April 13, 2010

Harry C. Powell
Professor of Pathology
Chair, UC Systemwide Academic Senate
1111 Franklin St., 12th Floor
Oakland, CA 94607

Dear Harry:

RE: UCPB PAPER ON DIFFERENTIAL FEES AND NON-RESIDENT TUITION

The UCPB Paper on Differential Fees and Non-resident tuition was reviewed by Educational Policy and Planning and Budget committees. UCR's Planning and Budget Committee (P&B) wrote the following:

The UCPB Position Paper on Differential Fees and Non-resident Tuition presents strong cases in opposition to charging differential fees for particular majors and differential fees by campus. The members of the UCR Planning and Budget (P&B) Committee unanimously endorsed these positions. However, with regard to these topics, two modifications of the document are proposed.

1. Reference to fictitious astrology departments in the illustration should be deleted, lest someone read only parts of the document and infer that UC has such departments. No offense will be taken if a generic name, such as biology or English, or Department X, is used in the example.

2. The recent example from England should be revised. The results from England can be interpreted that UC should skip the step of differential fees by campus and immediately raise fees across the system. Fee increases impact the ability California residents to access an UC education and threaten the Master Plan. Members of P&B consider preservation of the Master Plan a high priority and, thus, oppose additional fee increases. P&B members prefer to reserve additional fee increases across the system as an action to be taken (i) only when the survival of the system is at stake and (ii) then only in comparison with UC comparable public and private institutions and with a 33% return to aid.

P&B was in agreement with the UCPB position paper that “enrolling differential non-residents by campus does not run the risk of harming campus reputations as would differential fees by campus”. P&B members also discussed generating additional revenue by charging differential non-resident tuition (NRT) by campus. This option would cause less damage to campus reputations than differential fees by campus, have no impact on the Master Plan, if the number of
non-resident students enrolled is a low proportion of a campus’ total enrollment, and serve as a means for generating funds, from which a portion should be returned to the UC general funds. However, implementation of this plan could be construed as setting a precedent for future additional differential fees by campus. By a vote of 5-4 P&B members voted against charging differential non-resident tuition by campus.

Members of P&B were unanimously opposed to earmarking NRT for the restoration of the Faculty Salary Plan or to fund the UC Retirement System (UCRS). P&B members were opposed to releasing the State from its obligation to UCRS and felt that “special purpose revenue streams” were a mistake.

P&B members unanimously endorsed the recommendation made in the UCPB Position Paper on Differential Fees and Non-resident Tuition that before campuses could charge differential fees, UC would replace historical inequities in the campus funding models, so that beyond fixed costs, average funding for instruction per student would be the same at each campus. This rebalancing is long overdue and should be carried out independent of the question of differential fees, but must be an inviolate precondition to charging any differential fee by campus.

CEP agreed with all the points presented in that document. CEP members felt that the UCPB paper, however, does not discuss the potential problems associated with differential fees within any given campus. The CEP was concerned that such a scheme might lead to the perception by parents and students that the more expensive majors are in some way superior or more desirable to the less expensive ones which in turn would distort enrollment. At best, this would lead to (unnecessary) frictions between departments and programs; at worst, it would lead to stratification within the campus.

Sincerely yours,

Anthony W. Norman
Distinguished Professor of Biochemistry and Biomedical Sciences; and Chair of the Riverside Division

CC: Martha Kendall Winnacker, Executive Director of the Academic Senate Sellyna Ehlers, Director of UCR Academic Senate office