

History of California Polytechnic Foundation, 1940s – 1950s: A Power Struggle of Private
Management of Higher Education and State Management

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Abstract

This paper is an examination of the history of California Polytechnic Foundation during the 1940s – 1950s. A power struggle of private management of higher education and state management existed between the administration of California Polytechnic State University and the Department of Education of California. Julian A. McPhee made his personal mission to extend the financial stability for the University after the massive cuts it suffered in the Great Depression. He would ultimately fail as the other California College Presidents brought back the legal incorporation and revised it to make it under direct supervision of CPSU San Luis Obispo and the Associated Student Incorporated body attached to that University. McPhee established the non-profit corporation to take advantage of government contracts during World War Two. This ran contrary to how the other California Colleges operated as the non-profit operated under extremely little supervision of the State of California and sought to continuously improve its own financial position within the San Luis Obispo.

Key Words: Private Management, Non-Profit Organization, Higher Education, Local Control, State Appropriations

Introduction and Thesis

Large corporations have a romantized marriage with American society throughout the 20th century. Yet California lacked the large corporations that existed on the scale of influence as

Carnegie's US Steel or Rockefeller's Standard Oil to significantly influence Californian communities. San Luis Obispo, as an isolated rural community in the central coast region of California, was another intriguing avenue of investment for a large company to quickly overtake the community. Myron Angel brought forth a different wave of economic investment into the town by successfully proposing a California Polytechnic School.¹ Academic idealisms of uplifting the community of San Luis Obispo would be tested as a corporation grew out of the College. Cal Poly Corporation has its attachments throughout today's campus with all the storefronts and food service, but the corporation is held on a tight leash by the administration of the university and the Associated Students Incorporated body.

This was not always the case; the non-profit Cal Poly Corporation was founded as the Cal Poly Foundation that had free rein on its operation. Powers and influence that was amassed in the Foundation was beginning to influence the region in the 1940s like the large companies of Carnegie and Rockefeller in the isolated communities of the Appalachia region but in a different justification of their growth. Non-profits are usually distant in their involvement in the day to day operations of a higher education institution. Operation of the Foundation was separated from the finances of Cal Poly but not by the faculty and administration of Cal Poly. Setting up the issue of this paper was the faculty and administration attempt to grow the Cal Poly Foundation past the intentions of State of California to rectify the finances of Cal Poly. This paper introduces the history behind the Cal Poly Corporation snowballing from its small incorporation to having significant control over the governing of Cal Poly.

¹ Myron Angel, "History of the California Polytechnic School at San Luis Obispo, California." (1908).

Historiography of Motivations to Create Auxiliary Organizations

What encouraged other state governments and public-school administration to accept greater private influence and partnership to alleviate financial costs. What did they think would happen as the private company grew alongside the colleges and what influence did those companies have on the public education system other than Cal Poly? These are the primary questions when approaching the historiography of the topic at hand. However, the research into non-profits attached to the operations and finances is scant. This section will define three reasons why higher education institutions would incorporate or invite private corporations to take part in their operation.

In a 2016 article, Craig Guillot argues that the internal auditing within academic intuitions lacks the effectiveness and precision of an outside organization that is directed tied to the institution.² He proposes that internal auditing is more effective than external when conducted by an associated organization that possess the acumen to conduct detailed audits and provide reports to the subject organization. Consternation by author is based on the notion that bureaucracies at colleges and faculties that govern them are incredibly slow at the processing of finances that they control. My study of the Cal Poly Foundation shows that this indeed was the case that McPhee and the Cal Poly faculty believed in.

Attempting to provide the best educational experience to college students with the actual practice of business is a constantly embraced viewpoint of higher education in America. This is

² Craig Guillot, "EXPANDING THE FOUNDATION," *Internal Auditor* 73, no. 1 (February 2016): 17-20.

celebrated in a 2008 article by Oswald Jones, Allan Macpherson, and David Woollard that analyzed the growth and creation of a commercial program created by the Manchester Metropolitan University Business School.³ The author believes in American entrepreneurial spirit to the extent that should be experienced by college students they can engage properly in American capitalist system. Virtue is defined as a crucial factor in the operational success of the business but this goes against the nature of the commercial program started by this business school may come in conflict with the educational objectives of the University the program is attached.

Believing in the goodwill of companies is a common fallacy that appears in American culture. A 2001 article in *Business Ethics* argues that corporations have become mutually beneficial with universities with the decrease of public funding of higher education.⁴ The decrease in public spreading in higher education has spurred institutions to seek funds from private sources to supplement their operational budgets. Thus, purposeful outreach by the universities to corporations mimics the adoration of the virtue provided by large companies in the earlier century. All three of these articles articulate a belief that encapsulated Americans that the pursuit of free enterprise should be complete unrestricted in its operation. Practicing free enterprise in public higher education can lead to a ground of dialogue that abides to the political powers that large corporations wielded over isolated rural communities.

Principal in the concern the presence of large companies in a small economic area is the amount of weight that company can throw around that community. In an 2010 article argues that

³ Oswald Jones ; Allan Macpherson ; David Woollard. "Entrepreneurial Ventures in Higher Education." *International Small Business Journal*, 2008, Vol.26(6), pp.683-708. (Accessed February 19, 2018).

⁴ Diane Huberman-Arnold and Keith Arnold. "Commerce with a conscience: corporate control and academic investment." *Business Ethics: A European Review* 10, no. 4 (October 2001): 294-301.

public education is a failure amidst the power of corporations and special interests.⁵ Placing blame with the highly centralized and unaccountable political bureaucracy and leaves public higher education vulnerable to influenced by private companies and participate in a market of schools.

Another narrative to consider is of the dreaded appendage of government encroachment over local control, where local authorities take offense at the matter of the government layer above extending their reach visibly into the local authorities' gaze. However, in the 2007 article, the state of Pennsylvania took a radical administration change to their public education system by doling out large swaths of administrative control to several private contractors and organizations.⁶ Pennsylvania's attempt does provide a modicum of improvement for the student performance despite the inability to place a monetary marker on the value of those increases or decreases. Improvement is then trivialized in the article with the changes caused by the restructuring the state made on the administrative system governing public schools. Improvements to the educational capacity due to the Cal Poly Foundation relates to this article with the minimal educational facility growth during the 1940s.

Another article takes a critical position by analyzing the business commercial program started by a business college. In the "entrepreneur managers" article, the author takes a step back and looks at faculty involvement in the same business school commercial program and how

⁵ Heinz-Dieter Meyer, "Local Control as a Mechanism of Colonization of Public Education in the United States Heinz-Dieter Meyer Local Control and Colonization of Public Education in the US." *Educational Philosophy & Theory* 42, no. 8 (December 2010): 830-845.

⁶ Suzanne Blanc; Jolley Christman; Brian Gill; Ron Zimmer, "State Takeover, School Restructuring, Private Management, and Student Achievement in Philadelphia." *Rand Education Journal*, 2007.

business developed an interesting relationship with the school.⁷ Faculty became to view the program not as insular and began to affect the educational prospects of student participants. Commercial enterprise of the program dominated the college courses as the faculty were so involved, argued the author that it now endangered the sustainability of the college with its finances greater dependence on it. Engendered in this paper is the recurring notion of the meteoric rise of the Cal Poly Foundation financial clout in the academic affairs of CPSU San Luis Obispo.

History: Setup of the Foundation Events

The auspicious creation of the Cal Poly Foundation came from both an idealism about financial freedom and necessity to balance Cal Poly's ledger of debts. The foundation was preceded by two preexisting non-profit organizations in Cal Poly: The Project Fund and the Café-Dorm Fund.⁸ Project Fund was a trust held by the college in the 1920s to allow student projects in the agricultural program to be fully funded by donations to the Project Fund. The Café-Dorm Fund was created to finance the construction and upkeep of the dormitories and cafeterias on-campus. Both trusts were created under the direction of President Julian A. McPhee and the faculty of the college. As the accounts proved necessary to the functioning of the college in the Great Depression while California's revenue dried up, the McPhee administration came in direct conflict with a state audit ordered upon Cal Poly in the 1930s.

⁷ Rachel Birds, "Entrepreneur-managers in higher education: (how) do they exist?" *Journal of Higher Education Policy & Management* 36, no. 1 (February 2014): 62-73.

⁸ Al Amoral to Mr. A. E. Joyal. January 11, 1977. Box 1 Folder 1, 191.01 Cal Poly Foundation Collection. Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

Cal Poly's audit was completed by President Julian McPhee and Financial Controller O.F. Lucksinger for the period of 1931 to 1939. Several conclusions were made by the two members of Cal Poly's administration in the financial management and liquidity of Cal Poly.⁹ The audit revealed that there was a complete lack of a liquid fund in any form in case of emergent disasters or shortfalls in the day to day operation. This is followed by the apparent abuses against the State by the misuse of state property as the audit revealed that state property hasn't been used only for the benefit of the state education. Continuing the trend of mismanagement the way that the Dorms and Cafeteria were inefficiently governed to maintain a false semblance of financial solvency. A last solution proposed by the pair was that funds should be collected on its delinquent accounts rather than relying on commercial services and lending. These disparate solutions that the pair proposed would be totally violated by the actions and powers of the Cal Poly Foundation in the following years.

History: Creation of the Foundation

After the searing audit created by Cal Poly in the hope of attracting sufficiently higher state appropriations for Cal Poly, McPhee and several other faculty members realized that the Department of Education wouldn't approve more funds for the college. Thus, in the eve of the year 1940, both Cal Poly and the California Department of Education wanted a change in the approach to how Cal Poly managed its finances. Where the audit revealed that the accounting the college finances was abysmal on all accounts, Julian McPhee had an idea to expand the powers

⁹ "Report of Audit of the Books and Reports of Accounts of the California Polytechnic School," January 31, 1939, Box 13 Folder 9, 144.02 Julian A McPhee Presidential Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

of the Project Fund in the conception of a commercial enterprise.¹⁰ McPhee used his political connections to establish a repertoire with the director of the department to push his idea of the Foundation forward.¹¹ He presented that burdensome regulations of the state were hurting the commercial education of the agricultural program.¹² What was interesting of department of education actions after the audit is their direct delineation that Cal Poly was exempt from a number of regulations that proscribed for the financial regulation of state colleges.¹³ Political back-dealings weren't limited to McPhee and the Director of Education but also McPhee's push to convince and recruit faculty to advocate and work in the Cal Poly Foundation.¹⁴

McPhee rallied a wave of anti-tax sentiment from the faculty to serve a base of advocacy and employment base for Foundation operations. He guaranteed extra employment for faculty members who supported and helped the writing the document of incorporation as officers of the Foundation were legally stipulated to be drawn from the faculty of the college.¹⁵ His agenda followed along the promises that faculty laid out of the desire to be self-sufficient from their view of a meddling government.¹⁶ A document of incorporation was the legal affirmation that the a non-profit private corporation would work closely with Cal Poly in is objective to provide

¹⁰ "Report of Audit of the Books and Reports of Accounts of the California Polytechnic School," January 31, 1939, Box 13 Folder 9, 144.02 Julian A McPhee Presidential Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹¹ Al Amoral, letter to Mr. A. E. Joyal, January 11, 1977, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹² "Early History of the Cal Poly Foundation on the Occasion of its 50th Anniversary," July 14, 1990, Box 1 Folder 4, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹³ "Early History of the Cal Poly Foundation on the Occasion of its 50th Anniversary," July 14, 1990, Box 1 Folder 4, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹⁴ Julian A. McPhee, letter to Dr. J. Burton Bischoff, February 29, 1960, Box 1 Folder 4, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹⁵ "Articles of Incorporation: School Foundation," December 24, 1942, Box 13 Folder 9, 144.02 Julian A. McPhee Presidential Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹⁶ Al Amoral, letter to Dr. Hazel Jones, August 13, 1974, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

education services to the region. This was directly stipulated as a statement of intention that all its funds that it acquires towards furthering the educational quantity and quality of the college.¹⁷ Julian McPhee successfully maneuvered the Department of Education and his own college faculty to agreeing to the creation of the Cal Poly Foundation as a instrument of local control to exercise financial freedoms granted at the behest of political connections that he garnered as being politically connected through the Agricultural Teachers Association. His culmination of power within the Foundation was not fully realized by himself as he sought the release of bureaucratic red tape during accepting gifts and securing funding for student projects without defaulting on campus facilities.

History: Actions of the Foundation

Cal Poly Foundation was a miniscule operation when created. A small clutch of faculty moonlighted as the staff and board of directors for the non-profit corporation. This was by design by both the Department of Education and Julian McPhee to only need to deal with matters prescribed in the Incorporation of the Cal Poly Foundation. While recent directors of the Cal Poly Corporation describe the initial duties as the subleasing of athletic facilities, there is a lack of context on who the properties were being leased to and for how much.¹⁸ The first contractor in 1942 to the Cal Poly Foundation was the US government, through the Navy Flight School and

¹⁷ "Articles of Incorporation: School Foundation," December 24, 1942, Box 13 Folder 9, 144.02 Julian McPhee Presidential Papers Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

¹⁸ Al Amoral, letter to Jim Neal, "California Polytechnic School Foundation 1940," Undated, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

the various military units that trained around San Luis Obispo.¹⁹ This repeated occurrence can be passed by without the state noticing that the US government was paying eighty dollars per day for a use of a single football field for an army regiment.²⁰ Usually the transfer of money is reciprocal between Federal and State contractors, however the Cal Poly Foundation was a private non-profit corporation. The Foundation has the rights to use and lease the many non-academic state-owned properties such as the natatorium, football fields, groves, barbeque pits, and other sites for the total cost of one dollar per year as the lease to the state.²¹ Maintenance was paid for and conducted by the Foundation but the profits kept growing.

The 1942 lease to the Foundation gave them control of all non-academic facilities previously held by Cal Poly.²² The intention behind the Foundation was that it would minimize areas that Cal Poly was running inefficiently because it was a government entity. Private ownership would allow speedy and negotiable contracts to be offered for the use of the facilities: a profit margin the college desperately needed. And because it was a commercial enterprise leashed by the intentions of their employees, the Foundation would embark on concerted effort to systematize the process of sub-leasing facilities and functions of dormitories and cafeteria.²³ The foundation's amoebic absorption of the Café-Dorm Fund is not surprising with profit

¹⁹ Al Amoral, letter to Mr. A. E. Joyal, January 11, 1977, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

²⁰ Eugene Boone, letter to Charles N. Roberts, January 14, 1942, Box 13 Folder 9, 144.02 Julian McPhee Presidential Papers Collection, Special Collections and Archives, California State University, San Luis Obispo.

²¹ "Lease to the California Polytechnic School Foundation," September 28, 1942, Box 13 Folder 9, Julian A. McPhee Presidential Papers Collection, Special Archives and Collections, California State Polytechnic University, San Luis Obispo.

²² "Lease to the California Polytechnic School Foundation," September 28, 1942, Box 13 Folder 9, Julian A. McPhee Presidential Papers Collection, Special Archives and Collections, California State Polytechnic University, San Luis Obispo.

²³ "California Polytechnic State University Foundation – the year 1974," June 4, 1974, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

margins with the non-academic facilities. This was the desired outcome that McPhee and Cal Poly wanted. McPhee did have some trouble with faculty members with the nature of the corporation sub-leasing campus facilities to off-campus groups.²⁴ McPhee assured the officers of the Foundation that despite the risks to allowing third parties to come onto and use campus facilities, the profits were going to benefit Cal Poly's financial stability. United, the Cal Poly Foundation systematized its process to subleasing facilities for profit and utilize that profit as donations to Cal Poly to increase faculty pay, facilities, and student projects.²⁵

History: Tension Point

There is a singular event that culminates and defines Cal Poly Foundation into the Cal Poly Corporation. 1950s was a different political landscape than that Julian McPhee inaugurated the Foundation in. It may be the result of the new politicians that inhabited the legislature in the Eisenhower election, or that all the political connections that McPhee had disappeared as he reported fewer activities to the state Department of Education to avoid attention to the Foundation profit margins. Above all there was a generational difference between the conception of powers of a state college with McPhee's administration and the Committee of College Presidents which governed the California State College system. Both sides had different idealizations of that the Foundation should be amidst the specter of competition for financial resources between the California State College system for decades to come. While faculty are

²⁴ W. C. Patchett, letter to Julian A. McPhee, June 11, 1942, Box 13 Folder 9, 144.02 Julian A. McPhee Presidential Papers Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

²⁵ "California Polytechnic School Foundation Meeting Minutes," April 2, 1942, Box 13 Folder 9, Julian A. McPhee Presidential Papers Collection, Special Archives and Collections, California State Polytechnic University, San Luis Obispo.

mostly united except muted criticisms that the Foundation should not allow so many groups onto campus without Cal Poly's or the State's vetting.²⁶ A Foundation officer was unsettled by the rest of the directors and McPhee behaving as a private corporation not just because of the lack of educational value it provides for the students but the flagrant disregard of a directive in the incorporation of the Foundation to not sublease to third parties without the prior approval of the Director of Education.²⁷ Faculty would provide a crucial voice at the negotiation table between the Committee of College Presidents and the McPhee Administration. They would be largely represented by Robert E. Kennedy, who was a director of the Foundation as well as a faculty member of the college. He would affirmatively agree with faculty that were not in the Foundation that it was appearing as a 'big business' instead of state-run program.²⁸ However Kennedy's attempt to soothe the Committee through purpose statements that the Foundation would accept failed to appease the committee. Kennedy was effectively trying to cede power through the goodwill of the Foundation to the Committee without sacrificing the freedoms that the Foundation assumed.²⁹ He concluded with his argument that the Foundation retains its autonomy for the benefit of Cal Poly and San Luis Obispo County. The Foundation would have

²⁶ "California Polytechnic School Foundation Meeting Minutes," November 18, 1941, Box 13 Folder 9, Julian A. McPhee Presidential Papers Collection, Special Archives and Collections, California State Polytechnic University, San Luis Obispo.

²⁷ "Lease to the California Polytechnic School Foundation," September 28, 1942, Box 13 Folder 9, Julian A. McPhee Presidential Papers Collection, Special Archives and Collections, California State Polytechnic University, San Luis Obispo.

²⁸ Al Amoral, letter to Mr. A. E. Joyal, January 11, 1977, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

²⁹ Robert E Kennedy, letter to Mossis Gene Brandlin and Donald Nelson, August 18, 1953, Box 2 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

to enter in an agreement with authorized representatives of Cal Poly to what the actions it can undertake.³⁰

Robert Kennedy's proposal to the Committee of College Presidents was a repackaged word salad of the original agreement of the incorporation of the Foundation. It would be up to McPhee to make his ultimate case, that the Cal Poly Foundation deserved its freedoms of being untethered from the State of California to ensure the financial stability of Cal Poly. McPhee stated that the student body and state employee organ that pertain to regular college curriculum or extracurricular is a matter for the local administration.³¹ The Committee of College Presidents didn't take lightly that one State College President acted in the manner that Cal Poly was the fiefdom of the McPhee administration. They totally overhauled the structure of how Cal Poly Foundation operated. Foundation was now required to now only act under proposals initiated by the University and not of their own accord.³² The Foundation was no longer be able to augment state appropriations for public relations as it done in the past.³³ These major changes were party to the nature of compartmentalizing as much of the Foundation away from direct control by Cal Poly. While this is no supreme court case, McPhee took the loss as an affront to his tenure of leadership of Cal Poly during the Great Depression and onwards. Cal Poly lost its potential own Federal Reserve, but it finally gained a recognition of official financial support corporation

³⁰ Julian A. McPhee, letter to Members of the Council of State College Presidents, August 26, 1954, Box 2 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

³¹ Julian A. McPhee, letter to Members of the State College Committee on Auxiliary Organization, March 26, 1954, Box 2 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

³² Al Amoral, letter to Mr. A. E. Joyal, January 11, 1977, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

³³ Julian A. McPhee, letter to Members of the State College Committee on Auxiliary Organization, March 26, 1954, Box 2 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

amidst the other California State Colleges to ensure Cal Poly to be a competitive higher education institution.

Conclusion

Reflection on the confrontation between the State of California and Cal Poly Foundation remarks the closing of a book that is left unfinished. McPhee and Kennedy didn't attempt to resist the government as they saw lost their private enterprise. The Cal Poly foundation was unique from counterparts in other colleges in its operations as it sought to raise actual profits instead of following the curvature of the college's appropriations. Almost all the other California State Colleges had non-profit auxiliary organizations attached to assist in financial transactions but did not pursue a methodology of a growing corporation. It may be that the other College Presidents were worried about the potential ability of Cal Poly to overshadow the rest of the State Colleges with the finances it could raise in a competitive commercial enterprise.

After the Committee ruling in 1954, there was a surging increase in payroll costs after the years 1955-56.³⁴ Where donations that the Foundation used to make now had to be massively cut as the number of sub-leases had to be cut and the commercial operations of agriculture products had to be totally restructured. Cal Poly had to rectify its finances again but not in the same dramatic circumstances of the Depression that preceded the days of the Navy Flight School on campus. McPhee and the rest of the faculty that nurtured and stimulated the development of the Cal Poly Foundation may have done so in the advent of the precipitously dropping

³⁴ Al Amoral, letter to Jim Neal, "California Polytechnic School Foundation 1940 Continue," Undated, Box 1 Folder 1, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California Polytechnic State University, San Luis Obispo.

appropriations during the 1930s. They wanted to prevent another occurrence where they would have to cut courses and refuse entry to students based on not having enough money to secure faculty materials for instruction. The Cal Poly Corporation still retained greater control over housing and health services while deprived of the Associated Students Organization and bookstore control unlike other State Colleges which had all commercial parts split into non-interaction organizations within each college.³⁵ This means they still had appendages that remained in organization of the Café-Dorm Fund. Providing a commercial arm has become second nature to almost every educational institution as the Cal Poly Corporation has been relegated to after intervention by the Committee of the College Presidents.

Cal Poly Foundation was an intriguing case that is a time apart from the financial politics of today. The Cal Poly Foundation was emblematic of a future where funding is drastically cut for public education and higher education took matters into their own hands to secure funding separately from the diminishing state appropriations. Past historiography mentioned in the introduction of this paper places the narrative of the Cal Poly Foundation as a mixture of the motivations of private commercial idealism and a higher education institution bent on survival. Nevertheless, in comparison to the past cases and the Cal Poly Foundation there is a font of optimism and expectation that private management is more efficient and successful than government operated management. There lies a truth that restructuring can greatly benefit any organization when it experiences a downturn or stagnation, but there is little to support the argument that state appropriations or direct management is indeed less efficient. Perceived inequality that the Committee of College Presidents feared is the other end of the spectrum in the

³⁵ "Survey of Auxiliary Organizations for Twelve California State Colleges Regarding Organization," January 1965, Box 1 Folder 22, 191.01 Cal Poly Foundation Collection, Special Collections and Archives, California State Polytechnic University, San Luis Obispo.

theory of private management of public facilities can lead to greater misuse and possible discrimination on the access to the use of the properties then operated by private management.

Drastic cuts to funding to public funding follows a cyclical pattern in California history, McPhee's attempt to bring financial stability to the college and the economic development it provides to the region has wrought upon itself disappointment. The Cal Poly Foundation could have been the definitive company of the entire county of San Luis Obispo with the growing assets and influence it held in the community and the operation of the college. Developed through the political connections of McPhee, the foundation assumed the mantle of financial stability for the college while ignoring the dangers it posed to the influence it had over the academics of the universities. Reversal made by the State Committee to make the foundation largely subservient to the whims of the administration and the associated students incorporated to curb the foundation to prevent a metamorphosis of foundation to become the presiding power of campus.

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