From: UCSF-GME
Subject: MESSAGE FROM INTERIM DEAN HAWGOOD--- Message regarding the budget proposals
Date: Tuesday, July 14, 2009 8:25:09 PM

Dear Colleagues,

I am acutely aware of the high level of concern and anxiety in our community following the unprecedented reduction of State support for our great university and the proposals to introduce a modified furlough and salary savings plan to respond to this loss of revenue.

Last Friday, President Yudof released the details of a proposal that will be debated and ultimately decided by the Regents over the next three days <http://www.universityofcalifornia.edu/regents/regmeet/july09.html> . Even after their ruling, many details of the furlough plan and its consequences will require further analysis before the full impact on each of us and on our programs can be fully gauged.

As we work to implement the Regents' decision, we must, where flexibility is allowed, look to our core values as a community and determine how best to protect our mission as a great public university dedicated to healing, teaching, research, and service, while minimizing personal hardship for our dedicated employees.

I am grateful that two important principles have been embraced in the proposal that is going forward to the Regents. First, a more nuanced and progressive tiering of the salary reductions has been adopted. Second, a clear desire to protect retirement benefits has been affirmed. In addition, there will be some flexibility in addressing non−State revenues derived from our large sponsored research and clinical enterprises. The size of these revenue sources relative to our total operating budget sets us apart from most other schools in the UC system. I and the other School of Medicine deans are in frequent contact with the Office of the President to advocate for recognition of our unique position.

Flexibility in implementing the President's proposal will be essential to preserving revenue coming into the school and minimizing the financial hardships we collectively face. It also imposes real challenges in the fair sharing of the burden. To address these challenges, we are immediately modeling the impact of the President's proposal on salary savings and productivity. The SOM Budget Workgroup <http://medschool.ucsf.edu/communications/pdf/SoM_Budget_Group_2009.pdf> will review this data later this month and advise the chairs and directors on appropriate policy for the school in implementing the Regents' decisions by the September 1 deadline.

While the abrupt and dramatic reduction in State support along with other negative economic factors necessitate decisive action, the proposed reductions in effort and salaries are not solutions we can live with for long and maintain our

excellence. As a return of State support seems unlikely in the near future, it is imperative that we define and implement long-term sustainable solutions to this change in our funding. Working collaboratively with our partners on the campus, at the medical center, and in the other schools, we have enormous opportunities for both revenue enhancement and expense reduction. This work has already begun, and I am confident that working together we can not only protect but enhance our ability to advance our missions.

You are our greatest asset. To succeed, we will need your help, your ideas, and your continued support. I will be glad to hear your thoughts.

Sincerely,

Sam Hawgood