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Assistant Vice Chancellor Sarah Mangum, Budget and Institutional Analysis
Assistant Dean Mary McNally, School of Veterinary Medicine
Vice Chancellor Prasant Mohapatra, Office of Research
Assistant Executive Vice Chancellor Karl Mohr, Office of the Provost
Director of Finance Noel Sousa, UC Davis Health
Dean Elizabeth Spiller, College of Letters and Science
Dean Rao Unnava, Graduate School of Management
Associate Vice Chancellor and Chief Operating Officer Cory Vu, Office of Student Affairs

Re: Budget Framework Advisory Committee

Dear Colleagues,

The campus is entering an era of budget challenges that requires new ways of thinking about the financial sustainability of UC Davis. For the past seven years, implementation of the 2020 plan led to growth in enrollment, faculty hiring and attendant campus infrastructure, supported largely by revenues generated by such growth. While the 2020 plan envisioned increasing the enrollment of undergraduate national and international students to comprise 20 percent of the total undergraduate enrollment, the UC Regents have adopted a policy limiting the Davis campus to 18 percent, which we achieved this year. Thus, we now move into a phase of essentially no enrollment growth.

Tuition and appropriations from the state of California comprise the vast majority of our “core funds,” which cover the lion’s share of faculty and staff salaries that support our core instructional and research mission. Lack of recent increases in tuition coupled with state appropriations less than mandatory cost increases has resulted in core fund expenses increasing more rapidly than revenues. Over the next four years, the Budget and Institutional Analysis (BIA) projects that that the campus must achieve core fund savings of \$80 million on an ongoing basis. In addition, our strategy to shield units from the ill-effects of this new reality in the short-term had caused centrally managed core fund reserves to be nearly depleted. We can all agree on the need for strategic core fund reserves to address uncertainties and enable critical one-time investments. Prudent management requires that we rebuild and maintain a reasonable level of reserves.

With this backdrop, I write to request your service on a standing Budget Framework Advisory Committee to provide advice and recommendations with respect to campus budget issues. The specific charge of the committee is as follows:

- Provide ideas, critique, and feedback on budget-related issues and approaches with a primary focus on what is best for the university;
- Act as a focus group for the Provost and BIA to assist with framing of ideas and communication before broader campus engagement;
- Review the use of central campus assessments for common needs;

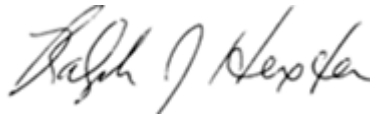
- Assist leadership with communication and campus socialization strategies;
- Report back to their peer groups; and,
- Make recommendations to me as appropriate.

I will convene and engage with this committee on a regular basis, at least monthly, to discuss budget issues as noted above. Within the next several months, as we fully enter into this new era and grapple with how to best approach the challenge ahead, the level of engagement may be more frequent. I intend that the membership of this committee will rotate from time-to-time with overlapping terms to provide opportunities for new perspectives as well as some continuity of membership.

As a matter of course, we will continue to engage with other groups as we consult and discuss budget issues, including the Chancellor's Leadership Council, Provost's Leadership Council, Assistant Deans and Chief Operating Officers, as well as student leadership within ASUCD and GSA. Moreover, engagement with the Academic Senate will occur through the Committee on Planning and Budget, monthly Provost & Senate Chairs meetings, and through the participation of the Senate Chair on the Provost's Leadership Council.

I know that your participation in this endeavor will require a significant amount of your time and energy, and I thank you in advance for your willingness to contribute to this effort to benefit UC Davis.

Sincerely,



Ralph J. Hexter
Provost and Executive Vice Chancellor

c: Chancellor May
Academic Senate Chair Lagattuta
Associate Chancellor Engelbach
Deans
Vice Chancellors
Vice Provosts