

California State Budget 2017-2018

GOVERNOR SIGNED TUESDAY, JUNE 27, 2017

Maintaining Fiscal Prudence

In addition to a \$1.4 billion reserve in the Special Fund for Economic Uncertainties, the Budget adds \$1.8 billion to the Proposition 2 Budget Stabilization Account, bringing the balance to \$8.5 billion in 2017-18—or 66 percent of its constitutional target. Additionally, much of the new spending added after the May Revision is one-time in nature, which avoids ongoing commitments that would put pressure on the budget.

Higher Education

The Budget includes a total of \$13.4 billion General Fund for higher education, with additional funds provided in 2017-18 to expand capacity for California students at the state's public institutions, create guided pathways for students to earn degrees and credentials and keep the costs of attendance low for students and their families.

Additionally, it holds the University of California accountable for implementing needed reforms to its cost structure so that the system remains sustainable over the long term. The Budget also includes \$2.2 billion in financial aid for the state's neediest students.

The 2017 Budget Act makes additional resources available to the state's public higher education segments—the California Community Colleges (CCC), the California State University (CSU), and the University of California (UC). The Budget maintains the state's commitment to financial aid to help students defray the costs of attending college. The Budget furthers the expectation that higher education leaders ensure their institutions are “student-ready.”

Colleges and universities must smooth the transition between K-12 and higher education to move more students into college-level courses faster, integrate technology in new ways to improve learning, and redesign curriculum to create seamless pathways to degrees and credentials.

The Budget includes total funding of \$32.5 billion (\$17.7 billion General Fund and local property tax and \$14.8 billion other funds) for all higher education entities in 2017-18.

California Community Colleges

Student Success

The Budget includes \$150 million one-time Proposition 98 General Fund for community colleges to develop and implement “guided pathways” programs. Guided pathways programs are an integrated, institution-wide approach focused on student success.

These programs include organizing students' academic choices in a way that promotes better course-taking decisions. Once implemented, guided pathways programs will also serve as a framework for colleges to better organize existing student support programs and strategically use existing funding to support student success.

- Apportionments—An increase of \$382 million Proposition 98 General Fund, which includes the following:
 - An increase of \$183.6 million Proposition 98 General Fund to support increased community college operating expenses in areas such as employee benefits, facilities, professional development, converting faculty from part-time to full-time, and other general expenses.
 - An increase of \$97.6 million Proposition 98 General Fund for a 1.56-percent cost-of-living adjustment.

- An increase of \$76 million Proposition 98 General Fund to reflect the amounts earned back by community college districts that declined in enrollment during the previous three years.
- An increase of \$57.8 million Proposition 98 General Fund for enrollment growth of 1-percent.
- A decrease of \$33 million Proposition 98 General Fund to reflect unused growth provided in 2015-16.
- Guided Pathways Grant Program—An increase of \$150 million one-time Proposition 98 General Fund and settle-up for grants to community colleges to develop an integrated, institution-wide approach to student success.
- Chancellor's Office State Operations—\$618,000 General Fund and \$458,000 in reimbursement authority, for six new positions and funding for a second Deputy Chancellor, to support the Chancellor's priorities to provide greater leadership and technical assistance to community colleges and improve student outcomes.

Financial Aid

An increase of \$50 million Proposition 98 General Fund to provide financial aid to community college students, which includes the following:

- An increase of \$25 million Proposition 98 General Fund for the Community College Completion Grant to provide grants of up to \$2,000, to students who meet specified criteria.
- An increase of \$25 million Proposition 98 General Fund to the Full-Time Student Success Grant.

Innovation Awards—An increase of \$20 million one-time Proposition 98 General Fund to provide funding for the development and implementation of innovative practices.

Compton Community College—An increase of \$11.3 million one-time Proposition 98 General Fund to the Compton Community College District for the transition of Compton Community College from a learning center back to a community college.

Services for Veterans

An increase of \$10 million Proposition 98 General Fund (of which \$5 million is one-time) to develop and enhance veterans' resource centers. Additionally, a one-time increase of \$2 million for allocation to Norco College to expand the capacity of its student veterans' service center and establish articulation agreements, policies, and processes related to awarding course credit for prior military service.

Online Education Initiative — An increase of \$10 million Proposition 98 General Fund to provide system-wide access to the Initiative's learning management system.

Integrated Library System—An increase of \$6 million one-time Proposition 98 General Fund to facilitate the development of an integrated library system that, once operational, will allow California community college students access to a cloud-based library system.

Deferred Maintenance—An increase of \$76.9 million one-time Proposition 98 General Fund for deferred maintenance, instructional equipment, and specified water conservation projects.

Community College Facilities—A total of \$16.9 million Proposition 51 bond funds for initial design activities for 15 community college facilities projects.