The Honorable Dede Alpert  
Chair, Joint Committee to Develop  
a Master Plan for Education  
State Capitol, Room 5050  
Sacramento, California 95814

Dear Senator Alpert:

I am writing to provide you with the University’s formal response to the draft Master Plan for Education released in May. On behalf of the University of California, I would like to express my gratitude for your and the Joint Committee’s willingness to take on this difficult task. I recognize the extraordinary difficulty you, members of the Joint Committee, and staff faced in sifting through the multiplicity of ideas presented over the past two years to create a draft Master Plan from those elements believed to be most promising.

This response reflects the input, and has the support, of the University of California Academic Senate. As I noted to you in April, senior University representatives, including faculty, administrators, and Regents, were active in the deliberations of the working groups and generally concurred with the direction of the working group reports. The University is generally supportive of the direction of the report. However, a number of new recommendations and accompanying text have since emerged in the draft Master Plan, some of which are of concern to the University. I will highlight the issues of greatest concern in this letter. Comprehensive comments, included in the attachment, provide UC positions and suggested amending language on all of our issues of concern.

UC supports the draft’s focus on improving access for K-12 students to rigorous academic preparation. We are very supportive of the draft’s focus on increasing rigor in the academic preparation of students in our public schools and on assuring that underserved students are given the opportunity and resources to succeed in a more rigorous curriculum. This focus on improving student achievement and broadening opportunity in the public schools is consistent with the University becoming a more active partner in K-12 educational improvement, a goal articulated in the UC statement on the Master Plan transmitted to you with my letter of May 8.

We believe that the University and the state must strike a balance between setting high standards and recognizing current inequities of educational opportunity in our schools. Over the past three
years, with the support of the Academic Senate, the University has undertaken a far-reaching series of admissions and outreach initiatives designed to address these challenges. Eligibility in the Local Context (ELC) guarantees that all students who rank in the top four percent of each high school class will be admitted to a campus of the University. Dual Admissions will extend the Master Plan promise of eligibility to all students who achieve in the top 12.5 percent of each high school class. Students in this program will be required to complete lower division work at a community college—an arrangement that supports the Master Plan goal of making transfer a more robust route to obtaining a baccalaureate degree. Comprehensive Review in admissions requires campuses to evaluate each student individually and in the context of the opportunities available and challenges faced. Our current re-examination of standardized testing policy seeks to link admissions tests students must take more closely to the recommended college preparatory curriculum.

These changes, along with our expanded outreach efforts, have allowed us to make steady progress in enrolling a diverse class of academically prepared students. This will assist not only students, but also schools, because it provides clear guidance on what the University expects college-bound students to have learned. Thus, we support the draft Master Plan’s affirmation of these directions in K-12 school improvement and linking the K-12 and the higher education systems.

UC strongly supports the reaffirmation of access, affordability, and quality in higher education. The draft reaffirms the state’s commitment to higher education access, affordability and quality. These and other central tenets of the original Master Plan have served the state well. As part of a larger K-university framework, they will continue to provide a foundation for success of California’s higher educational system.

Our major concerns with the draft Master Plan focus on recommendations in the following three areas. The attachment articulates these, and a number of other, concerns in additional detail and provides suggested amending language.

Access to a public college and university education should remain an entitlement.
Recommendation 13 states that UC and CSU should continue to select freshman students from among the top one-eighth and one-third of the high school graduating class, respectively. The University requests that you amend this language to reflect existing Master Plan for Higher Education policy that guarantees access to all students who apply from these eligibility pools.

While the language in the 1960 Master Plan stated that UC and CSU were to select from these pools, the state and the higher education segments have always interpreted this provision as an entitlement. It is the heart of what the California public understands as the Master Plan. That is, if a student works hard enough to be included in one of these eligibility pools, that student will be guaranteed a space somewhere in the respective system. Since 1960, even under severe budgetary constraints, UC and CSU have admitted and offered a place to every California high school student who applies on time and is eligible, and the California Community Colleges have offered places to all high school graduates and adults who wish to attend. This has been possible because, with very few exceptions, the state has committed to funding a place for all eligible
students every year since 1960. This guarantee of admission to the top one-third and one-eighth was a key recommendation agreed to in the 1989 Joint Committee Master Plan report.

**UC supports Recommendations 30.1 and 48, which would build a long-term approach for funding higher education based on the existing partnership model.** Recommendation 48 recommends that the state adopt polices to provide more stability for postsecondary finance and to dampen the “boom and bust” in funding for higher education. Recommendation 30.1 endorses building on the partnership approach in linking funding and accountability. UC supports these two recommendations. However, we strongly oppose the second paragraph of text in Recommendation 48 that suggests a mechanism for funding higher education by levels. We respectfully request it be deleted. Significantly, this issue was considered by the Postsecondary Finance and Facilities Work Group but was not included among the group’s recommendations to the Joint Committee.

UC strongly supports expanding on the partnership approach as a means of stabilizing higher education funding. The partnership is, in large part, the means by which the state has implemented the access guarantee at the center of the Master Plan. The state commits to funding UC and CSU’s core needs—competitive faculty and staff salaries, academic support, cost increases, facilities, libraries, and equipment. In turn, the institutions agree to take all eligible students and meet state accountability targets in a number of areas, including graduation rates, time-to-degree, transfer enrollments, and student/faculty ratios. We agree with the recommendation that the issue of “boom and bust” in higher education finance should be addressed by emphasizing one-time allocations above base partnership levels in good economic times so that core activities are not reduced in times of financial stress.

As part of this financing model, the state calculates how much funding the segments receive for each new student. The marginal cost approach was developed and agreed to by the Governor’s Office, the Department of Finance, the Legislative Analyst, UC, and CSU. While it does have some drawbacks (marginal cost is inadequate in times of rapid as opposed to marginal growth), it provides a clear and understandable mechanism for financing higher education tied to the Master Plan goal of access. Issues of variation among the segments related to mission, proportion of high-cost disciplines, proportion of courses at various educational levels, faculty salary levels, library, laboratory, and other academic support costs can all be accounted for in the calculation of the marginal cost. We believe a refinement of this model in the context of the partnership approach will work well to ensure that higher education is financed appropriately into the future.

UC opposes funding higher education by level rather than mission. On the other hand, the text in Recommendation 48 (second paragraph) discusses funding students by level — unbundling lower division instruction from upper division instruction, undergraduate instruction from graduate instruction, and, consequently, teaching from research. Such an approach would be extremely harmful to the University given the structure of the 1960 Master Plan for Higher Education. One of the major premises and reasons for the success of the 1960 Master Plan was its limitation on the number of more expensive research-based campuses in order to reduce costs so that the state could provide universal access to Californians seeking higher education. The differentiation of function to eliminate redundancy among systems allows California to focus its limited state resources on a smaller number of research-oriented campuses and to greatly expand the number
of CSU and community college campuses more focused on undergraduate education. In fact, it was understood that students at CSU and the community colleges were to have a more intimate freshman and sophomore experience—lower division class sizes were expected to be smaller and large lecture halls were discouraged in construction plans.

The University hires faculty to carry out all of our missions and to teach at all levels. The funding-by-level approach could cleave UC into two kinds of faculty—those funded to teach at the lower division and those exclusively focused on research and graduate education. UC hires faculty to carry out all of the University’s missions—from teaching undergraduates to scholarship and research at the frontiers of their discipline. Students at all levels benefit from engagement with this kind of faculty. Freshmen and sophomores have benefited from recent UC efforts to improve undergraduate education such as increasing the numbers of lower division seminars and undergraduate research opportunities.

Funding by level would not be fair unless we also examine: (1) disaggregating costs by discipline—the differences here are likely to be greater than by level, (2) measures of outcome and efficiency—UC costs per student may be greater but our cost per BA degree produced is almost certainly less given our time-to-degree and completion rates, (3) how to treat non-state funded activities such as UC Extension—UC Extension educates large numbers of Californians without receiving any state funds. Enormous administrative costs and arbitrary accounting judgments would also be entailed in a disaggregated approach.

The relevant question the state should ask is, has the current funding formula been successful? We think it has. By focusing on faculty and enrollments, it has allowed California to attract the best and brightest faculty and students at the same time as providing unprecedented access for all Californians who seek a higher education. The state benefits enormously from focusing its resources in the area of research and advanced graduate training. UC’s preeminence in these areas brings large amounts of federal research funding to the state and is a critical piece of California’s new economy.

**UC is heavily engaged in research responsive to California priorities, and research should not be artificially earmarked as applied or basic.** Recommendation 48.3 calls for earmarking a percentage of state-supported research for “applied research in areas of public priority.” We are concerned about this recommendation and are even more troubled by a passage on page 55 stating the Joint Committee has concerns about the Board of Regents’ “responsiveness” in providing data for long-range planning “as well as its resistance to engage in applied research responsive to State priorities.” We strongly object to this statement; we are not aware of it having been raised in the working groups and we believe it is without foundation. We request that this passage be deleted from page 55 and that Recommendation 48.3 be amended to eliminate the distinction between basic and applied research and recognize UC’s Master Plan role as the “primary state-supported academic agency for research.”

State research funds have always been allocated to research in areas of state priority. In fact, California has been much more successful that most states in both ensuring that research is conducted in areas of state priority and in leveraging state resources in order to secure federal research funding.
At the urging of the Legislature, California has already developed two mechanisms for ensuring that research of state priority is given adequate attention. One is the California Council on Science and Technology (CCST), a body that includes California higher education institutions, industry, and state government. The CCST was developed to identify ways that science and technology can be used to improve California's economy and quality of life, including the long-range research requirements for sustaining the state's economic development and competitiveness. In addition, UC created the California Policy Research Center in 1977 (as the California Policy Seminar), as a systemwide research and public service program charged with applying the extensive research expertise of the UC system to the analysis, development, and implementation of state policy and federal policy issues of statewide importance.

The University is continually engaged in conducting research in areas of public priority. Under my tenure as president, we have established task forces at the state’s request to address issues as diverse as flood response, sudden oak death syndrome, Pierce’s disease and the glassy-winged sharpshooter, exotic pests, and disposal of low-level radioactive waste. Both historically and currently, the largest portion of state general funds allocated to UC for research is for agricultural research, clearly a long-standing state priority. Other research priorities funded at UC by the state include areas as diverse and important to California as research on issues of educational access and equity, linguistic minority students, labor and employment, breast cancer, tobacco-related diseases, AIDS, health policy, toxics substances control, earthquake engineering, energy efficiency, air pollution, digital arts, transportation and bio-terrorism. One would be hard-pressed to find state-funded research programs at UC not applicable to state priorities.

UC’s research has been vital to California’s economic competitiveness in both traditional sectors (e.g., agriculture) and newly established industries such as in the semiconductor, software, and biotechnology industries in California. And in an attempt to keep California competitive economically, the governor and the legislature recently funded UC’s four California Institutes for Science and Innovation, all of which will focus on cutting-edge technology that has the potential to transform our society. The Institutes, by their very design, will conduct research that transcends any distinction between basic and applied research. In fact, that distinction has little relevance in today’s world in which advances in basic research are often translated into applications in very short order and, in turn, the requirements of the applications help shape priorities for additional basic research.

**Other recommendations.** There are a number of other recommendations that we support and also where we would like to see changes or further discussion. These are detailed in the enclosed document in the order they appear in the report. However, I will briefly highlight some of the key issues here [recommendation numbers are in brackets]:

- While we welcome the opportunity to participate in a process to improve and strengthen the functioning of the California Postsecondary Education Commission (CPEC), we are unsure whether or not higher education issues would be given adequate attention if CPEC were reconstituted as a planning agency for both K-12 and higher education. The University recognizes the dilemma here. Many issues affecting higher education are, indeed, issues of coordination with the K-12 system. At the same time, many important
issues CPEC has dealt with are really issues internal to higher education. We need to find a mechanism to do both – to ensure the proper coordination between K-12 and higher education, and also to adequately address issues of importance to higher education. [39]

• The recommendation to eliminate extra weight for honors and Advanced Placement (AP) courses might send the wrong message that students should not take the most challenging courses. Although UC faculty are reviewing this policy, a recommendation to eliminate it is premature and overly prescriptive for a state-level Master Plan. With comprehensive review, the University takes into account in admissions decisions the extent to which a student had the opportunity to take honors or AP courses. [13.1]
• We support the principle of valuing teaching in tenure review [11.1] and the idea of ensuring flexibility in how the systems deploy permanent and temporary faculty [10]. However, the recommendations in the report are too prescriptive for a state-level Master Plan.
• Assessment in higher education needs to reflect the different mission and culture of higher education. K-12 conceptions of content and performance standards and end-of-program exit exams are not necessarily appropriate in higher education. Similarly, the accountability language about monitoring quality and achievement across “common academic content areas” is probably unworkable given the large number of different degree programs in higher education. UC alone offers over 700 different degrees. [21, 22]
• We believe the state and the higher education segments should develop principles relating to the level of student fees and that such principles need to be linked to overall state support for the institutions and adequate financial aid for needy students. [49]

We look forward to working with you and your staff as the next draft of the Master Plan is developed. Because so many new higher education issues emerged that were not in the working group reports, we would respectfully request the opportunity to sit down and work through some of these issues in detail with your staff before the next draft is made public.

As always, we appreciate your consideration of our views.

Sincerely,

Richard C. Atkinson
President

Attachment

cc: Members of the Joint Committee