

Dear colleagues,

As we continue navigating an evolving financial landscape for higher education, we want to share an update on UC Irvine's budget planning for fiscal year 2025–26 (FY26). This message outlines current financial assumptions, and progress on the implementation of the mission-based budget model for academic units.

### **Financial Planning for Fiscal Year 2025-26 (FY26)**

The FY26 budget planning cycle is well underway. Assumptions and scenario planning reflect unprecedented uncertainties related to federal funding, anticipated state budget cuts, and projected cost increases that continue to outpace available core funds. In response to this environment, schools and administrative units have been asked to identify actions to reduce the previously identified structural deficit (see [budget call](#)). Schools have been asked to plan for an average reduction of core resources of up to 3.5% (actual core fund allocations will vary by school based on the mission-based budget model), and administrative and support units have been asked to plan for reductions of up to 5%. Final budget decisions for each unit will be made as part of the campus budget process which continues through June.

### **Implementation of the Mission-Based Budget Model**

FY26 also marks the formal implementation of UC Irvine's new mission-based budget model for academic units. This model, introduced in draft form in FY25, was revised in response to feedback from campus stakeholders and is being rolled out alongside an all funds, multi-year planning framework.

Key updates to the model include:

- **Simplified personnel factors** – focus on faculty as an embodiment of core mission
- **Updated student metrics** – 80% student credit hours, 10% enrollment, 10% degrees granted
- **Differential funding per student** – recognizing disciplinary costs of instruction

The new mission-based budget model and all funds multi-year planning structure enhance our ability to evaluate financial implications, model future scenarios, and respond proactively to changes in funding sources at both the campus and school levels. A mission-based framework for support units will be developed during FY26.

For additional details, please visit the [Financial Stability Plan webpage](#) and the [Mission-Based Budget Model webpage](#).

We remain committed to transparency and collaboration as we work together to ensure the financial health of our university. Your continued partnership and thoughtful stewardship are deeply appreciated.

If you have questions, please contact the Budget Office at [budgetoffice@uci.edu](mailto:budgetoffice@uci.edu).

Sincerely,

### **Hal Stern**

Provost and Executive Vice Chancellor  
Distinguished Professor, Department of Statistics

### **Mary Lou D. Ortiz**

Chief Financial Officer  
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