

UC Davis Budget Planning Principles and Strategies

Background

Gov. Brown's budget for 2011-12 proposes a devastating hit to UC Davis, especially because it would immediately follow the budgetary damage of the past three years. The governor's proposed \$500 million cut to UC would translate to a \$73 million

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reduction for UC Davis. Combine that with the \$26 million in additional fixed costs that UC Davis will face in 2011-12—including increases in health care benefits, negotiated compensation and contributions to the retirement system—and the campus next year would face a \$99 million (17 percent) shortfall. If the proposed 2011-12 reduction becomes reality, our state funding will have been decreased by almost 40 percent over the past four years.

UC Davis cannot and will not permit the educational opportunities we offer our students to be compromised. We must do a better job of informing the governor and the Legislature about the true value and contributions of UC Davis and our entire world-class UC system to the state, the nation and the world. But let's be clear: **in the weeks and months ahead, there will be difficult—extraordinarily difficult—choices to be made.**

Planning Principles

1. Establish strategic priorities that focus on advancing the quality, reputation and excellence of UC Davis consistent with our Vision of Excellence.
2. Minimize impact on student learning. We are committed to providing students the education they expect and deserve at UC Davis.
3. Enhance our ability to generate and leverage nonstate revenue, including preserving and advancing our campus's research enterprise and development efforts.

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Implementation Strategies

1. Balance the budget using strategic and permanent solutions that result in fundamental change. Consider a wide range of approaches to budget and use cost models that reflect full cost.
2. Use a transparent approach to budget planning and actively engage faculty, staff and students in the budget process.
3. Work closely with our partners, including the state of California, to develop and implement a wide range of cost cutting and revenue enhancement strategies.
4. Accelerate the Organizational Excellence initiative, both the completion of administrative unit reviews and risk assessments, and the broader implementation of shared service centers.
5. Establish and maintain a prudent contingency fund.
6. Selectively invest in faculty and academic programs in accordance with our budget principles.

