



**UNIVERSITY
OF
CALIFORNIA** Academic
Senate

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)

Minutes of Meeting

6 January 2026

In attendance: Robert Brosnan (Chair), Alyssa Brewer (Vice Chair), Pheng Cheah (Berkeley), Rena Zieve (Davis), Maria Pantelia (Irvine), Richard Desjardins (Los Angeles), Michael Beman (Merced), David Ogelsby (Riverside), Oliver Schmidt (San Diego), Jenny Liu (San Francisco), Barry Giesbrecht (Santa Barbara), Raphael Kudela (Santa Cruz), Kayla Chea (Undergraduate representative), Sarah Bacon (Graduate Student Representative), 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), David Marshall (EVC and Provost, Santa Barbara), Kevin Mitchell (UC Merced Senate Division Chair), Heather Kopeck (Executive Director of Institutional Advancement), James Weatherall (UCORP Chair), Paul Koch (Interim Campus Provost and EVC, Santa Cruz), Stefani Leto (Analyst).

Item

I. Consent Calendar and Announcements

Action: UCPB approved the 5 January agenda and the 2 December 2025 minutes

II. Consultation with Senate Leadership

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

Council– Council recommended and endorsed the UCPT workgroup report incorporating feedback from two law faculty on APM 015-016 on faculty discipline and guidelines. Deputy Provost Amy Lee responded and revised the original proposal; Assembly will meet and is expected to endorse changes. The recommendations and changes will go before the Regents in January. The process is an example of positive shared governance. The UC San Diego report on math preparation has spurred discussion with BOARS and Senate leadership; changes to the recommendations may follow.

Regents received the budget proposal from CFO Brostrom, including the proposal to continue the Tuition Stability Plan. Labor agreements were reached with two unions, preventing strikes. Hiring for a new Vice President of Systemwide HR is in progress. The pending DOJ investigation of UCLA preliminary injunction still prevents fines or limiting research funds to UCLA. President Milliken continues the approach of not pursuing

litigation and holding good faith discussions. There have been no negotiations with the federal government so far.

UCAD Plus released a memo outlining the work of the subcommittees thus far; various reports are underway and the final report of the original UCAD group is pending.

Task Force on Performance of Undergraduate Degree Programs (PUDP) discussed evaluation and the role of online instruction, including UC Online. Draft recommendations were presented to the Academic Council and will go out for systemwide review.

- Discussion included potential implications of GSR and TA labor actions and PERB's union-friendly stance on an already strained budget.

III. Campus Updates

- **Berkeley** - discussed the technical standards for new federal regulations about website accessibility. CPB has expressed increasing concerns about the costs of IA. The Contract termination for a football coach sparked discussion among faculty about athletic departments receiving subsidies, currently at least a \$30M subsidy, and CAPRA has asked for a cap to the annual subsidy. UCPB members agreed to check the self-supporting status of athletic programs, and request systemwide collaboration.
- **Davis** - CPB has reviewed START task force recommendations, with more complex reviews upcoming. Search waivers for PFPF hiring are currently in place but are likely to be replaced with Target of Excellence search waivers.
- **UCLA** - Structural deficits continue. Last year the deficit was covered by funds swept from professional schools and some one-time funds. The projected deficit is \$250M, but another \$120M in requests were received, adding to the deficit. Concerns persist about shared governance. The chancellor formed the executive Budget Action Group (EBAG), including the division Senate chair, to respond to faculty concerns about shared governance. CPB requested that leadership share data and publish a budget so CPB could perform their duties. The data was released and CPB has been asked to produce a report for cuts planning.
- **Irvine** - The Senate Cabinet had a very good meeting with President Milliken in November. Faculty shared concerns regarding the decision to end the PFPF faculty hiring incentive program and were delighted that the President responded to faculty communications and decided that while there may be consideration of some changes, the University will continue to fund the program. On a different topic, Irvine has been working on refining its new mission-based budget model. The Budget office has released a new informational web site. The CPB has had productive meetings with different members of the administration to reach a better understanding of the new model
- **Merced** - Budget cuts were proposed prior to Thanksgiving without Senate input. Since then, discussions have opened between the Senate and campus leadership. As cuts go forward, Senate members will be involved. Deployment of a \$38M gift from McKenzie Scott will begin in the spring and the Senate hopes to be involved in those talks. CPB has met informally with the CFO. A joint Senate-Administration committee will discuss these issues.
- **Riverside** - CPB with deans have formed a workgroup to address faculty/student and staffing ratios and other methods to prevent a structural deficit. The group determined that granular data are necessary to determine how enrollment could be increased to avoid

deficit, while maintaining educational quality. Members agreed to upload information from their campuses about staffing ratios.

- **San Diego** - reported on ongoing efforts towards more financial transparency in the form of requests for full budget disclosures from all VC and the Chancellor's Offices. These requests are currently coordinated with campus Senate leadership and will hopefully go out shortly.
- **San Francisco** - has discussed self-supporting programs and their subsidies from campus attempting to determine how fully self-supporting they are. Research faculty facing cuts are unlikely to receive funding support to stay employed. Unilateral changes in the compensation plan will incentivize retirements, especially among senior faculty who are not providing clinical care.
- **Santa Barbara** - CPB has been discussing athletics and their expense reports. Even though athletics on the campus is a relatively small presence, their budget comprises a substantial percentage of the structural deficit. Only emergency faculty hires are allowed now. Sixty faculty were hired this year.
- **Santa Cruz** - The Senate received information about the structural deficit, of which salaries make up the largest part. There is no coordinated plan for staffing reductions, and the Senate has asked for reduction information. Data was provided in December. The chancellor review is ongoing, with a review of the VC of Graduate Studies. Two recruitments for a VC and Dean are beginning. Other leadership positions are poised to turn over soon. Because faculty retirement cannot be planned, Senate members have concerns about covering needed disciplines.

IV. Proposed Data Requests

UCPB discussed potential requests to Human Resources, Graduate Studies, Systemwide Academic Personnel, and campus IT units for data to understand relative costs of instructional assistants and teaching aids, including AI. For example, socialized licenses across campuses for instructional aids. The request would not be for an AI replacement for human grading, but how such tools could extend the efficiency of human work. Members noted that long-term costs for new tools need to be kept in mind as well as initial starting costs. Some grading aids do not require AI, such as grading tools in Canvas, that would be useful if more widely used. It is possible that much of the data wanted by the committee exist somewhere in the center.

The committee wondered if there was data on the systemwide average of teaching load by discipline. Questions arose about how to compare costs for professors of teaching versus teaching assistants, and quality considerations. Cost per unit taught would be an ideal result. Ladder-rank faculty and some professors of teaching have large off-scale adjustments, and graduate students may spend more time teaching for reasons that would need to be teased out.

The committee asked if teaching load impacted time to degree for graduate students, and noted that there may be multiple causes for differences in time to. One potential approach to problems with graduate student employment would be the creation of "career teaching assistants," who hold bachelor's degrees and would make a career of teaching labs, although it is unclear if this approach can be pursued and what effects it would have on graduate students.

Committee members will research available data regarding net campus costs of athletics programs, barriers to cuts, and ability to share data/information to UCPB
The committee is contemplating contacting campus VCR's to obtain list of core/shared facilities/equipment on each campus, and the analyst will contact the Office of Research at OP.

V. Consultation with OP

State Budget Update:

The Legislative Analyst's Office had projected an \$18B deficit for the state. Revenues appear to be higher than projected, which along with some changes the governor may suggest to the rainy day fund, would result in no deficit. However, if the state covers cuts to healthcare by the federal government, any possible revenue increase would be depleted. Uncertainty about how federal actions will unfold will ripple into uncertainties for the state budget.

Several bond proposals of interest to the UC, including Wicks' bill on housing, are proceeding through the legislature. The Weiner bond for research funding has been renumbered to extend its deadline, and the UC is working with him to move it forward. Faculty support and input is being sought.

AFSCME is signature gathering for a constitutional amendment that would have the UC provide down payment loans, to UC employees who are represented by your union and lower-income first-time homebuyers, which is intended to capture AFSCME employees. This effort would be costly for the university and tie up funds for up to ten years.

Budget Planning:

Caín Diaz noted that increasing costs on campuses continue to outstrip revenue. The final set of recommendations from the Budget Management Workgroup were shared with campuses. Two letters from UCPB were appended to the report.

January is traditionally when the president sends enrollment plans to campuses for the 26-27 year. Some campuses have room to increase out of state student enrollment to the level bought down by the state. International students appear to be enrolling at the UC in percentages greater than at other universities nationwide, although changes to international student visa lengths would negatively impact international doctoral students.

Regents will consider Professional Degree Supplemental Tuition program increase fees – some authority for routine cost increases in these programs is being delegated to the President for programs with increased California resident enrollment.

The committee had a long discussion about athletic program costs, revenues they generate, and efforts to investigate their impact on the UC considering financial threats to the core mission. Legal issues, philanthropic enthusiasm, and general issues of return on investment (both financial and less-tangible returns) are all part of the issue. CFO Brostrom offered to work with UCPB to provide some data for the questions they raised.

Federal efforts to impose large cuts in National Institutes for Health (NIH) and National Science Foundation (NSF) have been mostly turned away by the legislature, and the CFOs office is monitoring the situation, especially focused on proposed cuts to F&A rates.

The Budget Management Workgroup plans to continue working with Chancellors to monitor implementation of the best practices suggested by the group.

Moving to a Financial Accountability in Research (FAIR) model instead of Indirect Cost Rates (ICR) would ascribe more costs to direct costs, creating some administrative burden on PIs to enumerate direct costs, as well as having downstream unintended consequences.

The UC continues to have good access to capital markets, making borrowing rates more affordable. A recent bond issue was upsized due to increased demand.

VI. Consultation with UCAD Plus Subgroup 3

UCPB wishes to find areas of common interest between them and the UCAD Plus subcommittee, or areas in which UCPB could assist. The subcommittee is investigating what triggers would necessitate academic restructuring, how to determine which are short-term disruptions, which are long-term and would require more substantial changes. The committee has authored a memo asking for information from campuses of models of academic restructuring events or experiences. UCPB referred the guests to the March, 2010 UCPB Choices Report (https://senate.universityofcalifornia.edu/_files/reports/ucpb.choices.pdf). The UC has gone through various systemic shocks in the past which might provide direction for dealing with funding crises going forward.

An issue complicating UC's thinking and responses to the current crisis is a lack of clarity about its persistence – it may change with a new federal administration, it may behave like a more typical cyclical crisis or it may present new set of permanent circumstances for the University. In addition, it might be wise to consider what changes to academic programs and planning would be wise, outside of the political and financial crisis. The subcommittee wants to generate creative forward thinking about how the university will shape itself and serve its students in the future. There may be better or innovative ways to deliver education and to perform research and service, so the subcommittee would like to investigate those outside of reacting to current provocations.

Individual campus decisions are easier to manage than ideas for cross-campus proposals, including online courses or shared programs. There are varieties of cross-campus programs that can vary widely. Members agreed that investigating successful cross-campus programs at other university systems would be a fruitful area of inquiry.

VII. Endowments

Heather Kopeck from Institutional Advancement joined UCPB to talk about endowments with non-disbursed returns, known as “Excessive Accumulated Payout.” Payout may not be disbursed for a number of reasons, including restrictive terms for their use.

She defined endowments, and what we call the UC endowment is no single fund, but many separate funds held by the Regents or a campus foundation (all 50c3s). Data collection about individual endowments can be challenging based on the large number of separate endowments. Donor restrictions on investment, management, and use are governed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in the Probate Code. These rules assure donors that the organization will handle their gifts appropriately. Many large endowments have agreements that resemble contracts.

There is no single database of endowments – they are reported both at UCOP and on campuses. Endowments support a variety of categories: student support, endowed chairs, department support, research, libraries, and unrestricted funds. Very few gifts are unrestricted. Campus advancement offices routinely produce reports, and the UC Investment Annual Endowment Report, which tracks returns on investments as well as payouts, is put out by the Investments Office.

The OP Advancement Office tracks Excessive Accumulated Payouts, or funds that have payout balances with at least five years of unexpected payout. Many have small yearly payouts, so even five years of unexpended funds are not large amounts. Funds may have payout accumulation for various reasons. “Impossible, impracticable wasteful, or unlawful” is the legal standard the UC must meet to redeploy investment returns on endowments.

To repurpose donated funds, in most cases, requires bringing each individual fund to court and proving that using the funds in a different way is the closest use to a donor’s intent. This is a fund-by-fund process, and if using otherwise unused funds is a priority, it will require a substantial amount of administrative effort to perform these types of reviews. The gifts office is presently working on a strategic approach to funds and their use, to avoid overly burdening UC Legal. In addition, donors want to believe that the UC will follow their wishes and it will disincentivize giving if the UC moves actively to override original gift requirements.

VIII. Consultation with UCAD Plus Subgroup 1, Research Activities and Infrastructure

James Weatherall (UCORP Chair), Paul Koch (Interim Campus Provost and EVC, Santa Cruz), joined UCPB to talk about their UCAD Plus subgroup’s focus on reacting to disruptions (rather than optimizing change for the UC) and ways UCPB can help. The group has characterized disruptions by their depth, time limit, affecting one campus versus the whole, those affecting a single discipline (such as climate change research), and disruptions that affect broad research operations across multiple campuses. The subcommittee is also interested in how shared resources among campuses could be tapped to weather different kinds of disruptions. Whether this would take the shape of using excess capacity at one campus by others or creating infrastructure for small

capacities at multiple campuses. Some examples brought forth were observatories and superconductors.

An inventory of core facilities, those that support multiple PIs, rather than individual labs, will help make this kind of support possible. Co-Chair Koch brought up the Centers for Materials Science, one in the northern half of the state, one in the southern, as an approach UC is already implementing.

UCPB agreed to request an inventory from the Department of Research and Innovation at OP.

The committee adjourned at 3:57.

Minutes prepared by Stefani Leto, Analyst
Attest: Robert Brosnan, Chair