

December 18, 2025

Megan McEvoy
Chair, UCLA Academic Senate

Dear Chair McEvoy and Members of the Legislative Assembly,

Thank you for transmitting the Resolution on Restoring Shared Governance in Campus Budget Planning. We appreciate the Senate's deep investment in UCLA's financial health and its commitment to ensuring that budget decisions support our shared academic mission. We welcome the opportunity to clarify where we are in the budget process, outline the information we can provide, and reaffirm the substantial engagement that has already occurred with Senate leadership and committees throughout this fiscal year.

We agree that transparency and consistent communication are essential, particularly in a challenging fiscal environment shaped by reductions in state support, constrained federal funding, and other external factors. Over the past year, we have been engaged in **extensive and ongoing discussions** with the Council on Planning and Budget (CPB), the Executive Board, and Senate leadership regarding budget pressures, mitigation strategies, and evolving financial priorities. These engagements have included multiple presentations, data briefings, and consultations, all intended to provide CPB with the tools required to exercise its advisory role. We recognize that the complexity of this environment has placed stress on local-unit planning processes and created uncertainty at a time when faculty and staff require clarity. Our goal remains to ensure that the Senate has information that is accurate, complete, and fully contextualized within broader systemwide and state budget dynamics.

As part of this ongoing effort, CPB and Senate leadership have already received detailed financial information for 2024–25 and 2025–26, including revenue and expenditure data, reserve balances, and preliminary analyses of the structural deficit. For example, most of the items listed in section 4 of the letter - items 4a through 4g - have been provided as part of the regular updates that have taken place between the UCLA VC CFO and CPB for the last year. These items have been clearly underscored in the numerous updates on the UCLA central deficit. Similarly, the AVC for Budget and Planning transmitted, on December 5, 2025, documents that displaying detailed allocations and uses of funds by individual campus units, as requested in item 2. Regarding the request in item 1, the FY24-25 Annual Financial Report for UCLA will be released in March 2026 in accordance with required schedules and information releases dictated by the UCLA Office of the President. The Annual Financial Report (AFR) for FY25-26 will not be available until March 2027, since we are not yet at the midpoint of the fiscal year. These reports will look at the total UCLA enterprise. As we have repeatedly stated, the deficit resides in General Fund component - centrally allocated portion of UCLA's finances, which is not disaggregated from the total in the AFR.

We will continue to supplement these materials with additional documentation requested in your letter - such as information on spending on consultants - to ensure that faculty advisors have the necessary context for understanding how campuswide financial constraints have been managed

over time. As is standard within Senate governance, it is the role of CPB and Senate leadership to share this information with the broader Senate bodies as appropriate.

We also appreciate the Senate's request to strengthen CPB-administration consultative structures. Many of the recommended practices - regular meetings, expanded training, and broader communication mechanisms - **reflect work that is already underway** or built upon patterns of engagement we have established this year. We will continue working with CPB and Senate leadership to identify the most effective framework for predictable, timely information sharing, including opportunities for broader faculty engagement through town halls and other campuswide forums.

The Senate has also requested analyses and projections relevant to the 2026-27 budget cycle. Much of this information was provided on December 5, 2025 as part of the invitation to join individual unit budget conferences.

Finally, we welcome CPB and the Executive Board's intent to articulate principles to guide fiscal decision-making during the current period of uncertainty. Establishing shared values and expectations will support more coherent communication across the campus community and help ensure that future planning efforts remain aligned with UCLA's academic mission.

We look forward to continued collaboration as we work together to navigate a difficult budget landscape with transparency, shared purpose, and a commitment to supporting UCLA's excellence in teaching, research, and service.

Sincerely,

Julio Frenk
Chancellor

Darnell Hunt
Executive Vice Chancellor and Provost

cc: Kathleen Bawn, Immediate Past Chair, Academic Senate
April de Stefano, Executive Director, Academic Senate
Tim Groeling, Vice Chair/Chair-Elect, Academic Senate
Emily Rose, Assistant Provost and Chief of Staff to the EVCP
Julie Sina, Chief of Staff to the Chancellor