



FOR-PROFIT HIGHER EDUCATION AND THE CAL STATE UNIVERSITY: A CAUTIONARY TALE

FACT SHEETS

- The Private For-Profit Model of Higher Education
- The “For-Profit” Model in the CSU: Executive Compensation
- The “For-Profit” Model in the CSU: Soaring Tuition
- **The “For-Profit” Model in the CSU: Expansion of Extended Education Operations**
- The “For-Profit” Model in the CSU: Cal State Online
- Conclusion

EXPANSION OF EXTENDED EDUCATION NEEDS OVERSIGHT

- Tuition for CSU Extended Education courses and programs is not voted on in public by the CSU Board of Trustees, reported to the Legislature, or scrutinized in the media. Students can be charged whatever CSU management believes the market will bear.
- Laws requiring public notice and comment on increases to CSU fees and tuition do not apply to fees and tuition for courses offered through CSU Extended Ed.

GROWTH OF EXTENDED EDUCATION

- Extended Ed (also known as Continuing Ed or University Extension) has always co-existed with the regular (public) CSU, historically catering to mid-career adults who did not want to become regular students.
- Today all 23 CSU campuses offer programs all year round, concurrent with regular state-supported sessions.
- Revenue generated by Extended Ed was projected to hit \$263 million this year.
- 189,000 students enrolled in for-credit courses through Extended Education in 2009-10, equivalent to the total enrollment in the 6 largest CSU campuses.
- CSU Trustees requested a study in 2010 to explore opportunities to expand Extended Ed operations.
 - The study concluded there were barriers to expansion that should be promptly addressed “if the CSU is to be competitive in this environment of for-profit and private institutions...”
 - There has been no discussion about the potentially very negative effect this expansion could have on students.

VULNERABLE STUDENTS, CAPTIVE CONSUMERS

- Fees for Extended Ed can range from \$230 to over \$600 *per unit*.
- Average undergraduate annual tuition for Extended Ed was 51% higher than the average annual CSU fees.
- There are restrictions to financial aid available for Extended Ed programs; the CSU even prohibits its own State University Grants from being used for Extended Ed.
- CSU identifies potential “customers” for expanded Extended Education offerings: students needing remedial courses; students who “stop out” for a term or more before they finish their degrees; students who must take high-demand courses; student who have not finished a degree in five or more years.

OBSTACLES TO EXPANSION

- CSU officials believe barriers to expansion include: state laws, employee contracts, and current CSU policies and say they will try to make changes to facilitate expansion of their Extended Education operations.
- **These laws protect the public mission of the CSU and have kept Extended Ed in an appropriate ancillary and supportive role. The public deserves to weigh in on proposed changes and their implications for the CSU mission and future CSU students.**