Agenda

1. Overview
2. Budget Process and Templates
3. Templates
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

<table>
<thead>
<tr>
<th>Description</th>
<th>Academic Unit</th>
<th>Support Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Plan</strong></td>
<td>• Based on budget framework.</td>
<td>• 2% increase over prior year.</td>
</tr>
<tr>
<td><strong>Multi-year projections</strong></td>
<td>• Review budget plan for FY25 and projections for FY26 and FY27.</td>
<td>• Update amounts based on unit expectations and needs.</td>
</tr>
<tr>
<td><strong>Budget Template</strong></td>
<td>• All funds, not core only.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Actuals for 2 prior years (FY22 &amp; FY23).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Year to date actuals and estimate for FY24.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Budget plan for FY25 and projections for FY26, and FY27.</td>
<td></td>
</tr>
<tr>
<td><strong>Reports</strong></td>
<td>• Access to Budget Office Unit Forecast and Fact Sheet granted to deans, assistant deans, finance managers</td>
<td></td>
</tr>
</tbody>
</table>
### Resources

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