
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 895 (Wiener) - California Science and Health Research Bond Act

Version: April 6, 2026

Policy Vote: HEALTH 9 - 2, N.R. & W. 5 -
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Urgency: No

Mandate: No

Hearing Date: April 27, 2026

Consultant: Agnes Lee

Bill Summary: SB 895 would establish the California Foundation for Science and Health Research within the Government Operations Agency; and authorize the sale of \$23 billion in general obligation bonds, upon approval by voters at the next statewide election, to finance grants and loans to fund research and construct, operate, and maintain facilities for research.

Fiscal Impact:

- **Bond costs:** The total principal and interest costs to pay off the bonds would be approximately \$41.1 billion (\$23 billion in principal and \$18.1 billion in interest), with average annual debt service payments of \$1.4 billion (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 4.25% (the rate secured by the State Treasurer for a new bond at a recent sale). If interest rates increase to 5% in the near future, annual debt service would be approximately \$1.5 billion (General Fund) and total principal and interest costs over the repayment period would be approximately \$44.9 billion.
- **Administrative costs:** The Government Operations Agency estimates costs ranging from \$10 million to \$20 million to establish and implement the program. State resources would be needed to support the foundation and the council in a variety of capacities, manage grants and loans, issue reports, conduct bond compliance activities and bond accounting activities, develop the foundation's strategic research and financial plans, and handle complex legal issues regarding intellectual property, patents, etc.

The measure would permit moneys from the proceeds of bonds to be used to pay for administrative costs of the foundation. The Government Operations Agency notes that the agency would likely need a General Fund loan to start up the foundation and the council, and to hire staff prior to the issuance of bonds. The General Fund loan would be paid back from bond proceeds in the future.

- **Ballot costs:** One-time General Fund costs to the Secretary of State (SOS) in the range of \$738,000 to \$984,000, for printing and mailing costs to place the measure on the ballot in a statewide election. Actual costs may be higher or lower, depending on the length of required elements and the overall size of the ballot.

Background: Historically, federal science funding has fueled research and development in California. California leads the nation in funding from agencies like the

National Institutes of Health (NIH) and National Science Foundation (NSF). California also captures a large share of funding from the National Aeronautics and Space Administration (NASA) and the Department of Energy (DOE), given the concentration of national laboratories and technology industries in the state. In federal fiscal year 2024, California institutions received \$5.2 billion from the NIH and over \$1 billion from the NSF to support research at the state's universities, hospitals, and companies. A large share of this funding supports the University of California (UC) system, which receives more NIH and NSF grants than any other institution in the nation. Across all federal agencies, the UCs were awarded \$5 billion for nearly 17,000 projects in 2024, accounting for more than half of all UC research awards.

Proposition 71, passed by voters in 2004, authorized \$3 billion in general obligation bonds to establish the California Institute for Regenerative Medicine (CIRM) in order to fund stem cell research in California. Proposition 14, passed by voters in 2020, authorized an additional \$5.5 billion in general obligation bonds to fund research grants. In addition to supporting stem cell research, Proposition 14 provided dedicated funding to research and therapy for Alzheimer's disease, Parkinson's disease, stroke, dementia, epilepsy, brain cancer, schizophrenia, autism, and other diseases and conditions of the brain.

Proposed Law: Specific provisions of the bill would:

- Establish the California Foundation for Science and Health Research within the Government Operations Agency to facilitate scientific research by awarding grants and making loans to public or private research companies, universities, institutes, and organizations for scientific research and development and to construct facilities for research and development, as specified.
- Establish the California Foundation for Science and Health Research Council to determine which research projects will be funded; specify requirements for membership of the council; permit the council to establish one or more scientific peer review panels; and apply the Bagley-Keene Open Meeting Act to meetings of the council and scientific peer review panels, except as provided.
- Create the California Foundation for Science and Health Research Fund and require that upon appropriation by the Legislature, funds must be deposited into the fund to be used by the foundation to award public and private grants to, and make loans to, public or private research companies, universities, institutes, and organizations for scientific research and development; specify that the fund may include both private and public funds, including private donations; state the intent of the Legislature that the foundation include provisions in the grants, loans, and contracts to recoup a portion of licensing and royalty fees from inventions and technologies produced as a result of bond-funded research, and that pharmaceuticals developed through this research are available to Californians at a discount; and limit the use of funds for administrative costs to 3 percent of the moneys in the fund.
- Authorize the sale of \$23 billion in general obligation bonds, upon approval by voters at the next statewide election, to finance grants and loans to fund research and

construct, operate, and maintain facilities for research; and create the California Foundation for Science and Health Research Finance Committee for the purpose of authorizing the issuance and sale of the bonds.

Related Legislation: SB 829 (Wiener, 2025) would have established the California Institute for Scientific Research within the Government Operations Agency. The bill was held on the suspense file in this committee.

Staff Comments: SOS indicates that printing and mailing costs associated with placing a measure on the statewide ballot are approximately \$123,000 per page, depending on the length of the ballot. The fiscal estimates noted above reflect the addition of 6-8 pages in the Voter Information Guide. Actual costs would depend upon the length of the title and summary, analysis by the Legislative Analyst's Office (LAO), proponent and opponent arguments, and text of the proposal.

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