

HIGHER EDUCATION

Higher Education includes the California Community Colleges (CCC), the California State University (CSU), the University of California (UC), the Student Aid Commission, and several other entities.

The Budget includes total funding of \$30 billion (\$17 billion General Fund and local property tax and \$13 billion other funds) for all higher education entities in 2016-17.

COLLEGE READINESS

The Budget funds several initiatives—at schools, community colleges, and the state’s universities—focused on college access, readiness, and success. These include:

- College Readiness Block Grant—\$200 million Proposition 98 General Fund on a one-time basis to improve college readiness, allocated to local educational agencies based on the number of low-income students, English learners, and youth in foster care they serve in grades 9 through 12. (See K-12 Education chapter for additional details.)
- Community College Basic Skills Transformation—\$30 million Proposition 98 General Fund on a one-time basis for additional grants through the Community Colleges Basic Skills and Student Outcomes Transformation Program to support implementation of evidence-based practices at community colleges that improve students’ transition into college-level courses. Beginning in 2017-18, \$30 million

Proposition 98 General Fund will be allocated as part of a revised Student Success for Basic Skills Students Program.

- UC Student Outreach—\$20 million General Fund on a one-time basis to expand UC support services, including outreach to students at high schools with high proportions of low-income students, English learners, and youth in foster care.
- College Promise Program—\$15 million Proposition 98 General Fund on a one-time basis for California College Promise Innovation Grants to support better coordination between local educational agencies and community colleges and outreach to students to put them on a path to success in college. This program is modeled after effective efforts underway throughout the state.
- Mathematics Readiness Challenge—\$6.4 million in federal funds on a one-time basis for a competition to create 12th-grade mathematics courses that better prepare students for college-level mathematics.
- A-G Success Initiative—\$4 million General Fund on a one-time basis to expand UC’s existing Scout program and provide free online classes and curriculum approved by the University to meet the “a-g” subject requirements—making college preparatory courses more accessible for students.
- Online Tools for College Planning—\$2 million Proposition 98 General Fund on an ongoing basis to enhance a state college-planning website and help schools incorporate these online tools in their college guidance programs.

USE OF TECHNOLOGY

The Budget provides funding to broaden access to, and reduce the costs of, high-quality higher education by better integrating technology into instruction. The Budget includes \$5 million Proposition 98 General Fund to support the creation of zero-textbook-cost degrees, certificates, and credentials and articulates the expectation that community college districts make them available through an online clearinghouse of effective practices to encourage their adoption across all community college campuses. The Budget also includes \$20 million one-time Proposition 98 General Fund for CCCs to expand student access to online courses that can be counted towards their degrees, using the CCC online course exchange.

SUPPORT FOR STUDENT SUCCESS

A steady growth in discretionary funding and targeted state initiatives has allowed each segment to focus on improving student outcomes. The Budget includes \$200 million Proposition 98 General Fund to establish the Strong Workforce Program, which will enable community college districts to expand access to workforce-aligned and regionally coordinated career technical education courses and programs through the existing Career Technical Education Regional Consortium structure.

Completion at the universities—especially for low-income and underrepresented students—has also been an important focus. The Budget includes \$35 million General Fund to improve student outcomes at the CSU. The release of these funds is contingent upon the Trustees articulating plans that indicate the timeframe by which the system and campuses will increase four-year graduation rates and two-year transfer graduation rates above those of other institutions, while also increasing the graduation rates for low-income students, first-generation students, and students from underrepresented minority groups to at least the rates of their peers.

The Budget expands resources to support professionals at the colleges to improve student success. It provides an additional \$10 million Proposition 98 General Fund for the CCC Institutional Effectiveness Partnership Initiative at the community colleges and adds \$1.1 million General Fund for a new CSU Student Success Network. The Network will be led by faculty, staff, and administrators from across the system, who are committed to exploring new ways to improve outcomes for students and spreading effective practices more broadly.

Finally, the Budget supports continued efforts to scale student success in a sustainable way. The Budget includes \$25 million Proposition 98 General Fund on a one-time basis for the Awards for Innovation in Higher Education. These funds will provide resources to community colleges to partner with other educational entities to implement innovations in the design of curriculum and instruction, recognition of prior learning and experiences in the pathway to degrees and credentials, and access to financial aid—key elements in reducing costs and decreasing the time it takes students to earn their degrees and credentials.

SIGNIFICANT ADJUSTMENTS

The following are significant adjustments included in the Budget.

CALIFORNIA COMMUNITY COLLEGES

- Apportionment Adjustments:
 - A decrease of \$198.4 million Proposition 98 General Fund in 2016-17 as a result of increased offsetting local property tax revenues.
 - An increase of \$114.3 million Proposition 98 General Fund for 2-percent growth in full-time equivalent student enrollment.
 - An increase of \$75 million Proposition 98 General Fund to support increased community college operating expenses in areas such as employee benefits, facilities, professional development, converting faculty from part-time to full-time, and other general expenses.
 - An increase of up to \$31.7 million Proposition 98 General Fund in 2015-16, provided on a contingency basis, for an anticipated shortfall in redevelopment agency property taxes for community college apportionments. Any funds not needed to support the anticipated shortfall would become available for additional mandate debt payments.
- Career Technical Education:
 - An increase of \$200 million Proposition 98 General Fund to establish the Strong Workforce Program, which will enable community college districts to expand access to workforce-aligned and regionally coordinated career technical education courses and programs through the existing Career Technical Education Regional Consortium structure.
 - A one-time increase of \$48 million Proposition 98 General Fund to support the Career Technical Education Pathways Program. These funds provide resources for community colleges and high schools to develop, enhance, and expand career technical education programs that build upon existing regional capacity to meet regional labor market demands. Career Technical Education Pathways Program funding determinations will be aligned and integrated within the regional collaborations of the Strong Workforce Program.

- Improving Student Success:
 - An increase of \$30 million in one-time Proposition 98 General Fund to fund additional basic skills transformation grants in 2016-17. Commencing in 2017-18, these funds will be allocated as part of a revised Student Success for Basic Skills Students Program that focuses on implementing practices that increase students' transition to college-level courses.
 - An increase of \$25 million one-time Proposition 98 General Fund for innovation awards focusing on innovations in curriculum and instruction, assessment of prior learning and experiences, and access to financial aid.
 - An increase of \$15 million one-time Proposition 98 General Fund to provide California College Promise Innovation grants.
 - An increase of \$10 million Proposition 98 General Fund to support the Institutional Effectiveness Partnership Initiative.
- Enhancing the Use of Technology:
 - An increase of \$20 million one-time Proposition 98 General Fund to expedite and enhance the adaptation and development of online courses that will be available through the online course exchange.
 - An increase of \$15 million Proposition 98 General Fund, of which \$7 million is one-time, to address systemwide data security efforts and to expand broadband capacity across community college campuses.
 - An increase of \$5 million one-time Proposition 98 General Fund to support the Zero-Textbook-Cost Degree program, which will provide up to \$200,000 per degree developed by colleges with the goal of reducing the cost of instructional materials for students.
- Other Ongoing Adjustments:
 - An increase of \$14.7 million Proposition 98 General Fund to restore the Student Services for CalWORKs Recipients, Part-Time Faculty Office Hours, and Fund for Student Success categorical programs to pre-recession funding levels.
 - An increase of \$2.3 million Employment Opportunity Fund and \$2 million Proposition 98 General Fund to promote equal employment opportunities in hiring and promotion at community college districts.

HIGHER EDUCATION

- An increase of \$300,000 Proposition 98 General Fund for the Academic Senate of the California Community Colleges to develop, promote, and act upon policies in support of recent statewide community college programmatic efforts and initiatives focused on student success.
- Other Limited-Term Adjustments:
 - An increase of \$184.6 million in one-time Proposition 98 General Fund for deferred maintenance, instructional equipment, and specified water conservation projects.
 - An increase of \$105.5 million one-time Proposition 98 General Fund to pay for outstanding mandate debt on a per full-time equivalent student basis to reduce mandate debt while providing districts with discretionary one-time funding for investments in local priorities, including professional development, campus security, technology, and open education and zero-textbook-cost degrees.
 - Proposition 39—The California Clean Energy Jobs Act was approved by voters in 2012 and increases state corporate tax revenues. For 2013-14 through 2017-18, the measure requires half of the increased revenues, up to \$550 million per year, to be used to support energy efficiency projects. The Budget increases the amount of energy efficiency funds available to community colleges in 2016-17 by \$10.5 million to \$49.3 million to reflect increased revenue estimates.

CALIFORNIA STATE UNIVERSITY

- Funding for Enrollment Expectation—An increase of \$12.5 million General Fund to increase enrollment by at least 5,194 full-time equivalent students in 2016-17 compared to 2015-16.
- One-Time Funding to Improve Graduation Rates—An increase of \$35 million General Fund on a one-time basis contingent upon the Trustees adopting plans and timeframes for graduation rates that meet the state’s expectations. An additional increase of \$15 million General Fund for use as determined by the Trustees.
- Student Success Network—An increase of \$1.1 million General Fund ongoing for support of the CSU Student Success Network led by faculty, staff, and administrators across campuses and administered by the Education Insights Center at CSU Sacramento.

UNIVERSITY OF CALIFORNIA

- Funding for Expectations Related to Resident and Nonresident Enrollment—An increase of \$18.5 million General Fund if the University demonstrates it will increase resident undergraduate enrollment by 2,500 students in 2017-18 compared to 2016-17 and the Regents have adopted a policy that limits enrollment of nonresident students.
- Innovation and Entrepreneurship—An increase of \$22 million General Fund on a one-time basis for innovation and entrepreneurship activities at the campuses.
- Support Services—An increase of \$20 million one-time General Fund for support services for low-income students and students from underrepresented minority groups.
- A-G Success Initiative—An increase of \$4 million General Fund on a one-time basis for the development of high-quality middle school and high school online classes and curriculum that satisfy the “a-g” subject requirements.

CALIFORNIA STUDENT AID COMMISSION

- Middle Class Scholarship Program Costs—A decrease of \$33.5 million General Fund in 2015-16 and \$42 million in 2016-17 and each year thereafter to account for savings in the Middle Class Scholarship Program.

CALIFORNIA STATE LIBRARY

- Library Innovation—An increase of \$4.8 million General Fund ongoing (\$1.8 million ongoing) for innovations in local library services through the California Library Services Act. The Budget also amends the act to allow libraries to expand the ways they use, and share, digital materials.