



## **UC Davis State Government Relations Update May 2023**

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### **May Revision**

Governor Newsom released his May Revision to the 2023-24 budget on Friday May 12<sup>th</sup>. The May Revision proposes \$306 billion in State expenditures, of which \$224.1 billion are State General Fund. State revenues have declined since the January 10 Budget introduction. The State's budget problem has grown from \$22.5 billion to \$31.5 billion. This decline comes after two years of historic surpluses. The Governor's May Revision proposes to use \$450 million from the State's Safety Net Reserve for Medi-Cal, but does not use any other state reserves to address the deficit. State reserves will actually grow by \$1.6 billion to \$37.2 billion total.

### **University of California Budget**

As noted above the proposed 2023-24 May Revision Budget includes a total of \$4.798 billion in State General Fund support for the University. This amount includes a \$322.5 million (7.4%) increase in ongoing funding, which includes \$215.5 million for the five percent base budget increase under the multi-year funding compact. The proposed May Revision also includes \$109 million in one-time funding.

The Governor's May Revision Budget proposes the following investments for UC:

### ***Ongoing – New in May Revision:***

- \$33.3 million for debt service to cover the UC Berkeley clean energy campus along with UC Merced and UC Riverside campus expansion projects. The May Revision shifts the 2022-23 appropriations and the delayed appropriations to UC's AB 94 bond funds.

- \$30 million for debt service to cover shifting the higher education affordable student housing grant program projects to UC's AB 94 bond funds. This includes the previously appropriated projects and the \$51 million remaining for UC in the grant program.
- \$2 million for the UC Riverside School of Medicine operations.
- Technical adjustment to shift \$4.8 million from the UC general allocation to UC ANR for operations, reflecting UC ANR's share of the five percent base budget increase.
- Technical adjustment – \$5.2 million increase to the State General Fund backfill to the Proposition 56 GME program to maintain a total appropriation of \$40 million.

***Ongoing – Continued from the January Introduction:***

- \$215 million for the five percent base budget increase.
- \$30 million for a reduction of 902 nonresident undergraduates at UC Berkeley, UC Los Angeles, and UC San Diego combined; and enrolling an equivalent number of California undergraduates at those three campuses.
- Technical adjustment – \$6.5 million for the UC Riverside School of Medicine bond debt service.

***One-time – New in May Revision:***

- \$5 million for the Ralph J. Bunche Center at UCLA.
- \$2 million for the Global Entrepreneur in Residence program.

***One-time – Continued from the January Introduction:***

- \$100 million for the California Institute for Immunology and Immunotherapy at UCLA.
- \$2 million for the UC ANR fire advisors.

**Other Significant Budget Issues**

- May Revises maintains funding to expand Medi-Cal eligibility to all low-income Californians, regardless of immigration status.
- Expands Medi-Cal budget from \$135.4 billion in 2022-23 to \$151.2 billion in 2023-24.
- Reinstates the Managed Care Organization tax and uses the revenues to fund Medi-Cal program.
- Proposes \$150 million for the distressed hospital loan program.
- Decline in State revenues results in a decrease in Prop 98 revenues for K-12 and California Community Colleges.
- Provides California State University with a five percent base budget increase.
- Shifts California State University higher education affordable student housing grant program projects to CSU bond funds.
- Shifts California State University capital outlay projects to CSU bond funds.

**Budget Trailer Bills**

All budget trailer bills are available [here](#). The Governor's May Revision continues to support the budget trailer bill requiring UCLA to develop a transfer admission guarantee (TAG) and a pathway for an Associate Degree for Transfer (ADT), or lose \$20 million of the campus's general allocation.

## **LAO's Report & Initial Comments on the Governor's May Revise**

The Legislative Analyst's Office (LAO) released its report and initial comments on the Governor's May Revision on May 15<sup>th</sup>. The LAO stated that "[o]ur estimate of the budget problem is slightly lower than the \$31.5 billion figure cited by the administration. The reasons for our differences are generally the same as those we cited at the Governor's budget, including the cost of certain assumptions and policies that the administration included in the baseline, but had not been adopted." The report is available [here](#).

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

**AB 25 (McCarty)** was placed on the Assembly Appropriations Committee suspense file. The bill prohibits the Student Aid Commission, UC, CSU and CCCs operating a baccalaureate degree program from considering any basic needs emergency aid in the awarding or adjusting of the Middle Class Scholarship Program awards. The University's position on the bill is pending.

**AB 40 (Rodriguez)** was placed on the Assembly Appropriations Committee suspense file. The bill requires the Emergency Medical Services Authority to develop a California Emergency Medical Services Information System requirement for an electronic signature for use between the emergency department medical personnel at a receiving facility; Requires every local EMS agency to develop a standard not to exceed 30 minutes, 90% of the time, for ambulance patient offload time. The University's position on the bill is pending.

**AB 55 (Rodriguez)** was placed on the Assembly Appropriations Committee suspense file. The bill establishes a workforce adjustment, serving as an additional payment, for each ground ambulance transport performed by a provider of medical transportation services, excluding the specified public entity providers. The University's position on the bill is pending.

**AB 112 (Assembly Budget Committee)** was signed by the Governor. The bill creates the Distressed Hospital Loan Program and Fund to prevent the closure or facilitate the reopening of a closed hospital.

**AB 247 (Muratsuchi)** was placed on the Assembly Appropriations Committee suspense file. The bill sets forth the K-Community College Public Education Facilities Bond Act of 2024 as a state general obligation bond act that would provide an unspecified amount to construct and modernize education facilities. The University's position on the bill is pending.

**AB 252 (Holden)** was placed on the Assembly Appropriations Committee suspense file. The bill establishes the College Athlete Protection (CAP) Act for purposes of providing various rights, benefits, and protections to college athletes. The University has an oppose position on the bill.

**AB 254 (Bauer-Kahan)** passed out of the Assembly Appropriations Committee. The bill revises the definition of "medical information" to include reproductive or sexual health application information, which the bill would define to mean information about a consumer's reproductive or sexual health collected by a reproductive or sexual health digital service. The University's position on the bill is pending.

**AB 322 (Mathis)** was placed on the Assembly Appropriations Committee suspense file. The bill requires CCC, CSU, and requests UC include within first-year student and transfer student orientations the location

and contact information of the campus point of contact for students who are veterans of the Armed Forces of the United States and members of the California State Guard and the California National. The University's position on the bill is pending.

**AB 331 (Bauer-Kahan)** was placed on the Assembly Appropriations Committee suspense file. The bill requires a deployer and developer of an automated decision tool to perform and submit to the Civil Rights Department an impact assessment, provide consequential decision notification, and be prohibited from using in a manner that contributes to algorithmic discrimination. The University's position on the bill is pending.

**AB 642 (Ting)** was placed on the Assembly Appropriations Committee suspense file. The bill prescribes acceptable and prohibited uses for facial recognition technology (FRT) by a law enforcement agency or peace officer, including FRT system and reference database requirements, records maintenance and annual reporting to the State Auditor, a written policy requirement, and a requirement to provide certain information to any person that FRT is used to identify. The University's position on the bill is pending.

**AB 659 (Aguilar-Curry)** passed out of the Assembly Appropriations Committee. The bill declares the public policy of the state that students who are 26 years of age or younger are expected to be fully immunized against HPV before first-time enrollment at CCC, CSU and UC. The University's position on the bill is pending.

**AB 716 (Boerner Horvath)** was placed on the Assembly Appropriations Committee suspense file. The bill requires a health care service plan contract or a health insurance policy issued, amended, or renewed on or after 1/1/24, to require an enrollee or insured who receives covered services from a noncontracting ground ambulance provider to pay no more than the same cost-sharing amount that the enrollee or insured would pay for the same covered services received from a contracting ground ambulance provider. The University's position on the bill is pending.

**AB 918 (Garcia E)** passed out of the Assembly Appropriations Committee. The bill renames the Pioneers Memorial Healthcare District as the Imperial Valley Healthcare District and authorizes the expansion of the district to include all of the County of Imperial. The University has a support position on the bill.

**AB 1001 (Haney)** was placed on the Assembly Appropriations Committee suspense file. The bill requires a general acute care hospital to adopt policies for behavioral health personnel to respond to patients with a mental health or substance use crisis. The University's position on the bill is pending.

**AB 1034 (Wilson)** passed off of the Assembly Floor. The bill prohibits a law enforcement agency or law enforcement officer from installing, activating, or using any biometric surveillance system in connection with an officer camera or data collected by an officer camera. The University's position on the bill is pending.

**AB 1082 (Kalra)** was placed on the Assembly Appropriations Committee suspense file. The bill deletes the authority of a peace officer or public employee to remove or immobilize a vehicle under specified circumstances, and prohibits a processing agency from requesting DMV to place a registration hold on a vehicle unless the vehicle has 6 or more unpaid parking citations. The University's position on the bill is pending.

**AB 1577 (Low)** was placed on the Assembly Appropriations Committee suspense file. The bill requires a general acute care hospital that is located in the service area of a community college with an approved school of nursing to make quarterly reports to the Department of Health Care Access and Information and the Board of Registered Nurses of the number of nursing clinical placements filled by the hospital for that quarter. The University's position on the bill is pending.

**SB 270 (Wiener)** was placed on the Senate Appropriations Committee suspense file. The bill revises the university housing development project CEQA exemption to require each building to be certified as LEED gold with a point total of 79 or better. The University's position on the bill is pending.

**SB 295 (Dodd)** passed off the Senate Floor. The bill, sponsored by UC, expands authority for UC to establish rules and regulations for the use of certain transportation devices, including, among other things, motorized scooters, electric personal assistive mobility devices, other personal transportation devices, low-speed vehicles, utility-terrain vehicles, golf carts, and special construction equipment on its campuses.

**SB 345 (Skinner)** was placed on the Senate Appropriations Committee suspense file. The bill provides various provider protections for the performance of a legally protected health care activity, including reproductive or gender-affirming health care services. The University's position on the bill is pending.

**SB 496 (Limon)** was placed on the Senate Appropriations Committee suspense file. The bill, co-sponsored by UC, requires a health care service plan contract or health insurance policy, and Medi Cal, to cover medically necessary biomarker testing, as prescribed, 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 524 (Caballero)** was placed on the Senate Appropriations Committee suspense file. The bill authorizes a pharmacist to furnish prescription medications pursuant to the results from a test classified as waived pursuant to the Clinical Laboratory Improvement Amendments of 1988 performed by the pharmacist that is used to guide diagnosis or clinical decision making for SARS-CoV-2, Influenza, Streptococcal pharyngitis, or conjunctivitis, in accordance with specified requirements. The University's position on the bill is pending.

**SB 582 (Becker)** was placed on the Senate Appropriations Committee suspense file. The bill requires Electronic Health Records (EHR) vendors to execute the California Health and Human Services Data Exchange Framework data sharing agreement and sets forth EHR vendor fee compliance requirements. The University's position on the bill is pending.

**SB 633 (Gonzalez)** passed off the Senate Floor. The bill, sponsored by UC, authorizes UC and CSU to award DREAM grants to grant eligible students if the institution has unawarded funds in its DREAM revolving fund.

**SB 729 (Menivar)** was placed on the Senate Appropriations Committee suspense file. The bill requires large group, small group, and individual health care service care contracts and disability insurance policies

issued, amended, or renewed on or after 1/1/24, to provide coverage for the diagnosis and treatment of infertility and fertility services. The University's position on the bill is pending.

**SB 809 (Smallwood-Cueva)** was placed on the Senate Appropriations Committee suspense file. The bill revises and recasts provisions of the California Fair Employment and Housing Act (FEHA) for employer actions regarding denial of employment applicants based on conviction history, makes it an unlawful employment practice to take adverse action or discriminate against an employee or applicant based on arrest or conviction history, and sets forth training requirements and civil penalties for violations. The University's position on the bill is pending.

**SB 815 (Roth)** was placed on the Senate Appropriations Committee suspense file. The bill makes various changes to the operations of the Medical Board of California (MBC) stemming from the joint sunset review oversight of the board including clarifying a 4-month minimum general requirement in a postgraduate training program for a physician and surgeon license applicant. The University's position on the bill is pending.

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

**May 19** – Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 5.

**May 29** – Memorial Day.

**May 30-June 2** – Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2 and Conference Committees.

#### **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.