

**2016-17 Legislative Budget Conference Committee  
SB 826 (Leno)**

**Education Agenda**



**Round 1**

**Phil Y. Ting, Chair**

**Room 4202**

**Wednesday June 1, 2016**

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## Issue 1: Overview of Proposition 98 Funding

Department of Education  
California Community Colleges



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### Overview of Proposition 98 Conference Issues All Plans Have Significant Proposition 98 Spending



#### Governor's Overall Plan

- Governor's plan provides total Proposition 98 funding of \$67.2 billion for 2014-15, \$69.1 billion for 2015-16, and \$71.9 billion for 2016-17.
- Funding in 2016-17 is \$3.5 billion (5.1 percent) higher than the *2015-16 Budget Act* level.



#### Houses' Overall Plans

- Both houses' plans provide \$7 million less in Proposition 98 funding as the Governor in 2014-15, the same level as the Governor in 2015-16, and \$64 million more than the Governor in 2016-17.
- Both houses' plans are based on LAO local property tax estimates. Across 2014-15, 2015-16, and 2016-17 combined, LAO estimates are \$432 million above the administration. Using LAO estimates decreases the 2014-15 guarantee by \$7 million, has no effect on the 2015-16 guarantee, and increases the 2016-17 guarantee by \$54 million.
- Both houses' plans assume the 2016-17 guarantee is higher by an additional \$10 million due to spending on Proposition 47 dropout and truancy prevention programs.



## Overview of Proposition 98 Conference Issues All Plans Have Significant Proposition 98 Spending

(Continued)

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<b>Proposition 98 Spending by Fund Source</b>			
<i>(In Millions)</i>			
	<b>Governor</b>	<b>Assembly</b>	<b>Senate</b>
<b>2014-15</b>			
General Fund	\$50,029	\$50,029	\$50,029
Local property tax	17,124	17,117	17,117
<b>Minimum Guarantee</b>	<b>\$67,153</b>	<b>\$67,146</b>	<b>\$67,146</b>
<b>2015-16</b>			
General Fund	\$49,773	\$49,612	\$49,612
Local property tax	19,276	19,438	19,438
<b>Minimum Guarantee</b>	<b>\$69,050</b>	<b>\$69,050</b>	<b>\$69,050</b>
<b>2016-17</b>			
General Fund	\$51,105	\$50,891	\$50,891
Local property tax	20,769	21,046	21,046
<b>Minimum Guarantee</b>	<b>\$71,874</b>	<b>\$71,937</b>	<b>\$71,937</b>
<b>Settle-Up Payment</b>	<b>\$218</b>	<b>\$218</b>	<b>\$218</b>



## Overview of Proposition 98 Conference Issues Differences in Spending by Segment Relatively Small

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<b>Proposition 98 Spending by Segment</b>				
<i>(In Millions)</i>				
	Governor	Assembly	Senate	Difference (Assembly-Senate)
<b>2015-16</b>				
K-12 education	\$60,182	\$59,968	\$60,182	-\$213
Community colleges	7,983	7,983	7,983	—
Preschool	885	1,098	885	213
<b>Totals</b>	<b>\$69,050</b>	<b>\$69,050</b>	<b>\$69,050</b>	<b>—</b>
<b>2016-17</b>				
K-12 education	\$62,656	\$62,722	\$62,687	\$35
Community colleges	8,295	8,302	8,302	—
Preschool	923	913	948	-35
<b>Totals</b>	<b>\$71,874</b>	<b>\$71,937</b>	<b>\$71,937</b>	<b>—</b>



## Overview of Proposition 98 Conference Issues

### Largest Ongoing Component of All Plans Is LCFF Funding

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#### Governor's LCFF Funding

- Governor's plan includes \$3 billion in new funding for the Local Control Funding Formula (LCFF) for school districts, bringing total LCFF funding in 2016-17 to \$55.8 billion.
- Funds would close 55 percent of the remaining gap to the LCFF target funding level, with the target level 96 percent funded.



#### Houses' LCFF Funding

- Assembly provides \$5 million less than the Governor.
- Senate provides \$31 million more than the Governor.





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## Overview of Proposition 98 Conference Issues Largest One-Time Component of All Plans Is Education Mandates Backlog Funding

<b>Proposed One-Time Funding for Education Mandates Backlog<sup>a</sup></b>				
<i>(In Millions)</i>				
	<b>Governor</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference (Assembly-Senate)</b>
<b>K-12 Education</b>				
2014-15 funds	\$635	\$658	\$673	-\$16
2015-16 funds	586	328	270	58
Settle-up funds	194	194	194	—
Other funds <sup>b</sup>	—	100	100	—
Subtotals	(\$1,416)	(\$1,280)	(\$1,238)	(\$42)
<b>California Community Colleges</b>				
2014-15 funds	\$29	\$29	\$29	—
2015-16 funds	76	76	76	—
Subtotals	(\$106)	(\$106)	(\$106)	(—)
<b>Totals</b>	<b>\$1,521</b>	<b>\$1,385</b>	<b>\$1,343</b>	<b>\$42</b>

<sup>a</sup> All plans allow this funding to be used for any locally determined one-time purpose, including maintenance and professional development.  
<sup>b</sup> Reflects reverted and reappropriated funds.



# Overview of Proposition 98 Conference Issues Largest One-Time Component of All Plans Is Education Mandates Backlog Funding

(Continued)

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<b>Remaining Mandates Backlog</b>				
<i>(In Millions)</i>				
	<b>Governor</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference (Assembly-Senate)</b>
<b>K-12 Education</b>				
Total proposed backlog funding	\$1,416	\$1,280	\$1,238	\$42
Estimated reduction in backlog <sup>a</sup>	664	617	601	15
Remaining backlog	940	988	1,003	-16
<b>California Community Colleges</b>				
Total proposed backlog funding	\$106	\$106	\$106	—
Estimated reduction in backlog <sup>a</sup>	14	14	14	—
Remaining backlog	272	272	272	—
<b>Totals</b>				
Total proposed backlog funding	\$1,521	\$1,385	\$1,343	\$42
Estimated reduction in backlog <sup>a</sup>	678	631	616	15
Remaining backlog	1,213	1,260	1,275	-16

<sup>a</sup> Under all plans, proposed backlog funding would be distributed to all local education agencies (LEAs) on a per-student basis. As many LEAs have no remaining mandate claims, the backlog is reduced by less than the funding provided.



## Overview of Proposition 98 Conference Issues Some Differences in Spending for K-12 Education

<b>K-12 Education Conference Issues<sup>a</sup></b>				
<i>(In Millions)</i>				
	<b>Governor</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference (Assembly-Senate)</b>
Increase LCFF funding for schools (ongoing)	\$2,979	\$2,974	\$3,010	-\$37
Pay down K-12 mandate backlog	1,416	1,280	1,238	42
Augment funding for after school programs (ongoing) <sup>b</sup>	—	73	—	73
Augment funding for Multi-Tiered Systems of Support	30	30	10	20
Assist classified employees to earn teaching credentials	—	20	—	20
Augment funding for dropout/truancy prevention grants	—	20	—	20
Increase participation in school breakfast program	—	4	—	4
Fund California Center on Teaching Careers	3	3	7	-5
Provide funding for Student Friendly Services (ongoing)	2	1	2	-1
Provide funding for Student Friendly Services	—	1	—	1
Fund student councils (ongoing) <sup>c</sup>	—	—	—	—
Establish College Readiness Block Grant	—	—	200	-200
Fund teacher residency grants	—	—	60	-60
Fund training on evaluation rubrics through the CCEE	—	—	45	-45
Expand integrated teacher preparation programs <sup>d</sup>	—	—	10	-10
Support school activities conducted by the Special Olympics	—	—	1	—
Fund student councils <sup>e</sup>	—	—	—	—

<sup>a</sup> Reflects one-time Proposition 98 spending, unless otherwise specified.  
<sup>b</sup> Senate applies statutory cost-of-living adjustment to the program starting in 2017-18.  
<sup>c</sup> Assembly provides \$150,000 ongoing. Senate provides \$150,000 one time.  
<sup>d</sup> Governor and Assembly provide \$10 million in one-time non-Proposition 98 General Fund for this program.  
 CCEE = California Collaborative for Educational Excellence and LCFF = Local Control Funding Formula.

**Staff Comments**

**Staff Comments (Continued)**

## Issue 2: Early Childhood Education

### Department of Education



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## Overview of Child Care and Development (CCD) Conference Issues CCD Budget Plans



### Overall Plans

- Governor provides \$3.6 billion for CCD programs (\$1.7 billion Proposition 98 General Fund, \$905 million non-Proposition 98 General Fund, and \$1 billion federal funds).
- Assembly plan increases CCD spending by \$619 million (\$214 million Proposition 98 General Fund, and \$405 million non-Proposition 98 General Fund).
- Senate plan increases CCD funding by \$101 million (\$36 million Proposition 98 General Fund, and \$65 million non-Proposition 98 General Fund).



### Year-to-Year Growth

- Governor increases total CCD spending by \$63 million (1.8 percent) from the *2015-16 Budget Act* level to the proposed 2016-17 level. Growth largely due to annualizing rate increases initiated in 2015-16, increasing per-student funding for Transitional Kindergarten, providing statutory growth to certain child care and preschool programs, and spending more on quality improvement activities.
- Assembly plan reflects 19 percent year-over-year growth.

## Overview of CCD Conference Issues Comparing CCD Plans

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### Commonalities

- Both houses raise reimbursement rates for vouchers using most recent market survey.
- Both houses raise reimbursement rates for providers contracting with the state.
- Both houses increase slots.
- Both houses create apprenticeship program to provide job training, mentoring, and college courses to child care workers.



### Differences

- Assembly plan contains higher rate increases.
- Assembly plan spends more on quality improvement activities.
- Assembly plan funds additional preschool slots.
- Assembly plan expands eligibility.

## Overview of CCD Conference Issues Details of CCD Plans

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<b>Comparison of Assembly and Senate Plans</b>				
<i>(In Millions)</i>				
<b>Issue</b>	<b>Assembly</b>		<b>Senate</b>	
	<b>Amount</b>	<b>Description</b>	<b>Amount</b>	<b>Description</b>
<b>Rates</b>	\$444	Increases the SRR by 15 percent, the RMR to the 80th percentile of the 2014 survey, and the license-exempt rate to 80 percent of FCCH rates.	\$87	Increases the SRR by 4 percent and the RMR to the 75th percentile of the 2014 survey.
<b>Slots</b>	61	Adds 10,000 State Preschool slots and 6,000 Alternative Payment slots.	\$13	Adds 2,000 Alternative Payment slots.
<b>Eligibility</b>	35	Increases program eligibility threshold to 85 percent of current state median income. Allows families to remain eligible for child care up to 12 months, regardless of changes in income.	—	—
<b>Other Funding</b>	78	Provides funds for various one-time and ongoing quality improvement and support activities, including State Preschool QRIS, a data efficiency project, and an apprenticeship program.	1	Provides funds for same apprenticeship program as Assembly.
<b>Language</b>	—	Includes language that (1) directs CDE to develop a differentiated funding rate for part- and full-day kindergarten to use beginning in 2018-19, (2) directs CDE to amend its quality improvement spending plan to prioritize QRIS, and (3) allocates \$317,000 in existing quality improvement funds for CDE to develop a statewide plan for providing one year of preschool to all four-year olds.	—	—
<b>Totals</b>	<b>\$619</b>		<b>\$101</b>	

SRR – Standard Reimbursement Rate; RMR – Regional Market Rate; FCCH – family child care homes; QRIS – Quality Rating and Improvement System; and CDE – California Department of Education.



## Overview of CCD Conference Issues Considerations in Developing Conference CCD Plan

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### Reimbursement Rates

- Current child care voucher reimbursement rates are not aligned with current market survey.
- Under current rates, families in some areas of the state have access to more child care providers than families in other areas of the state.
- The Legislature could update child care voucher rates based on the most recent child care market survey.
- The Legislature could provide comparable rate increases to voucher-based and contract-based providers.



### Slots

- Currently, many children in California are eligible for subsidized child care and preschool but do not receive it.
- California's existing eligibility criteria are higher than many other states.
- Slots are distributed inequitably across the state, with some counties serving a higher percentage of their eligible population than others.
- The Legislature could increase slots to serve a greater share of eligible children statewide.
- To equalize service levels across the state, the Legislature could provide additional slots to areas with relatively high percentages of unserved eligible children.



## Overview of CCD Conference Issues Options for Increasing Rates and Slots

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<b>Options for Increasing Voucher Rates and Slots</b>			
<i>2016-17 Cost (In Millions)<sup>a</sup></i>			
	75 <sup>th</sup> Percentile of 2014 Survey	80 <sup>th</sup> Percentile of 2014 Survey	85 <sup>th</sup> Percentile of 2014 Survey
Increase Regional Market Rate	\$49	\$113	\$197
Add 2,000 Alternative Payment slots	13	14	15

<sup>a</sup> Assumes rate and slot increases become effective October 1, 2016. Increases are entirely non-Proposition 98 General Fund.

<b>Options for Increasing Contract-Based Rates and Slots</b>			
<i>2016-17 Cost (In Millions)</i>			
	Increase Rate by 5 Percent	Increase Rate by 11 Percent	Increase Rate by 20 Percent
Increase Standard Reimbursement Rate <sup>a</sup>	\$67	\$148	\$269
Add 2,000 Full-Day State Preschool slots <sup>b</sup>	10	11	12
Add 2,000 Part-Day State Preschool slots <sup>c</sup>	4	5	5

<sup>a</sup> Rate increases shown are comparable to Regional Market Rate increases shown above. Assumes increases become effective July 1, 2016. Of increases, 64 percent would be Proposition 98 General Fund.

<sup>b</sup> Assumes increases become effective January 1, 2017. For slots at local education agencies, increases would be entirely Proposition 98 General Fund. For other slots, 43 percent of the increases would be Proposition 98 General Fund.

<sup>c</sup> Assumes increases become effective January 1, 2017. Increases would be entirely Proposition 98 General Fund.

**Staff Comments**

## Issue 3: Teacher Workforce Proposals

Commission on Teacher Credentialing  
 Department of Education  
 California Community Colleges  
 California Student Aid Commission

### Teacher Workforce Proposals

(In Millions)

	Governor	Assembly	Senate	Difference (Assembly–Senate)
Integrated Teacher Preparation programs	\$10.0	\$10.0 <sup>a</sup>	\$10.0 <sup>a</sup>	—
Center on Teaching Careers	2.5	2.5	7.0	-\$4.5
Grants for classified school employees to become teachers	—	20.0	—	20.0
Teacher residency grants	—	—	60.0	-60.0
Assumption Program of Loans for Education (APLE)	—	— <sup>b</sup>	— <sup>b</sup>	— <sup>b</sup>
<b>Totals</b>	<b>\$12.5</b>	<b>\$32.5</b>	<b>\$77.0</b>	<b>-\$44.5</b>

<sup>a</sup> Assembly uses non-Proposition 98 funds whereas Senate uses Proposition 98 funds.

<sup>b</sup> Assembly authorizes 800 new warrants. Senate authorizes 170 new warrants. Both houses assume no associated cost in 2016-17. Cost would emerge in future years as loans/warrants are forgiven.

Source: Legislative Analyst's Office

**Staff Comments**

## Issue 4: Academic and Behavioral Support Programs

### Department of Education

#### Behavioral Support Programs: One-Time Spending Proposals<sup>a</sup>

(In Millions)

	Governor	Assembly	Senate	Difference (Assembly-Senate)
Grants to implement Multi-Tiered Systems of Support	\$30	\$30	\$10	\$20
Grants to develop dropout-truancy prevention programs <sup>b</sup>	—	20	—	20
Student mental health pilot programs in ten schools <sup>b</sup>	—	6	—	6
<b>Totals</b>	<b>\$30</b>	<b>\$56</b>	<b>\$10</b>	<b>\$46</b>

<sup>a</sup> Reflects one-time Proposition 98 spending, except the mental health pilot programs, which is one-time Proposition 63 spending. Grants would go to local education agencies.  
<sup>b</sup> Program details would be based on pending legislation.

Source: Legislative Analyst's Office



**Staff Comments**

**Issue 5: Local Control Funding Formula and Local Control Accountability Plans**

**Department of Education**

**Assembly**

**Senate**

<ul style="list-style-type: none"><li>• \$2.974 billion in LCFF transition funding</li></ul>	<ul style="list-style-type: none"><li>• \$3.010 billion in LCFF transition funding</li><li>• \$45 million in one-time Proposition 98 funding for the California Collaborative for Educational Excellence (CCEE) to conduct statewide training on the LCFF evaluation rubrics, which will be used to inform the Local Control and Accountability Plans (LCAPs), and to conduct a pilot program for supporting local educational agencies (LEAs) who need assistance from the CCEE</li></ul>
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**Governor:** The May Revision proposed \$2.979 billion in LCFF transition funding

**Staff Comments**

**Issue 6: Senate College Readiness Proposal**

**Department of Education**

**Assembly**

**Senate**

- No proposal

- \$200 million in one-time Proposition 98 funding for a K-12 College Readiness Block Grant for LEAs to better prepare high school students for admission to college. Funding would be provided to school districts and charter schools based on the number of low-income, English learners and foster youth students

**Governor:** No proposal

**Staff Comments**

## Issue 7: K-12 Legislative Augmentations

### Department of Education

#### Assembly

- \$73 million in ongoing Proposition 98 funding to augment the After School Education and Safety program
- \$4 million in one-time Proposition 98 funding to expand the existing School Breakfast Startup Grant program in order to increase participation in the School Breakfast program
- \$150,000 in ongoing Proposition 98 funding for the Association of Student Councils

#### Senate

- Trailer bill language to apply a COLA to the After School Education and Safety program annually
- \$1 million in one-time Proposition 98 funding to the Los Angeles County Office of Education to contract with the Special Olympics Northern and Southern California to expand Special Olympics in schools
- \$150,000 in one-time Proposition 98 funding for the Association of Student Councils



**Staff Comments**



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## Overview of California Community Colleges Conference Issues All Plans Have Significant New Community College Spending

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### Governor's Overall CCC Plan

- Governor funds California Community Colleges (CCC) at \$7.3 billion in 2014-15, \$8 billion in 2015-16, and \$8.3 billion in 2016-17.



### Houses' Overall Plans

- Both houses provide an additional \$7 million to CCC in 2016-17 above the Governor's level.
- Under both houses' plans, 2016-17 funding is \$388 million (5 percent) higher than the *2015-16 Budget Act* level.
- Under both houses' plans, per-student funding in 2016-17 is \$7,004—\$267 higher than 2015-16.

## Overview of California Community Colleges Conference Issues All Plans Contain Certain Augmentations

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### The Governor, Assembly, and Senate Plans All Include the Following Augmentations:

- **\$248 Million for Workforce Education.** Consists of \$200 million for a new workforce program to support career technical education (CTE) at community colleges and encourage regional collaboration, and \$48 million to extend the CTE Pathways Program. The Governor proposes to extend the Pathways Program indefinitely, whereas both houses propose folding it into the new workforce program beginning in 2017-18.
- **\$221 Million for Apportionments.** Consists of \$115 million for 2 percent enrollment growth and \$106 million one time to reduce the mandates backlog.
- **\$30 Million for Basic Skills Improvement.** All three plans provide same amount of funding, but Legislature designates funding in 2016-17 for Basic Skills and Student Outcomes Transformation Program grants.
- **\$10 Million for the Institutional Effectiveness Initiative.** Consists of \$8 million for statewide professional development activities and \$2 million for technical assistance to colleges and districts.
- **\$5 Million One Time for a Zero-Textbook-Cost Degree Initiative.** Provides grants to colleges to develop associate degree and CTE certificate pathways students can complete entirely by taking courses that eliminate textbook costs by using free instructional materials.
- **Several Smaller Augmentations.** These include ongoing augmentations of \$5 million to improve systemwide technology infrastructure, \$3 million to purchase instructional materials for incarcerated adults, \$3 million to improve systemwide data security, \$2 million to expand financial aid for CTE students, and \$300,000 for the CCC Academic Senate. In addition, all three plans include \$5 million one time over three years for technical assistance to adult education consortia.



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## Overview of California Community Colleges Conference Issues Assembly and Senate Plans Have Some Notable Differences

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### Full-Time Faculty Hiring

- Assembly provides \$22 million to hire additional full-time faculty and \$2 million to promote equal employment opportunity in faculty hiring.



### Student Support Categorical Program

- Senate provides \$11 million for four categorical programs (Puente Project; Mathematics, Engineering, and Science Achievement (MESA) Program; Middle College High School; and Student Services for CalWORKs Recipients). Assembly provides \$1 million for Puente Project.



### Marketing and Outreach

- Both houses fund student outreach programs. Senate provides \$5 million one time for outreach on CCC bachelor's degree pilots and financial aid. Assembly provides \$1.5 million ongoing for broader outreach to underrepresented communities.



## Overview of California Community Colleges Conference Issues Assembly and Senate Plans Have Some Notable Differences

*(Continued)*



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### Other Legislative Priorities

- Assembly provides \$15 million for veterans resource centers and \$15 million for regional “promise” partnerships.
- Senate provides \$10 million (above Governor’s and Assembly’s level) for CCC base increases and \$3 million in non-Proposition 98 General Fund for development and coordination of inmate education programs.



### Online Education Initiative

- Senate adopts May Revision proposal to provide \$20 million one time to accelerate progress of Online Education Initiative. Assembly rejects proposal.



## Overview of California Community Colleges Conference Issues Summary of Differences in CCC Budget Plans

June 2016

<b>CCC Issues In Conference</b>				
<i>(In Millions)</i>				
	Governor	Assembly	Senate	Difference (Assembly - Senate)
Fund deferred maintenance (one time) <sup>a</sup>	\$213	\$205	\$214	-\$9
Increase apportionments above growth	75	75	85	-10
Accelerate Online Education Initiative (one time)	20	—	20	-20
Fund full-time faculty hiring	—	22	—	22
Fund veterans resource centers	—	15	—	15
Fund regional K-20 partnerships	—	15	—	15
Augment Equal Employment Opportunity program	—	2	—	2
Augment outreach funding	—	2	—	2
Augment Fund for Student Success <sup>b</sup>	—	1	2	-1
Augment services for CalWORKs students	—	—	9	-9
Fund targeted outreach (one time)	—	—	5	-5
Fund development/coordination of inmate education programs	—	—	3 <sup>c</sup>	-3

<sup>a</sup> Includes funding attributed to multiple fiscal years.  
<sup>b</sup> Includes Puente Project, Mathematics, Engineering, and Science Achievement (MESA) Program; and Middle College High School Program.  
<sup>c</sup> Non-Proposition 98 General Fund.  
 CalWORKs = California Work Opportunity and Responsibility to Kids.

**Staff Comments**

**Issue 8: California Community Colleges Categoricals/Funding Increases**

**California Community Colleges**

**Assembly**

- \$21.9 million to increase full-time faculty
- \$1 million increase for PUENTE
- \$1.5 million increase for marketing/outreach, aimed at declining enrollment colleges and non-English speaking households
- \$15 million to create Veterans Resource Centers
- \$15 million to support California Promise Programs
- Rejected Governor's proposal for \$20 million one-time Online Education Initiative

**Senate**

- \$8.7 million increase to CalWORKs
- \$2.4 million increase to PUENTE and other programs
- \$5 million one-time for financial aid and baccalaureate degree pilot program outreach
- \$3 million (\$2 million one-time General Fund and \$1 million on-going General Fund) in reimbursement authority from Department of Corrections and Rehabilitation for incarcerated adult courses/programs and administration costs
- Approved Governor's proposal for \$20 million one-time Online Education Initiative

**Governor:** \$25 million for Innovation Awards; \$20 million for Online Education Initiative



**Staff Comment:**

**Issue 9: California Community Colleges Trailer Bill Language**

**California Community College**

**Assembly**

**Senate**

<ul style="list-style-type: none"><li>• Approves Strong Workforce CTE program but directs 75% of funding directly to colleges; 25% to regions, encourages workforce programs to support developmentally disabled</li><li>• Provides 5 years of restoration enrollment funding to San Francisco City College</li><li>• Allows college bookstores to be involved in development of zero-textbook-cost degree program</li></ul>	<ul style="list-style-type: none"><li>• Governor's proposal on Strong Workforce funding split with 60% of funding directly to colleges and 40% to regions</li></ul>
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**Governor:** Strong Workforce program directs 60% of funding directly to colleges, 40% to regions

**Staff Comments**

## Overview of University Conference Issues Budget Plans for University of California (UC)

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June 2016



### **Governor's Plan**

- Governor's 2016-17 plan provides UC with \$3.5 billion General Fund—\$212 million higher than the 2015-16 level.
- The key component of the Governor's plan is \$125 million for a 4 percent ongoing General Fund base increase, with the remaining funding for one-time purposes.



### **Houses' Plans**

- Both houses' plans adopt the 4 percent General Fund base increase.
- Assembly and Senate provide \$61 million and \$56 million more General Fund, respectively, for UC in 2016-17 than the Governor. (The Assembly amount includes \$20 million that would be appropriated in May 2017 if UC meets certain conditions.)
- In addition to the General Fund augmentation, the Assembly's plan includes \$61 million from savings, redirected funding, and an increase in nonresident tuition.



### **Notable Similarities and Differences Among Houses' Plans**

- Both houses fund additional enrollment, research, and student outreach.
- Houses have different research priorities and adopt different reporting language.

## Overview of University Conference Issues Budget Plans for California State University (CSU)

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June 2016



### Governor's Plan

- Governor's 2016-17 plan provides CSU with \$3.5 billion General Fund—\$198 million higher than the 2015-16 level.
- The key component of the Governor's plan is \$148 million for a 4.5 percent ongoing General Fund base increase, with most of the remaining funding for retiree health and one-time purposes.



### Houses' Plans

- Assembly provides \$128 million more ongoing funding and \$25 million less one-time funding than the Governor.
- Senate provides the same level of ongoing funding and \$10 million more one-time funding than the Governor.



### Notable Similarities and Differences Among Houses' Plans

- Both houses set enrollment targets.
- Assembly provides more enrollment growth than the Senate.
- Assembly provides more ongoing base funding.

**Issue 10: University of California Enrollment**

**University of California**

**Assembly**

**Senate**

<ul style="list-style-type: none"><li>• Approve Governor's \$125.4 million</li><li>• \$20.2 million General Fund if UC increases California enrollment by 5,000 and decreases nonresident enrollment by 1,700</li><li>• Budget bill language directing UC to support enrollment by redirecting \$20.2 million from other programs, and raising \$40.3 million from a 3.2% increase of nonresident tuition</li><li>• Trailer bill language directing UC to increase academic admissions standards for nonresident applicants</li></ul>	<ul style="list-style-type: none"><li>• Approve Governor's \$125.4 million</li><li>• \$40 million General Fund to support increased enrollment of 4,000 California undergraduates, funding is removed at a prorated amount if target is not met. Funding supported by redirection of Middle Class Scholarship funds</li><li>• Budget bill language stating expectation that each UC campus will admit more students who are enrolled in LCFF Formula Plus schools, as defined pursuant to legislation.</li></ul>
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**Governor:** Provided \$125.4 million augmentation, no direction on enrollment

**Staff Comments**

**Issue 11: California State University Enrollment**

**California State University Enrollment**

**Assembly**

**Senate**

<ul style="list-style-type: none"><li>• \$101 million ongoing General Fund increase above Governor, language directing increase of 10,700 students by Fall 2017</li><li>• \$25 million ongoing General Fund to support summer school expansion, beginning in summer 2017. Language directing CSU to use funds to expand courses or provide financial aid, report back on use of funds. Funding supported by redirection of Middle Class Scholarship funds</li></ul>	<ul style="list-style-type: none"><li>• Governor's amount of funding, language directing CSU to increase enrollment by 3,565 student in 2016-17 academic year, all CSU funding associated with enrollment goal reverts if target is not met</li></ul>
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**Governor:** Provided \$148.3 million augmentation, no direction on enrollment



**Staff Comments**

**Issue 12: Reporting and Oversight**

**University of California, California State University,  
California Community Colleges**

**Assembly**

- Provides \$171 million Prop 2 funding if UC rescinds direct contribution benefit options
- \$1.1 million GF to support ongoing UC audits
- \$2 million to each segment for faculty diversity improvement, annual reports
- Report from each segment on increasing degree production to meet state needs
- UC and CSU report on improvements to policies regarding executive outside jobs
- CSU report on improved grad rate targets, including underrepresented students
- UC and CSU report on cost of instruction using national model

**Senate**

- Approves Governor's proposal to increase funding for Community College Institutional Effectiveness Partnership, report back on colleges' participation and progress toward effectiveness goals
- \$35 million one-time for CSU to improve graduation rates, including underrepresented students and first-generation college students. Additionally requires CSU to adopt policy recommendations to address the systemwide and campus graduation rates.

**Governor:** \$25 million one-time GF for CSU grad rate improvements; \$171 M Prop 2 funding

**Staff Comments**

**Issue 13: Other Higher Education Legislative Augmentations**

**University of California, California State University,  
California State Library**

**Assembly**

- \$22 million for UC innovation and entrepreneurship activities at UC campuses and Lawrence Berkeley Lab
- \$3 million for UC/Charles Drew Medical School
- \$20,000 for CSU Sacramento Semester
- \$6 million ongoing and \$4 million one-time for UC student outreach
- \$10 million within CSU funding for student outreach
- \$1 million for State Library Civil Liberties program

**Senate**

- \$5 million for new UC firearm violence research center
- \$6 million for UC to provide targeted student support and retention services for foster youth, English language learners, low income, and underrepresented students
- \$4 million one-time General Fund for the development of A-G courses at K-12 school districts within an existing UC outreach program

**Governor:** \$4 million one-time for UC Scout program

**Staff Comments**

**Issue 14: Precision Medicine**

**Governor's Office of Planning and Research**

**Assembly**

**Senate**

<ul style="list-style-type: none"><li>• Adopts the Governor's proposal with budget bill language requiring that a public institution in both Northern and Southern California receive an award.</li></ul>	<ul style="list-style-type: none"><li>• Rejects the proposal</li></ul>
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**Governor:** Provided \$10 million for Precision Medicine

**Staff Comments**

**Issue 15: Financial Aid**

**California Student Aid Commission**

**Assembly**

**Senate**

<ul style="list-style-type: none"><li>• Increases competitive Cal Grants from 25,750 to 30,000, funding comes from redirection of Middle Class Scholarship funds</li><li>• Supplemental reporting language requiring LAO to report on consolidating state and institutional financial to provide debt-free college</li></ul>	<ul style="list-style-type: none"><li>• \$340,000 General Fund (\$90,000 one-time) to create Cal-SOAP consortium in Inland Empire</li></ul>
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**Governor:** No proposal



**Staff Comments**