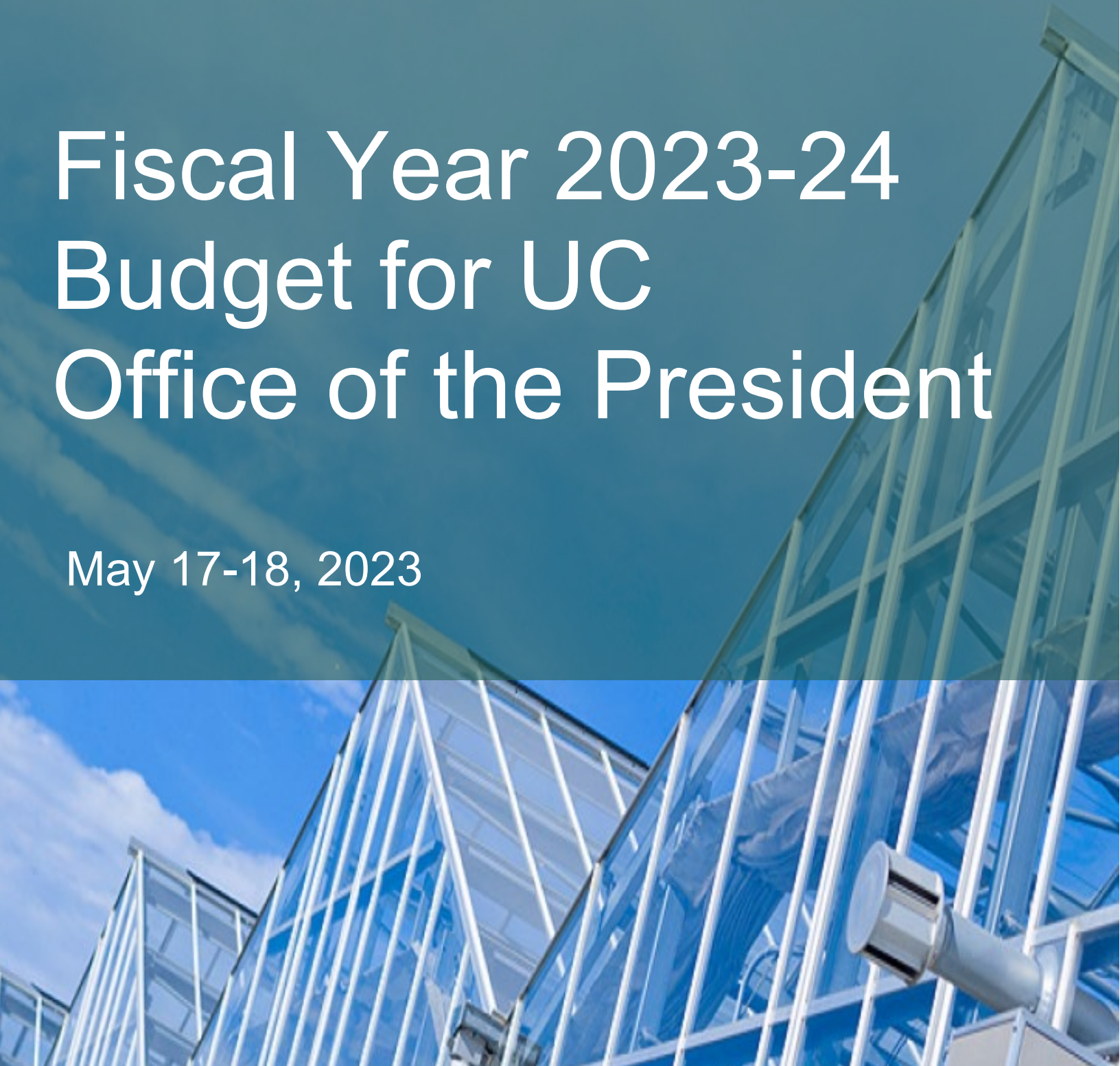


UNIVERSITY  
OF  
CALIFORNIA

# Fiscal Year 2023-24 Budget for UC Office of the President

May 17-18, 2023



**TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:**

**FISCAL YEAR 2023-24 BUDGET FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT (UCOP)**

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## FY23-24: BACKGROUND AND BUDGET CLIMATE

### FY22-23 Budget and New Climate Research Funding

The current fiscal year UC Office of the President (UCOP) FY22-23 budget, approved in May 2022, totals \$1,035.8M. In June 2022, after the approval of the UCOP budget, UCOP received \$100.0M in additional funding from the State of California for climate research, \$16.0M of which is expected to be awarded in FY22-23 with the balance of those funds included in the FY23-24 budget proposal.

This new funding enables the state and the University to take a global leadership role in climate change, as well as improving access and diversity at UC. Funds are awarded through a competitive grant process and are passed through to UC campuses and other California research entities, where the funds are expended.

### Budget Climate

As we move into FY23-24, though the University has shown resilience through a three-year response to COVID-19, the current economic climate presents challenges. The California state budget faces reduced revenues from lower taxes and slower growth in the economy. Higher inflation and interest rates continue to slow economic expansion, reducing investments and driving upward pressure on operating costs. The strong labor market in California has recently shown signs of vulnerability in the technology sector across established companies and start-ups. Despite these factors, UCOP is on track to achieve FY22-23 operational goals and to exceed the original budget expectations in key research grant awards due to the additional funding for climate research and Tobacco-related Disease Research grants.

## FY23-24 UCOP BUDGET: EXECUTIVE SUMMARY

UCOP's proposed FY23-24 budget is \$1,228.1M, \$192.3M or 18.6 percent greater than the FY22-23 budget. Revenue modeling, current year actuals, and forecasts provide the basis for the upcoming budget. The budget is balanced with expenditures supported by revenue sources across all fund types.

With the new climate research funding and other funding increases for Programs and Initiatives, \$120.9M or 63 percent of the budget growth is to fuel increased funding for research programs. Investments to improve services to employees and retirees account for \$30M or 16 percent of the budget increase. The remaining \$41.4M or 21 percent of the increase includes funding for the California Digital Library's collections shared by the system, risk mitigation (IT and compliance), support for strategic operational initiatives, the systemwide general salary increase program, and inflation driven costs. Further details are included in the Key Drivers section below and on Schedule A in Appendix 1.

This FY23-24 UCOP budget proposal is based on funding from the campus assessment which allows for UC systemwide planning and coordination, a UCPath fee-for-service assessment based on employee W-2s, a state direct appropriation for the UC Agriculture and Natural Resources division (ANR), and additional designated and restricted funding sources as detailed in Figure 4 of this document. Given current economic headwinds, financial pressures on the campuses, and the requirement to increase undergraduate enrollment, this UCOP budget proposal continues a conservative outlook to limit financial impacts on the campuses.

This proposal relies on the ongoing state commitment to increase UC's state general funds by five percent over four remaining years. UC is appreciative of the state's demonstrated support, and UCOP is pleased to submit its financial plan which supports the system with critical research, public service programs and systemwide services that build on the University's strengths and are aligned with the UC mission.

The following sections address the FY23-24 budget in detail, explain the drivers behind year-over-year changes, and provide alternative views to show how resources are deployed. Included is a detailed section covering UCOP fund balances and reserves. Detailed financial schedules are provided in Appendix 1. Appendix 2 includes an overview of UCOP's function, services and how these align to the UC mission, and Appendix 3 provides updated details of Presidential Initiatives, many which will be reduced or phased out next year.

## FY22-23 to FY23-24 Budget Summary

Figure 1 summarizes and compares the proposed FY23-24 budget with the FY22-23 budget and Q2 forecast and includes fund balances and reserves.

**Figure 1: FY22-23 to FY23-24 Budget Summary**

### UCOP Budget Summary

#### Overall UCOP

\$ in millions

\$ in millions

	FY22-23	FY22-23	FY23-24	Variance: Increase/(Decrease)		
	Budget	Q2 Forecast	Budget	FY22-23 Fcst vs FY22-23 Bud	FY23-24 Bud vs FY22-23 Fcst	FY23-24 Bud vs FY22-23 Bud
UCOP USES						
Programs and Initiatives	\$ 414.4	\$ 449.6	\$ 535.3	\$ 35.1	\$ 85.8	\$ 120.9
Systemwide and Core Services	476.3	473.5	527.9	(2.8)	54.4	51.6
Strategic Priorities Fund' Unrestricted	30.0	28.6	30.0	(1.4)	1.4	0.0
Strategic Priorities Fund' Desig. & Restricted	3.6	3.0	1.0	(0.5)	(2.1)	(2.6)
SUBTOTAL USES	\$ 924.3	\$ 954.7	\$ 1,094.2	\$ 30.4	\$ 139.6	\$ 169.9
UCPath	111.5	113.9	133.9	2.4	20.0	22.4
TOTAL USES	\$ 1,035.8	\$ 1,068.6	\$ 1,228.1	\$ 32.8	\$ 159.5	\$ 192.3
% Spent: 103.2%						
% Change: 18.6%						
% Change Unrestricted: 4.6%						
INCLUDED IN USES ABOVE						
Fee-For-Service	\$ 355.0	\$ 354.7	\$ 400.3	(\$0.3)	\$ 45.6	\$ 45.3
Pass-Throughs	374.9	420.8	492.8	46.0	71.9	117.9
Total Fee-For-Service and Pass-Throughs	\$ 729.9	\$ 775.6	\$ 893.1	\$ 45.7	\$ 117.5	\$ 163.2
CENTRAL OPERATING RESERVE <sup>1</sup>		\$ 15.0				
NON-OPERATING AND PROGRAM RESERVES <sup>2</sup>		\$ 136.5				
		6/30/23		Remaining		
		Balance	Commitments	Balance		
FORECASTED FUND BALANCES NET OF RESERVES <sup>2</sup>						
Unrestricted	\$ 24.9	\$ 10.6	\$ 14.3			
Designated	96.0	26.4	69.6			
Restricted	6.7	-	6.7			
Total Forecasted Fund Balances Net of Reserves	\$ 127.6	\$ 37.0	\$ 90.6			

<sup>1</sup> Held in President's Endowment Fund.

<sup>2</sup> Reserves and Fund Balances provided are projections at June 30, 2023.

## Key Drivers

Key drivers for the change from the FY22-23 to FY23-24 budget include:

A \$120.9M **Programs and Initiatives** expansion due to new state funded climate change research and growth in the Agriculture and Natural Resources (ANR) division; notably, \$117.9M of this is pass-through funding awarded to UC campuses and other California researchers. The \$120.9M includes the following:

- \$97.1M net increase in State and Federal Programs including:
  - \$83.8M in anticipated Climate Action Research Initiative funding from the state of California to be distributed to campuses and other research entities in FY23-24.
  - \$26.1M in Agriculture and Natural Resources allocations from the state for ongoing operations, one time fire program funding and anticipated contract and grant awards to advance key issues including climate change, water management resources, food system resiliency, and health education.
  - \$4.9M for Breast Cancer Research.
  - \$2.9M for UC National Laboratories business development.
- \$23.8M net increase in Systemwide Programs including:
  - \$6.1M for Student Academic Preparation and Educational Partnerships (SAPEP).
  - \$6.2M for the Laboratory Fees Research Program (UC National Laboratories funded).
  - \$5.1M for other programs including \$3M funded by a Mellon Foundation grant
  - \$2.1M for the UC Washington program and \$1.6M for UC Press.

A \$51.6M increase in **Systemwide and Core Services** to address systems, risk mitigation, compliance requirements, and investment in services to the campuses. Material increases on unrestricted funds are reviewed with the campuses prior to committing the funds.

- \$13.7M in the California Digital Library (CDL) for library collections available to faculty, researchers, and students on all campuses; these funds come from a set-aside and are managed by CDL at UCOP.
- \$9.2M expansion of UC Legal in-house capabilities to better support campus and systemwide needs and decrease future reliance on more costly outside counsel.
- \$10M investment in the Pension Administration system, serving UC's growing retiree population, to transition the system to an internal support model and reduce risks, and bring the Retirement Administrative Service Center to full staffing.
- \$7.2M to address risk and compliance including establishing a systemwide IT risk assessment function for UC locations and 3<sup>rd</sup> party suppliers with a UCOP-wide IT security policy compliance team, and additional investments to address software risks.
- \$6.2M in strategic investments to address enterprise risks in Ethics, Compliance and Audit, and increased resources to address critical areas in Academic Affairs, UC Operations and UC Finance.
- \$2.9M for facilities and security improvements across UCOP buildings.

A \$22.4M **UCPath**, year-over-year increase to cover long anticipated debt service related to the project financing costs as well as to strategically invest in service optimization.

A 4.6 percent systemwide UC general salary increase program has also been included in this year's budget. Budgeted increases are partially offset by reductions in programs including:

- -\$19.0M in lower Tobacco-Related Disease Research Program (TRDRP) grants based on lower tobacco tax revenues.

- -\$2.6M to Designated and Restricted SPF one-time projects.
- UCOP also tightened expense budgets continuing many FY22-23 savings initiatives, including setting targets for expenses on unrestricted funds, use of a salary vacancy factor to offset salary and benefits to recognize longer than expected recruiting timelines and expected employee turnover, and use of a hybrid work force to gain longer term efficiencies in occupancy costs.

#### ***FY23-24 Budget Considerations – Opportunities and Risks***

Each year, UCOP reviews new and shifting priorities, assesses both internal and external risk factors and strives to mitigate budgetary impact on the campuses. However, each year UCOP must address critical priorities, contract increases, alignment with systemwide general salary increase programs, and preserve some flexibility for the year ahead.

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 opportunities for investment that are captured in the FY23-24 budget proposal include:

- Alignment with the systemwide general salary increase program to retain existing staff and address high inflation.
- Resource allocations to support required compliance areas (ex. Article V).
- Operating cost increases for existing contracts such as audit, building security and software licenses.
- Funding for stabilization and operationalization of critical systems, services, and IT networks.

The primary risks in the budget proposal are:

- The conservative 3.9 percent increase to the UCOP campus assessment is outpaced by recent inflation of 6.0 percent.
- Ongoing challenges to compete in the California labor market result in staffing vacancies and long times needed to recruit new talent.
- Systemwide Programs, requiring on-going operating budget increases, may only be supported with one-year bridge funding until more sustainable support can be identified.
- Risk areas such as cyber security, network stabilization, patent audit compliance and similar issues needed to be prioritized as funding was unavailable to address all proposed items.
- The \$30M unrestricted SPF amount, established in the FY17-18 Budget, has not been adjusted for inflation since its inception six years ago. \$20.2M in SPF is already committed in FY23-24 and includes UC Center Sacramento program and campus safety, leaving just \$9.8M available for the full year and may not be adequate to cover emerging needs over the budget year.
- Unrestricted funding continues to be insufficient, forcing reallocations and cost cuts to absorb required increases. UCOP received approximately \$40M in requests for budget augmentations, and over 80% of these requests will not be funded in the budget.

#### **Budget Requests, Reduced or Not Funded**

During this budget cycle, UCOP rejected, reduced, or required divisions' budgets to absorb more than \$22M in unrestricted requests to balance the budget. The compromises were made across all divisions, and some of the items not funded included:

- New position funding requests for several under-resourced areas in Academic Affairs and UC Operations.
- Increases to valued UC academic programs including the California Digital Library (CDL).



- Full financial support to UC Observatories program (a multi-campus research unit) to offset uncertain FY23-24 grant fund revenues.
- Multiple large-scale requests to address network and data security vulnerabilities and increase system efficiencies.
- Strategic investments in systemwide procurement efficiencies.
- Training and development opportunities.

### Budget Funding – Fund Types, Fluctuations, and Flexibility

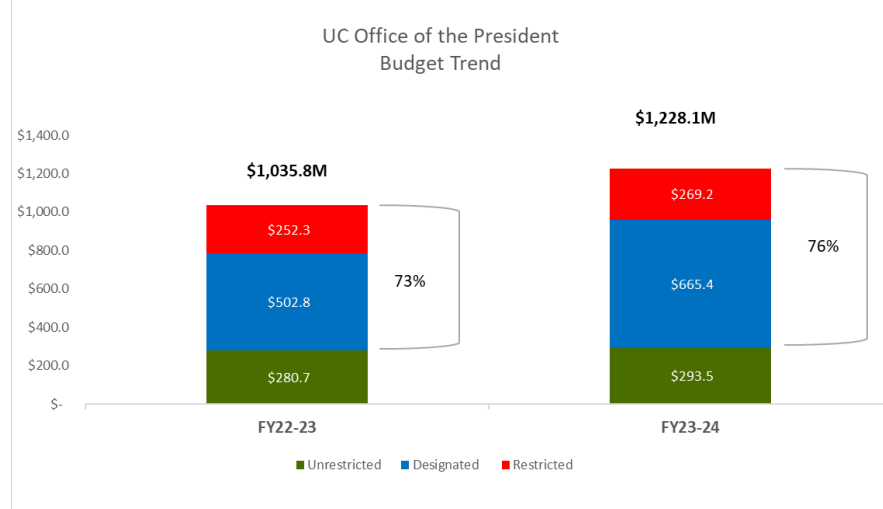
Figure 2, below, provides the UCOP budgeted fund uses by fund type. Approximately 76 percent of UCOP’s funding is either restricted or designated. Restricted and designated funding can only be used for specific, defined purposes aligned to the research, teaching, and public service mission or to provide critical campus services.

Restricted funds may vary significantly from year to year, and recent UCOP budgets have seen fluctuations in contracts, grant funding or state revenues such as the Tobacco-Related Disease Research Program. Restricted fund uses have also increased with UCOP’s continued efforts to improve systems and services for the UC system’s Pension Administration system and the Retirement Administration Service Center.

Designated funds are most affected by changes in designated programs like ANR or the climate change research. Other designated fund increases are attributed to UCPath, CDL, UC National Laboratories and UC Legal. In instances where higher expenditures require campus funds, UCOP leverages the Executive Budget Committee, which includes senior finance, business, or academic leaders from each campus, to assess and set resource allocations for the coming year.

Unrestricted funds, comprising 24 percent of UCOP’s budget, are the most flexible fund source and can support discretionary spending. The FY23-24 budget includes an \$8.7M or 3.9 percent increase to the UCOP campus assessment which compares to the 5.0 percent state compact increase. Including the FY23-24 proposed increase, these unrestricted funds have increased by a conservative compound annual growth rate of 1.3 percent over the last six years. These funds support operating expenses in Systemwide and Core Services, some systemwide academic and research programs, and the President’s Strategic Priorities Fund (SPF).

**Figure 2: UCOP Budget by Fund Type (FY22-23 to FY23-24)**



- 76% 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 campus assessment (~80%)

## The FY23-24 UCOP Budget Categories

UCOP presents its budget according to three distinct categories defined below.

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

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, climate change research and the statewide Tobacco-Related Disease Research Program.

Systemwide **fee-for-service** activities are provided by UCOP to campuses on a fee basis. The largest fee-for-service activities include UCPath, legal services, and management of investment assets and employee/retiree benefits. The three budget categories are displayed in Figure 3.

**Figure 3: FY23-24 Budget Summary by Category**

\$ millions

	FY22-23 Budget	FY23-24 Budget	% of Total	YOY Var	
	\$	\$		\$	%
<b>Sources of Funds</b>					
Unrestricted	\$ 280.5	\$ 293.5	23.8%	\$13.0	4.6%
Designated	\$ 514.1	\$ 668.5	54.3%	\$154.4	30.0%
Restricted	\$ 252.3	\$ 269.6	21.9%	\$17.4	6.9%
<b>Total Sources</b>	<b>\$ 1,046.8</b>	<b>\$ 1,231.6</b>	<b>100.0%</b>	<b>\$184.8</b>	<b>17.7%</b>
<b>Uses of Funds</b>					
Programs and Initiatives	\$ 414.4	\$ 535.3	43.6%	\$120.9	29.2%
Systemwide and Core Services	\$ 476.3	\$ 527.9	43.0%	\$51.6	10.8%
UCPath	\$ 111.5	\$ 133.9	10.9%	\$22.4	20.1%
Strategic Priorities Funds	\$ 33.6	\$ 31.0	2.5%	(\$2.6)	-7.7%
<b>Total Uses</b>	<b>\$ 1,035.8</b>	<b>\$ 1,228.1</b>	<b>100.0%</b>	<b>\$192.3</b>	<b>18.6%</b>
<b>Special Expense Classification</b>					
Pass-Throughs	374.9	492.8	40.1%	\$117.9	31.5%
Fee-For-Service	355.0	400.3	32.6%	\$45.3	12.8%
<b>Total Special Expense Classification</b>	<b>\$ 729.9</b>	<b>\$ 893.1</b>	<b>72.7%</b>	<b>\$163.2</b>	<b>22.4%</b>
<b>Budget Net of Expense Classification</b>	<b>\$ 305.9</b>	<b>\$ 335.0</b>	<b>27.3%</b>	<b>\$29.1</b>	<b>9.5%</b>

76% of the sources of funds are designated for specific programs and services or restricted for use by a third party.

44% 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.

73% of the budget is passed through UCOP to recipients across the state or UCOP provided fee-for-service activities.



## Key Budget Highlights

The following key takeaways are provided upfront, and details either follow in the information in subsequent sections of this proposal or are found in the Regents Schedules in the appendix.

### Total UCOP Budget Summary

1. The UCOP proposed **\$1,228.1M** budget is **\$192.3M or 18.6 percent higher than** FY22-23.
2. The single largest driver of the budget increase is in new funds for **Climate Change Research at \$84M** which makes up **44% of the total increase**.
3. **\$934.6M or 76 percent** of the budget is in restricted and designated activities.
4. Excluding pass-through and fee-for-service activities, the UCOP budget is **\$335.0M (27 percent)** of the UCOP total budget.
5. **Other Key drivers** of increased expenditures (including research grant awards) include ANR, UCPATH, participation in the UC systemwide general salary increase program, required contract cost increases, and the pension system ("Redwood") and related staffing to support service improvements in the Retirement Administration Service Center.

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

1. The FY23-24 budget for Programs and Initiatives (P&I) is **\$535.3M (44 percent)** of the UCOP total budget.
2. **\$492.8M (40 percent)** 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 **\$410.9M** of the P&I budget; ANR, Climate Change and the Tobacco-Related Disease Research Program (TRDRP) comprise **\$362.7M** of that total.
4. Program funding for FY23-24 is **\$120.9M (29 percent) higher**, because of a state-supported climate change funding.

### Systemwide and Core Services and UCPATH (Schedule D)

1. The FY23-24 budget for Systemwide and Core Services is **\$661.8M (54 percent)** of the UCOP total budget.
2. **Fee-for-service** activities are primarily in the Systemwide and Core Services budget and total **\$400.3M (33 percent)** 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 **\$74.0M (13 percent)** higher than FY22-23; increases are driven primarily by UCPATH, higher operating costs including finance, legal, occupancy, and systems upgrades and resources to scale the pension system and service capacity.
4. The **UCPATH operations budget** of \$133.9M up from \$111.5M in FY22-23 or 20.0 percent to achieve staffing level targets, optimize campus services and for debt-service.

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

1. The Unrestricted Strategic Priorities Fund is set at **\$30M**, allowing the President \$9.8M in uncommitted, discretionary funds for new priorities and initiatives and urgent / emergent issues. The \$20.2M in committed funds includes UC Center Sacramento program and campus safety.
2. The **Designated/Restricted Strategic Priorities Fund** includes \$1.0M in projects including Lived Name & Gender identity project.

### Fund Balances and Reserves (Schedules G, H)

1. Net of commitments and including fund balances applied to FY23-24 sources, unrestricted fund balances are forecasted to be **\$14.3M**, a 39 percent decrease from the current year.

2. Designated fund balances are primarily held by **UCNL (60 percent of total fund balances)** from laboratory fees collected from managing multi-billion-dollar federal laboratory contracts. UCNL presents these balances annually to the Regents each July.
3. Forecasted year-end **reserve balances are \$151.5M**. Most of the reserves support multi-billion-dollar systemwide national laboratory contracts and the housing loan program.

The following sections provide FY23-24 budget details for fund sources and uses. In addition, there is more information about pass-through expenditures, and fee-for-service shared services. Lastly, there is a detailed review of UCOP fund balances and reserves.

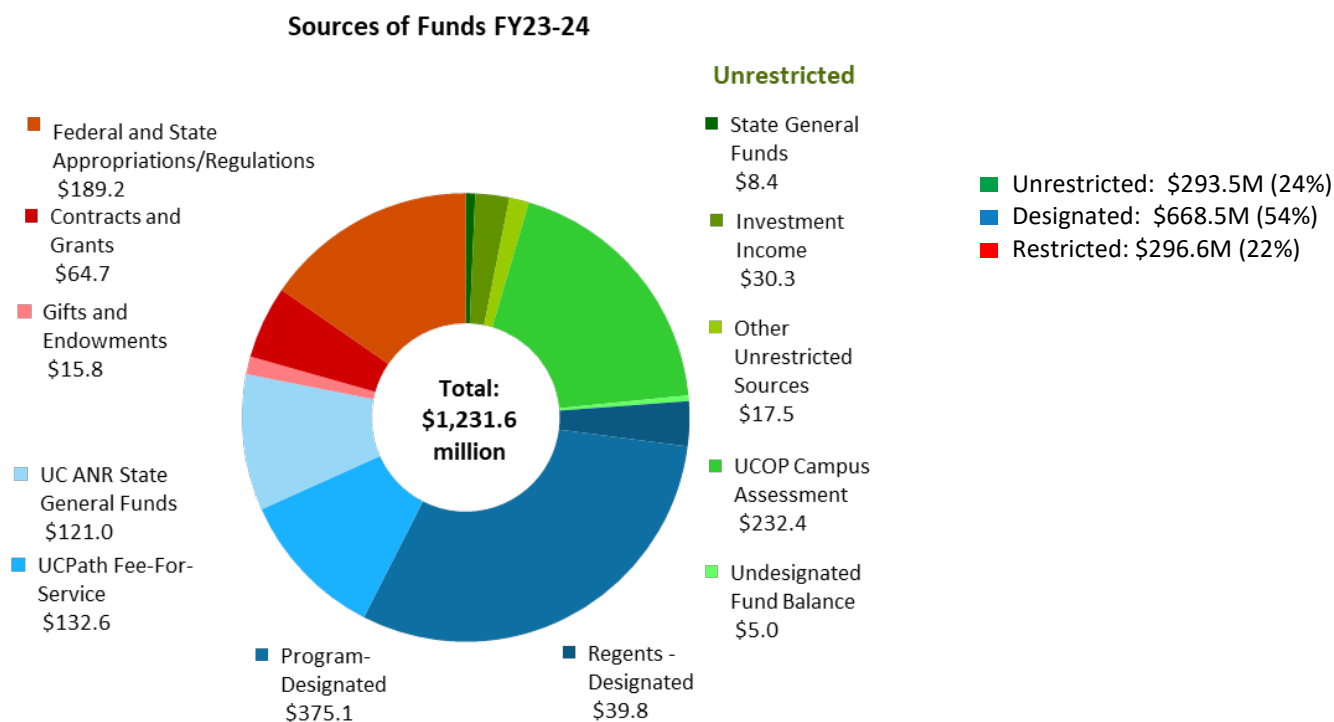
## FY23-24 UCOP BUDGET DETAIL

**UCOP's total proposed expenditures, including grant awards, for FY23-24 are \$1,228.1M.** 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, the detail of all Pass-Through and Fee-for-Service activities are provided. Finally, a summary of uses by fund type is included.

### Fund Sources

In FY23-24, UCOP's budget provides sources totaling \$1,231.6M which are detailed in the appendix, **Schedule A**. As shown in Figure 4 below, **76 percent of fund sources are either restricted or designated**. The campus assessments for UCOP and UCPath total \$365.0M and comprise 30 percent of the UCOP budgeted sources of funds. The direct appropriation for UC ANR totals \$121.0M.

**Figure 4: Fund Sources**  
(\$M)



Due to timing of sources and uses, the net margin reflects a surplus of \$3.5M for FY23-24 on designated and restricted funds. Surplus funds, primarily from UCNL will be used in subsequent years and/or added to the fund balances for future expenditures. Additional information can be found in Schedule B. Figure 5 below shows the source changes between FY22-23 and FY23-24 by fund type.

**Figure 5: Change in Fund Sources**

\$ millions

Fund Type	Variance			
			FY23-24 vs FY22-23	
	FY22-23 Budget	FY23-24 Budget	\$	%
Unrestricted	\$ 280.5	\$ 293.5	\$ 13.0	4.6%
Designated	\$ 514.1	\$ 668.5	\$ 154.4	30.0%
Restricted	\$ 252.3	\$ 269.6	\$ 17.4	6.9%
<b>Total</b>	<b>\$ 1,046.8</b>	<b>\$ 1,231.6</b>	<b>\$ 184.8</b>	<b>17.7%</b>

- Increase on unrestricted funds from a 3.9% increase in campus assessment funds and higher investment returns.
- Increase on designated funds driven by state funded Climate Change, UCPath, CDL, UCNL and other fee-for-service activities
- Restricted funds increase in retirement administration funds for the pension system and ANR

## Fund Uses

The FY23-24 budgeted use of funds is \$1,228.1M. Programs and Initiatives comprise 44 percent and Systemwide and Core Services comprise 43 percent of the budget. UCPath represents 11 percent of the budget, and the Strategic Priorities Funds comprise approximately 2 percent of the budget. Figure 6 provides an overview of UCOP uses by functional area.

**Figure 6: Fund Uses**

\$ in millions

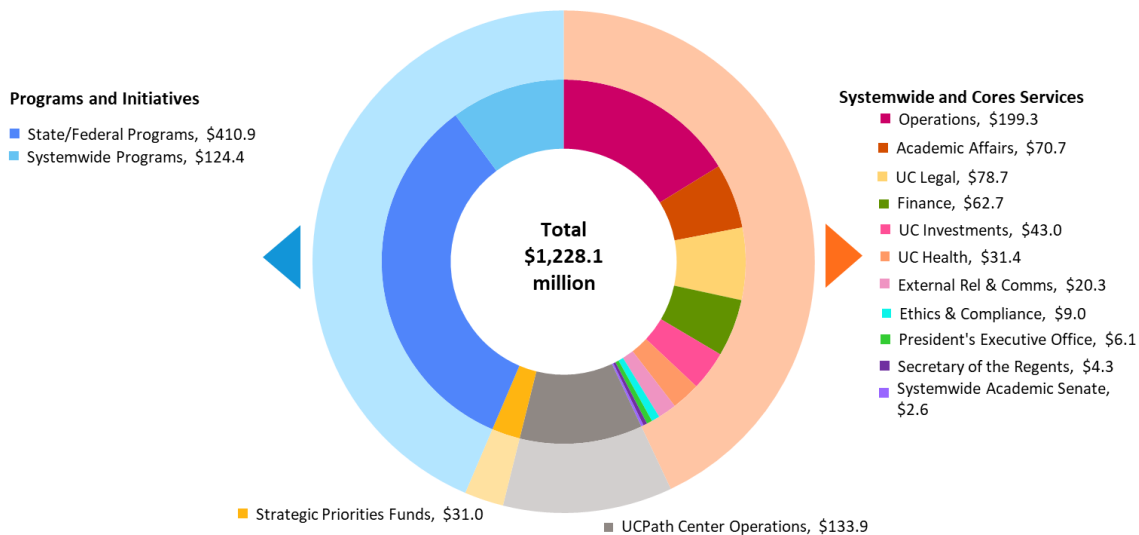


Figure 7 below outlines the changes in the budget by functional area. Additional detail on the Uses of Funds, including budgets, forecasts and variances are included in the section below and **Schedules A-E**.

**Figure 7: Change in Fund Uses**

\$ millions

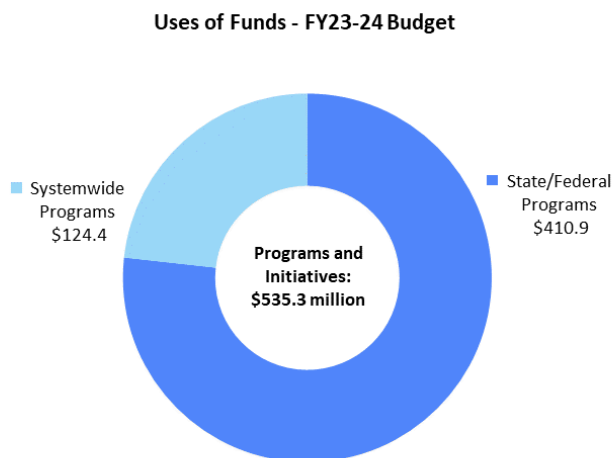
Functional Area	FY22-23 Budget	FY23-24 Budget	Variance FY23-24 vs FY22-23		
			\$	%	
			Incr/(Decr)	Incr/(Decr)	
Programs and Initiatives	\$ 414.4	\$ 535.3	\$ 120.9	29.2%	<i>The total budget has increased by \$192.3M or 18.6%, or \$169.9M or 18.4% excluding UCPath</i>
Systemwide and Cores Services	476.3	527.9	51.6	10.8%	
UCPath	111.5	133.9	22.4	20.1%	
Strategic Priorities Fund, Unrestricted	30.0	30.0	0.0	0.0%	
Strategic Priorities Fund, Desig. & Restricted	3.6	1.0	(2.6)	(72.5%)	
<b>Total</b>	<b>\$ 1,035.8</b>	<b>\$ 1,228.1</b>	<b>\$ 192.3</b>	<b>18.6%</b>	
<b>excl. UCPath</b>	<b>\$ 924.3</b>	<b>\$ 1,094.2</b>	<b>\$ 169.9</b>	<b>18.4%</b>	

## Programs and Initiatives

The proposed FY23-24 Programs and Initiatives budget is \$535.3M, or 44 percent 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



**77% - State/Federal Programs** are either required by legislation or operated by UC on behalf of the state or federal government, e.g., Climate change, ANR and the Tobacco-Related Disease Research program.

**23% - 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 FY23-24 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**). Most 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

	FY22-23 Budget	FY23-24 Budget
<b>Pass-Throughs</b>		
Agriculture & Natural Resources	\$ 196.8	\$ 227.2
Research Grant Programs	86.4	153.6
Other Strategic Priorities Fund	17.9	13.4
UC Observatories	16.3	17.0
California Subject Matter Projects	9.6	7.9
National Laboratory Programs	8.5	15.3
UC Research Initiative	7.4	7.4
All Others	5.4	7.4
Diversity Initiatives	5.5	8.4
Other Academic Pass-Throughs	5.1	10.4
Public Service Programs	4.5	7.0
Public Service & Law Fellowship	3.6	-
Online Education Initiatives	3.4	3.1
Undocumented Students	2.0	-
iCAMP	1.0	0.1
UC Libraries	0.9	14.0
UC Health Initiatives	0.7	0.6
<b>Total Pass-Throughs</b>	<b>\$ 374.9</b>	<b>\$ 492.8</b>
Year-Over-Year Increase \$	\$	117.9
Year-Over-Year Increase %		31.5%

- *Pass-throughs, funds not expended at UCOP, comprise 40% of the total UCOP budget.*
- *Pass-throughs increase in this year's budget proposal by \$117.9M.*
- *Research grant programs increase with climate change grants.*
- *UC Libraries include the impact of CDL collections which are managed at UCOP.*

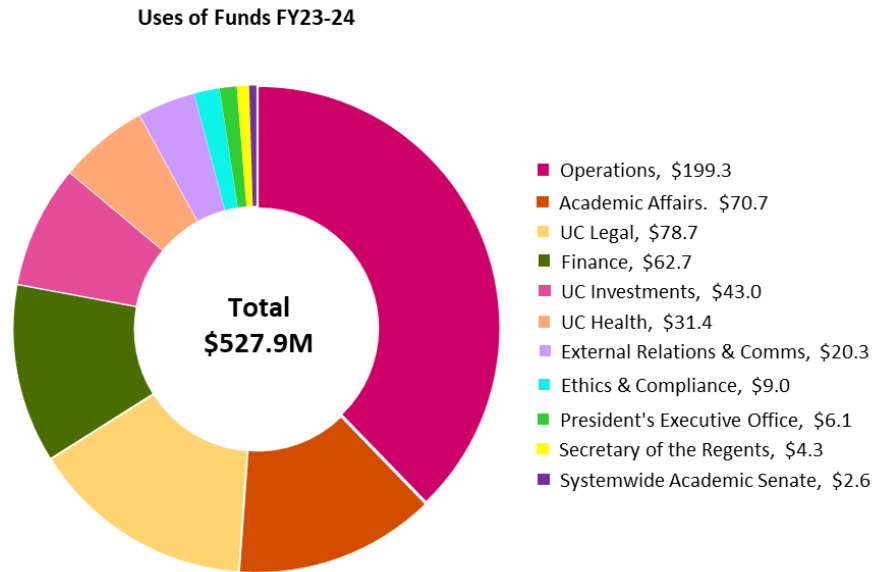
For FY23-24, the pass-through funds increased by \$117.9M (31.5 percent). Of the total,

- \$67.3M is an increase in Research Grant Programs, with the addition of climate change research and other research programs partly offset by lower Tobacco-Related Disease Research.
- \$30.4M increase in ANR for expansion of contracts and grants.
- \$13.1M in CDL for systemwide collections that are procured and managed at UCOP.
- \$6.8M increase in UC National Laboratories to pursue business development opportunities.
- \$5.4M for expansion of diversity and other public service programs that broaden access.
- \$5.3M in other academic pass-throughs that include \$3M in grant funds from the Mellon Foundation for HIS-related investments.

## Systemwide and Core Services

Systemwide and Core Services, excluding UCPath, total \$527.9M and comprise 43 percent of the total budget; including UCPath, the total is \$661.8M or 54 percent 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 these services, provides systemwide HR, benefits and retirement management, technology services, strategic planning, and program management, and internal UCOP operations.

**Figure 10: Systemwide and Core Services**  
\$ in millions



Projected variances for the current year and a comparison to the FY23-24 budget are shown on **Schedule D**. Most UCOP Fee-for-Service activities, shown in Figure 11 below, are in the Systemwide and Core Services budget.

**Figure 11: Fee-for-Service Activities**  
\$ in millions

	FY22-23 Budget	FY23-24 Budget
<b>Fee-for-Service</b>		
UC Path	\$ 113.0	\$ 134.0
Office of the General Counsel	55.3	63.5
UC Retirement System	55.5	68.5
Investments & Asset Management	49.3	50.7
Employee Benefits Administration	33.1	33.5
UC Health Collaborative	25.7	25.5
Risk Management	7.6	8.3
Bond Management	4.4	4.6
Information Technology Services	3.2	2.9
Other Services	2.9	3.1
Patent Royalty Administration	2.7	3.0
UC Mortgage Origination Plan	2.5	2.7
<b>Total Fee-for-Service</b>	<b>\$ 355.0</b>	<b>\$ 400.3</b>
<b>Year over Year Increase \$</b>		<b>45.3</b>
<b>Year over Year Increase %</b>		<b>12.8%</b>

- The top six fee-for-service activities account for **94% of the total**.
- UCPath (incl. fee-for-service one-time projects in designated SPF) is higher due to staffing level targets and service improvements.
- UC Retirement System is higher as work on the pension system project continues to move towards stabilization, and resources are added to the service center.

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 internal and 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 was created to consolidate multiple legacy and out-of-date University of California payroll, benefits, and HR systems – at more than 20 UC campuses, medical centers, laboratories, and staff locations – into a single, cloud-based PeopleSoft software suite that supports a shared services center. To date, UCPATH is the largest Payroll/HR Systems/Benefits Administration shared services organization in U.S. higher education.

UCPATH's singular purpose is to effectively serve the more than 240,000 employees from UC campuses, health systems, Office of the President, Agriculture and Natural Resources, Associated Students of UCLA, University of California Law, San Francisco, and Lawrence Berkeley National Laboratory.

UC completed the rollout of UCPATH in 2020 and since then has focused on stabilizing its business operation and embarking on a roadmap to effectively achieve agreed-upon outcomes and service levels. To that end, the immediate strategic priorities for FY23-24 are to:

- Increase effective partnerships with the UC stakeholder community to maximize the value of UCPATH services.
- Continue a cultural and organizational transformation framework that demonstrates the sole reason for UCPATH is to support the UC locations and their employees.
- Stabilize UCPATH operations through organizational alignment, operational improvements, and transformative technology.
- Improve the customer experience and achieve service level performance targets while minimizing risk across the enterprise.

In FY22-23, UCPATH made significant improvements in key areas:

- Reduced the case backlog by more than half, year-over-year.
- Significantly improved customer service metrics (e.g., call wait times, transaction turnaround, response times, customer satisfaction, etc.).
- Completed open enrollment, which is typically a major servicing challenge, with minimal disruption to business operations.
- Deployed sufficient employees and contract staff to scale to oversee the unexpected workload resulting from the Public Service Loan Forgiveness program.

The UCPATH FY23-24 funding request builds upon the improvements already achieved and enables the attainment of specific goals, objectives, and targeted initiatives to continue the UCPATH transition from a post-implementation operation to a stable, steady-state, best-in-class shared services organization. For FY23-24, the proposed UCPATH operating budget is \$133.9M, up 20.1 percent from \$111.5M in FY22-23.

The UCPATH FY23 budget proposal reflects a material increase from FY22-23, primarily driven by:

- The first full year of debt service principal payments.
- The first full year at the full staffing levels approved in FY22-23.
- Technology and operational improvements to stabilize UCPATH operations, alleviate location pain points and deliver a best-in-class customer experience.

The proposed budget has been broadly socialized with stakeholders and approved by UCPath [governance](#). Stakeholders have prioritized important system changes to reduce manual workload, streamline cumbersome processes, improve visibility to their employee data, increase accuracy of financial reporting, replace customizations with vendor-supported functionality and support UC's Gender Recognition and Lived Name policy that are included in the UCPath FY23-24 roadmap.

### Unrestricted Strategic Priorities Fund (SPF)

The SPF was created in FY17-18 and funded at \$30M to support 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 which are reviewed by the Supplemental Funding Request (SFR) process.

**Schedule F-1** details the projected FY22-23 forecast and FY23-24 known commitments of approximately \$20.2M, which include:

- On-going support for UC National Center for Free Speech & Civic Engagement
- Needed campus funding for Native American Graves Protection and Repatriation Act (NAGPRA)
- Programs that support the academic mission, students, and researchers
- Bridge funding for undergraduate and graduate student association initiatives (UCSA / UCGPC)
- IT projects, including a critical effort to stabilize the UCOP network and reduce vulnerability to security breach issues.
- Campus Community Safety Planning and Resources
- Bridge funding for UC Sacramento academic program
- Presidential initiatives (final year of funding), described in further detail in Appendix 3

The \$30M SPF currently includes \$9.8M in uncommitted funds. These funds, while limited, remain at the discretion of the President for new initiatives or strategies. However, these uncommitted funds also are used for unforeseen requirements, such as systemwide community safety reforms, and technology upgrades, which can further limit the Presidents' flexibility.

### Designated and Restricted Strategic Priorities Fund (SPF)

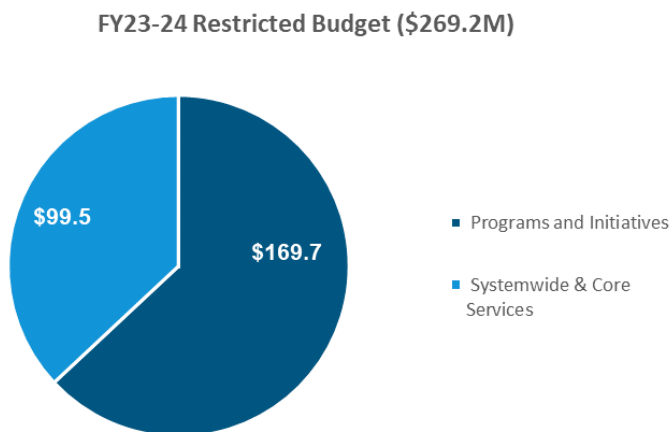
In addition to the unrestricted SPF, one-time designated and restricted projects can be funded with the Designated and Restricted SPF. This provides transparency to short-term projects funded on designated or restricted funds so they may be tracked separately from operating costs.

**Schedule F-2** shows the planned projects to be funded by this SPF totaling \$1.0M. This year there is one major project for, Non-Binary Gender and Lived Name, which addresses The Gender Recognition Act that was signed into California law on October 15, 2017.

### Fund Uses by Fund Type

54 percent of restricted funds primarily support two large State and Federal programs, Agriculture and Natural Resources (ANR) and the Tobacco-Related Disease Research Program (TRDRP). Restricted funds also support the UC retirement administration and systems, including one-time funds in the restricted SPF to stabilize and enhance the retirement administration system (the Redwood project).

**Figure 12: FY23-24 Restricted Fund Uses**



**Programs and Initiatives, \$169.7M (63%):**

- \$163.5M of this total is from state / federal Programs with ANR and TRDRP accounting for \$83.8M and \$49.9M, respectively

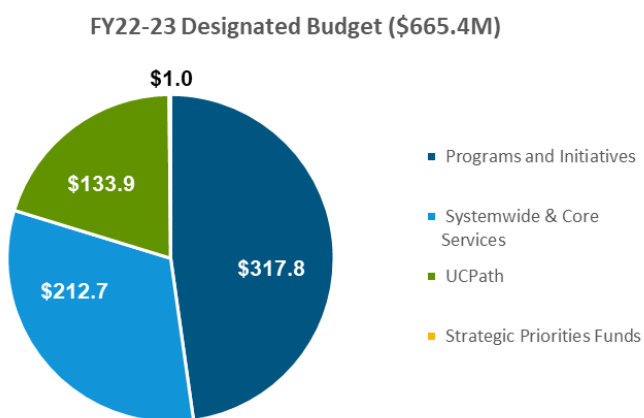
**Systemwide Services, \$99.5M (37%):**

- \$84.4M of this total is in Systemwide Human Resources associated with management of UC's systemwide retirement program

FY23-24 designated funds total \$665.4M. 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 FY23-24, designated funds increase by \$154.4M from FY22-23. The change is driven by increases in Climate Change research, UCPATH, UC Legal and UC National Laboratories. Increases in Systemwide and Core Services or fee-for-service activities (which were reviewed with and supported by the Executive Budget Committee).

**Figure 13: FY23-24 Designated Fund Uses**



**Programs and Initiatives, \$317.8M (48%):**

- \$246.7M of the total is in state / federal programs incl. ANR \$145.2, Climate \$83.8M and UCNL \$12.6M
- \$71.1M of the total is in Systemwide programs: UC Press \$21.3M, Lab Fees Research \$14.3M, CA HIV/Aids \$8.8M

**Systemwide and Core Services, \$212.7M (32%):**

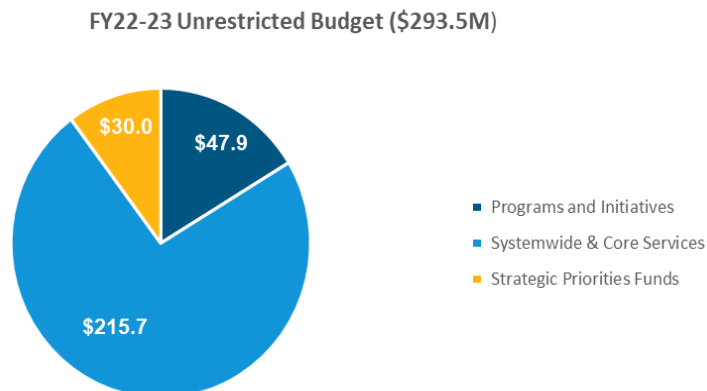
- UC Legal \$66.7M, Risk Services \$10.0M, UC Investments \$43M, UC Health \$27.1M

**UCPATH, \$133.9M (20%)**

**Strategic Priorities Fund, \$1.0M: (<1%).**

The FY23-24 budget includes total unrestricted funds of \$293.5M. 73 percent of these funds go toward Systemwide and Core Services to provide services across the system, gain efficiencies and reduce redundancies. Detailed expenditures by fund type are provided in the Regents Schedule C-1 and D-1 in the appendix.

**Figure 14: FY23-24 Unrestricted Fund Uses**



**Systemwide and Core Services, \$215.7M (73%):**

- External Relations & Communications \$12.9M, Finance \$36.1M, UC Operations \$86.8M (including IT, Systemwide Human Resources), UC Legal \$11.0M, and Other (President's Executive Office, Secretary of the Regents, and more)

**Programs and Initiatives, \$47.9M (16%):**

- Funding supports research and teaching: UC Observatories, \$17.0M; Multi-campus research, \$8.3M, UC Washington DC Center \$1.6M
- And supports public service: SAPEP \$8.4M, HBCUs \$4M.
- **Strategic Priorities Fund, \$30.0M (10%)**

## 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 Laboratories and UC Housing Loan programs, are reserves against multi-billion-dollar portfolios that are managed by UCOP and overseen by the Regents.

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

### Reserve Target Funding Levels

In March 2019, UCOP established and reviewed guiding principles for UCOP reserves with the Board of Regents. The guiding principles include target funding levels, and controls for monitoring, reporting, and drawing on funds. In January 2018, the Regents adopted the [Policy on a Central Operating Reserve for the University of California Office of the President](#). The policy and Presidential guidelines establish the size, funding source and circumstances for drawing on the Central Operating Reserve. The central operating reserve is unchanged from previous years and set at \$15M or at least 3.5 percent of covered funds and expenses and maintained in the President's Endowment Fund.

## Forecasted Reserves

UCOP reports reserve balances and target funding levels to the Regents twice annually, during the presentation of the budget, and after 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 \$151.5M as of June 30, 2022. Details are in **Schedule G**.

**Figure 15 – UCOP Reserve Balances**

\$ in millions

	Reserve Target Minimum	Reserve Target Maximum	6/30/23 Forecasted Reserve	Variance: 6/30/23 Reserve Over Max / (Under Min)
<b>UCOP RESERVES</b>				
Building and Capital Assets Reserves <sup>1</sup>	\$ 3.0	\$ 8.5	\$ 0.6	\$ (2.4)
Program Reserves	65.9	83.3	67.7	-
Other Required Reserves	56.5	71.5	68.2	-
<b>Sub-Total Program and Non-Operating Reserves</b>	<b>\$ 125.4</b>	<b>\$ 163.3</b>	<b>\$ 136.5</b>	
Central Operating Reserve	15.0	15.0	15.0	-
<b>TOTAL UCOP RESERVES<sup>2</sup></b>	<b>\$ 140.4</b>	<b>\$ 178.3</b>	<b>\$ 151.5</b>	

<sup>1</sup> The Capital Maintenance and Renewal reserve is under the target minimum currently due to significant expenditures in FY22-23 on the Oakland consolidation program. These reserves will be built back to the target range over the next three years.

<sup>2</sup> See Schedule G for additional details.

Individual reserves fall within the established target funding range minimum of \$140.4M and maximum of \$178.3M, except where noted above. Program Reserves are largely (90%) comprised of UC National Laboratories reserves which are designated by the UC Regents. The Housing Loan program reserve requirement reflects a 4 percent 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 percent maximum reserve target. Given the current economic uncertainty, and need to accommodate requests for loan forbearance, the Office of Loan Programs recommended a maximum target equal to 4.0 percent, with a resulting target maximum of \$71.5M, which includes \$11.5M for campus supplemental loans. 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 FY23-24 budget, UCOP analyzed actual fund balances as of March 31, 2023, and forecasted fund balances for June 30, 2022. 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 balances by fund type, forecasted as of June 30, 2023. Overall, fund balances are projected to decrease by \$25.1M or 22 percent compared to last year, the largest reduction (39 percent) taking place in the unrestricted funds.

**Figure 16: UCOP Fund Balances**

*\$ millions*

	6/30/23						
	6/30/22 Balance	Forecasted Balance	Commitments	Remaining Balance	Change in Fund Balance	% Change	
Unrestricted	\$ 23.6	\$ 24.9	\$ 10.6	\$ 14.3	\$ (9.3)	-39%	
Designated	82.5	96.0	26.4	69.6	(12.9)	-16%	
Restricted	9.6	6.7	-	6.7	(2.9)	-30%	
<b>Total Fund Balances</b>	<b>\$ 115.7</b>	<b>\$ 127.6</b>	<b>\$ 37.0</b>	<b>\$ 90.6</b>	<b>\$ (25.1)</b>	<b>-22%</b>	

**Unrestricted fund balances** afford the most flexibility for use. Unrestricted balances total \$14.3M or 16 percent of the total remaining fund balance, net of funds being used for FY23-24 budget sources. The main cause of the change in unrestricted fund balances was due to the use of \$8M in fund balances to balance the FY22-23 budget. Fund balances at year-end are planned in the subsequent year and may reduce the overall demand for increased campus assessment funding. Final balances will be reviewed by UCOP after the June 30, 2023, fiscal close and reported in the FY22-23 Budget-to-Actuals item presented at the November 2023 Regents Meeting.

**Designated fund balances** total \$69.6M or 77 percent of the forecasted remaining fund balance. A designated balance is considered committed by the Regents or UCOP for an intended purpose. The largest balance, \$54.2M, or 60 percent of total fund balances, is Regents-designated for the management of the UC National Laboratories and the Laboratory Fees Research Program. The Office of National Laboratories provides a spending and reserves plan to the Regents each July for approval.

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

- \$8.9M decrease in endowment cost recovery funds planned for future development work
- \$6.9M decrease in the Lab Fees Research program used to fund campus research opportunities
- \$7.8M increase in the LBNL balances to be used for lab operations and reserves

**Restricted fund balances** cannot be reallocated for other purposes. Contracts and grants are funded on a reimbursement basis and thus carry no balances. Federal and special State appropriations are forecasted to be slightly lower based on disbursements to the campuses and laboratories. Restricted balances represent 7 percent of the forecasted remaining fund balance.

## EXECUTIVE BUDGET COMMITTEE RECOMMENDATIONS

The Executive Budget Committee (EBC) issued its annual budget letter to President Drake in April. UCOP and all campuses continue to share concerns over escalating operating and teaching costs. There continues to be a conservative approach across the campuses with respect to new initiatives and necessary trade-offs. The UCOP budget process includes regular consultation with the EBC, and the Committee's feedback, recommendations, and guiding principles include support for:

- The campus assessment funding model which improves systemwide coordination and agreement of a 3.9 percent increase in FY23-24 for UCOP.
- The systemwide general salary increase program which seeks to retain UC's all important human capital resources.
- UCOP's conservative planning and assessment of key priorities in both Programs and Initiatives as well as Systemwide and Core Services.



- SPF set at \$30M since FY17-18, allows the President only a modest level of flexibility in which to set vision or strategic direction for the University.
- Use budget targets on unrestricted funds to contain costs and a return to the use of a UCOP vacancy factor to partially offset the impact of time to hire and turnover.
- 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 variable and impacted by factors outside direct control of UCOP.
- Continued investment in UCPath to address campus service-levels, and a request for longer-range planning to better anticipate future funding needs and to see a leveling off of costs to run UCPath.
- Funding CDL through a systemwide “off the top” set-aside but moving that budget into UCOP for management and oversight of collections.
- Finally, because of deep dive reviews, the EBC supports more use of seed funding for concept-proof prior to larger scale investments.

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

#### **PRESIDENT’S RECOMMENDATION**

UCOP has developed this budget based on anticipated FY23-24 funding that delivers valued programs and services. 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 FY23-24 Budget by the Board of Regents.



# Appendices

# Schedule A

## Sources and Uses by Year

### Overall UCOP

\$ in millions

			Variance Increase/(Decrease)			
	FY22-23	FY22-23	FY23-24	FY22-23 Fcst vs FY22-23 Bud	FY23-24 Bud vs FY22-23 Fcst	FY23-24 Bud vs FY22-23 Bud
	Budget	Q2 Forecast	Budget			
SOURCES						
Unrestricted Sources						
State General Funds	7.3	7.6	8.4	0.2	0.8	1.1
Investment Income	23.7	33.7	30.3	10.0	(3.4)	6.6
UCOP Campus Assessment	223.6	223.6	232.4	(0.0)	8.8	8.7
Undesignated Fund Balance	8.1	0.0	5.0	(8.1)	5.0	(3.1)
Other Unrestricted Sources	17.7	22.7	17.5	5.0	(5.2)	(0.2)
Subtotal - Unrestricted Sources	\$280.5	\$287.6	\$293.5	\$7.1	\$5.9	\$13.0
Designated Sources						
Regents - Designated	38.2	32.3	39.8	(5.9)	7.5	1.6
Program-Designated	254.0	277.1	375.1	23.1	98.0	121.1
UCPath Fee-For-Service	113.0	115.4	132.6	2.4	17.2	19.7
UC ANR State General Funds	108.9	103.5	121.0	(5.4)	17.5	12.1
Subtotal - Designated Sources	\$514.1	\$528.2	\$668.5	\$14.1	\$140.3	\$154.4
Restricted Sources						
Gifts and Endowments	15.3	12.9	15.8	(2.4)	2.9	0.5
Contracts and Grants	48.3	54.3	64.7	6.1	10.3	16.4
Federal and State Appropriations/ Regulations	188.7	194.4	189.2	5.7	(5.2)	0.5
Subtotal - Restricted Sources	\$252.3	\$261.6	\$269.6	\$9.4	\$8.0	\$17.4
TOTAL SOURCES	\$1,046.8	\$1,077.5	\$1,231.6	\$30.6	\$154.2	\$184.8
USES						
Programs and Initiatives						
State/ Federal Programs	313.9	342.3	410.9	28.5	68.6	97.1
Systemwide Programs	100.6	107.2	124.4	6.6	17.2	23.8
Subtotal - Programs and Initiatives	\$414.4	\$449.6	\$535.3	\$35.1	\$85.8	\$120.9
Systemwide and Core Services						
Academic Affairs	54.9	55.5	70.7	0.6	15.3	15.8
Ethics & Compliance	7.8	7.8	9.0	(0.1)	1.2	1.2
External Relations & Communications	20.3	18.2	20.3	(2.1)	2.1	(0.0)
Finance	58.4	55.0	62.7	(3.4)	7.6	4.2
Operations	180.2	181.2	199.3	1.0	18.1	19.1
President's Executive Office	5.5	5.6	6.1	0.0	0.5	0.5
Secretary of the Regents	4.2	4.1	4.3	(0.1)	0.2	0.1
Systemwide Academic Senate	2.4	2.4	2.6	0.1	0.1	0.2
UC Health	30.8	31.3	31.4	0.6	0.0	0.6
UC Investments	42.3	42.5	43.0	0.2	0.6	0.8
UC Legal	69.5	69.9	78.7	0.4	8.7	9.2
Subtotal - Systemwide and Core Services (excl UCPath)	\$476.3	\$473.5	\$527.9	(\$2.8)	\$54.4	\$51.6
Strategic Priorities Funds						
SPF - Unrestricted	30.0	28.6	30.0	(1.4)	1.4	0.0
SPF - Designated/ Restricted	3.6	3.0	1.0	(0.5)	(2.1)	(2.6)
Subtotal - Strategic Priorities Funds	\$33.6	\$31.7	\$31.0	(1.9)	(\$0.7)	(2.6)
SUBTOTAL USES	\$924.3	\$954.7	\$1,094.2	30.4	139.6	169.9
UCPath	111.5	113.9	133.9	2.4	20.0	22.4
TOTAL USES	\$1,035.8	\$1,068.6	\$1,228.1	32.8	159.5	192.3
NET MARGIN SURPLUS (DEFICIT)	\$19.1	\$0.3	\$3.5	(\$18.8)	\$3.2	(\$15.6)
Included in Sources and Uses Above						
Pass-Throughs	374.9	420.8	492.8	46.0	71.9	117.9
Fee-For-Service	355.0	354.7	400.3	(0.3)	45.6	45.3
Total Fee-For-Service and Pass-Throughs	\$729.9	\$775.6	\$893.1	\$45.7	\$117.5	\$163.2

**Notes to Schedule A:**

**Sources**

**Unrestricted Sources**

1. State General Funds: \$8.4M reflects funds from the state for faculty diversity programs and iCAMP.
2. Investment Income: \$30.3M estimate based on current year returns; higher by \$6.6M due to higher short-term rates of return.
3. UCOP Campus Assessment: \$232.4M total represents the \$8.7M, or 3.9% increase.
4. Undesignated Fund Balance: \$5M estimate based on FY22-23 Forecast savings.
5. Other Unrestricted: \$17.5M is roughly flat to FY22-23

**Designated Sources**

6. Regents Designated: \$39.8M increased by \$1.6M (4%) for UCNL fee income, partially designated for reserves.
7. Program-Designated: \$375.1M increased by \$121.1M (48%) due to Climate Research funding from the state, and UC Legal to hire additional resources.
8. UCPath Fee-For-Service: \$132.6M increased by \$19.7M (17%) compared to FY22-23 due to target staffing levels, strategic service improvements and debt service payments.
9. UC ANR State General Funds: \$121M an increase of \$12.1M (11%) in state allocations.

**Restricted Sources**

10. Gifts and Endowments: \$15.8M is up \$0.5M (3%) compared to FY22-23.
11. Contracts and Grants: \$64.7M increased \$16.4M (34%) driven by ANR's extramural funding and other research funding.
12. Federal and State Appropriations: \$189.2M is roughly flat to FY22-23, with a decrease in TRDRP funds offset by increased retirement system funds.

**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	FY23-24 Budget
<b>TOTAL SOURCES</b>	<b>\$293.5</b>	<b>\$668.5</b>	<b>\$269.6</b>	<b>\$1,231.6</b>
<b>USES</b>				
<b>Programs and Initiatives</b>				
State/Federal Programs	0.8	246.7	163.5	410.9
Systemwide Programs	47.1	71.1	6.2	124.4
<b>Subtotal - Programs and Initiatives</b>	<b>\$47.9</b>	<b>\$317.8</b>	<b>\$169.7</b>	<b>\$535.3</b>
<b>Systemwide and Core Services</b>				
Academic Affairs	43.5	26.7	0.5	70.7
Ethics & Compliance	9.0	0.0	0.0	9.0
External Relations & Communications	12.9	5.8	1.6	20.3
Finance	36.1	23.1	3.4	62.7
Operations	86.8	20.0	92.5	199.3
President's Executive Office	5.5	0.4	0.2	6.1
Secretary of the Regents	4.3	0.0	0.0	4.3
Systemwide Academic Senate	2.5	0.0	0.1	2.6
UC Health	4.1	27.1	0.1	31.4
UC Investments	0.0	43.0	0.0	43.0
UC Legal	11.0	66.7	1.1	78.7
<b>Subtotal - Systemwide and Cores     Services (excl UCPath)</b>	<b>\$215.7</b>	<b>\$212.7</b>	<b>\$99.5</b>	<b>\$527.9</b>
<b>Strategic Priorities Funds</b>	<b>\$30.0</b>	<b>\$1.0</b>	<b>\$0.0</b>	<b>\$31.0</b>
<b>SUBTOTAL USES</b>	<b>\$293.5</b>	<b>\$531.5</b>	<b>\$269.2</b>	<b>\$1,094.2</b>
<b>UCPath</b>	<b>0.0</b>	<b>133.9</b>	<b>0.0</b>	<b>133.9</b>
<b>TOTAL USES</b>	<b>\$293.5</b>	<b>\$665.4</b>	<b>\$269.2</b>	<b>\$1,228.1</b>
<b>NET MARGIN: SURPLUS (DEFICIT)<sup>1</sup></b>	<b>\$0.0</b>	<b>\$3.1</b>	<b>\$0.5</b>	<b>\$3.5</b>

### Schedule B

<sup>1</sup>Due to timing of sources and uses, the net margin reflects a surplus for FY23-24. Surplus funds will be used in subsequent years and/or added to the fund balances for future expenditures. 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. Nearly all of the \$3.5M budget surplus, is from designated funds, mainly attributed to anticipated UCNL fee income which will be allocated through the annual spend plan approved by the Regents.

# Schedule C

## Budget by Programs and Initiatives

### Programs and Initiatives

\$ in millions

	Variance Increase/(Decrease)					
	FY22-23	FY22-23	FY23-24	FY22-23 Fcst	FY23-24 Bud	FY23-24 Bud
	Budget	Q2 Forecast	Budget	vs FY22-23 Bud	vs FY22-23 Fcst	vs FY22-23 Bud
<b>PROGRAMS AND INITIATIVES</b>						
<b>State/Federal Programs</b>						
Agriculture and Natural Resources (ANR)	202.9	193.1	229.0	(9.8)	35.9	26.1
California Breast Cancer Research Program	12.9	8.8	17.8	(4.1)	9.0	4.9
California Subject Matter Project (CSMP)	10.5	18.5	8.8	8.0	(9.7)	(1.7)
Gaining Early Awareness and Readiness for Undergraduate Programs	3.4	3.4	3.5	0.0	0.1	0.1
Graduate Medical Education	1.9	1.9	1.9	(0.0)	0.0	0.0
Office of the National Laboratories (UCNL)	9.7	16.7	12.6	7.0	(4.1)	2.9
Other State/Federal Programs	0.6	0.1	0.9	(0.5)	0.9	0.4
Tobacco-Related Disease Research Program (TRDRP)	68.9	81.6	49.9	12.7	(31.7)	(19.0)
UC Research: Cancer Research Coordinating Committee (CRCC)	3.0	2.2	2.7	(0.8)	0.4	(0.3)
UC Climate Action Research Initiative 2022	0.0	16.0	83.8	16.0	67.8	83.8
<b>Subtotal - State/Federal Programs</b>	<b>\$313.9</b>	<b>\$342.3</b>	<b>\$410.9</b>	<b>\$28.5</b>	<b>\$68.6</b>	<b>\$97.1</b>
<b>Systemwide Programs</b>						
California HIV/AIDS Research Program (CHRP)	8.8	8.8	8.8	0.0	(0.0)	0.0
Eligibility in the Local Context (ELC)	0.9	0.9	0.9	0.0	0.0	0.0
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	2.0	3.1	3.1	1.2	0.0	1.2
Historically Black Colleges and Universities (HBCU) Summer Research Initiative	2.0	2.0	2.0	0.0	0.0	0.0
Innovative Learning Technology Initiative (Online Education)	8.3	8.2	8.7	(0.0)	0.4	0.4
Natural Reserve System (NRS)	2.8	2.6	3.3	(0.2)	0.7	0.5
Other Systemwide Programs	2.2	3.9	7.2	1.8	3.3	5.1
President's Postdoctoral Fellowship Program HSI	2.8	2.5	2.9	(0.3)	0.4	0.1
<i>SAPEP</i>	10.3	15.1	16.4	4.8	1.3	6.1
UC Astronomy: University of California Observatories (UCO)	7.5	7.5	7.5	0.0	0.0	0.0
UC Astronomy: W.M. Keck Observatory (Keck)	8.8	8.8	9.5	0.0	0.7	0.7
University of California Press	20.7	20.9	22.3	0.2	1.4	1.6
UC Research: Laboratory Fees Research Program (LFRP)	8.1	7.2	14.3	(0.9)	7.1	6.2
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.3	8.3	8.3	0.0	0.0	0.0
University of California Washington Center (UCDC)	7.2	7.4	9.3	0.2	1.9	2.1
<b>Subtotal - Systemwide Programs</b>	<b>\$100.6</b>	<b>\$107.2</b>	<b>\$124.4</b>	<b>\$6.6</b>	<b>\$17.2</b>	<b>\$23.8</b>
<b>TOTAL USES</b>	<b>\$414.4</b>	<b>\$449.6</b>	<b>\$535.3</b>	<b>\$35.1</b>	<b>\$85.8</b>	<b>\$120.9</b>



**Notes to Schedule C: Budget by Programs and Initiatives**  
**FY23-24 Budget Increase / (Decrease) vs. FY22-23 Budget > \$1M**

**State / Federal Programs**

1. Agriculture and Natural Resources: \$229.0M increased by \$26.1M due to the state general funds increase, and projected contracts and grants funding.
2. California Breast Cancer Research Program: \$17.8M increased by \$4.9M, +38% due to the timing of grant awards projected in FY23-24.
3. California Subject Matter Program: \$8.8M decreased by (\$1.7M, -16%) as additional one-time state funding in FY22-23 is not expected in FY23-24.
4. Office of the National Laboratories (UCNL): \$12.6M increased by \$2.9M, +30% for needed business development funds to grow lab management and for the Southern California Hub.
5. Tobacco-Related Disease Research Program (TRDRP): \$49.9M decreased by (\$19.0M, -28%) due to lower anticipated grant awards related to a program calendar shift.
6. UC Climate Action Research Initiative: \$83.8M in new funding from the state for research and development projects in climate resilience, adaptation, and mitigation across California.

**Systemwide Programs**

7. HBCU Fellowship Initiative: \$3.1M increased by \$1.2M or 60% due to additional funding received through the SAPEP allocation in FY22-23.
8. Other Systemwide Programs: \$7.2M increased by \$5.1M or 230% due to a restricted grant from the Mellon Foundation.
9. SAPEP: \$16.4M increased by \$6.1M, +59% with additional funding to support various SAPEP programs.
10. UC Press: \$22.3M increased by \$1.6M, 8% due to projected increased revenue activities.
11. Lab Fees Research Program (LFRP): \$14.3M increased by \$6.2M, 77% as the program follows a two-year grant cycle.
12. UCDC: \$9.3M increased by \$2.1M or 29% to cover operations and maintenance increases.

# Schedule C-1

## Programs and Initiatives by Fund

\$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY23-24 Budget
<b>PROGRAMS AND INITIATIVES</b>				
<b>State/Federal Programs</b>				
Agriculture and Natural Resources (ANR)	0.0	145.2	83.8	229.0
California Breast Cancer Research Program	0.0	0.0	17.8	17.8
California Subject Matter Project (CSMP)	0.2	5.1	3.4	8.8
Gaining Early Awareness and Readiness for Undergraduate Programs	0.0	0.0	3.5	3.5
Graduate Medical Education	0.0	0.0	1.9	1.9
Office of the National Laboratories (UCNL)	0.0	12.6	0.0	12.6
Other State/Federal Programs	0.5	0.0	0.4	0.9
Tobacco-Related Disease Research Program (TRDRP)	0.0	0.0	49.9	49.9
UC Research: Cancer Research Coordinating Committee (CRCC)	0.0	0.0	2.7	2.7
UC Climate Action Research Initiative 2022	0.0	83.8	0.0	83.8
<b>Subtotal - State/Federal Programs</b>	<b>\$0.8</b>	<b>\$246.7</b>	<b>\$163.5</b>	<b>\$410.9</b>
<b>Systemwide Program</b>				
California HIV/AIDS Research Program (CHRP)	0.0	8.8	0.0	8.8
Eligibility in the Local Context (ELC)	0.0	0.9	0.0	0.9
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	2.0	1.2	0.0	3.1
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	8.5	0.2	8.7
Natural Reserve System (NRS)	2.1	0.0	1.2	3.3
Other Systemwide Programs	2.0	1.8	3.4	7.2
President's Postdoctoral Fellowship Program HSI	2.7	0.2	0.0	2.9
SAPEP	8.4	6.6	1.4	16.4
UC Astronomy: University of California Observatories (UCO)	7.5	0.0	0.0	7.5
UC Astronomy: W.M. Keck Observatory (Keck)	9.5	0.0	0.0	9.5
University of California Press	1.0	21.3	0.0	22.3
UC Research: Laboratory Fees Research Program (LFRP)	0.0	14.3	0.0	14.3
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.3	0.0	0.0	8.3
University of California Washington Center (UCDC)	1.6	7.6	0.1	9.3
<b>Subtotal - Systemwide Programs</b>	<b>\$47.1</b>	<b>\$71.1</b>	<b>\$6.2</b>	<b>\$124.4</b>
<b>TOTAL USES</b>	<b>\$47.9</b>	<b>\$317.8</b>	<b>\$169.7</b>	<b>\$535.3</b>

# Schedule D

## Budget by Division and Sub-Division Systemwide and Core Services

\$ in millions

	Variance Increase/(Decrease)					
	FY22-23	FY22-23	FY23-24	FY22-23 Fcst	FY23-24 Bud	FY23-24 Bud
	Budget	Q2 Forecast	Budget	vs FY22-23 Bud	vs FY22-23 Fcst	vs FY22-23 Bud
<b>SYSTEMWIDE AND CORE SERVICES USES</b>						
<b>Academic Affairs</b>						
Academic Personnel and Programs	18.2	18.5	32.8	0.3	14.3	14.6
AA_Immediate Offices	8.3	7.9	7.3	(0.3)	(0.6)	(1.0)
Institutional Research and Academic Planning	5.5	5.7	6.1	0.2	0.4	0.5
Research and Innovation	8.9	8.6	8.4	(0.3)	(0.2)	(0.4)
Graduate Undergraduate and Equity Affairs	14.1	14.8	16.1	0.7	1.3	2.0
<b>Subtotal - Academic Affairs</b>	<b>\$54.9</b>	<b>\$55.5</b>	<b>\$70.7</b>	<b>\$0.6</b>	<b>\$15.3</b>	<b>\$15.8</b>
<b>Ethics &amp; Compliance</b>	<b>\$7.8</b>	<b>\$7.8</b>	<b>\$9.0</b>	<b>(\$0.1)</b>	<b>\$1.2</b>	<b>\$1.2</b>
<b>External Relations &amp; Communications</b>						
Alumni and Constituent Affairs	0.5	0.5	0.5	(0.0)	0.0	0.0
Executive Communications & Engagement	0.9	0.8	0.9	(0.1)	0.1	(0.0)
Federal Government Relations	3.1	2.7	2.9	(0.4)	0.2	(0.2)
Institutional Advancement	2.6	2.2	2.7	(0.4)	0.6	0.2
Legislative Analysis	0.9	0.8	0.9	(0.1)	0.1	0.1
Marketing and Communications	6.5	5.8	6.9	(0.7)	1.1	0.4
Media Relations	0.9	0.7	0.9	(0.3)	0.3	0.0
State Government Relations	3.1	2.9	3.3	(0.3)	0.4	0.2
Immediate Office	1.8	1.9	1.2	0.1	(0.7)	(0.6)
<b>Subtotal - ER&amp;C</b>	<b>\$20.3</b>	<b>\$18.2</b>	<b>\$20.3</b>	<b>(\$2.1)</b>	<b>\$2.1</b>	<b>(\$0.0)</b>
<b>Finance</b>						
Budget Analysis and Planning	2.3	2.3	2.5	(0.0)	0.2	0.2
Capital Markets Finance	7.4	6.3	8.1	(1.1)	1.7	0.6
Financial Accounting	13.2	12.8	14.1	(0.4)	1.3	0.9
Risk Services	9.1	8.2	12.0	(0.9)	3.8	2.9
Strategic Sourcing/Procurement	11.7	12.8	12.2	1.1	(0.5)	0.5
Immediate Office	1.4	1.3	1.5	0.0	0.2	0.1
Capital Programs Energy and Sustainability	13.3	11.3	12.2	(2.0)	0.9	(1.1)
<b>Subtotal - Finance</b>	<b>\$58.4</b>	<b>\$55.0</b>	<b>\$62.7</b>	<b>(\$3.4)</b>	<b>\$7.6</b>	<b>\$4.2</b>
<b>Operations</b>						
Information Technology Services	48.3	49.4	56.1	1.1	6.8	7.8
Operational Expenses	6.0	4.7	4.1	(1.4)	(0.6)	(2.0)
Strategic Program Management Office	1.8	1.4	1.8	(0.4)	0.4	0.0
Systemwide Human Resources	82.9	82.8	95.0	(0.1)	12.2	12.0
UCOP Operations	39.3	41.0	40.0	1.7	(1.0)	0.7
Immediate Office	1.9	1.9	2.3	0.1	0.4	0.4
<b>Subtotal - Operations</b>	<b>\$180.2</b>	<b>\$181.2</b>	<b>\$199.3</b>	<b>\$1.0</b>	<b>\$18.1</b>	<b>\$19.1</b>
<b>President's Executive Office</b>	<b>\$5.5</b>	<b>\$5.6</b>	<b>\$6.1</b>	<b>\$0.0</b>	<b>\$0.5</b>	<b>\$0.5</b>
<b>Secretary of the Regents</b>	<b>\$4.2</b>	<b>\$4.1</b>	<b>\$4.3</b>	<b>(\$0.1)</b>	<b>\$0.2</b>	<b>\$0.1</b>
<b>Systemwide Academic Senate</b>	<b>\$2.4</b>	<b>\$2.4</b>	<b>\$2.6</b>	<b>\$0.1</b>	<b>\$0.1</b>	<b>\$0.2</b>
<b>UC Health</b>						
UC Health Core	(0.3)	0.0	(1.3)	0.3	(1.3)	(1.0)
Academic Health Sciences	3.3	3.0	3.4	(0.2)	0.4	0.1
Center for Data Driven Insights and Innovation	7.4	7.1	7.5	(0.3)	0.4	0.1
Clinical Strategy & Operations	5.5	7.4	7.3	1.9	(0.1)	1.8
Finance and Administration	5.4	5.5	5.0	0.1	(0.4)	(0.4)
Leveraging Scale for Value	9.5	8.3	9.4	(1.2)	1.1	(0.1)
<b>Subtotal - UC Health</b>	<b>\$30.8</b>	<b>\$31.3</b>	<b>\$31.4</b>	<b>\$0.6</b>	<b>\$0.0</b>	<b>\$0.6</b>
<b>UC Investments</b>	<b>\$42.3</b>	<b>\$42.5</b>	<b>\$43.0</b>	<b>\$0.2</b>	<b>\$0.6</b>	<b>\$0.8</b>
<b>UC Legal</b>						
In-House Counsel	30.9	31.3	38.0	0.4	6.7	7.2
Outside Counsel	36.2	36.2	38.2	0.0	2.0	2.0
Systemwide Litigation	2.5	2.5	2.5	0.0	0.0	0.0
<b>Subtotal - UC Legal</b>	<b>\$69.5</b>	<b>\$69.9</b>	<b>\$78.7</b>	<b>\$0.4</b>	<b>\$8.7</b>	<b>\$9.2</b>
<b>SUBTOTAL USES</b>	<b>\$476.3</b>	<b>\$473.5</b>	<b>\$527.9</b>	<b>(\$2.8)</b>	<b>\$54.4</b>	<b>\$51.6</b>
<b>UCPath</b>	<b>\$111.5</b>	<b>\$113.9</b>	<b>\$133.9</b>	<b>\$2.4</b>	<b>\$20.0</b>	<b>\$22.4</b>
<b>TOTAL USES</b>	<b>\$587.8</b>	<b>\$587.4</b>	<b>\$661.8</b>	<b>(\$0.4)</b>	<b>\$74.4</b>	<b>\$74.0</b>

**Notes to Schedule D: Systemwide and Core Services**  
**FY23-24 Budget Increased/Decreased Compared to FY22-23 Budget > \$1M**

**Academic Affairs**

1. Academic Personnel and Programs: \$32.8M, increased by \$14.6M, +80% due the re-integration of collections funding for the California Digital Library.
2. Graduate, Undergraduate and Equity Affairs: \$16.1M increased by \$2.0M or 14% for additional support staff to oversee new funding from the state.

**Ethics and Compliance**

3. Ethics & Compliance: \$9.0M increased by \$1.2M, +15% related to additional resources for audit-related efforts.

**Operations**

4. Information Technology Services: \$56.1M increased by \$7.8M, +16% due risk remediation and security efforts.
5. Systemwide Human Resources: \$95M increased by \$12M, +14% to provide Redwood enhancement and stabilization support including a transition in the year from outside vendor to internal IT resources, expected to provide future efficiencies; and full staffing to support the Retirement Administration Service Center.

**UC Health**

6. Clinical Strategy and Operations: \$7.3M increased by \$1.8M, +33% to Cancer Consortium work related to data integrity and consistency, and clinical trials across the medical centers.

**Other Divisions**

7. UC Legal: \$78.7M increased by \$9.2M, +13% to improve internal UC legal capacity and reduce outside counsel reliance; however overall legal expenses continue to increase with system growth and specialized practice areas.
8. UCPath Center Operations: \$133.9M increased by \$22.4M, +20% to staff the Path Center at recommended levels, optimize campus services and pay debt service.

# Schedule D-1

## Systemwide and Core Services by Fund

\$ in millions

	Unrestricted Funds	Designated Funds	Restricted Funds	FY23-24 Budget
<b>SYSTEMWIDE AND CORE SERVICES USES</b>				
<b>Academic Affairs</b>				
Academic Personnel and Programs	16.5	15.8	0.5	32.8
Immediate Office	7.2	0.1	0.0	7.3
Institutional Research and Academic Planning	6.1	0.0	0.0	6.1
Research and Innovation	5.4	3.0	0.0	8.4
Graduate Undergraduate and Equity Affairs	8.3	7.7	0.1	16.1
<b>Subtotal - Academic Affairs</b>	<b>\$43.5</b>	<b>\$26.7</b>	<b>\$0.5</b>	<b>\$70.7</b>
<b>Ethics &amp; Compliance</b>	<b>\$9.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$9.0</b>
<b>External Relations &amp; Communications</b>				
Alumni and Constituent Affairs	0.0	0.4	0.0	0.5
Executive Communications & Engagement	0.9	0.0	0.0	0.9
Federal Government Relations	2.3	0.6	0.0	2.9
Institutional Advancement	0.0	2.2	0.6	2.7
Legislative Analysis	0.9	0.0	0.0	0.9
Marketing and Communications	4.2	1.7	1.0	6.9
Media Relations	0.9	0.0	0.1	0.9
State Government Relations	3.3	0.0	0.0	3.3
Immediate Office	0.4	0.8	0.0	1.2
<b>Subtotal - ER&amp;C</b>	<b>\$12.9</b>	<b>\$5.8</b>	<b>\$1.6</b>	<b>\$20.3</b>
<b>Finance</b>				
Budget Analysis and Planning	2.5	0.0	0.0	2.5
Capital Markets Finance	0.0	8.1	0.0	8.1
Financial Accounting	8.2	2.7	3.1	14.1
Risk Services	2.0	10.0	0.0	12.0
Strategic Sourcing/Procurement	12.0	0.2	0.0	12.2
Immediate Office	0.6	0.6	0.3	1.5
Capital Programs Energy and Sustainability	10.7	1.6	0.0	12.2
<b>Subtotal - Finance</b>	<b>\$36.1</b>	<b>\$23.1</b>	<b>\$3.4</b>	<b>\$62.7</b>
<b>Operations</b>				
Information Technology Services	40.8	11.2	4.1	56.1
Operational Expenses	1.0	3.1	0.0	4.1
Strategic Program Management Office	1.8	0.0	0.0	1.8
Systemwide Human Resources	8.3	2.3	84.4	95.0
UCOP Operations	33.2	3.3	3.4	40.0
Immediate Office	1.7	0.0	0.6	2.3
<b>Subtotal - Operations</b>	<b>\$86.8</b>	<b>\$20.0</b>	<b>\$92.5</b>	<b>\$199.3</b>
<b>President's Executive Office</b>	<b>\$5.5</b>	<b>\$0.4</b>	<b>\$0.2</b>	<b>\$6.1</b>
<b>Secretary of the Regents</b>	<b>\$4.3</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$4.3</b>
<b>Systemwide Academic Senate</b>	<b>\$2.5</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>\$2.6</b>
<b>UC Health</b>				
UC Health Core	0.3	1.0	0.0	1.3
Academic Health Sciences	1.7	1.6	0.1	3.4
Center for Data Driven Insights and Innovation	0.0	7.5	0.0	7.5
Clinical Strategy & Operations	1.0	6.3	0.0	7.3
Finance and Administration	1.7	3.3	0.1	5.0
Leveraging Scale for Value	0.0	9.4	0.0	9.4
<b>Subtotal - UC Health</b>	<b>\$4.1</b>	<b>\$27.1</b>	<b>\$0.1</b>	<b>\$31.4</b>
<b>UC Investments</b>	<b>\$0.0</b>	<b>\$43.0</b>	<b>\$0.0</b>	<b>\$43.0</b>
<b>UC Legal</b>				
In-House Counsel	11.0	26.0	1.1	38.0
Outside Counsel	0.0	38.2	0.0	38.2
Systemwide Litigation	0.0	2.5	0.0	2.5
<b>Subtotal - UC Legal</b>	<b>\$11.0</b>	<b>\$66.7</b>	<b>\$1.1</b>	<b>\$78.7</b>
<b>SUBTOTAL USES</b>	<b>\$215.7</b>	<b>\$212.7</b>	<b>\$99.5</b>	<b>\$527.9</b>
<b>UCPath</b>	<b>\$0.0</b>	<b>\$133.9</b>	<b>\$0.0</b>	<b>\$133.9</b>
<b>TOTAL USES</b>	<b>\$215.7</b>	<b>\$346.6</b>	<b>\$99.5</b>	<b>\$661.8</b>

# Schedule E

## UC ANR Budget within UCOP

### Budget by Program and Unit - All Funds

\$ in millions

	FY22-23 Budget	FY22-23 Q2 Forecast	FY23-24 Budget	Variances: Increase/(Decrease)		
				FY22-23 Fcst vs FY22-23 Bud	FY23-24 Bud vs FY22-23 Fcst	FY23-24 Bud vs FY22-23 Bud
<b>SOURCES</b>						
State UCCE	108.9	103.5	121.0	(5.4)	17.5	12.1
Federal AES	8.1	8.1	8.2	0.0	0.2	0.2
Federal UCCE	12.3	9.2	12.6	(3.1)	3.3	0.3
Endowment Payout	11.1	9.4	11.6	(1.7)	2.2	0.6
Extramural Funding	36.9	39.9	51.4	3.0	11.5	14.4
Other Sources	25.6	23.1	24.2	(2.6)	1.1	(1.4)
<b>TOTAL UC ANR Budget within UCOP</b>	<b>\$202.9</b>	<b>\$193.1</b>	<b>\$229.0</b>	<b>(\$9.8)</b>	<b>\$35.9</b>	<b>\$26.1</b>
<b>USES</b>						
<b>Unrestricted Sources</b>						
<b>AES Campuses</b>						
UC Berkeley	8.6	8.3	8.7	(0.3)	0.4	0.1
UC Davis	26.0	24.7	25.7	(1.4)	1.0	(0.3)
UC Merced	0.0	0.0	0.4	0.0	0.4	0.4
UC Riverside	6.9	6.6	6.7	(0.3)	0.1	(0.2)
UC Santa Cruz	0.0	0.0	0.2	0.0	0.2	0.2
Other Campus-Based Academics	1.3	1.2	1.1	(0.1)	(0.1)	(0.2)
<b>Subtotal - AES Campuses</b>	<b>\$42.8</b>	<b>\$40.7</b>	<b>\$42.8</b>	<b>(\$2.1)</b>	<b>\$2.0</b>	<b>(\$0.1)</b>
<b>Statewide Programs &amp; Institutes</b>						
Agriculture Issues Center	0.2	0.2	0.4	0.0	0.1	0.1
California Institute for Water Resources	1.1	0.6	1.1	(0.5)	0.5	0.1
Elkus Ranch Youth Development Center	0.5	0.4	0.5	0.0	0.1	0.1
Informatics & Geographic Information Systems	0.9	0.9	0.9	0.0	0.0	(0.0)
Integrated Pest Management	5.5	5.4	6.7	(0.1)	1.3	1.2
Nutrition Policy Institute	4.6	4.7	5.0	0.1	0.3	0.4
Statewide Programs & Initiatives	5.1	5.2	6.6	0.1	1.5	1.5
Sustainable Agriculture Research & Education	1.1	1.1	1.4	0.0	0.3	0.3
Volunteer Based Programs (MFP MG Naturalist)	1.6	1.4	1.5	(0.2)	0.1	(0.0)
Youth Family & Communities	3.2	3.0	3.2	(0.2)	0.2	0.0
<b>Subtotal - Statewide Programs &amp; Institutes</b>	<b>\$23.7</b>	<b>\$22.9</b>	<b>\$27.3</b>	<b>(\$0.9)</b>	<b>\$4.5</b>	<b>\$3.6</b>
<b>Research and Extension Centers (RECs)</b>	<b>\$17.8</b>	<b>\$16.4</b>	<b>\$19.7</b>	<b>(\$1.3)</b>	<b>\$3.2</b>	<b>\$1.9</b>
<b>County-Based Research and Extension</b>	<b>\$82.3</b>	<b>\$79.1</b>	<b>\$94.6</b>	<b>(\$3.2)</b>	<b>\$15.5</b>	<b>\$12.4</b>
General Administration	24.7	23.1	26.8	(1.6)	3.7	2.1
UCPath and Systems Implementation	3.2	2.9	8.7	(0.2)	5.8	5.6
<b>Subtotal - Administration</b>	<b>\$27.9</b>	<b>\$26.0</b>	<b>\$35.5</b>	<b>(\$1.9)</b>	<b>\$9.5</b>	<b>\$7.6</b>
<b>Institutional Support</b>	<b>\$8.4</b>	<b>\$8.0</b>	<b>\$9.1</b>	<b>(\$0.5)</b>	<b>\$1.1</b>	<b>\$0.7</b>
<b>TOTAL UC ANR Budget within UCOP</b>	<b>\$202.9</b>	<b>\$193.1</b>	<b>\$229.0</b>	<b>(\$9.8)</b>	<b>\$35.9</b>	<b>\$26.1</b>
<b>NET MARGIN SURPLUS (DEFICIT)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$0.0)</b>	<b>\$0.0</b>	<b>\$0.0</b>



# Schedule F-1

## Strategic Priorities Fund

### Unrestricted Funds

### Overall UCOP

\$ in millions

				Variances: Increase/ (Decrease)		
	FY22-23	FY22-23	FY23-24	FY22-23 Fcst	FY23-24 Bud	FY23-24 Bud
	Budget	Q2 Forecast	Budget	vs FY22-23 Bud	vs FY22-23 Fcst	vs FY22-23 Bud
UNRESTRICTED-UNDESIGNATED FUNDS						
COMMITMENTS						
Systemwide and Core Services						
PTS Security Assessment Phase I	0.0	0.0	0.6	0.0	0.6	0.6
Vaccine Compliance Project	0.0	0.0	4.0	0.0	4.0	4.0
Jira & Confluence SaaS Cloud Move	0.0	0.3	0.1	0.3	(0.2)	0.1
Regents Legal Advice & Counsel	0.0	0.3	0.3	0.3	0.0	0.3
TDS UCOP Security Risk FTE Increase	0.0	0.1	0.1	0.1	(0.0)	0.1
(RDIP)	0.0	0.5	0.0	0.5	(0.5)	0.0
Financial Info System FIS Project	0.0	0.0	0.0	0.0	(0.0)	0.0
Innov Trf Entrep (ITE) Sys Stabilization	0.0	0.0	1.0	0.0	1.0	1.0
Vulnerability Remediation of UCOP Applications	0.0	0.3	3.5	0.3	3.2	3.5
Sharepoint Move to Cloud	0.0	0.0	0.2	0.0	0.2	0.2
Compliance Project 1 Resource	0.0	0.0	0.2	0.0	0.2	0.2
Internal Audit - QA Resources	0.0	0.0	0.7	0.0	0.7	0.7
EDIB Data Metrics Workstream	0.0	0.0	0.0	0.0	0.0	0.0
UCOP COVID-19 Response	0.4	0.4	0.2	0.1	(0.2)	(0.2)
Mainframe Services Retirement	0.1	0.3	0.0	0.2	(0.3)	(0.1)
GASB Lease Accounting System	0.2	0.2	0.0	0.0	(0.2)	(0.2)
Campus Comm Safety Planning/ RFC	1.6	0.8	1.6	(0.8)	0.8	(0.0)
UCCS Program Bridge Funding	0.0	0.0	0.8	0.0	0.8	0.8
IP Mgmt Financial System Replacement	0.5	1.5	0.0	0.9	(1.5)	(0.5)
NAGPRA/ CalNAGPRA Implementation	2.9	2.8	0.0	(0.2)	(2.8)	(2.9)
UCSA UCGPC Bridge Funding	0.2	0.2	0.2	0.0	0.0	0.0
Foster Youth Endowment Matching	0.0	0.0	0.0	0.0	(0.0)	(0.0)
Ediscovery SW/ SVC Implementation	0.1	0.1	0.1	0.0	0.0	0.0
Network Stabilization Initiative	2.6	2.6	0.0	(0.0)	(2.6)	(2.6)
Corporate Financial System Replacement	0.5	0.5	0.0	(0.0)	(0.5)	(0.5)
Anti Racism ELearning Course Pilot	0.1	0.0	0.1	(0.1)	0.0	(0.1)
Litigation Cost & Whistleblower Allegations	0.0	0.1	0.0	0.1	(0.1)	0.0
Services	9.4	11.0	13.6	1.6	2.6	4.3
Presidential Initiatives						
Carbon Neutrality Initiative (CNI)	2.3	1.9	3.1	(0.3)	1.2	0.9
Global Food Initiative (GFI)	0.4	0.4	0.2	(0.0)	(0.2)	(0.2)
Presidential Public Service Fellowship	0.1	0.1	0.0	0.0	(0.1)	(0.1)
Public Service Law Fellowship	3.5	3.5	0.0	0.0	(3.5)	(3.5)
Engagement	0.9	0.9	0.9	0.0	0.0	0.0
Subtotal - Presidential Initiatives	7.2	6.8	4.2	(0.3)	(2.6)	(2.9)
Systemwide Initiatives						
ARCHES Hydrogen Hub	0.0	0.9	2.1	0.9	1.3	2.1
SW Integrated Library System (SILS)	0.4	0.3	0.1	(0.1)	(0.2)	(0.3)
Inclusive Innovation Equitable Entrepreneurship (I2E2) Initiative	0.7	0.6	0.1	(0.0)	(0.6)	(0.6)
Subtotal - Systemwide Initiative	1.0	1.8	2.3	0.8	0.5	1.3
Systemwide Program						
UC Observatory Operational Support	0.5	0.5	0.0	0.0	(0.5)	(0.5)
ASSIST Program	0.4	0.4	0.0	0.0	(0.4)	(0.4)
Undocumented Students - Campus Student Svcs & Financial Aid	2.0	2.0	0.0	0.0	(2.0)	(2.0)
Subtotal - Systemwide Program	2.9	2.9	0.0	0.0	(2.9)	(2.9)
Committed SPF Funds	20.5	22.6	20.2	2.1	(2.4)	(0.3)
Uncommitted SPF Funds	9.5	6.0	9.8	(3.5)	3.8	0.3
Total Strategic Priorities Fund	\$30.0	\$28.6	\$30.0	(\$1.4)	\$1.4	\$0.0

**Schedule F-2**  
**Strategic Priorities Fund**  
**Designated/Restricted Funds**  
***Overall UCOP***

*\$ in millions*

	Designated	Restricted	FY 23-24 Budget
<b>Systemwide and Core Services</b>			
Lived Name & Gender Identity	1.0	0.0	1.0
Subtotal - Central & Administrative	\$1.0	\$0.0	\$1.0
Total Strategic Priorities Fund	\$1.0	\$0.0	\$1.0

## Schedule G

### UCOP Reserves

\$ in millions

	Reserve Target Minimum	Reserve Target Maximum	6/30/21 Actual Reserve	6/30/22 Forecasted Reserve	Variance:		6/30/22 Reserve Target Over Max / (Under Min)
					6/30/21 Actual vs 6/30/22 Forecast		
<b>UCOP RESERVES</b>							
<b>Building and Capital Assets Reserves</b>							
Capital Maintenance and Renewal	\$ 2.6	\$ 7.9	\$ (0.5)	\$ (0.0)	\$ 0.5		\$ (2.6)
UCOP IT Infrastructure	0.4	0.6	0.6	0.6	(0.0)		-
<b>Sub-Total Building and Capital Assets Reserves</b>	<b>\$ 3.0</b>	<b>\$ 8.5</b>	<b>\$ 0.1</b>	<b>\$ 0.6</b>	<b>\$ 0.4</b>		
<b>Program Reserves</b>							
UC National Laboratories							
LANS and LLNS-LLC Post Contract Contingency <sup>1</sup>	19.0	19.0	21.2	16.5	(4.7)		(2.5)
LANS and LLNS-LLC Fee Contingency <sup>1</sup>	7.0	7.0	7.1	7.1	0.0		0.1
TRIAD Reserve Fund <sup>1</sup>	10.0	10.0	2.6	8.4	5.8		(1.6)
Capital and Campus Opportunity Fund <sup>1</sup>	10.0	10.0	7.9	8.4	0.5		(1.6)
LBNL Post Contract Contingency <sup>2</sup>	4.0	4.0	3.5	5.6	2.0		1.6
LBNL Building Commitment <sup>2</sup>	10.0	23.0	9.4	14.3	4.9		
LBNL Guest House Renewal & Replacement <sup>2</sup>	1.5	2.5	1.4	0.7	(0.7)		(0.8)
<b>UC National Laboratories SubTotal</b>	<b>61.5</b>	<b>75.5</b>	<b>53.1</b>	<b>60.9</b>	<b>7.8</b>		
UC Press	1.5	1.5	1.4	1.5	0.1		
UC Washington Center (UCDC) <sup>3</sup>	2.9	6.3	5.7	5.3	(0.4)		
<b>Sub-Total Program Reserves</b>	<b>\$ 65.9</b>	<b>\$ 83.3</b>	<b>\$ 60.2</b>	<b>\$ 67.7</b>	<b>\$ 7.6</b>		
<b>Other Required Reserves</b>							
Housing Loan Program <sup>4</sup>	56.5	71.5	53.0	68.2	15.2		-
<b>Sub-Total Other Required Reserves</b>	<b>\$ 56.5</b>	<b>\$ 71.5</b>	<b>\$ 53.0</b>	<b>\$ 68.2</b>	<b>\$ 15.2</b>		<b>\$ -</b>
<b>SUB TOTAL NON-OPERATING AND PROGRAM RESERVES</b>	<b>\$ 125.4</b>	<b>\$ 163.3</b>	<b>\$ 113.4</b>	<b>\$ 136.5</b>	<b>\$ 23.2</b>		
<b>Central Operating Reserve<sup>5</sup></b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>-</b>		<b>-</b>
<b>TOTAL UCOP RESERVES</b>	<b>\$ 140.4</b>	<b>\$ 178.3</b>	<b>\$ 128.4</b>	<b>\$ 151.5</b>	<b>\$ 23.2</b>		

<sup>1</sup> UCNL TRIAD (LANL) and LLNS-LLC reserves and reserve targets are established by the UC Regents.

<sup>2</sup> LBNL reserves targets are established by LBNL and UCNL management.

<sup>3</sup> UCDC reserve includes \$5.3M in TRIP.

<sup>4</sup> The Housing Loan Program reserve has been adjusted to reflect a maximum of 4% of outstanding loans, plus \$11.5M of reserve balance, set aside for campus supplemental home loans.

<sup>5</sup> 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<sup>1, 2, 3</sup>

\$ in millions

	6/30/22		6/30/23		
	Balance	Forecasted Balance	Commitments <sup>3</sup>	Remaining Balance	Change in Fund Balance
UNRESTRICTED					
Unrestricted - UCOP					
Investment Income	\$ 0.8	\$ 9.8		\$ 9.8	\$ 9.0
UC General Funds	1.7	2.9		2.9	1.2
Legal Settlements	2.2	1.4	0.8	0.6	(1.6)
Other	11.7	7.1	6.0	1.1	(10.6)
Sub-Total Unrestricted - UCOP	\$ 16.4	\$ 21.1	\$ 6.8	\$ 14.4	\$ (2.0)
Undesignated - Systemwide					
General Obligation Bond Income	\$ 7.1	\$ 3.8	\$ 3.8	\$ (0.0)	\$ (7.1)
Sub-Total Unrestricted - Systemwide	\$ 7.1	\$ 3.8	\$ 3.8	\$ (0.0)	\$ (7.1)
Sub-Total Unrestricted	\$ 23.5	\$ 24.9	\$ 10.6	\$ 14.3	\$ (9.2)
DESIGNATED					
Regents Designated					
DOE Laboratories <sup>4</sup>					
LLC	\$ 9.6	\$ 8.9	\$ -	\$ 8.9	\$ (0.7)
LBNL	8.8	16.6	-	16.6	7.8
Triad	8.7	10.0	-	10.0	1.3
Lab Fees Research	25.5	31.6	13.0	18.6	(6.9)
Programs and Initiatives					
UC Healthcare Collaborative	\$ 2.6	\$ 2.4	\$ -	\$ 2.4	\$ (0.2)
California Digital Library	2.8	2.8		2.8	0.0
ICAMP	0.3	0.0		0.0	(0.3)
UC Washington Center	(1.0)	(0.7)	-	(0.7)	0.3
Procurement Initiatives	2.2	3.0		3.0	0.8
Writing Placement Exam	(0.2)	(0.2)	-	(0.2)	(0.0)
Other	2.1	3.7	-	3.7	1.6
Central Services Designated					
Endowment cost recovery	\$ 12.2	\$ 13.3	\$ 10.0	\$ 3.3	\$ (8.9)
Energy and sustainability	1.0	1.0	-	1.0	0.0
Other	7.9	3.4	3.4	0.0	(7.9)
Sub-Total Designated	\$ 82.5	\$ 96.0	\$ 26.4	\$ 69.6	\$ (12.9)
RESTRICTED					
Federal and Special State Appropriations/Regulations	\$ 2.5	\$ 2.5	\$ -	\$ 2.5	\$ (0.0)
Gifts and Endowments	7.2	4.2	-	4.2	(3.0)
Sub-Total Restricted	\$ 9.7	\$ 6.7	\$ -	\$ 6.7	\$ (3.0)
TOTAL BALANCES	\$ 115.7	\$ 127.6	\$ 37.0	\$ 90.6	\$ (25.1)

<sup>1</sup> Fund balances are exclusive of Reserve amounts

<sup>2</sup> 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

<sup>3</sup> Commitments include \$6M in fund balances used in the FY23-24 budget, \$3.8M for campus seismic work and interest expense, \$13M for commitments on the Lab Fees Research grants, and \$10M for development efforts

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

## APPENDIX 2: THE UC MISSION AND THE FUNCTION OF THE UC OFFICE OF THE PRESIDENT

The University of California is a powerful engine for the State of California, driving \$82 billion in economic impact per year. UC supports the economy as the state's third-largest employer, directly employing about 241,000 full- and part-time faculty and staff and, through external programs, supporting 529,000 California jobs in total.

The UC's commitment to excellence in education is deeply rooted in fostering equity, access, and opportunity, serving more than 295,000 students across 10 campuses, including seven prestigious Association of American Universities (AAU) campuses, and five campuses designated as Hispanic Serving Institutions (HSIs). Approximately 40 percent of undergraduates are the first in their family to attend college, and 33 percent qualifying for Pell grants. While student debt is a national issue, 54 percent of California in-state undergraduate 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 13,000 active U.S. and foreign patents. UC Health, recognized for excellence in patient care, teaching and research, supports 9.5 million outpatient visits and 370,284 emergency room visits per year. 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 58 California counties 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.

## 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 FY22-23 budget of \$1,006.6 million is approximately 2.3 percent of total UC expenditures of ~\$43.9 billion in FY22-23. 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 percent) and

designated funds (~40 percent). Key examples of State & Federal Programs include:

Research Programs

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

Outreach & Public Service Programs

- ✓ ANR
- ✓ California Subject Matter Project (CSMP)
- ✓ GearUp
- ✓ Graduate Medical Education

**Systemwide Programs:** UCOP oversees programs that benefit the state or one or more campuses and are funded on an ongoing basis. These programs include unrestricted, discretionary (~40 percent) and designated funds (~60 percent) 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 bond issuance                |
| ✓ 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                               |

### APPENDIX 3: FY23-24 PRESIDENTIAL INITIATIVES

#### Presidential Initiatives Detail

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

	Presidential Initiatives	FY22-23 Budget	FY23-24 Budget	Incr / (Decr) <sup>1</sup>
1	Carbon Neutrality Initiative (CNI)	\$ 2,277,373	\$ 3,140,016	862,643
2	Global Food Initiative (GFI)	414,200	184,000	(230,200)
3	Presidential Public Service Fellowship	72,691	-0-	(72,691)
4	Public Service Law Fellowships	3,500,000	-0-	(3,500,000)
5	UC National Center for Free Speech and Civic Engagement	920,000	920,000	-0-
	<b>Total</b>	<b>\$ 7,184,264</b>	<b>4,244,016</b>	<b>(2,940,248)</b>

1. Increase/(Decrease) for FY23-24 versus the FY22-23 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. CNI will be provided one additional year of bridge funding and is expected to incorporate this program into the Finance division operating plan thereafter.

#### 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. GFI will be provided one additional year of bridge funding and is expected to incorporate this program into the Finance division operating plan thereafter.



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. This initiative is no longer funded by the President, however both the UCDC and UCCS programs will receive programmatic funding and continue to be important priorities for the University.

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 highlight 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. In FY23-24, this initiative received a final distribution from UCOP, and these fellowships will be continued funded by the Law Schools.

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 4: 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
HBCU	Historically Black Colleges and Universities
HSI	Hispanic Serving Institutions
HR	Human Resources
iCAMP	Integrated Capital Asset Management Program
Incr/(Decr)	Increase/(Decrease)
IT	Information Technology
LANL	Los Alamos National Laboratory
LBNL	Lawrence Berkeley National Laboratory
LLC	Limited Liability Company
LLNL	Lawrence Livermore National Laboratory
NAGPRA	Native American Graves Protection and Repatriation Act
SAPEP	Student Academic Preparation and Academic Partnerships
SPF	Strategic Priorities Fund
TRDRP	Tobacco-Related Disease Research Program
UC	University of California
UCDC	University of California Washington Center
UCGPC	University of California Graduate and Professional Council
UCNL	University of California National Laboratories
UCOP	University of California Office of the President
UCSA	University of California Student Association

