December 16, 2008

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

Dear Colleagues:

Attached is a copy of an ad that ran today in The New York Times. It was taken out by the Carnegie Corporation, and Chairman Blum and I are signatories. The ad presents an innovative proposal from the higher education community to the Obama administration regarding a potential new role for the federal government in the funding of higher education infrastructure. I have worked closely with Vartan Gregorian and others in the development of the proposal and wanted you to be aware of it.

Please do not hesitate to let me know if you have any questions.

Sincerely,

Mark G. Yudof
President

Attachment

cc: Chancellors
Our nation is losing ground on a num-
ber of fronts critical to our future pros-
perity and national security. The United States has fallen from first place among na-
tions to tenth in the percentage of our popu-
lation with higher education degrees. With-
out a vision for education transforma-
tion, we will continue to slide. For
the first time in our history, the cohort of
Americans ages 25 to 34 is less well edu-
cated than the older cohorts that preceded it. We cannot accept such dangerous
signs that our future prosperity and secu-
rity will be weaker than our past.

Most troubling, the two fastest grow-
ing groups in our population have the
lowest college graduation rates: only 37 percent for black Americans who start
college and 44 percent for Hispanics who start college. Moreover, American schools and colleges are increas-
ingly deficient in providing fair educational opportunities to our poorest students. Further-
more, since 1986, college tuition and fees
have risen nearly three times as fast as the median family income, after adjusting for inflation. At public universities during this period, increases in tuition and fee revenue have not translated into increased spending per student but rather have been devoted to meet inflation, as well as to offset decreases in state appropriations to public higher education. This presents a major challenge not only to our poorest students but also to the middle class.

Today, only the federal government has the resources and vision to meet these
threats to America’s future. We applaud
President-elect Obama’s commitment to
make college more affordable and acces-
sible by increasing Pell grants, increasing
access to student loans, and extending the grace period for their repayment. These
are essential steps to make American col-
leges and universities once again the most desirable and accessible in the world. They are particularly critical for public
institutions, which are struggling with di-
minishing state funding that supports less
and less the cost of educating students.

At critical times in our nation’s his-
tory, the federal government has had the
vision to secure America’s future with
educational excellence and opportunity.
In 1862, in the darkest days of the Civil
War—the war in which more Americans
died than any other—President Lincoln and Congress had the foresight to enact
the Morrill Land-Grant College Act, set-
ting aside 17,400,000 acres to the states
to provide for the establishment of public agriculture and mechanical arts universities in the states. At the same time, Lincoln established the National Academy of Sci-
ences. The celebrated public universities
created under this act, and their descend-
ants, have carried the greatest weight of higher education’s contributions to the nation
ever since. At the end of World War II, the
most destructive and expensive war in
American history, Congress and President
Roosevelt conceived the G.I. Bill, providing
the financial aid necessary for every returning
military man and woman to go to college.
This was the foundation for democratic
access to higher education in the United
States. At the same time, and under the
most severe financial pressures, the federal government undertook responsibility for
the long-term funding of the world’s great-
est scientific research effort, to be under-
taken by America’s diverse and competitive universities. There are other examples of
the federal government’s vision in securing
America’s future through higher education,
such as the Pell grants, which extended the
democratic promise of the G.I. Bill to all
Americans, and the creation and funding
of the National Institutes of Health, which
has made the United States the leader in
biomedical research and innovation. Even
though America is again facing a time of
crisis, the political leaders of today must exercise no less vision for higher education
than the greatest leaders of the past whose
vision has enabled American colleges and
universities to be the envy of the world.

To maintain their fundamental educa-
tional, research, and service functions and
grow and meet growing enrollment pressures, public universities must have upgraded, modern physical infrastructure that is technologi-
cally up-to-date. Many states are having
difficulty meeting this challenge. (For ex-
ample, The Decaying American Campus: A
Ticking Time Bomb, Rush and Johnson,
1989; “A Fifty State Assessment of Capi-
tal Needs for Higher Education: Policy
Objectives,” Facilities Manager Magazine,
July/August 2001.) The needs are pal-
pable, the challenge as great as the dete-
rioration in K-12 infrastructure, bridges,
highways, and other essential public goods
and institutions. The rising cost of con-
struction of high-tech facilities—particu-
larly those related to health, engineering,
and science—exacerbates the challenge.
As nations in Asia, the Middle East, and
to elsewhere are meeting this challenge,
for example, The Decaying American Campus: A Ticking Time Bomb, Rush and Johnson, 1989; “A Fifty State Assessment of Capital Needs for Higher Education: Policy Objectives,” Facilities Manager Magazine, July/August 2001.) The needs are pal-
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and science—exacerbates the challenge.

A federal infusion of capital avoids the
unnecessary entanglement of the federal
government in the processes of the states
and the governance of public universities. We recommend that the funds be allocated
to the states on the basis of population and
governed by the offices of state
governors for approval of projects and
distribution of capital funds, subject to
appropriations to specific projects and
development as well as new research universities,
our nation, which pioneered the concept,
our nation, which pioneered the concept,

In conclusion, the political leaders of
today must exercise no less vision and
commitment to higher education than the
leaders of the past whose vision has enabled
American colleges and universities to
be the envy of the world. As nations in Asia,
the Middle East, and elsewhere are meeting
this challenge, the United States must not
delay in meeting the challenge itself. The
needs are clear and present, the stakes high,
and the investment critical.

The United States cannot surmount
to help revital-
zation of our nation’s economy and educate and train the next generations of Americans to meet the challenges of global competi-
tion. America’s colleges and universities, public and private, have always worked in the service of our nation, contributing to our social, economic, scientific, cultural, and technological preeminence by educat-
ing millions of citizens who contribute to every sector of society. Today, with mil-
...
the federal grants, contributing 20 percent of the total project cost. This will ensure that only the highest-priority projects are funded. Governors should have discretion to allocate federal funding to state-aided or private universities provided that federal funds are matched by these universities. This ratio may vary from state to state, on the basis of past practice and state priorities. Of course, governors have the prerogative to exempt community colleges, as well as historically black colleges and universities, from the matching provision.

A commitment of 9 percent of the economic stimulus package—in the range of $40 to $45 billion—toward higher education facilities will provide the stimulus that will propel the nation forward in resolving its current economic crisis and lay the groundwork for international economic competitiveness and the well-being of American families into the future.

Beyond the immediate economic stimulus and higher education's infrastructure needs, the Obama administration, in collaboration with states, the business community, and education stakeholders from all sectors, should establish a twenty-year vision for educational attainment as part of an ambitious national strategy to ensure our continued competitiveness and security. Public universities and colleges recognize the urgency of improving education outcomes, raising graduation rates, preparing more first-rate teachers, and building human capital in science, engineering, and mathematics. The present economic crisis requires an investment in human capital, and graduates of public universities historically have provided most of the workforce to meet the nation’s needs. After all, their innovative researchers have often invented the technologies that have fueled economic progress and enhanced America’s economic competitiveness and ability to deliver high-quality health care. At the same time, public universities must remain accessible to all families, thereby providing opportunity and hope to families from all social and economic strata.

Leaders of the country’s public higher education sector are committed to create a long-term plan to serve the nation by enhancing public universities’ critical role in creating jobs, increasing graduates, enhancing the quality and skills of the workforce, and assisting in national technology and energy initiatives through research. We are grateful to Carnegie Corporation of New York for convening such an effort.

For nearly a century, education, our democracy and international peace have been the main concerns of Carnegie Corporation of New York. During the past decade, we have focused on several major issues of critical importance to our nation, including K-16 education, school reform, teacher education, strengthening our schools of journalism and immigrant integration. In recent years, we have become increasingly worried about the current status and the future of public higher education in our nation. In October, the Corporation invited a select but representative group of leaders of American public higher education to begin a discussion about the present status and the future of public higher education, to President-Elect Obama, his proposed administration, and to the American public.


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