
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

Bill No: SB 56 **Hearing Date:** March 20, 2019
Author: Roth
Version: March 11, 2019
Urgency: No **Fiscal:** Yes
Consultant: Olgalilia Ramirez

Subject: University of California, Riverside School of Medicine: expansion.

SUMMARY

This bill, commencing with the 2020-21 fiscal year, appropriates from the State General Fund \$80 million to the Regents of the University of California (UC) in one-time funding to support construction of a new University of California, Riverside (UCR) School of Medicine facility, and an additional \$25 million in ongoing state General Fund to support operational costs for the expansion of the UCR School of Medicine.

BACKGROUND

Existing law:

- 1) Under, Section 9, Article IX of the State Constitution creates the UC to be administered by the Regents with full powers of organization and government.
- 2) Under, Section 1, Article IV vests legislative powers in the California Legislature which consists of the Senate and Assembly and empowers the Legislature with the ability to appropriate funds with a two-thirds vote, except the budget bill and bills appropriating funds for public schools.

About UCR School of Medicine: The mission of the UCR school of medicine is to expand and diversify the physician workforce in Inland Southern California and to develop research and health care, deliver programs that will improve health of underserved populations living in the region. Inland Southern California has barely half of the primary care doctors it needs- a ratio of 35 primary care physicians for every 100,000 people, according to the California HealthCare Foundation. The UCR School of Medicine has enrolled a total of six classes of medical students. More than 52 percent are female, nearly 30 percent are underrepresented in medicine and roughly 33 percent are first generation college graduates. In June 2017 the school graduated its first class of M.D. recipients and all are pursuing residency training, 82 percent of them in California. In addition, UCR school of Medicine continues to offer a series of student pipeline programs focusing on increasing access to medical school for socio-economically and/or educationally disadvantage students.

ANALYSIS

This bill:

- 1) For the 2020-21 fiscal year, appropriates from the State General Fund \$80 million to the Regents of University of California (UC) in one-time funding to support construction of a new UC, Riverside (UCR) School of Medicine facility.
- 2) Commencing with the 2020-21 fiscal year, appropriates an ongoing allocation of \$25 million from the State General Fund to the Regents of the UC for the operational support of the UCR School of Medicine expansion.
- 3) States various legislative findings and declarations relative to the short supply of primary care physicians of the Inland Southern California region and need for expansion of the UC, Riverside School of Medicine facility.
- 4) Defines various terms for purposes of the bill.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, the \$15 million annual allocation from the state's General Fund currently dedicated to UCR school of Medicine is insufficient and has not been adjusted for inflation or for the continuing expansion of the school. The author asserts, "as a consequence, the Riverside campus has subsidized one-time start-up costs for the medical school as well as annual operating expenses. The University of California office of the President has also provided a time-limited investment of \$2 million annually through 2020-21. These one-time and base subsidies to the medical school have limited the Riverside campuses ability to support other institutional priorities, such as continuing undergraduate enrollment growth, faculty and staff hiring, deferred maintenance, and capital needs. Although subsidization is essential to support the needs of the medical school and meet accreditation standards, this is not fiscally sustainable." This bill seeks to provide state funds for the expansion of the medical school.
- 2) ***How is UC funded for facilities needs currently?*** Over the past few years, the responsibility for capital outlay projects has shifted from the state to the UC through the state's annual budget. The UC is now able to use their general fund to support capital outlay projects or to fund revenue bond debt service, with the expectation that they prioritize their capital expenditures within their overall operating budgets. However, UC has expressed that they are not funded adequately for their operations currently, let alone at a level that can also support all of their facilities costs.

This measure requests funding for new construction at a UC campus. *Given that there are procedures in place to request and prioritize funding for construction projects at UC, is this bill necessary?* Proponents of this measure highlight the unique circumstances of the region that condition the need for a special consideration. According to information provided by the author, in February 2019, the California Future Health Workforce Commission released a report that highlighted the Inland Empire region as having the greatest shortage of both primary care and specialist physicians of any region in the state. The report provided 10 recommendations in addressing the physician workforce gaps and among them included the need for additional funding to expand enrollment at UC, UCR School of Medicine. The medical school currently enrolls approximately

250 medical students. To expand enrollment and address the physician shortage, with the ultimate goal of doubling, the school requires a dedicated educational facility with the classrooms, clinical skills and simulation facilities, and faculty/staff administrative space to teach students and provide required student services. Staff notes that Riverside (UCR) submitted a request for a building through its annual capital plan. However, it is unclear whether the campus received a response.

- 3) ***What are the facilities needs of the University of California (UC)?*** The UC reported that combining the projects included in its Capital Financial Plan with its current deferred maintenance backlog puts the five- year capital need at nearly \$24.8 billion. However, UC conceded that, of this amount, about \$13 billion could be funded with existing resources.
- 4) ***Consistency in reporting.*** The 2013 Budget Act approved \$15 million for operational support, planning and startup costs associated with academic programs to be offered by the School of Medicine at the UCR and trailer bill language, AB 94 (Committee on Budget, Chapter 50, statutes of 2013), requires regular reporting of those funds on a variety of metrics, including funding, recruitment, hiring, and outcomes, as well as operating and capital budgets detailed by fund source.

Given that UC reports annually on its current allocation for the UCR, School of Medicine, ***staff recommends that the bill be amended*** to ensure that the ongoing appropriation of \$25 million proposed in this bill be subject to the same reporting requirements outlined in AB 94 (Committee on Budget, Chapter 50, statutes of 2013) for the UCR medical school.

- 5) **Related and Prior Legislation.**

SB 14 (Glazer, 2019) places an \$8 billion general obligation bond on the November 2020 ballot for the construction, reconstruction, and remodeling of existing or new facilities at the UC, the California State University, and the Hastings College of the Law. SB 14 is scheduled to be heard by this committee on March 20, 2019.

AB 2597 (Arambula, 2018) would have appropriated \$9.35 million from the General Fund to the UC Regents to support the Programs in Medical Education (PRIME) and requested that the UC submit a report to the Legislature, on or before January 1, 2020, that assesses the feasibility of future full-time student enrollment growth in PRIME. AB 2597 was held on the Senate Appropriations Committee Suspend file.

AB 2202 (Gray, Chapter 756, Statutes of 2018) established the University of California, San Francisco (UCSF), San Joaquin Valley Regional Campus Medical Education Endowment Fund (Endowment Fund) to support the annual operating costs of a branch campus of UCSF School of Medicine in the San Joaquin Valley. The UC is not required to take any actions towards establishing a medical branch campus until the Endowment Fund has reached \$500 million and has been approved by the Controller.

SB 21 (Roth, Chapter 203, statutes of 2014) requested the School of Medicine at the University of California, Riverside (UCR) to develop a program, consistent with its mission, in conjunction with the health facilities of its medical residency programs, to identify eligible medical residents and to assist those medical residents to apply for physician retention programs, as specified.

The 2013 Budget Act approved trailer bill language that requires University California to allocate \$15 million for planning and startup costs associated with academic programs to be offered by the School of Medicine at the UCR, and trailer bill language that requires regular reporting on a variety of metrics, including funding, recruitment, hiring, and outcomes, as well as operating and capital budgets detailed by fund source.

SUPPORT

Association Of California Healthcare Districts, and Affiliated Entity Alpha Fund
CaliforniaHealth+ Advocates
Community Clinic Association Of Los Angeles County
Office of the Riverside County Superintendent of Schools
Southwest California Legislative Council

OPPOSITION

None received

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