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## ECONOMIC VIEW; The Perils Of Cutbacks In Higher Education

By LOUIS UCHITELLE (NYT) 856 words

THE e-mail message from the chancellor warned David Card that if the California Legislature failed to adopt a budget by Sept. 1, his salary, and those of all the other tenured professors at the University of California at Berkeley, would shrink to the minimum wage.

The alarming wage cut did not happen. The legislature reached agreement on a budget in late July. Rather than shrink professorial salaries -- from six figures, in many cases, to less than \$6 an hour -- the budget froze them, eliminating the annual raise, usually around 3 percent.

"Surprisingly, people did not pay much attention to the e-mail," said Professor Card, who teaches economics. "I guess they thought that if things got that crazy, there would be some kind of relief."

For tenured professors, maybe, but not for students at public colleges and universities. The chancellor's vivid e-mail warning fit right into the spirit of the times. Forced to cut spending to balance state budgets, legislatures are coming down hardest on higher education, an odd move for a nation that believes its special advantage in global competition is its "knowledge workers," who are billed as so well educated that they are capable of turning out products and services other nations cannot match.

More than seven million students are enrolled as undergraduates in four-year colleges and universities in the United States, and nearly 70 percent of them attend public institutions, which depend on taxpayer money doled out by legislatures for the majority of their funds. The percentages are similar for the 1.8 million graduate students; 60 percent attend public universities.

The combination makes public higher education a pillar of the nation's competitive advantage. That is as it should be. How else can bright young people from lower-income families afford a first-rate education? Tuition is usually too high for them at private colleges, and now it is shooting up at the state schools as they struggle to get by with smaller subsidies in a weak economy.

Higher education, it turns out, comes under the rubric of discretionary spending, easier to cut than outlays for kindergarten through 12th grade or programs like Medicaid. And states are taking this easier path, according to the National Conference of State Legislatures. During most of the 1990's, outlays for higher education in the 50 states rose substantially. They even inched up 0.7 percent, to \$58.2 billion, in the 2003 fiscal year, which ended on June 30, although that was the first year of drastic cutbacks in many states.

This year, the downward pressure is unmistakable. So far, 43 states have approved budgets for the 2004 fiscal year, the National Conference reports, and higher-education outlays have dropped by 2.8 percent, to a total of \$37.7 billion, from \$38.8 billion last year. The final tally for all 50 states may be slightly higher than last year's, but by a minuscule amount. "In all the cutting, higher education is suffering a disproportionate amount," said Arturo Perez, a policy specialist at the National Conference.

To make up some of the shortfall, tuition is rising at a number of schools. Students returning to University of California campuses this month will find that it is up by as much as 30 percent. This is happening as enrollments rise, pushed up in part by young people who can't find jobs and are going to college to acquire knowledge-worker status.

THE University of Massachusetts at Amherst is among the most drastic cost-cutters. Over a three-year period ending next June, expenses have either been cut or will be cut by a total of 30 percent, much of it in this fiscal year. To shrink the staff of tenured professors, a special retirement package reduced by five years the age at which they could retire with full benefits. In response, a third of the English and music department professors retired. Physical education was canceled for the fall semester. And more than 100 full-time employees other than teachers have been laid off. To a lesser degree, these are familiar measures on many other state university campuses.

When such cuts are made, quality inevitably suffers, along with affordability and access, not to mention global competitiveness. Many factors determine national winners in the complex global struggle, but education is undoubtedly one, and it is clearly being hurt in America as the gains of the 1990's are whittled away.

We are not, for example, making high-speed Maglev trains, the magnetic-levitation system that the Chinese are buying to serve as a commuter system for towns around Shanghai. Knowledge workers at Siemens and ThyssenKrupp are bringing Germany \$5 billion from that sale. The industry does not exist in the United States and the technology is not high on the agenda, if it is there at all, at the nation's shrinking public universities.

**CAPTIONS:** Chart: "Slowing Down"  
Spending on higher education in all 50 states.

Graph tracks spending (fiscal years) from 1998-2003.

(Source by National Conference of State Legislatures)

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