COMMITTEE ON PLANNING AND BUDGET
Annual Report 2024-25

To: Academic Senate, Santa Cruz Division

I. Overview

This academic year has yet again been both challenging and eventful for the campus and for the UC system. At the forefront is the implementation of a multi-year deficit reduction plan on our campus, with associated changes to the carry forward of funds, reduction and restructuring of divisional programs and staff, and implementation, first at the campus level and then at the UC level, of a hiring freeze. The UC budget is also under stress, particularly after the shift in federal funding and lowering of the allowable Facilities and Administrative (F&A) costs (sometimes called "indirect costs"). The California budget is also uncertain with tax receipts pending for Los Angeles and Ventura counties due to the recent fires. Despite these challenges, the Budget Act of 2025 reduces the proposed cut to the UC budget from 8% to 3% for next year; together with some other adjustments, the UC budget remains essentially flat for 2025-26, although it continues to defer the Compact funding until 2026-27. At the campus level, one immediate impact of budget reductions is that severely reduced faculty FTE authorizations continue, which is steadily eroding four years of more aggressive hiring as part of the "Faculty 100" initiative.

In response to these multiple pressures on our campus finances, a number of working groups[1] have been established to identify solutions to our budget deficit. While a few have generated initial reports and recommendations, it is anticipated that more thorough Senate (and CPB) review will take place in the coming year. CPB looks forward to working with these committees and the administration to identify and implement the most compelling recommendations that align with our campus goals and values. At all turns, CPB emphasizes diversifying, stabilizing, and strengthening programs, units, and the educational experiences of students; advocating for strategic growth where appropriate; minimizing the damage of cuts where possible; and being vigilant and responsive to the ways in which circumstances, planning, and/or policy might impact the campus community differentially and asymmetrically. CPB remains committed to critically imagining what is possible beyond the pressures of austerity, and to avoid recommending decisions that would result in long-term negative impacts to campus programs and community welfare. There is a real opportunity to reimagine how the campus operates and to capitalize on our strengths, even in a constrained budgetary environment, if we avoid the trap of making decisions informed solely by a self-imposed austerity viewpoint with a short time horizon. To attain that goal, however, CPB reiterates that discussion and planning needs to include the entire campus community and that the path forward should be centered around student success, research impact, fostering inclusivity, and enhancing operational efficiency, sustainability, and resilience.

CPB acknowledges the multiple changes in administrative leadership taking place in summer 2025. We deeply valued our relationship with Campus Provost and Executive Vice Chancellor (CP/EVC) Lori Kletzer, and wish her the best as she returns to her home department. We look forward to working with Interim CP/EVC Paul Koch and welcome the opportunity to engage with him in what will almost certainly be another eventful year. We also thank Vice Provost for

[1] https://foa.ucsc.edu/campus-improvement-efforts/

Academic Affairs (VPAA) Herbie Lee for his many years of service, several aspects of which overlap considerably with CPB, and we look forward to working with VPAA Christina Ravelo. Lastly, we thank the deans for their many consultations around the Divisional Resource Model, the FTE call, and the status of Languages curriculum on our campus. We wish Dean Parreñas Shimizu and Dean Mitchell well in their new roles.

This report is organized by the following sections:

- Shared Governance and Consultation Process
- Faculty FTE Review
- Implications for Reduced Hiring
- Structural Deficit and Budget Planning Process
- One-Time Funding Requests Review
- Divisional Resource Model
- Totality of Budget Cuts
- Space and Capital Planning
- Enrollment Management
- Highlighted 2024-25 Reviews
- Regular Committee Business
- Local and Systemwide Issue Reviews
- Continuing Issues
- In Memoriam

II. Shared Governance and Consultation Process

The UC structure of shared governance clearly delineates CPB as an advisory committee. Our committee's robust consultation schedule, however, creates an active process of engagement and accountability between the faculty and administration. Our conversations allow CPB to address differences in vision and strategy between the Senate and administration, while also affirming our many shared values and goals. Our consultation process involves both structured and unstructured contexts. Unstructured conversations provide both CPB members and administrators opportunities to share their concerns and to clarify their priorities.

The systemwide University Committee on Planning and Budget (UCPB) released a best practices report in 2023,[2] and the UC Santa Cruz CPB has been using the report as a guideline for both minor and more significant changes to procedure for our committee. It has also been enlightening to discuss with colleagues across the UC and learn how other CPB committees operate, and we are pleased to report that UC Santa Cruz is well-aligned with best practices and is more deeply engaged in productive consultations with the administration than many of our sister campuses. One UCPB recommendation that we have not yet implemented is an annual budget overview between CPB, other members of Senate Executive Committee (SEC), campus leadership, senior management from the budget office, and deans. We are delighted that Chancellor Larive encouraged planning for our first such meeting in fall 2025.

Our committee typically has a standing consultation with the CP/EVC at its weekly meetings, and this year CPB consulted with CP/EVC Kletzer and her team during 22 of our 30 committee

[2] See Appendix I of CPB's 2023-24 report for the full report text: https://bpb-us-w2.wpmucdn.com/wordpress.ucsc.edu/dist/2/115/files/2025/08/cpb-annual-report-2023-24_scp2106.pdf

meetings. As part of these consultations, CPB also annually schedules formal consultation with the Associate Vice Chancellor for Budget and Planning (AVCBAP) for overviews of the campus budget and budget outlook, and other topics as needed. This year, consultations with AVCBAP Amber Blakeslee included an overview of Central resources and campus deficit balances, quarterly budget reports, and a payroll report. Moving forward, AVCBAP Blakeslee has agreed to provide payroll reports in consultation with CPB in early fall and early spring, effectively amounting to end-of-year and mid-year reporting.

CPB also consulted with Vice Chancellor for Research (VCR) John MacMillan jointly with CP/EVC Kletzer in the winter to discuss indirect costs and other resource-related aspects of the research enterprise on our campus. Committee on Research (COR) Chair Nirvikar Singh was also invited to this consultation. CPB plans to continue having regular consultations with the VCR and CP/EVC, especially in the near term, to engage in the development of an indirect costs budgetary model for the campus.

Last year, in consultation with the academic deans, it was determined that it would be helpful for the five deans to collectively consult with CPB once per quarter starting in 2024-25. To that end, CPB invited the Council of Deans to consult with CPB in fall and winter quarters and, indeed, the committee found these discussions incredibly useful for understanding the curricular impacts of the Divisional Resource Model, the budget cuts allocated to the divisions, reduced faculty hiring and the staff hiring freeze, and changes to the campus carryforward policy. CPB also met with the five deans individually during the winter quarter to discuss FTE requests, and spring consultations were held separately with Dean Gaensler and Dean Alinder as described in Section VII below. When appropriate, CPB invites the chairs of the Committee on Educational Policy (CEP) and/or Graduate Council (GC) to our consultations with the deans. We look forward to working with Interim Deans Lawrence Andrews (Arts) and Herbie Lee (Social Sciences) in 2025-26.

In 2024-25, CPB also scheduled consultations on the topics of international education, graduate education, and the Colleges. In fall, the committee consulted with Associate Vice Chancellor of Enrollment Management (AVCEM) Michelle Whittingham regarding non-resident student enrollments, inviting the chairs of the Committee on Admissions and Financial Aid (CAFA) and the Committee on International Education (CIE) to attend. During winter quarter, CPB consulted with Vice Provost and Dean of Graduate Studies (VPDGS) Peter Biehl regarding graduate student enrollment and funding, with the chair of GC invited. In spring, CPB consulted jointly with Vice Provost and Dean of Undergraduate Education (VPDUE) Richard Hughey and Council of Provosts Chair Sean Keilen regarding the Colleges, as described in Section XI.E. below.

For the first time in recent memory, CPB also consulted with the Vice Chancellor of Information Technology (VCIT) and with the chair of the Committee on Development and Fundraising (CDF). In winter 2025, CPB's consultation with VCIT Aisha Jackson focused on the implementation of the Information Security Investment Plan (ISIP) and our campus costs associated with information security and storage. In spring, CPB consulted with CDF Chair Enrico Ramirez-Ruiz to better understand the work of CDF and our campus' fundraising priorities. CPB appreciated hearing more about CDF, and it was encouraging to learn how closely they work with University Advancement, especially in CDF's emphasis on elevating the voices of faculty and students of color.

Finally, GC and CEP chairs are also consulted annually in winter quarter regarding the decanal faculty FTE requests, although this year that consultation was delayed until CPB's first meeting of spring due to the late release of the FTE call.

This year, committee members also represented CPB on several campus committees. Member Saijo sat on the Interdisciplinary Instruction and Research Building (IIRB) committee, Member Mitchell sat on the Miscellaneous Fees Committee, Member Breen sat on the Housing Advisory Task Force, Member Evangelatou sat on the Technology-Enhanced Teaching and Learning (TETL) Advisory Committee, and Member Anderson sat on the Programming & Building Committee for the Bay Tree Bookstore renovation project. Vice-Chair Hourigan represented CPB on several committees, including the University Space Committee, the Advisory Committee on Campus Transportation and Parking (ACCTP), the Process Improvement Taskforce, and the Strategic Organizational Improvement ("Big Ideas") Non-Resident Enrollment/Retention Workgroup. Senate Chair McCarthy, who sits *ex officio* on CPB, also serves on the Strategic Plan Implementation Executive Committee. Finally, Chair Kudela sat on both the Budget Advisory Committee and the Strategic Plan Implementation Executive Committee, and represented CPB at SEC and UCPB.

III. Faculty FTE Review

CPB's review of 2025-26 faculty FTE requests built on best practices from prior reviews, but with some minor deviations. First, we added an off-cycle hire request from Baskin Engineering (BE) for a second authorization within Technology & Information Management (TIM) to the FTE call, given that the request came in at the same time as our review of the FTE call and was not what CPB normally categorizes as a "second hire" request. Second, we removed the Humanities President's Postdoctoral Fellowship Program (PPFP) request for the Literature Department from our ranking and CPB recommended that this FTE request be granted a waiver of recruitment as an off-cycle hire, and that the recruitment begin immediately.

For their review, CPB first examined the 22 remaining requests and made a determination of whether or not the position was supported by CPB. For this call, CPB considered all positions as well-aligned with campus priorities, and we support all 22 submissions. CPB's deliberations about the FTE requests were then guided by the campus goals, priorities, and academic indicators outlined in the FTE call letter, which included improving retention and graduation rates, increasing our research impact, fostering an inclusive campus climate, and improving efficiency, effectiveness, sustainability, and resilience. Given the uncertainty of the budget, and the small number of FTE authorized last year, CPB considered but placed less emphasis on requests that focused more exclusively on aspirational growth towards research excellence, as CPB considered those positions to be valuable but less critical than stabilizing and strengthening existing programs and initiatives during a period of reduced FTE authorizations. CPB is also concerned with additional programs reaching impaction (formally or informally) and departments reaching critical thresholds in terms of both faculty and undergraduate and graduate student programs.

CPB established teams to review and facilitate discussion of each division's submissions. Each team had two members, a lead from outside the division and a second member from within the division. CPB also received and restructured datasets to look at faculty and student growth, student-to-faculty ratios, and faculty recruitments, separations, and retirements from 2014-15 to 2023-24, augmenting prior CPB assessments of trends. We examined each variable and trend of workload ratios, recruitments, and separations by department and division, comparing departments to their division and then to the campus average. We also reviewed prior year decanal responses to provide context for this year's review. CPB recognizes and acknowledges the second year of unusual requirements for the FTE authorization timeline, but reiterates past requests for earlier review of the FTE call and earlier receipt of all materials to ensure that the FTE requests are fully and fairly evaluated while also providing adequate lead time for recruitment planning before summer. Where possible, we followed the CP/EVC recommendation to streamline the deliberative process and our documentation.

CPB notes some unique and ongoing challenges that we considered while conducting the FTE review process this year. First, the campus is in the midst of a fundamental restructuring of how core funds get distributed to the disciplinary divisions. Second, the UC System is under a "hiring freeze" with no defined end date, leading to increased scrutiny of all potential hires, including faculty FTE. Finally, the campus is aware of the considerable structural deficit and the short- and long-term budget challenges facing both UC Santa Cruz and the UC System. These considerations strongly influenced CPB's evaluation of the proposed FTE.

Given this background, particularly the uncertainty around the funding envelope for the number of FTE likely to be authorized, CPB first rated all FTE requests as high, medium, low, or conditional priority. CPB then ranked the proposed FTE through the following process:

1. CPB rated the priority of a position by assessing the justification of the position relative to the goals and priorities described above. A high rating represents a position that CPB endorses for a search this academic year, but with the understanding that there may not be enough authorized positions to accommodate all requests. A medium rating represents a critical need for a search that could be conducted a year or more out. A low rating represents a needed position that was well justified, but could be delayed to a future year. Finally, although not used this year, a "conditional" rating would be used where either additional information was required to make an informed decision, or the relative ranking would depend on ongoing or planned changes at the FTE and departmental level.
2. CPB ranked the positions that we rated as a high priority, of which there were 12, from most (#1) to least (#12) urgent. While we understood that 12 positions were unlikely to have been authorized this year, CPB stresses that we found all 12 of these FTE requests to be high-priority needs for the campus.

	High	Medium	Low	Conditional
Arts	2	1	0	0
Baskin Engineering^	3	2	0	0
Humanities*	2	1	0	0
Physical & Biological Sciences	2	4	0	0
Social Sciences	3	2	0	0

^Includes the TIM off-cycle request
*PPFP recommended separately

Table 1. Summary of CPB's overall rating of FTE requests by division.

CPB Overall Rank	Division	Department	Discipline	Dean's Rank
1	Arts	Performance, Play & Design, Arts: Games and Playable Media	Interactive Art, Performance & Games	1
2	BE	Statistics	Statistics and Data Science	2
3	SocSci	Education	Masters Program	1
4	PBSci	Microbiology & Environmental Toxicology	Environmental health science and toxicology	1
5	BE	Applied Mathematics	Data Driven Control	1
6	HUM	Linguistics	Computational Methods	2
7-9	Arts	History of Art & Visual Culture	African Art and Visual Culture	1
7-9	PBSci	Physics	Condensed matter and materials theory	2
7-9	SocSci	Psychology	n/a	4
10	SocSci	Politics	Legal Studies	2
11	HUM	Writing	Writing Across the Curriculum/Writing in the Disciplines (WAC/WID)	3
12	BE	TIM	Teaching Professor	Off-Cycle Request

Table 2. CPB rankings of high priority positions.

In summary, CPB supported authorization for up to 12 FTE across the five divisions. We also recommended that off-cycle hires that fit within decanal hiring plans, particularly PPFPs, be considered as a strategic opportunity to adjust hiring during the remainder of the year in response to updates on the budget and divisional needs.

However, CPB notes that the greatly reduced number of authorizations for faculty as part of the annual FTE call (three last year, four this year) has now resulted in the majority of FTE recruitments being associated with off-cycle requests, with five authorized off-cycle recruitments in 2023-24 and six in 2024-25.[3] This is concerning because off-cycle requests are difficult to evaluate holistically within the context of a deliberate faculty recruitment process. Off-cycle authorizations also have the potential to incentivize divisions to bypass the FTE call process completely. CPB has also found that off-cycle requests are most often decoupled from the multi-year hiring plans put forward by the deans; as such, there is potential to destabilize departments and programs when off-cycle authorizations outpace on-cycle FTE, since the former do not necessarily align with core principles put forth by the CP/EVC. CPB acknowledges that there are many well-justified reasons for off-cycle requests, but recommends that clear guidance on the anticipated number of total hires for an academic year, including both on- and off-cycle, be provided to this committee and the deans. This information is critical as decisions are made that potentially impact the viability of departments and programs and the campus mission.

UC President's Postdoctoral Fellowship Program Hiring Process

As noted, Dean Alinder chose to submit a proposal for a PPFP recruitment as part of the annual

[3] BAP Financial Analyst Spires to CPB Analyst Schultz, 7/2/25, Email.

FTE call. This highlights the lack of uniformity across divisions with regards to PPFP requests, and CPB views Dean Alinder's choice to include a PPFP in Humanities' on-cycle FTE requests to be a response to the curtailment of the PPFP program as part of budget reductions. Simultaneous to CPB's review of the on-cycle decanal requests, the lack of uniformity and equity in the PPFP process on our campus brought to the forefront at least two discussions or proposals for standardizing the PPFP process, one formally submitted to the Senate and the other an ongoing discussion amongst the deans.

In the winter, CPB reviewed and discussed a proposal submitted to us by the Committee on Diversity, Equity, and Inclusion (CODEI), the Associate Deans of Diversity, Equity, and Inclusion, and the Senate Equity Advocate. A key recommendation was that the PPFP process be aligned with the existing FTE call in timeline and process, at campus and divisional levels. However, CPB had some concerns about the proposal, especially since the PPFP fellows timeline does not align well with our annual FTE review process. As such, CPB discussed the potential of creating a new process of disaggregating the PPFP from the FTE call, so that PPFP hires would receive Senate consultation, but with precise alignment with the given cohort of fellows (which is officially announced on July 1). One example mechanism would be that divisions and relevant departments review the list of cohorts and submit PPFP requests in the fall quarter. This would allow for a more holistic review, evaluation, and approval process of all campus-wide requests by the CP/EVC. Such an inclusive process is particularly important at a time when the budget deficit is affecting the number of PPFP and total requests that are authorized, and would more clearly align PPFP requests with broader faculty recruitment in the divisions.

CPB has previously expressed concerns about discontinuing PPFP hiring, since such hiring provides a potential bridge for ensuring program health across campus during a period of austerity. While we fully appreciate the imperative to act with regards to our structural deficit, and we recognize the importance of salaries in this equation, at the same time we strongly feel the long term health of UC Santa Cruz will not be served by any significant faculty FTE reduction, which will result in inevitable impacts on teaching and research and will likely produce a rank imbalance in many departments. SEC also strongly argued for at least some open recruitments in all divisions, to provide for a minimum of organic renewal of their faculty.[4]

CPB did not come to specific recommendations regarding proposed adjustments to the PPFP process for our campus. We suggest that the concerns raised, along with any guidance that comes forward from the divisions, central administration, or the UC Office of the President (UCOP) be broadly socialized across the campus so that we as a community can identify best practices and potential changes moving forward.

IV. Implications for Reduced Hiring

As noted in CPB's 2023-24 annual report, there is considerable potential for a net decline in faculty FTE on the campus, with a corresponding impact on student-to-faculty ratios, graduate enrollments, extramural research, and, consequently, both student success and the campus' ability to meet UC quality standards. We have fortunately not yet seen a steep decline in authorizations versus separations (Figure 1), but CPB remains concerned that this will reverse with the greatly

[4] Senate Executive Committee to Chancellor Larive and CP/EVC Kletzer, 11/13/24, Re: Concurrence Letter of Support for the PPFP Hiring Incentive Program.

reduced number of authorizations that began last year and continued restraint moving forward for some period of time.

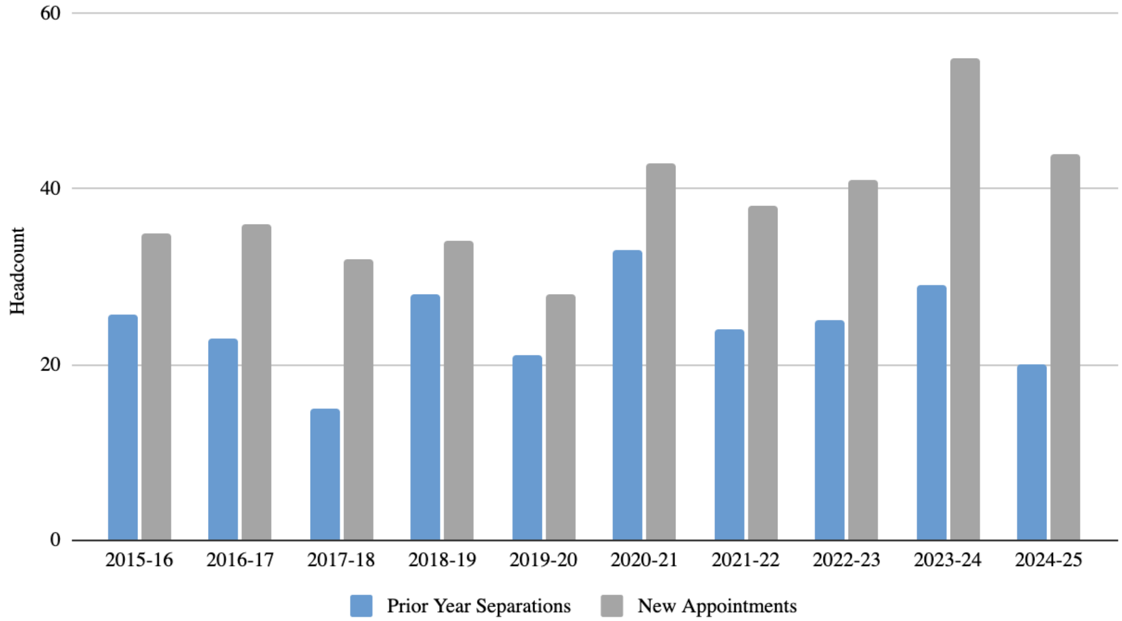

Figure 1. 10 year history of Senate faculty hires vs. prior year separations.

While multiple years of reduced faculty FTE hiring would have wide-ranging implications for many aspects of the university, we reproduce data on one direct impact below—projected student-to-faculty ratios (SFRs)—based on an analysis CPB conducted this year. CPB's projections (Figure 2) are based on data in Table 3, which accounts for anticipated undergraduate growth and eight authorized faculty FTE per year with historical trends in separations. CPB notes that achieving eight recruitments per year would require around 10 authorizations per year (on-cycle and off-cycle combined) given a 75% historical success rate in recruitment.

	24/8 FTE	20/8 FTE	UG HC BAC	UG HC ADMIN	SFR (24/8, BAC)	SFR (20/8, BAC)	SFR (24/8, Admin)	SFR (20/8, Admin)
FY2024-25	666	*666*	19,184	19,184	28.80	28.80	28.80	28.80
FY2025-26	676	676	19,568	19,781	28.95	28.95	29.26	29.26
FY2026-27	660	664	20,155	20,632	30.54	30.35	31.26	31.07
FY2027-28	644	652	20,759	21,175	32.24	31.84	32.88	32.48
FY2028-29	628	640	21,797	21,697	34.71	34.06	34.55	33.90
FY2029-30	612	628	22,887	22,232	37.40	36.44	36.33	35.40

Table 3. Projected ladder-rank faculty FTE, undergraduate headcount (UG HC), and SFR using assumptions from the Budget Advisory Committee (BAC) and data provided to CPB from the CP/EVC's office (Admin). 24/8 and 20/8 refer to separations and recruitments, respectively, of faculty FTE.

In CPB's analysis, we risk SFRs reaching as high as 37.4 by 2029-30, considerably higher than the current SFR across the UC system, which is between 25.8 and 32.5 (with UC Santa Cruz about in the middle).[5] While we note that there are other implications for reduced faculty hiring, such as the potential merger or closure of small departments, our projected SFR at the end of the decade

[5] All Student FTE:Ladder-rank & equivalent (LRE) Faculty, 2023-24, https://www.universityofcalifornia.edu/about-us/information-center/student-faculty-ratio

is, in CPB's opinion, unacceptably high. If fewer than 10 faculty FTE are authorized per year, the outlook will be even more bleak.

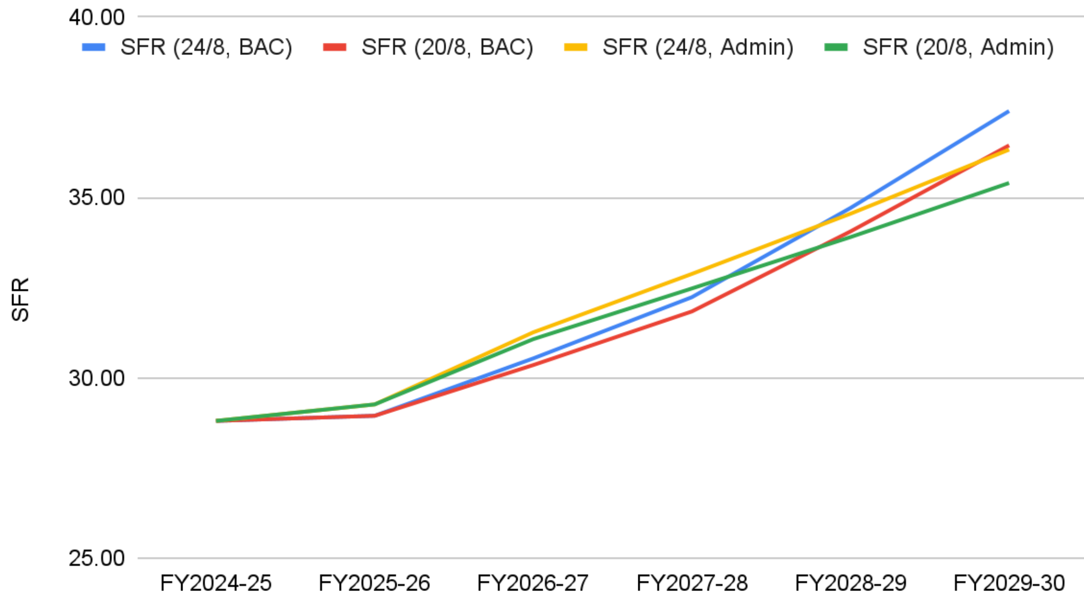

Figure 2. Estimated SFR for the scenarios listed in Table 3.

A second concern, noted above, is that reduced hiring coupled with proportionally higher off-cycle hires has the potential to negatively impact and/or destabilize departments, and smaller departments in particular. In 2023-24, ten departments had fewer than ten permanent faculty.[6] Of those departments, this year Feminist Studies was disestablished, Languages & Applied Linguistics is struggling to afford its curriculum, and neither Microbiology & Environmental Toxicology nor the Writing Program received faculty FTE authorizations in this year's cycle, despite CPB rating both positions highly. While stressors on academic departments are inevitable given the current budgetary issues at the campus, state, and federal levels, CPB reiterates the need for long-term planning and careful decision-making to ensure that FTE authorizations are aligned with campus goals and priorities, with recognition of what the costs are when a particular position is not authorized.

V. Structural Deficit and Budget Planning Process

On August 20, 2024, Chancellor Larive reported via campuswide email a deficit of $107 million at fiscal close for FY24, with a projected negative cash balance for the campus, if no changes were made, in FY25. In response, the campus initiated $30M in mid-year cuts and a 3-year plan through 2027-28 to eliminate the deficit. The three-year framework, designed by the Budget Advisory Committee (BAC), was intentionally planned to provide the five academic divisions with the lowest reductions (8 percent), while all other divisions have budget reduction targets ranging from 12 to 19 percent based on distinctive complexities, contexts, and capacities to achieve reductions

[6] Permanent Faculty Payroll FTE by Department, UC Santa Cruz Instructional Load Summary, Office of Institutional Research, Analytics, and Planning Support, 11/12/24. The ten departments are Applied Mathematics, Critical Race & Ethnic Studies, Feminist Studies, History of Consciousness, Languages & Applied Linguistics, Latin American & Latino Studies, Microbiology & Environmental Toxicology, Philosophy, Statistics, and Writing.

while minimizing direct impacts to our mission.[7] Following on from the initial work conducted by BAC, a series of subcommittees have also been established to look at both revenue and costs at a campus level (Figure 3). Several of these committees include CPB members and began producing recommendations during 2024-25. At the end of the third fiscal quarter of FY25, the structural deficit had been reduced to $80.7 million from a starting point of $110.7 million at the beginning of FY25.[8]

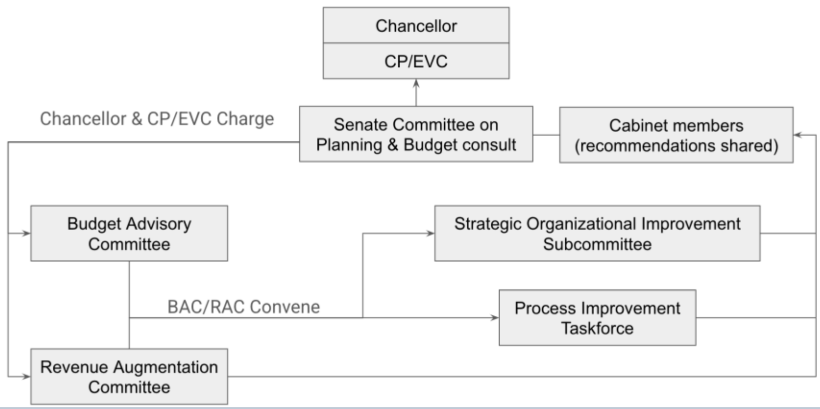

Figure 3. Flow chart of the budget advisory committee structure.

This year, CPB had the opportunity to review the reports of 1) BAC, co-chaired by Vice Chancellor for Finance, Operations and Administration (VCFOA) Ed Reiskin and then-VPAA Herbie Lee, and 2) the Revenue Augmentation Committee (RAC), co-chaired by Vice Chancellor for Student Affairs and Success Akirah Bradley-Armstrong and Associate Vice Chancellor for Financial Affairs Biju Kamaleswaran. CPB notes that additional deficit-related committee reports should be forthcoming from the Process Improvement Taskforce and the several working groups of the Strategic Organizational Improvement Subcommittee. CPB looks forward to providing consultation on these reports to the administration when they are available.

CPB reiterates BAC's recommendations that any budget reduction decisions:

- Advance or preserve campus goals and strategic plan themes;
- Preserve and minimize impacts to the mission of teaching, research, and public service;
- Maintain our status as an R1, Hispanic-Serving Institution (HSI), Asian American and Native American Pacific Islander-Serving Institution (AANAPISI), and Association of American Universities (AAU) institution;
- Take into account total costs;
- Reduce workload expectations where personnel resources are being reduced, and avoid propagating the attitude that "we now need to do more with less" or even "continue the same work with fewer people";
- Encourage transparency in decision-making processes through clear, consistent communications, campuswide and at the divisional level.

In the committee's response to BAC's report and recommendations, CPB voiced several concerns about the deficit reduction process, including:

[7] https://news.ucsc.edu/2025/01/multiyear-budget-framework/
[8] https://news.ucsc.edu/wp-content/uploads/2025/05/UC-Santa-Cruz-Quarterly-Projection-Report-Overview-Q3.pdf

- At least for FY26, the goal should be to fix the cash flow problem and not allow the deficit to grow, rather than aggressively reducing the deficit. This will allow for adjustments to the remaining deficit reduction timeline based on the forward-projected savings. Once a more informed deficit-reduction plan is in place, impacts and progress should be assessed annually and targets readjusted accordingly.
- CPB recommends that budget analyses and projections be made public, replacing the now-defunct Birds Eye View of the campus budget, and with multi-year projections included.
- CPB recommends increased Senate involvement in routine deficit reporting/management, budget augmentation processes, and annual budget review.
- CPB would like to see principal officer analysis (annually or quarterly) of the impacts and roadblocks related to implementation of the budget reductions. CPB could serve as an impartial adjudicator of these reports to help refine the budget reduction process.
- CPB (and the campus) would benefit from a forensic analysis, based on a comparator year prior to 2020, of the causes leading to the deficit, and of equal importance, an articulation of what processes are in place to avoid similar situations in the future.

Additionally, CPB voiced concerns about reduced faculty hiring and staffing imbalances in their response to the BAC report. CPB recommends 1) that the administration identify an acceptable student-to-faculty ratio through Senate consultation, articulate how that SFR was identified based on student success metrics and UCOP expectations, and adjust authorization of FTE annually to maintain that target; and 2) that our staffing model be re-examined, particularly for Managers and Senior Professionals (MSP), across the campus (see Staffing below).

In CPB's review of the RAC Executive Summary and Recommendations, the committee noted a lack of specificity, in particular the likely amount of revenue raised, associated timeline, and cost-benefit analysis, for each of the proposed ideas. This made it difficult for CPB to comment in depth on the proposal. Nevertheless, CPB offered the following feedback to the Chancellor and CP/EVC:

- UC Irvine's auxiliary services model should be closely examined to see if it can be replicated on our campus to increase profits in that revenue/expenses category.
- As Summer Session is emphasized, student success needs to be closely monitored. To follow up on this recommendation, in March 2025, CPB requested data from Institutional Research, Analytics, and Planning Support (IRAPS) on student success during summer, especially by credit load, to establish baseline metrics. While this data was received after CPB finished meeting for the academic year, it reveals a troubling correlation between higher summer credit loads and worsening student outcomes.
- CPB suggests that there is sufficient data to determine whether raising the gift fee from 6% to 6.25% or 6.5% would be net positive.
- Regarding increasing international enrollment, CPB is skeptical that much progress can be made unless there is a focus on increasing our rankings. We note that there is much less emphasis on increasing *domestic* nonresident supplemental tuition (NRST), which could be successful if UC Santa Cruz aggressively advertised nationally.

Non-Resident Student Tuition Growth

The pandemic era was characterized by declining international student enrollments and a concomitant decrease in return on investment in third-party-recruiter contracts. These enrollment reductions are typically attributed to university rankings, high tuition costs, and the unavailability of long-term housing guarantees. While it was speculated during the previous Trump administration that student visa policies, particularly with respect to China, would result in a radical decline in international student enrollments, such a fall-off never materialized on this campus. However, the current Trump administration is dramatically more pugilistic toward universities in general and particularly arbitrary and capricious toward international students. CPB feels that international student enrollments will suffer as a result.

The Academic Senate has repeatedly questioned our campus reliance on growth amongst Chinese students, which not only limits international cultural diversity but also creates budgetary uncertainty due to rankings sensitivity and the geopolitical milieu. CPB was represented in the NRST subgroup of the Strategic Organizational Improvement Committee (SOIC). During this workgroup's meetings, the Admissions team argued that it had done its due diligence in the selection of third-party recruiting partners abroad. CPB would like to underscore that in the face of substantial declines in our return on investment, Admissions might re-evaluate our third-party recruiting strategy.

In meetings with both the University Space Committee and the SOIC NRST group, the Admissions team has clearly demonstrated an acute need for dedicated space to launch campus tours. In the near term, domestic non-resident admissions likely represent the most feasible pathway for NRST growth. With total out-of-state costs for students (Total Non-California Resident Budget[9]) in excess of $80,000, our campus needs an attractive "welcome center" to market the value of a UC Santa Cruz education. The Cowell Provost's residence has been discussed as a viable option for such a space, yet a substantial capital investment will be required due to years of deferred maintenance. If designed as a multi-use space available to the greater campus community in off-hours, CPB feels that such an investment may positively contribute to NRST growth.

A future search for an Associate Vice Chancellor for Enrollment Management provides an opportunity to engage in a new strategic vision for recruiting both domestically and internationally. CPB feels that a nationwide external search for a candidate with demonstrated success in increasing the diversity and number of the international students as well as domestic non-residents is the best approach to recover to, and ultimately grow beyond, the pre-pandemic high in NRST revenue.

Carryforward

In addition to assigned budget cuts and the formation of budget reduction and revenue augmentation subcommittees, the campus has implemented other impactful cost-cutting efforts, including a mid-year update to the carryforward policy.[10] CPB was given the opportunity to review the draft policy and provided several substantive comments; for example:

- CPB recommends clear timelines for announcing annual carryforward targets. Given that the carryforward process is based on an annual calendar, CPB is concerned that guidance could come several months into a fiscal year, potentially stressing principal officers and staff who need to make spending decisions on a shortened timeline. For academic divisions specifically, returning carryforward often requires queries to departments and even individuals to ascertain whether the carryforward is truly carryforward (i.e. not obligated, actually in the core funding category).

[9] https://financialaid.ucsc.edu/cost-to-attend/undergraduate-costs.html
[10] https://planning.ucsc.edu/resources/policies-guidelines/carry-forward-and-year-end-balances-guidelines/

- The process should be trialed with opportunities to fix any issues that arise, particularly if it is automated. If it is not automated, a realistic estimate of the timeline and staff costs should be factored in.
- It is not clear that fiscal year deadlines are the most appropriate for all carryforward scenarios. While Masters Incentive Program (MIP) funding has been addressed, with funds available for 12 months after being allocated on July 1, other issues such as known cyclical repair costs that cross the fiscal year boundary and are not eligible for working capital reserve (e.g. not meeting the cost or time thresholds) would still be problematic.
- The need to build capital reserves for new construction/major maintenance projects was provided as rationale for auxiliaries—such as Colleges, Housing, and Educational Services (CHES)—to have their carryforward rate set to 10-25%. CPB agrees that there are valid reasons for a more permissive carryforward for auxiliaries, but questions whether it would be more prudent to move the funds into a working capital reserve line, rather than allowing the unit to carry forward a higher percentage with no attribution for the use of those funds.
- The low reserve level of 5% could be impacted by a default on the Negotiated Salary Program (NSP).[11] It should be clarified that if the division does not have adequate funds to cover NSP, the costs would need to be transferred to Central. Since NSP also has a mandated reserve, it should be clarified whether that is counted against the 5% carryforward, or if the NSP is in a protected category.

CPB notes that our feedback on the carryforward policy was provided to the administration on February 20, and the policy was published the same day without inclusion of CPB's recommendations, leading us to question the intent of the review process.

Staffing

It is also worth noting again, as CPB did in last year's annual report, that campus leadership states that the deficit is in large part due to salary and benefit costs. CPB therefore began analyzing staffing data to put salary and benefits in context, and we provide updated data to include 2024 figures here.

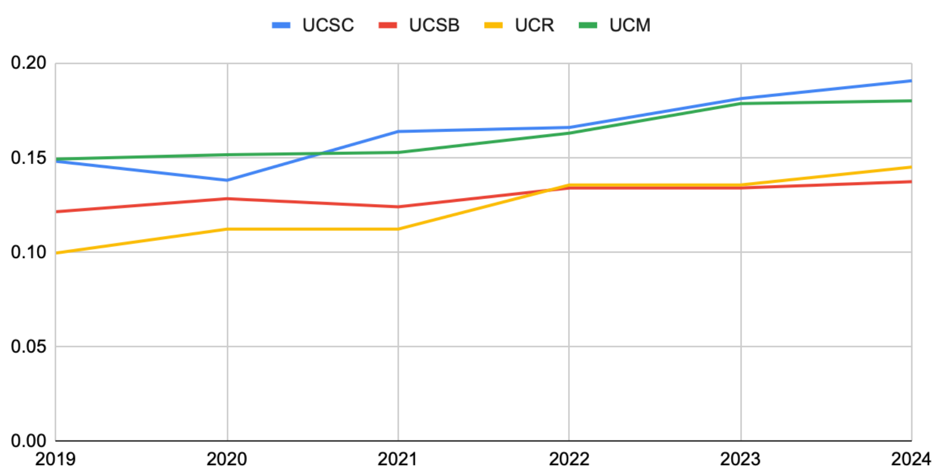

Figure 4. Ratio of managers to other staff and faculty at UC Santa Cruz and comparator UC campuses, 2019-2024.[12]

[11] https://academicpersonnel.ucsc.edu/campus-academic-personnel-manual/capm-810-672-negotiated-salary-program/
[12] https://www.universityofcalifornia.edu/about-us/information-center/uc-employee-headcount.

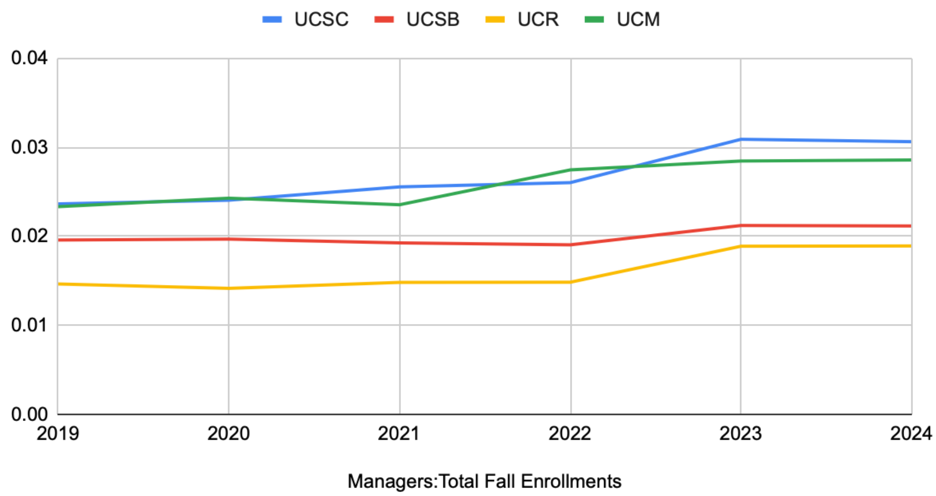

Figure 5. Ratio of managers to total fall enrollments at UC Santa Cruz and comparator UC campuses, 2019-2024.[13]

The updated figures still show a significant "over-managing" at UC Santa Cruz relative to the comparative campuses. Further, when staffing data are disaggregated, closer examination of the individual categories shows that Senior Professionals (128%) and Managers (46%) exhibit the most significant decadal growth compared to Professional Support Staff (9%) and Student Workers (5%).[14]

We expect that, with the implemented budget reductions, the staffing level for our campus will gradually decrease. Particularly in light of the growth in management positions on our campus over the last decade, we strongly recommend that some thought be given to what an appropriate staffing level (and mix of staffing categories) would be for our campus, and that these changes be monitored closely as budget cuts are implemented. We reiterate that staffing support levels should be evaluated on (at least): improving undergraduate and graduate student success and experience, strengthening graduate education, supporting student-facing programs, and maintaining research excellence, all while providing adequate support to meet the campus' aspirational goals articulated in the Leading the Change strategic plan.[15]

VI. One-Time Funding Requests Review

In spring, AVCBAP Blakeslee asked CPB to review the 2025-26 Divisional One-Time Funding Requests (Template C requests), a process set up as part of the new carryforward policy. These requests totaled $26,883,681, and CPB was asked to offer recommendations by allocating the amounts requested in "buckets" of about $5M each for very high, medium-high, and medium rankings. We identified three broad categories of requests:

[13] https://www.universityofcalifornia.edu/about-us/information-center/uc-employee-headcount, https://www.universityofcalifornia.edu/about-us/information-center/fall-enrollment-glance.
[14] April 2025 versus April 2016 Staff FTE, https://www.universityofcalifornia.edu/about-us/information-center/uc-employee-headcount.
[15] https://strategicplan.ucsc.edu/

- Requests for new funds, which add to the existing deficit and need to be strongly justified as either addressing critical campus goals, leading to revenue generation, or offsetting greater expenses.
- Requests to use carryforward for previously identified/allocated expenses (or, rarely, for general approval to carry forward funds with no clearly specified intent). These are mostly funds covering known costs, and while they are slowing down the elimination of the deficit, they are not adding additional expenses to the deficit. CPB did not automatically rank highly all carryforward requests for previously identified needs, but we did consider that as a reasonable justification. From our perspective, principal officers are adjusting to the very new carryforward policy with a very short implementation window, leading to the need for a transitional period. Anecdotally, we note that not accommodating these requests will likely lead to a culture of panic and end-of-year spending, whether prudent or not, particularly since all divisions and the campus as a whole are dealing with the impacts of severe budget reductions, making loss of carryforward even more painful.
- Requests to address permanent budget issues with one-time funds. This was primarily the case with Information Technology Services (ITS) requests. While we attempted to follow the instructions from AVCBAP Blakeslee, CPB felt that the ITS requests (approximately $8M) should not be considered in this process, since many if not all would be considered “very high priority” and would use up the likely allocated resources. Since those requests are addressing a structural issue with the ITS budget, this also clearly does not fall within one-time funding. We strongly recommended that the campus adjust the annual ITS budget to accommodate the needs identified (or clearly articulate why the campus is not going to provide permanent funding and what the consequences would be), since the alternative is to approve equivalent funding annually (or not), making it very difficult for that division to conduct long-term planning.

To facilitate review, we divided the requests by division amongst members, with at least two members reviewing each request. Then, based on the information provided, we prioritized each request according to its impact (e.g. consequences for not providing the funds, impact to our core mission, and likelihood that not allocating the funds would lead to additional future spending or would reduce future revenue generation). When information was incomplete or missing, the relevant requests were downgraded.

If the same process is repeated in future years, we strongly recommend that all principal officers submit one-time requests with detailed information about the purpose of the funds and their impact. It is also essential to identify the interrelation of the requested funds (for example, how funding or not funding a certain request may generate savings or increase costs in a related area).

VII. Divisional Resource Model

The Divisional Resource Model (DRM) was rolled out in 2023-24 as a new framework for allocating funding from Central to the academic divisions. During the 2024-25 academic year, the DRM was utilized with only minor adjustments from the previous year. For both the Teaching Assistant (TA) and Instructional Support (IS) models, benefits were explicitly added to salary costs with no associated changes to the allocations to the divisions. Changes to the TA model also included ending the pilot program to incentivize recruitment of Ph.D. students. The only other structural change to TA and IS allocations was a 2% reduction in funds to both for FY26 as part of Central's deficit reduction plan.[16] CPB notes that these 2% decreases to the Central administration's budget do not count toward the budget cuts allocated to the academic divisions, despite the latter feeling these reductions most acutely.

At least one major task remains for implementation: the DRM is intended to include an overhaul of the Indirect Cost Recovery (ICR) model. While the current national funding climate dictates that this will likely be deferred again given the uncertainty around F&A rates, CPB strongly recommends that there be a discussion around what a future ICR model would look like, what the implications are for divisional budgets, and what contingency plans should exist if the federal government drastically reduces this fund source. For example, UC Riverside has capped transfer of ICR from non-core to core costs at 5% as a prudent response to reduction in those funds to campuses. By our calculations, under the existing model, UC Santa Cruz distributes indirect costs as such: 44% to general fund obligations, 30.1% to Central, 19.7% to the academic divisions, 3.4% to UCOP, and 2.8% to the Finance, Operations, and Administration (FOA) Division.[17] If F&A rates (and therefore ICR) are dramatically reduced, there would be potentially serious implications for our campus, and CPB suggests that rather than waiting to see what happens, the campus should develop scenarios for what a new ICR model would look like and what the implications of changing the model (either as part of the DRM or in response to federal guidelines) would be for the campus.

Given that there were essentially no changes to the DRM, CPB notes that the many perceived deficiencies in the model remain, and this was an ongoing point of discussion between CPB and the deans this year. As noted in last year's report, CPB (and the deans) were expecting that there would be opportunities to adjust the model once sufficient data on how it is working were available. It remains unclear when, how often, and with what goals these changes are to be made, but it is clear that the deans and assistant deans feel that their issues and constructive criticism have largely been ignored. CPB continues to recommend that there be a clear articulation of how and when the model will be updated and that a specific timeline be given for full implementation. This would allow for broader discussion and consultation in order to achieve a more optimal model that reflects UC Santa Cruz values and aspirations. With two years of operation under the DRM it is also now clear that the model did not account for (at least) two specific issues within academic divisions: first, not all programs are well-aligned with the model's assumptions, and second, the lack of flexibility between the TA and IS models can penalize or even cripple programs that rely on lecturers. Here we discuss two such cases that highlight these issues:

Physical & Biological Sciences Graduate Programs and the Divisional Resource Model
During CPB's review of the mid-cycle report for the Science Communication (SciCom) Program, a concerning phenomenon was identified in that graduate programs that are not housed in a department with undergraduate degrees do not earn Instructional Support through the Divisional Resource Model (or earn very little), as the DRM allocates resources on the basis of undergraduate enrollments. This concern was reinforced during CPB's review of the self-study created by the Coastal Science & Policy (CSP) Program in preparation for their upcoming external review. CPB subsequently requested a consultation with Dean Gaensler to assess the severity of funding issues for these Physical & Biological Sciences (PBSci) graduate programs.

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[16] CP/EVC Kletzer, 1/22/25, Preliminary Instructional Support and Teaching Assistant Allocations for 2025-26.
[17] https://planning.ucsc.edu/budget/allocations-and-models/icr.html

Dean Gaensler assured CPB that SciCom is in good financial health as a result of strong fundraising and low administrative/staffing needs. CSP is more of a concern, however, as it is a very expensive program with high administrative costs that are difficult to meet through fundraising. Alternative funding models, such as professional degree supplemental tuition, while revenue generating, would defeat the program's original vision of inclusion. At this time, it's difficult to assess the success of CSP's new certificate program.

CPB is satisfied that CSP's external review will surface these funding issues and generate dialogue between the program, administrators, and the Senate, potentially offering viable solutions. However, CPB continues to have concerns about the financial future of our graduate programs that run outside of a departmental structure, both in terms of the administrative status of the people who run them and in terms of the DRM, which does not appear to allocate adequate staffing and IS resources to run these unique UC Santa Cruz offerings.

Languages Curriculum and the Divisional Resource Model

Early in winter quarter 2025, the CP/EVC's office released the preliminary IS and TA allocations for 2025-26. In their initial review of these allocations, CPB was extremely troubled to see that the IS allocation for the Humanities Division decreased by 86% in one year, from $2,029,330 in 2024-25 to $291,824 for 2025-26. In consultation with Dean Alinder in February, CPB learned that this IS allocation put the division on a curriculum cliff with Languages at particular risk, as Languages curriculum is almost exclusively taught by lecturers at a cost of over $2 million annually. Dean Alinder shared that the CP/EVC was not receptive at the time to Humanities' request to have a separate budget line in the DRM for Languages & Applied Linguistics as is already done for the Writing Program.

CPB understands that, following budgetary discussions with the CP/EVC, Dean Alinder was asked to make cuts to the 2025-26 Languages & Applied Linguistics Curriculum and Leave Plan (CLP), and to reduce the budget gap to a figure the administration was willing to bridge with one-time funds. During spring consultation with Dean Alinder, CPB learned that, to meet the CP/EVC's budgetary request for Languages, Dean Alinder cut all German and Persian instruction, and reduced offerings in Arabic, Chinese, Italian, and Japanese. CPB has many concerns about these cuts, not the least of which being that such substantial curriculum changes, which affect student catalog rights, occurred without input from our Senate committees with curricular purview.

On May 30, 2025, CPB shared their concerns in a memo sent to CP/EVC Kletzer and cc'd to Chancellor Larive, in which the committee raised the following points:

- While the one-time funding for 2025-26 Languages curriculum provides short-term relief, it also sets up a system where a comparable amount of one-time funding would need to be approved each year. CPB strongly recommends that support for the core Languages curriculum be taken out of the DRM and allocated annually with a different funding model. We believe this recommendation is in alignment with the logic of the Writing Program having its own funding model; namely that, while housed in Humanities, Languages supports the curricula of the entire campus and relies heavily on IS to pay instructor salaries.
- The proposed longer-term solution assumes that languages outside of the core program could at some point be provided through a shared UC online program. CPB has concerns about our campus dropping languages before they become available in a shared model,

particularly when it's unclear what language training will be available in that model and when.

- Changes to our Languages curriculum have potentially broad implications for our campus and our R1 status. Offering fewer languages impacts the research of students who need specialized language training, makes student acquisition of the language requirement for Phi Beta Kappa more difficult, and affects course catalog rights and time-to-degree for various undergraduate programs. Given that, CPB recommends that a taskforce be put together with relevant stakeholders to discuss and recommend what a Languages portfolio would look like for our campus that preserves our R1 status and supports the expectations for a liberal arts education within the UC system.
- The large swing in the Humanities budget year-over-year also suggests that there should be guard rails or a smoothing function applied to the DRM, such that specific categories such as IS cannot swing by more than an established delta (e.g. 25%) in either direction for a given year. While we recognize that this could slow down divisions experiencing rapid growth, the function could weight growth more heavily.

VIII. Totality of Budget Cuts

Our ongoing budget deficit has resulted in a series of fiscal actions, some addressing immediate cash flow issues (such as the sweep/swap of FY23 carryforward), others implemented as immediate one-time cuts, and with the most significant budget adjustments resulting from the multi-year budget reduction plan. Not all of these activities are well documented, so here CPB attempts to outline in chronological order significant actions and address the totality of budget cuts to (primarily) the academic divisions, while acknowledging that this is but one aspect of the campus budget.

We start with FY24, which began July 1, 2023, and the corresponding academic year 2023-24. In addition to the carryforward sweep of FY23 funds (which was partially reinstated), AY23-24 also marked the first full year of implementation for the Divisional Resource Model. Prior to implementation of the DRM, academic divisions held open faculty FTE lines and could use those funds for discretionary purposes, but were also required to contribute to off-scale salary, startup, and renovation costs. The campus turnover policy[18] returned funds equivalent to Professor I salary to the divisions which held between 16.5 (Social Sciences) and 30 (Humanities) open FTE, with an average of 20.7 positions equivalent to ~$11M in 2023-24 (which is a conservative estimate since we are only accounting for open faculty FTE lines).[19] After adjusting the Professor I salary for the current year, this is equivalent to ~15% of the academic divisions' current core budgets, although we acknowledge that moving open provisions centrally is not the same as one-time or permanent reductions in budget.

In fall 2023, CPB was briefed on the budget deficit. The deans were provided the information in January 2024, and the Budget Advisory Committee (BAC) was established in spring 2024. BAC proposed reductions in fall 2024 amounting to ~$18.5 million in one-time cuts to the campus budget, which included ~$2.7 million in cuts to the academic divisions, or 4.7-6.8% of the

[18] https://web.archive.org/web/20230803151409/https://planning.ucsc.edu/budget/allocations-and-models/ turnover-savings-policy-22.pdf
[19] University Of California Academic Salary Scales, 7/1/2024. Distribution of Budgeted Faculty FTE, https://iraps.ucsc.edu/campus-data/instructional-activity/instructional-metrics/distribution-of-budgeted-faculty-fte/

divisional core budgets (by comparison, the average cuts across all campus units was 9.1%).[20] BAC subsequently recommended a multi-year plan to address the deficit, with annual targets for permanent core budget reductions in FY26 through FY28, or a three year time span. Reductions were backloaded for academic divisions (20% in year 1, then 40% in years 2-3) compared to all other campus divisions (40% 40%, 20%) and highly differential, with academic division cuts of 8% compared to all other units which are expected to permanently reduce 12-19% of their core budgets.[21]

As a result of the three-year plan, for their 2025-26 budgets, the academic divisions were required to make a 1.6% cut. For FY27 (AY26-27) they are expected to reduce core spending by another 3.2% (40% of the 8% total cut) minus any reduction incentive savings, which returns funds if annual reductions exceed targets.[22] This will be followed by the final 3.2% cut to the academic division budgets in FY28. CPB notes that the budget projections are updated quarterly, so it is possible that the deficit will be cleared before the end of FY28, or may require additional deficit reductions beyond the target, depending on the actual revenues vs. expenses for the campus.

Starting July 1, 2024, benefits were decentralized.[23] For new positions, benefit costs are the direct responsibility of the hiring unit and will be budgeted in tandem with the salary within the unit; there is no longer a contribution to the central benefits pool. For expense reduction planning, starting in FY26, benefit savings will be able to be leveraged to satisfy reduction targets. While ostensibly revenue-neutral (since the benefits were simply decentralized), CPB understands that a "snapshot" of current employees was used (not including active recruitments), resulting in some divisions subsequently going into deficit based on the benefit allocations. Other implications include paying "double benefits" when Faculty Salary Research Exchange (FSRE) funds are used to pay employees after benefits were deducted for the faculty salary contribution.

In fall 2024, the carryforward sweep was implemented, resulting in $58.8 million being returned centrally. In January 2025, a carryforward return model[24] was announced which was expected to result in unrestricted divisional carryforward return of approximately $36 million for FY25. After accounting for the one-time request funding, approximately $24 million will be used to reduce the deficit.[25]

In addition to the one-time and permanent cuts to academic divisional budgets, there are separate cuts in the DRM for TA and IS support as noted above in Section VII. The net change in TA support after accounting for expected undergraduate enrollment, elimination of the Ph.D. recruitment pilot program, and changes in salary/benefits is a ~5% decrease in TA positions for FY26.[26] For the IS model, the expected funding (not including benefits) decreased by about 13% between FY25 and FY26.[27]

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[20] Budget Advisory Committee data.
[21] Chancellor Cynthia Larive and CPEVC Lori Kletzer to CPB, 1/7/25, Re: Response to CPB's Consultation Memo.
[22] AVCBAP Blakeslee to Principal Officers, 4/4/25, Re: Expedited Reduction Incentive.
[23] VCFOA Reiskin to Principal Officers, 8/21/24, Benefit Pool Funding Update.
[24] https://planning.ucsc.edu/resources/policies-guidelines/carry-forward-and-year-end-balances-guidelines/
[25] VCFOA Reiskin to Principal Officers, 7/2/25, Re: FY26 Budget Planning – Reduction and Requests.
[26] 392 TA positions for FY25 vs 371 TA positions for FY26. Minimum TA Allocation for FWS 2024-25, 11/9/2023. Minimum TA Allocation for FWS 2025-26, 2/10/25.
[27] $16,420,470 for FY25 vs $14,240,305 for FY26. Minimum IS (Instructional Support) Allocation — 2024-25, 11/9/2023. IS (Instructional Support) Estimated Allocation — 2025-26, 2/10/25.

CPB also notes that the removal of the Ph.D. incentive funding coincides with significant changes to graduate student funding implemented in 2024-25, including greatly reduced offers based on the department-specific Graduate Student Support Model (GSSM), elimination of Chancellor's Admission Fellowships, and increasing salary and benefits costs. At the same time, it is unclear who is responsible for funding shortfalls if a student is within the 5-year funding commitment but no funds are available, given that departments and divisions have lost the majority of their discretionary funds. Importantly, the Graduate Division is also responsible for a 12.5% budget reduction over three years, FY26-FY28, with modest (~1%) reductions in FY25.[28]

While each of these budgetary changes is certainly significant on their own, it is difficult for CPB to pinpoint the enormity of these reductions, in combination, and their total monetary effect on the core budgets of the academic divisions after taking into account carryforward that Central has swept, the movement of all faculty FTE funds to Central, the implementation of the DRM (which has reduced TA and IS allocations for at least some divisions), the decentralization of benefits costs, the one-time cuts applied in FY25, the budget cuts allocated to the academic divisions for FY26-FY28, reductions to graduate funding, and the budget reduction strategies of other units that have effectively been cuts to academic division operations. We also note that VCFOA Reiskin's July 2025 announcement of a new Campus Support Services (CSS) assessment model[29] may increase expenses for the divisions, exacerbating budgetary constraints.

IX. Space and Capital Planning

In 2024-25, CPB members sat on space and planning committees as representatives of CPB, with report outs below. Additionally, CPB learned in consultation with the CP/EVC's team that our campus has over $500 million in deferred maintenance costs, not including CHES, but a baseline budget for deferred maintenance of only $2 million. According to VCFOA Reiskin, without a general obligation (GO) bond, our campus will only be able to address critical issues where failure is imminent. CPB recommends annual updating on the status of deferred maintenance, particularly as the combination of the campus structural deficit and potential loss of F&A funds may require difficult decisions to be made about what is "critical" given limited resources.

A. University Space Committee

Throughout this academic year, the University Space Committee (USC) met six times (October 21, November 18, December 16, February 10, March 10, and May 19, with two meetings cancelled due to a lack of business). During these meetings, the committee finalized the new campus space management policy, which will replace the current space management principles approved by the campus in 2011. The committee also drafted new space planning guidelines to serve as an aid in planning, allocating, and managing space on campus. The guidelines will assist the campus community (i.e. Space Control Officers, Facilities Coordinators, and Space Planners) in establishing equitable, consistent, and flexible space planning parameters to ensure decisions regarding space are in support of the mission of the university. During the academic year, the committee also reviewed 16 space requests between parties that were in full agreement about the space transactions.

[28] https://live-news-ucsc.pantheonsite.io/wp-content/uploads/2025/04/ucsc-multi-year-spending-categories-and-targets.pdf
[29] https://planning.ucsc.edu/models-assessments/administration-service-assessments/

These types of reviews are called "consent items," and the committee is asked to vote on them. The outcome of the vote is then forwarded to the CP/EVC, and finally to the Chancellor, who is the approving authority.

USC adjudicated only one contentious space request involving a Social Sciences (SocSci) request for space held by the Division of Student Affairs and Success (DSAS) in the Merrill Academic Building. Both parties presented compelling cases for control of Merrill 105. Politics and Latin American & Latino Studies do not currently have sufficient space for departmental meetings and events within Merrill, their departmental home, and they report Merrill 105 being underutilized during business hours. DSAS/CHES argue that the need for study space within the colleges has become more acute with the widespread conversion of common rooms to living quarters; as such, Merrill 105 is required for both study space and quiet space for student well-being needs. The CP/EVC decided to cede Merrill 105 to SocSci with the understanding that the space would be accessible for student use outside of business hours. With the limited prospect for new building activity on campus and the looming increase in the enrolled student body, CPB feels that creative and collaborative space use will become increasingly important. Our committee believes that the principles for use of "eminent domain" by the central administration should be fully articulated by the 2025-26 incarnation of the USC. Furthermore, CPB believes that central administration should create an incentive structure, in the form of renovation funding, to promote the shared use of space across campus.

USC discussed the results of the Kerr Hall space audit and evaluated shared space use ("hoteling") by hybrid work employees. In a constrained space environment, hoteling represents an efficient use of space. CPB wonders the extent to which the practices employed in the Kerr space audit could be extended to the broader campus. Here again, with a substantial projected increase in the student body, greater space use efficiency will be required (see Section XI.G.). To this end, Physical Planning, Development & Operations (PPDO) has endeavored to create a homegrown GIS-based space use database, SlugSpace, to systematize space inventory data and provide broad access to campus planning stakeholders. CPB encourages continued refinement of this new system in consultation with both administration and the faculty community.

B. Process Improvement Taskforce

The Process Improvement Taskforce (PIT) was spun out of the Big Ideas Committee during the fall academic quarter. Co-chaired by Professor Paul Koch (Earth & Planetary Sciences) and VCIT Jackson, PIT was tasked with identifying campus systems and procedures that produce unnecessary work burden for university employees or increase campus costs due to duplication of functionality or inefficient spending on campus projects. The taskforce assessed and prioritized submissions made via the *Your Ideas Matter Survey* and via committee members. Several major recommendations emerged over the course of taskforce meetings:

- Develop a comprehensive financial system (CPB)
- Streamline the academic personnel process for Senate faculty (SEC, CAP, CPT, CFW, CODEI)
- Address untenable workload of cross-listed courses (CEP, COT)
- Optimize space resources (CPB, COT, CEP)

- Audit, benchmark, and implement budget controls for PPDO (CPB)

These foci were presented to a joint meeting of the Chancellor's Cabinet and SEC on May 13, 2025. Each of these potential projects intersects with Academic Senate interests and should be monitored as process improvement plans are developed and rolled out. The relevant committees that should be consulted are noted beside each recommendation.

C. *Interdisciplinary Instruction and Research Building*

The Interdisciplinary Instructional and Research Building Committee (IIRB) reconvened in February 2025 and met monthly thereafter to advance the design for the seismic replacement of Thimann Laboratories. The committee's work focused on aligning the project's programmatic requirements with its budget. This effort resulted in a flexible design approach that allows the project to proceed within the current budget while also providing a path forward to fully accommodate all of Thimann's programs should additional funding become available. This strategy ensures the campus can address urgent needs while preserving the long-term vision for the project.

D. *Employee Housing*

CPB reviewed and provided comments on several aspects of employee housing during the year. On November 21, CPB held an informal consultation with CP/EVC Kletzer focusing specifically on changes to the Mortgage Origination Program (MOP) and Supplemental Home Loan Program (SHLP) for our campus, but also highlighting the Senate's previous recommendation that a housing taskforce be established to provide a holistic review and recommendations.[30] Following this consultation, CPB sent a memo to CP/EVC Kletzer on November 26 reiterating their recommendations from the discussion. In winter quarter, formal Senate review of MOP changes was requested and both CPB and the Committee on Faculty Welfare (CFW) responded.[31] These consultations were in response to the following proposed changes:

- All MOP loans would be capped at $1,100,000, and SHLP loans would be capped at $50,000.
- New MOP authorizations in appointment or start-up letters would have a six-year limit for filing pre-approval.
- Existing MOP authorizations would have a six-year limit for filing pre-approval from the date of notification.
- A pause would be placed on most MOP exception requests, including pre-approval extensions, eligibility extensions, and requests for second MOP loans.
- Faculty and staff who are currently in escrow with a MOP loan or have an active pre-approval would not be affected by these changes.

CPB understands and agrees with the need for modifications to the programs given the current funding situation. However, we believe that flexibility needs to be built into any MOP and SHLP loan policies and that any changes made to the programs should be reviewed regularly to see the effects of those changes. CPB does not support a permanent

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[30] Academic Senate to CP/EVC Kletzer, 6/14/24, Re: UCSC Employee Housing Re-Pricing Program Recommendation 2024-2025.

[31] Academic Senate to CP/EVC Kletzer, 1/31/25, Proposed Updates to Mortgage Origination Program (MOP) and Supplemental Home Loan Program (SHLP).

policy change. CPB also recommended transparency around the process, timelines, and review criteria for future adjustments, so that faculty can make informed decisions about participation in the MOP loan program.

CPB acknowledges and appreciates that the final revisions to the MOP program[32] included several of our recommendations:

- The new cap on MOP loans is $1.3 million. CPB understands that, should funding from UCOP change significantly, this cap may be reexamined.
- Newly hired Senate faculty at the Assistant rank will have an eight-year limit for filing for pre-approval, and those hired at the Associate or Full rank will have a six-year limit.
- Existing faculty will have six years from the date of notification of the adoption of the final policy (March 12, 2025) to file for pre-approval, with the exception of Assistant Professors who have started July 2023 or later, who will have eight years from their start date.
- Although CPB recommends that the geographic area for MOP loans be expanded, we note that the administration will continue to consider making exceptions for faculty who want to live outside the immediate region, but in the greater Bay Area.

Following this series of consultations, VCFOA Reiskin established the Employee Housing Workgroup requested by CPB and CFW, with representation from staff, two Senate representatives (including a CPB rep), and a student representative. The workgroup charge was established in March 2025, and the committee is expected to meet monthly through the end of FY26. In consultation with VCFOA Reiskin, CPB understands that the committee charge is not limited and encompasses all aspects of housing.

In the early meetings of the Employee Housing Workgroup held this spring, members discussed how “affordability” should be calculated, whether or not junior faculty should be prioritized, and what strategies might help alleviate waitlist times.

The Employee Housing Workgroup also flagged under-utilization (units left vacant or informally rented) and the need to align the mix of rental, for-sale, and shared-equity products with new housing modalities. Another major discussion point was future planning. Members weighed concentrating future projects on Santa Cruz’s Westside to strengthen campus ties against pursuing less expensive options further afield, for instance Scotts Valley or Watsonville. To ground recommendations, the committee requested baseline data (occupancy duration and turnover, retention impacts, and market comparisons), with the aim of presenting a consolidated proposal for campus review in late fall 2025.

CPB looks forward to reviewing the recommendations of this committee as it accelerates activity in fall 2025.

E. Child Care Center

In the spring, CPB became actively engaged in reviewing the proposed campus child care

[32] https://employeehousing.ucsc.edu/mortgage-origination-program/

center. This topic touches on multiple Senate committees including CPB, CFW, and CODEI, and was elevated to SEC at the end of the academic year. CPB is particularly concerned about the market analysis which predicts that if no changes are made, the nascent program—scheduled for a soft opening fall 2025—will be ~50% *above* market costs at the nearest off-campus child care competitors. We expect that this will be a high priority item for the Senate in 2025-26, and we reiterate the request from SEC that future, pivotal decisions be made with enough lead time to engage in meaningful consultation with relevant Senate committees.

F. Interim Time, Place, and Manner Policy

CPB reviewed the interim Time, Place, and Manner policy in fall quarter. While this is more thoroughly discussed by other Senate committees and SEC, some aspects are directly in line with CPB purview; specifically, the policy's potential impact on campus infrastructure and emergency preparedness. The reliance on only two primary campus entrances continues to pose challenges, particularly in emergencies such as fires or earthquakes, and makes the campus susceptible to blockades. CPB encourages long-term planning to address this issue, including exploring options for additional access points or optimizing the use of existing secondary roads, such as those near the Women's Center or Arboretum. CPB also discussed the financial implications associated with implementing and enforcing the policy. Questions remain about how costs—such as those related to strike responses, campus closures, or enforcement measures—will be managed and whether funding support from UCOP is available for such expenses, particularly if the policy reflects a systemwide mandate. Careful planning and transparency in resource allocations are essential to ensure that the policy does not create unintended financial burdens for the campus.

X. Enrollment Management

CPB reviews new requests for impacted status designations and annual revisions to enrollment targets for programs operating under impacted status. This year, CPB reviewed an impaction request for Arts: Games and Playable Media (AGPM) from the Department of Performance, Play and Design, as well as 2025-26 enrollment targets for Computer Science and Engineering (CSE), which is already in impacted status. While the assignment of impacted status to the AGPM program remains uncertain, CPB argued, based on outsized faculty workload, that an FTE for AGPM should be one of the highest priorities for the 2025-26 cycle.

With separations outpacing newly allocated FTE and rising student enrollments as new and renovated dormitory spaces come online, faculty workloads will grow. More programs seeking impacted status designation are a near certainty. However, this year's reviews highlighted several issues with the proposal guidelines and review process for impacted status that need to be addressed.

- The institutional research reporting requirements are too onerous. CPB recommends that the Senate partner with IRAPS to script a standardized impaction report. Currently, the burden of impaction metric reporting falls on the impacted departments themselves, resulting in delayed and/or variably formatted initial or annual requests. This, in turn, has limited the Senate's ability to advocate for enrollment relief in a timely manner. Standardization will ensure apples-to-apples comparison of workload and student success metrics. Additionally, scripted reports will reduce reporting burdens on already overburdened departmental staff and faculty.

- Full Senate review of modest enrollment target changes is unnecessary, and could be replaced with consent agenda items for the relevant committees. However, enrollment targets that are significantly out of balance with the mandated 2:1 frosh-to-transfer ratio for a protracted period of time should require a more detailed review in all cases.
- The impacted status proposal and annual reports should establish faculty workload thresholds that would result in removal from impacted status roles. These durable targets would allow the Senate to advocate for FTE allocation that will reduce impaction.

XI. Highlighted 2024-25 Reviews

During 2024-25, CPB reviewed reports and proposals with significant impacts on planning and budget, including the following:

A. Feminist Studies Department Disestablishment and Change of Administrative Home Proposals

CPB reviewed proposals for the disestablishment of the Feminist Studies Department (FMST) and subsequent change of administrative home (COAH) for the Feminist Studies Ph.D., Designated Emphasis (DE), and B.A., potentially to the Critical Race & Ethnic Studies Department (CRES). Considering that the FMST faculty voted for the disestablishment of the department, and Dean Alinder supported disestablishment, CPB also supported the request for disestablishment of the department. CPB advocated for support of the existing Feminist Studies Ph.D. students for the purpose of completing their degrees, and the potential of CRES providing graduate advising, at which time CPB recommended termination of the FMST Ph.D. program. CPB recommended that future Feminist Studies or other Ph.D. programs in CRES require a new proposal and full Senate review. CPB did support the requests for the COAH of the Feminist Studies undergraduate major and DE to CRES.

CPB noted in its review of these COAH proposals, as well as in a CRES proposal to establish a minor in Science and Justice, that firm resource commitments were not articulated by Dean Alinder. As such, CPB has concerns about the potential strain on workload that the new minor, combined with the COAH of the Feminist Studies major, could have on staff. CPB prefers that resource commitments be provided by the divisional deans as part of a successful review process, but we also note that such commitments are seemingly hampered by the budgetary landscape.

B. Economics Department Professional Master's Degree Proposals

CPB reviewed several proposals this year submitted by the Economics Department, all of which were related to their professional master's degree. In total, CPB reviewed three proposals: a request to change the program name from *Applied Economics and Finance* to *Quantitative Economics and Finance*, a 4+1 pathway proposal, and a 3+1+1 proposal related to the department's exchange program with Sunkyunkwan University in Korea (SKKU).

While CPB recognizes the importance of new pathways into this professional master's degree as ways of maintaining the program's sustainability, we felt that the pathway proposals should be described as "resource manageable" rather than "resource neutral." The SKKU program, for example, requires additional application review, advising capacity, and project coordination. The Economics proposals are illustrative of the campus-wide tendency (from both administration and from departments) to undervalue/ underestimate the cost of staff and faculty labor. CPB insists that dedicated faculty/staff time and labor always be counted as resources (and finite ones). CPB would also like to see additional tracking information on post-graduate placements, as such data is crucial for the evaluation of any master's pathway, but especially those that lead to degrees that charge Professional Degree Supplemental Tuition (PDST).

C. *Self-Supporting Professional Online M.S. in Artificial Intelligence and Data Science Proposal*

CPB reviewed a proposal for a Self-Supporting Graduate/Professional Degree Program[33] (SSGPDP) Master's of Science in Artificial Intelligence and Data Science. This degree program would be offered online, housed in Baskin Engineering, and jointly supervised by two departments: Computer Science Engineering (CSE) and Statistics (STAT). This program would be the campus's first self-supporting graduate program. Because the campus does not yet have protocols and policies in place for SSGPDPs, this program could potentially set precedent. Consequently, CPB reviewed the proposal both to evaluate the proposed resource needs and to anticipate precedents and potential issues with future proposals.

CPB's review was wide-ranging and covered such topics as a cost-benefit analysis of expenses to mount and sustain the program against the necessary versus ideal minimum enrollments for the program; how online courses will be created, supported, revised including by whom; appropriate compensation for faculty to create and lead courses; appropriate fees for marketing and recruiting; comparator data for indirect cost recovery for SSGPDPs across the UC system; and campus strategies for funding new programs with loans and other resource allocations. According to the proposal, the campus would provide a loan to the program to support the first several years of program development and launch. Because this could set precedent for the campus, CPB analyzed the merits of a loan, the terms of this loan, and the impact of using loans to create programs, especially in a period of severe budgetary problems.

Because SSGPDPs must be self-sustaining within three years, CPB questioned whether it was possible to attain the proposed minimum enrollment and how the program would sustain itself if the minimum enrollment was not met. CPB also memorialized the requirement that SSGPDPs be reviewed after three years in order to ensure that they are meeting goals and are sustainable. CPB further discussed whether the Return to Aid component was sufficient and whether it would adequately support enough students.

Overall, CPB wanted to make sure that the Senate retains its purview over proposals for new graduate programs and that policies for new programs are created through robust Senate review and decision and not by default.

[33] https://www.ucop.edu/institutional-research-academic-planning/_files/2020_self-supportingdegreeprograms_policy.pdf

D. COT: Budget Cuts and Teaching Report

During spring quarter, CPB discussed the Budget Cuts and Teaching Report prepared by the Committee on Teaching (COT), which was also presented by the COT and CEP chairs during the spring Senate meeting. CPB appreciates COT's effort to capture important concerns regarding the impact of budget cuts on teaching, which were shared by Senate faculty and staff involved with curricular planning across campus. The survey results align with issues discussed in CPB throughout this year among committee members and in consultation with various campus constituencies. It is clear that budget cuts already have and will continue to have far-reaching and interrelated impacts, affecting our teaching and research mission and the well-being of students, faculty, and staff. CPB would like to draw attention to the following issues:

- Since budget cuts threaten our mission and R1 status and devastate the quality of education we provide to undergraduate and graduate students, they are likely to lead to a gradual (and potentially drastic) reduction in enrollments, especially considering the cost of tuition and the very high cost of living in Santa Cruz. Such a development will further exacerbate the budget crisis and create a vicious cycle.
- We have an ethical and intellectual responsibility to serve our mission with special attention to diversity. We are committed to attracting *and supporting* a diverse body of students, faculty, and staff. Yet this goal is severely compromised and might soon become unsustainable due to the repercussions of the current budget cuts on teaching, research, and student resources and the great pressure put on faculty and staff to do more with less.

In view of the above, CPB urges campus administration to develop a plan for addressing the concerns raised by the report and to identify ways in which our campus mission and priorities will be safeguarded, so that the Senate can work with the administration to promote actionable solutions. We would also like to emphasize a point highlighted by the COT report, namely the need for central administration to provide improved (timely, transparent, complete) communication on budgetary decisions that affect curricula in order to ensure Senate consultation and efficient planning, and to avoid unnecessary staff and faculty burnout.

E. Colleges Mid-Cycle Report

CPB reviewed the mid-cycle report for the Colleges and agreed with VPAA Lee's recommendation of a seven-year external review cycle. CPB appreciates the dedicated work of all parties involved in supporting the mission of the Colleges and enhancing the experience of the students, even under the current budget crisis. In the spirit of supporting these endeavors, CPB provided the following feedback, which was also discussed during a fruitful consultation with Vice Provost and Dean of Undergraduate Education (VPDUE) Richard Hughey and Council of Provosts Chair (CPC) Sean Keilen.

Regarding the Academic Integrity Office (AIO), established with the hire of Director Greer Murphy in May 2024, CPB recommends that the AIO website be updated with concrete information about the work that the office is currently undertaking to support the Colleges and the UC Santa Cruz community at large in promoting integrity. We also recommend that the director and education specialist cultivate collaborations with faculty to promote the vision of the Academic Integrity Office. Additionally, in view of the rapid and dramatic increase in AI-related cheating reported by many of our colleagues (and the fact that this issue is especially acute in online courses and also harder to address due to the lack of in-person classroom time), we encourage the AIO to work with other campus units and Senate committees to update relevant campus resources, policies, and reporting processes, to better support instructors in promoting academic integrity as the foundation of student learning and success.

Regarding the gradual decommissioning of College houses as Provost residencies due to maintenance costs, CPB hopes that alternative incentives will be provided to future Provosts and that a way will be found (perhaps through fundraising efforts) for College houses to be adequately maintained so that they can continue to play a central role in College life and community-building. Fundraising for College houses could be combined with efforts to reinforce identity-building among College students, for example by organizing events that would bring current undergrads into contact with College alumni during Alumni Week. The idea put forward by VPDUE Hughey and the Council of Provosts to turn the Cowell College house into a visitor center will serve a long-standing need for the campus, but it should not overshadow efforts to maintain other College houses for College use. Currently, College life is a defining aspect of the undergraduate experience at UC Santa Cruz, and CPB hopes that campus administration will continue to dedicate proper attention and resources to support it. To this end, we agree with the view expressed by CPC Keilen that the size of College core courses should remain small, in order to support the kind of intimate and inclusive learning experiences currently offered in classes with a limited number of students.

Finally, regarding staff levels, CPB notes that the recent restructuring of College Academic Managers (CAMs) in two teams seems to be a reasonable use of resources, at least on paper, and this was confirmed in our consultation with VPDUE Hughey and CPC Keilen. We strongly recommend that the outcomes of this or any other administrative reorganization that affects College staff be reevaluated in the near future, in terms of both efficiency and workload, to ensure continued positive results or foreground necessary adjustments. Staff input and consultation would be essential in any evaluation of the new system, to ensure reasonable workload and sustainable student support.

F. *Proposed Revisions to CAPM 407.690 (Overlapping Steps)*

CPB discussed proposed revisions to CAPM 407.690 (Overlapping Steps) in fall 2024 and agreed that the proposal to eliminate the use of overlapping steps for promotions (e.g. going from Assistant 5 to Associate 1 instead of Associate 2) would be helpful in providing more time for faculty at the Associate and Full Professor ranks before coming up for review at a barrier step. However, CPB does not think these revisions offer an adequate solution to the serious concerns raised by the enforcement of salary caps at barrier steps, and we urge the administration to work with the Senate to address this critical issue.

CPB considers salary caps at barrier steps a serious infringement upon the equity principles that should guide all faculty reviews: salary raises should always be determined in equal measure by the quality of the submitted file, regardless of step or rank. Salary caps at barrier steps impose a very different metric, introducing an inequity that is further exacerbated in the case of those faculty members whose research might evolve at a slower pace because of the nature of their projects (e.g. archival research in book disciplines) or because they carry a disproportionately heavy teaching, mentoring, or service load that supports essential needs of their department, division, and campus at large. In light of the fact that female faculty and faculty of color often shoulder a larger service burden, the current practice of salary caps at barrier steps may result in even graver inequities that go against our university's principles. The very high cost of living in Santa Cruz and the Bay Area further highlights the need for ladder-rank faculty including Teaching Professors to be compensated fairly and equitably at all times, on the basis of their merit and contributions.

The administration argues that salary caps aim to avoid salary inversions among faculty on either side of barrier steps. CPB believes that safeguarding equity is more important than avoiding salary inversions. In addition, it is difficult to evaluate the administration's argument without relevant data or projections documenting how many faculty salaries would be inverted, and by how much, without salary caps at barrier steps, as well as data on salary inversions that currently exist. CPB would also like to know why the Associate rank has only four steps instead of five, where other UCs stand on this matter, and how the pace of our faculty's advancement through the ranks compares with theirs.

We would also like to note that the Annual CAP-CP/EVC Memo on Academic Advancement[34] circulated on May 15 does not address the above issues. In addition, it includes a table of salary increases (without rank or step advancement) at barrier steps which severely and alarmingly disadvantage Full Professors at Steps 5 and 9 in comparison to Assistants at Step 5 and Associates at Step 4. For example, there is no allowed salary raise for a Full Professor 5 or 9 when they have excellent performance in all three areas of review (or when they have any combination of below excellent and excellent/outstanding). They only get a modest 1/3 salary increase with two excellent and one outstanding and fall in pace with Associate 4 capped salary raises of 2/3 step only if they have one excellent and two outstanding or three outstanding areas. CPB fails to see the rationale behind this discrimination of senior faculty, many of whom also bear a very heavy service burden on this campus. In addition to this being an equity issue, CPB wonders to what degree such salary caps may demoralize and disincentivize senior faculty to maintain excellence.

G. *Final Report of the Classrooms and Modality Advisory Committee*

In April 2025, the final report of the Classrooms and Modality Advisory Committee (CMAC) was released, and CPB had the opportunity to review the report and provide feedback. CPB was disappointed to discover during its review that the final report did not address the Senate's feedback to CMAC last year, following CMAC's Year One Report, which included comment from eight Senate committees. As such, much of CPB's response to the final report reiterated the committee's concerns voiced last academic year.

CPB questioned why a space audit has not been conducted, and worried that student success was not centered enough in the details or recommendations of CMAC's report. From CPB's perspective, the report describes and proposes ways of teaching that are based primarily on space and logistics, with student learning and pedagogy seeming to be a secondary or tertiary priority. At the same time, the report does not use data on space usage that would enable greater accuracy and nuance in understanding issues around classroom

[34] https://academicpersonnel.ucsc.edu/appointment-and-advancement/2025/05/annual-memo-on-academic-advancement-2025/

space and devising possible solutions.

CPB's response also surfaced several issues related to the report's push for off-hours classes and increases in summer and online course enrollments. Classes at 8am or in late evening time slots may pose challenges for both students and instructors, particularly in the absence of convenient housing, reliable after-hours childcare and transportation, and well-lit and safe paths and parking areas. CPB suggested an evaluation of campus safety and infrastructure—for example, lighted pathways, safe spaces, access to food and drink, etc.—and what the related costs would be to keep staff after hours to support courses, labs, and safety. Regarding increasing summer enrollment, CPB warned that relying heavily on 5-week courses taught by graduate students and lecturers has potential consequences for ensuring UC quality. The committee recommended more full-term summer courses and careful thought about curricular assignments and sequences, faculty compensation, sabbatical credits, and the option to spread out faculty teaching workload in four quarters. CPB also had concerns over reliance on online courses, particularly when the modality is chosen for space considerations rather than pedagogy. Moreover, CPB questions how online and hybrid courses will be supported in the long-term (updating materials, assignments, applications, etc.) and what the projected costs for this maintenance—including the labor of those who will be responsible for the work—will be.

Finally, CPB recommended that any future implementation committee be composed of stakeholders that fully represent the campus constituencies most immediately involved in and affected by instruction. CPB would also like to review concrete details regarding implementation, including potential resource needs, and cautioned that any space management system adopted in the future should respect the privacy of students, instructors, and staff.

H. Proposed Revisions to Senate Regulation 479 (CalGETC)

In the fall, CPB reviewed a systemwide proposal to revise Senate Regulation 479, regarding the California General Education Transfer Curriculum, or Cal-GETC. Part of these revisions included a change to allow prospective transfer students to defer up to two additional (four maximum) general education courses until UC enrollment. CPB noted that this change might improve time-to-degree for some majors (e.g. chemistry, physics, engineering) but that it could also lead to unintended consequences. Possible impacts include longer time-to-degree for all students if GE classes (which are also toolkit classes for some majors) are difficult to get into, larger GE classes with a more uneven distribution of students (declared vs. undeclared), increased workload for faculty and TAs, and potentially greater student reliance on summer courses, which are often online courses taught by Graduate Student Instructors (GSIs). To address equity concerns, CPB suggested returning to a model where GEs are completed in the first two years (or before declaring) by all students, since this better aligns with the pedagogical intent of those classes.

XII. Regular Committee Business

A. External Reviews

CPB annually participates in department and program external reviews, with a considerable number of closure meetings taking place this year. During 2024-25, CPB reviewed department/program self-studies and subsequently submitted questions to supplement the universal charge for upcoming reviews for Coastal Science & Policy, Earth & Planetary Sciences, and Ocean Sciences, the latter two of which were scheduled for external review in 2023-24 (self-study materials, including the dean's supplemental questions to the external review, were submitted to the Senate late). In their consideration of the Ocean Sciences external review charge, with CPB Chair Kudela and Senate Chair McCarthy recused, CPB recommended to the VPAA that the Environmental Sciences major be included. While it would be irregular for a single major to be included in two departments' external reviews, CPB feels this would be an asset in the context of a curriculum that is truly shared across departments. CPB also reviewed and approved the Philosophy Department's request for a one-year extension on their external review that was originally set for 2025-26.

CPB also prepared responses to External Review Committee (ERC) reports and the department/program and dean responses to those reports as preparation for closure meetings for Applied Mathematics, Art, Biomolecular Engineering, Computer Science & Engineering, Ecology & Evolutionary Biology, Economics, Film & Digital Media, History, Microbiology & Environmental Toxicology, Politics, and Sociology. CPB also has a representative in every closure meeting. CPB notes that some of these external review materials were also submitted late; for example, the Computer Science & Engineering external review was scheduled for 2022-23, and the Ecology & Evolutionary Biology and Microbiology & Environmental Toxicology external reviews were meant to take place in 2021-22 and 2022-23, respectively; in all three cases, the closure meetings occurred this academic year. Lapses in time of 2-3 years between self-studies and closure meetings sometimes make materials reviewed by the Senate seem outdated, or at least less precise in measuring the health of a department at the time of Senate review.

Finally, CPB reviewed mid-cycle reports and made recommendations on the length of review cycle for Arts: Games & Playable Media, the Colleges, Education, Environmental Studies, Latin American & Latino Studies, Literature, Science Communication, and Statistics. A mid-cycle report due in April 2025 from the Physics Department was not received by the Senate.

Unfortunately, the Senate also did not receive the external review materials for Astronomy & Astrophysics in 2024-25. We note that the self-study was completed in September 2023 and the External Review Committee submitted their report on October 21, 2024. The Senate awaits the department and dean responses to that report so the closure meeting can be scheduled.

B. *Off-Cycle FTE Requests and Waiver of Open Recruitment Requests*

CPB learned in June 2025 that the committee's Recommendations for Off-Cycle Hire Requests document and our review guidelines for waiver of open recruitment proposals and second hire requests will all need to be revised as a result of changes made to CAPM 101.000. These revisions to CAPM 101.000 stem from Office of the Systemwide Provost and Executive Vice President guidelines that statements of contributions to diversity, equity, and inclusion may no longer be solicited from candidates. CPB will propose revisions to our documents and seek administrative consultation and endorsement prior to reposting this off-cycle FTE proposal guidance on CPB's website. Although the documents are temporarily down at the time of this report, we note the importance of their usage by departments and divisions; CPB sent back multiple off-cycle proposals this year with requests for more information because of incomplete materials being submitted at the outset.

CPB also noted with concern that multiple requests for "second hires" were submitted this year prior to a search being conducted. CPB would like to reiterate that we see second hire requests as potential hiring strategies only when a strong FTE recruitment pool contains a second candidate who also meets high priority needs in the department or division. Second hire requests are appropriate in two types of circumstances. The first is when the finalist pool happens to contain an exceptional candidate who, while not necessarily the first choice for the position originally advertised, would be a great fit for a future departmental need that has previously been laid out in departmental hiring plans and external review documents as being among the top two departmental priorities. The second situation is when a recruitment already authorized for a future year can be filled by a candidate in the current finalist pool.

In 2024-25, CPB reviewed and made recommendations on two second hire requests, both from BE. CPB also reviewed and made recommendations on one spousal/partner waiver of open recruitment request from SocSci. There were zero Target of Excellence (TOE) waiver requests. CPB also reviewed one request each from BE and PBSci for an off-cycle open recruitment. This year, CPB did not receive any standalone requests for Presidential Postdoctoral Fellows nor Chancellor's Fellows Program hires. However, CPB recommended in their FTE recruitment recommendations that a Humanities Division FTE request be pulled out of the on-cycle recruitments and authorized immediately as an off-cycle PPFP. Please see Section III above for further discussion of off-cycle hiring.

	Arts	BE	Hum	PBSci	SocSci	Total
Second/Third Hires	0	2	0	0	0	2
Off-cycle open recruitment	0	1	0	1	0	2
PPFP hire requests*	0	0	1	0	0	1
TOE	0	0	0	0	0	0
Spousal/Partner waiver requests	0	0	0	0	1	1
Total	0	3	1	1	1	6
*Submitted by the division as an on-cycle FTE authorization request						

Table 4. Number of off-cycle hire requests reviewed by CPB in 2024-25, by type and division.

C. FTE Transfer Requests

CPB is one of four Senate committees that reviews and makes recommendations on faculty requests for FTE transfer. This year, CPB reviewed seven FTE transfer requests in total, all of which amounted to a request to have 100% of the faculty's FTE in one unit. This represents a greater number of FTE transfer requests than usual and is partially correlated with the disestablishment of the Feminist Studies Department. Five of the requests came from faculty in Feminist Studies, with one being a request to transfer to a divisional appointment in Humanities. CPB was also pleased to see an unrelated request for movement out of a division into a department, since we generally are not supportive of divisional faculty appointments unless there is a clear benefit to the division.

XIII. Local and Systemwide Issue Reviews

In addition to the issues discussed in earlier sections of the report, CPB reviewed and commented on the following issues and/or policies:

Divisional
- Writing and Rhetoric Minor Proposal (Nov 2024)
- Name Change Proposal for GISES Concentration and Minor (Jan 2025)
- New CAPM 810.672 (Negotiated Salary Program Implementation Guidelines) (Jan 2025)
- Proposed Revisions to CAPM 404.220 (Appointment, Reappointment, and Non-Reappointment) and 410.220 (Promotion) (Feb 2025)
- Certificate in Innovation and Entrepreneurship Proposal (March 2025)
- DANM Change of Administrative Home & Theater Arts M.A. Discontinuance Proposal (March 2025)
- Statistical and Data Sciences B.S. Degree Proposal (April 2025)
- Anthropology M.A. Proposal (May 2025)
- Revised Writing and Rhetoric Minor Proposal (May 2025)

Systemwide
- Academic Calendar Workgroup Draft Report (April 2025)
- Proposed Revisions to APM - 230, Visiting Appointments (June 2025)

XIV. Continuing Issues

As indicated throughout this report, there are several matters of continuing and emerging importance that will require CPB engagement and attention in the coming year(s).

CPB will continue to collaborate with:

- the Office of Budget and Planning and the many budget reduction and revenue augmentation subcommittees as part of the multi-year deficit reduction and budget planning process. In particular, CPB looks forward to reviewing and providing recommendations on the reports of the Process Improvement Taskforce and the many working groups of the Strategic Organizational Improvement subcommittee. CPB also hopes a more detailed report will be forthcoming from the Revenue Augmentation Committee (RAC) that includes timelines, cost-benefit analyses, and revenue projections for each of RAC's recommendations;
- the Housing Advisory Committee, with a CPB representative as a committee member;
- the Division of Finance, Operations, and Administration on capital planning, housing, and the new Campus Support Services assessment model, alongside continued monitoring of and engagement in other space planning (including through CPB representation on the University Space Committee and IIRB planning committee);
- CFW and SEC to monitor the launch of the new child care center, including its pricing;
- the Office of Research on research-related budget and planning, including CPB consultation on a new Indirect Cost Recovery model;
- the disciplinary deans to better understand the academic side of budget and planning decisions;
- the disciplinary deans and CP/EVC on faculty FTE at the planning and review stages;
- administration, the deans, CODEI, and others to reconsider the campus' PPFP hiring

process;
- the Office of Budget and Planning, to monitor the new carryforward policy and assist in review of one-time funding requests;
- Admissions, the SOIC NRST group, and others, to monitor non-resident student enrollments;
- the Leading the Change Advisory Committee, with Chair Kudela serving as representative from CPB.

In 2025-26, CPB looks forward to continuing to evaluate the Divisional Resource Model's implementation and outcomes and, in particular, to monitoring the timeline for adjusting the model based on two full years of data. CPB also anticipates continued consultation with the CP/EVC and principal officers regarding the funding metrics and budget planning process for non-academic divisions, and how these are reflected in campuswide budget planning decision-making.

CPB has also advocated to the administration for the following, which we will follow up on in 2025-26:

- the addition of a smoothing function to the DRM, to prevent large swings in IS allocations year-over-year;
- a separate budget for Languages curriculum in the DRM, similar to the Writing Program's budget;
- the creation of a Languages Taskforce;
- identification of an acceptable student-to-faculty ratio for the campus, and calculation of the number of faculty FTE authorizations required annually to maintain that target;
- re-examination of our staffing model, particularly for Managers and Senior Professionals (MSP);
- continued discussion of CAPM 407.690 (Overlapping Steps), including a data-based analysis of the need for, and impact of, salary caps at barrier steps.

Some specific issues that were not completed in 2024-25 that will carry forward to next year include:

- analyses of newly received IRAPS data on summer session student success metrics;
- reviewing the Multicampus Research Unit (MRU) funding model and the Indirect Cost Recovery model with the CP/EVC and VCR;
- reviewing the staffing component of the Divisional Resource Model with the Office of Budget and Planning, and monitoring staff layoffs;
- Impaction process improvements, in collaboration with other Senate committees and the VPAA;
- follow-up with the CP/EVC regarding an updated policy clearly defining the costs and mechanisms for course buyouts for all classes regardless of number of credit hours.

Finally, CPB will continue to monitor budgetary challenges stemming from federal reductions in grant funding and F&A.

XV. In Memoriam

CPB Member David Lee Cuthbert, Professor of Performance, Play and Design (PPD), passed away unexpectedly on February 11, 2025. Cuthbert was a strong advocate for the Senate and always championed the importance of shared governance; CPB benefited tremendously from his insight and deep historical knowledge in his final role as a Senate committee member. May his memory be a blessing for all those who knew him.

Respectfully submitted,

COMMITTEE ON PLANNING AND BUDGET

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Hikaru Saijo
Matthew McCarthy, *ex officio*
Melissa Caldwell, *ex officio*
Jeremy Hourigan, *Vice-Chair*
Raphe Kudela, *Chair*

Kayson Tang, SUA Representative
Samir Ghosh, GSA Representative

August 31, 2025