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CHANCELLORS
EXECUTIVE VICE PRESIDENTS
SENIOR VICE PRESIDENTS
GENERAL COUNSEL AND VICE PRESIDENT ROBINSON
EXECUTIVE VICE CHANCELLORS

Dear Colleagues:

As you are acutely aware, we are facing one of the most serious funding challenges in the University's history. I appreciate deeply the many things that you and your staffs have done and are doing to help the University cope with this very unfortunate situation -- budgets slashed, hiring frozen, staffing reduced, programs altered, operations trimmed, and the like -- to protect UC's core service to the people of California.

In the light of the additional budget cuts the State announced last week, and the failure of the ballot measures, I believe we must consider additional measures. As I have said throughout this process, given the magnitude of the budget shortfall, all options need to be considered, and, unfortunately it is likely that every member of the UC community will be affected negatively.

Accordingly, as we have discussed, I am writing to inform you that I believe we must move forward with a five percent pay cut for senior UC leaders-- the President, all Executive and Senior Vice Presidents, the General Counsel and Vice President-Legal Affairs, all Chancellors, and all Executive Vice Chancellors. This action follows our discussions of this issue and I appreciate your collective and unanimous concurrence to voluntarily reduce your salary. These pay cuts will be effective for the 2009-10 fiscal year, at the end of which they will be reviewed.

Admittedly, this action does not have a significant impact on our very serious budget deficit, given its magnitude and the fact that UC's senior management group comprises only a very small fraction of University employees. Nonetheless, I believe a reduction in pay is only right, especially as we continue to consider possible furloughs and/or pay cuts for faculty and staff systemwide.

Again, thank you for all you are doing to help lead the University through these very difficult economic times. I appreciate your partnership very much.

With best wishes, I am,

Sincerely yours,

Mark G. Yudof
President