

# Long Beach

## BUSINESS JOURNAL

August 30-September 12, 2011

## 15 Minutes With . . . Cal State Long Beach President F. King Alexander



**"I don't want to sugar coat this. We've never faced this type of abandonment of commitment on the part of the state for public higher education."**

F. King Alexander has served as president of California State University, Long Beach since November 2006. He is the sixth president of the university since it was founded in 1949. (Photograph by the Business Journal's Thomas McConville)

**A**s California elected officials continue to strip funding from education due in part to severe revenue shortages, public schools, colleges and universities are being challenged to find new ways to deliver quality services to students.

Universities have been hit especially hard, resulting in fewer student admissions, reduced class offerings and significant layoffs among faculty and staff members. Today's actions directly impact employers who will be looking for a qualified, well-educated workforce to join their firms in four or five years.

To get a sense of how significant the cuts have been and what lies ahead, Business Journal Staff Writer Tiffany Rider visited last week with California State University, Long Beach (CSULB) President F. King Alexander. In a very candid conversation, he does not hide his concern about the future of public education.

Alexander joined the university in November 2005, after serving four years as president of Murray State University in Kentucky. He received his doctorate in higher education finance and public policy from the University of Wisconsin-Madison, a masters in comparative education policy from Oxford University, and his bachelors in political science from St. Lawrence University.

Alexander, who also serves as a faculty affiliate at Cornell University's Higher Education Research Institute, is considered an expert in domestic and international higher education and has been featured in *The Economist*, *The New York Times*, *The Chronicle of Higher Education*, *The Boston Globe*, *The Australian* and *The Christian Science Monitor*.

**LBBJ:** Are you concerned about the future of education in California?

**Alexander:** I'm concerned about the future of public education in California. There seems to be no light at the end of the tunnel, and devastating public education – particularly higher education – has become a nonpartisan fancy. . . . The state has gone from supporting students on our campus by 41.4 percent [in 2007-2008] to 25.8 percent right now. When that [budget] trigger goes into effect in December, it will be 24.6 percent. . . . The only thing we've been able to do is offset a small portion of that by raising fees faster than we've had to raise them in the past. The question I have [for the legislature] is, that since only 24 percent of our budget comes from the State of California, what 24 percent of the rules and reg-



ulations do you want us to abide by?

**LBBJ:** What would you do to ensure everyone has access to quality higher education?

**Alexander:** I would put federal maintenance of effort provisions on every dime I give to every state for higher education. By that, I mean put federal restrictions on what states can back out of so states like California do not continue to take federal money and then pull theirs out, supplanting the money they're already investing in.

**LBBJ:** Do you feel the California Legislature understands the consequences of its actions regarding education?

**Alexander:** I think the legislature does not want to because they're more interested in getting re-elected, and the students are the ones that suffer.

**LBBJ:** Despite the numerous tuition increases that have occurred, many in the business community feel the CSU is still affordable. How would you respond to that?

**Alexander:** We are very affordable. In fact, there is no system in the country that is more affordable. But the tradeoff on affordability is that the state continues to invest, because it is the long-term economic impact on everyone that is truly what they are investing in, not just the individual students. The danger, I've heard so often, is that, 'The students are the beneficiaries of this, so why don't they just pay for it?' What that does is, it lets people who aren't in college . . . opt out of supporting the next generation that's on its way. It assumes that having a better-educated generation on the way will not bring them any social benefits.

They get tons of social benefits from having a higher educated workforce. . . . The social rate of return on investing in another child or a student is about a 12 percent return rate for every citizen in this nation. The individual rate is about a 15 percent return rate. That keeps growing. But to ignore that 12 percent return rate and to say, 'I don't have to pay because I don't have a student in it,' is sort of saying, 'I want the benefits, but I don't want to put anything into it.'

**LBBJ:** In 2009, you said the Student Aid and Fiscal Responsibility Act (SAFRA) was vital because it would allocate \$87 billion for student aid nationally. What happened to SAFRA?

"We had 71,500 applications for this fall.

We will enroll 7,000. That's 50,000 freshman applications for 4,000 spots and 21,500 transfer applications for 3,000 spots.

We had the fourth most applications in the country."

**F. King Alexander, President, California State University, Long Beach**

**Alexander:** SAFRA did pass and was signed by the president. That was a major victory because the banks are now no longer in the middle of student loans. We go directly through the department of education, and we've never had more aid. However, to get SAFRA passed – which it probably would have passed on its own – they rolled it into the healthcare legislation, reducing the amount that went back into education to \$66 billion. So \$21 billion went to pay down the deficit, to basically buy some more votes on the healthcare legislation. We did save \$66 billion, which basically went into Pell Grants. That's why Pell Grants are at the highest level they've ever been.

There's another issue here that's putting particularly higher education on the defensive. As we keep getting less and less, and the states keep disinvesting in us, for-profit institutions and private institutions keep getting more and more of the public money. Nobody wants to address that issue [with] Cal Grant A's, Cal Grant B's and those Pell Grants. We lost our summer Pell last summer. People said there's not enough money in the system. Well, there's plenty of money to go around, we just have too many places that now are getting it. For example, there are 178 for-profit universities operating in California now. Some might be doing an okay job. You've got three of them in the industrial park on Katella Avenue. . . . They are living off the grants and federal and state student aid.

**LBBJ:** Have Pell Grants always been available to both public and private universities?

**Alexander:** Yes, because the federal government has never appropriately discriminated like they should on who is accountable and who's not. The University of the United States of America gets over \$10,000 per Pell Grant and we get \$5,000, because they charge more. Built into the system that we're trying to remain affordable are incentives that reward institutions for inflating their prices, or starting their own university with no history or validation of anything. Currently, nationally, those institutions have become so prominent, they have about 12 percent of the total student population now. But they get 30 percent of all the Pell Grants at the federal level, and they have 47 percent of the nation's stu-

dent loan defaults. If you have 12 percent of the student population and 47 percent of overall student loan defaults, what they're getting can be very questionable.

**LBBJ:** What is the fiscal outlook for CSULB for the new school year?

**Alexander:** I'm saying we're doing everything we can to keep the doors open and stay afloat in a state that has tremendous demographic demands for higher education that's evidenced by our applicant pool. We had 71,500 applications for this fall. We will enroll 7,000. That's 50,000 freshman applications for 4,000 spots and 21,500 transfer applications for 3,000 spots. We had the fourth most applications in the country. Demand has never been higher, yet we can't enroll 10,000 new students like we normally would because we've been reduced by 24 percent this year.

When the trigger kicks in in December it will be 30 percent. So this campus will have lost, in December, \$48 million that would have come to this economy in Long Beach. Nobody seems to make that correlation. That's a lot of spending money for a lot of people. We're just trying to protect our students the best we can under the worst state circumstances that we've ever faced. I don't want to sugar coat this. We've never faced this type of abandonment of commitment on the part of the state for public higher education.

**LBBJ:** Does the university budget include teacher furloughs or layoffs? Fewer class sections? Other cuts?

**Alexander:** We've considerably reduced the administration. We've merged student service units. We've merged several student positions and we've lost hundreds of jobs through attrition. For example, when we have 50 faculty [members] retire, we may only hire back 12 positions. This has been going on for about three years. That means there are fewer faculty teaching our students. . . . In this environment, everything is on the table.

**LBBJ:** Are professors throughout the CSU System paid the same?

**Alexander:** It's really campus-to-campus and program-to-program because programs have to be marketable. By that I mean it's done at the negotiation table at the beginning when you hire a faculty member. They do vary considerably, but their raises do not vary. That's a collective bargaining issue in which they determine what the raise will be this year, next year, and having said that, we really haven't given any raises in, I believe, two and a half years now. It's unfortunate that we can't reward our faculty, even with basic cost-of-living adjustments.

**LBBJ:** How would you characterize morale of staff and faculty at the university?

**Alexander:** We just did a faculty survey. In this environment . . . we know they're under a great deal more stress. We're operating at fiscal levels that take us back to 1997 and we've got about 4,000 more students than we did in 1997. But in the recent survey, 71 percent of our faculty say that they were satisfied with their campus environment, the university, their departments and the students they served. I think that's above national averages, and I think that says a lot for our people. We have a lot of good people, a lot of good faculty and staff who are committed to our students. I just wish we could get the rest of the state to support them like they deserve to be supported.

**LBBJ:** Do you feel the legislature should be involved in setting salaries in public educational systems?

**Alexander:** I don't think this legislature needs to be involved in a whole lot of other things right now. All I've seen since I got to this state is this legislature abandoning its commitment to children and students, and then attempting to put students in handcuffs so they can't respond to the fiscal cuts that they've handed them. We

have to kill about 28 bills this year that are designed to limit our ability to respond to the massive reductions they've given us.

**LBBJ:** Has the university been exploring additional partnerships possible to help offset the costs of hosting events or funding programs for students?

**Alexander:** We have a lot of private ventures. In fact, we had a couple thousand students on our campus over the summer from the English as a Second Language Institute from all over the world. They pay us, and we make about \$800,000 when they use our facilities. We really have hundreds of these types of partnerships, both small and large. Whether we're partnering through athletics with various soda companies or television companies, or we're partnering to advertise on the newsstands on campus. So we've had to do things that we probably wouldn't have done three or four years ago. Other partnerships that we put a lot of weight in are partnering with our public schools and others that are facing the same types of difficulties. We were meeting with the police chief yesterday [August 22] about the establishment of a forensics lab on campus where we could partner and put their people together with ours and help our criminal justice program. We're exploring a lot of new things that we can do jointly, not only as public educators but also with the city.

**LBBJ:** Do you feel the university is helping shape future leaders in Long Beach?

**Alexander:** Of course. In every field. We take pride in the fact that when students come here they can choose between a wide array of programs to succeed in.

**LBBJ:** Is there anything else you would like to discuss?

**Alexander:** When looking at efficiency numbers, everyone says, 'Well, you can be more efficient.' I've seen all the numbers, and there are 103 large universities in America that have 15,000 or more students. Of those 103 – these are public and private – 10 of the nation's lowest spending 20 institutions on students are CSU institutions. We're already the most efficient system in the country. We don't have the waste that many other universities have. So when they put new legislation on us to try to squeeze more efficiency out of us, our faculty and staff are already doing an amazing job.

Our graduates are doing well. They rank among the best in the country. But we must continue to look for efficiencies. I've been spending a lot of time in Washington protecting the student aid through this debt ceiling issue. We thought Pell Grants were going to get hit pretty hard. So we spent a good deal of time in Washington testifying on behalf of the Pell Grants' value to some of our students with us. We're working on making sure Washington can hold states accountable because spending per thousand dollars of personal income in California is at its lowest point in 30 years. Now, after this hit, we'll be coming down. That places us as one of the 12 worst states in the country in terms of cutting their higher education systems and opportunities for students.

People make fun of Kentucky and other poorer states, but Kentucky has a higher tax effort in support of higher education based on the income of the residents. They're putting more effort than California. Kentucky is. West Virginia is. Arkansas is. And California acts like this is a non-issue. It really impacts the generations on the way. The one question I want people to ask is this: do we really want to be the first generation in the history of America that leaves the next generation with less economic opportunity and educational opportunity and a lower standard of living? ■