

**Reclaiming Affordability, Access, and Accountability in California's Multiversity Campus:
A Historical Analysis of the Fiscal Relationship between State Government and Public
Higher Education in American Society**

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What is the fiscal relationship between state government and public higher education? How might public colleges and universities increase productivity given the rising costs of higher education? Since the post-World War II era, several themes and topics have emerged surrounding the fiscal cliff between state government and public higher education in the United States. Topics, such as, statewide coordination, institutional autonomy, accountability, and budgeting would all play as potent forces in the relationship between state government and public higher education (Hines & Hartmark, 1980, p. 13). More specifically, the establishment of student loan programs through state agencies, data collection issues, and state administration would all change the landscape of state fiscal support for higher education (Mingle & Epper, 1997, p. 53). Although the association between state government and public higher education is often seen as highly politicized and bureaucratized, Gladieux, King, and Corrigan (2005) outline three historical forces that would shape the funding of state's public higher education system in American society: 1) the Land Ordinance of 1785, 2) the Morrill Act of 1862, and 3) the federal support of scientific research during World War II.

Prior to the establishment of the U.S. Constitution in 1787, the Land Ordinance of 1785, which gave federal land grants to improve primary schooling, would serve as the first mechanism to fund public education in the United States (Brubacher & Rudy, 2008, p. 153). Because federal aid to schools were seen as an important mode to enhance the American life, public institutions with public lands would receive funding from Land Ordinance of 1785 to train young men as civil servants for the new republic (Kerr, 2005, p. 39). Eventually, the ordinance would give rise to the creation of the Morrill Act of 1862, in which special types of education were adopted within the states as means to help public institutions achieve certain goals desired by the federal government (Brubacher & Rudy, 2008, p. 228). In addition, the Morrill Act would set the tone for both public and private universities to better prepare individuals for the "egalitarianism of the common man" (Brubacher & Rudy, 2008, p. 300), or as Kerr (2005) asserts "the creation of gentlemen" (p. 35). Moreover, the Morrill Act of 1890 would encourage blacks to pursue postsecondary education across the United States (Conrad &

Weerts, 2010, p. 418). Thus, the federal government role to support research during World War II would intensify the cooperation between state government and public higher education, particularly in biomedical research, defense and homeland security (Gladieux, King, & Corrigan, 2005, p. 165).

Aside from the Morrill Act and the support for scientific research, two other social forces would change the impact of state funding on tuition and student access: 1) the National Youth Administration of 1935-1943 and 2) the Servicemen Readjustment Act of 1944 (GI Bill). Both programs would dramatically revolutionize federal student assistance from elite to a mass activity. Conversely, the federal government would serve American public higher education in two forms: 1) direct aid to students and 2) funds for research and development (R&D) (Mingle & Epper, 1997, p. 53). The direct aid to student, which comes in the form of Federal Pell Grants, would provide student more opportunity to attend higher education under Title IV. Comparatively, programs under Title III (Institutional Aid) of 1965 and Title V (Developing Institutions) of the Higher Education Act would provide underrepresented groups federal institution-based aid in college (Conrad & Weerts, 2010, p. 418), as President Lyndon Johnson (1965) once stated “to swing open a new door for the young people of America”. Likewise, The National Defense Education Act of 1958 would provide low-interest loans for students to gain access to higher education (Kerr, 2005, p. 53). Despite the fact that federal grant support in the United States would excessively drop in the coming years, Brubacher and Rudy (2008) noted that federal aid to college students after the Great Depression era would vastly reshape the American university to “become the principle of home” (p. 438) of American science.

For example, the state of California would experience larger enrollment rates after World War II, especially in the Silicon Valley where the concentration of biotechnical firms and the growth of industries would contribute to high productivity of the state public and private higher education. California, which had a population of nearly 16 million in the 1960s (U.S. Census Bureau, 2000), would become known for its cheap land, a moderate climate, and a large employment within the agriculture industry. The creation of the National Science Foundation and the increase in student aid

under post-Sputnik legislation would further transform California as the leader toward mass higher education. Consequently, the relationship between state government and public higher education would become more politicized as enrollments in California public colleges and universities would exceed tremendously, a phrase Johnstone (2004) coins as “Tidal Wave II” (p. 374). Accordingly, higher education leaders would adopt surveys during the post-war era to address the massification of higher education in California. For instance, the “Survey of the Needs of California Higher Education”, the “Study of the Need for Additional Centers of Public Higher Education in California”, and the “Re-Study of the Needs of California in Higher Education” were all inaugurated to develop Clark Kerr’s eventual proposal of the California Master Plan for Higher Education (Callan, 2009).

To enumerate, the California Master Plan for Higher Education of 1960, which championed democracy and inclusion and promised prosperity and culture, would begin to set the core functions and mission of the multi-campus system within the University of California(UC), the California State College(CSC) now as California State University(CSU), and the California Community College(CCC). Often described as the ‘tripartite’ or ‘three-tier’ system, the Master Plan would address two primary concerns in the state of California: 1) the need for opportunity and 2) the availability of education (University of California, 2010). The Master Plan, quite exclusively, would create the ideal principles of differentiation, the governance structure, the Board of Trustees, as well as the belief that public higher education was and is California’s major fuel for socioeconomic growth (University of California, 2012). Uniquely, the Master Plan would set strict criteria and guideline on what activities the state can fund while at the same time, solve unresolved rivalry, tension, and struggle between the public and private segments in higher education (Kerr, 1995). Although the creation of the Master Plan was highly controversial during the Free Speech Movement in 1964-1965, the Master Plan would later go on to coin the concept of ‘universal access’ and the overall goal to increase the quality of higher education across the United States (Callan, 2009).

Paradoxically, unlike the “golden age” period (Bender, 1997, p. 1), the fiscal relationship

between state government and public higher education after The Academic Revolution generation (1945-1975) (Geiger, 2005, p. 61) would see a deterioration of campus resources as both federal and state funding became scarce in American society. For instance, state funding to the UC and CSU on a per student basis would experience a vast decrease in support due to the wake of the national recession and the limits on taxation and state appropriations during the tax revolts period (Geiger, 2010, p. 10). Likewise, the sharp political battles and power politics, such as, the approval of affirmative action by the California Board of Regents in 1995 and the California Proposition 209 in 1996 (Lehmuller & Gregory, 2005, p. 434), would turn California public education system into, as Geiger (2010) quoted, "a dysfunctional legislature" (p. 9). Subsequently, many public colleges and universities would be forced to increase tuition, cut back programs and reduce staffing by shifting the burden on students to pay for their education costs while at the same time, discourage states and institutions to embrace desegregation in higher education (Hauptman, 2010, p. 7).

In the long run, the nation's total fund expenditures for all public and private nonprofit higher education institutions would vastly increase at the turn of the century. Gladieux, King, and Corrigan (2005) argue that the federal government now provides less than 15 percent of all colleges and universities revenue (p. 163). Johnston (2004) suggested that the nation's total fund expenditures for the fiscal year in 2000 were approximately \$234 billion (p. 373). Typically, revenue and expenditure patterns vary significantly by the type of institution and mode of governance (Johnstone, 2004, p. 369). For the state of California, colleges and universities total expenses in the fiscal year 2011 have now reached over \$9 billion dollars while state spending on student aid including need-base and non-need base grants would exceed over \$1 billion annually (Chronicle Almanac, 2012). According to the National Association of State Student Grant and Aid Programs (2011), the recent '42nd Annual Survey Report on State-Sponsored Student Financial Aid' suggested that the total need-base grant aid awarded in the state of California was approximately \$1,269.917 million during the 2010-2011 academic year. Comparatively, the latest 2008-2009 *Grapevine* report from the Center for the Study

of Education Policy at Illinois State University (2009) stated that the California Tax Appropriation for Higher Education was an estimated \$11,759,821 million with a 1.8 percent increase from the previous year. Moreover, the National Center for Education Statistics (2012) claim that public higher education institutions nationwide reported a 9 percent increase of about \$7,200 for in-state students. Nonetheless, the annual increase in expenditures and cost projections have led public colleges and universities to undergo massive budget cuts and restraints surrounding the state government decision to tax and spend revenues within the landscape of American higher education (Geiger, 2009, p. 10).

In essence, the massification and politicalization of higher education have dramatically impacted the governance and structure of the American university system. Ever since the California Master Plan for Higher Education of 1960, the fiscal relationship between state government and public higher education has become, quite unfortunate, more vulnerable and sensitive as many institutions are pressured to respond to the political forces of state financing. With the continuous pressure and tension between *who pays* for American higher education and *who benefits* from it, many public colleges and universities will continue to face reduced state funding and economic obstacles as institutions embrace the “absence of monolithic structure” (Brubacher & Rudy, 2008, p. 430) and “non-quantifiable values of intellectual excellence and integrity” (Gutmann, 1987, p. 183). The idea of “furthered equality” and “educational opportunity” for all qualified youth is likely to remain bleak in an unforeseeable future (Brubacher & Rudy, 2008, p. 431). Thus, public higher education in American society must reassess a movement toward “the social equality of all useful labor” as once declared by James B. Conant (Brubacher & Rudy, 2008, p. 427) in order to encourage the federal government to pursue desegregation in higher education (Conrad & Weerts, 2010, p. 425). Chiefly, as David Starr Jordan once echoed: “The true American university lies in the future” (Brubacher & Rudy, 2008, p. 441). It is this notion, as Abraham Flexner once quoted in 1930 that allows “an institution consciously devoted to the pursuit of knowledge, the solutions of problems, the critical appreciation of achievement and the training of men at a really high level” (Kerr, 1995, p. 4).

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