



## UC Davis State Government Relations Update May 2022

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### **May Revise**

On May 13<sup>th</sup> Governor Newsom released his May Revision budget proposal for 2022-23. Together with the funding proposed in the Governor's January budget, the Governor is proposing a total of \$4.9 billion for the University of California. This total allocation represents a combined increase of **\$322.5 million, or 8.0%, in ongoing funding** to the University's budget over 2021-22 levels, plus **\$607.9 million in one-time** General Fund appropriations. The Governor also announced a compact agreement with the University that proposes funding levels and articulates policy goals for the next five years.

### **Total Budget**

The proposed expenditures in the Governor's May Revision reflect the second year of strong State revenue growth. The revision proposes \$300.7 billion in State expenditures, of which \$227.4 billion are State General Funds. The Governor also proposes to increase State reserves to \$37.1 billion. The State's robust revenue collection has exceeded projections in the 2021-22 budget by \$97.5 billion.

### **University of California Funding in the May Revision**

The Governor's May Revision proposal builds on the January Budget introduction. Please see below for the amounts continued from January and added by the May Revision. The full May Revision Summary is available [here](#).

### **Ongoing Funds – Continued from the Governor’s January Budget Proposal (\$307.3 million)**

- \$200.5 million base budget increase of 5%
- \$67.8 million for undergraduate enrollment growth
- \$31.0 million for replacing 902 nonresident undergraduates with resident undergraduates
- \$6.0 million for foster youth services
- \$2.0 million for firearms violence research

### **Ongoing Funds – New in May Revision (\$15.2 million)**

- \$13 million to support existing UC Labor Centers and Occupational Safety and Health Programs, and invest in similar new initiatives throughout the system
- \$650,000 to expand ASSIST to include independent institutions
- \$1.5 million increase over 2021-22 (\$2.1 million increase over January proposal) to offset a projected decline in Prop 56 revenues for graduate medical education (GME)

### **One-Time Funds – Continued from the January Introduction (\$295 million)**

- \$100 million for deferred maintenance and energy efficiency projects
- \$100 million for climate research seed funds
- \$50 million for regional climate incubators
- \$35 million for climate workforce development programs
- \$10 million for dyslexia research (UCSF)

### **One-Time Funds – New in May Revision (\$312.9 million)**

- \$300 million to establish a new Institute for Immunology and Immunotherapy, with another \$200 million proposed for 2023-24 (UCLA)
- \$5 million to support the Center for Responsible, Decentralized Intelligence for work related to blockchain and Web3 (Berkeley)
- \$5 million to support the Ralph J. Bunche Center for African American Studies (UCLA)
- \$2 million to support UC Fire Advisors (previously allocated to the California Department of Forestry and Fire Protection in the Governor’s January Budget), with a similar level of support intended in 2023-24
- \$850,000 to expand ASSIST to include independent institutions

### **Overview of the Compact Agreement: 2022-23 through 2026-27**

#### *Major Funding Provisions*

- Annual, year-over-year ongoing General Fund base increases of five percent for the term of the compact, effective 2023-24

- Offset to lost Nonresident Supplemental Tuition and financial aid resulting from University actions to decrease the percentage of nonresident enrollment at three campuses
- Consideration of annual requests for one-time funding for the University, particularly to support capital projects in energy efficiency, seismic renewal, deferred maintenance
- Consideration of Legislative additions to the University's ongoing funding, including to support enrollment growth above the level anticipated by the Compact and graduate health sciences programs designed to improve access to healthcare for medically underserved populations (e.g., UC PRIME)

#### *Major Policy Areas and Selected Provisions*

- Expanding Access: Expectation that UC will increase resident undergraduate enrollment by 1 percent annually, beginning 2023-24; maintain transfer enrollment goal of 2-1; and add 2,500 graduate students by 2026-27
- Improving Student Success and Advancing Equity: Articulates shared goals related to eliminating equity gaps in graduation by 2029-30, and to reduce gaps by 50 percent by 2025-26
- Increasing Affordability: Articulates goals for expanding debt-free pathways, increasing State and institutional financial aid, and reducing non-tuition costs in the areas of housing, textbooks, food, and transportation
- Increasing Intersegmental Collaboration: Commits UC to partnering with other agencies and segments to share information and technology platforms to benefit students
- Supporting Workforce Preparedness: Articulates shared goals to increase the number of students graduating with degrees or certificates in STEM and other high-demand disciplines, including academic doctoral programs, and to integrate career-relevant knowledge and skills into the educational experience
- Access to Online Course Offerings: Articulates shared goal of doubling the number of student credit hours generated through undergraduate online courses by 2029-30 compared to 2019-20, with an intermediate goal of achieving half of the increase by 2025-26

#### **Budget Trailer Bill Language**

Budget trailer bill accompanying the Governor's May Revision is expected to be made public within the next few days. All budget trailer bills will be posted [here](#).

The Governor is proposing budget trailer bill language to allow undocumented students who are Cal Grant A recipients to be made eligible for the California Dreamer Service Incentive Grant Program. Previously program participation was restricted to Cal Grant B recipients.

#### **Budget Bill Language Change**

The Governor's May Revision includes several budget bill changes that relate to the University. Notable changes are:

1. Addition of language allowing campus food pantries to also provide students with personal hygiene products
2. Language exempting UCSF from the Integrated Learning Management System
3. Clarifying language for the climate resiliency funding to consult with State agencies on grant guidelines and clarifying the University's ability to distribute funds to non-university entities.

#### **Actions on UC Tracked Bills**

**AB 35 (Reyes)** was signed by the Governor. The bill makes changes to the Medical Injury Compensation Reform Act of 1975 (MICRA). The Governor's signing message is available [here](#).

**AB 1601 (Weber)** passed off the Assembly Floor. The bill requires a state agency that contracts with a private entity for call center services to prioritize the work being conducted in California and requires private entities that have contracted with the state for call center services as of 1/1/23, to ensure that a certain percentage of its services are performed in California. The University's position on the bill is pending.

**AB 1602 (McCarty)** passed off the Assembly Floor. The bill establishes the California Student Housing Revolving Loan Fund Act of 2022 and applies certain provisions of the California Educational Facilities Authority Act to UC and CSU for purposes of housing projects. The University's position on the bill is pending.

**AB 1712 (Medina)** passed off the Assembly Floor. The bill requests UC and requires CSU and CCC to develop questions with trauma-informed language for submittal to the U.S. Secretary of Education for review and approval to be incorporated into an online campus safety survey tool, and to submit a report on the online survey results to the Assembly Committee on Higher Education and the Senate Committee on Education beginning one year after the online survey becomes available and every 2 years thereafter. The University's position on the bill is pending.

**AB 1746 (Medina)** passed off the Assembly Floor. The bill enacts the Cal Grant Reform Act, which revises and recasts the existing Cal Grant Program into a new Cal Grant Program, and requests UC and requires CSU to adopt a statement of policy on how their institutional aid programs address basic needs and how these institutional funds are prioritized for disbursement. The University's position on the bill is pending.

**AB 1764 (Medina)** passed off the Assembly Floor. The bill requires CSU, and CCC and requests UC to collect data on student housing insecurity at each of their campuses. The University's position on the bill is pending.

**AB 1775 (Ward)** passed off the Assembly Floor. The bill requires a contracting entity to require an entertainment events vendor to certify for their employees and employees of their subcontractors that those individuals have complied with specified training, certification, and workforce requirements, including that employees involved in setting up, tearing down, or the production of a live event at the

venue have completed prescribed trainings of the United States Department of Labor's Occupational Safety and Health Administration. The University's position on the bill is pending.

**AB 1823 (Bryan)** passed off the Assembly Floor. The bill requires student health insurance coverage to be considered individual health insurance coverage and defines student health insurance coverage as a blanket disability policy provided to students enrolled in an institution of higher education and to their dependents, that covers hospital, medical, or surgical benefits. The University's position on the bill is pending.

**AB 2046 (Medina)** passed off the Assembly Floor. The bill establishes the Inland Rising Fund, the moneys in which would be allocated to UC, upon appropriation by the Legislature, to support the multiyear operating costs for the development, operation, and maintenance of economic development and innovative climate change research efforts and health care and medical research operations at UC Riverside, and UC Merced. The University's position on the bill is pending.

**AB 2080 (Wood)** passed off the Assembly Floor. The bill requires a medical group, hospital or hospital system, specified health facility, health care service plan, health insurer, or pharmacy benefit manager to provide written notice to the Attorney General at least 90 days before entering into an agreement or transaction to make a specified material change with a value of \$15M or more. The University has an oppose position on the bill.

**AB 2222 (Reyes)** passed off the Assembly Floor. The bill establishes the Golden State Social Opportunities Program to provide grants to students who are enrolled in an in-state postgraduate program from a UC or CSU campus or an independent institution of higher education, if the student commits to working in a California-based nonprofit eligible setting for their required post degree hours of supervised experience. The University's position on the bill is pending.

**AB 2223 (Wicks)** passed off the Assembly Floor. The bill prohibits civil or criminal liability based on actions or omissions regarding pregnancy or actual, potential, or alleged pregnancy outcome or based solely on actions to aid or assist a pregnant person who is exercising their reproductive rights and makes other changes relating to reproductive health. The University's position on the bill is pending.

**AB 2232 (McCarty)** passed off the Assembly Floor. The bill requires a school district, a county office of education, a charter school, a private school, the CCC or CSU, and requests UC, to ensure that facilities have heating, ventilation, and air conditioning (HVAC) systems that meet specified minimum ventilation rate requirements. The University's position on the bill is pending.

**AB 2459 (Cervantes)** passed off the Assembly Floor. The bill requires CCC and CSU, and requests UC to require each of their respective campuses that provide student housing to collect and post on its external and internal internet websites, data on student housing. The University's position on the bill is pending.

**AB 2516 (Aguiar-Curry)** passed off of the Assembly Floor. The bill expands the coverage requirement for an annual cervical cancer screening test to disability insurance policies that provide coverage for hospital, medical, or surgical benefits, and requires a health care service plan contract or disability insurance policy that covers hospital, medical, or surgical benefits issued, amended, or renewed on or after 1/1/23, to provide coverage without cost sharing for the HPV vaccine for persons for whom the vaccine is FDA approved. The University has a support position on the bill.

**AB 2677 (Gabriel)** passed off the Assembly Floor. The bill makes changes to the Information Practices Act of 1977, including expanding the definition of personal information (PI) to include information that is reasonably capable of identifying an individual, and prohibiting an agency from using records containing PI for any purposes other than those for which the PI was collected. The University's position on the bill is pending.

**AB 2724 (Arambula)** passed off the Assembly Floor. The bill authorizes the State Department of Health Care Services to enter into one or more comprehensive risk contracts with an alternate health care service plan (AHCSF), as defined, to serve as a primary Medi-Cal managed care plan for specified eligible beneficiaries in geographic regions designated by the department. The University's position on the bill is pending.

**AB 2747 (Nazarian)** passed off the Assembly Floor. The bill entitles a Team USA student athlete who trains in the state in an elite level program approved by the United States Olympic and Paralympic Committee to resident classification for public postsecondary education tuition and fees. The University's position on the bill is pending.

**AB 2815 (Berman)** passed off the Assembly Floor. The bill requires a county, for a statewide primary or statewide general election conducted as an all-mailed ballot election or otherwise, to provide an additional vote by mail ballot drop-off location on the main campus of each CSU within the jurisdiction and, upon request, each UC campus within the jurisdiction. The University's position on the bill is pending.

**AB 2833 (Irwin)** passed off the Assembly Floor. The bill requires the Department of Public Health to make plans to ensure that the laboratory infrastructure in the state is sufficient and prepared for COVID-19 testing capacity to be scaled, within a period of 2 calendar weeks, to 500,000 tests per day, and for results of at least 90% to be returned to individuals tested and to the department within 24 hours of collection of the testing samples. The University's position on the bill is pending.

**AB 2881 (Berman)** passed off the Assembly Floor. The bill requires CSU and CCC and requests UC to grant priority in that system for registration for enrollment to a student parent. Requires each Basic Needs Center to also ensure that students have the information they need to enroll in the California Special Supplemental Food Program for Women, Infants, and Children (WIC). The University's position on the bill is pending.

**SB 853 (Wiener)** passed off the Senate Floor. The bill requires a health care service plan contract or health insurance policy that covers prescription drug benefits to provide coverage for a drug, dose of a drug, or dosage form during utilization review and any appeals if that drug has been previously approved for a medical condition and has been prescribed by a health care provider, and prohibits a plan or insurer from seeking reimbursement for that coverage if the final utilization review decision is to deny coverage for the prescription drug, dose, or dosage form. The University's position on the bill is pending.

**SB 879 (Wiener)** passed off the Senate Floor. The bill enacts the Protection of Dogs and Cats from Unnecessary Testing Act, to prohibit a contract testing facility from conducting a canine or feline toxicological experiment that seeks to determine the effect of the application or exposure of any amount of a chemical substance on a dog or cat, unless it is conducted for specified purposes. The University's position on the bill is pending.

**SB 880 (Laird)** passed off the Senate Floor. The bill extends indefinitely existing law requirements qualifying an individual for installing and maintaining devices or implementing methods taught in a water diversion instructional course administered by UC Cooperative Extension (UCCE) and requiring UCCE and the State Water Resources Control Board to develop the course curriculum and proficiency test. The University has a support position on the bill.

**SB 883 (Roth)** passed off the Senate Floor. The bill, sponsored by UC, extends the Umbilical Cord Blood Collection Program (UCBCP) until January 1, 2027.

**SB 886 (Wiener)** passed off the Senate Floor. The bill exempts from CEQA a university housing development project carried out by UC, CSU, and CCC on real property they own if the project meets certain requirements and is not located on certain sites and does not require demolition of specified housing or a historic structure. The University's position on the bill is pending.

**SB 912 (Limon)** passed off the Senate Floor. The bill, sponsored by UC, requires a health care service plan contract or health insurance policy, and Medi-Cal, to cover biomarker testing, including whole genome sequencing, for purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of a disease or condition if the test is supported by medical and scientific evidence.

**SB 931 (Leyva)** passed off the Senate Floor. The bill authorizes an employee organization to bring a claim before the Public Employment Relations Board alleging that a public employer violated the prohibition against deterring or discouraging union membership. The University has an oppose unless amended position on the bill.

**SB 934 (Rubio)** passed off the Senate Floor. The bill enacts the California Childhood Cancer Research Fund Act to request UC to establish and administer the Childhood Cancer Research Grant Program to provide funding to support research and treatment for children impacted by cancer. The University has a support position on the bill.

**SB 939 (Pan)** passed off the Senate Floor. The bill prohibits a pharmacy benefit manager from discriminating against a covered entity or its pharmacy regarding dispensing a drug subject to federal pricing requirements or preventing a covered entity from retaining the benefit of discounted pricing for those drugs, and prohibits a drug manufacturer that is subject to federal pricing requirements from imposing preconditions, limitations, delays, or other barriers to purchasing covered drugs that are not required under federal law or regulations. The University's position on the bill is pending.

**SB 958 (Limón)** passed off the Senate Floor. The bill prohibits a health care service plan or health insurer from requiring a vendor to dispense an infused or injected medication directly to a patient with intent that the patient will transport it to a health care provider for administration. The University has a support position on the bill.

**SB 964 (Wiener)** passed off the Senate Floor. The bill requires CSU and CCC and requests UC to develop two accelerated programs of study related to degrees in social work, requests UC to contract with the Department of Health Care Access to prepare a behavioral health workforce landscape analysis report for the Legislature and provides for various measures to expand the behavioral health workforce. The University's position on the bill is pending.

**SB 987 (Portantino)** passed off the Senate Floor. The bill requires a Medi-Cal managed care plan to include in its contracted provider network at least one National Cancer Institute (NCI) Designated Cancer Center, as specified, and ensure that any beneficiary diagnosed with a complex cancer diagnosis, as defined, is referred to an NCI-Designated Cancer Center within 15 business days of the diagnosis, unless the beneficiary selects a different cancer treatment provider. The University's position on the bill is pending.

**SB 1075 (Skinner)** passed off the Senate Floor. The bill creates the California Clean Hydrogen Hub Fund for expenditure, upon appropriation, to provide grants for clean hydrogen projects developed in California. The University has a support position on the bill.

**SB 1127 (Atkins)** passed off the Senate Floor. The bill reduces the workers' compensation 90-day time period to 60 days for all injuries and employees and, for certain injuries or illnesses sustained in the course of employment of specified members of law enforcement or first responders, reduces those time periods to 30 days, and requires, if injury liability is unreasonably rejected, the penalty to be 5 times the amount of the benefits unreasonably delayed, limited to no more than \$100,000. The University's position on the bill is pending.

**SB 1141 (Limon)** passed off the Senate Floor. The bill reduces, for purposes of eligibility for the exemption from paying nonresident tuition, the total years of full-time attendance in certain California schools, the years of full-time high school coursework in California, and the total years of attendance in California elementary and secondary schools required from 3 or more years to 2 or more years. The University's position on the bill is pending.



**SB 1143 (Roth)** passed off the Senate Floor. The bill establishes the California Acute Care Psychiatric Hospital Loan Fund to build or renovate acute care psychiatric hospitals or psychiatric units in general acute care hospitals. The University's position on the bill is pending.

**SB 1144 (Wiener)** passed off the Senate Floor. The bill requires an operating agency to complete a water efficiency and quality assessment report for each covered building and take any necessary remediation actions, and to implement a Legionella management program for any covered building with a cooling tower system. The University's position on the bill is pending.

**SB 1199 (Roth)** passed off the Senate Floor. The bill authorizes the UC Regents to expend money, upon legislative appropriation, to secure an acute care teaching hospital in Riverside County, through acquisition, construction, rehabilitation, lease, management, or operating agreement, to serve as an academic medical center to train UC Riverside School of Medicine medical students, residents, and fellows. The University's position on the bill is pending.

**SB 1231 (Caballero)** passed off the Senate Floor. The bill requests UC Merced and UC San Francisco School of Medicine Fresno to provide consultation to the Department of Public Health on creation of a California Standard Diagnostic for Valley Fever. The University's position on the bill is pending.

**SB 1296 (Pan)** passed off the Senate Floor. The bill requires the California Department of Public Health to establish the "Viral Surveillance Hub" (VSH), responsible for timely communication with any laboratory that conducts viral surveillance, and that identifies a potential novel virus or variant; and requires laboratories that conduct viral surveillance and identify a potential novel virus or variant to report to VSH. The University has a support position on the bill.

**SB 1308 (Caballero)** passed off the Senate Floor. The bill prohibits CCC, CSU, and all local educational agencies that solicit bids for the purchase of an agricultural food product from purchasing, and requests UC not to purchase, agricultural food products grown, packed, or processed nondomestically, unless the bid or price of the nondomestic agricultural food product is more than 25% lower than the bid or price of the domestic agricultural food product quality of the domestic agricultural food product is inferior to the quality of the agricultural food product grown, packed, or produced nondomestically. The University's position on the bill is pending.

**SB 1328 (McGuire)** passed off the Senate Floor. The bill urges companies operating in California and the UC Regents to divest and separate themselves from the government of Russia, Russian financial institutions, and Russian businesses, and requests companies doing business in California to report their investments in and contracts with Russia. The University's position on the bill is pending.

**SB 1334 (Bradford)** passed off the Senate Floor. The bill entitles employees who provide or support direct patient care in a general acute care hospital, clinic, or public health setting directly employed by specified public sector employers to one unpaid 30-minute meal period on shifts over 5 hours and a

second unpaid 30-minute meal period on shifts over 10 hours and entitles these employees to one 10-minute paid rest period for every 4 hours worked. The University's position on the bill is pending.

**SB 1338 (Umberg)** passed off the Senate Floor. The bill enacts the Community Assistance, Recovery, and Empowerment (CARE) Act, which would authorize specified persons to petition a civil court to create a voluntary CARE agreement or a court-ordered CARE plan and implement services, to be provided by county behavioral health agencies, to provide behavioral health care, stabilization medication, and housing support to adults who are suffering from schizophrenia spectrum and psychotic disorders and who lack medical decision-making capacity. The University's position on the bill is pending.

**SB 1339 (Pan)** passed off the Senate Floor. The bill requires the Department of Health Care Access and Information to provide the Legislature with a report assessing projected costs to retrofit each hospital building in order to meet the 2030 seismic requirements. The University's position on the bill is pending.

**SB 1364 (Durazo)** passed off the Senate Floor. The bill makes it unlawful for any vendor to accept payment above a specified threshold from UC pursuant to a contract for prescribed services if they are performing services or supplying the university with employees to perform services who are paid less than the higher of the total compensation rate specified in the vendor's contract with the university or as required by university policy. The University has an oppose position on the bill.

**SB 1375 (Atkins)** passed off the Senate Floor. The bill revises the Nursing Practice Act concerning performing abortion by aspiration techniques to specify applicability to a person with a license or certificate to practice as a nurse practitioner pursuant to a standardized procedure, and to a qualified nurse practitioner functioning pursuant to certain advanced practice provisions. The University's position on the bill is pending.

**SB 1500 (Senate Health Cmte)** passed off the Senate Floor. The bill exempts human whole blood or biologics and biologics other than human whole blood and derivatives, and tissue from state licensing requirements if they are intended solely for investigation use conducted in accordance with specified provisions of the federal Food, Drug, and Cosmetic Act. The University has a support position on the bill.

#### **Upcoming State Government Relations Deadlines, Events and Key Dates**

**June 15** Budget Bill must be passed by midnight.

**June 30** Last day for a legislative measure to qualify for the Nov. 8 General Election ballot.

**July 1** Last day for **policy committees** to meet and report bills. **Summer Recess** begins upon adjournment, provided Budget Bill has been passed.

**July 4** Independence Day.

**Aug. 1** Legislature reconvenes from **Summer Recess**.

**Aug. 12** Last day for **fiscal committees** to meet and report bills.

**Aug. 15 - 31. Floor session only.** No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rules 77.2, and Conference Committees.

**Aug. 25** Last day to **amend** bills on the floor.

**Aug. 31** Last day for each house to pass bills. **Final Recess** begins upon adjournment.

**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](mailto:adnlopez@ucdavis.edu) or by phone at (530) 752-9795.