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Budget Update

On June 27th Governor Brown signed SB 840, The Budget Act of 2018. Below are the specifics as they pertain to the University of California.

Overall Budget: $201.4 billion in expenditures, composed of $138.7 billion in General fund, $58.5 billion in Special funds, and $4.2 billion in Bond funds. Fully funds the rainy day reserve.

In total, the University of California received new permanent funding of $98.1 million over 2017-18 levels and $248.8 million in temporary one-time funding. The breakdown of these funds is listed below.

Permanent Funding: Total $98.1 million

I. 2.7% base budget increase of $92.1 million (3% increase on non-UCOP/UCPath funds)
II. $5 million to support 500 new California undergraduates in 2018-19
III. $1 million to support the Institute on Global Conflict and Cooperation

Temporary One-Time Funding: Total $248.8 million

I. Instructional Funds: $107 million one-time
   - UC will receive $105 million in one-time funds instead of the $105 million in permanent funds that UC requested for 2018-19. The Conference Committee did not specify which components of UC’s ask were reflected in these funds, but our request had been:
     ✓ $70 million in lieu of a Tuition and Student Services Fee increase in 2018-19
     ✓ $25 million to support currently enrolled students
     ✓ $10 million for new 2018-19 enrollment growth
   - $2 million in one-time funding for equal opportunity employment on campuses to increase faculty diversity

II. Campus Life and Student Wellbeing: $6.7 million one-time
   - $1.2 million one-time for anti-bias training at UC and CSU, with UC operating the CSU contract
• $1.5 million one-time to support campus efforts to address student hunger and basic needs
• $4 million one-time for legal services for undocumented and immigrant students, faculty, & staff
• Trailer bill language requiring campuses to report on uses of hunger-free campus funding and outcomes related to efforts to address student hunger and basic needs
• Trailer bill language creating a statewide working group that includes state social services providers and the three public higher education segments to improve coordination around student benefits
• Trailer bill language amending current legislative reports about student financial aid

III. Deferred Maintenance: $35 million one-time
• $35 million one-time

IV. Health: $55 million one-time
• $40 million one-time for Graduate Medical Education
• $15 million one-time for telepsychiatric services at a medical school that is not part of a medical center

V. Research Funds: $15.5 million one-time
• $12 million for Jordan’s Syndrome research
• $3 million for Valley Fever research
• $500K for UC Davis CalSurv mosquito surveillance system
• Continuous appropriation of Proposition 56 funds

VI. Other: $29.6 million one-time
• $25 million for UC Berkeley to address the campus’s operating deficit
• $2.8 million for UC Davis Aggie Square planning costs
• $1.8 million for UCLA Ralph J Bunche Center for African American Studies

Other Actions and Outcomes
• $8.55 million redirected from UCOP and systemwide programs to the campuses to support 2018-19 enrollment growth, per the University’s proposal
• $10 million restored to UC’s General Fund appropriation, offset by a $10 million decrease in Proposition 56 funds for Graduate Medical Education
• Maintained separate line-item appropriations for UCOP and UCPath
• Created a separate budget line item for Agriculture and Natural Resources as part of the UC Office of the President Budget
• Included budget bill language allowing a partial assessment for UC Path for up to $15.3 million above 2017-18 levels
• Supplemental Reporting Language expected to require UC to develop a plan to reduce nonresident enrollment to 10% of every freshman class beginning 2029-30
• Trailer bill language requiring annual reporting on UCOP initiatives (AB 1809)
• Rejected onerous new reporting requirements regarding service contract employees
• Rejected funding proposals for miscellaneous research programs (opioid use, sugar, gun violence) that had been previously approved in budget subcommittees
Funding for Other State Agencies Relevant to UC

- $18 million from Greenhouse Gas Reduction Fund for grants through the Strategic Growth Council. UC is named as an eligible applicant. (See trailer bill SB 856)
- $30 million for precision medicine through the Governor’s Office of Planning and Research
- $15 million in grants through the Office of Emergency Services. UC is an eligible applicant.
- $4 million in matching grants for the UC Natural Reserve System through the Wildlife Conservation Board
- $1 million for either UC Davis Medical School or UC Irvine Medical School scholarships for primary care or emergency physicians through the Office of Statewide Health Planning and Development
- $150,000 to the UC Berkeley Underground Scholars program through the Board of State and Local Corrections

University of California Funding from Special Funds

- $10.628 million for breast cancer research from Breast Cancer Fund
- $1 million for the Pacific Earthquake Engineering Research Center from the State Transportation Fund
- $980K for the Institutes of Transportation Studies from the State Transportation Fund
- $7.407 million for research from the Cigarette and Tobacco Products Surtax Fund
- $2.5 million for the Oiled Wildlife Care Network from the Oil Spill Prevention and Administration Fund
- $3.5 million for GEAR UP from the Federal Trust Fund
- $178K from the California Breast Cancer Research Fund
- $2.5 million from the Umbilical Cord Blood Collection Program Fund
- $2 million from the Health Care Benefits Fund
- $5 million from the Road Maintenance and Rehabilitation Account
- $425K from the California Cancer Research Fund
- $250K for support from the Type 1 Diabetes Research Fund

Relevant Trailer Bills

I. AB 1809 – Higher Education Trailer Bill
   - Requires campuses to report on uses of hunger-free campus funding and outcomes related to efforts to address student hunger and basic needs
   - Creates a statewide working group that includes state social services providers and the three public higher education segments to improve coordination around student benefits
   - Amends current legislative reports about student financial aid
   - Requires annual reporting on UCOP initiatives

II. SB 856 – Supplemental Appropriations Trailer Bill o Appropriates Greenhouse Gas Reduction Funds

III. SB 866 – Employment Trailer Bill
   - Creates changes to how UC can communicate with employees in an employee organization
• Creates changes to verification of employee agreement to pay union dues

IV. **SB 849** – Medi-Cal Trailer Bill
   o Establishes the Medi-Cal Physicians and Dentists Loan Repayment Act Program, which will be developed by the State Department of Health Care Services to provide loan assistance payments to qualifying, recent graduate physicians and dentists that serve beneficiaries of Medi-Cal and other specified health care programs using moneys from the Healthcare Treatment Fund.

V. **AB 1810** – Health Trailer Bill
   o Increases the annual maximum loan to Medi-Cal from $1B to $2B
   • Creates the Council on Health Care Delivery Systems as an independent body tasked with developing a plan for a single-payer health care system in California
   • Allows the Department of Public Health to assess a supplemental license fee on health facilities located in Los Angeles County
   • Expands the existing Black Infant Health Program
   • Makes changes to the licensing of community treatment facilities
   • States the intent to establish the Health Care Cost Transparency Database, and requires certain health care entities, including health care service plans, to provide specified information to the office for collection in the database.
   • Changes the participant requirements for the Diabetes Prevention Program

**Actions on UC Tracked Bills**

**AB 1037 (Limon)** was sent to the Senate Appropriations Committee suspense file. The bill would establish the Cal Grant B Service Incentive Grant Program. The University has a Watch position on the bill.

**AB 1895 (Calderon)** was sent to the Senate Appropriations Committee suspense file. The bill would require a CSU or UC campus participating in the DREAM Loan Program to adopt procedures for a borrower to select an income-based repayment plan for the repayment of a DREAM loan. The University’s position on the bill is pending.

**AB 1937 (Santiago)** passed out of the Senate Public Employment and Retirement Committee. The bill would expand certain authorizations and requirements currently applicable to state employees and CSU to apply also to UC, and authorizes an employee organization to request payroll deductions. The University’s position on the bill is pending.

**AB 2017 (Chiu)** passed out of the Senate Public Employment and Retirement Committee. The bill would prohibit a public employer from deterring or discouraging prospective public employees from becoming or remaining members of an employee organization. The University’s position on the bill is pending.

**AB 2311 (Arambula)** passed out of the Senate Appropriations Committee. Sponsored by UC, the bill would remove the repeal date of the UCLA International Medical Graduate (IMG) Program.

**AB 2554 (Bonta)** passed out of the Senate Appropriations Committee. The bill would specify that the surviving child or spouse of a firefighter employed by the federal government whose duty assignment involved the performance of firefighting services in CA be eligible for exemption from mandatory systemwide tuition and fees from CCC, CSU and UC. The University has a Neutral position on the bill.
AB 2990 (Low) passed out of the Senate Appropriations Committee. The bill would require CSU, CCC, and UC, if the regents adopt a resolution, to provide an online posting/notice of systemwide fee/tuition waivers for students who are surviving spouses or children of a public employee involved in law enforcement or fire prevention who died as a result of their duties. The University has a Neutral position on the bill.

AB 3255 (Asm Hi Ed Cmte) passed out of the Senate Appropriations Committee. The bill is the higher education omnibus bill. The University’s position on the bill is pending.

SB 1335 (Allen) passed out of the Assembly Natural Resources Committee. The bill would enact the Sustainable Packaging for the State of California Act of 2018. The University’s position on the bill is pending.

AB 1894 (Weber) passed out of the Senate Health Services Committee. The bill would require an approved on-campus qualifying food facility that participates in the Restaurant Meals Program (RMP) pursuant to the bill to meet all of the requirements for participation in that program.

AB 1896 (Cervantes) passed out of the Senate Judiciary Committee. The bill would include within the definition of sexual assault counselor, a person who is engaged in a program on the campus of a public or private institution of higher education, with the same primary purpose of rendering advice or assistance to victims of sexual assault and the same qualifications. The University’s position on the bill is pending.

AB 2371 (Carrillo) passed out of the Senate Natural Resources Committee. The bill would Requires the Department of Water Resources to collaborate with UC ANR to update the Water Use Classification of Landscape Species publication, and encourages UC ANR to provide additional information for each type of plant listed in the database. The University’s position on the bill is pending.

AB 2747 (Holden) passed out of the Senate Judiciary Committee. The bill would authorize institutions of higher education to establish a degree completion fund under the Student Athlete Bill of Rights, and to prepare notices containing pertinent data regarding student athletes rights, and procedures for filing complaints. The University has a Support if Amended position on the bill.

AB 2722 (Medina) passed out of the Senate Veterans Affairs Committee. The bill would allow the California Military Department GI Bill Award to be used to obtain one baccalaureate, graduate, or doctoral degree or a certificate, degree, or diploma that leads to a baccalaureate, graduate, or doctoral degree for serving 2 years in the California National Guard, the Naval Militia, or the California State Military Reserve. The University’s position on the bill is pending.

AB 2894 (Gloria) passed out of the Senate Veterans Affairs Committee. The bill would allow enrolled students of any of the 5 postsecondary education segments of who are called to active military duty during an academic term, to have the option to: choose to withdraw retroactively to the beginning of the term if at least 75% of the term has been completed; choose to request that faculty assign a grade for the course based on the work completed; or - if faculty assigns a grade of Incomplete - to complete the course requirements in a minimum of 2 weeks after returning. The University’s position on the bill is pending.
**AB 2989 (Flora)** passed out of the Senate Transportation and Housing Committee. The bill would authorize transit development boards and public agencies, including UC and CSU, to adopt ordinances, rules, and regulations for the use of standup electric scooters. The University’s position on the bill is pending.

**SB 183 (Lara)** passed out of the Assembly Public Safety Committee. The bill would prohibit federal immigration enforcement agents, officers, or personnel from entering a building owned, leased, or occupied by the state, a public school, or a CCC campus to perform surveillance, make an arrest, or question an individual therein, without a valid federal warrant, and limits their activities therein with a warrant to the individual who is the subject of the warrant. The University’s position on the bill is pending.

**SB 320 (Leyva)** passed out of the Assembly Higher Education Committee. The bill would require each public university student health center to offer abortion by medication techniques. The University’s position on the bill is pending. SGR Legislative Director Angela Gilliard represented the University on the bill.

**SB 691 (Lara)** passed out of the Assembly Judiciary Committee. The bill would add immigration status to the list of covered classes of people afforded equal rights and opportunities in higher education institutions. The University’s position on the bill is pending.

**SB 937 (Wiener)** passed out of the Assembly Business and Professions Committee. The bill would require an employer to respond to employee lactation accommodation requests within five days, submit a written response when unable to provide a break time or location per policy, and maintain records of such requests. The University has a Neutral position on the bill.

**SB 1125 (Atkins)** passed out of the Assembly Health Committee. The bill would expand authorization for reimbursement of federally qualified health center and rural health clinic services, for up to 2 visits on the same day at a single location for patients under specified conditions. The University’s position on the bill is pending.

**SB 1152 (Hernandez)** passed out of the Assembly Health Committee. The bill would require each hospital to include within the hospital discharge policy, a written homeless patient discharge planning policy. The University’s position on the bill is pending.

**SB 1186 (Hill)** passed out of the Assembly Privacy and Consumer Protection Committee. The bill would require law enforcement to submit a proposed Surveillance Use Policy to its governing body and to cease using surveillance technology within 30 days if the plan is not adopted. The University has an Amend position on the bill.

**SB 1225 (Glazer)** passed out of the Assembly Higher Education Committee. The bill would enact the Higher Education Facilities Bond Act of 2018 for a $2B GO bond for UC, and requires funding requests to be accompanied by the University’s 5-year capital outlay plan and a prioritized seismic retrofitting schedule. SGR Legislative Director Jason Murphy testified in Support of the bill.

**SB 1238 (Roth)** passed out of the Assembly Health Committee. The bill would require certain health care providers to notify patients regarding retention and destruction of their medical records. The University has a Cost position on the bill.
SB 1254 (Stone) passed out of the Assembly Health Committee. The bill would require a pharmacist at a hospital pharmacy to obtain an accurate medication profile for each high-risk patient upon admission and discharge of the patient. The University’s position on the bill is pending.

SB 1300 (Jackson) passed out of the Assembly Judiciary Committee. The bill would require employers to provide employees 2 hours of sexual harassment and bystander intervention training and information on how to report harassment and make a complaint. The University’s position on the bill is pending.

SB 1406 (Hill) passed out of the Assembly Higher Education Committee. The bill would require that a student participating in a baccalaureate degree pilot program commence the program by the beginning of the 2022-23 academic year, and extends the inoperative and repeal dates for authorization to establish pilot baccalaureate degree programs by 3 years. The University’s position on the bill is pending.

SB 1421 (Skinner) passed out of the Assembly Public Safety Committee. The bill would require certain peace officer personnel records and records relating to specified incidents, complaints, and investigations involving peace officers to be available for public inspection pursuant to the Public Records Act. The University’s position on the bill is pending.

For a complete list of bills the University is tracking please go to the following link; Legislation Impacting UC

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

- **July 4** Independence Day.
- **July 6** Last day for policy committees to meet and report bills. Summer Recess begins on adjournment.
- **Aug. 6** Legislature reconvenes from Summer Recess.
- **Aug. 17** Last day for fiscal committees to meet and report bills.
- **Aug. 20-31** Floor session only. No committee may meet for any purpose except Rules Committee.
- **Aug. 24** Last day to amend on Floor.
- **Aug. 31** Last day for each house to pass bills.
- **Sept. 30** Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor’s possession on or after Sept. 1.
- **Oct. 1** Bills enacted on or before this date take effect January 1, 2019.
- **Nov. 6** General Election.
- **Nov. 30** Adjournment sine die at midnight.
- **Dec. 3** 2019-20 Regular Session convenes for Organizational Session at 12 noon.
- **Jan. 1** Statutes take effect.

**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.