



Michael V. Drake, MD
President

February 1, 2021

Office of the President
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universityofcalifornia.edu

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Dear Members of Congress:

On behalf of the University of California (UC), I would like to thank you for all of your efforts to date to help the University, our state and the nation confront the COVID-19 pandemic.

For the past 10 months, UC has worked very hard to continue offering high-quality education to our students and life-saving health care to our patients. UC greatly appreciates the federal government's support as we continue to respond to and recover from the COVID-19 pandemic. To date, UC has received approximately \$1.5 billion in federal support for our students, faculty, staff, medical facilities, and patient care community. In addition, our medical centers have been able to access loans that provide additional financial support through Medicare Accelerated and Advance Payments Program Accelerated and Advance Payments Program. The CARES Act as well as the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) have provided vital financial support to UC.

As we continue to look toward the future, we are preparing for a safe return of in-person instruction for fall 2021 – a feat that will require increased vaccines and testing supplies, as well as appropriate public health guidelines. This will also require additional federal support from Congress in future pandemic relief packages.

I write today to respectfully request the inclusion of UC's priorities in future COVID-19 emergency relief and recovery packages.

Support for States and Territories

- The University of California (UC) operations have been restricted or adjusted in all areas, leading to total costs and lost revenues exceeding \$3.1 billion since the start of the stay-at-home orders in March. These losses are compounded by the economic challenges that California and states across the nation are facing as they work to reopen and reinvigorate their economies. As such, public universities like UC, and states like California, require assistance that only the federal government can provide at a time of such significant economic distress. UC is the third-largest employer in California, with 227,000 faculty, researchers, and staff -- whose salaries rely heavily on state and federal funding. It is imperative that the federal government financially assist states so that they can continue providing basic services to residents and to prevent downstream cuts to public higher education. As we begin to recover from this pandemic-induced economic downturn, investing in both the University and in

the State of California now will ensure that we can each play our respective role in supporting the fifth-largest economy in the world, educating the next generation workforce, and continuing to work on the scientific challenges before us, including responding to and recovering from COVID-19.

Education

- UC strongly supports an additional **\$97 billion for the Higher Education Emergency Relief Fund (HEERF)**. This additional funding to HEERF would ensure relief is distributed in a manner that allows for maximum flexibility in use of funds while maintaining reasonable and effective transparency and accountability measures for institutions. The University requests that Congress provide funding for institutions using the same allocation formula as CRRSAA, which equally weights full-time equivalent and total headcount of students. We request that institutions be granted broader discretion to use institutional funds including providing scholarships or other financial aid to current and incoming students for current or future academic terms, especially as families with dynamic financial conditions will seek substantially more assistance in the fall, and families that may never have requested financial aid previously will do so. Universities across the country, including UC, have experienced significant lost revenue due to reductions in housing, dining, cancelled events and programs, such as study abroad. In addition, we have experienced considerable costs moving to remote instruction. These costs are likely to continue as new COVID-19 cases are identified and the University continues to respond to the pandemic.
- **Extend the student loan grace period** for graduating or separated students to one year, or until unemployment rates fall below 8 percent for three consecutive months. This will enable student to seek employment opportunities without having their student loan payments hanging over them while they try to cover their basic needs.
- **Continue to extend the relief provided by the CRRSAA by continuing both zero-interest deferred repayments for borrowers and the suspension of collection activities (wage garnishment, offsets, etc.) for borrowers with defaulted loans** until unemployment rates fall below 8 percent for six consecutive months.
- **Remove administrative barriers to qualified Minority-Serving Institutions (MSI)** receiving CARES Act funds they are otherwise entitled to. The use of outdated Integrated Postsecondary Education Data System (IPEDS) data to determine eligibility for MSI funding under the CARES Act inappropriately excludes some otherwise qualified institutions from receiving MSI assistance; institutions should qualify under the most recent data available. Additionally, institutions that would otherwise qualify for MSI funding under the CARES Act but were not certified upon enactment of the legislation should retroactively be made eligible for such assistance.
- **Create or expand broadband/technology investment programs** that expand to the internet, and permit institutions of higher education to participate in them. Secure additional funding for higher education students to be included in

K-12 technology programs, such as the E-Rate program, which would help college students access reliable internet and necessary equipment to enable them to complete their degrees on time using remote instruction, if deemed necessary by universities or local health authorities.

Research

- **UC strongly urges Congress to provide \$26 billion in additional emergency supplemental funding across all the sciences agencies to cover cost extensions for existing non-COVID-19 grants, and cooperative agreements to allow researchers to meet their commitments on existing projects.** Lost resources include ramp down/up costs and graduate and postdoc extensions. Without federal financial support, future innovations in areas such as quantum computing, artificial intelligence, robotics, 5G, space exploration, digital agriculture, cancer, and aging will be forestalled while the agencies are forced to use future appropriations for new research, meant to create new knowledge for the next generation of discoveries, to cover existing grants. Additionally, the people who comprise the research workforce, particularly graduate and postdoctoral students, are at risk. They are the backbone of research and innovation at institutions across the country.

Health Care

- **Subsidize COBRA costs and/or the health plan premiums** of recently unemployed working Americans, so they can more easily maintain their employer-sponsored health coverage.
- **Appropriate an additional \$50 billion to the Public Health and Social Services Emergency Fund (PHSSEF) Provider Relief Fund grants, specifically targeting safety net providers that have treated a high share of COVID-19 inpatients; and an extra \$75 billion for COVID-19 testing and contact tracing.**

Tax and Financing Mechanisms

- **Access to Low-Cost Capital.** Access to affordable capital is a necessary lifeline for institutions, and the communities they serve, if they are to return to normal operations. Colleges and universities will face significant infrastructural challenges in returning to normal operations, and access to low-cost capital will be an essential complement to other federal aid sources used for these purposes. Furthermore, providing access to zero-interest loans and/or grants during the pandemic with the opportunity to refinance existing debt would allow institutions to free up resources for outbreak response purposes. Higher education institutions need to be identified specifically to ensure these funds can be accessed.
- **Re-instatement of Advance Refunding Bonds.** Reinstating Advance Refunding Bonds would be helpful to COVID-19 economic recovery efforts by ensuring that governmental entities, including state and local governments, and municipal bond issuers are able to invest in infrastructure projects. The reinstatement of Advance Refunding Bonds would ensure that certain bonds could be refinanced to take advantage of lower interest rates and provide for greater cost savings.

Thank you for your consideration of our requests. If you have questions, please do not hesitate to contact UC Associate Vice President for Federal Governmental Relations Chris Harrington. He can be reached at (202) 974-6314 or by email at Chris.Harrington@ucdc.edu.

Sincerely,

A handwritten signature in black ink that reads "Michael V. Drake MD". The signature is written in a cursive style with a large, stylized "D" at the end.

Michael V. Drake, MD
President

cc: Chancellors
Lawrence Berkeley National Lab Director Michael Witherell
Provost and Executive Vice President Michael T. Brown
Executive Vice President UC Health Carrie L. Byington, MD
Senior Vice President External Relations and Communications Claire Holmes
Associate Vice President for Federal Government Relations Chris Harrington