

The California State Auditor released the following report today:

## California State University's Extended Education

*It Is Unclear Whether Supplanting Occurred, and Campuses Did Not Always Document Their Adherence to Laws, Policies, and Procedures*

### BACKGROUND

With 23 campuses located throughout California, the California State University (CSU) system provides higher education to students with funds partly from the State's General Fund and tuition payments from students. In addition to providing state-supported courses and programs, CSU campuses offer extended education courses and programs that must be self-supporting—students or third parties, such as employers, typically pay the full cost for these courses and programs. Extended education programs are designed and used to provide increased access to the educational resources of the system and to otherwise facilitate use of those resources. CSU campuses are prohibited from “supplanting” state-supported courses offered during the regular academic year with self-supported courses.

### KEY FINDINGS

During our review of extended education at the CSU, we noted the following:

- Although prohibited from doing so, we identified potential instances of “supplanting” at the three CSU campuses we visited.
  - ✓ Because state law does not define “supplanting,” we could not determine the extent to which the three campuses we reviewed supplanted courses.
  - ✓ We did note instances in which the campuses offered a course that was necessary for degree completion only as a self-supported course, not as a state-supported course, which, according to CSU, meets its narrow interpretation of supplanting.
  - ✓ The number of potential instances of supplanting at these three campuses was as low as 26 using CSU's narrower interpretation of “supplanting” or as high as 914 under the broader, plain meaning interpretation of supplant—“to replace.”
- Contrary to CSU's policy, the three campuses we examined did not always prepare or consider statements of revenues and expenditures when setting fees for the extended education programs we reviewed and two of the three campuses raised fees using unjustified methodologies.
- The three campuses we reviewed generally collected more for extended education than they spent. In fact, two of the three campuses violated CSU's policy because the amount they had in reserve exceeded six months of annual operating expenses, as required.
- Two of the three campuses we reviewed did not notify the CSU's Office of the Chancellor (Chancellor's Office) when they converted state-supported degree programs to extended education programs and had weaknesses in how they selected or appointed the extended education faculty.
  - ✓ CSU Long Beach did not have procedures for verifying extended education faculty credentials.
  - ✓ CSU Sacramento lacked evidence that it used an applicant pool to select certain faculty who teach extended education courses.

### KEY RECOMMENDATIONS

We recommended that the Legislature define “supplant” so that all CSU campuses have clear direction. Further, we made numerous recommendations to the Chancellor's Office, including that it work with the Legislature in clarifying certain language regarding supplanting in the Education Code and that it monitor and ensure that campuses set fees in accordance with policies and laws. Moreover, we made several recommendations to each of the three campuses we reviewed including specific actions to strengthen their oversight of certain payments to ensure they are in accordance with policies and laws.

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