



UNIVERSITY
OF
CALIFORNIA

Budget for Current Operations

Summary of the Budget Request as
Presented to the Regents for Approval

2025–26

LETTER FROM THE PRESIDENT

University of California President Clark Kerr once wrote that the university is “a prime instrument of national purpose.” This sentiment reflects the power of higher education to solve some of our greatest challenges as a society. Since its very beginning, the State of California has been a great supporter and integral partner in advancing higher education for society’s greater good.

Over the course of the University’s 150-plus year history—including through a Great Depression, two world wars, the dawn of the space age, a digital revolution, the rapid globalization of higher education, economies, and cultures, and the tenures of 20 University of California Presidents—this has remained true. The State is an essential partner in the University’s work transmitting knowledge, making discoveries, and serving the people of California.

Such partnership requires continuous investment in the resources needed to sustain core operations across the system, to expand access for future generations of students, and to enable an affordable educational experience. Accordingly, the University’s 2025-26 budget proposal is consistent with the funding agreement of the multi-year compact with Governor Newsom and the State of California, which has already delivered multiple years of increasing support for our 10 campuses. The stability of the funding provided under the multi-year compact enabled the University to admit its largest and most diverse class in its history this fall.

But the State’s ongoing support for the University represents so much more. It is a commitment to the University’s diverse and exceptional student body, which in turn bolsters the California workforce after graduation and helps drive innovation in our state’s economy. It is also a value statement in support of the University’s pioneering research and innovation, particularly at a time when science and scholarship are increasingly under threat. It is a testament to the power of the University’s public service mission to support residents in all 58 counties across California. State funding for the University is an investment in the future of California. It is an investment in California’s economic growth, socioeconomic mobility, and innovative research to meet the world’s growing challenges.

The enduring strength of the University lies in our collective ability to serve and uplift communities across our state. The University’s annual budget proposal represents our commitment to access and excellence in partnership with the Governor, the Legislature, the Regents, and other University stakeholders. Together, we will uphold and advance the success of the University for another hundred years, and beyond.



Michael V. Drake, M.D.
President



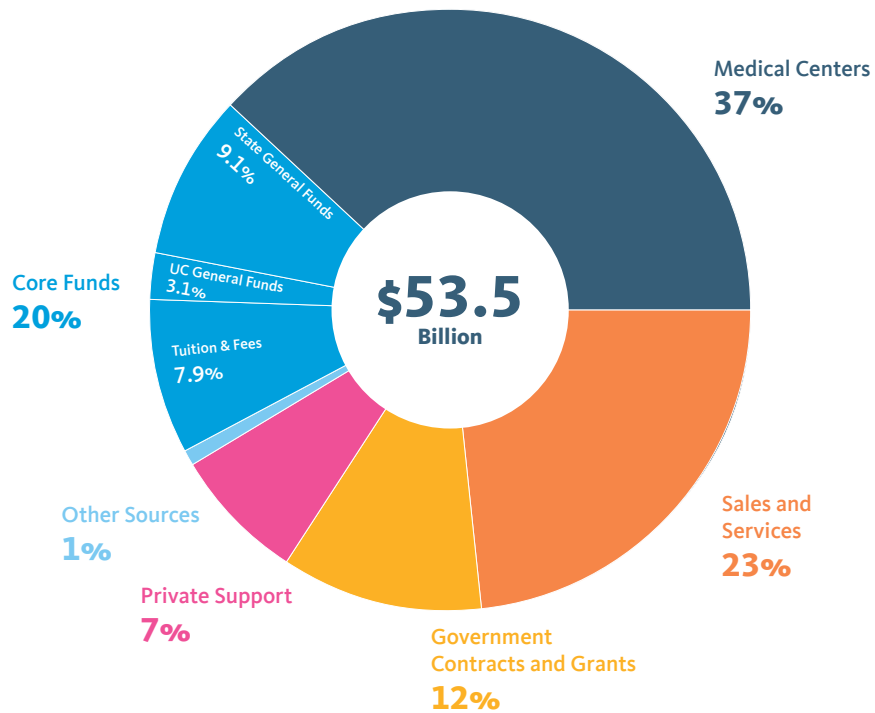
OVERVIEW

The University's 2025-26 budget plan represents a statement of the University's funding needs and priorities in advance of the Governor's January State budget proposal for the next fiscal year.

With an estimated \$28.4 billion budget deficit for 2025-26 and following a year in which it is addressing a \$46.8 billion deficit, the State has signaled its intent to reduce the University's budget by over \$270 million (5.6 percent) in 2025-26. This proposed reduction, if implemented, would exacerbate existing campus budget challenges to address growing cost pressures, manage increased workload expectations, and support other critical needs across the University.

The budget plan is aligned with the original terms of the multi-year compact between the Governor and the University, which calls upon the University to increase California resident undergraduate enrollment by one percent annually; increase graduate student enrollment; and make progress on a number of policy areas including student success and equity, affordability, intersegmental collaboration, workforce preparedness, and expanding access to online courses. Under the terms of the compact, the Governor will propose annual base budget adjustments of five percent for the University through 2026–27. The compact also permits consideration of (1) additional ongoing funding for enrollment growth above one percent, (2) ongoing funding to expand graduate health science programs designed to improve access to healthcare for

Display 1: Overview of the University of California Budget, 2024–25 (Estimated)



medically underserved populations, and (3) one-time funding, particularly for capital projects related to energy efficiency, seismic renewal, and deferred maintenance.

Expenditure elements of the budget plan include those related to undergraduate and graduate enrollment growth, sustaining core University operations, and expanding access to a debt-free pathway for California resident undergraduates. Revenue elements of the plan include State support consistent with the compact agreement; contributions from the University’s own efforts to operate more efficiently and identify revenue opportunities in support of campus operating budgets; Tuition and Student Services Fee levels consistent with the multi-year Tuition Stability Plan approved by the Regents in July 2021; and an increase to undergraduate Nonresident Supplemental Tuition beyond the inflation-based level approved under the Tuition Stability Plan.

The plan also includes a request for one-time State funding of \$1.36 billion to support critical capital projects throughout the system. While similar proposals for one-time support in the 2023-24 and 2024-25 budget requests were ultimately not funded, State support for these projects—which would advance multiple goals shared by the University and the State, including climate action, enrollment growth, and the restoration and renewal of University facilities—is still needed.

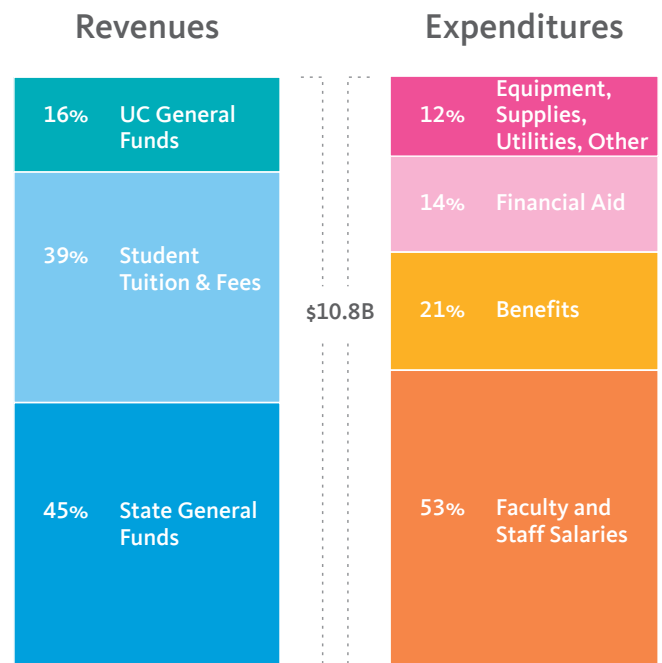
Background

The University’s total operating budget—covering ten campuses; six academic health centers and five teaching hospitals; Agricultural Field Stations, Cooperative Extension offices, and the Natural Reserve System; and dozens of institutes, centers, and research laboratories throughout the State—reflects UC’s broad and diverse impact on Californians, the nation, and the world.

Total operating revenue, estimated to be approximately \$53.5 billion in 2024-25, funds essential programs related to teaching, research, and public service, as well as a wide range of other activities, including University Extension, housing and dining services, and critical student service programs. (See Display 1.)

The University’s “core funds,” which include revenues from State General Funds, UC General Funds, and student tuition and fees, provide permanent funding for the University’s core missions, as well as the administrative and support services needed to perform them. Totalling an estimated \$10.8 billion in 2024-25, these funds represent approximately 20 percent of UC’s total operations. While all fund sources are critical to the success of the University, much of the focus of UC’s strategic University-wide budget process and interaction with the State is dedicated to the sources and uses of these core funds. (See Display 2.)

Display 2: Revenue and Expenditures from Core Funds, 2024–25 (Estimated)



CONTEXT FOR THE 2025–26 BUDGET PLAN

The budget plan for 2025-26 reflects an opportunity to protect and expand recent investments in the University and its students—a plan focused on ensuring access to the University, enhancing affordability and student success, and supporting the faculty and staff dedicated to delivering high-quality instruction, research, and public service—through State funding consistent with the multi-year compact, increased resources under the Tuition Stability Plan, and continued emphasis on operational efficiencies and alternative revenue sources.

The Multi-Year Compact Between the Governor and the University

The Governor and the University of California announced a new multi-year compact in May 2022 that combines predictable increases in State support for the University with a commitment to advance multiple student-focused goals shared by the Governor and the University.

Under the compact, the Governor will propose annual base budget adjustments of five percent for the University in 2023–24 through 2026–27. The Governor will also consider ongoing additions to the University’s funding, including resources to support (a) California resident undergraduate enrollment growth above the targets described in the compact, and (b) graduate health science programs designed to improve healthcare access for medically underserved populations. In addition, the Governor will consider annual requests for one-time funding for the University, particularly to support capital projects in energy efficiency, seismic renewal, and deferred maintenance.

The University, in turn, has committed to specific and ambitious goals in six broad policy areas:

- increasing access to the University of California;
- improving student success and advancing equity;
- increasing the affordability of a UC education;
- increasing intersegmental collaboration to benefit students;

- supporting workforce preparedness and high-demand career pipelines; and
- providing access to online course offerings.

The prospect of predictable annual increases in ongoing State support for the University, together with new revenues for campus operations and student financial aid attributable to the University’s Tuition Stability Plan, is of great importance to campuses and the University as a whole. These new resources will directly support campuses’ short- and long-term plans to increase enrollment, improve student outcomes, expand and diversify the faculty, offer a debt-free education pathway to more California resident undergraduates, develop new academic programs, and make other essential investments to maintain the University’s success in providing a world-class education to generations of exceptionally talented and socioeconomically diverse students. Those students, in turn, go on to make extraordinary contributions to the economic and cultural vitality of California, the nation, and the world.

Enrollment Growth

The University’s plans for undergraduate enrollment growth are consistent with the enrollment expectations set forth in the compact and reflected in recent State Budget Acts.

Under the compact, the University is expected to increase California resident undergraduate enrollment by approximately 8,000 full-time equivalent (FTE) over four years (growth of one percent, or about 2,000 FTE, each year in 2023–24 through 2026–27). Funding for this enrollment growth is included as part of the University’s annual base budget adjustment of five percent.

In addition, the Budget Act of 2022 included two appropriations in support of increased California resident undergraduate enrollment:

- \$51.5 million to increase California resident undergraduate enrollment by 4,730 FTE over a two-year period—from 2021–22 to 2023–24—above and beyond the growth of 2,000 FTE in 2023–24 included in the compact; and

- \$31 million to fund the replacement of 902 nonresident undergraduate students with an equal number of California resident students at the Berkeley, Los Angeles, and San Diego campuses in 2022–23.

Altogether, the total anticipated growth in California resident undergraduate enrollment between 2021–22 and 2026–27—funded as part of the compact; the Budget Acts of 2022, 2023, and 2024; and future budget acts—is over 16,500 California resident undergraduate FTE, as shown in Display 3.

Display 3: Total Anticipated California Resident Undergraduate Growth

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | Total 21-22 to 26-27 UG Growth |
|--------------------------------------|---------|---------|---------|-------------|---------|--------------------------------|
| | Actual | Actual | Target* | Projected** | | |
| Undergraduate growth over prior year | 1,250 | 6,538 | 2,939 | 2,947 | 2,968 | 16,642 |
| Total Undergraduate FTE | 197,111 | 203,649 | 206,588 | 209,535 | 212,503 | |

* The 2,939 FTE figure is adjusted by 12 FTE to account for the actual growth in 2023-24

** Figures are consistent with levels reflected in the Budget Act of 2024. Undergraduate swap of nonresidents is contingent on ongoing State support to offset any financial impact.

Campuses have now submitted final enrollment figures for 2023-24, indicating that California resident undergraduate enrollment, inclusive of summer 2023, grew by over 6,500 FTE in 2023-24 over 2022-23 levels—growth that came in addition to the 1,250 FTE growth in the prior year. Combined, the University grew its enrollment of resident undergraduate students by roughly 7,800 FTE over two years.

Preliminary campus estimates for 2024-25 also indicate the following:

- The University expects to enroll approximately 3,000 more California resident undergraduates (including both new and continuing students) in fall 2024 compared to fall 2023 on a headcount basis. More California resident undergraduates will attend a UC campus in fall 2024 than in any other year in the University’s history.
- Summer enrollment grew by over 1,500 FTE in 2024 over prior year levels. Excluding pandemic fluctuations, this is the largest one-year summer enrollment increase in the past two decades.

The University has targeted total growth of 2,939 FTE in California resident enrollment from 2023-24 to 2024-25, inclusive of summer. Additional growth of 2,947 FTE and 2,968 FTE in 2025-26 and 2026-27, respectively, will be required in order to achieve the total growth target of 16,642 FTE. The University is currently developing enrollment plans that will achieve the 2025-26 target growth.

State Budget Deficits and Proposed Reductions to the University's Budget

As part of its multi-year approach to addressing budget shortfalls, the Budget Act of 2024 includes language signaling the State's intent to reduce the University's budget by over \$270 million in 2025-26. If implemented, the University would be faced with a gap of over half a billion dollars between anticipated cost increases (e.g., salary and benefit increases, increased workload costs associated with enrollment growth, etc.) and incremental revenues.

While the proposed budget plan reflects an optimistic outcome to the 2025-26 State budget process, the University must begin to plan for the possibility that campuses will be required to absorb this substantial reduction in State support for their core operations.



ELEMENTS OF THE BUDGET PLAN

Expenditure Components of the Plan

The University’s budget plan presented in the Appendix, 2025-26 Budget Plan for Current Operations, is organized around four categories of investments: sustaining core operations, enrollment growth, student financial aid, and additional high-priority investments. Each category is described below.

Sustaining Core Operations

Expanding access to students from all backgrounds, ensuring an affordable experience, and maintaining the educational quality enjoyed by generations of students requires that the University sustain support for its core operations. Consequently, the budget plan reflects investments in the following elements to support the University’s tripartite mission of instruction, research, and public service.

Faculty and Staff Support

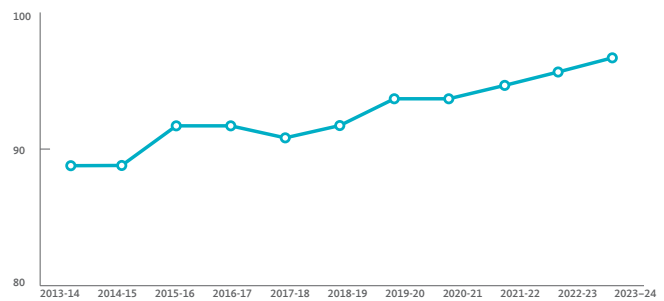
Creating and transmitting knowledge in a safe and supportive environment is inherently a people-intensive mission. As a result, faculty and staff salaries represent a significant portion of the University’s expenditures from core funds, as they do at other colleges and universities.

For ladder-rank faculty, the budget plan includes cost increases associated with the faculty merit program, a cornerstone of the University’s strategy for retaining and supporting faculty members as they grow in experience and productivity and progress through the ranks through a rigorous peer-reviewed process. The program is projected to require \$36.0 million in core funds next year.

Additional investment will be required to further close the competitive gap that exists between faculty salaries at UC and at the University’s “comparison eight” public and private universities. The University’s competitive position relative to this benchmark has improved following the Great Recession, as shown in Display 4, with improvements in recent years partly attributable to a deliberate, multi-year effort—beginning in 2018-19—to address the University’s competitive disadvantage through both a general range adjustment and a special salary plan for

ladder-rank faculty. Even with these efforts, the latest available estimates suggest that UC’s faculty salaries remain 3.1 percent below benchmark.

Display 4: Ladder-Rank Faculty Salaries as a Percentage of Market



Thus, in addition to funding the faculty merit program, the budget plan estimates \$80.1 million in additional expenditures for policy-covered (i.e., unrepresented) faculty and other academic employees. These investments are not expected to fully close the current competitive gap between faculty salaries at UC and those at the University’s “comparison eight” public and private universities, since faculty compensation at those institutions is unlikely to remain flat in 2025-26. However, the proposed investment should help prevent further erosion of the University’s competitive position.

The budget plan also projects \$69.5 million in additional expenditures to hire and retain policy-covered staff. The University believes that this is an essential investment for cultivating its existing workforce, addressing the impact of rising inflation on the purchasing power of UC salaries, and maintaining equity over time relative to salary increases for the University’s represented employees. Further decisions on the salary pool and the methodology for compensation increases will be discussed as we move further in the State budget process, and have a better assessment of available funding and the competitive needs of campuses and medical centers.

For represented employees, UC will implement the contractual increases provided for in previously negotiated contracts, with successor negotiations for several units starting in 2025. Labor contracts may include several types of compensation tools, including across the board increases, step increases, and merit. UC will continue to review market data, its operational needs, comparator contracts, and national trends in assessing represented employee compensation, with the goal of supporting and retaining these key employees. Recently negotiated agreements continue to place considerable cost pressures on campus core funds budgets. As a result, the University projects wage growth for core funded represented employees of approximately \$51.2 million next year, reflecting average salary increases of approximately 3.7 percent over estimated 2024-25 levels.

Contributions to the University of California Retirement Plan (UCRP)

For 2025-26, the budget plan assumes an increase from 14.5 percent to 15.0 percent in the University's employer contribution rate to UCRP (including an employer contribution of six percent for Savings Choice participants in the Defined Contribution Plan). In addition, the University will continue to repay advances made to UCRP from the Short Term Investment Pool (STIP). For 2025-26, the budget plan assumes a decrease in the repayment rate of 3.22 percent to 2.42 percent of covered payroll. Thus, the combination of the University contribution rate to UCRP and its repayment of earlier advances will decrease from 17.72 percent of covered compensation in 2024-25 to 17.42 percent. Growth in faculty and staff covered compensation will increase the amount of the University's annual employer contribution. The combined increase in core funded UCRP expenditures is expected to increase by \$19.4 million (2.6 percent).

Employee and Retiree Health Benefits.

The University projects annual increases of 7.1 percent in the unit cost of employee and retiree health benefits. This increase is consistent with a recent national healthcare

survey from Mercer that projected the third consecutive year of health benefit cost increases above five percent. For retiree health benefits, the overall cost of retiree health is projected to increase by an additional three percent due to projected increases in the number of UC retirees. The budget plan includes \$40.4 million to address the projected increase in employee health benefits and \$11.3 million to address higher retiree health benefit costs.

Other Operating Cost Increases.

Prices for items such as instructional equipment, laboratory supplies, computers, machinery, library materials, and purchased utilities tend to rise each year. Under the proposal, the University would seek to limit those cost increases to projected changes in the implicit price deflator for State and local governments (the institutional equivalent of the Consumer Price Index, which applies to household expenses). Altogether, the budget plan includes \$35.9 million for these non-personnel cost increases next year.

Enrollment Growth

The University's 2025-26 budget plan reflects substantial growth in California resident undergraduate FTE enrollment consistent with the compact and targets outlined in the Budget Act of 2024. Pursuant to the compact, the plan calls for growth of 2,044 resident undergraduate students and 625 new graduate students; in addition, the plan reflects growth of 902 resident undergraduate students from the further reduction in nonresident enrollment at the Berkeley, Los Angeles, and San Diego campuses. Funding for the growth of 2,044 resident undergraduates and 625 graduate students—projected to total \$62.8 million—is included as part of the University's base budget increase under the compact. The only new State funding requested for enrollment growth is \$32.9 million for the continued replacement of nonresident students at Berkeley, Los Angeles, and San Diego (including \$28.9 million to replace lost Nonresident Supplemental Tuition revenue and \$4 million for financial aid to support new aid-eligible California resident students).

Student Financial Aid

The budget plan includes \$101.6 million of new resources for student financial aid, including \$14.2 million to support enrollment growth under the compact, \$4 million of State support from the continued replacement of nonresident undergraduates with California resident undergraduates, and \$83.5 million from new tuition and fee revenue attributable to the Tuition Stability Plan. In conjunction with the planned expansion of the State's Middle Class Scholarship Program, the University would offer financial aid awards that provide a debt-free pathway to over 41,000 incoming California resident undergraduates in 2025-26.

Other High-Priority Investments: DDS-ASPIRE, PRIME-Rx, DVM-SERVE

The budget plan includes a request for \$4.3 million in new ongoing State funds to establish and support three new health sciences programs that are modeled after UC PRIME:

- **DDS-ASPIRE** (Advocacy, Science, Public Interest, and Research), a proposed new program designed to recruit cohorts of future dentists from underserved communities and provide them with a leadership, advocacy, public health, and cohort-building program that is integrated with the standard four-year DDS curriculum and an option for a fifth-year master's degree. DDS-ASPIRE would provide graduates with outstanding clinical skills combined with the ability to identify and meet community needs by shaping policies and advocating for the resources required to address community-specific issues. The program would be part of the UCSF School of Dentistry and is intended to enroll 42 students when fully phased in.
- **PRIME-Rx** (Program in Medicinal Education), a proposed new program open to accepted first-year pharmacy students with the intent to practice in California and who have an interest in serving populations at risk for health disparities, particularly migrant and immigrant communities. PRIME-Rx students will graduate with a PharmD degree, with an option to complete a fifth year to obtain an accelerated one-year Master's degree in Public

Health, Business Administration, Clinical Research, or Drug Development & Product Management. The program would be part of the UC San Diego School of Pharmacy and Pharmaceutical Sciences and is intended to enroll 40 students when fully phased in.

- **DVM-SERVE** (Serving Every Region through Veterinary Education), a proposed new program aimed at addressing the shortage of veterinarians in the state of California, which has the lowest number of veterinary graduates per capita nationally. This program would initially begin at UC Merced and Fresno State (CSU Fresno) with the goal to expand through established partnerships to UC Riverside and CSU San Bernardino, as well as additional schools in northern counties. Veterinary medicine is not only important for the care of pets, but also safety and security of animal-origin foods, research into zoonotic diseases, advanced treatment for nonzoonotic diseases, as well as biosecurity, emergency preparedness and response. This program would recruit a cohort of future veterinarians from underserved communities and provide them with education in leadership, public health, and foundational business as well as a community-building program interwoven within a standard four-year DVM education, with an option to complete a fifth-year master's degree in Preventive Veterinary Medicine. Housed in the UC Davis School of Veterinary Medicine, DVM-SERVE would enroll 20 students when fully phased in.

The programs would leverage existing institutional relationships with community-based clinics and organizations. The three programs are well aligned with the compact, which includes consideration of additional ongoing support to UC to support graduate health sciences programs designed to improve access to healthcare for medically underserved populations





REVENUE AND COST-SAVING COMPONENTS OF THE BUDGET PLAN

The proposed funding strategy to support the budget plan includes three categories of support:

- **Revenues and savings achieved from the University’s own efforts to generate funds and reduce costs.** The University has made strides over the past decade in identifying alternative revenue sources, reducing elements of its cost structure, and optimizing the use of existing resources. The budget plan expects further contributions from these efforts. Specifically:
 - The University continues to expand efforts to leverage its purchasing power in order to negotiate discounts and rebates from vendors and service providers. The budget plan includes additional year-over-year savings of \$9.0 million from purchases attributable to the University’s core funds operating budget next year, equivalent to 25 percent of the projected increase in non-personnel costs that would otherwise occur.
 - Additional opportunities exist to optimize the use of returns on the University’s working capital to support core operations across the system. The budget plan includes \$20 million in new ongoing revenue attributable to increased earnings on STIP, Total Return Investment Pool (TRIP), and Blue and Gold Plan (BGP) working capital.
 - The University anticipates growth in nonresident undergraduate enrollment at campuses where nonresident enrollment is currently below the enrollment caps established by Regents Policy 2109: Policy on Nonresident Student Enrollment. The projected growth of 200 nonresident undergraduate students next year—all of which would occur at campuses other than Berkeley, Los Angeles, and San Diego—is expected to generate \$4.2 million in Nonresident Supplemental Tuition (NRST) revenue net of the marginal cost of instructing these students.

State General Fund support.

- The budget plan includes a request for new ongoing State General Fund support consistent with the terms of the compact.
 - **Sustaining core operations and enrollment growth.** The budget plan includes a base budget adjustment of five percent (\$242.8 million) to the University’s 2024-25 ongoing State General Fund appropriation—approximately equivalent to a 2.3 percent increase in the University’s total ongoing core funds budget. The University would use these resources to cover the State’s share of enrollment growth under the compact (2,044 FTE California resident undergraduate and 625 graduate students) with the remainder to be used to sustain University operations.
 - **Enrollment growth.** The budget plan includes \$28.9 million in State support to offset the financial impact to campuses of enrolling 902 additional California resident students at Berkeley, Los Angeles, and San Diego in 2025-26 in lieu of nonresident students, along with \$4 million to cover the resulting increase in California resident students’ need for UC grants. The University also requests \$4.3 million to support the proposed DDS-ASPIRE, PRIME-Rx, and DVM-SERVE programs.

Revenue from base tuition, the Student Services Fee, and Nonresident Supplemental Tuition.

The budget plan includes projected revenue increases resulting from the Tuition Stability Plan approved by the Regents in July 2021—specifically, a net contribution of \$83.3 million from Tuition and the Student Services Fee, \$58.1 million from NRST (reflecting increased revenues associated with a \$3,402 increase to NRST for incoming undergraduate students in the 2025-26 academic year), and \$83.5 million to be set aside from these student charges for UC grants and graduate student support (“return-to-aid”).

The plan also includes projected increases in Tuition and the Student Services Fee revenue attributable to the planned enrollment growth described above, including \$31.1 million to cover a portion of the cost of instructing these students and \$14.2 million for student financial aid. The plan includes a projected loss of \$28.9 million in NRST revenue due to the reduction in nonresident enrollment at Berkeley, Los Angeles, and San Diego, which would be offset by increased State support as described above.

If revenues materialize as proposed—and specifically, if the State provides increased support for the University in 2025-26 consistent with the multi-year compact—the University can expect to generate sufficient revenues to fully cover the projected increases in expenditures.

However, if the final 2025-26 State budget includes the proposed \$271 million reduction to the University's ongoing support, projected expenditure increases in the proposed budget plan would exceed projected increases in resources from new revenues and cost-saving efforts by over \$500 million. To address this gap, the University would need to continue to expand efforts to identify additional operational efficiencies, redirect resources to address higher priority needs, identify areas for cost reductions, and further develop alternative revenue sources.





ONE-TIME FUNDING REQUEST FOR CAPITAL PROJECTS

In addition to the proposed ongoing investments and resources described, the University also proposes the following request for one-time funding.

Facilities Renewal, Enrollment Growth, and Clean Energy Capital Investments

The University requests \$1.36 billion in one-time State General Funds to sustain UC's program to support enrollment growth, repair and replace aging facilities, improve safety, and address other capital needs critical to the University's mission. The program builds upon previous efforts to strategically invest in facilities and infrastructure through projects that address multiple University and State priorities—namely, improvements that support existing and future students, modernizing UC's energy operations, and making meaningful progress to improve seismic safety. The vast majority of the proposed projects were included in last year's \$1.2 billion budget request.

The costs for these projects have been increased in accordance with the changes in the California Construction Cost Index over the past year. The proposed projects reflect a crucial, high-priority subset of UC's overall capital needs, as outlined in the FY2024-FY2030 Capital Funding Plans in the University of California Consolidated Report on the Capital Program.

APPENDIX: 2025–26 BUDGET PLAN FOR CURRENT OPERATIONS (dollars in millions)**2024–25 Core Funds for Current Operations****Total Core Funds** (State General Funds, Student Tuition and Fee Revenue, and UC General Funds) **\$ 10,758.3****Proposed Changes in Expenditures****Sustaining Core Operations**

| | |
|---------------------------------------|----------|
| Faculty compensation (policy-covered) | \$ 80.1 |
| Faculty merit program | \$ 36.0 |
| Staff compensation (policy-covered) | \$ 69.5 |
| Contractually committed compensation | \$ 51.2 |
| Represented academic employees | \$ 36.9 |
| Represented staff employees | \$ 14.3 |
| Retirement contributions | \$ 19.4 |
| Employee health benefits | \$ 40.4 |
| Retiree health benefits | \$ 11.3 |
| Non-salary price increases | \$ 35.9 |
| Subtotal | \$ 343.7 |

Enrollment Growth

| | |
|--|---------|
| Compact: 2,044 CA undergrad, 625 grad* | \$ 62.8 |
| Subtotal | \$ 62.8 |

Student Financial Aid

| | |
|---|----------|
| New enrollment (2,044 undergrad, 625 grad) | \$ 14.2 |
| Add'l 902 aid-eligible undergrads (NR swap) | \$ 4.0 |
| Tuition/Fee/NRST Adjustments | \$ 83.5 |
| Subtotal | \$ 101.6 |

Additional High-Priority Investments

| | |
|---------------------------------|--------|
| DDS-ASPIRE, PRIME-Rx, DVM-SERVE | \$ 4.3 |
| Subtotal | \$ 4.3 |

Expenditures Total **\$ 512.5****Proposed Changes in Revenues/Resources****Alternative Revenue Sources**

| | |
|--|---------|
| Procurement savings | \$ 9.0 |
| Asset management | \$ 20.0 |
| Nonresident enrollment growth (200), net | \$ 4.2 |
| Subtotal | \$ 33.2 |

State General Funds

| | |
|---|----------|
| 5% Base budget adjustment | \$ 242.8 |
| Convert 902 nonresident to resident slots | 32.9 |
| Offset lost nonresident tuition revenue | \$ 28.9 |
| Aid for add'l 902 eligible undergrads | \$ 4.0 |
| DDS-ASPIRE, PRIME-Rx, DVM-SERVE | \$ 4.3 |
| Subtotal | \$ 280.1 |

Tuition and Fees*For campus operations*

| | |
|---|-----------|
| Enrollment growth (net of aid) | \$ 31.1 |
| Nonresident tuition reduction from swap | \$ (28.9) |
| Tuition/Fee Adjustment (net of aid) | \$ 83.3 |
| Nonresident tuition adjustment (net of aid) | \$ 58.1 |

For student financial aid

| | |
|-----------------------------------|----------|
| From enrollment growth | \$ 14.2 |
| From Tuition/Fee/NRST adjustments | \$ 83.5 |
| Subtotal | \$ 241.2 |

Revenue/Resources Total **\$ 554.5****Add'l cost savings/revenues required with proposed \$271M State reduction** **\$ 504.7****Additional Request for One-Time State Funds**

| | |
|--|------------|
| Capital Support for Facilities Renewal, Enrollment Growth, and Clean Energy Projects | \$ 1,360.0 |
|--|------------|

Figures may not sum to totals due to rounding.

* Does not include additional CA undergraduate growth beyond the level in the Compact, which would be funded from the University's 2024-25 State appropriation together with students' tuition and fees.



