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May 29, 2019

Chair and Members  
Joint Legislative Conference Committee on Budget  
State Capitol  
Sacramento, California 95814

Dear Chair and Members:

I write regarding the 2019-20 Legislative Budget Conference Committee (AB 190, Assembly Committee on Budget) as it pertains to the budget for the University of California (UC). I would like to thank the Chairs, members, and staff of the Assembly and Senate budget subcommittees for the in-depth review and serious consideration given to UC's budget requests.

The Legislature's support for a \$120 million base budget increase will allow the University to cover a number of the mandatory cost increases for 2019-20, including contractual salary increases and increased health care costs for existing employees and retirees. In addition, the Legislature approved a permanent undoing of the Proposition 56 swap, which will allow the University to provide these funds as grants for medical residency positions statewide. We are also grateful that the Legislature took actions to provide funding for student basic needs to address hunger and homelessness issues. These funds will allow our campuses to provide at-risk students with services that allow the students to focus on academics rather than survival.

UC appreciates these actions, and respectfully requests the following Conference Committee actions:

### **Expanding Enrollment Access and Student Success**

Both houses have made enrollment of California undergraduates a priority. The University has exceeded the enrollment targets established by the Legislature every year since 2015 to increase enrollment by more than 14,000 California undergraduates, which is substantially higher than the cumulative growth of 9,500 California undergraduates reflected in the past four Budget Acts. The University requested new ongoing funds for enrolling 2,500 new California undergraduates and 1,000 graduate students in 2019-20. The Assembly provided the University with \$45.3 million and the Senate provided \$10 million. *The University supports the Assembly version of \$45.3 million in ongoing support to fully fund*

***instruction and support for new California undergraduate students and graduate students admitted for fall term 2019.***

The University received \$95 million in one-time funds in 2018-19 to support important instructional goals shared by the University and the State. These included 1) \$25 million to provide instruction and student services to 2,500 students the University enrolled in 2016 and 2017 in addition to the other enrollment growth that was funded by the Legislature in those years; and 2) \$70 million for the University to hold Tuition and the Student Services Fee flat in 2018-19. Since 2011-12, the University has raised resident undergraduate tuition only once – by 2.5 percent. This remarkable stability has been possible because of our strong partnership with the State. The Budget Subcommittees in both houses voted to provide the University with \$95 million in *ongoing* State General Fund for 2018-19 to avoid the need for a tuition increase, which would have been an ongoing source of revenue, and to support students that the University had enrolled above previous targets. Ultimately, however, the Budget Act of 2018 provided UC with \$95 million in *one-time* money. This one-time money will expire June 30, 2019, but the students remain enrolled at UC and tuition still has not increased. ***The University supports the Assembly version of \$95 million and requests that it be provided as ongoing funding.***

The University has ambitious plans to close achievement gaps between low-income students and students from underrepresented minority groups. The Governor's budget introduction included \$49.9 million for these efforts, which includes faculty hiring, course availability, academic advising, student services, and instructional technology. ***The University supports the Senate version of ongoing funding of \$49.9 million for student success initiatives.***

Increasing student access also includes ensuring that students are prepared for the University of California admissions process, and providing student support services once the students enroll. ***The University supports the Senate version of \$8 million one-time for LCFF+ high school student outreach and retention.***

Just as the University seeks to enroll a diverse and highly talented student body, UC is also focused on recruiting, hiring, developing, and retaining an outstanding and diverse faculty. For the last three years the Legislature invested funds to promote equal employment opportunities for faculty hiring, which were provided to campuses as competitive grants to establish pilot programs to identify best practices in hiring faculty committed to fostering diversity. The University expects that projected trends in faculty retirement will provide a unique opportunity for UC to increase the diversity of its faculty over the next several years, provided that there are resources available to support these efforts. The Assembly provided \$4.6 million in ongoing funds to continue faculty equal employment opportunities. ***The University supports the Assembly version of \$4.6 million in ongoing funds for faculty equal employment opportunity funding.***

### Seismic Safety

The University of California has a significant amount of seismic maintenance issues on State-supportable buildings on multiple campuses. The University is in the process of conducting seismic safety assessments on campus buildings that have either deteriorated due to lack of maintenance or that may no longer meet changed State seismic standards. The Assembly proposed \$50 million of one-time funding for the University to seismically retrofit State-supportable buildings, as long as the campus provides matching funds for the project. ***The University supports the Assembly version of \$50 million in one-time funding for critical seismic safety projects.***

### UC Riverside School of Medicine

The UC Regents established the UC Riverside School of Medicine, and in 2013 the Legislature funded this School. The intent was to gradually grow funding for the School in order to train critically needed doctors to serve the Inland Empire. However, the State budget appropriation to the School has stayed flat at \$15 million since its founding. In order to maintain accreditation and expand services the School requires additional resources. The Senate provided the UC Riverside School of Medicine with an additional \$25 million in ongoing resources to double enrollment and \$80 million in one-time funds for construction of a new educational building. ***The University supports the Senate version of \$25 million ongoing and \$80 million one-time funds for the UCR School of Medicine.***

### Student Mental Health

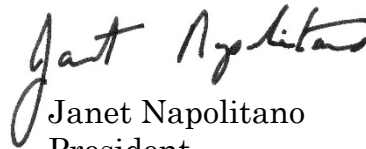
Student mental health is a high priority for the University and UC appreciates the Legislature's concern for these issues. Since 2007, the UC campuses have experienced a doubling of mental health counseling appointment requests from students. ***The University supports the Assembly version of \$5.3 million ongoing and \$4.8 million one-time in State General Fund for mental health. In addition, the University supports the Assembly version of \$2 million ongoing and \$3 million one-time in Proposition 63 funds for student mental health services.***

### Statutory Language with Budget Implications

The Senate approved the Governor's proposal in the May Revise to provide UC with \$25 million in State General Funds to help reduce the unfunded liability in the University of California Retirement Program (UCRP). The Assembly also approved this investment but added the requirement that the University eliminate Savings Choice, a defined contribution retirement plan, as an option for represented employees with currently open contracts. ***The University supports the Senate version, which does not have language that would eliminate Savings Choice as an option for certain employees.***

Together with our students, faculty, and alumni who worked so hard to convey the needs of the University, I deeply appreciate the breadth of your support for the University's instruction, research, and public service mission. We look forward to working with the Legislature and the Governor to invest strategically and continue to make the California Dream possible.

Yours very truly,



Janet Napolitano  
President

cc: The Honorable Anthony Rendon, Speaker of the Assembly  
The Honorable Toni Atkins, President pro Tempore of the Senate  
The Honorable Marie Waldron  
The Honorable Shannon Grove  
Keely Bosler, California Department of Finance  
Gabriel Petek, Legislative Analyst's Office  
Mark Martin, Assembly Budget Committee  
Anita Lee, Senate Budget and Fiscal Review Committee  
Carolyn Nealon, Assembly Republican Fiscal  
Kirk Feely, Senate Republican Fiscal  
Chief Financial Officer and Executive Vice President Nathan Brostrom  
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