



UNIVERSITY OF CALIFORNIA

James B. Milliken
President

March 6, 2026

Office of the President
1111 Franklin Street
Oakland, CA 94607

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

universityofcalifornia.edu

Dear Senator Laird:

CAMPUSES

- Berkeley
- Davis
- Irvine
- UCLA
- Merced
- Riverside
- San Diego
- San Francisco
- Santa Barbara
- Santa Cruz

Pursuant to Item 6440-001-0001, Provision 15 of the Budget Act of 2025 (SB101, Chapter 14, Statutes of 2025), 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 Cain Diaz would be pleased to speak with you. Cain can be reached by telephone at (510) 987-9350, or by email at Cain.Diaz@ucop.edu.

Sincerely

James B. Milliken
President

MEDICAL CENTERS

- Davis
- Irvine
- UCLA
- San Diego
- San Francisco

Enclosure

NATIONAL LABORATORIES

- Lawrence Berkeley
- Lawrence Livermore
- Los Alamos

- cc: Senate Budget and Fiscal Review
The Honorable Lena Gonzalez, 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. Jessica Deitchman, Department of Finance
Ms. Gabriela Chavez, Department of Finance
Mr. Gabriel Petek, Legislative Analyst Office
Ms. Jennifer Pacella, Legislative Analyst Office
Ms. Florence Bouvet, Legislative Analyst’s Office
Provost and Executive Vice President Katherine S. Newman
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

DIVISION OF AGRICULTURE AND NATURAL RESOURCES

UNIVERSITY OF CALIFORNIA

2025 University of California Office of the President (UCOP) Budget Legislative Report

SB 101, Chapter 4, Budget Act of 2025 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.

FY25-26 UCOP BUDGET - EXECUTIVE SUMMARY

Each year, the UC Office of the President (UCOP) prepares its annual budget proposal with extensive 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 FY25-26 UCOP budget in May 2025. The complete budget proposal can be found here: <https://regents.universityofcalifornia.edu/regmeet/may25/f7.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 FY24-25.

The approved FY25-26 budget was developed to reduce costs that impact the campuses during a challenging financial and political period. 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 FY25-26 approved budget is \$1.18 Billion which is a**

\$4.6M (0.4 percent) decrease compared to FY24-25.

Budget Changes

As compared to the FY24-25 budget, the \$4.6M budget decrease is due to a few key drivers across each of three fund types: Unrestricted, Designated, and Restricted.

- *Unrestricted Funds:* The unrestricted UCOP campus assessment amount in FY25-26 is \$225.2M, which is a decrease of \$18.8M or 7.7 percent compared to FY24-25. The FY25-26 campus assessment is lower than nine years earlier (FY16-17), despite historical annual inflation of approximately 4 percent. The overall UCOP campus assessment (excluding UCPATH) is now at a historical low of 0.42 percent of the \$53.5 billion UC budget. Overall, unrestricted funds decreased by \$8.6M. The campus assessment decrease is partially offset by higher investment income, \$5.9M; and Undesignated Fund Balance and Other Sources totaling \$4.4M.
- *Designated and Restricted Funds:* Restricted funds stay flat; the increase in designated funds is mainly driven by increased management fee revenues for the UC National Laboratories.

Budget Funding – Fund Types, Fluctuations, and Flexibility

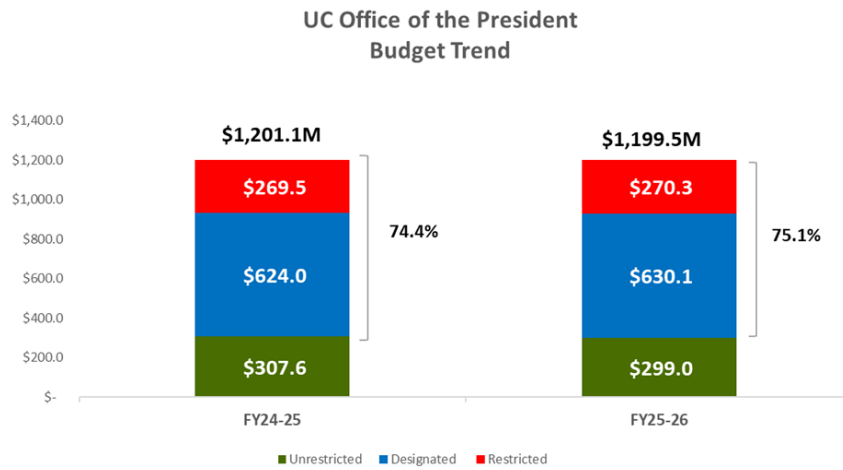
Approximately 75 percent of UCOP's funding is either restricted or designated. Restricted and designated funding can only be used for specific, defined purposes aligned to the research, teaching, and public service mission or to provide critical campus services.

Restricted funds can fluctuate from year to year depending on grant funding available from outside sources, including the state. For example, grant awards for Tobacco-Related Disease Research Programs have fluctuated by millions of dollars from year to year due to unforeseen events such as COVID-19 which slowed the grant award cycle during the pandemic.

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 and fee-for-service increases are closely reviewed by the UCOP Executive Budget Committee which includes either senior administrative or academic leaders from each campus.

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 Sources by Fund Type (FY24-25 to FY25-26)



- 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 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 \$225.2M¹ in FY25-26. In FY24-25 the total charged to the campuses was \$237M, with \$15.3M additional funds kept on the campuses for systemwide programs, for a total of \$252M. 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, FY24-25
(All figures are in thousands)

	Core Funds	Medical Center Funds	Sales & Services (incl. Auxiliary Enterprises)	Other Unrestricted Funds	Total
Berkeley	\$ 25,858			\$ 25,858	\$ 25,858
Davis	\$ 9,520	\$ 20,461		\$ 7,480	\$ 37,461
Irvine	\$ 21,407	\$ 3,419		\$ 2,127	\$ 26,953
Los Angeles	\$ 10,804	\$ 16,478		\$ 25,185	\$ 52,466
Merced	\$ 4,698			\$ -	\$ 4,698
Riverside	\$ 8,767			\$ 3,704	\$ 12,471
San Diego	\$ 10,385	\$ 8,757	\$ 9,200	\$ 6,931	\$ 35,274
San Francisco	\$ 5,389	\$ 16,833	\$ 162	\$ 11,152	\$ 33,536
Santa Barbara	\$ 10,584		\$ -	\$ 2,792	\$ 13,377
Santa Cruz	\$ 7,462			\$ 2,793	\$ 10,255
Total	\$ 114,875	\$ 65,948	\$ 9,362	\$ 62,164	\$ 252,349

Core Funds includes State General Funds, systemwide Tuition and Fees, Nonresident Supplemental Tuition, 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.

¹ In addition to the campus assessment used to support UCOP, campuses contributed \$15.3M in 2024-25 to support initiatives that are permanently budgeted at the campus level, not at the Office of the President.

FY24-25 AND FY25-26 BUDGET SUMMARY

Figure 2 below provides FY24-25 and FY25-26 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 FY25-26 and FY24-25 budgets are detailed in the next section. The FY24-25 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.

Figure 2: FY24-25 to FY25-26 Budget Summary

in millions

	FY24-25 Budget	FY24-25 Q2 Forecast	FY25-26 Budget	Variance: Increase/(Decrease)		
				FY24-25 Fcst vs FY24-25 Bud	FY25-26 Bud vs FY24-25 Fcst	FY25-26 Bud vs FY24-25 Bud
UCOP USES						
Programs and Initiatives	\$ 458.6	\$ 424.4	\$ 459.0	(\$34.2)	\$ 34.6	\$ 0.4
Systemwide and Core Services ¹	696.1	709.5	691.6	13.4	(17.9)	(4.5)
Strategic Priorities Fund Unrestricted	30.0	30.1	25.0	0.1	(5.1)	(5.0)
Strategic Priorities Fund Desig. & Restricted	0.2	0.1	4.7	(0.1)	4.6	4.5
SUBTOTAL USES	\$ 1,184.9	\$ 1,164.0	\$ 1,180.3	(\$20.9)	\$ 16.3	(\$4.6)
	% Spent	98.2%		% Change:	-0.4%	
				% Change Unrestricted:	-2.8%	
INCLUDED IN USES ABOVE						
Fee-For-Service	\$ 411.4	\$ 426.0	\$ 418.6	\$ 14.6	(\$7.4)	\$ 7.2
Pass-Throughs	399.5	374.6	400.8	(24.8)	26.1	1.3
Total Fee-For-Service and Pass-Throughs	\$ 810.8	\$ 800.7	\$ 819.4	(\$10.2)	\$ 18.8	\$ 8.6
CENTRAL OPERATING RESERVE²		\$ 15.0				
NON-OPERATING AND PROGRAM RESERVES³		\$ 164.1				
		6/30/25 Balance	Commitments	Remaining Balance		
FORECASTED FUND BALANCES NET OF RESERVES³						
Unrestricted	\$ 56.4	\$ 41.7	\$ 14.7			
Designated	121.3	49.5	71.8			
Restricted	15.1	-	15.1			
Total Forecasted Fund Balances Net of Reserves	\$ 192.8	\$ 91.2	\$ 101.6			

¹ UCPath 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 at June 30, 2025.

Key Budget Highlights and Changes

The following is a summary of key takeaways provided within the FY25-26 budget proposal presented to and approved by the UC Regents in May 2025.

Total UCOP Budget Summary

1. The UCOP proposed \$1.18 billion budget is \$4.6M or 0.4% lower than FY24-25.
2. The UCOP budget proposal includes \$37.3M in campus reductions and expense relief, equivalent to a 10% cut to campus assessments from FY24-25.

3. The FY25-26 budget proposal includes a \$18.8M or 7.7 percent decrease to the UCOP campus assessment and a \$3.5M or 2.5 percent decrease in UCPath's W-2 fee-for-service assessment.
4. UCOP has allocated \$15M to support the campus Systemwide Litigation Fund, which is usually funded at \$2.5M by the campuses. Given current uncertain circumstances, UCOP is providing funding for systemwide matters normally paid for by the campuses.
5. \$17M in revenue increases mask \$22.3M in campus assessment reductions, resulting in a modest budget decrease. Revenue increases include \$7M in new revenue for research in designated and restricted funding combined with \$10M of limited one-time funds.
6. To preserve University funds and reduce expenses, UCOP implemented the systemwide hiring freeze and issued budget savings targets of 9% on non-payroll expenses across all divisions.
7. \$881.3M or 75 percent of the budget uses designated and restricted funds.
8. Unrestricted funds, which are UCOP's most flexible, discretionary funds total \$299M or 25% of total sources; these fund sources are down \$8.6M versus the prior year.
9. \$819.4M or 69 percent of the budget is comprised of pass-throughs or fee-for-service activities supporting the campuses.
10. Excluding pass-through and fee-for-service activities, the UCOP budget is \$360.9M (31 percent) of the UCOP total budget and 0.6 percent of the approximate systemwide \$53.5B total budget based on the latest information available from the [2025-26 Budget for Current Operations](#).
11. Key Drivers of reduced expenditures include divisional Cost Reduction Targets, research reductions in the Tobacco-Related Disease Research Program and Firefighter Cancer Research, operational savings including UCPath, lower pension system project costs ("Redwood"), and UC Health savings in the health collaborative. Decreases are partly offset by increases related to participation in the UC systemwide general salary increase program, UC Legal (outside counsel), UC Investments, required contract cost increases, and strategic investment in the UC Sacramento Student & Policy Center.

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

12. The FY25-26 budget for Programs and Initiatives (P&I) is \$459.0M (39 percent) of the UCOP total budget and remains flat to the FY24-25 budget.
13. \$400.8M (34 percent) of total budget is in pass-through expenditures which are largely in the Programs and Initiatives budget; these funds 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.
14. State and Federal Programs make up \$336.7M (73 percent) of the P&I budget; the Agriculture & Natural Resources division (ANR), and the Tobacco-Related Disease Research Program (TRDRP) comprise \$283.4M of this total.
15. Systemwide Programs make up \$122.3M (27 percent) 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), Online Education, the UC Washington Center and more.

Systemwide and Core Services and UCPath (Schedule C)

16. The FY25-26 budget for Systemwide and Core Services is \$691.6M (59 percent) of the UCOP total budget.
17. The Systemwide and Core Services budget supports critical services in finance, human resources, compliance, legal, health, communications, government relations and others. This budget is \$4.5M (0.6 percent) lower than FY24-25 and decreases are driven primarily by UCPath, systemwide human resources and the UC Health Collaborative.

18. Fee-for-service activities, performed centrally at UCOP for efficiencies, are primarily in the Systemwide and Core Services budget and total \$418.6M (35% percent 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.
19. The UCPATH operations budget of \$136.0M is down by \$3.5M or 2.5 percent from FY24-25. UCPATH is expected to have sufficient staffing and will deploy resources to complete some critical one-time system roadmap enhancements in the year.

Fund Balances and Reserves (Schedules D, E)

20. Net of commitments and including fund balances applied to FY25-26 sources, unrestricted fund balances are forecasted to be \$14.7M, an 81 percent decrease from the current year. Any remaining balances at year end will be held to cover potential future funding gaps if state revenues and the economic climate remain challenging beyond the FY25-26 budget horizon.
21. Designated fund balances are primarily held by UCNL (46 percent 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.
22. Forecasted year-end reserve balances are \$179.1M. Most of the reserves support multi-billion-dollar systemwide national laboratory contracts and the housing loan program.

The following sections provide FY25-26 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

<i>\$ in millions</i>				
	FY24-25 Budget	FY25-26 Budget	Year-over- Year Change	
Pass-Throughs				
Agriculture & Natural Resources	\$ 245.5	\$ 244.4	\$ (1.1)	<ul style="list-style-type: none"> • <i>Pass-throughs, funds not expended at UCOP, comprise 34% of the total UCOP budget.</i> • <i>Pass-throughs are essentially flat to FY24-25.</i> • <i>Research grant programs decreased due to lower anticipated grant awards for the TRDRP program and non-recurring funding for Firefighter Cancer Research offset by higher grants in the CA Breast Cancer Research and Lab Fees Research Programs.</i>
Research Grant Programs	64.7	56.7	(8.0)	
Other Strategic Priorities Fund	3.4	2.9	(0.5)	
UC Observatories	17.0	17.3	0.3	
California Subject Matter Projects	7.9	7.6	(0.3)	
National Laboratory Programs	9.2	15.8	6.5	
UC Research Initiative	7.4	7.4	-	
All Others	5.2	8.6	3.4	
Diversity Initiatives	8.4	8.4	(0.1)	
Other Academic Pass-Throughs	3.8	6.4	2.5	
Public Service Programs	6.6	5.3	(1.3)	
Online Education Initiatives	2.8	2.7	(0.1)	
UC Libraries	16.7	16.7	0.0	
UC Health Initiatives	0.8	0.7	(0.1)	
Total Pass-Throughs	\$ 399.5	\$ 400.8	\$ 1.3	
Year-Over-Year Decrease \$	\$	1.3		
Year-Over-Year Decrease %		0.3%		

For FY25-26, the pass-through funds are \$1.3 million higher than in FY24-25.

- An increase to pass-through funding in a year with budget cuts is a positive outcome. UCOP has aimed to preserve funds that are not expended at UCOP as this fuels activities that are campus-based.
- The reduction in Research Grants is driven by lower anticipated grant awards from the Tobacco-Related Disease Research Program (TRDRP) and non-recurring Firefighter Cancer Research, offset by higher awards in the Lab Fees Research Program (LFRP) and California Breast Cancer Research.

Fee for Service

Figure 4: Fee-for-Service Activities

\$ in millions

	FY24-25 Budget	FY25-26 Budget	Year-over- Year Change
Fee-for-Service			
UC Path	\$ 139.1	\$ 140.7	\$ 1.6
Office of the General Counsel	67.9	73.1	5.2
UC Retirement System	64.9	63.2	(1.7)
Investments & Asset Management	52.1	55.0	2.9
Employee Benefits Administration	34.0	34.4	0.4
UC Health Collaborative	26.0	24.4	(1.6)
Risk Management	8.5	7.5	(1.0)
Bond Management	5.6	5.5	(0.0)
Information Technology Services	3.5	2.8	(0.8)
Other Services	3.2	5.2	2.0
Patent Royalty Administration	3.4	3.2	(0.2)
UC Mortgage Origination Plan	3.2	3.8	0.5
Total Fee-for-Service	\$ 411.4	\$ 418.6	\$ 7.2
	<i>Year over Year Increase \$</i>	<i>7.2</i>	
	<i>Year over Year Increase %</i>	<i>1.8%</i>	

- *The top six fee-for-service activities account for 93% of the total.*
- *UCPath includes \$4.7M in one-time system roadmap enhancements, plus the operating budget of \$136M.*
- *Office of the General Counsel (UC Legal) is higher with increases expected in outside counsel matters.*
- *UC Investments increase based on higher investment in data-driven, technology solutions.*
- *Retirement System is lower as the pension system project is now operational.*

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 FY25-26 includes \$4.7M in one-time designated SPF funds for system roadmap enhancements adding to the \$136M operating budget. 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.

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 million or at least 3.5 percent of covered funds and expenses and maintained in the President’s Endowment Fund.

Forecasted Reserves

UCOP reports reserve balances and target funding levels to the Regents twice annually, during the presentation of the budget, and after the fiscal year close. At the time the budget is presented, the fiscal year is not yet finalized, and therefore reserve balances are forecasted. **Figure 5** below projects a total reserve balance of \$179 million as of June 30, 2025. Details are in **Schedule D**.

Figure 5 – UCOP Reserve Balances

\$ in millions

	Reserve Target Minimum	Reserve Target Maximum	6/30/25 Forecasted Reserve	Variance: 6/30/25 Reserve Over Max / (Under Min)
UCOP RESERVES				
Building and Capital Assets Reserves	\$ 3.0	\$ 8.5	\$ 5.2	\$ -
Program Reserves ¹	97.6	115.0	96.3	(1.3)
Other Required Reserves ²	72.5	93.3	62.5	(10.0)
Sub-Total Program and Non-Operating Reserves	\$ 173.1	\$ 216.8	\$ 164.0	
Central Operating Reserve	15.0	15.0	15.0	-
TOTAL UCOP RESERVES	\$ 188.1	\$ 231.8	\$ 179.0	

¹ Within Program Reserves, the UCNL reserve targets have shifted to reflect current operations.

² Housing Loan Program outstanding balance has grown, 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 just under the established target funding range of a minimum of \$188.1 million and maximum of \$231.8 million. Program Reserves are largely (93%) 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. The Housing Loan program reserve requirement reflects a 4 percent maximum reserve target on the overall size of the loan portfolio of approximately \$2.1 billion. The Regents determined in [January 2012](#) that the program is required to maintain a 3.5 percent maximum reserve target. Given the current economic uncertainty, the need to accommodate requests for loan forbearance, and current higher interest rates, the Office of Loan Programs recommended a maximum target equal to 4.0 percent, with a resulting target maximum of \$93.3 million, which includes \$10.5 million for campus supplemental loans.

The forecasted reserve is below the minimum target of \$72.5 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 E, UCOP Fund Balances by Fund Type**, provides additional detail to the fund balances described below.

Actual and Forecasted Balances

To develop the FY25-26 budget, UCOP analyzed actual fund balances as of March 31, 2025, and forecasted fund balances for June 30, 2025. UCOP also reviewed known commitments identified for next year. Restricted or designated fund balances may only be used for their defined purpose.

Figure 6 shows a breakdown of fund balances by fund type, forecasted as of June 30, 2025. Overall, fund balances are projected to decrease by \$114.5 million or 53 percent compared to last year, the largest reduction (81 percent) taking place in the unrestricted funds.

Figure 6: UCOP Fund Balances

	6/30/25						
	6/30/24 Balance	Forecasted Balance	Commitments	Remaining Balance	Change in Fund Balance		% Change
Unrestricted	\$ 77.8	\$ 56.4	\$ 41.7	\$ 14.7	\$ (63.1)		-81.1%
Designated	124.6	121.3	49.5	71.8	(52.8)		-42.4%
Restricted	13.7	15.1	-	15.1	1.4		10.4%
Total Fund Balance	\$ 216.1	\$ 192.8	\$ 91.2	\$ 101.6	\$ (114.5)		-53.0%

Unrestricted fund balances afford the most flexibility for use. Unrestricted balances total \$14.7 million or 14 percent of the total remaining fund balance, net of funds being used for FY25-26 budget sources. This balance is planned to be retained considering current financial uncertainties at both the state and federal levels. The main cause of the change in unrestricted fund balances was due to the use of \$13 million in fund balances to balance the FY25-26 budget, along with approximately \$25 million additional planned for the FY26-27 budget and beyond. 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, 2025, fiscal close and reported in the FY24-25 Budget-to-Actuals item presented at the November 2025 Regents Meeting.

Designated fund balances total \$71.8 million or 71 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, \$36.5 million, or 36 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:

- \$31.7M decrease in the Lab Fees Research program used to fund campus research opportunities as funds are committed for current and future grant cycles
- \$19.9M decrease in other balances such as UCPath assessment funds to be applied to FY25-26 budget and UC Legal funds for Systemwide Litigation
- \$9.2M decrease in endowment cost recovery funds planned for future development work

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 15 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 FY25-26 UCOP Budget, and the second (A-1 through C-1) contain FY24-25 year-end financials.

Schedule A

Sources and Uses by Year

Overall UCOP

\$ in millions

	FY24-25 Budget	FY24-25 Q2 Forecast	FY25-26 Budget	Variance Increase/ (Decrease)		
				FY24-25 Fcst vs FY24-25 Bud	FY25-26 Bud vs FY24-25 Fcst	FY25-26 Bud vs FY24-25 Bud
SOURCES						
Unrestricted Sources						
Investment Income	32.6	47.1	38.5	14.5	(8.6)	5.9
UCOP Campus Assessment	244.0	244.0	225.2	0.0	(18.8)	(18.8)
Undesignated Fund Balance	13.2	13.2	14.8	0.0	1.7	1.7
Other Unrestricted Sources	17.9	18.8	20.5	0.9	1.7	2.7
Subtotal - Unrestricted Sources	\$307.6	\$323.0	\$299.0	\$15.4	(\$24.0)	(8.6)
Designated Sources						
Regents-Designated	43.1	35.3	52.6	(7.8)	17.3	9.5
Program-Designated	322.3	324.7	325.3	2.4	0.6	3.0
UCPath Fee-For-Service	139.2	141.8	140.6	2.6	(1.2)	1.4
UC ANR State General Funds	119.4	118.2	111.7	(1.2)	(6.6)	(7.7)
Subtotal - Designated Sources	\$624.0	\$620.1	\$630.1	(\$3.9)	\$10.0	\$6.1
Restricted Sources						
Gifts and Endowments	16.9	8.2	17.5	(8.6)	9.3	0.6
Contracts and Grants	73.4	71.4	80.0	(2.0)	8.6	6.6
Federal and State Appropriations/ Regulations	179.3	166.4	172.8	(12.8)	6.4	(6.4)
Subtotal - Restricted Sources	\$269.5	\$246.0	\$270.3	(\$23.5)	\$24.3	\$0.8
TOTAL SOURCES	\$1,201.1	\$1,189.2	\$1,199.5	(\$12.0)	\$10.3	(\$1.7)
USES						
Programs and Initiatives						
State/ Federal Programs	345.7	310.9	336.7	(34.9)	25.9	(9.0)
Systemwide Programs	112.9	113.5	122.3	0.6	8.7	9.4
Subtotal - Programs and Initiatives	\$458.6	\$424.4	\$459.0	(\$34.2)	\$34.6	\$0.4
Systemwide and Core Services						
Academic Affairs	80.3	79.7	79.5	(0.5)	(0.2)	(0.8)
Ethics & Compliance	10.4	10.5	10.8	0.1	0.2	0.3
External Relations & Communications	22.3	22.3	21.6	(0.0)	(0.7)	(0.7)
Finance	67.2	63.8	66.7	(3.3)	2.9	(0.4)
Operations	340.0	341.4	330.9	1.4	(10.5)	(9.2)
President's Executive Office	7.9	8.3	8.5	0.4	0.1	0.5
Secretary of the Regents	5.0	6.3	5.4	1.3	(0.9)	0.4
Systemwide Academic Senate	2.7	2.7	2.7	0.1	(0.0)	0.1
UC Health	32.6	32.8	30.5	0.2	(2.3)	(2.1)
UC Investments	43.2	48.0	46.1	4.8	(1.9)	2.9
UC Legal	84.6	93.5	88.9	9.0	(4.6)	4.4
Subtotal - Systemwide and Core Services	\$696.1	\$709.5	\$691.6	\$13.4	(\$17.9)	(\$4.5)
SPF - Unrestricted	30.0	30.1	25.0	0.1	(5.1)	(5.0)
SPF - Designated/ Restricted	0.2	0.1	4.7	(0.1)	4.6	4.5
Strategic Priorities Funds	\$30.2	\$30.1	\$29.7	(0.0)	(\$0.4)	(0.5)
TOTAL USES	\$1,184.9	\$1,164.0	\$1,180.3	(\$20.9)	16.3	(4.6)
NET MARGIN SURPLUS (DEFICIT)	\$16.2	\$25.2	\$19.2	8.9	(6.0)	2.9
Included in Sources and Uses Above						
Pass-Throughs	399.5	374.6	400.8	(24.8)	26.1	1.3
Fee-For-Service	411.4	426.0	418.6	14.6	(7.4)	7.2
Total Fee-For-Service and Pass-Throughs	\$810.8	\$800.7	\$819.4	(\$10.2)	\$18.8	\$8.6

Notes to Schedule A:

Sources

Unrestricted Sources

1. Investment Income: \$38.5M estimate based on current year returns; higher by \$5.9M due to higher short-term rates of return.
2. UCOP Campus Assessment: \$225.2M net total represents a \$18.8M, or 7.7% decrease to the campus assessment year-over-year. Following the 2017 CSA audit of UCOP, approximately \$15 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 FY24-25 Forecast investment earnings, to be used in part to offset the campus assessment decrease.
4. Other Unrestricted: \$20.5M is an increase of \$2.7M due to a one-time allocation of strategic procurement funds.

Designated Sources

5. Regents Designated: \$52.6M increased by \$9.5M (22%) for UCNL fee income, partially designated for reserves.
6. Program-Designated: \$325.3M decreased by \$3M (1%) due to increases in UC Legal services demand, and UC Investments cost increases offset by the reduction in one-time funds for the Firefighter Cancer Research Program.
7. UCPath Fee-For-Service: \$140.6M increased by \$1.4M (1%) for one-time roadmap projects totaling \$4.7M offset by a decrease in ongoing operating expenses of \$3.5M.
8. UC ANR State General Funds: \$111.7M a decrease of \$7.7M (6.4%) in state allocations given the projected reductions in state funding.

Restricted Sources

9. Gifts and Endowments: \$17.5M is up \$0.6M (3.6%) compared to FY24-25.
10. Contracts and Grants: \$80M increased \$6.6M (9%) driven by ANR's extramural funding and other research funding.
11. Federal and State Appropriations: \$172.8M decreased \$6.4M (3.6%) due to lower anticipated funds for Tobacco-related Disease and Breast Cancer Research.

Notes regarding Uses are appended to Schedules B and C

Schedule B

Budget by Programs and Initiatives

Programs and Initiatives

\$ in millions

	FY24-25 Budget	FY24-25 Q2 Forecast	FY25-26 Budget	Variance Increase/(Decrease)		
				FY24-25 Fcst vs FY24-25 Bud	FY25-26 Bud vs FY24-25 Fcst	FY25-26 Bud vs FY24-25 Bud
PROGRAMS AND INITIATIVES						
State/ Federal Programs						
Agriculture and Natural Resources (ANR)	247.4	225.4	246.3	(22.0)	20.9	(1.1)
California Breast Cancer Research Program	11.1	7.2	15.3	(3.9)	8.1	4.2
California Subject Matter Project (CSMP)	8.9	9.2	9.0	0.3	(0.2)	0.1
California Managed Care Organization (MCO) Tax Funding Program	3.4	0.0	3.7	(3.4)	3.7	0.3
Gaining Early Awareness and Readiness for Undergraduate Programs	3.5	1.5	3.5	(2.0)	2.0	(0.0)
Graduate Medical Education	1.9	1.2	1.2	(0.7)	0.0	(0.7)
Office of the National Laboratories (UCNL)	14.1	12.9	14.6	(1.3)	1.7	0.5
Other State/ Federal Programs	0.5	2.1	2.1	1.5	(0.0)	1.5
Tobacco-Related Disease Research Program (TRDRP)	44.8	42.9	37.1	(1.9)	(5.8)	(7.7)
UC Research: Cancer Research Coordinating Committee (CRCC)	2.7	1.7	2.1	(1.1)	0.4	(0.6)
Firefighter Cancer Research Program	6.0	5.6	0.9	(0.4)	(4.7)	(5.1)
UC Climate Action Research Initiative 2022	1.3	1.4	1.0	0.1	(0.4)	(0.3)
Subtotal - State/ Federal Programs	345.7	310.9	336.7	(34.9)	25.9	(9.0)
Systemwide Programs						
California HIV/ AIDS Research Program (CHRP)	8.8	8.8	10.0	0.0	1.2	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	2.0	2.0	0.0	0.0	0.0
Innovative Learning Technology Initiative (Online Education)	8.4	8.3	8.1	(0.1)	(0.2)	(0.3)
Natural Reserve System (NRS)	3.2	3.0	3.2	(0.3)	0.2	(0.1)
Other Systemwide Programs	4.1	4.1	3.8	0.0	(0.3)	(0.3)
President's Postdoctoral Fellowship Program (PPFP)	0.9	1.9	2.7	1.0	0.8	1.8
SAPEP	15.7	16.1	15.4	0.4	(0.7)	(0.3)
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)	9.5	9.5	9.7	0.0	0.3	0.3
University of California Press	22.7	22.2	23.3	(0.4)	1.0	0.6
UC Research: Laboratory Fees Research Program (LFRP)	8.1	7.4	14.6	(0.7)	7.1	6.5
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.4	9.1	8.4	0.7	(0.7)	(0.0)
University of California Washington Center (UCDC)	9.5	9.6	9.4	0.0	(0.1)	(0.1)
Subtotal - Systemwide Programs	112.9	113.5	122.3	0.6	8.7	9.4
TOTAL USES	458.6	424.4	459.0	(34.2)	34.6	0.4

Notes to Schedule B: Budget by Programs and Initiatives
FY25-26 Budget Increase / (Decrease) vs. FY24-25 Budget > \$1M

State / Federal Programs

1. Agriculture and Natural Resources: \$246.3M decreased by \$1.1M due to projected reductions in state funding.
2. California Breast Cancer Research Program: \$15.3M increased by \$4.2M (38%) due to the timing of grant awards projected in FY25-26.
3. Other State/Federal Programs: \$1.5M increase in grants through the Research Grants Program Office.
4. Tobacco-Related Disease Research Program (TRDRP): \$37.1M decreased by \$7.7M, (17%) due to lower anticipated grant awards related to lower revenues compared to prior years.
5. Firefighter Cancer Research Program: \$0.9M a decrease of \$5.1M as this was one-time funding from the state for research to reduce the incidence of cancer among California firefighters.

Systemwide Programs

6. President's Postdoctoral Fellowship Program: \$2.7M increased by \$1.8M, 200% due to a new campus allocation.
7. Lab Fees Research Program (LFRP): \$14.6M increased by \$6.5M, 80% as the program follows a two-year grant cycle.

Schedule C

Budget by Division and Sub-Division

Systemwide and Core Services

\$ in millions

	FY24-25 Budget	FY24-25 Q2 Forecast	FY25-26 Budget	Variance Increase/ (Decrease)		
				FY24-25 Fcst vs FY24-25 Bud	FY25-26 Bud vs FY24-25 Fcst	FY25-26 Bud vs FY24-25 Bud
SYSTEMWIDE AND CORE SERVICES						
Academic Affairs						
Academic Personnel and Programs	40.5	40.0	40.4	(0.6)	0.5	(0.1)
Immediate Offices	8.6	7.6	10.4	(1.0)	2.8	1.8
Institutional Research and Academic Planning	6.6	6.5	6.4	(0.1)	(0.2)	(0.2)
Research and Innovation	9.7	9.4	8.1	(0.3)	(1.3)	(1.6)
Graduate Undergraduate and Equity Affairs	14.8	16.2	14.2	1.4	(2.1)	(0.7)
Subtotal - Academic Affairs	80.3	79.7	79.5	(0.5)	(0.2)	(0.8)
Ethics & Compliance	10.4	10.5	10.8	0.1	0.2	0.3
External Relations & Communications						
Alumni and Constituent Affairs	0.5	0.6	0.5	0.1	(0.1)	(0.0)
Executive Communications & Engagement	0.9	0.8	0.8	(0.2)	0.0	(0.1)
Federal Government Relations	3.4	3.3	3.7	(0.1)	0.3	0.3
Institutional Advancement	2.9	2.7	3.2	(0.2)	0.5	0.3
Legislative Analysis	1.0	1.0	0.6	(0.0)	(0.4)	(0.4)
Marketing and Communications	7.4	6.5	6.9	(0.9)	0.4	(0.5)
Media Relations	0.8	1.0	0.7	0.2	(0.3)	(0.1)
State Government Relations	3.6	3.6	3.9	(0.1)	0.3	0.3
Immediate Office	1.7	2.8	1.2	1.1	(1.6)	(0.5)
Subtotal - ER&C	22.3	22.3	21.6	(0.0)	(0.7)	(0.7)
Finance						
Budget Analysis and Planning	2.7	2.3	2.5	(0.3)	0.1	(0.2)
Capital Markets Finance	9.3	8.4	9.4	(0.8)	1.0	0.1
Financial Accounting	15.8	15.9	15.3	0.1	(0.7)	(0.5)
Risk Services	10.4	9.5	9.8	(1.0)	0.3	(0.7)
Strategic Sourcing/Procurement	14.1	14.1	16.0	(0.0)	1.8	1.8
Immediate Office	1.8	1.7	1.7	(0.2)	0.0	(0.1)
Capital Programs Energy and Sustainability	13.1	11.9	12.2	(1.2)	0.3	(0.9)
Subtotal - Finance	67.2	63.8	66.7	(3.3)	2.9	(0.4)
Operations						
Information Technology Services	57.0	58.1	57.8	1.1	(0.3)	0.8
Operational Expenses	3.0	(0.1)	(0.2)	(3.1)	(0.1)	(3.1)
Strategic Program Management Office	2.0	2.0	2.0	0.0	(0.0)	(0.0)
Systemwide Human Resources	101.3	102.8	99.0	1.5	(3.8)	(2.3)
UCOP Operations	30.6	30.6	29.2	(0.1)	(1.4)	(1.4)
Immediate Office	2.6	2.6	2.6	(0.0)	0.0	0.0
Systemwide Community Safety	4.0	4.1	4.4	0.1	0.3	0.4
UCPath	139.5	141.3	136.0	1.8	(5.3)	(3.5)
Subtotal - Operations	340.0	341.4	330.9	1.4	(10.5)	(9.2)
President's Executive Office	7.9	8.3	8.5	0.4	0.1	0.5
Secretary of the Regents	5.0	6.3	5.4	1.3	(0.9)	0.4
Systemwide Academic Senate	2.7	2.7	2.7	0.1	(0.0)	0.1
UC Health						
UC Health Core	(1.3)	0.2	(1.5)	1.5	(1.7)	(0.2)
Academic Health Sciences	3.7	3.7	3.0	(0.0)	(0.7)	(0.7)
Center for Data Driven Insights and Innovation	8.0	8.0	7.7	0.0	(0.3)	(0.2)
Clinical Strategy & Operations	6.2	5.0	4.9	(1.2)	(0.1)	(1.3)
Health Policy and Regulatory Affairs	1.3	1.1	1.7	(0.2)	0.5	0.4
Finance and Administration	7.0	7.0	7.5	(0.1)	0.5	0.4
Leveraging Scale for Value	7.6	7.8	7.2	0.1	(0.6)	(0.4)
Subtotal - UC Health	32.6	32.8	30.5	0.2	(2.3)	(2.1)
UC Investments	43.2	48.0	46.1	4.8	(1.9)	2.9
UC Legal						
In-House Counsel	42.0	42.0	41.4	0.0	(0.6)	(0.6)
Outside Counsel	40.1	47.6	45.0	7.6	(2.6)	4.9
Systemwide Litigation	2.5	3.9	2.5	1.4	(1.4)	0.0
Subtotal - UC Legal	84.6	93.5	88.9	9.0	(4.6)	4.4
TOTAL USES	696.1	709.5	691.6	13.4	(17.9)	(4.5)

**Notes to Schedule C: Systemwide and Core Services
FY25-26 Budget Increase / (Decrease) vs. FY24-25 Budget > \$1M**

Academic Affairs

1. Academic Affairs Immediate Offices: \$10.4M, increased by \$1.8M, (21%) due to additional grant funding for the Global Entrepreneur in Residence Program.
2. Research and Innovation: \$8.1M, decreased by \$1.6M, (16%), due to the systemwide hiring freeze.

Finance

3. Strategic Sourcing/Procurement: \$16.0M increased by \$1.8M, (13%) due to consulting support for systemwide initiatives.

Operations

4. Operational Expenses: (\$0.2M) decreased by \$3.1M, (100%) due to reduction in central salary program funding.
5. Systemwide Human Resources: \$99.0M decreased by \$2.3M, (2%) driven by the completion of the Redwood pension system and transition from outside vendor to internal IT resources.
6. UCOP Operations: \$29.2M decreased by \$1.4M (5%) due to lower maintenance and debt service expenses.
7. UCPath: \$136.0M decreased by \$3.5M (2.5%) due to shift of one-time roadmap projects and lower operating expenses.

UC Health

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

Other Divisions

9. President's Executive Office: The Associate of the President budget of \$25,000 is included in the PEO total budget.
10. UC Investments: \$46.1M increased by \$2.9M (7%), given higher data processing and consulting expenses.
11. UC Legal: \$88.9M increased by \$4.4M, (5%) given an expected growth in the need for outside counsel.

Schedule D

UCOP Reserves

\$ in millions

	Reserve Target Minimum	Reserve Target Maximum	6/30/24 Actual Reserve	6/30/25 Forecasted Reserve	Variance:	
					6/30/24 Actual vs 6/30/25 Forecast	6/30/25 Reserve Target Over Max / (Under Min)
UCOP RESERVES						
Building and Capital Assets Reserves						
Capital Maintenance and Renewal	\$ 2.6	\$ 7.9	\$ 4.7	\$ 4.7	\$ (0.0)	\$ -
UCOP IT Infrastructure	0.4	0.6	0.6	0.6	(0.0)	-
Sub-Total Building and Capital Assets Reserves	\$ 3.0	\$ 8.5	\$ 5.3	\$ 5.2	\$ (0.1)	
Program Reserves						
UC National Laboratories						
LANS and LLNS-LLC Post Contract Contingency ¹	23.2	23.2	23.0	27.6	4.6	2.0
LANS and LLNS-LLC Fee Contingency ¹	15.0	15.0	7.3	12.0	4.7	(0.6)
TRIAD Reserve Fund ¹	10.0	10.0	7.2	8.8	1.6	(1.2)
Capital and Campus Opportunity Fund ¹	25.0	25.0	16.6	14.5	(2.1)	(10.5)
LBNL Post Contract Contingency ²	8.5	8.5	6.5	7.3	0.8	(1.2)
LBNL Building Commitment ²	10.0	23.0	16.8	18.8	2.0	
LBNL Guest House Renewal & Replacement ²	1.5	2.5	0.5	0.4	(0.1)	(1.1)
UC National Laboratories Sub-Total	93.2	107.2	77.9	89.5	11.6	
UC Press	1.5	1.5	1.5	1.5	(0.0)	-
UC Washington Center (UCDC) ³	2.9	6.3	5.3	5.3	0.0	-
Sub-Total Program Reserves	\$ 97.6	\$ 115.0	\$ 84.7	\$ 96.3	\$ 11.6	
Other Required Reserves						
Housing Loan Program ⁴	72.5	93.3	56.4	62.5	6.1	(10.0)
Sub-Total Other Required Reserves	\$ 72.5	\$ 93.3	\$ 56.4	\$ 62.5	\$ 6.1	
SUB TOTAL NON-OPERATING AND PROGRAM RESERVES	\$ 173.1	\$ 216.8	\$ 146.4	\$ 164.1	\$ 17.7	
Central Operating Reserve⁵	15.0	15.0	15.0	15.0	-	-
TOTAL UCOP RESERVES	\$ 188.1	\$ 231.8	\$ 161.4	\$ 179.1	\$ 17.7	

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

	6/30/24		6/30/25		
	Balance	Forecasted Balance	Commitments ³	Remaining Balance	Change in Fund Balance
UNRESTRICTED					
Unrestricted - UCOP					
Investment Income	\$ 46.2	\$ 43.5	\$ 41.2	\$ 2.3	\$ (43.9)
UC General Funds	2.4	0.7		0.7	(1.7)
Legal Settlements	5.0	1.1	0.5	0.6	(4.4)
Other	24.2	11.2		11.2	(13.0)
Sub-Total Unrestricted	\$ 77.8	\$ 56.4	\$ 41.7	\$ 14.7	\$ (63.1)
DESIGNATED					
Regents Designated					
DOE Laboratories ⁴					
LLC	\$ 11.0	\$ 15.0	\$ -	\$ 15.0	\$ 4.0
LBNL	16.2	20.1	-	20.1	3.9
Triad	11.3	11.4	-	11.4	0.1
Lab Fees Research	33.8	35.3	33.2	2.1	(31.7)
Programs and Initiatives					
UC Healthcare Collaborative	\$ 3.2	\$ 3.7	\$ -	\$ 3.7	\$ 0.5
California Digital Library	1.7	2.0		2.0	0.3
ICAMP	(0.1)	-		-	0.1
UC Washington Center	3.0	3.4	-	3.4	0.4
Procurement Initiatives	2.1	1.2		1.2	(0.9)
Other	1.8	1.5	-	1.5	(0.3)
Central Services Designated					
Endowment cost recovery	\$ 15.4	\$ 16.2	\$ 10.0	\$ 6.2	\$ (9.2)
Energy and sustainability	1.1	1.1	-	1.1	0.0
Other	24.1	10.5	6.3	4.2	(19.9)
Sub-Total Designated	\$ 124.6	\$ 121.3	\$ 49.5	\$ 71.8	\$ (52.8)
RESTRICTED					
Federal and Special State Appropriations/Regulations	\$ 3.4	\$ 3.4	\$ -	\$ 3.4	\$ (0.0)
Gifts and Endowments	10.3	\$ 11.8	-	11.8	1.5
Sub-Total Restricted	\$ 13.7	\$ 15.1	\$ -	\$ 15.1	\$ 1.4
TOTAL BALANCES	\$ 216.1	\$ 192.8	\$ 91.2	\$ 101.6	\$ (114.5)

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 \$13.1M in fund balances used in the FY25-26 budget, \$28M rainy day fund; \$33.2M for commitments on the Lab Fees Research grants, \$10M for development efforts, \$2.1M for UCPath and \$4M 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 Actuals

Sources and Uses by Year

Overall UCOP

\$ in millions

	FY24-25 Budget YearTotal	FY24-25 Actual YearTotal	FY25-26 Budget YearTotal	Variance	Variance Increase/(Decrease)	
				Increase/(Decrease) Actual vs Budget	FY24-25 Actual vs FY25-26 Budget	FY24-25 Budget vs FY25-26 Budget
SOURCES						
Unrestricted Sources						
Investment Income	32.6	49.3	38.5	16.7	(10.8)	5.9
UCOP Campus Assessment	244.0	237.0	225.2	(7.0)	(11.8)	(18.8)
Undesignated Fund Balance	13.2	0.0	14.8	(13.2)	14.8	1.7
Other Unrestricted Sources	17.9	16.6	20.5	(1.3)	3.9	0.0
Subtotal - Unrestricted	\$307.6	\$302.9	\$299.0	(4.7)	(3.9)	(11.3)
Designated Sources						
Regents Designated	43.1	43.2	52.6	0.1	9.4	9.5
Program Designated	322.3	388.2	325.3	65.9	(62.9)	3.0
UCPath Fee-For-Service	139.2	131.8	140.6	(7.4)	8.8	1.4
UCPath State General Funds	0.0	0.0	0.0	0.0	0.0	0.0
UC ANR State General Funds	119.4	115.2	111.7	(4.2)	(3.6)	(7.7)
Subtotal - Designated	\$624.0	\$678.4	\$630.1	\$54.5	(48.3)	(6.4)
Restricted Sources						
Gifts and Endowments	16.9	16.5	17.5	(0.3)	1.0	0.6
Contracts and Grants	73.4	74.8	80.0	1.4	5.1	6.6
Federal and State Appropriations/Regulations	179.3	174.1	172.8	(5.1)	(1.3)	(6.4)
Subtotal - Restricted	\$269.5	\$265.5	\$270.3	(4.0)	\$4.8	\$0.8
Total Sources	\$1,201.1	\$1,246.8	\$1,199.5	\$45.7	(47.3)	(16.8)
USES						
Programs and Initiatives						
State/Federal Programs	345.7	315.5	336.7	(30.2)	21.2	(9.0)
Systemwide Programs	112.8	118.7	122.3	5.9	3.7	9.5
Subtotal - Programs and Initiatives	\$458.5	\$434.2	\$459.0	(24.3)	\$24.9	\$0.5
Central and Administrative Services						
Academic Affairs	79.8	82.1	79.7	2.3	(2.3)	(0.1)
Ethics & Compliance	10.4	10.7	10.8	0.3	0.1	0.4
External Relations & Communications	22.2	21.2	21.8	(1.0)	0.6	(0.4)
Finance	66.9	65.7	67.0	(1.2)	1.3	0.1
Operations	341.5	329.1	329.9	(12.4)	0.8	(11.5)
President's Executive Office	7.9	7.4	8.5	(0.5)	1.0	0.6
Secretary of the Regents	4.9	7.5	5.4	2.6	(2.1)	0.5
Systemwide Academic Senate	2.6	2.8	2.8	0.2	0.0	0.2
UC Health	32.6	31.7	30.5	(0.8)	(1.2)	(2.1)
UC Investments	43.0	48.2	46.1	5.2	(2.1)	3.1
UC Legal	84.3	104.9	89.0	20.5	(15.8)	4.7
Subtotal - Central and Administrative Services	\$696.2	\$711.4	\$691.5	\$15.2	(19.8)	(4.7)
SPF - Unrestricted	30.0	28.7	25.0	(1.3)	(3.7)	(5.0)
SPF - Designated/ Restricted	0.2	0.0	4.7	(0.2)	4.7	4.5
Strategic Priorities Funds	30.2	28.7	29.7	(1.4)	1.0	(0.5)
SUBTOTAL USES	\$1,184.9	\$1,174.3	\$1,180.3	(10.6)	\$6.0	(4.6)
TOTAL USES	\$1,184.9	\$1,174.3	\$1,180.3	(10.6)	\$6.0	(4.6)
NET MARGIN SURPLUS (DEFICIT)	16.2	72.5	19.2	56.3	(53.3)	2.9

Schedule B-1 Actuals

Budget by Programs and Initiatives
\$ in millions

	FY24-25 Budget YearTotal	FY24-25 Actual YearTotal	FY25-26 Budget YearTotal	Variance Increase/(Decrease)		
				FY24-25 Actual vs FY24-25 Budget	FY24-25 Actual vs FY25-26 Budget	FY24-25 Budget vs FY25-26 Budget
PROGRAMS AND INITIATIVES						
State/Federal Programs						
Agriculture and Natural Resources (ANR)	247.4	228.9	246.3	(18.5)	17.4	(1.1)
California Breast Cancer Research Program	11.1	6.6	15.3	(4.5)	8.7	4.2
California Subject Matter Project (CSMP)	8.9	9.8	9.0	0.9	(0.8)	0.1
California Managed Care Organization (MCO) Tax Funding Program	3.4	0.1	3.7	(3.3)	3.6	0.3
Gaining Early Awareness and Readiness for Undergraduate Programs	3.5	1.5	3.5	(2.0)	2.0	0.0
Graduate Medical Education	1.9	1.1	1.2	(0.8)	0.1	(0.7)
Office of the National Laboratories (UCNL)	14.1	12.4	14.6	(1.7)	2.2	0.5
Other State/Federal Programs	0.5	3.2	2.1	2.6	(1.1)	1.5
Tobacco-Related Disease Research Program (TRDRP)	44.8	43.4	37.1	(1.4)	(6.3)	(7.7)
UC Research: Cancer Research Coordinating Committee (CRCC)	2.7	1.9	2.1	(0.9)	0.3	(0.6)
Firefighter Cancer Research Program	6.0	5.6	0.9	(0.5)	(4.7)	(5.1)
UC Climate Action Research Initiative 2022	1.3	1.1	1.0	(0.2)	(0.2)	(0.3)
Subtotal - State/Federal Programs	\$345.7	\$315.5	\$336.7	\$(30.2)	\$21.2	\$(9.0)
Systemwide Programs						
California HIV/AIDS Research Program (CHRP)	8.8	8.6	10.0	(0.2)	1.4	1.2
Eligibility in the Local Context (ELC)	1.0	0.9	1.0	(0.1)	0.1	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	2.0	2.0	0.1	(0.1)	0.0
Innovative Learning Technology Initiative (Online Education)	8.4	8.3	8.1	(0.1)	(0.1)	(0.3)
Natural Reserve System (NRS)	3.2	3.0	3.2	(0.2)	0.2	(0.1)
Other Systemwide Programs	4.1	4.1	3.8	0.0	(0.3)	(0.3)
President's Postdoctoral Fellowship Program (PPFP)	0.9	1.7	2.7	0.8	1.0	1.8
SAPEP	15.7	16.0	15.5	0.3	(0.5)	(0.2)
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)	9.5	9.7	9.7	0.3	0.0	0.3
University of California Press	22.7	23.0	23.3	0.4	0.2	0.6
UC Research: Laboratory Fees Research Program (LFRP)	8.1	12.3	14.6	4.2	2.2	6.5
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.4	9.1	8.4	0.7	(0.7)	0.0
University of California Washington Center (UCDC)	9.5	9.2	9.4	(0.4)	0.3	(0.1)
Subtotal - Systemwide Programs	\$112.9	\$118.7	\$122.3	\$5.8	\$3.7	\$9.4
TOTAL USES	\$458.6	\$434.2	\$459.0	\$(24.4)	\$24.9	\$0.4

Schedule C-1 Actuals

Budget by Division and Sub-Division
Systemwide and Core Services
\$ in millions

	Variance Increase/(Decrease)					
	FY24-25	FY24-25	FY25-26	FY24-25 Actual	FY24-25 Actual	FY24-25 Budget
	Budget	Actual	Budget	vs	vs	vs
	YearTotal	YearTotal	YearTotal	Budget	FY25-26 Budget	FY25-26 Budget
Academic Affairs						
Academic Personnel and Programs	40.5	39.9	40.5	(0.7)	0.7	0.0
Diversity and Engagement	0.0	0.0	0.0	0.0	0.0	0.0
Immediate Office	8.6	8.1	10.5	(0.5)	2.4	1.9
Institutional Research and Academic Planning	6.6	6.5	6.4	(0.1)	(0.1)	(0.2)
Research and Innovation	9.7	9.5	8.2	(0.2)	(1.4)	(1.6)
Graduate Undergraduate and Equity Affairs	14.8	18.1	14.2	3.2	(3.9)	(0.7)
Subtotal - Academic Affairs	80.3	82.1	79.7	1.8	(2.3)	(0.5)
Ethics & Compliance	10.4	10.7	10.8	0.2	0.1	0.3
External Relations & Communications						
Alumni and Constituent Affairs	0.5	0.5	0.5	0.0	0.0	0.0
Executive Communications & Engagement	0.9	0.7	0.8	(0.2)	0.1	(0.1)
Federal Government Relations	3.4	3.0	3.7	(0.4)	0.7	0.3
Institutional Advancement	2.9	2.6	3.2	(0.3)	0.6	0.3
Legislative Analysis	1.0	0.8	0.6	(0.2)	(0.2)	(0.4)
Marketing and Communications	7.4	6.2	7.0	(1.2)	0.8	(0.4)
Media Relations	0.8	0.9	0.7	0.2	(0.2)	(0.1)
State Government Relations	3.6	3.6	3.9	(0.1)	0.4	0.3
Immediate Office	1.7	2.8	1.2	1.1	(1.6)	(0.5)
Subtotal - ER&C	22.3	21.2	21.8	(1.1)	0.6	(0.5)
Finance						
Budget Analysis and Planning	2.7	2.1	2.5	(0.5)	0.4	(0.2)
Capital Markets Finance	9.3	6.9	9.8	(2.4)	2.9	0.5
Financial Accounting	15.8	19.9	15.3	4.1	(4.6)	(0.5)
Risk Services	10.4	8.6	9.5	(1.9)	0.9	(1.0)
Strategic Sourcing/Procurement	14.1	15.7	16.0	1.6	0.3	1.9
Immediate Office	1.8	1.5	1.7	(0.3)	0.1	(0.1)
Capital Programs Energy and Sustainability	13.1	10.9	12.2	(2.2)	1.3	(0.9)
Subtotal - Finance	67.2	65.7	67.0	(1.5)	1.3	(0.2)
Operations						
Information Technology Services	57.0	54.2	57.9	(2.8)	3.7	0.9
Operational Expenses	3.0	0.1	(1.5)	(2.8)	(1.6)	(4.4)
Strategic Program Management Office	2.0	2.1	2.0	0.0	0.0	0.0
Systemwide Human Resources	101.3	101.3	99.3	0.0	(2.0)	(2.1)
UCOP Operations	30.6	27.9	29.2	(2.7)	1.3	(1.4)
Immediate Office	2.6	2.6	2.6	0.0	0.0	0.0
Systemwide Community Safety	4.0	4.3	4.4	0.3	0.1	0.4
UCPath	139.5	136.6	136.0	(2.9)	(0.6)	(3.5)
Subtotal - Operations	340.0	329.1	329.9	(10.9)	0.8	(10.1)
President's Executive Office	7.9	7.4	8.5	(0.5)	1.0	0.5
Secretary of the Regents	4.9	7.5	5.4	2.6	(2.1)	0.5
Systemwide Academic Senate	2.7	2.8	2.8	0.1	0.0	0.1
UC Health						
Self-Funded Health Plans	0.0	0.0	0.0	0.0	0.0	0.0
UC Health Core	(1.3)	0.4	(1.5)	1.7	(1.9)	(0.2)
Academic Health Sciences	3.7	3.5	3.0	(0.3)	(0.4)	(0.7)
Center for Data Driven Insights and Innovation	8.0	8.0	7.7	0.0	(0.3)	(0.2)
Clinical Strategy & Operations	5.3	4.1	3.9	(1.2)	(0.1)	(1.4)
Health Policy and Regulatory Affairs	1.3	1.1	1.7	(0.2)	0.6	0.4
Finance and Strategy	7.9	7.4	8.4	(0.5)	1.0	0.4
Leveraging Scale for Value	7.6	7.3	7.2	(0.3)	(0.1)	(0.4)
Subtotal - UC Health	32.6	31.7	30.5	(0.8)	(1.2)	(2.1)
UC Investments	43.2	48.2	46.1	5.0	(2.1)	2.9
UC Legal						
In-House Counsel	42.0	40.9	41.5	(1.1)	0.6	(0.5)
Outside Counsel	40.1	65.4	45.0	25.3	(20.4)	4.9
Systemwide Litigation	2.5	(1.5)	2.5	(4.0)	4.0	0.0
Subtotal - UC Legal	84.5	104.9	89.0	20.3	(15.8)	4.5
SUBTOTAL USES	\$696.1	\$711.4	\$691.5	\$15.3	(\$19.8)	(\$4.6)
TOTAL USES	\$696.1	\$711.4	\$691.5	\$15.3	(\$19.8)	(\$4.6)