



Michael V. Drake, MD
President

December 9, 2021

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

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

universityofcalifornia.edu

The Honorable Alex Padilla
United State Senate
112 Hart Senate Office Building
Washington, DC 20510

CAMPUSES

- Berkeley
- Davis
- Irvine
- UCLA
- Merced
- Riverside
- San Diego
- San Francisco
- Santa Barbara
- Santa Cruz

Dear Senator Feinstein and Senator Padilla:

Thank you for your work on behalf of California and the entire country to help us confront the COVID-19 pandemic and begin to recover from it. From the multiple COVID-19 spending bills to the recently enacted bipartisan infrastructure law, you have made lifesaving investments in the American people and helped shore up the U.S. economy.

MEDICAL CENTERS

- Davis
- Irvine
- UCLA
- San Diego
- San Francisco

As the Senate works to finalize the Build Back Better package, the University of California (UC) would like to express appreciation for key research, health care, and higher education-related provisions contained in the legislation and urge your support in protecting them as negotiations move ahead.

NATIONAL LABORATORIES

- Lawrence Berkeley
- Lawrence Livermore
- Los Alamos

UC is grateful for the inclusion of a \$550 increase to the maximum Pell Grant, and for expanding it and other federal Title IV student aid programs to individuals with Deferred Action for Childhood Arrivals (DACA), deferred enforced departure and temporary protected status. UC, in partnership with our students have been leading the fight to [Double the Pell](#) and support undocumented students, and these provisions are a major step forward.

Additionally, UC is grateful for the billions of dollars contained in the Build Back Better legislation for research and climate resiliency. The University is conducting lifesaving, life-changing research and strongly supports sustaining these investments in the package that comes before the Senate.

Finally, UC greatly appreciates the investments the Build Back Better legislation makes in the health care workforce of the future for California and the nation.

Below is a summary of the specific provisions contained in the House passed bill for which we seek your continued support, along with other provisions for which we seek your assistance for inclusion in a Senate bill.

Education and Immigration

As a public institution of higher education, UC serves many vulnerable student populations — including students who are low-income, homeless, and formerly foster youth — for whom the pandemic has exacerbated existing basic needs insecurities. For these students, the Pell Grant is a critical lifeline to maintain their wellbeing; many students are wary of taking on significant student loan debt, leading many to face food and housing insecurity. Additionally, UC serves undocumented/DACAmented students who are important and valued members of our community and deserve certainty related to their status in this country. UC urges the Senate to:

- Protect the inclusion of an increase of \$550 to the maximum Pell Grant to help students access the opportunities afforded by higher education.
- Protect the expansion of Title IV federal student aid access to DACA participants.
- Protect the tax provision that would exclude Pell awards from taxable income calculations to ensure students are not faced with an increase in taxable income for using their Pell award to pay for basic needs.
- Protect our undocumented/DACAmented community by providing a path to legalization.
- Protect proposed robust investments for minority serving institutions, including Hispanic Serving Institutions. UC is home to five HSIs (at Irvine, Merced, Riverside, Santa Barbara, and Santa Cruz) as well as two Asian American and Native American Pacific Islander-Serving Institutions (at Irvine and Riverside).

Research

The University is home to some of the brightest minds working to address the most difficult scientific and technological issues facing California, the nation, and our globe, including COVID-19 and climate change. As California and the nation continue to address climate resiliency and natural disasters, including wildfires, federal research investment is critical to UC and our state addressing these tremendous challenges. UC urges the Senate to:

- Protect the robust funding included in the House passed bill for the National Science Foundation, the Department of Energy, the Department of Agriculture, the National Oceanic and Atmospheric Administration, and the other federal science agencies. With other nations making significant investments in their research programs, this federal funding will ensure that the United States remains a world leader in innovation.
- Protect the \$500 million included for research infrastructure at the National Science Foundation.
- Increase to \$3.65 billion from \$1 billion the investment in agriculture research infrastructure.

- Include at least \$10 billion in robust funding for Department of Energy research infrastructure (not included in the House passed bill) to address aging and inadequate infrastructure across the national laboratory community that are crucial for scientific advancements.
- Protect the robust funding for climate resiliency research across the science agencies. With the nation tackling increased wildfires and other natural disasters related to climate change, this investment will help researchers address this national emergency.

Health Care

COVID-19 has exposed weaknesses in our health care infrastructure, exacerbated by longstanding health care workforce shortage issues, while highlighting the importance of building a diverse workforce capable of delivering culturally competent care. Some estimates indicate that as many as one in five health care workers have quit their job since the pandemic began – an indication that the stresses of the pandemic may have longstanding impacts on the health care workforce. Build Back Better contains several key investments in the health care workforce as well as important efforts to lower healthcare costs. UC asks that the Senate work to:

- Protect the long overdue increase in the cap on Medicare Graduate Medical Education (GME) slots, as well as important investments in GME at children’s hospitals, teaching health centers, and Veterans Administration medical centers.
- Protect efforts by California’s congressional delegation to include vital investments to fund medical schools and branch campuses at minority serving institutions in underserved communities to help make health care more equitable across the state. University of California Health (UCH) stands ready to support UC Merced, UC Riverside, and UCSF-Fresno as they compete for these funds.
- Protect the Pathways to Practice scholarship program, which closely aligns with [UC’s PRIME initiative](#). Both PRIME and Pathways to Practice invest in the essential goal of improving the diversity of the health professional pipeline.
- Protect investments in nursing schools, the National Health Service Corps, and Nurse Corps that will ensure opportunities for physicians and nurses to practice where the need is greatest.
- Protect investments in training a new generation of health professions in maternal and child health – with a focus on reducing maternal mortality – which will allow our faculty, students, and trainees an opportunity to be part of addressing alarming health disparities for women and families of color.
- Protect efforts to lower health care costs for our patients by addressing the high price of prescription drugs, expanding Medicare’s hearing benefits, and extending the Affordable Care Act’s enhanced tax credits for individual market coverage.

Tax

To ensure that UC has the infrastructure and facilities to educate the 21st Century workforce, conduct groundbreaking research, and provide lifesaving health care, the University is making critically needed seismic-safety and other essential investments in our campuses and health facilities. To help stretch every dollar as far as possible, we ask that the Senate add the following provisions to the Build Back Better Act:

- Include the reinstatement of Advanced Refunding Bonds, which were repealed as part of the Tax Cuts and Jobs Act in 2017. Reinstating 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 tax-exempt bonds at certain points to take advantage of lower interest rates. Reinstating Advance Refunding Bonds would lead to significant cost savings related to the financing of infrastructure projects, by reducing borrowing and debt financing costs, and would also allow for greater investments in critical infrastructure projects, including by UC to address COVID-19 economic recovery efforts, and to meet other critical infrastructure needs.
- Amend Section 138101 Corporate Alternative Minimum Tax of the Build Back Better Act to specifically exclude tax-exempt bond interest from the proposed Corporate AMT tax calculations, by ensuring that adjusted financial statement income can be decreased by interest income that is excluded from gross income under Internal Revenue Code Section 103, Interest on State and local bonds. As it is currently written, UC is concerned that Section 138101 could significantly increase costs related to tax-exempt bond financing, because the language imposes a 15 percent Corporate AMT tax on tax-exempt municipal bond interest for purchasers of tax-exempt municipal bonds, making the cost of financing infrastructure projects and improvements more expensive.

UC lauds the Build Back Better Act's once-in-a-generation investments in students, researchers, and health care workers. Taken together, the provisions in the Build Back Better Act stand to make significant progress towards California's and UC's goal of improving the lives of all people in our State. As you work to finalize this package, please do not hesitate to contact me or Chris Harrington (Chris.Harrington@ucdc.edu) if you have questions.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Michael V. Drake" with a stylized flourish at the end.

Michael V. Drake, MD
President