

**Committee on Academic Planning and Resource Allocation (CAPRA)**  
**Minutes of Meeting**  
**May 14, 2025**

Pursuant to call, the Committee on Academic Planning and Resource Allocation met at 1:30 pm on May 14, 2025 via Zoom. Chair Michael Beman presiding.

I. Consultation with EVC/Provost

Prior to this meeting, CAPRA submitted the following topics and questions to the EVC/Provost.

A. Updates on campus budget reduction exercise

- EVC/Provost Dumont stated that the recommendation to implement a 5% budget cut across the campus was submitted to the Chancellor. The Senate Chair and CAPRA Chair participated in a large budget meeting last week that included various stakeholders including the GSA and ASUCM.

B. Workforce planning

- i. future faculty hiring, specifically whether faculty are appropriately distributed across departments/programs.
- ii. how TAS budgets relate to the distribution of faculty FTE, as those conversations often seem to be siloed.
  - EVC/Provost Dumont stated that the campus budget cut will affect our ability to hire faculty and to replace vacant faculty FTE lines. The hiring of ACE-funded positions will still proceed for the current round but will pause when completed.
  - With regard to the distribution of TAS across Schools, EVC/Provost informed CAPRA that the deans have knowledge of both their TAS budgets and FTE situation. A CAPRA member clarified that the issue the committee is concerned with is that if the campus cannot hire more faculty over the next few years, that has implications for the size of the TAS budget writ large if departments have to rely on more unit 18 lecturers to deliver the undergraduate curriculum. EVC/Provost Dumont affirmed she understood the concern and encouraged faculty to have these conversations with their deans and department chairs. In that situation, the campus would have to locate the funding somewhere else in the Academic Affairs budget. She also clarified that the reason the campus cannot replace vacant faculty lines and hire faculty is not because of the hiring freeze, but due to the campus's lack of funds.

C. Campuswide list of principles and metrics for the allocation of faculty FTE lines and CAPRA's role in this process.

- The EVC/Provost stated that the major focus is on enrollment and student retention. The campus needs to pull together and ensure that our student

population is engaged and to think of faculty FTE allocation in ways that allow the campus to deliver its undergraduate education.

D. Update on SIRs and/or projected enrollments for Fall

- The EVC/Provost reported that SIRs are looking flat and the campus will likely not see the desired increase in enrollment in the fall. Fall enrollment is projected to be 8,900 which falls short of the target. However, VC Hagg is diligently working on several initiatives to increase enrollment. There are various factors that are hindering enrollment, including uncertainty around students affected by AB 540 and issues around students completing financial aid forms. But Bobcat Day went very well and the students enjoyed speaking with faculty and other students about UC Merced's programs and clubs. Campus leadership and VC Hagg will be inviting faculty to participate in initiatives this summer to convert SIRs into enrollment, such as making videos about their research.

A CAPRA member asked about hiring faculty through the President's Postdoctoral Fellowship Program (PPFP). EVC/Provost Dumont replied that the program is an excellent source from which to hire faculty but she reminded CAPRA members of the misconception that scholars from this program are "free" hires. The program provides funding to the campus for start up and salary for a certain number of years and the campus has to locate the rest of the funding.

E. Federal government updates

- EVC/Provost Dumont stated that she had no new information today after the flurry of activity with the NSF last week. The campus is still working on gathering data and drafting communications to help faculty.

A CAPRA member asked about the status of no-cost extensions. EVC/Provost Dumont replied that she had no new information but advised faculty to continue submitting the extension requests. A CAPRA member asked about holding accounts for their grant funds but was told by SPO it was not possible. EVC/Provost Dumont asked the CAPRA member to contact the VCR and VC/CFO Schnier.

II. Chair's Report – **Mike Beman**

A. Divisional Council meeting April 22

The following items were discussed by Divisional Council:

- Interim Policy on Withdrawal of Consent to Remain on University Property

- Proposed revisions to Presidential Policy BFB-BUS-63 (Risk Transfer and Insurance Requirements)
- Academic Planning Council’s Systemwide Academic Calendar Workgroup Draft Report
- Proposed Revisions to APM-500, Recruitment-General
- Presentation by Professor Roger Bales on Living Laboratory for Climate Solutions

B. University Committee on Planning & Budget meeting May 6

- UC budget cuts will be implemented. The state tax receipts were not as high as was hoped.
- There is interest in forming the California Science Initiative.
- Discussion about the non-resident student pool and how different UC campuses will increase the number of these students.
- Discussion of early retirements as a potential way to mitigate the budget crisis.
- The Academic Senate Task Force on UC Adaptation to Disruptions has been meeting and will issue a report in the next few months.
- Discussion of a possible bond for the UC system and modifying contributions to the pension to maintain liquidity.
- The next president of the UC was announced. There are also two ongoing UC Chancellor searches.
- A systemwide budget group developed a survey of different practices used by all UC campuses in an attempt to identify best practices.
- Discussion of federal government actions’ impact on UC health centers and potential cuts to Medicaid.

C. Spring Meeting of the Division May 7

- Updates from the Chancellor and the EVC/Provost.
- The Division approved the proposal from the Senate Committee on Faculty Welfare and Academic Freedom to split into two committees: Committee on Faculty Welfare and the Committee on Academic Freedom.
- UC Berkeley’s resolution on the defense of the university was briefly discussed. Division members could not agree whether to adopt the resolution or draft UC Merced’s own version. The item was tabled as it required further discussion.
- Announcement of AY 25-26 Senate committee chairs and vice chairs.
- Announcement of AY 24-25 Senate award winners.

III. Vice Chair’s report – *Venkatt Ayyaswamy*

A. Divisional Council meeting May 6

- Discussion of the proposals to create a degree program in Accounting and in Business Administration.
- Divisional Council approved CoR's proposed revisions to the Senate's Policy for the Establishment, Review, or Disestablishment of Core Facilities.
- Update from the LASC chair.
- Discussion of the Presidential Policy on High-Containment Research.

#### IV. Consultation with VC/CFO

##### A. Discussion of future budget scenarios (specifically for AY 25-26)

VC/CFO Schnier presented a series of slides on UC Merced's budget conditions and projections. He emphasized that undergraduate enrollment is the primary driver on all revenue funds. UC Merced's projected "core funds" for FY25 are approximately ~\$375M and projected all funds for FY25 are approximately ~\$525M.

Between 2014 and 2019, UC Merced's tuition revenue grew at a compounded annual growth rate (CAGR) of 6.7%. Between 2019 and 2024 the tuition revenue grew at a compounded annual growth rate (CAGR) of 0.7%

VC/CFO Schnier presented the state funding and tuition funding allocation across campus.

With regard to staff growth, the campus has increased staff levels significantly over the past five years. FTE has increased at a 3.7% CAGR and salaries have increased at a 6.4% CAGR. With respect to academic appointment growth, it has exceeded staff growth rates. FTE has increased at a 4.6% CAGR and salaries have increased at an 8% CAGR.

VC/CFO Schnier explained that core funds are in structural deficit.

Campus' structural deficit peaked at the completion of the 2020 Project. Subsequent reductions resulted from the following actions: 1) Fiscal conservation measures in FY22 and FY23 and 2) UCM's 2nd MOU with UCOP which increased one-time payments to the campus.

Multi-year key inputs (125+ variables):

- State demographic data
- Admissions and retention
- Tuition and fee rates
- Auxiliary (e.g., housing and dining) demand
- State appropriations (e.g., rebenching, one-time)

- Grant productivity and indirect costs
- Other revenues
- STIP/TRIP and B&G returns
- Debt and cash balances
- Personnel and Non-personnel cost growth rate

Multi-year key outputs (70+ outputs):

- UCM applicants
- UCM enrollment (following SIRs, melt)
- Enrollment (undergraduate, transfers, graduate, non-resident, international)
- Tuition and fee revenues (e.g., tuition, NRST, summer session)
- Auxiliary revenues and costs
- State appropriations
- Indirect cost return from grants
- Faculty and staff growth/reductions
- Divisional costs and staffing levels
- Investment returns
- Cash balance
- Budget reductions to align cash balances with days-on-hand requirements

With regard to projected baseline revenues and expenditures, currently, revenues are exceeding expenditures when not factoring in debt payments – debt payments generate an end-of-year deficit for the campus. In FY27, the year following the conclusion of our one-time MOU payments, the expenditures begin to exceed revenues.

The largest source of the campus's financial uncertainty is our undergraduate enrollment. The difference between the baseline enrollment level and the targeted enrollment level exceeds 2,200 students by FY30 – the is equivalent to nearly \$40M.

The “low” budget reduction scenario requires a significant restructuring of the campus' operations at all levels. Aligning revenues and expenditures will require a multi-year budget reduction effort that spans four to five years. The “baseline” scenario still requires a significant restructuring of the campus' operations at all levels. Aligning revenues and expenditures will require a multi-year budget reduction effort that spans three years. The “high” scenario still requires structural changes on campus, but allows the campus to “grow” into the next phase. Aligning revenues and expenditures will require a multi-year budget reduction effort that spans a couple of years.

VC/CFO Schnier explained that the campus's current utilization of personnel spending is too high and we will need to curb these expenses moving forward, i.e. drive toward

a more efficient use of existing personnel. Regardless of the enrollment growth trends the campus will have to revisit our operations and expectations.

VPAAS Spitzmueller reiterated that enrollment management staff are working diligently to increase enrollment despite many challenges. The positive news is that the new programs approved by faculty such as communications and aerospace engineering are attracting several new students.

A CAPRA member asked how indirect cost funds are spent. VC/CFO Schnier explained the breakdown between SPO, PIs, deans, etc. VPAAS Spitzmueller shared a fact sheet from UCOP with additional information.

VC/CFO Schnier informed CAPRA that the MOU between UCOP and UC Merced expires at the end of next year and it is important for the campus to plan ahead for that impact.

- V. Consent Calendar
  - A. Today's agenda
  - B. Draft April 16 meeting minutes

**Action:** The Consent Calendar was approved as presented.

- VI. Executive Session – *Voting Members Only*

There being no further business, the meeting was adjourned at 3:00 pm.

Attest: Michael Beman, CAPRA chair