

Cal Poly
San Luis Obispo
College of Science and Mathematics

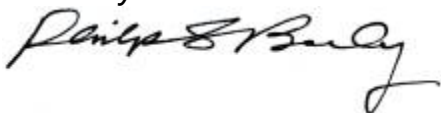
**Proposal for Increase in the College Based Fee
Winter Quarter, 2009**

College Based Fee: Questions and Answers

Dear College of Science and Mathematics Students:

I hope you will become informed of the issues leading to the proposal to increase College Based Fees. Our website and that of the University have a lot of information on the subject. The original fee instituted in 2002 changed everything for us by increasing access to classes, allowing us to purchase major equipment and instrumentation (something we hadn't done for 12 years), and supporting student-faculty research. Declining State resources have made it impossible to continue full implementation of the purposes of the fee and thus the reputation of the University and enduring value of a Cal Poly education and diploma are in jeopardy. I hope you make your opinion known on the fee increase by joining in resolutions from clubs and College Based Fee Committees and participating in the on-line opinion survey March 11-12. This is my 40th year at Cal Poly and 26th as dean. I ask for your support of the proposal to increase College Based Fees and would not do so if I didn't passionately care about you and your future and believe that the increase is absolutely essential.

Sincerely



*Phil Bailey, Dean
College of Science and Mathematics*

CSM CBF Q&A

1. What is the College Based Fee increase proposal?

Currently, College Based Fees for most students are \$252 per quarter; for students in the College of Liberal Arts they are somewhat less. The proposal is for all Cal Poly students, including those in Liberal Arts, to pay \$362 per quarter beginning in the 2009-10 academic year. This increase represents the annual inflationary index (Higher Education Price Index, HEPI) that is already attached to the fee plus a \$100 increase per quarter. The fee would again increase by \$100 per quarter (plus the HEPI index) in both the 2010-11

and the 2011-12 academic years. During this three year period the proposal calls for a total increase of \$300 per quarter (more for Liberal Arts students) or \$900 annually. The fee is half this for part-time students (6 or fewer units in FWS and 8 or fewer in summer). The current CBF in the College of Science and Mathematics generates approximately \$1.5M annually; the fee increase will probably yield an additional \$1.8M when completely implemented in Fall, 2011. Please see the College Based Fee University website for more information: <https://myportal.calpoly.edu/help/cbf.html>

2. Why is an increase in College Based Fees being proposed?

Cal Poly is in a very serious fiscal situation caused by the accumulation of diminishing State resources over the past decade. Two colleges got through last year with one-time money and are struggling this year; neither is meeting its enrollment target. One college is spending one-time money this year that won't be available next year. Two colleges are requiring supplements from the provost's diminishing one-time money to deal with large over-expenditures (CENG and CAED). The Library and ITS are very poorly funded. The situation has become critical to the point of jeopardizing the sufficient offering of classes and continuing the quality of the Cal Poly education.

3. How was the amount of the fee increase determined?

State budget cuts, underfunded increased enrollment, and unfunded mandates to Cal Poly during this decade have resulted in shortfalls of nearly \$25M. If fees had been adjusted each year in this decade in response to diminished resources, they would have grown cumulatively by \$322 per student per quarter to remain even in funding (the decreased spending power of the dollar is not considered in this scenario). The fee increase proposal is for \$300 per quarter increase implemented over a three year period.

4. Will the purposes and procedures for the College Based Fee change?

The general purposes of the original College Based Fee in the College of Science and Mathematics remain: (1) support of student-faculty research and development, (2) resources for equipment and instrumentation, and (3) access to classes. Fee revenues will come to the College as generated and distributed based on proposals from the departments and consultation with department and College CBF committees. Final decisions are made by the dean. The College of Science and Mathematics Student Council oversees the process. Here is the statement from the official University CBF proposal:

Student learning and success are the original and continuing purposes of Cal Poly's College Based Fee and the exclusive motivations for the proposed increase. Specific opportunities that will be made possible with the fee include:

- Scheduling of classes needed to promote timely progress to graduation.
- Increased graduation rates with less time to graduation.

- Quality degree programs with uncommon learn by doing opportunities that characterize a Cal Poly education.
- Increased recruitment and retention of faculty members and correspondingly student access to the faculty.
- Student-faculty research collaborations and project based learning.
- Acquisition of sophisticated equipment and instrumentation.
- An increase in the college based fee will put each academic unit in a better position to continue their academic distinction and thereby contribute to the growing national reputation of Cal Poly and the enduring value of a Cal Poly diploma.

5. Has the College Based Fee really made a difference?

Absolutely! Cal Poly would be completely under water without the fee. Allocations from the State don't even cover salaries in the College of Science and Mathematics. But more importantly, the College Based Fee has significantly increased our ability to offer the curriculum. It has allowed us to purchase equipment and instrumentation uncommonly available to students in undergraduate programs. And it has allowed us to establish a robust student-faculty partnership in research. The fee has allowed the University and each of our departments to achieve true distinction and has led to a growing national reputation. Please check the College of Science and Mathematics website for brief summaries from each department on the important advances made possible with College Based Fee.

6. How do Cal Poly fees compare to those of other universities?

- Cal Poly is a Bargain: The CSU campuses and Cal Poly are among the least expensive universities in the country. You currently pay \$5043 in fees annually to attend Cal Poly. This is remarkable considering you are attending one of the most selective public institutions in the country (UCLA, Berkeley, and Cal Poly are by far the most selective in California) and one of the most respected polytechnic universities in the United States. U.S. News and World report has rated Cal Poly as the best public, largely undergraduate, university in the west for 16 consecutive years. Compare your fees of \$5043 to the average for public universities in the United States, \$6586. University of California fees are much higher: UCLA, \$8310; Berkeley, \$8932; and Davis, \$9484). Public polytechnic universities that have an undergraduate emphasis average \$6900. Some are much higher: Michigan Tech, \$11,206; New Jersey Institute of Technology, \$12,382. Even if the entire fee increase (\$900) had been implemented this year, Cal Poly would still have fees below the national average for public universities.

- Comparisons of 2008-09 Annual Fees:

Web References:

CPEC: <http://www.cpec.ca.gov/FiscalData/FeesOptions.as>

College Board: <http://www.collegeboard.com/html/costs/pricing/>

2008-09 Annual Fees

CSU Average (CPEC): \$3797

Cal Poly: \$5043

U.S. Four Year Public Institution Average (College Board): \$6586

University of California (CPEC): \$8020

(From their websites: Berkeley, \$8932; Davis, \$9484; Irvine, \$8775; UCLA, \$8310; Merced, \$8365; Riverside, \$8520; San Diego, \$8906; UCSB, \$8395; and Santa Cruz, \$8286.)

U.S. Public Community Colleges (College Board): \$2402

California Community Colleges (CPEC): \$600

U.S. Private Four Year Institution Average (College Board): 25,143

(California Examples: Santa Clara, \$35K; Stanford, \$36K; University of San Diego, \$39K; Westmont, \$33K; Harvey Mudd, \$37K, Cal Tech \$35K, and Loyola Marymount, \$35K)

Average of the Following Technical College List is \$6900

US News Public "Tech" Colleges

COLLEGE	ANNUAL FEE
Southern Polytechnic State University	\$4,232
CUNY–New York City College of Technology	\$4,289
Louisiana Tech University	\$4,458
Cal Poly	\$5,043
Tennessee Technological University	\$5,165
Georgia Institute of Technology	\$5,272
SUNY Institute of Technology-Utica/Rome	\$5,317
Arkansas Tech University	\$5,430
SUNY College of Technology – Alfred	\$5,498
SUNY College of Technology – Delhi	\$5,648
Montana Tech of the University of Montana	\$5,712
Oregon Institute of Technology	\$6,093
South Dakota School of Mines & Technology	\$6,430
Texas Tech University	\$6,783
West Virginia University Institute of Technology	\$7,523
Virginia Tech	\$8,198
Missouri University of Science & Technology	\$8,498
Vermont Technical College	\$9,984
Michigan Technological University	\$11,206
Pennsylvania College of Technology	\$11,790

US News Public "Tech" Colleges

COLLEGE	ANNUAL FEE
New Jersey Institute of Technology	\$12,382

7. Where does the College of Science and Mathematics get its annual budget?

For 2008-09, our total annual budget sources were about \$26.4M. Approximately \$22M came from the state either in taxpayer resources or state university fees. The other \$4.4M came from Cal Poly Plan and College Based Fees, Lottery money, endowment earnings, and, this year, some one-time sources resulting from fees generated from unexpected enrollment in 2007-08 and frugal use of resources in the same year in anticipation of a state budget crisis.

8. What are the major expenditures in the College?

Almost \$20M is being used for salaries of permanent faculty and staff members. We are spending another \$4M in temporary faculty members, i.e. full-time and part-time Lecturers. The remaining \$2.7M is spent primarily on operating expense, student assistants, student-faculty research, and equipment and instrumentation. Note that our State resources (\$22M) does not even cover salaries (\$24M). Without College Based Fee, we would have been in horrible shape.

9. Why will there be a budget problem in the College starting next year?

\$555K was cut from our 2008-09 budget in response to the State's fiscal situation; we have already absorbed this. The Governor's budget suggests there could be additional budget cuts in 2009-10 and this is not considered in our College Based Fee proposal.

- Approximately 1.5 M of the 2008-09 budget is in one-time money either frugally saved in anticipation of a difficult year or the result of fees resulting from unexpected enrollment at Cal Poly during 2007-08. This money will not be available in 2009-10 or beyond.
- The economy has devastated our endowments. At least \$250K in endowment earnings is in the 2008-09 budget; this will not be the case in 2009-10. As an example, the endowment for the Cal Poly Pier was the result of a \$3M gift that grew over the last half dozen years to around \$4.3M. Currently it is worth less than the original \$3M gift and is showing continuing losses rather than earnings.
- State support does not even cover salaries much less operating expense, student-faculty research, and equipment and instrumentation. We depend on Cal Poly Plan and College Based Fee.

10. What will happen in the College if the budget problems are not addressed?

This year we will spend \$1.8M on part-time faculty members. Note this equals almost exactly the budget shortfalls described in the second and third bullets in item 7 and, coincidentally, the amount anticipated from the College Based Fee increase at the three-year conclusion. Part-time faculty members are among the least expensive; losing them or a combination of part-time and full-time temporary faculty members would devastate our ability to offer the curriculum. The loss is equivalent to around 350 four-unit lecture sections or double that many one-unit lab sections. We could mitigate about half of this by using the current College Based Fee that is not being used for instruction but this would eliminate all equipment purchases and the student-faculty research made possible by College Based Fee. Our operating expense and student assistant budgets are pretty minimal and cutting them would not be of much help and would further jeopardize the quality of our programs. Eventually, we would have to change the curriculum by cutting back on the expensive modes of instruction such as laboratory instruction and student research.

11. Has the College done anything to try to cut expenses?

Yes. For example, the College did not replace five members of the instructional support staff who either retired or resigned during 2007-08. Despite the rising cost of petroleum, we have kept increases in operating expense for chemicals at a minimum. For the past three years, the College has had record enrollments in its classes and laboratories despite minimal enrollment growth allocations and a large budget cut. Other than Liberal Arts, the College has the lowest cost per student credit unit in the University. Cal Poly's College of Science and Mathematics receives the lowest proportion of the academic affairs' budget of any university in the CSU system. These last two pieces of information are not surprising. Cal Poly is a polytechnic university with high cost programs. Yet over the past decade or more, the enrollment growth allocations provided by the CSU have been uniform across the campuses without regard to program costs.

12. Does the College do fundraising and seek grants?

Yes. However, funds from these sources, fundraising and grants, are almost always designated for exclusive purposes by the donor or grantor. They indeed benefit and provide opportunities for our students, but are not provided to address the core needs of the College. Generally they are not part of the annual budget. We have been relatively successful in securing these funds. During the past four years the College has averaged almost \$3M per year in fundraising. Gifts include annual giving by alumni, parents and friends (used primarily as discretionary money in departments), planned gifts such as bequests and charitable remainder trusts, major gifts (for example, the Cal Poly Pier and accompanying endowments acquired during the Centennial Campaign), in kind gifts (equipment), and pledges of future gifts. We also

receive grants (National Science Foundation, National Institute of Health, Research Corporation, Packard Foundation) and contracts (often from industry for specialized research). In 2006 these totaled \$7.5M, 2007 was \$3.9M, and so far this fiscal year we are at about \$4M.

13. Will the College Based Fee be administered differently if there is an increase?

The original College Based Fee, first administered in 2002-03, generally suggested that the revenues be used for three main purposes: access to classes, equipment and instrumentation, and student-faculty research projects. Almost \$9M has been distributed to the departments since then for those purposes. Revenues from the fee increase will probably largely be used for access to classes. However, the process will remain the same. Department CBF Committees will make proposals to the College CBF Committee; both committees are composed of students and faculty/staff advisors. The recommendations of these committees are made to the dean who makes the final decisions on allocations.

14. Is the University attempting additional means to provide needed classes?

Yes, the new provost is determined to have means for predictive scheduling so that Cal Poly can offer our students courses when they need them. His goal is to try to guarantee students that courses will be offered they need and so they can graduate in four years (or five or so if supporting expenses with employment) if the students will responsibly follow the curriculum. The provost has committed to a full analysis of the state budgets before the end of the academic year to ensure responsible and equitable allocation to the colleges to meet the needs of Cal Poly students.

15. I've heard that the fee increase could save students money in the long run. Is this true?

If you wanted to graduate in four years and were successful, the total fee increase would cost you around \$3600. The estimated cost of a Cal Poly student per quarter (room, board, fees etc) is around \$6000. Saving you even one quarter of enrollment because of the University's enhanced ability to provide the classes needed will more than pay for the fee increase. Furthermore, most students spend \$12-14K annually in room, board, books, transportation and personal needs compared to around \$5,000 in fees. It makes sense to pay \$900 more in fees and get the education you came for and for which the major expense is not fees.

16. How did things get so bad fiscally at Cal Poly? How have we responded?

- **Demise of Mode and Level Funding:** The CSU allocated resources by mode and level funding until early 90's when California went through a serious recession. The mode and level funding model recognized program costs. For example, upper division lecture courses received greater support than lower division. Laboratories generated more

resources than lecture classes and upper division labs more than lower division labs. Senior project and undergraduate research generated more than traditional labs. Resources were allocated by cost of program. However, mode and level funding in the CSU was abandoned in the early 90's. At the time, Cal Poly had cut enrollment in response to the recession and diminishing resources and has since grown about 4000-5000 full-time equivalent students (FTES). But this growth at Cal Poly and in the CSU has been funded with a marginal cost model that does not recognize program costs; Cal Poly gets the same as any other CSU campus per additional FTES. This is exceedingly detrimental to a polytechnic university with 6000 engineering, 3500 agriculture, and 2000 architecture students.

- **Cal Poly Response-Cal Poly Plan and College Based Fee:** Soon the situation became untenable and Cal Poly initiated a modest Cal Poly Plan fee. This helped but was insufficient. The Colleges were increasingly unable to offer needed classes, attract the best faculty members, sponsor student faculty research, or purchase equipment (for example, in 2002, the College of Science and Mathematics had gone 12 years without purchasing a significant piece of equipment or instrumentation). In 2002, Cal Poly students voted to institute a \$200 per quarter (for most colleges) College Based Fee. This changed everything and allowed each college to achieve distinction. Also, students became engaged in the process of allocating CBF funds and taking ownership in the future of Cal Poly.
- **Fundraising and Grant Applications:** Cal Poly has seriously and successfully increased its pursuit of fundraising and seeking grants. In fact, the Centennial Campaign celebrating Cal Poly's 100th anniversary raised over a quarter of a billion dollars, a national record at the time for a university of our type. The campus has also increased its application for grants from organizations such as NSF, NIH, Research Corporation and many others. However, funds from these sources, fundraising and grants, are almost always designated for exclusive purposes by the donor or grantor. They indeed benefit and provide opportunities for our students, but are not provided to address the core needs of the College.
- **But Things Have Continued to Deteriorate:** Budget cuts and unfunded mandates continued to occur in the CSU as Cal Poly implemented the College Based Fee. State budget cuts to Cal Poly during this decade have resulted in shortfalls of nearly \$25M. Any apparent increases in funding are not real but the result of increased enrollment (marginally funded), inflation, or new mandatory costs. If fees had been adjusted each year in this decade in response to diminished resources, they would have grown cumulatively by \$322 per student per quarter to remain even in funding (the decreased spending power of the dollar is not considered in this scenario).
- **The Current Response:** For most students, we propose a \$900 annual increase in College Based Fees to be implemented over a three-year period.

17. What has happened to California in terms of its educational systems?

Actually, California is one of the most generous states in its attempt to fund quality higher education at low cost. Forty years ago the average annual total in-state fees for the CSU were \$133. If that had held, they would now be around around \$900 annually adjusted for inflation. Costs at the University of California were \$331; today inflation would have brought that to around \$2300. California has raised fees but still remains very generous, especially in the CSU and community colleges relative to the nation as a whole. Here are some interesting facts.

- **1960's:** California's Master Plan for Higher Education with community colleges for students preparing for vocations or college, Cal State system focusing on undergraduates, and the UC system as the research university was highly respected nationwide. The vision was to provide quality higher education very inexpensively. In addition, the State ranked high in K-12 per pupil expenditure.
- **Today:** Public radio's California report (02/04/09) announced that California now ranks 47th in K-12 per pupil expenditure. In 2006, the UCLA Institute for Democracy, Education and Access and the UC All Campus Consortium on Research for Diversity reported that the only state with lower college attendance rates than California was Mississippi.
- **California is still trying to provide a low-cost education but appears unable to provide both low cost and adequate state resources.** The National Center on Public Policy and Higher Education rated California as a C- in affordability this past December primarily because of inexpensive community colleges; all other states received an F. State funding for higher education in California has decreased over the past two decades: 1988, 89%; 1998, 81%, 2008, 73%.
- **Increases in Tuition and Fees:** CSU State University Fees (annual) have increased from \$1700 to \$3800 since 1988 (CPEC) but this has not been sufficient. The University of California has more autonomy than the CSU and has increased its fees by 60% just since 2002 and plans further increases. UC fees are about \$5000 more than most CSU's and around \$4000 more than Cal Poly.
- **California has Economic and Education Problems:** The economic problems are well known; the State is developing a \$42B budget deficit. The problems in education will require massive efforts for solutions at all levels, probably most importantly beginning with pre-school and K-6 as these are important for future educational and social equity. In the meantime, Cal Poly has a quality of education and national reputation as a premier polytechnic institution to protect. We are one of the academically most selective public universities in the United States. In California the three most selective public universities are UCLA, Berkeley, and Cal Poly. We attract some of the brightest students in the state and nation. Access

is important but needs to be followed by quality education. Our reputation and the value of a Cal Poly diploma are at stake.