Executive summary – Last year the California Legislature’s approved budget included language indicating that the projected increase in UC enrollment during the 2004-05 academic year would not be funded. This curtailment, coupled with the California budget deficit, will likely dictate that enrollments remain flat or even decrease next year. In addressing this challenge, the Academic Council reaffirms its belief that maintaining the highest quality of UC education and research must remain our first priority. Consequently, the Council strongly opposes either an increase in UC’s student-faculty ratio or a cutback in the number of UC graduate students. The Senate also gives high priority to maintaining both the accessibility and affordability of a UC education for California students. Toward that end and given the possible need to limit enrollments next year, we recommend several options that would retain UC’s commitment under the Master Plan. To the extent that UC implements enrollment limits, we recommend that comprehensive review be used for that purpose. We recommend that eligible students not admitted to UC be offered deferred admission, or given some other reasonable choice. There is substantial support for raising revenues by increasing nonresident undergraduate tuition. Raising resident fees is an option that the faculty finds distasteful but perhaps inevitable.

Preface – California faces enormous budgetary problems (a $12-15B deficit in 2004-05 and likely beyond) that will profoundly affect the University of California. Substantial portions of the State's budget (K-12 education, mandated health care, local government, prisons, debt service, etc) cannot be reduced, which means that "discretionary items" including higher education and some health and social services may play a disproportionate role in spending reductions. In the past 3 years, UC has received much lower state support than called for in the Partnership Agreement (appendix or URL?) with the State, and cumulatively has been funded about 25% lower than levels needed for sustaining UC's excellence (receiving roughly $3B for 2003-04 instead of an expected $4B). The continuing budgetary crisis is likely to reduce state support to UC even more, which could severely damage the fabric of the University and prevent us from accomplishing our traditional mission of providing the highest quality teaching, research and service of any public system of higher education for the benefit of the people of California and of the world. In fact, current reduced funding and deterioration of infrastructure may already threaten the quality of education UC can offer its students.

In its 2003-4 budget, the California Legislature stated that there would be no funding for future enrollment growth. California's population continues to grow, and there is a danger that UC cannot take unfunded students without lowering the quality of all students' education. If the Legislature remains unwilling to fund enrollment growth, then UC may be obliged to deviate for the first time from the 1960 Master Plan for Higher Education by not admitting the top 12.5% of California's public high school graduates. The faculty strongly favor UC's continued adherence to the Master Plan by admitting all UC-eligible students, but faculty are unwilling to sacrifice UC's current extraordinary quality in order to do so. It is this excellence that makes UC invaluable to its students, to the state and to the nation.

Given the present budget realities, the UC Academic Council feels obliged to express its views on how to alter our current successful admission practices for both freshman students and transfer students to accommodate diminished State enrollment support. Admissions policy has long been delegated to the Academic Senate, and we take this responsibility quite seriously. The discussion
that follows is not intended to affect currently enrolled students. However, if UC takes more upper-
division transfer students from the California Community College (CCC) system, the expected
budget shortfall will likely mean UC’s enrolling fewer freshmen, and end up with a more expensive
mix of undergraduate students.

UC currently has a substantially lower ratio of graduate students to undergraduate students than
our comparison research universities; changes in enrollment considered in this document focus on
undergraduate enrollment and are not intended to adversely affect our already-low graduate
enrollment.

Data presented to the Regents over the past year make it clear that UC fees are lower than even the
best of the other public universities. The cost of living in California, particularly the cost of housing
in the desirable communities near the UC campuses, is substantially higher than at our comparison
public research universities, and this burden erases part of the benefits of lower fees. But when one
considers that 1/3 of UC’s fees are returned as student aid, UC again falls well below the overall
cost of attending other universities. The very high quality of a UC education coupled with its
favorable fee structure almost certainly makes raising student fees necessary, even well above the
30% increase of the past 18 months.

The Regents and faculty are committed to enrolling academically gifted students into UC from the
broadly diverse California population. The Academic Council feels that the best way to ensure
continued enrollment of an outstanding and diverse student body is by comprehensive review of
eligible students whereby many features of academic and life experiences are considered during the
selection of a student by a UC campus. The Senate also supports UC’s approach of reaching out
broadly to California’s high school graduates through the policy of Eligibility in the Local Context,
which automatically makes the top 4% of every public high school’s graduates eligible for UC
admission. Changes to current admission policies should not disturb, and indeed might try to
enhance, the diversity of UC’s population of qualified students.

**Principles** - The Academic Council endorses the following principles, which should govern our
approach to dealing with the absence of state funding for increased enrollments and may be needed
even more if new budget cuts require enrollment reductions from current levels.

**Maintaining the University's quality is essential.** – We reaffirm UC's commitment of providing an
excellent education to California’s high achieving students, and its role as the world's finest public
research system. To preserve this quality, there should be no reduction in either the quality or
number of faculty. The student-faculty ratio should remain at its current level (about 20:1)? for the
immediate future and then decreased as soon as possible to 18.7:1 or better.

**We should honor the terms of the Master Plan.** - The Master Plan should be preserved and its
terms upheld as completely as possible. Although the 1960 plan called for UC to admit students
from among the top one-eighth of California public high school graduates (as defined by UC), later
interpretations construed admitting this group this as an obligation. If insufficient state funding
necessitates a decrease in that percentage, the decrease should be temporary and the original terms
of the Master Plan re-instituted as quickly as possible.

**Our reasons for and methods of limiting enrollment must be clear.** - Any change in our
enrollment policies, either for the short-term or on a prolonged basis, should be effectively
communicated to the public, and eligibility should be predictable for high school students and their
parents and counselors. If we must limit admissions below the level implied by our eligibility criteria, then we must make it crystal clear that this decision emanates from the state Legislature’s funding priorities and the current California economy.

Measures to restrict enrollment should be reversible. - When sufficient funding is restored, all students eligible by current criteria should be admitted.

The current graduate/undergraduate student ratio should be maintained and, if possible, increased. - We should strive to meet graduate enrollment goals of the 2001 Report of the Commission on the Growth and Support of Graduate Education. This will bring UC more into line with other fine universities, and it will have a very beneficial long-term effect on the state’s economy.

We must optimize inter-segmental relationships. - We must work closely with the California Community Colleges and California State University campuses to enroll the largest possible number of baccalaureate-bound graduates of California's high schools in one of the higher education segments.

Assumptions and uncertainties - The faculty assume that comprehensive review, as established by BOARS and implemented by each campus' admissions process, will continue as the method of selecting students to meet whatever campus enrollment targets are set to conform to budget limitations.

There is great uncertainty about the magnitude, timing and longevity of funding cuts to the University although we must assume them to be large and imminent. Simply freezing enrollments at 2003-2004 levels may not be sufficient; strategies should address possible reductions of 5000 students or more.

The putative length of time for implementation of some options has also been considered. For instance, are three years really needed for a change in the eligibility index? Changes in high school curricular requirements would need 3-4 years to effect, but changing minimum levels for test scores or even GPAs probably would not. Similarly, strategies for accelerating time to degree could speed up graduation dates for some students even this year, but would require several years for maximum effect. For this presentation, any option that conceivably could take effect in (approximately) 1 to 3 years is labeled "short-term". Longer-term outlook and management strategies assume a shortfall in enrollment funding for up to seven years and are based on current projections for Tidal Wave II that outline a sharp rise in enrollment for several years, followed by a peak in 2015.

List of options - These assembled strategies for managing enrollment have emerged since September from discussions among faculty in Academic Council and its 17 committees, in campus committees and executive councils, and in consultation with UCOP staff and campus administrators. We feel some of the options represent very poor University policy, but we include them in order to encompass the complete range of ideas that we considered, and because we do not know how severely the budget will affect our ability to enroll students. Each option is indicated as either short-term (ST), long-term (LT) or both, and we grade each according to how acceptable we feel each one is. The faculty recommend implementation of these options depending on the severity of budget cuts and how long they are likely to last.
Our option list is divided into several groupings along the lines of the Master Plan’s consideration of the three tenets of a superior higher education system – quality, accessibility and affordability. The largest group of options affect accessibility, and this group is further divided into those which will let us continue to honor the Master Plan, and those which likely will cause at least temporary default of our Master Plan responsibilities. The faculty wish to make it entirely clear that we only would consider recommendations not to adhere to the Master Plan because of budget restrictions placed on UC by the Legislature during current economic hardships.
OPTIONS THAT COULD AFFECT THE QUALITY OF A UC EDUCATION

Increase throughput / decrease time to degree by: charging additional fees after a certain cap of units/semesters/quarters is reached. (ST and LT) - C-
- This may impose an unfair burden on disadvantaged students and on other groups such as single parents (see throughput analysis).

Accommodate full enrollment growth by increasing student-faculty ratio. (ST and LT) - F
- Virtually all committees discussing this option agreed that to lower UC’s quality by worsening the student/faculty ratio is unacceptable, and if it were done would be extremely difficult to reverse. There were a few faculty who felt that UC could “weather the storm” and continue to admit all eligible students even without funding for all, although this was a distinctly minority view.

OPTIONS THAT COULD AFFECT THE ACCESSIBILITY OF A UC EDUCATION

A. CHANGES THAT CONTINUE TO HONOR THE MASTER PLAN

Improving university preparation (LT) - A
- The cost of this would be very high and outside the immediate ability of UC to effect.

Re-direct applicants to other campuses, with a guarantee of admission. (ST) - B+
- The resultant expanded referral pool would need to be coordinated with a commitment from selective campuses to admit a certain number of re-directed students. [Get data on this.] Many students placed in the referral pool would simply choose not to attend UC, but this number is hard to predict. It is doubtful that this option alone would be sufficient.

Defer Admissions of x students to a later term in the same year or accept them as sophomores or juniors. (ST) - B-
- By way of deferring the problem, this option will have an immediate effect and does maintain the principle of access in a modified sense. Deferred admission to a later term is not in itself unusual; waitlisting is done already. But the number of students to be accommodated, which would create an enrollment bulge in one or two years, makes this an unwieldy option. The California Community Colleges (CCC) also are suffering budget cuts, and it seems doubtful that they will be able to enroll more degree-bound students. This problem may be mitigated if the CCCs reduce the number of students in their technical programs, so that they are able to support general education and major-preparation lower division courses. The CCCs might be willing to embark on this path, but reasonably can expect UC and CSU to ensure that they can accept all eligible transfer students, a guarantee that we cannot make now, given our own budget restrictions. This option denies eligible students the four-year university experience and would result in UC losing desirable students to other 4-year institutions. Also, upper division education is more costly than lower division, so that temporary savings will eventually be offset by future increased costs.

Combination of deferral and re-direction. (ST) – B+
- Students would be offered a choice of either 1) deferred admission to the UC campus of choice after 2 years at a community college; or 2) admission at another campus through the referral pool. The same limitations and possible outcomes apply as to the above two options, but this one has the (perhaps considerable) appeal of offering a choice to students.
Reduce the number of transfer students. (ST and LT) - C
- Currently the upper division to lower division ratio is above the 60:40 level. A one-year cut of 6700 transfer students (based on ‘02-‘03 levels) would reduce the ratio to 60:40; by ‘05-‘06, maintaining the ratio would translate into 8000 fewer students. In the short term, only students without an admissions agreement or guarantee (e.g., DAP students) could be denied.

B. CHANGES THAT WOULD PREVENT OUR MEETING THE MASTER PLAN’S INTENTION OF STUDENT ADMISSION TO UC

Reduce admissions to 11% [11.5%?] of high school graduate using comprehensive review, with target yield of 5.5% admits. (ST) B- [grade?]
- This is a direct and uncomplicated way to restrict enrollment while maintaining the same range of students represented in current selections. If the CPEC study (due in May 2004) indicates that UC is now admitting from a pool larger than the top 12.5%, then either comprehensive review would be used to produce a smaller number of admits, or UC would need to change its eligibility criteria.
- There is concern that large cuts in enrollment would unfairly affect under-represented minorities.

Modify the definition of eligibility to require that all eligible students be in the top one-third of their high school class. (ST and LT) [Consultant added option] D+
- Class ranking is already a factor in making admissions decisions. According to estimates from the academic planning office, implementation would yield the desired reduction in enrollment. (5000?) It could be incorporated in eventual changes made to the eligibility criteria. It is not clear how this would affect the average quality of the entering freshman class.

Re-structure eligibility criteria to be defined by a combination of an expanded percentage of ELC students together with a percentage of the top high school graduates who are eligible in the statewide context to yield a reduction in enrollment. [Consultant added option] (LT) D+
- According to a preliminary UCOP study, a combination of 9% ELC and 9% eligible in the statewide context (which are overlapping categories), would be the equivalent of the top 12.5%. This formula could be modified to reduce the pool to 11% or 11.5%. (As in prior item, there are no quality data available on this item.)

Equally fund summer instruction at all campuses by pooling and reallocating summer instruction monies from the four funded campuses. (LT) D
- The four campuses funded for summer would understandably hate this option.
- This might lower the number of summer students and thereby adversely affect enrollment of freshmen.

Institute a lottery to select at random the target enrollment from among admits. (ST) - F
- This option is largely seen as unacceptable. It would undermine the merit-based comprehensive review process and would be very unpopular and confusing to students and parents.
• A minority opinion holds that a lottery is appealing in that it is easily reversible and fair in the sense that it is random. It could be instituted in conjunction with a guaranteed deferred admission.

OPTIONS THAT COULD AFFECT THE AFFORDABILITY OF A UC EDUCATION

Generating incentives for students to graduate by June (ST) or as an ongoing practice within four years (LT) - B+ (Cost?)
• This would have some direct cost, but might free up places for incoming students.

Increase out of state tuition (ST and LT) - B
• [Fall ‘02 enrollment = 2150 freshmen; get ‘03 numbers and amount of possible increase.]
• If coupled with aggressive recruitment of out-of-state students, this option could generate significant increased revenue. It would, though, possibly detract from the university’s primary mission of educating California residents; moreover, if applied to international students, could seriously limit graduate student recruitment. As out-of-state fees increase, the market for these students is likely to decrease. Yet UC does turn away qualified nonresidents.

Raise fees toward or to the level of comparison public institutions (ST and LT) C+ (given a middling grade because of the adverse effect on students, even though the faculty recognize that this option is essentially inescapable)
• The revenue this would generate (approximately $240 million?) likely would not compensate for the shortfall in state funding by itself. The quality of instruction would not be affected by this option, but access and affordability would be. Any comparison with other universities of student costs must include all costs, including fees, housing, transportation, etc. The faculty feel this as undesirable (as almost all of these options are) but is, in the view of most, a necessary evil. We are keenly aware of the added burden of additional fees on students and their families, especially those who are not sufficiently covered by financial aid. Most agree, though, that there is an economic benefit to a UC education, and this increase is justifiable. At least part of the Legislature did not significantly resist raising fees this year.
• To the extent possible, graduate fees should not be increased. UC already is not as competitive with the other best research universities for the best graduate students as we feel we should be. It may be that fees at UC professional schools can be increased, although this is likely to adversely affect the diversity of our graduate enrollment. (append budget presentation of UC graduate student fees?)

Eliminate summer funding and summer enrollment from the four campuses that have it. (LT) C
• Summer instruction could be returned to a self-funded status.

Note 1: There is a strong likelihood that the May 2004 CPEC study will find UC admissions to be selected from a percentage greater than 12.5% of the top state high school graduates. It is speculated that the level could be as high as 14 or 15% and probably will necessitate changes to the eligibility index.
Note 2: Since the budgeted student-faculty ratio provides a component of the quantitative basis for state funding (set at 18.7 to 1 faculty member), a change in the enrollment level has implications for research and instruction support. E.g. a reduction from 16% to 12.5% = approximately - 22% in new enrollments which = 7,040 X 4 years = 28,160 X $9,030 = a loss of $254,284,800 for I&R. At $150,000 per faculty member, this is approximately 1700 faculty positions, although this number likely would be somewhat lower when coupled with staff reductions.

Conclusion: The Academic Council believes that maintaining the highest quality of UC education and research must remain our first priority even in these fiscally challenging times. The Senate also gives high priority to maintaining both the accessibility and affordability of a UC education. Toward that end and given the possible need to limit enrollments next year to include no growth in student population, we recommend several options that would retain UC’s commitment under the Master Plan. To the extent that UC implements enrollment limits, we recommend that comprehensive review be used for that purpose. We recommend that eligible students not admitted to UC be offered deferred admission, or given some other reasonable choice. There is substantial support for raising revenues by increasing nonresident undergraduate tuition. Raising resident fees is an option that the faculty finds distasteful but perhaps inevitable.

Possible Appendices:
1) Grid - with breakdown of short-term and long-term, data, outcomes, etc, according to varying severities of enrollment limits imposed - e.g., 5000 / 7500 / 12500.
2) UCOP data (tbd)
3) UC Budget data
3) Significant minority opinions