

FOR-PROFIT HIGHER EDUCATION AND THE CALIFORNIA STATE UNIVERSITY: A CAUTIONARY TALE

CALIFORNIA FACULTY ASSOCIATION

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EXECUTIVE SUMMARY

The CSU's historic mission to guarantee an affordable, high-quality broad education to all those who qualify is being abandoned by the university's leaders. In the name of "access," changes underway threaten meaningful access to the kind of broad, quality CSU education that has been the ticket into the middle class for millions of Californians.

It is not an accident that the new model for the CSU parallels in striking ways that of private, for-profit universities.

Given the scandals that have rocked that sector and the huge costs imposed on students and taxpayers in the process, the question whether this is the right direction for the CSU to be headed is a crucial one for the future of the People's University and for the state of California.

Unfortunately, that issue is not being debated – in fact, the question is not even being asked – because what might be described as a process of "for-profitization" of the CSU is taking place quietly, with virtually no accountability for system leaders, with limited faculty and staff participation, and with no involvement of the public or elected officials.

The rationale offered by the Chancellor for moving in this direction echoes that used by all for-profit higher education enterprises: for-profit principles, he argues, will maintain or even expand access to a college education in tough economic times. But given the failure of this higher education model, some fundamental questions need to be asked when a public institution is considering adopting it. At what cost – and for whom – is this profound transformation of the CSU's mission taking place?

This report examines these key issues:

THE EMERGING "FOR-PROFIT" MODEL OF HIGHER EDUCATION IN THE CSU

- Executive Compensation
- Soaring Tuition
- Expansion of Extended Education Operations
- Cal State Online

In discussing these areas, our goal is to initiate a broader discussion than is now taking place about the CSU, its mission, and its future—to ensure that the CSU fulfills for future generations its promise of affordable, truly accessible, and high quality education.

CAUTIONARY TALE CALLS FOR ACTION NOW

To ensure that the “for-profitization” of the CSU does not become yet another betrayal of the middle class with students paying exorbitant fees and incurring crushing student loan debt for “degrees” that fail to open doors to real opportunity, we need action on a number of fronts now:

Reform Public Governance at the Public University: Reform the Board of Trustees to provide wider participation on the Board and more public access to its meetings

Reaffirm the Public Servant Model of University Leadership by Controlling Executive Salaries: Control Executive salaries in the CSU and make public stewardship-- not private business CEO management-- the standard

Recommit to the CSU Mission – Affordability, Access, AND Quality: Increase **meaningful** access through increased funding and lower student fees, not by degrading quality.

While none of these goals is easily achievable, a commitment to begin work in these areas can, we believe, be a strong first step toward ensuring that the CSU serves California as well in the next 50 years as it has in the last.