Challenges for Public Higher Education in an Era of Globalization
The UC Berkeley Perspective
# How Do We Rank? What Do We Cost?

<table>
<thead>
<tr>
<th>Rank</th>
<th>University</th>
<th>Ranking*</th>
<th>Undergraduate Fees and Tuition**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Harvard</td>
<td>1</td>
<td>$39,851</td>
</tr>
<tr>
<td>2</td>
<td>Stanford</td>
<td>2</td>
<td>$40,926</td>
</tr>
<tr>
<td>3</td>
<td>Berkeley</td>
<td>3</td>
<td>$12,834</td>
</tr>
<tr>
<td>4</td>
<td>MIT</td>
<td>4</td>
<td>$40,732</td>
</tr>
<tr>
<td>5</td>
<td>Cambridge</td>
<td>5</td>
<td>$12,528***</td>
</tr>
</tbody>
</table>

*Shanghai Jiao Tong University Rankings  **2011-12  ***2013-14
82% of undergraduates graduate from Berkeley in 4.5 years. Berkeley educates almost as many Pell Grant recipients as all 8 Ivy League universities combined.
Berkeley is Committed to Making Higher Education Affordable

<table>
<thead>
<tr>
<th></th>
<th>Average Cumulative Debt</th>
<th>% Borrowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkeley</td>
<td>$17,116</td>
<td>47%</td>
</tr>
<tr>
<td>National 4-Year Public Universities</td>
<td>$23,800</td>
<td>57%</td>
</tr>
<tr>
<td>National 4-Year Total*</td>
<td>$26,600</td>
<td>66%</td>
</tr>
</tbody>
</table>

UC Berkeley Receives Record Number of Applications for Fall [2014]

Increased 72% since 2006

Source: UC Berkeley Office of Admissions. Note: Includes undergraduate transfer applications
Californians with a college degree earn $1,340,000 more in their lifetime than those without one.

For every $1 California invests in higher education, the state receives a net return on investment of $4.50.

At Berkeley, the Financial Model Has Changed Dramatically

- **Student Fees**
  - 34% in 2002-03
  - 13% in 2012-13

- **Philanthropy & Return on Endowment**
  - 20% in 2002-03
  - 40% in 2012-13

- **Research**
  - 40% in 2002-03
  - 47% in 2012-13
The Traditional Financial Model is Under Stress

State Appropriations as Percent of Total Revenue Indexed to 2002
Excludes investment income

- Illinois*
- Michigan*
- Texas
- UC Berkeley
- Virginia*
- Wisconsin*

*Includes medical school
Berkeley’s Private Peers Also Faced Financial Pressure

Income (loss) from core activities

*Data based on FY13. Only operating revenues and expenses included
So How Do We ...

Access  Costs  Excellence  Global Impact
Berkeley’s Online Education Story

Photos: Elena Zhukova
Online Education Covers a Spectrum

Open Access

Individual Credit Courses & Certificate Programs

Blended Courses

Degree Programs

Here’s to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes. The ones who see things differently. They’re not fond of rules. And they have no respect for the status quo. You can praise them, disagree with them, quote them, disbelieve them, glorify or vilify them. About the only thing you can’t do is ignore them. Because they change things.

Take Care,
John Appleseed
We Created the Berkeley Resource Center for Online Education
berkeleyX (MOOCs)
webcast.berkeley.edu

MOOCs cost **$50,000-$100,000+** to create

More than **500,000** enrollments

- Public Good / Access
- Enhance On-Campus Academic Experience
- Research What Works
“You say it’s a **free country** and I can draw any line I want. That’s **new** to me.”
Summer Sessions
University Extension
Executive Education
UC Online Education

- Throughput
- Productivity
- Flexibility
- Enhance On-Campus Academic Experience
- Extend Campus Community
- Revenue

Educated more than 80,000 students online since 2004
Offer more than 170 options at low cost
Dollar Auction
SPOCs based on high-enrollment MOOCs allow the **world** to help instructors increase the **quality** of on-campus courses.
Berkeley’s SPOC Campus Experience

Blended Introducted

Fall 09  Fall 10  Spring 12  Fall 12

Course Rating
Instructor Rating
Enrollment

45  5.8  6.1  115  165
6  6.6  6.4

4.5  5  5.5  6  7

4  200
0
Masters of Advanced Study in Integrated Circuits
Masters of Information and Data Sciences
Masters of Public Health
More in Development

• Access
• Application-Based Learning
• Collaboration
• Convenience
• Extends Campus Community
• Revenue

Offers the Berkeley experience to community-committed leaders
“[The classes] are all so relevant... The entire experience is woven through my work.”
What the Future Looks Like

- Sustainable Financial Model
- Greater Global Impact
- Continued Experimentation
- Unbundling
- Customization
Education is not the learning of facts, but the training of the mind to think.

— Albert Einstein