

# California State Assembly



## Assembly Budget Agenda

### Subcommittee No. 3 on Education Finance

Assemblymember David A. Alvarez, Chair

Wednesday, February 21, 2024  
1:30 P.M. – State Capitol, Room 444

#### I. Welcome, Introductions and Opening Statements

#### II. Student Perspectives

- Chanelle Win, Vice President of Legislative Affairs, Student Senate for California Community Colleges, Diablo Valley College and UC San Diego student
- Dominic Quan Treseler, President, Cal State Student Association, San Jose State Student
- David Ramirez, Government Relations Chair, University of California Student Association, UCLA Student

#### III. Governor's Budget Overview

- Chris Ferguson and Devin Mitchell, Department of Finance
- Jennifer Pacella, Legislative Analyst's Office

#### IV. Segment Leaders' Perspectives

- Sonya Christian, Chancellor, California Community Colleges
- Mildred Garcia, Chancellor, California State University
- Michael Drake, President, University of California

#### V. Public Comment

#### VI. Adjournment

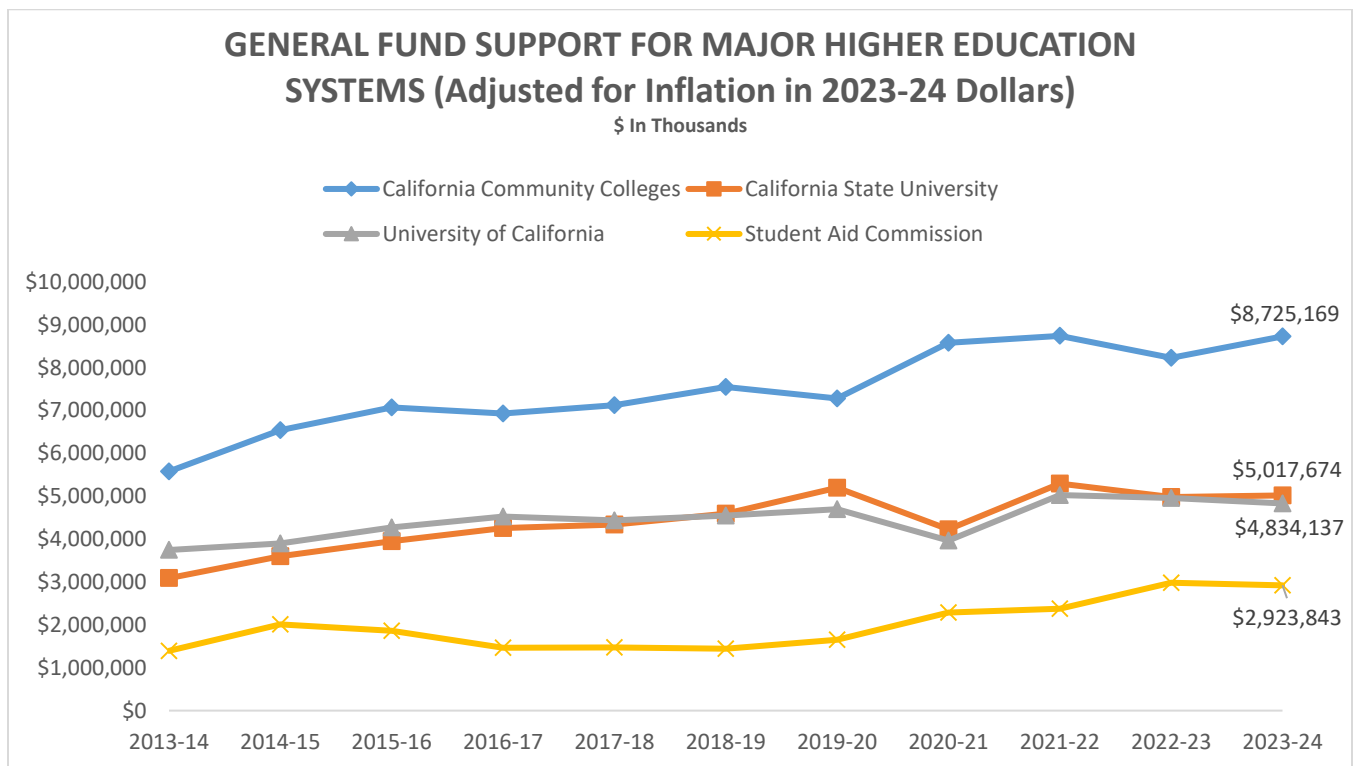
**6400 University of California**  
**6610 California State University**  
**6870 California Community Colleges**

**Issue 1: Current Higher Education Issues and Governor’s Budget Overview**

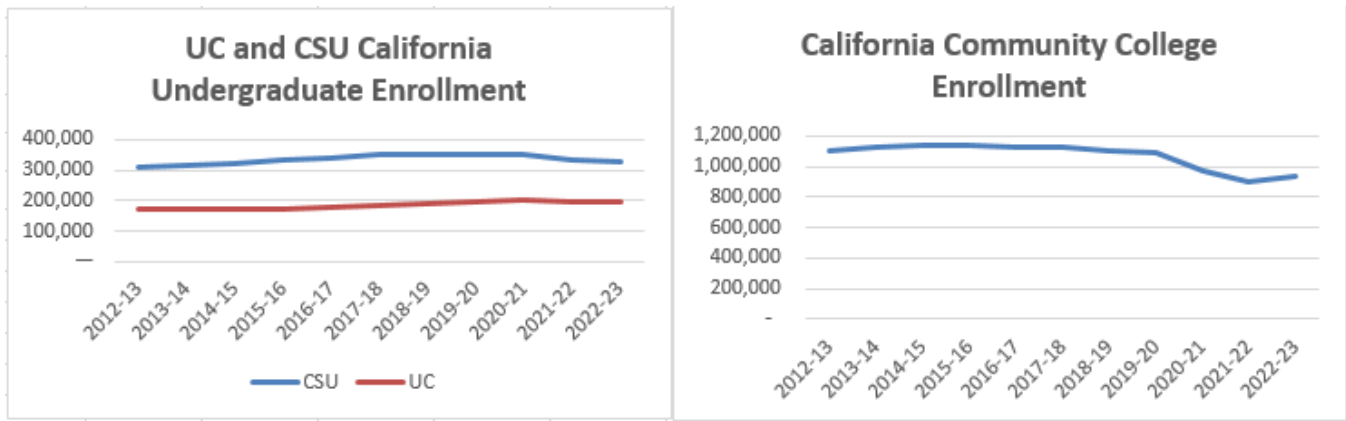
The Subcommittee will discuss the Governor's Budget proposals for the University of California (UC), California State University (CSU), and California Community Colleges (CCC), and hear perspectives from student leaders, the segment leaders and the public.

**Background**

Relatively steady increases in state funding for the University of California (UC), California State University (CSU), the California Community Colleges (CCC), and state financial aid programs in the past decade have allowed for increased student access, support for growing campus operational costs, and efforts to address college affordability issues ranging from reforms to the Cal Grant program to investments in student housing and food programs.



California enrollment at UC and CSU grew steadily between 2013 and 2020, with UC adding about 28,000 full-time equivalent students (FTES) and CSU adding more than 45,000 FTES. (Community college enrollment was relatively flat.) Enrollment trends at all three segments have been disrupted by the COVID 19 pandemic, however. Community college enrollment declined by about 20% during COVID, or about 200,000 FTES. This massive drop impacts both the CSU and UC, as transfer applications have declined. While many community colleges are reporting recent enrollment growth, most have not rebounded to pre-COVID levels. Some CSU campuses in Northern California have seen significant enrollment declines, and while demand for most UC campuses remains strong, students took fewer courses during the pandemic and that has affected FTES.



**2023 Budget Act supported ongoing costs, enrollment growth, and student support programs.** The 2023 Budget Act provided additional funding to the segments and Student Aid Commission, although a significant amount of one-time spending was shifted to bond programs in light of a projected budget deficit. Higher education actions from last year included:

- **Ongoing Increases.** 5% increases in ongoing General Fund support for both UC and CSU, marking the second year of 5% increases in accordance with the Administration’s compact with both segments. (The Administration announced five-year agreements with all three segments in 2022 that included ongoing funding increases and specific activities, such as enrollment growth and improving student outcomes. The compacts were not approved by the Legislature and spending increases must be determined by the Legislature annually in the Budget Act.) UC received a \$215.5 million increase, while CSU received \$227.3 million. UC and CSU programs supporting student basic needs, rapid rehousing and mental health services also received a 5% increase.
- **COLA.** A cost-of-living adjustment (COLA) of 8.22% for CCC, which amounted to \$678 million Proposition 98 General Fund. Some categorical programs, including student basic needs, rapid rehousing and mental health services, also received the COLA.

- *Enrollment targets for all three segments.* UC was required to increase California undergraduate enrollment by 7,800 FTES in 2023-24 when compared to 2021-22, CSU was required to increase California undergraduate enrollment by 4,057 FTES when compared to 2022-23, and CCC received funding to support 0.5% enrollment growth, or about 4,900 FTES. Preliminary data indicate that UC may fall about 1,000 FTES short of this target, while CSU may exceed its FTES target (although CSU is underenrolled based on historical funding.) Fall enrollment data at the community colleges shows significant growth over Fall 2022, but final 2022-23 and 2023-24 enrollment numbers are pending. The Subcommittee will conduct a thorough review of enrollment at a subsequent hearing.
- *Capital Outlay Financing.* A shift of more than \$3 billion in various capital outlay projects from cash to debt financing. The projects are listed on the next page in an LAO chart, and will require about \$240 million in ongoing state funding to support the financing. Both UC and CSU were authorized to issue bonds for their projects, while the Budget Act included language indicating legislative intent to create a statewide lease revenue bond in 2024 to support CCC student housing projects.

## Enacted Budget Shifts \$3.2 Billion in Higher Education Capital Projects From Cash to Debt Financing

(In Millions)

	Project Cost <sup>a</sup>	Debt Service <sup>b</sup>
<b>Projects Shifted in January</b>		
CSU Bakersfield Energy Innovation Center	\$83.0	\$5.5
CSU San Diego Brawley Center	80.0	5.3
CSU San Bernardino Palm Desert Center	79.0	5.3
CSU Fullerton Engineering and Computer Science Hub	67.5	4.5
CSU University Farms	75.0	5.0
CSU San Luis Obispo Swanton Pacific Ranch	20.3	1.4
<b>Subtotals</b>	<b>(\$404.8)</b>	<b>(\$27.0)</b>
<b>Additional Projects Shifted in May Revision</b>		
CSU student housing construction projects	\$655.2	\$52.0
UC student housing construction projects	489.0	33.5
UC Berkeley Clean Energy Project	249.0	16.7
CSU Humboldt polytechnic transition	201.0	16.0
UC Riverside campus expansion project	154.5	10.3
UC Merced campus expansion project	94.5	6.3
CSU University Farms (removed)	-75.0	—
<b>Subtotals</b>	<b>(\$1,768.2)</b>	<b>(\$134.8)</b>
<b>Additional Projects Shifted in June</b>		
CCC student housing construction projects	\$1,010.7	\$78.5
<b>Modifications Made in September<sup>c</sup></b>		
Intersegmental student housing projects (UC)	\$236.8	\$17.2
Intersegmental student housing projects (CCC)	-236.8	-17.0
<b>Totals</b>	<b>\$3,184.9</b>	<b>\$240.5</b>
<sup>a</sup> Reflects state cost of project (excluding nonstate costs). To generate near-term budget solution, the state rescinds upfront one-time General Fund for these projects (that is, it rescinds the amounts shown in this column).		
<sup>b</sup> The segments are to issue revenue bonds for the projects. The state provides ongoing General Fund augmentations to cover estimated debt service costs (that is, it provides the amounts shown in this column).		

**Governor’s 2024-25 Budget Proposals**

While overall spending on higher education would grow slightly under the Governor’s Budget proposal, the proposal also includes several “solutions” to the state’s budget problem, including deferrals, reductions and the use of reserves. Proposals include:

- A deferral of the 5% base increases for UC (\$228 million ongoing General Fund) and CSU (\$240 million ongoing General Fund) by one year. The deferral would be paid back in 2025-26, along with another 5% increase. This would require \$994 million ongoing and \$468 million one-time General Fund in 25-26.
- A deferral of \$31 million ongoing General Fund for UC in the third year of a five-year plan to replace nonresident students with California students at the Berkeley, Los Angeles and San Diego campuses. The deferral would be paid back in 2025-26, along with another \$31 million installment. This would require \$62 million ongoing and \$31 million one-time General Fund in 25-26.
- Pulling back nearly all of the \$200 million provided in the 2023 Budget Act for the Student Housing Revolving Loan Fund, and eliminating all future funding. The program, which would provide interest-free loans for affordable student housing at UC, CSU and CCC campuses, was set to launch this spring and eventually provide about \$1.7 billion in one-time General Fund over the next five years.
- Other reductions in previously planned one-time spending, including eliminating \$300 million for the UCLA Institute for Immunology and Immunotherapy (\$200 million has been provided for this project) and \$289 million for the Middle Class Scholarship program.
- Support for a .76% COLA for CCC apportionments (\$69 million Proposition 98 General Fund) and some categorical programs, and for .5% enrollment growth. Funding is available due to the Administration’s Proposition 98 proposal, which includes using \$236 million in 2023-24 and \$486 million in 2024-25 from Proposition 98 General Fund reserves.

The chart below was compiled based on LAO data and indicates ongoing core spending per FTES for the 2022-23, 2023-24 and 2024-25 fiscal years under the Governor’s Budget proposal.

Segment	2022-23 Revised	2023-24 Revised	2024-25 Proposed
CCC	\$10,442	\$11,323	\$11,733
CSU	\$21,745	\$22,317	\$22,268
UC	34,056	\$35,569	\$35,807

Figure 1

**Total General Fund Support for Higher Education Grows Under Governor’s Budget**

Ongoing General Fund (Dollars in Millions)

	2022-23 Revised	2023-24 Revised	2024-25 Proposed	Change From 2023-24	
				Amount	Percent
CCC <sup>a</sup>	\$8,234	\$8,744	\$8,854	\$110	1.3%
CSU <sup>b</sup>	5,041	5,409	5,344	-65	-1.2
UC <sup>b</sup>	4,377	4,712	4,729	17	0.4
CSAC	2,416	2,655	2,819	164	6.2
<b>Totals</b>	<b>\$20,068</b>	<b>\$21,520</b>	<b>\$21,746</b>	<b>\$226</b>	<b>1.1%</b>
Non-Proposition 98	\$12,434	\$13,331	\$13,553	\$222	1.7%
Proposition 98 <sup>c</sup>	7,634	8,189	8,193	4	0.1
Proposition 98 Reserve <sup>d</sup>	—	236	486	250	106.1

<sup>a</sup> Consists of Proposition 98 funds for CCC programs as well as non-Proposition 98 funds for CCC state operations, certain pension costs, and debt service.

<sup>b</sup> Consists of non-Proposition 98 funds for all ongoing purposes, including pensions, retiree health benefits, and debt service.

<sup>c</sup> Reflects General Fund that counts toward the minimum guarantee. The state sometimes designates some of this General Fund for one-time purposes.

<sup>d</sup> The administration proposes to withdraw the shown amounts from the Proposition 98 Reserve to support CCC ongoing apportionment costs. These amounts are excluded from the earlier portions of the table. In 2022-23, the proposed withdrawal is \$11,000.

CSAC - California Student Aid Commission.

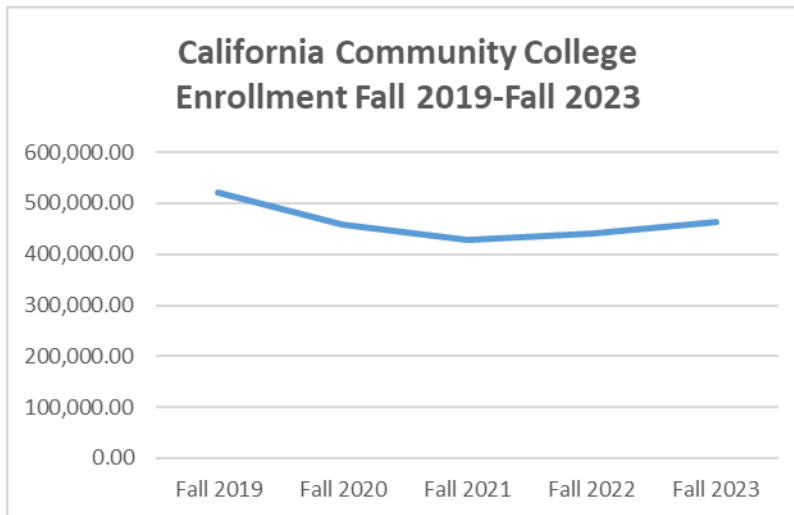
**Staff Comment/Suggested Questions**

The Subcommittee this year must balance its goals of increasing access and affordability in higher education with the reality of the state budget problem. Preserving recent investments in student-centered programs may become a priority, and spring budget hearings will allow for a review of spending to ensure state funding is focused on state priorities and campuses are doing their best to run efficient, effective programs.

Higher education faces numerous challenges and cost pressures in the next few years, including statewide demographic changes that could impact enrollment, reasonable demands from employees for fair compensation, and food and housing insecurity among students. Economic data continues to indicate that California will need more college degree recipients to support the economy, and the value of a college degree for individual families remains transformational. Support for higher education should remain a legislative priority even when facing a difficult budget year. Among issues for the Subcommittee to consider this spring:

***Enrollment demand varies by segment, and by campus, requiring differing strategies to expand degree attainment in California.*** Both the Administration and Legislature are committed to increasing access to higher education, with the Administration requiring 1% enrollment growth annually at UC and CSU and annually proposing enrollment growth funding for CCC. Recent enrollment trends at the segments have fluctuated, however. CCC enrollment plunged between 2019 and 2021. Enrollment has rebounded recently but remains below 2019 levels, as the chart indicating fall enrollment levels indicates. Only 13 of 72 college districts ended 2022-23 with higher FTES than in 2019-20. This enrollment decline could begin to impact

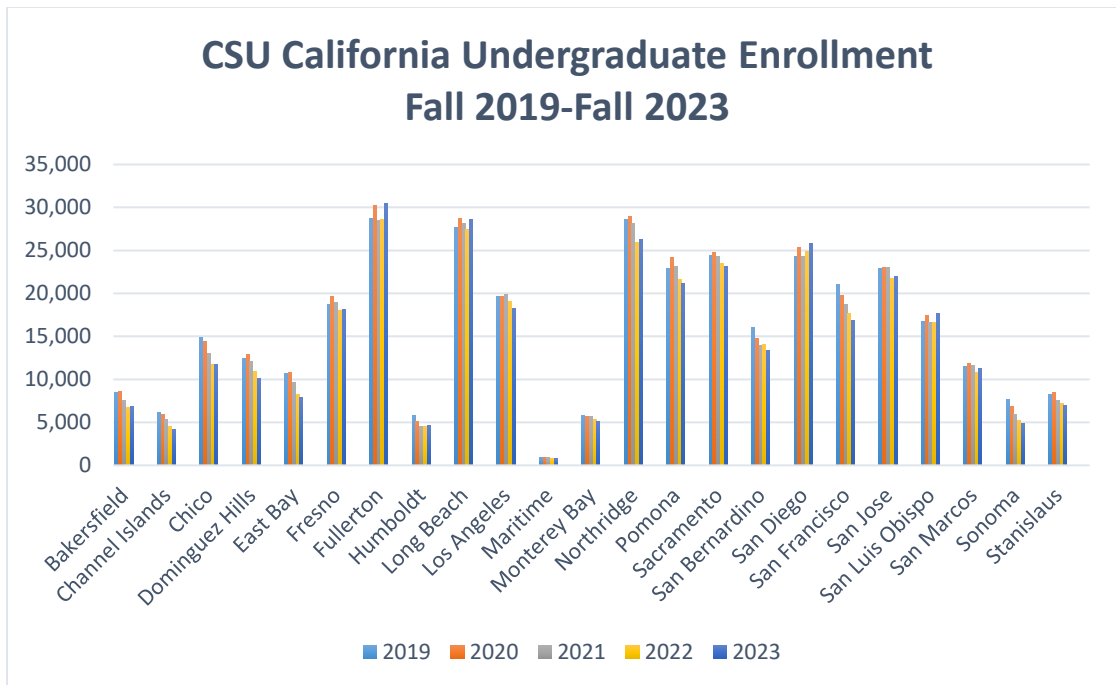
colleges' budgets in 2025-26. The state earmarked \$120 million in one-time Proposition 98 General Fund in 2021-22 and about \$150 million in 2022-23 and 2023-24 for student retention and recruitment activities, although the 22-23 and 23-24 funding was flexed in the 2023 Budget Act and colleges could use the funding for other purposes. The funding allowed colleges to contact and support students who left college early, and many colleges report a desire to continue these services in the future. The Subcommittee may wish to discuss with colleges the best ways to attract more students, including special populations such as high school students, older adults, and incarcerated students.



CSU enrollment demand varies significantly across the system, with very strong demand at some Southern California campuses and major enrollment declines at most Northern California campuses. The chart on the next page indicates Fall enrollment at each of the campuses from 2019 through 2023. Only four campuses – Fullerton, Long Beach, San Diego and San Luis Obispo – reported more FTES in Fall 2023 than in Fall 2019. CSU notes some enrollment declines may be the result of fewer CCC transfer applicants and enrolled students taking fewer courses. CSU will begin shifting some state enrollment funding away from declining-enrollment campuses in 2024-25 and toward campuses with stronger demand. Eight campuses – Channel Islands, Chico, East Bay, Humboldt, Maritime Academy, San Francisco, Sonoma and Monterey Bay – are facing cuts.

Preliminary enrollment data indicates that CSU met the undergraduate enrollment target set out in the 2023 Budget Act. Data show that a surge in summer enrollment helped CSU meet its FTES target, but Fall 2023 enrollment was flat. CSU is also over-funded for enrollment when considering historical funding, and enrollment of both undergraduate and graduate students. The Subcommittee will further review CSU enrollment trends this Spring, and discuss how to address enrollment demand at some campuses, and strategies to address under-enrollment at some campuses.





UC enrollment remained relatively flat during the pandemic, although FTES has fluctuated in recent years as students’ course-taking patterns have changed. Multiple UC campuses are among the most applied-to universities in the United States, and acceptance rates are very low: UCLA admitted just 9% of California freshman applicants in Fall 2023, with Berkeley accepting 15% of California freshman applicants. (Other campuses have much higher admit rates: Merced admitted 91% of California freshman applicants, while Riverside admitted 68% and Santa Cruz admitted 60%.)

UC enrolls a significant number of non-California students, although the percentage of nonresidents systemwide and at select campuses has decreased recently, in part due to previous budget actions that sought to cap nonresident enrollment systemwide, and replace nonresidents with California students at the Berkeley, Los Angeles and San Diego campuses. The chart on the next page shows undergraduate student headcount for the last three years, and the percentage of nonresidents at each undergraduate-serving campus.

Preliminary data indicate that UC may miss its 2023-24 enrollment target, although it did add at least 6,000 more FTES.

Access to higher education continues to be a significant Subcommittee priority, and discussions this Spring should focus on how all three segments can bring higher education courses and programs to more students.

Campus	2021-22				2022-23				2023-24 estimated			
	CA		Nonresident % of total enrollment		CA		Nonresident % of total enrollment		CA		Nonresident % of total enrollment	
	Nonresident	resident			Nonresident	resident			Nonresident	resident		
Berkeley	7,524	23,364	24.4%		7,428	24,201	23.5%		7,094	24,963	22.1%	
Davis	5,284	25,147	17.4%		5,373	24,988	17.7%		5,329	25,298	17.4%	
Irvine	5,413	22,664	19.3%		4,877	22,619	17.7%		4,992	23,439	17.6%	
Los Angeles	7,265	23,774	23.4%		6,845	24,500	21.8%		6,528	25,458	20.4%	
Merced	33	7,988	0.4%		32	7,994	0.4%		38	8,017	0.5%	
Riverside	729	21,156	3.3%		887	21,138	4.0%		927	20,670	4.3%	
San Diego	7,530	24,386	23.6%		6,937	24,934	21.8%		6,450	26,165	19.8%	
Santa Barbara	4,005	18,403	17.9%		4,180	18,376	18.5%		4,062	18,398	18.1%	
Santa Cruz	1,464	15,620	8.6%		1,341	15,597	7.9%		1,210	15,980	7.0%	
<b>UC Total</b>	<b>39,247</b>	<b>182,502</b>	<b>17.7%</b>		<b>37,900</b>	<b>184,347</b>	<b>17.1%</b>		<b>36,630</b>	<b>188,388</b>	<b>16.3%</b>	
<b>Total Berkeley, LA, SD</b>	<b>22,319</b>	<b>71,524</b>	<b>23.8%</b>		<b>21,210</b>	<b>73,635</b>	<b>22.4%</b>		<b>20,072</b>	<b>76,586</b>	<b>20.8%</b>	

**Universities signal that they can manage deferral, but face operating cost pressures even with tuition increases.** Core operating budgets for both UC and CSU are largely supported by two funding sources: state General Fund and student tuition. Both segments have recently raised tuition and will see revenue increases due to this increase (UC undergraduate students will pay \$14,436 in 2024-25, an increase of \$684 from this year, while CSU students will pay \$6,084, an increase of \$342.)

Both UC and CSU have stated in preliminary reactions to the Governor’s budget proposal that they can weather a one-year deferral of state funding increases through internal borrowing, tapping into reserves, or other strategies. Both segments have indicated that some campuses are already slowing hiring or considering other conservative budget approaches for the remainder of this fiscal year and the next.

Both the UC Board of Regents and CSU Board of Trustees approved operating budget plans for 2024-25 in the Fall, and both note significant expenditure growth.

- UC’s proposal indicated \$652.7 million in new expenses for 2024-25, for a total core operating budget of \$11.1 billion. New expenses include increases for faculty and staff compensation, employee and retiree health benefits, and energy and other inflationary cost increases.
- CSU’s budget plan includes \$412.9 million in new expenses, for a total core operating budget of \$8.7 billion. New expenses include increases for faculty and staff compensation, health premiums, insurance premiums, and institutional financial aid.

The chart on the following page was compiled by the LAO and shows expected revenues for the three segments. Even with limited or no new state funding, all three segments are expected to increase revenues in 2024-25, although the increase will not cover the budget plans adopted by the UC and CSU boards.

Both UC and CSU have stated that they will adhere to the activities and goals outlined for them in their compacts with the Governor, including enrollment growth. The Subcommittee will review segment reserves and discuss other ways for the segments to accommodate growing needs during a period of constrained state budgets.

Figure 2

**Increases in Other Core Funds Help Mitigate General Fund Situation**

Ongoing Core Funds (Dollars in Millions)

	2022-23 Revised	2023-24 Revised	2024-25 Proposed	Change From 2023-24	
				Amount	Percent
<b>CCC</b>					
General Fund <sup>a</sup>	\$7,634	\$8,189	\$8,193	\$4	0.1%
Local property tax <sup>a</sup>	3,860	4,036	4,210	175	4.3
Additional General Fund <sup>b</sup>	600	555	661	106	19.0
Additional local property tax <sup>b</sup>	451	474	496	22	4.7
Student fees	407	407	409	1	0.4
Lottery	367	316	316	— <sup>c</sup>	-0.1
Subtotals	(\$13,319)	(\$13,977)	(\$14,285)	(\$308)	(2.2%)
Proposition 98 Reserve	— <sup>c</sup>	\$236	\$486	\$250	106.1%
<b>Totals</b>	<b>\$13,319</b>	<b>\$14,213</b>	<b>\$14,771</b>	<b>\$559</b>	<b>3.9%</b>
<b>CSU</b>					
General Fund <sup>d</sup>	\$5,041	\$5,409	\$5,344	-\$65	-1.2%
Student tuition and fees	3,208	3,193	3,366	173	5.4
Lottery	83	76	76	— <sup>c</sup>	-0.1
<b>Totals</b>	<b>\$8,332</b>	<b>\$8,678</b>	<b>\$8,785</b>	<b>\$107</b>	<b>1.2%</b>
<b>UC</b>					
General Fund	\$4,377	\$4,712	\$4,729	\$17	0.4%
Student tuition and fees	5,174	5,390	5,603	213	4.0
Lottery	72	58	58	— <sup>c</sup>	-0.1
Other <sup>e</sup>	243	242	242	—	—
<b>Totals</b>	<b>\$9,866</b>	<b>\$10,412</b>	<b>\$10,642</b>	<b>\$230</b>	<b>2.2%</b>

<sup>a</sup> Proposition 98 funds.  
<sup>b</sup> "Additional General Fund" refers to non-Proposition 98 funds for CCC state operations, certain pension costs, and debt service. "Additional local property tax" refers to "excess" revenue for basic aid districts that does not count toward the Proposition 98 minimum guarantee.  
<sup>c</sup> Less than \$500,000.  
<sup>d</sup> Includes funding for pensions and retiree health benefits.  
<sup>e</sup> Includes a portion of overhead funding on federal and state grants and a portion of patent royalty income.

**Surveys continue to indicate significant housing and food needs.** All three segments report concerning percentages of students struggling to cover the full cost of attending college. About 43% of UC students were food insecure and 8% were housing insecure, according to a 2022 student survey. CSU surveys showed that 42% of students reported food insecurity, and about 11% of CSU students indicated experiencing homelessness. The need is greatest at community colleges, with two of every three students facing at least one basic needs insecurity, according to the Real College California: Basic Needs Among California Community Colleges report released last year. More than 66,000 students from 88 colleges participated in the study. The study found that half of the student respondents worried that their food would run out before they could afford to buy more, and one in three students skipped meals or ate less than they needed because they did not have enough money for food. About 60% of respondents are housing

insecure, with concerns about increased rent, mortgage, and utility rates making it difficult to pay the total living expenses.

The state has sought to address student needs, creating new ongoing and one-time funding programs to support emergency and longer-term food and housing aid. More than \$2 billion in affordable student housing projects is being financed through the Affordable Student Housing Grant Program, supporting 36 new projects and more than 15,000 new beds across the three segments. In addition, the state provides more than \$186 million in ongoing funding to support basic needs centers, rapid rehousing programs, and mental health services.

Ongoing State Funding (in millions)	UC	CSU	CCC	Total
Basic Needs Centers	15.8	26.3	43.3	85.4
Rapid Rehousing	3.7	6.8	20.6	31.1
Mental Health	21.3	15.8	32.5	69.6
<b>Total</b>	<b>40.8</b>	<b>48.9</b>	<b>96.4</b>	<b>186.1</b>

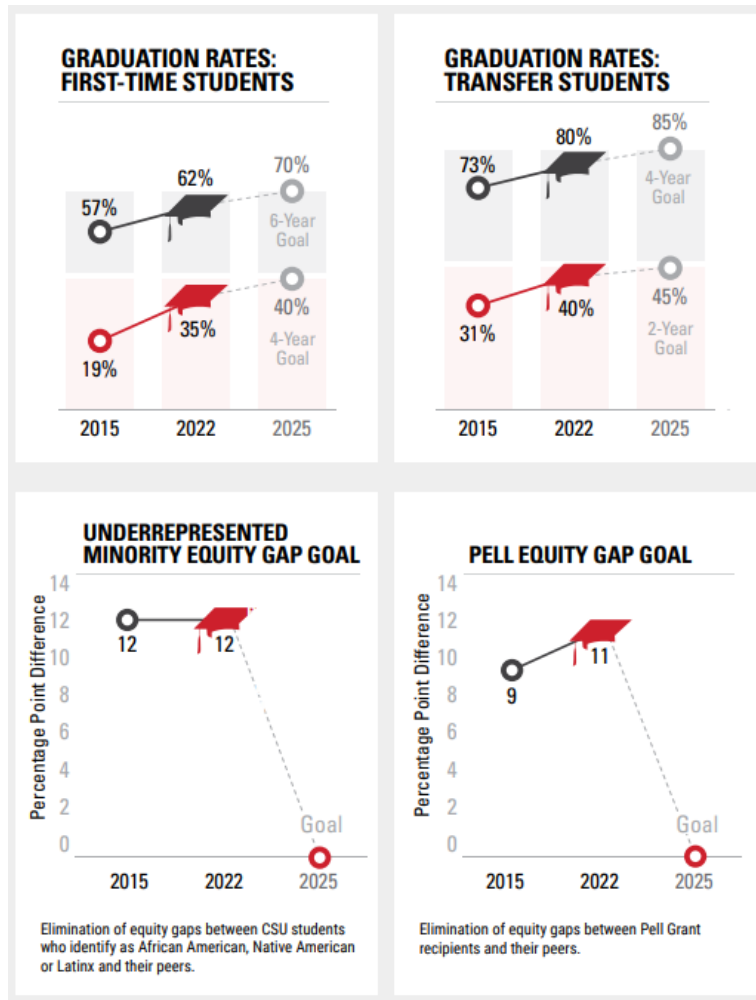
There is some indication that this investment, which many campuses’ coupled with federal COVID funding, may be helping. The recent community college student survey found that food insecurity rates have declined slightly since 2019, and students with food insecurity are twice as likely to receive CalFresh monthly food benefits as pre-pandemic. The report noted that these changes may be attributed to campus food pantries, food distribution days, and other direct-support services, as well as hands-on CalFresh application assistance.

The Subcommittee will review the Governor’s proposal to eliminate the Student Housing Revolving Loan Program, which was scheduled in the 2023 Budget Act to provide about \$1.7 billion in zero-interest loans to campuses to build more housing. The Subcommittee can also review campus food and housing programs to ensure programs are producing good student outcomes. Of particular interest in a difficult budget year will be strategies in which campuses can improve students’ use of federal benefits, such as CalFresh. The 2023 Budget Act included a requirement that campuses report on data-sharing partnerships with counties aimed at improving CalFresh usage among eligible students.

**All three segments report equity gaps in outcomes.** All three segments have goals to improve student completion rates, and all three report lower success rates for low-income and historically underrepresented students. With state funding, CSU has improved completion rates through its Graduation Initiative 2025, but equity gaps persist, as the charts on the next page

show. Graduation rates are 12% worse for African-American, Native American and Latinx students, and 11% worse for low-income students who qualify for the federal Pell Grant.

CSU Graduation Initiative 2025 Update



UC also reports lower freshman and transfer graduation rates for first generation students, Pell recipients, and underrepresented students. The chart on the next page indicates freshmen four-year graduation rates during the past four years.

UC Freshmen Four-Year Graduation Rates

	2018	2019	2020	2021	2022
All	68.1%	69.6%	71.4%	72.7%	72.8%
First gen.	60.3%	62.2%	64.3%	66.0%	65.7%
Pell	60.8%	62.4%	64.5%	67.1%	67.7%
Underrep. group	55.3%	57.4%	60.7%	62.5%	61.6%

And according to the most recent data on the Chancellor's Office, CCC student completion rates by race/ethnicity were:

- 21% for African American students,
- 22% for American Indian students,
- 40% for Asian students,
- 30% for Filipino students,
- 20% for Hispanic students,
- 23% for Pacific Islander students,
- and 33% for white students.

The Subcommittee and the segments must discuss how to close these gaps, including how to ensure that campuses are sharing best practices and running effective counseling and tutoring programs, as well as ensuring that students receive as much financial aid as they are entitled to.

***Cal Grant Reform decision will be made this Spring.*** The 2022 Budget Act enacted Cal Grant Reform but included language stating that the Administration and Legislature will decide this Spring whether funding is available to launch the program in 2024-25. The reform simplifies the Cal Grant program, allows more than 100,000 new students to become eligible for a Cal Grant, and better aligns the program with federal and institutional aid programs. Recent estimates from the California Student Aid Commission indicate the program will add about \$195 million in ongoing General Fund cost, with differing amounts of one-time funding needed in the first four years of implementation. The program has been a top priority for the Assembly. Financial aid issues will be discussed at a later hearing.

#### Potential Questions

- What strategies will the universities use to cover the proposed deferral? What are the costs and pros and cons associated with those strategies?
- Will a one-year delay in funding cause the universities to pause any programs or activities? Are campuses already slowing down some programs or activities? What impact will that have on students?
- How are universities planning to cover recent labor agreements?
- How can the Administration guarantee that funding will be available in 2025-26 to repay the universities and increase funding going forward?
- Given the changing demographics of the state, with potentially fewer high school graduates in the next several years, how are the segments thinking about enrollment

growth and their future student demographics? How can the state help segments expand higher education access even during periods of constrained state budgets?

- What are the most effective strategies for improving student retention and recruitment, particularly for declining-enrollment campuses?
- What are the segments' long-term plans for student housing? How much more housing is needed? What are the benefits and challenges for campuses as they seek to increase student housing options?
- How can campuses better partner with counties or other local government or non-profit agencies to address student basic needs? How can the state help support campus efforts to increase student access to federally-funded entitlement programs?
- How will each segment address equity gaps in its graduation rates? What are the best strategies for increasing student success?

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 3 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Mark Martin.