California provides instruction, training, support services, and other programs and opportunities to nearly three million postsecondary students. Leading these efforts are the University of California (UC), California State University (CSU), California Community Colleges (CCC), Student Aid Commission, and several other agencies. The May Revision includes $48.7 billion ($26.5 billion General Fund and local property tax and $22.2 billion other funds) for all higher education entities in 2021-22. The figure on Higher Education Expenditures displays additional detail about funding for higher education.

The May Revision proposes significant one-time and ongoing investments that reflect the Administration's continued commitment to affordability, access, and efficiency in higher education. These investments include making college savings accounts widely available to low-income children; providing grants to advance training and education for workers impacted by the COVID-19 Pandemic; promoting learning-aligned, long-term career development opportunities; expanding the availability of affordable student housing; and establishing regional K-16 education collaboratives focused on streamlining educational pathways leading to in-demand jobs.
Improving College Affordability

The state’s primary method for addressing college affordability issues has long been providing direct subsidies for tuition and non-tuition costs through the Student Aid Commission’s Cal Grant Program. The May Revision builds on this approach by:

- Maintaining the state’s substantial investments in Cal Grant, two years of free community college, and other aid programs.
- Making summer financial aid resources for the UC and CSU permanent, assisting students in their efforts to improve timely degree completion.
• Providing the CCCs with additional resources to support basic needs centers and coordinators, and Dreamer Resource Liaisons, thereby providing additional support for underrepresented students.

The Administration is also proposing several measures to help address students’ total cost of attendance and to make higher education an accessible goal for all students.

**College Savings Accounts**

The May Revision includes approximately $2 billion one-time federal American Rescue Plan Act of 2021 funds in 2021-22, and assumes $170 million ongoing General Fund beginning in 2022-23, to establish college savings accounts for all current low-income public school students, as defined by the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school, and for successive cohorts of these student populations as they enter first grade. Making college savings accounts widely available to eligible students and seeding them with resources that will be invested and grow in value over time will help set children from low-income families on a path to affording postsecondary education, while helping to address equity gaps. The program will involve:

• Establishing the California Child Savings Program, administered by the ScholarShare Investment Board, to create college savings accounts targeted to low-income and underrepresented public school students.

• Establishing accounts for every student qualifying as low-income as defined by the Local Control Funding Formula (students eligible for free or reduced-price meals under the National School Lunch Program, English learners, and foster youth).

• Providing seed funding of $500 for each account, with qualifying foster youth and homeless students each receiving an additional supplemental seed deposit of $500.

College savings accounts will not solve poverty today, but they are a long-term investment in children and their financial futures, and promote positive savings behavior. The pandemic has taken an extraordinary toll on low-income families and this effort seeks to reverse some of those negative economic impacts going forward.
**Student Housing**

The May Revision also includes $4 billion one-time General Fund, split evenly between fiscal years 2021-22 and 2022-23, to establish a low-cost student housing grant program focused on expanding the availability of affordable student housing. Reducing many students’ rent costs will relieve one of the largest financial pressures students face and will significantly limit increases in the total cost of attendance. The program will involve:

- Authorizing the California School Finance Authority to award grants to the UC, CSU, and CCCs to build new student housing or to acquire commercial properties that would be transformed into student housing.
- Substantially reducing rent for students by relieving the segments from having to build in construction and/or acquisition costs into rental and meal plan charges.
- Prioritizing grants for the conversion of commercial properties that would be transformed into student housing.
- Prioritizing access to newly available units for low-income and under-represented students to support and improve equity.
- Requiring student tenants to take an average of 15 degree-applicable units per semester to facilitate timely degree completion and to further reduce their overall cost of completing college.

These one-time funds will create additional student housing that will add to the state’s overall housing stock and thus relieve pressure on student housing costs, simultaneously increasing supply around universities and helping to improve housing affordability.

**Advancing Workers in a Post-COVID Economy**

The pandemic is accelerating change in the state’s economy, increasing the importance of connecting higher education to jobs and careers. In addition, addressing equity gaps requires new thinking about how to move students seamlessly from preschool to college. Finally, the pandemic has displaced millions of workers, especially women and mothers who have shouldered a disproportionate share of caregiving while schools have operated in distance learning and family members have fallen ill. For many, the chance to return to school or training would be difficult without additional support. The May Revision makes the following substantial investments to advance workers as California recovers from the pandemic.
LEARNING-ALIGNED EMPLOYMENT

The Administration is focused on promoting closer links between campuses and businesses in order to foster job creation, economic mobility, and economic growth. The May Revision includes $1 billion one-time General Fund, split evenly between fiscal years 2021-22 and 2022-23, to establish the Learning-Aligned Employment program, which would promote learning-aligned, long-term career development for UC, CSU, and CCC students. This program would be established as an endowment to sustain ongoing support. The program will involve:

• Creating the Endowment for Learning-Aligned Employment and authorizing the UC to invest the funds and distribute the annual returns to the public segments of higher education based on their share of resident undergraduate students receiving a Pell grant.

• Strategically focusing campuses toward identifying or establishing partnerships with external employers to provide learning-aligned opportunities related to students' fields of study, aimed at providing students with long-term career development and professional networking opportunities.

• Prioritizing learning-aligned employment opportunities for underrepresented students, particularly underrepresented students in STEM fields.

EDUCATION AND TRAINING SUPPORT GRANTS FOR DISPLACED WORKERS

The May Revision includes $1 billion in one-time American Rescue Plan Act of 2021 funds for the Student Aid Commission to establish a one-time grant program to support displaced workers seeking reskilling and up-skilling, educational opportunities, or to support some of the costs to start a business. The program will involve:

• Authorizing the Student Aid Commission to disseminate the funds to the higher education segments, and authorizing UC, CSU, and CCC campuses to receive these funds and grant them to individuals displaced from their employment due the COVID-19 Pandemic on behalf of the Commission.

• Allowing recipients to use their grants to cover the costs of postsecondary programs, high-quality training programs, or to start a business for which the recipient has filed for a business license and developed a business plan.
• Requiring at least half of the amount appropriated for this purpose to be used to provide grants to eligible individuals who are caring for a dependent child.

• Encouraging UC, CSU, and CCC campuses to match grant funds used at their institutions, which could include UC and CSU extension programs, with institutional funds.

• Specifying that the grant amounts will be determined by the Student Aid Commission, with a minimum amount of $1,000 per grant.

**REGIONAL K-16 EDUCATION COLLABORATIVES**

The May Revision allocates the $250 million one-time General Fund set-aside from the Governor’s Budget to a grant program for regional K-16 collaboratives. The program will involve:

• Appropriating the funds to the Office of Planning and Research to award grants to between five and eight regional collaboratives, modeled after the Fresno K-16 Education Collaborative.

• Requiring eligible collaboratives to include at least one institution from all three segments; to include consideration of regional workforce needs; to focus on streamlining occupational pathways that lead to high-paying, in-demand jobs; and to align higher education with workforce needs.

• Requiring eligible collaboratives to adopt recommendations from the February 2021 Recovery with Equity report related to fostering inclusive institutions and facilitating student transitions.

**MULTI-YEAR FRAMEWORK FOR HIGHER EDUCATION**

The Administration is committed to working with the UC and CSU to develop a multi-year agreement focusing on priorities that include closing equity gaps, improving time-to-degree completion, reducing students’ total cost of attendance and increasing predictability, increasing California resident undergraduate enrollment, improving faculty diversity, and better aligning curricula and student learning objectives with workforce needs.

The May Revision maintains the Administration’s expectations articulated in the Governor’s Budget that:
• The UC and CSU maintain resident undergraduate tuition and fees at current levels for the 2021-22 academic year;

• The UC, CSU, and CCCs take action to significantly reduce equity gaps with the goal of fully closing equity gaps;

• The UC, CSU, and CCCs adopt policies furthering educational opportunities using online learning programs;

• The UC, CSU, and CCCs better align student learning objectives with workforce needs; and

• The UC and CSU create a new stand-alone dual admissions pathway enabling first-time freshman applicants to be considered for guaranteed admission to the UC or CSU campus of their choice upon completion of an Associate Degree for Transfer or another transfer pathway at a California Community College.

The May Revision also increases base resources provided to UC and CSU in the Governor’s Budget. Specifically, the May Revision:

• Provides a $69.3 million ongoing General Fund base augmentation to the UC and a $74.4 million ongoing General Fund base augmentation to the CSU. When combined with respective base augmentations of $103.9 million and $111.5 million previously provided in the Governor’s Budget, these augmentations result in five-percent ongoing base General Fund resource increases beginning in 2021-22.

• Provides $302.4 million General Fund to the UC and $299 million General Fund to the CSU to offset the ongoing reductions applied to the UC and CSU in the 2020 Budget Act, starting in fiscal year 2021-22.

These significant investments in UC and CSU provide ongoing base funding levels above pre-pandemic levels to aid the universities in making progress toward multi-year goals.

UNIVERSITY OF CALIFORNIA

Consisting of ten campuses, the UC is the primary institution authorized to independently award doctoral degrees and professional degrees. The UC educates approximately 285,000 undergraduate and graduate students and receives the highest state subsidy per student among the state’s three public higher education segments. In
2019-20, the UC awarded 83,000 degrees. An additional 300,000 students participate in continuing education programs through the University extensions.

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**UC Office of the President**

The COVID-19 Pandemic has underscored the importance of being able to act swiftly to adjust operations to best support students and complex university operations. This is best done under a model that allows the UC President to collaborate with campuses to implement systemwide efforts that enable campuses to better serve students and operate more efficiently. To support such a model, the May Revision proposes to consolidate the separate funding items for the UC Office of the President and UC campuses into one item, and enable the UC Office of the President to return to a campus assessment model. Returning to a campus assessment model, while maintaining existing transparency measures, will enable the UC Office of the President to provide campuses with additional flexibility to determine if a centrally supported service would more efficiently and effectively serve the needs of students.

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**Detailed Budget Investments**

**Ongoing Investments:**

- **Support for the University of California**—An increase of approximately $302.4 million General Fund to support the University’s changing operational and programmatic needs, which effectively restores UC’s 2020 Budget Act reductions beginning in 2021-22.

- **Base Growth**—An increase of approximately $69.3 million ongoing General Fund to support the University’s changing operational and programmatic needs, which when combined with the Governor’s Budget base augmentation of $103.9 million ongoing General Fund, results in a five-percent base increase.

- **Graduate Medical Education**—A decrease of $1.6 million ongoing General Fund to maintain the Proposition 56 Graduate Medical Education Program at an ongoing total of $40 million.

**One-time Investments:**

- **Deferred Maintenance**—An increase of $150 million one-time American Rescue Plan Act of 2021 funds to address deferred maintenance and energy efficiency projects at UC campuses. This funding is provided in addition to $175 million one-time
General Fund provided in the Governor’s Budget for UC deferred maintenance and energy efficiency projects.

- **Grants for Animal Shelters**—An increase of $45 million one-time General Fund for the UC Davis Koret Animal Shelter Medicine Program to develop a grant program for animal shelters. This augmentation would enable the center to provide expertise, support, and local assistance over a five-year period to help communities achieve the state’s policy goal that no adoptable or treatable dog or cat should be euthanized.

- **UCLA Labor Center**—An increase of $15 million one-time General Fund to renovate the UCLA Labor Center facility.

- **UC San Francisco Dyslexia Center**—An increase of $10.2 million one-time General Fund to enhance the Center’s app, support collaboration with teacher training programs, and support dyslexia research that could inform practices.

- **UCLA Asian American Studies Center**—An increase of $5 million one-time General Fund to support analysis and research associated with the prevention of hate incidents experienced by Asian Pacific Islander communities and to provide grants to community-based organizations focused on preventing hate incidents experienced by Asian Pacific Islander communities.

- **UC Berkeley Alternative Meats Lab**—An increase of $1 million one-time General Fund to support the UC Berkeley Alternative Meats Lab.

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**California State University**

The CSU serves approximately 486,000 undergraduate and graduate students across 23 campuses and receives funding from a variety of sources, including state General Fund, federal funds, lottery funds, and student tuition and fees. In 2019-20, the CSU awarded over 129,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs.

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**Transitioning Humboldt State University to a Polytechnic University**

The May Revision provides a significant investment to support Humboldt State University becoming designated as the state’s third polytechnic university, and the first in northern California. Transitioning Humboldt State University to a polytechnic university would build upon the University’s high concentration of programs in science, technology,
engineering and math (STEM) fields, as well as applied sciences such as health, agriculture, and natural resources. Moreover, the availability of a polytechnic university on the northern California coast would improve the availability of hands-on educational opportunities in the region, preparing students for in-demand careers in the North Coast region and throughout California.

The May Revision provides $433 million one-time General Fund to support a capital projects transition plan—including renovations of science and laboratory facilities, as well as enhanced computing and telecommunications infrastructure—as the campus transitions to a polytechnic university. Additionally, the May Revision provides $25 million ongoing General Fund to support the addition of academic programs that would be offered under Humboldt State University’s polytechnic designation, such as programs in cyber security and technology, wildlife management, and climate resilience.

**Detailed Budget Investments**

**Ongoing Investments:**

- **Support for the California State University**—An increase of approximately $299 million General Fund to support the University’s changing operational and programmatic needs.

- **Base Growth**—An increase of approximately $74.4 million ongoing General Fund to support the University’s changing operational and programmatic needs, which when combined with the Governor’s Budget base augmentation of $111.5 million ongoing General Fund, results in a five-percent base increase.

**One-time Investments:**

- **Deferred Maintenance**—An increase of $150 million one-time American Rescue Plan Act of 2021 funds to address deferred maintenance and energy efficiency projects at CSU campuses. Additionally, the May Revision provides the CSU with the flexibility to use $175 million one-time General Fund proposed in the Governor’s Budget to address deferred maintenance to also be used to address energy efficiency projects at CSU campuses.

- **CSU Northridge Center for Equity in Innovation and Technology**—An increase of $25 million one-time General Fund to support construction of the CSU Northridge Center for Equity in Innovation and Technology.
CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the nation, serving roughly one-quarter of the nation’s community college students, or approximately 2.1 million students. The CCCs provide basic skills, career education, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2019-20, the community colleges awarded more than 115,000 certificates, 196,000 degrees and transferred about 107,000 students to four-year institutions.

SIGNIFICANTLY REDUCING TEXTBOOK COSTS

To address rising costs of student instructional materials, the 2016 Budget Act included $5 million one-time Proposition 98 General Fund to establish the Zero-Textbook-Cost Degree (ZTC) Grant Program to create associate degrees and career technical education certificate programs, earned entirely by completing courses that eliminate textbook costs. Although the CCCCO does identify official savings to students, some external estimates indicate this investment produced $42 million in cost savings to students.

Textbooks contribute considerable costs to earning a degree. The May Revision proposes a nearly eight-fold increase over the Governor’s Budget to expand the creation of ZTC degrees by incenting the development and use of open educational resources. The May Revision proposes $100 million one-time Proposition 98 General Fund, which when combined with $15 million one-time Proposition 98 General Fund proposed in the Governor’s Budget would provide a total of $115 million one-time Proposition 98 General Fund to develop and implement zero-textbook-cost degrees and open educational resources.

DETAILED BUDGET INVESTMENTS

APPORTIONMENTS INVESTMENTS:

• **Apportionments Cost-of-Living Adjustment**—An increase of $185.4 million ongoing Proposition 98 General Fund to reflect a compounded cost-of-living adjustment of 4.05 percent, which represents a 2020-21 cost-of-living adjustment of 2.31 percent and a revised 2021-22 cost-of-living adjustment of 1.7 percent.

• **Apportionment Deferrals**—An increase of approximately $326.5 million one-time Proposition 98 General Fund to fully retire deferrals from the 2021-22 fiscal year to the 2022-23 fiscal year.
• **Dual Enrollment**—An increase of $75 million one-time Proposition 98 General Fund to expand new and existing College and Career Access Pathways (CCAP) agreements between school districts and community colleges.

• **Local Property Tax Adjustment**—An increase of $62.4 million ongoing Proposition 98 General Fund as a result of decreased offsetting local property tax revenues.

**STUDENT-FOCUSED PROGRAM INVESTMENTS:**

• **Guided Pathways**—An increase of $150 million one-time Proposition 98 General Fund to further support colleges’ efforts to implement Guided Pathways programs.

• **Retention and Enrollment Strategies**—An increase of $100 million one-time Proposition 98 General Fund to support efforts to bolster CCC student retention rates and enrollment, consistent with funds approved for this purpose pursuant to Chapter 4, Statutes of 2021 (AB 85).

• **English as a Second Language**—An increase of $50 million ongoing Proposition 98 General Fund to expand vocational training opportunities and English as a Second Language (ESL) programs for ESL students at the community colleges. The Administration expects that these programs be linked to pathways enabling ESL students to subsequently enroll in for credit certificate, credential, or degree programs.

• **Student Basic Needs**—An increase of $30 million ongoing Proposition 98 General Fund for colleges to establish basic needs centers and hire basic needs coordinators.

• **Student Equity and Achievement Program**—An increase of approximately $23.8 million ongoing Proposition 98 General Fund to increase program funding by five percent.

• **Equal Employment Opportunity Programs**—An increase of $20 million one-time Proposition 98 General Fund to support the implementation of EEO best practices, as developed by the Chancellor’s Equal Employment Opportunity and Diversity Advisory Committee.

• **Dreamer Resource Liaisons**—An increase of $5.8 million ongoing Proposition 98 General Fund to further support Dreamer Resource Liaisons and student support services for immigrant students, including undocumented students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645).
WORKFORCE-FOCUSED INVESTMENTS:

• **High Road Training Partnerships and Regional Partnerships**—An increase of $20 million one-time Proposition 98 General Fund to support CCC participation in High Road Training Partnerships and regional partnerships developed by the California Workforce Development Board.

• **CCC Strong Workforce Program**—An increase of approximately $12.4 million ongoing Proposition 98 General Fund to increase program funding by five percent.

• **Work-Based Learning**—An increase of $10 million one-time Proposition 98 General Fund to develop work-based learning opportunities in (1) cloud computing, and (2) zero emissions and supply chain fields.

• **Competency-Based Education Pilot**—An increase of $10 million one-time Proposition 98 General Fund to pilot implementation of competency-based education at select community colleges.

• **CCC Registry Modernization**—An increase of $1 million one-time Proposition 98 General Fund to support the modernization of the CCC Registry, which is an online database of job opportunities for the California Community Colleges.

TECHNOLOGY-FOCUSED INVESTMENTS:

• **Program Pathways Technology**—An increase of $10 million ongoing Proposition 98 General Fund to for the systemwide acquisition of software that visualizes and clearly maps out curricular pathways for students choosing their pathway and for students needing help to stay on their pathway. This investment would also support the long-term development and integration of a common application platform within the proposed Cradle-to-Career Data system.

• **Common Course Numbering**—An increase of $10 million one-time Proposition 98 General Fund to plan for and begin developing a common course numbering system throughout the community college system, which should better enable students to identify the courses needed to complete a degree or certificate, or transfer to a four-year institution. This investment would also support the long-term development and integration of a common application platform within the proposed Cradle-to-Career Data system.

• **Library Services Platform**—An increase of $4 million ongoing Proposition 98 General Fund to support a systemwide technology platform for library services to better manage and deliver digital information to support teaching and learning.
Higher Education

Other Investments:

• Deferred Maintenance—An increase of $314.1 million one-time Proposition 98 General Fund and $250 million one-time American Rescue Plan Act of 2021 funds to address deferred maintenance.

• COVID-19 Response Block Grant—An increase of $50 million one-time Proposition 98 General Fund to support grants to assist community colleges with responding to the COVID-19 Pandemic and transitioning back toward in-person education.

• Student Success Completion Grant—An increase of $27.2 million ongoing Proposition 98 General Fund to support revised estimates of students eligible for the program.

California Student Aid Commission

The California Student Aid Commission administers financial aid programs, including the Cal Grant program and the Middle Class Scholarship Program. The state’s Cal Grant program is estimated to provide over 383,000 financial aid awards to students who meet specified eligibility criteria in fiscal year 2019-20.

The Administration remains committed to fostering equity and access within the State’s higher education institutions. In an effort to support college affordability, the May Revision maintains all financial aid programs, with only caseload adjustments.

Golden State Teacher Grant Program

The May Revision provides an increase of $400 million one-time General Fund, which when combined with $100 million one-time General Fund proposed in the Governor’s Budget, provides a combined total of $500 million one-time General Fund for the Golden State Teacher Grant Program. These funds will be available over a five-year period to support grants to students enrolled in teacher preparation programs who commit to working in a high-need field at school sites with the highest rates of non-credentialed or waiver teachers.

Significant Investments:

• Cal Grant Program Costs—A decrease of $106.4 million General Fund in 2021-22 to account for the following:
• A decrease of approximately $63 million in 2021-22 to reflect a decrease in the estimated number of new recipients in 2020-21. This adjustment includes decreased costs of $50.8 million in 2020-21.

• A decrease of $43.4 million ongoing General Fund associated with the cost to restore Cal Grant A eligibility for students impacted by a change in their living status due to the pandemic. The May Revision also reflects decreased costs of $43.4 million in 2020-21.

• **Former and Current Foster Youth Access Award**—A decrease of approximately $5.1 million ongoing General Fund associated with revised estimates of foster youth that would qualify for a supplemental access award funding for all former or current foster youth.

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**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 has masters programs. In 2019-20, Hastings enrolled 944 full-time equivalent students. Of these, 921 were Juris Doctor students.

**Significant Investment:**

• **Alternative Campus Safety Program**—An increase of $3 million one-time General Fund, available for a three-year period, to provide support for an alternative campus public safety program.

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**California State Library**

The California State Library serves as the central reference and research library for the Governor and 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 INVESTMENTS:

• Infrastructure:
  ◦ Library Infrastructure—An increase of $50 million one-time General Fund for an equity-focused matching grant program to support local library infrastructure.
  ◦ Broadband Access—An increase of $35 million one-time General Fund available through 2024-25, to expand broadband access to isolated and under-served communities through a collaborative partnership of local education agencies, regional libraries, and telehealth providers and leverage available federal funds through the E-Rate Program.
  ◦ Broadband Capacity and Equipment Grants—An increase of $6 million one-time General Fund to support the Broadband Connectivity Initiative.

• Education:
  ◦ English as a Second Language Programs—An increase of $15 million one-time General Fund to support English as a Second Language programs offered through local libraries.
  ◦ Online Tutoring—An increase of $6.4 million one-time General Fund to support a two-year pilot online tutoring service program.
  ◦ Civil Liberties Program—An increase of $5 million one-time General Fund to support grants for public education and awareness of Civil Liberties.
  ◦ Database Access—An increase of $241,000 ongoing General Fund to support K-12 Student Online STEAM database access.

• Other Investments:
  ◦ Disaster Preparedness—A limited-term increase of $2.4 million General Fund annually for the next four years to support Disaster Preparedness for Cultural Heritage Agencies.
  ◦ Assistive Technology—An increase of $1.6 million one-time General Fund and $220,000 ongoing General Fund to support Assistive Technology for Visually Impaired Californians.
  ◦ Data and Systems Librarians—An increase of $345,000 ongoing General Fund to support Data and Systems Librarians.
Higher Education

- **Homeless Youth Project**—An increase of $130,000 to support the California Homeless Youth Project.