UCRS Advisory Board Budget Update

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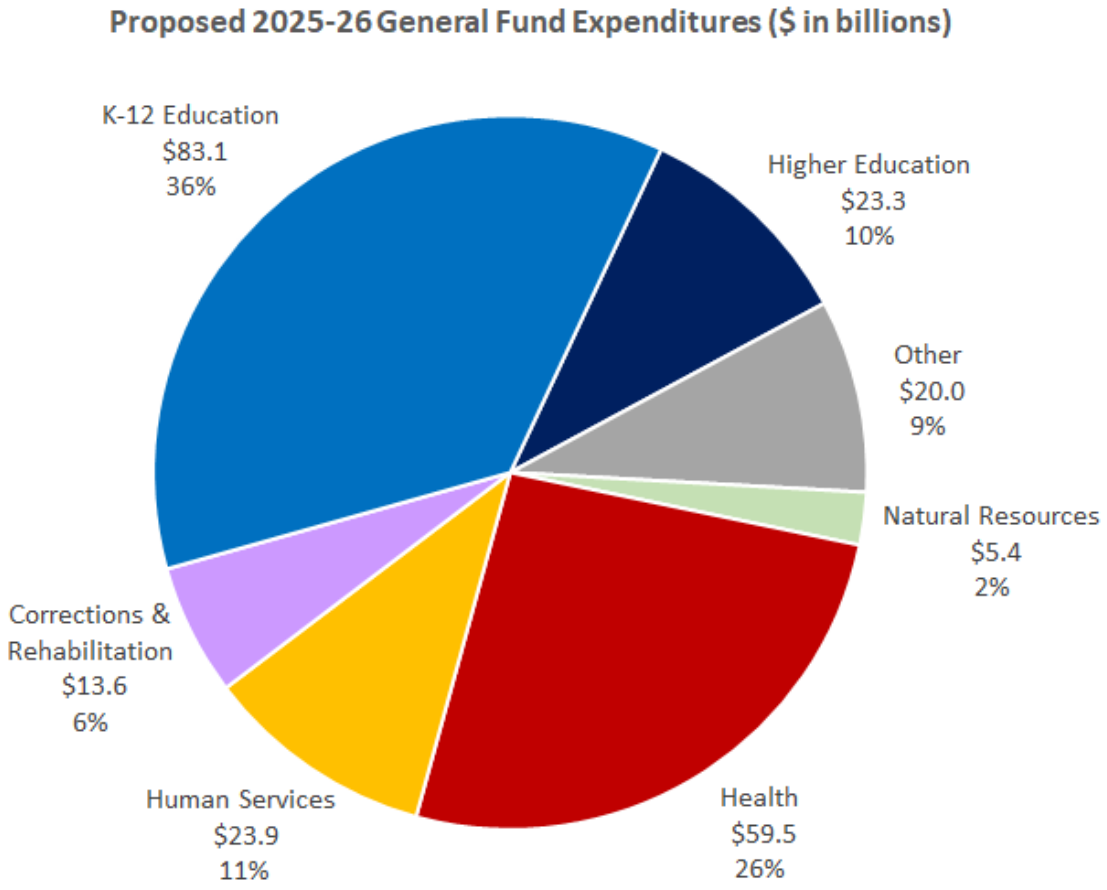
February 28, 2025

Overview of the Governor's Budget Proposal

- Total General Fund expenditures of **$228.9 billion**
- Proposal addresses an anticipated budget deficit of **$28.4 billion**
- Budget proposal was developed prior to the devastating fires in Los Angeles; additional State resources very likely required to provide support to communities



Funding for the University of California

- The Governor's budget proposal is consistent with legislative intent language in the Budget Act of 2024
- Total of **$4.59 billion in State General Fund** support for the University of California
- **Reflects 7.95% reduction ($396.6 million)** to the University's budget
  - **Net reduction of $271.6 million** to the University's base budget
  - **Restores $125 million** one-time reduction from 2024-25
- **Defers 2025-26 Compact funding** (equivalent to a 5% base budget increase) to 2026-27
- **Defers $31 million for nonresident swap** to 2026-27

Funding for UC in the Governor's Budget

	Actual 2024-25	Gov. Budget 2025-26	Projected 2026-27	Projected 2027-28	Total
Ongoing State Funding					
2024-25 Compact	$ 227.8				$ 227.8
2025-26 Compact		deferred	$ 240.8		$ 240.8
2026-27 Compact			deferred	$ 240.8	$ 240.8
NR Swap (2024-25)	$ 31.0				$ 31.0
NR Swap (2025-26)		deferred	$ 31.0		$ 31.0
NR Swap (2026-27)			deferred	$ 31.0	$ 31.0
UCM Medical Education Bldg.	$ 14.5				$ 14.5
Proposition 56 True-up	$ (13.5)				$ (13.5)
One-time Cut/Restoration	$ (125.0)	$ 125.0			$ -
7.95% Cut in 2025-26	$ -	$ (396.6)			$ (396.6)
Total New Ongoing Funding	**$ 134.8**	**$ (271.6)**	**$ 271.8**	**$ 271.8**	**$ 406.8**
Total One-time Funding	**$ 2.4**	**$ 1.3**	**$ 271.8**	**$ 271.8**	**$ 547.3**
Total New Ongoing + One-time	**$ 137.2**	**$ (270.3)**	**$ 543.6**	**$ 543.6**	**$ 954.1**

UNIVERSITY OF CALIFORNIA

Multi-Year Core Funding Estimates for UC

	(Regents Budg. + Act.)		*(est.)* [2]		
	2024-25	**2025-26**	**2026-27**	***2027-28***	**Total (Incr.)**
State Funds[1]	$ 134.8	$ (271.6)	*$ 271.8*	*$ 271.8*	$ 406.8
Tuition/Fees	$ 204.9	$ 241.2	*$ 223.1*	*$ 223.1*	$ 892.2
Alternative Revenue Sources[3]	$ 105.3	$ 33.2	*$ 33.2*	*$ 33.2*	$ 204.9
Total Incr. Revenues	**$ 445.0**	**$ 2.8**	***$ 528.1***	***$ 528.1***	**$ 1,503.9**
Incremental Expenditures	**$ 652.7**	**$ 512.5**	***$ 512.5***	***$ 559.2***	**$ 2,236.9**
Difference	**$ (207.7)**	**$ (509.7)**	***$ 15.6***	***$ (31.2)***	**$ (733.0)**

[1] Figure for 2024-25 represents actual State funding growth for 2024-25.

[2] State funding levels based on the 2024 State Budget. All other categories are averages of prior years.

[3] Alternative revenue sources reflect additional, ongoing revenues and savings from procurement efforts, asset management strategies, and efficiencies in campus cost structures.

Questions and Discussion