

A stone wall sign for the University of California, Irvine. The sign is made of light-colored rectangular stones and features the university's name in large, dark, serif letters. To the left of the main 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

FY25 Budget Process
Budget Office Open Forum 3/26/2024
Kyong Salmons

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

Agenda



Why Change Budget Models?

Incremental Budget Model



- Every year more money is allocated to units.
- Cumulative base, growth with inflation.
- Used for the last 50+ years at UCI.
 - Model works well under growth.
 - Circumstances have changed (enrollment and non-resident tuition no longer growing).
- Inflexible
 - Expenses outpace revenues.
 - Requires “budget cuts” to off-set high costs (e.g., salary increases, benefit increases, inflation, etc.).

Mission Based Budget Model



- Adaptive to changing environment.
- Framework for FY25 planning as hybrid model is finalized (June/July 2024).
- Improved planning.
 - Common planning assumptions
 - Access to data and metrics
 - Multi-year planning templates
 - Resource and expense forecasts
 - Scenario planning tools to help project for salary & benefit increases, inflation, etc.

Today vs. Tomorrow

How is planning for FY25 different than previous years?

FY24 and Prior Budget Process

Units were allocated:

- Base budget
- Incremental increases (salary increases from central funds)
- One-time funds for strategic initiatives

FY25 Budget Process

Units will be allocated funds based on projected income.

The process will consider:

- Central campus assumptions.
- Unit assumptions (e.g., fund systemwide salary increases).

Additional strategic planning within each academic unit may be required.

FY26 and Beyond

- New budget model will continue to be refined and adjusted for timely assumptions.
- Support units will adopt the budget framework model.

Projected Income & Projected Expenses = FY25 BUDGET PLAN

Key Points

- **What** - the campus is introducing a **new budget framework** based on an improved **all-funds multi-year planning** structure.
- **Why** - the proposed framework aims to **enhance understanding** of existing budgets, assist in planning, and ensure resources are aligned with strategic priorities and goals.
- **When** - the budget framework for academic units is currently **under development**, with improvements expected following feedback. FY25 budget model anticipated June/July.
- Non-academic support units will be assigned an incremental budget for FY25 (and brought into alignment with the new framework in FY26).
- **How** - the Budget Office will provide support for the framework's implementation through **training, open forums, and resource guides**.

FY25 Budget Planning Process Timeline

Call memo sent: **3/20/2024**

Budget planning materials provided: **3/22/2024**

Materials include:

- Multi-year Budget Template
- Faculty Recruiting Plan Template (academic units only)
- Data packet

Budget Office open forum: **4/9/2024** (next meeting)

Budget Office meetings w/ units: **3/27/2024 – May 2024**

Budget submissions due: **4/30/2024**

Provost budget meetings with units: **May - mid June 2024**

Today's session

- Go over Multi Year Budget Planning Template
- Questions about the framework, please contact me
- Support for units will be provided by Katherine Warnke-Carpenter (KWC), Nancy Im and their team members; if you do not know who your support person is, please contact KWC and Nancy
- I will stay after the session for questions

Multi-Year Budget Planning Template

- *All funds*
- Multi-year planning will be used for units to help better inform future planning
- Changes
 - The Multi-Year Budget Planning Template will be used to plan for all funding sources and uses over three years (FY25, FY26, FY27)
 - The templates have been populated with projection amounts based on planning assumptions for both core sources and uses.
 - Academic units – core sources are based on the new budget framework
 - Support units – FY25 core sources are calculated as FY24 adjusted base + 2% increase + strategic allocation
- Template has multiple tabs
 - Review **Overview** and **Planning Assumptions**
 - Review and edit **Academic Unit Core Sources (academic only)**
 - Review and edit **Multi Year Plan**
 - Strategic and base adjustment details in **Strategic and FY24 Base Adj (academic)** and **Allocation (support)**
 - Data from Budget Office Unit Forecast, Fact Sheet (academic only), & UC Path FTE report are also provided

Multi-Year Budget Planning Template

Walkthrough

Faculty Recruiting Plan Template

- As identified in the unit Financial Stability Plan, continue to work with the Academic Resources team to remove positions that are no longer funded.
- Remember to identify faculty recruitment requests as Newly Proposed, New-previously committed, Turnover, Continuing-New, or Continuing-Turnover
- Support for strategic faculty programs such as Career Partner, Inclusive Excellence and President's Postdoctoral Fellowship Program is expected to continue.
- Effective 1-1-2024 for faculty separations perm funding returned centrally will be 30% Prof, 10% Assoc, and 0% Asst.
- Certain special recruitments continue to be subject to full return to campus (or proportionate share) upon separation such as Inclusive Excellence (IE), Career Partner Program (CPP), etc.

Data Packet & Other Reports

➤ Data Packet

- [Budget Office Unit Forecast](#) * (financial report showing calculated forecast for the current year)
- [Fact Sheet](#) *
- [UCPath FTE report](#)
- Academic Base Budget – faculty funding and FTE for both filled and open positions

*Access to the tableau reports linked above has been granted to unit deans, assistant deans, and finance managers (or applicable equivalents)

➤ [Anteater Financials](#)

Recap of Notable Changes

Description	Academic Unit	Support Unit
Budget Plan	<ul style="list-style-type: none"> Based on budget framework. 	<ul style="list-style-type: none"> 2% increase over prior year.
Multi-year projections	<ul style="list-style-type: none"> Review budget plan for FY25 and projections for FY26 and FY27. Update amounts based on unit expectations and needs. 	
Budget Template	<ul style="list-style-type: none"> All funds, not core only. Actuals for 2 prior years (FY22 & FY23). Year to date actuals and estimate for FY24. Budget plan for FY25 and projections for FY26, and FY27. 	
Reports	<ul style="list-style-type: none"> Access to Budget Office Unit Forecast and Fact Sheet granted to deans, assistant deans, finance managers 	

Resources

Open Forum Hours	Budget Framework	Budget Planning/Process	Academic and Academic Support Units (except Academic Affairs) Budget Process	Support Units and Academic Affairs Budget Process
<p>Next session Tues. April 9 1-2 p.m. https://zoom.us/j/9498249832</p> <p>More Info: https://www.budgetoffice.uci.edu/open-forum/index.php</p> <p>Subscribe: email acbudget@uci.edu</p>	<p>Contact: Katherine Gallardo, klgallar@uci.edu</p> <p>Save the Date: UCI Budget Town Hall Thurs. Apr. 11 11 a.m.-12 p.m.</p>	<p>Contact: Kyong Salmons, ksalmons@uci.edu</p> <p>Budget Office budgetoffice@uci.edu</p>	<p>Contact: Katherine Warnke-Carpenter, kcarpent@uci.edu</p>	<p>Contact: Nancy Im, nancyim@uci.edu</p>

Questions?