Campus Finance Committee Meeting

Date: 1/14/2022
Time: 9:00 AM

In Attendance

Elizabeth Watkins, Gerry Bomotti, Anil Deolalikar, Brian Haynes, Katie Meumann (sub for Christopher Lynch), Dana Simmons, Daryle Williams, Maria Aldana (sub for Deborah Deas), Jason Stajich, Jeff Girod, Jennifer Brown, Johnny Cruz, Kathryn Uhrich, Kevin Vaughn, Louie Rodriguez, Mariam Lam, Melanie Wu, Rodolfo Torres, Shaun Bowler, Steven Mandeville-Gamble, Yunzeng Wang and Lorissa Zavala (committee support), Scott Heil (guest from IR)

Credit Weighting Models Discussion – All Attendees

Handout attached

Scott reviewed three models based on the cost of instruction formula by college at the last CFC meeting (and the five original models presented) and discussion today will determine 2 models to develop the financial impacts.

Committee members debated the pros and cons of various models. Asked additional clarifying questions regarding the modeling. Reiterated concerns with current funding levels and instructional needs.

- CNAS suggested a modification of Model 2 as one of the two to be selected. Concern expressed that model 3 doesn't incorporate things unique to CNAS, like mix of disciplines and Grad/UG ratio, use of distinguished faculty, etc.
- Support for Model 3 to be used. The individuals developing these models spent a tremendous amount of time and intuition and they recommended Model 3.
- The committee wanted to think about fairness or the appropriate of courses into the cost model like self-supporting (excluded) other categories they excluded, benefits were excluded. Delaware includes all instruction, salaries, benefits, as long as they're included as instruction. The original Ad Hoc committee on credit weights worked with the limited data they had at the time to make their recommendations. They developed the proposal to average what Delaware data they had with UCR actual data because they didn't have detail peer data or actuals to look at. One recommendation of the Ad Hoc committee was to enroll in the Delaware data sharing consortium, and now we have richer data set. All we could get previously was their gross average for everything.
- A question was raised about how this analysis compared with the ad hoc committee work that recommended, in March 2020, some weights for student FTE. IR noted that when we set out to do the Delaware comparisons, we didn't try to reconcile with what the committee had done. In that since it didn't matter what the committee did, we just needed to follow their definitions. There are some big differences between what that committee saw. The committee was trying to assign cost to courses and assign cost to credit bearing courses. What we're doing at Delaware is that departments are the source of instructional spending. We look at real spend,

and use instructional spend as the numerator for total spend and then attribute the FTE of students, and that gives you instruction formula. It's a huge fundamental difference which is why we get huge differences.

- Suggestion given that we take the average of model 3 and the real cost as a compromise of our methodology.
- The Provost suggested that whatever model we end up selecting, that budget model should be reviewed every 4 or 5 years.
- A question raised as to whether we are applying the new model allocation only incrementally from here on, or redoing the whole budget every year? The Provost noted this discussion is hypothetical, as we are not making any decisions at this time, but rather reviewing modelling data from other institutions. We're not implementing any new budget model allocation at this time. We're discussing what makes sense and in what direction do we want to go.
- A comment noted this modelling doesn't support aspirational goals, it tends to reinforce the status quo in terms of instruction. In terms of thinking that if we want to think about the flexibility of pursuing strategic priorities this might need to come from a different source
- The Provost noted we're talking about allocating money now and it's a fixed pot of money and tuition growth and the realities of what it means to grow a student body. The data does show what exists now. It would not account for someone wanting to make a huge investment in some area - we would not see that data for a few years out.
- The deans are not limited to assigning the same amount of money to departments based on what the model indicates – the dean can decide to invest heavily in a strategic department.
- There was agreement to run models 2 and 3, noting model 2 does not yet have data for SPP, so IR will need to make some adjustments to accommodate that issue.

Scott identified challenges with each model and that models 2 and 3 represents the ends of the spectrum. Acknowledged difference methods and relational dependencies between faculty salaries and benefits to the cost of instruction.

- IR highlighted one area worthy of note: the instruction when faculty cross college lines is a little funny sometimes. In committees, we had questions about what happens if faculty are electrical engineering teaching in computer science, and the method we're using here is the student FTE follows the faculty's home department. How that works out on campus there are colleges that are net recipients of FTE and other colleges and bringing FTE into their college because student FTE follows faculty rather than vice versa.
- A question was raised of the use of mean over the median. IR noted in this case, working with simple averages would be easier for people and communicating to a large audience. It's not a strong argument or preference. If we ran the median we wouldn't get radically different results; we'd get a small shuffling. If you have a choice with two similar alternatives, go with the simpler one. It was also noted that model 4 in fact used median vs mean.
- IR notes both Models 4 and 5 were tests on whether they had outliers pulling averages in an extreme way and notes there are outliers in the data someway given that there are expensive programs in certain disciplines.

- Once you agree a model(s), IR and FP&A will work to create the detail outcomes by School and College. The Delaware model is based on instructional data and costs for schools/colleges, based on actual expenses in the instructional category. The next step is which couple of models do you want us to create the financial outcomes, then this group is going to talk about those outcomes. We are not assuming that we will implement one of these models immediately.

The Provost recognized members who have shared this information and modeling with their respective colleagues and noted it's on us to clarify and edify to tell the story over and over again given how busy faculty are. Moving forward requires us to educate and engage on issues as the foundation we build on.

State Budget – Gerry

Handout attached

Governor's recommendation is well respected and has important meaning. Left room for legislators to add funds (likely one time).

Perm/On-going funding

- 5% increase to UC base budget in state appropriation which equates to about a 2.2% increase our core budget
- $68M for enrollment growth - the state only focuses on UG growth and likely includes the unfunded enrollment UC has now. We had about 1,250 FTE unfunded last year, but are down to 500-600 FTE unfunded this year
- $31M to buyout nonresidents to generate more room for residents at 3 campuses

Temp/One-Time funding

- $185M for climate resiliency efforts ($100M for research seed/matching grants, $50M regional climate innovation incubators, $35M to establish workforce development/training hubs)
- 100M for deferred maintenance/energy efficient projects (UCOP's formula we'd get about 6M)

This is a multi-year compact that includes joint assumptions of increasing enrollment and graduation rates and having debt free education by 2030, eliminating textbook costs, etc., and doubling credit hours to online courses compared to pre-pandemic levels.

The governor recommended grant funds for student housing (750M).

Note that UCOP wants changes to the employer contribution rate (reduction) and transfers from STIP.

Action Items

IR/FP&A to run models 2, 3 and bring outputs to the next meeting. 2/4 UPDATE: Modeling will be shared prior to the 2/24 meeting.

Next Meeting

Thursday, January 27 at 9am

UC RIVERSIDE
Institutional Research

Cost of Instruction Q&A

Scott Heil, Assistant Vice Chancellor for Institutional Research | January 13, 2022

Can you first explain what a cost of instruction formula is? It appears that there is no standard accounting formula for measuring the cost of instruction, and different institutions use different models. Does the Delaware cost study use a standard formula to determine cost of instruction at all its member institutions?

The Delaware study has a detailed definition for instructional costs and participating institutions try to match it for the exercise of producing comparative cost data. This definition does not always line up with internal practices at institutions, but it does reference some common distinctions used in financial reporting as well as academic measures. We think it is a credible tool for arriving at peer comparisons. Below are a few details on what the definition includes and the assumptions behind it.

- All costs are based on actual spending in academic departments, standardized to the Classification of Instructional Programs code that best matches the degree program(s) offered by the department (e.g., a chemistry department will be reported as CIP 26.02).
- It includes salaries, benefits, and non-personnel costs (supplies, services, equipment) of the department that are generally related to offering instructional programs.
- This includes chairs, faculty of all types, TAs, lab assistants, and non-academic administrative support positions associated with the department as part of its regular functions. Costs of shared admin units are prorated across the departments served.
- This can include the salaries of faculty in the department who may not be teaching classes in a given period but who are paid under an instructional or instruction-and-research appointment.
- Faculty with active appointments (on a payroll basis) in multiple departments will have their salary and benefits allocated to the departments on a prorated basis according to their appointment fractions.
- When faculty teach across department lines, but are not appointed in the department in which the class is given, both the faculty costs as well as the student FTE are attributed to the faculty member's home department. For example, if a history professor teaches a 50-student FTE class in an economics department, the history department will still be attributed the faculty's full salary and benefits and in addition the history department will be credited with the student FTE of 50 as part of the instruction given by the history department.
- It excludes expenses related to deans' offices as well as college-wide and central administrative and service units and other forms of overhead (e.g., advising centers, facilities, IT infrastructure, non-instructional support staff).

- It excludes costs specifically associated with research (separately budgeted from instruction) as well as costs such as seed money or initial complements for new faculty.

Note that this definition does not attempt to allocate costs to specific courses of the department. Its focus is on the total cost of offering the department's program(s). This approach is substantially different from the one used by the ad hoc committee. As a quick reference, we could summarize the formula we used as follows:

$$Cost\ per\ student\ FTE = \frac{\text{Total department instructional spending}}{\text{Total student FTE attributed to the department}}$$

Table 2 at the end of this document provides a summary of the total instructional costs by college and division that were used to produce the comparative data.

The Ad Hoc Committee on Credit Hour Weights 2020 report states that "the primary drivers of teaching costs are instructor salary, instructor teaching load, and class size, with non-personnel costs also being important for some courses." Is this an accurate statement for UCR? (In other words, are the differences in cost of instruction between UCR schools and colleges due to higher or lower faculty salaries, faculty course loads and class sizes?)

Those are the biggest influences we see in our own data, and to the extent that it is exposed in the Delaware data, it appears very likely the case at most, if not all, institutions in the peer data we obtained. Faculty salaries and benefits are a major share of what we measure as instructional cost. For example, within the three large colleges at UCR, ladder rank faculty salaries alone (excluding benefits) represented approximately 50 percent of the total instructional costs that we measured using the Delaware definitions. Benefits and the salaries of all other personnel in the colleges (lecturers, TAs, etc.) contributed around 46 percent of what we measured as instructional costs. Non-personnel costs (equipment, supplies, contracted services) made up the remaining 3 to 4 percent in those colleges.

Are graduate Teaching Assistantships counted as part of the cost of instruction, in whole or in part?

Yes, in whole. Graduate student stipends can also be counted as instructional costs, but tuition waivers are not. Graduate student positions that are focused on research, such as research assistants on a grant, would be excluded.

The Ad Hoc Committee writes, "we worked intensely with the UCR Institutional Research (IR) staff to build a cost-of-teaching model at UCR. Through this work, it became abundantly clear that there is no simple and objective way to determine the cost of teaching at the credit-hour level. Rather, every model depends critically on specific decisions about how to allocate different kinds of costs, particularly fixed costs, and there is no a priori way to do

so. Institutional context (including units of aggregation chosen for costs and budgeting, as well as sites of decision-making about various cost factors), along with particular cost-allocation choices, will directly affect the outcomes of using credit-hours to allocate funding to units." Can you comment on this statement? Do you believe that the method IR is using now, helps to address any of these issues?

I think the report was accurate about that in the abstract, but in practice there are some reasonable standards that can be used if there is some consensus about what the goals of the funding model should be. Although it is not the only approach, the Delaware method provides fairly clear guidance on many of the definition choices and makes realistic assumptions about practices and measurement. The strengths of its approach are that it tries to represent the total cost of running an academic program and most of its categories align reasonably well with financial and academic tracking practices already in place. The trade-offs are that it does not try to attribute costs to individual courses and it can pull in some departmental costs that may be ambiguously related to delivering the instructional program, such as in cases when faculty have instructional appointments paid through the department, but never teach a course in a given budget period. While no comparisons are likely to be 100% accurate, we believe the Delaware method is probably the best quality comparative cost information we are likely to find on a national set of public research universities.

Are there other considerations that our committee should be thinking about, as we consider how to respond to the initiative to implement credit hour weighting?

The Delaware method assumes that undergraduate and graduate costs all go into the same model and in fact does not attempt to measure them separately. This is very practical because many faculty and support staff work extensively with both types of students. There is no clear way to identify how much of faculty time is exclusively for graduate students versus undergraduates using the Delaware approach, in which all expenses are pooled at the department level. However, if faculty members believe this distinction is important and should be recognized in the budget model, we would have to come up with a new estimation method to support it, and likely we would have little or no peer data to inform that approach.

In general, any budget method based on either past enrollment or past instructional costs will not provide timely funds for targeted investments in promising new areas. Both the current model and the proposed weighted model eventually catch up to providing higher funding to programs after growth (and expenses) has already occurred. This leaves strategic funding initiatives to deans' offices or central campus units if they are able to repurpose funds to make such investments. This is probably appropriate—and typical in many universities—but it does mean that the regular funding formula may not contribute very much to strategic goals and opportunities. That said, the ad hoc committee's proposal to adopt a college-based cost weighting method could make growth more feasible in some higher-cost programs that have little financial incentive to grow under the current model.

How do graduate students appear in the cost of instruction model? From the 12/16 CFC minutes: "All students were included not just undergrads because the intent is to apply the weights to both FTE and Headcount." So PhD students are counted in cost of instruction as students (enrollment headcount), and again as instructors (TAs)?

That is correct. Graduate students can be counted both in the student FTE and as instructional costs when they hold a relevant position such as TA, grader, etc. (see the response on TAs above on page 2). The definition of FTE at the graduate level also affects the measurement. On the ad hoc committee report, a local definition of graduate FTE was used. On the Delaware data set, we matched the definition used by the study, and it resulted in counting higher graduate FTE than did the committee's method.

How does IR decide what is an instructional vs non-instructional expense? Are 'non-instructional' expenses a significant portion of some departments' expenses? Is there much variation in the ratio of instructional to non-instructional expenses, across disciplines/ schools and colleges? If an expense is deemed non-instructional, is there an assumption that it is funded from a source other than tuition revenue?

IR worked with Financial Planning & Analysis to identify those expenses at the department level. The method largely follows the classification of expenses used on the campus financial system and used in conventional financial reporting (e.g., NACUBO standards and the federal IPEDS filing). A budget category on the system is designated as instructional, and it includes most faculty salaries and benefits (attributed to their home department or pro-rated for split appointments), wages for academic staff positions that are recorded as instructional (e.g., lab assistants, teaching assistants), and any services, supplies, and equipment classified on the finance system as instructional and attributed to the department. Expenses designated on the system as research, public service, or in other types of cost categories are excluded. In the case of CNAS, certain faculty salaries and benefits that were recorded as "organized research" were reclassified for this exercise as instructional because the college treated those funds as a common pool with their other instructional budgets. In general expenses directly from the deans' offices are excluded, as are costs associated with central administrative units. However, in the cases of SPP and SOE, in which the deans' offices do instructional spending directly, some costs classified as instructional were excluded based on FP&A's determination that they were deans' activities not directly related to instruction in the programs.

If the vast bulk of the cost of instruction is faculty salary costs, why not just centrally fund salaries? Why use a cost of instruction formula?
Salary and benefit increases are already centrally funded, as are special initiatives like cluster hires. If the campus pursues a model like the one proposed by the ad hoc committee, the instructional cost weights would apply to the enrollment growth portion of the budget model, not the entire budget of the colleges and schools.

UC RIVERSIDE
Institutional Research

SUPPLEMENTAL DATA RELATED TO COMMITTEE QUESTIONS

Table 1. Share of Core Expenses by Type at Selected UC Campuses, 2019-20

	UCR	UCSB	UCD	UCI	UCLA
Instruction	42%	37%	32%	40%	46%
Research	18%	20%	23%	17%	16%
Public Service	1%	1%	3%	1%	3%
Academic Support	7%	8%	11%	15%	17%
Institutional Support	11%	9%	7%	6%	5%
Student Services	11%	10%	6%	4%	4%
Other Core Expenses	10%	14%	17%	18%	10%
Total Core Expenses	100%	100%	100%	100%	100%

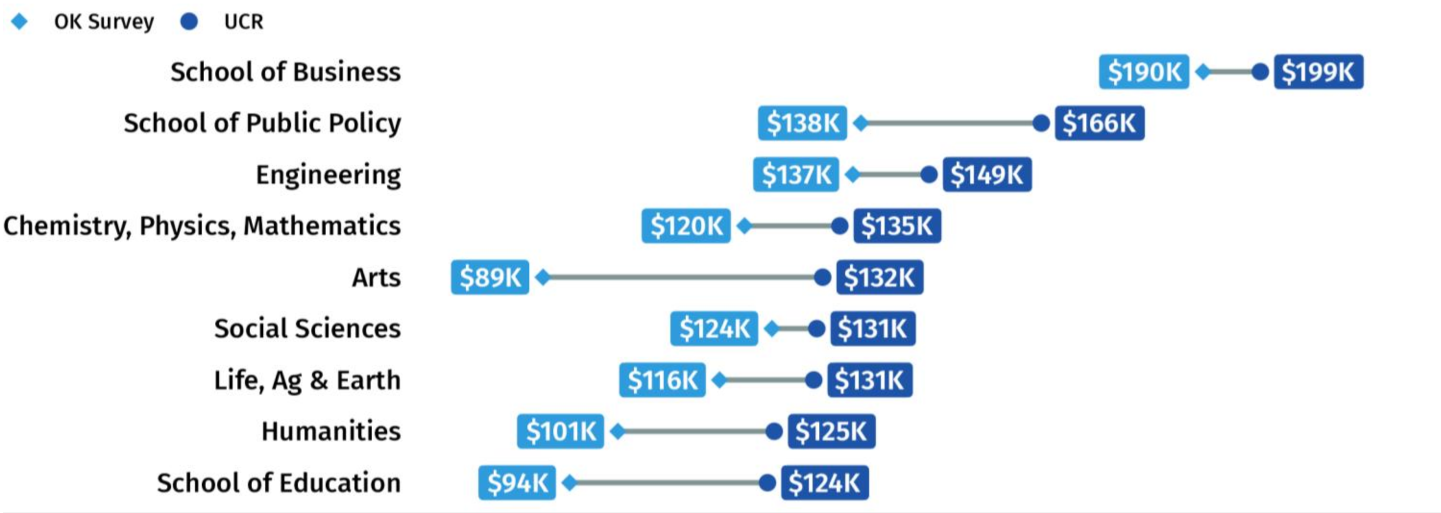
Source: Derived from publicly reported figures on the federal IPEDS institutional finance survey

Table 2. Summary of UCR Instructional Costs Used in the Delaware Comparison

College/School	Division/Group	2019-20 Instructional Costs
BCOE	Computer Science	$11,023,882
	Engineering	$24,035,813
CHASS	Arts	$17,624,361
	Humanities	$30,688,109
	Social Sciences	$31,449,649
CNAS	Agricultural and Natural Resources	$16,833,597
	Life Sciences	$18,921,293
	Physical Sciences	$39,409,794
Business		$15,308,878
SOE		$7,603,365
SPP		$3,202,656

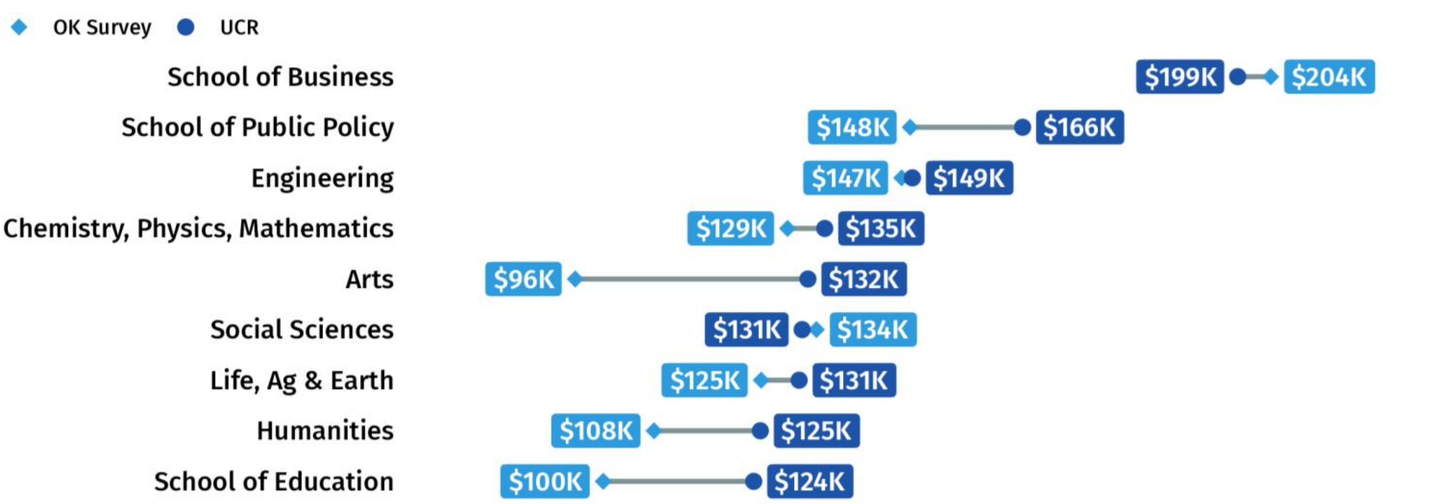
Source: UCR Financial Planning & Analysis

Figure 1. UCR Ladder Rank Faculty Salaries versus the R1 Public University Average — Unadjusted for Cost of Living



Source: Oklahoma State Faculty Salary Survey, 2021

Figure 2. UCR Ladder Rank Faculty Salaries versus the R1 Public University Average — Adjusted for Cost of Living



Source: Oklahoma State Faculty Salary Survey, 2021. Cost-of-living adjustment is based on the Bureau of Economic Analysis purchasing parity estimates for the Riverside-San Bernardino-Ontario region versus the national average.

HIGHER EDUCATION

California's exceptional system of higher education—with its focus on access and affordability, equity, and innovation—makes it unique among all other states and plays a central role in the state's present and future economic success. California's institutions of higher education have helped position the state to address the numerous challenges presented by the COVID-19 Pandemic, shifts in the nature of work, and the impacts of climate change.

The 2021 Budget Act included significant investments in financial aid and supports to address student basic needs, reduce student housing costs, develop zero-textbook-cost degrees, and establish child savings accounts to reduce the overall cost of attendance. Further, the 2021 Budget Act also provided learning-aligned, long-term career development and training opportunities that support students' upward economic mobility.

The Governor's Budget builds upon these investments with multi-year compacts with the University of California (UC) and California State University (CSU) and a multi-year roadmap with the California Community Colleges (CCCs) that focus on shared priorities benefitting students. Shared priorities include focusing on closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing the predictability of student costs, increasing California resident undergraduate enrollment, improving faculty diversity, and better aligning curricula and student learning objectives with workforce needs. The shared emphasis on these high-priority areas will be critical in ensuring that public higher education continues to power California's path of sustainable and inclusive growth.

The Budget proposes total funding of $39.6 billion ($26 billion General Fund and local property tax and $13.6 billion other funds) for the three higher education segments and the California Student Aid Commission. The elevated levels of total funding in 2020-21 and 2021-22 in the figure below reflect the allocation of approximately $2.7 billion (2020-21) and $5.5 billion (2021-22) in one-time federal COVID relief funds to the state's public segments of higher education and the California Student Aid Commission. Although some of these funds remain available in 2022-23, they are displayed in the year in which they were received. The figure on Higher Education Expenditures displays additional detail about funding for higher education.

Higher Education Expenditures
(Dollars in Millions)

				Change from 2021-22	
	2020-21 [3/]	2021-22 [3/]	2022-23	Dollars	Percent
University of California					
Ongoing General Fund	3,465.3	4,011.0	4,318.5	$307.5	7.7%
One-Time General Fund	8.7	741.8	295.0	-	-
Total Funds [1/]	$9,247.8	$11,328.3	$10,437.8	-$890.5	-7.9%
California State University					
Ongoing General Fund	4,025.6	4,597.4	4,983.2	$385.8	8.4%
One-Time General Fund	15.2	981.4	234.4	-	-
Total Funds [1/]	$8,291.5	$10,471.8	$8,453.6	-$2,018.3	-19.3%
California Community Colleges					
General Fund & Property Taxes	11,897.9	12,158.4	12,718.3	$559.9	4.6%
Total Funds	$18,068.3	$19,091.0	$16,789.1	-$2,301.8	-12.1%
California Student Aid Commission					
General Fund [2/]	2,000.0	2,689.4	3,457.3	$767.9	28.6%
Total Funds	$2,427.7	$3,595.6	$3,877.8	$282.1	7.8%
General Fund	**$21,412.7**	**$25,179.4**	**$26,006.7**	**$827.3**	**3.3%**
Total Funds	**$38,035.3**	**$44,486.7**	**$39,558.2**	**-$4,928.5**	**-11.1%**

1/ These totals include tuition and fee revenues and other funds the universities report as discretionary.

2/ General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately $400 million in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.

3/ 2020-21 Total Funds include federal Coronavirus Response and Relief Supplemental Appropriations Act funding provided directly to colleges and universities, and 2021-22 Total Funds include federal American Rescue Plan Act of 2021 funding provided directly to colleges and universities.

MULTI-YEAR FRAMEWORK FOR HIGHER EDUCATION

The Administration worked with the UC, CSU, and the CCC Chancellor's Office to develop multi-year compacts and a roadmap that will provide sustained state investments in exchange for clear commitments from each segment to expand student access, equity, and affordability and to create pathways for students to study and enter careers in health, education, climate action, and technology. Each compact/roadmap is a discrete agreement with the state; however, they are forged with the understanding that each segment must work toward aligned goals and achieve an increased level of intersegmental collaboration. These agreements will provide California students with more opportunities to transfer to four-year institutions and graduate within expected timeframes, in preparation for the jobs that will drive California's economy now and into the future.

The UC and CSU compacts build upon the segments' respective UC 2030 and Graduation Initiative 2025 goals. Over a five-year period, the compacts emphasize student-centered priorities including closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing predictability, increasing California resident undergraduate enrollment of both freshmen and transfer students, and better aligning curricula and student learning objectives with workforce needs.

Similarly, the roadmap for the CCC system builds upon the system's existing Vision for Success and focuses on student success by enhancing intersegmental collaboration to facilitate effective and timely transfer of CCC students to public and independent postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs.

To further align each segment's goals and the compacts/roadmap, the Administration is also establishing—at the recommendation of the Governor's Council for Post-Secondary Education—an overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030.

The Budget includes funding equivalent to a five-percent increase in base General Fund resources annually over five years for UC and CSU, contingent on the ability of each segment to advance these shared goals, which are outlined in greater detail in the following sections. In the coming months, the Administration will continue to work with the segments to refine specific metrics for these goals and commitments, which will be shared as part of the May Revision.

COLLEGE AFFORDABILITY

State support helps to keep the overall cost of attendance down for students attending California's postsecondary education systems. The 2021 Budget Act made significant investments to increase college affordability, including investments in learning-aligned employment opportunities for UC, CSU, and CCC students; education and training grants for displaced workers; funds to establish child savings accounts for low-income students in public secondary schools based on Local Control Funding Formula definitions; funds to develop zero-textbook-cost degrees; and numerous investments supporting student basic needs and emergency financial aid.

The 2021 Budget Act also expanded the Cal Grant financial aid entitlement to cover students taking a less traditional path to college by eliminating the age and time-out-of-high-school requirements for CCC students, including CCC students with dependent children. Last year, the Middle Class Scholarship was also revamped to focus on reducing students' total cost of attendance.

The 2022-23 Budget expands these investments in college affordability with the following:

- An increase of $515 million ongoing General Fund, for a total of $632 million ongoing General Fund, to support a modified version of the Middle Class Scholarship Program and help cover non-tuition costs for more families.
- An increase of $300 million one-time General Fund to fulfill the $500 million total commitment to support the Learning-Aligned Employment Program administered by the California Student Aid Commission.
- An increase of $100 million ongoing Proposition 98 General Fund to support the community college Student Success Completion Grant Program, providing funds for newly eligible students receiving a Cal Grant B or C award as a result of the CCC Cal Grant entitlement expansion in the 2021 Budget Act.
- Modification of the Cal Grant B Dreamer Service Incentive Grant program to increase participant stipends from the equivalent of a $10 hourly wage to the equivalent of a $15 hourly wage, and to authorize any unexpended funds to be provided to UC and CSU to support their California Dream Loan programs.

The multi-year compacts with UC and CSU, and a multi-year roadmap with the CCC Chancellor's Office, are also focused on improving equity and outcomes, which can increase student success while reducing total cost of attendance through timely degree completion.

STUDENT LOAN BORROWER ASSISTANCE

According to The Institute for College Access and Success, average student debt for bachelor's degree earners nationwide grew by approximately 56 percent from 2004 to 2019, from $18,550 to $28,950 when adjusted for inflation. Although student loans are an important postsecondary education financing mechanism for many students, it is crucial for prospective and current student loan borrowers to understand their loan options, and for borrowers to understand repayment options.

The Budget includes $10 million one-time General Fund in 2022-23 to support the Department of Financial Protection and Innovation's outreach and education efforts to assist student loan borrowers.

CLIMATE INITIATIVES

Climate emergencies are increasing in both frequency and intensity, disproportionately impacting low-income individuals and communities of color. As detailed in the Climate Change chapter, the Budget proposes a wide-reaching set of investments to integrate climate solutions with equity and economic opportunity. To efficiently implement the state's climate agenda, California will need to continually generate new approaches to identifying and mitigating the impacts of climate change on the environment, public health, communities, and businesses, and to help current and future workers develop the skills needed for transitioning into a cleaner and more sustainable economy.

Recognizing the role of higher education in developing a more sustainable future, the Budget includes $318 million one-time General Fund for five climate initiatives across the UC and CSU, with an emphasis on equity-focused research, job creation, and workforce development:

- $100 million at the UC for matching applied research grants, $50 million for regional incubators, and $35 million for workforce development and training hubs.
- $83 million to create the CSU Bakersfield Energy Innovation Center and $50 million to support the CSU University Farms.

These initiatives will drive the types of research, entrepreneurship, and training that can help accelerate climate mitigation, develop a decarbonized economy, and support workers. When paired with the Budget's other climate-related proposals in housing, transportation, and healthcare, these investments facilitate California's ability to continue to be a leader in addressing climate issues while advancing equitable opportunities.

REWARDING CALIFORNIA EXCELLENCE AND INNOVATION

The state's public colleges and universities are home to a wide range of leading-edge research centers, technology-driven partnerships, and creative problem-solvers. Individuals and teams are constantly making great strides that help address many of California's biggest challenges by fostering climate resilience, social justice, and economic growth.

These innovators have an extraordinary impact and inspire the next generation of entrepreneurs. To that end, the Budget includes $30 million one-time General Fund to establish the Golden State Awards program and provide up to 30 grants to innovative projects that are either based at or associated with a public college or university in California. The California Education Learning Lab, under the Governor's Office of Planning and Research, will oversee the grant-making process. A committee of 12 experts from diverse disciplines and sectors of society selected by the Governor, the Senate President pro Tempore, and the Assembly Speaker, will select the grant recipients. The resulting state-level public forum will elevate achievements from California innovators, recognizing today's innovators and inspiring future generations of California excellence.

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 2020-21, the CCCs awarded over 116,000 certificates and 201,000 degrees and transferred over 114,000 students to four-year institutions.

CCC ROADMAP TO CALIFORNIA'S FUTURE

The Administration and the CCC Chancellor's Office have developed a collaborative multi-year roadmap that focuses on equity and student success, enhancing the system's ability to prepare students for California's future. The roadmap builds upon existing efforts taken by colleges toward meeting the goals established in the CCC system's Vision for Success and establishes shared expectations of the community college system for fiscal year 2022-23 and beyond, including investing available Proposition 98 resources for the colleges to support these efforts and providing additional fiscal resources to the Chancellor's Office to better support the colleges in meeting these goals. The roadmap works in tandem with the UC and CSU compacts to increase transfer capacity and streamline transfer pathways between the segments.

Key goals and expectations in the roadmap include enhancing intersegmental and cross-sectoral collaboration for timely transfer of CCC students, increasing transfers to the state's four-year postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs. Specifically, goals and expectations in the roadmap include:

- Improving educational outcomes for CCC students:
    - Increasing the percentage of CCC students who acquire associate degrees, credentials, certificates, and specific skill sets that prepare them for in-demand jobs by 20 percent by 2026.
    - Decreasing the median units to completion by 15 percent and establishing systemwide stretch goals regarding the number of students completing their educational program or transferring to a four-year institution within the minimum amount of time necessary.
    - Proportionally increase the number of CCC students transferring annually to a UC or CSU relative to enrollment growth at the UC and CSU.
    - Annually publishing the two-year associate degree graduation rates for all community colleges and the percentage of first-time students meeting sophomore standing when entering their second year, disaggregated to reflect underrepresented students and Pell Grant students to facilitate evaluations of equity gaps.

- Improving student success and advancing equity:
  - Improving systemwide graduation rates, transfer rates, and time to completion among traditionally underrepresented students and Pell Grant students such that they meet the average of all students by 2026.
  - Closing equity gaps between the types of students able to access a dual enrollment program.
- Increasing intersegmental collaboration to benefit students:
  - Fully participating in the implementation of the Cradle-to-Career Data System.
  - Supporting efforts for CCCs to adopt a common intersegmental learning management system.
  - Utilizing systemwide data collected for purposes of the Cradle-to-Career Data System, collaborating with the CSU and UC to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
  - Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
  - Increasing the percentage of K-12 students who graduate with 12 or more college units earned through dual enrollment by 15 percent.
  - Establishing a baseline for credit for prior learning offerings and increasing these offerings annually, in addition to launching 10 new direct-assessment competency based education programs.
  - Increasing the percentage of completing students who earn a living wage by 15 percent.
  - Within the aforementioned increases, focusing on establishing or expanding programs that address California's workforce needs in healthcare, climate action, education and early education.
  - Establishing coordinated educational pathways from high school through four-year institutions in the high-need fields of education, healthcare, technology, and climate action, including collaborating with UC and CSU to develop Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields. Dual enrollment opportunities should

ensure that CCC course credits earned by high school students are accepted for transfer credit and apply toward degree programs.

The 2022-23 Budget includes several investments intended to align with the roadmap:

- Building upon the 2021 Budget Act's expansion of the Cal Grant entitlement program, the Budget includes $100 million ongoing Proposition 98 General Fund for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for community college students.
- Building upon a $10 million one-time Proposition 98 General Fund investment in the 2021 Budget Act to plan for and begin developing a common course numbering system throughout the CCCs, the Budget includes an increase of $105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system pursuant to the provisions of Chapter 568, Statutes of 2021 (AB 1111).
- An increase of $65 million one-time Proposition 98 General Fund for community colleges to implement the transfer reform provisions required by Chapter 566, Statutes of 2021 (AB 928).
- An increase of $25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that maps intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.
- An increase of $10 million ongoing Proposition 98 General Fund to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.
- An increase of $10 million ongoing Proposition 98 General Fund to augment resources provided to community college financial aid offices.
- An increase of $10 million ongoing Proposition 98 General Fund to expand availability of foster youth support services offered by the NextUp program from 20 districts to 30 districts.
- An initial increase of $1.4 million ongoing General Fund to support 9 new positions at the CCC Chancellor's Office in 2022-23, and an additional $1.4 million ongoing General Fund to support 10 additional new positions in 2023-24. These new resources will aid the CCC Chancellor's Office in supporting curriculum-related reforms;

technology modernization efforts; and increased state operations capacity for data analysis, research, legal affairs, districts' fiscal health monitoring, and government relations. The Administration intends to work with the Chancellor's Office in consideration of additional state operations resources for inclusion in the May Revision.

Supporting Student Enrollment and Retention

The community colleges continue to see enrollment declines exacerbated by the COVID-19 Pandemic that diverge from enrollment patterns observed during prior economic recessions and highlight the unique challenges presented by the COVID-19 Pandemic. To build on an investment of $120 million one-time Proposition 98 General Fund for student enrollment and retention in the 2021 Budget Act, the Budget includes an additional $150 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment. Efforts include engaging with former students who may have withdrawn from college due to COVID-19, and connecting with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.

The disruptions to student learning caused by the COVID-19 Pandemic disproportionately affect many student populations regularly served by the CCC system, including non-native English speakers, first-generation college students, working learners, student parents, and re-entry students. Given these challenges, community college districts should strive to meet the needs of their diverse student populations: some may be best served by the flexibility offered by an online course format, while others may be better served by in-person instruction. It is the expectation of the Administration that community college districts aim to offer at least 50 percent of their lecture and laboratory course sections as in-person instruction for the 2022-23 academic year, provided the approach is consistent with student learning modality demand and public health guidelines in place at the time.

Continued Implementation of the Student Centered Funding Formula

The Administration continues to support the Student Centered Funding Formula (SCFF), which has provided fiscal stability for districts during the COVID-19 Pandemic, and continues to prioritize access and student success. As districts enter their fourth year of implementation of the SCFF, its hold harmless provision—which ensures that districts receive the greater of the formula's core funding computation or their 2017-18 funding level annually adjusted by a cost-of-living adjustment (COLA)—is currently set to expire after 2024-25. To prevent fiscal declines between 2024-25 and 2025-26, the Budget proposes statute to create a funding floor for districts that allows all districts to transition to the core formula over time. Effectively, this allows funding rates to continue to increase by the statutory COLA, but removes its application to the hold harmless provision commencing with 2025-26 and permanently extends the revised hold harmless provision.

Further, the Administration supports the recommendation made by the Student Centered Funding Formula Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF's supplemental allocation once a reliable and stable data source is available.

OTHER BUDGET ADJUSTMENTS

- **CCC Apportionments**—An increase of $409.4 million ongoing Proposition 98 General Fund to provide a 5.33-percent COLA for apportionments and $24.9 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.
- **Deferred Maintenance**—An increase of $387.6 million one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges, of which $108.7 million is from 2022-23, $182.1 million is from 2021-22, and $96.8 million is from 2020-2021.
- **Part-Time Faculty Health Insurance**—To support community college part-time faculty, the Budget includes an increase of $200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts.
- **Healthcare Vocational Education**—An increase of $130 million one-time Proposition 98 General Fund, of which $30 million is for 2022-23, $50 million is for 2023-24, and $50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- **CCC Technology Modernization and Sensitive Data Protection**—An increase of $100 million Proposition 98 General Fund, of which $75 million is one-time and $25 million is ongoing, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges.

- **Emergency Financial Assistance Grants for AB 540 Students**—An increase of $20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.
- **Pathways Grant Program for High-Skilled Careers**—An increase of $20 million one-time Proposition 98 General Fund for a grant program that incentivizes public-private partnerships that prepare students in grades 9 to 14 for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare.
- **CCC Teacher Credentialing Partnership Program**—An increase of $5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program.
- **African American Male Education Network and Development (A2MEND) Student Charters**—An increase of $1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.
- **Support for Umoja Program Study**—An increase of $179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.
- **Local Property Tax Adjustment**—A decrease of $230.5 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **CCC Facilities**—General Obligation bond funding of $373 million one-time for the construction phase of 17 projects anticipated to complete design by spring 2023, and the working drawings phase of 1 project. This allocation represents the next installment of the $2 billion available to CCCs under Proposition 51.

CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll more than 477,000 students. In 2020-21, the CSU awarded more than 132,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs. The CSU strives to better fulfill its mission through the Graduation Initiative 2025, which aims to increase four-year graduation rates, increase two-year transfer graduation rates, and eliminate equity gaps. The CSU is an especially important institution for providing four-year education in some of the most underserved regions of the state, including the Far North, the Central Valley, and the Inland Empire.

SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT

The Budget reflects a multi-year compact that provides substantial and sustained funding increases to CSU in exchange for commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes $304.1 million in ongoing General Fund augmentations for the CSU, including $211.1 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.

In addition, the Budget includes $233 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center, to support equipment and facilities at the CSU University Farms, and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of CSU's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the CSU:
  - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 14,000 additional full-time students).
  - For this enrollment growth, maintaining—at minimum—a share of transfer student admissions at least consistent with existing transfer admissions practices.
- Improving student success and advancing equity:
  - Raising graduation rates to be within the top 25 percent of comparable national peer institutions by 2025, including by improving four-year first-time student graduation rates by 30 percent (9 percentage points) by 2025.
  - Eliminating gaps in graduation rates between Pell Grant and non-Pell Grant students, as well as underrepresented minority students and non-underrepresented minority students, by 2025.

    - Advancing systemwide and campus-level re-enrollment campaigns and establishing campus retention targets beginning in spring 2022.
    - Expanding credit opportunities, particularly for underrepresented minority students and Pell Grant students, in intersession and summer session with the goal of closing gaps in credit accumulation.
    - Providing every CSU student access to a real-time digital degree planner by June 2022.
- Increasing the affordability of a CSU education:
    - Reducing the cost of instructional materials by 50 percent by 2025, saving CSU students $150 million annually.
    - Implementing strategies that increase the overall affordability of on-campus housing, such as including student housing as part of future capital campaigns.
- Increasing intersegmental collaboration to benefit students:
    - Fully participating in the implementation of the Cradle-to-Career data system.
    - Supporting efforts for CSU campuses to adopt a common intersegmental learning management system.
    - Collaborating with the UC and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
    - Supporting efforts to establish an integrated admissions platform common to UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
    - Increasing the number of students who enroll in STEM, Education and Early Education disciplines, and Social Work by 25 percent by 2026-27. The goal is to expand and support high-demand career pipelines for climate action, healthcare, social work, and education.
    - Establishing a goal to increase the number of Early Education degree pathways available to students by 2025 for applicable campuses.
    - Collaborating with the CCCs to develop educator (early, primary, and secondary), healthcare, technology, social work, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields, with an initial priority on Educator pathways.

- Collaborating with the CCCs to develop expanded pathways for high school students in the education, healthcare, technology, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and count toward CSU degree programs.
- Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Doubling opportunities for students who want research assistantships or internships–with an emphasis on underserved students–by 2025.

- Providing access to online course offerings:
  - Ensuring that by 2025 every student who wants to take online courses will be able to do so by increasing online course offerings above pre-pandemic levels.
  - Increasing concurrent student enrollment in online courses delivered by sister CSU campuses by a multiple of 10 by 2025 – from 500 to 5,000 enrollments.
  - Expanding digital tools to students to access learning material online so that every student has access to appropriate technology for online learning (e.g., CSUCCESS).

DETAILED BUDGET ADJUSTMENTS

ONGOING ADJUSTMENTS

- **Base Growth**—An increase of $211.1 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of $81 million ongoing General Fund to support California resident undergraduate student enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.
- **Foster Youth Supports**—An increase of $12 million ongoing General Fund to increase support for foster youth students.

One-Time Adjustments

- **Deferred Maintenance and Energy Efficiency**—An increase of $100 million one-time General Fund for deferred maintenance and energy efficiency projects at CSU campuses.
- **CSU Bakersfield Energy Innovation Center**—An increase of $83 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center.
- **University Farms**—An increase of $50 million one-time General Fund for equipment and infrastructure improvements at CSU University Farms.

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 290,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2020-21, the UC awarded more than 85,000 degrees, including more than 65,000 undergraduate degrees. In the 2021 calendar year, two UC faculty members received Nobel Prizes, bringing the total number of UC faculty and staff who have been awarded Nobel Prizes since 1934 to 70.

Significant Investments and Multi-Year Compact

The Budget reflects a multi-year compact for substantial and sustained funding increases to UC, in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes $307.3 million in ongoing General Fund augmentations for the UC, including $200.5 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 7,132 full-time equivalent students.

In addition, the Budget includes $295 million one-time General Fund to expand climate-focused research, innovation and entrepreneurship, and workforce development and training; to advance dyslexia research; and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of UC's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the UC:
  - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 7,000 additional full-time equivalent students), with a significant portion of the new enrollment growth occurring at the following campuses—UC Berkeley, UC Los Angeles, and UC San Diego.
  - Maintaining UC's existing systemwide goal to enroll one new California resident transfer student for every two new California resident freshmen.
  - Increasing graduate student enrollment by roughly 2,500 full-time equivalent students.
- Improving student success and advancing equity:
  - Improving systemwide undergraduate graduation rates, including an increase to 76 percent for the four-year freshman graduation rate and 70 percent for the two-year transfer graduation rate.
  - Eliminating gaps between overall four-year freshman graduation rates and those of underrepresented students by 2030, with a goal of reducing the gap by half by the end of the 2025-26 academic year.
- Increasing the affordability of a UC education:
  - Working to offer every UC undergraduate a pathway for debt-free education by 2030, with a goal to offer debt-free pathways to half of undergraduates by the 2025-26 academic year.
  - Setting goals for each campus to eliminate textbook costs for all lower-division undergraduate courses and a substantial portion of upper division and graduate courses.
  - Setting aside 45 percent of new revenue generated from undergraduate tuition and systemwide fee increases for financial aid.
  - Including student housing as part of ongoing capital campaigns.
- Increasing intersegmental collaboration to benefit students:
  - Fully participating in the implementation of the Cradle-to-Career Data System.

- Supporting efforts for UC undergraduate campuses to adopt a common intersegmental learning management system.
- Collaborating with the CSU and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
- Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.

- Supporting workforce preparedness and high-demand career pipelines:
  - Increasing the number of students graduating with degrees or credentials in STEM, and Education or Early Education disciplines, and academic doctoral degrees, by 25 percent by 2026-27. The goal is to support high-demand career pipelines for technology, climate action, healthcare, and education.
  - Collaborating with the CCCs to develop technology, educator, healthcare, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields.
  - Collaborating with the CCCs to develop expanded pathways for high school students in the technology, education, healthcare, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and apply toward UC degree programs.
  - Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Providing access to online course offerings:
  - Doubling the number of student credit hours generated through undergraduate online courses compared to a pre-pandemic baseline by 2030.

DETAILED BUDGET ADJUSTMENTS

ONGOING ADJUSTMENTS

- **Base Growth**—An increase of $200.5 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of $67.8 million ongoing General Fund to support California resident undergraduate student enrollment growth of 6,230 full-time equivalent students, and $31 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.
- **Foster Youth Supports**—An increase of $6 million ongoing General Fund to increase support for foster youth students.
- **Firearm Research**—An increase of $2 million ongoing General Fund to support research conducted by the University of California Firearm Violence Research Center.
- **Graduate Medical Education**—A decrease of $582,000 ongoing General Fund to adjust the Proposition 56 revenue offset amount for a statewide grant program and maintain $40 million ongoing for graduate medical residency slots.

ONE-TIME ADJUSTMENTS

- **Climate Initiatives**—An increase of $185 million one-time General Fund to support three complementary climate initiatives, including $100 million for climate action research seed and matching grants available to researchers from the UC system and other institutions, $50 million for regional climate innovation incubators, and $35 million to establish climate workforce development and training hubs.
- **Deferred Maintenance and Energy Efficiency**—An increase of $100 million one-time General Fund for deferred maintenance and energy efficiency projects at UC campuses.
- **Dyslexia Research**—An increase of $10 million one-time General Fund to support the University of California San Francisco Dyslexia Center.

CALIFORNIA STUDENT AID COMMISSION

Administered by the California Student Aid Commission, the state's primary financial aid program is the Cal Grant Program. The Cal Grant entitlement program provides financial aid awards to students who meet specified eligibility criteria, and who attend one of the state's qualifying public institutions or independent and private institutions. Students who are ineligible for the Cal Grant entitlement program can compete for financial aid awards available through the Cal Grant competitive program.

The Budget assumes total financial aid expenditures of $3.8 billion, of which $3.4 billion supports the Cal Grant Program and Middle Class Scholarship Program. In 2020-21, approximately 141,000 students received new Cal Grant awards, and approximately 232,000 students received renewal awards.

The state's Cal Grant entitlement program is estimated to provide over 502,000 financial aid awards to students who meet specified eligibility criteria in 2022-23, including more than 170,000 awards to CCC students newly eligible due to the entitlement expansion made in the 2021 Budget Act. Students who demonstrate financial need, but do not meet all of the criteria for entitlement awards, may qualify for one of 13,000 proposed competitive Cal Grant awards. The majority of these awards provide a stipend to cover some living expenses, such as housing, food, and transportation.

SIGNIFICANT ADJUSTMENTS

- **Middle Class Scholarship**—An increase of $515 million ongoing General Fund, for a combined total of $632 million, to support a modified version of the Middle Class Scholarship Program that will focus resources toward reducing a student's total cost of attendance.
- **Learning-Aligned Employment Program**—An increase of $300 million one-time General Fund for the Learning-Aligned Employment program, which provides a two-year total of $500 million when combined with funds provided to establish the program in the 2021 Budget Act.
- **Cash for College Program**—An increase of $500,000 one-time General Fund to expand and supplement existing Cash for College Regional Coordinating Organizations that offer technical assistance to help complete college financial aid applications.

- **Financial Aid Programs**—An increase of $479,000 ongoing General Fund for 5 positions at the California Student Aid Commission to support financial aid programs.
- **Cal Grant Program Adjustments**—A decrease of $43.8 million one-time General Fund in 2021-22 and an increase of $143.8 million ongoing General Fund in 2022-23 to reflect:
    - Revised estimates of the number of new and renewal Cal Grant awardees in 2021-22 and 2022-23.
    - The impact of the UC's recently adopted cohort-based tuition model, which increases Cal Grant tuition and fee award amounts for some UC students beginning in the 2022-23 academic 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).

The CalKIDS program funds college savings accounts targeted to low-income and underrepresented public school students, in addition to establishing college savings accounts for all newborns. The 2021 Budget Act provided approximately $1.9 billion in one-time federal and state funds to establish college savings accounts for all current low-income public school students in grades 1-12 in 2021-22, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

SIGNIFICANT ADJUSTMENTS

- **Future CalKIDS Cohorts**—Approximately $170 million ongoing General Fund to establish college savings accounts for incoming first-grade cohorts of low-income public school students, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

- **CalKIDS Implementation**—An increase of $5 million one-time General Fund for CalKIDS participant notification and marketing costs, and $238,000 ongoing General Fund to support 2 additional staff for CalKIDS.
- **Financial Literacy**—An increase of $5 million ongoing General Fund for financial literacy outreach efforts that will inform families of the long-term benefits of savings associated with CalKIDS.

STUDENT HOUSING

The 2021 Budget Act established the Higher Education Student Housing Grant program to provide one-time grants for CCCs, CSU, and UC to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. The goal of the program is to expand the availability of affordable student housing, thereby relieving one of the largest financial pressures students face and supporting timely degree completion among California students.

The 2021 Budget Act also appropriated $500 million one-time General Fund for the Higher Education Student Housing Grant program in 2021-22, of which up to $25 million is available for CCC planning grants for student housing. The Department of Finance received 114 applications totaling approximately $3.2 billion from CCCs, CSU, and UC in the initial application filing round. By March 1, Finance will provide the Joint Legislative Budget Committee a list of projects proposed to be funded with the 2021-22 appropriation. The funds available in 2021-22 will be appropriated for specific projects and planning grants to be identified in subsequent legislation.

The Budget provides $750 million one-time General Fund for the second installment of a planned $2 billion one-time General Fund appropriation over a three-year period.

HASTINGS COLLEGE OF THE LAW

Hastings College of the Law 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 2020-21, UC Hastings enrolled 944 full-time equivalent students. Of these, 813 were Juris Doctor students.

SIGNIFICANT ADJUSTMENTS

- Base Growth—An increase of $2 million ongoing General Fund to support operating costs.

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

- Digitization of Significant Materials—An increase of $12.8 million one-time General Fund and $1.2 million ongoing General Fund for 9 positions, equipment, and other resources to support the digitization of historically and culturally significant materials, improved cataloging of library collections, and specialized digital concierge services for state agencies.
- Online Job Training and Workforce Development—An increase of $8.8 million one-time General Fund to support two additional years of free online job training and educational upskilling programs available through local public libraries.
- Lunch at the Library—An increase of $5 million ongoing General Fund and 2 positions to expand the number of library jurisdictions providing summer meal programs for students in low-income communities.
- Building Rental Costs—An increase of $2.2 million ongoing General Fund for increased building rental expenses at the Library and Courts II building.

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 state's comprehensive planning agency.

SIGNIFICANT ADJUSTMENTS

- Golden State Awards—$30 million one-time General Fund for the California Education Learning Lab to establish and support the Golden State Awards Program.
- Carnegie Science Grant—$20 million one-time General Fund to support a grant to Carnegie Science for the Pasadena Climate Research Hub facility.
- California Education Learning Lab Restoration—An increase of $2 million ongoing General Fund to restore the 2020 Budget Act reduction to the California Education Learning Lab's grant pool.
- Individualized Adaptive Learning—$1 million ongoing General Fund for the California Education Learning Lab to establish an open educational resources platform offering free and responsive homework modules in STEM.