Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1224 (Jones) – As Amended June 11, 2026

Policy Committee:	Health	Vote:	14 - 0
	Military and Veterans Affairs		8 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the California Emerging Therapies Research Partnership Act (Act) and the California Emerging Therapies Research Partnership Fund (Fund) to issue grants to a University of California (UC) campus to serve as an anchor institution for a federally registered emerging therapies clinical trial for veterans.

More specifically, this bill:

1) Requires the California Health and Human Services Agency (CalHHS), no later than 60 days after the operative date of this bill, and in coordination with the Department of Health Care Services (DHCS), the Department of Veterans Affairs (CalVet), and the UC Office of the President (UCOP), to submit a complete application for partnership designation to the federal Advanced Research Projects Agency for Health (ARPA-H) to make California eligible to receive federal emerging therapies research moneys and specifies requirements of the application to the U.S. Department of Health and Human Services (DHHS), U.S. Food and Drug Administration (FDA), and the U.S. Department of Veterans Affairs (VA).

2) Requires DHCS, within 90 days of receiving ARPA-H partnership designation, to execute a data-sharing memorandum of understanding (MOU) with each of DHHS, FDA, and VA to establish protocols for sharing deidentified, aggregated clinical trial outcome data.

3) Requires DHCS to request UC participate in the activities described in this bill.

4) Requires CalVet to convene the California Veteran Emerging Therapies Research Advisory Council (Council), with specified membership, to, among other things, serve as the primary advisory body on matters relating to emerging therapies research for veterans and other priority populations.

5) Establishes the Fund and continuously appropriates monies in the Fund to DHCS and CalVet to be used for:

    a) Grants to a UC campus to serve as an anchor institution for a federally registered emerging therapies clinical trial.

    b) Costs incurred by (i) DHCS for data-sharing MOUs with DHHS, FDA, and the VA, (ii) CalVet to create and staff the Council, and (iii) by DHCS and UCOP for administration, not to exceed 5% of funds received in a fiscal year (FY).

6) Prohibits General Fund (GF) monies from being deposited in the Fund and allows federal grants and awards, gifts, bequests, and philanthropic contributions made to the state for emerging therapies research purposes, upon appropriation by the Legislature.

7) Requires CalHHS, by January 1, 2028, submit a federal readiness report to the Legislature and the Department of Finance that addresses the status of California's ARPA-H application, including a federal agency response, and the current designation status, the status of each MOU including execution date and scope, including:

   a) The total amount of federal monies received by the state or directly by UC.

   b) The number of active clinical trials at UC campuses, enrolled participants, and enrolled veteran participants.

   c) Recommendations for changes necessary to maintain or expand California's federal partnership eligibility.

8) Defines "emerging therapies" to mean psilocybin, ibogaine, dimethyltryptamine, 3,4-methylenedioxymethamphetamine (MDMA), and ketamine when used in the context of a federally registered clinical trial.

For a detailed enumeration of the provisions of this bill, please refer to the Assembly Health Committee analysis.

FISCAL EFFECT:

CalHHS, which includes DHCS, estimates GF costs of approximately $650,000 in FY 2027-28 and $550,000 in FY 2028-29 and ongoing for two full-time equivalent (FTE) positions to develop, coordinate, and oversee activities associated with the submission of the application to the federal government in collaboration with multiple departments, and one-time funding to partner with a contracted firm to support the development of the federal readiness report.

UCOP estimates one-time costs of $150,000 to $420,000 and ongoing annual costs of approximately $30,000 to $90,000 of administrative staff time to support Council activities, interagency coordination, certification updates, and continued ARPA-H participation. UCOP reports that, although the bill does not require UC to conduct new research, it imposes substantial administrative responsibilities on UCOP and campus research offices to prepare the required systemwide certification, which would require collecting, validating, and synthesizing information from multiple campuses, UC Health, institutional review boards, clinical trial offices, Academic Senate leadership, and VA partnerships within a 45-day timeframe. UCOP explains that much of this information is not maintained centrally and would require significant coordination across numerous offices, requiring hundreds to thousands of hours of staff time.

CalVet states that the fiscal impact is difficult to determine. While the bill authorizes Fund expenditures for costs associated with convening and staffing the Council, a separate provision requires CalVet to provide staffing support from existing appropriations, creating uncertainty regarding whether the author intends implementation costs to be absorbed or supported through Fund resources. Long-term costs will depend on whether California receives federal partnership designation, the amount of federal funding ultimately awarded, and the duration of Council activities. CalVet anticipates that initial implementation activities may be absorbable. However,

ongoing workload and administrative costs could increase over time, depending on the scope of federal partnership activities, reporting requirements, stakeholder engagement responsibilities, and the continued operation of the Council.

COMMENTS:

1) **Purpose.** According to the author:

> Every year, more than 6,000 veterans take their own lives — at a rate twice that of the civilian population. Too many of them never find relief, even after exhausting every standard treatment available to them…The federal government has now put $50 million on the table specifically for states ready to partner on this work. California isn't ready, on paper, to receive it….SB 1224…directs our state agencies to formally apply for the federal partnership, asks the University of California to document the research capacity it already has, and brings veterans' advocates to the table to help guide that work.

2) **Background.** ***ARPA-H and April 2026 Executive Order (EO)***. Congress and the Biden administration established ARPA-H in 2022. President Trump recently announced significant new funding directives and a major pivot in the agency's focus, and in April signed an executive order (EO) aimed at accelerating treatments for severe mental illness, with a specific focus on veterans and treatment-resistant conditions. The EO directs ARPA-H to allocate $50 million to match state government investments in clinical research for psychedelic therapies. Specifically, the order directs the funds "to support and partner with State governments that have enacted or are developing programs to advance psychedelic drugs for serious mental illnesses, including through Federal funding, technical assistance, and data sharing as appropriate and consistent with applicable law." As reported in the Assembly Health Committee analysis, last year, the Texas state legislature enacted a law allocating major state funding, reported as $50 million to $100 million, specifically to conduct clinical trials on ibogaine for veterans suffering from severe PTSD and traumatic brain injuries. The legislation allowed use of state money only if matched by outside investments. Texas lawmakers hoped that private investors or philanthropic donors would provide matching funds; however, when private money was slow to materialize, the Trump administration issued the EO. Texas is currently the only state positioned to immediately apply for and absorb the bulk of this $50 million matching fund.

   UCOP contends that California could pursue an ARPA-H partnership without a law directing UC to perform these activities. UCOP further notes that the current federal research and funding environment is highly uncertain: this bill assumes ARPA-H will continue its focus on veterans and treatment-resistant conditions and that California will be able to compete successfully. This bill requests UC prepare for a process that ultimately depends on decisions outside UC's and the state's control.

3) **Related Legislation.** AB 1616 (Davies) requires CalVet to establish a program to fund a study for nonnarcotic PTSD treatments. AB 1616 was held in this committee.

   AB 2489 (Lowenthal) authorizes the Research Advisory Panel–California to submit one or more investigational new drug applications to the FDA for approval of a multisite clinical

trial of psilocybin, ibogaine, or other Schedule I or Schedule II controlled substances, among a patient pool composed exclusively of veterans with conditions associated with suicidality among veterans. AB 2489 was held in this committee.

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