

California State Assembly



Agenda

Assembly Budget Subcommittee No. 3 on Education Finance

Assemblymember David Alvarez, Chair

Tuesday, April 22, 2025
9:00 A.M. – State Capitol, Rm 447

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Public Comment will be taken in person before or after the completion of all panels and any discussion from the Members of the committees, at the discretion of the chair.

Items To Be Heard

6440 University of California

Issue 1: UC Core Operations Review and Funding Proposals

The Subcommittee will discuss UC's core operations budget, and the Governor's Budget proposals to reduce General Fund support by \$397 million ongoing General Fund and defer a 5% base increase.

Panel

- Jessica Deitchman, Department of Finance
- Ian Klein, Legislative Analyst's Office
- Seija Virtanen, University of California Office of the President

Background

The following is comprised of LAO and staff research and includes information on several aspects of UC's budget, including revenues, expenditures, cost drivers and reserves.

While UC's overall budget is more than \$50 billion, the core operations budget is about \$11 billion. Of the three public higher education segments, UC has the largest budget, with total funding greater than the California State University (CSU) and California Community Colleges (CCC) combined. UC receives funding from a diverse array of sources. The state generally focuses its budget decisions around UC's "core funds," or the portion of UC's budget supporting undergraduate and graduate education and certain state-supported research and outreach programs. Core funds – about 20 percent of overall funds - at UC primarily consist of state General Fund and student tuition revenue. A small portion comes from lottery funds, a share of patent royalty income, and overhead funds associated with federal and state research grants. UC's noncore funds include revenue from its medical centers, sales and services, federal research grants, and philanthropic support.

In the current year, UC's overall budget is about \$53.6 billion, while core funds are about \$10.8 billion. The LAO chart on the next pages depicts UC's budget.

Compact called for annual state funding increases and various improvements. In May 2022, UC and the administration of Governor Gavin Newsom finalized a five-year compact that articulated goals centered on closing equity gaps and promoting student success; increasing access to and the affordability of a UC education by continuing to expand debt-free pathways

for students and reducing costs related to textbooks, housing and food; and increasing online course offerings, among other key priorities. Specifically, the compact called for 5 percent annual ongoing General Fund increases and at least 1 percent enrollment growth each year. The Legislature was not part of this agreement.

University of California Funding by Source

(Dollars in Millions Except Funding Per Student)

	2023-24 Actual	2024-25 Revised	2025-26 Proposed	Change from 2024-25	
				Amount	Percent
Ongoing Core Funds					
Tuition and fees ^a	\$5,268	\$5,498	\$5,740	\$241	4.4%
General Fund ^b	4,717	4,858	4,587	-272	-5.6
Lottery	65	59	59	—	—
Other core funds ^c	409	401	401	—	—
Subtotals	(\$10,459)	(\$10,817)	(\$10,787)	(-\$30)	(-0.3%)
Other Funds					
Medical centers	\$18,431	\$19,721	\$21,102	\$1,380	7.0%
Sales and services	11,777	11,803	12,320	517	4.4
Federal	5,147	5,466	5,614	148	2.7
Private	3,802	3,955	4,195	240	6.1
State	718	699	703	4	0.6
Other	1,261	1,100	1,100	—	—
One-time General Fund	144	5	1	-4	-75
Subtotals	(\$41,280)	(\$42,749)	(\$45,035)	(\$2,286)	(5.3)
Totals	\$51,739	\$53,566	\$55,821	\$2,256	4.2%
FTE Students ^d	293,483	299,486	300,111	625	0.2%
Ongoing Core Funding Per Student	\$35,638	\$36,119	\$35,942	-\$177	-0.5%

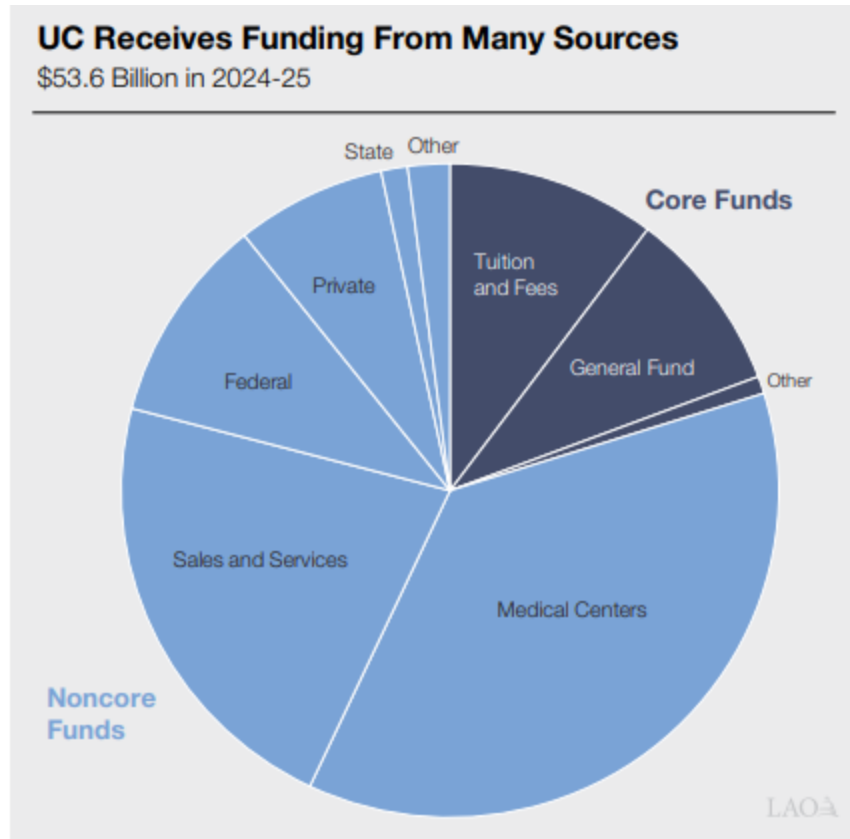
^a Includes funds that UC uses for tuition discounts and waivers.

^b Reflects reductions pursuant to Control Section 4.05 of the 2024-25 Budget Act. Specifically, the 2024-25 amount reflects a \$125 million General Fund reduction, and the 2025-26 amount reflects a \$397 million General Fund reduction.

^c Includes a portion of overhead funding on federal and state grants and a portion of patent royalty income.

^d FTE is 30 credit units for an undergraduate and 24 credit units for a graduate student. Student counts include residents and nonresident students.

FTE = full-time equivalent.



2024 Budget Act provided overall increase for UC, but signaled cuts. The 2024 Budget Act provided a 5 percent ongoing General Fund increase (\$227.8 million) to UC, the third year in a row of 5 percent increases. The budget also included a one-time reduction of \$125 million. Overall, UC received an increase of about \$141 million ongoing General Fund. In addition, intent language signaled that state support would be decreased for UC in 2025-26 by up to 7.95 percent as part of an overall statewide reduction as outlined in Control Section 4.05 of the budget bill. Language also signaled that a 5 percent ongoing increase scheduled for 2025-26 would be deferred to a future year.

Tuition is increasing. Per a 2021 policy approved by the UC Board of Regents, UC is increasing student tuition annually over a five-year period. The policy, which first took effect in 2022-23, increases tuition for each incoming class, such that each incoming class pays a higher amount than the class before it, but that tuition amount is then locked in - tuition does not increase on returning students. Tuition increases generally are based on a three-year rolling average of the annual change in the California Consumer Price Index, with an annual cap of 5 percent (unless modified by the Board of Regents). In 2024-25, UC estimates it is generating \$191 million in additional net tuition revenue (from its tuition and enrollment increases combined, after accounting for financial aid earmarks).

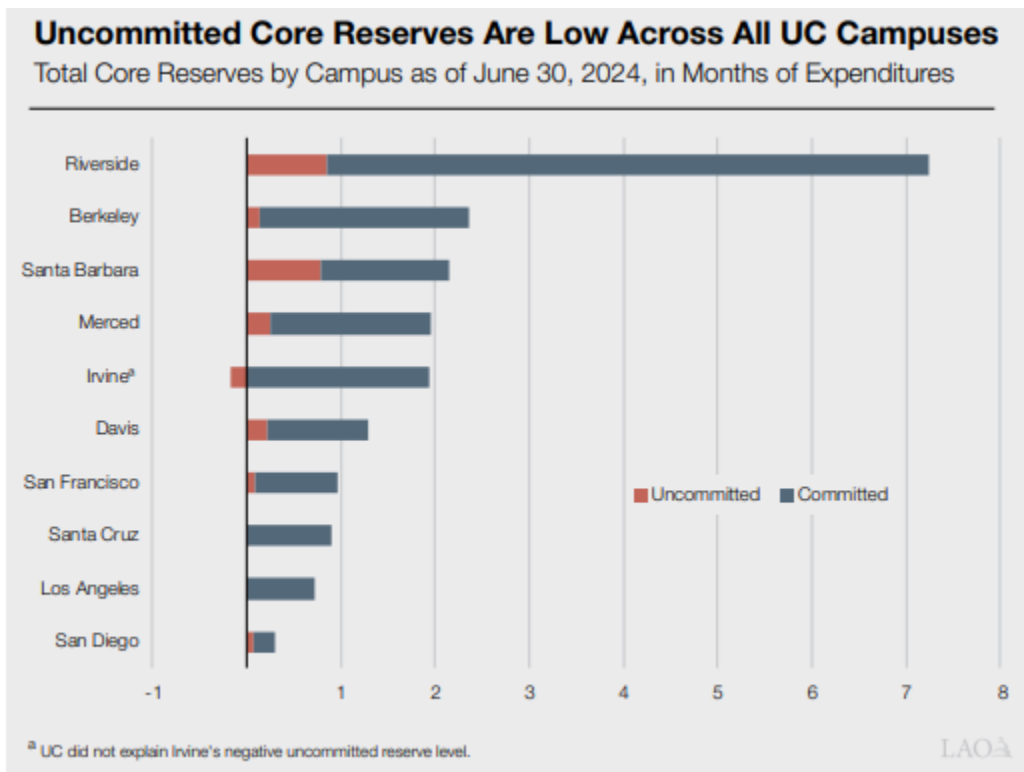
In 2025-26, tuition and systemwide fee rates are set at \$14,934 for new undergraduate resident students, reflecting an increase of \$498 (3.4 percent) above levels paid by the 2024-25 class. In addition to the five-year plan, the UC Board of Regents voted in November 2024 to increase nonresident supplemental tuition by about 10% for 2025-26. Nonresidents – both international students and American students from other states – pay nonresident supplemental tuition in addition to the tuition and fees that California students pay. (The state does not provide enrollment funding for nonresident students.)

The chart below shows tuition, systemside fees and nonresident supplemental tuition for each entering class during this five-year plan. Note the 2026-27 amounts are estimates and may change. Students also face campus fees that vary across the system, but on average are about \$1,700 in 2024-25.

UC Tuition	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Approved	2026-27 Projected
Tuition	\$11,928	\$12,522	\$13,146	\$13,602	\$14,282
Student Services Fee	\$1,176	\$1,230	\$1,290	\$1,332	\$1,398
CA Students Total	\$13,104	\$13,752	\$14,436	\$14,934	\$15,680
Nonresident Supplemental Tuition	\$31,026	\$32,574	\$34,200	\$37,602	\$39,480
Nonresident Students Total	\$44,130	\$46,326	\$48,636	\$52,536	\$55,160

UC Has Relatively Low Levels of Core Reserves. Like many other universities (as well as public and private entities more generally), UC maintains reserves. It leaves some reserves uncommitted, such that they are available to address economic uncertainties, including state budget reductions. The rest of its reserves are committed to planned activities, such as faculty recruitment and retention, certain capital outlay costs, and other strategic program investments (including developing new academic programs, expanding existing programs, and upgrading campus-wide information technology systems). Some, but not all, of these commitments could be revisited in the face of a fiscal downturn. Unlike CSU, UC does not have a systemwide reserves policy that sets a reserve target. As of June 2024, UC reported \$1.5 billion in total core reserves, of which \$155 million was uncommitted. UC’s uncommitted reserves reflect just under six days (1.6 percent) of its total annual core operating expenditures. UC’s reserves are lower than general fiscal best practices. The Government Finance Officers Association historically has recommended that government agencies hold at least two months of unrestricted budgetary fund balances (though exceptions are considered depending on certain factors such as the size of the agency, its diversification of revenue streams, the volatility of those revenue streams, and overall risk exposure).

Reserves Total Less Than One Month of Expenditures at All Campuses. In the absence of a systemwide reserves policy, UC allows its ten campuses to determine their own reserve levels. Campus policies vary but typically aim for uncommitted core reserves worth one to three months of core expenditures. Figure 4 shows core reserves at each UC campus as of June 30, 2024. Total core reserves (committed and uncommitted combined) ranged from less than one month of expenditures at the San Diego campus to over seven months of expenditures at the Riverside campus. Uncommitted reserves for economic uncertainties, however, equated to less than one month of expenditures at all campuses.



UC's largest cost is employee compensation. Like many other state agencies, the largest component of UC's budget is employee salaries and benefits (comprising 74 percent of its core expenditures in 2023-24). UC has more control than most state agencies, however, over its compensation costs, partly because most of its employees (nearly 80 percent) are not represented by a labor union. The Board of Regents directly sets salaries and benefits for these employees. UC generally offers these employees annual salary increases, though it tends not to provide such increases during fiscal downturns. UC collectively bargains salaries and benefits for its represented employee groups, negotiating with eight systemwide labor unions. As with CSU, the Legislature does not ratify UC's collective bargaining agreements.

UC currently has open contracts with two unions: the American Federation of State, County, and Municipal Employees (AFSCME), which represents service workers on campuses and patient care technical workers at medical centers, and the University Professional and Technical Employees (UPTe), which represents healthcare, research, and technical professionals.

Academic employees have increased slightly in last five years, while non-academic employees have grown significantly. In October 2024, UC employed about 144,000 full-time equivalent campus employees, excluding its medical centers. The number of employees at UC generally has been trending upward over time. The chart below displays UC employees over the last five years, excluding medical centers. While the number of faculty and other academic employees has risen by about 5 percent during this period, non-academic employees, such as managers, senior professionals and professional support staff, grew by about 25 percent. UC notes that examples of senior professionals include senior administrative analysts and information technology professionals, fundraisers, coaches, and student health physicians. Professional support staff (referred to as PSS-Non-Students in the chart) perform functions including maintenance, food services, laboratory sciences, student advising and counseling, recreational programs, clerical support, and analysis in areas such as human resources, financial, budget, and accounting.

UC Full-Time Equivalent Employees, 2020-2024

		October 2020	October 2021	October 2022	October 2023	October 2024
Academic	Faculty - Ladder-rank and Equivalent	10,809.9	10,799.3	10,432.6	10,652.3	10,784.1
	Faculty - Clinical/In-Residence/Adjunct	7,927.1	8,196.3	6,527.7	6,872.8	7,176.7
	Faculty - Lecturers	2,402.9	2,490.2	2,478.5	2,580.7	2,566.7
	Other Academic Employees	6,370.2	6,127.7	6,238.5	6,533.2	6,769.0
	Postdoctoral Scholars	5,253.7	5,266.3	5,273.2	5,537.3	5,825.3
	Medical Interns/Residents	4,964.2	4,970.2	6,325.0	6,481.1	6,588.1
	Student Teaching/Research Assistants	11,419.5	11,813.7	11,830.8	11,932.6	11,919.8
	Total	49,147.5	49,663.7	49,106.3	50,590.0	51,629.7
Non-academic	Senior Management Group	145.0	141.1	142.0	150.2	153.0
	MSP - Managers	4,130.7	4,265.9	4,638.5	4,956.4	5,175.2
	MSP - Senior Professionals	6,700.9	6,883.5	7,964.9	8,847.4	9,598.8
	PSS - Non-Students	58,590.0	59,585.5	61,892.9	66,174.0	68,068.2
	Student Staff	3,999.9	6,439.2	7,760.3	8,808.5	9,328.5
Total	73,566.5	77,315.2	82,398.6	88,936.5	92,323.7	
Grand Total	122,714.0	126,978.9	131,504.9	139,526.5	143,953.4	

Other core costs include pension and health benefits, facilities, and student financial aid.

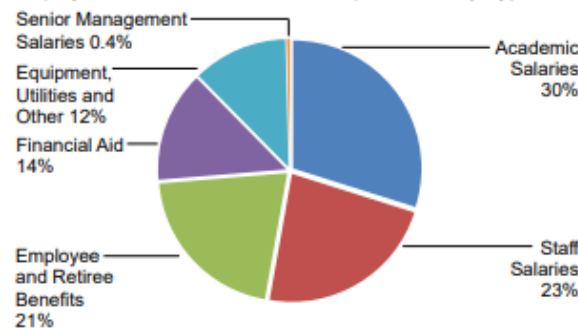
UC faces other core costs in addition to compensation. The LAO notes that UC is facing rising pension costs (UC operates its own pension system), health care costs, and debt service obligations. For example, UC’s health care spending generally has increased over time, growing from \$532 million in 2015-16 to an estimated \$760 million in 2024-25.

Per statute enacted in the Budget Act of 2014, UC is authorized to sell its own university bonds and use a portion of its annual state appropriation to cover associated debt service. Since this new system has been in place, the state has given UC authority to finance \$4 billion in facility projects using university bonds. UC is using unrestricted funds from within its main state appropriation to cover the debt service costs associated with \$2.4 billion of these projects. Over the past few years, the state approved \$1.6 billion in new UC projects, including certain student housing projects as well as new medical education buildings and other expansion projects at the Merced and Riverside campuses. Though UC still was directed to sell university bonds for these projects, the state earmarked General Fund support to cover the associated debt. This approach increased annual state debt service costs for UC facilities by \$105 million. In 2024-25, UC estimates its total debt service costs are further increasing by \$8 million (2 percent), altogether reaching \$469 million.

UC designates a portion of new student tuition revenue generated by tuition and enrollment increases to its institutional aid programs. In 2024-25, UC reports spending an estimated \$1.2 billion on its largest institutional aid program, which provides gift aid for undergraduates with financial need.

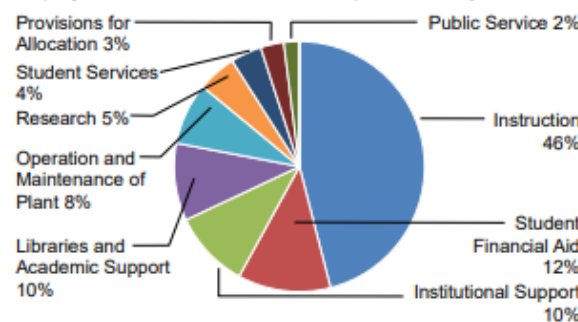
The following charts are from the *UC Budget for Current Operations 2025-26* document and indicate UC expenditures by type and function for 2023-24.

Display II-2: 2023-24 Core Funds Expenditures by Type



Nearly three-quarters of core funds support academic and staff salaries and benefits.

Display II-3: 2023-24 Core Funds Expenditures by Function



Nearly half of core funds are spent on general campus and health sciences instruction.

In addition to potential state cuts, UC has begun to see federal funding reduced and faces potentially significant reductions in the future. UC has instituted a hiring freeze and many campuses are making cuts. As of April 7, UC has had about \$300 million in federal grants cancelled as the Trump Administration is pursuing major cutbacks at various federal agencies that support UC research and other activities. (Overall, UC receives nearly \$16 billion in federal funding, with most funding supporting research, Medicare and Medi-Cal payments to medical centers, and student financial aid.) Many campuses are making reductions this year: UC San Diego has reduced its library hours, and UCLA has reduced administrative functions by 8%, for example. In March, UC President Michael Drake announced a systemwide hiring freeze and directed every UC location, including the Office of the President, to implement cost-saving measures, such as delaying maintenance and reducing business travel where possible, and to prepare financial strategies and workforce management plans that address potential budget shortfalls.

Governor's 2025-26 Budget

The Governor's Budget includes a \$397 million ongoing General Fund reduction for UC, reflecting a 7.95 percent cut per the 2024 Budget Act reductions that are impacting all state agencies. The budget restores the \$125 million one-time General Fund cut made in 2024-25, so the overall reduction from 2024-25 to 2025-26 is \$272 million ongoing General Fund. The Governor's Budget also defers a 5 percent increase (\$241 million ongoing General Fund) that was part of the compact funding. Under the deferral arrangement, one-time back payments would be provided to UC in 2026-27 (for 2025-26 costs) and 2027-28 (for 2026-27 costs). The Governor's Budget also defers state funding for a nonresident student enrollment plan that will be discussed in the next item.

LAO Comments

Budget Plan Calls to Increase UC Funding Significantly in 2026-27 Despite Projected Deficit. As we discuss in *The 2025-26 Budget: Overview of the Governor's Budget*, the state faces significant General Fund operating deficits in the coming years. Under the budget plan for UC, the state is committing to increase General Fund spending for UC by \$556 million in 2026-27. Rather than increasing university costs, the state historically has contained costs when facing multiyear budget deficits. Moreover, the state has set forth no plan as to how it would pay for such a large UC augmentation while facing a deficit. Given the state budget plan does not include a base increase for UC in 2025-26, it is unlikely the state could afford such an increase in 2026-27 (absent a change in the state's fiscal condition or new budget solutions).

State Funding for UC Is Volatile Under Budget Plan

Reflects Multiyear Assumptions Under Budget Plan, General Fund (Dollars in Millions)

	2025-26 Year 4 ^a	2026-27 Year 5 ^a	2027-28
Ongoing Changes			
Base reduction	-\$397	—	—
Deferral of year 4 base increase ^b	—	—	\$241
Deferral of year 4 nonresident replacement funding ^b	—	—	31
Anticipated year 5 base increase	—	\$254	—
Anticipated year 5 nonresident replacement funding	—	30	—
One-Time Back Payments			
Base costs	—	\$241	\$241
Nonresident replacement costs	—	31	31
One-Time Adjustments^c			
	\$125	—	-\$272
Totals	\$4,587	\$5,142	\$5,413
Change from prior year	-5.6%	12.1%	5.3%

^a In 2025-26, the Governor will be entering year 4 of his compact with the UC President. The fifth and final year of this compact is 2026-27. A new governor will take office in 2027-28.

^b The Governor proposes to defer the year 4 base increase and nonresident replacement funding from 2025-26 to 2027-28.

^c In 2025-26, reflects the restoration of \$125 million one-time base reduction applied in 2024-25. In 2027-28, reflects removal of prior-year, one-time back payments.

Recommend Removing Deferrals to Signal More Realistic Budget Expectations. Last year, the state provided a clear signal to UC that it was to begin planning for a base General Fund reduction in 2025-26. This approach gave UC time to plan and make the associated adjustments within its budget. Given the state’s projected deficit in 2026-27, the state likely will not have budget capacity to support substantial increases in General Fund spending for any programs, including UC. Rather than continuing with the deferral plans and committing to out-year funding increases, we recommending sending a more realistic signal to UC that it may not receive an increase in its state General Fund support in 2026-27. Signaling this expectation is more helpful to UC than setting an explicit expectation it will receive substantial additional state support in 2026-27, without any specific plan to ensure that funding is forthcoming. It also avoids having the state create new fiscal obligations it cannot currently afford. If the state’s fiscal condition improves over the next year, the Legislature could consider providing additional General Fund support for UC at that time.

Staff Comments

UC clearly faces significant financial challenges. Unlike California State University (CSU), enrollment demand is relatively strong across the system. But UC receives substantially more federal funding than CSU, and some of that funding is baked into overall UC operations. Federal funding reductions that have already begun and could become much more severe will have major impacts on campuses.

There is clear legislative concern with the proposed state reductions for 2025-26: about 50 Assembly members have written or signed on to letters opposing the proposed cuts to UC (and CSU). However, given numerous General Fund pressures facing the state, it is unclear whether the Legislature will have the ability to restore the cuts. The discussion today should focus on how UC will weather increasing costs and potentially declining state and federal revenue. Both short-term and longer-term solutions are likely necessary. Among the issues to consider:

UC Regents’ adopted budget calls for more than \$500 million in increased spending. As it does each Fall, the UC Board of Regents approved a 2025-26 spending plan. The plan assumed no statewide operational cut and a 5 percent General Fund increase, however, and therefore does not align with the Governor’s Budget proposal. UC notes that it faces \$158 million in what it describes as nondiscretionary cost increases, and hoped to spend \$354 million more on other priorities. The LAO chart below indicates UC’s proposed expenditure increases for 2025-26. UC has established a systemwide budget management workgroup that is meeting routinely to discuss the budget situation, and possible solutions to deficits.

UC is expecting an increased non-General Fund revenue in 2025-26, due to resident and nonresident student enrollment growth and tuition increases, procurement efficiencies and investment earnings, but its spending plan would be significantly altered if the Governor’s Budget proposal was enacted.

UC Has Identified Several Spending Priorities
 Estimated Spending Increases, 2025-26 (In Millions)

Spending Priorities	
Nondiscretionary	
Represented employee salaries	\$51
Health benefits for active employees	40
Faculty merit salary adjustments	36
Retirement contributions	19
Health benefits for retirees	11
Subtotal	(\$158)
Discretionary	
Student financial aid	\$102
Faculty general salaries	80
Non-represented staff salaries	70
Enrollment growth	63
Operating expenses and equipment	36
Other	4
Subtotal	(\$354)
Total	\$513

Operational cut to UC (and CSU) is much larger than other state agencies. Should cut be based on Office of the President budget or campus administration? As discussed by this Subcommittee in the Feb. 18 higher education overview hearing and the April 2 CSU hearing, the statewide operational cuts from the 2024 Budget Act disproportionately impact UC (and CSU). The cuts were intended to focus on “state operations,” which for most state agencies is a separate budget line item that typically indicates administrative funding. For example, cuts to the California Student Aid Commission and the California Community Colleges Chancellor’s Office are narrowly focused on both agencies’ Sacramento headquarters, and therefore amount to a few million dollars. However, both UC and CSU are funded in one budget item that includes all state funding – about \$5 billion for each. Thus, a percentage cut from this much larger base amount is much higher. Combined, UC and CSU face a cut of \$772 million ongoing General Fund.

Staff worked with the LAO to develop several possible reduction alternatives if the Legislature wished to more closely align UC reductions with those proposed for other state agencies. For example, it could consider focusing on the budget of the UC Office of the President (UCOP), which acts as the administrative arm of the 10-campus system. Another strategy could seek to protect direct services to students as much as possible.

UCOP’s overall budget is about \$1.2 billion in 2024-25, and consists of numerous funding sources and various types of expenditures, ranging from specific research projects to student outreach programs to systemwide services, such as the UC Path payroll system, which handles payroll for all campuses. The chart below suggests state funding cuts that could be made based on various Office of the President expenditures, or based on a cut related to the “Institutional Support” category of expenditures systemwide, which includes most administrative costs. A final scenario could direct cuts to categories of UC spending that might not impact students as much as cuts to “Instruction,” “Student Services,” or “Student Financial Aid.”

UC 2025-26 Budget Reduction Options

Non-Proposition 98 General Fund (In Millions)

Option	7.95 Percent Reduction	10 Percent Reduction
Reduce UCOP: option 1 (Reduces unrestricted funding for systemwide and core services)	\$19	\$24
Reduce UCOP: option 2 (Option 1 + reduces designated funding for systemwide and core services as well as UCPath)	\$47	\$60
Reduce UC: option 3 (Option 2 + reduces unrestricted and designated funding for systemwide programs and certain other programs administered by UCOP)	\$73	\$92
Reduce UC's institutional support	\$89	\$112
Reduce UC's funding in certain nonstudent areas (Applies reduction to institutional support, operations and maintenance of plant, public service, and research)	\$200	\$252

Staff makes two other observations about this operational cut:

- The 2024 Budget Act assumed \$3.6 billion in ongoing General Fund savings from this statewide reduction by the 2025-26 fiscal year. But in its current budget proposal, the administration lowered the savings dramatically, to \$1.5 billion General Fund savings in 2025-26. It appears that most state agencies are facing a much lower percentage cut than the 7.95 percent maximum described in the 2024 Budget Act. Both the Community College Chancellor's Office and Student Aid Commission are facing cuts of 3 percent of their state operations spending or less, for example. Other larger state agencies also face far less than a 7.95 percent cut: according to the LAO, the California Department of Corrections and Rehabilitation faces about a 2 percent cut, which the LAO has determined is about the average across all non-university state agencies. Both CSU and UC face a much higher percentage cut than most other agencies. The reduction to CSU and UC combined now constitutes about 53 percent of the overall General Fund savings statewide through this action, per the Governor's Budget.
- The Department of Finance appears to have handled the operational cuts to UC and CSU differently. While the cut to CSU's base excludes spending related to debt service, UC's reduction did not exclude debt service. Thus, UC's cut (\$397 million) is actually higher than CSU's (\$375 million) reduction, even though CSU receives more state funding than UC.

Potential Questions:

1. What types of reductions will UC make if the Governor's Budget is enacted as proposed?
2. What would the impact on students be under the proposed reductions?
3. If reductions are approved, can UC aim cuts toward programs and services that do not directly impact students? For example, can UC concentrate reductions on UCOP, and/or the Institutional Support expenditure category?
4. Why has the number of non-academic employees grown at a much faster rate than academic employees?

Staff Recommendation: Hold Open

Issue 2: UC Enrollment Review and Proposals

The Subcommittee will discuss UC enrollment trends and future enrollment plans, and the Governor's budget proposal to defer funding for the nonresident replacement plan.

Panel

- Jessica Deitchman, Department of Finance
- Ian Klein, Legislative Analyst's Office
- Katherine Newman, University of California Office of the President

Background

UC Enrolls a Mix of California Resident and Nonresident Students. In 2023-24, of the nearly 293,500 FTE students UC enrolled, 82 percent were California residents and 18 percent were nonresidents. Compared to the two other segments, UC enrolls a notably larger share of nonresident students. (In 2023-24, nonresidents comprised 5.5 percent of CSU FTE students and an estimated 3 percent of CCC FTE students.) Within UC, nonresident students are more common in graduate programs. In 2023-24, one-third of UC graduate students are classified as nonresidents, compared to 15 percent of UC undergraduates.

UC Enrolls a Mix of Freshmen and Transfer Students. Besides aiming to enroll a mix of resident and nonresident students, UC tries to have each new incoming undergraduate class have a certain share of freshmen and transfer students. Specifically, UC aims to enroll one resident transfer student for every two resident freshmen. In fall 2024, UC estimates that it will nearly achieve this goal.

State Typically Sets Resident Enrollment Targets and Provides Associated Funding. Over the past two decades, the state's typical enrollment approach for UC has been to set systemwide resident enrollment targets. These targets typically have applied to total resident enrollment, giving UC flexibility to determine the mix of undergraduate and graduate students. If the total systemwide target has included growth (sometimes the state leaves the target flat), the state typically has provided associated General Fund augmentations. Augmentations have been calculated using an agreed-upon per-student funding rate derived from the "marginal cost" formula. This formula estimates the cost to enroll each additional student and shares the cost between the state General Fund and student tuition revenue. In 2024-25, the total marginal cost per student is \$21,455, with a state share of \$11,930.

State has sought to reduce nonresident enrollment. The Legislature has long been concerned about the number of nonresident undergraduate students enrolled at UC campuses, and its impact on California enrollment. The 2016 Budget Act required UC to set limits on nonresident enrollment, which led to the Board of Regents voting to limit most campuses' nonresident enrollment to no more than 18 percent of the undergraduate student body. The 2021 Budget Act created a five-year plan to reduce nonresident undergraduate enrollment at the Berkeley, Los Angeles, and San Diego campuses by a total of 902 FTE students annually and increase resident undergraduate enrollment by the same amount over a five-year period. To help the campuses achieve this goal, the state has provided UC with ongoing General Fund increases (about \$31 million annually) to backfill the lost nonresident supplemental tuition revenue. The nonresident enrollment reduction plan began in 2022-23 and was intended to extend through 2026-27. By 2026-27, these UC campuses are to have nonresident students comprise no more than 18 percent of their total undergraduate enrollment, similar to the other UC campuses.

Last Year's Budget Act Included Enrollment Growth Expectations for the Next Few Years. Specifically, the 2024-25 Budget Act set an expectation that UC grow by 2,927 resident undergraduate FTE students in 2024-25, another 2,947 FTE students in 2025-26, and another 2,968 FTE students in 2026-27. These amounts reflect annual growth of 1.4 percent. (These amounts include the additional 902 resident undergraduate FTE students resulting from the nonresident replacement plan.) The state's intent was that UC would fund this new growth from base General Fund augmentations provided in each of those years. Under this growth plan, UC resident undergraduate enrollment would reach 212,503 in 2026-27.

UC Has Graduate Growth Plans. Unlike for UC undergraduates, the state has not been setting enrollment targets for UC graduate students. The Governor and UC, however, have compact goals relating to graduate enrollment. Specifically, UC set a plan to increase enrollment in its state-supported graduate programs by a total of 2,500 students (resident and nonresident students combined) over four years. UC originally intended to add this enrollment in even increments (625 FTE students per year) beginning in 2023-24 and extending through 2026-27. Though not earmarked in the state budget act, graduate enrollment growth is supported by state funding and tuition revenue, among other sources.

All UC campuses have increased enrollment in past five years. The charts on the next page show undergraduate resident and nonresident enrollment trends. UC saw a slight decline in California enrollment during the COVID-19 pandemic, but overall enrollment has grown significantly in the past few years. Four campuses – Berkeley, Los Angeles, San Diego and Santa Cruz - all grew by more than 2,000 FTE since 2019. Nonresident enrollment decreased at five campuses during this period, while the other campuses reported slight growth.

Undergraduate California resident total FTE

Fall-winter-spring + summer

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	Growth 19-20 to 24-25 est.
Berkeley	24,928	25,954	25,356	25,766	26,905	27,866	2,938
Davis	25,909	26,911	26,449	26,116	26,593	27,178	1,269
Irvine	26,339	26,174	24,608	24,589	25,542	26,607	268
Los Angeles	26,180	27,040	26,169	26,941	28,205	28,871	2,691
Merced	8,261	8,529	8,611	8,348	8,496	8,695	435
Riverside	21,120	21,941	21,315	21,596	21,877	21,930	810
San Diego	25,227	26,927	26,968	27,548	28,772	29,903	4,676
Santa Barbara	19,864	20,292	19,217	19,123	19,561	20,820	956
Santa Cruz	15,965	16,309	17,168	17,084	17,698	17,988	2,023
UC total	193,792	200,076	195,861	197,111	203,649	209,858	16,066

Undergraduate nonresident FTE

Fall-winter-spring

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	Change, 2019-20 to 2024-25
Berkeley	7,229	6,857	7,283	7,198	6,919	6,137	-1,093
Davis	5,039	4,915	5,052	5,201	5,233	5,246	207
Irvine	5,332	4,927	5,268	4,785	4,959	5,211	-121
Los Angeles	6,916	6,755	7,120	6,736	6,470	6,176	-740
Merced	23	35	33	32	39	24	1
Riverside	766	749	681	839	855	825	59
San Diego	6,411	6,543	7,500	6,930	6,417	6,500	89
Santa Barbara	3,946	3,511	3,689	3,887	3,767	3,601	-345
Santa Cruz	1,994	1,574	1,464	1,341	1,238	1,255	-739
UC total	37,656	35,866	38,089	36,949	35,897	34,975	-2,681

UC Expects to Far Exceed Its Resident Undergraduate Enrollment Target in 2024-25.

Based on data from the summer and fall 2024 terms, UC estimates that its resident undergraduate enrollment is 3,270 FTE students above the 2024-25 Budget Act target. This growth is more than double the state’s enrollment expectation that year. Rather than reaching a resident undergraduate enrollment level of 206,588 FTE students, UC anticipates growing to 209,858 FTE students. This level of growth even exceeds the 2024-25 Budget Act enrollment target set for UC in 2025-26 (by a few hundred students).

UC Expects to Meet Its Nonresident Enrollment Reduction Goals in 2024-25. Compared to 2023-24, nonresident undergraduate enrollment declined at the Berkeley campus by 782 FTE students and at the Los Angeles campus by 294 FTE students. Together, these two campuses exceeded the combined state reduction target of 902 FTE students. UC San Diego increased its nonresident undergraduate enrollment by 83 FTE students, but it grew its resident undergraduate enrollment at an even greater pace. All three campuses reduced nonresident undergraduate enrollment as a share of their total undergraduate enrollment. The Berkeley campus made the most progress (reducing its nonresident share by 2.2 percentage points), whereas the San Diego campus made the least progress (reducing its nonresident share by 0.4 percentage points). All three campuses have a nonresident share that is below 20 percent in 2024-25.

Governor's 2025-26 Budget

The 2024 Budget Act set a resident undergraduate enrollment expectation for UC in 2025-26 and 2026-27. The Governor's Budget maintains these expectations. Specifically, the budget plan sets forth that UC is to grow its resident undergraduate enrollment by 2,947 FTE students in 2025-26, and another 2,968 FTE students in 2026-27, for a total level of 212,503 FTE students that year. The budget plan does not contain any enrollment growth funding for UC, however.

The Governor's Budget also maintains the expectation that UC continue to reduce nonresident undergraduate enrollment by a total of 902 FTE students at the Berkeley, Los Angeles, and San Diego campuses in 2025-26, replacing those students with residents. (The additional resident students are included in the targets mentioned above.) As with the base funding deferral, the budget plan defers \$31 million ongoing General Fund that otherwise would have been provided in 2025-26 to continue implementing the nonresident enrollment reduction plan to 2027-28.

LAO Comments

Enrollment Growth Above Target in 2025-26 Likely to Impact Academic Programming. UC projects that its resident undergraduate enrollment will surpass the 2025-26 state target by 1,225 FTE students. However, the state's multiyear budget plan does not include funding for any enrollment growth and, instead, includes an ongoing General Fund reduction for UC in 2025-26. To accommodate the student growth, while at the same time seeing a reduction in its state support, UC anticipates holding some positions open and slowing the hiring of faculty. The result of these actions is that class sizes will likely increase and fewer courses could be available for students in fall 2025.

Funding Enrollment Growth at Community Colleges Helps Maintain Overall College Access. As we discuss in The 2025-26 Budget: Higher Education Overview, the Governor's budget includes an increase in Proposition 98 General Fund to support enrollment growth at community colleges. If the state were to reduce ongoing General Fund for UC over one or more years and UC were to constrain its enrollment, community colleges could begin to attract students who otherwise might have enrolled directly at UC. That is, community colleges could help maintain overall college access in the state. Moreover, community colleges do so at a lower state cost relative to the state funding enrollment growth at the universities. (Another effect of this initial enrollment shift, however, is that UC could see pressure in the future resulting from a greater pool of transfer students.)

Recommend Revisiting 2026-27 Resident Undergraduate Enrollment Target. With UC having already made many of its 2025-26 admissions decisions, modifying state 2025-26 enrollment targets would have little effect at this point. The Legislature, however, still can influence UC's 2026-27 enrollment levels. Given the state's projected deficit in 2026-27, the state likely would not have budget capacity to support enrollment growth in 2026-27. The Legislature could consider a couple of options. One option would be to hold UC's enrollment flat at the estimated 2025-26 level of 210,760 resident undergraduate FTE students. Under this option, UC would likely continue to implement cost saving measures, likely resulting in larger class sizes and potentially fewer course offerings. The effects would be less severe, however, than if the state maintained the higher enrollment targets under the budget plan (requiring UC to grow resident undergraduate enrollment to 212,503 FTE students in 2026-27). Alternatively, the Legislature could lower UC's resident undergraduate FTE enrollment level in 2026-27 to some level it deemed appropriate given changes in UC's total core funding. Lowering UC's resident undergraduate enrollment target would alleviate some or all of the pressure UC would face to implement further cost savings measures.

Pause Nonresident Replacement Enrollment Reduction Plan. As previously mentioned, with many 2025-26 admissions decisions already made, the Legislature has a greater ability to impact UC's 2026-27 enrollment decisions. In light of the state's projected budget deficits, we recommend the Legislature pause the expectation that UC replace 902 nonresident undergraduate students with resident students in 2026-27 at the three high-demand campuses. The state could resume implementation of the nonresident reduction plan when its fiscal condition improves.

Adopt Language to Maintain Existing Ratio of Resident-to-Nonresident Students at High-Demand Campuses in 2025-26 and 2026-27. We recommend the Legislature adopt provisional budget language directing UC to maintain the existing progress that campuses already have made regarding replacing nonresident with resident students at its high-demand campuses. Specifically, the provisional language would stipulate that campuses exceeding the 18 percent nonresident undergraduate threshold shall not increase the percentage of nonresident

undergraduate FTE students above their 2024-25 levels. Adopting this language would ensure that these campuses do not undo some of the progress made over the past three years. That is, the language would deter the high-demand campuses from effectively beginning to replace resident students with nonresident students.

Staff Comments

UC has added more than 16,000 California undergraduates in the last five years, which is almost the equivalent of a Santa Cruz-sized campus. This robust growth has occurred due to focus and agreement among the Administration, Legislature and UC for several years. General Fund budget constraints threaten this progress, and discussion this year must center on how UC can continue to address long-term access issues amid (hopefully) shorter-term financial challenges. UC enrollment patterns change slowly, as each incoming class makes incremental changes to the overall student body. One or two cycles of limited growth for Californians could take years to reverse. Among the issues for the Subcommittee to consider are:

Through state action, mix of California undergraduates and nonresidents has changed. Can recent trends be maintained as state faces budget constraints? Nonresident enrollment grew significantly coming out of the Great Recession, as many campuses looked to increase the number of students paying significantly higher tuition levels as a way to alleviate budget challenges. This issue became a significant area of conflict between UC and the Legislature, and led to the five-year plan to limit nonresident enrollment and increase California enrollment at the system’s three campuses with the highest level of nonresidents. This effort has been effective, as the chart below indicates.

Nonresident enrollment as a percentage of total undergraduate enrollment
Based on fall-winter-spring year-average headcount

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated
Berkeley	24.4%	23.5%	22.1%	19.6%
Davis	17.4%	17.7%	17.5%	17.3%
Irvine	19.3%	17.7%	17.7%	18.0%
Los Angeles	23.4%	21.8%	20.4%	19.3%
Merced	0.4%	0.4%	0.5%	0.3%
Riverside	3.3%	4.0%	4.1%	3.9%
San Diego	23.6%	21.8%	19.7%	19.3%
Santa Barbara	17.9%	18.5%	17.7%	16.3%
Santa Cruz	8.6%	7.9%	7.2%	7.2%
UC total	17.7%	17.1%	16.2%	15.5%

But this program also has been costly, as the state is essentially paying the Berkeley, Los Angeles and San Diego campuses about three times as much as it normally would for every added Californian. The state’s current General Fund condition has led the Administration to propose deferring nonresident replacement funds, while the LAO is recommending pausing the program. A key issue for the Legislature this year is to decide what to do with this program. UC notes that it has actually reduced a higher number of nonresidents than the plan called for – instead of lowering nonresident enrollment by 902 students per year, the three campuses have lowered nonresident enrollment by about 1,000 students per year.

UC is seeking language in the budget bill this year allowing it to count some of the past reduction above the required numbers toward the future, as well as language allowing it to count higher-than-expected California enrollment numbers toward future targets.

All campuses are growing, but some remain extremely competitive. The good news is that recent growth has been concentrated at campuses with the most demand. However, freshman admissions rates continue to be very low at several UC campuses, as the following chart indicates. Staff notes that five UC campuses received more than 100,000 applications for Fall 2024. These numbers reflect both California residents and nonresidents. Admissions rates for community college transfer students are higher.

Campus	Fall 2024 Freshman Applicants	Fall 2024 Freshman Admits	Admit Rate
Berkeley	124,242	13,701	11%
Davis	98,861	41,618	42%
Irvine	122,697	35,313	29%
UCLA	146,271	13,128	9%
Merced	31,875	29,233	92%
Riverside	58,040	44,328	76%
San Diego	134,444	35,984	27%
Santa Barbara	110,256	36,312	33%
Santa Cruz	71,700	46,582	65%

Campuses face other challenges to growth and are seeking other strategies to serve more students. Many UC campuses are constrained to grow enrollment due to issues such as physical limitations or housing limitations. For example, the Davis campus has an agreement with the city of Davis that requires additional on-campus housing if the campus increases enrollment. The Berkeley campus is located in a high-density urban area that limits campus expansion. Meeting enrollment demand in the future may require more creative thinking. UCLA, for example, in 2023 purchased two properties belonging to the defunct Marymount California University and is developing plans to host academic programs and housing at the properties.

UC San Diego will discuss its plans to expand to an off-campus site in Chula Vista in a subsequent item in this agenda. The Subcommittee may wish to discuss with UC other ways in which it can increase university capacity in the future.

Suggested Questions:

1. How many undergraduate FTE is UC planning to add for Fall 2025?
2. How is UC thinking about enrollment over the next few years, if General Fund support is lessened?
3. How can UC expand access at its most in-demand campuses?
4. What is the Administration and UC reaction to the LAO recommendation to pause the nonresident reduction plan, instead of deferring the funding?

Staff Recommendation: Hold Open

Issue 3: Student Housing Update

The Subcommittee will discuss UC student housing, and projects funded by the Higher Education Student Housing Grant Program.

Panel

- Seija Virtanen, University of California Office of the President
- Ian Klein, Legislative Analyst's Office
- Jessica Deitchman, Department of Finance

Background

The 2021, 2022 and 2023 Budget Acts created the Higher Education Student Housing Grant Program and authorized 35 projects: five UC projects, 11 CSU projects, 16 CCC projects, three joint UC/CCC projects, and one joint CSU/CCC project, totaling about \$2.2 billion in state funding. Projects were required to provide “affordable” beds for students, which was defined as rents not exceeding 30 percent of 50 percent of a campus’s area median income. (This is a measure used in various federal and state affordable housing programs to gauge housing affordability for low-income residents.)

While the program was originally conceived with one-time General Fund, the 2023 Budget Act shifted the program to bond financing. Starting in the 2023 Budget Act, UC and CSU began receiving ongoing General Fund to cover debt service costs on bonds issued by each segment. UC is receiving \$50.7 million annually to cover debt service for its five projects, and the three joint UC/CCC projects, which is supporting about \$735 million in costs for the eight projects. (Many of the projects are also using other funds.)

UC reports debt service savings. UC reports that it has issued bonds to support its projects, and it was able to sell bonds at a better interest rate than the state had estimated. The debt service savings amount to about \$6.2 million annually. The following chart indicates the campus and student housing project, the number of beds the project is expected to create, the state-approved funding level, the state-approved annual debt-service amount, the actual debt service costs after bond issuance, and the ongoing savings due to the lower costs.

Authorized UC Projects	Beds	Expected Opening	State-Approved Funding Level	Annual Debt Service Appropriation	Actual Debt Service	Ongoing Savings
Berkeley (People's Park)	1113	Fall 2027	100,000,000	6,836,735	6,054,594	782,141
Irvine (Mesa Court)	400	Fall 2025	65,000,000	4,443,878	3,694,840	749,037
Los Angeles (Gayley)	445	Fall 2026	35,000,000	2,392,857	1,990,009	402,848
Merced	496	Fall 2026	108,557,000	7,408,189	6,469,807	938,383
Riverside (North District)	1242	Fall 2025	126,000,000	8,596,913	7,168,038	1,428,874
San Diego (Pepper Canyon West)	1310	Fall 2024	100,000,000	6,836,735	5,959,825	876,910
Santa Cruz (Kresge)	440	Fall 2025	89,000,000	6,084,694	5,059,089	1,025,605
Cabrillo Community College	624	Fall 2027	111,787,000	8,100,000	8,100,000	0
Totals	6070		735,344,000	50,700,001	44,496,202	6,203,798

UC has used savings to support another project, and is seeking legislative support for one other project. UC reports that it has begun to use some of the savings it is achieving to support one other student housing project. In a letter to the Legislature and Department of Finance, UC notes that it has allocated about \$2.6 million from its debt-service savings to the UC Davis Segundo Infill Student Housing project, which is a \$92.2 million project that will create about 400 beds. The \$2.6 million in debt service will support about \$43 million in bond-funded project costs. In the letter, UC acknowledges that the notification to add this project to the program is late, and it regrets the delay.

In addition, UC is also seeking legislative support for a student housing project at the Santa Barbara campus that could also be supported by debt service savings. The East Campus Student Housing project will provide a total of 1,690 student housing beds, and UC notes that state funding would allow 240 of the beds to be provided at affordable rates to low-income students. UC proposes to use another \$2.6 million in debt service savings to support about \$43 million in costs. The chart below provides information on these two projects.

Requested UC Projects	Beds	Expected Opening	Requested State Funding Level	Requested Annual Debt Service Appropriation
Davis (Segundo)	400	Fall 2027	43,000,000	2,562,725
Santa Barbara (East Campus)	1,690	Fall 2029	43,000,000	2,600,000

Governor’s 2025-26 Budget

The Governor’s Budget provides \$50.7 million ongoing General Fund to support the UC and joint UC-CCC student housing projects.

Staff Comments

Housing is typically the highest cost facing most California students: UC estimates that students living on campus will spend more than \$20,000 on housing and food in 2025-26. The Higher Education Student Housing Grant Program marks the first significant state investment in student housing, and is helping to lower student costs at some sites. The issue for the Subcommittee to consider at this hearing is whether to allow UC to proceed with its plans to use state dollars to support two other projects that have not been authorized by the Legislature. UC intends to meet all of the conditions required under the state program, including a lower rent level for low-income students. However, given the condition of the state General Fund this year, the \$6 million in savings could be used for other purposes.

Suggested Questions:

1. What are the benefits of supporting the two new UC student housing projects?
2. Does the Administration have a position on these two projects?
3. What are UC's overall student housing plans for the next several years? Are all campuses building housing?
4. How has this state program impacted housing costs for both students and campuses?

Staff Recommendation: Hold Open.

Issue 4: Title IX Update

The Subcommittee will hear an update on Title IX issues and activities from the UC Office of President.

Panel

- Catherine Spear, University of California Office of the President

Background

In 1964, the United States passed the Civil Rights Act of 1964, which prohibited discrimination based on race, color, religion, sex in employment, public accommodations, and federally funded programs. Title VI of the Civil Rights Act prohibits discrimination based on color, race, or national origin in programs or activities that receive federal financial assistance, this would include most colleges and universities in the state of California. In 1972, an additional law was put forward to prevent sex discrimination on collegiate campuses throughout the United States, Title IX of the Education Amendments of 1972 (Title IX). Both Title VI and Title IX go beyond ensuring students have access to sports and academic majors; it requires all higher education institutions to provide educational programs free from all forms of discrimination.

The prevention of discrimination is more than simply having a policy on how to address complaints. Prevention is creating a campus culture that addresses the root cause of discrimination before it becomes a complaint. The prevention of discrimination includes training where bystanders are empowered to intervene, a campus where students, faculty, and staff are encouraged to report incidents, and a culture, where those reports are met with support for all parties involved.

In 2024, the Assembly Higher Education Committee published a report containing a synopsis of the information gleaned from the briefings and a compilation of legislative proposals for how the State can partner with higher education institutions to prevent and address sex discrimination in all its forms on campuses throughout California. The report contained the following findings:

California Community Colleges (CCC)	California State University	University of California
<p>No systemwide policy that all 116 campuses and 72 districts follow.</p> <p>Title IX coordinators not on campus and very few have designated Title IX offices/coordinators.</p> <p>Additional appeals for faculty/staff.</p> <p>No mandated training on for students (forthcoming).</p> <p>No systemwide coordinator or office.</p> <p>Reports are requirement by regulations, but the Chancellor’s office said due to lack of guidance the reports are not up to date</p>	<p>Each campus has a Title IX office and coordinator.</p> <p>One major policy with five grievance procedures – depending on the respondent.</p> <p>Additional appeals for faculty/staff based on collective bargaining and California Education Code.</p> <p>Decision maker differs depending upon whether the respondent is a student or employee.</p> <p>Offers in-person and online training for students and employees.</p> <p>Each campus has a confidential advocate who has additional responsibilities beyond helping complainants access supportive measures.</p> <p>Campus-level data collected on sexual harassment trends but not provided at the systemwide level.</p>	<p>Each campus has a Title IX office and coordinator.</p> <p>One major policy with nine grievance procedures – depending on the respondent.</p> <p>Additional appeals for faculty and staff.</p> <p>Chancellor of the campus is the decision maker in all cases.</p> <p>Stand-alone confidential advocate office and respondent coordinators</p> <p>UC tracks campus and systemwide data to ascertain and address patterns of sex discrimination.</p>

The primary finding from the report was a lack of transparency as to how colleges and universities were responding to acts of discrimination. The report provided 18 recommendations of which 12 were signed into law through the accompanying bill package. The bills ranged from reporting requirements on sexual harassment incidents on campus to codifying the creation of Civil Rights offices at the CSU and UC. Among the bills was AB 2326 (Alvarez), which included

a requirement that the leadership of all three public higher education institutions present to the legislative budget subcommittees their efforts in addressing and preventing discrimination on campus.

The UC Office of the President will provide an update at this hearing per AB 2326.

The UC has a systemwide Office of Civil Rights which houses the Systemwide Title IX Office. In the last year due to a requirement in the annual budget act, the UCOP published an Equity in Higher Education Report.¹ The report contained an array of policies for how the UC is addressing behavior which constitutes a hostile environment on campus, including discriminatory behaviors. The report did not contain data on how discriminatory complaints on campus are being handled. Technically, the UC is not requested to provide a report to the Legislature on the outcomes of campus-based sexual harassment complaints December 1, 2025.

Each year the UC publishes the results of the University of California Undergraduate Experience Survey. The survey includes a section on campus climate for diversity and inclusiveness. Of the students surveyed in 2024:

<i>Please select your level of agreement with the following statements.</i>	Strongly disagree	Disagree	Somewhat disagree	Somewhat agree	Agree	Strongly agree	Total
Overall, I feel comfortable with the campus climate for diversity and inclusion in my major	1,312 3%	1,728 4%	3,863 9%	10,828 24%	18,946 42%	8,568 19%	45,245 100%
Overall, I feel comfortable with the climate for diversity and inclusion in my classes	1,151 2%	1,537 3%	3,650 7%	12,959 25%	23,026 45%	8,901 17%	51,224 100%
Overall, I feel comfortable with the climate for diversity and inclusiveness at this university	1,542 3%	1,939 4%	4,387 9%	12,954 25%	22,025 43%	8,462 16%	51,309 100%
UC [CAMPUS] is a welcoming campus	1,014 2%	1,494 3%	3,567 7%	14,458 28%	22,438 44%	8,357 16%	51,328 100%
Students of my gender are respected on this campus	576 1%	1,006 2%	2,879 6%	11,078 21%	25,207 49%	10,890 21%	51,636 100%
Students of my political beliefs are respected on this campus	1,771 4%	1,816 4%	2,969 7%	7,688 17%	19,969 44%	11,054 24%	45,267 100%
Students of my race/ethnicity are respected on this campus	1,199 2%	1,634 3%	3,669 7%	11,691 23%	23,009 45%	10,489 20%	51,691 100%
Students of my religious beliefs are respected on this campus	1,239 3%	1,288 3%	2,369 6%	7,299 19%	17,680 45%	9,087 23%	38,962 100%
Students of my sexual orientation are respected on this campus	466 1%	696 1%	2,012 4%	8,644 17%	26,157 51%	13,606 26%	51,581 100%
Students of my socio-economic status are respected on this campus	1,142 2%	1,639 3%	3,764 7%	10,975 21%	23,578 46%	10,467 20%	51,565 100%

¹ https://www.ucop.edu/operating-budget/_files/legreports/2024-25/uc_equity_in_higher_ed_legrpt.pdf#Equity%20in%20Higher%20Education

The research organization: Survivors + Allies has conducted community-engaged, student-, and survivor-led research in the field of sex discrimination prevention. Survivors + Allies' research is housed within the UCLA Streisand Center. Research conducted by Survivors + Allies was cited in the California State Assembly Committee on Higher Education Committee's report "A Call to Action" and was used as the basis for the eleven sex discrimination reform bills signed into law by Governor Newsom in 2024. The Survivors + Allies survey of UC students yielded the following data points:

1. *Students lack an overall awareness of the resources available to them on campus, despite the in-depth educational program on UC campuses.*
 - a. 68% of surveyed students had heard of CARE;
 - b. 32% of students did not know international students were covered by Title IX;
 - c. 38% did not know undocumented students were covered by Title IX; and,
 - d. 36% of students thought reporting to the Title IX office was confidential, meaning that the coordinator was not required to act upon the information provided.
2. *Students are not comfortable reporting to the UC Police Department.*
 - a. 70% of students who self-identified as LGBTQ+ felt uncomfortable reporting an incident to the UC Police Department; and,
 - b. 52% of students who identify as heterosexual were uncomfortable reporting an incident to the UC Police Department.
3. *Survivors reported negative experiences with Title IX.*
 - a. Survivors reported they found the process lengthy, confusing, and inequitable; and,
 - b. Only 30% of students surveyed indicated they felt safe interacting with Title IX staff compared to 80% who felt safe interacting with CARE staff.

Staff Recommendation: This is an oversight item.

Issue 5: Chula Vista Update

The Subcommittee will discuss the Chula Vista University Now Initiative and multi-segment partnerships.

Panel

- Pradeep K. Khosla, Chancellor, University of California San Diego
- Katherine Newman, Provost, University of California Office of the President

Background

Since 1993, the city of Chula Vista has pursued the development of a University Innovation District on city-owned land to serve Chula Vista and the South San Diego region and has taken actionable steps recently to turn this vision into a reality. Chula Vista is the only city in California with a population over 200,000 that does not have a four-year nonprofit or state university. The goal of the University Now Initiative (UNI) is to create a sustainable, binational higher education ecosystem that aligns academic programs with the workforce needs of the region.

The city has engaged in a number of studies related to land planning efforts and establishing a vision for the University Innovation District (UID). A 2024 white paper developed by the city and Southwestern Community College (SWC) sought to identify academic and instructional programs that would support the region's current and future workforce needs. The paper also outlined findings to inform specific legislative and funding actions for the city to consider in its pursuit of a university. The findings highlighted a strong demand for bachelor's degree programs in South San Diego County, particularly in fields such as business, healthcare, technology, and the arts.

The paper specifically recommended expanding academic programs to align with regional workforce needs, emphasizing partnerships between Southwestern College, the University of California and the California State University systems; advocating for establishing clear transfer pathways; addressing gaps in current offerings; and ensuring community involvement to maintain accessibility and responsiveness. Additionally, the report highlighted the importance of binational collaboration to foster an inclusive higher education ecosystem.

The project is underway at the new Millenia Library in east Chula Vista, which will house a Bachelor of Science in Nursing program offered by San Diego State University, as a transfer pathway from Southwestern College. In addition, AB 662 (Alvarez) has been introduced this legislative session to support the establishment of an intersegmental institution of higher education in the city of Chula Vista. The bill mandates the formation of a Joint Powers Authority (JPA) to evaluate governance structures, degree offerings, funding mechanisms, and statutory changes necessary for creating a collaborative higher education institution. Also underway is an

assessment on the feasibility of developing the first 20 acres of the 383 acres of the university site.

The 2024 Budget Act included two actions related to the Chula Vista effort. Supplemental reporting language required both CSU and UC to report to the Legislature by Feb. 1, 2025 on opportunities for programming at the Chula Vista site, including information on potential bachelor's degree or other programs, including intersegmental programs, that could be offered at the site; the current student success metrics associated with the programs to be offered; and the costs and other issues associated with this expansion, including a timeline for program opening and potential enrollment levels. Additionally, CSU was provided \$5 million one-time General Fund to create partnerships with community colleges or UCs to expand higher education opportunities in areas of the state that have been historically underserved by higher education. Funding was intended to support planning or implementation costs of up to two projects that bring together higher education campuses of the University of California, California State University or California Community Colleges at a single location to offer certificate or degree programs that support state or local workforce needs.

The Subcommittee discussed these issues with CSU and Southwestern Community College at its April 2 hearing. UC has been asked to discuss the report it provided to the Legislature at this hearing. A multi-segmental campus is relatively unique in California, but there are examples of successful projects in other states that bring together different university and community college degree programs at an off-campus site. The Legislature could consider whether there are other areas of the state with limited higher education options that could benefit from this concept in the future.

Report outlines multiple possible programs for Chula Vista site. UCSD noted in its report that it has been working on the Chula Vista project and views it as an “important opportunity to serve California’s students in a way that aligns several teaching and research priorities with the needs of the San Diego-Tijuana border region.” The university had developed a white paper in Spring 2024 that outlined short- and long-term possibilities for the initiative. The legislative report built on that paper.

In its report, UCSD proposes two types of academic programming: a B.S. degree program in Public Health (with transfer students possibly matriculating in Fall 2026; and some lower-division coursework available at Southwestern College in 2025-26) and certificate programs offered through the Division of Extended Studies beginning in 2026. A Public Health pilot would begin with a small transfer cohort of around 30 students. Southwestern College students would have the opportunity to transfer to the UC San Diego Public Health major through a 2+2 transfer program.

The university proposes the pilot run from the 2026- 27 to the 2030-31 academic years in order to graduate four cohorts. It is possible that other degree programs from other UCSD departments will join Public Health during this period, depending on resources. The program will design an assessment plan to monitor the success of the pilot. Courses in Public Health will be taught by a mixture of UCSD Senate and non-Senate faculty – as is the case on the La Jolla campus. Some courses are available online. Faculty from other departments will offer a variety of elective courses; again, some of these will be available online. However, due to accreditation issues, less than 50 percent of the coursework may be taught online.

The report also notes that the UCSD Division of Extended Studies can move quickly to create programs in Chula Vista, whether at Southwestern College, the UniverCity Library, or other appropriate spaces. Possible programs range from certificates in lactation and perinatal care, substance use disorder counseling, accounting, paralegal, and early childhood education.

UCSD's report suggests a need for about \$7 million in extra funding between 2026-27 and 2030-31 to operate the public health program, based on expected revenue and costs. UCSD also suggests the need of about \$1 million in start-up costs to launch extension programs.

Staff Recommendation: This is an oversight item.

6600 UC College of the Law SF**Issue 6: College of the Law Proposals**

The Subcommittee will discuss the Governor's Budget proposals to augment base funding for the college by \$2.4 million ongoing General Fund and provide \$10.1 million ongoing General Fund to support debt-service costs for a housing project. The college also faces a reduction of \$1.8 million ongoing General Fund per the statewide operations cuts.

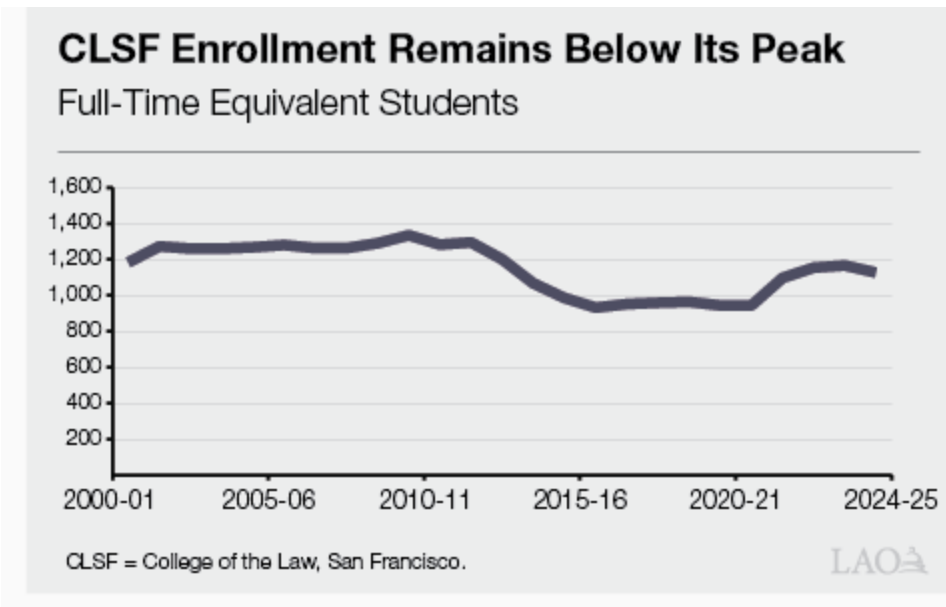
Panel

- Devin Mitchell, Department of Finance
- Ian Klein, Legislative Analyst's Office
- David Faigman, UC College of the Law SF
- David Seward, UC College of the Law SF

Background

CLSF Is a Public Law School. CLSF, formerly Hastings College of the Law, is affiliated with UC but has its own governing board, the Board of Directors. The Board of Directors oversees the school's finances and makes key decisions, such as setting employee compensation levels. The board also sets the school's tuition levels and enrollment targets. The school's main academic offering is a Juris Doctor (JD) program, the most common degree students pursue to enter the legal field. The school also offers three law-related master's programs. The school has five buildings—two are academic facilities; one is a mixed-use facility with classrooms, offices, and student housing; one is primarily a student housing facility that is currently under renovation; and one is a parking garage.

Total Enrollment Estimated to Decline in 2024-25. Since 2000, CLSF enrollment peaked in 2009 at 1,336 full-time equivalent (FTE) students, then fell notably from 2011-12 to 2015-16, before leveling off for a few years. CLSF experienced two years of notable growth in 2021-22 and 2022-23—growing by a combined 22 percent. In 2024-25, CLSF expects total enrollment to decline by 39 FTE students, for a total of 1,128 FTE students. This decrease is primarily attributable to a decline in JD enrollment, which is estimated to fall by 38 FTE students. Master's enrollment is expected to decline by one FTE student. In 2024-25, 94 percent of students are enrolled in the JD program.



Tuition Revenue Is Law School’s Largest Fund Source. CLSF received a total of \$131 million in ongoing funding in 2024-25. Of the school’s core funding, 66 percent comes from student tuition and fee revenue and 31 percent comes from state General Fund. The small amount of remaining core funding comes from various sources, including the State Lottery Fund, certain investment earnings, and income from scholarly publications. Beyond core funding, CLSF receives noncore funding from certain self-supporting programs (including its housing and parking programs). In addition, the school receives noncore funding from the federal government in the form of grants and contracts. It also receives noncore funding from private donations as well as other external grants and contracts.

CLSF Continues to Increase Tuition Charges. CLSF increased its resident JD tuition charges in the early 2010s, then held tuition flat from 2012-13 through 2021-22. For the past three years, CLSF has raised JD tuition charges—by 3 percent in 2022-23, 5 percent in 2023-24, and 5 percent in 2024-25. Nonresident students pay a supplemental tuition charge. CLSF also has increased these charges over the same period—by 7 percent in 2022-23, 8 percent in 2023-24, and 8 percent in 2024-25. Despite the recent increases, CLSF’s JD tuition charge remains lower than the average tuition charge of UC’s four JD programs. While resident CLSF JD tuition was about 5 percent below the resident tuition levels of UC’s JD programs from 2012-13 through 2018-19, it was 15 percent below in 2024-25.

CLSF Provides Student Financial Aid. CLSF provides tuition discounts for some students based on merit. The school has a tuition discount rate of approximately 30 percent. CLSF maintains tuition discounts to recruit students and to mitigate the impact of fee increases on accessibility.

The charts below display overall funding for CLSF and individual student tuition rates for the JD program.

College of the Law, San Francisco Funding by Source

(Dollars in Millions Except Funding Per Student)

	2023-24 Actual	2024-25 Revised	2025-26 Proposed	Change from 2024-25	
				Amount	Percent
Ongoing Core Funds					
Student tuition and fees	\$54.0	\$55.2	\$59.4	\$4.3	7.8%
General Fund ^a	24.0	26.3	36.9	10.6	40.3
Lottery	0.3	0.3	0.3	—	—
Other ^b	-2.2	4.9	4.7	-0.2	-4.9
Subtotals	(\$76.1)	(\$86.6)	(\$101.2)	(\$14.6)	(16.9%)
One-time General Fund	\$3.0	—	—	—	—
Extramural Funds					
Other funds ^c	\$38.9	\$38.0	\$37.5	-\$0.4	-1.1%
Private funds	9.4	8.0	7.8	-0.2	-2.6
Federal funds	0.9	0.9	0.9	-0.0	-2.8
Subtotals	(\$49.3)	(\$46.9)	(\$46.2)	(-\$0.6)	(-1.4%)
Totals	\$128.3	\$133.5	\$147.4	\$14.0	10.5%
FTE Students ^d	1,167	1,128	1,129	1	0.1%
Ongoing Core Funding Per Student	\$65,207	\$76,751	\$89,631	\$12,881	16.8%

^a Includes ongoing funds provided for state lease revenue bond payments and university bond payments. In 2025-26, the Governor's budget includes a \$10.1 million ongoing augmentation for university bond debt service for the McAllister Tower renovation project.

^b Consists of income from scholarly publications, investment income, overhead and internal transfers, fee revenue, and carryover.

^c Includes revenue derived from the school's housing, parking, dining, and student health service programs, as well as income from other nonstate activities, including payouts from endowed funds.

^d Consists of students enrolled in the school's Juris Doctor and master's programs.

FTE = full-time equivalent.

Juris Doctor Program (JD)

Resident Students:

Enrollment Fees	\$47,031	\$49,383	\$53,087
Activity Fees	157	157	157
Multistate Bar Exam Support Fee.	120	120	120
Health Services Fee*	965	965	965
Totals, Resident Student Fees**	\$48,273	\$50,625	\$54,329

Nonresident Students:

Nonresident Tuition	\$6,934	\$7,488	\$8,686
Resident Student Fees Charged to Nonresident Students.	48,273	50,625	54,329
Totals, Nonresident Student Fees**	\$55,207	\$58,113	\$63,015

CLSF’s Workforce Has Been Growing in Tandem With Enrollment. Over the last decade, the number of individuals employed by CLSF has increased. In 2015-16, CLSF’s workforce totaled 231 individuals. By 2024-25, this total had grown to 278 individuals (increasing by 21 percent). This growth is in line with the growth in enrollment over the same period. The student-to-employee ratio at CLSF has been roughly four to one since 2015-16. CLSF’s student-to-faculty ratio is currently ten to one (inclusive of its master’s programs) and has held close to that level for the past decade. Since 2015-16, the most notable change in personnel has been the growth in those providing instruction-related services (including faculty and support staff). The number of positions in this category grew from 127 to 165 in 2024-25 (a 30 percent increase). All other position categories (academic support, student services, and institutional support) grew in size by an average of 10 percent, while facilities and maintenance personnel did not grow.

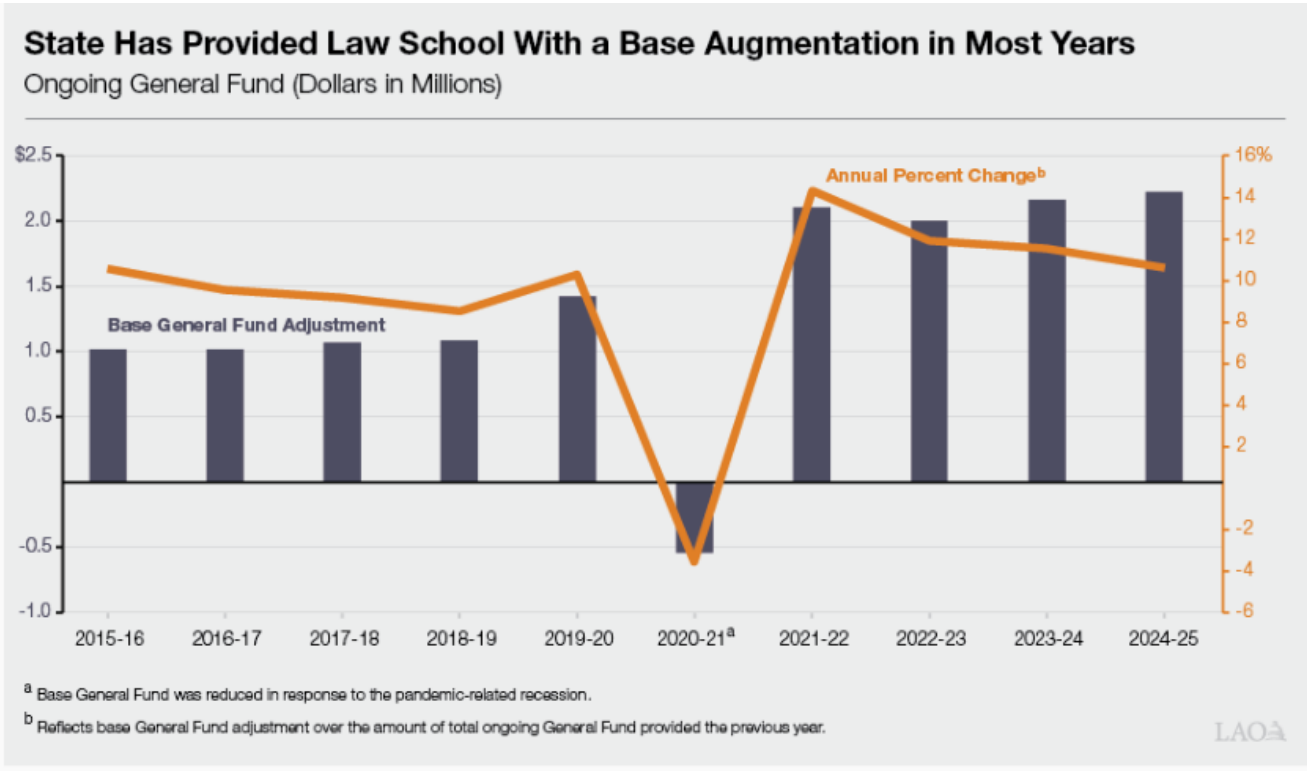
Employee Compensation Is School’s Largest Expense. CLSF estimates that its personnel costs (including salaries and benefits) comprise roughly half of its core operating costs in 2024-25. That year, CLSF provided its faculty a 3 percent merit increase, while other staff eligible for a general salary increase also were provided a 3 percent increase. Given its small size and affiliation with UC, CLSF participates in certain UC benefit programs, including the University of California Retirement Plan and UC health and retiree health programs.

Financial Aid Costs Are Largest of Remaining Operating Costs. CLSF faces various operating costs beyond employee salary and benefits. In 2024-25, CLSF estimates that financial aid costs account for nearly 20 percent of its operating expenditures. The remainder of the school’s operating costs includes operating equipment and expenses (utilities, rent, and supplies), as well as safety and security contracts.

CLSF Maintains Healthy Reserves. Like other higher education segments, CLSF maintains reserves to mitigate risks and manage potential cash flow issues. The Board of Directors adopted a policy to maintain a minimum reserve level equivalent to 5 percent of the school's total annual operating revenues. CLSF estimates that its 2024-25 year-end reserves will total \$36 million, equating to five months of operating expenditures. The Government Finance Officers Association historically has recommended that government agencies hold at least two months of unrestricted budgetary fund balances.

School Is Operating From a Deficit Position in 2024-25. CLSF reports it has a \$2.9 million deficit in 2024-25. It estimates core operating costs total \$87 million, while it anticipates core revenues totaling \$84 million. Recent salary enhancements and the hiring of additional lecturers and staff primarily drive the operating deficit. CLSF plans to utilize reserves to address the deficit.

State Often Provides CLSF With a Base General Fund Augmentation. Some years, the primary way CLSF has covered its operating cost increases has been through an unrestricted state General Fund augmentation. As Figure 4 shows, the size of CLSF's base augmentation has varied over the past decade. CLSF also receives state General Fund adjustments for its lease revenue bond debt service and, in certain years, specific program initiatives. Unlike UC and CSU, the state has not funded enrollment growth at CLSF directly, and there is no marginal cost calculation used to determine state funding per student. In the past, the state has provided General Fund base augmentations to the school regardless of whether enrollment increased or decreased.



State Provided Support for Student Housing Project in 2022-23. Historically, state general obligation bonds and state lease revenue bonds funded the construction and renovation of CLSF's academic facilities. The school historically has funded its housing and parking programs through user charges. The state recently departed from this longstanding practice for the McAllister Tower project. In fall 2022, CLSF applied to the state to receive funding for the McAllister Tower project as part of the state's new Student Housing Grant Program. The state ended up excluding the project from that program, as the project had a large seismic component and was deemed not to meet that program's parameters. Despite not being part of the Student Housing Grant Program, the *2022-23 Budget Act* provided CLSF \$90 million one-time General Fund (cash) to bring McAllister Tower up to current seismic standards. With the state funding, conventional debt financing, and federal historic tax credits, the school indicated it would be able to complete the project and provide 257 beds at below-market rents (an estimated 10 percent below market rates). Of the 257 beds, 252 were renovated existing beds and 5 were to be new added beds.

Governor's 2025-26 Budget

The Governor's Budget proposes a \$2.4 million ongoing unrestricted General Fund base augmentation to "support College of the Law costs." Whereas most state agencies are not receiving unrestricted General Fund augmentations under the Governor's budget, the administration indicates it took a different approach for CLSF because the school is small and currently has an operating deficit. While the Governor proposes an ongoing General Fund base augmentation, the school would also be subject to a \$1.8 million ongoing General Fund base reduction. This reduction is pursuant to Control Section 4.05 of the *2024-25 Budget Act*, which applied up to a 7.95 percent ongoing reduction to the "state operations" component of most state agencies' budgets. CLSF is subject to this reduction in 2025-26. The net effect of the two actions in 2025-26 is an ongoing General Fund base increase of \$507,000 (2.2 percent).

The Governor's Budget also proposes \$10.1 million ongoing General Fund to support debt service costs related to the McAllister Tower Project, Phase 2. Phase 2 of the project comprises the renovation of the interior of the facility. Additional building amenities would also be updated, including support and event spaces. The school now estimates that the project could deliver somewhat more beds than originally estimated (23 additional beds, or 280 total beds). CLSF indicates this level of funding would allow for rents across its housing portfolio to be reduced by 20 percent, a slightly greater discount than originally projected. The proposal is for the state to fund remaining project costs (\$151 million) in place of the school covering the costs, as originally planned. The Administration indicates if approved, it would provide the \$10.1 million annually over the next 30 years.

LAO Comments

Given State's Fiscal Condition, Unclear How Higher Proposed Spending Would Be Sustained. CLSF's 2025-26 budget plans are built on an assumption that ongoing state General Fund support will grow by \$10.6 million (40 percent) in 2025-26. Given the state budget condition and projected out-year deficits, the state has no plan as to how it would be able to sustain these spending increases in 2026-27. Typically, when facing deficits, the state acts to contain, rather than increase, its costs.

CLSF Could Revisit Aspects of Its Spending Plan. Some of CLSF's planned spending increases are unavoidable, such as the need to cover rising benefit costs, similar to other agencies. However, other planned increases, such as salary increases for nonrepresented faculty and staff, are discretionary. The Legislature may want to assess these planned increases in light of compensation decisions for other state and university employee groups. Additionally, student financial aid comprises the majority of the school's proposed spending costs. Particularly in light of its projected 2025-26 operating deficit, CLSF could reevaluate its proposed financial aid spending.

CLSF's Out-Year Budget Projections Are Built on Risky Assumptions. CLSF projects that it will no longer operate from a deficit position in 2026-27. This projection is partly built on an expectation that the school will continue to be provided General Fund base augmentations of at least 10 percent in 2026-27 and into the out-years. Given the state's projected deficits, an expectation that it would be able to provide CLSF with continued General Fund support at that level is unlikely. CLSF's projections also assume it continues to increase its JD tuition charges by 5 percent in 2026-27 and 2027-28 and 3 percent in 2028-29, though it is unclear if the Board of Directors would continue to support rising tuition charges.

McAllister Tower Project Has Already Received Substantial State Support. Specifically, the 2022-23 Budget Act allocated \$90 million one-time General Fund to CLSF to cover the seismic retrofit of the facility. As proposed, this amount equated to approximately 40 percent of the project's cost. The amount was in line with what CLSF identified would be needed in state support to provide below-market housing units. At that time, CLSF planned to finance the remaining costs through conventional debt, funded by student housing fees, and a federal historic tax credit program. Under the original time line, construction was to begin on the facility in July 2023. There was no expectation that CLSF would request additional state support to complete a Phase 2 of the project.

CLSF Indicates Previous One-Time Support Is No Longer Sufficient to Provide Below-Market Rents. Since 2022, CLSF has moved forward with the seismic retrofit of the facility, but has not taken action to renovate the remainder of the facility as originally planned. CLSF notes that, from 2022 to 2024, the remaining project costs have increased from \$129 million to between \$185 million and \$194 million due to construction cost escalation and historic preservation costs. A portion of that cost (\$34 million) is projected to be funded with

proceeds from a federal historic tax credit program, while the remainder (\$151 million) would be covered with ongoing General Fund debt service support under the administration's proposal. CLSF canceled its original debt financing plan due to the cost increase. It indicates this action was taken as the rents the school would have needed to charge its students to cover the increase in project costs would no longer make the housing units below market rates.

New McAllister Tower Proposal Is Different From Previous Request. Specifically, the Governor's new proposal would not only result in reduced housing rents for McAllister Tower, but across the entire campus housing portfolio. The proposed funding would be used to also reduce rents at the school's other student housing facility by about 20 percent. In sum, 717 beds—280 at McAllister Tower and 437 at the other facility—would be available at below-market rates. This amount exceeds the initial expectation of 257 beds, at a single student housing facility, being offered at a below-market rate.

McAllister Tower Project Differs From Other Recent State-Supported Student Housing Projects. As discussed in a previous item in this agenda, the state recently provided UC with General Fund debt service support for five student housing projects. The state contributed just over one-third of the total project costs for these five UC projects combined. For the McAllister Tower project, the state would be responsible for 85 percent of the project costs. Additionally, the new student housing units generated by the UC facilities are required to meet the definition of "affordable" specified in Chapter 262 of 2021 (SB 169, Committee on Budget and Fiscal Review). The McAllister Tower proposal would allow the school to provide below-market rates, but those rates likely would not meet the statutory definition of affordable. Additionally, the UC projects are in various stages of construction, with the San Diego project already complete. The McAllister Tower project is behind the original construction schedule and will not be operational until fall 2027, at the earliest. Furthermore, the state was clear with all other student housing projects that schools needed to have plans in place to deal with cost overruns to ensure the projects could be completed and the number of affordable beds delivered without requiring additional state support.

Reject General Fund Base Augmentation. Given the state's fiscal condition, we recommend the Legislature reject the Governor's proposed base General Fund augmentation. Under this approach, the school's ongoing core funding still would grow by \$2.2 million (3 percent) in 2025-26 due to the expected increase in tuition and fee revenue. This funding would help cover some of CLSF's spending priorities.

Reject McAllister Tower, Phase 2 Funding. As noted in [The 2025-26 Budget: Higher Education Overview](#), given the state's budget condition, we recommend that a strong case be made for any new higher education spending. Phase 2 of the McAllister Tower project does not meet that standard. There was no expectation from the state that CLSF would require additional state funds to complete the McAllister Tower project. Moreover, UC student housing projects received a smaller share of state support, yet have generally remained on track and are delivering the agreed-upon number of affordable-rent beds. Rejecting this proposal would

provide budget relief to the state. The school could revisit its project design and financing options to ensure it could still deliver at least 257 beds at below-market rates. The school's reserve currently is healthy, which could help as the school considers its financing options.

Staff Comments

CLSF is a unique program in the state's higher education budget. The UC's four other law schools are part of the Berkeley, Davis, Irvine and Los Angeles campuses, and therefore do not have their own line item in the state budget or garner much state budget attention or discussion. The other law schools also have a main campus that acts to support costs and programs, while CLSF is largely a stand-alone law school that must absorb most costs on its own. As the LAO notes, the state has typically provided some type of a cost-of-living type adjustment to the college, and not set enrollment targets. The college benefits from remaining a very small part of state higher education spending. This year, however, the Legislature will have to balance various higher education needs while addressing significant proposed cuts to UC and CSU, and to the Middle Class Scholarship financial aid program.

The proposal to support phase 2 of the McAllister Tower also presents a difficult question for the Legislature. On the one hand, the project – with state funding - will provide affordable housing in a city that has become too expensive for many college students. (Significant enrollment declines at San Francisco State University and San Francisco City College is believed to be driven in some part by the high cost of living in San Francisco.) The project is also unique in that it may house students from multiple universities and colleges, the type of partnership that the Legislature has sought to encourage. Another benefit of the project is its potential beneficial impact on the Tenderloin neighborhood in San Francisco. However, committing to \$10 million per year for the next 30 years is a significant decision as the state faces General Fund deficits in the next several years.

Suggested Questions:

1. What would the impacts be on the college and its students if ongoing funding for operational costs is not provided?
2. What would the impacts be on the college and its students if the McAllister Tower funding was not provided?
3. Are there other sources of funding for the McAllister Tower project if state funding is not available?

Staff Recommendation: Hold Open.

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