

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)
ANNUAL REPORT 2024-25

TO THE ASSEMBLY OF THE ACADEMIC SENATE:

The University Committee on Planning and Budget (UCPB) met ten times in Academic Year 2024-25 to conduct business pursuant to its duties to advise the President and other University agencies on policy regarding planning, budget, and resource allocation as outlined in [Senate Bylaw 190](#) and in the *University-wide Review Processes for Academic Programs, Academic Units, and Research Units* (the “[Compendium](#)”). The 2024–25 year was marked by unprecedented fiscal strain and uncertainty at both state and federal levels. UCPB served a vital role in tracking, analyzing, and advising on budget-related issues affecting the University of California system. Through collaborative leadership and active campus engagement, the committee advocated for policies that promote transparency, sustainability, and equity. The major activities of UCPB and the issues it addressed this year are outlined briefly, as follows:

BUDGET, ENROLLMENT, STATE RELATIONS, AND ADVOCACY

The University’s Chief Financial Officer, Associate Vice President for Budget Analysis and Planning, Associate Director of State Government Relations, and other senior administrators joined UCPB each month to discuss the development of the 2024-25 University budget plan, the State budget, and the progress of budget negotiations and advocacy in Sacramento. UCOP leaders also spent time to brief UCPB on the Mortgage Origination Program (MOP), graduate student funding models, and the “Central Bank,” or use of STIP and TRIP funds as loans to provide liquidity for campuses. UCPB Chair Groeling supplemented these updates with in- and between-meeting summaries of business from Academic Council and UC Regents meetings, and the monthly budget calls hosted by the UC Provost.

The Legislative Analyst Office (LAO) projected a significant revenue shortfall for the state for 2025-26, based on the devastating Los Angeles fires and subsequent delay of tax receipts. UCPB tracked and analyzed deepening fiscal pressures due to delayed state revenues, federal funding instability, and increased healthcare costs due to the expansion of Medi-Cal, and cuts to Medicaid reimbursement by the federal government. For the 2025 budget, the legislature initially proposed an eight percent cut to the UC base budget, but thanks to efforts of UC State Governmental Relations and others, the final agreement was technically a zero percent cut, although some aspects of the budget rely on credits deferred to subsequent years, while costs for the University have continued to increase. The Governor’s May revise reduced the proposed cut to three percent, which the legislature retained, with a promise that in July 2026 the cut would be returned as a back payment with the budget also increased. Compact provisions, including funding for the non-resident students replaced by California students, are also being deferred. The odds of a future governor adhering to the compact are unfortunately uncertain. The state credited campuses for excess nonresident replacement in prior years, saving the three affected campuses around \$10m and ensuring we continue to meet the compact goals. Several one-time funding requests were granted, including the dental PRIME program, and various programs that have individual sponsors in the legislature.

Cuts to Medicaid and Pell grants on the federal level may effectively cause up to a billion dollars of cuts to the UC budget, on top of the possible loss of potentially hundreds of millions of dollars in direct grant funding from the federal government. The federal budget poses severe budget risks for the University.

The Systemwide Budget Management Workgroup worked to share best practices including transparency and shared governance, including a wide range of stakeholders, emphasizing

sustainable budget practices and multi-year planning, and ensuring alignment with UC values and strategic goals. It worked to ensure accurate and consistent data collection and reporting that aligns with systemwide expectations to enable informed decision making, create a detailed matrix showing an inventory of current budget and financial management practices, identify existing strategies within the inventory that serve as best practices, identify challenges, and develop common communication points.

UCPB members stressed the need for strategic responses, including a reevaluation of academic and non-academic program sizes, staffing, and funding alignment. The committee supported efforts to shield critical operations (graduate student support, research, instructional quality) and contributed to discussions on alternative funding models.

In addition, UCPB members expressed concerns and discussed strategies to address diminished public support for higher education and current risks to the UC “brand name.” Members discussed how the benefits of UC research could better be communicated to the public, and specific policies or actions that might increase public trust and satisfaction with the University.

OTHER BRIEFINGS AND ISSUES

Senate Leadership Briefings

The Academic Council Chair and Vice Chair attended a portion of each UCPB meeting to brief the committee on business from Academic Council and Board of Regents meetings, and other systemwide issues of interest to UCPB or of general interest to faculty. The year’s topics included:

Academic Calendar Conversion: The proposal to align all campuses to a common calendar was debated at length. UCPB and faculty broadly expressed concern about costs, logistics, and timing. While the final report was seen as fair, implementation of a common calendar was widely considered inappropriate given the fiscal climate and internal resistance. As of UCPB’s last meeting in June 2025, the proposal is on hold.

Faculty Discipline Reform: In response to Regents’ concerns about delays and inconsistency in faculty discipline, a Joint Senate-Administration Workgroup report suggested developing a systemwide framework with standardized sanction guidelines. The final recommendations included a central Privilege & Tenure committee network for urgent or sensitive cases. Regents accepted the plan for interim implementation, followed by a 90-day review in the fall.

The University Committee on Adaptation to Disruptions (UCAD): This committee focused on permanent versus temporary financial changes imposed by the federal government, and structural reforms to UC academic and administrative programs. Key areas of focus included 1) restructuring academic programs, 2) resizing programs and the workforce, 3) recalibrating growth objectives, and 4) realigning funding sources with mission activities.

Endpoint Security (Trellix): Faculty expressed many concerns about the decision-making process of choosing and deciding to launch security software without sufficient faculty input, as well as capabilities for intrusive searches of employee data and communications. Chair Cheung conveyed faculty concerns to President Drake and requested more consultation both in the process of the actual Trellix implementation and before similar future actions.

Federal Governmental Relations

Federal Governmental Relations Director of Research Philip Harman and Associate Vice President, Federal Governmental Relations Chris Harrington met with UCPB in February and discussed their role in analyzing Executive Orders coming from the White House and UC responses to federal actions. They instituted daily email updates from the UC Federal Governmental Relations Office to the wider UC community.

UC Health

David Rubin, EVP, University of California Health, Zoanne Nelson, AVP of Finance and Administration, and Todd Hjorth, Director of Finance, UC Health, met with UCPB in May. UCPB voiced concerns over the sustainability of the current UC healthcare funding model and concerns about the system's vulnerability to proposed changes to federal funding. Dr. Rubin outlined the many negative impacts on UC Health and the state due to federal actions. One possible positive outcome is the opportunity to productively reset the relationship between UC Health and the state by aligning UC and state goals, extending clinical care to under-resourced areas, and developing work on the east side of California, although committee members also expressed concerns about strains to the system from costly acquisitions in such an uncertain financial setting.

UCPB worked jointly with the Healthcare Task Force (HCTF) and Senate to seek transparency in subsidies and explore options for sensible cross-subsidization and premium alignment. Leadership highlighted federal changes in Medicare and Medicaid reimbursements and proposed structural changes to UC Health delivery and plan offerings.

Graduate Student Funding and Other Issues

UCPB discussed funding issues for graduate students, both the growing labor costs based on represented graduate student employees and cuts to grants funding graduate students. Members noted that some campuses were responding to funding pressures by limiting new graduate student admissions, hiring fewer GSRs, and changing approaches to teaching large undergraduate courses. In June, Academic Labor and Employee Relations Director Nick Weston-Dawkes and Associate Vice Provost of Student Financial Support Shawn Brick joined UCPB to discuss efforts to estimate the true cost of graduate students, including the cost to the PI and University to employ a student, and students' own costs. Campuses account funds and costs so differently that comparisons are difficult. Federal pauses to visa appointments and suspension of student visas starting in May 2025 alarmed current students and faculty and may negatively impact future international student enrollment at the UC.

UC Investments

In December, Arthur Guimaraes, Chief Data and Operating Officer, UC Investments, provided an overview of assets managed by the Investments Office and consulted with UCPB regarding various future concerns, including the proper balance between fiduciary responsibilities and socially-conscious investing, as well as the role of private equity in UC Investments.

SELF-SUPPORTING GRADUATE PROFESSIONAL DEGREE PROGRAMS (SSGPDPs)

Review of Individual SSGPDPs: Per the Compendium, CCGA leads the main systemwide review of proposed SSGPDPs, while UCPB provides financial analysis to CCGA after assigning a lead reviewer to assess the business plan and market analysis. UCPB reviewed six SSGPDPs, this academic year.

- UC Davis Online Master's in Preventative Veterinary Medicine and One Health (eMPVN)
- UC Irvine Master of Educational Sciences

- UC Irvine Master of Public Administration
- UC Irvine Master of Applied Artificial Intelligence for Science
- UC San Diego Master of Advance Studies in Precision Medicine Therapeutics in Oncology
- UC San Francisco Master of Science – Global Health Sciences

UCPB members served as lead reviewers for the SSGPDPs. Reviews addressed the financial viability of the SSGPDP; the proposed indirect cost (IDC) rate and its determination; the planned use of net revenues; and the disposition and compensation of faculty serving the program. Reviewers also considered factors that could prevent the program from achieving UC quality; the extent to which SSGPDPs could divert resources – including space, services, and faculty effort – away from state-supported programs; their financial aid plan, and other factors that could affect accessibility to diverse and underserved student populations. Concerns were raised about the academic quality of some of the proposed degrees and the effect of proposed programs on those existing on campus. Reviewers noted positive elements in specific proposals such as strong academic and market justifications, or well-documented academic, business, and facilities usage plans.

To the Academic Council:

UCPB opined on proposed policy and program name changes and draft reports:

- Proposed Senate Regulation 627 (Posthumous Awarding of Degrees)
- Proposed Revisions to APM-675, Veterinary Medicine Salary Administration
- Salary Administration BFB-BUS-63 (Risk Transfer)
- Proposed revisions to Senate Bylaw 170 (University Committee on Educational Policy) and Rescission of Senate Bylaw 192 (University Committee on Preparatory Education)
- Management Consultation Review Pathways to a Fossil-Free UC Task Force Report
- UC Santa Barbara Proposal to Change the Name of the College of Engineering to the Robert Mehrabian College of Engineering
- Proposed Revisions to Academic Personnel Manual (APM) Section 500, Recruitment
- Community Input on Academic Planning Council's Systemwide Academic
- Calendar Workgroup Draft Report
- UC San Diego Proposal to Rename the Graduate School of Marine Sciences
- Proposed Revisions to APM 360 (Appointment and Promotion, Librarian Series)
- Proposed Revisions to Academic Personnel Manual (APM) 230 PDF, Visiting Appointments

Campus Reports: UCPB set aside a portion of each meeting for updates from members about issues under discussion on campuses and local budget and planning committees. All campuses reported impacts of federal funding delays and grant cancellations, with multiple institutions initiating budget reduction exercises and hiring freezes. Athletics funding emerged as a recurrent topic, particularly at Berkeley and Los Angeles, where committees recommended structural reforms and revenue accountability. Several campuses reported disconnects or breakdowns in administrative-Senate communication during budget crisis responses.

UCPB REPRESENTATION

Chair Tim Groeling represented UCPB at meetings of the Academic Council, the Assembly of the Academic Senate, the Senate / UCOP leadership monthly budget meeting, the Academic Planning Committee (APC), the APC Common Calendar Workgroup, and the University Committee on Adaptation to Disruptions. Vice Chair Robert Brosnan served as UCPB representative to the Health Care Task Force (HCTF), Rafael Kudela and Mark Stacey served as UCPB representatives to the Academic Council Special Committee on Lab Issues (ASCOLI), Francesco Bullo served as UCPB representative to the Education Abroad Program (UCEAP), and Mitchell Sutter served on the

committee reviewing MRUs.

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Respectfully submitted:

Tim Groeling, Chair, UCLA
Robert Brosnan, Vice Chair, UC Davis
Mark Stacey, UC Berkeley (Sept-Nov)
Pheng Cheah, UC Berkeley (December-July)
Mitchell Sutter, UC Davis
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Monica L. Smith, UC Los Angeles
Kara McCloskey, UC Merced (Fall)

Michael Beman, UC Merced (Spring)
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