

# Study Group on Accessibility and Affordability

## **Background:**

This year as we commemorate the 150<sup>th</sup> anniversary of the Morrill Act, the federal legislation that created the Land Grant universities, we are all acutely aware that the great public research university that evolved from this and other far-sighted measures is under siege as never before. Financial support from the State of California continues to decline precipitously. Ongoing tuition increases have placed undue hardships on our students and their families and sparked growing unrest and turmoil on our campuses. Indeed, increased dependence on student tuition and private funding to meet our education and research missions puts in question the very nature of the university and its relationship with the state and public.

There has been no better, and certainly no bigger and more transformative, example of public higher education than the system the State of California articulated in 1960 as its Master Plan for Higher Education. The Master Plan offered unparalleled access to graduates of California high schools via three coordinated systems of public colleges and universities: over a hundred community colleges, many comprehensive university campuses (the 23-campus CSU system), and the world's greatest public research university, the University of California, now 10 campuses in number.

As California grew and flourished, and especially in the thirty years of 1960-1990, the state was able to fund continued growth in this three-tiered system as it had envisioned. Great public higher education was accessible to virtually all qualified California high-school graduates, although, as we know well, even this system fell far short of the ideal of universal access, since the capacity of K-12 educational systems to prepare students for college itself varied widely, still too dependent on the economic resources of each community, and minorities often faced additional barriers.

Unfortunately, in the past twenty years, the commitment to the Master Plan has eroded to the point where some doubt its continued viability or even relevance. Funding to the UC has dropped precipitously. The State's contribution to students on UC campuses has been reduced from \$16,700 per student in 1990-1991 to less than \$6,500 per student in 2011-2012. UC Davis has lost more than \$130 million in state support over the last four years and, for the first time in the history of the University of California, student fees have surpassed the state contribution to the University's budget. In addition to steep tuition increases, which ask more of our students and their families, these cuts have led to furloughs, layoffs and reductions, putting tremendous pressure on educational and other support programs.

## **The Current Situation:**

The university has long promised excellence, affordability and access, and over the long run the university has been able to deliver on this promise. Certainly we have diversified our sources of revenues as state support began its slow decline, with increased support of research activities and growing philanthropy. We continue on

these paths to preserve excellence even in the face of the most recent reductions in state contributions, noting that federal research dollars are now also decreasing and may become even scarcer in the coming years. But the recent sharp drop in state funding has had its most dramatic impact on costs for our students. In the past four years, our campus alone has lost 40% of its state budget, while tuition has increased by 84%. Many of our current students and their families are struggling to meet the cost of education, and some of the means available to meet these costs – increasing hours students work or accumulating a greater burden of debt – constitute significant negative impacts on our students. Many other students must choose another institution, and yet others do not even apply. It is not inappropriate to speak of a crisis in affordability and access.

To meet these challenges, our campus is working very hard to add to the substantive student financial aid we already provide our students. Sometimes the scale of current support is not fully appreciated. As a matter of fact, we already have one of the most robust financial aid programs in the county due to the large return-to-aid of tuition dollars mandated by the Regents and the state-supported Cal Grant program. Building on these funds and adding monies already raised or allocated by our campus specifically for scholarships and fellowships, UC Davis administers \$324 million annually in financial aid. This figure is exclusive of loans.

Yet even this sizable amount of aid is not enough to alleviate the stresses that are felt by a large number of our students and their families, particularly as they, too, are hard hit by the bad economy of the state. We must find ways to do more, and Provost & Executive Vice Chancellor Hexter, in cooperation Vice Chancellor–Student Affairs Fred Wood, Vice Chancellor–Development Shaun Keister and several other key staff members, has drawn together an ad hoc working group to gain greater understanding of the issues around financial aid, so far our key tool in sustaining access in the face of decreasing affordability. One of the first outcomes of this group will be to help VC Keister and other colleagues develop and refine our messages around the need for financial aid for the balance of the current comprehensive campaign.

Obviously, and understandably, many on our and other UC campuses are searching for strategies to address the crisis in both affordability and accessibility. On the affordability side, many students – and not only students – argue against further tuition increases; many, indeed, seek a roll-back from the historically high levels we have recently reached. Across the system and on our campus a number of interesting proposals to address affordability, access, and budget issues more generally have been floated. As far as accessibility is concerned, one UC campus, Berkeley, recently announced a program designed to help students from families with “middle” incomes, in other words, above the \$80,000 maximum for the all UC Gold & Blue plan to \$140,000, and members of our community have raised the question whether we could or should do something similar.

### **Composition and Goals of the Study Group:**

We believe it will be valuable to create a formal mechanism for evaluating these and other suggestions as well as developing additional ideas, strategies, initiatives,

programs and/or practices that could help the campus achieve our vision of maintaining and expanding access to a truly excellent education. It is in that spirit that we are creating a **Study Group on Affordability and Accessibility** to be led by Professor Ann Stevens, chair of Economics and Director of the Center for Poverty Research.

The group will also include representatives of the Academic Senate recommended for their expertise along with representatives from the Academic Federation, undergraduate and graduate students, and staff. This study group, both brain trust and sounding board, will help identify and evaluate strategies for handling our present situation especially as regards affordability and accessibility for our students. It is foreseen that the study group will meet regularly with the provost and will begin by reviewing, along with the above-mentioned administrative working group, the capacity of our current financial aid resources and programs to meet the needs of today's students in today's economy.

We expect that rather than issue a single report, the study group, as a whole or via subcommittees, will develop a series of white papers on specific topics and issues that will be posted to stimulate broader comment and discussion which the study group will in turn help us process. For example, it is likely that the study group will host larger town hall meetings where questions can be fielded and perspectives from a very broad audience can be heard. The study group may also seek other expertise as it feels appropriate.

While most of the work of the study group will focus on issues facing our undergraduate students, this is not because there is less concern about graduate students and the challenges of affordability and access at the graduate level. The differences of mission, scale and historic funding patterns, to name but three parameters, however, suggest that this must be the focus of either a subgroup of the study group now being formed or possibly a separate group altogether. This will be an issue we take up early in our deliberations. Certainly, VC Keister will be including fundraising for graduate fellowships in the plans he is developing in the context of the discussions noted above.

It is important to emphasize that when there are opportunities to draw on the expertise, or share information and ideas with existing committees, for example, Academic Senate committees on Undergraduate Scholarships, Honors and Prizes or the Graduate Student Support Subcommittee of Graduate Council – and these are but two – we will do so. The study group does not conflict with but rather will enhance and inform current pathways of governance and consultation.

We will ask those serving on the study group to plan for a one-year term, by which time we will certainly be able to craft a first set of responses and programs, anticipating that in subsequent years evolving economic reality will require ever evolving responses, and likely multiple programs, to keep up with future challenges in the areas of accessibility and affordability.