

# Farewell Remarks to the Board of Regents

*September 2003*

Very shortly, I will be leaving the presidency of the University of California after eight years in office. It has been pointed out that I seem to have a knack for picking tumultuous times for my entrances and exits. When I took office as U.C.'s seventeenth president in 1995, the University and much of the state were paralyzed by a bitter debate over affirmative action. As I prepare to leave on October 1, our state is consumed by a gubernatorial recall election that will feature a ballot with 135 candidates. California never is at a loss for interesting issues.

As I reflect on my time as president and look to the future of the University, two major themes become apparent. First, the things that have been achieved at the University of California are nothing short of stunning. The U.C. system today is one of the world's leading centers of higher learning, and its accomplishments as a public university in the United States are

unsurpassed. These accomplishments are not attributable to any individual president—they are far too great for any one person to claim responsibility—but rather are the product of a talented and committed community of faculty, staff, students, parents, alumni, Regents, friends, and supporters. The skill and energy of this community of people are reason alone for optimism about the University of California’s future.

Second, however, it would be a mistake to discount the challenges that lie ahead. In particular, the State of California’s fiscal distress, and the threat of a downward spiral in state financial support for the University, will make the next few years a period of great consequence for the University of California. What we are, and how valuable we are to the people of the state, will be thoroughly tested.

This is a great university, astonishing in many respects. It also is, today, a university facing great risk. We are confronting a number of individual challenges, each of which could be survived in isolation, but when taken together, they threaten to undermine U.C.’s foundation of quality, accessibility, and affordability.

Several years ago, in a piece entitled “The Future of the University of California” [included in this volume], I wrote the following: “The role of knowledge in transforming virtually every aspect of our world has moved research universities like the University of California to center stage of American life. More than any other institution in our society, research universities are on the cutting edge in producing the well-educated people who drive our economy and the new research ideas that keep it growing.”

The University of California is a leading example of the phenomenon I was describing. Our faculty are, by numerous

measures, national and international leaders in the quality and productivity of their research. For California students, U.C. offers an opportunity to gain a world-class research-based education right here in California, taught by world leaders in every field of academic inquiry. We are a community devoted to learning—not for learning’s sake alone, but for the sake of enhancing scientific progress, cultural understanding, and quality of life in the society around us. This institution, no ivory tower, leaves a deep mark on the state that supports it.

Economically, we contribute highly trained graduates and research innovations that fuel the creation of companies, jobs, and entire new industries. More broadly, our agricultural programs, medical centers, extension programs, and K-12 outreach initiatives bring the University into homes and schools and fields throughout the state of California.

Together, over the last several years, we have built on this foundation of excellence. With the implementation of Eligibility in the Local Context and Comprehensive Review, we have updated our admissions policies to ensure that they draw in high-achieving students from all corners of the state and all educational backgrounds. Our efforts with the California Community Colleges to increase transfers to U.C. are proving similarly successful, and the Dual Admissions Program will offer an additional route to transfer success. Our work with the College Board and ACT has led to improved national admissions tests and a closer relationship between what students are taught in high school and what they are tested on for college entrance. The University’s impact on the California economy has been magnified through the California Institutes for Science and Innovation, the Industry-University Cooperative Research Program,

and our expansion of engineering and computer science enrollments by more than 70 percent.

We have continued to attract faculty of the highest quality, along with exceptionally qualified students, and we have enhanced our educational offerings by expanding freshman seminars and introducing a new degree, the Master of Advanced Study, for working adults. We launched a new initiative to increase enrollments of graduate students after years of stasis. Federal research funding has set new records, and private donations to the University topped the one-billion-dollar mark in a single year for the first time ever.

Our California Digital Library represents a groundbreaking effort to pool the resources of the U.C. libraries, make their collections available electronically to the broadest possible audience, and give faculty members new options for disseminating their work. We have sought to improve working conditions for our faculty and staff by providing health benefits for domestic partners, new initiatives to promote gender equity, expansion of child care facilities, and programs to help offset lagging salary funding from the state. And all of this has occurred amid explosive student enrollment growth and the founding of a tenth campus, U.C. Merced—the University’s first new campus in forty years.

My concerns for the future are largely tied to the State of California’s finances and the vulnerability of public higher education to further budget cuts. The cuts that have occurred already are very real, and they will have deep impacts—in areas ranging from teaching to research to outreach to Cooperative Extension. Over the last three years, the University’s

net state-funded budget has fallen nearly 14 percent, while enrollments have steadily increased. Student fees are rising sharply, employee positions are being lost, and faculty and staff salaries are falling behind where they should be in order to maintain quality programs. More ominous, however, is the possibility of even deeper cuts in the coming years. Given the depth of the cuts that have occurred already, the options left for absorbing deeper cuts are perilous: reduce access for qualified students, reduce the quality of the academic program, or raise student fees even further. None of these options is attractive; all will be roundly criticized; and one or more of them will have to be pursued if the recent trend of state disinvestment in the University continues.

Of particular concern is the fact that these cuts come at a time of substantial enrollment growth, as California's college-age population continues to swell. Already, there are indications that the state may be forced to stop funding enrollment growth or cost increases of any kind. This is a distressing turn of events because, for the last forty-three years under the Master Plan for Higher Education, the State of California and the University of California have guaranteed a place for every student who meets our eligibility requirements. The reduction of state funding will seriously challenge our joint ability to meet that historic promise.

Economic expansion and contraction are cyclical. My own presidency began with the economic crisis of the early to mid-1990s, and it is ending with a new economic crisis in the first decade of the new century. When things are bad, we can be assured they at least will not last forever; California will regain its financial footing. The question is what will be lost in the

meantime, particularly at institutions such as the University of California that are relatively unprotected in the state budget process. Quality, access, and affordability—the defining characteristics of the University of California—are at risk today, and once lost, they will not be easy to regain. I hope the state’s leaders will confront this issue thoughtfully as they deliberate on future budgets.

A second concern for the future is diversity. As noted earlier, I came into office just after the Regents approved Resolution SP-1 and as voters were preparing to approve Proposition 209, forbidding the consideration of race and ethnicity in University admissions, among other things. I continue to believe those were the wrong decisions. As I wrote in the *Washington Post* not long ago [the op-ed “Diversity: Not There Yet” is included in this volume], “We have pursued both excellence and diversity because we believe they are inextricably linked, and because we know that an institution that ignores either of them runs the risk of becoming irrelevant in a state with the knowledge-based economy and tremendously varied population of California.” Without the ability to take race into account in the admissions process, we have turned to other approaches for ensuring educational opportunity for high-achieving students of all backgrounds. The Eligibility in the Local Context program has been successful, particularly in expanding access for students who excel in educationally disadvantaged environments. Our programs working with public schools and teachers to improve academic performance and college eligibility have shown promising results as well, but instead of receiving the long-term support they need, these programs have been subjected to dramatic changes in funding.

State funding for U.C. outreach and teacher professional development stood at 32 million dollars in 1997–98, soared to 184 million dollars in 2000–01, and since has plummeted to 43 million dollars in 2003–04.

The good news is that student diversity has, indeed, increased following the dramatic drop after the initial implementation of SP-1. But the proportions of Latino and African American students at our most selective campuses remain far below their previous levels, and the gap between the diversity of the overall U.C. freshman class and the diversity of California's high school graduates is widening. Politically, the University is caught between those who advocate increasing diversity at any cost and those who seek any opportunity to prove we are flouting Proposition 209. And I worry that students and parents, in this superheated environment, may focus too much on whether there is some "trick" to being admitted to our campuses, rather than concentrating on the academic performance and personal achievement that matter most.

We have made great progress over the last eight years, more than I would have predicted when I took office. But as our state continues to diversify—Latinos will increase as a proportion of California's public school population from 34 percent in 1990 to 52 percent in 2010—we must continue working to ensure that we are accessible to the hardest-working and highest-achieving students from all backgrounds in our state. There are no simple ways to achieve this result, particularly if budget-driven enrollment constraints force a reduction in access overall. But our success or lack thereof will have a direct impact on the University's public, political, and budgetary support. More importantly, it will have a direct impact on the lives of the next generation of

Californians—the students we are counting on to ensure our state's future.

A final point about the challenges ahead concerns the national laboratories we manage for the federal government. The Lawrence Berkeley, Lawrence Livermore, and Los Alamos national laboratories have played a decisive role in the modern history of our nation, and I am extremely proud of their association with the University. Their achievements across a broad spectrum of scientific inquiry—national security, the environment, astronomy, human health, and countless other areas—are thoroughly impressive. For its part, the University has never gained financially from the relationship but has managed the laboratories as a national service. During the last year, we have been working through a series of management problems, particularly at Los Alamos. The result has been a needed intensification of the University's presence and guidance at the laboratories, along with a range of improvements to the business and administrative practices of the laboratory system. These changes are a significant accomplishment, and I am in the debt of all who worked to make them happen.

In the coming months, the University will be faced with the choice of whether to compete for one or more of these contracts with the Department of Energy. I want to see the relationship continue. But we must assess objectively the terms of the competition to ascertain if they are fair and meet the requirements for an effective relationship. I have no doubt that if the University chooses to compete for these contracts, it will do so successfully. Whether that outcome will be in the University's interest—whether the terms of the competition will

make continued management of the labs consistent with our mission—is yet to be determined.

I am deeply honored to have had the opportunity to serve the University of California, and I remain optimistic about its future. I believe in California, its people, and their capacity to make the right choices. And in today's knowledge-based society, the University of California is key to the prosperity and well-being of our people. But the future holds many challenges, and the University must plan effectively to meet these challenges. My successor, Bob Dynes, is superbly qualified to lead this effort. He will need the support and assistance of all who are a part of the University of California.

One hundred thirty-five years ago, some farsighted and public-minded Californians created a university for the people of their state. The establishment of a new university was not an uncommon development in the nineteenth-century United States, but in California it had an uncommon result. Here, on the western frontier, in a land of boundless optimism and limitless energy, the University of California grew from the simplest of origins to become one of the world's great universities—an institution that powers economic growth, enriches lives, advances knowledge, and invigorates the spirit. It is perhaps the only public university in the nation that has stayed competitive with the most prestigious private universities, and it has done so while maintaining its commitment to providing an education to every young person, from every walk of life, who works hard to become eligible.

The University of California could have become a widely accessible and good, but not great, university. Or, it could have

become a great, but highly exclusive, university. The genius of the California experience is that we have created a university that is both great and accessible—a public university that fulfills a distinctly American vision of democracy and meritocracy. What happens to this University next is up to all of us—the U.C. community, the political leadership, and the people of California—for we are, all of us, its trustees.