

HIGHER EDUCATION

The Budget reflects the second year of the multi-year compacts with the University of California (UC) and the California State University (CSU), and the multi-year roadmap with the California Community Colleges (CCCs), which focus on shared priorities benefitting students. The shared goals of the compacts include increasing access to the UC and CSU, improving student success while advancing equity, increasing the affordability of higher education, increasing intersegmental collaboration, and supporting workforce preparedness in high-demand career pipelines.

The Budget includes total funding of \$40 billion (\$27 billion General Fund and local property tax and \$13 billion other funds) for all higher education entities in 2023-24. The state's three public segments—the UC, the CSU, and the CCCs—each receive substantive ongoing base augmentations, and the Budget reflects continued support toward making postsecondary education more affordable.

UNIVERSITY OF CALIFORNIA

The UC offers formal undergraduate and graduate education. The UC is the public segment authorized to independently award doctoral degrees and is designated as the state's primary academic agency for research. Its ten campuses enroll approximately 294,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2021-22, the UC awarded more than 84,000 degrees, including more than 62,000 undergraduate degrees.

The Budget maintains the multi-year compact that reflects substantial and sustained funding increases for the UC, in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities.

SIGNIFICANT ADJUSTMENTS

- **Base Growth**—An increase of approximately \$215.5 million ongoing General Fund for operating costs, representing a five-percent base increase in ongoing General Fund resources.
- **Resident Undergraduate Enrollment Growth**—Consistent with the 2021-22 Budget and section 68 of Chapter 68 of the Statutes of 2021, an increase of \$30 million ongoing General Fund to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses in 2023-24.
- **Shift Financing Approach for the UC Berkeley Clean Energy Campus Project and UC Merced and UC Riverside Campus Expansion Projects**—Shifting \$498 million in current and planned General Fund support for the UC Berkeley clean energy campus project and UC Merced and UC Riverside campus expansion projects from General Fund to UC-issued bonds, and providing \$33.3 million ongoing General Fund to support these projects.
- **Shift Financing Approach for UC Affordable Student Housing Grants**—Shifting approximately \$490 million in current and planned General Fund support for UC affordable student housing grants from General Fund to UC-issued bonds, and providing \$33.5 million ongoing General Fund to support these projects.
- **Medical School Project at UC Riverside**—Consistent with the 2019 Budget, an increase of \$6.5 million ongoing General Fund to support the Medical School Project at UC Riverside. Consistent with the 2019 Budget, the Administration's fiscal plan also includes an additional \$14.5 million ongoing General Fund to support the Medical School Project at UC Merced beginning in 2024-25.
- **Ralph J. Bunche Center**—An increase of \$5 million General Fund, of which \$2 million is one-time to support the Ralph J. Bunche Center for African-American Studies at UCLA.
- **UC Riverside School of Medicine**—An increase of \$2 million ongoing General Fund to support the UC Riverside School of Medicine.

- **Graduate Medical Education Backfill**—An increase of \$5.1 million ongoing General Fund to offset declining Proposition 56 revenue for a statewide grant program and maintain \$40 million in total ongoing for graduate medical residency slots.
- **Additional Investments**—An increase of approximately \$3.5 million General Fund to support various programs and services at UC campuses.
- **Delayed Capital Outlay Support**—The Budget delays support for Institute for Immunology and Immunotherapy project at UCLA as follows: (1) \$100 million in 2022-23 and \$100 million in 2023-24 of the support for the construction of an Institute for Immunology and Immunotherapy is delayed to the 2024-25 fiscal year.
- **UC Global Entrepreneurs**—An increase of \$2 million one-time General Fund to pilot an entrepreneur in residence project for foreign-born entrepreneurs and UC students in support of job creation and fostering global talent for innovation in areas of need.
- **Additional Investments**—An increase of approximately \$23.1 million one-time General Fund to support various programs, services, and research at UC campuses.

CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. The CSU serves approximately 458,000 undergraduate and graduate students across 23 campuses, and also provides opportunities for students to enroll in professional and continuing education programs. In 2021-22, the CSU awarded more than 132,000 degrees.

The Budget maintains the multi-year compact that reflects substantial and sustained funding increases for the CSU in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities.

SIGNIFICANT ADJUSTMENTS

- **Base Growth**—An increase of \$227.3 million ongoing General Fund to support a 5-percent base increase as part of the second year of the multi-year compact agreement for CSU's continuing commitment towards student access, equity, and affordability, and creating pathways to high-demand career pathways.

- **Shift Financing Approach for CSU Affordable Student Housing Grants**—A shift of approximately \$655 million in current and planned General Fund support for CSU affordable student housing grants from General Fund to CSU-issued bonds and an increase of \$52 million ongoing General Fund to support these projects.
- **Shift in Capital Support Funding**—The Budget proposes shifting \$329.8 million appropriated for the upfront support of various capital projects on CSU campuses to being supported by CSU-issued bonds. The Budget includes \$43 million ongoing General Fund to support these projects.
- **Shift Financing Approach for Cal Poly Humboldt Infrastructure Projects**—A shift of approximately \$201 million General Fund support provided in the 2021 Budget Act to support Cal Poly Humboldt Infrastructure projects from General Fund to CSU-issued bonds, and reflect an increase of \$16 million ongoing General Fund to support these projects.
- **CSU Chico Human Identification Laboratory**—An increase of \$4.4 million ongoing General Fund to support the construction of the Human Identification Laboratory at the CSU Chico campus through the issuance of CSU bonds.
- **Additional Investments**—An increase of approximately \$3.7 million ongoing General Fund and \$19 million one-time General Fund to support various programs and services at CSU campuses.

CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the country, serving roughly one out of every four of the nation's community college students, or approximately 1.8 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2021-22, the CCCs awarded over 110,000 certificates and 198,000 degrees and transferred over 107,000 students to four-year institutions. The Budget maintains a continued focus on the CCC multi-year roadmap, which focuses on equity, student success, and enhancing the system's ability to prepare students for California's future.

SIGNIFICANT ADJUSTMENTS

- **CCC Apportionments**—An increase of \$678 million ongoing Proposition 98 General Fund to provide an 8.22-percent cost-of-living adjustment (COLA) for

apportionments and \$26.4 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.

- **Shift Financing Approach for CCC Affordable Student Housing Grants**—A shift of approximately \$1.1 billion in current and planned General Fund support for CCC affordable student housing grants from General Fund to CCC-issued bonds and an increase of \$78.5 million ongoing General Fund to support these projects.
- **CCC Categorical Program COLA**—An increase of \$112.5 million ongoing Proposition 98 General Fund to provide an 8.22-percent COLA for select categorical programs and the Adult Education Program.
- **Fund Budget Year Apportionments with One-Time Resources**—An increase of approximately \$290 million one-time Proposition 98 General Fund to support Student-Centered Funding Formula costs for 2023-24.
- **Nursing Program Support**—An increase of \$60 million one-time Proposition 98 General Fund per year for five years, starting in the 2024-25 fiscal year, to expand nursing programs and Bachelor of Science in Nursing partnerships to develop, educate, and maintain the next generation of registered nurses through the community college system, subject to future legislation.
- **Online Education Study**—An increase of \$500,000 one-time Proposition 98 General Fund for a comprehensive study of online education at the community colleges.
- **Student Success Completion Grant Program**—Authorizes a specific award of the Student Success Completion Grant of \$5,250 per semester for specified current and former foster youth at the community colleges, to cover these students' total cost of attendance. Also, a decrease of \$50 million one-time Proposition 98 General Fund to reflect revised program participation estimates, bringing the cumulative 2023-24 support for this program to a total of approximately \$362.6 million Proposition 98 General Fund.
- **Community College Reporting**—Requires reporting on full-time faculty by community colleges and the California Community Colleges Chancellor's Office, to measure the progress in increasing the percentage of instruction by full-time faculty and diversifying faculty.
- **Flexible Block Grant**—The Budget reflects statutory changes to consolidate 2022-23 investments for deferred maintenance, retention and enrollment, and a COVID-19 response block grant to create a flexible block grant that can be spent for any of the purposes of the grants involved. In addition, the Budget decreases one-time Proposition 98 General Fund by approximately \$500 million for these programs,

which was comprised of a decrease of \$494 million for deferred maintenance and a net decrease of retention and enrollment by \$5 million.

- **LGBTQ+ Pilot Project**—An increase of \$10 million a year for three years one-time Proposition 98 General Fund to support the Los Angeles Community College District LGBTQ+ Pilot Project.
- **East Los Angeles College Entrepreneurship and Innovation Center**—An increase of \$2.5 million one-time Proposition 98 General Fund for the East Los Angeles College Entrepreneurship and Innovation Center.
- **Local Property Tax Adjustment**—A decrease of \$355 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.

CALIFORNIA STUDENT AID COMMISSION

The California Student Aid Commission administers financial aid programs, including the Cal Grant program and the Middle Class Scholarship Program. The state's Cal Grant program is estimated to provide nearly 393,000 financial aid awards to students who meet specified eligibility criteria in fiscal year 2023-24.

SIGNIFICANT ADJUSTMENTS

- **Cal Grant Program Caseload Adjustments**—The Budget reflects estimated Cal Grant expenditures of approximately \$2.2 billion in 2021-22, \$2.3 billion in 2022-23, and \$2.3 billion in 2023-24.
- **Middle Class Scholarship**—Pursuant to the 2022 Budget, an increase of \$227 million one-time General Fund to support a modified version of the Middle Class Scholarship that will focus resources toward reducing a student's total cost of attendance. The Budget also reflects an additional one-time \$289 million in 2024-25 to supplement funding available for the program and provides \$5.2 million ongoing General Fund to expand eligibility for Middle Class Scholarship Program awards to UC and CSU students who are current or former foster youth.
- **Golden State Education and Training Program**—The Budget reflects a decrease of \$480 million one-time General Fund to wind down the Golden State Education and Training Program at the end of the 2022-23 fiscal year.

SCHOLARSHARE INVESTMENT BOARD

The ScholarShare Investment Board administers the Golden State ScholarShare College Savings Trust Program (ScholarShare 529), the California Memorial Scholarship Program (CMS), and the California Kids Investment and Development Savings Program (CalKIDS). CalKIDS funds college savings accounts targeted to low-income and underrepresented public-school students, in addition to establishing college savings accounts for all newborns.

SIGNIFICANT ADJUSTMENTS

- **Child Savings Accounts**—The Budget utilizes available resources within the CalKIDS program, created by reduced cost estimates in the program, to increase the ongoing incentive payments to parents choosing to open accounts for their newborn child from \$25 to \$100.
- **Media Campaign**—The Budget reappropriates \$8 million Special Fund provided for administrative purposes in the 2021 Budget Act to support a statewide media campaign for the CalKIDS Program.

COLLEGE OF THE LAW SAN FRANCISCO

College of the Law, San Francisco 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 offers programs leading to Master of Laws; Master of Studies in Law; and Master of Science, Health Policy and Law degrees. In 2021-22, UC College of the Law, San Francisco enrolled 1,101 full-time equivalent students. Of these, 1,065 were Juris Doctor students.

SIGNIFICANT ADJUSTMENTS

- **Base Growth**—An increase of \$2.2 million ongoing General Fund to support operating costs. This represents a 3-percent base increase.
- **Safety Program, Urban Alchemy**—An increase of \$3 million, available over three years, to continue supporting a campus safety program that employs formerly incarcerated individuals and/or those who have experienced homelessness.

CALIFORNIA STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and the Legislature. The Library collects, preserves, generates, and disseminates information, and provides critical assistance to libraries across the state. The Library administers programs funded by state and federal funds to support local and public library programs.

SIGNIFICANT ADJUSTMENTS

- **Support for Local Library Infrastructure**—The 2021 Budget Act provided \$439 million one-time General Fund to support local library infrastructure projects. The 2022 Budget Act provided an additional \$50 million and assumed an additional \$100 million in 2023-24 to support local library infrastructure projects. The Budget proposes delaying the \$100 million to the 2024-25 (\$33 million), 2025-26 (\$33 million), and 2026-27 (\$34 million) fiscal years. The Budget also reappropriates approximately \$128.7 million General Fund to support an amended version of the Local Library Infrastructure Grants program.
- **Support for Law Library**—An increase of \$462,000 ongoing General Fund to support and expand the Witkin State Law Library and its personnel.
- **California History Room**—An increase of \$597,000 General Fund, \$357,000 of which is ongoing, to expand the California History Room Special Collections and provide personnel support.
- **Internal Audit**—An increase of \$168,000 ongoing General Fund to support a State Library Audit Program.

STUDENT HOUSING

The 2021 Budget Act established the Higher Education Student Housing Grant Program to provide grants for the CCCs, CSU, and UC to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. The 2022 Budget Act allocated approximately \$1.4 billion one-time General Fund to CCC, CSU, and UC campuses for this program and the state planned to provide an additional \$750 million in 2023-24.

The Budget instead shifts the prior and planned General Fund support for UC, CSU, and CCC affordable student housing grants from General Fund to UC-, CSU-, and

CCC-issued bonds, and reflects an increase of \$164 million ongoing General Fund to support the affordable student housing projects.

The Budget also appropriates \$200 million one-time General Fund and reflects a plan to provide an additional \$1.5 billion one-time General Fund, over the next five years, to support the California Student Housing Revolving Loan Fund.