Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 895 (Wiener) – As Amended May 14, 2026

Policy Committee: Health Vote: 11 - 2

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

SUMMARY:

This bill enacts the California Science and Health Research Bond Act (Bond Act), which authorizes the state to issue general obligation bonds in the amount of $12 billion to finance grants and loans for health and science research.

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

1) Establish within the Government Operations Agency (GovOps) the California Foundation for Science and Health Research (Foundation) to facilitate scientific research by awarding grants and making loans to public or private research companies, universities, institutes, and organizations for research and development and to construct facilities for research and development in specified fields, including various health-related fields, wildfire prevention, climate, agriculture, and emerging technologies, among others.

2) Establish the Foundation for Science and Health Research Council (Council) to develop the strategic objectives of the Foundation, participate in the overall management of the Foundation, and determine which research projects will be funded by the California Foundation for Science and Health Research Fund (Fund), based on research priorities and the technical merits of the proposals.

3) Establish authority for appointments to the Council and define requirements for Council composition and terms, and the conduct of Council business.

4) Require the Secretary of GovOps to oversee the appointment and compensation of the director of the Foundation (director) and require the director and personnel to be responsible for implementing the objectives of the established pursuant to this bill.

5) Create the Fund and require the proceeds from the bonds to be deposited into the Fund for use by the Foundation to award grants and make loans to public or private research companies, universities, and other organizations for scientific research and development.

6) Establish the California Foundation for Science and Health Research Benefit Fund (Benefit Fund), to consist solely of private donations and be continuously appropriated and available for the same purposes as the Fund.

7) Require the Foundation to prioritize replacing funding cuts by the federal government.

8) Prohibit more than 3% of the moneys in the Fund from being used for administrative costs, as defined.

9) State the intent of the Legislature that: (a) 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, (b) pharmaceuticals developed through this research be made available to Californians at a discount, and (c) under certain circumstances, California will be able to publicly produce pharmaceuticals invented with bond-funded research via CalRx to sell at a discount to Californians and for profit to other states.

10) Create the California Foundation for Science and Health Research Finance Committee (Committee) for the purpose of authorizing the issuance and sale of bonds and interim debt authorized by the Bond Act.

11) Require the Committee, by resolution, to determine whether it is necessary or desirable to issue and sell bonds, as specified.

12) Require the Bond Act to be submitted to the voters at the next statewide election.

13) Authorize the issuance of bonds in the amount of $12 billion for the purposes of this bill and to reimburse the General Obligation Bond Expense Revolving Fund,

14) Require the State Treasurer to issue and sell bonds in the amount determined by Committee to be necessary or desirable.

15) Require proceeds of the bonds issued and sold pursuant to this bill to be deposited into the Fund and all moneys in the fund to be continuously appropriated for purposes of this bill.

16) Require moneys in the fund to be made available for a) grants and loans to fund research and operate and maintain facilities for research, and b) administrative costs for the Foundation.

17) Require repayment of principal and interest on any loans made by the Foundation to be deposited in the Fund and be used to make additional grants and loans or for paying administrative costs of outstanding bonds.

FISCAL EFFECT:

1) Bond costs: The total principal and interest costs to pay off the bonds would be approximately $21.5 billion ($12 billion in principal and $9.5 billion in interest), with average annual debt service payments of $715 million (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 $781 million and total principal and interest costs over the repayment period would be approximately $23.4 billion.

2) Administrative costs: GovOps estimates costs between $7.5 million to $15 million to implement this measure. GovOps states this bill requires a new function that GovOps has never done. GovOps estimates it would need between 15 and 23 staff of various classifications and significant funding for operating expenses and equipment to begin implementing the provisions of this bill. GovOps staff would need to support the Foundation and the Council, manage grants and loans made pursuant to this measure, issue reports, conduct bond compliance activities, bond accounting activities, develop the Foundation's strategic research and financial plans, and handle complex legal issues regarding intellectual property, patents, etc. GovOps would likely need a General Fund loan to establish the Foundation and the Council, and to hire staff prior to the issuance of bonds. The General Fund could be paid back from bond proceeds in the future.

3) Ballot costs: The Secretary of State (SOS) estimates this bill will require approximately 12 to 15 additional pages in the State Voter Information Guide and Text of Proposed Laws. Based on current printing rates of $123,359 per page, SOS estimates the cost to add the Bond Act to the ballot between $1.48 million and $1.85 million in fiscal year (FY) 2026-27 (General Fund).

COMMENTS:

1) **Purpose.** This bill is sponsored by United Autoworkers (UAW) Local 4811, UAW Region 6, the University of California (UC), and the Union of American Physicians and Dentists (UAPD). According to the author:

> [This bill] will place on the November 2026 ballot a $12 billion bond to fund health and science research…Over the past year we have seen an incredible politicization of what was once considered bipartisan and vital research. With the federal government cutting billions of dollars to scientific research, California is placed in a dire situation. As the state that receives the most federal research dollars and a global leader in research and technology, the cuts risk California's health and economic wellbeing.
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> Scientific research and innovation have driven California's economic success for decades. The breakthroughs produced by universities and scientific researchers have sparked new industries and powered the success of the state's biotech, medical, agricultural, and software industries from startups to global companies. For every dollar invested in National Institutes of Health research there is a return of approximately $2.50 in economic activity.
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> Without this investment from the state, Californians and the world will lose out on critical, life-saving discoveries that will treat diseases, uplift public health, and address climate change. For a healthy, prosperous future for all Californians, SB 895 is a critical step.

2) **Background.** California leads the nation in funding from agencies like the National Institutes of Health (NIH) and National Science Foundation (NSF). California also receives a large share of funding from the National Aeronautics and Space Administration (NASA) and the Department of Energy (DOE). In federal FY 2024, California institutions received $5.2

billion from the NIH and over $1 billion from the NSF to support research at universities, hospitals, and companies. A large share of federal funding goes to the UC system, which receives more NIH and NSF funds than any other institution in the nation. Federal agencies awarded UCs $5 billion for nearly 17,000 projects in 2024, accounting for more than half of all UC research awards.

The Trump administration's federal FY 2026 budget proposal included 40% to 55% cuts to scientific funding agencies like the NIH, NSF, and NASA. Although Congress rejected these budget cuts in the 2026 budget, science research is still experiencing a challenging federal environment. According to a January 2026 article in the journal Nature, 5,844 NIH grants and 1,996 NSF grants were cancelled or suspended for not aligning with the Trump Administration's priorities, affecting research on topics like vaccine uptake, infectious diseases, and underrepresented groups. Federal agencies are awarding fewer new grants; for example, in FY 2026, STAT has reported that the number of competitive NIH awards issued to date is 74% lower than the average recorded by February over FYs 2021 to 2024, and the total value of those awards is 62% below the average at this point over those same years.

According to the grant tracking website Grant Witness, 775 California NIH grants and 467 NSF grants have been disrupted since January 2025. Although many have since been restored due to intervention by the courts, the state is experiencing an estimated loss of $26 million from the NIH, $46 million from the NSF, $835 million from the U.S. Environmental Protection Agency (EPA), and $95 million from the Centers for Disease Control and Prevention (CDC). Last July, the federal government froze nearly $600 million in NIH and NSF funding to UC Los Angeles alone over claims of antisemitism on campus. Although these funds were eventually restored by court order, hundreds of research projects were halted for two months with no guarantee of being restored, disrupting experiments, wasting resources, and placing financial strain on graduate and postdoctoral researchers living paycheck to paycheck on federally funded stipends. Advocates have noted that the uncertainty of funding is extremely harmful to researchers.

3) **Related Legislation.** Other bond measures introduced in the current legislative session include:

SB 492 (Menjivar), Youth Housing Bond Act of 2026, which is pending in the Assembly Housing and Community Development Committee.

AB 590 (Lee), Social Housing Bond Act of 2026, which died in the Senate Housing and Community Development Committee.

SB 623 (Archuleta), Veterans' Bond Act of 2026, which is pending in the Assembly Housing and Community Development Committee.

SB 417 (Cabaldon), The Affordable Housing Bond Act of 2026, which is pending on the Assembly floor.

AB 736 (Wicks), The Affordable Housing Bond Act of 2026, which is pending on the Senate floor.

AB 48 (Alvarez), College Health and Safety Bond Act of 2026, which is pending referral in the Senate Rules Committee.

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