

Assembly Budget Subcommittee #2 on Education Finance
Assemblymember Mervyn Dymally, Chair
Wednesday, May 17, 2006
State Capitol, Room 447
Upon Adjournment of Session

OPEN ISSUES

6440-UNIVERSITY OF CALIFORNIA (UC)					
Issue	Issue	Description		BBL/TBL	Vote
1	January 10th Budget: Support budget	<p>The Governor's proposed budget provides \$20 billion for the UC. Out of this amount, \$3 billion is General Fund.</p> <p>Members would be voting on the following items under this issue:</p> <ul style="list-style-type: none"> *\$80.5 million for a 3% increase to the basic support budget *\$14 million continuation of one-time augmentation for UC Merced *\$75 fee increase "buy out" *33% return-to-aid set aside for institutional financial aid *\$180,000 for a new 12 students cohort for the PRIME-LC program *\$375,000 to complete the system-wide implementation of the Math and Science Initiative. 			

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description		BBL/TBL	Vote
2	January 10th Budget: Enrollment Growth	<p>The Governor's proposed budget provides \$52 million for a 2.5% enrollment growth for an additional 5,149 FTES based on a revised marginal cost formula.</p> <p>Last year, the Legislature adopted SRL directing the LAO and DOF to convene a joint working group to review the current marginal cost methodology for funding new enrollments at UC and CSU and provide recommendations to be considered for the 2006-07 budget. The LAO and DOF were not able to reach a compromise on a revised marginal cost formula. DOF independently developed the formula used to calculate the marginal cost to fund new enrollments in the budget year.</p>		BBL (Attachment 1)	
3	January 10th Budget: Academic preparation programs	The Governor's proposed budget eliminates \$17.3 million in General Fund for academic preparation programs.		BBL (Attachment 2)	

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description		BBL/TBL	Vote
4	January 10th Budget: UC Research Programs	The Governor's proposed budget eliminated \$3.8 million in General Fund for labor research. Budget bill language restores the line items for UC research institutes and includes augmentations of \$6 million for labor research and education, \$4 million for Alcohol/Substance Abuse Research and \$1 million for obesity and diabetes research.		BBL (Attachment 3)	
5	May Revise DOF Letter: Includes \$300,000 to provide additional funding (Proposition 99) for tobacco-related research.				
6	May Revise DOF Letter: Includes a \$3.7 million reduction due to an enrollment target shortfall of 500 FTES in the current year.	The Legislature adopted provisional language as part of the <i>2005-06 Budget Act</i> to ensure that UC uses enrollment funding only for enrollment. If UC does not meet its goal, the Director of the Department of Finance is to revert to the General Fund the total amount of enrollment funding associated with the unmet enrollment.			
7	New Item: UC Berkeley Lab for Alternative Energy	This is a \$30 million augmentation request from 2006 bond funds to provide funding for a new energy/nanotechnology research building at the Lawrence Berkeley Lab.		BBL (Attachment 4)	

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description	BBL/TBL	Vote
8	New Item: UC-Mexico Research BBL	Addition of reporting language requirement.	BBL (Attachment 5)	
9	New Item: UC Compensation BBL	Addition of reporting language requirement for UC Compensation practices.	BBL (Attachment 6)	

6610-CALIFORNIA STATE UNIVERSITY (CSU)

Issue	Issue	Description	BBL/TBL	Vote
10	January 10th Budget: Support Budget	<p>The Governor's proposed budget provides \$4 billion for the CSU. Out of this amount, \$2.8 billion are General Fund.</p> <p>Members would be voting on the following items under this issue:</p> <ul style="list-style-type: none"> *\$75.7 million for a 3% increase to the basic support budget *\$54.4 million fee increase "buy out" *33% return-to-aid set aside for institutional financial aid \$1.1 million to complete the implementation of the Math and Science Initiative \$22.5 million to reflect retirement cost rates *\$5 million reduction to offset General Fund loss of interest from shifting student fee revenue to the CSU's Trust Fund. 		

6610-CALIFORNIA STATE UNIVERSITY (CSU)

Issue	Issue	Description		BBL/TBL	Vote
11	<p>January 10th Budget: Enrollment Growth</p> <p>April 1st DOF Letter: Includes a \$3.3 increase to provide an additional \$395 per new FTES enrolling at CSU in 2006-07.</p>	<p>The Governor's proposed budget provides \$57.7 million for a 2.5% enrollment growth for an additional 8,490 FTES based on a revised marginal cost formula.</p> <p>Last year, the Legislature adopted SRL directing the LAO and DOF to convene a joint working group to review the current marginal cost methodology for funding new enrollments at UC and CSU and provide recommendations to be considered for the 2006-07 budget. The LAO and DOF were not able to reach a compromise on a revised marginal cost formula. DOF independently developed the formula used to calculate the marginal cost to fund new enrollments in the budget year.</p>		BBL (Attachment 7)	
12	<p>January 10th Budget: Academic Preparation Programs and Student Support Services</p>	<p>The Governor's proposed budget eliminates \$7 million in General Fund for academic preparation programs and student support services programs.</p>		BBL (Attachment 8)	

6610-CALIFORNIA STATE UNIVERSITY (CSU)

Issue	Issue	Description		BBL/TBL	Vote
13	January 10th Budget: Capitol Fellows Program	<p>The Governor's proposed budget provides \$84,000 to reflect the 3 percent increase to the program's basic support budget.</p> <p>A the April 26, 2006 hearing, subcommittee members considered an augmentation request of \$230,000 to restore budget reductions in prior years and increased costs per fellow due to the student fee increases and increases in benefits costs.</p>			
14	New Item: Western Interstate Commission on Higher Education (WICHE) Dues	<p>California is one of 15 member states in WICHE. Unit the current year, California was in arrears in the payment of its dues to the organization. In the current year, the UC, CSU and CCC each paid a portion of the total amount due bringing California current.</p>		BBL (Attachment 9)	

7980-CALIFORNIA STUDENT AID COMMISSION (CSAC)

Issue	Issue	Description		BBL/TBL	Vote
15	<p>January 10th Budget: Cal Grant Program.</p> <p><i>May Revise DOF Letter:</i> Reduces \$14 million in 2005-06 and \$14.7 million in the 2006-07 to reflect revised estimate for Cal Grant costs. It also includes BBL authorizing DOF to augment the annual appropriation for the Cal Grant program to fully fund the required number of Cal Grants.</p>	<p>The Governor's proposed budget provides a \$39.5 million increase for anticipated growth in costs for the program. This adjustment includes a reduction of \$28.7 million associated with the proposed student fee "buy out" of 8 percent for undergraduate students at the UC and CSU.</p>			
16	<p>January 10th Budget: General Fund Backfill</p>	<p>The Governor's proposed budget provides \$51 million in General Fund to backfill to the Student Loan Operating Fund (SLOF). These funds were used to support financial aid programs in the current year.</p>			
17	<p>January 10th Budget: Cal Grant maximum award for private university students.</p>	<p>The Governor's proposed budget provides \$11.9 million in General Fund to increase the maximum award from \$8,322 to \$9,708 for new Cal Grant award recipients at private colleges and university.</p>			

7980-CALIFORNIA STUDENT AID COMMISSION (CSAC)

Issue	Issue	Description		BBL/TBL	Vote
18	January 10th Budget: National Guard APLE Awards	The Governor's budget proposes the authorization of 100 new warrants for this program. Payments are estimated to begin no sooner than the 2007-08 fiscal year.			
19	April 1st DOF Letter: Reduces the Commission's main support budget by \$199,000 to reflect savings related to the migration of the Student Aid Commission's web and database servers from the State's data center at the Department of Technology Services to the EdFund Data Center.				
20	New Item: Cal Grant Endowment Scholarship Program	The purpose of the program would be to establish a State endowment within the State Treasury. The program would be established as a matching grant program for institutions that raise private funds to support grant aid to low income students to provide supplemental financial aid to eligible students who have transferred from a California Community College and are enrolled in a in a California public baccalaureate degree granting institution.			

BUDGET BILL LANGUAGE (BBL)

Issue	Issue	Description		BBL/TBL	Vote
21	New Item: UC Office of the President Performance Review	Assemblymember Liu is requesting consideration of budget bill language for a Performance Review of the University of California Office of the President (UCOP)			