UNIVERSITY OF CALIFORNIA

James B. Milliken
President

Office of the President
1111 Franklin Street
Oakland, CA 94607

universityofcalifornia.edu

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NATIONAL LABORATORIES
Lawrence Berkeley
Lawrence Livermore
Los Alamos

DIVISION OF AGRICULTURE AND NATURAL RESOURCES

November 5, 2026

The Honorable John Laird
Chair, Joint Legislative Budget Committee
1020 N Street, Room 502
Sacramento, California 95814

Dear Senator Laird:

Pursuant to Item 6440-001-0001, Provision 15 of the Budget Act of 2026 (AB 109, Chapter 19, Statutes of 2026), enclosed is the University of California's annual report to the Legislature on the *Office of the President Budget*.

If you have any questions, Associate Vice President Caín Díaz would be pleased to speak with you. Caín can be reached by telephone at (510) 987-9350, or by email at Cain.Diaz@ucop.edu.

Sincerely,



James B. Milliken
President

Enclosure

cc: Senate Budget and Fiscal Review
The Honorable Sasha Renée Pérez, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Mr. Diego Lopez)
(Attn: Mr. Kirk Feely)
The Honorable David A. Alvarez, Chair
Assembly Budget Subcommittee #3
(Attn: Mr. Christian Griffith)
(Attn: Mr. Tobias Wolken)
Mr. Hans Hemann, Joint Legislative Budget Committee
Ms. Jessica Holmes, Department of Finance
Ms. Anita Lee, Department of Finance
Mr. Alex Anaya Velazquez, Department of Finance
Mr. Gabriel Petek, Legislative Analyst Office
Ms. Jennifer Pacella, Legislative Analyst Office
Ms. Florence Bouvet, Legislative Analyst's Office
Interim Provost and Executive Vice President Ralph J. Hexter
Senior Vice President Meredith Turner
Executive Vice President and Chief Operating Officer Rachael Nava
Executive Vice President and Chief Financial Officer Nathan Brostrom
Associate Vice President and Director Kathleen Fullerton

UNIVERSITY OF CALIFORNIA

2026 University of California Office of the President (UCOP) Budget Legislative Report

AB 113, Chapter 248, Budget Act of 2026 requires the University of California to provide the following report to the Legislature regarding the budget of the UC Office of the President (UCOP):

> *To provide for legislative oversight, the Office of the President of the University of California shall report to the Legislature and the Department of Finance annually by September 30 of each year, all of the following information for the preceding fiscal year and estimates of all of the following for the current fiscal year:*
>
> *(a) The amount of any campus assessments charged to support the Office of the President of the University of California, reflecting amounts contributed by each campus and the fund source or sources from which those amounts were paid.*
>
> *(b) The total budget of the Office of the President of the University of California.*
>
> *(c) A categorized list of actual and planned budgetary expenditures for the Office of the President of the University of California.*
>
> *(d) Factors contributing to any year-over-year change in the budget of the Office of the President of the University of California.*
>
> *(e) The amount of the budget of the Office of the President of the University of California that either passes through to recipients across the state or supports fee-for-service activities aligned with the university's mission.*
>
> *(f) Information on reserves and fund balances held by the Office of the President of the University of California.*

This report is submitted in response to this reporting requirement.

FY26-27 UCOP BUDGET - EXECUTIVE SUMMARY

Each year, the UC Office of the President (UCOP) prepares its annual budget proposal with collaboration from key constituents including the campuses, the UC Regents, and the state. UCOP seeks to optimize resources in support of the university's teaching, research, and public service mission.

The UCOP budget proposal is presented annually in May at the UC Regents meeting. The Regents approved the FY26-27 UCOP budget in May 2026. The complete budget proposal can be found here: https://regents.universityofcalifornia.edu/regmeet/may26/f5.pdf

UCOP provides the Regents with a separate report that shares the actual expenditures for each fiscal year ended June 30th. Schedules A-1 through C-1, represent the year-end results for FY25-26.

The approved FY26-27 budget was developed to limit increases that impact campuses, while enabling some targeted investments to support the university. The budget focuses on UCOP's key priorities and maintains a balanced budget across all fund types. Revenue modeling, current year actuals, and forecasts provide the basis for the upcoming budget year**.** UCOP's total FY26-27 approved budget is $1.273 Billion which is a $93.1M (7.9 percent) increase compared to FY25-26.

Budget Changes

As compared to the FY25-26 budget, the $93.1M budget increase includes three large drivers - an increase in legal fees primarily for outside counsel ($43.1 million), augmented state-funding for Agriculture and Natural Resources ($6.2 million), and a new strategic investment in Artificial Intelligence Programmatic Development ($10 million) funded by the President. Excluding these three items, **the budget increase is $33.8 million or 2.9 percent,** with two-thirds of that attributable to salary and benefits increases aligned with the systemwide UC salary program. Specific explanations about year-over-year budget variances can be found in the notes to Schedules B and C on pages 14 and 16.

Budget Funding – Fund Types, Fluctuations, and Flexibility

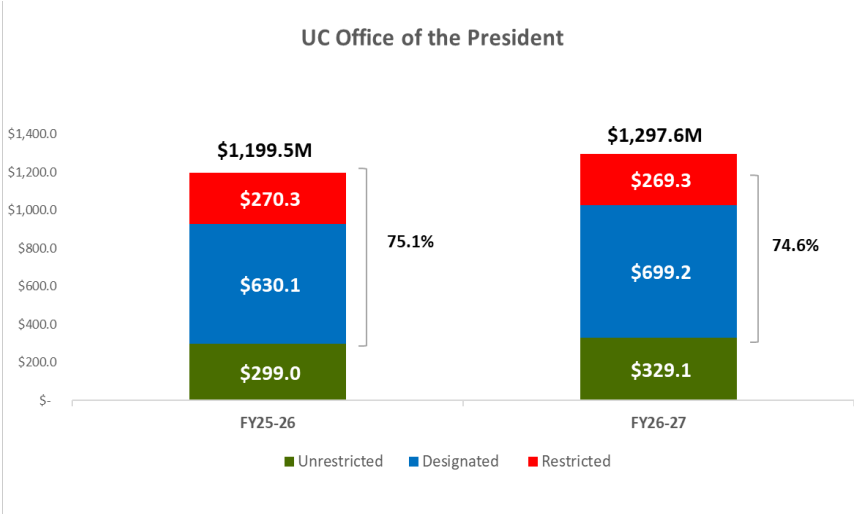
Approximately 75 percent of UCOP's funding is either restricted or designated. Restricted and designated funding can only be used for specific, defined purposes aligned to the research, teaching, and public service mission or to provide critical campus services.

Restricted funds can fluctuate from year to year depending on grant funding available from outside sources, including the state.

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

Unrestricted funds, comprising 25 percent of UCOP's budget, allow the most flexibility and can support discretionary spending. These funds largely support operating expenses in Systemwide and Core Services, and to a smaller extent academic and research programs in Programs and Initiatives.

Figure 1: UCOP Budget - Sources by Fund Type (FY25-26 to FY26-27) ($ millions)



- 75% 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 sourced from campus assessment.

Campus Assessments to Support the Office of the President

The UCOP campus assessment is the single largest source of unrestricted funds used to support the Office of the President. The UCOP assessment totals $251.4M[1] in FY26-27 which is a three percent increase over the FY24-25 campus assessment. The FY25-26 campus assessment was reduced by $18.8 million to support the campuses in anticipation of state budget reductions which did not materialize.

In FY25-26 the total charged to the campuses was $225.2M, with an additional $15.3M in funding kept on the campuses for systemwide programs, for a total of $240.5M. Figure 1a, below, shows the contribution by campus and fund source towards this total. In cases where a campus covered its share of the assessment from a pooled fund composed of different fund sources, the amount attributed to each fund source reflects its proportionate contribution.

Figure 1a: UCOP Assessment by Campus and Fund Source, FY25-26
(All figures are in thousands)

	Core Funds	Medical Center Funds	Sales & Services (incl. Auxiliary Enterprises)	Other Unrestricted Funds	Total
Berkeley	$ 23,831				$ 23,831
Davis	$ 7,616	$ 20,461		$ 6,273	$ 34,351
Irvine	$ 17,232	$ 7,815		$ 1,283	$ 26,330
Los Angeles	$ 8,014	$ 14,977		$ 26,834	$ 49,825
Merced	$ 3,638			$ 768	$ 4,406
Riverside	$ 8,392			$ 3,231	$ 11,623
San Diego	$ 20,560	$ 9,607	$ 8,002	$ -	$ 38,169
San Francisco	$ 5,364	$ 14,975	$ 417	$ 9,078	$ 29,834
Santa Barbara	$ 6,593		$ -	$ 5,834	$ 12,427
Santa Cruz	$ 7,989			$ 1,765	$ 9,754
Total	**$ 109,229**	**$ 67,835**	**$ 8,419**	**$ 55,066**	**$ 240,550**

Core Funds includes State General Funds, systemwide Tuition and Fees, Nonresident Supplemental Tuition, Application Fee, and other UC General Funds (e.g., a portion of federal contract and grant overhead). Other Unrestricted Funds includes other indirect cost recovery funds, local administrative fees or assessments used by some campuses to fund campus operations, patent royalty income, short-term investment returns, and other miscellaneous sources, depending on the campus.

FY25-26 AND FY26-27 BUDGET SUMMARY

Figure 2 below provides FY25-26 and FY26-27 budget details for uses of funds and year-over-year changes. In addition, this section shares more information about Pass-Through expenditures and Fee-for-Service shared services. Lastly, this section provides an overview of UCOP fund balances and reserves. The changes between the FY26-27 and FY25-26 budgets are detailed in the next section. The FY25-26 year-end figures are *preliminary* at this time, and details can be found in Schedules A-1 through C-1 at the end of this document.

[1] In addition to the campus assessment used to support UCOP, campuses contributed $15.3M in 2025-26 to support initiatives that are permanently budgeted at the campus level, not at the Office of the President.

Figure 2: FY25-26 to FY26-27 Budget Summary

$ in millions

	FY25-26 Budget	FY25-26 Q2Forecast	FY26-27 Budget	Variance: Increase/(Decrease) FY25-26 Fcst vs FY25-26 Bud	FY26-27 Bud vs FY25-26 Fcst	FY26-27 Bud vs FY25-26 Bud
UCOP USES						
Programs and Initiatives	$ 459.0	$ 435.8	$ 456.0	($23.3)	$ 20.2	($3.1)
Systemwide and Core Services[1]	691.5	721.8	780.0	30.3	58.1	88.4
Strategic Priorities Fund Unrestricted	25.0	24.9	25.0	(0.1)	0.1	-
Strategic Priorities Fund Desig. & Restricted	4.7	2.5	2.4	(2.2)	(0.0)	(2.3)
AI Programmatic Development	-	-	10.0	-	10.0	10.0
SUBTOTAL USES	**$ 1,180.3**	**$ 1,185.0**	**$ 1,273.4**	**$ 4.7**	**$ 88.4**	**$ 93.1**
	% Spent:	**100.4%**	**Budget % Change:**		**7.9%**	
			% Change Unrestricted:		**10.0%**	
INCLUDED IN USES ABOVE						
Fee-For-Service	$ 418.6	$ 436.0	$ 483.1	$ 17.4	$ 47.1	$ 64.5
Pass-Throughs	400.8	379.5	393.3	(21.3)	13.8	(7.5)
Total Fee-For-Service and Pass-Throughs	**$ 819.4**	**$ 815.5**	**$ 876.4**	**$ (3.9)**	**$ 60.9**	**$ 57.0**
CENTRAL OPERATING RESERVE[2]		**$ 15.0**				
NON-OPERATING AND PROGRAM RESERVES[3]		**$ 176.4**				

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

[1] *UC Path is now included in the Systemwide and Core Services total and not a separate line item.*
[2] *Held in President's Endowment Fund*
[3] *Reserves and Fund Balances provided are projections as of June 30, 2026*

Key Budget Highlights and Changes

The following is a summary of key takeaways provided within the FY26-27 budget proposal presented to and approved by the UC Regents in May 2026.

Total UCOP Budget Summary

1. The UCOP proposed FY26-27 budget includes $1.273B in total expenditures which is approximately 2.0% of the $61.5B UC systemwide budget.
2. $876.4M or 69.0% of the budget is comprised of pass-throughs or fee-for-service activities supporting the campuses.
3. Excluding pass-through and fee-for-service activities, the remaining budget is $397.0M (31.0%) of the UCOP total budget and 0.6% of the $61.5B total systemwide budget based on the latest information available from the 2026-27 Budget for Current Operations.
4. This UCOP budget proposal includes combined total assessments (UCOP, $251.3M plus UCPath, $136M) of $387.3M, which is $3.3M or 0.9% higher than the FY24-25 total assessments, two years earlier. FY25-26 is not used as a budget comparative because it included one-time reductions and campus relief totaling $37.3M in anticipation of state funding reductions that never materialized.
5. Increases in the FY26-27 UCOP budget are primarily driven by legal and labor costs, and the Agriculture and Natural Resources division. Controllable costs have been managed conservatively.

6. There is one significant strategic investment, directed by and funded by the President, a $10M investment to support Artificial Intelligence (AI) Programmatic Development.
7. Unrestricted funds, which are UCOP's most flexible, discretionary funds total $329.1M or 25.0% of total sources; these fund sources are up $30.0M versus the prior year.
8. Drivers of expenditure increases include UC Legal (driven by outside counsel), Agriculture and Natural Resources, required contract cost increases, a strategic investment in AI, and labor costs including participation in the UC systemwide salary program.

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

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

Systemwide and Core Services and UCPath (Schedule C)

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

Fund Balances and Reserves (Schedules D, E)

1. Net of commitments and including fund balances applied to FY26-27 sources, unrestricted fund balances are forecasted to be $19.1M, a 73.0% decrease from the current year. Any remaining balances at year end will be held to cover potential future funding gaps if the economic climate remains challenging beyond the FY26-27 budget horizon.
2. Designated fund balances are primarily held by UCNL (49.0% of total fund balances) from laboratory fees collected for managing multi-billion-dollar federal laboratory contracts. UCNL presents these balances annually to the Regents each July.
3. Forecasted year-end reserve balances are $191.4M. Most of the reserves support multi-billion-dollar systemwide national laboratory contracts and the housing loan program.

The following sections provide FY26-27 budget details for Pass-Through and Fee-for-Service activities, followed by fund sources and uses. Lastly, there is a detailed review of UCOP fund balances and reserves.

Pass Throughs

Figure 3 below details the pass-through funds, the majority of which are in the Programs and Initiatives. Pass-through funds flow through the UCOP budget directly to campuses or other California institutions, individuals, or researchers. The largest pass-through program is ANR which UC operates as the land-grant university for the State of California. Most pass-through funds are distributed by the Academic Affairs division for research, diversity programs, online learning and more.

Figure 3: Pass-through Funds Programs

$ in millions

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

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

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

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

Fee for Service

Figure 4: Fee-for-Service Activities

$ in millions

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

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

Fee-for-service activities are functions that UCOP operates on behalf of the UC system to avoid redundancy on campuses and to save costs. UCPath provides systemwide payroll and human resource services, and FY26-27 includes $5.7 million in one-time funds for system roadmap projects, adding to the $136.0 million operating budget. UC Legal fees fund internal and third-party legal costs that UC Legal coordinates and recharges to the campuses. UCOP also manages investment, systemwide retirement and employee benefit programs.

RESERVES

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

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

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

Reserve Target Funding Levels

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

Forecasted Reserves

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

Figure 16 – UCOP Reserve Balances

$ in millions

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

[1] Within Program Reserves, the UCNL reserve targets have shifted to reflect current operations. Some of the reserves are still building to their intended goal.

[2] Housing Loan Program outstanding balance continues to grow, and the reserve range has shifted to reflect that, the actual reserve is still being increased to meet the new range.

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

FUND BALANCES

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

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

Actual and Forecasted Balances

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

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

Figure 17: UCOP Fund Balances

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

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

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

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

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

Restricted fund balances cannot be reallocated for other purposes. Contracts and grants are funded on a reimbursement basis and thus carry no balances. Federal and special state appropriations are forecasted to be slightly lower based on disbursements to the campuses and laboratories. Restricted balances are 16.5 percent of the forecasted remaining fund balance.

UCOP FINANCIAL SCHEDULES

The financial schedules in the following section are labeled by letter and correspond to the letter used in the UCOP budget presentation, consistent with the link in the Executive Summary. The first set relates to the FY26-27 UCOP Budget, and the second (A-1 through C-1) contain FY25-26 unaudited year-end financials.

Schedule A

Sources and Uses by Year

Overall UCOP

$ in millions

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

Notes to Schedule A:

Sources

Unrestricted Sources

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

Designated Sources

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

Restricted Sources

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

Notes regarding Uses are appended to Schedules B and C

Schedule B

Budget by Programs and Initiatives

Programs and Initiatives

$ in millions

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

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

State / Federal Programs

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

Systemwide Programs

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

Schedule C

Budget by Division and Sub-Division

Systemwide and Core Services

$ in millions

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

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

Academic Affairs

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

Finance

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

Operations

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

UC Health

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

Other Divisions

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

Schedule D

UCOP Reserves

$ in millions

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

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

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

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

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

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

Schedule E

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

$ in millions

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

[1] Fund balances are exclusive of Reserve amounts

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

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

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

Schedule A-1

Sources and Uses by Year

Overall UCOP

$ millions

	FY25-26 Budget YearTotal	FY25-26 Actual YearTotal	FY26-27 Budget YearTotal	Variance Increase/(Decrease) FY25-26 Actual vs Budget	FY25-26 Actual vs FY26-27 Budget	FY25-26 Budget vs FY26-27 Budget
SOURCES						
Unrestricted Sources						
Investment Income	38.5	49.9	41.1	11.5	(8.9)	2.6
UCOP Campus Assessment	225.2	225.4	251.4	0.2	26.0	26.2
Undesignated Fund Balance	14.8	18.7	14.8	3.9	(3.9)	0.0
Other Unrestricted Sources	20.5	28.0	21.8	7.5	(6.2)	0.0
Subtotal - Unrestricted	**$299.0**	**$322.1**	**$329.1**	**$23.1**	**$7.0**	**$28.8**
Designated Sources						
Regents Designated	52.6	37.6	51.4	(15.0)	13.8	(1.2)
Program Designated	325.3	366.2	380.7	40.9	14.5	55.4
UCPath Fee-For-Service	140.6	132.9	141.9	(7.7)	9.0	1.3
UCPath State General Funds	0.0	0.0	0.0	0.0	0.0	0.0
UC ANR State General Funds	111.7	118.8	125.2	7.1	6.4	13.5
Subtotal - Designated	**$630.1**	**$655.4**	**$699.2**	**$25.3**	**$43.8**	**$14.8**
Restricted Sources						
Gifts and Endowments	17.5	17.9	20.8	0.4	2.8	3.3
Contracts and Grants	80.0	79.2	73.4	(0.7)	(5.8)	(6.6)
Federal and State Appropriations/Regulations	172.8	159.1	175.1	(13.8)	16.0	2.3
Subtotal - Restricted	**$270.3**	**$256.2**	**$269.3**	**(14.1)**	**$13.0**	**(1.0)**
Total Sources	**$1,199.5**	**$1,233.8**	**$1,297.5**	**$34.3**	**$63.8**	**$42.6**
USES						
Programs and Initiatives						
State/Federal Programs	336.7	304.1	339.2	(32.6)	35.1	2.5
Systemwide Programs	122.3	112.7	116.9	(9.5)	4.1	(5.4)
Subtotal - Programs and Initiatives	**$459.0**	**$416.8**	**$456.1**	**(42.2)**	**$39.2**	**(2.9)**
Central and Administrative Services						
Academic Affairs	79.5	81.0	85.5	1.5	4.5	6.0
Ethics & Compliance	10.8	11.0	11.2	0.2	0.3	0.5
External Relations & Communications	21.6	21.0	24.3	(0.7)	3.3	2.6
UC Finance	66.7	66.7	69.8	0.0	3.0	3.0
UC Operations	330.9	340.1	352.8	9.2	12.7	21.9
President's Executive Office	8.5	9.1	10.1	0.6	1.0	1.6
Secretary of the Regents	5.4	7.2	6.5	1.8	(0.7)	1.1
Systemwide Academic Senate	2.7	2.7	2.9	0.0	0.2	0.2
UC Health	30.5	30.0	31.9	(0.5)	1.9	1.4
UC Investments	46.1	48.9	49.2	2.9	0.2	3.1
UC Legal	88.9	151.7	135.8	62.7	(15.9)	46.8
Subtotal - Central and Administrative Services	**$691.6**	**$769.3**	**$779.8**	**$77.8**	**$10.5**	**$88.3**
SPF - Unrestricted	25.0	19.6	25.0	(5.4)	5.4	0.0
SPF - Designated/ Restricted	4.7	2.2	2.4	(2.5)	0.2	(2.3)
Strategic Priorities Funds	29.7	21.8	27.5	(7.9)	5.6	(2.2)
SUBTOTAL USES	**$1,180.3**	**$1,208.0**	**$1,263.4**	**$27.7**	**$55.4**	**$83.1**
TOTAL USES	**$1,180.3**	**$1,208.0**	**$1,263.4**	**$27.7**	**$55.4**	**$83.1**
NET MARGIN SURPLUS (DEFICIT)	19.2	25.8	24.2	6.6	(1.6)	5.0

**Note: schedules A-1 through C-1 are unaudited*

Schedule B-1

Programs and Initiatives

$ millions

				Variance Increase/(Decrease)		
	FY25-26 Budget YearTotal	FY25-26 Actual YearTotal	FY26-27 Budget YearTotal	FY25-26 Actual vs Budget	FY25-26 Actual vs FY26-27 Budget	FY25-26 Budget vs FY26-27 Budget
PROGRAMS AND INITIATIVES						
State/Federal Programs						
Agriculture and Natural Resources (ANR)	246.3	230.6	252.5	(15.7)	21.9	6.2
California Breast Cancer Research Program	15.3	9.8	8.2	(5.4)	(1.6)	(7.1)
California Subject Matter Project (CSMP)	9.0	8.7	8.9	(0.3)	0.2	(0.1)
California Managed Care Organization (MCO) Tax Funding Program	3.7	3.9	3.6	0.2	(0.4)	(0.1)
Gaining Early Awareness and Readiness for Undergraduate Programs	3.5	1.2	5.0	(2.3)	3.8	1.5
Graduate Medical Education	1.2	1.0	1.3	(0.2)	0.2	0.0
Office of the National Laboratories (UCNL)	14.6	12.7	14.6	(1.9)	1.9	0.0
Other State/Federal Programs	2.1	1.0	0.5	(1.1)	(0.5)	(1.6)
Tobacco-Related Disease Research Program (TRDRP)	37.1	32.3	38.8	(4.8)	6.5	1.7
UC Research: Cancer Research Coordinating Committee (CRCC)	2.1	1.8	4.1	(0.3)	2.3	2.0
Firefighter Cancer Research Program	0.9	0.5	0.3	(0.4)	(0.2)	(0.6)
UC Climate Action Research Initiative 2022	1.0	0.5	1.5	(0.5)	1.0	0.6
Subtotal - State/Federal Programs	**$336.7**	**$304.1**	**$339.2**	**$(32.6)**	**$35.1**	**$2.5**
Systemwide Programs						
California HIV/AIDS Research Program (CHRP)	10.0	8.8	8.8	(1.2)	0.0	(1.2)
Eligibility in the Local Context (ELC)	1.0	1.0	1.0	0.0	0.0	0.0
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	3.1	3.1	3.1	0.0	0.0	0.0
Historically Black Colleges and Universities (HBCU) Summer Research Initiative	2.0	1.6	1.6	(0.4)	0.0	(0.4)
Innovative Learning Technology Initiative (Online Education)	8.1	8.1	8.2	(0.1)	0.1	0.1
Natural Reserve System (NRS)	3.2	2.9	3.1	(0.3)	0.2	(0.1)
Other Systemwide Programs	3.8	3.3	3.7	(0.5)	0.4	(0.1)
President's Postdoctoral Fellowship Program (PPFP)	2.7	2.7	2.7	0.0	0.0	0.0
SAPEP	15.5	14.7	15.1	(0.8)	0.5	(0.3)
UC Astronomy: University of California Observatories (UCO)	7.5	7.2	7.2	(0.3)	0.0	(0.3)
UC Astronomy: W.M. Keck Observatory (Keck)	9.7	9.6	9.5	(0.2)	(0.1)	(0.3)
University of California Press	23.3	23.4	23.4	0.1	0.0	0.2
UC Research: Laboratory Fees Research Program (LFRP)	14.6	8.8	11.6	(5.8)	2.8	(3.0)
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.4	7.8	7.8	(0.6)	0.0	(0.6)
University of California Washington Center (UCDC)	9.4	9.8	10.0	0.4	0.1	0.5
Subtotal - Systemwide Programs	**$122.3**	**$112.7**	**$116.9**	**$(9.6)**	**$4.1**	**$(5.4)**
TOTAL USES	**$459.0**	**$416.8**	**$456.1**	**$(42.2)**	**$39.2**	**$(3.0)**

Schedule C-1

Systemwide and Core Services

$ millions

	FY25-26 Budget YearTotal	FY25-26 Actual YearTotal	FY26-27 Budget YearTotal	Variance Increase/(Decrease) FY25-26 Actual vs Budget	FY25-26 Actual vs FY26-27 Budget	FY25-26 Budget vs FY26-27 Budget
Academic Affairs						
Academic Personnel and Programs	40.5	39.8	42.5	(0.8)	2.8	2.0
Diversity and Engagement	0.0	0.0	0.0	0.0	0.0	0.0
Immediate Office	10.5	10.3	10.0	(0.1)	(0.3)	(0.5)
Institutional Research and Academic Planning	6.4	6.9	7.4	0.5	0.5	1.0
Research and Innovation	8.2	8.5	9.6	0.3	1.1	1.4
Graduate Undergraduate and Equity Affairs	14.2	15.5	16.0	1.3	0.5	1.8
Subtotal - Academic Affairs	**79.7**	**81.0**	**85.5**	**1.2**	**4.5**	**5.8**
Ethics & Compliance	**10.8**	**11.0**	**11.2**	**0.2**	**0.3**	**0.4**
External Relations & Communications						
Alumni and Constituent Affairs	0.5	0.4	0.5	(0.1)	0.1	0.0
Executive Communications & Engagement	0.8	0.8	1.2	0.0	0.4	0.3
Federal Government Relations	3.7	3.5	4.1	(0.2)	0.6	0.4
Institutional Advancement	3.2	2.3	3.2	(0.9)	0.9	(0.1)
Legislative Analysis	0.6	0.6	0.0	0.0	(0.6)	(0.6)
Marketing and Communications	7.0	6.5	7.0	(0.5)	0.6	0.0
Media Relations	0.7	0.7	1.0	0.0	0.3	0.2
State Government Relations	3.9	3.8	5.0	(0.1)	1.1	1.0
Immediate Office	1.2	2.4	2.5	1.2	0.1	1.2
Subtotal - ER&C	**21.8**	**21.0**	**24.3**	**(0.8)**	**3.3**	**2.5**
Finance						
Budget Analysis and Planning	2.5	2.3	2.4	(0.2)	0.1	(0.1)
Capital Markets Finance	9.8	7.7	10.6	(2.1)	2.9	0.8
Financial Accounting	15.3	16.0	15.8	0.8	(0.3)	0.5
Risk Services	9.5	8.2	10.6	(1.2)	2.3	1.1
Strategic Sourcing/Procurement	16.0	18.4	16.7	2.3	(1.6)	0.7
Immediate Office	1.7	1.6	1.8	(0.1)	0.2	0.1
Capital Programs Energy and Sustainability	12.2	12.5	11.9	0.2	(0.6)	(0.3)
Subtotal - Finance	**67.0**	**66.7**	**69.8**	**(0.2)**	**3.0**	**2.8**
Operations						
Information Technology Services	57.9	59.6	64.4	1.7	4.8	6.5
Operational Expenses	(1.5)	8.3	(1.1)	9.8	(9.3)	0.4
Immediate Office	2.6	2.7	2.8	0.0	0.1	0.2
Strategic Program Management Office	2.0	2.1	2.3	0.0	0.2	0.3
Systemwide Community Safety	4.4	4.0	4.6	(0.3)	0.6	0.2
Systemwide Human Resources	46.4	56.2	61.3	9.8	5.1	14.9
Systemwide Shared Services	188.9	180.9	187.0	(7.9)	6.1	(1.8)
UCOP Operations	29.2	26.3	31.4	(2.9)	5.0	2.2
Subtotal - Operations	**329.9**	**340.1**	**352.8**	**10.2**	**12.7**	**22.9**
President's Executive Office	**8.5**	**9.1**	**10.1**	**0.6**	**1.0**	**1.6**
Secretary of the Regents	**5.4**	**7.2**	**6.5**	**1.8**	**(0.7)**	**1.0**
Systemwide Academic Senate	**2.8**	**2.7**	**2.9**	**(0.1)**	**0.2**	**0.1**
UC Health						
Self-Funded Health Plans	0.0	0.0	0.0	0.0	0.0	0.0
UC Health Core	(1.5)	0.0	2.6	1.5	2.6	4.1
Academic Health Sciences	3.0	3.4	3.0	0.4	(0.4)	0.0
Center for Data Driven Insights and Innovation	7.7	7.2	8.2	(0.5)	1.0	0.5
Clinical Strategy & Operations	3.9	8.9	10.2	5.0	1.3	6.3
Health Policy and Regulatory Affairs	1.7	1.7	2.4	0.1	0.7	0.8
Finance and Strategy	8.4	7.9	5.3	(0.5)	(2.6)	(3.0)
Leveraging Scale for Value	7.2	0.8	0.0	(6.4)	(0.8)	(7.2)
Subtotal - UC Health	**30.5**	**30.0**	**31.9**	**(0.5)**	**1.9**	**1.4**
UC Investments	**46.1**	**48.9**	**49.2**	**2.8**	**0.2**	**3.1**
UC Legal						
In-House Counsel	41.5	41.5	48.3	0.0	6.8	6.8
Outside Counsel	45.0	102.5	85.0	57.5	(17.5)	40.0
Systemwide Litigation	2.5	0.0	2.5	(2.5)	2.5	0.0
Legal Settlement	0.0	7.7	0.0	7.7	(7.7)	0.0
Subtotal - UC Legal	**89.0**	**151.7**	**135.8**	**62.7**	**(15.9)**	**46.8**
SUBTOTAL USES	**$691.5**	**$769.3**	**$779.8**	**$77.8**	**$10.5**	**$88.3**
TOTAL USES	**$691.5**	**$769.3**	**$779.8**	**$77.8**	**$10.5**	**$88.3**