

University of California Budget Overview

SEIJA VIRTANEN

ASSEMBLY BUDGET SUBCOMMITTEE 3 ON EDUCATION FINANCE

MARCH 17, 2026

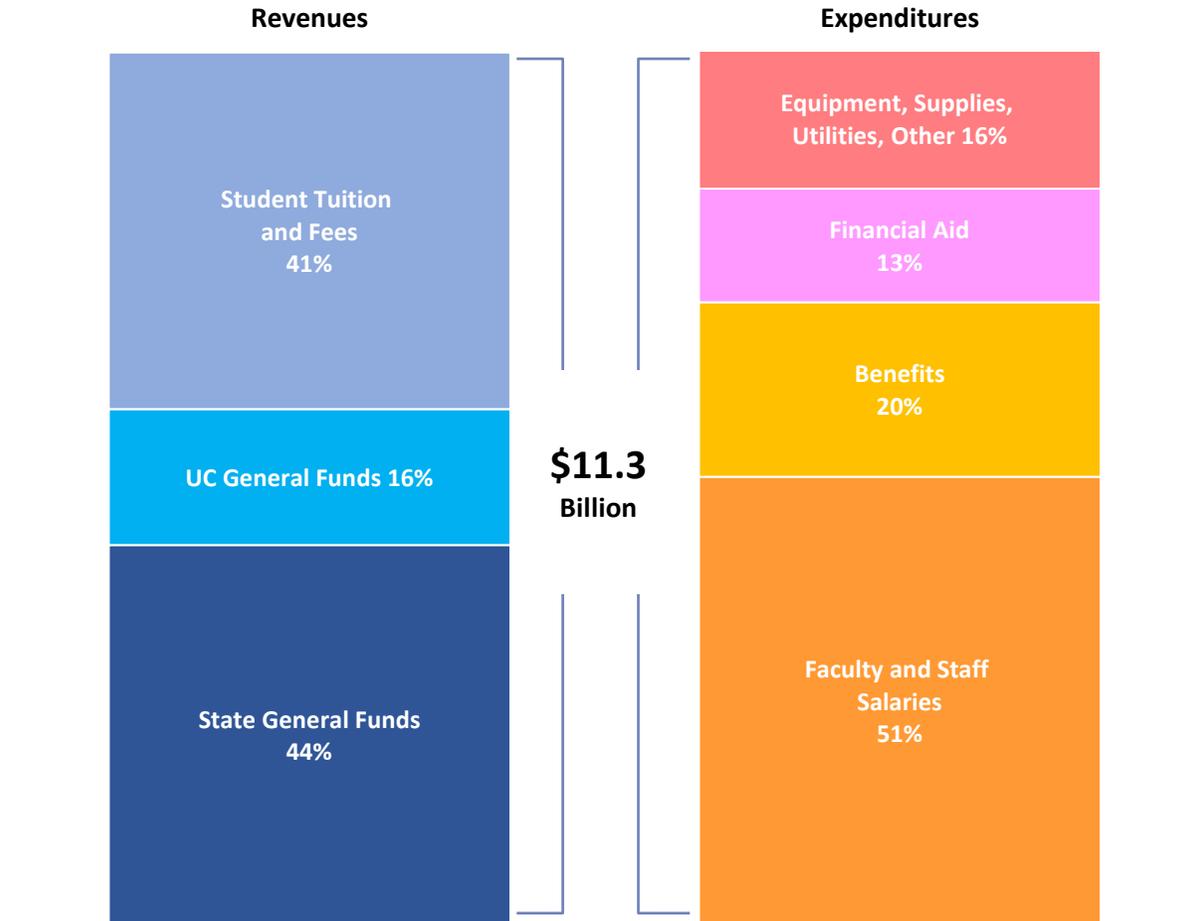


Issue 1: UC Campus Revenues and Expenditures

Enrollment growth adds to campus costs. Traditionally the cost of enrollment has been split between student tuition and fees and a State contribution.

UC campuses had core operating cost growth in 2025-26. Campuses have had little ability to cut services that don't impact staff.

6% of the total campus budget goes to fixed debt service.

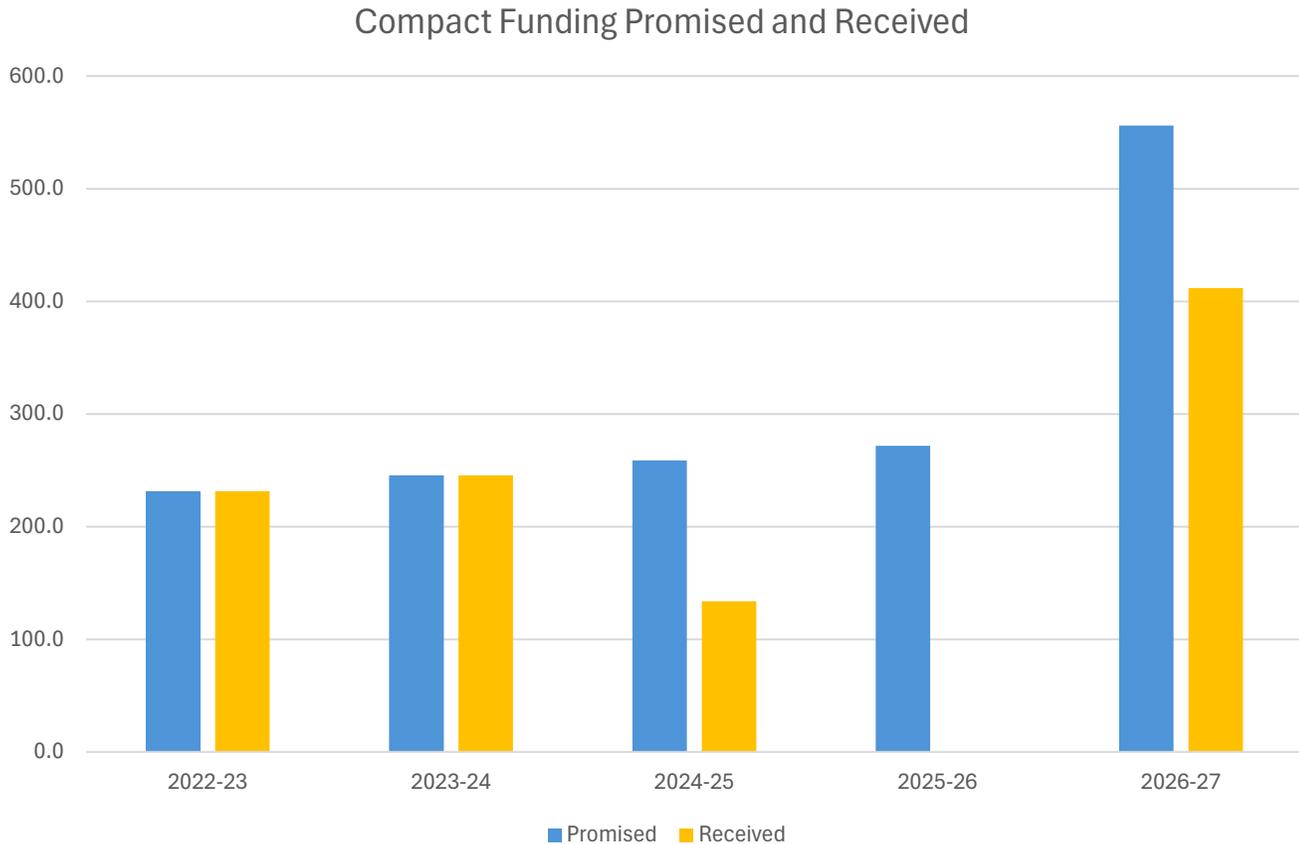


Issue 1: UC Compact Funding

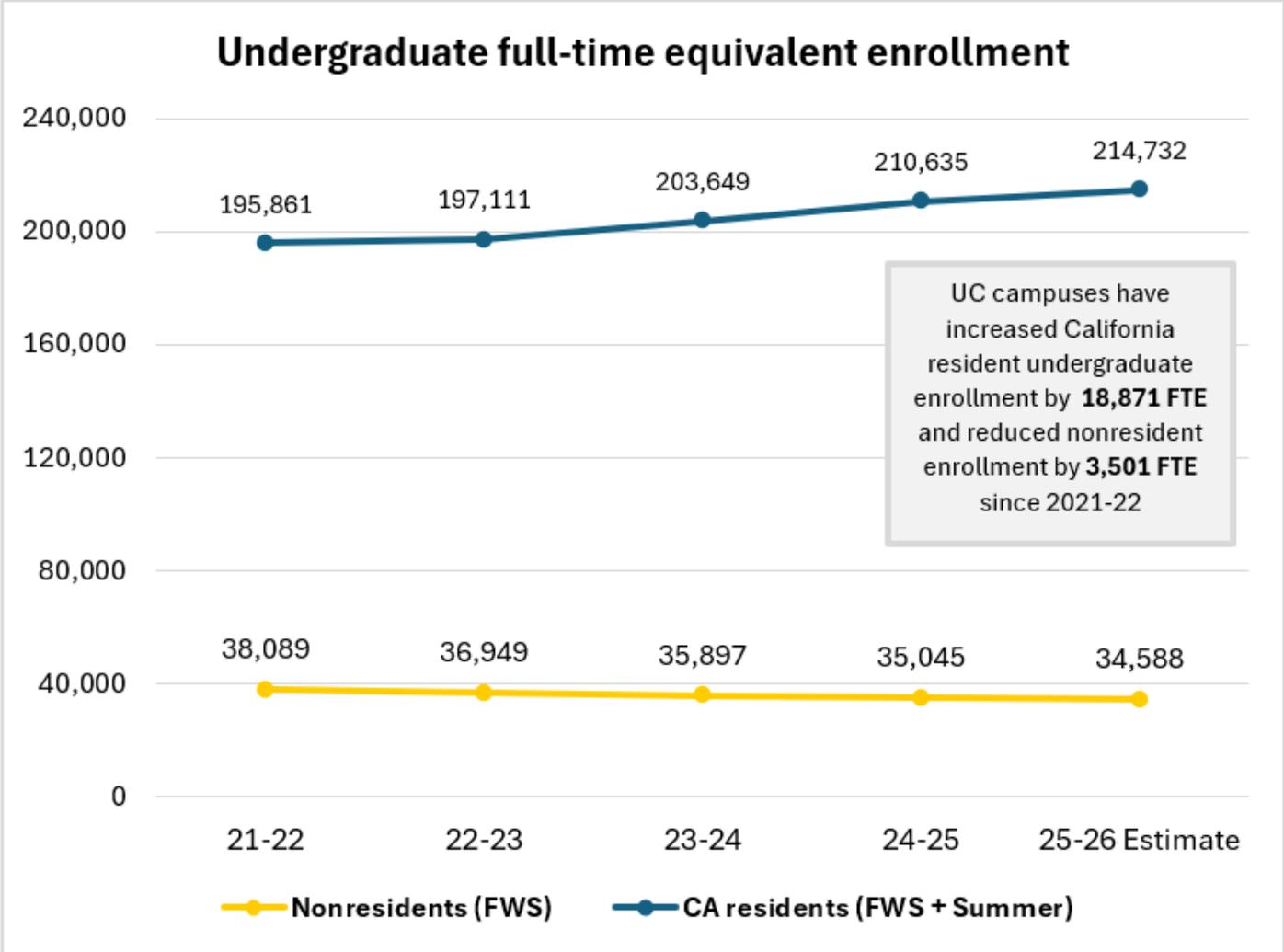
2025-26 Compact funding was deferred – but campuses still had core operating cost growth.

Some of the 2025-26 Compact funding is being deferred again.

One-time backfill to repay the loan and cover costs are also being further deferred.

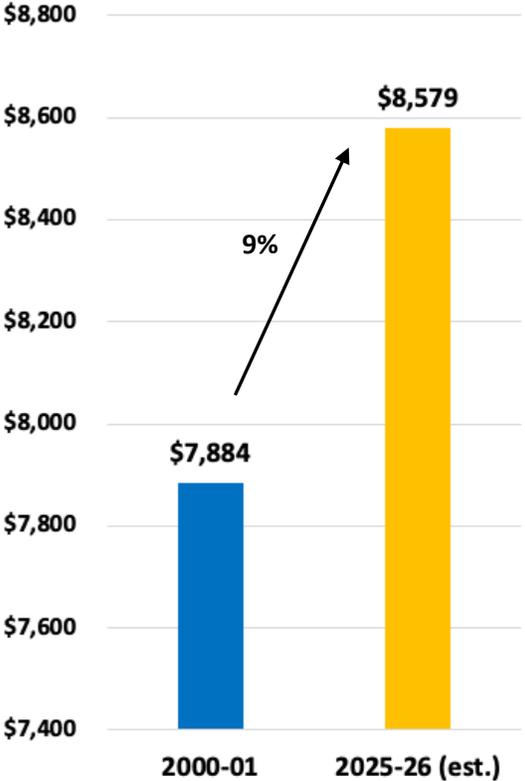


Issue 2: UC Undergraduate Enrollment During Compact

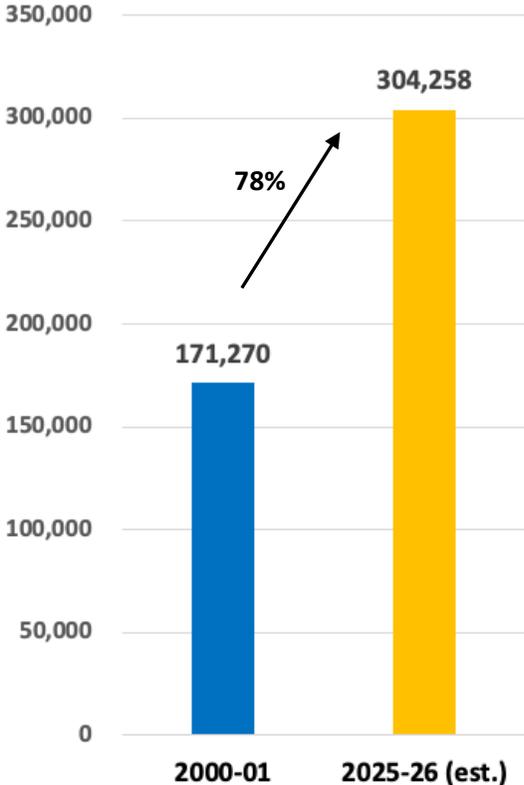


Issue 2: Available Core Funds per Student

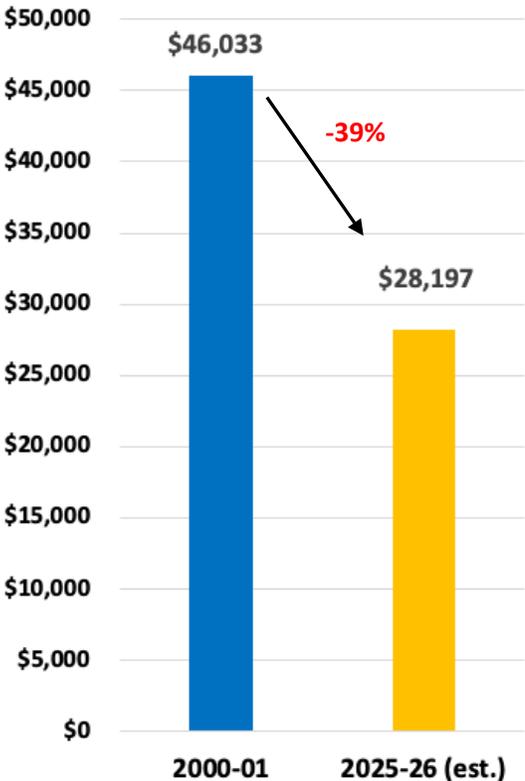
On an inflation-adjusted basis, available core funds* have increased by 9% since 2000-01 (\$ in millions)



While the number of students enrolled has increased by 78%



Resulting in a 39% decrease in available core funding per student

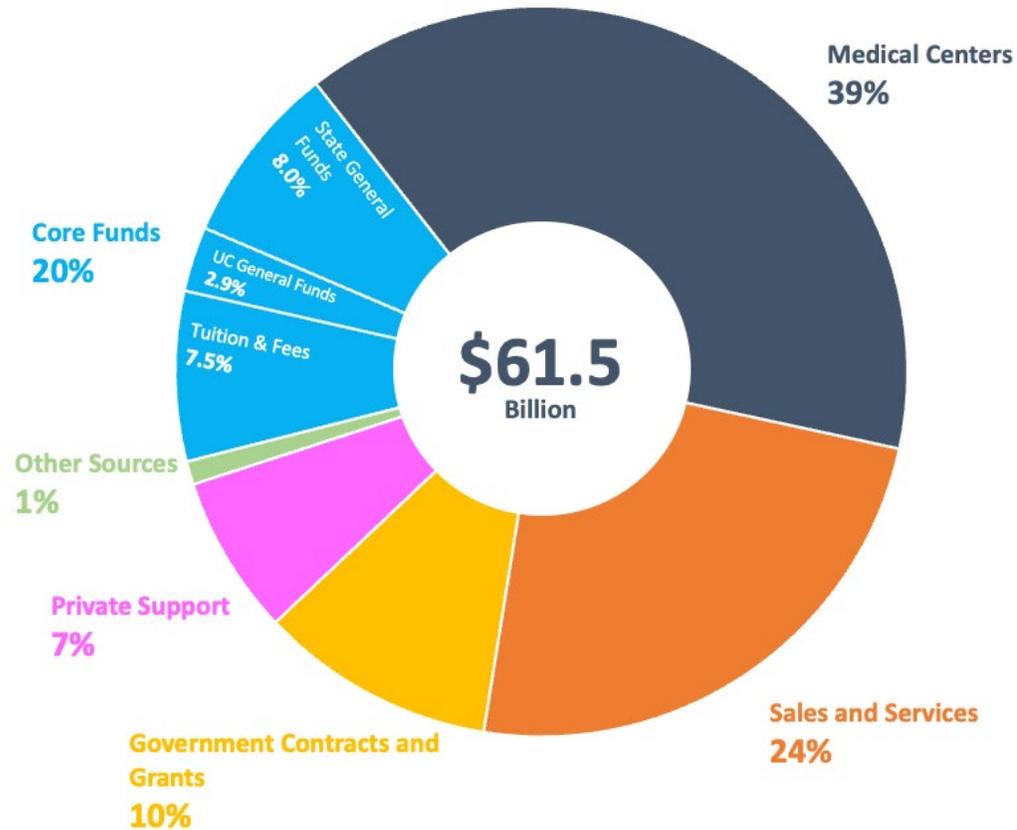


*After accounting for financial aid, debt service, UCRP contributions, and inflation (based on changes in the Higher Education Price Index). Core funds include State General Fund, student tuition and fees, nonresident supplemental tuition, patent revenue and indirect cost recovery.

Issue 2: UC Compact Goals – 18 out of 22 Goals Fully Completed

Compact Goal Category	Highlights
<p>Goal A. Increasing Access</p>	<p>California undergraduate enrollment increased by 18,800 FTE Nonresident replacement completed for the 2022-23, 2023-24, and 2024-25 years</p>
<p>Goal B. Improving Student Success and Advancing Equity</p>	<p>Retention rates have increased from 2021 to 2024; Transfer retention rates are up to 94.5%; Underrepresented groups retention rate is up by 2%; UC on track to achieve 74% four-year and 67% two-year graduation rates</p>
<p>Goal C. Improving Affordability of a UC Education</p>	<p>68% of California undergraduates have a Debt Free pathway</p>
<p>Goal D. Increasing Intersegmental Collaboration to Benefit Students</p>	<p>UC is fully participating in the Cradle-to-Career data system; All undergraduate campuses are integrated to the same admissions platform able to receive applications and course credits</p>
<p>Goal E. Supporting Workforce Preparedness and High-Demand Career Pipelines</p>	<p>Surpassed goal of increasing STEM graduates and increasing enrollment in high-need disciplines; Completed implementation of 10 new transfer pathways</p>
<p>Goal F. Providing Access to Online Courses</p>	<p>Exceeded Compact goal of doubling the number of available online courses</p>

Issue 3: UC Budget Includes Many Expenditure Categories



UC FY 2023-24 FEDERAL SUPPORT FOR UC AND UC STUDENTS (dollars in millions)	
RESEARCH AND PROGRAM SUPPORT	
Research Grants and Contracts	\$3,056.1
Indirect Cost Recovery	\$1,114.4
DOE National Lab Management and Operations	\$1,181.0
Other Contracts and Grants	\$349.2
STUDENT FINANCIAL AID	
Pell Grants	\$493.9
Other Undergraduate Grants and Scholarships	\$25.5
Graduate Fellowships and Scholarships	\$85.8
Student Loans	\$1,062.9
Work-Study	\$21.5
PATIENT CARE	
Medicare	\$5,282.6
Medicaid	\$4,582.4
TOTAL	\$17,255.3

Issue 3: Research and Innovation Drive the Economy

Every dollar invested in UC by the State of California generates over \$21 in economic output.

8.2% of all US academic research is conducted at UC.

67 new startup companies formed in 2024 based on UC inventions.

UC alumni launch more companies than alumni of any other university in the world.

Currently \$172 million in research grants have been cancelled or suspended.

Another \$800 million in research grants are part of court cases fighting cancellation.

Research investment, and research cancellation, will have impact for generations.

Loss of researchers as people leave the field or country.

99%

of FDA-approved drugs were developed with federal funding from 2010-2019.

\$2

in economic activity is generated for every \$1 the federal government invests in science.

25%

of U.S. productivity growth comes from federal investments in science and technology.

Issue 3: UC Health Serves the State

12 million outpatient visits annually.

1.6 million inpatient days.

Medicare inpatient days = 39%

Medi-Cal inpatient days = 35%

651,000 emergency room visits.

20 public hospitals operated by 6 academic health centers.

21 health professional schools.

\$2.7 billion in uncompensated Medicare expenses for hospitalized patients.

\$1.3 billion in uncompensated Medi-Cal expenses for hospitalized patients.

Patients from all parts of California.

55% of academic health center revenue comes from commercial insurance patients.