

A stone wall sign for the University of California, Irvine. The sign is made of light-colored rectangular stones and features the text "University of California, Irvine" in large, dark, serif letters. To the left of the text is a circular seal of the University of California. The sign is set against a background of green trees and a clear blue sky. In the foreground, there is a field of tall, green grasses.

University of California, Irvine

Financial Stability Plan Update and Budget Model Development

UCI Budget Town Hall
February 6, 2024

UCI Division of Finance and Administration | With U • For U

Agenda



Provost Introduction



**Financial Stability Plan and
Five-Year Forecast Update**

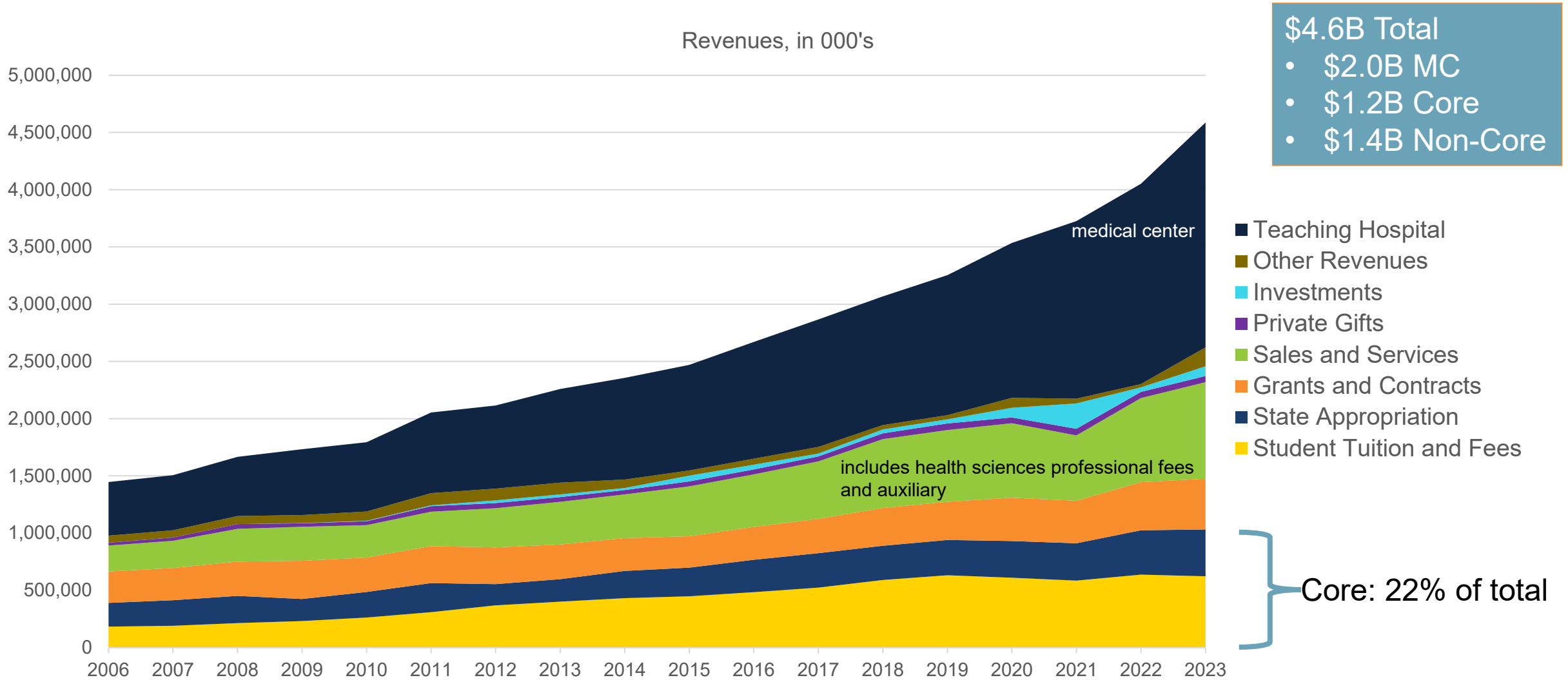


Budget Model Development

Complex Funding: UCI in Context



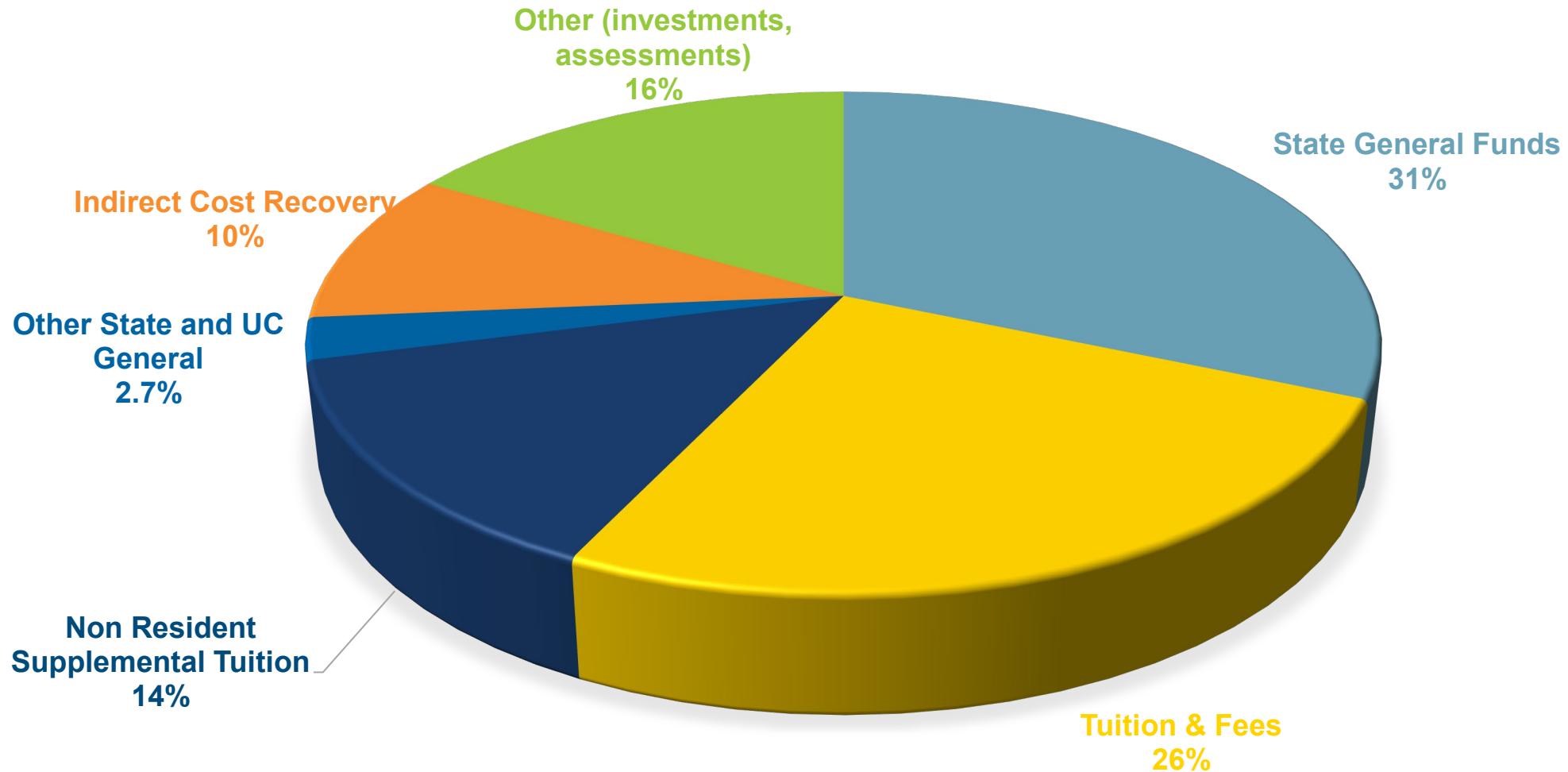
Sources of Funding | UCI



Core Campus Support – Sources

FY23 - \$1.2B

FY2022-2023



Core Funds Financial Challenges - Major Drivers

4-years to
implement
tuition stability
plan

Enrollment
plateau

NRST cap

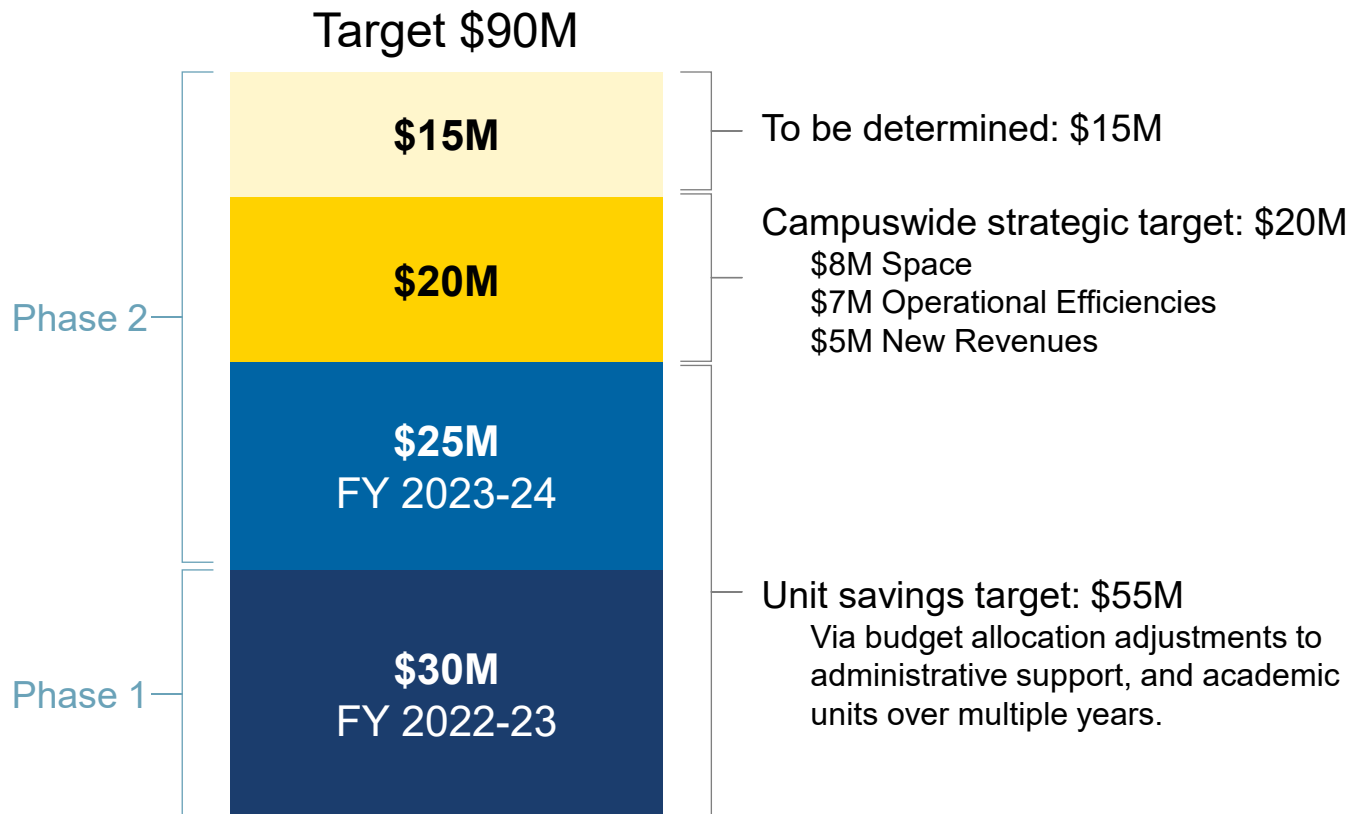
Inflation

Salary plan
more costly than
incoming
sources

State revenue
uncertainties

COVID

Where We Started: Financial Stability Plan

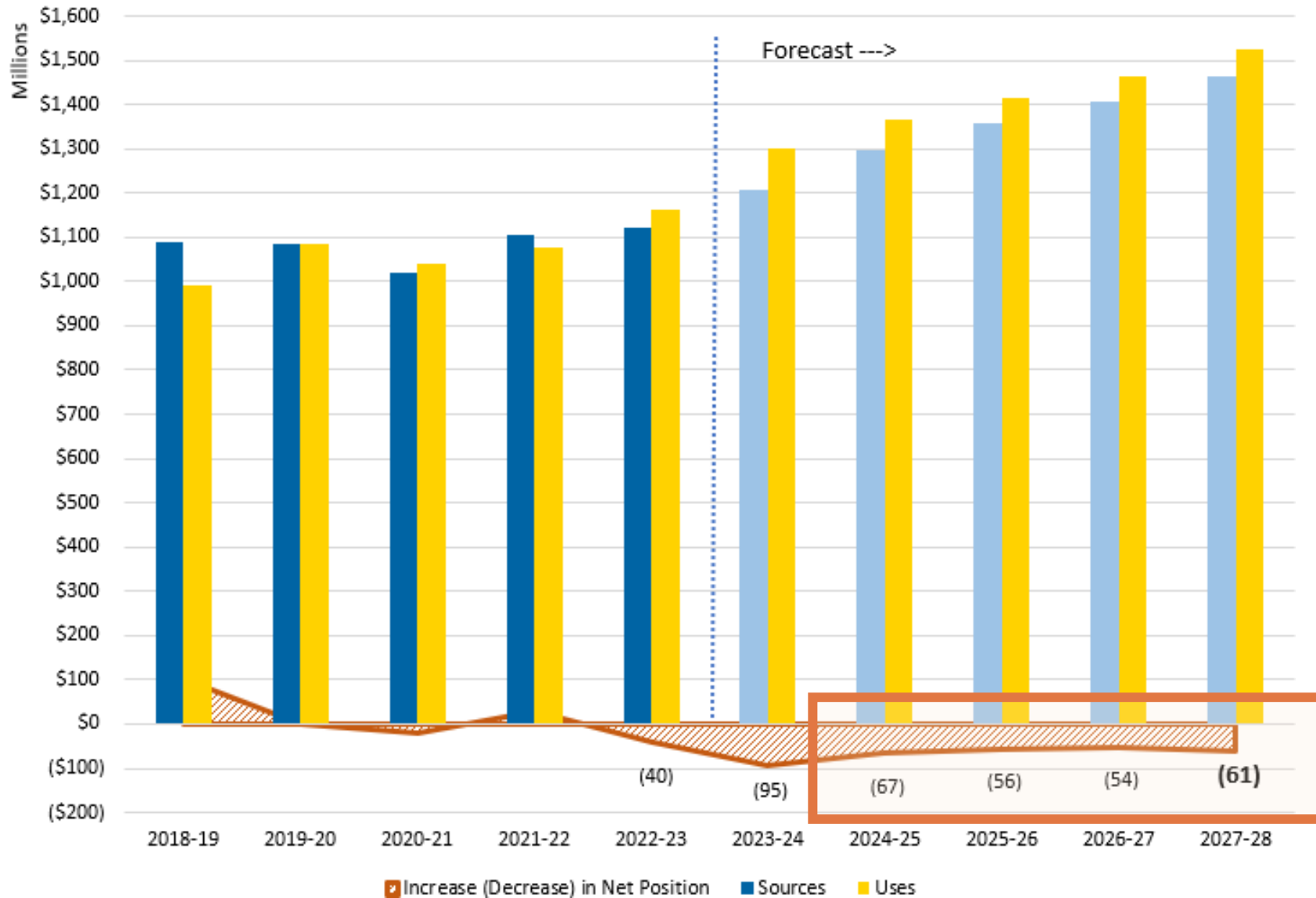


Milestones

-
-
-
-
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Updated Five-Year Financial Forecast

Actuals through 2022-23, Forecast 2023-2024 through 2025-2028

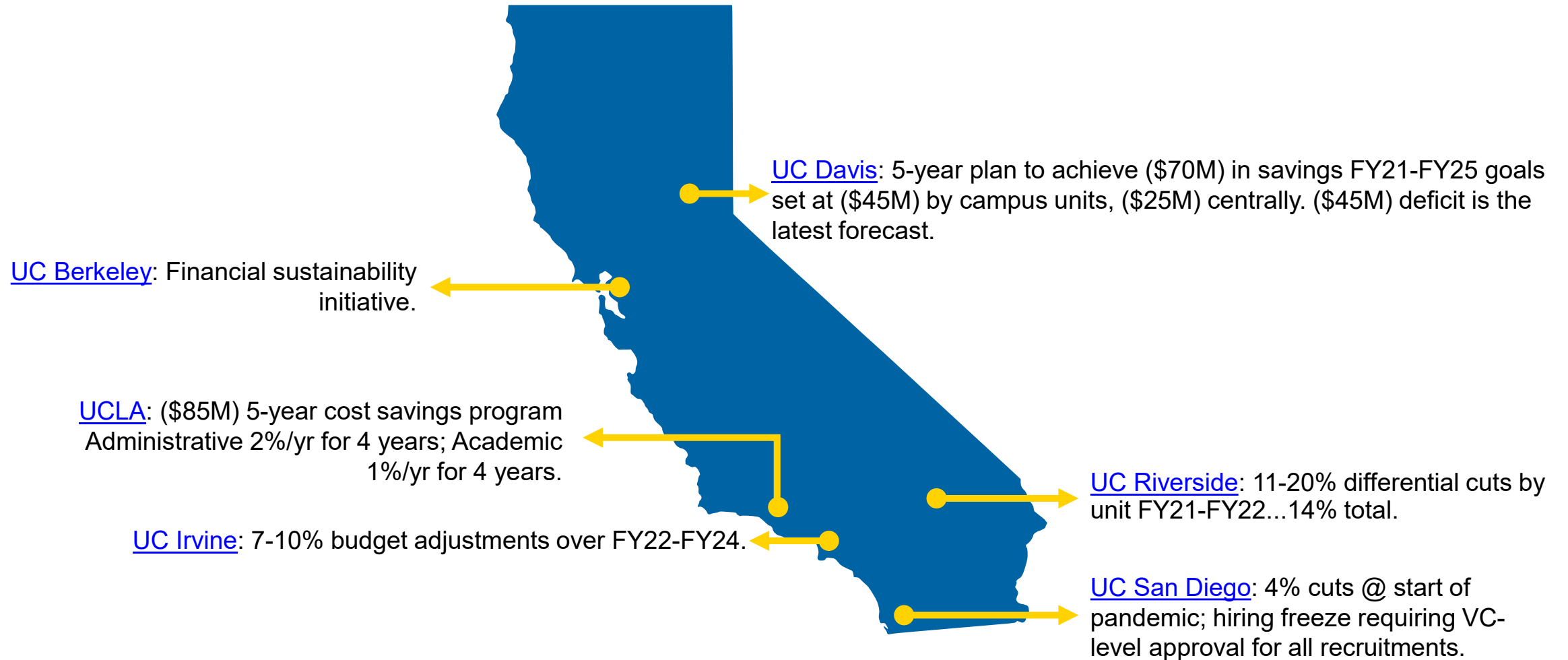


Projected (\$60M) Structural Deficit

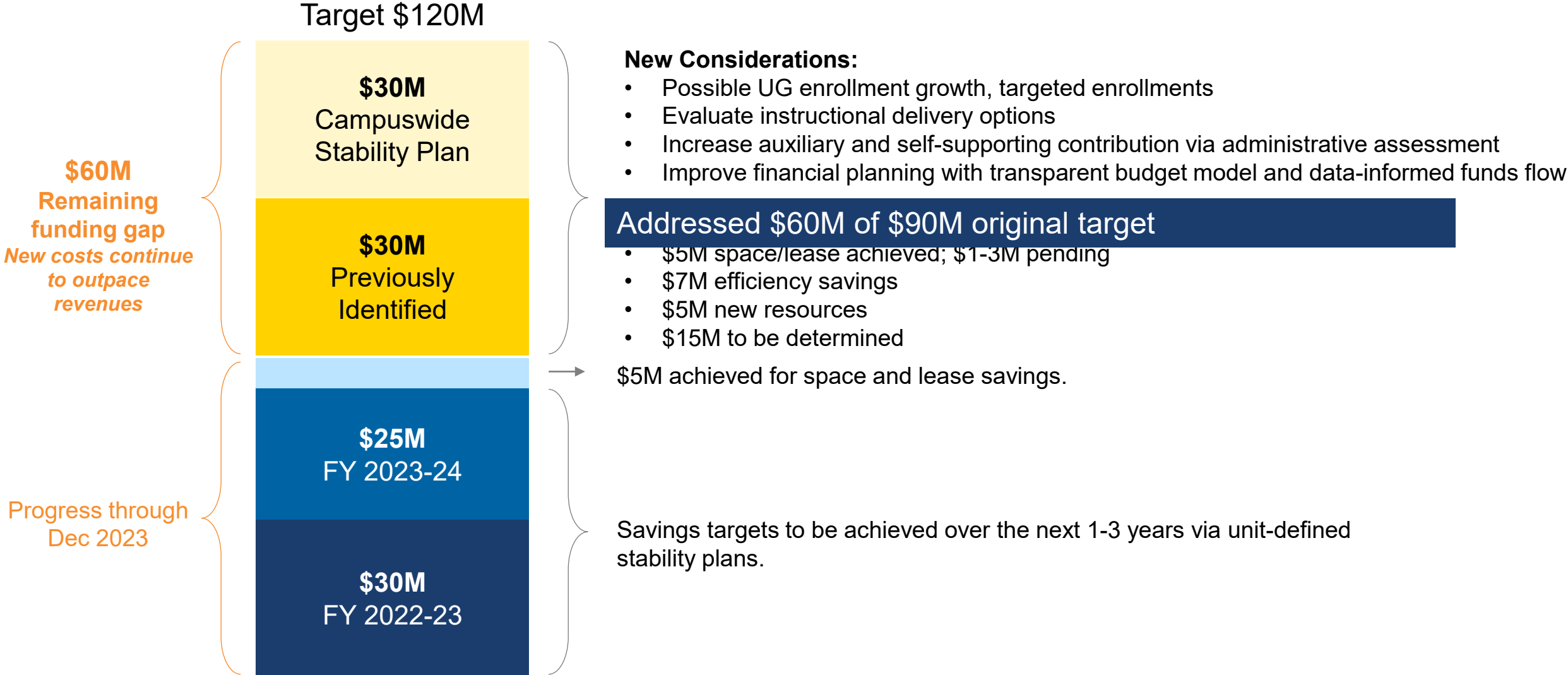
UC Irvine is Not Alone

Financial challenges are common throughout higher ed (especially public)

The approach to resolve funding challenges differs across the UC system. Some have done budget cuts. Others are addressing by not allocating funding to cover the salary increases that were implemented.



Updated Financial Stability Plan





Success Depends on All Campus Units Contributing

- We need to do things differently.
- The new budget model and improved financial planning will be key mechanisms for bridging the funding gap.

What We Want to Accomplish – Budget Aligned with Strategy



In practice:

- Budget information and financials publicly available (e.g., Budget Office website)
- Common metrics:
 - Student-related revenues: student credit hours + enrollment + degrees granted = weighted student FTE
 - Research related revenues: % of indirect cost recovery collected
 - Space/facilities: assignable square footage

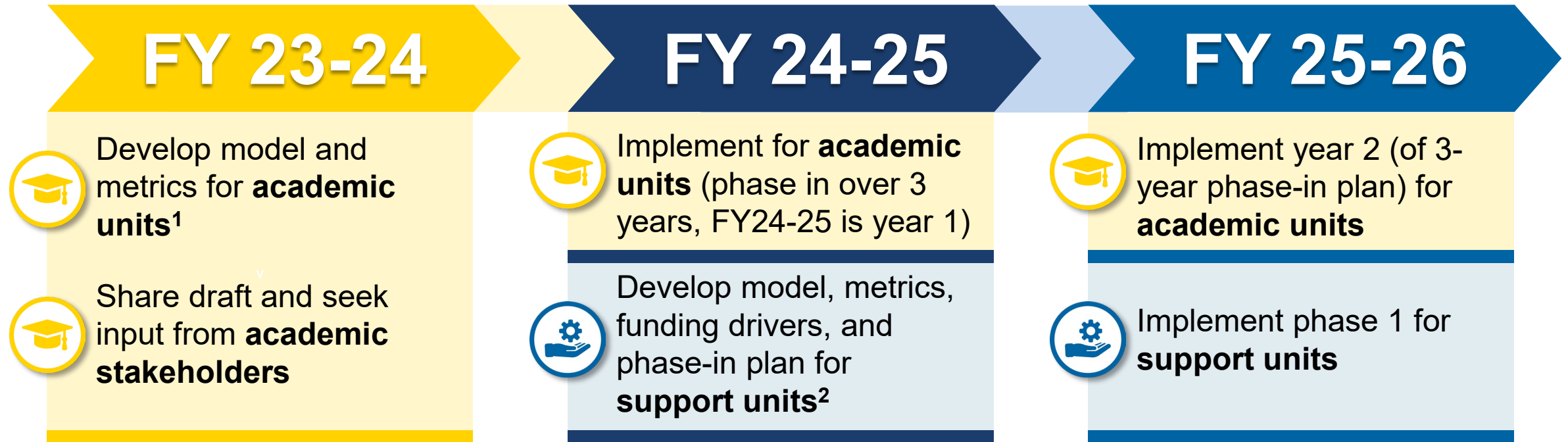
What We Want to Accomplish – Improved Resource Planning



- Consider all sources of revenue and a multiple year perspective
- Core fund allocations will reflect unit share of projected revenues
- Remaining structural gap will resolve as model is implemented



Budget Model Phase-in Plan Timeline



Winter/Spring Activities

- Feb 6: Town hall (progress update)
- March: Draft model reviewed by campus leadership and key stakeholders
- March 15: FY25 budget call
- March: Budget training offerings
- April: Second campus town hall to seek campus feedback on draft budget model

¹Academic units are defined as degree granting organizations

²Support units are those that do not grant degrees (e.g., academic support, institutional support, or control organizations)

Key Takeaways



Financial update

- \$60M funding gap
- What can we do differently?
 - Grow revenues
 - Cost savings



New budget model

- Ensure stability aligned with strategy
- All funds resource planning

Questions?