

The Budget is based on the expectation that CSU will uphold the Administration's equity principles, will minimize the potential impact of these reductions on disadvantaged students, and implement the budget adjustments associated with these reductions in ways that do not disproportionately impact disadvantaged students. The CSU is also expected use their unrestricted reserves to mitigate the impact of these reductions from one fiscal year to the next.

### Other Significant Adjustments

- **Ongoing General Fund Adjustment**—An increase of approximately \$199 million for a base adjustment to mitigate the impact of contingent General Fund reductions.
- **Contingent General Fund Reductions**—As a result of the COVID-19 Recession and absent the receipt of additional federal funds to assist the state with the fiscal crisis, reductions are necessary to balance the state budget. To the extent the federal government provides sufficient federal funds by October 15, 2020, which are eligible for purposes identified below, funds will be appropriated for the 2020-21 fiscal year as follows:
  - Approximately \$498.1 million for CSU operational costs.
- **Deferred Maintenance**—The Budget authorizes CSU to redirect up to \$146 million in deferred maintenance funding from the 2019 Budget Act to support for undergraduate instruction, undergraduate resident enrollment, student support services, and other core academic operations.

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## CALIFORNIA COMMUNITY COLLEGES

The CCCs serve as the foundation of the state's higher education system by providing Californians with open access to early-stage undergraduate instruction, basic skills, career education, and transfer opportunities. The CCCs support 2.1 million students across 73 districts, 115 colleges, and 78 educational centers. In 2018-19, the community colleges awarded more than 101,000 certificates and 187,000 degrees.

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## COMMUNITY COLLEGE FLEXIBILITIES

To assist CCCs in their recovery from the impacts of the COVID-19 Recession and provide additional near-term certainty, the Budget enacts statutory changes to:

- Exempt direct COVID-19-related expenses incurred by districts from the 50 Percent Law. This excludes revenue declines.
- Provide a hardship exemption for districts unable to meet their financial obligations due to the deferrals enacted in the Budget.
- Extend the Student-Centered Funding Formula hold harmless provisions for an additional two years, and authorize the use of past-year data sources that have not been impacted by the COVID-19 pandemic for the calculation of the Student-Centered Funding Formula for 2020-21.
- Encourage and expedite the development of short-term career technical education courses to address the impacts of the COVID-19 pandemic.

### Other Significant Adjustments

- **Staff for Working Group on Community College Athlete Compensation**—An increase of \$700,000 one-time non-Proposition 98 General Fund for the CCC Chancellor's Office to contract with an external organization to staff a working group on a community college athlete's use of the athlete's name, image, and likeness for compensation, pursuant to Chapter 383, Statutes of 2019 (SB 206).
- **2019-20 Deferrals**—A deferral of approximately \$330.1 million Proposition 98 General Fund of community college apportionments from 2019-20 to 2020-21.
- **2020-21 Deferrals**—A deferral of approximately \$662.1 million Proposition 98 General Fund of community college apportionments from 2020-21 to 2021-22.

- **2020-21 Deferrals Subject to Control Section 8.28**—As a result of the COVID-19 Recession and absent the receipt of additional federal funds to assist the state with the fiscal crisis, reductions are necessary to balance the state budget. To the extent the federal government provides sufficient federal funds by October 15, 2020, which are eligible for purposes identified below, funds will be appropriated for the 2020-21 fiscal year as follows:

  - A deferral of approximately \$791.1 million Proposition 98 General Fund of community college apportionments from 2020-21 to 2021-22.
- **COVID-19 Response Block Grant for CCCs**—A one-time increase of approximately \$120.2 million, which is comprised of approximately \$54 million from the Coronavirus Relief Fund (CARES Act) and approximately \$66.3 million Proposition 98 General Fund, for a COVID-19 Response Block Grant for the community colleges to support student learning and mitigate learning loss related to the COVID-19 pandemic.
- **Dreamer Resource Liaisons**—An increase of \$5.8 million Proposition 98 General Fund to fund Dreamer Resource Liaisons and student support services, for immigrant students including undocumented students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645). These services provide an opportunity to address disparities and advance economic justice by supporting educational attainment, career pathways and economic mobility for students who may face barriers related to their immigration status.
- **Legal Services**—An increase of \$10 million ongoing Proposition 98 General Fund to provide legal services to immigrant students, faculty, and staff on community college campuses.
- **Calbright College**—A decrease of \$5 million ongoing Proposition 98 General Fund for Calbright College, and a decrease of \$40 million one-time Proposition 98 General Fund provided to Calbright College that is redirected to offset apportionments costs for 2020-21.
- **Revised CalPERS/CalSTRS Contributions**—As referenced in the K-12 Education Chapter, to provide local educational agencies and community college districts with increased fiscal relief, the Budget redirects \$2.3 billion appropriated in the 2019 Budget Act to CalSTRS and CalPERS for long-term unfunded liabilities to further reduce employer contribution rates in 2020-21 and 2021-22.

- **CCC Facilities**—An increase of general obligation bond funding of \$223.1 million, including \$28.4 million to start 25 new capital outlay projects and \$194.7 million for the construction phase of 15 projects anticipated to complete design by spring 2021. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.
- **Local Property Tax Adjustment**—A decrease of \$60.9 million Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **Food Pantries**—The Budget enacts statutory changes to support food pantries within available Student Equity and Achievement Program funding.
- **CCC State Operations**—An ongoing increase of \$116,000 non-Proposition 98 General Fund for a new position to support the Chancellor's Office accounting operations.

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## CALIFORNIA STUDENT AID COMMISSION

The California Student Aid Commission, which administers the state's financial aid programs, the largest of which is the Cal Grant, supports over 410,000 financial aid awards to students accessing higher education. The Budget reflects a sustained commitment to financial aid programs as a cornerstone of our dedication to providing the least resourced students access to higher education.

### Other Significant Adjustments

- **Cal Grant Program Adjustment**—A decrease of approximately \$149 million in 2019-20 and approximately \$63.3 million in 2020-21 to reflect revised estimates of the number of new and renewal Cal Grant awardees in 2019-20 and 2020-21.
- **Temporary Assistance for Needy Families (TANF) Adjustment**—A decrease of \$600 million in federal TANF reimbursements in 2019-20 which increases General Fund support for the Cal Grant program by an equal amount.
- **Golden State Teacher Grant Program**—As referenced in the K-12 Education Chapter, an increase of \$15 million one-time federal funds to support grants to students enrolled in special education teacher preparation program at a high-need school site.

- **Grant Delivery System**—An increase of \$5.3 million one-time General Fund to fund the third year and final year of project development costs for the Grant Delivery System Modernization Project.
- **Student Loan Debt Service Work Group**—An increase of \$250,000 one-time General Fund to convene a work group to analyze student loan borrowing patterns and develop more affordable loan repayment alternatives.
- **Cal Grant B Service Incentive Grant**—A reappropriation of \$7.5 million one-time General Fund from the 2019 Budget Act and a redirection of the Program's \$7.5 million funding in 2020-21 to support the Disaster Relief Emergency Student Financial Aid Program, which will provide emergency financial aid to students at the University of California, California State University, and California Community Colleges.
- **Child Savings Account Grant Program**—A decrease of \$15 million one-time General Fund to the Child Savings Account program, established in the 2019 Budget Act.
- **Contingent General Fund Reduction**—As a result of the COVID-19 Recession and absent the receipt of additional federal funds to assist the state with the fiscal crisis, reductions are necessary to balance the state budget. To the extent the federal government provides sufficient federal funds by October 15, 2020, which are eligible for purposes identified below, funds will be appropriated for the 2020-21 fiscal year as follows:
  - A decrease of \$88.4 million one-time General Fund for the Golden State Teacher Grant program, established in the 2019 Budget Act.

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## UC HASTINGS COLLEGE OF THE LAW

Affiliated with the UC system, but governed by its own board, the Hastings College of the Law is one of the state's important legal institutions. Hastings primarily serves students seeking a Juris Doctor degree, but also offers programs leading to Master of Laws and Master of Studies in Law degrees. In 2018-19, UC Hastings enrolled 964 full-time equivalent students.

### Other Significant Adjustments

- **Base Adjustment**—An ongoing increase of approximately \$1.4 million General Fund to mitigate the impact of contingent General Fund reductions.