

**FINANCE AND CAPITAL STRATEGIES COMMITTEE**

November 14, 2024

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **CONSENT AGENDA**

A. ***Bank Line Program: External Financing***

The Committee recommends that the President be authorized to obtain, renew, extend, replace and utilize external financing for any University-related purpose through one or more bank lines or similar instruments in an amount not to exceed \$1.5 billion in principal amount available.

B. ***Rancho Bernardo Healthcare Center Medical Office Building, San Diego Campus: Design Following Adoption of a Mitigated Negative Declaration Pursuant to the California Environmental Quality Act***

The Committee recommends that, following review and consideration of the environmental consequences of the proposed Rancho Bernardo Healthcare Center Medical Office Building project, as required under the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

- (1) Adopt the Mitigated Negative Declaration for the Rancho Bernardo Healthcare Center Medical Office Building project.
- (2) Adopt the Mitigation Monitoring and Reporting Program prepared for the project and make a condition of approval the implementation of all mitigation measures within the responsibility and jurisdiction of UC San Diego.
- (3) Adopt the CEQA Findings for the Rancho Bernardo Healthcare Center Medical Office Building project.
- (4) Approve the design of the Rancho Bernardo Healthcare Center Medical Office Building project, San Diego campus.

C. ***La Jolla Medical Center Tower 2, San Diego Campus: Preliminary Plans Funding***

The Committee recommends that:

- (1) The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended to include:

San Diego: La Jolla Medical Center Tower 2 – preliminary plans – \$110 million, to be funded from external financing.

- (2) The President of the University be authorized to obtain external financing in an amount not to exceed \$110 million plus additional related financing costs to finance the La Jolla Medical Center Tower 2 project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:

- a. As long as the debt is outstanding, the general revenues of UC San Diego Health shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
- b. The general credit of the Regents shall not be pledged.
- c. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

**D. *East Campus Student Housing, Santa Barbara Campus: Preliminary Plans Funding***

The Committee recommends that the Regents amend the 2024-25 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Santa Barbara: East Campus Student Housing – preliminary plans – \$16.49 million from campus funds.

**E. *Central Utility Plant Modernization and Expansion Project, UC Davis Health, Sacramento Campus: Budget, Scope, External Financing, and Design Following Adoption of Findings Pursuant to the California Environmental Quality Act***

The Committee recommends that:

- (1) The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Central Utility Plant Modernization and Expansion – preliminary plans for the entire project, and working drawings,

construction, and equipment for the Advanced Work Phase – \$66 million to be funded from hospital reserves.

To: Davis: Central Utility Plant Modernization and Expansion – preliminary plans, working drawings, construction, and equipment – \$406 million to be funded from external financing.

- (2) The scope of the Central Utility Plant Modernization and Expansion project be approved. The project involves constructing a 33,000-gross-square-foot annex to support hospital functions and critical utility equipment, including hydronic systems, emergency generators, and electrical switchgear. It will also add a new Sacramento Municipal Utility District (SMUD) feed, extend and relocate utilities, and construct new roadways, traffic signals, and sidewalks. Additionally, a modular trailer will be installed to serve as the project’s design and coordination office for the duration of the project.
- (3) The President of the University be authorized to obtain external financing in an amount not to exceed \$406 million plus additional related financing costs to finance the Central Utility Plant Modernization and Expansion project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:
  - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the general revenues of UC Davis Health shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
  - d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- (4) Following review and consideration of the environmental consequences of the Central Utility Plant Modernization and Expansion project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

- a. Adopt CEQA Findings for the Central Utility Plant Modernization and Expansion project, having considered the previously certified Central Utility Plant Expansion Final Environmental Impact Report (EIR).
- b. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Davis as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the Central Utility Plant Expansion EIR.
- c. Approve the design of the Central Utility Plant Modernization and Expansion project.

Committee vote: Regents Cohen, Drake, Elliott, Kounalakis, Lee, Makarechian, Matosantos, Pérez, Reilly, Sherman, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Makarechian, Pérez, Reilly, Rivas, Robinson, Salazar, Sarris, and Sures voting “aye.”

## 2. **COGENERATION PLANT EQUIPMENT REPLACEMENT, LOS ANGELES CAMPUS: BUDGET AMENDMENT AND EXTERNAL FINANCING**

The Committee recommends that:

- A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Los Angeles: Cogeneration Plant Equipment Replacement – preliminary plans, working drawings, and construction – \$62 million to be funded from campus funds.

To: Los Angeles: Cogeneration Plant Equipment Replacement – preliminary plans, working drawings, and construction, – \$82.5 million to be funded by external financing.

- B. The President of the University shall be authorized to approve external financing (Century Bonds 2012AD) in an amount not to exceed \$82.5 million, plus additional related financing costs to finance the Cogeneration Plant Equipment Replacement project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:

- (1) As long as the debt is outstanding, the general revenues of the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

- (2) The general credit of the Regents shall not be pledged.
- (3) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

Committee vote: Regents Cohen, Drake, Kounalakis, Lee, Pérez, Reilly, and Sherman voting “aye” and Regent Makarechian voting “no,” and Regent Sures abstaining.

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Reilly, Rivas, Robinson, Salazar, Sarris, and Sures voting “aye,” Regent Makarechian abstaining, and Regent Pérez voting “no.”

3. **CAL SOFTBALL FIELD RENOVATION, BERKELEY CAMPUS:  
AMENDMENT OF BUDGET, EXTERNAL FINANCING, SCOPE, AND DESIGN  
FOLLOWING CERTIFICATION OF AN ENVIRONMENTAL IMPACT  
REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY  
ACT**

The Committee recommends that:

- A. The 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
  - From: Berkeley: Levine-Fricke Softball Field Improvements – preliminary plans, working drawings, and construction – \$31.48 million, to be funded from campus (\$27,903,000) and gift funds (\$3,577,000).
  - To: Berkeley: Cal Softball Field Renovation Project – preliminary plans, working drawings, construction, and equipment – \$57.95 million, to be funded from campus funds (\$24,883,000), gift funds (\$3,577,000), and external financing supported by campus funds (\$29.49 million).
- B. The scope of the Cal Softball Field Renovation project be approved. The project shall provide permanent spectator seats and concourse, a press box, competition-grade lights, restrooms, a public address system, expanded playing field dimensions to meet National Collegiate Athletic Association Division I standards, team locker rooms, improved training facilities, a ticket booth, an entry plaza, and circulation improvements along Centennial Drive.
- C. The President of the University be authorized to obtain external financing in an amount not to exceed \$29.49 million plus additional related financing costs to finance the Cal Softball Field Renovation project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:

- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
- (2) As long as the debt is outstanding, the general revenues of the Berkeley campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
- (3) The general credit of the Regents shall not be pledged.
- (4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

D. Following review and consideration of the environmental consequences of the Cal Softball Field Renovation project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

- (1) Certify the Environmental Impact Report for the Cal Softball Field Renovation project.
- (2) Adopt the Mitigation Monitoring and Reporting Program for the Cal Softball Field Renovation project and make as a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of the Berkeley campus.
- (3) Adopt the CEQA Findings and Statement of Overriding Considerations for the Cal Softball Field Renovation project.
- (4) Approve the design of the Cal Softball Field Renovation project, Berkeley campus.

Committee vote: Regents Cohen, Drake, Elliott, Kounalakis, Lee, Makarechian, Pérez, Reilly, Sherman, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Makarechian, Pérez, Reilly, Rivas, Robinson, Salazar, Sarris, and Sures voting “aye.”

4. **SAN BENITO STUDENT HOUSING, SANTA BARBARA CAMPUS:  
PRELIMINARY PLANS FUNDING AMENDMENT, SCOPE, LONG RANGE  
DEVELOPMENT PLAN AMENDMENT #7 AND DESIGN FOLLOWING  
CONSIDERATION OF AN ADDENDUM TO THE 2010 LONG RANGE  
DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT  
TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Committee recommends that:

- A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Barbara: San Benito Student Housing – preliminary plans – \$19.15 million to be funded from campus funds.

To: Santa Barbara: San Benito Student Housing – preliminary plans – \$32,076,000 to be funded from campus funds.

- B. The scope of the San Benito Student Housing project be approved. The project shall provide approximately 718,900 gross square feet for approximately 2,238 beds for undergraduate students and resident professional staff in seven buildings ranging from two to eight stories. The project would also provide community amenities and a retail food market, restored Environmentally Sensitive Habitat Area, and improved bicycle and pedestrian connections to the UC Santa Barbara Main Campus. The scope includes removal of the foundations of the former Facilities Management yard.

- C. Following review and consideration of the environmental consequences of the San Benito Student Housing project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

- (1) Adopt the CEQA Findings for the San Benito Student Housing project, having considered both the 2010 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the Santa Barbara Campus and Addendum No. 5 to the 2010 LRDP EIR for the San Benito Student Housing project.
- (2) Adopt as conditions of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the Santa Barbara campus as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2010 LRDP EIR.

- (3) Approve Amendment No. 7 to the 2010 Long Range Development Plan.
- (4) Approve the design of the San Benito Student Housing project.
- (5) Authorize the UC Santa Barbara Chancellor to amend the LRDP, if required, in response to comments received from the California Coastal Commission, provided that any changes: 1) preserve the fundamental planning principles and objectives of the previously adopted LRDP; 2) do not modify greater than 30,000 gross square feet of allocated building space; and 3) do not modify land use boundaries or designations greater than four acres, except for changes required for additional environmental or coastal protections that may apply campuswide. Any associated changes to the project budget or scope that fall within the parameters in Regents Policy 8103, Policy on Capital Project Matters and/or Delegation of Authority 2629 on Capital Project Matters, including any conforming changes to the project's design, may be approved by the President or designee.

Committee vote: Regents Cohen, Drake, Elliott, Kounalakis, Lee, Makarechian, Pérez, Reilly, Sherman, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Makarechian, Pérez, Reilly, Rivas, Robinson, Salazar, Sarris, and Sures voting “aye.”

**5. UNIVERSITY OF CALIFORNIA CONSOLIDATED CAPITAL REPORT AND 2024-30 CAPITAL FINANCIAL PLAN**

The Committee recommends to the Regents that the University of California 2024-30 Capital Financial Plan be approved.

Committee vote: Regents Cohen, Drake, Elliott, Kounalakis, Lee, Makarechian, Pérez, Reilly, Sherman, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Makarechian, Pérez, Reilly, Rivas, Robinson, Salazar, Sarris, and Sures voting “aye.”

**6. UNIVERSITY OF CALIFORNIA FINANCIAL REPORTS, 2024**

The Committee recommends that the Regents adopt the 2023-24 Annual Financial Reports for the University of California, the University of California Retirement System, and the five University of California Medical Centers.

Committee vote: Regents Cohen, Drake, Elliott, Kounalakis, Makarechian, Pérez, Reilly, Sherman, and Sures voting “aye.”



Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Makarechian, Pérez, Reilly, Rivas, Robinson, Salazar, Sarris, and Sures voting “aye.”

**7. UNIVERSITY OF CALIFORNIA 2025-26 BUDGET FOR CURRENT OPERATIONS AND STATE REQUEST FOR CAPITAL PROJECTS**

The Committee recommends that the Regents approve the following items:

- A. The amount shown in Display 1 for Nonresident Supplemental Tuition for incoming undergraduate nonresident students who first enroll at the University in the 2025-26 academic year.
- B. The proposed budget plan shown in Attachment 1, *University of California 2025-26 Budget Plan for Current Operations*.
- C. A request for one-time State funding of \$1.36 billion in 2025-26 for capital projects to support facilities renewal, enrollment growth, and clean energy.

**Display 1: Proposed Increase to Undergraduate Nonresident Supplemental Tuition**

| NRST for 2024-25 Incoming Cohort | <i>Adjustment</i> | Proposed NRST for 2025-26 Incoming Cohort |
|----------------------------------|-------------------|---|
| \$34,200                         | \$3,402           | \$37,602                                  |

Committee vote: Regents Cohen, Drake, Elliott, Lee, Matosantos, Pérez, Reilly, Sherman, and Sures voting “aye” and Regent Kounalakis abstaining.

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Leib, Makarechian, Pérez, Reilly, Robinson, Salazar, Sarris, and Sherman voting “aye,” Regent Hernandez voting “no,” and Regents Kounalakis and Rivas abstaining.

**University of California**  
**2025-26 Budget Plan for Current Operations**

(dollars in millions)

**Attachment 1**

**2024-25 CORE FUNDS FOR CURRENT OPERATIONS**

Total Core Funds (State General Funds, Student Tuition and Fees, and UC General Funds) **\$ 10,758.3**

**PROPOSED CHANGES IN EXPENDITURES**

**Sustaining Core Operations**

|                                       |           |              |
|---------------------------------------|-----------|--------------|
| Faculty compensation: policy-covered  | \$        | 80.1         |
| Faculty merit program                 | \$        | 36.0         |
| Staff compensation: policy-covered    | \$        | 69.5         |
| Contractually committed compensation  | \$        | 51.2         |
| <i>Represented academic employees</i> | \$        | 36.9         |
| <i>Represented staff employees</i>    | \$        | 14.3         |
| Retirement contributions              | \$        | 19.4         |
| Employee health benefits              | \$        | 40.4         |
| Retiree health benefits               | \$        | 11.3         |
| Non-salary price increases            | \$        | 35.9         |
| <b>Subtotal</b>                       | <b>\$</b> | <b>343.7</b> |

**Enrollment Growth**

|  |           |             |
|--|-----------|-------------|
| Compact: 2,044 CA undergrad, 625 grad* | \$        | 62.8        |
| <b>Subtotal</b>                        | <b>\$</b> | <b>62.8</b> |

**Student Financial Aid**

|   |           |              |
|---|-----------|--------------|
| New enrollment (2,044 undergrad, 625 grad)  | \$        | 14.2         |
| Add'l 902 aid-eligible undergrads (NR swap) | \$        | 4.0          |
| Tuition/Fee/NRST Adjustments                | \$        | 83.5         |
| <b>Subtotal</b>                             | <b>\$</b> | <b>101.6</b> |

**Additional High-Priority Investments**

|                                 |           |            |
|---------------------------------|-----------|------------|
| DDS-ASPIRE, PRIME-Rx, DVM-SERVE | \$        | 4.3        |
| <b>Subtotal</b>                 | <b>\$</b> | <b>4.3</b> |

**EXPENDITURES TOTAL** **\$ 512.5**

**PROPOSED CHANGES IN REVENUE / RESOURCES**

**Alternative Revenue Sources**

|  |           |             |
|--|-----------|-------------|
| Procurement savings                      | \$        | 9.0         |
| Asset management                         | \$        | 20.0        |
| Nonresident enrollment growth (200), net | \$        | 4.2         |
| <b>Subtotal</b>                          | <b>\$</b> | <b>33.2</b> |

**State General Funds**

|  |           |              |
|--|-----------|--------------|
| 5% Base Budget Adjustment                      | \$        | 242.8        |
| Convert 902 nonresident to resident slots      | \$        | 32.9         |
| <i>Offset lost nonresident tuition revenue</i> | \$        | 28.9         |
| <i>Aid for add'l 902 eligible undergrads</i>   | \$        | 4.0          |
| DDS-ASPIRE, PRIME-Rx, DVM-SERVE                | \$        | 4.3          |
| <b>Subtotal</b>                                | <b>\$</b> | <b>280.1</b> |

**Tuition and Fees**

|   |           |              |
|---|-----------|--------------|
| <i>For campus operations</i>                |           |              |
| Enrollment growth (net of aid)              | \$        | 31.1         |
| Nonresident tuition reduction from swap     | \$        | (28.9)       |
| Tuition/Fee Adjustment (net of aid)         | \$        | 83.3         |
| Nonresident tuition adjustment (net of aid) | \$        | 58.1         |
| <i>For student financial aid</i>            |           |              |
| From enrollment growth                      | \$        | 14.2         |
| From Tuition/Fee/NRST adjustments           | \$        | 83.5         |
| <b>Subtotal</b>                             | <b>\$</b> | <b>241.2</b> |

**REVENUE / RESOURCES TOTAL** **\$ 554.5**

|  |                 |
|--|-----------------|
| <b>Add'l cost savings/revenues required<br/>with proposed \$271M State reduction</b> | <b>\$ 504.7</b> |
|--|-----------------|

**ADDITIONAL REQUEST FOR ONE-TIME STATE FUNDS**

**Capital Support for Facilities Renewal, Enrollment Growth, and Clean Energy Projects** **\$ 1,360.0**

Figures may not sum to totals due to rounding.

\* Does not include additional CA undergraduate growth beyond the level in the Compact, which would be funded from the University's 2024-25 State appropriation together with students' tuition and fees.