

*Senate Budget and Fiscal Review—Nancy Skinner, Chair*

# SUBCOMMITTEE NO. 1

# Agenda

Senator John Laird, Chair  
 Senator Dave Min  
 Senator Rosilic Ochoa Bogh



**Tuesday, May 18, 2021**  
**9:00 a.m.**  
**State Capitol - Room 4203**

Consultant: Anita Lee

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## Public Comment

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**6120 CALIFORNIA STATE LIBRARY****Issue 1: Library Support**

The subcommittee heard the Governor's January budget proposals for the State Library on February 24, 2021. The May Revision makes various investments for libraries, including funding to support infrastructure and broadband, as well as educational activities. Major program changes are summarized below.

**Infrastructure and Broadband:**

- **Library Infrastructure.** The May Revision proposes \$50 million one-time General Fund for an equity-focused matching grant program to support local library infrastructure. The proposed budget bill language requires the State Library prioritize project requests submitted by local libraries located in underrepresented areas of the state and will require a local library to match state funds on a dollar for-dollar basis. The California State Library may reduce the amount of required matching funds if the requesting local library can demonstrate that it is financially unable to provide the required matching funds. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024.
- **Broadband Access.** The May Revision proposes \$35 million one-time General Fund available through 2024-25, to expand broadband access to isolated and under-served communities through a collaborative partnership of local education agencies, regional libraries, and telehealth providers and leverage available federal funds through the E-Rate Program.
- **Broadband Capacity and Equipment Grants.** The May Revision proposes \$6 million one-time General Fund to support the Broadband Connectivity Initiative. This initiative supports library grants to leverage federal funds to connect rural and under-sourced public libraries, tribal libraries and cultural centers, and to upgrade local library equipment to support high speed connectivity.

**Education and Programming:**

- **English as a Second Language Programs.** The May Revision proposes \$15 million one-time General Fund to support English as a Second Language programs offered through local libraries.
- **Online Tutoring.** The May Revision proposes \$6.4 million one-time General Fund to support a two-year online tutoring service pilot program. The pilot will provide a real-time online tutoring service program for elementary and secondary school pupils through California's local libraries, accessed on-site at the local library or with a library card and personal device. These funds shall be available for encumbrance or expenditure until June 30, 2023.
- **Civil Liberties Program.** The May Revision proposes \$5 million one-time General Fund to support grants for public education and awareness of Civil Liberties. This Civil Liberties program is a state funded grant project at the State Library that supports the creation and dissemination of educational and public awareness resources concerning the history and lessons

of civil rights violations or civil liberties carried out against communities or populations. These include, but are not limited to, civil rights violations or civil liberties injustices that are perpetrated on the basis of an individual's race, national origin, immigration status, religion, gender, or sexual orientation. This funding will be available for encumbrance or expenditure until June 30, 2024.

- **Database Access.** The May Revision proposes \$241,000 ongoing General Fund to support K-12 Student Online Science Technology Arts and Mathematics (STEAM) database access. The proposal would support an existing state initiative to provide students and educators more access to online resources.

#### **Other Proposals:**

- **Disaster Preparedness.** The May Revision proposes a limited-term increase of \$2.4 million General Fund annually for the next four years and six temporary preservationists to support Disaster Preparedness for Cultural Heritage Agencies. This funding seeks to support the development of disaster preparedness plans to protect at-risk art, and historically and culturally significant collections that are publicly and privately held by underserved and underrepresented communities. It is also requested that these funds be available for encumbrance or expenditure until June 30, 2025
- **Assistive Technology for Visually Impaired Californians.** The May Revision proposes \$1.6 million one-time General Fund and \$220,000 ongoing General Fund and two positions to support Assistive Technology for Visually Impaired Californians. The California State Library would collaborate with the Braille Institute of America in Los Angeles to implement these technologies and to expand access to those resources.
- **Data and Systems Librarians.** The May Revision proposes \$345,000 ongoing General Fund and three positions to support Data and Systems Librarians. This funding will help curate, preserve, and archive increasing amounts of electronic data being generated by state agencies and other relevant entities; and to coordinate and support information services and automated processes to facilitate convenient and efficient access to this information by policymakers, researchers, and the public.
- **Homeless Youth Project.** The May Revision proposes of \$130,000 to support the California Homeless Youth Project. (CHYP). CHYP is a research and policy initiative of the California Research Bureau (CRB). The project is committed to bringing youth to the policy table and to informing policymakers, opinion leaders, and other stakeholders about the needs of unaccompanied homeless youth. Funding for the project is currently provided by The California Wellness Foundation and the Walter S. Johnson Foundation.

#### **Staff Recommendation. Hold Open.**

**6440 UNIVERSITY OF CALIFORNIA****Issue 2: May Revision Proposals**

The subcommittee heard the Governor's January budget proposals for UC at its March 1, 2021 hearing. The May Revision proposes the following adjustments to the UC budget:

- **Base Augmentation.** The May Revision proposes an increase of \$69.3 million ongoing General Fund (two percent) above the Governor's January budget proposal of \$103.9 million. This results in a five percent ongoing base General Fund resource increases beginning in 2021-22.

The Governor's January budget proposed a base increase of \$95.1 million ongoing General Fund for UC. This funding is contingent on UC:

- (1) Submit a report by June 30, 2022 detailing plans to annually reduce equity gaps by 20 percent by 2025. To the extent possible, the UC must coordinate with the California State University and Community Colleges to establish shared definitions and metrics regarding equity gaps, and
- (2) Adopt policies by June 30, 2022 requiring campuses to maintain their online courses and programs by at least 10 percentage points higher than the amount offered in 2018-19, and
- (3) Create a standalone dual admissions pathway providing guaranteed admission to the UC upon completion of an Associate Degree for Transfer (ADT), or its UC equivalent, at a community college, if the student completed it within two academic years.

The May Revision maintains the Administration's expectations articulated in the Governor's Budget.

- **Base Budget Restoration.** The May Revision includes \$302.4 million General Fund to the UC to offset the ongoing reductions applied to the UC in 2020 Budget Act, starting in fiscal year 2021-22. This was a part of the Legislative early action agreement announced in February.
- **Elimination of the UC Office of the President (UCOP) Line Item.** The May Revision proposes to eliminate the UCOP budget line item and consolidates the separate funding items for UCOP, UC Agriculture and Natural Resources (UCANR), UC Payroll, Academic Personnel, Time Keeping and Human Resources (UCPATH) and UC campuses into the UC main line item. The May Revision also proposes to authorize the UC Office of the President to return to a campus assessment model.

In addition, the MR includes BBL that requires UC annually report by November 1 on UCPath's staffing levels, funding by source, and spending by function, any cost savings at the campus level. The funding source data shall summarize fund sources used by campuses to cover any campus assessment.

The May Revision also proposes budget bill language to require UC to report annually starting on September 30, 2022 on: (1) campus assessment fees charged to support UCOP, the amount each campus contributed and the fund sources from which those funds are paid, (2) UCOP's budget, (3) list of planned and actual expenditures in the UCOP budget, (4) factors for year-over-

year changes in UCOP's budget, (5) Amount of funds that UCOP pass through their budget to recipients across the state or supports fee-for service activities, and (6) information on UCOP reserves, among others.

- **Learning Aligned Employment.** The May Revision includes \$1 billion one-time General Fund, split evenly between fiscal years 2021-22 and 2022-23, to establish the Learning-Aligned Employment program for UC, CSU, and CCC students. This program would be established as an endowment to sustain ongoing support through investment returns. The program will:
  - Create the Endowment for Learning-Aligned Employment and authorizing the UC to invest the funds and distribute the annual returns.
  - Identify or establish partnerships with external employers to provide learning-aligned opportunities related to students' fields of study, aimed at providing students with long-term career development and professional networking opportunities.
  - Prioritize learning-aligned employment opportunities for students underrepresented students, particularly underrepresented students in STEM fields.

The proposed trailer bill language specifies that any student from an underrepresented background that is enrolled at least half-time, is a resident, maintained satisfactory academic progress, and demonstrated financial need is eligible to participate.

- **Deferred Maintenance.** The May Revision proposes an increase of \$150 million one-time American Rescue Plan Act of 2021 funds to address deferred maintenance and energy efficiency projects at UC campuses. This funding is provided in addition to \$175 million one-time General Fund provided in the Governor's Budget for UC deferred maintenance and energy efficiency projects.
- **Grants for Animal Shelters.** The May Revision proposes of \$45 million one-time General Fund for the UC Davis Koret Animal Shelter Medicine Program to develop a grant program for animal shelters. This augmentation would enable the center to provide expertise, support, and local assistance over a five-year period to help communities achieve the state's policy goal that no adoptable or treatable dog or cat should be euthanized.

The proposed trailer bill language specifies that the program shall support the state's policy goal that no adoptable or treatable animal is euthanized. The program shall provide support to all animal shelters through outreach, regional conferences and web-based resources on best practices. The program will also offer in-person assessments and online training to city and county animal control agencies, societies for the prevention of cruelty to animals and human societies. In addition, the program will award competitive grants to shelter to implement best practices. TBL requires UC to report to the Legislature by March 31, 2023 on programmatic and fiscal information on the program.

The 2020 Governor's budget included a similar proposal for \$50 million one-time General Fund. However, due to the COVID-19 pandemic, this proposal was ultimately reduced to \$5 million one-time General Fund.

- **UCLA Labor Center.** The May Revision proposes \$15 million one-time General Fund to renovate the UCLA Labor Center facility.
- **UC San Francisco Dyslexia Center.** The May Revision proposes \$10.2 million one-time General Fund to enhance the Center's app, support collaboration with teacher training programs, and support dyslexia research that could inform practices. The 2019-20 budget provided \$3.5 million one-time General Fund to the UCSF Dyslexia Center Pilot Program to support a dyslexia screening and early intervention pilot program.
- **UCLA Asian American Studies Center.** The May Revision proposes an increase of \$5 million one-time General Fund to support analysis and research associated with the prevention of hate incidents experienced by Asian Pacific Islander communities and to provide grants to community-based organizations focused on preventing hate incidents experienced by Asian Pacific Islander communities.
- **UC Berkeley Alternative Meats Lab.** The May Revision proposes \$1 million one-time General Fund to support the UC Berkeley Alternative Meats Lab. The Alt: Meat Lab is a hub connecting students, entrepreneurs, venture capitalists and industry leaders interested in creating the plant-based food of the future. The Alt:Meat Lab is housed at the Sutardja Center for Entrepreneurship & Technology at UC Berkeley's College of Engineering, and is comprised of the Lab and a project driven class offered to undergraduate and graduate students.
- **Summer Financial Aid.** The Governor's January budget proposed shifting the suspension date for the program from December 31, 2021 to December 31, 2022. Currently, the state provides \$4 million General Fund to support this program. The May Revision proposes to eliminate the suspension date for the UC Summer Financial aid program, and provides resources on an ongoing basis.
- **Graduate Medical Education.** The May Revision proposes a decrease of \$1.6 million ongoing General Fund to maintain the Proposition 56 Graduate Medical Education Program at an ongoing total of \$40 million.

**Comparing UC Spending Proposals Under Governor's Budget and May Revision**  
*General Fund Changes in 2021-22 (In Millions)*

|   | <b>Governor's<br/>Budget</b> | <b>May<br/>Revision</b> | <b>Change</b>  |
|---|------------------------------|-------------------------|----------------|
| <b>Ongoing</b>                                      |                              |                         |                |
| Funds to restore base support                       | —                            | \$302                   | \$302          |
| Base increase                                       | \$104                        | 173                     | 69             |
| Student basic needs (mental health and technology)  | 15                           | 15                      | —              |
| Programs in Medical Education (PRIME)               | 13                           | 13                      | —              |
| Immigrant legal services                            | 1                            | 1                       | —              |
| Intersegmental learning management platform         | 1                            | 1                       | —              |
| UC Davis firearm violence center                    | 1                            | 1                       | —              |
| Graduate medical education offset                   | 1                            | -1                      | -2             |
| <b>Subtotals</b>                                    | <b>(\$136)</b>               | <b>(\$506)</b>          | <b>(\$370)</b> |
| <b>One Time</b>                                     |                              |                         |                |
| Endowment for Learning-Aligned Employment           | —                            | \$500 <sup>a</sup>      | \$500          |
| Deferred maintenance and energy efficiency projects | \$175                        | 175 <sup>b</sup>        | —              |
| UC Davis Koret Animal Shelter Medicine Program      | —                            | 45                      | 45             |
| California Institutes for Science and Innovation    | 20                           | 20                      | —              |
| Emergency student financial aid                     | 15                           | 15                      | —              |
| UC Los Angeles Lawson Labor Center                  | —                            | 15                      | 15             |
| UC San Francisco Dyslexia Center                    | —                            | 10                      | 10             |
| UC Los Angeles Asian American Studies Center        | —                            | 5                       | 5              |
| Faculty professional development                    | 5                            | 5                       | —              |
| Subject Matter Projects in learning loss mitigation | 5                            | 5                       | —              |
| Subject Matter Projects in ethnic studies           | 2                            | 2                       | —              |
| UC Fire Advisors                                    | 2                            | 2                       | —              |
| UC San Francisco public health modelling consortium | 1                            | 1                       | —              |
| UC Berkeley Alternative Meats Laboratory            | —                            | 1                       | 1              |
| <b>Subtotals</b>                                    | <b>(\$225)</b>               | <b>(\$801)</b>          | <b>(\$576)</b> |

|               |              |                |              |
|---------------|--------------|----------------|--------------|
| <b>Totals</b> | <b>\$361</b> | <b>\$1,308</b> | <b>\$946</b> |
|---------------|--------------|----------------|--------------|

<sup>a</sup> The *Governor's Budget Summary* indicates the administration's intent to provide an additional \$500 million one-time General Fund in 2022-23, for a total appropriation of \$1 billion for this purpose.

<sup>b</sup> The May Revision also designates \$150 million one-time federal American Rescue Plan funds (Coronavirus Capital Projects Fund) for this purpose, bringing total associated one-time funding to \$325 million.

**Staff Recommendation. Hold Open.**



**6610 CALIFORNIA STATE UNIVERSITY****Issue 3: May Revision Proposals**

The subcommittee heard Governor's January budget proposals for CSU on February 3, 2021. The May Revision makes various adjustments and increases to the CSU's budget, and are summarized below.

- **Base Augmentation.** The May Revision provides a base augmentation of \$74.4 million ongoing General Fund (two percent) above the Governor's January budget proposal. When combined with the \$111.5 million previously proposed in the Governor's Budget, these increases represent a five percent base increase for CSU. The May Revision maintains the Administration's expectations articulated in the Governor's Budget that CSU:
  1. Submit a report by June 30, 2022 detailing plans to annually reduce equity gaps by 20 percent by 2025,
  2. Adopt policies by June 30, 2022 requiring campuses to maintain their online courses and programs by at least 10 percentage points higher than the amount offered in 2018-19, and
  3. Create a standalone dual admissions pathway providing guaranteed admission to the CSU upon completion of an Associate Degree for Transfer (ADT), or its CSU equivalent, at a community college, if the student completed it within two academic years. Maintain resident undergraduate tuition and fees at current levels for the 2021-22 academic year.

The May Revision proposes amendments to BBL to move the equity report from June 30, 2022 to December 30, 2022.

- **Base Budget Restoration.** The May Revision provides an increase \$299 million General Fund to the CSU to offset the ongoing reductions applied to the CSU in the 2020 Budget Act, starting in fiscal year 2021-22. This was a part of the Legislative early action agreement announced in February.
- **Humboldt State University.** The May Revision provides \$25 million ongoing to support Humboldt State University becoming designated as the state's third polytechnic university, and the first in northern California.

Additionally, the May Revision provides \$433 million one-time General Fund to support a capital projects transition plan—including renovations of science and laboratory facilities, as well as enhanced computing and telecommunications infrastructure—as the campus transitions to a polytechnic university.

**Capital Projects Transition Plan – One-Time Request**

| <b>Project Description</b>                     | <b>Amount</b> |
|--|---------------|
| Science Replacement Building                   | \$67,300,000  |
| Land Acquisitions                              | \$11,700,000  |
| Telecommunications - D299 Pipe to I-5 Corridor | \$2,500,000   |

|  |                      |
|--|----------------------|
| Broadband Deployment Project Echo - Singapore Clean Data | \$3,000,000          |
| Fiber Deployment - Trinidad Marine Research Center       | \$3,000,000          |
| Advanced Campus Science Network                          | \$2,500,000          |
| Updating Faculty and Student Computing Facilities        | \$2,500,000          |
| Expanding Access to Wireless Networking                  | \$1,500,000          |
| Research and Teaching Laboratory Modernization           | \$5,000,000          |
| Student Housing, Health Center, Dining                   | \$145,000,000        |
| Science A Renovation                                     | \$69,000,000         |
| Student Housing Phase II                                 | \$75,000,000         |
| Applied Research and Climate Adaptation                  | \$45,000,000         |
| <b>Total One-Time Request</b>                            | <b>\$433,000,000</b> |

- **CSU Northridge Center for Equity in Innovation and Technology.** The May Revision provides \$25 million one-time General Fund to support construction of the CSU Northridge Center for Equity in Innovation and Technology.
- **Deferred Maintenance.** The May Revision provides an increase of \$150 million one-time American Rescue Plan Act of 2021 funds to address deferred maintenance and energy efficiency projects at CSU campuses.

The Governor January budget proposed \$175 million one-time General Fund to address deferred maintenance and energy efficiency projects. The budget bill requires the Department of Finance to notify the Joint Legislative Budget Committee within 30 days of the release of funds and provide a list of projects to be supported by these funds.

- **Summer Financial Aid.** The Governor's January budget proposed to shift the suspension date for the CSU financial aid program from December 31, 2021 to December 31, 2022. The suspension would be lifted if the Administration determines through the 2022 budget act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years. The budget provides \$6 million General Fund for this purpose.

The May Revision eliminates the suspension date for CSU summer financial aid, making the program permanent.

### **Comparing CSU Spending Proposals Under Governor's Budget and May Revision** *General Fund Changes in 2021-22 (In Millions)*

|                                       | <b>Governor's<br/>Budget</b> | <b>May<br/>Revision</b> | <b>Change</b> |
|---------------------------------------|------------------------------|-------------------------|---------------|
| <b>Ongoing</b>                        |                              |                         |               |
| Base restoration                      | —                            | \$299                   | \$299         |
| Base increase                         | 112                          | 186                     | 74            |
| Retiree health benefits cost increase | 55                           | 53                      | -2            |

|  |                |                  |                |
|--|----------------|------------------|----------------|
| Polytechnic university at the Humboldt campus  | —              | 25               | 25             |
| Student Basic Needs Initiative   | 15             | 15               | —              |
| Student mental health and technology   | 15             | 15               | —              |
| Intersegmental learning management system  | 2              | 2                | —              |
| Enrollment increase at the Stockton center   | 1              | 1                | —              |
| CENIC cost increase  | — <sup>a</sup> | — <sup>a</sup>   | —              |
| Pensions cost adjustment   | 2              | -3               | -5             |
| <b>Subtotals</b>   | <b>(\$202)</b> | <b>(\$593)</b>   | <b>(\$391)</b> |
| <b>One Time</b>  |                |                  |                |
| Polytechnic university at the Humboldt campus  | —              | \$433            | \$433          |
| Deferred maintenance and energy efficiency projects  | 175            | 175 <sup>b</sup> | —              |
| Emergency student financial aid  | 30             | 30               | —              |
| CSU Northridge Center for Equity in Innovation and Technology  | —              | 25               | 25             |
| Faculty professional development   | 10             | 10               | —              |
| CSU Monterey Bay Computing Talent Initiative   | 10             | 10               | —              |
| <b>Subtotals</b>   | <b>(\$225)</b> | <b>(\$683)</b>   | <b>(\$458)</b> |
| <b>Total Changes</b>   | <b>\$427</b>   | <b>\$1,276</b>   | <b>\$849</b>   |
| <sup>a</sup> Less than \$500,000.  |                |                  |                |
| <sup>b</sup> The May Revision also designates \$150 million one-time federal American Rescue Plan funds (Coronavirus Capital Projects Fund) for this purpose, bringing total associated one-time funding to \$325 million. |                |                  |                |
| CENIC = Corporation for Education Network Initiatives in California.   |                |                  |                |

**Staff Recommendation. Hold Open.**

**6870 CALIFORNIA COMMUNITY COLLEGES****Issue 4: May Revision Proposals**

The subcommittee heard the Governor's January budget proposals for the community colleges on February 17, 2021. The May Revision makes various adjustments and investments to the community college budget. The descriptions below summarize the major changes to the CCC budget.

- **Apportionments Cost-of-Living Adjustment.** The Governor's January budget proposed an increase of \$111 million Proposition 98 General Fund ongoing, which represents a 1.5 percent cost-of-living-adjustment (COLA) to apportionments. As a condition of receiving these funds, CCC must:
  1. Submit a report by June 30, 2022 with specific plans that each district will implement to reduce equity gaps by 40 percent by 2023 and establish a plan to close gaps by 2027, and
  2. Adopt policies by June 30, 2022 that require districts to maintain their online course and program offerings that is at least 10 percent higher than the amount offered in the 2018-19 academic year.

The May Revision proposes an additional increase of \$185.4 million ongoing Proposition 98 General Fund to reflect a compounded cost-of-living adjustment of 4.05 percent.

The May Revision also rescinds the apportionment requirements noted above, and instead requires these as a condition of receiving Student Equity and Achievement Program funds.

- **Apportionment Deferrals.** The Governor's January budget proposed just over \$1.1 billion one-time Proposition 98 General Fund to pay down deferrals in the budget year, and for 2021-22, \$326 million in deferrals would remain in place. Specifically, a portion of CCC's May 2022 and June 2022 apportionment payment would be deferred to early 2022-23.

The May Revision includes an increase of approximately \$326.5 million one-time Proposition 98 General Fund to fully retire deferrals from the 2021-22 fiscal year to the 2022-23 fiscal year.

- **Workforce Development Related Proposals.** The Governor proposes the following workforce related proposals at the CCCs:
  - **High Road Training Partnerships and Regional Partnerships.** The May Revision proposes \$20 million one-time Proposition 98 General Fund to support CCC participation in High Roads Training Programs and regional partnerships developed by the California Workforce Development Board.

Similarly, the Governor also proposes \$157 million one-time General Fund for a regional workforce investment package between the California Workforce Development Board and the CCC Chancellor's Office that strengthens linkages between workforce training and the CCCs, using existing regional consortia to build upon existing training programs

and develop new programs. This proposal will be heard in Senate Budget Subcommittee No. 5.

- **Strong Workforce Program.** The May Revision proposes an increase of approximately \$12.4 million ongoing Proposition 98 General Fund to increase program funding by five percent. The state currently provides \$248 million for this program.
- **Work-Based Learning.** The Governor's January budget proposed \$20 million one-time for work-based learning. The May Revision proposes an increase of \$10 million one-time Proposition 98 General Fund to develop work-based learning opportunities in (1) cloud computing, and (2) zero emissions and supply chain fields.

Specifically, the May Revision provides \$5 million for work based learning in the cloud computing sector to: (1) develop a cloud computing skills and certificate degree programs, (2) Collaborate with employer partners in the sector to develop programs and place students in scholarship and jobs, and (3) serving students who are underrepresented in cloud computing and technology sector as a whole.

The BBL also specifies that \$5 million for sectors impacted by the Los Angeles and Long Beach Ports' goals for zero emission by 2035, including transportation industries investing in zero emissions technologies and supply chain management sector.

In addition, the MR modifies the BBL and specifies that work-based learning models and programs include competency-based education or credit for prior learning.

- **Competency-Based Education Workgroup Pilot.** The May Revision proposes \$10 million one-time Proposition 98 General Fund to establish a workgroup for a competency-based education pilot program. The workgroup shall develop recommendations to support the implementation of competency-based education, including, but not limited to, the following:
  - A reimbursement funding model and attendance accounting guidelines and,
  - local structures needed to support development and implementation, including curriculum development and administration.
- **Zero-Textbook-Cost Degrees.** The May Revision proposes \$100 million one-time Proposition 98 General Fund, when combined with \$15 million one-time Proposition 98 General Fund proposed in the Governor's Budget would provide a total of \$115 million one-time Proposition 98 General Fund to develop and implement zero-textbook-cost degrees and open educational resources.
- **Dual Enrollment.** The May Revision proposes an increase of \$75 million one-time Proposition 98 General Fund to expand new and existing College and Career Access Pathways (CCAP) agreements between school districts and community colleges.
- **Common Course Numbering.** The May Revision proposes an increase of \$10 million one-time Proposition 98 General Fund to plan for and begin developing a common course numbering system throughout the community college system, which should better enable students to identify the courses needed to complete a degree or certificate, or transfer to a four-year

institution. This investment would also support the long-term development and integration of a common application platform within the proposed Cradle-to Career Data system.

- **Guided Pathways.** The May Revision proposes \$150 million one-time Proposition 98 General Fund to further support colleges' efforts to implement Guided Pathways programs. These resources would provide continued support for the development of Guided Pathways programs over a five-year period.
- **Program Pathways Technology.** The May Revision proposes an \$10 million ongoing Proposition 98 General Fund for the systemwide acquisition of software that visualizes and clearly maps out curricular pathways for students choosing their pathway and for students needing help to stay on their pathway. This investment would also support the long-term development and integration of a common application platform within the proposed Cradle-to Career Data system.
- **Retention and Enrollment Strategies.** The May Revision proposes an increase of \$100 million one-time Proposition 98 General Fund to support efforts to bolster CCC student retention rates and enrollment. This is in addition to the \$20 million one-time provided in the early action agreement, AB 85 (Committee on Budget), Chapter 4, Statutes of 2021.
- **English as a Second Language.** The May Revision proposes \$50 million ongoing Proposition 98 General Fund to expand vocational training opportunities and English as a Second Language (ESL) programs for ESL students at the community colleges. The Administration expects that these programs to be linked to pathways enabling ESL students to subsequently enroll in for credit certificate, credential, or degree programs.
- **Student Basic Needs.** The May Revision proposes an increase of \$30 million ongoing Proposition 98 General Fund for colleges to establish basic needs centers and hire basic needs coordinators. The Governor's January budget proposed \$100 million one-time for basic needs, and \$30 million ongoing for technology and mental health.
- **Student Equity and Achievement Program.** The May Revision proposes an increase of approximately \$23.8 million ongoing Proposition 98 General Fund to increase program funding by five percent.
- **Dreamer Resource Liaisons.** The May Revision proposes an increase of \$5.8 million ongoing Proposition 98 General Fund to further support Dreamer Resource Liaisons and student support services for immigrant students, including undocumented students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645).
- **Library Services Platform.** The May Revision proposes an of \$4 million ongoing Proposition 98 General Fund to support a systemwide technology platform for library services to better manage and deliver digital information to support teaching and learning.
- **COVID-19 Response Block Grant.** The May Revision proposes \$50 million one-time Proposition 98 General Fund to support grants to assist community colleges with responding to the COVID-19 Pandemic and transitioning back toward in-person education.

- **Deferred Maintenance.** The May Revision proposes \$314.1 million one-time Proposition 98 General Fund and \$250 million one-time American Rescue Plan Act of 2021 funds to address deferred maintenance.
- **Student Success Completion Grant.** The May Revision proposes an increase of \$27.2 million ongoing Proposition 98 General Fund to support revised estimates of students eligible for the program.
- **CCC Registry Modernization.** The May Revision proposes \$1 million ongoing Proposition 98 General Fund to support the modernization of the California Community College Registry, which is an online database of job opportunities for the CCC.

The CCC Registry is an online database of job opportunities for the California Community Colleges. The budget bill language specifies that funds used to update and modernize the CCC Registry's interface and technological capability, including to better enable centralized recruitment opportunities, create a repository of resources for job seekers and college employers, and to update the data collection and analysis capabilities of the system. Funds may also be used to add systemwide online trainings to the CCC Registry on topics related to faculty and staff diversity, such as promoting cultural competency and addressing unconscious bias.

- **Equal Employment Opportunity (EEO) Programs.** The May Revision proposes an increase of \$20 million one-time Proposition 98 General Fund to support the implementation of EEO best practices, as developed by the Chancellor's Equal Employment Opportunity and Diversity Advisory Committee.

**Comparing CCC Proposition 98 Spending Proposals Under Governor's Budget and May Revision**  
*Reflects New Spending, 2019-20 Through 2021-22 (In Millions)*

|   | Governor's<br>Budget | May<br>Revision | Change  |
|---|----------------------|-----------------|---------|
| <b>Ongoing</b>                                      |                      |                 |         |
| COLA for apportionments <sup>a</sup>                | \$111.1              | \$296.5         | \$185.4 |
| Vocational ESL programs                             | 0.0                  | 50.0            | 50.0    |
| Basic needs centers and coordinators                | 0.0                  | 30.0            | 30.0    |
| Student mental health and technology                | 30.0                 | 30.0            | 0.0     |
| Student Equity and Achievement Program <sup>b</sup> | 0.0                  | 23.8            | 23.8    |
| Enrollment growth (0.5 percent)                     | 23.1                 | 23.6            | 0.6     |
| COLA for select categorical programs <sup>c</sup>   | 14.2                 | 17.5            | 3.4     |
| California Apprenticeship Initiative                | 15.0                 | 15.0            | 0.0     |
| Strong Workforce Program <sup>b</sup>               | 0.0                  | 12.4            | 12.4    |
| Online tools  | 10.6                 | 10.6            | 0.0     |
| Guided Pathways technology                          | 0.0                  | 10.0            | 10.0    |



|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| CENIC broadband                                      | 8.0              | 8.0              | 0.0              |
| Dreamer resource liaisons                            | 0.0              | 5.8              | 5.8              |
| Library services platform                            | 0.0              | 4.0              | 4.0              |
| Adult Education Program technical assistance         | 1.0              | 1.0              | 0.0              |
| <b>Subtotal</b>                                      | <b>\$213.0</b>   | <b>\$538.3</b>   | <b>\$325.3</b>   |
| <b>One Time</b>                                      |                  |                  |                  |
| Deferral paydown                                     | \$1,126.8        | \$1,453.2        | \$326.5          |
| Deferred maintenance projects <sup>d</sup>           | 0.0              | 314.1            | 314.1            |
| Student emergency financial aid grants <sup>e</sup>  | 250.0            | 250.0            | 0.0              |
| Guided Pathways                                      | 0.0              | 150.0            | 150.0            |
| Retention and enrollment strategies <sup>f</sup>     | 20.0             | 120.0            | 100.0            |
| Zero-textbook-cost degrees                           | 15.0             | 115.0            | 100.0            |
| Student basic needs                                  | 100.0            | 100.0            | 0.0              |
| Dual enrollment expansion incentives                 | 0.0              | 75.0             | 75.0             |
| COVID-19 response block grant                        | 0.0              | 50.0             | 50.0             |
| Work-based learning                                  | 20.0             | 30.0             | 10.0             |
| Equal employment opportunity best practices          | 0.0              | 20.0             | 20.0             |
| Faculty professional development                     | 20.0             | 20.0             | 0.0              |
| High Road Training Partnerships                      | 0.0              | 20.0             | 20.0             |
| Common course numbering                              | 0.0              | 10.0             | 10.0             |
| Competency-based education pilot                     | 0.0              | 10.0             | 10.0             |
| Instructional materials for dual enrollment students | 2.5              | 2.5              | 0.0              |
| CCC jobs registry                                    | 0.0              | 1.0              | 1.0              |
| AB 1460 implementation/anti-racism initiatives       | 0.6              | 0.6              | 0.0              |
| <b>Subtotal</b>                                      | <b>\$1,554.9</b> | <b>\$2,741.5</b> | <b>\$1,186.6</b> |
| <b>Total</b>   | <b>\$1,767.8</b> | <b>\$3,279.7</b> | <b>\$1,511.9</b> |

<sup>a</sup> Proposed COLA increased from 1.5 percent in January to 4.05 percent at the May Revision.

<sup>b</sup> The May Revision funds a 5 percent increase.

<sup>c</sup> Applies to the Adult Education Program, apprenticeship programs, CalWORKs student services, campus child care support, Disabled Students Programs and Services, Extended Opportunity Programs and Services, and mandates block grant. Proposed COLA increases from 1.5 percent in January to 1.7 percent at the May Revision for all but apprenticeship programs, which increases from 1.5 percent in January to 4.05 percent at the May Revision.



<sup>d</sup> The May Revision also provides \$250 million one-time federal American Rescue Plan funds (Coronavirus Capital Projects Fund) for this purpose, bringing the total amount of one-time funding to \$564.1 million.

<sup>e</sup> Of the amount proposed in January, \$100 million was adopted as part of the early action package. The May Revision would fund the remaining \$150 million proposed in January.

<sup>f</sup> The proposed January amount was funded through the early action package. The May Revision proposes to fund another \$100 million for this purpose.

COLA = cost-of-living adjustment. ESL = English as a Second Language. CENIC = Corporation for Education Network Initiatives in California. AB = Assembly Bill.

**Staff Recommendation. Hold Open.**

**6890 CALIFORNIA STUDENT AID COMMISSION****Issue 5: May Revision Proposals**

The subcommittee heard the Governor's January budget proposals on February 24, 2021. The May Revision proposed changes to reflect updated estimates of costs to implement various CSAC operated programs, including the Cal Grant Program and Middle-Class Scholarship Program. The most significant May Revision proposal for CSAC is the Golden State Education, Entrepreneurship and Training Grant Program.

- **Golden State Education, Entrepreneurship and Training Grant Program.** The May Revision proposes \$1 billion in one-time American Rescue Plan Act of 2021 funds for the CSAC to establish a one-time grant program to support displaced workers seeking reskilling and up-skilling, educational opportunities, or to support some of the costs to start a business. The program will:
  - Authorize CSAC to disseminate the funds to the higher education segments, and authorize UC, CSU, and CCC campuses to receive these funds and grant them to individuals displaced from their employment due the COVID-19 Pandemic on behalf of CSAC.
  - Allow recipients to use their grants to cover the costs of postsecondary programs, high-quality training programs, or to start a business for which the recipient has filed for a business license and developed a business plan.
  - Require at least half of the amount appropriated for this purpose to be used to provide grants to eligible individuals who are caring for a dependent child.
  - Encourage UC, CSU, and CCC campuses to match grant funds used at their institutions, which could include UC and CSU extension programs, with institutional funds.
  - Provide a minimum grant amount of \$1,000, up to \$2,500.

The proposed trailer bill language specifies that grants will be available to workers that were displaced from their employment due to the COVID-19 pandemic and who were not already accessing educational or training program, and who meet income and asset qualifications to be eligible for the competitive Cal Grant A program. The trailer bill specifies that CSAC shall prioritize grants towards participants that are the greatest percentage away from the average monthly family income in calendar years 2018 and 2019 needed to meet the average living wage in their county as computed by the living wage calculation developed by Massachusetts Institute of Technology.

The proposed trailer bill language requires CSAC to develop an application for prospective students to request a grant, and to verify: (1) the applicant was displaced from employment due to COVID-19, and meet income criteria, (2) the applicant was unable to obtain employment that provide a specified monthly wage amount calculated in a formula, (3) that the applicant was not already enrolled in a training or education program at the time of unemployment, (4) that that the

grant will supplement and not supplant other financial aid, (5) applicant business license application and business plan.

- **Cal Grant Program Updated Estimates.** The May Revision proposes a decrease of \$106.4 million General Fund in 2021-22 to account for the following:
  - A decrease of approximately \$63 million in 2021-22 to reflect a decrease in the estimated number of new recipients in 2020-21. This adjustment includes decreased costs of \$50.8 million in 2020-21.
  - A decrease of \$43.4 million ongoing General Fund associated with the cost to restore Cal Grant A eligibility for students impacted by a change in their living status due to the pandemic. The May Revision also reflects decreased costs of \$43.4 million in 2020-21.
- **Former and Current Foster Youth Access Award.** The May Revision proposes a decrease of approximately \$5.1 million ongoing General Fund associated with revised estimates of foster youth that would qualify for a supplemental access award funding for all former or current foster youth.

**Staff Recommendation. Hold Open.**

**0650 OFFICE OF PLANNING AND RESEARCH**  
**0985 STATE TREASURER'S OFFICE**  
**6610 HASTINGS COLLEGE OF LAW**

**Issue 6: Various May Revision Proposals**

- **Hastings College Alternative Campus Safety Program.** The May Revision proposes \$3 million one-time General Fund, available for a three-year period, to support an alternative campus public safety program.
- **Californians for All College Service Program.** The May Revision proposes \$285.21 million one-time (\$239.3 million from the Coronavirus Fiscal Recovery Fund) to create the Californians For All College Service Program in partnership with the University of California, California State University system, and California Community Colleges. This program will provide 12,500 part-time service opportunities to college students in critical issue areas such as climate action, education and youth development, specifically tutoring and mentoring, health, and disaster response. These funds are available for encumbrance or expenditure until June 30, 2024.

The May Revision summary document notes that students will have the opportunity to receive a stipend of up to \$7,000 and scholarship of up to \$3,000. This program will also create opportunities for AB 540 eligible individuals to serve their communities.

- **Regional K-16 Education Collaboratives.** The May Revision allocates the \$250 million one-time General Fund set-aside from the Governor's Budget to a competitive grant program for regional K-16 collaboratives. The program will:
  - Appropriate funds to the Office of Planning and Research to award grants to between five and eight regional collaboratives (this is not specified in BBL), modeled after the Fresno K-16 Education Collaborative.
  - Require eligible collaboratives to include at least one institution from all three segments; to include consideration of regional workforce needs; to focus on streamlining occupational pathways that lead to high-paying, in-demand jobs; and to align higher education with workforce needs.
  - Require eligible collaboratives to adopt recommendations from the February 2021 Recovery with Equity report related to fostering inclusive institutions and facilitating student transitions.

The proposed budget bill language authorizes OPR to contract with a third-party entity to administrator the program, and also authorizes up to 10 percent of funds (\$25 million) to be used for administrative support costs. The funds will be available for encumbrance or expenditure until June 30, 2026.

- **Student Housing.** The May Revision includes \$4 billion one-time General Fund, split evenly between fiscal years 2021-22 and 2022-23, at the School Finance Authority under the State

Treasurer's Office. The program will to establish a low-cost student housing grant program focused on expanding the availability of affordable student housing. According to the May Revision summary document, the program will:

- Authorize the California School Finance Authority to award grants to the UC, CSU, and CCCs to build new student housing or to acquire commercial properties that would be transformed into student housing.
- Reduce rent for students by relieving the segments from having to build in construction and/or acquisition costs into rental and meal plan charges.
- Prioritize grants for the conversion of commercial properties that would be transformed into student housing.
- Prioritize access to newly available units for low-income and under-represented students.
- Require student tenants to take an average of 15 degree-applicable units per semester to facilitate timely degree completion and to further reduce their overall cost of completing college.

As of writing this agenda, the trailer bill language is not available.

**Staff Recommendation. Hold Open.**