

HIGHER EDUCATION

The Budget represents a significant investment in the state's public higher education segments—the University of California (UC), the California State University (CSU), and the California Community Colleges (CCC)—and the students of California. The Budget provides significant ongoing increases in base funding to all three segments and unprecedented investments in financial aid programs that will increase the quality of education, expand access, improve timely degree completion, and support upward economic mobility for Californians. Overall, these investments reflect the Administration's commitment to affordability, access, and efficiency in higher education.

The Budget includes total funding of \$36.9 billion (\$20.8 billion General Fund and local property tax and \$16.1 billion other funds) for all higher education entities in 2019-20.

UNIVERSITY OF CALIFORNIA

Consisting of 10 campuses, the UC is the primary institution authorized to independently award doctoral degrees and professional degrees. The UC educated approximately 273,000 undergraduate and graduate students and awarded approximately 75,000 degrees in 2017-18.

The Budget invests \$462.5 million General Fund, of which \$248.8 million is ongoing, in the UC, representing one of the largest annual investments in the system in state history. The

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Board of Regents announced that it would not raise resident tuition for the 2019-20 academic year given this significant investment in the UC.

Significant Adjustments:

- Ongoing General Fund Augmentations—An increase of \$248.8 million ongoing General Fund, which includes the following:
 - \$119.8 million to support operational costs.
 - \$49.9 million to support growth in California resident undergraduate student enrollment by 4,860 full-time equivalent students over a two-year period.
 - \$15 million to address student hunger and housing needs.
 - \$10 million to permanently support the enrollment of 1,000 additional resident students supported by one-time funds in the 2018 Budget Act.
 - \$5.3 million to improve student mental health programs.
 - \$4 million for summer financial aid programs. The funding will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
 - \$3.5 million for rapid rehousing programs.
 - \$40 million General Fund to end the shift of Proposition 56 funds supporting medical residency programs.
 - \$1.3 million to offset declining Proposition 56 revenue supporting a statewide grant program to increase the number of available residency slots.
- One-Time Augmentations—An increase of \$213.7 million one-time General Fund, to support the following:
 - \$143.5 million for deferred maintenance.
 - \$15 million for development or expansion of degree and certificate completion programs through UC extension.
 - \$10 million for conservation genomics.
 - \$7.5 million for Charles R. Drew University.
 - \$6 million to create the UC and CSU Collaborative for Neurodiversity and Learning.

- \$3.5 million for a dyslexia early intervention pilot program operated by UC San Francisco.
- \$28.2 million to support various programs, services, and research at UC campuses.

CALIFORNIA STATE UNIVERSITY

Consisting of 23 campuses, the CSU served over 365,000 undergraduate and nearly 40,000 graduate full-time equivalent students and awarded 125,920 degrees in 2017-18. The Budget invests \$676.6 million General Fund, of which \$361.4 million is ongoing, in the CSU, representing one of the largest annual investments in the system in state history. The Board of Trustees announced that it would not raise resident tuition for the 2019-20 academic year given the significant investment in the CSU.

Significant Adjustments:

- Ongoing General Fund Augmentations—An increase of \$361.4 million ongoing General Fund, which includes the following:
 - \$215.5 million to support operational costs, consisting of \$193 million for operational costs and \$22.5 million for base retirement benefit adjustments.
 - \$85 million to support growth in California resident undergraduate student enrollment of 10,000 full-time equivalent students.
 - \$45 million for the Graduation Initiative 2025.
 - \$6.5 million for rapid rehousing.
 - \$6 million for summer financial aid programs. This funding will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
 - \$3.3 million to continue and expand Project Rebound programs serving formerly incarcerated individuals attending or seeking to enroll in participating CSU campuses.
 - \$107,000 to provide a cost-of-living adjustment for the Capital Fellows Program.
- One-Time Augmentations—An increase of \$315.2 million one-time General Fund, to support the following:

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- \$239 million for deferred maintenance and to improve and expand child care centers.
- \$30 million for the Graduation Initiative 2025, provided on a one-time basis in addition to the ongoing increase of \$45 million General Fund to support the Initiative.
- \$15 million to address student hunger and housing needs.
- \$2 million for the CSU Chancellor's Office to undertake a review of a potential CSU campus in San Joaquin County, likely in Stockton.
- \$2 million for the CSU Chancellor's Office to undertake a review of potential CSU campuses in Chula Vista, Concord, Palm Desert, and San Mateo County.
- \$27.2 million to support various programs, services, and research at CSU campuses.
- Legal Services—As referenced in the Health and Human Services Chapter, the Budget includes an increase of \$7 million General Fund to provide legal services to undocumented students, staff, and faculty at the CSU.

CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the nation, serving roughly one-quarter of the nation's community college students, or approximately 2.1 million students. The CCCs provide basic skills, career education, and undergraduate transfer education with 73 districts, 115 colleges, and 78 educational centers. In 2017-18, the community colleges awarded more than 96,000 certificates and 160,000 degrees.

REVISIONS TO THE STUDENT-CENTERED FUNDING FORMULA

The Administration continues to support the goals of the Student-Centered Funding Formula, including increasing students' timely completion and supporting low-income students. The Budget adopts a revised implementation plan for the Student-Centered Funding Formula, which was established as part of the 2018 Budget Act and allocates funding to community college districts based upon total enrollment, the number of low-income students enrolled, and the number of students who meet specified student success metrics, such as completion of a degree or certificate. The adopted revisions include:

- Distributing 70 percent of funding to districts based on enrollment, 20 percent based on enrollment of low-income students, and 10 percent based on student success metrics.
- Annually including only a student's highest outcome earned for specified student success metrics.
- Implementing the use of a three-year average for all student success metrics.
- Extending the existing hold harmless provision of the Formula by an additional year so that no district will receive less funding than they received in 2017-18 with cost-of-living adjustments until 2021-22.
- Clarifying the definition of a transfer student for purposes of the Formula.

TWO FREE YEARS OF COMMUNITY COLLEGE TUITION

The Budget includes \$42.6 million ongoing Proposition 98 General Fund to support a second year of free tuition for students. This extends the California College Promise to waive enrollment fees for first-time, full-time students for a second academic year. Based on 2017-18 data, approximately 33,000 first-time, full-time students are projected to be eligible for a second year of free tuition, assuming their CCC meets the participation requirements of the program.

Significant Adjustments:

- CCC State Operations—An ongoing increase of \$516,000 non-Proposition 98 General Fund for four new positions to support the Chancellor's Office state operations. These positions are for the Chancellor's Office to improve data security capacity, to support accounting operations, and to monitor districts' fiscal health and provide technical assistance to districts in need.
- Student-Focused Funding Formula—An ongoing increase of \$254.7 million Proposition 98 General Fund to support the funding formula, which includes the following:
 - An increase of \$230 million to support a 3.26-percent cost-of-living adjustment for total apportionment growth.
 - An increase of \$24.7 million for enrollment growth of 0.55 percent.

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- **Rapid Rehousing**—An ongoing increase of \$9 million Proposition 98 General Fund to provide support for community college students who are homeless or experiencing housing insecurity, including connecting students to safety net resources and providing emergency grants to secure housing or prevent the imminent loss of housing.
- **Veteran Resource Centers**—An ongoing increase of \$5 million Proposition 98 General Fund to augment an existing allocation that establishes or enhances veteran resource centers at community colleges. In addition, an increase of \$2.25 million Proposition 98 settle-up funds is provided to expand veteran resource centers at specified colleges.
- **Retirement Systems' Employer Contribution Rate**—As referenced in the K-12 Education Chapter, the Budget includes a \$3.15 billion one-time non-Proposition 98 General Fund payment on behalf of local educational agencies and community college districts to CalSTRS and the CalPERS Schools Pool.
- **Deferred Maintenance and Instructional Equipment**—A one-time increase of \$13.5 million Proposition 98 settle-up for deferred maintenance, instructional equipment, and specified water conservation projects.
- **Mental Health Services**—A one-time increase of \$7 million Proposition 63 funds to create a grant program for colleges, in collaboration with county behavioral health departments, to establish or improve access to mental health services and early identification or intervention programs.
- **Workforce Development Programs**—A one-time increase of \$4.75 million Proposition 98 settle-up to support the improvement of workforce development programs at specified colleges.
- **Student Basic Needs Programs**—A one-time increase of \$3.9 million Proposition 98 settle-up to address student basic needs at community colleges, including housing and food insecurity.
- **Reentry of Incarcerated Individuals Program Grants**—A one-time increase of \$3.5 million Proposition 98 settle-up to provide support for a grant program to provide student support services for currently and formerly incarcerated students who are focused on reentry into their communities.
- **Foster Care Education Program**—An ongoing increase of \$400,000 Proposition 98 General Fund to sustain program funding at its current level for foster and relative or kinship care education and training, due to a projected decrease of federal matching funds.

- Historically Black Colleges and Universities (HBCU) Transfer Pathway Program—An increase of \$81,000 ongoing Proposition 98 General Fund to support the development of transfer guarantee agreements between the California Community Colleges and partner HBCU institutions.
- CCC Facilities—An increase of \$535.3 million in general obligation bond funding for 39 new and 20 continuing projects. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51 and will address critical fire and life safety issues at campuses statewide.

CALIFORNIA STUDENT AID COMMISSION

The California Student Aid Commission, which administers the state's financial aid programs, the largest of which is the Cal Grant, supports over 490,000 financial aid awards to students accessing higher education. The Budget includes significant investments in financial aid programs to provide students of all backgrounds access to higher education.

CAL GRANT ACCESS AWARDS FOR STUDENT-PARENTS

As referenced in the Early Childhood Education Chapter, to expand opportunities for student-parents, increase their graduation rates, and reduce child poverty, the Budget includes \$96.7 million ongoing General Fund to establish or increase access awards for students with dependent children attending the UC, CSU, or CCCs. Qualifying new or renewal Cal Grant A recipients will receive an access award of up to \$6,000, qualifying new or renewal Cal Grant B recipients will see their access award increase from \$1,648 to \$6,000, and qualifying Cal Grant C recipients will see their book and supply award increase from \$1,094 to \$4,000. These access awards and increased award levels will better enable students with dependent children to meet their families' basic needs and increase their likelihood of degree completion.

Significant Adjustments:

- Cal Grant Program Costs—An increase of \$27.6 million in 2018-19 and \$178.7 million in 2019-20 to reflect an increase in the number of new and renewal awardees in 2018-19 and 2019-20.

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- Temporary Assistance for Needy Families (TANF) Reimbursements—A decrease of \$5.9 million in federal TANF reimbursements in 2019-20 which increases General Fund support for the Cal Grant program by an equal amount.
- Golden State Teacher Grant Program—As referenced in the K-12 Education Chapter, an increase of \$89.8 million one-time General Fund to support grants to students enrolled in teacher preparation programs who commit to working in a high-need field at school sites with the highest rates of non-credentialed or waiver teachers.
- Competitive Cal Grants—An increase of \$41.8 million ongoing General Fund to increase the number of new competitive Cal Grants available annually from 25,750 to 41,000.
- Child Savings Account Grant Program—An increase of \$25 million one-time General Fund to support grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account programs. The Budget also includes \$25 million for savings accounts at the ScholarShare Investment Board (see below).
- Grant Delivery System—An increase of \$6.2 million one-time General Fund to fund the second year of project costs for the Grant Delivery System Modernization Project.

SCHOLARSHARE INVESTMENT BOARD

The ScholarShare Investment Board administers the Golden State ScholarShare 529 College Savings Trust Program, the Governor's Scholarship Programs, and the California Memorial Scholarship Program.

Significant Adjustment:

- California Kids Investment and Development Savings Program—An increase of \$25 million one-time General Fund to support college savings accounts at the ScholarShare Investment Board for eligible low-income California children born on or after July 1, 2020.

UC HASTINGS COLLEGE OF THE LAW

The Administration has continued to provide UC Hastings College of Law with base increases to support its operations and keep tuition level. In exchange for significant and reliable increases in funding, tuition at Hastings College of Law has remained flat for seven years.

Significant Adjustments:

- **Base Augmentation**—An increase of \$1.4 million ongoing General Fund to support the College's general operations.
- **UC Path Implementation**—An increase of \$594,000 one-time General Fund to support the College's implementation of the UC Path payroll, accounting, time keeping, and human resources system.
- **Deferred Maintenance**—An increase of \$500,000 one-time General Fund to support critical deferred maintenance needs and instructional equipment and information technology upgrades.

CALIFORNIA STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and Legislature. Additionally, the State Library provides critical assistance to the 184 library jurisdictions and nearly 1,200 libraries across the state.

Significant Adjustments:

- **Digitization and Cultural Preservation Activities**—\$1.7 million General Fund, approximately \$1 million of which is ongoing, for the California State Library to coordinate with state entities to identify items for digital preservation, contract for digital preservation services, and begin conducting or commissioning a statewide survey to inventory cultural heritage assets.
- **Community Outreach Vehicles and Bookmobiles**—An increase of \$3 million one-time General Fund to provide grants to underserved local libraries for the purchase of a bookmobile or community outreach vehicle.

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- Early Learning and After-School Programs—An increase of \$5 million one-time General Fund to provide grants to local libraries to support early learning and after-school programs.
- Lunch at the Library—An increase of \$1 million one-time General Fund for library districts to develop summer meal programs for students in low-income communities.
- Historical Site Preservation—An increase of \$500,000 one-time General Fund to support the preservation of historical Lesbian, Gay, Bisexual, Transgender, and Queer sites.
- Funding for Local Library Improvements—An increase of \$9.4 million one-time General Fund support for various purposes at the following libraries: Whittier Library, Hunt Library, Filmore Library, Laguna Woods Library, Pomona Public Library, and the Goleta Valley Library.

OFFICE OF PLANNING AND RESEARCH

The Governor's Office of Planning and Research serves as the Administration's staff for long-range planning and research, and constitutes the comprehensive state planning agency.

Significant Adjustments:

- Higher Education Innovation Grants—An increase of \$10 million one-time General Fund to support grants to higher education institutions to implement innovative educational strategies in the San Joaquin Valley and Inland Empire regions of the state.
- Longitudinal Education Data—As referenced in the K-12 Education Chapter, an increase of \$10 million one-time General Fund to plan for and develop a longitudinal data system.