Approved

FINANCE AND CAPITAL STRATEGIES COMMITTEE
May 6, 2026

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **CONSENT AGENDA**

A. ***Fiscal Year 2026-27 Bond Issuances***

The Committee recommends that the Regents authorize the President of the University to:

(1) Issue an aggregate principal amount of bonds not to exceed $4 billion plus financing costs in fiscal year 2026-27. As long as the bonds are outstanding, the following requirements shall be satisfied:

a. The locations receiving such proceeds shall maintain revenues in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

(2) Utilize a portion of the bond proceeds to refinance existing debt or working capital.

(3) Take all appropriate actions related to the action outlined above, including, but not limited to approval, execution, and delivery of all necessary or appropriate financing documents.

B. ***Advanced Work Phase of the Mission Bay Education Center and Dental Clinics, San Francisco Campus: Construction Funding, Scope, and Design Following an Exemption Determination Pursuant to the California Environmental Quality Act***

The Committee recommends that the Regents:

(1) Amend the 2025-26 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: San Francisco: Mission Bay Education Center and Dental Clinics – preliminary plans funding for the entire project and working drawings funding for the Advanced Work Phase of the project – $16.5 million, to be funded from campus funds.

To: San Francisco: Mission Bay Education Center and Dental Clinics – preliminary plans for the entire project and working drawings and

construction for the Advanced Work Phase portion – $56.2 million, to be funded from campus funds.

(2) Approve the scope of the Advanced Work Phase portion for the Mission Bay Education Center and Dental Clinics project, including site preparation and interior demolition of the 409 Illinois Street building (261,000 gross square feet) and ordering of long-lead-time items and materials (e.g., select mechanical and electrical equipment and structural steel).

(3) Determine the Mission Bay Education Center and Dental Clinics project to be exempt from the California Environmental Quality Act.

(4) Approve the design of the Advanced Work Phase portion of the Mission Bay Education Center and Dental Clinics project, San Francisco campus.

Committee vote on items A and B: Regents Chu, Cohen, Komoto, Makarechian, Matosantos, Milliken, Reilly, and Robinson voting "aye."

C. ***Adoption of Expenditure Rate for the General Endowment Pool***

The Committee recommends that the Regents approve an increase in the expenditure rate per unit of the General Endowment Pool (GEP) in the 2026-27 fiscal year from five percent to 5.25 percent of a 60-month moving average of the market value of a unit invested in the GEP.

D. ***Adoption of Endowment Administration Cost Recovery Rate***

The Committee recommends that the endowment administration recovery rate increase from 55 basis points (0.55 percent) to 80 basis points (0.8 percent) and apply to distributions from the General Endowment Pool (GEP) to be made after July 1, 2026, from the eligible assets invested in the GEP.

Committee vote on items C and D: Regents Chu, Cohen, Komoto, Makarechian, Matosantos, Reilly, and Robinson voting "aye" and Milliken voting "no."

Board vote: Regents Anguiano, Brooks, Chu, Cohen, Hernandez, Hueston, Komoto, Makarechian, Milliken, Park, Reilly, Robertson, Robinson, and Sarris voting "aye" and Areias, Dominguez, and Wang abstaining.

2. **HELLER STUDENT HOUSING SOUTH, SANTA CRUZ CAMPUS: BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE STUDENT HOUSING WEST ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Committee recommends that:

A. The 2025-26 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Cruz: Student Housing West Project Phase 2 – Heller Development – preliminary plans – $6,071,000 to be funded from external financing for South ($5,546,000) and North ($525,000) developments.

To: Santa Cruz: Heller Student Housing South – preliminary plans, working drawings, and construction– $558,859,000 to be funded from housing reserves ($29.25 million) and external financing ($529,609,000).

B. The scope of the Heller Student Housing South project be approved. The project shall provide approximately 189,000 assignable square feet and 304,000 gross square feet of new residential construction in four buildings ranging from five to seven stories. The scope includes approximately 1,290 upper-division undergraduate student beds with supporting amenities and public spaces. The project would also provide new site utilities and circulation infrastructure, including pedestrian and bicycle circulation, vehicular roadways, parking, and outdoor gathering spaces.

C. The President of the University be authorized to obtain additional external financing of $523,538,000 in a total amount not to exceed $529,609,000 plus additional related financing costs to finance the Heller Student Housing South 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 general revenues of the Santa Cruz campus 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 Heller Student Housing South 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 Heller Student Housing South project, having considered Addendum No. 1 to the Student Housing West Environmental Impact Report (EIR) for the Heller Student Housing project.

(2) Adopt as conditions of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the Santa Cruz campus as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2019 Student Housing West EIR and amended in Addendum No. 1 for the Heller Student Housing Project.

(3) Approve the design of the Heller Student Housing South project, Santa Cruz campus.

Committee vote: Regents Chu, Cohen, Komoto, Matosantos, Milliken, Reilly, and Robinson voting "aye" and Makarechian abstaining.

Board vote: Regents Anguiano, Brooks, Chu, Cohen, Hernandez, Hueston, Komoto, Makarechian, Milliken, Park, Reilly, Robertson, Robinson, and Sarris voting "aye" and Areias, Dominguez, and Wang abstaining.

3. **MISSION BAY BLOCK 16A BUILDING, SAN FRANCISCO CAMPUS: BUDGET AND EXTERNAL FINANCING FOR UCSF'S CONTRIBUTION TO THE PROJECT, SCOPE, DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE UCSF LONG RANGE DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND ACCEPTANCE OF GIFT OF REAL PROPERTY**

The Committee recommends that the Regents:

A. Approve the total budget of $99.65 million for UCSF's contribution to the Mission Bay Block 16A Building project funded with external financing.

B. Authorize the President of the University to obtain external financing in an amount not to exceed $99.65 million plus additional related financing costs to

finance the Mission Bay Block 16A Building and declare that external financing could 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 general revenues of the San Francisco campus 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.

C. Approve the scope of the Mission Bay Block 16A Building project. The project would construct a building of approximately 153,600 gross square feet (GSF) with wet laboratory research, clinical services, translational research, education, and office and administrative support space. Approximately 23,900 GSF would be shelled for future expansion.

D. Following review and consideration of the environmental consequences of the Mission Bay Block 16A project, as required by the California Environmental Quality Act (CEQA), including any written information addressing the 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 Mission Bay Block 16A Building project, having considered both the 2014 Long Range Development Plan (LRDP) Final Environmental Impact Report (FEIR) for the San Francisco campus and Addendum No. 6 to the 2014 LRDP FEIR for the Mission Bay Block 16A Building.

(2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the San Francisco campus, as identified in the Mitigation Monitoring and Reporting program adopted in connection with the 2014 LRDP EIR.

E. Approve the design of the Mission Bay Block 16A Building.

F. Approve the acceptance of the gift of the Mission Bay Block 16A Building project pursuant to the terms of a gift agreement between the donor and the San Francisco campus, in accordance with Regents Bylaw 22.2(d) and Regents Policy

8103, Policy on Capital Project Matters.

Committee vote: Regents Chu, Cohen, Komoto, Makarechian, Matosantos, Milliken, Reilly, and Robinson voting "aye."

Board vote: Regents Anguiano, Brooks, Chu, Cohen, Hernandez, Hueston, Komoto, Makarechian, Milliken, Park, Reilly, Robertson, Robinson, and Sarris voting "aye" and Areias, Dominguez, and Wang abstaining.

4. **UNIVERSITY OF CALIFORNIA RETIREMENT PLAN – AMENDMENT TO PREVIOUSLY APPROVED ACTION: SUSPENSION OF $550 MILLION SHORT TERM INVESTMENT POOL TRANSFER IN 2026–27**

The Committee recommends that Sections P. through R. of the Regents' November 2023 action, *University of California Retirement Plan – Proposal to Authorize Changes to University Contribution Rates and Make Additional Contributions through Transfers from the Short Term Investment Pool*, which was amended in May 2025 by the Regents' action, *University of California Retirement Plan – Amendment of a Previously Approved Action: Authorization to Maintain the Current University Employer Contribution Rate for 2025-26 and to No Longer Transfer $700 Million from the Short Term Investment Pool in 2025-26*, be further amended as follows:

Additions shown by underscoring; deletions shown by strikethrough

P. Transfer funds from the Short Term Investment Pool (STIP) to UCRP in FY 2024-25 through FY 2028-29 in amounts shown in the table below each year.

Fiscal Year	Transfer Amount
2024-25	$800,000,000
~~2026-27~~	~~$550,000,000~~
2027-28	$550,000,000
2028-29	$400,000,000

…

Q. Obtain external financing not to exceed $1.75~~2.3~~ billion, plus additional related financing costs in lieu of or in addition to the STIP transfers, for the purpose described above in Section P if it is expected that this option could be accomplished at a lower cost or is more practical for the University. The repayment of external financing is anticipated to be from the same University fund sources that would be responsible for making payments on the STIP Note as outlined above.

R. For Sections P and Q above, the total amount of the STIP transfers and external financing shall not exceed $1.75~~2.3~~ billion plus additional related financing costs.

Committee vote: Regents Chu, Cohen, Komoto, Makarechian, Matosantos, Milliken, Reilly, and Robinson voting “aye.”

Board vote: Regents Anguiano, Brooks, Chu, Cohen, Hernandez, Hueston, Komoto, Makarechian, Milliken, Park, Reilly, Robertson, Robinson, and Sarris voting “aye” and Areias, Dominguez, and Wang abstaining.

5. **FISCAL YEAR 2026–27 BUDGET FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT**

The Committee recommends that the Regents approve the Fiscal Year 2026–27 Budget for the University of California Office of the President as provided in Attachment 1.

Committee vote: Regents Chu, Cohen, Komoto, Makarechian, Matosantos, Milliken, Reilly, and Robinson voting “aye.”

Board vote: Regents Anguiano, Brooks, Chu, Cohen, Hernandez, Hueston, Komoto, Makarechian, Milliken, Park, Reilly, Robertson, Robinson, and Sarris voting “aye” and Areias, Dominguez, and Wang abstaining.

UNIVERSITY
OF
CALIFORNIA

Attachment 1

UC Office of the President Fiscal Year 2026-27 Budget

University of California Board of Regents
May 6, 2026

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

FISCAL YEAR 2026-27 BUDGET FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT (UCOP)

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ACHIEVING THE MISSION OF THE UNIVERSITY OF CALIFORNIA

Through world-class educational opportunities, groundbreaking research, top-rated health care and agricultural expertise, the University of California improves the lives of people in California and around the world. The University of California is one of the most powerful drivers of California's economy, generating $82.0 billion in annual economic output and supporting more than half a million jobs statewide. As the state's second-largest employer, UC directly employs approximately 265,000 faculty and staff across its campuses, health systems, and affiliated programs.

UC's commitment to excellence in education is deeply rooted in fostering access and opportunity, serving more than 300,000 students across ten campuses. UC drives research, innovation, and medical breakthroughs, which have local, national, and global impacts through its six academic health centers and three affiliated national laboratories.

The University of California Office of the President (UCOP) serves as the central office for leadership, coordination, and strategy across the UC system, ensuring alignment with the University's mission and long-term goals. UCOP plays a critical role in securing state and federal funding, advancing systemwide priorities, and defending the University against legislative and policy threats that could impact its operations and financial stability. Through these efforts, UCOP safeguards essential funding streams and enables campuses to focus on delivering local impact in education, research, and public service.

In addition to its advocacy and leadership role, UCOP provides centralized, shared services to promote and leverage operating efficiencies across the system. Most shared services, though captured in the UCOP budget, are systemwide services with systemwide governance such as UCPath. Streamlining services across all locations including retirement administration, investment management, and additional functions reduces redundancy and enhances operational efficiency. Centralized management of systemwide research grant programs further advances innovation that benefits the entire state, while shared expertise ensures every campus has access to high-quality services and operational support.

UCOP also plays a pivotal role in directly supporting the student lifecycle and experience across the UC system. It manages high-impact academic programs like the UC Washington Center, and UC Center Sacramento, coordinates campus safety initiatives, and expands access to digital content and shared library resources. Tools such as UCApply, UC Compass (formerly the Transcript Evaluation Service) and transfer articulation resources simplify the admissions process, while oversight of student health insurance and basic needs programs prioritize student well-being. Through these efforts, UCOP strengthens the academic journey and supports student success at every UC campus.

Select examples of programs and services that provide the breadth of UCOP's function are highlighted:

Student experience

- ✓ **UC Center Sacramento** serves as a hub for UC students pursuing public policy internships and real-world experiences with state government. It combines academic coursework with professional internships, allowing students to gain firsthand knowledge of California's public policy processes.
- ✓ **UC Washington Center** is a multi-campus residential, instructional, and research facility located in Washington, D.C. which offers UC undergraduate students the opportunity to gain professional experience through internships in government, non-profit organizations, and media outlets while earning academic credit.

- ✓ **UCApply** is UC's centralized online application platform allowing prospective students to apply to all campuses through a single, streamlined portal. A record-breaking 250,000+ applications were processed in the fall 2026 admissions cycle.
- ✓ **Student Academic Preparation and Educational Partnerships (SAPEP)** is an initiative with state support comprised of 13 programs aimed at enhancing student achievement and closing achievement gaps throughout California's educational pipeline. SAPEP programs serve approximately 1,700+ public K–12 schools and all 116 California Community Colleges.
- ✓ **California Digital Library** (CDL) harnesses emerging technologies to transform the publication and access of digital information. In collaboration with the 10 UC campus libraries and other partners, CDL has developed one of the world's largest digital research libraries, significantly enhancing how faculty, students, and researchers discover and utilize information.

Academic, Research, Health Services

- ✓ **UC National Laboratories** (UCNL) oversees 3 prominent national laboratories: Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory. UCOP administers the program, supports contract administration, and fosters research, education, and innovation collaborations between the campuses and the labs.
- ✓ **UC Observatories** (UCO) is a multi-campus astronomical research unit which manages and coordinates access to world-class observational facilities for UC astronomers, including the Lick Observatory at UC Santa Cruz and the Keck telescope in Hawai'i. UCO plays a crucial role in coordinating and supporting researchers' access to its suite of facilities.
- ✓ **UC Nature** (formerly UC Natural Reserve System) is a system of protected areas throughout California used to support research, education, and conservation in partnership with State and National Parks and other conservation agencies. Founded in 1965 with UC Regents' support, UC Nature is a California land trustee playing a critical role in preserving California's diverse ecosystems into perpetuity.
- ✓ **Research Grants Program Office** (RGPO) manages a diverse portfolio of grant-making programs totaling over $100.0M annually. Examples include California Breast Cancer Research, California HIV/AIDS Research, Tobacco-Related Disease Research, the Multi-Campus Research Programs and Initiatives, and the Cancer Research Coordinating Committee.
- ✓ **UC Agriculture and Natural Resources** (ANR) is a statewide network dedicated to addressing California's agricultural, environmental, and societal challenges through research and education in areas such as natural resources, wildfire prevention and response, water resource management, and nutrition. By connecting the expertise of UC researchers with local communities, UC has a presence in every California county.
- ✓ **UC Health** aims to strengthen and coordinate health services across UC's medical centers and health care programs. Through UCOP's centralized systems, the UC Health Initiative leverages the University's collective expertise and resources to improve patient care, research, and education in healthcare.

Systemwide services and support:

- ✓ **Employee Benefit Administration** enables consistent design and management of systemwide benefit programs across all UC locations and establishes policies and guidelines for employee benefits, eligibility, coverage levels, and rules for benefits enrollment, changes, and claims.
- ✓ **UC Legal** serves as the chief legal advisor for the UC system, providing comprehensive legal services such as representation, advice, research, and training to support operations.
- ✓ **UC Investments** manages over $200.0B held in endowments, pension funds, and other financial assets. UCOP develops and implements investment policies, managing risk, and ensuring compliance for the UC Regents. These efforts ensure the university's financial health, promote

sustainable investment practices, and support the long-term goals of the UC system.

- ✓ **Digital Innovation and Technology** is responsible for protecting critical data and meeting cybersecurity threats for one of the largest and most complex U.S. higher education systems.
- ✓ **Shared Services**, including the combined UCPath center and Retirement Administration Service Center (RASC) deliver human resource systems, payroll, and benefits administration from hire date through retirement under campus governance. The largest shared services organization in U.S. higher education, UCPath and RASC serve more than 350,000 employees and retirees.

To learn more about the contributions of UC and UCOP, please refer to: University of California at a Glance, The Function of the University of California Office of the President and FY26-27 Presidential Initiatives.

FY26-27: BACKGROUND AND BUDGET CLIMATE

Each year between January and April, UCOP develops its budget proposal for the subsequent fiscal year, for consideration by the Regents in May. This process requires informed assumptions about economic conditions, the Governor's May Revision, labor negotiations and benefit costs, investment markets, and broader state and federal policy developments. The resulting budget seeks to allocate resources strategically in support of the university's core mission of teaching, research, and public service.

This year's budget is being developed in a highly uncertain and rapidly evolving environment. Key risks include continued volatility in financial markets, the trajectory of inflation and interest rates, geopolitical instability affecting energy prices and supply chains, and ongoing federal policy uncertainty. At the same time, the State's fiscal outlook appears somewhat improved relative to earlier projections. While this provides an optimistic degree of stability in the forthcoming state budget, we continue to use caution with an outlook that remains uncertain and subject to change.

In this context, the proposed UCOP budget takes a disciplined and balanced approach. It reflects the potential for continued fiscal constraints and the need to manage costs and direct funding to the campuses. Consistent with the Regents' November budget framework, the proposal prioritizes protecting student access and affordability, sustaining core academic and research functions, supporting faculty and staff, and advancing operational efficiencies. It also acknowledges ongoing cost pressures, including compensation, benefits, and increasing programmatic costs.

To address cost pressures, this proposal takes a conservative approach that limits the campus assessment but allows UCOP to recover funding that was cut in FY25-26 in anticipation of a 7.9 percent or $271.0 million reduction in state core funds for the University which never materialized in the final State of California budget.

This budget also represents the first developed under President Milliken, providing an opportunity to align UCOP resources with new emerging priorities and strategies. Given the timing of the budget cycle, this proposal maintains continuity in core operations while preserving flexibility to incorporate future strategic direction and operating efficiencies. UCOP's financial planning framework is designed to operate effectively under these conditions. Through quarterly forecasting, scenario modeling, and other in-year planning tools, UCOP can adjust spending and resource allocations as economic conditions, state funding levels, and institutional priorities evolve. This flexibility positions UCOP to respond to both risks and opportunities while maintaining alignment with the University's long-term goals.

FY26-27 UCOP BUDGET: EXECUTIVE SUMMARY

UCOP's proposed FY26-27 budget includes $1.273 billion in expenditures, an increase of $93.1 million (7.9 percent) compared to the FY25-26 budget of $1.18 billion. This year-over-year increase includes three large drivers - an increase in legal fees primarily for outside counsel ($43.1 million), augmented state-funding for Agriculture and Natural Resources ($6.2 million), and a new strategic investment in Artificial Intelligence Programmatic Development ($10.0 million) funded by the President. Excluding these three items, **the budget increases by $33.8 million or 2.9 percent,** with roughly two-thirds of that attributable to salary and benefits increases.

Given continued financial pressure on the campuses, the proposed UCOP budget limits increase on the core and UCPath campus assessments. The core campus assessment of $251.4 million includes a modest 3.0 percent inflation adjustment applied to the FY24-25 campus assessment amount of $244.0 million while the UCPath campus assessment is held flat. The combined assessments total $387.4 million or $3.3 million (0.9 percent) above the total of the two assessments in FY24-25, two years prior.

In total, proposed revenues are $1.297 billion, slightly exceeding expenditures, primarily due to the increases in designated and unrestricted funding. The UCOP budget relies on funding from several key sources; the campus assessment model which provides support for technology services, Systemwide Human Resources, UC Finance (accounting, capital markets finance, campus loan programs) and UC systemwide programs such as UC Observatories and SAPEP; and the UCPath fee-for-service assessment based on the number of employee W-2s; and a state direct appropriation for the UC Agriculture and Natural Resources division (ANR). Additional support comes from a mix of unrestricted, designated, and restricted funding sources as detailed in Figure 5 of this document.

Although the consolidated UCOP budget reflects an overall expenditure increase, it enables only a very few targeted investments to support key priorities. These include fully funding the UC Student and Policy Center - which offers student opportunities in the state capital and advances policy development benefiting both the University and the state. Other increases include investments in systemwide safety, cybersecurity, compliance, the UC-wide and contractual salary and benefit programs, and inflation-related contract increases. Included in this year's budget is a $10.0 million investment for Artificial Intelligence (AI) programmatic development. Further expenditure details are included in Schedule A in Appendix 1.

The following sections address the FY26-27 budget in detail, explain the drivers behind year-over-year changes, and provide alternative views to show how resources are deployed. Included is a detailed section covering UCOP fund balances and reserves. Detailed financial schedules are provided in Appendix 1. Appendix 2 is a snapshot of UC contributions to the state and beyond. Appendix 3 includes an overview of UCOP's function and services, and Appendix 4 provides updated details of one remaining legacy Presidential Initiative.

FY25-26 to FY26-27 Budget Summary

Figure 1 summarizes and compares the proposed FY26-27 budget with the FY25-26 budget and Q2 forecast and includes fund balances and reserves.

Figure 1: FY25-26 to FY26-27 Budget Summary

$ in millions

	FY25-26 Budget	FY25-26 Q2Forecast	FY26-27 Budget	Variance: Increase/(Decrease) FY25-26 Fcst vs FY25-26 Bud	FY26-27 Bud vs FY25-26 Fcst	FY26-27 Bud vs FY25-26 Bud
UCOP USES						
Programs and Initiatives	$ 459.0	$ 435.8	$ 456.0	($23.3)	$ 20.2	($3.1)
Systemwide and Core Services[1]	691.5	721.8	780.0	30.3	58.1	88.4
Strategic Priorities Fund· Unrestricted	25.0	24.9	25.0	(0.1)	0.1	-
Strategic Priorities Fund· Desig. & Restricted	4.7	2.5	2.4	(2.2)	(0.0)	(2.3)
AI Programmatic Development	-	-	10.0	-	10.0	10.0
SUBTOTAL USES	**$ 1,180.3**	**$ 1,185.0**	**$ 1,273.4**	**$ 4.7**	**$ 88.4**	**$ 93.1**
	% Spent:	100.4%	Budget % Change:		7.9%	
			% Change Unrestricted:		10.0%	
INCLUDED IN USES ABOVE						
Fee-For-Service	$ 418.6	$ 436.0	$ 483.1	$ 17.4	$ 47.1	$ 64.5
Pass-Throughs	400.8	379.5	393.3	(21.3)	13.8	(7.5)
Total Fee-For-Service and Pass-Throughs	**$ 819.4**	**$ 815.5**	**$ 876.4**	**$ (3.9)**	**$ 60.9**	**$ 57.0**

CENTRAL OPERATING RESERVE[2]	**$ 15.0**
NON-OPERATING AND PROGRAM RESERVES[3]	**$ 176.4**

	6/30/25 Balance	Commitments	Remaining Balance
FORECASTED FUND BALANCES NET OF RESERVES[3]			
Unrestricted	$ 53.5	$ 34.4	**$ 19.1**
Designated	122.2	39.5	**82.7**
Restricted	20.1	-	**20.1**
Total Forecasted Fund Balances Net of Reserves	**$ 195.9**	**$ 73.9**	**$ 122.0**

KEY BUDGET HIGHLIGHTS

The following key budget highlights summarize information in this item that either follows in subsequent sections of this proposal or is found in the Regents Schedules in the appendix.

Total UCOP Budget Summary

1. The UCOP proposed **FY26-27 budget includes $1.273B in total expenditures** which is approximately 2.0% of the $61.5B UC systemwide budget.
2. **$876.4M or 69.0%** of the budget is comprised of pass-throughs or fee-for-service activities supporting the campuses.
3. Excluding pass-through and fee-for-service activities, the remaining budget is **$397.0M** (**31.0%**) of the UCOP total budget and **0.6% of the $61.5B total systemwide budget** based on the latest information available from the 2026-27 Budget for Current Operations.
4. This UCOP budget proposal includes combined **total assessments (UCOP plus UCPath) of $387.4M, which is $3.3M or 0.9% higher than the FY24-25** total assessments**,** two years earlier. FY25-26 is not used as a budget comparative because it included one-time reductions and campus relief totaling $37.3M in anticipation of state funding reductions that never materialized.
5. Increases in the FY26-27 UCOP budget are primarily driven by legal and labor costs, and the Agriculture and Natural Resources division. Controllable costs have been managed conservatively.
6. There is one significant strategic investment, directed by and funded by the President, a **$10.0M investment to support Artificial Intelligence (AI) Programmatic Development.**
7. **Unrestricted funds**, which are UCOP's most flexible, discretionary funds **total $329.1M or 25.0% of total sources**; these fund sources are up $30.0M versus the prior year.

8. **Drivers** of expenditure increases include UC Legal (driven by outside counsel), Agriculture and Natural Resources, required contract cost increases, a strategic investment in AI, and labor costs including participation in the UC systemwide salary program.

Programs and Initiatives (P&I) (Schedule C)

1. The FY26-27 budget for Programs and Initiatives (P&I) is $456.0M (36.0%) of the UCOP total budget and remains flat to the FY25-26 budget.
2. $393.3M (31.0%) of total budget is in pass-through expenditures which are largely in the Programs and Initiatives budget; these funds are distributed and are not expended at UCOP, but rather by campuses, researchers, K-12 programs, and other recipients throughout California in support of the University's teaching, research, and public service mission.
3. State and Federal Programs make up $339.2M of the P&I budget; the Agriculture & Natural Resources division (ANR), the Tobacco-Related Disease Research Program (TRDRP) and UC National Laboratories make up $305.9M of this total.
4. Systemwide Programs make up $116.8M of the P&I budget; these programs cross teaching, research and public service and include UC Press, UC Astronomy, Student Academic Preparation and Educational Partnerships (SAPEP), UC Online, the UC Washington Center, UC Nature and more.

Systemwide and Core Services and UCPath (Schedule D)

1. The FY26-27 budget for Systemwide and Core Services is $780.0M (61.0%) of the UCOP total budget.
2. The Systemwide and Core Services budget supports critical services in finance, human resources, compliance, legal, health, communications, government relations, and others. This budget is $88.4M (12.8%) higher than FY25-26 with $46.6M and $24.6M attributed to UC Legal and UC Operations, respectively.
3. Fee-for-service activities, performed centrally at UCOP for efficiencies, are primarily in the Systemwide and Core Services budget and total $483.1M (38.0% of total budget). UCPath, UC Legal, management of the UC retirement, investments, and employee benefits programs are key activities supporting our campuses and employees leveraging a central-service model.
4. The UCPath operations budget of $141.9M is flat to the budget in FY25-26, and the UCPath W-2 assessment is held flat at $136.0M.

Strategic Priorities Funds (SPF) (Schedules F1 and F2)

1. The Unrestricted Strategic Priorities Fund remains funded at the FY25-26 level of $25.0M, $5.0M under its $30.0M funding target due to budget constraints. With $3.5M in existing commitments, there remains $21.5M for new priorities and initiatives and urgent/emergent issues.
2. The Designated/Restricted Strategic Priorities Fund includes $2.4M in UCPath system roadmap projects approved by the campuses, including efforts to improve system cybersecurity and the transition of hosting to an in-house solution.

Fund Balances and Reserves (Schedules G, H)

1. Net of commitments and including fund balances applied to FY26-27 sources, unrestricted fund balances are forecasted to be $19.1M, a 73.0% decrease from the current year. Any remaining balances at year end will be held to cover potential future funding gaps if the economic climate remains challenging beyond the FY26-27 budget horizon.
2. Designated fund balances are primarily held by UCNL (49.0% of total fund balances) from laboratory fees collected for managing multi-billion-dollar federal laboratory contracts. UCNL presents these balances annually to the Regents each July.

3. Forecasted year-end reserve balances are $191.4M. Most of the reserves support multi-billion-dollar systemwide national laboratory contracts and the housing loan program.

The following sections provide FY26-27 budget details for fund sources and uses. In addition, there is more information about pass-through expenditures, and fee-for-service shared services. Lastly, there is a detailed review of UCOP fund balances and reserves.

FY26-27 BUDGET CONSIDERATIONS – OPPORTUNITIES AND RISKS

Each year, UCOP reviews new and shifting priorities, assesses both internal and external risk factors and strives to limit budgetary impacts on the campuses. The UC system continues to face budgetary pressures from increasing labor costs and inflationary costs while facing continued threats to research funding. This budget proposal includes augmentations for limited strategic investments, contract increases, and alignment with a systemwide and contractual salary increase programs.

The UCOP Executive Budget Committee (EBC) met to review and provide input on campus priorities, assessing fee-for-service activities increases, and submitting its annual budget recommendation letter to the President.

The investment opportunities that are captured in the FY26-27 budget proposal include:

- An investment in Artificial Intelligence (AI) Programmatic development.
- Investment in the UC Sacramento Student and Policy Center to support a vibrant, year-round academic program and policy development center in the state capital.
- Addition of internal legal counsel and resources in place of higher cost outside legal fees and increased use of outside counsel to address the current federal action climate.
- An allocation of permanent resources to support Leading on Climate, a carbon-neutral initiative across the system.
- Funding for UCPath roadmap projects that have been endorsed and prioritized by the campuses.
- Added resources in Systemwide Human Resources for Labor Relations.
- Alignment with the systemwide salary increase program to retain existing staff, the impact of labor relations and increases driven by higher benefit rates.
- Operating cost increases for existing contracts include audit fees, building security and software.

The primary risks in the budget proposal are:

- External risks:
    - Uncertainty surrounding federal actions and potential requirements thereof.
    - A period of continued economic uncertainty and volatility, which may extend for an unknown duration causing a long-term budget challenge.

- Financial risks:
    - For nearly a decade, the UCOP campus assessment has increased by an annual compound growth rate of approximately 1.0%, or one-third of the inflation rate. This has increased reliance on variable unrestricted funds—such as investment income—amid volatile markets.
    - University of California Office of the President oversees a real estate portfolio and key systemwide assets, but deferred maintenance and capital renewal remain unfunded, with limited reserves for capital projects.
    - Systemwide Programs continue to be constrained by budgets that have remained flat for nearly a decade.
    - Permanent budget cuts may be felt by our campuses and students.

  - Cost increases needed to address the Higher Education landscape (e.g., UC Legal, External Relations & Communications) may need more funding and may impact valued services and programs on the campuses because of required trade-offs.
  - Budget constraints force some compromises to enterprise risks including investigations, systems, and others.
  - The impact of the FY25-26 hiring freeze and limited new positions will strain parts of the organization and staff workload.

- Limited investment funding:
  - UCOP received approximately $83.6M in requests for budget augmentations. Unrestricted funding continues to be insufficient, forcing budget reallocations; Unrestricted funding requests total $20.7M, however only approximately $5.9M were approved (29.0%).
  - Risk areas such as cybersecurity, research audit compliance and similar issues needed to be prioritized as funding was unavailable to address all proposed items.
  - The unrestricted SPF amount has been held flat to $25.0M, lower than the initial amount of $30.0M in its inception year (FY17-18). $3.5M in SPF is already committed in FY26-27 leaving $21.5M to address urgent or emergent issues in the coming year, and this may not be adequate.

Budget Requests, Reduced or Not Funded

During this budget cycle, UCOP rejected, reduced, or required divisions' budgets to absorb $15.0 million in unrestricted augmentation requests to balance the budget. The compromises were made across all divisions, and some of the items not funded included:

- New positions, requested on unrestricted funds, were not approved in alignment with the systemwide hiring freeze. This included positions throughout the organization to support UC Finance in capital assets and strategic sourcing, UC Operations in labor relations and audit services.
- Any augmentations requiring funds for additional meetings and conferences, even if aligned with key University objectives.
- Increases to valued UC academic programs including the California Digital Library (CDL) for centrally purchased library collections available to all campuses.
- Systems upgrades to out-of-date financial systems to address functionality, usability, and increase system efficiencies.

FY26-27 UCOP BUDGET DETAIL

The following section describes fund sources and uses, which are also detailed in **Schedules A-E**. This section outlines three categories defined by UCOP.

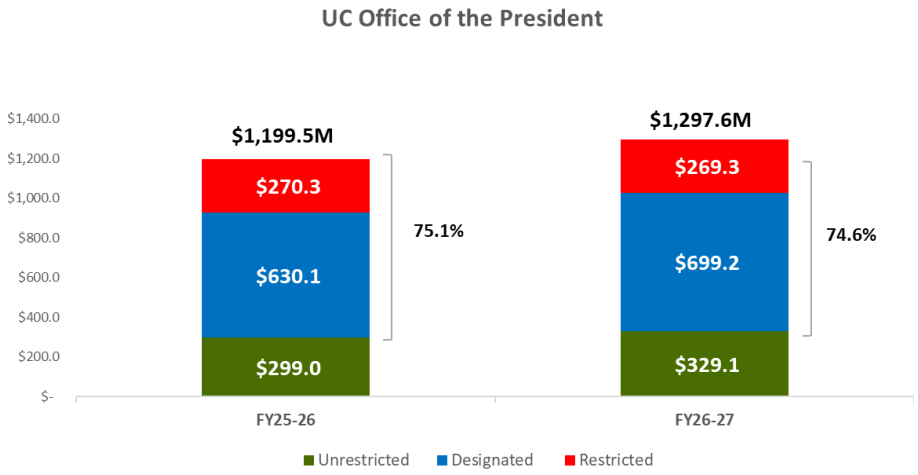
The FY26-27 UCOP Budget Categories

Fund Sources	Fund Uses	Special Expense Classifications

• Unrestricted
• Designated
• Restricted
	• Programs and Initiatives
	• Systemwide and Core Services
	• Strategic Priorities Funds
	  ○ Unrestricted
	  ○ Designated/Restricted
		• Pass-Through
		• Fee-for-Service

Figure 2, below, provides the UCOP budgeted fund sources by fund type. Sources are $1.297 billion, slightly exceeding expenditures, primarily due to the increases in designated and unrestricted funding. Approximately 75.0 percent of UCOP's funding is either restricted or designated. Restricted and designated funding can only be used for specific, defined purposes aligned to the research, teaching, and public service mission or to provide critical campus services.

Figure 2: UCOP Budget - Sources by Fund Type (FY25-26 to FY26-27) ($ millions)



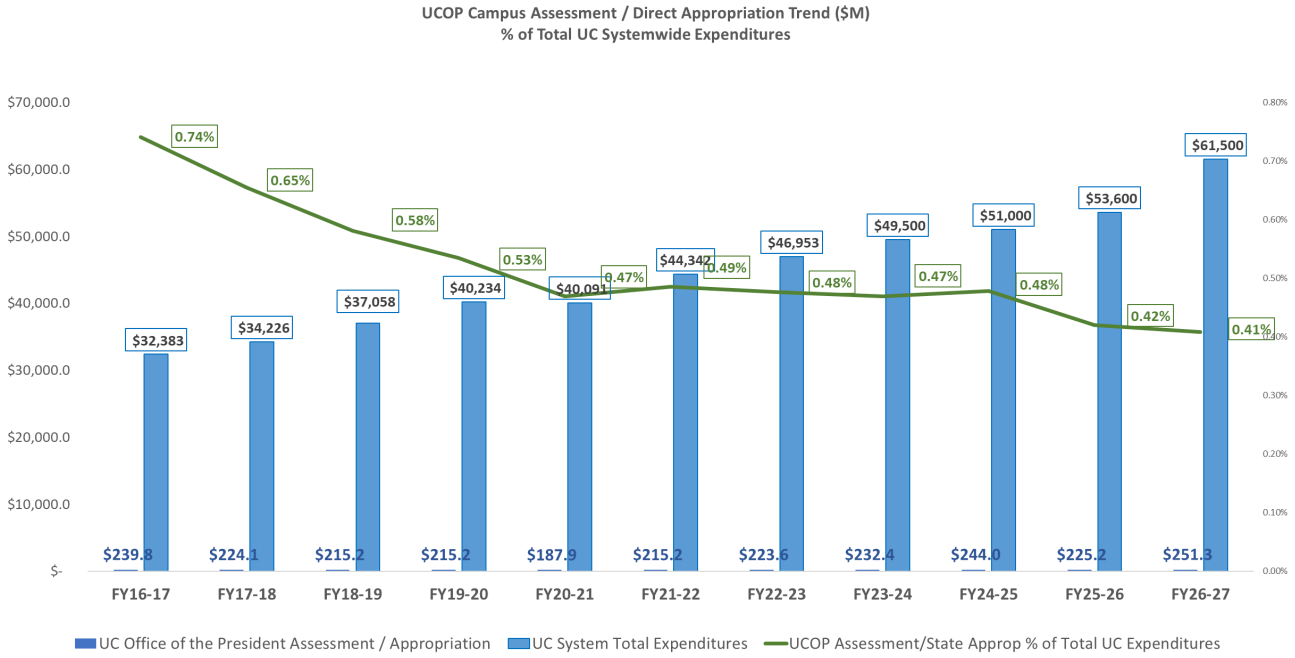
Restricted funds may fluctuate significantly from year to year, and recent UCOP budgets have seen fluctuations in contracts, grant funding, or state revenues for the ANR division as well as the Tobacco-Related Disease Research Program. Restricted funds support the management of UC's systemwide retirement program and include investments made to improve systems and services for the UC system's Pension Administration system and the Retirement Administration Service Center.

Designated funds are most affected by changes in designated fee-for-service activities driven this year by UC Legal costs. Other designated fund increases are attributed to Agriculture and Natural Resources, UC National Laboratories, UC Press, UC Health, and UC Investments. In cases where higher expenditures are funded by the campuses, UCOP consults with the Executive Budget Committee, which includes senior finance, business, or academic leaders from each campus, to assess and set resource allocations for the coming year. Designated fund changes this year are driven by outside counsel costs in UC Legal.

Unrestricted funds, comprising 25.4 percent of UCOP's budget, are the most flexible fund sources and can be used to support the campus support areas such as IT, UC Finance, External Relations & Communications, as well as some systemwide programs and the Strategic Priorities Fund.

- UCOP uses the Campus Assessment Funding Stream Model to fund approximately three-quarters of the unrestricted UCOP budget. Each campus contributes a pro-rata share based on a formula of total campus expenditures, undergraduate student population and total headcount including faculty and staff. Annually, this amount is established based on guidance from the UC President with input from the campuses. The campus assessment is used to fund UCOP's core operations, some systemwide academic programs including the UC Observatories and Student Academic Preparation and Educational Partnerships (SAPEP). The campus assessment, measured as a percentage of the total UC system budget, has been declining for a decade.
- The FY26-27 campus assessment of $251.4M is an increase of $7.1M or 3.0% to the FY24-25 campus assessment, two years earlier. This increase is half of the annual inflation rate of approximately 3.0%. As demonstrated in **Figure 3**, the overall UCOP campus assessment (excluding UCPath) is now at a historical low of 0.41% of the $61.5B UC budget.

Figure 3: UCOP Budget As a Percentage of Total UC Systemwide Expenditures ($ millions)



In addition to the Sources and Uses of Funds, UCOP shows **pass-through** dollars which flow through the UCOP budget to campuses, researchers, and the public for systemwide programs. The largest programs are Agriculture and Natural Resources and the statewide Tobacco-Related Disease Research Program.

Systemwide **fee-for-service** activities are provided by UCOP to campuses on a fee basis. The largest fee-for-service activities include UCPath, legal services, and management of investment assets and employee/retiree benefits. The three budget categories are displayed in **Figure 4**.

Figure 4: FY26-27 Budget Summary by Category

$ millions

Sources of Funds	FY25-26 Budget	FY26-27 Budget	% of Total	Bud Var $	Bud Var %
Unrestricted	$ 299.0	$ 329.1	25.4%	$30.0	10.0%
Designated	$ 630.1	$ 699.2	53.9%	$69.1	11.0%
Restricted	$ 270.3	$ 269.3	20.8%	($1.0)	-0.4%
Total Sources	**$ 1,199.5**	**$ 1,297.6**	**100.0%**	**$98.1**	**8.2%**
Uses of Funds					
Programs and Initiatives	$ 459.0	$ 456.0	35.8%	($3.1)	-0.7%
Systemwide and Core Services	$ 691.5	$ 780.0	61.3%	$88.4	12.8%
Strategic Priorities Funds	$ 29.7	$ 27.4	2.2%	($2.3)	-7.6%
AI Programmatic Development	$ -	$ 10.0	0.8%	$10.0	
Total Uses	**$ 1,180.3**	**$ 1,273.4**	**100.0%**	**$93.1**	**7.9%**
Special Expense Classification					
Pass-Throughs	400.8	393.3	30.9%	($7.5)	-1.9%
Fee-For-Service	418.6	483.1	37.9%	$64.5	15.4%
Total Special Expense Classification	**$ 819.4**	**$ 876.4**	**68.8%**	**$57.0**	**7.0%**
Budget Net of Expense Classification	**$ 360.9**	**$ 397.0**	**31.2%**	**$36.1**	**10.0%**

75% of fund sources are designated for specific programs and services or restricted *for use by a third party.*

36% of fund uses are dedicated to ~30 programs *managed by UCOP on behalf of the State, Federal Government, Regents, and the UC system.*

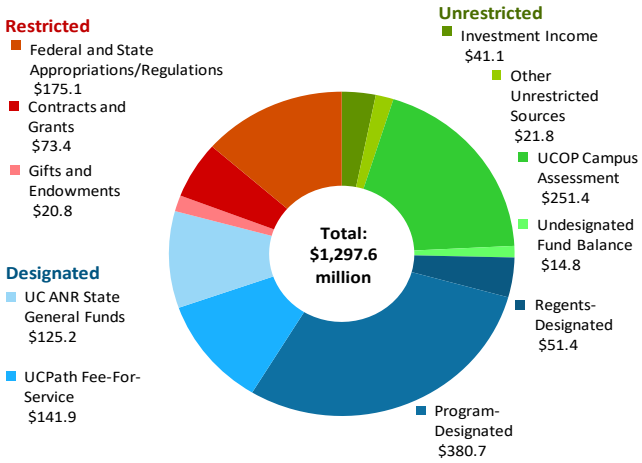
$393M or 31% of the budget is passed through *(i.e., not spent at UCOP). excluding pass throughs, the budget is $880.0M.*

Of the $880M total, ***$483M or 38% of the budget is for fee-for-service activities*** *including UCPath, retirement and investments.*

Fund Sources

In FY26-27, UCOP's budget provides sources totaling $1.297 billion which are detailed in the appendix, **Schedule A.** As shown in **Figure 5** below, **75.0 percent of fund sources are either restricted or designated**. The campus assessments for UCOP and UCPath total $251.3 million and $136.0 million, respectively. Total UCPath fund sources of $141.9 million include the UCPath assessment and designated fund balance of $5.9 million which will be used on one-time, roadmap enhancement projects and software cost escalations. Combined, these two sources provide 30.3 percent of the UCOP budgeted sources of funds. The direct appropriation of state funds for UC ANR totals $125.2 million.

Figure 5: Fund Sources ($ millions)



Unrestricted: $329.1M (25%)
Designated: $699.2M (54%)
Restricted: $269.3M (21%)

Due to the timing of sources and uses, the net margin reflects a surplus of $24.2 million for FY26-27 on designated and restricted funds. Surplus funds, primarily from UCNL will be used in subsequent years and/or added to the fund balances for future expenditures. Additional information can be found in Schedule B. **Figure 6** below shows the source changes between FY25-26 and FY26-27 by fund type.

Figure 6: Change in Fund Sources ($ millions)

Fund Type	FY25-26 Budget	FY26-27 Budget	Variance FY25-26 vs FY26-27 $ Incr/(Decr)	Variance FY25-26 vs FY26-27 % Incr/(Decr)
Unrestricted	$ 299.0	$ 329.1	$ 30.1	10.1%
Designated	$ 630.1	$ 699.2	$ 69.1	11.0%
Restricted	$ 270.3	$ 269.3	($1.0)	(0.4%)
Total	**$ 1,199.4**	**$ 1,297.6**	**$ 98.2**	**8.2%**

- *Increase on unrestricted funds with the restoration of the campus assessment to FY24-25 levels. This also includes a new investment of $10.0M in Artificial Intelligence Programmatic Development (not funded by the campuses.)*
- *Increase on designated funds driven by UC Legal, and UC Operations for labor relations and cybersecurity.*
- *Restricted funds stay flat with decreases in Contracts & Grants offset by increases in gifts and endowments and federal appropriations (GEARUP).*

Fund Uses

The FY26-27 budgeted use of funds is $1.273 billion. Programs and Initiatives comprise 35.8 percent and Systemwide and Core Services comprise 61.3 percent of the budget, and the Strategic Priorities Funds comprise approximately 2.0 percent of the budget. **Figure 7** provides an overview of UCOP uses by functional area.

Figure 7: Fund Uses ($ millions)

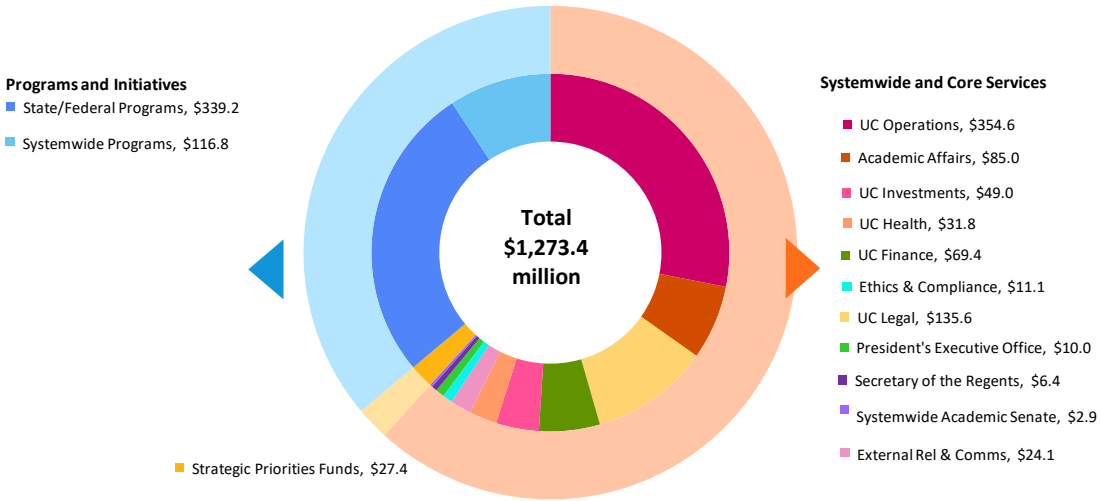


Figure 8 below outlines the changes in the budget by functional area. Additional details on the Uses of Funds, including budgets, forecasts, and variances, are included in the section below and **Schedules A-E**.

Figure 8: Change in Fund Uses

$ millions

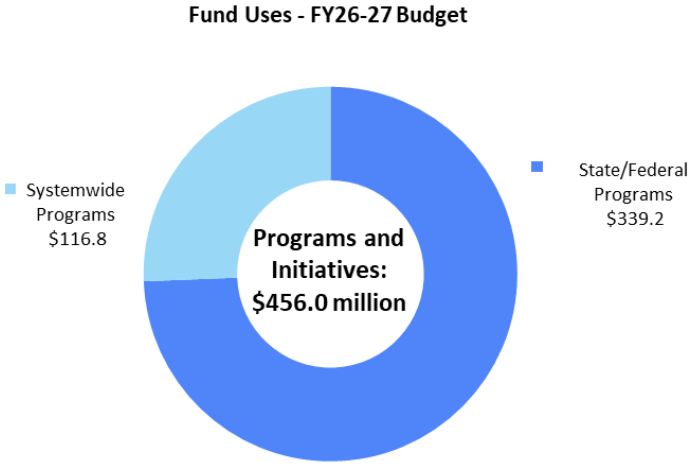
Functional Area	FY25-26 Budget	FY26-27 Budget	Variance Budget vs Budget $ Incr/(Decr)	Variance Budget vs Budget % Incr/(Decr)
Programs and Initiatives	$ 459.0	$ 456.0	($3.1)	(0.7%)
Systemwide and Cores Services	691.5	780.0	88.4	12.8%
Strategic Priorities Fund, Unrestricted	25.0	25.0	-	0.0%
Strategic Priorities Fund, Desig. & Restricted	4.7	2.4	(2.3)	(47.9%)
AI Programmatic Development	-	$ 10.0	$ 10.0	0.0%
Total	**$ 1,180.3**	**$ 1,273.4**	**$ 93.1**	**7.9%**

The budget has increased in Systemwide and Core Services with higher fee-for-service costs. Legal costs explain nearly half of this increase.

Programs and Initiatives

The proposed FY26-27 Programs and Initiatives budget is $456.0 million, or 35.8 percent of the budget. **Figure 9** below shows the distribution between approximately 30 State/Federal and Systemwide programs. Most programs are managed by Academic Affairs as part of the research and public service the University provides on behalf of the state and federal governments. The complete list of programs, budgets, forecasts, and comparisons, can be found in **Schedule C**.

Figure 9: Programs and Initiatives
$ in millions



74% - State/Federal Programs *are either required by legislation or operated by UC on behalf of the state or federal government, e.g., ANR and the Tobacco-Related Disease Research program.*

26% - Systemwide Programs *benefit the UC campuses and other statewide recipients, e.g., SAPEP, UC Press, UC research, UC Nature (NRS), and astronomy programs.*

Variances for the current year and comparison to the FY26-27 budget are in **Schedule C**.

Figure 10 below details the pass-through funds, all of which are in Programs and Initiatives. Pass-through funds flow through the UCOP budget directly to campuses or other California institutions, individuals, or researchers. The largest pass-through program is ANR which UC operates as the land-grant university for the State of California (see **Schedule E**). Most pass-through funds are distributed by the Academic Affairs division for research, diversity programs, online learning and more.

Figure 10: Pass-through Funds

$ in millions

	FY25-26 Budget	FY26-27 Budget	Year-over-Year Change
Pass-Throughs			
Agriculture & Natural Resources	$ 244.4	$ 250.2	$ 5.8
Research Grant Programs	56.7	52.3	(4.4)
UC Observatories	17.3	16.7	(0.6)
UC Libraries	16.7	15.7	(1.0)
National Laboratory Programs	16.5	14.0	(2.5)
Diversity Initiatives	8.4	8.2	(0.2)
California Subject Matter Projects	7.6	7.6	0.0
Other Academic Pass-Throughs	8.2	8.4	0.2
UC Research Initiative	7.4	6.8	(0.6)
All Others	6.0	5.1	(0.9)
Public Service Programs	5.3	4.8	(0.5)
Online Education Initiatives	2.7	2.6	(0.1)
UC Health Initiatives	0.7	0.6	(0.1)
Other Strategic Priorities Fund	2.9	0.2	(2.7)
Total Pass-Throughs	**$ 400.8**	**$ 393.3**	**$ (7.5)**
Budget to Actual Decrease $		$ (7.5)	
Budget to Actual Decrease %		-1.9%	

- *Pass-throughs, funds not expended at UCOP, comprise 33% of the total UCOP budget.*
- *Pass-throughs are down $7.5M or 2% from prior year.*
- *Research grant programs decreased due to lower grant awards in the CA Breast Cancer related to the award-cycle and non-recurring funding for Firefighter Cancer Research.*

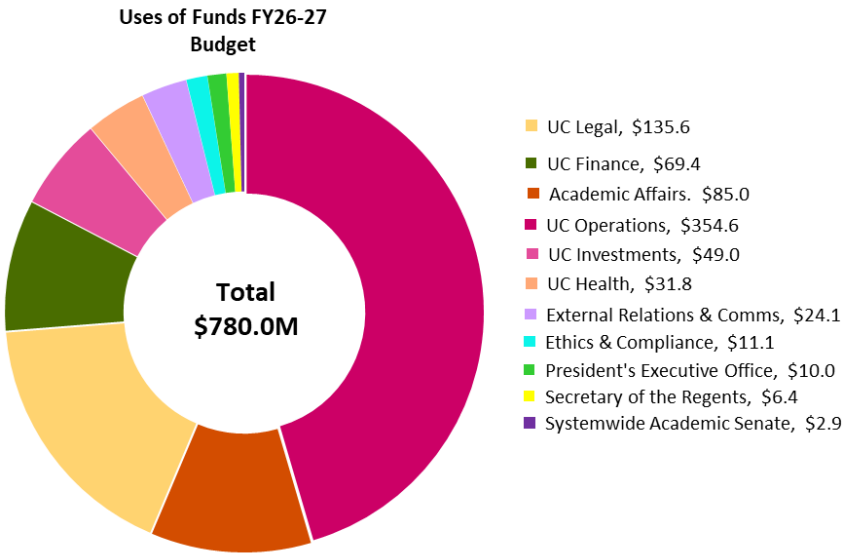
For FY26-27, the pass-through funds are $7.5 million lower than in FY25-26.

- Changes to pass-through funding can fluctuate from year-to-year resulting from the timing of research grant awards and with non-recurring, one-time funding from the state.
- Total reductions of $14.2M are partially offset by the increase expected to come from the state for ANR.

Systemwide and Core Services

Systemwide and Core Services, including UCPath, total $780.0 million and comprise 61.3 percent of the total budget. **Figure 11** below and **Schedule D** provide a budget overview by division. The Systemwide and Core Services budget supports critical systemwide services and UCOP internal operations. The UC Operations division, which makes up almost one-half of these services, includes UCPath, Systemwide Human Resources, benefits and retirement management, technology services, community safety, strategic planning and program management, and internal UCOP operations.

Figure 11: Systemwide and Core Services
$ in millions



Projected variances for the current year and a comparison to the FY26-27 budget are shown on **Schedule D**. Most UCOP Fee-for-Service activities, shown in **Figure 12** below, are in the Systemwide and Core Services budget.

Figure 12: Fee-for-Service Activities

$ in millions

	FY25-26 Budget	FY26-27 Budget	Year over Year Change
Fee-for-Service			
UC Path	$ 140.7	$ 141.7	$ 1.0
UC Legal	73.1	117.7	44.6
UC Retirement System	63.2	61.2	(2.0)
Investments & Asset Management	55.0	59.8	4.8
Employee Benefits Administration	34.4	42.0	7.6
UC Health Collaborative	24.4	25.0	0.6
Risk Management	7.5	9.3	1.9
Information-Technology-Services	2.8	8.5	5.7
Bond Management	5.5	5.6	0.1
Other Services	5.2	4.6	(0.5)
UC Mortgage Origination Plan	3.8	4.2	0.4
Patent Royalty Administration	3.2	3.3	0.1
Total Fee-for-Service	**$ 418.6**	**$ 483.1**	**$ 64.5**
	Year over Year Increase $	***64.5***	
	Year over Year Increase %	***15.4%***	

- *The top six fee-for-service activities account for **93% of the total.***
- *Office of the General Counsel (UC Legal) is higher with increases expected in outside counsel matters.*
- *Benefits Admin increases with increased requirements and labor relations.*
- *UC Investments increase based on higher investment in data-driven, technology solutions.*

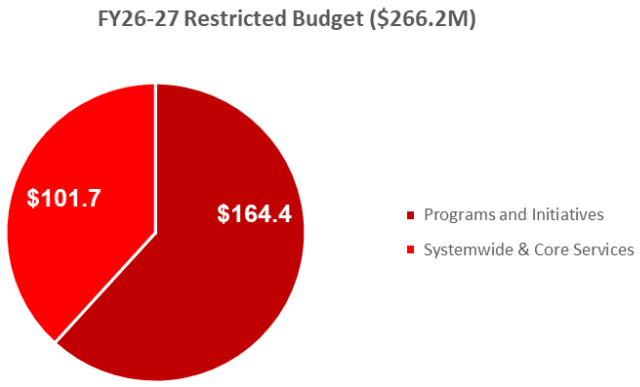
Fee-for-service activities are functions that UCOP operates on behalf of the UC system to avoid redundancy on campuses and to save costs. UCPath provides systemwide payroll and human resource services, and FY26-27 includes $5.7 million in one-time funds adding to the $136.0 million operating

budget. UC Legal fees fund internal and third-party legal costs that UC Legal coordinates and recharges to the campuses. UCOP also manages investment, systemwide retirement and employee benefit programs.

Fund Uses by Fund Type

As shown in **Figure 13**, 50.3 percent of restricted funds primarily support two large state and federal programs, Agriculture and Natural Resources (ANR) and the Tobacco-Related Disease Research Program (TRDRP). Restricted funds also support the UC retirement administration and systems.

Figure 13: FY26-27 Restricted Fund Uses ($ millions)



Programs and Initiatives, $164.4M (62%):

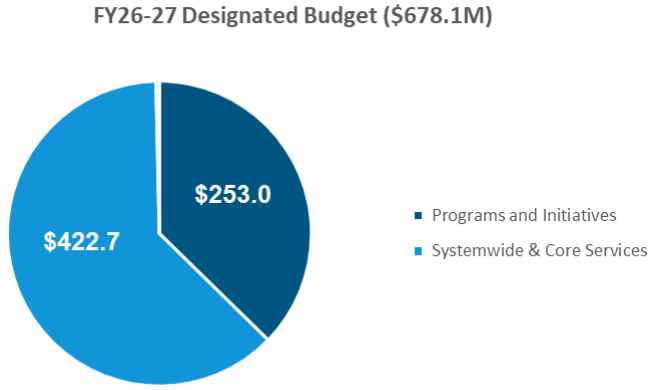
- *$159.3M of this total is from state / federal programs with ANR and TRDRP accounting for $95.0M and $38.8M, respectively*

Systemwide Services, $101.7M (38%):

- *$87.9M of this total is in Systemwide Human Resources and Shared Services associated with management of UC's systemwide benefits and retirement programs*

As shown in **Figure 14**, FY26-27 designated funds total $678.1 million. Designated funds may only be used for a specific program, initiative, or expenditure. Examples include UC Press, UC National Laboratories, and UC Investments. UCPath is also entirely funded on designated funds.
In FY26-27, designated funds increased by $67.5 million from FY25-26. The change is driven largely by UC Legal's anticipated increase in outside counsel expense.

Figure 14: FY26-27 Designated Fund Uses ($ millions)



Systemwide and Core Services, $422.7M (62%):

- *UCPath $141.7M, UC Legal $121.8M, UC Investments $49.0M, UC Health $25.4M and California Digital Library $17.4M*

Programs and Initiatives, $253.0M (37%):

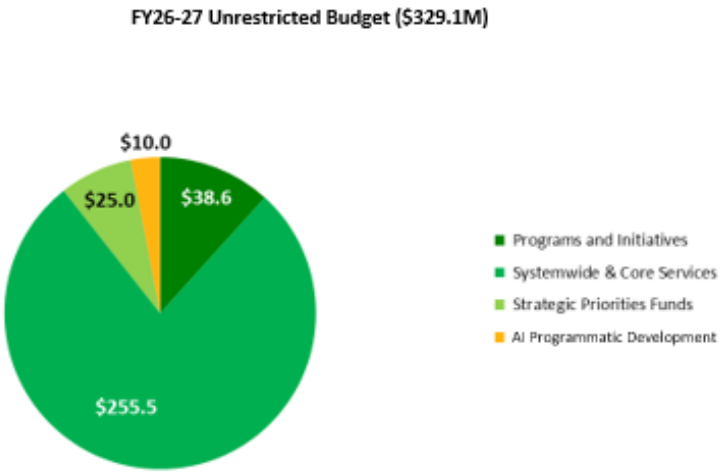
- *$179.2M of the total is in state / federal programs incl. ANR $157.5M and UCNL $14.6M.*
- *$73.8M of the total is in Systemwide programs: UC Press $22.5M, Lab Fees Research Program $11.6M, UCDC $9.9M, CA HIV/AIDS $8.8M, and UC Online $8.2M*

***Strategic Priorities Fund, $2.4M: (<1%)**:*

- *Funds are for two UCPath roadmap projects.*

As shown in **Figure 15**, the FY25-26 budget includes total unrestricted funds of $329.1 million. Seventy-seven percent of these funds go toward Systemwide and Core Services to provide services across the system, gain efficiencies and reduce redundancies. Detailed expenditures by fund type are provided in the Regents Schedule C-1 and D-1 in the appendix.

Figure 15: FY26-27 Unrestricted Fund Uses ($ millions)



Systemwide and Core Services, $255.5M (78%):

- *External Relations & Communications $16.4M, Finance $35.7M, UC Operations $102.3M (including IT, Systemwide Human Resources), UC Legal $12.7M, and Other (President's Executive Office, Secretary of the Regents, and more)*

Programs and Initiatives, $38.6M (12%):

- *Funding supports research and teaching: UC Observatories, $16.7M; Multi-campus research, $7.8M, UC Nature (NRS) $2.3M*
- *And supports public service: SAPEP $7.0M, HBCUs $1.6M*

Strategic Priorities Fund, $25.0M (8%)
AI Programmatic Dev, $10.0M (3%)

Systemwide Shared Services (UCPath & Retirement Administrative Service Center (RASC))

Systemwide Shared Services integrates UCPath and the RASC under a single business unit with a centralized team that coordinates and enhances the full range of services supporting University of California employees, from hiring through retirement. Together, these organizations deliver human resources (HR) systems, payroll, benefits administration, and UC Retirement Plan (UCRP) services for more than 265,000 active employees and 378,000 UCRP members and beneficiaries. The proposed Systemwide Shared Services budget totals **$**187.0 million, including $139.0 million for UCPath and $48.0 million for RASC, and is flat to the FY25–26 budget despite ongoing increases in labor and system costs.

Systemwide Shared Services continues to advance a unified shared services model, with focus on three strategic priorities:

- Optimize service delivery across UCPath and RASC.
- Create value for stakeholders.
- Be an employer of choice consistent with UC's priorities.

Current Progress and Milestones:
On October 1, 2025, UCPath and RASC officially realigned under one shared services business unit in UC Operations to more effectively serve our active and retired employees. Some of the expected benefits of this realignment include:

- Creating a single shared services organization for improved efficiency and collaboration including automation and standardized processes to improve efficiency and consistency across systemwide services.
- Unifying expertise under one leadership structure to strengthen alignment and effectiveness.

- Aligning active employee and retiree shared services for a seamless customer experience.
- Enabling the use of better tools, technologies, and shared systems.

Unrestricted Strategic Priorities Fund (SPF)

The SPF is funded at $25.0 million in FY26-27 which remains flat to FY25-26; this funding is sourced exclusively using income generated by the President's Endowment Fund (PEF) or the Searles Fund, two endowments controlled by the President. This funding supports the President's strategic initiatives, emergent and urgent priorities, and key projects requiring one-time or bridge funding. Based on guidelines, some of the SPF priorities and projects span 2-3 years, leaving a portion of the $25.0 million budget committed at the start of the fiscal year for earlier priorities. The remaining uncommitted portion allows the President to fund new priorities and projects throughout the year.

Schedule F-1 details the FY25-26 forecast and FY26-27 known commitments that total approximately $3.5 million and include:

- On-going support for UC National Center for Free Speech and Civic Engagement.
- Bridge funding for pilot programs that support the academic mission, students, and researchers (i.e., Degree Plus Program and UC Global Language Program).
- Urgent and emerging needs for federal advocacy to protect UC against numerous federal actions, as well as health and safety risks at UC Natural Reserve locations (UC Nature).

The $25.0 million SPF currently includes $21.5 million in uncommitted funds. These limited funds remain to be used at the President's discretion for new initiatives or strategies. The SPF should be restored to $30.0 million in future budgets.

Designated and Restricted Strategic Priorities Fund (SPF)

If needed, one-time designated and restricted projects can be funded with the Designated and Restricted SPF. This provides transparency for short-term projects funded on designated or restricted funds which can then be tracked separately from operating costs. In the coming year, we have identified $2.5 million in one-time hosting and security projects for UCPath, approved by the campuses.

RESERVES

UCOP reserves are funds intentionally allocated for use in the event of revenue disruption, for maintenance of assets including buildings and infrastructure, or used by UC National Laboratories for business development opportunities or potential post-contract liability risks.

UCOP regularly completes a review of best practices and peer benchmarking to establish target funding levels for all reserves. The largest UCOP reserves, for the National Laboratories and UC Housing Loan programs, are reserves against multi-billion-dollar portfolios that are managed by UCOP and overseen by the Regents.

Reserves are not fund balances. While a reserve is intentionally accrued to manage risk, a fund balance is the net position, or the cumulative revenues (sources) received in excess of expenditures (uses) for a fund at any given time. Reserve funds are kept separately from operating funds to manage each more effectively and transparently.

Reserve Target Funding Levels

In March 2019, UCOP established and reviewed guiding principles for UCOP reserves with the Board of Regents. The guiding principles include target funding levels, and controls for monitoring, reporting, and drawing on funds. In January 2018, the Regents adopted the *Policy on a Central Operating Reserve for the University of California Office of the President*. The policy and Presidential guidelines establish the size, funding source, and circumstances for drawing on the Central Operating Reserve. The Central Operating Reserve is unchanged from previous years and set at $15.0 million or at least 3.5 percent of covered funds and expenses and maintained in the President's Endowment Fund.

Forecasted Reserves

UCOP reports reserve balances and target funding levels to the Regents twice annually, during the presentation of the budget, and after the fiscal year close. At the time the budget is presented, the fiscal year is not yet finalized, and therefore reserve balances are forecasted. **Figure 16** below projects a total reserve balance of $191.4 million as of June 30, 2026. Details are in **Schedule G**.

Figure 16 – UCOP Reserve Balances

$ in millions

UCOP RESERVES	Reserve Target Minimum	Reserve Target Maximum	6/30/26 Forecasted Reserve	Variance: 6/30/26 Reserve Over Max / (Under Min)
Building and Capital Assets Reserves	$ 3.0	$ 8.5	$ 7.8	$ -
Program Reserves [1]	132.0	135.4	116.9	(15.1)
Other Required Reserves [2]	74.1	95.4	51.7	(22.4)
Sub-Total Program and Non-Operating Reserves	**$ 209.1**	**$ 239.3**	**$ 176.4**	
Central Operating Reserve	15.0	15.0	15.0	-
TOTAL UCOP RESERVES	**$ 224.1**	**$ 254.3**	**$ 191.4**	

[1] Within Program Reserves, the UCNL reserve targets have shifted to reflect current operations. Some of the reserves are still building to their intended goal.
[2] Housing Loan Program outstanding balance continues to grow, and the reserve range has shifted to reflect that, the actual reserve is still being increased to meet the new range.

Overall, current reserves fall under the established target funding range of a minimum of $224.1 million and maximum of $254.3 million. Program Reserves are largely (93.9%) comprised of UC National Laboratories reserves which are designated by the UC Regents. These reserve targets have shifted to reflect the three current contracts and additional allocations for the Capital and Campus Opportunity Fund, as well as the LANL Guest House. The Housing Loan program reserve requirement reflects a 4.0 percent maximum reserve target on the overall size of the loan portfolio of approximately $2.1 billion. The Regents determined in January 2012 that the program is required to maintain a 3.5 percent maximum reserve target. Given the current economic uncertainty, the need to accommodate requests for loan forbearance, and current higher interest rates, the Office of Loan Programs recommended a maximum target equal to 4.0 percent, with a resulting target maximum of $95.4 million, which includes $10.2 million for campus supplemental loans. The forecasted reserve is below the minimum target of $74.1 million, as a result additional funds will be added in the upcoming year.

FUND BALANCES

Fund balances reflect the difference at a point in time between sources and uses, less any known encumbrances and commitments. Because fund balances are one-time non-recurring funding sources,

they must not be relied upon to fund recurring operations. **Schedule H, UCOP Fund Balances by Fund Type**, provides additional detail to the fund balances described below.

Actual and Forecasted Balances

To develop the FY26-27 budget, UCOP analyzed actual fund balances as of March 31, 2026, and forecasted fund balances for June 30, 2026. UCOP also reviewed known commitments identified for next year. Restricted or designated fund balances may only be used for their defined purpose.

Figure 17 shows a breakdown of fund balances by fund type, forecasted as of June 30, 2026. Overall, fund balances are projected to decrease by $115.8 million or 48.7 percent compared to last year, the largest reduction (73.4 percent) taking place in the unrestricted funds.

Figure 17: UCOP Fund Balances

$ millions		6/30/26				
	6/30/25 Balance	Forecasted Balance	Commitments	Remaining Balance	Change in Fund Balance	% Change
Unrestricted	$ 71.7	$ 53.5	$ 34.4	$ 19.1	$ (52.6)	-73.4%
Designated	150.6	122.2	39.5	82.7	(67.9)	-45.1%
Restricted	15.5	20.1	-	20.1	4.6	30.0%
Total Fund Balance	**$ 237.8**	**$ 195.9**	**$ 73.9**	**$ 122.0**	**$ (115.8)**	**-48.7%**

Unrestricted fund balances afford the most flexibility for use. Unrestricted balances total $19.1 million or 15.6 percent of the total remaining fund balance, net of funds being used to balance the FY26-27 budget. This balance is planned to be retained for future budget needs, considering current financial uncertainties. The main cause of the change in unrestricted fund balances is due to the use of $14.8 million in fund balances to balance the FY26-27 budget, along with $10.0 million funding an operating contingency reserve and $9.4 million for the UC Center Sacramento building. Fund balances at year-end are used in the subsequent year and may reduce the overall demand for increased campus assessment funding. Final balances will be reviewed by UCOP after the June 30, 2026 fiscal close and reported out in the fall of 2026.

Designated fund balances total $82.7 million or 67.8 percent of the forecasted remaining fund balance. A designated balance is considered committed by the Regents or UCOP for an intended purpose. The largest balance, $59.9 million, or 49.1 percent of total fund balances, is Regents-designated for the management of the UC National Laboratories. The Office of National Laboratories provides a spending and reserves plan to the Regents each July for approval.

Designated fund balances also include balances for self-funded programs. The fund balance changes are due to:

- $34.9M decrease in the Lab Fees Research Program used to fund campus research opportunities as funds are committed for current and future grant cycles.
- $20.9M decrease in other balances due to state climate funds being passed through to the campuses.
- $13.4M decrease in other central service funds from UC Legal and UC Path campus funding committed for FY26-27 expenses.

Restricted fund balances cannot be reallocated for other purposes. Contracts and grants are funded on a reimbursement basis and thus carry no balances. Federal and special state appropriations are

forecasted to be slightly lower based on disbursements to the campuses and laboratories. Restricted balances are 16.5 percent of the forecasted remaining fund balance.

EXECUTIVE BUDGET COMMITTEE RECOMMENDATIONS

The Executive Budget Committee (EBC) issued its annual budget letter to President Milliken in April, reiterating that the University continues to face ongoing financial challenges driven by rising personnel costs, including salaries and benefits, as well as uncertainty in state and federal funding.

The Committee acknowledged that UCOP implemented a one-time budget reduction in FY25–26 in anticipation of state funding cuts that ultimately did not materialize. The EBC also found recent presentations from UC Legal and Digital Innovation & Technology (cybersecurity) to be informative and helpful, noting the external drivers of legal costs, including federal actions and the complexities of the health enterprise. The Committee highlighted earmarks as an area for continued focus and expressed interest in developing a more rigorous, systemwide approach to determine funding priorities.

The EBC continues to support the campus assessment funding model as the most effective mechanism to fund UCOP, while recognizing that all campuses benefit from centralized services. At the same time, the Committee expressed interest in gaining a clearer understanding of the full range of campus contributions toward shared services beyond assessments. The Committee also acknowledged and appreciated UCOP's efforts to contain costs and minimize the financial burden on campuses.

The proposed budget aligns with inflation, with increases largely attributable to personnel-related costs totaling $22.6 million. The Committee supports the President's targeted investments, including in artificial intelligence, while emphasizing the need for continued evaluation of growth in designated funds, such as UC Legal. Additionally, the EBC encouraged continued collaborative efforts to advance administrative transformation and find further systemwide efficiencies in the future.

PRESIDENT'S RECOMMENDATION

The University of California Office of the President (UCOP) presents its FY26-27 budget proposal, developed amid fiscal uncertainty and financial constraints. To limit the impact on the campuses, UCOP has very few increases beyond those that impact the cost of labor, including personnel and benefits costs. Less discretionary increases including legal expenses and anticipated increases in Agriculture and Natural Resources drive the biggest portion of the year-over-year budget change compared to FY25-26.

This proposal includes a disciplined approach to the core and UCPath campus assessments which are essentially flat (0.9 percent higher) than the combined total of these two assessments two years prior. Despite fiscal pressures, the budget upholds UC's core mission of teaching, research, and public service, and supports ongoing efforts to grow undergraduate enrollment. It is both comprehensive and transparent, reflecting UCOP's alignment with systemwide goals and priorities.

Pursuant to Regents Policy 5101, the President of the University recommends approval of the UCOP FY26-27 Budget by the Board of Regents.

Appendices

UNIVERSITY OF CALIFORNIA

APPENDIX 1: UCOP SCHEDULES

Schedule A

Sources and Uses by Year

Overall UCOP

$ in millions

				Variance Increase/(Decrease)		
	FY25-26 Budget	FY25-26 Q2Forecast	FY26-27 Budget	FY25-26 Q2Forecast vs FY25-26 Budget	FY26-27 Budget vs FY25-26 Q2Forecast	FY26-27 Budget vs FY25-26 Budget
SOURCES						
Unrestricted Sources						
Investment Income	38.5	47.7	41.1	9.2	(6.6)	2.6
UCOP Campus Assessment	225.2	225.5	251.4	0.3	25.9	26.2
Undesignated Fund Balance	14.8	14.8	14.8	0.0	0.0	0.0
Other Unrestricted Sources	20.5	19.1	21.8	(1.4)	2.7	1.2
Subtotal - Unrestricted Sources	**$299.0**	**$307.1**	**$329.1**	**$8.0**	**$22.0**	**$30.0**
Designated Sources						
Regents-Designated	52.6	43.6	51.4	(9.0)	7.8	(1.2)
Program-Designated	325.3	360.8	380.7	35.5	19.9	55.4
UCPath Fee-For-Service	140.6	136.1	141.9	(4.4)	5.8	1.3
UC ANR State General Funds	111.7	117.2	125.2	5.6	7.9	13.5
Subtotal - Designated Sources	**$630.1**	**$657.8**	**$699.2**	**$27.6**	**$41.4**	**$69.1**
Restricted Sources						
Gifts and Endowments	17.5	19.6	20.8	2.1	1.2	3.3
Contracts and Grants	80.0	80.9	73.4	0.9	(7.5)	(6.6)
Federal and State	172.8	163.1	175.1	(9.7)	12.0	2.3
Subtotal - Restricted Sources	**$270.3**	**$263.6**	**$269.3**	**($6.7)**	**$5.7**	**(1.0)**
TOTAL SOURCES	**$1,199.5**	**$1,228.4**	**$1,297.6**	**$29.0**	**$69.1**	**$98.1**
USES						
Programs and Initiatives						
State/Federal Programs	336.7	319.7	339.2	(17.0)	19.5	2.4
Systemwide Programs	122.3	116.1	116.8	(6.2)	0.7	(5.5)
Subtotal - Programs and Initiatives	**$459.0**	**$435.8**	**$456.0**	**($23.3)**	**$20.2**	**($3.1)**
Systemwide and Core Services						
Academic Affairs	79.8	81.8	85.0	2.0	3.2	5.3
Ethics & Compliance	10.8	10.6	11.1	(0.2)	0.5	0.3
External Relations & Communications	21.8	22.6	24.1	0.8	1.4	2.3
UC Finance	67.0	67.8	69.4	0.9	1.6	2.4
UC Operations	329.9	334.4	354.6	4.5	20.1	24.6
President's Executive Office	8.5	10.4	10.0	2.0	(0.4)	1.5
Secretary of the Regents	5.4	6.2	6.4	0.8	0.3	1.0
Systemwide Academic Senate	2.8	2.8	2.9	0.0	0.1	0.1
UC Health	30.5	30.6	31.8	0.1	1.3	1.3
UC Investments	46.1	49.0	49.0	2.9	0.0	2.9
UC Legal	89.0	105.5	135.6	16.5	30.1	46.6
Subtotal - Systemwide and Core Services	**$691.5**	**$721.8**	**$780.0**	**$30.3**	**$58.1**	**$88.4**
SPF - Unrestricted	25.0	24.9	25.0	(0.1)	0.1	0.0
SPF - Designated/Restricted	4.7	2.5	2.4	(2.2)	(0.0)	(2.3)
Strategic Priorities Funds	**$29.7**	**$27.4**	**$27.4**	**(2.3)**	**0.1**	**(2.3)**
AI Programmatic Development	**$0.0**	**$0.0**	**$10.0**	**0.0**	**10.0**	**10.0**
TOTAL USES	**$1,180.3**	**$1,185.0**	**$1,273.4**	**4.7**	**88.4**	**93.1**
NET MARGIN SURPLUS (DEFICIT)	**$19.2**	**$43.5**	**$24.2**	**24.3**	**(19.3)**	**5.0**
Included in Sources and Uses Above						
Pass-Throughs	400.8	379.5	393.3	(21.3)	13.8	(7.5)
Fee-For-Service	418.6	436.0	483.1	17.4	47.1	64.5
Total Fee-For-Service and Pass-Throughs	**$819.4**	**$815.5**	**$876.4**	**($3.9)**	**$60.9**	**$57.0**

Notes to Schedule A

Sources

Unrestricted Sources

1. Investment Income: $41.1M estimate based on current year returns; higher by $2.6M due to higher short-term rates of return.
2. UCOP Campus Assessment: $251.4M net total represents a $26.2M, or 11.6% increase to the campus assessment year-over-year, given the significant cuts in FY25-26. The increase compared to FY24-25 is 3%. Following the 2017 CSA audit of UCOP, approximately $15.0 million in campus contributions for specific programs — the California NanoSystems Institute (CNSI) at UCSB, the Center for Information Technology Research in the Interest of Society (CITRIS) at UCB, the California Institute for Telecommunications and Information Technology (CalIT2) at UCSD, QB3 Innovation Ventures at UCSF, and the President's Postdoctoral Fellowship Program (PPFP) at UCB — are not included in the UCOP budget, as these funds are appropriated at the campuses.
3. Undesignated Fund Balance: $14.8M estimate based on FY25-26 Forecast investment earnings, to be used in part to offset the campus assessment decrease.
4. Other Unrestricted: $21.8M is an increase of $1.2M due to an allocation of strategic procurement funds.

Designated Sources

5. Regents Designated: $51.4M decreased by $1.2M (2%) given timing of UCNL fee income.
6. Program-Designated: $380.7M increased by $55.4M (17%) due to increases in UC Legal outside and inside counsel services demand, and Digital Innovation and Technology expenses for cybersecurity.
7. UCPath Fee-For-Service: $141.9M increased by $1.3M (1%), which includes $5.9M of fund balance from prior years.
8. UC ANR State General Funds: $125.2M an increase of $13.5M (12%) in state allocations given the projected increase in state funding.

Restricted Sources

9. Gifts and Endowments: $20.8M is up $3.3M (19%) compared to FY25-26.
10. Contracts and Grants: $73.4M decreased $6.6M (8%) driven by ANR's extramural funding from Federal sources and other research funding.
11. Federal and State Appropriations: $175.1M increased $2.3M (1%) due to higher anticipated funds for Tobacco-related Disease and Cancer Research.

Notes regarding Uses are appended to Schedules, C, D and F

Schedule B

Expenditure by Fund

Overall UCOP

$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY26-27 Budget
TOTAL SOURCES	**$329.1**	**$699.2**	**$269.3**	**$1,297.6**
TOTAL USES				
Programs and Initiatives				
State/Federal Programs	0.6	179.2	159.3	339.2
Systemwide Programs	37.9	73.8	5.1	116.8
Subtotal - Programs and Initiatives	**38.6**	**253.0**	**164.4**	**456.0**
Systemwide and Core Services				
Academic Affairs	52.9	30.2	1.9	85.0
Ethics & Compliance	11.1	0.0	0.0	11.1
External Relations & Communications	16.4	6.2	1.6	24.1
UC Finance	35.7	29.4	4.3	69.4
UC Operations	102.3	159.9	92.4	354.6
President's Executive Office	8.9	0.9	0.2	10.0
Secretary of the Regents	6.4	0.0	0.0	6.4
Systemwide Academic Senate	2.8	0.0	0.1	2.9
UC Health	6.2	25.4	0.2	31.8
UC Investments	0.0	49.0	0.0	49.0
UC Legal	12.7	121.8	1.1	135.6
Subtotal - Systemwide and Core Services	**255.5**	**422.7**	**101.7**	**780.0**
Strategic Priorities Funds	25.0	2.4	0.0	27.4
AI Programmatic Development	10.0	0.0	0.0	10.0
TOTAL USES	**$329.1**	**$678.1**	**$266.2**	**$1,273.4**
NET MARGIN SURPLUS (DEFICIT)	**$0.0**	**$21.1**	**$3.1**	**$24.2**

Notes to Schedule B

1. The total budget reflects a surplus for FY26-27 in Designated funds. Any realized surplus funds will be used in subsequent years and/or added to fund balances for future expenditures.
2. Restricted fund surplus is related to grant funding and the timing of expenditures. Balances will carry forward.

Schedule C

Budget by Programs and Initiatives

Programs and Initiatives

$ in millions

				Variance Increase/(Decrease)		
	FY25-26 Budget	FY25-26 Q2Forecast	FY26-27 Budget	FY25-26 Q2Forecast vs FY25-26	FY26-27 Budget vs FY25-26	FY26-27 Budget vs FY25-26
PROGRAMS AND INITIATIVES						
State/Federal Programs						
Agriculture and Natural Resources (ANR)	$246.3	$238.9	$252.5	-$7.4	$13.6	$6.2
California Breast Cancer Research Program	15.3	9.8	8.2	(5.4)	(1.6)	(7.1)
California Subject Matter Project (CSMP)	9.0	9.0	8.9	(0.0)	(0.1)	(0.1)
California Managed Care Organization (MCO) Tax Funding Program	3.7	3.0	3.6	(0.7)	0.6	(0.1)
Gaining Early Awareness and Readiness for Undergraduate Programs	3.5	4.4	5.0	0.9	0.5	1.5
Graduate Medical Education	1.2	1.1	1.3	(0.2)	0.2	0.0
Office of the National Laboratories (UCNL)	14.6	14.4	14.6	(0.2)	0.1	(0.0)
Other State/Federal Programs	2.1	1.1	0.5	(1.0)	(0.6)	(1.6)
Tobacco-Related Disease Research Program (TRDRP)	37.1	34.2	38.8	(2.9)	4.6	1.7
UC Research: Cancer Research Coordinating Committee (CRCC)	2.1	2.1	4.1	(0.1)	2.1	2.0
Firefighter Cancer Research Program	0.9	0.9	0.3	0.0	(0.6)	(0.6)
UC Climate Action Research Initiative 2022	1.0	0.9	1.5	(0.1)	0.6	0.6
Subtotal - State/Federal Programs	**336.7**	**319.7**	**339.2**	**(17.0)**	**19.5**	**2.4**
Systemwide Programs						
California HIV/AIDS Research Program (CHRP)	10.0	9.1	8.9	(1.0)	(0.2)	(1.2)
Eligibility in the Local Context (ELC)	1.0	1.0	1.0	0.0	0.0	0.0
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	3.1	3.1	3.1	0.0	0.0	0.0
Historically Black Colleges and Universities (HBCU) Summer Research Initiative	2.0	1.6	1.6	(0.4)	0.0	(0.4)
Innovative Learning Technology Initiative (Online Education)	8.1	8.1	8.2	(0.0)	0.1	0.1
Natural Reserve System (NRS)	3.2	2.9	3.1	(0.3)	0.2	(0.1)
Other Systemwide Programs	3.8	3.7	3.7	(0.2)	0.0	(0.1)
President's Postdoctoral Fellowship Program (PPFP)	2.7	2.7	2.7	0.0	0.0	0.0
SAPEP	15.5	14.5	15.1	(1.0)	0.6	(0.4)
UC Astronomy: University of California Observatories (UCO)	7.5	7.2	7.2	(0.3)	0.0	(0.3)
UC Astronomy: W.M. Keck Observatory (Keck)	9.7	9.6	9.5	(0.2)	(0.1)	(0.3)
University of California Press	23.3	22.7	23.4	(0.5)	0.7	0.2
UC Research: Laboratory Fees Research Program (LFRP)	14.6	13.0	11.6	(1.6)	(1.4)	(3.0)
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.4	7.8	7.8	(0.6)	(0.0)	(0.6)
University of California Washington Center (UCDC)	9.4	9.2	10.0	(0.3)	0.8	0.5
Subtotal - Systemwide Programs	**$122.3**	**$116.1**	**$116.8**	**-$6.2**	**$0.7**	**-$5.5**
TOTAL USES	**$459.0**	**$435.8**	**$456.0**	**-$23.3**	**$20.2**	**-$3.1**

Notes to Schedule C: Budget by Programs and Initiatives
FY26-27 Budget Increase / (Decrease) vs. FY25-26 Budget > $1.0M.

State / Federal Programs

1. Agriculture and Natural Resources: $252.5M increased by $6.2M with an increase in FY26-27 state direct appropriation.
2. California Breast Cancer Research Program: $8.2M decreased by $7.1M (46%) due to the award cycle and the timing of grant awards projected in FY26-27.
3. GEARUP: $5M increased by $1.5M (43%) with a higher-than-expected multi-year award from the federal government.
4. Other State/Federal Programs: $0.5M decrease of $1.6M (76%) in grants through the Research Grants Program Office.
5. Tobacco-Related Disease Research Program (TRDRP): $38.8M increased by $1.7M, (5%) on higher anticipated grant awards related to timing in the prior year.
6. UC Research – Cancer Research Coordinating Committee (CRCC): $4.1M an increase of $2.0M (96%) due to additional CRCC fellowship awards.

Systemwide Programs

7. California HIV /AIDS Research Program (CHRP): $8.9M a decrease of $1.2M (12%) due to a decrease in state funding.
8. UC Research - Lab Fees Research Program (LFRP): $11.6M decreased by $3.0M (20%) based on timing of its two-year grant cycle and program restructuring undertaken by UCNL and RGPO.

Schedule C-1

Programs and Initiatives by Fund

$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY26-27 Budget
PROGRAMS AND INITIATIVES				
State/Federal Programs				
Agriculture and Natural Resources (ANR)	$0.0	$157.5	$95.0	$252.5
California Breast Cancer Research Program	0.0	0.0	8.2	8.2
California Subject Matter Project (CSMP)	0.5	5.0	3.4	8.9
California Managed Care Organization (MCO) tax funding	0.0	0.0	3.6	3.6
Gaining Early Awareness and Readiness for Undergraduate	0.0	0.0	5.0	5.0
Graduate Medical Education	0.0	0.0	1.3	1.3
Office of the National Laboratories (UCNL)	0.0	14.6	0.0	14.6
Other State/Federal Programs	0.2	0.3	0.0	0.5
Tobacco-Related Disease Research Program (TRDRP)	0.0	0.0	38.8	38.8
UC Research: Cancer Research Coordinating Committee	0.0	0.0	4.1	4.1
Firefighter Cancer Research Program	0.0	0.3	0.0	0.3
UC Climate Action Research Initiative 2022	0.0	1.5	0.0	1.5
Subtotal - State/Federal Programs	**0.6**	**179.2**	**159.3**	**339.2**
Systemwide Program				
California HIV/AIDS Research Program (CHRP)	0.0	8.8	0.1	8.9
Eligibility in the Local Context (ELC)	0.0	1.0	0.0	1.0
Historically Black Colleges and Universities (HBCU) Fellowship	1.0	2.2	0.0	3.1
Historically Black Colleges and Universities (HBCU) Summer	0.6	1.0	0.0	1.6
Innovative Learning Technology Initiative (Online Education)	0.0	8.2	0.0	8.2
Natural Reserve System (NRS)	2.3	0.0	0.7	3.1
Other Systemwide Programs	1.7	2.0	0.1	3.7
President's Postdoctoral Fellowship Program (PPFP)	0.0	0.0	2.7	2.7
SAPEP	7.0	6.7	1.4	15.1
UC Astronomy: University of California Observatories (UCO)	7.2	0.0	0.0	7.2
UC Astronomy: W.M. Keck Observatory (Keck)	9.5	0.0	0.0	9.5
University of California Press	0.9	22.5	0.0	23.4
UC Research: Laboratory Fees Research Program (LFRP)	0.0	11.6	0.0	11.6
UC Research: Multi-Campus Research Programs and Initiatives	7.8	0.0	0.0	7.8
University of California Washington Center (UCDC)	0.0	9.9	0.0	10.0
Subtotal - Systemwide Programs	**37.9**	**73.8**	**5.1**	**116.8**
TOTAL USES	**$38.6**	**$253.0**	**$164.4**	**$456.0**

Schedule D

Budget by Division and Sub-Division

Systemwide and Core Services

$ in millions

				Variance Increase/(Decrease)		
	FY25-26 Budget	FY25-26 Q2Forecast	FY26-27 Budget	FY25-26 Q2Forecast vs FY25-26	FY26-27 Budget vs FY25-26	FY26-27 Budget vs FY25-26
SYSTEMWIDE AND CORE SERVICES						
Academic Affairs						
Academic Personnel and Programs	$40.5	$40.8	$42.3	$0.3	$1.5	$1.8
Immediate Offices	10.5	10.7	9.9	0.2	(0.8)	(0.6)
Institutional Research and	6.4	7.1	7.4	0.6	0.3	1.0
Research and Innovation	8.2	9.0	9.5	0.8	0.5	1.4
Graduate Undergraduate and Equity	14.2	14.2	15.9	0.1	1.7	1.7
Subtotal - Academic Affairs	**79.8**	**81.8**	**85.0**	**2.0**	**3.2**	**5.3**
Ethics & Compliance	**10.8**	**10.6**	**11.1**	**(0.2)**	**0.5**	**0.3**
External Relations & Communications						
Alumni and Constituent Affairs	0.5	0.4	0.5	(0.1)	0.0	(0.0)
Executive Communications &	0.8	0.9	1.2	0.1	0.3	0.3
Federal Government Relations	3.7	3.6	4.0	(0.1)	0.4	0.3
Institutional Advancement	3.2	2.8	3.2	(0.4)	0.3	(0.1)
Legislative Analysis	0.6	0.6	0.0	(0.0)	(0.6)	(0.6)
Marketing and Communications	7.0	7.0	7.0	(0.0)	0.0	(0.0)
Media Relations	0.7	0.8	1.0	0.1	0.2	0.2
State Government Relations	3.9	4.0	4.9	0.0	1.0	1.0
Immediate Office	1.2	2.6	2.4	1.4	(0.2)	1.2
Subtotal - ER&C	**21.8**	**22.6**	**24.1**	**0.8**	**1.4**	**2.3**
UC Finance						
Budget Analysis and Planning	2.5	2.4	2.4	(0.1)	(0.0)	(0.1)
Capital Markets Finance	9.8	9.4	10.5	(0.4)	1.2	0.8
Financial Accounting	15.3	15.2	15.6	(0.1)	0.5	0.4
Risk Services	9.5	9.4	10.5	(0.0)	1.1	1.1
Strategic Sourcing/Procurement	16.0	16.1	16.6	0.0	0.5	0.6
Immediate Office	1.7	1.7	1.8	0.0	0.1	0.1
Capital Programs Energy and	12.2	13.6	11.9	1.4	(1.8)	(0.4)
Subtotal - UC Finance	**67.0**	**67.8**	**69.4**	**0.9**	**1.6**	**2.4**
UC Operations						
Digital Innovation & Technology	57.9	58.5	64.1	0.6	5.6	6.2
Operational Expenses	(1.5)	(0.5)	1.9	1.0	2.4	3.4
Immediate Office	2.6	2.6	2.8	(0.0)	0.2	0.1
Strategic Program Management	2.0	2.1	2.3	0.1	0.2	0.2
Systemwide Community Safety	4.4	4.4	4.6	(0.0)	0.2	0.2
Systemwide Human Resources	46.4	55.0	61.0	8.6	6.0	14.5
Systemwide Shared Services	188.9	183.7	186.7	(5.2)	3.0	(2.2)
UCOP Operations	29.2	28.7	31.2	(0.5)	2.6	2.0
Subtotal - UC Operations	**329.9**	**334.4**	**354.6**	**4.5**	**20.1**	**24.6**
President's Executive Office	**8.5**	**10.4**	**10.0**	**2.0**	**(0.4)**	**1.5**
Secretary of the Regents	**5.4**	**6.2**	**6.4**	**0.8**	**0.3**	**1.0**
Systemwide Academic Senate	**2.8**	**2.8**	**2.9**	**0.0**	**0.1**	**0.1**
UC Health						
UC Health Core	(1.5)	0.0	2.6	1.5	2.6	4.1
Academic Health Sciences	3.0	2.9	3.0	(0.1)	0.1	0.0
Center for Data Driven Insights and	7.7	7.7	8.2	(0.1)	0.5	0.5
Clinical Strategy & Operations	3.9	9.5	10.2	5.6	0.7	6.3
Health Policy and Regulatory Affairs	1.7	1.8	2.4	0.1	0.6	0.8
Finance and Administration	8.4	7.9	5.3	(0.5)	(2.5)	(3.1)
Leveraging Scale for Value	7.2	0.8	0.0	(6.5)	(0.8)	(7.2)
Subtotal - UC Health	**30.5**	**30.6**	**31.8**	**0.1**	**1.3**	**1.3**
UC Investments	**46.1**	**49.0**	**49.0**	**2.9**	**0.0**	**2.9**
UC Legal						
In-House Counsel	41.5	41.6	48.1	0.1	6.6	6.6
Outside Counsel	45.0	65.0	85.0	20.0	20.0	40.0
Systemwide Litigation	2.5	(1.0)	2.5	(3.5)	3.5	0.0
Subtotal - UC Legal	**$89.0**	**$105.5**	**$135.6**	**$16.5**	**$30.1**	**$46.6**
TOTAL USES	**$691.5**	**$721.8**	**$780.0**	**$30.3**	**$58.1**	**$88.4**

Notes to Schedule D: Systemwide and Core Services
FY26-27 Budget Increase / (Decrease) vs. FY25-26 Budget > $1.0M.

Academic Affairs

1. Academic Personnel and Programs: $42.3M, increased by $1.8M, (4%) due to funding for the UC Student and Policy Center in Sacramento and salary program increases.
2. Institutional Research and Academic Planning: $7.4M, increased by $1.0M (13%) for software to track alumni outcomes, and salary program increases.
3. Research and Innovation: $9.5M, increased by $1.4M (14%), mainly due to salary program increases.
4. Graduate, Undergraduate and Equity Affairs: $15.9M, increased by $1.7M (11%) for student services and support programs.

Finance

3. Risk Services: $10.5M increased by $1.1M (10%) due to filled vacancies and restoration of cost reductions.

Operations

4. Digital Innovation and Technology: $64.1M increased by $6.2M, (10%) mainly due to additional expenses for cybersecurity.
5. Operational Expenses: $1.9M increased by $3.4M due to a restoration of equity and promotion funding.
6. Systemwide Human Resources: $61.0M increased by $14.5M, (24%) driven by the contract increases, legal and other expense for labor relations, and salary program increases.
7. Systemwide Shared Services: $186.7M decreased by $2.2M (1%) due to a slight decrease in personnel cost projections.
8. UCOP Operations: $31.2M increased by $2.0M (7%) due to increases in lease and facilities expenses.

UC Health

9. Clinical Strategy and Operations: $4.9M decreased by $1.3M, (21%) driven by the sunsetting of the Cancer Consortium Initiative.

Other Divisions

10. External Relations & Communications: $24.1M, increased by $2.3M (10%) due to additional professional services and salary program increases.
11. President's Executive Office: $10.0M, increased by $1.5M (15%) due to additional staff and state funds for campus climate work. The Associate of the President budget of $25,000 is included in the PEO total budget.
12. Secretary of the Regents: $6.4M, increased by $1.0M (16%) for meeting security and website software upgrades.
13. UC Health: $31.8M, increased by $1.3M (4%) due to salary program increases.
14. UC Investments: $49.0M increased by $2.9M (6%), due to salary program increases.
15. UC Legal: $135.6M increased by $46.6M, (34%), given an expected growth in the need for outside counsel, as well as additional inside counsel investments to drive lower costs in the future.

Schedule D-1

Systemwide and Core Services by Fund

$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY26-27 Budget
SYSTEMWIDE AND CORE SERVICES USES				
Academic Affairs				
Academic Personnel and Programs	$20.9	$20.1	$1.3	$42.3
Immediate Office	9.1	0.4	0.5	9.9
Institutional Research and Academic	7.4	0.0	0.0	7.4
Research and Innovation	6.2	3.3	0.0	9.5
Graduate Undergraduate and Equity	9.4	6.4	0.1	15.9
Subtotal - Academic Affairs	**52.9**	**30.2**	**1.9**	**85.0**
Ethics & Compliance	**11.1**	**0.0**	**0.0**	**11.1**
External Relations & Communications				
Alumni and Constituent Affairs	0.0	0.5	0.0	0.5
Executive Communications &	1.2	0.0	0.0	1.2
Federal Government Relations	3.3	0.8	0.0	4.0
Institutional Advancement	0.0	2.3	0.8	3.2
Legislative Analysis	0.0	0.0	0.0	0.0
Marketing and Communications	4.5	1.7	0.7	7.0
Media Relations	0.9	0.0	0.1	1.0
State Government Relations	4.9	0.0	0.0	4.9
Immediate Office	1.6	0.9	(0.0)	2.4
Subtotal - ER&C	**16.4**	**6.2**	**1.6**	**24.1**
UC Finance				
Budget Analysis and Planning	2.3	0.1	0.0	2.4
Capital Markets Finance	0.0	10.5	0.0	10.5
Financial Accounting	7.0	4.7	4.0	15.6
Risk Services	(0.0)	10.6	0.0	10.5
Strategic Sourcing/Procurement	16.6	0.0	0.0	16.6
Immediate Office	0.2	1.3	0.3	1.8
Capital Programs Energy and	9.7	2.2	0.0	11.9
Subtotal - UC Finance	**35.7**	**29.4**	**4.3**	**69.4**
UC Operations				
Digital Innovation & Technology	44.6	15.7	3.8	64.1
Operational Expenses	1.9	0.0	0.0	1.9
Immediate Office	2.1	0.0	0.7	2.8
Strategic Program Management Office	2.3	0.0	0.0	2.3
Systemwide Community Safety	4.6	0.0	0.0	4.6
Systemwide Human Resources	17.5	3.1	40.3	61.0
Systemwide Shared Services	0.1	139.0	47.6	186.7
UCOP Operations	29.3	2.0	0.0	31.2
Subtotal - UC Operations	**102.3**	**159.9**	**92.4**	**354.6**
President's Executive Office	**8.9**	**0.9**	**0.2**	**10.0**
Secretary of the Regents	**6.4**	**0.0**	**0.0**	**6.4**
Systemwide Academic Senate	**2.8**	**0.0**	**0.1**	**2.9**
UC Health				
UC Health Core	1.6	1.1	0.0	2.6
Academic Health Sciences	2.5	0.3	0.2	3.0
Center for Data Driven Insights and	0.0	8.2	0.0	8.2
Clinical Strategy & Operations	0.0	10.2	0.0	10.2
Health Policy and Regulatory Affairs	0.4	2.0	0.0	2.4
Finance and Administration	1.7	3.6	0.0	5.3
Leveraging Scale for Value	0.0	0.0	0.0	0.0
Subtotal - UC Health	**6.2**	**25.4**	**0.2**	**31.8**
UC Investments	**0.0**	**49.0**	**0.0**	**49.0**
UC Legal				
In-House Counsel	12.7	34.3	1.1	48.1
Outside Counsel	0.0	85.0	0.0	85.0
Systemwide Litigation	0.0	2.5	0.0	2.5
Subtotal - UC Legal	**$12.7**	**$121.8**	**$1.1**	**$135.6**
TOTAL USES	**$255.5**	**$422.7**	**$101.7**	**$780.0**

Schedule E

UC ANR Budget within UCOP

Budget by Program and Unit - All Funds

$ in millions

				Variances: Increase/(Decrease)		
	FY25-26 Budget	FY25-26 Forecast	FY26-27 Budget	FY25-26 Q2Forecast vs FY25-26	FY26-27 Budget vs FY25-26	FY26-27 Budget vs FY25-26
SOURCES						
Endowment Payout	$14.0	$14.0	$14.9	$0.0	$0.9	$0.9
Extramural Funding	65.3	65.3	59.6	0.0	(5.8)	(5.8)
Federal AES	8.1	8.1	8.1	0.0	(0.0)	(0.0)
Federal UCCE	11.9	10.7	12.5	(1.2)	1.8	0.6
Other Sources	35.3	35.3	32.4	0.0	(3.0)	(3.0)
State UCCE	111.7	117.2	125.2	5.6	7.9	13.5
TOTAL UC ANR Budget within UCOP	**$246.3**	**$250.7**	**$252.5**	**$4.4**	**$1.8**	**$6.2**
NET MARGIN SURPLUS (DEFICIT)	0.0	11.8	0.0	0.0	0.0	0.0
USES						
AES Campuses						
Other Campus-Based Academics	0.8	0.8	0.8	0.0	0.0	0.0
UC Berkeley	9.3	9.0	9.5	(0.3)	0.4	0.1
UC Davis	22.0	21.7	22.9	(0.4)	1.2	0.8
UC Riverside	6.4	6.5	6.5	0.1	0.1	0.2
UC Santa Cruz	1.6	1.6	1.7	(0.0)	0.2	0.2
UC Merced	2.7	2.6	3.5	(0.0)	0.8	0.8
Subtotal - AES Campuses	**42.8**	**42.1**	**44.9**	**(0.6)**	**2.7**	**2.1**
Statewide Programs & Institutes						
Agriculture Issues Center	0.6	0.6	0.7	0.0	0.1	0.1
California Institute for Water Resources	2.7	2.6	3.4	(0.1)	0.7	0.7
Elkus Ranch Youth Development Center	0.4	0.3	0.0	(0.2)	(0.3)	(0.4)
Informatics & Geographic Information	1.2	1.2	1.3	0.0	0.1	0.1
Integrated Pest Management	6.8	6.9	6.8	0.1	(0.0)	0.1
Nutrition Policy Institute	6.6	6.7	5.8	0.1	(0.9)	(0.8)
Statewide Programs & Initiatives	6.0	6.0	11.9	(0.0)	5.9	5.9
Sustainable Agriculture Research &	5.3	5.3	7.2	0.1	1.9	1.9
Volunteer Based Programs (MFP MG	3.3	2.8	2.6	(0.5)	(0.2)	(0.7)
Youth Family & Communities	5.0	5.0	5.5	(0.1)	0.5	0.4
Subtotal - Statewide Programs & Institutes	**37.9**	**37.4**	**45.2**	**(0.5)**	**7.8**	**7.3**
Research and Extension Centers (RECs)	**18.3**	**16.5**	**19.0**	**(1.8)**	**2.6**	**0.7**
County-Based Research and Extension	**102.0**	**98.7**	**93.0**	**(3.3)**	**(5.7)**	**(9.0)**
Administration						
General Administration	34.0	32.7	37.6	(1.4)	5.0	3.6
Technology Implementation	2.2	2.1	3.2	(0.1)	1.1	1.0
Subtotal - Administration	**36.3**	**34.8**	**40.8**	**(1.5)**	**6.0**	**4.5**
Institutional Support	**9.0**	**9.4**	**9.6**	**0.4**	**0.2**	**0.6**
TOTAL UC ANR Budget within UCOP	**$246.3**	**$238.9**	**$252.5**	**$ (7.4)**	**$13.6**	**$6.2**

Notes to Schedule E:

1. UC ANR initially projected a decrease in state funding for FY 2025–26. The final state budget approved $121.9M for UC ANR, and the budget was not updated to reflect this increase.
2. The Agriculture Issues Center program has been renamed to the **UC ANR Policy Institute**.
3. The Elkus Ranch Youth Development Center is now a new location within the Research and Extension Center system, and its budget has been reallocated accordingly.
4. The budget now includes funding for the newly established UC ANR Innovate program.
5. The projected decrease in extramural funding is primarily due to the closure of the SNAP-Ed program.

Schedule F-1

Strategic Priorities Fund
Unrestricted Funds

$ in millions

				Variances:Increase/(Decrease)		
	FY25-26 Budget	FY25-26 Q2Forecast	FY26-27 Budget	FY25-26 Q2Forecast vs FY25-26	FY26-27 Budget vs FY25-26	FY26-27 Budget vs FY25-26
COMMITMENTS						
Systemwide and Core Services						
Academic Labor Relations Org Alignment Project	0.1	0.1	0.0	(0.0)	(0.1)	(0.1)
Campus Comm Safety Planning/RFC	1.7	2.3	0.0	0.6	(2.3)	(1.7)
Digital Donor Library	0.1	0.1	0.1	0.0	(0.0)	(0.0)
Financial Info System FIS Project	0.0	1.0	0.0	1.0	(1.0)	0.0
BGR Federal Advocacy	0.0	0.2	0.0	0.2	(0.2)	0.0
UCImm Legal Services Support	0.0	0.1	0.0	0.1	(0.1)	0.0
Innov Trf Entrep (ITE) Sys Stabilization	0.5	0.6	0.0	0.1	(0.6)	(0.5)
IP Mgmt Financial System Replacement	0.5	0.2	0.0	(0.3)	(0.2)	(0.5)
Lightcast SW Workforce Reporting	0.2	0.2	0.0	0.0	(0.2)	(0.2)
Litigation Cost & Whistleblower Allegations	0.0	1.0	0.0	1.0	(1.0)	0.0
NAGPRA Project Resource	0.0	0.1	0.0	0.1	(0.1)	0.0
Payroll Personnel Analytics Assessment	0.4	0.0	0.0	(0.4)	0.0	(0.4)
President Transition Expense	2.4	2.5	1.0	0.1	(1.5)	(1.4)
UC Regents Legal Counsel	0.0	0.0	0.7	0.0	0.7	0.7
Regents Policy 1112 Complaint -2023	0.3	0.3	0.0	0.0	(0.3)	(0.3)
UCB Chancellor Search	0.1	0.0	0.0	(0.1)	0.0	(0.1)
UCCS Program Bridge Funding	0.4	0.0	0.0	(0.4)	0.0	(0.4)
State Advocacy Firm	0.2	0.0	0.2	(0.2)	0.2	0.1
UCCS-UC Student Policy Center	0.5	0.5	0.0	(0.0)	(0.5)	(0.5)
UC NRS - Health Safety	0.7	1.9	0.5	1.2	(1.4)	(0.2)
UCOP CYBER Investment	1.3	1.7	0.0	0.4	(1.7)	(1.3)
UCDC IT Review	0.2	0.0	0.0	(0.2)	0.0	(0.2)
Mitigating SSN Use Assessment	0.6	0.0	0.0	(0.6)	0.0	(0.6)
SWHR Instructional Designer	0.1	0.2	0.0	0.1	(0.2)	(0.1)
IRAP Data System to AWS Cloud	0.2	0.2	0.0	0.0	(0.2)	(0.2)
IT Accessibility Assessment	0.3	0.0	0.0	(0.3)	0.0	(0.3)
UC Employee Experience Surveys	0.5	0.5	0.0	(0.0)	(0.5)	(0.5)
UC Health Stakeholder Digital Engagement	0.4	0.1	0.1	(0.3)	(0.1)	(0.3)
SW Survey-UC Faculty on AI	0.1	0.1	0.0	0.0	(0.1)	(0.1)
UCSB Chancellor Search	0.3	0.0	0.0	(0.3)	(0.0)	(0.3)
UC Riverside Chancellor Search	0.3	0.0	0.0	(0.3)	(0.0)	(0.3)
Campus Climate Management	0.5	0.6	0.0	0.1	(0.6)	(0.5)
UC Fed Govt Rln - SKDK Contract	0.3	0.2	0.0	(0.0)	(0.2)	(0.3)
Subtotal - Systemwide and Core Services	**13.1**	**14.7**	**2.5**	**1.7**	**(12.2)**	**(10.5)**
Presidential Initiatives						
UC National Center for Free Speech and Civic	0.9	0.9	0.9	0.0	0.0	0.0
Subtotal - Presidential Initiatives	**0.9**	**0.9**	**0.9**	**0.0**	**0.0**	**0.0**
Systemwide Initiatives						
Global Language Network Pilot	0.0	0.2	0.0	0.2	(0.2)	0.0
Online Ed Feasibility Study	0.0	0.5	0.0	0.5	(0.5)	0.0
ARCHES Hydrogen Hub	0.7	0.6	0.0	(0.0)	(0.6)	(0.7)
National ED Equity Pilot	0.2	0.1	0.0	(0.0)	(0.1)	(0.2)
Subtotal - Systemwide Initiative	**0.9**	**1.5**	**0.0**	**0.6**	**(1.5)**	**(0.8)**
Committed SPF Funds	**14.8**	**17.2**	**3.5**	**2.3**	**(13.7)**	**(11.4)**
Uncommitted SPF Funds	**10.2**	**7.8**	**21.5**	**(2.4)**	**13.8**	**11.4**
Total Strategic Priorities Fund	**25.0**	**24.9**	**25.0**	**(0.1)**	**0.1**	**0.0**

Schedule F-2

Strategic Priorities Fund
Designated/Restricted Funds
Overall UCOP

$ in millions

	Designated	Restricted	FY 26-27 Budget
Systemwide and Core Services			
UCPATH ROADMAP - HOSTING & ENHANCE	2.4	-	2.4
Subtotal - Systemwide and Core Services	**2.4**	**-**	**2.4**
Total Strategic Priorities Fund	**$2.4**	**$0.0**	**$2.4**

Schedule G

UCOP Reserves

$ in millions

UCOP RESERVES	Reserve Target Minimum	Reserve Target Maximum	6/30/25 Actual Reserve	6/30/26 Forecasted Reserve	Variance: 6/30/25 Actual vs 6/30/26 Forecast	6/30/26 Reserve Target Over Max / (Under Min)
Building and Capital Assets Reserves						
Capital Maintenance and Renewal	$ 2.6	$ 7.9	$ 9.0	$ 7.2	$ (1.8)	$ -
UCOP IT Infrastructure	0.4	0.6	0.6	0.6	(0.0)	-
Sub-Total Building and Capital Assets Reserves	**$ 3.0**	**$ 8.5**	**$ 9.6**	**$ 7.8**	**$ (1.8)**	
Program Reserves						
UC National Laboratories						
LANS and LLNS-LLC Post Contract Contingency[1]	27.0	27.0	24.1	26.3	2.2	(0.7)
LANS and LLNS-LLC Fee Contingency[1]	15.0	15.0	12.0	15.7	3.7	0.7
TRIAD Reserve Fund[1]	10.0	10.0	8.8	9.8	1.0	(0.2)
LANL Guest House Renewal & Replacement[1]	TBD	TBD	-	5.6	5.6	-
Capital and Campus Opportunity Fund[1]	25.0	25.0	16.1	23.1	7.0	(1.9)
LBNL Post Contract Contingency[2]	8.5	8.5	7.3	8.2	0.9	(0.3)
LBNL Building Commitment[2]	40.0	40.0	18.8	14.9	(3.9)	(25.1)
LBNL Guest House Renewal & Replacement[2]	1.8	1.8	0.5	0.4	(0.1)	(1.4)
FNCLR Reserve Fund	TBD	TBD	-	5.8	5.8	-
UC National Laboratories Sub-Total	***127.3***	***127.3***	***87.6***	***109.8***	***22.2***	
UC Press	1.8	1.8	1.8	1.8	0.0	-
UC Washington Center (UCDC)[3]	2.9	6.3	5.3	5.4	0.1	-
Sub-Total Program Reserves	**$ 132.0**	**$ 135.4**	**$ 94.7**	**$ 116.9**	**$ 22.2**	
Other Required Reserves						
Housing Loan Program[4]	74.1	95.4	53.6	51.7	(1.9)	(22.4)
Sub-Total Other Required Reserves	**$ 74.1**	**$ 95.4**	**$ 53.6**	**$ 51.7**	**$ (1.9)**	
SUB TOTAL NON-OPERATING AND PROGRAM RESERVES	**$ 209.1**	**$ 239.3**	**$ 157.9**	**$ 176.4**	**$ 18.5**	
Central Operating Reserve[5]	15.0	15.0	15.0	15.0	-	-
TOTAL UCOP RESERVES	**$ 224.1**	**$ 254.3**	**$ 172.9**	**$ 191.4**	**$ 18.5**	

[1] UCNL TRIAD (LANL) and LLNS-LLC reserves and reserve targets are established by the UC Regents.

[2] LBNL reserves targets are established by LBNL and UCNL management.

[3] UCDC reserve includes $5.3M in TRIP.

[4] The Housing Loan Program reserve has been adjusted to reflect a maximum of 4% of outstanding loans, plus $10.1M of reserve balance, set aside for campus supplemental home loans.

[5] Central Operating Reserve is held in the President's Endowment Fund. Per the established Presidential guidelines, the Central Operating Reserve may be supplemented with up to an additional $100M or three months of covered funds from a variety of sources.

Schedule H

UCOP Fund Balances by Fund Type [1, 2, 3]

$ in millions

	6/30/25 Balance	6/30/26 Forecasted Balance	Commitments [3]	Remaining Balance	Change in Fund Balance
UNRESTRICTED					
Unrestricted - UCOP					
Prior years' fund balances	$ -	$ 48.0	$ 34.2	$ 13.8	$ 13.8
Investment Income	50.0	(2.8)		(2.8)	(52.8)
UC General Funds	2.5	2.6		2.6	0.1
Legal Settlements	5.1	1.8	0.2	1.6	(3.5)
Other	15.3	5.0	-	5.0	(10.3)
Sub-Total Unrestricted - UCOP	**$ 72.9**	**$ 54.7**	**$ 34.4**	**$ 20.3**	**$ (52.6)**
Undesignated - Systemwide					
General Obligation Bond Income	$ (1.2)	$ (1.2)		$ (1.2)	$ -
Sub-Total Unrestricted - Systemwide	**$ (1.2)**	**$ (1.2)**	**$ -**	**$ (1.2)**	**$ -**
Sub-Total Unrestricted	**$ 71.7**	**$ 53.5**	**$ 34.4**	**$ 19.1**	**$ (52.6)**
DESIGNATED					
Regents Designated					
DOE Laboratories [4]					
LLC	$ 13.0	$ 12.9	$ -	$ 12.9	$ (0.1)
LBNL	19.7	26.6	-	$ 26.6	6.9
Triad	11.3	20.4	-	$ 20.4	9.1
Lab Fees Research	34.9	14.5	14.5	$ -	(34.9)
Programs and Initiatives					0
UC Healthcare Collaborative	$ 3.8	$ (2.4)	$ -	$ (2.4)	$ (6.2)
California Digital Library	1.8	1.8		1.8	(0.0)
ICAMP	(0.1)	(0.1)		(0.1)	0.0
UC Washington Center	2.2	2.0	-	2.0	(0.2)
Procurement Initiatives	3.0	3.9		3.9	0.9
Other	21.7	0.8	-	0.8	(20.9)
Central Services Designated					-
Endowment cost recovery	$ 16.5	$ 17.7	$ 10.0	$ 7.7	$ (8.8)
Energy and sustainability	1.1	0.9	-	0.9	(0.2)
Other	21.7	23.3	15.0	8.3	(13.4)
Sub-Total Designated	**$ 150.6**	**$ 122.2**	**$ 39.5**	**$ 82.7**	**$ (67.9)**
RESTRICTED					
Federal and Special State Appropriations/Regulations	$ 2.6	$ 3.2	$ -	$ 3.2	$ 0.6
Gifts and Endowments	12.9	$ 16.9	-	16.9	4.0
Sub-Total Restricted	**$ 15.5**	**$ 20.1**	**$ -**	**$ 20.1**	**$ 4.6**
TOTAL BALANCES	**$ 237.8**	**$ 195.9**	**$ 73.9**	**$ 122.0**	**$ (115.8)**

[1] Fund balances are exclusive of Reserve amounts

[2] Systemwide and pass-through fund balances are excluded, such as health and welfare benefits balances, wholesale power program funds, systemwide procurement incentives and patent royalty income

[3] Commitments include $14.8M in fund balances to be used in the FY26-27 budget, $10M for an operating contingency reserve and $9.4M for the UCCS building purchase $14.5M for commitments on the Lab Fees Research grants, $10M for development efforts, $5.9M for UCPath and $9M for campus legal recharges in FY25-26

[4] DOE Laboratories fund balances include DOE fee income from the three UC-run national labs, for lab oversight and building operations.

APPENDIX 2: UC AT A GLANCE

THE UNIVERSITY OF CALIFORNIA AT A GLANCE MARCH 2026

The University of California improves the lives of people in California and around the world through world-class educational opportunities, groundbreaking research, top-rated health care and agricultural expertise. We are driven by values of public service in all we do.

EDUCATION	
Total enrollment	301,098
Undergraduate students	237,616
Graduate students	63,482
Alumni	2.5 M
170 academic disciplines	
900 degree programs	

UC HAS SET A GOAL OF PRODUCING 1.2M GRADUATES BY 2030.

FACULTY AND STAFF	
Faculty	26,300
Other academic (postdocs, etc.)	45,700
Staff	194,800

UC IS THE STATE'S SECOND-LARGEST EMPLOYER.

UNDERGRADUATE SNAPSHOT			
California resident			84.5%
Nonresident			15.5%
Community college transfer			26%
First-generation students			36%
African American			5%
Hispanic/Latino(a)			27%
White			19%
Asian			37%
Graduation rate	4-YEAR	5-YEAR	6-YEAR
ALL STUDENTS	74%	83%	86%
PELL STUDENTS	68%	78%	83%

STUDENT FINANCIAL AID	
Total financial aid	$5.7 B
Federal aid	$1.88 B
› Federal Pell Grants	$602 M
› Undergrads who qualify for Pell Grants	36%
› CA undergrads who qualify for Pell Grants	41%
University aid	$2.17 B
State aid	$1.42 B
Private aid	$231 M
CA undergrads with tuition fully covered	53%
CA undergrads who pay full tuition	32%
CA undergrads without loans at graduation	63%
UC student debt at graduation (avg.)	$17,300

HONORS AND AWARDS	
Nobel Prize winners	74
MacArthur "Genius" grants	102
National Medal of Science winners	66
Breakthrough Prize winners	15
Pulitzer Prize winners	42

EIGHT OF UC'S 10 CAMPUSES ARE MEMBERS OF THE PRESTIGIOUS 71-MEMBER ASSOCIATION OF AMERICAN UNIVERSITIES (AAU), REPRESENTATION NO OTHER STATE SYSTEM CAN MATCH.

STATISTICS DRAWN FROM MOST RECENT DATA AVAILABLE

THE UNIVERSITY OF CALIFORNIA AT A GLANCE MARCH 2026

RESEARCH IMPACT	
Inventions per day (avg.)	4
Inventions disclosed (FY 2024)	1,529
Startups from UC intellectual property/technology (FY 2024)	67
Active US and foreign patents (THRU FY 2024)	14,665

MANY OF CALIFORNIA'S LEADING INDUSTRIES GREW FROM UC RESEARCH, INCLUDING BIOTECHNOLOGY, COMPUTING, SEMICONDUCTORS, TELECOMMUNICATIONS AND AGRICULTURE.

RESEARCH FUNDING	
Research awards	$7.53 B
Federal research awards	$3.84 B
Federal research contracts/grants	6,199

UC IS AWARDED MORE NIH AND NSF FUNDING THAN ANY OTHER INSTITUTION IN THE COUNTRY.

K-12 EDUCATIONAL OUTREACH	
Schools and Departments of Education	9
K-12 school partnerships	2,279
Students reached by UC programs	248,832
Participants who go on to college	72%

UC PLAYS A ROLE IN THE EDUCATION OF MILLIONS OF CALIFORNIA K-12 STUDENTS, WHETHER OR NOT THEY ARE UC-BOUND.

AGRICULTURE AND NATURAL RESOURCES DIVISION	
Counties with UC ANR projects	58
Cooperative Extension advisors and specialists	293
Agricultural experiment station researchers	520
Community volunteers	18,424
Volunteer hours	1,354,023
Educational exchanges with adults and youth	606,560

UC HAS HELPED CALIFORNIA BECOME THE NATION'S TOP AGRICULTURAL STATE WITH FARM REVENUES OF $61.2 BILLION.

ACADEMIC HEALTH CENTERS	
Outpatient visits	12 M
Emergency visits	651,000
Inpatient days	1.6 M
Medicare inpatient days	39%
Medi-Cal inpatient days	35%

UC ACADEMIC HEALTH CENTERS CONDUCT NEARLY 4,900 CLINICAL TRIALS EACH YEAR, SUPPORTING DEVELOPMENT OF NEW DRUGS AND DISEASE TREATMENTS.

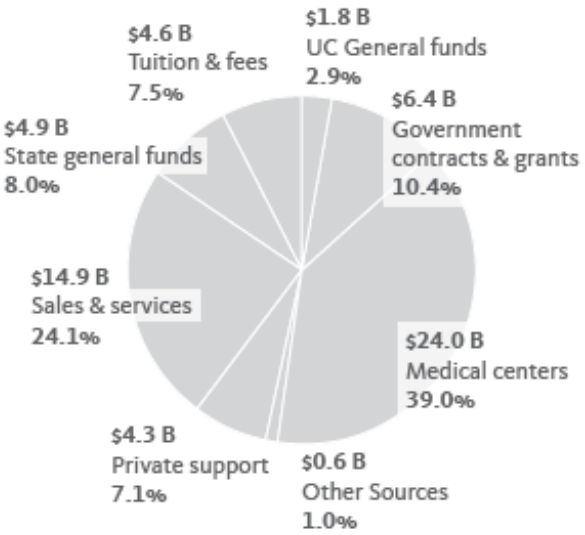
HEALTH PROFESSIONAL INSTRUCTIONAL PROGRAMS	
Health professional schools	21
Health professional students and residents	19,900

69 PERCENT OF UC MEDICAL SCHOOL GRADUATES PRACTICE IN CALIFORNIA — THE HIGHEST IN THE NATION.

ECONOMIC IMPACT	
CA jobs supported by UC operations	529,000 (1 in 45)
Economic impact of UC activities	$82.0 B
Contributions to gross state product	$55.8 B

UC RESEARCH IN NANOTECHNOLOGY, CLEAN ENERGY, NEUROSCIENCE, GENOMICS AND MEDICINE IS HELPING DRIVE THE NEXT WAVE OF CALIFORNIA ECONOMIC GROWTH.

UC REVENUE SOURCES	
2025–26 Operating Budget	$61.5 B



UNIVERSITY OF CALIFORNIA

STATISTICS DRAWN FROM MOST RECENT DATA AVAILABLE

APPENDIX 3: THE FUNCTION OF THE UC OFFICE OF THE PRESIDENT

The University of California Office of the President (UCOP) supports the UC system by providing the leadership to execute the mission cohesively, by incubating, funding, coordinating, and managing systemwide programs and initiatives, and by supporting operations and realizing efficiencies through Systemwide and Core Services.

UCOP's FY26-27 budget of $1.18 billion is approximately 2.2 percent of total UC expenditures of ~$53.5 billion in FY26-27. The budget primarily supports two major areas, Programs, and Initiatives and Systemwide and Core Services, which are described below.

Programs and Initiatives – UCOP manages approximately 30 State & Federal programs and systemwide programs that support the teaching, research, and public service mission of the University. These programs provide thousands of students learning and research opportunities, fund researchers across the state through competitive grant programs, and promote access and diversity through its outreach programs. While UCOP directs these programs, the funding passes through to the campuses and other California-based researchers where they employ scientists, fund research studies, and utilize funding in alignment with the UC mission.

State and Federal Programs: UCOP oversees these programs on behalf of the state or the federal government, and some are required by state legislation. These programs are primarily funded by restricted (~60.0 percent) and designated funds (~40.0 percent). Key examples of state & federal Programs include:

Research Programs
- ✓ ANR
- ✓ Tobacco-Related Diseases (TRDRP)
- ✓ Breast Cancer
- ✓ UC National Laboratories

Outreach & Public Service Programs
- ✓ ANR
- ✓ California Subject Matter Project (CSMP)
- ✓ GearUp
- ✓ Graduate Medical Education

Systemwide Programs: UCOP oversees programs that benefit the state or one or more campuses and are funded on an-ongoing basis. These programs include unrestricted, discretionary (~40.0 percent) and designated funds (~60.0 percent) with a negligible amount of restricted funds.

Key examples of Systemwide Programs include:

Teaching Programs
- ✓ UC Online
- ✓ UC Sacramento Student & Policy Center
- ✓ UC Washington Center

Research Programs
- ✓ California HIV/AIDS Research
- ✓ Multi-campus Research Programs
- ✓ National Lab Research Programs
- ✓ UC Observatories
- ✓ UC Press

Outreach & Public Service Programs
- ✓ HBCU fellowship and summer intern programs
- ✓ Natural Reserve System (NRS)
- ✓ Student Academic Preparation and Educational Partnerships (SAPEP)

Systemwide and Core Services – UCOP performs Systemwide and Core functions on behalf of the University to maximize efficiencies, eliminate redundancies, and reduce risk. Systemwide and Core Services are funded through a combination of fee-for-service, designated, and unrestricted funds. Examples of these services are:

- ✓ Undergraduate/Transfer Admissions
- ✓ Student Aid
- ✓ Academic Personnel and Programs
- ✓ Institutional Research and Academic Planning
- ✓ Knowledge Transfer and Intellectual Property
- ✓ UCPath
- ✓ Employee benefit programs
- ✓ Retirement Center
- ✓ Labor relations
- ✓ Systemwide Office of Civil Rights
- ✓ UC Legal
- ✓ Ethics, Compliance and Audit
- ✓ UC Investments (retirement, endowment funds, etc.)
- ✓ Capital financing and bond issuance
- ✓ Corporate accounting
- ✓ Energy purchases
- ✓ Risk services/insurance
- ✓ Information technology
- ✓ Government Relations

APPENDIX 4: FY26-27 UC PRESIDENTIAL INITIATIVES

UC Presidential Initiatives Detail

There is one UC Presidential Initiative:

	UC Presidential Initiatives	FY25-26 Budget	FY26-27 Budget	Incr / (Decr)[1]
1	UC National Center for Free Speech and Civic Engagement	920,000	920,000	-0-
	Total	**$ 920,000**	**$ 920,000**	**$-0-**

1. Increase/(Decrease) for FY26-27 versus the FY25-26 Budget.

1. **UC National Center for Free Speech and Civic Engagement**
The University of California has long been associated with the Free Speech Movement. The Center, based at University of California, Irvine and University of California Washington Center, is a national leader in advancing open inquiry and dialogue while upholding institutional values. Through its programs, publications, and fellows, it promotes research on the role of free speech and civic engagement in higher education.

   Presidential Initiatives are supported with one-time or time-bound funding. This funding is not intended to support ongoing programs or continue in perpetuity. Future funding for this initiative has been communicated to the Center as: $750,000 in FY 2027–28 and $500,000 in FY 2028–29 from the Strategic Priorities Fund (SPF). This step-down provides ongoing central support for the Center's work, while also providing an opportunity to thoughtfully plan for additional funding sources over time, consistent with the original intent of Presidential Initiatives and SPF support.

APPENDIX 5: KEY TO ACRONYMS

Acronym	Description
ANR	Agriculture and Natural Resources
CDL	California Digital Library
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSA	California State Auditor
CSU	California State University
EBC	Executive Budget Committee
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GO Bond	General Obligation Bond
HBCU	Historically Black Colleges and Universities
HSI	Hispanic Serving Institutions
HR	Human Resources
iCAMP	Integrated Capital Asset Management Program
Incr/(Decr)	Increase/(Decrease)
IT	Information Technology
LANL	Los Alamos National Laboratory
LBNL	Lawrence Berkeley National Laboratory
LLC	Limited Liability Company
LLNL	Lawrence Livermore National Laboratory
NAGPRA	Native American Graves Protection and Repatriation Act
SAPEP	Student Academic Preparation and Academic Partnerships
SPF	Strategic Priorities Fund
TRDRP	Tobacco-Related Disease Research Program
UC	University of California
UCDC	University of California Washington Center
UC Finance	University of California Finance (CFO)
UCGPC	University of California Graduate and Professional Council
UC Investments	University of California, Office of the Chief Investment Officer
UC Legal	University of California, Office of the Chief Counsel
UCNL	University of California National Laboratories
UCOP	University of California Office of the President
UC Operations	University of California, Operations (COO)
UCSA	University of California Student Association