The Regents of the University of California

FINANCE AND CAPITAL STRATEGIES COMMITTEE
July 15, 2026

The Finance and Capital Strategies Committee met on the above date at the UCSF Mission Bay Conference Center, San Francisco campus.

Members present:	Regents Areias, Cohen, Craven, Lee, Makarechian, Matosantos, Melton, Robertson, and Robinson; Ex officio member Milliken; Advisory member Scott; Chancellors Gillman, Hawgood, Khosla, and May; Staff Advisor Hanson
In attendance:	Staff Advisor Hanson, Secretary and Chief of Staff Lyall, Deputy General Counsel Drumm, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Rubin, Senior Vice President Turner, Vice President Yu, Chancellors Hu and Lyons, and Recording Secretary Johns

The meeting convened at 1:45 p.m. with Committee Chair Cohen presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes the meeting of May 6, 2026 were approved, Regents Areias, Cohen, Craven, Lee, Makarechian, Matosantos, and Robertson voting "aye."[1]

2. **CONSENT AGENDA**

A. ***Heathcock Hall, Berkeley Campus: Amendment of Budget and External Financing***

The President of the University recommended that:

(1) The 2026–27 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Heathcock Hall – preliminary plans, working drawings, construction, and equipment – $162.18 million to be funded by gift funds ($80 million); campus funds ($46.45 million); external financing supported by State General funds for the UC Berkeley Clean Energy Project ($30 million); and external financing supported by campus funds ($5.73 million).

[1] Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code §11123(b)(1)(D)] for all meetings held by teleconference.

To: Berkeley: Heathcock Hall – preliminary plans, working drawings, construction, and equipment – $199.9 million to be funded by gift funds ($80 million); campus funds ($62.17 million); external financing supported by State General funds for the UC Berkeley Clean Energy Project ($30 million); and external financing supported by campus funds ($27.73 million).

(2) The President be authorized to obtain additional external financing of $22 million in a total amount not to exceed $27.73 million plus additional related financing costs to finance the Heathcock Hall project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:

a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.

b. As long as the debt is outstanding, the general revenues of the Berkeley campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

c. The general credit of the Regents shall not be pledged.

d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

B. ***Hyde Hospital Behavioral Health Renovation, San Francisco Campus: Budget, Scope, and Design Following an Exemption Determination Pursuant to the California Environmental Quality Act***

The President of the University recommended that the Regents:

(1) Amend the 2026–27 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: San Francisco: Hyde Hospital Behavioral Health Renovation – preliminary plans funding – $5,182,000, funded from hospital reserves.

To: San Francisco: Hyde Hospital Behavioral Health Renovation – preliminary plans, working drawings, construction, and equipment – $70,911,000, to be funded from State Grant funds.

(2) Approve the scope of the Hyde Hospital Behavioral Health Renovation project, including renovation of approximately 39,400 assignable square feet of space, upgrades to related building infrastructure (e.g. mechanical,

electrical, plumbing, fire life safety, and accessibility systems), and improvements to existing exterior terrace in support of inpatient behavioral health services.

(3) Determine the Hyde Hospital Behavioral Health Renovation project to be exempt from the California Environmental Quality Act.

(4) Approve the design of the Hyde Hospital Behavioral Health Renovation project, San Francisco campus.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Cohen briefly introduced the consent agenda items.

Upon motion duly made and seconded, the Committee approved the President's recommendations and voted to present them to the Board, Regents Areias, Cohen, Craven, Lee, Makarechian, Matosantos, and Robertson voting "aye."

3. **EAST CAMPUS STUDENT APARTMENTS PHASE 5 PROJECT, IRVINE CAMPUS: DESIGN AND LONG RANGE DEVELOPMENT PLAN AMENDMENT FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The President of the University recommended that the Regents:

A. Following review and consideration of the environmental consequences of the East Campus Student Apartments Phase 5 project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation:

(1) Adopt the Initial Study/Mitigated Negative Declaration (IS/MND).

(2) Adopt the Mitigation Monitoring and Reporting Program and make a condition of approval the implementation of all applicable mitigation measures within the responsibility and jurisdiction of UC Irvine.

(3) Adopt the CEQA Findings.

B. Approve Amendment #5 to the 2007 Irvine Campus Long Range Development Plan.

C. Approve the design of the East Campus Student Apartments Phase 5 project, Irvine campus.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chancellor Gillman introduced this item, the East Campus Student Apartments Phase 5 project, which would provide 1,065 beds to help address a significant unmet need for additional undergraduate housing and would be constructed on two land parcels within the East Campus student housing neighborhood. Each parcel would house an apartment building seven stories in height, stepping down to six stories along Campus Drive. The project would have an overall density of 328 beds per acre, the highest density of all the East Campus apartment phases. The proposed sites were adjacent to the existing Puerta del Sol and Plaza Verde student apartments, which would enable shared use of existing parking and amenities. This proximity provided land use space and operational efficiencies that would directly benefit the project. The proposed Long Range Development Plan amendment would revise the land use designation to student housing.

Regent Makarechian praised the project for its reasonable construction cost per foot, high density, design, and below-market rental rates for students. This project, with its public-private partnership delivery method, should be a model for all the other UC campuses. He expressed concern about the high cost of student housing projects at other campuses. Executive Vice President and Chief Financial Officer Brostrom responded that his office was planning to convene a meeting of all UC campuses' project design and finance staff to discuss project delivery.

Regent Makarechian stressed that UC must be judicious in its choice of partners for public-private partnership projects.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Areias, Cohen, Craven, Lee, Makarechian, Matosantos, and Robertson voting "aye."

4. **ADVANCED WORK PHASE OF THE HILLCREST MEDICAL CENTER RENEWAL PROJECT, UC SAN DIEGO HEALTH CAMPUS: WORKING DRAWINGS AND CONSTRUCTION FUNDING, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE HILLCREST CAMPUS 2019 LONG RANGE DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The President of the University recommended that:

A. The 2026–27 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Hillcrest Medical Center Replacement – preliminary plans for the entire project – $150 million funded from external financing.

To: San Diego: Hillcrest Medical Center Renewal – preliminary plans and limited working drawings for the entire project and working drawings and construction funding for the Advanced Work Phase portion of the project – $404,891,000, to be funded from external financing ($389,891,000) and hospital reserves ($15 million).

B. The scope of the Advanced Work Phase portion of the Hillcrest Medical Center Renewal project be approved, which includes: abatement and demolition of the Clinical Teaching Facility, Theodore Gildred Facility, Medical Library, Surgery Research Laboratory and several trailers and modulars located on the project site; grading and road improvements; relocation and removal of existing utilities; removal of trees and site paving; relocation of emergency trailers; hazardous soil mitigation; and all other associated demolition work. The scope also includes procurement of underground storage tanks and possible early procurement of steel, elevators, and foundation piles.

C. The President be authorized to obtain additional external financing of $239,891,000 in a total amount not to exceed $389,891,000 plus additional related financing costs to finance the Hillcrest Medical Center Renewal project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:

(1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.

(2) As long as the debt is outstanding, the revenues of the San Diego medical center shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

(3) The general credit of the Regents shall not be pledged.

(4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

D. Following review and consideration of the environmental consequences of the Hillcrest Medical Center Renewal project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

(1) Adopt the CEQA Findings for the Hillcrest Medical Center Renewal project, having considered the 2019 Long Range Development Plan

(LRDP) Environmental Impact Report (EIR) for the Hillcrest Campus and Addendum No. 3 to the 2019 LRDP EIR.

(2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC San Diego, as identified in the Mitigation Monitoring and Reporting Program (MMRP) adopted in connection with the 2019 LRDP EIR; and as amended in Addendum No. 3.

E. The Regents approve the design of the Advanced Work Phase portion of the Hillcrest Medical Center Renewal project.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chancellor Khosla recalled that the Hillcrest Medical Center was built in 1963. UC San Diego has proposed to renew the facility, and the Regents approved a Long Range Development for the Hillcrest Campus in 2019. UCSD was designing a 750,000-square-foot hospital with 300 beds. The current item sought funding for site demolition, bidding, and procurement of construction materials in preparation for the construction itself. Approval of this item was critical to keep the project on track and control cost escalation.

UC San Diego Health Chief Executive Officer Patricia Maysent underscored the complexity of this project and the challenge of undertaking a hospital replacement. UCSD would be taking on almost $2 billion in debt for the project; therefore, UCSD must have sufficient profit margin to cover the debt over the long term and must prevent budget inflation. The Advanced Work Phase, with demolition and procurement, would help maintain the project within the $2 billion budget. UCSD Health has updated its ten-year financial forecast. Cash reserves were at a good level.

Regent Lee requested more detail on the financial picture and asked if $2 billion was the total project cost. Ms. Maysent confirmed that this was the total project cost, plus furniture, fixtures, and equipment, which might amount to $400 million.

Regent Lee asked if UCSD planned to present an item to the Regents next year for full budget approval. Ms. Maysent responded in the affirmative.

Regent Lee expressed appreciation for the ambition of this project. She again requested more financial detail to give her confidence about what the Regents would be approving. UCSD Health Chief Financial Officer Carlos Bohorquez presented a chart with baseline projections and key financial metrics for the Hillcrest replacement project and other ongoing UCSD Health capital projects. These indicated a consistent modified total margin through the opening of the new Hillcrest facility. Modified total margin was projected to decrease in 2034 due to depreciation and interest, but earnings before interest, depreciation and amortization (EBIDA) would grow throughout the project period. Despite UCSD's $300 million contribution to the project from hospital reserves, liquidity would consistently remain in the mid-50s for days of cash on hand for the next few years and then increase. The debt service coverage ratio would remain above 3x, allowing UCSD to fund existing and anticipated new debt service.

Ms. Maysent explained that UCSD Health has built out its strategic plan beginning with revenue-generating projects, such as the McGrath Outpatient Pavilion and the La Jolla Outpatient Pavilion. These projects would help develop margin and sustain the $2 billion debt for the Hillcrest hospital renewal. McGrath Outpatient Pavilion, which opened last summer on the Hillcrest campus, housed surgeries and elective procedures, and this would change the variety of services provided in the main hospital.

Regent Makarechian asked how the $150 million in preliminary plans funding had been spent. UCSD Executive Director of Healthcare Project Management Christopher Hickman responded that UCSD had a full team engaged: an architectural design team with engineers, a general contractor, and major subcontractors. This was an investment not only to develop documents but also highly reliable cost estimates and constructability plans. The Advanced Work Phase would allow UCSD to begin the work as early as possible and reduce the overall timeline as much as possible. UCSD has made an investment in this team but had not yet spent the entire $150 million.

Regent Makarechian asked if UCSD had already chosen a contractor and was paying the contractor. Mr. Hickman responded in the affirmative.

Regent Makarechian asked why UCSD would not pursue a normal bidding process for this construction project. Mr. Hickman responded that one reason concerned time. By bringing a team on early, UCSD could reduce the overall timeline. The conventional approval process for a hospital through the State's Department of Health Care Access and Information (HCAI), including finishing the entire document package and submitting it for approval, could take 18 to 24 months. This approach, by engaging the general contractor and major subcontractors early on and breaking the package into increments, would allow UCSD to finish some of the work early—procurement, demolition, and site preparation. Then, next year, when UCSD requested full funding, it would be able to begin the project immediately.

Regent Makarechian asked about the funding increase being requested in the current item. Mr. Hickman responded that some of the additional funding would be used for procurement and some early construction. UCSD would not need all the additional funding at this time but would not be able to begin construction with preliminary plans funding only. Ms. Maysent added that the additional funding would also be used for demolition and site preparation.

Regent Makarechian asked if UCSD was designing to a budget. Ms. Maysent responded that the team has been given a budget and must manage according to that budget. UCSD must remain within this budget and does not wish to lose any program elements.

Regent Makarechian asked about interest calculated in the cash flow. Mr. Bohorquez responded that there was 4.25 percent for incremental debt. Mr. Brostrom explained that this would be issued through the University's central bank. UC could affirm a borrowing at 4.25 percent.

Regent Craven asked how hospital operations would continue when the existing building was demolished. Ms. Maysent responded that the current hospital would remain in operation until UCSD opened the new hospital. Once UCSD had transitioned to the new hospital, it planned to demolish the old hospital, although there might be uses for the building.

Regent Craven asked about the central plant. Mr. Hickman responded that the existing central plant would be demolished, and a new central plant would be built.

Regent Robertson asked if the $2 billion included demolition of the existing hospital. Ms. Maysent responded that this was not included in the $2 billion. When the new hospital was built, UCSD might find uses for the existing hospital building and choose to maintain it.

Regent Robertson asked if UCSD would continue to use the existing building even if it did not meet required seismic safety standards. Ms. Maysent responded that other uses for the building would still be possible. Mr. Hickman added that the Long Range Development Plan called for redevelopment of the site.

Regent Matosantos noted that seismic safety standards were higher for a hospital than for other kinds of care facilities. The existing building might be used for other UCSD Health purposes. Ms. Maysent and Mr. Hickman confirmed that this was the case.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Areias, Cohen, Craven, Lee, Matosantos, and Robertson voting "aye" and Regents Makarechian and Melton abstaining.

5. **THE 2026–27 STATE BUDGET ACT**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President and Chief Financial Officer Brostrom recalled that on June 29, Governor Newsom signed the State Budget Act of 2026–27, with a total of $352 billion, of which $252 billion represented the State General Fund. This was one of the strongest outcomes in memory for the University, with State General Fund support of $5.5 billion. Overall, this represented a seven percent increase in the University's base budget and the restoration of a three percent deferral from the 2025–26 budget year. Funding for UC also included $111 million in one-time funding for a wide variety of purposes across the UC system.

Associate Vice President Caín Diaz underscored that this was a good year for the University with an increase of over $530 million in new, ongoing support. The University would receive about $541 million of new funding in alignment with the Regents' budget request approved in November 2025. This included the 2026–27 installment of the multi-year Compact funding, a five percent adjustment or about $254 million. In addition, the State budget included $96.3 million to partially restore the five percent Compact increase UC would otherwise have received in the 2025–26 fiscal year. This was two percent of five percent, with the remaining three percent to be restored in a future year. The final 2026–27 State Budget also restored the $129.7 million that was deferred from the University's base budget last year and it provided $61 million for two years of nonresident tuition replacement at three of the campuses. There was a technical adjustment outside the Regents' budget request, a reduction of $8.1 million for student housing grants. This aligned funding for the student housing grant program with the anticipated debt service and did not represent a cut to the UC budget. Items from the Regents' request that were not funded were the restoration of three percent of the 2025–26 Compact increase mentioned above and graduate programs in the health sciences.

The final budget also included almost $111 million of one-time support for variety of programs, with $5.4 million for a pharmacy program at UC San Diego and an optometry program at UC Berkeley, and $105.5 million for various programs outside the Regents' budget request, but which would be put to good use. The final budget did not provide one-time support for UC requests for capital facilities renewal, the backlog of deferred maintenance, and other needs.

Mr. Diaz presented a chart showing proposed multi-year State support for the University with funding approved for 2026–27 and proposed funding in 2027–28 and 2028–29, for which the Budget Act included intent language. He stressed that the Regents must bear in mind that the current Legislature cannot commit a future Legislature to specific funding levels. State revenues and the state of the economy at large can change. The intent language would restore the three percent of the 2025–26 Compact increase in 2028–29, $144.5 million as an ongoing base budget increase. There was also intent language for one-time support in 2027–28, roughly $400 million to make up for deferrals in 2025–26.

The 2026–27 Budget Act represented the final year of the University's five-year Compact with the State. Mr. Diaz presented a chart with expected and actual amounts received under the Compact for each year. The University fared well in the first two years of the Compact, with increases consistent with UC expectations. Beginning in 2024–25, the State faced budget challenges which resulted in lower funding levels for the University than expected. In that year, UC received its five percent increase per the Compact but also received a one-time cut of $125 million. In 2025–26, the State restored the $125 million but deferred $129.7 million of base budget funding to 2026–27, making this effectively a flat budget. The State also deferred the 2025–26 Compact installment to a future year. Mr. Diaz remarked that, while the actual funding received by UC remained flat from 2024–25 to 2025–26, this was in fact a remarkable result, given the situation of the State budget. At the beginning of the State budget process, UC was anticipating an eight percent reduction. Now, in 2026–27, UC has received the five percent Compact installment for the final year, the restoration of the base budget deferral from the last year, and restoration of a portion of the 2025–26 Compact installment. This was a good year, but nevertheless, UC received less than it would otherwise have expected with five percent base budget increases under the Compact.

Mr. Brostrom enumerated a few more considerations related to this year's budget. In the last fiscal year, the State provided a zero interest loan to UC with the expectation that it would be paid off this year. The State has rolled over this zero interest loan of about $129 million, which UC has passed on to the campuses. The University would renew the loan with the expectation that it would be forgiven or paid off in the next budget year. The Middle Class Scholarship was reduced to $680 million this year, and this reduced the University's award coverage for middle class student needs from about 35 percent to 17.5 percent, or about $1,000 per student. There would be about $250 million for public hospital grants which would include the University's academic medical centers. The State Budget also deferred cuts to Medi-Cal to 2027–28. The University was included in Proposition 1, a housing bond that would appear on the November 2026 California ballot. The University and the California State University together would receive $350 million of the $11 billion proposed bond. The University's portion of $175 million would be leveraged and generate nearly $900 million of financing, which would support construction of about 2,500 to 3,000 student beds.

This State Budget was buoyed by strong revenues, mostly from personal income tax and realization of capital gains. Nevertheless, the Governor's administration and the Legislative Analyst's Office recognized that there was a long-term structural deficit ranging between $10 billion and $20 billion. This was largely due to the growth in General Fund spending since the COVID-19 pandemic, especially on Medi-Cal and other local assistance programs. State General Fund expenses have increased by $100 billion since 2019. These considerations did not take into account the potential impacts of the federal budget reconciliation act H.R. 1, many of which would take effect in January 2027. With the exception of the Controller and the Attorney General, there would be turnover of every constitutional officer in the State government this year, as well as at least 25 to 30 seats in the Legislature. The University would need to work with these incoming officials about their interest in UC and UC's needs. As mentioned earlier, this was also the last year of the University's Compact with Governor Newsom and the Legislature. Mr. Brostrom reflected on the success of the Compact, both in funding for UC and in the University's achievement of its obligations, most notably in enrollment growth. UC added nearly 20,000 students across the system during the Compact period.

Proposition 2, another item on the November 2026 California ballot, would address State budget volatility, increase the State's "rainy day" fund from ten percent to 20 percent of the General Fund, and require higher amounts of excess capital gains revenue to be set aside in years of strong revenue. Mr. Brostrom recalled that the University has not received general obligation bond funding since 2006, and no lease revenue bond funding since 2011. UC has received one-time funding from the State for housing, energy projects, and medical education facilities, but most capital projects at UC have been on the University's own balance sheet. This would be a topic to consider with the State in a new Compact.

Student observer Isha Khirwadkar acknowledged the positive developments in the State budgets, noting that student advocacy resulted in the $20 million one-time investment supporting housing, basic needs, and disability services. She encouraged the chancellors to empower basic needs and disability services leaders to direct the use of these investments so that resources can be directed to the greatest student needs. As enrollment grows and student needs become increasingly complex, investments in housing and basic needs support must grow to meet them. As the University began discussions about a future Compact with the next Governor, Ms. Khirwadkar hoped that the Regents would pursue a partnership beyond base operating support and that expanded enrollment would be met with sustained investments in student support services, equity initiatives, and infrastructure necessary for student success. Students should be included in discussions when these proposals are developed. Ms. Khirwadkar encouraged continued attention to services to support undocumented students. The UC Immigrant Legal Services Center has experienced increasing demand while its operating budget has remained level. She underscored that decisions by the Regents were most impactful when the students affected by these decisions were involved in discussions with Regents and had a seat at the table.

Regent Matosantos asked about ongoing State funds that would be appropriated for UC in the coming years. Mr. Diaz referred to the chart shown earlier with expected and actual amounts received under the Compact for each year, and a gap of $172 million shown for 2026–27. This represented what the level of the UC base budget would be if UC had received the annual five percent increases.

In response to another question by Regent Matosantos, Mr. Brostrom confirmed that the future effects of H.R. 1 were not known, and that the State had delayed additional cuts to healthcare programs.

Regent Matosantos asked Mr. Brostrom for his view of UC funding in the coming years. Mr. Brostrom responded that the State budget was in an unprecedented situation of significant revenue growth which still masked an underlying deficit. In his view, the financial outlook of the University had improved due to the implementation of the Tuition Stability Plan and cohort tuition. UC's balance sheet has grown tremendously, especially in the past year, and this would help in funding the UC Retirement Plan and UC retiree health benefits. The University must remain sensitive to the realities of the State budget and the future impact of federal funding.

Regent Matosantos asked about the upcoming challenges for the University, given the State's structural deficit, with a projected $20 billion gap in two years, and the trend of UC expenses. Mr. Brostrom responded that the situation of research funding was challenging at this time. Congress had approved funding for the National Science Foundation and the National Institutes of Health, but grants were slow in being issued, and grant renewals were not proceeding as quickly as two years prior. There were ongoing questions about indirect cost recovery. UC Health provided a significant amount of support to the UC health sciences schools. If the medical centers' margin began to erode, chancellors would have to find other sources of support for the health sciences schools. If there were changes to financial aid, UC might have to draw on additional revenues from unrestricted sources in order to maintain its commitment to access and affordability.

Staff Advisor Hanson asked about the parameters of a possible future Compact with the State, and if moving more State funds to the rainy day fund would result in a zero-sum game with less funding available for the University. Mr. Brostrom responded in the negative to the second question. Moving more funds to the rainy day fund would address volatility, such as experienced from 2021 to 2022, when the State moved from a $100 billion surplus to a $40 billion deficit year over year. The proposal would move surplus monies to the rainy day fund to smooth out volatility in following years. The more stable the University's revenue source, the less volatile the situation will be for UC. In response to the first question, Mr. Brostrom anticipated that a future Compact and its terms would be discussed with President Milliken and the candidates for State office. The University was interested in continued enrollment growth and continued student support. There were ongoing needs for medical education programs, especially at the Merced and Riverside campuses. These elements would be part of a future Compact.

Regent Melton commented that information about the budget was communicated effectively through the UC Advocacy Network (UCAN). Keeping the UC community informed and engaged in the budget process can lead to positive outcomes, as was the case this year. UC must work with the State to find solutions for capital project funding, and this should be part of agreements made with the next Governor's administration. Mr. Brostrom responded that the University would have to consider every possible revenue source to support capital projects. The State has generously funded projects in which it had particular interest, such as student housing and new research buildings, but UC needed support for deferred maintenance and the operation of existing buildings.

Committee Chair Cohen anticipated that there would be discussion of next year's State budget at the September meeting.

Regent Robinson asked if now would be an appropriate time to discuss and consider the University's long-term financial model and long-range planning. Mr. Brostrom responded that, at this time, the University enjoyed stability on the expense side, while revenues were volatile. The Office of the President could develop a range of scenarios regarding expenditures to give the Committee a sense of the next few years. Regent Robinson responded that this would be a worthwhile topic of discussion for the new few meetings.

Committee Chair Cohen noted that the Committee was planning to look at finances in more detail campus by campus. It would also be worth discussing all the other pressures on the University which Mr. Brostrom had mentioned, including implications for UC Health and the University's research programs.

6. **SIGNIFICANT INFORMATION TECHNOLOGY PROJECTS REPORTED FOR THE PERIOD JANUARY 1, 2026 THROUGH APRIL 30, 2026**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

There was no discussion of this information item.

The meeting adjourned at 2:40 p.m.

Attest:

Secretary and Chief of Staff