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MEMBER ADVISORY

Monday, January 13, 2020

California Governor Newsom's 2020-21 Budget Proposal

The Hispanic Association of Colleges and Universities' President and CEO Antonio R. Flores issued the following statement on Friday, January 10, 2019, in response to Governor Newsom's proposed 2020-21 State Budget:

"HACU applauds the Governor of California for making additional investments in historically underserved groups in higher education, including funding programs to close the achievement and opportunity gaps across the higher education segments, especially those related to undocumented students, as well as increasing funding to the systems of higher education to better provide support to all students. We will continue to work with the administration and Legislature to further enhance the ability of colleges and universities to not only enroll students, but to also provide them with programs and initiatives that enable their success in higher education with emphasis on financial aid programs in the state, as well as any new additional resources that may become available to advance this important work. HACU looks forward to working with Governor Newsom and the Legislature to continue building on the momentum California has garnered in higher education."

The complete budget can be found at www.dof.ca.gov. Highlights of the budget are as follows:

California Student Aid Commission

- An increase of \$21.6 million General Fund to reflect an increase in the number of Cal Grant Access Awards for student parents expected in 2020-21.
- The Budget assumes that independent intuitions, as a sector, will meet the Associate Degree for Transfer acceptance requirements needed to maintain the maximum Cal Grant award at \$9,084 for students attending these schools.
- An increase of \$5 million one-time General Fund to convene a workgroup to analyze student loan borrowing and loan repayment patterns, develop an outreach initiative to educate student loan borrowers about their loans, lending practices, and available repayment options.

California Community Colleges

- No further refinements are proposed to the Student-Centered Funding Formula during this second year of implementation. Among the items the Administration, Chancellor's Office, and Oversight Committee continue to work on are:
 - Improving data collection and implementation plan to improve the accuracy of the data reported by the Districts.
 - Creation of a metric that reflects first-generation college students for eventual inclusion within the funding formula.

- Working to implement best practices that increase access to financial aid under the Federal Pell Grant and the California College Promise Grant, which allows colleges to maximize resources under the formula's supplemental allocation.
- An increase of \$167.2 million Proposition 98 General Fund for a 2.9 percent cost of living adjustment.
- An increase of \$31.9 million Proposition 98 General Fund available for enrollment growth.
- An increase of \$15 million one-time Proposition 98 General Fund for a pilot fellowship program to increase faculty diversity at the community colleges.
- An increase of \$10 million Proposition 98 General Fund to provide legal services to immigrant students, faculty, and staff at community colleges.
- An increase of \$5.8 million Proposition 98 General Fund to fund Dreamer Resources Liaisons and student support services, which was mandated by state law enacted last year.

California State University

- Ongoing increase of \$199 million in General Fund, which represents five percent increase in base resources, with the expectation that these funds will be used to support:
 - The University's operational costs
 - Expanded student access
 - Continued progress towards the goals of the Graduation Initiative 2025.
- Extends the Summer Financial Aid Program until 2023 (from 2021).

University of California

- Ongoing increase of \$169.2 million General Fund, which represents five percent increase in base resources, with the expectation that these funds will be used to support:
 - Increased undergraduate enrollment
 - Operational costs
 - Student support services
- An increase of \$2.3 million General Fund, of which \$1.6 million is ongoing to offset declining Proposition 56 revenue supporting a statewide grant program to expand the number of available graduate medical residency slots.
- Extends the Summer Financial Aid Program until 2023 (from 2021).

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HACU Member Advisories are a service of the Hispanic Association of Colleges and Universities (HACU)

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