



UC Davis State Government Relations Update January 2017

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State Budget

In General – On January 10th the Governor introduced his 2017-18 budget plan, which proposed \$122.5 billion in State General Fund expenditures, including ongoing State General Fund for the University of \$3.326.1 billion. The Governor described his State General Fund proposal as “flat” from 2016-17, with \$3.2 billion in solutions to address what he estimates would be a nearly \$2 billion deficit—absent specific corrective actions—due to lower than expected revenues and a current year shortfall in the Medi-Cal program (compared to the estimates in the 2016 Budget Act signed last June).

Higher Ed and Tuition – The Governor’s plan for higher education is on page 33-43 of the summary;

<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

Also, a video archive of the Governor’s budget press conference is available at;

http://calchannel.granicus.com/MediaPlayer.php?view_id=7&clip_id=4065

As for tuition, fees at the community colleges will remain flat in 2017-18. At UC and CSU, fees have remained flat for six years. However, the Regents approved a 2.5-percent tuition increase on January 26th, and the CSU Chancellor’s Office has indicated that the Chancellor will present a 5-percent tuition increase to the Board of Trustees in March.

Framework – The budget proposal will be consistent with the framework agreement.

- 4% base budget increase of \$131.2M;
- Assumes \$18.5M enrollment growth funding, to be affirmed in May revise after UC provides evidence sufficient to demonstrate enrollment of at least 2,500 resident undergraduates in the 2017-18 academic year over 2016-17 academic year;

- Provides third and final installment of Proposition 2 funding of \$169M for the UC Retirement unfunded liability.

Other adjustments

- Instead of augmenting our budget by the \$40M provided to UC by **Proposition 56 (tobacco tax)** for graduate medical education, the budget swaps this amount out of our State General Fund appropriation in 2017-18 and subsequent years. (The amount is actually \$50M in 2017-18 to reflect an extra \$10M for the one-fourth of revenue generated under the measure in 2016-17, carried forward.) They are essentially using \$40M of Prop 56 revenue to free up \$40M in State General Funds that they would have otherwise given us. This means that as of now there are no programming funds for additional graduate medical education. We are meeting to discuss this issue and will keep you apprised.
- **The Governor proposes phasing out the Middle Class Scholarship program**, with no new awards after the current year. Current recipients (i.e., continuing students) would continue to receive awards for the duration of their enrollment. We were not expecting this proposal and are in the process of evaluating its impacts. The language in the budget summary reads:

Not Funded – There is no enrollment growth funding in this 2017-18 budget proposal for enrollment growth in the 2018-19 academic year. UC had requested \$25 million for 2,500 undergraduates and \$9 million for 900 graduates. Consistent with a marked reduction of one time funds in the budget, they do not have a package for one-time funds for deferred maintenance, nor is there funding proposed from cap and trade. There is no one-time or other funding for transportation research.

Trailer Bill – There will be trailer bill language to eliminate the sunset date for the California Umbilical Cord Blood Collection Program (administered by the Stem Cell Program at UC Davis, set to sunset January 1, 2018) and to eliminate the sunset date for the California Health Benefits Review Program.

The Ask – So based on the aforementioned, our ask for this year, of the Legislature and eventual approval by the Gov, is as follows:

Permanent State GF

- 4% or 131.2M (As proposed by the Governor)
- 2,500 UG resident growth for 18-19 academic year or \$25M
- 900 grad student growth for 17-18 academic year or \$9M
- \$6m for ITS funding

One-time funds

- Deferred maintenance **\$35M**

Significant Impact Legislation

Below is a list of the bills we are currently tracking/monitoring.

bill	#	author	Title	Location	Description
AB	1	Frazier (D)	Transportation Funding	Assembly Transportation Committee	Appropriates \$3M to the UC institutes for transportation studies.
AB	21	Kalra (D)	Public Postsecondary Education: Student Access	Assembly Higher Education Committee	Adds to the Donahoe Higher Education Act provisions that, commencing with the 2017-18 academic year, requires CSU and CCC and requests UC to the fullest extent consistent with federal law, to: refrain from releasing certain information regarding the immigration status of students and other members of the communities served by these campuses, refuse to allow officers or employees of United States Immigration and Customs Enforcement to enter campuses of their respective segments on official business of that agency unless they provide specified information and at least 10 business days' advance notice, provide stipends for health care for all students who are not eligible for Medicaid and who cannot afford health insurance provided through the institution, offer on-campus housing, or a stipend to cover the cost of off-campus housing, during the periods between academic terms to students who face a significant risk of being unable to return to their respective campuses, as specified.
AB	80	Arambula (D)	Doctoral Program: Agricultural Science	Assembly Higher Education Committee	Authorizes CSU Fresno to award the degree of Doctor of Philosophy (Ph.D.) in agricultural science and requires the degree to be distinguished from doctoral degree programs at UC. (AB 209)
AB	96	Ting (D)	Budget Act of 2017	Assembly Budget Committee	Budget Act of 2017 (SB 72)

AB	151	Burke (D)	California Global Warming Solutions Act of 2006	ASSEMBLY	Legislative intent: Enact legislation that authorizes the State Air Resources Board to utilize a market-based compliance mechanism after December 31, 2020, in furtherance of the statewide greenhouse gas emissions limit of at least 40% below the 1990 level by 2030.
AB	172	Chavez (R)	Public Postsecondary Education: Residency: Dependents	ASSEMBLY	Extends resident classification for designated dependents of transferred and retired members of the Armed Forces of the United States to those dependents who have been admitted to a public postsecondary institution before the transfer or retirement.
AB	207	Arambula (D)	California State University: Doctor of Medicine Degrees	ASSEMBLY	Legislative intent: Establish a medical school at CSU Fresno, to address the shortage of health care professionals and physicians in underserved communities in the Counties of, Fresno Kern, Kings, and Stanislaus.
AB	209	Mathis (R)	California State University: Doctor Agriculture degrees	ASSEMBLY	Authorizes CSU to award the Doctor of Agriculture degree and requires the degree to be distinguished from doctoral degree programs at UC. (AB 80)
AB	217	Low (D)	Office of Higher Education Performance & Accountability	ASSEMBLY	Establishes the Office of Higher Education Performance and Accountability as the statewide postsecondary education coordination and planning entity. (AB 1837 '16)
SB	17	Hernandez (D)	Prescription Drugs: Pricing: Notification	Senate Rules Committee	States intent to enact legislation to require that public/private purchasers of health care and health care coverage be given advance notice of price increases for the costs of prescription drugs.
SB	23	Portantino (D)	Public Health: Umbilical Cord Blood Collection	Senate Health Committee	Extends the UC Umbilical Cord Blood Collection Program until January 1, 2025, and increases the birth certificate fee to \$19 and the amount of that fee for allocation to the program fund to \$3.

SB	25	Portantino (D)	Education: Integrated K-14 System	Senate Rules Committee	Requires the Legislative Analyst to conduct an assessment and make recommendations for an integrated K-14 System, and to consult with UC, CSU, CCC, Department of Education, and Department of Finance to determine the cost of providing free access to CCC and create a plan for the complete integration.
SB	54	de Leon (D)	Law Enforcement: Sharing Data	Senate Public Safety Committee - 01/31/2017 9:30 am - John L. Burton Hearing Room (4203)	Enacts the California Values Act, which encourages entities that provide services related to physical/mental health and wellness, education, or access to justice, including the UC, are encouraged to adopt a model policy limiting immigration enforcement to the fullest extent possible consistent with federal/state law.
SB	68	Lara (D)	Public Education: Exemption from Nonresident Tuition	Senate Education Committee	Requests UC, and requires CSU and CCC to exempt a student, other than a nonimmigrant alien, from nonresident tuition if the student has 3 or more years of attendance at California elementary or secondary schools, CCC campuses, or a combination thereof, and if the student graduates from a California high school or attains the equivalent, attains an associate degree from a CCC campus, or fulfills minimum transfer requirements for UC/CSU for students transferring from CCC campuses. (SB 1503 '04, AB 153 '03, AB 540 '01)
SB	72	Mitchell (D)	Budget Act of 2017	Senate Budget & Fiscal Review Committee	Budget Act of 2017 (AB 96)
SJR	1	Vidak (R)	Immigration	Senate Rules Committee	Urges Congress and the U.S. President to work together to create a comprehensive and workable approach to reform the nation's immigration system.(SJR 2 '16)

SR	7	de Leon (D)	Immigration	Adopted	Urges the President-elect to continue President Obama's Deferred Action for Childhood Arrivals program (DACA), which grants "Dreamers", people brought into the country as children by their parents, a temporary reprieve from deportation. (HR 4)
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Upcoming State Government Relations Events and Key Dates

- February 17th – Last day for bills to be introduced (J.R. 61(a),(1)(J.R. 54(a)).
- March 8th – UC Day
- April 19th – Grad Research Day

Questions or Need Assistance?

If you have any questions regarding the aforementioned items or would like assistance in connecting with state legislators and/or their staff, please do not hesitate to contact Adrian Lopez, Director, State Government Relations. He can be reached at adnlopez@ucdavis.edu or by phone at (530) 752-9795.