

HIGHER EDUCATION

Higher Education includes the California Community Colleges (CCC), the California State University (CSU), the University of California (UC), the Student Aid Commission, and several other entities. The May Revision includes total funding of \$36.6 billion (\$20.6 billion General Fund and local property tax and \$16 billion other funds) for all higher education entities in 2019-20.

UNIVERSITY OF CALIFORNIA

Consisting of ten campuses, the UC is the primary institution authorized to independently award doctoral degrees and professional degrees. The UC educates approximately 270,000 undergraduate and graduate students and receives the highest state subsidy per student among the state's three public higher education segments. In 2017-18, the UC awarded 75,000 degrees. An additional 400,000 students participate in continuing education programs through the University extensions.

The Governor's Budget provided \$240 million ongoing General Fund and \$153 million one-time General Fund investments with the expectation that the UC would not raise resident student tuition in fiscal year 2019-20. In March, the Board of Regents announced that it would not raise tuition; therefore, the May Revision maintains these funding levels.

Significant Adjustments:

- Retirement Program—The May Revision includes \$25 million one-time General Fund to support the UC Retirement Program.
- UC San Francisco Dyslexia Center Pilot Program—\$3.5 million one-time General Fund to support a pilot dyslexia screening and early intervention program operated through the UC San Francisco Dyslexia Center. These funds will enable the Center to deploy the Application for Readiness In Schools and Learning Evaluation, provide curriculum support, train staff on potential educational interventions, and collect data for a report on outcomes.
- Support for Students Experiencing Homelessness—Building upon the Governor's Budget investment of \$15 million ongoing General Fund to address student food and housing insecurity, the May Revision proposes \$3.5 million ongoing General Fund to support rapid rehousing of homeless and housing insecure students.
- Other Programs—The May Revision updates the assumed out-year costs to support the UC legal immigration services program from an average of \$1.3 million per year to an average of \$1.7 million per year. The May Revision continues to reflect \$1 million ongoing General Fund to support the UC Davis Firearms Violence Research Center beginning in 2021-22.

CALIFORNIA STATE UNIVERSITY

The CSU serves over 410,000 undergraduate students across 23 campuses and receives funding from a variety of sources, including state General Fund, federal funds, lottery funds, and student tuition and fees. The Governor's Budget provided \$300 million ongoing General Fund and \$264 million one-time General Fund investments with the expectation that the CSU would not raise resident student tuition in fiscal year 2019-20. In January, the Board of Trustees announced that it would not raise tuition; therefore, the May Revision maintains these funding levels.

Significant Adjustments:

- Support for Students Experiencing Homelessness—Building upon the Governor's Budget investment of \$15 million one-time General Fund to address student food and housing insecurity, the May Revision proposes \$6.5 million ongoing General Fund to support rapid rehousing of homeless and housing insecure students.

- Project Rebound—\$750,000 ongoing General Fund to increase support for Project Rebound from \$250,000 per year to \$1,000,000 per year. Project Rebound is a CSU program that provides assistance to formerly incarcerated individuals seeking to enroll in participating CSU campuses.
- First Star Foster Youth Cohort at CSU Sacramento—\$740,000 one-time General Fund to support a First Star Foster Youth Program at CSU Sacramento. This program will enable a cohort of foster youth to engage in a variety of activities that support learning opportunities, such as academic courses for college credit, social and cultural activities, service learning and other recreational activities.

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 campuses, and 78 educational centers. In 2017-18, the community colleges awarded more than 96,000 certificates, 160,000 degrees and transferred about 102,000 students to four-year institutions.

ONGOING REVIEW OF THE STUDENT-CENTERED FUNDING FORMULA

The Administration remains committed to the Student-Centered Funding Formula and its goals to increase student completion and support for low-income students.

The Governor's Budget proposed a revised implementation plan for the Student-Centered Funding Formula to provide the CCC Chancellor's Office and the Funding Formula Oversight Committee sufficient time to consider revisions that would further the goals of the formula, address its long-term fiscal stability, and improve the accuracy of the data reported by districts. The Administration plans to work with the Chancellor's Office and stakeholders in the coming months to explore revisions and recommendations that meet these goals, with the intent that revisions will be considered for inclusion as part of the development of the 2020-21 budget process. To further align with a revised implementation and review plan, the May Revision extends the existing hold harmless provision of the Student-Centered Funding Formula by an additional year, ensuring that no district will receive less funding than they received in 2017-18 with cost-of-living adjustments for each year until 2021-22.

Significant Adjustments:

- CCC State Operations Support—An increase of \$381,000 ongoing non-Proposition 98 General Fund for three new positions to support the Chancellor's Office state operations. These positions will support the Chancellor's Office's accounting office, monitor districts' fiscal health and provide technical assistance to districts in need.
- Apportionments Cost-of-Living Adjustment—A decrease of \$18.3 million Proposition 98 General Fund to reflect a change in the cost-of-living adjustment from 3.46 percent to 3.26 percent.
- California College Promise—An increase of \$5.2 million Proposition 98 General Fund to support the existing first year and proposed second year of the California College Promise. This estimate reflects revised estimates of eligible students for the program.
- Student Success Completion Grant—An increase of \$7.5 million Proposition 98 General Fund to reflect revised estimates of participation in the financial aid program.
- Deferred Maintenance—An increase of \$39.6 million one-time Proposition 98 General Fund for deferred maintenance, instructional equipment, and specified water conservation projects.
- Adult Education Program—A decrease of \$1 million Proposition 98 General Fund to reflect a change in the cost-of-living adjustment from 3.46 percent to 3.26 percent.
- Categorical Program Cost-of-Living Adjustment—A decrease of \$860,000 Proposition 98 General Fund to reflect a change in the cost-of-living adjustment from 3.46 percent to 3.26 percent for the Disabled Student Programs and Services program, the Extended Opportunity Programs and Services program, the Apprenticeship program, the Student Services for CalWORKs Students program, the Mandate Block Grant program, and the Campus Child Care Tax Bailout program.
- Foster Care Education Program—An increase of \$400,000 ongoing Proposition 98 General Fund to backfill program funding for foster and relative or kinship care education and training, due to a projected decrease of federal matching funds.
- Local Property Tax Adjustment—An increase of \$76.7 million Proposition 98 General Fund as a result of decreased offsetting local property tax revenues.
- Student Enrollment Fee Adjustment—A decrease of \$15.7 million Proposition 98 General Fund as a result of increased offsetting student enrollment fees.

CALIFORNIA STUDENT AID COMMISSION

The California Student Aid Commission administers financial aid programs, including the Cal Grant program and the Middle Class Scholarship Program.

Significant Adjustments:

- Cal Grant Program Costs—A decrease of \$14 million General Fund in 2019-20 to account for the following:
 - Participation Estimates—A decrease of \$19.9 million in 2019-20 to reflect a decrease in the estimated number of new recipients in 2018-19. The May Revision also reflects decreased costs of \$4.9 million in 2018-19.
 - Temporary Assistance for Needy Families (TANF) Reimbursements—A decrease of \$5.9 million in 2019-20, which increases the amount of General Fund needed for program costs by a like amount. Combined with reimbursements included in the Governor's Budget, the May Revision offsets approximately \$1.1 billion in General Fund costs for Cal Grants with TANF.
- Cal Grant Access Awards for Student Parents—A decrease of \$24.9 million to reflect revised estimates of the Governor's Budget proposal to increase or provide access awards for students with dependent children attending the UC, CSU, or the CCCs.
- Competitive Awards—An increase of \$2 million to reflect revised estimates of the costs to increase the number of available competitive awards from 25,250 to 30,000.
- Teacher Service Credit Scholarship Program—An increase of \$89.8 million one-time General Fund for the Commission to administer loan forgiveness grants to teachers meeting certain criteria, with priority for school sites with high percentages of teachers with permits or waivers as their authorizations.
- Tuition Award for Students at Private Nonprofit Institutions—To provide private nonprofit institutions with additional time to increase their offerings of Associate Degree for Transfer (ADT) pathways and admissions of ADT students needed to maintain the maximum Cal Grant tuition award for new students attending private nonprofit institutions at \$9,084, the May Revision proposes to shift the required annual ADT admissions goals out one year. Under the revised schedule, private nonprofit institutions will need to meet a goal of 2,000 ADT students admitted in 2019-20, 3,000 students admitted in 2020-21, and 3,500 students admitted in 2021-22 and thereafter.

- State Operations Support—An increase of \$414,000 General Fund to support the implementation of the Cal Grant Supplement for Students with Dependent Children.
- Child Savings Accounts Grant Program—Identifies the Commission as the agency responsible for administering the \$50 million one-time child savings account proposal reflected in the Governor's Budget. The Commission is expected to consult with First 5 California to utilize its strengths in marketing, education, and parent engagement to encourage collaboration between grant applicants and their local First 5 Commissions.
- Student Loan Awareness Initiative—Transfers the administration of the proposed \$5 million one-time General Fund augmentation to support an outreach initiative for student loan borrowers from the Office of Planning and Research to the Commission.

HASTINGS COLLEGE OF THE LAW

Hastings College of the Law (Hastings) is affiliated with the UC system, but is governed by its own Board of Directors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also has masters programs. In 2017-18, Hastings enrolled 934 full-time equivalent students. Of these, 815 were Juris Doctor students.

Since the end of the Great Recession, Hastings has received stable ongoing funding increases. In turn, tuition at Hastings has been flat for eight years. This has kept a quality legal education within reach for hundreds of Californians. The Governor's Budget provided \$1.4 million ongoing General Fund investment to support the college's operations and \$1 million one-time General Fund investment to address deferred maintenance with the expectation that Hastings would not raise resident student tuition in fiscal year 2019-20. In March, the Board of Directors announced that it would not raise tuition; therefore, the May Revision maintains these funding levels.

Significant Adjustments:

- UC Path Implementation—An increase of \$594,000 one-time General Fund to support the revised implementation timeline of the UC Path payroll, accounting, time keeping, and human resources system.
- Deferred Maintenance—Authorizes the use of the proposed \$1 million one-time General Fund to include support for both critical deferred maintenance needs, and information technology and instructional equipment refreshes.

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:

- One-Time Funding to support Early Learning and After-School Library Program Grants—\$5 million one-time General Fund to support grants for local library jurisdictions with the lowest per capita library spending to develop and implement early learning and after-school library programs.
- One-Time Funding to support Mobile Libraries—\$3 million one-time General Fund for the California State Library to support grants for local library jurisdictions to purchase bookmobiles and community outreach vehicles that would be used to expand access to books and library materials in under-resourced neighborhoods.
- Augmentation to support 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 to begin conducting or commissioning a statewide survey to inventory cultural heritage assets.
- Statewide Lesbian, Gay, Bisexual, and Transgender Historical Preservation—\$500,000 one-time General Fund to support the preservation of historical Lesbian, Gay, Bisexual, and Transgender sites.

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