

UNDERSTANDING THE CRISIS AT UC

Why are student fees skyrocketing at the same time courses are being cut and faculty and staff furloughed, reducing classes and services to students?

Throughout his term in office, Governor Schwarzenegger has cut state support for higher education and sought to shift most of its costs to its immediate users: students and their families.

In 2004, California's higher education leaders accepted the Governor's framework. The President of UC, Bob Dynes, and his counterpart at CSU, Charles Reed, signed the "Higher Education Compact: Agreement Between Governor Schwarzenegger, the University of California, and the California State University 2005-06 through 2010-11," which represented a fundamental shift in the model for supporting higher education in California. This abandoned the view of higher education as a public good and redefined it as a private good. The University accepted a \$169 million budget cut (out of its \$4.4 billion core budget) and committed to fundamentally shift financing away from the state general fund and onto private sources such as student fees and wealthy donors. The Schwarzenegger-Dynes-Reed Compact states, "In order to help maintain quality and enhance academic and research programs, *UC will continue to seek additional private resources and maximize other fund sources available to the University to support basic programs.*"

The large annual fee increases over recent years are not short term responses to unanticipated fiscal problems, but are an implementation of the Compact's plan to increase fees every year at least as fast as the rise in personal income, which is about twice the rate of inflation. Because incomes have increased mostly among the wealthy, this policy made higher education less affordable for most Californians.

The fee increases, while large, have not compensated for the cuts that UC and CSU accepted. The result: a large drop in the money available to finance core functions. The net result has been a substantial and accelerating decline in the quality of our students' educational experience — growing class sizes, fewer courses, greater difficulty enrolling in courses, fewer teaching assistants and less student access to labs.

If the Compact was so bad, why did UC and CSU leaders accept it?

The primary reason was that Governor Schwarzenegger was threatening even bigger cuts if UC and CSU leaders rejected the Compact. More importantly, cognizant UC (and, presumably CSU) budget officials knew that there would be a major budget crisis starting around 2008, and believed that the Compact would protect UC and CSU from large cuts at that time. However, when the anticipated budget crisis came in 2008, Governor Schwarzenegger simply reneged on his own deal and imposed another massive \$1.4 billion cut in 2008 and 2009.

Isn't the University of Michigan a good model for UC in the face of inevitably declining state support?

When the University of Michigan moved to a semi-privatized model, it reduced access for residents to allow greater enrollment of non-residents who are charged much more for tuition. Admission standards were relaxed to increase out-of-state enrollment. Over half of Michigan's 2003 freshman class came from families with six-figure incomes in a state where only 13% of families earn that much. The result has been significantly diminished access for the residents of Michigan, especially the most disadvantaged, and a reduction in the quality of the University as seen in its drop in rankings by *U.S. News and World Report*.

Why isn't anyone in UC's leadership effectively advocating for restoring the Master Plan and state funding?

The expectation at the UC Office of the President and among the Regents has been that state funding will continue to fall. The policy focus of the Regents and other leaders has been to accommodate UC to a privatized model, which will mean continuing declines in quality and access.

The debate over public higher education should not be framed as a debate over how to allocate scarce state resources during difficult times, but as what it actually is: An ideological debate over the public value of higher education.

The central policy document guiding higher education policy in California has been the 1960 Master Plan for Higher Education, which specified the coordinated roles of UC, CSU and the community colleges and established the system that promised every California student an affordable (initially free) seat at an appropriate institution of higher education. The Master Plan clearly established higher education as a public good provided by the state for its citizens.

While fees have increased over time since then, the Compact represents the first time that UC accepted the *idea* that the costs of higher education should be shifted from public onto private sources.

The real question is: ***Should higher education be treated as a public good (as envisioned in the Master Plan for Higher Education) or should it be viewed as a private good to be paid for by its customers (students and their families) and voluntary private donors?***

It is time for those in positions of power and responsibility at UC to advocate for real restoration of the Master Plan for Higher Education in a strong and consistent way. This is the necessary first step in changing the political environment and rebuilding higher education as a public good for all Californians.

To learn more and get involved in the campaign to rebuild public higher education, visit www.keepcaliforniapromise.org.