



President Robert C. Dynes
Transcript of May 2004 Video Letter

Good afternoon. This is actually about 2:15 on May 13th. It's two days after we announced an agreement between the University of California and the governor on a compact that looks out to the next five years for us. What I'd like to do is just set it in context and describe it in a little more detail to you so that you'll understand how we came about making this agreement and why – why we made the agreement.

Let me start by first describing what I saw six months ago when I first took this job here as president. Things were pretty dismal. I'm sure you all remember. We had received three to four years of budget cuts, 16-percent increase in enrollment, 16-percent decrease in budget. Our budget was down about 32 to 33 percent, that is about one-third disappeared. And we were in pain. Students were getting large fee increases; faculty and staff were experiencing no salary increases. The quality of our education was deteriorating in my view and we were becoming rather conservative, which is not what we should be doing in the University of California.

My first meeting with the governor was in January. We had a very warm meeting. I described to him the value of a research university and he said, "how can I help?" And one of the things that I responded at that time was, can we think about having a compact very much like former governors had set compacts with the university – in the Davis administration, the Wilson administration, the Deukmejian administration and he said, "let's see if we can do this."

What this compact that we announced two days ago does, in my view, is it stops this bleeding. We stop it cold. We have one final year of difficult budgets and then a substantial improvement over the next five to six years. So this compact holds until the year 2010-11. It stops the bleeding, it gives us predictable enrollment growth, so we anticipate taking on additional 5,000 students a year. It gives us predictability in student fees, which stay with the university so that we can use those student fees to enhance the educational programs that had been deteriorating and it provides growth in salaries for staff and faculty.

Did we get everything we wanted? Of course not. These are difficult times, but one thing that the governor and I agreed upon is that this is a floor, not a ceiling. And so as the economy turns, it is my belief that the governor is committed to actually enhancing the support from the state even more than is in the compact. And certainly if I look at previous compacts, that's the history. So we have history on our side.

So the future looks much better to me. It allows us to actually think about the future – the future of the university and the future of the state and not continually trying to deal with budget cuts. This is the fourth one, the fourth compact that the university has experienced with the governors of the state of California and when I look back at the data, each time the university has come into a compact with the governor, we have thrived and the state has thrived in return.

Now a word to the students – increased fees, I understand are painful. It's not a happy thing for us to think about increased fees, but it is more predictable and as we look to the future, the fees will be under our control and not the state's control and that we can actually make predictable estimates of what the fees will be so that students and their families can actually plan for the future in a way that you have not been able to plan for in the past several years.

I believe that this compact gives us hope for the future. In my view, it's light at the end of the tunnel, and how bright that light is, is to some extent up to us and how we accomplish over the next several years. If you want the specific details of this compact, look at my web page at www.universityofcalifornia.edu.