

University of California Extension, Santa Cruz

Long Range Plan 2002 – 2012

December 2001

Background

The mission of the University of California Extension, Santa Cruz, is to provide a wide range of high-quality continuing education programs for professional development and personal growth. Through the classes and services UCSC Extension offers, the campus maintains a direct connection with the people, businesses, and communities in its service area and helps meet its educational, economic, and social needs. In this way, Extension plays a major role in the fulfillment of the campus public service mission.

Origins. Each UC campus operates an Extension program, though each program varies somewhat according to the unique needs of the communities surrounding that campus. University of California Extension originated in the late 1800s when a small group of teachers from UC Berkeley sought out classes to continue their professional development. UC Berkeley began to provide this specialized continuing education at an off campus site. The concept of lifelong learning for all adults evolved from these early experiences and soon the UC Regents mandated that an Extension program for continuing education be established at each campus. Extension has been considered an important function of the University of California since its earliest days. In fact, UC Extension began offering classes in the Los Angeles area prior to the opening of the UCLA campus. UCSC Extension officially began offering courses in 1966 in the geographic service area including Santa Cruz, Santa Clara, Monterey and San Benito counties.

Funding. All nine UC Extensions in the state are self-supporting, nonprofit organizations that receive no state funding of any kind. UCSC Extension receives the majority of its revenue from course fees paid by individuals, many of whom are reimbursed by their employers. Remaining revenue comes from contracts for training services within corporations and governmental agencies. From its course fee revenue, UCSC Extension pays for all of its expenses, including salaries and benefits, facilities leases, telephone and IT network, marketing expenses, and all direct course-related expenses. The organization also pays an assessment to the campus for the business and administrative services it uses, including accounting, payroll, human resources, purchasing, and so forth.

Academics. As a whole, UC Extension has always emphasized academic quality and rigor, setting the organization apart from many other continuing education providers. UC policy allows Extension classes to carry academic credit if the curriculum and instructor are reviewed and approved by UC campus faculty. Such courses are similar to courses offered on campus in that they require class assignments, texts, and grades.

Students have been successful in petitioning to have UC Extension classes apply toward degrees at a wide range of universities and colleges. UC Extensions also offer certificate programs that are approved by their home campuses.

The majority of instructors who teach UC Extension classes hold master's degrees and many have doctorate-level or other terminal degrees. All have extensive professional work experience in their field and have excellent teaching skills. A number of Extension instructors also serve as adjunct campus faculty at UC or other universities or colleges. Each class and instructor is evaluated regularly. Although UCSC Extension offers some non-credit courses for enjoyment and personal enrichment, 85% percent of the courses offered by UCSC Extension are approved for credit by departments on the UCSC campus. This gives UCSC Extension the highest percentage of credit-bearing courses of all UC Extensions in the state—a measure of its attention to academic quality and rigor.

Scope. Statewide, UC Extensions record over 500,000 enrollments each year in their continuing education programs. Measured by annual enrollments, UCSC Extension is ranked the third largest Extension in the state following UCLA Extension and UC Berkeley Extension. The organization currently emphasizes continuing education for college-educated working professionals in Silicon Valley. Academic programs include teacher training, information technology, business management, art, humanities, and sciences with new emphasis on the growing biotech industry. The appendix to this document contains data on enrollments, staffing, and facilities, as well as student demographics.

Previous Organizational Goals

UCSC Extension has not engaged in formal long range planning in the past. However, the goals of the organization over the past ten years appear to have been achieving high academic quality, growing programs in Silicon Valley, and breaking even financially each year. The previous section addressed achievements for the organization in the area of academic quality, measured by the high percentage of classes approved by UC faculty for academic credit.

UCSC Extension was also successful in achieving enrollment growth. Enrollment grew slowly and continually during its first 20 years of operation. In 1988 UCSC Extension opened its first classroom facility in Santa Clara County and began offering courses in the emerging high tech field. This fostered a rapid growth spurt for Extension establishing it as the largest provider of high tech continuing education in Silicon Valley during the 1990s. The following chart summarizes this growth:

Course and Enrollment Growth

1968-1969

220 courses/year offered

7,410 enrollments/year *

1988-1989

757 courses/year offered

18,640 enrollments/year

2000-2001

3,043 courses/year offered

54,884 enrollments/year

**NOTE: UCSC Extension measures individual enrollments, and not students, as there is no set number of courses any student takes each year. The 2000-2001 figure represents 30,000 +/- individual students.*

The goal of breaking even financially each year was also achieved according to UCSC Extension financial records. However, the organization did not establish or maintain an operating reserve during its rapid growth phase. Financial reserves are needed to allow self-supporting organizations to fund program research and development and to upgrade capital equipment and facilities as well as to provide a cushion during economic downturns.

UCSC Extension must rethink its operations in light of the current economic environment while planning for the next ten years. Even though a market-driven organization cannot realistically plan for a certain number of classes, a certain number of students, or a certain level of revenue, UCSC Extension can and must plan to achieve several general organizational goals. Creating an organizational structure and internal processes that allow for relatively rapid flexibility and change will be critical as UCSC Extension moves through the next 10 years.

Current Long Range Organizational Goals, 2002-2012

Our current stated overarching vision for the organization is to create a world-class, student-centered, continuing education organization that endures. “World-class” addresses the issue of academic quality, the need to maintain a strong and positive image in the community, and the potential of expanding beyond our immediate region. “Student-centered” emphasizes responsiveness and service to the populations we serve leading to long term relationships. “Organization that endures” stresses the need for financial stability and sustainability over time. We also have an internal organizational slogan of “1 Team Extension.” This slogan reinforces to staff the need to work together as a unified organization. To operationalize our general vision and to make the “1 Team Extension” slogan more than words, UCSC Extension will focus on the following specific goals over the next ten years:

- **Maintain high quality academic programs**

UCSC Extension will continue to emphasize the quality, including both responsiveness to student needs and academic rigor, in the classes and programs it offers. UCSC Extension will continue to achieve approval from campus faculty to offer classes for academic credit for a high percentage of its classes. In addition to campus approvals, Extension will continue to comply with other accrediting bodies, for example, the Commission on Teacher Credentialing, the Board of Behavioral Sciences, and the Certified Financial Planner Board of Standards.

- **Invest in a more systematic and informative program research effort**

UCSC Extension will invest in quality research to assess the educational and workforce needs of the communities it serves, the educational outcomes of Extension programs, the effectiveness of its marketing messages, pricing strategies, and social and economic trends. Most data gathering currently occurs at the departmental level. This goal is not meant to replace the highly specialized data gathering activities within Extension departments. However, there is a need to coordinate these efforts, to improve the quality of the data obtained beyond anecdotal information, and to generate an organization-wide research effort.

- **Achieve greater diversification of program formats**

Currently, most UCSC Extension courses are offered in a 10-week evening format at one of the five Extension facilities. This is a very traditional format and may not meet the current needs of community members. In addition, the traditional 10-week evening class does not make maximum use of our classroom facilities. In the future, UCSC Extension will need to develop greater diversity in program format, including: short courses; intensive immersion experiences (e.g., week-long “institutes”), distance education; and collaborative delivery of UCSC campus professional masters degree programs to serve working adults.

This strategy would allow us to “reformat” existing classes and expand class offerings with minimal development costs. By leveraging distance learning technology, we may be able to reduce our reliance on expensive leased facilities. Delivering degree programs on behalf of campus would allow us to greatly enhance our programs and would increase our status as a quality continuing education provider.

- **Achieve greater diversification of markets**

The current market for UCSC Extension courses is the four county service area mandated by the UC Regents (Monterey, San Benito, Santa Clara, and Santa Cruz) and that will continue to be our emphasis. To achieve financial sustainability, UCSC Extension must reach beyond the current service boundaries, where appropriate, to offer existing courses as well as identify new markets. This strategy would allow for greater flexibility if one market segment experiences a decline.

Our international program is currently the smallest in the state and emphasizes English language instruction. UCSC Extension should build on this base by offering a wider range of educational opportunities to a wider variety of international clients.

Many of the programs offered by UCSC Extension are unique and would be of interest to a broader regional or even a national market. We will identify programs of regional and national interest and will invest in the development and marketing of these programs. Using distance learning technology to deliver classes would also allow UCSC Extension to expand its reach beyond the immediate region.

- **Achieve greater diversification of revenue stream**

UCSC Extension must reduce its over-reliance on programs offered directly to individual students. At present, over 90% of revenue is derived from such programs, either paid for directly by students or paid by students who are later reimbursed by their employers. This revenue stream is extremely vulnerable to fluctuations in the economy as has been dramatically illustrated during the Silicon Valley downturn beginning in Spring 2001.

Specific strategies to diversify our revenue stream include: increasing corporate training activity locally, nationally, and internationally; developing a corporate underwriting program of specific activities; developing a strong and reliable contract and grant revenue stream; and becoming a contractor for certain services for the UCSC campus.

- **Establish and maintain appropriate reserves**

As a self-supporting organization that is affected by community market factors, UCSC Extension must establish and maintain appropriate financial reserves. Such reserves serve as a “cushion” during tough times and also provide for necessary capital improvements. Reserve funds are often necessary for the development and initial launch of major new programs. New, innovative programs that are timely for the needs of the community are essential for UCSC Extension’ survival, but research to identify needs and dollars to support program development are essential.

Over the next five years (2002-2006), UCSC Extension must establish and maintain an operating reserve of approximately 10% of annual revenue (the continuing education industry standard). Over the subsequent five years (2007-2011), UCSC Extension must establish and maintain a capital improvements reserve of 5% of annual revenue and a programmatic research and development reserve of at least \$100,000.

- **Improve internal financial accountability**

To meet the above goal of establishing and maintaining appropriate reserves, UCSC Extension must improve its internal financial accountability. Specific objectives in this include: developing pricing policies that cover the full cost of programs, including overhead and a contribution toward the reserve; carefully assessing the level of internal

financial cross-subsidization of programs; and establishing a fair and equitable internal financial goals and measurements and adhering to them.

- **Improve internal efficiency**

During its rapid growth during the 1990s, there was no time to strategically plan Extension's organizational structure or processes. As a result, a number of inefficient, redundant processes have evolved and have become institutionalized. For example, Extension's internal information system does not meet current needs for an organization of Extension's size and complexity.

To meet the objective of improving internal efficiency, UCSC Extension must conduct an ongoing review of current internal processes and organizational structure seeking maximum flexibility. We must reduce redundancy and increase standardization of processes. We must develop a new departmental organizational structure that will allow us to adapt to changing program needs as some revenue sources dry up and other new revenue sources are identified. We must improve our basic information system (student and class database) and eliminate inefficient and duplicative subordinate databases (so-called "shadow systems"). We must develop a process for maximizing our use of classroom space, reducing our reliance on expensive long-term leases.

- **Develop strategic alliances**

Increasingly, large dynamic organizations must form strategic alliances with other organizations to survive and thrive. UCSC Extension could be considered an attractive partner for many other organizations. In the next ten years, UCSC Extension will form beneficial partnerships where appropriate. We must strengthen our community relations program by increasing active participation in key local organizations. We will form an Extension Advisory Committee composed of local community leaders from a variety of sectors. We must maintain closer ties with UCSC Extension alumni.

UCSC Extension is currently exploring a formal alliance with Career Action Center, a career development and counseling service in Silicon Valley. We should attempt to identify other organizations that provide synergy with the core mission of UCSC Extension. We should develop a closer alliance with other university-based continuing education programs in our region and perhaps share classroom and lab space with these organizations. We should establish formal articulation agreements with a variety of institutions so that UCSC Extension classes are accepted for credit toward degree programs. We should continue to pursue other appropriate alliances like those in place with Amazon.com and CitiBank.

- **Create a culture of continuous improvement for academic, management, and support staff**

To achieve our organizational goals, we must support the people who comprise UCSC Extension. We will develop a culture of continuous improvement through clear articulation and reinforcement of goals, individual performance objectives, opportunities for input into major organizational initiatives, adequate intra-organizational

communication, sufficient training opportunities, and appropriate reward systems. To succeed, we will need to balance innovation and creativity, controls and efficiencies, and daily operations. We will need to move forward toward our goals as one united organization.

- **Conduct scholarly research in adult continuing education and continue to enhance national reputation of UCSC Extension**

UCSC Extension is considered a leader in the field of adult continuing education within the UC system, the State of California and, increasingly, on the national level. We should continue to gain recognition for the organization within appropriate national venues. UCSC Extension should also seek to become active in continuing education as a scholarly discipline. To do this, we will seek funding sources to support research. We may also collaborate with campus faculty and other continuing education organizations on research projects.

- **Significantly increase collaborations with UCSC campus**

Even though UCSC Extension currently has some longstanding partnerships with campus in place, the degree of integration with campus can and should be significantly strengthened. UCSC Extension has expertise in a number of areas that could provide value to the campus at a reasonable cost. In an era of diminishing resources when campus units will be looking for ways to outsource certain activities, Extension may provide an ideal partner. From Extension's perspective, long term contracts with campus would help the organization diversify its revenue stream.

Because of its self-supporting status, UCSC Extension is not in a position to provide free or below-cost services to the campus. However, because the organization strives to be efficient and cost-effective, UCSC Extension could most likely provide valuable and needed services to the campus at a competitive rate. Collaboration with Extension may free up campus staff to focus on support of core campus academic programs. Collaboration with Extension may also allow the campus to expand its programs and services using minimal campus resources. Of course, collaborations between the UCSC campus and UCSC Extension on academic programs will follow the appropriate campus consultation and/or review process prior to implementation.

Many positive collaborations already exist between other UC Extensions and their campuses. The following list describes some of these programs that may be applicable to UCSC.

- Provide English language instruction (basic conversation and fluency, writing, English for specific purposes and pre-academic orientations, among others) to international graduate students, and Education Abroad Program (EAP) students as well as lecturers and postdoctoral fellows through the Extension English language program. (UCR and UCI model)

- Serve as principal training contractor for all campus staff employees, including offering “achievement awards” for a variety of course sequences customized to campus staffing needs. (UCI and UCR models)
- Encourage academic units to develop master degree programs for working professionals that would be delivered through Extension. (UCD, UCI, UCSD; some in progress at UCSC)
- Provide remedial instruction to entering freshman who do not pass the “Subject A” writing requirement *and* who are identified as ESL students through the Extension English language program. (UCR model)
- With campus admissions office, develop a program to admit additional freshmen (beyond enrollment limit) to UCSC Extension fall quarter who would become matriculated UCSC students the following term as spaces open up due to attrition (similar to “Fall Freshman” program at UCB and “Winter Bruins” program at UCLA).
- Work to implement a holistic academic program review/approval process for UCSC Extension academic departments and programs replacing the existing course-by-course and instructor-by-instructor process for credit-bearing programs. (UCB model)

Other possibilities for campus/Extension collaborations:

- Campus could contract with UCSC Extension to handle registration and cashiering for large campus fee-based events (e.g., our current arrangement with UCCP's Advanced Placement Teacher Summer Institute).
- Assuming the campus will centralize its distance learning support infrastructure, UCSC Extension could serve as the contractor for campus distance learning initiatives (e.g., instructional design services and transfer of materials to a distance learning format).
- Rent space to campus for delivering UCSC summer session classes in Silicon Valley (prior to the development of the campus Silicon Valley Center).
- Develop a major Extension site at the Silicon Valley Center, whereby campus and Extension programs would be specifically designed to complement each other. (For example, students might earn a certificate in Accounting or Financial Planning through UCSC Extension coordinated with earning a degree in Business Economics from campus.)
- Provide customized career counseling services through the Career Action Center for UCSC graduate students and faculty spouses on fee-for-service basis.
- Serve as a centralized clearinghouse for internships in Silicon Valley companies.

- UCSC Extension could contract with the campus to provide Extension's data center services and basic server administration.

Conclusions

UCSC Extension stands at an important point in its history. The rapid growth spurt the organization enjoyed during the 1990s was based primarily on the concurrent growth of the Silicon Valley high tech industry. This growth has ended with the bursting of the "dot com bubble" and the general downturn in the economy. It is now clear that Extension's financial goal of "breaking even" did not allow for necessary capital improvements, new program development, or flexibility during economic downturns. Further, with the strong focus on external growth, there was less interaction and collaboration with the campus that could have benefited both entities.

UCSC Extension must continue to meet the need for quality career development courses, but this traditional lifelong learning model alone will not be sufficient to sustain the organization over the next ten years. Many changes will be necessary to create and sustain a world-class, student-centered continuing education organization that endures.

Lifelong learning needs to be defined in a broader way for UCSC Extension to be effective. UCSC Extension needs to be more focus on helping communities, employers, and institutions as well as individuals learn how to change and adapt and grow. UCSC Extension will need to be able to articulate the overall social value of its programs in order to secure funding and underwriting to support new initiatives.

Developing new programs and services--whether they are in emerging industry clusters like biotech or to meet the needs of changing demographics of baby boomers--will be essential to the success of the organization. New strategic alliances need to be developed, including everything from communicating more effectively with students and UCSC Extension alumni to participating more actively in the community and to working with funding agencies. The focus of the organization will need to be on what individuals, corporations, and institutions want and need for the economy, not on what UCSC Extension feels it should provide. More than ever before, UCSC Extension will need to identify new clients and listen carefully to their wants and needs. Increasing strategic collaborations with the UCSC campus will be essential to helping achieve many of the important goals for UCSC Extension and can also help the campus achieve its goals.

These changes and expansion into new areas must take place in an environment of increased efficiency and willingness to adapt. Financial reserves must be built to support new programs; organizational structures must be fluid to be at top efficiency at all times; and changes must be embraced and welcomed by staff and instructors. The new UCSC Extension can indeed become a world-class, student-centered continuing education organization that endures, but this will require extensive work on the part of everyone.

Appendix

The Current Context – UCSC Extension Today

UCSC Extension students are among the most highly educated and most affluent residents of the four counties served. Nearly 80% of UCSC Extension students hold a bachelor's degree or higher and over 80% list their occupation as professional or managerial. Educational level of students is often related to the program they are pursuing. For example, in the Certificate in Bioinformatics, 40% of the students have a PhD. Over 50% of the students have household incomes over \$100,000 per year.

Most students indicate they are not currently seeking a degree program, but indicate they might wish to do so in the future. Seventy two percent of students say they take courses for career advancement, while 28% take courses for personal interest. In almost all cases, UCSC Extension students have a choice to take the courses they want from competing institutions. Surveys indicate they choose UCSC Extension because of quality and appropriateness of courses offered and because of convenient locations and ease of enrollment.

It must also be noted that each quarter approximately 50% of UCSC Extension students are “repeaters” taking their second, third, or tenth course, while the other 50% are “new students” taking their first course. Based on these statistics, UCSC Extension is a very market driven organization whose success is measured by its ability to offer the right course content at the right location in the right format at the right time and the right price. Marketing is an integral and essential part of the business to communicate the courses that are offered each quarter to current and potential students turning them in to revenue producing enrollments.

- Current statistics for 2000-2001
 - Revenue \$21,780,000
 - Student enrollments 54,884
 - Courses offered 3,043
 - Degree credit courses (0-299) 67
 - Professional credit courses (300-499) 2,522
 - Non-credit courses (800 series) 454
 - F.T.E. employees 133
 - Academic F.T.E. 14
 - Staff F.T.E. 106
 - General Assistance 13

- Current student demographics for 2000-2001
 - Education
 - High School/Some College 18%
 - Four Year College Degree 34%
 - Attended Graduate School 16%
 - Masters Degree 27%
 - Doctorate Degree 5%

- Occupation
 - Professional 68%
 - Managerial 14%
 - Other 8%

- Gender
 - Male 40%
 - Female 58%

- Age
 - Under 30 17%
 - 30 – 39 33%
 - 40 – 49 27%
 - 50 – 59 17%
 - Over 60 4%

- Locations/Facilities

- 143,000 square feet of leased space at these facilities
- 65 classrooms
- 16 computer labs
- UCSCX has classroom facilities located at:
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10420 Bubb Road
Cupertino 95014

1180 Bordeaux Drive
Sunnyvale 94089

1101 Pacific Avenue
Santa Cruz 95060

3120 De la Cruz Blvd
Santa Clara 95054

3180 Imjin Road
Marina 93933