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June 24, 2013

## CHANCELLOR BLOCK

Dear Gene:

I am writing to respond formally to your request that I approve the proposal to convert the Anderson School of Management full-time State-supported MBA program to self-supporting status. I wrote to you on October 15, 2012 that I would consult more thoroughly with all affected parties before I made a decision. I also committed to working closely with you, the UCLA campus, and Provost Dorr on the issue.

At this time, I am prepared to approve the proposed conversion with a variety of conditions placed on it. The details are provided herein, but first I will review the factors that influenced my decision to approve the conversion and to do so now.

In October, I knew that Provost Dorr would undertake a much-needed revision of the Presidential policy for self-supporting graduate professional degree programs, and we both anticipated that it would address directly the issue of conversions such as that proposed for the Anderson State-supported MBA. Provost Dorr has done an outstanding job working with the Academic Senate and the Academic Planning Council on the revision. It will not be ready for Presidential review, however, until this coming fall. Moreover, because the Coordinating Council for Graduate Affairs (CCGA) last summer suspended its review of the Anderson proposal, it is not clear whether the CCGA recommendation for the proposed Anderson MBA conversion should be made based on the current policy or on the revised policy and a revised proposal that conformed to the revised policy. Given the length of time since the original proposal was submitted, my more thorough understanding of the issues, and the impending conclusion of my service as President, I believe I should no longer wait. Thus, I have decided to act upon the Anderson MBA conversion proposal. The key criteria that form the basis of my decision are as follows:

- The Academic Senate has full authority for decisions about the academic content and the academic quality of degree programs under its purview. Thus, the establishment of a new graduate degree program requires Academic Senate review and approval. The President must approve implementation.

- The Regents and the Administration have full authority for decisions about the allocation of resources and the financing of University programs. This includes the setting and establishment of fees and tuition for particular graduate degree programs. In the case of self-supporting programs, The Regents delegated the authority for the setting of self-supporting charges to the President.
- Thus, a decision about changing the financial status of a graduate professional degree program from State-supported to self-supporting is fundamentally an administrative decision if the program is in good academic standing and not changing its academic requirements. This does not preclude review and recommendations from the Academic Senate of such a proposed change. But at the conclusion of such reviews, the decision would still be with the Administration and, in this case, with the President.

Given these criteria, I now turn to the specifics of the Anderson proposal. The proposal before me is greatly modified from the original. It no longer envisions anything like self-sufficiency for the Anderson School. The conversion of the current State-supported MBA program is not treated as the linchpin in making the Anderson School an independent operation. In all respects, the Anderson School and all its degree programs are expected to retain the characteristics of the great public research university that is the University of California and to operate as do all other academic units at UCLA.

The MBA program that is proposed for conversion to self-supporting status would have the same academic requirements, the same faculty, the same curricula, the same kinds of students, the same admissions requirements, and the same academic delivery model. The only difference would be that the program would be supported by student charges that cover the full costs of the program, including campus indirect costs, rather than by State support combined with systemwide tuition and fees and Professional Degree Supplemental Tuition.

The key criteria described earlier refer to programs in good academic standing, and the Anderson School State-supported MBA program currently meets that criterion. I understand, however, that the program has not had an academic program review in over five years. The UCLA Academic Senate is in the process of initiating such a review, but the review will not be complete until the latter part of the 2013-14 academic year at the earliest. It is reasonable to assume that the review will find that this MBA program continues to be in good academic standing. Should the results of the review be otherwise, that would be a basis for reconsideration of the advisability of the conversion.

Having considered all the factors described, I am approving the proposal to convert the UCLA Anderson School of Management MBA degree program from State-supported to self-supporting status at this time subject to the following conditions:



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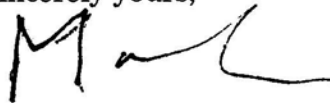
1. The self-supporting charges are submitted to the UC President for approval under the existing procedures that certify the charges will cover the full cost of the program, including indirect costs, and that neither State funds nor tuition from students in other programs will be used for the program.
2. The MBA program continues to ensure that student financial aid is offered for financially needy students at a level commensurate with other UC full-time State-supported MBA programs.
3. The program adheres to the specifics of the self-supporting policy on graduate professional degree programs in all aspects. My decision in this letter means that the general criteria for approval of a self-supporting program have been met to a sufficient degree and the issue of appropriate criteria shall not be used to deny the program self-supporting status in the future.

I hope this decision is satisfactory to the UCLA campus and to the Anderson School. The University is facing unprecedented challenges due to the withdrawal of State support, and careful deliberation on ways to respond is important for preserving our academic quality going forward.

I want to acknowledge that the UC Academic Senate does not support this course of action. I have met and discussed the matter with the Chair and Vice Chair of the Academic Council, and I understand and acknowledge their concerns. I do believe this action represents compromise between two strongly held and competing points of view, each of which is understandable and both of which seek what is best for the University as a whole.

Wish best wishes, I am,

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mark G. Yudof', with a stylized flourish at the end.

Mark G. Yudof  
President

cc: Provost Dorr  
Academic Council Chair Powell  
Academic Council Vice Chair Jacob  
Executive Vice President Brostrom  
Vice President Lenz  
Executive Vice Chancellor Waugh  
Dean Olian  
CCGA Chair Mulnard