

Insurmountable opportunities

THE University of California (UC) has a problem. Budgets are shrinking at a time when student demand has never been higher. And while the UC is obliged by statute to educate California's best and brightest, it is running out of places to put them.

At the root of the problem is the Master Plan for higher education in California, whereby UC can select its students from the top eighth of the state's high-school graduates, the state universities (which do not award research degrees) from the top third, and the two-year community colleges from everyone. The plan was instituted in 1960 and its success in producing an educated workforce may in part account for California's economic vitality since the Second World War, not to mention the extraordinary growth in the UC system in the 1960s.

The problem now is that with a population growth of more than 620,000 a year, there are simply too many students. In theory, the state's two public university systems (UC and California State University, CSU) can be selective about their admissions: in practice, a university education is now seen as an entitlement by those who qualify, a view that UC administrators are proud to service and which would be politically hard to counter.

In the late 1980s, UC laid plans for a tenth campus to meet the demand. It looked at three possible sites in the Fresno area of the San Joaquin Valley, where people are beginning to outnumber orange trees. The plan was to open in 2000, but the cuts have put this back to 2005 at the earliest. At present, UC has 166,000 students (12,000 more than it has funds for) with 5,000 fewer staff and \$700 million fewer dollars than it needs. Students at the existing campuses will just have to cuddle up, and pay more for the privilege: 1994's seniors will leave UC paying double the tuition fees they paid as freshmen in 1991. In five years, there may well be no more room at the inn, no matter how high the fees.

Of course, UC is in the same boat as any 150,000-strong corporation in California — except that it does not have the option of moving out of state. Faculty may have to accept a five per cent cut in salaries next year, after two years of essentially no pay increases. In another money-saving effort, 4,000 senior staff and faculty have accepted tempting early retirement packages over the past two years, and another 1,000 posts are to disappear, mostly by natural wastage. The concern is that with retirement-age faculty already pensioned off, any more voluntary redundancies will attract talented faculty in their 50s, who will go on to accept standing offers from institutions

able to offer better salaries and conditions. The result will be a diminution of UC's enviably high standards — and ultimately of the economy of the state, so close are the ties between town and gown. There are already signs that the university is less persuasive in recruiting its first choices than it was.

It is at times like this that people start to ask whether the university really needs an expensive central administration: the president's office on the twenty-second floor of an office block in downtown Oakland seems a long way from the tie-dye stalls along Berkeley's Telegraph Avenue or UCLA café society.

The answer has to be 'yes', at least in principle. Kumar Patel, fresh from Bell Laboratories and brand-new vice chancellor for research at UCLA, sees the recession as an ideal time to make decisions about concentrating subject areas in particular campuses and avoiding duplication of effort. Such strategic planning is best done from the twenty-second floor than from the ground.

Without the president's office, the state would find it very hard to get an all-round idea of what is going on at the nine huge campuses, five busy teaching hospitals and three national laboratories that comprise the University of California. In a sense, the UC administration is like the Universities Funding Council in the United Kingdom; it is an interpretative tier between government above and the swarm of academic institutions below.

And there is one piece of good news—

the state is sympathetic to the university's needs, even if it cannot do much about it right now. The present "fiscal peril" is "not a function of the governor or the legislature not liking us, or penalizing us", says UC vice president Bill Baker, who as the man in charge of the budget has more money at his disposal than do most of America's 'Fortune 500' corporations. "They'd give us what we asked, if they had it, I'm convinced of that." This was not always the case. When Ronald Reagan and Jerry Brown were state governors, education was less favoured. But discretionary funds for higher education must take their place in a budget over-committed to mandatory expenses.

The University of California receives about 25 per cent of its funds from the state. This core budget was \$2.135 billion in financial year 1990–91, but has now shrunk to \$1.881 billion — a reduction of \$254 million in three years. The university requested \$1.99 billion for the next financial year, but will not get it: the next budget proposes a further cut, to \$1.743 billion, a cumulative loss of \$392 million, or 18 per cent, on the 1990–91 figure. Baker says this is "the worst fiscal problem we've had, maybe ever". He says that it may be even worse for the university than the Great Depression.

The core budget pays the salaries and keeps the buildings from falling down: it cannot be augmented by the remaining 75 per cent of UC funds, which are in the form of grants and receipts for particular purposes. The university receives 11 per cent of all federal contracts and grants, but this is of little help to the core bud-

The Cal factor

THE UC has grown into arguably the world's finest public university in little more than 100 years. Why? California was a magnet for academics from the early 1920s for a variety of reasons. Imaginative recruitment methods compensated for sparsity of population in the Depression — when people were attracted by low salaries when the alternative was none at all. By the 1930s UC had an enviable cadre of physicists, among them the core of future nuclear weapons projects, which explains why it is now the custodian of no fewer than three National Laboratories: two within the state itself, the third (Los Alamos) in New Mexico. After the Second World War, California's economic miracle — founded in large measure on defence and aerospace and a rapid influx of technically gifted immigrants — bathed the UC in money. At the same time, the State accorded the UC a large measure of the political freedom

to use that money to its own ends: rather than being administered from the Capitol (as is the CSU system and most other State University systems elsewhere), the UC is run by its own Board of Regents. The 'X' factor is access to quality. Whereas California's private universities, such as Stanford and Caltech, are extremely good, they are very small: this has enabled the UC to attract a high proportion of the best faculty and students. This has not worked out elsewhere: the State of New York, for example, has arguably failed to produce a public university system that matches UC in quality and quantity, largely because of competition from large, private schools such as Columbia and Cornell. The quality of UC education is high because it starts with the best ingredients. "If you want to make a silk purse out of a sow's ear", says UC senior vice president Ronald Brady, "start with a silk sow." □