



UC Davis State Government Relations Update January 2024

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Actions on UC Tracked Bills

AB 810 (Friedman) - Postsecondary Education Hiring Practices passed out of the Assembly Higher Education Committee. The bill requests UC and requires CSU, CCC and independent institutions of higher education that receive state financial assistance, as part of the hiring process for an appointment to an academic, athletic, or administrative position, to have an applicant sign a release form that authorizes, in the event the applicant reaches the final stages of the application process, the release of information by the applicant's previous employers concerning any substantiated allegations of misconduct, and would require the signed release form to be used by the postsecondary educational institution to obtain that information. The University's position on the bill is pending.

AB 1142 (Fong) - Postsecondary Education Coordinating Commission passed out of the Assembly Higher Education Committee. The bill establishes the Coordinating Commission for Postsecondary Education in California as the statewide postsecondary education oversight, coordination, and planning entity. The University's position on the bill is pending.

AB 1160 (Pacheco) - Protecting Students from Creditor Colleges Act passed out of the Assembly Higher Education Committee. The bill prohibits an institution of higher education from taking specified actions, including placing an enrollment or registration hold, on a current or former student's account on the grounds that the student owes an institutional debt, and requests UC and requires institutions to annually report the number and dollar amount of the debt.

AB 1316 (Irwin) - Psychiatric Emergency Medical passed out of the Assembly Health Committee. The bill requires Medi-Cal coverage for emergency services and care to treat an emergency medical condition and coverage, including by a Medi-Cal managed care plan, for emergency services to relieve or eliminate a

psychiatric emergency medical condition, regardless of duration, or whether the beneficiary is voluntary, or involuntarily detained for evaluation and treatment, including emergency room professional services. The University's position on the bill is pending.

AB 1575 (Irwin) - Public Postsecondary Title IX passed out of the Assembly Higher Education Committee. The bill requires UC, CCC, and CSU to employ, or to enter into a memorandum of understanding with a local victim advocacy organization to provide, at a minimum, two confidential advocates to assist in its response to discrimination. The University's position on the bill is pending.

SB 56 (Skinner) – UC Transfer of Real Property passed out of the Senate Education Committee. The bill provides an exemption from the State's Stull Act that will allow UC to transfer a parcel of land in Berkeley, California to the Berkeley Student Cooperative (BSC).

SB 312 (Wiener) - CEQA exemption passed out of the Senate Environmental Quality Committee. The bill revises the university housing development project CEQA exemption to require each building to qualify for certification as LEED gold with a point total of 79 or better. The University's position on the bill is pending.

Governor's 2024-25 Budget Introduction Summary

On January 10th Governor Newsom released his budget introduction for the 2024-25 fiscal year. Below is a summary of the key points and description of the provisions that affect the University.

Total Budget

Governor Newsom's budget proposes \$208.7 billion in State General Fund expenditures. The budget assumes a \$37.86 billion State General Fund shortfall from the June 2023 forecast. The State has about \$37.7 billion in reserves (of which \$10.8 billion is in a special reserve for K-12 use only). The Governor is proposing to use \$18.8 billion from reserves to address the budget deficit, of which \$12.2 billion is from the State's Rainy Day Fund.

The Legislative Analyst's Office had predicted a \$68 billion State budget problem over the 2022-23 to 2024-25 fiscal years. You can read the LAO's analysis [here](#).

University of California

The Governor's proposed budget includes a total of \$4.74 billion in State General Fund support for the University of California.

2024-25 New Funding for the University of California

The Governor's 2024-25 budget introduction provides the University with a \$17.1 million ongoing funding increase in 2024-25, which reflects his commitment to health care equity and fulfill prior pledges to provide the University with funding. These are:

- \$14.5 million ongoing for the debt service of the UC Merced medical education building. These funds were pledged in the Budget Act of 2019 to cover the expenses of building a new medical education building to serve the Central Valley.
- \$2.6 million ongoing to true-up the Proposition 56 graduate medical education funding to a total of \$40 million for 2024-25. These funds will be used to train medical residents in fields currently lacking doctors to ensure the health and safety of Californians.

New ongoing support that the University could have expected to receive as part of the multi-year Compact is being deferred for one year and will be included in the 2025-26 budget (see “2025-26 Proposed New Funding for the University of California”).

2023-24 Budget Amendment for the University of California

The Governor’s budget amends the 2023-24 Budget Act to provide the University with an additional \$247,000 in one-time State General Fund to backfill for Prop 56 revenue. This amount is added to the Prop 56 GME true-up amount received in 2023-24.

2024-25 Other Budget Items of Interest to University of California

- To address the State’s severe budget deficit, the Governor is not providing any further funding beyond the \$200 million already appropriated for the California Institute for Immunology and Immunotherapy. The Budget Act of 2022 had pledged another \$300 million for the CIII.
- The Governor proposes a general obligation bond for educational facilities that would be placed on the November 2024 ballot. The amount of the bond, and potential share for the University, will be negotiated with the Legislature during the spring budget process.
- To address the State’s severe budget deficit, the Governor is pulling back the prior \$200 million appropriation to the student housing zero-interest revolving loan fund. No additional funding is provided in 2024-25. The loan fund will still remain in statute and may be funded in future years.
- The Governor’s budget proposal maintains the Middle-Class Scholarship program funding at the 2023-24 level.
- Cal Grant reform implementation decision is delayed to May Revise.

2025-26 Proposed New Funding for the University of California

The Governor specifies that the 2025-26 budget will be in alignment with the multi-year funding Compact. The 2025-26 allocation to the University will include:

- The five percent base budget increase for 2024-25 consistent with the Compact, or \$227.8 million in ongoing funding. This third year of the Compact funding will be included as part of the University’s base budget beginning in 2025-26.
- The five percent base budget increase for 2025-26 consistent with the Compact. This fourth year of the Compact funding will be included in the University’s base budget at the same time as the third year of funding, bringing the total 2025-26 base budget operating funding increase to 10 percent.
- A one-time allocation of \$227.8 million to reflect the funding that would have been received in 2024-25 for the University’s five percent base budget increase. These funds will make the University’s operating budget whole and ensure that the delay caused by the State’s unprecedented deficit will not harm students.
- A \$31 million ongoing base budget increase for the replacement of nonresident student with California undergraduates at the Berkeley, Los Angeles, and San Diego campuses. The Legislature’s intent is for these three campuses to reduce nonresident undergraduates to 18 percent of the total undergraduate student body at their respective campuses over time.
- A \$31 million one-time allocation to reflect the funds that would have been received in 2024-25 for the replacement of nonresident students with California undergraduates at the Berkeley, Los Angeles, and San Diego campuses.

Compact Expectations

The Governor will provide the University with the funding specified in the Compact in 2025-26. While the funding is delayed, the work on the Compact will proceed in 2024-25. The Compact is designed to advance shared goals of access, affordability, and student success. The University has already made steady progress on the Compact goals, including expanding California undergraduate enrollment, increasing online course offerings, sharing student data with the Cradle-to-Career data system, and providing debt-free pathways to graduation for low-income entering students. During the 2024-25 fiscal year the University will honor the Compact by growing California undergraduate students by one percent across the system, as well as replacing 900 nonresident students with California undergraduate students at the Berkeley, Los Angeles, and San Diego campuses.

2024-25 Health Budget Items of Interest to University of California

The Governor's budget introduction includes the following items that are of interest to the University:

- Utilizes \$900 million from the Safety Net Reserve to maintain existing Medi-Cal and CalWORKs programs.
- Maintains Medi-Cal for all Californians regardless of immigration status with \$3.4 billion (of which \$2.9 billion is State General Fund).
- Maintains CalAIM with \$2.4 billion (of which \$811.1 million is State General Fund).
- Maintains California Reproductive Health Access Demonstration Waiver with \$200 million (of which \$100 million is State General Fund).
- Continues Medi-Cal caseload redeterminations, and assumes growth in Medi-Cal caseload by 583,000 to 14.8 million individuals.
- Total Medi-Cal expenditures of \$35.9 billion State General Fund in 2024-25, a decrease of \$1.4 billion State General Fund compared to 2023-24.
- Delay to 2025-26 \$140.1 million in State General Fund for nursing and social work initiatives administered by the Department of Health Care Access and Information.

Budget trailer bills will be released in February.

Upcoming State Government Relations Deadlines, Events and Key Dates

Jan. 12 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in the odd-numbered year

Jan. 15 Martin Luther King, Jr. Day.

Jan. 19 Last day for any committee to hear and report to the floor bills introduced in that house in the odd-numbered year. Last day to submit bill requests to the Office of Legislative Counsel.

Jan. 31 Last day for each house to pass bills introduced in that house in the odd-numbered year.

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.