



UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)

Minutes of Meeting

7 October, 2025

In attendance: Robert Brosnan (Chair, UC Davis), Alyssa Brewer (Vice Chair, UC Irvine), Pheng Cheah (UC Berkeley), Rena Zieve (UC Davis), Maria Pantelia (UC Irvine), Richard Desjardines (UCLA), Michael Beman (UC Merced), David Ogelsby (UC Riverside), Oliver Schmidt (UC San Diego), Jenny Liu (UC San Francisco), Torsten Wittman (alternate, UC San Francisco), Barry Giesbrecht (UC Santa Barbara), Raphael Kudela (UC Santa Cruz), Jeremy Hourigan (alternate, Santa Cruz), Sarah Bacon (Graduate Student, UC Santa Barbara), Kayla Chea (Undergraduate Student, UC San Diego), Ahmet Palazoglu (Chair, Academic Council), Susannah Scott (Vice Chair, Academic Council), Nathan Brostrom (Chief Financial Officer), Cain Diaz, Interim Budget Director, Seija Virtanen (Associate Director, State Budget Relations), Stefani Leto (Analyst).

I. Consent Calendar/Introductions

Action: UCPB approved the 7 October UCPB Agenda

II. Introductions and Chair's comments

UC faces an enormous financial threat: one-third of the systemwide budget derives from the federal government, in various forms. An additional \$5B would be needed from the state to maintain operations, which would not be sufficient to support research.

Chair Brosnan presented eight UCPB priorities for the year:

- Monitor threats to federal funding and quantify their impacts on UC programs, perhaps through a report similar to the 2008 "Cuts Report."
- Strategies to deal with targeted federal demands and sanctions against the UC. UCPB needs to present ways for campuses to support each other for mutual protection. Additionally, UCPB can generate ideas for supporting international students.
- Information about and an accounting of orphan endowments enabling UCPB to suggest uses for these otherwise unencumbered dollars for short term critical bridge funding.
- UCPB will formulate graduate student funding model recommendations and focus on preventing efforts to classify work towards degree progress as work for hire. The committee will need to articulate how graduate students can obtain sufficient teaching experience when lower-cost instructional support models are initiated.
- A focus on healthcare costs and UC Care PPO sustainability, monitoring the impacts of federal Medicare/Medicaid/NIH funding changes on UC Health sustainability and expansion plans and the rising costs of health insurance premiums.
- Presenting ideas on how UC should restructure to reduce operating costs through options such as limiting majors to fewer campuses and integrating courses between UCs. These suggestions raise questions about how to maintain quality between all campuses and if the tripartite mission can be maintained.
- Investigating how or if AI can be used to decrease operational costs.
- UCPB should work with OP to find ways of communicating the UC brand to all Californians.

Committee discussion included:

- Language instruction may be part of a focus on reducing operating costs Cuts have focused on limiting rarely taught or spoken languages to fewer campuses, rather than having nine small campus programs. The elimination of Spanish instruction at UC Santa Cruz may be a harbinger of changes to come.
- AI-aided grading is acceptable; UCPB needs to be mindful of the difference and also promote non-AI automated grading.
- Committee members noted the importance of having strategies in place before decisions need to be made to prevent ad-hoc reactivity.
- UCPB needs to focus on moving information from UCPB to campuses and vice versa.
- Adhering to core principles when considering bright lines for responses to federal actions is crucially important since people's livelihoods are at stake.
- UCPB should send a letter to Council costing out all parts of graduate education.

III. Leadership Update

Academic Council:

President Milliken updated the Senate on federal actions and UCOP is willing to engage in good-faith discussions but has rejected the financial demand. Governor Newsom has spoken out strongly against the UC signing any kind of compact for eligibility for federal aid. Council released a statement stating opposition for any agreement that infringes on academic freedom. Council is working on another letter about Berkeley and personally identifiable information sharing with the OCR.

Deputy Provost Amy Lee, Vice President Missy Metella, and Vice Provost Monica Varsanyi meet with Council regarding academic labor issues. Two Senate members are on the negotiating team and there is a faculty advisory committee. Provost Newman is providing regular updates to Council on negotiations. There are parallel negotiations about rotations of STEM graduate students and the status of fellowship students.

Council endorsed a proposed revision to Senate Regulation 750 that adds Math Fellow as an instructional title authorized to teach both lower and upper division courses and passed it on to Assembly for approval.

Regents Meeting:

At the Academic and Student Affairs Committee, Provost Newman introduced the Degree Plus program, a two-year program allowing undergraduates to earn UC Extension certificates aligned with labor market needs with their bachelor's degrees and paired with paid internships.

Ongoing Task Forces and Workgroups:

The Task force on University of California Adaptation to Disruptions (UCAD) issued an interim report in July which is out for review. This task force is now joining a parallel structure by the administration called UCAD-Plus, which has both Senate and administration members, EVCPs, some Deans of Graduate Studies, and VCRs. This new structure derives from a recommendation made in UCAD's Interim Report. The group will focus on research, recovery, and infrastructure, faculty, evaluations, program restructuring and resizing, inter-campus course and curriculum delivery opportunities, and graduate education report implementation. The Provost and Chair Palazoglu plan monthly communications to the faculty about the group's activities.

The Presidential Task Force on Instructional Modalities (IMOD), concerning online programs and degrees will create guidance and share best practices for campuses to establish more online curriculum and even online degree programs. Members of the Regents and administration appear positive about online degree programs, and faculty have mixed responses. Senate faculty want to ensure UC online education comes with appropriate guidance, and plan to help the task force describe needed metrics, appropriate data collection, and outcome reporting,

The Senate-Administration Workgroup on Faculty Discipline Policies and Procedures Report is out for review, and as part of the review, the University Committee on Privilege and Tenure (UCPT) has formed a working group focusing on three items – formation and logistics of a systemwide P&T network; new language for Senate Bylaws 334 and 337, finally reviewing their interim guidelines documents, with special attention to Attachment B on extramural speech. The workgroup was asked to work with UCAF on this. Regents Sarris, Anguiano, and Leib will be informed of the direction of Senate review.

Assembly:

At the first Assembly meeting of the year this week, Assembly will vote on the revision of Bylaw 750 about math fellows.

Discussion:

- Committee members expressed concern that degree work may be classified as work for hire following UAW negotiations and PERB rulings, affecting the affordability graduate students. Chair Palazoglu indicated that the UC would not agree to such a reclassification and was a complicating factor in rotation discussions.
- Members expressed concerns about information about the release of personally identifiable information from UC Berkeley in response to a directive from the Office of Civil Rights (OCR). Chair Palazoglu indicated gratitude that President Milliken is willing to engage with faculty. Faculty have made clear that they believe the purpose of these disclosures differs from prior OCR requests.

IV. Assignments

Task Force on Investments and Retirement (TFIR) – Professor Liu
Academic Senate Committee on Lab Issues (ASCOLI) – Professor Zieve
Health Care Task Force (HCTF) – Chair Brosnan, with Vice Chair Brewer as alternate
UC Education Abroad Program (UCEAP) – Professor Pantelia

Action: UCPB members volunteered to represent the committee on task forces and subcommittees.

V. Systemwide Budget Management Workgroup Final Report

UCPB discussed additional issues they wished to raise with AVP Diaz following an earlier letter from the committee:

- Concerns about the workgroup recommendation for CFO involvement in hiring. Guardrails for faculty hiring will ensure focus on ensuring adequate funding is identified for faculty hires, rather than directing individual or discipline hiring decisions. UCPB will request clarification and make suggestions in a second letter.
- Committee members were asked to review the best practices portion of the report and certify that their campus practices were accurately recorded.
- Funding can vary widely within one department, nuance can be missed, including calculations around indirect funding savings from using various forms of teaching faculty and other factors. Excluding FTE required for teaching might help departments live within their budgets. UCPB suggested that the report clarify nuances of the requirement for departments to live within their means, that departments total budgets, including soft funding in addition to central campus money comprises the total budget to live within.

UCPB will send a follow-up letter to AVP Diaz.

VI. UCAD Report

UCPB discussed the recommendations from the report to provide feedback.

The recommendation that flexibility in core offerings and modalities raises the issue of online courses and even degree programs, and there are mixed responses to that idea within and between divisions. The legislature and administration appear to view online courses and degrees as a plan to weather some of the effect of federal actions against the UC. While some campuses have responded with restrictive requirements, requiring a higher level of oversight of online high restrictions may paradoxically result in loss of control of teaching for their students who can take courses at other campuses. While online graduate programs appear to be successful, undergraduate students have been unprepared for courses after taking prerequisites online. An increased level of accountability, both in academic integrity and evaluation, would lead to greater acceptance of online degree programs from faculty.

Committee members shared their campuses' approach to academic personnel evaluations during disruptions. UCPB members noted that bridge funding for short term research support is generally not available on their campuses. Some money has been distributed from OP to provide research funding and UCPB would like to know the status of those funds. The tension between hiring and retaining research professors and the growing teaching load, both due to increased enrollment and lessening research funding, presents challenges to the entire UC brand

VII. Consultation with OP

Budget:

The final state UC budget was functionally a flat budget, imposing a three percent cut with a promise of its restoration next year. The UC received a restoration of the 24-25 cut, resulting in a \$5M year over year budget. However, a \$500M increase in core operating costs for campuses results in a deficit. Expenditures will have to be cut. The compact has been deferred to multiple future years. An incoming governor is unlikely to honor those deferrals, resulting in no new funds after the 2026-27 year. The UC is still asked to replace non-resident students with California students without replacement funding. The state provided \$48M in one time funding to match the legislature's funding of the CSU. In addition, roughly \$48M in one-time funding for legislative priorities was received. While the UC has fared relatively well in recent state deficit years, that is unlikely to continue despite an uptick in state revenue. Federal actions will affect state legislative decisions going forward for example, billions of dollars to preserve health care for the poorest Californians is a priority.

Three different bond bills have been put forward hoping to be placed on the November ballot. A standard General Obligation (GO) bill by Alvarez has not received much traction but would provide \$2B for capital for UC. A housing bill, \$10B, while the UC advocated for a billion or more to build housing primarily for faculty and staff, and the final one is Weiner's California based NSF/NIH with a \$23B price.

Federal cuts to healthcare dollars will impact the UC through cuts to Medicare. Medicare patients make up a large percentage of UC Health patients. Hospitals have some ability to change payer mix, but doing so would limit care to uninsured people.

The Budget Office presented the Tuition Stability Plan (TSP) to the Regents in September and will ask for renewal in November. They are asking for five percent cap, but banking anything over that so overages would apply to future years. A proposal to lower the percentage of return to aid (RTA) may not be approved by the Regents. The extra percent ask in the TSP would be dedicated to capital infrastructure and deferred maintenance. The legislature remains uninterested in funding it; the UC will have to find the money itself, because campuses are in dire need.

Budget Management Workgroup:

CFO Brostrom and AVP Diaz thanked UCPB for their letter and noted that they were including it in its entirety in their report. Allowing a credit model for faculty startups and retention but managed at a campus level to provide flexibility. In addition, reinvestment or reutilization of resources needs to focus on clear communication and who

owns the funds, to maintain flexibility and the ability to fund startup packages. In addition, an incentive program to diversify core funds in part by using some endowed chair funds to support faculty salaries. Seeking outside funding to establish new ongoing funds for faculty salaries would free up core dollars for other purposes.

CFO Brostrom mentioned increasing efforts to scrutinize administrative costs, salaries, and health care costs and meet the current reality where revenues do not grow at the rate costs are.

The workgroup plans to continue to create recommendations and follow up on the implementation of those proposed already.

Liquidity:

The UC has three basic funds for working capital, which is about \$17B now. The Short-Term Investment Pool (STIP), entirely invested in fixed income, invested primarily for security and liquidity. This funds the Mortgage Origination Program (MOP) and has been used to arbitrage retirement funds through borrowing. The Total Return Investment Pool is half and half in equities and fixed income and is passively invested. The Blue and Gold Fund allows campuses to invest funds they do not need for a few years. Last year its returns were higher than the actively managed funds. In addition, CFO Brostrom has made commercial lending more available should the UC need to fund operations or capital outlays. Requests for loans for things like bridge research funding need to go through campus administration, but the current uncertainty about federal actions against the UC has made many campuses more wary about borrowing from the center.

Federal Actions:

The UC must act together, so that an attack on UCLA is responded to as an attack on a unified UC. That said, federal funding agencies can change the focus of their funding programs and funnel that money away from UC research interests. Finding research funding is an ongoing concern.

Discussion included:

- Past practices of holding unspent FTEs and other pilot or grant awards as rainy day funding cannot continue in this budget situation. Orphan endowments may also be places where funds can “hide” on campuses.
- Budget thinking across the UC will need to become more communal about resources.
- UCPB members were encouraged to work with their local governmental relations office to communicate with legislators or their chiefs of staff, to promote the University.
- UCAN, the UC Advocacy Network, has publicity and occasionally puts out calls for direct communication to legislators.

VIII. Self-Supporting Graduate Degree Program Proposals:

UCPB addressed five proposed graduate programs:

1. UC Davis Master of Engineering in Water Resources Engineering
2. UC Davis Master of Engineering in Sustainable Transportation
3. UC Davis Master of Engineering in Biomedical Engineering for Healthcare Technologies
4. UC Riverside Online Master of Business Administration Degree (OMBA)
5. UC San Francisco Master of Science in global Regulatory Science and Innovation

Action: UCPB members volunteer to review Self-Supporting Graduate Degree Program proposals

IX. Items Under Review

- Systemwide Senate Review of UCAD Interim Report
- Systemwide Review of Proposed Presidential Policy on Sustainable Practices

- Systemwide Review of Proposed Revisions to the Academic Personnel Manual (APM) Section 036, General University Policy Regarding Academic Appointees/Employment
- Systemwide Review of Proposed Presidential Policy IMT-1300 Information Technology Accessibility

Action: Members volunteered to provide reviews for response letters.

X. Campus Updates

Berkeley: CPB has met twice a month. The campus hopes to learn from UCLA's targeting by the federal government and be more prepared. One budget issue is the continued overspending on intercollegiate athletics. A working group developed a plan to reduce that overspending, but little action has followed. The campus has reframed capital maintenance as capital renewal and hopes to raise funds. The campus deficit was slightly better than anticipated but deferred compact funding and increased costs, including increases in salaries and benefits are the drivers of the deficit.

Davis: Ongoing program reviews of global affairs and enrollment management are next in the review cycle, with undergraduate education and student affairs reviews to follow. Because the administration is looking for areas to cut, their reviews may carry more weight than normal. The budget committee is working to understand the funding and plans for Aggie Square, which is an interface between University research and companies to monetize and patent research. The campus budget model encourages individual units to offer large classes, but too few students exist to fill large classes; the budget committee is promoting coordination with undergraduate education for more careful planning. Input from campus communities will help prioritize areas for budget cuts. Prior cuts have helped lower the structural deficit.

Irvine: Although their CPB has not met yet, UC Irvine is dealing with similar issues. The UC Irvine rep had to leave for her conflicting Cabinet meeting, so she will share more campus updates next time.

Los Angeles: UCLA had tried to shift to an activity based budget model but that effort appears to have stalled. The campus has a new Chancellor and new CFO, and the transition has not helped effectuate shared governance. Campus expansion by the interim CFO's purchase of various real estate ventures now faces a lack of funding for maintenance and conversion of the properties. Athletics costs have added to the \$350M structural deficit. There is a general hiring freeze. Staff reductions and revenue increases have reduced the deficit by half. One of the campus' strategic goals is institutional effectiveness, so budget review of administrative units fits within that goal. The divisional senate feels that the central response to the demand letter to UCLA from the Trump administration signals a system-wide approach.

Merced: Prior years' cuts were across the board; CPB hopes to present a strategic approach for this year's budget cuts. Shrinking the faculty is helpful to the budget, ensuring high-enrollment departments are adequately staffed remains a strategic hope. Enrollment has leveled off and begun to decline. CAPRA continues to have a good relationship with both the Provost and CFO; they come to CAPRA meetings. The committee hopes receiving financial information before meetings will facilitate discussion. The administration is open to remote or cross-campus enrollment and will push to increase transfers this year. The medical building construction continues and there is a sense of optimism about it.

Riverside: The new chancellor has expressed interest in the operating budget and how the budget model works. A committee will receive presentations from each unit on their budget and how they would implement a five percent cut. Senate representation on the committee should increase transparency, and faculty forums on budget seem planned to increase faculty buy-in. Groundbreaking for an ambulatory care center and other efforts to build up a UC Health center for Riverside are still in progress

San Diego: The division had planned to change the budget model but has not. Federal awards decreased 26 percent. The Chancellor has been proactive by implementing budget cuts. Many staff positions were cut. The divisional MOP was reopened. The campus continues to pursue building student housing, as space is available and it is self-funding.

San Francisco: The budget committee experiences some concern that real issues are not being adequately address and shared governance may be suffering. Every unit has been tasked to cut five percent across the board without warning or discussion. The Chancellor's office has not shared scenario planning. Federal cuts have been and are anticipated to be devastating to the research enterprise. Many faculty are on soft funding. Layoffs may include tenured faculty. Administrative costs were cut but the effect was personnel cuts. There is an ongoing hiring freeze.

Santa Barbara: A joint Administration-Senate budget committee has been performing contingency and strategic planning, but their work does not go through not through Council or the Senate Planning and Budget committee. The budget committee is trying to retain institutional memory in the budget planning process. There have been both immediate cuts to address the structural deficit as well frequent meetings to try to identify efficiencies and reduce redundancies. The budget committee is working to add Academic Affairs to the budget process. Because legal counsel attends many budget meetings they are held in confidence which has helped transparency with the committee.

Santa Cruz: The campus structural deficit is larger than anticipated, \$258M. The EVC suggests reducing faculty by 60 through attrition, leading to a \$20M deficit reduction. However, the impact of such a move on programs and the distribution of retirees is unknown. Deans will come up with plans. The Spanish program has found a year of funding, but the ongoing viability of language programs, which are funded through enrollment, is unclear. In the long term, the campus will need to rely on shared UC language efforts.

The committee adjourned at 4:01.

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