

We welcome any questions, comments, or ideas regarding the Financial Stability Plan.

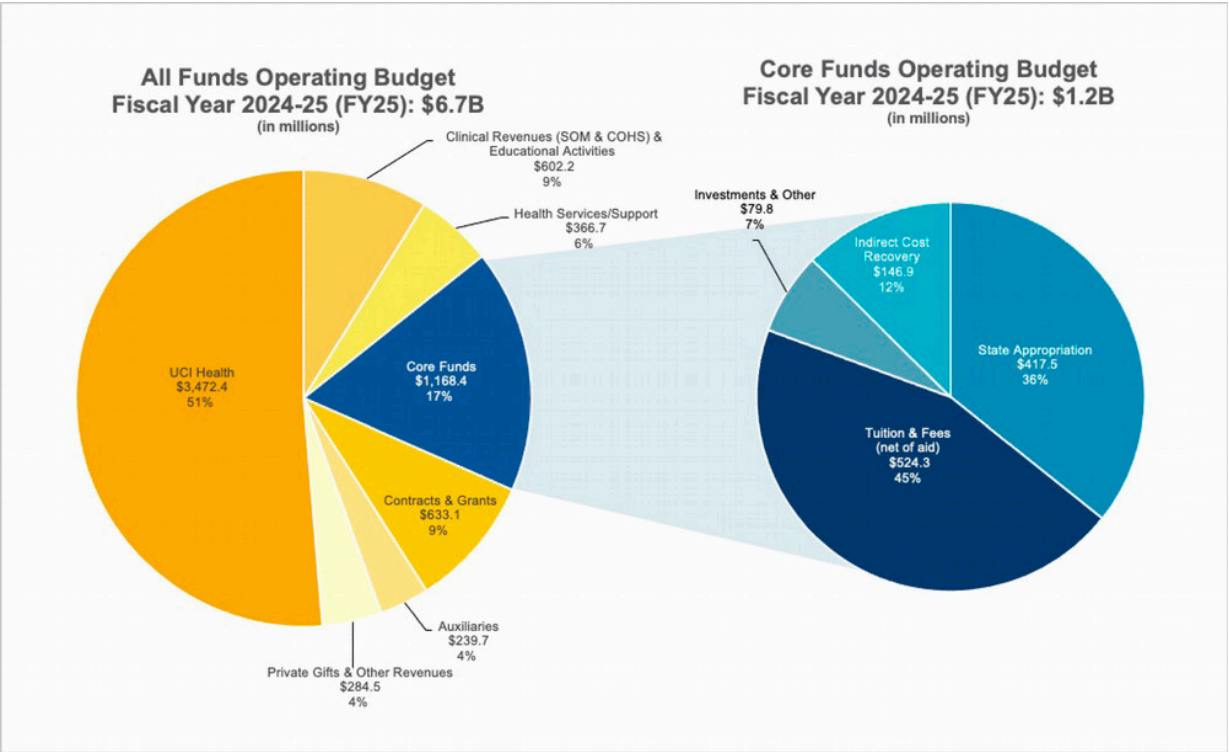
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Financial Stability Plan

Updated June 2, 2025

Note: Financial graphs and charts will be updated every fall.

Understanding UC Irvine’s Financial Landscape



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Resources

[Mission-Based Budget Model](#) >

[Campus Budget Workgroup](#) >

[UC Irvine Budget and Financial Overview \(FY25\)](#) PDF

[FY24 UCI Division Operating Expense Report by Higher Education Function](#) PDF

Communications

[Campus Financial Update \(12/09/2024\)](#)

[Budget Town Hall \(02/06/2024\)](#) PDF

[Campus Financial Update \(01/09/2024\)](#)

[Campus Financial Update – Winter 2023 \(02/17/2023\)](#)

[Campus Financial Update – Fall 2022 \(09/26/2022\)](#)

[Campus Financial Update \(07/08/2022\)](#)

Archive Webpages

Financial Stability Plan Webpage
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Financial Stability Plan Webpage
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UC Irvine’s **2024-25 all-funds operating budget** is \$6.7 billion. Approximately half of the budget is attributed to UCI Health and its patient care services. Another third comes from non-core funds such as auxiliary units (like housing and parking), contract and grant expenditures, and health-related income that goes to the campus. The remaining funds, around \$1.2 billion, are known as core funds and are the main focus of the financial stability plan. A description of each core and non-core fund source is provided here.

Based on the forecast shared in fall 2024, UC Irvine’s financial outlook reflected steady progress toward strategic goals, notable growth in contracts and grants, gifts, and the health enterprise. At the same time, core-funded operations continued to face challenges, which are described further below.

Since January 2025, financial modeling reflects a more challenging landscape. Faced with unprecedented uncertainties related to federal funding, we are modeling many scenarios. For 2025-26 planning purposes, academic units are asked to plan for reductions in core resources up to 3.5%, while administrative and support units are asked to plan for reductions in core resources up to 5%. Core funds that are designated for specific programs are exempt.

Because indirect cost recovery is distributed to the core operating budget one year after it is collected, any reduction in awards or rates in FY26 will impact the FY27 operating budget. To prepare for this possibility, campus financial teams are developing action plans based on their multi-year planning efforts. Those most likely to be impacted are conducting scenario analyses to prepare for a range of circumstances.

We are committed to transparency and will update this page with the latest financial forecast graph in mid to late summer. Updates are pending the final state budget, approved salary plan for FY26, and a clearer picture of federal funding outlook.

Core Funds

Core funds make up about 17% (\$1.2B) of the all-funds operating budget and primarily support the university’s core missions of teaching, research, and public service. Tuition and fees and the state appropriation account for around 80% of core funds.

+ Show All

– Close All

Tuition and Fees	+
State Appropriation	+
Indirect Cost Recovery (ICR)	+
Investments Earnings and G&A Assessment	+

Non-Core Funds - UCI Health

Non-Core Funds - Other

Other non-core funds sources (contracts & grants, private gifts, health services, clinical revenues, auxiliary services, and other revenues) make up about 32% (\$2.1B) of the university’s total operating budget. Funds from these sources are generally restricted for a specific purpose. Due to their restricted use, non-core resources cannot fully offset the challenges impacting core funds, which remain a critical focus for achieving financial sustainability.

+ Show All

– Close All

Contracts & Grants	+
Private Gifts	+
Health Services/Support and Clinical Revenues	+
Educational Activities	+

UCI Health makes up approximately 51% of total university revenues, reflecting an increase due to the addition of new medical facilities on the north campus and the acquisition of four hospitals across Orange County. This expansion of the UCI Health portfolio represents a transformative opportunity to extend its presence and impact in the Orange County community.

Learn More (click "+" to expand) +

Auxiliary Services +

Other Miscellaneous Revenues +

Note: Funds flow from health services/support, clinical revenues, and auxiliary units to the core budget through the general & administrative (G&A) assessment that recovers indirect costs and also includes a campus contribution.

Addressing the Core Funds Structural Deficit

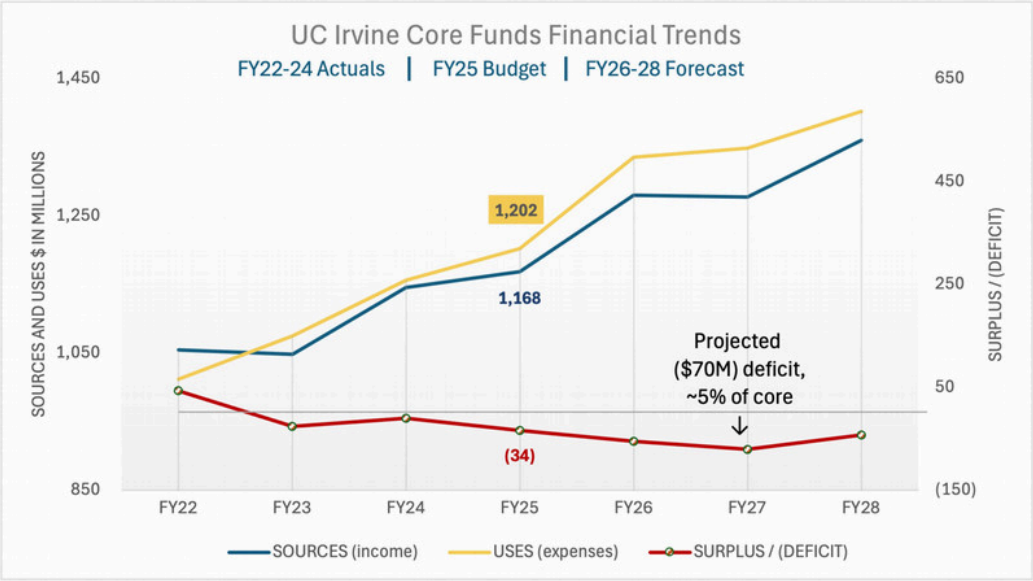
What is a Structural Deficit?

A **structural deficit** occurs when the university’s ongoing uses (expenses) consistently exceed its ongoing sources (income). Unlike a temporary budget shortfall, this is a recurring gap that requires long-term solutions.

Financial Forecast

UC Irvine is facing a core funds structural deficit due to the fact that uses of funds have been increasing at a faster rate (5-8% per year) than sources of funds (1-4% per year). The **current multi-year financial forecast** includes actual sources and uses for FY22-FY24, the approved budget for FY25, and projections for FY26-FY28.

Note: The chart below is a forecast scenario from fall 2024 demonstrating the scale of the outstanding challenges identified at the time, and assuming no measures to close the gap. The graph pre-dates the current uncertainties related to federal funding and FY26 planning assumptions to reduce budgets by as much as 3.5%-5%. Federal funding changes are expected to impact core funds through reduced indirect cost recovery from fewer awards and possible reduced recovery rate. May 2025 forecasting scenarios reflect a larger deficit and a wide range of possible impacts. An updated forecast will be posted after the state budget is finalized and the scale of federal funding changes is more clear.



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The remaining funding gap is projected to be **\$70 million** by FY27, or about **5%** of the core funds budget—though manageable, this imbalance remains unsustainable.

Key Drivers of the Structural Deficit

There are a number of factors impacting the rates of increase for different revenue sources and expenses.

Factors Impacting Revenue		Factors Impacting Expenses	
<div><div>+ Show All</div><div>— Close All</div></div>		<div><div>+ Show All</div><div>— Close All</div></div>	
Tuition and Enrollment Plateau	+	Salaries & Benefits	+
State Funding	+	Other Cost Increases	+
Non-Resident Student Tuition (NRST) Cap	+	COVID-19 Related Debt	+
Enrollment Limits	+		

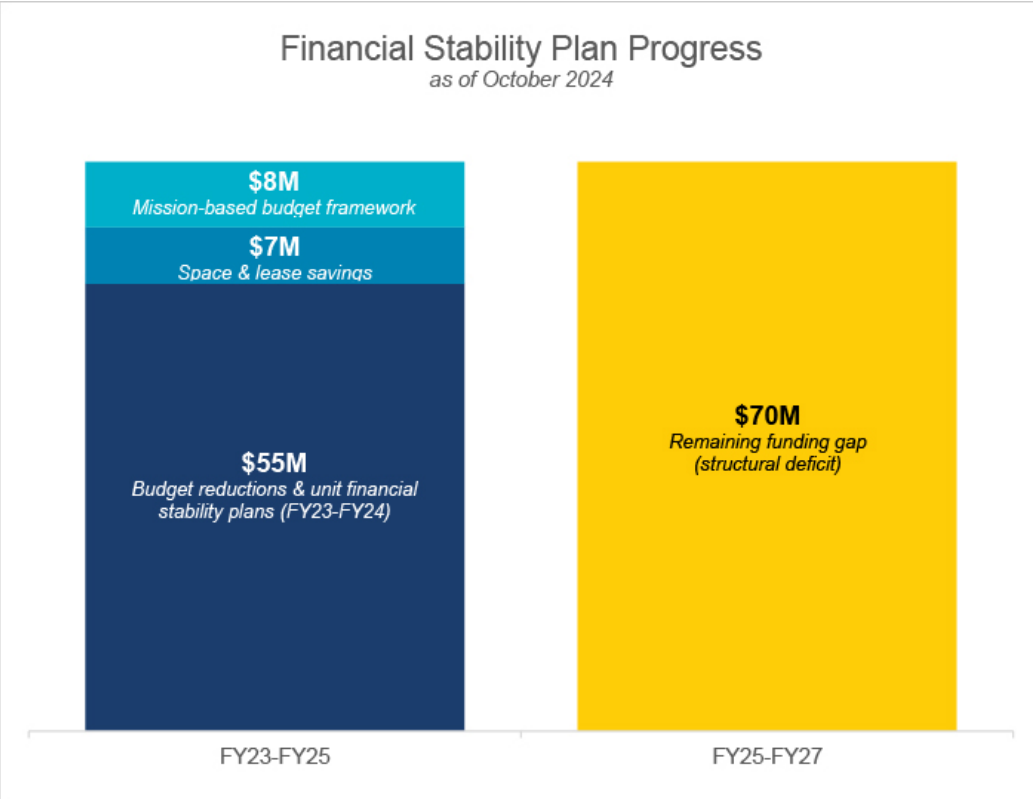
Working Towards Financial Stability

As we endeavor to achieve and maintain a sustainable financial plan, we are committed to keeping the campus updated, consulting with Academic Senate and other campus stakeholders to develop well-informed action plans and making thoughtful decisions about how best to support the academic mission.

Tracking Our Progress

The graphic illustrates UC Irvine’s progress in addressing its structural deficit. From FY23–FY25, significant advancements were made through budget reductions, unit financial stability plan actions, space and lease cost reductions, and budget reallocations aligned with the mission-based budget model.

This progress reflects the collective efforts and dedication of the campus community in addressing the funding gap. Ongoing achievements demonstrate a commitment to fiscal responsibility by identifying new funding sources, leveraging non-core resources, and improving operational efficiency.



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Addressing the Funding Gap

A \$70M funding gap is projected by FY27, reflecting ongoing fiscal challenges as rising costs continue to outpace revenues and the state funding situation remains uncertain. An all-funds, multi-year financial stability plan is being deployed to achieve a stable budget environment. Key components include the strategic use of reserves, planned revenue increases through assessments, enhanced coordination with UCOP to align obligations with available funding, and the implementation of the mission-based budget model. The plan will also identify efficiency opportunities through benchmarking data and comprehensive reviews of administrative functions.

Greater Transparency and Planning Tools

The transition to an all-funds, multi-year planning approach provides campus units with tools to better project expected resources, anticipate funding needs, and manage challenges. This approach brings more transparency to funding decisions and allows for scenario planning and risk assessments, which help make better informed decisions in an uncertain economic and political climate. Additional financial planning resources and a detailed update on the mission-based budget model will be shared with the campus community in the new year.

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