THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

The Governor released his proposal today for the State’s 2015-16 budget.

The total budget proposed is $113.3 billion, an increase of 4.9 percent from the $108 billion budget enacted for 2014-15. This reflects the significant rise in personal and corporate tax revenue widely reported in recent months. Consistent with Proposition 98, much of the additional revenue will be appropriated to K-12 schools and community colleges. The Governor also plans to add $1.2 billion to the rainy day fund and accelerate debt repayments with another $1.2 billion.

For the University, the Governor proposes the 4 percent base budget adjustment, which equates to a 1.7 percent adjustment to the University’s core budget, consistent with his multi-year funding plan. He attaches several conditions to this appropriation. In order to receive the additional $119.5 million, the Board of Regents is to report to the Director of Finance on the following three issues:

1. Actions taken by the Board to ensure that Tuition, Student Services Fee, Professional Degree Supplemental Tuition, and Nonresident Supplemental Tuition all remain at or below 2014-15 levels.
2. Evidence that UC will not enroll any more nonresident students than it did in 2014-15.
3. Actions taken by The Regents in response to recommendations of the Special Advisory Committee (a committee being formed at the Governor’s request to examine the University’s role and its cost structure).

The Governor is again requiring a three-year financial sustainability plan to be filed in November.

Finally, through a control section, the Governor proposes allocating $25 million for deferred maintenance at the University, which would not depend on achieving any funding or savings level as was required last year. UC will need to submit a list of projects the funding would be used to support, similar to last year.
While I am disappointed that the Governor’s proposal does not provide the additional resources identified as necessary in the long-range financial plan adopted by the Board in November, I also recognize that this is simply the next step in the process. I look forward to upcoming budget discussions with the Governor and the Legislature, during which I will remind them that the State provides no additional funding for our pension obligations, for capital, nor for enrollment growth.

We are working on engagement plans for various University constituencies and will be back in touch as those are developed. Also, Executive Vice President Brostrom will be providing a further update at the January meeting.

I have attached the statement I issued today regarding the Governor’s proposal for your information.

Yours very truly,

Janet Napolitano
President

Attachment

cc: Chancellors
FOR IMMEDIATE RELEASE
Friday, Jan. 9, 2015
University of California Office of the President
Media contact: (510) 987-9200

UC President Napolitano’s statement on Gov. Brown’s budget proposal

University of California President Janet Napolitano made the following statement today (Jan. 9) following Gov. Jerry Brown’s release of his state budget proposal for 2016:

“The proposal that Governor Brown released today is only the first step in the process of enacting a state budget. While we are disappointed the governor did not include sufficient revenue to expand enrollment of California students and reinvest in academic quality at the university, we are hopeful that continued discussions with the governor and the legislature will yield a budget that maintains the access, affordability and excellence for which the University of California is renowned.

“The number of state students applying for 2015 admission to UC marked the 11th consecutive year of record high numbers of applicants, with California’s growing Latino population making up the largest group at 32.5 percent. We view all this as both a testament to the university’s value and an urgent call to our state leaders to support public higher education.

“Public universities require public support. On a per-student basis, the state is paying far less than it did in 1991 – from about $18,000 in 1991 to $8,000 today, in 2014-15 dollars. The university is receiving $460 million less in funding from the state than it did in 2007, even as it educates thousands more California students.

“These are the realities that drove the regents’ tuition decision and the key facts that should underlie our continued work with Sacramento. We understand that this is not a one-way street, nor should it be. UC has cut costs, generated new revenue, bolstered efficiencies and achieved significant savings. It also has continued its world-leading research upon which much of California’s economy depends, and which yields significant funds in the form of federal research grants.

“In the end, the University of California is an investment in California’s future. We look forward to continued productive discussions with the governor and the legislature so that the next generation of Californians has the same higher education opportunity as those in the past.”