

HIGHER EDUCATION

California's system of higher education performs an important role in equipping Californians with the knowledge and skills necessary to meet the challenges of the future. Major entities comprising higher education in California include the University of California (UC), the California State University (CSU), the California Community Colleges (CCC), and the California Student Aid Commission (CSAC).

The 2011 Budget Act includes total funding of \$22.1 billion (\$12.2 billion General Fund and \$9.9 billion other funds) for all programs included in these agencies.

UNIVERSITIES, COLLEGES, AND COMMISSIONS

The Budget contains the following Higher Education solutions:

ADOPTED SOLUTIONS

- Reductions—A decrease of \$650 million each to UC and CSU, and a decrease of \$1.5 million to the Hastings College of the Law. The budget reductions will be implemented in a manner that minimizes tuition and enrollment impacts.
- Community College Apportionment Reduction—A decrease of \$400 million General Fund in apportionment funding as a result of implementing a base reduction. Furthermore, apportionment funding decreased by \$129 million due to an additional deferral that will be repaid in the 2012-13. However, these reductions are offset by

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\$110 million in additional student fee revenue as a result of increasing student fees from \$26 per unit to \$36 per unit. Therefore, the net apportionment reduction is \$419 million.

- Income and Need Verification for Cal Grant Program Renewal Awards—A decrease of \$100 million in 2011-12. This solution requires the CSAC to verify each year that Cal Grant renewal recipients do not exceed income and asset ceiling levels as a requirement to remain program eligible.
- Student Loan Default Risk Index for Cal Grant Program Participation—A decrease of \$10.7 million in 2011-12. Any institution of higher education whose three-year student loan default rate exceeds certain levels is prohibited from participating in the Cal Grant program for one academic year.
- State Support for Local Libraries—A decrease of \$15.2 million General Fund local assistance for public libraries provided through the following programs administered by the California State Library: Public Library Foundation, California English Acquisition and Literacy Program, and the California Library Services Act.
- California Postsecondary Education Commission (CPEC) Reduction—To achieve statewide efficiencies and reduce state operations, General Fund support of CPEC is eliminated in 2011-12. CPEC would continue to administer a component of the federal Improving Teacher Quality Grants Program in 2011-12.