



June 5, 2018

The Honorable Philip Ting  
Chair, Budget Conference Committee  
Capitol Office, Room 6026  
Sacramento, CA 94249-0019

The Honorable Holly Mitchell  
Vice Chair, Budget Conference Committee  
State Capitol, Room 5080  
Sacramento, CA 95814-4900

**Subject: SUPPORT- Senate Restoration of General Fund for University of California Graduate Medical Education in the State Budget (SB 840)**

Dear Chair and Members:

On behalf of the members of the California Association of Public Hospitals and Health Systems, and the millions of patients they serve, I am writing to express our support for the Senate approved restoration of General Fund (GF) for the University of California (UC), so that they can effectively administer state-wide Graduate Medical Education (GME) through their Proposition 56 allocation. The Budget Act of 2018, SB 840, allocates \$50 million (GF) in 2017-18 and \$40 million (GF) in 2018-19 and ongoing, to be restored to UC for GME (rather than be replaced by Proposition 56 funds). We support this continued investment in GME as envisioned by the voters.

California's 21 public health care systems include the county owned and affiliated systems and the five UC medical centers that represent the core of the state's health care safety net, delivering high quality care to all who need it, regardless of ability to pay or insurance status. Together, they provide services to more than 2.85 million Californians annually, provide nearly 30 and 40 percent of the hospital care to the state's Medi-Cal and uninsured populations, respectively, and provide 11.5 million outpatient visits each year.

Proposition 56, passed by voters in November 2016, allocates \$40 million of new tobacco tax revenues to the UC system to administer statewide GME, allowing for expanded primary care and emergency doctor residencies in medically underserved areas. However, the Governor's proposed budget reduced GF from the UC's core education budget by the same amount, thus undermining voters' intent in the Proposition. The Budget Act of 2017 also treated Proposition 56 funding in this way, preventing UC from developing the statewide GME grant program. The Senate reversed the Proposition 56 swap and provided UC with \$40 million ongoing and \$50 million of one-time state general funds (the 2017-18 amount was higher because it included five quarters of revenue).

For these reasons, CAPH supports the Senate version that funds the GME Proposition 56 allocation. We would be pleased to further discuss our position with you and answer any questions you may have. Please contact Terri Thomas, our Sacramento representative, at 916-325-1010 if you would like to follow-up. Thank you for your consideration.

Sincerely,



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cc: The Honorable Joaquin Arambula  
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