

Temporary Meeting Location, February 6th, 2018

The State and the UC

The item for the good of the University is the current relationship between the State of California and the UC (specifically, UC Berkeley).

A fellow opened the discussion with the uniqueness of the current situation, currently the Chancellor is advocating for more funding in Sacramento at the moment. An unprecedented step in the university's relationship with the state.

Fellows remarked that the problem with the relationship between the university and the state is systemic. The state of California does not have the disposable income as it did 50 years ago, when the university was getting 70% of their budget from the state, now it is at 12%. The reasons behind this decline were discussed included budgeting for various state programs (K-12 Education, prisons, higher education, social programs, etc.), and the demographic change in the residents paying taxes. Constituencies have changed, and some state tax payers are less inclined to have their money going towards the university system.

Fellows remarked upon how the university has been accepting more out-of-state and international students in order to offset the stricter budget. It was discussed that UC Berkeley has to take 3 California residents for every non-California resident (international, out-of-state), in order to allow the university to have the higher budget needed.

This led to a comparison with other public universities, fellows encouraged others to remember that this is a nationwide problem, and similar structures in Michigan and Texas have faced this issue. In these states there have been more universities turning into private institutions.

Fellows discussed the discord between the University and the people of California. It was discussed that a large segment of the population believe the university is too elite for them, this led to discussion about the disconnect between the tax paying residents and those that attend the university. A fellow encouraged for the university to be not only presented in terms of intelligence and being useful for its members (students, staff, alumni), but to be the agents of change in order to project how we as members of the university are interested in improving the lives of all Californians

Fellows then went into a discussion on the importance of voting and how it can alleviate the situation between the UC and the state. Fellows encouraged those looking at voting to consider asking their politicians what they think about higher education. This led to a discussion on how the systemic issues of the UC can be solved in Sacramento. Noting that we have Cal alums in Sacramento that hold important reigns that should be tapped into, but we should be aware of powerful politicians that are not in favor of the UC receiving more money.

The topic of proposition 13 came up amongst fellows. Proposition 13, the 1978 property tax that caps taxes for all kinds of properties –residential and commercial – at 1 percent of a property's purchase price. Now, there is a new ballot initiative that would take aim at how commercial properties are taxed and could raise \$6 to \$10

billion more each year for schools and other programs and services. Fellows discussed that this could be a significant source of funding if it were to be passed come elections.

Fellows discussed how the State is aware of the mismanagement of UCOP, which has been under fire due to the recent audit, the negative publicity regarding the sexual harassment allegations at UC campuses, and the high costs of security during Free Speech Week.

On the topic of alumni donations contributing to the budget for the university, fellows discussed how elite private universities have larger endowments compared to large public universities, notably the UC system. In discussing alumni donations, some fellows want their donations to go to specific departments rather than going to a general pool of money. Fellows discussed the fact that some students have a love-hate relationship with the school and would never imagine donating or giving back due to their experiences. Some fellows mentioned that their tuition cost of \$50,000 would constitute their "donation" for the time being, they may donate in the future depending on incurring costs, but they feel no obligation or desire to donate at the moment.

While brainstorming possible solutions to the issue of funding, an idea brought up was the importance of current fellows of the Order that are in state legislature, as well as alumni in Sacramento that are knowledgeable about the issue and can help mobilize in order to work towards better funding.

Overall, fellows believed that the state should be keeping in mind that beneficial long term effects of the UC system (and other public school systems) on educating the community, providing opportunities for residents, and the ability for the university to be an agent of change in order to promote these beneficial values that other state programs cannot provide.

University of California