

Top-quality higher education open to every California family:

HOW TO RESTORE THE PROMISE

Yes, California higher education is in crisis. But it's not too late to rescue it.

Most California families consider a university degree essential to their children's security and success. Three out of four Californians agree that the state's higher education system is "very important" to its future. Two in three agree that we will need a higher percentage of college-educated workers in twenty years, but also believe that the cost of college prevents qualified, motivated students from pursuing degrees. Half of California adults call this a "big problem."¹ Neglect and mismanagement of higher education threaten California's economic potential, social peace, and international standing.

California's 1960 Master Plan for Higher Education created the world's best higher education system by uniting full access with top educational standards. This combination requires public investment in core instruction and research: it is precisely what private institutions cannot provide on the necessary social scale. Since 2000, however, the State has slashed real-dollar support per UC and CSU student by nearly 30 percent; by the close of the decade, cuts are projected to exceed 40 percent.²

As a direct result, the universities have been forced to break the Master Plan's promises of full access to top-quality education and fully-funded enrollment growth. UC and CSU now charge an increasingly unrepresentative student body, segregated into rich and poor campuses, more money for lower quality. Objective measures of this decay include larger class sizes, fewer tenure-track faculty, less hands-on laboratory time, and declines in the graduate programs so important to developing California's next generation of innovators and leaders.

To regain public investment, we must restore public trust and public access.

The universities' 2004 "Compact" with Governor Schwarzenegger fundamentally altered the Master Plan without public debate, legislative deliberation or discussion by UC or CSU governing boards. The deal formalized declining State funding for UC and CSU. It deliberately shifted the burden onto California students and their families, dictating student fee hikes at twice the inflation rate. It also committed UC and CSU to seek out private funds "to support basic programs." Meanwhile, supercharged compensation for senior managers has eroded public confidence in the system as a whole.

We cannot renew public investment for California higher education unless we give every California family a stake in the system by restoring full access and unless we regain their trust by restoring accountability. The public-spirited legacy of generations will be squandered if the best of the system is financially out of reach for most families and increasingly controlled by corporate funders. The people of California will support higher education if it serves us *all* again.

No "private" remedies exist for California's disinvestment in higher education.

In May 2006, the University of California Academic Senate analyzed the University's financial situation³ and concluded that private sources cannot replace State support for public higher education's core public missions: instruction, public interest research, and public service. Private partnerships may support some specific, valued activities but they ignore others and give special interests more influence on how public dollars are spent.

Short of raising an additional \$50 billion for an unrestricted private endowment (seven times UC's current, largely restricted endowment), the study found that the only feasible way to make up for less State support is to raise in-state undergrad tuition to \$15,300 and in-state graduate fees to \$18,500 by 2010. This would sacrifice full access to protect some semblance of educational quality. The system built by Californians for their children and grandchildren would, in a few years, be unrecognizable. Public support for such semi-private universities would dry up even faster.

GOAL: *Return higher education to the educational quality and financial sustainability that existed in 2000—the last year when public support-per-student and the balance between State and tuition funding were at healthy levels.*

How to restore public access...and public investment:

- Beginning in the 2009-10 fiscal year, State funding for the University of California, California State University and the Community Colleges should be no less than the fraction of the State General Fund that the system received in the 2000-01 fiscal year: 12.2 percent, compared to 9.3 percent in 2008-9.
- Tuition and instruction-related fees should be returned to 2000 levels, adjusted for California CPI, and from that point shall not be allowed to rise faster than inflation.
- Non-instruction related fees (such as dormitory charges) should be based on a cost-recovery model.
- UC and CSU should retain uniform fees and, thus, uniform academic quality across their respective systems.

How to restore public trust...and accountability:

To rebuild popular trust in a system too often abused, UC and CSU governance must be reformed to make it accountable again, while maintaining the independence essential to the universities' academic mission.

- The Regents of UC and CSU should publish compensation scales for executive positions.
- UC and CSU executive compensation (including any compensation not available to employees in general, e.g. special retirement plans) should be set at the amount that a comparable position paid in 2000, adjusted for the average growth in compensation for all full-time UC and CSU employees.
- Executive compensation should increase no faster than the average rate of growth in compensation for all full-time employees in each system.

State conflict of interest (and conflict of commitment) laws should be stringently enforced and extended to university administrators and Regents who deal with privately funded projects and public-private partnerships. Such partnerships can also create institutional conflicts of interest for UC and CSU, which should not be allowed to distort academic resource and hiring decisions.

- UC and CSU should in no way subsidize projects or services performed for private-sector entities unless such activities are consistent with each system's traditional public service mission and the principle of transferring knowledge openly, for the good of society.
- Private support for UC and CSU should be as transparent as public support, and should be accompanied by similar safeguards for academic freedom and faculty roles in campus governance. Private sector relationships, whether contracts or gifts, should be subject to full disclosure.

As faculty, we see the mounting threats to learning and research close up, but we also see that solutions are possible. No institution, and no society, can nurture excellence unless it creates genuine opportunity. For decades, California showed the world how to grow and prosper by investing in human beings. We, as faculty, are dedicated to this vision. As a state, California must renew the promise—and keep it.

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