

Information/Action Item

California Student Aid Commission

Discussion of the upcoming Review of California's Master Plan for
Higher Education

As the State's Master Plan for Higher Education marks its 50th anniversary, the California Legislature plans to review the policy framework which has guided California's higher education system. This agenda item is presented to provide the Commission with the opportunity to discuss the role of the Commission and financial aid policy in providing access, affordability and accountability in our higher education system.

At the end of this year's legislative session, a concurrent resolution of the California Legislature (ACR 65, Ruskin) authorizing a review of the Master Plan for Higher Education was passed (see attachment 5.a). A Joint Committee for the Review of the Master Plan will be convened on December 7th and will hold four additional hearings in 2010 on the topics of (1) eligibility and access, (2) affordability and financing, (3) accountability and (4) coordination and efficiency.

Executive Director Fuentes-Michel has received a letter from the Joint Committee on the review of the Master Plan for Higher Education requesting her testimony at their first hearing on December 7, 2009 in Sacramento (see Tab 5.b). Executive Director Fuentes-Michel has been asked to provide her comments to the committee as it initiates its overview of state higher education policies effecting California. Tab 5.c is provided for your information. Tab 5.d provides a copy of the recently released report of the Legislative Analyst entitled, "The Master Plan at 50: Assessing California's Vision For Higher Education".

Recommended Action: Direct the Program, Policy and Budget Committee (PPBC) of the Commission to work with the Executive Director in representing the Commission during the upcoming review of the Master Plan for Higher Education. The PPBC will use the Commission's policy framework as stated in its legislative and budget policies and outreach charter is a starting point for its discussions.

Responsible Person(s): Diana Fuentes-Michel
Executive Director

Lori Nezhura
State Legislative Liaison

Assembly Concurrent Resolution No. 65

RESOLUTION CHAPTER 106

Assembly Concurrent Resolution No. 65—Relative to higher education.

[Filed with Secretary of State September 23, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

ACR 65, Ruskin. Joint Committee on the Master Plan for Higher Education.

This measure would establish the Joint Committee on the Master Plan for Higher Education. The measure would provide that the joint committee would consist of a number of Assembly Members and Senators to be determined by the Speaker of the Assembly and the Senate Committee on Rules. The committee would be established to review the Master Plan for Higher Education and create a framework to ensure that higher education continues to thrive, among other things. The measure would authorize the Assembly Committee on Rules to make money available to the joint committee from the Assembly Operating Fund.

WHEREAS, Education is the most important function of the State of California and is essential to the cultural, political, and economic health of the state and the nation; and

WHEREAS, California's population is rich in ethnic and cultural diversity, which is a resource that should continually be developed to ensure the ongoing success of the state and its residents; and

WHEREAS, California has developed an extraordinary higher educational system with an unprecedented investment of public and private moneys and the energy and commitment of countless individuals; and

WHEREAS, In 1960, California established a master plan for the development, expansion, and integration of the facilities, curriculum, and standards of higher education in junior colleges, the California State University system, the University of California system, and other institutions of higher education in the state to meet the needs of the state during the 10 years following the master plan's establishment; and

WHEREAS, The 1960 Master Plan for Higher Education was a precedent-setting document that envisioned a place for every Californian, regardless of background or income, and the 2009–10 Master Plan review effort seeks to continue the wisdom and opportunity included by the original framers; and

WHEREAS, The drafters of the 1960 Master Plan for Higher Education foresaw a changing California and a postsecondary education system that would adapt to, meet, and overcome the demands inherent with change; and

WHEREAS, Since the adoption of the 1960 Master Plan for Higher Education, the master plan has been reviewed periodically by the Commission for the Review of the Master Plan for Higher Education, the Coordinating Council for Higher Education, the Joint Committee for Review of the Master Plan in Higher Education, and the California Postsecondary Education Commission; and

WHEREAS, California is at a crossroad as our economy demands a highly skilled workforce, yet a significant number of our next generation are not being prepared to meet our economic demands; and

WHEREAS, The recent economic downturn has taken a toll on the state's fiscal support for public higher education; however, the economy will revive, and this Master Plan review can set a framework for funding priorities when funds become available to restore and increase the state's support for its colleges and universities and invest in preparing its future workforce; now, therefore, be it

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the Legislature of the State of California hereby establishes the Joint Committee on the Master Plan for Higher Education for the purposes of reviewing the Master Plan for Higher Education and creating a framework to ensure that our higher education system continues to thrive and contribute to a healthy and prosperous future for California and its students; and be it further

Resolved, That the joint committee shall consist of as many members of the Assembly, including one co-chair, as are appointed to the committee by the Speaker of the Assembly, and as many members of the Senate, including one co-chair, as are appointed to the committee by the Senate Committee on Rules, provided that the members appointed from each house shall be appointed in equal number; and be it further

Resolved, That the joint committee and its members shall have and exercise all of the rights, duties, and powers conferred upon investigating committees and their members by the Joint Rules of the Senate and the Assembly as they are adopted and amended from time to time, which provisions are incorporated herein and made applicable to this committee and its members; and be it further

Resolved, That the Assembly Committee on Rules may make money available from the Assembly Operating Fund, as it deems necessary, for the expenses of the joint committee and its members. Any expenditure of money shall be made in compliance with policies set forth by the Assembly Committee on Rules, and shall be subject to the approval of the Assembly Committee on Rules; and be it further

Resolved, That the joint committee is authorized to act until November 30, 2010, at which time the committee's existence shall terminate; and be it further

Resolved, That the joint committee shall submit a report at the end of the legislative session to the Legislature on its activities; and be it further

Resolved, That the Chief Clerk of the Assembly shall transmit copies of this resolution to the author for appropriate distribution.

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Assembly California Legislature



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ASSEMBLYMEMBER, TWENTY-FIRST DISTRICT

2009 NOV -9 AM 11:31
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EXECUTIVE OFFICE

COMMITTEES
CHAIR, BUDGET SUBCOMMITTEE #3
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HIGHER EDUCATION
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CSAC
EXECUTIVE OFFICE

November 6, 2009

Ms. Diana Fuentes-Michel
P.O. Box 419026
Rancho Cordova, CA 95670

Dear Ms. Fuentes-Michel:

As an expert and leader in higher education, your participation is requested at the first informational hearing of California's Joint Committee on the Master Plan, to discuss the upcoming review of the Master Plan for Higher Education and to obtain your input to shape the entire review process.

Upon the 50th Anniversary of the Master Plan, a review of the Master Plan is imperative if we are to adapt effectively to the changing forces facing California and emerge with a system of higher education that can meet the increased challenges to California's quality of life, economic vitality and leadership. We are interested in developing a more effective framework for higher education priorities in focused areas to ensure that our systems can thrive both during these difficult times and after the economy revives. We plan to hold four hearings in 2010: 1) eligibility and access, 2) affordability and financing, 3) accountability, 4) coordination and efficiency.

During December's informational hearing the committee will hear testimony from representatives of each segment and stakeholders. You will be asked to give a brief presentation on the four hearing topics and be available for questions from the committee with your panel.

The informational hearing will take place on December 7th beginning at 9am with an hour overview of the history of the Master Plan, followed by testimony by the segments and administration and a lunch reception. From 2-6pm the committee will hear from more stakeholders. We hope you will be able to share with us your insights and experience to help shape the review process.

Please RSVP to Valerie Brown at (916) 319-2021, or valerie.brown@asm.ca.gov with your availability. If you are unable to attend, please consider sending a representative.

Sincerely,

Assemblyman Ira Ruskin
Co-Chair

Senator Gloria Negrete McLeod
Co-Chair

E-mail: assemblymember.ruskin@assembly.ca.gov • Website: democrats.assembly.ca.gov/members/a21



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MASTER PLAN FOR HIGHER EDUCATION**BACKGROUND**

Master Plan for Higher Education (Plan) Overview

The Master Plan for Higher Education (Plan) was adopted, though not in its entirety, in 1960 as the Donahoe Higher Education Act (Title 3, Division 5, and Part 40, of the Education Code). The Plan was born of the necessity to find a way to educate unprecedented numbers of Baby Boomers graduating from California high schools, and it resulted in the largest and most notable system of public higher education in the nation. It contained two overarching goals.

- The Plan created a coherent system of higher education out of a collection of competing institutions: the Plan established a broad framework for higher education that allowed each of the three public segments—University of California, state colleges, and junior colleges—to establish its own distinctive brand of excellence within its own particular set of responsibilities while also acknowledging the vital role of the independent colleges and universities.
- The Plan created a system that combined affordability and access to provide the students of California with a quality higher education: the Plan essentially promised that if students worked hard through their high school education, the state would guarantee them a place in college or university.

The 1948 Strayer Committee Report on *The Needs of California in Higher Education* contained a plan for a series of subsistence scholarships to be awarded to deserving applicants throughout the state on the basis of academic ability and potential for success in college. In 1955, the Legislature passed Assembly Bill 1546 known as the Hegland-Shell-Donahoe and Donald D. Doyle Act. The Act provided for a series of competitive scholarships which were to be used for the payment of tuition and fees. The awards were to be granted on the basis of a competitive basis which demonstrated financial need and additional requirements pertaining to residence and citizenship.

This scholarship program became known as the State Scholarship program, and is now known as Cal Grant Program. The goal of the programs was to ensure that finances would not be a barrier to education for any California students who wanted to pursue a higher degree.

In the early 1970's, the State legislature enacted the College Opportunity Grant Program which was established to provide grants covering tuition for certain low-income students who were eligible to enroll in both the private and public baccalaureate institutions but largely provided grants to assist with "subsistence costs" need to support attendance in the local community colleges. This grant program began part of the Cal Grant program known as Cal Grant B.

In 2000, Senate Bill 1644 was enacted which established the Cal Grant program as an entitlement for California high school seniors who meet certain financial and academic criteria and for California high school students who chose to attend a CCC before transferring to a California college or university. This legislation also provided for the 22,500 new competitive Cal Grants to be awarded annually to financially needy students not entitled through the High School or Transfer Entitlement Program. Senate Bill 1644

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sought to meet the long-standing Master Plan goal of providing financial assistance to at least 25 percent of the statewide high school graduating class.

The need for encouraging more students into teaching and nursing fields and graduate studies manifested itself into today 11 specialized grant and loan forgiveness programs administered by the Commission. These programs are focused on meeting manpower shortage needs or to respond to a specific need (such as the Chafee Foster Youth Program that seeks increase the college-going rates of former foster youth).

CURRENT UPCOMING LEGISLATIVE MASTER PLAN REVIEW

On September 23, 2009, the state Legislature passed Assembly Concurrent Resolution No. 65 (ACR 65). ACR 65 establishes a Joint Committee on the Master Plan for Higher Education in order to review the 50 year old policy and “create a framework to ensure that higher education continues to thrive...”

Dwindling General Fund support for public higher education, combined with increased student fees have eroded the State’s commitment within the Plan to provide all Californians a free public higher education. In the 1980s, state General Funds to the universities were reduced and University of California (UC) and California State University (CSU) fees were increased and used for instruction for the first time, effectively ending the no-tuition policy for in-state students. As the chart below illustrates since the 2007-08 academic year, state General Fund support for the UC and CSU has dropped by twenty percent and California Community Colleges (CCC) support has dropped ten percent. In the same time period, the UC has raised tuition 23.7%, the CSU 52%, and CCC fees have been raised 23%. At the time of this update, the Regents of the University of California are considering a 2009-10 mid-year fee increase of 12%. The cost of attendance for students enrolling in a private institution has also risen over the last three years, but not to the same degree.

	Fee (tuition) Increases from 2007-08 to 2009-10
UC	From \$6,636 to \$7,788 system wide fees
CSU	From \$2,772 to \$4,026 statewide fees
CCC	From \$20 to \$26 a credit unit

The financial burden has disproportionately fallen on the shoulders of low- and middle-income students who are now required to devote larger percentages of their family income to cover college expenses. The U.S. Department of Education recently found that among dependent students attending public two-year, public four-year, and private non-profit institutions and in the lowest quartile for family income, 83% had remaining unmet need after all financial aid (including loans) had been applied¹. The average remaining unmet need was \$5,300. The same study showed that middle-income

¹Berkner, L., and Wei, C.C. (2006). *2003–04 National Postsecondary Student Aid Study (NPSAS:04): Undergraduate Financial Aid Estimates for 12 States: 2003–04* (NCES 2006-158). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Page 39. Retrieved November 3, 2009, from <http://nces.ed.gov/pubsearch>.

MASTER PLAN FOR HIGHER EDUCATION**BACKGROUND**

dependent students were more likely to incur loan debt from both federal and private sources.²

JOINT MASTER PLAN COMMITTEE BEGINS MEETINGS IN THIS DECEMBER

Assembly member Ira Ruskin and Senator Gloria Negrete Mcleod have been appointed co-chairs of the Joint Committee on the Master Plan for Higher Education. The joint committee staff has tentatively scheduled the morning of December 7, 2009, as the date of the first informational hearing, with four additional hearings scheduled for 2010. The hearing subject matters will include (1) eligibility and access (2) affordability and financing (3) accountability, and (4) coordination and efficiency (see Tab 5.b).

The Legislative Analyst has recently published its report, "Assessing California's Vision for Higher Education" which provides a policy overview of the issues facing the Joint Committee. The Legislative Analyst indicates that his office will be initiating a series of publications that look at key aspects of state higher education policy including California's higher education governance and financing policies. (see Tab 5.d).

ACR 65 provides for a sunset of the legislature's Master Plan review on November 30, 2010, by which time the joint committee will have submitted a report to the full Legislature of all its findings and recommendations.

AREAS FOR COMMISSION CONSIDERATION

The Commission staff recommends that the Commission direct the Program, Policy and Budget Committee to work with the Executive Director and Commission staff on development of the Commission's positions related to the review of the California Master Plan. Commission staff recommends that the Committee consider:

1. A major tenet of the plan is to offer a space in higher education to every eligible student. Is that tenet still being met today? What are the implications of reducing educational opportunity for California students?
2. In the 1960s and 1970s, the Plan recommended that higher education student populations reflect the ethnic and geographic diversity of the California high school graduating classes, and Cal Grant award amounts and numbers were increased to assist with this goal. The State Legislature adopted goals in the 1980's that sought to have the number of Cal Grants awarded equal at least 25 percent of the statewide high school graduating class. In 2000, the passage of the Cal Grant Entitlement program (SB 1644) further attempted to support the state's commitment to this goal. Given the demographic shift in student populations and the State's workforce needs, what changes need to be made to the Cal Grant program to keep step?
3. The State of California has supported a strong Cal Grant program that provides access and choice of institution to qualifying students. 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

²Berkner, L., and Wei, C.C. Page 37.

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- enrollment in public institutions. Has that award level risen sufficiently with the cost of tuition to the point where that goal is still being met?
4. The State of California has maintain an established policy known as the 1/3 of return to aid policy—which set aside one-third of the fee revenue generated from fee increases at the University of California and the California State University to financial aid. This grant aid along with Cal Grant aid provides financial assistance to undergraduates who attend University of California and the California State University. Should this policy be reexamined in light of the overall needs of California’s college students?
 5. What are student data concerning the financial need among type of institution, dependent (family)/independent income levels? What is the current loan burden among students? What are California’s default rates among students?

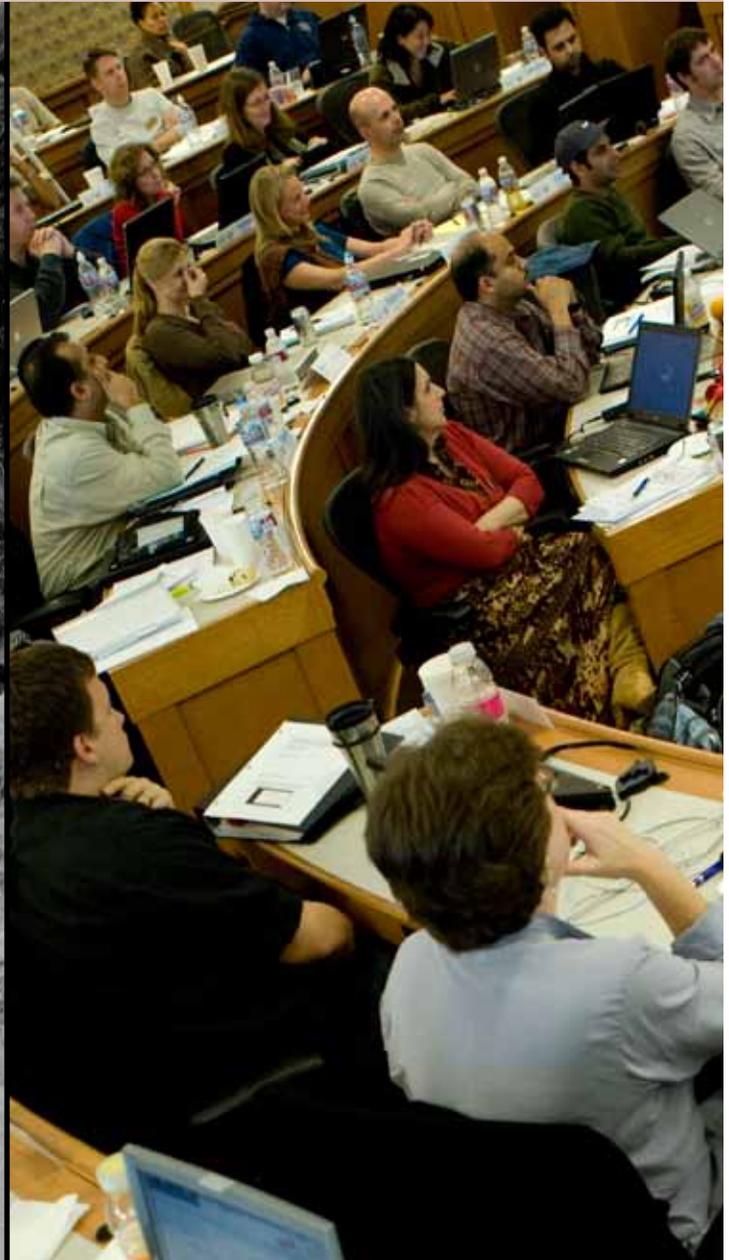
These are some of the questions that will be before the legislature as it reviews the State’s financial aid policies. Commission staff stands ready to work with the Commission and the Legislature on its review of the Master Plan for Higher Education.



The Master Plan at 50:

Assessing California's Vision for Higher Education

MAC TAYLOR • LEGISLATIVE ANALYST • NOVEMBER 12, 2009



California Student Aid Commission Meeting

November 19, 2009

Almost 50 years ago, the state of California adopted a visionary plan for higher education that sought to forge the state's colleges and universities into a coordinated system, founded on core principles and directed toward specified goals. Adherence to that vision has been uneven over the past five decades, while changes in demographics and the economy have caused the state's educational needs to evolve. The 50th anniversary of the Master Plan thus presents a timely opportu-

nity for policymakers to take stock of California's higher education system in light of current and projected needs and priorities. In order to assist the Legislature in such an effort, our office is launching a series of publications examining key aspects of higher education policy and funding. The series is designed to frame key issues for legislative consideration, and assist in the refinement of higher education goals and policies. This report provides an overview of the series.

THE 1960 MASTER PLAN FOR HIGHER EDUCATION

In 1960, California adopted a unique framework document intended to guide the state through the ensuing decades of intense demand for college education. (See nearby box for a summary of the Master Plan's main provisions.) The large "baby boom" generation that was born after the Second World War was beginning to reach college age, and state leaders sought to manage the anticipated enrollment demand by tightening eligibility requirements for the state's public universities. High school graduates not immediately eligible to attend the universities could attend the state's "junior colleges," which were essentially free to California residents and which imposed no academic requirements for enrollment. After successfully completing lower-division coursework at the community colleges, these students could transfer to a four-year university to complete their baccalaureate degrees. Thus, by envisioning a robust transfer pathway, the Master Plan promised universal access to a baccalaureate education while at the same time diverting some enrollment away from the universities.

In addition to managing enrollment demand, the Master Plan sought to manage the geographical and programmatic growth of the higher education institutions themselves. Recognizing the potential for what it called "unwarranted expansion and unhealthy competition" among the higher education segments, it assigned distinct missions to each of the three public segments, recommended a 15-year expansion plan for the various campuses, and proposed a coordinating body that would help ensure the separate parts of the state's higher education system worked together in a cohesive fashion to advance the state's interests.

Finally, the Master Plan confronted the issue of higher education costs. Recognizing the substantial public investment in higher education, the Master Plan called for "scrupulous policy planning to realize the maximum value from the tax dollar," including such strategies as fuller use of facilities and better coordination among educational institutions. The Master Plan also called for students to assume a greater share of their education costs by periodically increasing fees

WHAT IS CALIFORNIA'S MASTER PLAN FOR HIGHER EDUCATION?

The Master Plan Lays Out Basic State Policies on Higher Education

- **Assigns Missions to the Different Higher Education Segments.** The Master Plan envisions the University of California (UC) as the state's primary public research university and directs it to grant baccalaureate, master's, doctoral, and other professional degrees. The California State University (CSU) is to focus on instruction in the liberal arts and sciences and grant baccalaureate and master's degrees. The California Community Colleges (CCC) are to offer lower-division instruction that is transferable to four-year colleges, provide remedial and vocational training, and grant associate degrees and certificates.
- **Specifies Eligibility Targets.** According to Master Plan goals, the top 12.5 percent of all graduating public high school students are eligible for admission to UC, the top 33.3 percent are eligible for admission to CSU, and all persons 18 years or older who can "benefit from instruction" are eligible to attend CCC.
- **Expresses Other Goals for Higher Education.** The Master Plan includes a number of other statements concerning the state's higher education goals and policies. For example, it expresses the state's intent that higher education remain accessible, affordable, high-quality, and accountable.

Some Master Plan Principles Exist in Statute; Some Do Not

- The original 1960 Master Plan report and subsequent reviews are not themselves in state law. Instead, they are reports that were commissioned by the Legislature.
- Many significant principles expressed by the Master Plan, however, have been adopted in statute. In 1960, the Donahoe Higher Education Act codified many Master Plan recommendations, such as defining the distinct missions of the three public segments, establishing a Board of Trustees for CSU, and creating a coordinating council for higher education.
- Over the years, individual parts of the Donahoe Act frequently have been modified or expanded by legislation. These modifications have not always stemmed from a formal review to the Master Plan.
- Significant principles from the original Master Plan remain uncodified. For example, the Master Plan eligibility targets for UC and CSU are not in statute. Neither are the Master Plan's recommendations about student tuition levels and facility utilization standards.

The Master Plan Is More Than Any One Document

- The original 1960 Master Plan retains considerable authority as an expression of the state's higher education goals. However, additional state goals and policies for higher education are expressed elsewhere—such as in subsequent reviews of the Master Plan and in statute.
- For these reasons, the Master Plan can be thought of more as the major higher education policy goals embraced by the state, rather than a single written document.

so they would cover the operating costs of noninstructional services (such as laboratories, student activities, and athletics). Financial aid would be made available for students who could not afford these costs, and for all California residents direct instructional costs (such as faculty salaries) would be paid by the state. Ancillary services (such as parking and dormitories) would be self-supporting.

Over the past 50 years, the Master Plan has undergone a number of official reviews by several commissions and committees (see box on page 6). These reviews have resulted in hundreds of recommendations for changes to the Master Plan and to statute. Relatively few of these recommendations have been enacted, however.

HIGHER EDUCATION IN THE 21ST CENTURY

How has the Master Plan served the state's higher education needs over the past half-century? Large parts of it were incorporated into statute through the 1960 Donahoe Act, which has been periodically and incrementally amended by various bills over the years. Other parts of the Master Plan (such as the eligibility pool targets) were never adopted in statute, but generally have been embraced in principle by most government and higher education leaders. Still other elements (such as the prohibition on tuition) have in effect been ignored.

Higher Education Efforts Have Become Unfocused

In recent years, a number of developments have clouded the state's focus in higher education. For example, state policy has drifted away from some key elements of the Master Plan—such as the call for a robust coordinating body and the exclusive assignment of independent doctoral programs to the University of California. The periodic amendments to the Donahoe Act have been adopted piecemeal, addressing specific issues largely in isolation of broader higher education themes.

Key higher education funding decisions have been made without the benefit of clear state policy guidance. For example, the state has no formal policy to guide the setting of student fees at the public colleges and universities. As a result, fee levels have been unpredictable and volatile, with little alignment to the cost of instruction or to students' ability to pay. Similarly, the state lacks a policy for funding enrollment growth at the public universities. For the past several years, the state budget has not specified any particular enrollment level at the universities, instead allowing the universities' governing boards to decide for themselves how much enrollment to support with their funding. Moreover, there is not even consensus among state policymakers as to what it does or should cost to educate a university student.

The state's Cal Grant financial aid programs have been somewhat more consistently funded, generally adhering to statutory eligibility criteria and fully covering educational fees for students at public institutions. However, the state's ability to meet these commitments has been threatened as the Governor and others have sought to reduce or even eliminate Cal Grant benefits as a way to address the state's budget deficit. More-

over, recent state budgets have departed from statutory guidelines for setting Cal Grant levels for students at nonpublic institutions.

Some components of the state's higher education apparatus have also declined or are under threat of elimination. For example, the California Postsecondary Education Commission (CPEC)—the state agency charged with coordinating the state's higher education efforts—saw its budget and staffing reduced by almost half in 2003, and several past and current bills have sought to eliminate or radically change the commission. Meanwhile, a state law that provided for regulation of for-profit private colleges was allowed to expire, leaving these colleges to operate without

state oversight for over two years. (Legislation was passed in fall 2009 that would establish a new regulatory bureau and framework for 2010.)

Finally, demographic changes have altered the types of higher education challenges the state faces. At the time of the Master Plan's adoption, the state sought to contend with an anticipated "tidal wave" of students seeking access to higher education. Today, the state is facing projected shortages of college graduates and is seeking ways to increase college enrollment. At the same time, incoming students are less prepared for college, resulting in college completion rates far lower than they were 50 years ago.

MILESTONES IN CALIFORNIA MASTER PLAN FOR HIGHER EDUCATION

➤ Development of Original Master Plan

- 1959: Legislature adopts Assembly Concurrent Resolution 88 (Donahoe), directing the University of California (UC) Regents and the State Board of Education "to prepare a Master Plan for the development, expansion, and integration of the facilities, curriculum, and standards of higher education, in junior colleges, state colleges, UC, and other institutions of higher education of the State, to meet the needs of the State during the next ten years and thereafter . . ."
- February 1960: The resulting plan is submitted to the Legislature.
- April 1960: Legislature enacts Donahoe Act (Chapter 1010, SB 33 [Miller]), which codifies portions of the Master Plan. Other provisions of the Master Plan were not enacted in statute and remain uncodified.

➤ Reviews of Original Master Plan

- 1966: First official review, by Coordinating Council for Higher Education. It assessed the status of implementation of the original Master Plan's recommendations, which it generally endorsed.
- 1972: Review is conducted by select committee appointed by Coordinating Council. While it found that the "basic structure" created by the Master Plan was working well, it made about 60 new recommendations, focused largely on responding to "changing

Overall, the state's vision for its higher education system is less cohesive than it was a half century ago. There is little methodical state oversight and planning, and the linkage between state budget decisions and policy goals is weak. Instead, the individual segments of higher education are largely left to develop their own policies according to their own priorities, with little guidance from state policymakers.

Recommend Reexamination of Higher Education Needs and Priorities

The fiftieth anniversary of the Master Plan in 2010 provides an opportunity to focus attention on the the state's educational needs in the 21st

century. We think that three broad categories of higher education policy deserve special attention:

- **Participation and Learning.** Over the past decade, higher education policy discussions have been dominated by the issue of student "access." The Legislature may want to consider whether the focus on access has come at the expense of other critical goals, including student learning and degree completion. If so, the Legislature may wish to increase attention on student preparation, persistence, and success, as well as the more traditional concerns of eligibility and

social attitudes and conditions." For example, it called on the segments to increase access for nontraditional students by expanding weekend and evening programs and by incorporating television and other technologies.

- 1973: Report of the Legislature's Joint Committee on the Master Plan for Higher Education. Along with the 1972 review, led to replacement of Coordinating Council with the California Postsecondary Education Commission. Central to its recommendations was a call for the Legislature to adopt "broad statewide goals" for higher education, including access, accountability, and intersegmental cooperation.
- 1986 and 1987: The Commission for the Review of the Master Plan releases two reports with over 100 recommendations focused on community colleges and transfer to four-year institutions.
- 1989: Joint Committee releases report with 57 recommendations, largely focused on expanding access to higher education.

New Master Plan?

- 2002: The Joint Committee to Develop a Master Plan for Education—Kindergarten through University, established by the Legislature in 1999, releases what it called a new, comprehensive education Master Plan with 56 groups of recommendations. While the document purported to replace the 1960 Master Plan for Higher Education, several committee members declined to sign it and most of its recommendations remain unaddressed.

participation. Topics related to higher education learning outcomes are often discussed in the context of higher education accountability, which is a subject gaining attention nationally.

- **Governance and Organization.** The assignment of distinct missions to the three public segments was seen as visionary when the Master Plan was adopted. The Legislature may wish to assess whether the roles, governance, or coordination of the higher education segments may have, or should have, changed over the past 50 years.

- **Funding.** About 10 percent of the state General Fund is devoted to higher education. In general, this funding is not tied to specific goals, learning outcomes, or even level of instruction, but rather is based almost exclusively on student contact hours. Moreover, state policy provides little guidance on how education costs should be split between students and the state, nor how various financial aid programs should work together to ensure affordability. The Legislature may wish to examine the effect of funding mechanisms on higher education outcomes.

CONCLUSION

With this report, our office is initiating a series of publications that will look at key aspects of state higher education policy in these three areas. We hope that these publications will help

guide the Legislature and others in assessing and improving higher education policy and planning for the coming years, helping to ensure that the state's higher education needs are met effectively and efficiently.

LAO Publications

This report was prepared by Steve Boilard. The Legislative Analyst's Office (LAO) is a nonpartisan office which provides fiscal and policy information and advice to the Legislature.

To request publications call (916) 445-4656. This report and others, as well as an E-mail subscription service, are available on the LAO's Internet site at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, CA 95814.

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