



UNIVERSITY OF CALIFORNIA Academic Senate

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

Minutes of Meeting

3 June 2025

In attendance: Tim Groeling (Chair), Robert Brosnan (Vice Chair), Mitchell Sutter (Davis), Alyssa Brewer (Irvine), Monica Smith (UCLA), Michael Beman (Merced), Juliann Emmons Allison (Riverside), Terry Gaasterland (San Diego), Francesco Bullo (Santa Barbara), Raphael Kudela (Santa Cruz), Torsten Wittman (San Francisco), Ahmet Palazoglu (Vice Chair, Academic Council), Seija Virtanen (Director, State Governmental Relations), Caín Díaz (Associate Vice President, Budget Analysis and Planning), Nathan Brostrom (Executive Vice President and Chief Financial Officer), Stefani Leto (Analyst)

I. Consent Calendar

UCPB approved the minutes of May 6, 2025, and the agenda of June 3, 2025

II. Chair's Announcements

Chair Groeling updated the committee on a number of key areas:

- The state budget appears to be worse than predicted, but the governor has reduced a proposed cut to the UC budget, but removed the Student Housing Grant Fund Program, which was funding a housing project at Santa Barbara. Funding for the UC may depend on cuts and restrictions on Medi-Cal and other programs. The budget is not final.

Regents:

- voted to devolve authority for Professional Degree Supplemental Tuition (PDST) increases of three percent or less to the President.
- Generally accepted the report on faculty discipline, although there is some concern about extramural communications. The Regents want to implement the policy as interim and have 90-day review in the fall, which addresses concerns about summer review. There are legal implications of having a policy in place not in alignment with law.
- The Systemwide Budget Plan Workgroup was introduced, and there was discussion about whether the current crisis is temporary or a permanent change.
- The Provost shared concerns about federal plans such as making students pay on loans while enrolled and cuts to Pell Grants. She proposed online enrollment and cross-campus standardization for wider enrollment.

University Committee for Adaptation to Disruptions (ICAD):

- UCAD's overall idea is to think about temporary vs. permanent funding changes and how to respond to permanent ones. Responses to Covid were good temporary models.

Council:

- The state assembly deferred a bill which would require downpayment assistance for an expanded set of employees, not just faculty; it may return for assembly discussion later.
- The Provost noted that external threats have rallied state support and encouraged advocacy on behalf of the Weiner bill for a state research fund. She is enthusiastic about degree plus programs which include an extension certificate. She mentioned wanting more online education and proposed a successor committee to the modalities committee. She would like it to focus on setting up metrics about evaluating UC quality.
- CFO Brostrom highlighted two bills - the Weiner science fund, and the Alvarez bill for housing. Details are still unclear, but the state taking up the burden of funding cut by the federal government is a good.
- UCORP presented a review of the Bioengineering Institute of California; the MRU received probational funding.
- The University Committee on Affirmative Action, Diversity, and Equity presented a proposed name and charter change that Council sent back for additional work.

III. Student Visa Challenges and Other Trump Administration Actions

UCPB discussed federal actions such as the blanket visa revocations to international students. They noted opportunities offered to reexamine some underfunded mandates and low-yield regulation monitoring that increase costs inside the UC. The legislature is unlikely to change labor regulations affecting the UC, so it must concentrate on smaller reach items.

Committee members discussed various scenarios the UC could use in response to challenges, and their potential costs and benefits. Legal challenges to federal policies have been successful but not discouraging other attempts to harm universities. Some members wished for more active resistance on the part of the UC, but none had predictions of success.

IV. Consultation with Senate Leadership

Academic Vice Chair Ahmet Palazoglu updated UCPB on various matters. He noted that the new UC President, James “JB” Millikin will begin his tenure August 1. The Senate has invited the President-elect to the upcoming new Chairs meeting as well as Council. A new Vice Provost, Monica Barsanyi, will take charge of the Faculty Affairs and Academic Programs Office. A new Chancellor, S. Jack Hu, will serve Riverside. Vice Chair Palazoglu is hopeful that Santa Barbara will have a new Chancellor very soon.

At the Regents meeting, they:

- Endorsed the joint Senate-Administration Workgroup report on faculty discipline report of the development of system-wide calibration, guidelines for recommending and approving disciplinary sanctions for misconduct in the realm of expressive activities. There will be a systemwide network P&T committee dealing with challenging cases when a campus cannot form a review committee quickly enough. There will be a range of sanctions based on severity of conduct. The proposals will go out for systemwide review with a comprehensive review in the fall, along with continuing work on APM 016.
- Regents endorsed the BOARS bylaw change. It codifies consultation with K-12 and the procedures for so doing will be up on Senate website.

- SGR is monitoring a number of legislative bills, including one imposing open meeting requirements on a wide range of university committees.

At Academic Council:

- San Diego and San Francisco proposed a committee on climate change and sustainability. Council approved for systemwide review.
- The Academic Calendar Work Group presented their report, and all agreed now is not the time for an expensive undertaking like calendar conversion. Council sent all comments and a cover letter to the workgroup chairs and they will be posted on the Senate website.
- Changes to APM 500 to bring UC into compliance with two legislative bills requiring disclosure of substantiated misconduct were supported although some concerns were noted and will be reported.
- The Assembly will entertain a motion about Trellix and similar monitoring programs. There is a webinar scheduled by the IT leadership June 10.

UCAD

- Has been meeting weekly and will issue a report as quickly as substantive recommendations are feasible. The group has focused on:
 1. Restructuring of academic programs
 2. Resizing of programs and the workforce
 3. Recalibration of growth objectives
 4. Realignment of funding sources with mission activities
- The state budget challenges as well as federal changes to F&A rates are likely to change the whole enterprise of the UC. The committee is wrestling with how to restructure programs both on academic and administrative sides. UCAD will work to make the Senate the guide to this process.

Discussion included:

- A member asked how readily Trellix can facilitate federal government requests of data from UC professors' computers for keyword searches. Vice Chair Palazoglu noted that faculty have asked the question but no clear answer has been forthcoming. The upcoming webinar would be a good place to raise the question.
- If Trellix is the software capable of accessing and translating every file on a professor's computer and record keystrokes, it would have served the UC better to have said this at the outset. VC Palazoglu notes that the deadline for implementing security software means it cannot be undone now and agrees that these questions are important.
- Some campuses have data boards overseeing what kind of data are gathered and who has access.
- Given that cost recovery on grants is the only truly discretionary source of funds on at least one campus and our practice so far has been to pay graduate students to be students. Some students have expressed a wish to be self-supporting and not work for the UC. Could in absentia status facilitate that, so they could work in industry perhaps until grant funds are available. The Vice Chair noted that unionization has complicated the relationship between graduate students and the university. Students are not automatically members of the union; membership follows job titles.
- Some wonder if the UC is obligated to pay GSRs if grants disappear. The Vice Chair noted that payment without work does not make sense. UCAD will attempt to find stopgap funding to continue funding students at least for the short term. But if there are

no funds, students should have the right to remain students, so students can decouple thesis research from funded research.

- Systemwide course articulation seems to be the odd one out; it increases the pressure towards isomorphism of education; all standardized. UCAD hopes to provide the committee that will be looking at the policies some contours of how to look around the issues, rather than how-to instructions.

V. Systemwide Review Items

1. Proposed Revisions to APM 360 (Appointment and Promotion, Librarian Series)
2. Proposed Revisions to Academic Personnel Manual (APM) 230 PDF, Visiting Appointments
3. Simple Name Change: UC San Diego School of Marine Sciences

UCPB discussed the proposed changes and noted that APM 360 appears to maintain the distinction between faculty and librarian series. Members discussed experience with librarians teaching courses.

APM 230 visiting appointments seems to be a cleanup for the math fellows title and making visiting appointment titles only available if the faculty member has an appointment at another institution to which they will return.

The committee noted no issues with the proposed name change.

Action: UCPB will write letters in response to the two proposed changes and approve the simple name change.

VI. Graduate Funding Review

UCPB noted previous attempts to estimate the true cost of graduate students did not separate out health sciences students, mixing up PhD students who cost and medical students who pay. Variables include the cost to the PI to have a student, and the cost to student to be a student.

Complicating the attempt is campuses' different accounting practices. Some PI funds fund block grants and therefore affect non-grant funded areas, and the true path may only be visible once funds stop. A prior argument for charging graduate students tuition was that those dollars were federal money. Current events may change the calculation.

Overhead is poorly understood and varies so widely as to be useless to figure out how much gets back to support graduate students. Previously, the motivation for F&A was supporting buildings and staff, but the soft money it provides is less useful for those things, and harder to account, so block grants were one attempt to not have to do detailed accounting. On at least one campus, much of it funds discretionary Chancellor spending.

UCPB asked about useful feedback to Budget Director Diaz. Members discussed asking if the Budget Office is collecting information about where and how different campuses distribute indirect

costs funds. In addition, members wondered how NRST works and used on campuses as it does not go back to the department.

VII. Consultation with OP

Seija Virtanen, Associate Director, State Budget Relations noted that the Assembly feels tension between funding the UC and health care. UC supporters are lobbying in support of UC health research and care provision, linking funding the UC to health outcomes in the state.

The governor's latest proposal reduced the cut to the UC's budget from eight percent to three percent, or a \$129.7M cut, with restoration of some other funding for a net \$4.7M cut. We are doing well on the base budget. State revenue projection has lagged the governor's prediction by \$16B.

UC has argued for no cut. This has been well-received on the Senate side, and it appears that the UC enjoys high support compared to the assembly side. The two houses are far apart regarding UC funding. All budget negotiations have moved to closed doors without public input. The governor is calling all of his bills "budget trailer bills" because of their private negotiation, identification by small summary statements, and voted on after being moved forward by as few as two members. The legislature is likely to adopt another budget trailer bill at the end of session and make mid-year budget adjustments in January. The budget will change over the rest of the year. The federal attack is helping improve relations with the state.

CFO Brostrom highlighted a GO bill proposed (AB 48) that has passed out of committee, two proposed housing bonds which the UC would like to join, and mentioned the California Research Fund idea, which has not passed out of committee.

CEQA reform would also help the UC. Some Department of Finance members have asked for lists of one-time funding needs as well.

The Regents also voted to defer the employer contribution to the pension fund, and not to fund \$700M from STIP to TRIP. One-time funding from the state would help in that instance. The Regents will vote on an extension of the tuition stability plan (TSP) at their meeting in July. The plan has led to increased affordability, with students owing \$3500 less in self-help than they would without the TSP. CFO Brostrom will also ask the Regents to raise the cap on the TSP from five to seven percent, reflecting the true inflationary environment. In addition, lowering return to aid from 45 percent to 35, and increase the inflation index by at least a point.

Campus operations essentially remove money from student services. One cause is Regent's efforts to use one third of tuition for student aid. Now that the UC has reached a 30 percent RTA, CFO Brostrom suggests slowing the trajectory to 33 percent from the current 45 percent. Another item in July will request to delegate authority to approve PDST of three percent or less for residents and five or less for NRS to the President to save Regental time.

Federal threats against international student visas present severe budget impacts. The budget team ran possible scenarios, noting that 20k international students are from China, international are 13 percent of all students, and elimination of students from China alone would cost NRST \$550M, and \$775M in revenue, not accounting for campus fees, PDST, or self-supporting degree fees. Even without official action from the federal government, Chinese students are less willing to come to the UC.

Full impacts of the federal budget are yet to be determined, but the loss of federal match on undocumented health care could ripple down. If the state fills in those dollars there would be fewer dollars to give UC, plus our reliance on health care dollars is a vulnerability.

- Discussion included how different campuses use F&A funding and possible impacts on the academic labor force.
- Chair Groeling suggested creative funding responses such as categorical orphan endowment changes rather than arguing for a zero percent cut from the state, so the UC avoids the appearance of being funded instead of health care for the poor.
- A member noted that even with increases, the tuition stability plan codifies underfunding students after their first year. It is inflation-friendly to families but costs the UC.

VIII. Proposed Self-Supported Graduate Professional Degree Program

Professor Gaasterland reviewed the proposed Master of Applied Artificial Intelligence for Science at UC Irvine. The program targets non-computer science students and fills a need in the industry. Members noted the positive reviews from the campus, and the real data analysis students will do in the program. Ladder-rank faculty will teach on overload, and TAships paid for by the program will support PhD students in the School. Net profit will help support the computational infrastructure to support machine learning and AI applied to physical science areas.

UCPB noted a need to revisit and see if the program keeps to its plans to not increase reliance on lecturers beyond that planned but agreed that the proposal appeared sound.

Action: UCOB will send a letter in support to CCGA

IX. Campus Updates

Davis – CPB reviews college budgets annually and was asked by the administration to include FECs in the review process. Colleges modeled ten percent reductions in expenditures on a strategic basis, even though only five percent cuts are expected. The Strategic Budget Framework Committee which includes faculty representation will guide cuts based on input. The Academic Affairs Office has found compliance to background checks for hiring increasingly costly. In the worst-case scenario, the campus will lose between \$500-900M on a total \$8B enterprise. An effort to change how the Divisional Chair is named was not successful.

Irvine – The campus is in the second year of a non-incremental budget model and has found that calculating changes is easier. Things are on hold and are in the second year of a revised budget

model, away from incremental, which allows calculations of change. However, many plans were based on the previous year's calculation of F&A and IDC. Non-stem fields were going to be the recipient of much of that funding through subvention plans. CPB does not play an active role in FTE discussions but receives information from the Provost. Previously, open FTEs stayed under Deans' control; the campus may need to change this. Currently, canceled grants are receiving bridge funding but that is not a long-term solution. The Schools of Humanities and Arts will undergo review in the fall; both are facing extremely challenging budgets. Faculty have been extremely unhappy with the Trellix mandate and have not gotten answers to their questions. IT backed out of coming to CPB.

Los Angeles – CPB still experiences little collaboration or information from the administration. After a good meeting with the CFO, he messaged asking for review of all travel including conferences without CPB input. Travel prohibitions do not apply to athletics. The Executive Board received a list of future changes including only one point of contact with administration without a mandate in the bylaws. The Chancellor is new, and faculty do not know how aware he is of this.

Merced – The campus went through a 5% budget reduction 'exercise' in order to address a structural deficit and the proposed 8% cut to UC. The recommended reductions were sent to the Chancellor just before the May revise (to a 3% reduction), and final decisions have not yet been made, so it is unclear whether a 5% cut or something less than that will be implemented. The campus is working on principles for strategic hiring of faculty, establishment of "research rescue" funds for faculty impacted by federal cuts or targeting, and is trying to grow enrollment through new programs and majors.

Riverside – The campus is in a season of town halls and faculty forums with the Provost and CPB. A \$14M deficit will be covered from savings from last year. CPB has opined that that will not work for future costs. Some colleges are talking about increasing teaching load, some are trying to hire fewer TAs and hire undergraduates to do homework classes. Class sizes may have to increase to levels just below that which would trigger a need for a TA. The campus will be implementing experimental solutions for Fall. Faculty are unhappy about the Trellix roll out and it is not universally required. If there are no salary increases the campus should not be in a deficit budget. Plans for graduate student enrollment vary widely across the campus. Graduate student tuition charged against grants supported other efforts and now various sectors of campus are in conflict.

San Francisco – The campus has had stringent IT security and training requirements but apparently is not using Trellix. The budget committee has met to examine indirect costs and determined that there is no exact accounting. The Office of Federal Research regularly updates a graph of canceled grants and there are 84 canceled so far. The administration has suggested that they will know more about funding in July. The campus is planning for "Day Zero," when there are no federal dollars sent to campus.

San Diego – During a two-day budget workshop on campus, CPB got a tutorial on reimbursement. In the prior fiscal year, \$412M was from recovered indirect costs. Once a PI wins a grant, the campus lets them start spending with later repayment. Due to grant nonrenewal, two weeks ago, the campus was \$80M short. The finance office projected that if the reimbursement rate stays as low as it has been since the end of January, cash will run out in June 2028. The campus uses a

cash reserve to float the reimbursements. The campus is discussing mitigation plans, and some campus employees have received notices that they will lose their jobs.

Santa Barbara – The campus is waiting on a new chancellor and is interviewing candidates for the VCR position. CPB has a good relationship with the administration and has provided input into planning for budget cuts, helping craft a process whereby each Dean of each college and each Vice Chancellor have made plans and justification for cuts. A small joint Academic Summit Administration Committee is reviewing the proposed cuts and will make recommendations to the Chancellor. The local county is suing the campus for not following the Long-Range Development Plan and is trying to build additional student housing. A detailed plan for getting to zero carbon combustion will likely be shelved due to cost.

Santa Cruz – The campus has implemented the security software Trellix any faculty needing the VPN have to use it, otherwise they can use a personal computer. The campus appears to use indirect cost money as an at-will fund, but the Office of the Research Vice Chancellor is attempting to track the flow of funds. Open faculty lines have been closed, so divisions are essentially on annual budgets. The Humanities Division is in the red and has announced that they cannot teach basic languages. A new language model, relying heavily on shared access with other campuses is the result, without Senate input into changing instruction. The Senate has questions about how UC quality will be upheld by the campus. Personnel changes at the EVC level will impact budget information flows to CPB.

The committee adjourned at 3:41

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