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The Fiscal Crisis of the Campus: The View from California

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The significance of the disinvestment in American baccalaureate, Ph.D. and community college institutions in recent years can hardly be exaggerated. The quandary posed by the attendant reduced funding goes beyond issues of crowded classrooms and dilapidated facilities; ultimately it questions whether our higher education will continue to be a gateway to equality and guarantor of opportunity, a path to broader horizons for citizens—or if it will be transformed into a bulwark of social inequality and vehicle for narrow vocational instruction.

Determining how to successfully grapple with this decline in funding is hindered, however, by the ways in which policy-makers and pundits pose the problem. They reify the forces involved, obscuring the fact that the fiscal problem of the American university is at root a political problem whose resolution requires a political response.

I. Funding Decline and Effects, Apparent and Fundamental

State expenditures on higher education in the United States have declined precipitously in recent years. California provides an instructive example of this decline and its effects. Given that its 401 colleges and universities enroll 15% (more than one in seven) of the nation's students,[1] this offers an appropriate case study for the following analysis.

Funding in California dramatically illustrates the national pattern. As recently as 1976-77, higher education accounted for 18% of general fund spending. A 1998 report comparing prison to higher education spending in California noted that baccalaureate spending had "reached an all time low of 12%" of the General Fund by that year. By 2005-06 that portion had plummeted further, to 11.35%.[2] My own institution, California State University—the largest university system in the country at twenty-three

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[1] Almanac, Chronicle of Higher Education, August, 2004.
[2] California Department of Finance, "General Fund Program (Expenditure) Distribution," Chart C, July, 2005. D. Macaller, Taqi-Eddin, and Schiraldi, "Class Dismissed: Higher Education vs. Corrections During the Wilson Years, Justice Policy Institute, Washington, D.C. 1998. Department of Finance, Chart C, "General Fund Program Distribution," July, 2005.

campuses and 400,000 students—accounted for 5.16% of the state budget in 1970; that fell to 4% of the Total General Fund by 1990-91, drifting slowly down to 3% in 2005-06—just 58% of the 1970 amount.[3]

Some might see the recent picture for CSU in a rosier light, given that the Governor's 2005-06 budget proposal includes a $122 million increase as part a $2.6 billion total allocation. However, the cuts to the CSU budget from 2002-04 in the wake of state revenue shortfalls were far larger than the proposed redress. One budget analyst concludes, "it will still take at least four years before state funding will be restored to the 2002-03 level."[4]

The immediate effects of such significant funding cuts have been well-chronicled and described often. Student tuition and fees have been forced up to compensate for lost revenues. (Between 1980 and 1998 tuition and fees rose 300% in the U.C system and almost 500% in the CSU, the U.C. amount growing from 5% to 8.7% of white families' median income in that period, 8.6% to 14% of African-American families' income, and 7.4% to 15% of Hispanic families' income.[5]) Fee increases combined with reduced course offerings in turn have constricted access; in 2003, 1500 students were turned away from U.C. and 20,000 from CSU, while 15,000 eligible students were denied access to CSU in 2004-05.[6]

Classrooms are more crowded. Attention to faculty salary, retention and recruitment has disappeared as a topic of policy-making, with the result that CSU salaries increases over the last ten years have been minimal or non-existent. CPEC, the California Post-Secondary Education Commission, now estimates that they lag 16% on average behind salaries in comparable institutions nationally. Even as "a tidal wave" of new students prepares to enter California's colleges, faculty hiring has stalled. In fact, between 2003 and 2004, the total number of faculty in the CSU actually *fell* by 940. There is no sign of implementation of Assembly Concurrent Resolution 73, passed at the California Facility Association's [CFA's] initiative in 2001, mandating an increase in the ratio of tenured and tenure-track faculty to temporary positions.[7]

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[3] James Smith, "California Gross State Product, State Budget, CSU Budget," 1970-99, California Faculty Association, Sept. 1999. "CSU Final Budget Appropriation History," 1990/91-2005/06, CSU Budget Office, Long Beach, CA.

[4] A. Shreck, California Faculty Association budget analyst, "Research Brief #9: The Governor's 2005/06 Budget Proposal," Feb. 2005. 3-4.

[5] "Class Dismissed," 5-6. Nationally, tuition rose from 13% to 25% of family income between 1980 and 1999. James Wood, "Universal Higher Education: Access for All," Faculty Coalition for Public Higher Education, (FCPHE) 6(4), San Diego, May 20, 2002. 2. The share of higher-education funding assumed by students' families increased from 35% to 48% in those years while state and local support dropped from 55.5% to 43%. W. Zumeta, "Higher Education in the Nineties: Lessons for the New Millennium," NEA 2001 Almanac of Higher Education, 81. U.C. students suffered 30% fee increases in 2003 alone.

[6] David Kirp, "No-Brainer," The Nation, Nov. 10, 2003. 17. CFA, "Governor's 05/06 Budget Proposal," 4. The state's higher education enrollments had fallen by 200,000 in the early '90s due to cutbacks. Zumeta, 84, n.20.

[7] CFA, "Governor's 05/06 Budget Proposal," 9. The 940 is by headcount and included 482 tenure-track positions and 458 lecturers.

The cumulative effects of cutbacks include increased student/faculty ratios;[8] the implementation of a two-tier faculty (where part-timers rose nationally from 36% of faculty in 1990 to 46% in 2003, in 2000 they composed 69% of U.C, 52% of CSU, and 68% of the community college faculty[9]); increases in deferred maintenance (and consequent deterioration of facilities); and the dispatch of campus presidents in earnest pursuit of private funding.

California now presents the curious situation of a private university, Stanford, garnering more in state funds than U.C. Berkeley, which draws only 22% of its budget from the state (compared to 54% in 1960.)[10] The CSU drew only 52% of its budget from the state's General Fund in 2000-01 (down from 68.5% in 1967-68).[11] If dependence on local business donors continues (and it gives no sign of abating) soon University students who once entered halls of learning emblazoned with the names of Newton, Darwin, Jefferson, or prestigious founders and scholars such as Wheeler, Gilman, Royce, will take their places in structures bearing the less august titles of McDonald's, Safeway, Taco Bell.

Different kinds of funding and funding strategies pursued over the long-run inevitably produce different kinds of institutions. The above-noted problems signal deeper trends which, if permitted to play themselves out, will produce a fundamental transformation of the university itself. Three of these trends are of particular significance: the gradual erosion of academic freedom; the declining character of higher education as a public good; and the constriction of the university's larger social and intellectual purposes.

The erosion of academic freedom. Academic freedom is a key principle and precondition of higher education in the United States, Europe and Latin America. The principle refers not only to a professor's liberty to teach and conduct research by his or her own lights and the highest standards of the profession, but also to the right to take part in the shared governance of the institution and to initiate lines of inquiry and disciplinary innovation that may be unpopular on campus or in society at large. This freedom is essential to the university's function, identified by Immanuel Kant two centuries ago as that of speaking reason to society. For Kant the university:

> must contain a faculty that is independent of the government's command with regard to its teachings; one that... is free to evaluate everything, and concerns itself with the interests of the sciences, that is, with truth: one in which reason is authorized to speak out publicly.[12]

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[8] J. Lustig, "Treadmill to Oblivion: The Coming Conflict Over Academic Workload, Thought and Action, The NEA Higher Education Journal, XVIII (1&2), Fall, 2002. 115-128.
[9] David Kuchta, "The End of Tenure As We Know It," FCPHE, 4 (4), CPEC data, July 7, 2000. 3.
[10] Kirp, 16.
[11] "Fiscal Profiles, 2000" California Postsecondary Education Commission (CPEC), Nov., 2000, Commission Reports 00-07, Display 25, "CSU Fund Sources for Current Operations." The Community College's situation differs because of Proposition 98.
[12] I. Kant, The Conflict of the Faculties, transl. Mary J. Gregor (New York: Abaris Books, 1979 (orig., 1798), 27–29.

This rationale illuminates why the university must be independent of dominant private interests as well.

Two trends threaten and impair this freedom. First, the pursuit of funding from private donors and of "partnerships" with them can easily chill free speech and the application of scholarly standards; this is well-documented in current medical research, among other fields. Some sectors of business urge the university explicitly to move in a direction inimical to this freedom. The authors of What Business Wants from Higher Education, for example, propose candidly that, "The autonomous culture of higher education may...work against developing the [marketable] skills" business now seeks. They recommend an education in ''flexibility'' and ''teamwork,'' as their ideal education promotes service to business rather than general intellectual growth.[13]

Significantly, the great educator and former U.C. president, Clark Kerr, who called in his early Uses of the University for a greater integration of university and industry, later turned in the opposite direction. In a 1995 postscript to that volume—having seen what that integration produced in practice—Kerr emphasized autonomy from external forces as an essential condition for a healthy university. He found that there is "more to a university" than what sells in the market:

> Some such non-market needs are training for good citizenship, advancing cultural interest and capabilities of graduates, providing critiques of society… and supporting scholarship that has no early, if ever, monetary returns.[14]

The increased hiring of temporary faculty as a cost-saving measure is another trend hampering institutional freedom, by creating a large sector of the faculty for whom the protections of academic freedom simply do not apply. It undermines academic freedom *de facto* by abolishing it as a norm for half of the institution.

The loss of higher education's character as a public good. Over time, a college or university dependent on private funding comes under great pressure to become a privatized institution, whatever its formal charter. It becomes difficult to uphold the status of public universities as public resources when private donors and industries increasingly pay the costs of their operations. Confusions on this score are already apparent; witness the willingness of some large universities to accept the services of high-tech providers, in return for permission to market their products on the campus on a non-bid basis.[15]

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[13] D. Oblinger, and A-L. Verville, What Business Wants from Higher Education, American Council on Education and Oryx Press; Phoenix: Oyrx Press, 1998. 18, 22.
[14] Clark Kerr, The Uses of the University, 4th ed., Cambridge: Harvard Univ. Press. 1995. 182, 192-193.
[15] David Noble reports that UCLA, U.C. Berkeley and the University of Colorado all struck deals like this. Digital Diploma Mills: The Automation of American Higher Education, New York: Monthly Review Press, 2002. The CSU attempted to do so in 1997, but was stopped by the state legislature.

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The trend also involves the increased proportion of costs paid for by private student tuition and fees. As these fees gain acceptance as a structural element of university funding, university administrators and legislators cease to see college costs as a public investment, undertaken "for the dignity of the common-wealth," as a nineteenth-century civic republican outlook put it.[16] The university considered as properly paid for by the public does not intersect with a vision of the university as simply the intersection of private career paths, promising private goods and resources, and therefore paid for by private investments.[17] The conception of a university as a knowledge commons, a place for openness and the free flow of ideas and as, essentially, a rich gift economy, is a casualty in this war of views.

The constriction of the university's larger social and intellectual purposes. The decline in public funding and the transformation of colleges and universities into competitors for private funds introduces new criteria of performance, new forms of campus leadership, and ultimately and most disturbingly a new model of what an American university should be. The nature of fiscal considerations, which reward quantifiable measures of performance at the cost of intangible intellectual growth, encourages campuses to focus on external tangibles attracting local money. Until that money comes in, they must adopt a host of cost-cutting measures from the world of private business to tide them over. Campuses thus witness downsizing, outsourcing, the creation of a two-tier job structure, speed-up, the conversion of programs into "profit centers," and employment of costly technologies embraced not for educational but for fiscal reasons. A flight from bricks-and-mortar outlooks to the aethereum of distance-learning also takes place, not because the latter has proven especially effective but because of a climate born of scarce funds.

In this environment, students are misconceived as "consumers" and campus presidents are reduced to fund-raisers. The role of campus educational leader goes vacant as the administrative staff concentrates on building programs, marketing and "identity packages" for which the accouterments of higher education become simply the surface lure or bait. University leaders and higher education advocates at first concentrate on the economic contributions of higher education simply in order to elicit public support; however, the administrative CEOs eventually recruited can't see beyond the economics and mistake the university for a vocational training center. They construe the main task of the new corporate university as "knowledge production and distribution" for the global economy, preparation of students for "labor market rewards," and increasing the gross state product.[18]

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[16] In this view University instruction was undertaken ''for the dignity of the commonwealth... to furnish the citizen the means to discharging the duties imposed on him." John A. Douglass, The California Idea and American Higher Education (Stanford: Stanford University Press, 2000). 44, 95, and 22–39 passim.

[17] "Lawmakers increasingly view higher education as a private good that should be supported more by students and donors, rather than as a public good that deserves state support." Selingo, "The Disappearing State of Higher Education," Feb. 18, 2003. A22.

[18] These phrases are culled from the literature on the topic. Kirp adds, "the market mindset also shapes how lawmakers [now] view financial aid--not as a response to student need but as an investment in the state's productivity." p. 19. Many familiar with contemporary curricular offerings would dispute the claim of vocational training, and argue that true vocational training would be a step up from what's being offered under the rubric of "teamwork," "communications skills" and "flexibility" for a life of shifting careers.

The larger and more fundamental purposes of a university—helping students "discover their own best powers;"[19] Jeffersonian preparation of citizens for self-government;[20] Kantian speaking of reason to society—are forgotten. Campus leaders and educational advocates cease to speak about these different functions. The political function here is perhaps fundamental. As C. Wright Mills emphasized,

> The prime task of public education, as it came widely to be understood in this country, was politics: to make the citizen more knowledgeable and thus better able to think and judge of public affairs.

A true public education, in line with the older tradition, was one that gave ''individuals and publics ...confidence in their own capacities to reason.''[21]

The alternate logic of the new corporate university was presented by Molly Broad in the introduction to What Business Wants:

> [H]igher education must [now] stand ready to measure institutional performance in terms of the demonstrated learning of our students, particularly in the areas deemed relevant by prospective employers.[22]

II. Sources and Causes of Disinvestment: A Matter of Choice

> "The fiscal tradeoffs between [prisons and universities] can serve as a barometer of sorts, helping to gauge a state's hope for its future."[23]

The causes for the recent decline of public funding for higher education in America are usually presented in terms that make them sound inevitable and inexorable. The decline is thus attributed to cyclical revenue shortfall and to increasing competition for funds to pay for "cyclically sensitive" social service caseloads—for example Medicaid, public assistance and corrections. The competition occurs

[19] Paul Goodman, Compulsory Mis-education and The Community of Scholars, (New York: Vintage Books, 1964), 139-140. Already in 1964 he wrote, "The ultima ratio of administration is that a school is a teaching machine, to train the young by pre-digested programs in order to get pre-ordained marketable skills." 172

[20] Jefferson's legacy on these lines is preserved in his provisions for education in the Northwest Ordinance of 1787, the basis for the Morrell Act of 1862. Jefferson wrote Madison in 1787: "The only sure reliance for the preservation of our liberty is to educate and inform the whole mass of the people.'' Benjamin Barber, An Aristocracy of Everyone: The Politics of Education and Future of America, (New York: Ballantine Books, 1992), 224.

[21] C. Wright Mills, The Power Elite (New York: Oxford University, 1957), 317; and The Sociological Imagination (New York: Oxford University Press, l959), 185–189.

[22] Oblinger, Business, vii.

[23] "Class Dismissed," 3.

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because the latter services all draws funds from the part of the state budget that remains discretionary. (In California that portion is now estimated to make up roughly 15% of the annual budget.) However, explaining things wholly in terms of cyclical revenue patterns ignores the increasingly structural character of the problem.[24]

It also ignores something of even greater importance. The shortfalls, both in revenue and in available discretionary resources (results of the structural problems to which Zumeta points) are not the result of inexorable forces. They are the product of human choices, political choices. It may be considered politically savvy not to mention this regularly or engage in too much finger-pointing. But tactics pursued over the long-term have a way of working their way back into consciousness, and pundits and a public habituated to avoidance soon forget the real source of the problem, human agency. Political trends become reified, misconceived, and treated as an unquestioned given when they are not a "given" at all. This is unfortunate, because a remedy prescribed without a proper diagnosis can hardly expect to be successful.

A. The politics of revenue reduction

The role of agency is especially clear in California, the launching pad of the 1970s anti-tax revolt. The primary and root cause of social service revenue shortfalls in the state today can be traced back to the momentous passage of Proposition 13 in 1978. This single measure resulted in an immediate 57% reduction in property tax revenues for the state and was estimated over the next ten years to eliminate an astonishing $120 billion from property taxes and state revenues.[25] It also put into effect mechanisms restricting and constraining the raising of property taxes which remain to this day.

It would be wrong, however, to conclude that Prop 13 marked a nullification of state investment in social services. It marked, rather, a shift in the state's priorities. In addition to the revenue implosion mandated by Prop 13, affecting gross revenue amounts, the 1980s marked the explosion of facilities for incarceration in California, affecting the discretionary part of the remaining budget.

B. The politics of setting social service priorities

In the years between 1980 and 1998 California tripled its previous number of prisons, building 21 new ones. In the same years it built up to 33 prisons, it added only one higher education (CSU) campus. In the same period prison guards' salaries increased from an average of $21,000/year to $46,200, and a future raise to $50,800 was mandated; meanwhile, "instructors at state universities make an average between

[24] Zumeta, 75.
[25] "10 Years Later, Voters in California are Asked to Make Up for Lost Taxes," New York Times, June 4, 1988.

$32,000 and $37,000 per year."[26] It should be added that the former position required only a bachelor's degree, while the more poorly-paid position required a master's degree and teaching credential.

There were additional reasons for higher education budget cuts. When taken as a whole, what occurred beginning in the 1980s was not simply a decline in investment in higher education in states like California, but an actual *disinvestment*, a decision to cut former levels of support for higher education.

C. The politics of setting campus priorities

Adding to the destructive effects of this disinvestment on campuses themselves is the shift in priorities occurring because of the altered nature of the institution—itself caused largely by the fiscal crisis described above. It is important to realize that people are troubled by the decline in higher education funding not because new campuses are not being founded, buildings are not being built, or faculty are not being hired; they are disturbed because students are not being taught, citizens remain untrained, and human promise is locked up (e.g. in prisons) instead of cultivated and released.

Here it must be noted that choices within the ivied walls have aggravated the effects of the state's disinvestment in the core activities of higher education, teaching and learning. With the rise of the corporate university, and educational administrators who see themselves more as corporate managers and fund-raisers rather than support staff for teachers and researchers, there has been a serious redirection of the scarce dollars that remain away from educational activities per se. The CSU system again provides a telling example. In the 1967-68 fiscal year, 80% of CSU expenditures were spent on Instruction, while only 17.2% went to Institutional Support. By 1980-81 61.5% went to Instruction and 24.5% towards Institutional Support. In fiscal year 2000-01, the amount spent on Instruction had fallen to only 47.9%, while that spent on Institutional Support had risen to 26.6%. Even less goes towards instruction today.[27]

Administrative positions and their increased salaries are a major part of this "institutional support." The history of the CSU since the 1990s shows a steady increase of both administrative positions and salaries while faculty hiring and salaries lagged, even in periods when, due to cut-backs, student enrollment declined. This is consistent with the new business model and the attempt to reorganize American universities on business lines. In FY 1998-99 the CSU system as a whole had built back up from the cutbacks of 1992-93 and taught about 1000 students a year more than in 1990-91. It did this with 1400 fewer tenure-track faculty but with fully 33%,more administrators. (The system also employed 66% more

[26] "Class Dismissed," 2, 4. The report notes that 1995 marked the first year in history in which states around the country spent more on prisons than colleges. Between 1987 and 1995 general fund expenditures for prisons in the states increased by 30% while general fund expenditures for colleges dropped by 18%. 2.
[27] "Fiscal Profiles, 2000" California Postsecondary Education Commission (CPEC), Nov., 2000, Commission Reports 00-07, Display 32, "California State University Expenditures in Program Categories as a Percentage of Total Expenditures," for 1967-68 -2000-01.

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lecturers/part-timers).[28] One set of analysts reported in 2002 that there had been a 34% rise in administrative costs in the system over the preceding three years.[29]

In the same vein the CSU Board of Trustees recently authorized a raise in executive salaries of 13.7% for 2006-07, while the whole budget and faculty salaries rose only 3%. This came at the same time they mandated increases in undergraduate fees by 8% and graduate fees by 10%. (That 13.7% increase for executives did not include further increases in transportation and housing allowances.) The CFA calculated that the amount spent on these increases could have added 262 more class sections to serve 10,000 more class enrollments in the system.[30] On my own campus in Sacramento, the president received a total compensation increase of $57,466 to his previous salary of $200,000.[31] By comparison average starting salaries for new tenure-track hires on campus are less than $50,000—some of my colleagues are required to raise a young family on ten thousand dollars less than a single person's one-year increase.

The build-up of administrative personnel and their remuneration in these amounts is unjustifiable by any educational rationale, removes resources from the classroom, and in fact injures the institution as a whole by hurting faculty and student morale. It partakes of the parasitic, with a managerial elite battening off of and slowly starving what should be an educational community. In short, part of what appears as a fiscal crisis is simply the product of these skewed priorities.

The fundamental point that emerges from this array of findings is that the fiscal crisis of the contemporary American university is not the product of inexorable forces but of people making choices: choices informed by ideas about a new model for the university, by preferences for countervailing fiscal claims, or simply by uninformed prejudices—but choices in any case against prioritizing expenditures on the core educational functions of the institution.

A last "source" or cause of disinvestment must be noted in passing: the loss of any wider public voices championing the larger purposes of higher education. This loss is of what political scientists used to call Opinion Leaders for what is not a special interest but rather part of the general interest. In the mid-20th century, higher education depended on the support of a Democratic Party wing; before that, on the Progressive breakaways from the Republican Party; and in the 19th century, on state and occasionally federal civic republican leadership (in whose circles Senator Morrell would be included).

These circles are quiet today. While an array of business roundtables, foundations, national commissions, educational administrators and rump parliaments of term-limited legislators regularly proffer advice about everything from Management by Objectives to distance learning and from assessment to the

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[28] Lustig, "Treadmill."
[29] Newsletter, Faculty Coalition for Public Higher Education, FCPHE, San Diego, VI(4), May 20, 2002. 4.
[30] "Weekly News Digest from CFA, Special Headlines," Oct. 31, 2005 (e-mail message).
[31] CFA leaflet, "Making Choices," Feb. 2006.

replacement of "seat time" by "demonstrated outcomes," faculty and genuinely dedicated administrators—those most experienced in teaching, most familiar with the minds and needs of college students, and often most informed about the larger world—have remained silent as a group, focused on their own jobs or disciplines and hobbled by confusion over the principle of academic neutrality.

III. Funding Strategies for the Future

How can the hemorrhage in funding for American universities be stanched? The most obvious options within a context of reduced revenue are familiar. As the previous analysis suggests, however, they are ultimately inadequate, when not actually deleterious to the institution. They are: (1) encourage further privatization through a search for more private "partnerships" and gifts; (2) continue raising the price of college for students via higher tuition and fees; (3) increase competition with other social services for scarce discretionary funds; and presumably (4) link appropriations and allocations to accountability or performance measures.

The first of these options, privatization, poses a threat to the integrity of the university and to academic freedom in the ways noted above. It should also be acknowledged that while relying on private funders and partners may be necessary in the short-term as a stop-gap measure, it is not the responsibility of the private sector to provide for society's higher education, any more than to provide its military or judicial systems. Higher education is a public good and a necessity of self-government, and therefore should be provided by the public through their own mechanisms.

Likewise, it is inconsistent with the promise of democratic access to saddle low-income students with greater loans and force them to compete for scarce scholarship or grant opportunities. Each incremental rise in tuition and fees signals the exclusion of another segment of the poor and, according to the data, ethnic minorities, from higher education. Meanwhile, this increases the working hours and loan burdens of those who remain enrolled, effectively turning the university into a buttress for American class divisions rather than a way out of them.

Increasing competition for scarce discretionary funds entails a beggar-thy-neighbor strategy that leaves all poorer, and causes political fragmentation to boot. This third option can also be expected to put higher education in a weaker position because, as opposed to prisons or welfare services, it has alternative revenue sources in the forms of tuition, research, technology transfers, etc.

Linking allocations to performance measures, an approach currently celebrated by many educational administrators and business circles, is ultimately a fanciful solution as unworkable as it is nonsensical. It is untenable because many of the most important aspects of learning are intangible; they never can be measured by end-of-semester performance tests, despite the cottage industry of producing complex "assessment mechanisms." It is nonsensical because punishing the laggards, even if they could be accurately identified, is precisely the opposite of the common-sense response to underperforming schools—such problems need more attention and resources, not less. In any case, as an older rural matron once noted to me at a Sacramento legislative lobby day, one does not fatten a bull by weighing him. The performance-based allocation strategy seeks to repose the problem as one of output, when it is clearly one of input.

A more difficult but more dependable route for guaranteeing an adequate funding base, though a route often unpopular and sometimes unwise, is to embed higher education funding in a statutory formula. For example, revenues from a particular source (e.g. use of a resource like oil or timber) might be earmarked for higher education; a percentage of a particular fund set aside for that purpose; or a tax imposed on certain sales, such as those made over the internet. Proposition 98, passed in 1988, does this by specifying that approximately 40% of general budget outlay go towards K-12 and community colleges. Prop 98 and its sponsor, the California Teachers Association (CTA), come in for regular derision by Republicans and liberals alike (for example, Peter Schrag of the Sacramento Bee and a Nation contributor), for locking up such a large part of the general fund. It is clear, though, that passing such measures makes a great deal of sense as a defensive measure. (Prop 98 was passed a decade after Prop 13). It is difficult to imagine what the currently abysmal funding levels for K-12 schooling in California would look like if Prop 98 had never been passed.

Ultimately, however, these are all stopgap measures. No solution to the crisis of higher education funding can succeed that fails to address the political roots of the crisis—the roots of the larger revenue shortfall outside the university on one hand, and of flawed priorities within the university on the other. Any discussion of future financing options failing to address this hardly could be considered to have dealt satisfactorily with the issue.

To talk about political roots and the need for political response is not meant here to encourage greater involvement with the state legislatures or larger contributions to certain campaign funds (although these are obviously part of the picture). It is meant rather to direct attention to the politics beyond the legislature, the world from which public mandates emerge and new issues (like those identified by the tax revolt or environmentalism) are identified for the legislative agenda. When we look to this larger world we see that the crisis of the university is part of the larger crisis of the public sphere that has been unfolding in America for at least the last three decades.

We also see that the loss of a public voice for higher education—a voice made up not simply of foundations and trustees' or administrative organizations, but also of faculty, faculty unions, advocacy groups like the AAUP, students and others—is critical. Legislators change their votes when they are publicly pressured to do so by organized constituencies. It will be necessary to mobilize this educational "estate of the realm" into a larger campaign if the larger social prioritizing that mandates disinvestment in higher education is to be changed.

This "estate," this group of organizations that understands higher education, with its political and cultural as well as economic functions, must be willing to go to the public directly in meetings, hearings, OpEd pieces to remind society of why public colleges and universities are so important. It is also clear that thirty years of beating around the bush on taxes is enough. Educational groups must be willing to argue for higher taxes in order to increase investment in higher education. The key to making this argument is to remind people what is at stake in the issue—ultimately not only their own development as individuals but also this democracy itself. If, as the bumper sticker says, they think education is expensive, they need to tally up the prices of mass ignorance.

The underlying argument of this report is that different mechanisms for higher education funding carry different implications and imperatives for colleges and universities. To rely on student fees to close the funding gap ultimately closes access, removing the democratic promise of American universities. To turn permanently to private funding makes the university subject to private mandates and the requirements of private profit, which will undermine academic freedom and all that goes with it. A public higher education whose role is to enrich public life and help create an educated public must be supported by that public. At stake is not only the right of individuals to acquire an education, but, as Edward Bellamy wrote more than a century ago,[32] the right of us all to live in an civilized society and enjoy the benefit of educated fellow-citizens.

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[32] Edward Bellamy, Looking Backward (New York: Signet Classic, 1960), 150–151.

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