Proposition 38

July 3, 2026
Initiative 25-0026

BALLOT TITLE AND SUMMARY

AUTHORIZES BONDS FOR IMMUNOLOGY MEDICAL RESEARCH. INITIATIVE STATUTE.

- Authorizes $8.4 billion in state general obligation bonds for immunology and immunotherapy research (technologies that use body's immune system to treat disease), with half dedicated to cancer, heart disease, and Alzheimer's disease.
- Allocates funds equally between (1) a single University of California-affiliated nonprofit medical research institute, and (2) research grants for public or nonprofit universities and institutions.
- Requires funding recipients to sell technology and drugs derived from research in California for 20% below national average price.
- Appropriates money from General Fund to repay bonds; General Fund receives 10% of licensing royalties until bonds are repaid.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- Increased state cost of $500 million to $600 million annually for about 20 years to repay the medical research bond. The state could recover part or all of this cost in subsequent decades if the funded research leads to discoveries that generate revenue.

State Bond Cost Estimate

Amount borrowed	$8.4 billion
Average annual repayment cost	$500 million to $600 million annually for about 20 years
Source of repayment	General tax revenue and possible revenue from discoveries funded by the bond

SUBJECT TO COURT
ORDERED CHANGES