

Office of the President

**TO MEMBERS OF THE PUBLIC ENGAGEMENT AND DEVELOPMENT
COMMITTEE:**

DISCUSSION ITEM

For Meeting of May 18, 2022

STATE GOVERNMENTAL RELATIONS UPDATE

EXECUTIVE SUMMARY

Associate Vice President for State Governmental Relations (SGR) Kieran Flaherty will provide an update on the State budget process and the status of legislative bill introductions. He also will provide an overview of SGR's advocacy strategy.

BACKGROUND

State Budget Process

The California economy recovered strongly from the COVID-recession of 2020. Through March 2022, the current fiscal year revenue collection outpaced initial projections by over \$17.5 billion. In November 2021, the Legislative Analyst's Office projected that the State could have a surplus of \$31 billion. The Governor's Office provided informal estimates to indicate that there could be even higher State surplus at the time of the May Revision. High State revenues do not necessarily translate to equally increased appropriations to State agencies because the State Appropriations Limit (SAL) restricts the growth of new State expenditures.

Governor Newsom is expected to release his 2022-23 State Budget May Revision shortly after publication of this item. The May Revision will continue to propose a multi-year funding compact with the University. Included with the May Revision is statutory language regarding the compact expectation for enrollment, student success, affordability, and inter-agency collaboration.

The California Constitution requires the Legislature to pass a budget act by June 15, 2022. Last year when revenues were also unexpectedly high, the Legislature passed multiple budget revisions until the last days of the 2021 regular session. The Legislature is set to go into recess on August 31.

Legislative Program and Objectives

The Senate and Assembly continue to take action on bills introduced in their respective houses earlier this year. The focus now is final action on measures pending on the suspense files in the Appropriations Committees. Actions by the Appropriations Committees must be completed by Friday, May 20, but SGR anticipates lengthy suspense hearings to conclude on Thursday, May 19.

May 27 is the final day for both the Senate and the Assembly to pass measures introduced in their respective houses. Therefore, all legislative committees will be prohibited to meet until after the

Memorial Day holiday, allowing a full week of daily floor sessions in both houses from May 23-27.

The University Office of State Governmental Relations (SGR) continues to monitor, review and engage on a wide variety of pending legislative measures of interest to the University. SGR currently manages a portfolio of over 250 bills believed to have significant impact on the University. The University is sponsoring four measures this year and their status is summarized below:

SB 883 (Roth) extends the sunset date on the Umbilical Cord Blood Collection Program, run by UC Davis Health, from January 1, 2023 to January 1, 2027. This bill is currently awaiting final action on the Senate Appropriations Committee suspense file.

SB 912 (Limon), co-sponsored by UC, requires a health care service plan contract or health insurance policy to cover biomarker testing, and expands the Medi-Cal schedule of benefits to include this coverage subject to federal financial participation and any necessary approvals. The Senate Health Committee approved this bill on April 20, and the measure is currently pending with the Senate Appropriations Committee.

SB 960 (Skinner) eliminates the citizenship requirement to serve as a peace officer in California. The bill is awaiting action on the Senate Floor.

SB 1299 (Min) extends the California State Summer School for Mathematics (COSMOS) program operated by UC until January 1, 2028 and increases application and program fees. The bill is awaiting action on the Senate Floor.

State Governmental Relations Strategic Advocacy

As the legislative session advances, the University's advocacy efforts have ramped up with budget subcommittee hearings, in-person and virtual legislative meetings, digital advocacy campaigns, and more. UC leadership, including the President, Regents, and Chancellors, have met with a broad range of state legislators and administration officials to make the case for investing in UC through both permanent, ongoing funds and one-time funds. Several campuses have visited Sacramento for their "UC Day" - bringing back important high-touch advocacy following two years of largely virtual events - while students, faculty, staff, and alumni have consistently lent their voices to public comment at budget subcommittee hearings.

The UC Advocacy Network (UCAN) recently launched a new visual identity for state budget and legislative campaigns that will help amplify the University's on the ground efforts through energetic and consistent visuals and messaging. *Grow California Together*, designed in partnership with the External Relations and Communications Marketing/Communications team, is dynamic while being flexible enough to incorporate UC's diverse priorities, from capital funding to a cancer consortium to enrollment funding. UCAN will launch two new campaigns in May - one focused on support for the Governor's proposed \$185 million climate investment in UC and the other in support of the university's \$1.6 billion capital funding request utilizing the *Grow California Together* identity.