



UC Davis State Government Relations Update January 2022

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2022-23 State Budget Proposal

On January 10th Governor Newsom released his 2022-23 January Budget Proposal. Below is a summary of the key points and a description of the provisions that affect the University.

Total Budget

Governor Newsom 2022-23 budget proposal provides \$213.1 billion in State General Fund expenditures. The budget assumes a State revenue surplus of \$47.5 billion, of which \$20.6 billion will be allocated to State operations, with \$16.3 billion provided to K-12. This budget proposes a total State reserve level of \$34.6 billion.

University of California

The proposed budget includes a total of \$4.6 billion in State General Fund support for the University of California. The Governor's proposed budget provides the University with \$307.3 million, or a 7.7%, increase in ongoing funding over the 2021-22 level, bringing total ongoing funding to \$4.32 billion. The University is also provided with \$295 million in one-time funds. The Regents' Budget Plan had requested a base-budget increase of \$422.1 million and one-time funds of \$609 million.

The Governor's budget reflects the first year of a multi-year Compact with the University for sustained ongoing funding. The multi-year Compact will provide UC with annual 5% base budget adjustments through 2026-27, as long as progress is made towards specified policy goals. Please see below for a detailed list of these policy goals.

The proposed budget calls for an enrollment increase of 6,230 California undergraduate FTE. Note that the proposed growth is substantially higher than the growth of 2,000 FTE reflected in the budget plan approved by the Regents for 2022-23.

Ongoing Investments (Total \$307.3 million):

1. \$200.5 million for 5% base budget increase for operations.
2. \$67.8 million for an enrollment increase of 6,230 California undergraduate FTE.
3. \$31 million for a reduction of 902 nonresident undergraduates at UC Berkeley, UC Los Angeles and UC San Diego combined; and enrolling an equivalent number California undergraduates at those three campuses.
4. \$6 million to increase support for former foster youth students.
5. \$2 million to support research conducted by the California Firearm Violence Research Center at UC Davis.
6. Technical adjustment not included in the total above – a \$582,000 reduction to State General Fund backfill to the Proposition 56 GME program to maintain a total appropriation of \$40 million.

One-Time Investments (\$295 million):

1. \$185 million for UC climate resiliency efforts, including:
 - a. \$100 million for climate action research seed and matching grants available to researchers from the UC system and other institutions.
 - b. \$50 million for regional climate innovation incubators.
 - c. \$35 million to establish climate workforce development and training hubs.
2. \$100 million for deferred maintenance and energy efficiency projects at UC campuses.
3. \$10 million for the University of California San Francisco Dyslexia Center.

Multi-Year Compact Policy Requirements:

For more information about the multi-year Compact requirements, please see the Governor’s budget summary [here](#). Please note that the budget bill language related to these requirements will be released as part of the May Revision, available mid-May 2022.

The multi-year Compact outlines the following policy expectations:

Increasing access to the UC:

1. Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 7,000 additional full-time equivalent students), with a significant portion of the new enrollment growth occurring at the following campuses—UC Berkeley, UC Los Angeles, and UC San Diego.
2. Maintaining UC’s existing systemwide goal to enroll one new California resident transfer student for every two new California resident freshmen.
3. Increasing graduate student enrollment by roughly 2,500 full-time equivalent students.

Improving student success and advancing equity:

4. Improving systemwide undergraduate graduation rates, including an increase to 76 percent for the four-year freshman graduation rate and 70 percent for the two-year transfer graduation rate.
5. Eliminating gaps between overall four-year freshman graduation rates and those of underrepresented students by 2030, with a goal of reducing the gap by half by the end of the 2025-26 academic year.

Increasing the affordability of a UC education:

6. Working to offer every UC undergraduate a pathway for debt-free education by 2030, with a goal to offer debt-free pathways to half of undergraduates by the 2025-26 academic year.
7. Setting goals for each campus to eliminate textbook costs for all lower-division undergraduate courses and a substantial portion of upper division and graduate courses.
8. Setting aside 45 percent of new revenue generated from undergraduate tuition and systemwide fee increases for financial aid.
9. Including student housing as part of ongoing capital campaigns.

Increasing intersegmental collaboration to benefit students:

10. Fully participating in the implementation of the Cradle-to-Career Data System.
11. Supporting efforts for UC undergraduate campuses to adopt a common intersegmental learning management system.
12. Collaborating with the CSU and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
13. Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.

Supporting workforce preparedness and high-demand career pipelines:

14. Increasing the number of students graduating with degrees or credentials in STEM, and Education or Early Education disciplines, and academic doctoral degrees, by 25 percent by 2026-27. The goal is to support high-demand career pipelines for technology, climate action, healthcare, and education.
15. Collaborating with the CCCs to develop technology, educator, healthcare, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields.
16. Collaborating with the CCCs to develop expanded pathways for high school students in the technology, education, healthcare, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and apply toward UC degree programs.
17. Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service

learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.

Providing access to online course offerings:

18. Doubling the number of student credit hours generated through undergraduate online courses compared to a pre-pandemic baseline by 2030.

Other Higher Education Budget Items of Interest:

1. Provides \$750 million one-time for the affordable student housing grant program. Twenty percent, or \$150 million, of this amount is reserved for UC campuses. This is the second year of funding for this program. The program was established by SB 169, Budget Trailer of 2021.
2. Provides \$300 million one-time for the Learning Aligned Employment program administered by the California Student Aid Commission.
3. Provides \$632 million ongoing for the Middle Class Scholarship program, an increase of \$515 million over 2021-22 to fund the program expansion.
4. Provides \$10 million one-time for the Department of Financial Protection and Innovation to work with student loan borrowers.
5. Modifies the Cal Grant B California Dream Act Service Incentive Grant Program (DSIG) to increase the hourly minimum wage to \$15/hr from \$10/hr, and to annually deposit unused allocations to the Dream Loan Program. Budget trailer bill not yet in print.
6. Funding for the Office of Policy and Research (OPR) of interest to UC:
 - a. \$30 million one-time for Golden State Award Grants through the California Learning Lab. UC faculty are eligible to apply for these grants.
 - b. \$20 million one-time for the Carnegie Science research hub.
 - c. \$3 million one-time for the California Learning Lab, of which amount \$1 million is for a grant to develop culturally responsive chemistry course.
7. The Governor proposes a multi-year Roadmap with California Community Colleges for policy goals and expectations.
8. The Governor proposes a multi-year Compact with CSU that includes budget adjustments and policy goals similar to the agreement with UC. This agreement provides CSU with \$304.1 million in incremental ongoing funds to CSU, which includes \$211.1 million for operating budget growth.
9. Fully funds Prop 98 for K-12 and California Community Colleges.

Health Budget Items of Interest:

1. The Governor's budget does not include direct funding for the Regents health budget request items, which were \$4 million ongoing for the Cancer Consortium and \$9 million for psychiatric mental health nurse practitioners.
2. The Governor's budget does include \$1.7 billion for Care Economy Workforce Investments, including training 25,000 new community health workers and psychiatric providers. This investment includes \$120 million for psychiatric resident training positions.

3. The Governor proposes to work with the public hospital system in 2022-23 to reform Medi-Cal payments for public hospitals. The Governor's budget summary document does not specify the investment amount for this effort.
4. The Governor's budget includes \$2.8 billion (of which \$982.6 million is State General Fund) for California Advancing and Innovating Medi-Cal (CalAIM) in 2022-23. The proposed budget includes a commitment for an additional \$2.4 billion in 2023-24 and \$1.6 billion in 2024-25 for CalAIM implementation.
5. The Governor's budget proposes \$2.7 billion COVID emergency response package, of which amount \$1.4 billion is an emergency appropriations request for 2021-22 funding. The emergency response package includes the following:
 - a. \$1.2 billion to bolster testing, including expanded hours and capacity at testing sites, distributing millions of COVID-19 antigen tests, supporting the State's testing facilities, and supporting State departments in testing staff and congregate populations.
 - b. \$583 million for vaccinations, booster shots, and combatting misinformation as part of the "Vaccinate all 58" campaign, community outreach, in-home vaccination and testing programs, and free transportation to vaccination appointments.
 - c. \$614 million to support frontline workers and health care systems through support and distribution of critical personnel resources for health care systems.
 - d. \$200 million to support State response operations.
 - e. \$110 million to support vulnerable populations and bolster contact tracing efforts.
6. Note: the multi-year Compact includes graduate student enrollment funding between 2023-24 and 2026-27 that will be available to medical professional programs as well as other campus graduate programs.

Actions on UC Tracked Legislation

AB 288 (Calderon) passed off of the Assembly Floor. The bill enacts the California Ban on Scholarship Displacement Act of 2021, which would prohibit public and private institutions of higher education in the state that receives, or benefits from, state-funded financial assistance or enrolls students who receive state-funded student financial assistance, from reducing certain students' institution-based financial aid offer below their financial need. The University's position on the bill is pending.

AB 295 (Jones-Sawyer) passed off of the Assembly Floor. The bill establishes a working group consisting of representatives from CCC, CSU, UC, the State Department of Education, and faculty, staff and students from CCC, CSU, and UC to consider the creation of a pilot program that would cover the cost of attending postsecondary education in the state by replacing the system of charging students tuition, fees, and additional expenses for enrollment at a public postsecondary institution. The University's position on the bill is pending.

AB 524 (Rodriguez) passed off of the Assembly Floor. The bill establishes the Campus-Recognized Sorority and Fraternity Transparency Act, which would require each institution of higher education to include in the institution's requirements for campus recognition of a campus-recognized sorority or

fraternity a requirement that the institution collect from the sorority or fraternity on or before July 1, 2023, and annually thereafter, specified information concerning the sorority's or fraternity's members and their conduct. The University's position on the bill is pending.

AB 595 (Medina) passed out of the Assembly Appropriations Committee. The bill requires CSU and requests UC, before making any change in undergraduate student eligibility policy that adds new eligibility requirements, as described, that impact students across its segment, to engage in public discussions with and coordinate with other educational segments that will be impacted by the policy to understand the impacts of the policy in order to try to align preparation and their respective student eligibility policies. The University's position on the bill is pending.

AB 1118 (Low) was held in the Assembly Appropriations Committee. The bill requires all California-based postsecondary educational institutions with endowment funds where the ratio of endowment dollars to enrolled students exceeds 200,000 to 1, or where the total endowment exceeds \$1 billion, to report designated information annually to the Legislature on their respective college endowment funds. The University's position on the bill is pending.

AB 1400 (Kalra) passed out of the Assembly Appropriations Committee. The bill creates the California Guaranteed Health Care for All program (CalCare) to provide comprehensive universal single-payer health care coverage and a health care cost control system for all residents of the state. The University's position on the bill is pending.

AB 1467 (Cervantes) passed off of the Assembly Floor. The bill requires sexual assault counselors to be independent of the campus Title IX office and to be appointed based on experience and a demonstrated ability to effectively provide sexual violence victim services and response. The University's position on the bill is pending.

SB 213 (Cortese) passed off of the Senate Floor. The bill establishes a rebuttable presumption for hospital employees who provide direct patient care in an acute care hospital covering infectious diseases, musculoskeletal injuries, cancer caused by exposure to known or suspected carcinogens, respiratory diseases, and post-traumatic stress disorder. The University has an Oppose position on the bill.

SB 641 (Skinner) passed off the Senate Floor. The bill enacts the CalFresh for College Students Act to report, in consultation with UC, CSU, CCC, and the Student Aid Commission, the estimated number and costs of public postsecondary students eligible for and receiving CalFresh benefits, and to convene a workgroup to establish a CalFresh application submission process. The University's position on the bill is pending.

SCA 5 (Glazer) was adopted by the Senate. The constitutional amendment requires the UC Regents to appoint two students enrolled at a campus of the University for each regular academic term during their service as members of the board. The University's position on the measure is pending.

Upcoming State Government Relations Deadlines, Events and Key Dates

January 31st is the last day for each house to pass bills introduced in that house in the odd-numbered year.

On **February 1st** at 9:00 am in State Capitol Room 3191 the Senate Budget and Fiscal Review Subcommittee No. 1 on Education will have a hearing on the California Student Aid Commission (CSAC).

On **February 9th** at 9:00 am in State Capitol Room 3191 the Senate Budget and Fiscal Review Subcommittee No. 1 on Education will have a hearing on the University of California.

On **February 14th** the Assembly Budget Subcommittee No. 2 on Education Finance: Higher Education will have a hearing on the University of California budget. The hearing will be held upon adjournment of Session that day in State Capitol Room 444.

February 18th is the last day for bills to be introduced.

February 21st Presidents' Day is observed.

On **February 23rd** at 9:00 am in State Capitol Room 319 the Senate Budget and Fiscal Review Subcommittee No. 1 on Education will have a hearing focusing on the University of California, UC Hastings College of the Law and CSAC.

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, Senior Director of Government Relations. He can be reached at adnlopez@ucdavis.edu or by phone at (530) 752-9795.