

**AGENDA****ASSEMBLY BUDGET SUBCOMMITTEE NO. 2  
ON EDUCATION FINANCE****Assembly Member Kevin McCarty, Chair****TUESDAY, MAY 1, 2018  
9 AM, STATE CAPITOL, ROOM 447**


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**CALIFORNIA STATE LIBRARY  
HASTINGS COLLEGE OF LAW  
OFFICE OF PLANNING AND RESEARCH  
UNIVERSITY OF CALIFORNIA  
CALIFORNIA STATE UNIVERSITY  
CALIFORNIA COMMUNITY COLLEGES**

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**6440 UNIVERSITY OF CALIFORNIA**  
**6610 CALIFORNIA STATE UNIVERSITY**  
**6870 CALIFORNIA COMMUNITY COLLEGES**

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**ISSUE 1: FACULTY DIVERSITY**

The Subcommittee will review the segments' efforts to use state funding to promote equal employment opportunities.

**PANEL**

- Susan Carlson, University of California Office of the President
- Melissa Bard, California State University Chancellor's Office
- Christian Osmeña, California Community Colleges Chancellor's Office
- Jacob Knapp, California Community Colleges Chancellor's Office

**BACKGROUND**

A growing body of research indicates the educational benefits of a diverse campus faculty, in terms of closing achievement gaps, improving campus climate and expanding areas of instruction, research and public service. For example, a study published in 2014 at a California community college showed that underrepresented minority students who were taught by underrepresented minority instructors were able to close the achievement gap by 20% to 50%. The study found that the interactions between underrepresented minority faculty and underrepresented minority students also affected longer-term student outcomes such as subsequent course selection, retention, and degree completion.

The 2016 and 2017 Budget Acts provided UC and CSU with \$2 million one-time General Fund to support equal employment opportunity practices. Additionally, the community college budget includes a categorical program dedicated to equal employment opportunity practices that averages about \$2.7 million annually. Additional funding for community colleges in this area comes from fines assessed to colleges who fail to meet faculty hiring obligations; this funding has ranged in recent years from \$2.3 million in 2016-17 to \$1.3 million estimated for 2018-19.

The following information includes faculty demographics for the three public segments, and a summary of how the segments have used recent funding related to this issue.

UC

UC reports that 66.5% of its ladder rank faculty are male, while 33.5% are female. Race/ethnicity of ladder rank faculty as of October 2017 is below.

Ladder Rank Faculty by Ethnicity/Race	Percentage
White - Domestic	56.6%
White - International	12.5%
Asian/Pacific Islander/Native Hawaiian - Domestic	9.3%
Asian/Pacific Islander/Native Hawaiian - International	7.6%
Hispanic/Latino - Domestic	4.5%
Hispanic/Latino - International	1.9%
Two or More/Other/Unknown - Domestic	2.7%
Two or More/Other/Unknown - International	1.3%
Black/African/African American - Domestic	2.6%
Black/African/African American - International	0.4%
American Indian	0.5%

UC used the extra state funding in 2016-17 and 2017-18 to support specific departments' efforts to reform and enhance faculty hiring practices. The summary below is excerpted from a November 2017 report to the Legislature:

**Summary of 2016-17 program.** After consultation with offices in Sacramento, UC adopted the 2016-17 approach to select campus units to act as pilot sites during the course of the 2016-17 faculty recruitment cycle. This allowed UC to make targeted expenditures on pilot units that 1) needed to make progress in faculty diversity; 2) had demonstrated a commitment to improve faculty diversity; and 3) had the capacity to develop practices that can be adopted more broadly with sufficient future funding.

Three campus programs were funded, one each at UC Davis, UC Riverside, and UC San Diego. UC also used funding to conduct research on activities and outcomes, and compared all three efforts to efforts at other, similar departments on other campuses.

Overall, the outcome of the interventions is encouraging, including a substantial increase in the percentage of underrepresented minority (URM) and female faculty as finalists in all three pilot units and of those hired in two pilot units, and an increase in the number of new faculty who have made valuable contributions to diversity across all pilot units, which will improve the campus climate for women and URMs and promote equal opportunity for all members of the academic community. It is clear that the infusion of funds into the pilot units made a difference in faculty diversity relative to their past performance and to the comparator units.

**Summary of 2017-18 program.** Building on the success of the 2016-17 Advancing Faculty Diversity program, UC is continuing most of the program elements into the 2017-18 year, including targeted funding for four innovative programs that also make further use of some of the successful interventions from the 2016-17 year. To select the pilot units for the second year of funding, on July 31, 2017, the UC Provost invited each campus to propose an intensified approach to hiring a more diverse faculty in a selected unit with adoption of specific interventions from the 2016-17 program. Campuses submitted strong proposals, each drawing from on-going campus efforts and from the successful interventions by the year one pilot units. They proposed to use the additional funds to support a discipline, school, or department poised to make significant advances in faculty diversity. The proposals were innovative and illustrative of how much the campuses are already engaged in this issue. The best proposals had pilot units with deep understanding of and support for a more diverse faculty and had demonstrated some kind of prior success (with hiring women, for example). They also show that a sizable investment targeted at supporting these efforts might facilitate more diverse hiring.

Review criteria were established and communicated to campuses prior to submission of the proposals and a group of six faculty and academic administrators reviewed the submissions; the President's Office selected four campus units to receive the bulk of the funding as pilots:

- College of Engineering at UC Berkeley;
- Science, Technology, Engineering, and Mathematics Schools at UC Irvine;
- Biomedical Sciences at UC San Francisco;
- Department of Economics at UC Santa Barbara.

In addition to funding specific departments' efforts in 2016-17, UC also studied similar department's hiring efforts and past hiring efforts of the pilot departments to gauge the impact of the extra funding. UC concluded that the extra funding did have a positive impact.

**Lessons learned.** UC concludes that the interventions that appear to have been the most successful in the three 2016-17 pilot units were as follows:

- Enhanced outreach through personal contacts, use of databases, and targeted ads;
- Associated use of President's Postdoctoral Fellowship Program/Chancellors' Fellowship Programs recruitments;
- Targeting potential faculty slightly earlier in their careers through support for postdoctoral work;
- Strong leadership from the Dean, including an active role in decision-making;
- Rubrics to guide decision-making by faculty members;
- Use of "contributions to diversity statements" in candidate evaluation; and
- Partner opportunity investments.

**CSU**

CSU reports that 53.3% of tenure-track faculty are male, while 46.7% are female. Race/ethnicity of tenure-track faculty as of Fall 2017 are shown below:

<b>Tenure-Track Faculty by Ethnicity/Race</b>	<b>Percentage</b>
White	65.1%
Asian	7.6%
Hispanic/Latino	4.5%
Two or More Races	2.7%
Black or African American	2.6%
Unknown	1.3%
American Indian	0.5%
Native Hawaiian/Pacific Islander	0.4%

**Summary of 2016-17 program.** CSU has used different approaches with its funding. Below is a description of how the CSU used funding in 2016-17.

- *Pipeline program recruitment incentives.* \$200,000 was allocated to campuses who hired participants in our “pipeline” programs that support doctoral attainment by individuals with the motivation, skills, and ability to teach our diverse students. These funds are being distributed to the ten campuses that hired a total of 15 participants in the Chancellor’s Doctoral Incentive Program into tenure-track positions effective fall 2017. Funds are being used to defray the costs of “start-up” funding for these new faculty.
- *Support for system-level outreach to conferences and organizations that reach underrepresented minorities in higher education.* \$130,000 was used to support the Chancellor’s Office and campus representatives’ participation in various programs and conferences, including the PhD Project, which supports minority scholars in business fields in pursuing their doctorates and becoming faculty members, the Society for the Advancement of Chicanos and Native Americans in Science conference, the annual Hispanic Association of Colleges and Universities (HACU) conference, the American Association of Hispanics in Higher Education annual conference.
- *Grants for campus pilot projects to recruit and retain diverse faculty.* CSU San Marcos was granted \$73,000 to support the creation of two half-time Faculty Director positions in support of increasing faculty diversity and developing retention strategies. In addition, the campus is using the funds to send individual faculty to network and recruit at broad-based national diversity conferences as well as discipline-specific conferences.
- *Faculty 2025.* About \$30,000 was distributed to each campus to adopt recognized best practices for recruiting and retention, as well as actions that could produce immediate results.

- *Additional uses of funds.* The remaining funds are being used as follows:
  - \$200,000 for pipeline program recruitment incentives in 2017/18.
  - System-led activities including development of expanded training, data collection on barriers to success in recruiting and retaining faculty of color, and a system-wide “summit” for campus teams (approximately \$100,000).
  - Up to \$200,000 for project evaluation.
  - The remaining funds (approximately \$200,000) will be available to support small campus grants or to augment funding for the Advancing Faculty Diversity program.

**Summary of 2017-18 program.** CSU changed its approach in 2017-18. Funding is being spent in this manner:

- *Advancing Faculty Diversity (\$1,900,000).* The bulk of the allocation for 2017/18 has been targeted to focused projects intended to improve faculty diversity at a campus or college level. After a request-for-proposal process, awards are being distributed to fund activities over the 2018 calendar year, associated with the 2017/18 and/or 2018/19 tenure-track recruitment cycle; all funds must be expended by December 31, 2018. Campuses receiving funding are:
  - Fresno
  - San Bernardino
  - Sacramento
  - Channel Islands
  - Dominguez Hills
  - Northridge
  - Humboldt
  - Los Angeles
  - San Francisco
  - San Jose
- *Administrative support.* Approximately \$100,000 has been set aside to support the hiring of a temporary staff member who will provide administrative support to the Advancing Faculty Diversity program, coordinate logistics for the advisory committee, system-wide meetings, and outreach activities, monitor budgets, compile data on activities and outcomes from both the Advancing Faculty Diversity program and the smaller awards made to all campuses, and prepare reports as necessary. The staff member will also coordinate the compilation and development of a web-based resource bank available to all campuses. In addition, a portion of the funds set aside will be used to expand the duties of an existing manager, who will take a lead role in outreach to underrepresented communities, development of a prospect database, and providing direction to the temporary staff member.

## Community Colleges

Community colleges report that 54.5% of tenured or tenure-track faculty are female, while 45.5% are male. Race/ethnicity of tenured or tenure-track faculty as of Fall 2017 are displayed below:

CCC Tenured/Tenure-Track Faculty by Ethnicity/Race	Percentage
White	60.2%
Hispanic	16.4%
Asian	9.4%
African-American	5.9%
Unknown	5.9%
Multi-Ethnicity	1.3%
American Indian/Alaskan Native	0.7%
Pacific Islander	0.4%

As noted earlier, community colleges have an equal employment opportunity categorical program with ongoing Proposition 98 General Fund. About \$2.7 million was provided in the categorical in the current year, and the same amount is proposed for the budget year. In addition, funding is increased due to penalties assessed to colleges who fail to meet faculty hiring obligations, which can increase the funding available in the categorical.

The Chancellor's Office made changes to the categorical program in 2016 to require colleges to engage in certain activities – referred to as Multiple Methods - to be eligible for funding. The activities include:

### Pre-Hiring

- District's EEO Advisory Committee, EEO Plan, and expenditure/performance Reports (required for funding)
- Board policies & adopted resolutions
- Incentives for hard-to-hire areas/disciplines
- Focused outreach and publications

### Hiring

- Procedures for addressing diversity throughout hiring steps and levels
- Consistent and ongoing training for hiring committees

### Post-Hiring

- Professional development focused on supporting diversity
- Diversity incorporated into criteria for employee evaluation and tenure review
- Grow-Your-Own programs

To qualify for funding under the Multiple Methods EEO Fund allocation model, districts must meet Multiple Method 1 (have an EEO Advisory Committee and EEO Plan, and have submitted their expenditure/performance reports) plus a minimum of five of the

remaining eight Multiple Methods. According to a 2017 report, as of June 1, 2017, almost 96% of districts had an active EEO Plan on file with the Chancellor's Office.

**STAFF COMMENT**

UC has been asked to provide specific numbers related to hiring in 2016-17, which were not included in their report. However, UC's approach of funding specific departments who were engaged in several faculty recruitments appears to have widened the pool of applicants and hires. Research into outcomes has provided some early indicators of successful strategies.

The Subcommittee may wish to consider future funding and policy options in terms of how some strategies can be scaled up and used across departments and campuses.

**ISSUE 2: HUNGER FREE CAMPUS PROGRAM**

The Subcommittee will review the segments' implementation of the Hunger Free Campus program, which was included in the 2017 Budget Act.

**PANEL**

- Tim Galarneau, University of California Santa Cruz
- Ruben Canedo, University of California Berkeley
- Denise Bevly, California State University Chancellor's Office
- Christian Osmeña, California Community Colleges Chancellor's Office
- Colleen Ganley, California Community Colleges Chancellor's Office

**BACKGROUND**

Food insecurity for California college students is an increasing issue on most campuses. For example, according to a study of CSU students released in January, nearly 42% of CSU students reported food insecurity, with 20% experiencing low food security and 21.6% experiencing very low food security. National prevalence rates for food insecurity among U.S. households in 2016 was 12.3% (low and very low food security combined), making the case for college students emerging as a new food insecure population of concern, having a far higher risk of food insecurity than the general U.S. population.

The 2017 Budget Act created the Hunger Free Campus program, which provided funding to all three public segments to encourage campus activities aimed at addressing student food insecurity issues. The budget provided UC and CSU with \$2.5 million one-time General Fund and the community colleges with \$2.5 million one-time Proposition 98 General Fund to support this program. Trailer bill language called on campuses to conduct the following activities to be eligible for funding:

- Designate an employee to help ensure that students have the information that they need to enroll in the CalFresh program;
- Operate an on-campus food pantry or regular food distributions on campus;
- For UC and CSU, create a meal sharing program that allows students to voluntarily donate unused meal plan credits to be distributed for use by students in need to access dining halls or to support an on-campus food pantry.

Below is a brief summary of how the segments used this funding. All three segments will provide testimony regarding implementation of this program and other food insecurity issues.

**UC.** UC distributed funding to each of its 10 campuses, after campuses submitted plans to the Office of the President and agreed to meet statutory requirements. The Food/Basic Needs Access and Security Committee on each campus, which is comprised of faculty, staff, undergraduate and graduate students, and community partners, took the lead in selecting funding priorities and drafting their respective implementation plans. The committees then gathered feedback through town halls and one-on-one consultations with a variety of stakeholders, including student government representatives, student organizations, Vice Chancellors for Student Affairs, individual faculty and staff members, and relevant departments on campus.

All UC campuses are proposing to provide undergraduate and graduate students experiencing low levels of food insecurity with access to meals. Depending on the campus, meal access will be provided in a variety of ways, including through expansion of campus meal sharing programs, provision of supplemental meal swipes, grocery store gift cards, and low-cost prepared meals for distribution across campus pantry sites, as well as racks with non-perishable healthy snacks at strategic resource centers that serve marginalized, undocumented, and LGBT students – populations identified as vulnerable to higher-than-average levels of food insecurity. Some campuses also plan to provide emergency pre-paid meal plans to non-CalFresh eligible students with higher levels of food insecurity. Others are proposing to augment the quantity and quality of nutritious food products offered at their pantries, and to provide counseling on the availability of basic needs resources located both on- and off-campus.

Every UC campus is proposing to organize CalFresh enrollment clinics to provide students with application assistance support. More specifically, four of the ten campuses plan to host a handful of mega or super clinics that aim to facilitate the submission of high numbers of pre-screened CalFresh applications. The rest of the campuses will host smaller clinics at higher frequencies. In addition, campuses have allocated funding to support the production of enhanced CalFresh marketing materials, expand the availability of EBT capability at campus markets, and purchase equipment and supplies for the sole purpose of supporting student CalFresh application submissions.

The majority of campuses seek to invest funds in improving space, storage, and equipment for their pantries. Four campuses, for example, have proposed to renovate, relocate, or create space on campus that will enable the centralization of basic needs programming, and to better support cooking demonstrations, cold kitchen storage for perishable food items, additional storage for non-perishable foods, and improved security. Six campuses have also proposed to spend a portion of their allocations on either the purchase or lease of vehicles to support food pick-up, recovery, and distribution efforts. Vehicles include cargo vans, mobile food distribution carts, food recovery cargo bicycles, and a box truck. Some campuses will dedicate funds to improving their campus community gardens and continue supporting pop-up/mobile pantries. In addition, one campus will provide Lyft subsidies to students in need of

transportation to and from grocery stores, and ZIP car subsidies for those who cannot be reasonably served by Lyft.

Because Hunger-Free Campus program funds must be spent by June 30, 2018, campuses understand they need to hire only short-term staff to support campus programs. To that end, all campuses will award workstudy or stipends to undergraduate and graduate students to fill critical staffing positions such as CalFresh outreach and enrollment interns, graduate student CalFresh ambassadors, student staff researchers to conduct data assessments, program coordinators, food recovery advocates, and full-time, but temporary, managers to provide leadership and coordination of all food/basic needs resources. Some campuses also seek to hire additional interns for their food pantries, pop-up sites, and community gardens.

**CSU.** Every campus received funding, ranging from \$40,000 to \$150,000. Campuses were asked to respond to a request-for-proposal that was broken into three parts:

- **Required Activities.** Campuses were asked to implement the statutory requirements;
- **Encouraged Activities.** Campuses were asked if they have a campus-wide basic needs committee, a website or webpage that links students to various campus and community resources regarding food and housing insecurity, and other issues, such as office space on campus dedicated to basic needs, or an emergency housing program;
- **Innovation.** Campuses were asked to propose innovative strategies for addressing student needs. CSU reports that some of these ideas included a Cal Fresh training tool that can be shared with other campuses, the development of a secure parking area for students who are sleeping in their cars, and a thrift store where students can donate or obtain used items.

**Community Colleges.** In preparation for implementing this program, the Chancellor's Office conducted a systemwide survey regarding food security resources available to students. About 92% of the colleges responded. Survey results include:

- 68.4% reported campus based food pantries
- 47.7% reported collaborating with their local food banks
- 61.7% reported Cal Fresh application assistance

The Chancellor's Office utilized existing apportionment processes to distribute the Hunger Free-Campus funds to all 114 campuses. The allocations enabled a multitude of food security related activities across the system. Listed below is a sample of the activities occurring across the CCC system. Additional system wide data will be available in May.

- Cal Fresh Enrollment Information and enrollment Support Services
- Expanding Campus Food Pantries
- Establishing Hot Meal Voucher Programs
- Developing Meal Donation Give Back Programs

- Providing Financial Literacy and Responsibility Programs
- Developing Feed 4 for \$10 Programs
- Creating Farmers Market Donation Programs
- Establishing Community Garden Programs

**STAFF COMMENT**

This is an emerging issue at most or all California college campuses, and the state appropriation appears to have helped further work on many campuses to support needy students. Staff notes that both the CSU and community college systems have convened or are planning to convene basic needs conferences this year, and UC Office of the President has provided funding to campuses since 2015 to address food insecurity issues.

All three segments have been asked to share ideas with the Subcommittee on how the state can further support campuses in this critical work.

**6120 CALIFORNIA STATE LIBRARY**

The LAO compiled the following chart, which details the California State Library budget:

**California State Library Budget**

(Dollars in Millions)

	2016-17 Actual	2017-18 Revised	2018-19 Proposed	Change From 2017-18	
				Amount	Percent
<b>Local Assistance</b>					
Library Services and Technology Act	\$11.3	\$11.3	\$11.3	—	—
Statewide Library Broadband Services Program	2.5	2.5	7.5	\$5.0	202%
Library Literacy and English Acquisition Program <sup>a</sup>	4.8	7.8	7.3	-0.5	-6.4
California Library Services Act	6.6	3.6	5.1	1.5	39.9
Telephonic Reading for the Blind	0.6	0.6	0.6	—	—
State Government Oral Histories Program	—	—	0.3	0.3	N/A
Civil Liberties Public Education Program	1.0	3.0	—	-3.0	-100
California Historical Society	1.0	—	—	—	—
<b>Subtotals</b>	<b>(\$27.7)</b>	<b>(\$28.7)</b>	<b>(\$31.9)</b>	<b>(\$3.2)</b>	<b>(11.1%)</b>
<b>State Operations</b>					
State Library Services	\$21.5	\$19.1	\$19.0	-\$0.1	-0.4%
Library Development Services	3.1	3.2	3.7	\$0.5	15.7
Information Technology Services	2.0	2.4	2.2	-0.2	-8.8
<b>Subtotals</b>	<b>(\$26.6)</b>	<b>(\$24.7)</b>	<b>(\$24.9)</b>	<b>(\$0.2)</b>	<b>(0.8%)</b>
<b>Totals</b>	<b>\$54.3</b>	<b>\$53.5</b>	<b>\$56.9</b>	<b>\$3.4</b>	<b>6.4%</b>
<b>Funding</b>					
General Fund ongoing	\$28.5	\$26.3	\$29.4	\$3.2	12.2%
General Fund one time	5.0	6.2	6.5	0.2	3.8
Federal Trust Fund	18.2	18.3	18.4	— <sup>b</sup>	0.1
Other <sup>c</sup>	2.6	2.6	2.6	— <sup>b</sup>	-1.8
<sup>a</sup> Consists of the California Library Literacy Services and Career Online High School programs.					
<sup>b</sup> Less than \$50,000.					
<sup>c</sup> Includes California State Law Library Special Account, Central Service Cost Recovery Fund, and the Deaf and Disabled Telecommunications Program Administrative Committee Fund.					

Staff notes that in addition to the Governor's proposals, the Subcommittee has received a letter from the California Council of the Blind to provide ongoing General Fund support of at least \$400,000 for two library programs for the visually impaired. The Braille and Talking Book Library provides library services in Northern California for patrons with vision loss, and the Braille Institute Library in Los Angeles provides the same services in Southern California. The State Library has used federal funds to support both programs, but federal funding has declined and has been proposed to be eliminated. The California Council of the Blind believes some ongoing state funding would help maintain these programs.

### ISSUE 3: INTERNET CONNECTIVITY PROPOSALS

The Subcommittee will discuss four proposals in the Governor's Budget related to library internet connectivity issues, including \$3 million one-time General Fund to allow local libraries to replace or upgrade infrastructure to increase internet speeds and allow more users, and \$2 million one-time General Fund to help local libraries connect to the state's high-speed Broadband internet network.

#### PANEL

- Daniel Hanower, Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- Greg Lucas, California State Library

#### BACKGROUND

**State Contracts With Nonprofit Entity to Provide Internet Backbone to Education Segments.** The State pays for schools, the California Community Colleges, the California State University, the University of California, and local libraries to access a high-speed Internet backbone managed by a nonprofit entity, the Corporation for Education Network Initiatives in California (CENIC). The ongoing annual cost for each educational segment to access the CENIC-managed backbone traditionally has been \$4.5 million. Local libraries are treated as one segment for CENIC billing purposes. The libraries' portion of the backbone cost is covered equally by state General Fund and the California Teleconnect Fund (each pay \$2.25 million). The \$4.5 million annual charge does not cover the ongoing service costs for Internet connectivity between library sites and the backbone, nor does it cover one-time infrastructure costs of connecting library sites to the backbone.

**State Still in Process of Connecting Local Libraries to Internet Backbone.** In 2014-15, local libraries began the process of connecting to the CENIC-managed backbone. Central libraries function as "hubs," generally connecting to the backbone first, then branches connect to their hubs. As of March 2018, 120 of the state's 184 central libraries were connected to the backbone, and as many as 14 central libraries are considering connecting in 2018-19. Of the State's 1,125 library branches, 500 are

connected to the backbone, 232 are in the process of connecting, and 90 are considering connecting in 2018-19.

The remaining 303 sites use other Internet providers. To assist local libraries in connecting to the CENIC-managed backbone, the state has provided \$6 million in one-time grant funding since the 2014 Budget Act. The \$6 million has been distributed to libraries with several stipulations. Specifically, central libraries could receive up to \$30,000 each, and branches associated with the central library could receive \$15,000 each for up to four branches (totaling maximum funding for a central library and its branches of \$90,000). In addition, libraries with more resources have been required to match state funding. The administration indicates that to date, local libraries have contributed a \$7.6 million match to connect to the backbone.

***Local Libraries Receive Other Internet Discounts.*** In addition to state funding for infrastructure costs to connect to the CENIC-managed backbone, local libraries are eligible for certain discounts to help them pay their monthly Internet service charges. Most notably, the federal E-Rate program covers up to 90 percent of libraries' service costs, depending on the number of students receiving federally subsidized free and reduced-priced meals in the region. The state's California Teleconnect Fund covers 50 percent of remaining costs after accounting for E-Rate discounts. For schools and libraries that do not apply for E-Rate, the CTF covers 50 percent of costs after assuming the average E-Rate coverage of 70 percent.

***State Provides Funding to Library Group to Help Coordinate Internet Procurement and Payments.*** Beginning with the 2015 Budget Act, the state began providing the State Library with \$225,000 annually to contract with the nonprofit library consortium Califa—a group working on behalf of more than 220 libraries (including school libraries and local central libraries). The State Library contracts with Califa to coordinate various tasks related to CENIC. Specifically, Califa (1) serves as the billing agent for libraries connecting to the CENIC-managed backbone, (2) helps prepare bundled requests for Internet service discounts, and (3) helps process E-Rate reimbursements.

### **Governor's 2018-19 Budget Proposal**

The Governor's Budget includes four proposal related to library internet connectivity issues:

#### ***Provides \$3 Million One Time to Increase Internet Capacity at Local Library Hubs.***

The Governor provides funding to replace or upgrade infrastructure at local library Internet hubs to allow them to handle more library branch users. Specifically, the funding could be used for infrastructure upgrades (typically additional fiber with greater Internet speeds), equipment that can accommodate more users at higher speeds, and other costs associated with the upgrades (for example, new internet routers). The Governor indicates that libraries plan to begin a process in July 2018 to determine whether they will upgrade from 1 gigabyte of speed to 10 gigabytes of speed. Any funding not used to increase Internet capacity and speeds at hubs could be used to help connect libraries not already connected to the backbone. Funding would be prioritized for local libraries in areas of the state with the highest concentrations of students receiving federally subsidized free and reduced-priced meals. Local libraries with greater resources would be required to provide a match. The Governor was unable to

provide an estimate of how many hubs or branches are expected to benefit from the proposal.

***Provides \$2 Million One Time for Internet Equipment Grants.*** The Governor provides an additional \$2 million for Internet Equipment Grants to help local libraries cover the one-time costs of initially connecting their infrastructure to the CENIC backbone. The Governor indicates that the new funding would be used to connect library branches that did not connect previously because of the four library branch cap, as well as provide funding to other jurisdictions and branches that wish to connect. Califa's preliminary estimate is that 14 central libraries and 90 branches are interested in connecting their infrastructure to the CENIC backbone in 2018-19. It expects to have final estimates later this spring.

***Provides \$350,000 Ongoing for Increases in CENIC Costs.*** The Administration indicates that CENIC "inadvertently misquoted" the costs of the State Library's contract beginning in 2014-15 (the first year of the contract). This resulted in an ongoing shortfall in the State Library's payment to CENIC for access to the backbone. Specifically, the Administration indicates the original contract cost estimate did not include telecommunication surcharges and taxes, such as for the Lifeline Program, the California Teleconnect Fund, and the Deaf and Disabled Telecommunications Program. During the initial years of the contract, the administration indicates CENIC has covered these costs on behalf of the State Library. Beginning in 2018-19, the Governor proposes the State Library begin paying \$163,000 for the surcharges and taxes. (The total cost for surcharges and taxes is \$326,000—the other half is covered by the California Teleconnect Fund). The Governor also proposes the State Library pay an additional \$100,000 for cost increases associated with backbone services—specifically to fund more staff at CENIC. (The total cost for the staff increase is \$200,000, with the other half of the cost covered by the California Teleconnect Fund.) Lastly, the Governor proposes to have the State Library give CENIC \$87,000 annually as a General Fund cushion for potential tax and surcharge increases. The Administration indicates that this cushion is needed because historical trends have shown that taxes and surcharges are likely to increase. All these changes combined bring the annual costs of accessing the CENIC backbone for local libraries from \$4.5 million to \$5.1 million (\$2.6 million GF and \$2.5 million California Teleconnect Fund).

***Provides \$138,000 Ongoing for a New Position at the State Library to Oversee Local Library Internet.*** The Governor funds a new full-time Library Programs Consultant at the State Library, who would perform various tasks associated with the CENIC effort. The Administration indicates that the position's primary responsibility would be to help libraries obtain Internet services discounts. Other responsibilities would include (1) providing general oversight of the project and its partners, (2) generating data about library connectivity and producing related reports, and (3) developing a strategy for broadband execution at libraries. Currently, one State Library employee is dedicated partly to overseeing the CENIC effort and partly to overseeing federal grants.

**LAO Recommendation**

The LAO recommends rejecting the \$3 million proposal to provide funding to local library hubs to upgrade their Internet capacity, suggesting the Legislature first have libraries conduct an Internet capacity needs assessment, which they already plan to begin undertaking in July 2018.

The LAO withholds a recommendation on the \$2 million proposal until Califa has collected final counts of the number of libraries that wish to connect to the CENIC-managed backbone in 2018–19.

The LAO withholds a recommendation on the \$350,000 proposal, stating it has concerns with this proposal as to why the costs of the contract were initially misquoted by CENIC given the Legislature used that information in determining whether to fund the project. Additionally, the LAO is concerned with the Governor’s proposed “cushion,” as the state could be providing funding that is not needed to cover contract costs.

The LAO also states that more justification is needed for funding a new position or part of a new position at the State Library to oversee Internet-related activities, noting that current State Library and Califa staff perform some of the duties being proposed for the new position.

**STAFF COMMENT**

Staff notes that this Subcommittee has for several years championed the effort to better connect local libraries to the high-speed internet services. State support has paid off: before 2014, only 29 of the state's 184 central libraries were connected to the CENIC system; that number has grown to about 143 – a major increase.

While local libraries are largely funded by local governments, these small, one-time state grants have proven to be an effective way in which the state can support libraries without increasing out-year General Fund obligations. Staff has no concerns with the \$3-million and \$2-million proposals.

Regarding the new position, staff notes that a new position may be warranted as libraries continue to move toward more internet services. Applying for federal discounts is very cumbersome and difficult, and a statewide point person who can help libraries access all federal aid appears to be a good use of state funds. Additionally, the higher CENIC costs are due to a previous oversight and appear to be justified.

The Subcommittee has received a letter of support for these proposals from the California Library Association.

**ISSUE 4: RESOURCE SHARING PROPOSAL**

The Subcommittee will discuss the Governor's budget proposal to augment the California Library Services Act program by \$1.45 million one-time General Fund.

**PANEL**

- Daniel Hanower , Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- Greg Lucas, California State Library

**BACKGROUND**

***Federal Program Provides Grants That Can Be Used for Local Libraries to Purchase and Deliver Books.*** The federal Library Services and Technology Act (LSTA) is a program administered by the State Library that provides grants to libraries for local initiatives. Since 2011–12, the State Library has awarded about \$300,000 total in LSTA funding to local libraries for the “Zip Books” program. When a local library does not carry a book, Zip Books allows library patrons to request books at their local library and the library purchases the book from Amazon. Amazon then sends the book directly to library patrons’ homes. Patrons then bring the book back to their local library, where the library can add it to their collection, send it to another library to keep in their collection, or sell it. (The Administration indicates that 75% of books are kept in library collections.) The State Library indicates the program allows patrons better access to books, especially for those who live in rural areas where sending a book from one library to another library (also known as Interlibrary Loan) is often costly and time consuming. Currently, 55 library jurisdictions in the state use Zip Books.

***State Program Provides Grants to Local Libraries to Encourage Resource Sharing and Purchasing.*** The state facilitates resource sharing between libraries through the California Library Services Act (CLSA) program. The CLSA has a board that determines specific funding allocations for local libraries each year. The program commonly funds the interlibrary loan program, which reimburses libraries for sending books to one another. It also provides funding for digital resource sharing and other initiatives to improve resource sharing between local libraries. The 2016 Budget Act nearly doubled ongoing funding for the program, from \$1.9 million to \$3.6 million General Fund.

**Governor's 2018-19 Budget Proposal**

The Governor augments the CLSA program for one year, from \$3.6 million to \$5.1 million (42 percent). He proposes the State Library use the augmentation to fund two initiatives:

- \$1 Million One Time to Purchase and Deliver Books. The Governor indicates that the funding would be used for the Zip Books program and would allow about 60,000 Zip Book purchases for local libraries located in the Central Coast, Central Valley, Long Beach, and Hayward.

- \$450,000 One Time to Digitally Connect Several Libraries' Catalogues. The Governor provides funding to a consortium of Northern California libraries to connect their digital catalogues. The library consortium includes 28 counties representing 41 library jurisdictions, including Modoc, Lassen, Marin, and Sacramento. Connecting multiple libraries' digital catalogues allows patrons that live within the boundaries of one library system to view the catalogues of other library systems. The patron can then order the book online from the other library systems (possibly accessing the books either in digital or physical format). Several library systems already connect their digital catalogues in this way, including the San Joaquin and Bay Area library systems.

### **LAO Recommendation**

The LAO recommends rejecting this proposal. The LAO states that purchasing Zip Books for certain libraries and connecting the digital catalogues of Northern California libraries provides some benefit to certain libraries, but they do not provide obvious statewide benefit. Additionally, the State recently doubled CSLA grant funding for library resource sharing. If the CLSA board were to view the Administration's proposed projects as the top priorities among all library jurisdictions, the board could fund those priorities using existing CLSA funds.

<b>STAFF COMMENT</b>
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Both aspects of this proposal support innovative ways for local libraries to better serve their patrons, without committing the state to ongoing General Fund costs. The Administration notes that there is a statewide concern in ensuring that all Californians have equal access to information, and these proposals allow libraries to utilize innovative strategies and new technologies to bring library services to more Californians.

The Subcommittee has received a letter of support for this proposal from the California Library Association.

**ISSUE 5: LIBRARY LITERACY SERVICES AUGMENTATION**

The Subcommittee will discuss the Governor's budget proposal to augment local libraries' literacy programs by \$2.5 million General Fund.

**PANEL**

- Daniel Hanower , Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- Greg Lucas, California State Library

**BACKGROUND**

**Local Libraries Receive State Funding to Help More Adults Learn How to Read and Write.** In 2017–18, local libraries are receiving \$4.8 million in ongoing General Fund for the California Library Literacy Services program. This program focuses on helping interested adults become literate through one-on-one tutoring provided by community volunteers. Of the state's 184 central libraries, 106 participated in the program in 2016, serving roughly 20,000 adults taught by 10,000 volunteers. Participating libraries submit annual program reports to the state that contain data about the number of individuals served, their learning gains, and other outcomes (like how many can read a medicine bottle). In addition to literacy programs for adults, some local libraries use local funding for literacy programs that serve children.

**Considerable Amount of Other State Funding Supports Literacy.** The State also spends a considerable amount of Proposition 98 General Fund for adult literacy programs run by community colleges and schools. The California Community Colleges receives hundreds of millions of dollars in apportionment funding annually for basic skills and English as a second language (ESL) courses. Similarly, the Adult Education Block Grant (AEBG) provides \$500 million annually for adult education, including literacy and ESL courses. In addition, the state provides considerable funding for K-12 education—most notably, billions of dollars for the Local Control Funding Formula (LCFF) that is focused on ensuring K-12 students are literate and proficient in comprehension and writing. In addition, the state spends millions of dollars on early education and State Preschool in support of child development and preparation for literacy.

**Local Libraries Are Not Required to Coordinate Programs With Other Literacy Providers.** Encouraging better coordination of adult education providers within each region of the state has been a major legislative effort in recent years. Nonetheless, state law currently only encourages, but does not require, entities receiving adult education funding, such as local libraries, to coordinate with other regional providers. Similarly, state law only encourages, but does not require, entities that provide literacy programs for K-12 students to be a part of school districts' planning efforts.

**Governor's 2018-19 Budget Proposal**

The Governor proposes to increase funding for the California Library Literacy Services program from \$4.8 million to \$7.3 million, an increase of 52%. The Governor proposes to allocate the additional funding in several ways. Specifically, the Governor proposes to: (1) increase base funding for each participating local library from \$18,000 to \$25,000; (2) increase funding for each adult learner served from \$85 to \$120; and (3) provide \$20,000 to each participating library that provides literacy services to children of adult learners. Additionally, the Administration estimates costs would increase due to greater library participation, with the number of participating libraries projected to increase from 106 to 125.

**LAO Recommendation**

The LAO recommends rejecting this proposal, given (1) the substantial amount of existing state funding for community college and school district literacy programs, (2) the large proposed augmentations for colleges and schools under the Governor's budget, (3) the notable amount that local libraries already spend on literacy programs using local funding, and (4) more pressing state priorities.

Should the Legislature support this proposal, the LAO recommends it require participating libraries to coordinate their literacy funding (from local, state, and federal sources) with both other adult education providers in their region and their local school districts. Additionally, the LAO recommends the state set an adult literacy goal and establish associated performance measurements, so that it may track whether the state program is helping to achieve the core desired objective. In tandem, the LAO recommends participating libraries report three factors: (1) total funding for their literacy programs, broken down by fund source and broken down for adult and child programs; (2) other funding being used within their region for literacy programs; and (3) the literacy gains of participating adults and children. The LAO also recommends the Legislature consider establishing a cost-sharing agreement with libraries moving forward.

**STAFF COMMENT**

At its high mark in 2001-02, the State provided more than \$11 million General Fund for library literacy services. These programs provide a vital service to adult learners who may feel intimidated by school settings or more formal programs.

According to a 2016 legislative report on this program, during the fiscal year ending June 30, 2015, 18,388 adult Californians participating improved their reading skills with the help of close to 10,000 volunteers. State funding helps support local efforts: local contributions totaled \$16.8 million in 2014-15, or \$4.41 for each state dollar spent.

Staff agrees with LAO concerns that libraries are not active participants in regional adult education consortia, although it is unclear whether this is due to local libraries unwillingness to be involved, or regional consortia leaving libraries out. The Subcommittee could consider stronger statutory language that would ensure more coordination.

The Subcommittee has received a letter of support for this proposal from the California Library Association.

**ISSUE 6: ORAL HISTORIES**

The Subcommittee will discuss the Governor's Budget proposal to provide \$250,000 General Fund to modernize and reconfigure the State Government Oral History Program.

**PANEL**

- Daniel Hanower , Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- Greg Lucas, California State Library

**BACKGROUND*****Program Creates Oral Histories of Prominent Californians in State Government.***

The Legislature established the State Government Oral History Program in 1985. It houses the program at the California State Archives within the California Secretary of State's office. The goal of the program is to interview individuals that have significantly influenced state government, transcribe those interviews, and make them available to the public. In recent years, some interviews also have been filmed. More than 200 interviews are available on the State Archives website and include interviews with former members of the state Legislature, constitutional officers, agency and department heads, and others who have shaped public policy. For example, former Assembly Speaker Willie Brown and former Governor Edmund Brown Sr. have been interviewed.

***State Contracts Out for Production.*** Oral histories are carried out through contracts with oral history programs at several participating universities. According to those that have produced histories recently, costs average \$10,000 per oral history. Costs are related to background research, production, and preparing transcriptions. The Secretary of State earmarked some of its general purpose funding for the Oral History Program until the early 2000s. Since that time, the State Library has used some federal funds to produce histories and universities have donated some oral histories they have produced to the state.

**Governor's 2018-19 Budget Proposal**

The Governor's Budget provides \$250,000 ongoing General Fund for the Oral Histories Program. Of the \$250,000, the Governor provides (1) \$150,000 for the State Library to contract for production of about 15 new oral histories per year, (2) \$70,000 to produce about seven new oral histories on video per year, and (3) \$30,000 to store the files and to convert analog recordings to digital files. The program would be in partnership with the State Archivist, who would chair a committee to select interviewees.

**LAO Recommendation**

The LAO notes that this proposal is consistent with one of the more clearly defined roles of the State Library, which is to preserve California history. The LAO states that if the Legislature decides that the Oral Histories Program is a high priority, it suggests making

the program limited term and monitoring the program over the next few years to ensure it meets legislative expectations. The LAO also recommends that the Legislature require the committee led by the State Archivist to submit an annual report that contains information describing who was interviewed each year, plans for future interviews, and the itemized costs of each interview.

<b>STAFF COMMENT</b>
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Staff has no concerns with the Governor's proposal, which earmarks a very small amount of ongoing General Fund to help preserve state history and update files to a more useful format.

Staff notes that the Subcommittee chairman has asked the State Library to consider an oral history and research project focused on the creation and history of the legislative caucuses. The State Librarian has suggested the cost of this oral history piece of this specific project could total \$125,000.

**6600 HASTINGS COLLEGE OF LAW****ISSUE 7: GOVERNOR'S BUDGET PROPOSAL**

The Subcommittee will discuss the Governor's Budget proposal to provide Hastings College of Law with a \$1.1 million General Fund increase.

**PANEL**

- Jack Zwald, Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- David Seward, Hastings College of Law
- Morris Ratner, Hastings College of Law

**BACKGROUND**

Hastings College of the Law (Hastings) was founded in 1878 by Serranus Clinton Hastings, the first Chief Justice of the State of California. On March 26, 1878, the Legislature provided for affiliation with the University of California (UC). Hastings is the oldest law school, and one of the largest public law schools in the western United States. Additionally, Hastings is the only stand-alone, public law school in the nation and the campus is located in San Francisco. Policy for the college is established by the board of directors and is carried out by the chancellor and dean and other officers of the college. The board has 11 directors: one is an heir or representative of S.C. Hastings and the other 10 are appointed by the Governor and approved by a majority of the Senate. Directors serve for 12-year terms. Hastings is a charter member of the Association of American Law Schools and is fully accredited by the American Bar Association. The Juris Doctor degree is granted by the UC regents and is signed by the president of the UC and the chancellor and dean of Hastings College of the Law.

Hastings does not receive funding from UC; instead Hastings has a separate budget line item. Hastings contracts with UC for payroll, police services, investment management and reprographic services, and it is a passive participant in UC's retirement and health benefits program.

In addition to its three-year juris doctorate program, Hastings also offers a one year masters of studies in law (MSL), a one year LL.M, and Masters of Science, and a fully online Health Policy and Law (HPL) in collaboration with UC San Francisco. The chart below shows Hastings' enrollment.

Full-Time Equivalent Students	2017-18	2018-19	2019-20	2020-21
JD First Year Students	310.0	310.0	310.0	310.0
JD Second Year Students	334.0	303.0	303.0	303.0
JD Third Year Students	265.0	313.0	284.0	284.0
Total JD Enrollment	909.0	926.0	897.0	897.0
Master of Laws Program (LL.M.)	21.0	21.0	21.0	21.0
Master of Studies in Law Program (MSL)	2.4	2.4	2.4	2.4
<b>Totals, Full-Time Equivalent Students</b>	<b>932.4</b>	<b>949.4</b>	<b>920.4</b>	<b>920.4</b>

Recent state budgets have provided minor General Fund increases to support operational costs. The Budget Acts of 2015 and 2016 appropriated a total of \$55.5 million of Lease Revenue Bond financing to construct a new academic building at 333 Golden Gate to replace that portion of Snodgrass Hall (198 McAllister) that was constructed in 1953. Construction was scheduled to begin in April and be completed by December 2019. Classes in the new building are anticipated to begin fall 2020, completing the first phase of Hastings College's Long Range Campus Plan.

### Governor's 2018-19 Budget Proposal

The Governor's Budget proposes an increase of \$1.1 million General Fund base increase, the bulk of which is unrestricted, with \$20,000 specifically for debt service costs on recently sold lease revenue bonds.

Hastings states that the Governor's proposal will allow tuition to remain flat for the sixth consecutive year and allow an employee compensation pool of 3% increases.

Proposed Changes in Revenues	2018-19	Proposed Changes in Expenditures	2018-19
State General Fund, Base Budget Increase	\$ 1,086	Employee Salaries, Compensation Pool 3%	\$ 676
State General Fund, Lease Revenue Debt Service	\$ 20	Benefits, Price Increases Including Annuitants	\$ 84
Hastings Funds:		Student Financial Aid, Increased Grants	\$ 93
Student Enrollment Growth	\$ 624	Operating Expenditures:	
Other Student Fees (i.e., Summer Programs)	\$ 34	UCPath Payroll/Personnel System	\$ 350
Other Revenues (i.e., Admin Overhead)	\$ 48	Lease Revenue Debt Service	\$ 20
Reduced Use of Reserves for Financial Aid	\$ (629)	Core Cost Growth/(Reduction)	\$ (40)
Subtotal, Core Operations	\$ 1,183	Subtotal, Core Operations	\$ 1,183
Extramural Nonstate	\$ 3,171	Extramural Nonstate	\$ 3,171
Total Incremental Revenues	<u>\$ 4,354</u>	Total Incremental Expenditures	<u>\$ 4,354</u>

### LAO Recommendation

The LAO notes that as part of deliberations on the 2017-18 budget, Hastings presented a five-year budget plan to eliminate its deficit. At the time, the school projected having a reserve of \$300,000 before eliminating its deficit. Though the school still anticipates deficit spending over the next three years, its budget condition has improved somewhat. The improved outlook is due largely to the school having higher than expected endowment earnings and implementing some cost controls.

Tuition at Hastings has remained flat for several years. The upcoming tuition charges proposed under Hastings' plan, however, would represent significant cost increases for students. In 2019-20, for example, Hastings plans to grow resident tuition for its juris doctor program by \$4,349 (10%).

The LAO recommends the Legislature ask Hastings to report during spring hearings on its multiyear budget plan to eliminate its operating deficit. As part of its review, the Legislature may want to ask Hastings to consider a broader array of strategies to eliminate its operating deficit. Such strategies could include: (1) increasing Hastings student faculty ratio by adjusting staffing levels; (2) increasing tuition more gradually by instituting a modest increase in 2018-19; and (3) reducing the school's planned employee compensation and other operating cost increases.

**STAFF COMMENT**

Staff has no concerns with the Governor's proposal. Hastings has taken critical steps during the past few years to adjust to the changing labor market for attorneys, and to more closely partner with UC San Francisco to address cost issues. Staff agrees with the LAO that Hastings should provide information on its long-term plans.

**0650 OFFICE OF PLANNING AND RESEARCH****ISSUE 8: CALIFORNIA EDUCATION LEARNING LAB**

The Subcommittee will discuss the Governor's Budget proposal to provide \$10 million General Fund to support the California Education Learning Lab within the Office of Planning and Research (OPR).

**PANEL**

- Jack Zwald, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office

**BACKGROUND**

Though most courses at community colleges, CSU, and UC still are taught in-person, online education is becoming an increasingly prevalent instructional method, particularly at community colleges and CSU. In 2016-17, community colleges served a total of 157,413 full-time equivalent (FTE) students via online education, representing 13% of all FTE students served that year. In 2016-17, CSU served 23,700 FTE students (including 22,100 FTE undergraduate students), representing about 6% of students served.

Like traditional in-person instruction, campuses from all three segments use their general purpose monies to cover instructional costs for online and hybrid courses. On top of this spending, the state recently has provided ongoing augmentations for specific online initiatives at each of the segments. Beginning in 2013-14, the state has provided the following augmentations:

- Community colleges. The Online Education Initiative consists of several components, including (1) trainings and other resources to help faculty design high-quality online courses; (2) a common technology platform for faculty to deliver online courses; and (3) the Online Course Exchange, a pilot project that enables students to find, enroll in, and get credit for fully online courses offered by other colleges participating in the exchange. The state provides \$20 million ongoing Proposition 98 General Fund to support OEI, with occasional one-time funds as well.
- CSU. The state has provided \$10 million ongoing General Fund to support online programs. CSU has used its funds to create incentives for faculty to offer fully online courses in lower-division subjects with high enrollment demand. Participating faculty must demonstrate that their courses have high completion rates and agree to allow students attending other CSU campuses to enroll in them. In addition, CSU provides professional development opportunities to faculty throughout the year (such as through workshops) that focus on

redesigning courses and adopting new, evidence-based approaches to teaching online or hybrid courses.

- UC. The state has provided \$10 million ongoing General Fund to support online programs. UC's Innovative Learning Technology Initiative, which is housed at the Office of the President, provides grants for faculty to develop online undergraduate courses that UC students at any campus may access. To date, the initiative has developed 250 online and hybrid courses.

### **Governor's 2018-19 Budget Proposal**

The Governor's Budget proposes to create a new statewide program known as the California Education Learning Lab. At least for the first few years, the program would focus exclusively on creating new and redesigning existing lower-division online and hybrid courses in science, technology, engineering, and math (STEM) at the three segments. After three years, the program would be permitted to add online and hybrid courses in other disciplines.

Under the proposal, OPR, which undertakes various projects on behalf of the Governor, would operate and oversee the program. Specifically, OPR staff would (1) solicit requests for proposals from faculty at the three segments, (2) recruit members of a selection committee to score proposals and recommend awards, (3) monitor progress of award recipients, and (4) evaluate projects upon completion. As an alternative to using OPR, the administration has indicated that it is exploring the possibility of contracting with an external grant administrator (such as a foundation or nonprofit organization) to manage the program.

***Teams of Faculty Eligible to Apply for Grants.*** These teams would be required to include faculty from at least two of the three public higher education segments. The teams could include members from private nonprofit institutions. As a condition of receiving grant funding, all faculty team members would be required to teach the course and evaluate the curriculum they jointly develop.

***Grantees Required to Integrate Learning Science and Adaptive Learning Technologies Into Courses.*** The administration describes learning science as a field of study that seeks to further scientific understanding of learning—that is, how individuals learn, the process of learning in different contexts, and which learning strategies are best for students. Adaptive learning technologies use artificial intelligence to assess and collect data on a learner's current state of knowledge about a particular subject, provide content and resources appropriate to that learner's level, and adjust lessons in "real time" based on the learner's performance.

***OPR Could Use Program Funds for Additional Purposes in Future Years.*** Beginning in 2020, OPR would be permitted to (1) provide professional development grants aimed at faculty interested in adopting the courses funded in the initial years of the program and (2) curate a "best of" library of online and hybrid courses that incorporate principles of learning science.

***Proposal Intended to Boost College Participation and Success in STEM for Certain Student Groups.*** The Governor's stated goals in establishing this proposed

program are to (1) increase the proportion of students from historically underrepresented groups (including first-generation, low-income, and certain racial/ethnic student groups) that major in STEM disciplines; (2) increase term-to-term persistence and degree attainment of STEM students in those groups; and (3) close achievement gaps.

### **LAO Recommendation**

The LAO recommends rejecting this proposal. While noting that the overall goal of this proposal is laudable, the LAO states that there are a number of reasons for lower STEM enrollment, persistence, and completion rates among students from historically underrepresented groups, and it is unclear how this proposal addresses the overall concern.

In addition, the LAO notes the state already provides ongoing funding to all three segments to support increased online education; and many of the activities proposed here are the same activities already supported.

Finally, the LAO states that should the Legislature wish to focus on improving STEM experiences for certain groups of college students, it recommends the Legislature first identify which of the root causes of STEM disparities are most pronounced at each of the three segments. The Legislature then could consider alternative solutions (whether they be segment specific, intersegmental, or involving elementary and secondary schools) that are better tailored to addressing those problems.

### **STAFF COMMENT**

Supporting efforts to improve STEM participation and success for historically underrepresented students is worthy of state investment. But staff agrees with the LAO in that it is unclear why the Administration chooses to concentrate solely on online courses in this proposal – why not broaden the work to include all types of courses? In addition, the proposal requires a vague annual report, but it is unclear what types of outcomes it would track or how this work could be used to improve STEM participation and success throughout the state.

Additionally, the Administration's proposal for the new online community college includes \$20 million to create a Research and Development Unit to study outcomes and help develop courses, programs and strategies to improve online education. This proposal appears to be somewhat redundant.

The Subcommittee will have to weigh this proposal for significant ongoing funding against other General Fund priorities, such as supporting more student access to UC and CSU or improving financial aid support for needy students.