UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

Minutes of Meeting

2 June 2026

In attendance: Robert Brosnan (Chair), Alyssa Brewer (Vice Chair), Pheng Cheah (Berkeley), Rene Zieve (Davis), Maria Pantelia (Irvine), Richard Desjardins (Los Angeles), Michael Beman (Merced), David Ogelsby (Riverside), Oliver Schmidt (San Diego), Barry Giesbrecht (Santa Barbara), Raphael Kudela (Santa Cruz), Jeremy Hourigan (alternate, Santa Cruz), Kayla Cheah (Undergraduate Student Representative), Sarah Bacon (Graduate Student Representative), Nathan Brostrom (Vice President and CFO), Caín Díaz (Associate Vice President, Budget Analysis and Planning), Seija Virtanen (Director, State Governmental Relations), Stefani Leto (Analyst)

I. Consent Calendar; Chair's Announcements

Proposed Revisions to PP BFB-BUS-43 Members will review and respond via email this week. The committee will send a short letter.

Action: UCPB approved the June 2, 2026 agenda and the May 5, 2026 minutes

II. Consultation with Senate Leadership

Ahmet Palazoglu, Chair, Academic Council, updated UCPB regarding some ongoing matters of interest to the committee:

- Digital Accessibility Compliance – the federal deadline has been moved to May 2027, aligning with the original ADA timeline. The UC has not changed its expectations for measurable progress toward compliance prior to the official deadline.
- There is a new Department of Justice (DOJ) lawsuit against UCLA, focusing on antisemitism under Title VI for students, and alleges contract breach. As a result of the alleged contract breach, the government is seeking recission of grant funds previously dispersed during the period when UCLA was allegedly not in compliance with Title VI.
- An open letter was circulated, signed by UC faculty, asking for the reinstatement of the SAT. BOARS has been charged with creating a roadmap to study the possible reinstatement of a test requirement.
- AFT, representing Unit 18 Lecturers, has started negotiations for a contract ending this month.
- Academic Council discussed the proposal for a systemwide Climate Committee, with concerns expressed about redundancy for existing committees, lack of clarity with the charge, scope of authority, and concerns about staffing and workload.
- The Senate passed AB 895, establishing a $12B fund for California research.
- Senate leadership is trying to engage with a broad coalition to do a comprehensive review of the Master Plan for Higher Education rather than fielding piecemeal legislative attempts.
- UCAD Plus is working on the final report that will go out for review in the fall. The Administrative Transformation Workgroup also plans to present their conclusions.
- President Milliken has charged the Senate Administration Presidential Task Force to examine ways in

which health sciences clinical faculty can participate in the governance of UC Health and present recommendations to him in 60 days.

III. Self-Supporting Professional Graduate Program Proposal Review

1. UC Berkeley Master of Instructional Design (MInD)

   UCPB members discussed this proposed self-supporting graduate degree program. Graduates will design online and hybrid courses. Members agreed that the proposal is a unique addition to UC offerings, and there appears to be a market for graduates with this degree. A focus on diversity in recruiting and instructional focus on equity principles was noted with approval during discussion.

   One concern shared by the committee is that in order to establish self-supporting status, the program needs to achieve high enrollment targets. Compared to four existing, non-UC programs, the MInD program falls at the higher end of both enrollments and price points, similar to Harvard's in size and between Harvard and Columbia in price. Missing enrollment targets would slow self-supporting status. In addition, the program's proposed faculty and staff hiring expenditures present a large, upfront cost. UCPB suggested slowing the rate of hiring. In addition, careful tracking of enrollment and enrollment trends would enable Berkeley to determine if the program will be successful in the proposed timeline.

   Action: UCPB will send a letter approving the program and noting their concerns.

2. UC Santa Cruz Master in Science Artificial Intelligence and Data Science.

   Action: UCPB assigned a reviewer

IV. Review Graduate Student Costs Report

UCPB members discussed the draft report Academic Council Vice Chair Scott requested that summarizes costs for graduate students in STEM and humanities programs, using Chemistry and English as proxies for all. Members noted that the numbers are a preliminary exercise, may not be comparable, and haven't been validated. A central effort to collect costs for graduate students systemwide would require standardization, as it appears that campuses have different ideas of what goes into funding a graduate student. They suggested adding a disclaimer noting those concerns and emphasizing the need for more work.

Action: Members agreed to review the updated draft, and once approved, it will be shared with the Vice Chair.

V. Review Athletics Costs Letter

UCPB members carefully reviewed the report summarizing the findings about athletic funding on all campuses with undergraduate students. Members wanted to delineate costs of athletics programs, revenues, and core discretionary fund contributions, in order to show how choices are made about where core funds are used, especially in the current situation as campuses are facing structural deficits and ongoing financial uncertainty. A number of campus athletics departments have funding deficits despite subsidies from the core. The report was unable to determine how much athletics departments receive in indirect costs. In fact, finding accurate information was in some cases quite challenging.

Action: Members agreed to update numbers with available new information, then review the draft report. Following that it will be sent to CFP Brostrom for input, then sent to Chair Palazoglu for his information.

VI. Consultation with OP

Seija Virtanen, Associate Director, State Budget Relations, reported on the budget process in the legislature; both houses have provided budget plans for the 2026-27 fiscal year. Both budgets include the seven percent increase that was in the governor's budget for the UC, as well as restoration of the deferred three percent from the current year.

Most state agencies' budgets are being cut, so the UC, along with all of education, is among the few areas for which the legislature is willing to increase spending. She also noted that the UC is unlikely to receive a one-time back payment for deferred non-resident replacement at Berkeley, Los Angeles, and San Diego, even though they have been included as a deferred payment for the 2028-29 budget. In addition, there are a few smaller items in the budget, such as the approval of $1.5M for a higher education Interagency Coordinating Council. This is sometimes referred to as CPEC 2.0. This council will provide data to improve coordination among higher education segments.

An area of disagreement among the three proposed budgets is the state management of healthcare funding. The Senate would like to use a fee-for-service model for those losing Medi-Cal due to federal Medicaid cuts. This would likely lead to a revenue loss for UC Health. The governor is proposing the continuation of managed care organization taxes, that were disallowed partially under HR1, the federal, "Big, Beautiful Bill," which gave them a 3-yeartime horizon, as long as the Health and Human Services Secretary provides permission to slowly ramp down those taxes. The governor is presuming that they will continue to have permission to charge them and increase them.

The budget is likely to pass the Legislature June 15th then go to negotiations with the governor to resolve differences. For this budget, state revenue was much higher than anticipated, due to AI companies revenue growth.

The UC is monitoring a number of ballot measures and advocating for passage of both a housing bond the UC would like to be included in, and a research bond, originally hoped to be $23M, now $12M. However, consumer concerns based on rising prices and gas and oil shortages can make passage of bonds less likely.

Several initiatives are in the works, including a voter ID requirement, one on CEQA reform, limitation on healthcare executive compensation (sponsored by SEIU), one adding two students as regents, an immunology research bond that would benefit the Immunology and Immunotherapy Institute at UCLA, limits on political spending by unions, and an AFSCME-sponsored initiative that would require the University of California to provide down payment loans to their low-income workers who are first-time home buyers. The last one could be costly for the university.

Caín Díaz, Associate Vice President, Budget Analysis and Planning, noted that despite the relatively good news for the UC in the state budget, state funding remains below expected levels under the compact, even though it is above 2025-26. The compact had promised five percent growth, four of that intended to fund operations and one percent to account for enrollment growth. However, costs have far exceeded four percent and enrollment increased well over one percent, leaving the university with 5000 unfunded enrollments that campuses are asked to support. Campuses will continue to have structural deficits.

CFO Brostrom added that the UC had been hopeful that it would get one-time funding for capital outlays. None of that has been funded, so the university hopes to fund capital work through the one percent increase to the tuition stability plan, which will provide a fund that can be leveraged and not have restrictions. It can be used for deferred maintenance, capital renewal, or other items the legislature has historically been less willing to fund. UC's bond rating continues to be very stable.

Costs for health benefits continue to increase. Insurance has increased dramatically since 2020. Best practices laid out by the Budget Management Workgroup may help campuses meet these costs through leveraging every area of revenue. There was no borrowing from STIP into UCRP this year. In addition, the MOP program is being changed to be externally funded. That will keep more than a billion dollars in the UC's investments that we can then move into blue and gold or TRIP to augment campus needs.

- UCPB asked that both AVP Díaz and CFO Brostrom provide feedback on the athletics funding report the committee has worked on.
- AVP Díaz was asked to provide some information on the percentage of self-supporting graduate degrees not achieving self-supporting status by year three and for enrollment tracking of these programs.

VII. UCPB Response to Yale Report

Yale University released a report exploring declining trust in higher education in the US. While the report was centered on Yale's efforts to address the factors and create change, Chair Palazoglu asked UCPB to review it and to outline what issues the UC faces, what questions should be raised, and of those, what should be investigated. The output from UCPB is not recommendation or policy suggestions. Ideally, the committee response would be used to shape the work of other Council committees for next year.

Members opined that acknowledging that some of the issues are contentious, especially now in light of the federal government's stance towards universities. Chair Brosnan captured the discussion, will update the response letter, and will share it for reaction to the rest of UCPB. After a review period, it will be sent to Chair Palazoglu.

VIII. Campus Updates

Davis: While the May Revise was good for the UC, ICR is going down so cuts will still be needed on campus. The reason for the decline isn't clear. Two of the ten units had something positive to say about Enterprise as it helped them with planning. Some units didn't have enough money to fund development, so even though the person could raise more than their salary, the funding for the FTE isn't available.

Irvine: budget workgroup meetings. Deans have less flexibility to hold on to FTEs. The budget office and CPB are meeting with Deans. The campus is doing multi-year planning, rather than single-year or reactive, for the first time.

Los Angeles: The new CFO position will combine with the Administrative Vice Chancellor role, so they will oversee all of the administration, including IT and facilities and human resources. There is an undetermined special projects portfolio, and CPB is working to identify and understand what the funds are and how they are being used. There are budget cuts happening and are likely to repeat next year. The athletics director met with CPB and indicated that there is a plan to solve the athletics budget deficit, but it is confidential. The campus plans to sell some real estate, which will eliminate debt service, that currently includes athletic facilities.

Merced: The budget process for next year was formed through an ad-hoc administrative and senate committee, including a communication plan, campus-wide feedback, consultation with other UCs, and is designed to be transparent. The campus senate feels as though shared governance is working well. The budget for TAs and lecturers has been in chronic deficit, and there will be a workgroup to address that. In addition, the IT department has routinely exceeded its budget and has a plan to reduce those expenses but it is likely to present a challenge to do so.

Riverside: the budget model which was based on subvention plus enrollment incentives has not provided enough for adequate enrollment growth. A process based on budget review meetings will rethink how resources are allocated. The plans will be reviewed by various stakeholders, including the campus Senate, and the Chancellor will make a final decision.

San Diego; The campus is setting up a budget dashboard. CPB is in discussion with the administration regarding the budget timetable and whether and how much their input will be invited. While there is no systemwide SAT requirement, the campus is using placement tests as filters for major declaration.

San Francisco: CPB is asking the administration for clarity about any plans to support labs without federal funding, or who have lost funding. A new business process, Project Elevate, should create greater clarity around some budget accounting that is not accurate now. Faculty layoffs and layoffs within administrative units including the Office of Research, have created uncertainty and lack of clarity of who is responsible for some processes. Staff, postdocs, and students have been leaving and there is palpable drops in morale.

Santa Barbara: Installation of a new chancellor has created positive energy. The new chancellor wants more integration between campus and town, and hopes to establish new professional schools and grow enrollment, which will require time and negotiations with local government. The athletics director is involved in plans to generate more revenue. The deficit has not been reduced as much as hoped.

Santa Cruz has a new Social Sciences Dean but several other hires have been delayed for another year. The new CP/EVC starts in January. The budget has essentially no change in deficit because cuts are being offset by increased salaries.

Committee adjourned at 3:45 pm
Attest: Robert Brosnan, Chair, UCPB