April 20, 2010

Henry Powell
Chair, Academic Council
University of California

In Re: UCLA Response to the UCPB Paper on Differential Fees and Nonresident Tuition

Dear Harry,

The UCLA Academic Senate has completed its review of the UCPB Paper on Differential Fees and Nonresident Tuition. The proposal has been reviewed by our Council on Planning and Budget (CPB), Graduate Council, Undergraduate Council, Committee on Undergraduate Admissions and Relations with Schools, and numerous Faculty Executive Committees (School of Arts and Architecture, School of Theater, Film, and Television, School of Engineering and Applied Science, and the College), and finally by the Executive Board.

The UCLA Academic Senate cannot support the UCPB position paper in its current form. Our reservations about each of the three proposals, and the report overall, are summarized below.

1. **Differential Fees by Major.** This proposal engendered considerable discussion. By and large, our faculty were sympathetic to UCPB’s opposition to differential fees by major. Although the CPB and Graduate Council support further exploration of this possibility for higher-cost majors, in general, the notion of differential fees by major was opposed philosophically because of the attendant stratification that would ensue, and the possibility that cost considerations would drive students' choice of majors, e.g., away from STEM fields. Faculty also raised concerns about the logistical difficulties of enacting such a program, particularly in the College of Letters and Science. Although there was general concurrence with the UCPB position, the paucity of data in the report makes it impossible to lend our support to it.

2. **Differential Fees by Campus.** Committees noted and lamented the lack of data in this proposal, as well. Feasibility studies would have made endorsing or opposing differential fees by campus much more possible. On the one hand, faculty asked whether a program through which revenue from differential fees was shared among the ten campuses could be a net benefit to the system. On the other hand, faculty raised concerns that differential fees by
campus could have a disparate impact on the enrollment of underrepresented minority students. As with differential fees by major, members were concerned about the unintended consequences of enacting differential fees by campus. Still, without data or feasibility studies, the UCLA Academic Senate urges caution before taking a firm position on the strategy. We cannot support UCPB’s position at this time.

3. **Redistribution of NRT revenue generated by individual campuses.** UCLA’s Academic Senate is unequivocal in its opposition to this proposal. The position paper offered no compelling rationale for such a redistribution: no data and no feasibility studies. To make a sound recommendation on this strategy, it is essential for us to understand: (a) the broad financial picture of how funds flow to and from the campuses and UCOP, not just this one component, and (b) the opportunity costs to the campuses and to the system of distributing the revenues, or not. At UCLA, there is a consensus that the proposed redistribution would surely serve as a disincentive to campuses that rely on NRT to generate revenues. We also note that the UCPB position paper conflated the proposal for NRT redistribution with a proposed use of the revenue (restoring salaries, funding UCRP) in a way that did not enable substantive discussion.

4. **Lack of data and feasibility studies.** Although I’ve already cited the lack of data and feasibility studies in items 1-3, our Executive Board members were also greatly concerned that (a) the proposal lacked a comprehensive, data-driven rationale, and (b) no attempts were made to correlate and identify the overlapping consequences of each proposal. Given the significant concerns about the lack of information on each individual proposal, our concerns are greatly amplified when we consider the three proposals in aggregate. In the absence of feasibility studies for the individual proposals and an analysis of the impact of the proposals taken together, UCLA cannot endorse the UCPB position paper.

The committee reviews of the UCPB proposal made two additional points that I would like to bring to your attention. First, several committees expressed consternation that the UCPB proposal had gone to the Council for approval without prior vetting by the campus. Given the import of the recommendations, it was felt that discussions at the campus level should have taken place first. Second, many faculty are concerned that the UCPB recommendations are so strongly grounded in opposition to "stratification," a polarizing word in itself. As articulated by our College FEC, "Pursuing excellence should be a high priority for all, but its successful pursuit should be rewarded, not punished." Adding to this, I would caution that we not confuse "stratified" with "different." Every campus in our system values and strives for excellence. Each campus is different, though. We can recognize that those differences are part of our strength as system, and that they may lead individual campuses on different paths toward our shared aspirations.

The ideas presented in the UCPB paper do merit further consideration and discussion by the Senate. Reaching sound recommendations will hinge on having a more complete and balanced presentation of the pros, cons, and potential consequences of each of these funding strategies, individually and collectively.

Please do not hesitate to contact me should you have any questions. Thank you for the opportunity to review and opine upon this important report by UCPB.
Sincerely,

Robin L. Garrell  
Chair, UCLA Academic Senate

Cc: Martha Kendall Winnacker, Executive Director and Chief of Staff, UC Academic Senate  
Jaime R. Balboa, CAO, UCLA Academic Senate
March 2, 2010

Professor Robin Garrell
Chair, UCLA Academic Senate

Re: UCPB Position Paper on Differential Fees and Non-Resident Tuition

Dear Dr. Garrell,

The UCLA Council on Planning and Budget (UCLA CPB) has had the opportunity to discuss the University Committee on Planning and Budget (UCPB) Position Paper on Differential Fees and Non-Resident Tuition. The position paper was reviewed in our council meetings on February 8, 2010 and February 22, 2010. This memorandum offers opinions by UCLA CPB members on the topics of differential fees and non-resident tuition that differ significantly from those expressed in the position paper.

In general, the UCLA CPB believes that in order to increase revenue-enhancing actions and behaviors at the University of California (UC) campuses, most of the benefits must flow to the campuses that raise them. To do otherwise would diminish the effects of any new policy designed to increase revenues; in other words, it may have the undesirable effect of reducing the amount of revenue raised if it lowers incentives that are already in place through the new policies.

The UCLA CPB also noticed that the position paper suggests that the revenue associated with a potential increase in the number of non-resident students should be used to correct discrepancies in faculty scales among campuses and to fund the existing deficit in the UC retirement system. While it is undeniable that financial shortages currently affect the UC retirement system and that some may view discrepancies in salary scale as inadequate, the discussion and decisions to be made about the adoption of differential fees and non-resident tuition are not directly related. As such, attempting to determine the destiny of the revenue in question is inappropriate at this stage and should not be part of this exchange.

Non-Resident Tuition

In times of unprecedented financial shortage such as the present and immediate future, the UC must be creative in finding alternative ways to augment revenues for operation of its campuses in order to maintain excellence in education and research. Common business sense points in the direction that each campus should try to leverage its own strengths to increase revenues and should consequently have the right to receive most of the benefit derived from their own reputation and brand recognition. Reputation and brand recognition are traits that have been earned over decades by various UC campuses as a result of efforts conducted by individual faculty and administrative bodies. **With that principle in mind, the UCLA CPB opposes equal sharing\(^1\) of revenue derived from non-resident student enrollment among UC campuses.** Other reasons supporting the UCLA CPB position are described below.

Accepting a larger number of non-resident undergraduate students is one out of several possible alternative ways to increase university revenues. It may be rightfully believed that mature UC campuses such as UCLA, because of their brand recognition, have a greater potential to attract out-of-state

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\(^1\) Equal sharing should be interpreted either as an equal dollar amount per campus (all non-resident revenue divided equally by all ten campuses) or a dollar amount per campus calculated proportional to the total number of students enrolled on a particular campus.
students than growth UC campuses. Presently, there is no evidence-based data to support the extent to which UC campuses can attract qualified non-resident applicants. The situation may - and is likely to - be that a substantial and costly effort might be necessary to recruit a higher number of non-resident students, and such an investment would be borne by campuses that are more likely to benefit from the proposal. UC campuses that envision a limited benefit from an effort to recruit non-resident students are less likely to agree to finance the proposal at the same level as those campuses that believe that they would receive a greater level of benefit.

There needs to be an incentive for those campuses that believe that they can increase revenues by substantially raising the number of non-resident students. Such an incentive would only exist after a cost-benefit analysis is conducted. If the cost of the effort is to be disproportionately incurred by some campuses and the benefit to be received is equally shared by all campuses, a campus such as UCLA may decide to disregard the initiative. UCLA may decide that the use of resources to increase non-resident student enrollment may have greater benefit to its campus if utilized in some other initiative. In that case, the whole UC system would pay the price for a decision made by an individual campus, as the potential new revenues may not come to the UC at all.

There are potential political implications associated with enrolling a larger number of non-resident students into a public university system such as the UC. The people of California, through public media in particular, may challenge individual campuses where non-resident student enrollment is higher as compared to other UC campuses. Therefore, the campuses with higher non-resident enrollment - and not the whole UC system - are risking their reputations in the public eye. This set of circumstances further supports the concept that benefits should be allocated to those assuming the risk associated with the proposal.

In summary, some UC campuses have a higher capacity to increase the recruitment of non-resident students than others due to their reputation and brand recognition. Moreover, such campuses would be more likely to invest in the recruitment process of non-resident students and to assume the monetary and other risks that are associated with the proposal. As the proposal's cost and risk would be borne by some campuses, it is only fair that its benefits be allocated to campuses in a manner that is proportional to each campus’ success in recruiting non-resident students.

Finally, the UCLA CPB recognizes that the UC is a single and united entity and some of its central functions serve all campuses equally. All campuses should therefore equally support those functions. Also, in the spirit of solidarity and collegiality, the UCLA CPB believes that mature campuses should contribute to the growth and development of younger campuses that are in the earlier phases of their cycle. Therefore, the UCLA CPB suggests that all campuses equally share part of the revenue generated by non-resident tuition.

Hence, the UCLA CPB proposes that non-resident tuition be allocated in a way in which the campus where the non-resident student has enrolled would keep the vast majority of the non-resident tuition and a small portion of it would be devoted to a common pool that would be equally shared by all campuses based on the total number of students enrolled in each campus.

Differential Fees for Particular Majors

UCLA CPB members showed some enthusiasm for the idea of charging differential fees for particular majors. With that, it was not believed that the concept of differential fees for particular majors should be fully refuted.

The UCLA CPB believes that charging differential fees for particular majors could be justified if the costs associated with the educational process of students working toward such majors are substantially higher than those associated with other majors. It was thought that the revenues that could be generated through differential fees for particular majors should remain within the campus unit offering the more cost-intensive major and that it be used specifically for items that make the major differently
expensive. The UCLA CPB opposes the idea of revenues from differential fees for particular majors to become sources of discretionary spending by deans or other administrators within the unit or on the campus where the program is housed.

Because of the concept of specific destination of the revenues to be generated by differential fees for particular majors as described above, the UCLA CPB believes that a careful educational cost analysis be conducted in order to set the adequate level for differential fees for each major seeking to charge them. It would be expected that these differential fees be in the same range, despite some variation, for the same major in various UC campuses.

The UCLA CPB did not believe that the earning capacity of individuals graduating with a particular major should be a determinant factor in the implementation of differential fees. The reasons for it are (a) that undergraduate degrees are not terminal degrees for many graduates, (b) that many majors are non-specific enough that graduates may work in diverse fields, making it impossible to predict their income generation potential, and (c) that UCLA degrees other than those from its professional schools are liberal arts degrees, rather than professional degrees, so implementing differential fees by major on the basis of earning potential would send a signal that is inappropriate to the mission of the institution.

Thus, the UCLA CPB suggests that consideration be given to charging differential fees by major, provided that the revenues generated by such fees be used only as a mechanism to cover additional expenses required by those majors.

Differential Fees by Campus

The UCLA CPB had more mixed views regarding the issue of allowing campuses to set different fee levels.

Some members pointed out that campuses vary in the costs of recruiting first-rate faculty, based on the local cost of living and other factors; others noted that students also confront these living cost variations. Members generally agreed that each campus has its own set of competitive advantages, and that some were probably able to charge higher undergraduate fee levels based on academic reputation and attractiveness to students. However, a substantial portion of the CPB membership felt that the principle of equality among campus undergraduate programs was a linchpin of what makes the UC system so special, and that both the principle and the considerable reality of this equality should be maintained as far as possible.

Given the range of sentiments among its members, the UCLA CPB does not take a position on differential fees by campus at this time, and believes that on balance this proposal is less attractive than the other two discussed here. However, should the University move in this direction, the UCLA CPB believes that some degree of revenue sharing would be appropriate.

Sincerely,

Paulo Camargo
Chair, UCLA Council on Planning and Budget

cc: Michael Goldstein, Immediate Past Chair, Academic Senate
    Ann Karagozian, Vice Chair, Academic Senate
    Jaime Balboa, Chief Administrative Officer, Academic Senate
    Linda Mohr, Assistant Chief Administrative Officer, Academic Senate
    Council on Planning and Budget Members
April 1, 2010

Professor Robin Garrell
Chair, Academic Senate

RE: UCPB Position Paper on Differential Fees and Non-Resident Tuition

Dear Robin,

As requested, the Graduate Council reviewed the UCPB Position Paper on Differential fees and Non-Resident Tuition at its meetings of February 19, March 5, and March 19, 2010. Although primarily focused on undergraduate programs, the Council spent a significant amount of time discussing the paper, its purpose, and potential impact on graduate student fees. By a unanimous vote (13 in favor, 0 opposed, 0 abstentions; GSA Reps: 3 in favor), the Council chose to not endorse the paper as-written.

In order to gain a better understanding of the UCPB’s discussion and ultimate position, the Graduate Council invited the Los Angeles’ divisional representative to UCPB, Professor David Lopez, and Chair of the UCLA Council on Planning and Budget, Professor Paulo Camargo, to its meeting of March 5th. The Graduate Council acknowledges that the paper primarily addresses undergraduate student fees and tuition. However, given its recent discussions about fee differentials at the graduate-level, its recent position on the proposed revisions to the policy that sets professional school fee amounts, and its concerns about the lack of Senate input in approving them, the Graduate Council appreciates the opportunity to comment on UCPB’s position paper.

In preparation for its discussion with Professors Lopez and Camargo, the Graduate Council reviewed the Council on Planning and Budget’s excellent response to the paper and agreed with most of its points.

The Graduate Council opposes the proposal to equally share revenues generated from non-resident tuition among the campuses of the University of California. The Council acknowledges that “equal sharing” of these revenues may benefit smaller campuses, but doing so also serves as a disincentive for them to enhance outreach efforts that would expand their own pools and increases enrollments of out-of-state and international students. All campuses can and should consider their academic programs’ appeal to out-of-state and international applicants. The larger, “better known” campuses have invested decades into establishing their reputations as top-ranked, research-intensive universities with highly distinguished and reputable faculties. As such, an indisputable hierarchy exists within the University of California and campuses that maintain a strong national and international profile should retain most, if not all, the revenues they generate from non-resident tuition.

The Graduate Council concurs with CPB’s opinion that differential fees for particular undergraduate majors could be justified if the costs associated with the educational process of students working towards such majors are substantially higher than those associated with other majors. The Graduate Council acknowledges that this proposal applies to undergraduate programs. However, several members commented that when fees increase for undergraduate students, fees for graduate students are likely soon to follow. Council members agreed that any revenue generated by a differential fee of any given major should return to that major and be applied towards its associated educational expenses. Furthermore, the Graduate Council concurs that the revenue should not be returned to the respective dean or other administrators as discretionary funding.
With respect to the charging of differential fees by campus, the Graduate Council had a more difficult time reaching a consensus. Ultimately, it did not do so. As the paper was specifically written about undergraduate fees, the Graduate Council does not formally have the purview to opine on this particular policy. However, given that graduate fees will never be lower than undergraduate fees, any differentiation of fees by campus will affect costs to graduate students, which could have unintended consequences concerning the decrease (or increase) of graduate enrollments in certain programs systemwide.

Council members believe that budgetary concerns, rather than our university’s academic principles, constitute the driving force behind this paper. In this current fiscal climate, members expressed serious concern about implementing and/or increasing fees as an immediate solution to what might be a temporary economic recession and that so doing increases the potential for the exclusion of deserving students—both undergraduate and graduate—from the obvious advantages afforded to them by a first rate public education. The entrepreneurial impulse and development needs of our University must be balanced with the rigorous maintenance of the high quality and integrity of our University’s academic programs.

The Graduate Council appreciates the time and effort expended by UCPB to produce its position paper and considers a discussion of these important issues at divisional statewide levels to be very critical at this time. The Graduate Council has strong feelings about what remains to be decided about differential fees at the graduate-level and would welcome a separate paper on this topic. Generally speaking, the Graduate Council feels that the Academic Senate should be given a more pronounced role in these important discussions, and we strongly suggest that issues concerned with the changing of policies related to the charging of differential fees and those focused on nonresident tuition should be decoupled and addressed separately.

Sincerely,

Steven Nelson  
Chair, Graduate Council

cc: Jaime Balboa, CAO, Academic Senate  
    Kyle Cunningham, Graduate Council Analyst, Academic Senate  
    Dorothy Ayer, Executive Assistant, Academic Senate
March 30, 2010

Robin Garrell
Chair, Academic Senate

RE: UCPB Position Paper on Differential Fees and Non-Resident Tuition

Dear Robin:

The Undergraduate Council (UgC) discussed at length the Senate Item for Review: UCPB Position Paper on Differential Fees & Non-Resident Tuition at both its February 26th and March 12th, 2010 meetings. Below is a brief summary of the UgC’s thoughtful discussion of each of the three separate UCPB positions followed by a formal vote of the UgC membership. However, the Council made mention that it is highly unusual to opine on a UCPB document after it had already been submitted to the UC Office of the President.

**Differential Fees by Major**

Many members were concerned with the possible outcome of putting students in a position of choosing what to study based on money. One member also stated that differential fees by major would likely affect courses that are already overly impacted. The classes that tend to be less expensive to teach, are the ones that are often over-enrolled (e.g. Political Science). Some members took a collectivist stance, suggesting that this is the time for the different disciplines to come together and implementing differential fees by majors will likely put disciplines against each other. However, others argued for differential fees by major, stating that it is better to see the cost of a major explicitly, rather than burying the cost in a course fee, which the current system allows. Many students are already paying more for specific majors through course fees and add-ons. While idealistically it would be nice to have everyone pay the same fees, the reality is that some courses are more expensive to teach.

To help clarify and perhaps reconcile some of the disagreements in the UgC membership, UCLA Council on Planning & Budget (CPB) Chair Paulo Camargo and Vice Chair David Lopez were invited to provide UgC with an overview of CPB’s positions on the three issues within the proposal. CPB had already weighed in on the UCPB position paper and were kind enough to provide their letter of response. Professors Camargo and Lopez informed the UgC that CPB suggests that consideration be given to charging differential fees by major, provided that the revenues generated by such fees are used only as a mechanism to cover additional expenses required by those majors. However, concern remained amongst the UgC members regarding the administration of differential fees by major. Besides some of the initial concerns raised above, many felt that this would also result in students waiting to declare their major in an attempt to reduce costs.

The UgC endorsed UCPB’s opposition to Differential Fees by Major. The UgC faculty voted 12 in favor to endorse UCPB’s opposition of differential fees by major, 1 opposed, and 0 abstentions; the students voted 1 in favor, 1 opposed, and 0 abstentions.

**Differential Fees by Campus**

Professors Camargo and Lopez reported that CPB had mixed views regarding the issue of allowing campuses to set differential fee levels. Members generally agreed that each campus has its own set of competitive advantages, and that some are probably able to charge higher undergraduate fee levels based on academic reputation and attractiveness to students. However, a substantial portion of the CPB membership felt that the principle of equality among campus undergraduate programs was a linchpin of what makes the UC system so
special, and that both the principle and the considerable reality of this equality should be maintained as far as possible.

The opinions of the UgC were also mixed, citing the reasons listed above. The UgC endorsed UCPB's opposition to imposing Differential Fees by Campus. The UgC faculty voted 2 in favor of differential fees by campus, 8 opposed, and 3 abstentions; the students also opposed the fees with a vote of 0 in favor, 2 opposed, and 0 abstentions.

**Distribution of Non-Resident Tuition**

While many campuses would like the revenue earned through non-resident tuition fees to be distributed centrally, this is not the general view of UCLA and UC Berkeley. UCLA and UC Berkeley have the highest rates of non-resident students and can potentially increase revenue by keeping the fees they earn at their campus. Other campuses, with lower rates of non-resident students, would like to have revenues distributed equally among the campuses. CUARS Chair Darnell Hunt was present and reported that BOARS was opposed to campuses being free to profit by non-resident admissions. BOARS felt that the mission of the University is to serve the state with resident students. While some campuses felt that they needed the flexibility to raise money during certain times, others felt that serving the residents of the state was core to the University's mission. There was also some concern that an increase in Non-Resident students could negatively impact the diversity of the UCLA student population.

Professors Camargo and Lopez reported CPB's position and rationale for opposing equal sharing of revenue derived from non-resident student enrollment among UC campuses. CPB believes some UC campuses have a higher capacity to increase the recruitment of non-resident students than others due to their reputation and brand recognition. Moreover, such campuses would be more likely to invest in the recruitment process of non-resident students and assume monetary and other risks that are associated with the proposal. Given that the cost and risk would be borne by the individual campuses, it is fair that its benefits be allocated to campuses in a manner that is proportional to each campus' success in recruiting non-resident students.

The UgC opposes the equal sharing of revenue derived from non-resident student enrollment among UC campuses. The motion was made to adopt CPB's position, opposing the equal sharing of revenue derived from non-resident student enrollment among UC campuses, and the faculty voted 12 in favor to endorse CPB's position, 0 opposed, and 1 abstention; the students also voted to endorse CPB's position with a vote of 2 in favor, 0 opposed, and 0 abstentions.

Sincerely,

Joseph B. Watson, Ph.D.
Chair, Undergraduate Council

cc: Michael Goldstein, Immediate Past Chair, Academic Senate
Ann Karagozian, Vice Chair, Academic Senate
Jaime Balboa, Chief Administrative Officer, Academic Senate
Linda Mohr, Assistant Chief Administrative Officer, Academic Senate
Judith Lacertosa, Principal Policy Analyst, Undergraduate Council
Dorothy Ayer, Assistant to Senate Leadership & CAO
March 30, 2010

To: Robin L. Garrell  
   Chair, UCLA Academic Senate

From: Darnell Hunt  
   Chair, UCLA Committee on Undergraduate Admissions & Relations with Schools

Re: Senate Item for Review: UCPB Position Paper on Differential Fees & Non-Resident Tuition

At its meeting on March 19, 2010, the Committee on Undergraduate Admissions & Relations with Schools (CUARS) reviewed the UCPB Position Paper on Differential Fees & Non-Resident Tuition. The Committee reviewed the following three aspects of the proposal separately; the Committee’s stance on each is found below:

- Differential Fees by Major
- Differential Fees by Campus
- Distribution of Non-Resident Tuition

**Differential Fees by Major**
The UCPB proposal opposes differential fees by major; CUARS endorses this position. Concern was raised that setting different fees by major would create a hierarchy across campus by discipline. CUARS feels that equal regard should be given to all majors, and that the University of California should equally value intellectual development in all areas. While the reality exists that certain disciplines cost more to teach, the Committee feels that any additional costs by major are already covered by course fees.

Additionally, members feel that setting differential fees by major will result in students waiting to declare majors, in an attempt to reduce costs. CUARS also feels very strongly that any argument for differential fees by major that is based on the earning potential of the student should be discounted. Students at the undergraduate level cannot rely on possible future income in order to meet different financial expectations while at UCLA.

**Differential Fees by Campus**
The UCPB proposal opposes differential fees by campus; CUARS endorses this position. CUARS deeply feels that the principle of equality among the UC campuses should be maintained to the furthest extent possible. Consideration was given to the negative impact such a policy could have on the newer UC campuses, which are working to establish reputations commensurate with the most attractive campuses in the system. Pricing these campuses at a lower rate could result in a negative branding from which the campuses may not recover.

Also, given that students living in Los Angeles are already grappling with higher living costs, members worried that that differential fees by campus would likely result in even higher fees for UCLA students, and do not want UCLA students carrying a double burden.
Distribution of Non-Resident Tuition
The UCPB proposal endorses equal sharing of revenue among campuses generated from non-resident tuition; CUARS opposes this position. CUARS agrees with the UCLA Council on Planning and Budget, that some UC campuses have a higher capacity to increase the recruitment of non-resident students than others due to their reputation and brand recognition. Moreover, such campuses would be more likely to invest in the recruitment process of non-resident students and to assume the monetary, political, and other risks that are associated with the proposal. As the proposal’s cost and risk would be borne by some campuses, it is only fair that its benefits be allocated to campuses in a manner that is proportional to each campus’ success in recruiting non-resident students.

CUARS feels that to the extent individual campuses are able to attract non-resident students, those campuses should be able to retain the benefits; however, CUARS does not endorse simply increasing the number of non-resident students for the purpose of generating additional revenue. Please refer to the non-resident enrollment principles drafted by the Board of Admissions & Relations with Schools (BOARS).

If you have any questions or need additional information, please feel free to contact me (x64304; dhunt@soc.ucla.edu), or Dottie Ayer (x62070; dayer@senate.ucla.edu).

cc: Jaime Balboa, Academic Senate CAO
    Linda Mohr, Academic Senate Assistant CAO
    Judith Lacertosa, CUARS Analyst
    Dottie Ayer, Academic Senate
MEMO

Date March 12, 2010

From Andrea Fraser  
Chair, Faculty Executive Committee  
School of the Arts and Architecture

To UCLA Academic Senate  
Jaime Balboa, CAO

RE SOAA FEC Review of UCPB Position Paper on Differential Fees and Non-Resident Tuition

The FEC of the School of the Arts and Architecture reviewed the UCPB Position Paper on Differential Fees and Non-Resident Tuition, as requested by the chair of the UCLA Academic Senate. At our March 12 meeting, the committee voted that it cannot endorse the proposal as written.

The committee is sympathetic to many of the concerns and some of the proposals addressed in the paper. However, the committee agreed that the paper suffered from a lack of clarity and detail, leaving too many unanswered questions. Consequently, we request that the paper be revised to address the following:

- The paper should include discussion of the budgetary impact on different campuses of the proposed change in the current policy allowing campuses to retain the nonresident tuition they generate.

- If the primary concern of the UCPB is that revenue from nonresident tuition, if not centralized, would result in increasing stratification among campuses, wouldn’t a more direct solution to this problem be to establish quotas for nonresident admissions?

- If the primary concern of UCPB with regard to nonresident tuition is increasing stratification, then the proposed recentralization of revenue should be used to readdress stratification, not to shore up the UCRP and fund the Faculty Salaries Plan, as proposed.

- If the primary concern of the UCPB is to shore up the UCRP and fund the Faculty Salaries Plan, then the purpose of the paper should be stated as such, and not as that of reconsidering the policy on differential fees and nonresident tuition.

- Given the lack of correspondence between the concerns of the paper and the solutions proposed, the paper runs the risk of appearing to use the issue of nonresident tuition and increasing stratification as an opportunity for generating funds for other ends. The relationship between the policies at issue and the proposal needs to be clarified.
- With regard to concerns about stratification, the paper appears to argue that there should be no hierarchies between programs in similar fields at different campuses. We do not find this argument convincing. We believe that it is both unavoidable and beneficial that different campuses have different strengths—depending on location, history, and a range of other factors.

- We also find fault with the argument that all programs would rush to levy the maximum differential fee if given the opportunity, and that they would otherwise run the risk of being seen as, or becoming, second-tier. Programs in similar fields at different campuses compete with each other on a number of different levels, only one of which is cost. The differences between programs on different campuses cannot and should not be reduced to a single criteria of value.

- Finally, we feel that the discussion of stratification is considerably weakened by lack of acknowledgement of the extent to which stratification already exists, and not simply because “older campuses are better known outside California.” Again, different campuses should have different strengths. You will not find top-tier arts programs outside of urban centers; you will not find top-tier agricultural programs in urban centers. It should also be acknowledged that economic stratification exists not only between campuses but within campuses, due to the varying capacity of different units to generate revenues from grants, donors, services and other earned income. Often, this is not due to varying degrees of effort, but to the nature of the disciplines themselves and of the resources available to them. It seems to us that any serious discussion of stratification and rebalancing should address stratification among units and disciplines, and not only among campuses.
Dear Robin Garrell:

After having studied UCPB’s position paper on differential fees and non-resident tuition, several members of TFT’s Senate met on March 17th to discuss the paper and related issues.

Although some colleagues agree with some of the underlying philosophy of the paper, the majority have too many questions and concerns in order to either clearly endorse or clearly oppose UCPB’s paper. While some colleagues agree that it is inevitable, other colleagues affirm that UC is one university and that it is not advantageous for UC to consciously create a two-tier system of campuses. This is neither good for the overall reputation of the UC system nor for the education of its students, especially for those disadvantaged or underrepresented students who might not be able to afford the higher costs (differential fees) at some campuses. The same logic extends to the potential inequity which might result from reserving more slots for non-resident tuition students on some campuses and/or some departments.

Nevertheless, most senate faculty had questions concerning the uses of the revenue should deferential fees and non-resident tuition be pooled by UC. Do these fees go directly to support students and their welfare; or do these revenues, for example, go to support collateral for bonds that support UC infrastructure? Although some senate faculty favor the idea behind these revenues supporting faculty salaries and restoring the retirement system, it seems as if student support should be a much larger part of this discussion. In short, students will have to pay more; and the UC system gets to decide where that money will go. This is, perhaps, too much centralized power; and many faculty members fear that the overall mission of educating students is lost in this discussion of costs.

Some professional schools, for example, The Anderson School and UCLA’s Law School, function fairly independently because they are able to charge professional fees and keep the revenues within their Schools. This allows the schools a great deal of autonomy. Wouldn’t we want to do the same for
undergraduate programs in film and theater, especially since few campuses besides UCLA offer a B.A. degree in this field? Our students, for example, already pay for their own live-action and animated films. One FEC member from the Theater Department states that he is “adamantly opposed” to increasing fees and NRT if the revenues do not remain in the School. The important question remains: how are we going to remain competitive with private film schools if we do not find more ways to support our students? Many agree that differential fees are not the answer, but if differential fees were to become a necessity, it makes little sense to relinquish these revenues to UC when most campuses do not have film/theater programs.

One Senate member has followed this UCPB paper through the Undergraduate Council and reports that many members in the Council have vehemently contested this position paper. Many in the Council are skeptical that the paper was quickly prepared by UCPB, having been sent to the Office of the President as a recommendation before it was sent to the various campus senates. Normally, a paper such as this is first sent to the various campus senates for discussion before it is sent to the Office of the President. A policy with such overwhelming ramifications should proceed normally through the university’s system of shared governance.

In short, TFT does not believe that UCPB’s position paper on differential fees and non-resident tuition clearly states all of the issues or ramifications of its argument. We are interested in more information from other governing bodies, including the position of the Undergraduate Council. We are not able to endorse or oppose the paper given the information at hand. We believe, however, that the issues presented in this paper are of the utmost importance; and we wish to share our opinions with the Academic Senate. We hope that the Academic Senate continues the debate in order to clarify all the ramifications of the issues presented by UCPB.

Sincerely,

A.P. Gonzalez
TFT FEC Chair
Jaime -
The SEAS FEC was polled with respect to the proposed “Differential Fees”. The committee opposes the proposal.

While there were a number of different views of the proposal, the majority opposed the proposal taking particular exception to possible undesired side-effects that differential fees could produce.

Yours,

Oscar Stafsudd
Chair, SEAS FEC
April 5, 2010

Robin Garrell
Chair of the Academic Senate
UCLA

Dear Robin,

At your request, the College Faculty Executive Committee (FEC) reviewed UCPB’s “Position Paper on Differential Fees and Non-resident Tuition” at its March 19 meeting. I am writing to report the results of the votes we took, and to relate specific points raised in our discussion.

After a thorough and engaging discussion of the document, the committee decided to vote on three specific questions:

1. The FEC opposes the proposed re-distribution model and advocates for maintaining the current non-resident fee re-distribution process. (9 votes in favor, 1 vote in opposition, and 0 abstentions).
2. The FEC unanimously opposes differential fees by major. (10 votes in favor, 0 votes in opposition, and 0 abstentions)
3. The FEC will not opine at this time regarding differential fees by campus. (8 votes in favor, 1 vote in opposition, and 1 abstention)

In discussion, the following points were made:

1. A general opposition to stratification among the UCs is not supportable. Pursuing excellence should be a high priority for all, but its successful pursuit should be rewarded, not punished.
2. The part of this proposal dealing with non-resident fees needs to be separated from arguments that stem from the public dimension of the UC and its obligations to the people of California. Since opposition to stratification denies current reality and poses a false ideal, there is left no basis for the recommendation to redistribute this income, since, in attracting non-residents, a campus is deciding to invest capital toward recruitment, building on its achieved excellence, and furthering excellence, activities that are determined and/or managed by each campus independently.
3. A general opposition to differential fees is supportable, but should be separated from the packaging presented in this document, which is based on the fantasy that all UCs are equal, and/or the false ideal that they should be. An argument for equality in this regard is an argument against incentives for excellence. The question of differential fees by campus warrants more study and review.
4. At the same time, members argued that some level of re-distribution might be supportable, since this would address the need to help all campuses, and since admitting more out-of-state students
at a few campuses would increase the burden of serving California’s students for the other campuses.

5. Many questions were raised about the context of the Position Paper, its status, its rhetorical strategies, and its organization. Specifically:
   a. It is unclear whether the report is being taken seriously and by whom, since it seems not to have been requested and opposes current UCOP policies that (as far as we know) are not under review.
   b. The recommendations (“positions”) of the paper are not stated separately and succinctly.
   c. The nonce use of “exogenous” is obfuscating and in the end fuzzy and not particularly useful (as is partly acknowledged by the document).
   d. The relevance of the last-page inclusion of other issues (Faculty Salary Plan & UCRS) is not clear.

Thank you for the opportunity to opine on this Senate Action Item for Review. You are welcome to contact me at (310) 206-2278 or knapp@humnet.ucla.edu with questions. Kyle Stewart McJunkin, Interim FEC Coordinator, is also available to assist you and he can be reached at (310) 825-3223 or kmcjunkin@college.ucla.edu.

Sincerely,

Ray Knapp
Chair, College Faculty Executive Committee