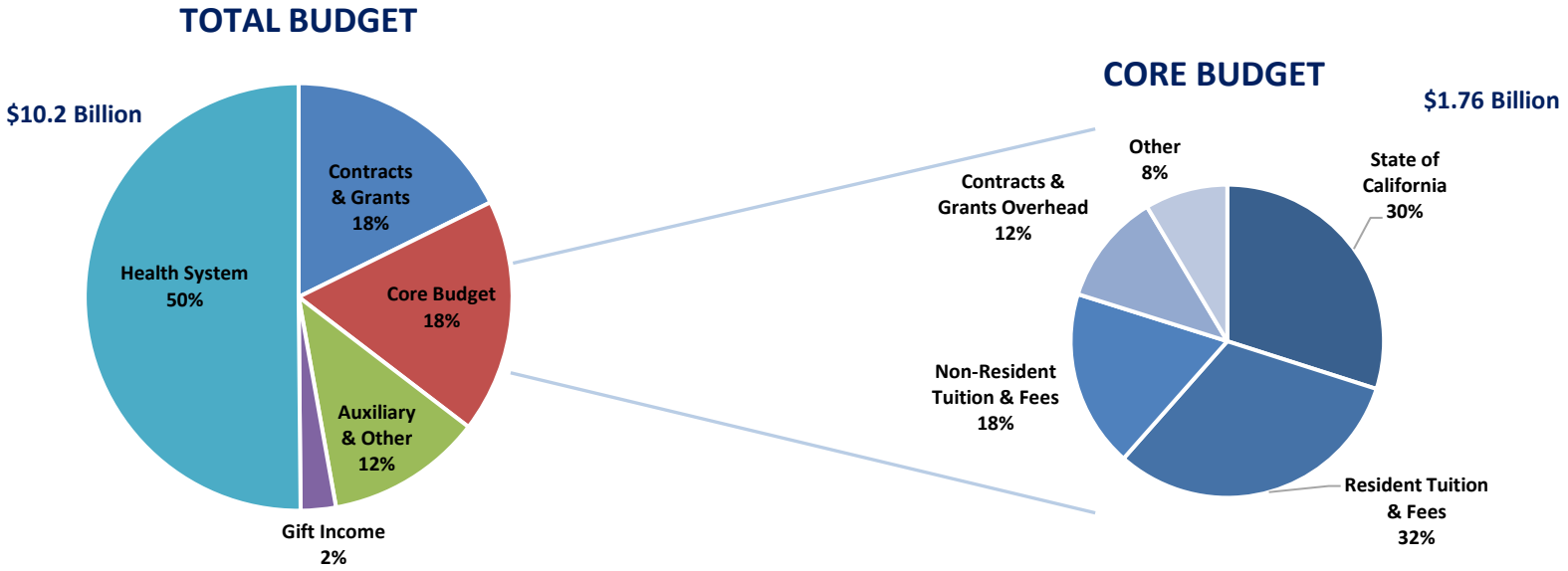
UC San Diego

Budget Townhall
FY26 and FY27 Planning

Academic Senate

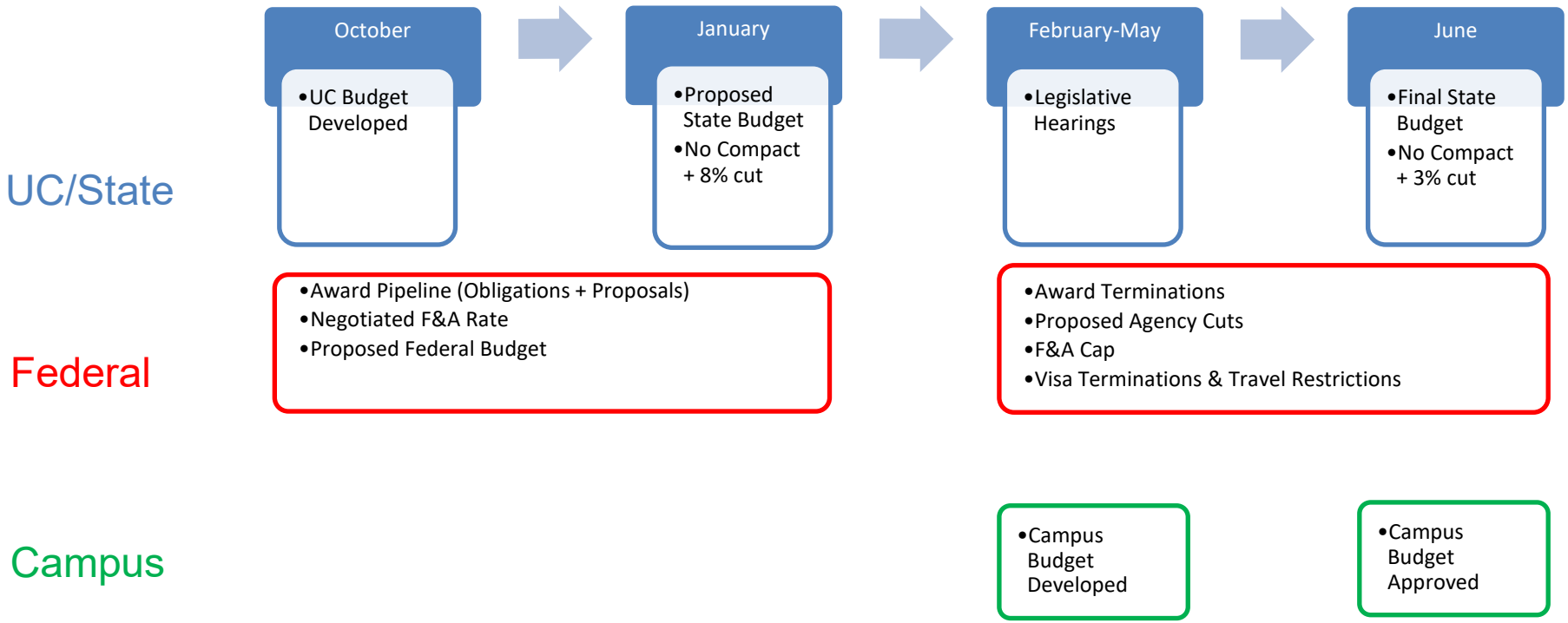
January 26, 2026

Long-Term Financial Stability – February 2025



- All revenue sources under threat – first time in campus history
- Impact was significant, preliminary estimate of $500M, with only a portion (~$200M) being modeled against existing Core Budget

Dynamic Budget Process



Long-Term Stability: July 2025 - January 2026

UC San Diego

Over last 6+ months, developed a moderated projection with monthly monitoring to further refine our strategy:

- Campus assumed a high level of risk – deficit was modeled over multiple years with only 1/3 of reduction implemented FY26
- State cut was reduced, however, still faced significant enrollment and compensation cost increases
- FY26 Federal bill language that would prohibit F&A rate caps and level set agency funding – despite this, campus federal contract & grant spending has slowed
- Countering national trends, campus experienced slight enrollment growth FA25

Revised FY26 Forecast – Q2 Actuals

UC San Diego

	FY25 Actuals	FY26 Approved Budget	FY26 Jan 2026 Revised	Change	Change Drivers
Source	**Dollars**	**Dollars**	**Dollars**	**Dollars**	
Resident Tuition & Fees	$480M	$498M	$503M	$4M	**Fall 2025 enrollment (flat -> increase)**
State of California	$525M	$528M	$523M	$(5M)	
Non-Resident Tuition & Fees	$386M	$382M	$425M	$43M	**Fall 2025 enrollment (drop -> increase)**
Contracts & Grants Overhead	$360M	$204M	$326M	$122M	**December 2025 actuals**
Other Misc Sources	$137M	$151M	$150M	($1M)	
Total Revenue	**$1.89B**	**$1.76B**	**$1.92B**	**$162M**	
Total Expenditures	**$1.88B**	**$1.90B**	**$1.93B**	**$26M**	**Increase in RTA and instructional funding**
Annual Net Income	**$10M**	**$(139M)***	**$(2M)**	**$137M**	

**net $72M in budget reductions implemented July 2025*

FY26 Increment by Vice Chancellor Area

$'s millions

Recurring Core Funds by Vice Chancellor	FY25 Final Budget	FY26 Reduction	FY26 Net New Allocations	FY26 Final Budget	FY26 % Total
Academic Affairs	911.3	(36.5)	60.2	935.0	55%
Marine Science	76.6	(3.8)	3.0	75.8	4%
Health Science	248.3	(11.8)	7.5	244.0	14%
Chief Financial Officer	111.3	(5.8)	5.6	111.1	7%
Student Affairs and Campus Life	33.8	(1.8)	0.3	32.3	2%
Operations Mgmt and Capital Programs	172.9	(5.6)	14.9	182.1	11%
Research Affairs and Innovation	31.6	(1.7)	1.6	31.6	2%
Academic Senate	4.0	(0.2)	0.1	3.9	0%
Advancement	46.8	(2.5)	1.7	46.0	3%
Organizational Transformation	7.6	(0.4)	0.5	7.7	0%
Office of Ethics & Compliance	9.8	(0.5)	2.0	11.1	1%
University Communications	11.1	(0.6)	0.6	10.9	1%
Other Central Units	10.4	(0.5)	0.4	10.6	1%
Total	**1,675.6**	**(71.8)**	**98.2**	**1,702.1**	
% Change to Base	**+3.9%**	**-4.3%**	**+5.9%**	**+1.6%**	

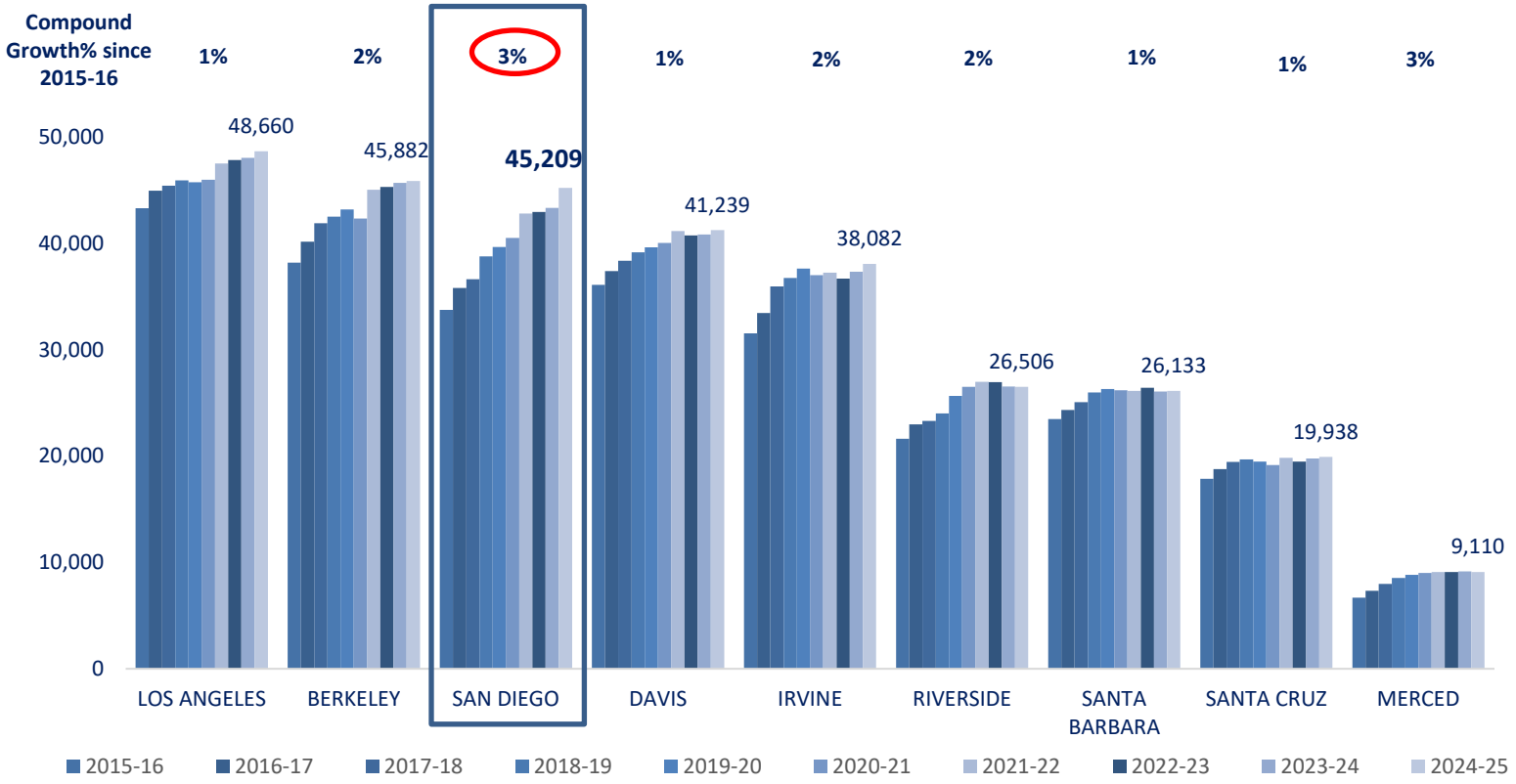
Net new allocations include:

- mandatory compensation increases
- Indirect Cost Recovery (ICR) and instructional revenue share
- approved budget cycle funding requests (e.g., incremental funding for enrollment growth and associated academic support)

Reduction $ excludes VC level structural deficit recaptures (e.g. EVC $11.2M, +1.2%)

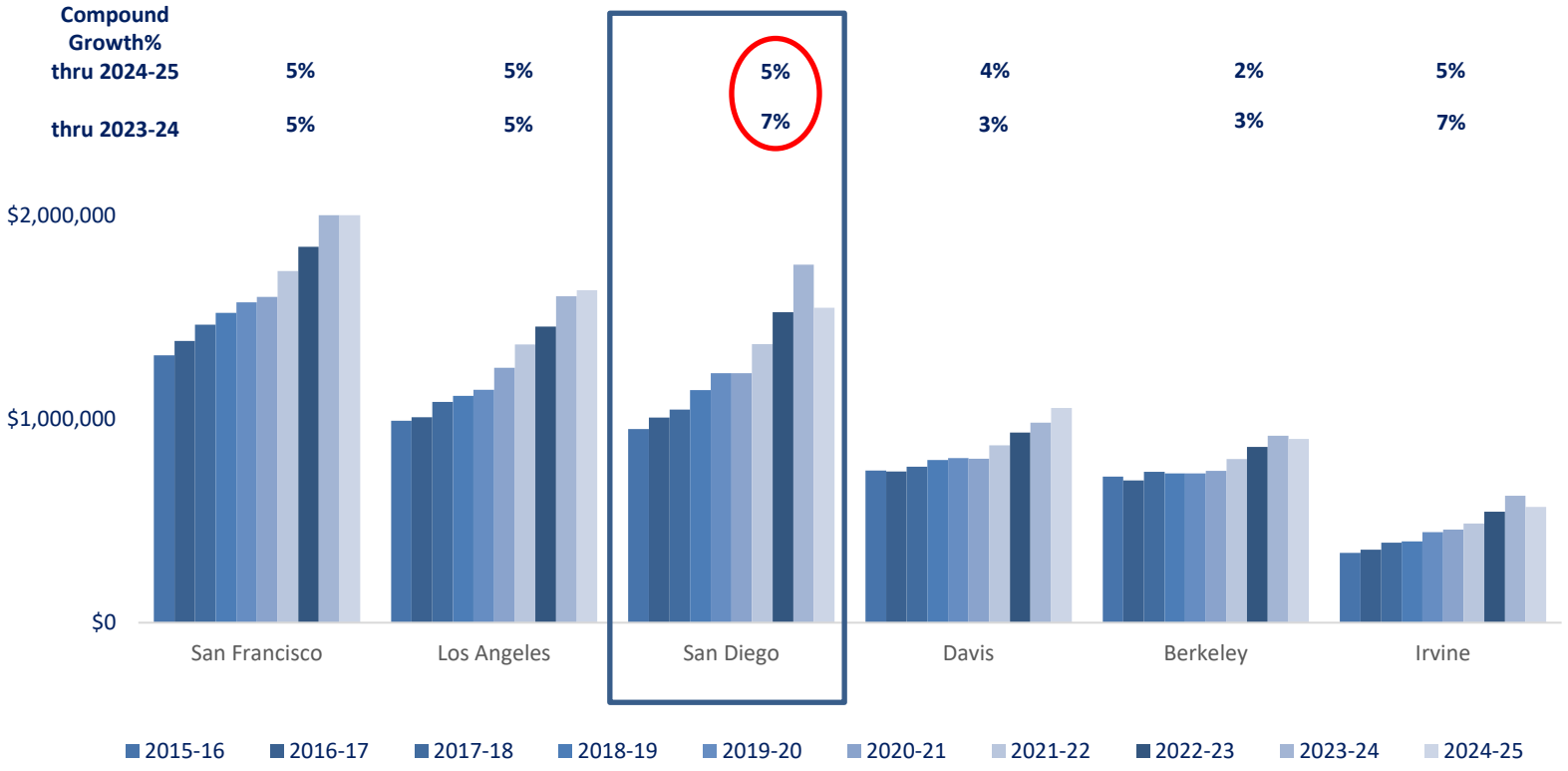
Tuition & Fees

Total Fall Enrollment (FTE)



Contracts & Grants Revenue

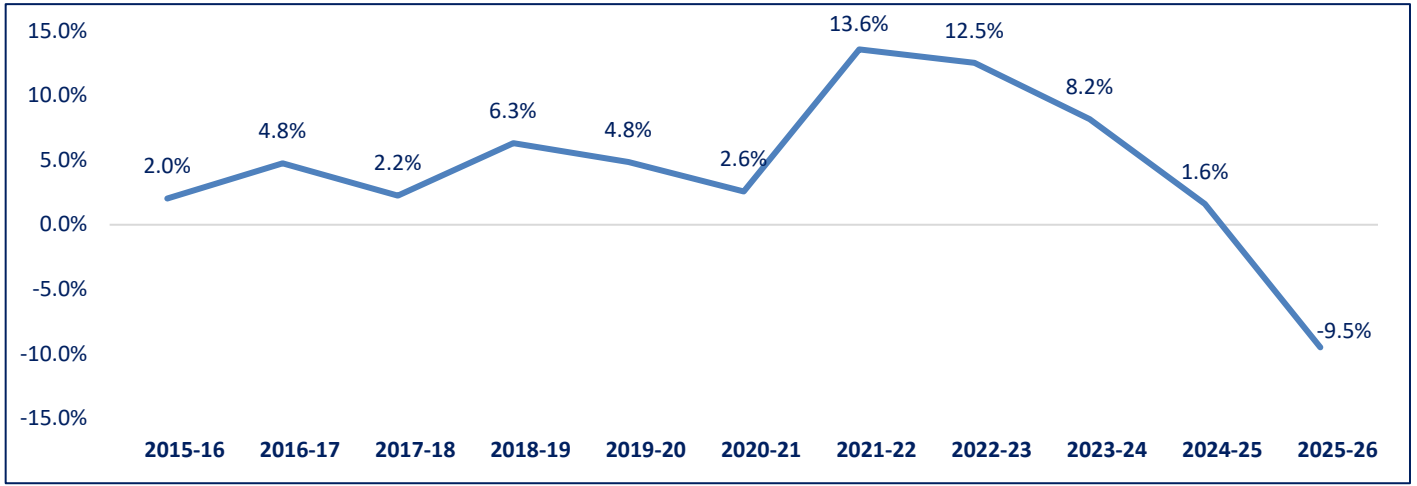
Total Grant & Contract Revenue ($'s millions)



*excludes campuses <$500M

Federal F&A Recovery(San Diego)

Incremental F&A Recovery



Academic Affairs	0.4%	6.5%	0.1%	10.0%	3.0%	8.7%	6.0%	11.3%	14.9%	2.6%	-11.8%
Research Initiatives	-9.2%	-3.4%	-2.5%	7.4%	-3.2%	-2.0%	13.7%	14.0%	-0.9%	-16.6%	-14.8%
Health Sciences	5.1%	4.1%	5.3%	6.2%	4.6%	-0.2%	16.0%	12.4%	5.9%	2.7%	-9.0%
Marine Sciences	-3.5%	7.8%	-5.8%	-1.3%	13.9%	5.3%	19.0%	15.1%	8.6%	-0.2%	-5.6%

Total $ millions	$ 209.2	$ 219.1	$ 224.0	$ 238.2	$ 249.7	$ 256.1	$ 290.8	$ 327.3	$ 354.0	$ 359.7	$ 325.6

**2025-26 forecasted as of Dec 2025*

FY27 Forecast

	FY25 Actuals	FY26 Jan 2026 Revised	FY27 Forecast	Change Drivers
Source	**Dollars**	**Dollars**	**Dollars**	
Resident Tuition & Fees	$480M	$503M	$522M	**Flat enrollment, cohort rates**
State of California	$525M	$523M	$558M	**5% FY27 compact, +2% FY26 compact IOU**
Non-Resident Tuition & Fees	$386M	$425M	$433M	**Flat enrollment, cohort rates**
Contracts & Grants Overhead	$360M	$326M	$326M	**Flat**
Other Misc Sources	$137M	$150M	$157M	
Total Revenue	**$1.89B**	**$1.92B**	**$2.0B**	
Total Expenditures	**$1.88B**	**$1.93B**	**$2.03B**	**RTA and Compensation**
Annual Net Income	**$10M**	**$(2M)**	**$(31M)**	

UC San Diego

January 2026 Governor's Budget Proposal

Recurring Base	FY26 State Budget			Jan 2026 Proposal		
	FY27	FY28	FY29	FY27	FY28	FY29
5% Base Increase (5th year of Compact)	-	-	$25.7	$25.7	-	-
5% Base Increase (4th year of Compact)	$9.6	-	$0.0	$9.7	-	$14.5
Nonresident Tuition Buyout	$7.2	-	$0.0	-	$7.2	-
	$16.8	-	$25.7	$35.4	$7.2	$14.5

- Final year of compact funding in FY27
- FY26 Compact deferral pushed to FY 27 (40%) and FY29 (60%)
- FY26 Non-resident buyout deferral pushed to FY28, no additional buyout commitment noted
- Deferred restoration of FY26 3% reduction

FY27 Investment: Compensation

UC San Diego

Mandatory compensation inflation costs by type of increase:

	FY27 Projection	% of Total	Comments
Faculty Merits & Promotions	$13.0M	16%	Two to four year review cycles
Faculty Range Increases	$22.6M	27%	UC President's annual salary program
Policy Covered Staff	$28.7M	35%	UC President's annual salary program
Union Represented Staff	$18.3M	22%	Bargained contracts, targeted accretions
Total	**$82.6M**		

FY27 Planning Guidelines & Next Steps

Need to model options for ~$30M FY27 shortfall

- Preserve school/college budgets, $820M exclusion
- No across-the-board reductions
- Invest back in faculty hiring: start with separations

Net of investments and school/college exclusions, ~4.5% core base reduction

FY27 Investments: Faculty Growth

	FY 2017/18	FY 2025/26
	FTE	FTE
Academic Affairs		
Dean of Arts and Humanities	190.17	196.50
Dean of Biology	89.99	117.00
Dean of Computing, Information & Data Sciences	-	25.00
Dean of Engineering	224.04	260.15
Dean of Physical Sciences	172.72	197.65
Dean of Rady School of Management	34.01	69.34
Dean of Social Sciences	225.99	269.50
Dean School of Global Policy and Strategy	34.00	34.67
Provosts	5.00	19.00
Academic Affairs	2.00	-
Total - Academic Affairs	**977.92**	**1,188.81**
		+22%
Marine Sciences		
Total - Marine Sciences	**93.11**	**90.26**
		-3%
Health Sciences		
School of Medicine	217.39	216.02
School of Pharmacy	16.25	16.76
School of Public Health	21.50	24.32
Total - Health Sciences	**255.14**	**257.10**
		+1%
TOTAL - Ladder Rank Faculty	**1,326.17**	**1,536.17**
		+16%

- Core funded filled positions as of Dec 2025
- Restart faculty hiring – start with separations that currently exist within/across AA

UC San Diego

Academic Affairs Budget Update

EVC Elizabeth H. Simmons

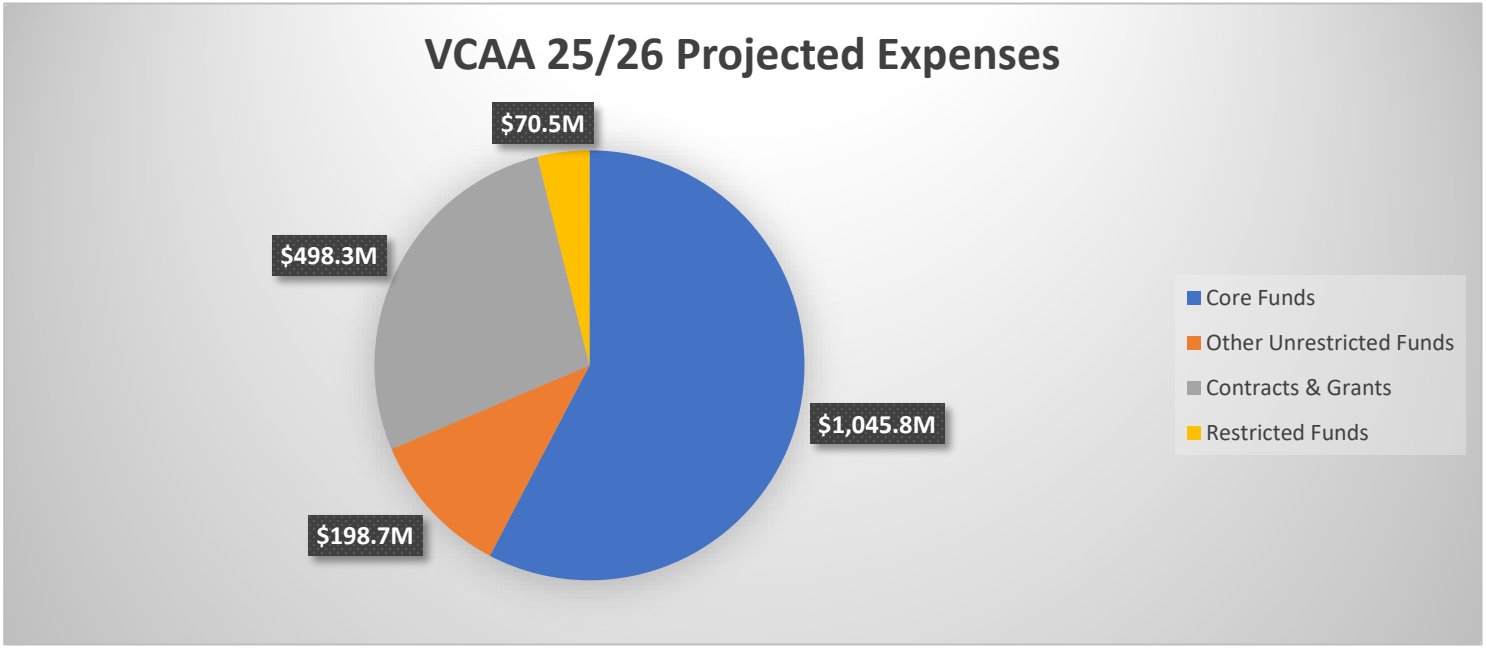
Senate Town Hall| January 26, 2026

Contents

1. Academic Affairs Budget Overview
2. Strategy for Approaching Budget Cuts; Implementation of Cuts
3. Addressing Structural Deficits
4. Future Concerns/Risks and Opportunities for Addressing Them

Academic Affairs Budget Overview

AA 25/26 ALL Funds Budget: $1.8B

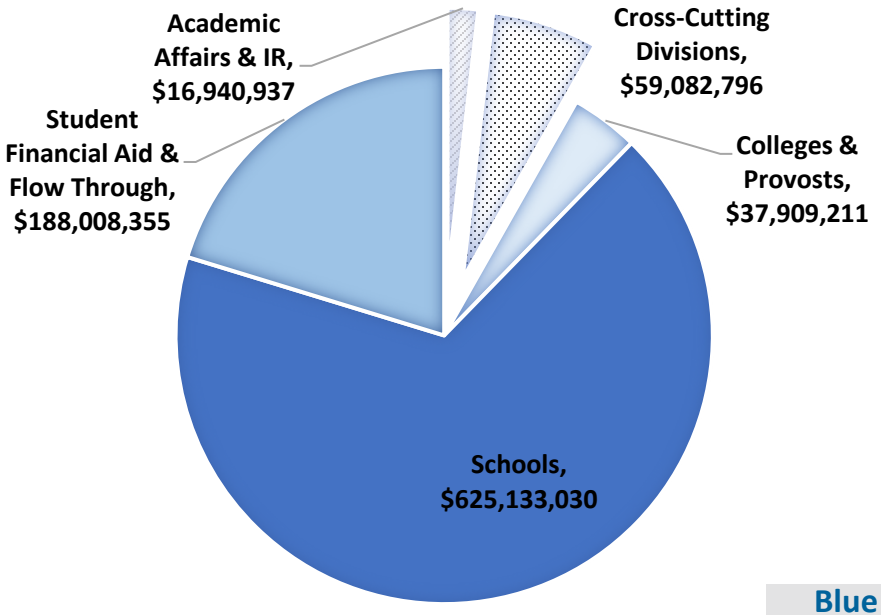


AA 25/26 Core Recurring Budget: with Budget Cut

25/26 Recurring Budget Total	
Academic Affairs & IR	$ 16,940,937
Cross-Cutting Divisions	$ 59,082,796
Colleges & Provosts	$ 37,909,211
Schools	$ 625,133,030
Student Financial Aid & Flow Through	$ 188,008,355
Total	$ 927,074,329

Cross-Cutting Divisions	
DES	$0
EI & Commons	$7,652,792
GEPA	$4,465,802
Library	$33,563,863
Undergrad ED, OSD, Summer	$13,400,339
Total	$ 59,082,796

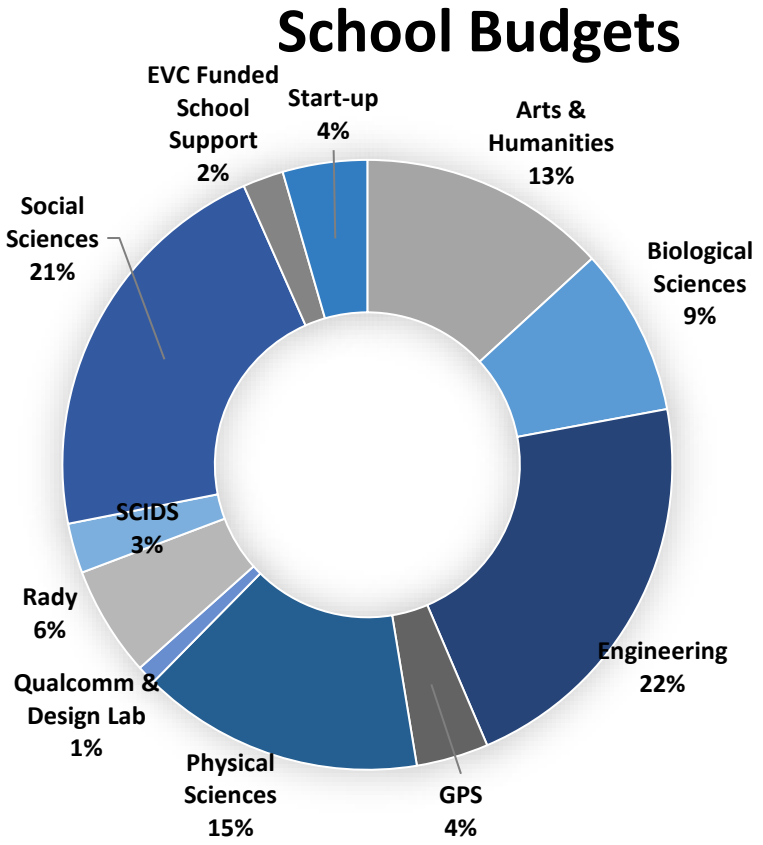
Student Financial Aid & Flow Through	
Campus Assessments	$ 36,122,000
Library CDL	$ 2,000,730
Student Financial Aid	$ 149,885,625
Total	$ 188,008,355



Blue = pass through
Grey = EVC

Academic Schools 25/26 Core Recurring Budget

Schools	
Arts & Humanities	$ 82,388,676
Biological Sciences	$ 55,585,512
Engineering	$ 134,408,138
GPS	$ 23,942,262
Physical Sciences	$ 93,648,160
Qualcomm & Design Lab	$ 6,389,295
Rady	$ 36,588,885
SCIDS	$ 16,550,619
Social Sciences	$ 134,150,496
EVC Funded School Support	$ 13,480,987
Start-up	$ 28,000,000
Total	$ 625,133,030



Strategy for Approaching Budget Cuts; Implementation

Strategy for Approaching Cuts

Preserve UC San Diego's ability to recruit, admit, enroll, educate, retain and graduate an outstanding undergraduate cohort, including non-residents, so as to safeguard our mission and finances. This requires limiting the cuts applied to academic units, carefully targeting cuts within Enrollment Management, preserving student-facing capacity, and encouraging innovation.

To diversify UC San Diego's revenue streams, enhance the ability to bring in new external revenue. This means preserving our capacity to launch, offer, and grow self-support graduate and non-degree programs, raise philanthropic dollars, partner with industry, and so forth.

Distinguish between "essential" and "nice to have". Units' plans for tiered cuts and anticipated impacts have helped draw this distinction. It also involves encouraging units to approach cuts in the context of jettisoning unnecessary tasks and reorganizing for greater efficiency.

Keep the research and graduate mission moving forward as much as possible, to preserve UC San Diego's reputation and ability to recover momentum in the future.

Core Budget Reduction Summary

UC San Diego

School/Department	FY25 Reduction		FY26 Reduction		FY26 Proactive Reduction		Grand Total Percentage
	Dollar Amount	Percentage	Dollar Amount	Percentage	Dollar Amount	Percentage	
School of Arts and Humanities	2,088,418	2.65%	3,662,615	4.50%	1,221,000	1.50%	8.65%
School of Biological Sciences	1,423,114	3.00%	2,273,384	4.50%	-	0.00%	7.50%
Jacobs School of Engineering	4,926,047	3.75%	5,913,061	4.50%	1,971,000	1.50%	9.75%
School of Physical Sciences	2,212,158	2.70%	3,929,776	4.50%	-	0.00%	7.20%
School of Social Sciences	4,510,847	3.60%	5,669,714	4.50%	1,890,000	1.50%	9.60%
Rady School of Management	823,694	2.60%	1,513,970	4.50%	505,000	1.50%	8.60%
School of Global Policy and Strategy	584,380	2.70%	1,055,145	4.50%	352,000	1.50%	8.70%
School of Computing, Info. & Data Sciences	341,221	2.30%	727,043	4.50%	-	0.00%	6.80%
QI & Design Lab	88,969	2.30%	263,273	4.50%	88,000	1.50%	8.30%
Enrollment Management	504,000	6.00%	883,559	5.25%	295,000	1.75%	13.00%
GEPA - FY26 includes larger base	220,000	10.00%	402,857	5.25%	422,000	5.50%	20.75%
Institutional Research	230,000	10.00%	111,584	5.25%	37,000	3.08%	18.33%
Provosts (The Colleges)	693,000	3.50%	1,877,969	5.25%	626,000	1.75%	10.50%
EI, SS, TLC	750,000	3 - 6%	1,041,774	5.25%	1,043,000	5.25%	13.5-16.5%
University Library	3,264,000	8.00%	1,887,882	5.25%	899,000	2.50%	15.75%
Academic Affairs Office – DUE	928,700	7.00%	819,556	5.25%	412,000	2.50%	14.75%
EVC Central	840,800	6.00%	4,508,838	5.25%	1,502,000	1.75%	13.00%
Total Requested Reduction	24,429,348		36,541,161		11,263,000		

All units have taken painful cuts.

Related Budget Challenge: Mandatory Costs Example: TAs funded by central allocations

Academic Affairs TA model	FY22	FY23	FY24	FY25
TA FTE	815.7	809.6	701.4*	755.5
TA costs (salary, benefits, tuition/fee)	$66.5M	$67.4M	$68.6M	$84.9M

*Significant reduction in TA FTE from FY23 to FY24 reflects increase in cost per TA

Note: Many schools invest MSGI funds and other resources into additional TAs

Addressing Structural Deficits

Addressing Structural Deficits

Strategies:

1. Take steps to prevent structural deficits from arising
2. Promptly address any that either are forecast or actually occur

Examples

- Since 2021, quarterly budget meetings with deans to track financial status of schools.
- Require written resolution plan for any deficit that is not a simple short-term timing issue
- Instituted FY26 proactive AA reduction to prevent a projected deficit from materializing
- Restructure major allocation processes to ensure that allocations cannot exceed revenue
    - Allocations from EVC Central Account restructured to mirror CBO allocations
    - Summer Session expenditures now structured as fraction of actual revenue

Future Concerns/Risks and Opportunities for Addressing Them

Future Concerns/Risks and Opportunities for Addressing Them

Preparation of entering UG students for their desired majors

- Implement recommendations of SAWG on Admissions in current (Fall 2026) cycle
- Assess progress on matriculant preparation levels and continue with implementation

International enrollment vulnerability

- Continuing to hold 50% of non-resident UG enrollment as domestic
- Targeted merit scholarships to boost non-resident yield
- Careful use of wait list to stay on track toward enrollment targets
- MS programs: attention to program offerings that keep demand high

Concerns/Risks and Opportunities [2]

Future budget cuts due to grant loss, lower IDC, state budget issues:
Eliminate unnecessary work and be more efficient in doing essential work.

- **Use TSS as engine of change and nimbleness:** more automation and better staff deployment
- **Minimize bureaucracy to focus on supporting students and faculty**
  - Example: Over summer/fall 2025, dissolved Educational Innovation as an independent unit (eliminating an AVC position) and restructured offices in that area to remove 5 other administrative positions in favor of preserving direct services to students and faculty.
- **Approach issues collectively to arrive at solutions that work across the institution**
  - Example: AA-FA has federated the non-school AA business offices to support the staff better and have work done as consistently and simply as possible
  - Example: APS is working with deans' offices and school AP leads to identify where work can be simplified and sped up & communication can be improved throughout the AP ecosystem

Concerns/Risks and Opportunities [3]

Future budget cuts due to grant loss, lower IDC, state budget issues:
Diversify revenue to give greater stability and flexibility

- **Example: AA units are designing new revenue-generating degree & non-degree programs.**
  - Deans are studying successful existing programs together to promote fruitful brainstorming on future programs, including interdisciplinary ones.
- **Example: Admissions, Extended Studies, Summer, Global Initiatives are collaborating to**
  - Pilot “winter start” whereby additional transfer students begin a quarter late in majors where they still can graduate on time. Should yield more revenue and more efficient use of facilities.
  - Pilot “international summer cohorts” of in-person students attending summer session. Should boost in-person summer enrollment and increase global visibility.

UC San Diego

Thank you!

UC San Diego
HEALTH SCIENCES

VCHS Town Hall

01/26/2026

FY26 Financial Planning: Health Sciences Permanent Core Budget Reductions

AREA	FY25 IMPACT	FY26 IMPACT*	TOTAL TWO-YEAR IMPACT
Vice Chancellor	$2,585,000	$4,260,000	**$6,845,000**
School of Medicine	$3,700,000	$5,530,000	**$9,230,000**
School of Pharmacy	$245,000	$840,000	**$1,085,000**
School of Public Health	$216,000	$350,000	**$516,000**
Total	**$6,746,000**	**$10,980,000**	**$17,676,000**

*IDC projection created additional -$6M impact to Health Sciences in FY26 not shown in table

Core Funds Budget: IDC

For a decade, Health Sciences' research portfolio has grown ~7% annually, increasing from $500M to $870M in annual expenditure

IDC makes up ~40% of Health Sciences' core funds budget

All departments took core funds reduction through IDC distribution in FY26

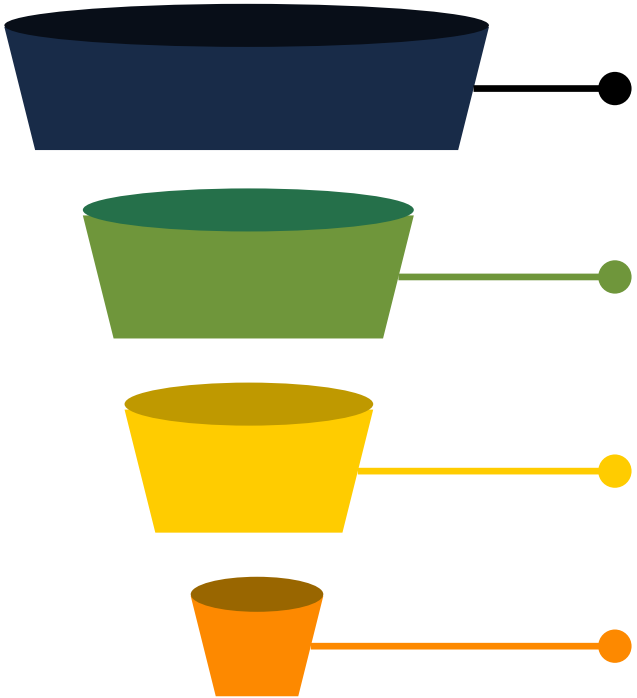
Health Sciences budgeted flat IDC from FY25 to FY26

- Additional -$6M impact

In all, VC Office (VCO) sought a $12.5M positive impact to its FY26 budget

Allows for VCO to navigate additional challenges in FY26

FY26 Budget Levers



$12.5M target

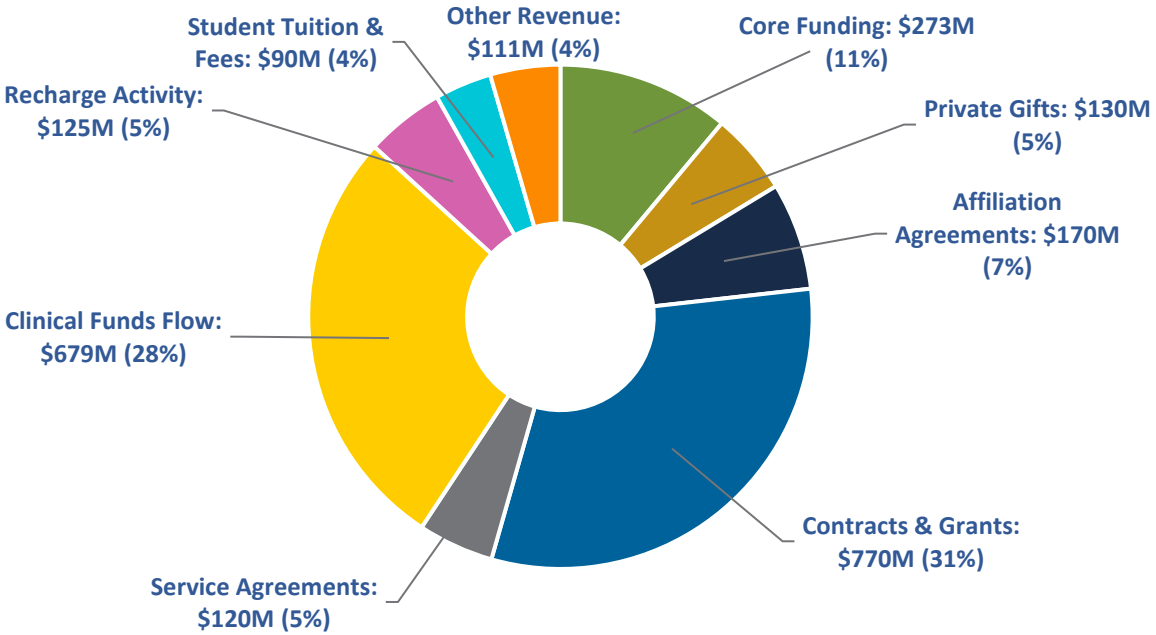
$5.4M new revenue

$4.5M staff/admin reductions

$2.6M VC commitment reductions

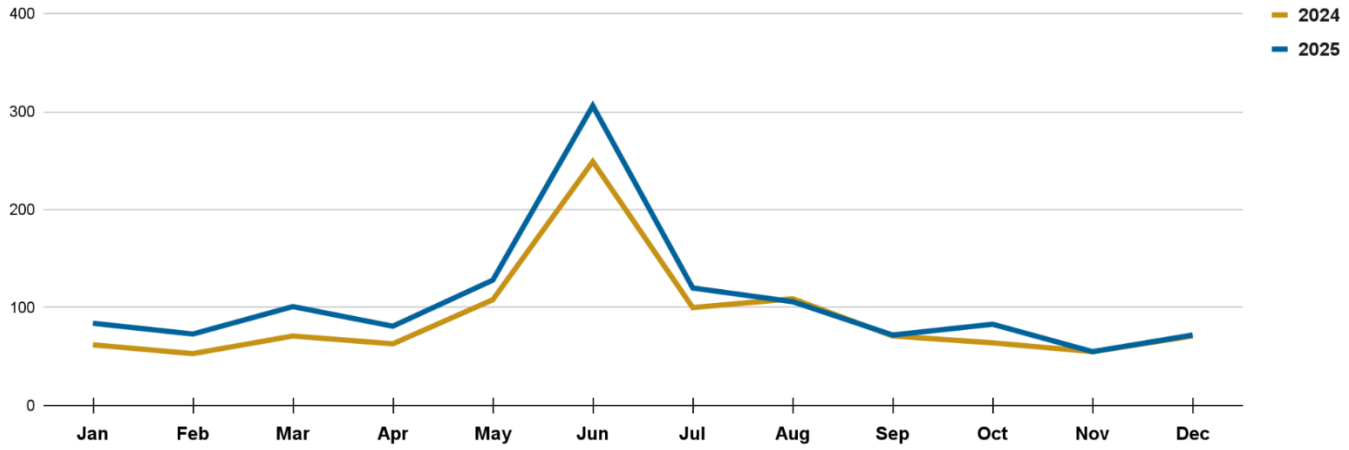
Health Sciences FY25 Revenue

Driven by Clinical, Research & Core Funds



Total Employee Separations

(Monthly comparison, 2024 v. 2025)



Data parameters / definitions:
•Includes all employee types; excludes WOS or non-salaried appointments
•Separation = departure from university employment within the reported timeframe (i.e. would exclude faculty transitioning to MSPs)

Point person for data: Adriana Long, Executive Director, Health Sciences Academic Administration (academics)

Looking Forward: FY27 and Beyond Risks

UC San Diego HEALTH SCIENCES

Core Funding

- Further **reductions**
  - Current funding model in Health Sciences may be **threatened by additional cuts**
    - IDC split with schools/departments
    - Shared services model
- Additional **admin burden** limiting ability to reduce expense
  - UCOP disconnected from campuses
  - Radical policy/procedure simplification still needed

Research portfolio

- Some **optimism** on **IDC rate** outlook for next year but threats remain
- Multi-year award funding
- Investigations/penalties
- Talent drain

Clinical

- Government funding/ reimbursement rates
- Insurance
- Productivity
- Labor

Looking Forward: FY27 and Beyond Opportunities

UC San Diego HEALTH SCIENCES

Revenue Diversification

Gifts

- Strategically support greater **advancement** efforts in Health Sciences

Research

- Look beyond federal government
  - County/state/private grants and contracts
  - Service agreements
  - Strategic initiatives with **industry**

Academic

- New **graduate** degree programs
  - Aligning passion of our faculty with the needs of the workforce

Technology

- Invest in **BI tools** that will make us work smarter, not harder
- Be part of a campus-wide solution for easier **access** to information and partner on **reducing work burden**

UC San Diego

VC Marine Sciences
Budget Overview
FY26 Actions and FY27 Risks & Opportunities

Meena Wadhwa

Jan 26, 2026

FY26 Overarching Principles for Budgeting

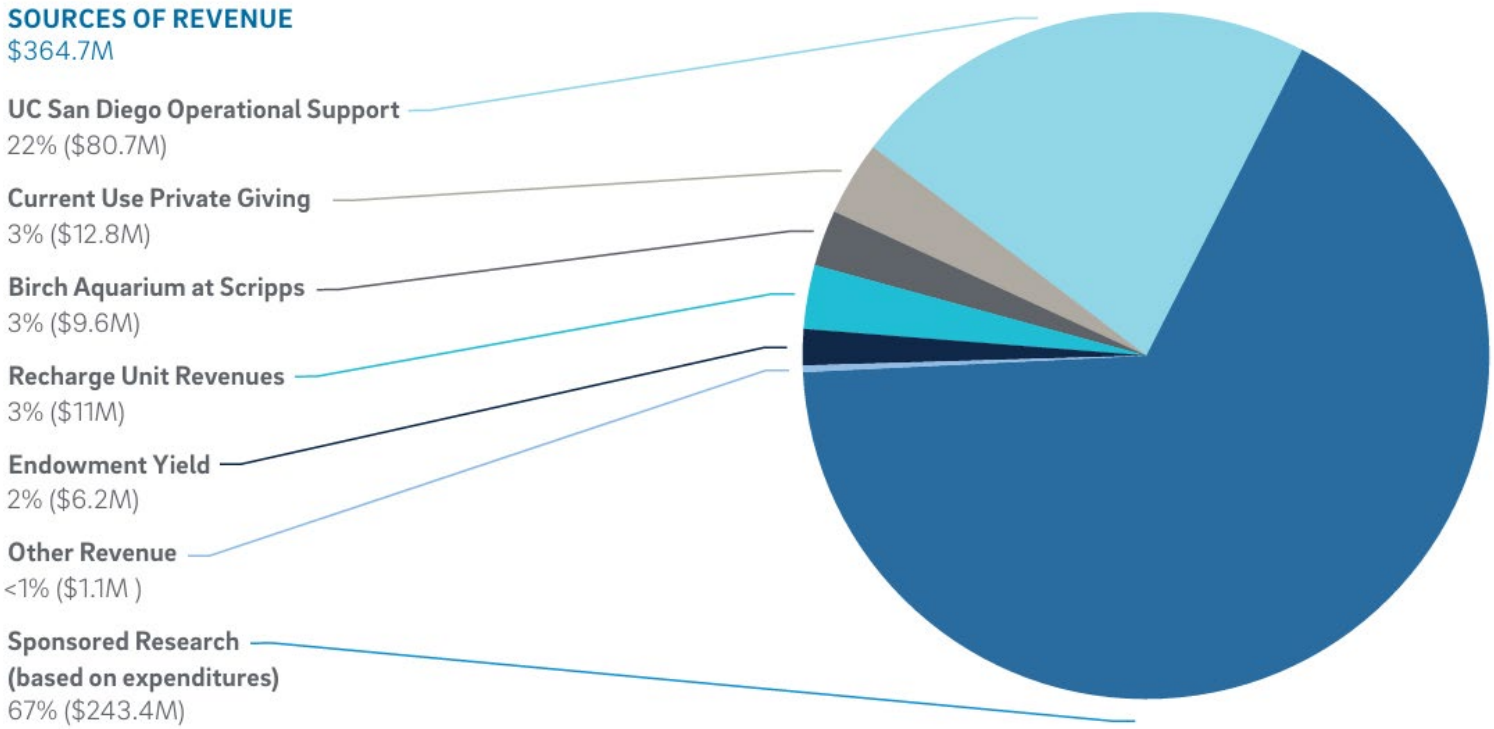
Sponsored Project Funding

- Low tolerance for deficit spending
- Centrally (VC level) monitor all sponsored projects, identifying PIs with high expense burn rates compared to available funding remaining
- Partner with PIs with diminished funding for expense reduction strategies

Core Funding

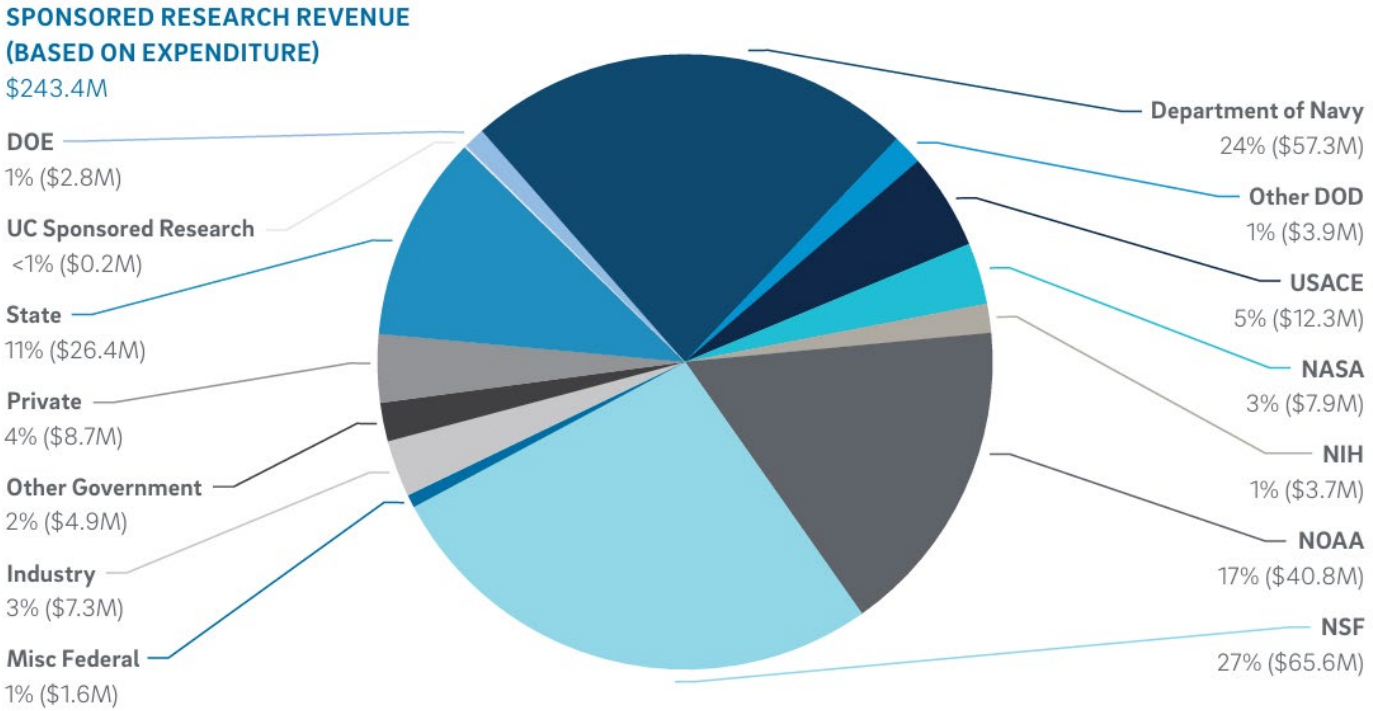
- Tailor cuts to retain ability to recover/increase research when state and federal budgets improve
- Plan scenarios for up to 12.00% cut for School of Marine Science expenses and up to 12.75% cut for other expenses to adequately plan for major impacts
- Use carry-forward/one-time money to address:
    a. current faculty start-up needs (including renovations)
    b. renovations to gender equity-related research space
- Preserve funds for strategic faculty hires and initiatives

Sources of All Revenue



Included in the “UC San Diego Operational Support” is $37M (45%) directly from the State through the UC budget.

Sources of Research Revenue



Risk

Proposals are down significantly in FY26

Implications for future IDC revenue in FY27 and beyond

As of January 07, 2026

Proposals by Sponsor 4 year YTD Comparison

			FY 2023		FY 2024		FY 2025		FY 2026			
			Proposal Amount	% of Total amount	Proposal Amount	% of Total amount	Proposal Amount	% of Total amount	Proposal Amount	% of Total amount	Diff from FY25	% Diff from FY25
Federal	DOD	DOD	$9.2M	4.99%	$56.3M	11.21%	$6.7M	3.26%	$2.7M	2.99%	-$4.0M	-59.3%
		DOD ONR	$19.6M	10.68%	$23.7M	4.71%	$39.2M	19.17%	$4.2M	4.60%	-$35.0M	-89.3%
		DOD ONR SHIP			$110.0M	21.90%					+$0.0M	
			$28.8M	15.67%	$189.9M	37.82%	$45.9M	22.43%	$6.9M	7.58%	-$39.0M	-85.0%
	DOE				$0.3M	0.06%	$1.8M	0.89%			-$1.8M	-100.0%
	NASA		$7.7M	4.22%	$11.9M	2.37%	$9.8M	4.81%	$1.3M	1.45%	-$8.5M	-86.6%
	NIH		$15.2M	8.29%	$6.1M	1.22%	$21.4M	10.47%	$4.9M	5.39%	-$16.5M	-77.1%
	NOAA	NOAA OTHER	$9.5M	5.14%	$12.2M	2.42%	$32.6M	15.95%	$0.1M	0.16%	-$32.5M	-99.6%
		NOAA SEAGR...	$7.5M	4.10%	$18.0M	3.58%	$0.3M	0.14%	$0.2M	0.26%	-$0.1M	-18.6%
			$17.0M	9.24%	$30.2M	6.00%	$32.9M	16.10%	$0.4M	0.42%	-$32.5M	-98.8%
	NSF	NSF	$35.6M	19.37%	$38.4M	7.65%	$57.2M	27.94%	$32.5M	35.67%	-$24.7M	-43.2%
		NSF SHIP	$3.0M	1.66%	$128.7M	25.63%	$17.1M	8.35%	$1.5M	1.61%	-$15.6M	-91.4%
			$38.6M	21.03%	$167.1M	33.28%	$74.2M	36.29%	$33.9M	37.28%	-$40.3M	-54.3%
	OTHER FED		$1.2M	0.65%	$16.9M	3.37%	$1.1M	0.56%	$1.7M	1.84%	+$0.5M	47.1%
		Total	$108.6M	59.11%	$422.5M	84.12%	$187.3M	91.54%	$49.1M	53.96%	-$138.2M	-73.8%
Non-Federal	INDUSTRY		$15.2M	8.26%	$0.8M	0.15%	$2.7M	1.32%	$0.6M	0.62%	-$2.1M	-79.0%
	OTHER GOV		$25.9M	14.07%	$2.7M	0.53%	$2.0M	0.98%	$1.9M	2.08%	-$0.1M	-5.5%
	PRIVATE/NON-PROFIT		$9.0M	4.89%	$17.4M	3.46%	$6.2M	3.05%	$29.0M	31.85%	+$22.7M	364.3%
	STATE CA		$25.1M	13.67%	$59.0M	11.74%	$6.4M	3.11%	$10.5M	11.49%	+$4.1M	64.3%
		Total	$75.1M	40.89%	$79.8M	15.88%	$17.3M	8.46%	$41.9M	46.04%	+$24.6M	142.0%
			$183.7M	100.00%	$502.3M	100.00%	$204.6M	100.00%	$91.0M	100.00%	-$113.6M	-55.5%

Use of Business Intelligence

IDC Revenue Dashboard

- IDC by source
- IDC by PI
- IDC by Administrative Unit

Sponsored Project Dashboard

- Awarded contracts/grants
- Proposed contracts/grants

- By Agency
- By PI
- By Administrative Unit

FY27 Risks & Opportunities

Scripps Institution of Oceanography will be engaging a consultant in the next few weeks to do a thorough strategic planning exercise (5-year horizon) with us.

- This will give us data-driven metrics to identify our risks and opportunities

Phase	Estimated Duration	Timeline
Kick-Off	1 - 2 weeks	January-February
Making Sense	4 weeks	February
Making Choices	2 - 3 weeks	March – April
Making Things Happen	4 - 6 weeks	May - Fall
Total	**11 - 15 weeks**	