

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assembly Member Kevin McCarty, Chair

**WEDNESDAY, MAY 15, 2019
9 AM, STATE CAPITOL, ROOM 126**

HIGHER EDUCATION MAY REVISION PROPOSALS

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ITEMS TO BE HEARD

0650 OFFICE OF PLANNING AND RESEARCH

ISSUE 1: SAN JOAQUIN AND INLAND EMPIRE INNOVATION GRANTS

The Subcommittee will discuss a Governor's Budget proposal to provide \$10 million one-time General Fund to support grants to educational institutions in the San Joaquin and Inland Empire regions to increase college-going and reduce achievement gaps.

PANEL

- Rebecca Kirk, Department of Finance
- Jason Constantorous, Legislative Analyst's Office

GOVERNOR'S 2019-20 PROPOSAL

The Governor's Budget includes \$10 million one-time General Fund to support grants to educational institutions in the San Joaquin and Inland Empire regions to increase college-going and reduce achievement gaps.

Trailer bill language states the grants should have emphasis on the following:

- Programs expected to better align secondary and postsecondary programs and increase postsecondary capacity;
- Programs expected to reduce achievement gaps by furthering student success for all students, regardless of race, gender, age, disability or economic circumstances;
- Programs capable of creating a multi-generational culture of educational attainment by focusing on strategies to improve students' successful completion of degree and certificate programs, increasing students' future earnings potential, and ending the cycle of poverty that many students, and subsequently their children, may experience.
- Trailer bill language allows OPR up to 5% of this funding for administrative costs, and notes that the office may consider proposals that encourage or require partnerships between institutions.

STAFF COMMENT

While these are laudable goals, this is a vague proposal that is redundant to many other outreach programs. The Subcommittee may wish to spend this money on a more specific program with a proven track record of accomplishing the same objectives. For example, the California Student Opportunity and Access Program (Cal-SOAP) was established in 1978 and its regional consortia is made up of secondary and postsecondary schools and community agencies. The consortia in each region work to improve the flow of information about postsecondary education and financial aid while raising the achievement levels of low-income, elementary and secondary school students or geographic regions with documented low-eligibility or college participation rates, and who are first in their families to attend college. The state provides about \$8 million for these programs, which is an insufficient amount of funding to support programs in all areas of the state.

6120 CALIFORNIA STATE LIBRARY

ISSUE 2: GOVERNOR'S MAY REVISION PROPOSALS

The Subcommittee will discuss May Revision proposals regarding the State Library.

PANEL

- Rebecca Kirk, Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- Greg Lucas, California State Librarian

MAY REVISION PROPOSALS

The May Revision includes the following changes to the State Library budget:

Digital Concierge Services and Cultural Historic Preservation It is requested that Item 6120-011-0001 be increased by \$1,737,000, of which \$700,000 is one-time, to support 3 positions that would establish a team providing digital concierge archival services for state entities and conduct a statewide survey to inventory cultural heritage assets. With these funds, the State Library would be able to preserve important recordings, government documents, maps, and other items of cultural significance and create a census of thousands of rare books, film, photographs, and other artifacts to ensure these items are cared for and housed appropriately.

Mobile Libraries. It is requested that Item 6120-217-0001 be added in the amount of \$3 million to support grants to local libraries to acquire bookmobiles and community outreach vehicles. Grants would be prioritized toward libraries with low per capita spending and a demographic need for mobile services based on geographic and demographic factors. Bookmobiles and community outreach vehicles would enable local libraries to expand community access to library materials.

Early Learning and After-School Programs. It is also requested that Item 6120-217-0001 be added in the amount of \$5 million to support grants to local library jurisdictions to implement early learning and after-school library programs. Grants would be prioritized toward library jurisdictions with low per capita library spending.

Support for Statewide Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Historical Preservation. It is further requested that Item 6120-217-0001 be added in the amount of \$500,000 one-time to provide support for the preservation of historical LGBTQ sites.

STAFF COMMENT

Staff notes that the Governor's Budget and an April Finance letter included these State Library proposals:

- \$1 million one-time General Fund to provide another round of funding for the Lunch at the Library program.
- \$1 million one-time General Fund to provide another round of funding for the Zip Books program.
- \$641,000 in fiscal year 2019-20 and \$391,000 fiscal year 2020-21 and ongoing to implement AB 2252 (Chapter 318, Statutes of 2018), which requires the California State Library to create a website that provides a centralized location for grant seekers to find state grant opportunities.

The Subcommittee has received other requests for State Library funding from the California Library Services Board:

- \$4 million in on-going funding to provide online and phone based tutoring, to all of California's children and teens.
- \$1.5 million in on-going funding to provide additional databases and online research tools for California's public school children.
- \$1.5 million in one-time funding to boost technology library patrons have access to through technology related grants.
- \$1 million in one-time funding to continue to build more partnerships between libraries, schools and businesses through grants for innovation stations to teach STEM and other necessary skills.
- \$500,000 in one-time funding to make e-books more affordable and accessible.

6440 UNIVERSITY OF CALIFORNIA

ISSUE 3: GOVERNOR'S MAY REVISION PROPOSALS

The Subcommittee will discuss May Revision proposals for the University of California.

PANEL

- Jack Zwald, Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- Seija Virtanen, University of California

MAY REVISION PROPOSALS

The May Revision includes the following changes to the UC budget:

Retirement Program. It is requested that Item 6440-001-0001 be increased by \$25 million one-time to support the University of California (UC) Retirement Plan. The funds appropriated pursuant to this provision shall be used only for unfunded liabilities of the University of California Retirement Plan.

Dyslexia Early Intervention Pilot Program. It is requested that Item 6440-001-0001 be increased by \$3.5 million to provide support for a dyslexia screening and early intervention pilot program operated by the UC San Francisco Dyslexia Center. These funds will enable the Center to deploy the Application for Readiness In Schools and Learning Evaluation, provide curriculum support, train staff on potential educational interventions, and collect data for a report on outcomes.

Rapid Rehousing. It is requested that Item 6440-001-0001 be increased by \$3.5 million to provide support for rapid rehousing of homeless and housing insecure students.

Facilities Need Study. It is requested that Provision 6 of Item 6440-001-0001 be amended to enable UC to use up to \$5 million of proposed deferred maintenance funding to support the UC's facilities need study.

Other Programs. The May Revision updates the assumed out-year costs to support the UC legal immigration services program from an average of \$1.3 million per year to an average of \$1.7 million per year. The May Revision continues to reflect \$1 million ongoing General Fund to support the UC Davis Firearms Violence Research Center beginning in 2021-22.

STAFF COMMENT

In addition to these proposals, the Governor's Budget provides UC with \$240 million ongoing General Fund and \$153 million one-time General Fund, as shown in the chart below.

Gov. Newsom Jan UC Budget Proposals	Cost
Base Increase/Operational Costs	\$119,800,000
Student Success	\$49,900,000
Financial Aid for Basic Needs	\$15,000,000
Overenrollment (1,000 FTE)	\$10,000,000
Student Mental Health	\$5,300,000
Graduate Medical Education	\$40,000,000
Total Ongoing	\$240,000,000
Deferred Maintenance	\$138,000,000
UC Extension Degree Completion Programs	\$15,000,000
Total One-Time	\$153,000,000

UC requesting additional funding. UC has made the following requests for funding in addition to the Governor's Budget:

- \$95 million ongoing General Fund to continue one-time funding from the current year;
- \$40.3 million ongoing General Fund to support 2019-20 enrollment growth of 2,500 California undergraduate students and 1,000 graduate students;
- \$8.8 million ongoing General Fund to support the PRIME program;
- \$10.1 million ongoing General Fund to add to the Governor's Budget proposal for student success/academic quality;
- \$32.3 million ongoing General Fund to recruit and retain faculty;
- \$15 million one-time General Fund to support capital outlay debt service.

Other UC funding requests. The Subcommittee has received several other requests for UC spending:

- College Readiness Block Grant. Appropriate \$220 million in one-time funding to support college readiness. Of this total, \$200 million would support K-12 local educational agencies in increasing college readiness and competitiveness and \$20 million would be provided to UC to promote student success and retention. (Asian Pacific Islander Caucus)
- UCLA School of Public Affairs Latino Policy and Politics Initiative. Appropriate \$2.5 million annually in core operating support for the UCLA School of Public Affairs Latino Policy and Politics Initiative. This funding will support faculty research, civic engagement and community engagement, strengthen the leadership pipeline, and disseminate data and policy ideas to stakeholders. (Assemblywoman Gonzalez)
- Charles R. Drew University of Medicine and Science. Appropriate \$15 million General Fund to the UC, which will be allocated to support Charles R. Drew University of Medicine and Science. This funding will: (1) increase undergraduate and graduate enrollment by at least 2,000 students in the next five years as well as expand access to post-secondary education for residents of South Los Angeles and similar communities, (2) expand housing on campus, (3) build bio-science research building, (4) develop and implement autonomous medical school, and (5) develop new undergraduate and graduate academic programs. (Assemblyman Gipson)
- Bulosan Center for Filipino Studies. Appropriate \$1 million to the Bulosan Center for Filipino Studies at UC Davis. The center was created in 2018 and currently supports 6 doctoral students and 25 undergraduate researchers on private funding; state funding would allow the hiring of staff and stipends for graduate students. (Assemblymember Rob Bonta)
- Firearm Violence Prevention Education and Training. Appropriate \$3.85 million to the UC Firearm Violence Research Center to enhance firearm-violence prevention education and training for mental and medical health care providers. (Assemblymember Marc Berman)
- California Neurodiversity and Learning Collaborative. Appropriate \$6 million to fund the formation of the California Neurodiversity and Learning Collaborative, which will bring together researchers and educators from the University of California and California State University to improve teaching of students with neurodiversity, including dyslexia and literacy issues. (Assemblymember Richard Bloom)

- UC Riverside School of Medicine. Appropriate \$25 million ongoing and \$80 million one-time to the UC Riverside School of Medicine to support enrollment growth and a new facility. (Assemblymember Jose Medina)
- Postbaccalaureate Pre-Medical Program. Appropriate \$900,000 to add 75 slots to UC postbaccalaureate pre-medical programs. These programs support underrepresented minority and low-income students seeking admittance to medical school with one year of additional course work and preparation for the Medical College Admission Test.
- UC Berkeley Center for Labor Research and Education. Appropriate \$1.5 million to the UC Berkeley Labor Center to support research on the future of work and workers. (SEIU)
- Pension funding. Appropriate \$400 million to support UC pension costs on condition that UC withdraw its bargaining demand that represented employees allow a 401k option for new members. (UPTE)

ISSUE 4: REDUCING NONRESIDENT ENROLLMENT REPORT

The Subcommittee will discuss a report provided to the Legislature by the University of California on reducing nonresident enrollment to 10% of the undergraduate student body.

PANEL

- David Alcocer, University of California

BACKGROUND

As discussed in the March 6 Subcommittee hearing, nonresident enrollment at UC has increased dramatically during the previous decade: nonresident students were about 5% of the undergraduate student body in the 2008-09 academic year, and are now about 18% of students. At the direction of the Legislature, the UC Regents imposed a nonresident cap policy for the first time in 2017. As was discussed in the previous hearing, three UC campuses exceeded their cap in Fall 2019.

Nonresident students pay \$41,562 in tuition and systemwide fees, in comparison to California students, who pay \$12,570.

The 2018 Budget Act included the following supplemental reporting language:

The University of California shall develop a plan starting in fall 2020 to gradually reduce the enrollment of nonresident freshman students to no more than 10 percent of the freshman class at every campus by 2029-30. The plan shall include options for replacing the revenues from nonresident students, including but not limited to increasing nonresident tuition for the remaining nonresidents and increasing General Fund support from the state. The options shall not include increasing tuition on resident students for this purpose. The university shall submit this plan to the Legislature by April 1, 2019. It is the intent of the Legislature that the plan would be implemented once approved, with any necessary changes, by the Legislature through the 2019-20 budget process.

UC submitted this report at the end of March, and has been asked to summarize it for this hearing. The report estimates the following state costs associated with this reduction:

- \$1.2 billion to cover the State's share of the cost of educating the additional California resident students who would fill the vacancies created by the reduction in nonresident students.

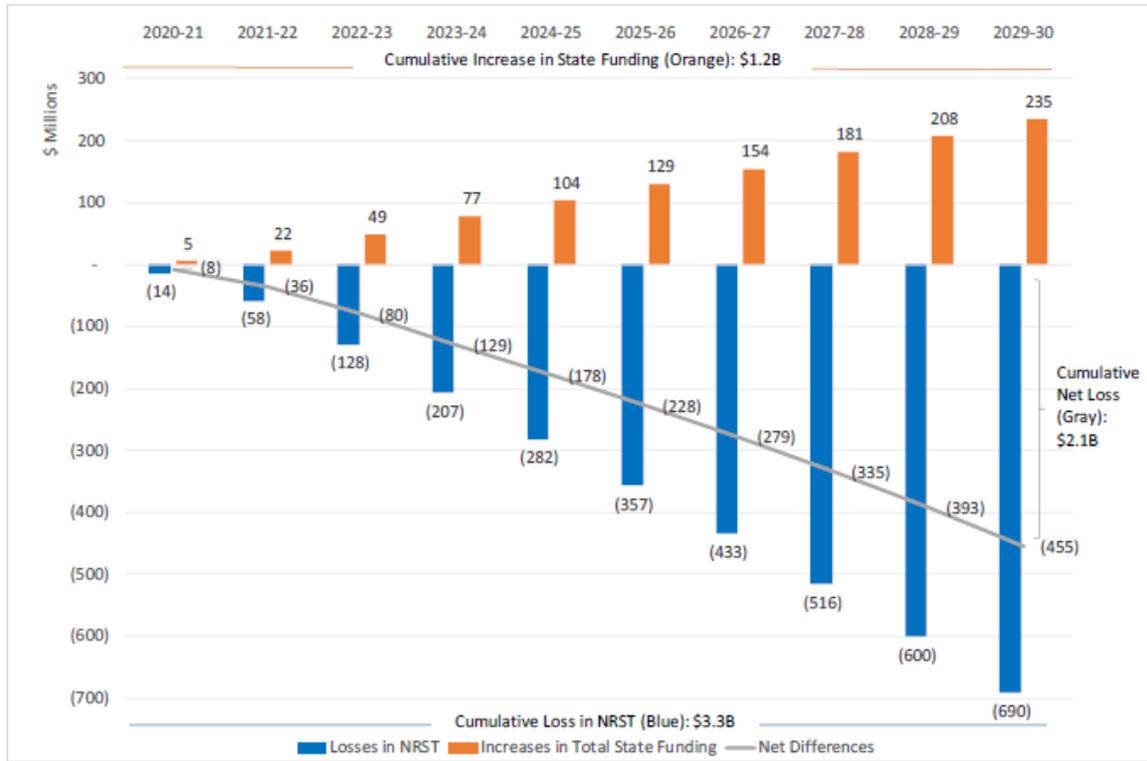
- \$2.1 billion to replace the lost net Nonresident Supplemental Tuition (NRST) revenue (i.e., the estimated \$3.3 billion in total lost NRST revenue minus the \$1.2 billion in State enrollment funding referenced above) that UC campuses would have otherwise expected to receive. Campuses rely on NRST to meet pressing budget needs related to instruction, student services, academic advising, facilities maintenance, and other functions that benefit all students and are critical to student success.
- \$443 million to ensure the adequacy of the University's institutional aid program for financially needy California residents. This additional support would be needed because replacing nonresident undergraduates with California residents would result in no increase to the University's primary institutional financial aid program but would increase demand for institutional aid since California residents, unlike nonresident undergraduates, are eligible for need-based UC Grants.
- \$509 million to fund the additional demand for Cal Grants created by California enrollment growth in addition to the levels already assumed without any reduction in nonresident enrollment.

UC states that these costs would be in addition to 3.2% increases to cover operational costs.

STAFF COMMENT

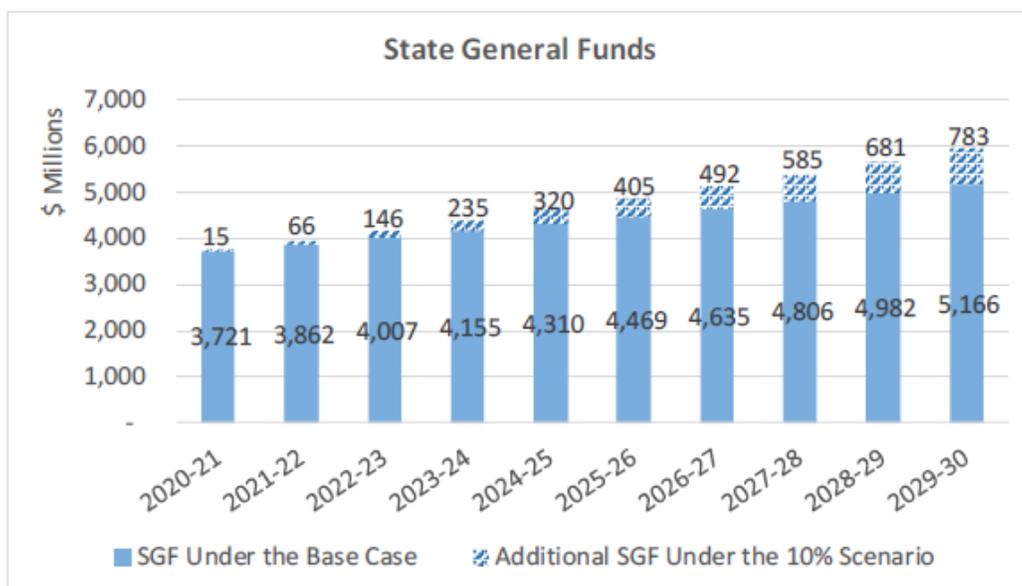
The report provides the following key charts. The first shows the amount the state could provide UC to "buy out" nonresident supplemental tuition. As the chart indicates, this buy-out would cost the state \$8 million in 2020-21, \$36 million in 2021-22, and increasing amounts each year after that.

Figure 5: Net Differences between Projected Losses in NRST and Projected Increases in State Funding under the 10% Scenario



The second chart shows projected state general fund support for UC under two scenarios, with the first being no reduction in nonresident enrollment, and the second assuming a reduction in nonresidents to 10%.

Figure 7: Projected State General Funds (SGF) for UC under Each Scenario (Excluding Cal Grants)



A final chart contemplates replacing revenue losses by increasing nonresident supplemental tuition. UC states that nonresident supplemental tuition would need to grow by 6.7% per year during this ten-year period. By the end of the period, nonresidents would be paying more than \$74,000 in total tuition and fees.

Figure 9: Financial Impact of Increasing NRST by 6.73% under the 10% Scenario

<i>6.73% annual NRST increase starting in 2020-21</i>	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Cumulative
Total Impact (\$M)	\$ 38	\$ 50	\$ 43	\$ 29	\$ 16	\$ 2	\$ (12)	\$ (31)	\$ (54)	\$ (81)	\$ (0)
NRST	\$ 31,870	\$ 34,013	\$ 36,301	\$ 38,742	\$ 41,348	\$ 44,128	\$ 47,096	\$ 50,263	\$ 53,644	\$ 57,251	
Total Tuition & Fees	\$ 45,154	\$ 47,696	\$ 50,394	\$ 53,258	\$ 56,299	\$ 59,528	\$ 62,958	\$ 66,601	\$ 70,471	\$ 74,584	
USAP	\$ 2	\$ 8	\$ 17	\$ 28	\$ 38	\$ 48	\$ 58	\$ 70	\$ 81	\$ 93	

This report provides a good starting point for the Subcommittee, as it consider ways to reduce nonresident enrollment at UC.

6600 HASTINGS COLLEGE OF LAW

ISSUE 5: GOVERNOR'S MAY REVISION PROPOSALS

The Subcommittee will discuss May Revision proposals for the Hastings College of Law.

PANEL

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

BACKGROUND

The May Revision includes the following change for Hastings College of Law:

Support for University of California (UC) Path Implementation. It is requested that Item 6600-001-0001 be increased by \$594,000 to provide resources associated with implementing the UC Path project.

Deferred Maintenance. The May Revision requests an amendment to the \$1 million deferred maintenance for Hastings to allow the funds to be used for information technology and instructional equipment upgrades.

STAFF COMMENT

Staff notes that the Governor's Budget included a \$1.4 million ongoing General Fund increase, or 2.5%, for Hastings operations.

6610 CALIFORNIA STATE UNIVERSITY

ISSUE 6: GOVERNOR'S MAY REVISION PROPOSALS

The Subcommittee will discuss May Revision proposals for California State University.

PANEL

- Rebecca Kirk, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Ryan Storm, California State University

MAY REVISION PROPOSALS

The May Revision includes the following changes to the CSU budget:

Rapid Rehousing. It is requested that Item 6610-001-0001 be increased by \$6.5 million to provide support for rapid rehousing of homeless and housing insecure students.

Increase for Project Rebound. It is requested that Item 6610-001-0001 be increased by \$750,000 to provide further support for Project Rebound. Project Rebound is a California State University (CSU) program that provides assistance to formerly incarcerated individuals seeking to enroll in participating CSU campuses. In total, the Administration is proposing \$1 million ongoing for this program.

First Star Foster Youth Cohort at CSU Sacramento. It is requested that Item 6610-001-0001 be increased by \$740,000 one-time to provide support for a First Star Foster Youth Program Cohort at CSU Sacramento. This program would enable a cohort of foster youth to engage in a variety of activities that support learning opportunities that may include academic courses for college credit, social and cultural activities, service learning, and other recreational activities.

STAFF COMMENT

In addition to these proposals, the Governor's Budget provides CSU with \$300 million ongoing General Fund and \$262 million one-time General Fund, as shown in the chart below.

Gov. Newsom Jan CSU Budget Proposals	Cost
Graduation Initiative	\$45,000,000
Compensation Increases	\$147,785,000
2% Enrollment Growth (7,295 FTE)	\$62,000,000
Mandatory Cost Increases	\$45,215,000
Project Rebound	\$250,000
Total Ongoing	\$300,250,000
Deferred Maintenance/Child Care Centers	\$247,000,000
Basic Needs Partnerships	\$15,000,000
Total One-Time	\$262,000,000

CSU proposal sought more funding. CSU's initial budget requested more funding than the Governor's Budget provided:

- CSU requested \$75 million for the Graduation Initiative, instead of the \$45 million provided by the Governor.
- CSU also requested \$107.8 million to support 5% enrollment growth, instead of the 2% enrollment growth the Governor provides.
- CSU also sought \$80 million to support academic facilities and infrastructure projects, in addition to deferred maintenance.

Other CSU funding requests. The Subcommittee has received several other requests for CSU spending:

- Science Fellows. Appropriate \$11.5 million one-time to support the California Council on Science and Technology (CCST) as follows: \$6.5 million for the operational costs of the CCST Science Fellows for the next five years and \$5 million would be put in the endowment to match the private seed donation. The 2018-19 budget provided \$350,000 one-time General Fund for this purpose. (Assemblymember Bill Quirk)
- San Jose State housing planning. Appropriate \$250,000 General Fund to San Jose State University to begin planning a mix-use housing project on the site of a state-owned Alfred E. Alquist State Building in the City of San Jose. (Assemblymember Ash Kalra)

- CSU Chula Vista. Appropriate \$2 million one-time to study a potential campus in Chula Vista.
- CSU Silicon Valley. Appropriate \$1 million one-time to conduct a feasibility study and plan for the creation of CSU Silicon Valley at Canada College's existing campus within the San Mateo County Community College District. (Assemblymember Kevin Mullin)
- CSU Palm Desert. Appropriate \$2 million one-time to study a potential campus in Palm Desert. (Assemblymembers Eduardo Garcia and Chad Mayes)
- COAST. Appropriate \$3 million to the CSU Council on Ocean Affairs, Science and Technology (COAST). COAST is the umbrella organization for marine, coastal and coastal watershed related research and education activities within the CSU. This funding will support student travel and research awards, faculty incentive grants, rapid response grants and staff support. (Assemblymember Mark Stone)
- Staff Salary Inversion. Appropriate \$100 million to the CSU to address the classified staff salaries and pay differentials between new support staff and currently employed staff. (Assemblymember Shirley Weber)
- Center to Close the Achievement Gap. Appropriate \$5 million to create the Center to Close the Achievement Gap within the CSU system. The Center would focus on eliminating achievement gaps in public schools, including acting as a clearinghouse for evidence-based strategies and promising practices and partnering with the California Department of Education, State Board of Education, county offices of education, the UC and the California Collaborative for Educational Excellence. (Assemblymember Patrick O'Donnell)
- Speech and language pathology programs. Appropriate \$750,000 to expand enrollment in speech and language pathology programs to address a shortage of speech pathologists in California school districts, and long waiting lists for CSU graduate programs in this area. (Assemblymember Chris Holden)
- Child Care Center at CSU Channel Island. Appropriate \$5 million to develop a child care center at CSU Channel Islands. The center would provide badly-needed child care in the region, and provide training for early childhood teachers. (Assemblymember Jacqui Irwin)

- Enrollment funding headcount target. The California Faculty Association requests that new enrollment targets use headcount, instead of full-time equivalent students, to ensure that more access is provided to California students.
- Mental health counselors. Appropriate \$18 million to achieve a mental health counselor-to-student ratio of 1:1500. (California Faculty Association)
- Tenure Track Faculty. Direct CSU to use \$35 million to increase the hiring of tenure track faculty. (California Faculty Association)

6870 CALIFORNIA COMMUNITY COLLEGES

ISSUE 7: MAY REVISION PROPOSALS

The Subcommittee will discuss other community college May Revision proposals.

PANEL

- Maritza Urquiza, Department of Finance
- Edgar Cabral, Legislative Analyst's Office
- Christian Osmeña, California Community Colleges

BACKGROUND

The May Revision includes numerous technical adjustments to the community college budget and the following proposals:

Funding Formula. The May Revision states that the Administration plans to work with the Chancellor's Office and stakeholders in the coming months to explore revisions and recommendations to improve the new Student Centered Funding Formula, with the intent that revisions will be considered for inclusion as part of the development of the 2020-21 budget process. To further align with a revised implementation and review plan, the May Revision extends the existing hold harmless provision of the Student-Centered Funding Formula by an additional year, ensuring that no district will receive less funding than they received in 2017-18 with cost-of-living adjustments for each year until 2021-22.

Positions to Support the Chancellor's Office State Operations. It is requested that Schedules (1) and (2) of Item 6870-001-0001 be increased by \$132,000 and \$249,000, respectively, to provide the Board of Governors of the California Community Colleges (Chancellor's Office) with 3 positions to support the Office's operations. The positions would support the Chancellor's Office's accounting office as well as efforts to monitor districts' fiscal health and provide technical assistance for districts in need.

Property Tax Backfill. It is requested that Schedule (1) of Item 6870-101-0001 be increased by \$76,673,000 to reflect a decrease in estimated net offsetting property tax revenue.

STAFF COMMENT/QUESTIONS

The Administration states that the May Revise resolves the apportionment shortfall discussed in the previous community college hearing. While the Administration proposes no new changes to the formula and indicates it will engage with stakeholders over the fall to further discuss the formula, the Subcommittee has received numerous requests from stakeholders, including the Chancellor's Office, to make changes now. Proposals include:

- Abolishing outcomes funding or capping it at 10% of the formula;
- Extending the hold harmless period even longer than the Administration suggests;
- Using two- or three-year averages for both the supplemental allocation and the outcomes allocation;
- Speed up the review of how the formula should address instructional service agreements;
- Only reward colleges for the highest degree completed by a student in one year;
- Award the same number of points for transfer, regardless of whether the student achieved an associate's degree for transfer or not;
- Award the supplemental allocation by college, instead of district.

Other community college requests. The Subcommittee has received several other requests for community college issues:

- **Puente.** Appropriate \$3 million to increase the number of Puente student cohorts at campuses through the Guided Pathways framework, as well as to provide professional development for faculty across the curriculum. (Assemblymember Eloise Gómez Reyes)
- **Veterans Resource Centers.** Appropriate \$7 million to expand funding for veterans resource centers. This would increase ongoing support for the centers from \$5 million to \$12 million annually. (Assemblymember Sabrina Cervantes)
- **Norco Veterans Resource Center.** Appropriate \$1 million to support the completion of the new veterans resource center at Norco Community College. (Assemblymember Sabrina Cervantes)

- BA Pilot Program. Amend existing law to change the deadline on the Legislative Analyst's Office report on the Community College Baccalaureate Pilot Program from July 2021 to February 2020. SB 1406 (Hill, Chapter 612, Statutes of 2018), changed the deadline for the final report from July 1, 2022 to July 1, 2021. (Assemblymember Kevin Mullin)
- Compton Personnel Commission. Appropriate \$2 million to the Compton Community College District in order to restore the Classified Employees' Personnel Commission. This action would require trailer bill language to amend current statute, which suspends the commission until 2029-30. (California Federation of Teachers)
- Full Time Faculty. Provide funding to support full-time faculty hiring to increase student-teacher interaction and close the 75/25 gap of full-time/part-time ratio. (California Federation of Teachers and the Faculty Association of California Community Colleges)
- Part Time Faculty. Provide funding to increase part-time faculty office hours. (California Federation of Teachers)
- Los Angeles Center for Entrepreneurship & Innovation. Appropriate \$2.5 million to expand the Center's women/minority entrepreneur-focused incubator program by creating a Los Angeles hub with centers at Mission College and Los Angeles Trade Technical College. The state funding will be used to expand a proven platform and train two college sub-centers to help small businesses scale to serve communities across the county.
- Imperial Valley College Medical Assistant and Correctional Academy. Appropriate \$1 million to enhance the medical assistant program and launch the correctional academy. (Assemblymember Eduardo Garcia)
- Palo Verde College Child Development Center. Appropriate \$2 million to support the relocation and expansion of the Palo Verde College Child Development Center. (Assemblymember Eduardo Garcia)
- San Bernardino Valley College Veterans Resource Center. Appropriate \$1 million to support homeless veterans through the San Bernardino Valley College Veterans Resource Center. (Assemblymember Eloise Gómez Reyes)

- San Francisco City College Field Act Exemption. Provide an exemption to the Field Act to address programs City College runs at the Fort Mason Center. This will alleviate costly renovations to a facility that houses small, specialty programs. (San Francisco City College)
- Rapid Rehousing. Appropriate \$20 million annually for the Rapid Rehousing grant. This grant will provide an individual or family immediate, temporary assistance for housing search, one-time financial assistance to offset move-in costs, ongoing financial assistance to bridges the gap between household income and housing cost for up to 24 months, and other supportive services to community resources. Funding will be distributed based on proportionate student enrollment at each public postsecondary segment. To qualify for the program, each campus must implement specific reforms, including a policy to prioritize homeless and foster youth students in the timing of the distribution of financial aid. A student must be enrolled at least half time to receive services, however if student falls below halftime, a student may receive services up to six months. (Assemblymember Jesse Gabriel)

6980 CALIFORNIA STUDENT AID COMMISSION

ISSUE 8: MAY REVISION PROPOSALS

The Subcommittee will discuss May Revision proposals for the California Student Aid Commission.

PANEL

- Bijan Mehryar, Department of Finance
- Jason Constantouros, Legislative Analyst's Office
- David O'Brien, California Student Aid Commission

BACKGROUND

The May Revision includes caseload and other changes to the Cal Grant program and other financial aid programs, and the following other changes:

Child Savings Accounts Grant Program. It is requested that Item 6980-103-0001 be added in the amount of \$50 million one-time to reflect the Commission's administration of the proposed Child Savings Accounts Grant Program. This grant program will support the development or strengthening of cost-effective models that can be replicated or expanded to increase access to Child Savings Accounts among incoming kindergartners.

Cal Grant Access Awards for Student Parents. The May Revision decreases by \$24.9 million the estimated cost of the Governor's Budget proposal to increase or provide access awards for students with dependent children attending the UC, CSU, or the CCCs. The May Revision also requests \$414,000 and 1 position, of which \$304,000 is one-time, to support the Commission's implementation of this program. This augmentation will enable the Commission to provide programmatic technical assistance, develop marketing and outreach materials, and adjust the Grant Delivery System to support the Cal Grant Supplement for Students with Dependent Children.

Student Loan Awareness Initiative. It is requested that Item 6980-001-0001 be increased by \$5 million one-time to support the Student Loan Awareness Initiative to transfer the proposed Program's administration from the Governor's Office of Planning and Research to the Commission. The Student Loan Awareness Initiative is intended to educate student loan borrowers about their loans, lending practices, and available repayment options.

Teacher Service Credit Scholarship Program. It is requested that Item 6980-101-0001 be increased by \$89,750,000 one-time to reflect the creation of the Teacher Service Credit Scholarship Program. The program will provide for loan forgiveness grants to teachers meeting certain criteria, with priority for school sites with high percentages of teachers with permits or waivers as their authorizations.

Tuition Award for Students at Private Nonprofit Institutions. To provide private nonprofit institutions with additional time to increase their offerings of Associate Degree for Transfer (ADT) pathways and admissions of ADT students needed to maintain the maximum Cal Grant tuition award for new students attending private nonprofit institutions at \$9,084, the May Revision proposes to shift the required annual ADT admissions goals out one year. Under the revised schedule, private nonprofit institutions will need to meet a goal of 2,000 ADT students admitted in 2019-20, 3,000 students admitted in 2020-21, and 3,500 students admitted in 2021-22 and thereafter.

STAFF COMMENT

Subcommittee discussion has focused on the need to modernize the Cal Grant program to serve more students, and to address more of students' non-tuition costs.

The Subcommittee has received one other financial aid request:

- **Dreamer Service Incentive Grant Program.** Appropriate \$9 million to create the Dreamer Service Incentive Grant Program, which will provide stipends to AB 540 students who participate in community service or volunteer activities. These students are ineligible for federal work study programs. (Assemblymember Monique Limón)

<p>This agenda and other publications are available on the Assembly Budget Committee's website at: https://abgt.assembly.ca.gov/sub2hearingagendas. You may contact the Committee at (916) 319-2099. This agenda was prepared by Mark Martin.</p>
