



# **The University of California: Access, Affordability & Excellence in an Environment of Rapid State Disinvestment**

Bob Powell, Professor  
Chemical Engineering & Materials Science  
Food Science & Technology  
Chair, UC Academic Senate



# The Framework

**The State's disinvestment in higher education jeopardizes UC's status as a world-class research public university**

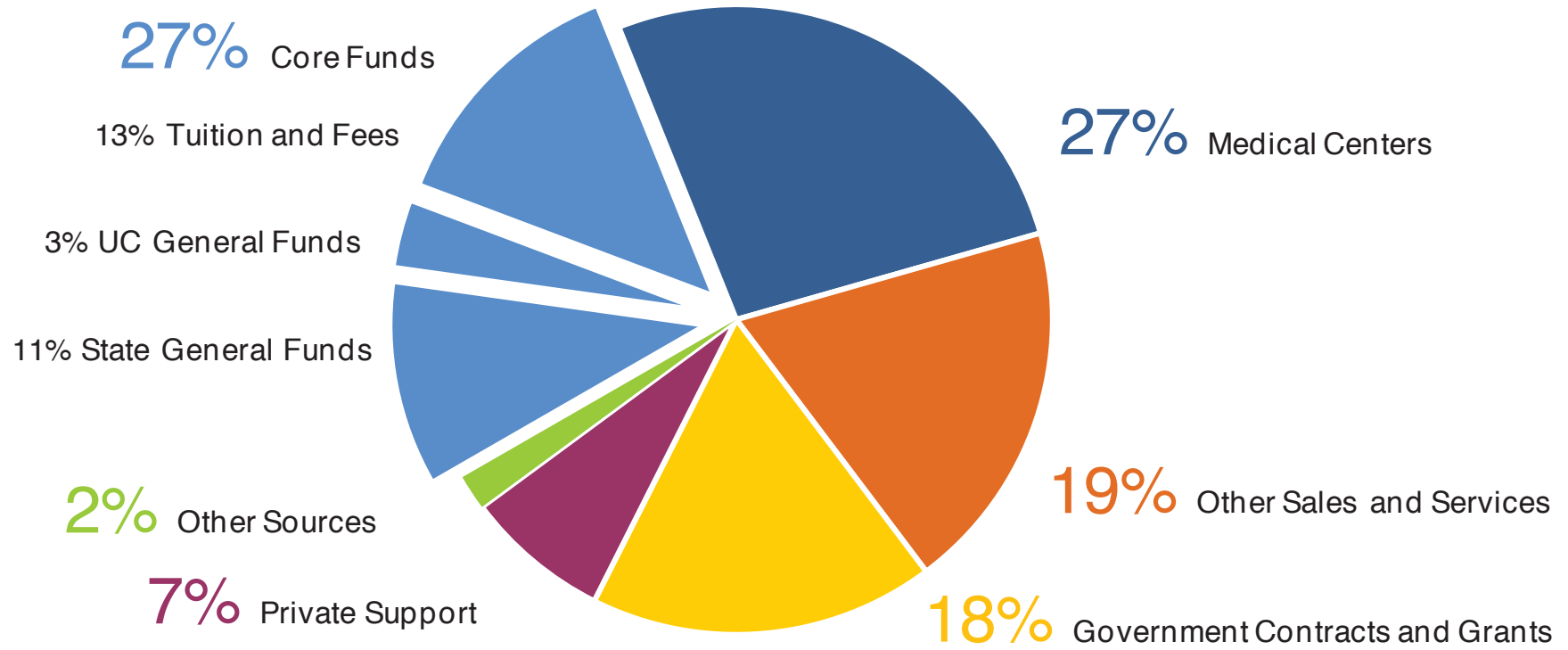
- **State funds are now about 11% of UC's total budget**
- **State funds, along with tuition and fees (core funds), provide the resources essential to UC's academic program**

## Discuss

- **The disinvestment**
- **The effects**
- **The continued success**

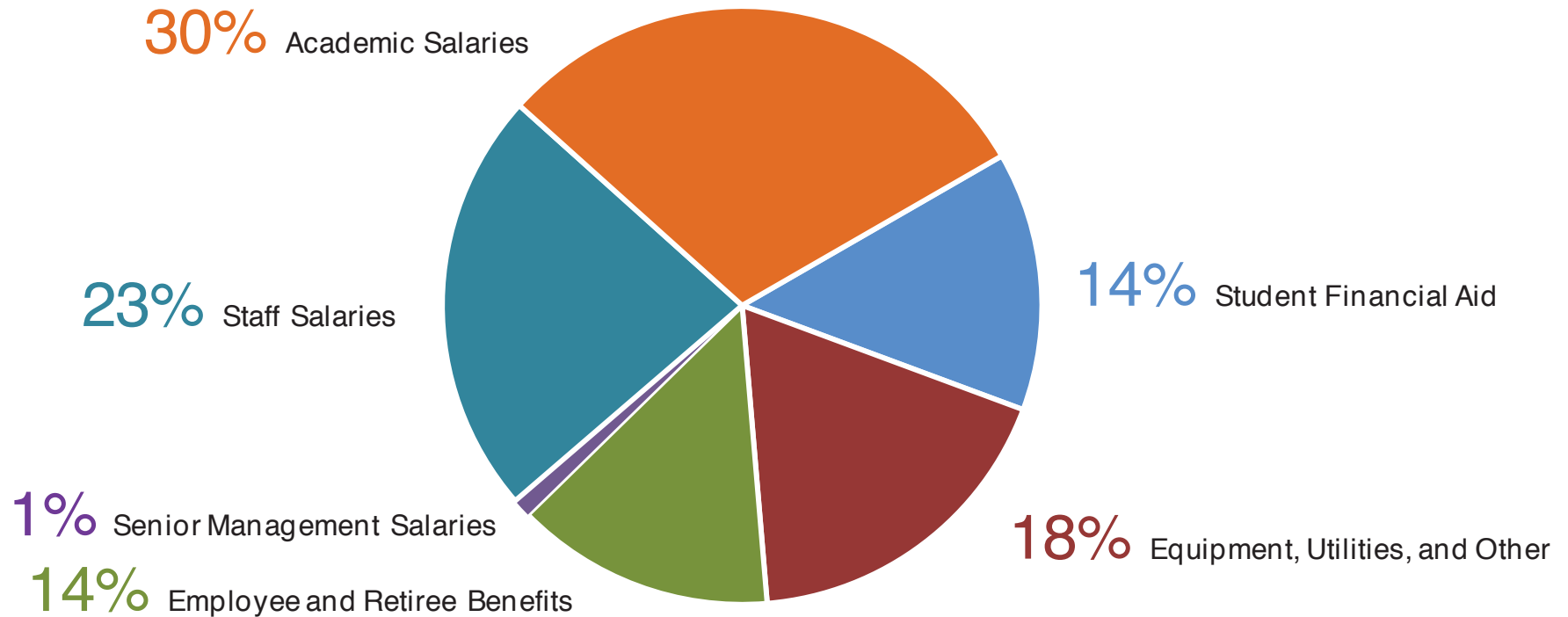


# Budget



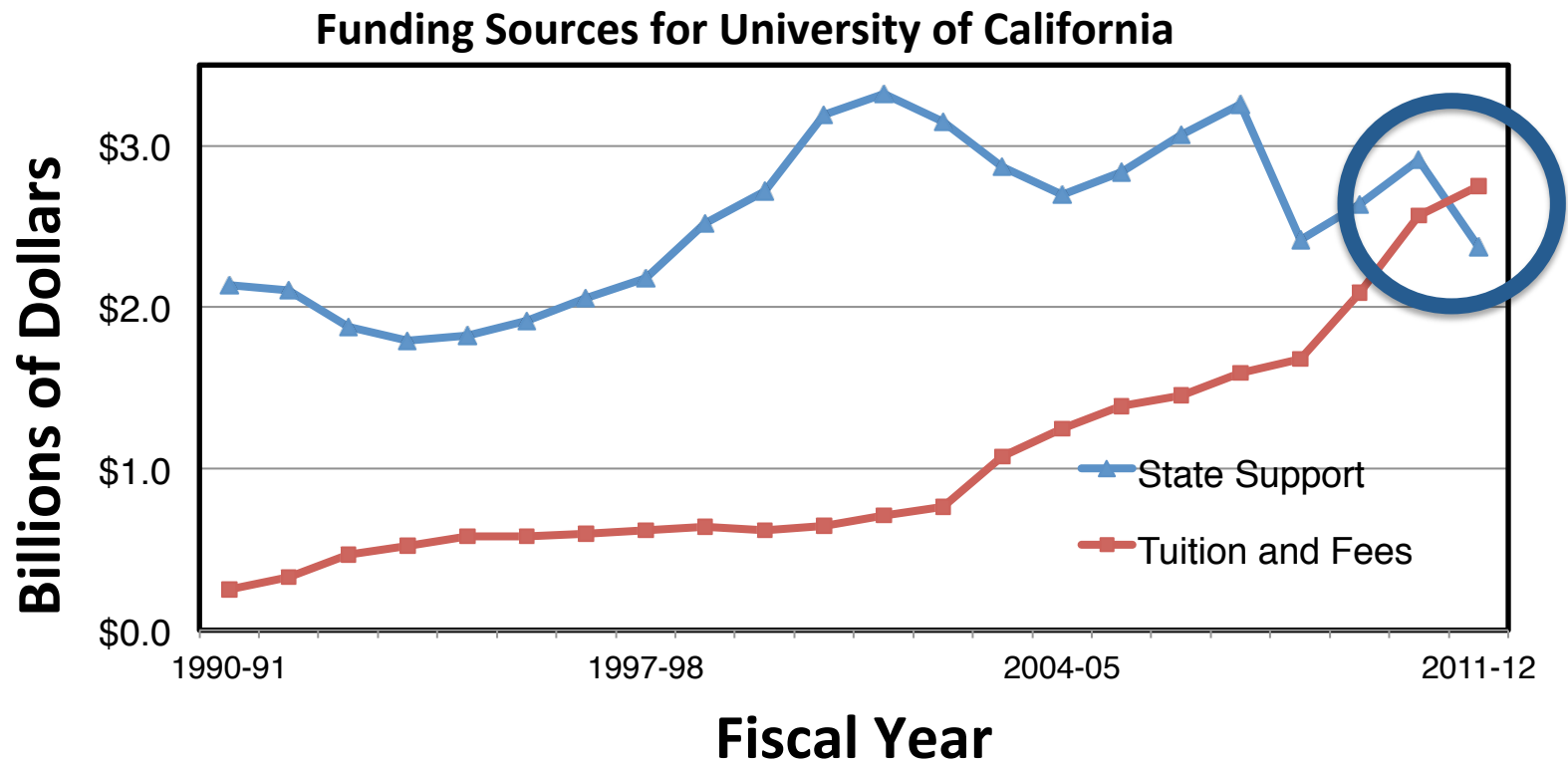


# Core Funds Expenditures



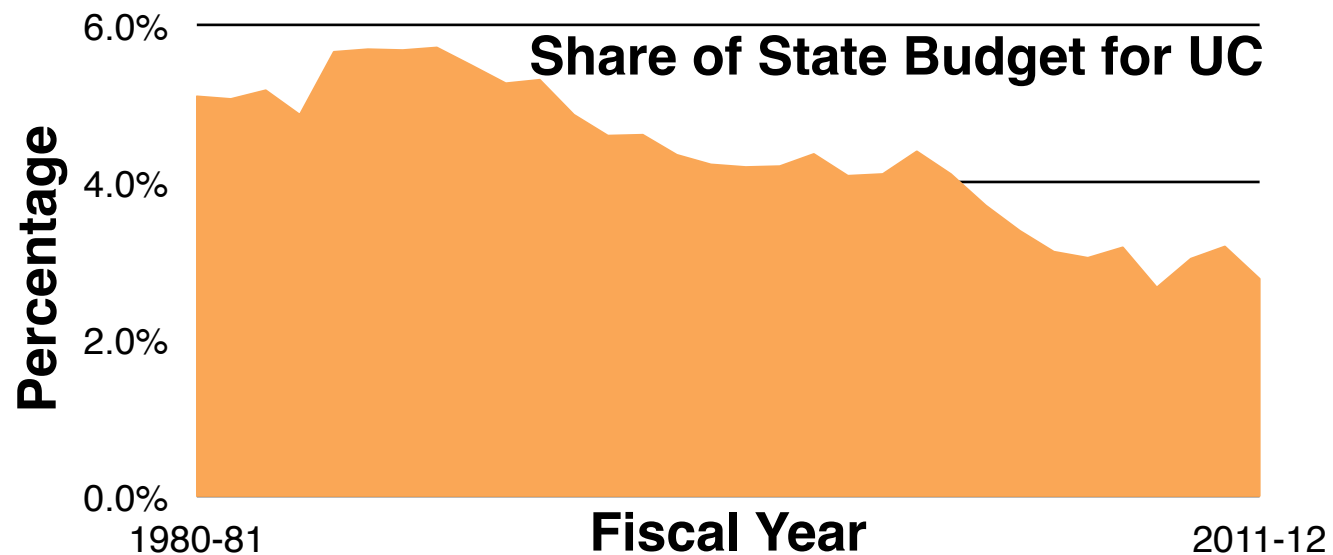
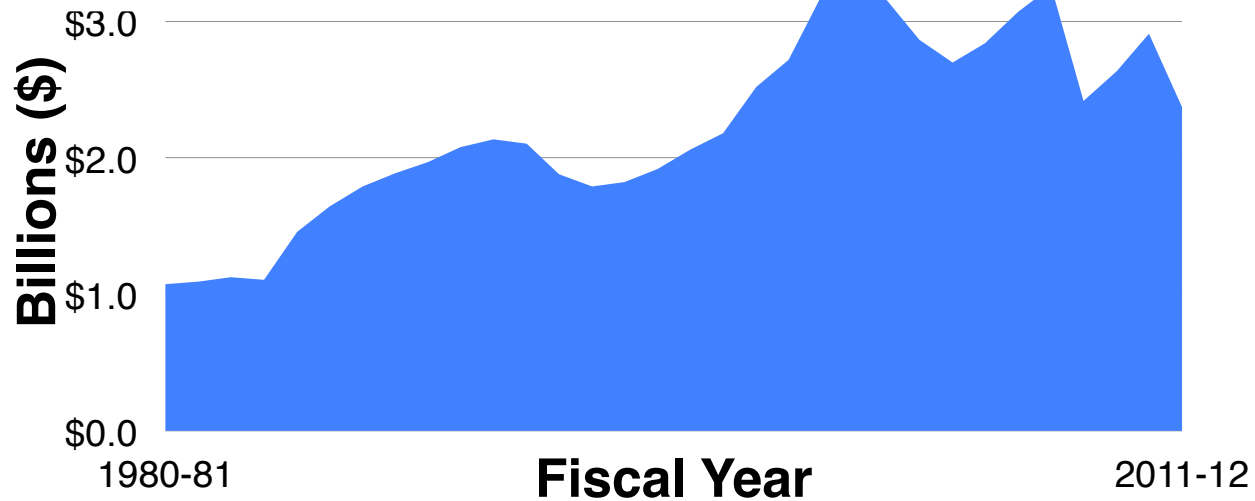


# Changing Funding Base



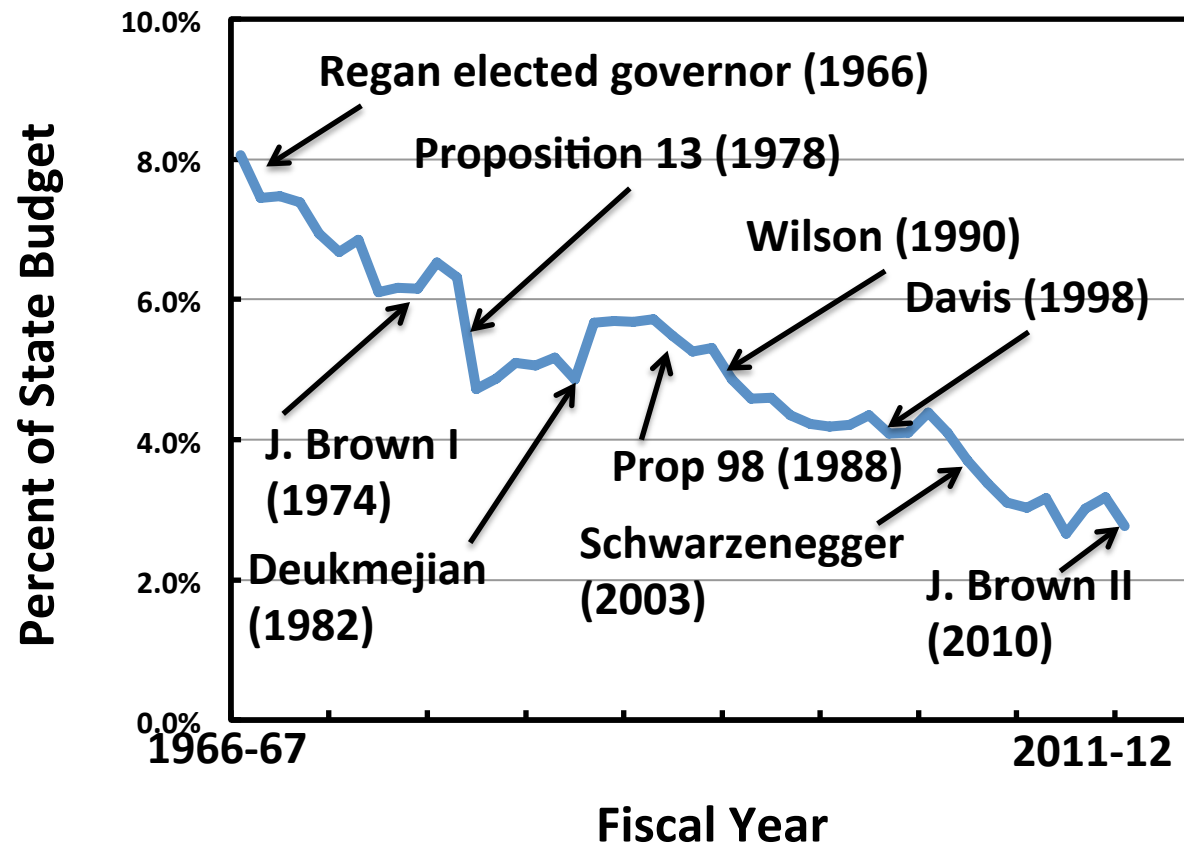


# State General Funds Support



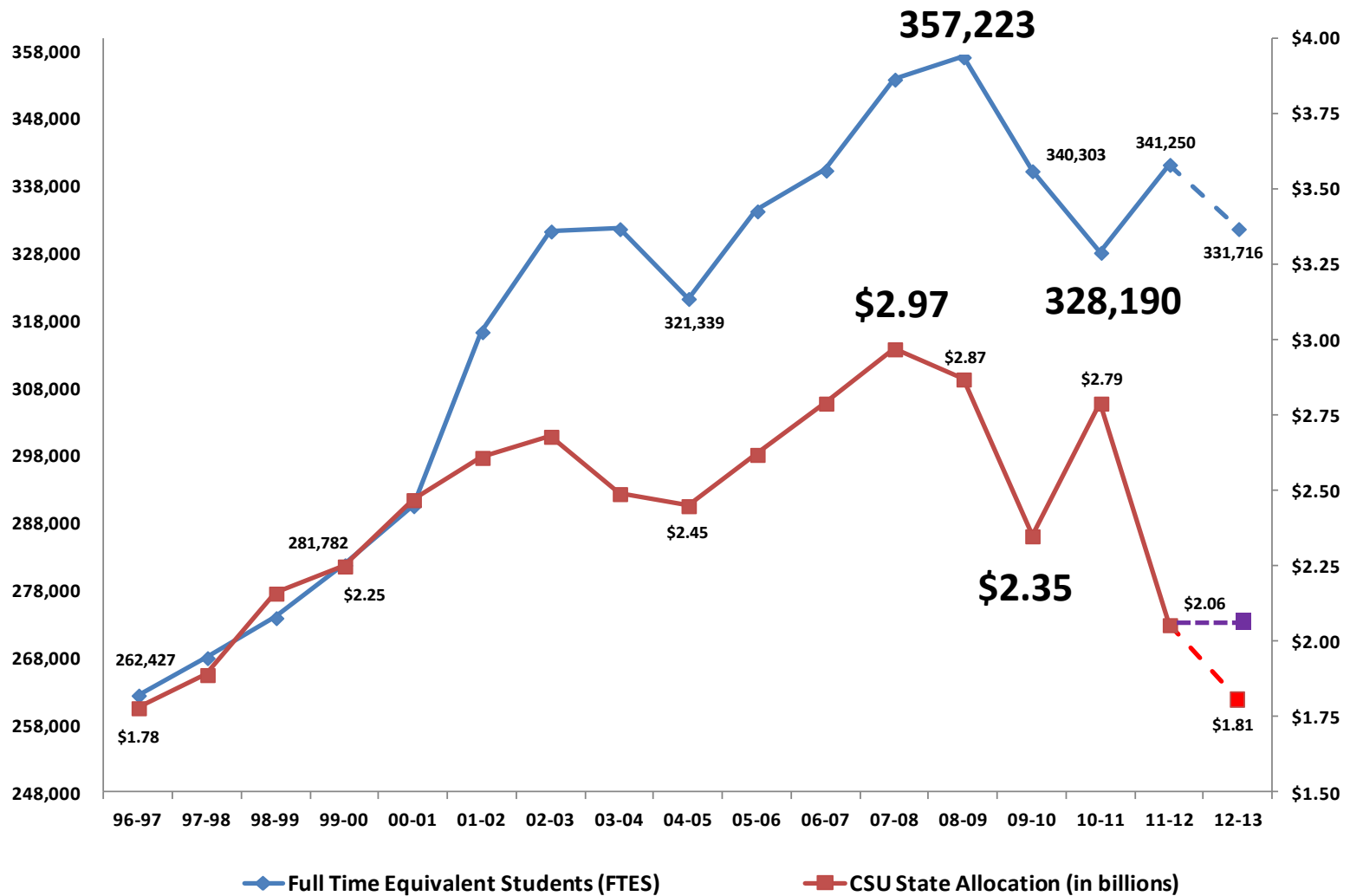


# The Winds of Politics





# CSU: Budget History

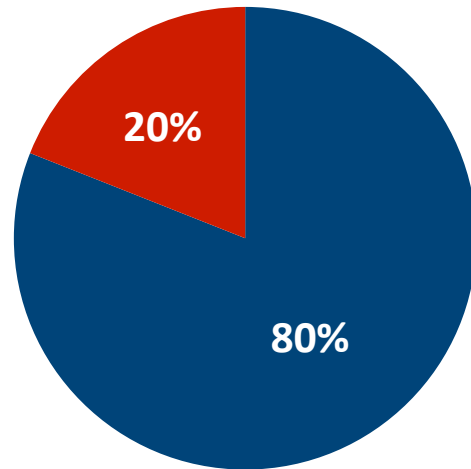




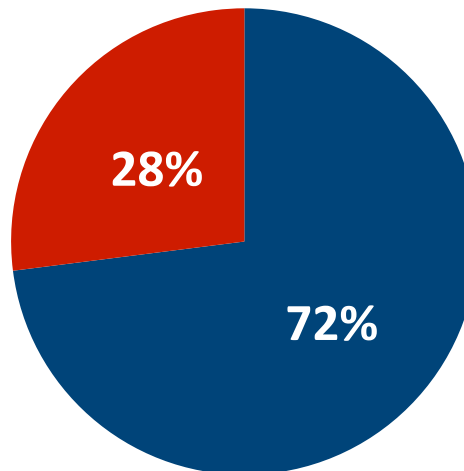


# CSU: Declining State Commitment

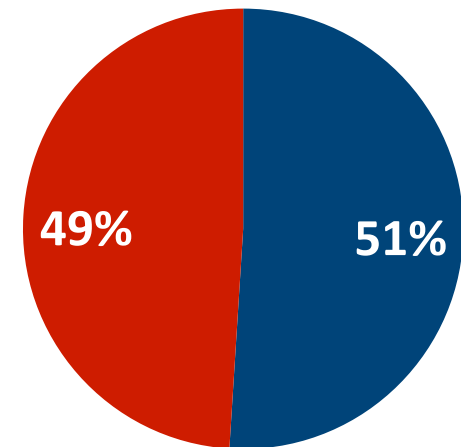
2002-2003



2007-08

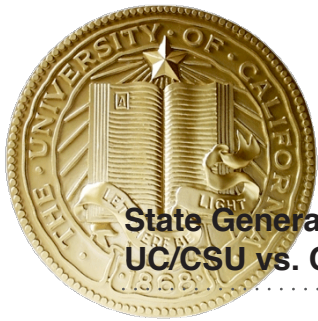


2012-13 \*



- State Support (General Fund)
- Student Tuition Fees and other support

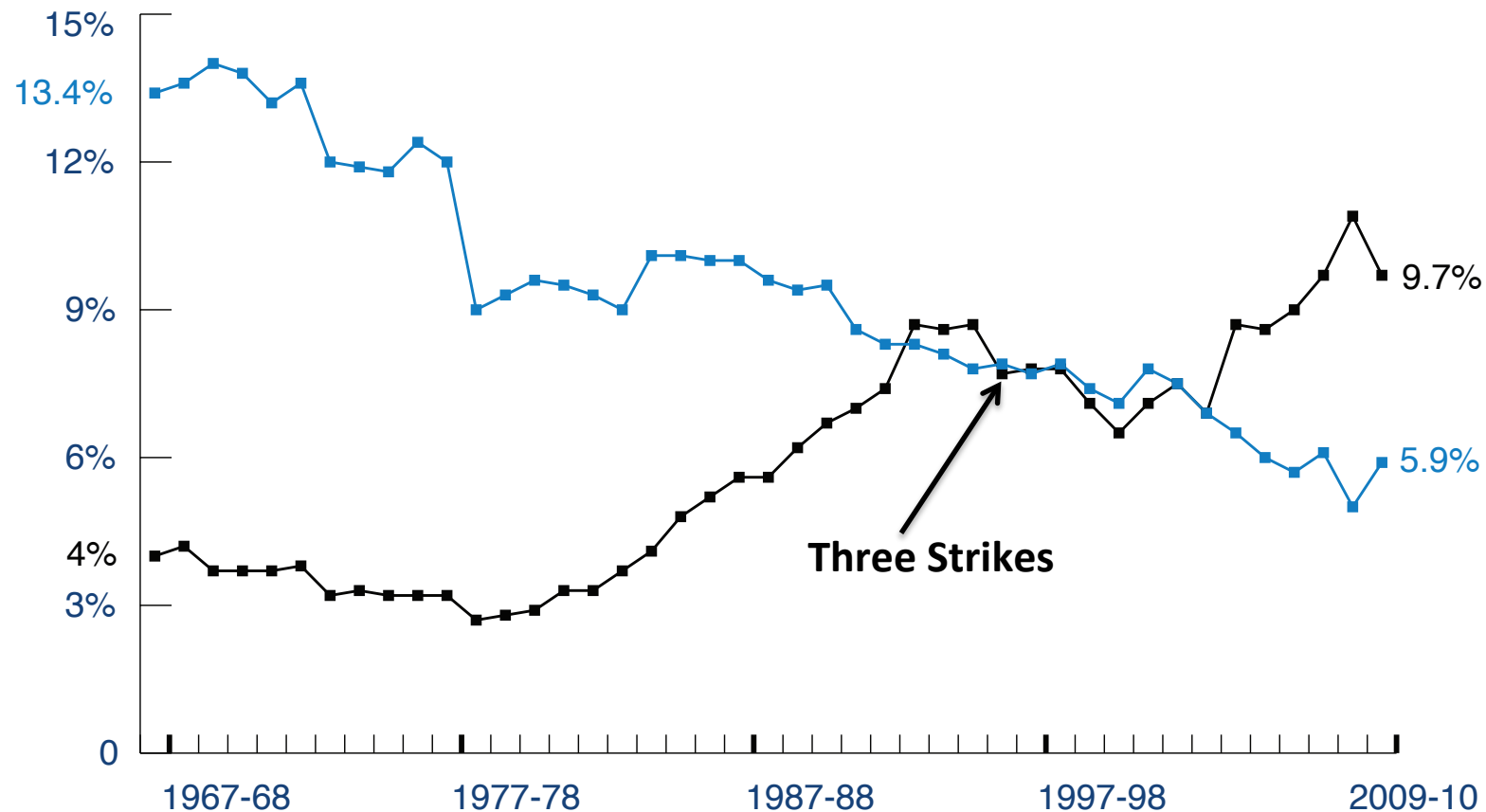
\* Does not include \$250 million "trigger" cut



State General Funds  
UC/CSU vs. Corrections

# Prisons or Universities?

UNIVERSITY of CALIFORNIA

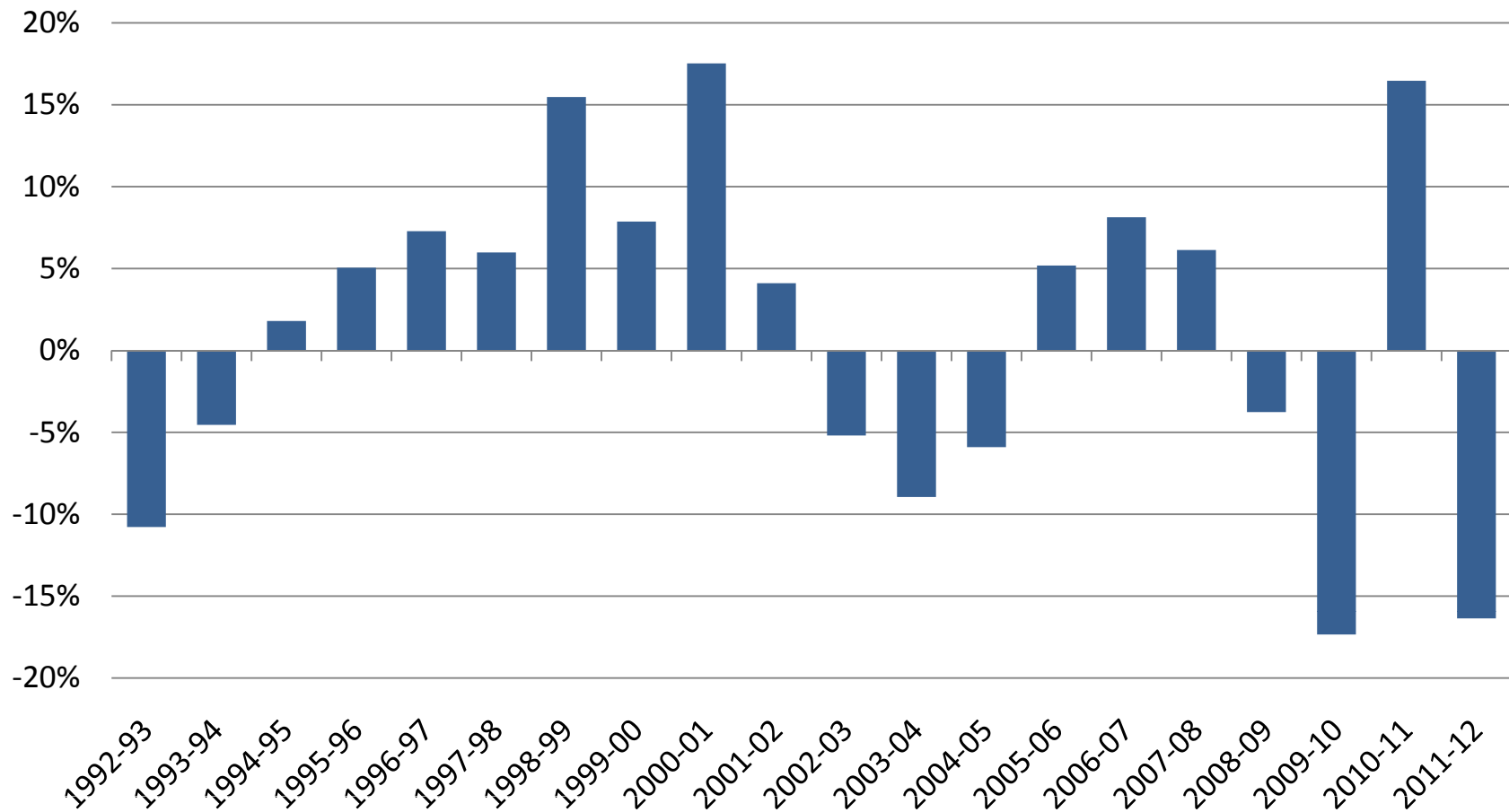


Sources: CPEC Fiscal Profiles, 2008. Displays 1 and 21;  
Department of Finance budget documents.

■ UC/CSU  
■ Corrections



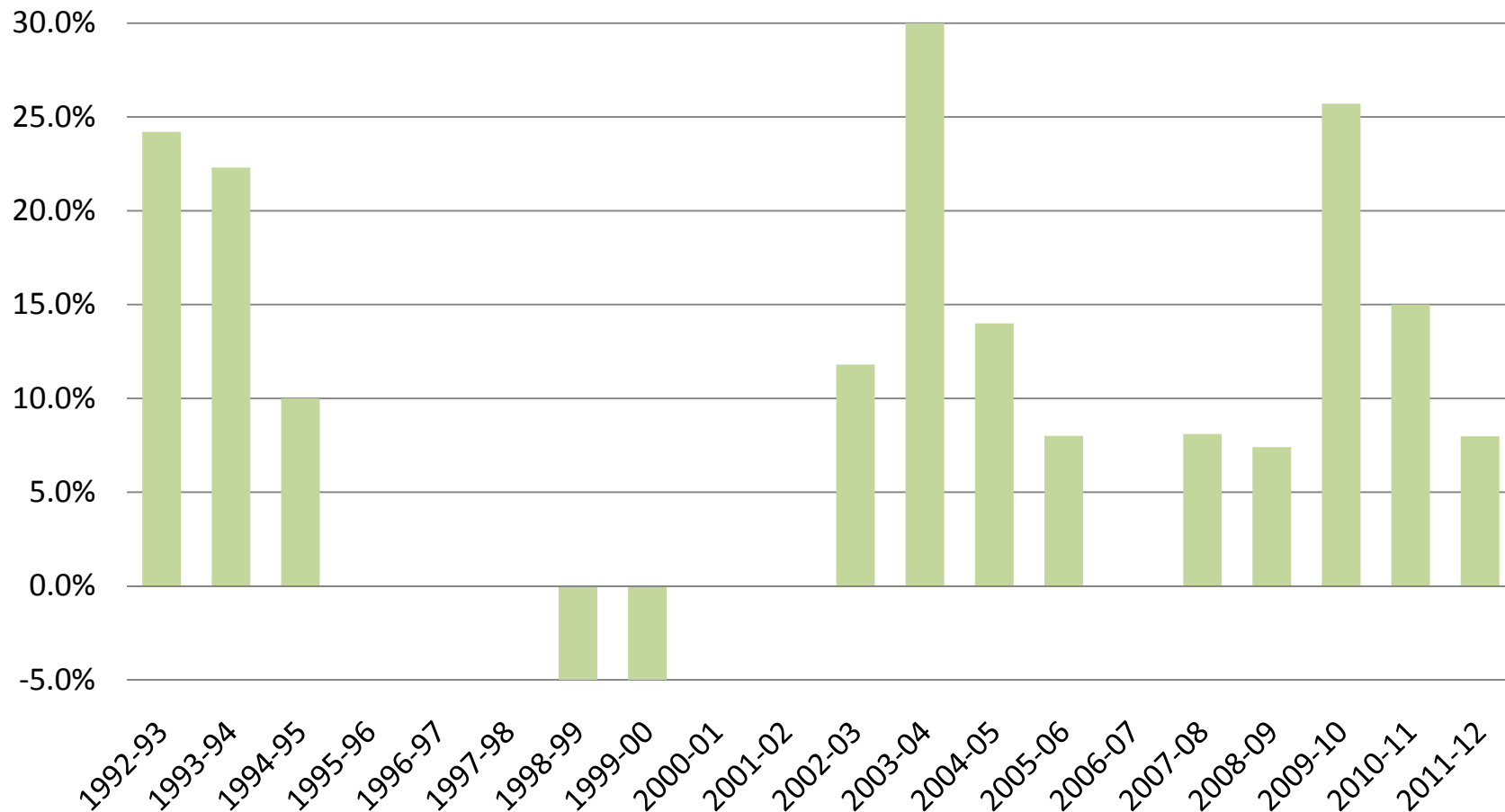
# UC: State = Unreliable Partner



Includes ARRA funds of \$716.5 million during 2008-09 and \$106 million during 2010-11.



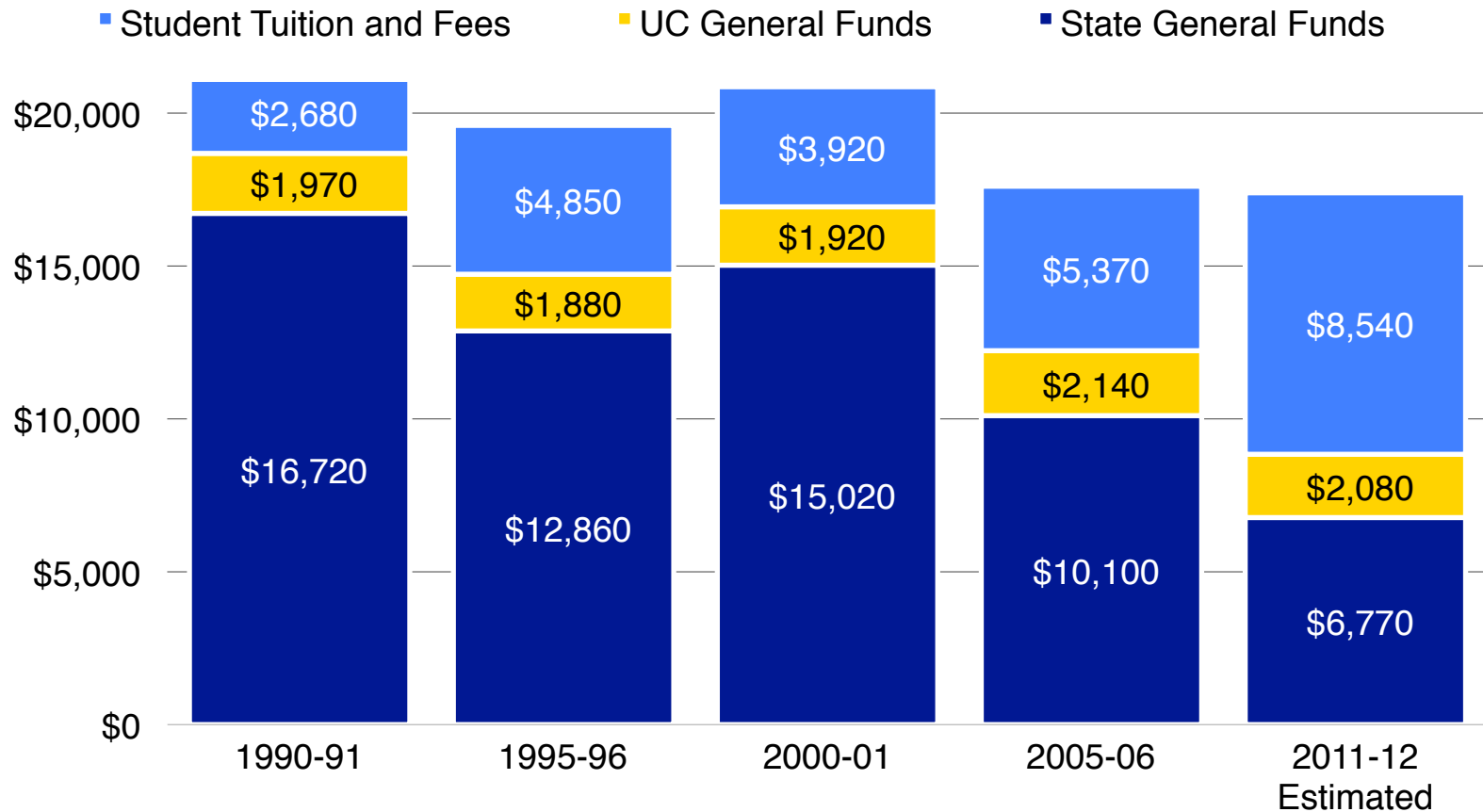
# Volatility of Tuition and Fee Increases



Tuition and fees did not increase during 8 of the last 20 years, but rose by more than 10% during 7 years.



# Spending / Student Decline



Average inflation-adjusted resources per general campus student.  
Excludes financial aid. 2010-11 dollars.

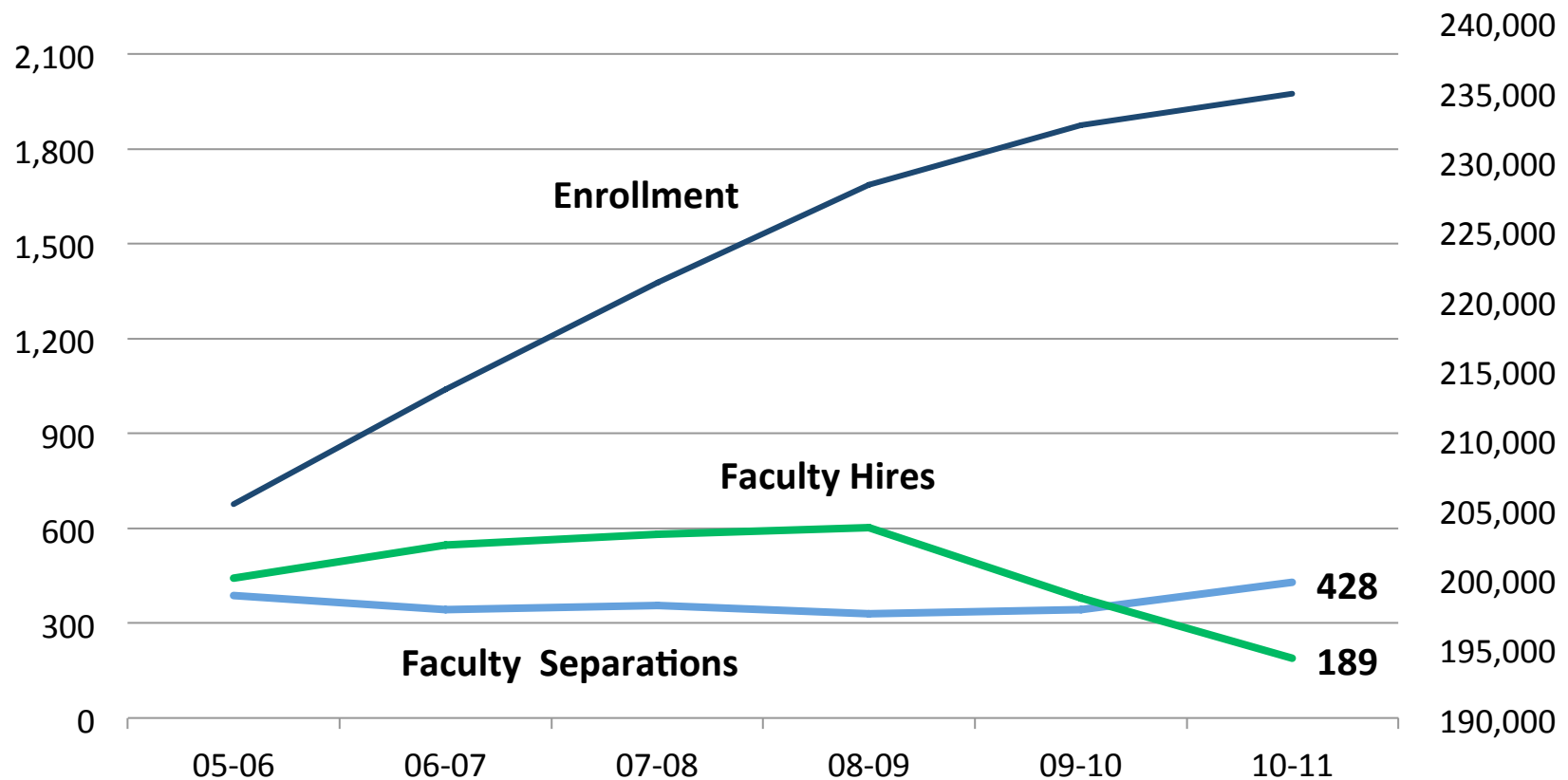


## Funds Lost and Found

- State funds have been reduced by \$880M since the recent crisis began – from \$3.26B to \$2.38B – a reduction of 27%
- Exacerbated by the State not funding \$1.2B in mandatory cost increases during that time
- Tuition and fee increases have only mitigated about 39% of the budget gap in recent years – campuses have absorbed the remaining shortfall
- Solutions to funding the budget gap must ultimately help address the projected shortfall in core funds if the academic program – and UC quality – are to be protected



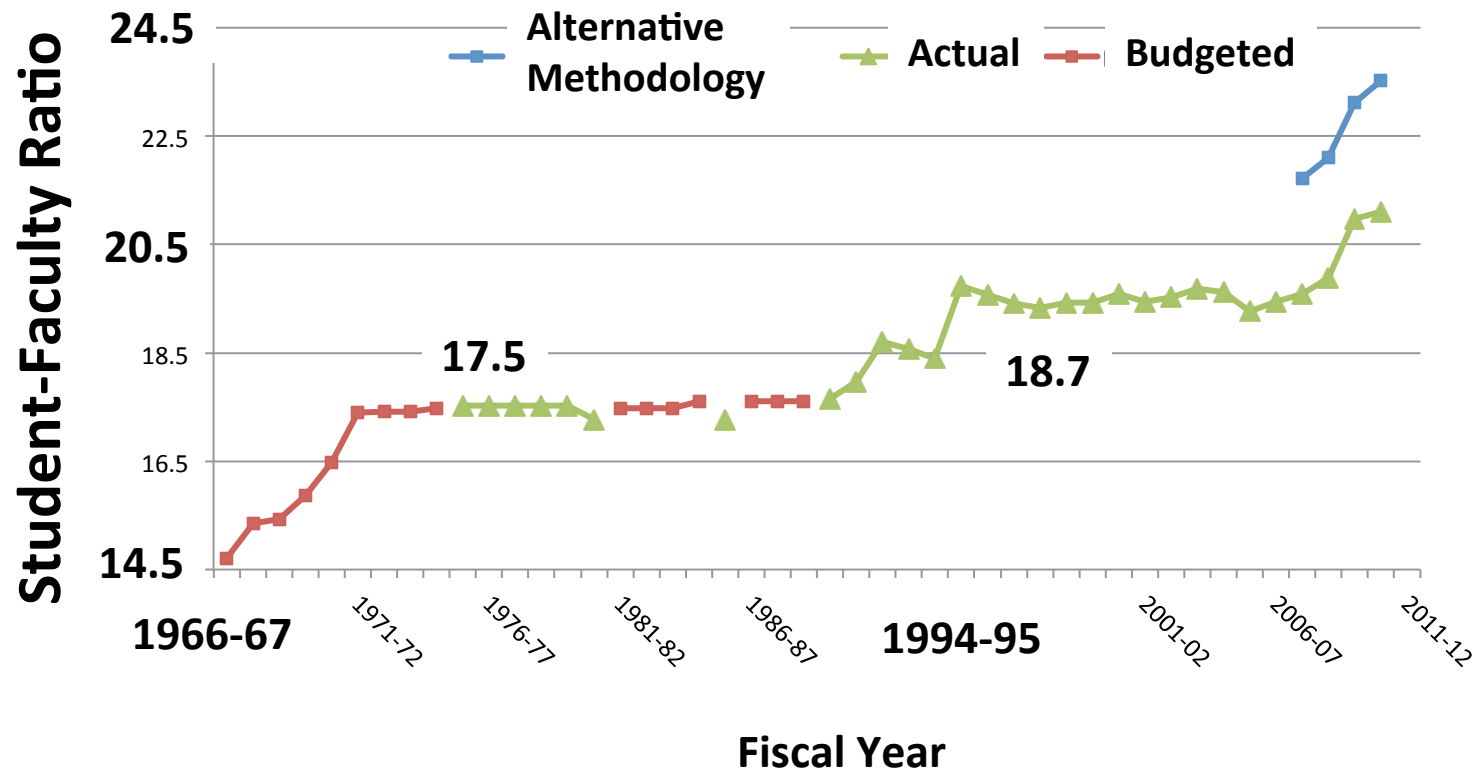
# Loss of Core Funds: Fewer Faculty and More Workload



Faculty Hires and Separations



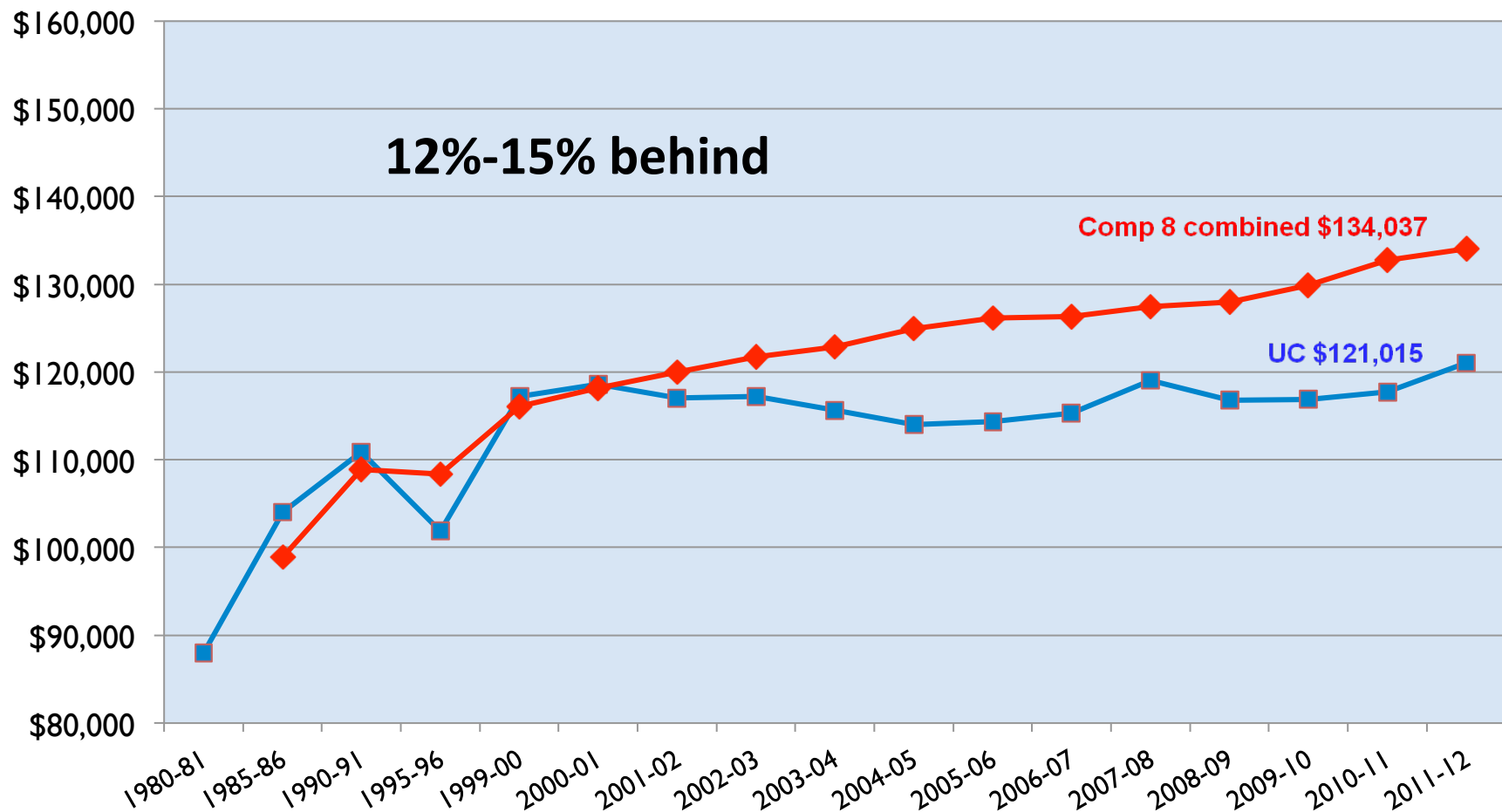
# Loss of Core Funds: Fewer Faculty and More Workload







# Average Faculty Salaries: General Campus Private/Public (Comparison 8) and UC



5-Year Intervals to 1999-00, and each year 1999-00 through 2011-12  
Adjusted for Inflation in 2011 Dollars



## **Three Pillars of UC Excellence**

- **Access – UC is committed to its obligations under the Master Plan**
- **Affordability – Tuition levels are in line with comparator public institutions and UC's financial aid program has protected low-income students**
- **Quality – The tradition of quality at UC has placed it among the foremost educational institutions in the world – public and private**

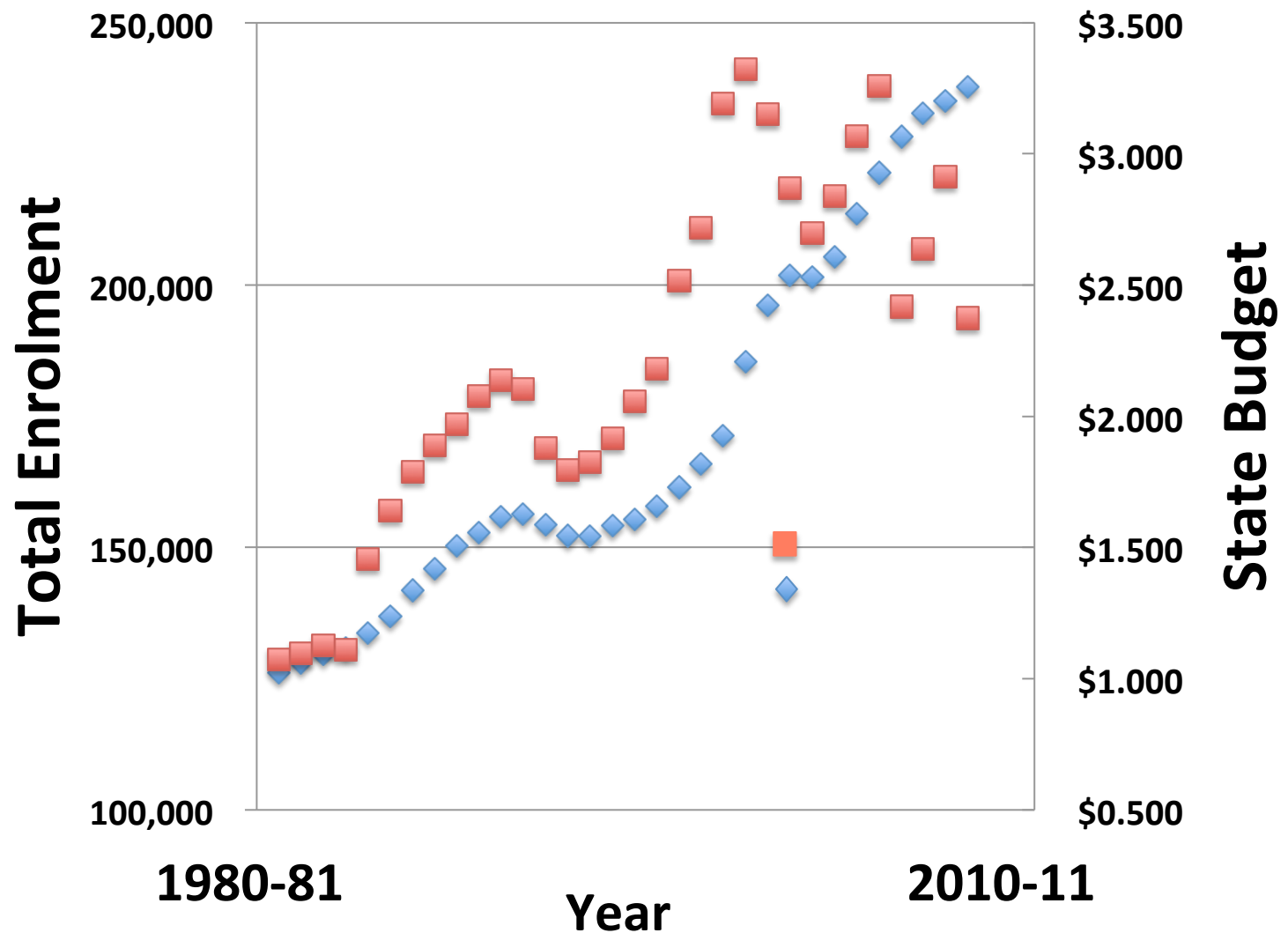


## **UC Has Maintained Access**

- **UC has maintained its commitment under the Master Plan, despite lack of State funding**
  - **Applications continue to rise significantly**
  - **All eligible students wishing to attend have been offered a seat**
  - **Projections indicate UC is educating more than 24,000 students for whom it has received no funding from the State, when budget cuts are taken into account**

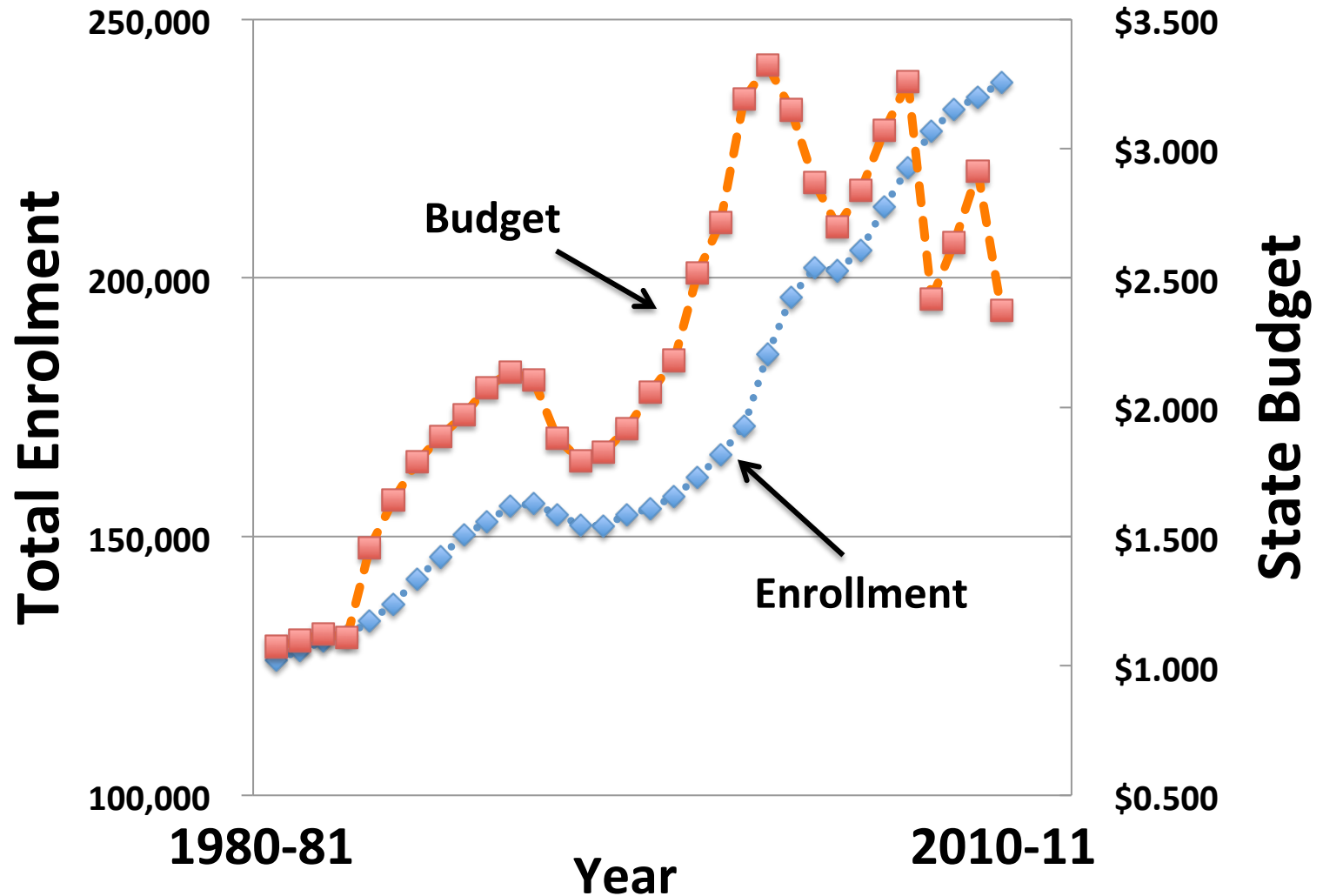


# Enrollment and State Funding





# Enrollment and State Funding



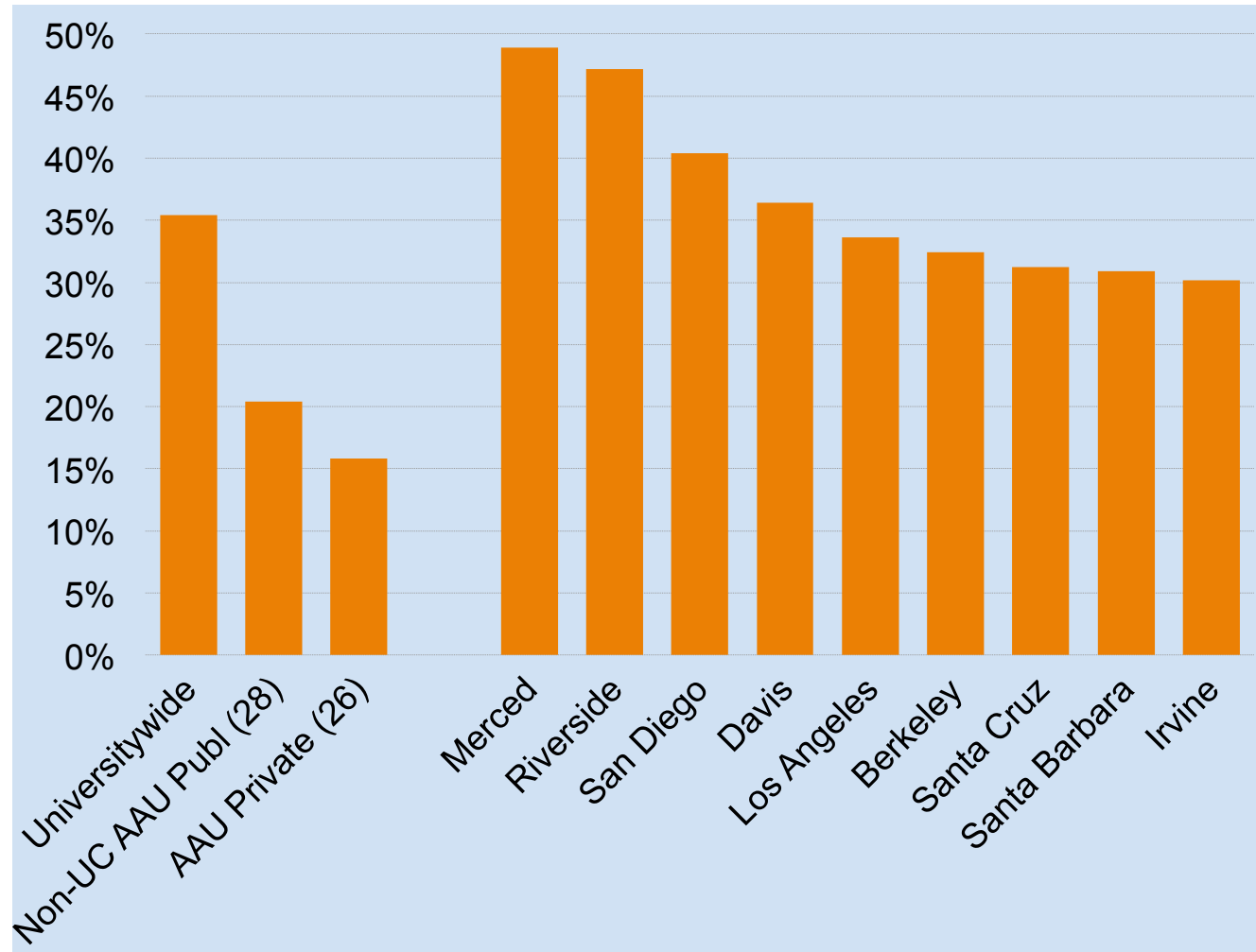


## UC Has Maintained Affordability

- Tuition and fee levels remain in line with comparator public research universities in the nation
  - UC undergraduate tuition and fees remain below two of four public comparators
- Two thirds of UC undergraduates receive grants or scholarships from Federal, State, UC, and private sources
  - Over 50% of California undergraduates pay no tuition or fees
- Average net tuition paid by UC undergraduates was \$4,400 in 2010-11
- UC enrolls a higher proportion of Pell Grant recipients (35%) than any other research university in the nation



# Pell Grant Recipients, UC and Comparison Institutions





## Other Affordability Indicators

- Net costs for students with incomes below \$100,000 have not increased
- The percent of lower-income students graduating with debt has not increased
  - Half of the 2010-11 graduating class had no student loan debt
  - Among borrowers, average debt was about \$18,800, nearly \$7,500 less than the national average; this may be going up with tuition increases



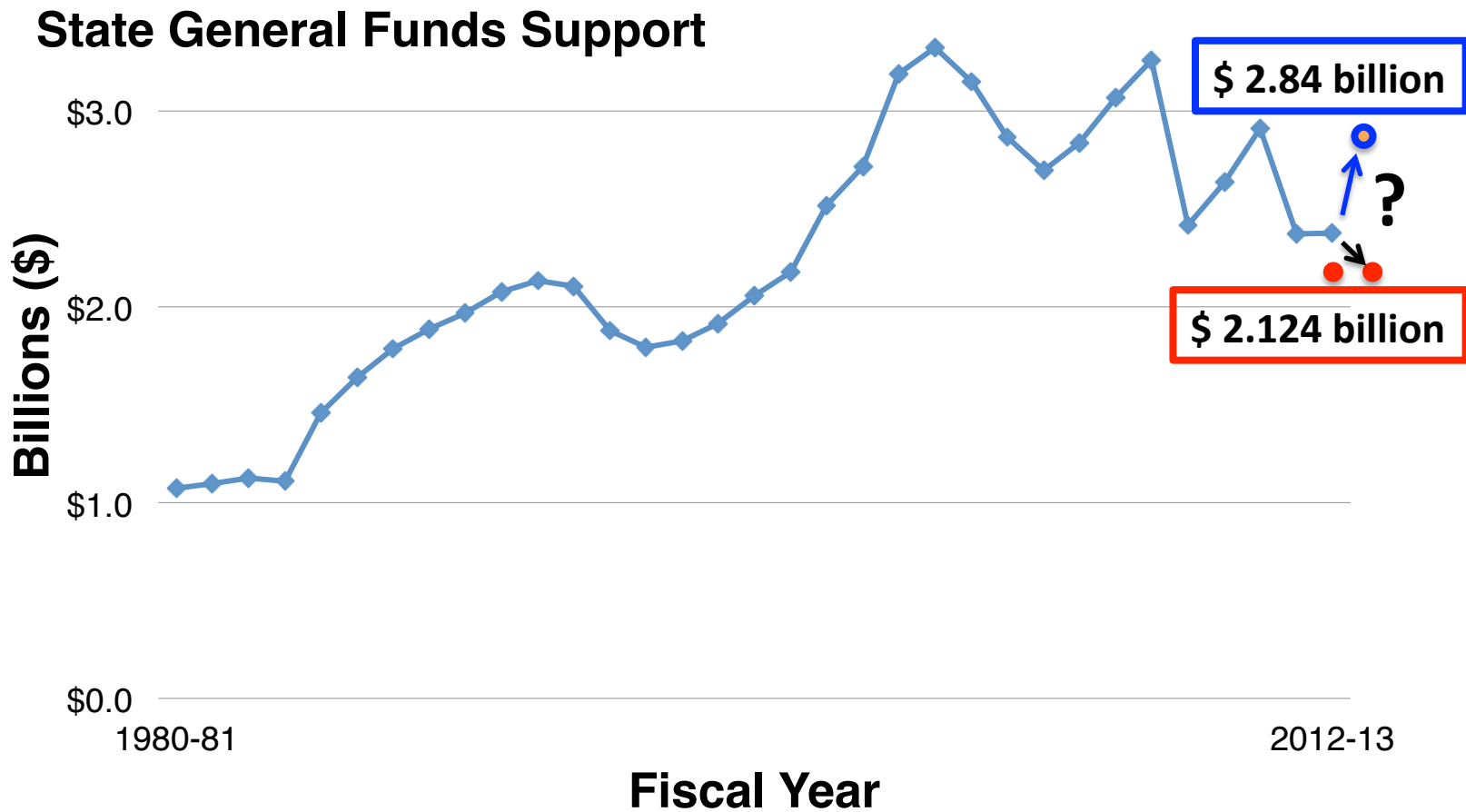


# Governor's November 2012 Revenue Initiative

- Increase temporarily by 0.5 percent the current sales tax
- Increase temporarily the tax rates on highest income Californians
- Proposal to generate \$6.9 billion in new State General Fund revenue
- Despite new revenue assumptions, Governor included \$4.2 billion in 2012-13 budget cuts
- If tax initiative fails, Governor \$5.4 billion in mid-year budget “trigger” reductions
- \$250 million each to UC and CSU

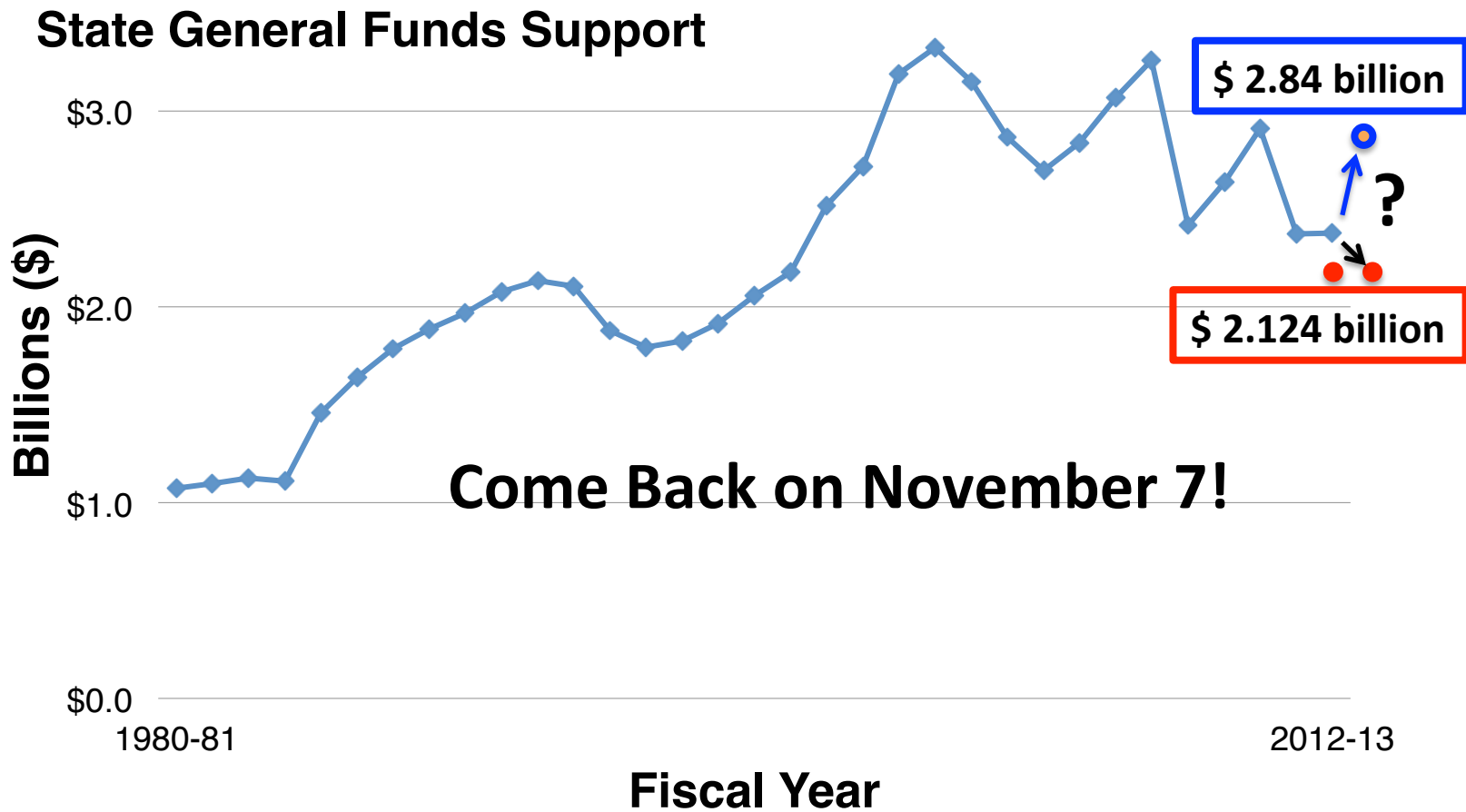


# The Possibilities





# The Possibilities





# **Future of Higher Ed - UC Approach**

- **Completion rates**
- **Family ability to pay**
- **Diversity**
- **Shared Governance**



**ACCESS**