSES:

1. Enhance learning through technology
2. Add international flavor using technology
3. Move from landline technology to wireless, as they've already done in other nations
4. On-line courses work well for bright students; what about those left behind?
5. Make better use of online to complement in-class learning
6. How will Cal-State Online evolve? How will it integrate with departments and schools
7. Independent study to incorporate free online learning courses (Moodle MOOT)
8. Make better use of Open Source
9. Better job of incorporating learning through computer games, especially for developmental coursework,

INCREASE GRANTS, CONTRACTS, CONTRIBUTIONS, ENDOWMENTS, LOCAL BUSINESSES, COMMUNITY RESOURCES, ETC:

1. This may be a fundamental shift in our mission
2. Costs money to generate outside support
3. CSU does already does a great job of getting federal dollars to support masters programs
4. Increase fundraising
5. Chasing grants & donors is old thinking; we need disjunctive thinking
6. Be aware that some outside funds carry an educational agenda, like the Lumina Foundation and the Gates Foundation
7. Partner with local businesses to after grant dollars (NOTE: grants do not support operational expenses such as faculty, infrastructure. Need to be able to provide advising and courses to students)
8. Increase research activities to fund the entire enterprise
9. Ask students for giving of \$250?
10. Create a culture of fundraising using multi-pronged approachó work with current students, better marketing, open communication, engage students early
11. Have privates & corporations connect with faculty (people tend to give to people)
12. Foster innovation and help generate revenue with special initiatives
13. Increase entrepreneurship, e.g., grants, endowments, continued education, alliances with business & non-profits, incorporate increased non-resident students to fund resident students
14. Establish better relationship with private enterprise where employers can connect with, train and support students earlier in their educational careers
15. Lower cost for internship classes than regular classes?
16. Charge corporate employers when hiring our graduates
17. Increase campus partnership with regional business e.g., applied research, scholarship sponsors, campus/business grants, business sponsored building

INCREASE SELF-SUPPORT PROGRAMS:

1. Allow revenue from self-support programs to flow back to the state side of the university
2. However, if we increase revenue through increased self-support, legislators may reduce our allocation by a like amount
3. May be a great way to subsidize faculty development and other non-direct instructional purposes
4. Think about ExEd unit that would facilitate inter-campus registrations and creditsí
5. More MA programs under self-support; question of public vs. private goods
6. Use ExEd as revenue source, e.g., self-support MBA students and a state-supported MBA program students can be in the same room; concerns around access noted
7. BOT member asked why we can't be in competition with online for-profits? Create additional access; CSUN has a very successful program that pours money back into the departments (win-win). Need to be mindful of this with respect to Cal-State Online. These programs can also create great partnerships with the local businesses; partnership also creates internship opportunities that are mutually beneficial.

RETHINK FACULTY POOL & AWARD SYSTEM:

1. Use retired faculty to assist teaching and learning, to mentor, for academic advisement
2. Use emeriti faculty and ALUM to provide more high impact experiences for students
3. Too many faculty from the old generation; Need to bring in newer and young faculty
4. Need to increase tenure track faculty
5. Do all faculty need to have terminal degrees?
6. Issues with cost of faculty (e.g., accounting faculty @ \$135K)
7. Is Ph.D. essential if you're looking to hire a clinical professor, e.g., very hard to find Communications faculty with Ph.D.
8. CSU lost a generation in faculty hiring
9. Would be nice to create a global communities for faculty to discuss pedagogy and other issues
10. Re-examine reward structure for faculty ó for advising, mentoring, career counseling, major advice, sponsorship, RTP

INCREASE ALUMNI OUTREACH:

1. Engage alumni in mentoring students, job networking, tutoring, giving
2. There are 2.7 million CSU alumni; mobilize them to put heat on Legislature, which responds to heat
3. Target investment in the alumni networks; could produce larger yields
4. Need to educate alumni about CSU advocacy and giving while undergrads; by the time they become alum, it may be too late
5. We are missing champion for higher education in CA; How do we get our alumni to be our champion? UCs appears to be much more effective in making their argumentó perhaps they spend more on advocacy
6. Increase alumni engagement; how do we get CSU alumni to stand up for the CSU system, as UC alumni do for the UC system?

Appendix 2

Master Plan Discussions

The following is the distillation of notes taken from each of the five work groups on the topic of funding; they cumulative and not listed with any priority. The conversations were open and candid allowing for creative thought the this represents those thoughts..

IS THE MASTER PLAN DEAD?:

1. Throw out the OLD MASTER PLAN--Ideology behind the original Master Plan is good but its time to give it up. Follow UC model of autonomy; perhaps faculty can pull in more grants, increase public-private partnerships, enrollment growth, and get rid of third tier which is confusing to students
2. Concerns about focus on career/job training vs. liberal arts education
3. Change the CSU culture; back to multi-factorial approach

CHANGING CSUs AND THE MASTER PLAN:

1. Although teaching remains the primarily role of the CSU, research is also one of the responsibilities of the CSU ô increasing emphasis on an undergraduate research experience
2. CSU now offers doctorates, either joint PhDs or applied doctorates
3. Recognize differences among campuses ô allow autonomy & flexibility
4. CSU system-level strategic goals; individual campuses given freedom when it comes to tactical issues of how to address these goals
5. Be more selective in its admissions ô given the problem of college-readiness
6. Redefine the role of CCCs and their graduates and the number of BA institutions to which their graduates can transfer
7. In revision of the master plan, CCC needs to be re-examined ô its demand is too great for the diffuse nature of their mission as traditionally defined
8. Need to look at how the courses will be offered 20 years from now; courses will not be offered in the same classroom settings that we have today

NEED TO HAVE REAL CONVERSATIONS ABOUT CREATING A NEW MASTE PLAN:

1. Re-examine in regard to life in CA before and after the Master Plan
2. Is education a private good primarily benefiting individual or a public good that prepares people to become better citizens, general economic benefit?
3. Question the ACCESS, the core of the Master Plan ô should everyone have higher ed? What is the appropriate proportion? Maybe ACCESS need to be allocated based on revenues
4. Should general ed be a part of the higher education? Why not cover general ed in high schools?
5. Governor should appoint a high level commission to re-examine higher ed in CA, as they did in NY; when revisiting higher ed, it should not be done in isolation but rather include all segment of higher ed (see NY SUNY & CUNY model with predictable and consistent funding)
6. Involve industries in re-envisioning of the Master Plan
7. CSUs need to meet new requirements for various professions, e.g., accounting, SW, nursing, to help meet public need. Some issues are driven by non-state, out of our control, issues
8. What would drive to further credentialing, e.g., online masters in AgEd (agricultural education) that links to R1s across the country
9. Need to create reflective practitioner, especially given the half life of degree specific information, e.g., computer science curriculum
10. Student time and place become less significant
11. Long live tuition
12. Clarify value of BA/BS ô return on investment; examine value added
13. Examine AA competency

14. Connections and networks are much less local than they used to be
15. So think about what kind of institutions would make an impact on community, quality of life, ethical practitioners, etc? [ref: Ill-effects of practical degrees in Europe by Martha Nussbaum]
16. Free-up service areas; perhaps campuses with specializations
17. Where are the economies of scale and what is better left local? REVENUE = Tuition + SUG + Advancement + self-support
18. Will have to change Donahue legislation if they meet criteria, BA applicants must be admitted
19. Differential tuition structure by campus, by major a market-based rather than system-based fee structure
20. Need to plan for the Colorado model (very limited state money and fed funds tied to enrollment)
21. Need to raise tuition/fee óCSU is still the cheapest compared to other state institutions
22. Look at eliminating or re-directing the financial aid set-aside
23. Re-examine ill-prepared students at entry point; Many arrive underprepared to handle college level work; don't allow lowest performing students into a particular majors or even in the CSUs advise students into better major paths/goals where they have good chance of success and intervene early in their schooling at CSUs
24. Address poor academic advisement
25. Importance of good system architecture
26. Examine different funding optionsó performance based, campus innovations, regional academic partnerships, business and community partnerships, research funding, progressive tuition
27. Keep the focus on EDUCATION
28. Advocate for more flexibility; rather than advocate for more dollars
29. CSU vs. trade school?
30. Redefine role of research with joint doctorates/PhD programs
31. Educating first generation is critical ó role model for the future
32. Increase admission requirements? Increase exit requirements?
33. Access vs. quality
34. Do a better job at remediation
35. Do a better job presenting our case to the government
36. Re-examine rewards structure to include advising as part of the teaching and learning culture
37. Affirm role of higher ed to foster dynamic, prosperous, community and society and democracy
38. Redefine role of central system vs. colleges
39. Revisit funding structure in CA
40. Learn from success programs
41. Juxtaposition of PRAGMATIC view of higher ed (career preparation & contribution to the economy) and a more ABSTRACT view of higher education (teaching people to think, not just learn); if university focuses simply on job preparation, it becomes little different from a trade school; higher education provides students with the intellectual flexibility to handle different jobs throughout their career
42. Re-clarify blurring mission of the Master Plan
43. Keep teaching mission ó to include mentoring, socializing, college experience, engaging students, broad liberal arts ed, broader than job training
44. Remain visionary; transformative
45. Keep the original vision of master plan ó quality, true access, affordability
46. America's educational system of higher education was once the envy of the world; we're now losing that edge. This is something to be safeguarded
47. Civic engagement should be a key outcome of higher education
48. Unspoken mission of CSU is social mobility
49. Focus on the future, e.g., career development, engaged citizens, well-rounded individuals, do well and do good

50. Remember that higher ed should be supported by society
51. Vision based on future, NOT the past
52. Multi-layered approach to system & cycles, looking at the linkages
53. Redefine UNDERSERVED
54. Ask should everyone go to college?
55. Take regional economic development plan into consideration in re-envisioning higher ed
56. Re-examine funding levels for higher ed? Why does privates need to be higher than public higher ed
57. Reprioritize quality (curriculum & programs), marketing, and what the community needs (including business partners)
58. How to do better at remediation and help student success; revisit advising systems
59. Include MENTORING for students
60. In this re-envisioning of higher ed, keep in mind system and campus autonomy, price flexibility, and access, allowing experimentation at local level
61. Revisit funding for CSUs
62. Offer high impact connections/practices (internships, fieldwork, leading to job opportunities)
63. Revive Polytech concept
64. Examine how higher ed connect with K-12; are K-12 really college preparatory?
65. Where should CSUs set its admission standards? Higher? Lower? What do you do with remediation dilemma?
66. The Next Master Plan needs to be TRANSPARENT; look at the full array of diversities of students including transfers, ethnic, full and part-time students, online and distance education students, etc.
67. Promise of higher ed still should include QUALITY, ACCESS, AFFORDABILITY ô DONÔT GIVE IT UP in the name of re-envisioning higher ed
68. Rethink 33% access to CSUs
69. Remember public higher ed is and needs to remain TRANSFORMATIVE
70. The teaching mission should include MENTORING, SOCIALIZING, COLLEGE EXPERIENCES that are broad with liberal education; more than just job training
71. Be responsive to regional/state needs
72. Measure success differently
73. Integrated K-16+ plan?
74. Include service learning; experiential learning
75. Guaranteed funding across all levels
76. Teacher scholars
77. Vision based on future; not the past
78. Tie vision to the economic development of the region

RETHINK 3-TIERED SYSTEMS:

1. Why not combine CCCs, CSUs, & UCs into ONE SYSTEM? UCs have generally been residential campuses, whereas, CSUs have been commuter campuses
2. Have CCCs teach up to BA, and leave MAs to CSUs?
3. Clarify how CSUs are different than the UCs? E.g., research expectations? Funding? How about different combinations of faculty for the CSUs than the UCs? Will this make us more nimble?
4. Should there be second tier university system? E.g., Texas has a multiple status schools within the same system; Georgia & NY have more differentiated two year campuses around specific goals ô technical 2 year vs. transfer degree
5. How about different levels of faculty/quality, under a single system?
6. Examine ROLE of CO in this? What should CO's role be? Facilitate? Move CO to Sacramento and have them devote most of their time to lobbying and advocating rather than regulating? CO as the ôtemplate providing serviceô rather than a regulatory body?

RETHINK 4-YEAR DEGREE PROGRAMS:

1. Re-think 120 units to a degree
2. How about making CSUs UD program ONLY?
3. Maybe do the core in stateside; additional expertise/efforts on self-support side
4. Perhaps progress-based degree
5. Growing need for experiences
6. Perhaps 3 year degree program
7. Perhaps have systems in place to allow 3, 4, 5, 6 year plans to degree completion
8. Why not construction management with a business minor program; why not BUS minor as a self-support certificate?
9. Address the tensions regarding the notion of being regional vs. global/international experiences; students need to be globally competent
10. Issues around strong liberal arts education vs. strong technical training
11. Need to find a place where we're satisfying both professional and lib arts needs
12. CSUs offer a certificate of accomplishment or AA degree for completing general studies?

THROW OUT THE SYSTEM MODEL:

1. The model is broken. Tension between being autonomous campuses and a system. Must recognize that campuses are different, but have an overall mission as a comprehensive public university. If we break free link between funding and FTES, how is the state going to determine our funding? The model is BROKEN.
2. Sell our assetsó number of first generation students, Pell students, etc. when states have switched to performance funding, it has usually been done when budgets are good and used to reward good performance
3. Worried about discrepancies among campuses if limits are removed ó CCC have autonomy and this hampers them when they need to respond to something like SB 1440, graduation initiative
4. Too many mandates from system, state, feds
5. Re-examine what needs to be centralized and what can be de-centralized
6. De-bunk ONE SIZE FITS ALL edicts
7. Centralize and liberalize at the same time where and when appropriate

QUESTIONS TO CONSIDER IN RE-EXAMINATION OF THE MASTER PLAN:

1. How do we deal with the disparity among our students? Some are college ready, and some are not and need remediation
2. Remediation issues are complex; however, we need to be careful in how we communicate these issues to the publicó it can easily be misinterpreted
3. Structural problems such as grade inflation in determining how the top-third of college-bound students (i.e., CSU eligible) are identifiedó specifically when compared to the characteristics of the top third when the Master Plan was originally developed ó mean that, today, a significant proportion of that top third are not college-ready
4. CSU admissions criteria are currently unreasonably low. However, political issues of access make tightening up admission requirements difficult
5. What is the CSU's responsibility to K-12, given the disparity in quality that exists among schools and school districts across the state?
6. Use ABCD of systems approach to matrix planning where:
 - Aóstands for the audience that includes federal, state, CSU systems, 23 campuses, colleges, depts.,
 - Bóstands for behavior of cost containment and revenue enhancement
 - Cóstands for condition that set time and other constraints
 - Dóstands for degree in terms of amount and frequency; how much and how often

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This event was co-sponsored by the following organizations:

Academic Senate of the CSU,

CSU Alumni Council,

CSU Academic Council

California State Student Association

Hosted by the Faculty of Cal State Northridge

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