

## **The State-Wide Public Higher Education System in California**

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(The information and text of this paper have been taken from printed and electronic sources that are readily available to the general public. Many of these sources are cited throughout the paper. The author makes no claim for originality.)

**-- How the schools within the system work together – the type of networks that exist across both academic discipline and administrative offices --**

**-- What type of regulatory role the system plays for each school --**

**-- How funding transfers within the system of schools –**

### **California Master Plan for Higher Education<sup>1</sup>**

Any discussion of higher education in the state of California must be prefaced by a long-standing document, the Master Plan of Higher Education. In 1960, the Master Plan established a "social contract" that said that the state would provide a low-cost college education to any eligible student of the State of California.<sup>2</sup> One of the main components of the Plan was the organization of public higher education into three segments, each with different functions and admission pools. The Master Plan transformed a collection of uncoordinated and competing colleges and universities into a coherent system.

In a recent case study on State Structures for the Governance of Higher Education in California, Richard Richardson, summarized the Master Plan as follows:

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<sup>1</sup> [http://www.sen.ca.gov/ftp/sen/committee/joint/master\\_plan/\\_home/Historical](http://www.sen.ca.gov/ftp/sen/committee/joint/master_plan/_home/Historical)  
<http://www.ucop.edu/acadinit/mastplan/mp.htm>

"The plan represented a compact among citizens, the institutions, and state government. It promised the state an orderly system of higher education where institutions had clear missions and where planning in the public interest would determine the location of new facilities and services. For every qualified adult citizen, an undergraduate space would be available with the cost for instruction paid by the state. Public institutions were promised that the state would support a first-rate system of higher education with faculty, equipment, and facilities among the very best in the nation. Independent institutions were offered a state program of student financial aid. Over time, additional elements with fiscal implications became identified with the original Master Plan, including: faculty salaries at public institutions competitive with similar public and private institutions; special assistance for the disadvantaged, the under represented, and those with special needs; geographically convenient opportunities; and employee collective bargaining." <sup>3</sup>

The Master Plan is a document of supreme simplicity, clarity, and practicality. It is a comprehensive plan that has withstood the trials of forty years of dramatic changes in California and the world. The over-arching goal was ambitious:

"to provide access to higher education for every California citizen who could benefit from that education."

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<sup>3</sup> Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 2  
<http://www.policycenter.org/california/calif3.html>.

The key to the success of the Master Plan is the broad framework that divided the institutions into three interconnected segments, and encouraged each segment to create its own distinctive kind of program and excellence within its own particular set of responsibilities.<sup>4</sup> The differentiations of functions among the public postsecondary education segments are:

- The University of California is designated the State's primary academic research institution and is to provide undergraduate, graduate and professional education. UC is given exclusive jurisdiction in public higher education for doctoral degrees (with the exception that CSU can award joint doctorates) and for instruction in law, medicine, dentistry, and veterinary medicine (the original plan included architecture).<sup>5</sup>
- The California State Colleges, now the California State University's primary mission is undergraduate education and graduate education through the master's degree, with particular emphasis on "applied" fields and teacher education. Faculty research is authorized consistent with the primary function of instruction. Doctorates can be awarded jointly with UC or an independent institution.<sup>6</sup>

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<sup>4</sup> [wysiwg://80/http://www.highereducation.org/reports/calcomp/callen2.shtml](http://www.highereducation.org/reports/calcomp/callen2.shtml).

<sup>5</sup> The University shall provide instruction in the liberal arts and sciences, and in the professions, including teacher education, and shall have exclusive jurisdiction over training for the professions (including but not by way of limitation) dentistry, law, medicine, veterinary medicine, and graduate architecture. The University shall have sole authority in public higher education to award the doctor's degree in all fields of learning, except that it may agree with the state colleges to award joint doctor's degrees in selected fields. The University shall be the primary state-supported academic agency for research and the Regents shall make reasonable provisions for the use of its library and research facilities by qualified members of the faculties of other higher education institutions, public and private." (Master Plan, pp. 2-3)

<sup>6</sup> The state colleges shall have as their primary function the provision of instruction in the liberal arts and sciences and in professional and applied fields which require more than two years of collegiate education

- The California Community Colleges were defined for the first time as part of higher education, and were authorized to offer instruction up to the 14<sup>th</sup> grade (including courses for transfer to four-year institutions, vocational and technical instruction, and general or liberal arts courses). They are able to award the two-year Associate in Arts or Associate in Science degree. Their primary mission was to provide academic and vocational instruction for older and younger students through the first two years of undergraduate education (lower division). In addition to this primary mission, the Community Colleges are authorized to provide remedial instruction, English as a Second Language courses, adult noncredit instruction, community service courses, and workforce training services.<sup>7</sup>
- The Master Plan also divided higher education into the public sector (UC, CSU, Calif. Comm. Colleges) and an independent sector.

The Master Plan also ensured the establishment of the principle of universal access and choice, and differentiation of admissions pools for the segments of public higher education:

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and teacher education, both for undergraduate students and graduate students through the Master's degree.<sup>6</sup> The doctoral degree may be awarded jointly with the University of California, as hereinafter provided. Faculty research, using facilities provided for and consistent with the primary function of the state colleges is authorized." (Master Plan, p. 2)

<sup>7</sup> California carried the "differentiation of function" principle further than any other state, by explicitly defining student eligibility for each segment of public higher education, and by organizing governance of public higher education into three systems based on homogeneous missions and admission pools. [wysiwig://80/http://www.highereducation.org/reports/calcomp/callen2.shtml](http://www.highereducation.org/reports/calcomp/callen2.shtml), p. 2

- UC was to select from among the top one-eighth (12.5%) of the high school graduating class.
- CSU was to select from among the top one-third (33.3%) of the high school graduating class.
- California Community Colleges were to admit any student capable of benefiting from instruction.

Higher education was conceived of as a continuum of post-secondary educational opportunity, in all areas. The transfer function is an essential component of the commitment to access. High School graduates, according to their qualifications and eligibility, are able to matriculate into one of the three segments of higher education. All high school graduates were eligible to attend the community colleges and those who succeeded in earning an associate degree are to be guaranteed the opportunity to transfer to one of the four-year institutions. UC and CSU are to establish a lower division to upper division ratio of 40:60 to provide transfer opportunities to the upper division for Community College students, and eligible California Community College transfer students are to be given priority in the admissions process. A CSU president has remarked that:

"The genius of the Master Plan was in tiering the system so that legitimate goals for each segment were defined and system connection required

through transfer."

It is a forgiving system of dual access to higher education, either from high school or the community colleges.

The Master Plan was animated by two central themes:

1. the need to provide adequate place and opportunity for the expected swelling numbers of college-age Californians.
2. the necessity of defining the multiple and different missions of California's system of public higher education.

These themes continue to be central to the maintenance of the Master Plan, as California strives to keep its long-time commitment to the principle of tuition-free education to residents of the fastest growing state in the United States.

With respect to providing adequate place and opportunity, the state of California has committed itself to a publicly funded higher education system. It should be understood, from the onset, that this commitment was not to fund all public higher education, but to support it to the extent possible, through taxes assessed to the citizens of California. The Master Plan ultimately allowed for "low-cost college education to any eligible student." Over the years, especially during the 1990s' financial crisis in California, there have been budgetary reductions, and fees assessed to students have been increased and used for instruction at UC and CSU in recent years. To off-set the cost to individual students, the fee increases have been accompanied by substantial increases in student financial aid.<sup>8</sup>

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<sup>8</sup> Financial Aid includes: grants, scholarships, student employment, and low interest loans. Some are federal and others state financial aid.

The provisions on student aid, now called the Cal Grant program, are designed to ensure that needy and high-performing students have the ability to choose a California institution of their choice, whether it be UC, CSU, the community colleges, or the independent California colleges and universities.<sup>9</sup>

The Master Plan, which was made a constitutional amendment, and therefore California state law, established a system of governance for the institutions of public higher education. All three segments were and are linked together, but also independent of each other. The governance structure for the segments reaffirmed the role of the Board of Regents of UC.<sup>10</sup> The California State Universities were removed from the jurisdiction of the State Board of Education, and the Board of Trustees was created to oversee them. In 1968, the community colleges, while retaining their separate district governing boards, were grouped under a statewide segmental coordinating board, the Board of Governors for the Community Colleges.<sup>11</sup>

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<sup>9</sup>The Cal Grant maximum award level was designed to give students the choice of attending independent California colleges and universities, thereby partially alleviating the demand for spaces in public institutions.

<sup>10</sup> "In adopting the Donahoe Higher Education Act of 1960, the State Legislature established the Board of Trustees of The California State Colleges (designated "the California State University" on Jan. 1, 1982) to 'succeed to the powers, duties and functions with respect to management, administration and control of the state colleges.' Prior to this, the State Board of Education had jurisdiction over the separate colleges. The 25-member Board of Trustees meets six times per year. Board meetings are arranged to allow for public comment and to promote communication among the trustees and campus presidents, executive committee members of the Statewide Academic Senate, representatives of the California State Student Association, and officers of the Statewide Alumni Council." (<http://www.calstate.edu/BOT/>).

<sup>11</sup>The State Board of Education shall prescribe minimum standards for the formation and operation of junior colleges, and shall exercise general supervision over said junior colleges, as prescribed by law.

The main body responsible for implementing coordination (advisory) was the state agency Coordinating Council for Higher Education, which in 1974 became the California Postsecondary Education Commission.<sup>12</sup>

The California Master Plan for Higher Education was conceived of as a living document, and in more than 40 years, the Master Plan has been revisited five times. A new legislative review of the Master Plan, which seeks to create a Master Plan that encompasses both K-12 and higher education, will begin in May 1999. It remains the central framework for higher education, indeed for all education in California.

Almost 90% of the state of California's higher education enrollments are in public institutions. Over the past forty years, the institutions of higher learning have flourished, in relatively mutual cooperation, as each segment (UC, CSU, Community Colleges, Private institutions) have grown and changed. Enrollments have grown from 484,000 in 1960 to over 2.2 million today. There were 7 campuses of the University of California, and there are now 9 (with a 10<sup>th</sup> campus in construction at Merced, CA.). There were 13 campuses of the California State Colleges, and there are now 23 campuses of the same institution which now has the name California State University. There were 63

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<sup>12</sup> The Master Plan envisioned an advisory body, the Coordinating Council for Higher Education, with representatives from all sectors, to: review the annual budget and capital outlay requests of the University of California and the State Colleges; interpret the functional differentiation among the publicly supported institutions; develop plans for orderly growth of higher education and making recommendations to the governing boards on the need for and location of new facilities and programs. California Postsecondary Education Commission, founded in 1974: has statutory authority to establish a statewide data base, to review institutional budgets, to advise on the need for and location of new campuses, and to review all proposals for new academic programs in the public sector. The commission's primary purpose is to prevent unnecessary duplication and to coordinate efforts among the segments. Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 1 <http://www.policycenter.org/california/calif3.html>

community colleges, and there are now 107. There were 71 independent institutions and there are now 171 (including Stanford, Cal Tech, and Mills)

Not everyone is convinced that the Master Plan has been entirely successful. One detractor has described the plan as,

"a jurisdictional agreement disguised as an ideal arrangement based on assumptions about how you can carve up the territory."

Another has said,

"Instead of a single system of education, California has five independent and autonomous systems, the three public sectors of higher education, the public schools, and private education," and "UC and CSU each go their own way without coordination. There is a disconnect across all units." <sup>13</sup>

Others have said that the Master Plan institutionalized values of "populist egalitarianism" and "competitive excellence," and it also limited competition within higher education in the state, through structural provisions, and it reduced wasteful duplication. For many people, autonomy (of each segment, and each institution in each segment) is seen as a strength. As indicated in the 1987 Master Plan Review, "Any society is judged by the education it provides its people."<sup>14</sup> Everyone agrees that the Master Plan has been the essential guide for education in California. It has ensured the involvement of all citizens of California in the forming and maintenance of higher education, from the individual tax payer to the state legislators to the educators.

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<sup>13</sup> Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 4 <http://www.policycenter.org/california/calif3.html>

<sup>14</sup> Joint Committee Report, Master Plan Review – 1987, p. 1.

**--HOW THE SCHOOLS WITHIN THE SYSTEM WORK TOGETHER – THE  
TYPE OF NETWORKS THAT EXIST ACROSS BOTH ACADEMIC  
DISCIPLINE AND ADMINISTRATIVE OFFICES--**

The Master Plan provided strong structural means for limiting competition by establishing the three-segment system of higher education. Its provisions for academic and administrative coordination between and within the segments were relatively weak from the outset and have remained weak. Today's economic and demographic factors require that far greater attention be paid to collaboration and cooperation than has been in the past, and some progress has been made.

Two provisions of the Master Plan encourage collaboration: student transfers across segments (a fundamental element of access and opportunity) and joint degrees. Student transfer is understood to be principally from two-year community colleges to four-year public institutions.<sup>15</sup> There is no specific provision for transfer between institutions in the same segment. Transfer between four-year institutions, in fact, is not encouraged.

Recently, in preparation for increasing enrollments, the community college chancellor established MOUs with the four-year institutions to facilitate transfer of students. As part

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<sup>15</sup> The importance of transfer and the seriousness with which it was taken by the framers of the Master Plan is reflected in its provision that the university and state university must maintain a ratio of 60% upper-division to 40% lower-division students. Success of community college transfers has been uneven, and a relatively small number of community colleges account for the bulk of transfer students. In 1999-2000, approximately 65% of transfers to the state university came from 39 of the 107 community colleges; 64% of community college transfers to the university came from 23 of the colleges.

of the compact with the Governor and budget process, CSU agreed to increase the number of annual community college transfers by five percent per year, to a total of 63,000 in 2005-06 (from 44,989 in 1998-99). UC agreed to increase the number of transfer students by six percent annually, to 15,300 in 2005-06 (up from 10,150 in 1998-99). The university and state university also agreed with the governor to "expand course transferability" and "reduce barriers to students transferring."

In July 2001, the UC Board of Regents adopted a "Dual Admissions" program for UC. The program will grant UC admission to students between the top 4 % and 12.5% of the class in their own high school (students who are not already UC-eligible under the university's statewide criteria), provided they first complete a transfer program at a California community college. Students will receive an admission offer from a community college and a provisional admission offer from a UC campus during their senior year of high school.<sup>16</sup> The dual admissions program will foster a closer link between UC and the community colleges system and ensure a more effective transfer process as envisioned by the Master Plan. The dual admissions programs occur between the state university and the community colleges on a campus-by-campus basis..<sup>17</sup>

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<sup>16</sup> The program helps to fulfill promise of "access" and "transfer" between segments of the Master Plan. It also helps meet the goals of the university's "Partnership Agreement" with the Governor of California, which, among other things, calls for an annual 6% increase through 2005-06 in the number of community college transfers to UC.

<sup>17</sup> On May 16, 2001, the UC Board of Regents unanimously rescinded SP-1, the 1995 resolution that prohibited consideration of race, ethnicity and gender in the admissions process. Nevertheless, UC has complied with and will continue to be governed by Proposition 209, which amended the California Constitution to prohibit consideration of race, ethnicity and gender in state employment, education and contracting. Other new initiatives to create an admissions process that is fair to all students are: 1. Eligibility in the Local Context: grants UC eligibility to top 4% of the graduating class in each California high school, based on grades in UC-required courses; 2. Comprehensive review of applications; 3. Proposal to no longer require the SAT 1: looking to develop a test or tests that are more closely linked to high school curriculum

The Master Plan provided for joint degree programs between CSU and UC, but they have enjoyed only moderate success over the years.<sup>18</sup> The development of these joint programs involves a complex series of reviews by faculty and administrators on the campuses, and by other state boards. As of December 2000, there were only 13 CSU/UC joint doctoral programs in operation. Four are in education; the remaining nine cover a variety of disciplines, including Biology, Chemistry, Ecology, Clinical Psychology, Geography, Public Health, and the most recent in Public History (established in 1999). During the decade from 1990 to 2000, the UC/CSU joint programs graduated 281 doctoral students. New programs are being developed in Physical Therapy, Education, Evolutionary Biology, and Criminal Justice Sciences. Enrollments in the joint doctoral programs have increased over the years – from 274 students enrolled in 10 programs in

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<sup>18</sup> The California State University and the University of California have a long history of collaborative efforts at the graduate level. The Master Plan for Higher Education in California, created in 1960 with key portions subsequently enacted into statute as the Donahoe Act, defines the functions of the various segments of higher education and states that: The University [of California] shall have the sole authority in public higher education to award the doctor's degree in all fields of learning except that it may agree with the state [university] to award joint doctoral degrees in selected fields. The first such program, a joint degree in Chemistry between San Diego State University and UC San Diego, was established in 1965. One of the goals of such efforts has been to provide increased opportunities for doctoral level study in California. Section 66024 of the Education Code encourages the expeditious development of joint doctoral programs. Further developing these collaborative efforts would offer the state of California and its students the following benefits:

- Increase availability of faculty expertise for teaching, mentoring and dissertation advising.
- Offer specialized degrees that might not otherwise be possible within a single system.
- Enhance opportunities for joint research projects.
- Improve outreach to segments of the population that are underrepresented in graduate studies.
- Improve opportunities for CSU students to pursue doctoral study.
- Share instructional resources in support of programs of graduate study.

Examples of such activities include joint graduate degree programs, articulated graduate degree programs, collaborative teaching and concurrent enrollments, joint research projects, and other sharing of resources at the post-baccalaureate level. A relatively recent description of these models of collaboration was produced by the UC-CSU Joint Graduate Board in June 1996.

Program development involves a complex series of reviews by faculty and administrators on the campuses, by UC's Coordinating Committee on Graduate Affairs (CCGA), the California Postsecondary Education Commission (CPEC), and by the Joint Graduate Board. The Joint Graduate Board is composed of faculty and administrators from both segments and is charged with development and approval of joint graduate academic programs. The Board meets biannually and is co-chaired by a CSU President and a UC Chancellor.

In addition to the joint doctoral programs, articulated Master's/Doctoral programs facilitate the movement of students from a CSU Master's program into a UC doctoral program.

the fall of 1990, to 451 students enrolled in 14 programs in 1997 – but still represent less than one percent of the state university's graduate enrollment in that year.

Beyond the two main collaborative programs envisioned by the Master Plan, there is pressure from the State Legislature and from the institutions that have led to a number of initiatives for cooperation between the three segments. Sacramento State University shares a facility with Solano Community College. The Los Rios District has a well-regarded transfer agreement with UC Davis. UC Davis has a joint doctorate in higher education with Fresno State. In the aftermath of the affirmative action decision, UC established an outreach task force that includes representatives from K-12 and the independent institutions, in addition to the other two public segments. Cal State Northridge has a K-16 collaborative in the San Fernando Valley, as well as an intersegmental telecommunications project funded by the Annenberg Foundation. CSU campuses at Monterey Bay and in the Ventura area are working closely with community colleges to coordinate the expansion of higher education services. All of these collaborations are the result of initiatives on the part of the institutions.

No matter the extent of collaboration, there is no central authority in charge of articulation, and most efforts at collaboration between community colleges and the UC and CSU system occur at the local level. Faculty at UC and CSU are resistant to collaborative activity with community colleges. At the same time, UC has strong influence over what core courses need to look like not only for community colleges but also CSU as well. Articulation agreements are developed between individual campuses

and faculty at the CSU campuses. Transfer of courses is generally regarded as the most effectively performed mission between community colleges and the four year public institutions.<sup>19</sup>

A number of state departments and agencies have been created to deal with intersegmental issues: The Academic Initiatives Department; the California Education Round Table; The Intersegmental Coordinating Committee; the California Postsecondary Education Commission. All of them are advisory, not regulatory, and only some have the authority to provide funding for programs of their choosing. Collaboration between the segments has been the central issue in California education and politics, but the system is too large and complex to be fully centralized and regulated. The individual segments and institutions within the segments are exercising their autonomous strength against the pressure to consolidate.

**UC universitywide collaboration** (<http://www.ucop.edu/acadinit/uccsu/>):

Collaboration among the institutions within a given segment is not much different than that of the whole system. The University of California is conceived of as a single entity, but as a former regent of UC has described UC, it is in effect "a group of semi-autonomous campuses with primary responsibilities resting with campus leadership to develop a distinctive mission. The amount of central coordination is not strong or

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<sup>19</sup> Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, pp. 5-6. <http://www.policycenter.org/california/calif4.html>.

dominant." The University of California is decentralized, and the chancellors and academic senates of each campus have a significant amount of authority.<sup>20</sup>

The university has systemwide policies and agencies, but most educational and academic decisions are made at the campus level. Because of shared governance, many entities deal with academic policies, including a chancellor, Academic Senate on campus, the provost, and even the Council of Chancellors. Ultimately, any initiative could be examined by all of these groups.

A unified budget and a common culture dispose faculty and administrators to work with their counterparts on other campuses rather than turning to outsiders, but there is no regulation to do so. There are, however, signs of a changing relationship between state government and the UC system, most visible in the meetings of the Regents, with the main issue being the power struggle over the budget.<sup>21</sup>

All UC campuses share the same accreditation system, the regional accrediting agency called the Western Association of Schools and Colleges (WASC). The UC system has its own retirement system, and its own systemwide tenure, merit and promotions program for faculty.

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<sup>20</sup> UC is comprised of nine "co-equal" campuses (relative co-equality as the campuses of Berkeley and UCLA are the largest and most powerful campuses). Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 1. <http://www.policycenter.org/california/calif5.html>.

<sup>21</sup> While the state can prescribe the proportion of Cal State's fee to be used for student aid, they have only a gentleman's agreement with the UC system.

Cooperation is easiest to obtain in research, especially where state and national laboratory money create the possibility for funding at the system level. It is more difficult in humanities and foreign language instruction, although there has been some progress recently in this sector. In the past there has been little movement with the use of information technology, in cross-campus collaboration, or sharing of courses and programs. The future is uncertain about any changes in these trends, although funding is being tied to initiatives in these areas.

Some specific areas in which there is collaboration across the UC system are:

- National laboratories: Under contract with the U.S. Department of Energy (and fully funded by the DOE), UC manages Lawrence Berkeley National Laboratory and Lawrence Livermore national Laboratory in California and Los Alamos National Laboratory in New Mexico. The laboratories conduct broad and diverse basic and applied research in nuclear science, energy production, national defense and environmental and health areas.
- Health Sciences: UC operates the nation's largest health science and medical training program with an annual enrollment of more than 12, 000 students. Instruction is in 14 health sciences schools on six campuses, including five medical schools, two dentistry schools, two nursing schools, two public health schools, a school of optometry, a school of pharmacy and a school of veterinary

science. UC Davis has the only school of veterinary science and one of the medical schools.

- Agriculture and Natural Resources: The Division of Agriculture and Natural Resources is a statewide research and public service organization that serves the largest and most diverse agricultural community in the world. The division includes:
  - The Agricultural Experiment Station, for research, in Berkeley, Davis and Riverside campuses, and throughout the state.
  - Cooperative extension, which delivers research and educational programs in each of the state's 58 counties (ranging from farm assistance to resource and nutrition education and 4-H.
  - The Natural Reserve System, which manages 130,000 acres of protected natural land available for university-level instruction, research and public outreach.
- Law schools: UC has law schools at Berkeley, Davis and UCLA with a combined enrollment of more than 2,300 students. Also, UC is affiliated with Hastings College of Law in San Francisco.
- University Extension: each campus has a university extension, which is a continuing education program, offering more than 20,000 self-supporting courses statewide and in several foreign countries. More than 500,000 are enrolled in

extension courses to complete a certificate program, change or further a career or otherwise improve their lives.<sup>22</sup> There are varying degrees of connections between extensions and the main campuses on which they are located. At UC Davis there is a close relationship, with joint courses, certificates, and programs.

- Libraries: with collections totaling 30.5 million volumes, the more than 100 libraries throughout UC are surpassed in size on the American continent only by the Library of Congress. The library resources are located on each campus, and shared through an inter-library loan service and joint collecting and exchanging of resources. The systemwide library is establishing the California Digital Library (CDL: [www.cdlib.org](http://www.cdlib.org)),<sup>23</sup> to enhance the transmission of scholarly and scientific communication in a digital environment.<sup>24</sup> Library users will have access to a vast array of intellectual resources both in physical and digital form.<sup>25</sup>

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<sup>22</sup> A unique university-wide program is the UC Extension. The Extension has been offering continuing education for over 100 years. University Extension is an active leader in innovative professional learning and training programs held throughout California, across the US, and in many countries overseas: 1. UC Extension is one of the world's largest providers of continuing education; 2. University Extension receives no State funding -- all of its income comes from student fees, and a small number of contracts and grants; 3. University Extension enrolls some 500,000 Californians in its programs each year; 4. University Extension offers some 17,000 different courses each year; 5. University Extension is the largest provider of continuing education to students coming to the U.S. from other countries. In 1998, President Atkinson announced an initiative that would expand the University's contribution to meeting workplace needs for advanced degrees, creation of a new degree title, the Master of Advanced Study. Some of these programs will be offered in collaboration with the UC Extension.

<sup>23</sup> California Digital Library: The California Digital Library was founded in 1997 by University of California President Richard Atkinson, who called it "a library without walls." CDL staff and advisory groups are drawn from every UC campus, from affiliated research laboratories, and from the UC Office of the President. Building on the already extensive shared library system at the University of California, the Digital Library is formed of the extensive base of UC knowledge and experience in developing and distributing digital materials.

<sup>24</sup> In pursuing this charge, the Committee will provide essential guidance to the University as it seeks to: 1) Establish an environment that supports continuous planning and innovation for UC's libraries; 2) Develop policies and strategic priorities for the newly created California Digital Library, including policies that support the extension of CDL services beyond the University; 3) Implement strategies to sustain and develop both campus and shared print and digital collections and identify mechanisms that facilitate

- Copyright Committee
- There is a standing committee on copyright which helps provide the guidance needed by the University to "Encourage and monitor projects that make innovative use of copyrighted works, regardless of format, and assist faculty and students to both produce new works and make use of the works of others in ways consistent with law, policy, and the academic mission of the University."<sup>26</sup>
- The University of California Teaching, Learning and Technology Center (TLtC) is a newly-established center-without-walls that seeks to provide systemwide visibility of campus and faculty efforts in the development and use of teaching and learning technologies and complementary support to leverage those efforts for the benefit of the

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sharing resources across campus boundaries; 4) Initiate projects to improve the process of scholarly communication and assist faculty in distributing the results of their research.

<sup>25</sup> Four strategies define the Library's vision: 1) building, sharing, and preserving digital collections; 2) creating tools and services; 3) influencing and supporting innovation in scholarly communication; 4) and developing strategic partnerships for digital library development Building, Sharing, and Preserving Collections: CDL's commitment to supporting the University's scholarship depends on the development and acquisition of high-quality digital content. The CDL will continue to license scholarly materials, including abstracting and indexing databases and full-content electronic journals and databases. It is creating digital access to unique and valuable special and archival collections of the University and of its California partners. Selection decisions are based upon rigorous criteria of quality, and value, foremost for the academic programs of the UC campuses. Intense collaboration with the faculty and librarians across the University led to priorities for the founding Science, Technology, and Industry Collection (STIC). Collaboration rapidly expanded to establish priorities for Social Sciences, Humanities and Government information

<sup>26</sup> 2) Monitor the copyright environment and make recommendations to the University on how to align University copyright policy and management with the goals of the academic mission in the context of continuous and rapid change; 3) Monitor technological restrictions and contract practices that impede fair use and the advance of knowledge; 4) Recommend priorities and methods for continuous Universitywide education on copyright; 5) Assess the implications of new legislation for University policy and practice; and, 6) Make recommendations about substantive participation in national discussions and initiatives.

- University.<sup>27</sup>
- A system-wide international education program for UC is the Education Abroad Program that has been in operation for more than forty years. Every year, more than 2,000 students from all the campuses of the University of California study in 120 institutions of higher learning in 34 countries worldwide. In exchange, 900 students from these foreign universities study at UC campuses, on the one year, non-degree program.
- In keeping with the effort to internationalize the university system, the Consortium for Language Learning & Teaching was created to meet the challenges and responsibilities of foreign language learning by pooling both financial and intellectual resources of all the campuses of the University of California.<sup>28</sup>

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<sup>27</sup> UC TLtC Webzine & Online Forum goes live! The University of California has launched a new web publication and information hub to spotlight innovations in educational technology and to foster communication and collaboration across the 10-campus UC system. The UC Teaching, Learning and technology Center (TLtC) Webzine & Online Forum ([www.ucltcl.org](http://www.ucltcl.org)) is simultaneously a news site, with monthly in-depth feature articles and regularly updated campus stories; a resource center, with links to educational technology resources and services; and a repository, with a database of information about how the UC community uses technology to teach and learn. [more] (12/3/2001)

Teaching, Learning, and Technology Collaborative Grants. Call for Proposals, 2001-02 Planning Grants, 2002-03 Implementation Grants. The University of California Teaching, Learning and technology Center (TLtC) is a newly established center-without-walls that is intended to provide systemwide visibility to campus and faculty efforts in the development and use of teaching and learning technologies. The Center is also meant to provide complementary support to leverage those efforts for the benefit of the entire University. Teaching, Learning, and technology Collaborative (TLtC) Grants aim at furthering the innovative uses of instructional technology through partnerships within and across campuses. The UC Office of the President has earmarked \$200,000 annually through 2005 to support these endeavors.

<sup>28</sup> The Consortium has the overall mission of fostering communication and collaboration across the UC campuses, among language groups and various disciplines that inform the learning of teaching of foreign languages within the UC system. There are four areas of concentration: 1. Curricular planning and institutional programming; 2. Research and development in language learning and teaching; 3. Professional development of language teachers; and 4. Outreach on the regional, national, and international levels.

- The UC Washington Academic Center was also established to address national and international interests of the university as a whole. The Washington Center is a multi-campus instructional and research center that provides undergraduate students, graduate students and faculty from the University of California campuses opportunities to research, work and study in the Nation's capital. The UC Washington Center houses offices and programs for each campus of the university. It is also the home for the Institute on Global Conflict and Cooperation (IGCC), a multi-campus research unit of the University of California, whose mission is to bridge the gap between the academic and policy worlds, and the Scripps Institution of Oceanography, UCSD. In addition, the University's liaison to Congress and the federal government, the Office of Federal Governmental Relations. Each campus program is administered independently by campus staff in Washington and in California.
- The University of California has a shared UC Press: Founded in 1893, UC Press, the nonprofit publishing house of UC, is one of the nation's largest university publishers. Each year it publishes about 170 new books and 30 scholarly journals. About one third of its books are written by UC faculty.
- California Institutes for Science and Innovation: <http://www.ucop.edu/california-institutes/welcome.html>.<sup>29</sup> In accordance with the initiative of the governor and

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<sup>29</sup> **QB3** - A partnership with UC San Francisco and UC Santa Cruz, the new California Institute for Bioengineering, Biotechnology and Quantitative Biomedical Research (QB3) will tap UC Berkeley scientists' expertise in the fields of biology, physics, chemistry, engineering, mathematics and computer science to tackle complex biomedical problems and lead the way to new treatments and cures for disease.

substantial funding from the state, all UC campuses and some California State University campuses are competing to establish four new California Institutes for Science and Innovation (CISI). They are intended to spark a new generation of technologies that will be key to California's economy and leadership in the future. One institute is the center for Information Technology Research in the Interest of Society (CITRIS), which would bring the power of information to bear on such broad societal needs as energy efficiency, transportation, seismic safety, education, environmental monitoring, emergency preparedness, and health care.

Other joint ventures include inter-college sports; joint facilities, the California Virtual University, and distance learning programs.

## **--WHAT TYPE OF REGULATORY ROLE THE SYSTEM PLAYS FOR EACH SCHOOL--**

Regulation of California higher education is based on the Master Plan which established the structure of a state funded and governed system. The state government, through the Governor of California have control over the general budget and appointments of

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**Cal-(IT)<sup>2</sup>** - is one of four institutes established through the California Institutes for Science and Innovation initiative proposed in the year 2000 by Governor Gray Davis. Cal-(IT)<sup>2</sup>, a partnership between UC San Diego and UC Irvine, seeks to ensure that California maintains its leadership in the telecommunications and information technology marketplace. The institute's mission is simple: Extend the reach of the current information infrastructure throughout the physical world to enable anytime/anywhere access. This, complemented by research and development in related information technologies, will help the State provide new capabilities to important market segments poised to be transformed by the new Internet and prototype ways to monitor and manage growth anticipated in the coming years. **CNSI** - The University of California at Los Angeles and University of California at Santa Barbara have joined to build the California Nanosystems Institute (CNSI), which will facilitate a multidisciplinary approach to develop the information, biomedical, and manufacturing technologies that will dominate science and the economy in the 21st century. The vision of the CNSI is to establish a coherent and distinctive organization that serves California and national purposes and that is embedded on the UCLA and UCSB campuses. The CNSI will be a world-class intellectual and physical environment that supports collaboration among California's university, industry and national laboratory scientists.

individuals who serve on intersegmental boards and committees, and governing boards of each segment (UC, CSU, Community Colleges). The governor is able to take an active role in high-profile ideological and political issues (such as affirmative action),<sup>30</sup> but the real policy issues are complex and require deliberation which is beyond the governor and legislators.<sup>31</sup>

A number of inter-segmental departments and agencies have been established to deal with these complex issues:

The California Postsecondary Education Commission (CPEC) was established by the Legislature in 1974 (as a successor to the California Coordinating Council for Higher Education, which was created by the Master Plan in 1960) to provide oversight, coordination, and long range planning for higher education in the state.<sup>32</sup> The

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<sup>30</sup> The governor was instrumental in encouraging the Board of Regents of UC to end the use of race and ethnicity as a criteria for admissions and hiring decisions, decided in summer 1995, and recently recinded, under a more sympathetic governor.

<sup>31</sup> Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 4-5.

<sup>32</sup> Nine commissioners representing the public are appointed three apiece by the Governor, the Senate, the Assembly. Two student commissioners are appointed by the Governor and five commissioners are representatives of the governing boards of the segments -- UC, CSU, Community Colleges, AICCU, and the State Board of Education. The CPEC was established in 1974 to provide oversight, coordination, and long range planning for higher education in California. The 16 members are from the public and from the different segments of higher education. It is charged to: "assure effective utilization of public postsecondary resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation and responsiveness to student and societal need." It meets routinely to consider higher education issues: accountability, campus climate, capacity, educational equity, fees, financial aid, and student flow. It also reviews the need for new academic programs and advises the Legislature on the need for new campuses and off-campus centers. CPEC routinely convenes intersegmental advisory bodies to assist in their deliberations on higher education issues --e.g., accountability, campus climate, capacity, educational equity, fees, financial aid, and student flow. In addition, CPEC reviews the need for new academic programs and advises the Legislature on the need for new campuses and off-campus centers. The Academic Initiatives Department provides liaison to CPEC and monitors the work of the various advisory committees. A key advisory body is the Intersegmental Program Review Council (IPRC), convened by CPEC, with representatives from the segments, to review academic program plans. The Academic Initiatives Department staff are key participants in this committee.

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The Academic Initiatives Department provides liaison to the Commission (CPEC) and monitors the work of the various advisory committees. The Academic Initiatives Department is responsible for a variety of activities related to the other segments of education in California. The Department is also responsible for coordinating University responses related to reviews of the Master Plan for Higher Education in California as well as other major studies of California higher education.<sup>33</sup>

A key advisory body is the Intersegmental Program Review Council (IPRC), convened by the Commission (CPEC), with representatives from the segments, to review academic program plans. The Academic Initiatives Department staff are key participants in this committee.

The Intersegmental Coordinating Committee (ICC) was established by the Round Table to assist, advise, and coordinate in accomplishing its goals for intersegmental activities

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<sup>33</sup> The Department staffs the President of the University in his participation as a member of the California Education Round Table and Interim Vice Provost Zelmanowitz is one of UC's representatives to the Intersegmental Coordinating Committee, which reports to the Round Table. The Academic Initiatives Department is responsible for relations with, and providing University responses to, the California Postsecondary Education Commission (CPEC).

and programs.<sup>34</sup> The ICC has four sub-committees: 1) K-16 Curricular Issues; 2) Outreach, Admissions and Transfer; 3) Intersegmental Applications of Information Technologies; and 4) Intersegmental Budget Proposals.

The California Education Round Table is a voluntary body that deals with broad policy issues affecting education in the state.<sup>35</sup>

All these agencies are not regulatory. Their role is advisory and consultative, with some having a budget and discretionary power to distribute funds to different segments.

The Master Plan for Higher Education in California delineates that structure and functions of the various segments of higher education in California, and it provides for the governing bodies for each segment:

### **Community Colleges Governance:**

The 16-member Board of Governors of the California Community Colleges sets policy and provides guidance for the districts and colleges in the system. Appointed by the

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<sup>34</sup> Membership includes two administrative and one faculty representative from each of the segments as well as a CPEC representative and three students. Interim Vice Provost Zelmanowitz and Assistant Vice President Dennis Galligani are UC's two administrative representatives to the Intersegmental Coordinating Committee. Formerly known as the Intersegmental Budget Task Force (IBTF), this subcommittee prioritizes and coordinates budget requests for intersegmental programs that involve more than one of the segments and thus may not be among the highest priority items in the budget of any of the segments. Most often these requests are in the areas student preparation and professional development for teachers. The sub-committee prepares annual Budget Change Proposals for the intersegmental programs to give the Department of Finance and the Legislature a better sense of their scope and the importance of the combined effort.

<sup>35</sup> Members are the State Superintendent of Public Instruction, the President of the University of California, the Chancellor of the California State University, the Chancellor of the California Community Colleges, the President of the Association of Independent Colleges and Universities (AICCU) and the Executive Director of the California Postsecondary Education Commission (CPEC).

Governor, the board selects a Chancellor and interacts with state and federal officials and others. Each of the 72 community college districts in the state has a locally-elected Board of Trustees, responsive to local community needs and charged with the operations of the local colleges.<sup>36</sup>

### **California State University Governance:**

Responsibility for the California State University is vested in the Board of Trustees, whose members are appointed by the Governor. The Trustees appoint the Chancellor, who is the chief executive officer of the system, and the Presidents, who are the chief executive officers on the respective campuses. The Trustees, the Chancellor and the Presidents develop system-wide policy. Campus-level implementation is done via broadly based consultative procedures.<sup>37</sup> Faculty involvement in CSU is governed by the Higher Education Employee Relations Act, which divided power between the union and the Academic Senate. The Academic Senate recommends academic policy to the Board of Trustees through the Chancellor. Relationships among faculty, presidents, and Trustees have a troubled history in CSU.

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<sup>36</sup> Program review, like budget development, reflects the fissures and cracks in community college governance. Districts can offer courses without approval of the Board of Governors, but they must have board approval for new programs. ... In approving programs, the chancellor's office looks only at duplication with the offerings at nearby community colleges and does not consider the impact on other parts of California higher education. Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 3.  
<http://www.policycenter.org/california/calif4.html>.

<sup>37</sup> While the state university does not have constitutional status, the practical differences between Cal State's –versus UC's relationship with state government are currently less significant than they have been in the past. But, although Cal State may be subject to less state regulation than in the past, its lack of constitutional status leads to greater control by state government than UC.

## **University of California Governance:**

### **UC Board of Regents**

UC is governed by a board of Regents (26 members, 18 appointed by the Governor to 12 year terms after confirmation by the Senate). There are seven *ex officio* members, including the Governor, Lieutenant Governor, superintendent of public instruction, Speaker of the Assembly, president of the university, president and vice president of the alumni association. There are differences of opinion concerning the appropriate role of the Board. The Regent's role is to set policy, to set the rules and regulations for the university at large. They are supposed to delegate operations to the President of UC who in turn delegates to the chancellors of each campus. Regents also, however, attempt to influence the actions of the chancellors of individual campuses. Regents are not involved in evaluating chancellors, in actions involving academic personnel, and curriculum decisions.<sup>38</sup> Much of the work on the budget is also done without the Regent's knowledge.<sup>39</sup> Funding of buildings is done in many ways, and not always under the purview of the Board of Regents.

### **UC President**

The UC President's Office (located in Oakland, CA) has three main functions: 1) it is the key system linchpin, maintaining a least a minimum level of coordination and promoting consistency (especially regarding policies) across the system in relation to issues where

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<sup>38</sup> A regent said recently, "Why do five universities have medical schools?" He thinks that Regents should be involved in approving new doctoral programs. Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 3. <http://www.policycenter.org/california/calif5.html>.

<sup>39</sup> For example, the formula used for distributing the UC appropriation to campuses is not approved by the Board of Regents. The board does not get involved with student fee issues. The 7.25 percent tuition increase in the 1996-97 budget was without consultation with the board.

there is legal exposure; 2) it manages the processes that define and sustain an organizational culture that keeps individual campuses from moving into their own orbits, including academic personnel, admissions, and the curriculum that are coordinated through the office of the system provost. The systemwide provost oversees the transfer, consolidation, disestablishment, and discontinuation of programs; 3) it negotiates the annual budget with the Legislature and the Governor, ideally with the support of the Board of Regents.

### **UC Academic Senate**

The Academic Senate is the umbrella for faculty governance in UC. The committees of the academic council include:

1. Board of Admissions and Recruitment, which deals with eligibility
2. Committee on Educational Policy, which focuses on undergraduate education
3. Committee on Graduate Academics, which deals with approvals of graduate programs.
- 4) Committee on Faculty Welfare, which has responsibility for faculty issues
- 5) University Committee on Planning and Budgeting, which has addressed such issues as the tenth campus and the medical schools
- 6) University Committee on Academic Personnel, which owns the systemwide Academic Personnel Manual.

Each campus has an Academic Senate division, and they generate and implement academic policy. The source of power of the Academic Senate, including its authority over academic programs and admissions, is in the standing order of the Board of Regents

and dates to the faculty revolt of 1919. Faculty view the authority of the Academic Senate as constitutionally established and sanctioned. The Academic Senate must be consulted on appointments, promotions and tenure. Faculty influence extends well beyond the formal structure of the Academic Senate, and faculty members are dominant in the selection processes for presidents and chancellors.

In 1993, a Compendium was established to expedite systemwide academic planning and review. The Compendium brought together and formalized a variety of Universitywide review processes and, to the extent possible within the established review framework, and it instituted changes to increase efficiency without reducing effectiveness. The most significant changes were eliminating systemwide review and approval processes for actions involving undergraduate degree programs, departments, and organized research units (ORUs). Other notable simplifying changes were made for the Five-Year Plans (also renamed Five-Year Perspectives) and for uncomplicated name changes for graduate degree programs and multicampus research units (MRUs).

#### **--HOW FUNDING TRANSFERS WITHIN THE SYSTEM OF SCHOOLS--**

Each of the public segments of higher education is responsible for coordinating the activities and services of its own institutions, including the budget. Each segment and the Student Aid Commission submit budget requests to the Department of Finance in the form of Budget Change Proposals. The Governor develops line items for the public systems of higher education and the Student Aid Commission within the overall

executive budget, which is introduced to the Legislature. The Department reports increases and decreases of the budget based on estimates of the state of the economy. The Governor and representatives of the Legislature finalize the budget and seek confirmation by the legislature. The process lasts from September until June.

Capital building projects are considered through the same budget process but funded in a different way, largely through revenue bonds or general obligation bonds that have to be acted upon by the voters.

Many variables influence the funding of higher education in California. There are other agencies, institutions and programs that compete for the same state general funds, including: Health and Human Services (Welfare); Youth and Adult Corrections (major funding increases beginning in the 1980s); K-12 Education. In 2001-02, they competed for the total state government-authorized government spending in California of \$204 billion.<sup>40</sup>

In recent years, K-12 Education has been the largest General Fund spending category, with higher education lagging far behind. As less general funds have been given to

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<sup>40</sup> Total State spending is estimated to increase by more than \$13 billion in the current year, or 7.1% over 2000-01 levels but State General Fund expenditures will actually decrease by almost \$1.3 billion from 2000-01 levels. State General Funds plus Local Property Tax revenues for California's three public higher education systems in 2001-02 increases by \$511 million over the prior year. \$241 million is provided for enrollment growth in the public higher education systems. The budget provides \$114 million for a 3.0 percent growth in full-time students (FTES) at community colleges (30,800 FTES); \$62.3 million is provided for an additional 8,760 FTES in the State University system, an enrollment growth rate of 3.0 percent; and \$65 million funds enrollment growth of 7,100 FTES students at the University of California, a 4.1 percent increase in funded enrollment; and Total K-12 spending, including funding sources not listed in the Governor's Budget, is more than \$52 billion, an increase of \$3.2 billion (6.0 percent) over the current year. K-12 General fund spending is more than \$32 billion, an increase of \$2.5 billion (8.3 percent). Combined State and Local spending (including non-Prop 98 funds not mentioned above) per pupil is estimated to grow to \$7,487, up six percent (\$333) from 2000-01 levels.

higher education, the each segment has had to find other funding sources, including raising the student fees.

Fluctuation in the state budget is a major factor, which is exacerbated by reduction of the state tax base, the national and state economy (recession), the demographics of the state, social and political changes, and the projected dramatic increase of student enrollments in all segments of higher education.<sup>41</sup> California is in a recession at this time, and as a mostly discretionary part of the budget, the state's higher education system is most vulnerable to funding cuts as a result of the state's revenue problems.<sup>42</sup> The situation will be complicated by the projected growing enrollments of a highly diverse student body, and the conversion to year-round operation by UC and CSU, with the accompanying need for incremental funding.

#### **UC's Share of State General Funds:**

<http://budget.ucop.edu/rbudget/200102/1/sum.html>

Once the Legislature has made its lump sum appropriation to the university, the university divides the funds among the campuses. There is a challenge to find equal compensation for undergraduate and graduate students. Campuses have substantial

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<sup>41</sup> Proposition 13 reduced local property taxes overnight by 57 percent and effectively destroyed the power of local government to raise ad valorem taxes. Hard on the heels of Proposition 13 came other initiatives indexing the income tax and abolishing the state inheritance tax. Next came Proposition 98, requiring at least 40 percent of general fund revenues to go to public schools with part set aside for the California Community Colleges. ... In 1996, voters passed a ballot initiative to end all use of race or ethnicity in admissions support programs or related services.

<sup>42</sup> California Postsecondary Education Commission Report, Fiscal Profiles, 2001: The California State budget does not look good for higher education. This year we have seen the end of a six-year trend of revenue growth. In 1994 Rand Corporation report, health and welfare, corrections, higher education, and K-12 education accounted for over 90 percent of state general fund spending. Allocations for health and welfare, and corrections have been going up with few interruptions over the past 25 years while those for education have been going down. Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 3

latitude over the funds they receive through whatever formula the system agrees upon, but watched carefully by internal constituencies. Funds appropriated for salaries are the most stable part of the budget allocation. Funds related to workload are more flexible. Most student fees go back to the campuses where they are generated, but some of the funds are redistributed among campuses to take into account different economic profiles and differing kinds of students.<sup>43</sup>

Recently, a compact was agreed to by UC and the Governor for a four-year plan that provides guaranteed funding increases on an average of approximately 4% in addition to funds provided for state debt service, in return for a guarantee from the university for enrollment growth (5,000 students a year for the next decade), increased portability of

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<sup>43</sup> CSU Budgeting Process: There is a system similar to UC, whereby there is a four-year compact, negotiated by the Chancellor, with the Governor that provides a four percent annual increase in general fund operational support, annual funding of \$150 million for capital renewal and support for modest fee increases to help stabilize funding and strengthen growth. In return, CSU agrees to accommodate average annual enrollment growth of approximately one percent and to increase financial aid for qualified but financially needy students. The allocation process is heavily enrollment driven. Most of the budget is in the form of salaries. Campuses negotiate with the chancellor for additional monies that may be available based on increases in enrollment, enrollment targets, and system initiatives. Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, pp. 5. <http://www.policycenter.org/california/calif6.html>

CSU funding is proposed annually by governor and ratified by State Assembly. Governor proposes CSU General Fund budget for 2002-03 = \$2.7 billion 4.5% increase over last year, to support projections of 4% increase of student enrollment growth next year. CSU: State Senate and Assembly Bills 2001: 1. Ass. Bill 895: Implement provision of collective bargaining agreement with Statewide University Police Association; 2. Ass. Bill 1689: Permanently provide CSU the authority to pay its vendors directly; 3. Ass. Bill 1718: Extend CSU Authority to promulgate regulations for one year; 4. Senate Bill 277: Make CSU employees eligible for the Rural Health Care Equity Fund; 5. Authorize CSU to acquire approximately 75 acres of land adjacent to the CSU, Channel Islands campus for the purpose of developing a primary access road and athletic fields; 6. Senate Bill 713: Requires the state to ensure that a sufficient number of affordable, high-quality opportunities to obtain the doctoral degree in education (Ed. D.) are made available to interested students. It is possible that SB 713 will be amended to provide CSU the authority to offer the Ed. D., but there is strong resistance from the university and private universities (which produce the most Ed. D. degrees in the state). Lottery budget: the total 2001-02 CSU lottery revenue budget is \$37.7 million, now are moved from systemwide to campus based programs.

courses, continued increases in productivity and efficiency, and high priority on improved graduation rates.<sup>44</sup>

The University of California's total budget (all campuses) is \$15.5 billion. The portion of that budget which is funded by state general funds in 2001-2002 is \$3.4 billion, which is 23% of the UC budget, and UC's share of the state general funds is 4.4%. Most of the funds are for educational activities, including teaching salaries, and funds per full time student. There has been a gradual reduction in state funding, and in 1960-61 the percentage of UC funding from state funds was 58%. At the same time, over the last ten years, the increase in state funding of K-12 has doubled. In 2001-2002, K-12 received \$52 billion in state funding. Between 1986 and 2002, there has been a significant drop in state funding (-11%) for UC, and a corresponding increase in student fees (6.4%) and other sources of funding (4.9%). A significant source of funding is from the Federal Government, and in 2001-2002 it reached \$6.31 billion.

Revenue from non-state sources, such as federal funds and private giving, are critical to the University's ability to do research, support students, and operate its teaching hospitals.

The Department of Energy Laboratories are entirely federally funded. Over half of the

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<sup>44</sup>Richard Richardson, State Structures for the Governance of Higher Education: California Case Study Summary, Spring 1997, p. 8. <http://www.policycenter.org/california/calif5.html>A New Partnership: four-year compact with the Governor (1995-96 budget, renewed in 2000) – increased funding for UC; Partnership Agreement between Governor and UC: Proposed UC commitments: continue to admit eligible high school students; provide necessary classes for graduation; strengthen undergraduate education; maintain student outcomes for graduation and retention rates; develop, implement and evaluate 4% path to eligibility; Merced campus; competitive faculty salaries; Community college transfers to increase 6% over 7 years (from 10,150 to 15,300) between 1990-99 and 2005-06; assume greater responsibility working with K-12, and K-12 teachers; develop and implement Teacher Scholars Program; Expand the number of joint doctoral degree programs in collaboration with CSU; Improve productivity and utilization of existing facilities (one major development will be year-round operations); continue investment in research; prepare engineers and computer scientists; in order to help maintain quality, seek additional private resources and increase UC's share of federal research dollars; increase opportunities for students to participate in community service activities.

University's research expenditures and 60% of financial aid received by UC students come from federal funds, and nearly one-third of the net operating revenue of the teaching hospitals is from federal funds.

For 2001-02, the UC educational fees for California residents is \$2,716 annually. The university registration fee annually is \$713. The total for residents annually at UC is: \$3,529, plus the individual campus student fees.<sup>45</sup> At CSU, the systemwide and campus

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<sup>45</sup> A comparison with total cost of attendance to students across the United States finds CSU to be a little below the average in 1999-2000 (CSU - \$10,468); average - \$11,614. UC is more costly than the average (UC - \$14,327; average - \$12,489). As the financial difficulties of the state continue, so too the already high costs for each student attending college will grow in California. These costs will have the corresponding affect of making it harder for needy and underrepresented students to attend. At UC, students who are not California residents also pay another \$10,704 in tuition and fees per year (total of \$15,031). General University of California Fees -- 2001-02

<http://budget.ucop.edu/fees/200102/0102fees.html#genfees>

Nonresident Tuition will be \$3,568 per student per quarter or \$5,352 per student per semester, for a total annual charge of \$10,704. Nonresident tuition for graduate doctoral students who have advanced to candidacy will be \$892 per student quarter or \$1,338 per student per semester, for a total annual charge of \$2,676.

Educational Fee for California resident undergraduate students will be \$905 per student for two quarters and \$906 per student for one quarter or \$1,358 per student per semester, for a total annual charge of \$2,716. For California resident graduate students except those who are subject to the Fee for Selected Professional School Fees, the Educational Fee will be \$965 per student for two quarters and \$966 per student for one quarter or \$1,448 per student per semester, for a total annual charge of \$2,896. For all other students (graduate students subject to the Fee for Selected Professional School Students and all nonresident students), the Educational Fee will be \$1,029 per student for two quarters and \$1,028 for one quarter or \$1,543 per student per semester, for a total annual charge of \$3,086.

University Registration Fee will be \$238 per student for two quarters and \$237 per student for one quarter or \$356.50 per student per semester, for a total annual charge of \$713.

Special Fee for Medical and Law Students will be \$126 per student for one quarter and \$125 per student for two quarters or \$188 per student per semester, for a total annual charge of \$376.

Fee for Selected Professional School Students is assessed to new students enrolling for the first time in Fall 1994 and thereafter in law (J.D.), medicine (M.D.), dentistry (D.D.S.), veterinary medicine (D.V.M.), and business (M.B.A.) and to new students enrolling for the first time in Fall 1996 and thereafter in Optometry (O.D.), Pharmacy (Pharm.D.), Nursing (M.N. or M.S.N.), and, at the Los Angeles campus only, Theater, Film, and Television (M.F.A.). The Fee is not uniform among disciplines. See Section 2 for annual fee levels.

Disability Insurance Fee is assessed to medical school and dental school students and, except for the Berkeley campus, is collected during the Fall term only.

Graduate Students are students who have been admitted to a program leading to a professional or academic degree beyond the Bachelor's degree or equivalent.

fees for California residents in 2001-2002 is \$1,876.<sup>46</sup> Community Colleges fees (Los Angeles District) are \$11 per semester unit.<sup>47</sup>

In 2000-2001, a total of \$202.8 million in State funds was provided to support increases in the University's basic shared budget, including:

1. budgeted enrollment growth of 6,000 FTE students at the agreed-upon marginal cost;
2. cost increases for student fee-funded programs (avoiding an increase in systemwide mandatory student fees for the sixth consecutive year);
3. compensation increases, including continuation costs for 1999-2000 salary increases, merit increases for eligible employees, cost-of-living increases, and health benefit costs.
4. a 2.5% cost increase for non-salary budgets;
5. 1% increase to the base budget for core needs—maintenance, instructional technology, instructional equipment, and libraries;
6. \$6 million for strengthening the quality of undergraduate education;
7. funding for deferred maintenance and maintenance of new space.

A total of \$125 million in additional funding beyond the basic expenditure plan was provided in the budget for research, public service, and other initiatives. The initiatives, for shared expenses across the system, included:

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<sup>46</sup>For 2001-2002:

Graduate students fees: up to 6 units \$876; 6.1 units or more \$1,506;

Non-resident tuition: \$246 per unit/semester system; \$164 per unit/quarter system

<sup>47</sup> Non Resident fees - \$130 per semester unit + \$11 per semester unit registration fee = \$141 total per semester unit. Foreign Student fees - \$130 per semester unit + \$7 Capital Outlay fee + \$11 per semester unit registration fee = \$148 total per semester unit.

1. \$20 million for research in engineering and computer science, environmental science, UC-Mexico collaboration, and Internet2;
2. Over \$70 million for teacher professional development programs, including expansion of the California Subject Matter Projects and the California Reading Professional Development Institute, and establishment of new institutes in English, algebra, and math. This significant expansion reflects commitment to establish stronger and more prominent links between K-12 schools and the University.<sup>48</sup>
3. \$10 million for other Public Service initiatives expanding programs such as the California Digital Library, Cooperative Extension, online Advanced Placement courses, the California State Summer School for Mathematics and Science, Community College transfer programs, and graduate and professional school outreach;
4. \$1.1 million to begin planning for a regional center in the Santa Clara Valley associated with the Santa Cruz campus; and
5. \$25 million in one-time funding for equipment for the University's teaching hospitals, in recognition of their strained financial circumstances.<sup>49</sup>

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<sup>48</sup> With all the funding added in the 2000-01 budget for outreach and K-14 improvement programs, the University estimates that over \$326 million is being spent from UC, State, and other segments budgets for UC outreach programs;

<sup>49</sup> In addition, the State budget included \$133.7 million in State General Fund augmentations beyond the University's original capital request for the following high priority programs:

1. \$75 million for the California Institutes for Science and Innovation. Legislation was adopted committing the State to fund \$75 million per year for four years (for a total of \$300 million) to develop these institutes. The legislation also specifies that the funding is to be matched from non-State sources on a two-to-one basis;
2. \$50 million for teaching hospital infrastructure projects;
3. \$4 million for working drawings for the School of Veterinary Medicine project on the Davis campus;
4. \$4.7 million for working drawings for the first two initial buildings for the Merced campus.

One can only conclude that, although the state government funds merely 23% of the University of California budget, this money is being put to productive educational and research activities. It is evident that the need to invest in higher education, in addition to K-12, will continue to increase as the number of students continues to grow into the future. There is talk of a Tidal Wave II of new students that will rival the one that, in mid-20th century led to the Master Plan of Higher Education.<sup>50</sup> The challenges we face are similar, yet more ominous in number and complexity, and they will require collaboration between all segments of higher education. We can only hope that we are up to the task, like our predecessors were as they drafted the Master Plan that we are trying to implement and carry into the 21<sup>st</sup> century.

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<sup>50</sup> The issues are wide-ranging. Perhaps the most visible challenge is a projected enrollment surge that has been called "Tidal Wave II." The California Postsecondary Education Commission has estimated that 455,000 Californians (60,000 to UC) beyond those already enrolled in the state's colleges and universities will seek access to higher education in the state in the next decade.