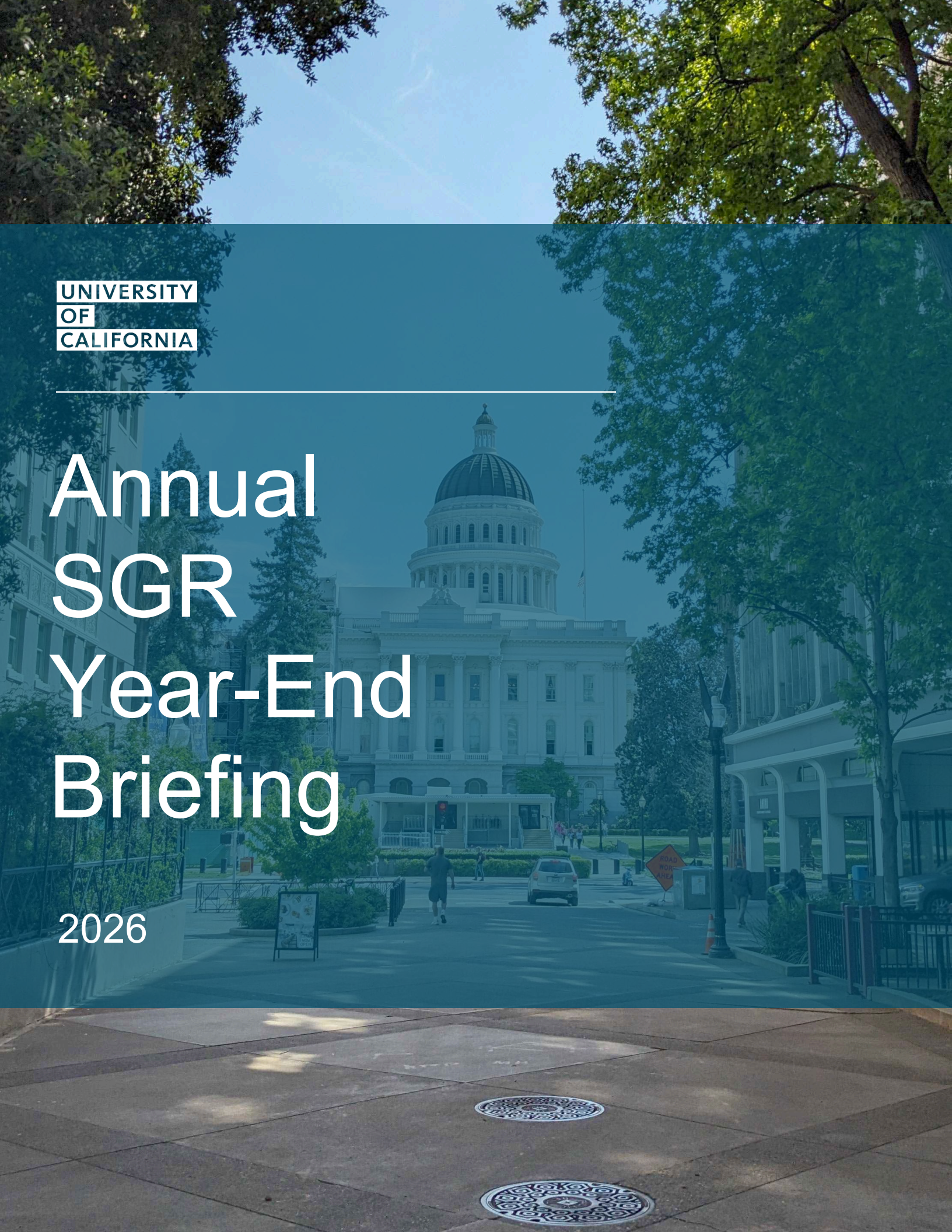


UNIVERSITY OF CALIFORNIA

Annual SGR Year-End Briefing

2026

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Briefing
2026

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Annual Year-End Briefing recaps UC's legislative year

EXECUTIVE SUMMARY

2 UC supported bond bills signed by the Governor

- This year, UC was included in two statewide general obligation bond measures—SB 417 (housing) and SB 895 (research)—an unprecedented outcome. SB 417 has qualified for the November 2026 statewide ballot and SB 895 would place the research bond on the March 2028 primary ballot.

- The University was also successful in amending or defeating dozens of policy measures that could have been inefficient, costly, or administratively burdensome.

- Over the course of the year, UC State Government Relations (SGR) reviewed and tracked:
  - 2232 introduced bills
  - 1914 amended bills

- SGR directly managed about 600 bills with a significant impact on the University, while monitoring an additional 904 bills that had a marginal impact.

- The University supported 24 bills in 2026. Ultimately, 14 of those measures were signed into law.

- The University formally opposed 11 measures and three of them were sent to the Governor's desk, all of which he vetoed.

- The University helped prevent legislation that would have imposed $7.4 million in unfunded one-time costs, nearly $33 million in ongoing costs, and required at least 13 additional full-time staff.

- The Regents, President James B. Milliken, Associate Vice President Kathleen Fullerton, and other UC leadership had over 190 meetings and interactions with more than 70+ legislators and staff—in addition to hundreds of informal interactions with lawmakers and legislative staff.



President James B. Milliken speaking to advocates at a SB 895 press conference.



UCLA Chancellor Julio Frenk, UCLA Associate Vice Chancellor Jennifer Poulakidas, and UC advocates at UC Day.

- SGR testified or prepared University leadership to testify in 10 budget hearings.

- SGR managed the responses and data gathering for 27 Legislative Analyst's Office (LAO) projects for the 2026-27 budget cycle.

- University leadership and SGR staff testified on numerous occasions in 18 different policy and fiscal committees.

- SGR expanded the scale and reach of the University's advocacy, generating a record 25,000+ grassroots actions through UC Advocacy Network (UCAN), providing a coordinated systemwide platform for campus advocacy through UC Day (which resulted in more than 100 legislative meetings) and developing a new framework to mobilize faculty advocates.

- SGR broadened the coalition supporting the University's priorities, deepened engagement with organizations representing students, staff, alumni and other UC constituencies; co-sponsored the research bond with the United Auto Workers (UAW); and strategically engaged business, health, research, housing and community partners to reinforce the University's positions.

BUDGET SUMMARY

The Budget Act of 2026 provides the University of California with $5.5 billion in State General Fund. The total ongoing budget allocation for the University reflects $533.3 million in growth from 2025-26 to 2026-27. In addition, the University will receive $203.6 million in one-time funding directed toward specific programs and initiatives. The ongoing funding changes include:

- $350.6 million, or 7 percent, ongoing increase to the base budget. This reflects:
  - the full 5 percent Compact payment for 2026-27 and
  - 2 out of 5 percent for the 2025-26 Compact payment.

- $129.7 million ongoing restoration of the 3 percent deferral from 2025-26.

- $61 million ongoing for nonresident student replacement with California undergraduates at the Berkeley, Los Angeles, and San Diego campuses.

- $8.1 million technical reduction to the affordable student housing bond repayment funds. This reduction will not impact UC student housing projects.

As in prior years, the State Budget Act was repeatedly amended throughout the legislative session. The various budget bills, as well as the budget trailer bills, are detailed in the appendices.

LEGISLATIVE SUMMARY

Among the most significant pieces of legislation this year were the following UC-co-sponsored/supported bills: **SB 417 (Limón)**, which enacts the Veterans and Affordable Housing Bond Act of 2026, authorizing the issuance of $11.25 billion in bonds to finance affordable rental housing and home ownership programs, (signed by Governor); and **SB 895 (Wiener)**, which enacts the California Science and Health Research Bond Act to authorize $7.5 billion in voter-approved GO bonds to fund grants and loans for scientific and health research and related research facilities (signed by Governor).

The University also supported 18 measures—expanding to 21 when including sponsored legislation—that significantly impacted academic and student affairs, business operations, and health care. The summary below provides the final status of these and other noteworthy measures.

Sponsored Legislation

AB 1716 (Stefani) would have made tuition an eligible reimbursement from the CA Victim Compensation Fund for victims of sexual violence. The was held in the Assembly Appropriations Committee.

SB 895 (Weiner) enacts the California Science and Health Research Bond Act to authorize $7.5 billion in voter-approved GO bonds to fund grants and loans for scientific and health research and related research facilities and establishes the California Foundation for Science and Health Research Council. The Governor signed the bill on September 30, 2026 (Chapter 1040).

SB 961 (Ashby) would have streamlined and simplified the process for university students to receive CalFresh benefits. The bill was held in the Senate Appropriations Committee.

Major Legislation with a Significant Impact to UC

AB 225 (Bonta) would have prohibited a health care provider, hospital, or health system from receiving reimbursement for facility fees associated with many outpatient evaluation and management visits, telehealth services, and preventive services, regardless of where the patient or provider is located. The University **opposed** the bill, and the bill was held in the Senate Health Committee.

AB 395 (Gabriel) requires UC and the California State University (CSU) to avoid scheduling major campus events such as move-in days or finals on religious, cultural, or ancestral holidays. The University did not take a position on the bill. The Governor signed the bill on September 30, 2026 (Chapter 865).

AB 664 (Alvarez) would have authorized Southwestern Community College District to offer up to four workforce-aligned baccalaureate degree programs outside of the existing California Community Colleges (CCC) baccalaureate degree approval process. The University **opposed** the bill and the Governor vetoed the bill on September 27, 2026.

AB 1093 (Solache) requires CSU and requests UC to adopt a plan to increase the number of students participating in exchange programs with Mexican public universities. The University did not take a position on the bill. The Governor signed the bill on September 20, 2026 (Chapter 361).

AB 1159 (Addis) governs the collection, use, disclosure, retention, and protection of postsecondary student data by educational technology operators. The University requested, and received, amendments to ensure that higher education institutions were not considered “operators” under the bill. The Governor signed the bill on September 10, 2026 (Chapter 182).

AB 1337 (Ward) would have made various changes to the Information Practice Act (IPA), including expanding the definition of personal information and making local government agencies subject to the IPA. The University had an **oppose unless amended** position on the bill and the bill was held in the Senate Privacy, Digital Technologies and Consumer Protection Committee.

AB 1383 (McKinnor) would have made changes to the Public Employees' Pension Reform Act (PEPRA) of 2013 that apply prospectively to increase the pensionable compensation limit used to calculate a Defined Benefit (DB) retirement for all public employees, provide options for various DB retirement formulas applicable only to safety retirement plan members, and authorized employers and recognize employee organizations to negotiate a lower or higher DB safety retirement plan formula. The University did not take a position on the bill. The Governor vetoed the bill on September 20, 2026.

AB 1486 (Soria) establishes a grant program to provide up to $15 million, upon legislative appropriation, to public postsecondary educational institutions designated as Agricultural Experiment Stations (AES) or Agricultural Research Institutes to develop or expand research farms for climate resiliency, pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. The University **supported** the bill and the Governor signed the bill on September 30, 2026 (Chapter 879).

AB 1547 (Bains) would have required UC to complete a feasibility study, and reasonably attempt to consult with local stakeholders, to determine the steps necessary to establish a branch campus of an existing UC medical school in the County of Kern, and to submit the feasibility study, including detailed findings, recommendations, and an implementation timeline, to the Governor and Legislature. The University did not take a position on the bill. The Governor vetoed the bill on September 18, 2026.

AB 1564 (Ahrens) would have prohibited a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. The University opposed the bill, and the bill was held in the Senate Appropriations Committee.

AB 1582 (Ortega) would have created a new unfair labor practice category for higher education employers subject to HEERA, with respect to arbitrations over violations of a collective bargaining agreement relating to the contracting out of bargaining unit work. The University **opposed** the bill, and the bill was held in the Senate Judiciary Committee.

AB 1630 (Caloza) would have authorized an exclusive representative to invite one or more members of a bargaining unit to remotely observe a session held for the purpose of a meet and confer on a memorandum of understanding. The University **opposed** the bill, and the bill was held in the Senate Appropriations Committee.

AB 1641 (Jackson) provides that public higher education additionally consists of tribal colleges and universities geographically located in California that are operated by an Indian tribal government. The University **supported** the bill and the Governor signed the bill on September 27, 2026 (Chapter 452).

AB 1669 (Pacheco) requires higher education institutions to adopt a written policy to allow a student to take a voluntary medical leave of absence for a period to be determined by the postsecondary educational institution, or for a period of up to one academic year, whichever is longer. The University worked with the author and committee staff on amendments to ensure that the bill could be successfully implemented. The University did not take a position on the bill. The Governor signed the bill on September 20, 2026 (Chapter 370).

AB 1732 (Alvarez) expands existing CEQA exemptions for certain housing projects to include those consistent with public higher education land use plans and qualifying infill projects. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on September 29, 2026 (Chapter 792).

AB 1743 (Wicks) expands accessibility of firearms data to any town, city, or county, state government agencies, CSU, UC and specified private postsecondary institutions under conditions and format options set forth by the Attorney General, for academic and policy research purposes. The University **supported** the bill and the Governor signed the bill on September 26, 2026 (Chapter 457).

AB 1852 (Bains) would have authorized CSU Bakersfield and Kern Community College District to establish a school of medicine in the County of Kern if UC has not taken formal steps to establish a school of medicine by July 1, 2027. The University did not take a position on the bill, and the bill was held in the Assembly Higher Education Committee.

AB 1928 (Fong) requires grievance procedures to afford each student party the opportunity to have a support person and an adviser accompany the student party during any stage of the sexual harassment complaint process. The University **supported** the bill, and the Governor signed the bill on August 27, 2026 (Chapter 134).

AB 1973 (Aguiar-Curry) expands the authority of certified nurse midwives, nurse practitioners, and physician assistants to perform medication and procedural abortions to the full extent of their education, training, and clinical competency. The University **supported** the bill and the Governor signed the bill on September 27, 2026 (Chapter 487).

AB 1985 (Irwin) requests UC and requires CSU, CCC and private postsecondary educational institutions and independent institutions of higher education that receive state financial assistance to require a person who serves as a coach or trainer in an athletic program, as a condition of the person's employment or volunteer service, to complete student mental health trainings. The University **supported** the bill and the Governor signed the bill September 30, 2026 (Chapter 912).

AB 2212 (Bauer Kahan) amends the Education Code to include definitions of technology-facilitated sexual harassment and digitized sexually explicit materials and requires postsecondary education institutions to update and create an array of policies pertaining to sexual harassment to address the new definitions of technology-facilitated sexual harassment and digitized sexually explicit materials. The University did not take a position on the bill. The Governor signed the bill on September 20, 2026 (Chapter 388).

AB 2236 (Berman) would have required the Intersegmental Committee of the Academic Senates of the University of California, the California State University, and the California Community Colleges, on or before July 1, 2027, to establish an agreement for implementing streamlined system-level articulation by using the common course numbering templates, rather than individual course review, as provided. The University did not take a position on the bill but requested amendments on behalf of the Academic Senate. The bill was held in the Senate Appropriations Committee.

AB 2251 (Rodriguez, Celeste) requires higher education institutions to develop and implement a cost of attendance policy beginning with the 2-27-28 academic year. The University did not take a position on the bill but worked with the author and sponsors to reduce the costs of the bill. The Governor signed the bill on September 30, 2026 (Chapter 928).

AB 2301 (Soria) would have required CCC to develop a Baccalaureate Degree in Nursing Pilot Program, authorized select community college districts to offer a Bachelor of Science in Nursing degree, limited to 10 community college districts statewide. The University had a **concern** position on the bill. The Governor vetoed the bill on September 18, 2026.

AB 2353 (Pacheco) would have required the Department of Health Care Access and Information to partner with UC to develop a plan to establish the Center for Health Provider Policy Impact to assess and evaluate the impact of state and federal policies on hospitals. The University supported the bill, but the bill was held in the Senate Health Committee.

AB 2374 (Fong) creates the California Asian American and Native America Hawaiian Islander-Serving Institutions designation. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on September 29, 2026 (Chapter 760).

AB 2392 (Fong) requires CCC and CSU and requests UC, before providing a generative artificial intelligence (GenAI) system to students, faculty, or staff, to convene a joint working group to present recommendations for procurement standards and training, which the bill would require to be submitted on or before January 1, 2028, and provides the training to students, faculty, or staff. The University did not take a position on the bill. The Governor signed the bill on September 30, 2026 (Chapter 855).

AB 2422 (Caloza) requires higher education institutions to extend enrollment and fee deadlines and refrain from imposing punitive actions for a student whose financial award is delayed due to factors outside the student's control. The University did not take a position on the bill but worked on implementation amendments. The Governor signed the bill on September 27, 2026 (Chapter 605).

AB 2436 (Fong) extends provisions that entitle 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 indefinitely. The University **supported** the bill and the Governor signed the bill on September 20, 2026 (Chapter 353).

AB 2551 (Elhawary) would have required the annual student code of conduct reporting to include information on student code of conduct violations that occurred during, or as a result of, a protest on campus and a description of the discipline imposed on the student as a result of the specified student code of conduct violation. The University **opposed** the bill and requested the Governor's veto on the bill. The Governor vetoed the bill on September 27, 2026.

AB 2572 (Fong) authorizes CSU to jointly award doctoral degrees with accredited international institutions and private institutions of higher education without limiting it to professional or applied doctoral degrees that do not duplicate UC doctoral degrees and complying with the specified review and approval process. The University did not take a position on the bill but shared concerns with the author's office, who decided to hold the bill in the Senate Education Committee.

AB 2575 (Ortega) would have allowed a clinician to disregard or override the output of a clinical decision support system (CDSS) if it interferes with their professional judgement and expanded provider liability exposure. The University **opposed** the bill and requested the Governor's veto on the bill. The Governor vetoed the bill on September 30, 2026.

AB 2660 (Alvarez) establishes the Cal-Bridge Program as an intersegmental partnership program between the CCC, CSU, and UC to promote diversity in science, technology, engineering, and mathematics (STEM) fields. The University did not take a position on the bill but requested and received implementation amendments. The Governor signed the bill on September 27, 2026 (Chapter 633).

AB 2694 (Alvarez) allows CCCs to create up to 11 more bachelor's degree programs similar to CSU within that geographic region if CSU doesn't transfer at least 75% of those students in a 3-year period. The programs must meet an unmet workforce need and the CCC must meet certain student achievement criteria. The University opposed the previous version of the bill but moved to a neutral position after the bill was amended to the current version. The Governor signed the bill on September 18, 2026 (Chapter 308).

AB 2766 (Ahrens) requires UC, CSU, and CCC to give priority for student housing to current and former foster youth and current and former homeless youth. The University **supported** the bill, and the Governor signed the bill on September 14, 2026 (Chapter 216).

AB 2768 (Ahrens) requests UC and requires CSU, CCC, private postsecondary educational institutions, and independent institutions of higher education that receive state financial assistance, for a student who has submitted a specified financial aid application and is a foster youth or former foster youth, upon the student's initial enrollment at the postsecondary educational institution to either waive the unpaid portion of enrollment fees and costs, or defer the unpaid portion of enrollment fees and costs until the student has received an initial disbursement of the student's financial aid award. The University **supported** the bill and the Governor signed the bill on September 27, 2026 (Chapter 637).

ACA 18 (Caloza) would have required the UC Regents to appoint for two-year terms two undergraduate students and two graduate students enrolled at a campus of the university for each regular academic term during their service as members of the board. The University did not take a position on the constitutional amendment, and it was held in the Senate Appropriations Committee.

SB 417 (Limón) enacts the Veterans and Affordable Housing Bond Act of 2026, authorizing the issuance of $11.25 billion in bonds to finance affordable rental housing and home ownership programs. The University **supported** the bill, and the bill was signed by the Governor on June 25, 2026 (Chapter 16).

SB 503 (Weber Pierson) requires developers of clinical decision support systems, as defined, to make reasonable efforts to mitigate the known or reasonably foreseeable risk of biased impacts resulting from the use of these systems. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on September 30, 2026 (Chapter 857).

SB 960 (Cabaldon) restructures the approval framework for CCC baccalaureate degree programs. The bill retains the statewide prohibition on duplication of UC programs and limits the prohibition on duplication of CSU programs to CSU campuses whose local service area includes or overlaps with the community college district's (CCD) territory and creates an exception permitting duplication where the CSU campus program has had a transfer acceptance rate of less than 75% for three consecutive years. The University did not take a position on the bill, and the Governor signed the bill on September 18, 2026 (Chapter 320).

SB 1025 (Hurtado) would have established the Office of Food Security and Affordability to coordinate statewide food insecurity programs and establish best practices for food banks and emergency food providers. The University **supported** the bill, but the bill was held in the Assembly Appropriations Committee.

SB 1054 (Cabaldon) would have expanded the breadth and frequency of required employment and earning data reporting to the Employment Development Department (EDD) and would have required EDD to share relevant employment data with the Department of Social Services, the Department of Health Care Services, and the Office of the California Education Interagency Council. The University **supported** the bill, but the bill was held in the Assembly Appropriations Committee.

SB 1114 (Cabaldon) prohibits information pertaining to sexual orientation, gender identity, and variations in sex characteristics/intersex status (SOGISC) collected by state entities (including UC, CSU, and CCC) from being disclosed in a manner allowing personal identification to any entity outside of California state government, or a vendor contracted to provide services to the state, subject to certain exceptions, as specified. The University did not take a position on the bill. The Governor signed the bill on September 26, 2026 (Chapter 471).

SB 1141 (Wahab) was a bill that would have prohibited business entities from contracting with UC for 12 months if a Chancellor, SMG member, or leader of a UC health system serves or has served the business entity and received any compensation above $100k in the previous year. The bill was substantially amended by the Senate Judiciary committee and would have required a UC executive to, within 60 days of accepting a board of director position with a business entity, post on a UC website a written recusal from involvement with any future University contract decision where the business entity is a party. It also reaffirms that UC executives are prohibited from influencing contractual decisions if they serve on the board of, or receive compensation from, the business entity involved in the contract. The Attorney General is authorized to enforce these provisions and, if the court finds a violation, the contract is to be voided. With the amendments, the University moved from an **oppose** position to a neutral position. The bill was held in the Senate Appropriations Committee suspense file.

SB 1146 (Gonzalez, Lena) would have established important consumer protections against deceptive health-related advertising that uses artificial intelligence to impersonate physicians. The University **supported** the bill, but the bill was held in the Assembly Appropriations Committee.

SB 1150 (Jones) would have required an entity that reports a patient's case of cancer to the California Department of Public Health to notify the patient by mail, within five business days of the report, that they reported the patient's case and that the information may be used to add the patient to a registry of cancer cases. The University had a **concern** position on the bill but the April 28, 2026, amendments substantially address the University's concerns and the University moved to a neutral position. The Governor signed the bill on September 14, 2026 (Chapter 228).

SB 1255 (Reyes) creates the California Hispanic-Serving Institutions designation. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on September 30, 2026 (Chapter 10).

SB 1319 (Durazo) would have expanded what types of information are disclosable by a public investment fund under the California Public Records Act (CPRA). The University did not take a position on the bill. The bill was held in the Senate Appropriations Committee.

SB 1328 (Cervantes) expands the Equity in Higher Education Act by requesting UC and requiring CSU and CCC to designate and publish LGBTQ+ points of contact at branch campuses and satellite locations. The University requested and received amendments to reduce the number of sites included in the bill and **supported** the bill. The Governor signed the bill on September 26, 2026 (Chapter 472).

SB 1374 (Niello) authorizes a chief administrative officer of the postsecondary educational institution or an officer or employee designated by the chief administrative officer to maintain order on the school campus or facility to seek a temporary restraining order and an injunction on behalf of the postsecondary educational institution, upon becoming aware of unlawful violence or a credible threat of violence directed towards the postsecondary educational institution. The University **supported** the bill and the Governor signed the bill on September 27, 2026 (Chapter 705).

ADVOCACY SUMMARY

The University of California entered the 2026 legislative session facing significant fiscal challenges and an ambitious advocacy agenda. Throughout the year, SGR, along with campus governmental relations offices, expanded the scale and reach of UC's advocacy. SGR strengthened coordination across the University, mobilized thousands of UC advocates, and built coalitions around the University's highest-priority budget and legislative goals.

These efforts helped secure significant state investment in UC's core mission, advance the first statewide housing bond to include UC student housing, and move forward a historic state investment in California's research enterprise.

Expanding Grassroots Advocacy through UCAN

As the number and complexity of UC's advocacy priorities have grown, the UC Advocacy Network (UCAN) has become an increasingly important tool for informing, engaging and mobilizing the UC community. In 2026, UCAN set a new milestone, generating more than 25,000 grassroots advocacy actions, including emails to legislative offices and signed pledges.

UCAN allowed SGR to mobilize advocates at critical moments throughout the legislative session on the state budget, affordable student housing and the California Science and Health Research Bond. Advocates reached every member of the Legislature, demonstrating both the breadth of UC's statewide constituency and the depth of support for the University's priorities.

SGR also worked intentionally with organizations representing constituencies throughout UC—including AAUC, CUCSA, UCSA and UCGPC—to extend the reach of these campaigns. SGR provided these groups and campus governmental relations teams with information, advocacy tools and opportunities to engage their own networks. This amplified UCAN messages across the University and created more consistent opportunities for students, faculty, staff, alumni and other supporters to participate.

Advancing UC's Highest-Priority Investments

SGR organized its 2026 advocacy around a clear case for state investment in three areas central to UC's mission: supporting the California students UC has committed to serve, expanding affordable student housing, and protecting California's research enterprise.

Supporting California students and the UC-state partnership. Throughout the budget process, UC emphasized the importance of honoring the commitments made under the Compact and providing the resources necessary to support the California students UC has committed to enroll. Advocates connected state investment to UC's ability to maintain access, affordability and academic quality while expanding opportunities for California students.

Making student housing part of California's housing solution. UC made the case that affordable student housing is an important part of addressing California's broader housing crisis. Advocates connected housing costs directly to college affordability and highlighted UC's record of delivering student housing. They also showed how state support can reduce project costs and help UC offer rents below market rates. UC also demonstrated that state dollars could be leveraged through UC financing to support substantially greater housing development.

For the first time, UC student housing was included in a statewide housing bond proposal, with $175 million proposed for UC. UC estimates that investment could support approximately $700 million in total housing development and roughly 2,300 new student beds.

SGR pursued a targeted strategy to achieve this milestone. We engaged at key moments in the legislative process and paired messages about affordability and housing supply with voices from students, business organizations, community partners and other stakeholders. The campaign demonstrated the value of matching the right message and the right coalition to the legislative opportunity.

Leading a systemwide campaign for California research. The California Science and Health Research Bond required an advocacy effort of exceptional scale. SGR and campus governmental relations offices led a sustained, systemwide campaign to demonstrate the importance of California's research enterprise. The campaign brought together UC leaders, researchers, students, staff, alumni, patients, labor partners and other supporters.

UC's message focused on the tangible impact of research investment for Californians. We highlighted new treatments and technologies; advances in cancer, neurological disease and other major health challenges; innovations that strengthen California agriculture; new companies and jobs; and responses to public health and environmental challenges. UC also emphasized the importance of preserving California's research capacity amid significant uncertainty in federal research funding.

The campaign combined grassroots, grasstops, legislative, faculty, campus and communications strategies. SGR, campuses, and other partners:

- Generated nearly 14,000 emails to lawmakers through UCAN in support of the research bond.

- Brought hundreds of UC researchers, students, faculty, staff and supporters to the State Capitol for the Rally for Science.

- Recruited faculty and researchers to provide expert testimony, public comment and direct education to legislators and legislative staff.

- Organized meetings with lawmakers and staff in Sacramento and legislative districts across California.

- Developed a new framework with campus governmental relations teams to identify and mobilize faculty experts around research and other priority issues.

- Organized campus briefings, town halls, newsletters, faculty outreach and campuswide calls to action to keep the UC community informed and engaged throughout a lengthy legislative campaign.

- Published op-eds and elevated researchers, advocates and the case for state research investment through earned media.

- Worked with alumni, students, staff, campus foundations, patient advocates, business and research organizations and other external validators to demonstrate support extending well beyond UC.

- Sustained advocacy through multiple hearings, amendments and critical legislative deadlines, adapting messages and tactics as the proposal moved through the legislative process.

The campaign also provided an important opportunity to deepen collaboration with UC's labor partners. As co-sponsors of the legislation, UC and UAW worked together on strategy, legislative advocacy, grassroots engagement and communications around a major shared priority.

Connecting UC Campuses and Communities to the Capitol

SGR's advocacy strategy paired coordinated statewide engagement with the local voices and examples that demonstrate UC's impact in individual legislative districts and communities.

UC Day served as the largest coordinated expression of that strategy. All 10 campuses brought delegations to Sacramento and coordinated more than 100 legislative meetings in a single day. Campus leaders, students, faculty, staff and alumni connected UC's statewide priorities to the institutions, people, research and economic activity legislators know in their own communities.

That work extended beyond UC Day. Throughout the year, SGR and campus governmental relations teams coordinated Capitol meetings, district engagement, and campus visits. These gave policymakers opportunities to see UC's impact firsthand and hear directly from the people affected by state decisions.

This combination of systemwide coordination and campus-based engagement allows UC to speak with a consistent voice on statewide priorities while showing what they mean locally. It connects state investment in the University to students, jobs, research, health care, businesses and communities throughout California.

Building a Stronger Systemwide Advocacy Network

SGR significantly expanded the scale and depth of systemwide advocacy coordination in 2026. Coordination across UC has long been central to SGR's work. This year, SGR developed a more intentional approach to connect with constituencies across the University through advocacy opportunities.

In addition to the organizing framework for the research bond, SGR also deepened relationships with organizations representing constituencies throughout UC, including AAUC, CUCSA, UCSA, UCGPC, Student Regents, Alumni Regents and Staff Advisors. These relationships helped SGR communicate more consistently about the University's priorities, why they mattered and when members of the UC community could help.

Together with UCAN and close coordination with campus governmental relations teams, this work created a stronger advocacy network reaching virtually every constituency across the University.

Strengthening Coalitions Beyond UC

SGR expanded and strengthened partnerships with organizations outside the University whose members and missions intersect with UC's priorities. Partners included the Bay Area Council, California Chamber of Commerce, Silicon Valley Leadership Group, California Life Sciences, California Hospital Association, the Student Homes Coalition and other statewide and regional organizations. They brought fresh perspectives to conversations about research, workforce development, housing and investment in the University.

These coalitions complement institutional advocacy with independent voices that speak to the University's impact on California's economy, workforce and communities. They confirm that investment in UC matters beyond the boundaries of its campuses.

UC State Governmental Relations

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OTHER KEY BILLS FOLLOWED CLOSELY BY UC

AB 611 (Lee) requires UC to administer a new grant program for a voluntary tax contribution fund related to spinal cord research. The University did not take a position on the bill. The bill was signed by the Governor on September 18, 2026 (Chapter 264).

AB 713 (Solache) would have prohibited UC, CSU, and CCC from disqualifying a student from employment solely based on their lack of proof of federal work authorization, except where such proof is required by federal law or as a condition of a grant funding the position. The University did not take a position on the bill. The bill was vetoed by the Governor on September 20, 2026.

AB 1331 (Elhawary) prohibits an employer from using a workplace surveillance tool to monitor employees in a bathroom located in the workplace and provides an employee with the right to leave behind workplace surveillance tools that are on their person or in their possession when entering a bathroom. The University did not take a position on the bill. The bill was signed by the Governor on September 30, 2026 (Chapter 851).

AB 1534 (Irwin) prohibits a postsecondary educational institution from disbursing federal Workforce Pell Grant program funds to students enrolled in the institution's short-term programs, and advertising, marketing, or informing students about the availability of those funds. The University did not take a position on the bill. The bill was signed by the Governor on September 27, 2026 (Chapter 519).

AB 1552 (Jackson) requests UC and requires CSU and CCC to report to the Legislature recommendations on how to facilitate greater knowledge of American democracy and meaningful civic engagement opportunities for students on campuses, and any necessary support from the Legislature to achieve those recommendations. The University did not take a position on the bill. The bill was signed by the Governor on September 27, 2026 (Chapter 522).

AB 1627 (Ávila Farías) disqualifies a person from being a law enforcement officer if they were employed by any state, U.S. territory, or the federal government and engaged in immigration enforcement. The University did not take a position on the bill. The bill was signed by the Governor on September 29, 2026 (Chapter 739).

AB 1734 (Stefani) would have created the Count Hunger Act which would have encouraged UCLA, when administering the California Health Interview Survey, to expand the portion of the survey relating to food insecurity to include households with incomes at or below 400% of the federal poverty level. The University did not take a position on the bill, but secured amendments to ensure that UCLA shall only administer the program if funding is allocated. The bill was held in Senate Appropriations.

AB 1769 (Ramos) requests UC and requires CSU and governing boards of community college districts that offer a baccalaureate degree to develop and implement transfer agreements and articulation programs to support and enhance the success of students attending California tribal colleges. The University did not take a position on the bill. The bill was signed by the Governor on September 25, 2026 (Chapter 453).

AB 1784 (Pellerin) amends the Equity in Higher Education Act to include ancestry, national origin, medical condition, marital status, familial status, citizenship, and primary language among the characteristics protected to ensure equal opportunities in postsecondary education; expands the definition of "gender" for purposes of the act to include pregnancy or pregnancy-related conditions; prohibits a postsecondary educational institution from discriminating against a student or applicant based on the student's or applicant's actual or potential familial or marital status, or based on the student's or applicant's pregnancy or pregnancy-related conditions. The University did not take a position on the bill. The bill was signed by the Governor on September 30, 2026 (Chapter 895).

AB 1845 (Krell) requires UC, CSU, CCC, private postsecondary educational institutions, and independent institutions of higher education to include information related to human trafficking as part of sexual harassment training for employees; requires each campus to compile records of crimes on campus that are reported and involve human trafficking; requires written agreements with local law enforcement agencies to also clarify operational responsibilities for investigations of human trafficking occurring on campus. The University did not take a position on the bill. The bill was signed by the Governor on September 30, 2026 (Chapter 834).

AB 1859 (Ortega) would have required an awarding body or owner, for public works projects, to give reasonable access to representatives of a joint-labor management committee to monitor compliance with the prevailing wage and apprenticeship requirements. The University did not take a position on the bill. The bill was held in the Senate Appropriations Committee.

AB 1896 (González, Mark) would have disqualified from being a peace officer a person previously employed as a sworn law enforcement officer or individual contractor and personally engaged in immigration enforcement. The University did not take a position on the bill. The bill was vetoed by the Governor on September 30, 2026.

AB 1898 (Schultz) would have required an employer to provide a written notice to a worker that a workplace AI tool was used to assist the employer in making employment-related decisions or to surveil workers in the workplace. The University did not take a position on the bill. The bill was held in the Assembly Appropriations Committee.

AB 1930 (Zbur) requires a person or entity to provide notice to the Attorney General before responding to various requests for information regarding abortion or gender-affirming health care services. The University did not take a position on the bill but worked with CHA to secure amendments to address concerns. The bill was signed by the Governor on September 26, 2026 (Chapter 468).

AB 1979 (Bonta) requires a health facility, clinic, physician's office, or office of a group practice to take reasonable steps to ensure that a licensed health care professional retains the ability to exercise independent professional judgment in their care of a patient whenever that care is informed by the output of a clinical decision support system. The University did not take a position on the bill but worked with the California Hospital Association (CHA) to secure amendments to address concerns. The bill was signed by the Governor on September 30, 2026 (Chapter 854).

AB 2027 (Ward) would have prohibited an employer from using a worker's personal information to train an artificial intelligence system to replicate, automate, or replace a worker's job, and prohibits an employer from selling, disclosing, or otherwise providing access to a worker's personal information to a third party for the purpose of training an artificial intelligence system to replicate, automate, or replace a worker's job. The University did not take a position on the bill. The bill was held in the Assembly Appropriations Committee.

AB 2114 (Bryan) would have authorized a public postsecondary educational institution to administer an educational asylum program, in collaboration with UC, CSU and CCC; requires a participating institution to grant educational asylum status to a transfer student who meets specified requirements, including residing in a restricted state. It would have exempted a transfer student who is granted educational asylum status from paying nonresident tuition at a participating institution and would require the transfer student to only pay resident tuition and fees. The University did not take a position on the bill. The bill was held in the Assembly Appropriations Committee.

AB 2176 (Fong) would have required CSU to convene a working group to develop recommendations, identify opportunities, and support the sharing of best practices related to student housing, including intersegmental student housing and requested UC to participate in the working group. The University did not take a position on the bill. The bill was held in the Senate Appropriations Committee.

AB 2386 (Alavarez) would have authorized a new pathway for internationally licensed physicians to practice in California through a provisional license while working under supervision at qualifying clinics and health care facilities serving underserved communities. It also authorizes physicians participating in the Licensed Physicians from Mexico Program, who have met specified requirements, to obtain a full and unrestricted physician license. The University did not take a position on the bill. The bill was held in the Senate Appropriations Committee.

AB 2540 (Stefani) requires a student health center on a CSU or UC campus to promote awareness of the services for abortion by medication techniques that the student health center offers, provide information on those services to students, and post the availability of those services on its internet website. The University did not take a position on the bill. The bill was signed by the Governor on September 27, 2026 (Chapter 490).

AB 2656 (Petrie-Norris) would have required certain state and local public employers to provide written notice to a recognized employee organization at least 45 days before taking an action to develop, purchase, or require the use of GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization. The University did not take a position on the bill. The bill was vetoed by the Governor on September 30, 2026.

ACA 7 (Jackson) amends the California Constitution to modify the Proposition 209 prohibition against discrimination or preferential treatment based on race, sex, color, ethnicity, or national origin, limiting its applicability to the operation of public employment, public higher education admissions and enrollment, and public contracting. The Legislature adopted it on September 10, 2026 (Chapter 223). Passage of the bill qualifies this measure for the November 2028 statewide ballot.

SB 903 (Padilla) would have regulated the use of artificial intelligence in connection with providing or facilitating psychotherapy services. The University did not take a position on this bill but worked with CHA to secure amendments to reduce the impact to the University. The bill was vetoed by the Governor on September 30, 2026.

SB 915 (Menjivar) would have required a health care provider entity to, when there is a patient accompanied by an immigration enforcement officer, verify and document the identities and agencies of the accompanying immigration enforcement officers, to the extent possible. The University did not take a position on the bill but provided feedback on implementation concerns. The bill was held in the Senate Appropriations Committee.

SB 925 (McNerney) evaluates siting opportunities for fusion research and development test stands, including potential locations on UC campuses and other higher education institutions, and requires the Energy Commission to develop a statewide strategic plan for fusion energy development, consult with representatives from universities and other entities, and establish certification and environmental review processes for fusion energy facilities. The bill was signed by the Governor on September 30, 2026 (Chapter 831).

SB 947 (McNerney) prohibits an employer from solely relying on an automated decision system (ADS) when making a disciplinary or termination decision and limits the purposes for and ways in which an ADS may be used. The University did not take a position on the bill. The bill was signed by the Governor on September 30, 2026 (Chapter 859).

SB 1101 (Pérez) would have requested UC and required CSU, CCC, and independent institutions of higher education to notify faculty, staff, and students when their personal information is shared with the U.S. Department of Education's Office for Civil Rights as part of an investigative, compliance, or enforcement action, to limit such sharing to information required by federal or state law, and to include in the notification a description of the specific types of personal information shared. The University did not take a position on the bill. The bill was held in the Senate Appropriations Committee.

SB 1224 (Jones) would have established the California Emerging Therapies Research Partnership Fund to issue grants to a UC campus to serve as an anchor institution for a federally registered emerging therapies clinical trial; requires the California Health and Human Services Agency, the Department of Veterans Affairs, and the UC Office of the President to submit a complete application for partnership designation to the federal Advanced Research Projects Agency for Health (ARPA-H). The University did not take a position on the bill. The bill was held in the Assembly Appropriations Committee.

UNIVERSITY OF CALIFORNIA BUDGET ACT OF 2026

This document summarizes the final Budget Act of 2026 and associated budget trailer bills that impact the University of California.

BUDGET ACT AND TRAILER BILL NUMBERS

Budget Bills

- **AB 113** (Gabriel) – The Budget Act of 2026, this bill contains the final UC main appropriation as well as the UC ANR State General Fund appropriation. The bill was signed by the Governor on September 18 with no vetoes on UC items.

- **AB 109** (Gabriel) – The Budget Act of 2026, this bill contains the UC special fund appropriations and reappropriation language. This bill was signed by the Governor on June 29.

- **SB 111** (Laird) – This bill reflects the initial budget framework agreement between the Governor and the Legislature. This bill was overwritten by AB 113. This bill was signed by the Governor on June 29.

Budget Trailer Bills (see "Trailer Bills" section for details)

- **SB 135** (Committee on Budget and Fiscal Review) – Higher Education budget trailer bill. This bill was signed by the Governor on July 13.

- **SB 164** (Committee on Budget and Fiscal Review) – Health budget trailer bill. This bill was signed by the Governor on June 29.

- **AB 167** (Committee on Budget) – Higher Education budget trailer bill. This bill was signed by the Governor on September 18.

- **AB 173** (Committee on Budget) – Health budget trailer bill. This bill was signed by the Governor on September 18.

- **SB 122** (Committee on Budget) – Taxation budget trailer bill. This bill was signed by the Governor on June 29.

- **SB 125** (Committee on Budget and Fiscal Review) – Medi-Cal Managed Care Organization Provider Tax budget trailer bill. This bill was signed by the Governor on June 29.

- **AB 126** (Committee on Budget) – K-12 omnibus budget trailer bill. This bill was signed by the Governor on July 9.

- **ACA 20** (Gabriel) – Save for California's Future Act constitutional amendment. This bill was passed by the Legislature on June 25. Governor's signature is not required.

TOTAL STATE BUDGET

- The final 2026-27 State budget includes $351.7 billion in expenditures, including $251.5 billion from State General Funds, $95.1 billion from State Special Funds, and $5.1 billion from State bonds.

- The State's revenues increased from 2025-26 to 2026-27, but most State agency ongoing budgets decreased year over year. The majority of the new funding was provided to Prop 98 (K-14), higher education, health care, retirement, and reserves.

- The State retains $35.2 billion in total reserves, including $15.1 billion in the Budget Stabilization Account.

- The budget stabilizing actions taken in the Budget Act of 2026-27 are projected to have eliminated the previously projected budget deficit of $24 billion for 2027-28.

UNIVERSITY OF CALIFORNIA ONGOING FUNDING

For 2026-27, State funding allocated to the University totals $5.5 billion. The total ongoing budget allocation for the University reflects $533.3 million in growth from 2025-26 to 2026-27. This significant increase in State support follows a year in which the University's budget was kept essentially flat, and therefore this increase will need to cover two years' cost growth. Campuses will need to continue efforts to manage cost growth.

The funding **increases** in the Budget Act of 2026 for the University include:

- $350.6 million, or 7 percent, ongoing increase to the base budget. This reflects:
  - the full 5 percent Compact payment for 2026-27 and
  - 2 out of 5 percent for the 2025-26 Compact payment.

- $129.7 million ongoing restoration of the 3% deferral from 2025-26.

- $61 million ongoing for nonresident student replacement with California undergraduates at the Berkeley, Los Angeles, and San Diego campuses.

The funding **decrease** in the Budget Act of 2026 for the University is:

- $8.1 million technical reduction to the affordable student housing bond repayment funds. This reduction will not impact UC student housing projects.

The Budget Act includes language to allow the University to borrow up to $129.7 million at zero interest from the State. The loan will replace the loan the University took in 2025-26 to cover operational costs. This new loan will have to be approved by both the Director of the Department of Finance and the Joint Legislative Budget Committee.
In addition, the Budget Act defers some Compact funding to future years. The remaining three percent, or $144.5 million ongoing, of the 2025-26 Compact base budget increase will be received in 2028-29. One-time back payments for the deferred 2025-26 Compact funds, including the $240.8 million for the base budget increase and the $31 million for replacing nonresidents with resident undergraduate students, are deferred to 2027-28.
The University's 2026-27 Budget for Current Operations estimates growth in core operations expenditures of about $438 million. This means that the majority of the new funding received will go toward covering the estimated campus cost growth.

UNIVERSITY OF CALIFORNIA ONE-TIME FUNDING

The Budget Act of 2026 provides the University with $203.6 million in one-time funding directed for specific programs and initiatives. AB 113 contains these appropriations, which are listed below.

One-Time State General Fund:

The University of California is receiving $171.5 million in one-time State General Fund appropriations:

- $25 million for the Innovative Genomics Institute, of which $20 million is for breast cancer research and $5 million is for agriculture and entrepreneurship activities at the Institute
- $20 million for student basic needs, housing, and disability services.
- $15 million for UC journalism fellowships, with $250,000 specified for California Black Media
- $15 million for UC Climate Change Research Institute
- $10 million for firefighter FIRESCOPE cancer research
- $9 million for Cal-Bridge
- $8.4 million for UC San Francisco Dyslexia Center
- $7.5 million for the UC/CSU Collaborative for Neurodiversity and Learning
- $6.5 million for voting rights programs, which includes $5 million for UCLA Voting Rights Project and $1.5 million for UCSB Center for Race and Democracy
- $5.26 million for UC Berkeley faculty start-up and retention program
- $5.2 million for UC San Diego to develop and offer a BA combining business principles with data science in South San Diego (Chula Vista)
- $5 million for Degree Plus
- $5 million for California Institutes for Science and Innovation, including CITRIS
- $5 million for UCLA Center for Reproductive Health, Law, and Policy
- $5 million for UCLA
- $3.6 million for UC San Diego PRIME Rx (Regents' request)
- $3.4 million for menopause programs
- $3.3 million for PRIME Central Coast

- $3 million for the Ralph J. Bunche Center at UCLA
- $3 million for the University of California Hematologic Malignancies Consortium
- $1.8 million for UC Berkeley ACCESS – Optometry PRIME (Regents' request)
- $1.5 million for First Star foster youth services programs
- $1.38 million for UC Berkeley IGS Library Digitization Project
- $1 million for UC Berkeley Latinxs and the Environment Initiative
- $750,000 for UC Berkeley for AAPI Data Research
- $750,000 for ENLACE
- $500,000 for the UC Davis Redwood SEED Scholars Program
- $250,000 for UC Davis DART laboratory to study mosquito and vector control
- $200,000 for Associated Students of University of California, Los Angeles for the UCLA Bruin One Access as a State CalFRESH Enrollment Accelerator
- $200,000 for UC Santa Cruz Seymour Marine Discovery Center for climate-focused work

One-Time Climate Research Funds:

The University of California is receiving $38.2 million in one-time climate change related funding from three different funding sources:

- $20 million one-time in Greenhouse Gas Reduction Funds for the UC Climate Change Research Institute at Irvine, Davis, Santa Barbara, and Los Angeles
- $3.198 million one-time in Prop 4 funding for the UC Climate Center through the Secretary of the Natural Resources Agency
- $15 million one-time in State General Fund for UC Climate Change Research Institute (Note: these funds are also listed above under the State General Fund section)

One-Time Funds Through Other Agencies:

The University of California is receiving $8.9 million in one-time appropriations through other state agency budgets:

- $6.5 million in Prop 4 funding to UC Office of the President to provide to the UC San Diego Scripps Institute marine research vessel. Funding provided through the Secretary of the Natural Resources Agency.
- $1.4 million in Prop 4 funding for the UC Davis Tahoe Environmental Research Center through the Secretary of the Natural Resources Agency.

- $1 million through the Secretary of California Health and Human Services for UC Office of the President and UCLA to identify uninsured populations in California and health care utilization trends.

UC AGRICULTURE AND NATURAL RESOURCES

UC Agriculture and Natural Resources (UC ANR) has a separate line item in the budget. The UC ANR base budget is increasing by $10.2 million reflecting a share of the Compact funding received and the restoration of the one-time cut from the 2025-26 Budget. UC ANR is not receiving one-time funding in 2026-27. The funding changes for 2026-27 are reflected in the chart below.

UC ANR	Amount
2025-26 Budget Act	$ 121,079,000
Remove One-Time	$ (1,300,000)
2025-26 Base Budget	**$ 119,779,000**
2026-27 Changes	**Amount**
New One-Time Funds	**$** -
3% Deferral Restoration	$ 3,242,000
Compact Funding Share	$ 7,013,000
Total Changes	**$ 10,255,000**
2026-27 Budget	**$ 130,034,000**

HEALTH FUNDING ITEMS

In 2026 the University will receive $75 million in Prop 35 Managed Care Organization (MCO) tax funds for graduate medical education, or GME, which funds medical residents. The Budget Act of 2026 also includes $250 million for public hospitals. The University will receive a portion of these funds.

Health Care Funding to Other State Agencies of Interest to the University:

- $9 million to support gender-affirming care services for children and youth. (AB 113 also provides $1 million to HCAI to administer the program.) The Department of Health Care Access and Information will coordinate with the Department of Health Care Services and stakeholders to support implementation.

- $4.7 million to the California Initiative to Advance Precision Medicine for research involving veterans and psychedelics. The provision does not specify the research focus, eligible recipients, or funding mechanism.

- $2 million to the University of the Pacific to support the development of a new medical school at the university.

- $1 million for Cal Poly, San Luis Obispo to study the feasibility of the creation of a medical school in partnership with the UC and CSU systems.

- $90 million to reproduction health providers in the family PACT program in budget trailer bill SB 106.

- Health care facility and program support through other state agencies:
  - Martin Luther King Jr. Community Hospital, $8 million: Provides operational support for the hospital.
  - Santa Clara Valley Healthcare, $2 million: Funds equipment to expand available behavioral health treatment options.
  - Kern Medical mobile dental unit, $2 million: Supports the design, construction, staffing, and deployment of a purpose-built mobile dental clinic equipped with two dental chairs and onboard X-ray capability.
  - Kern County cancer services, $88,000: Expands cancer prevention, early detection, screening, and patient-navigation services for rural and disadvantaged communities. Funding may support community outreach, locally accessible screenings, referrals, and assistance connecting patients to diagnostic and treatment services.
  - Watsonville Community Hospital, $325,000: Supports hospital facility upgrades.
  - Loma Linda University Children's Hospital, $1 million: Supports the Resiliency Institute for Childhood Adversity.

UNIVERSITY OF CALIFORNIA MULTI-YEAR OUTLOOK

The Budget Act of 2026 assumes that the State's revenues will increase for 2027-28. However, the State is again projected to have deficits in 2028-29 and 2029-30. The Budget Acts of 2025 and 2026 have included legislative intent language for the following future payments to the University:

- ***Compact Base Budget Deferral:*** The Budget Act continues to defer $144.5 million, or three percent of the five percent Compact base budget increase, to 2028-29.

- ***One-Time Compact Back Payments Deferrals:*** The Budget Act of 2025 included intent language for one-time back payments of the deferred 2025-26 Compact amounts. These included a $240.8 million in one-time funding for the deferral of the 2025-26 Compact base budget, and $31 million in one-time funding for the nonresident student replacement at Berkeley, Los Angeles, and San Diego. Under the multi-year Compact the University would have otherwise received these payments in 2025-26.

- ***Repayment of the 3% Deferral:*** In addition to the deferred Compact funding, the Budget Act of 2025-26 deferred $129.7 million, or three percent, of the University's base budget. The Budget Act of 2026 includes intent language to repay these funds to the University in 2027-28.

University of California State General Fund	Final Budget Act of 2026			
	Actual 2026-27	Projected 2027-28	Projected 2028-29	Total
Ongoing State Funding				
2025-26 Compact	$ 96.3		$ 144.5	$ 240.8
2026-27 Compact	$ 254.4			$ 254.4
2025-26 Nonres Replacement	$ 31.0			$ 31.0
2026-27 Nonres Replacement	$ 30.0			$ 30.0
Higher Ed. Housing Debt Service	$ (8.1)			$ (8.1)
3% Deferral from 2025-26 (Restored)	$ 129.7			$ 129.7
Total New Ongoing Funding	**$ 533.3**	**$ -**	**$ 144.5**	**$ 677.8**
One-time State Funding				
Various Projects	$ 171.5			$ 171.5
3% Deferral from 2025-26		$ 129.7		$ 129.7
2025-26 Compact Back Payment		$ 240.8		$ 240.8
2025-26 Nonres Replace Back Payment		$ 31.0		$ 31.0
Total One-time Funding	**$ 171.5**	**$ 401.5**	**$ -**	**$ 573.0**

UNIVERSITY OF CALIFORNIA BUDGET BILL LANGUAGE CHANGES

The University of California budget includes extensive provisional budget bill language specifying the uses of funds and legislative reports. The items below reflect the new budget bill language added in the Budget Act of 2026.

- ***Loan Language.*** The Budget Act includes language allowing the Director of the Department of Finance to authorize up to a $129.7 million no-interest short-term loan to the University to assist with cash flow to remediate for the base budget deferral. The Joint Legislative Budget Committee has 30 days to review the loan and can reject it.

- ***Base Budget Deferral.*** The Budget Act includes language deferring $129.7 million of the University's base budget to 2027-28.

- ***Nonresident Replacement Funding.*** The Budget Act includes language specifying that $153 million of the University's base budget is for the replacement of 4,510 nonresident students with California undergraduates at the Berkeley, Los Angeles, and San Diego campuses combined between 2022-23 and 2026-27. The language specifies that student replacement exceeding the target in one year can be counted toward another year's target. Additionally, the Director of the Department of Finance may reduce the University's budget on a per-student basis if the nonresident student replacement goal is not met.

- ***Nonresident Replacement Funding Deferral.*** The Budget Act includes language deferring one-time back payment of $31 million for the replacement of nonresidents with resident undergraduate students from 2025-26 to 2027-28.

- ***Enrollment Expectations.*** The Budget Act includes an enrollment target of 2,968 FTE for 2026-27, for a total California undergraduate enrollment of 212,503 FTE. This includes 902 FTE for the replacement of nonresident undergraduates with resident undergraduate students.

- ***Menopause Center of Excellence.*** The Budget Act includes language specifying the uses of the University of California menopause program funding, and that UCLA will distribute at least $2 million of the $3.4 million to other UC menopause programs.

- ***South San Diego.*** The Budget Act includes language specifying the use of funding for UC San Diego is for a South San Diego a bachelor's degree program combining business principles with data science, or an additional STEM-related degree program.

- ***Journalism Fellowship Program at UC Berkeley.*** The Budget Act includes language specifying the uses of $250,000 for Black Media.

- ***Remove Funds Expiration Date.*** The Budget Act includes language making the one-time appropriations available for encumbrance or expenditure without regard to fiscal years.

FINANCIAL AID

The Budget Act of 2026 includes the following financial aid highlights:

- Funds the Middle Class Scholarship (MCS) will cover up to 23 percent of the student's remaining financial need. This is a decrease of the 2025-26 award level of 35 percent.

- Reauthorizes the Golden State Teacher Grant program until June 30, 2029. The reauthorization is in budget trailer bill AB 126.

- Provides $27.7 million for the Golden State Teacher Grant program, of which $16.1 million is reserved for students pursuing a special education teaching credential.

- Golden State Teacher Grant awards are set at up to $20,000 for special education teaching credential students and up to $10,000 per student for other teaching disciplines.

- Does not implement Cal Grant reform.

BUDGET TRAILER BILLS

- SB 135 (Committee on Budget and Fiscal Review) – Higher Education budget trailer bill. This bill was signed by the Governor on July 13. This bill:
  - Includes statutory changes related to the implementation of the federal Workforce Pell program;
  - Clarifies that representatives of UC, CSU, and CCCCO leadership are authorized to report on Title IX activities during legislative budget committee hearings;
  - Codifies in statute reporting requirements related to basic need, mental health and rapid rehousing programs at the University of California and California State University;
  - Codifies in statute reporting requirements for the Student Housing Grant programs at UC, CSU, and CCC as well as for student housing data collection, and allows both reports to be consolidated into one annual report;
  - Includes technical and conforming changes to align the California Native American Graves Protection and Repatriation Act (CalNAGPRA) with federal requirements;
  - Requests that the UC to enter into a memorandum of understanding for data sharing purposes related to the Cradle-to-Career Data System; and
  - Appropriates $1.2 million one-time Proposition 98 General Fund to support CalBridge First Academic Scholar Training.

- SB 164 (Committee on Budget and Fiscal Review) – Health budget trailer bill. This bill was signed by the Governor on June 29.

- AB 167 (Committee on Budget) – Higher Education budget trailer bill. This bill was signed by the Governor on September 18. This bill:
  - Extends the Umbilical Cord Blood Collection Program at the University of California to January 1, 2032; and
  - Expands Cal Grant eligibility to cover individuals up to age 30 from 2027-2032.

- AB 173 (Committee on Budget) – Health budget trailer bill. This bill was signed by the Governor on September 18. This bill:
  - Authorizes Palomar Health District to transfer its assets to the Palomar UC San Diego Health Authority if certain conditions are satisfied.

- SB 122 (Committee on Budget) – Revenue and taxation budget trailer bill. This bill was signed by the Governor on June 29. This bill:
  - Implements a sales and use tax on electronic goods and services; and
  - Extends the existing temporary limit of $5 million annually on the use of California business tax credits, including California's research and development credit, to 2030, and would make the limit permanent after 2030.

- AB 126 (Committee on Budget) – K-12 omnibus budget trailer bill. This bill was signed by the Governor on July 9. This bill:
  - Allows for dual enrollment courses to be counted as both high school and community college course credit.
  - Reauthorizes the Golden State Teacher Grant program until June 30, 2029.

- ACA 20 (Gabriel) – Save for California's Future Act constitutional amendment. This bill was passed by the Legislature on June 25. Governor's signature is not required. ACA 20 will be on the November, 2026 ballot. This ACA would:
  - Double the maximum allowable deposit into the Rainy Day Fund from 10% to 20%;
  - Exempt the deposits into the State's reserves from the Gann limit; and
  - Make the declaration of fiscal emergency automatic in specified conditions with no Governor's declaration needed.

- SB 125 (Committee on Budget and Fiscal Review) – Medi-Cal Managed Care Organization Provider Tax budget trailer bill. This bill was signed by the Governor on June 29. This bill:
  - Contingent on federal approval, creates a new Managed Care Organization (MCO) provider tax outside of the Proposition 35 framework beginning January 1, 2027.

Budget Trailer Bills Amending Prior Budgets

- AB 112 (Gabriel) – Amends the Budget Acts of 2022, 2023, 2024, and 2025. This bill does not change any direct appropriations to the University. The Governor signed this bill on June 29.

- SB 114 (Laird) – Amends the Budget Acts of 2022, 2023, 2024, and 2025. This bill does not change any direct appropriations to the University. The Governor signed this bill on September 18.

UC REGENTS' 2026-27 BUDGET REQUEST

In November 2025 the UC Board of Regents requested the State for the following funding increases:

- Ongoing Operating Funding Request: $702.7 million

- One-Time Operating Funding Request: $401.5 million

- One-Time Capital Outlay Funding Request: $1.43 billion