

**6610 California State University (CSU)**

**Background.** The CSU is requesting an augmentation of \$54 million for enrollment growth above what the Governor has proposed. They indicate that they could serve an additional 15,000 students beyond what the Governor has proposed. The CSU has indicated that they can serve an additional 6,000 students with the funding proposed in the Governor's budget. The LAO has estimated that the funding in the Governor's budget allows CSU to increase their enrollment by approximately 9,600. The LAO's enrollment target is recommended for adoption in the agenda today.

**Staff Comments.** Resource constraints have forced the CSU to turn away more than 20,000 eligible applicants in each of the last several Fall terms. Additional thousands of applicants have been turned away for admission in the Spring term. Enrollment and access continues to be a high priority for the Senate.

**Staff Recommendation.** Staff recommends that the Subcommittee approve \$1 million for CSU enrollment so we can continue to discuss the possibility of targeting additional funds above the Governor's budget specifically for CSU enrollment.

## **7980 California Student Aid Commission**

**Background.** In 2009-10 we set a maximum cohort default rate for higher education institutions to qualify for Cal Grants. Last year we tightened institutional eligibility criteria by requiring institutions to maintain a maximum cohort default rate (CDR) of 15.5 percent and a minimum graduation rate of 30 percent to participate in Cal Grant programs. Also institutions with CDR's below 10 percent and graduation rates above 20 percent retain eligibility until the 2016-17 academic year. Also, students with fewer than 40 percent of undergraduates borrowing federal loans are not subject to the CDR and graduation rate tests. Starting in 2013-14, renewal awards will be eliminated at ineligible institutions.

**Staff Comments.** Concerns have been raised about certain institutions that have very high graduation rates, but still are disqualified because of the cohort default rate.

**Staff Recommendation.** Staff recommends that the Subcommittee adopt *placeholder* trailer bill language as follows:

X. Notwithstanding subparagraph (G), an otherwise qualifying institution that maintains a three-year cohort default rate that is less than **20** percent and a graduation rate above **80** percent for students taking 150 percent or less of the expected time to complete degree requirements, as certified by the commission pursuant to subparagraph (A), shall remain eligible for initial and renewal Cal Grant awards at the institution through the **2016-17** academic year.

## **6870 California Community Colleges**

**Background.** The CalWORKs categorical specifically assists CalWORKs students to transition from public assistance to economic self-sufficiency through the provision of services that include, counseling, child care and job placement.

The Cooperative Agencies Resources for Education (CARE) categorical promotes the academic retention and transfer of CARE eligible students. CARE eligible students include single-parent head of households that are CalWORKs recipients or have been CalWORKs recipients. Services provided with funding for this categorical include counseling, child care and other support services like book vouchers.

**Staff Recommendations.** Additional Staff Recommendations for page 11.

- Approve \$12 million one-time Proposition 98 for maintenance.
- Approve \$12 million one-time Proposition 98 for instructional equipment.
- Approve \$6 million one-time Proposition 98 for professional development.
- Approve \$7.844 million for CalWORKs categorical.
- Approve \$2.418 million for part-time faculty office hours.
- Approve \$333,000 for part-time faculty health insurance.
- Approve \$1.3 million for the CARE categorical.
- Approve \$97,000 for the Academic Senate.

## 6120 California State Library

**Background.** Public libraries continue to be key access points for individuals that do not have access to internet and/or computer hardware in their home. The California Library Association reports that local libraries are experiencing record levels of patron attendance, and the pressures on their broadband infrastructure are at an all-time high. As our world continues to be more and more oriented toward on-line interfaces whether it is applying for jobs or a license with the DMV, this leaves low-income households that do not have access to affordable internet service or the hardware necessary to access the internet at a deficit.

The California Library Association is asking for a one-time infusion of \$2.25 million to start the process of linking to the Corporation for Education Network Initiatives in California (CENIC) network. The CENIC network currently allows California's education and research communities to leverage their networking resources in order to obtain cost-effective, high-bandwidth networking to support their missions and respond to the needs of their faculty, staff, and students.

The California Library Association is also requesting \$2 million for equipment upgrades at local libraries and \$750,000 for literacy programs.

Staff notes that there is much work to secure connection to the CENIC network. Once that connection is made, additional monies for equipment upgrades may be warranted. Furthermore, staff notes that \$2.8 million was provided for literacy programs in the current fiscal year and this request would be ongoing.

**Staff Recommendation.** Staff recommends that the Subcommittee approve \$2.5 million one-time to start connecting libraries to the CENIC system. The Subcommittee further would adopt budget bill language to require that the State Library also pursue GF offsetting or additional funding from the CPUC Teleconnect Fund to support this effort.