



OFFICE OF THE VICE-PRESIDENT —
AGRICULTURE AND NATURAL RESOURCES

OFFICE OF THE PRESIDENT
1111 Franklin Street
Oakland, California 94607

January 28, 2025

**VICE PRESIDENT
DEANS
ASSOCIATE VICE PRESIDENT
PROGRAM DIRECTORS
UNIT DIRECTORS**

RE: FISCAL YEAR 2025-2026 BUDGET CALL

Dear Colleagues,

I am writing to update you on the current budget environment and outline key strategies for the upcoming fiscal year.

Budget Environment

The Governor's budget projects moderate growth in State revenue and GDP, signaling a cautiously optimistic economic outlook. While the economy has performed better than anticipated, the State has advised the University of California to prepare for potential reductions of approximately 8% or \$271M in funding. Additionally, consumer prices have risen by 2.9% compared to the previous year, with this trend expected to continue into 2025. These factors contribute to a complex financial environment that calls for thoughtful planning and careful navigation.

Budget Strategies

Effective Resource Management

In response to the current budget climate, UC ANR will adopt a more cautious approach and adjust its budget call strategy to focus on optimizing current funding. Delays in spending in recent years have resulted from late execution of commitments exacerbated by challenges such as implementing new financial systems, procurement inefficiencies, lengthy hiring processes, and legal complexities. To address these issues, you should strategize and monitor the progress of commitments with approved funding to ensure they are fully implemented within the allocated year. UC ANR will continue to streamline business practices and hiring process and improve fiscal reporting and procurement processes to better support academics and programs. These collective efforts are designed to help units fully execute on key initiatives, ensuring that available funds are deployed effectively.

This year's budget call emphasizes the critical need for effective resource management. Unit leaders are encouraged to collaborate with Human Resources and Resource Planning and Management (RPM) to prioritize filling critical vacancies. Before submitting new funding requests, units should complete previously approved projects, identify opportunities to repurpose or reprioritize existing resources, and explore partnerships to maximize impact while minimizing costs.

Aligning Requests with Strategic Plan

Furthermore, this year's approach will prioritize alignment with the 2030 Strategic Plan to ensure resources are directed toward UC ANR's highest priorities. In the initial phase of the strategic framework process, UC ANR updated its [Strategic Vision 2040](#), integrating extensive community feedback to update its mission, and identified seven California challenges where UC ANR aims to make a significant impact over the next 15 years.

Building on the 2040 Strategic Vision, UC ANR revised its strategies into the 2030 Strategic Plan, which outlines 14 operational goals focusing on advancing research and extension, developing its people, ensuring financial stability, enhancing operational excellence, and raising awareness and visibility of our work with our key stakeholders. Targeted investments will be directed toward pre- and post-award grant management, expanding programmatic capacity and volunteers, improving administrative efficiency, upgrading research and digital infrastructure and technology, along with substantial investments to modernize aging facilities.

As the 2030 Strategic Plan continues to be refined, there is an opportunity to improve collaboration and engagement. Goal owners should review the key strategies within their goals and ensure they are reflected in budget proposals. Other directors, who are not goal owners should become more familiar with the new goals and understand how they will impact their unit's budget submission. Please engage with your team and attend UC ANR's town hall on February 20, 2025, where the core values of the plan will be discussed.

You can join UC ANR's February townhall meeting using this zoom link:

<https://ucanr.zoom.us/95917447341>

Meeting ID: 959 1744 7341; Password: 185318

For consideration, requests must include actionable strategies, measurable outcomes, and a clear demonstration of the value of the proposed investments. Only exceptional cases will be considered for additional funding outside of these priorities. Following these guidelines will keep our financial planning focused, efficient, and aligned with our strategic objectives.

Budget Process

RPM will distribute budget call forms and detailed instructions to each unit following this letter. Budget proposals will be reviewed by Program Council and the Administrative Review Group, with final decisions made by Vice President Glenda Humiston in consultation with UC ANR councils and senior leadership.

Your participation in this collaborative budget process is essential to UC ANR's continued success in fulfilling its mission. If you have any questions, please contact Financial Analysis and Planning Manager Han Pham at han.pham@ucop.edu

Sincerely,



Tu M. Tran
Associate Vice President
Business Operations

cc: Executive Director Jennifer Bunge
Financial Reporting & Analysis Manager Han Pham
Business Officers
Management Services Officers