

Thank you, Chair Varner, for the opportunity to speak to the Regents on behalf of the Academic Senate.

It could be thought immodest of me as the leader of the Academic Senate to talk about the importance of the UC system to the state of California, so I will instead quote the Editorial Board of the *Sacramento Bee*: “The University of California may be the Golden State’s greatest public institution. It offers a pathway for talented people of modest means to vastly improve their circumstances, fosters innovation and in many ways drives the economy.”

This “pathway for talented people of modest means” has been well traveled over the decades. That pathway has in fact been a golden one for many, providing UC students access to some of the best faculty in the world. But the budget cuts of the past two decades, culminating in the catastrophic cuts since the 2008 financial crisis, are a long way from being restored by the last two years’ improvements – and have battered that pathway at a time when it is more critical than ever for California.

Times have changed since I arrived at UC Irvine as an Assistant Professor in the early 1980’s. Then, UC’s 96,000 students were overwhelmingly White and Asian (87%) and importantly, they tended to be middle class. Their tuition was \$0, although fees totaled around \$525 per year. There was little need to focus on financial aid or student loans then.

Last year the UC system received about 150,000 applications and admitted 87,000 California residents. This is clear evidence that citizens of California want to experience the quality of a UC education. 35% of undergraduate students admitted for 2014 come from underrepresented minority groups, three of our campuses are

designated as “Hispanic serving institutions,” and 37% of admitted students have low family income. And, while tuition has increased for California residents, so has financial aid, such that half of UC students pay no tuition and nearly half leave with no student debt.

Despite receiving no funds for enrollment growth in recent years, we have met our Master Plan obligation to offer admission to those among the top 12.5% of California’s public high school graduates who apply, but our promise of a world-class education is shakier than in the past. Our student-faculty ratio has crept up, our faculty remuneration has fallen further behind our comparators, and deferred maintenance has eroded our infrastructure. A cynic might ask whether these threats to UC quality mean that California is less committed to our more diverse student body than it was to the middle-class students of my early years at UC.

The state of California has allocated significant dollars to the UC system over more than a century, but that money is now viewed as a “cost” or an “assessment” rather than the investment that it truly is. And, as the SacBee says, the return on investment in social mobility, innovation and economic growth is an excellent one. The University of California leverages taxpayer contributions with revenues from other sources to generate \$46.3 billion in annual economic activity for the state,

To use an analogy the ag folks over at UC Davis might relate to, we can think of the UC as an orchard. It takes a lot of resources to start an orchard. The UC Davis website provides a surprising list of requirements for starting, for example, an orange orchard. First, there is the cost of the land, and if there is another tree crop there, pushing, stacking, and burning or shredding the trees, and a hand cleanup of the area are required. Trees are acquired and holes dug for planting. Once the

orchard has been established, its value depends on unflagging care and maintenance. Ongoing costs include fertilizer and irrigation as well as pruning, frost protection, and something my colleague, Senate Vice Chair Dan Hare knows a thing or two about, pest management. Even with the investment of these many resources, it takes several years to produce a crop. And, if the farmer scrimps on costs, the orchard will deteriorate, for example, by becoming overgrown or parched. Although the orchard can survive in the short run, if that farmer continues to neglect the orchard, its harvests will soon be smaller and the quality of its fruit lower – leading to cumulative losses in profitability.

California has invested heavily in its “orchard” - the University of California, establishing 10 campuses, and for many years, providing the bulk of the necessary ongoing support for growth and increasing quality. Like an orchard producing high quality fruit after many years of expenditures, the investment in UC has paid off in California’s distinction as the only state with six public university campuses that have achieved membership in the prestigious American Association of Universities – not to mention the enormous contributions of its graduates, including Governor Brown. Understandably, with the most recent recession in 2008, the state was short on resources and the UC suffered, but coped. But now we are at a decision point – whether to neglect the orchard, and risk losing the value of California’s investment or, now that state revenues are rising, to resume investing at the level needed to ensure future payoffs in access, innovation and economic drivers as impressive as what the state has enjoyed in the past.

Ten years ago, in another financial downturn, a previous governor directed that students shoulder a greater portion of the cost of their education and crafted a budget for 2004-05 that called for average undergraduate fee increases of 10% a year for

three years, with even greater increases required for graduate academic and professional school students. UC's increasing reliance on tuition was shaped by that agreement. As faculty, the Senate welcomes Sacramento's new emphasis on affordability – but we are on the front lines where educational quality is compromised by inadequate funding. We know what it takes to continue to offer a world-class education at a preeminent research university and we know that it cannot be done with what amounts to less than 2% annual increases in UC's overall budget.

Just at the time when the UC is encouraging a more diverse population to prepare and apply to the UC, we are facing a situation where the quality of the education they will receive is threatened. It would be simply wrong if UC quality were to erode just as these students arrive. I agree with President Napolitano when she says, “We have a moral imperative to serve the rising generations just as we served generations of the past – from returning World War II GIs to the Baby Boomers. The students of today and tomorrow deserve the same opportunity that their predecessors had.” The Senate supports efforts to obtain the funding needed to meet this obligation to the state and to its students. As the editorial board of the *LA Times* said yesterday, “Better funding for UC is a wise investment in the state's future.”

Chair Varner, this concludes my remarks.