

MINUTES

Regular Meeting of the Santa Cruz Division
Friday, November 22, 2024, at 2:30 p.m.
Location: Stevenson Event Center, UC Santa Cruz

Meeting

A regular meeting of the Santa Cruz Division of the Academic Senate was held Friday, November 22, 2024, at the Stevenson Event Center and was streamed online via Vimeo. Senate Chair Matthew McCarthy, Professor of Ocean Sciences, called the meeting to order at 2:30 pm, with Jason Nielsen, Professor of Physics, as Parliamentarian. Chair McCarthy reminded everyone that while the meeting was open to the public, only members of the Academic Senate may second or vote on motions. Non-Senate representatives to Senate committees and representatives of the College Academic Senates also have privilege of the floor. Legislation and any other formal actions will be distributed via a campus-wide electronic ballot post-meeting to ensure that only those with voting privileges vote on matters which impact Senate bylaws. All proposed legislative and formal items presented will be open to discussion and potential amendment prior to balloting. Parliamentary actions of the meeting would be conducted via voice vote and acclamation.

Chair McCarthy stated that in the interest of trying to hear from as many people as possible, the meeting would adhere to standard parliamentary procedure, with two minutes per person for comments or questions. He went on to emphasize that speaking at this meeting is not the only way to communicate with the Senate. Comments can be sent by email at any time and a form has been set up to specifically collect other feedback from the meeting.

1. Approval of Draft Minutes

- a. No edits had been submitted for the May 22, 2024 minutes. Chair McCarthy asked if there were any corrections from the floor. Hearing none, Secretary Carla Freccero accepted the meeting minutes of May 22, 2024, as presented.

2. Announcements

a. **Chair Matt McCarthy**

Chair McCarthy announced that beginning in the winter quarter, weekly Senate Chair office hours would be set up to facilitate discussion and hear Senate faculty concerns. He announced that, to expand the reach of shared governance beyond the committee meetings, a plan was being developed to have one representative in each department present at their department meetings quarterly on the main priorities of the Senate. Chair McCarthy then invited Chancellor Larive to take the floor and asked that questions be held until after both the Chancellor and CPEVC had concluded their remarks.

b. **Chancellor Cynthia Larive**

The Chancellor expressed her appreciation for the opportunity to address the Academic Senate and then shared the following remarks:

Themes for the Year

Community is more important than ever as we face a number of challenges - some of them known and some of them that we can't yet predict. Our local and state budget constraints combined with questions about federal support for higher education under the next administration and the global conflicts that continue to have impacts on our campus are all top of mind. Any one of these would

be a sufficient challenge, but like the many issues we've faced together over the past five years, they're impacting us all at once.

To help guide us through these challenges, I've asked our leadership teams to conduct our work in alignment with two themes. The first is collaboration and partnership. Especially when we're feeling the stress of resource constraints and the pressures of uncertainty, we can sometimes find ourselves assuming the worst in others or attributing negative intent where none exists. I ask that we take a step back and assume the best in others, speak about our colleagues well, and practice kindness whenever we can. Recognizing that we're on the same team and have the option of collaboration can help us avoid unnecessary internal conflict.

Our second theme is strengthening our resilience. We've overcome so much as a campus in the last few years, persevering through every challenge thrown our way. We've literally come through the fire and we will again. Resilience is about all of the small steps we take forward and the way we prepare ourselves to act in complex situations. I ask you not to put off these small steps like taking your annual mandatory training, updating your emergency contact information, and being aware of instructor responsibilities for safety in the classroom. And as we head into a series of holiday breaks, I encourage you to rest and renew. If we work in partnership and remain resilient, we are more than equal to the challenges we face.

Time Place and Manner interim policy

In compliance with requirements outlined in SB 108, the UC system, including UC Santa Cruz, enacted an interim Time, Place, and Manner policy that protects student, staff, and faculty safety, access, and operations while promoting and supporting free expression. Comments about these policies may be sent to the Policy Coordination Office at pco@ucsc.edu by the close of business on November 30, 2024 and I encourage you to take this opportunity to share your thoughts.

State and UC Budgets

The State has projected a \$46.8 billion deficit for the current (2024-25) fiscal year, and an estimated \$28.4 billion budget deficit for the next (2025-26) fiscal year. It is possible that, in the end, this year's state budget deficit may not be as bad as estimated. A November 20 report by the LAO indicated that the booming stock market pushed revenues during the first quarter of the fiscal year well ahead of initial projections. While this is encouraging - we will not know the actual state revenue until early May - around the time of the release of the Governor's May revise budget.

Therefore, our campus projections for 2025-26 revenues must continue to factor in the proposed reductions to UC's budget that were announced last year. Other State agencies faced base budget cuts this year, and the Governor instructed UC to prepare for a similar 7.95% base budget cut in the 2025-26 fiscal year. Furthermore, under this plan next year's incremental funding for the Compact (5%, \$242.8 million) would be deferred until 2026-27, leading to an overall 6.1% decrease in state funding relative to 2024-25. For our campus, we project that this would translate to a \$16.6 million reduction in state funding for next fiscal year which will begin July 1, 2025.

Last week, UCOP informed the Regents that if projected revenues materialize as proposed by the Governor, UC's 2025-26 expenditure increases would surpass new revenue and cost-saving efforts by over \$500 million. Even so, I was pleased that regents approved the UC budget containing a salary increase for faculty and non-represented staff as well as a request for much needed capital projects (\$1.36 billion).

UCOP is already energetically advocating for greater levels of UC funding by eliminating the proposed 7.95% cut and providing full funding of the University's state general fund base budget. The University also requests full funding for the Compact in 2025-26 and the requested funds for capital needs. I encourage all of us to participate in this advocacy at every opportunity.

Employee Benefits

An area of continuing concern for everyone is the dramatic increase in benefits costs. Again this year, both the campus and employees will have increased benefits costs. For employees it is on the order of 9 to 11% depending on your base salary. These increases are caused by an increase in care utilization by an aging population, rising chronic health conditions, and expanded use of new drugs and treatments. The UC Office of the President negotiates our benefits as a system so this is also not a place where campuses have local control. UC leadership has authorized an additional \$51.5 million contribution to keep increases from being even higher. As I'm sure you're all aware, today at 5:00 PM is actually the deadline for open enrollment.

A Possible UCSC Medical School

You may have read the story in today's Lookout about a possible medical school for the Central Coast. Though much of our efforts right now are appropriately focused on our budget, it is important that we continue to work towards our future vision for UC Santa Cruz. A medical school is something that we have recently begun to explore given that it would take at least a decade or two to accomplish. This is not a new idea - others have raised it and I have mentioned it as well. But it has gained more traction in the past few years as the health crisis has become more acute.

Our region, like much of California, currently has a shortage of primary care physicians - I know that many of you feel that in your own families. This shortage is likely to grow even worse in the coming years because a large share of doctors and other medical professionals are 65 or older. As the research university in our region, we could play a role in helping to address this problem. The campus is already helping students prepare for rewarding careers in medicine and healthcare-related fields through our cutting-edge research in genomics and other biomedically related areas. Our Global and Community Health undergraduate program is now in its third year with 470 majors and our Pre-med Postbaccalaureate program launched this fall with 14 students as a collaboration with UCSC extension. I would like to acknowledge Grant Hartzog for all his work to create and support the post-bacc program.

The most recently added medical schools in our system are UC Riverside and UC Merced, and their pathways both started by collaborating with another UC campus. The idea for a medical school at UCR dates back to 1971 and the campus had a very long-standing collaboration with UCLA. The first class of the UCR medical school began in 2013. Merced has followed a similar pathway with the initial conversations beginning in 2005 and the medical school launch is planned for 2027. As with UCR and Merced, a UCSC medical school would require a significant investment from the state. And like those campuses, a possible pathway would be for UCSC to establish a partnership with another UC campus, in which a portion of the medical student's education, perhaps a part of their clinical rotations, could be here on the central coast. At the point at which our conversations begin to solidify, I will look forward to sharing that news with you at a future Academic Senate meeting.

Fundraising updates

In the spring, I updated you on planning for our next comprehensive fundraising campaign. We're still in the quiet phase which is foundational to a successful public campaign. I could not have predicted what an outstanding year this has been for gifts to the university. We started the academic year off with an estimated \$20 million gift from the late Richard Sabatte to support undergraduate scholarships for outstanding students with financial need. The award will go to 30-50 students each year and is already changing the lives of our students. A gift like this is an incredible vote of confidence in the transformational power of a UC Santa Cruz education. It's an endorsement of each of you as faculty instructors and mentors. I'm grateful that Rick Sabatte valued his educational experience here so much that he wanted to make it possible for others.

Just two weeks ago, the Regents approved the establishment of the Strathearn Ranch Natural Reserve which was an anonymous estate gift to the campus. The reserve covers 2400 acres of beautiful grassland in San Benito County and is the 42nd UC natural reserve and the seventh UC Santa Cruz reserve. If you look at those 42 reserves on a map, you can see that Strathearn ranch is really out on its own occupying an area that isn't close to our other reserves and thus presenting a unique environment for long-term research and study. Because the reserve is home to oak woodlands, it also complements several existing reserves and provides opportunities for parallel studies.

If you have not had the opportunity to visit one of our reserves, I encourage you to do so. Gage Dayton, our UCSC Natural Reserves Director, and his outstanding team collaborate with instructors in all disciplines to help students experience these amazing outdoor classrooms. The reserves are part of our larger commitment to access and in particular, access to research opportunities. Our campus reserve is just a few minutes from our lecture halls, just beyond the North Remote parking lot and hosts numerous classes and long-term research projects. No doubt, Strathearn Ranch Natural Reserve will soon be the site of field trips, field courses, research projects, and hands-on learning experiences. We are training the next generation of conservationists and I'm so proud that UC Santa Cruz has been entrusted with the stewardship of Strathearn Ranch. This gift is valued between \$7 and \$10 million including both the land and the stewardship endowment. It's an honor and an opportunity that speaks to the reputation and impact of our research and teaching in ecology, conservation biology, and environmental science.

Finally, as you all know Wednesday was Giving Day. We've had outstanding Giving Day results over the last several years and 2024 is no exception. I'm excited to share that this year we raised over \$1.3 million from more than 6,500 donors! Giving Day provides direct fundraising opportunities for student clubs, programs, and organizations and we really see people giving from the heart to help support the work of so many different projects. Our students are the real difference makers here and they get the opportunity to tell the story of their project and engage their communities. Vice Chancellor Mark Delos Reyes Davis is the driving force behind all of this great news. He and his team have raised our ambitions as a campus and they are partnering across the university to lay a strong foundation for the upcoming campaign.

The floor was then given to CPEVC Lori Kletzer.

c. Campus Provost & Executive Vice Chancellor Lori Kletzer

CPEVC Kletzer expressed her gratitude to the Senate and then provided the following remarks:

MOP Loan

The campus Mortgage Origination Program (MOP) and Supplemental Home Loan Program (SHLP) have been key resources in faculty and staff recruitment and retention, providing valuable assistance in securing housing in our region. However, due to unprecedented demand and budgetary constraints, the UC Office of Loan Programs (OLP) has recently implemented several changes that impact the availability of these loans.

Temporary Program Suspension

For FY25, our campus received an allocation of \$33,277,200 for the MOP program. As of October 15, \$14,673,300 remains, with \$21,162,500 in pre-approved MOP loans still pending. As a result, we are facing a projected shortfall of \$6,489,200. Due to this projected negative balance, new MOP pre-approvals for the campus are suspended until funding is available.

UCSC is now the fifth campus to exhaust its FY25 MOP allocation. OLP is working on expediting replenishment; new allocation approval is not anticipated until spring or summer 2025.

For SHLP, UCSC has funds remaining, and we expect to continue offering SHLP loans.

Faculty and staff who are currently in escrow with a MOP or have an active pre-approval will not be affected by these changes. Your loan process will continue as planned, and you will remain eligible to close on your home purchase under the terms of their pre-approval. However, if your pre-approval expires, extensions will not be granted, and any faculty or staff who have not yet received pre-approval from UC OLP will experience a delay.

This pause is expected to be temporary but will remain in place until the campus has additional funding available, with the next OLP allocation expected in spring or summer 2025.

During the pause, faculty may continue to file for pre-approval, and the Employee Housing Office will create a wait list that we will work from when funding becomes available.

Going forward, there may be modifications to the MOP program, with respect to loan sizes and time period for exercising eligibility. We will announce those to the campus at a future date, when they have been finalized. I talked with CPB about proposed changes just yesterday.

We understand that these changes may present significant challenges. We appreciate your cooperation and understanding as we navigate this temporary shortage of available funds.

Campus Budget

Coming out of the pandemic:

- We invested in recovery, including a rapid increase in expenditures, especially with regard to employee costs, the largest part of our core funds budget
- Meanwhile, we saw relatively flat revenues corresponding to limited enrollment growth (impacts what we receive in state funding and tuition/fees) and a decline in non-resident enrollment
- As a result, we developed a structural gap and drew on our core funds balance to maintain operations

Salaries and benefits are our greatest expense and those costs have increased 34% since 2020 and employer-paid benefits are expected to continue increasing with a projection of 16.4% across 2024 and 2025. Many of our necessary variable expenses have increased significantly over the past several years including the cost of utilities increasing by 45% since 2020. Our legal costs have increased 108%; UCPath and UCOP assessments have increased 20%.

We've also experienced decreases in non-resident student enrollment with reductions between \$13 million and \$23 million in non-resident tuition each year since 2019. Our non-resident recruiting and yield approach is not working - that evidence is clear. Chancellor Larive will be charging a small group to recommend changes to put us on a pathway to expanded enrollments. Where we recruit (globally), how we can enhance yield (housing).

We've talked openly and repeatedly about our conservatism in expanding enrollment due to housing constraints. The combination of sharp increases in costs, decreases in some revenues, and our enrollment remaining relatively flat all while we were already managing a small recurring deficit is the cause of the deficit increase. In our annual meeting with OP in spring '24, we shared the \$100M deficit projection, as we had shared at the March and May 2024 Senate meetings.

I want to spend a few minutes on compensation increases and workforce growth. How much we spend on salaries and benefits depends on both how we pay employees and the size of our workforce. To discuss this, I'm using payroll data that we have internally compiled and analyzed.

And I'm focusing only on core funds. Core funds are approximately 60% of our total budget - that's why we need to focus on core funds. We are core funds dependent.

In 2024 (full FY) our core funds payroll spend on salaries and benefits was \$500.4M
 Salaries alone: \$350M
 Senate faculty salaries: \$105.8M
 Unit-18 lecturers: \$17.3M
 ASEs (TAs): \$28.9M

Judging payroll growth from FY21 to FY24, payroll spending increased 32% and workforce (as FTE) increased 18%.

Occupational group (by bargaining unit)	Payroll change	Workforce change (FTE)
Campus-wide	+32%	+18%
(Non-rep) Management & Senior Professionals	+46%	+28%
(Non-rep) Professional & Support Staff	+37%	+17%
Senate faculty	+27%	+12%
ASEs (TAs)	+48%	+13%
Lecturers	+36%	+14%
Senior Mgmt. Group	+45%	+22%

About MSPs - Managers and Senior Professionals. Not all are managers, although many are. Senior professionals include - HR analysts, audit professionals, business systems analysts, fundraisers, EHS specialists, financial analysts, and research administrators.

MSPs grew robustly - across campus.

In the disciplinary divisions, FTE increased by 27%, payroll by 54%

In OR, UE, Library, Acad Affairs, Grad Div - FTE increased by 29%, payroll by 54%

In DSAS, FOA, Chan/CPEVC, ITS - FTE increased by 34%, payroll by 49%

Again, relatively similar percentage growth across campus and not distant from teaching and research. I'm not offering a similar breakdown now, but it is informative to note that:

Campus-wide, managers increased by 20% FTE over 21-24, and senior professionals by 44% FTE. I don't find 20% growth in manager FTE to be disproportional, especially when compared to campuswide FTE growth of 18%. There was more growth in the non-managerial MSPs. When we think about the organization of work, this distinction matters, and it isn't accurate to claim that we are somehow over-represented in managers.

About pay - during this period, we had a focus on competitive and equitable pay in a high cost of living area. We had a 3-year \$5M non-represented staff salary equity program, a \$2M faculty salary equity program, and there were annual general increases for faculty and staff.

Before turning to budget or expense reductions, I want to say a few words about Senate faculty hiring and separations, July 2021 - October 2024 (for recruiting during the 2020-21 through 23-24 years).

	Hire	Resign	Retire	Growth
Arts	23	4	6	13
Baskin Engineering	43	10	15	18
Humanities	30	4	11	15
PBSci	35	3	17	15
Soc Sci	42	8	10	24
Total	173	29	59	85

Allow me to tie this up by bringing together growth in salaries and benefits that exceeds revenue growth. As CPEVC, I play a big role in faculty hiring and am responsible. We've hired strongly and well over these past years and at a pace a bit ahead of our Faculty 100 plans. I don't regret any of these hires - we are stronger and more impactful because of them.

I also have leadership responsibility for staff hiring. Our revenue projections were overly optimistic, and our expense projections not as timely and informative as they should have been. I take responsibility for not asking some questions that I should have asked. In particular, until spring of this year, the entirety of our payroll expenses was not readily available. I asked for this analysis and now we have it. AVC Blakeslee will talk about steps we are taking moving forward toward more timely and accurate budget projections and spending.

About budget alignment:

We are in year one of a four-year process of reducing our core funds structural deficit. Expense reduction targets assigned to the principal officers has been the main focus of FY25. In spring '24, principal officers were asked to forward 5-10-15% cuts, and those proposals were reviewed by the BAC (includes the chair of CPB). Additional budget reduction targets were also assigned for FY25.

The FY25 core funds expense reductions produced \$29.6M in deficit reduction. The academic divisions had an 8% expense reduction target, Academic Affairs, OR, Grad Div 10%, UE, Library, DSAS 12%, and Chancellor/CPEVC, UA, ITS, FOA 15%. Disciplinary division budgets excluded faculty salaries and the funding for lecturers, GSIs, and TAs. There is an effort here to moderate the impact on the core academic mission.

There was also a carryforward "sweep."

How the cuts were made was basically a decentralized process, built from proposals made by principal officers. Deans, vice provosts, VCs - all made their own proposals. Because activities took place in the summer, there was no point-in-time CPB consultation, but acknowledging that, information has been shared and discussed over the past month. The multi-year targets that AVC Blakeslee will address in more depth have been discussed with CPB.

In order for the CPEVC to save her voice for questions, she asked Jody Greene, Associate Campus Provost to present the faculty accolades. Associate Provost Greene provided the following:

Faculty accolades

As Lori always says, in the interests of time, the sharing is limited and selective, with no offense intended by omission and, she hopes, none taken.

Carrie Partch, Professor of Chemistry and Biochemistry, has been chosen by the Howard Hughes Medical Institute (HHMI) to be an HHMI investigator. These top scientists are widely recognized for their creativity and research accomplishments. Partch has been recognized many times for her contributions to the molecular understanding of circadian rhythms. Partch is the only current HHMI investigator at UC Santa Cruz. David Haussler, distinguished professor of biomedical engineering, was an HHMI investigator from 2000 to 2022, and Beth Shapiro, professor of ecology and evolutionary biology, was an investigator from 2018 to 2024.

Dan Costa, Distinguished Professor of Ecology and Evolutionary Biology, has been presented with the California Academy of Sciences Fellows Medal, the academy's highest honor awarded. Costa studies the physiology, foraging ecology, energy use, and diving behaviors of marine mammals and seabirds—focusing on the effects of underwater noise and climate change.

Chongying Dong, Distinguished Professor of Mathematics, was named to the American Mathematical Society's class of 2025 fellows. The fellows are recognized by their peers for having made "outstanding contributions to the creation, exposition, advancement, communication, and utilization of mathematics." Dong studies infinite-dimensional Lie algebras and their representations, vertex operator algebras and their representations, and conformal field theory.

Lise Getoor, Distinguished Professor of Computer Science and Engineering, was honored with the ACM (Association of Computing Machinery) SIGKDD (Special Interest Group on Knowledge Discovery in Data) Innovation Award. The award recognizes Getoor's outstanding contributions to the field of knowledge discovery in data and data mining, which have had lasting impacts in furthering the theory and development of commercial systems. Getoor is the first woman to receive this award.

Phil Crews, Distinguished Research Professor of Chemistry and Biochemistry, received the 2025 Ernest Gunther Award from the American Chemical Society. He was honored for outstanding work in the analysis, structural elucidation, and chemical synthesis of natural products.

Sir Isaac Julien, Distinguished Professor of the Arts and Humanities, has been named a Fellow of the British Academy.

We conclude on a sad note - our colleague Zsuzsanna (Zsuzi) Abrams, Professor of Applied Linguistics and German, passed away on Sept. 23, 2024. Abrams was an esteemed scholar, dedicated educator, and cherished colleague whose passing leaves many of us with a deep sense of loss. I encourage you to read the In Memoriam note on the news page of our website. May Zsuzi's memory be for a blessing. And that concludes our remarks.

Chair McCarthy then opened the floor for questions, reminding everyone that there would be a very detailed budget presentation later, so the detailed budget questions could be held until then.

Megan Thomas, Associate Professor of Politics and Chair of Committee on Teaching (COT) was given the floor and stated that faculty and staff were informed about the structural deficit in late 2023, early 2024; other UCs have been aware of and addressing their structural deficits for several years. She asked why was our campus leadership either not aware of or not forthcoming about our deficit sooner, and if aware earlier, why did it take so long to act and also to inform the faculty and staff of the situation?

Chancellor Larive replied that leadership saw that curve and began to be aware sometime around 2023. She remembers asking Kimberly Register about it at that point. She stated that we just didn't have good data like we have now about the sources for the downturn. The pandemic was one thing that confounded the data. There was a loss of revenue during the pandemic, and coming out of the pandemic Federal Reserve funds came in. UCSC made investments to help support students and

do other things, and then, as the funds went away, we were not as well aware of that challenge as we should have been. UC Davis had recognized a core funds deficit since before 2020 and has been working diligently to address that. Some of the other campuses started earlier than we did. She said that it was a combination of overoptimistic revenue projections, underestimating expenses, and increasing costs escalating out of control. She felt that leadership should have been better at predicting those things. And she and Lori take responsibility.

CPEVC Kletzer added that, timing-wise, not all the campuses got to where they got at the same time. Attention is paid to UC Davis, who did begin things in 2019. UCSC didn't need to do that in 2019. So, coming out of the pandemic we miscalibrated and did not recognize a need to invest based on what the next couple of years of revenues might look like.

Onuttom Narayan, Professor of Physics, stated that he was going to take a slightly different approach and look at the issue laterally across UC campuses. The reasons we have been given for the budget deficit apply to all UC campuses (salary growth, benefits growth). However, he stated that UCSC has the worst budget deficit problem, which was called out specifically at a Regents meeting. We have the second worst student-to-faculty ratio in the UC system. Despite the recent growth in faculty numbers that the CPEVC pointed out, our classrooms are overflowing, and we are at or near the bottom of the UC campus rankings. Steep budget cuts will only make this worse. Can the Chancellor explain why, compared to other UC campuses without medical schools, we are so poor?

Chancellor Larive replied that the other UC campuses without medical schools would be UCSC, Santa Barbara, Merced, and Riverside. Berkeley has a small medical school program with about 12 students, but we probably wouldn't count them. Looking at those campuses, we're more dependent on core funds than many. Riverside has a medical school, but they don't have a health center, and it's the health centers that provide a lot of revenue to many of the campuses. At a recent Regents meeting with some of the other chancellors, UCB Chancellor Rich Lyons remarked that core funds are a tiny part of their budget. For them it is in the range of 20% of their full budget. For UCSC, it's 70% or more. We don't have as many levers as other campuses; we don't have a lot of professional schools, a medical school or medical programs. We also have been very conservative in the way that we use University Extension. University Extension at Berkeley returns \$30 million a year to the campus. Berkeley has a pretty sizable budget deficit as well, but it is proportionally smaller than ours. Merced is on its own funding stream; they don't get funding in the same way as the rest of us. Santa Barbara has been managing, though they also have some challenges; they have significantly more research funding than we do. The research overhead that grants generate also goes into core funds and is a way of helping to augment the tuition and fees. Berkeley is in a very similar situation. She hoped that helped to address the question.

CPEVC Kletzer responded that she appreciated the questions, as it allowed her to say something that was not highlighted in her remarks regarding nonresident enrollment, and that UCSC's nonresident recruitment and yield approaches are not working. The Chancellor will be charging a small committee to think through how to recruit globally, both internationally and domestic. She invited faculty to be part of this thinking about the programs and degree programs that we could offer to provide an incremental increase in the attractiveness to nonresident students. This is one area of focus, along with thinking more flexibly about 'X' and 'XSC' courses (University Extension course designations) that UCSC can offer through University Extension. Neither of these closes a deficit, but each approach to increasing income will be looked at. UCSC's nonresident tuition decreases have been on the order of \$13-23 million since 2019.

Felicity Amaya Schaeffer, Chair of CRES and Professor of Feminist Studies, was given the floor and expressed concern about shared governance in this scenario. She did not think that it was a coincidence that we had a new Fresh AIR model in which there's a centralization of the decision-

making on the campus. Through Fresh AIR, there's been less consultation and deans are not capable of making as many financial decisions. Faculty don't feel they've had a good understanding of the budget. There's no real consultation about faculty's values in handling this budget situation. She asked what the commitment is to shared governance given that it seems there's been a centralization of decision-making. There hasn't been good communication about how we got to this budget crisis and what we are going to do to get ourselves out of it. If we're really invested in student success, the budget cuts that have hit the Humanities, for example, are really hurting our students. Decreasing staffing really hurts students a lot more than perhaps targeting other areas on campus. How are we to understand that there is a shared goal and that there will be honest communication moving forward about how we're going to address this?

CPEVC Kletzer responded, beginning with shared governance. She thought they would disagree about the impact of the different allocation method, the divisional resource model formerly called Fresh AIR. She fully consulted with CPB, and the ways that they consult about budget allocation models don't turn shared governance upside down. These new allocation models provide a budget envelope to deans, which she feels they are fully capable of managing. She has no questions about the capability of deans to manage these resources. Looking at the allocation models, last year there was more money in the TA allocation and more quarters of TA-ship than there was the year before. The allocation models are not a part of the budget deficit. The payroll expenses that are in those allocation models are part of the budget challenge. The new ASE GSR contract, which importantly raised the pay of our graduate student employees, has an enormous impact on our core funds. The Chancellor's commitment to shared governance has not changed at all. To answer, "How are we going to show that?," in part, it's by attending Senate meetings and other venues where we provide information and talk about it. She acknowledged that leadership did some things in the late spring and summer that didn't fit into the classical calendar of consultation, and nothing can make up for that. They've acknowledged it and are getting back to a good back and forth form of consultation.

Chancellor Larive spoke to the question of principles, and stated, "We try as much as we can to protect our mission, so that whatever we do, we have to always keep our mission—which is teaching, learning, research and service—at the heart of what we're thinking about."

Karen Holl, Distinguished Professor of Environmental Studies, then asked about the disproportionate growth of senior management professionals, referring also to the recent SCFA, letter that went out. She asked why there has been disproportionate growth and whether there will be disproportionate cuts correspondingly so that they're more away from the classroom? She also said that we have been hearing about budget cuts for over a year now, and asked when we are going to get more information about what is happening. Right now it's very difficult, when we're trying to plan curriculum at the department level. Deadlines are coming up, but we have no idea how much money we're getting. We're at the point where we need to be moving forward and we need more information.

CPEVC Kletzer explained that the allocations have been delayed, because they've been focused on the enrollment projections; the Senate faculty FTE allocations lie inside those projections. The enrollment projections were a little bit off, so they took some time to improve this. Admittedly, allocations are a little late, but the information is coming out very soon. Regarding managers and senior professionals, she does not think that managerial growth at 20% is disproportionate to campus growth. Senior professionals growing at 44% can be seen as disproportional, but some of that growth comes from a reclassification of technical PSS jobs up into senior professionals. So some of that is a reclass of current employees, and some of it is growth.

Christine Hong, Professor of Critical Race and Ethnic Studies and Literature, was given the floor. She said she wanted to underscore that UCSC has the worst budget crisis in the entire UC system. She wondered how they would emerge and how departments would reproduce themselves. "We

already have the highest student-to-instructor ratio. We're being asked to increase our course sizes with fewer TAs. How are we going to deliver our teaching, and how are we going to be able to do research and other things?" She also asked how the leadership was planning to bring in faculty and other members of the campus community to have a shared discussion in this time of crisis. She stated that one of the risks in times of fiscal crisis like this is that a university which has built up strength as a Hispanic-Serving Institution (HSI), a Minority-serving institution (MSI), and an Asian American Native American Pacific Islander-Serving institution (AANAPISI) reverts to a predominantly white institution. She said that the resource centers for students have been gutted. In the state's K-12 population, 80% are students of color. She asked how we are making this an institution that is responsive to the people of California and stated that this cannot be a moment when UCSC reverts to PWI status.

The Chancellor responded that, to her knowledge, there haven't been staff cuts in the resource centers that support our students. That's a way of prioritizing how we engage with our students and how we support them. She agreed that we need to have an institution that looks more like the state of California. What she worries about most is beyond what we can do, but what will happen at the federal level; we have to be prepared to be nimble for that. But we can take lessons from the last great budget crisis, and she and the CPEVC are very much interested in engaging with all of the faculty about suggestions. She stated that there is a website where anybody can provide suggestions about process improvements and things that campus might be able to take advantage of. She encouraged people to submit there.

Debbie Gould, Professor of Sociology, was given the floor and asked the following: how much of an ongoing structural deficit would be acceptable to the campus; what is the status of the campus reserves, are there assets that can be sold to slow the process down in lieu of permanent cuts; and has the campus sought out increased funding or some kind of loan from UCOP in order to slow the process down so that we don't harm the academic mission?

The Chancellor stated that some of those answers would be coming in the presentations to follow. Campus reserves have been used and they're now to a point where we have to work to get a balanced budget. She asked if Professor Gould meant assets rather than reserves, as the reserves such as Strathern Ranch cannot be sold. There are some funds in the endowments, and those funds can't be touched as they are usually money that came in through philanthropy. There are some cash reserves which are largely for future capital projects.

ACP Greene was given the floor to briefly correct an error of fact. They stated that if all campuses in the UC system other than UCSF were counted, there are three with a worse student-to-faculty ratio than UCSC, three better than us, and we're tied in the middle. "If you look only at Senate faculty, there are three worse than us, three better than us, and we're just about in the middle with UC Berkeley." They wanted to make sure it was clear that we are neither the second to the bottom nor at the bottom, and that information is freely available on a public-facing website.

Chair McCarthy thanked the Chancellor and CPEVC and then moved on to the Consent Calendar.

3. Report of the Representative to the Assembly (none)

4. Special Orders: Annual Reports

CONSENT CALENDAR:

- a. Committee on Academic Freedom (AS/SCP/2093)
- b. Committee on Academic Personnel (AS/SCP/2094)
- c. Committee on Admissions and Financial Aid (AS/SCP/2095)
- d. Committee on Career Advising (AS/SCP/2096)

- e. Committee on Courses of Instruction (AS/SCP/2097)
- f. Committee on Development and Fundraising (AS/SCP/2098)
- g. Committee on Diversity, Equity, and Inclusion (AS/SCP/2099)
- h. Committee on Educational Policy (AS/SCP/2100)
- i. Committee on Emeriti Relations (AS/SCP/2101)
- j. Committee on Faculty Welfare (AS/SCP/2102)
- k. Committee on Information Technology (AS/SCP/2103)
- l. Committee on International Education (AS/SCP/2104)
- m. Committee on Library and Scholarly Communication (AS/SCP/2105)
- n. Committee on Planning and Budget (AS/SCP/2106)
- o. Committee on Privilege and Tenure (AS/SCP/2107)
- p. Committee on Research (AS/SCP/2108)
- q. Committee on Rules, Jurisdiction and Elections (AS/SCP/2109)
- r. Committee on Teaching (AS/SCP/2110)
- s. Graduate Council (AS/SCP/2111)

With no questions regarding the annual reports, the reports were approved by the Division.

5. Reports of Special Committees (none)

6. Report of Standing Committees

- a. Committee on Committees – Updates to 24-25 Senate Roster (AS/SCP/2112)

Updates to the current year Senate Committee Roster had been circulated in advance of the meeting and were projected on the screen. Dean Mathiowetz, Committee on Committees (COC) Chair and Associate Professor of Politics, thanked everyone for responding quickly to emails and inquiries and stated that COC looked forward to receiving responses to the Senate Preference Survey, which would be sent out soon.

Professor Holl was given the floor and asked why the Joint Committee on Sustainability and Climate members are not listed on the roster, since the chairs have been seated. She wanted to emphasize the importance of moving quickly, as the conversation around some form of climate committee has been underway for three years.

Chair Mathiowetz replied that normally the committees listed for membership approval are the standing Senate committees, and the joint committee with the administration is of a somewhat different nature than these.

Chair McCarthy called for approval of the changes to the committees by a vote by a show of hands. The updates to the Senate roster were approved as presented.

- b. Committee on Faculty Welfare – Faculty Salary Report Q&A (AS/SCP/2113)

Yat Li, Professor Chemistry & Biochemistry and Chair of the Committee on Faculty Welfare presented some key findings from the committee's faculty salary analysis, directing people to the full report for more details. The goal of the report is to compare UCSC salaries to those of colleagues on the nine other UC campuses, excluding UCSF. The report's conclusion is that UCSC faculty salaries lag behind the UC median for both Regular and BEE scale faculty. Other findings are that the Cost of Living Adjustment (COLA) underscores significant salary gaps; the Special Salary Program was curtailed prematurely, as its goal has not been achieved; and the housing affordability crisis worsens salary gaps. Proposed solutions for faculty salary equity included: reinstate the original Special Salary Practice; continue to apply annual salary increases to the full salary, not just the on-scale component; conduct regular, comprehensive salary equity reviews to

address inter- and intra-campus equity; and address housing affordability (e.g., MOP loan) to improve recruitment and retention.

Chair McCarthy opened the floor for discussion; there were no questions.

c. Committee on Planning & Budget with AVC BAP Blakeslee – Report on Campus Budget

Chair McCarthy then invited Raphe Kudela, Distinguished Professor of Ocean Sciences and Chair of the Committee on Planning & Budget (CPB), along with Amber Blakeslee, Associate Vice Chancellor for Budget Analysis and Planning, to report on the campus budget. He explained that AVC Blakeslee's presentation would detail the campus perspective and the status of planning efforts for addressing the budget shortfall, including plans for deficit reduction. Afterward, Chair Kudela would present CPB's analysis and concerns from a faculty perspective. All questions should be held until the end of the presentations.

AVC Blakeslee took the floor, stating that she hoped this would be the first of many conversations and dialogues with the Senate. She began with terminology. Permanent Budget is the formally recorded projections of "reliable" recurring revenue sources and recurring expenditures (often referred to as recurring budget, ongoing budget, base budget). Revenue examples in the permanent budget include state funding and tuition. Expenditure examples are personnel costs and student aid. There is also the one-time budget, which represents non-recurring funding sources; once these are spent, they are gone (examples include reserves and carryforward). There are two types of funds: Core Funds designate our primary core operating budget supporting our mission, of which state funding and tuition are the primary sources; Non-Core Funds are ancillary activities that supplement and facilitate the core mission, including housing, parking, dining, research operation, philanthropic activity, etc. She mentioned that this budget report could also be accessed [on the campus website](#).

AVC Blakeslee's slides detailed sources of revenue, of which a little over half is Core. Their reliance on state funding, particularly when the state is having budget challenges, has a greater impact on our campus and on those campuses that don't have medical centers. She reviewed revenue and recurring costs and the resulting recurring deficit. There has been quite a bit of discussion about how UCSC got here. She stated that coming out of the pandemic, UCSC invested in recovery, which included a rapid increase in expenditures, especially with regard to employee costs, the largest part of our core funds budget. Meanwhile, UCSC saw relatively flat revenues corresponding to limited enrollment growth and decline in non-resident enrollment. As a result, we developed a structural gap and drew on our core funds balance to maintain operations. In its simplest form, our costs have been increasing faster than our revenue, and they've compounded over time, much more so in the last two years. Reserves have been leveraged to bridge the gap, and these have been largely depleted. She stated that even in the midst of this huge challenge we face, there is positive momentum and good things happening on this campus that position us to be able to weather this. Our enrollment is solid; research is up, and philanthropy is up. Her presentation then detailed the core funds recurring deficit projection. Initial reductions last spring of around \$17M reduced the budget gap for FY25 to \$111M. The estimate is that the budget gap will grow from \$111M to ~\$150M over the next five years if left unaddressed. She stated that as they look over the five-year planning horizon in order to balance the budget. This longer-term picture will need better projections, and they are actively working on building multiyear interactive spreadsheets in order to understand where we are from a planning standpoint. The gap from this year to next will be the largest in terms of the deficit gap, with two factors contributing to that: the reduction in state funding—just under \$17M—compounded by an increase in salary and benefit costs. These two factors could effect a \$30-40M swing in terms of resource availability. The big drivers that will shape the gap are: 1) state funding; 2) enrollment; and 3) salary & benefit costs. The Campus

implemented additional FY25 reductions of \$13M (they are underway), which, combined with the \$17M, will total \$30M in FY25 reductions. Taking that \$13M reduction enables us to reduce the gap that we're projecting over the five year period to the \$140M range. As there have been questions about shared governance and the framework for the planning process, she presented information on the committee structure. The Budget Advisory Committee is actively in consultation with CPB. The Revenue Augmentation Committee and the Strategic Organizational Improvement Committee have been established to gather the ideas that are being generated on campus to identify revenue opportunities on the structural side: how to think about transforming our organization and where we can become more efficient. The process is to be reviewed with Cabinet, and we will get input from CPB prior to making decisions.

Improvements that are underway include: Developing an interactive five-year planning spreadsheet to establish shared assumptions and better understand the impacts of budget decisions on our financial situation; building out multi-year projections for funding models, student fees, etc.; disaggregating core and non-core funds to monitor financial performance of all funds; evaluating fund balance/reserve balances in tandem with budget planning and reporting to ensure there are sufficient reserves available to support budget plans. (Note: Reserves should be greater than budgeted spending beyond anticipated current year's generated revenue—greater than the sum of the deficit plus carry forward—we should not be making commitments in excess of the available funding). We will be: making all costs/budgets transparent to principal officers in the divisions (e.g., decentralize benefits pool (distributed to divisions), distribute central commitments), with an emphasis on establishing recurring divisional budgets that are reflective of their comprehensive resource envelope. Recurring budget requests should flow through the annual budget planning process (and be part of the multi-year planning projection) as part of an integrated planning framework to better prioritize investments within the context of available resources and to understand their impact on our overall financial position; changing the approach to carryforward (historically, unexpended funds have remained in division budgets, carried forward to the next fiscal year, which compounded the issue of deficit balances and led to significant carryforward spending authorization in divisions that far exceeded available resources in total); establishing quarterly reporting and projections to standardize format and oversight process; this is intended to highlight 1) areas of concern and 2) projected year-end surplus and deficits to establish greater awareness, accountability and ability to proactively address issues as they arise; monthly monitoring of cash flow and spending trends, including staffing, to ensure we adequately manage cash in both core and non-core funds and to track progress toward our multi-year budget balancing plan. As a step toward developing an annual budget development process, we have instituted a financial health review process with principal officers to better understand the divisional budget picture, its challenges and opportunities. Finally we'll be working on communication, engagement, and sharing of information to build shared awareness and understanding.

CPB Chair Kudela then took the floor and presented slides detailing the progress of the deficit. Some years, he explained, were net positive, and some net negative. But over a number of years net negative has been larger, which is how UCSC got to the \$111M deficit. The biggest buckets driving the increase in costs are academic salary, staff salary and benefits. There's been an increase in faculty hiring, though not evenly across the campus. Some divisions, like the humanities, have actually declined and others have generally been increasing. As the factor driving the hiring, he showed historic data on UCSC's student to faculty ratio in comparison to the much lower systemwide ratio. He explained that the aggressive hiring was part of a deliberate strategy and has brought us to a much lower ratio.

Presentation Highlights

UC-Wide Outlook for 2025-26: State revenues in 2023-24 were below expectations. The state cut the overall budget by \$30M, but still gave the UC the five percent base budget increase agreed to

in the compact with the governor. The state will cut another \$47B out of state agency budgets. The UC will both receive a five percent base budget increase and a \$125M cut, ending as a 2.9 percent base budget increase. For 2025-26, the legislature has indicated that the UC will receive an eight percent cut. There is some hope that state revenues will rebound, and the May budget revision will reflect that.

Forward Projection of Faculty FTE: campus has averaged 25 faculty separations per year over the last decade (2014-15 to 2023-24). 30% of annual FTE is off-cycle, and the campus has a 5-year recruitment success rate of 74.1%. Assuming 3 FTE authorizations with 1 off-cycle and typical success rate, we can expect 3 FTE per year. 2024-25 to 2027-28, ~100 separations and 12 replacement FTE, reduction of 10-13% of total faculty. 2014-15 to 2023-24 undergrad enrollment increased by 1.03% per year. Campus housing initiative is expected to provide ~3000 beds by 2028. 767 filled faculty FTE will serve 23,000 students, or an undergraduate to faculty FTE ratio of 30, compared to a long-term average of 24.5 (2004-05 to 2023-24), which would be the highest ratio in the UC system (current ratio is 22.9).

Nonresident Student Tuition (NRST) Revenue: 2023/24, \$33 million loss in NRST revenue compared to 2019/20. Need to grow NRST at 20% per year for 3 years to return to 2019/20 levels of revenue (which would be 9% NRST). We were doing quite well from 2014-15 to about COVID and were increasing on average at 18%. Since COVID, we've been dropping at 11% per year. So if we assume really aggressive growth, that gets us back to the revenue which we lost which is helpful and tens of millions of dollars. But the deficit is \$140M.

The next slides provided data on the percent change in salary and benefit costs and FTE between 2021 and 2024 for academics, management and senior professionals (MSP), senior management group (SMG), and professional support staff (PSS). He explained that just looking at salary and benefit costs doesn't provide the whole picture. There's a bucket category called supplies and services that covers many things such as travel, supplies for the office, laboratory supplies. That number is 41% of the total increase in the core permanent budget. Thus, it's not just hiring people, but all the costs associated with hiring people.

Compared to other UCs, we are over-staffed in manager positions. Chair Kudela reported that CPB had designed a metric similar to the faculty to student ratio. He presented data on the ratio of managers to other staff and faculty, compared to the campuses that don't have medical schools, pointing out that all the UCs are gradually going up. UCSC is consistently higher than every other campus except Merced. His comparison showed managers to faculty, and also managers to total fall enrollments, pointing out again that UCSC is higher than every other campus that doesn't have a medical school. He pointed out that this leads to the question, what are we doing that other campuses don't do? Is there an opportunity to adjust? We seem to have a relatively high management structure compared to both faculty and students, and none of the other non-medical campuses are doing that.

Moving Forward: The UC Budget is not likely to improve in the short term. NRST would improve but not eliminate the deficit. There are clear opportunities to reconsider our staffing model on the campus (and multiple working groups looking at cost reductions, revenue generation, restructuring, etc.). There are 17 departments with 15 or fewer FTE, and nine departments with 10 or fewer FTE as of July 1, 2023. 64% of faculty are 45 years or older, 35.3% are 55 years or older as of April 2024. Departments, Divisions, and the campus will need to identify critical needs during a period of reduced faculty hiring with potentially competing objectives (critical mass, excellence, opportunity, diversity). Chair Kudela pointed out that [the slides](#) would be available after the meeting.

Chair McCarthy thanked Chair Kudela and AVC Blakeslee and opened up the floor for questions.

Phillip Hammack, Professor of Psychology asked about the difference between the two levels of management on campus.

Chair Kudela explained that Managers and Senior Professionals (MSP) are managers who have people reporting to them. The Senior Management Group includes Vice Chancellors and higher.

Francis Nimmo, Professor of Earth and Planetary Sciences, was given the floor and asked that if, following the scenario where UCSC didn't hire any new FTE for five years and increased enrollment in line with projections, would that solve the problem or not? Chair Kudela answered that it would not solve the problem. It would help solve the problem. He pointed out that the EVC has been very clear that the plan is 'little hiring', not 'no hiring'. At UC San Diego, for example, they put a complete hiring freeze on the faculty. Professor Nimmo then asked if it would solve half the problem? Chair Kudela explained that he would have to run the numbers to give an exact answer, but no, it would not solve half the problem. Not even half the problem. If he went back to the bar chart on one of the first slides, academic salaries are a good chunk of that, but there are a lot of large bars below that.

Professor Onuttom Narayan (Physics) was given the floor and stated that though the Senate has heard that the deficit problem is caused by a sudden spurt in expenses, in his observation of the graph from 2015–2024, it looks more or less like a straight line, apart from a temporary dip during the pandemic. The revenue plot is flattened, and it has stayed flat. He asked if it would be fair to say that this deficit is not so much a function of sudden, uncontrolled or deliberate increase in expenses, but rather of a failure to obtain adequate revenue? As a related point, he said it has been stated that we are more vulnerable because core funds comprise a bigger portion of our budget, and asked if this is because we are bad at getting non-core funds compared to other campuses? Lastly, he asked if he were correct in his rough estimate that if we attained 18% nonresident students, then we would have an additional \$70M.

Chair Kudela answered the last question first that, yes, it's approximately correct that if we got to the full 18%, it would be roughly \$70M. By definition, the structural deficit is because we're spending more than we're bringing in, and that is the difference between revenue and expenses. Expenses have continued to go up, largely driven by mandated increases in salary and other things. And it's the lack of revenue, particularly having to cap student enrollment and loss of NRST. In terms of core vs. non-core, it would be fantastic if the campus could diversify our funding sources. He said that he didn't think that UCSC is 'bad' at it, but that on this campus we don't have the same revenue profile that other UCs do.

Associate Professor Megan Thomas then asked if anyone on our campus has asked UCOP for a loan so that all the cuts would not have to happen over a short few years. She also asked what the principles were that are driving the cuts.

AVC Blakelee replied that as part of the multi-year budget balancing plan, the Budget Advisory Committee did establish a set of principles and projected the following from the CPEVC's slides:

All Budget Advisory Committee Recommendations should

Advance or preserve campus goals and strategic plan themes; Preserve and minimize impacts to the tripartite mission of teaching, research, and public service; Maintain status as an R1, HSI, AANAPISI, and AAU institution; Take a people-centered, equity-oriented approach; Prioritize reductions that will yield ongoing savings; Prioritize realistic and timely revenue-generating positions/functions/activities; Take into account total costs (e.g., total employee compensation including benefits, startup, etc.); 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"; Where applicable, support modest one-time

investments that will yield ongoing revenue gains and/or expenditure reductions; Support long-term financial sustainability; Encourage transparency in decision-making processes through clear, consistent communications, campuswide and at the divisional level.

She also replied that, regarding seeking loans or other opportunities, management is exploring every option and trying to figure out the best pathway for our campus. The challenge with taking out a loan is that we have to pay it back over ten years, which is a new cost on the bottom line. Can we refinance our debt in a way that can free up money? Interest rates are high, which actually minimizes the value of doing that. But all of these different pieces are being looked at in order to determine the right pathway. There are potential opportunities, and some of the ways to save money over the long term or generate additional revenue may require an initial investment in order to make them happen. There's one opportunity with UCOP—to get seed money for some of these pieces that we're talking about. Campus is meeting monthly with UCOP and strategizing all those types of considerations.

Jessica Taft, Professor of Latin American & Latino Studies, was given the floor and asked about the relationship between core funds and non-core funds. If, as just indicated, we've got some opportunities with non-core funds, then what amount of a structural deficit in core funds would be considered acceptable? If the structural deficit is in the core funds, and non-core funds can be drawn upon in various ways to cover core expenses, what amount of a structural deficit would be acceptable?

AVC Blakeslee responded that in a financially healthy organization, you wouldn't have a deficit at all, you would be balancing your budget and only be spending what you have on an annual basis.

Professor Taft clarified her question, stating that other campuses manage a lot of their core expenses by using other revenues to pay for aspects of the mission. She understood that UCSC doesn't have enough of those other income sources, but if we did, wouldn't that suggest that some deficit in core funds would be acceptable? The problem that she saw campus trying to solve was to have no deficit in core funds.

AVC Blakeslee affirmed that yes, in order to be truly financially healthy, UCSC would be neutral on both core and non-core, rather than directing some non-core into the core. Opportunities to increase funding from non-core back to core would deplete the non-core ability to fulfill the mission on those pieces. For example, we have a very robust agenda for housing. If campus diverted money away from housing, that would minimize our ability to build out more housing, and housing is a large part of the solution on the core side, in terms of increasing enrollment. She acknowledged that other campuses, particularly those with medical centers, do that. Given our current situation, she would not advocate for that.

Professor Taft asked if there are elements of the campus that we have intended to be revenue generating on the non-core side that are not revenue generating and that we continue to put core funds into. For example, UNEX.

AVC Blakeslee responded that the campus still has some entities on the non-core side that we are working on making revenue-neutral.

The Chancellor took the floor, wanting to give one example of a way other campuses actually augment their instruction and other activities without using core funds. Those are through self-supporting programs. UC Santa Cruz does not have one self-supporting program; Berkeley has the most. And so those kinds of opportunities to form, perhaps, a master's program that is intended to be self-supporting, are ways to have faculty and other instructors, to support students, produce tuition, and add to the funding in other ways. Berkeley has a business school that returns large amounts of funding to the campus through taxes on their programs, which they use to generate

additional funds and professional business courses for executives. There are examples in the system that our campus could use to think about ways to improve revenue that would amplify the mission but also create revenue that can then be taxed by the center.

Sasha Sher, Professor of Physics, then asked about the slide projecting the \$140M deficit. He asked if we will be at the \$150M if we do nothing, and if we don't hire faculty. Secondly, if we do implement the current austerity programs, then is our goal \$140M in structural deficit?

AVC Blakeslee answered that if Campus didn't change our spending patterns at all right now, we're on the trajectory toward that \$140M (assuming cuts that are currently in process).

Professor Sher asked then whether there are projections available with the austerity measures taken into account? He wondered if there are projections showing whether the campus would be back to zero deficit by 2029-30, or 2035, or how long will it take?

AVC Blakeslee responded that it is the Budget Advisory Committee's recommendation to work on closing that gap over the next three years, at \$50M per year.

Chair Kudela added that to put it in perspective, if there were no increase in revenue, the measures involve an 11% cut across all budgets on the campus over three years. If the revenue goes up, then the cut is less.

7. Report of the Student Union Assembly Chair

SUA Vice President of Academic Affairs Andrew Nate de Guzman was given the floor and provided the following remarks:

“Hello Academic Senate. My name is Andrew Nate de Guzman, and I serve as the Student Union Assembly's Vice-President of Academic Affairs. I am a fourth-year student, and I'm proud to be double-majoring in Psychology and Education. I want to start by telling you a bit about myself. As an Education major, I believe I stand out from my predecessors. As someone who has been in the classroom and done research about education, I come into my role as VP of Academic Affairs with the knowledge and contexts of educational policy. As someone who plans to attend a grad school for education, become a certified teacher, and continue to conduct research in education, I work towards the goal of equitable access to quality education.

When UC Santa Cruz is advertised to potential students, we are promised guidance by an array of experts and masters towards a degree that could compete with other top universities. Many of these individuals are here in this room. However, I don't believe that experts and masters in their fields should be disengaged from the experiences and lives of their students beyond the classroom. I don't expect us to hold students' hands, but to recognize the power we have to uplift students. I believe that the greatest influence that educators can have is to produce a generation of successors that can be magnitudes greater than us. As a student, I fail to see the UCSC education system as perfect. I even struggle to believe that this is a top university. Many of my peers — your students — share this struggle as well.

Just recently, we had a series of strikes by UCSC workers and staff. And last year, we saw graduate students go on strike as well. I take that to mean that they don't believe UCSC is doing a good enough job either. As members of the Academic Senate, I hope that you believe that there is always room for improvement. To be honest, I think that protests and strikes are disruptive to the classroom. But, they are becoming incredibly necessary in these recent times. That said— the UCSC climate is weakened. As you may know, students have a lack of trust in administration due to their actions against students, which affects our trust in you, the faculty. This too can be disruptive, but I don't believe that it is unfounded at all. I hate the rhetoric of “us versus them”. I

would want us to spend this academic year bridging the gap of mistrust and miscommunication. I believe that faculty can and should support students, just as students can and should support those who mentor and guide us. Especially with the threats against education coming in 2025, we should be united and not shy from making improvements. As a student, I want to see my faculty advocate for and listen to their students. We ask that you help to bridge the gap between administration and students.

I want to provide you with more context into the distrust that students have in the powers that be here at UCSC. Just as the budget deficit affects your ability to have a full staff team, conduct your own research, continue your programs and passions, and educate students, the budget deficit affects our ability to be students. What I mean by this is that many of my peers' success and enrollment at UCSC is threatened by the fact that our financial aid is on hold, our dorms have mold, our amazing resource centers are understaffed, on-campus jobs barely pay us enough, and our student organizations and clubs are being targeted by budget cuts. All of this contributes to our ability to perform in your classrooms and labs. We came to UCSC to be stressed about our grades and degrees, not whether we have food, whether our buses are safe, whether we have a place to live, whether we can find a community, or whether our mental health can be supported. This budget deficit is not the fault of the students. Yet- we are being so heavily affected by this crisis without our voices being heard. There is little to no consideration for what we think and how we suffer for mistakes that are not our own. Furthermore, we feel there is direct opposition to student voices, as evident by police actions last year and policy enforcement this year.

This year, the Student Union Assembly has decided to focus on protecting and improving aspects of student life, including housing, transportation, and food insecurity. While these may not directly be academic issues, they affect students' academic success. Our efforts in academic affairs are directed towards the costs of being a student. There are about 18,000 undergrad students, and about 12,000 of them are on financial aid. However, the financial aid packages are not being sent out accordingly, and so students are forced to pay out-of-pocket or risk enrollment for the Winter Quarter. This is another issue that is out of our control - yet we are suffering for it.

Finally, the SUA will continue to protect students' right to free speech and to ensure that our voices are heard by the powers that be. I believe that you, the faculty, wouldn't want decisions to be made on your behalf without your consultation. We, the students, ask for the same basic courtesy. Our voices before and after decision-making need to be integral in the process. I appreciate your invitation to have the SUA speak at this, future, and past meetings. You've shown that you are interested in student voices, and we ask that you continue to uphold that spirit of cooperation and advocacy. The goals of the SUA that I've laid out today are not exhaustive, and I hope to find more ways for us to collaborate and work together. I'm excited to join you to improve this university."

8. **Report of the Graduate Student Association President (none)**
9. **Petitions of the Students (none)**
10. **Unfinished Business (none)**
11. **University and Faculty Welfare**
12. **New Business**

Chair McCarthy announced that there was an item of new business, and Vice Chair Caldwell and Committee on Academic Freedom (CAF) Chair Schoenman would present a report on the Interim Time, Place, Manner Policy (TPM). He stated that the policy has been promulgated down from UCOP and the state, but that the Senate may have some influence on how the policy is implemented on campus. The policy is currently with Senate committees for review, and there is also currently an open public comment period. He reminded the Senate not to shoot the messengers, as Vice Chair Caldwell

and Chair Schoenman did not institute this policy and are not advocating for it. Their goal is to give an explanation of where the policy came from and to gather feedback from Senate faculty. There will also be a feedback form distributed after the meeting; Chair McCarthy asked to extend the meeting by ten minutes in order to allow for questions after the presentation.

Melissa Caldwell, Professor of Anthropology and Vice Chair of the Academic Senate took the floor and reported that UC Santa Cruz and the other campuses have enacted Interim Conduct Regulations (Time, Place, and Manner). This means that the regulations are in effect immediately, while being discussed. Afterwards they'll possibly be adjusted and modified, and then go into full enforcement. A campus message was sent out on September 11th. Many of these things came out of the events of last spring and specifically events at UCLA. There was concern from the state legislature and from the Regents about these events. This is the moment of Senate consultation, and the committees want faculty feedback so they can deliberate.

VC Caldwell related that the TPM came out of the California Senate Bill 108, Budget Act of 2024. In that bill, the legislature expressed its concerns with the events of spring, specifically, the events at UCLA and the participation of individuals who were not part of the campus community. The legislature included in its budget bill a provision to protect freedom of expression and campus safety. Part of this consisted of notification to campus communities of existing state and federal laws, institutional policies, processes and resources. That includes the Code of Conduct for students, faculty and staff. It also mandates time, place and manner guidelines across the UC system. Now, the carrot (or the stick, depending on your perspective) is that the legislature is withholding \$25M from the University of California in state funding until notification and various steps have been met. So, this is a very strong impetus for the University of California to move forward with this.

VC Caldwell shared [highlights of the Interim Conduct Regulations \(Time, Place and Manner\)](#): 1) No person shall camp, set up, or erect a campsite or occupy a tent or other temporary housing structure on University Controlled Property unless specifically pre-approved; 2) No person shall erect, build, construct, set up, establish, and/or maintain unauthorized structures on University Controlled Property; 3) No person shall restrict the movement of another person or persons by, among other means, blocking or obstructing their ingress or egress of roadways, walkways, buildings, parking structures, fire lanes, windows, doors, or other passageways on or to University Controlled Property, or otherwise deny a person access to a University Controlled Property; 4) No person shall wear a mask or personal disguise or otherwise conceal their identity with the intent of intimidating any person or group or for the purpose of evading or escaping discovery, recognition, or identification in the commission of violations of law or policy; 5) No person shall refuse to identify themselves while on University Controlled Property to University officials who are acting in the performance of their duties in situations where assistance or intervention is needed.

It's important to note, VC Caldwell said, that conduct regulations apply at all times, regardless of whether there is an expressive activity taking place. And as part of this, the guidelines are evolving, but a really important piece of this is a tiered response. President Drake has emphasized that campuses have unique cultures and geographies, and so the responses by individual campuses should reflect those differences. So even though there's interest from the Regents that there be conformity or consistency in application of policies across the campuses, there's also a recognition that the campuses are very different. What works at UCLA may not work at UC Santa Cruz. The Regents' directive emphasized de-escalation as a first priority, with enforcement escalating only as necessary. There are a number of pieces to this for the de-escalation, primarily around notification and a request to change behavior, and only afterward moving up into further enforcement. Big pieces of this have to do with masking and identification. Under this de-escalation policy, if an individual is asked to unmask and they refuse, the assumption then is that they are not from the campus, they are a non-campus affiliate. Similarly, if somebody is asked to present identification and they refuse, the presumption is that they

are not a campus member. Thus, the penalties or the actions after that will reflect a distinction between whether an individual is recognized as a campus member or a non-campus member.

Chair Schoenman then took the floor in order to talk about structuring the conversation and what would make it useful for CAF, which has already begun discussing this policy. The greatest impact the Senate can have will be regarding implementation. The committees are focusing on the way that the policy will be implemented, as that's where there are some gray areas. The guidelines are still evolving, as this is an interim policy.

CAF is, at the moment, reviewing the policy to provide input on campus-level implementation where that's not fully spelled out. CAF is advocating for academic freedom and balancing that advocacy against the other concerns about campus safety. Interested especially in the guardrails. The committee is thinking about best practices and communicating with other committees and other campuses around the implementation of the policy as it's taking shape elsewhere. CAF seeks to ensure, in an oversight role, that the de-escalation priority is part of the implementation, once the policy is finalized.

The floor was opened for questions and general feedback in the form of comments.

Professor Hong stated that it's concerning to hear that what spurred this policy was the protests last year, specifically UCLA. There is lip service given to the fact that there's supposed to be a balance between freedom of speech and the need for campus safety. She stated that this is far from content neutral. It is meant to police any kind of expression that critiques Israel and its policy of genocide against Palestinian people. Professor Hong said that we saw this in the implementation on this campus. Students who have felt themselves to be harassed by the police know some of the police here by name. Earlier this academic year, a student who was leading a teach-in in a designated free speech zone, the Quarry Plaza, was approached after the teach-in was over and asked to pull down their mask. This could be viewed as a student conduct matter to a figure of authority, not even uniformed police. Professor Hong called the wording *school officials* sketchy, authoritarian and terrifying. For the crime of using a bullhorn in a designated free speech zone, the student now faces criminal charges. Regarding masking, how will the police distinguish between the intention of someone wearing a mask for health reasons and a mask for other reasons? She stated that there is a pattern of discrimination and bias in terms of policing. Will there be some way of documenting, for example, race and other categories of difference in terms of who gets policed by this policy?

An unnamed graduate student from the Department of Politics presented the following statement on behalf of the UAW Graduate Workers Union "as a means of platforming our issues and our concerns around it, while acknowledging the fact that responsibility may be limited: Greetings, Academic Senate members, on behalf of the University of California Graduate Workers and Postdocs Union, UAW 4811, we joined many of you here in calling for an end to the UCSC administration's flagrant attacks on the political rights of students, workers and faculty members. On October 8th, members of our union assembled at Quarry Plaza for a fall quarter kickoff rally. We were confronted by our university police officers who told us that we could be arrested for proceeding with the rally as planned. Our stated crime was conducting a demonstration with amplified sound. Dean of Students Garrett Neyman additionally threatened us with student conduct charges. One day prior, UC police had arrested a UCSC undergraduate student at Rally Palestine in Quarry Plaza, again for the stated crime of using a bullhorn without a permit and wearing a face mask. This draconian crackdown on UCSC students and workers had occurred obviously under the university's time, place, and manner policies. Contrary to what university administrators may claim, these regulations do constitute a major change in policy on public protest. Under the guise of promoting safe conduct on campus, UC administrators and campus police have assigned themselves new authority to discipline and arrest workers and students for activities that, until a few months ago, were both common and mundane. Student groups distributing free food to campus workers have been told tables are unauthorized structures in order to stop. A member of a local carpenter's union was similarly ordered to stop handing

out literature outside Bay Tree Bookstore. Under the TPM policy, activities such as wearing a mask, using a megaphone, putting up posters outside bulletin boards, and even merely gathering together in large groups can all be labeled violations of university policy and thereby warrant arrests. Through its implementation of TPM policies, UCSC has already violated UAW workers' rights. Threatening graduate workers with arrest is a blatant violation of The Higher Education Employer-Employee Relations Act (HEERA). The courts have also ruled previously that these applications of amplified sound regulations are a violation of the First Amendment. Thus far, our union has demanded three changes to these policies in our discussions with the university: A clarification that these policies are not to be construed as a violation of our rights under the Collective Bargaining Act here or any other law; Uniformity of regulation across all UC campuses; and clarification that the union will be notified and that the university will undertake negotiations regarding any further changes to the policy, as is required by both our collective bargaining agreement and HEERA in some. We are appearing here today to demand no more and no less than our existing rights as students and workers. Therefore, we say no to UC repression. The time and place and manner policies must be overturned. Thank you very much."

Airielle Silva, SUA president was given the floor, stating that this week she had the opportunity to speak with Chancellor Larive as well as serve on the council of all undergrad and graduate presidents in their quarterly meeting with President Drake at UCOP. "Time, place, and manner took up a large portion of our time in this meeting this past week, as the current TPM restricts students' ability to organize and advocate for campus change effectively. As such, they impact students' freedom of expression. It's essential that policies reflect students' needs and uphold their rights." President Silva wanted to make faculty aware that there has been a formal extension, and the SUA is going to be stewarding an effort to receive student and faculty feedback around time, place and manner by the end of December. They've already started to collect testimonies as well as structure real solutions to the TPM policy. Because there is no system-wide TPM policy, each campus is unique, and so the ways that we can advocate around non-systemwide policies are also unique. We have a beautiful opportunity as the UC Santa Cruz community to shape this policy for the better. It's not that TPM is new, it's just that there's a heightened enforcement of these policies that has become increasingly concerning. As a student advocate and activist on campus, who is also part of the Black Student Union, the speaker knows that if BSU tried to do the reclamation overhaul occurred in 2017, it would not be able to. Those students would have been hyper-policed, and that takeover would not have been able to happen. Thus, all the resulting work of the BSU since that time would not have been possible. We can radically imagine different ways that this policy can be enacted for the best interests of students and the institution. SUA President Silva encouraged the Senate to share the outreach coming from SUA in their classrooms and departments. SUA has the spaces and avenues to advocate directly to the Office of the President and to ensure that the incoming President will be prepared to tackle these very same issues that they bring up. Their time as students here might be short, but faculty's time is not. Students' best interests are faculty's best interests.

Anna Tsing, Professor of Anthropology, stated that she thought she spoke for a lot of faculty in voicing her incredible disappointment at the UC system for a preemptive concession to right-wing fanatics at every level of our government by bringing police into the heart of managing dissent at the university. This seems to her to be completely inappropriate at a time when we're facing probably police and even military intrusions in our communities. Professor Tsing stated, "We need the university more than ever to be a space for free dissent." She pointed out that de-escalation, meaning that the police say, 'drop your knife' before/as they shoot you is not the appropriate means. She noted that mediation is completely left out of the formula, and that our goal should be to keep the police out of the issue. If there are issues of dissent, they should be discussed in the university by people in the university who are not militarized. "By the time the protests hit UC last spring, the university had six months to see good and bad responses at universities across the country. They chose to take the worst response.

There are many other possibilities for working with protest on campus other than bringing the police in immediately. And I think the goal of the Senate committees, just as you said, should be to look at enforcement, but to move beyond the terms that were offered to us by the policy to protect our campus from these kinds of militarizations.”

Chair McCarthy expressed gratitude to the Senate and adjourned the meeting at 5:15 pm.

ATTEST: Carla Freccero, Secretary

DRAFT