



UC Davis State Government Relations Update January 2019

Adrian Lopez
Director, State Government Relations

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Governor's Inauguration

On January 7, 2019 Gavin Newsom was sworn in as California's 40th Governor. An archive video of his inauguration ceremony is available on the California Channel's website (www.calchannel.com/video-on-demand/).

Legislature Reconvenes and Leadership Announced

The legislature also reconvened on January 7th with the Assembly and the Senate both holding brief floor sessions. For the 2019 legislative year the following legislators will serve in leadership roles;

Senate Leadership Positions

Senator Robert M. Hertzberg (D-Los Angeles), Senate Majority Leader.

Senator Mike McGuire (D-Healdsburg), Assistant Majority Leader.

Senator Nancy Skinner (D-Berkeley), Majority Whip.

Senator Maria Elena Durazo (D-Los Angeles) and Senator Scott D. Wiener (D-San Francisco), Assistant Majority Whips.

Senator Connie M. Leyva (D-Chino), Democratic Caucus Chair.

Assembly Leadership Positions

Speaker pro Tempore: Assemblymember Kevin Mullin

Assistant Speaker pro Tempore: Assemblymember Rebecca Bauer-Kahan

Majority Leader: Assemblymember Ian Calderon

Assistant Majority Leader: Assemblymember Rob Bonta
Assistant Majority Leader for Policy and Research: Assemblymember Al Muratsuchi
Majority Whip: Assemblymember Todd Gloria
Assistant Majority Whip: Assemblymember Tasha Boerner Horvath
Assistant Majority Whip: Assemblymember Jesse Gabriel
Democratic Caucus Chair: Assemblymember Mike Gipson

Governor's January Budget Proposal

Governor Newsom released his initial budget proposal for the 2019-20 fiscal year on January 10th. Below is a summary of the key points and a description of the provisions that affect the University.

Total Budget

Governor Newsom's budget proposes \$144.1B in State General Fund expenditures. The proposed budget assumes that the economy will continue to grow by 3.2 percent annually for the next three years. The 2019-20 budget plan places a total of \$1.8B into the State's "rainy day" reserves, bringing the State's reserves to \$15.3 billion.

University of California

The proposed budget includes a total of \$3.868B in State General Fund support for the University. This amount is a \$240 million increase in ongoing funding and \$153 million in one-time funding, contingent on no tuition increase in 2019-20. The proposed budget provides the University with \$240 million, or a 6.9% increase, in ongoing funding over the 2018-19 level, bringing total ongoing funding to \$3.715B. The University also received \$153 million in one-time funds.

The \$240 million increase in permanent funding is intended for the University to achieve the following elements of the 2019-20 Budget Plan approved by the Regents in November:

- \$119.8 million for mandatory cost increases, which the University's Budget Plan identified as \$20.2 million for retirement contributions, \$21.2 million for employee health benefits, \$7 million for retiree health benefits, \$30.4 million for contractually committed compensation, and \$41 million for non-salary price increases
- \$49.9 million for degree attainment and student success
- \$5.3 million for student mental health care
- \$15 million for financial aid directed at student basic needs
- \$10 million to support 1,000 new students enrolled in Fall 2018 (these funds were provided as one-time funds in the Budget Act of 2018)
- \$40 million to permanently restore a prior cut in State General Funds for Graduate Medical Education (GME), which will allow Proposition 56 revenues to be used to support GME programs throughout the state (Prop 56 revenues are projected to decrease, which will leave \$36.5 million for this purpose in 2019-20).

The \$153 million in one-time funding consists of the following:

- \$138 million for deferred maintenance, which is more than the \$100 million reflected in the University's 2019-20 budget plan.

- \$15 million for degree completion efforts through UC Extension. These funds were provided as part of Governor Newsom’s plan to address the State’s workforce preparedness gap.

Other One-Time Funds of interest to UC

- Unspecified amount for precision medicine through OPR (stated by DOF)
- \$10 million for innovation awards to address poverty in the Inland Empire and San Joaquin Valley

Other Higher Education Interests

- Provides \$562 million for CSU, of which \$300 million is ongoing
- Fully funds Prop 98 for K-12 and Community Colleges
- Creates a new longitudinal data collection system to track students from pre-K to post-university workforce success.
- \$9.6 million ongoing for CSAC for 4,250 new competitive Cal Grant awards
- \$121.6 million to enhance Cal Grant access awards for UC, CSU and CCC students who are parents of dependent children. DOF estimates that 750 students at UC will qualify and will receive up to \$6,000 per year of additional aid
- \$5 million for a student loan awareness campaign

The Governor’s Budget Summary can be found here:

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

High Priority Legislation

Below is a list of bills that have recently been introduced and that impact the University;

AB 4 (Arambula) extends eligibility for full-scope Medi-Cal benefits to individuals of all ages, if otherwise eligible for those benefits, but for their immigration status. UC Health impact.

AB 12 (Irwin) - Spot Bill. Expresses the intent of the Legislature to enact legislation relating to gun violence and mental health.

AB 13 (Eggman, Grayson & Weber) enacts the Higher Education Facilities Bond Act of 2020 to authorize \$7 billion for construction and remodeling of UC, UC Hastings, and CSU facilities. AB 2771 from 2018, by Eggman, Grayson, Weber and Lackey died on the inactive file. The Department of Finance opposed AB 2771 and the University took no position due to concerns that language opens the door to funding new campuses. AB 13 would provide \$2 billion to UC, \$2 billion to CSU and \$3 billion for “the construction of new CSU campuses” established by statute after January 1, 2021.

AB 26 (Rodriguez) requires an emergency ambulance provider to provide each emergency ambulance employee, who drives or rides in the ambulance, with body armor and safety equipment to wear during the employee's work shift. UC Health impact.

AB 30 (Holden) makes changes to the College and Career Access Pathways partnerships.

AB 48 (O'Donnell) - Spot Bill. Expresses legislative intent to enact the Kindergarten-Community Colleges Public Education Facilities Bond Acts of 2020 and 2022, state general obligation bond acts that would provide funds to construct and modernize education facilities.

AB 59 (Kalra) expresses legislative intent to enact legislation that would make a polling place or vote center available on every college and university campus in the state.

AB 130 (Low & Eggman) CPEC 2.0. Establishes the Office of Higher Education Performance and Accountability as the statewide postsecondary education coordination and planning entity. Since the 2011 defunding of CPEC, numerous variations of Higher Ed accountability legislation have been introduced over the years and all have either been held by the Legislature or vetoed. The most recent was last year's AB 1936 (Low & Eggman) which was held in the Assembly Appropriations Committee.

AB 140 (Cervantes) establishes the California Kickstart My Future Loan Forgiveness Program. The bill is a reintroduction of AB 1767 from last year.

AB 154 (Voepel) requires CSU and UC, as a condition of receipt of funds appropriated for purposes of the bill's provisions, to each select a campus of their respective system to establish a pilot program for participating students to enter into an income share agreement with the campus.

SB 2 (Glazer, Allen & Wilk) Spot Bill. Expresses legislative intent to establish the Statewide Longitudinal Student Database to collect and store data on students matriculating through P-20 education and into the workforce. SB 1224 from 2018, by Glazer, Allen, and Portantino was held in the Senate Appropriations Committee.

SB 3 (Allen & Glazer) CPEC 2.0. Establishes the Office of Higher Education Coordination, Accountability, and Performance. See AB 130.

SB 14 (Glazer, Allen & Wilk) enacts the Higher Education Facilities Bond Act of 2020 for the issuance of up to \$2 billion each for UC/Hastings and CSU. SB 1225 from 2018, by Glazer, Allen and Arambula died on the Assembly inactive file. UC and CSU supported that bill. The Department of Finance opposed.

SB 24 (Leyva) requires each student health care services clinic on a UC or CSU campus to offer abortion by medication techniques. The bill is a reintroduction of SB 320 from last year. UC has concerns with mandate and cost. The bill was vetoed by the Governor.

SB 29 (Lara) extends eligibility for full-scope Medi-Cal to individuals of all ages who are otherwise eligible but for their immigration status. UC Health impact.

Upcoming State Government Relations Events and Key Dates

Jan. 21 Martin Luther King, Jr. Day.

Jan. 25 Last day to submit **bill requests** to the Office of Legislative Counsel.

Feb. 18 Presidents' Day.

Feb. 22 Last day for bills to be **introduced**.

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.