

“Restructuring” the CSU or Wrecking It?

What Proposed Changes Mean and What We Can Do about Them

California Faculty Association

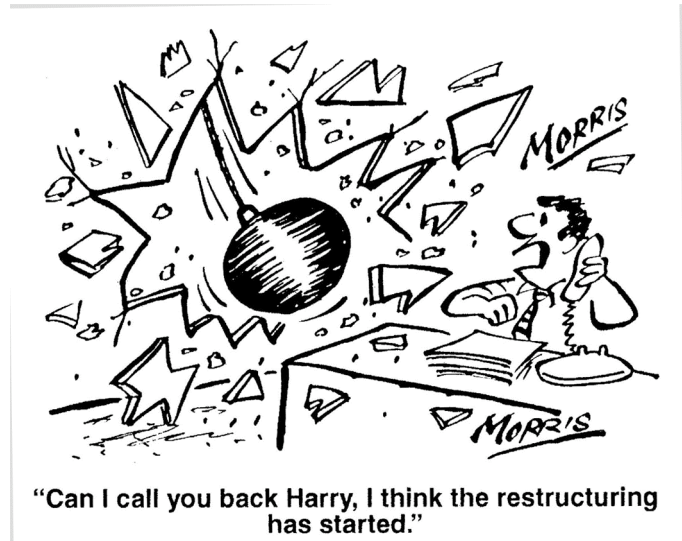
Winter 2009/10

EMBARGOED UNTIL DECEMBER 1, 2009

For nearly a decade, CFA has criticized the CSU Chancellor and the Board of Trustees for their failure to fight for the system or to challenge the political status quo that is threatening its vitality and its very future. Instead, we have seen quiet acceptance of every cut and public assurances that the CSU can “manage” every reduction. This public stance of the university's leaders has made devastating state funding cuts seem acceptable and repeated huge tuition increases inevitable.

The cost of the past failures of administrative leadership in the CSU is enormous and undeniable.

The Chancellor's most recent response to budget reductions is, however, failed leadership of another order. In these times of unprecedented cuts, the Chancellor and his administration are clearly not on a mission to confront elected leaders or even to educate the people of California about the costs of political choices made around the California budget; rather, they have embarked on a mission to “restructure” the university in ways that will profoundly affect the educational opportunities and experiences of Californians for generations to come.



Attack on the CSU mission

What is happening is a “restructuring” of the CSU that goes far beyond “belt-tightening” in hard times and is, in fact, a radical change in the mission of the system. This profound shift in public policy concerning the CSU's mission is proceeding rapidly with no public debate in any forum—not at the Board of Trustees, not in the legislature, and not with the people of California.¹

The clearest expression of “restructuring” is found in an internal memo² written by Benjamin F. Quillian, CSU Executive Vice Chancellor and Chief Financial Officer, and directed to campus financial officers.

Dated Oct. 2, 2009, the memo requires campus administrators to report their plans for handling cuts to their campus budgets. The Quillian memo requested campus administrators to detail their plans for significant reductions in the faculty and staff workforce as well as drastic cuts in student enrollment.

The Chancellor emphasizes his commitment to reducing the number of students enrolled in the CSU by indicating that any campus exceeding its enrollment target will see its next year's budget allocation reduced by an amount equal to the revenue generated from that enrollment.

Faculty and staff layoffs and reductions in student enrollment would be enough for us to worry about and for CFA to fight. The concluding paragraph of Quillian's memo, however, suggests that what the Chancellor's office really has in mind are changes even more drastic in scope and consequences. Writing in classically obfuscating bureaucratese Quillian says,

I urge you to think creatively and recognize that tinkering with reductions at the margins will be insufficient. It will be necessary to change radically business processes and service delivery systems so that personnel costs and other expenditures can be reduced significantly on an ongoing basis. Campuses need to collaborate and work together to reduce unnecessary duplications of effort and create synergies to leverage strengths and minimize weaknesses. Twenty-three independent plans will not get the job done. If we expect to continue effectively fulfilling the mission of the CSU, **the budget reduction strategies must yield a fundamental transformation of the ways we meet the needs of our students, faculty and staff**" (emphasis added).

Developments on some of our campuses reveal what this bureaucratic language means in managerial practice. Already individual campuses are preparing proposals to eliminate departments and programs (and attempts to move others to extended education) as well as drastic changes in admissions and remediation policies.

And each day seems to bring reports of more "campus conversations" about new proposals. For us to be effective at the campus and at the statewide levels, we need to understand what "restructuring" in the CSU now means and how administrators — exhibiting the cold, cost-benefit-analysis, profit driven, managed market model — are moving this project.

The Rhetoric of "Restructuring":

There is no alternative...and, they say, that's a good thing

When historians look back on the last decade in the CSU's history, one fact that will surely stand out is the utter lack of outrage—or even concern—publicly expressed by CSU administrative leaders in the Chancellor's office or on the campuses. That fact alone is really quite stunning and certainly helps explain why the public is not up in arms about what is happening to California's state universities. After all, if the people running the universities aren't concerned, why should anyone else be?

Worse than their complicit silence are two strains of managerial rhetoric: one, that restructuring is an inevitability and two, that it is even a positive development for the CSU.

The notion that restructuring is inevitable—that there simply is no alternative—is a consistent theme in administrative commentary. In response to one of CFA’s many admonishments for the Chancellor to fight for the system, Reed was overheard at one Trustees’ meeting to exclaim, “Who is there to fight? There’s no money!” as if a higher power and not deliberate political choices such as tax cuts for corporations had produced the current situation.

Clearly, where there is political pressure and political will there is choice. And, there is money. After all, trillions of tax-payer dollars have been spent in just the past year on bailing out banks.³

Even starker are the comments of Hamid Shirvani, President of CSU Stanislaus, in a commentary surreally titled “Will A Culture of Entitlement Bankrupt Higher Education?” *Chronicle of Higher Education*, October 18, 2009. Shirvani suggests that budget cuts to the CSU actually offer an opportunity to “reengineer education” in a way that reduces Californians’ sense of “entitlement” to a college education which, he says, “has driven expansion in higher education beyond what is **reasonable or necessary**” [emphasis added].

Shirvani underscores what he calls the “practical realities” that require wholesale change:

The economy has suffered changes so deep and fundamental that institutions cannot just hunker down to weather the storm. The time has come for creative reconstruction. We must summon the courage and will to re-engineer education...

Shirvani’s heroic tone in phrases like “creative reconstruction” suggests he believes (or would have his readers believe) that budget cuts are leading to positive changes in universities—no matter what students, parents, professors, or staff may think. By arguing that the demand for public higher education 1) is a problem, 2) has been fueled by Californian’s sense of so-called “entitlement” to that education, and 3) must now come to an end, Shirvani tries to reframe these staggering budget cuts as an opportunity to create his vision of a better, smaller university that does not waste resources on those who are not deserving enough.

But, what Shirvani calls entitlement has been a 50-year promise to Californians expressed in the Master Plan for Higher Education. Moreover, for the majority of our state’s students, it has provided the opportunity to thrive and to participate meaningfully in our democracy. Shirvani’s vision of a “reconstructed” university sends a chilling message to Californians that access to college degrees should be curtailed and the capacity of the state university must be permanently reduced.⁴

For those of us who work or learn in the CSU, Shirvani’s language is both infuriating and laughable. Deep sacrifices have been made by students, faculty, and staff and it is obvious that budget cuts have already undermined the quality of a CSU education and access to the state university for thousands. The very reason for the existence of the California State University is being lost.

But the power of this rhetoric in the world outside the university must not be underestimated. Arguments about reducing entitlements, creating leaner, more “efficient” institutions, and spending less have dismantled other public institutions; the danger, of course, is that the current economic crisis provides cover for the destruction of public higher education in California.

Fighting Back requires reorientation to reality

An important step in fighting back is for us to reclaim the discourse and to label administrative doublespeak for what it is.

As we all know, the changes being discussed on our campuses are not “creative transformations” or examples of bold “re-engineering,” but the destruction of educational programs that in many cases have taken decades to build. What is being destroyed, with the help of too many CSU administrators like Shirvani, are life-changing educational opportunities for the students and the communities the CSU serves.

In addition to challenging administrators' managerial language, we must also expose the long-term social effects of the changes they propose. While it appears that each campus will have its own campus-specific plan to “transform” education, the examples being implemented right now make clear that these changes will have an especially negative impact on low-income people and communities of color and raise real questions about the civil rights implications of these actions. In fact, the provision of a broad liberal education for communities that might have no other access is at the heart of the CSU’s mission and at the heart of what is under attack.

We also must understand the pattern of the assault on our public universities in a broader historical and political framework. What is happening to us in the CSU is not new, and it is not unique. As Naomi Klein chronicles in *The Shock Doctrine: The Rise of Disaster Capitalism*, crises of various sorts, from economic crises to natural disasters, have been used around the world for decades to strip down social programs, privatize government, destroy democratic institutions, and create enormous wealth for a tiny group of individuals.

Klein describes how proposals that would in normal times be considered outrageous can become proposals that seem inevitable. This has an eerie air of familiarity to those of us watching what is happening to our state and to our universities: “Like a terrorized prisoner who gives up the names of comrades and renounces his faith, shocked societies often give up things they would otherwise fiercely protect” she explains. (page 20)

In what she calls these “malleable moments,” when people are “psychologically unmoored” (page 25) because of a crisis, they will accept that some things—education, health care, even democracy—are just practical impossibilities. If the crisis is big enough, “it blows everything else out of the water, and leaders are liberated to do whatever is necessary (or said to be necessary) in the name of responding to a national emergency.” (page 175)

This paragraph helps us to understand so much about what is going on in California and in the CSU now. Like other “shocked societies” in which “populations go limp,” (p. 184) Californians are watching educational opportunities for their own children evaporate without a fight because they have been led to believe that “it’s inevitable” and that “there is no alternative.” Faced with a seemingly endless onslaught of bad news about changes on our campuses that just “can’t be helped,” faculty experience that same sense of futility and paralysis. We too are “shock doctrine” victims in more ways than one.

Education & Action are the Antidotes

In addition to helping us comprehend what is happening to us, Klein also helps us understand how we can shake ourselves out of our passivity and break the stranglehold that “shock therapy” has on us. As she points out, the doctrine’s power depends on lack of awareness and understanding:

A state of shock, by definition, is a moment when there is a gap between fast-moving events and the information that exists to explain them... Without a story, we are, as many of us were after September 11, intensely vulnerable to those people who are ready to take advantage of the chaos for their own ends. As soon as we have a new narrative that offers a perspective on the shocking events, we become reoriented and the world begins to make sense once again.

The antidote to the shock doctrine, like to so many other social ills, is education. And the understanding and analysis that education provides is the necessary precursor for collective action. This two-pronged project must be the work of the California Faculty Association in the coming months—the **education** of ourselves, our students, and our fellow Californians about the unfolding attack on the CSU and **action** in concert with others throughout the state to fight for its mission and its future.

Development of a counter-narrative can lead us toward recovery for ourselves and for our universities.

Please contact the California Faculty Association with questions or for printed copies of this paper at (916) 441-4848 or cfa@calfac.org

¹ The California State University Mission Statement is a short, inspiring document that is meant to guide every decision made about the system. We urge supporters of public higher education to read it in the appendix to this white paper or view it online at <http://www.calstate.edu/PA/info/mission.shtml>

² Benjamin F. Quillian, CSU Executive Vice Chancellor and Chief Financial Officer, Memo dated Oct. 2, 2009. View it on the CSU web site at http://daf.csulb.edu/offices/univ_svcs/budget/docs/fy1011/exhibit1.html or on the California Faculty Association web site at http://calfac.org/allpdf/Budget_09_10/Quillian%20memo.pdf

³ CFA supports legislation that would direct funding to the CSU. It got passed a state resolution calling for "federal bailout" money for public higher education and is pushing in the state legislature for AB 656 to apply a fee on oil companies that would be dedicated to public higher ed, similar to programs in Texas and Alaska.

⁴ Ironically, just as Shirvani declares access to higher education "unnecessary" in many cases, President Obama has called for more people in every stratum of society to pursue post-secondary education in all its forms. For a compelling contrast with Shirvani, see the president's remarks on higher education last April at <http://www.washingtonpost.com/wp-dyn/content/article/2009/04/24/AR2009042402380.html> when he noted "...if you don't have a college degree, you're more than twice as likely to be unemployed as somebody who does. So the stakes could not be higher for young people..."

For more on the necessity for higher education to the state of California's economy, see Public Policy Institute of California, <http://www.ppic.org/main/commentary.asp?i=913>, or see Tom Mortenson, higher education policy analyst, at <http://calfac.org/research.html> (Importance of Higher Education).

Appendix A

The Mission of the California State University

The mission of the California State University is:

- To advance and extend knowledge, learning, and culture, especially throughout California.
- To provide opportunities for individuals to develop intellectually, personally, and professionally.
- To prepare significant numbers of educated, responsible people to contribute to California's schools, economy, culture, and future.
- To encourage and provide access to an excellent education to all who are prepared for and wish to participate in collegiate study.
- To offer undergraduate and graduate instruction leading to bachelor's and higher degrees in the liberal arts and sciences, the applied fields, and the professions, including the doctoral degree when authorized.
- To prepare students for an international, multi-cultural society.
- To provide public services that enrich the university and its communities.

To accomplish its mission over time and under changing conditions, the California State University:

- Emphasizes quality in instruction.
- Provides an environment in which scholarship, research, creative, artistic, and professional activity are valued and supported.
- Stresses the importance of the liberal arts and sciences as the indispensable foundation of the baccalaureate degree.
- Requires of its bachelor's degree graduates breadth of understanding, depth of knowledge, and the acquisition of such skills as will allow them to be responsible citizens in a democracy.
- Requires of its advanced degree and credential recipients a depth of knowledge, completeness of understanding, and appreciation of excellence that enables them to contribute continuously to the advancement of their fields and professions.
- Seeks out individuals with collegiate promise who face cultural, geographical, physical, educational, financial, or personal barriers to assist them in advancing to the highest educational levels they can reach.
- Works in partnership with other California educational institutions to maximize educational opportunities for students.
- Serves communities as educational, public service, cultural, and artistic centers in ways appropriate to individual campus locations and emphases.
- Encourages campuses to embrace the culture and heritage of their surrounding regions as sources of individuality and strength.
- Recognizes and values the distinctive history, culture, and mission of each campus.
- Promotes an understanding and appreciation of the peoples, natural environment, cultures, economies, and diversity of the world.
- Encourages free scholarly inquiry and protects the University as a forum for the discussion and critical examination of ideas, findings, and conclusions.
- Offers degree programs in academic and applied areas that are responsive to the needs of the citizens of this state and provides for regular review of the nature and extent of these programs.
- Offers or proposes to offer instruction at the doctoral level jointly with the University of California and with private institutions of postsecondary education, or independently in the field of education where the need is clearly demonstrated.

Appendix B

Transcript

Obama Remarks on Higher Education

Friday, April 24, 2009; 2:23 PM

CQ Transcripts Wire • The Washington Post

<http://www.washingtonpost.com/wp-dyn/content/article/2009/04/24/AR2009042402380.html>

PRESIDENT BARACK OBAMA: We might have to run her for something someday. That was terrific. Thank you, Stephanie (ph). I want to also introduce Yvonne (ph) Thomas (ph), who's Stephanie's (ph) proud mother. And we appreciate everything that you've done. And Stephanie's (ph) father, Albert, is around here as well.

You know, there are few things as fundamental to the American dream or as essential for America's success as a good education. This has never been more true than it is today. At a time when our children are competing with kids in China and India, the best job qualification you can have is a college degree or advanced training. If you do have that kind of education, then you're well prepared for the future because half of the fastest-growing jobs in America require a bachelor's degree or more. And if you don't have a college degree, you're more than twice as likely to be unemployed as somebody who does. So the stakes could not be higher for young people like Stephanie (ph).

And yet, in a paradox of American life, at the very moment it's never been more important to have a quality higher education, the cost of that kind of education has never been higher. Over the past few decades, the cost of tuition at private colleges has more than doubled while costs at public institutions have nearly tripled. Compounding the problem, tuition has grown ten times faster than a typical family's income, putting new pressure on families that are already strained and pricing far too much students out of college all together. Yet we have a student loan system where we're giving lenders billions of dollars in wasteful subsidies that could be used to make college more affordable for all Americans.

This trend, a trend where a quality higher education slips out of reach for ordinary Americans threatens the dream of opportunity that America has promised to all of its citizens. It threatens to widen the gap between the haves and the have-nots. And it threatens to undercut America's competitiveness because America cannot lead in the 21st century also we have the best educated, most competitive work force in the world.

That's the kind of work force and the kind of citizenry to which we should be committed. And that's why we have taken an proposed a number of sweeping steps over our first few months in office, steps that amount to the most significant efforts to open the doors of college to middle-class Americans since the GI Bill.

Millions of working families are now eligible for a \$2,500 annual tax credit tax help them pay the cost of tuition, a tax credit tax cover the full cost of tuition at most of the two-year community colleges that are some of the great and undervalued assets of our education system.

We're also bringing much-needed reform to the Pell Grants that roughly 30 percent of students rely on to put themselves through college. Today's Pell Grants cover less than half as much tuition at a four-year public institution as they did a few decades ago. That's why we are adding \$500 to the grants for this academic year and raising the maximum Pell Grant to \$5,550 next year, easing the financial burden on students and families. And we are also changing the way the value of a Pell Grant is determined. Today, that value is set by Congress on an annual basis, making it vulnerable to Washington politics. What we are doing is pegging Pell Grants to a fixed rate above inflation so that these grants don't cover less and less as family's costs go up and up.

And this will help prevent a projected shortfall in Pell Grant funding in a few years that could rob many of our poor students of their dream of attending college. It will help ensure that Pell Grants are a source of funding that students can count on each and every year.

Now, while our nation has a responsibility to make college more affordable, colleges and universities have a responsibility to control spiraling costs, and that will require hard choices about where to save and where to spend. So I chal-

challenge state college and university leaders to put affordability front and center as they chart a path forward. I challenge them to follow the example of the University of Maryland, where they're streamlining administrative costs, cutting energy costs, using faculty more effectively, making it possible for them to freeze tuition for students and for families. At the same time, we're also working to modernize and expand the Perkins Loan program by changing a system where colleges are rewarded for raising tuition and instead rewarding them for making college more affordable.

Now, just as we've opened the doors of college to every American, we also have to ensure that more students can walk through them. That's why I've challenged every American to commit to at least one year of higher education or advanced training, because, by the end of the next decade, I want to see America have the highest proportion of college graduates in the world. We used to have that; we no longer do. We are going to get that lead back.

And to help us achieve that goal, we are investing \$2.5 billion to identify and support innovative initiatives that have a record of success in boosting enrollment and graduation rates, initiatives like the I-BEST program in Washington state that combines basic and career skills classes to ensure that students not only complete college, but are competitive in the workforce from the moment they graduate.

And to help cover the cost of all this, we're going to eliminate waste, reduce inefficiency, and cut what we don't need to pay for what we do, and that includes reforming our student loan system so that it better serves the people it's supposed to serve: our students. Right now, there are too many kinds of federal loans. First, there are direct loans. These are loans where tax dollars go directly to help students pay for tuition, not to pad the profits of private lenders. The other kinds of loans are Federal Family Education Loans. These loans, known as FFEL loans, make up the majority of all college loans. Under the FFEL program, lenders get a big government subsidy with every loan they make, and these loans are then guaranteed with taxpayer money, which means that if a student defaults a lender can get back almost all of its money from our government.

There's only one real difference between direct loans and private FFEL loans. It's that, under the FFEL program, taxpayers are paying banks a premium to act as middlemen, a premium that costs the American people billions of dollars each year.

Well, that's a premium we cannot afford, not when we could be reinvesting that same money in our students, in our economy, and in our country. And that's why I've called for ending the FFEL program and shifting entirely over to direct loans. It's a step that even a conservative estimate predicts will save tens of billions of tax dollars over the next 10 years.

According to the Congressional Budget Office, the money we could save by cutting out the middleman would pay for 95 percent of our plan to guarantee growing Pell Grants. This would help ensure that every American, everywhere in this country, can out-compete any worker anywhere in the world. In the end, this is not about growing the size of government or relying on the free market, because it's not a free market when we have a student loan system that's rigged to reward private lenders without any risk. It's about whether we want to give tens of billions of tax dollars to special interests or whether we want to make college more affordable for 8.5 million more students. I think most of us would agree on what the right answer is.

Now, some of you have probably seen how this proposal was greeted by the special interests. The banks and lenders, who have reaped a windfall from these subsidies, have mobilized an army of lobbyists to try to keep things the way they are. They are gearing up for battle. So am I.

They will fight for their special interests. I will fight for Stephanie (ph) and other American students and their families. And for those who care about America's future, this is a battle we can't afford to lose. So I am looking forward to having this debate in the days and weeks ahead. And I am confident that, if all of us here in Washington do what's in the best interests of the people we represent and reinvest not only in opening the doors of college, but making sure students can walk through them, then we will help deliver the change that the American people sent us here to make.

We will help Americans fulfill their promise as individuals, and we will help America fulfill its promise as a nation. So thank you very much. And thank you, Stephanie (ph). And thank you, Stephanie's (ph) mom. All right. Thanks, guys.
END