



UNIVERSITY  
OF Academic  
CALIFORNIA Senate

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)

**Minutes of Meeting**

2 December 2025

**In attendance:** Robert Brosnan (Chair), Alyssa Brewer (Vice Chair), Pheng Cheah (Berkeley), Rena Zieve (Davis), Maria Pantelia (Irvine), Henry Friedman (Alternate, Los Angeles), Michael Beman (Merced), David Ogelsby (Riverside), Oliver Schmidt (San Diego), Jenny Liu (San Francisco), Barry Giesbrecht (Santa Barbara), Julie Bianchini (alternate, Santa Barbara), Raphael Kudela (Santa Cruz), Andrew Teel (Alternate, Santa Barbara), Kayla Chea (Undergraduate representative), Sarah Bacon (Graduate Student Representative), Kathy Bawn (Immediate Past UCLA Division Chair, Michael Dennin (Vice Provost for Teaching and Learning and Dean, Division of Undergraduate Education at UC Irvine), Melissa Matella (Associate Vice President of Employee and Labor Relations), Holli Griffin Strauss (Executive Director, Finance and Planning, Systemwide Human Resources), Nathan Brostrom (Executive Vice President and Chief Financial Officer), Cain Diaz (Interim Associate Vice President, Budget Analysis and Planning), Seija Virtanen (Associate Director, State Budget Relations), Gillian Hayes (Vice Provost for Academic Personnel, UC Irvine), Stefani Leto (Analyst).

**Item**

**I. Consent Calendar and Announcements**

**Action:** UCPB approved the 2 December 2025 agenda and the 4 November 2025 minutes

**II. Consultation with Senate Leadership**

Academic Council Vice Chair Scott joined UCPB to present updates on various issues facing the Senate:

Council

- President Milliken issued a letter continuing funding for hiring incentives for PPFP, after UCAADE had shared a statement with Council about previous communication ending them.
- The Senate completed systemwide review of online program management companies and endorsed the President's proposal.
- UCFW – TFIR expressed concerns about Deloitte's methodology for the Total Remuneration Study, UCFW requested that their approach be reported as well.
- Salary comparisons indicate that UC's salaries are close to their public counterparts, but location costs are like private comparators.
- Council endorsed an HCTF statement supporting gender affirming care.

### Regents

- A lawsuit brought by a broad coalition has been successful in securing a preliminary injunction preventing imposition of fines on UCLA by DOJ, but it will be appealed. UC's official strategy has been not to pursue litigation but to participate in good faith negotiations; the Senate cannot pursue a separate legal strategy. So far there has been no response from the DOJ.
- The Regents approved a budget request including approval of the no-interest state loan, a request for full restoration of all funding, payment for the out of state student swap, a ten percent increase in base budget funding, and one-time capital funds.
- The tuition stability plan was approved.
- The UC endowment had a 16.4 percent return last year. This represents an overall decrease in unfunded liability for retirement which is on course to reach full funding in 12 years. UC employer retirement contributions will increase; there is no plan to change employee contributions.
- Two bonds are proceeding through the legislature, one a STEM research funding bond and a \$1B housing bond for new student housing that may include faculty and staff.
- UCAD is continuing to meet, despite the start of UCAD Plus. They have met with UC Health and Vice President and Vice Provost Gullatt.
- Labor negotiations are ongoing; a threatened nurses' strike did not take place.
- A Trellix style cyber security program is under RFP; President Milliken will respond to faculty concerns. The Senate has spoken with COO Rachael Nava about expanding the faculty voice in these situations.

### **III. Campus Updates**

- **Davis** notes that if viewers focus on expenditures from existing grants a very different picture emerges looking at newly awarded research funding. The CPB has been asked to comment on many recommendations from a committee attempting to re-envision education. There appear to be increasing problems with student preparation for introductory math and chemistry. During the pandemic, an unproctored online placement test was used, resulting in students who are unprepared for these classes. There is now an equity gap where underrepresented students are more likely to fail these courses. The center recommendation was to hire staff to change the culture in the math department; CPB suggested hiring tutors.
- **UCLA** has a structural deficit exacerbated by federal funding cuts. The financial report for AY23-24 has not been released. The new CFO has been coming to CPB meetings this year; perhaps as an effort to improve transparency and build a relationship with the Senate. The CFO has indicated that the previous campus budget process was flawed enough to put updated systems in place. The Chancellor's budget committee has planned many meetings with the local legislative assembly and has asked for CPB's involvement. CPB is concerned that a combination of information overload and delays in asking for Senate feedback may limit the CPBs impact.
- **Merced** faces high budget pressure. Budget cuts were presented without notice, proposing cuts of seven percent this year followed by five and three percent cuts in the coming years. CPB scheduled an emergency meeting with the Provost, who also seemed surprised at the proposed plan. The upcoming DivCo and CAPRA meetings will discuss the situation.

- **Riverside** has tasked the Planning and Budget Committee to determine the best ratios for faculty/students and faculty research vs. teaching. Only by increasing the number of students without commensurate increase in faculty will prevent the campus from going into deficit. CPB has not had all the assumptions laid out. CPB may, depending on findings, investigate campus revenue.
- **San Diego** has an interim CFO and the previous EVC has left. An updated campus budget forecast indicates a \$118M deficit. The CPB has become more active in seeking out data to create greater transparency and other committees have expressed interest.
- **San Francisco** projects close to \$13B in revenue and \$11.5B in expenses, leaving \$1.5M. Future year projections are strong, but rest on no F&A cost recovery changes, which may not happen. A faculty survey found that faculty note being asked to do increasing amounts of uncompensated work. Researchers in subjects that are out of favor with the federal government are concerned about funding shortfalls. The CPB is considering how to leverage the UCSF presence globally, through NGOs and offices elsewhere.
- **Santa Cruz** has a budget advisory committee that proposed both one year and multi-year cuts, and the Chancellor adopted that as a deficit reduction plan. One part of the plan is not hiring faculty to fill emptied positions. Cutting has been more successful than raising revenue. says they keep threatening to cut and are not hiring to help, but the revenue side is lagging much more. The senate is concerned about a proposal for graduate students to teach asynchronous summer course because of quality concerns. In addition, the Senate would have to change a student cap for GSI teaching. Prior investigation has shown that students taking poor-quality summer classes have negative effects downstream.

#### **IV. Consultation with UCAD Plus Workgroup 4**

Co-Chairs of UCAD Plus Workgroup Four. Instructional Opportunities Kathy Bawn, Immediate Past UCLA Division Chair and Michael Dennin, Vice Provost for Teaching and Learning and Dean, Division of Undergraduate Education at UC Irvine updated UCPB on the function of the group and places where UCPB's concerns overlap with their responsibility.

Possible areas of inquiry include:

- Equitably sharing tuition among campuses if students take cross-campus classes.
- Equitable splitting of revenue and state support allocated to students between campuses.
- Cross campus enrollment assumes excess supply at some campus so that there are available seats.
- How to facilitate sharing the materials for good online courses which are expensive to create.
- How to facilitate sharing stewardship and responsibility for classes, moving away from the single in charge faculty member.
- Documenting the impacts of various disruptions (on research, teaching, service).
- The extent to which programs will “disappear” through budget cuts. Will majors stop existing because the cost of instruction becomes too great.

- The Global Languages cross-campus experiment will be a good test case to see if the model works.

The committee agreed that there has been a dearth of good reflection on the cross-campus online model. There are a lot of interesting questions, and it is timely for the Senate to consider them along with the administration. Fixed costs to establish and facilitate cross campus enrollment have yet to be determined versus the sharing approach where students enroll in a different campus. Sharing materials is a culture change but if it can be likened to using each other's textbooks it would help. A budget crisis leading to emergency shutdowns of programs might force this kind of thinking.

## **V. Consultation with SAP and HR**

### **Executive Session**

Melissa Matella discussed contract negotiations and the rise of represented groups increasing the pace of bargaining. Health cost increases and the differential costs between pay bands are also factors affecting labor negotiations.

## **VI. Consultation with CFO/Working Lunch**

EVP and DFO Nathan Brostrom reported that the Regents approved the Tuition Stability Plan with a few modifications. The five percent cap stays, but percentages above five could be banked for lower inflation years. The Regents agreed to a one percent over CPI increase, set aside for Chancellor's uses. Return to aid is now 40 percent, rather than 45. The Regents will revisit the plan in seven years.

The financial reports received a clean audit that shows the growing predominance of UC Health, both the health centers and UC faculty practice plans. The Regents also approved the consolidated UC Capital Report, now including the seismic report, ICAMP, which is the deferred maintenance list, and projected future capital. Most capital goes to student housing and seismic safety for health centers. The UC will continue to request capital funding from the state every year.

The Regents received actuarial valuations of both retiree health, funded on a pay as you go basis, and the UC Pension. On an actuarial basis, it is 84.7 percent funded; market basis, the pension is at a 90 percent funded level. The employer contribution will increase, but no increase was imposed for employee contributions.

- Discussion about UC Health financial wellbeing noted that all medical centers perform stress tests and face exposure to financial stress due to high percentages of Medicare and Medicaid reimbursements. Most have strong margins.
- State seismic requirements for hospitals pose a significant challenge to the UC. All medical centers have an ambitious building, program, partly to comply with the state seismic requirements, totaling about \$15 billion. \$9 or \$10 billion of that will

- need to be financed, which is helped by the strong margins and strong debt service coverage for that.
- Health system support, which is a flow from the medical centers to the campuses, primarily to the health sciences schools, now over \$1.3 billion. if that were to be reduced measurably, or even eliminated, that would be another hole in campus, budgets.
  - The UC has issued a \$2B bond issue and received AA, AA2, and AA from Standard & Poor's, Moody's, and Fitch which represent very strong ratings in the higher education world.
  - A member asked about federal grant funding and the ICR rate. CFO Brostrom reported that the UC had 1600 terminated or canceled grants. The remaining balance was \$1B, 1200 of those were reinstated yielding a final \$200M still suspended. Chancellors said they were seeing increases in new grant approvals and ICR. They are frontloading a lot of the activity, which may indicate why we're seeing increases. So far no change in ICR but CFO says probably good bipartisan support for it bodes well. A 15 percent flat ICR rate would represent an \$800M cut.

## **VII. Consultation with OP**

The budget office presented a budget to the Regents to bring to the legislature based on incremental spending and incremental revenues, noting that the UC has added 5000 FTE students over target for 2025-26, representing costs the campuses are already incurring through increased workload and courses. Additional investments will be needed at the campuses. Nearly \$400M is attributable to these costs that have been deferred under the compact. Maintaining core funding is key, and most core funding is people costs. Based on revenue projections for the state, the budget ask for the legislature was ambitious.

The UC's budget request cannot be amended upwards later. In June, when the state budget passed, the LAO projected a \$17B budget deficit. At the end of October, revenue was about \$5.9B above estimates, based on capital gains from the stock market, driven by AI involved companies. No one knows how long these circumstances can last. The state is obligated to pay K-12 commitments plus rainy day funding, and state agencies have come forward with new funding requests. The LAO projects that next year the state will face a \$18B shortfall. That includes higher education compact payments. The UC will likely see a modest increase in budget but not enough to cover full funding. The legislature and governor want to ensure health care for Californians. The state will announce budget revenues in April.

- If the state backstops Medicaid, will it help UC medical centers? Yes, it will help our overall bottom line (UC is the second largest provider of Medicare care). Those funds will not flow from the hospitals to the campuses.

## **VIII. Consultation with UCAD Plus Workgroup 5**

Gillian Hayes, Vice Provost for Academic Personnel, UC Irvine, and Susannah Scott, Vice Chair, Academic Council, updated UCPB on overlaps between the committee and UCAD Plus Workgroup 5: Future of Graduate Education.

They noted that many entities are looking at the issues and possibilities around changes in graduate education, because discussions of things like teaching modalities, research resilience, the nature of faculty mentorship, and the purpose of an R1 institution all tie deeply into graduate education. Changes in the way that we offer undergraduate instruction are going to have profound repercussions in graduate education. They noted suggestions for things like AI grading impacting this area. Financial modeling is quite difficult even before the attacks on research funding and F&A rates by the federal government. Limits on what can be covered by grant funding remain, and graduate labor costs increase.

UCPB can be helpful by contributing to cost estimates of various approaches to graduate education. These issues are not only budget-driven but take up philosophical questions about the meaning of the institution, the intersections between campuses, and many other factors.

Committee members noted that their campuses were attempting to find out exactly how indirect costs were allocated for vivaria, physical plant updates, and other priorities.

#### **IX. Discussion of SSGPDP Proposal**

Chair Brosnan presented an idea for using self-supporting graduate degree programs, when of equal quality to state-supported programs, to free up state dollars to support programs not having options for self-supporting versions. The aim of such a proposal would be to save programs otherwise in danger due to education funding cuts. He spoke with the CCGA Chair and discussed potential impacts and barriers to the proposal.

During discussion a member noted that increasing numbers of self-supported degree proposals are straining campus review mechanisms. Rules are determined at the systemwide level, but oversight falls to the campuses. Review policies may need revision. Another committee member suggested that enabling faculty to use their course materials to create consolidated classes that would fulfill multiple needs for students might be advantageous.

UCPB agreed to review a letter containing the proposal.

#### **X. Systemwide Review Items**

##### **1. Systemwide Review of Proposed Presidential Policy on Sustainable Practices**

UCPB discussed the proposed policy, noted some concerns about unfunded mandates and directives for components without clear positive fiscal impact. In addition, they suggested automatic exemptions for areas that will always need carbon-based back up power. Some of the required future monitoring did not indicate what results could be expected from the

data, and the committee suggested not collecting data without a plan for its use. In the current extremely threatening funding landscape, the committee felt that some of the proposed actions were not the best use of funds.

UCPB will write a letter of approval.

2. Systemwide Review of Proposed Presidential Policy IMT-1300 Information Technology Accessibility

The University must comply with this as it is a federal law. It does represent an unfunded mandate in some respects, although some funding has been identified on some campuses to make all required websites and documents accessible. There are concerns about campus resources needed to meet the requirement, faculty workload, impact on GSI workload in relation to union negotiations, and a potential trend that faculty members may decrease available course materials if they are concerned about infringing upon the rules.

UCPB agreed to write a letter in support but ask for assurances that campuses will provide sufficient support to disability offices to enable these changes.

3. Systemwide Review of Proposed Revisions to the Academic Personnel Manual (APM) Section 036, General University Policy Regarding Academic Appointees/Employment

This policy noted that section 55294 was added to the California Education Code and requires institutions to adopt a written policy regarding official letters of recommendation. New provisions are added to the Personal Policies for Staff Members to the APM during the first systemwide review such as compliance with federal fair labor standards act, time record-keeping, non-discrimination in hiring, defining exempt vs. non-exempt etc.

The committee agreed to approve the policy and note their concerns about reporting those accused of but not found to violate sexual harassment/sexual violence policies.

4. Systemwide Review of Proposed Presidential Policy on Education Loan Practices

The committee agreed that this was a technical change to policy adding deferred tuition plans to student loan policies.

**XI. Self-Supporting Professional Graduate Degree Program Review**

Master of Science in Global Regulatory Science & Innovation, San Francisco

UCPB reviewed the proposal for the second time, following clarification from the campus. They decided to write a letter supporting the program, but noting concerns about programs relying on impermanent funds, such as F&A funds, given the current uncertain financial outlook.

The committee adjourned at 3:59.

Minutes prepared by Stefani Leto, Analyst

Attest: Robert Brosnan, Chair