



## UC Davis State Government Relations Update

### May 31, 2013

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#### State Budget Update

#### **May Revise**

Governor Brown introduced a revised 2013-14 state budget on May 14, which continues with a multi-year funding commitment to increase the University of California by 5 percent in the 2013–14 fiscal year and then 5 percent, 4 percent, and 4 percent in the subsequent fiscal years. Further specifics of the higher education component of the May Revise can be found here:

<http://www.ebudget.ca.gov/2013-14/pdf/Revised/BudgetSummary/HIGHEREDUCATION.pdf>

In addition to these proposed increases, UC has identified other high priority needs which it hopes the Legislature will include in the final state budget. These priorities are as follows:

- Support of performance outcome measures consistent with additional state funding and comparable to public universities serving similar student populations
- Authority for UC to save \$80 million annually by restructuring existing debt
- Funding for critical capital facilities, particularly the UC Merced Classroom and Academic Building needed to accommodate growing student enrollment
- Investment of \$15 million for the UC Riverside School of Medicine, which will help deliver medical services consistent with the Governor's proposal for California health care reform
- One-time funding of \$100 million for the employer share of UC's retirement program, an allocation consistent with state funding for employer costs for CSU's retirement plan

The LAO's May Revise analysis was released on May 17th and can be found here:

<http://www.lao.ca.gov/reports/2013/bud/may-revise/overview-may-revise-051713.pdf>

### **Actions by the Subcommittees**

On May 23rd the Senate Budget Subcommittee No. 1 met to take action on their final deliberations of the 2013-14 UC budget. Noted, are the identical and different actions of the two budget subcommittee's that will likely lead to the two-house Budget Conference Committee deciding these issues. The actions and comments are as follows:

**Multi-Year Funding Plan** – The subcommittee approved the Governor's multi-year funding plan that provides UC (and CSU) with a 5 percent (\$125.1 million) increase in funding for the 2013-14 fiscal year and assumes increases of 5 percent, 4 percent, and 4 percent for the 2014-15, 2015-16, and 2016-17 fiscal years. (This funding percentage and dollar amount will change if other legislative priorities, such as the \$15 million for UCR, School of Medicine or any additional funding for UCRP are afforded in the 2013-14 state budget). Identical action in the Assembly was taken, thus this item is not in Conference Committee.

**Performance Outcome Measures (POM's)** – The subcommittee deferred the Governor's recommendations to implement POM's for further discussion by the DOF, LAO, legislative staff and the higher education segments. The subcommittee indicated there are two bills, SB 195 (Senator Liu) and AB 1348 (Assemblyman Perez) that could be the vehicles for future implementation of POM's that recognize the diverse student populations served by each higher education segment. Identical action in the Assembly was taken, thus this item is not in Conference Committee.

**Enrollment Targets** – The subcommittee deferred setting specific enrollment targets for UC (and CSU) and adopted "placeholder" budget bill language that recognizes the intent of the legislature to establish a specific enrollment target for the two universities. The subcommittee did adopt the LAO recommendation of 212,799 Full-Time Equivalent Students (FTES) for UC (352,260 FTES for CSU) recognizing the history of how the two university systems have provided student access and appreciating the budget reductions that impact future UC and CSU enrollment growth. This is a Conference Committee issue.

**Legislative Budget Priorities** – The subcommittee restored the budget bill language for their legislative funding priorities that include Charles R. Drew Medical Program (\$8.3 million), AIDS Research (\$8.8 million), Subject Matter Projects (\$5 million) Cal Institutes for Science and Innovation (\$4.8 million), California Summer Schools for Mathematics and Science (\$1.7 million), Science and Math Teacher Initiative (\$885,000), Programs in Medical Education (\$2 million), Nursing Programs (\$1.7 million), and budget bill language for continued funding support for Student Academic Preparation and Education Programs (SAPEP) at \$31.3 million (This number will have to be changed to the correct amount in the UC budget which is \$24.6 million. These are the same program funding levels that were supported by UC in the 2012-13 budget. SAPEP funding amount will be a Budget Conference Committee issue for technical correction in the dollar amount.

**UC Riverside, School of Medicine** – This is a new legislative priority approved by the subcommittees which is consistent with the Regent's budget to provide \$15 million for the UCR, School of Medicine.

**UCRP** – There is now budget bill language that requires UC to use \$67.2 million of the \$125.1 million of the Governor’s proposed increase for UC to fund UCRP in the 2013-14 fiscal year (the dollar amount is consistent with the state General Fund assumed in the Regents budget and the language is consistent with how this funding would be used to support the state’s employer contribution for UCRP). Identical action in the Assembly was taken, thus this item is not in Conference Committee.

**AFSCME Request** – Specifically, this is a redirection of \$4.8 million out of the \$125 million for UC to be able to reach a memorandum of understanding with AFSCME, Service Unit (SX). This is not a funding augmentation requested by the UC and appears to establish a specific funding augmentation in the state budget for matters that are currently being bargained. The \$4.8 million budget “redirection” will be a Conference Committee issue.

**Online Technology Funding** – The subcommittee approved the Governor’s budget augmentation for \$10 million to support UC Online Technology (or now known as the UC Innovative Learning Technology Initiative - ILTI). However, the subcommittee added budget bill language for UC (and CSU) to “make these courses to be available to all university undergraduate students systemwide, regardless of the campus where they are enrolled, and to K-12 systems to allow high-school students to take classes if possible.” In addition, the subcommittee added budget bill language indicating that UC (and CSU) would have to provide a detailed expenditure report to the Joint Legislative Budget Committee. The budget bill language adopted by the Senate allows UC (and CSU) to receive the dollars immediately. This is a Budget Conference Committee issue.

**Middle Class Scholarship Program** – The subcommittees did not hear this issue. Thus this will be a Budget Conference Committee issue.

**Capital Outlay** – The subcommittee did not approve \$45.1 million for the construction of a new Classroom and Academic Office Building (CAOB) at UC Merced. In discussions with committee staff, this is not a reflection of the merits of the proposal which will be considered as a budget conference committee item. This is a Budget Conference Committee issue.

**Debt Restructuring** – UC continues to work with the Department of Finance, Governor’s Office and legislative leadership to have the debt restructuring issue reconsidered and approved in the 2013-14 UC budget.

### **Conference Committee**

The Budget Conference Committee members are as follows:

#### Budget Conference Committee Conferees

Senator Mark Leno, Chair

Senator Kevin de León

Senator Loni Hancock

Senator Bill Emmerson

Assembly Member Bob Blumenfield, Vice-Chair

Assembly Member Nancy Skinner

Assembly Member Holly J. Mitchell

Assembly Member Jeff Gorell

It's important to note here that Assembly Member Gorell is a UC Davis alumni.

Conference committee is scheduled to meet the last day in May and the entire first week of June. The specifics of their meeting schedule are below:

**Budget Conference Committee Tentative Schedule**

May 31, 2013 - 1:00 p.m. - or Upon Call of the Chair - Room 4203

June 3, 2013 - 12:30 p.m. - or Upon Call of the Chair - Room 4203

June 4, 2013 - Upon Call of the Chair - Room 4203

June 5, 2013 - Upon Call of the Chair - Room 4203

June 6, 2013 - Upon Call of the Chair - Room 4203

June 7, 2013 - Upon Call of the Chair - Room 4203

**Update on Key State Legislation**

The last week in May is floor deadline week, where bills are heard in their respective houses of origin and if successful move on to the other house. Below is a list of bills that passed out of their floors and are of significance to UC and UC Davis. For the status of other state legislation of interest to UC, please go to the following link, or contact Adrian Lopez ([adnlopez@ucdavis.edu](mailto:adnlopez@ucdavis.edu)):

<http://www.ucop.edu/state/legislation/search.php?results=1&q=&t=all&s=&p=5&l=5>

- On Tuesday, May 28, SB 21 (Roth) passed off the Senate floor. The bill would appropriate \$15 million in new state funding from the General Fund to UC for the School of Medicine at the University of California, Riverside (UCR). The University has a Support position on the bill.
- On Wednesday, May 29, AB 27 (Medina) passed off the Assembly floor. The bill would appropriate \$15M from the General Fund to UC for allocation to the School of Medicine at UC Riverside. The University has a Support position on the bill.
- On Thursday, May 30, AB 609 (Nestande) passed off the Assembly Floor. The bill would enact the California Taxpayer Access to Publicly Funded Research Act. The University has a Support position on the bill. The bill is now headed to the Senate.
- On Thursday, May 30, AB 1348 (Perez J) passed off the Assembly Floor. The bill would establish a new California Higher Education Authority to replace the California Postsecondary Education Commission (CPEC). The University has a Concern –Seek Amendments position on the bill. The bill is now headed to the Senate.
- On Thursday, May 30, SB 520 (Steinberg) passed off the Senate floor. The bill establishes the California Online Student Access Incentive Grant programs as three separate programs under the administration of UC, the California State University, and the California Community Colleges. The University has an Oppose position on the bill. The bill is now headed to the Assembly.

**UC Regents Advocacy Day**

The Regents and the University of California Student Association organized two days of joint advocacy in Sacramento May 14 and 15. Students accompanied by regents visited nearly 50 legislative offices during

the two-day event, which coincided with the Board of Regents meeting at the Sacramento Convention Center. UC Regents and students teamed up to convince California legislators to support additional UC funding in the 2013-14 state budget. UC Davis Government and Community Relations staff assisted during the two day event, staffing ASUCD students and regents for their meetings, as well the reception on May 14<sup>th</sup>.

**Upcoming State Government Relations Events and Key Dates**

- June 4<sup>th</sup> – Graduate Research Advocacy 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](mailto:adnlopez@ucdavis.edu) or by phone at (530) 752-9795.