

The image features a low-angle, upward-looking shot of a modern university building with a prominent, angular, light-colored facade. The sky is a clear, bright blue. In the foreground, a concrete walkway with a white metal railing runs diagonally across the frame. Several students are walking along this path, some carrying books or bags. The overall composition is dynamic and emphasizes architectural lines and movement.

UNIVERSITY
OF
CALIFORNIA

Capital Financial Plan

2017-27



University of California
Office of the President
Capital Asset Strategies & Finance
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Cover photo: Highlander Union Building, UC Riverside
Photo credit: Elena Zhukova

2017-27 CAPITAL FINANCIAL PLAN TABLE OF CONTENTS

Perspective	3
Campus Current Term (2017-18 to 2022-23) Capital Plan	16
Medical Center Current Term (2017-18 to 2022-23) Capital Plan	18

CAPITAL PLAN BY LOCATION

How to Read the Tables	20
Berkeley	21
Davis	27
UC Davis Health	33
Irvine	37
UC Irvine Health	43
Los Angeles	47
UC Los Angeles Health System.....	52
Merced	55
Riverside	58
San Diego	63
UC San Diego Health	69
San Francisco	72
UCSF Health	77
Santa Barbara	81
Santa Cruz	86
Division of Agriculture and Natural Resources	91
Systemwide and Office of the President	93

PERSPECTIVE

The capital improvement program for the University of California (UC) stems from the University’s Charter of 1868:

Sec. 25. The Regents shall devise, and with the funds appropriated for that purpose cause to be constructed, such buildings as shall be needed for the immediate use of the University.¹

Since the first permanent building was completed in 1873 at UC Berkeley, the inventory of the University’s capital assets has grown to include approximately 137 million gross square feet of space in approximately 6,000 buildings.² These buildings include classrooms, offices, laboratories, specialized research facilities, medical center/hospitals, libraries, and residential space to house students. With enrollment growth and expanding programs, as well as to meet UC’s strategic goals, even more space must be added. More than half of UC’s space is at least 30 years old. UC must maintain and upgrade its facilities to meet the needs of a modern research university.

The Office of the President works closely with the campuses by providing guidance and perspective relative to Regental and State policies and expectations. The 2017-27 Capital Financial Plan (CFP) reflects campus priorities as identified in the list of projects scheduled in the multi-year capital financial plan presented for each campus. Previously, the Capital Financial Plan only included those projects for which the campuses had funding identified and expected to advance over the next ten years. In order to start to document UC’s full capital need commencing with the 2017-27 plan, the campuses and medical centers have listed priority capital projects for which funding has not yet been identified. The full capital need is still understated in this plan as this is a new area of focus. Next year’s plan will continue the work and the full capital need will be better articulated. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23) and represents projects in the near-term planning horizon. Display 1 summarizes the current term.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible	
Capital Plan with Funding	6,469	3,811	3,329	2,711	1,616	1,294	19,230	5,794
Capital Plan with Funding Not Identified	240	1,124	1,804	1,950	1,780	1,517	8,415	5,098
Total (\$000s)	6,709	4,935	5,133	4,661	3,396	2,811	27,645	10,892

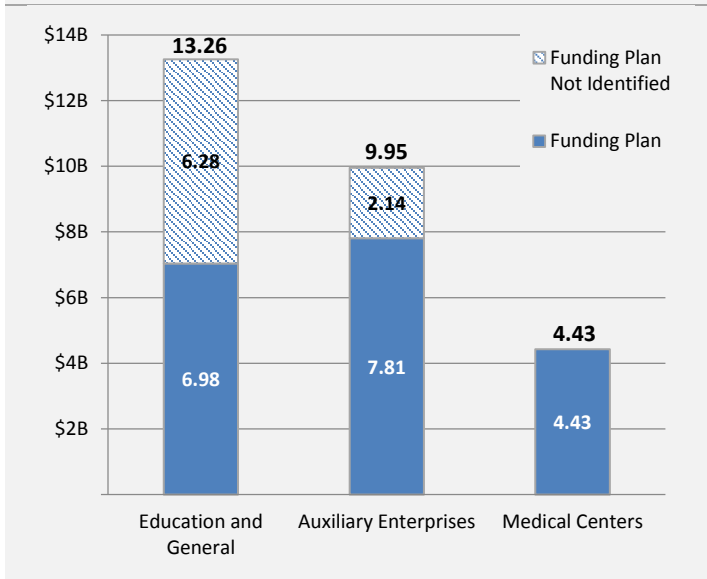
¹ Constitution of California, Article 9, Section 9.

² Corporate Equipment and Facilities System, 2016 data.

CAPITAL PLAN SUMMARY

The 2017-27 Capital Financial Plan (CFP) presents the University’s capital plan for the next decade. The CFP focuses on the current (2017-18) and the next five fiscal years – these six years are collectively identified as the “current term” and represent the projects that are in the near-term planning horizon. The last four years (2023-27) are provided to give the current term projects a broader planning context.

Display 2. Program Categories for 2017-18 to 2022-23 Capital Projects



Of the total \$27.6 billion budget for the first six years of the Capital Financial Plan (see Display 2), a funding plan has been identified for approximately 70% of the budget. The current term total represents an increase from the 2016-22 term of approximately \$10 billion largely as the result of including priority projects that do not have a funding plan.

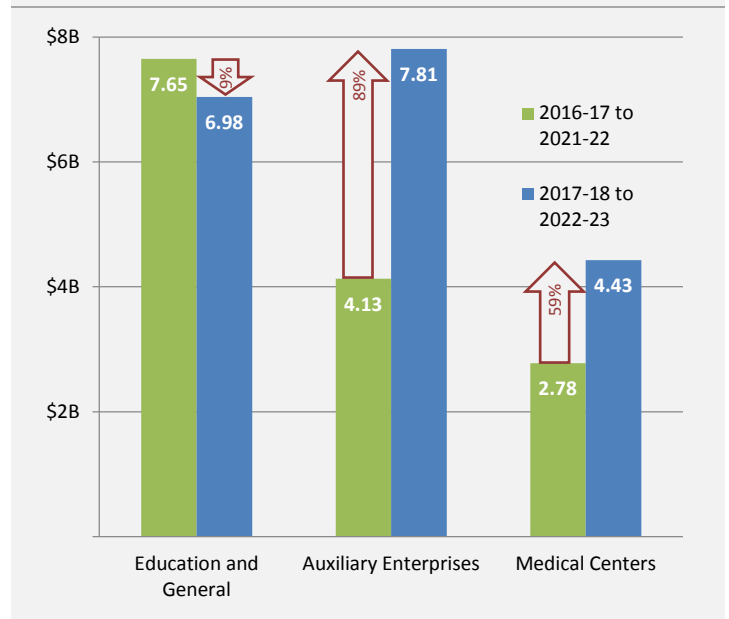
As shown in Display 3, the 2017-27 CFP displays significant changes from the 2016-26 CFP. The decrease in Education and General projects can be attributed to the approval of the Merced 2020 Project in 2016-17; excluding the Merced 2020 project, the projected total for Education and General projects increase.

Auxiliary projects have significantly increased. This is based on two main factors: (1) the Student Housing Initiative to provide approximately 14,000 affordable

student housing beds to the campuses’ stock by fall 2020 and (2) improved reporting on public private partnerships (P3) UC is pursuing for its housing projects. Additional information on both of these topics may be found later in this chapter.

Projects that support UC’s academic medical centers have also increased. The 2017-27 CFP includes a potential new hospital for UCI Health, expansion of ambulatory care as well as the medical centers continuing to address renewal and advances in patient care.

Display 3. Change in Funding Plan between 2016-22 and 2017-23 by Program Categories



PRIORITIES FOR PROJECTS INCLUDED IN CAPITAL PLAN

The capital plan is driven by multiple priorities that compete for limited funding. These priorities include:

- **Enrollment Growth.** Increasing the amount of space needed to support enrollment demand, including instruction and research space, affordable housing, and student service space;
- **Renewal.** Preserving existing capital assets through investment in renewal of facilities, including seismic corrections and systems modernization, and

addressing the significant deferred maintenance backlog across the system;

- **Modernization.** Upgrading instruction and research facilities to support innovation, technology advances, and the changing nature of academic and research programs;
- **Sustainability.** Being environmentally responsible and demonstrating leadership in sustainable practices; and
- **Medical Centers.** Providing facilities to support the mission of the five academic medical centers, through a combination of capital renewal and deferred maintenance, seismic corrections, and new construction.

Enrollment Growth

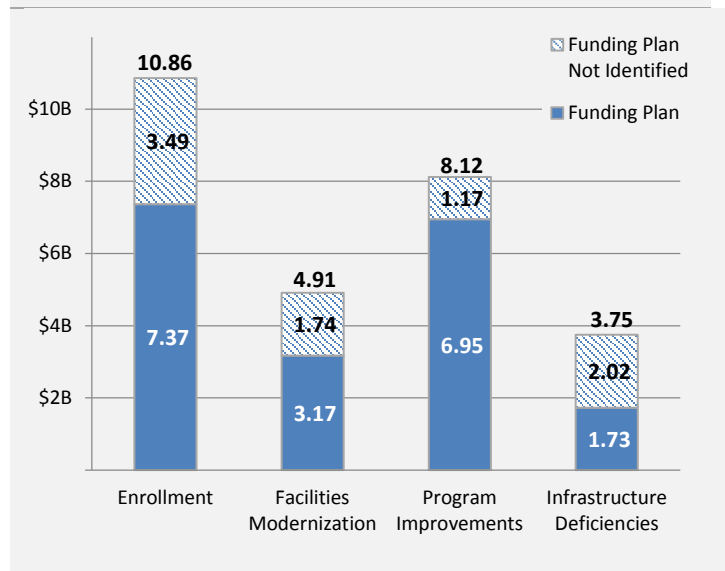
The University, with the support of the State, has achieved an extraordinary level of enrollment growth in recent years. Between 2014-15 and 2017-18, UC enrollment grew by approximately 10,400 students. The Budget Act of 2017 calls upon the University to enroll at least 1,500 more California resident undergraduates in 2018-19 compared to 2017-18. This growth, while a boon to the California students seeking to enroll at UC, has created challenges for campuses including crowded classrooms, difficulties in obtaining on-campus housing, and the maintenance of heavily-used facilities.

As has been true in past enrollment cycles, the expansion of facilities has lagged significantly behind the rapid increase in student population. Facilities are crowded, recruitment of essential new faculty is constrained, and important actions to expand and innovate curriculum are impacted. All campuses have been actively pursuing programmatic and physical options for accommodating the increase in students. At several campuses, this is dependent upon the process of amending their Long Range Development Plans, addressing potential environmental impacts, and engaging in the required public review pursuant to California Environmental Quality Act.

The campuses need a balanced array of many categories of facilities and services to function effectively and meet their education, research and public service goals. A shortfall in one category can impact the functional success of a campus as a whole. These facilities include not only core academic buildings, but also libraries and instructional/research support facilities, student services, housing and auxiliary enterprises, health services centers, and utilities infrastructure. In conjunction with providing the right amount of space for each category and as resources allow, the campuses also incorporate funding to maintain their existing facilities and infrastructure.

Display 2 identifies the distribution of the University’s capital budget among three program categories, with about 30% of the funding yet to be identified. Display 4 shows how limited funding is prioritized among major program objectives and how those needs remain underfunded.

Display 4. Project Objectives for 2017-18 to 2022-23 Capital Projects



The majority of funded projects in the enrollment category address student housing. Housing is an auxiliary enterprise and generates revenue which, in turn, can be a fund source for a capital project. Housing projects are also being implemented via public private partnerships.

Program improvements are supported by a variety of fund sources. Most of UC's research and medical center projects fall into this category. Display 4 indicates that approximately 85% of these projects have a funding plan. UC is relying on philanthropy to be a fund source for many of these projects and in general, these projects will not advance until the fundraising targets are met.

Facilities modernization and infrastructure projects often have to depend on equity and external financing for their funding and these projects do not generate revenue. As a result, it is challenging to find the resources to meet these needs.

Academic and Research Facilities

Formal and Informal Instructional Environments

Improvements are needed to instructional spaces, such as technology upgrades in classrooms and lecture halls, particularly to support instruction in data science. Having adequate class sections for in demand courses can increase the likelihood that students graduate in four years – or sooner – which can greatly reduce their educational expenses and student debt at graduation and free up space for future enrollment.

A combination of sizes and types of classroom and lecture hall spaces are necessary to provide the appropriate learning environment for students and to support the academic program within limited resources. More traditional large lecture halls provide the opportunity for departments to teach a large number of students with a single faculty member.

There is also a need for interactive “active learning” spaces, in which students, faculty, and teaching assistants work in groups to solve problems and engage in more one-on-one interactions that require a flexible environment. Technology-enabled active learning (TEAL) is a teaching format that merges facilitated discussions, simulations, and hands-on desktop experiments to create a rich

collaborative learning experience. Classrooms that support TEAL are different:

- Design focused on collaborative and applied learning tasks.
- No front or back of the room; large rectangular 9-student work tables are placed along the outside walls.
- Each station has connectivity for laptops or tablets, and cameras for capture are dispersed throughout the room.
- Layout allows smaller groups of students to work together on course curriculum and help each other through comprehension and problem solving activities.
- Space design where instructors can easily have the entire class focus on one group's work, or transfer focus between groups.



UC Merced's first TEAL classroom started to hold classes in spring 2017.

Campuses also are striving to provide teaching and learning spaces for students to develop their own experiments, work in groups, and practice presentations outside their formal courses; in many cases, these environments also provide opportunities for faculty and graduate students to develop their skills for teaching in an active learning environment. With the demand on classrooms, lecture halls, and teaching laboratories to accommodate the formal lectures and sections,

additional space is required for these supplemental learning opportunities.

Research Space

The education provided by the University prepares both undergraduate and graduate students to take leadership positions in industry and the community; the University's research is not only an integral part of this educational process, but also is vital in supporting the advances of the California economy. Providing modern and flexible experimental and computational research space is critical to supporting the faculty who teach the University students, but also to provide the hands-on learning environment for both undergraduate and graduate students. With limited funding available, campuses are renovating existing research spaces and building new space to accommodate the demand of current research and to provide flexible spaces that can be easily adapted to evolving research opportunities.



Recent research lab renovation in Health Sciences Instruction and Research complex located on UCSF's Parnassus Heights campus.

Affordable Student Housing

To address current and growing demand for on-campus student housing, President Janet Napolitano announced a Student Housing Initiative in 2016 with the objective of adding approximately 14,000 affordable student housing beds to the campuses' stock by fall 2020.

The implementation of capital projects requires the development of program information, architectural drawings, environmental documentation to comply with California Environmental Quality Act (CEQA), competitive bid process, and physical construction. This process can take years before new beds are realized and to expand on-campus housing supply, many campuses increased density within existing housing facilities by increasing the number of beds per room and/or converting other spaces such as lounges into bedrooms. These measures are interim solutions to accommodate increased demand until new permanent facilities come online.

Many student housing beds are already under construction and the CFP includes over 25 projects in the current term. Another 10 housing projects have been identified without a funding plan; however, the campuses continue to look for opportunities that would allow more projects to be completed.



Opened in fall 2017, UCSD's 1,350-bed Mesa Nueva is one of the nation's largest graduate housing communities.

Maintaining Existing Facilities

Aging Facilities/Infrastructure and Deferred Maintenance Backlog

Approximately 56% of the University's State eligible space is more than 30 years old. UC's most common deferred maintenance (DM) projects include replacement and major repairs of systems and assets that have reached their end of useful life.

Examples of typical DM projects include: elevators that have reached end of life, major roof repairs/replacements, HVAC system replacement (air conditioning and air handling units, boilers, chillers), electrical system replacement (switch gear and panel boards, transformers, emergency generators), exterior building envelope repairs and replacements (windows, painting, stucco and siding) and domestic water distribution (backflow prevention devices, fire sprinklers).

UC's capital asset portfolio needs constant reinvestment to protect its value and to manage risk (mission, facility, life, and safety). When such a plan is not attainable, however, the typical result is the accumulation of a DM backlog liability. The backlog occurs when maintenance repairs or capital renewal repairs or replacements are not addressed or are postponed to a future date.

Since the 1990s, UC's building portfolio reinvestment program has been severely constrained with respect to operational budgets to support preventative maintenance and capital budgets to support regular capital renewal. This has led to the accumulation of a significant deferred maintenance backlog. With no immediate replenishment funding in sight, it is expected the backlog will continue to escalate.



New weather-resistant plexiglass coverings help protect sheep at UCD's Teaching Research and Animal Facility, but additional DM funding is needed to install the same protective coverings on the barn's east side.

Proactively, the University is taking steps to address the backlog of deferred maintenance at the systemwide level and at the individual campuses, by instituting a new program, the Integrated Capital Asset Management Program (ICAMP). ICAMP consists of a new standardized real property asset management platform and facility condition assessment (FCA) program methodology designed to collect a uniform systemwide asset inventory and capture the condition of the inspected assets.

The FCAs will capture a comprehensive capital asset inventory, identify deficiencies with the assets, associate costs for replacement or repair, assign risk or prioritization scores to the assets, and deliver a credible deferred maintenance backlog estimate and capital renewal forecast for UC's space.

Each location includes an estimate for DM work. These figures will be updated, as needed, and incorporated into ICAMP.

While campuses begin to operationalize the ICAMP program, they will continue to address their facilities investment needs in several ways: 1) implementing small maintenance and repair projects; 2) performing full building planned renewal; 3) carrying out individual system renewal across multiple buildings (e.g., roof repair, boiler

replacements); 4) constructing new facilities to replace existing facilities that either are too costly to maintain and/or do not warrant additional renewal; and 5) continuing to identify known and critical deferred maintenance projects in the campuses' ten-year plans, even though these projects may only represent a portion of the need.

Once the initial systemwide FCA has been completed, campuses will be able to identify their total deferred maintenance need, prioritize corrective measures, and establish milestones for planned renewal and replacement. UC as a whole will be able to develop strategies to manage its capital asset portfolio, address deferred maintenance, manage risk and optimize its total cost of ownership.

The intended outcome of the ICAMP program will be to incorporate a facility lifecycle management planning approach into UC's subsequent capital financial plans. Even with this system, however, the ability to address the deferred maintenance backlog (as well as deter continued accumulated growth) is dependent upon adequate future funding.

Improving Seismically Compromised Facilities

In 2017 the University adopted a new seismic management methodology for its seismic program. Three key elements to the seismic management methodology are described below.

- Seismic Risk Model – The University adopted a Seismic Risk Model that is required to be used to analyze seismic risk to life safety in UC-owned facilities.
- Seismic Advisory Board – A UC Seismic Advisory Board made up of independent engineers was established in August 2017 to provide technical expertise related to seismic risk at the University.

- Seismic Safety Policy – The Seismic Safety Policy³ was revised in May 2017 and established December 31, 2030 as the end-of-use date for UC-owned facilities that do not meet seismic standards.

Campuses have identified projects in their ten-year capital plans that would address seismically-compromised facilities; however, there remains a portion of seismic improvements for which funding is not identified. The capital plans do not specify how much of a project cost is associated with seismic improvements; however, the need to address the seismic problems is often the primary driver. As funding allows, other improvements are often combined with the seismic improvements since code and systems work can be triggered by the seismic work, cost savings can be obtained by combining design and construction efforts, and opportunities to minimize the disruption to building occupants can be realized. With 2030 as the required end-of-use date for UC-owned facilities, the campuses have a little over a decade to identify and implement solutions for their seismically-compromised facilities.

Environmental Responsibility

The University is committed to responsible stewardship of resources and to demonstrating leadership in sustainable business practices. The UC Sustainable Practices Policy⁴ guides sustainability efforts across the ten campuses, five medical centers and other university facilities in nine areas of sustainable practice: climate protection, clean energy, green building, transportation, sustainable operations, waste reduction and recycling, sustainable procurement, sustainable food service, and sustainable water systems. UC's efforts in climate and sustainability are supported by several

³ Seismic Safety Policy, <http://policy.ucop.edu/doc/3100156/>

⁴ UC Sustainable Practices Policy, <http://policy.ucop.edu/doc/3100155/SustainablePractices>

Presidential initiatives, including the Carbon Neutrality Initiative.

The Carbon Neutrality Initiative commits UC to emitting net zero greenhouse gasses from its buildings and vehicle fleet by 2025, becoming the first major university to accomplish this achievement. The initiative builds on UC's pioneering work on climate research and furthers its leadership in sustainable business practices. UC is improving the energy efficiency of its buildings, developing new sources of renewable energy, and enacting a range of related strategies to cut carbon emissions.

The systemwide Sustainability Steering Committee provides oversight and governance of the Sustainable Practices Policy. The Committee is chaired by the UCOP Executive Vice President – Chief Operating Officer and includes representation from each campus, as well as from faculty and students. This year, the Committee is working to strengthen the Green Building Design elements of the Sustainable Practices Policy in order to further the commitment to reducing the dependence on fossil fuels (e.g. natural gas).

UC annually reports progress towards the policy's goals in the UC Annual Report on Sustainable Practices.⁵ The report provides a summary of the University's sustainability achievements and initiatives, including the area of green buildings. As noted in the 2016 report, the University has 252 LEED™-certified buildings. In 2016, 17 projects received a total of \$1.3 million in incentives from energy efficiency programs offered by California's four investor-owned utilities and the Sacramento Municipal Utility District. These projects are projected to avoid nearly \$200,000 annually in energy costs due to their energy-efficient design strategies. These are just two examples of how the University is progressing in its Sustainability goals.

Implementation of the projects included in the Capital Financial Plan will support the campuses' role as living laboratories for sustainability, contributing to the research and educational mission of the University, consistent with available funding and safe operational practices.

Academic Medical Centers

The five academic medical centers across the system (Davis, Irvine, Los Angeles, San Diego, and San Francisco) experience similar issues as the campuses. These challenges include needing new space to meet growing demand, maintaining existing facilities (including improving seismically-challenged facilities), and adapting existing facilities to meet changing programmatic needs – all with limited resources. In addition, the medical centers need to expand their patient care networks in order to provide accessible care in a competitive environment.

The medical centers primarily rely on hospital reserves, gifts, and external financing to fund their capital improvements.

Consistent with the UC Seismic Safety Policy previously mentioned, the medical centers are subject to the established December 31, 2030 end-of-use date for UC-owned facilities; however, they also are governed by the seismic safety mandates for all hospital acute care facilities that were established by the State Legislature in Senate Bill 1953 (SB 1953). Acute care facilities must be brought into compliance (or no longer used for acute care) by January 1, 2030. For some campuses, this means retrofitting existing acute care facilities; for many, however, it requires construction of replacement facilities – at significant costs. Limited resources for capital improvements challenge the medical centers to meet the requirements of SB 1953, without reducing the number of acute care beds – especially when demand may require additional beds.

FUNDING THE CAPITAL IMPROVEMENT PROGRAM

The University relies on a wide range of fund sources to support its capital program, including State funds, gifts,

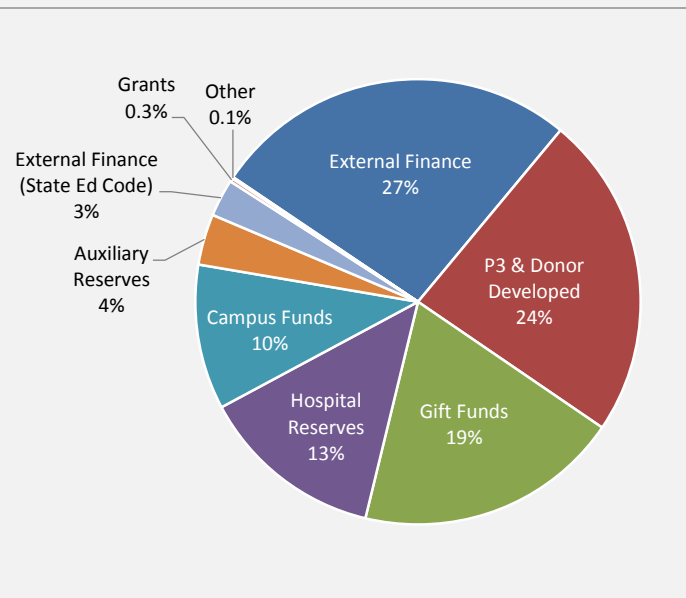
⁵ Annual Report on Sustainable Practices 2016, <http://ucop.edu/sustainability/files/annual-sustainability-report2016.pdf>

grants, University equity funds (derived from auxiliary enterprise revenues, certain fees and other discretionary resources), and long-term debt financing. The distribution among funding sources for the projects that have a funding plan is shown in Display 5.

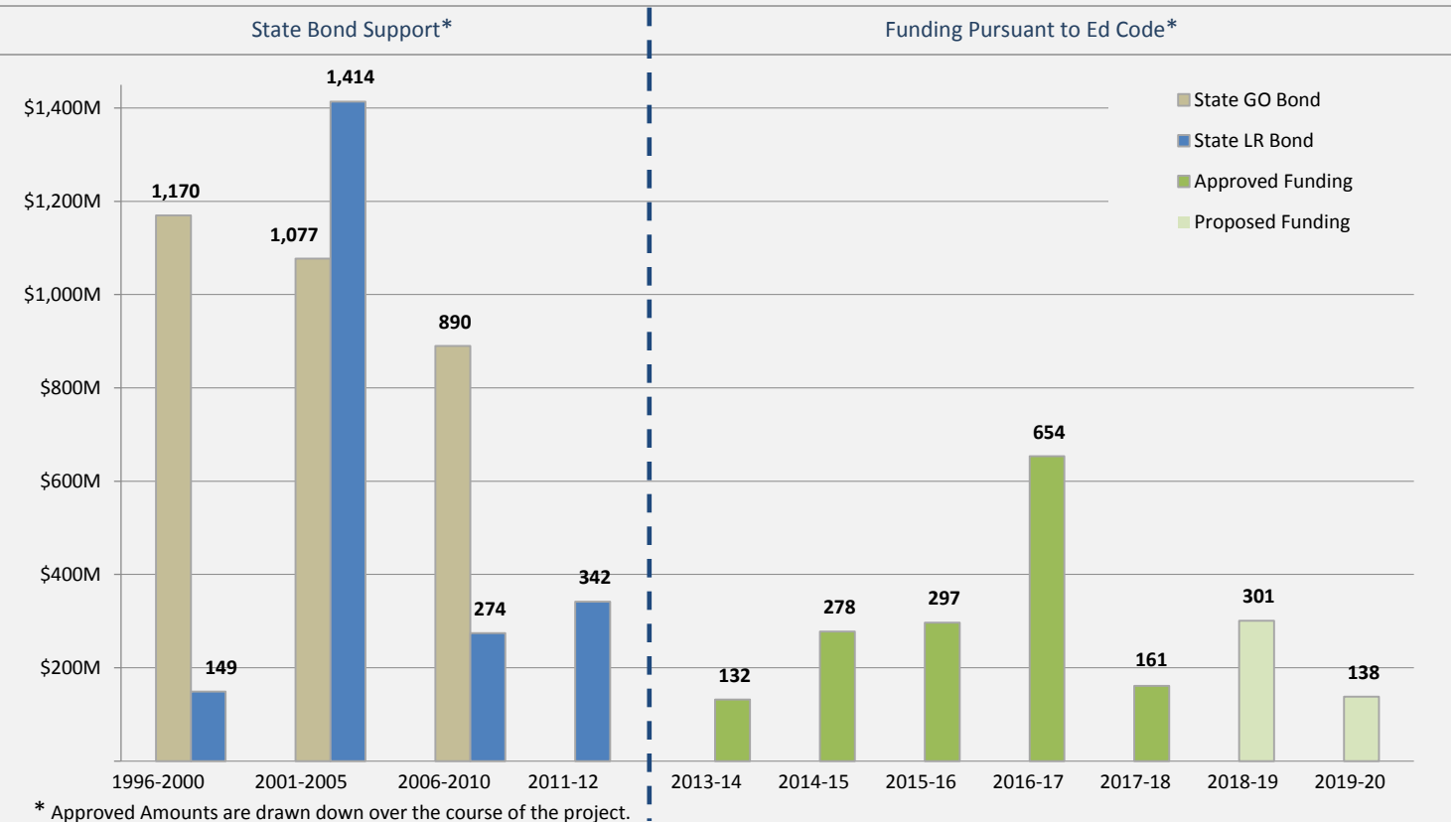
State Fund Sources

State funding for capital projects has shrunk in the last decade because of the recent economic downturn and the State’s goal to reduce overall bond debt. The last general obligation bond measure was passed in November 2006. With the State’s economic recovery continuing, the University continues to advocate for a future general obligation bond measure to support UC’s core academic capital needs (refer to Display 6).

Display 5. Funding Plan for 2017-18 to 2022-23 Capital Projects



Display 6. History of State Capital Funding (beginning in 1996)



Of the \$1.5 billion of approved projects under the provisions of the Education Code (shown in Display 6), UC has long-term financed approximately \$275 million in projects. The mechanism has given UC greater flexibility and provided a cost benefit in financing these projects under the University's General Revenue Bond credit.

The University is utilizing a three-year planning horizon that started in 2017-18 for its State capital program. The three-year program totals \$600 million including \$120 million designated for deferred maintenance, \$450 million for campus projects that address seismic and life safety issues or enrollment growth, and \$30 million for a capital project to construct and equip a systemwide library storage facility. These priorities were examined in the context that campuses and the system benefit from a multi-year approach to budgeting and project planning. Because campuses have an urgent need to address seismic and life safety issues and enrollment growth, the 2018-19 capital program is the largest of the three-year planning horizon.

2018-19 Budget for State Capital Improvements

The proposed 2018-19 Budget for State Capital Improvements totals \$300.8 million and includes \$265.8 million for eight capital projects and \$35 million for the second phase of a systemwide deferred maintenance program. Capital projects are supported with \$109.6 million of non-State resources. As shown in Display 7, the projects address seismic and life safety corrections at Berkeley, San Diego, and San Francisco campuses; enrollment growth at Davis, Riverside and Santa Cruz campuses; and systemwide library storage needs.

Display 7. 2018-19 Budget for State Capital Improvements			
Campus	Project	State Phases	Non-State Phases
Continuing Projects <i>(earlier phases funded in 2017-18 State Capital Budget)</i>			
Berkeley	Giannini Hall Seismic Safety Corrections	C	P/W
San Francisco	Health Sciences Instruction & Research Life Safety	C	
New Projects			
Davis	Teaching & Learning Complex	C	P/W/C/E
Riverside	Student Success Center	P/W/C/E	S/P/W/C/E
San Diego	Ridge Walk Academic Complex	C	P/W/C/E
San Francisco	Health Sciences Instruction & Research Seismic Improvements	C	P/W
Santa Cruz	Kresge College Academic	W	P
Systemwide	Northern Regional Library Phase 4 Expansion	C/E	P/W
Total (Capital Projects)		\$265.8M	\$109.6M
Systemwide	Deferred Maintenance	\$ 35.0M	
Total		\$300.8M	\$109.6M
Phases:			
S – Study	P – Preliminary Plans	W – Working Drawings	
C – Construction	E – Equipment		

This proposal represents only a small portion of UC's total funding need for State eligible capital improvements projects. Of the approximately \$8.4 billion of capital priorities without a funding plan, approximately 60% are State supportable. There continues to be a significant need for capital project funding, but the debt service and pay-as-you-go capital outlay for the State projects competes with other demands for State General Funds and there are limitations on the level of debt the University can incur.

Non-State Fund Sources

External Financing

The current fiscal year (2017-18) and the next five fiscal years thereafter, approximately \$5 billion of the funding plan is expected to come from external financing. The external financing includes \$516 million of debt associated with State projects funded via the mechanism by the Education Code.

With the decline in State support for the University, the University now relies more on its resources to fund capital projects. In particular, external financing plays a greater role in funding capital needs. While the University continues to have significant capital needs, its current financial status presents limited capacity for additional debt. The *University of California Debt Policy*, which was adopted by the Regents in November 2016, governs the University's management of debt in order to ensure that the University maintains access to the debt capital markets to meet its financing needs.

Given the implications of long-term financing commitments, campuses provide a pro forma analysis of the financial feasibility of planned debt-financed projects. For the CFP, campuses analyzed the affordability of the proposed debt-funded projects on a ten-year pro forma basis, with the additional debt burden measured against certain metrics – specifically, modified cash flow margin and either debt service to operations or expendable resources to debt, and for auxiliary projects, project debt service coverage and auxiliary system debt service coverage. The campus metrics are analyzed again when external financing is requested at the time of individual project budget approval. Medical center projects with a debt component are analyzed based on the respective medical center's financial projections; metrics such as pro forma net income margin, debt service coverage, and days cash-on-hand are considered in the analysis.

Campus Funds, Reserves, Gifts, and Grants

Capital projects are also supported by the following non-State resources.

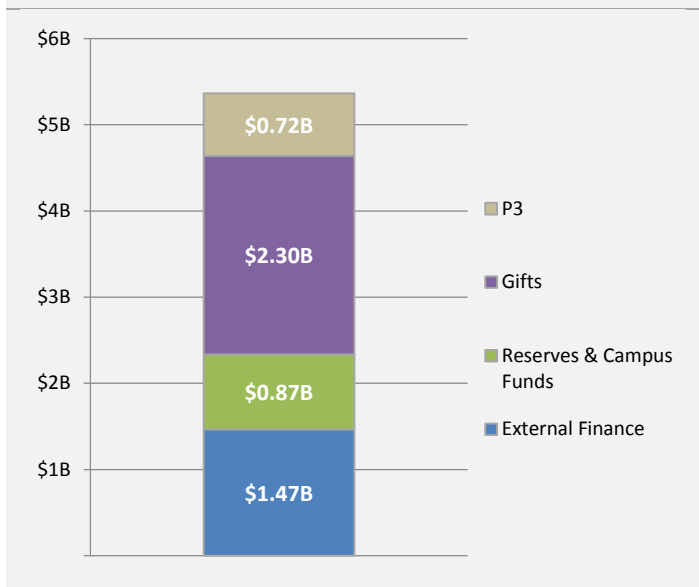
- Campus funds, including indirect cost recovery on sponsored contracts and grants, gift assessments, and investment earnings.
- Reserves generated from specific operations such as medical centers and housing.
- Gift funds, including those in-hand, pledged, and to-be-raised. The University's fundraising efforts remain highly successful. The University set another record in philanthropic giving in 2015-16 – surpassing \$2.1 billion in private support – a new record in philanthropic giving both in terms of dollars raised and the number of contributors to UC. The level of philanthropic support surpassed last year's record by over \$100 million, and marked the second consecutive year that UC campuses and various systemwide programs received over \$2 billion in private support.⁶ Projects dependent upon gifts are advanced when funding targets have been achieved.
- Grants, including State and federal. Campuses aggressively pursue State and federal grants to fund capital projects. Grant funds can be used to cover direct capital expenditures.

Financial challenges require each campus to consider carefully how to deploy resources to optimize the benefits to academic programs and the campus mission as a whole. In the absence of significant State funding, campuses must make urgent funding decisions for critical projects that cannot be delayed. In some cases, those campuses with available resources may choose to redirect non-State funds to projects that otherwise would have been funded with State resources.

⁶ University of California, Annual Report on University Private Support, 2015-16. <http://www.ucop.edu/institutional-advancement/files/annual-reports/2016.pdf>

For the current term (2017-23), approximately \$5.4 billion of non-State resources have been identified to support State supportable programs (refer to Display 8).

Display 8. \$5.4B of State Capital Need Being Funded by Non-State Resources



Public Private Partnerships

The University has extensive experience utilizing public private partnerships (P3) for capital. Most notably in November 2016, the Regents approved the Merced 2020 Project with an estimated value of \$1.3 billion. In addition across the system, several P3 projects totaling over \$1 billion are currently being advanced. These projects are expected to provide thousands of student housing beds.

The P3 delivery model provides benefits including risk allocation and the management efficiencies intrinsic to experienced private development teams, particularly those that specialize in a particular building type such as apartment-style housing. In some cases, a P3 can be delivered in a shorter timeline than a traditional design-bid-build or design-build delivery model and may also provide access to capital that a campus on its own would not be able to provide for a specific project. As previously mentioned, the Student Housing Initiative is leveraging P3 development at a systemwide level, which provides several campuses an alternative for delivering much-needed student housing.

The capital plan identifies proposed P3 projects to support housing and medical center programs.

FUNDING NOT IDENTIFIED

Projects included in the CFP with fund sources identified reflect only a portion of the capital need for the University. As the campuses work to distribute limited funding across competing priorities – such as academic programs, capital improvements, operations and maintenance, and faculty and staff recruitment and retention – facilities needs continue to go unmet.

Of the \$27.6 billion current term capital budget, approximately \$8.4 billion or 30% of the budget is without a funding plan. This estimate does not account for the full need, as campuses continue to evaluate the condition of existing facilities to fully define their need for renewal, renovations, new construction, and infrastructure improvements. Most of the projects identified without a funding plan also have undergone only a preliminary budget estimating process, as staff on the campuses direct their limited resources towards implementing projects for which a funding plan has been identified.

UNIVERSITY’S CAPITAL NEED EXCEEDS FUNDING RESOURCES

The University’s fundamental mission is teaching, research, and public service. In fulfilling its mission, UC has a history of excellence: UC campuses are regularly rated among the best in the nation and the world;⁷ similarly, UC’s medical centers rank among the nation’s best.⁸ Facilities that support this excellence are aging and the deferred maintenance backlog increases as time goes by. With enrollment growth, additional space is needed. With changes in pedagogy, advances in the clinical enterprise, and technology, space needs to be

⁷ UC campuses rank among world’s best; UC Newsroom; October 26, 2016; <https://www.universityofcalifornia.edu/news/uc-campuses-rank-among-worlds-best>

⁸ UC hospitals ranked among best in the nation, state; UC Newsroom, August 8, 2017, <https://www.universityofcalifornia.edu/news/uc-hospitals-ranked-among-best-nation-state>

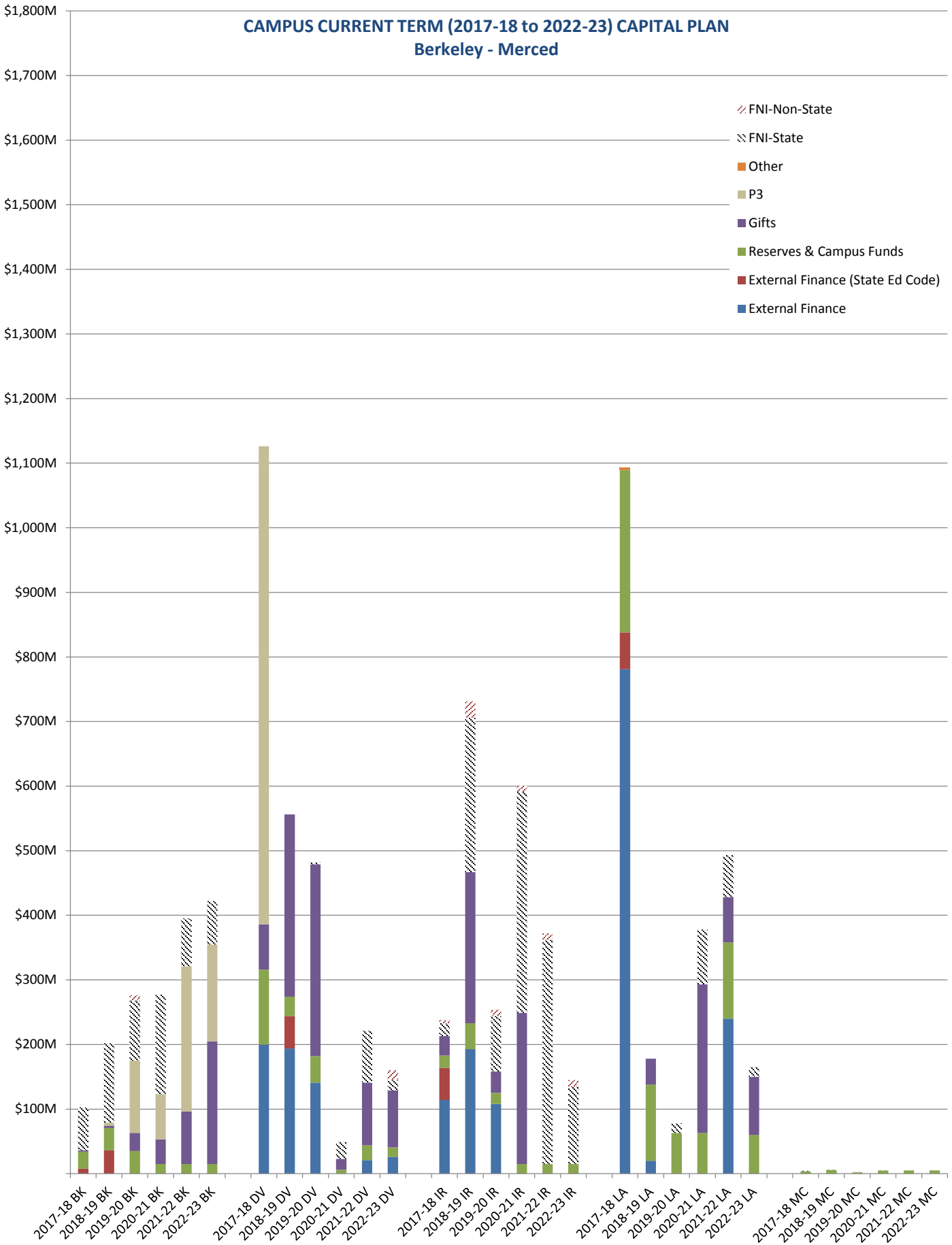
modernized to support a world-renowned research university.

UC has always relied on funding from the State to support its capital program. Average State support over 2013-14 to 2019-20 is \$280 million/year (\$187 million per year if Merced 2020 is excluded) all of which is a reallocation of operating funds to support debt service for the capital program. In contrast, average State support for the period 1996 to 2012 was nearly \$500 million per year, with funds allocated specifically for capital.

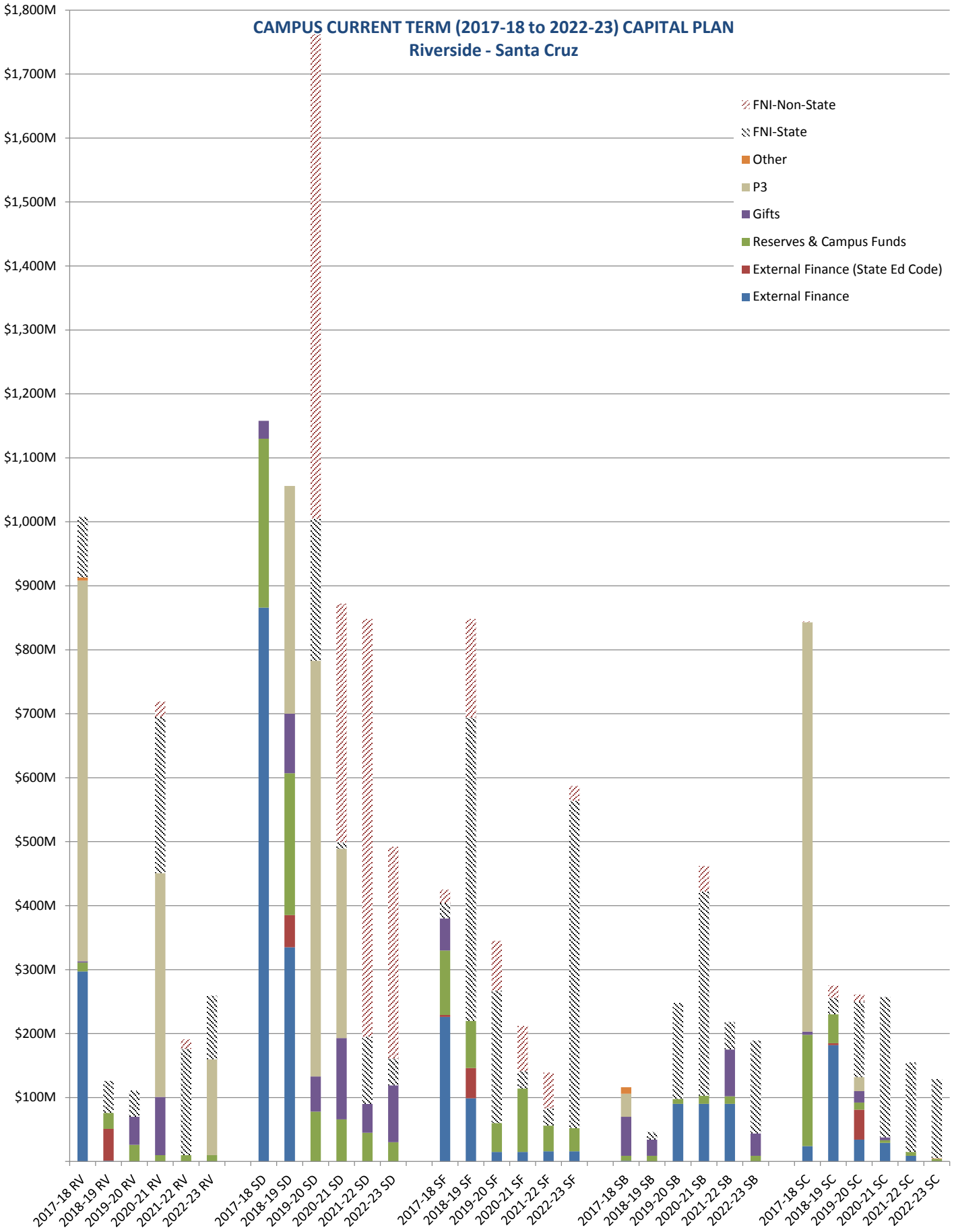
The University has successfully funded non-State eligible as well as State eligible capital improvements using debt; however, UC's debt capacity is not limitless. In 2015-16, UC raised over \$2 billion in philanthropic support, a record for the University, and some of this support addresses capital needs. Finally, this CFP reflects a growing effort to provide capital facilities through the public private partnership model—totaling over \$4.5 billion over the current term of 2017-18 to 2022-23.

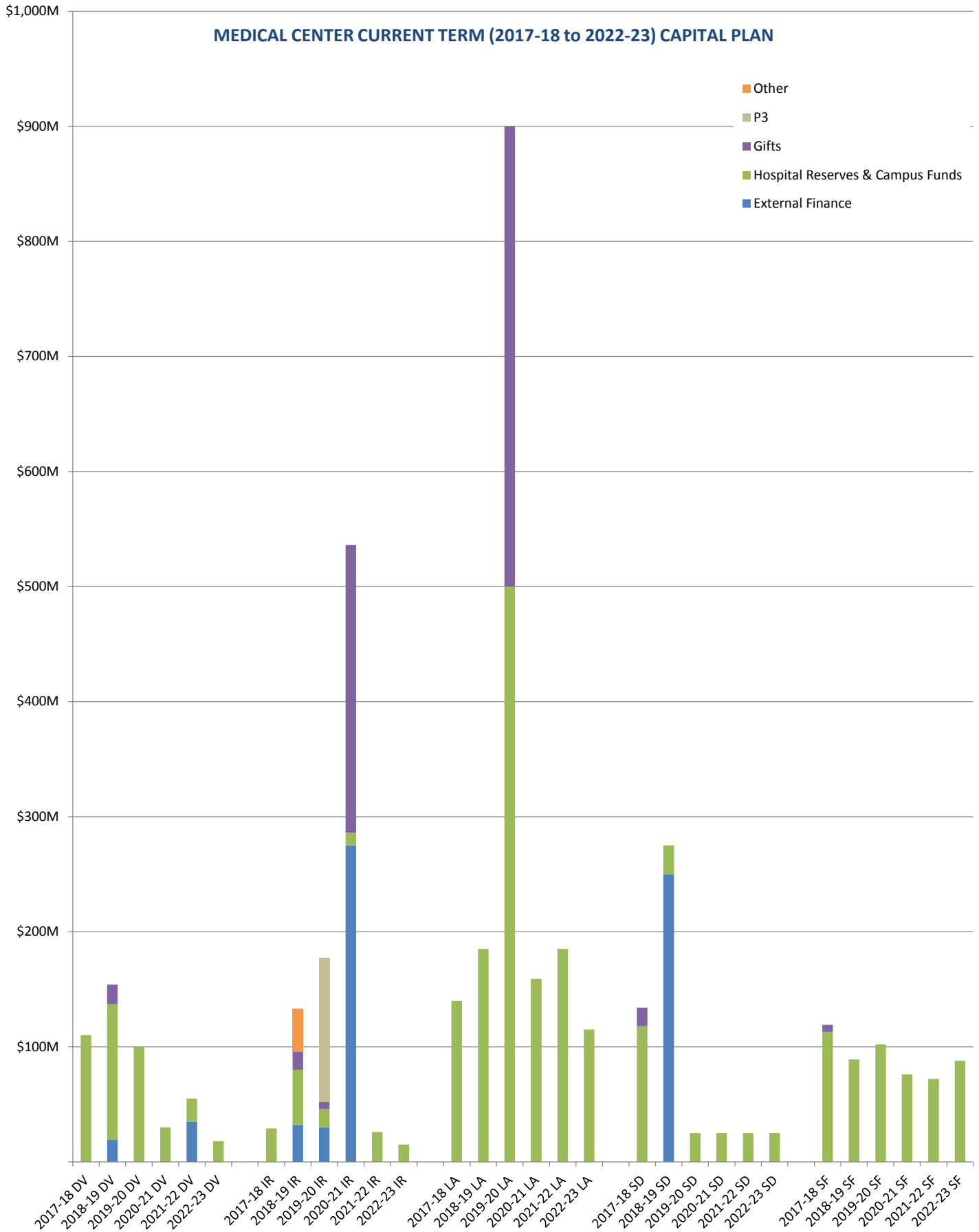
The University cannot sustain its capital program on debt or non-State funds or rely on successful fundraising for capital projects. Without an infusion of additional funding, the ability to fully implement the capital program is uncertain and in many cases, unlikely. This funding gap highlights the urgency for new State funding. A new State General Obligation Bond would provide much needed resources to support the University's important mission.

CAMPUS CURRENT TERM (2017-18 to 2022-23) CAPITAL PLAN
Berkeley - Merced



CAMPUS CURRENT TERM (2017-18 to 2022-23) CAPITAL PLAN
Riverside - Santa Cruz





**Capital
Financial
Plan**

2017-27

By Location

HOW TO READ THE TABLES

Capital Plan with Funding ¹

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23) ⁵						Total	State Eligible ⁶	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Lecture Hall	E&G	1 2			EF ⁷						20,000	20,000	
Housing Renovation	AUX	2	•			AR, EF					25,000		
Science Building	E&G	1 2	•			EF					40,000	30,000	
Total (\$000s)											85,000	50,000	

Capital Plan with Funding Not Identified ⁸

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Central Plant Expansion	E&G	3					S, NS ⁹				15,000	15,000	
New Housing	AUX	3					NS				50,000		
Total (\$000s)											65,000	15,000	

¹ Project List

This column lists the names of projects that are proposed over the ten year plan that have a funding plan.

² Program Categories

Projects are identified by three program categories:

E&G - Education & General: New construction, rehabilitation, and renovation of core instruction, research, and general campus academic space. Includes associated support space and infrastructure.

AUX - Auxiliary: New construction, rehabilitation, and renovation of student and faculty housing, dining, student activities, recreation or athletic facilities, student health centers, parking and roads, child care facilities, fee-supported facilities, and other enterprises.

MC - Medical Centers: New construction, rehabilitation, and renovation of patient care facilities, infrastructure, and medical center support space.

³ Project Change

Changes from the prior year plan are indicated by three types:

- 1 -Budget Update: costs have been revised to reflect current estimates.
- 2 -Scope Update: the scope or program of the project has been revised from prior year.
- 3 -New Project: indicates a project not included in prior year plan.

⁴ Indicator if proposed projects addressed one of the of the following areas:

DM - Deferred maintenance (DM) scope and/or in implementing the project, the DM backlog is reduced.

Seismic - Scope includes seismic rehabilitation.

Life Safety - Proposed project scope addresses a life safety issue.

⁵ Plan Year

This area indicates the fiscal year that the project will request budget approval. Project completion dates will vary by project type.

⁶ State Eligible

The portion of the total project budget that is eligible for State funding. For projects that are fully eligible, the State Eligible total will be equal to the total project budget.

⁷ Proposed Funding Source

This area provides the proposed source of funding from the following options:

AR -- Auxiliary Resources

CF --- Campus Funds

DD -- Donor Developed

EF --- External Financing

GF -- Gift Funds

HR -- Hospital Reserves

OG -Other Grants

OUS- Other University Systemwide
----- Funds

P3 -- Public Private Partnership

SG -- State General Fund Financed
----- (a form of external financing)

UR -- University Fee Reserves (voted,
----- life safety, and registration)

⁸ Project List

This column lists the names of projects that are proposed over the ten year plan in which funding plan is not identified.

⁹ Funding Not Identified (FNI) Categories

S ---- FNI-State
(fully or partially eligible for
State funding)

NS -- FNI-Non-State
(fully or partially supportable by
non-State (campus or medical center
resources)

2017-27 BERKELEY CAMPUS CAPITAL PLAN

As the founding campus of the University of California, UC Berkeley remains a leader in education, research, and public service, ranking among the top research universities worldwide. Berkeley offers more than 270 degree programs in 170 academic departments in fourteen schools and colleges, providing unmatched opportunities for students and faculty to advance knowledge and to serve California, the nation, and the world.

The Capital Financial Plan (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on the current (2017-18) and next five fiscal years (2018-19 to 2022-23) and represents projects in the near-term planning horizon. These six years are named the current term. Projects fall into two main categories - support for the main academic mission, and non-instructional support services such as student residences, dining services, recreational space, parking, etc. The capital investment program combines a strong focus on reinvestment for safety, modernization and program improvements with selective new construction. The Berkeley CFP represents an approximately \$1.7 billion need over the current term of which approximately \$1 billion has a funding plan (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	36,000	78,000	175,000	122,000	321,000	355,000	1,087,000	505,000
Capital Plan with Funding Not Identified	67,000	124,000	101,000	154,000	73,000	66,000	585,000	577,000
Total (\$000s)	103,000	202,000	276,000	276,000	394,000	421,000	1,672,000	1,082,000

Priorities

Berkeley’s 2017-27 CFP is based on the objectives, policies and guidelines identified in the 2020 Long Range Development Plan (LRDP) which, in turn, are based on the principles of excellence articulated in the Strategic Academic Plan (2003). The campus is preparing to update the LRDP but capital plans continue to reflect the campus’s ongoing strategy to maintain and advance land use and development principles in a fiscally challenging economic environment. Moreover, core values—the passion for inquiry and discovery and the primacy of public service—remain unchanged.

Addressing safety through remediation of seismic risk continues to be a priority, along with investment in facility renewal and taking care of deferred maintenance. In the near-term, projects that support this goal include Giannini Hall Seismic Renovation, and Woo Hon Fai Hall Seismic Renovation and Program Improvements. Selective new construction includes the New Science Hub and the Goldman School Expansion

project, both anticipated to move forward with gift and public private partnership funding.

Projects that integrate education and research have high priority, and retaining the breadth and quality of academic programs remains central, along with a response to increasing enrollments with expansion of teaching and instructional facilities. A number of proposed projects support enrollment - as well as seismic risk - including Evans Hall Seismic Renovation or Replacement, aforementioned Giannini Hall and Woo Hon Fai Hall, and in subsequent years, Hearst Gymnasium Seismic Renovation and Hesse Hall Seismic Renovation or Replacement. New challenges to accommodate increased enrollments will require facilities to directly support teaching. Responding to the carbon-neutrality initiative remains a concern and studies are underway to determine an energy strategy that will reliably serve the campus in a carbon-sensitive method. A number of these high priority projects are in State-supportable space, but because of a lack of funding for capital by the State and limited campus

funds, the projects have no funding source identified at this time.

Planning for affordable housing close to campus is of critical importance as the campus plans for increased undergraduate enrollment while remaining competitive in attracting talented faculty, postdoctoral scholars, and graduate students. This CFP projects substantial increase in campus housing and a planning process is underway to identify the detailed program. The housing is proposed to be delivered through public private partnerships (P3).

Challenges

The lack of campus housing capacity has a deleterious impact on the overall student experience, including impacting the campus’s recruitment efforts. Addressing the campus housing shortage is essential to Berkeley’s continued academic success.

Projects to address seismic risk are proposed in the coming years; the campus anticipates demolition of several seismically poor and obsolete buildings, and seismically retrofitting campus core academic structures. Advancing the design for seismic strengthening plans for both Evans Hall and the Hearst Memorial Gymnasium remain the highest priority. Demolition of several small buildings that pose seismic risk will also strategically open up new parcels suitable for new development to meet contemporary needs.

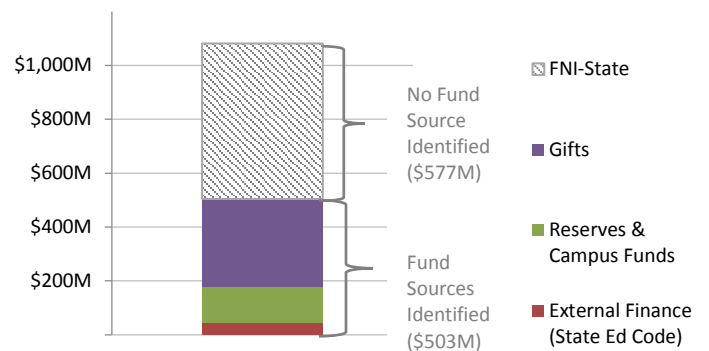
Capital Renewal of core buildings and infrastructure is key to the campus’s ability to recruit and retain exceptional students, faculty and researchers; to pursue new topics of research; and to explore new modes of instruction. The campus is committed to a significant and sustained effort to renew its inventory of existing buildings and programs through its Capital Renewal Program while balancing other needs of the campus. Like many other campuses, Berkeley’s needs far outweigh the campus’s resources. As such, funding will be provided for the most critical projects. The Capital Renewal Program is driven by age and performance of core building, utility and maintenance systems.

The 2017-27 CFP includes a significant amount of additional deferred maintenance (DM) projects for which no funding is identified. The campus estimates the current deferred maintenance need in State-supportable space at approximately \$665 million. The value of the projects is estimated based on the value of recently completed projects, and on the needs identified and prioritized by the long term facility renewal plan developed by the Capital Renewal Program to address and prioritize replacement of building systems, building envelope, utility renewal, life safety upgrades and code compliance requirements. The Berkeley campus DM figures will be validated by the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC’s deferred maintenance and produce both systemwide and campus level DM status and funding needs.

Funding

The Berkeley campus’ current term of the CFP identifies approximately \$1.1 billion of capital projects that would be State-supportable and eligible for State GO or LR bond funding (refer to Display 2) with \$44 million being supported by State resources.

Display 2. \$1.1B of State Capital Need
 \$44M of State and \$459M of Campus resources
 \$577M has no identified fund source



Because State funding is not available, the Berkeley campus is re-directing limited non-State resources of approximately \$459 million to support the most urgent capital needs. These critical capital needs include many projects that will address State eligible space with non-

state funds, such as gifts, P3 development as well as campus cash and reserves. These projects include both seismic safety and program improvements, such as the New Science Hub and Moffitt Library Renovation Phase 2. The remainder of the State-supportable program - \$577 million in projects - have no funding source (refer to Display 5). These unfunded State-supportable projects represent safety and renovation projects, deferred maintenance and improvements needed to support academic programs. As previously stated, the campus capital renewal program identifies and prioritizes campus needs for facility investment and renewal.

Berkeley campus has a significant proposed capital program, totaling almost \$1.7 billion in the current term. Approximately 36% or \$585 million of the proposed projects in the current term, however, do not yet have fund sources identified. All of these projects without an identified fund source are in either new or existing State-supportable space. In the absence of significant increases in State funding, this presents a number of challenges to the campus to move forward with projects that support increased enrollment, that address the backlog in deferred maintenance, and address some seismic work.

For the projects with funding identified a variety of sources is anticipated, including campus funds, gift funds, grants, and private development. The limited campus debt capacity requires the campus to continue to explore new and innovative ways of capital

development that do not require new campus debt. For much of the capital investment needs at Berkeley, the future lies in the strategic use of campus funds, along with judicious use of partnerships with donors and developers to reduce cost and risk. As an example, Berkeley will continue to evaluate different methods for developing projects such as campus housing through public private partnerships, as contemplated by the UC Systemwide Student Housing Initiative, and/or master leases.

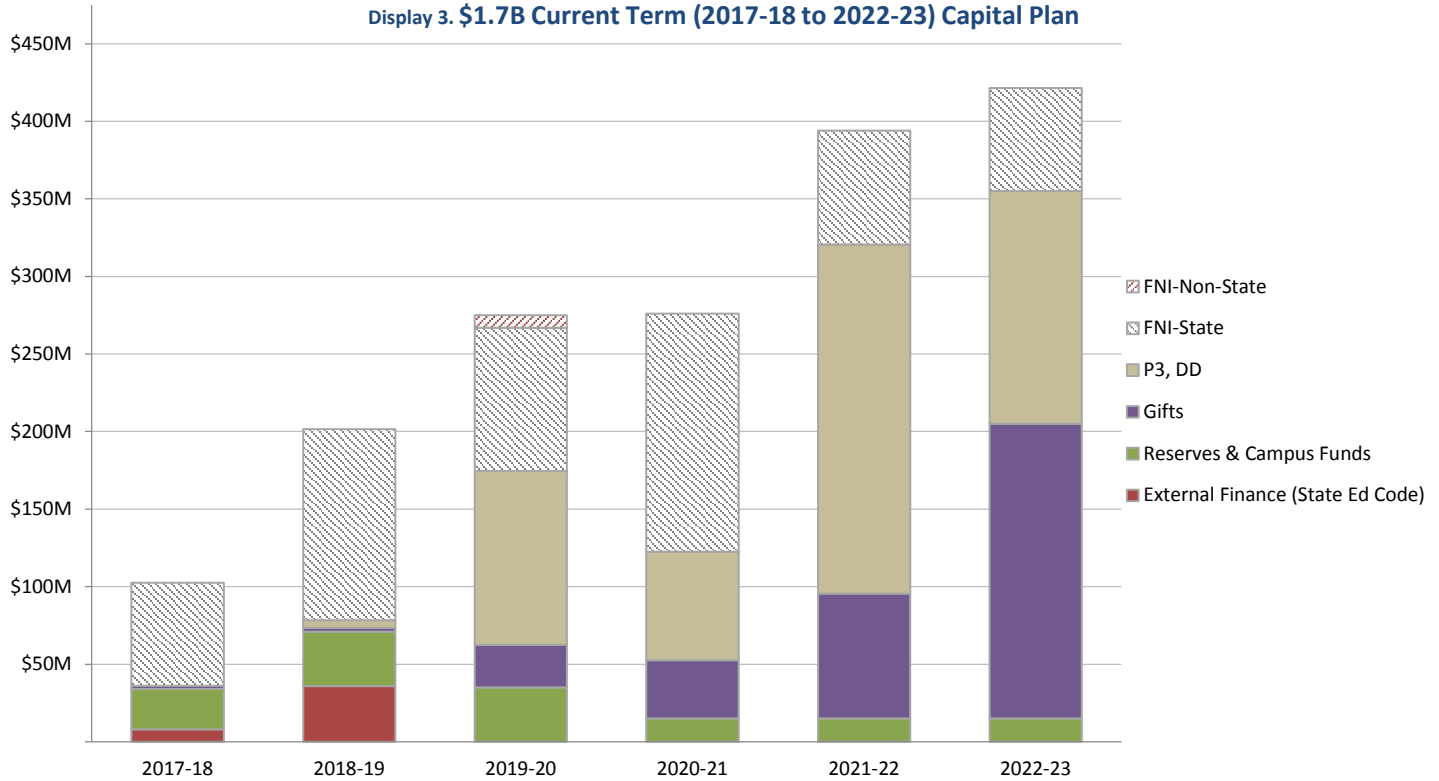
Any infusion of State capital funds are prioritized toward seismic and life safety upgrades and capital renewal of core academic buildings for which there are few other fund sources. The use of gifts and grants is leveraged with the strategic use of campus funds and in partnerships with donors as developers.

Public Private Partnerships and Real Estate Transactions

The UCB 2017-27 CFP proposes using public private partnerships (P3) for housing projects supporting the needs of the campus to increase undergraduate enrollment and to continue drawing talented faculty and graduate students. The campus is also considering P3 for select development sites for other uses.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is in shown in Display 4. The list of projects where funding is not identified is show in Display 5.

Display 3. \$1.7B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Berkeley Campus Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27	
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
2223 Fulton Seismic Demolition	E&G	1	•	•	SG						3,000	3,000	
Evans Hall Seismic Renovation or Replacement (P Phase)	E&G	1	•	•	•	SG					1,000	1,000	
Giannini Hall Seismic Renovation	E&G	2	•	•	•	SG	SG				39,000	39,000	
Hearst Gymnasium Seismic Renovation	E&G	1	•	•	•	SG					1,000	1,000	
Housing	AUX	3			CF			P3	P3		301,000		P3
Woo Hon Fai Hall Seismic Renovation & Program Improvements	E&G	2	•	•		DD	DD	DD			80,000	20,000	
Basketball Practice Facility	AUX	3				GF	GF	GF			25,000		
Goldman School Expansion	AUX	3					GF, P3				87,000	14,000	
New Science Hub	E&G	1 2					GF	GF	GF	GF	180,000	180,000	
Moffitt Library Renovation Phase 2	E&G	3	•	•			GF	GF	GF		50,000	48,000	
University Hall Seismic Replacement	E&G	1	•	•				P3			TBD		P3
Gateway Project New Construction	AUX	3					P3				TBD		
Parking	AUX						P3				40,000		

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
Haviland Hall Renovation for Social Welfare	E&G	1	•	•				GF				1,000	1,000	GF
Minor Hall Optometry School Clinic Expansion	E&G	3		•	•			GF	GF	GF		35,000	35,000	
Old Art Gallery Renovation for Center for Latin American Studies	E&G	3	•	•	•			GF	GF			17,000	17,000	
Dining Commons	AUX	3						P3				75,000		
Campus Capital Renewal	E&G	1	•	•	CF	CF	CF	CF	CF	CF		60,000	57,000	CF
Deferred Maintenance	E&G		•		CF	CF	CF					50,000	48,000	
Capital Projects \$5M to \$10M (E&G) (see note b)	E&G				GF	GF	GF	GF	GF	GF		12,000	12,000	GF
Capital Projects \$5M to \$10M (AUX) (see note c)														GF
Capital Projects \$750K to \$5M (E&G)	E&G		•		CF	CF	CF	CF	CF	CF		30,000	29,000	CF
Total (\$000s)					36,000	78,000	175,000	122,000	321,000	355,000		1,087,000	505,000	

Notes:
a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

These campus projects were listed in the 2016-26 Capital Financial Plan and are now removed from the program
- Dwinelle Annex Renovation - NW Quad Project College of Engineering Improvements

b. Capital Projects \$5M to \$10M (E&G):
- Botanical Garden Improvements - College of Engineering Improvements - Laboratory Remodels – Faculty Start-up Projects
- North Gate Hall Renovation for School of Journalism - South Hall Improvements – School of Information - Wurster Hall Improvements - Studios

c. Capital Projects \$5M to \$10M (AUX):
- Haas Pavilion Deferred Maintenance

Funding Not Identified (FNI)

Over a third of the projects proposed in the campus 2017-27 CFP do not have fund sources identified, totaling approximately \$585 million; all of these projects contain or would contain State-supportable space. The campus has to direct its limited resources to more urgently needed projects, but the lack of State funding is significantly hampering the campus’s ability to maintain and advance program improvements and building renewal.

Display 5. Berkeley Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
Classroom and Large Lecture Hall Building	E&G	3			S	S	S					60,000	60,000	
Evans Hall Seismic Renovation or Replacement (W & C)	E&G		•	•	•	S	S	S	S			22,000	22,000	
Hearst Gymnasium Seismic Renovation & Program Improvements (W&C)	E&G	1	•	•	•	S	S	S				10,000	10,000	S
College of Natural Resources Greenhouses Relocations for Housing Sites	E&G	3			S							50,000	50,000	

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
2111 Bancroft Seismic Demolition	E&G	1	•	•	S					5,000	5,000	S	
McLaughlin Hall Seismic Renovation	E&G	1	•	•	•	S				1,000	1,000	S	
Arch & Engr Bldg Seismic Demolition	E&G	1	•	•				S		3,000	3,000		
Surge Space for Seismic Renovation/Replacement Projects	E&G AUX	3				S				20,000	20,000		
Hilgard Hall Classroom Building Renewal		3	•	•								S	
Anna Head Building B, C and D Renovation for Social Sciences		3	•	•								S	
Hesse Hall Seismic Renovation or Replacement		1	•	•	•							S	
Student Wellness Facilities		2										S	
Wellman Hall Seismic Renovation		1	•	•	•							S	
Capital Projects \$5M to \$10M (E&G) (see note b)					S	S				7,000	7,000		
Capital Projects \$5M to \$10M (AUX) (see note c)						NS				8,000			
Deferred Maintenance Backlog		1	•		S	S	S	S	S	399,000	399,000	S	
Total (\$000s)					67,000	124,000	101,000	154,000	73,000	66,000	585,000	577,000	

Notes:

a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

b. Capital Projects \$5M to \$10M (E&G):
- McCone Basement Remodel for Data Sciences

c. Capital Projects \$5M to \$10M (AUX):
- Softball Stadium

2017-27 DAVIS CAMPUS CAPITAL PLAN

UC Davis is a premier research university with state-wide and global impacts. The home of the Aggies—go-getters, change-makers, and problem-solvers who shape and are shaped by one of the top public universities in the United States—UC Davis offers 104 undergraduate majors to its more than 28,000 undergraduate students, 38% of whom conduct research. The campus’s approximately 7,500 graduate and professional students have access to 99 graduate programs, more than half of which are interdisciplinary. UC Davis is ranked as the world’s leader in veterinary medicine and takes pride in its residential programs for undergraduate and graduate students. The largest physical campus in the UC system, UC Davis is located on 5,300 acres with 14 million gross square feet, 1,200 buildings and 130 miles of infrastructure. UC Davis operates like a city, with its own wastewater treatment plant, utilities, and central heating and cooling plant.

The Capital Financial Plan (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23) and represents projects in the near-planning horizon. These six years are named the current term. UC Davis is known for its standout academics, global outlook, interdisciplinary opportunities, and sustainability. These themes are woven into the campus history and in the campus’s reputation for solving problems related to food, health, the environment, and society and are reflected in the campus’s 2017-27 CFP. As the document that guides the campus in support of its mission and supports facility-based needs, the CFP identifies approximately \$2.6 billion (refer to Display 1) over the current term in support campus capital infrastructure, deferred maintenance, and life safety upgrades critical to increase the useful life of existing buildings as well as campus and gift-funded initiatives in support of a broad range of program improvements that support academics, research, and student life.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	1,126,000	556,000	479,000	23,000	141,000	129,000	2,454,000	927,000
Capital Plan with Funding Not Identified			3,000	26,000	80,000	31,000	140,000	125,000
Total (\$000s)	1,126,000	556,000	482,000	49,000	221,000	160,000	2,594,000	1,052,000

Priorities

UC Davis is prioritizing the following goals: 1) provide facilities that respond to existing and projected enrollment and faculty growth, 2) reduce the time to graduation, 3) reduce deferred maintenance backlog, 4) provide more student housing, 5) provide housing opportunities and teaching/research facilities to attract and retain faculty and staff, and 6) sustain existing resources through infrastructure renewal and seismic remediation.

The CFP reflects the strategic initiatives of the Davis campus. The 2020 Initiative put the campus on a strategic path by adding up to 5,000 new

undergraduate students by 2020, along with increases in graduate students, faculty, and staff. An update to the campus Long Range Development Plan (LRDP) is currently underway and will help the campus build a strategy for physical development to support the academic enterprise, enrich community life, and create a sustainable future. The 2017-27 LRDP is anticipated to be presented to the Regents in mid-2018.

Proposed facilities in the CFP that respond to campus priorities include the Cruess Hall North Renovation, the Teaching and Learning Complex, and the Animal Science Teaching Facility, to provide needed classroom seats and support emerging trends in pedagogy. The A Street Mixed-Use faculty office and residential facility, the

Webster and Emerson Hall Replacements, and the Tercero Dining Commons 2 projects increase the number of on-campus residents. Partnership housing projects, including the Orchard Park Redevelopment and the West Village Student Housing projects will also support the commitment to student housing. The West Village Faculty and Staff For-Sale Housing will provide additional opportunities to attract and retain faculty and staff, given the constrained local housing climate. Academic projects to renovate and create research and teaching laboratories will accommodate existing faculty and attract new faculty: these include such projects as Wickson Hall Restoration and the Research & Teaching Laboratory Facility. Infrastructure renewal and seismic remediation remain a high priority to sustain existing resources.

Challenges

UC Davis faces the challenges of older facilities, academic space needs, housing shortages, and infrastructural renewal demands. Some of the near-term proposed projects in the CFP begin to address some of these challenges.

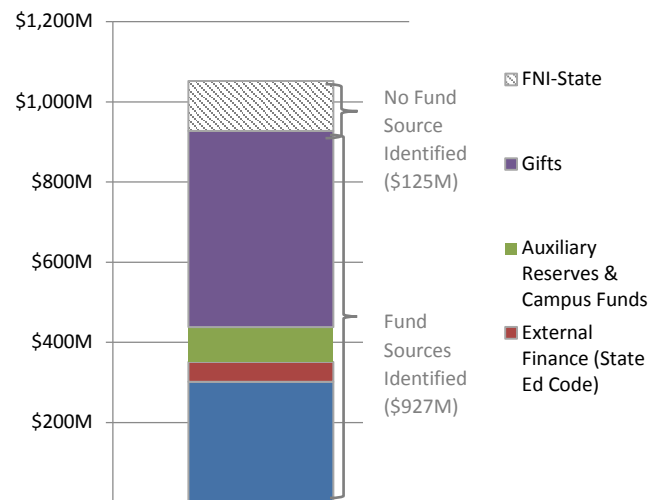
The campus has a significant deferred maintenance (DM) and capital renewal backlog. The campus undertook a comprehensive study several years ago that identified a \$1.3 billion backlog. UC Davis is implementing a multi-year deferred maintenance program at \$100 million, representing the most urgent deferred maintenance needs, with a combination of state funds and external financing. Over \$60 million is approved and underway. Significant investment beyond this plan is necessary to address capital renewal, estimated at \$400 million. Even by eliminating the backlog of estimated costs for facilities where the campus would choose not to invest due to the age or condition of the facility, and by assuming capital renewal need is addressed, the backlog would still remain at \$460 million of deferred maintenance need. The campus DM figures will be validated by the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC's deferred maintenance and produce

both systemwide and campus level DM status and funding needs.

Funding

The Davis campus's current term of the CFP identifies over \$1.1 billion of capital projects that would be eligible for State funding, for which \$50 million of State funds are available (refer to Display 2). While these listed projects represent the most pressing need - and many have been in the CFP for years - a more comprehensive analysis is being developed to capture the total State-supportable need.

Display 2. \$1.1 State Capital Need
 \$50M of State and \$877M of Campus resources
 \$125M has no identified fund source



Because State funding is not available, the Davis campus plans to use limited non-State resources of \$877 million to support the most urgent capital needs in the current term. UC Davis is investing campus resources in these State-supportable projects; however, that strategy challenges the campus's ability to fund daily operations and high priority initiatives and mandates. The remainder of the State-supportable program in the current term - \$125 million in projects - has no funding source. These unfunded State-supportable projects represent safety and renovation projects as well as deferred maintenance. Long-term underfunding of State-supportable capital projects puts a great strain on campus resources.

The campus also relies on gift funds and external financing to improve and create mission-critical instructional and academic facilities. UC Davis began its second comprehensive fundraising campaign on July 1, 2016. Currently one year into the campaign (in the silent/quiet phase), the campus has begun large scale planning for interdisciplinary initiatives and school/unit priorities. A preliminary roll-up of goals by type indicates that approximately 40% of funds raised for the campaign will support capital projects. The most ambitious capital project slated for the campaign is the more than \$500 million Veterinary Medical Center vision, which will dramatically change the face of the Health Sciences district of campus. The Colleges of Agricultural and Environmental Sciences, Engineering, and Letters & Science, as well as Athletics also have capital goals for this campaign.

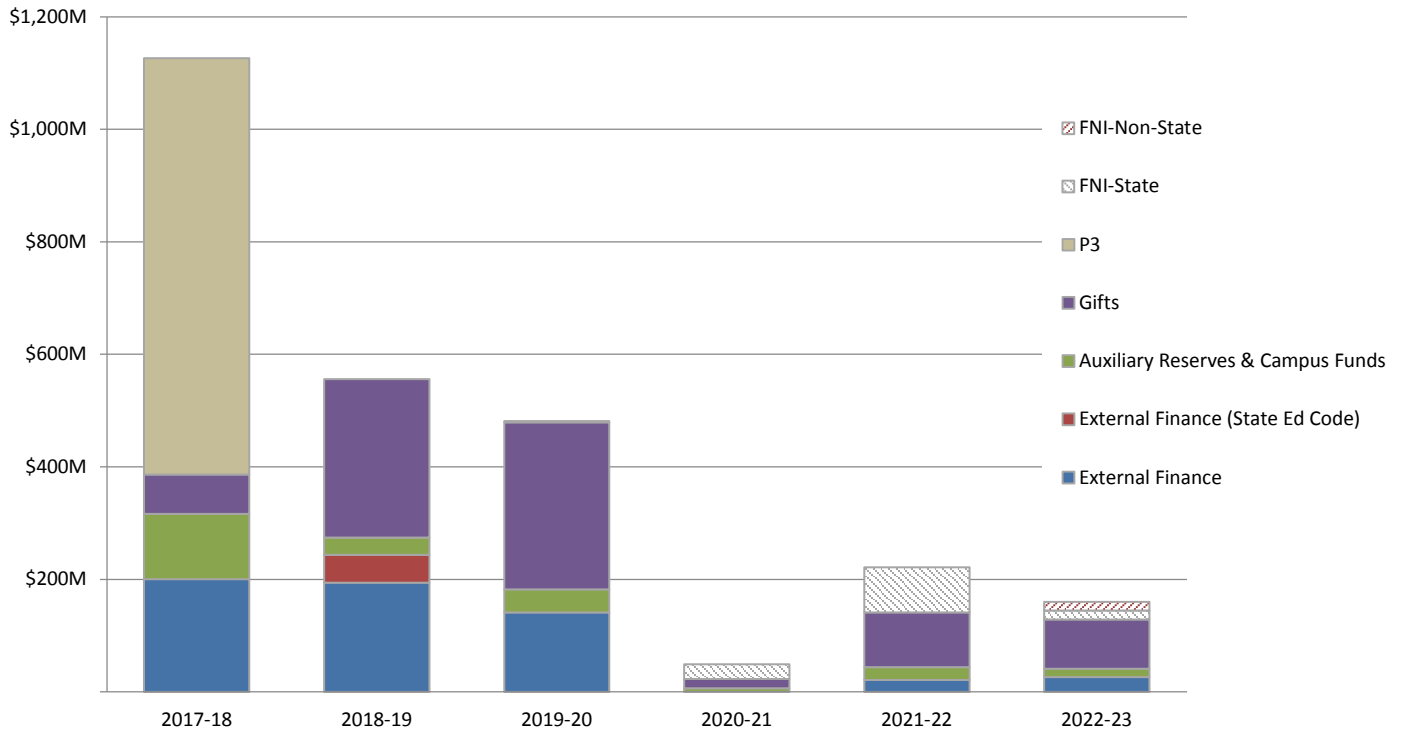
Public Private Partnerships and Real Estate Transactions

The role of real estate in evaluating space and acquisition opportunities is key in addressing on-campus space challenges. Real Estate on the Davis

campus has enabled the establishment and structure of several successful public private partnerships (P3). Currently, the campus has a number of existing P3 housing projects, including The Colleges and Atriums at La Rue, Russell Park, West Village Apartments, and 8th and Wake graduate student housing. Continuing the campus's previous success in this area, the CFP includes additional student housing projects, such as the Orchard Park Redevelopment and the West Village Student Housing projects, which continue to utilize the P3 approach to deliver student housing. The campus is currently not contemplating any acquisition of real estate. These types of transactions are typically opportunistic and unforeseen, and, if presented, would be evaluated with the campus's strategic goals.

Display 3 summarizes the capital plan by fund sources as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.

Display 3. \$2.6B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Davis Campus Capital Plan with Funding

Project Name	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Central Cage Wash Facility	E&G	1			EF						5,000	5,000	
Chemistry Addition and Phase 1 Renovation Vision	E&G	3	•	•	CF, EF						56,000	56,000	
Critical Infrastructure Improvements	E&G	3	•		EF						30,000	30,000	
Engineering Student Design Center	E&G	1			GF						21,000	21,000	
Physical Sciences & Engineering Library Seismic and QMAP Renovation	E&G	3	•		EF						17,000	17,000	
Teaching and Learning Complex	E&G	3			EF	EF, SG					66,000	66,000	
Veterinary Medical Center	E&G		•		CF, GF	GF		GF	GF		437,000	219,000	GF
Freeborn Hall Renewal	AUX	1	•	•	EF, UR						34,000		
Orchard Park Redevelopment	AUX	2			P3						240,000		
Tercero Dining Commons 2	AUX	3			AR, EF						33,000		
West Village Faculty/Staff For-Sale Homes	AUX	1			CF, EF						59,000		
West Village Transfer Student Housing	AUX	2			P3						500,000		
Third & A Mixed Use	E&G AUX	3			EF						82,000	21,000	
Computational and Data Sciences	E&G				GF						50,000	50,000	

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
Hunt Hall 2nd Floor Renovation	E&G	3	•		CF						15,000	15,000		
Laboratory for Energy-related Health Research (LEHR) Remediation	E&G	1		•		EF					15,000			
Research Animal Facility	E&G					EF					50,000	50,000		
Solano Park Redevelopment	AUX	3	•			P3					TBD			
Briggs Hall First Floor Lab Renovation	E&G					CF					15,000	15,000		
Discovery Hub (Research)	E&G	1				GF					140,000	112,000		
Library Renovations	E&G	2	•	•		GF					50,000	50,000		
Museum of Biodiversity and Environment	E&G	3				GF					40,000	20,000		
Research & Teaching Laboratory	E&G	2				EF, GF					50,000	50,000		
Winery Expansion Phase 1	E&G					GF					20,000	20,000		
Emerson Hall Replacement	AUX	1 2	•	•		AR, EF					96,000			
Stadium Expansion & Strength and Conditioning Facility	AUX					GF					27,000			
Tercero Student Housing Phase 5	AUX								AR, EF		28,000			
Segundo Dining Commons 2	AUX	3								AR, EF	35,000			
Animal Science Teaching Facility	E&G	2	•										GF	
Deferred Maintenance	E&G	1	•		EF	EF	EF				45,000	45,000		
E&G Projects <\$10M	E&G				EF	EF					25,000	25,000		
Intercollegiate Athletics Initiatives <\$10M (see note b)	AUX				AR, CF, GF	GF	GF	GF	Gf	GF	89,000			
Student Affairs Division <\$10M	AUX				AR, UR	AR, UR	AR, UR	AR, UR	AR, UR	AR, UR	22,000		AR, UR	
Student Housing Projects <\$10M	AUX				AR, EF	AR	AR	AR	AR	AR	22,000		AR	
Seismic Corrections	E&G		•		CF	CF	CF		CF		40,000	40,000		
Total (\$000s)					1,126,000	556,000	479,000	23,000	141,000	129,000	2,454,000	927,000		

Notes:

a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

These campus projects were listed in the 2016-26 Capital Financial Plan and are now removed from the program

- Haring Hall East Wing Safety Improvements and Building Renewal
- Natural History Museum
- World Food Center
- Cruess Hall North Renovation
- West Village Phase 1B Faculty/Staff For-Rent Homes
- Center for Agriculture, Health and Nutrition
- Physics Renovation
- Electrical Substation Transformer Addition
- 2016-17 Critical Infrastructure Improvements
- Library Renovations Phase 2
- Large Lecture Hall
- Webster Hall Replacement

b. Capital Projects \$5M to \$10M (E&G):

- Hamidian Lab
- Physics Building Renovations
- Facility for Distilled Beverage Science

Funding Not Identified (FNI)

The campus has five projects in the current term that do not have a fund source identified at this time. These projects address deficiencies to fire and life safety projects, improve building systems, and modernize space to meet current educational demands.

Display 5. Davis Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Briggs Hall Safety Improvements and Building Renewal	E&G				S		S				29,000	29,000	
Research IV Building (Sacramento Campus)	E&G	1					S				50,000	50,000	
Wickson Hall Renovation	E&G	1	•	•			S				30,000	30,000	
Institute for Regenerative Cures Phase 7 (Sacramento Campus)	E&G	1							NS		15,000		
Enology Renovation	E&G	1	•	•						S	16,000	16,000	
Governor's Hall Remodel (Sacramento Campus)	E&G	1		•									NS
Deferred Maintenance	E&G												S
Total (\$000s)					3,000		26,000		80,000	31,000	140,000	125,000	
Notes:													
a. E&G = Education and General AUX = Auxiliary 1 = Budget Update													

2017-27 UC DAVIS HEALTH CAPITAL PLAN

As the Sacramento region's only academic health center, UC Davis Health is improving lives and transforming health by providing exceptional patient care, conducting groundbreaking research, fostering innovative inter-professional education, and creating dynamic research partnerships with local communities and beyond. UC Davis Health is comprised of the School of Medicine and Betty Irene Moore School of Nursing; a 627-bed (Trauma Level 1) acute care hospital; a National Cancer Institute-designated Cancer Center; a pioneering telehealth program; the Medical Investigation of Neurodevelopmental Disorders (M.I.N.D.) Institute; a comprehensive Children’s Hospital; and outpatient clinics in communities throughout the Sacramento region. The nearly 1,500 faculty, 900 residents/fellows, 884 students, and 10,500 staff, help to serve a population of 6 million people across 33 counties in Northern and Central California. UC Davis Health provides vital care to more than 200,000 patients annually, admitting 25,000 patients for extended care and handling more than 900,000 visits. As of 2016, UC Davis Health’s emergency room had nearly 80,000 visits. In addition, UC Davis Health is a major driver of economic vitality in the Sacramento region.

The UC Davis Health campus is located on 149 acres in Sacramento, California. There are 63 structures on the Sacramento campus comprised of approximately 4.7 million gross square feet of inpatient and outpatient clinical, teaching, research, and administrative support space. UC Davis Health also maintains a presence in 55 off-site facilities (approximately 1.1 million gross square feet of outpatient clinic, research, and administrative space) in the Sacramento region.

The Capital Financial Plan (CFP) presents the UC Davis Health portion of the CFP for the next decade. The CFP focuses on this year (2017-18) and the next five fiscal years (2018-19 to 2022-23) and represents projects in the near-term planning horizon. These six years are named the current term. The UC Davis Health portion of the CFP represents an approximately \$467 million need in capital projects over the current term (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2023-23	Total
Capital Plan with Funding	110,000	154,000	100,000	30,000	55,000	18,000	467,000
Capital Plan with Funding Not Identified						TBD	TBD
Total (\$000s)	110,000	154,000	100,000	30,000	55,000	TBD	TBD

Priorities

UC Davis Health priorities emphasize addressing California seismic safety mandates, improving inpatient and outpatient space, and modernizing aging technology and parking infrastructure, to make way for expansion of acute care, outpatient, academic and teaching, and research programs.

All hospital acute care facilities in California are subject to the seismic safety mandates outlined in Senate Bill 1953 (SB 1953). Compliance with SB 1953 mandates has been an integral component of UC Davis Health’s capital

program for the past 20 years, and significant strides to vacate and replace seismically-deficient spaces has been achieved via the development of the Davis Tower (1997) and Surgery and Emergency Services Pavilion (2010). The relocation of remaining hospital administrative and support programs from the seismically-deficient North/South Wing of the Hospital is expected to occur at the end of 2018 with the completion of the North Addition Office Building. The clearing (and subsequent disconnection) of the North/South Wing from the Hospital complex prior to SB 1953’s January 1, 2020 mandate will mark a major milestone for UC Davis Health.

The seismically-deficient East Wing of the Hospital houses 154 acute care beds along with a handful of hospital-based programs and must be brought into compliance with the structural provisions of SB 1953 by January 1, 2030. Developing a solution for the East Wing of the Hospital within the context of recent changes in healthcare required UC Davis Health to embark upon a comprehensive facilities master planning effort in 2015. This effort - comprised of a *Clinical Services Master Plan, Research Park Plan, and Utility Master Plan & Sustainability Roadmap* - is establishing a framework that makes way for the planning, design, construction, and operation of affordable, efficient, and technologically-advanced structures – helping to forge an academic health center that is value-based, cost-effective, and sustainable. The current master planning effort builds upon the 2010 Long Range Development Plan and Physical Design Framework, Utility Master Plan, and other previous UC Davis Health campus-wide facilities studies. Initial results from the planning effort reaffirm the need to replace the East Wing and UC Davis Health intends to study the feasibility of constructing a new bed tower (California Tower). However, since this planning has not been completed, the Tower is listed in the CFP without funding identified and without a cost estimate.

The planning effort also identifies the need to address inpatient and outpatient spaces on the Sacramento campus for several specialty areas to include, but not be limited to, ophthalmology, cancer, and physical medicine and rehabilitation. Projects that would support these specialty areas include the Eye Center, Cancer Center Linear Accelerator, and Ambulatory Care Center Expansion. Improvements to expand utilities, data communications, and parking infrastructure on the Sacramento campus will be needed to accommodate future growth and expansion of acute care, academic and teaching, and research programs. Projects to address information technology and parking needs include the Ambulatory Care Center Network Version 2 and Parking Structure 4.

Challenges

Maintaining market share in today's changing healthcare environment to ensure continued financial success while also addressing changing regulatory mandates is a key challenge for UC Davis Health. As a result, UC Davis Health is continually reevaluating the prioritization and funding strategy for all capital projects. Seismic safety regulations mandate some projects and other needs, such as aged facilities and additional space, compete for limited funding. UC Davis Health addresses maintenance issues on an as-required basis in order to ensure continuity of care and safety for patients and care providers.

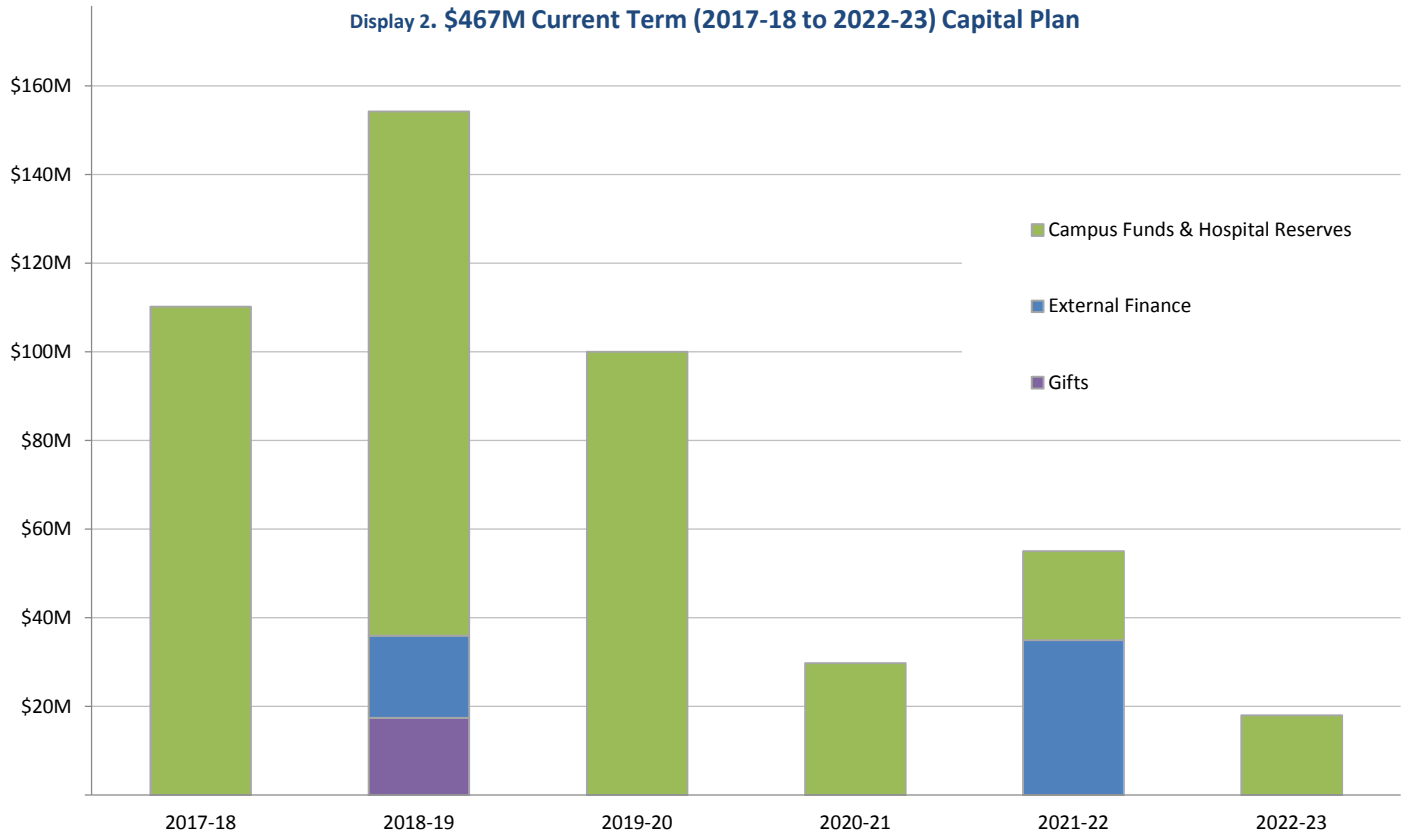
Funding

Funding for UC Davis Health is primarily from revenue generated from acute care (Hospital Reserves) and the funding proposed in the CFP reflects this. UC Davis Health continues to work diligently to identify, cultivate, and solicit prospects and donors to support funding priorities to include funding opportunities for capital projects. In 2016, a large gift (\$38.5 million) was donated to UC Davis Health by a single private donor to help pave the way for an Eye Center Institute. In fiscal year 2017-18, UC Davis Health anticipates submitting gift proposals to support the Children's Surgery Center and other clinical projects.

Furthering UC Davis Health's goal to transform healthcare through innovation, strategic development of off campus outpatient clinics is necessary to maintain the clinical enterprise. These clinics are typically established by leasing and improving existing buildings through public private partnerships. Long-term strategies to expand the clinical enterprise will consider strategic acquisitions. But near-term clinic expansion in surrounding areas such as Placer County is anticipated to be developed via a Build-to-Suit partnership. Finally, UC Davis Health's Research Park intends to be developed via a public private partnership (P3) model.

Display 2 summarizes the capital plan by fund sources as well as the capital plan where funding is not identified. The list of projects with funding is shown in

Display 3. The list of projects where funding is not identified is shown in Display 4.



Display 3. UC Davis Health Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)					Total	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22		
Roseville PCN (Sacramento Campus)	MC	3		HR					39,000	
Hospital Seismic Façade (Sacramento Campus)	MC	1	• •	HR					11,000	
Hospital 2020 Priority 1 (Sacramento Campus)	MC	1	• •	HR					11,000	
Cancer Center Linear Accelerator (Sacramento Campus)	MC	3		HR					20,000	
Compounding, Life Safety, & Utilities Compliance Upgrades (Sacramento Campus)	MC	3	•	HR					15,000	
California Tower (Planning) (Sacramento Campus)	MC	1	• •	HR					30,000	
Eye Center (Sacramento Campus)	MC	1		CF, EF, GF, HR					46,000	
Ambulatory Care Center Expansion (Sacramento Campus)	MC	3			HR				75,000	

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2023-23		
Parking Structure 4 (Sacramento Campus)	MC	1						EF	35,000		
Capital Projects Health System 2023-24 to 2026- 27	MC	1								HR	
Health System Projects \$5M to \$10M (see note b)	MC	1		HR	HR	HR	HR		63,000		
Health System Projects \$750K to \$5M	MC			HR	HR	HR	HR	HR	122,000	HR	
Total (\$000s)				110,000	154,000	100,000	30,000	55,000	18,000	467,000	

Notes:

a. MC = Medical Center 1 = Budget Update 3 = New Project

These UC Davis Health projects were listed in the 2016-26 Capital Financial Plan and are now removed from the program
 - Main Hospital East 2 and 3 Pulmonary and GI Remodel - Pavilion 1st Floor Intra-operative MRI

b. Capital Projects \$5M to \$10M:
 - Ambulatory Care Center Net V2 Upgrades - Cancer Center Improvements - Child Care Center
 - Emergency Power Upgrade - Hospital 2020 Priority 2 - Hospital Seismic East Wing Make Ready
 - Imaging Improvements - Inpatient Rehabilitation - Pavilion Pathology Lab Improvements
 - Pharmacy CIVA Upgrades - School of Medicine Skills Lab Improvements

Funding Not Identified (FNI)

Addressing code-mandated changes emanating from regulatory agencies is an on-going effort for UC Davis Health. Projects with Funding Not Identified (FNI) reflect the need to address anticipated and unanticipated regulatory changes via a facility investment.

Display 4. UC Davis Health Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2023-23		
California Tower (Sacramento Campus)	MC	1	• •						NS	TBD	
UC Davis Health Priority Phase 1	MC	1	• •							NS	
Total (\$000s)									TBD	TBD	

Notes:

a. MC = Medical Center 1 = Budget Update

2017-27 IRVINE CAMPUS CAPITAL PLAN

In just 50 years, the Irvine campus has grown into an internationally distinguished research university, consistently ranking among the nation’s best public institutions and among the top 50 universities overall. In 2016, UC Irvine’s Strategic Plan was updated to coincide with the campus’s 50th anniversary and is intended to provide a roadmap for achieving continued excellence and social impact while planning for growth and expansion. Key aspects of the Strategic Plan include expanding the faculty by 250 and substantially increasing funded research, particularly in the sciences; expanding the student body and fostering excellence in teaching and learning; increasing community engagement, and becoming a driver for change in the region. The Strategic Plan recognizes that to achieve these goals additional space to meet current and future demand will be required, as will investments in facility renewal and infrastructure.

The Capital Financial Plan (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on this year (2017-18) and the next five fiscal years (2018-19 to 2022-23). The UC Irvine CFP represents \$2.3 billion need over this period of which approximately \$1.1 billion has a funding plan (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Campus Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	213,000	467,000	158,000	249,000	15,000	15,000	1,117,000	833,000
Capital Plan with Funding Not Identified	25,000	264,000	96,000	352,000	357,000	130,000	1,224,000	1,144,000
Total (\$000s)	238,000	731,000	254,000	601,000	372,000	145,000	2,341,000	1,977,000

Priorities

Capital program priorities support the campus’s strategic goals, the development objectives outlined in the *2007 Long Range Development Plan*, and the context of the Physical Design Framework.

Consequently, the highest priority for the *2017-27 Capital Financial Plan* (CFP) is to focus on providing the facilities needed to expand to a three-term average enrollment of 37,000 students, consistent with the LRDP, and to increase faculty and funded research as outlined in the Strategic Plan. The current term of the CFP for the main campus includes over 20 projects for which funding have been identified, totaling approximately \$1.1 billion. Of this total, fully two-thirds—nearly \$750 million—is for projects that will provide new space, primarily through the construction of new buildings such as the Interdisciplinary Science and Engineering Building and the Gross Nursing & Health Sciences Hall. The remaining \$400 million is earmarked mainly for facility renewal, including replacement of deteriorated Verano Place student apartments, as well as renovation and deferred

maintenance projects such as the Capital Renewal and Infrastructure Improvements Program, and Sciences Buildings Renovations, Phase 1. Several parking and other infrastructure projects that will address existing deficiencies and growth needs complete the program.

Challenges

Shortage of academic and support space: The campus has a critical shortage of instruction and research space to support current and projected enrollment and faculty research. In many cases, space assignments do not meet the functional needs of a program. Several newer programs, such as the School of Nursing, the Program in Public Health, and the Department of Pharmaceutical Sciences, are housed in space borrowed from other academic units until permanent space can be provided. As noted in the discussion above, the primary focus of the 2017-27 CFP is to address these shortages.

Deferred maintenance: The campus currently has a backlog of more than \$400 million in deferred maintenance needs. In recent years, the campus has instituted the Capital Renewal and Infrastructure

Improvement Program to address the most urgent DM priorities. The 2017-27 CFP includes funding totaling \$60 million for Phases 3B and 4 of this program. In addition, the program includes projects with a deferred maintenance component, including building renovation and renewal, and replacement of obsolete buildings.

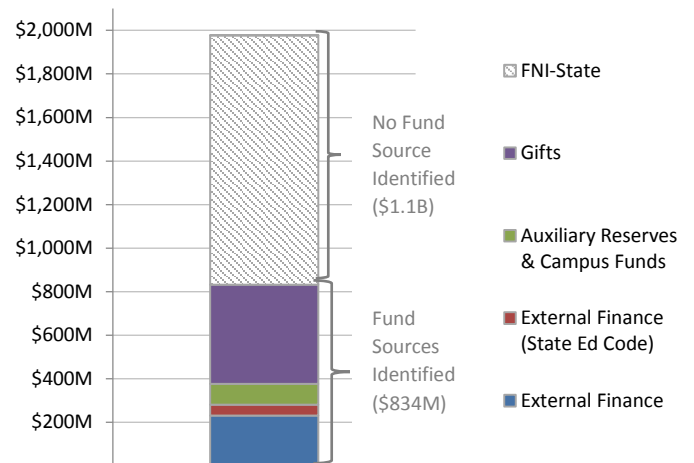
The campus deferred maintenance figures will be validated by the comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC's deferred maintenance and produce both systemwide and campus level deferred maintenance status and funding needs.

Infrastructure renewal: Upgrade and expansion of infrastructure is needed to support current and planned development. Existing systems, such as the sewer and storm drains, chilled and high-temperature water, and others, do not have the capacity needed for growth and, in some cases, existing equipment is obsolete, inefficient, and on the point of failure. Some of the most urgent needs will be addressed through the Capital Renewal and Infrastructure Improvement program; however, not all infrastructure requirements are addressed in the CFP due to funding limitations.

Funding

The Irvine campus's current term of the CFP identifies almost \$2 billion of capital projects that would be State-supportable and eligible for State GO or LR bond funding (refer to Display 2), with \$50 million being supported by State resources. Because State funding is not available, the Irvine campus has chosen to redirect limited non-State resources in the amount of \$784 million to fund a portion of the need.

Display 2. \$2B State Capital Need
 \$50M of State and \$784M of Campus resources
 \$1.1B has no identified fund source



Non-State resources funding State-supportable scope: Of the 20 projects included in the 2017-27 CFP with funding identified, 11 are fully state supportable and another four projects are partially state supportable, accounting for approximately 72% of the non-State funding in the program. These projects include new academic buildings, completion of shell space in existing campus buildings, the relocation of Facilities Management and campus services currently located in an area slated for redevelopment, and deferred maintenance projects in state-supportable buildings. In the absence of state funds, the campus is choosing to implement these projects using a combination of external financing, gifts, campus funds, and public-private partnership development.

Gift campaigns: The 2016 Strategic Plan places emphasis on making fundraising a central feature of the planning and leadership culture of the campus. The sharp reduction in State funding in recent years has already resulted in the campus turning more to gift funding for capital projects, and these efforts have been quite successful. The 2017-27 CFP includes several projects that are partially funded by some of the largest single gifts in the campus's history: \$40 million for the Gross Nursing and Health Sciences Hall, \$30 million for the Interdisciplinary Science and Engineering Building,

and \$55 million for the College of Health Sciences Building.

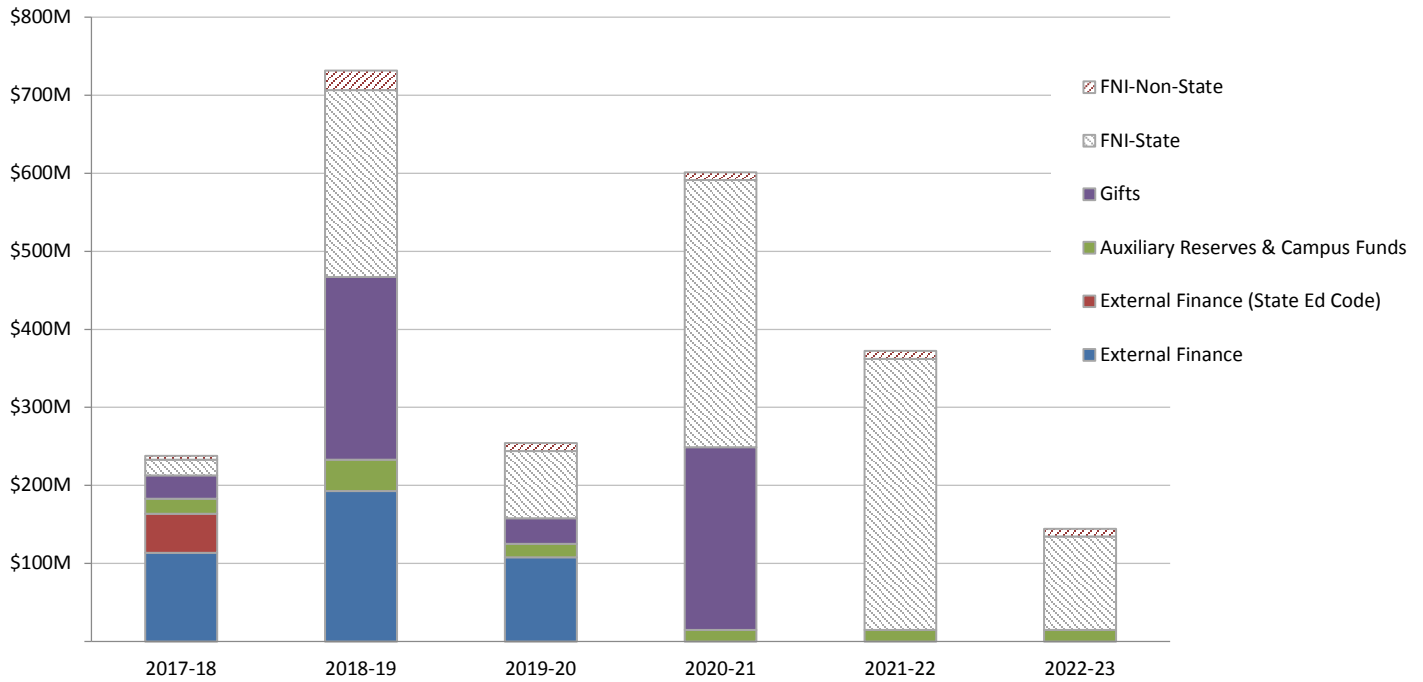
Real Estate and Public Private Partnerships

The Irvine campus has a long history of partnering with third-party entities to advance its strategic goals. Most notably, partnering with a private developer and manager of student housing has allowed the campus to make great strides in meeting its LRDP goal of housing 50% of students on campus. Since 2000, this public private partnership (P3) has added more than 5,000 student beds to the on-campus housing supply with an additional 1,440 beds set to be completed by fall 2020.

The 2017-27 CFP includes the next phase of this partnership: East Campus Apartments Phase 4B will provide approximately 900 additional beds. Other P3 projects identified in the CFP include an on-campus hotel and redevelopment of UCI’s North Campus.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.

Display 3. \$2.3B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Irvine Campus Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Capital Renewal and Infrastructure Improvements Program Phase 3B	E&G	1 2	•	CF, EF						37,000	33,000	
Interdisciplinary Science & Engineering Building	E&G	1 2		SG, GF, EF, CF						155,000	155,000	
Health Sciences Parking Lot Expansion	AUX			EF						6,000		

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
Art Museum	E&G	1 2		GF					55,000	55,000		
Beall Center Expansion and Renovation	E&G			GF				6,000	6,000			
Beckman Laser Expansion and Renovation	E&G	1		GF				31,000	16,000			
College of Health Sciences Building	E&G			GF, EF				105,000	105,000			
Facilities Management/Campus Services Relocation	E&G			P3				TBD				
Sciences Buildings Renovations, Phase 1	E&G	•		EF				25,000	25,000			
Sue & Bill Gross Nursing & Health Sciences Hall	E&G			GF, EF				60,000	60,000			
Wellness, Health, Career & Counseling Building	E&G	1 2		CF, EF				75,000	7,000			
Athletics Facilities Improvements	AUX	1 2		GF				47,000				
North Campus Redevelopment	AUX			P3				TBD				
Parking Structure 5	AUX			EF				48,000				
Buildout of Shell Space - Interdisciplinary Science & Engineering Building	E&G	3			GF			20,000	20,000			
Capital Renewal and Infrastructure Improvements Program Phase 4	E&G	3 •			EF			30,000	27,000			
ARC Field Expansion	AUX				AR, GF			8,000				
On-Campus Hotel	AUX				P3			TBD				
Shellmaker Island Boathouse Replacement	AUX				GF			7,000				
Verano Unit 7 Apartments, Phase 2	AUX				EF			78,000				
Convergence Science Building	E&G	3			GF			234,000	234,000			
East Campus Apartments Phase 4B	AUX				P3			TBD				
ARC Expansion Phase 4	AUX									EF		
Langson Library Expansion	E&G	3								GF		
Student Center Expansion	AUX									EF		
Capital Projects \$750K to \$5M (E&G)	E&G		CF	CF	CF	CF	CF	CF	90,000	90,000	CF	
Total (\$000s)			213,000	467,000	158,000	249,000	15,000	15,000	1,117,000	833,000		
Notes:												
a. E&G = Education and General AUX = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project												

Funding Not Identified (FNI)

Funding constraints severely impact our ability to provide the facilities and infrastructure needed to fully realize our Strategic Plan goals. In addition to the projects discussed above, the campus has identified a further \$1.2 billion in

needs for which no fund sources have been identified. Of the 30-plus projects on this list roughly one-third are additional academic buildings needed to continue to accommodate enrollment and faculty growth; the remaining two thirds of the list is made up of facility renewal and replacement and infrastructure projects.

Display 5. Irvine Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Buildout of Shell Space - Hewitt Hall and Medical Education Building	E&G	3				NS					15,000	15,000	
Law Building	E&G					S					211,000	211,000	
Research Building Acquisition	E&G	3				S					10,000	10,000	
Engineering Renovations	E&G		•			S					22,000	22,000	
Fire and Life Safety Improvements Phase 2	E&G		•	•		S					24,000	24,000	
Sewer and Storm Drain Improvements	E&G	1 2	•			S					22,000	22,000	
Central Plant Renewal Phase 1	E&G						S				37,000	37,000	
Electrical Safety Improvements	E&G	3	•	•			S				12,000	12,000	
Interdisciplinary Science & Engineering Building 2	E&G	1 2					S		S		133,000	133,000	
Med Surge Replacement	E&G	1	•				S				106,000	106,000	
Sciences Buildings Renovations Phase 2	E&G	3					S				40,000	40,000	
Classroom Renovations	E&G	1 2						S			3,000	3,000	
College of Health Sciences Building Unit 2	E&G	3						S			100,000	100,000	
College of Health Sciences Research Building	E&G	3						S			150,000	150,000	
Irrigation System Replacement Phase 1	E&G	3	•					S			25,000		
Med Sci Renovations	E&G		•					S			51,000	51,000	
Central Plant Renewal Phase 2	E&G		•						S		18,000	18,000	
Chilled Water System Expansion	E&G								S		54,000	54,000	
Fire and Life Safety Improvements Phase 3	E&G	3		•					S		25,000	25,000	
Academic Building	E&G	1											S
Biological Sciences Greenhouse Replacement	E&G		•										S
Building Renewal Phase 1	E&G	1 2	•										S
Building Renewal Phase 2	E&G		•										S
Central Plant Renewal Phase 3	E&G	3	•										S
College of Health Sciences Unit 3	E&G	3											S
Irrigation System Replacement Phase 2	E&G	3	•										S

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)									2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible		
			Social & Behavioral Sciences 2	E&G								
Transportation Infrastructure Safety Improvements	E&G	•									S	
Capital Renewal Program	E&G	•	S	S	S	S	S	S	26,000	26,000	S	
Capital Projects \$5M to \$10M (E&G)	E&G		S	S	S	S	S	S	85,000	85,000	S	
Capital Projects \$5M to \$10M (AUX)	AUX		NS	NS	NS	NS	NS	NS	55,000		NS	
Total (\$000s)			25,000	264,000	96,000	352,000	357,000	130,000	1,224,000	1,144,000		

Notes:

a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

2017-27 UC IRVINE HEALTH CAPITAL PLAN

UC Irvine Health is comprised of the clinical, medical education, and research enterprises of the University of California, Irvine. A split campus model, the School of Medicine is located on the University of California, Irvine campus in the city of Irvine while UC Irvine Medical Center (UCIMC) is located 14 miles north in the city of Orange. UCIMC is a 417-bed acute care hospital that provides tertiary and quaternary care, ambulatory and specialty medical clinics, and behavioral health and rehabilitation services. UC Irvine Health serves a region of more than 3.5 million people in the greater Orange County region.

The Capital Financial Plan (CFP) presents UC Irvine Health’s capital plan for the next decade. The CFP focuses on this year (2017-18) and the next five fiscal years (2018-19 to 2022-23). The UCI Health CFP represents a \$915 million need over this period with a funding plan (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2023-23	Total
Capital Plan with Funding (\$000s)	29,000	133,000	177,000	535,000	26,000	15,000	915,000

Priorities

UCIMC’s Capital Financial Plan is linked to the UC Irvine Health strategic plan, and is intended to further and / or achieve a number of the organization’s priorities. The following four goals represent the most prevalent linkage across the capital projects:

1. Ensure appropriate and adequate access to care
2. Be the destination provider for distinctive service lines
3. Create a competitive patient-centric ambulatory network
4. Provide unparalleled quality and value to our patients and healthcare purchasers

UCIMC’s capital priorities are directly aligned with the goals and objectives outlined in the UC Irvine Health strategic plan. The capital program totals nearly \$1 billion and includes projects that would expand the bed capacity of Douglas Hospital, construct a specialty inpatient facility on the Irvine campus, and significantly expand ambulatory care capabilities through renewal, replacement, and new construction of clinical facilities.

Challenges

Need for additional inpatient capacity: Based on current bed demand, inpatient bed capacity exceeds the 80% occupancy standard in all General Acute Care units and increasingly results in delays in securing an inpatient bed. This in turn causes lost admissions / revenue, increased emergency department diversion, and patient and referring physician dissatisfaction. Two projects within the capital plan aim to increase inpatient capacity and offer patients expanded access to UC Irvine Health programs and services. The first, the Douglas Hospital Inpatient Capacity project, would convert a portion of Douglas Hospital into an additional 15-bed Medical/Surgical or Telemetry unit, with planned occupancy in 2021. The second is a 150-bed inpatient specialty hospital on the Irvine Campus, with a planned opening in 2025. The specialty hospital will serve as a destination for our local region as well as attract national / international patients to an exceptional healing and care environment that is focused on complex diseases.

Need to expand and renew ambulatory clinical space: As part of the strategic plan, UC Irvine Health intends to become a leader in population health management and provide high-value community-based care. UCIMC aims

to significantly increase its ambulatory clinical footprint by extending its network of care across the region. Over the next ten years, 12 new sites are anticipated for development in leased space, and a new Outpatient Clinic & Ambulatory Surgery Center is slated for construction on the Irvine campus.

In addition to the off-campus ambulatory sites, the capital plan addresses the replacement of aged and inefficient ambulatory clinics on the Orange Campus. A majority of the current Outpatient Clinical and Support buildings will be demolished in 2022. The Orange Campus Ambulatory Replacement project will replace these facilities with a new Outpatient Pavilion / MOB near the Orange campus, slated for occupancy in 2023. Replacing these outdated buildings with state-of-the-art medical office facilities aligns with the strategic plan's goal to provide unparalleled value, quality, and experience to our patients.

The expansion and remodel project of the UC Irvine Health Chao Comprehensive Cancer Center is intended to expand services and access into one of UC Irvine Health's most distinctive programs. Demand for cancer services is growing, and in particular infusion services are projected to increase by 19% in Orange County over the next 10 years. To address this increasing demand, the planned remodeling will provide patients with improved access to infusion services, and create a dedicated floor for the Hematology / Oncology clinic. The remodeled floors are slated for occupancy in 2020.

Limited resources and competitive market share environment: Competing requirements with limited resources. Many clinics and support services buildings at the Orange Campus are past their useful life. At the same time, patient care network needs to be expanded in order to provide accessible care in this competitive environment. The UCI Health CFP addresses these challenges.

Deferred maintenance: Included in the CFP are several deferred maintenance projects such as replacement of waste water lines, a complete upgrade of the

Gottschalk Medical Plaza, replacement of elevators and elevator controls, replacement of surgical lights and more. We are currently conducting a detailed analysis of our capital assets to establish a comprehensive plan to address, implement and manage our deferred maintenance needs.

Funding

Hospital Reserves and External Financing: Roughly half of the \$915 million in projects proposed in this capital program would be funded from a combination of external financing and hospital reserves. In particular, anticipated projects costing under \$10 million would be funded by hospital reserves; larger projects requiring significant investments, such as increasing the inpatient capacity of Douglas Hospital and constructing a new inpatient specialty hospital at the Irvine campus, would require debt financing that would be repaid with hospital revenues.

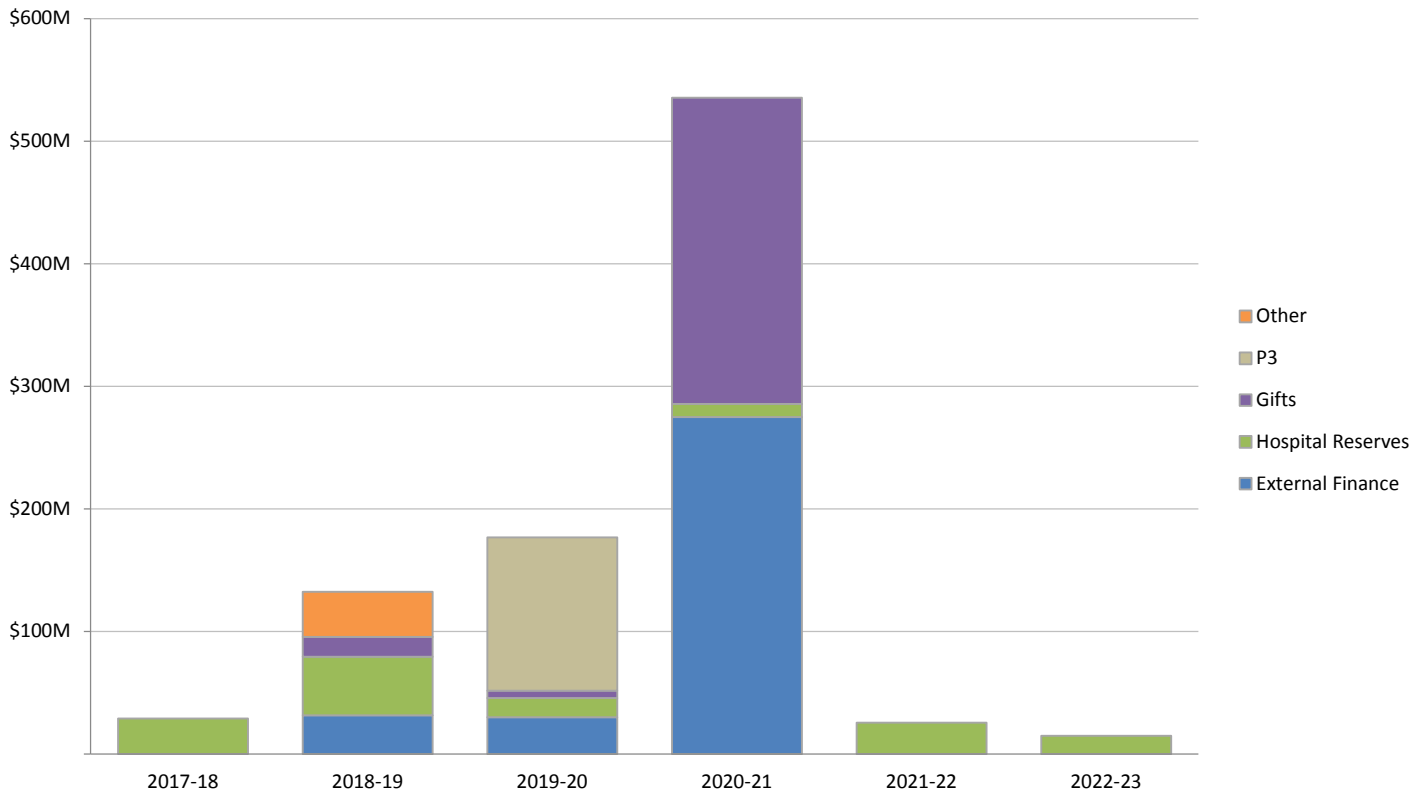
Gift Campaigns: A feasibility study needs to be completed for the three projects identified with gift campaign allocations. In this analysis, Health Advancement, in conjunction with the Vice Chancellor for University Advancement, will determine feasibility and probability of lead gift donor giving and what portion or all of the projects can be funded through philanthropy.

Real Estate and Public Private Partnerships

Several projects have public private partnership (P3) potential. Most notable is the Orange Campus Ambulatory Replacement as this project would consolidate clinical services, enhance parking, provide a much more efficient clinical setting and either mitigate or eliminate a large portion of our deferred maintenance needs.

Display 2 summarizes the capital plan by fund source. The list of projects with funding is shown in Display 3.

Display 2. \$915M Current Term (2017-18 to 2022-23) Capital Plan



Display 3. UC Irvine Health Capital Plan with Funding

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)					Total	2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22		
FQHC Anaheim Replacement	MC			OG, HR				53,000	
Irvine Campus Outpatient Clinic & Ambulatory Surgery Center	MC			GF, EF				48,000	
Douglas Hospital Inpatient Capacity	MC			EF				30,000	
Orange Campus Ambulatory Replacement	MC			P3				125,000	
Irvine Campus Inpatient Specialty Hospital	MC				GF, EF			525,000	
Capital Projects \$750K to \$5M	MC		HR	HR	HR	HR	HR	74,000	HR
Capital Projects \$5M to \$10M (see note b)	MC		HR	HR, GF	HR	HR		60,000	
Total (\$000s)			29,000	133,000	177,000	535,000	26,000	915,000	

Notes:

a. MC = Medical Center

b. Capital Projects \$5M to \$10M:

- B1 First Floor, SPD Upgrades

- B35, Gottschalk Plaza Renewal Model

- SB1953 Improvements - Neuropsych

- B1, Basement Nuclear Med Consolidation

- Corona Cancer Program

- SB1953 Improvements - Tower

- B1A, Exterior Façade Repositioning

- SB1953 Improvements - Douglas Hospital

Funding Not Identified (FNI)

Funding constraints impact our ability to provide the facilities and infrastructure needed to fully realize our Strategic Plan goals. In addition to the projects discussed above, the Medical Center has preliminarily identified more than \$250 million in further needs for which fund sources have not been identified. These unfunded priorities include clinical enterprise expansion, deferred maintenance, sustainability, accessibility, office space and parking needs.

2017-27 LOS ANGELES CAMPUS CAPITAL PLAN

UC Los Angeles’s (UCLA) Westwood campus opened its doors in 1929 with a Teacher’s College and the College of Letters and Science occupying the first four permanent campus buildings. Since that time, the campus has continued to expand and evolve into a world-renowned university. Today, with approximately 45,000 undergraduate and graduate students and more than 31,000 faculty and staff, UCLA offers degree programs through the College of Letters and Science, seven general campus professional schools, and four health sciences professional schools. The medical enterprise, consisting of four hospitals and affiliated programs, continues to be a leader in medical education, research and public service.

The Capital Financial Plan (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23). The Los Angeles CFP represents a \$2.4 billion need over this period of which approximately \$2.2 billion has a funding plan (refer to Display 1). UCLA’s CFP framework guides the campus in prioritizing capital investments in support of its mission, and identifies facilities needs aligned with the 2002 Long Range Development Plan, as amended in March 2009, and the 2009 Physical Design Framework.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	1,092,000	178,000	62,000	292,000	427,000	150,000	2,201,000	466,000
Capital Plan with Funding Not Identified			15,000	85,000	65,000	15,000	180,000	180,000
Total (\$000s)	1,092,000	178,000	77,000	377,000	492,000	165,000	2,381,000	646,000

Priorities

The primary strategic goals of UCLA’s CFP, since its inception in 2009, have been to complete the seismic correction of all remaining seismically deficient structures by 2019, and to transform the campus into a residential academic community.

As the seismic program is near completion, the campus intends to commit resources during the next five years to providing additional student housing, upgrading campus infrastructure, and reducing the backlog of deferred maintenance associated with State-supported facilities. As a result, the 2017-27 CFP includes funding for affordable on-campus housing for students, critical infrastructure projects throughout the campus and capital renewal to increase the useful life of buildings. The CFP also reflects the goals of a major gift campaign currently underway to support a broad array of program improvements in a variety of campus facilities.

The campus remains on track to complete the seismic correction of all remaining structures with Level V or

Level VI seismic performance ratings by 2019. Since the mid-1980s, the campus has completed seismic corrections to 63 structures totaling nearly 9.8 million gross-square-feet (gsf), and has work in progress on six structures totaling 560,000 gsf. There are currently no structures in the seismic work remaining category. Since 1994, the campus has used 92% of its State general obligation bond funds and considerable campus resources to complete these projects.

Challenges

Student Housing: During the past 30 years, UCLA has evolved from a commuter campus to a residential campus and now accommodates 14,650 students in on-campus housing and over 3,000 in University-owned off-campus housing. Following the completion of 1,500 undergraduate beds in the Northwest zone and 500 studio apartments for single graduate students in the Southwest zone, the campus continues to experience demand for housing. The campus has identified a potential capacity of 6,900 beds that can be developed on campus in support of the President’s Student

Housing Initiative, and has proposed a series of projects to better meet the campus goal of guaranteed housing to all entering first-year students for four years, to all new transfer students for two years, and to help meet graduate student housing demand.

State Eligible Projects: These include additional program and infrastructure improvements to buildings that were already seismically upgraded with campus resources; and provision of additional instruction space for undergraduate students in the north and south campus.

Upgrade Campus Infrastructure: Due to the absence of State funding, UCLA proposes to fund \$35 million of critical upgrades to infrastructure from campus resources. This work includes upgrades to the electrical distribution system that is currently underway, replacement of obsolete emergency generator equipment serving the Center for Health Sciences, and expansion of the campus’s central co-generation plant. Additional studies are underway to develop master plans for upgrading campus sewer, storm water and other infrastructure that will be included in future updates to the CFP.

Capital Renewal: There is a need to renew systems in more than 50 buildings that are 25 to 80 years old. Based on the UCOP Facilities Infrastructure Renewal Model, UCLA has over \$770 million in deferred maintenance needs that is anticipated to increase once the University’s Integrated Campus Asset Management Program (ICAMP) has systematically evaluated all buildings on campus. Renewal scope would involve replacement of obsolete building systems, utility infrastructure and life safety systems; modernization initiatives to improve functionality and space utilization; classroom refurbishment; and repairs to campus hardscape and roadways.

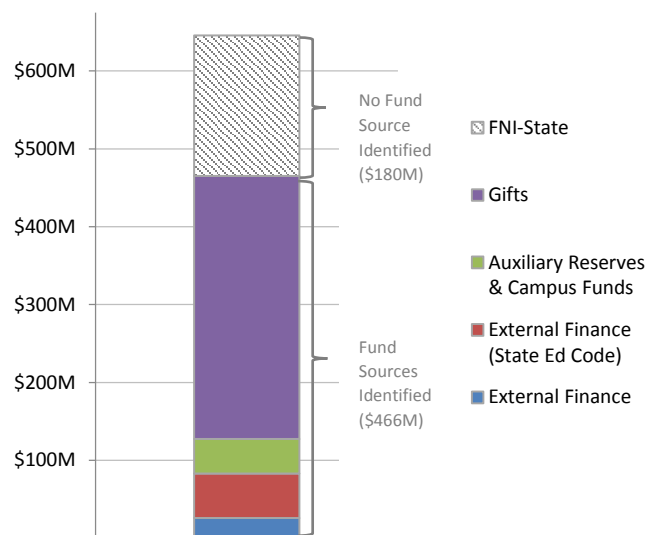
Center for Health Sciences (CHS): The 2.4 million gsf CHS complex is one of the largest health sciences instruction and research facilities in the nation. The multi-building complex, built in phases beginning in 1951, houses the Schools of Medicine (including

Neuropsychiatric Institute and the Jonsson Cancer Center), Dentistry, Nursing, Public Health, and portions of the UCLA Medical Center. Significant seismic and life safety upgrades have already been completed or are already underway. Following completion of that work, post-occupancy projects would provide additional program and life safety improvements to support the next generation of use.

Funding

A \$4.2 billion gift campaign is currently underway to raise funds for a broad range of programs and campus priorities at UCLA. Successful completion of the overall campaign will allow UCLA to fund a variety of new and renovated academic, cultural and recreational facilities in the CFP. The campus has a successful history of fund raising. In fiscal year 2016, UCLA raised \$664 million in gifts and pledges. Since 2007, the campus has raised an average of \$485 million annually.

Display 2. \$646M of State Capital Need
 \$57M of State and \$409M of Campus resources
 \$180M has no identified fund source



It has been six years since the Los Angeles campus has had a capital project funded by a State General Obligation (GO) or Lease Revenue (LR) bond. The Los Angeles campus’s current term of the CFP identifies \$646 million of capital projects that would be State-

supportable and eligible for State GO or LR bond funding (refer to Display 2). Because State funding is not available beyond the \$57 million, however, the Los Angeles campus is re-directing limited non-State resources of \$409 million to support the most urgent capital needs. These critical capital needs include improvements to campus infrastructure, provision of additional classrooms and study space, and modernization of older buildings. The remainder of the State-supportable program - \$180 million in projects - have no funding source (refer to Display 5). These unfunded State-supportable projects represent upgrades to campus infrastructure and improvements to space utilization and building systems in existing facilities.

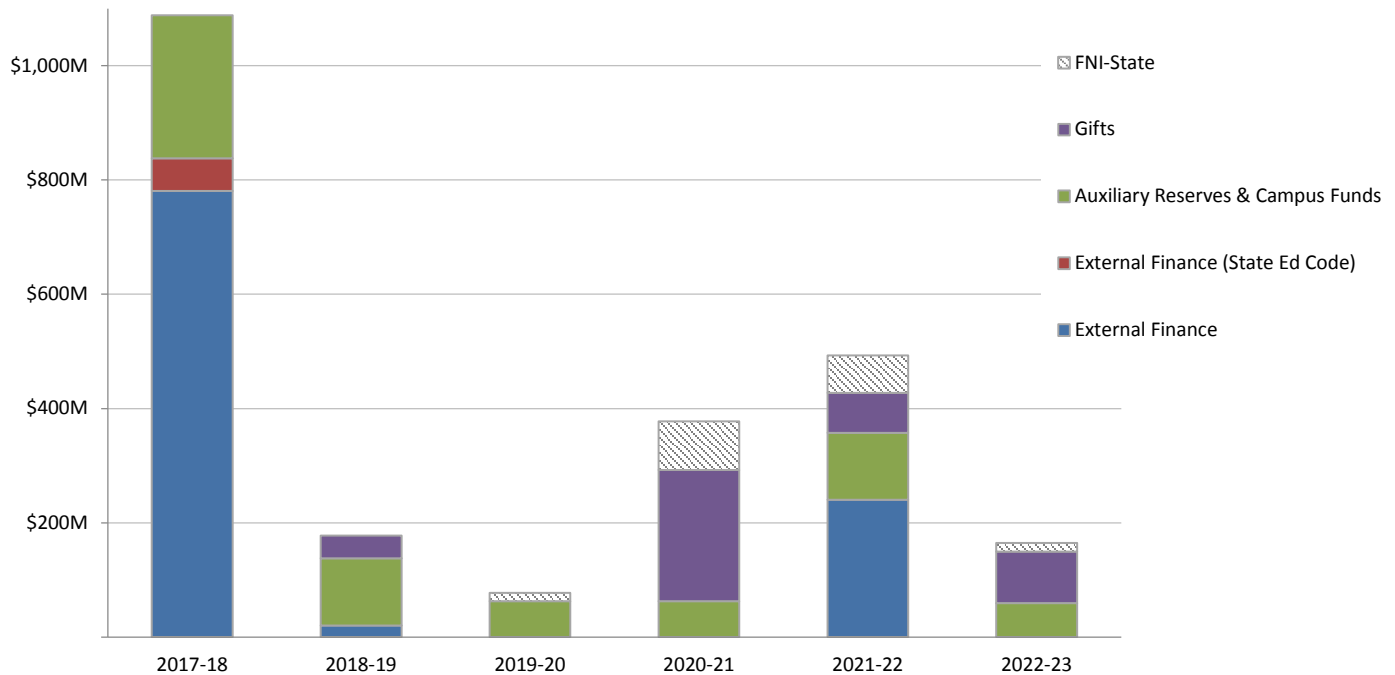
not typically utilize this project delivery method due to the strong overall financial capacity of the campus and the extended schedules needed to negotiate development agreements. As land area on campus is limited, UCLA will continue to make strategic acquisitions of nearby properties as they become available. The CFP includes several potential real estate acquisitions for this purpose.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.

Public Private Partnership and Real Estate Transactions

The campus evaluates alternative delivery models for capital projects, including their potential as developer-delivered public private partnerships (P3). UCLA does

Display 3. \$2.4B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Los Angeles Campus Capital Plan with Funding

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
CHS Emergency Generator Replacement	E&G	●	EF, SG							22,000	13,000	
CHS NPI Seismic Correction	E&G	●	EF, HR, SG							38,000	25,000	
Franz Hall Tower Seismic Renovation	E&G	●	EF, SG							46,000	25,000	
CHS South Tower Post-Occupancy Improvements (Levels 8-10)	E&G		EF							30,000		
North Campus Infrastructure Improvements	E&G	●	EF							20,000	20,000	
Faculty Center Renovation	AUX	●	CF							15,000		
Real Estate Acquisition No. 1	AUX		EF, AR							25,000		
Lot 15 Residence Hall	AUX	1 2	EF, AR							240,000		
Southwest Campus Apartments	AUX	1 2	EF, AR							375,000		
10995 Le Conte Apartments	AUX	1 2	EF, AR							210,000		
Real Estate Acquisition No. 2	AUX			EF, AR						25,000		
Fielding School of Public Health Building Interior	E&G	●		CF, GF						50,000	48,000	
Public Affairs Building Renovation	E&G	3		CF						35,000	35,000	
Lab School Multipurpose Building	E&G	3				GF				20,000	20,000	
Botany Building Renovation	E&G	3	●			GF				30,000	30,000	
Botanical Garden Enhancements	E&G		●			GF				20,000	20,000	
North Campus Academic Facility	E&G					GF				70,000	70,000	
South Campus Academic Facility	E&G					GF				70,000	70,000	
Powell Library Interior Renovation	E&G	●				GF				20,000	20,000	
Psychology - Neuroscience Research Building	E&G	●					GF			70,000	70,000	
Drake Stadium Residence Hall	AUX	3					EF, AR			185,000		
Bradley South Residence Hall	AUX	3					EF, AR			110,000		
Northwest Campus Recreation Facility	AUX	●						GF		20,000		
Student Services / Welcome Center	AUX							GF		70,000		
Fowler Museum Renovation and Addition	E&G											GF
Theater, Film & Television Renovation	E&G	●										GF
Capital Projects \$5M to \$10M	E&G		CF	CF	CF	CF	CF	CF	CF	150,000		CF

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)								2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible	
				Capital Projects \$750K to \$5M	E&G	3	CF	CF	CF	CF	CF	
Capital Projects \$5M to 10M	AUX		AR	AR	AR	AR	AR	AR	90,000		AR	
Capital Projects \$750K to \$5M	AUX		AR	AR	AR	AR	AR	AR	55,000		AR	
Total (\$000s)				1,092,000	178,000	62,000	292,000	427,000	150,000	2,201,000	466,000	

Notes:
a. E&G = Education and General AUX = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

Funding Not Identified (FNI)

The projects identified in the below table are those projects for which funding has not been identified. This list of projects, however, does not reflect the full need for capital investment at UCLA. There continues to be pressure to improve aging facilities and campus infrastructure, to provide space for expanding programs, and continue to address life safety deficiencies in existing buildings. UCLA continues to evaluate the critical facility needs and to identify appropriate and financially feasible solutions. A fraction of this unfunded need is shown in the table below; however, there remain many projects on the horizon for which more planning and cost analyses are required.

Display 5. Los Angeles Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)								2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible	
				Central Plant Expansion	E&G				S			
Life Sciences Building Renovation Phase 2	E&G	•				S			50,000	50,000		
CHS Program and Infrastructure Improvements	E&G	•									S	
CHS - Biomedical Library Tower Renovation	E&G	•									S	
Capital Renewal	E&G	•	•		S	S	S	S	60,000	60,000	S	
Total (\$000s)					15,000	85,000	65,000	15,000	180,000	180,000		

Notes:
a. E&G = Education and General

2017-27 UC LOS ANGELES HEALTH SYSTEM CAPITAL PLAN

As one of the premier providers of modern medicine to the Los Angeles area and the nation, UCLA is home to leading medical facilities and world-renowned physicians.

At UCLA, the Ronald Reagan UCLA Medical Center is consistently ranked among the top ten hospitals in the nation. The UCLA Mattel Children's Hospital sets a global standard for pediatric care — offering procedures, technology and advances that bring in children from all over the country. UCLA's Resnick Neuropsychiatric Hospital, featuring the most advanced medical technology in the world, is among the leading centers for patient care and education in mental health and neurology.

The Capital Financial Plan (CFP) presents the campus's capital plan for the next decade. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23). UCLA Health, comprised of the Hospital system, Faculty Practice Group and David Geffen School of Medicine, operates four hospitals and hospital outpatient clinics in nearly 2.5 million square feet of owned space. In addition, UCLA Health is responsible for managing and maintaining an additional 1.7 million square feet of leased freestanding ambulatory offices and clinics. Accordingly, UCLA Health's capital needs are significant, with constant demand for capital facility renovations, and equipment upgrades and replacements. The Los Angeles Health System CFP represents a \$1.7 billion need in the current term (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Capital Plan with Funding (\$000s)	140,000	185,000	900,000	159,000	185,000	115,000	1,684,000

Priorities

UCLA Health prioritizes its capital funding within three strategic priority areas 1) alleviating clinical care capacity constraints; 2) maintaining aging physical facilities; and 3) investing in state-of-the-art infrastructure and equipment upgrades.

Capacity Constraints: UCLA Health's inpatient volume has experienced significant growth since the opening of the Ronald Reagan UCLA Medical Center in 2008. The current aggregate occupancy of the four hospitals (inclusive of Mattel's Children Hospital) is 94.9%, well above the standard optimal occupancy of 85% to cost-effectively operate a hospital facility. To alleviate this inpatient care capacity constraint, preliminary planning is underway to build a new 156-bed patient tower. Alleviating ambulatory clinical space constraints remains a constant issue as well. A proposed project to build a new Santa Monica medical office building would help the UCLA Health System address near-term

capacity needs for clinic space near the Santa Monica campus.

Aging Physical Facilities: In spite of the addition of the relatively new hospital replacement facilities at Westwood and Santa Monica, UCLA Health maintains and operates some older facilities that require building renovation and infrastructure investment. Renovation of the Merle Norman Pavilion on the Santa Monica campus and improvements to the clinical space on the basement levels of the South Tower in the Center for the Health Sciences are representative of these types of capital projects.

Infrastructure/Equipment Upgrades: The Campus Co-generation Plant has been the primary source for electricity, steam and chilled water to the Ronald Reagan UCLA Medical Center. The increasing power demands being placed on the plant as a result of a robust campus building program has required UCLA Health to consider development of a separate utility

building. Discussions and planning with the campus are underway to assess options.

Technological advances in conjunction with end-of-life equipment/infrastructure requires UCLA Health to continuously make capital investments in state-of-the-art medical equipment and infrastructure technology to maintain and improve patient safety, improve clinical outcomes, and/or improve cost efficiency. Accordingly, a significant amount of capital funds are projected for this purpose over the next decade.

Challenges

Common among many academic medical centers, UCLA Health is challenged with balancing and prioritizing the financial outlays for projects that fall within the three strategic priority areas referenced above. Also, timing of capital outlays may be problematic as planned project implementation and capital expenditures may not, for various reasons, coincide with early budget estimates. Finally, unbudgeted capital spending, e.g., repairs for flooding, seismic events, and other unforeseen needs require flexibility in capital investment planning.

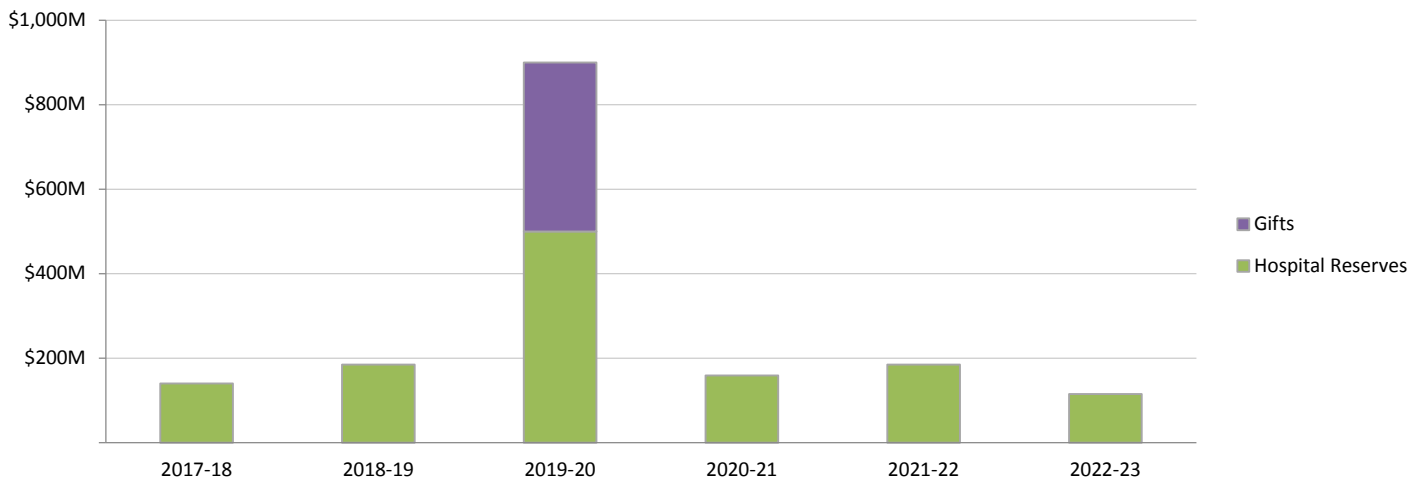
Funding

UCLA Health depends on gift campaigns to partially fund major projects, as was the case with the construction of the Ronald Reagan UCLA Medical Center. The proposed new bed tower is projected to cost approximately \$650 million, of which more than 60% of the funding will be from philanthropy and gifts.

Public Private Partnership and Real Estate Transactions

Historically, UCLA Health has entered into a limited number of real estate transactions resulting in the acquisition of medical office buildings in Thousand Oaks, Calabasas, and Santa Clarita to support the geographic expansion of its primary care physician network. Similarly, property transactions involving public private partnerships (P3) have been limited to the build-out of the 1223 16th Street Outpatient Surgery and Medical Building across from the Santa Monica UCLA Medical Center. UCLA Health continually evaluates properties that come on the market for strategic acquisition opportunities.

Display 2. \$1.7B Current Term (2017-18 to 2022-23) Capital Plan



Display 3. Los Angeles Health System Capital Plan with Funding

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)					Total	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22		
RRUMC Utility Building	MC				HR					70,000	
CHS South Tower Post-Occupancy Improvements (Levels A&B)	MC		●				HR			50,000	HR
Westwood Patient Tower Addition	MC	1 2					HR, GF			650,000	
SMH 1223 16TH Street Medical Office Building	MC	1 2					HR			85,000	
RRUMC 5th Floor NICU Expansion	MC						HR			14,000	
SMH Merle Norman Pavilion Renovation	MC	1	●				HR			30,000	
SMH Office Building	MC							HR		70,000	
Annual Capital Equipment Replacement	MC	1			HR	HR	HR	HR	HR	625,000	HR
Capital Projects \$5M to \$10M (see note b)	MC	1			HR	HR	HR	HR	HR	60,000	HR
Capital Projects \$750K to \$5M	MC				HR	HR	HR	HR	HR	30,000	HR
Total (\$000s)					140,000	185,000	900,000	159,000	185,000	115,000	1,684,000
Notes:											
a. MC = Medical Center 1 = Budget Update 2 = Scope Update											
b. Capital Projects \$5M to \$10M: - RRUMC AHU Modifications											

2017-27 MERCED CAMPUS CAPITAL PLAN

Opening in 2005 as the newest campus of the University of California, UC Merced continually strives for excellence in carrying out the university's mission of teaching, research, and public service benefiting society by discovering and transmitting new knowledge and functioning as an active repository of organized knowledge. Interdisciplinary practice in research nourishes undergraduate learning, building a foundation in connecting the ways that academic disciplines understand and grapple with society's problems.

The campus has been established as a model of physical sustainability for the 21st century, inviting all members of the campus and surrounding community to think and act as good stewards of the environment that they will convey to future generations. UC Merced celebrates its location in the San Joaquin Valley, reflecting the poetry of its landscape, history, resources and diverse cultures, while capitalizing on and expanding the Valley's connections to the emerging global society. UC Merced recognizes that research that begins with the natural laboratory at home can extend what is known in the state, nation and world.

The Capital Financial Plan (CFP) presents the campus's capital plan for the next decade. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23). The Merced CFP represents a \$28 million need over this period of which \$26.9 million has a funding plan (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	4,000	5,700	2,200	5,000	5,000	5,000	26,900	3,100
Capital Plan with Funding Not Identified	800	200	200	200			1,400	700
Total (\$000s)	4,800	5,900	2,400	5,200	5,000	5,000	28,300	3,800

Priorities

A key element of the University of California enrollment plan is the growth at UC Merced, the youngest campus. Growth at the Merced campus will provide for increased access for eligible state students and support a rapidly growing, underserved region. In July 2016, the Regents approved the 2020 Project which consists of the simultaneous development of 1.2 million gross square feet (790,000 assignable square feet) of academic, research, student residence and student life facilities, as well as infrastructure, roadways, and parking by a single development team. The Merced campus entered into contract, in August 2016, with Plenary Properties Merced. This multidisciplinary consortium was competitively selected to design, build, finance, operate, and maintain major building systems. Upon completion of the project, the Merced campus will be able to accommodate enrollment growth to

10,000 students which is consistent with the Long Range Development Plan adopted by the Regents in 2009.

The 2020 Project represents a major financial commitment to fulfill the mission established for UC Merced. The transaction structure is designed to help manage the campus's lifecycle performance and financial risk at the lowest possible cost. The finance plan is modeled as a "hybrid" version of an availability payment Design, Build, Finance, Operate, and Maintain (DBFOM) contract. This hybrid approach preserves the transfer of design, construction, and operations and maintenance risks and the lifecycle costing benefits of the availability payment procurement while bringing the overall cost of capital closer to the cost that would have been available if the University had financed the Project.

Other priorities for the campus include deferred maintenance, construction of an administrative building in downtown Merced to consolidate staff, and complying with environmental mitigation requirements by purchasing wetland credits. In addition, the campus intends to establish a small internal revolving loan fund to provide flexibility to fund minor capital projects as they arise.

Challenges

Enrollment: UC Merced has had to seek ways to deliver UC-caliber teaching and research in a climate marked by dramatic reductions in State financial support, a scarcity of philanthropic resources, and in the face of increasing statewide demand for access to higher education from eligible students. Without the traditional support to enable it to grow as its sibling campuses did in previous decades, the Merced campus has developed an alternative framework for the 2020 Project (see Public-Private Partnerships and Real Estate transactions below). The 2020 Project will help address enrollment growth.

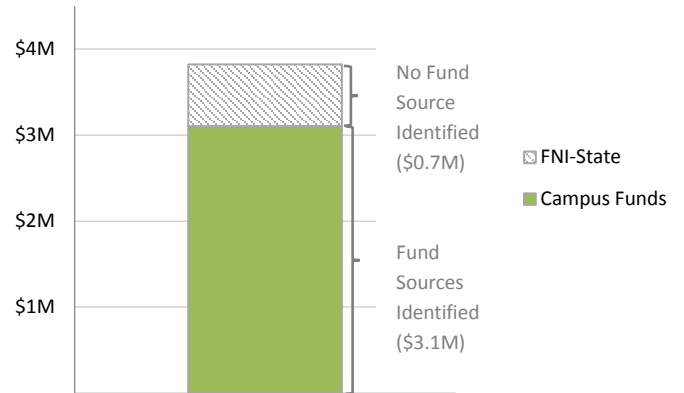
Deferred Maintenance on Existing Campus: The 2020 Project is currently underway, so there is little deferred maintenance and no seismic issues. However, while constructed within the last ten to 15 years, several buildings at Merced are in need of repairs and building systems replacement. The campus estimates that \$41 million will be needed in the next ten years to address this maintenance.

Funding

The campus's total capital need is approximately \$28 million. The Merced campus's Current Term of the CFP identifies \$3.8 million of capital projects that would be eligible for State funding (refer to Display 2). Because State funding is not available, the Merced campus is re-directing \$3.1 million to support critical capital needs. The remainder of the State-supportable program - \$700,000 in projects - have no funding source (refer to Display 5).

Display 2. \$3.8M State Capital Need

\$3.1M of Campus resources
\$0.7M has no identified fund source



Public Private Partnerships and Real Estate Transactions

The Merced 2020 Project is a type of public private partnership (P3) known as an "availability-payment concession," in which a single private development team designs, builds, operates and maintains major building systems and partially finances the entire project under a single contract known as the "Project Agreement".

During construction, the University makes monthly progress payments to the developer. Once the buildings become available for use, the University will make performance-based "availability payments" that cover remaining capital costs, as well as the operations and maintenance of major building systems. From start to finish, the duration of the agreement is 39 years.

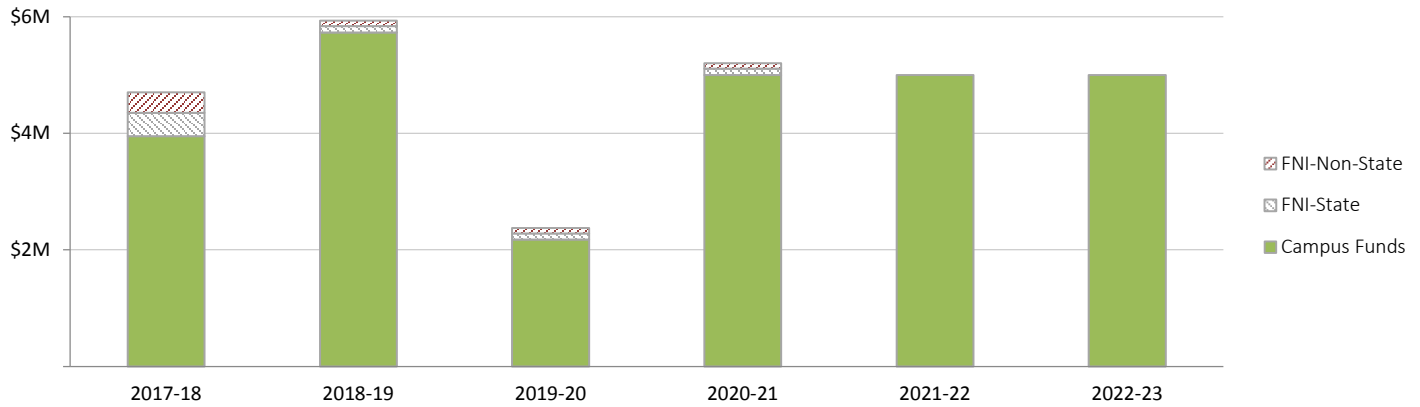
As structured, this hybrid model captures the time and cost advantages of the familiar "design-build" method of developing buildings and effectively adds a preventative capital-maintenance program and capital-renewal program. It does not transfer the University's property rights, does not assign revenue streams and is not a lease.

The P3 agreement in conjunction with DBFOM delivery model allowed UC Merced to move forward in developing the campus through the 2020 Project without the availability of the traditional State funding model that enabled other UC campuses to grow.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4.

The list of projects where funding is not identified is shown in Display 5.

Display 3. \$28M Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Merced Campus Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Campus Projects \$750K to \$5M	E&G			CF	CF	CF	CF	CF	CF	21,000		CF
Federal Environmental Mitigation	E&G	1		CF	CF	CF				5,900	3,100	
Total (\$000s)				4,000	5,700	2,200	5,000	5,000	5,000	26,900	3,100	

Notes:
a. **E&G** = Education and General 1 = Budget Update 2 = Scope Update 3 = New Project

Funding Not Identified (FNI)

The projects in the below table are those projects for which funding has not been identified. This list of projects, however, does not reflect the full need for capital investment at UC Merced. The needs at this rapidly growing campus are continually evaluated and will be addressed in a future CFP.

Display 5. Merced Campus Capital Plan with Funding Not Identified

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Transportation Improvements	E&G			S, NS	S, NS	S, NS	S, NS	S, NS	S, NS	1,400	700	
Total (\$000s)				800	200	200	200	200	200	1,400	700	

Notes:
a. **E&G** = Education and General

2017-27 RIVERSIDE CAMPUS CAPITAL PLAN

UC Riverside (UCR) takes pride in advancing and communicating knowledge through research and creative activity; developing and inspiring tomorrow’s leaders; and transforming communities. UCR offers over 100 undergraduate degree programs, 61 master’s degree programs, and 47 Ph.D. programs. With over 21,000 students, the student body is among the most diverse in the nation. Nearly 60% of UCR undergraduate students are the first in their families to pursue college degrees.

UCR 2020: The Path to Preeminence strategic plan (UCR 2020) describes how UC Riverside is transforming itself to become a national model for academic excellence, student access, diversity, inclusion, and community. UCR 2020 continues to serve as the framework and impetus for UCR’s improvements associated with capital program development by enhancing operational efficiencies, redefining and improving space utilization, and diversifying financing and development activities.

Between 2000 and 2014, UCR’s undergraduate population grew by 64%. Consistent with its strategic plan, UCR has hired new faculty and will continue to hire, with the goal of improving the student/faculty ratio, constructing new research facilities, building and renovating classrooms, and developing new living-learning communities on campus. The current Physical Master Plan Study, completed in 2016, provides a vision for the physical environment of the campus that meaningfully responds to its goals for future growth to up to 30,000 students within the planning horizon of 2015 to 2025 and will inform a new UCR Long Range Development Plan and related environmental approvals to be undertaken beginning 2018.

The Capital Financial Plan (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23). The Riverside CFP represents a \$2.4 billion need over this period of which approximately \$1.7 billion has a funding plan (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	913,000	76,000	70,000	451,000	10,000	160,000	1,680,000	420,000
Capital Plan with Funding Not Identified	95,000	50,000	41,000	268,000	181,000	99,000	734,000	695,000
Total (\$000s)	1,008,000	126,000	111,000	719,000	191,000	259,000	2,414,000	1,115,000

Priorities

To achieve certain goals of UCR 2020, the campus has identified strategic areas for expansion of research. Accommodation of research requires additional, flexible space that the campus does not currently have in sufficient quantity. In addition, UCR continues to actively manage space assignments and improve overall space utilization.

The campus is proposing several projects that will expand research capacity, improve academic programs,

and enable the campus to hire additional faculty. These projects include: Student Success Center, Multidisciplinary Research Buildings 2 and 3, Engineering Building Unit 3, and Psychology Building Addition. A new campus mobility hub and North District development are currently in the planning phases. These projects directly respond to the campus’s priorities to foster interdisciplinary work and to promote basic sciences and next generation technologies, and they reinforce the campus’s

emphases of human health and wellbeing, sustainable development, and innovation.

Challenges

Approximately 40% of total campus space is 40 years old or older. Addressing obsolete or inadequate facilities or building systems is integral to UCR’s CFP. Long-term underfunding of basic maintenance has constrained the campus’s renewal efforts and exacerbated a backlog of deficiencies for both State and Non-State supportable facilities.

UCR has identified \$1.1 billion in projects that are State supportable. State bond funds, whether general obligation (GO) or lease-revenue (LR), represent core investment opportunities for UCR’s instruction and research infrastructure.

Funding

It has been nine years since the Riverside campus has had a capital project funded by a State GO or LR bond. The Riverside campus’s current term of the CFP identifies \$1.1 billion of capital projects that would be State-supportable and eligible for State GO or LR bond funding (refer to Display 2).

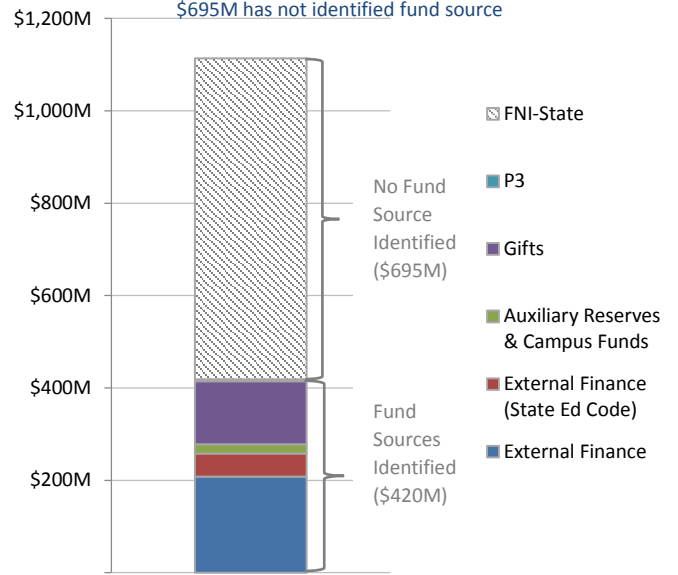
However, because State funding is not available, the Riverside campus is re-directing limited non-State resources of \$370 million to support the most urgent capital needs. These critical capital needs include primarily research and instruction space renovations and new construction to address growth and obsolete facilities.

The remainder of the State-supportable program - \$695 million in projects - have no funding source (refer to Display 5). These unfunded State-supportable projects include infrastructure, campus support, and instruction and research improvements.

Display 2. \$1.1B State Capital Need

\$50M of State and \$370M of Campus resources

\$695M has not identified fund source



Given the consistent decline in State funding there is an increasing need to redirect non-State resources to capital needs at the expense of campus programs and operations. The campus continues to focus on developing new strategies that will increase debt capacity, utilize public private partnership (P3) development, and increase gifts/fundraising over time. The campus recently invested over \$150 million using external financing repaid by indirect cost recovery to fund a major new research building that houses State-supportable programs. The campus has also used and is planning to use limited Century Bond financing to pay for deferred maintenance, capital renewal, new research space, and health care facilities.

The campus’s current term capital need is approximately \$2.4 billion. State-supportable reflects \$1.1 billion (46%).

Public Private Partnerships and Real Estate Transactions

The North District project is a proposed development providing approximately 6,000 beds, two dining facilities, two recreation fields, and one competition field to be implemented over multiple phases. The project is planned as a public private partnership and is currently in the developer solicitation phase. In addition

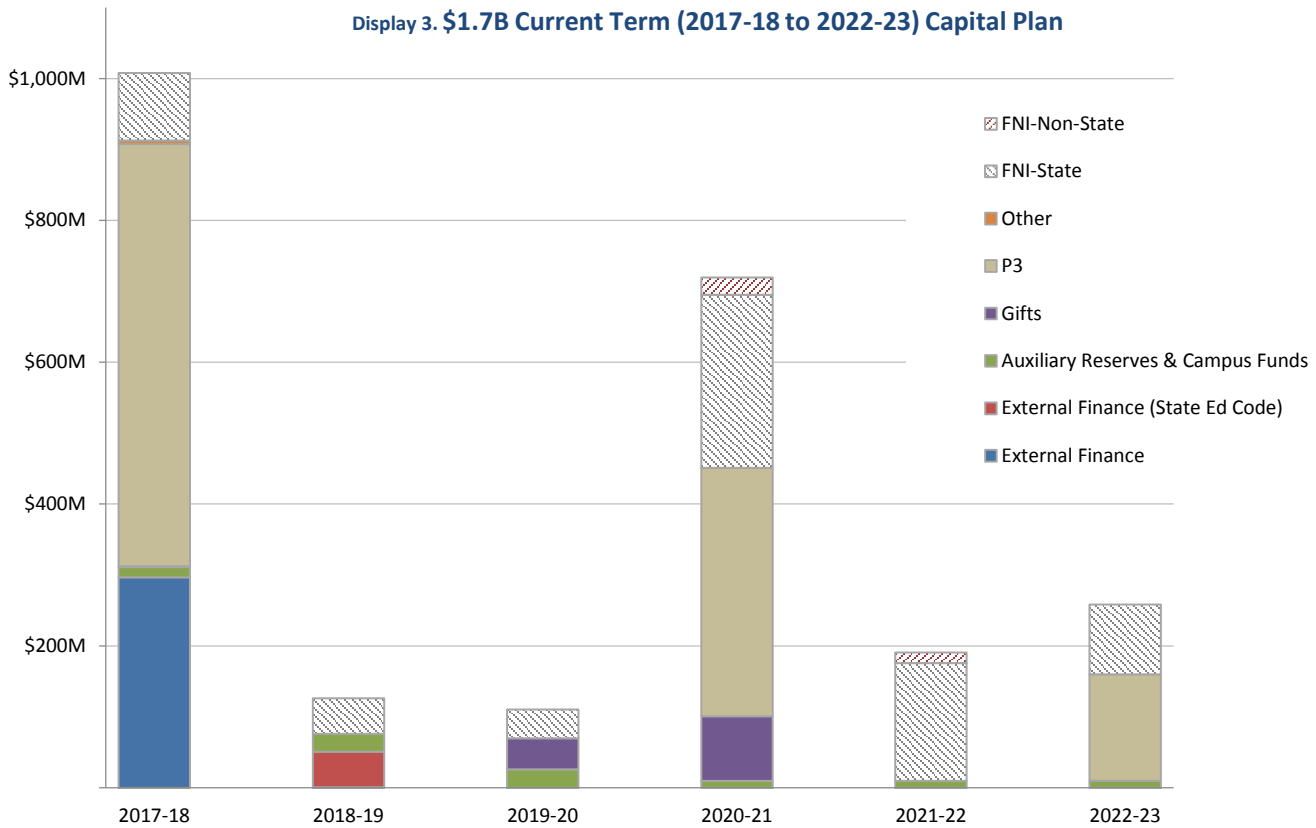
to providing housing opportunities, the expectation is that the project will activate the campus by improving access and opportunity for community engagement.

The UCR Health Outpatient Pavilion is another project being planned as a public private partnership. The mixed-use project provides space for student health care and community outpatient clinics in close proximity to campus. Additional space may be occupied

by strategic partners of UCR Health providing compatible medical service functions and other UCR departments.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.

Display 3. \$1.7B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Riverside Campus Capital Plan with Funding

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Batchelor Hall Interiors	E&G	1		EF, CF						9,000	9,000	
Deferred Maintenance and Capital Renewal	E&G	3	•	EF, CF						15,000	15,000	
Multidisciplinary Research Building 2	E&G			EF						150,000	135,000	
Pierce Hall Interiors	E&G	1		EF, CF						23,000	23,000	
Plant Growth Environments Facility	E&G	3		EF, GF						27,000	27,000	
UCR Health Outpatient Pavilion	E&G			P3, EF						85,000	9,000	

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)								State Eligible	2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total			
Barn Expansion	AUX	1 2	EF, AR							27,000		
North District Ph 1 - Student Housing, Dining, and Recreation	AUX	1 2	P3							550,000		
Parking Structure 1/Outpatient Parking Lot	AUX	3	P3							TBD		
UCR Mobility Hub and Central Campus Linkages	AUX	2	EF, OG							15,000		
Student Success Center	E&G	3		SG, AR, CF, UR						60,000	51,000	
Canyon Crest Housing Demolition	AUX			CF						5,000		
Professional School 1 (School of Business Administration)	E&G	1			CF, GF					60,000	60,000	
Engineering Building Unit 3	E&G	3				GF				91,000	91,000	
North District Ph 2 - Student Housing	AUX	3				P3				350,000		
North District Ph 3 - Student Housing	AUX	3						P3		150,000		
Capital Projects \$750K to \$5M (E&G)	E&G		CF, EF	CF, EF	CF	CF	CF	CF	CF	33,000		CF
Capital Projects \$750K to \$5M (AUX)	AUX		AR	AR	AR	AR	AR	AR	AR	30,000		AR
Total (\$000s)			913,000	76,000	70,000	451,000	10,000	160,000	1,680,000	420,000		

Notes:

a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

These projects were listed in the 2016-26 Capital Financial Plan and are now removed from the program:

- Campus Event Center
- East Campus Infrastructure Improvements Phase 3
- East Campus Infrastructure Improvements Phase 4
- Lothian Seismic Upgrade

Funding Not Identified (FNI)

The table that follows (see Display 5) includes a balance of cost-effective renovations to existing instruction and research facilities, along with new construction of modern laboratory and research support facilities, new classrooms, campus support and campus infrastructure necessary to support existing and new student and faculty workload. The improvements are essential for hiring new faculty to teach students and conduct research. Without the improved facilities and infrastructure, the campus would be challenged to meet the goals of its Strategic Plan.

Display 5. Riverside Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)								State Eligible	2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total			
Campus Chilled and Hot Water Upgrade	E&G		S	S	S	S	S	S	S	110,000	110,000	
Campus Electrical Upgrades	E&G	3	S	S	S	S	S	S	S	150,000	150,000	S
Central Plant Repair and Expansion	E&G	3	S							20,000	20,000	

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
Boyce Hall and Webber Hall Renovations, Ph 2	E&G	1			S	S	S			55,000	55,000	S	
Pierce Hall Interiors Ph 2	E&G	3			S	S	S			73,000	73,000	S	
Physics Building Renewal	E&G	1				S	S	S		51,000	51,000	S	
School of Medicine - Education and Administration Building	E&G	3				S				200,000	200,000		
Parking Structure 2	AUX	3				NS				24,000			
Deferred Maintenance (State Eligible)	E&G	1	●				S	S		30,000	30,000	S	
Interdisciplinary Research - Psychology Building Addition	E&G	1					S	S		2,000	2,000	S	
Student Recreation Center North Renovation	AUX	3					NS			15,000			
Batchelor Hall Interiors Ph 2	E&G	3							S	4,000	4,000	S	
Campus Linkages 1	E&G	3										NS	
Multidisciplinary Research Building 3 (Fawcett Replacement Ph 1)	E&G	1										S	
New Satellite Central Plant	E&G	3										S	
Plant Growth Environments Facility 2	E&G	3										S	
Plant Growth Environments Facility 3	E&G	3										S	
Spieth Hall Renovation	E&G	3										S	
Sproul Hall Renovation	E&G	3										S	
Student Success Center 2	E&G	3										S	
Watkins Hall Renovation	E&G	3										S	
Athletics Replacement Facility	AUX	3										NS	
Parking Structure 3	AUX	3										NS	
Total (\$000s)				95,000	50,000	41,000	268,000	181,000	99,000	734,000	695,000		
Notes:													
a. E&G = Education and General AUX = Auxiliary 1 = Budget Update 3 = New Project													

2017-27 SAN DIEGO CAMPUS CAPITAL PLAN

UC San Diego’s origins date to 1912 when the Scripps Institution of Oceanography (SIO) became part of the University of California. Established as a comprehensive general campus in 1960, UC San Diego has evolved into an internationally renowned research university. A distinguishing academic feature of the campus is found in its six semi-autonomous undergraduate colleges. Each college, with its own residential and academic facilities, has a distinctive educational philosophy that provides academic and extramural opportunities typically found in small liberal arts colleges.

Professional and advanced degrees, as well as research opportunities, are provided by the general campus’s divisions and graduate programs, the Graduate School of Global Policy and Strategy, the Rady School of Management, SIO, the Jacobs School of Engineering, the School of Medicine, and the Skaggs School of Pharmacy and Pharmaceutical Sciences.

UC San Diego’s Strategic Plan aligns campus efforts to be a student-centered, research-focused, service-oriented public university. While the priorities for the capital improvement program will continue to evolve to support the goals of the Strategic Plan, the projects included in the Capital Financial Plan (CFP) support this vision. The CFP presents the campus’s capital plan for the next decade with a focus on this year (2017-18) and the next five fiscal years (2018-19 and 2022-23). The UC San Diego CFP represents a \$6.2 billion need over this six-year period of which approximately \$3.7 billion has a funding plan (refer to Display 1). Of this, approximately \$776 million was approved by the Regents in 2017-18, most of which was externally financed with support from auxiliary resources.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	1,159,000	1,056,000	783,000	489,000	90,000	119,000	3,696,000	837,000
Capital Plan with Funding Not Identified			978,000	383,000	758,000	373,000	2,492,000	379,000
Total (\$000s)	1,159,000	1,056,000	1,761,000	872,000	848,000	492,000	6,188,000	1,216,000

Priorities

Over the next five years, UC San Diego will undergo a transformation to meet the growing needs of the campus. With the arrival of Light Rail Transit in 2021, continued student growth and update of UC San Diego’s Long Range Development Plan, the campus is adding more housing, classrooms, research facilities and more to enhance the student experience and create a vibrant, better-connected campus that continues to foster innovation.

UC San Diego endeavors to be resourceful in its efforts to obtain funding for construction and maintenance of the campus’s building and infrastructure inventory.

Projects identified in the CFP would support student enrollment growth and new and expanding instruction and research programs; address critical systems

renewal needs; improve capacity and distribution of utilities; and further enhance community relationships. These projects include:

- new construction and renewal of student housing and dining facilities (e.g. the North Torrey Pines Living and Learning Neighborhood);
- new construction to provide critical instruction, research, and collaboration space (e.g. the Design & Innovation Building, the Ridge Walk Academic Complex, and the Engineering Interdisciplinary Building);
- improvements for fire and life safety and utility infrastructure to address campus safety (e.g. I-5 Electrical Switch Station);

- renovation of existing outdated teaching and research spaces (e.g. Muir Biology Building 1st and 2nd floors renovation);
- utility projects to address capacity issues (e.g. Central Plant Steam Chiller WC-1);
- and pedestrian, bike, and road improvements to improve circulation within the campus (e.g. East Campus Loop Road, Ridge Walk Improvements, and University Center Multi-Modal Connections).

Challenges

Aged Facilities and Capital Renewal: Many of the buildings serving the general campus are more than 40 years old; a few at SIO are nearly 100 years old. Long-term underfunding has created a substantial backlog of Capital Renewal projects in State-supportable facilities. Through a multi-year facilities condition assessment, the campus has identified almost \$1 billion in renewal and upgrades required to respond to health and safety requirements, obsolescence, and changing academic programs. The campus deferred maintenance (DM) figures will be validated by the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC’s deferred maintenance and produce both systemwide and campus level DM status and funding needs. Without renewal or replacement, many older buildings cannot support modern teaching and research activities effectively.

Academic Space Shortage: The campus has faced a shortage of academic space over the last decade as State funding for construction of new facilities has not kept pace with the evolution of academic programs and campus enrollment growth. Without new construction, the campus will continue to grapple with space shortages and some currently expanding programs will be constrained given the limited space available for their operations.

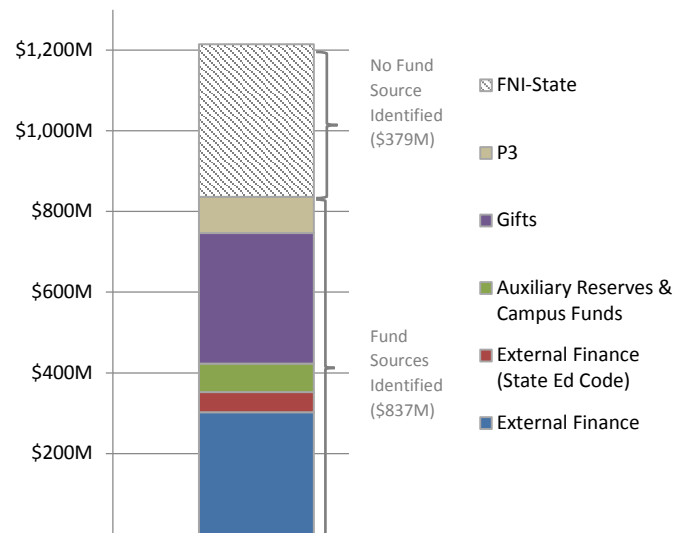
Housing Shortage: Providing affordable housing to students is a top priority for the campus. Demand for on-campus housing is significantly greater than the

number of students the campus can currently house. This demand is expected to grow due to increasing private market rental rates, historically low rental vacancies, combined with campus plans to increase student enrollment.

Funding

Because State funding has been constrained, the San Diego campus has chosen to redirect limited non-State resources to support the most critical capital needs. The San Diego campus’s current term identifies \$1.2 billion of capital projects that would be eligible for State funding, for which only \$50 million of State funds are available. Non-State resources in the amount of \$787 million have been identified to fund some of the need, such as Muir Biology Building Renovation and I-5 Electrical Switch Station. The balance of State-supportable priorities, however, remains unfunded, including such projects as Humanities and Social Sciences Building, Medical Teaching Facility Replacement, and Hubbs Hall Renewal.

Display 2. \$1.2B State Capital Need
 \$50M of State and \$787M of Campus resources
 \$379M has no identified fund sources



With diminished State funding, the campus is limited in pursuing many projects that support its mission. The campus funds many projects through external financing, including projects that meet the needs of student

housing, research programs, infrastructure, and capital renewal.

Capital Campaign: The campus also has a long history of successful fundraising efforts. The capital campaign launched in March 2017 is a \$2 billion comprehensive fundraising effort to transform the student experience and the campus.

Public Private Partnerships and Real Estate Transactions

The San Diego campus evaluates each proposed capital project to determine the optimum delivery approach. For some projects, a public private partnership (P3) method may assist the campus in:

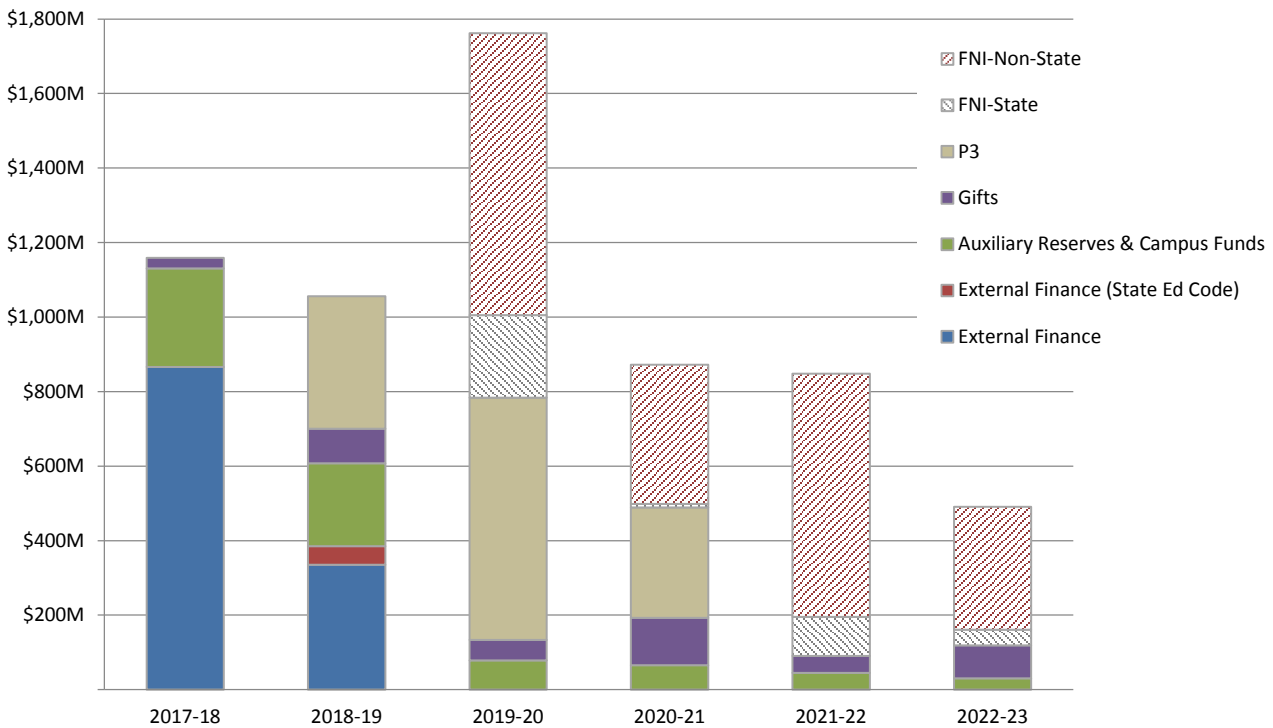
- preserving its credit for other upcoming projects;
- transferring development, financing, leasing, or other risks to a third party;

- creating new faculty/staff housing, retail, and other revenue-generating facilities; and/or
- generating new revenues from real estate for the campus.

Similarly, the campus continuously evaluates opportunities to acquire new properties that could reduce the campus’s reliance on leasing third party space, earn new revenues from real estate for the campus, reduce occupancy costs, garner greater control of its occupied space, and own an appreciating asset that can serve the campus for decades.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.

Display 3. \$6.2B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. San Diego Campus Capital Plan with Funding

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Design & Innovation Building	E&G	1 2			EF, GF						64,000	38,000	
Fire Station	E&G	2	•		CF						23,000		
Muir Biology Building 1st & 2nd Floor Renovation	E&G	1 2	•		CF						11,000	11,000	
Ridge Walk Academic Complex at NTP LLN	E&G	1 2			EF	SG					118,000	118,000	
Ridge Walk Improvements	E&G	1 2			CF						15,000		
I-5 Electrical Switch Station	AUX	3	•		CF						18,000	18,000	
Mesa Housing Pedestrian and Bike Bridge	AUX				EF						12,000		
North Torrey Pines Living and Learning Neighborhood	AUX	1 2			AR, EF, GF						509,000	41,000	
Nuevo East Student Housing	AUX	1			AR, CF, EF						266,000		
Voigt Parking Structure	AUX	3			CF						45,000		
Engineering Interdisciplinary Facility	E&G					EF, GF					200,000	200,000	
Park & Market Tenant Improvements	E&G	3				CF					14,000		
Research and Clinical Facility (includes Vision Research Institute)	E&G	3				P3					356,000		
Triton Pavilion for Student Resources and Community Engagement (formerly Student Resources and Alumni Services Building)	E&G	1 2				CF, EF, GF					190,000	38,000	
University Center Multi-Modal Connections	E&G	3				CF					21,000		
Hillcrest Parking Structure	AUX	3				CF, EF					120,000		
North Campus Childcare Facility	AUX	3				CF					15,000		
SIO Parking Structure & Entry Improvements	AUX	1 2				CF					20,000		
Spanos Facility Expansion	AUX	3	•	•		GF, UR					15,000		
Scripps Visitor Center	E&G	3					GF				15,000		
SIO Oceans and Human Health Research Building	E&G						CF, GF				60,000	60,000	
East Campus Loop Road - Medical Center Drive, South Extension & Health Sciences Walk	AUX	3					CF				12,000		
Faculty / Staff Housing & Mixed-Use, Regents Road	AUX	1 2					P3				650,000		
Hotel / Conference Center - East Campus	AUX	3					P3				TBD		
School of Public Health Facility	E&G						GF				119,000	119,000	

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
SIO Biology Laboratory Building	E&G	3					P3				90,000	90,000	
Expedition Way / Capricorn Lane Parcel Development	AUX	3					P3				100,000		
Faculty Housing - Coast Apartments Redevelopment	AUX	3					P3				106,000		
Central Plant Steam Chiller WC-1	AUX	3	•				CF				15,000	15,000	
East Campus Recreation Area	AUX	3					CF, GF				11,000		
SIO Birch Aquarium Expansion	E&G		•					GF			45,000		
Villa La Jolla Road Widening/Improvements	AUX							CF			15,000		
Economics and Political Science Building	E&G								GF		89,000	89,000	
Capital Projects \$5M to \$10M (E&G) (see note b)	E&G		•	CF	CF		CF				55,000		
Capital Projects \$750K to \$5M (E&G)	E&G		•	CF	CF	CF	CF	CF	CF		60,000		CF
Deferred Maintenance \$750K to \$5M	E&G		•	CF	CF	CF	CF	CF	CF		90,000		
Capital Projects \$5M to \$10M (AUX) (see note c)	AUX		•	AR, CF, UR	AR, CF	AR	AR				102,000		
Capital Projects \$750K to \$5M (AUX)	AUX		•	AR	AR	AR	AR	AR	AR		30,000		AR
Total (\$000s)				1,159,000	1,056,000	783,000	489,000	90,000	119,000		3,696,000	837,000	

Notes:

- a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project
- b. Capital Projects \$5M to \$10M (E&G):
 - Land Acquisitions 1, 2, and 3 - East Campus Domestic Water & Gas Line Replacement (Voigt) - Rupertus Way Pedestrian Bridge
 - Torrey Pines Center South 3rd Floor Renovations - SIO Biological Collections Building
- c. Capital Projects \$5M to \$10M (AUX):
 - Athena Circle Miramar Street Connection - Café Ventanas Dining Remodel - Campuswide Fire Loop Upgrades
 - Canyon Vista Dining Renovation - Medical Center Drive South Pedestrian/Bicycle Improv - Mesa Housing Power Conversion
 - One Miramar Street Apartments Exterior Refresh - Parcel Restoration & Surface Parking Lot, South of VA - Public City Sewer Improvements
 - RIMAC Enhancements - Warren Apartments Building Renovations & Life Safety Phases 1-4
 - Warren Residence Halls Remodel/Densification Phases 1-3

Funding Not Identified (FNI)

With diminished State funding and limited campus resources, the campus’s capital needs far exceed available funding. The CFP includes \$2.5 billion of projects with no funding identified, including \$379 million associated with State–supportable programs.

Display 5. San Diego Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Hillcrest Research/Multipurpose Building	E&G	3				S				393,000	197,000	
Humanities and Social Sciences Renovation	E&G	3	•			S				15,000	15,000	
Single Undergraduate Housing and Mixed-Use (Revelle neighborhood) Upper Division	AUX	3				NS				560,000		
Undergraduate Student Housing, Redevelopment of existing Sixth College (West of Pepper Canyon LRT Station)	AUX	3					NS			373,000		
Medical Teaching Facility Replacement	E&G		•					S		70,000	70,000	
SIO Hubbs Hall Renewal	E&G		•					S		6,000	6,000	
SIO Sverdrup Hall Renewal	E&G		•					S		15,000	15,000	
Urey Hall Renovation	E&G		•	•				S	S	36,000	36,000	
Marshall College Single Undergraduate Housing (at Extension Site)	AUX	3						NS		404,000		
Redevelopment of Existing Sixth College (East of Pepper Canyon LRT Station)	AUX	3						NS		249,000		
Interdisciplinary Research Building	E&G	3							NS	131,000		
Mesa Housing Redevelopment Phase 4 (including Arboleda and ECEC Relocation)	AUX	3							NS	200,000		
East Campus Office Building 2	E&G	1 2										NS
Marshall College Single Undergraduate Housing (at Marshall “Lowers”)	AUX	3										NS
State-Funded Capital Renewal Program	E&G		•			S	S	S	S	40,000	40,000	
Total (\$000s)					978,000	383,000	758,000	373,000		2,492,000	379,000	
Notes:												
a.	E&G = Education and General		AUX = Auxiliary		1 = Budget Update		2 = Scope Update		3 = New Project			

2017-27 UC SAN DIEGO HEALTH CAPITAL PLAN

As a comprehensive academic health system, UC San Diego Health continues to leverage its tripartite mission of clinical care, research, and education. UC San Diego Health has developed a two-campus strategy, integrating research, teaching, and clinical care on two existing campuses in Hillcrest and La Jolla. It has proven its ability to grow, adapt to changes in the health care environment, train health care professionals for the future, and excel in measures of patient care, safety, and satisfaction. There are several projects in the CFP that will allow UC San Diego Health to build on its multi-disciplinary collaborations that enhance patient experience, meet important and expanding community needs, and grow and influence market share.

The Capital Financial Plan (CFP) presents UC San Diego Health’s capital plan for the next decade. The CFP focuses on this year (2017-18) and next five years (2018-19 to 2022-23). UC San Diego Health’s CFP represents a \$509 million need over this period with a funding plan (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Capital Plan with Funding	134,000	275,000	25,000	25,000	25,000	25,000	509,000
Capital Plan with Funding Not Identified					TBD		TBD
Total (\$000s)	134,000	275,000	25,000	25,000	TBD	25,000	TBD

Priorities

With the successful opening of the Jacobs Medical Center (JMC) in fall 2016, the capital investment priorities on the La Jolla campus are focused on completing renovations to the Thornton Hospital that will enhance patient care, provide expanded space for support services, renovate the current East Entry to improve patient access, and improve the Perlman Ambulatory Care Center.

Additional gastrointestinal procedure suites, physician work rooms, and a new geriatric emergency department and patient intake center will enhance patient care services in La Jolla. Expanded materials management and environmental services space will allow support staff to adequately serve the needs of our growing patient population at both the Thornton Hospital and Jacobs Medical Center. Renovation of the East Entry will integrate the existing Thornton facility within the broader context of the Medical Center at La Jolla, specifically addressing its new role as the main entry to the JMC complex.

The opening of the Outpatient Pavilion in spring 2018 will consolidate outpatient services for select service lines into one location and open up much needed ambulatory space on both the La Jolla and Hillcrest campuses. To fully utilize space that will be made available in the Perlman Ambulatory Care Center, renovation to the HVAC system and upgrades to meet the Americans with Disabilities Act (ADA) will be required. In addition to the added capacity the Outpatient Pavilion will provide, changes in healthcare delivery require UC San Diego Health to offer ambulatory care in other regions of San Diego County. These offerings will be available to our patients through both our Clinically Integrated Network and several new ambulatory hubs planned across the County.

UC San Diego is also currently updating the Long Range Development Plan for the Hillcrest campus. This plan will focus on developing a new outpatient center, adding underground parking, sizing and designing a new hospital to replace the existing Hillcrest Hospital that will not meet SB 1953 requirements by 2030, and potentially developing other projects to support the health and well-being of the community.

Leadership of UC San Diego Health is working collaboratively on this plan with campus planning, real estate, campus leadership, and community constituents.

Challenges

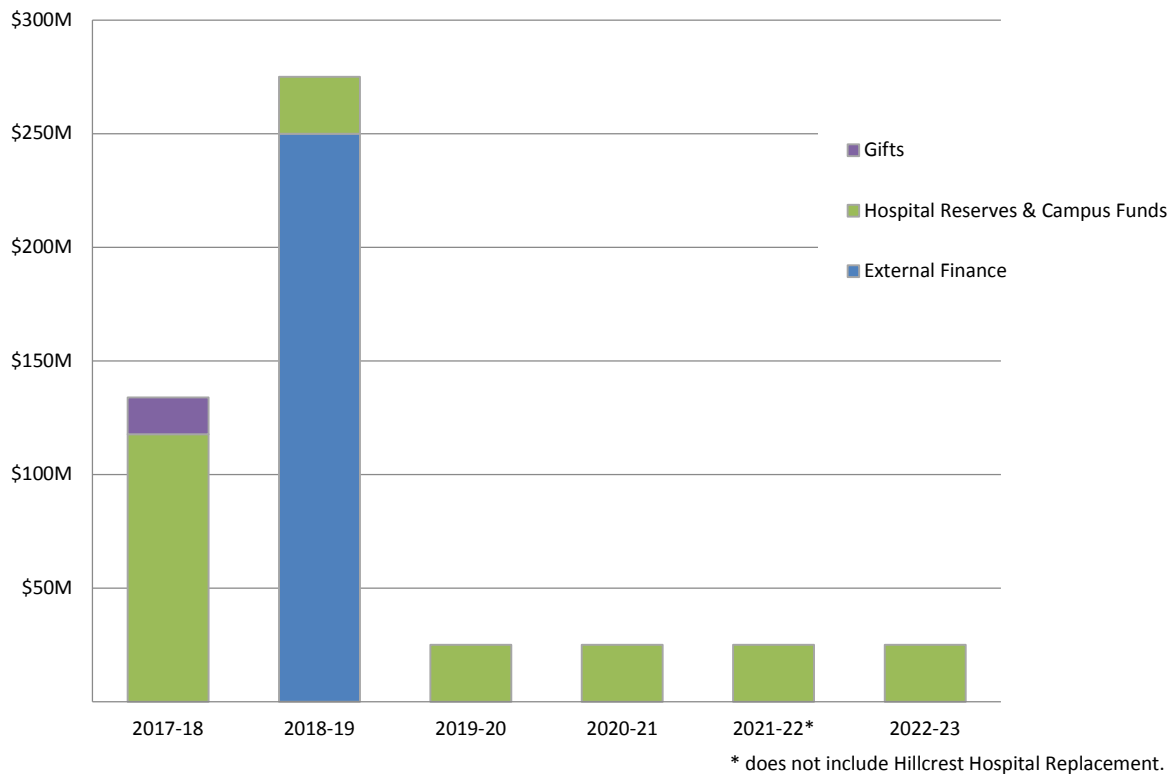
Healthcare reform, changes in reimbursement, wage pressures and the resulting declining margins, limit UC San Diego Health’s ability to fund needed capital investments with cash reserves. Limited cash reserves combined with minimal debt capacity drive the need to explore public private partnerships (P3) as a key strategy for funding capital investments.

Funding

To minimize capital investment, UC San Diego Health plans to lease existing medical office spaces and enter into development/ financing arrangements where feasible. The UC San Diego Health has a history of successful fund raising efforts. The UC San Diego capital campaign launched in March 2017 is a \$2 billion comprehensive fundraising effort that includes projects for UC San Diego Health.

Display 2 summarizes the capital plan by fund source. The list of projects with funding is shown in Display 3. The list of projects where funding is not identified is shown in Display 4.

Display 2. \$509M Current Term (2017-18 to 2022-23) Capital Plan



Display 3. UC San Diego Health Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
La Jolla - Perlman Medical Offices Interior Renovations	MC	1 2	HR							20,000	
La Jolla - Thornton East Entry and Imaging Expansion	MC	1 2	GF, HR							22,000	

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
La Jolla - Thornton Geriatric Emergency Department and Radiology Intake Center	MC	3	GF, HR							17,000	
Medical Office Building Acquisition	MC	3	CF							50,000	
Hillcrest Outpatient Facility	MC	3			EF					250,000	
Medical Office Building - Del Sur Corporate Center, 4S Ranch	MC	3			P3					TBD	
Capital Projects 2023-24 to 2026-27	MC										HR
Capital Projects \$5M to \$10M (MC)	MC			HR	HR	HR	HR	HR	HR	60,000	
Capital Projects \$750K to \$5M (MC)	MC			HR	HR	HR	HR	HR	HR	90,000	
Total (\$000s)				134,000	275,000	25,000	25,000	25,000	25,000	509,000	
Notes:											
a. MC = Medical Center 1 = Budget Update 2 = Scope Update 3 = New Project											

Funding Not Identified (FNI)

The projects identified in the CFP are those projects for which funding is identified and/or absolutely necessary to implement the capital investment strategy of UC San Diego Health. This list of projects, however, does not reflect the full need for capital investment in the Health System. UC San Diego Health continues to evaluate the critical facility needs and to identify appropriate and financially feasible solutions. A fraction of this unfunded need is shown in the capital financial plan; however, there remain many projects on the horizon for which more planning and cost analyses are required.

Replacement facilities are required to allow for redevelopment of the Hillcrest campus. In addition to a replacement hospital, projects planned include new infrastructure including roadways and a new central utility plant, a research facility, multi-family housing, parking, a community and wellness center, and administrative support space. Additional planning is required before the estimated cost of these endeavors could be accounted for in the capital financial plan.

Display 4. UC San Diego Health Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic Life Safety	Pre-Funded	Current Term (2017-18 to 2022-23)						Total	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Hillcrest Replacement Hospital	MC	3	•						NS		TBD	
Total (\$000s)										TBD	TBD	
Notes:												
a. MC = Medical Center 3 = New Project												

2017-27 SAN FRANCISCO CAMPUS CAPITAL PLAN

Founded in 1873, the University of California, San Francisco (UCSF) campus is a leading institution dedicated to advancing health worldwide through biomedical, clinical, and translational research; graduate-level education in the life sciences and health professions; and excellence in patient care. It is the only UC campus devoted exclusively to health sciences, with professional degree programs in dentistry, medicine, nursing, and pharmacy, as well as interdisciplinary graduate programs and numerous postdoctoral programs. It also provides patient care through the UCSF Health System and UCSF Dental Center.

The Capital Financial Plan (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on this year (2017-18) and the next five fiscal years (2018-19 to 2022-23). The UCSF CFP represents a \$2.6 billion need over this period of which approximately \$880 million has a funding plan (refer to Display 1), to support priorities of growth, seismic safety, and sustainability.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible	
Capital Plan with Funding	379,000	219,000	60,000	114,000	55,000	52,000	879,000	828,000
Capital Plan with Funding Not Identified	45,000	628,000	285,000	98,000	83,000	535,000	1,674,000	1,271,000
Total (\$000s)	424,000	847,000	345,000	212,000	138,000	587,000	2,553,000	2,099,000

Priorities

UCSF’s primary capital priorities reflect the goals of the 2014 Long Range Development Plan, which include growth, seismic safety, sustainability, and cost management – all in response to its urban context. Investments in new construction at its Mission Bay campus and smaller sites nearby are driven by donor-supported program expansion, site clearance for seismic replacement or consolidation needs, as well as student and trainee housing demand.

Another major capital priority is compliance with seismic regulations and policies through renovations, replacement, and demolition of seismically compromised facilities. UCSF is making significant investments in renovating older buildings at its Parnassus Heights campus and constructing a research building at the city-owned Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG) to vacate seismically challenged buildings there.

Over the last 20 years, UCSF has invested significant resources into acquiring, developing, and supporting its Mission Bay campus site, without commensurate investment in the Parnassus Heights campus. The Parnassus Heights campus is over 100 years old and most buildings are over 20 years old. It continues to be the home of UCSF’s four professional schools and medical center for many of its adult services. Parnassus also houses basic science disease-oriented research programs and clinical and translational research programs, which focus on the diagnosis and treatment of human disease as well as the care of patient populations.

The Parnassus Heights campus site is in need of modernization and revitalization. Reinvestment in the Parnassus campus beyond seismic projects is another major capital priority. Providing facilities that support the alignment of research and clinical activities through translational research is fundamental to planning for a revitalized Parnassus. UCSF clinicians and physician scientists are consistently pioneering ways to apply its scientific discoveries to real-world diagnostics and treatments.

Challenges

Urban Location: UCSF is a distinctly urban campus with sites throughout the city and some locations beyond the city limits. The densely urban context of San Francisco and the highly complex nature of UCSF’s health science research and clinical facilities pose considerable construction challenges and contribute to higher project costs at UCSF relative to other UC locations.

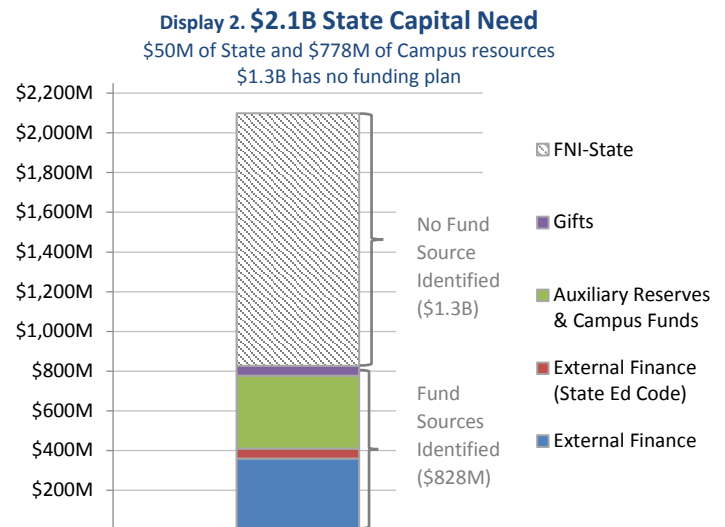
Limited Resources: There continues to be pressure to improve aging facilities and infrastructure at various campus sites, to provide space for expanding programs, to provide affordable housing for graduate students and trainees, and to continue to address seismically compromised facilities. UCSF continues to evaluate the critical facility needs and to identify appropriate and financially feasible solutions. Due to limited resources, UCSF is unable to fund all of the needed capital projects. A portion of this unfunded need is shown in the capital financial plan; however, there remain many projects on the horizon for which more planning and cost analyses are required.

Deferred Maintenance: With increased constraints on operating budgets, as well as stewardship and sustainability demands, UCSF must invest in its existing facilities, to address deferred maintenance and renewal needs, and optimize the use and operational efficiency of existing space. The campus has a substantial backlog of deferred maintenance in State-supportable facilities with costs of “mission critical” deferred maintenance and renewal projects currently estimated at over \$1.7 billion. This estimate will be validated by the comprehensive ICAMP Facilities Condition Assessments. The campus DM figures provide information for the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC’s deferred maintenance and produce both systemwide and campus level DM status and funding needs. The campus continues to apply a multipronged strategy to balance its investment in deferred maintenance, scheduled maintenance, and renewal.

Funding

UCSF’s capital plan is supported by a combination of fund sources, including campus funds, external financing, gifts, and State funding.

Because State funding has been constrained, the San Francisco campus has chosen to redirect limited non-State resources to support the most critical capital needs. The San Francisco campus’s current Term of the CFP identifies \$2.1 billion of capital projects that would be State-supportable and eligible for State GO or LR bond funding (refer to Display 2) with only \$50 million being supported with State resources. Non-State resources in the amount of \$778 million have been identified to fund some of the need (refer to Display 2). The balance of the State-supportable priorities, however, remains unfunded – including significant renewal and infrastructure improvement needs at the Parnassus Heights campus site and Facilities Investment Needs.



Gift Campaign: Philanthropy also is a source of funding for the capital plan. In October 2017, UCSF announced an ambitious \$5 billion comprehensive fundraising campaign. The campaign, only the third in UCSF’s history and the first in more than a decade, will support all aspects of UCSF’s mission to teach, discover, care, and serve. Support of capital projects is one of the three main types of support targeted in this gift campaign. The ZSFG Research Building Seismic Replacement

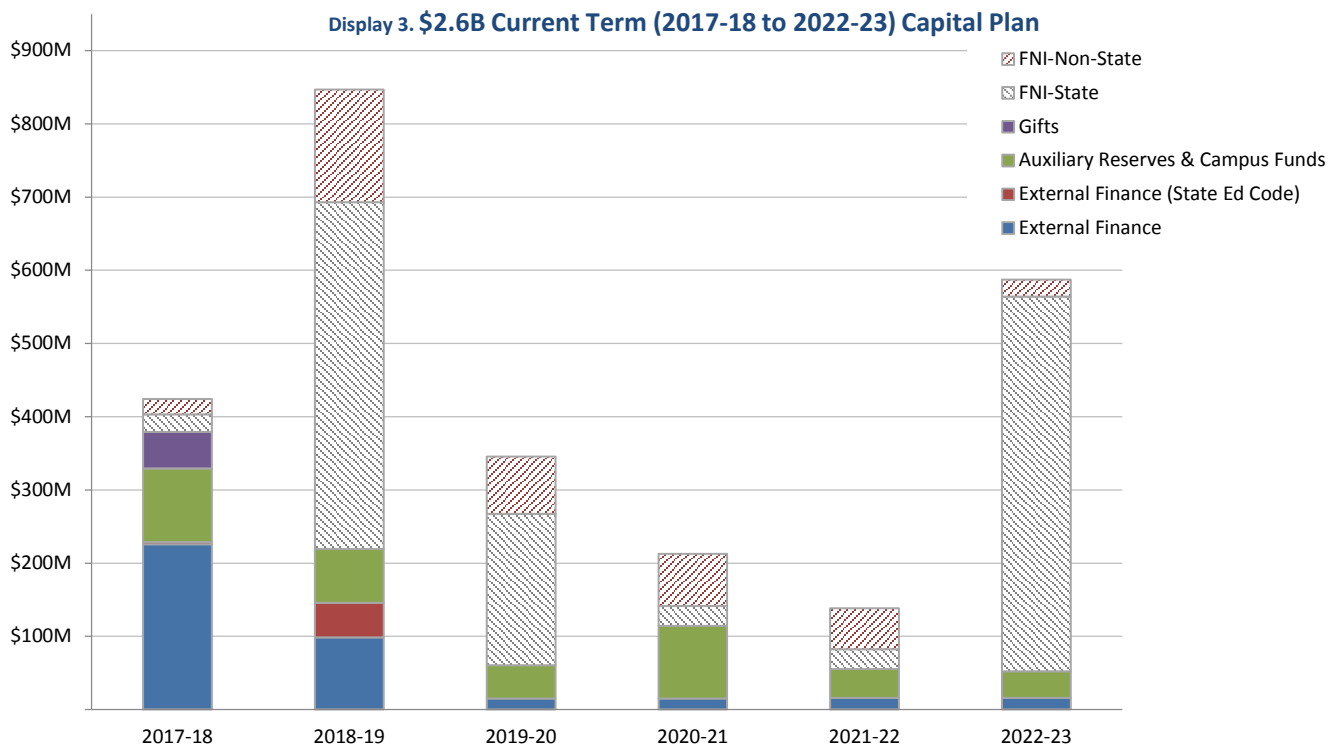
project that is identified in the CFP with gift funding is one of the major capital project targets for the capital campaign.

Public Private Partnership and Real Estate Transactions

UCSF has utilized public private partnerships (P3) on several projects, and will continue to look for opportunities to do so in the future. The CFP currently does not include any P3 projects; however, as the campus considers options for priority projects without

identified funding, it is likely that P3 delivery could help the campus meet some of its need.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.



Display 4. San Francisco Campus Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Clinical Sciences Building Seismic Retrofit & Renovation Remobilization	E&G	1	•	EF						30,000	30,000	
Mission Bay Utility Loop Distribution Extension	E&G			EF						13,000	12,000	
Parnassus Health Sciences Instruction and Research Life Safety Improvements	E&G		•	SG	SG					13,000	13,000	
Parnassus Health Sciences Instruction and Research Seismic Improvements	E&G	3	•	CF	SG					47,000	47,000	
Mission Bay Childcare Relocation –Budget Amendment	AUX	1		CF						1,000		

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
ZSFG Research Building Seismic Replacement	E&G	1	●		EF, GF, CF							231,000	231,000	
Millberry Union / Ambulatory Care Center Garage Spall Repair	E&G	1	●	●		EF						18,000		
Parnassus Library Renewal	E&G	1	●			CF						25,000	25,000	
Police Consolidation at 654 Minnesota Street	E&G	3				EF						13,000	13,000	
ZSFG Wet Laboratory Tenant Improvements and Relocations	E&G	3	●			EF						38,000	38,000	
UC Hall Stabilize, Close and Secure Project	E&G	3	●	●	●		EF					15,000	8,000	
Parnassus Dentistry Building Renewal	E&G	1	●					CF				31,000	31,000	
Mount Zion Cancer Research Building Renewal	E&G	1	●					CF				27,000	26,000	
Capital Projects \$5M to \$10M (see note b)	E&G		●		CF							19,000	19,000	
Capital Projects \$750K to \$5M - Parking & Housing	AUX							AR				4,000		
Capital Projects \$750K to \$5M - Facility Investment Needs	E&G		●	●	EF, CF, HR, AR	EF, CF, HR, AR	EF, CF, HR	EF, CF, HR	EF, CF, HR	EF, CF, HR	EF, CF, HR	150,000	131,000	
Capital Projects \$750K to \$5M - Infrastructure	E&G				CF	CF	CF	CF	CF	CF	CF	24,000	24,000	
Capital Projects \$750K to \$5M - Renovation	E&G				CF, HR	CF	CF	CF	CF	CF	CF	180,000	180,000	
Total (\$000s)					379,000	219,000	60,000	114,000	55,000	52,000		879,000	828,000	
Notes:														
a. E&G = Education and General AUX = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project														
b. Capital Projects \$5M to \$10M): - Parnassus Streetscape Phase 1 - Surge Building Decant														

Funding Not Identified (FNI)

The projects identified in the below table are those projects for which funding has not been identified. This list of projects, however, does not reflect the full need for capital investment at UCSF. There continues to be pressure to improve the aging facilities and infrastructure at the various campus sites, to provide space for expanding programs, to provide affordable housing for graduate students and trainees and short-term transitional housing for faculty, and to continue to address seismically compromised facilities. UCSF continues to evaluate the critical facility needs and to identify appropriate and financially feasible solutions. A fraction of this unfunded need is shown in the table below; however, there remain many projects on the horizon for which more planning and cost analyses are required.

Display 5. San Francisco Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)							State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total		
Parnassus Heights Renewal and Infrastructure Improvements	E&G	•	•		S					S	771,000	771,000	S
Mission Bay Infrastructure Improvements	E&G	•			S	S					230,000	230,000	
Facilities Investment Needs (FIN)	E&G	•		S, NS	S, NS	S, NS	S, NS	S, NS	S, NS	S, NS	290,000	156,000	S
Seismic Improvements	E&G	•	•	•	S	NS	NS	NS			204,000	114,000	
Auxiliary Projects - Housing	AUX	•			NS						129,000		
Auxiliary Projects - Non- Housing	AUX	•			NS	NS	NS	NS			50,000		
Total (\$000s)					45,000	628,000	285,000	98,000	83,000	535,000	1,674,000	1,271,000	
Notes:													
a. E&G = Education and General AUX = Auxiliary													

2017-27 UCSF HEALTH CAPITAL PLAN

UCSF consistently ranks among the top ten hospitals in the nation and in 2017 was placed in the top five by US News and World Report. As one of the premier academic medical centers in Northern California and an innovator in the development of new care protocols and disease management strategies, it is imperative that UCSF Health maintain state of the art facilities that support its mission.

UCSF Health operates inpatient and outpatient programs at three major sites in San Francisco (Parnassus Heights, Mission Bay, and Mount Zion) as well as at Benioff Children’s Hospital in Oakland. These locations include 780 licensed acute care beds in San Francisco with an average daily census (ADC) of 610 patients, 190 licensed beds in Oakland with an ADC of 130, and an additional 20 available beds at the Langley Porter Psychiatric Institute (ADC of 18). In addition, the UCSF Health faculty practice supports 1.5 million annual outpatient visits (including clinics, lab and radiology) and an average of 280 daily patient visits for Emergency services.

The Capital Financial Plan (CFP) presents UCSF Health’s facilities capital plan for the next decade, which directly supports the strategic goals of increasing access to care while improving the quality and value of the services provided to patients. The CFP focuses on this year (2017-18) and the next five fiscal years (2018-19 to 2022-23). The UCSF Health CFP represents a \$547 million need over this period (refer to Display 1), and primarily represents renewal and renovation of existing space and infrastructure needs.

Display 1. Summary Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Capital Plan with Funding	120,000	89,000	102,000	76,000	72,000	88,000	547,000
Capital Plan with Funding Not Identified					TBD		TBD
Total (\$000s)	120,000	89,000	102,000	76,000	TBD	88,000	TBD

Priorities

In the years following the successful completion of the Mission Bay hospitals, UCSF Health’s Capital Program has focused on expanding inpatient bed capacity at the Parnassus Heights campus and adding additional outpatient exam rooms to meet the overwhelming demand for care. Approximately 150 inpatient beds, vacated after the Benioff Children’s Hospital moved to Mission Bay in 2015, have been converted for adult use. Plans are underway to create additional adult beds in the last remaining space at the Parnassus Heights campus, the former Intensive Care Nursery on the 15th floor of Moffitt Hospital. Despite the fact that Moffitt Hospital (opened in 1954) can only remain an Acute Care Hospital until January 1, 2030 (due to state seismic regulations), the demand for services and the associated incremental margins justifies the cost of this

project. In addition, UCSF Health is evaluating the feasibility of transferring lower acuity adult inpatient populations to its strategic affiliates in order to create additional capacity for patients in need of the tertiary and quaternary care that UCSF provides. The Precision Cancer Medicine Building, currently under construction at the Mission Bay campus, will house facilities to deliver cancer outpatient care, including cancer specialty clinics, an infusion center, radiology, and radiation oncology therapy. This new building will free up space in the Gateway Medical Building for much needed expansion of Pediatric outpatient services.

Planning is currently underway to replace the inpatient beds and associated diagnostic and treatment facilities in Moffitt Hospital, one of two hospital towers on the Parnassus campus. A new building will likely be constructed on the Langley Porter Psychiatric Institute

site adjacent to the existing Long Hospital building. Funding for this huge capital undertaking has yet to be identified and other options are being studied.

The upgrade and replacement of end-of-life utility infrastructure systems in the aging clinical facilities at the Parnassus Heights campus site (Moffitt Hospital - 1954, Long Hospital – 1984, Crede Ambulatory Care Building – 1971) continues to be a priority and is an ongoing drain on capital resources. The replacement of chillers, emergency generators, electrical distribution equipment, and other infrastructure systems is imperative for maintaining patient safety, improving clinical outcomes, and lowering overhead costs.

The Benioff Children’s Hospital in Oakland is also undergoing significant facilities upgrades during Phase I of its master facilities plan. This project includes the construction of a second outpatient clinic building and mitigation of seismic issues.

Challenges

The demand for patient care services at all three San Francisco campuses has grown significantly over the past few years. On the Parnassus Heights campus site, UCSF has limitations on the amount of new facilities it can add due to the long-standing space ceiling policy established by the 1976 Regents’ Resolution. Therefore, it is often necessary to upgrade space within the existing clinical facilities to add new technologies, improve efficiencies and create capacity to see more patients. This strategy is often more costly than a “green field” project. This is another reason UCSF Health is turning to its strategic partners to leverage under-utilized, non-UCSF facilities in the region allowing growth in clinical programs without having to construct additional facilities.

While the Mount Zion hospital buildings are seismically compliant with 2030 State standards for inpatient acute care, UCSF Health is not currently providing inpatient

care at that site. Instead, the hospital buildings house an ambulatory surgery center, therapeutic services such as radiation oncology and infusion, diagnostic imaging and lab facilities, and other outpatient programs. The Mount Zion hospital buildings are also being upgraded to accommodate clinical and administrative functions now housed in the seismically non-compliant Hellman Building. As at the Parnassus Heights site, upgrading aging (1940s era) utility infrastructure systems at Mount Zion is a priority that competes with other programmatic needs for capital resources.

Funding

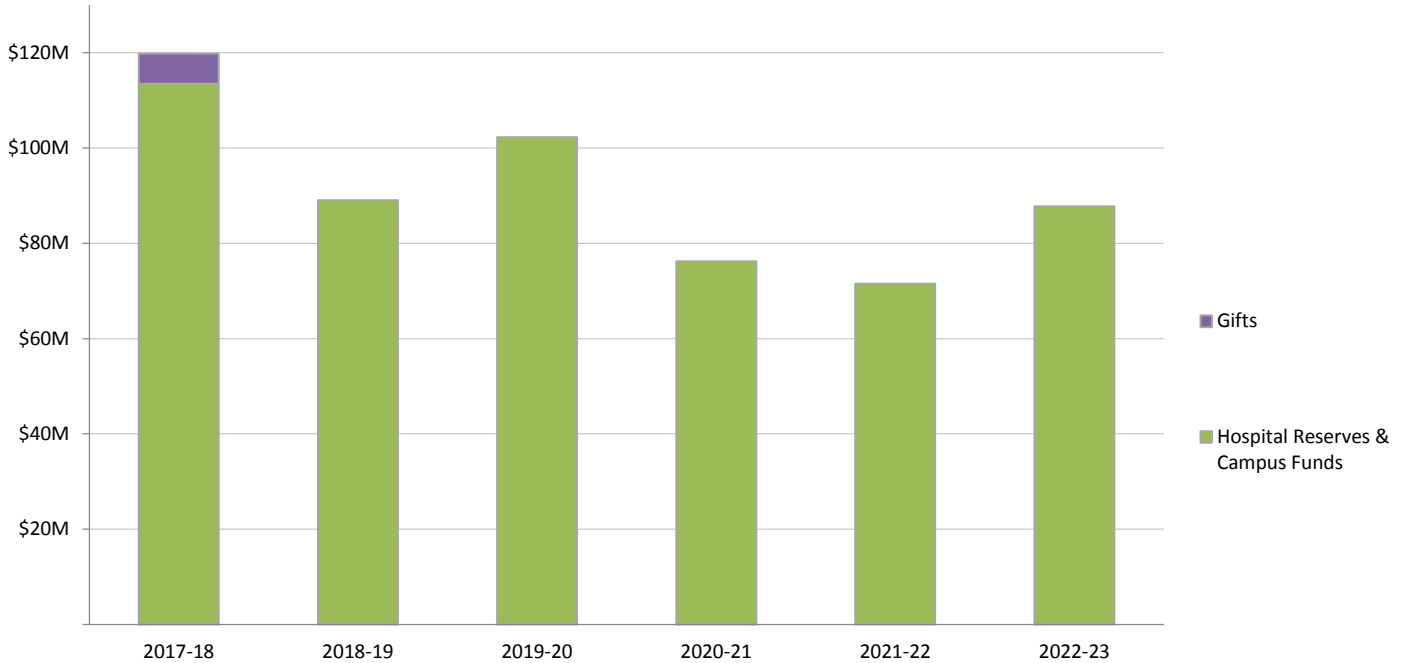
Funding for UCSF Health’s capital program is primarily from revenue generated from acute care activity (Hospital Reserves) and the funding proposed in the CFP reflects this. However, donor funds coupled with campus funds and/or campus-initiated external funding for mixed research/clinical projects such as the Weill Neurosciences Building is allowing UCSF Health to further leverage its capital and increase its clinical footprint.

Public Private Partnership and Real Estate Transactions

As part of its joint venture with John Muir Health, UCSF Health is developing a new outpatient center in Berkeley to support the needs of the Canopy Health accountable care network. The Outpatient Center will feature an Urgent Care Center, primary care practices, a broad array of rotating specialty physicians from UCSF Health and John Muir Health, as well as imaging and lab services

Display 2 summarizes the capital plan by fund source. The list of projects with funding is shown in Display 3. The list of projects where funding is not identified is shown in Display 4.

Display 2. \$547M Current Term (2017-18 to 2022-23) Capital Plan



Display 3. UCSF Health Capital Plan with Funding

Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	2023-27	
			2017-18	2018-19	2019-20	2020-21	2021-22	2023-23			
Precision Cancer Medicine Building at Mission Bay – Increase for Financing	MC	3	CF						10,000		
ACC 7 Transplant Remodel	MC		HR, GF						13,000		
Moffitt 15 Acute Care Nursing Unit	MC		HR						40,000		
Inpatient Psych Unit	MC				HR				22,000		
Clinical Space Renovation and Expansion Program	MC			HR	HR	HR	HR	HR	314,000		
Capital Projects 2023-24 to 2026-27	MC									HR	
Capital Projects \$5M to \$10M (see note b)	MC		HR	HR	HR				48,000		
Capital Projects \$750K to \$5M - Infrastructure	MC		HR	HR	HR	HR	HR	HR	33,000	HR	
Capital Projects \$750K to \$5M - Renovation	MC		HR	HR	HR	HR	HR	HR	67,000	HR	
Total (\$000s)				120,000	89,000	102,000	76,000	72,000	88,000	547,000	

Notes:

- a. MC = Medical Center
- b. Capital Projects \$5M to \$10M:
 - ACC 2 Spine Center Relocation
 - Moffitt/Long 3 Radiology XMR MRI & Intervention
 - PCMB Vacated Space
 - Moffitt 5 North Lab Automation
 - Mount Zion Hellman Demolition
 - PET/CT Replacement on Parnassus
 - Moffitt/Long OR HVAC System Upgrades
 - Parnassus Streetscape Phase 1

Funding Not Identified (FNI)

UCSF Health continues to evaluate options for replacing the acute care beds currently located in Moffitt Hospital, to meet seismic regulations.

Display 4. UCSF Health Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2023-23		
Moffitt Hospital Acute Care Replacement	MC	3	•					NS		TBD	
Total (\$000s)								TBD		TBD	
Notes:											
a. MC = Medical Center 3 = New Project											

2017-27 SANTA BARBARA CAMPUS CAPITAL PLAN

UC Santa Barbara is a leading research institution that also provides a comprehensive liberal arts learning experience. Teaching and research go hand in hand, ensuring that UCSB students are full participants in an educational journey of discovery that stimulates independent thought, critical reasoning, and creativity. The campus community is characterized by a culture of interdisciplinary collaboration responsive to the needs of a multicultural and global society. Its commitment to public service is manifested through the creation and distribution of art, culture and knowledge that advance the well-being of California, the nation, and the world. All of this takes place within a unique living and learning environment. Students, faculty, staff, and the public seek opportunities - and draw inspiration from - the beauty and resources of UC Santa Barbara’s extraordinary location at the edge of the Pacific Ocean.

The Capital Financial (CFP) presents the campus’s capital plan for the next decade. The CFP focuses on this year (2017-18) and next five fiscal years (2018-19 to 2022-23) and represents projects in the near-term planning horizon. These six years are named the current term. The Santa Barbara CFP represents a \$1.3 billion need in capital projects over the current term of which approximately \$564 million has a funding plan (refer to Display 1).

Display 1. Summary of Current Term Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Campus Plan with Funding	116,000	34,000	98,000	97,000	175,000	44,000	564,000	197,000
Campus Plan with Funding Not Identified		12,000	149,000	364,000	42,000	145,000	712,000	712,000
Total (\$000s)	116,000	46,000	247,000	461,000	217,000	189,000	1,276,000	909,000

Priorities

UCSB’s current level of academic distinction is the result of years of collaborative hard work and the investment of significant resources. To continue to advance academic excellence, the campus must grow to accommodate increased enrollment and new and expanding interdisciplinary programs and initiatives.

In 2017, on-campus enrollment climbed to 23,085 (3-quarters average headcount) and is approaching the campus’s Long Range Development Plan (LRDP) threshold of 25,000 students in 2025. Given current enrollment pressures, an overarching campus goal is the development of a sustainable, master-planned academic community that delivers world-class teaching to students, performs cutting-edge research, and attracts the highest quality faculty and staff.

UC Santa Barbara’s CFP balances the need to accommodate life-safety and infrastructure renewal (e.g., Music Building and Infrastructure Renewal Phase 2), academic and enrollment growth (e.g., Classroom

Building, Physics Building, and Engineering III Building), building renewal (e.g., Marine Biotechnology Laboratory and Bio-Sci Instructional Facility), research (e.g., Henley Hall), student housing (e.g., Mesa Verde Apartments Phases 1 thru 4) and public private partnership projects also in support of housing (e.g., North Campus Faculty Housing and Ocean Road Faculty and Staff Housing).

Following are brief descriptions of seven near-term priority projects:

- North Campus Faculty Housing Phase IV and Phase V is a public private partnership project that will deliver approximately 70 additional affordable for-sale homes for the campus community. Affordable housing is vital for recruitment and retention of faculty and staff which is critical for the campus’s future success.
- Jeff and Judy Henley Hall will house the Institute for Energy Efficiency whose research strives to achieve a clean and sustainable energy future. The project

benefits from the largest single capital development gift received from a UCSB alumnus.

- The Classroom Building will provide a variety of modern instructional spaces, including lecture hall, interactive classrooms, seminar and academic support space. A State-supportable project, the campus anticipates submitting the Classroom Building for funding from external financing supported by State General Funds.

Funding has not been identified for the following four priority projects, although they would be eligible for State funding.

- Music Building Seismic Corrections and Renewal will address the campus's last seismically deficient building. The Music Building has not benefited from a major renewal since it was occupied 63 years ago and a comprehensive renewal is proposed.
- The Physics Building will support the Physics Department that has experienced staggering enrollment growth of 96% over the last five years. The project will construct new laboratories, a lecture hall, seminar, academic offices, student study spaces and commons. Once completed, a renewal of Broida Hall will address Physics' remaining space needs.
- Engineering III Building will address significant space deficiencies in the College of Engineering. The project will accommodate the departments of Materials, Electrical and Computer Engineering, and Chemical Engineering. Completion of this project will enable renovation of multiple engineering buildings that are critical to the success of the College.
- Marine Biotechnology Laboratory was constructed in 1963 and was among the first university buildings in the country with a piped seawater system. Located next to the Pacific Ocean, the building suffers from corrosion caused by the marine environment, seawater, and age. A comprehensive renewal is proposed.

Challenges

UC Santa Barbara has been responsive to enrollment pressures, but is struggling to accommodate growth. Academic space deficiencies are highlighting the need for new facilities and renewal of existing buildings that have become aged or obsolete. Since 2006-07, demand for undergraduate enrollment increased by 96% as measured by admissions applicants, and total new student enrollment increased by 27%. Over the last 10 years the Registrar is reporting record demand for classrooms which is causing scheduling problems and impacting students' ability to get the classes they need to graduate in four years.

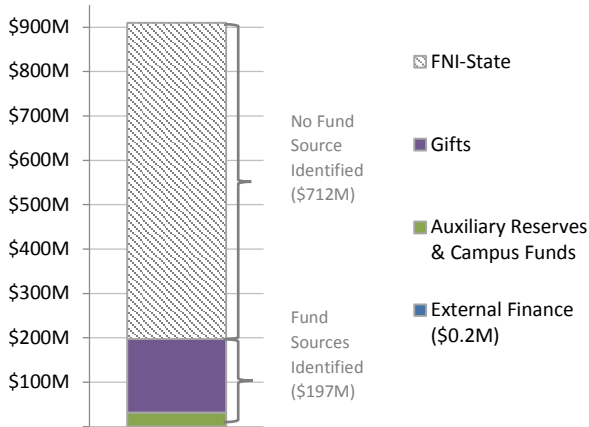
Due to limitations of State funding of deferred maintenance (DM), the campus has needed to supplement the DM program with campus funds to address critical life-safety, elevator and code-required improvements. The campus estimates its deferred maintenance backlog at approximately \$606 million and bases the figure on an annual update of a condition assessment program employed in 2009-10. Since then, campus has been using a multiplier based on inflation and the age of the facilities to recalculate the value of the backlog. The backlog encompasses 50 state supported facilities, plus administrative support facilities, infrastructure, and roads. The Santa Barbara campus DM figures will be validated by the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC's deferred maintenance and produce both systemwide and campus level DM status and funding needs.

Funding

It has been 11 years since the Santa Barbara campus has had a capital project funded by a State General Obligation (GO) bonds and 6 years since a project was funded with Lease Revenue (LR) bonds. The Santa Barbara campus's current term of the CFP identifies \$909 million of capital projects that would be State-supportable and eligible for State GO or LR bond funding (refer to Display 2).

Display 2. \$909M State Capital Need

\$197M of Campus resources
\$712M has no identified fund source



Because State funding is not available, the Santa Barbara campus is re-directing approximately \$197 million of non-State resources from gifts, campus funds, and auxiliary reserves to support its most urgent capital needs, along with a limited amount of external financing. This funding will address facility needs for instruction and research; critical life-safety, seismic and code compliance; energy efficiency and infrastructure; and renovations to accommodate new faculty hires, particularly academic scientists and engineers.

In recognition of fiscal uncertainty and indeterminate funding for the capital program, these unfunded State-supportable projects address only current enrollment and the need for renewal of aging and at-risk campus buildings and infrastructure. Thus, Santa Barbara’s

State Capital Program reflects only its highest priorities, while leaving other pressing and projected growth related capital needs for the future.

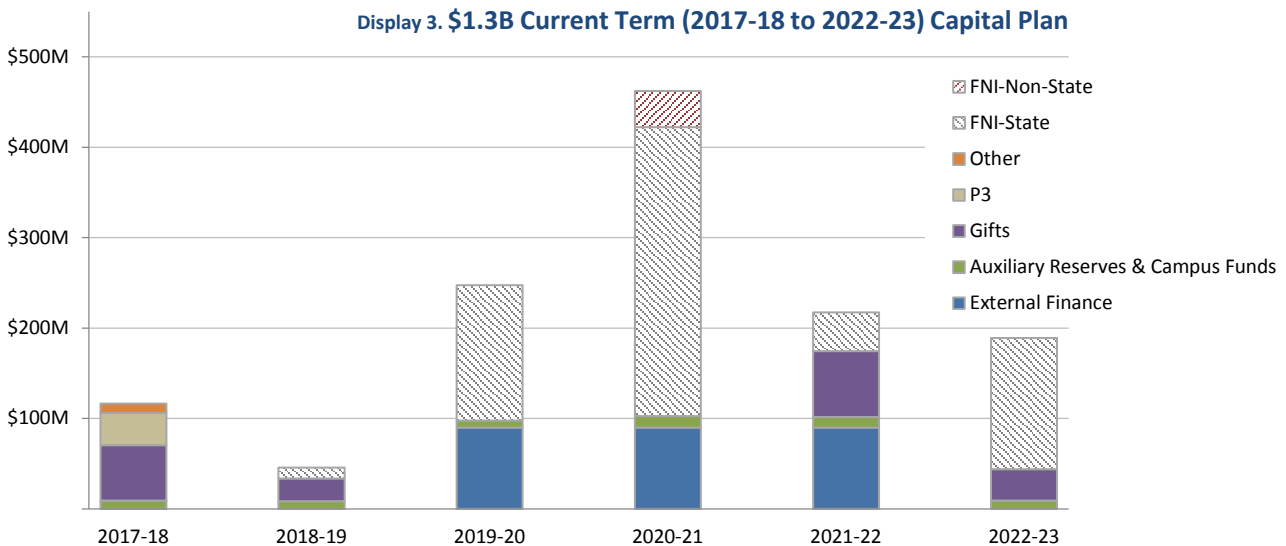
The UCSB capital program relies on funding from all sources, State and non-State, including public private partnerships. The campus just completed a \$1 billion gift campaign in 2016, which helped fund and enhance the capital program in prior years.

Real Estate and Public Private Partnerships and Real Estate Transactions

The campus is pursuing two public private partnership (P3) projects that support faculty and staff housing. The North Campus Faculty Housing Phase IV and Phase V will deliver 70 affordable for-sale homes for the campus community. The Ocean Road Faculty and Staff Housing project will develop 500 to 600 faculty and staff rental and for-sale units, and will incorporate parking, retail, and campus services. Santa Barbara is among the most expensive real estate markets in California. Providing affordable housing supports recruitment and retention of faculty and staff needed to help maintain the campus’s academic stature.

Display 3 summarizes the capital plan by fund sources as well as the capital plan where funding is not identified. The list of projects with funding is shown in Display 4. The list of projects where funding is not identified is shown in Display 5.

Display 3. \$1.3B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Santa Barbara Campus Capital Plan with Funding

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)								2023-27	
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible		
Bioengineering Building	E&G		CF, EF							2,000		
Jeff and Judy Henley Hall	E&G		GF							56,000	56,000	
North Campus Open Space	E&G		OG							10,000		
North Campus Faculty Housing Phases IV & V	AUX		P3							36,000		
Ocean Science Education Bldg (OSEB) Ph 2	E&G			GF						20,000	20,000	
Mesa Verde Apartments 1	AUX				EF					90,000		
Ocean Road Faculty and Staff Housing	AUX				P3					TBD		
Mesa Verde Apartments 2	AUX					EF				90,000		
Aquatics Center	AUX						GF			18,000		
Bioengineering 2	E&G						GF			55,000	55,000	
Mesa Verde Apartments 3	AUX						EF			90,000		
College of Creative Studies	E&G							GF		35,000	35,000	
Mesa Verde Apartments 4	AUX											EF
Climate Research Building	E&G											GF
West Campus Ranch House	E&G											GF
Capital Projects \$750K to \$5M (E&G)	E&G		CF, GF	CF, GF	CF	CF	CF	CF	CF	31,000	31,000	CF
Capital Projects \$750K to \$5M (AUX)	AUX	•	AR	CF, AR	AR	CF, AR	AR	CF, AR	CF, AR	31,000		CF, AR
Total (\$000s)			116,000	34,000	98,000	97,000	175,000	44,000		564,000	197,000	

Notes:
c. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

This Campus project was listed in the 2016-26 Capital Financial Plan and is now removed from the program:
- Davidson Library Addition and Renewal (Equipment)

Funding Not Identified (FNI)

Reductions or stagnation in State support for the capital program impacts Santa Barbara greatly, since the campus lacks alternative sources of revenue that could be used to help offset lack of State capital funding. Without State support, UCSB’s capital program is dependent upon external financing, philanthropy, grants, auxiliary, and campus funds to address capital needs.

Display 5. Santa Barbara Campus Plan with Funding Not Identified

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Classroom Building (BP)	E&G	3					S				50,000	50,000	
Music Building Seismic Renewal	E&G	2	•	•			S				35,000	35,000	
Engineering III Building	E&G	1					S	S			138,000	138,000	
Marine Bio Technology Building Renewal	E&G	3	•				S				30,000	30,000	
Physics Building	E&G	1					S	S			150,000	150,000	
Bio Sci Instructional Facility Renewal	E&G	3	•				S				10,000	10,000	
Gaicho Park	E&G	3						NS			40,000	40,000	
Infrastructure Renewal Phase 2	E&G		•					NS, S			21,000	21,000	
Phelps Hall Renovation	E&G		•				S				13,000	13,000	
Ellison Hall Renovation	E&G		•				S	S			33,000	33,000	
Broida Renovation	E&G		•							S	44,000	44,000	
Engineering Buildings Renovation	E&G		•							S	44,000	44,000	
South Hall and HSSB Renovation	E&G		•							S	44,000	44,000	
Buchanan Hall Renovation	E&G		•										S
Public Safety Building Expansion	E&G												S
Capital Renewal/Deferred Maintenance	E&G	3	•		S	S	S	S	S	S	60,000	60,000	S
Total (\$000s)					12,000	149,000	364,000	42,000	145,000		712,000	712,000	

Notes:

a. **E&G** = Education and General **AUX** = Auxiliary 1 = Budget Update 2 = Scope Update 3 = New Project

2017-27 SANTA CRUZ CAMPUS CAPITAL PLAN

The University of California, Santa Cruz, is a leading public research university distinguished by a commitment to distinctive educational opportunities, social justice, diversity, and the environment. The campus is a living laboratory where an integrated approach to research and education offers undergraduate and graduate students a transformational experience. Its research achievements consistently push it near the top, placing third worldwide in the 2018 rankings, of *Times Higher Education's* global rankings for research impact.

The Capital Financial Plan (CFP) presents the campus's capital plan for the next decade. The CFP focuses on the current (2017-18) and next five fiscal years (2018-19 to 2022-23). The Santa Cruz CFP represents a \$1.9 billion need over this period of which \$1.3 billion has a funding plan (refer to Display 1) to support the most critical needs including shortages of housing and classroom space.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Capital Plan with Funding	843,000	230,000	131,000	38,000	15,000	5,000	1,262,000	149,000
Capital Plan with Funding Not Identified	1,000	45,000	131,000	219,000	140,000	124,000	660,000	628,000
Total (\$000s)	844,000	275,000	262,000	257,000	155,000	129,000	1,922,000	777,000

Priorities

Three overarching principles define the strategic goals of UC Santa Cruz's capital project planning: expand academic facilities to support outstanding programs and instruction; provide housing to accommodate diverse student enrollments; and perform selective renovations to facilitate faculty recruitment and expand research. These goals support our vision to provide a transformative student experience and an innovative approach to research.

In 2016, the campus conducted a major capital project prioritization setting process. Various workshops were conducted to rank proposed projects against criteria such as satisfying a legal or compliance requirement (seismic, ADA, sustainability) and/or aligning with the campus's strategic goals. General consensus for capital investment was gained through extensive collaboration and consultation with all principal officers and the Academic Senate.

The campus's top capital priority is the construction of new academic facilities to address recent enrollment growth and faculty hires. The Kresge College Academic project addresses a critical shortage of classroom space

and adds a new large lecture hall providing new capacity for instruction. Faculty offices and support space will provide replacement space for film and digital media, history of art and visual culture, writing, and science communications. This academic space is part of significant programmatic upgrades and major maintenance on the entire 3.5-acre Kresge College site, including student residential housing and student services support space.

Following a comprehensive analysis of campus housing needs, UC Santa Cruz has adopted a two-pronged strategy that blends new construction and renovation to address the dual pressures of growing enrollment and deferred maintenance. The Student Housing West project will provide up to 3,000 new beds by 2023-24. In addition, to maximize the life of existing residential buildings and to add new beds, the campus is undertaking the Kresge College Non-Academic project to construct 400 beds of freshman housing and renovate existing apartments (150 beds) for continuing students, as well as redesign Kresge student services facilities to address contemporary needs. Similarly, envisioned for the future are major renewal and programmatic upgrade projects for dining facilities at

Porter College and Rachel Carson College and full capital renewal at Oakes College (including academic, student services, and housing components).

The campus plans several infrastructure projects both to enable expansion and to extend the life of its existing systems. These include the 12kV B-Feeder Reinforcement project, Extension and West Campus 21kV Development project, and the remaining phases of the 2010-2020 Telecom Master Plan.

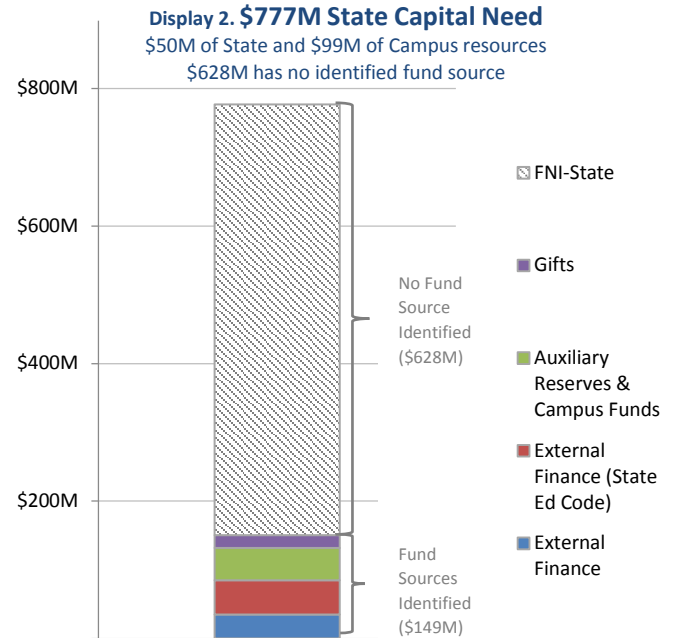
Challenges

Capital investment in recent years has not kept pace with the renewal demands of aging campus facilities and infrastructure nor addressed high-priority campus facility needs based on enrollment growth. The campus has a substantial backlog of \$160 million in deferred maintenance (DM) for State-supportable facilities. The campus DM figures will provide information for the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC’s deferred maintenance and produce both systemwide and campus level DM status and funding needs. Long-term State underfunding of basic ongoing maintenance has exacerbated the campus’s backlog and reduced the useful life of building systems. The campus invests annually in addressing most urgent deferred maintenance at a level far below the need. Santa Cruz continues to make progress on capital projects by utilizing available State funding mechanisms, but pressing needs are outpacing resources. Enrollment has increased by almost 13% since 2007-08 putting additional pressure on existing space. All current priority projects reflect unmet core needs associated with current enrollment levels and core needs resulting from enrollment growth.

Funding

It has been 11 years since the Santa Cruz campus has had a capital project funded by a State General Obligation (GO) or Lease Revenue (LR) bond. The Santa Cruz campus’s current term of the CFP identifies \$777 million of capital projects that would be State-

supportable and eligible for State GO or LR bond funding (refer to Display 2).



Because State funding is constrained, however, the Santa Cruz campus is re-directing limited non-State resources of \$99 million to support the most urgent capital needs. These critical capital needs include infrastructure upgrades and a limited amount of academic space to address enrollment increases. The remainder of the State-supportable program - \$628 million in projects - have no funding source (refer to Display 5). These unfunded State-supportable projects represent significant expansion of instructional space to fully address impacts of enrollment and ongoing infrastructure upgrades, deferred maintenance and capital renewal.

The campus’s total capital need for the current term is approximately \$1.9 billion. State supportable space reflects 41% (\$777 million). State General Funds are available for only 2.5% (\$50 million) of enrollment driven core needs, leaving the remaining \$727 million unfunded or requiring the use non-State resources. UC Santa Cruz is prepared to invest campus resources in the planning and early design phases of capital projects, but external financing, gift funds, or State funds will be required for construction costs. Private support could play a key role for select capital projects, including the

multi-phase renovation of the Science and Engineering Library.

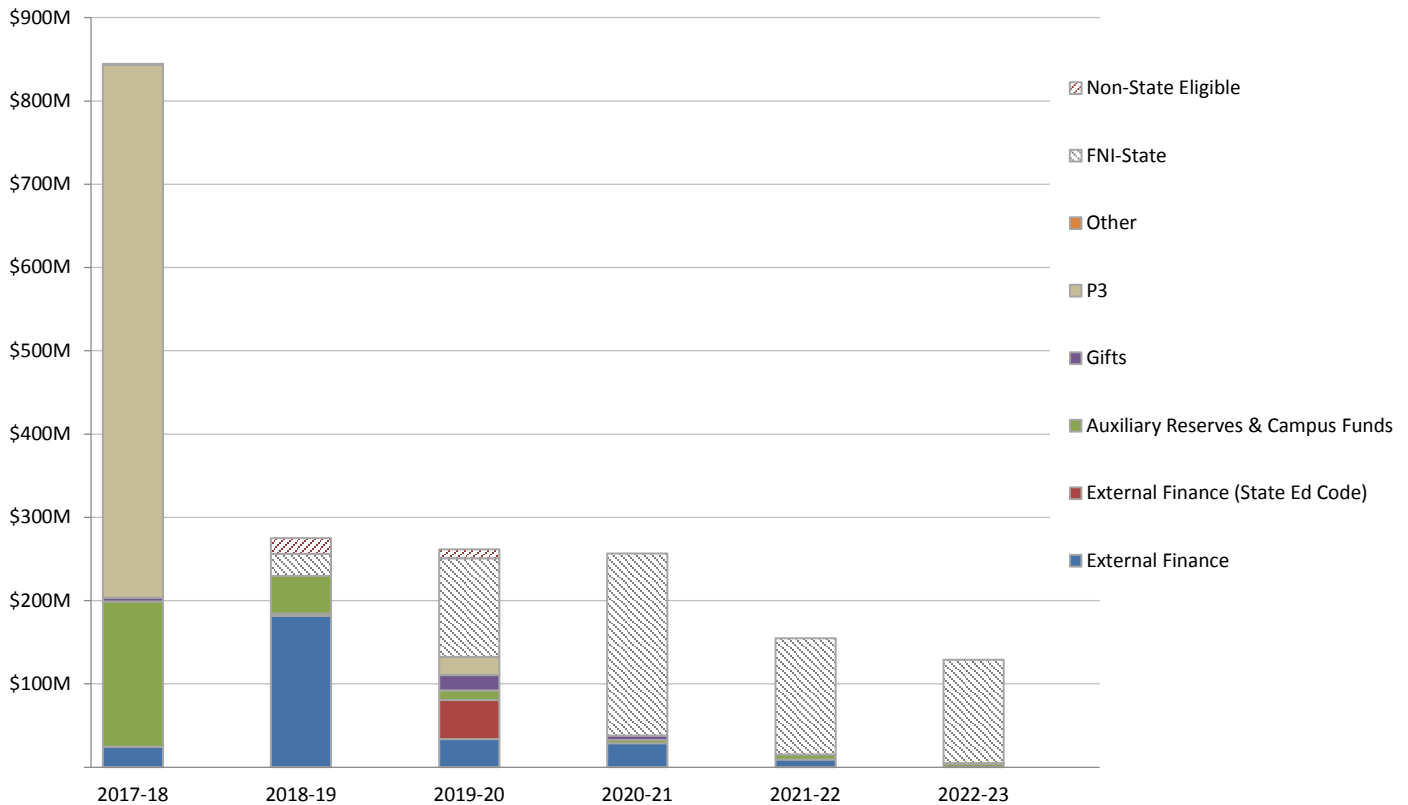
Public Private Partnerships and Real Estate Transactions

The campus is collaborating with the Office of the President to complete Student Housing West, a project to construct up to 3,000 beds by 2023-24, using the public private partnership (P3) mechanism that is part of the President’s Student Housing Initiative. Further

P3 projects could be pursued in the future.

Display 3 summarizes the capital plan by fund source as well as the capital plan where funding is not identified. The list of projects with funding is in shown in Display 4. The list of projects where funding is not identified is show in Display 5.

Display 3. \$1.9B Current Term (2017-18 to 2022-23) Capital Plan



Display 4. Santa Cruz Campus Capital Plan with Funding

Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
12kV B-Feeder Reinforcement and Extension	E&G	3			CF, AR					9,000	7,000	
Engineering Smart Power and Robotics Laboratories	E&G	1			CF					5,000	5,000	
Kresge College Academic	E&G	1	•	•	•	CF	SG	SG		53,000	53,000	
Telecommunications Infrastructure Improvements Phase D	E&G	1 2	•		AR, UR, CF		AR, UR, CF, EF			12,000	8,000	

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
West Campus 21kV Development	E&G	3		CF							54,000	27,000	
Crown College Residence Halls Major Maintenance	AUX	1	• • •	AR, EF							14,000		
East Remote Parking Renovation	AUX	1 2		AR, EF							2,000		
Kresge College Non-Academic	AUX	1 2	• • •	AR, UR, CF	AR, CF, EF						202,000		
Porter College Dining Expansion	AUX	1 3		AR, EF							8,000		
Student Housing Infrastructure for P3	AUX			AR							40,000		
Student Housing Telecommunications Infrastructure Upgrades Phase 2	AUX	1 2	•	AR							15,000		
Student Housing West (P3)	AUX			P3							640,000		
Student Life Seismic Corrections Phase 2B	AUX		• • •	UR, CF							14,000		
Statewide Energy Partnership (SEP) Program	E&G				CF, EF			CF, EF			16,000	16,000	CF, EF
Rachel Carson College Dining Expansion	AUX	1 3			AR	AR	EF				30,000		
Science & Engineering Library Student Study Space Level 3	E&G		•			GF					18,000	18,000	
Crown Merrill, Redwood Grove, and Grad Housing Apartments Capital Renewal	AUX	3	•			AR, EF					30,000		
Ranch View Terrace Phase 2	AUX					P3					22,000		
Chinquapin Road Parking	AUX							AR, EF			3,000		
Capital Renewal	E&G	1	•	EF	EF	EF					15,000	15,000	
Capital Projects \$750K to \$5M (E&G)	E&G			CF, GF	CF	CF	CF	CF	CF		30,000		CF, GF
Capital Projects \$750K to \$5M (AUX)	AUX			AR, UR	AR, UR	AR	AR, GF	AR	AR, OG		30,000		
Total (\$000s)				843,000	230,000	131,000	38,000	15,000	5,000		1,262,000	149,000	
Notes:													
a.	E&G = Education and General		AUX = Auxiliary	1 = Budget Update	2 = Scope Update	3 = New Project							

Funding Not Identified (FNI)

Not all campus enrollment-driven priorities are reflected in this listing. However, many projects listed have been identified in the campus plan for several years and contribute toward needs generated by past enrollment growth.

Display 5. Santa Cruz Campus Capital Plan with Funding Not Identified

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)							Total	State Eligible	2023-27
				2017-18	2018-19	2019-20	2020-21	2021-22	2022-23				
Student Health Services Building	AUX	3		NS	NS						20,000		
Alterations for Academic Programs Phase 2	E&G		•		S						22,000	22,000	

	Category (see note a)	DM	Seismic	Life Safety	Current Term (2017-18 to 2022-23)							2023-27							
					2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total		State Eligible						
Core East Electrical Infrastructure Improvements	E&G		•		S	S,NS					6,000	5,000							
Instructional Facilities	E&G	1 2			S	S					74,000	74,000							
Infrastructure Improvements Phase 3	E&G		•			S					11,000	11,000							
Instructional Facilities Upgrades	E&G	1 2	•	•		S					21,000	21,000							
UCO Instrumentation Facility	E&G					S					12,000	12,000							
University House Redevelopment	E&G	3	•	•	•		NS				11,000								
Circulation and Infrastructure Extensions Phase 1	E&G	1					S				26,000	26,000							
Deferred Maintenance Capital Renewal	E&G		•				S		S		32,000	32,000							
Infrastructure Improvements Phase 4	E&G						S				21,000	21,000							
Science & Engineering Library Collaborative Learning Hub	E&G		•				S				16,000	16,000							
Social Sciences 3	E&G	1					S				109,000	109,000							
Silicon Valley Center	E&G						S				31,000	31,000							
Alterations for Physical, Biological, and Social Sciences	E&G		•	•				S			18,000	18,000							
Infrastructure Improvements Phase 5	E&G							S			21,000	21,000							
Instruction and Research Building 1	E&G							S			88,000	88,000							
Science & Engineering Library Information Commons	E&G							S			13,000	13,000							
Alterations for Academic Programs Phase 3	E&G		•						S		20,000	20,000							
Instruction and Research Building 2	E&G								S		88,000	88,000							
Oakes College Academic Capital Renewal	E&G	1 2	•	•	•								S						
Resource Recovery Facility Phase 2	E&G	1											NS						
Science & Engineering Library Student Study Space Level 1	E&G		•										S						
West Jordan Gulch Pedestrian Bridge	E&G												S, NS						
Oakes College Apartments Capital Renewal	AUX	1 2	•										NS						
Science & Engineering Library Café	AUX		•										NS						
Total (\$000s)											1,000	45,000	131,000	219,000	140,000	124,000	660,000	628,000	
Notes:																			
a. E&G = Education and General AUX = Auxiliary 1 = Budget Update 2 = Scope Update																			

2017-27 DIVISION OF AGRICULTURE AND NATURAL RESOURCES CAPITAL PLAN

The mission of the University of California’s Division of Agriculture and Natural Resources (ANR) is to engage the University with the people of California to achieve innovation in fundamental and applied research and education that supports:

- Sustainable, safe and nutritious food production and delivery
- Economic success in a global economy
- A sustainable, healthy and productive environment
- Science literacy and youth development programs

To help achieve these results, ANR has a \$20 million capital program for the current term (2017-18 to 2022-23). Funding for this plan has not yet been identified; however a majority of the projects are State supportable and the division is assessing its capacity to finance certain projects.

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Total Capital Program (\$000s)	8,000	1,000	6,000	5,000	0	0	20,000	18,000

Priorities

To achieve the mission of the Division of Agriculture and Natural Resources, in 2016, ANR developed Strategic Objectives, including a goal to modernize technology and facilities infrastructure. These facilities include all nine Research and Extension Centers (RECs), the Elkus Youth Ranch, and recently acquired property in Davis, California. Modernizing the RECs will attract new research and strengthen extension of the results to the people of California.

A needs assessment was conducted for each of the facilities and deferred maintenance, capital renewal, and capital improvement projects were identified. From this list of over 100 projects, improvements at six locations have been identified as the highest priority (refer to display 3). The priorities include life safety projects (fire suppression renovation, hazardous materials abatement, road and bridge renewal, renovation of pesticide washdown facilities), ADA compliance, restoration of critical research buildings (feedlot, feedmill, greenhouses), and addressing unique needs of ANR due to remote locations (expanded outreach facility, academic housing).

Challenges

Deferred maintenance backlog continues to grow for ANR, with the current estimate of \$11 million. The deferred maintenance figures will provide information for the new comprehensive Integrated Capital Asset Management Program (ICAMP). ICAMP will provide a consistent assessment of UC’s deferred maintenance and produce both systemwide and division level status and funding needs. Several of the highest priority projects will address some of these needs, but additional funding is needed to maintain the RECs, Elkus Youth Ranch and other facilities to the highest quality expected for the University.

Funding

As part of the Strategic Objectives, a new capital campaign will be launched to help support the needs and objectives. ANR has expanded its development staff with a goal of reaching \$12 million in gifts for capital support by December 2020. As the RECs are often the only University connection for the rural and agricultural communities, support for the RECs is critical to the campaign.

ANR is in the process of assessing the debt capacity for the division that would determine the ability to finance the high-priority needs and commitments.

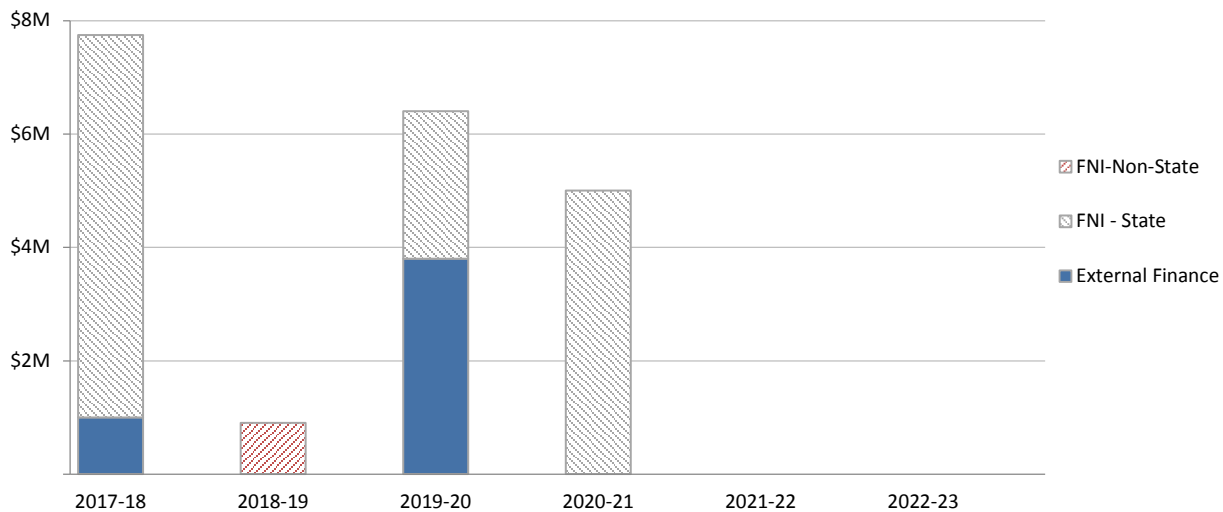
It has been ten years since the Division has had a capital project funded by a State General Obligation (GO) or Lease Revenue (LR) bond. The Division’s current term of the CFP identifies \$18 million of capital projects that would be State-supportable and eligible for State GO or LR bond funding (refer to Display 1). ANR does not have alumni, student fees, or auxiliary income to support facility projects and relies heavily on State support.

Public Private Partnerships and Real Estate Transactions

Three RECs do not have enough land to meet the needs of the requested research and the division is exploring acquisition opportunities. Additional land would provide more space to allow for additional permanent plantings as well as expanded research programs.

Display 2 summarizes the capital plan by potential fund source. Display 3 lists the highest priority project for which the division will be pursuing funding in the Current Term.

Display 2. \$20M Current Term (2017-18 to 2022-23) Capital Plan



Display 3. ANR Capital Plan

	Category (see note a)	DM Seismic Life Safety	Current Term (2017-18 to 2022-23)						Total	State Eligible	2023-27
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23			
Desert Research and Extension Center	E&G		S		S				5,000	5,000	
Elkus Ranch Environmental Education Center	E&G		S		EF				4,000	4,000	
Statewide Facilities Improvements – Network Modernization	E&G		S						1,000	1,000	
Kearney Agricultural Research and Extension Center	E&G		S	NS	S				2,000	1,000	
ANR Davis Parking Lot Expansion	AUX		EF						1,000		
South Coast Research and Extension Center	E&G				S	S			7,000	7,000	
Total (\$000s)			8,000	1,000	6,000	5,000			20,000	18,000	

Notes:

a. **E&G** = Education and General **AUX** = Auxiliary

2017-27 SYSTEMWIDE AND OFFICE OF THE PRESIDENT CAPITAL PLAN

The Systemwide and Office of the President (OP) Capital Plan includes projects that directly support campuses, and indirectly support the entire UC system via the Office of the President location. The Office of the President is the systemwide headquarters of the University of California, managing its fiscal and business operations, and supporting the academic and research missions across all its campuses, labs, and medical centers. To support these functions a need of \$135 million has been identified for this year (2017-18) and the next five fiscal years (2018-19 to 2022-23) (refer to Display 1).

Display 1. Summary of Current Term (2017-18 to 2022-23) Capital Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	State Eligible
Total (\$000s)	55,000	76,000	4,000	0	0	0	135,000	118,000

Priorities

Systemwide and OP projects prioritize greater efficiencies through projects that support common services to the all UC campuses, address deferred maintenance, and consolidate operations. The Office of the President supports the need for the following capital investments in the coming years:

- Northern Regional Library Facility Phase 4 Expansion (NRLF) project will allow campus libraries to save on local costs, build shared collections, support long-term preservation of materials, and utilize valuable core campus space in other ways.
- The 2nd floor Tenant Improvements in the Meridian Parkway building will provide expansion for the final phase of UCPATH implementation as well as expansion space for UC Riverside administrative and School of Medicine simulation labs.
- The 1111 Franklin, Blake House, and 1100 Broadway projects provide deferred maintenance and tenant improvements as part of a space consolidation and deferred maintenance plan. The consolidation plan will place an emphasis on core facility needs and lowering overall per person, per square foot operating cost, with increased energy efficiency and improved business sustainability.

Challenges

At a systemwide level there is still a strong demand for new print resources, especially the arts, humanities, and historical areas, and for foreign language materials. In addition, libraries are being pressed to move more of their existing collections off-campus to free up space for other campus priorities, including the creation of technology-rich teaching and learning spaces and collaborative work environments.

UC Libraries' need for additional off-site storage is projected to be 300,000 volumes annually for the next decade. By building the NRLF expansion now the system will stay just ahead of a systemwide library storage shortage and avoid campus costs and disruption of planned uses of campus space for the next decade.

The majority of UCOP office space is currently in four separate buildings in the downtown Oakland area, up to a mile apart. A portion of this space is leased and rental rates in the strong San Francisco Bay Area market are rising rapidly. The majority of the owned space has been occupied for 20 years and the deferred maintenance backlog and operational inefficiencies must be addressed to reduce the amount of space used and total cost of operations.

Blake House is the former residence provided for the President of the University. The building is in urgent need of roofing, waterproofing, and seismic strengthening to preserve the asset. The full restoration

of this currently unused facility was last estimated at over \$10 million and its potential future use is still being evaluated.

Funding

The NRLF Phase 4 Expansion will be funded from OP’s Strategic Priority Reserve for preliminary plans; working drawings and construction will be funded through external financing supported by State General Funds.

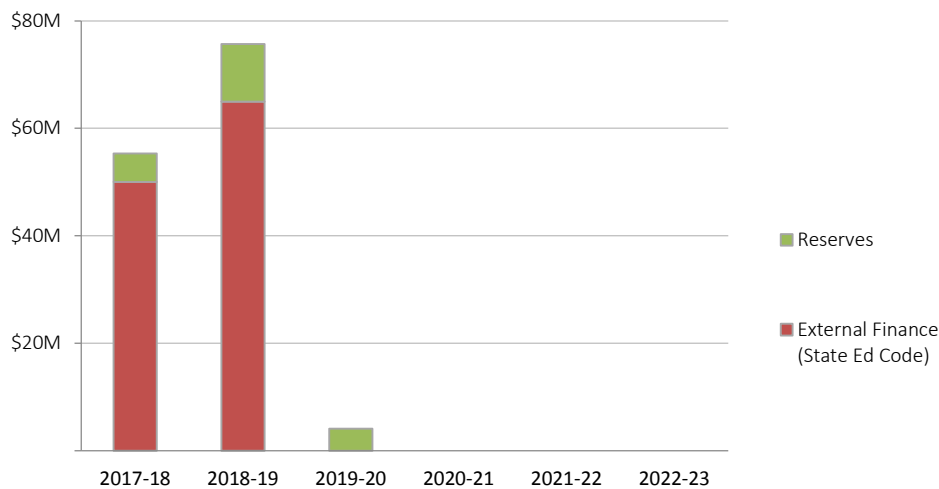
The Blake House, Meridian Parkway, 1111 Franklin, and 1100 Broadway projects will not use any direct State appropriation, tuition, or fees. These projects are funded by deferred maintenance reserve funds, or in the case of Meridian Parkway, external financing secured by lease revenues.

Public Private Partnerships and Real Estate Transactions

UCOP has entered into an office space lease for 165,000 square feet in the lower levels of a new office building at 1100 Broadway, which is adjacent to the UCOP building at 1111 Franklin Street. This lease will provide consolidated facilities using less space over the next 15 to 30 years at a lower cost, while also addressing the deferred maintenance backlog and operational inefficiencies of existing facilities. The combination of UC owned space, giving up a comparable amount of leased space in other Oakland locations, and a favorable long term market rate lease at 1100 Broadway, directly adjacent to the Franklin street building, provides a lowest cost alternative with long term benefits to the University.

Display 2 summarizes the capital plan by fund source. The list of projects with funding is shown in Display 3. OP has not identified unfunded needs for the current term.

Display 2. \$135M Current Term (2017-18 to 2022-23) Capital Plan



Display 3. Systemwide Capital Plan with Funding

	Category (see note a)	DM	Seismic Life Safety	Current Term (2017-18 to 2022-23)					Total	State Eligible	2023-27	
				(see note b) 2017-18	2018-19	2019-20	2020-21	2021-22				2022-23
Northern Regional Library Facility Phase 4 Expansion	E&G	1		SPR	SG				33,000	33,000		
Systemwide State Deferred Maintenance Program	E&G		•	SG	SG				85,000	85,000		
Blake House	SW	3	• • •	BMR					1,000			
Deferred Maintenance & Facilities Modernization 1111 Franklin	SW	3	• • •	BMR					1,000			
Meridian Parkway 2nd Floor Tenant Improvements	SW	3		BMR	BMR				10,000			
1100 Broadway Tenant Improvements	SW	3		BMR	BMR	BMR			5,000			
Total (\$000s)				55,000	76,000	4,000	0	0	0	135,000	118,000	

Notes:

a. **E&G** = Education and General **SW** = Systemwide 1 = Budget Update 2 = Scope Update 3 = New Project

b. The systemwide improvement use funds from specific reserves noted below. These reserves are designated as Other University Systemwide (OUS) funds in the summary sections of this report.
SPR: Strategic Priority Reserves **BMR**: Building Deferred Maintenance Reserve

