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September 23, 2011

CHANCELLORS
LABORATORY DIRECTOR ALIVISATOS

Dear Colleagues:

I have approved the enclosed *Policy on Self-Supporting Graduate Degree Programs* and the *Implementation Guidelines for the Policy on Self-Supporting Graduate Degree Programs* to be effective immediately. As the revised policy states, "Self-supporting programs allow the University to serve additional students above and beyond the resources provided by the state while fulfilling demonstrated higher education and workforce needs."

This policy revises and supersedes the 1996 *Policy on Self-Supporting Part-Time Graduate Professional Degree Programs*. It has undergone an extensive review by the administration and the Academic Senate at both the campus and the system levels.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark G. Yudof".

Mark G. Yudof
President

Enclosure

cc: Members, President's Cabinet
Academic Council Chair Anderson
Council of Vice Chancellors
Universitywide Policy Office

POLICY ON SELF-SUPPORTING GRADUATE DEGREE PROGRAMS

Self-supporting programs allow the University to serve additional students above and beyond the resources provided by the state while fulfilling demonstrated higher education and workforce needs. Currently, there are populations of working adults not served by UC state-supported programs who would be willing to enroll in self-supporting graduate degree programs. This policy is designed to facilitate the establishment of self-supporting programs by the University and its campuses while ensuring that these programs do not use state resources. These programs will receive no state-support; however, they have the potential to generate resources that would enhance the quality, access, and affordability of core academic programs and departments. For example, they could provide additional support for graduate students and students in state-supported programs.

I. General

- A. Self-supporting graduate degree programs should meet one or more of the following criteria, although meeting a single criterion is not necessarily sufficient justification for self-supporting status:
 1. primarily serve a non-traditional population, such as full-time employees, mid-career professionals, international students, and/or students supported by their employers;
 2. be offered through an alternative mode of delivery, such as online instruction or a hybrid model;
 3. be alternatively scheduled, such as during evenings, weekends, and summers; and/or
 4. be offered in an alternative location (e.g., off-campus centers).

- B. Such programs should not be undertaken if they strain the resources of the department that sponsors them or have an adverse effect on regular programs on campus. If the campus determines a graduate degree program should be offered on a self-supporting basis, such programs should be fully self-supporting upon inception or within a short phase-in period; “self-supporting” means that full program costs, including but not limited to faculty instructional costs, program support costs, student services costs, and overhead, should be covered by student tuition and fees or other non-state funds, including funds raised through private philanthropy. The sponsors of each proposed self-supporting program should submit a cost analysis and fiscal phase-in plan with their request for approval of proposed student tuition and fees as defined in the Implementation Guidelines.

- C. By expanding self-supporting programming that serves practitioners, the respective department may have access to additional field-based resources (working students, their employers, and field-based lecturers) that it might not otherwise be able to afford. Therefore, where appropriate, partnerships with the profession served are encouraged.

- D. Courses may be offered on-campus, at appropriate off-campus locations, or in a combination of on-campus and off-campus facilities. The programs may also use distance technologies (computer and video-based, e-mail, etc.) as appropriate. As provided by Academic Senate Regulation 694¹, courses to satisfy the requirements of such programs may be given, either in whole or in part, at off-campus sites.

¹ SR 694: *A school, department, or group of departments which offers a program leading to a Master’s degree under the jurisdiction of a Graduate Division, may, in cooperation with University Extension, provide at a center or centers other than a campus of the University, a program of graduate instruction designed to satisfy, in full or in part, the requirements for that degree. See <http://www.universityofcalifornia.edu/senate/manual/rpart3.html#r690>*

II. Programs Ineligible for Self-Supporting Status

Doctor of Philosophy (Ph.D.) programs are not eligible to become self-supporting programs. In addition, an academic Master's degree program solely or primarily leading to a Ph.D. degree is not eligible to be self-supporting.

III. Relationship to State-Supported On-Campus Programs

- A. Self-supporting graduate degree programs should be held to the same standards of quality as regular programs, as determined by the appropriate Graduate Council. Standards of admission and performance for any student, regardless of whether the program is a self-supporting or state-supported graduate degree program, should be demonstrably high. Just as in the case of state-supported graduate degree programs, the standards of admission and performance are governed by the Senate.
- B. Any self-supporting programs should be established by academic departments or units and staffed with faculty on the same basis as state-supported programs. Teaching faculty should be appointed through regular campus processes irrespective of academic series. Certain practice-oriented degree programs may warrant a higher proportion of non-regular faculty (e.g., clinical/adjunct faculty, lecturers, visitors), but that proportion must be in keeping with the standards of each campus' Graduate Council. Under no circumstances shall anyone teach in self-supporting programs whose appointment has not been subject to the appropriate academic review.
- C. The Dean of the school or college offering the self-supporting program is responsible for assuring that program publicity and marketing meet the highest standards of quality and accuracy, and the Dean is accountable to the Academic Vice Chancellor for such representations.
- D. Self-supporting graduate degree programs may be administered in cooperation with University Extension.² UC Extension's role is generally limited to assisting in activities that are part of the administration of the program (e.g., course enrollment, collecting tuition and fees, advertising, career services, and technical support) although UC Extension may provide more services when requested by the department. However, authority over courses, curriculum, and faculty appointment must be fully exercised by the academic unit responsible for the program.

IV. Initiation, Approval, and Review Procedures

- A. Departments, groups of departments, or schools offering graduate degree programs under the jurisdiction of a Graduate Division may propose self-supporting programs.
- B. Self-supporting programs should originate with an academic unit that is already authorized to conduct graduate work on the campus at the level that is at least equal to the level of the proposed graduate program.
- C. The establishment of any new self-supporting graduate program shall be approved by the campus Graduate Council, Divisional Senate, Systemwide Academic Senate, campus administrators, the Chancellor, and the UC President according to established procedures and requirements as specified in the Compendium of Universitywide Review Processes for Academic Programs, Academic Units, & Research Units.³

² SR 694. See footnote 1

³ *The UC Office of the President (UCOP) and the CCGA review proposals for all new graduate degree programs, including self-supporting and professional degree programs. Self-supporting graduate degree programs must adhere to the same UC academic standards as do other graduate degree programs* (Compendium, January 2011).

- D. Graduate Councils or other duly appointed campus review bodies appointed by the Academic Senate shall review such programs as part of regularly scheduled campus program reviews, on the same basis on which regular academic programs are reviewed. Once established, the self-supporting program will be under the purview of the divisional Graduate Division, if appropriate,⁴ to ensure adequate progress of students according to campus criteria.
- E. If approved, such programs shall be conducted in accordance with this Policy.
- F. Courses for self-supporting programs are subject to normal campus procedures for approval (i.e., approval by Committee on Courses [see Implementation Guidelines]).

V. Admission and Enrollment

- A. Admission standards for self-supporting programs should be comparable in effect to those for the state-supported programs. In many cases, there will be no comparable state-supported programs.
- B. Students must be admitted to a Graduate Division through the regular admissions process in order to enroll in any program established under this policy.
- C. Access to courses offered as part of these programs must be equally available to all qualified students. No preference in enrollment may be given to members of any non-University organization.
- D. Admissions criteria may specify some type or period of work experience in the field.

VI. Program Funding and Student Tuition and Fees

- A. Self-supporting programs will not be funded from State General Funds and reports of state-funded enrollments will exclude students in self-supporting programs. However, these enrollments will be reported to the Office of the President as a separate category which is not counted against the campus budgeted (state-funded) enrollment target. During the approved phase-in period, distribution of enrollment between state and non-state targets will conform to specifications of the phase-in plan.
- B. The President is responsible for reviewing and approving any proposed program tuition and fees for self-supporting graduate degree programs and subsequent increases or decreases. The President will report annually to The Regents on self-supporting graduate programs and their tuition and fee levels.
- C. Programs administered in cooperation with UC Extension shall follow all requirements of this policy, and tuition and fees must be set to cover all program costs as defined in I.B, above.
- D. Self-supporting program tuition and fees should be levied such that they will cover all program costs after a short phase-in period.
- E. Self-supporting program tuition and fees should be based on a full and accurate assessment of all program costs as defined in I.B. The proposed self-supporting program tuition and fees, its phase-in plan, and its justification shall be submitted with the proposal for the program to the President. When the self-supporting program tuition and fees have been fully implemented, no State General Funds (including student tuition and/or fee revenue from sources other than the program) will be provided to the program. Non-State funds can be used for a self-supporting program if a campus determines that it is necessary to meet a critical strategic need. If the program fails to reach self-support in line with its phase-in plan, state funds will be withdrawn

⁴ Some degrees in professional schools are under Graduate Council and CCGA jurisdiction.

from its support. Self-supporting programs will be periodically reviewed by campus and/or systemwide audit to assure compliance to policy.

- F. University employees enrolled in self-supporting degree programs are not eligible for reduced course tuition and fees. However, this provision does not preclude the option of the employee's department subsidizing a portion of the tuition and fees.
- G. Program deficits including any deficits during the phase-in period, will be covered by the campuses; state funds cannot be used to cover any deficit. Campuses are encouraged to identify in advance one fund source to be used to cover deficits.
- H. State-supported and self-supporting programs must separately account for their use of resources. Campuses shall not charge a "blended" tuition and fee level for any course or program (i.e., a program tuition and fee level that combines state-supported and self-supported students). However, self-supporting and state-supported students can be enrolled in the same courses so long as there is separate accounting for the self-supporting and state-supplied costs.
- I. Self-supporting programs must have an articulated financial accessibility goal for their students and a student financial support plan for achieving their goal. Examples of possible student financial support plan components include providing scholarships or grants from the program's own resources (e.g., return-to-aid from program tuition and fees assessed but not from state funds or tuition and/or fees charged to students in state-supported programs, or funds raised through private philanthropy), providing tuition and fee waivers, participation in federal and/or private loan programs, and participation in other external support programs such as veterans benefits. Self-supporting programs are responsible for meeting the administrative requirements and costs of financial aid program participation.

REVISION HISTORY

This policy supersedes the Presidential policy of the same name dated June 24, 1996 and any guidance issued by the Budget Office prior to the issuance date of this revision.

Implementation Guidelines for the Policy on Self-Supporting Graduate Degree Programs

Program Approval

For new self-supporting graduate degree programs, campuses should obtain required program approvals. The establishment of any new self-supporting graduate program shall be approved by the campus Graduate Council, Divisional Senate, Systemwide Academic Senate, campus administrators, the Chancellor, and the UC President according to established procedures and requirements as specified in the *Compendium of Universitywide Review Processes for Academic Programs, Academic Units, & Research Units*.

Cost Analysis and Tuition & Fee Approval Request

All programs must submit an annual cost analysis to Budget and Capital Resources. This analysis includes an estimate of average costs for the campus and school in addition to direct program costs. Program costs include the direct costs of staff and faculty salaries and benefits, supplies and equipment, and financial aid. Campus and school costs are the indirect costs for items such as instruction, research, public services, academic and administrative support, and operation and maintenance of the plant.

Programs are expected to demonstrate that student tuition and fees cover full direct and indirect costs, and, to the extent that program tuition and fee revenue is insufficient to cover these costs, that only non-State fund sources (excluding student tuition and/or fee revenue from sources other than the program) are used to subsidize the program.

In addition to the cost analysis, campuses must submit a program tuition and fees approval request letter to the Vice President – Budget and Capital Resources for all of their proposed self-supporting programs. Campuses must provide requested program tuition and fee levels and the percentage tuition and fee increases for each program, as well as provide information about upcoming new programs and programs operated by University Extension.

Newly proposed self-supporting programs submit the same cost analysis to Budget and Capital Resources. Programs are expected to become fully self-supporting within three years, though campuses may continue to subsidize programs with non-State funds (excluding student tuition and/or fee revenue from sources other than the program) at their discretion. Program deficits including any deficits during the phase-in period, will be covered by the campuses; state funds cannot be used to cover any deficit. Campuses are encouraged to identify in advance one fund source to be used to cover deficits.

Faculty FTE

All faculty must be funded directly from the revenue of self-supporting programs in proportion to the faculty member's workload commitment to the program, or the program must reimburse an amount equivalent to the cost of faculty time. This includes the involvement of faculty from other departments. Alternatively, faculty can be paid for overload teaching within the 120% salary limitation that governs teaching in University Extension. Appropriate campus review committees should be vigilant to ensure that the overload option and 120% salary limitation are used appropriately.

Enrollments

Because enrollments in these programs are self-supported, they should not be included in counts of state-supported enrollment. Programs should be identified in the Corporate Student System by a separate major code and attribute flagging the enrollment as self-supporting.

Timeline

Campuses receive cost analysis templates for the next academic year in December, as well as the previous year's actual self-supporting enrollment numbers from the Corporate Student System. Campus financial statements, used in the preparation of the cost analysis, are posted online late in the month. Detailed instructions for the program tuition and fees approval request letter are also given at this time.

Templates and letters are due back to Budget and Capital Resources (BCR) by March 1. After review by BCR, templates and a summary of program tuition and fee requests are given to the President for approval, which usually happens by April. Campuses are then notified of approved program tuition and fee levels for the upcoming academic year. This information is also reported to The Regents annually.