STRATEGIC CAPITAL PRIORITIES

Seven Strategic Drivers

The University of California's mission—to expand knowledge, challenge convention, and serve the public—requires continuous investment in the spaces that make education, research, and service possible. UC's capital program is driven by this mission: modernizing classrooms and labs, expanding affordable student housing, renewing aging facilities, strengthening seismic safety, investing in modern healthcare facilities, and building toward a clean energy future. These priorities ensure UC remains accessible, resilient, and ready to meet California's evolving needs.

UC's capital strategy is anchored in seven principles that guide capital-investment decisions. These priorities are grounded in UC's long-term mission of delivering world-class education, driving innovation, and serving the public good. The drivers at right advance a strategic blend of urgency, opportunity, and responsibility.

Capital investments power UC's promise to California.

Academic and Research Excellence

Enhancing education through improved academic and research spaces across the system.

Enrollment Growth and Student Success

Expanding enrollment to meet the UC 2030 Capacity Plan.

Expanding Access Through Housing

Addressing student demand through new construction and acquisition.

Seismic Resilience

Improving the structural performance of UC's facilities.

Restoration and Renewal

Maintaining and modernizing aging buildings and infrastructure.

Sustainability and Decarbonization

Investing in clean energy and climate-resilient systems.

Healthcare Innovation and Modernization

Investing in modern facilities for statewide access and equity.

Academic and Research Excellence

Strengthening Innovation Through Facility Improvement

As enrollment grows, so does the need for thoughtful investment in physical space. To uphold its high academic standards, UC continues to modernize and expand the infrastructure needed to support a growing, dynamic, and diverse student population. Capital projects enable the construction and renewal of classrooms, research facilities, teaching laboratories, and academic support spaces, allowing campuses to adapt to evolving needs in curriculum delivery and technology.

- **Classrooms**
- **Research**
- **Teaching laboratories**
- **Academic support spaces**

Strategic capital improvements support faculty recruitment and retention, expand capacity for high-impact research, and ensure UC remains a destination for the next generation of scholars and scientists.

Capital projects are an investment in student success.

Enrollment Growth and Student Success

Expanding Capacity, Advancing Access

With nearly 300,000 undergraduate and graduate students enrolled in Fall 2024, UC has reached a historic milestone—not only in size, but in diversity, impact, and academic excellence.

With the UC 2030 Capacity Plan and Compact with the Governor, that growth is expected to continue. The University's capital strategy must continue to evolve—providing the additional space, housing, and resources needed to support academic success.

Strategic capital projects support innovation, growth, and academic access.

Expanding Access Through Housing

Building Capacity, Supporting Students

Student housing remains a top priority across the University of California system. Historically, there have not been enough beds to meet demand. As enrollment continues to grow, campuses continue to face this challenge.

In 2011, UC had almost 75,000 beds, housing 32% of its population. Since then, UC enrollment has increased by more than 64,000 students (from Fall 2011 to Fall 2024). UC has added nearly 46,000 new beds to support this growth, housing 41% of students in Fall 2024.

UC Merced, Glacier Point Housing

EXHIBIT 1. Student Beds Developed by Year

Campus	Fall 2011-19	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Total
Berkeley	1,191	-	-	145	-	1,530	-	2,866
Davis	2,558	1,000	2,600	-	1,500	-	103	7,761
Irvine	2,866	-	-	1,055	1,072	-	424	5,417
Los Angeles	2,036	-	1,791	3,438	-	142	-	7,407
Merced	1,288	1,000	-	-	-	-	-	2,288
Riverside	800	820	1,506	-	-	-	1,242	4,368
San Diego	3,828	4,172	-	-	343	2,957	1,966	13,266
San Francisco	708	-	-	-	-	-	-	708
Santa Barbara	1,669	-	-	-	-	-	-	1,669
Santa Cruz	-	-	-	-	185	-	-	185
Total	**16,944**	**6,992**	**5,897**	**4,638**	**3,100**	**4,629**	**3,735**	**45,935**

To further increase the housing inventory, more than 13,000 new student beds are in development across 14 active projects, with completion expected by Fall 2030. The 2025–31 Capital Financial Plan includes an additional 8,000 beds with identified funding and another 7,000 in early planning stages. These projects represent not just physical expansion but a commitment to improving the student experience.

EXHIBIT 2. **Student Beds in Active Projects**

Campus	Fall 2026	Fall 2027	Fall 2028	Fall 2029	Fall 2030	Total
Berkeley	-	1,113	1,625	-	-	2,738
Davis	-	494	-	-	-	494
Irvine	-	-	850	-	-	850
Los Angeles	-	445	-	-	1,130	1,575
Merced	-	287	-	-	-	287
Riverside	-	-	-	-	-	-
San Diego	-	-	-	-	1,941	1,941
San Francisco	-	-	-	-	-	-
Santa Barbara	-	2,224	1,276	-	-	3,500
Santa Cruz	696	213	-	881	-	1,790
Total by Year(s)	**696**	**4,776**	**3,751**	**881**	**3,071**	**13,175**

45K

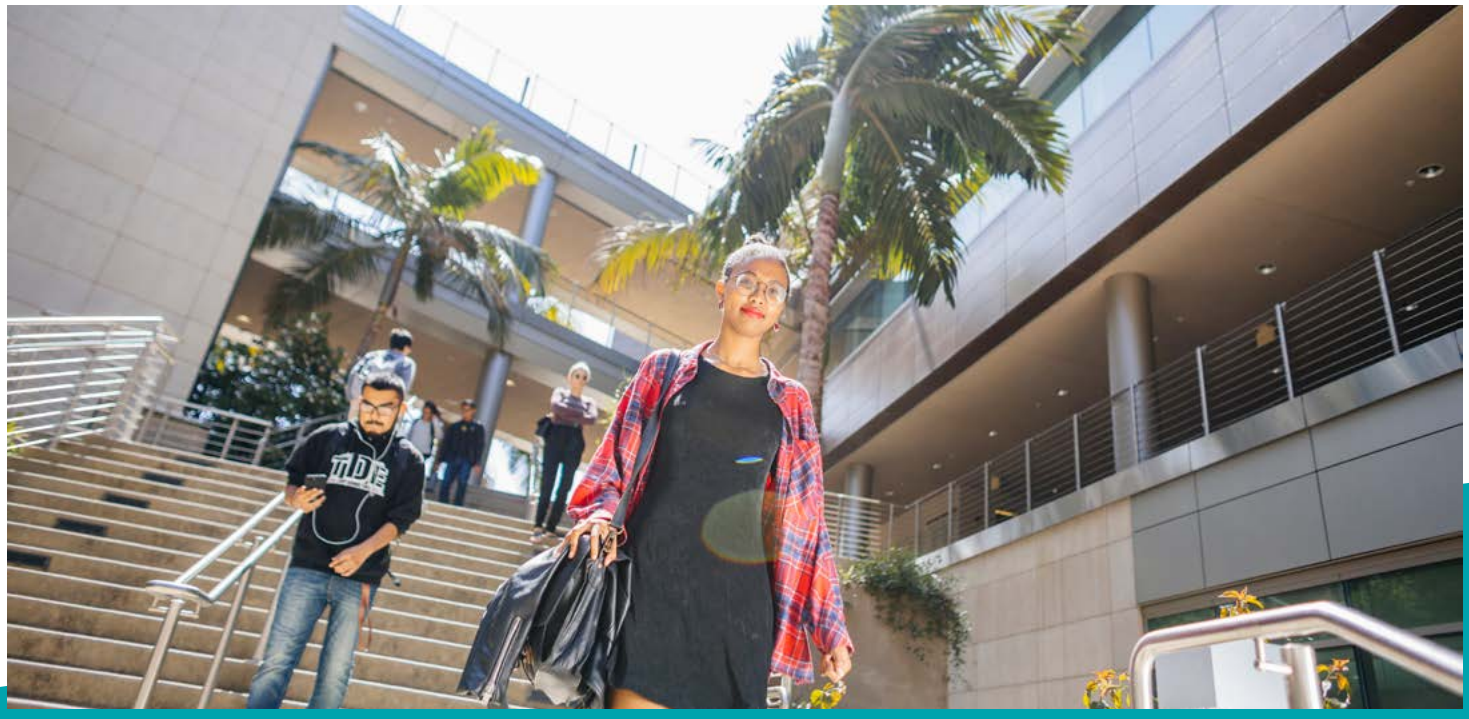
New student beds added since 2011

13K

Beds in design or under construction across 14 projects

15K

Additional beds planned or proposed



Seismic Resilience

Addressing Safety Improvements

Each campus and medical center encounters unique challenges due to the age, condition, and intended use of buildings. Across UC's campuses and medical centers, the goal is to ensure that all facilities comply with the current UC Seismic Safety Policy. With limited resources, the University focuses its efforts on the improvement of the highest-priority structures. When possible, seismic upgrades are bundled with broader renovation efforts to maximize efficiency and minimize disruption.

Since FY 2020-21, the University has reduced its non-compliant Regents owned building area by approximately 19% from over 47.5 million to approximately 38.4 million gross square feet (GSF). In FY 2023-24 UC added California Department of Health Care Access and Information (HCAI) regulated buildings and leased facilities to the seismic program. Including this added data, UC has reduced the overall non-compliant area to 44.8 million GSF. This progress reflects significant efforts across UC campuses and locations and includes the completion of 60 seismic retrofits, the decommissioning or demolition of 149 non-compliant buildings, and the reclassification of 194 buildings as compliant following detailed Tier 2 and 3 seismic evaluations conducted by third-party licensed California structural engineers.

UC San Diego, Geisel Library

UC's seismic safety program delivered key retrofits and building improvements across multiple campuses in FY 2024-25.

1,464

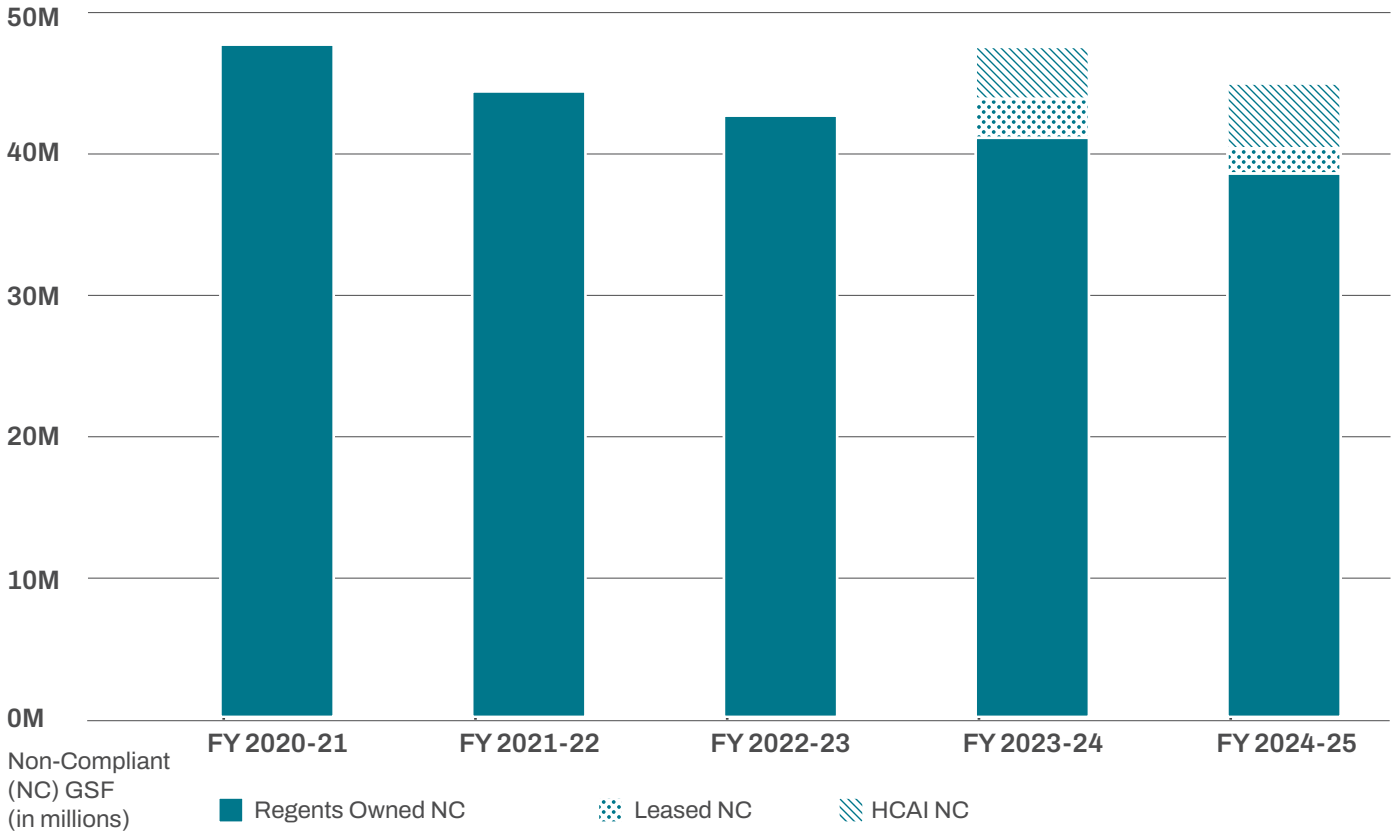
buildings still require seismic upgrades or demolition

$13.2B

Estimate of Seismic Need for Prioritized Buildings

EXHIBIT 3. **Seismic Progress Overview (FY 2020-21 to FY 2024-25)**

UC has steadily reduced its inventory of non-compliant seismic space across five years. This exhibit tracks the declining square footage of non-compliant facilities, showing how sustained investment has translated into meaningful risk reduction systemwide.



Note: starting in FY 2023-24, data includes leased buildings and HCAI facilities.

EXHIBIT 4. **Comparison of FY 2024-25 UC Systemwide Estimated Seismic Need with FY 2023-24**

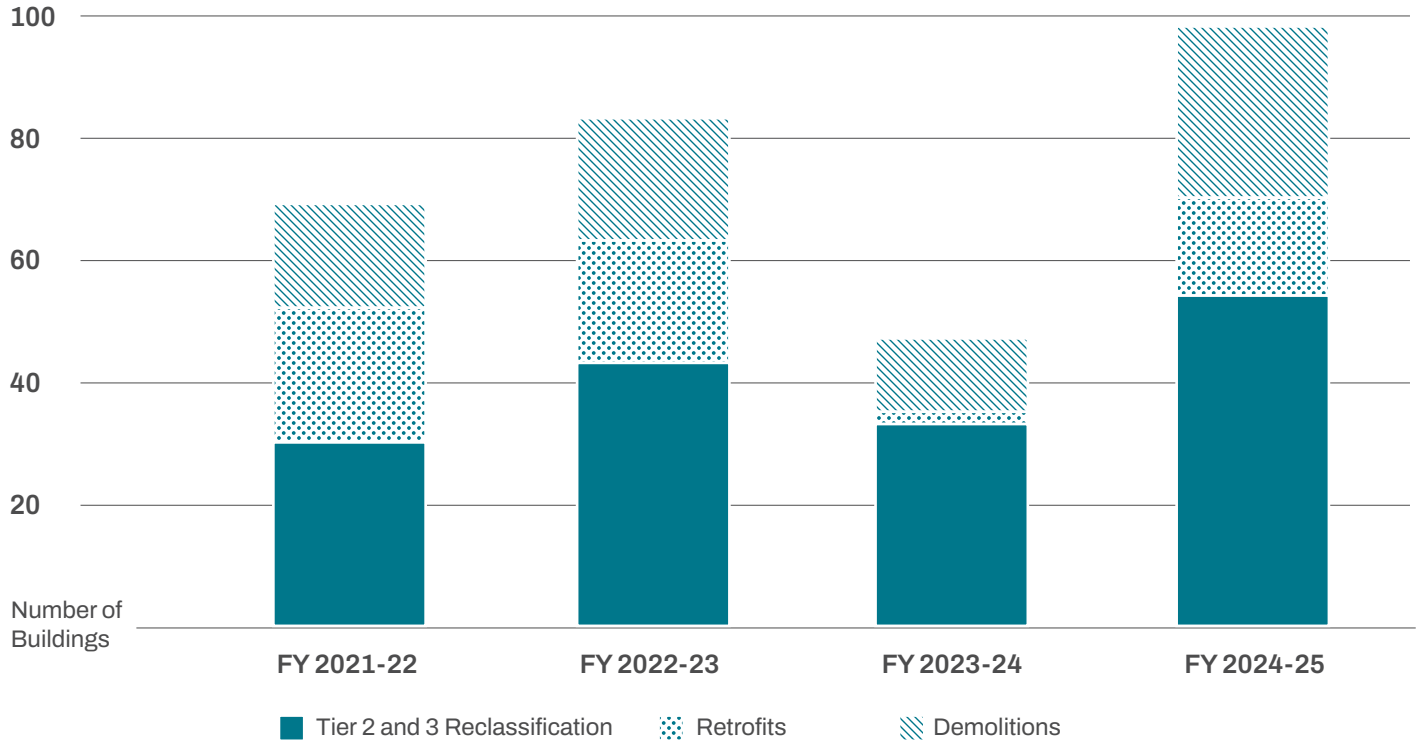
	Total Seismic Need [1]	State [2]	Non-State [3]	Funding Plan Identified [4]	Funding Plan Not Identified [5]
FY 2024-25	$13.2B	$8.6B 65%	$4.6B 35%	$0.9B 7%	$12.3B 93%
FY 2023-24	$16.0B	$12.0B 75%	$4.0B 25%	$2.5B 16%	$13.5B 84%

NOTES
1. Costs provided are approximate and based on limited project information, see below for additional cost assumption details.
   a. "Seismic Need" refers to seismic improvement scope and building code updates triggered by the seismic improvement scope, plus associated project soft costs.
2. "State" = Approximate dollar amount and percent (%) of Total Seismic Need that is State-supportable.
3. "Non-State" = Approximate dollar amount and percent (%) of Total Seismic Need that is not State-supportable.
4. "Funding Plan Identified" = Approximate dollar amount and percent (%) of Total Seismic Need for which funding is identified or proposed.
5. "Funding Plan Not Identified" = Approximate dollar amount and percent (%) of Total Seismic Need for which funding is not identified.

UC's estimated seismic capital need decreased from $16.0 billion in FY 2023-24 to $13.2 billion in FY 2024-25, with $900 million in funding identified.

EXHIBIT 5. **Project Impact Summary (FY 2021-22 to FY 2024-25)**

Seismic compliance is achieved through multiple strategies—retrofits that improve seismic performance, demolition of non-compliant buildings, and more thorough analysis of buildings that can result in reclassification. This exhibit visualizes the mix of interventions used each year, highlighting the scale and variety of efforts needed to keep UC's facilities safe and resilient.

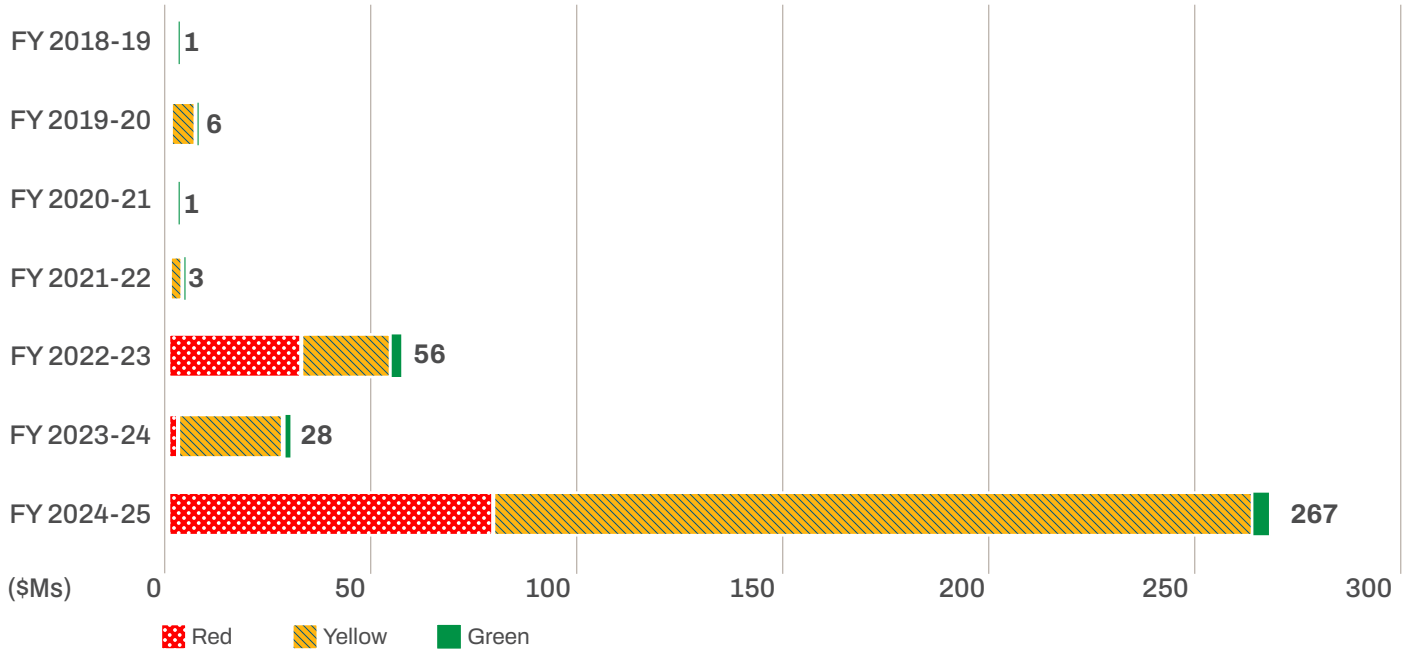


UC Merced, Science and Engineering 2

Restoration and Renewal

EXHIBIT 6. **Completed Restoration and Renewal Work by Risk Color** ($Ms)

In FY 2024-25, UC, with funds from the State of California, completed $267 million of work, reducing failure risks and improving safety systemwide. 295 projects are in design and construction, representing $412 million to be spent in coming years.



Fixing the Foundation

Infrastructure renewal investments address deferred maintenance and modernize core systems, ensuring that buildings remain safe, functional, and future-ready. These projects improve energy efficiency, reduce failure risks, and align with UC's clean energy goals. When possible, infrastructure upgrades are bundled with broader renovation efforts to maximize efficiency and minimize disruption. As seen in Exhibit 7, the State of California provided funds for Restoration and Renewal of facilities through one-time allocations and through California State Assembly Bill 94. These funds were last granted in FY 2022-23.

EXHIBIT 7. **State Resources Supporting Restoration and Renewal** (000's)

Fiscal Year	One-Time	AB94	Total
2015-16	25,000	-	25,000
2016-17	35,000	-	35,000
2017-18	-	50,000	50,000
2018-19	35,000	35,000	70,000
2019-20	118,300	35,000	153,300
2020-21	-	35,000	35,000
2021-22	325,000	-	325,000
2022-23	125,000	-	125,000
2023-24	-	-	-
2024-25	-	-	-
2025-26	-	-	-
Total	**663,300**	**155,000**	**818,300**

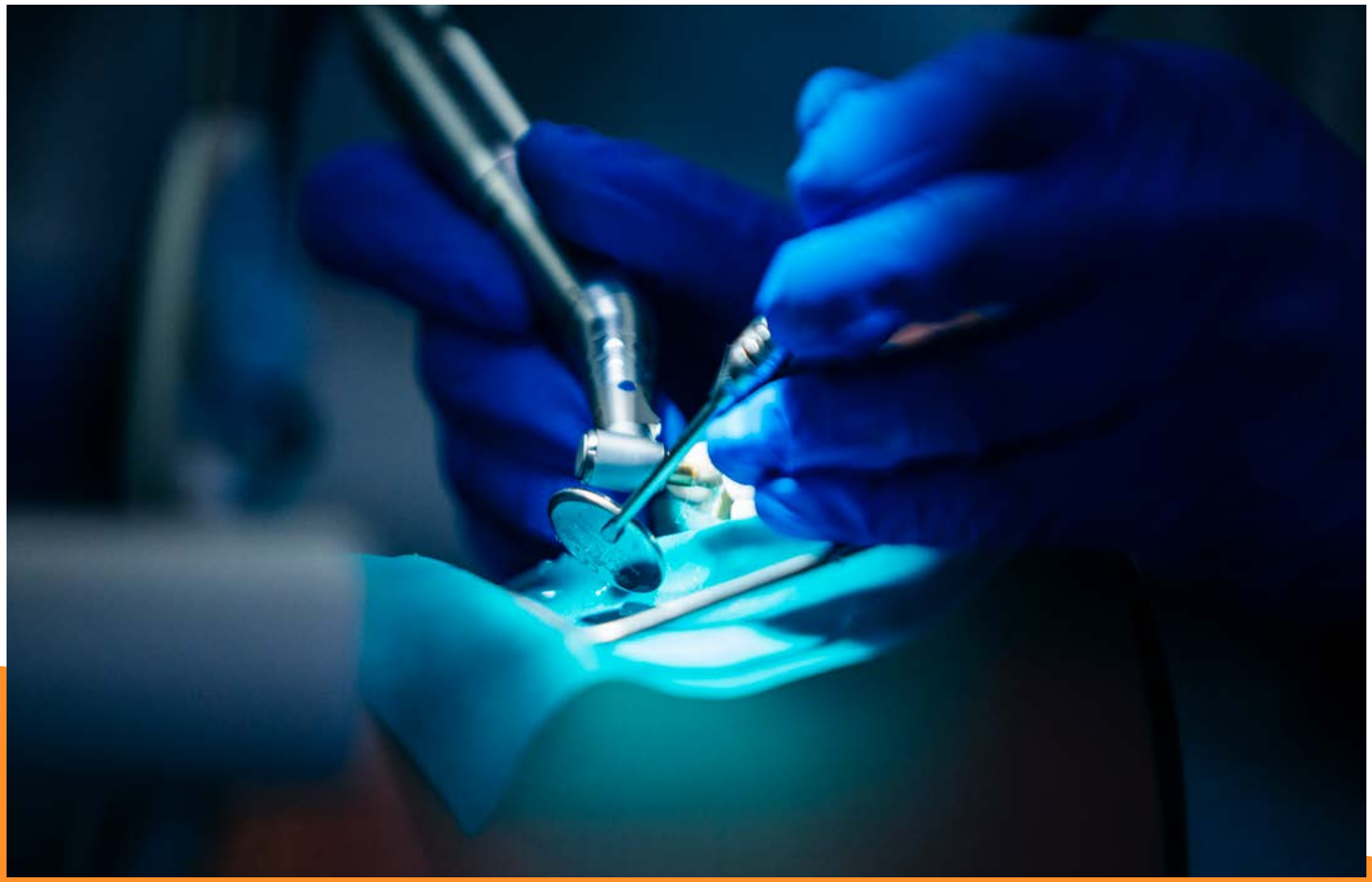
Healthcare Innovation and Modernization

Modern Facilities for Statewide Access and Equity

UC's medical centers are making major investments in healthcare infrastructure, seismic safety, and innovation—projects that directly serve patients and communities statewide.

UC Health provides care to millions of Californians each year through its five academic medical centers plus a newly announced sixth at Riverside. These institutions are not only vital to delivering world-class patient care—they are also hubs for education, research, and innovation. UC's health centers are consistently ranked among the best hospitals in California, the nation, and the world by *U.S. News & World Report*, underscoring their leadership in clinical excellence and impact.

As the healthcare landscape continues to evolve—with new demands in access, equity, technology, and safety—UC's capital program is central to ensuring its hospitals and clinics are ready to meet the needs of future generations. Across the system, medical centers are expanding capacity, upgrading infrastructure, and investing in facilities that reflect the latest standards of care and environmental sustainability.



Through its capital strategy, UC Health is reinforcing its role as a statewide leader in delivering accessible, high-quality care to all Californians.

UC Davis Health

is occupying the 48X Complex, a state-of-the-art outpatient surgery center that opened in 2025, and is developing the California Hospital Tower, a 330-bed expansion with advanced surgical suites slated for 2030.

UC Irvine Health

is completing a new 1.2 million-square-foot medical complex—the first hospital in the nation powered by an all-electric central plant and targeting LEED™ Platinum certification. Planning is also underway for its original campus to meet future care demands.

UC Los Angeles Health

is increasing inpatient capacity through the Ronald Reagan UCLA Medical Center expansion and the Mid-Wilshire Neuropsychiatric Replacement Hospital.

UCSF Health

is advancing a decades-long plan for its Parnassus Heights campus, with the new Helen Diller Hospital to open in 2030.

UC San Diego Health

is addressing high patient demand for services at its La Jolla Campus via a planned additional outpatient facility, as work continues on Hillcrest Campus redevelopment.

Sustainability and Decarbonization

Long-Term Environmental and Cost Sustainability

UC's existing energy systems were state-of-the-art in the 1990s. However, investments must be made to keep these systems operational, and the shifting away from fossil fuels is a smart long-term business strategy. Accelerating the transition to decarbonize campus energy infrastructure is also central to achieving the University's climate action goals and maintaining UC's status as a leader in climate action. The scope and timing of this transition will be a campus-specific, technically challenging, and capital-intensive challenge. Investments of $500 million to $1.5 billion per campus are required to complete this work, which can be comparable to the cost of maintaining and eventual replacement of existing systems.

Past-President Drake convened a task force under the UC Global Climate Leadership Council to address the campus decarbonization challenge and respond to the Academic Senate Memorial to the Regents on Reducing Fossil Fuel Combustion. The task force published its final report, "Evaluating decarbonization strategies across the University of California," in July 2025. The report summarized the study findings from each campus and identified critical actions and recommendations. Recommendations for capital strategies include:

- Break the decarbonization plans into smaller, more manageable projects that can be funded more easily.
- Fully integrate decarbonization into all capital planning to identify opportunities and synergies with each planned capital project.
- Identify synergies with seismic, deferred maintenance, and housing priorities.
- As campuses engage in design and equipment selection for decarbonization, include development of energy demand management strategies to "right size" infrastructure investments to match the range of possible scenarios.

UC Davis and UC Berkeley made progress in FY 2024-25 toward implementing their decarbonization pathways. Other campuses are in the process of evaluating how to fund the campus-wide energy infrastructure transition over time while preparing to replace natural gas systems and equipment when those systems or equipment need to be replaced.

UC San Diego, Rady School of Management