

UNIVERSITY
OF
CALIFORNIA

Budget for Current Operations

Summary of the Budget Request

2026–27

LETTER FROM THE PRESIDENT

Before the University of California was founded, the Legislature envisioned that a state university “would contribute even more than gold to the glory and happiness of advancing generations.” For more than 150 years, the University of California has embodied that promise by serving as one of the state’s greatest investments in the public good. Generations of UC faculty, staff, and students, in partnership with State leaders, have shaped a vision for public higher education that serves people from all backgrounds—by expanding access, advancing discovery, and preparing students for a lifetime of contributions to our state, our nation, and the world.

This year, that vision has reached a historic milestone. For the first time in the university’s history, UC is serving more than 300,000 full-time-equivalent students across its campuses. This extraordinary number reflects both the growing demand for a UC education and the university’s enduring promise to open doors of opportunity for Californians from every background.

Fulfilling UC’s mission at this unprecedented scale requires a sustained partnership with the State. The university’s 2026-27 budget proposal builds on our shared commitments to affordability, quality, and access—priorities that can only be achieved through predictable and sufficient State investments, including the restoration of funding deferred in 2025-26 and full ongoing support in alignment with the existing multi-year compact.

This investment is more than financial: It serves as a reaffirmation of California’s values. At a time of increasing political and financial pressures on higher education, and on UC specifically, California continues to lead. The University of California has long demonstrated what is possible when a state views knowledge, curiosity, and opportunity as public benefits. Given the high stakes and unprecedented challenges of this moment, UC’s partnership with the State of California—now more than ever—is vital to preserving its mission.

The impact of this investment is felt in every corner of the State: in the medical professionals, teachers, and public servants aiding our communities; in the startups, industries, and life-saving discoveries pioneered from UC research; in the journalists, data scientists, and policy experts strengthening our democracy; in the artists, poets, and designers enriching California’s cultural and creative life; and in the myriad other ways that the University’s actions improve the lives of Californians.

As the Legislature foresaw more than a century and a half ago, the University of California continues to yield returns far greater than gold—returns that are measured in social mobility, discovery, and service. With continued partnership and investment, we can ensure that this legacy of shared purpose endures, enriching the lives of Californians for generations to come and strengthening the future of the world.



A handwritten signature in black ink, appearing to read "James B. Milliken".

James B. Milliken
President

OVERVIEW

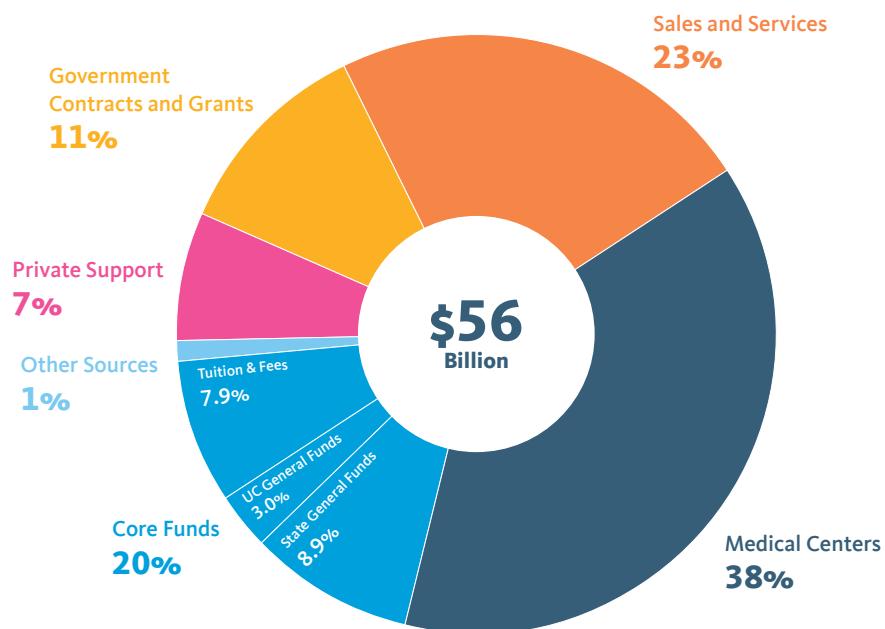
The University's 2026-27 budget plan represents a statement of the University's funding needs and priorities in advance of the Governor's January State budget proposal for the next fiscal year.

Ongoing challenges to the State's fiscal condition have required the Governor and Legislature to address annual budget deficits since 2023-24. As a result, total funding appropriated to the University in recent years is less than what was anticipated under the multi-year Compact. In addition, federal actions targeting institutions of higher education—and specifically, actions affecting the University of California's missions of delivering high-quality instruction and innovative research—have heightened financial uncertainty and increased budget pressures on UC campuses. Given the extent of these challenges, the 2026-27 budget proposal reflects a balanced approach to protecting access and affordability for students, maintaining critical areas of the academic and research enterprise, and stabilizing the fiscal health of the University.

Expenditure elements of the budget plan reflect the costs necessary to support Compact-aligned enrollment growth in recent years; sustaining core University operations, particularly in the face of ongoing federal challenges to higher education and research; and continued investments to ensure an affordable experience for students from all backgrounds. Revenue elements of the plan reflect the restoration of funding deferrals implemented as part of the 2025 Budget Act and full support consistent with the Compact; contributions from the University's own efforts to identify revenue opportunities in support of campus operating budgets; and tuition and fee levels consistent with the Tuition Stability Plan.

The plan also includes a request for one-time State funding of \$1.43 billion to support critical capital projects throughout the system. While similar proposals for one-time support in recent 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.

Display 1: Overview of the University of California Budget, 2025–26 (Estimated)



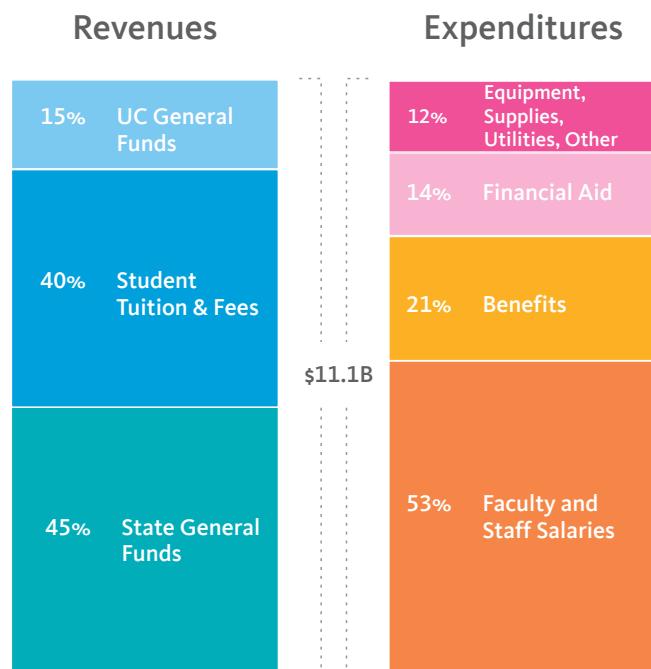
Background

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 \$56 billion in 2025-26, 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. Totaling an estimated \$11.1 billion in 2025-26, 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, 2025-26 (Estimated)



CONTEXT FOR THE 2026–27 BUDGET PLAN

The budget plan for 2026-27 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 cost reduction efforts.

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 2022–23 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 budget proposal requests full support for current enrollment levels, consistent with the Compact and recent State budgets, as well as with the shared goal of ensuring that a UC degree remains attainable for students from all backgrounds. Over the course of the Compact, UC has enrolled 14,774 additional California undergraduate full-time equivalent (FTE) students. The remarkable growth in undergraduate enrollment that the University has achieved in recent years has provided Californians with expanded access to the UC system. These students—California residents who are already enrolled and attending UC, not prospective students who may enroll in future years—require predictable, ongoing State investment in the University’s academic enterprise throughout their time at one of the UC campuses.

Under the multi-year Compact and as outlined in recent State budgets, the University was expected to enroll a total of 206,588 FTE California resident undergraduates in 2024-25. Actual enrollment of California resident undergraduates totaled 210,635 FTE in 2024-25, exceeding the Compact's 2024-25 target by 4,047 FTE.

In 2025-26, the Compact and State Budget Act called for total California undergraduate enrollment of 209,535 FTE. UC campuses have already surpassed this goal, *without accounting for anticipated growth in the current academic year.*

Display 3: Enrollment Goals vs. Actual Enrollment Under the Compact/State Budget Acts

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Growth 21-22 to 24-25
	Actual	Actual	Actual	Actual	Est.	Est.	
Compact Target			203,661	206,588	209,535	212,503	16,642
UC System Total	195,861	197,111	203,649	210,635	213,582*	TBD	14,774
Change over prior year:		1,250	6,538	6,986	2,947		
Amount Over (Under) Compact			(12)	4,047	4,047*	TBD	

***Assumes enrollment growth consistent with levels included in UC's 2025-26 Budget for Current Operations. Estimated enrollment figures will be available in December 2025. Actual enrollment figure will be available in August 2026.**

State funding is critical not only for enrolling new students, but for supporting continuing students at all ten campuses and ensuring that their experiences are similar in quality to that of generations of earlier UC students.

Preliminary campus estimates for 2025-26 also indicate the following:

- The University expects to enroll at least 3,000 more California resident undergraduates (including both new and continuing students) in fall 2025 compared to fall 2024 on a headcount basis. More California resident undergraduates will attend a UC campus in fall 2025 than in any other year in the University's history.
- Summer enrollment grew by more than 1,600 FTE in 2025 over the prior year and is approaching the record levels seen during the COVID-19 pandemic.
- Combined, this California resident FTE growth in 2025-26 is expected to fully achieve (and surpass) the five-year, 2026-27 Compact goal one year early.

State Funding Reductions and Deferrals and Impact on the University's Budget

The Budget Act of 2025 deferred about \$130 million of the University's ongoing base funding from 2025-26 to 2026-27. The annual Compact payment for 2025-26 of over \$270 million was deferred to future years as well, resulting in a net decrease in ongoing support for the University.

While the budget plan assumes full restoration of deferred funding, and continued support in line with the original Compact agreement, the University must continue to plan for the possibility that State budget challenges will continue to result in funding levels lower than originally planned for in the Compact.



ELEMENTS OF THE BUDGET PLAN

Expenditure Components of the Plan

The University's budget plan presented in the Appendix, 2026-27 Budget Plan for Current Operations, is organized around five categories of investments: costs incurred by the University in 2025-26 attributable to funding deferred in the Budget Act of 2025, procurement savings and operational efficiencies, sustaining core operations, student financial aid, and additional high-priority investments. Each category is described below.

Existing Enrollment Growth and Support Costs

The Budget Act of 2025 deferred \$401.5 million of ongoing funding to future years. Specifically:

- \$129.7 million of the University's existing base budget was cut in 2025-26 with the State indicating its intent to restore the funding in 2026-27,
- the 2025-26 Compact installment of \$240.8 million was deferred, with the State indicating its intent to partially restore it over three years (\$96.3 million in 2026-27 and \$144.5 million in 2028-29), and
- \$31 million for the swap of nonresident students for California resident undergraduate students.

Costs attributable to the shared goals under the Compact—and, especially, the costs associated with the substantial growth in California resident undergraduate enrollment in recent years—are necessary to support students who are already enrolled across the system and the faculty and staff required to maintain the University's instructional and research missions. As noted earlier, the University's actual California resident undergraduate enrollments in 2024-25 surpassed the established targets by 4,047 FTE. For 2025-26, this figure is expected to grow as a result of heavier average course loads, strong summer enrollments, and other factors supporting growth in overall FTE enrollment.

Although campuses have focused on operational efficiencies and expense management strategies amid rising expenditures and modest revenue growth, many essential obligations remain unavoidable despite deferred State support.

Procurement Savings and Operational Efficiencies

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 from purchases attributable to the University's core funds operating budget next year. In addition, the budget plan anticipates continued efforts to reduce elements of the University's cost structure and identify opportunities for efficiencies in campus operations, in part in response to recommendations identified by the University's Systemwide Budget Management Workgroup.

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

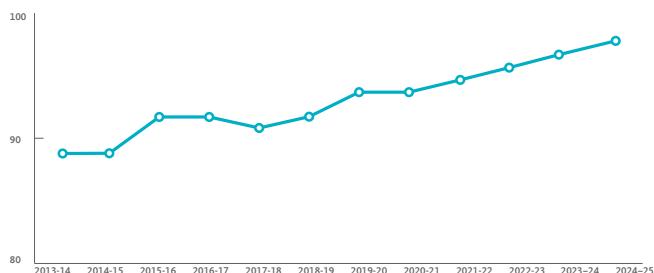
Creating and transmitting knowledge in a safe and supportive environment is inherently a people-intensive mission. As a result, faculty and staff salaries represent a significant portion of the University's expenditures from core funds, as they do at other colleges and universities.

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 \$37.3 million in core funds next year.

The University's competitive position relative to its "comparison eight" public and private universities benchmark has continued to improve 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. The latest available estimates suggest that UC's faculty salaries remain 2.5 percent below benchmark.

Display 4: Ladder-Rank Faculty Salaries as a Percentage of Benchmark²



Thus, in addition to funding the faculty merit program, the budget plan estimates \$81.3 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 2026-27. However, the proposed investment should help prevent any erosion in the University's competitive position.

²Source: UCOP Academic Personnel and Programs

The budget plan also projects \$62.1 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 UC moves further in the State budget process and has a better assessment of available funding and the competitive needs of the University.

For represented employees, UC will implement the contractual increases provided for in previously negotiated contracts, with successor negotiations for several units continuing in 2025 and starting in 2026. Labor contracts may include several types of compensation tools, including across-the-board increases, step increases, and merit increases. 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 \$63.9 million next year, reflecting average salary increases of approximately 4.7 percent over estimated 2025-26 levels.

Contributions to the University of California Retirement Plan (UCRP)

For 2026-27, the budget plan assumes an increase from 14.5 percent to 15 percent in the University's employer contribution rate to UCRP (including an employer contribution of seven 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 2026-27, the budget plan maintains the repayment rate

of two percent of covered payroll. The combination of the University contribution rate to UCRP and its repayment of earlier advances will increase from 16.5 percent of covered compensation in 2025-26 to 17 percent. Any 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 amount to \$48.6 million (7.6 percent).

Employee and Retiree Health Benefits.

The University projects annual increases of 9.5 percent in the unit cost of employee health benefits and 12.4 percent for retiree health benefits. These increases are consistent with Mercer's 2025 national healthcare survey that projected the fourth consecutive year of health benefit cost increases above five percent and the highest annual increase since 2010. For retiree health benefits, the overall cost of retiree health is projected to increase by an additional two percent due to projected increases in the number of UC retirees. The budget plan includes \$69.8 million to address the projected increase in employee health benefits and \$15.8 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 \$59.9 million for these non-personnel cost increases next year.

Student Financial Aid

The budget plan includes \$109.9 million of new resources for student financial aid, including \$105.9 million generated as part of the University's Tuition Stability Plan and \$4 million of State support from the continued replacement

of nonresident undergraduates with California resident undergraduates.

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

The budget plan includes a request for \$5.5 million in new ongoing State funds to establish and support three new health sciences programs:

- **DDS-ASPIRE** (Advocacy, Science, Public Interest, and Research). The 2025-26 State budget provided \$1.8 million of one-time funding to the UCSF School of Dentistry for a new program to be developed in collaboration with the UC PRIME program on the UCSF campus. The University's request would convert this one-time funding into \$1.8 million of ongoing support beginning in 2026-27. Like PRIME, DDS-ASPIRE centers around recruiting a cohort of future dentists committed to serving underserved populations in communities that lack dental resources. DDS-ASPIRE will focus on leadership, advocacy, and public health. This cohort-building program will be integrated into the standard four-year DDS curriculum, with an opportunity to spend a fifth year in one of the following Master's Degree programs: Healthcare Administration and Interprofessional Leadership, Health Policy and Law, Global Health Sciences, Clinical Research, Health Data Science, and Public Health at UC Berkeley. Converting this funding to ongoing State support would enhance and sustain the program's impact. At full enrollment, DDS-ASPIRE will train 42 new students annually.
- **PRIME-Rx** (Program in Medicinal Education). The University's budget proposal requests \$1.8 million of ongoing funding to establish and support enrollment growth for a new PRIME-Rx program to address critical workforce shortages for pharmacists in the state, particularly for medically under-resourced populations. It would be open to accepted first-year pharmacy students who seek a career in practice or research that addresses the needs of disadvantaged populations, such as rural, low-income, migrant or immigrant communities, in regions where access to pharmacy

services is limited. 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 (selecting from degrees that partner with UC San Diego Health Sciences for professional students). At a steady-state enrollment, the program will educate 40 new PRIME-Rx students per year.

- **Vet SERVE** (Serving Every Region through Veterinary Education): The University's budget proposal requests \$0.9 million of ongoing funding to establish the PRIME VET SERVE program to address the shortage of veterinarians in the state. The vision of the DVM-SERVE program is to recruit, support, and prepare students to expand access to veterinary care available to underserved populations or in regions where veterinarians are scarce. This program is particularly interested in rurally underserved areas, including the Central Valley, far northern counties, and San Bernardino/Imperial Valleys. 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. In an agricultural state like California, veterinary shortages in rural areas are particularly concerning for the economy and for the safety of affected communities. Students will be educated in leadership, public health, and foundational business as well as a community-building program interwoven within a standard four-year DVM education. This program will have steady enrollment of 20 students per year once at full capacity. There is also an option to enroll in a fifth-year master's degree in Preventive Veterinary Medicine. Students will be recruited through pathway programs at UC Merced and California State University (CSU) Fresno, with the goal to expand partnerships with programs at UC Riverside and CSU San Bernardino. Eventually, additional partnerships and pathways with schools in northern counties, like Cal Poly Humboldt and CSU Chico, will be developed.
- **ACCESS** (Advancing Community Care through Eyecare Service & Scholarship): The University's budget

proposal requests \$0.9 million to establish the ACCESS program. This new PRIME-like optometry initiative aims to address the critical shortage of eyecare providers in underserved communities by increasing the number of optometry students who ultimately practice in these areas after graduation or residency. The core goals of the ACCESS program are to reduce economic and social barriers for students interested in community healthcare practice, and to train them to deliver high-quality primary eyecare and develop strategic collaborative partnerships in underserved settings. UC Berkeley Optometry has demonstrated substantial progress in recruiting, matriculating, and graduating students from a range of economic, educational, and social backgrounds. This program will allow the school to scale these efforts and implement sustainable, long-term strategies to recruit, train, and place optometry students in community-based clinics located in underserved areas of California. The program will reach full enrollment at 20 students across the four-year OD curriculum. The program will provide targeted coursework, practical experience, robust mentorship, and financial assistance. Importantly, a key feature of the ACCESS program will be the required fourth-year capstone project, which will pair each student with a faculty mentor to address a real-world clinical issue in a community setting. Throughout the program, students will also be supported to develop a professional network of like-minded healthcare and community leaders dedicated to advancing health in underserved areas.

The four 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 health care for medically underserved populations.

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REVENUE AND COST-SAVING COMPONENTS OF THE BUDGET PLAN

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

Restoration of Deferred State General Funds

As noted earlier, the budget proposal includes a request to restore \$401.5 million of State funding that was deferred as part of the Budget Act of 2025. (See Existing Enrollment Growth and Support Costs earlier in the document.)

Asset Management Strategies

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, the Total Return Investment Pool (TRIP), and Blue and Gold Plan (BGP) working capital.

New State General Funds

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 (\$262.8 million) to the University's 2025-26 ongoing State General Fund appropriation—approximately equivalent to a 2.4 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 costs attributable to the growth that UC campuses have already achieved, with the remainder to be used to sustain University operations.

Additional 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 2026-27 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 \$5.5 million to support the proposed DDS-ASPIRE, PRIME-Rx, Vet SERVE, and ACCESS programss.

Revenue from Tuition, the Student Services Fee, and Nonresident Supplemental Tuition

The budget plan includes projected revenue increases resulting from inflation-based adjustments to student tuition and fees under the Tuition Stability Plan. Specifically, these increases are expected to generate \$164.7 million in new support for campus operations, \$105.9 million of new revenues for student financial aid, and \$9.6 million for additional critical needs at the campuses.

If revenues materialize as proposed—and specifically, if the State restores the funding deferrals implemented for 2025-26 and provides new, ongoing support aligned with the Compact—the University can expect to generate sufficient revenues to fully cover the projected increases in expenditures and address a portion of the existing structural deficit on core funds.

Significant Uncertainty in Revenues May Lead to Additional Requests

The University is faced with significant uncertainty in federal revenues and policies, which may lead to the submission of additional requests during the State budget deliberations. These requests may include State General Funds or State Special Funds. Any additional requests would be brought to the Regents for approval prior to advocacy with the Governor or Legislature.

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 \$1.43 billion in one-time State General Funds for FY 2026–27 to support a systemwide portfolio of priority capital projects that will expand and sustain the University’s capacity to serve California. These projects would address UC’s critical capital needs: supporting enrollment growth, advancing climate action, renewing and modernizing aging facilities, improving seismic safety, and providing facilities that enable cutting-edge teaching and research. When combined with \$2 billion in non-State funds, this request represents a total investment of \$3.43 billion in the University’s physical infrastructure. The portfolio reflects a strategy to align capital investment with the State’s higher education goals, including expanding access, improving safety and sustainability, and ensuring that facilities remain functional.

The proposed projects reflect a crucial, high-priority subset of the University’s overall capital needs, as outlined in the campuses’ 2025-31 Capital Financial Plans in the University of California Consolidated Capital Report.

APPENDIX: 2026–27 BUDGET PLAN FOR CURRENT OPERATIONS (dollars in millions)**2025–26 Core Funds for Current Operations**

Total Core Funds (State General Funds, Student Tuition and Fee Revenue, and UC General Funds)	\$ 10,758.3
Existing Structural Deficit (est.)	\$ (300.1)

Proposed Changes in Expenditures

Existing Enrollment Growth and Support Costs	\$ 401.5
Procurement Savings and Operational Efficiencies	\$ (15.0)
Sustaining Core Operations	
Faculty merit program	\$ 37.3
Faculty compensation (policy-covered)	\$ 81.3
Staff compensation (policy-covered)	\$ 62.1
Contractually committed compensation	\$ 63.9
Represented academic employees	\$ 41.9
Represented staff employees	\$ 19.2
Retirement contributions	\$ 48.6
Employee health benefits	\$ 69.8
Retiree health benefits	\$ 15.8
Non-salary price increases	\$ 59.9
Subtotal	438.6
Student Financial Aid	
New aid from Tuition Stability Plan	\$ 105.9
Add'l 902 aid-eligible undergrads (NR swap)	\$ 4.0
Subtotal	109.9

Additional High-Priority Investments

DDS-ASPIRE, PRIME-Rx, VetSERVE, ACCESS	\$ 5.5
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Expenditures Total**\$ 940.4****Revenue/Resources Total****\$ 1,002.9****Additional Request for One-Time State Funds**

One-time funding to backfill for 2025-26 deferral of ongoing State General Funding	\$ 401.5
Capital Support for Facilities Renewal, Enrollment Growth, and Clean Energy Projects	\$ 1,430.0

*Figures may not sum to totals due to rounding.***Proposed Changes in Revenues/Resources**

Restoration of Deferred State General Funds	
Restore \$129.7M deferral from 2025-26	\$ 129.7
Restore 2025-26 Compact installment and NR swap	\$ 271.8
Subtotal	\$ 401.5
Asset Management Strategies	
	\$ 20.0
New State General Funds	
2026-27 Compact installment (5% adjustment)	\$ 262.8
Convert 902 nonresidents 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, Vet SERVE, ACCESS	\$ 5.5
Subtotal	\$ 301.2
Tuition Stability Plan	
Support for campus operations	\$ 164.7
New student financial aid	\$ 105.9
Dedicated support for capital needs	\$ 9.6
Subtotal	\$ 280.2
<i>Existing Structural Deficit</i>	<i>\$ (300.1)</i>
<i>Amount to be Applied to Existing Deficit</i>	<i>\$ 62.4</i>

