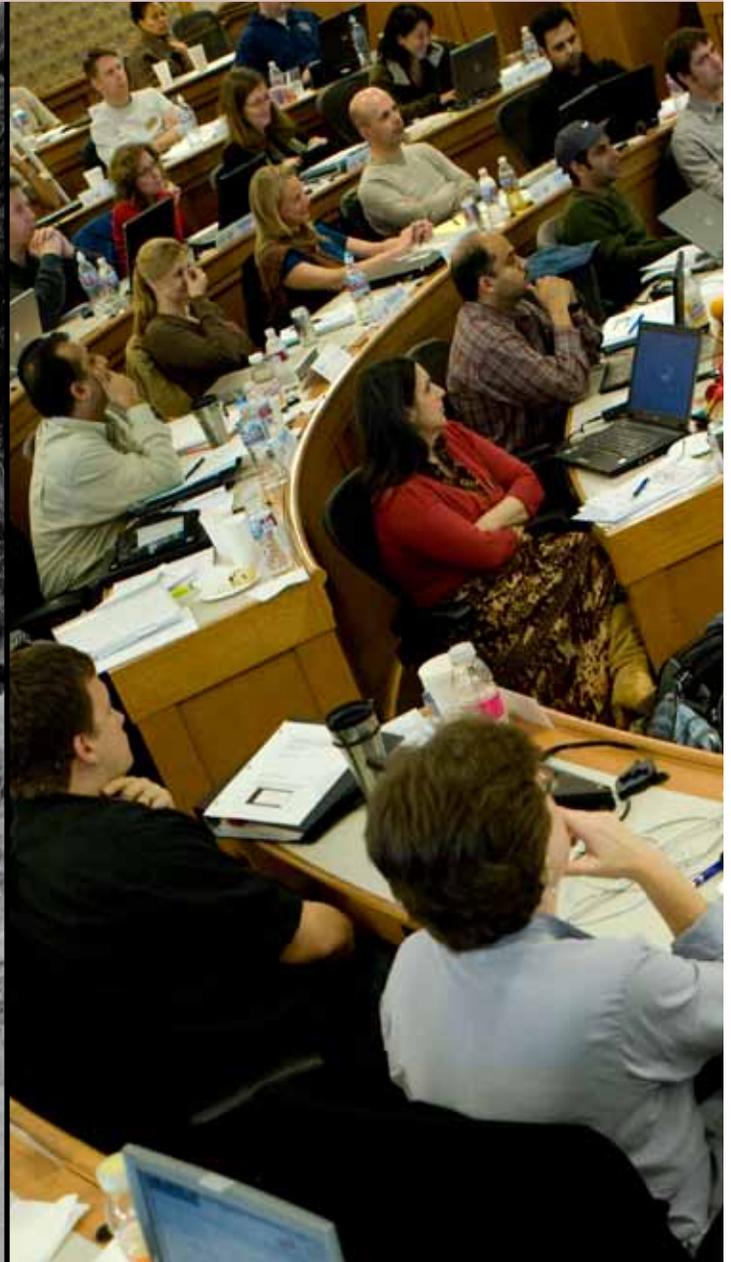




The Master Plan at 50:

# Assessing California's Vision for Higher Education

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AN LAO REPORT

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 50<sup>th</sup> 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 21<sup>ST</sup> 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 21<sup>st</sup>

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

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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.

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