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November 13, 2014

Members, California Congressional Delegation:

The University of California (UC) strongly urges Congress to complete action now on fiscal year 2015 appropriations legislation that strengthens our economic and national security through commitments to research, higher education, and health care.

The well-established partnership between the University of California and the federal government is vitally important to the University's efforts to educate the next-generation workforce, make groundbreaking scientific and technological discoveries, provide world-class health care, and create economic growth through start-up companies and spinoff industries.

Short-term and stop-gap budgeting creates uncertainty, impedes our global competitiveness, and, in some cases, creates higher costs. The completion of fiscal year 2015 appropriations prior to the December 11th expiration of the current continuing resolution will create certainty for the University's researchers, students and health-care providers. It will also provide fiscal stability that will help to move California and the nation's economy forward. Attached are the University's fiscal year 2015 appropriations priorities. The University of California urges your support for these funding requests.

The University also urges Congress to engage in broader budget discussions to restore real, predictable growth in federal funding for scientific research and education after several years of stagnated budgets. For example, funding for NIH, which enables vital treatments and cures, has fallen by over 22 percent since 2003. At the same time, other nations have steadily increased their support for biomedical and other research disciplines – understanding from the American experience of more than 50 years the direct correlation of research and education investments to national prosperity and quality of life.

We are appreciative that the Bipartisan Budget Act of 2013 stabilized discretionary funding for 2014 and 2015, resulting in some recovery in research funding after the deep fiscal year 2013 sequestration cuts required by the 2011 Budget Control Act.

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Unless new budget legislation is enacted, however, sequestration will resume in fiscal year 2016, and continue through 2021. Congress must take imminent action in order to protect the education of our future workforce and to prevent additional damaging sequestration impacts on our nation.

Thank you for your work on behalf of UC and California. If you have any questions regarding the impact of specific appropriations legislation on the University of California, please do not hesitate to be in touch with Associate Vice President Gary Falle in the University's Office of Federal Governmental Relations. He can be reached by telephone at (202) 974-6300.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Janet Napolitano", with a horizontal line extending to the right.

Janet Napolitano
President

cc: Provost Dorr
Senior Vice President Dooley
Senior Vice President-designate Peacock
Associate Vice President Falle

University of California Fiscal Year 2015 Appropriations Priorities

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SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

DEPARTMENT OF AGRICULTURE (USDA), NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (NIFA)

The University of California (UC) supports the highest possible funding levels for USDA Research, Education and Extension Programs that enable UC’s vital partnership with California’s agricultural producers in ensuring a safe, secure and plentiful supply of food and energy, as well as clean and sustainable air, water and other natural resources. USDA funding also supports UC’s effective nutrition education efforts throughout California. Programs vital to UC include:

Agriculture and Food Research Initiative (AFRI)

UC Request:	\$360 million
FY 2015 Budget Request:	\$325 million
FY 2014 Enacted:	\$316 million

UC supports \$360 million for the Agriculture and Food Research Initiative (AFRI), which funds competitive research on human nutrition and health, agricultural sustainability, renewable energy and biofuels, water supply, and air and water quality. UC scientists typically receive 10-15 percent of competitive USDA research grants.

USDA Capacity Grants programs – Hatch Act, Smith-Lever 3(b)-3(c) and McIntire-Stennis Cooperative Forestry

	<u>Hatch Act</u>	<u>Smith-Lever 3(b)-3(c)</u>	<u>McIntire-Stennis</u>
UC Request:	\$244 million	\$300 million	\$34 million
FY 2015 Budget Request:	\$244 million	\$300 million	\$34 million
FY 2014 Enacted:	\$244 million	\$300 million	\$34 million

UC supports the funding levels above for the Hatch, Smith-Lever 3(b)-3(c) and McIntire-Stennis capacity grant programs, which are crucial to UC’s agricultural research and extension work, and are vitally important given the current California drought. The programs enable UC to support California agricultural producers by improving conservation practices, production efficiencies, varietal development and cropping methods.

USDA Crop Protection/Pest Management (CP/PM) and Minor Crop Pest Management (IR-4)

	<u>CP/PM</u>	<u>IR-4</u>
UC Request:	\$17.2 million	\$12 million
FY 2015 Budget Request:	\$17.2 million	\$12 million
FY 2014 Enacted:	\$17.2 million	\$12 million

UC supports \$29.2 million for these USDA Pest Management programs, including research, extension and integrated activities. The programs support UC’s statewide Integrated Pest

Management (IPM) program, which develops and promotes the use of ecologically sound programs to solve pest problems while protecting California's agricultural crops.

Expanded Food and Nutrition Education Program (EFNEP)

UC Request:	\$68 million
FY 2015 Budget Request:	\$68 million
FY 2014 Enacted:	\$68 million

UC supports \$68 million for the Expanded Food and Nutrition Education Program (EFNEP), which successfully delivers hands-on, practical lessons on food, nutrition and healthy lifestyles to needy families. National studies show that for every \$1 invested in this Cooperative Extension program, up to \$10.64 is saved in current and future healthcare costs for "at risk" populations.

USDA Innovation Institutes

UC Request:	\$75 million
FY 2015 Budget Request:	\$75 million
FY 2014 Enacted:	---

UC supports \$75 million for three new public-private, multi-disciplinary Innovation Institutes to respond to emerging challenges to agriculture. Based on recommendations of a 2012 President's Council of Advisors on Science and Technology report, the three institutes would focus on crop science and pollinator health; advanced bio-based manufacturing; and antimicrobial resistance research.

SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE AND RELATED AGENCIES

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

NASA Science Mission Directorate

UC Request:	\$5.25 billion
FY 2015 Budget Request:	\$4.97 billion
FY 2014 Enacted:	\$5.15 billion

UC supports \$5.25 billion for the NASA Science Mission Directorate, which funds research on the Earth, our solar system and the universe. UC researchers are highly successful in competing for NASA research awards, further enabling them to be international leaders in astronomy.

Space Grant College and Fellowship Program

UC Request:	\$40 million
FY 2015 Budget Request:	\$24 million
FY 2014 Enacted:	\$40 million

UC supports \$40 million for the Space Grant College and Fellowship Program, a national network that gives students practical hands-on training in support of NASA's aeronautics and space missions, and inspires them to pursue science, technology, engineering, mathematics (STEM) careers. Headquartered at UC San Diego, the California Space Grant Consortium engages 28 California affiliates, including nine UC campuses, ten California State University campuses, three NASA centers and other universities.

NATIONAL SCIENCE FOUNDATION (NSF)

UC Request:	\$7.5 billion
FY 2015 Budget Request:	\$7.26 billion
FY 2014 Enacted:	\$7.17 billion

UC supports \$7.5 billion for the National Science Foundation, including \$20 million to support the cross-agency Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative. NSF sponsors about 20 percent of all merit-based university research nationally, including engineering and mathematics education, chemistry and material science, earth and space science, research infrastructure and equipment and education research. NSF helps to train and educate the next-generation scientific and engineering workforce. In FY 2012, UC researchers successfully competed for \$477 million in NSF research funding – in more than 2,600 grants.

Within the NSF, UC also supports the full request for the **Directorate for Social, Behavioral and Economics Science (SBE)**, which promotes basic research about human behavior, addresses important societal questions using the multidisciplinary approaches, and provides critical statistical information about science and engineering in the U.S. and the world through the National Center for Science and Engineering Statistics (NCSES).

Additional information regarding the BRAIN Initiative is available on page 12.

DEPARTMENT OF COMMERCE, NATIONAL OCEANOGRAPHIC AND ATMOSPHERIC ADMINISTRATION (NOAA)

UC supports the highest possible funding levels for extramural NOAA research programs on climate, weather, water and ocean observing, including:

Climate Research, Office of Oceanic and Atmospheric Research (OAR)

UC Request:	\$188.3 million
FY 2015 Budget Request:	\$188.3 million
FY 2014 Enacted:	\$156.5 million

UC supports \$188.3 million for OAR Climate Research programs, which includes \$60.5 million for the Competitive Research Program, and \$52.3 million for the Regional Climate Data and Information Program. UC also supports \$80.5 million for the Laboratories and

Cooperative Institutes, including \$7 million for the Hydrometeorology Testbed Program, which is conducting work on extreme weather events known as “atmospheric rivers.”

UC researchers rely on NOAA competitive research funding for the collection of climate, weather and water data, including ocean observing for accurate weather forecasting, which is essential to California agriculture, energy and fisheries, and disaster preparedness, and the U.S. Navy and NASA. Historically, UC has annually received 10 percent of this funding annually.

Sustained Ocean Observations and Monitoring under Ocean, Coastal and Great Lakes Research, Office of Oceanic and Atmospheric Research (OAR)

UC Request:	\$41.35 million
FY 2015 Budget Request:	\$41.35 million
FY 2014 Enacted:	\$41 million

UC supports \$41.35 million for OAR Sustained Ocean Observations and Monitoring. UC researchers are critical partners in maintaining baseline ocean observations to support weather and regional climate predictions, fisheries management and ecosystem studies, tide and current monitoring and sea level change.

Regional Integrated Ocean Observing System (IOOS) in the NOAA National Ocean Service

UC Request:	\$40.5 million
FY 2015 Budget Request:	\$29.5 million
FY 2014 Enacted:	\$28.5 million

UC supports \$40.5 million for the Regional Integrated Ocean Observing System (IOOS), a national network that addresses maritime commerce, fisheries, aquaculture, offshore energy, coastal communities, public health and other users’ needs. UC is active in two systems, the Central and Northern California Ocean Observing System (CeNCOOS) and the Southern California Coastal Ocean Observing System (SCCOOS).

National Sea Grant College Program

UC Request:	\$80 million
FY 2015 Budget Request:	\$80 million
FY 2014 Enacted:	\$63 million

UC supports \$80 million for the National Sea Grant College Program, a university-based coastal and marine research network, which facilitates knowledge transfer from researchers to the marine industry and the public. Based at the UC San Diego Scripps Institution of Oceanography, California’s Sea Grant Program sponsors research and extension activities involving public and private institutions throughout the state.

SUBCOMMITTEE ON DEFENSE

DEPARTMENT OF DEFENSE (DOD)

Basic Research (6.1)

UC Request:	\$2.23 billion
FY 2015 Budget Request:	\$2.02 billion
FY 2014 Enacted:	\$2.17 billion

UC supports \$2.23 billion for Defense 6.1 Basic Research, within a total of \$12.39 billion for the Defense Science and Technology (6.1-6.3) research and development portfolio. Conducted by the Army, Navy, Air Force and the Office of the Secretary, Defense Basic (6.1) and Applied (6.2) research programs fund the bulk of DOD-sponsored university research, especially in the physical sciences, computer sciences and engineering. The UC-DOD research partnership spans more than 50 years and has led to breakthroughs in communications, life-saving medical technologies and the development of advanced composite materials.

Defense Basic Research sponsors education and training for students who will become DOD's scientific and technological workforce. UC supports the highest possible funding levels for the **National Defense Education Program and the National Defense Science and Engineering Graduate Fellowships program**. UC researchers also provide vital information through the social science research **Minerva Initiative**, which deepens our understanding of the cultural and political conditions in areas of the world of strategic importance to our national security.

Within the Defense Science and Technology portfolio, UC supports \$2.92 billion for the Defense Advanced Research Projects Agency (DARPA), including \$80 million for the multi-agency BRAIN Initiative. DARPA invests in high-risk, high-reward research that has led to groundbreaking technological advances, such as the Internet and GPS.

Additional information regarding the BRAIN Initiative is available on page 12.

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, AND RELATED AGENCIES

DEPARTMENT OF ENERGY (DOE)

Office of Science

UC Request:	\$5.223 billion
FY 2015 Budget Request:	\$5.11 billion
FY 2014 Enacted:	\$5.07 billion

UC supports \$5.223 billion in funding for the DOE Office of Science (OS), the primary federal agency supporting physical sciences research. Among its missions, the OS funds research on new materials,

future energy sources, energy efficiency and high performance scientific computing and several STEM education and fellowship programs. The OS also funds world-class national laboratories, including the Lawrence Berkeley National Laboratory (LBNL), and other user facilities that serve thousands of university researchers, students and industry scientists every year. UC's request for modest growth will provide a buffer for university-based DOE researchers as OS transitions to its new policy of forward funding new grants.

UC also supports proposed new DOE investments in **Advanced Manufacturing** technologies; as well as the **Energy Frontier Research Centers** and **Energy Innovation Hubs**, which focus on fundamental energy science and discrete technology solutions that are funded by OS and the Office of Energy Efficiency and Renewable Energy.

Advanced Research Projects Agency-Energy (ARPA-E)

UC Request:	\$325 million
FY 2015 Budget Request:	\$325 million
FY 2014 Enacted:	\$280 million

UC supports \$325 million in funding for the Advanced Research Projects Agency-Energy (ARPA-E), which is focused on achieving U.S. leadership in clean technologies to transform our energy landscape. Since 2009, ARPA-E has funded hundreds of projects, leading to the creation of new technology companies. UC researchers are among the most successful ARPA-E awardees.

SUBCOMMITTEE ON HOMELAND SECURITY

DEPARTMENT OF HOMELAND SECURITY (DHS)

Research, Development and Innovation, Science and Technology Directorate

UC Request:	\$462 million
FY 2015 Budget Request:	\$434 million
FY 2014 Enacted:	\$462 million

University Programs, Science and Technology Directorate

UC Request:	\$40 million
FY 2015 Budget Request:	\$31 million
FY 2014 Enacted:	\$40 million

UC supports \$462 million for Research Development and Innovation Programs and \$40 million for University Programs within the DHS Science and Technology (S&T) Directorate. The S&T Directorate funds basic and applied research to develop advanced technologies and methodologies to protect the nation's communities, ports, coasts, food supplies, borders and infrastructure. UC researchers have successfully competed for grants supporting research on nuclear detection, food system protection, public health assessment and first responder safety. University Programs support collaborative, multi-

disciplinary research at universities across the country that contributes to prevention and response to homeland security threats, as well as STEM education programs.

SUBCOMMITTEE ON THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

U.S. DEPARTMENT OF INTERIOR, U.S. GEOLOGICAL SURVEY (USGS)

USGS Earthquake Hazards Program

UC Request:	\$70.2 million
FY 2015 Budget Request:	\$54.1 million
FY 2014 Enacted:	\$54 million

USGS Global Seismographic Network

UC Request:	\$6.45 million
FY 2015 Budget Request:	\$4.9 million
FY 2014 Enacted:	\$4.9 million

UC supports \$70.2 million for the USGS Earthquake Hazards Program, including \$16.1 million for the Earthquake Early Warning System; and \$6.45 million for the Global Seismographic Network. Effective earthquake preparedness and monitoring tools are critical to public safety in California and the nation. Due to the strength of their work, researchers at UC and other California universities have historically been the primary recipients of funding to analyze Earth processes, and minimize loss of life and property from natural disasters. California communities directly benefit from this work.

USGS Water Resources Research Institutes

UC Request:	\$6.5 million
FY 2015 Budget Request:	\$3.5 million
FY 2014 Enacted:	\$6.5 million

UC supports \$6.5 million for the USGS Water Resources Research Institutes (WRI) – the only federally supported research network for applied water resource research, education, training and outreach. UC operates the California Institute for Water Resources (CIWR) which supports researchers in developing solutions to some of California’s most costly and difficult water problems. With the ongoing California drought, CIWR is actively engaged in providing information and resources to California producers, consumers, businesses, and state and local governments. CIWR maintains a [website](#) that is updated daily with drought related information.

USGS Climate and Land Use Change, and Climate Science Centers (CSCs)

UC Request:	\$149.1 million, including \$35.3 million for CSCs
FY 2015 Budget Request:	\$149.1 million, including \$35.3 million for CSCs
FY 2014 Enacted:	\$132 million, including \$23.7 million for CSCs

UC supports \$149.1 million for USGS Climate and Land Use Change, including \$35.3 million for the Climate Science Centers. These programs provide fundamental scientific information, tools, and techniques that states, other federal agencies and regional partners can use to make better-informed land, water and wildlife management decisions. For example, the Southwest Climate Science Center serves California and other states with physical and biological research, ecological forecasting and multiscale modeling for scientists and other stakeholders to improve decision making, best practices and communications on the changing effects of the North Pacific Jet on water resources and Sierra Nevada fires.

NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)

UC Request:	\$155 million
FY 2015 Budget Request:	\$146 million
FY 2014 Enacted:	\$146 million

UC supports \$155 million for the National Endowment for the Humanities (NEH) which would provide critical support for the only federal agency dedicated to promoting and enhancing research, education, and public programs in the humanities. UC researchers and scholars compete for these funds to strengthen teaching and learning; create new knowledge through extensive, in-depth study; and preserve and protect cultural and educational treasures. Many NEH funded projects benefit students and the public by providing access to humanities programming and resources that would otherwise not be available in many communities.

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

DEPARTMENT OF EDUCATION

Pell Grant Discretionary Appropriations

UC Request:	\$22.78 million
FY 2015 Budget Request:	\$22.78 million
FY 2014 Enacted:	\$22.78 million

Pell Grant Maximum Award

UC Request:	\$5,830
FY 2015 Budget Request:	\$5,830
FY 2014 Enacted:	\$5,730

UC supports the discretionary funding level above for the Pell Grant Program which is sufficient to provide a “base” award of \$4,860. This funding level is essential to ensure that—with the mandatory funds available and the scheduled inflationary adjustments—the maximum Pell Grant will be \$5,830 in FY 2015, beginning on July 1, 2015 for the 2015-16 academic year.

The Pell Grant program is critically important to the more than 82,000 UC undergraduate students who receive this aid. All UC students already contribute to their own cost of education with loans and earnings from work or savings, so without robust funding for Pell Grants, UC students would have to borrow more, work beyond what is considered manageable, or take longer to complete their degrees.

Stafford Student Loans

UC supports efforts to help lower the cost of student loans to borrowers. The FY 2015 Budget Request proposes expansion of the “Pay As You Earn” (PAYE) plan to all borrowers regardless of when they borrowed. For new borrowers on or after July 1, 2015, PAYE would be the only income-driven repayment plan option. The budget proposes additional changes to PAYE to “ensure that program benefits are targeted to the neediest borrowers,” and to “safeguard the program for the future.” If authorizing legislation is considered to enact these changes, UC will work closely with Congress and the Administration to assure that this legislation would actually improve the terms and conditions of the loans and not unfairly limit borrower benefits.

Supplemental Educational Opportunity Grant (SEOG)

UC Request:	\$735.0 million
FY 2015 Budget Request:	\$733.1 million
FY 2014 Enacted:	\$733.1 million

Federal Work-Study

UC Request:	\$976.0 million
FY 2015 Budget Request:	\$974.7 million
FY 2014 Enacted:	\$974.7 million

UC supports \$735 million for the Supplemental Educational Opportunity Grant (SEOG) program and \$976 million for the Federal Work-Study (FWS) program. These campus-based programs are essential to the network of federal, state, and institutional support that ensures access to a UC education for students from a broad range of income levels. There is significant demonstrated need for increased funding.

Perkins Loan Program

UC supports the intent of the President’s FY 2015 Budget Request to expand the Perkins Loan program, providing \$8.5 billion in new loan volume. UC would support the expansion of the Perkins Loan program to help more low-income students finance their education costs. However, UC would oppose a higher interest rate, loss of loan cancellation benefits and elimination of the current Perkins Loan program revolving fund. At a minimum, funds should be appropriated for the Perkins Loan program to reimburse campuses for loan cancellations made when borrowers complete qualifying service as outlined in the law. At the present time, UC campuses have paid more than \$7 million in loan cancellations that have not been reimbursed by the U.S. Department of Education.

TRiO Programs

UC Request:	\$890.0 million
FY 2015 Budget Request:	\$838.3 million
FY 2014 Enacted:	\$838.3 million

GEAR UP

UC Request:	\$323.0 million
FY 2015 Budget Request:	\$301.6 million
FY 2014 Enacted:	\$301.6 million

UC supports \$890 million for TRiO and \$323 million for GEAR UP. These complementary and successful early intervention and academic preparation programs only reach a small fraction of eligible students. Further, TRiO's Student Support Services program is specifically targeted to help low-income, first-generation students with undergraduate retention, transfer, and completion success. After facing serious funding cuts over the past several years, funding for these important programs should be increased.

Aid for Hispanic-Serving Institutions (HSIs)

UC Request:	\$107.4 million
FY 2015 Budget Request:	\$107.4 million
FY 2014 Enacted:	\$107.4 million

UC supports \$107.4 million in competitive grants to help Hispanic-Serving Institutions (HSIs) expand and enhance successful academic programs. UC has several campuses that serve large percentages of Hispanic students and would be eligible to apply for these funds. UC also supports the Promoting Post baccalaureate Opportunities for Hispanic Americans program that is designed to help Hispanic Americans succeed in graduate school.

Teacher Preparation and Teacher Quality Programs

UC supports the highest possible funding levels for Department of Education programs that aim to improve teacher preparation and recruit and retain high quality teachers. The FY 2015 Budget Request proposes a number of program consolidations, repurposing of existing funds, and new programs aimed to improve teacher preparation programs and recruit and reward high quality teachers. UC supports efforts to improve the quality of teaching in K-12 schools and will work ensure that institutions of higher education are partners in these efforts.

International Education Programs

UC Request:	\$76.2 million
FY 2015 Budget Request:	\$76.2 million
FY 2014 Enacted:	\$76.2 million

UC supports \$76.2 billion for Title VI International Education programs. At UC, Title VI supports research and expertise through National Resource Centers, which are important tools in serving the

nation's economic, diplomatic, defense, and national security needs. Regrettably, Title VI funding has been significantly cut over the past several years and, even with the small increase proposed for FY 2015, UC remains concerned that our nation's capacity and expertise in less-commonly-taught languages, research, and world studies, is at risk. Further, in an increasingly global economy, additional Title VI funds are needed to ensure a steady pipeline of individuals with global understanding and language proficiency across professions.

Graduate Assistance in the Areas of National Need (GAANN)

UC Request:	\$30.9 million
FY 2015 Budget Request:	\$29.3 million
FY 2014 Enacted:	\$29.3 million

UC supports \$30.9 million for graduate education in the Department of Education to drive excellence and innovation in business, science, academia and government. The continued erosion of federal graduate fellowship support over the past several years – and the elimination of the Jacob K. Javits Program, which awarded highly competitive fellowships to students pursuing graduate degrees in the social sciences, the arts and humanities – is damaging to the talented scholars who need this support. A stronger national commitment to graduate education is needed to assure a continued pipeline of skilled workers in all sectors of the economy, as well as qualified professors who will mentor and train the teachers and students of tomorrow.

Department of Education, Institute of Education Sciences (IES)

UC Request:	\$637.2 million
FY 2015 Budget Request:	\$637.2 million
FY 2014 Enacted:	\$576.9 million

UC supports \$637.2 million for the Institute of Education Sciences (IES) programs. The University is a major innovator in educational research and is continuously working to increase the knowledge base on teacher effectiveness and the science of learning, while working in K-12 schools to improve the quality of educational practice. UC researchers use competitive funds from IES to address the nation's most pressing education needs, from early childhood to adult education, including increasing the number and quality of math and science teachers, teacher evaluations, and creation of successful professional development models.

Access, Quality Education and Student Success Programs

UC supports the following new spending proposals in the FY 2015 Budget Request which are designed to encourage states to re-invest in public institutions, and to reward institutions that are offering increased access, quality education and student success:

- \$7 billion over ten years in mandatory funding for a new “College Opportunity and Graduation Bonus,” which would reward institutions that enroll a significant number of low- and moderate-income students who graduate on time.

- \$4 billion over four years in mandatory money for a new State Higher Education Performance Fund. The fund would offer competitive grants, matched with state funds, to states that adopt reforms related to transfer of credit, transition from high school to college, and transparency and consumer information provided to student and their families.

DEPARTMENT OF HEALTH AND HUMAN SERVICES, NATIONAL INSTITUTES OF HEALTH (NIH)

National Institutes of Health

UC Request:	\$32.0 billion
FY 2015 Budget Request:	\$30.1 billion
FY 2014 Enacted:	\$29.9 billion

UC supports \$32 billion for the National Institutes of Health, including the highest possible funding for the BRAIN Initiative and Precision Medicine. The FY 2015 Budget Request proposes \$30.1 billion in discretionary budget authority for NIH, .7 percent higher than the FY 2014 funding level of \$29.9 billion. This proposed increase is still below the FY 2012 pre-sequestration level of \$30.8 billion and also below the rate of the Biomedical Research and Development Price Index (BRDPI), which was estimated to be 2.9 percent for FY 2015. An increase in NIH funding that is below the estimated rate of inflation is inadequate if California's biomedical research industry is to remain a global leader in research innovation and an economic engine helping to stabilize California's fragile economy.

Adequate and sustained funding for NIH is critical to UC and our partners in California's biomedical research industry. In 2013, California institutions successfully competed for \$3.3 billion in NIH grants, approximately \$1.5 billion of which were awarded to researchers at UC. This essential federal investment enables California's biomedical research industry to seek life-saving, breakthrough science and employ hundreds of thousands of Californians.

Within the NIH, UC supports the President's commitment to the BRAIN Initiative, a collaboration among academic institutions, the private sector, and NIH, NSF, and DARPA. The BRAIN Initiative will enhance the understanding of complex brain functions and spur the development of new therapeutics to treat disease and disorders affecting millions of Americans. UC is a leader in bringing research and patient care together and was integral to the development of the BRAIN proposal.

UC also supports the President's commitment to Precision Medicine which will allow for the creation of a system to integrate emerging research on the molecular makeup of diseases with clinical data and individual patients to focus treatments to the individual characteristics of each patient. Specific preventive and therapeutic interventions could revolutionize disease diagnosis, therapy, and clinical decisions. With world-renowned researchers at UC who are already focused on this innovative development, UC strongly supports the efforts of the NIH, the National Center for Advancing Translational Sciences, the Cures Acceleration Network, and the new DARPA-like center within NIH, to invest in Precision Medicine research.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES, HEALTH RESOURCES AND SERVICES
ADMINISTRATION (HRSA)**

Title VII Health Professions Training

UC Request:	\$280.0 million
FY 2015 Budget Request:	\$214.9 million
FY 2014 Enacted:	\$245.4 million

UC supports \$280 million for the Health Resources and Services Administration (HRSA)

Title VII Health Professions Training Programs. The FY 2015 Budget Request proposes \$214.9 million for HRSA's Title VII health professions program, \$30.5 million less than what was funded in FY 2014. The Request proposes to eliminate funding for the Title VII Health Careers Opportunity Program (HCOP) and the Area Health Education Centers (AHEC) program.

UC operates the largest health sciences and medical training program in the country with more than 12,000 students. The Title VII medical education training and loan programs are critical sources of financial support for many UC students and physician faculty as they are the only federal programs designed to educate providers in interdisciplinary settings to meet the needs of special and underserved populations as well as increase minority representation in California's healthcare workforce. In FY 2013, California received approximately \$14.1 million in Title VII funding, of which UC successfully competed for \$8.4 million, or 60 percent of all funds awarded to the state. With Title VII funding still not reaching the levels it saw in FY 2011 – \$272 million – and as Congress considers strategies designed to address workforce development, UC supports restoring and increasing Title VII funding to \$280 million. UC also supports full restoration of funding for the Title VII HCOP and AHEC programs.

Title VIII Nursing Workforce Development

UC Request:	\$251.0 million
FY 2015 Budget Request:	\$223.8 million
FY 2014 Enacted:	\$223.8 million

UC supports \$251 million for the Health Resources and Services Administration (HRSA)

Title VIII Nursing Workforce Development Programs. The FY 2015 Budget Request provides funding for all Title VIII programs at their FY 2014 levels, but with a nursing shortage in California expected to exceed 190,000 by 2030, the FY 2015 Budget Request provides limited support to address the nursing crisis in California and the rest of the country.

HRSA's Nursing Workforce Development Programs (authorized under Title VIII of the Public Health Service Act) provide training for entry-level and advanced degree nurses to improve the access to, and quality of, healthcare in underserved areas. These programs provide the largest source of federal funding for nursing education, providing loans, scholarships, traineeships and programmatic support to many of the more than 1,500 nursing students at UC. In FY 2013, California received approximately \$5.6 million in Title VIII funding. Of that amount, UC received over \$2.4 million, or nearly half, of the funds awarded to the state.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES, CENTERS FOR DISEASE CONTROL (CDC)
AND PREVENTION**

**National Institute for Occupational Safety and Health (NIOSH) Education and Research
Centers (ERCs)**

UC Request:	\$27 million
FY 2015 Budget Request:	\$0
FY 2014 Enacted:	\$27 million

UC supports \$27 million for the National Institute for Occupational Safety and Health (NIOSH) Education and Research Centers (ERCs). The ERCs provide academic and research training programs in the occupational safety and health disciplines, as well as education and outreach programs to prevent workplace related injury and disease. The Administration's FY 2015 Budget Request would not fund the ERCs, and would eliminate occupational safety and health educational services provided to over 10,000 businesses. UC operates two of the nation's 18 ERCs (the Northern California ERC based at UC San Francisco and UC Berkeley, and the Southern California ERC based at UCLA and UC Irvine).

NIOSH Agriculture, Forestry and Fishing Program (AFF)

UC Request:	\$24 million
FY 2015 Budget Request:	\$0
FY 2014 Enacted:	\$24 million

UC supports \$24 million for the NIOSH Agriculture, Forestry and Fishing Program (AFF) Centers. The AFF Program is the only substantive federal effort designed to prevent workplace injuries in the agriculture sector. The Administration's FY 2015 Budget Request would eliminate funding for the AFF Centers, harming efforts to protect agricultural workers. UC operates one of the nine regional NIOSH AFF Centers, the Center for Agricultural Disease and Injury Research, Education, and Prevention (located at UC Davis).

**HEALTH AND HUMAN SERVICES MANDATORY SPENDING PROPOSALS, CENTERS FOR
MEDICARE AND MEDICAID SERVICES (CMS)**

The President's FY 2015 Budget Request includes approximately \$414 billion in spending reductions over ten years to Medicare (\$407 billion) and Medicaid (\$7.3 billion). The \$354 billion in reductions will come from Medicare providers, including the University of California Health System (UC Health). The Budget Request seeks to realize much of these savings by enacting reforms that will implement "payment innovations...encourage high-quality and efficient delivery of health care" and improve program integrity. Though these proposals are not subject to appropriations, UC is concerned that the following provisions in the FY 2015 Budget Request would directly affect UC Health's clinical operations and medical education programs:

- The FY 2015 Budget Request would reduce the reimbursement to hospitals for their “bad debt” from 65 percent to 25 percent over three years for a savings of approximately \$30.8 billion;
- Payments for indirect graduate medical education would be reduced by 10 percent, or \$14.6 billion;
- The Independent Payment Advisory Board (IPAB), created by the Affordable Care Act to reduce Medicare spending, will be strengthened. IPAB is tasked with recommending policies to reduce the Medicare growth rate if the projected Medicare per capita growth rate exceeds a certain target. The FY 2015 Budget Request would lower that target growth rate, triggering IPAB to make policy recommendation at an earlier time, for a savings of \$12.9 billion over ten years; and
- Reductions to Medicaid Disproportionate Share Hospital payments would continue into FY 2024, for a savings of \$3.3 billion.

These proposals, combined with the elimination of the Children’s Graduate Medical Education fund, \$265 million, would impede UC Health’s ability to continue to provide patient-focused, state of the art, individualized care to nearly a million patients a year.