



UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

Minutes of Meeting

7 January 2025

In attendance: Tim Groeling (Chair), Robert Brosnan (Vice Chair), Peng Cheah (Berkeley), Mitchell Sutter (Davis), Alyssa Brewer (Irvine), Monica Smith (Los Angeles), Kara McCloskey (Merced), Juliann Emmons Allison (Riverside), Terry Gaasterland (San Diego), Torsten Wittmann (San Francisco), Francesco Bullo (Santa Barbara), Raphael Kudela (Santa Cruz), Luis Garcia Chavez (Graduate student representative), Steven Cheung (Academic Council Chair), Ahmet Palazgolu (Academic Council Vice Chair), Cain Diaz (Associate Vice President, Budget Analysis and Planning), Stefani Leto (Analyst).

1. Consent Calendar

Action: UCPB approved the January 7, 2025 agenda and the December 5, 2024 minutes.

2. Chair's Announcements

Chair Groeling updated committee members on various meetings and issues since the last UCPB meeting.

Academic Planning Council met and discussed possible impacts on the UC from the incoming federal administration and ways to protect the mission of the university and its students from negative outcomes.

An APC workgroup on online program management firms (used primarily for extension courses at the UC) focused on vetting the firms and ensuring that if the UC uses non-UC instructors as part of these management approaches, the university has vetting of them and discloses appropriately. In addition, UC Online would provide in-house program management in hopes that cross-campus enrollment would be streamlined.

The planning council discussed the UC five year planning perspective and state workforce needs.

Provost's Research Congress upcoming up to examine the role of research universities in the science and research. Engaging with critics of research universities may be part of the planned congress.

Calendar Conversion Group sent out a form for faculty to provide input, The group received presentations from student affairs staffers and academic counselors concerned that the

quarter system disadvantages students for internships. One proposed approach is creating calendar overlays making mini-sessions, freeing student time in the Spring for internships.

Senate/UCOP Budget Call focused on the election and concerns that changes in federal research funding and Medicare reimbursements would hurt the UC.

- There was discussion about the political labor landscape and impacts to the UC. The legislature continues its concerns over campus climate issues and discipline, and Chair Groeling noted that UC students are harmed if the UC reputation diminishes.
- The state budget gap is still of concern and campuses are asked to plan for cuts; the budget office hopes to make the cut planning process as transparent and collaborative as possible and wants input from UCPB.
- The group continued discussions about possible approaches the UC can take should the state not fulfil its part of the five year compact with the governor, noting that campuses may be able to defer additional enrollment increases mandated by the compact; that approach may rest on chancellor's discretion. The UC may be able to reduce return to aid from nonresident tuition because of the approved NRST increase. The Regents want to provide enough aid to non-resident students to maintain diversity of economic strata.
- The MOP program will receive \$200M in additional funding; no funding source was identified.

Joint Senate-Administration Meeting on Faculty Salary Adjustment The group received information that the salary adjustment for faculty happening after that for staff does not harm faculty earnings and that the financial systems are challenged by the more complicated calculations of funding sources and unpredictable approvals of personnel actions for faculty salaries.

Council:

- Grappling with implications of the new administration and state plans to defend the state against federal lawsuits, how students can be best protected.
- Much discussion of the Davis confidence vote following a large salary increase for the Davis Chancellor President Drake was quite concerned with the vote and the procedures around the meeting.
- UCSF proposed a memorial extending Senate voting rights to adjuncts, which will go before divisions for votes.
- The Academic Council Special Committee on Transfer Issues' (ACSOTI) proposal to allow transfer students to defer four units of GE was greeted with some concern from campuses. The split seemed to stem from budget models; campuses with incremental models noted that it would overload stretched general education courses in those divisions. Those campuses where funding followed enrollment were less concerned. The section on a more flexible Biology requirement was approved; the GE deferral proposal was returned to ACSOTI.
- A proposed policy on posthumous degrees was also extensively discussed, but not approved.

- Cuts to athletic programs were discussed; high costs and legal complications to do so mean that few cuts are made, even if needed. UCPB needs to examine this issue more in the future.
- Discussion of the new cybersecurity requirements including mandatory training and security software. While faculty are concerned about intrusive requirements, cyber insurance may require these changes, particularly after a severe ransomware case at UCSF.
- Other concerns regarding the federal government included even small changes to Medicare reimbursements will hurt UC funding and Council heard concern that the UC will be targeted because of its provision of gender affirming care. Federal proposals to tax higher education endowments may focus on private institutions but may affect the UC. Concerns that Title IX compliance will become more challenging.
- Council discussed how to convey the value of the UC more broadly, by publicizing how the UC retains highly educated students in the state will help. Discussion of focus on the master plan. Making a single application suffice for all UC campuses so that all eligible students are offered a spot at a campus.

3. Leadership Update

Chair Cheung noted that the next two months will be active for the UC.

- In February, the Regents will take up an item about campus climate. They have expressed concern that the Academic Senate is the bottleneck for discipline. The Academic Senate has been working with the Provost's Office to craft a presentation about how discipline, including faculty disciplinary actions, is managed with due process. Subsequent Regents meetings may examine the Privilege and Tenure processes.
- A special Assembly meeting to address issues pertaining to the Information Security plan, variances in timing of salary adjustments between faculty and staff, health premium increases, and the president's information security plan will be held later this month.
- In December, Council discussed proposed revisions to Cal-GTCE prioritizing major preparation over general ed for transfers. The first provision lifting an absolute requirement for biological sciences class was approved. Council discussed and postponed a section deferring up to four general education classes. The posthumous degree proposal was discussed but not implemented. Concerns included overreach over divisions' existing processes and concern over imprecise language. The Davis confidence vote has not yet been certified; the ballot noted some grievances such as budget challenges at the division, the depletion of MOP funds, and a salary increase for Chancellor May.
- A Joint Senate-Administration workgroup on faculty salary range adjustments and their effective dates met in December. They received a presentation indicating that a July 1st adjustment date presented challenges because of summer pay, multiple funding streams, and reconciliation and timeliness of CAP actions.
- UCSF has sponsored two memorials extending Senate membership to adjunct and health sciences clinical faculty with greater than 50 percent effort.
- Ongoing high-level administration searches, including the presidential search, are ongoing, and Chair Cheung is head of the Academic Advisory Committee for that search. Vice Chair

Palagozlu is on the Santa Barbara Chancellor search committee. Riverside is beginning its chancellor search process.

- A successor group to the Instructional Modalities work group is starting. It is currently called the Joint Senate-Administration Task Force on Performance of Undergraduate Degree Programs, chaired by Vice Chair Palagozlu and Interim Vice Provost Haynes. A new charge draft is underway with the participation of UCEP.
- The common calendar joint senate-admin workgroup met with student affairs leaders from various campuses to hear their views of the impacts of various calendars on student performance, advising, and activities such as internships. A second panel will be made up members of institutions that have changed calendars. Feedback has been robust on the input form.
- The total remuneration and benefits study is moving forward. Three Senate representatives have been named.
 - Discussion of President Drake's concerns over the confidence vote at Davis included questions about the threshold to call for a confidence vote (set when the University was smaller) and the president's responses to the vote.
 - A member asked if there was information about new Regents appointed to take the place of those leaving the Board, and leadership has received no more information yet.

4. Self-Supporting Graduate Degree Proposals

- Master of Public Administration, UC Irvine

Action: The committee assigned a reviewer.

5. Items for Systemwide Review

- Proposed Presidential Policy on the Use of Animals in Research, Teaching, and Testing
The committee briefly discussed the proposal and noted that it appears to create a layer of financial and regulatory burden as well as complicating issues such as the UC working with animals they do not own.
- Proposed Presidential Policy on the Dual Use Research of Concern and Pathogens with Enhanced Pandemic Potential

Action: The committee assigned a reviewer for the first item and declined to opine on the second proposal.

6. Consultation with UCOP

AVP Cain Diaz provided an overview of the state budget, legislative action impacting the UC, and concerns about federal impacts to the UC budget:

- The governor announced that revenues were coming in above projection, which would help the State to address a portion of the \$28 billion deficit for 2025-26. The UC still expects the planned \$281M reduction until new information is released. If the UC's budget were held flat relative to last year, that would be positive news for the university. The Department of Finance has not clarified funding for the non-resident student swap, and some campuses have previously gone beyond the required number of replacement state students. AVP Diaz hopes that campuses would receive credit for previous enrollment rather than increasing the out of state student swap as predicted. The May budget picture may be more settled. Some concern remains that if restoration of the previous \$126M cut is paired with a flat budget, the state may consider the compact upheld and expect the UC to move forward to fulfill compact goals. This scenario would not contain the additional funding needed to uphold the compact.
- The legislator's budget chair introduced a bond measure including the UC which may signal his intent to provide funding for the UC after the UC was excluded from the prior bond measure.
- A number of professional degrees charging supplemental tuition (PDST), which are related to core funding, are coming up for approval and review at the next two Regents meetings.
- At the Federal level, Pell grants remain a concern for the University as it affects many students. Federal decision making can affect the health enterprise greatly and there is concern on both the state and UC level.
 - Discussion included ideas for UCPB's participation in a systemwide budget workgroup consisting of three VPs for planning and budget as well as budget directors bringing campuses together to share effective strategies for budget management. Having a representative from UCPB join them or them join UCPB to think through various approaches would be useful. Possibly a gathering to discuss many of these issues, along with select Regents might be a good approach.

7. Campus Updates

Berkeley: CPB requested information about financial cuts in response to the state budget cuts and the division's funding shortfall. There are no confirmed plans yet. During December's meeting, cuts to intercollegiate athletics were discussed, campus counsel attended, and information was shared about the complex formulae that were used to determine whether any attempted cuts to an existing sport would lead to a Title IX lawsuit. The CAPRA Athletics working group met separately and reported back to CAPRA, but the specifics are covered by attorney-client privilege. Fear of lawsuits appears to underly a reluctance to make any cuts to the athletic program. CAPRA met with the Berkeley Chancellor who discussed innovative financial centers to generate returns to the campus over the next ten years based on the management of equity derived from ownership in startups. Various types of business arrangements were explored.

Davis: A new financial system has been proposed, noting that UC Merced has a useful how-to guide for faculty. Energy use on campus was discussed. Standardization of self-supporting program proposals and expectations is a goal of the CPB. Evaluating the non-academic units for amounts of top-level administration will follow the previous round of evaluations.

Irvine: CPB's expansion proposal was approved. Regular trainings will now be offered to increase the number of faculty with relevant understanding. Budget deficit and the new budget model, changing from incremental to hybrid has been moving forward and an all-faculty communication will be sent out by CPB soon. The budget office and CPB have experienced increasing transparency and communication. Faculty are concerned about metrics for funds flow based on enrollment for each school. Administrative support units will be reviewed during 2025-26, with hopes to change their budget model as well. Presenting the stability plan for five years has increased acceptance of the hybrid plan. Best practices for changing budget models shared between campuses would help clarify the process for other campuses. UCI consulted with 14 other campuses outside the UC.

UCLA: New chancellor has arrived and will announce his plans once he reviews the budget.

Merced: New hires, including faculty replacement, are not allowed due to budget constraints. This has harmed departments losing substantial numbers of faculty. Merced has trouble with retention. Departments have been asked to come up with five percent reductions.

San Diego: CPB plans to clarify funds flow after a change from funding departments based on majors to numbers of students per class and how this change has follow-on effects for graduate student funding and undergraduate teaching as well, because TA numbers will change. CPB has asked for a presentation of what trade-offs the new budget allocation policy has created. Last year, the campus had a \$43M budget shortfall that was responded to with a hiring freeze. Next year's budget currently reflects a \$55M shortfall. Currently, costs of graduate student employment management have meant cuts to academic advising. CPB hopes to find best practices by examining how other divisions manage their time and budget oversight duties.

Santa Barbara: There are multiple ongoing searches: chancellor, VP for research, deans. CPB has relied on the Best Practices Report to engage with administration in more open and productive ways.

UCSF: The current Chair of the APB is leaving campus, changing committee leadership. A lack of continuity in budget committee membership has derailed progress such as setting priorities for the budget process. The committee was told that the Senate moves too slowly for consultation by the administration on budget issues.

Santa Cruz – Also structural deficit. Budget advisory committee met over the summer to evaluate various cuts scenarios, with attention to the student-faculty ratio from hiring freezes. Unionized faculty so the campus has to negotiate regarding various changes. MOP loans are proposed to be capped at \$1.1M with a six-year exercise clause. Faculty argues it should be indexed, given the pace of housing, and that six years is too short, especially given long wait

times for faculty housing. The campus has staff layoffs but not yet elimination of faculty lines. CPB has asked for priorities and whether small programs' demise is part of the plan.

The committee adjourned at 1:32.

Minutes prepared by Stefani Leto
Attest: Tim Groeling, UCPB Chair