

Michael V. Drake, MD President

Office of the President 1111 Franklin St. Oakland, CA 94607

universityofcalifornia.edu

CAMPUSES

Berkelev

. .

Davis Irvine

UCLA

Merced

Riverside

San Diego

San Francisco

Santa Barbara

Santa Cruz

MEDICAL CENTERS

Davis Irvine

UCLA

San Diego

San Francisco

NATIONAL LABORATORIES

Lawrence Berkeley Lawrence Livermore Los Alamos May 28, 2021

CALIFORNIA CONGRESSIONAL DELEGATION

Dear Members of Congress:

The pandemic that has gripped our country for the past 15 months has claimed the lives of more than 580,000 Americans and caused economic hardship for families across the country.

On behalf of the University of California system, I would like to thank Congress for providing the University with pandemic emergency funds that helped us continue to educate our more than 280,000 students and provide life-saving health care to Californians at our academic health centers throughout the state.

With the urgency of the pandemic subsiding, the University can now turn more attention to investing in campus-wide infrastructure to ensure that we are safely and effectively meeting the needs of our students, faculty, staff, researchers, patients, and all who come to our campuses and medical centers.

UC's most recent Capital Financial Plan provides a blueprint to ensure the University meets our commitment to expand the physical capacity of the system to serve more California students; create more research and instruction space for bold-thinking students and researchers to solve California's scientific and technological challenges; strengthen capital infrastructure to continue to keep Californians safe; and ensure that we continue to have world-class medical facilities to provide high-quality patient care. UC has identified more than \$36.6 billion in projected capital needed, including \$11.8 billion in unfunded campus capital needs through 2023-24.

Additionally, UC recently undertook two significant capital initiatives - comprehensively assessing seismic and deferred maintenance deficiencies across the system, including at 6,000 buildings. The University has identified that approximately 30 percent of UC's rated buildings need seismic repair or retrofitting to ensure compliance with the UC Seismic Safety Policy. In addition, UC's deferred maintenance analysis determined a need of more than \$5.6 billion for our campuses.

As Congress begins to develop a legislative package to invest in our nation's infrastructure, we ask that Congress to support the following UC priorities, which will help the University meet its own infrastructure needs:

 Provide access to low-cost capital to allow universities, like UC, and academic health centers to make preparedness upgrades through a combination of taxexempt financing (including Advance Refunding bonds, highlighted below);

- Re-instatement of Advance Refunding Bonds would make available a critical economic tool to ensure that entities which issue Tax-Exempt Municipal Bonds, including state and local governments, and certain public universities, including UC, are able to refinance existing bonds at certain points to take advantage of lower interest rates. Advance Refunding Bonds would provide UC with an important debt management tool that would allow the University to realize significant cost savings over time on its current debt and make resources available sooner to address the system's outstanding capital and infrastructure needs.
- Seismic: Natural disasters cause significant damage to the nation's
 infrastructure. In 2017, the Federal Emergency Management Agency
 determined that earthquakes are estimated to cost the nation \$6.1 billion
 annually in building stock losses. UC requests robust investments for seismic
 retrofits to ensure public safety, minimize economic loss, and academic
 disruption.
- Double the Pell: In 1980, Pell Grants covered more than 75 percent of the cost to attend a 4-year public university. Today, the maximum Pell Grant award covers just 28 percent of the cost to attend a 4-year public university. At UC, 35 percent of all undergraduates receive Pell Grants, but few can fully finance a 4-year degree, resulting in the rise of student loan debt. The University of California and its students are calling on Congress to restore the purchasing power of Pell Grants by doubling the amount of the maximum award and then indexing the grants to inflation. In order to secure this type of investment, Congress would need to include this in mandatory spending. We ask you to strongly consider making this critical investment in human infrastructure while growing a highly skilled workforce for California.
- Research Infrastructure: Universities are home to some of the brightest minds
 working to address the most challenging scientific and technological issues
 facing the nation and our globe, including COVID-19, but often the tools they
 are working with are aging or inadequate. To enable timely advances and
 maintain the U.S. global leadership, UC urges Congress to provide \$40 billion in
 funding for competitive research infrastructure and instrumentation programs
 across the major research agencies, including the Department of Agriculture.
- **Broadband:** With the nation relying more on digital infrastructure, investments to prevent a digital divide are imperative. However, the contrasts are not just in rural areas. Urban areas are in need of investments, too. The pandemic highlighted this divide when the academic community transitioned to distance learning. Unfortunately, students in urban and rural areas often lacked the necessary connectivity and services, and they may have lost valuable learning opportunities. Therefore, UC encourage \$100 billion in broadband investments for both rural and urban areas.
- **Cybersecurity:** With the increase in cyberattacks, universities are making substantial investments in cybersecurity to protect against intellectual property theft and other sensitive information. Unfortunately, cybersecurity is expensive and forces universities to prioritize against other needs. Therefore, UC requests robust funding for cybersecurity infrastructure to ensure the academic

community can continue to advance American competitiveness while protecting against security threats.

- Climate Change: To accelerate the nationwide transition to sustainable energy infrastructure, additional support for climate change research and development is needed. UC supports providing at least \$35 billion for climate research to help achieve technology breakthroughs that address the climate crisis and position the nation as a global leader in clean energy technology and clean energy jobs.
- Health Care: In addition to expanding broadband and providing access to low-cost capital that can be made available to support campuses and hospital infrastructure, in a separate letter UC Health Executive Vice President Carrie Byington shared with your office that UC is also seeking:
 - 14,000 additional GME slots to train critically-needed physicians and meet a growing national shortage of doctors; support robust funding for Title VII and Title VIII health workforce development programs, especially funding for programs that help prepare health care professionals providing care in underserved communities.
 - Strengthen the Strategic National Stockpile and public health infrastructure to ensure that health care workers are prepared for the next emergency; encourage more domestic manufacturing of medical supplies.
 - Support Academic Health Centers in their unique role in the health care system by investing in life-saving research and by finding ways to harness and leverage their collective expertise during a national public health crisis.

Thank you for your continued support of the University of California. If you have questions, please do not hesitate to contact me or 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,

Michael V. Drake, MD

President

University of California System

cc: Provost and Executive Vice President Michael T. Brown
Executive Vice President and Chief Financial Officer Nathan Brostrom
Executive Vice President Carrie Byington
Senior Vice President Claire Holmes
Associate Vice President for Federal Governmental Relations Chris Harrington