

The University of California in Crisis

A White Paper Submitted to the Regents from Distinguished UC Faculty in the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine

July 17, 2009

Introduction: Three hundred National Academy faculty joined together on July 6, 2009, to write Governor Schwarzenegger and the Legislature voicing their grave concerns about proposed deep budget cuts to the University of California. The same group joins together today to address the Regents and the UC President. *Our call is that history should not record that this President, these Regents, this Governor, and this Legislature ignored the warning signs and let the finest public research university in the world -- a model used and admired across the globe -- slide into mediocrity.* The following points are addressed to the Regents, to the President, and to the people of California:

UC: California's Engine of Innovation

California is engaged in a global competition for new ideas, the people to implement them, and the resources that flow from them. "Business-as-usual" cannot succeed in a competition with those who achieve an edge through low labor costs. California must *create desirable new products and services that others cannot.* This is possible only through continued leadership in intellectual and technical innovation.

The creation of innovative "business clusters" centered on leading universities is one of the world's best strategies for technical innovation (Michael Porter, *The Competitive Advantage of Nations*, 1998). Great faculty draw great students, who create great business ideas. Small differences in quality produce large differences in results. That is why the most powerful innovative clusters in the US are in the Bay Area, LA, San Diego, Boston, and Austin – where the best universities are located.

UC campuses are the state's leading drivers of technical innovation. There are more business leaders in Silicon Valley with degrees from UC than from anywhere else! UC is California's most important asset for addressing the state's economic challenges and leveraging untapped opportunities. Disinvesting in UC at this time is like eating our seed corn. **This is the time to invest more in UC, not less.**

UC Excellence Springs From Faculty Excellence

What makes UC the best public university in the world? World-class faculty. Only world-class faculty can attract world-class students. UC has been engaged in a vigorous and successful campaign to improve faculty quality for the past five decades.

Maintaining a great faculty is the single most important factor in upholding UC's reputation for excellence and technical innovation.

Human institutions are fragile, even such a venerable institution as UC. **UC's continued excellence depends on the confidence of its faculty in the future of the institution** – the certainty that UC is committed to academic excellence and the belief that faculty members and their families can flourish at UC. If that confidence is broken, the most talented faculty can and will be lured away – and this has already begun. **For the first time in memory, we see widespread loss of confidence in UC among the faculty, especially junior faculty.** We are deeply concerned.

The best-known brand names in California are “Hollywood”, “Silicon Valley”, and the “University of California”. All three are famous around the world for attracting talented people and investment capital. Brand names of this power take decades to build, but can be destroyed overnight. UC faculty salaries are already behind by 12%. The proposed cut will raise the gap to over 20%, creating an insurmountable barrier to hiring the best faculty. **The perception that UC can no longer hire or retain world-class faculty will destroy UC's brand name in just one or two years.**

UC: Key Asset for California's Recovery

California's long-term economic recovery is tied to raising the quality of our state's human capital. That means better educating our own citizens, and also attracting talented people from other states and nations. **UC is one of California's most powerful magnets for drawing outside talent**, but we have not fully leveraged this advantage. Creative thinking needs to be applied immediately to exploit our drawing power much more aggressively.

Recommendations for the Regents

- 1) We urge you to take this document forward to engage in greater advocacy in Sacramento on behalf of UC. We invite you to join with us – UC faculty – in doing this.
- 2) The current Plan is proposed for one year – any longer will cause serious faculty flight. A one-year grace period is available to the Regents Task Force to develop a new vision for structuring and funding UC. In this work, we urge you to focus on UC as a key engine of growth in California. We also urge you consider new revenue models, among them public universities that are flourishing with sustainable levels of state support.

Without visible reinvestment in the University by Fall 2010, the global message will be that UC has begun an irreversible slide into mediocrity.