UCLA Academic Senate

January 29, 2026

Interim Report: Council on Planning and Budget (CPB) Analysis of UCLA Campus Structural Deficit (FY24–FY27)

Summary Overview

UCLA faculty have been informed through communications at the Council on Planning and Budget meetings and a Fall 2025 town hall presented by the Vice Chancellor/Chief Financial Officer (CFO) that the campus faces a serious and rapidly escalating structural budget deficit that now approaches $400 million annually. This interim report, prepared by the Academic Senate's Council on Planning and Budget (CPB), provides the Senate Faculty with a summary of what is currently known, and critically, what remains unknown about the sources of this deficit, based on the partial and incomplete data and analysis shared by the Administration.

What this interim report does:

- It offers a preliminary analysis of available unit-level budget data for approximately 42 of UCLA's 52 units (received December 19, 2025) and aggregate slides provided in presentation format by the CFO.
- It identifies major gaps in transparency, particularly regarding central/Chancellorial commitments and their relationship (or lack thereof) to the university's core academic mission of teaching and research.
- It highlights that core academic units have generally exercised fiscal restraint as seen in unit level data budget information, while the bulk of the deficit appears driven by central commitments, operational cost escalations, Athletics subsidies, and systemwide assessments.
- It equips faculty with shared context of what is known (and not known) so far to advocate for protection of UCLA's primary teaching and research mission during difficult financial decisions.

What this interim report does not do:

- It does not provide a complete or definitive reconciliation of the campus-wide deficit, because key data and information remain unavailable or unclear.
- The unit-level data provided do not directly aggregate to the General Funds (19900) deficits reported by the Vice Chancellor/Chief Financial Officer (CFO), and the degree of overlap, if any, remains unexplained.
- There is little or no visibility into central/Chancellorial commitments (Categories 7–13 in the CFO's aggregate Table 1), including whether and how they support core academic units versus non-core areas such as Athletics, rapidly rising IT and Facilities costs, or unfunded initiatives launched in recent years.

- It cannot fully trace the sources, rationale, oversight, or accountability for the deficit's sharp escalation, from initial verbal projections of ~$180–280 million to the current ~$400 million level, due to persistent lack of detailed, machine-readable, or independently audited information, as well as the absence of forthcoming administrative analysis on the sources and reasons for the escalation or of alternative scenarios to address the deficit.

This report responds to Senate requests for budget transparency dating back to at least FY2024–25. UCLA has not published a campus-wide budget since FY2022–23, and UCLA administrative leadership has communicated deficit projections primarily through verbal updates and limited slides.

An earlier version of this report was unanimously endorsed in principle by the Senate Executive Board on January 15, 2026. The Board forwarded it to Chancellor Frenk and Executive Vice Chancellor and Provost Hunt, noting the Senate's understanding was incomplete and requesting additional data and explanations by January 26, 2026. No written response or additional data was received by the deadline. The CFO made a verbal presentation with new, previously unshared slides to CPB on January 26, 2026, that recategorized expenditures across categories without further explanation, but this did not alter the overall status of outstanding issues. The Executive Board unanimously authorized release of this interim report to all Senate faculty.

Greater transparency and genuine shared governance are essential to identify sustainable solutions that preserve UCLA's core academic mission.

Introduction

This preliminary report relies on incomplete, fragmented data and working assumptions. The analysis is based on manual transcription of approximately 42 unit-level budget PowerPoint presentations (Spring and Fall 2025) provided to CPB by APB, supplemented by CFO aggregate slides. Major gaps persist, including detailed budgets for the David Geffen School of Medicine (non-UCLA Health), Office of Campus & Community Safety (OCCS), Intercollegiate Athletics, certain Grand Challenges, DataX, and select central units.

Critical unknowns include whether negative balances in Core Funds or Other Funds at the unit level require General Funds (19900) coverage and how (or if) they aggregate into the campus structural deficit. Conflicting accounts persist regarding aggregation mechanics and categories, the relationship between central commitments and unit-level data, and the specific drivers of the deficit—making it difficult to assess consequences for the university's academic mission.

Preliminary analysis strongly indicates that the reported structural deficits (−$280 million FY25, −$274 million FY26 prior to December 2025 additions) are driven predominantly by recent central commitments (yet to be fully mapped), unchecked operational overhead escalation, accumulating subsidies to cover Athletics deficits, and systemwide assessments—**not** core academic instructional and research activities of existing units. Available academic unit data reveal significant fiscal restraint, with near balance achieved through efficiencies and prior reserves. In contrast, central operational and non-academic areas exhibit persistent and escalating shortfalls.

Primary Objectives

- Provide a partial reconciliation of CFO-reported General Funds deficits, highlighting the misalignment between restrained academic units and centrally driven pressures.
- Equip the Senate to advocate decisively for protection of the core instructional and research mission.
- Identify ongoing gaps in data, transparency, and understanding to inform shared governance and responsible decision-making.

Key Preliminary Findings

- Deficit sources are primarily IT, Facilities, Athletics, and unfunded central-level commitments.
- Core academic and research units, as a group, contribute minimally to aggregated deficits and appear under strain, relying on efficiency gains and depleting reserves.
- There is insufficient clarity on how (or whether) unfunded central commitments affect funding for existing core academic and research units.
- Personnel trends (FY21–FY25) reveal disproportionate administrative staff growth relative to modest enrollment increases.

Data Limitations

Data were manually transcribed from tables embedded in PowerPoint presentations (no machine-readable files provided, despite the existence of database systems). Coverage is incomplete, with notable absences in high-impact areas (DGSOM, OCCS, Athletics, Chancellor's units). Proxies and deductive analysis were required. In the future, machine-readable data, explicit reconciliation methodology, and public dashboards are expected for effective consultation on budgetary matters.

Unit-Level Budget Data: Categorization and Description

For this preliminary report, units were grouped into the following categories to facilitate analysis:

- **Core research and teaching units** (16 units): 4 divisions of the College and 12 professional schools.
- **Other research, teaching, and mission-related initiatives** (10 units): Semel Neuroscience Institute, CNSI, International Institute, Institute of American Cultures (IAC), Consortium of Schools, BSCRC, BBS, Depression Grand Challenge, Sustainable LA Grand Challenge, DataX.
- **Central administration** (14 units): Chancellor's Office, EVCP, Academic Personnel, VC Legal Affairs, Ethics, Compliance & Audit Services, Veteran's Affairs, VC Inclusive Excellence, VCCFO, VC Research, OARC, External Affairs, VC Strategic Communications, Office of Campus & Community Safety (OCCS), VP for Teaching & Learning.
- **Operational central administration** (4 units): AVC DTS (IT), AVC CHR (Human Resources), AVC EHS, AVC Facilities.
- **Operational student administration** (7 units): Enrollment Management, Graduate Education, Undergraduate Education, Student Affairs, Library, Summer Sessions & International Education (SSEIO), University Extension (UNEX, including CEB).
- **Athletics** (1 unit).

Data were not provided for several high-impact units (e.g., DGSOM non-UCLA Health, OCCS, Athletics, select Grand Challenges, DataX, Chancellor's Office/EVCP units).

Unit-level presentations generally included three budget tables (manually transcribed by CPB):

- **General Funds (19900)**: Primarily state funds, tuition, and related allocations.
- **Core Funds (excluding general funds)**: Includes General Funds, Indirect Cost Recovery (ICR), Professional Degree Supplemental Tuition (PDST), Self-Supporting Degree Program Tuition (SSDPT), etc.
- **Other Funds**: Grants, sales & services, contracts, gifts, and other sources.

Treatment of Other Funds varies across units; large negatives in operational central administration (e.g., IT, Facilities) raise questions about General Funds backfill.

The above categorizations were used to aggregate recurring deficits by type in Table 2 (Annual Deficit Flow After Depletion of Prior-Year Reserves). However, the precise relationships among unit-level budgets for General Funds (19900), Core Funds, and Other Funds with respect to the campus-wide structural deficit in General Funds remain unclear. This includes the potential use of General Funds to backfill negatives in Core Funds or Other Funds. Significant recurring deficits in the Other Funds category for operational units such as IT and Facilities (and likely Athletics, though no data were provided for that unit) raise concerns about how these shortfalls are covered. Similarly, contributions from other revenue sources such as investment returns from the Short-Term Investment Pool (STIP), Total Return Investment Pool (TRIP), and Blue & Gold Pool remain unclear in their relationship to the structural deficit and require administrative clarification.

Critical Open Questions

Despite recent administrative presentations and verbal discussions, several fundamental questions raised by the preliminary analysis remain unresolved or have received only partial and inconsistent responses. Full clarification from the administration is essential for accurate understanding and effective shared governance. These include:

- Do negative balances in Core Funds or Other Funds require General Funds (19900) coverage, and if so, how are they aggregated into the campus-wide structural deficit?
- Do reported balances reflect cash items only, or do they include non-cash entries (e.g., depreciation, accruals)?
- How do Categories 7–13 in Table 1 (or any subsequent recategorizations presented by the CFO) relate to the unit-level budget data, with clear distinctions between core academic units, other research/teaching initiatives, central administration, operational units, and Athletics?

CFO Aggregate General Funds Data

The administration provided an aggregate slide depicting General Funds (19900) sources and uses (Table 1). The FY24 deficit was addressed through one-time measures (approximately $60 million sweep from core academic unit savings, central hiring freeze and reprioritization, ~$75 million investment dividend), yielding a $30.2 million surplus.

In December 2025, the administration disclosed new funding requests totaling $163.7 million (FY25) and $111.6 million (FY26) (examples: IT, Facilities, Athletics, research park, other initiatives), elevating projected deficits to ~$400 million annually.

Table 1. APB-Reported General Funds (19900) Sources and Uses ($ millions, rounded)

	Description	FY24	FY25	FY26
Sources	State general funds, gross tuition, UCOP return-to-aid, other	1,616.4	1,610.7	1,657.9
Uses				
Category 6	Base allocations to organizations (issued July 1)	1,222.7	1,263.9	1,427.7
Category 7	Salary and benefits increases	59.6	59.2	70.1
Category 8	Academic/research support, priority programs, strategic initiatives	94.8	152.7	74.3
Category 9	Student support above UCOP-mandated return-to-aid	62.9	61.6	59
Category 10	Support for lecturers and TAs	61.7	67.1	67.1
Category 11	Capital projects and debt service	131.4	99.3	87.3
Category 12	UCOP operating budget and UCPath assessment	82.5	80.1	83.3
Category 13	Other academic and operating support	85.4	106.7	63.3
	Beginning Balance	-46.2	30.2	-413.7
	Operating Results (pre-new requests)	−184.6	−280.1	−274.2
	Additional New Central Funding Requests (Dec 2025)		−163.7	−111.6
	Adjusted Projected Deficit		413.7	799.5
	Corrective Actions	214.8		
	Ending Balance w/ Corrective Actions	30.2		–

Note: Corrective actions undertaken for FY24 were $214.8m. No corrective actions have been decided for FY25-26.

Key limitations in understanding Table 1:

- Unclear relationship between Categories 7–13 and unit-level data (particularly central administration, operational units, and Athletics).
- Uncertainty whether items in Categories 7–13 appear in unit-level Core Funds or Other Funds.
- Lack of transparency on how General Funds cover negatives in Other Funds (e.g., IT, Facilities).
- Lack of clarity on the sources, amounts, and sustainability of investment income (e.g., from the Short-Term Investment Pool (STIP), Total Return Investment Pool (TRIP), and Blue & Gold Pool), including historical contributions and how ongoing earnings contribute to General Funds revenue or offset campus expenses in deficit projections.

Additional Data Insights

Analysis of available unit-level data indicates that the 42 units together contribute only approximately $15 million to the General Funds deficit in FY25—reinforcing that the bulk of the structural deficit originates outside visible unit-level General Funds allocations.

When considering all fund categories (General, Core, Other), operational central administration and Athletics account for over half of recurring shortfalls after reserve depletion (Table 2). Core teaching and research units contribute very little.

Personnel trends (Table 3) confirm lean academic operations versus rapid central administrative growth.

Preliminary Recommendations

University priorities must unequivocally center on protecting the core teaching and research mission. Many recent central chancellorial commitments appear to have been made in a vacuum—without comprehensive oversight, accountable multi-year planning, transparent budgeting, or full consideration of consequences for the core academic mission. Given that no detailed data or analysis related to the university's budget has been made public or shared beyond verbal communications, the aggregate categories presented in Table 1, and the partial and incomplete unit-level data provided to CPB, there is very limited understanding and confidence in the administration's analysis of the sources, reasons, and consequences of the structural deficit.

Comprehensive analysis must explicitly identify which commitments directly support main teaching and research units and which are non-core (e.g., Athletics subsidies, certain facilities expansions, non-binding strategic initiatives, UCOP assessments). Non-core commitments must be frozen, rigorously reviewed, and reprioritized—or deferred—until sustainable funding sources are secured and their impacts on academic units are fully understood.

To reduce/eliminate the campus deficit, (FY26–FY27) targeting ~$250–300 million savings while preserving ≥95% of core academic funds:

1. **Athletics Subsidy Review** (~$40–80m potential annual savings): Commission independent audit; develop phased plan toward break-even or substantially reduced subsidy.
2. **Freeze and Reprioritize Central Chancellorial Commitments** (~$75–100m): Immediate moratorium on non-binding new initiatives; map each commitment's relationship (if any) to core academic mission and then postpone or eliminate funding for non-academic activities and programs.
3. **Operational Central Administration Efficiencies** (~$30–50m): Consolidate functions, selectively outsource non-essential services; explicitly exempt direct academic support until central commitments are fully funded.
4. **Personnel and Overhead Review**: Align future administrative growth strictly with enrollment and core mission needs; redirect all efficiencies to faculty lines, instructional support, and research.
5. **Capital, Debt, and UCOP Strategies** (~$25–40m): Defer non-academic projects; pursue systemwide advocacy for assessment relief and asset optimization.

Implementation Principles:

- Impose no new burdens or cuts on well-managed core academic programs with positive balances or demonstrated efficiencies.
- Require full transparency through public dashboards, machine-readable data, and shared governance review of all major spending proposals.
- Follow shared governance practices where the Council on Planning and Budget fills its advisory role on budgets.

Summary of Recent Timeline

January 12, 2026: The Council on Planning and Budget unanimously voted to forward an earlier version of this interim report to the Executive Board.

January 15, 2026: The Executive Board unanimously endorsed an earlier version of the report and approved the following actions: 1) Forward the report to the Chancellor and Executive Vice Chancellor and Provost with a cover letter noting that the Senate's current understanding of the budget situation is partial and incomplete, and requesting additional data and explanation by January 26, 2026, to improve the analysis.[1] 2) Release the interim report to the full Senate faculty with any corrections or additional data.

January 26, 2026: The CFO made a verbal presentation to CPB accompanied by new slides (not shared in advance).

January 26, 2026: The Chancellor or EVCP did not provide additional data by the requested deadline.

January 28, 2026: The Chancellor and EVCP replied with a letter dated January 26, 2026, where they made no commitment to provide further written materials.

[1] On January 20, 2026, the Executive Board (EB) formally requested the following missing data from Chancellor Frenk and EVCP Hunt with a receive-by date of January 26, 2026. They did not respond to requests for missing unit-level data and an inventory of all central chancellorial commitments, including:

1. Budgets for high-impact missing units (DGSOM non-UCLA Health, OCCS, Athletics, BSCRC, select Grand Challenges, DataX, Chancellor's Office/EVCP units).
2. A list of all central commitment with appropriate context. For each central commitment: description, amount, timing (recent vs. ongoing), funding status (funded, partially funded, or unfunded), binding nature (legally obligated vs. discretionary), and explicit relationship (if any) to specific units—distinguishing support for core teaching and research units versus central administrative units, operational units, Athletics, or other non-core areas.
3. Detailed breakdowns of the categorized commitments in earlier presentations.
4. Clarification on:
    - Aggregation mechanics (Core/Other Funds negatives into General Funds deficit).
    - Cash vs. non-cash composition of balances.
    - Relationship between Table 1 Categories 7–13 and unit-level data.
    - Actual sources of the structural deficit and why spending continues unabated in deficit-generating areas (e.g., Athletics).
    - Oversight and control mechanisms for spending, debt, and legal obligations.
    - Expected consequences of deferring, reducing, or not funding specific central commitments on the existing core teaching and research mission (including any risks to unit operating budgets).
    - Alternative scenarios to balance the budget over FY26–FY27, prepared by the CFO; each scenario should outline specific measures, projected savings, timeline, and full consequences (particularly impacts on core teaching and research units versus central/non-core areas) to enable informed Senate discussion and shared governance input.

Key Points and Ongoing Concerns

- Persistent Lack of Detail on Central/Chancellorial Commitments (Categories 7–13 in Table 1): CPB has requested detailed breakdowns of these categories since October 2025, including verbal requests on October 27, December 1 in 2025 and January 12 and January 26 in 2026. On multiple occasions the CFO stated that more information would be provided but indicated that certain items are confidential (e.g., possibly related to employment contracts, coaching salaries, IT contracts, or consultancy agreements). To date, no detailed information has been shared.

- Recategorization Without Substantive Detail: In the January 26, 2026, presentation, the CFO reorganized Categories 7–13 into a new set of eight categories, labeling two of them "academic and research support" and emphasized that core academic activities are central to the structural deficit. No specific context or justifications were provided for any of the new categories. It remains unclear how items such as IT and Facilities deficits or Athletics subsidies were treated in the recategorization. Members of CPB observed that the recategorization appeared to reduce rather than enhance clarity about the sources and rationale for central commitments.

- Framing of Faculty Compensation as Primary Driver: The CFO has stated on multiple occasions that faculty salaries represent the largest share of the budget and have increased since 2020 while student credit hours taught by ladder-rank faculty have declined. This framing suggests faculty growth is a primary cause of the deficit. However, this perspective does not account for enrollment growth, the fact that certain faculty salaries are covered by non-General Fund revenues (e.g., self-supporting programs, research grants, and contracts), or the significant increase in extramural research funding during the same period.

- Withholding of Alternative Budget Scenarios: The CFO has stated twice (January 12 and 26, 2026) that he has already developed four alternative scenarios to resolve the deficit but has declined to share them or even their general contours. The CFO indicated a preference for the Senate and campus community to develop solutions independently. CPB members noted that meaningful discussion requires access to the same data and analytic framework available to the administration.

Overall, the CFO's presentations are sparse, lack historical and comparative context (e.g., inflation-adjusted trends, base effects, proportional budget shares over time), and have not convincingly identified the primary drivers of the deficit or demonstrated how recent central commitments align with the university's core academic mission.

All available information reinforces the concerns expressed in this report: the structural deficit appears to be driven predominantly by central commitments, marked by ongoing lack of detail and transparency, along with escalating operational costs, Athletics subsidies, and systemwide assessments rather than by core academic units, which have generally demonstrated fiscal restraint through available unit-level data and projections.

The Academic Senate seeks to ensure decisions are fully informed, transparent, and centered on preserving UCLA's core teaching and research mission.

Table 2: Annual Deficit Flow After Depletion of Prior-Year Reserves ($ millions, rounded; and % of deficit reported by CFO, FY25–FY27 only, after reserves are exhausted)

	FY25	FY26	FY27	FY25	FY26	Main sources
Core teaching and research units	**-4.9**	**-8.3**	**-16.3**	**2%**	**3%**	**Core teaching and research units**
General funds (19900)	-0.4	-5.1	-9.3	0%	2%	Social sciences, Humanities
Core funds	0.0	0.0	-2.0	0%	0%	Engineering
Other funds	-4.6	-3.2	-4.9	2%	1%	SoAA
Other research, teaching and mission related initiatives	**-9.3**	**-4.0**	**-3.3**	**3%**	**1%**	**Other research, teaching and mission related initiatives**
General funds (19900)	-1.1	0.0	0.0	0%	0%	Semel
Core funds	0.0	0.0	0.0	0%	0%	
Other funds	-8.2	-4.0	-3.3	3%	1%	Consortium of schools
Central administration	**-24.8**	**-31.4**	**-39.7**	**9%**	**11%**	**Central administration**
General funds (19900)	0.0	-0.1	0.0	0%	0%	
Core funds	-24.8	-17.5	-22.8	9%	6%	VCFO
Other funds	0.0	-13.8	-16.9	0%	5%	External affairs
Operational central administration	**-67.5**	**-60.2**	**-63.2**	**24%**	**22%**	**Operational central administration**
General funds (19900)	-12.3	-33.4	-30.6	4%	12%	IT, Facilities, CHR, EHS
Core funds	0.0	0.0	0.0	0%	0%	
Other funds	-55.1	-26.8	-32.6	20%	10%	IT, Facilities
Operational student administration	**-1.2**	**0.0**	**0.0**	**0%**	**0%**	**Operational student administration**
General funds (19900)	-1.2	0.0	0.0	0%	0%	Student enrollment
Core funds	0.0	0.0	0.0	0%	0%	
Other funds	0.0	0.0	0.0	0%	0%	
Athletics (estimated)	**-80.0**	**-80.0**	**-80.0**	**29%**	**29%**	**Athletics**
Totals	**-187.7**	**-183.9**	**-202.5**	**67%**	**67%**	**Total**
General funds (19900)	-15.1	-38.5	-40.0	5%	14%	
Core funds*	-24.8	-17.5	-24.9	9%	6%	Do core fund deficits for central units aggregate to reported deficits?
Other funds	-67.9	-47.9	-57.6	24%	17%	Do other fund deficits for central units aggregate to reported deficits?
Athletics	-80.0	-80.0	-80.0	29%	29%	
Reported by CFO (prior to new requests)	**-280.0**	**-274.2**				
Unaccounted for	**unclear**	**unclear**				

Source: ~40 of 52 unit-level budget presentations from Spring 2025, and updates for Fall 2025, manually transcribed by CPB. (*) Excluding general funds

Table 3: Personnel Trends by Major Category (Headcount, unduplicated, FY21–FY25)

	Academic Teaching Faculty		Academic Other (Research/etc.)		Staff	
Category	**(FY21 → FY25)**	**% Change**	**(FY21 → FY25)**	**% Change**	**(FY21 → FY25)**	**% Change**
Academic units (total)	2,445 → 2,488	+1.8%	988 → 970	−1.8%	2,726 → 2,914	+6.9%
Administrative units	(minimal)	—	(minimal)	—	3,446 → 3,727	+8.2%
Campus total	~2,475 → ~2,520	~+1.8%	~990 → ~972	~−1.8%	6,172 → 6,641	+7.6%
Undergraduate enrollment	32,118 → 33,534	+4.4%	—	—	—	—
Graduate enrollment	13,994 → 13,898	−0.7%	—	—	—	—

Notes: Academic units include College divisions and professional schools. Administrative units include Chancellor's organization, External Affairs, Student Affairs, Business & Finance, Athletics, etc. Several academic units substituted staff growth for faculty reductions (e.g., International Institute, IOE, Management, TFT).

UCLA Academic Senate
Executive Board

January 20, 2026

Julio Frenk
UCLA Chancellor

Darnell Hunt
Executive Vice Chancellor and Provost (EVCP)

Re: Council on Planning and Budget's Interim Report on the Campus Budget Deficit

Dear Chancellor Frenk and EVCP Hunt,

The Executive Board (EB) discussed the attached Council on Planning and Budget (CPB) interim report on the campus budget deficit at its January 15, 2026, meeting where members voted unanimously to send the interim report to you. The Executive Summary of the report highlights:

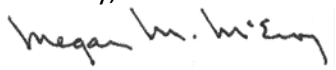
> Preliminary analysis strongly indicates that the reported structural deficits (−$280 million FY25, −$274 million FY26 prior to December 2025 additions) are driven predominantly by recent central commitments (yet to be fully mapped), unchecked operational overhead escalation, accumulating Athletics subsidies, and systemwide assessments—not core academic instructional and research activities of existing units. Available academic unit data reveal significant fiscal restraint, with near-balance achieved through efficiencies and prior reserves. In contrast, central operational and non-academic areas exhibit persistent and escalating shortfalls.

Due to the urgency around budget planning and in the interests of transparency around budgetary discussions, EB members were in strong agreement that this interim report should be released more broadly. **However, to make the report as factually correct as possible, we are writing to ask that the missing data (described in the interim report) is provided to us by Monday, January 26, 2026, so that CPB can revise the report before release to Senate faculty.** If EB does not receive the data by the deadline above, then CPB will release an edited version of this interim report with the current values and conclusions largely intact.

While EB and CPB appreciated the data received to date, complete data is needed to provide the best quality analysis possible. Moreover, the incomplete data violates our long-standing shared governance principles of transparency and "no surprises." Given the high stakes for the academic mission due to the current campus budget deficit, it is imperative that the Academic Senate have adequate data in a timely manner to provide meaningful consultation.

We believe that the overall conclusions are largely correct (even considering the missing data) and are important for a high-level view of the campus budget situation. We hope that the findings of this interim report offer analysis to inform your decisions.

Sincerely,



Megan McEvoy
Chair, UCLA Academic Senate

Encl.

Cc: Kathy Bawn, Immediate Past Chair, UCLA Academic Senate
Richard Desjardins, CPB Chair, UCLA Academic Senate
April de Stefano, Executive Director, UCLA Academic Senate
Elizabeth Feller, Associate Director, UCLA Academic Senate
Tim Groeling, Vice Chair/Chair Elect, UCLA Academic Senate
Samantha Luu, Executive Assistant to the EVCP, UCLA
Emily Rose, Assistant Provost and Chief of Staff to the EVCP, UCLA
Julie Sina, Chief of Staff to the Chancellor, UCLA

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January 26, 2026

Megan McEvoy
Chair, UCLA Academic Senate

Re: Council on Planning and Budget's Interim Report on the Campus Budget Deficit

Dear Chair McEvoy,

Thank you for transmitting the Executive Board's January 20, 2026 letter and the Council on Planning and Budget's interim report on the campus budget deficit. We appreciate the substantial time and effort CPB and EB have devoted to analyzing UCLA's financial situation and to engaging in regular consultation during a challenging budgetary period.

We write to clarify the status of the information referenced in your letter and to address statements regarding the completeness of the materials provided to CPB. Significant care was taken by the Budget Office and the Chief Financial Officer to prepare the financial tables and presentations shared with CPB, including a detailed overview of the Chancellor's central budget that clearly delineates major revenue sources and uses. These tables are accurate and transparent representations of the campus's financial outlook and are the same materials used to brief the University of California Office of the President, the Chancellor and the Executive Vice Chancellor and Provost.

Given the complexity of the university's financial structure and the varying levels of familiarity of CPB members with central budget constructs, the decision was made to rely heavily on detailed verbal presentations to walk through the tables, explain underlying assumptions, and respond to questions in real time. In this context, additional written materials would not alter the substance of the information conveyed or the discussions that occurred.

Throughout the bi-weekly meetings with CPB, the Chief Financial Officer has responded to questions and engaged actively in discussion. Because these meetings occurred frequently, there were periods when no new finalized financial tables were available. During those times, CPB was briefed on relevant developments that were under discussion or in progress, with updated tables shared as soon as they were finalized by the Budget Office.

With respect to the 2026–27 organization-submitted budgets, no additional analysis or projections have been conducted at this stage. Accordingly, there is no further information available to provide beyond the materials already submitted by units, copies of which CPB

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possesses. Each organization met with the CFO during the September budget meetings to review its submission, and the next formal review of these budgets will take place during the February budget conferences, which CPB will attend.

We agree that transparency and timely information-sharing are core elements of shared governance. At the same time, we want to be clear that we will provide new information to CPB and the Academic Senate as it becomes available as appropriate and through the established processes. Consistent with the University of California Regents' framework for shared governance, the Academic Senate plays a vital advisory role in budgetary matters, providing analysis and perspective. We value CPB's counsel in this capacity and remain committed to robust consultation, while also recognizing that certain budget decisions and timelines are necessarily shaped by operational, legal, and fiduciary considerations. Ultimately, budgetary decision-making is the Chancellor's responsibility.

Thank you for sharing the Executive Board's perspective on the interim report. We understand the desire to communicate with Senate faculty about the budget context facing the campus. We look forward to continued dialogue and consultation as budget planning proceeds and as additional information becomes available, in support of the Academic Senate's consultative role.

Sincerely,

Julio Frenk
Chancellor

Darnell Hunt
Executive Vice Chancellor and Provost

cc: Stephen Agostini, Vice Chancellor and Chief Financial Officer
Kathleen Bawn, Immediate Past Chair, Academic Senate
Richard Desjardins, Professor, Education
April de Stefano, Executive Director, Academic Senate
Elizabeth Feller, Associate Director, Academic Senate
Tim Groeling, Vice Chair/Chair-Elect, Academic Senate
Samantha Luu, Executive Assistant to EVCP Hunt
Emily Rose, Assistant Provost and Chief of Staff to the EVCP
Julie Sina, Chief of Staff to the Chancellor