Dear Colleagues,

The uncertainty about the budget is clearly on all our minds as the November election approaches. As you have no doubt read, if Proposition 30 fails, the University of California is subject to an immediate trigger cut of $250 million, and UC Davis’s share could be up to $40 million. As context, a loss of $40 million would be equivalent to another annual tuition increase of roughly $2,000 per student, 285 faculty positions, 535 staff positions or the full general fund budget for many of our schools and colleges. Further, this trigger cut would be in addition to the substantial reductions from prior years and the University’s ongoing fixed cost shortfalls totaling $50-55 million annually. In other words, even if Proposition 30 passes, we have our work cut out for us, but the impact will be less immediate and less severe.

We are planning for all possible scenarios. We must. In spite of the uncertainty, or perhaps because of the uncertainty, it is critical that planning proceed on all levels. Addressing these challenges is a shared responsibility because we are all stakeholders.

Work is underway with the Office of the President on systemwide strategies and actions. Students are leading by example with multiple activities and events to educate and inform the public about the critical importance of higher education—and the UC system in particular—to the people of California.

At the campus level, even as the state has reduced its direct support for higher education, UC Davis has proven itself extraordinarily resilient. Our campus continues to be a regional powerhouse, generating an estimated $6.9 billion in annual economic activity. Our efforts to increase research and expand philanthropy are working. We are fully engaged as a community in considering an enrollment growth plan—Initiative 2020—that might afford an opportunity to increase the profile of our campus on the national and international stages while enhancing campus revenues. Academic units continue to explore and implement self-supporting programs. These efforts, as they continue to mature, will render our campus ever less dependent on revenue from the state. In the meantime, units across campus continue to evaluate and implement every possible strategy to reduce operating expenses without compromising the excellence of education and research or the quality of student experience. Working at the unit level through consolidation of departmental administration, and the campus level through administrative efficiencies and
reductions in energy consumption, we have achieved—and will continue to achieve—substantial savings.

We will continue to share information about the budget and ask your continued involvement in the process. Information about the campus budget is available at www.budget.ucdavis.edu. Your questions and suggestions can be addressed to budget@ucdavis.edu.

Sincerely,

[Signature]

Ralph J. Hexter
Provost and Executive Vice Chancellor