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How Austerity Politics Led to Tuition Charges at the University of California and City University of New York

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Abstract

The size and cost of US public higher education, funded largely by government, grew continuously for nearly twenty-five years after World War II. In the late 1960s, as the nation's economic growth slowed, the question of who should pay for higher education came under fresh political scrutiny. Decades-old no-tuition policies at the University of California and The City University of New York (CUNY) became targets of neoconservative critiques of the proper role of government support for public services. In California, this was done as Governor Ronald Reagan promoted a partisan austerity to win favor with business and other conservative elites. He justified cuts to higher education financing as a rebuke of protesting students and inept administrators and, later, as financially necessary given voters' reluctance to pay more taxes. In contrast, federal and New York State politicians forced austerity on city leaders to satisfy bond holders during New York City's severe fiscal crisis. Reformers argued that CUNY's no-tuition policy was emblematic of the city's overindulgence of its residents. No-tuition policies became impossible to defend in the context of the stalled economy and growing conservative movement, whose members embraced government austerity.

Keywords: modern conservatism; higher education; American politics; austerity; tuition; fiscal policy

Recent calls for tuition-free US public higher education recall similar policies maintained through 1970 in California and New York. The Organic Act of 1868, which established the University of California (UC), gave the governing board (Board of Regents) authority to charge tuition but also power to not charge it as soon as was financially feasible. After just three months of operation, the Board suspended the initial charge in 1869.¹ Students paid fees to cover recreation and some administrative costs, but the costs of education and building construction were funded by bonds, state appropriations, and philanthropy. Similarly, The City College of New York

¹Caitlin M. Scully, "Autonomy and Accountability: The University of California and the State Constitution," *Hastings Law Journal* 38, no. 5, (July 1987), 927–55; Organic Act to Create and Organize the University of California, ch. 244 of the Statutes of California, 1868 §§1–26, <https://oac.cdlib.org/view?docId=hb6w100756&brand=oac4&chunk.id=meta>.

(CCNY) was tuition-free from its founding. The city assumed responsibility for nearly all educational costs, with the state and city sharing the debt burden for capital construction.² As the original City College grew and expanded into The City University of New York (CUNY) in 1961, the system's governing board (Board of Higher Education) firmly maintained the no-tuition policy.³

No-tuition policies in New York City and California were largely nonpartisan issues for decades. A majority of elected officials, university elites, and other interested parties in these states supported low-cost higher education because it was considered a public good that benefited the entire state, not just the university or college graduate. CCNY and UC advocates argued that a tuition-free education would train workers as well as provide the "intellectual enjoyments" and "advantages of the best education" to the "sons of toil."⁴ Even when other public universities turned to tuition to cover construction and educational costs, the UC and CUNY governing boards resisted.⁵ Their no-tuition policies set UC and CUNY apart from other university systems in the nation.

These policies did not survive the political, economic, and social turbulence of the 1960s and 1970s, however. The postwar era was marked by rapid economic growth, increasing incomes and wealth, greater government capacity, and the broadening of postsecondary opportunities. Economic growth and rising incomes slowed at the end of the sixties and worsened by 1975.⁶ During the same period, the modern conservative movement was gaining control of the Republican Party. Conservative Republicans brought efforts to limit the civil rights of racial and ethnic minorities and free the economy from the shackles of government into the mainstream of the party.⁷ Both forces affected tuition policies in California and New York. Under political and budgetary pressure, the UC Board of Regents approved its first tuition charge in 1970. CUNY's Board of Higher Education approved tuition in 1976, in the midst of a severe fiscal crisis and a realignment of city governing authority. I show how the

²Kim Phillips-Fein, *Fear City: New York's Fiscal Crisis and the Rise of Austerity Politics* (New York: Metropolitan Books, 2017); and Townsend Harris and J.S. Bosworth, *Report of the Select Committee Appointed to Inquire into the Application of that Part of the Literature Fund, Which is Apportioned by the Regents of the University, to the City and County of New York* (New York: G.F. Nesbitt, Stationer and Printer, 1847), https://academicworks.cuny.edu/cc_arch_free/7.

³Thomas C. Holy, *A Long-Range Plan for the City University of New York, 1961–1975* (New York: CUNY Digital History Archive, 1962), <https://cdha.cuny.edu/items/show/3162>.

⁴Harris and Bosworth, *Report of the Select Committee*, 22. See also John Aubrey Douglass, *The California Idea and American Higher Education: 1850 to the 1960 Master Plan* (Palo Alto, CA: Stanford University Press, 2000); and Kevin Starr, *Inventing the Dream: California through the Progressive Era* (Cambridge, UK: Oxford University Press, 1986).

⁵In contrast, the State University of New York charged tuition from its founding. Tuition revenues were used to pay off bond indebtedness from capital construction costs. See Judith S. Glazer, "Terminating Entrenched Policies in Educational Institutions: A Case History of Free Tuition," *Review of Higher Education* 7, no. 2 (1984), 159–73; and Independent Commission on the Future of the State University, *The Challenge and the Choice: The State University of New York* (Albany, NY: State University of New York, 1985).

⁶Edward D. Berkowitz, *Something Happened: A Political and Cultural Overview of the Seventies* (New York: Columbia University Press, 2007).

⁷Donald T. Critchlow, *The Conservative Ascendancy: How the Republican Right Rose to Power in Modern America* (Lawrence: University of Kansas Press, 2011).

stalled economy and growing conservative movement, in which government austerity was a core tenet, made no-tuition policies nearly impossible to defend.

In many ways, the reversal of tuition policies in New York City and California fits into the historical scholarship on American higher education since the Great Depression. Colleges and universities provided critical connections between citizens and government during the world wars as campuses became military training grounds, provided research expertise to the government, and absorbed thousands of veterans as they returned from World War II.⁸ This “golden age” of American higher education saw a massive expansion in enrollments, which doubled from 3.6 million in 1960 to 7.9 in 1970. State spending to accommodate enrollments followed a similar path.⁹ The 1960s brought social and economic unrest to states and to universities. This, along with changing economic circumstances beginning in 1969, altered the relationship between higher education and government.¹⁰ Government revenues declined and higher education appropriations shrank, leading to sprawling university systems with overextended budgets that were largely unprepared for funding declines.¹¹ In response, many universities reoriented themselves toward the market by pursuing more private sources of funding and promoting the marketization of academic science.¹²

In other ways, this narrative is incomplete. It speaks little to the conflicts that arose between government and university leaders at the state level over finances in the sixties and seventies. Scholars have documented a shift in government support for public higher education after 1980, but rarely document the ways that universities became political targets in budget battles before this.¹³ Histories of regional and state higher education development touch only lightly on the fiscal dimension of the sixties and seventies conflicts, even while they attend to the larger forces of macroeconomic turbulence which began then.¹⁴ In addition, much of the history of American higher education development from World War II to the present focuses on federal policy

⁸Mitchell L. Stevens and Ben Gebre-Medhin, “Association, Service, Market: Higher Education in American Political Development,” *Annual Review of Sociology* 42 (July 2016), 121–42; Christopher P. Loss, *Between Citizens and the State: The Politics of American Higher Education in the Twentieth Century* (Princeton, NJ: Princeton University Press, 2012); Margaret O’Mara, *The Code: Silicon Valley and the Remaking of America* (New York: Penguin Press, 2019); and Suzanne Mettler, *Soldiers to Citizens: The GI Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005).

⁹Roger L. Geiger, *Research and Relevant Knowledge: American Universities Since World War II* (London: Routledge, Taylor & Francis, 2008); and John R. Thelin, *A History of American Higher Education* (Baltimore, MD: Johns Hopkins University Press, 2004).

¹⁰Loss, *Between Citizens and the State*, 215–217.

¹¹Thelin, *History of American Higher Education*; and Earl F. Cheit, *The New Depression in Higher Education* (New York: McGraw-Hill, 1971).

¹²Michael K. McLendon, “State Governance Reform of Higher Education: Patterns, Trends, and Theories of the Public Policy Process,” in *Higher Education: Handbook of Theory and Research*, vol. XVIII, ed. J. C. Smart (Dordrecht, The Netherlands: Kluwer Academic Publishers, 2003), 57–143; Elizabeth Popp Berman, *Creating the Market University: How Academic Science Became an Economic Engine* (Princeton, NJ: Princeton University Press, 2012); and Christopher Newfield, *The Great Mistake: How We Wrecked Public Universities and How We Can Fix Them* (Baltimore, MD: Johns Hopkins University Press, 2016).

¹³An important exception is Geiger, *Research and Relevant Knowledge*.

¹⁴Douglass, *California Idea and American Higher Education*, 106–110; and Roger L. Geiger, *To Advance Knowledge: The Growth of American Research Universities, 1900–1940* (New York: Oxford University Press, 1986).

change, where such conflicts were less evident until the 1980s.¹⁵ The history of American higher education during the sixties and seventies has generally not been linked to the revival of American conservatism during the same period, either.¹⁶

I fill these gaps by showing how, in the cases of California and New York, a minority of powerful policymakers identified public higher education systems as examples of government gone wrong. These institutions, critical policy stakeholders argued, were using public funds to accomplish goals that were outside the scope of what government ought to do. Doing so was a luxury that government could no longer afford, they argued. Policy elites in California and New York successfully leveraged a need for government austerity to force UC and CUNY governing boards to charge tuition. This occurred despite resistance among a majority of university leaders, students, and many elected officials. Using this two-state comparison, I show that the no-tuition policies at these university systems were among the early casualties of modern conservatism and austerity politics.

By austerity politics, I mean a set of policy tools “embedded in [the] larger political and economic project” of neoliberalism that are meant to limit government in order to boost economic growth.¹⁷ The revival of conservatism frequently included criticisms of big government, the benefits of lowering taxes, and the need to boost business power, although these were not always articulated together or translated successfully into comprehensive policies.¹⁸ Charging tuition was a means to partially alleviate the government’s responsibility for financing postsecondary education. The policy elites who pursued this goal hoped that in so doing they could minimize state spending, which was part of a broader move to untether markets from the state. The broad outlines of how and why austerity politics led to the implementation of tuition policies at UC and CUNY are similar across my cases, but the details of what accelerated the politics of austerity vary. Although UC and CUNY tuition policies ended up at similar destinations, they followed distinct tracks to get there.

California’s premier university system changed its tuition policy due to a *partisan austerity*, or austere policies pursued by elected officials to curry favor with conservative voters, business leaders, and other political constituents, and not in response to

¹⁵Mettler, *Soldiers to Citizens*; Suzanne Mettler, *Degrees of Inequality: How the Politics of Higher Education Sabotaged the American Dream* (New York: Basic Books, 2014); Patricia Strach, “Making Higher Education Affordable: Policy Design in Postwar America,” *Journal of Policy History* 21, no. 1 (Jan. 2009), 61–88; Loss, *Between Citizens and the State*; David F. Labaree, *A Perfect Mess: The Unlikely Ascendancy of American Higher Education* (Chicago: University of Chicago Press, 2017); Geiger, *Research and Relevant Knowledge*; and Deondra Rose, *Citizens by Degree: Higher Education and the Changing Gender Dynamics of American Citizenship* (Oxford, UK: Oxford University Press, 2018).

¹⁶Elizabeth Tandy Shermer addresses this briefly. See Elizabeth Tandy Shermer, *Sunbelt Capitalism: Phoenix and the Transformation of American Politics* (Philadelphia: University of Pennsylvania Press, 2013).

¹⁷Jon Shefner and Cory Blad, *Why Austerity Persists* (Medford, MA: Polity Press, 2020), 10. See also Mark Blyth, *Austerity: the History of a Dangerous Idea* (Oxford, UK: Oxford University Press, 2013).

¹⁸See, for example, Monica Prasad, *Starving the Beast: Ronald Reagan and the Tax Cut Revolution* (New York: Russell Sage Foundation, 2018); Shermer, *Sunbelt Capitalism*; and Paul Pierson, *Dismantling the Welfare State* (Cambridge, UK: Cambridge University Press, 1994). These authors all show the ways that the implementation of conservative political ideologies succeed, although not always to the degree or in the form their supporters intend.

bond holders or financial institutions. This partisan austerity was driven by Governor Ronald Reagan, who seized on student unrest to politicize state support for the UC system. Reagan and his allies questioned government support for an institution that they believed harbored radicals, pursued elitism over career training, and was insufficiently frugal. Reagan's austerity budgets left UC unable to cover the instructional and construction costs UC leadership desired. Under well-publicized political pressure to charge tuition and diminished state support, the UC Board of Regents approved the first tuition charge in 1970.

New York City's higher education governing board reversed its no-tuition policy due to a *forced austerity*. Forced austerity resulted from financial elites, specifically bankers and political appointees given authority to reverse the city's slide toward financial ruin. As the city grappled with a severe financial crisis, state and federal politicians, such as President Gerald Ford and Governor Hugh Carey, blamed CUNY for doing too much for too many students and believed that, like the city, CUNY needed harsh lessons in fiscal discipline. A rising chorus of neoconservative intellectuals and policy-makers argued that the city's liberal policies were not only fiscally irresponsible, they also encouraged a pathology of dependence among the city's poor minority residents. Along with a newly empowered board of financial managers, neoconservatives insisted that making the city, and CUNY, financially viable again meant severe retrenchment in services. Ultimately, unelected financial management boards prescribed budget cuts that were highly unpopular among city leaders and many residents. A key component of this plan was tuition at CUNY, which was singled out as a symbol of the city's wasteful spending. CUNY's Board of Higher Education implemented a charge in 1976.

California and New York are instructive cases on the politics of higher education and broader histories of conservative ascendancy during a period of economic crisis. Despite radical differences between the missions and services UC and CUNY offered, both reversed tuition policies in response to conservative pressures for more austere budgets. UC and CUNY were emblematic of Great Society and progressive ideals that the state could engineer a better society and future through government programming. This view was rejected by increasingly powerful elites who promoted, from posts in the liberal states of California and New York, the anti-Keynesian view that government spending was the root of social and economic problems, rather than the solution.¹⁹

Both cases also highlight the improbability that no-tuition policies could have survived this period. California and New York's experiments in public higher education were lauded as big, bold, and worth imitating by many. In the face of an economic recession not seen for decades, the financial resources, political commitment, and public support changed. Further, the brewing tax revolt made new revenue sources unlikely, even while a growing number of young people aspired to enroll in college.²⁰

¹⁹Alice O'Connor, "The Privatized City: The Manhattan Institute, the Urban Crisis, and the Conservative Counterrevolution in New York," *Journal of Urban History* 34, no. 2 (Jan. 2008), 333–53; Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: W. W. Norton, 2009); and Olmsted, *Right Out of California*, 171–172.

²⁰Thelin, *A History of American Higher Education*, 261; Isaac William Martin, *The Permanent Tax Revolt: How the Property Tax Transformed American Politics* (Stanford, CA: Stanford University Press, 2008); and Shermer, *Sunbelt Capitalism*, 304–305.

I begin each case by describing features of the UC and CUNY no-tuition policies and other relevant institutional features that came under fire by critics of the universities. I also describe the widespread support no-tuition policies received in each case. I then explain how each system's no-tuition policies were reversed as Reagan and his allies pursued a partisan austerity in California, and New York lawmakers responded to a forced austerity. I conclude with some observations about the role of austerity in higher education policy change.

Ronald Reagan and the Politicization of California Public Higher Education

The UC system was one of the nation's boldest and grandest experiments in public higher education. Despite tensions over the curriculum and contradictions between the university's claims to liberal meritocracy and the reality of who enrolled, it became a symbol of progressive reform and faith in the power of an elite public university. Even as the university expanded to a multicampus system, UC's presidents and governing board maintained a no-tuition policy. This commitment endured despite a rapid rise in system costs from the post-World War I period to the 1960s. Between 1949 and 1958, state spending on instruction and research grew by more than 220 percent, with UC's budget growing by 225 percent. Capital outlay spending grew by 480 percent for all public higher education in the state. The California Master Plan for Higher Education, formalized as the Donahoe Higher Education Act, planned for continued high growth rates for the state's three systems in 1960.²¹ The Master Plan's authors reaffirmed a commitment to the no-tuition policy but lawmakers did not formalize the policy into state law.

Campus unrest occurred across the nation as students joined the civil rights movement, protested the Vietnam War, and organized around other local and national issues. California student activists criticized the government and the university and, by 1964, the student-led Free Speech Movement at Berkeley was a national news story. Students had been organizing around a variety of issues, but when administrators forbade students from engaging in political organizing in an area near campus, student dissatisfaction and direct actions exploded with a focus on free speech. Over the next few years, the movement transformed, as did the participants and aims, but much of the action still centered around UC Berkeley and, sometimes, San Francisco State University. During its early stages, students received support from a majority of Berkeley faculty while Berkeley administrators sought to contain the unrest through negotiations.²²

²¹Douglass, *California Idea and American Higher Education*, 281–282; Master Plan Survey Team, *A Master Plan for Higher Education in California, 1960–1975* (Sacramento, CA: State Department of Education, 1960), <https://www.ucop.edu/acadinit/mastplan/MasterPlan1960.pdf>. The Master Plan and corresponding law, the Donahoe Higher Education Act, formalized the state's system of higher education into three hierarchical layers of public systems, including UC at the top, the California State College system in the middle, and the expansive California Community Colleges at the bottom. The UC and CSC no-tuition policies were not enacted as part of the law.

²²Seymour Martin Lipset, "University Student Politics," in *The Berkeley Student Revolt: Facts and Interpretations*, ed. Seymour Martin Lipset and Sheldon S. Wolin (Garden City, NY: Anchor Books, 1965), 1–9; Neil J. Smelser, *Reflections on the University of California: From the Free Speech Movement to the Global University* (Berkeley, CA: University of California Press, 2010); Neil J. Smelser, "Growth,

A majority of Californians were less tolerant. In a January 1965 Field Research poll, 68.5 percent of respondents either somewhat or strongly disapproved of Free Speech Movement activities.²³ The disruptiveness of the Free Speech Movement, and especially the damage to UC Berkeley and San Francisco State property, was unsettling for many in political office and the general public.²⁴ Gubernatorial candidate Ronald Reagan seized on the issue.

Reagan began his campaign for governor with a thirty-minute televised broadcast in January of 1966. He outlined his campaign's issues: shrinking the size of government, improving the state's business climate, and lowering taxes. As he campaigned, Reagan claimed that the issue galvanizing voters throughout the state—more than government overreach or taxes—was what he would do about the problems at Berkeley.²⁵ He declared:

Californians taxed themselves at a rate higher than any other Americans to build a great university. But it takes more than dollars and stately buildings. Or do we no longer think it necessary to teach self-respect, self-discipline, and respect for law and order? Will we allow a great university to be brought to its knees by a noisy, dissident minority? Will we meet their neurotic vulgarities with vacillation and weakness? Or will we tell those entrusted with administering the university we expect them to enforce a code based on decency, common sense, and dedication to the high and noble purpose of that university, that they will have the full support of all of us as long as they do this—but we'll settle for nothing less.²⁶

Governor Pat Brown, Reagan's predecessor and rival in the election, was reluctant to discuss the issue during his campaign. Brown argued that he and Reagan should avoid politicizing the universities. Reagan, however, painted an image of violence and extremism at California's public colleges and universities, but especially UC Berkeley. The Free Speech Movement provided Reagan with a moral argument to reinforce his plans to reduce the size of government and a way to channel his anti-communist and anti-elitist views into action.²⁷

Structural Change, and Conflict In California Public Higher Education, 1950–1970,” in *Public Higher Education in California*, ed. Neil J. Smelser and Gabriel Almond (Berkeley, CA: University of California Press, 1974), 9–141; and Max Heirich, *The Beginning: Berkeley, 1964* (New York: Columbia University Press, 1970).

²³Field Research Corporation, “California Poll 7101” (Berkeley, CA: University of California, 1971), <https://dataverse.harvard.edu/dataset.xhtml?persistentId=doi:10.7910/DVN/8QG6YX>.

²⁴Alex Sherriffs, “Education Advisor to Ronald Reagan and State University Administrator, 1969–1982, Transcript of an Oral History,” in *The Governor's Office and Public Information, Education, and Planning, 1967–1974* (Berkeley, CA: University of California Library, 1981), 1–123, http://bancroft.berkeley.edu/ROHO/collections/subjectarea/pol_gov/reagan.html; and Field Research Corporation, “California Poll 6701” (Berkeley, CA: University of California, 1967), <https://dataverse.harvard.edu/dataset.xhtml?persistentId=doi:10.7910/DVN/IFQGXE>.

²⁵Gerard J. De Groot, “Ronald Reagan and Student Unrest in California, 1966–1970,” *Pacific Historical Review* 65, no. 1 (Feb. 1996), 107–29.

²⁶Ronald Reagan, “Taped Announcement on Candidacy for California Governor,” Jan. 4, 1966, American Rhetoric Online Speech Bank, <https://www.americanrhetoric.com/speeches/ronaldreagancalgov-candidacy.htm>.

²⁷Olmsted, *Right Out of California*, 236–238; and Miriam Pawel, *The Browns of California: The Family Dynasty That Transformed a State and Shaped a Nation* (New York: Bloomsbury, 2019).

One of Reagan's first budget pronouncements as governor was to implement a 10 percent budget cut for every state entity. This move left career budget officers in Sacramento "breathless" because it struck them as drastic as well as ill informed.²⁸ Reagan and his finance chief told the California State College (CSC, renamed CSU in 1972) and UC leaders to freeze their budgets and not hire new faculty for the 1967–68 academic year as they assessed the status of the budget.²⁹ Leaders of both public and private California universities were nervous.

Arthur Coons, president of private Occidental College and leader on statewide higher education, described an "overwhelming mood of crisis in higher education starting with the administration of Governor Ronald Reagan on January 2, 1967."³⁰ Reagan's campaign and victory "had caused to exist rightly or wrongly among many in public higher education not only a feeling of confusion, uncertainty, and widespread concern but also one of despair; yet all of this was but the prelude to the storm."³¹ When legislative members amended Reagan's first budget, they attempted to increase funding to the CSC and UC systems to fund faculty salary increases.³² Reagan vetoed the salary and other budget increases to higher education. He directed the majority of his line-item vetoes that year to legislative add-ins for UC and CSC, confirming the fears of higher education leaders.³³ Reagan argued that high faculty salaries were unnecessary and that the university could function without paying for the most elite professors in the nation, contrary to what UC leadership argued. Despite these cuts, the budget made history: it was the largest state budget ever. Reagan signed the bill with a foot-long pen he said symbolized his belief that the budget was still too large.³⁴

UC leaders contested Reagan's partisan austerity. UC president Charles Hitch and a majority of the Board of Regents—encouraged by state legislator Jesse Unruh, who was speaker of the Assembly and a UC Regent—voted to request the legislature

²⁸The state cannot ask all agencies to reduce budgets by the same proportion across the board due to federal matching fund requirements and other legal agreements that make such a move impossible and illegal. Edwin W. Beach, "Some Technical and Political Aspects of State Budgeting, Transcript of an Oral History," in *California State Department of Finance and Governor Ronald Reagan* (Berkeley, CA: University of California Library, 1984), <https://oac.cdlib.org/findaid/ark:/13030/tf3199n5jn/dsc/>.

²⁹California governors have significant budgetary powers. After consulting with the heads of state agencies, they propose the upcoming year's budget as the first step in negotiations over a state budget. The budget is then debated and amended by the legislature. After both houses reach budget agreements, the amended budget is then returned to the governor for approval. Line-item veto power gives California governors the ability to strip any legislative add-ins until the budget resembles its original forms. Legislative leaders must convince a supermajority of members to reject a line-item veto. For this reason, Reagan and his cabinet play a prominent role in budget cuts to the universities in this chapter. See Thad Kousser and Justin H. Phillips, *The Power of American Governors: Winning on Budgets and Losing on Policy* (Cambridge, UK: Cambridge University Press, 2012).

³⁰Arthur G. Coons, *Crises in California Higher Education: Experience Under the Master Plan and Problems of Coordination, 1959–1968* (Los Angeles: Ward Ritchie Press, 1968).

³¹Coons, *Crises in California Higher Education*, 116.

³²Los Angeles Times Staff, "Governor Signs Record Budget, Cuts \$16 Million," *Los Angeles Times*, June 30, 1968, A1; and Coons, *Crises in California Higher Education*, 126.

³³Los Angeles Times Staff, "Items Vetoed or Reduced by Governor," *Los Angeles Times*, June 30, 1968, A20.

³⁴Los Angeles Times Staff, "Governor Signs Record Budget, Cuts \$16 Million," A1.

override Reagan's line-item veto of the UC operating budget. In response to Hitch and the Regents' declarations, Reagan told the press, "You can't cancel all the (other) state services to give them to one department. The people have agreed that they have no more money to give the state government than they are now giving, and out of this priorities are established as to how you divide it up."³⁵ Reagan contradicted himself, elsewhere denying President Hitch's assertion that he was pursuing an "austerity program" in relation to the university by claiming that appropriations per student were actually up.³⁶

The next several years were no better, however. Reagan's 1968–69 budget provided for 10 percent less than UC had requested in general appropriations and over 40 percent less for capital funds.³⁷ President Hitch and the Board of Regents argued that year-on-year reductions would force the university to enroll fewer students and reduce the quality of the programs offered.³⁸ Reagan defended his administration's actions by stating that they only reduced the budgets as proposed by UC, therefore denying an *increase* rather than cutting the system's budget. Reagan's budget approach to the CSC system was similar. CSC chancellor Glenn S. Dumke explained to Reagan in a 1966 letter that because both UC and CSC were undergoing enrollment increases, denying them increases was tantamount to a cut.³⁹ This appeared to have little effect.

Governor Reagan's argument that Californians had no more money to give to the state government was rooted in the budgetary conservatism found in the sunbelt GOP. When he explained his actions on budget items, he claimed that he had few options, either because the budget gave him little choice or because the voters did not want to pay more for government. Reagan's stance on this issue was more than an appeal to small government, however. He was part of an increasingly powerful group of California conservatives who were organizing to undermine the American labor movement, reduce the size of government, and unleash free-market capitalism—using the tool of austerity, whether artificial or real, to push for reforms.⁴⁰

Reagan's arguments also reflected an element of truth. Voters did appear to be less willing to approve of tax-funded revenues for public higher education, including capital construction bonds.⁴¹ In 1968, California voters rejected a bond measure that

³⁵Staff Writer, "UC Regents Ask Legislature to Restore Reagan Budget Cuts," *Los Angeles Times*, July 13, 1968, A1.

³⁶KTVU, "Governor Reagan on University of California Funding" (Cox Enterprises/KTVU, 1968), <https://diva.sfsu.edu/collections/sfbatv/bundles/220764>.

³⁷University of California Office of University Relations, "Hitch Describes Impact of Proposed 1968–69 Budget," *University Bulletin: A Weekly Bulletin for the Staff of the University of California* 16, no. 22 (Feb. 13, 1968), 105–107, <https://babel.hathitrust.org/cgi/pt?id=uc1.32106020265853&view=1up&seq=117&q1=Hitch%20describes%20impact>.

³⁸William Trombley, "It's UC, State Colleges vs. Reagan on Budget," *Los Angeles Times*, Feb. 12, 1968, A3.

³⁹Glen S. Dumke to Ronald Reagan, Dec. 12, 1966, in *The Evolution of the California State University System, 1961–1982* (Berkeley, CA: Regents of the University of California, 1986), <https://archive.org/details/evolutionalistate00dumkrich/page/n91/mode/2up?q=reagan>.

⁴⁰For a history of this movement and Reagan's role in it, see Olmsted, *Right Out of California*, 236–8. Olmsted notes that despite their small-government stance, California conservatives in this period supported government subsidies to agribusinesses and other private enterprises.

⁴¹Los Angeles Times Staff, "Bond Votes Carry Clear Message," *Los Angeles Times*, Nov. 7, 1968, B6.

would have provided additional capital for the UC and CSC systems. Prior to this, voters had favored the state's acquisition of debt to improve and expand the university system's physical plant. In 1964 and 1966, for example, voters approved similar measures by approximately 65 and 56 percent, respectively.⁴² In 1968, yes votes were down to 44.6 percent.⁴³

The year 1969 ended two decades of nearly continuous economic growth in California and much of the nation. Previously, budgets for the university had grown by almost 20 percent annually; in 1969 and 1970, the state increased university budgets by just 2 percent.⁴⁴ This level of funding continued over the next several years, despite budget surpluses, as Reagan and his cabinet sought to cut taxes and shrink the size of government.⁴⁵ Reagan and his finance officer, Verne Orr, aggressively pursued lower university budgets in particular.⁴⁶ Republicans in the state legislature pointed to campus unrest, not budget deficits, as the impetus for lower university appropriations. They told reporters that a budget reduction was their only option for sending a message regarding student behavior to the UC in particular: "We have tried everything we can. . . . There is nothing else we can do to restore sanity to these campuses."⁴⁷ Echoing Reagan, they continued: "The people of this state will not tolerate tax-supported institutions becoming the base for the complete destruction of the moral and patriotic heritage of our society."⁴⁸ In 1969, multiple UC campuses turned away qualified applicants due to a lack of space on their campuses, while CSC leadership expressed that they were in for a similar fate.⁴⁹ Reagan and his advisors agreed to negotiate a new higher education budget that included faculty raises and a boost to capital construction expenditures after this point was made public.⁵⁰

Public opinion data from 1971 further suggests that elected Republicans' position on higher education finance was aligned with the view of a representative sample of California voters. In a survey of 984 voters who were asked to indicate whether they would favor tax increases to support larger UC or CSC budgets, just 13 percent agreed they would for UC and 15.6 percent agreed they would for CSC (see [Figure 1](#)). By comparison, much larger percentages of voters agreed that more spending was necessary, even if it included tax increases. Under 20 percent believed the state should spend

⁴²California Proposition 2, "Bonds to Provide State College" (State of California, 1964), https://repository.uchastings.edu/ca_ballot_props/660; California Proposition 2, "Bonds to Provide State College and University Facilities" (State of California, 1966), https://repository.uchastings.edu/ca_ballot_props/679.

⁴³California Proposition 3, "Bonds to Provide State College, University, and Urban School Facilities" (State of California, 1968), https://repository.uchastings.edu/ca_ballot_props/701.

⁴⁴William H. Pickens, *Financing the Plan: California's Master Plan for Higher Education, 1960 to 1994, Report 95-1* (San Jose, CA: California Higher Education Policy Center, 1995), <https://files.eric.ed.gov/full-text/ED399849.pdf>.

⁴⁵Tom Goff, "State Surplus Set at \$456.8 Million," *Los Angeles Times*, Feb. 5, 1969, A1.

⁴⁶William Trombley, "Regents Agree to Trim Budget by \$88 Million," *Los Angeles Times*, Sept. 20, 1969, A1.

⁴⁷Jerry Gillam, "State Senate's Version of Record Budget OK'd," *Los Angeles Times*, May 23, 1968, A29.

⁴⁸Los Angeles Times Staff, "Campus Demonstrators Face Legislative Wrath," *Los Angeles Times*, Jan. 7, 1968, K1.

⁴⁹Los Angeles Times Editorial Board, "UC: The Overcrowded Campuses," *Los Angeles Times*, Nov. 25, 1969, A6; William Trombley, "Austere Regime Seen Continuing at UC, Colleges," *Los Angeles Times*, Feb. 4, 1970, A1; and Los Angeles Times Staff, "The Cost of Higher Education," *Los Angeles Times*, Dec. 3, 1969, F6.

⁵⁰Los Angeles Times Staff, "The Cost of Higher Education," F6.

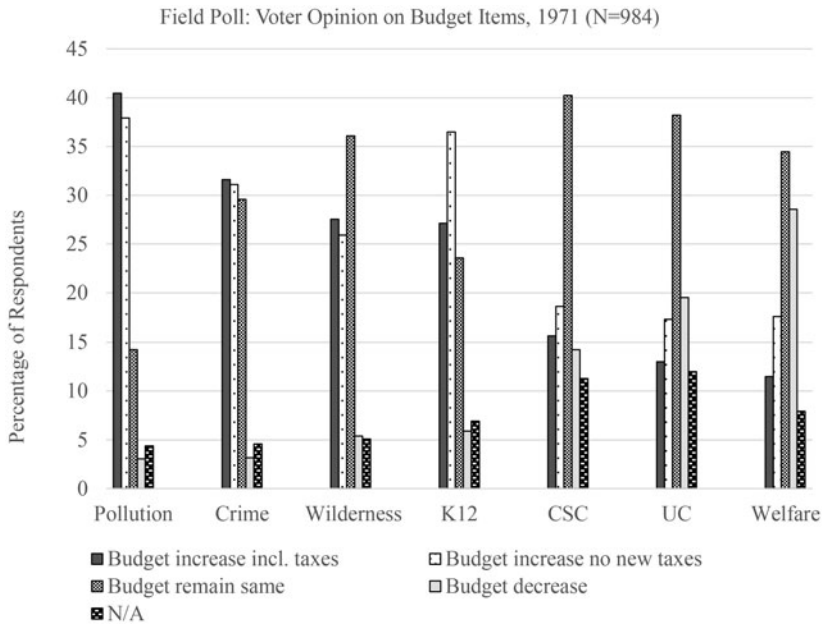


Figure 1. Field poll showing voter opinion on budget items, 1971 (N=984). *Source:* Data from Field Research Corporation, “California Poll 7101” (Berkeley, CA: University of California, 1971).

more on UC and CSU without raising taxes, so that under half of respondents believed UC and CSU needed more funding. The majority agreed that UC and CSU funding should remain the same or decrease. The only other category where this was true was welfare spending for single mothers.⁵¹ Scholars debate whether Reagan and his allies tapped into widespread conservative views about government spending or led voters to those conclusions.⁵² These polling figures do not put this debate to rest, but do suggest the possibility that many Californians supported Reagan’s message of austerity, and specifically that the state was doing too much to support immoral behaviors on UC campuses.

Implementing Tuition in California

Reagan gained political allies in both the legislature and general public when he politicized California higher education. As he built his case for reversing UC’s historic tuition policy between 1966 and 1970, he also drew on economic rationales regarding who benefits and who should pay. His most common reasoning was that the universities should be partially funded by those who profit most from higher education, or “those whose life incomes are so improved because of it.”⁵³ A December 1969 bulletin

⁵¹Field Research Corporation, “California Poll 7101.”

⁵²Prasad, *Starving the Beast*, 216–217.

⁵³Alex C. Sherriffs, “Remarks Before Members of the Constitutional Revision Commission” (speech, San Francisco CA, March 1969), Appendix 1 in “Education Advisor to Ronald Reagan and State University Administrator, 1969–1982, Transcript of an Oral History,” in *The Governor’s Office and*

for faculty quoted and paraphrased a Reagan presentation to the Board of Regents: “He urged the University to take the lead in evolving a new system of financing . . . which would meet the needs of the students and reflect a fair cost to the general taxpayers who would not benefit directly from a higher education.”⁵⁴ A second rationale Reagan and others offered during this time was that many student families were sufficiently affluent to afford tuition.⁵⁵ Requiring higher-income students to pay and redistributing student charges to support enrollment for low-income students supported the California Master Plan goal of access, Reagan could argue, even better than the no-tuition principle.⁵⁶

Charging tuition fit the market-oriented view of higher education that Reagan espoused. It also allowed Reagan to pursue a tax-reducing agenda by making cuts to the UC budget that could be recouped through tuition. In 1967, Reagan put forward an “equal education plan,” which committed to “full educational opportunity” for all students, including those from the “poorest families and from racial minorities.”⁵⁷ The plan provided for capital improvement funds and competitive salaries—money Reagan had previously been unwilling to offer. But in order to accomplish the budgetary aspects of this plan “promptly, efficiently, and effectively,” Reagan recommended adopting a \$250 tuition charge at UC (about \$1,700 today) and a \$180 dollar charge at CSU (about \$1,229 today). The governor’s cabinet envisioned other uses for these revenues, including aid for students and a \$10 million to \$15 million annual reduction in demands upon the General Fund.⁵⁸

Few members of the higher education community agreed with the tuition principle. Coons was an important exception. Coons had advised President Dwight Eisenhower on postsecondary education and was chair of the California Master Plan committee. As director of the legislatively appointed Coordinating Council, which had been formed to guide the state in maintaining the Master Plan’s ideals, he was tasked with representing all public and private sectors of higher education

Public Information, Education, and Planning, 1967–1974 (Berkeley, CA: University of California Library, 1981), <https://archive.org/details/govofficepub00chalrich/page/n181/mode/2up>; UC University Relations, “Board Holds Further Tuition Discussion,” *University Bulletin: A Weekly Bulletin for the Staff of the University of California* 18, no.16 (Dec. 8, 1969), 76, 79, 81, <https://babel.hathitrust.org/cgi/pt?id=uc1.31378008229695&view=1up&seq=96&q1=board%20holds%20further%20tuition>; and Los Angeles Times Staff, “Tuition OK for State Colleges,” *Los Angeles Times*, March 29, 1970, F5.

⁵⁴UC University Relations, “Board Holds Further Tuition Discussion,” 49.

⁵⁵Ronald Reagan, “Address by Governor Ronald Reagan on the Installation of President Robert Hill, Chico State College,” May 20, 1967, Ronald Reagan Presidential Library & Museum, transcript.

⁵⁶Reagan was no champion of poor students: he made moves as governor and president to cut aid to financially needy (sometimes needy and racial/ethnic minority) students. See Charles B. Saunders, “Sorry, This Commitment May Be Cancelled—Higher Education and Ronald Reagan,” *Change: The Magazine of Higher Learning* 14, no. 1 (Jan./Feb. 1982), 7–9; John Dreyfuss, “State Colleges to Lose Faculty Research Funds: Reagan Eliminates \$5 Million from Budget, Cuts Some from Minority Program,” *Los Angeles Times*, Nov. 29, 1969, A1; and Robert Fairbanks, “Bills to Boost Faculty Pay Vetoed by Reagan; Plan to Help Poor Students Through College Also Killed,” *Los Angeles Times*, Nov. 13, 1971, A1.

⁵⁷Ronald Reagan, “The ‘Equal Education Plan’ for Higher Education in California, Printed in Full,” *University Bulletin: A Weekly Bulletin for the Staff of the University of California*, July 31, 1967, <https://babel.hathitrust.org/cgi/pt?id=uc1.32106020265853&view=1up&seq=35>.

⁵⁸Reagan, “The ‘Equal Education Plan,’” 22–23.

in the state and advising lawmakers on the best policies. He was no ally of Reagan and not a proponent of partisan austerity, but he believed California public higher education's financing was regressive and that it was reasonable for affluent families to pay. He wrote, "Attendance at the University of California or the State Colleges is not a right but a privilege."⁵⁹ It was Coons and his staff at the Coordinating Council who communicated economists' research on the regressivity of no-tuition policies to the governor through policy briefs.⁶⁰ Tuition was appropriate, they argued, as long as the funds were at the disposal of campus leaders and a portion was used to offset tuition charges for low-income students.

Reagan and Coons were at odds with many members of the legislature and higher education leaders. State legislators Jesse Unruh and Albert S. Rodda opposed tuition.⁶¹ Rodda warned that imposing it would irrevocably change higher education by making tuition "a matter of budgetary politics" with continual increases likely.⁶² UC Regent Frederick Dutton argued that imposing tuition would require students and families to bear the cost of higher education rather than taxpayers and California businesses. This was an unacceptable shift because business taxes were in decline while families' tax burdens were on the rise.⁶³ Faculty expressed dissent through the UC Academic Senate, with one spokesperson stating that "education is not a luxury from the point of view of society. It is essential to the general welfare, and a necessity in our modern technological society."⁶⁴ Student leaders claimed that the fees violated the California Master Plan provision that educational costs be derived from tax-supported state funds.⁶⁵

During the fall and winter of 1969, President Hitch and the Regents discussed tuition frequently, but were unwilling to put the issue up for a vote.⁶⁶ Since the legislature and governor had no right to impose tuition on UC, Reagan could not force the issue. By January of 1970, President Hitch had abandoned his opposition to tuition over fears that UC could not maintain its buildings, enrollments, or prestigious faculty under the governor's austere budgets. At the Regents' meeting on January 16, 1970, Hitch recommended the Regents adopt a small tuition charge to

⁵⁹Coons, *Crises in California Higher Education*, 135.

⁶⁰California Coordinating Council for Higher Education, "Increasing Opportunities in Higher Education for Disadvantaged Students" (Sacramento, CA: [Office of State Publishing], 1966); and California Coordinating Council for Higher Education, "Annual Report of the Director, 1969" (Sacramento, CA: Office of State Publishing, 1970).

⁶¹Tom Goff, "Unruh Snaps Back at Hecklers on Campus," *Los Angeles Times*, April 25, 1970, 24; and Joint Committee on Higher Education, "The Challenge of Achievement: A Report on Public and Private Higher Education in California" (Sacramento, CA; Office of State Publishing, 1969), <https://files.eric.gov/fulltext/ED027879.pdf>.

⁶²Albert S. Rodda, "Tuition: Considerations of Interest to Democratic Legislators," *The Back Bench*, March 1, 1970, <http://thebackbench.blogspot.com/2007/08/tuition-at-university-of-california.html>.

⁶³Frederick Dutton, "Youth a Basic Resource," *Los Angeles Times*, Feb. 14, 1970, A4.

⁶⁴UC University Relations, "Board Holds Further Tuition Discussion," *University Bulletin: A Weekly Bulletin for the Staff of the University of California* 18, no.16 (Dec. 8, 1969), 75, 81, <https://babel.hathitrust.org/cgi/pt?id=uc1.31378008229695&view=1up&seq=67>.

⁶⁵William Trombley, "Student Leaders Challenge UC Fee Boost Plan," *Los Angeles Times*, Jan. 19, 1968, A1.

⁶⁶UC University Relations, "Board Holds Further Tuition Discussion," 76; and UC University Relations, "Regents Discuss Issues and Alternatives Relating to Tuition at the University," *University Bulletin: A Weekly Bulletin for the Staff of the University of California* 18, no.11 (Oct. 27, 1969), 47, 52.

support low-income students. Hitch insisted that the funds also be used for capital construction, given state lawmakers' and voters' refusal to fund associated building costs. Reagan's proposal included a slightly higher tuition charge to support instruction while state appropriations paid for aid to low-income students and capital expenses (despite his reluctance to fully fund either in previous years).⁶⁷

Soon after, at their February 20 meeting, the UC Regents approved an "educational fee" of \$250 in the first year and \$600 in the next. For the first time, UC students would pay to support financial aid for low-income students and capital construction.⁶⁸ President Hitch argued that the fee was financially necessary.

Los Angeles Times reporter William Trombley wrote that the 1971 legislative session would be remembered as the year when student unrest ceased being a legislative issue even while fiscal fights continued. A few legislators had sought to punish the universities for past unrest but their bills had died in committee. Without radicalized students to blame for curtailing the UC budget, it became clear that Reagan's motives had more to do with maintaining fiscal austerity and shaping the university through budget negotiations. For example, legislators approved a 5 percent salary increase for UC faculty in 1971, which Reagan vetoed, just as he had done in previous years.⁶⁹

Reagan came into power at a time when California was spending more on public higher education than most other states. Like his conservative Republican allies, Reagan appealed to conservative and moderate voters by marrying concerns over declining morality among young people, tax burdens, and bloated government. Campus unrest during the 1960s at government-supported institutions provided Reagan and his allies the popular, and sometimes legislative, support that enabled them to pursue a partisan austerity.

Education for All at CUNY

The reversal of CUNY's tuition policy was less directly the result of partisan political pressure and more a casualty of the city's budgetary problems in the 1970s. Although the reversal of CUNY's no-tuition policy cannot be reduced to the fiscal crisis, it would not have happened in 1976 without such compelling financial conditions. CUNY's free tuition policy was politically popular and hard to reverse. CCNY was established as a "free academy" in 1847, accessible to the city's meritorious middle and working classes. Even as CCNY expanded into a men's and women's college and eventually an affiliated cluster of campuses under the CUNY label in 1960, it maintained the commitment to no tuition.⁷⁰ The Board of Higher Education that

⁶⁷UC University Relations, "Proposals for Increased Student Fees Presented to the Regents," *University Bulletin: A Weekly Bulletin for the Staff of the University of California* 18, no. 20 (Jan. 26, 1970), 102, 104, 106, 108, <https://babel.hathitrust.org/cgi/pt?id=uc1.31378008229695&view=1up&seq=121>.

⁶⁸Rodda, "Tuition: Considerations of Interest to Democratic Legislators"; and Los Angeles Times Staff, "Tuition OK for State Colleges," F5.

⁶⁹William Trombley, "1971: Year Finances Shook State Colleges: Governor's Veto of Building Funds, Pay Hikes Marred Peace 1971," *Los Angeles Times*, Dec. 26, 1971, A3; and Legislative Analysts Office, *Analysis of the Budget Bill, Fiscal Year July 1, 1971 to June 30, 1972* (Sacramento, CA: Office of State Publishing, 1971), https://lao.ca.gov/analysis/1971/01_transmittal_1971.pdf

⁷⁰Board of Higher Education, *A Long-Range Plan for the City University of New York, 1961–1975* (New York: Board of Higher Education, 1962).

governed CUNY had been granted the right to charge tuition in 1961 when lawmakers rescinded a 1926 state law that had required New York City public higher education be free.⁷¹ Despite the absence of a legal mandate, members of the Board of Higher Education repeatedly reaffirmed its commitment to the principle, as did many city political leaders.⁷² The occasional politician or CUNY administrator who toyed with the idea of tuition quickly learned to leave it alone, as evidenced by CUNY chancellor Albert Bowker, who tried—and failed—to pursue a tuition charge in 1965, and Governor Nelson Rockefeller, who realized CUNY tuition proposals were a political liability in a reelection year.⁷³

Although imposing tuition was not a policy that politicians considered likely, it appealed to the financiers concerned with the status of the city's bonds. In 1967, for example, bond credit rating agency Moody's Investors Service issued a report urging city leaders to raise new sources of revenue. Moody's specifically called for tuition at CUNY as a potential source. Charging tuition at CUNY and charging more in other service areas, Moody's analysts wrote, would ensure a better credit rating. A better credit rating would enable the city to take on debt with lower interest rates.⁷⁴ Tuition and other fees, like higher subway fares, were deeply unpopular given their largely regressive impact. Mayor John Lindsay managed to gain approval for some small tax increases and other changes but defended CUNY's no-tuition policy. The city's credit rating was lowered in 1967 because Moody's analysts felt reforms had not gone far enough.⁷⁵ Moody's stance foreshadowed reforms to come.

Through the first half of the seventies, top CUNY administrators, faculty, the governor, and the mayor maintained a stance against reversing CUNY's 130-year-old no-tuition policy. They argued that the cost of a college education was a public responsibility because the benefits of an educated society were shared. "Free tuition

⁷¹Act to Amend the Education Law, April 11, 1961, ch. 388 §237, amended, (1961), <https://nysl.ptfs.com/data/Library1/pdf/NY200060392-L-1961-CH-0388.pdf>; New York Times Staff, "City Tuition Plot Laid to Governor," *New York Times*, Feb. 27, 1961, 18; Leonard Buder, "City University Gets Fast Start: Officials Cite Plans for Institution Approved by Governor Tuesday," *New York Times*, April 13, 1961, 37; and Board of Higher Education, *A Long-Range Plan*, 53.

⁷²The Board of Higher Education, *A Long-Range Plan*, 80; and Citizens' Commission on the Future of CUNY, *Report of the Citizens' Commission on the Future of the City University of New York* (New York: CUNY Digital History Archive, 1971), <https://cdha.cuny.edu/items/show/15>.

⁷³Albert Bowker, interview by Julius C. C. Edelstein, Laguardia Community College, NY, May 15–17, 1985, <https://cdha.cuny.edu/items/show/18>; Leonard Buder, "Tuition Fee Plan Will Be Pressed: Chancellor to Present the Proposal for City Colleges to Higher Education Board," *New York Times*, Nov. 12, 1965, 49; New York Times Editorial Board, "The Bowker Proposal," *New York Times*, Nov. 13, 1965, 28; Clayton Knowles, "Threat to Rockefeller: City University Problem Likely to Cost Governor Voters, Here or Upstate," *New York Times*, May 16, 1966, 40; and Anthony G. Picciano and Chet Jordan, *CUNY's First Fifty Years: Triumphs and Ordeals of a People's University* (New York: Taylor & Francis, 2017).

⁷⁴Moody's analysts provided this report as part of testimony at a congressional hearing. *Financing Municipal Facilities 1968: Hearings on H.R. 15991, Day 1, Before the Subcommittee on Economic Progress of the Joint Economic Committee*, 90th Cong. 2nd sess. (1968), (Appendix D to Written Statement of Robert C. Riehle, Vice President of Moody's Investors Service, Inc.)

⁷⁵Wall Street Journal Staff, "New York City Cancels \$96,255,000 Bond Sale Due to Market Status: Smaller Issue to Be Sold Later," *Wall Street Journal*, May 23, 1967, 14.

was the first and radical commitment made by the citizens of New York to the concept of an open university,” one college president wrote in 1972.⁷⁶

Besides fulfilling a valuable public role, CUNY’s no-tuition policy was one of the few reasons middle-class families still lived in the city. The flight of high- and middle-income families to the suburbs was a major concern for New York City policymakers in the seventies.⁷⁷ Federal highway programs and housing policies encouraged predominantly White, higher-wage New York workers to live outside the city limits, making them no longer subject to city income taxes. Officials knew that any further exodus of White, middle-class families would reduce revenue for the city and its increasingly Black and Puerto Rican residents.⁷⁸ They believed CUNY’s no-tuition policy was one of the few amenities keeping those families in place.⁷⁹ A campus president argued, “Tuition charges would . . . have a deleterious effect on our attempts to stem the flight to the suburbs.”⁸⁰ Research supported this belief: scholars showed that the city’s public higher education subsidies were of enormous benefit to middle-income families. Since affluent New York City families sent their children to private schools, and the majority of youth from low-income families did not complete two- or four-year degrees, city residents’ taxes supported middle-class students who were the most likely to graduate from CUNY.⁸¹

Ultimately, it was not CUNY’s no-tuition policy that New Yorkers objected to in the years leading up to the city’s fiscal crisis—it was the policy of open admissions. From its founding until 1970, CUNY used rigorous entrance examinations to limit enrollments on its campuses. This standard, and a required B average, had made the campuses bastions of academic rigor for working-class White (including Jewish) students who were shut out from most elite private institutions.

The Great Migration of African Americans from the South and arrival of Hispanic immigrants, predominantly Puerto Rican, to New York changed the demographic makeup of the city. These newer migrants often attended the worst-performing and most racially- and income-segregated high schools and were ill-prepared for CUNY’s admissions standards. Minority activists criticized CUNY’s admissions policies for bias against the new minorities as one element of their push for expanded civil rights. The city’s Board of Higher Education and

⁷⁶Jaqueline Wexler, “An Open Door to City U,” *New York Times*, March 8, 1972, 43.

⁷⁷Jerome Karabel, “The Politics of Structural Change in American Higher Education: The Case of Open Admissions at the City University of New York,” in *The Compleat University: Break from Tradition in Three Countries*, ed. Harry Hermanns, Ulrich Teichler, and Henry Wasser (Cambridge, MA: Schenkman Publishing, 1983), 21–58.

⁷⁸Martin Shefter, *Political Crisis/Fiscal Crisis: The Collapse and Revival of New York City* (New York: Columbia University Press, 1992).

⁷⁹Exchange between Senator Halperin and CUNY Chancellor Kibbee in *Hearing to Discuss Higher Education in New York State, Day 1, Before Joint Legislative Committee on Higher Education, 180th Legislature, March 15, 1973*, 79–80, New York State Library, Albany, NY; Fred M. Hechinger, “Universities: Money Pinch Is Really Starting to Hurt,” *New York Times*, April 18, 1971, E9; William K. Tabb, *The Long Default: New York City and the Urban Fiscal Crisis* (New York: Monthly Review Press, 1982); and Bruno Palmer-Poroner, letter to the editor, *New York Times*, Sept. 23, 1975, 36.

⁸⁰R. E. Marshak, “What Tuition at CUNY Would Do,” *New York Times*, March 21, 1973, 44.

⁸¹Peter David Machlis, “The Distributional Effects of Public Higher Education in New York City,” *Public Finance Quarterly* 1, no. 1 (March 1973), 35–58.

CUNY administration responded not by cracking down on protestors, as in California, but by initiating a successful remediation program to increase the Black and Hispanic student populations at CUNY. The rollout was too slow and the scope too small to satisfy the scale of need, however. To answer the threat of continued protests and meet the needs of New York City's Jewish population who opposed the use of racial quotas, Mayor Lindsay worked with Chancellor Bowker to implement a system under which any city high school graduate could attend a CUNY campus.⁸²

The open admissions policy was contentious. One student assembly at Queens College voted against open admissions because they feared a decline in standards and insufficient support for new students.⁸³ Their fears were not unfounded; CUNY would now serve thousands of students whose academic skills ranged from college-ready to functionally illiterate. The colleges were forced to hold classes in makeshift classrooms and hire thousands of additional teachers and staff. By contrast, racial and ethnic minority students had organized on behalf of open admissions and gained support from many nonminority classmates.⁸⁴ They were frustrated that conditions were not better, but supported the program. Faculty support was also mixed. Some faculty viewed open admissions as a threat to the quality and mission of CUNY; others declared it an unparalleled success.⁸⁵ A central disagreement was whether CUNY was now fulfilling roles that were inappropriate for a university, including remediation and social service supports for the most disadvantaged students.

Before the second freshman class could be admitted under open admissions, however, city officials declared that they could not financially support CUNY. In December 1970, Mayor Lindsay requested that the state finance more than the 50 percent share of the CUNY budget previously agreed upon.⁸⁶ As Governor Rockefeller and other state leaders weighed this proposal, Lindsay warned that if the state did not intervene, CUNY would have to admit nine thousand fewer students than projected and lay off over fifteen hundred faculty.⁸⁷ Lindsay knew the city's budget was in bad shape when he endorsed open admissions, but he had not fully anticipated how wary banks would become about lending to the city, or that tax revenues would be much lower than expected. For the next eight years, the city struggled to provide its portion of CUNY's budget. Open admissions and free tuition became symbols of the city's inability to make reasonable financial decisions.

⁸²Karabel, "The Politics of Structural Change in American Higher Education"; Theodore L. Gross, *Academic Turmoil: The Reality and Promise of Open Education* (New York: Anchor Press, 1980).

⁸³New York Times Staff, "Student Meeting at Queens Rejects Open Enrollment," *New York Times*, March 15, 1970, 88.

⁸⁴Henry Arce, interview by Douglas Medina, New York, NY, Feb. 26, 2014, <https://cdha.cuny.edu/items/show/6842>.

⁸⁵Picciano and Jordan, *CUNY's First Fifty Years*, 78; and Phillip R. Rever, *Open Admissions and Equal Access* (Iowa City, Iowa: American College Testing Program, 1971).

⁸⁶Maurice Carroll, "Mayor Bids State Aid CUNY More: Asks End to 50-50 Formula, Citing City Fiscal Crisis," *New York Times*, Dec. 6, 1970, 41.

⁸⁷Leonard Buder, "Budget Cuts Will Hit Hard at City U," *New York Times*, April 20, 1971, 26.

Fiscal Crisis and Tuition Policy Reversal

A mix of federal, state, and city political decisions drained New York of revenue at the same time as poverty and other urban problems were increasing.⁸⁸ Although the city's financial problems were seen as the result of irresponsible spending and excessive public services, historian Kim Phillips-Fein points out that federal and state policies paved the way for the exodus of higher-income and White families to the suburbs, the mass migration of poor Black families to the city due to deteriorating work opportunities in the South, and the shuttering of manufacturing plants (where newly arrived Black and Puerto Rican migrants could work) due to new free trade agreements. Just as the tax base was declining, unemployment rates and a need for welfare assistance were growing.⁸⁹ Banks stepped in to fill the budgetary holes left by declining revenues and rising supports for the city's poor. When federal relief did not arrive and economic conditions did not improve to reverse any of the problems the city faced, elected officials became overly reliant on debt to meet the city's basic needs.

Some New York City politicians remained committed to building a government that provided health, welfare, and education services to the poor as basic social rights even without revenues to support the programming. This stance had once been a mainstream view in the United States, until critics of New Deal liberalism and big government became national political figures.⁹⁰ Conservative presidents Richard Nixon and Gerald Ford argued that big cities like New York had coddled the poor and encouraged urban disorder.⁹¹ The critique of undisciplined city financial planning was taken up by upstate lawmakers as well. New York has long been divided politically between officials elected to represent upstate regions, who are typically more fiscally and socially conservative like their constituents, and officials from downstate. Upstate lawmakers were the first to support tax cuts and limited government as the critique of liberalism spread across the nation in the 1970s.⁹² Upstate New Yorkers disagreed with CUNY's no-tuition policy, for example. Many felt that it was unfair for the State University of New York (SUNY) to charge students tuition while CUNY students attended for free.⁹³ In 1971, upstate New York legislators and Governor Rockefeller were increasingly unwilling to direct funds toward the city,

⁸⁸Phillips-Fein, *Fear City*.

⁸⁹Shefter, *Political Crisis/Fiscal Crisis*, 112.

⁹⁰Phillips-Fein, *Invisible Hands*, 221–224, 236–242.

⁹¹New York Times Staff, "Nixon and Mayors: To Be a Big City Mayor These Days Is to Be a Loser," *New York Times*, March 28, 1971, E2; Tabb, *The Long Default*, 2; Martin Tolchin, "Suit On Welfare Filed by Lindsay: Mayor Goes to Foley Sq. to Begin City Action Aimed at Ending Mandated Costs," *New York Times*, Feb. 25, 1971, 1; and John W. Finney, "Nixon and Reagan Ask War on Crime: G.O.P. Gets Similar Views—Lindsay Stand Differs," *New York Times*, August 1, 1968, 1.

⁹²Robert F. Pecorella, "Regional Political Conflict in New York State," in *Governing New York State*, 6th ed., ed. Robert F. Pecorella and Jeffrey M. Stonecash (Albany: State University of New York Press, 2012), 3–24.

⁹³Paula-Ray Mandl, letter to the editor, "Tuition at C.U.N.Y.," *New York Times*, Jan. 28, 1972, 44; Alan Shark and Susan Chadick, letter to the editor, "The C.U.N.Y. Tuition Battle: Should the Doors Stay Wide Open," *New York Times*, March 29, 1973, 46; Hearing to Discuss Higher Education in New York State, the Recommendations of the Keppel Task Force Commission Report, 160. Some SUNY students used the imbalance between CUNY and SUNY's tuition policies as leverage to demand the cancelation of student tuition at SUNY.

marking a shift for Rockefeller, who had overseen the establishment of the CUNY system and drastic expansion of the SUNY system.⁹⁴ Rockefeller and upstate lawmakers were responding to pressures from New York's growing conservative movement by refusing big-city mayors' requests for financial assistance and refusing to increase taxes.⁹⁵

As manufacturing declines led to urban crises across New York, state lawmakers told Lindsay and other big-city mayors that they needed to adjust to the demands of the time, to a "responsible austerity" that would become the norm.⁹⁶ Even in the city, Mayor Lindsay was meeting stiff resistance from the business community and citizen taxpayer board when he proposed tax increases.⁹⁷ Support for a partisan austerity existed in the state. However, in 1974, New York state and city political leadership changed in ways that disrupted local commitments to austerity but ultimately exacerbated the future need for a forced austerity.

Hugh Carey, a Democrat, became New York's governor in 1975, and Abe Beame, also a Democrat and a graduate of CUNY, became the city's mayor in 1974. During his campaign, Carey argued in defense of CUNY's tuition policy: "We must not forget that the principle behind public colleges is to provide a college education for all members of society. No individual [should be] shut out of college because he could not afford to attend."⁹⁸ During his campaign, Beame had promised New Yorkers he would solve the city's budget problems without imposing tuition at CUNY. Beame, who had been the city's comptroller, understood the budget situation intimately, he argued. After becoming mayor, Beame became reluctant to cut city employee jobs, raise subway fares, impose tuition at CUNY, or dismantle CUNY's open admissions policy. Beame did what Mayor Lindsay had done before him: he took on additional debt to fund city services.⁹⁹

Public opinion pollsters did not measure New Yorkers' views of open admissions and tuition in the early seventies. However, the *New York Times* reported on state and city polling from late 1973 that covered other topics revealing New Yorkers' thinking. A poll by Daniel Yankelovich showed that the majority of New Yorkers were pessimistic about the condition of the city and state. This pessimism was driven by their experiences of insufficient health and safety services in the city and the perception that state elected officials were unwilling to support the city financially. The overwhelming majority in this representative sample of 1,341 were optimistic that conditions would improve under Mayor Beame.¹⁰⁰

⁹⁴Judith S. Glazer, "Nelson Rockefeller and the Politics of Higher Education in New York State" (Albany, NY, May 1989), ERIC ED 319271, <https://eric.ed.gov/?id=ED319271>.

⁹⁵Richard Reeves, "A Lesson on Just Where the Political Power Lies: City-State," *New York Times*, April 4, 1971, E2; and Francis X. Clines, "State Aid Needed to Avert a Crisis, Big 6 Mayors Say," *New York Times*, Feb. 18, 1971, 1.

⁹⁶Frank Lynn, "Governor Warns Mayor on Budget," *New York Times*, June 30, 1971, 1; and William Farrell, "Big 6 Mayors Plead for Aid in Annual Albany Visit," *New York Times*, Feb. 10, 1972, 47.

⁹⁷Richard Reeves, "Tax Plan Called a Threat to City: Citizens Budget Commission Assails Lindsay Proposal," *New York Times*, May 26, 1971, 1.

⁹⁸New York Times Staff, "Carey Will Work for Free Tuition," *New York Times*, July 28, 1974, 40.

⁹⁹Phillips-Fein, *Fear City*, 45.

¹⁰⁰Frank Lynn, "Survey Finds New Yorkers Optimistic on City's Future," *New York Times*, Jan. 14, 1974, 1, 18.

Despite this optimism in their newly elected Democratic mayor, another poll suggested that city residents were becoming more conservative. In particular, a majority of conservative (61 percent), moderate (69 percent), and liberal (55 percent) respondents reported that the city was too kind to welfare recipients and ought to provide less assistance.¹⁰¹ New York pollsters did not ask participants about government support for CUNY. Given that California polls showed low levels of support for government spending on welfare and higher education in 1971, it is possible that had New Yorkers been asked about education in the 1973 poll they would have expressed unwillingness to pay more taxes in support of CUNY. Mayor Beame and other city politicians did not adopt these ideals as platforms.

By 1975, the city had amassed a cumulative operating deficit of more than \$3 billion. The city sold an average of \$750 million in short-term notes each month.¹⁰² In other words, the city was paying its debt with debt. Financial institutions lost faith in the city's ability to underwrite its debt and became unwilling to extend more.¹⁰³ Government officials and financial advisors described potentially catastrophic consequences if the state and federal governments did not step in to bail out the city. However, a powerful, neoconservative critique of liberalism and Great Society programming—with the city as the poster child of liberalism's defects—was gaining momentum in the late 1960s and 1970s and made a bailout unlikely. One iteration of it was centered in the city, as left-of-center intellectuals criticized city programming, arguing that it exacerbated the low moral standards of low-income, racial minorities. New York City, in their estimation, was the epitome of Great Society's failure to improve the conditions of poor Black and Puerto Rican residents because it answered poverty with services rather than forcing the development of a work ethic. They were joined by business elites who wanted to see a new frugal, business-oriented policy environment.¹⁰⁴

The city's financial problems were so significant that they became a national concern. No one knew what would happen to the national economy if the city went bankrupt, but most were afraid to find out.¹⁰⁵ Neoconservatives in DC had the ear of President Ford when New York State and city lawmakers petitioned for a federal bailout. Ford's treasury secretary, William E. Simon, who later became an active member of the nation's growing conservative movement, resisted pressure to provide the city with a federal bailout in 1975. Simon argued that the city's problems were not the result of industrial job loss, suburbanization, or the fiscal federalism policies that made the city responsible for welfare support. The city's overpaid, unionized workforce, housing programs, and CUNY—among other programs—were the cause.¹⁰⁶

Governor Carey sounded a similar tune when he spoke of city politicians' previous ambitions to do everything on a grand scale: build the tallest buildings, provide the best public assistance, and pay and train the best civil service. He warned that the

¹⁰¹Frank Lynn, "More in City Are Turning to the Right," *New York Times*, Jan. 15, 1974, 1, 26.

¹⁰²Shefter, *Political Crisis/Fiscal Crisis*, 106.

¹⁰³Phillips-Fein, *Fear City*, 81–82.

¹⁰⁴Shefter, *Political Crisis/Fiscal Crisis*, 154; and O'Connor, "The Privatized City," 345.

¹⁰⁵Phillips-Fein, *Fear City*, 162–163.

¹⁰⁶O'Connor, "The Privatized City," 347.

future would bring painful, but necessary, cuts. Among the reforms that were needed was a tuition charge at CUNY.¹⁰⁷

These calls for austerity revived conflicts over CUNY's open admissions policy. Rita Hauser, a member of the city's Board of Higher Education, wrote: "Continued free tuition for undergraduates at the City University of New York . . . strikes many observers during this period of acute municipal financial distress as the very symbol of New York's profligacy."¹⁰⁸ But, Hauser argued, open admissions was the real problem. It was unrealistic, too expensive, and even unfair to the students. Open admissions was expensive: city expenditures on higher education grew faster than any other budget category between 1961 and 1976, increasing by 1,224 percent.¹⁰⁹ Others argued for "quality-protective retrenchment."¹¹⁰

Passionate defenders of open admissions flooded the *Times* with critical responses to Hauser's article. These defenders took special offense at Hauser's desire to preserve CUNY for the needs of students who "fit the old mold" and could pursue "true scholarship." To fulfill its mission, they argued, CUNY should be open access and tuition free. Excellence need not be sacrificed along the way. CUNY's mission was to the city and all its residents, not just the privileged few.¹¹¹

Manhattan representatives to the City Council made similar arguments that both open admissions and the no-tuition policy should be preserved. They told reporters in early 1976 that CUNY should cut costs elsewhere before charging tuition.¹¹² However, their ability to shape the city's response to the crisis had evaporated. Governor Carey and the state legislature had established a new state agency, the Emergency Financial Control Board (EFCB), that would cut spending and increase revenues until a balanced budget was achieved, effectively disempowering city politicians, including Mayor Beame. Labor groups, Black and Hispanic organizers, the voting public, and liberal-minded politicians were no longer in control of what would be done to avoid a financial meltdown.¹¹³ As Phillips-Fein explains, Governor Carey made no efforts to diversify the EFCB, because its job was to force the city to accept cuts to services and residents would get in the way: "The only way to restore New York's fiscal health, [Carey] believed, was to make its government less democratic."¹¹⁴

The EFCB worked with the mayor and other lawmakers to move the city toward a forced austerity, cutting the city's budget by nearly 15 percent by eliminating tens of thousands of city jobs, increasing transit fares and taxes, closing public health clinics and some schools, and decreasing pensions. The consequences of cuts were not

¹⁰⁷Iver Peterson, "Carey Easing Opposition to Tuition Fees at City U," *New York Times*, Dec. 20, 1975, 32.

¹⁰⁸Rita E. Hauser, "Rethinking Open Admissions," *New York Times*, June 23, 1975, 27.

¹⁰⁹Shefter, *Political Crisis/Fiscal Crisis*, 114, Table 5.1.

¹¹⁰New York Times Staff, "A Plan for CUNY," *New York Times*, Oct. 20, 1975, 32; and William John Hanna, letter to the editor, *New York Times*, Sept. 23, 1975, 36.

¹¹¹Franklin H. Williams, letter to the editor, "To Study at CUNY," *New York Times*, July 8, 1975, 25; and Michael Harrington, editorial, "Keep Open Admissions Open," *New York Times*, Nov. 2, 1975, 261.

¹¹²New York Times Staff, "Councilmen Urge City U. Economies," *New York Times*, Jan. 26, 1976, 19.

¹¹³Steven R. Weisman, "Governor Is Considering a Session on Fiscal Panel," *New York Times*, Aug. 30, 1975, 47.

¹¹⁴Phillips-Fein, *Fear City*, 153.

distributed evenly, of course. They severely diminished some neighborhoods' (largely poor and minority) ability to support public health, education, and safety. The cuts to CUNY's budget, which were the most severe among the budget reforms, led to layoffs for thousands of staff and faculty and resulted in 20,000 fewer seats for students. In 1976, Mayor Beame argued that tuition had become necessary at CUNY because Governor Carey had refused to provide state revenue unless the Board of Higher Education approved a tuition charge. Four members of the Board resigned their positions in protest of CUNY's impending restructuring and tuition. The governor and mayor filled their seats with people more favorable to tuition.¹¹⁵

On May 29, 1976, CUNY's chancellor, Robert Kibbee, announced that CUNY had run out of money. CUNY shut its doors, unable to pay the bills or its employees' salaries. This announcement muted any remaining resistance to tuition among the Board of Higher Education, whose members voted seven to one on June 1, 1976, to implement a tuition charge. Tuition was implemented at CUNY as lawmakers from outside the city forced austerity after decades of policy-making that had made the city overly reliant on loans. In addition, the financial crisis was the result of economic inflation, rising financial instability, and the realization of political goals to limit the scope of state intervention at all levels of government. Unlike California, there was no contention over where the funds would go. Tuition revenues were pledged toward repaying CUNY's capital bond debt, similar to tuition revenues at SUNY. Revenue from CUNY's new tuition charge allowed the system's campuses to reopen and finalized loan and cash infusion deals between the city, state, and federal governments.

Conclusion

The defunding of public higher education that precipitated an increase in market-oriented activities has its roots in state and national policy changes that predate the economic shocks and inflation that depressed university finances in the 1980s and beyond. As a part of state and local governments, public university systems like the UC and CUNY systems were subject to the same political and economic forces that altered the course of government spending in the sixties and seventies: the end to an era of unprecedented economic and public sector growth and a growing movement for modern austerity politics.

In California, austerity was a response to slowed economic growth as well as a result of the partisan austerity of Governor Reagan, who entered office committed to financial and moral reforms in the state, although he identified UC radicalism and elitism as most in need of reform. Reagan pursued a program of partisan austerity driven largely by his ideological commitments and unwillingness to propose new taxes to fund higher education. Due to its legally autonomous status, Reagan and his allies were unable to correct all that they saw wrong in the UC system, like high faculty salaries or an emphasis on research. Tuition, in contrast, was much easier for Reagan to change. Reagan's partisan austerity cut into budgets deeply enough that the UC Regents agreed a tuition charge was necessary to maintain institutional excellence. This led to the first tuition charges in UC history, which brought tuition into

¹¹⁵Phillips-Fein, *Fear City*, 253.

annual budget discussions with state government, thus altering the university and its relationship with state government.

In contrast, city lawmakers were determined to preserve CUNY's historic no-tuition policy. Governor Carey was committed to no tuition until the city's financial situation became desperate and threatened the solvency of the entire state. Despite student unrest, state and city politicians did not politicize CUNY or use unrest as an excuse for cuts. An unelected board of financial managers, supported by conservative policy-makers at the federal and state levels, made tuition a condition of budgetary relief for the city. In a deal to reopen CUNY, the Board voted to institute a tuition charge that mirrored what SUNY was charging.

The mounting cost of public higher education during the sixties and beyond was serious.¹¹⁶ There is no doubt politicians and university leaders needed to raise additional revenue. Was it possible to do so without looking to students as a source? Other revenue possibilities include shifting state and city funding models in order to dedicate more government revenue toward higher education or raising more revenue through taxes. However, getting more aid to the public universities would have meant budget standoffs with other state or city agencies whose leaders also felt the pain of budget reductions in difficult financial or political times. Increases in tax revenue would have required changes in the New York tax code and convincing skeptical publics in California and New York to pay more taxes. This became even more unlikely as conservative Republicans came to power and, like Reagan, used fiscal austerity as a common-sense approach to government.¹¹⁷

Taken together, these cases show the diverse ways that conservatism has changed the landscape of public higher education. Since the sixties, public universities have become increasingly reliant on student charges. Students have slowed this rise through protests and other actions but have lost the war, as state and city governments have been unable or unwilling to meet the financial needs of universities. Their inability to do so is rooted in continual conservative attacks on taxes and government spending, even in politically progressive states like California and New York. Conservatives have frequently identified universities as morally objectionable as well. This stance has consistently included appeals to maintain the racial hierarchy status quo. Student unrest in California maintained minority student and citizen rights as an aim, which Reagan and other conservatives rejected as an encroachment on the rights of the majority.¹¹⁸ Critics of social programming in New York paired their criticisms of big government with accusations that social policies contributed to a culture of poverty among racial and ethnic minorities in urban areas.¹¹⁹

These cases also demonstrate the resilience of public universities. Although no tuition symbolized the populist elements of UC's and CUNY's missions, its reversal

¹¹⁶Carnegie Commission on Higher Education, *Higher Education: Who Pays? Who Benefits? Who Should Pay?* (Berkeley, CA: McGraw-Hill, 1973).

¹¹⁷Prasad, *Starving the Beast*; and Martin, *Permanent Tax Revolt*, 129–130.

¹¹⁸"Republican Party Platform of 1968," Aug., 5, 1968, The American Presidency Project, <https://www.presidency.ucsb.edu/documents/republican-party-platform-1968>; and Critchlow, *Conservative Ascendancy*, 146.

¹¹⁹Alice O'Connor, *Poverty Knowledge: Social Science, Social Policy, and the Poor in Twentieth-Century U.S. History* (Princeton, NJ: Princeton University Press, 2001).

did not radically reform these institutions. UC maintained its commitments to elite excellence and CUNY maintained open admissions. Continued austerity has brought many changes to these and other public university systems. It is clear, however, that their ability to direct their own affairs by agreeing to market-oriented reforms or opposing them remains at least partially in their control.

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