

A low-angle photograph of the University of California State Capitol building in Sacramento. The image shows the grand neoclassical architecture, including the large dome with a golden top, the pediment with sculptural reliefs, and the portico with tall columns. The American flag and the California state flag fly on poles to the right of the dome. The sky is blue with light clouds. A semi-transparent dark blue rectangle is overlaid on the left side of the image, containing the text.

UNIVERSITY
OF
CALIFORNIA

Annual SGR Year-End Briefing 2025

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Annual Year-End Briefing recaps UC's legislative year

EXECUTIVE SUMMARY

3 UC sponsored bills signed by the Governor

- UC (University of California) State Governmental Relations (SGR) reviewed and tracked:
 - 2833 introduced bills
 - 1858 amended bills
- SGR directly managed 303 bills that had a significant impact to the University – and further monitored 658 bills that had a marginal impact the University.
- SGR issued over 100 position letters to the Legislature and Governor.
- Three University sponsored bills were signed by the Governor.
- The University took a support position on 33 bills in 2025 and requested a gubernatorial signature on 12 of those bills. Ten of those bills were signed by the Governor.
- The University formally opposed 12 measures and only one of them was sent to the Governor's desk. Collectively these measures would have resulted in over \$42.5 million in unfunded, one-time costs for the University nearly \$665 million in unfunded on-going costs and the anticipated hiring of a minimum of 70 new full-time equivalent (FTE) University staff to manage the oversight and implementation functions of the proposed requirements.
- President James B. Milliken, Former President Michael V. Drake, and Associate Vice President Kathleen Fullerton conducted over 160 meetings with legislators and staff on a variety of policy and fiscal issues.
- SGR testified or prepared UC leadership to testify in 13 budget hearings.
- University leadership and SGR staff testified on numerous occasions in 17 different policy and fiscal committees.

- The final Budget Act of 2025 included a deferral of 3 percent, or \$129.7 million, in base budget funding from 2025-26 to 2026-27 and a restoration of a \$125 million cut provided in 2024-25.
- UC Advocacy Network (UCAN) advocates contacted legislative offices over 18,000 times, setting a new record of engagement.
- SGR secured a letter of support for full UC funding, signed by more than half the members of the Legislature, underscoring broad legislative backing.
- UC's advocacy efforts received significant media coverage, with Associate Vice President Kathleen Fullerton serving as a key spokesperson in outlets such as Politico, the Los Angeles Times, and EdSource.

BUDGET SUMMARY

The Budget Act of 2025 provides the University of California with \$4.9 billion in State General Fund, which is the same base operating budget level as the 2024-25 budget. The Budget Act defers 3 percent of the University's base budget from 2025-26 to 2026-27. The Budget Act also defers the multi-year Compact funding for 2025-26 to future years. In addition to the ongoing base budget, the University was provided \$48 million in one-time funding directed for specific programs and initiatives selected by the Governor and the Legislature.

Ongoing Funding Changes:

- Deferral of 3 percent, or \$129.7 million, in base budget funding from 2025-26 to 2026-27.
- Restoration of a \$125 million cut provided in 2024-25.
- \$430,000 in new ongoing funding to support the California Newspaper Projects at the University of California, Riverside.
- \$1 million reduction to the affordable student housing bond repayment funds.

Deferral and Repayment Plan:

- Deferral of 3 percent, or \$129.7 million, in base budget funding from 2025-26 to 2026-27.
- Deferral of the Compact 5 percent ongoing base budget increase, or \$240.8 million, from 2025-26 to future years. These funds would be provided in two parts, with \$96.3 million to be received in 2026-27 and \$144.5 million to be received in 2028-29. Also, a one-time back payment of the deferred \$240.8 million would be provided in 2027-28.

- Deferral of the \$31 million for nonresident undergraduate student replacement from 2025-26 to 2026-27. Also, a one-time back payment of the deferred \$31 million would be provided in 2027-28.
- Provides an optional zero-interest short term loan to UC to assist cash flow resources for purposes of remediating state payment deferrals.

As in prior years, the State Budget Act was amended repeatedly after the June 15th constitutional deadline. The final University budget was included in four bills, SB 101, AB 102, AB 104, and SB 105. In addition, there were numerous budget trailer bills that amended policy through the budget.

ADVOCACY SUMMARY

The University of California entered the 2025 budget cycle facing significant fiscal challenges but also with a renewed commitment to grassroots advocacy. UC mobilized its network of supporters, expanded partnerships, and elevated its voice in Sacramento and across the state to underscore the importance of sustained investment in higher education.

Highlights of UC's advocacy efforts in 2025 include:

- **Record Engagement through UCAN**
UCAN set a new milestone this year, with advocates contacting legislative offices more than 18,000 times. This unprecedented outreach ensured that every member of the Legislature heard directly from UC constituents about the consequences of the proposed state budget cut.
- **UC Day in Sacramento**
UC Day served as a cornerstone of the University's advocacy strategy. More than 100 legislative meetings were held, bringing together delegations from every campus. Nine student ambassadors joined these efforts, sharing firsthand accounts of how state funding decisions affect access, affordability, and opportunity.
- **Building Strategic Partnerships**
UCAN expanded its reach by collaborating with key stakeholder groups, including the Alumni Associations of University of California (AAUC), the Council of University of California Staff Assemblies (CUCSA), the UC Student Association (UCSA), and the UC Graduate and Professional Council (UCGPC). SGR also coordinated events and meetings with UAW, UC-AFT, UCGPC, and UCSA, and worked in close partnership with Student Regents, Alumni Regents, and Staff Advisors.

- **Securing Legislative Support**

SGR obtained a letter of support for full funding, signed by more than half the Legislature. UC also gained broad backing from equity and civil rights organizations, statewide and regional employers, alumni associations, and campus foundations. Together, these partners amplified UC's call for continued investment in California's future workforce.

- **Media and Public Engagement**

UC's advocacy efforts drew significant attention from the media. Associate Vice President Kathleen Fullerton served as a key spokesperson, delivering consistent messaging on the impacts of proposed budget cuts. Outlets such as *Politico*, the *Los Angeles Times*, and *EdSource* highlighted UC's leadership in shaping the conversation around higher education funding.

LEGISLATIVE SUMMARY

Among the most significant pieces of legislation this year were the following UC-sponsored bills: **AB 45 (Bauer-Kahan)**, which prevents the release of research records containing personally identifiable information related to reproductive or other health care services that conflict with California's legal standards (signed by Governor); **AB 681 (Elhawary)**, which increases California DREAM Loan Program limits for undocumented graduate students (signed by Governor); and **SB 439 (Weber Pierson)**, which extends operation of the California Health Benefit Review Program (CHBRP) program and increases the annual assessment amount (signed by Governor).

The University also **supported** 28 (33 with sponsored legislation included) measures with significant impact to the University in the areas of academic and student affairs, business operations and health care. These included:

1. **AB 309 (Zbur)**, which allows pharmacists to maintain the discretion to furnish sterile syringes without a prescription and allows adults to legally possess syringes solely for personal use, as part of the State's comprehensive strategy to prevent the spread of HIV and viral hepatitis;
2. **SB 761 (Ashby)**, which expands access to CalFresh by allowing all campus-based programs of study at public higher education institutions to be deemed state-approved local education programs that increase employability for purposes of CalFresh student eligibility;

3. **SB 53 (Wiener)**, which establishes a consortium that includes UC to develop a framework for the CalCompute system, and provides whistleblower protection for employees of large frontier developers reporting critical safety risks from artificial intelligence (AI) models; and
4. **SB 840 (Limón)**, which establishes a new structure for allocating the Greenhouse Gas Reduction Fund (GGRF) beginning with the 2026-27 fiscal year, including \$25 million for UC research funding.

The University also **opposed** 12 measures, which included:

1. **AB 340 (Ahrens)**, which would have prohibited a public employer from questioning an employee or employee representative regarding representation-related communications made in confidence between the employee and employee representative and prohibits a public employer from compelling disclosure of such communications to a third party;
2. **AB 850 (Pacheco)**, which would have prohibited an institution of higher education from charging a higher tuition or fee on the grounds that a student owes an institutional debt and prohibits an institution from preventing a current or former student from reenrolling or registering at the institution on those grounds unless the institution complies with specified conditions;
3. **AB 1400 (Soria)**, which authorizes 10 community college districts to offer a Bachelor of Science in Nursing (BSN) degree and;
4. **ACA 3 (Haney)** proposed a California Constitutional amendment, subject to voter approval, requiring UC to extend a portion of the homeownership assistance provided to senior executives and faculty to eligible support staff for down payment loans.

The final disposition of these and other noteworthy measures are provided in the summary below.

SPONSORED LEGISLATION

AB 45 (Bauer-Kahan) restricts the collection, use, or disclosure of personal information and research records related to reproductive or other health care services in response to law enforcement requests, subpoenas, or actions based on out-of-state laws. The Governor signed this bill on September 26, 2025 (Chapter 135).

AB 681 (Elhawary) increases the California DREAM Loan Program limits from \$4,000 to \$20,500 per year for undocumented graduate students. The Governor signed the bill on October 13, 2025 (Chapter 702).

AB 922 (Hoover) would have secured access for the UC to California Department of Justice and Federal Bureau of Investigation (FBI) background check federal criminal conviction history results for additional prospective employees that will speed up and enhance the safety of UC's hiring practices. The University sponsored the bill, but the bill was held in the Senate Appropriations Committee. The issue was subsequently resolved through **SB 160 (Senate Budget and Fiscal Review Committee)**. The University **supported** SB 160, and it was signed by the Governor on September 17, 2025 (Chapter 113).

AB 1212 (Patel) allows UC to utilize tax credits to build affordable rental housing for its faculty or employees. The University sponsored this bill. The bill remains in the Assembly Housing and Community Development Committee as a two-year bill.

SB 439 (Weber) extends operation of the CHBRP program and Health Care Benefits Fund through July 1, 2033, authorizing a continued annual charge assessment on health plans and insurers for the 2026–27 to 2032–33 fiscal years and increasing the allowable total annual assessment to \$3.2 million. The Governor signed the bill on October 3, 2025 (Chapter 318).

MAJOR LEGISLATION WITH A SIGNIFICANT IMPACT TO UC

AB 48 (Alvarez) sets forth the College Health and Safety Bond Act of 2026 as a state general obligation bond act that would provide an unspecified amount of funding for UC, CSU and the CCC's to construct and modernize education facilities. The University supported the bill, but it remains in the Senate Rules Committee as a two-year bill.

AB 58 (Soria) would have requested UC to submit a report to the Legislature, on or before August 31, 2026, on the financial requirements necessary to expand the current UCSF and UCM medical education collaboration, the San Joaquin Valley PRIME+ program, and to transition the program into a fully independent medical school operated by the UCM. The University did not take a position on the bill, and the bill was held in the Assembly Appropriations Committee.

AB 79 (Arambula) requires a county human services agency to receive input from basic needs directors and basic needs coordinators when developing specified protocols for engagement between the county human services agency and institutions of public higher education. The University **supported** the bill, and the Governor signed the bill on October 11, 2025 (Chapter 607).

AB 144 (Assembly Budget Committee) updates insurance coverage requirements and other laws related to vaccinations. The University **supported** the bill, and the Governor signed the bill on September 17, 2025 (Chapter 105).

AB 309 (Zbur) allows pharmacists to maintain the discretion to furnish sterile syringes without a prescription and allows adults to legally possess syringes solely for personal use, as part of the state's comprehensive strategy to prevent the spread of HIV and viral hepatitis. The University **supported** the bill, and the Governor signed the bill on October 13, 2025 (Chapter 685).

AB 340 (Ahrens) would have prohibited a public employer from questioning an employee or employee representative regarding representation-related communications made in confidence between the employee and employee representative and prohibited a public employer from compelling disclosure of such communications to a third party. The University **opposed** the bill, and the bill was held in the Senate Appropriations Committee.

AB 408 (Berman) recasts and expands the existing Medical Board of California physician substance abuse program to establish the Physician Health and Wellness Program operated by a nonprofit administering entity, to rehabilitate physicians, surgeons and other professional licensees, including applicants, trainees, and students with impairing physical and mental health conditions impacting their ability to practice. The University did not take a position on the bill but provided suggested amendments and the measure was held in Senate Judiciary as a two-year bill.

AB 448 (Patel) would have extended the repayment requirements for nondesignated public hospitals participating in the California Health Facilities Financing Authority loan program that had received a loan approval from, and entered into a loan and security agreement with, the authority by requiring those hospitals to begin monthly repayments on the loan 32 months after the date of the loan, and discharge the loan within 60 months of the date of the loan. The University **supported** the bill, but the bill was held in the Assembly Appropriations Committee.

AB 500 (Quirk-Silva) would have requested UC to complete specific steps before the UC Regents may vote on a proposal to change standards and criteria for undergraduate admissions. The University shared **concerns** in committee about the bill and the bill was held in the Senate Appropriations Committee.

AB 556 (Patterson) would have prohibited the campuses of the three segments of public postsecondary education from charging specified students, such as children of military veterans with service-related disabilities, Medal of Honor recipients, or their children under 27, any mandatory campus-based fees. The University took an **opposed unless amended** position on the bill due to significant ongoing unfunded costs to UC, and the bill was held in the Assembly Appropriations Committee.

AB 602 (Haney) requires UC and CSU to adopt rules protecting students from disciplinary action for receiving medical treatment for the personal use of drugs or alcohol and requires students be offered the chance to complete an appropriate rehabilitation program. The University did not take a position on the bill but requested and secured amendments that addressed our implementation concerns. The Governor signed the bill on October 1, 2025 (Chapter 159).

AB 662 (Alvarez) establishes the South County Higher Education Planning Task Force for purposes of evaluating the feasibility of establishing a mixed-used intersegmental educational facility in the City of Chula Vista. The University **supported** the bill, and the Governor signed the bill on October 13, 2025 (Chapter 700).

AB 672 (Caloza) requires a plaintiff or petitioner filing a civil action seeking injunctive relief against a strike, work stoppage, or other labor action by public employees whose labor relations are regulated by Public Employment Relations Board (PERB), if PERB is not a party to the action, to serve a copy of the petition or complaint by electronic mail on the general counsel of PERB, in accordance with certain procedures. The University did not take a position on the bill, and the bill was held in the Senate.

AB 684 (Patel) would have added the UC Academic Senate Board of Admissions and Relations with Schools Committee to the list of entities subject to the Bagley-Keene Open Meeting Act. The University did not take a position on the bill, and the bill was held in the Assembly Appropriations Committee.

AB 695 (Fong) would have required a deported student who resumes in-person education at a California community college to be eligible to retain residency status for the purpose of determining tuition and fees. The University **supported** the bill, but the Governor vetoed the bill on October 3, 2025.

AB 703 (Lee) allows an individual to designate on their tax return that a specified amount in excess of their tax liability be transferred to the continuously appropriated California Pediatric Cancer Research Voluntary Tax Contribution Fund, which would be created by this bill. This program is housed at UCOP, and research funding will be distributed through a competitive grant process. The University **supported** the bill, and the Governor signed the bill on July 28, 2025 (Chapter 63).

AB 713 (Solache) prohibits UC, CSU, and the California Community Colleges (CCC) from disqualifying a student from being hired for an employment position due to the student's failure to provide proof of federal work authorization. The University did not take a position on the bill; however, UC shared its **concerns** with the author's office. The bill remains in the Assembly Higher Education Committee as a two-year bill.

AB 730 (Arambula) appropriate \$15 million annually from the General Fund to UC for allocation to the UC Merced Medical Education Collaborative. It also requires UC Merced Medical Education Collaborative to identify eligible medical residents and to assist those medical residents in applying for physician retention programs. The University did not take a position on the bill, and the bill was held in the Assembly Appropriations Committee.

AB 736 (Wicks) enacts the Affordable Housing Bond Act of 2026 which, if adopted, would authorize the issuance of bonds in the amount of \$10B pursuant to the State General Obligation Bond Law. The University did not take a position on the bill, and the bill remains in the Senate Rules Committee as a two-year bill.

AB 791 (Berman) would have required a qualifying institution under the Cal Grant Program to develop and implement a cost of attendance policy and adjustment process to estimate and adjust cost of attendance information in a manner that is proscribed in the bill. The University **opposed** the bill, and the bill was held in the Assembly Appropriations Committee.

AB 850 (Pacheco) would have prohibited an institution of higher education from charging a higher tuition or fee on the grounds that a student owes an institutional debt and would have prohibited an institution from preventing a current or former student from reenrolling or registering at the institution on those grounds unless the institution complies with specified conditions. The University **opposed** the bill, and the bill was held in the Assembly Appropriations Committee.

AB 875 (Muratsuchi) authorizes a peace officer to remove an electric bicycle that is capable of speeds greater than any speed permitted for an electric bicycle. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on October 1, 2025 (Chapter 168).

AB 893 (Fong) expands eligibility for streamlined, ministerial approval under the Affordable Housing and High Road Jobs Act to include mixed-income and affordable housing projects located within designated campus development zones, defined as areas within a half-mile of UC, CSU, and CCC main campuses. The University **supported** the bill and the Governor signed the bill on October 10, 2025 (Chapter 500).

AB 940 (Wicks) requires GO-Biz to develop industry strategies for the strategic sectors identified in the California Jobs First State Economic Blueprint to expand, develop and promote quantum computing. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on October 3, 2025 (Chapter 333).

AB 1018 (Bauer-Kahan) would have regulated the development and deployment of an automated decision system used to make consequential decisions. The University **opposed** the bill based on the costs to UC Health, and the bill was held in the Senate.

AB 1098 (Fong) establishes the California Education Interagency Council, composed of specified representatives including the UC president or designee, to integrate higher education and labor agencies and serve as a forum to discuss and coordinate workforce and intersegmental needs. The University **supported** the bill and requested the Governor's signature. The Governor signed the bill on October 7, 2025 (Chapter 446).

AB 1103 (Ward) revises and recasts specified provisions to require the Research Advisory Panel to review research projects that require the administration of Schedule I and Schedule II controlled substances to human research subjects. The University did not take a position on the bill, but secured amendments to address implementation concerns and the bill was signed by the Governor on October 10, 2025 (Chapter 571).

AB 1109 (Kalra) would have created a new evidentiary privilege for communication between union agents and represented employees and extends certain current evidentiary rules relating to existing privileged communications to the union agent-represented employee communications. The University **opposed** the bill as part of a coalition effort, and the bill was held in the Senate Appropriations Committee.

AB 1113 (M. Gonzalez) requires each federally qualified health center (FQHC) to have an annual mission spend ratio of no less than 90% and would provide a methodology for calculation of that ratio until the State Department of Public Health adopts a methodology for this purpose. The University did not take a position on the bill but secured amendments to exempt UC owned FQHCs and the bill was held in the Assembly Appropriations Committee as a two-year bill.

AB 1136 (Ortega) would have provided job protections, including up to five unpaid days off per year and job reinstatement or leave, for employees involved in immigration-related matters or proceedings. It would have required an employee whose employment has been terminated due to an inability to provide documentation of proper work authorization, to be immediately reinstated to their former classification without loss in seniority, subject to producing proper work authorization, and required an employer that is notified that an employee has been detained or incarcerated as a result of pending immigration or deportation proceedings, to place the employee on an unpaid leave of absence for a period pending the employee's release from detainment or incarceration not to exceed 12 months. The University shared **concerns** and draft amendments with the author, the Governor's office, and Legislative leadership to address implementation and cost issues. The amendments were not taken. The Governor vetoed the bill on October 13, 2025.

AB 1217 (Fong) would have requested UC to align its admission course review criteria with the content standards, frameworks, and model curriculum adopted by the State Board of Education for each subject area, and to develop and implement a revised annual submission process for local educational agencies to seek course certification. The University shared **concerns** about the bill and the bill was held in the Assembly Appropriations Committee.

AB 1241 (Shiavo) requires the Student Aid Commission, in consultation with UC and CSU, establish a Pay-It-Forward Financial Aid Program allowing students to enroll at UC or CSU without paying upfront tuition, fees, or room and board, instead requiring participants to pay a percentage of their annual adjusted gross income to the state after graduation or disenrollment and employment, and requires UC and CSU to offer the program starting in the 2028–29 academic year and ensure at least 10,000 students participate annually beginning in the 2030–31 academic year. The University did not take a position on the bill, and it remains in the Assembly Higher Education Committee as a two-year bill.

AB 1312 (Schiavo) requires a hospital to automatically determine whether a patient to be presumptively eligible for participation under the hospital's charity care policy and discount payment policy, if the patient meets specific criteria, including that the patient is enrolled in CalFresh or CalWORKs. The University did not take a position on the bill but secured amendments to address implementation concerns and minimize cost pressures. The bill was signed by the Governor on October 7, 2025 (Chapter 450).

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 took an **oppose unless amended** position on the bill and the bill was held in the Senate Judiciary Committee.

AB 1361 (Bains) requires UC to complete a feasibility study to determine the steps necessary to establish a 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 secured amendments that made the bill contingent on a budget appropriation, and the bill was held in the Assembly Appropriations Committee.

AB 1400 (Soria D) would have required the California Community Colleges to develop a Baccalaureate Degree in Nursing Pilot Program, authorizing 10 community college districts to offer a Bachelor of Science in Nursing degree. The University **opposed** the bill and requested the Governor's veto on the bill. The Governor vetoed the bill on October 13, 2025.

AB 1414 (Ransom) requires a landlord or their agent to allow the tenant to opt out of paying for any subscription from a third-party internet service provider for specified services in connection with the tenancy. UC did not take a position on the bill but did get a commitment from the author to submit a letter to the journal stating that it was not the author's intent to cover higher education housing, and the author also agreed to do clean-up language next year.

AB 1415 (Bonta) updates definitions under the California Health Care Quality and Affordability Act by expanding the scope of health care entities to include management services organizations, hedge funds, and private equity groups and requires these and other designated noticing entities to provide written notice to the Office of Health Care Affordability of specified health care transactions, and authorizes ongoing data collection and research to support cost control, affordability, and equity goals. The University took an **oppose unless amended** position on the bill but successfully secured amendments and moved to **neutral** position on the bill. The bill was signed by the Governor on October 11, 2025 (Chapter 641).

AB 1453 (Tangipa) would have requested UC and required CSU to provide adoption information to students in each campus location where contraception and emergency contraception information is made available and when birth control or morning-after pills are provided to students through the campus's student health center or pharmacy. The University **opposed** the bill, and the bill was held in the Assembly Higher Education Committee.

AB 1460 (Rogers) prohibits a prescription drug manufacturer from engaging in discriminatory practices that would impose additional conditions, prohibit, restrict, deny, or interfere with a qualifying nonhospital 340B community clinic's purchase or delivery of a drug subject to federal pricing requirements if it utilizes a contract pharmacy. The University took a support position when the bill applied to qualifying hospital 340B entities. When the bill was amended to exclude hospitals, the University removed its support position. The bill was held in Senate Health as a two-year bill.

AB 1486 (Soria) would have established a grant program to provide up to \$15 million, upon legislative appropriation, to public postsecondary educational institutions designated as Agricultural Experiment Stations 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, but the bill was held in the Assembly Appropriations Committee. This issue was resolved through **SB 105 (Wiener)**. SB 105 is the Budget Bill Junior associated with Budget Acts of 2025 and prior years. It was signed by the Governor on September 17, 2025 (Chapter 104).

ACA 3 (Haney) proposes a California Constitutional amendment, subject to voter approval, requiring UC to extend a portion of the homeownership assistance provided to senior executives and faculty to eligible support staff for down payment loans. The University **opposed** the constitutional amendment, and it remains in the Assembly Appropriations Committee as a two-year measure.

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 higher education enrollment, public employment, and public contracting. The University did not take a position on the constitutional amendment, and it remains in the Assembly Appropriations Committee as a two-year measure.

SB 53 (Wiener) establishes a consortium with membership that includes UC and other public and private academic research institutions and national laboratories to develop a framework for the CalCompute system to advance safe, ethical, equitable, and sustainable AI, and provides whistleblower protections for employees working with AI models when disclosing critical risks. The University **supported** the bill, and the Governor signed the bill on September 29, 2025 (Chapter 138).

SB 60 (Seyarto) would have expanded tuition and fee waivers for certain students and allows GI Bill awards to cover extended education courses that meet undergraduate degree requirements at CSU and, if adopted by resolution, UC. The University shared **cost concerns** and the bill was held in the Assembly Appropriations Committee.

SB 81 (Arreguin) requires health care provider entities, including UC, to update visitor and immigration enforcement procedures, and prohibits disclosure of medical information, redefined to include immigration status and place of birth, for immigration enforcement purposes without patient consent or a valid judicial warrant or California or federal court order. The University did not take a position on the bill, and the Governor signed the bill on September 20, 2025 (Chapter 123).

SB 98 (Perez) requires UC, CSU, CCC, and independent institutions of higher education to notify all students, faculty, and staff that ICE is on campus. UC did not take a position on the bill but worked with the author to exempt required notification to patients. The bill was signed by the Governor on September 20, 2025 (Chapter 124).

SB 160 (Senate Budget and Fiscal Review Committee) allows UC locations, as well as many other state employers, to receive Department of Justice and Federal Bureau of Investigation criminal conviction history results to evaluate a candidate for employment in a critical position. The University **supported** the bill and requested the Governor's signature. The Governor signed the bill on September 17, 2025 (Chapter 113).

SB 244 (Grayson) would have requested UC and required CSU to cover the costs of diagnostic assessments for learning disabilities as proof for academic accommodations for students who receive financial aid or assistance from the institution's health or disability center and makes each institution responsible for documenting its costs to the Student Aid Commission for reimbursements. The University requested, and received from the author, amendments that would make the bill contingent upon budget appropriation and allow the cost to be covered by a student's health insurance if available. The bill was held in the Assembly Appropriations Committee.

SB 271 (Reyes) requires each California community college and CSU and requests each UC financial aid office, childcare development center, and basic needs center to refer their respective students with dependent children to local resource and referral agencies, and each other for purposes of connecting and informing students of existing childcare services and resources. The University **supported** the bill, and the Governor signed the bill on October 11, 2025 (Chapter 600).

SB 323 (Perez) requires the California Student Aid Commission, by the start of the 2026–27 financial aid cycle, to amend the California Dream Act application, and any of its grant processing systems, to clarify and ensure that the application can be used by any student eligible for state financial aid programs, regardless of their eligibility for federal financial aid. The University did not take a position on the bill but will continue to work with the author’s office on implementation amendments. The bill remains in the Assembly Appropriations Committee as a two-year bill.

SB 351 (Cabaldon) prohibits private equity and hedge funds from interfering in medical and dental practices, restricts agreements that enable such control, and voids contracts that limit provider competition or their ability to comment on practice operations, including quality of care, utilization, and ethical or professional challenges. The University secured amendments to remove UC from the bill, and the measure was signed by the Governor on October 6, 2025 (Chapter 409).

SB 388 (Padilla) would have established the California Latino Commission with duties including data collection, policy recommendations, and collaboration with state agencies including UC. The University **supported** the bill, but the Governor vetoed the bill on October 13, 2025.

SB 503 (Weber Pierson) requires developers of AI systems, and health facilities, clinics, physician’s offices, or offices of a group practice, to have an ongoing duty to make reasonable efforts to identify AI systems used to support clinical decision-making and health care resource allocation that are known or have a reasonably foreseeable risk of biased impacts. The University provided technical assistance to the author’s office but did not take a position on the bill. The measure remains on the Assembly Floor as a two-year bill.

SB 550 (Cortese) would have created a pilot to authorize CSU San Jose to establish a joint Juris Doctor degree program with a state-accredited law school. The University **opposed** the bill, and the bill was held in the Assembly Appropriations Committee.

SB 607 (Wiener) creates the California Foundation for Science and Health Research and advances a statewide bond measure in the amount of \$23 billion to support the Foundation’s goals. The University **supported** the bill, and it remains in the Senate Rules Committee as a two-year bill.

SB 632 (Arreguin) creates rebuttable presumptions for infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases that develop or manifest in a hospital employee who provides direct patient care in an acute care hospital, arising out of and in the course of the employment. UC **opposed** this bill, and it remains in the Assembly Insurance Committee as a two-year bill.

SB 638 (Padilla) provides for the administration of the California Career Technical Education Incentive Grant Program and establishes the California Education Interagency Council that would integrate higher education and labor agencies and serve as a forum to discuss intersegmental and workforce needs. The University requested and secured amendments to limit the scope of the bill, and these amendments satisfied UC's concerns. The University **supported** the bill and requested the Governor's signature. The Governor signed the bill on October 7, 2025 (Chapter 457).

SB 679 (Weber Pierson) would have required health care facilities and peer review bodies to annually report physician and medical resident staffing actions, including terminations and privilege decisions, stratified by race and gender, with the Civil Rights Department publishing anonymized statewide data each year. The University did not take a position on the bill but secured amendments. The bill was held in Senate Appropriations Committee.

SB 717 (Richardson) would have maintained the existing statewide and regional infrastructure of the Ken Maddy California Cancer Registry, removed statutory deadlines for full implementation, established regional cancer registries, and required an updated implementation and funding schedule to be submitted to the Legislature by January 1, 2027. The University **supported** the bill and requested the Governor's signature on the bill, but the Governor vetoed the bill on September 6, 2025.

SB 761 (Ashby) would have required all campus-based programs of study at public higher education institutions to be deemed state-approved local education programs that increase employability for CalFresh student eligibility purposes. The University **supported** the bill and requested the Governor's signature, but the Governor vetoed the bill on October 13, 2025.

SB 790 (Cabaldon) would have allowed postsecondary educational institutions to enter into interstate reciprocity agreements for distance learning. The University **supported** the bill, but the bill was held in the Assembly Appropriations Committee.

SB 840 (Limón) establishes a new structure for allocating the Greenhouse Gas Reduction Fund (GGRF) beginning with the 2026-27 fiscal year, including \$25 million for UC research funding. The University **supported** the bill and requested the Governor's signature on the bill. The Governor signed the bill on September 19, 2025 (Chapter 121).

OTHER KEY BILLS FOLLOWED CLOSELY BY UC

AB 7 (Bryan) would have allowed UC, CSU, independent institutions of higher education, and private postsecondary educational institutions, to consider giving admissions preference to applicants who can prove direct lineage as descendants of slavery if it doesn't conflict with federal law. The University did not take a position on the bill, and the measure was vetoed by the Governor on October 13, 2025.

AB 54 (Krell) establishes the Access to Safe Abortion Care Act, reaffirming that it is lawful to transport drugs or instruments used for abortions that are legal in California, and exempts individuals from civil or criminal liability, or professional disciplinary action, for accessing or administering any medication abortion drug that is lawful under California law on or after January 1, 2020. The University did not take a position on the bill, and the measure was held on the Senate Floor as a two-year bill.

AB 260 (Aguiar-Curry) authorizes the California Department of Public Health to adopt regulations specific to mifepristone and other medication abortion drugs, including exempting those drugs from certain requirements if the drugs are no longer approved by the United States Food and Drug Administration. This bill also extends the safe harbor liability protections for providers that require the separation of abortion related data from electronic health records, from January 31, 2026 to January 31, 2027. The University did not take a position on the bill. The bill was signed by the Governor on September 26, 2025 (Chapter 136).

AB 287 (Lackey) would require the governing body to instruct the school district or other public administrator to provide the elections official with an adequate amount of space for voting operations and storage of associated supplies and require the district administrator to also make accessible parking spaces and parking for assisting voters curbside available, if requested by the elections official. UC did not take a position on this bill. The bill was signed by the Governor on October 3, 2025 (Chapter 253).

AB 341 (Arambula) requires the State Department of Developmental Services, subject to an appropriation by the Legislature, to contract with a public or private California dental school or college to administer the Oral Health for People with Disabilities Technical Assistance Center Program. The University did not take a position on the bill. The bill was signed by the Governor on October 11, 2025 (Chapter 612).

AB 335 (Gipson) would have established the Designation of California Black-Serving Institutions Grant Program as a competitive grant program to develop and implement new, or expand existing, academic resources and student support services for underserved students, including, but not limited to, Black and African American students. The University took a **support if amended** position and requested amendments to make UC eligible for the grants in the bill. However, the bill was held in the Assembly Appropriations Committee.

AB 357 (Alvarez) requires the California Coastal Commission to approve or deny a complete application for a coastal development permit for a student housing project or a faculty and staff housing project within 90 days of submittal. The University did not take a position on the bill, and the bill was signed by the Governor on October 3, 2025 (Chapter 256).

AB 395 (Gabriel) would have required CSU and CCC and requests UC to make every reasonable effort, when developing academic calendars, to avoid calendaring an institutional event on a date for which the institution of higher education knows, or has reason to know, that members of the public would be unable to participate or be present due to the ritual observance of a religious, cultural, or ancestral holiday. The University did not take a position on the bill, and the bill was held in the Senate Judiciary Committee.

AB 431 (Wilson) enacts the Advanced Air Mobility (AAM) Infrastructure Act to develop a statewide plan to support AAM development and technology, including vertiports, electric aviation charging, other advances in aviation technology, and designation of an AAM subject matter expert within the Department of Transportation. The University **supported** the bill, but the remains in the Senate Transportation Committee.

AB 466 (Solache) requests UC and requires CSU and CCC to provide educational information about Donate Life California and its Organ and Tissue Donor Registry to all incoming students in a manner that best fits the needs of the campus and its student population. The University requested, and the author accepted, amendments to provide information about organ donation at times other than orientation. The bill was signed by the Governor on July 28, 2025 (Chapter 60).

AB 519 (Berman) prohibits, subject to specified exemptions, a broker from making available for adoption, selling, or offering for sale a dog under one year of age, a cat, or rabbit. The University did not take a position on the bill, and the bill was signed by the Governor on October 9, 2025 (Chapter 478).

AB 727 (Gonzalez) requires grades 7 to 12 and public institutions of higher education that issue pupil identification cards to have printed on cards the telephone number and text line for a specified LGBTQ+ suicide hotline. The University requested and secured amendments to reduce the amount of text required to be included on the identification cards. The Governor signed the bill on October 10, 2025 (Chapter 483).

AB 849 (Soria) requires health care providers that offer sensitive examinations to notify patients that a medical chaperone will be made available to assist or observe, upon their request, and to educate staff accordingly. The University did not take a position on the bill. The bill was signed by the Governor on October 7, 2025 (Chapter 442).

AB 878 (Kalra) would have required a landlord or their agent to honor a tenant's request for a reasonable accommodation, if the tenant or their family or household member, is a victim of domestic violence, sexual assault, or other specified violent crimes or acts. The University did not take a position on the bill, and the measure was held in the Senate Appropriations Committee.

AB 1022 (Kalra) would have removed the authority of a peace officer to impound a vehicle that has five or more unpaid parking tickets or traffic violations, or to place a device designed to immobilize such a vehicle. The University did not take a position on the bill, and the bill was held in the Assembly Appropriations Committee.

AB 1155 (Fong) requires each law school, defined to include American Bar Association-accredited or California-accredited law schools at UC or an independent institution of higher education, to allow law students to be compensated from an externship site while concurrently earning academic course credit. The University requested and secured implementation amendments. The Governor signed the bill on October 3, 2025 (Chapter 292).

AB 1331 (Elhawary) would have limited the use of workplace surveillance tools by employers, including by prohibiting an employer from monitoring or surveilling workers in employee-only, employer-designated areas, and provided workers with the right to leave behind workplace surveillance tools that are on their person or in their possession when entering certain employee-only areas and public bathrooms and during off-duty hours. Additionally, the bill prohibits a worker from removing or physically tampering with any component of a workplace surveillance tool that is part of or embedded in employer equipment or vehicles. UC did not take a position on this bill, and the measure remains on the Senate Floor as a two-year bill.

AB 1462 (Hart) would have authorized a baccalaureate degree program at Allan Hancock College without a written agreement between UC or CSU if the CCC determines that it satisfies the established baccalaureate degree program requirements. The University shared **concerns** with the author's office due to the Master Plan violation and the author held the bill in the Assembly Higher Education Committee after CSU established additional programs with Allan Hancock.

SB 7 (McNerney) would have required employers to provide written notice to employees when automated decision systems (ADS) are used in employment-related decisions, allows employees to review this data and request corrections, and prohibits employers from discriminating or retaliating against employees asserting their rights. The University did not take a position on the bill, and the bill was vetoed by the Governor on October 13, 2025.

SB 29 (Laird) would have extended the time frame for a decedent's personal representative or successor in interest to file an action to recover damages for a decedent's pain, suffering, or disfigurement to January 1, 2027. UC did not take a position on this bill, and the bill was held in Assembly Appropriations Committee.

SB 80 (Caballero) establishes the Fusion Research and Development Innovation Initiative within the State Energy Resources Conservation and Development Commission to accelerate the development and growth of fusion energy by advancing fusion science and technology. The Commission would be required to administer the initiative and provide financial incentives for projects that advance research and development into fusion energy, accelerate the deployment of new research and technology capabilities that support the commercialization of fusion energy, or achieve the initiative's goal of delivering the world's first fusion energy pilot project in the state by the 2040s. UC did not take a position on this bill, and the bill was signed by the Governor on October 3, 2025 (Chapter 334).

SB 307 (Cervantes) requests UC and requires CSU to implement additional precautionary measures including adoption of a systemwide policy addressing course grades, administrative withdrawal, and reenrollment for undocumented students who are unable to attend their courses by the final drop date due to immigration enforcement activity. The University did not take a position on the bill. The Governor signed the bill on October 13, 2025 (Chapter 668).

SB 312 (Umberg) requires a person selling, transporting, or importing a dog into the state for the purpose of resale or change of ownership to obtain, and submit to the Department of Food and Agriculture and the buyer, a health certificate for the dog that has been completed by a licensed veterinarian and is dated no more than 10 days before the date on which the dog is brought into the state. UC did not take a position on this bill but did successfully advocate for an amendment to delete a website with searchable information, including the addresses and phone numbers of researchers. The bill was signed by the Governor on October 9, 2025 (Chapter 480).

SB 416 (Perez) would have required the Student Aid Commission to convene a workgroup that would identify the common terms, definitions, and structure of financial aid offer letters sent by postsecondary educational institutions and create a financial aid offer letter template. The University did not take a position on the bill, and it was held in the Senate Appropriations Committee.

SB 486 (Cabaldon) requires regional housing plans to incorporate data on resident enrollment changes at UC or CSU, exempts these enrollment shifts from CEQA, and requests UC and requires CSU to conduct and submit any enrollment level changes forecast to regional councils of governments for use in developing a regional housing need methodology. UC did not take a position on this bill, and the bill was signed by the Governor on October 10, 2025 (Chapter 517).

SB 520 (Caballero) creates the California Nurse-Midwifery Education Fund to establish California-based, master's level, nurse-midwifery education programs within UC and/or CSU. The University did not take a position on the bill. The bill was signed by the Governor on October 11, 2025 (Chapter 601).

SB 540 (Becker) would have authorized the California Independent System Operator (CAISO) and the electrical corporations whose transmission is operated by CAISO to use voluntary energy markets governed by an independent regional organization. UC did not take a position on this bill, and the bill was held in the Assembly.

SB 596 (Menjivar) specifies that a hospital contacting licensed nurses who are not scheduled to be on call and not assigned to a float pool for the unit and shift where an alleged violation occurred is not considered to be exhausting an on-call list. The University did not take a position on the bill. The bill was signed by the Governor on October 13, 2025 (Chapter 773).

SB 660 (Menjivar) requires the Department of Health Care Access to take over establishment, implementation, and functions of the California Health and Human Services Data Exchange Framework and expands the types of entities required to execute a data sharing agreement. The bill requires compliance with the data sharing agreement by July 1, 2026, to be a required condition to contract with DHCS, CalPERS and Covered California. The University did not take a position on the bill. The bill was signed by the Governor on October 3, 2025 (Chapter 325).

SB 751 (Becker) would have required the California Health and Human Services Agency to oversee a Veterans and First Responders Research Pilot Program to research and develop psilocybin services for target populations in up to five counties and to partner with UC which would be requested to oversee each local pilot program as a university partner responsible for protocol design, institutional review board approvals, training of psilocybin facilitators, data collection, and reporting. The University did not take a position on the bill, and the bill was held in the Senate Appropriations Committee.

SB 829 (Wiener) would have created the California Institute for Scientific Research and Fund within the Government Operations Agency to award grants and loans, upon legislative appropriation, for biomedical, health, and environmental research, with priority given to projects replacing federal funding cuts, and required the California Health and Human Services Agency to enter into vaccine development partnerships through the CalRx Initiative with authorized entities. The University **supported** the bill and provided primary witnesses at hearings, but the bill was held in the Senate Appropriations Committee.

SJR 4 (Laird) urges the Trump Administration and Congress to rescind cuts to National Institutes of Health (NIH) funding and affirms the Legislature's commitment to postsecondary educational institutions, noting that California is the nation's largest recipient of NIH funds, with UC receiving over \$2 billion in contract and grant funding in FY 2023. The University **supported** the resolution, and the resolution was adopted by the Senate (Chapter 173).

SJR 6 (Cortese) urges President Trump and Congress to protect and maintain investments made under the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act of 2022. The University **supported** the resolution, and it remains in the Assembly Economic Development, Growth, and Household Impact Committee.

UC STATE GOVERNMENTAL RELATIONS

Kathleen Fullerton, Associate Vice President and Director

Michael Bedard, Deputy Director

Erin Baum, Associate Director, Advocacy and Institutional Relations

Jason Murphy, Associate Director, Legislative Affairs

Seija Virtanen, Associate Director, State Budget Relations

Jennifer Chase, Legislative Director, Health Sciences and Services

Jessica Duong, Legislative Director, Academic and Student Affairs

Muoi Trinh, Legislative Director, Research and Analysis

Sarah Crowe, Communications and Advocacy Manager

Teala Daniels-Cabral, Legislative Analyst

Analise Langford, Executive Assistant to the AVP & Director

Rachal Valtakis, Administrative Services Manager

Vacant, Legislative Director, Business Operations

University of California Budget Act of 2025

BUDGET ACT AND TRAILER BILL NUMBERS

Budget Bills

SB 101 (Wiener) – The Budget Act of 2025, this bill is the legislative budget agreement. This bill contains the UC special fund appropriations, capital outlay appropriations, and reappropriation language. This bill was signed by the Governor on June 27.

AB 102 (Gabriel) – This bill includes the UC ANR State General Fund appropriation. This bill was signed by the Governor on June 27.

AB 104 (Gabriel) – This bill includes an extension for nondesignated public hospitals to repay a Nondesignated Public Hospital Loan. This bill was signed by the Governor on July 29.

SB 105 (Wiener) – This bill contains the final 2025-26 UC main allocation and one-time funds. This bill was signed by the Governor on September 17.

Budget Trailer Bills (see “Trailer Bills” section for details)

AB 123 (Committee on Budget) – Higher Education budget trailer bill. This bill was signed by the Governor on June 27.

AB 116 (Committee on Budget) – Health budget trailer bill. This bill was signed by the Governor on June 30.

AB 144 (Committee on Budget) – Health budget trailer bill. This bill was signed by the Governor on September 17.

SB 148 (Committee on Budget and Fiscal Review) – Higher Education budget trailer bill. This bill was signed by the Governor on October 13.

SB 160 (Committee on Budget and Fiscal Review) – Background checks. This bill was signed by the Governor on September 17.

SB 840 (Limón) – Greenhouse Gas Reduction Funds. This bill includes intent language to appropriate \$25 million for University of California Climate Research Center seed funding in 2026-27. This bill was signed by the Governor on September 19.

TOTAL STATE BUDGET

- The final 2025-26 State budget includes \$321.1 billion in expenditures, including \$228.4 billion from State General Funds, \$88.8 billion from State Special Funds, and \$3.9 billion from State bonds.
- While the Budget Act appropriations increase from 2024-25 to 2025-26, the State's revenues declined year over year. The State utilizes reserves and other budget mechanisms to balance the budget, outlined below.
- The State retains \$15.7 billion in total reserves, including \$11.2 billion in the Budget Stabilization Account.
- The State is projected to have a budget deficit of \$17 billion for 2026-27.
- The State budget addresses a \$18.9 billion budget problem in 2025-26, including \$11.8 billion in budget solutions and \$7.1 billion from reserves. These strategies are outlined in the chart below.

Category	Amount (B)
Revenues	1.3
Fund Shifts	1.2
Borrowing	6.5
Reductions	2.8
Subtotal	11.8
Reserves Use	7.1
Total Solutions	18.9

UNIVERSITY OF CALIFORNIA ONGOING FUNDING

For 2025-26, State funding allocation to the University totals \$4.901 billion, essentially flat from 2024-25. The total budget allocation for the University reflects a deferral of three percent, or \$129.7 million, from the budget year to 2026-27. The budget allocation also reflects a restoration of the \$125 million cut received in 2024-25. The combined impact of ongoing budget changes is a budget decrease of \$5.26 million. It is important to note that the University's 2025-26 Budget for Current Operations estimated growth in core operations expenditures of about \$500 million. Given the reduction in State support, campuses will need to continue efforts to manage cost growth in the coming year.

The funding changes in the Budget Act of 2025 for the University include:

- \$430,000 to support the California Newspaper Projects at the University of California, Riverside.

- \$1 million reduction to the affordable student housing bond repayment funds.
- \$125 million restoration of the 2024-25 unallocated reduction. This reduction was through Control Section 4.05 of the Budget Act of 2024 authority as a deduction to the University's total allocation. The restoration does not change the budget act line-item display.

The University's budget includes a three percent base budget deferral from 2025-26 to 2026-27. The Budget Act includes intent language to allow the University to borrow from the State up to an amount equal to the deferral (\$129.7 million) at zero interest. The 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 the University's 2025-26 compact funding to future years. The intent is to provide the University with the 2025-26 compact five percent base budget increase over the next several years, with \$96.3 million in 2026-27 and \$144.5 million in 2028-29. The \$31 million for replacing nonresidents with resident undergraduate students is also deferred to 2026-27.

The Budget Act also provides the University with \$75 million in Prop 35 Managed Care Organization (MCO) tax funds for graduate medical education, or GME, which funds medical residents.

UNIVERSITY OF CALIFORNIA ONE-TIME FUNDING

The Budget Act of 2025 provides the University with \$48 million in one-time funding directed for specific programs and initiatives. SB 105 contains these appropriations, with the exception of UC ANR, which is in AB 102.

- \$15 million for the UC Berkeley Journalism Fellowship Program.
- \$5 million for the Cal-Bridge Initiative.
- \$5 million for UC San Diego to develop a bachelor's degree program in public health in South San Diego (Chula Vista).
- \$4.5 million for the University of California Institute for Transportation Studies.
- \$3.6 million for UCOP campus climate and antidiscrimination efforts.
- \$3 million for the University of California menopause programs.
- \$2.5 million for UC San Diego ALERTCalifornia fire cameras.
- \$1.8 million for DDS-ASPIRE as a pilot program.
- \$1.8 million for First Star Foster Youth Program.

- \$1.5 million for the PRIME Central Coast program.
- \$1.3 million for UC ANR School Meals for All research (in AB 102, also mentioned in the section below).
- \$1 million for the California Firearm Violence Research Center.
- \$1 million for the UC Los Angeles Center for Reproductive Health, Law, and Policy.
- \$750,000 for UC Los Angeles social media research.
- \$250,000 for City of Chula Vista for establishing the South County Higher Education Planning Task Force.

UC AGRICULTURE AND NATURAL RESOURCES

UC Agriculture and Natural Resources (UC ANR) is a separate line item in the budget. The UC ANR base budget is decreasing by \$117,000 due to the restoration of the one-time cut from the 2024-25 Budget and the base budget funding deferral to 2026-27. The total UC ANR budget is decreasing by \$1,217,000 due to a change in one-time funding. The funding changes for 2025-26 are:

- \$1.3 million one-time for School Meals for All research. This is the final year of a four-year appropriation schedule.
- \$3.125 million to restore UC ANR's share of the 2024-25 one-time budget reduction.
- Reduction of \$3.424 million for the UC ANR share of the funding deferral.

	Amount
2024-25 Budget	\$ 122,296,000
Remove One-Time	\$ (2,400,000)
2024-25 Base Budget	\$ 119,896,000
2025-26 Changes	
New One-Time Funds	\$ 1,300,000
Restore Cut	\$ 3,125,000
Deferral	\$ (3,242,000)
Total Changes	\$ 1,183,000
2025-26 Budget	\$ 121,079,000

UNIVERSITY OF CALIFORNIA MULTI-YEAR OUTLOOK

- **Base Budget Deferral:** The University's base budget has been deferred by \$129.7 million in 2025-26. The deferred funding is anticipated to be restored in 2026-27, along with a one-time back payment of the deferred amount.
- **Compact Base Budget Increase:** An increase of \$240.8 million that the University would have otherwise received under the multi-year compact in 2025-26 is deferred to future years. Legislative intent language specifies that the University will receive \$96.3 million in 2026-27 and the remaining \$144.5 million in 2028-29. The Budget Act does not mention the final compact base budget increase, which was previously scheduled for 2026-27 and could still be received on schedule.
- **Nonresident Replacement Funding:** Under the multi-year compact the University is supposed to receive funding to replace nonresident students with California undergraduates at the Berkeley, Los Angeles, and San Diego campuses. The 2025-26 funding of \$31 million for the nonresident swap will be deferred to the 2026-27 fiscal year.

University of California State General Fund	Final Budget Act of 2025				
	Actual 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Total
Ongoing State Funding					
2025-26 Compact	deferred	\$96.3		\$144.5	\$240.8
2025-26 NR Swap	deferred	\$31.0			\$31.0
3% Cut/Restoration	(\$129.7)	\$129.7			\$0.0
UCR CA Newspaper Project	\$0.4				\$0.4
Affordable Housing Adjust.	(\$1.0)				(\$1.0)
Restoration of One-Time Cut	\$125.0				\$125.0
Total New Ongoing Funding	(\$5.3)	\$257.0	\$0.0	\$144.5	\$396.2
Total One-Time Funding					
	\$48.0	\$129.7	\$271.8	\$0.0	\$449.5
Year over Year Ongoing Change					
	-0.1%	5.2%	0%	2.8%	

UNIVERSITY OF CALIFORNIA BUDGET BILL LANGUAGE CHANGES

- **Base Budget Deferral.** The Budget Act includes language deferring \$129,692,000 of the University's base budget funding from 2025-26 to 2026-27.
- **Loan Language.** The Budget Act includes language allowing the Director of the Department of Finance to authorize a 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.
- **Compact Funding Deferral.** The Budget Act includes language deferring the 2025-26 compact base budget increase funding. The budget bill language specifies legislative intent to provide the University with the \$240.8 million in two parts, with \$96.3 million in 2026-27 and \$144.5 million in 2028-29.
- **Nonresident Replacement Funding Deferral.** The Budget Act includes language deferring \$31 million for the replacement of nonresidents with resident undergraduate students from 2025-26 to 2026-27. The language also specifies intent to provide the University with a one-time back payment of \$31 million in 2027-28.
- **Enrollment Expectations.** The Budget Act includes enrollment targets for the next three years. The targets are 2,947 full-time equivalent (FTE) for 2025-26; and 2,968 FTE for 2026-27. Each of these targets includes 902 FTE for the replacement of nonresident undergraduates with resident undergraduate students.
- **Nonresident Undergraduate Replacement.** The Budget Act includes language allowing the University to count the nonresident undergraduate FTE student replacement above the 2022, 2023, and 2024 targets towards the 2025 target. In addition, the language allows the University to count nonresident student replacement above the 2025 target towards the 2026 target.
- **Student Housing Projects.** The Budget Act retains funding to cover the debt service for the UC Davis and UC Santa Barbara affordable student housing projects.
- **Journalism Fellowship Program at UC Berkeley.** The Budget Act includes language limiting administrative expenditures to five percent of the budget appropriation.
- **Cal-Bridge Initiative.** The Budget Act includes language specifying the uses of the Cal-Bridge Initiative appropriation.

- **First Star Foster Youth Services.** The Budget Act includes language specifying the establishment of a new program and criteria that will be considered in selecting participating campuses.
- **Menopause Programs.** The Budget Act includes language specifying the uses of the University of California menopause program funding.

FINANCIAL AID

The Budget Act of 2025 includes the following financial aid highlights:

- Does not specify the dollar appropriation for the Middle Class Scholarship (MCS) in budget bill language, which is a departure from prior year budgets.
- Establishes a new process for the MCS appropriation with a notification of anticipated expenditures due to the Joint Legislative Budget Committee by February 1. The Chair of the Joint Legislative Budget Committee may respond with additional guidance.
- Sets the 2025-26 student award phase-in percentage at 35 percent.
- Sets new criteria for MCS stating that a student's MCS award amount need not be changed if the student's financial aid package changes by less than \$300 during the academic year. This change is in budget trailer bill SB 148.
- Requires the Student Aid Commission, University of California, and California State University to develop institutional participation agreements outlining deadlines and issues regarding the MCS program. This requirement is in budget trailer bill SB 148.
- Requires institutions participating in the Cal Grant program to provide the California Student Aid Commission with specified aggregated Cal Grant recipient data. This requirement is in budget trailer bill AB 123.
- Reauthorizes the Golden State Teacher Grant program until June 30, 2026. The reauthorization is in budget trailer bill AB 123.
- Provides \$50 million for the Golden State Teacher Grant program (reduction of \$10.2 million over the prior year).
- Reduces the Golden State Teacher Grant awards from \$20,000 to \$10,000 per student until June 30, 2026.
- Does not implement Cal Grant reform.

BUDGET TRAILER BILLS

AB 123 (Committee on Budget) – Higher Education budget trailer bill. This bill was signed by the Governor on June 27. This higher education budget trailer bill:

- Authorizes the use of existing state debt service funding to support affordable student housing projects at the Davis and Santa Barbara campuses.
- Requires institutions participating in the Cal Grant program to provide the California Student Aid Commission with specified aggregated Cal Grant recipient data.
- Requests the University of California to begin on or after October 1, 2025, working on establishing a model uniform set of academic standards for college-level coursework taken for credit at a California public college or university by a pupil simultaneously enrolled in high school, and requires the segments, including California Community Colleges, to post information about the standards to their websites.
- Extends the Golden State Teacher Grant program through June 30, 2026.

AB 116 (Committee on Budget) – Health budget trailer bill. This bill was signed by the Governor on June 30. This bill includes significant changes to the State's Medi-Cal program coverage, including:

- Freezing enrollment in Medi-Cal for individuals with Unsatisfactory Immigration Status, ages 19 and older, beginning January 1, 2026.
- Implementing a \$30 per-month Medi-Cal premium, effective July 1, 2027, for individuals with Unsatisfactory Immigration Status, ages 19 to 59.
- Eliminates full-scope, state-only dental coverage for Medi-Cal enrollees with Unsatisfactory Immigration Status, ages 19 and older no sooner than July 1, 2026.

AB 104 (Committee on Budget) – Budget trailer bill. This bill was signed by the Governor on June 29. This budget trailer bill:

- Extends the time period nondesignated public hospitals have to repay a Nondesignated Public Hospital Loan Program loan by providing 36 months from the time the loan is provided before payments need to begin and providing 24 months to repay the loan from the beginning of the monthly payments.

AB 144 (Committee on Budget) – Health budget trailer bill. This bill was signed by the Governor on September 17. This health budget trailer bill:

- Revises statewide requirements and guidance related to the provision of immunizations and the coverage and delivery of various preventive health care services.

SB 148 (Committee on Budget and Fiscal Review) – Higher education budget trailer bill. This bill was signed by the Governor on October 13. This higher education budget trailer bill:

- Requires the Student Aid Commission, University of California, and California State University to develop institutional participation agreements outlining deadlines and issues regarding the program, and includes language stating that a student's Middle Class Scholarship amount need not be changed if the student's financial aid package changes by less than \$300 during the academic year.
- Includes intent language that high school students and students in adult education programs who are also enrolled in transfer-level community college courses for which they receive credit have those courses recognized for admissions purposes at the University of California and California State University.

SB 160 (Committee on Budget and Fiscal Review) – Background checks budget trailer bill. This bill was signed by the Governor on September 17.

- This bill makes statutory adjustments to continue to enable the University of California as well as other state agencies to conduct federal background checks and fingerprinting.

SB 840 (Limón) – Policy bill on greenhouse gas reduction fund (i.e. cap and trade). This bill was signed by the Governor on September 19.

- This bill includes intent language to appropriate \$25 million in greenhouse gas reduction funds to the University of California in 2026-27.

PRIOR YEAR BUDGET CHANGES

SB 101 (Wiener) reappropriates until June 30, 2026, the climate initiatives funding received in 2022-23, including research funding and campus-specific climate initiatives.

Budget Trailer Bills Amending Prior Budgets

SB 103 (Wiener) – Amends the Budget Acts of 2022, 2023, and 2024. This bill does not change any direct appropriations to the University. The Governor signed this bill on June 27.

SB 105 (Wiener) – Amends the Budget Acts of 2021, 2023, 2024, and 2025. This bill includes the final 2025-26 budget for the University, but does not amend the University's 2021, 2023, or 2024 budgets. The Governor signed this bill on September 17.