



June 6, 2016

Dear Members of the Joint Legislative Budget Conference Committee:

We, the ten Chancellors of the University of California, are writing with respect to the issues before the 2016-17 Legislative Budget Conference Committee as it pertains to funding for our institutions. Thank you for continuing to support the University and your serious consideration of UC's budget requests.

We are particularly gratified that we share a vision for our state that includes increased investment in higher education. By supporting UC enrollment, the State helps increase California's skilled work force and nurtures the next generation of California researchers, entrepreneurs, and leaders.

We urge you to ensure that quality, access, and affordability continue to be the hallmark of a UC education. The State's steadfast commitment to financial aid for students is but one example of how we can partner to achieve this goal. But we also believe it is critical that the State maintain its support for enrollment growth at \$10,000 per student, as previously agreed to by the State and the University. With this level of State investment and commitment to higher education, UC will continue to deliver the same world-class education to California students as was afforded to students from previous generations. Additionally, UC seeks to grow enrollment in a manner that not only provides access, but also assures degree completion in a timely fashion. Enrolling a significant number of more students without providing the resources to ensure timely graduation is counterproductive because of the negative impact on student debt levels and the inability to offer admission to new students who could replace a student who graduates.

While both the Assembly and Senate versions of the budget propose the \$10,000 per student funding we are seeking from the State, the Assembly version achieves about 60 percent of this level of State funding through University resources other than State-provided resources, including additional operational reductions and higher nonresident tuition. This is problematic on several fronts. The marginal cost calculation upon which the \$10,000 share from the State is based already assumes a significant contribution from University resources. As indicated in several reports, the University needs about \$24,000 per student to provide a high quality educational program – the State's share is less than one-half of this cost. We believe this is a fair and reasonable amount to ask from the State. It is the very fact that the State sponsors access to a top quality education through *public* higher education that makes California stand out from other states.

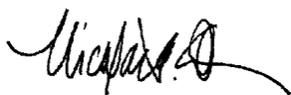
Aside from per-student funding, we are mindful of the significant needs of our campuses for additional resources – deferred maintenance backlogs are significant and growing, faculty recruitment costs have grown overall as faculty hiring is ramped up to meet the increased enrollment demand, and instructional equipment replacement is vital to the University's ability to stay on the cutting edge of research and innovation, to name but a few. There is also a need for more student housing and dining accommodations, which are not financed by the State, as well as the capital investment to cover new classrooms and laboratories, to

accommodate increased enrollment. Meeting these needs already requires the University to seek out efficiencies and savings where possible – we assume aggressive savings and efficiencies in our budget plan each year. But our ability to continue to provide the high quality education students expect only works if the State provides the necessary resources to support students. Providing per student funding to UC at a level only half of that provided to the California State University system will significantly inhibit our ability to do so. It will also harm UC's ability to continue its efforts to ensure students are able to graduate in a timely fashion.

We strongly believe an investment of \$10,000 per student is one the State can and should make to support California students as UC strives to provide an accessible, affordable world-class education, in spite of fiscal challenges.

We appreciate your consideration of the issues raised in this letter and pledge to work hard to ensure that students receive the high-quality education Californians expect from UC. Again, thank you for your continued support of the University and our students.

Yours very truly,



Chancellor Nicholas B. Dirks
University of California, Berkeley



Acting Chancellor Ralph Hexter
University of California, Davis



Chancellor Howard Gillman
University of California, Irvine



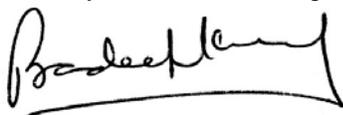
Chancellor Gene Block
University of California, Los Angeles



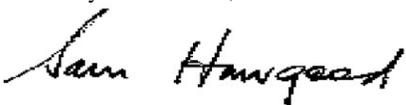
Chancellor Dorothy Leland
University of California, Merced



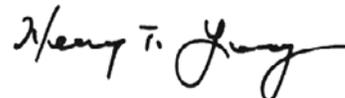
Chancellor Kim A. Wilcox
University of California, Riverside



Chancellor Pradeep Khosla
University of California, San Diego



Chancellor Sam Hawgood
University of California, San Francisco



Chancellor Henry T. Yang
University of California, Santa Barbara



Chancellor George R. Blumenthal
University of California, Santa Cruz

cc: The Honorable Anthony Rendon, Speaker of the Assembly
The Honorable Kevin de León, Pro Tem of the Senate
Mr. Michael Cohen, Director of Finance
Mr. Mac Taylor, Legislative Analyst
Mr. Mark Martin, Assembly Budget Committee
Ms. Anita Lee, Senate Budget and Fiscal Review Committee
Ms. Amy Rutschow, Assembly Republican Fiscal Consultant
Ms. Cheryl Black, Senate Republican Fiscal Consultant
Mr. Christian Osmena, Department of Finance
Mr. Jason Costantouros, Legislative Analyst's Office