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Written Testimony for 8/28 Hearing
Little Hoover Commission
Sacramento, CA

Thank you.

I appreciate this opportunity to discuss with you the challenges confronting the University of California, not only in the past four years of fiscal crisis but through what has been a 20-year run of chronic disinvestment by the state.

Our core funding has been cut by more than half in this period, and we now are funded by the state at 1997 levels – despite the fact that we serve 75,000 additional students. That is the equivalent of adding to our mission an additional UC Berkeley *and* an additional UCLA, without any increase in state resources.

In these remarks, however, I'd prefer to focus less on the enormity of the challenge, and some of our specific responses to it. These I hope we can take up later in the discussion.

Instead, it is my hope to impress upon you, not the enormity, but the *complexity* of this challenge, as it pertains to a 10-campus public research university with five medical centers, a global collection of research stations and affiliations with three national laboratories.

I want to begin by saying that only those who are absolutists believe there are simple, one-stop solutions to what the University of California faces. These are the folks who say: Simply raise tuition to whatever the market will bear. Simply close some campuses and ratchet down enrollment. Or simply replace faculty members engaged in high-level research with lower-paid instructors who will spend the day in classrooms.

The first cousins of the absolutists are those who would say “no” to every possible remedy. No, we don't want you to raise tuition. No, we don't want you to let enrollment drop. No, we don't want you to recruit out-of-state students. No, we don't want you to reform our pension plans. No, we don't want to let high profile

faculty slip away, but we also don't want them paid at market rate. And, no we don't want our taxes raised. Now carry on.

It is an easy game that these arm-chair quarterbacks play, but it in no way reflects the realities we face every day as we try to hold together this great public university -- a university which grew up with the state and which for a century and a half has served as a beacon of hope, an agent of transformation, and a true source of pride for all Californians.

I'm reminded of the NASA administrator who came on board a couple of decades ago, promising a space program that would be "cheaper, better, faster." When some of the agency wags heard this, their response was: Cheaper, better, faster? Pick any two.

There could be a space program that was cheaper and faster, but it wouldn't be better. Or there could be a program that was better and faster, but Lord knows it wouldn't be cheaper. Or one that was cheaper and better, but it certainly couldn't be faster.

At the University of California, our compass points are excellence, access and affordability. And to abandon any one of these would be to jeopardize or render moot the others.

We could remain faithful to top quality education and access, but affordability likely would go out the window—at least for the middle class. This would be a tragedy for a public university, a university of, by and for all Californians.

Or we could focus on access and affordability; keep the doors wide open and prices at rock bottom. But that would place at risk excellence, the top-flight instruction, research and medical care for which the University has gained world class renown. If you lean too heavily on access and affordability at a time when state funding has been reduced by half, you begin to lose quality. And what is the point of full access or even affordability to a university that has been allowed to slip into mediocrity.

And we probably could be both excellent and affordable, if we weren't committed to holding a spot for all eligible California applicants -- or anywhere close to that number.

The absolutists are wrong. There is no simple answer. Despite these difficult times, our challenge at the University of California has been to find a way to honor all three of these lodestones – access, affordability, and excellence – and to adjust and recalibrate and re-examine everything we do in order to maintain the balance between them. Or, as Goldilocks had it, to find the just right porridge.

Variations of this task land on my desk every single day. It is a matter of downsizing without destroying, of adjusting but not abandoning, of letting go of what's expendable but fiercely protecting what is essential. It covers the gamut from re-thinking the need for individual desk printers to seeking increased federal cost recovery rates for billions of dollars worth of complex research projects.

What do not cross my desk are any viable proposals for magic bullets or potential panaceas. If any were out there we would have leaped on them long ago. They simply do not exist. So what we are left with is an exercise in urgent incrementalism -- pulling all the levers we can but with a careful eye on not destroying the rare blend of educational quality, affordability and access that sets us apart from other public research universities.

As difficult as the equation for finding solutions can be, the source of the problem itself could be calculated by a sixth-grader. When you are a public institution dedicated to serving Californians, and when the state that you serve cuts your core funding in half even as it demands the scope of your mission must not be diminished, there will be consequences. It is that simple.

Our job in this crisis has been to minimize the consequences as we search for a more stable pathway forward. And I'd be happy to take your questions about how we have managed so far, as well as what appears to lie ahead in both the immediate and distant future.