

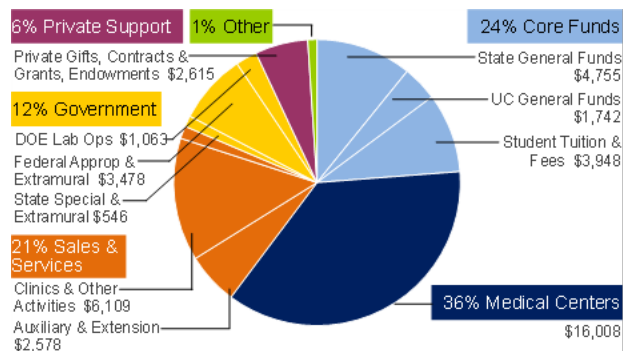
Sources of University Funds

The University's operating revenues, estimated to be \$43.9 billion¹ in 2021-22, support its tripartite mission of teaching, research, and public service, as well as a wide range of activities in support of these responsibilities, including medical centers, the Lawrence Berkeley National Laboratory, University Extension, housing and dining services, and other functions. As shown in Display II-1, UC's sources of funds are varied:

- **Core funds**, consisting of State General Funds, UC General Funds, and student tuition and fees, provide permanent funding for UC's core mission and support activities, including faculty salaries and benefits, academic and administrative support, student services, operation and maintenance of plant, and financial aid.
- **Medical center revenue**, including patient care service revenue from private health plans, Medi-Cal, and Medicare, and other operating revenues, which provide funding to support medical centers (also known as teaching hospitals), clinical operations, research, and faculty at the schools of medicine.
- **Sales and services revenues** directly support auxiliary enterprises such as housing and dining services, parking facilities, and bookstores; University Extension; and other complementary activities such as museums, theaters, conferences, and publishing.
- **Government contracts and grants** provide direct support for specific research endeavors, student financial support, and other programs.
- **Private support**, including Regents' endowment payouts; transfers from campus foundations; and other private gifts, grants, and contracts, funds a broad range of activities typically restricted by the donor or contracting party. Private support comes from alumni and friends of the University, foundations, corporations, and through collaboration with other universities.
- **Other sources** include indirect cost recovery funds from research contracts and grants, patent royalty income, and management fees for Department of Energy labs.

The University's annual budget is based on the best estimates of funding available from each of these sources. This chapter presents a digest of major fund sources. Later chapters of this document describe how the University's funds are expended.

Display II-1: 2021-22 Sources of Funds (Dollars in Millions)



UC's operating budget, totaling \$43.9 billion¹ in 2021-22, consists of funds from a variety of sources. State support, which helps leverage other dollars, remains critical.

CORE OPERATING FUNDS: GENERAL FUNDS AND STUDENT TUITION AND FEES

The University's "core funds," comprised of State General Funds, UC General Funds, and student tuition and fee revenue, provide permanent support for the core mission activities of the University, as well as the administrative and support services needed to perform them. Totalling \$10.4¹ billion in 2021-22, these funds represent 24% of UC's total operations. While all fund sources are critical to the success of the University, much of the focus of UC's strategic budget process and negotiation with the State is dedicated to the levels and use of these core fund sources.

State General Funds

State General Fund support for UC totals \$4.8¹ billion in 2021-22 and provides critical resources for the University. Each year, a portion of these funds is typically designated for specific programs or purposes in the State Budget Act. The majority of State General Funds, however, are undesignated, allowing them to be used where they are most needed to support the University's core mission activities.

UC General Funds

In addition to State General Fund support, certain other fund sources are unrestricted and expected to provide general support for the University's core mission activities, based on

¹ Includes \$191.1 million of State support dedicated to General Obligation bond debt service. This is not available for current operations.