

HIGHER EDUCATION

California's exceptional system of higher education—with its focus on access and affordability, equity, and innovation—makes it unique among all other states and plays a central role in the state's present and future economic success. California's institutions of higher education have helped position the state to address the numerous challenges presented by the COVID-19 Pandemic, shifts in the nature of work, and the impacts of climate change.

The 2021 Budget Act included significant investments in financial aid and supports to address student basic needs, reduce student housing costs, develop zero-textbook-cost degrees, and establish child savings accounts to reduce the overall cost of attendance. Further, the 2021 Budget Act also provided learning-aligned, long-term career development and training opportunities that support students' upward economic mobility.

The Governor's Budget builds upon these investments with multi-year compacts with the University of California (UC) and California State University (CSU) and a multi-year roadmap with the California Community Colleges (CCCs) that focus on shared priorities benefitting students. Shared priorities include focusing on closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing the predictability of student costs, increasing California resident undergraduate enrollment, improving faculty diversity, and better aligning curricula and student learning objectives with workforce needs. The shared emphasis on these high-priority areas will be critical in ensuring that public higher education continues to power California's path of sustainable and inclusive growth.

HIGHER EDUCATION

The Budget proposes total funding of \$39.6 billion (\$26 billion General Fund and local property tax and \$13.6 billion other funds) for the three higher education segments and the California Student Aid Commission. The elevated levels of total funding in 2020-21 and 2021-22 in the figure below reflect the allocation of approximately \$2.7 billion (2020-21) and \$5.5 billion (2021-22) in one-time federal COVID relief funds to the state's public segments of higher education and the California Student Aid Commission. Although some of these funds remain available in 2022-23, they are displayed in the year in which they were received. The figure on Higher Education Expenditures displays additional detail about funding for higher education.

Higher Education Expenditures (Dollars in Millions)

	2020-21 ^{3/}	2021-22 ^{3/}	2022-23	Change from 2021-22	
				Dollars	Percent
University of California					
Ongoing General Fund	3,465.3	4,011.0	4,318.5	\$307.5	7.7%
One-Time General Fund	8.7	741.8	295.0	-	-
Total Funds ^{1/}	\$9,247.8	\$11,328.3	\$10,437.8	-\$890.5	-7.9%
California State University					
Ongoing General Fund	4,025.6	4,597.4	4,983.2	\$385.8	8.4%
One-Time General Fund	15.2	981.4	234.4	-	-
Total Funds ^{1/}	\$8,291.5	\$10,471.8	\$8,453.6	-\$2,018.3	-19.3%
California Community Colleges					
General Fund & Property Taxes	11,897.9	12,158.4	12,718.3	\$559.9	4.6%
Total Funds	\$18,068.3	\$19,091.0	\$16,789.1	-\$2,301.8	-12.1%
California Student Aid Commission					
General Fund ^{2/}	2,000.0	2,689.4	3,457.3	\$767.9	28.6%
Total Funds	\$2,427.7	\$3,595.6	\$3,877.8	\$282.1	7.8%
General Fund	\$21,412.7	\$25,179.4	\$26,006.7	\$827.3	3.3%
Total Funds	\$38,035.3	\$44,486.7	\$39,558.2	-\$4,928.5	-11.1%

^{1/} These totals include tuition and fee revenues and other funds the universities report as discretionary.

^{2/} General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately \$400 million in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.

^{3/} 2020-21 Total Funds include federal Coronavirus Response and Relief Supplemental Appropriations Act funding provided directly to colleges and universities, and 2021-22 Total Funds include federal American Rescue Plan Act of 2021 funding provided directly to colleges and universities.

MULTI-YEAR FRAMEWORK FOR HIGHER EDUCATION

The Administration worked with the UC, CSU, and the CCC Chancellor's Office to develop multi-year compacts and a roadmap that will provide sustained state investments in exchange for clear commitments from each segment to expand student

access, equity, and affordability and to create pathways for students to study and enter careers in health, education, climate action, and technology. Each compact/roadmap is a discrete agreement with the state; however, they are forged with the understanding that each segment must work toward aligned goals and achieve an increased level of intersegmental collaboration. These agreements will provide California students with more opportunities to transfer to four-year institutions and graduate within expected timeframes, in preparation for the jobs that will drive California's economy now and into the future.

The UC and CSU compacts build upon the segments' respective UC 2030 and Graduation Initiative 2025 goals. Over a five-year period, the compacts emphasize student-centered priorities including closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing predictability, increasing California resident undergraduate enrollment of both freshmen and transfer students, and better aligning curricula and student learning objectives with workforce needs.

Similarly, the roadmap for the CCC system builds upon the system's existing Vision for Success and focuses on student success by enhancing intersegmental collaboration to facilitate effective and timely transfer of CCC students to public and independent postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs.

To further align each segment's goals and the compacts/roadmap, the Administration is also establishing—at the recommendation of the Governor's Council for Post-Secondary Education—an overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030.

The Budget includes funding equivalent to a five-percent increase in base General Fund resources annually over five years for UC and CSU, contingent on the ability of each segment to advance these shared goals, which are outlined in greater detail in the following sections. In the coming months, the Administration will continue to work with the segments to refine specific metrics for these goals and commitments, which will be shared as part of the May Revision.

COLLEGE AFFORDABILITY

State support helps to keep the overall cost of attendance down for students attending California's postsecondary education systems. The 2021 Budget Act made significant investments to increase college affordability, including investments in learning-aligned employment opportunities for UC, CSU, and CCC students; education and training grants for displaced workers; funds to establish child savings accounts for low-income students in public secondary schools based on Local Control Funding Formula definitions; funds to develop zero-textbook-cost degrees; and numerous investments supporting student basic needs and emergency financial aid.

The 2021 Budget Act also expanded the Cal Grant financial aid entitlement to cover students taking a less traditional path to college by eliminating the age and time-out-of-high-school requirements for CCC students, including CCC students with dependent children. Last year, the Middle Class Scholarship was also revamped to focus on reducing students' total cost of attendance.

The 2022-23 Budget expands these investments in college affordability with the following:

- An increase of \$515 million ongoing General Fund, for a total of \$632 million ongoing General Fund, to support a modified version of the Middle Class Scholarship Program and help cover non-tuition costs for more families.
- An increase of \$300 million one-time General Fund to fulfill the \$500 million total commitment to support the Learning-Aligned Employment Program administered by the California Student Aid Commission.
- An increase of \$100 million ongoing Proposition 98 General Fund to support the community college Student Success Completion Grant Program, providing funds for newly eligible students receiving a Cal Grant B or C award as a result of the CCC Cal Grant entitlement expansion in the 2021 Budget Act.
- Modification of the Cal Grant B Dreamer Service Incentive Grant program to increase participant stipends from the equivalent of a \$10 hourly wage to the equivalent of a \$15 hourly wage, and to authorize any unexpended funds to be provided to UC and CSU to support their California Dream Loan programs.

The multi-year compacts with UC and CSU, and a multi-year roadmap with the CCC Chancellor's Office, are also focused on improving equity and outcomes, which can

increase student success while reducing total cost of attendance through timely degree completion.

STUDENT LOAN BORROWER ASSISTANCE

According to The Institute for College Access and Success, average student debt for bachelor's degree earners nationwide grew by approximately 56 percent from 2004 to 2019, from \$18,550 to \$28,950 when adjusted for inflation. Although student loans are an important postsecondary education financing mechanism for many students, it is crucial for prospective and current student loan borrowers to understand their loan options, and for borrowers to understand repayment options.

The Budget includes \$10 million one-time General Fund in 2022-23 to support the Department of Financial Protection and Innovation's outreach and education efforts to assist student loan borrowers.

CLIMATE INITIATIVES

Climate emergencies are increasing in both frequency and intensity, disproportionately impacting low-income individuals and communities of color. As detailed in the Climate Change chapter, the Budget proposes a wide-reaching set of investments to integrate climate solutions with equity and economic opportunity. To efficiently implement the state's climate agenda, California will need to continually generate new approaches to identifying and mitigating the impacts of climate change on the environment, public health, communities, and businesses, and to help current and future workers develop the skills needed for transitioning into a cleaner and more sustainable economy.

Recognizing the role of higher education in developing a more sustainable future, the Budget includes \$318 million one-time General Fund for five climate initiatives across the UC and CSU, with an emphasis on equity-focused research, job creation, and workforce development:

- \$100 million at the UC for matching applied research grants, \$50 million for regional incubators, and \$35 million for workforce development and training hubs.
- \$83 million to create the CSU Bakersfield Energy Innovation Center and \$50 million to support the CSU University Farms.

These initiatives will drive the types of research, entrepreneurship, and training that can help accelerate climate mitigation, develop a decarbonized economy, and support workers. When paired with the Budget's other climate-related proposals in housing, transportation, and healthcare, these investments facilitate California's ability to continue to be a leader in addressing climate issues while advancing equitable opportunities.

REWARDING CALIFORNIA EXCELLENCE AND INNOVATION

The state's public colleges and universities are home to a wide range of leading-edge research centers, technology-driven partnerships, and creative problem-solvers. Individuals and teams are constantly making great strides that help address many of California's biggest challenges by fostering climate resilience, social justice, and economic growth.

These innovators have an extraordinary impact and inspire the next generation of entrepreneurs. To that end, the Budget includes \$30 million one-time General Fund to establish the Golden State Awards program and provide up to 30 grants to innovative projects that are either based at or associated with a public college or university in California. The California Education Learning Lab, under the Governor's Office of Planning and Research, will oversee the grant-making process. A committee of 12 experts from diverse disciplines and sectors of society selected by the Governor, the Senate President pro Tempore, and the Assembly Speaker, will select the grant recipients. The resulting state-level public forum will elevate achievements from California innovators, recognizing today's innovators and inspiring future generations of California excellence.

CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the country, serving roughly one out of every four of the nation's community college students, or approximately 1.8 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2020-21, the CCCs awarded over 116,000 certificates and 201,000 degrees and transferred over 114,000 students to four-year institutions.

CCC ROADMAP TO CALIFORNIA'S FUTURE

The Administration and the CCC Chancellor's Office have developed a collaborative multi-year roadmap that focuses on equity and student success, enhancing the system's ability to prepare students for California's future. The roadmap builds upon existing efforts taken by colleges toward meeting the goals established in the CCC system's Vision for Success and establishes shared expectations of the community college system for fiscal year 2022-23 and beyond, including investing available Proposition 98 resources for the colleges to support these efforts and providing additional fiscal resources to the Chancellor's Office to better support the colleges in meeting these goals. The roadmap works in tandem with the UC and CSU compacts to increase transfer capacity and streamline transfer pathways between the segments.

Key goals and expectations in the roadmap include enhancing intersegmental and cross-sectoral collaboration for timely transfer of CCC students, increasing transfers to the state's four-year postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs. Specifically, goals and expectations in the roadmap include:

- Improving educational outcomes for CCC students:
 - Increasing the percentage of CCC students who acquire associate degrees, credentials, certificates, and specific skill sets that prepare them for in-demand jobs by 20 percent by 2026.
 - Decreasing the median units to completion by 15 percent and establishing systemwide stretch goals regarding the number of students completing their educational program or transferring to a four-year institution within the minimum amount of time necessary.
 - Proportionally increase the number of CCC students transferring annually to a UC or CSU relative to enrollment growth at the UC and CSU.
 - Annually publishing the two-year associate degree graduation rates for all community colleges and the percentage of first-time students meeting sophomore standing when entering their second year, disaggregated to reflect underrepresented students and Pell Grant students to facilitate evaluations of equity gaps.

- Improving student success and advancing equity:
 - Improving systemwide graduation rates, transfer rates, and time to completion among traditionally underrepresented students and Pell Grant students such that they meet the average of all students by 2026.
 - Closing equity gaps between the types of students able to access a dual enrollment program.
- Increasing intersegmental collaboration to benefit students:
 - Fully participating in the implementation of the Cradle-to-Career Data System.
 - Supporting efforts for CCCs to adopt a common intersegmental learning management system.
 - Utilizing systemwide data collected for purposes of the Cradle-to-Career Data System, collaborating with the CSU and UC to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
 - Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
 - Increasing the percentage of K-12 students who graduate with 12 or more college units earned through dual enrollment by 15 percent.
 - Establishing a baseline for credit for prior learning offerings and increasing these offerings annually, in addition to launching 10 new direct-assessment competency based education programs.
 - Increasing the percentage of completing students who earn a living wage by 15 percent.
 - Within the aforementioned increases, focusing on establishing or expanding programs that address California's workforce needs in healthcare, climate action, education and early education.
 - Establishing coordinated educational pathways from high school through four-year institutions in the high-need fields of education, healthcare, technology, and climate action, including collaborating with UC and CSU to develop Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields. Dual enrollment opportunities should

ensure that CCC course credits earned by high school students are accepted for transfer credit and apply toward degree programs.

The 2022-23 Budget includes several investments intended to align with the roadmap:

- Building upon the 2021 Budget Act's expansion of the Cal Grant entitlement program, the Budget includes \$100 million ongoing Proposition 98 General Fund for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for community college students.
- Building upon a \$10 million one-time Proposition 98 General Fund investment in the 2021 Budget Act to plan for and begin developing a common course numbering system throughout the CCCs, the Budget includes an increase of \$105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system pursuant to the provisions of Chapter 568, Statutes of 2021 (AB 1111).
- An increase of \$65 million one-time Proposition 98 General Fund for community colleges to implement the transfer reform provisions required by Chapter 566, Statutes of 2021 (AB 928).
- An increase of \$25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that maps intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.
- An increase of \$10 million ongoing Proposition 98 General Fund to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.
- An increase of \$10 million ongoing Proposition 98 General Fund to augment resources provided to community college financial aid offices.
- An increase of \$10 million ongoing Proposition 98 General Fund to expand availability of foster youth support services offered by the NextUp program from 20 districts to 30 districts.
- An initial increase of \$1.4 million ongoing General Fund to support 9 new positions at the CCC Chancellor's Office in 2022-23, and an additional \$1.4 million ongoing General Fund to support 10 additional new positions in 2023-24. These new resources will aid the CCC Chancellor's Office in supporting curriculum-related reforms;

technology modernization efforts; and increased state operations capacity for data analysis, research, legal affairs, districts' fiscal health monitoring, and government relations. The Administration intends to work with the Chancellor's Office in consideration of additional state operations resources for inclusion in the May Revision.

SUPPORTING STUDENT ENROLLMENT AND RETENTION

The community colleges continue to see enrollment declines exacerbated by the COVID-19 Pandemic that diverge from enrollment patterns observed during prior economic recessions and highlight the unique challenges presented by the COVID-19 Pandemic. To build on an investment of \$120 million one-time Proposition 98 General Fund for student enrollment and retention in the 2021 Budget Act, the Budget includes an additional \$150 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment. Efforts include engaging with former students who may have withdrawn from college due to COVID-19, and connecting with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.

The disruptions to student learning caused by the COVID-19 Pandemic disproportionately affect many student populations regularly served by the CCC system, including non-native English speakers, first-generation college students, working learners, student parents, and re-entry students. Given these challenges, community college districts should strive to meet the needs of their diverse student populations: some may be best served by the flexibility offered by an online course format, while others may be better served by in-person instruction. It is the expectation of the Administration that community college districts aim to offer at least 50 percent of their lecture and laboratory course sections as in-person instruction for the 2022-23 academic year, provided the approach is consistent with student learning modality demand and public health guidelines in place at the time.

CONTINUED IMPLEMENTATION OF THE STUDENT CENTERED FUNDING FORMULA

The Administration continues to support the Student Centered Funding Formula (SCFF), which has provided fiscal stability for districts during the COVID-19 Pandemic, and continues to prioritize access and student success. As districts enter their fourth year of implementation of the SCFF, its hold harmless provision—which ensures that districts

receive the greater of the formula's core funding computation or their 2017-18 funding level annually adjusted by a cost-of-living adjustment (COLA)—is currently set to expire after 2024-25. To prevent fiscal declines between 2024-25 and 2025-26, the Budget proposes statute to create a funding floor for districts that allows all districts to transition to the core formula over time. Effectively, this allows funding rates to continue to increase by the statutory COLA, but removes its application to the hold harmless provision commencing with 2025-26 and permanently extends the revised hold harmless provision.

Further, the Administration supports the recommendation made by the Student Centered Funding Formula Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF's supplemental allocation once a reliable and stable data source is available.

OTHER BUDGET ADJUSTMENTS

- **CCC Apportionments**—An increase of \$409.4 million ongoing Proposition 98 General Fund to provide a 5.33-percent COLA for apportionments and \$24.9 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.
- **Deferred Maintenance**—An increase of \$387.6 million one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges, of which \$108.7 million is from 2022-23, \$182.1 million is from 2021-22, and \$96.8 million is from 2020-2021.
- **Part-Time Faculty Health Insurance**—To support community college part-time faculty, the Budget includes an increase of \$200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts.
- **Healthcare Vocational Education**—An increase of \$130 million one-time Proposition 98 General Fund, of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- **CCC Technology Modernization and Sensitive Data Protection**—An increase of \$100 million Proposition 98 General Fund, of which \$75 million is one-time and \$25 million is ongoing, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges.

- **Emergency Financial Assistance Grants for AB 540 Students**—An increase of \$20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.
- **Pathways Grant Program for High-Skilled Careers**—An increase of \$20 million one-time Proposition 98 General Fund for a grant program that incentivizes public-private partnerships that prepare students in grades 9 to 14 for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare.
- **CCC Teacher Credentialing Partnership Program**—An increase of \$5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program.
- **African American Male Education Network and Development (A2MEND) Student Charters**—An increase of \$1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.
- **Support for Umoja Program Study**—An increase of \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.
- **Local Property Tax Adjustment**—A decrease of \$230.5 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **CCC Facilities**—General Obligation bond funding of \$373 million one-time for the construction phase of 17 projects anticipated to complete design by spring 2023, and the working drawings phase of 1 project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.

CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll more than 477,000 students. In 2020-21, the CSU awarded more than 132,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs. The CSU strives to better fulfill its mission through the Graduation Initiative 2025, which aims to increase four-year graduation rates, increase two-year transfer graduation rates, and eliminate equity gaps. The CSU is an especially important institution for providing four-year education in

some of the most underserved regions of the state, including the Far North, the Central Valley, and the Inland Empire.

SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT

The Budget reflects a multi-year compact that provides substantial and sustained funding increases to CSU in exchange for commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes \$304.1 million in ongoing General Fund augmentations for the CSU, including \$211.1 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.

In addition, the Budget includes \$233 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center, to support equipment and facilities at the CSU University Farms, and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of CSU's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the CSU:
 - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 14,000 additional full-time students).
 - For this enrollment growth, maintaining—at minimum—a share of transfer student admissions at least consistent with existing transfer admissions practices.
- Improving student success and advancing equity:
 - Raising graduation rates to be within the top 25 percent of comparable national peer institutions by 2025, including by improving four-year first-time student graduation rates by 30 percent (9 percentage points) by 2025.
 - Eliminating gaps in graduation rates between Pell Grant and non-Pell Grant students, as well as underrepresented minority students and non-underrepresented minority students, by 2025.

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- Advancing systemwide and campus-level re-enrollment campaigns and establishing campus retention targets beginning in spring 2022.
- Expanding credit opportunities, particularly for underrepresented minority students and Pell Grant students, in intersession and summer session with the goal of closing gaps in credit accumulation.
- Providing every CSU student access to a real-time digital degree planner by June 2022.
- Increasing the affordability of a CSU education:
 - Reducing the cost of instructional materials by 50 percent by 2025, saving CSU students \$150 million annually.
 - Implementing strategies that increase the overall affordability of on-campus housing, such as including student housing as part of future capital campaigns.
- Increasing intersegmental collaboration to benefit students:
 - Fully participating in the implementation of the Cradle-to-Career data system.
 - Supporting efforts for CSU campuses to adopt a common intersegmental learning management system.
 - Collaborating with the UC and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
 - Supporting efforts to establish an integrated admissions platform common to UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
 - Increasing the number of students who enroll in STEM, Education and Early Education disciplines, and Social Work by 25 percent by 2026-27. The goal is to expand and support high-demand career pipelines for climate action, healthcare, social work, and education.
 - Establishing a goal to increase the number of Early Education degree pathways available to students by 2025 for applicable campuses.
 - Collaborating with the CCCs to develop educator (early, primary, and secondary), healthcare, technology, social work, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields, with an initial priority on Educator pathways.

- Collaborating with the CCCs to develop expanded pathways for high school students in the education, healthcare, technology, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and count toward CSU degree programs.
- Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Doubling opportunities for students who want research assistantships or internships—with an emphasis on underserved students—by 2025.
- Providing access to online course offerings:
 - Ensuring that by 2025 every student who wants to take online courses will be able to do so by increasing online course offerings above pre-pandemic levels.
 - Increasing concurrent student enrollment in online courses delivered by sister CSU campuses by a multiple of 10 by 2025 – from 500 to 5,000 enrollments.
 - Expanding digital tools to students to access learning material online so that every student has access to appropriate technology for online learning (e.g., CSUCCESS).

DETAILED BUDGET ADJUSTMENTS

ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$211.1 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of \$81 million ongoing General Fund to support California resident undergraduate student enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.
- **Foster Youth Supports**—An increase of \$12 million ongoing General Fund to increase support for foster youth students.

ONE-TIME ADJUSTMENTS

- **Deferred Maintenance and Energy Efficiency**—An increase of \$100 million one-time General Fund for deferred maintenance and energy efficiency projects at CSU campuses.
- **CSU Bakersfield Energy Innovation Center**—An increase of \$83 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center.
- **University Farms**—An increase of \$50 million one-time General Fund for equipment and infrastructure improvements at CSU University Farms.

UNIVERSITY OF CALIFORNIA

The UC offers formal undergraduate and graduate education. The UC is the public segment authorized to independently award doctoral degrees and is designated as the state's primary academic agency for research. Its ten campuses enroll approximately 290,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2020-21, the UC awarded more than 85,000 degrees, including more than 65,000 undergraduate degrees. In the 2021 calendar year, two UC faculty members received Nobel Prizes, bringing the total number of UC faculty and staff who have been awarded Nobel Prizes since 1934 to 70.

SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT

The Budget reflects a multi-year compact for substantial and sustained funding increases to UC, in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes \$307.3 million in ongoing General Fund augmentations for the UC, including \$200.5 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 7,132 full-time equivalent students.

In addition, the Budget includes \$295 million one-time General Fund to expand climate-focused research, innovation and entrepreneurship, and workforce development and training; to advance dyslexia research; and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of UC's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the UC:
 - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 7,000 additional full-time equivalent students), with a significant portion of the new enrollment growth occurring at the following campuses—UC Berkeley, UC Los Angeles, and UC San Diego.
 - Maintaining UC's existing systemwide goal to enroll one new California resident transfer student for every two new California resident freshmen.
 - Increasing graduate student enrollment by roughly 2,500 full-time equivalent students.
- Improving student success and advancing equity:
 - Improving systemwide undergraduate graduation rates, including an increase to 76 percent for the four-year freshman graduation rate and 70 percent for the two-year transfer graduation rate.
 - Eliminating gaps between overall four-year freshman graduation rates and those of underrepresented students by 2030, with a goal of reducing the gap by half by the end of the 2025-26 academic year.
- Increasing the affordability of a UC education:
 - Working to offer every UC undergraduate a pathway for debt-free education by 2030, with a goal to offer debt-free pathways to half of undergraduates by the 2025-26 academic year.
 - Setting goals for each campus to eliminate textbook costs for all lower-division undergraduate courses and a substantial portion of upper division and graduate courses.
 - Setting aside 45 percent of new revenue generated from undergraduate tuition and systemwide fee increases for financial aid.
 - Including student housing as part of ongoing capital campaigns.
- Increasing intersegmental collaboration to benefit students:
 - Fully participating in the implementation of the Cradle-to-Career Data System.

- Supporting efforts for UC undergraduate campuses to adopt a common intersegmental learning management system.
- Collaborating with the CSU and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
- Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
 - Increasing the number of students graduating with degrees or credentials in STEM, and Education or Early Education disciplines, and academic doctoral degrees, by 25 percent by 2026-27. The goal is to support high-demand career pipelines for technology, climate action, healthcare, and education.
 - Collaborating with the CCCs to develop technology, educator, healthcare, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields.
 - Collaborating with the CCCs to develop expanded pathways for high school students in the technology, education, healthcare, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and apply toward UC degree programs.
 - Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Providing access to online course offerings:
 - Doubling the number of student credit hours generated through undergraduate online courses compared to a pre-pandemic baseline by 2030.

DETAILED BUDGET ADJUSTMENTS

ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$200.5 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of \$67.8 million ongoing General Fund to support California resident undergraduate student enrollment growth of 6,230 full-time equivalent students, and \$31 million ongoing General Fund to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses.
- **Foster Youth Supports**—An increase of \$6 million ongoing General Fund to increase support for foster youth students.
- **Firearm Research**—An increase of \$2 million ongoing General Fund to support research conducted by the University of California Firearm Violence Research Center.
- **Graduate Medical Education**—A decrease of \$582,000 ongoing General Fund to adjust the Proposition 56 revenue offset amount for a statewide grant program and maintain \$40 million ongoing for graduate medical residency slots.

ONE-TIME ADJUSTMENTS

- **Climate Initiatives**—An increase of \$185 million one-time General Fund to support three complementary climate initiatives, including \$100 million for climate action research seed and matching grants available to researchers from the UC system and other institutions, \$50 million for regional climate innovation incubators, and \$35 million to establish climate workforce development and training hubs.
- **Deferred Maintenance and Energy Efficiency**—An increase of \$100 million one-time General Fund for deferred maintenance and energy efficiency projects at UC campuses.
- **Dyslexia Research**—An increase of \$10 million one-time General Fund to support the University of California San Francisco Dyslexia Center.

CALIFORNIA STUDENT AID COMMISSION

Administered by the California Student Aid Commission, the state's primary financial aid program is the Cal Grant Program. The Cal Grant entitlement program provides financial aid awards to students who meet specified eligibility criteria, and who attend one of the state's qualifying public institutions or independent and private institutions. Students who are ineligible for the Cal Grant entitlement program can compete for financial aid awards available through the Cal Grant competitive program.

The Budget assumes total financial aid expenditures of \$3.8 billion, of which \$3.4 billion supports the Cal Grant Program and Middle Class Scholarship Program. In 2020-21, approximately 141,000 students received new Cal Grant awards, and approximately 232,000 students received renewal awards.

The state's Cal Grant entitlement program is estimated to provide over 502,000 financial aid awards to students who meet specified eligibility criteria in 2022-23, including more than 170,000 awards to CCC students newly eligible due to the entitlement expansion made in the 2021 Budget Act. Students who demonstrate financial need, but do not meet all of the criteria for entitlement awards, may qualify for one of 13,000 proposed competitive Cal Grant awards. The majority of these awards provide a stipend to cover some living expenses, such as housing, food, and transportation.

SIGNIFICANT ADJUSTMENTS

- **Middle Class Scholarship**—An increase of \$515 million ongoing General Fund, for a combined total of \$632 million, to support a modified version of the Middle Class Scholarship Program that will focus resources toward reducing a student's total cost of attendance.
- **Learning-Aligned Employment Program**—An increase of \$300 million one-time General Fund for the Learning-Aligned Employment program, which provides a two-year total of \$500 million when combined with funds provided to establish the program in the 2021 Budget Act.
- **Cash for College Program**—An increase of \$500,000 one-time General Fund to expand and supplement existing Cash for College Regional Coordinating Organizations that offer technical assistance to help complete college financial aid applications.

- **Financial Aid Programs**—An increase of \$479,000 ongoing General Fund for 5 positions at the California Student Aid Commission to support financial aid programs.
- **Cal Grant Program Adjustments**—A decrease of \$43.8 million one-time General Fund in 2021-22 and an increase of \$143.8 million ongoing General Fund in 2022-23 to reflect:
 - Revised estimates of the number of new and renewal Cal Grant awardees in 2021-22 and 2022-23.
 - The impact of the UC's recently adopted cohort-based tuition model, which increases Cal Grant tuition and fee award amounts for some UC students beginning in the 2022-23 academic year.

SCHOLARSHARE INVESTMENT BOARD

The ScholarShare Investment Board administers the Golden State ScholarShare College Savings Trust Program (ScholarShare 529), the California Memorial Scholarship Program (CMS), and the California Kids Investment and Development Savings Program (CaKIDS).

The CaKIDS program funds college savings accounts targeted to low-income and underrepresented public school students, in addition to establishing college savings accounts for all newborns. The 2021 Budget Act provided approximately \$1.9 billion in one-time federal and state funds to establish college savings accounts for all current low-income public school students in grades 1-12 in 2021-22, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

SIGNIFICANT ADJUSTMENTS

- **Future CaKIDS Cohorts**—Approximately \$170 million ongoing General Fund to establish college savings accounts for incoming first-grade cohorts of low-income public school students, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

- **CalKIDS Implementation**—An increase of \$5 million one-time General Fund for CalKIDS participant notification and marketing costs, and \$238,000 ongoing General Fund to support 2 additional staff for CalKIDS.
- **Financial Literacy**—An increase of \$5 million ongoing General Fund for financial literacy outreach efforts that will inform families of the long-term benefits of savings associated with CalKIDS.

STUDENT HOUSING

The 2021 Budget Act established the Higher Education Student Housing Grant program to provide one-time grants for CCCs, CSU, and UC to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. The goal of the program is to expand the availability of affordable student housing, thereby relieving one of the largest financial pressures students face and supporting timely degree completion among California students.

The 2021 Budget Act also appropriated \$500 million one-time General Fund for the Higher Education Student Housing Grant program in 2021-22, of which up to \$25 million is available for CCC planning grants for student housing. The Department of Finance received 114 applications totaling approximately \$3.2 billion from CCCs, CSU, and UC in the initial application filing round. By March 1, Finance will provide the Joint Legislative Budget Committee a list of projects proposed to be funded with the 2021-22 appropriation. The funds available in 2021-22 will be appropriated for specific projects and planning grants to be identified in subsequent legislation.

The Budget provides \$750 million one-time General Fund for the second installment of a planned \$2 billion one-time General Fund appropriation over a three-year period.

HASTINGS COLLEGE OF THE LAW

Hastings College of the Law is affiliated with the UC system, but is governed by its own Board of Directors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also offers programs leading to Master of Laws; Master of Studies in Law; and Master of Science, Health Policy and Law degrees. In 2020-21, UC Hastings enrolled 944 full-time equivalent students. Of these, 813 were Juris Doctor students.

SIGNIFICANT ADJUSTMENTS

- Base Growth—An increase of \$2 million ongoing General Fund to support operating costs.

CALIFORNIA STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and the Legislature. The Library collects, preserves, generates, and disseminates information, and provides critical assistance to libraries across the state. The Library administers programs funded by state and federal funds to support local and public library programs.

SIGNIFICANT ADJUSTMENTS

- Digitization of Significant Materials—An increase of \$12.8 million one-time General Fund and \$1.2 million ongoing General Fund for 9 positions, equipment, and other resources to support the digitization of historically and culturally significant materials, improved cataloging of library collections, and specialized digital concierge services for state agencies.
- Online Job Training and Workforce Development—An increase of \$8.8 million one-time General Fund to support two additional years of free online job training and educational upskilling programs available through local public libraries.
- Lunch at the Library—An increase of \$5 million ongoing General Fund and 2 positions to expand the number of library jurisdictions providing summer meal programs for students in low-income communities.
- Building Rental Costs—An increase of \$2.2 million ongoing General Fund for increased building rental expenses at the Library and Courts II building.

OFFICE OF PLANNING AND RESEARCH

The Governor's Office of Planning and Research serves as the Administration's staff for long-range planning and research, and constitutes the state's comprehensive planning agency.

SIGNIFICANT ADJUSTMENTS

- Golden State Awards—\$30 million one-time General Fund for the California Education Learning Lab to establish and support the Golden State Awards Program.
- Carnegie Science Grant—\$20 million one-time General Fund to support a grant to Carnegie Science for the Pasadena Climate Research Hub facility.
- California Education Learning Lab Restoration—An increase of \$2 million ongoing General Fund to restore the 2020 Budget Act reduction to the California Education Learning Lab's grant pool.
- Individualized Adaptive Learning—\$1 million ongoing General Fund for the California Education Learning Lab to establish an open educational resources platform offering free and responsive homework modules in STEM.