



1111 Franklin Street  
Oakland, CA 94607-5200  
Phone: (510) 987-9074  
Fax: (510) 987-9086  
<http://www.ucop.edu>

September 12, 2012

### **To Members of the California Delegation**

The University of California strongly urges passage of FY 2013 appropriations legislation that maintains the federal government's commitment to higher education, scientific research, and health care.

These federal investments are critical to UC's efforts to educate Californians, advance scientific breakthroughs through research, and provide world-class medical training and health-care services.

With nearly 60,000 graduates each year, UC educates the next-generation workforce. In disciplines ranging from energy to biomedicine to agriculture, discoveries by UC researchers create jobs and economic growth through start-up companies and spinoff industries. The UC Health System provides world-class clinical care and educates leaders in the health sciences. All of these UC successes are achieved in partnership with the federal government. They enhance our quality of life and are vital to restoring California and the nation to economic prosperity.

The University recognizes the difficult budget challenges you face, and that many tough decisions must be made in the coming months. While the proposed Continuing Resolution would provide a six-month funding extension at roughly current service levels, across the board sequestration cuts are still scheduled for January 2013. In addition, sequestration imposes significantly lower funding caps in each of the next eight years. If it occurs, sequestration will have a tremendous negative impact on UC and its students, as well as on the California and national economies. For example:

- More than \$335 million in federal support for UC scientific research could be lost in FY 2013 under sequestration. Research funding cuts of that

magnitude in one year would be devastating to UC researchers and graduate students, and would seriously compromise the flow of UC research discoveries and innovations that Americans depend upon. Furthermore, in subsequent years, sequestration imposes additional cuts that would have an increasing and severe impact on UC research. UC researchers are among our nation's leading recipients of funding from the National Institutes of Health, National Science Foundation, USDA, NASA, Department of Defense and Department of Energy, as well as other key federal research partners.

- Nearly 80,000 UC students received Pell Grants this year, providing critical support to finance their education. While the award amount is protected from sequestration in FY 2013, there is no exemption in future years and the program faces an enormous funding shortfall in FY 2014. Severe cuts to other financial aid programs that are critical for UC students, including Work Study, Perkins, TRIO, and GEAR UP, would occur in FY 2013 under sequestration. These cuts would have a direct and adverse impact on UC students across California, particularly our low-income students. Significant cuts to student aid programs have already been made in the past two years, curtailing eligibility for Pell Grants and limiting federal subsidies for student loans.
- In addition to its cutting-edge medical research funded by the National Institutes of Health, the UC Health System's clinical services and medical education missions rely heavily on the Medicare and Medicaid programs. While the Medicaid program is exempt from sequestration, Medicare program spending under sequestration will be cut by 2 percent per year between FYs 2013 and 2021, which will result in \$21.5 million in decreased Medicare revenues for the UC Health System in FY 2013 and approximately \$194 million through FY 2021. Cuts of this magnitude to the Medicare program would have a profound negative impact on the University's academic medical centers, faculty physicians, biomedical researchers, medical students, and ultimately, the communities and patients we serve.

If you have questions regarding the impact of specific budget proposals on the University of California, its students, researchers, faculty or staff, please do not hesitate to be in touch with Gary Falle in the University of California's Office of Federal Governmental Relations. He can be reached by telephone at (202) 974-6319 or by e-mail at [Gary.Falle@ucdc.edu](mailto:Gary.Falle@ucdc.edu).

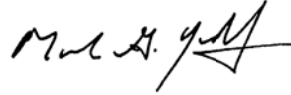
September 12, 2012

Page 3

Thank you for your work on behalf of UC and California. As always, we hope you will let us know if we can assist with information or expertise on any other issues before Congress.

With best wishes, I am,

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark G. Yudof". The signature is fluid and cursive, with a prominent flourish at the end.

Mark G. Yudof  
President

cc: Provost Pitts  
Senior Vice President Dooley  
Vice President Sakaki  
Associate Vice President Falle