California State University, Northridge
Basic Principles: How Self-Support Works in CSU

Introduction

For many decades, California State University (CSU) had a high level of state funding. In that light, the CSU, as a whole, and its campuses focused mainly on state-funded programs and services. At the same time, each CSU campus could offer self-support programs (usually through a campus self-support academic unit or college that offered continuing education noncredit courses and certificate programs).

When state funding was robust, this self-support capacity was considered secondary to a campus's primary educational and service mission. Since the beginning of the 21st century, however, state funding has declined, even as educational demands have increased. Further, within the last decade or more, the need for senior professionals in many fields to have a baccalaureate or a graduate degree has grown steadily, as has the need for regular educational updates in many rapidly changing fields. A new financial and educational response strategy was in order for many CSU campuses – one that took full advantage of the campus's self-support capacities, as well as seeking other funding sources such as grants, contracts, and other fundraising efforts.

Some CSU campuses began to include the advantages of the campus's self-support capacities into campus planning, to make it part of a comprehensive educational strategy that would allow each CSU campus to better serve growing and changing educational needs in the region, and to support regional economic and community development. While the constituencies served by many CSU campus self-support programs may differ from those served by that campus's state-fund programs, all programs offered by any CSU campus are expected to share the same campus mission, priorities, and commitment to excellence and student success: a commitment to academic quality, student achievement, service excellence, making a positive difference for the future of the region and the state, and to the core values of the CSU and each campus. These do not vary regardless of funding source.

Enhancing Academic Distinction

The self-support capacities of CSU campuses allow each campus to respond to the educational needs of constituencies in its service region beyond those it serves with limited state-funding. Additional constituencies served most often by a CSU campus using its self-support capacities include midcareer professionals, regional employers in both private and public sectors, professional associations, communities, regional economic development groups, alumni, the military, regional schools as well as partner colleges, and universities, international and national clients, and national and international groups serviced by fully online programs or shorter on-campus programs. Through its self-support capacity, each campus can build collaborative partnerships with

its various constituencies in the region and configure them in a way that differs from campus to campus. CSU campuses can also use their self-support capabilities to develop new and innovative programs and services to respond to emerging and changing regional educational needs – degree and non-degree programs, certificates, workshops and seminars, advanced professional development programs, and the like.

Any CSU campus can structure its self-support programs and services to complement its overall approach to responding to the educational needs of its region, the state, and beyond. Any CSU campus may choose to deploy its self-support capabilities in new ways as regional needs campus priorities and academic strengths change over time.

CSU campuses often engage the campus's academic colleges, departments, and faculty to craft self-support programs that draw together the campus's academic strengths within and across disciplines/fields, within and across campus colleges/schools, and even across institutional lines. Self-support funding can allow a campus to develop programs that it may not be possible to develop in the near term, given the limits of state funding. Campuses also can, and many do, use self-support programs to enable faculty to work with accomplished practitioners and scholars from other departments, or different CSU campuses or other universities. Innovative programs developed using self-support capacities are often at the forefront of a scholarly discipline or field of professional practice and can, in that light, create an advantage for California's economic future.

Using its self-support capacities, a CSU campus may develop new post-baccalaureate degree and graduate credit certificate programs for midcareer professionals. Such programs can allow departments to work in new areas essential to the future of their disciplines and their department. This is a valuable capacity when state funding is limited and there is a need to invest available state funding in expanding access to baccalaureate degrees at a CSU campus. For working adults and their employers, self-support options, along with scheduling and delivery modes (such as online and/or hybrid programs) appropriate for working adults, can increase their access to baccalaureate degree-completion, certificate and graduate programs, and to advancing or redirecting their careers as the regional economy changes.

A CSU campus can also use its self-support capacities to build new administrative and/or student support capabilities that are important for the success of working adult students and others served by a campus's self-support programs. CSU campuses can also use their self-support capacities to serve and support other constituencies of importance to the campus and the region, such as international students, international partners, CSU alumni living and working outside of California, and working adults from other states who may work for employers based in California. CSU campuses can also use self-support funding to enhance the effective use of educational technologies in new and purposeful ways to increase access and achievement, expand the campus's ability to develop programs and services for special populations in a region, and create streamlined and sophisticated administrative services for working adults and their

employers, international students, and others. This can then be used to the advantage of the whole campus.

A CSU campus can also use its self-support capacity to act as a venue for conferences geared to key issues in its region, thus playing a leadership role. It can increase its ability to help the region and/or a community deal with emerging and/or challenging issues. A CSU campus may also use its self-support capacities to host, for example, national academic conferences, scholarly symposia, or professional conferences. Thus, a CSU campus can use its self-support capacities to build broader recognition and expanded relationships in important fields to the benefit of campus faculty, students, the campus, and the region.

Using its self-support capacities, a CSU campus may offer a wide range of noncredit programs and workshops that serve the local community. Such programs are often designed to highlight a CSU campus's educational mission in the community. Noncredit programs can be refocused toward particular constituencies. They can include, for example, customized and or contracted training programs for employers. They can be designed to help professionals meet continuing professional education requirements in their fields. These programs can help a CSU campus develop and maintain working relationships with professionals and professional associations in the region and beyond. This will strengthen the campus's academic departments and assist their students in making valuable career connections. Academically oriented noncredit programs using a CSU campus's self-support capacities can also include applied research projects in diverse areas.

A CSU campus's self-support capacities can allow a campus to expand its regional influence through major initiatives, beyond what a campus with declining state funding can normally offer – including art festivals; conferences; programs for children or seniors; regional economic round tables; Summer Sessions and/or intersession programs; Open University and concurrent enrollment programs; English language and other university preparation programs; employment support programs; collaborative programs with regional workforce agencies; joint programs with community colleges to address regional educational needs; and international programs and partnerships.

Expanding the Creative Range within the Academic Standards and Practices of the CSU

CSU campus programs and services offered with self-support funding, just like those offered using state funding, should be guided by the campus's highest standards for academic excellence distinction, and student achievement. The self-support programs offered by any CSU campus should be firmly rooted in CSU's and that campus's academic standards and strengths of its departments and faculty. Reflecting the high academic standards of the CSU and the academic strengths of each CSU campus, self-support programs developed and offered by CSU campuses provide a significant educational resource for the State of California as it seeks to build and expand its

economy in a changing and challenging global economy. Self-support degree programs are subject to all requirements for WASC accreditation and for special program and/or school/field-specific accreditation, as are field of practice-related certificate and credential programs using self-support funding. For CSU self-support degree programs, the relevant academic department provides the academic home for the program (multi-disciplinary programs may have their academic home at the college level in the relevant academic college); faculty make the decisions about the curriculum of each CSU degree program; and faculty also make all grading and student achievement decisions regardless of funding source.

What Makes the CSU's Self-Support Capacity Self-Supporting?

The self-support capacity in the CSU is a funding strategy that uses no CSU General Fund dollars — in other words, no state funding. Each self-support offering must pay for itself (cover all the costs of offering the program) through the revenue it generates. That revenue must cover the reimbursement of any state-funded units on campus that provide services to that campus's self-support offerings; all operating costs for the program services; and other administration costs, including an overhead charge from the CSU Chancellor's Office assessed against the total self-support revenue of each campus each year.

Since self-support programs must pay all their own costs, they have to charge higher tuition than state-funded programs, for which part of the cost is covered by state funding. Given that responsibility, one might expect CSU self-support credit programs to charge about twice as much as state-funded programs (100% higher). Yet, CSU self-support degree programs currently average only about 50% higher tuition than state-funded programs. At the same time, CSU self-support programs are generally priced significantly below those of many major private and for-profit higher education providers in California.

CSU's self-support programs thus have a dual advantage: Not only can they respond to educational needs, but they also offer a more affordable option – one that reflects the academic quality and scope of the CSU.

CSU self-support programs are governed by most of a campus's financial and major administrative policies and practices, including CSU Executive Orders, CSU Coded Memoranda, and the like. These include the following:

- Academic and financial records - all credit program and course information and student records, instructional pay records, budget and financial records, revenue and expenses, and the like are accessible in the CSU's PeopleSoft system, as with any state-funded programs.

- Full-time staff in campus self-support units are CSU employees and members of their respective CSU staff unions; their pay, benefits, and negotiated working

rules are the same as those for other CSU staff in state-supported colleges and administrative units.

- Budgeting and pricing self-support programs: Budgets for each program and service are based on the cost of providing that program or service. These costs include instruction, administration, marketing, delivery mode (online production and technical support and/or off-site facilities rental, faculty travel costs, etc.), academic oversight and administration for the academic department/college, and campus and Chancellor's Office overhead.

For most campuses, administrative costs and overhead for self-support programs are determined by campus guidelines or intra-campus agreements. Individual programs might have special features, most often determined by the relevant faculty or department, as well as by the needs of the constituency for whom the program is designed. Costs might include guest lecturers, special equipment, and the like. In keeping with campus guidelines and CSU policies, budgets are typically developed by the self-support unit and the department or college with the academic responsibility for the program. Once all costs are agreed upon, a minimum and maximum enrollment for the program is set, in keeping with the program's academic character and standards. The tuition is set to allow the program to break even at minimum enrollment and to provide reinvestment funds at maximum enrollment. Note: CSU and State policies prohibit CSU self-support units from knowingly offering any program at a financial loss.

To comply with CSU policies and approval requirements, and to prevent any possible shortfalls impacting the campus's General Fund dollars, the operating reserves and program reinvestment funds produced by any given program and by the total portfolio of self-support programs offered by the campus are set aside. They are used primarily as an operating reserve for the campus's self-support unit/college but may also be placed in program investment accounts (whether with the campus overall or with the campus's participating colleges and departments) or in building or building-maintenance accounts.

These reinvestment accounts are key to a campus's ability to develop new programs and to move its self-support capacity in new directions. The use of reinvestment funds must be integral to campus and college or department planning – both on a year-to-year basis and in three-to-five-year plans. *Note: The CSU Chancellor's Office limits each campus's self-support general operating reserve funds to six months of the prior year's self-support expenditures (50% of the prior year's self-support expenditures). Significant operational disruption (fires, earthquakes, recessions, pandemics, or the like) can require the use of the full operating reserve to support the recovery of self-support operations since self-support staff and other self-support expenses for operations must be covered by self-support funds, even in challenging times.*

Uses of Self-Support Funding

The CSU requires that a strong "firewall" be maintained between state-funded accounts (General Fund accounts) and self-support funds. Several CSU financial policies govern the appropriate/allowable use of self-support funds. State-funds (General Fund dollars) cannot be used by any CSU campus to underwrite any self-support programs, services, facilities, staffing, or administrative operations. In the CSU, the reverse is also true. That is, no self-support dollars can be used to underwrite any state-funded programs, services, facilities, staffing/faculty, or administrative operations. No self-support dollars can be moved into state-funded accounts or other enterprise accounts unless it is for payment/reimbursement for a specific and documented service or use of state-funded capacities needed for self-support operations. Audits are periodically conducted to ensure each campus is managing and using self-support funding in keeping with CSU policies.

By CSU statute, self-support reinvestment funds (including those held in 441 PaCE funds previously named 444 Trust Accounts) – usually result from a carefully documented revenue share MOU with college/departments/units working with a campus's self-support unit to collaboratively offer a self-support degree or credit certificate program – must be used to expand, strengthen, and support a campus's self-support programs and services offered to students. Since self-support programs vary, each will require a different configuration of reinvestments to maintain excellence and to support continuous improvement over time. For example, if a CSU campus offers self-supported graduate degree programs or baccalaureate degree-completion programs for working adults, then building the capacity of the relevant department(s) to offer each program with distinction is important. This may include supporting the professional development of faculty, so they remain current in the field. That kind of reinvestment in the quality of the program might allow a program's faculty to attend conferences, do research, and the like. It can also facilitate the hiring of new tenure-track faculty who, like their colleagues, might teach in both state-funded and self-support programs, and to maintain high quality as a self-support program grows.

Other practical and appropriate uses of reinvestment funds are to update specialized facilities or equipment, add books or computers to the campus library, and the like. Self-support funding can also be used to expand relevant administrative and student support capacities in a campus's self-support program. For example, as a campus's self-support degree programs grow and the demands on the time of campus financial aid counseling and similar services may also grow, that may require an investment of self-support funding to expand capacities for such campus services.

Expertise and Tactical Resources for Self-Support Programs

Each CSU campus has a self-support college or similar academic unit, generally led by a dean, director, or associate vice president. The self-support college's staff represents a range of expertise in planning, managing, and delivering self-support programs. The self-support college/unit on each campus can offer experience and tactical know-how to help the campus make the best use of its self-support capacity, given campus priorities and academic strengths as it plans for the decade ahead.

Many CSU campuses have actively engaged their campus's self-support leadership in campus-wide strategic planning. Many of these self-support college/unit leaders and senior staff are active in the state, national, and international professional groups working with innovative uses of self-support, extended education, online digital education, adult education, continuing professional education, international education, community, and economic development, marketing, student support services, instructional design, and administrative technologies. Each CSU campus's self-support leaders and their senior staff teams are, therefore, very often able to contribute new models and ideas to their campus's senior-level discussions about options, possibilities, and the changes and challenges facing higher education today.

As the campus refines its strategy, the self-support college's staff may require additional training. Staff development for CSU staff working in self-support colleges is financed with self-support funding. A campus's self-support college can also acquire new capabilities by partnering with other CSU self-support colleges/units and/or with other colleges or universities (such as regional community colleges), which already have the necessary additional experience and/or have complementary capacities.

The CSU's Commission on the Extended University brings together selected campus presidents, provosts, CSU faculty senate representatives, the deans/directors of self-support colleges/units from three CSU campuses, and Chancellor's Office representatives to consider CSU self-support capacities and strategies and to guide the Chancellor/Chancellor's Office regarding possible refinements in policy, practice, opportunities, and challenges. Finally, any CSU campus can contact the CSU statewide dean of extended learning if that campus needs guidance about self-support models, options, and policies in the CSU.