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Interim Chancellor at Davis

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June 15, 2017

COSAF Co-Chair Madeline Garcia
COSAF Co-Chair Brionda Tanner

RE: Approval of CPI Adjustments to Student Fee Increases for 2017-18

Dear Madeline and Brionda:

I am writing in response to your June 2, 2017, letter to Vice Chancellor de la Torre advancing the recommendations of the Council on Student Affairs and Fees (COSAF) and her June 5, 2017, letter to me advancing those recommendations.

I would first like to commend your leadership and the work of the advisory committee. Your participation embodies the UC's spirit of shared governance and provides valuable input to my decision process. As I consider the recommendations, I am inclined to also include a CPI increase for all components of the Campus Expansion Initiative (CEI) fee. I am reaching this conclusion taking into account two important considerations.

First, I am concerned about a continued degradation of spending power for the scholarships we provide to our student-athletes. Last year, the lack of CPI reduced spending power for student-athletes, though the impact was somewhat mitigated by the fact that tuition was not increased. However, as you know, the Regents approved a tuition increase for 2017-18, and as such, the loss of spending power is estimated to be more substantial. The Budget and Institutional Analysis (BIA) office estimates the impact to be at least \$175,000 (and over \$300,000 for 2016-17 and 2017-18).

Second, we have guidance from the Office of the President that indicates when students include a CPI adjustment in referendum, it is assumed that the intent is to distribute CPI increases to all programs funded by the fee, unless otherwise specifically indicated in the referendum. There is language specifying that CPI increases do not apply to allocations for capital expenditures, but there are no provisions to apply CPI to some, but not all, programs.

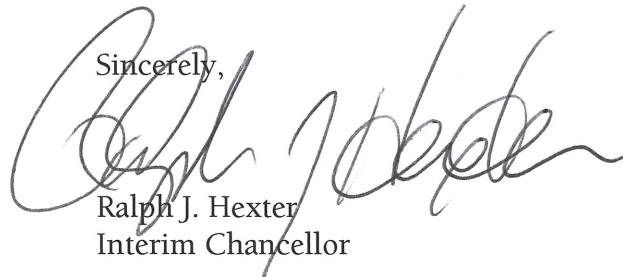
As you may know, the approval of the fees is time sensitive (indeed, we have already passed the deadline for initial billing cycles). That said, I wanted to alert you of my intent

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to approve the CPI consistent with your recommendations, in addition to a CPI increase for all eligible components of the CEI fee. I will move to formal action by June 22, 2017.

I reiterate my sincere appreciation for the time and dedication of COSAF.

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph J. Hexter". The signature is fluid and cursive, with a large initial "R" and a long, sweeping tail.

Ralph J. Hexter
Interim Chancellor

/lkcb

c: Vice Chancellor de la Torre
Interim Lead Ratliff
Interim Chief Campus Counsel Sweeney