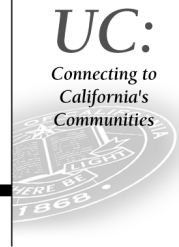




UC Day in Sacramento | March 18 & 19, 2002



UC urges the Legislature to provide the funding necessary to maintain access and quality for growing numbers of students

- The Master Plan for Higher Education charges UC with three key areas of responsibility – teaching, research and public service.
- UC's ability to fulfill its mission in the face of unprecedented enrollment growth greatly depends on State support.

Key Areas In Need of Funding:

Instructional and Administrative Support for Growing Numbers of Students

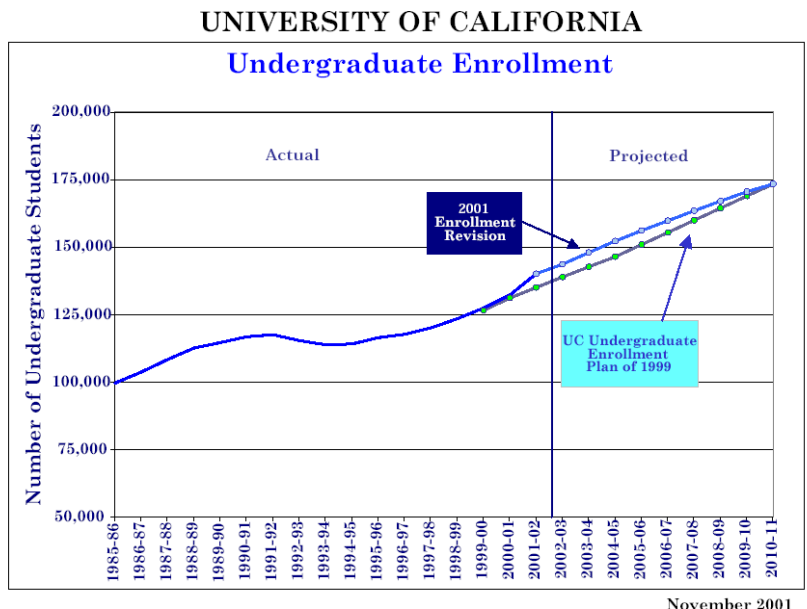
The 2002-03 proposed budget provides funding for 7,100 additional full-time equivalent students (a 4.3% increase over the prior year) and proposes no increases in mandatory systemwide fees for the eighth consecutive year. However, unlike previous budgets, the plan does not provide state funding to cover the university's loss of additional fee revenue it needs to maintain support for student-fee-funded programs. For 2002-03, the lost fee revenue amounts to \$36 million.

Employee Salaries to Remain Competitive

The 1.5% increase in UC's base budget proposed in the 2002-03 state budget will allow UC to fund merit increases for all employees. However, no funding will be available for cost-of-living adjustments. This will be the second year in a row in which funding is not sufficient to pay salary increases needed to stay competitive. Faculty salaries are likely to be 7% behind the average of faculty in UC's comparison institutions. Staff salaries, for some categories of employees, lag the market significantly. It will be increasingly difficult to recruit and retain top-notch faculty and staff under such conditions. An additional \$15.9 million would need to be appropriated for every .5% increase in salaries across the board.

UC's Other Two Responsibilities: Research and Public Service

In light of the state's revenue picture, UC is not opposing the Administration's proposals to reduce funding in both the current year and budget year for many services that UC provides as part of its public service mission (such as K-12 outreach and professional development programs). While UC remains committed to its involvement in these areas, UC also understands the current fiscal restraints facing the Governor and the Legislature. The Administration did not propose reductions to research programs based on the view that University research is vital to the State's economic recovery.



BUDGET

- **The 2002-03 proposed budget provides funding for 7,100 full-time additional students – a 4.3% increase over the prior year.**
- **The budget envisions that mandatory systemwide fees would remain level for the eighth consecutive year. However, unlike previous budgets, no state funding is provided to cover the university's loss of additional fee revenue. The lost fee revenue amounts to \$36 million.**
- **The 1.5% increase in UC's base budget will allow UC to fund merit increases for all employees. For the second year in a row, no funding will be available for cost of living adjustments. This will make it difficult for UC's employee salaries to remain competitive.**
- **Under the Master Plan for Higher Education, research and public service are also core parts of UC's mission.**
- **We hope you will recognize and support funding for these UC roles in addition to the funding outlined above that is needed to maintain access and quality as UC grows.**

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