

A low-angle photograph of a modern glass skyscraper, likely a University of California building, reaching towards a clear blue sky. The building's glass facade reflects the sky and surrounding environment. A silver cylindrical object, possibly a light fixture or vent, is visible in the lower right foreground.

UNIVERSITY
OF
CALIFORNIA

Fiscal Year 2021-22 Budget for UC Office of the President

May 12-13, 2021

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

FISCAL YEAR 2021-22 BUDGET FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT (UCOP)

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FY21-22: A YEAR OF RENEWED OPTIMISM

The UC Office of the President's (UCOP) FY21-22 budget benefits from signs of COVID-19 recovery in the coming year.

This FY21-22 budget proposal reflects renewed optimism as the State of California signaled in their January budget proposal, that they will restore direct appropriation funding cuts from FY20-21 to FY19-20's pre-COVID-19 levels. The \$43.2M restoration will impact three direct appropriations - for UCOP, for the UC Agriculture and Natural Resources Division (ANR), and for UCPATH. This funding restoration makes the proposed FY21-22 budget comparable to the FY19-20 budget, and hence FY19-20 budget has been included in the financial schedules for comparison purposes.

UCOP's proposed cost structure is predicated on this revenue restoration and follows Presidential guidance to rationalize existing costs to make way for new priorities, to allow both revenue and expenditure growth where aligned with the UC mission, and to build in some flexibility to address yet unknown issues with Strategic Priorities Funds.

For UCOP, this valuable state unrestricted funding will support investments in technology, finance and information systems, allow UCOP to conform with systemwide compensation programs, and provide the UC President some flexibility to address urgent and emergent issues or to shape new strategies and priorities. UCOP has carefully evaluated all unrestricted funding and priorities which total \$271.4M, which is a \$32.8M increase (13.7%) from FY20-21, and yet remains \$14.6M (5%) below the FY19-20 budget.

UCOP reviewed key services provided to the campuses and other activities funded by designated funds focusing on controlling costs that would impact the campuses. With campus consultation, UCOP is proposing investments in UC Legal, UC Investments and UC Health where resource needs have been constrained for several years. The FY21-22 \$441.3M designated budget is \$26.1M (6%) more than FY20-21, and reflects a moderate inflationary increase of \$13.6M (3%) from FY19-20.

Budget increases in restricted funds were welcomed and not constrained. The growth in this category versus FY20-21 is driven by the anticipation of \$34.0M in increased research grant awards for the State supported Tobacco-related Disease Research Project (TRDRP). Through UCOP, this program grants research awards to UC campuses and other California researchers. Critical enhancements to the UC Pension Administration System (known as "Redwood") also drive increased demands on restricted funds. The FY21-22 \$247.8M restricted budget increases \$39.6M (19%) from FY20-21 and increases \$19.8M (9%) from FY19-20.

This budget item provides an overview of UCOP's function and how it aligns to the UC mission. It will present alternative approaches used to evaluate the budget, and demonstrate where financial resources have been directed to achieve objectives. This year's item includes additional emphasis to show sources and uses of funds by fund type. As per past budget items, details for UCOP's reserves and fund balances are included. Presidential Initiatives are defined with budgets in the appendix. The appendix includes all financial schedules as in prior years, however for this year, FY19-20 is also included for comparison purposes.

ACHIEVING THE MISSION

The University of California is a powerful engine for the State of California, driving \$82 billion in economic output per year, generating \$21 of economic output for each \$1 invested¹ by the state. UC supports the economy as the state's third-largest employer, directly employing about 229,000 full- and part-time faculty and staff and, through external programs, supporting more than half a million jobs in total.

The UC's commitment to excellence in education is deeply rooted in fostering equity, access, and opportunity, serving more than 285,000 students across 10 campuses, including seven prestigious Association of American Universities (AAU) campuses, and five campuses designated as Hispanic Serving Institutions (HSIs). Roughly 40% of undergraduates are the first in their family to attend college, and 37% are from low-income families. While student debt is a national issue, almost 60% of California in-state students have all their tuition and fees covered by financial aid.

The UC drives research and innovation and delivers medical breakthroughs that have local, national, and global impacts. UC averages five inventions every day, and last year alone received over 500 patents, bringing the university's total to over 5,000 active U.S. patents and nearly 6,000 foreign patents. UC Health, recognized for excellence in patient care, teaching and research, recently served the nation and the state supporting COVID-19 testing, clinical trials, and vaccinations across the state. Importantly, UC Health serves Medicare, Medi-Cal and uninsured patients, with a commitment to California's most vulnerable populations.

As the land grant university for California since its founding in 1868, UC's Agriculture and Natural Resources Division (ANR) has a presence in every California county to provide research and education in agriculture, natural resources, and nutrition. ANR also supports community-based programs such as 4-H and nutrition education programs such as the California Expanded Food Nutrition Program in 24 counties and the CalFresh Healthy Living Program in 31 counties.

Note 1: Beacon Economics. *"The University of California Economic, Fiscal and Social Impact Analysis"*, 2021.
<https://beaconecon.com/practice-areas/economic-fiscal-and-social-impact-analysis/>

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 FY21-22 budget of \$960.6M is approximately 2.3% of total UC expenditures of ~\$41.6 billion in FY20-21. The budget primarily supports two major areas, Programs and Initiatives and Systemwide and Core Services which are described below.

Programs and Initiatives – UCOP manages almost 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 largely 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%) and designated funds (~40%).

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%) and designated funds (~60%) with a negligible amount of restricted funds.

Key examples of Systemwide Programs include:

Teaching Programs

- ✓ Innovative Technology Learning Initiative (ILTI)
- ✓ UC Sacramento
- ✓ UC Washington Center

Research Programs

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

Outreach & Public Service Programs

- ✓ HBCU fellowship and summer intern programs
- ✓ Natural Reserve System
- ✓ San Joaquin Valley PRIME Program
- ✓ 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 | ✓ UCPATH | ✓ UC Investments (retirement, endowment funds, etc.) |
| ✓ Student Aid | ✓ Employee benefit programs | ✓ Capital financing and bonding |
| ✓ Academic Personnel and Programs | ✓ Retirement Center | ✓ Corporate accounting |
| ✓ Institutional Research and Academic Planning | ✓ Labor relations | ✓ Energy purchases |
| ✓ Knowledge Transfer and Intellectual Property | ✓ Systemwide Title IX | ✓ Risk services/insurance |
| | ✓ UC Legal | ✓ Information technology |
| | ✓ Ethics, Compliance and Audit | ✓ Government Relations |

FY21-22 BUDGET CLIMATE

Funding Outlook

The economy and the UC system are still recovering from the COVID-19 pandemic and uncertainties regarding funding and on-going impacts to teaching and research remain, therefore UCOP remains conservative in prioritizing and budgeting revenues and expenditures in FY21-22.

Despite the remaining uncertainty, there are many reasons for optimism with UC receiving a record number of admissions applications and the likelihood that students will return to campuses this fall. The State of California's preliminary January budget for the FY21-22 further signaled optimism and support for overall economic recovery and included funding restoration and increases for education. The FY21-22 revised Governor's state budget is expected in mid-May, which occurs subsequent to the development of the UCOP budget proposal.

UCOP and the campuses favor a campus assessment funding stream model; in the event this model is approved for reinstatement for FY21-22, UCOP has committed that the proposed unrestricted fund expenditure plan for FY21-22 would remain the same to ensure campuses are not impacted, and because this budget appropriately addresses FY21-22 priorities.

Given the state's preliminary budget proposal, the UCOP FY21-22 budget assumes a full restoration of the \$43.2M (12.7%) COVID-19-related state funding cuts made in FY20-21, bringing UCOP state direct appropriations back to FY19-20 levels in three separate direct appropriations: UCOP (\$215.2M), Agriculture & Natural Resources (\$72.6M), and UCPath (\$52.4M) for a total of \$340.2M.

While the proposed state funds restoration helps to shore up funding for key activities, unrestricted funding, which makes up over one-quarter of UCOP's budget, remains a significant challenge. Including the proposed restoration, state unrestricted funding has remained flat for five years (since FY17-18). During these five years, one-time unrestricted fund balances have been depleted, funding for the President's Strategic Priorities Fund was cut by a third, cost reductions were made that impacted the campuses, and staffing and other costs were significantly constrained to accommodate contracted increases and limited strategic investments.

Comparison of FY21-22 Budget to FY19-20 Budget due to FY20-21 Pandemic Impacts

Given that the FY20-21 budget contained a significant one-time state funding reduction and other temporary cost reduction measures, FY20-21 budget figures may be less comparable to FY21-22 than FY19-20 which provides a more relevant baseline comparison. For this reason, comparisons to both FY19-20 and FY20-21 are included.

FY21-22 UCOP BUDGET - EXECUTIVE SUMMARY

In developing this budget, UCOP first reviewed alternative revenue scenarios before consideration of expenditure or cost structure. Additionally, the President set the organizational direction to: 1) balance the budget by fund source type, 2) issue 3% savings targets to all divisions to rationalize unrestricted budgets, 3) work with division leaders and campuses to fund key priorities and to enhance valued UCOP services, including fee-for-service and other areas supported on designated funds, 4) evaluate areas that may no longer be priorities or that may need to be de-emphasized in trade-offs, 5) maximize output (both revenues and expenses) for restricted budgets including research grant programs which pay for researchers and programs on campuses, and finally, 6) restore some flexibility by increasing the Strategic

Priorities Fund.

UCOP's total proposed budget for FY21-22 is \$960.6M, which is an \$18.9M (2%) increase over FY19-20 and a \$98.5M increase over FY20-21 (11.4%). Compared to FY19-20, FY21-22 expenditures using unrestricted fund sources remain lower by \$14.6M (5.1%) as campuses increased their share of costs for services conducted or contracted by UCOP (including CENIC, CDL, and UCAppl), but directly benefitting the campuses. It is critical to understand the context and drivers behind the year-over-year changes and the major components of the budget.

Budget Changes – Three-Year Trend

When **compared to the FY19-20 budget**, the FY21-22 budget growth of \$18.9M is due to:

- Investment in UC Legal, UC Investments and UC Health services (\$15.4M, 2%)
- Increase in costs and investments for Finance and UC Operations systems (\$11.7M, 1.3%)
- Growth in restricted research funds received, largely for Tobacco Related Disease Research Program (TRDRP) (\$10.8M, 1.1%)
- Addition of designated and restricted Strategic Priorities Fund (\$8.8M, 0.9%)
- Additional UC Labs and UCPath designated funding and activities (\$6.7M, 0.7%);
- Offset by reductions of \$34.5M or -3.7%, including reductions on unrestricted funding such as loan restructurings for UC Observatories, California Digital Library content costs managed by CDL at UCSD, and CENIC direct costs for high-speed campus connectivity

When **compared to the FY20-21 budget**, which was heavily impacted by COVID-19 related cuts, the \$98.5M FY21-22 budget change is due to three main factors:

- Restoration of both designated and unrestricted direct state appropriations, (\$43.2M, or 44% of the \$98.5M budget increase) supporting costs across UCOP, UCPath and ANR
- Net growth in Programs and Initiatives led by restricted research grant funds in the state-legislated TRDRP (\$31.4M, or 32% of the \$98.6M increase)
- Increased activities on designated funds in Systemwide and Core Services including UC Health Collaborative, UC Legal, and UC Investments (\$18.6M, or 19% of the \$98.6M budget increase)

Budget Funding – Fund Types, Fluctuations, and Flexibility

Approximately 72% of UCOP's funding is either restricted or designated. Given that restricted and designated funding can only be used for their specific, defined purposes aligned to the research, teaching, and public service mission or to provide critical services, 72% of UCOP's funding is either externally restricted or committed to designated purposes and therefore not currently available for discretionary spending.

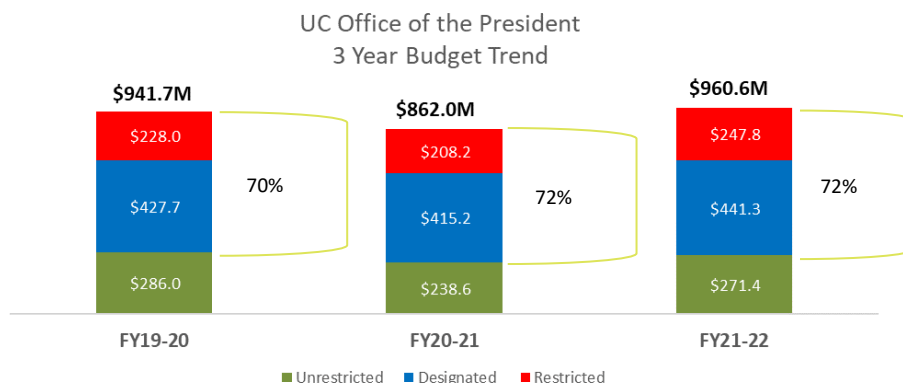
Restricted funds can fluctuate significantly from year to year depending on grant funding available from outside sources, including the state. For example, funding for Tobacco Related Disease Research Programs has gone up and down by millions of dollars from year to year resulting from changes in tobacco tax collections and timing of grant awards.

Designated funds are most affected by changes in designated state appropriations for UC Path and ANR and by changes in campus-sponsored fee-for-service (e.g. UC Legal, UC Health) or self-supporting activities (e.g. UC Investments). Increases in these areas benefit or are in service of the campuses and fee-for-service increases are closely reviewed by the UCOP Executive Budget Committee which includes either senior administrative or academic leaders from each campus.

Only unrestricted funds, which make up 28% of UCOP's budget, come without a pre-defined purpose. However, UCOP's unrestricted funds have been flat for five years and remain fully committed to supporting systemwide Program and Initiatives and critical Systemwide and Core Services.

The unrestricted Strategic Priorities Fund (SPF) is the only funding available to support new Presidential initiatives and urgent and emergent issues, such as systemwide safety reforms, COVID-related expenses, a new patent tracking system, and other technology upgrades. This is the sole fund source over which the President has flexible discretion and is budgeted at \$30M (3.1% of the total budget). However, due to prior year commitments and pre-existing ongoing Presidential Initiatives, only \$9.3M (1% of the total UCOP budget) of the SPF is available for spending at the President's discretion for FY21-22.

Figure 1: UCOP Budget by Fund Type (FY19-20 to FY21-22)



- 72% of UCOP's budget is either restricted or designated and can only be used for defined purposes
- Restricted funds, in red, fluctuate with availability of grant funds
- Designated funds, in blue, are impacted by designated state appropriations and fee-for-service or self-funded services
- Unrestricted funds, in green, are largely from state appropriations and have been flat over five years (with the exception of the COVID-19 related state reduction in FY20-21)

FY21-22 Budget Considerations – Opportunities and Risks

With the anticipated restoration of state direct appropriations, a detailed review of new and shifting priorities, the continuation of the hiring freeze, and targeted cuts in other areas on unrestricted funds, UCOP expects to be able to mitigate impacts to the campuses, fund critical priorities, address contracted increases, align with systemwide salary programs, and restore FY20-21 cuts to the Strategic Priorities Fund.

The UCOP Executive Budget Committee (EBC) played an active role throughout the budget process to provide input regarding campus priorities, evaluate increases in fee-for-service activities, and provide its annual budget recommendation letter to the President.

The primary risks inherent in the FY21-22 budget proposal are:

- The assumption of full restoration of state appropriation funds to FY19-20 levels prior to the approval of the state budget.
- Continued flat unrestricted funding levels which have required UCOP to reallocate and cut costs on unrestricted funds to absorb required increases may no longer be sustainable after many years of cutting, and the organization risks impacts to staffing and service levels provided to the campuses and critical core functions.
- A lack of sufficient one-time funds to fill budget gaps and UCOP's lack of opportunities to generate new unrestricted income continues to create organization risk.
- Unknown on-going or new COVID-19 pandemic-related costs.
- Even with the reinstatement of the SPF to \$30M, the amount of discretionary funding available to the President remains limited at \$9.3M, and this may be particularly challenging in a new administration.

FY21-22 BUDGET DETAIL

The following section provides FY21-22 budget details for sources, uses of funds, and year-over-year changes. In addition, this section shares more information about Special Expense Classification activities, specifically Pass-Through expenditures and Fee-for-Service shared services. Lastly, this section provides an overview of UCOP fund balances and reserves.

FY20-21 to FY21-22 Budget Summary

Figure 2 summarizes and compares the proposed FY21-22 budget with the current budget and the FY19-20 budget and includes fund balances and reserves.

Figure 2: FY20-21 to FY21-22 Budget Summary¹

UCOP Budget Summary (Adapted from CSA Figure 11¹)

Overall UCOP

\$ in millions

\$ in millions

				Variance: Increase/(Decrease)	
	FY19-20 Budget	FY20-21 Budget	FY21-22 Budget	FY21-22 Budget vs FY19-20 Budget	FY21-22 Budget vs FY20-21 Budget
UCOP USES					
Programs and Initiatives	\$ 408.2	\$ 357.1	\$ 392.1	(\$16.1)	\$ 35.0
Systemwide and Core Services	409.8	380.7	432.5	22.7	51.8
Strategic Priorities Fund' Unrestricted	30.0	20.0	30.0	-	10.0
Strategic Priorities Fund' Desig. & Restricted	-	13.5	8.8	8.8	(4.7)
SUBTOTAL USES	\$ 848.0	\$ 771.3	\$ 863.4	\$ 15.4	\$ 92.1
UCPath	93.7	90.8	97.2	3.5	6.4
TOTAL USES	\$ 941.7	\$ 862.0	\$ 960.6	\$ 18.9	\$ 98.5
			% Change:	2.0%	11.4%
			% Change Unrestricted:	-5.1%	13.7%
INCLUDED IN USES ABOVE					
Fee-For-Service	\$ 276.9	\$ 281.0	\$ 310.9	34.0	29.9
Pass-Throughs	364.5	310.9	342.0	(22.5)	31.1
Total Fee-For-Service and Pass-Throughs	\$ 641.4	\$ 591.9	\$ 652.9	\$ 11.5	\$ 61.1

CENTRAL OPERATING RESERVE² \$ 15.0

NON-OPERATING AND PROGRAM RESERVES³ \$ 114.1

	6/30/21 Balance	Commitments	Remaining Balance
FORECASTED FUND BALANCES NET OF RESERVES³			
Unrestricted	\$ 18.6	\$ 14.8	\$ 3.8
Designated	68.0	29.3	38.7
Restricted	3.9	-	3.9
Total Forecasted Fund Balances Net of Reserves	\$ 90.5	\$ 44.1	\$ 46.4

¹ Figure 11 in CSA Report 2016-130 issued April 25, 2017.

² Held in President's Endowment Fund

³ Reserves and Fund Balances provided are projections at June 30, 2021

The FY21-22 UCOP Budget Categories

UCOP organizes its budget according to three different categories defined below.

Sources of Funds	Uses of Funds	Special Expense Classifications
<ul style="list-style-type: none"> Unrestricted Designated Restricted 	<ul style="list-style-type: none"> Programs and Initiatives Systemwide and Core Services UCPath Strategic Priorities Funds <ul style="list-style-type: none"> Unrestricted Designated/Restricted 	<ul style="list-style-type: none"> Pass-Through Fee-for-Service

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, managed by Academic Affairs.

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 3.

Figure 3: FY21-22 Budget Summary by Category

\$ millions

Sources of Funds	FY21-22 Budget	% of Total
Unrestricted	\$ 273.1	27.9%
Designated	\$ 458.8	46.8%
Restricted	\$ 247.8	25.3%
Total Sources	\$ 979.7	100.0%
Uses of Funds		
Programs and Initiatives	\$ 392.1	40.8%
Systemwide and Core Services	\$ 432.5	45.0%
UCPath	\$ 97.2	10.1%
Strategic Priorities Funds	\$ 38.8	4.0%
Total Uses	\$ 960.6	100.0%
Special Expense Classification		
Pass-Throughs	342.0	35.6%
Fee-For-Service	310.9	32.4%
Total Special Expense Classification	652.9	68.0%
Budget Net of Expense Classification	\$ 307.7	32.0%

72% of the sources of funds are designated for specific programs and services or restricted for use by a third party.

41% of the uses of funds are dedicated to ~30 programs managed by UCOP on behalf of the State, Federal Government, Regents and the UC system.

32% is the remaining UCOP budget net of dollars passed through UCOP to recipients across the state and fee-for-service activities.

Key Budget Drivers

The FY21-22 budget of \$960.6M is higher than FY20-21 by \$98.5M. Key drivers for the change from the FY20-21 to FY21-22 budget include:

- Growth in State / Federal Programs driven by restricted grant funding in TRDRP (\$33.9M)
- Anticipated restoration of unrestricted state appropriations (\$27.3M)
- Campus support for services in UC Health Collaborative, UC Legal, and UC Investments (\$18.6M)
- Anticipated restoration of designated state direct appropriations for ANR and UCPath (\$15.9M)

While fund restoration, growth in grant funding, and increased funding for Systemwide and Core Services are important steps to address some immediate priorities, UCOP continues to practice financial discipline and budget conservatively. UCOP has controlled growth in light of the current uncertain environment. Many FY20-21 savings initiatives continue into FY21-22 including:

- Targeted 3% operating expense reductions on unrestricted funds
- Extended hiring freeze through the full FY21-22 fiscal year
- Reduced travel budgets which are approximately half of pre-COVID-19 FY19-20 levels
- Support costs offset for ApplyUC with revenues from UC applications, and
- Redirection of CENIC (a systemwide high-capacity computing internet service) and UCOP's contribution to systemwide library content purchases to campus fee-based services

For FY21-22, UCOP expenditure increases are driven by:

- Higher distribution of grant awards for Tobacco-Related Diseases Research and Lab Fees Research awards
- Higher service levels in Systemwide and Core Services in UC Legal, UC Health and UC Investments
- Restoration of the unrestricted Strategic Priorities Fund to the intended \$30M
- Increased costs related to contracts, leases, systems licenses and other infrastructure
- Required improvements to the retirement benefits administration system and stabilization of new Oracle finance and budget systems
- Required UCPath efforts to implement deferred PeopleSoft software updates

Budget Requests, Reduced or Not Funded

Annually, divisions submit budget augmentation requests for new or continuing activities. During this budget cycle, UCOP rejected, reduced or required divisions' budgets to absorb approximately \$19M to balance the budget. The compromises were made across all divisions, and some of the items not funded included:

- UC Legal's increase for outside counsel, funded by the campuses, was reduced by half
- Reduction to iCAMP (Integrated Capital Asset Management Program) to more accurately true-up activities in the planned year
- A portion of requested financial resource increases to support new financial systems and processes including Accounts Payable
- An increase to UCOP's baseline cybersecurity contract which supports all campuses
- Systems projects to develop a data center and a labor relations contracting database
- New position funding requests in Academic Affairs, UC Operations and UC Legal
- A request to fund the *Student-pay UCPath project* from unrestricted SPF. Instead campuses requested to fund this item using designated SPF dollars

FY21-22 Budget: Key Takeaways

Budget Summary

1. The UCOP proposed **\$960.6M** budget is a **\$98.5M (11.4%) increase** compared to FY20-21, and an **\$18.9M (2%) increase** compared to FY19-20 which is more comparable from a state direct appropriation funding view.
2. **\$706.6M or 72.1%** of the budget is in restricted and designated activities.
3. The budget is **\$307.7M (32.0% of total budget)** when pass-through and fee-for-service activities are excluded.
4. **Key drivers** of increases include: restored funding from the state, restricted grant funding growth, and growth in services in UC Health, UC Legal, and UC Investments.

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

1. The FY21-22 budget for Programs and Initiatives (P&I) is **\$392.1M (40.8%)** of the UCOP total budget.
2. **\$342.0M (35.6% of total budget)** is **pass-through** funding; these funds are distributed to 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 **\$289.6M** of the P&I budget; Agriculture and Natural Resources (ANR) and the Tobacco-related Disease Research Program (TRDRP) comprise **\$254.0M** of that total.
4. Program support for FY21-22 is **\$35.0M (9.8%)** higher, rebounding from COVID-19 impacts.

Systemwide and Core Services and UCPath (Schedule D)

1. The FY21-22 budget for Systemwide and Core Services is **\$432.5M (45.0%)** of the UCOP total budget across designated and unrestricted funds.
2. **Fee-for-service** activities are primarily in the Systemwide and Core Services budget and total **\$310.9M (32.4% of total budget)**.
3. The Systemwide and Core Services budget **supports critical services in finance, human resources, compliance, legal, health, communications, government relations and others**; this budget is \$52M (14%) higher than FY20-21; increases are driven primarily by higher operating costs, systems projects for the retirement system, and service increases to UC Legal, UC Investments and UC Health.
4. The **UCPath operations budget** of \$97.2M is up from \$90.8M in FY20-21 or 7.0% due to deferred software updates and staffing level targets.

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

1. The Unrestricted Strategic Priorities Fund is restored to **\$30M**, allowing the President \$9.3M in discretionary funds for new priorities and initiatives and urgent / emergent issues.
2. The **Designated/Restricted Strategic Priorities Fund** includes \$8.8M in projects including the retirement system, ICAMP and UCPath.

Fund Balances and Reserves (Schedules G, H)

1. Unrestricted fund balances are forecasted to be **\$3.8M**, an **85%** reduction from the current year.
2. Designated fund balances are primarily held by **UCNL (81% of total fund balances)** from lab fees collected from managing multi-billion-dollar federal lab contracts. UCNL presents these balances annually to the Regents each July.
3. Forecasted year-end **reserve balances are \$122.7M**. The majority of the reserves support multi-billion-dollar systemwide national lab contracts and the housing loan program.

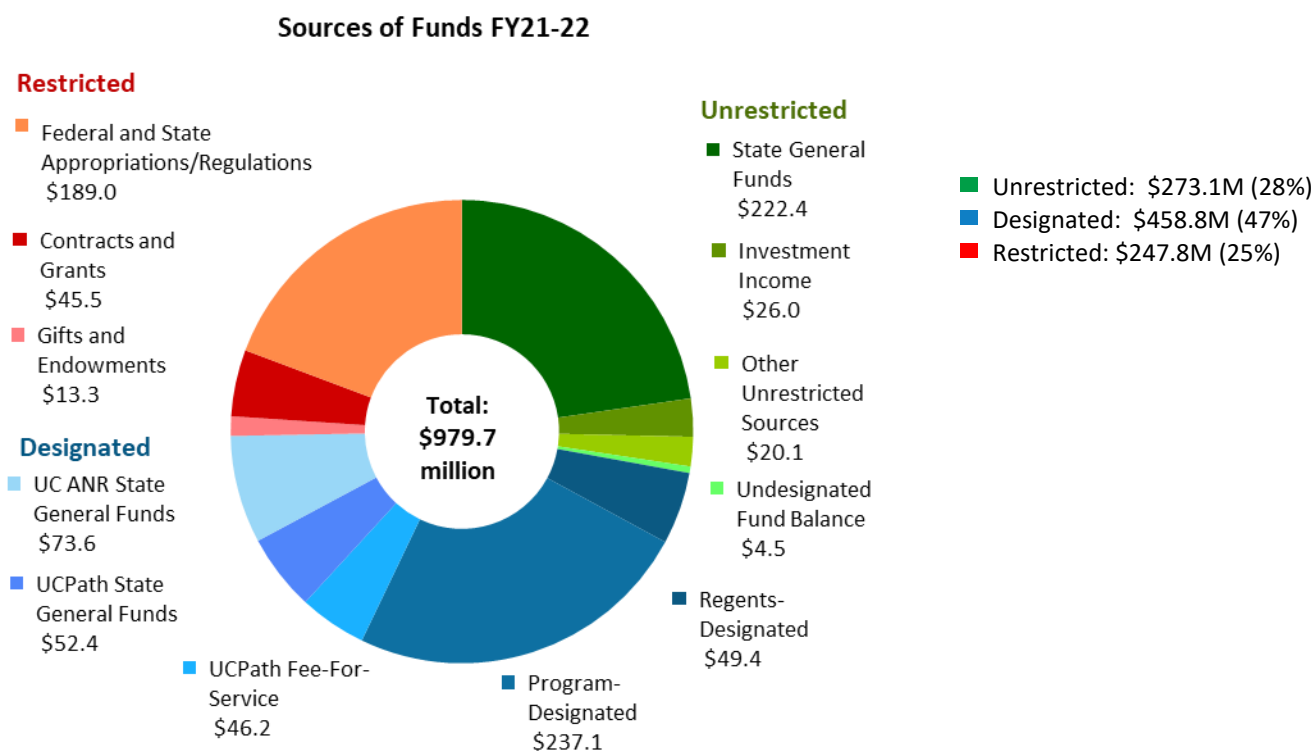
FY21-22 UCOP BUDGET

UCOP's total proposed budget for FY21-22 is \$960.6M. The following sections describe the sources and uses, which are also detailed in **Schedules A-E**. The section also includes details on the various categories of the budget: Programs and Initiatives, Systemwide and Core Services, UCPATH and the Strategic Priorities fund. In addition, there is a walk-through of the Pass-Through and Fee-for-Service designations. Finally, a summary of uses by fund type is included.

Source of Funds

In FY21-22, UCOP's budget provides sources totaling \$979.7M which are detailed in the attached **Schedule A**. As shown in Figure 4 below, **72% of fund sources are either restricted or designated**. The UCOP budget proposal plans for restoration of the FY20-21 state budget reductions of \$43.2M, or 12.7% of FY19-20 budget levels. The three UCOP appropriations (for UCOP, UCPATH, and ANR) will increase to \$340.2M. The three state general funds appropriations comprise 35% of UCOP budgeted sources of funds.

Figure 4: Source of Funds



¹ Unrestricted state general funds include \$215.2 in direct appropriation, as well as state funds appropriated for faculty diversity and UC's capital program. \$4.5M in Undesignated fund balances are also included in the Unrestricted sources.

Due to timing of sources and uses, the net margin reflects a surplus of \$19.1M for FY21-22. 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 5 below shows the source changes between FY20-21 and FY21-22 by fund type.

Figure 5: Change in Source of Funds

\$ millions

Fund Type				Variance	
				FY21-22 vs FY20-21	
	FY19-20 Budget	FY20-21 Budget	FY21-22 Budget	\$ Incr/(Decr)	% Incr/(Decr)
Unrestricted	\$ 286.0	\$ 238.6	\$ 273.1	\$ 34.5	12.6%
Designated	\$ 427.7	\$ 421.5	\$ 458.8	\$ 37.3	8.1%
Restricted	\$ 228.0	\$ 208.5	\$ 247.8	\$ 39.3	15.9%
Total	\$ 941.7	\$ 868.7	\$ 979.7	\$ 111.0	11.3%

- Increase on unrestricted funds from restored state appropriations cut in FY20-21
- Increase on designated funds driven by ANR and UCPATH state appropriation restorations and fee-for-service activities
- Restricted funds increase from state tobacco revenues

Use of Funds

The FY21-22 budgeted use of funds is \$960.6M. Programs and Initiatives and Systemwide and Core Services combined make up 86% of the budget. UCPATH represents 10% of the budget, and the Strategic Priorities Funds comprise approximately 4% of the budget. Figure 6 provides an overview of UCOP uses by functional area.

Figure 6: Use of Funds

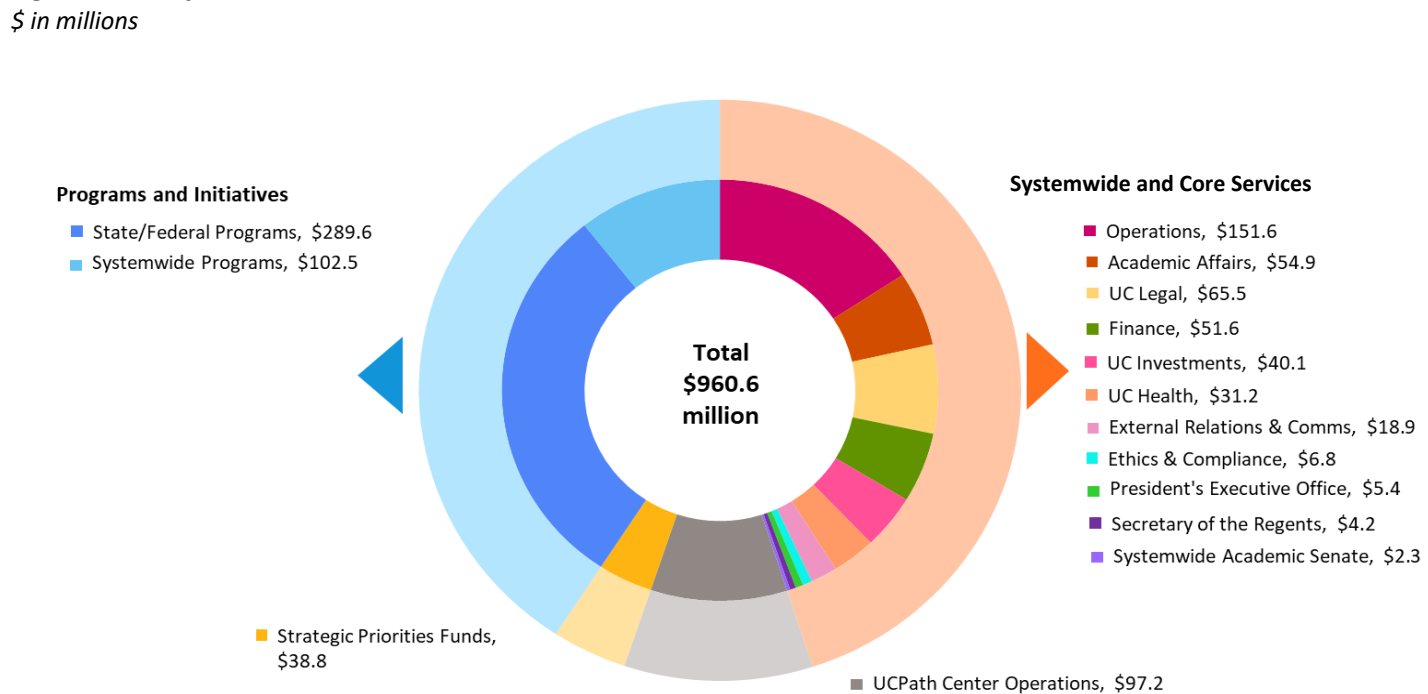


Figure 7 below outlines the changes in the budget by functional area. Additional detail on the Uses of Funds, including budgets, forecasts and variances are included in the section below and **Schedules A-E**.

Figure 7: Change in Uses of Funds

Functional Area	Variance					
				FY21-22 vs FY20-21		
	FY19-20 Budget	FY20-21 Budget	FY21-22 Budget	\$	%	
Programs and Initiatives	\$ 408.2	\$ 357.1	\$ 392.1	\$ 35.0	9.8%	
Systemwide and Cores Services	409.8	380.7	\$ 432.5	\$ 51.8	13.6%	
UCPath	93.7	90.8	\$ 97.2	\$ 6.4	7.0%	
Strategic Priorities Fund, Unrestricted	30.0	20.0	\$ 30.0	\$ 10.0	50.0%	
Strategic Priorities Fund, Desig. & Restricted	-	13.5	8.8	\$ 4.7	34.7%	
Total	\$ 941.7	\$ 862.0	\$ 960.6	\$ 107.9	12.5%	
excl. UCPath	\$ 848.0	\$ 771.3	\$ 863.4	\$ 92.1	11.9%	

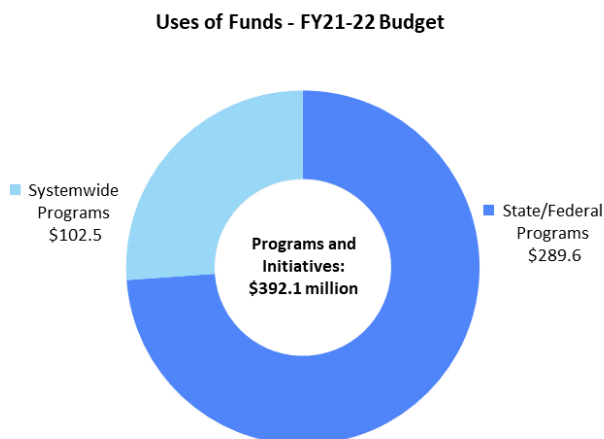
The total budget has increased by \$92.1M, or 11.9% excluding UCPath

Programs and Initiatives

The proposed FY21-22 Programs and Initiatives budget is \$392.1M, or 40.8% of the budget. Figure 8 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 8: 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 many other statewide recipients, e.g., SAPEP, UCPress, UC research and astronomy programs.

Variances for the current year and comparison to the FY21-22 budget are in **Schedule C**.

Figure 9 below details the Pass-through funds, virtually all of which are in the Programs and Initiatives portion of the budget. 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**). The majority of pass-through funds are distributed by the Academic Affairs division for research, diversity programs, online learning initiatives, undocumented students and more.

Figure 9: Pass-through Funds Programs

\$ in millions

	FY19-20 Budget	FY20-21 Budget	FY21-22 Budget
Pass-Throughs			
Agriculture & Natural Resources	\$ 173.2	\$ 162.3	\$ 162.3
Research Grant Programs	\$ 93.2	\$ 70.6	\$ 101.5
UC Observatories	\$ 22.2	\$ 16.1	\$ 16.2
National Laboratory Programs	\$ 14.0	\$ 9.8	\$ 14.4
Public Service Programs	\$ 11.6	\$ 9.3	\$ 11.7
UC Research Initiative	\$ 9.7	\$ 7.4	\$ 7.4
Diversity Initiatives	\$ 5.0	\$ 6.2	\$ 6.7
Online Education Initiatives	\$ 4.0	\$ 4.3	\$ 0.8
Public Service & Law Fellowship	\$ 5.2	\$ 4.2	\$ 3.0
Other Academic Pass-Throughs	\$ 2.5	\$ 4.2	\$ 5.4
iCAMP	\$ -	\$ 3.5	\$ 0.5
Undocumented Students	\$ 2.2	\$ 2.2	\$ 2.2
UC Health Initiatives	\$ 1.9	\$ 2.0	\$ 3.2
UC-Mexico Programs	\$ -	\$ 2.0	\$ -
UC Libraries	\$ 11.8	\$ 0.3	\$ 0.7
All Others	\$ 8.1	\$ 6.7	\$ 6.0
Total Pass-Throughs	\$ 364.5	\$ 310.9	\$ 342.0
	Year-Over-Year Increase \$		\$ 31.1
	Year-Over-Year Increase %		10.0%

- The top two pass-through programs account for **77%** of the total
- Research grant programs are higher primarily due to a funding cycle delay resulting from the pandemic
- UC Observatories reduction results from loan restructuring savings
- UC-Mexico program funding was moved out of UCOP's budget to the UC Riverside campus budget
- The change to UC Libraries reflects CDL content purchases coordinated by UCSD

For FY21-22, the pass-through funds increased \$31.1M (10.0%). Of the total,

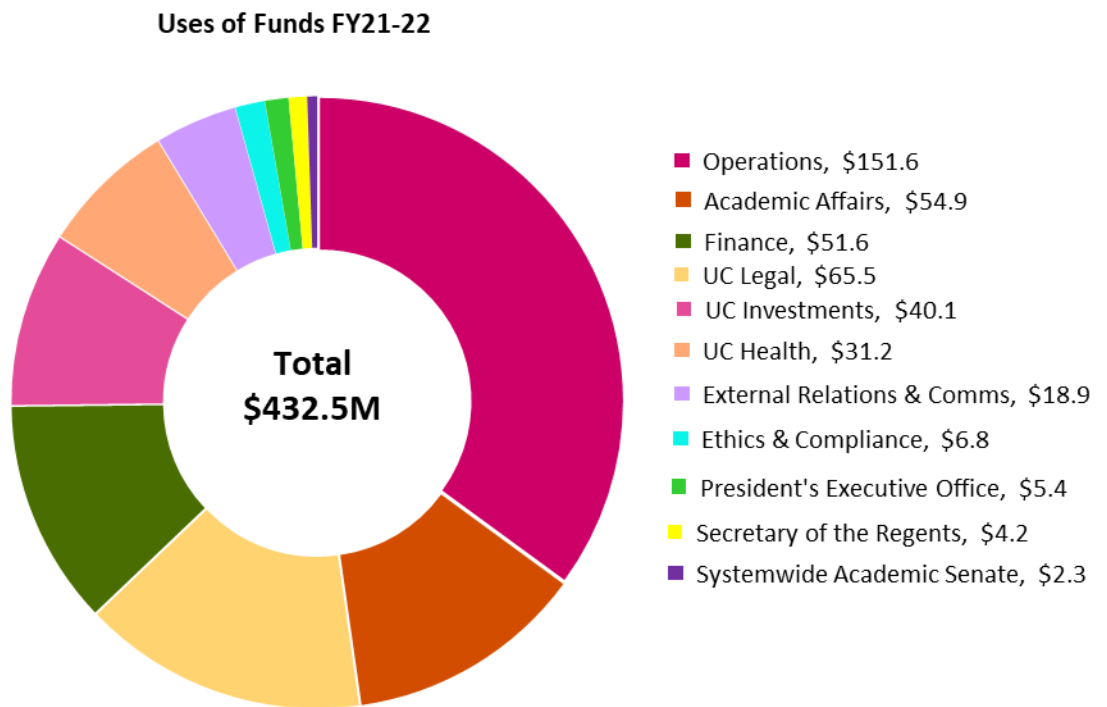
- \$34M is an increase in grant payments for the Tobacco Disease Research program.
- \$4.6M is an increase due to the Lab Fees Research Program biannual grant competition.
- An approximately \$3M reduction is due to lower anticipated revenues for the California Breast Cancer Research Program, and another \$3M reduction is related to the iCAMP program advancing to the *Infrastructure and Inventory Assessment* phase of the project.

The funding for CDL content will be covered in FY21-22 by UCOP relieving the campuses of this expense for another year, and UCOP TRIP funds will be used for this purpose.

Systemwide and Core Services

Systemwide and Core Services, including UCPath, make up \$529.7M or 55.1% of the total budget. Figure 10 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 a third of this budget, provides systemwide HR, benefits and retirement management, technology services, energy programs, strategic planning, and internal UCOP operations.

Figure 10: Systemwide and Core Services
\$ in millions



Projected variances for the current year and a comparison to the FY21-22 budget are shown on **Schedule D**. The majority of UCOP Fee-for-Service activities, shown in Figure 11 below, are contained within the Systemwide and Core Services budget.

Figure 11: Fee-for-Service Activities

\$ in millions

	FY19-20 Budget	FY20-21 Budget	FY21-22 Budget
Fee-for-Service			
UCPath	\$ 93.7	\$ 94.5	\$ 98.6
Office of the General Counsel	\$ 45.4	\$ 44.7	\$ 51.7
Investments & Asset Management	\$ 37.6	\$ 39.7	\$ 46.4
UC Retirement System	\$ 29.4	\$ 34.9	\$ 43.1
Employee Benefits Administration	\$ 27.7	\$ 27.2	\$ 29.7
UC Health Collaborative	\$ 20.2	\$ 17.8	\$ 22.5
Risk Management	\$ 6.9	\$ 6.7	\$ 7.2
Information Technology Services	\$ 6.2	\$ 4.6	\$ 0.9
Bond Management	\$ 3.4	\$ 3.0	\$ 3.8
Patent Royalty Administration	\$ 2.7	\$ 2.4	\$ 2.5
UC Mortgage Origination Plan	\$ 2.1	\$ 2.2	\$ 2.3
Other Services	\$ 1.6	\$ 3.3	\$ 2.3
Total Fee-for-Service	\$ 276.9	\$ 281.0	\$ 310.9
Year over Year Increase \$			29.9
Year over Year Increase %			10.7%

- The top six fee-for-service activities account for **93% of the total**.
- UC Retirement System is higher as work on the pension system project converts from 3rd party to in-house technical support and there will be expense overlap during the transition phase.
- UCPath Operations is higher due to deferred software updates and staffing level targets

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. UC Legal fees fund third-party legal costs that UC Legal coordinates on behalf of the campuses. UCOP also manages investment, systemwide retirement and employee benefit programs.

UCPath

UCPath, operational systemwide, has transformed many human resource processes across the university. It has centralized and standardized human resources, payroll benefits, general ledger, work force administration and academic processes. It now services over 230,000 employees.

For FY21-22, the UCPath operating budget is \$97.2M, up 7.9% from \$90.1M in FY20-21. Cost increases result from year one interest payments on project loans as well as increases to support software updates and system enhancements. The budget includes \$52.4M in direct state appropriations, which reflects restoration of the 12.7% reduction in FY20-21. Consistent with past practice, UCPath will fund \$44.8M from a W-2 fee-for-service campus allocation model.

In order to mitigate cost increases that the campuses would have expected to incur in FY21-22, UCPath leadership restructured the loan in FY20-21 to defer project C3 loan principle repayments for two years, requiring interest only in FY21-22 and FY22-23. This effort saves approximately \$18M each year for the next two years, however loan payments increase in future years due to the two-year deferral of payments on the principal balance.

Work will continue in FY21-22 to enhance this critical system and supporting processes including efforts to integrate with a systemwide common chart of accounts, and to implement deferred software updates now that all locations are live.

Two critical one-time projects, shown in the Designated SPF (see **Schedule F-2**) include:

- A \$1.2M project to complete a campus requested student pay pilot project. This project will pilot biweekly pay for (1) quarter-based and (1) semester-based campus to assess viability of further rollout to all locations. A goal is to enable improved automation allowing more timely, flexible and less complex payment cycles for student employees on campuses.
- A \$0.2M one-time project cost to support PeopleSoft

Unrestricted Strategic Priorities Fund (SPF)

The SPF was created in FY17-18 at \$30M to fund emergent and urgent priorities, Presidential initiatives, and key projects requiring one-time funding. Many SFP priorities and projects span two or more years, meaning that a portion of the \$30M budget is already committed at the start of the fiscal year to priorities started in the previous fiscal year. The remaining uncommitted portion allows the President to fund new priorities and projects throughout the year.

This budget proposal restores the unrestricted SPF from \$20M to \$30M which is the original level approved by the Regents. **Schedule F-1** details the projected FY20-21 forecast and FY21-22 known commitments of approximately \$20.7M, which include:

- On-going support for undocumented students
- Programs that support the academic mission, students, and researchers

- Bridge funding for new student association initiatives
- Several IT projects to improve technology and software systems (HR, finance, and others)
- Systemwide Integrated Library System Initiative
- Presidential initiatives, described in further detail in Appendix 2

The \$30M SPF currently includes \$9.3M in uncommitted funds. These funds, while limited, remain at the discretion of the President and may be used to set new strategic direction for the university. However, these uncommitted funds also are used for unforeseen requirements, such as systemwide safety reforms, COVID-related expenses and technology upgrades, which can further limit the flexibility of the President.

Designated and Restricted Strategic Priorities Fund (SPF)

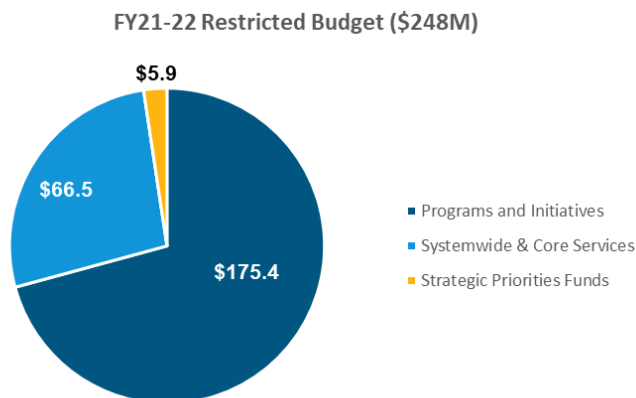
In addition to the unrestricted SPF, one-time designated and restricted projects can be funded with the Designated and Restricted SPF. This approach continues to provide transparency to short-term projects funded on designated or restricted funds so they may be accounted for separately from annual departmental operating budgets.

Schedule F-2 shows the planned projects to be funded by this SPF totaling \$8.8M. These projects appropriately utilize designated and restricted funds and although they increase the overall size of the UCOP budget, they do not have the same flexibility as unrestricted funds. This year, major projects include further improvements to the retirement administration system and processes, iCAMP which addresses facility and infrastructure needs through lifecycle management across all campuses, and the previously mentioned Student-Pay project for UCPATH. All requests were reviewed by the Executive Budget Committee, UCOP leadership, and the President and only critical projects are budgeted.

Use of Funds by Fund Type

Figure 12: FY21-22 Restricted Fund Uses

61% of restricted funds primarily support two large State and Federal programs, ANR and TRDRP. Restricted funds also support the UC retirement administration and systems, including one-time funds in the restricted SPF to stabilize and enhance the retirement administration system (the Redwood project).



Programs and Initiatives, \$175.4M:

- \$173.5M of this total is from state / federal Programs with ANR and TRDRP accounting for \$65.3M and \$87.0M, respectively

Systemwide Services, \$66.5M:

- \$49.5M of this total is in Systemwide Human Resources associated with management of UC's systemwide retirement program

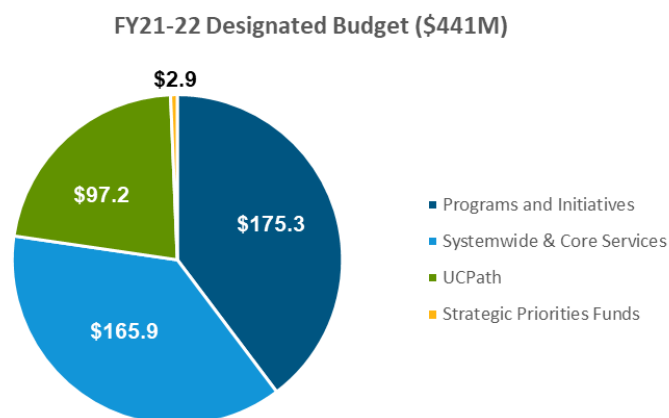
Strategic Priorities Fund, \$5.9M:

- Required enhancements to the Retirement Benefits Administration system are funded by the retirement program funds

FY21-22 Designated funds total \$441.3M. 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 FY21-22, Designated funds increase by \$28.2M from FY20-21. The change is driven by increases in ANR and UCPATH, which combined include \$15.9M in restored direct appropriations. Increases in Systemwide and Core Services or fee-for-service activities (which were reviewed with and supported by the Executive Budget Committee) including UC Legal, UC Investments, and UC Health.

Figure 13: FY21-22 Designated Fund Uses



Programs and Initiatives, \$175.3M (40%):

- \$115.2M of the total is in state / federal programs including ANR \$101.5M and UC National Labs \$8.6M
- \$60.2M of the total is in Systemwide programs: UC Press \$20.9M, Lab Fees Research Program \$15.2M, CA HIV/Aids Research Program \$8.3M

Systemwide and Core Services, \$165.9M (38%):

- UC Legal \$54.2M, Risk Services \$8.6M, UC Investments \$40.1M, UC Health \$24.7M

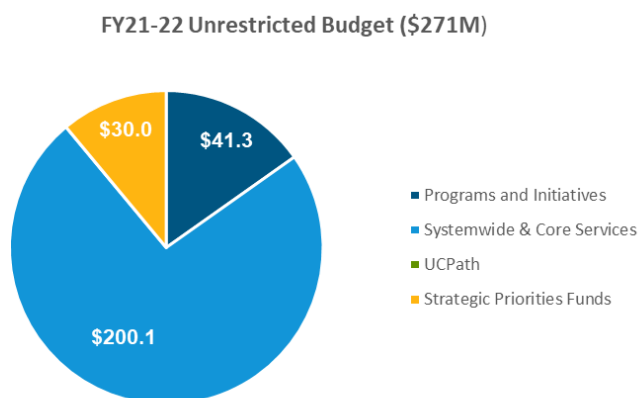
UCPATH, \$97.2M (22%)

Strategic Priorities Fund, \$2.9M: (1%)

- \$2.9M includes UCPATH's implementation of student-pay \$1.2M and iCAMP \$1.5M

Figure 14: FY21-22 Unrestricted Fund Uses

The FY21-22 budget includes total unrestricted funds of \$271.4M, including \$27.3M state appropriation restoration. 74% of these funds go toward Systemwide and Core Services to provide services across the system, gain efficiencies and reduce redundancies. The FY21-22 budget proposal shows a \$13M reduction as compared to FY19-20, even with equivalent state direct appropriations. This decrease is mainly due to the shift of CENIC and CDL expenses to the campuses where these services are used, to the introduction of application fees to manage the ApplyUC system, and the depletion of one-time unrestricted fund balances used for operations. Detailed expenditures by fund type are provided in the Regents Schedule C-1 and D-1 in the appendix.



Systemwide and Core Services, \$200.1M (74%):

- External Relations & Communications \$12.6M, Finance \$28.5M, UC Operations \$84.6M (including IT, Systemwide Human Resources), UC Legal \$10.4M, and Other (President's Executive Office, Secretary of the Regents, and more)

Programs and Initiatives, \$41.3M (15%):

- Funding supports research and teaching: UC Observatories, \$7.5M; Multi-campus Research Program Initiative \$8.3M, UC Washington \$1.5M
- And also supports public service: SAPEP \$5.7M, HBCUs \$4M

Strategic Priorities Fund, \$30.0M (11%)

RESERVES

UCOP reserves are funds intentionally allocated and accrued from fund sources 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 completed a comprehensive review of best practices and peer benchmarking and established target funding levels for all reserves. The largest UCOP reserves, for the National Labs 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 maintained separately from operating funds in order 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 \$15M or at least 3.5% 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 fiscal year close. At the time the budget is presented, the fiscal year is not yet finalized, and therefore reserve balances are forecasted. Figure 15 below projects a total reserve balance of \$129.1M as of June 30, 2021. Details are in **Schedule G**.

Figure 15 – UCOP Reserve Balances

\$ in millions

	Reserve Target Minimum	Reserve Target Maximum	6/30/21 Forecasted Reserve	Variance: 6/30/21 Reserve Over Max / (Under Min)
UCOP RESERVES				
Building and Capital Assets Reserves ¹	\$ 3.0	\$ 8.5	\$ 1.3	\$ (1.7)
Program Reserves ²	65.9	83.3	60.7	(5.2)
Other Required Reserves	49.9	64.5	52.0	
Sub-Total Program and Non-Operating Reserves	\$ 118.8	\$ 156.3	\$ 114.1	
Central Operating Reserve	15.0	15.0	15.0	-
TOTAL UCOP RESERVES³	\$ 133.8	\$ 171.3	\$ 129.1	

¹ The Capital Maintenance and Renewal reserve is under the target minimum currently due to significant capital expenditures in FY20-21 on the Oakland consolidation program. These reserves will be built back to the target range over the next three years.

² Program Reserves are currently under the minimum due to two new UCNL reserves, increasing over the next 2 to 9 years to the target amount. FY20-21 approved spend plan here: <https://regents.universityofcalifornia.edu/regmeet/july20/n1.pdf>

³ See Schedule G for additional details.

Individual reserves mainly fall within the established target funding range minimum of \$133.8M and maximum of \$171.3M, except where noted above. The Housing Loan program reserve requirement has been increased to accurately reflect a 3.5% maximum reserve target on the overall size of the loan portfolio of approximately \$1.5 billion. The Regents determined in [January 2012](#) that the program is required to maintain a 3.5% maximum reserve target. Given the current economic uncertainty, and need to accommodate requests for loan forbearance, the Office of Loan Programs recommended to management increasing the maximum target to 4.0%, with a resulting target maximum of \$64.5M. The forecasted reserve is below that maximum.

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 FY21-22 budget, UCOP analyzed actual fund balances as of March 31, 2021 and then forecasted fund balances for June 30, 2021. UCOP also reviewed known commitments identified for next year. Restricted or designated fund balances may only be used for their defined purpose.

Figure 16 shows a breakdown of fund balance by fund type, forecasted as of June 30, 2021. Overall, fund balances are projected to decrease by \$54.5M or 54% compared to last year, the largest reduction (85%) taking place in the unrestricted funds.

Figure 16: UCOP Fund Balances

\$ millions

	6/30/20						
	6/30/19 Balance	Forecasted Balance	Commitments	Remaining Balance	Change in Fund Balance		% Change
Unrestricted	\$ 25.9	\$ 18.6	\$ 14.8	\$ 3.8	\$ (22.1)		-85%
Designated	65.4	68.0	29.3	38.7	(26.7)		-41%
Restricted	9.6	3.9	-	3.9	(5.7)		-60%
Total Fund Balance	\$ 100.9	\$ 90.5	\$ 44.1	\$ 46.4	\$ (54.5)		-54%

Unrestricted Fund Balances afford the most flexibility for use. Unrestricted balances total \$3.8M or 5% of the total remaining fund balance. Historically, UCOP relied on these balances to address emergent priorities, but this practice was replaced in FY18-19 with the establishment of the Strategic Priorities Fund. Some of the key causes of the change in unrestricted fund balances include:

- \$7.8M committed to campus-specific seismic work, interest on commercial loans and systems replacements
- \$4.5M committed for the FY21-22 UCOP Strategic Priorities Fund
- \$3.3M due to lower than anticipated short-term investment earnings
- \$2.5M in general funds used to offset lower current year investment income

At this time, given that only \$3.8M remains in the forecasted balance, and this is based on a projection of year-end balances, UCOP is not recommending a reallocation of this fund balance. Balances will be reviewed by UCOP after the June 30, 2021 fiscal close and reported in the FY20-21 Budget-to-Actuals item presented at the November 2021 Regents Meeting.

Designated Funds Balances total \$38.7M or 83% of the forecasted remaining fund balance. A designated balance is considered committed by the Regents or UCOP for an intended purpose. The largest balance, \$34.5M, or 74% of total fund balances, is Regents-designated for the management of the UC National Laboratories and the Lab Fees Research Program. The Office of National Labs provides a spending and reserves plan to the Regents each July for approval.

Designated fund balances also include balances for self-funded programs. The causes of change are due to:

- \$14.7M decrease in the Lab Fees Research program to fund campus research opportunities
- \$7.2M decrease in endowment cost recovery funds planned for campus development work
- \$3.4M decrease in iCAMP capital asset planning funding for work to be done through FY21-22

Restricted Fund Balances by definition, 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 represent 5% of the forecasted remaining fund balance.

EXECUTIVE BUDGET COMMITTEE RECOMMENDATIONS

The Executive Budget Committee (EBC) issued its annual budget letter to President Drake in mid-April. UCOP and all campuses continue to advise caution in planning the coming year, but share optimism as well and recommend selective investments over time to advance the mission. The Committee's feedback, recommendations, and guiding principles include support for:


- A return to the campus assessment funding model to enable more integrated planning between UCOP, the campuses and the system
- Restoration of the SPF to \$30M or the intended funding level of \$30M to ensure Presidential flexibility to advance select university priorities
- Use of FY19-20 as a more meaningful base comparison to the FY21-22 budget proposal; the committee acknowledges the state's decision to restore full funding to the university in FY21-22 as a truly important action for the entire university
- Use of 3% reduction targets on unrestricted funds and a continued hiring freeze; however, the EBC recognizes that this is not a strategic approach and cannot sustain optimal resource allocations over an extended period
- Increased focus and time spent on budget uses funded by unrestricted or designated sources to control growth; there is universal agreement that restricted funds are generally variable and impacted by factors outside direct control of UCOP
- Funding CDL for one more year as a systemwide expense funded by TRIP funds; however, there is interest to return to the campus assessment funding model and potentially revisit specific costs that should better function within an assessment; and
- Finally, as a result of deep dive reviews, the EBC suggested more accountability and transparency from the ANR division; and support for campus funded increases for valued services from UC Investments, UC Health and UC Legal

This committee continues to serve a major role in UCOP finances with strong collaboration and partnership.

PRESIDENT'S RECOMMENDATION

UCOP has developed this budget based on anticipated FY21-22 funding that delivers valued programs and services. This budget was developed in anticipation of more normal university operations effective fall 2021. The proposed budget is comprehensive, transparent and demonstrates UCOP's contributions to the University's teaching, research, and public service mission.

Pursuant to Regents Policy 5101, the President of the University recommends approval of the UCOP FY21-22 Budget by the Board of Regents.

The background of the slide features a modern architectural design. It includes a large, light blue rectangular area in the upper left, a dark blue rectangular area in the upper right, and a light beige rectangular area in the lower left. A large, dark blue rectangular area covers the center of the slide, where the word "Appendices" is written in white. The bottom of the slide shows a staircase with wooden steps and railings, leading up to a bright yellow wall. The walls are a mix of light beige and light blue. The overall design is clean and modern.

Appendices

Schedule A

Sources and Uses by Year

Overall UCOP

\$ in millions

				Variance Increase/(Decrease)		
	FY19-20	FY20-21	FY20-21	FY21-22	FY21-22	FY21-22
	Budget	Budget	Forecast	Budget	Budget vs FY20-21 Forecast	Budget vs FY20-21 Budget
SOURCES						
Unrestricted Sources						
State General Funds	209.8	193.3	192.7	222.4	29.7	29.1
Investment Income	25.2	26.1	24.0	26.0	2.0	0.0
Other Unrestricted Sources	17.0	17.8	17.5	20.1	2.6	2.4
Undesignated Fund Balance	34.1	1.5	5.6	4.5	(1.1)	3.0
Subtotal - Undesignated Sources	\$286.0	\$238.6	\$239.8	\$273.1	\$33.2	\$34.4
Designated						
Regents-Designated	24.5	29.5	44.9	49.4	4.5	20.0
Program-Designated	236.9	234.2	227.0	237.1	10.2	2.9
UCPath Fee-For-Service	41.3	48.7	46.9	46.2	(0.7)	(2.5)
UCPath State General Funds	52.4	45.7	45.8	52.4	6.6	6.7
UC ANR State General Funds	72.6	63.4	63.4	73.6	10.2	10.2
Subtotal - Designated Sources	\$427.7	\$421.5	\$428.1	\$458.8	\$30.8	\$37.3
Restricted Sources						
Gifts and Endowments	12.5	13.3	16.0	13.3	(2.7)	0.0
Contracts and Grants	51.6	48.8	49.1	45.5	(3.6)	(3.3)
Federal and State Appropriations/Regulations	164.0	146.5	149.7	189.0	39.3	42.6
Subtotal - Restricted Sources	\$228.0	\$208.5	\$214.8	\$247.8	\$33.0	\$39.3
Total Sources	\$941.7	\$868.7	\$882.7	\$979.7	\$97.0	\$111.0
USES						
Programs and Initiatives						
State/Federal Programs	290.1	256.2	252.1	289.6	37.5	33.4
Systemwide Programs	118.2	100.9	93.8	102.5	8.7	1.5
Subtotal - Programs and Initiatives	\$408.2	\$357.1	\$345.8	\$392.1	\$46.2	\$34.9
Systemwide and Core Services						
Academic Affairs	61.2	51.2	52.4	54.9	2.5	3.7
Ethics & Compliance	7.3	6.7	6.5	6.8	0.3	0.1
External Relations & Communications	17.8	18.2	17.4	18.9	1.5	0.7
Finance	45.7	47.4	46.0	51.6	5.6	4.2
Operations	145.8	129.5	138.9	151.6	12.7	22.1
President's Executive Office	4.6	4.4	4.0	5.4	1.4	1.0
Secretary of the Regents	3.6	3.0	2.9	4.2	1.3	1.2
Systemwide Academic Senate	2.4	2.2	2.0	2.3	0.4	0.1
UC Health	29.1	26.3	25.1	31.2	6.0	4.8
UC Investments	34.3	33.6	41.1	40.1	(1.1)	6.4
UC Legal	58.0	58.1	62.2	65.5	3.3	7.4
Subtotal - Systemwide and Core Services (excl UCPath)	\$409.8	\$380.7	\$398.5	\$432.5	\$34.0	\$51.8
SPF - Unrestricted	30.0	20.0	21.5	30.0	8.5	10.0
SPF - Designated/Restricted	0.0	13.5	11.2	8.8	(4.7)	(2.4)
Strategic Priorities Funds	30.0	33.5	32.7	38.8	6.2	5.3
SUBTOTAL USES	\$848.0	\$771.3	\$776.9	\$863.4	86.4	92.1
UCPath	93.7	90.8	91.7	97.2	5.6	6.4
TOTAL USES	\$941.7	\$862.0	\$868.6	\$960.6	\$92.0	\$98.5
NET MARGIN SURPLUS (DEFICIT)	0.0	6.6	14.1	19.1	5.0	12.5
Included in Sources and Uses Above						
Pass-Throughs	364.5	310.9	306.6	341.2	34.7	30.3
Fee-For-Service	276.9	281.0	292.2	310.9	18.7	29.9
Total Fee-For-Service and Pass-Throughs	\$641.4	\$591.9	\$598.8	\$652.1	\$53.4	\$60.3

Notes to Schedule A:

Sources

Unrestricted Sources

1. State General Funds: \$222.4M reflects the State budget appropriation restoration of \$27.3M for FY21-22 plus an increase in ICAMP funds.
2. Investment Income: \$26.0M estimate based on historical returns; approximately flat to FY20-21.
3. Other Unrestricted: \$20.1M estimate based on historical returns plus an increase in procurement incentives ~\$2M;
4. Undesignated Fund Balance: \$4.5M estimate based on Q3 Forecast.

Designated Sources

5. Regents Designated: \$49.4M increased by \$20.0M (67.8%) for UCNL fee income, partially designated for reserves.
6. Program-Designated: \$237.1M increased by \$2.9M (1.2%) primarily in the UC Health Collaborative based on growth in several key initiatives.
7. UCPath Fee-For-Service: \$46.2M decreased by \$2.5M compared to FY20-21 due to the restoration of state funding, and increased over FY19-20 by \$5.0M to address deferred maintenance and student pay pilot project.).
8. UCPath State General Funds: \$52.4M increased by \$6.6M (14.4%) over FY20-21 forecast budget due to state funds restoration.
9. UC ANR State General Funds: \$73.6M increased by \$10.2M (16.1%) over FY20-21 forecast and budget due to state funds restoration + \$1M one time funds; increased by \$1M (1.4%) over FY19-20 budget due to one-time allocation for Fire Advisors.

Restricted Sources

10. Gifts and Endowments: \$13.3M is flat to FY20-21.
11. Contracts and Grants: \$45.5M decreased \$3.3M (-6.8%) driven by reductions to ANR's extramural funding.
12. Federal and State Appropriations: \$189M increased by \$42.6M (29.1%) due to the timing of Prop 56 funds for tobacco disease 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	FY21-22 Budget
TOTAL SOURCES	273.1	458.8	247.8	979.7
USES				
Programs and Initiatives				
State/ Federal Programs	1.0	115.2	173.5	289.6
Systemwide Programs	40.4	60.2	2.0	102.5
Subtotal - Programs and Initiatives	\$41.3	\$175.3	\$175.4	\$392.1
Systemwide and Core Services				
Academic Affairs	42.4	10.3	2.3	54.9
Ethics & Compliance	6.7	0.0	0.0	6.8
External Relations & Communications	12.6	5.0	1.3	18.9
Finance	28.5	20.0	3.1	51.6
Operations	84.6	11.3	55.8	151.6
President's Executive Office	5.0	0.3	0.2	5.4
Secretary of the Regents	4.2	0.0	0.0	4.2
Systemwide Academic Senate	2.2	0.0	0.1	2.3
UC Health	3.6	24.7	2.9	31.2
UC Investments	0.0	40.1	0.0	40.1
UC Legal	10.4	54.2	0.9	65.5
Subtotal - Systemwide and Cores Services (excl UCPath)	\$200.1	\$165.9	\$66.5	\$432.5
Strategic Priorities Funds	30.0	2.9	5.9	38.8
SUBTOTAL USES	\$271.4	\$344.1	\$247.8	\$863.4
UCPath	0.0	97.2	0.0	97.2
TOTAL USES	\$271.4	\$441.3	\$247.8	\$960.6
NET MARGIN: SURPLUS (DEFICIT)¹	\$1.6	\$17.5	\$0.0	\$19.1

¹Due to timing of sources and uses, the net margin reflects a surplus for FY21-22. Surplus funds will be used in subsequent years and/or added to the fund balances for future expenditures. The implementation of a new UCOP budgeting system in FY19-20 enabled the capability of separately budgeting sources and uses. Unrestricted funds are budgeted centrally by UCOP's budget team. UCOP divisions budget most designated and restricted sources based on anticipated revenues such as UC Office of National Laboratories' (UCNL) lab management fees or restricted revenues as in the case for Tobacco-related Disease Research (Proposition 56) funds. Revenues and expenses may differ due to timing differences. Of the \$19.1M budget surplus, \$17.5M is from designated funds, mainly attributed to anticipated UCNL fee income (\$16.7M) which will be allocated through the annual spend plan approved by the Regents, and \$1.6M is in unrestricted funds from procurement incentive initiatives (\$1.5M).

Schedule C

Budget by Programs and Initiatives

Programs and Initiatives

\$ in millions

					Variance Increase/(Decrease)		
	FY19-20	FY20-21	FY20-21	FY21-22	FY21-22 Budget	FY21-22 Budget	FY21-22 Budget
	Budget	Budget	Forecast	Budget	vs FY20-21	vs FY20-21	vs FY19-20
					Q2Forecast	Budget	Budget
PROGRAMS AND INITIATIVES							
State/Federal Programs							
Agriculture and Natural Resources (ANR)	178.7	167.2	160.2	167.0	6.8	(0.1)	(11.7)
California Breast Cancer Research Program	12.8	12.9	7.4	9.7	2.3	(3.2)	(3.1)
California Subject Matter Project (CSMP)	8.6	8.1	10.1	8.6	(1.5)	0.5	0.0
Gaining Early Awareness and Readiness for Undergraduate Programs	3.5	3.2	3.9	3.5	(0.3)	0.3	0.0
Graduate Medical Education	2.0	2.1	1.9	1.9	(0.1)	(0.3)	(0.1)
Office of the National Laboratories (UCNL)	5.4	6.8	6.7	8.6	1.9	1.8	3.2
Other State/Federal Programs	0.5	0.4	0.5	0.6	0.0	0.2	0.1
Tobacco-Related Disease Research Program (TRDRP)	76.2	53.0	59.0	87.0	28.0	33.9	10.8
UC Research: Cancer Research Coordinating Committee (CRCC)	2.3	2.4	2.3	2.7	0.4	0.3	0.4
Subtotal - State/Federal Programs	290.1	\$256.2	\$252.1	\$289.6	\$37.5	\$33.4	\$(0.5)
Systemwide Programs							
California HIV/AIDS Research Program (CHRP)	8.8	8.6	8.3	8.3	0.0	(0.3)	(0.4)
Eligibility in the Local Context (ELC)	1.0	0.9	1.2	1.0	(0.2)	0.0	0.0
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	1.8	1.7	2.0	2.0	0.0	0.3	0.2
Historically Black Colleges and Universities (HBCU) Summer Research Initiative	1.8	1.9	2.1	2.0	(0.1)	0.1	0.2
Innovative Learning Technology Initiative (Online Education)	9.0	8.1	5.8	5.8	0.0	(2.2)	(3.2)
Natural Reserve System (NRS)	3.0	2.5	3.0	2.5	(0.4)	0.0	(0.4)
Other Systemwide Programs	1.8	1.8	2.0	1.9	(0.1)	0.1	0.1
San Joaquin Valley PRIME program	1.9	1.9	1.9	1.9	0.0	0.0	0.0
SAPEP	9	7.1	7.1	8.1	1.0	1.0	(0.9)
UC Astronomy: University of California Observatories (UCO)	7.5	7.5	7.5	7.5	0.0	0.0	0.0
UC Astronomy: W.M. Keck Observatory (Keck)	14.6	8.8	8.8	8.8	0.0	0.0	(5.8)
University of California Press	23.9	23.4	23.4	21.9	(1.4)	(1.4)	(2.0)
UC Research: Laboratory Fees Research Program (LFRP)	14.9	10.6	5.8	15.2	9.4	4.6	0.2
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8	8.6	8.6	8.5	(0.2)	(0.2)	0.4
University of California Washington Center (UCDC)	8.2	7.4	6.3	7.2	0.9	(0.2)	(1.0)
Valley Fever Research	2.9	0.0	0.0	0.0	0.0	0.0	(2.9)
Subtotal - Systemwide Programs	\$118.2	\$100.9	\$93.8	\$102.5	\$8.7	\$1.5	\$(15.7)
TOTAL USES	\$408.2	\$357.1	\$345.8	\$392.1	\$46.2	\$34.9	\$(16.1)

Notes to Schedule C: Budget by Programs and Initiatives
FY21-22 Budget Increased/Decreased Compared to FY20-21 Budget > \$1M

State / Federal Programs

1. California Breast Cancer Research Program: \$9.7M decreased by \$3.2M (-24.8%) due to lower projected revenues.
2. Office of the National Laboratories (UCNL): \$8.6M increased by \$1.8M (26.5%) due to investments in business development and the SoCal Hub project.
3. Tobacco-Related Disease Research Program (TRDRP): \$87.0M increased by \$33.9M (64.0%) due to additional projected Prop 56 tax revenues and related grant awards.

Systemwide Programs

4. Innovative Learning Technology Initiative (Online Education): \$5.8M decreased by \$2.2M (-27%) due to the reduction in the state's UC appropriation.
5. SAPEP: \$8.1M increased by \$1.0M (14.1%) due to a restoration of state funding.
6. UC Press: \$21.9M decreased by \$1.4M (-6.0%) due to the hiring/travel freeze.
7. UC Research Initiatives: Laboratory Fees Research Program (LFRP): \$15.2M increased by \$4.6M (43.4%) due to timing of grant awards

Schedule C-1

Programs and Initiatives by Fund

\$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY21-22 Budget
PROGRAMS AND INITIATIVES				
State/ Federal Programs				
Agriculture and Natural Resources (ANR)	0.2	101.5	65.3	167.0
California Breast Cancer Research Program	0.0	0.0	9.7	9.7
California Subject Matter Project (CSMP)	0.2	5.0	3.4	8.6
Gaining Early Awareness and Readiness for Undergraduate Programs	0.0	0.0	3.5	3.5
Office of the National Laboratories (UCNL)	0.0	8.6	0.0	8.6
Other State/ Federal Programs	0.5	0.1	0.0	0.6
Tobacco-Related Disease Research Program (TRDRP)	0.0	0.0	87.0	87.0
UC Research: Cancer Research Coordinating Committee (CRCC)	0.0	0.0	2.7	2.7
Subtotal - State/ Federal Programs	1.0	115.2	173.5	289.6
Systemwide Program				
California HIV/ AIDS Research Program (CHRP)	0.0	8.3	0.0	8.3
Eligibility in the Local Context (ELC)	0.0	1.0	0.0	1.0
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	2.0	0.0	0.0	2.0
Historically Black Colleges and Universities (HBCU) Summer Research Initiative	2.0	0.0	0.0	2.0
Innovative Learning Technology Initiative (Online Education)	0.0	5.8	0.0	5.8
Natural Reserve System (NRS)	1.8	0.0	0.8	2.5
Other Systemwide Programs	1.9	0.0	0.0	1.9
San Joaquin Valley PRIME program	0.0	1.9	0.0	1.9
SAPEP	5.7	1.2	1.2	8.1
UC Astronomy: University of California Observatories (UCO)	7.5	0.0	0.0	7.5
UC Astronomy: W.M. Keck Observatory (Keck)	8.8	0.0	0.0	8.8
University of California Press	1.0	20.9	0.0	21.9
UC Research: Laboratory Fees Research Program (LFRP)	0.0	15.2	0.0	15.2
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.3	0.1	0.0	8.5
University of California Washington Center (UCDC)	1.5	5.7	0.0	7.2
Subtotal - Systemwide Programs	40.4	60.2	2.0	102.5
TOTAL USES	\$41.3	\$175.3	\$175.4	\$392.1

Schedule D

Budget by Division and Sub-Division

Systemwide and Core Services

\$ in millions

					Variance Increase/(Decrease)		
	FY19-20	FY20-21	FY20-21	FY21-22	FY21-22 Budget vs FY20-21	FY21-22 Budget vs FY20-21	FY21-22 Budget vs FY19-20
	Budget	Budget	Forecast	Budget	Q2Forecast	Budget	Budget
SYSTEMWIDE AND CORE SERVICES USES							
Academic Affairs							
Academic Personnel and Programs	29.4	19.2	19.4	20.8	1.4	1.7	(8.6)
Immediate Office	6.5	6.2	6.2	6.6	0.4	0.4	0.1
Institutional Research and Academic Planning	4.1	5.1	5.2	5.5	0.3	0.4	1.4
Research and Innovation	9.9	8.0	7.8	8.4	0.6	0.5	(1.4)
Graduate, Undergraduate and Equity Affairs	11.2	12.7	13.8	13.5	(0.3)	0.8	2.3
Subtotal - Academic Affairs	61.2	51.2	52.4	54.9	2.5	3.7	(6.3)
Ethics & Compliance	7.3	6.7	6.5	6.8	0.3	0.1	(0.5)
External Relations & Communications							
Alumni and Constituent Affairs	0.7	0.5	0.5	0.5	0.0	0.0	(0.2)
Executive Communications & Engagement	0.8	0.8	0.8	0.8	0.0	0.0	0.0
Federal Government Relations	2.8	2.9	2.8	2.9	0.1	0.0	0.0
Institutional Advancement	2.0	2.3	2.1	2.2	0.1	0.0	0.2
Legislative Analysis	0.8	0.8	0.7	0.8	0.1	0.0	0.0
Marketing and Communications	6.3	5.4	5.1	5.9	0.8	0.4	(0.4)
Media Relations	0.9	0.8	0.9	0.9	0.0	0.1	(0.1)
State Government Relations	2.9	2.8	2.8	2.8	0.1	0.0	0.0
Immediate Office	0.6	1.9	1.6	2.1	0.5	0.2	1.5
Subtotal - ER&C	17.8	18.2	17.4	18.9	1.5	0.7	1.1
Finance							
Budget Analysis and Planning	2.3	2.0	1.9	2.0	0.1	0.0	(0.3)
Capital Asset Strategies & Finance	12.4	13.3	13.5	15.2	1.7	1.9	2.8
Financial Accounting	10.5	11.1	11.0	12.5	1.5	1.4	2.0
Risk Services	8.3	8.0	7.4	8.6	1.2	0.6	0.3
Strategic Sourcing/Procurement	10.9	11.8	10.9	12.0	1.0	0.2	1.1
Immediate Office	1.3	1.2	1.3	1.3	0.1	0.2	0.1
Subtotal - Finance	45.7	47.4	46.0	51.6	5.6	4.2	5.8
Operations							
Energy and Sustainability	4.4	4.4	4.5	4.6	0.1	0.2	0.2
Information Technology Services	51.5	44.3	43.7	40.4	(3.3)	(3.9)	(11.1)
Operational Expenses	8.0	1.8	2.4	4.0	1.6	2.2	(4.0)
Strategic Program Management Office	1.8	1.7	1.6	1.9	0.4	0.3	0.2
Systemwide Human Resources	48.2	46.3	50.6	56.4	5.8	10.1	8.2
UCOP Operations	30.8	29.7	34.7	42.9	8.2	13.2	12.1
Immediate Office	1.1	1.3	1.3	1.4	0.0	0.0	0.2
Subtotal - Operations	145.8	129.5	138.9	151.6	12.7	22.1	5.9
President's Executive Office	4.6	4.4	4.0	5.4	1.4	1.0	0.8
Secretary of the Regents	3.6	3.0	2.9	4.2	1.3	1.2	0.6
Systemwide Academic Senate	2.4	2.2	2.0	2.3	0.4	0.1	(0.1)
UC Health							
Self-Funded Health Plans	4.6	4.8	4.2	4.7	0.5	(0.1)	0.0
UC Health Core	4.3	3.8	3.7	0.0	(3.7)	(3.8)	(4.3)
Academic Health Sciences	0.0	0.0	0.0	3.3	3.3	3.3	3.3
Center for Data Driven Insights and Innovation	5.4	5.7	5.7	7.1	1.4	1.4	1.7
Clinical Strategy & Operations	7.4	5.7	5.1	4.1	(0.9)	(1.6)	(3.2)
Finance and Administration	0.0	0.0	0.0	4.5	4.5	4.5	4.5
Leveraging Scale for Value	7.4	6.4	6.5	7.4	1.0	1.1	0.0
Subtotal - UC Health	29.1	26.3	25.1	31.2	6.0	4.8	2.1
UC Investments	34.3	33.6	41.1	40.1	(1.1)	6.4	5.7
UC Legal	58.0	58.1	62.2	65.5	3.3	7.4	7.5
SUBTOTAL USES	\$409.8	\$380.7	\$398.5	\$432.5	\$34.0	\$51.8	\$22.6
UCPath	93.7	90.8	91.7	97.2	5.6	6.4	3.5
TOTAL USES	\$503.5	\$471.4	\$490.1	\$529.7	\$39.6	\$58.2	\$26.2

Notes to Schedule D: Systemwide and Core Services
FY21-22 Budget Increased/Decreased Compared to FY20-21 Budget > \$1M

Academic Affairs

1. Academic Personnel and Programs: \$20.8M increased by \$1.7M (8.9%) due to increased restricted funds in CDL of \$1.2M, and an increase in personnel costs, mainly in CDL.

Finance

2. Capital Asset Strategies & Finance: \$15.2M increased by \$1.9M (14.3%) due to restored positions and a new central bank project
3. Financial Accounting: \$12.5M increased by \$1.4M (12.6%) due to licenses and three additional FTEs for the new financial system (Oracle Cloud ERP), and increased audit fees.

Operations

4. Information Technology Services: \$40.4M decreased by \$3.9M (-8.8%) due to recharge reductions.
5. Operational Expenses: \$4.0M increased by \$2.2M (122%) due to inclusion of equity pool.
6. Systemwide Human Resources: \$56.4M increased by \$10.1M (21.8%) Redwood stabilization costs increasing due to overlap in support costs as they transition from an outside vendor to internal IT resources.
7. UCOP Operations: \$42.9M increased by \$13.2M (44.4%) due to lease and occupancy expenses for Oakland buildings, \$7.5M; FTEs to support new financial systems, \$1.8M and strategic FTE increases to build capacity based on the Huron study, \$1.6M.

UC Health

8. UC Health: \$31.2M increased by \$4.8M (18.3%) overall due to \$1.25M for the Global Health Institute and FTEs to support the Center for Data Driven Insights and Leveraging Scale for Value initiatives, \$2M, plus restoration of several key positions, \$1.5M.
Note that UC Health realigned their division for FY21-22, so the year-over-year comparison at the sub-division level is not meaningful.

Other Divisions

9. President's Immediate Office: \$5.4M increased by \$1.0M (22.7%) in personnel, consulting and travel increases.
10. Secretary of the Regents: \$4.2M increased by \$1.2M (40%) due to restoration of in-person meetings including facilities and security, along with the restoration of a frozen position.
11. UC Investments: \$40.1M increased by \$6.4M (19.0%) due to service contract increases and changes in accounting for their incentive program.
12. UC Legal: \$65.5M increased by \$7.4M (12.7%) due to outside counsel increase (\$3.1M), systemwide litigation fund (\$2.5M) and 7 new positions (\$1.8M)
13. UCPath Center Operations: \$97.2M increased by \$6.4M (7.0%) for compensation and deferred maintenance expenses.

Schedule D-1

Systemwide and Core Services by Fund

\$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY21-22 Budget
SYSTEMWIDE AND CORE SERVICES USES				
Academic Affairs				
Academic Personnel and Programs	17.2	1.7	1.9	20.8
Immediate Office	6.5	0.0	0.1	6.6
Institutional Research and Academic Planning	5.5	0.0	0.0	5.5
Research and Innovation	5.8	2.7	0.0	8.4
Graduate, Undergraduate and Equity Affairs	7.4	5.9	0.2	13.5
Subtotal - Academic Affairs	42.4	10.3	2.3	54.9
Ethics & Compliance	6.7	0.0	0.0	6.8
External Relations & Communications				
Alumni and Constituent Affairs	0.0	0.5	0.0	0.5
Executive Communications & Engagement	0.8	0.0	0.0	0.8
Federal Government Relations	2.2	0.7	0.0	2.9
Institutional Advancement	0.0	1.7	0.5	2.2
Legislative Analysis	0.8	0.0	0.0	0.8
Marketing and Communications	3.5	1.7	0.7	5.9
Media Relations	0.8	0.0	0.1	0.9
State Government Relations	2.8	0.0	0.0	2.8
Immediate Office	1.7	0.4	0.0	2.1
Subtotal - ER&C	12.6	5.0	1.3	18.9
Finance				
Budget Analysis and Planning	2.0	0.0	0.0	2.0
Capital Asset Strategies & Finance	8.4	6.8	0.0	15.2
Financial Accounting	7.1	2.5	2.9	12.5
Risk Services	0.0	8.6	0.0	8.6
Strategic Sourcing/Procurement	10.4	1.6	0.0	12.0
Immediate Office	0.6	0.5	0.2	1.3
Subtotal - Finance	28.5	20.0	3.1	51.6
Operations				
Energy and Sustainability	3.4	1.2	0.0	4.6
Information Technology Services	33.0	3.9	3.5	40.4
Operational Expenses	2.9	1.1	0.0	4.0
Strategic Program Management Office	1.9	0.0	0.0	1.9
Systemwide Human Resources	6.9	0.0	49.5	56.4
UCOP Operations	35.5	5.0	2.4	42.9
Immediate Office	0.9	0.0	0.5	1.4
Subtotal - Operations	84.6	11.3	55.8	151.6
President's Executive Office	5.0	0.3	0.2	5.4
Secretary of the Regents	4.2	0.0	0.0	4.2
Systemwide Academic Senate	2.2	0.0	0.1	2.3
UC Health				
Self-Funded Health Plans	0.0	2.0	2.7	4.7
Academic Health Sciences	1.3	2.0	0.0	3.3
Center for Data Driven Insights and Innovation	0.0	7.1	0.0	7.1
Clinical Strategy & Operations	0.6	3.4	0.1	4.1
Finance and Administration	1.7	2.7	0.1	4.5
Leveraging Scale for Value	0.0	7.4	0.0	7.4
Subtotal - UC Health	3.6	24.7	2.9	31.2
UC Investments	0.0	40.1	0.0	40.1
UC Legal	10.4	54.2	0.9	65.5
SUBTOTAL USES	200.1	165.9	66.5	432.5
UCPath	0.0	97.2	0.0	97.2
TOTAL USES	\$200.1	\$263.1	\$66.5	\$529.7

Schedule F-1

Strategic Priorities Fund

Unrestricted Funds

Overall UCOP

\$ in millions

				Variances: Increase/ (Decrease)		
	FY 2020-21 Budget	FY 2020-21 Forecast	FY 2021-22 Budget	FY20-21 Forecast vs FY20-21 Budget	FY21-22 Budget vs FY20-21 Forecast	FY21-22 Budget vs FY20-21 Budget
UNRESTRICTED-UNDESIGNATED FUNDS						
Campus Program						
1 Clean Energy Research Center on Energy and Water	-	-	-	-	-	-
Subtotal - Campus Program	-	-	-	\$0.0	\$0.0	\$0.0
Central & Administrative Services						
2 Corporate Financial System Replacement Project: Phase 2 (FCCS)	1.6	1.7	1.4	0.1	(0.3)	(0.3)
3 FIS Phase II - EFA/ CFS-AST	-	-	0.6	-	0.6	0.6
4 Lease Accounting System - GASB 87	0.3	0.2	0.5	(0.1)	0.3	0.2
5 Mainframe Services Migration	0.2	0.2	0.0	-	(0.1)	(0.1)
6 Mainframe Services Retirement	2.3	2.3	4.8	0.1	2.4	2.5
7 Audit Response - Finance Resources	0.1	0.2	-	0.0	(0.2)	(0.1)
8 Audit Response - Workforce Planning	0.2	0.2	-	(0.0)	(0.2)	(0.2)
9 UCOP Presidential Search	0.3	0.3	-	(0.1)	(0.3)	(0.3)
10 President Transition	-	0.0	0.1	0.0	0.1	0.1
11 UCM Chancellor Search	0.0	0.0	-	0.0	(0.0)	(0.0)
12 Transfer Guarantee Implementation: Communications & Advising	0.3	0.3	-	(0.0)	(0.3)	(0.3)
13 DACA Program Communications Support	0.1	0.0	-	(0.1)	(0.0)	(0.1)
14 HR TAMS and ePerformance Project Resources	0.1	0.1	-	0.0	(0.1)	(0.1)
15 OP Operations Change Management Resources	0.6	0.6	-	0.0	(0.6)	(0.6)
16 Cybersecurity Audit	0.1	-	-	(0.1)	-	(0.1)
17 Case Management System for UC Title IX Offices	0.1	0.1	0.0	0.0	(0.1)	(0.1)
18 Student Pay Project Manager	0.0	0.0	-	0.0	(0.0)	(0.0)
19 Litigation Cost & Whistle Blower Allegations	0.1	0.8	0.2	0.6	(0.6)	0.1
20 COVID-19 Communications	0.2	0.3	0.1	0.0	(0.1)	(0.1)
21 Lived Name & Gender Identity	-	-	1.3	-	1.3	1.3
22 UCSA/ UCGPC bridge funding	-	-	0.7	-	0.7	0.7
23 UC Health Digital Donor Library (DDL)	-	-	0.6	-	0.6	0.6
Subtotal - Central & Administrative	6.7	7.3	10.3	\$0.6	\$3.0	\$3.6
Presidential Initiatives						
24 Carbon Neutrality Initiative (CNI)	1.3	1.2	1.3	(0.1)	0.1	(0.0)
25 Public Law Service Fellowship	4.1	4.0	3.0	(0.1)	(1.0)	(1.1)
26 Global Food Initiative (GFI)	0.4	0.4	0.4	(0.0)	0.0	-
27 Presidential Public Service Fellowship	0.1	0.1	0.1	(0.1)	-	(0.1)
28 UC National Center for Free Speech & Civic Engagement	1.0	0.9	0.9	(0.0)	-	(0.0)
Subtotal - Presidential Initiatives	6.9	6.5	5.7	(\$0.4)	(\$0.8)	(\$1.2)
Systemwide Programs						
29 Presidential Postdoc Fellowship Program - Supplemental Funding	0.2	0.2	-	(0.0)	(0.2)	(0.2)
30 ASSIST Project	1.3	0.6	0.3	(0.7)	(0.2)	(1.0)
31 Undocumented Students - Campus Services & Financial Aid	2.2	3.0	2.2	0.8	(0.8)	-
32 UC-Mexico Program	0.8	0.8	-	-	(0.8)	(0.8)
33 UC Mexico Program Consolidation	1.2	1.2	-	-	(1.2)	(1.2)
Subtotal - Systemwide Programs	5.7	5.7	2.6	\$0.0	(\$3.1)	(\$3.1)
Systemwide Initiatives						
34 Systemwide Integrated Library System Initiative	0.6	0.6	2.1	0.0	1.5	1.5
Subtotal - Systemwide Initiatives	0.6	0.6	2.1	\$0.0	\$1.5	\$1.5
Committed Funds	19.9	20.2	20.7	\$0.3	\$0.5	\$0.8
Uncommitted Funds	0.1	1.3	9.3	\$1.2	\$8.1	\$9.2
Total Strategic Priorities Fund	20.0	21.5	30.0	\$1.5	\$8.6	\$10.0

**Notes to Schedule F-1: Unrestricted Strategic Priorities Fund
FY21-22 Budget Increased/Decreased Compared to FY20-21 Budget**

Systemwide and Core Services

Systemwide & Core Services - \$2.5M Mainframe Retirement, to migrate UC applications from mainframe to cloud solutions which will generate future savings and reduce dependence on outdated hardware investments; \$1.3M Lived Name, the effort to upgrade numerous ITS-controlled systems to support the new non-binary gender and preferred name (or "lived name") designations

Presidential Initiatives (See Appendix 2 for details)

(\$1.1M) Public Law Service Fellowship; based on the guidance of President Drake to fund other emerging needs at UCOP

Systemwide Programs

(\$2.0M) UC Mexico has been moved to UCR campus to manage, (\$1.0M) Reduce funded need to manage the ASSIST Project

Systemwide Initiatives

\$1.5M SILS based on timing of approved project spending in the 3rd and final year

Schedule F-2

Strategic Priorities Fund

Designated/Restricted Funds

Overall UCOP

\$ in millions

		Designated	Restricted	FY 2021-22 Budget
Central & Administrative Services				
1	Redwood Stabilization	-	5.6	5.6
2	iCamp	1.5	-	1.5
3	Student Pay Project	1.2	-	1.2
4	Lived Name & Gender Identity	-	0.3	0.3
5	Oracle PeopleSoft Upgrade	0.2	-	0.2
Subtotal - Central & Administrative		2.9	5.9	8.8
Total Strategic Priorities Fund		\$ 2.9	\$ 5.9	\$ 8.8

**Notes to Schedule F-2: Designated and Restricted Strategic Priorities Fund
FY21-22 Budget Increased/Decreased Compared to FY20-21 Budget**

1. Redwood Stabilization: \$5.6M funded from restricted retirement investment funding for required system stabilization and enhancements.
2. iCAMP: \$1.5M to support systemwide assessments of campus infrastructure managed by the CFO division using designated funds.
3. Student Pay Project: \$1.2M to move all student employees to a standardized biweekly pay cycle

Schedule G

UCOP Reserves

\$ in millions

	Reserve Target Minimum	Reserve Target Maximum	6/30/20 Actual Reserve	6/30/21 Forecasted Reserve	Variance:		6/30/21 Reserve Target Over Max / (Under Min)
					6/30/20 Actual vs 6/30/21 Forecast		
UCOP RESERVES							
Building and Capital Assets Reserves							
Capital Maintenance and Renewal	\$ 2.6	\$ 7.9	\$ 4.2	\$ 0.7	\$ (3.5)		\$ (1.9)
UCOP IT Infrastructure	0.4	0.6	0.6	0.6	-		-
Sub-Total Building and Capital Assets Reserves	\$ 3.0	\$ 8.5	\$ 4.8	\$ 1.3	\$ (3.5)		
Program Reserves							
UC National Laboratories							
LANS and LLNS-LLC Post Contract Contingency ¹	19.0	19.0	18.0	21.0	3.0		2.0
LANS and LLNS-LLC Fee Contingency ¹	7.0	7.0	6.5	6.5	-		(0.5)
TRIAD Reserve Fund ¹	10.0	10.0	2.2	4.2	2.0		(5.9)
Capital and Campus Opportunity Fund ¹	10.0	10.0	4.2	8.4	4.2		(1.6)
LBNL Post Contract Contingency ²	4.0	4.0	3.3	3.5	0.3		(0.5)
LBNL Building Commitment ²	10.0	23.0	11.7	8.4	(3.3)		-
LBNL Guest House Renewal & Replacement ²	1.5	2.5	1.5	1.2	(0.3)		-
UC National Laboratories SubTotal	61.5	75.5	47.2	53.1	5.9		
UC Press	1.5	1.5	1.5	1.5	0.0		-
UC Washington Center (UCDC) ³	2.9	6.3	6.0	6.1	0.1		-
Sub-Total Program Reserves	\$ 65.9	\$ 83.3	\$ 54.7	\$ 60.7	\$ 6.0		
Other Required Reserves							
Housing Loan Program ⁴	49.9	64.5	39.3	52.0	12.7		-
Sub-Total Other Required Reserves	\$ 49.9	\$ 64.5	\$ 39.3	\$ 52.0	\$ 12.7		\$ -
SUB TOTAL NON-OPERATING AND PROGRAM RESERVES	\$ 118.8	\$ 156.3	\$ 98.8	\$ 114.1	\$ 15.2		
Central Operating Reserve⁵	15.0	15.0	15.0	15.0	-		-
TOTAL UCOP RESERVES	\$ 133.8	\$ 171.3	\$ 113.8	\$ 129.1	\$ 15.2		

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 \$0.8M in reserves and \$5.3M in TRIP.

⁴ The Housing Loan Program reserve has increased to reflect a maximum of 4% of outstanding loans, plus \$6.3M which is 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

	6/30/21				
	6/30/20 Balance	Forecasted Balance	Commitments ³	Remaining Balance	Change in Fund Balance
UNRESTRICTED					
Undesignated - UCOP					
Investment Income	\$ 2.0	\$ 5.4	\$ 4.5	\$ 0.9	\$ (1.1)
UC General Funds	9.5	1.4	-	1.4	(8.1)
Legal Settlements	3.3	3.4	2.5	0.9	(2.4)
Other	2.9	0.7	-	0.7	(2.2)
Sub-Total Undesignated - UCOP	\$ 17.7	\$ 10.8	\$ 7.0	\$ 3.8	\$ (13.9)
Undesignated - Systemwide					
General Obligation Bond Income	\$ 8.2	\$ 7.8	\$ 7.8	\$ -	\$ (8.2)
Sub-Total Undesignated - Systemwide	\$ 8.2	\$ 7.8	\$ 7.8	\$ -	\$ (8.2)
Sub-Total Undesignated	\$ 25.9	\$ 18.6	\$ 14.8	\$ 3.8	\$ (22.1)
DESIGNATED					
Regents Designated					
DOE Laboratories ⁴					
LLC	\$ 9.6	\$ 11.3	\$ -	\$ 11.3	\$ 1.7
LBNL	7.6	8.5	-	8.5	0.9
Triad	6.0	5.9	-	5.9	(0.1)
Lab Fees Research	23.5	24.0	15.2	8.8	(14.7)
Programs and Initiatives					
UC Healthcare Collaborative	\$ 1.6	\$ 1.3	\$ -	\$ 1.3	\$ (0.3)
California Digital Library	2.4	2.3	0.9	1.4	(1.0)
ICAMP	3.4	3.3	3.3	0.0	(3.4)
UC Washington Center	2.5	0.4	-	0.4	(2.1)
Procurement Initiatives	3.1	3.4	1.9	1.5	(1.6)
Writing Placement Exam	0.1	0.1	-	0.1	0.0
Other	(5.8)	(0.7)	-	(0.7)	5.1
Central Services Designated					
Endowment cost recovery	9.2	\$ 10.0	8.0	2.0	(7.2)
Energy and sustainability	1.1	0.8	-	0.8	(0.3)
Other	1.1	(2.5)	-	(2.5)	(3.6)
Sub-Total Designated	\$ 65.4	\$ 68.0	\$ 29.3	\$ 38.7	\$ (26.7)
RESTRICTED					
Federal and Special State Appropriations/Regulations	\$ 5.0	\$ 0.5	\$ -	\$ 0.5	\$ (4.5)
Gifts and Endowments	4.6	3.4	-	3.4	(1.2)
Sub-Total Restricted	\$ 9.6	\$ 3.9	\$ -	\$ 3.9	\$ (5.7)
TOTAL BALANCES - before building proceeds	\$ 100.9	\$ 90.5	\$ 44.1	\$ 46.4	\$ (54.5)
Capital Projects	\$ 12.3	\$ 4.9	\$ 4.9	-	(12.3)
TOTAL BALANCES	\$ 113.2	\$ 95.4	\$ 49.0	\$ 46.4	\$ (66.8)

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 \$4.5M in fund balances used in the FY21-22 budget, \$7.8M for future campus seismic work and interest expense, \$15.2M for commitments on the Lab Fees Research grants to be sent out in FY21-22, \$3.3M for ICAMP to be spent in FY21-22 and \$8M for campus development efforts.

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

APPENDIX 2: FY21-22 PRESIDENTIAL INITIATIVES

Presidential Initiatives Detail FY19-20 and FY21-22

The following provides a description of each UC Presidential Initiative including how it furthers the mission of the university.

	Presidential Initiatives	FY19-20 Budget	FY20-21 Budget	FY20-21 Revised ¹	FY21-22 Budget	Incr / (Decr) ²
1	Carbon Neutrality Initiative (CNI)	\$ 1,380,383	\$ 1,330,000	\$ 1,321,800	\$ 1,321,800	\$ -0-
2	Global Food Initiative (GFI)	496,000	421,200	421,200	421,200	-0-
3	Presidential Public Service Fellowship	168,142	145,928	72,691	72,691	-0-
4	Public Service Law Fellowships	5,080,000	4,050,000	3,950,480	2,962,860	(987,620)
5	UC National Center for Free Speech and Civic Engagement	565,000	950,000	920,000	920,000	-0-
	Total	\$ 7,689,525	\$ 6,897,128	\$ 6,686,171	\$ 5,698,551	\$ (987,620)

1. The FY20-21 Budget was revised by the President, identifying savings to be shifted to non-budgeted COVID-19 expenses.
2. Increase/(Decrease) for FY21-22 relative to the revised FY20-21 Budget.

1. **Carbon Neutrality Initiative (CNI)**

The Carbon Neutrality Initiative (CNI) launched in 2013, committing UC to emit net zero greenhouse gases from its buildings and vehicle fleet by 2025 – something no other major university system has done. This initiative advances the **public service** component of the University’s mission by helping both California and the world to curb the forces that are driving global warming. This initiative also furthers the University’s mission to provide **instruction** by giving undergraduate and graduate students the opportunity to study issues and fund student-generated projects that support the UC system’s carbon neutrality goal through its Carbon Neutrality Student Fellowship Program. By bringing together a Global Climate Leadership Council to advance both teaching and research about climate change and sustainable business practices, this initiative also furthers the **instruction** and **research** components of the University’s mission.

2. **Global Food Initiative (GFI)**

The Global Food Initiative (GFI) was launched in 2014 to address how to sustainably and nutritiously feed a world population expected to reach 8 billion by 2025. By working to increase food access and security among communities across the ten UC campuses, this initiative furthers the **public service** component of the University’s mission. This initiative also furthers the University’s mission to provide **instruction** by giving undergraduate and graduate students the opportunity to study issues such as food security and food waste through the GFI Fellowship Program. A community garden project also enables this initiative to provide instruction to elementary school students about ecology and nutrition. Additionally, by conducting systemwide studies about UC student food access and security through the Healthy Campus Network, and by providing development-oriented graduate students from multiple UC campuses the opportunity to engage in planning and implementing projects related to international food systems and agriculture, this initiative furthers the **research** component of UC’s mission.

3. **Presidential Public Service Fellowship**

The Presidential Public Service Fellowship launched in FY15-16. This need-based fellowship annually supports up to three students per undergraduate campus, or 27 students in all, to participate in internships through the UC Washington Center (UCDC) and UC Center Sacramento (UCCS), gaining firsthand exposure to the American political process and attaining valuable work experience. Fellows receive \$1,000 in financial support to defray costs (including incidental expenses such as travel and the cost of appropriate business attire) of enrollment at UCDC or UCCS. Fellows apply and are selected based on financial need and a demonstrated commitment to civic engagement and service for the public good. This initiative advances UC's **instruction** and **public service** mission components.

4. **Public Service Law Fellowships**

The Public Service Law Fellowship launched in FY16-17 to support both summer and post-graduate fellowships at all four UC law schools for students pursuing opportunities in public service. Post-graduate fellowships provide up to \$45,000 for graduates entering public service plus an additional \$2,500 to help defray bar-related costs. Summer fellowships provide approximately \$4,000 to subsidize summer public interest law jobs. The annual UC National Public Service Law Conference is held to showcase important legal scholarship and practice and contribute to the national conversation on public interest law. By making post-graduate work and summer positions accessible for students who want to pursue public service legal careers, this initiative furthers the **instruction** and **public service** components of UC's mission.

5. **UC National Center for Free Speech and Civic Engagement**

The UC system and the Free Speech Movement have long been synonymous. As an extension of this great legacy, President Napolitano launched the UC National Center for Free Speech and Civic Engagement in FY17-18 to further the **public service** mission of the University. The Center is housed at UC Irvine and at UCDC, the Washington D.C. location of the University of California. It serves as a national leader and resource on issues including how simultaneously to encourage robust inquiry and dialogue while safeguarding other institutional values such as equity and inclusivity. Through its programming, publications and preeminent fellows, the Center is blazing a trail to prominence as it **researches** how the fundamental democratic and academic principles of free speech and civic engagement enrich the discovery and transmission of knowledge in America's colleges and universities.

APPENDIX 3: KEY TO ACRONYMS

Acronym	Description
ANR	Agriculture and Natural Resources
CAS	Systemwide and Core Services
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
HSI	Hispanic Serving Institutions
HR	Human Resources
Incr/(Decr)	Increase/(Decrease)
IT	Information Technology
LANL	Los Alamos National Laboratory
LBNL	Lawrence Berkeley National Laboratory
LLNL	Lawrence Livermore National Laboratory
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
UCNL	University of California National Laboratories
UCOP	University of California Office of the President

