

DEFINING THE UNIVERSITY OF THE FUTURE¹

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- Thank you for this opportunity to visit with you. In the words of Chairman Gould, the task of this commission is—and I quote—“to develop a vision for the future of the University that will reaffirm our role in sustaining California’s economy and cultural life while recognizing that our limited state resources require us to be creative and strategic in meeting that mission.”² That is an excellent formulation of the issue. It puts the emphasis in exactly the right place—the role the University should play in this state despite its enormous fiscal challenges.
- Let me begin with a prediction. The University of California will continue as a great university. I do not minimize California’s spectacular economic spiral over the past few years, the stunning budget cuts the University has sustained, or the endemic disarray of California’s State budget process. But no state or nation is immune to economic misfortune; downturns have happened before and they will happen again.
- What really worries me is the stories I keep hearing about promising young academics who are being warned not to associate themselves with UC because of its financial perils. I have encountered too many people, in this country and abroad, who are convinced that the State of California is on the way to bankruptcy and the University of California will go down with it. It is a scenario that underestimates the entrepreneurial resourcefulness of the people of California and the innovative

¹ Remarks presented to the University of California Commission on the Future, Oakland, California, November 12, 2009.

² Letter from Regents’ Chairman Russell Gould to The Regents of the University of California, July 16, 2009.

energies of this institution. There are paths the University can take that will sustain its excellence, in spite of economic circumstances. We should be careful not to send a message about UC's future so bleak that it becomes a self-fulfilling prophecy.

- The University of California must do everything necessary to protect its stature as one of the world's pre-eminent universities, but for the next few years that term is a comparative one: public universities throughout the country are in trouble; so are private institutions, including elite universities like Stanford, to mention a nearby example. The question is, where do we want to be when California recovers from the most serious global contraction since the Great Depression of the 1930s? Here are a few of my answers:
 - We want to remain a great public research university, united by common standards of admission, a single State budget, a single Board of Regents dedicated to a system of shared governance, a strong universitywide Academic Senate, a systemwide office with responsibility for oversight and accountability, and a single voice in Sacramento.
 - We want to remain one university composed of ten research campuses, not all identical and not all moving toward the same template. Just as Princeton and the University of Michigan are both research universities but clearly different in size, in the array of academic disciplines, and in the number of professional schools, so the University of California's campuses can be seen as variations on a single theme, each pursuing excellence in different ways.
 - We must protect our constitutional autonomy, which gives the Regents full powers of governance and the university far more freedom from sectarian or legislative control than other public universities in this country.

- These are the fundamental characteristics that made the University a great institution. They are a source of both strength and flexibility in weathering the most unfavorable of economic winds. UC has succeeded as an elite public research university because it has offered all ten campuses the opportunity to pursue their academic aspirations with as much independence as possible.
- This does not mean that every campus is free to do whatever it wishes. It does mean, in my view, that a University of California with tiered campuses—some devoted primarily to research and some to teaching, some more equal than others—is inconsistent with the mission, the history, and the future of UC. Excellence in research is crucial to the standards of quality at the six UC campuses that have been elected to the prestigious Association of American Universities—an achievement no other university system has attained. It is even more crucial to the three general campuses that have not yet been elected to the AAU.
- If the University expects to emerge from today's challenging economic environment with its distinction intact, its first priority must be preserving faculty quality. Faculty leadership enabled UC to take control of its own destiny throughout the punishing years of the Great Depression and to come out on the other side a stronger and better institution. Great faculty leaders, wisely supported by President Robert Gordon Sproul, set the standard for cutting-edge research that led to UC's post-World War II emergence as the best public university in the world. Today every campus of the University of California is the equivalent of a research university in its own right, and no faculty in the country has compiled a more brilliant record of success—particularly in Nobel Prizes and federal research grants. The intellectual, scholarly,

and scientific creativity of UC's faculty is the bedrock on which its eminence is built. UC must continue to make it possible for the faculty to perform at the highest levels. If we lose our competitive edge now, in all likelihood it could be lost forever.

- When the California economy comes back—and it will—the University must be in a position to compete vigorously and successfully for State and Federal funds. Until then, there are two time-honored ways to address its fiscal problems: by increasing revenues and cutting costs. I'll start with the revenue side.
- Today's financial challenges obviously require doing more of what you are already doing now—working to convince the State and the Federal governments of the University's value to California and to American society. Private fund-raising is a higher priority than ever before. This is appropriately left to the campuses, but it is important for the Office of the President and the Regents to make a clear and forceful systemwide commitment to seeking out more funds from private sources, and particularly from UC alumni, who have benefited from a superb education at a modest price.
- No one likes to raise student fees, especially in the context of UC's long tradition of seeking to keep fees low. As you know better than anyone, that is a valiant but increasingly untenable effort. I applaud President Yudof's billion-dollar initiative to raise private funds for student aid and keep UC affordable; we have done a great job in that respect with both low- and middle-income students, an achievement that must continue. But every economic analysis I am aware of makes it clear that we must move even further toward a high-fee, high-aid model.

- I am not a supporter of differential fees by campus at the undergraduate level (professional schools are a different matter). UC's historical policy of a uniform student fee for all undergraduates (and for graduate students in academic programs) is sound and should continue. But each campus should have great latitude to impose supplemental fees to protect its excellence during these hard times. When the fiscal crisis recedes, I hope it will be possible to eliminate these supplemental fees. Given the size of the funding gap, for the moment there is no realistic alternative.
- I would support the strategy of enrolling more out-of-state students at high tuition rates to enhance revenue—as long as UC's Master-Plan obligation to admit all qualified California undergraduates is met first. The decision about exactly how many out-of-state students to take should be left to each campus, subject to a systemwide requirement that all eligible California students are accepted. I realize that increasing the number of out-of-state students is a controversial strategy because it could result in some California residents not being admitted to the campus of their first choice. But the University's Master-Plan obligation to admit all eligible California high-school graduates has always been understood to guarantee a place somewhere within the UC system, not admission to a particular campus. Out-of-state tuition revenue can help UC afford the costs of educating our own California students, at a time when the State of California will not or cannot do so. It is a less than perfect measure in a less than perfect fiscal environment.
- There must be real incentives for faculty on every campus to search out new sources of revenue. Research partnerships with industry can be expanded; many opportunities exist, and the University has long experience in how to cooperate with

industry without compromising its academic integrity or its research agenda.

Industry-university research projects also support graduate education by supplying funding and real-world experience to graduate students. UC should do more of it.

- However, the aim should be to encourage *all* faculty to explore funding opportunities. The need is particularly compelling in the humanities and other disciplines in urgent need of additional revenues. The creation of high-fee, part-time master's degree programs through University Extension, with faculty involvement, should be a high priority. This is an area in which the Internet can play an important role. We already have a model for part-time degree programs in the University of California—the Master of Advanced Study—but only a few have been established. Many private universities and for-profit organizations like the University of Phoenix have been very successful in this field, and UC could quickly become a major player. But this will only happen if regular faculty are rewarded for their active involvement in designing courses and seeing that these programs offer academic quality and intellectual relevance. They fill a real public need and there are plenty of Californians who will want to take advantage of them. Harvard, Stanford, Columbia, and other outstanding research universities have long relied on part-time degree programs to supplement faculty salaries and generate income. This is one case in which UC should follow their lead.
- The long period of rising undergraduate enrollment is now winding down. The number of high school graduates is projected to remain relatively stable through the next decade. The end of dramatic growth has its advantages—there is less need for capital outlay, for example, and time to plan for the likely resumption of enrollment

growth by the early 2020s. We have stabilized enrollments in the past and we should do so again. UC Merced is a possible exception. It may need to grow, although not as quickly as planned.

- The University should expand graduate enrollments only in areas of great national needs. This is not a time for large new programs such as medical schools at UC Merced and UC Riverside. There are longstanding cooperative residency and medical programs at UC Davis, UC San Francisco, and UCLA that serve the Central Valley and the Inland Empire, and they can be expanded if necessary.
- A much more pressing need is to trim and in some cases eliminate academic programs that are not making robust contributions to their discipline, or that no longer serve the educational needs of our students or the priorities of our state. Every campus is searching for ways to cut costs. Academic programs should not be exempt. Admittedly, program disestablishment is the third rail of academic politics. It is a difficult and unpopular process. In today's circumstances, it is essential.
- Even if we are not growing in terms of enrollment, diversity remains a goal UC must pursue with undiminished energy and absolute dedication. Among UC undergraduates, the long-term trend is up, and that is cause for celebration. Since 1985, the proportion of underrepresented minority students—African American, American Indian, and Chicano/Latino—has risen by almost 160 percent. In light of California's needs, however, UC should take this figure as encouragement to redouble its efforts. There is enormous potential in community-college transfer and collaboration because the vast majority of minority students in California are community college students. For students of all backgrounds, the community

colleges—which were created first in California—represent the second chance that is the great hallmark of American higher education. UC’s historical commitment to transfer is so important it needs to be renewed periodically.

- Part of that commitment is having high expectations for community college students and for the preparation they receive. It should be a UC requirement for transfer students from a community college to complete the associate of arts degree, thereby ensuring that they will derive the greatest benefit from a UC education.
- Some UC campuses already offer joint lower-division courses with the community colleges to qualify students for transfer. They are a good start, but we could be doing so much more, especially through the Internet—one of the great educational tools of the technological revolution. Online lower-division classes could be taught by UC faculty from across the system to students from UC and the community colleges. When I first became president, I found myself in trouble with the mathematics faculty for suggesting that UC should offer our own students some online coursework in mathematics, but I believed it then and I believe it now. We should do more Internet-based instruction, particularly at the lower-division level. For example, selected faculty from throughout the University could present a core set of lectures online, supplemented by campus sections organized in the traditional way.
- On the administrative side, the campuses should be encouraged to work more closely together on purchasing administrative and financial systems that allow them to operate on common business platforms. These common decision and transaction support systems will save money and improve administrative efficiency across the

University—while still allowing the campuses to decide what is best for their faculty and students.

- As this commission recognizes, there is no single answer to our fiscal predicament; there are many answers that must be pursued by many people. And that brings me back to the question I raised at the beginning: where do we want to be when California recovers?
- We do not want to be a University of Michigan or a University of Virginia, both distinguished institutions that are nonetheless becoming less public and more private all the time. We may need to move in their direction in terms of student fees and certain revenue-enhancing measures, but I do not believe they are a model for the University of California in the broadest sense. Over one-third of Michigan's and Virginia's students are from out of state; at UC the systemwide figure has never been more than six percent. We are a multicampus system, and we must work out our problems and our destiny as a public system.
- With this in mind, let me conclude with what may sound like a radical proposal. I suggest you consider the ten campuses as ten experiments, each testing policy answers to the question of how UC can maintain access and affordability while sustaining its academic quality and pre-eminence in research. These experiments should be guided by three principles: there would be as few constraints on the campuses as possible, although the Office of the President would play its traditional role in coordination and accountability; any revenue generated by a campus would stay on that campus; and the faculty would lead. Every campus would be encouraged to find its own solutions, with no particular expectation of what those

solutions should be. Experiments that succeed will be quickly adopted by other campuses; even those that do not, may open new avenues to explore. Designed by the campuses with leadership from the faculty, they would capitalize on the variety, inventiveness, and strengths of the UC system—one university with ten different laboratories of innovation.

- A UC planning statement written in 1974 defines a research university as a place in which every activity is “shaped and bounded by the central and pervasive mission of discovering and advancing knowledge.” The University of California must have an evolving intellectual agenda in key areas of research, scholarship, and education, developed by the faculty, articulated by the chancellors and the president, and supported by the Regents. This is what attracts faculty to the University and creates rallying points for the state’s opinion leaders, the general public, and our students. This is, in essence, what you have been asked to do—to protect UC’s intellectual vitality and therefore its ability to lead. Everyone who cares about the University of California has a stake in your success.