

The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY

January 16, 2002

The Committee on Educational Policy met on the above date at Covell Commons, Los Angeles campus.

Members present: Regents Atkinson, Bagley, Connerly, Davies, T. Davis, O. Johnson, S. Johnson, Lansing, Marcus, Montoya, and Sayles; Advisory members Ligot-Gordon, Sainick, and Terrazas

In attendance: Regents Hopkinson, Kozberg, Lee, Moores, Morrison, Preuss, and Seymour, Faculty Representatives Binion and Viswanathan, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice President Mullinix, Vice Presidents Broome, Doby, Drake, Gomes, and Hershman, Chancellors Berdahl, Bishop, Carnesale, Cicerone, Dynes, Greenwood, Orbach, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Nietfeld

The meeting convened at 9:50 a.m. with Committee Chair Montoya presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of November 14, 2001 were approved.

2. **REPORT OF THE COMMISSION ON THE GROWTH AND SUPPORT OF GRADUATE EDUCATION**

It was recalled that in January 2001 Chairman Johnson and President Atkinson had appointed a Commission on the Growth and Support of Graduate Education. The commission has produced an action plan that will require the University to develop significantly expanded partnerships with federal agencies, the State government, industry, foundations, and individual donors over the next five years as well as to make internal changes. The intention had been to present the commission's report at the September 2001 meeting. That meeting, however, was cancelled.

Chairman Johnson observed that a knowledge-based economy gives countries and companies an advantage in the global marketplace. The drive for knowledge places heavy demands upon research universities such as the University of California, whose campuses are on the leading edge of producing business leaders, educated workers, and scientific advances that keep the economy growing. Graduate education continues to serve as the engine of innovation. While undergraduate enrollment at UC has doubled in the last thirty years, graduate enrollment has declined over the past decade. The goal has been set of adding 11,000 graduate students by the year 2010.

Provost King presented the report on behalf of the commission. He began by identifying the commission's purposes, which were the following:

- To clarify the problems associated with graduate growth and support;
- To generate strategies to solve these problems;
- To identify disciplines with the greatest resource gaps; and
- To develop strategies to fill those gaps.

Provost King explained that the commission had concentrated on all aspects of graduate and professional education except for the health sciences and health professions, which are being addressed in a separate study under the direction of Vice President Drake. Increased graduate enrollment is important for several reasons. People with advanced degrees work in diverse jobs, and graduate degrees have played an important role in creating California's past and present prosperity. One role of increased graduate education will be to prepare the new faculty for the various sectors of California higher education. Those institutions will need to hire approximately 40,000 faculty between now and 2010 to accommodate both enrollment growth and retirements.

The commission addressed the question of what measures are needed to reach the goal of increased graduate enrollment. A survey of graduate students admitted to UC for spring 2001 revealed that students are attracted by the academic programs and the reputation of the University of California. An overwhelming factor in enrollment, however, is the need to provide more financial assistance to these students. On average, the University of California offers \$1,400 less in financial support than the institutions with which it competes for these students. A second need was identified as housing, particularly for first-year graduate students. A final consideration is the need to strengthen the services that are offered to graduate students. Provost King reported that the commission had found that by 2010, \$215 million per year of additional funding would be needed to provide the financial support for 11,000 additional students. It is anticipated that \$50 million will come in the form of teaching assistantships funded by the State of California as part of the marginal-cost funding in support of enrollment growth. An additional \$75 million will be research assistantships provided by State, federal, and industrial contracts and grants. There will be fee-funded grants that will provide \$25 million in graduate student support.

The commission is recommending five initiatives to address the \$65 million shortfall. Together these initiatives form an integrated strategy to achieve the level of growth and support that is planned:

- Advocate that the federal government increase the annual level of fellowship stipends and add an additional 1,500 stipends nationwide for graduate students (\$22 million increase).
- Urge the State to create a program of repayable fellowships for doctoral students in California universities who, upon graduation, agree to teach in California higher education institutions (\$20 million).
- Ask the State to fund 1,000 incentive grants for students who have been awarded prestigious national fellowships to make UC more competitive in enrolling them (\$10 million).
- Develop a program of collaborative industry-University internships for graduate students, particularly at the master's degree level (\$8 million).
- Create a University of California graduate fellowships endowment to raise the funds necessary to provide \$5 million annually for first-year and dissertation-year fellowships, especially in underfunded disciplines, with a goal of a \$125 million endowment.

Provost King continued that a difficult issue addressed by the commission was that of nonresident tuition. While the University has a clear commitment to provide access to qualified undergraduate students from California, its graduate programs must attract the best minds in the country. Charging substantial nonresident tuition for undergraduates is good policy, but it does not serve the state well with respect to the graduate mission. The commission recommends that the University begin developing support for more favorable nonresident tuition levels for graduate students. The commission also considered the environment that the University provides its graduate students and found that graduate-student housing should be a priority.

In order to begin the implementation of the recommendations contained in the commission's report, President Atkinson has written to the chancellors and requested that they do the following:

- Include graduate education in their public statements;
- Encourage deans and department chairs to emphasize graduate student support in their requests to donors;
- Develop a campus plan to achieve the recommendations; and
- Assist the Office of the President with State and federal proposals.

Provost King concluded the presentation by commenting on the crucial role that graduate students play in ensuring the quality of the University and contributing to the economic success of the state.

Regent Preuss strongly supported the concept of lowering the barriers to high-quality graduate students that are presented by nonresident tuition.

Regent Hopkinson noted the importance of the commission's suggestion that the government consider a tax exemption for graduate student income.

In response to a question from Regent Lee, Assistant Vice President Smith reported that approximately 18 percent of the University's graduate students are international and 10 percent are domestic nonresidents.

Regent Marcus asked about steps to be taken to follow up on the commission's recommendations. Provost King noted that the commission had developed an implementation plan that is contained in its report. The graduate deans have taken upon themselves the efforts that relate to fostering a favorable climate for graduate students on the campuses. Other efforts are under way with respect to nonresident tuition and will be reported to the Board. The University's Office of Federal Governmental Relations in Washington, D.C. is working with other universities and associations on the recommendations that are not specific to UC. New state initiatives will be pursued as the economic situation permits. Regent Marcus asked that the Regents be provided with an annual progress report.

Regent Connerly observed that there seemed to be a consensus that some type of financial relief should be provided to graduate students, and he asked that the administration begin to re-examine the fees that the University charges its undergraduate students, with consideration being given to whether or not these fees should be raised.

In response to a question from Regent-designate Ligot-Gordon, Provost King recalled that traditionally support for professional students in fields that lead to high-income careers had been in the form of loans. The commission found a need for increased support for master's students, where much of the enrollment growth will occur. One opportunity for this support will be provided by collaboration with industry. He continued that differential fees had been adopted in recognition of life-time earning potential and were set to align with those of competing universities.

Regent T. Davis underscored the importance of pursuing a reduction in federal income tax on graduate student stipends. She believed that the University would make great progress if students were allowed to keep their fellowships rather than giving part of the money back to the federal government, which places a great burden on them.

Chancellor Vanderhoef observed that the University's financing mechanisms had a built-in bias against international graduate students, resulting in UC's having the lowest number of graduate students compared with its peer institutions. Other states and institutions are able to provide automatic tuition and fee waivers to out-of-state students. He acknowledged that the state's economy would not allow this matter to be addressed in any significant way at the present time.

Regent O. Johnson raised the issue of joint doctoral degrees with the California State University. Provost King pointed out that, in addition to the needs presented by the commission, students enrolled in joint degree programs must coordinate their work at two separate campuses. He reported that considerable progress had been made with regard to the joint Ed.D. program.

Regent-designate Terrazas asked whether the additional \$215 million would fund incidental costs that the campuses might incur, such as new faculty and office space. Provost King confirmed that the \$215 million would fund only graduate students. The other needs will put pressure on the campuses' capital and operating budgets.

Following up on the comments made by Chancellor Vanderhoef, Regent Connerly asked for comment on what actions would be needed to provide fee waivers to nonresident graduate students.

Vice President Hershman estimated that undergraduate fees would have to increase by more than 20 percent if nonresident tuition for graduate students were eliminated. Regent Connerly suggested that a formula could be devised that would indicate how much the fees could be raised and lowered respectively. President Atkinson stated that he would provide Regent Connerly with an analysis of the issue.

Chairman S. Johnson asked how other states were able to provide fee waivers. Provost King explained that typically states address the issue within the context of their budget process.

In response to a comment by Regent Marcus, Provost King reported that an internet-based survey had found that financial aid and housing were the two issues which caused students to choose not to enroll at UC. Assistant Vice President Smith offered to provide the Regents with a copy of the report on the results of this survey, which is in the process of being finalized.

Chancellor Orbach observed that, upon advancement to candidacy, nonresident graduate fees are reduced to one-quarter of the normal fee. This program is financed primarily by nonresident tuition paid by undergraduate students.

President Atkinson recalled that, throughout the 1980s, the State of California determined within each budget cycle which students to support, and this support was directed toward undergraduates. The University has been freed of that constraint over the past few years,

because it now has the ability to make the decision with respect to the ratio of undergraduate to graduate students who enroll. The President then invited Ms. Debbie Davis, representing the University of California Student Association, to address the Committee.

Ms. Davis believed that the commission's report was exceptional in the manner in which it had addressed the concerns that face the University's graduate students and in its creativity in proposing solutions. She shared some of the ways in which graduate students had already begun to enjoy improvements as a result of the commission's work. For example, at the Irvine campus graduate students will participate in the first on-line job fair. At the Riverside campus, negotiations are being completed regarding a research prize to be awarded by the Graduate Division in recognition of innovation in graduate student research. Ms. Davis recognized the new avenues for increased funding which are provided in the commission's report. Discourse will need to underscore the contributions of graduate education within the University and to the state. She recalled that many stereotypes had existed in the minds of legislators about graduate students which have been dispelled by representatives of the University. The commission's report addressed the environment for graduate students on the campuses. Ms. Davis suggested that these recommendations could have an impact equal to that of financial considerations on the University's ability to attract and retain students. The lack of basic resources in some departments makes it difficult for graduate students to accomplish their teaching and research tasks. The University loses graduate students every year due to the difficulties that they encounter. She spoke to the importance of international students to the graduate program, as well as the state's relationship with other countries around the world. International graduate students provide for the transfer of information from their home countries, while many remain in the United States and contribute to the economy. Ms. Davis reported that UCSA would host a series of legislative dinners on graduate education and was working with the Legislature on the refundable fellowship program. UCSA is also active on the national level with respect to tax reform.

[The Report of the Commission on the Growth and Support of Graduate Education and the booklet *Innovation and Prosperity at Risk* were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

The meeting adjourned at 10:48 a.m.

Attest:

Secretary