

SUBCOMMITTEE NO. 1

Agenda

Senator Anthony J. Portantino, Chair
Senator Hannah-Beth Jackson
Senator John M. W. Moorlach



Wednesday, May 16, 2018
10:00 a.m. or upon call of the chair
State Capitol - Room 113
Consultant: Anita Lee

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Public Comment

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6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
1	May Revise Technical Adjustments	Technical Base Apportionment Adjustments: The May Revision proposes an increase of \$848,000 Proposition 98 General Fund to reflect various technical base apportionment adjustments. Increase Stability Restoration Estimate: The May Revision proposes an increase of \$46.92 million Proposition 98 General Fund to reflect estimated full-time equivalent student stability restoration earned back by community college districts that declined in enrollment during the previous three fiscal years. Adjust Apportionments to Reflect Unused Prior Year Enrollment Growth Funding: The May Revision proposes an increase of \$14.92 million Proposition 98 General Fund to reflect revised estimates of unused prior year enrollment growth funding. Net Offsetting Education Protection Account (EPA) Revenue: The May Revision proposes a decrease of \$5.56 million Proposition 98 General Fund to reflect an increase in estimated net offsetting EPA revenue.		BBL/TBL	Approve as proposed.
2	May Revise Technical Adjustments (2)	Net Offsetting Property Tax Revenue: The May Revision proposes an increase of \$53 million Proposition 98 General Fund to reflect a decrease in estimated net offsetting property tax revenue. Offsetting Student Fee Revenue: The May Revision proposes a decrease of \$12.8 million Proposition 98 General Fund to reflect an associated increase in estimated offsetting student fee revenue. Offsetting Oil and Mineral Revenue: The May Revision proposes an increase of \$249,000 Proposition 98 General Fund to reflect a decrease in estimated offsetting oil and mineral revenue.		BBL/TBL	Approve as proposed.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
3	Increase Apportionments Cost-of-Living Adjustment (COLA)	The May Revision proposes an increase of \$11.86 million Proposition 98 General Fund to reflect a 2.71 percent COLA.		BBL	Approve as proposed.
4	Enrollment growth adjustments	The May Revision proposes a decrease of \$300,000 Proposition 98 General Fund to reflect a revised estimate of the cost to maintain a one percent enrollment growth target in fiscal year 2018-19.		BBL	Approve as proposed.
5	Apprenticeship Adjustments	The May Revision proposes an increase of \$4.89 million and decrease of \$41,000, respectively, since January to: (1) reflect growth in the estimated number of reimbursable related and supplemental instruction (RSI) hours, (2) reflect funding for RSI hours associated with apprenticeship programs that received a California Apprenticeship Initiative grant in 2015-16, and (3) align the projected RSI reimbursement rate with a revised estimate of the noncredit apportionment funding rate and COLA of 2.71 percent. Apprenticeship Program Adjustment for Prior Fiscal Years: The May Revision proposes an increase of \$4.63 million and \$1.24 million, respectively, on a one-time basis to reflect revised estimates of the number of related and supplemental instruction hours provided by apprenticeship program sponsors in 2016-17 and 2017-18, for a total of \$9.88 million, and \$26.58 million, respectively.		BBL	Approve as proposed.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
6	Apprenticeship Trailer Bill Language	The May Revision modifies the Governor's January trailer bill language to (1) clarify that the apportionment reimbursement option will be based on the actual number of instructional hours provided to apprentices, rather than on a full-time-equivalent student basis, and (2) require the Chancellor's Office to collect and report additional information related the apportionment reimbursement option.		TBL	Adopt placeholder trailer bill language to be refined as necessary.
7	Financial Aid Administration and Board Financial Assistance Program Funding	The May Revision proposes an increase of \$864,000 to reflect an increase of \$430,000 for the Student Financial Aid Administration Program and an increase of \$434,000 for the Board Financial Assistance Program. These adjustments reflect revised estimates of the number of units with fees waived and the dollar amount of fees waived.		BBL	Approve as proposed.

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Item	Subject	Description	Comments	Language	Staff Recommendation
8	Financial Aid Technology and Processing	The May Revision proposes \$5 million ongoing Proposition 98 to support financial aid technology improvements that will better enable community colleges to provide guidance and assistance to students seeking financial aid. Funding is for ongoing maintenance, subscription, and training costs for financial aid technology advancements and innovations that streamline the financial aid verification process and enable colleges to more efficiently process state and federal financial aid grants. The May Revision includes the following intent language: "System improvements supported by this funding have the effect of reducing the manual processing of financial aid applications, thereby enabling financial aid program staff to provide additional technical assistance and guidance to students seeking financial aid. The Chancellor's Office shall determine the methodology for allocating these funds to community college districts." Additionally, the May Revision proposes trailer bill language to appropriate \$13.5 million in fiscal year 2017-18 Proposition 98 General Fund to support financial aid technology improvements that will better enable community colleges to provide guidance and assistance to students seeking financial aid.		BBL/TBL	Approve \$5 million ongoing Proposition 98 as proposed, modify \$13.5 million one-time Proposition 98 trailer bill language to clarify funds may be used by financial aid offices to develop mechanisms to verify education plans, and that students are on track with milestones and sequence of courses in education plan, as prescribed in section 88931.
9	NextUp Program Augmentation	The May Revision proposes to increase funding for the NextUp Program by \$5 million Proposition 98 General Fund to expand the program to 20 colleges, which supports current and former foster youth at the community colleges. This aligns with Senate Bill 20 (Beall), Chapter 772, Statutes of 2017.		BBL	Approve as proposed.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
10	Cost-of-Living Adjustments to Various Programs	Extended Opportunity Programs and Services Program: The May Revision proposes an increase of \$251,000 Proposition 98 General Fund to reflect a 2.71 percent COLA for the program. Disabled Student Programs and Services Program.: The May Revision proposes an increase of \$235,000 Proposition 98 General Fund to reflect a 2.71 percent COLA for the program. Student Services for CalWORKs Recipients Program: The May Revision proposes an increase of \$88,000 Proposition 98 General Fund to reflect a 2.71 percent COLA for the Student Services for CalWORKs Recipients Program. Campus Childcare Tax Bailout Program: The May Revision proposes an increase of \$7,000 Proposition 98 General Fund to reflect a 2.71 percent COLA.	The Administration proposes COLAs to four categorical programs, however others are not receiving COLAs. These include the Fund for Student Success, Part-Time Faculty Office Hours, Compensation, and Health Insurance programs. Moreover, Part-Time Faculty Compensation and Health Insurance have not been restored to 2007-08 levels.	BBL	Approve proposed COLAs, as well as COLAs for the Fund For Student Success, and part-time faculty office hours, and provide an additional \$25 million Proposition 98 General Fund ongoing for part-time faculty compensation, and \$0.5 million Proposition 98 General Fund ongoing for part-time faculty health insurance programs to restore funding.

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Item	Subject	Description	Comments	Language	Staff Recommendation
11	Course Identification Numbering System Augmentation	The May Revision proposes an increase of \$685,000 Proposition 98 General Fund a one-time basis to support the Academic Senate of the California Community Colleges' course identification numbering system efforts. The Course Identification Numbering System, is a faculty-driven system that was initially developed to assign identifying designations (C-ID numbers) to significant transfer courses. C-ID addresses the need for "common course numbers" by providing a mechanism to identify comparable courses. Most C-ID numbers identify lower-division transferable courses commonly articulated between the CCC and universities.		BBL	Approve \$685,000 Proposition 98 General Fund ongoing to support the Academic Senate course identification number system.
12	Certified Nurse Assistant (CNA) Training	In January, the Administration proposed \$2 million one-time Proposition 98 General Fund for CCC to expand CNA enrollment slots. The CCC Chancellor's Office would allocate the funds through CCC's Strong Workforce program, which the Legislature created in 2016-17. In January, the Administration required the Chancellor's Office distribute funds to the program's seven regional consortia of community colleges based upon each region's projected CNA job openings, number of CNA programs, and enrolled CNA students in 2017-18. The Chancellor's Office estimates that the proposed funding could support about 1,300 community college enrollment slots. The May Revision modifies the Governor's January budget proposal to allow the Chancellor's Office the flexibility to determine the methodology for allocating \$2 million one-time funding proposed in the Governor's Budget to support training opportunities for certified nurse assistants to Strong Workforce Program regional consortiums.	This item was heard on May 3, 2018.	BBL	Approve as proposed.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
13	Innovation Awards	The Governor's budget includes \$20 million one-time Proposition 98 funding for an additional round of innovation awards to community colleges. As with the awards funded in 2017-18, the Chancellor's Office would set award criteria and select winners. The 2018-19 awards are to focus on innovations that reduce regional achievement gaps across the state and gaps for students from traditionally underrepresented groups. In particular, the proposal emphasizes interest in closing gaps related to degrees and certificates awarded, the number of excess units taken by students attaining associate degrees, and the number of CTE students who become employed in their field of study. The May Revision makes a technical adjustment to shift one-time funding proposed in the Governor's Budget for the Higher Education Innovation Awards program from 2018-19 to 2017-18.	This item was heard on April 19, 2018.	TBL	Approve placeholder trailer bill language.
14	Deferred Maintenance	The May Revision proposes a decrease of \$64.49 million from 2018-19 Proposition 98 General Fund for the repair and maintenance of facilities and the replacement of instructional equipment and library materials, and proposes provisional language be revised to reflect the 2018-19 project cost threshold for scheduled maintenance and repair projects.		BBL	Approve as proposed.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
15	Equal Employment Opportunity Program	The May Revision proposes an increase of \$824,000 from special funds to promote equal employment opportunities in hiring and promotion at community college districts.		BBL	Approve as proposed.
16	Student Success Completion Grant	In January, the Administration proposed trailer bill language to combine the Full Time Student Success Grant and the California Community College Completion Grant into the Student Success Completion Grant. The proposal provided an additional \$33 million for the program, and created four tiers of grant funding for students. The maximum annual grant would be \$1,000 for Cal Grant B recipients enrolled in 12 units per term, with incremental increases for recipients enrolled in 13 and 14 units, and a maximum of \$4,000 for recipients enrolled in 15 units per term. The proposal includes language that funding must not exceed a student's demonstrated financial need. The May Revision proposes an increase of \$7.8 million to reflect a revised estimate of eligible Cal Grant B and Cal Grant C students in 2018-19. Additionally, the May Revision proposes revisions to the trailer bill language that removes the requirement for students to have a comprehensive education plan.	This item was heard on April 19, 2018. An education plan identifies courses, sequences of courses, key progress milestones, and other requirements the student must complete an associate degree, CTE certificate, or other community college certificate, or meet transfer requirements. It is also a component of Guided Pathways. Some financial aid offices have expressed difficulty in obtaining and verifying education plans. Given the significant investments in the guided pathways program, financial aid administration, and focus on student completion, this component of the grant should be maintained.	BBL/TBL	Adopt BBL, and modify the Governor's May Revise proposed trailer bill language to maintain the education plan requirement, but specify a two-year delay in implementing the requirement for colleges to ensure that students are on track until June 30, 2020, to be refined as necessary.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
17	Mandate Block Grant	The May revision proposes an increase of \$178,000 to reflect an increase of \$110,000 to align block grant funding with the revised estimate of applicable full-time equivalent students and an increase of \$68,000 for a 2.71 percent COLA for the Mandate Block Grant program		BBL	Approve as proposed.
18	Local Assistance Reappropriation	The May Revision proposes an increase of \$68.6 million in one-time Proposition 98 General Fund savings. This would provide \$67.8 million for one-time repair and maintenance of facilities and the replacement of instructional equipment and library materials, and to provide \$738,000 to support the Puente Project.		BBL	Approve as proposed.
19	Current Year Adjustments	Reflect Unused Prior Year Enrollment Growth Funding: The May Revision proposes trailer bill language to increase the Budget Act of 2017 of by \$14.9 million to reflect revised estimates of unused prior year enrollment growth funding. 2017-18 Apportionment Adjustments to Reflect Revised Estimate of Offsetting Student Fees: The May Revision proposes amendments to trailer bill language transmitted with the Governor's Budget be amended to decrease Budget Act of 2017 by \$13.06 million to reflect revised estimates of offsetting student fees. 2017-18 Base Apportionments Adjustments: The May Revision proposes changes to trailer bill language in the Governor's Budget to increase Budget Act of 2017 by \$34.95 million to reflect revised base apportionment funding estimates.		TBL	Approve placeholder trailer bill language.

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Item	Subject	Description	Comments	Language	Staff Recommendation
20	Current Year Adjustments	Net Offsetting Education Protection Account Revenue: The May Revision proposes amendments to trailer bill language transmitted with the Governor's Budget to decrease Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$3.03 million to reflect associated increases in net offsetting EPA revenue. 2017-18 Fire-Related Property Tax Loss Backfill: The May Revision proposes amendments to trailer bill language transmitted with the Governor's Budget to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$1.92 million to backfill fire-related property tax losses. 2017-18 Deferred Maintenance: The May Revision proposes amendments to trailer bill language transmitted with the Governor's Budget to decrease Schedule (24) of Item 6870-101-0001, Budget Act of 2017 by \$135.07 million for the repair and maintenance of facilities and the replacement of instructional equipment and library materials.		TBL	Approve placeholder trailer bill language.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
21	Capital Outlay Projects	The Governor's January budget proposes funding five new CCC projects for 2018-19. Costs for these projects in 2018-19 is \$4.7 million, and total state costs for the five projects (including construction) are estimated to be \$131 million. The Spring Finance Letter approved one additional project with costs in 2018-19 at \$0.4 million and total costs at \$9 million. The Chancellor proposed approving 14 new projects. However, as noted above only six projects were approved by the Administration. The costs of projects is \$17.75 million in 2018-19, and the total state costs are estimated to be \$269.7 million. The 14 projects are as follows: (1) College of the Redwoods: Arts Building Replacement, (2) Golden West College: Language Arts Complex, (3) Natomas Education Center: Natomas Center Phase 2 and 3, (4) Menifee Valley Center: Math and Science Building, (5) Laney College: Learning Research Center, (6) Cabrillo College: Modernization of Buildings 500, 600, 1600, (7) Imperial Valley College: Academic Buildings Modernization, (8) College of San Mateo: Building 9 Library Modernization, (9) Skyline College: Workforce and Economic Development Prosperity Center, (10) College of Sequoias: Basic Skills Center, (11) Fort Ord Center: Ft. Ord Public Safety Center Ph1, (12) Mt. San Antonio College: New Physical Education Complex, (13) Merritt College: Child Development Center, (14) Woodland College: Performing Arts Facility		BBL	Approve all 14 CCC capital outlay projects, with \$17.75 million in state costs in 2018-19.

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Item	Subject	Description	Comments	Language	Staff Recommendation
22	College and Career Access Pathway Trailer Bill Language	The May Revision proposes modifying the Career Access Pathways trailer bill language transmitted with the Governor's Budget be revised to clarify that a charter school participating in a College and Career Access Pathways (CCAP) dual enrollment agreement—like a school district and community college district—not be funded for the same instructional time. Additionally, the trailer bill language allows charter schools to participate in CCAPs, and includes an expectation that colleges make an effort to address campus space limitations when a college lacks physical space for an oversubscribed course.		TBL	Adopt placeholder trailer bill language, to be refined as necessary.
23	Civic Center Act	The Administration proposes trailer bill language to allow colleges to negotiate a rental price that is no less than the rental value if negotiating with effectively for-profit entities.		TBL	Adopt placeholder trailer bill language, to be refined as necessary.
24	Audit Manual Trailer Bill Language	Currently, the Department of Finance annually reviews the audit manual for the community colleges. The department notes that this process is time consuming and it's rare that there are substantive changes. Doing an annual review of the entire manual often results in a duplicative check of materials that do not change from one year to the next. The Administration proposes trailer bill to remove the requirement to do an annual review. The Administration notes that any changes to the manual still have to be approved by the board of governors.		TBL	Adopt placeholder trailer bill language, to be refined as necessary.

6870 - California Community Colleges: Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
25	Perkins Trailer Bill Language	The Administration proposes trailer bill language to confirm the current process that the Chancellor's Office is using to distribute Perkins funds. The section serves to clarify for the Controller that Perkins funds could be distributed through the CCC principal apportionment payment schedule instead of processing separate invoices to distribute the funds.		TBL	Approve as proposed, to be modified as necessary.
26	Glendale Community College Armenian Genocide Day of Remembrance	Currently, education code 79020 specifies various holidays a community college must be closed, or provides authority to colleges to close on certain holidays. In the fall of 2016, Armenian students were 32.8 percent of the Glendale Community College population. Armenian Genocide Day of Remembrance is on April 24.		BBL	Approve \$517,224 ongoing Proposition 98 General Fund for Glendale College's Armenian Genocide Day of Remembrance Holiday for the purposes of apportionment.
27	Academic Senate Base Increase	Currently, the state provides \$768,000 to support the Academic Senate, however over the years, the Academic Senate has assumed additional legislative and regulatory duties. In order to address operational costs and additional responsibilities, staff proposes augmenting the Academic Senate's operations support.		BBL	Approve \$232,000 Proposition 98 General Fund increase for the Academic Senate.
28	Re-entry programs for the formerly incarcerated.	On May 10, 2018, the subcommittee heard a request to appropriate \$5 million one-time to create a competitive grant program for colleges to establish programs to support formerly incarcerated individuals, and require a dollar-for-dollar matching grant of at least \$50,000. Funding would provide staff resources, direct access to community college courses, and services for this population. The proposal would direct the Chancellor's Office to develop metrics to evaluate the programs, and report findings to the Legislature by July 31, 2022.	This item was heard on May 10, 2018.	TBL	Adopt placeholder trailer bill language appropriating \$5 million Proposition 98 General Fund one-time to create a grant program to serve CCC re-entry population, to be refined as necessary.

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Item	Subject	Description	Comments	Language	Staff Recommendation
29	Undocumented and Immigrant Legal Services	On May 10, 2018, the subcommittee heard a request to appropriate funds to support undocumented and immigrant legal services for CCC students. California is home to approximately 2.5 million undocumented immigrants—more than any other state. Among other problems, undocumented students face difficulties in applying for work and financial aid.	This item was heard on May 10, 2018.	TBL	Approve \$15 million one-time Proposition 98 General Fund to support and expand undocumented and immigrant legal services to CCC students, adopt. placeholder trailer
30	P-Tech	On May 10, the subcommittee heard a request to establish the California State Pathways in Technology (P-TECH) Program. This program is as a public-private partnership for purposes of preparing California students for high-skill jobs of the future in technology, manufacturing, and health care.	This item was heard on May 10, 2018.	TBL	Approve \$20 million one-time Proposition 98 General Fund for the creation of P-Tech programs, and adopt placeholder trailer bill language to be refined as necessary.

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
31	Integrate Student Success Support Programs	The May Revision proposes trailer bill language and budget bill language to combine the Student Success and Support Program, including funding for student equity plans, and the Student Success for Basic Skills Students program into a new block grant—the Student Equity and Achievement Program for a total of \$475.2 million Proposition 98 General Fund. As a condition of receiving funds, districts would be required to develop student equity plans, deliver student matriculation services (such as orientation, counseling, and advising), and adopt assessment and placement policies as specified under current law. Funding for the new program would be based on districts' 2017-18 allocations for the existing categorical programs. In January, the Governor tasked the Chancellor's Office with developing a proposal to consolidate existing categorical programs and provide greater flexibility for districts. The May Revision reflects the Chancellor's Office proposal.	The Administration notes that districts would have flexibility in how they expend the funds. However, the Chancellor's Office would provide guidance to districts regarding expenditures and activities to ensure that funding is used to support evidence-based practices, to implement student equity plan goals, and to coordinate services for the targeted student populations through evidence-based practices.	TBL/BBL	Adopt BBL and placeholder trailer bill language to clarify certain provisions of statute, and create a new Student Equity and Achievement Program, to be refined as necessary.

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
32	Funding Formula (part one)	The May Revision proposes revisions to trailer bill language regarding the Student Focused Funding Formula. Specifically, these changes include the following: (1) Provides 60 percent of apportionment funding based on enrollment, 20 percent based on low- income student counts, and 20 percent based on performance. The corresponding shares in January were 50/25/25. (2) Excludes noncredit funding from the new formula. Apportionments for noncredit enrollment would be allocated based on current law. (3) Uses three-year rolling average for enrollment funding. Currently, college districts are funded based on current-year enrollment, with a one year hold harmless if their enrollment declines. (4) The May Revision provides districts additional funding for every student who is (a) a Pell Grant recipient, (b) 25 years or older and receiving a need-based fee waiver, or (c) undocumented and qualifying for resident tuition. The January proposal distributed this funding based on the total number of all students receiving a need-based fee waiver and the number of first-time freshman receiving a Pell Grant. (continued on the next page.)	This item was heard on April 19, 2018. The May Revision makes significant changes to the January proposal, however, many questions still remain . The Governor's proposal would implement the funding formula in 2018-19. The proposal is a fundamental shift in how community colleges are funded. Staff questions whether the Legislature and stakeholders have enough time to review the proposals impacts and whether colleges have enough time to plan and prepare their budgets for this fall.	TBL/BBL	Reject without prejudice.

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
33	Funding Formula (continued)	(5) Includes More Performance Metrics. The proposal includes different award amounts for obtaining various degrees and certificates, completing transfer-level math and English within a student's first year, and having students obtain a regional living wage within a year of completing community college. It also includes additional award amounts for the outcomes of Pell Grant students. The January proposal had fewer performance metrics and did not provide additional funding for outcomes of any specific student groups. (6) Provides More Generous "Hold Harmless" Provisions. It provides \$104 million to ensure districts' 2018-19 allocations are no less than their 2017-18 allocations, adjusted by COLA (2.71 percent). For 2019-20, no district would receive less apportionment funding than it received in 2017-18. Beginning in 2020-21, districts would receive no less than their FTE enrollment multiplied by their 2017-18 per-student funding rate. The Governor's January proposal ensured districts' 2018-19 funding levels were no less than 2017-18, with the hold harmless based on 2017-18 per-student funding beginning in 2019-20.		TBL/BBL	

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
34	Full-Time Faculty	Full-time faculty benefit students and colleges by providing critical services such as academic advising during faculty office hours, ongoing curriculum development, and by participating in institutional planning and shared governance. According to the Chancellor's Office, hiring additional full-time faculty will help advance the goals in the Strategic Vision, and is a key component of academic and curricular redesign. Faculty are vital to meeting the goal of increasing transfer-intersegmental faculty partnerships can advance new transfer pathways and help ensure CCC students are well prepared for success at four-year universities. Education code section 87482.6 states a legislative goal that 75 percent of instruction should be delivered by full-time faculty, currently the percentage is closer to approximately 50 percent.		BBL	Appropriate \$40 million Proposition 98 General Fund ongoing for community colleges to hire new full-time faculty, this would hire approximately 426 new full-time faculty.

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
35	Online Educational Resources	The May Revision proposes \$6 million in 2017-18 Proposition 98 General Fund one time to support the development and expansion of open educational resources at community colleges. OER are high-quality teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others. Trailer bill language specifies that the Chancellor consult with the Academic Senate when constructing this program.	Academic matters including curriculum review fall under the purview of community college faculty. The LAO recommends adopting annual reports over the next three years on the progress of the initiative, which includes (1) the number of OER materials that have been created with the funds, (2) the number and percentage of faculty at each campus that have adopted OER textbooks for their courses, (3) the number of students enrolled in course sections that use OER textbooks, and (4) the estimated average savings that these students have realized as a result of using OER.	TBL	Modify the proposal to specify the Academic Senate to administer this program. Specify that funds can be used for various purposes, including (1) identifying courses that currently lack OER; (2) providing grants to faculty to create OER; (3) acquiring a technology platform for editing and storing OER; and (4) raising awareness among and providing technical assistance to faculty throughout the CCC system about adopting OER for their courses. Additionally, adopt annual reporting requirements due by February 1, as recommended by the LAO, to be refined as necessary.

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
36	Mental Health Services	The California Community Colleges Chancellor's Office estimates about 300 counselors dispersed among its campuses (ratio of 1:7,667). Not all CCCs have mental health counselors and of the colleges that do have no more than 1 or 2 persons to persons regardless of the size of the student body on a given campus. Most CCC colleges have established Behavioral Intervention Teams that monitor students who have either mental health programs or for student's ongoing conduct issues.		TBL	Appropriate \$20 million one-time Proposition 98 General Fund to expand mental health services at CCC campuses, and adopt placeholder trailer bill language to be refined as necessary.

6870 California Community Colleges: Discussion and Vote Items

Item	Subject	Description	Comments	Language	Staff Recommendation
37	Online College	The May Revision makes various changes to the Governor's online community college proposal: (1) identifies the Board of Governors as the governing board of the online college, with authority to choose the president of the college; (2) the president of the college would be required to establish an advisory council that includes local trustees from other community colleges as well as employees of the online college; (3) regarding collective bargaining, the proposal requires the online community college to bargain with its employees through a contract with a local community college district; (4) requires the online college to comply with the same disability and accessibility requirements for students with disabilities that apply to other community colleges; (5) requires the Workforce Development Board and Employment Development Department to determine whether programs offered by the online college have job market value while the college is seeking accreditation; (6) requires the college to explore a process for allowing students to retroactively obtain credit units while the college was seeking accreditation; (7) includes intent language that the college reimburse fees charged if college fails to meet accreditation standards; and (8) requires a comprehensive status report on the college's activities and outcomes.	Staff notes that the proposal (1) allows the college to establish its own experimental fee structure without legislative notification or approval, (2) allows the college to develop at least 16 pathways, (3) is unclear who is participating in collective bargaining, (4) is unclear on the number of representatives on the advisory council, how they are selected, what their advisory role is, and (5) lacks a process to connect to traditional community colleges.	TBL	Approve online community college, with modifications as described in Attachment A.

Proposition 98 Package - Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
38	Proposition 98 Package	The Senate Proposition 98 package funds K-14 education at the 2018-19 Proposition 98 guarantee level of \$78.4 billion. The Senate Proposition 98 package funds the Proposition 98 minimum guarantee in 2017-18 by \$75.6 billion and funds at the Proposition 98 guarantee level of \$71.6 billion in 2016-17. For K-12 education, the Senate package includes LCFF implementation funding of \$3.9 billion in 2018-19 and \$1 billion in discretionary funding to be allocated to local educational agencies in the budget year. For California Community Colleges, \$108 million in 2018-19 will be for base allocation increase, \$40 million to increase full-time faculty, over \$80 million for financial aid, and \$20 million for mental health services on-time. The Senate package includes all actions taken on Proposition 98 items and also includes technical changes to budget act items to enact the proposed Proposition 98 changes and scores additional one-time savings.	Please see Attachment B.		Approve Proposition 98 Package.

Higher Education Vote Only Items

6120 - California State Library Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
39	Literacy	The Governor proposes to increase funding for the California Library Literacy Services program by \$2.5 million ongoing for a total of \$7.3 million. The Governor proposes to allocate the additional funding in several ways. Specifically, the Governor proposes to: (1) increase base funding for each participating local library from \$18,000 to \$25,000; (2) increase funding for each adult learner served from \$85 to \$120; and (3) provide \$20,000 to each participating library that provides literacy services to children of adult learners (known as the family literacy program – currently 38 jurisdictions participate in this program). Additionally, the Administration estimates costs would increase due to greater library participation, with the number of participating libraries projected to increase from 106 to 125. The Administration notes that state funds would be leveraged by \$4 to \$5 in local and private funds.	This item was heard on May 3, 2018.	TBL/BBL	Approve as budgeted.
40	Internet Connectivity	The Administration proposes the following General Fund increases: (1) \$3 million one-time to increase internet capacity at local library hubs. (2) \$2million one-time for internet equipment grants. (3) \$350,000 ongoing for increases in CENIC costs. (4) \$138,000 ongoing for a new position at the State Library to oversee local library internet.	This item was heard on May 3, 2018.	BBL	Approve as budgeted.
41	Resource Sharing	The Governor proposes an increase of \$1 million General Fund one-time for libraries to participate in zip books program to purchase about 60,000 books for libraries in the Central Coast, Central Valley, Long Beach and Hayward; and \$450,000 General Fund one-time to digitally connect several northern Californian libraries' catalogues, the library consortium includes 28 counties representing 41 library jurisdictions, including Modoc, Lassen, Marin, and Sacramento.	This item was heard on May 3, 2018.	BBL	Approve as budgeted.

Higher Education Vote Only Items

6120 - California State Library Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
42	Information Technology Enterprise Security	The May Revision proposes an increase of \$215,000 General Fund for improved information technology at the California State Library. Of this amount, \$80,000 is ongoing to support costs of new cloud security subscriptions and \$135,000 is one-time to support costs of implementation of the new system. This augmentation would enable the Library to address information technology security vulnerabilities identified in a recent technology security analysis, conducted by the California Military Department.	This is a May Revision proposal.	BBL	Approve as proposed.
43	Funds for Increased Facilities Rent	The May Revision proposes an increase of \$340,000 General Fund ongoing to account for higher facilities rents charged by the Department of General Services. Of this amount, \$100,000 is for rent increases at the Stanley Mosk Library and Courts Building, \$62,000 is for rent increases at the 900 N Street Library Building, and \$178,000 is for increased central plant service charges.	This is a May Revision proposal.	BBL	Approve as proposed.
44	Collection Protection Activities	The May Revision proposes an increase of \$663,000 for one-time General Fund to purchase a vault that will help protect the library's collection, repair books that were damaged by water leaks that occurred during this year's rainstorms, and to purchase damage response supplies. These funds will help ensure that the State Library's collection remains available to future generations of Californians.	This is a May Revision proposal.	BBL	Approve as proposed.

Higher Education Vote Only Items

6120 - California State Library Vote Only

Item	Subject	Description	Comments	Language	Staff Recommendation
45	California Newspaper Project	The May Revision proposes \$430,000 General Fund ongoing for the California Newspaper Project. The Project supports the preservation of historic newspapers from each county in California, and is housed at the University of California, Riverside.	This is a May Revision proposal.	BBL	Approve as proposed.
46	Digital Preservation Activities	The May Revision proposes \$195,000 General Fund ongoing to digitally preserve the state's website history. Of this amount \$120,000 would support digitally preserving state government websites once per quarter and \$75,000 would support digital preservation storage subscriptions.	This is a May Revision proposal.	BBL	Approve as proposed.
47	Lunch at the Library	The Lunch at the Library program provides library staff with the tools and support they need to develop successful public library summer meal programs. Program staff connect libraries with meal sponsors and the USDA's Summer Food Service Program (which reimburses meal sponsors for the cost of the meals that are served); provide resources, technical assistance, and training on topics such as establishing a program, working with volunteers, providing learning and enrichment programs alongside the meal service, creating partnerships, conducting public relations, engaging families, and obtaining funding; conduct program evaluation and maintain statewide data on public library summer meal programs; help to facilitate intergovernmental collaborations to help create a strong out-of-school-time infrastructure; and facilitate a statewide network of libraries offering summer meal programs.	This item was heard on May 10, 2018.	BBL	Approve \$1 million General Fund ongoing to the Lunch at the Library program.
48	Oral Histories	Provides \$250,000 General Fund ongoing for Oral Histories Program. The program interviews individuals that have significantly influenced state government, transcribes those interviews, and makes them available to the public. In recent years, some interviews also have been filmed. More than 200 interviews are available on the State Archives website and include interviews with former members of the state Legislature, constitutional officers, agency and department heads, and others who have shaped public policy.	This item was heard on May 3, 2018.	BBL	Approve as budgeted.

Higher Education Vote Only Items

6600 - Hastings College of Law (Vote Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
49	Diversity Pipeline	UC Hastings is developing a program to support a pipeline to recruit, enroll, and financially support students from historically black colleges and universities (HBCUs). Scholarships would be awarded to cover tuition and the majority of living costs of 9 California residents from HBCUs, and three California residents from the American University in Armenia (AUA) for their three years at UC Hastings. The AUA was established in 1991 and co-founded by the University of California, the Armenian General Benevolent Union and the Government of Armenia. UC notes that the AUA has been with the UC since its inception.	This was heard on April 12, 2018.	TBL	Approve \$4.5 million General Fund one-time over four years to provide scholarships to cover tuition and the majority of living costs of nine California residents from historically black colleges and universities, and three California residents from the American University in Armenia (AUA) for their three years at UC Hastings. These scholarships would be available for two cohorts of students, for a total of 24 students, who must meet Hastings admissions requirements.
50	Base Augmentation	The Governor proposes an increase of \$1.1 million General Fund base increase.	This was heard on April 12, 2018.	BBL	Approve as budgeted.
51	UC Path for Hastings	The May Revision proposes \$1.46 million General Fund for one-time implementation costs associated with the UCPath project over a two year period (2018-19 and 2019-20). UCPath is the UC's program to implement a single payroll, benefits, human resources and academic personnel solution for all UC employees. This system will replace UC's 35-year old Payroll/Personnel System with a single new payroll and HR technology system, standardize and streamline payroll and HR processes system-wide, and centralize certain human resource and payroll transactional processes within the UCPath shared service center in Riverside.	This is a May Revision proposal.	BBL	Approve as proposed.

Higher Education Vote Only Items

6440 - University of California (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
52	Base Augmentation and Enrollment	In January, the Governor proposed an increase of \$92 million General Fund for UC's base. UC is requesting an additional \$105 million General Fund ongoing, as follows: (1) \$70 million to "buy out" the proposed tuition increase and fund improvements to ensure student success and timely graduation, and will specifically fund faculty hiring, academic counseling, student mental health services, graduate student support, and classroom facilities, (2) \$25 million for the additional 2,600 undergraduates that were enrolled above the 7,500 undergraduates funded in 2015-16 and 2016-17 budget acts, and (2)-\$10 million for 500 resident undergraduates, and 500 graduate students in 2018-19. Additionally, in the 2017-18 budget directed UC to report by December 1, 2017, on existing programs budgeted at UCOP from which monies could be redirected to support the enrollment growth of at least 1,500 resident undergraduate students. UC reported back to the Legislature with \$15 million in program and operations redirection to support 1,500 resident undergraduates. The Governor's May Revision recognizes \$8.55 million of program redirection, however does not provide the remainder funds (\$6.45 million) to support enrollment growth, and therefore campuses must redirect from their existing budgets. UCOP and the Administration proposes to redirect \$6 million from UCOP operations, \$2 million from the Presidential Initiatives Fund, \$54,000 from Graduate Fellows Program (GFP), \$310,000 from Health Initiatives of the Americas (HLA), and \$187,000 from Social Security / Double Taxation (Wilkie). The Presidential Initiatives funds programs such as: Carbon Neutrality Initiative, Cuba Faculty Matching Funds, Global Food Initiative, , Public Service Law Fellowships, Smoke and Tobacco Free Student Fellowships, Student Public Service Fellowships, UC-Mexico Initiative, UC National Center for Free Speech and Civic Engagement, and Undocumented Students Initiative.	This was heard on March 25, 2018.	BBL/TBL	Approve (1) \$92 million General Fund base increase, (2) \$70 million General Fund to buy out proposed tuition increase, (3) \$25 million General Fund for the additional 2,600 students that were enrolled above the 7,500 students funded in 2015-16 and 2016-17 budget acts, (4) \$10 million General Fund for 500 resident undergraduates, and 500 graduate students in 2018-19, with budget bill language specifying at least one transfer for every two freshman it enrolls, and the prioritization of resident graduate students, (5) modify May Revision proposal by rejecting the redirection of the Presidential Initiatives Fund, and provide an additional \$8.45 million General Fund to UC to support the remaining undergraduate students for 2018-19, (6) provide an additional \$5 million to UC to enroll 500 resident undergraduates in 2019-20, with at least one transfer student for every two freshman it enrolls. (7) Adopt budget bill language to pro-rate funds should UC not meet enrollment targets, (8) Appropriate \$25 million one-time General Fund to provide direct mental health services to students, and (9) General Fund baseline appropriation adjusted to grow with inflation every year beginning in 19-20.

Higher Education Vote Only Items

6440 - University of California (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
53	Graduate Medical Education and Proposition 56	Proposition 56 specifies that \$40 million of Proposition 56 funds is for UC for "the purpose and goal of increasing the number of primary care and emergency physicians trained in California. This goal shall be achieved by providing this funding to the UC to sustain, retain, and expand graduate medical education programs to achieve the goal of increasing the number of primary care and emergency physicians in the State of California based on demonstrated workforce needs." The 2017-18 budget replaced \$50 million General Fund of UC's base budget with \$50 million Proposition 56 funds, effectively redirecting General Fund support from UC's base budget for other purposes. The Administration's 2018-19 budget proposal continues last year's funding model, and provides \$40 million Proposition 56 funds in place of General Fund.	This was heard on March 25, 2018. Should UC receive both \$50 million General Fund and \$40 million Proposition 56 funds in the 2018-19 budget, UC notes that it will enter into an MOU with the California Medical Association (CMA) Foundation to administer \$40 million Proposition 56 grants.	BBL	Approve \$90 million General Fund for UC (\$50 million for 2017-18, and \$40 million 2018-19 ongoing) to UC, in addition to the Governor's budget proposal of \$40 million Proposition 56 General Fund. Adopt placeholder trailer bill language to require annual reporting by January 1, regarding (1) entities receiving funding, (2) funding amounts per entity, (3) geographic location of graduate medical education programs and provider type (such as outpatient clinic, hospital emergency department and community health center), (4) number of GME slots funded per entity and by specialty, post-residency practice location (California or out of state; by CA county, if possible), (5) duration of GME slots funded, (6) and the results of the review performed pursuant to RTC 30130.57 (c)(4) whether the findings resulted in a determination to fund GME for non-primary care physicians.

Higher Education Vote Only Items

6440 - University of California (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
54	Anti-Bias Training	The May Revision proposes \$1.2 million General Fund a one-time basis, to contract for a two-year pilot program to provide anti-bias training at campuses of the UC and the California State University. These funds are intended to create a more inclusive campus environment and prevent hate. Of this funding, \$200,000 is for UC to administer the grant.	This was heard on May 10, 2018.	BBL	Approve as proposed.
55	Undocumented and Immigrant legal services	UC currently offers a variety of services for undocumented and immigrant students. In particular, UC provides legal services to meet the needs of undocumented and immigrant students. California is home to approximately 2.5 million undocumented immigrants—more than any other state. Among other problems, undocumented students face difficulties in applying for work and financial aid.	This was heard on May 10, 2018.	BBL	Approve \$4 million General Fund one-time for UC to continue to provide undocumented and immigrant legal services for students.
56	Reappropriate Equal Employment Opportunity Funds	The May Revision proposes budget bill language to reappropriate funding from the 2016 and 2017 budget acts for equal employment opportunity programs, and extends the encumbrance or expenditure of funds until June 30, 2021.	This is a May Revision proposal.	BBL	Approve as proposed.
57	Tobacco-Related Disease Research	The May Revision proposes to remove UC items related to Proposition 56 tobacco related disease research from the budget act, and will instead be reflected in continuously appropriated items.	This is a May Revision proposal.	BBL	Approve as proposed.

Higher Education Vote Only Items

6610 - California State University (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
58	Base Augmentation	The Governor's January budget proposed an increase of \$92.1 million General Fund ongoing for CSU. CSU is requesting an additional \$171 million General Fund as follows: \$61 million for compensation, \$20 million for one percent enrollment growth, \$75 million for the Graduation Initiative, and \$15 million for facilities projects.	This was heard on March 25, 2018. While CSU's graduation rates are improving, progress is slow.	BBL/TBL	Approve (1) \$92.1 million ongoing General Fund base increase, (2) \$61 million General Fund ongoing for mandatory costs, including compensation, (3) \$89.5 million General Fund ongoing for a three percent enrollment increase (10,923 full-time equivalent students), (4) \$75 million for the Graduation Initiative, and require the CSU to report to the Legislature by January 15, 2019, regarding: (a) the amount each CSU campus spent on the Graduation Initiative in 2017-18 and has budgeted to spend in 2018-19; (b) how specifically these funds were spent in 2017-18 and are being spent in 2018-19; (c) a narrative on how these prior- and current-year spending activities are linked to research on best practices for student success; (d) campus data indicating whether these activities are achieving their desired effect; and (e) a description for each campus on its efforts and spending activity to close the achievement gap for low-income students, historically underrepresented students, and first-generation college students; and (Continued on next page)

Higher Education Vote Only Items

6610 - California State University (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
59	Base Augmentation (Continued)		In order to provide additional oversight on spending, the Legislature may wish to consider reporting requirements regarding outcomes and services provided.	BBL/TBL	(5) specify that \$50 million of the CSU base is to increase the number of tenure-track faculty pursuant to the Graduation Initiative. Specify funds will be used to hire full time tenure-track faculty above and beyond the normal maintenance of effort (10,885 tenure track faculty, 16,215 lecturers). The CSU will consider qualified existing lecturers for re-classification to tenure-track faculty. The CSU will report to the legislature beginning November 2020 and every two years thereafter until the funds are fully allocated on how the funding was spent to increase the number of tenure-track faculty including, but not limited to: the total number of tenure-track faculty per campus (FTE and headcount), the number of total lecturers per campus (FTE and headcount), the number of new tenure-track faculty per campus, the number of new tenure-track faculty who were incumbent CSU lecturers, the funds spent on hiring the new tenure track faculty, the type and number of classes added to the university offerings. (6) General Fund baseline appropriation adjusted to grow with inflation every year beginning in 19-20.

Higher Education Vote Only Items

6610 - California State University (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
60	Center for California Studies (CCS)	The Governor proposes to provide \$100,000 in ongoing General Fund support for the program. The Governor's intent is that CCS and the Education Insights Center would continue to seek philanthropic funding to cover most of the remaining annual program costs.	This was heard on May 10, 2018.	BBL	Approve as budgeted.
61	CSU Vesting Schedule	The May Revision proposes trailer bill language to align the vesting period for certain CSU employees' health and dental benefits with recently approved collective bargaining agreements with the employees. Specifically, the trailer bill extends the vesting period for employees hired after July 1, 2018 to ten years for retiree health and dental benefits.		TBL	Adopt placeholder trailer bill language to be refined as necessary.
62	Mervyn Dymally Institute	The institute is a non-partisan public policy center located at CSU Dominguez Hills, which was the brainchild of Assemblymember Mervyn M. Dymally. The institute also offers a youth leadership training program, and post-doctoral research fellowship. The institute seeks to (1) provide a youth leadership training program for high school students commencing during the summer, (2) engage community and civic leaders in urban and community roundtable forums focused on the challenges of political and economic development, (3) support university cultural programs and initiatives in collaboration with disciplines of Africana Studies, STEM, student organizations and others, (4) research, examine, and recognize the lives of African American leaders from the past and present to share their dedication and commitment to the African American community.		BBL	Appropriate \$665,000 General Fund ongoing to the Mervyn Dymally Institute for (1) personnel (\$90,000), (2) faculty fellows program (\$230,000), (3) student fellowship program (\$80,000), (4) institute programming and outreach (\$175,000); (5) national events (\$50,000); and (5) equipment, operating and professional expenses (\$40,000).

Higher Education Vote Only Items

6610 - California State University (Vote-Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
63	Capital Fellows Program	The Governor's January budget proposed a cost-of-living increase for the Capital Fellows Program of \$81,000. The May Revision proposes an increase of \$5,000 for the Center for California Studies to reflect a COLA of 2.71%. Of this amount, \$1,000 is for the Senate Fellows Program, \$1,000 is for the Assembly Fellows Program, \$2,000 is for the Executive Fellows Program, and \$1,000 is for the Judicial Fellows Program.		BBL	Approve as proposed.
64	Elimination of Preliminary Financial Aid Report	The May Revision proposes trailer bill language to eliminate the preliminary CSU and University of California (UC) financial aid report, which is due by January 10 each year. The CSU would still be required, and the UC requested, to complete the final financial aid report, which is due by March 31 each year. Eliminating the preliminary report would reduce the CSU and UC workload associated with developing two similar reports.		TBL	Adopt placeholder trailer bill language to be refined as necessary.
65	Undocumented and Immigrant Legal Support services	Provide \$7 million General Fund one-time to One California for CSU to provide undocumented and immigrant legal services for students.	This was heard on May 10, 2018.	TBL	Appropriate \$7 million one-time General Fund to CSU to contract with approved providers via One-California to provide legal services to students on campus, and adopt placeholder trailer bill language to be refined as necessary.

Higher Education Vote Only Items

6980 - California Student Aid Commission (Vote Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
66	Temporary Assistance for Needy Families (TANF) Adjustments	Cal Grant Program: The May Revision proposes an increase of \$58.35 million, and reimbursements be decreased by \$29.07 million to reflect the impacts related to the Cal Grant program as follows: - An increase of \$29.28 million in fiscal year 2018-19 to reflect: (1) that the Commission estimates an increase in the number of new recipients in 2017-18, which increases the estimates of renewal students in 2018-19, and (2) the revised estimate of new recipients in 2017-18 is used as the new base for estimates of new recipients in 2018-19, with growth applied. - An increase of \$29.07 million General Fund in 2018-19 to reflect expenditures that can be funded with TANF resources. A corresponding decrease of \$29.07 million in reimbursement authority from available TANF resources.		BBL	Approve as proposed.
67	Cal Grant Case load	Compared to the Governor's Budget, there are reduced costs for the program of \$4.13 million in 2016-17 to correct prior estimates and increased costs of \$76.27 million in 2017-18 to account for the estimated increase in new recipients.		BBL	Approve as proposed.
68	General Fund Loan	The May Revision proposes budget bill language to allow the Department of Finance to authorize a loan from the General Fund for up to \$125 million for cash flow purposes under certain circumstances. The budget bill language specifies that the circumstances are as follows: (a) The loan is to meet cash needs resulting from a delay in the receipt of reimbursements from federal TANF funds. (b) CSAC has received confirmation from the Department of Social Services that there are no available TANF resources that could be advanced to them. (c) The loan is for a short term need and shall be repaid within 90 days of the loan's origination date. (d) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.		BBL	Approve as proposed.

Higher Education Vote Only Items

6980 - California Student Aid Commission (Vote Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
69	Cal Grant for Foster Youth	The Cal Grant Entitlement award is designed to cover tuition for low-income students and currently offers awards to cover tuition costs for the equivalent of a 4-year academic period. Under the Cal Grant program, there are two exceptions to the 4-year rule. An additional year of eligibility is offered to students enrolled in a mandatory 5-year program and to students who are enrolled in a teacher credential program. Additionally, current law establishes the Cal Grant A and B awards as an entitlement for California students meeting certain eligibility criteria, meaning the state automatically funds those students that qualify. An application must be submitted when the student is a high school senior or has graduated from high school within the last year. Eligible applicants who miss the application deadline or enroll well after they have graduated from high school may apply for a Competitive Cal Grant award.	This issue was heard on May 10, 2018.	BBL/TBL	Adopt placeholder trailer bill language to expand eligibility for the Cal Grant B Entitlement award for students who are current or former foster youth by extending the window of time in which they can qualify for an award to up to age 26 and increasing the amount of time that they can receive an award from four years to up to eight years, to be refined as necessary. Appropriate \$4.8 General Fund for this purpose.

Higher Education Vote Only Items

6980 - California Student Aid Commission (Vote Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
70	Cal Grants for Private non profits	In January, the Governor proposed \$7.9 million to maintain the private nonprofit award at \$9,084 (\$1,028 higher than the otherwise reduced level of \$8,056) in 2018-19. To be able to receive the \$1,028 differential in 2019-20, the Governor proposes trailer bill language to require the sector in 2019-20 accept at least 2,500 transfer students who have earned an associate degree for transfer (ADT). The Governor proposes to increase the expectation to 3,000 in 2020-21. Beginning in 2021-22, the target changes to become based on the percent change in the number of total transfers the sector admitted in the prior year. The May Revision modifies the January proposal, and instead: • For the 2019-20 award year, the state's expectation of the number of ADTs accepted by private nonprofit institutions in 2018-19 is adjusted to 2,000 and an expectation that the Association for Independent California Colleges and Universities report by April 2019 on the first cohort of accepted students to the Department of Finance is added. • For the 2020-21 award year, the sector must accept at least 3,000, and in 2021-22 the sector must accept at least 3,500 ADTs to maintain the award amount. For 2022-23 and each year thereafter, the target changes to become based on the percent change in the number of total transfers the sector admitted in the prior year.	This issue was heard on April 19, 2018. The May Revision made changes to proposed trailer bill language.	TBL	Approve as proposed, to be refined as necessary.

Higher Education Vote Only Items

6980 - California Student Aid Commission (Vote Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
71	Middle Class Scholarship Program	The May Revision proposes a decrease of \$745,000 for updated cost estimates related to the Middle Class Scholarship Program. The May Revision also recognizes savings of \$178,000 in 2017-18 and \$2.75 million in 2016-17 due to revised caseload estimates. The May Revision proposes conforming statutory changes.	This issue was heard on April 19, 2018.	BBL/TBL	Approve as proposed.
72	Various Loan Assumption Programs.	<u>State Nursing Assumption Program of Loans for Education (SNAPLE):</u> The May Revision proposes a decrease of \$67,000 to reflect revised cost estimates for SNAPLE. There are reduced costs for SNAPLE of \$92,000 in 2016-17. <u>Assumption Program of Loans for Education (APLE):</u> The May Revision proposes a decrease of \$2.12 million to reflect revised costs estimates for APLE. There are reduced costs for APLE of \$843,000 in 2017-18, and \$687,000 in 2016-17. <u>Child Development Teacher and Supervisor Grant Program:</u> There are reduced costs and reimbursements for the program of \$41,000 in 2017-18. <u>John R. Justice Loan Assumption Program:</u> The May Revision proposes decreasing reimbursements by \$11,000 to reflect a change in the agreement between the Student Aid Commission and the Office of Emergency Services. There is a corresponding adjustment in 2017 18.		BBL	Approve as proposed.
73	Grant Delivery System	The Governor proposes \$7.4 million in one-time General Fund for CSAC to begin the replacement of its Grant Delivery System. Spring Finance Letter. On March 29, 2018, the Administration submitted a letter to the Legislature requesting a \$1.92 million decrease of its January request to reflect revised cost estimates for the project.	This item was heard on April 19, 2018.	BBL	Approve as budgeted.

Higher Education Vote Only Items

0650 - Office of Planning and Research (Vote Only)

Item	Subject	Description	Comments	Language	Staff Recommendation
74	Online Education Learning Lab	The Administration proposes \$10 million General Fund ongoing to create the California Education Learning Lab, which will initially focus on redesigning existing lower division online and hybrid courses in science, technology, engineering and math at the three segments. After three years, the program would add other disciplines. The Office of Planning and Research would solicit requests for proposals from faculty teams.	For the past years, the state has provided ongoing targeted funding to each segment to improve and expand their use of online and hybrid courses. Therefore, the need for a new program is unclear.	BBL/TBL	Reject proposal.

Higher Education Items for Discussion and Vote

6440-University of California

Item	Subject	Description	Comments	Language	Staff Recommendation
75	Mental Health Graduate Medical Education	The May Revision proposes \$55 million General Fund one-time to support a cohort of psychiatric residents serving health professional shortage areas or medically underserved areas in rural portions of the state. Of these funds \$40 million is for direct graduate medical education costs at UC medical centers to support psychiatric residents serving health professional shortage areas or medically underserved areas in rural portions of the state that have a demonstrated workforce need; \$15 million is to be used by UC to support a grant program to increase psychiatric residents serving health professional shortage areas or medically underserved areas in rural portions of the state that have a demonstrated workforce need. All residency programs accredited by federally recognized accrediting organizations serving health professional shortage areas or medically underserved areas in rural portions of the state that have a demonstrated workforce need and are located in California shall be eligible to apply to receive funding to support resident education in California. This funding is to support the costs of a psychiatry residency slot through the entire duration of the residency. This funding can be used until June 30, 2023, but must be distributed by June 30, 2019, and campuses and grantees shall open these new residency slots as soon as practicable. Lastly, up to \$5.5 million may be used by the UC for administrative costs.		BBL	Modify proposal to allow for UC medical schools without medical centers to also be eligible for grant funding, and clarify that funding can be used to provide tele-psychiatry services. Additionally, require UC to report to the Legislature annually, by January 1, until funds are expended regarding (1) a list of grant recipients each year, (2) award amount of each grantee, (3) geographic location of program, (4) the growth in residency positions as a result of the grant program, (5) employment information on grant-supported residents a few years after completing the program to gauge whether the funded slots resulted in more physicians in areas of high need, and (6) report on the type of services provided.

Higher Education Items for Discussion and Vote

6440-University of California

Item	Subject	Description	Comments	Language	Staff Recommendation
76	Redirection to Cal Grant Program	The May Revision propose budget bill language to authorize the Director of Finance to reduce UC's line item to support related Cal Grant Program costs derived from potential tuition increases applicable to the 2018-19 academic year. The UC Board of Regents considered a 2.5 percent tuition increase. If it had been approved by the Regents, UC would have received approximately \$22.3 million and \$574,000 in state funds through corresponding Cal Grant program entitlement award adjustments and Middle Class Scholarship award adjustments, respectively. This amendment would authorize the Director of Finance to offset this item by the amount of estimated Cal Grant program and Middle Class Scholarship program costs caused by a system wide tuition increase in 2018-19.		BBL	Approve as proposed.
77	Institute on Global Cooperation and Conflict	The May Revision proposes \$1 million General Fund ongoing to support the operations of the Institute on Global Conflict and Cooperation. The institute is located at UC San Diego, and addresses global challenges to peace and prosperity through academically rigorous, policy-relevant research, training, and outreach on international security, economic development, and the environment. The institute brings scholars together across disciplines to work on topics such as regional security, nuclear proliferation, innovation and national security, development and political violence, emerging threats, and climate change. The institute convenes expert researchers across UC campuses and the Lawrence Livermore and Los Alamos National Laboratories, along with U.S. and international policy leaders.	This is a May Revision proposal.	BBL	Approve as proposed.

Higher Education Items for Discussion and Vote

6440-University of California					
Item	Subject	Description	Comments	Language	Staff Recommendation
78	UC Path Line Item	The May Revision proposes to amended the budget bill to support the implementation of the UC Path project. UC Path is UC's program to implement a single payroll, benefits, human resources and academic personnel solution for all UC employees. This system will replace UC's 35-year old Payroll/Personnel System (PPS) with a single new payroll and HR technology system, standardize and streamline payroll and HR processes system-wide, and centralize certain human resource and payroll transactional processes within the UCPath shared service center in Riverside. The 2017-18 budget created a separate line items for UCOP and UC Path (\$52.4 million) ; and eliminated UC's ability to charge a campus assessment fee to fund programs like UC Path. As a result, UC notes that direct appropriation subsidizes UC Path costs potentially covered by other sources and redirects General Funds from academic to administrative areas. The May Revision proposes amendments would allow UC to charge a supplemental assessment of up to \$15.3 million total to campuses to support UC Path.	This is a May Revision proposal.	BBL	Approve as proposed.

Higher Education Items for Discussion and Vote

6440-University of California

Item	Subject	Description	Comments	Language	Staff Recommendation
79	Nonresident Enrollment	Approximately 17.2 percent of the undergraduate population at UC are nonresidents in 2018, however, in 2013 only 11.57 percent of the undergraduate population were nonresidents. At some campuses non-resident students are more than 20 percent of the undergraduate population; for example in 2017, UC Berkeley, UC Los Angeles and UC San Diego's nonresident undergraduate population was 25.6 percent, 22.8 percent, 22.9 percent, respectively. In May 2017, the UC Regents adopted a policy stating that nonresident enrollment is capped at 18 percent at five UC campuses. For campuses where the proportion of nonresidents exceeds 18 percent — UC Berkeley, UC Irvine, UCLA and UC San Diego — nonresident enrollment is capped at the proportion that each campus enrolls in the 2017–18 academic year.		SRL	Adopt supplemental reporting language for UC to report to the Legislature by April 1, 2019. The UC shall develop and submit to the Legislature a plan starting in Fall 2020 to gradually reduce the enrollment of nonresident freshman students to no more than 10 percent of the freshman class at every campus by 2029-30. The plan shall include options for replacing the revenues from nonresident students, including but not limited to, increasing nonresident tuition for the remaining nonresidents, and increasing General Fund support from the state. The options shall not include increasing tuition on resident students for this purpose. It is the intent of the Legislature that plan would be implemented once approved, with any necessary changes, by the Legislature through the 2019-20 budget process.

Higher Education Items for Discussion and Vote

6610 - California State University					
Item	Subject	Description	Comments	Language	Staff Recommendation
80	Redirection to Cal Grant Program	The May Revision proposes budget bill language to authorize the Director of Finance to reduce this item to support related Cal Grant Program costs derived from potential tuition increases applicable to the 2018-19 academic year. The CSU Board of Trustees considered a four percent tuition increase. If it had been approved by the Trustees, CSU would have received approximately \$23 million and \$3 million in state funds through corresponding Cal Grant program entitlement award adjustments and Middle Class Scholarship award adjustments, respectively. This amendment would authorize the Director of Finance to offset this item by the amount of estimated Cal Grant program and Middle Class Scholarship program costs caused by a system wide tuition increase in 2018-19.		BBL	Approve as proposed.

Attachment A
Issue 37: Online Community College Action

1. Adopt \$20 million on-going Proposition 98 funding to support the online community college, as proposed in Governor's January Budget.
2. Adopt \$100 million one-time Proposition 98 funding to support the start-up costs of the online community college, as proposed in Governor's January Budget.
3. Adopt placeholder trailer bill language to establish and implement the online college with modifications, including the following:
 - a. Require the Chief Executive Officer of the online college or his/her designee to be a participant in the collective bargaining process established pursuant to paragraph (2) of subdivision (f) of Section 70900.
 - b. Clarify the employer of record for all staff of the online community college.
 - c. Establish a 10 year sunset of the online college.
 - d. Clarify courses and content offered by the online college lead to a pathway offered at a traditional community college.
 - e. By the fifth year of the online college, require at least five percent of the content and classes offered by the online college be developed by a traditional community college with the sole purpose of completing a career pathway.
 - f. Modify language regarding the number of pathways offered by the online college to meet the 10 year sunset requirement.
 - g. Strengthen accreditation components by establishing specific timelines for the online college to achieve accreditation for vocational education programs.
 - h. Prohibit the online college from charging fees higher than a traditional community college.
 - i. Require the online college to inform students regarding the implications of taking courses prior to accreditation and how the online college will help students rectify this issue in the future.
 - j. Strengthen the role of the advisory council process.
 - k. Modify reports and evaluation timelines to ensure they are completed no later than the 7th year of operation of the online college.
4. Provide \$44 million one-time Proposition 98 funding to the Online Education Initiative (OEI) to establish competitive sub-grants for traditional community college districts to do all of following:
 - a. Develop online content and classes to be utilized by the online college for the sole purpose of a student continuing his or her education in a career pathway at an existing community college.
 - b. Provide professional development for faculty for the purpose of developing and teaching online content.
5. Require the Chancellor's Office to conduct a review of the process used to calculate noncredit rates and make recommendations to the Board of Governors on how that process may be modified to encourage the development and use of competency based courses and programs.

Attachment B Proposition 98 Senate Package (Item 38)

(In Millions)

	Governor	Senate
2016-17 Spending @ 2017-18 Budget Act	71,389.849	71,389.849
Technical Adjustments	26.649	26.649
Policy (one time)		
K-12 one-time discretionary funding	169.358	169.358
Convert ELPAC to computer-based	21.680	21.680
Fund new "school climate" initiative	15.000	15.000
Create grant program to support community engagement	13.274	13.274
Alternative ELPAC for students with disabilities	5.690	5.690
Final 2016-17 Spending	71,641.500	71,641.500
2017-18 Budget Act	74,523.414	74,523.414
Technical Adjustments	-60.593	-60.593
K-12 Education (one time)		
K-12 one-time discretionary funding	669.756	419.756
Provide early education expansion grants	167.242	167.242
Establish special education teacher residency program	50.000	50.000
Provide grants for addressing special education teacher shortage	50.000	50.000
Backfill for shortfall in Charter School Facility Grant program	21.146	21.146
Backfill basic aid districts for fire-related property tax decline	2.666	2.666
Low-Performing Students Grant		150.000
Summer Furlough		50.000
Classified PD		50.000
California Community Colleges (one time)		
Provide one-time discretionary funding to some colleges	104.000	0.000
Deferred maintenance	48.701	48.701
Fund Innovation Awards	20.000	20.000
Upgrade colleges' financial aid management systems	13.500	13.500
Fund development of open educational resources	6.000	6.000
Backfill basic aid districts for fire-related property tax decline	1.918	1.918
Undocumented and Immigrant Legal Services		15.000
Mental Health Services		20.000
P-Tech		20.000
Re-Entry Programs for Formerly Incarcerated		5.000
Online Education Initiative Competitive Sub-grant		44.000
Revised 2017-18 Spending	75,617.750	75,617.750

Revised 2017-18 Spending	75,617.750	75,617.750
Technical Adjustments	-2,172.367	-2,172.367
K-12 Education		
LCFF Implementation:	100.28%	101.62%
Fund LCFF increase for school districts (General Fund share)	3,160.039	3,972.282
Fund LCFF increase for school districts (basic aid excess tax share)	98.582	98.582
One-time discretionary funding	812.243	0.000
Fund more regional and county support for low-performing districts	68.500	68.500
Augment Charter School Facility Grant program	24.755	24.755
Support the California Collaborative for Educational Excellence	11.534	11.534
Support Southern California Regional Occupational Center (one time)	3.000	3.000
Provide additional funding for online educational resources	1.000	1.000
Provide additional support for districts in fiscal distress	0.972	0.972
Backfill school districts for fire-related property tax revenue decline	1.292	1.292
Reimburse additional costs related to teacher dismissals	0.060	0.060
Preschool		
Increase SRR (Governor proposes 3 percent increase)	31.629	31.629
Add full-day slots (Governor proposes 2,959 slots to LEAs)	8.457	8.457
California Community Colleges		
Fund high school CTE initiative through Strong Workforce program	214.000	214.000
Hold colleges harmless for transition to new funding formula	175.000	0.000
Fund new online college (Governor=\$100 million one time, \$20 million ongoing)	120.000	120.000
Fund 1 percent enrollment growth	59.657	59.657
Fund College Promise fee waiver program	46.000	46.000
Fund reorganized financial aid program for full-time students	40.657	40.657
Cover Apprenticeship prior-year shortfalls (one time)	36.455	36.455
Fund deferred maintenance and instructional materials (one time)	16.021	16.021
Fund adult education data system	5.000	5.000
Upgrade colleges' financial aid management systems	5.000	5.000
Augment NextUp program for foster youth	5.000	5.000
Fund certified nursing assistant program (one time)	2.000	2.000
Fund course identification numbering system (one time)	0.685	0.685
Armenian Genocide Remembrance Holiday (Glendale)		0.517
COLA Part-Time Faculty Office Hours		0.329
COLA for Fund for Student Success		0.235
Restore Part-Time Faculty Health Insurance		0.510
Increase Part-Time Faculty Compensation		25.000
Full-Time Faculty		40.000
Base Allocation		108.177
Academic Senate Base Augmentation		0.232
2018-19 Spending	78,392.921	78,392.921

Senate Package One-time Proposition 98 Funds

(In Millions)

Available Proposition 98 one-time funds	Governor	Senate
Reversion Account Balance	16.526	16.526
Unspent funds identified in January	213.784	213.784
Unspent funds identified in May	154.498	154.498
Unspent funds identified after May Revision	0	0
Total Proposition 98 one-time funds	384.808	384.808

Use of Proposition 98 one-time funds	Governor	Senate
K-12 one-time discretionary funding	301.693	301.193
Support California School Information Services	6.508	6.508
CCEE:Reappropriate funding to Marin County	5.600	5.600
CCC:Reappropriate IEP Technical Assistance Grant	1.379	1.379
K-12 CTE Pathways Program	0.680	0.680
Teacher dismissal backlog	0.339	0.339
CCC deferred maintenance	67.871	67.871
CCC Puente	0.738	0.738
Funding for Armenian Genocide Study Guides		0.500
Total Proposition 98 one-time funds used	384.808	384.808
Unspent Funds	Governor	Senate
K-12 one-time discretionary funding	89.070	89.070
CCC deferred maintenance	10.930	10.930
Total Settle-Up Funds	100.000	100.000