

Mitchell's Musings: 12-15-14: The Governor's Calling

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Back in 1971, I took a sabbatical leave in the spring quarter at a university in France. One of the differences I discovered between American faculty and French faculty back then was that French faculty did not have home phones. There were phones at the university. Businesses and government agencies had phones. But residential phones were hard to get. One might spend years on a waiting list before a phone could be installed.



As a result, when faculty members wanted to talk with one another, they arranged in advance to meet at school. I can recall one faculty member telling me that he was surprised to discover during a short leave at a university in Quebec that he could have a phone installed immediately in the temporary apartment he had rented. It never occurred to him that such a thing was even possible.

I am sure things have improved since that time with regard to French phone service. But an interesting question was why in 1971 residential phone service was so difficult to obtain. The answer seemed to be that phone service was handled by the Post Office. If new equipment was needed to meet demand, the money had to be allocated by the central government in the same way that a government might allocate money for, say, a new road. With budget constraints, expanding phone service was apparently not a high priority when placed in competition with other government programs. Apparently, user charges from those who had phones were insufficient to cover needed investment and expansion so phone service access was rationed. There were long queues for service. (Of course, if you had pull with someone in authority, you might be able to jump the queue.)

I was reminded of the old French phone problem by a column that appeared in the *Los Angeles Times* concerning a current dispute between the Regents of the University of California (UC) and Governor Jerry Brown over university funding. I will come back to that column below, but here is some cursory background. During the Great Recession and its aftermath, the University of California experienced notable budget cutbacks, as did many public universities around the country. Economic recovery helped add back tax revenue. But in California there had been ongoing fiscal problems even before the recession.

Governor Brown put on the ballot - and voters enacted - temporary tax increases in 2012 that added to state revenue. Although the UC Regents do not usually take official positions on ballot measures, in this case they backed the governor's initiative. After the initiative passed, the governor proposed a schedule of multi-year budget increases for UC conditioned on a tuition freeze. UC never formally agreed to the deal, but it initially froze tuition and received the increases on a year-to-year basis.

However, a few weeks ago, UC President Janet Napolitano – a former Arizona governor hired by the Regents for her presumed political skills – proposed multi-year tuition increases to supplement state funding, thus putting UC in direct opposition to the governor. Her proposal was that the state could either accept the tuition increases or buy them out with additional funding. It is unclear how this drama will play out; the governor will make a budget proposal for the 2015-16 fiscal year in early January and

he hasn't said exactly what he will do with regard to UC as of this writing. Legislative leaders, who don't like tuition increases, have been proposing their own plans.

The governor is an *ex officio* member of the UC Board of Regents and - unlike most of his predecessors - he often turns up at regental meetings. His theme has been that the university needs to be more efficient – which often seems to be defined as offering more online education. Moreover, working at UC as a public university should be seen as a “calling” so faculty can't (shouldn't) expect to be paid competitive wages such as those at major private universities. Perhaps the calling idea was another reason I thought of the telephone example.

In the past, the Regents have been deferential to the governor's statements about priorities and callings. At their meeting when the tuition/funding proposal was made public, however, the atmosphere was less cordial. Not surprisingly, the conflict engendered considerable editorial commentary.

I alluded above to a particular newspaper column in the *Los Angeles Times* by George Skelton, an old hand who writes on state politics. That column was entitled “Many want more money; UC should get in line.”¹ You can guess the message from the title, but here is the opening salvo from the column:

First of all, Californians think that raising university tuition again is a really bad idea. A non-starter. Second, although the University of California is crying for more state money, it needs to get in line. Join the crowd of folks with their hands out. K-12 schools, the impoverished aged and disabled, highway users — among others — also are clamoring for more tax dollars...

The problem with that approach is that it follows the (1971) French telephone model. Phone service back then got “in line” with every other activity of government “clamoring for more tax dollars.” Raising user charges for phone service wasn't popular. So what resulted from that model was poor telephone service and rationed access. Of course, in theory the governor and legislature could decide to make UC funding a top priority. They then could buy out the proposed tuition increases. They could accede to something like the plan proposed by the Regents involving tuition increases (which because of internal cross subsidies mainly hit higher income students). Or there could be some kind of negotiated compromise which is probably Napolitano's objective.

One of the developments that eventually improved phone service in countries that followed the French model was the invention of cellphones. In some countries with highly rationed and poor quality landlines, cellphones became the alternative route to personal communication service for the masses. That kind of “disruption” example seems to be the basis for a hope by Governor Brown that “technology” will solve the problem of rising tuition and limited state funding. The problem is that despite substantial hype, online higher education hasn't proved to be a cheap quality substitute for the traditional classroom. Until some miracle of technology arrives, California can't have both UC at its current level of quality – however you might define that term – and the French phone funding model.

¹<http://www.latimes.com/local/politics/la-me-cap-tuition-20141208-column.html>