

Adopted: February 22, 2022

**ACADEMIC SENATE
Of
CALIFORNIA POLYTECHNIC STATE UNIVERSITY
San Luis Obispo, CA**

AS-931-22

**RESOLUTION ON THE CAL POLY COLLEGE BASED FEE STUDENT AID AND
LEARN BY DOING PLAN**

Impact on Existing Policy: None

1 WHEREAS, Cal Poly is focused on providing access to excellence to all students of
2 the State of California, including those from a lower family income;
3 and
4

5 WHEREAS, the cost of providing a Cal Poly “Learn by Doing” education is not fully
6 funded for California residents by the State Government through the
7 Chancellor’s Office; and
8

9 WHEREAS, the California State University Board of Trustees has not set tuition by
10 enough to cover those costs; and
11

12 WHEREAS, even with the additional campus fees such as the Student Success Fee,
13 and the Cal Poly Opportunity fee, the cost of a Cal Poly education is
14 not covered; and
15

16 WHEREAS, Cal Poly faculty salaries are below what is needed to attract and retain
17 faculty; and
18

19 WHEREAS, Cal Poly hasn’t fully funded the Teacher-Scholar Model; and
20

21 WHEREAS, Cal Poly’s tenure density is below the target of 75%; and
22

23 WHEREAS, the net cost of attendance at Cal Poly to students from families that
24 are below the median family income for the state is higher than if
25 those same students were to attend a University of California campus;
26 and
27

28 WHEREAS, a large proportion of the money raised by increasing the College
29 Based Fee would be set aside to provide financial aid to students with
30 family incomes below \$150k; and
31

32 WHEREAS, students with family incomes below \$90k will have their total cost of
33 attendance greatly reduced; and
34
35 WHEREAS, students with family incomes in the \$90-150k range will not have
36 their total cost of attendance raised; and
37
38 WHEREAS, the lower cost of attending Cal Poly for the majority of families in the
39 State of California will likely increase the diversity of the student body
40 at Cal Poly; and
41
42 WHEREAS, better funding the Academic mission of the University will increase
43 the quality of education at Cal Poly; therefore be it
44
45 RESOLVED: that the Academic Senate endorse the Proposed plan to change the
46 College Based Fee; and be it further
47
48 RESOLVED: that the Academic Senate requests that all additional funds raised
49 from this change in the College Based Fee be used for financial aid and
50 for the academic mission; and be it further
51
52 RESOLVED: that the Academic Senate requests that a minimum of 35% of the
53 additional funds be used for the academic mission of the institution, a
54 target of 5% of the additional funds be used for institutional priorities
55 via one-time funds, and that a minimum of 60% of the additional
56 funds be used to provide financial aid and scholarships for California
57 students unless State, Federal, or Philanthropic resources decrease
58 the level of need for financial aid; and be it further
59
60 RESOLVED: that the Academic Senate recognizes that many staff members at Cal
61 Poly also need salary equity adjustments and to that end, the
62 Academic Senate encourages the university to find creative ways to
63 make those adjustments for staff; and be it further
64
65 RESOLVED: that the Academic Senate suggests that the financial aid and
66 scholarships for California students be awarded in a fashion to lower
67 the total cost of attendance the most for those from families with
68 below the median family income in the state (currently about \$80k),
69 and that if possible students from families with income in the range of
70 \$120k-\$150k shouldn't pay more than currently; and be it further
71
72 RESOLVED: that the Academic Senate urge the President and Deans to continue to
73 raise private dollars to provide financial aid and help fund the cost of
74 a Cal Poly education; and be it further
75
76 RESOLVED: that the Academic Senate charge the Faculty Affairs Committee to
77 work in consultation with CFA, Academic Affairs, and Academic

78 Personnel to write a data-driven report for the Provost and Executive
79 Committee of the Academic Senate outlining the nature and scope of
80 necessary equity salary adjustments for faculty to make it easier to
81 continue to attract excellent tenure track and retain tenured faculty;
82 and be it further
83

84 RESOLVED: that the Academic Senate recommends that a committee be formed to
85 offer advice on the prioritization of the use of the funds for the
86 academic mission but that until such a committee is formed and can
87 carefully consider the needs at hand, the Academic Senate affirms that
88 the initial priorities of the fund usage within the academic mission
89 should initially be first, equity salary adjustments for faculty, and
90 second, release time to fund the Teacher-Scholar model including
91 funding library resources without lowering holding tenure density,
92 and then be used to increase tenure density; and be it further
93

94 RESOLVED: that in the spirit of shared governance, the Academic Senate concur
95 with the nature, membership, and structure of the CBF Academic
96 Mission Advisory Committee (CAMAC) Committee outlined in
97 Attachment B and that changes to this committee membership and
98 structure be made only in consultation with the Academic Senate
99 Executive Committee; and be it further
100

101 RESOLVED: that the Senate recommends that the selection of faculty members of
102 the CBF Academic Mission Advisory Committee be made by the
103 Academic Senate Executive Committee after a nomination process;
104 and be it further
105

106 RESOLVED: that any lowering of the minimum of 60% for financial aid and 35%
107 for funding the Academic Mission floors above be only done after
108 seeking input from CFAC, the ASI Board of Directors, the Budget and
109 Long Range Planning Committee, the Academic Senate Executive
110 Committee, as well as CBF Academic Mission Advisory Committee;
111 and be it further
112

113 RESOLVED: that the Academic Senate request an annual report of the use of all
114 financial aid provided by and use of all revenues raised with this
115 College Based Fee adjustment and estimates of the impact of funding
116 changes on the Cal Poly, including the impact on the number of
117 applicants (by income group), the yield of admitted applicants (by
118 income group), salaries, release time, and, tenure density where other
119 factors have been taken into account be provided to ASI, Budget and
120 Long Range Planning Committee, and the Academic Senate; and be it
121 further
122

123 RESOLVED: that Budget and Long Range Planning Committee develop a standard
124 of reporting by June 2022 and will do so in consultation with
125 Academic Affairs and AFD.

126
127

Proposed by: Budget and Long-Range Planning Committee
Date: January 4, 2022

Attachments:

Attachment A – the CBF Objective Statement, Nov 5, 2021

Attachment B – the addendum to the CBF Objective Statement, Dec 20, 2021

Attachment C – Cal Poly Opportunity Fee Report, Oct 15, 2021

Objective Statement

The Cal Poly College Based Fee Student Aid and Learn by Doing Plan

Summary

Cal Poly is a comprehensive polytechnic university – a destination campus with a statewide mission to deliver equitable access to its education for all qualified Californians. Cal Poly has built a reputation of excellence over the years through a focus on student success and our signature Learn by Doing pedagogy. However, Cal Poly is not equitably accessible to all qualified Californians and is also chronically underfunded given the nature of our pedagogical and polytechnic ethos.

Cal Poly is a proud member of the California State University. However, our main competitor for students is the University of California (UC). For students who rely on financial aid to attend college, Cal Poly is one of, if not the most expensive public universities in California in terms of out-of-pocket costs. Although Cal Poly's annual "sticker price" is approximately \$5,000 lower than the price of attending a UC campus, our effective price—how much students actually pay once financial aid is considered—is \$2,000-4,000 higher than the UC. The result is that lower-income, California-resident students are less likely to apply to or attend Cal Poly than a UC. As one indicator of the scale of this difference, 55% of UC students pay no tuition or fees due to financial aid and scholarships, while overall 24% of Cal Poly students pay no tuition, only 14.5% of Cal Poly students pay no tuition or fees. This contrasts with 59% of students in the CSU who pay no tuition and 49% who pay no tuition or fees. Nationwide, the 2021 *Wall Street Journal* ranking of U.S. colleges and universities found that Cal Poly was 316th out of 337 public universities in terms of the cost of attendance after financial aid—this means that for low-income students, 315 public universities are less expensive to attend than Cal Poly.

Cal Poly's inability to offer competitive financial aid and scholarships affects all students. It means that we are not able to recruit from a group of highly qualified students as successfully as other public universities in the state. Thus, the university is only partially fulfilling its mission to educate qualified California students. This also impacts Cal Poly's ability to achieve its goals regarding diversity, equity, and inclusion. The result is that the Cal Poly student body does not reflect the diversity of the state of California.

Moreover, Cal Poly does not have sufficient funding to fulfill its statewide mission as a comprehensive polytechnic university. Other than Cal Maritime, Cal Poly has the highest percentage of high investment majors (agriculture, architecture, and engineering) in the CSU. Simply put, Cal Poly is not funded adequately for the scope of our polytechnic mission. The gap in funding for our statewide polytechnic mission and our need for facilities to carry out a Learn by Doing pedagogy in our high investment majors prevents Cal Poly from growing enrollment and meeting the intense demand from all California students who wish to attend Cal Poly. This also impacts our ability to fulfill the demand from employers that seek to hire more Cal Poly graduates.

The funding required to meet the objectives outlined above is significant. The primary sources of our funds that support the Cal Poly academic mission include state appropriations, tuition, student fees, donations, and entrepreneurial activity. The first two sources of funds are beyond our control. Donations are a significant source of revenue, but the amount needed to fulfill our mission exceeds any reasonable expectation for these funds to be an adequate source. For example, we were fortunate to receive a \$110 m donation targeted to support undergraduate research in perpetuity. However, to meet the needs outlined above, we would need well over an endowment of \$1.5 b.

Due to these factors, on October 21, 2021, Academic Affairs submitted a proposal to increase / adjust the college-based fee (CBF). The fee would be assessed on newly enrolled students beginning Fall 2022. Subsequent fee increases would be made on a cohort basis. All currently matriculated students would continue to pay current college-based fee rates.

Importantly, the proposed increase in college-based fees will allow Cal Poly to:

- Establish a new campus-based source of financial aid (CBF Student Aid) to augment CSU, state and federal aid, and provide scholarships to lower the net cost of attendance for those students with the greatest economic need;
- Provide merit scholarships for students;
- Appropriately fund our high investment programs in support of our comprehensive polytechnic mission;
- Appropriately fund academic infrastructure for college needs such as equipment, labs and associated information technology,
- Enhance faculty recruitment and retention;
- Improve tenure density; and
- Allow the campus to fund the [teacher-scholar model](#) more fully, which is critical to our Learn by Doing curriculum.

The positive impacts of this additional funding would be experienced by all students across all colleges because it will improve the quality of our Learn by Doing education. This funding will also help us increase the diversity of our student body.

The proposed changes involve three components:

- (a) Incoming students in Fall 2022 would pay an additional college specific fee amount [ranging from \$614 - \$864/year; this represents a 6% to 8.5% annual increase of total tuition and fees]. These students will continue to pay the same college-based fee throughout their undergraduate tenure at Cal Poly; subsequent cohorts would pay an additional 4.9% to 7.7% annual increase of total tuition and fees compared to the previous cohort for years 2, 3 and 4. Again, each cohort would pay the same college-based fee that they are assessed throughout their undergraduate tenure at Cal Poly.
- (b) The intent of this proposal is to allow each college to retain revenue generated by the current CBF (\$1,044 per student) by the end of year four. However, the current CBF for the College of Liberal Arts (CLA) is significantly lower than those for other colleges. To ensure equity, the CLA CBF will be raised over four cohorts (years) to the same (current) level as the fees for the College of Science and Mathematics (CSM) and Orfalea College of Business (OCOB); a proportional amount of the adjustment per cohort will be assigned to CLA or the Provost.
- (c) By the end of year four, the fees for our high-investment colleges (College of Engineering [CENG], College of Agriculture, Food and Environmental Science [CAFES], and the College of Architecture and Environmental Design [CAED]) would be higher than the fees for the remaining colleges.

It is important to remember that the amount of increase in the CBF is proposed to provide revenue to meet the financial aid and scholarship needs of students, and to provide a significant increase in funding required for our statewide polytechnic mission while remaining at less than 90% of the cost of attendance for residential undergraduates enrolled in the UC. Revenue from the \$1,044 base and associated annual adjustments will continue to be administered by the college dean. Note – for CLA, this will be the new base of \$1,044. New revenue from the cohort

adjustments and proportional annual adjustments for 26-27 and beyond will be administered by the Provost.

Following the phase in of increases in CBF by cohort, subsequent annual increases in the CBF would include annual adjustments equal to the [California Consumer Price Index \(CCPI\)](#) or [Higher Education Price Index \(HEPI\)](#) following discussion with the Chancellor. Annual increases greater than 6% will require consultation with the Chancellor.

These changes are summarized in the table below:

Cal Poly Proposed CBF	21-22	22-23	23-24	24-25	25-26	26-27
High Investment CBF (CAED, CAFES, CENG)	\$ 1,044	\$ 1,908	\$ 2,772	\$ 3,636	\$ 4,500	\$ 4,635
Annual Change		\$ 864	\$ 864	\$ 864	\$ 864	\$ 135
Annual Change as % of Tuition & Fees / 26-27 on as % of CBF		8.5%	7.7%	7.1%	6.6%	3.0%
Net Fee Increase over 21-22		\$ 864	\$ 1,728	\$ 2,592	\$ 3,456	\$ 3,591
Regular Investment CBF (CSM, OCOB)	\$ 1,044	\$ 1,658	\$ 2,272	\$ 2,886	\$ 3,500	\$ 3,605
Annual Change		\$ 614	\$ 614	\$ 614	\$ 614	\$ 105
Annual Change as % of Tuition & Fees / 26-27 on as % of CBF		6.0%	5.6%	5.3%	4.9%	3.0%
Net Fee Increase over 21-22		\$ 614	\$ 1,228	\$ 1,842	\$ 2,456	\$ 2,561
CLA CBF	\$ 648	\$ 1,361	\$ 2,074	\$ 2,787	\$ 3,500	\$ 3,605
Annual Change		\$ 713	\$ 713	\$ 713	\$ 713	\$ 105
Annual Change as % of Tuition & Fees / 26-27 on as % of CBF		7.0%	6.5%	6.0%	5.6%	3.0%
Net Fee Increase over 21-22		\$ 713	\$ 1,426	\$ 2,139	\$ 2,852	\$ 2,957

These funds will be used to establish the CBF Student Aid to support greater financial aid and fund merit scholarships for students, with an initial allocation set at 60% of new, incremental revenue. Providing need-based financial aid will be the priority use of the revenue designated for financial aid and scholarships. While the greatest portion of these funds will be utilized for need-based scholarships, a portion will be utilized for merit-based scholarships. Merit based scholarships are an additional avenue to lower the net cost of attendance for prospective Cal Poly students and is a necessary tool to recruit these most sought-after students. In addition, the increase in financial support for students will require a minimal increase in staff in the office of financial aid to manage the additional financial aid processes. The incremental revenue generated by the adjustment or increase in the CBF will be managed at the central level. As noted previously, the baseline CBF and the adjusted baseline CBF for CLA (and the annual adjustment for 26-27 and beyond) will remain under the direction of the respective dean. Deans and appropriate division leaders will submit an annual report to the President and Provost outlining use and impact of CBF and CBF Student Aid. The President and Provost will, in turn, submit an annual CBF report to academic senate and ASI.

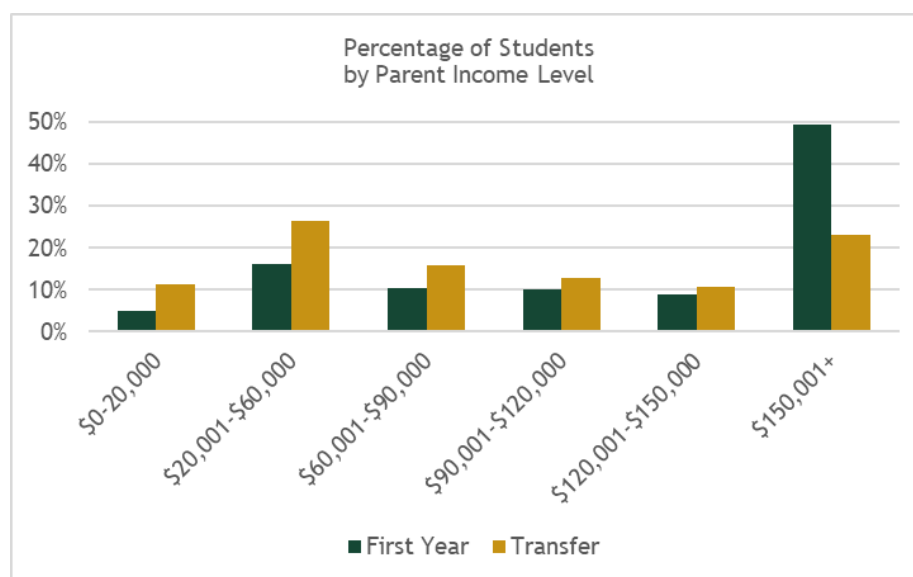
This fee is classified as a Category II fee - a campus mandatory fee. Category II fees are "fees that must be paid to enroll in or attend the university."¹ In accordance with the Education Code and [Executive Order 1102](#) this fee proposal is subject to either an advisory student referendum or other advisory alternative consultation mechanism.

We are recommending alternative consultation for the following reasons:

- Due to the lack of financial aid, Cal Poly currently has a lower percentage of students from a lower socioeconomic status than other public universities in California (see graph below depicting distribution of students by parental income; data provided by Cal Poly Office of Financial Aid). Lower socioeconomic status students (SES), especially those who will benefit most from the plan and come from families with incomes less than \$90,000 per year, remain a significantly smaller percentage of currently enrolled students.

Consequently, a referendum would not allow for these lower socioeconomic students to be appropriately represented.

- A referendum would also not allow us to fully understand the rationales for support or opposition. The consultation process, by contrast, allows for considerations of the complexity of the support and/or opposition to the fee increase in qualitative not just quantitative terms.
- Alternative consultation also allows us to account for the disparity in the representation of students from a lower socioeconomic status on our campus and focus on a more equitable response.
- Finally, the plan will be phased in with new students. Therefore, current students will not be directly impacted by this plan.



Background

(1) Cal Poly is one of, if not the most expensive public university in California, after taking financial aid into account.

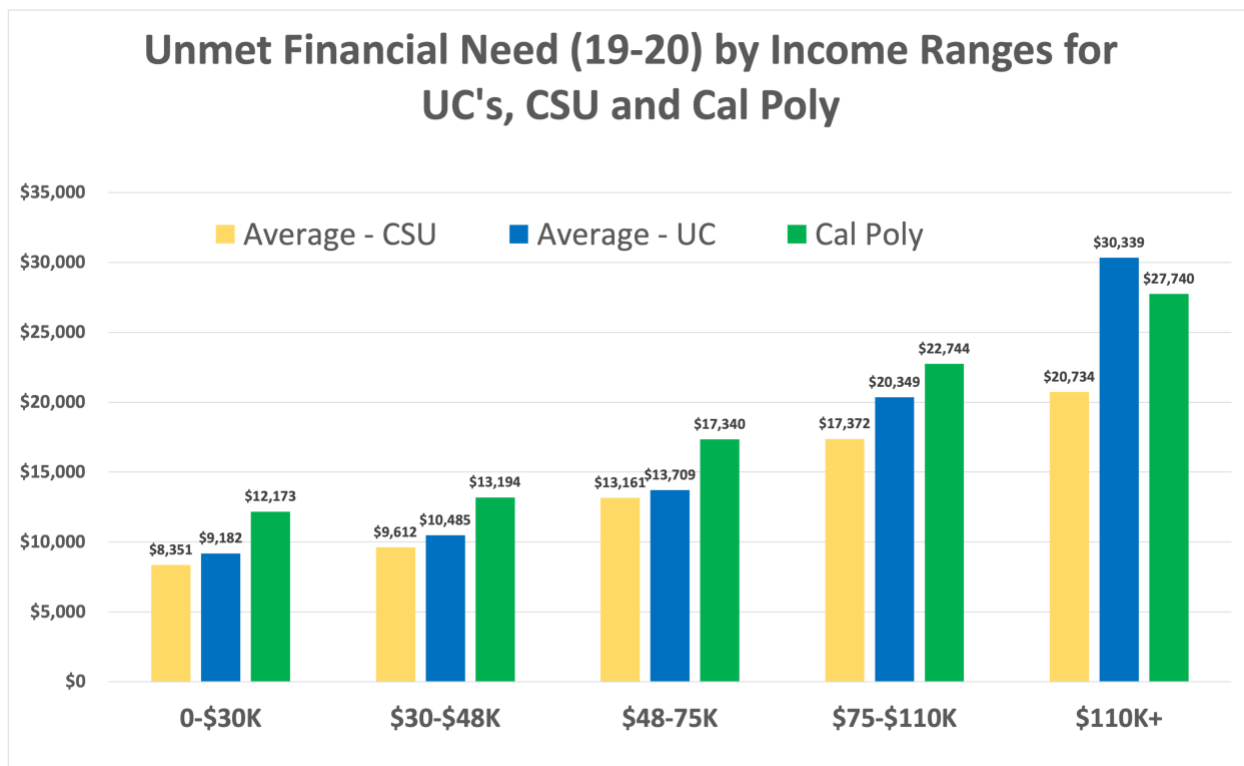
The table below, using data from [College Navigator](#), shows that the average financial aid grant/scholarship amount for students receiving financial aid at Cal Poly is less than the cost of attendance. Cal Poly is the only public university in California where that is the case. The consequence is that Cal Poly remains one of, if not the most expensive public universities in the state for students who need financial aid to pay for college.

2019-20	Tuition & Fees	Avg financial aid grant/scholarship	Diff Avg grant to fees
Bakersfield	\$7,419	\$9,484	\$2,065
Channel Islands	\$6,802	\$8,548	\$1,746
Chico	\$7,806	\$8,865	\$1,059
Dominguez Hills	\$6,946	\$8,755	\$1,809
East Bay	\$7,000	\$8,312	\$1,312
Fresno	\$6,589	\$9,769	\$3,180
Fullerton	\$6,924	\$8,612	\$1,688
Humboldt	\$7,864	\$9,208	\$1,344
Long Beach	\$6,834	\$8,722	\$1,888
Los Angeles	\$6,768	\$10,159	\$3,391
Maritime	\$7,116	\$8,777	\$1,661
Monterey Bay	\$7,143	\$8,725	\$1,582
Northridge	\$6,977	\$9,442	\$2,465
Pomona	\$7,396	\$8,301	\$905
Sacramento	\$7,368	\$8,755	\$1,387
San Bernardino	\$6,886	\$9,621	\$2,735
San Diego	\$7,510	\$9,481	\$1,971
San Francisco	\$7,266	\$9,251	\$1,985
San Jose	\$7,852	\$8,729	\$877
San Luis Obispo	\$9,943	\$6,996	(\$2,947)
San Marcos	\$7,717	\$8,250	\$533
Sonoma	\$7,880	\$7,985	\$105
Stanislaus	\$7,542	\$9,179	\$1,637

2019-20	Tuition & Fees	Avg grant/school	Diff Avg grant to fees
Berkeley	\$14,253	\$19,359	\$5,106
Davis	\$14,495	\$17,476	\$2,981
Merced	\$13,538	\$21,735	\$8,197
Santa Barbara	\$14,391	\$18,590	\$4,199
Santa Cruz	\$13,991	\$17,161	\$3,170
UC Irvine	\$13,727	\$18,273	\$4,546
UC Riverside	\$13,853	\$16,159	\$2,306

UC San Diego	\$14,415	\$18,914	\$4,499
UCLA	\$13,240	\$16,180	\$2,940

In addition, the UCs have significantly more financial aid and scholarships than Cal Poly and the CSU. The graph below ([source](#)) shows that unmet financial need (or the cost of attendance after financial aid is awarded) is higher for Cal Poly than the average cost of the CSU and the UC except for those students in the highest income bracket.



2) Cal Poly and UC Relationship

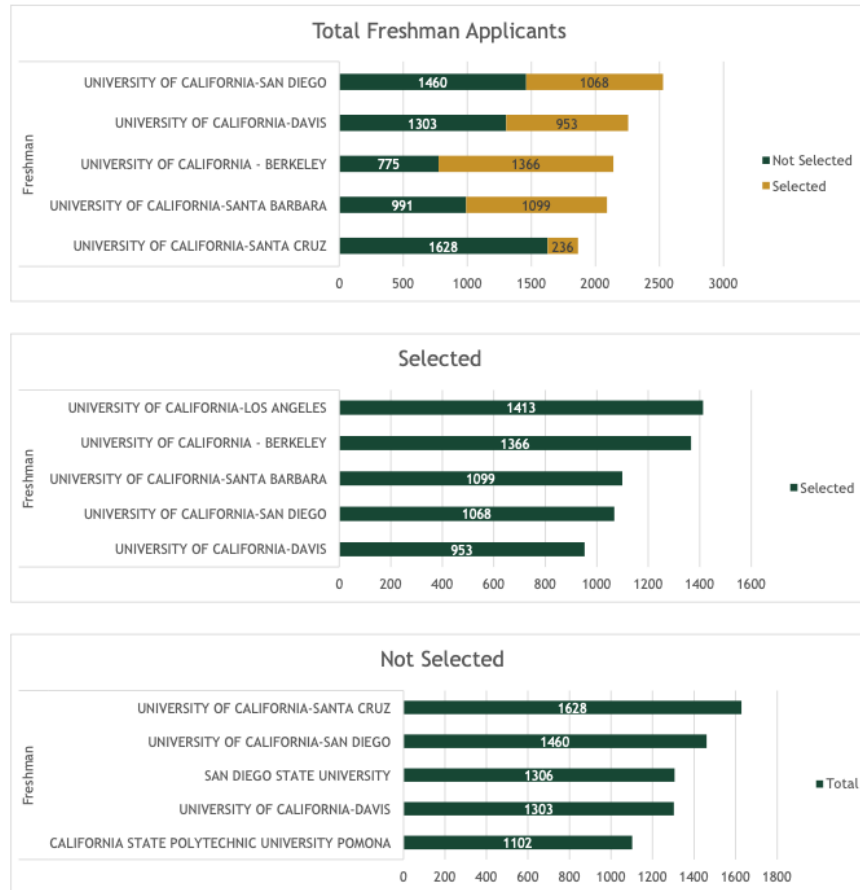
The CSU maintains a list of "Comparison Institutions" that are similar to Cal Poly in terms of the size of their student bodies, range of majors and degrees offered, the area from which they recruit students (regional vs. national), and so on ([source](#)). Although these institutions are appropriate comparators on the basis of specific criteria, they are not the institutions with which we directly compete for highly qualified students. When it comes to competing based on our student profiles, our most relevant competitors are the UC campuses.

Evidence of this competitiveness with the UC comes from several sources. The most important source is the National Student Clearinghouse Competition Analysis. The data from the National Student Clearinghouse allows us to see where students ultimately enrolled after they were admitted to Cal Poly. The graphs below show the data for fall 2020 for new Freshmen. The top graph shows the top five schools where students attended if they did not enroll at Cal Poly. The second graph shows where students who were admitted to Cal Poly but chose not to attend eventually enrolled. The last or lower graph shows the top five locations for enrollment for students who were not selected by Cal Poly.

TOP FIVE SCHOOLS FOR FRESHMAN

TOP FIVE SCHOOLS FOR FRESHMAN SELECTED

TOP FIVE SCHOOLS FOR FRESHMAN NOT SELECTED



These data suggest that, especially for students who are offered admission at Cal Poly, UC campuses are their primary alternative destination. Since the UC is offers considerably more in financial aid and scholarships than Cal Poly can offer, it stands to reason that some students (especially those who need financial assistance) are accepting offers from UCs and turning down Cal Poly's offer of admission because of the significant out-of-pocket price difference.

Further evidence of the need for greater financial aid is found in the relationship between yield and expected family contribution (EFC) for Cal Poly. The lower yield that Cal Poly has historically experienced with lower EFC, first generation, Hispanic and Latinx students is largely driven by a lack of financial aid. Location is a secondary factor.

With this new CBF Student aid, we have an opportunity and obligation to reduce or eliminate the gap between the cost of attendance after financial aid between the UC, Cal Poly and other public universities in California. The UC has recently implemented a similar model and increased tuition, fees and financial aid ([see the UC Multi-Year Tuition and Financial Aid Plan](#)). The UC plan, however, will make the gap between our ability and their ability to offer more financial aid and scholarships bigger if we do not take action to increase Cal Poly's financial aid and scholarships.

3) Cal Poly's Learn By Doing Comprehensive Polytechnic Statewide Mission is Underfunded

Beyond the need for financial aid and scholarships, more funds are needed now to fund our high-cost majors and to fulfill our mission as a Comprehensive Polytechnic University. As noted above, Cal Poly has the highest percentage of high-cost majors in the CSU (with the exception Cal

Maritime) as a Comprehensive Polytechnic University. The result is that Cal Poly is seriously under-resourced given the cost of its majors. This economic reality is evidenced by the following:

Annual Core Expenses Per FTES

A summary of annual core expenses per FTES over time and adjusted for inflation was presented to the [CSU Board of Trustees during the February 2021 retreat](#). The last year of Integrated Post-secondary Educational Data System (IPEDS) data showed that the average core undergraduate expenses of the CSU were significantly lower than the average of the aforementioned comparison institutions (34% lower) and the UC (63% lower). For 2018-19, average annual core expenses per FTES for the CSU was \$15,653 compared to \$23,706 for the comparison institutions and \$41,861 for the UCs. Cal Poly's annual core expenses (cost of instruction plus all university expenses) for 2018-19 was ~\$18,000. Again, taking into account the makeup of our majors, our polytechnic Learn by Doing curriculum, and comparing us to the UCs as comparator institutions - it is clear that we are woefully underfunded.

National Rankings

National rankings demonstrate that we are an outstanding institution in many areas but also note that we are under resourced in some areas. For example, limited resources for financial aid, overall gaps in financial resources and limited resources for faculty all contribute negatively to our rankings ([see link for description of US News and World Report](#)). In the *Wall Street Journal* ranking, in particular, Cal Poly was found to have one of the highest costs of attendance net of financial aid of all public universities in the US (316th of 337).

<u>US News and World Report 2021</u>	<u>Wall Street Journal 2022</u>	<u>Forbes 2021</u>
<p>Out of 126 regional universities in the West</p> <ul style="list-style-type: none"> • Graduation and Retention Rank #1 • Peer Assessment Rank #1 • Faculty Resources Rank #70 • Financial Resources Rank #56 <p>Out of 122 regional universities in the West:</p> <ul style="list-style-type: none"> • Social Mobility Rank #94 	<p>Out of 796 ranked universities:</p> <ul style="list-style-type: none"> • 189th overall • 25th public in outcomes • 382nd of 796 universities in Avg Net Price • >500th on all resources • 316th of 337 in Avg Net Price (\$21,232 - highest in CA) <p>In list of top 100 public universities ranked:</p> <ul style="list-style-type: none"> • 52nd overall • 8th overall in CA 	<p>Out of 600 total ranked universities:</p> <ul style="list-style-type: none"> • 58th overall • 20th public university <p>Out of top 150 total ranked universities:</p> <ul style="list-style-type: none"> • 149th out of top 150 in size of financial aid

Furthermore, the cost of living in San Luis Obispo and limited career opportunities in San Luis Obispo County for life partners hampers our efforts to recruit and retain talent. Similarly, housing, childcare costs and their availability are growing pressures influencing our ability to recruit and retain faculty and staff. The relative lack of diversity in the area has another impact on faculty and staff recruitment and retention. Cal Poly also competes nationally for faculty and

staff. In some instances, this involves direct competition with universities in locations with a lower cost of living or with industries that offer higher paying jobs. All these factors, individually and combined, stress our limited resources for faculty and staff compensation. To address some of these issues, Cal Poly provided a salary equity program but was only able to implement the program once over the last decade due to our limited financial resources. Failure to enhance our ability to recruit and retain of faculty and staff will diminish our ability to deliver our statewide polytechnic mission over time.

Changes in State / CSU Support of Cal Poly and High-Cost Programs

Decades ago, the CSU funded individual universities based on the nature of programs such as agriculture, architecture, engineering and nursing. CSU campuses with a greater number of these programs received greater funding per full-time-equivalent-student (FTES) than other campuses with fewer of these programs. Over time, and especially as the state reduced investment in higher education, these allocations were reduced. Consequently, the CSU and especially Cal Poly increased fees relative to tuition to make up for these reductions. By contrast, the UC increased tuition. Many intended and unintended consequences resulted from these changes.

The UC approach resulted in greater financial aid for students but the CSU did not see a similar effect for its students because of the difference in financial aid for tuition versus fees. The UC also increased system funding for financial aid. In comparison to the UC, the CSU did not increase tuition at the same level or rate as the UC. These key differences meant that to maintain funding for its statewide polytechnic mission, Cal Poly had to increase campus fees. But, until recently, it was not able to increase financial aid. As an example, the CSU did not allow the state university grant (CSU internal financial aid program) to be used for fees until 2019, which meant that UC students could offset the increasing cost of attendance through financial aid, while CSU students could not. This resulted in creating the economic gap in cost of attendance described above in which low-income students can attend UCs at lower cost after financial aid even when compared with multiple CSUs.

In addition, Cal Poly has experienced greater budget reductions during economic recessions than other CSUs. During the most recent reductions (2010-11, 2019-20), Cal Poly and San Diego State University's budgets were reduced more than other campuses.

To its credit, the state of California has provided additional investment to higher education over the past few years. For appropriate reasons, the state's reinvestment in the CSU has not been distributed strictly based on number of California resident students. Graduation Initiative 2025 (GI2025) funding has been focused on CSUs where the percentage of Pell students are higher. While this is understandable, Cal Poly is \$8,700,000 behind in recurring dollars attributed to GI2025 compared to a distribution directly correlated with number of California students enrolled in each CSU.

Overall general fund allocations are also adjusted for actual tuition collected – for both California resident and nonresident students alike. Approximately 33% of the residential tuition charge (\$5,742 per student per academic year) is dedicated to financial aid. The result is that Cal Poly is a net contributor of financial aid to the CSU. Of the \$114 m collected in tuition, the campus provides financial aid to Cal Poly students in the amount of \$12 m and contributes approximately \$22 m to other CSU students. In essence then, Cal Poly only retains 10.5% of the tuition it collects for financial aid.

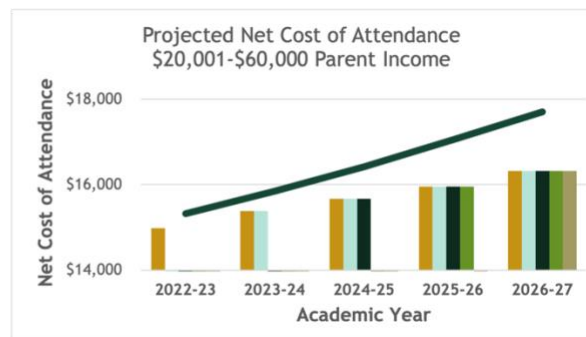
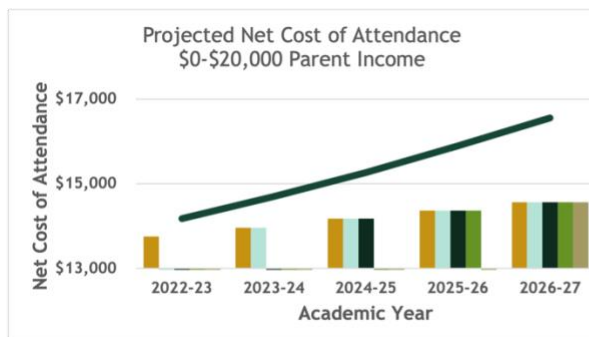
Again, Cal Poly's contribution to financial aid for the rest of the CSU is understandable. And, the high demand to attend Cal Poly by nonresident students translates to an ability for us to bring in additional revenue. As of last academic year, due to higher-than-expected yield of nonresident students, we are currently at 16.4% nonresident students and 83.6% California resident students. Collectively, the funds from our campus fees and our nonresident students have allowed us to cover some of our deficit despite our contributions to the CSU. Nevertheless, our goal is to serve a super-majority of California residents (by at least 85%) and this commitment underscores our additional need for resources.

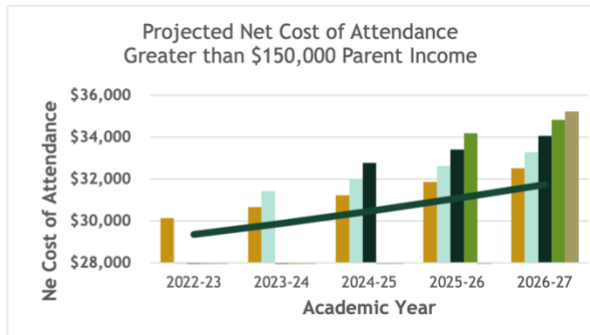
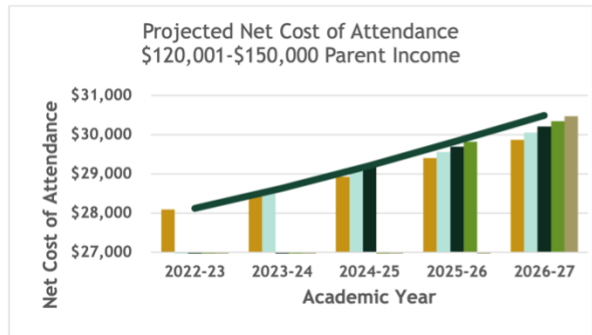
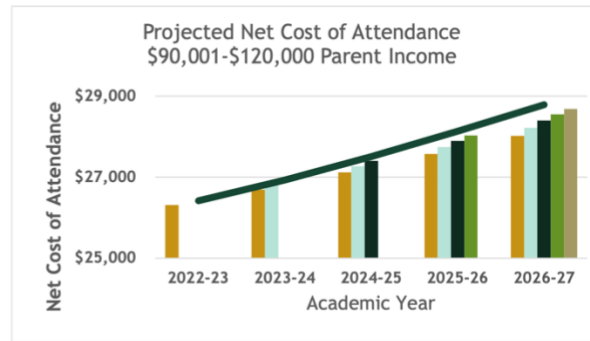
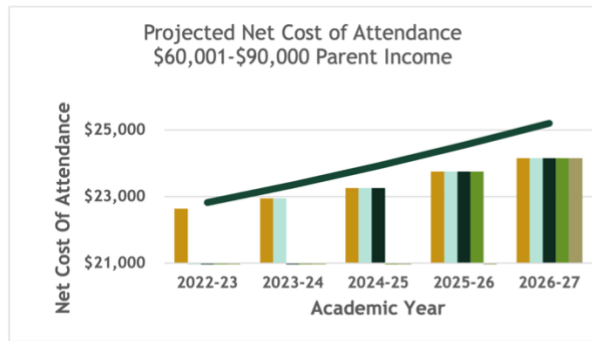
At present, due to recent budget reductions less restoration, required participation in mandatory cost increases over the past 10 years (including \$3.5 m in unfunded general salary adjustments across all employees), \$3.5 m equity program several years ago and deficits in funding university functions we estimate an \$8.5 m deficit.

In summary, Cal Poly is chronically underfunded for financial aid and support for our statewide polytechnic mission. Equally important, the CSU is not funded adequately for financial aid or resources by the State to deliver its academic mission to a student population with significant economic disadvantages. Consequently, our plan is to generate revenue at the campus level and thus decrease pressure on the state and CSU for funding our mission and our high-cost programs. This is part of our plan— in establishing a campus-based source of financial aid/CBF Student Aid— to support and provide access to all Californians and fulfill our statewide academic mission. It is important to note that this plan is intended to supplement not replace funding from the State and the CSU.

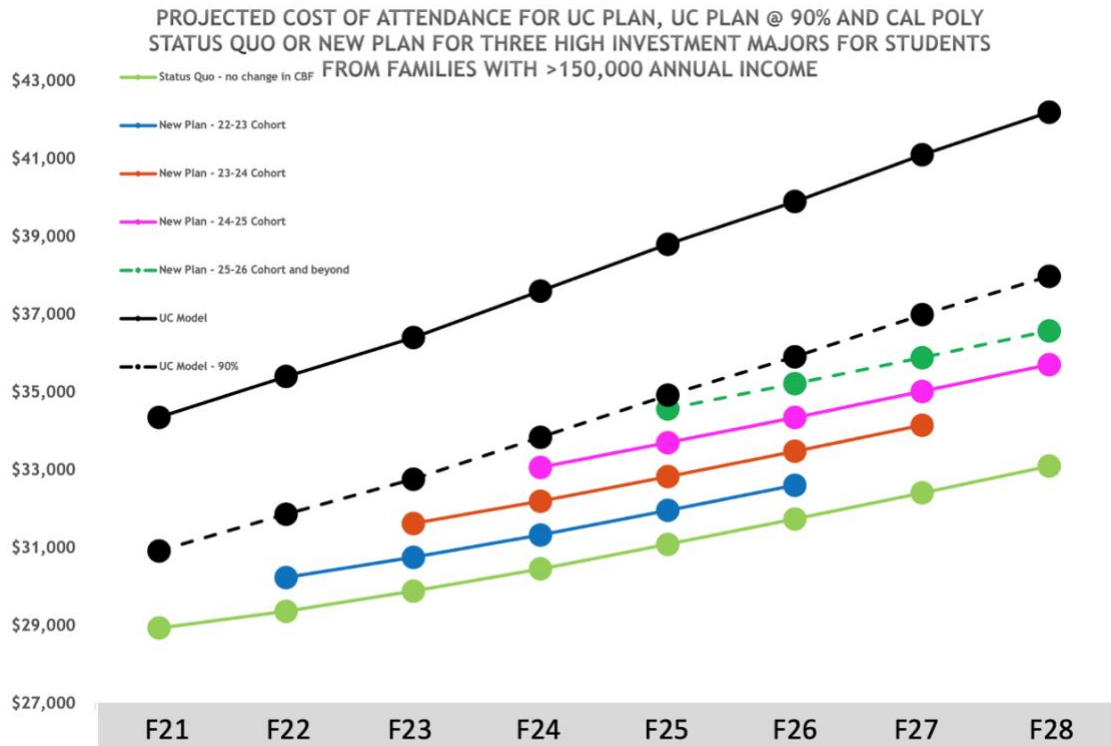
(4) Impact of Proposed Plan

The projected impact on net cost of attendance after aid by family income level is shown in the following graphs. These graphs show projected change in net cost of attendance with (bars representing cohorts) or without (solid line) implementing the increase in the CBF. Contributors to cost of attendance include tuition, fees, room & board, books and travel. For contributors other than tuition, costs increase each year due to cost-of-living adjustments, salary adjustments and cost of inputs (e.g. room and board). The various bars represent different cohorts following the implementation of the proposed plan. The difference between the line (status quo) and the bars represents the reduction (<\$150,000 parent income and below) or increase (>\$150,000 parent income) in net cost of attendance.





Keeping in mind that the UCs are the major competitors for Cal Poly and given our polytechnic nature, the following graph shows the increase in cost of attendance for the three high investment colleges for residential undergraduate students with family incomes over \$150,000 without implementation of the plan and the increase in CBF by cohort as compared to the UC plan with 90% of the UC level depicted. Our increase for these colleges was targeted to meet the financial aid and scholarship requirements and a portion of the funding required for our polytechnic model while staying less than 90% of the cost of attendance for residential undergraduates enrolled in the UC.

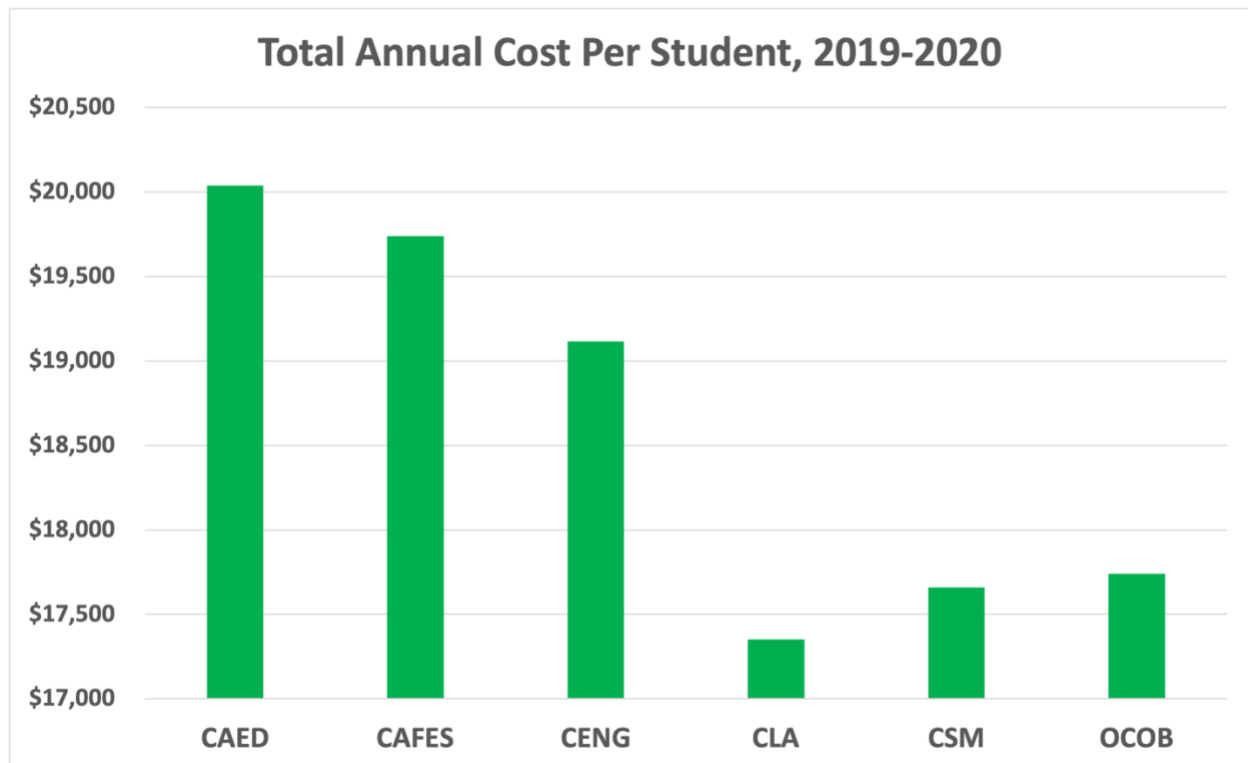


Major impacts:

- Implementing the plan and establishing CBF Student Aid will significantly decrease the net cost of attendance for students with family incomes less than or equal to \$90,000 per year because they will be receiving larger financial aid packages thanks to CBF Student Aid. In addition, students from families with incomes between \$90,000 and \$150,000 will pay less than they would if we do not implement the plan.
- Failure to implement **The Cal Poly College Based Student Fee Aid and Learn by Doing Plan** will result in an increasing net cost of attendance for low- to middle-income California students with family income less than or equal to \$150,000 per year. This coupled with the plan approved by the UC will further exacerbate our financial aid deficit with the UC.
- Students with family incomes over \$150,000 will pay more to attend Cal Poly in total cost of attendance with the implementation of this plan. However, Cal Poly will continue to be lower in cost than the UC for students from families with incomes over \$150,000.

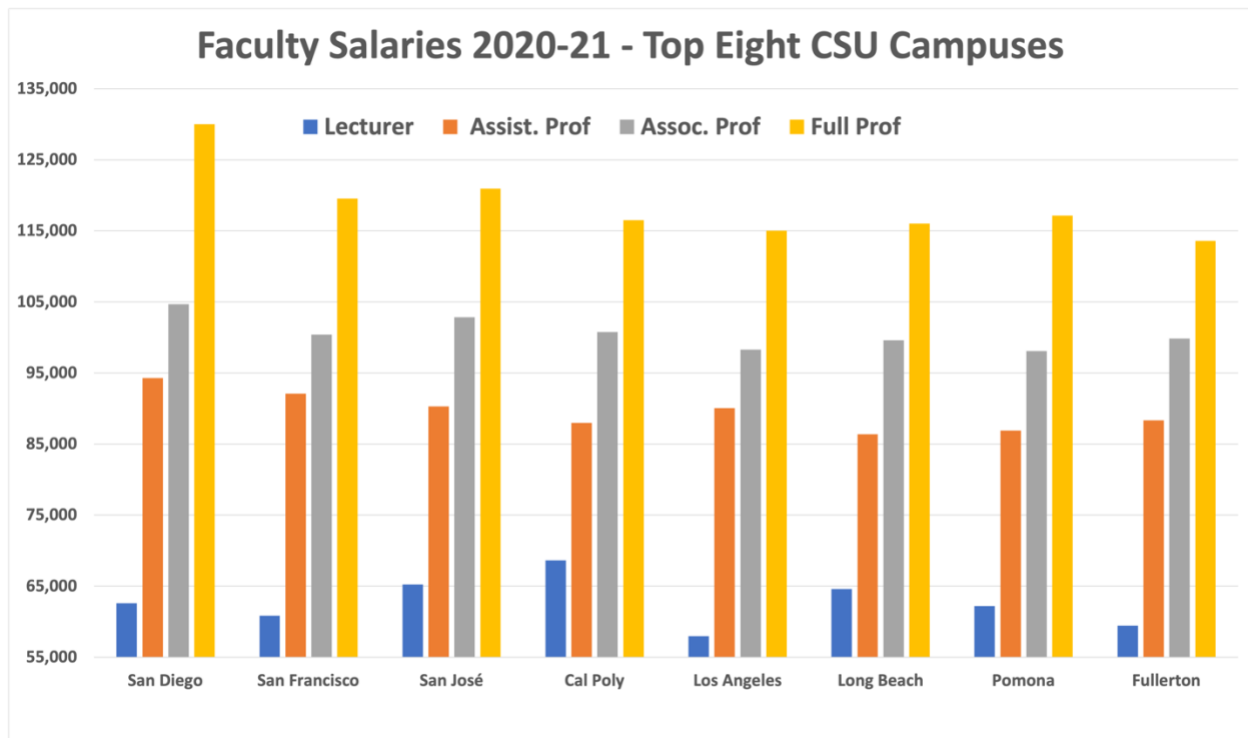
Cal Poly's statewide polytechnic mission requires enhanced investment because we have a significantly higher percentage of STEM majors than all other CSU campuses (other than Cal Maritime). We have evaluated extensive models to determine the cost of instruction for each major at Cal Poly and are providing an average annual cost of instruction for each college as shown below. As shown, costs are highest in the three colleges already noted as high investment programs and which necessarily have a slightly higher CBF.

Overall, recurring funding for cost of instruction shows a deficit of approximately \$11.5 m. It is important to note that the recurring deficit would be significantly higher if not for the revenue from nonresident students.

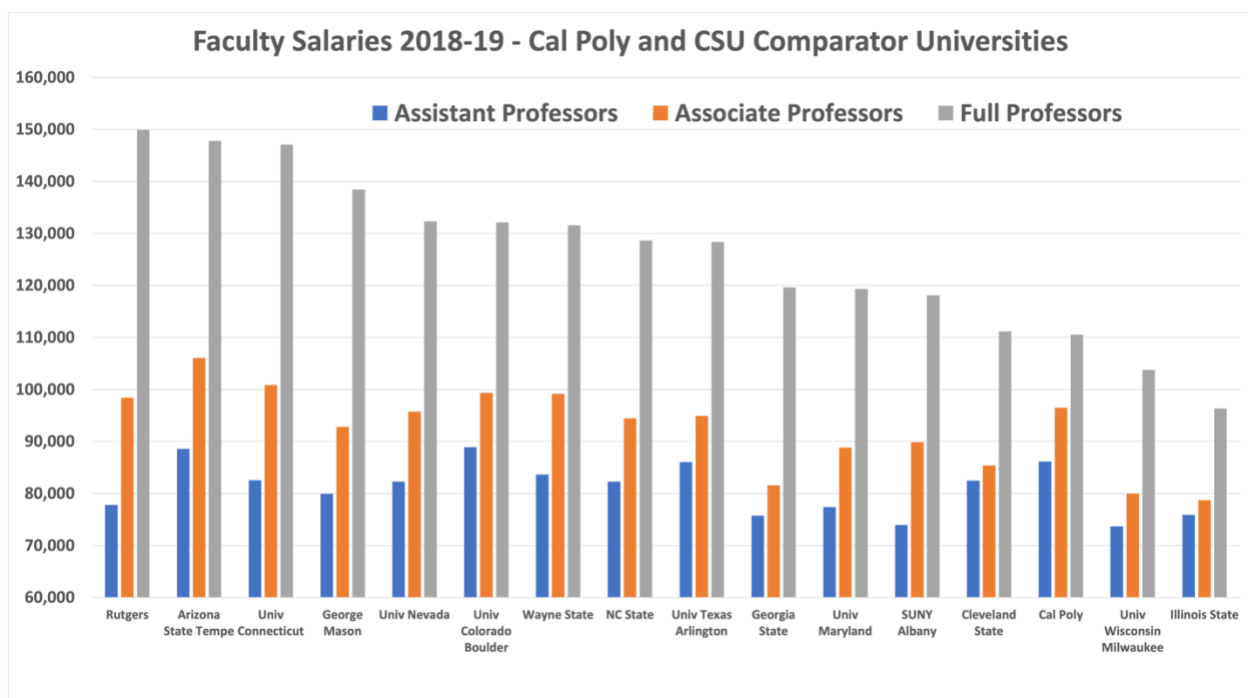


The proposed plan will also significantly increase Cal Poly's ability to recruit and retain excellent faculty and staff. Resuming a salary equity program (through CBF funds) as well as building housing for faculty and staff on campus (through non-general fund or non-student fee funds) are goals for the future that will be increasingly difficult to achieve without this plan. Estimates for adjusting staff salaries within academic affairs will be included but have not been modeled in as great a detail as faculty because the CSU has embarked on a staff salary analysis (as recommended and funded by the legislature).

As for faculty salaries, two different salary comparisons illustrate the need for a robust equity plan for faculty. As shown in the graph below, Cal Poly is significantly below the highest salaries across the CSU for Assistant, Associate and especially -- Full Professors. Average salaries for lecturers, however, are the highest in the CSU.



As noted previously, [the CSU has compiled a list of comparator universities for comparison of tuition and fees](#). Using this same framework, average salaries for Full Professors at Cal Poly are significantly lower than all but two of the comparators. As an added note, while our competitors for students are the UCs, it is difficult to compare salaries for faculty who teach only undergraduate and masters and not PhD or professional school students. With these caveats in mind, average faculty salaries for the UCs are significantly higher than Cal Poly, the CSU and the comparator universities shown in the graph below.



Across all comparators, San Luis Obispo is also one of the locations with the highest cost of living. This is primarily due to housing costs.

The estimated recurring investment needed to move faculty salaries to a competitive level relative to the CSU, comparator universities and the cost of living in our area is \$9,500,000.

Cal Poly's Learn by Doing pedagogy relies on the teacher-scholar model of faculty who are required to be excellent teachers and produce original research and creative works. A detailed description of the teacher-scholar model can be found at this [link](#). A practical way to think of the teacher-scholar model is to think of providing time for faculty to participate in projects, research, scholarship and creative activity that allows them to stay current in their field and, as a result, expand Learn by Doing activities for their students. These activities, in turn, result in a more robust and excellent experience for students in formal classes and labs. An added benefit is that faculty and students have the capacity to help California industries solve everyday problems. Just as there is demand for employees, California's economy demands knowledge to solve problems, and up-skill and re-skill their workforce. Consequently, fully implementing the teacher-scholar model requires providing time for faculty to engage in research, scholarship and creative activity and maintain currency in their field, as well as making funds available for research costs (such as hiring undergraduate and graduate student assistants) which all serves to bolster Learn by Doing for students. In some cases, this also requires increasing the number of faculty in a department or major because we have not kept up with enrollment growth.

Currently, the university is only able to partially fund the teacher-scholar model due to limited funds. Our current projections estimate that we have a deficit of \$5.3 m in funding the teacher-scholar model. To better serve students and industries, we estimate a total need of \$8.8 m recurring funds. The proposed fee change would make additional revenue available to better fund the teacher-scholar model and these additional funds would benefit faculty and students. As for other areas, funds available will be augmented through robust fundraising efforts.

Learn by Doing and the overall excellence of Cal Poly's experience and graduates requires a mix of 75% tenure-track and 25% non-tenure-track faculty. While all faculty are important, tenure-track faculty fully participate in the scholarship of their field and are required to carry out service to the department, college, university, and profession. As tenure-track faculty spend time outside the classroom in pursuit of their scholarship (e.g. engineering research, performances), it requires a higher investment to employ tenure-track faculty than non-tenure-track faculty. In addition, given Cal Poly's geographic location, our ability to hire lecturer faculty on short notice is very limited and often creates challenges to adding sections of courses to support student progress to degree. Cal Poly's regional accreditation body, the WSCUC/WASC, has set a target for Cal Poly's tenure density (the percentage of faculty who are tenured or on a track toward tenure) of 75%. Our current rate is 64.2%. Increasing our tenure density by 10-11 percentage points would require considerable additional resources beyond what are currently available.

Our plan is to meet the goal of 75% tenure density in two major phases. The initial phase is to move tenure density from 64.2% to 70%. Increasing tenure density to 70%, however, requires approximately \$7.3 m recurring. The final stage would be to move from 70% to 75% and would require a recurring investment of an additional \$5 m for a total of \$12.3 m.

Finally, with a more sustainable financial model that allows us to better serve the demographics of California, Cal Poly will be positioned to grow. The demand for many of our majors is well documented. Initial growth will occur through enhancing our partnership with Allan Hancock and Cuesta Community Colleges and by moving to a more year-round operation with the transition from quarters to semesters effective Fall 2025-26. This plan and its future enrollment growth will increase head of household jobs on the Central Coast. This is greatly needed with the pending loss of over 1500 head of household jobs with the scheduled closure of Diablo Canyon Power

Plant. Moreover, increasing diversity of our students, faculty, and staff along with growing jobs in our area will contribute to a more diverse and sustainable Central Coast.

(5) Purpose of the Fee.

Student learning is the original and continuing purpose of Cal Poly's College Based Fee (CBF). Current CBF are used effectively and somewhat differently across colleges to positively affect Learn by Doing. However, additional revenue above the current level (current base for all colleges but CLA - CLA's new adjusted level) is required and will be directed to financial aid or to further the academic mission within our colleges. New revenue will be administered by the Provost and Executive Vice President as the academic mission is the result of a matrix of activities across the colleges. Examples of opportunities that will be made possible with the fee include:

- Making a Cal Poly education more affordable and more equitably available to all qualified Californians through increased financial aid and scholarships.
- Appropriately funding the cost of our Learn by Doing instruction model across all colleges and appropriately funding our high investment programs, in support of our comprehensive polytechnic mission.
 - Continuing to sustain and enhance quality degree programs with unique Learn by Doing opportunities that distinctly characterize a Cal Poly education.
 - Scheduling of additional classes and course sections needed to promote timely progress to graduation.
- Increasing tenure density and stabilizing release time strategies and funding, thus enhancing the teacher-scholar model.
 - Enhancing opportunities for student-faculty research / scholarly collaborations and project-based learning.
- Enhancing recruitment and retention of faculty by providing appropriate levels of compensation, and correspondingly student access to faculty and services.
 - Increasing graduation rates and eliminating equity gaps.

The following provides a summary of recurring needs as outlined previously in the document. New revenue will not be sufficient to meet all needs so distribution of available funds across these categories will be determined in the future in relation to the priorities at the time.

Summary of Recurring Needs to Enhance Learn by Doing and the Teacher-Scholar Model	
Item	Recurring Need
Cost of Instruction	\$ 11,500,000
Faculty & Academic Staff Equity Program	\$ 9,500,000
Enhancing the Teacher Scholar Model	\$ 8,800,000
Increasing Tenure Density	\$ 12,300,000
Total	\$ 42,100,000

(6) Relationship of the proposed fee increase to the Cal Poly Opportunity Fee (CPOF) and Cal Poly Scholars program.

The CPOF was created in 2018 by charging additional fees to nonresident students in order to bring the total cost closer to market for a nonresident student to attend Cal Poly. Consequently, it is important to understand the relationship of the CPOF and the increase in CBF. The success of Cal Poly Scholars suggests that Cal Poly has the knowledge and skill to increase recruitment, retention, and timely graduation of students from low-income backgrounds. However, CPOF is

only assessed to non-resident students, and thus this fee has only so much room to create additional revenue, as a key value for Cal Poly is to serve a super-majority (85% of the student body) of California residents. Therefore, this fee alone is insufficient to increase financial aid, scholarships or to provide other funding needed to make Cal Poly sustainable into the future.

The proposed change to college-based fees is intended to augment the CPOF and other financial aid. It is also intended to bring the university's ability to offer financial aid and scholarships in line with what is available at the UC campuses, which are Cal Poly's main competitors for students.

Cal Poly Scholars is a program that provides scholarships to students from low-income families and who graduated from a Cal Poly Partner High School or community college. In addition, it provides intensive advising and other support services to these students. The program was started in 2012 with 14 students but has significantly increased in recent years. The data show that Cal Poly Scholars are more likely to stay enrolled, earn a higher GPA, and graduate at a higher rate than similar students not in the program.

Because of encouraging data from this program, in 2018 the campus engaged in an alternative consultation process and adopted the Cal Poly Opportunity Fee (CPOF), which raised fees on non-resident students in order to accomplish the goals of the Cal Poly Scholars program. The revenues are dedicated to financial aid (at least 50%), hiring tenure-track faculty (half of the remainder), and providing advising services that benefit Cal Poly Scholars and all students (the rest). As a result of this new, sustainable source of revenue, Cal Poly Scholars has been able to expand and bring in an estimated 657 new scholars for the 2021-2022 academic year. The program is projected to provide scholarships for 900 new students each year by 2023, with a stable population of approximately 3,000 scholars across campus.

[Please click this link for a summary of the Cal Poly Scholars and CPOF.](#)

Revenues and Expenditures

Revenues above the current CBF revenue (which is managed by colleges – including new CLA CBF) are shown in the graph / table below. All revenue collected for financial aid will be expended in this manner shown below during year 1. The \$1,713,041 for our academic mission is anticipated to be expended in year one on Learn by Doing and Teacher-Scholar opportunities. This includes but is not limited to enhancing educational quality and academic experiences, student-faculty research and scholarly collaborations, project-based learning and providing opportunities in support of faculty scholarly work. Future uses (year two and beyond) of the CBF in support of the academic mission will also include strategic priorities in support of enhancements of instructional programs and student experiences (e.g., tenure density, access to classes, faculty equity programs - i.e., faculty/staff recruitment, retention, compensation) and efforts to support academic retention and progress to degree. The aim of the funding in support of academic mission is to remain relevant to Cal Poly's commitment to Learn by Doing and the Teacher-Scholar model.

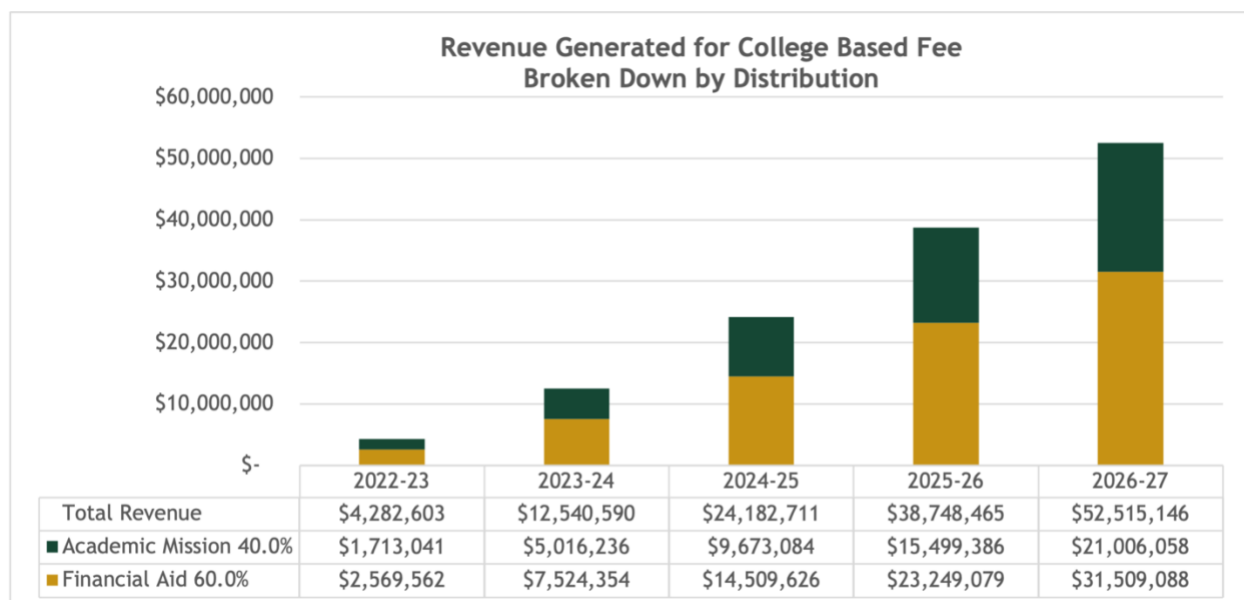
Importantly, our initial projections show 60% of revenue dedicated to financial aid and scholarships. It is important to balance lowering the net cost of attendance for lower-income students with providing adequate funding for Cal Poly's high investment comprehensive polytechnic (and statewide) mission. If, for example, we are not able to recruit and retain faculty and staff then the student experience will be diminished. We are confident that this plan will create greater access for all students to the excellent education we provide at Cal Poly.

As shown above, revenue increases steadily during the first few years as we phase in the fee increase through a cohort model. This process provides predictability and transparency for new students and for the campus. The result is that expenditures are divided into two primary areas:

- Financial aid and scholarships
- Academic mission

As noted earlier, funding is not sufficient to both close the financial aid gap with the UCs and enhance delivery of our comprehensive polytechnic mission. So, at least 60% of revenue will be used to provide financial aid and scholarship through the first four years. Additionally, an aggressive fundraising campaign will be initiated to further augment support for financial aid and scholarships for all students at Cal Poly.

The remainder of the funding (40%) will go towards the academic mission.



Process for Engaging Students

As noted above, we are recommending alternative consultation for the following reasons:

- Due to the lack of financial aid, Cal Poly currently has a lower percentage of students from a lower socioeconomic status (SES) than other public universities in California (see earlier graph depicting distribution of students by parental income). These students (from families with incomes less than \$90,000) in the future who will benefit the most from this fee increase but remain a significantly smaller percentage of currently enrolled students. Consequently, a referendum would not allow for these students to be appropriately represented.
- A referendum would also not allow us to fully understand the rationales for support or opposition. The consultation process, by contrast, allows for considerations of the complexity of the support and/or opposition to the fee increase in qualitative not just quantitative terms.
- Alternative consultation also allows us to account for the disparity in the representation of students from a lower socioeconomic status on our campus and focus on a more equitable response.

- The plan will be phased in with new students. Therefore, current students will not be directly impacted by this plan.

Accountability

Deans and appropriate division leaders will submit an annual report to the President and Provost outlining use and impact of CBF. This will include but not be limited to the impact on target items noted in this document. The President and Provost will, in turn, submit an annual report to academic senate.

Summary and Objective Analysis

The primary purpose of the proposed increase to the college-based fee is to provide financial aid and scholarships to students and to appropriately fund Cal Poly's high investment programs in support of our comprehensive polytechnic mission. This model, once fully implemented, will significantly lower barriers of access to a Cal Poly degree that have arisen over multiple years. These barriers have arisen over multiple years due to the scarcity of financial aid, scholarships and funding for our comprehensive polytechnic mission. The additional funding would provide a sustainable resource base to allow us to lower the net cost of attendance for students with family incomes less than \$150,000 (with greatest impact on students with annual family incomes less than \$60,000 then followed by students with annual family incomes between \$60,000 and \$90,000) while increasing the percentage of students with the lowest socioeconomic status (who pay nothing for tuition and fees). Funding will also address the needs of our high-cost programs, academic infrastructure for college needs such as equipment, labs and associated information technology, investment in recruitment and retention of faculty and staff, and enhance tenure density, while also allowing the campus to more fully fund the [teacher-scholar model](#), which are all critical to our Learn by Doing curriculum.

CBF Academic Mission Advisory Committee Function December 2021

Background

Cal Poly does not have sufficient funding to fulfill its statewide mission as a comprehensive polytechnic university. Other than Cal Maritime, Cal Poly has the highest percentage of high investment majors (architecture, agriculture, and engineering) in the CSU. Simply put, Cal Poly is not funded adequately for the scope of our polytechnic mission. The gap in funding for our statewide polytechnic mission and our need for facilities to carry out a Learn by Doing pedagogy in our high investment majors prevents Cal Poly from growing enrollment and meeting the intense demand from all California students who wish to attend Cal Poly. This also impacts our ability to fulfill the demand from employers that seek to hire more Cal Poly graduates.

Funds from the Cal Poly College Based Fee - Student Aid and Learn by Doing Plan will provide financial aid and scholarships to students and increase funding for Cal Poly's academic mission as a comprehensive polytechnic university.

The fee would be assessed on newly enrolled students beginning Fall 2022. Subsequent fee increases would be made on a cohort basis. All currently matriculated students would continue to pay current college-based fee rates.

Committee Purpose

The CBF Academic Mission Advisory Committee serves in an advisory capacity to the Provost and Executive Vice President for Academic Affairs. The committee will provide input on priorities (not funding allocations) for the academic mission component of the Cal Poly College Based Fee - Student Aid and Learn by Doing Plan to the Provost/EVP.

Committee Composition

The committee will include representation from faculty (at least three), students (at least three), associate deans, department heads/chairs and college budget personnel. All nomination recommendations will be submitted to the President and Provost/EVP for endorsement, in consultation with Academic Senate Chair and ASI President.

- At large members:
 - Academic Senate nominated Representatives (2)
 - ASI nominated Representatives (2)
- College and PCS representatives determined by the Provost/EVP in consultation with deans, Academic Senate Chair and ASI President
 - CAED Representative (1)
 - CAFES Representative (1)
 - CENG Representative (1)
 - CLA Representative (1)
 - CSM Representative (1)
 - OCOB Representative (1)
 - PCS Representative (1)
- Presidential Appointee (1)

- Provost & Executive Vice President for Academic Affairs (chair, ex-officio)
- Assistant Vice President for Academic Affairs Finance and Administration (ex-officio)
- Representative nominated by the Senior Vice President Administration and Finance (ex-officio)
- Budget and Long-Range Planning (BLRP) Representative (ex-officio)

Each member, listed above, will serve a one-year term, and may serve up to two terms.

Summary: 16 [non-voting] members, a minimum of 3 of whom are students, and a minimum of 3 who are faculty, there are 4 ex-officio members. Note: ex-officio members serve as a function of their position.

CBF Academic Mission Advisory Committee Responsibilities

- Discuss and provide advice on the prioritization (not funding allocations) of the academic mission component of the Cal Poly College Based Fee – Student Aid and Learn by Doing Plan

Committee Protocol

- Committee members have an obligation to discharge their responsibilities with the best interest of the university at the forefront of their considerations. While each committee member is appointed to represent a particular area/unit, it is important to rise above self-interest in committee deliberations.

Operation of the CBF Academic Mission Advisory Committee

Typically, appointments to the Committee will occur during the spring for service in the subsequent academic year.

The Committee will meet two-three times during the academic year to discuss priorities for the academic mission component of the Cal Poly College Based Fee - Student Aid and Learn by Doing Plan.

NOTE: The committee operational calendar is to be determined by June 2022. Typical activities will include:

- Committee Orientation
- Committee discusses and advise on prioritization of the academic mission component of the Cal Poly College Based Fee – Student Aid and Learn by Doing Plan
- Office of Budget and Finance prepares academic mission fee revenue projections for the following budget cycle
- Academic Affairs leadership determines and finalizes CBF academic mission priorities, taking into consideration advisory recommendation from the Committee
- Funding allocations are made in support of applicable academic mission priorities

REPORT: Cal Poly Scholars and the Cal Poly Opportunity Fee

Executive Summary

Cal Poly Scholars was created in 2012 to provide financial support to begin to close the financial aid gap at Cal Poly. Cal Poly was then and remains today the most expensive public university in California net of financial aid. This is a critical obstacle to making Cal Poly's campus more diverse, and thus to fulfilling Cal Poly's statewide mission of educating all qualified California students.

Cal Poly Scholars receive financial aid to pay for Cal Poly campus fees, a technology stipend, and various means of support through advising, peer mentoring, special campus services and a residential experience that are all designed to ensure personal and academic success.

Results to date show Cal Poly Scholars to be a strong success – worthy of expansion. Our results demonstrate the following:

- Cal Poly Scholars reflect the diversity of California – 85% nonwhite, almost 60% Under Represented Minority (URM; largely Hispanic and Latino)*
- Retention and graduation rates of Cal Poly Scholars have met or exceeded those of the general student population at Cal Poly.*
- The cost of attending Cal Poly has been the largest factor in suppressing enrollment of URM, first-generation, and low-income students.*

The problem that Cal Poly Scholars helped to partially solve was our limited ability to provide adequate financial aid. While the UCs responded to cuts in state funding by increasing tuition, Cal Poly responded by increasing campus fees, which were not covered by the State University Grant (SUG, a major source of financial aid). Prior to 2014, Cal Poly did not include financial aid as a part of increases in campus fees. The cumulative result was an increase in cost of attendance less financial aid. This has been exacerbated by an annual redirection of SUG to other campuses and, before 2019, the prohibition on using SUG for campus fees.

Cal Poly followed the process of alternative consultation to establish the Cal Poly Opportunity Fee (CPOF). Market studies documented that the difference in cost of nonresident attendance between Cal Poly and the UCs presented a pathway to generate funds. The CPOF is a campus-based fee assessed on nonresident students, on a cohort basis. At full implementation the fee will be \$8,040 (\$2,680/quarter). During the 23-24 academic year, the CPOF is projected to generate \$23 million, of which at least 50% is dedicated to financial aid, half of the remainder to advising and student services that benefit Cal Poly Scholars and all students, and the rest to hiring tenure-track faculty with a focus on diversity. The CPOF fee and its increase over the past three academic years has not impacted applications, admissions, enrollments, or retention of nonresident students. Our yields to date, and the UCs' recently approved increase in resident and nonresident tuition and fees, indicate that the financial sustainability of the program is strong.

The increase in secure financing has been transformative for the program, moving us from <100 Cal Poly Scholars being added per year to approximately 900 being added per year and a running

population of 3,000 (~13% of total enrollment) by the 23-24 academic year. While this source of funding is sustainable, it is not adequate to assist us in providing financial aid for fees for 45% of our students, which is our goal. The success of the program indicates that expanding Cal Poly Scholars through generating additional funding from other sources would allow us to expand access, improve campus diversity, and raise achievement. Our goal is to triple the number of CP Scholars, growing to 10,000 (41-45% of the student body) and achieving Hispanic Serving Institution status by 2028. Through additional strategies, we will also grow all URM groups and take what we have learned from Cal Poly Scholars to enhance the experience, achievement and graduation rates for all Cal Poly students. Our focus during the 2021-2022 academic year is identifying a new, equally sustainable source of funding to support that expansion.

Detailed Report

Background

While Cal Poly currently has lower tuition and fees than a UC or private university, it is nonetheless the most expensive public university in California for the students who are in greatest need, due to its limited ability to offer adequate financial aid and scholarships. In other words, highly qualified, low-income, California-resident applicants who are offered admission often cannot afford to attend Cal Poly, and often receive more generous scholarship and aid packages from other schools, particularly the UCs.

This problem is reflected in our national rankings. For example, the 2021 U.S. News and World Report college rankings show us (in comparison to other masters-level public universities in the West) as achieving the following:

- Graduation and Retention Rank #1
- Peer Assessment Rank #1
- Faculty Resources Rank #70
- Financial Resources Rank #56
- Social Mobility Rank #94

The 2021 Forbes ranking has us as the 58th best university in the U.S. (public or private, regardless of highest degree awarded) and the 21st best public university, but also shows us as being 149th out of 150 when it comes to the size of our average financial aid package.

The 2021 Wall Street Journal rankings tell a similar story:

- 189th overall university
- 52nd overall public
- 316th of 337 publics in Average Net Price less financial aid (\$21,232 - highest in CA¹)
- 382nd of 796 universities in Average Net Price
- 25th public in outcomes
- >400th in resources available

Due to our limited control over tuition, over the past few decades, Cal Poly has devised multiple fees to support the hands-on pedagogy and high-investment polytechnic majors for which our campus is known. The inclusion of financial aid was considered for previous fees but was not deemed feasible until recently, when Cal Poly included financial aid in an increase in the health fee. The crux of the matter is that the CSU's State University Grant (SUG) and the state's Cal Grant Program only cover tuition and do not cover campus-based fees (SUG policy was amended in January 2019 to allow campuses to use it to cover up to 50 percent of campus-based fees²). Federal Pell grants can help, but the maximum amount of aid available from all sources for low-income Cal Poly students does not cover the

¹ Cal Maritime net cost of attendance less financial aid is higher than Cal Poly but not included in the WSJ rankings.

² While SUG can be used for fees, our SUG funding is no longer adequate to cover fees and therefore, by default, only covers tuition.

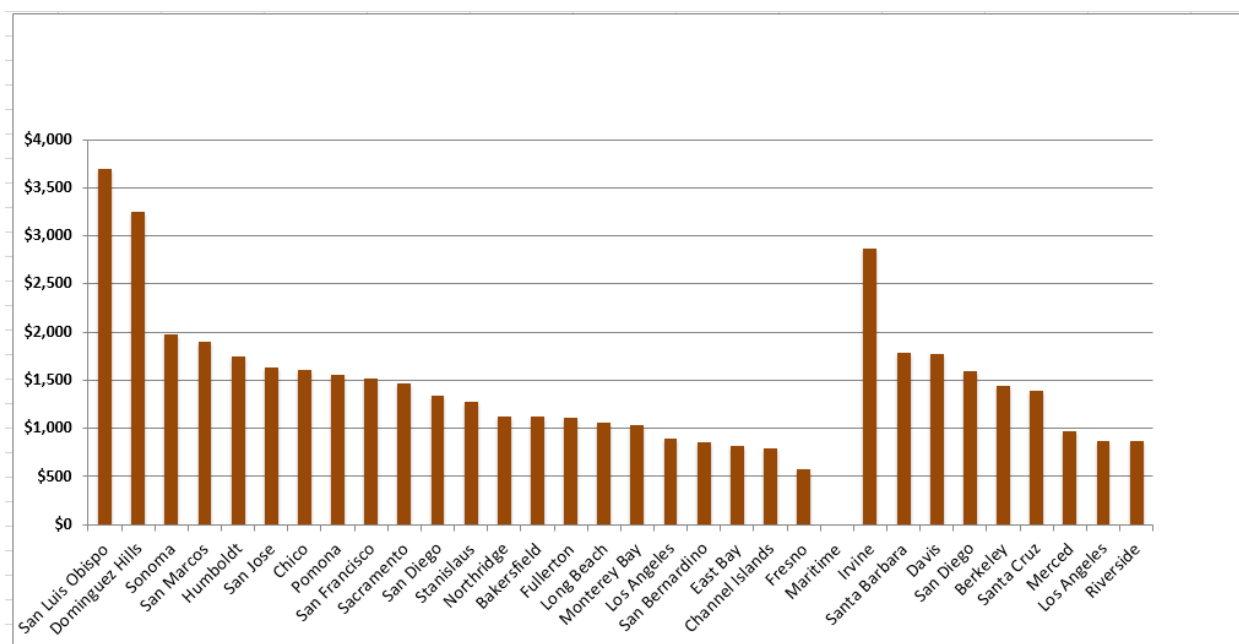
campus fees and room-and-board costs. Moreover, the total SUG aid has actually fallen as Cal Poly has seen our SUG redirected to other campuses by 5% per year for the past few years.

In contrast, during preceding years the UC increased both tuition and financial aid, exacerbating the gap in cost of attendance less financial aid versus Cal Poly and many CSU campuses. The recent decision by the UC to increase tuition over multiple future years and dedicate 45% of the increase in undergraduate tuition for financial aid, which the UC itself predicts will result in a net increase in financial aid, will further worsen the gap. Prior to this increase, 55% of UC students do not pay financial aid or fees³. In contrast, 23% of Cal Poly students do not pay tuition and only 14.5% do not pay tuition and fees.

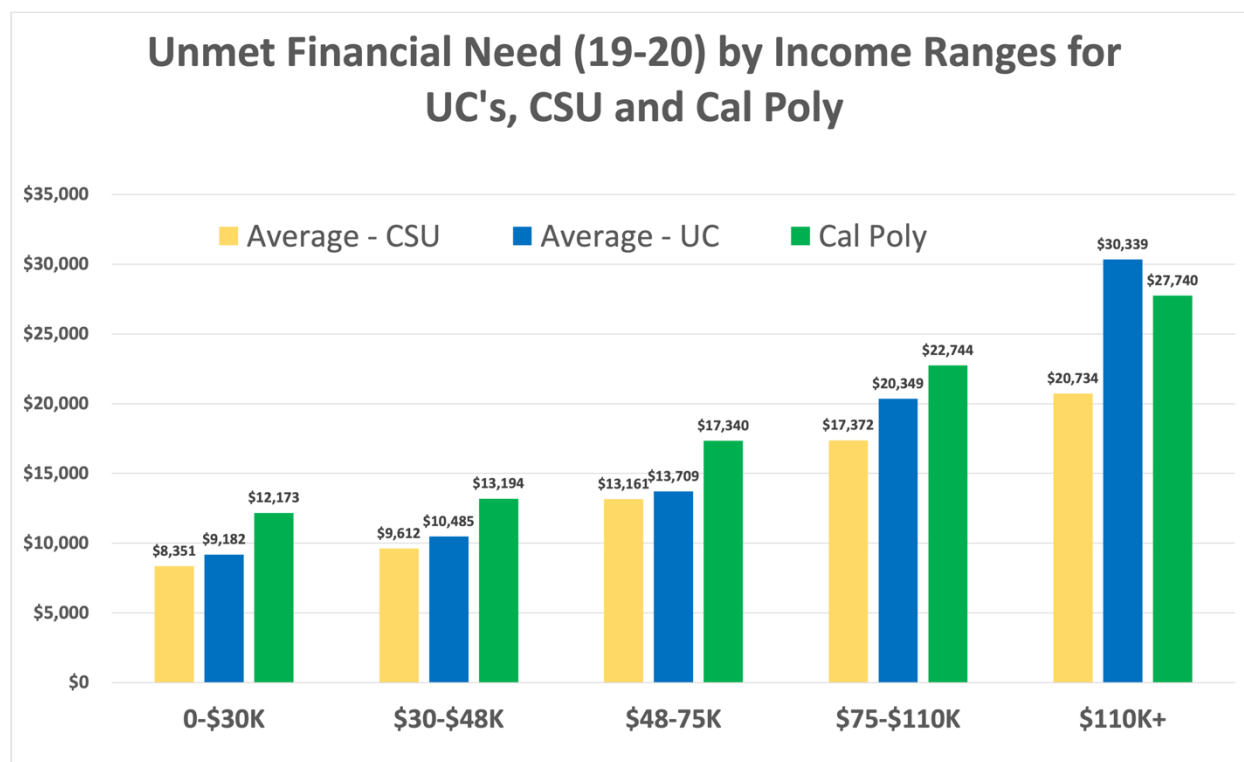
The following comparison was presented during the alternative consultation during the winter quarter of 2018, which led to adoption of the Cal Poly Opportunity Fee (CPOF). This figure displays the difference between university tuition/fees and financial aid for universities within the University of California and the California State University for fiscal year 2016-17—Cal Poly students then paid more than \$3,500 in unmet costs. At that time, the gap between tuition/fees and financial aid was larger at Cal Poly San Luis Obispo than at any other UC or CSU – a gap that still exists today, and which will get worse as the UC increases its financial aid. The result of this gap is that low-income students, who are disproportionately URM, do not choose to apply to and/or attend Cal Poly in part because they receive more generous financial aid support from the UCs, and thus enjoy a lower cost of attendance less financial aid at a UC campus.

³ Source – page 6 - <https://regents.universityofcalifornia.edu/regmeet/july21/b1.pdf>

2016-2017 Amount of Tuition & Fees Not Met by Financial Aid



We have continued to monitor these differences. The following graph shows unmet financial need (or cost of attendance less financial aid) for various income brackets for Cal Poly compared to the average of the CSU and UC. As can be seen from the graph, the unmet financial need is higher for Cal Poly than the average of the CSU and the UC except for the highest income bracket. It is clear from the data and from communications from the UC that students from families with over \$110,000 annual income are receiving scholarships and aid. Across all income groups, the UCs have significantly more financial aid and scholarships than Cal Poly and the CSU.



Purpose of the Cal Poly Opportunity Fee (CPOF)

The primary purpose of the CPOF is to provide increased access for and retention of California low-income students by providing enhanced financial aid support through the Cal Poly Scholars program.

The ultimate goal of CPOF when fully implemented is to provide financial aid for campus fees for California resident undergraduate students from Partner High Schools (high percentage, typically over 66%, of students with free or reduced lunch) and with an Estimated Family Contribution of less than 40% of the cost of attendance for a California resident. The goal of Cal Poly Scholars is to recruit and retain high-achieving, low-income, California-resident undergraduate students and eliminate the achievement gap experienced by these students as soon as feasible (target date – GI2025). In addition to funding through CPOF, potential donors (individuals and companies) are provided the opportunity to contribute to the Cal Poly Scholars program, thus allowing benefits to flow to more students. All Cal Poly Scholars have been (since 2014) required to live in university housing for their first and second years at Cal Poly unless an exemption is approved. AB 540 students are eligible to be Cal Poly Scholars.

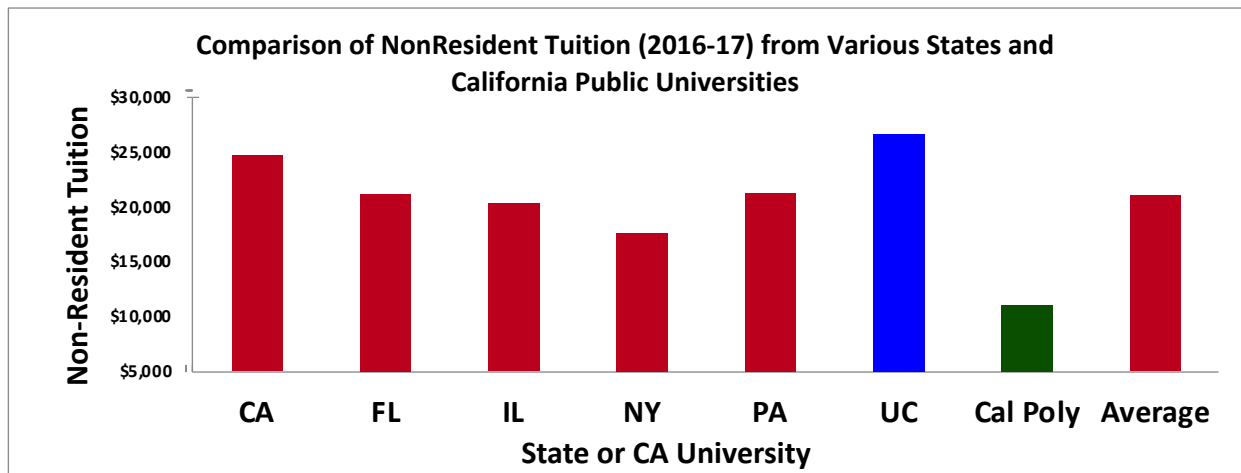
The CPOF applies only to non-California-resident students. Out-of-state students do not contribute to the California tax base from which Cal Poly's state funding comes, and therefore pay a higher amount to attend Cal Poly and other public universities.

History of the Cal Poly Opportunity Fee

Cal Poly is a high-value university, which in 2016-17 was \$22,500 less expensive than the UC for nonresident students (this gap will increase with UC's recent decision to increase nonresident tuition effective fall 2022). This was derived from lower residential and nonresidential tuition as well as room and board. (Cal Poly room and board was similar to the average for the CSU and \$2,000 lower than the average for the UC.) These differences are very similar today.

The graph below shows Cal Poly's position in the market across the most populous states at the time CPOF was proposed and adopted. The data is derived from an annual calculation by the state of Texas⁴. They base their nonresidential tuition on the average of the states noted.

⁴ Current data (2018-19 – similar to 2016-17) used by Texas to set 21-22 nonresident tuition rates can viewed at: <https://reportcenter.highered.texas.gov/reports/data/tuition-rate-for-nonresident-and-foreign-students-ay-2021-2022/>



In sum, Cal Poly is an excellent education at a relatively low price for nonresident students. Cal Poly's strong market value provided this campus the opportunity to implement the CPOF. Fifteen percent of gross revenue will be returned to the CSU Chancellor's Office. Following discussions with the Academic Senate and ASI during winter quarter 2018, Chancellor White agreed that Cal Poly would return General Fund in a phased approach (year 1 and 2 – 0% of CPOF revenues; year 3 – 5%; year 4 – 10%; and years 5 and beyond – 15%). It is important to note that this is occurring in the midst of an annual and recurring 5% redirection of Cal Poly's allocation of the State University Grant (SUG) to other campuses with larger populations of low-income students and differential distribution of GI2025 funds.

Following a lengthy discussion with the Academic Senate and ASI, the President recommended, and the Chancellor approved, CPOF target expenditures to be 50% or higher to Cal Poly Scholars (financial aid) and the remaining balance split evenly between advising support for Cal Poly Scholars and support for all students (25% or less), and hiring tenure track with an emphasis on diversity (25% or less).

Implementation of CPOF

Following alternative consultation and discussion/negotiation with the Academic Senate and ASI, the President submitted the CPOF to the Chancellor for implementation in fall of 2019. The fee was assessed on all newly enrolled out-of-state students — all then-current students were and are exempt from the fee.

Incoming out-of-state students paid or will pay the following based on a cohort model. Each class paid or will pay an additional \$2,010 a year and continue to pay the same annual fee during their undergraduate tenure at Cal Poly. CPOF will be fully phased in during Fall 2022.

Incoming Fall 2019 Class: \$2,010 (\$670/quarter)
 Incoming Fall 2020 Class: \$4,020 (\$1,340/quarter)
 Incoming Fall 2021 Class: \$6,030 (\$2,010/quarter)
 Incoming Fall 2022 Class: \$8,040 (\$2,680/quarter)

The proposal included a provision allowing the President, following consultation with the Chancellor, to increase CPOF in years beyond 2022, if needed, to fund Cal Poly Scholars. Current market studies confirm that the combination of total tuition, campus fees and the Cal Poly Opportunity Fee for nonresident students should never exceed 90 percent of the comparable tuition and fees for the average of the UC.

In addition, the percentage of nonresident students admitted to Cal Poly was targeted at 15 percent, which was the level in 2018. Nonresident enrollment, as projected, was not reduced by implementation of the CPOF. In fact, and largely related to the uncertainties of COVID, our yield of nonresident students has been volatile (and greater than our projections), resulting in a current elevation of nonresident students to slightly above 16%. Cal Poly plans over the next few years to reduce our nonresident percentage to 15% as soon as feasible, ideally by preferentially growing low-income, transfer and overall California residents largely in high demand majors.

Results to Date – Cal Poly Scholars

The Cal Poly Scholars program seeks to support and retain high-achieving students from California schools by providing financial, academic and community resources. The primary goals of the program include:

- Building a personal support network for college success
- Fostering an inclusive community of Scholars
- Developing knowledge and skills for lifelong success

Goals inherent to establishing Cal Poly Scholars were the achievement of our GI 2025 graduation objectives and elimination of achievement gaps and thus further diversification of Cal Poly's student body by exceeding 25% Hispanic and Latino students by the end of this decade.

Cal Poly Scholars was established with a first class of 14 Engineering majors in 2012. Since its inception, the Cal Poly Scholars program has expanded to include undergraduates pursuing degrees in over 50 majors across all six academic colleges at Cal Poly. One of the motivations for the creation of Cal Poly Scholars was the recognition early on that while the number of Hispanic and Latino applicants had increased significantly, the yield of low-income, high-achieving and majority minority (and also Hispanic and Latino students) was significantly lower than with other students. As noted previously, based on our research, the biggest reason Cal Poly is the least diverse public university in California is due to the high net cost of attendance less financial aid (i.e. unmet financial need).

Students are automatically considered for the Cal Poly Scholars program when they apply for financial aid by filing the FAFSA or California Dream Act application. Currently, there is no additional application process, and offers to join the program are only made after a student is admitted. Scholars are selected at the discretion of the Office of Financial Aid & Scholarships, in a manner consistent with Prop. 209 and all relevant statutes.

The program was started through campus General Funds (growth in revenue from nonresident students) and expanded development efforts. Prior to initiation of the CPOF, 426 students, first limited to First Time Freshman (FTF) Engineering majors and then expanded to all majors and transfers, were enrolled from 2012 through 2018.

Initial cohorts were based on EFC and received an annual, renewable scholarship of \$3-3,500. Following cohorts received an annual, renewable scholarship equal to campus fees up to \$5,000 due to the generosity of some donors (e.g. Northrop Grumman Cal Poly Scholars).

During their first year enrolled at Cal Poly, a \$900 technology credit is provided toward the purchase of a laptop, tablet or desktop computer. All fees to attend orientation and WOW (Week of Welcome) are waived. It is also important to note that Cal Poly added financial aid for housing in 2018 for students with an EFC <\$6000, resulting in an average of 10% housing discount.

Cal Poly Scholars has been a Learn by Doing experience. Changes have been made to make the program better. One refinement after the initial cohorts was to focus offers to low-income, high-achieving students from Partner High Schools (as previously noted, these are high schools with high percentages of students receiving free or reduced lunch--typically 66% or higher).

A second change was to require that all Cal Poly Scholars live on campus for two years, because our research suggested that doing so was associated with better academic outcomes. This has now been expanded in a phased program to require all Cal Poly FTF (optional for transfers) to live on campus for two years.

Other program components include Scholar Mentors (paid student leaders – upper division Cal Poly Scholars), proactive & intentional advising, and UNIV 100 – a required course for first-time, first-year Cal Poly Scholars that emphasizes building community, exploring campus resources and developing skills for college success. All scholars with a cumulative GPA of ≤ 2.5 and / or on Academic Probation/Subject to Disqualification have additional required advising interactions.

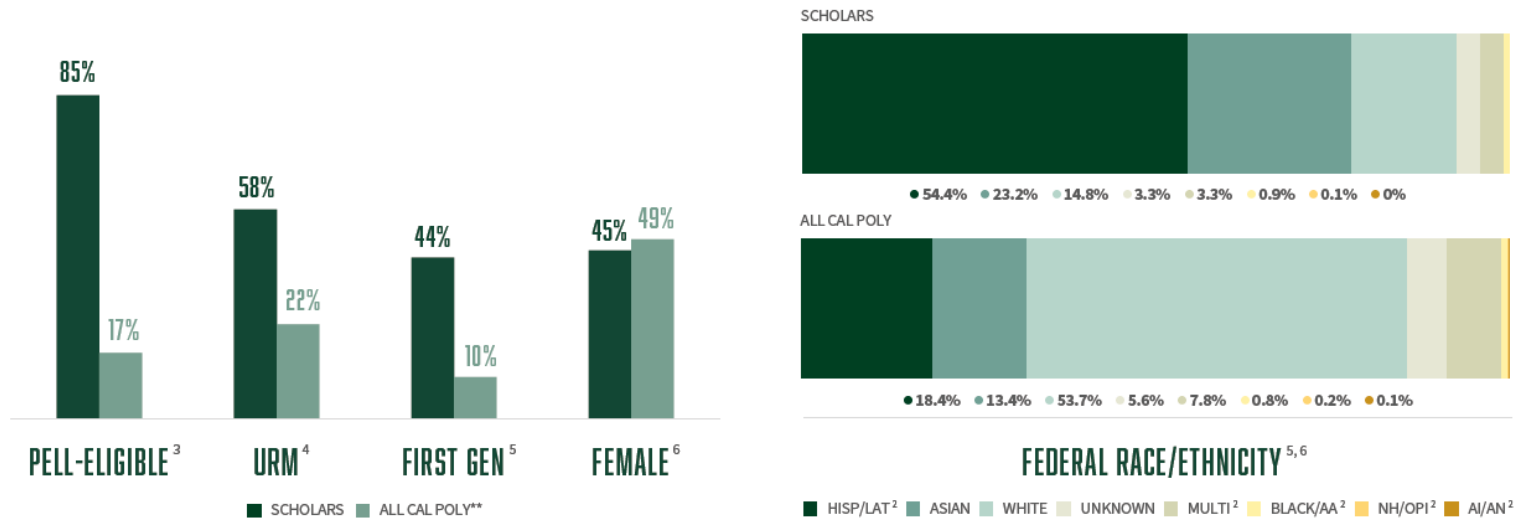
Initial cohort numbers were slightly reduced as it was important to establish our advising network prior to ramping the program up from a cohort of 90 in 2018 to the following actual and projected cohorts as funded by CPOF:

- 2019 – 277 (actual)
- 2020 – 386 (actual)
- 2021 – 657 (actual, pre-census)
- 2022 – 900 (projected)
- 2023 and beyond – 925 new per year with 3,000 total Cal Poly Scholars

The graphic on the following page depicts the demographics of Cal Poly Scholars as of Fall 2020 (n=663). Cal Poly Scholars were 85% non-white. It is important to note that Cal Poly Scholars are majority Hispanic and Latino and Asian. Cal Poly Scholars does not significantly

impact enrollment of other URM groups. It is also important to note that Cal Poly has implemented and planned several Prop. 209 compliant scholarship programs focused on growing the percentage of other URM groups. In particular, and with proper funding from donors and other sources, our goal is to grow our percentage Black population from <1% to over 4% by 2030.

OUR SCHOLARS: FALL 2020 SNAPSHOT



683

*Scholars reached,
to date*

191

*Degrees awarded,
to date*

790

*Total enrollment,
fall 2020*

¹ Eligible for Federal Pell Grant as of Fall 2020 (census).

² Underrepresented Minority: Federal race/ethnicity is Hispanic/Latino, Black/African American, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander, or multiracial with at least one of the prior categories.

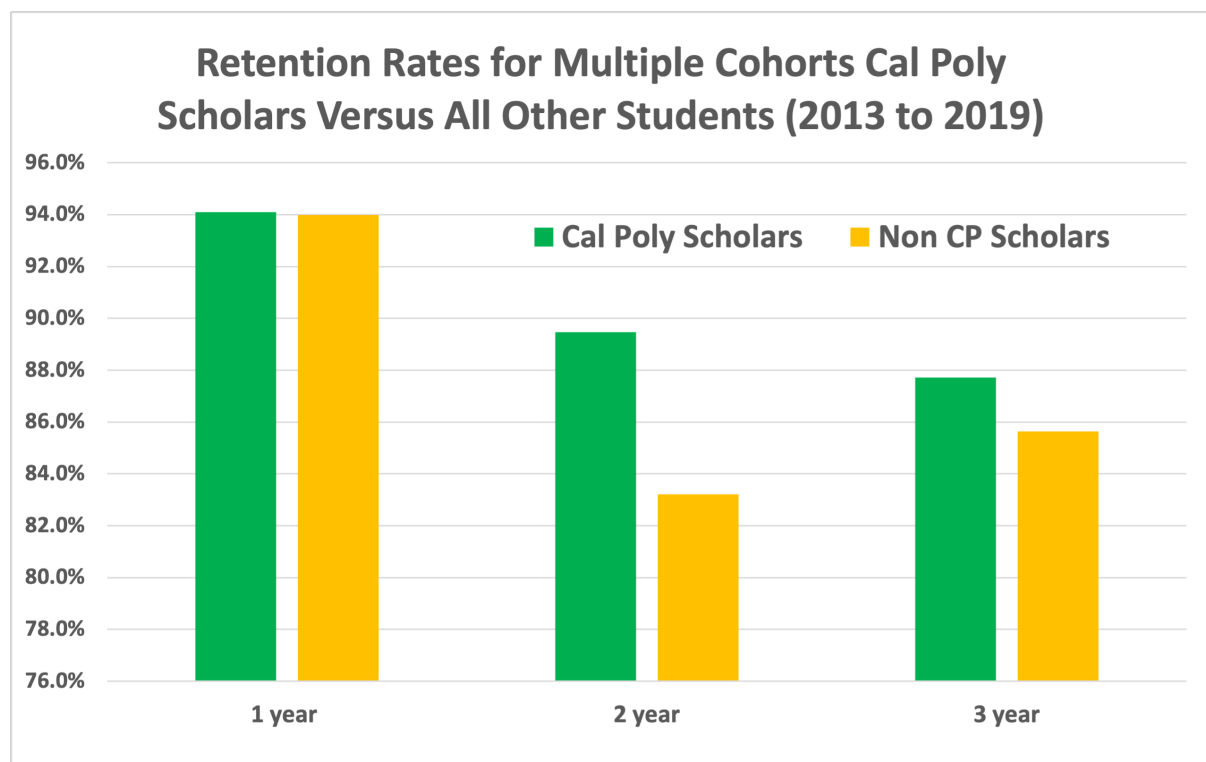
³ First Generation: Neither parent/guardian attended college. Aligned with CSU Chancellor's Office definition.

⁴ Legal sex. Remaining percentage represents undergraduate whose legal sex is male.

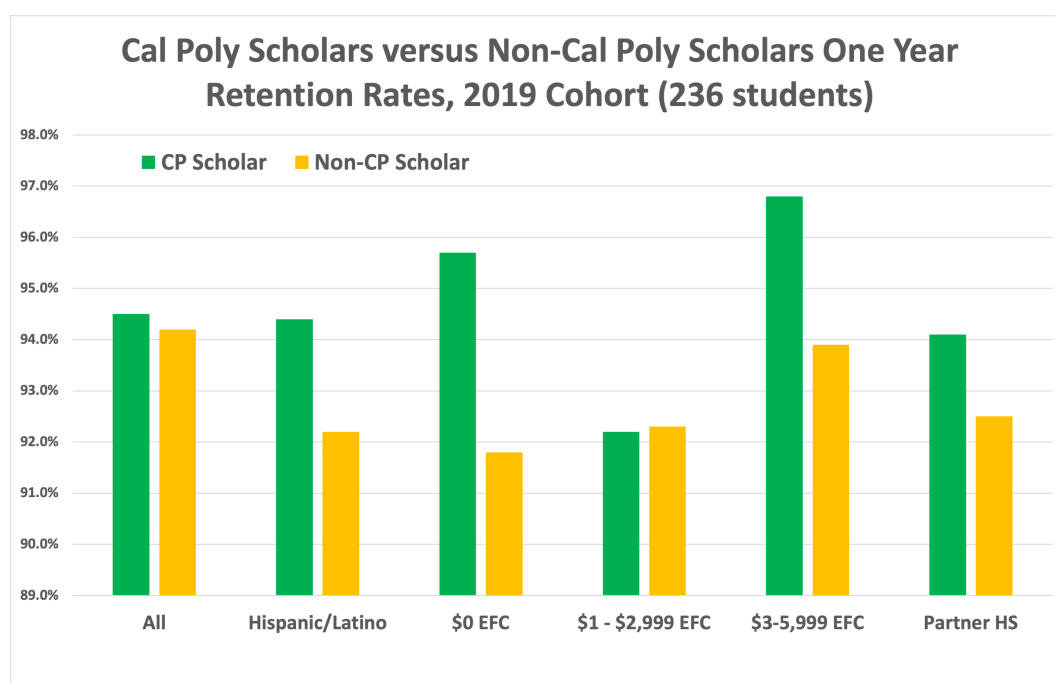
⁵ As reported to the Integrated Postsecondary Education Data System (IPEDS). Unknown includes Non-Resident Foreign National.

⁶ Sources: Institutional Research, November 18, 2020 / Undergraduate Enrollment Profile, December 8, 2020.

We also have strong data showing that retention rates of Cal Poly Scholars are higher or at least equal to the average of Cal Poly students. The following graph depicts 1-, 2- and 3-year retention rates from all cohorts from 2013 to 2019.



The next graph drills down into details of the first year retention of our first CPOF cohort of Cal Poly Scholars in 2019. In all but one category, Cal Poly Scholars exceeded the same group of non-Cal Poly Scholar students.



Collectively, these data are strong evidence that our retention rates will be translated into outstanding graduation rates. While preliminary, the four-year graduation rate of the 2016 Cal Poly Scholars cohort (63.2%) exceeded the rate of our general student population (59.6%).

Surveys of Cal Poly Scholars emphasize the reasons for success. The largest decision factors in selecting Cal Poly were: overall financial aid, Cal Poly Scholars aid, and cost of tuition. Over 95% of Cal Poly Scholars reported feeling supported by the program. Equally important, survey results demonstrate that programming enhanced Cal Poly Scholars' sense of belonging. Over 79% of the students reported that being a scholar "helps me feel like I belong at Cal Poly," 95% feel "the community cares about my success" and 83% "feel comfortable being myself with other Scholars."

Financial Report – CPOF

The table below depicts revenue and actual or budgeted expenses. We have also included use of donor or SUG funds to support Cal Poly Scholars. The Chancellor allowed use of SUG for campus fees beginning in 2019.

As noted previously, the amount of funds for financial aid was adjusted the first two years in order to establish an advising program appropriate for success. However, the shortfall was more than made up through donations and the new ability to use SUG for campus fees, and the total amount of financial aid exceeded 50% of CPOF revenue. Retention and graduation rates to date verify the effectiveness of the program.

Donor support for Cal Poly Scholars and later program support is expected to grow due to pledges and ongoing commitments.

As planned when CPOF was created, we have allocated funds for 21-22 to support enhanced advising, diversity and inclusion (cultural) programs that will support the entire Cal Poly Community. These include establishing a Hispanic and Latino Center, a Native American and Indigenous Cultural Center, enhanced support for multiple programs including the Black Academic Excellence Center, Transfer Center and continued expansion of advising programs and the BEACoN Research and Mentoring Program.

CPOF Summary FY2019/20 - FY2020/21					
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
	Actuals / Cumulative	Actuals / Cumulative	Budgeted / Cumulative	Projected / Cumulative	Projected / Cumulative
Budget/Revenue					
CPOF Revenues	1,901,532	6,158,443	11,348,000	17,901,000	23,057,000
Total Recurring Funding	\$ 1,901,532	\$ 6,158,443	\$ 11,348,000	\$ 17,901,000	\$ 23,057,000
Expenses					
<i>Cal Poly Scholars Advising and Cultural Programs</i>					
Salary/Benefits	387,258	953,041	1,230,103	1,777,168	1,922,743
Student Salaries	53,445	68,735	236,500	218,300	218,300
Operating Expenses	49,451	703,500	1,370,000	2,368,030	3,031,742
Total Cal Poly Schlars Advsing & Cultural Pgms	\$ 490,153	\$ 1,725,276	\$ 2,836,603	\$ 4,363,498	\$ 5,172,785
Total Scholars Adv & Cultural as a % of CPOF rev	25.8%	28.0%	25.0%	24.4%	22.4%
<i>CPOF Faculty</i>					
Salary/Benefits	253,096	1,100,212	2,837,000	4,475,250	5,764,250
Operating Expenses		4,127	-	-	-
Total Faculty	\$ 253,096	\$ 1,104,338	\$ 2,837,000	\$ 4,475,250	\$ 5,764,250
Faculty Allocation as a % of CPOF Revenue	13.3%	17.9%	25.0%	25.0%	25.0%
<i>CPOF Financial Aid</i>					
Technology/WOW/SOAR Supplement	242,821	268,151	990,900	838,800	909,900
Financial Aid	563,568	2,188,458	4,683,100	8,111,700	11,118,600
Donor Supported (FY19/20 = 155; FY 20/21 = 222)	381,659	543,391			
SUG Supported (FY19/20 = 275; FY 20/21 = 156)	450,195	275,021			
Total Financial Aid	\$ 1,638,243	\$ 3,275,021	\$ 5,674,000	\$ 8,950,500	\$ 12,028,500
CPOF Funded Financial aid as a % of CPOF Revenue	42.4%	39.9%	50.0%	50.0%	52.2%
Total Financial Aid as % of CPOF Revenue	86.2%	53.2%	50.0%	50.0%	52.2%
Total Expenditures	\$ 2,381,493	\$ 6,104,635	\$ 11,347,603	\$ 17,789,248	\$ 22,965,535
Net of Recurring Funding	\$ (479,961)	\$ 53,808	\$ 397	\$ 111,752	\$ 91,465
CO Assessment - from GF not CPOF	\$ -	\$ -	\$ 567,400	\$ 1,790,100	\$ 3,458,550

Conclusion

The CPOF and Cal Poly Scholars program have proven successful to date as evidenced by 1) retention rates of Cal Poly Scholars matching or exceeding students not in the program, and 2) Students from Partner High Schools, Hispanic and Latino, and low-income groups in the program having higher retention rates than cohort non-Cal Poly Scholars. As projected, demand for Cal Poly by nonresident students has not declined. However, the scope for using nonresident funds for the purpose of closing our financial aid gap with the UCs is very limited. In other words, the Cal Poly Opportunity Fee was a good start, and will provide stable funding for the future, but it cannot be expanded.

The key to the future is to find additional resources (well beyond what CPOF can provide) to move the program from 3,000 to 10,000 Cal Poly Scholars. This, coupled with Prop. 209 compliant scholarships to quadruple the number of Black students at Cal Poly, will transform Cal Poly for the future. We will also grow all URM groups and take what we have learned from Cal Poly Scholars to enhance the experience, achievement and graduation rates for all students. As noted above, our focus during the 2021-2022 academic year is identifying a different, equally sustainable source of funding to support that expansion.



OFFICE OF THE PRESIDENT

MEMORANDUM

To: Thomas Gutierrez
Chair, Academic Senate

Date: March 7, 2022

From: Jeffrey D. Armstrong
President

Copies: Bruno Giberti
Amy Fleischer
Damon Fleming
Terrance Harris
Cynthia Jackson-Elmoore
Al Liddicoat
Steve Rein
Kathryn Rummell
Christine Theodoropoulos
Andy Thulin
Cynthia Vizcaino Villa
Dean Wendt
Philip Williams

Jeffrey D. Armstrong

Subject: Response to AS-931-22 Resolution on the Cal Poly College Based Fee Student Aid and Learn by Doing Plan

By way of this memo, I acknowledge and approve, with the exceptions as noted, the above-entitled Academic Senate resolution.

I applaud the Academic Senate for their support of the College Based Fee (CBF) Student Aid and Learn by Doing Plan in the form of a resolution. This fee has the potential to enhance the university's mission to reflect the State of California, provide financial aid and scholarships to students, and to more appropriately fund Cal Poly's statewide mission as a comprehensive polytechnic university with several high investment programs.

Upon review of the resolution, please note the following exceptions:

Line 94: The University Committee on Committees oversees the operations, functions, and membership of all campuswide standing committees. Changes to CAMAC will be made following campuswide standing committee procedures.

Line 101: I support the development of the CBF Academic Mission Advisory Committee (CAMAC) in the spirit of shared governance, transparency and accountability. The nomination authority for the college and PCS representative appointments to CAMAC will be the provost

and executive vice president for Academic Affairs, based on a transparent nomination process and in consultation with deans, Academic Senate Chair and ASI President. The committee will also have two at large members nominated by the Academic Senate.

Line 106: Reasonable notice will be provided to the parties listed in this resolve clause.

Line 113: Appropriate metrics to be included in the annual report will be developed by Academic Affairs and Strategic Enrollment Management in collaboration with Administration and Finance, to quantifiably and qualitatively measure the impact of these funds on each specific area funds are used.

Line 123: Academic Affairs in conjunction with Administration and Finance will develop a standard or template for annual reporting on the impacts of the fee by June 2022. This will be done in consultation with the Budget and Long-Range Planning Committee.

University leadership will continue to consult with the Academic Senate as this process moves forward. Please extend my appreciation to the Academic Senate for their time and attention to this matter.