

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 01/05/2026

POSITION: Oppose

SPONSOR: Immigrant Justice in Action Coalition (IJAC)

BILL NUMBER: AB 713

AUTHOR: Solache, José Luis

RELATED BILLS: AB 2586 (Alvarez, 2024)

BILL SUMMARY: Public postsecondary education: student employment.

Starting on January 6, 2027, this bill would prohibit the University of California (UC), the California State University (CSU), and the California Community Colleges (CCCs) from disqualifying a student for employment if they fail to provide proof of federal employment authorization.

FISCAL SUMMARY

The UC and CSU indicate unknown, but potentially significant litigation costs and a potential loss of billions of dollars in federal funding that is conditioned upon compliance with the federal Immigration Reform and Control Act. For the administration of this bill, the CSU estimates a one-time General Fund cost in the hundreds of thousands of dollars for all 22 campuses to comply with the provisions of the bill. In addition, the UC estimates one-time General Fund costs in the mid-hundreds of thousands of dollars to develop systemwide regulations, update internal HR policies, and retrain hiring personnel.

The CCC Chancellor's Office indicates this bill will result in one-time Proposition 98 costs ranging from \$936,000 to \$1.6 million to update policies and procedures regarding the hiring of undocumented student workers and to ensure compliance with other state and federal laws. In addition, the CCC Chancellor's Office anticipates one-time General Fund costs of between \$25,000 and \$65,000 for the state operations of this bill.

The California Department of Justice anticipates minor and absorbable General Fund costs associated with potential legal costs to the state.

COMMENTS

Although increasing opportunities for undocumented students to support their higher education is meritorious, Finance opposes this bill because it could result in significant General Fund and Proposition 98 General Fund impacts not included in the 2026 Budget Act. In addition, the bill may put at risk billions of dollars of federal funding to the UC, CSU, and CCCs that are predicated upon compliance with the federal Immigration Reform and Control Act. California's higher education institutions already have been under increased scrutiny from the current federal administration, with multiple streams of federal funding being targeted for suspension. This bill could provide another reason for the federal government to target federal funding to the state.

Both the UC and the CSU shared concerns about possible legal penalties, and the potential loss of federal funding if the segments violate the federal Immigration Reform and Control Act. The bill prohibits the UC, the CSU, and the CCCs as of January 6, 2027, from disqualifying a student for employment due to their failure to provide proof of federal employment authorization, except if

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Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
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COMMENTS (continued)

either proof is required by federal law or as a condition of a grant that funds the employment position for which the student applied.

The bill also requires the UC, CSU, and CCCs to not follow federal law related to the prohibition on hiring undocumented noncitizens. It is unclear if the state has the authority to follow this portion of the bill or if doing so would result in consequences or penalties for UC, CSU, and CCC employees. Existing federal law, the Personal Responsibility and Work Opportunity Act (PRWORA), prohibits undocumented individuals from receiving state or local funded benefits unless allowed by a state law. This bill specifies that, to the extent that any student employment is considered a "benefit" for the purposes of PRWORA, this provision constitutes authorization by the state to provide that benefit to undocumented individuals according to the exception in federal law. Additionally, the federal Immigration Reform and Control Act (IRCA): (1) prohibits employers from hiring and employing an individual knowing that the individual is not authorized with respect to such employment, (2) prohibits employers from continuing to employ an individual knowing that they are unauthorized for employment, and (3) prohibits employers from hiring any individual, including a U.S. citizen, for employment in the U.S. without verifying his or her identity and employment authorization.

This bill indicates that these provisions apply to the UC. However, if found that the bill does not apply to the UC, it indicates that the bill would apply to the UC upon a resolution from the Regents.

This bill is substantially similar to AB 2586 (Alvarez, 2024), which was vetoed because of the potential legal consequences from the federal government as the legality of this policy requires a judicial determination for the state to supersede federal law governing employment practices of undocumented individuals.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO	PROP					Fund
	RV	98	FC	2026-2027 FC	2027-2028 FC	2028-2029	Code
6440/UC	LA	No	C	100-999 C	0 C		0 0001
6610/CSU	LA	No	C	100-999	0		0 0001
6870/Comm College	SO	No	C	25-65	0		0 0001
6870/Comm College	LA	Yes	C	936-1,600	0		0 0001
0820/Justice	SO	No		----- No/Minor Fiscal Impact -----			0001