
I. INTRODUCTION

In late 2009, an Op-Ed for the Sacramento Bee asked, “Will CSU’s motto someday be: ‘I am a Phoenix?’” (University of Southern California Professor William Tierney, 10/4/09). At the time, it may have seemed that Tierney was describing a far-fetched scenario where a future Governor – faced with chronic budget shortfalls – announces the sale of the California State University to the Apollo Group (which owns the University of Phoenix). Fast-forward two and a half years, and his musings may instead seem prescient. Instead of the governor announcing the sale of the country’s largest, four-year public university, the California State University’s Chancellor is himself pursuing “bold” new measures that are modeled after the characteristics of the lucrative (if scandal-ridden) higher education for-profit sector, with the hope that CSU will become a serious competitor for the University of Phoenix and other for-profit colleges.

Since its founding in 1961, California State University has been seen as the People’s University. Charged in the state’s master plan for higher education with providing all Californians, regardless of income, with access to a high quality university education, visionary leaders always intended the CSU to be a great public institution.

For decades, our state and millions of students have been well served by the CSU. Today, there is a tremendous tension in the CSU as state funding allocations shrink and enrollment pressures mount. These stressors are driven simultaneously by California’s changing demographics, demands of the global economy for larger numbers of highly educated workers, and the great recession. All of these make the CSU’s mission of providing access to higher education more important and more challenging than ever. Indeed, over the past several years news about the CSU has been alternately peppered with announcements about record numbers of applications and plans to cut enrollment.¹

During this challenging time, the system’s chancellor, Charles Reed, has chosen to lead the CSU through a stealth process of what might be described as ‘for-profitization,’ taking the CSU down a path that threatens the public essence of the university and its mission. Leveraging the public’s hunger for ‘access’ and the opportunistic moment of crisis, the CSU’s executive leadership is quietly pursuing a vision of the university that will have permanent consequences and irrevocably harm the CSU’s quality and reputation. This version of the CSU contrasts starkly with that of the visionaries who founded the system fifty years ago.

If this seems far-fetched, please read on. This report examines how, with virtually no public input, those entrusted with leading the CSU have parlayed the public’s desire for greater access to higher education in a time of economic crisis into a stealth program that threatens to alter the very essence of the CSU as a great public university.