

Higher Education

The Master Plan for Higher Education, a hallmark in the history of education in the State of California, is the foundation for a higher education system that is unequalled throughout the country. The University of California (UC), California State University (CSU), and the California Community Colleges (CCC) ensure that high quality education at an affordable price is available to all our citizens. The Administration is committed to maintaining the quality of higher education as well as access for all Californians to the state's public colleges and universities.

California's economy is becoming ever more dependent on a highly trained, educated workforce. Training begins early in K-12 as students begin developing the skills needed to succeed in our modern world. The fact that our higher education system works hand-in-hand with the K-12 system to help young students aspire to higher education, keeps our education network vital. The Administration is strongly committed to fostering intersegmental teamwork to ensure that our young students are provided every opportunity to achieve, and perhaps even exceed, their own goals. All of California will benefit from these efforts.

Partnership

Over the past year, UC and CSU have worked together to develop a new partnership agreement with the Administration. This agreement will include funding components to maintain quality as UC and CSU accommodate dramatic enrollment increases over the next decade. These annual funding commitments will be contingent on progress by the segments to achieve certain accountability goals. [Figure HIED-1](#) shows a comparison of funding components to accountability.

The Administration, UC, and CSU will continue discussions focused on finalizing the accountability goals in the spring. UC and CSU are encouraged to identify areas in the partnership where accountability goals and system performance can be enhanced.

The Budget maintains the fee reduction which last year reduced higher education fees to ten percent below fiscal year 1997-98. Fees remain at their lowest level since 1992-93. Current fee levels at UC and at CSU continue to be moderate in comparison to similar institutions, and students pay only a fraction of the total cost of their education. The majority of this

cost is provided by the State. For UC, the 2000-01 cost of education for a general campus student (using the methodology developed by the California Postsecondary Education Commission [CPEC]) will be \$18,025; students pay approximately 21 percent of this cost and the General Fund supports 70 percent of this cost. For CSU, the average cost of education will be \$10,363; students pay approximately 15.8 percent of this total cost and the General Fund supports 78.8 percent of this cost. A variety of other funding sources make up the difference between student fees and General Fund support. For the CCC, the General Fund and local tax share is more than 94 percent of the \$4,416 cost of education.

For the CCC, the 2000-01 Governor's Budget includes funding for enrollment growth above the statutory amount and a full cost-of-living adjustment (COLA) of 2.84 percent for both general apportionments and categorical programs. Regular enrollment fees for the CCC remain at \$11 per credit unit—less than one-half of the next lowest state in the nation and less than 25 percent of the national average.

Additional new funding and programs for each higher education segment are discussed below. Enrollments for 2000-01 are indicated in [Figure HIED-2](#). Total funding levels (excluding capital outlay) are shown in [Figure HIED-3](#).

Year-Round Operations—Accommodating the significant projected growth in student enrollment at both UC and CSU poses a major challenge for higher education and the Administration. One potential solution under consideration is the conversion of the higher education campuses to year-round operation (YRO). The issues and opportunities surrounding this conversion are currently under review by the systems and the Administration. Initial findings suggest that, while YRO will not result in savings, it is a necessary component of an overall strategy to accommodate enrollment growth. The findings, to date, suggest that conversion to YRO should be evaluated on a campus-by-campus basis to determine appropriate action. The Administration intends to work with the systems during the spring to resolve the policy and funding issues associated with implementation of year-round operations.

University of California

General Fund Increases—The Budget provides a total General Fund increase of \$328.0 million for UC. Of this total, \$202.8 million relates to the Partnership agreement and includes funding to avoid increases in mandatory systemwide student fees and fees for professional school students. The Budget includes \$17.9 million, the revenue equivalent to what would have been derived from a 4.5 percent fee increase in general

systemwide student fees, and \$1.4 million to avoid a 4.5 percent fee increase in selected professional schools. A total of \$104.5 million is provided for a four percent increase to UC's state general fund base. Another \$51.2 million is provided for enrollment growth, as well as an additional \$26.1 million to support the second year of a four-year plan to address chronic shortfalls in core areas of the UC budget, including ongoing building maintenance, instructional technology, instructional equipment replacement, and library materials. The Budget also includes \$1.7 million for annuitant health and dental benefits, consistent with the cost of civil service annuitants.

UC plans to use these funds, supplemented with additional UC income, to support costs associated with enrollment growth, employee compensation, non-salary budgets, and building maintenance, as discussed below. In addition, \$100.0 million is provided above UC's base budget for several important initiatives in the areas of K-12 teacher professional development, academic assistance to K-12 students, outreach, research targeted to areas of economic interest to the State, further development of Internet2, development of an off-campus center in the Santa Clara Valley, expansion of the California Digital Library, and expansion of Cooperative Extension services. Also, \$25 million is provided for one-time financial assistance to UC's teaching hospitals for the purchase of medical equipment. All of these initiatives, as well as the major programs in the Budget, are described in the following sections.

Student Enrollment—The Budget provides UC with \$51.2 million to increase enrollments by 6,000 full-time equivalent (FTE) students in 2000-01, for a total budgeted general campus and health sciences enrollment of 170,566. UC plans to target growth of about 1,000 budgeted FTE in the fields of engineering and computer sciences. This is the third year of an eight-year plan, which will result in increased enrollment in these fields to about 24,000 FTE students by 2005-06. Also included in the budgeted enrollment growth are 450 FTE students associated with UC's plan to more than double the number of students who graduate from UC with education credentials over the next three years. This represents an increase of about 50 percent over the number enrolled in 1999-00 in these programs.

Student Fees—For the sixth consecutive year, the Budget provides funds (\$17.9 million) to avoid an increase in mandatory systemwide student fees. Thus, annual mandatory systemwide fees for California undergraduate students will remain at \$3,429 and for graduate students at \$3,609. The total fees (including miscellaneous campus fees) California UC students pay compare favorably with the average of total fees at the four institutions used for salary comparison purposes. That average is estimated to be \$1,300 higher for undergraduates and about \$2,300 higher for graduate

students (see [Figure HIED-4](#)). This Budget also provides \$1.4 million to avoid an increase in professional school fees.

Employee Compensation—UC's spending plan provides \$111.4 million for employee compensation and benefit increases. Of this amount, \$35.2 million is provided for an average two percent salary COLA increase for staff and faculty, effective October 1, 2000. The plan also provides \$39.0 million for full funding of academic and staff merit salary increases to reward the best employees. In addition, as part of its plan to maintain faculty salaries at competitive levels, UC will provide \$6.7 million for another one percent parity increase for faculty, effective October 1, 2000. UC's budget plan also includes \$4.1 million as part of a multi-year plan to provide a market adjustment for cooperative extension specialists and information technology specialists.

Price Increase—UC plans to allocate \$21.3 million to offset the impact of inflation on its non-salary budget. This will assist UC in maintaining the purchasing power needed to buy commodities necessary for the operation of the campuses.

Strengthening the Quality of Undergraduate Education—UC's budget plan includes \$6.0 million as the first step in a multi-year plan to improve the quality of an undergraduate education. UC will move toward restoration of the UC's student-faculty ratio to its historic level of 17.6:1, the rates that prevailed before the budget reductions of the 1990s. The student-faculty ratio is an important indicator of quality in higher education institutions. UC's current student-faculty budget ratio is at 18.7:1, which is significantly worse than the ratio at comparable public and private institutions.

Core Budget Needs—In 1999-00, the Governor supported the first year of a four-year plan to address chronic funding shortfalls in core areas of the Budget. The UC budget plan includes funding for the second year of this four-year plan, providing \$8.0 million for ongoing building maintenance, \$8.0 million for instructional technology, \$5.0 million for instructional equipment replacement, and \$5.0 million for library materials. All four of these core areas of the budget are critical to maintaining quality at UC.

UC Linkage to K-12

The Budget proposes more than \$75.0 million for several initiatives to assist K-12 teachers and students so that students are better able to prepare for postsecondary education. Most of the programs in this initiative represent collaborations among UC, CSU, private colleges and K-12 schools to help improve the quality of K-12 teachers, assist students in becoming prepared for college-level work, and expand the use of technology for delivery of programs and resources to teachers and students in K-12. UC will take the lead in designing and administering these statewide programs; however, all segments of education will collaborate in the implementation of much of this initiative.

A total of \$69.6 million is provided to implement the Governor's Teacher Professional Development initiative, a package of new and expanded programs intended to help K-12 teachers achieve a better command of the subject they teach and a broad repertoire of effective direct instruction practices to be used in the classroom. The programs will be operated in full partnership with CSU and several private colleges and universities, along with K-12 schools and districts. This initiative includes:

- \$20.0 million to expand the successful California Subject Matter Projects, a UC-administered network of discipline-specific professional development projects. The work of these projects is fully aligned with state academic content standards and has provided the leadership and capacity for several state initiatives, including the Governor's Reading Institutes launched last summer.
- \$14.0 million to expand the Governor's Reading Professional Development Institutes, which in its first year is providing 6,300 K-12 teachers with 40-hour intensive seminars in the summer and 80 hours of continued professional development activities during the regular school term.
- \$2.5 million to establish the California Algebra Institutes, a program modeled after the Reading Institutes both in terms of intensive training and stipend support and focused on improving the skills of algebra teachers in grades 9 through 11.
- \$7.5 million to initiate the California Mathematics Institutes for grades 4 through 6. This program is designed to create leadership among teachers in elementary schools for improving mathematics education.
- \$5.0 million to double the funding for the English Language Development Professional Institutes (ELD-PI), which provide training for English language learner teachers in grades 9 through 12 who do not hold cross-cultural or bilingual cross-cultural certificates.
- \$20.0 million to establish the High School Math and English Professional Development Institutes in grades 9 through 12 (\$8.0 million in mathematics and \$12.0 million for English). These institutes will also be modeled after the Governor's Reading Institutes, and focused on mathematics and English for teachers in grades 9 through 12. These institutes will emphasize improved student achievement on Standardized Testing and Reporting (STAR) tests, High School Exit Exam, and academic preparation for college, including Advanced Placement (AP) courses.

- \$600,000 to expand the New Teacher Center, currently housed at UC Santa Cruz campus. The Center will provide consultation and technical assistance to schools, colleges, and universities statewide, all of which will be hiring or training unprecedented numbers of new teachers over the next eight years.

In addition to teacher development initiatives, the Budget includes funds for three K-12 initiatives that are directed at students. These include:

- \$3.0 million augmentation (for a total of \$7 million) for expansion of the AP On-Line Initiative, a program developed by UC to develop and make AP courses accessible to students who attend high schools that offer few or no AP courses.
- \$1.0 million is provided to expand the California State Summer School for Math and Science, a multidisciplinary academic development program for high school pupils with demonstrated academic excellence in math and science.
- \$1.7 million to allow UC to begin the design of Intensive Algebra Professional Development Institutes for students in grades 7 and 8. These Academies will link one-week teacher training institutes with district-scheduled summer instructional programs for students.

Outreach—In recent years, UC has undertaken a significant effort to work with K-12 and other segments of higher education to help students from educationally disadvantaged backgrounds to better prepare for higher education. The UC budget plan for 2000-01 includes funding for expansion of three outreach programs in areas where funding remains limited, including:

- \$1.0 million for a UC-CCC program to increase the rate of transfer of the CCC students to UC.
- \$1.0 million to expand outreach efforts for graduate and professional school students.
- \$500,000 to allow UC to conduct research on the root causes of educational disparity within California's school system from K-12 through postsecondary education.

Research

California Institutes for Science and Innovation—The Budget includes \$75.0 million General Fund provided as state matching funds for the construction of three facilities to house world-class centers of strategic innovation that would combine cutting-edge research with training for the next generation of scientists. The institutes are expected to raise funds from the private sector and/or the federal government to match this state contribution on a 2:1 basis for the construction of these centers.

Other Research—The Governor proposes a total of \$21.0 million to invest in research aimed at areas of key economic importance to the state. Investments in UC research help keep California at the forefront of economic development. As California's economy continues to grow, it remains essential to continue to invest in the research necessary to fuel

the creation of new products and processes which, when eventually developed in the marketplace, boost productivity and create jobs. The research areas augmented are:

- \$8.0 million for continued development of Internet2, a high-speed national data transmission network, to assure that faculty and students have the access they need to encourage cooperative research initiatives within UC, with other countries, and with industry.
- \$5.0 million to support collaborative research between California and Mexico focusing on issues of critical interest, such as trade and economic development, the environment, food and agriculture, and health.
- \$5.0 million to support cutting edge research efforts in engineering and computer science, including support for graduate student research, to help keep California's high-technology industries vital in a highly competitive international marketplace.
- \$1.0 million to expand the Alcohol and Substance Abuse Research Program, a program conducting research into identifying the genes that control the brain responses to alcohol in order to develop new drugs to more effectively treat alcoholism.
- \$2.0 million to support a university-wide, multi-disciplinary peer-reviewed grants program to support research on the state's natural resources, which are critical to sustaining the state's environment and the quality of life for all Californians.

California Digital Library—This Budget provides \$2.5 million to continue development of the California Digital Library (CDL), a groundbreaking effort to combine technology and broad-based acquisition of information resources. The CDL allows UC students and faculty access to information available only in digital form as well as access to information on a round-the-clock basis without regard to distance, and permits the use of innovative computer-based tools that enable library users to more easily locate, access, and use a wide variety of digital information resources.

Santa Clara Off-Campus Center—The UC budget plan includes \$1.1 million to begin planning for a UC Santa Cruz off-campus center in Santa Clara. This is an important step in UC's long-range planning efforts to accommodate projected enrollment demand, increase access to UC graduate professional degree programs for working professionals, increase collaborative research with industry, and expand outreach programs with K-12 schools and students.

Agriculture Cooperative Extension—The Budget provides UC \$1.0 million to ensure the capacity of cooperative extension to respond in a timely and effective manner to the high priority needs of California's agricultural, natural, environmental, and human resources sectors. The increased funding will enable the extension to provide California farmers and growers with the latest in science-based information, problem-solving advice, and access to new technologies and products that will help them stay competitive in a global market, to the benefit of all Californians.

Teaching Hospital Equipment Purchase—The Budget provides \$25.0 million in one-time funds for UC teaching hospitals to help purchase much needed state-of-the-art medical equipment that will be used for teaching, patient care and research purposes. Maintaining a state-of-the-art equipment inventory is critical to the teaching hospitals' ability to stay competitive in a managed-care environment.

Merced Campus—The Administration is committed to accelerating the development of the tenth UC campus located near Merced. This campus will provide greater access to UC for students living in the Central Valley and economic stimulus for the Central Valley. Under previous plans, UC had scheduled to open the doors to the first class of on-campus students by 2005-06. UC is developing a new budget plan, for submission this spring, to reflect the campus opening, instead, by 2004-05. Governor Davis signed Executive Order D-12-99 creating a "UC Merced Red Team" to streamline the approval processes and provide coordination. Specifically the "Red Team" will create a partnership between state, federal, and local agencies to facilitate implementation of the new campus, streamline the review and approval processes at the state and federal level, ensure the permitting papers allow the campus to break ground in 2001, and solicit advice from various agencies regarding the challenges of opening a new campus. UC is also developing plans to offer for-credit courses to enrolled students before 2004-05, whether on the campus site or in other facilities in the Central Valley.

Capital Outlay

Merced Campus—Included in the recommended capital outlay budget for UC is \$14.3 million of higher education bond funds for the initial capital outlay program for the Merced campus. This funding includes \$10.0 million for both planning and construction of the first infrastructure phase and \$4.3 million for planning library, lecture, laboratory and support facilities. These projects represent the initial buildings and infrastructure required to open the campus.

Other Capital Outlay—In addition to funds for Merced and the centers, the Budget proposes \$198.4 million from general obligation bond funds for capital outlay expenditures. This amount includes \$113.6 million for the completion of 18 previously approved projects at nine campuses and one off-campus site and \$84.8 million to address 18 new projects at the nine existing campuses and two off-campus locations.

California State University

General Fund Increases—The Budget provides a net General Fund increase of \$191.0 million for CSU. This amount includes \$104.1 million for a 5 percent base increase in general purpose funds, \$20.8 million to address long-term budget core needs, \$73.1 million in additional funds for 4.5 percent enrollment growth, \$15.0 million to offset increases in student fees, \$0.4 million for annuitant dental benefits, \$12.5 million for further investment in teacher recruitment and training, and a net \$34.9 million reduction associated with one-time costs in 1999-00, and other budget adjustments. Additional augmentations and new programs are discussed below.

CSU has developed a specific plan for 2000-01 that includes continued acceptance of all eligible applicants and reflects the Administration's desire that CSU commit to a new Partnership that serves all California students, from K-12 through higher education.

Enrollment—Funding is provided for additional enrollment of 12,577 full-time equivalent (FTE) students, a 4.5 percent increase over currently budgeted enrollments. This increase will bring total enrollment to 291,980 FTE students, the highest level of enrollment ever achieved.

Student Fees—This Administration is committed to preserving access to higher education for all Californians by maintaining low student fees. For the sixth year in a row, there is no increase in systemwide mandatory fee rates. CSU's undergraduate fee level of \$1,830 compares very favorably with the 1999-00 average of \$3,880 at 15 public institutions used for salary comparisons (see Figure HIED-4). Thus, the Administration continues to affirm state policy that resulted in a ten percent reduction in undergraduate fees and a five percent reduction in graduate fees while freezing additional growth in CSU systemwide mandatory fees.

Compensation—Funds are provided for an average five percent compensation increase for all CSU employees. The actual distribution of these funds will be determined by collective bargaining between CSU and appropriate representative groups. Long-standing equity issues

comparable to other state employees should be addressed as part of the 2000-01, bargaining process. As was true for 1999-00, total compensation increases are likely to vary by group and need. Bargaining can begin in spring 2000 with reasonable certainty of these funds being the total funds available for 2000-01.

Long-term Core Needs—Funds are provided as part of the higher education partnership to address long-term budget core needs at CSU. These are areas that have suffered significant funding deficiencies and require a multi-year approach to address costs. Of immediate concern are long-standing core needs for deferred maintenance, instructional equipment, libraries, and technology. A one percent annual increase in CSU base General Fund appropriations provided under the higher education Partnership shall be dedicated to meet specific long-term core needs. To the extent funding is available, additional investment in these core areas will help eliminate backlogs in deferred maintenance, renovation of the libraries, and instructional equipment replacement.

Technology—The Administration continues to support CSU's integrated technology strategy anchored by the \$240.0 million capital investment that has been identified for work on CSU's technology infrastructure, and the \$25.0 million support budget investment for basic access, training and support, and administrative systems replacement. The Administration supported a \$10.0 million CSU technology investment in 1999-00 and encourages continued progress in strategic plans to fully integrate technology into CSU operations to meet the enrollment challenges over the next decade. To the extent possible, the Administration supports additional state technology at CSU, as resources become available, for equipment, infrastructure, and administrative system requirements. CSU is encouraged to pursue its plan for technology infrastructure, including the Pharos Project—a unified information access system for CSU libraries introduced in fall 1999, to offer students a common interface for searching:

- Library volumes in the electronic core collection databases.
- A union catalog of the resources of all CSU libraries.
- A resource sharing system that features an easy-to-use Web interface for requesting library materials.

CSU Linkage to K-12

The Administration proposes to create stronger linkage between California's K-12 system of public education and higher education programs by preparing future teachers to meet the needs of California's school children. CSU currently graduates more than 50 percent of the new teachers entering the public education system. CSU has increased the number of teacher graduates significantly in the last two years to meet teacher staffing needs resulting from the Class Size Reduction Program. The Administration believes CSU is in an excellent position to assist K-12

in meeting the continuing needs for new teachers in low-performing schools and other areas of teacher shortages such as special education, math, and science. To achieve this goal, the following initiatives are established:

- **Teacher Recruitment**—The Budget includes \$9.0 million for the California Center for Teaching Careers (CalTeach) to conduct a teacher recruitment campaign both in-state (\$7.0 million) and out-of-state (\$2.0 million). The \$7.0 million will be used to implement regional television advertising campaigns to promote the teaching profession. The ads will direct potential teachers to contact regional recruitment centers newly established within county offices of education. The \$2.0 million is for a public information campaign in states which have teacher certification standards that are equivalent to those standards used in California. The campaign would focus on states that have a surplus of teachers qualified to teach in California's areas with the greatest shortage of fully credentialed teachers.
- **Governor's Teaching Fellowships**—The Budget provides funding to establish the Governor's Teaching Fellowships which will provide \$20,000 graduate fellowships to 1,000 teaching candidates who commit to teach in low-performing schools for four years. Fellowship awards will be based on the candidate's commitment to teach in a low-performing school and the individual's potential as a qualified teacher candidate. The Budget provides \$3.5 million for 25 percent, or 250, of the fellowships beginning in January 2001. This funding also includes resources for CSU to operate this program.
- **Technology Training for K-12 Teachers**— A one-time appropriation of \$25.0 million for intensive staff development on the use of technology in the classroom. Staff development will be provided by the CSU system through a contract with the OSE.

Channel Island Campus—CSU requested \$10.0 million in additional funding for fixed costs related to the operation of the Channel Islands Campus. The Administration is fully committed to provide additional funding for the Channel Islands Campus, but urges CSU to first address the long-term needs of the Multi-Campus Regional Center at Stockton. CSU's commitment to this regional center pre-dates its commitment to Channel Islands. Outstanding issues relative to development of this Center must be resolved prior to expanding funding for Channel Islands.

Capital Outlay—The Budget proposes \$153.3 million for CSU from general obligation bonds for capital outlay expenditures. This amount includes \$82.1 million for CSU to complete 18 previously approved projects at 11 campuses; \$60.7 million to allow CSU to address 7 new major projects at 6 campuses; and \$10.5 million for minor projects.

California Community Colleges

Total funding proposed for the CCC is over \$5.7 billion, reflecting a

6.5 percent increase over the \$5.4 billion provided in 1999-00. This funding increase provides the resources for districts to address the following priorities:

- Expansion of access to meet the expected college population demand over the next few years.
- Increased local accountability for preparing a well-trained, competent workforce capable of competing in the job market of the next century.
- Additional investment in improving access to disadvantaged residents through programs for the physically disabled and economically disadvantaged.
- Reducing barriers to efficient transfer between all campuses and four-year segments.

In accomplishing these objectives, the Budget also ensures the CCCs continue to be the most affordable higher education system in the nation, regardless of income level. Student fees will remain at \$11 per credit unit, the lowest in the nation. Figure HIED-4 compares California's annual enrollment fees to fees nationwide for 1999-00. The chart shows that the national average for student fees at community colleges are nearly five times the fees paid in California. Additionally, the Budget includes funds to offset the associated fees waived for all needy students.

As [Figure HIED-5](#) shows, total funding for the CCC in 2000-01 is over \$5.7 billion.

[Figure HIED-6](#) shows the funding sources and their proportions from 1998-99 through 2000-01.

Major Budget Year Adjustments—The Budget proposes the following permanent increases for the general apportionment and other programs for 2000-01:

- **Growth in Enrollment**—\$105.7 million for a 3 percent growth in enrollment and categorical programs. This level exceeds the 1.68 percent change in adult population, the current statutory index for system growth. This growth funding will support an additional 29,721 FTEs, bringing the estimated FTEs level to 1,020,424—the first time instructional workload will have exceeded one million FTEs for the system.
- **COLA**—\$103.1 million for a 2.84 percent COLA to fully fund inflation for both general purpose funds and categorical programs.
- **Partnership for Excellence**—\$25.0 million, set aside for the Partnership for Excellence program (for a total of \$170.0 million) to encourage higher levels of positive student outcomes and to reflect a policy of increased accountability by our educational institutions. This funding increase is contingent upon the CCC's Board of Governors developing more rigorous and ambitious goals, consistent with the recommendations of the California Postsecondary Education Commission, the Legislative Analyst's Office, and the Department of

Finance. Consistent with the Administration's call for higher standards and higher expectations in all education segments, future increases will be dependent upon attainment of improved student outcomes in the areas of transfer, degrees and certificates, successful course completion, workforce development, and basic skills improvement.

- **Disabled Student Program and Services**— \$5.1 million for the Disabled Student Program and Services to address specific deficiencies identified by the Office for Civil Rights. With \$1.3 million of this funding, each college will be able to print Braille versions of written materials for visually impaired students. Approximately \$3.6 million will ensure that all telecourses and other video and Internet-related instruction will be closed captioned to provide access to hearing impaired distance education students. Finally, \$260,000 is allocated to the High Tech Center Training Unit to provide technology training and to resolve problems with the implementation of instructional technologies at the local level.
- **Extended Opportunity Programs and Services**—\$6.0 million for the Extended Opportunity Programs and Services to allow the CCCs to extend outreach
- and support services to an additional 10,000 low-income students. Many more students will be helped with the financial aid process and, therefore, will be more likely to take advantage of various financial aid programs enabling them to complete their education.
- **Puente Project**—\$1.0 million for the Puente Project to expand to at least 35 more colleges than the 40 colleges currently served. Puente is a nationally recognized model for improving
- student outcomes, and currently helps 33,000 students pursue goals of graduation and transfer. This augmentation will allow at least 30,000 additional students to gain access to Puente's services.
- **Telecommunication and Technology Infrastructure**—\$6.3 million is for telecommunication and technology infrastructure expansion. Of this amount, \$4.0 million is to be used to complete the technology upgrade begun last year consistent with usage at the local level. By expanding the technology network, the CCC will remain ahead of the increasing demand for access to the Internet among college students, faculty and staff. The remaining \$2.3 million is for the development and implementation of a systemwide audio bridging and telephone conferencing capability to facilitate interaction of faculty, students, and staff in distance learning, support services, and shared governance activities.
- **Scheduled Maintenance and Special Repairs**—\$10.0 million is for scheduled maintenance and special repairs to ensure that the CCC's physical plant provides a safe, environmentally sound, and properly maintained facility. In addition to maintenance and repairs,

these funds may be used for architectural barrier removal that complies with the requirements of the Americans With Disabilities Act, hazardous substance removal, and smaller seismic retrofit projects depending on the most urgent system needs as determined by the Chancellor's Office.

- **Workforce Development Instructional Equipment**—\$5.0 million is to institute competitive matching grants for workforce development instructional equipment. This provides an opportunity for districts to completely modernize vocational training programs through encouragement of industry partnerships. Up to 10 percent of the funds in these grants may be authorized for staff training in the use of new equipment as well.

Current Year Local Assistance Adjustments— The Budget proposes \$17.4 million in one-time savings due to higher property tax collections from the counties (\$12.1 million) and revised estimates for the leasing of community college facilities (\$5.3 million).

Part-Time Faculty—With the enactment of Chapter 738, Statutes of 1999 (Assembly Bill 420), the Administration demonstrated a commitment to improve part-time faculty working conditions by increasing the number of part-timers eligible to participate in both the Part-Time Faculty Health Insurance and Part-Time Faculty Office Hours programs. Because the demand is uncertain until local bargaining results in claims at the Chancellor's Office, the Administration will consider future funding adjustments to maintain the prescribed match for the demonstrated demand.

State Operations—An ongoing General Fund increase of \$534,000 includes six workload positions at the Chancellor's Office and two positions for a new function. Four workload positions support new certificate standards and course approvals, development and replication of proven new programs under the Fund for Student Success, federal data reporting requirements workload, and new Disabled Students Program and Services local assistance workload. Two positions continue the development of the Partnership for Excellence Program goals and measures and are contingent on the Board of Governors taking the actions needed to develop more rigorous goals for the Partnership.

Finally, two new positions are provided to annually assess each district's performance and assist lower-performing colleges in increasing student outcomes aligned with the Partnership for Excellence goals. The Chancellor's Office has committed to redirect two existing staff involved in categorical plan compliance activities toward this effort. This represents a fundamental shift in the Chancellor's Office approach to improving student outcomes and is consistent with the Administration's emphasis on accountability in higher education.

Capital Outlay—The Budget proposes \$290.2 million for the CCC from general obligation bonds for capital outlay expenditures. This amount includes \$283.6 million for the CCC to complete 68 previously approved projects at 42 campuses and \$6.6 million to allow the CCC to address 15 new major projects at 8 campuses.

Student Financial Aid

The Administration is committed to keeping higher education affordable by maintaining low student fees and by providing increases in student financial aid. The funding of financial aid grants from the General Fund and new fee revenue will increase by \$84.4 million over 1999-00, bringing the total to \$905.9 million in 2000-01 (see [Figure HIED-7](#)).

Students also receive financial aid from federal, private, and other sources in the form of grants, work study, and loans. Altogether, students in California's public and private higher education institutions received about \$5.1 billion in financial aid in 1997-98, an increase of \$2.8 billion since 1990-91. Currently, over 70 percent of UC students and over 53 percent of CSU students receive financial aid.

Cal Grant Program—The Administration supports an expansion of the Cal Grant program to further increase access to higher education for the state's most financially needy students. For 2000-01, \$28.3 million is provided for an increase of approximately 7,000 new Cal Grant awards (3,500 new A awards and 3,500 new B awards, including 1,034 new "point of transfer" awards for community college students under each of the two programs). This increase brings the number of new awards in the Cal Grant undergraduate program to 62,054, which represents a 12.7 percent increase over the current year and a 98.8 percent increase since 1995-96 (31,220 awards).

The Budget also includes \$2.2 million to increase the maximum award for students attending private institutions by three percent, to \$9,703. In addition, \$40.0 million is provided for baseline increases in the Cal Grant program to reflect the continued costs of phasing in the 1997-98, 1998-99, and 1999-00 increases in both the number of Cal Grant awards and the maximum award level for students attending private institutions.

California Student Opportunity and Access Program (Cal-SOAP)—The Budget includes \$5.0 million for the California Student Aid Commission to add five new consortia and expand the services provided by the existing consortia. This program, through intersegmental consortia, provides informational outreach and tutoring services to disadvantaged elementary through senior high school students to increase their access to postsecondary education, and to community colleges students to assist

them in matriculating to four-year institutions.

State Work-Study program—The Budget includes \$2.6 million for the California Student Aid Commission to expand college opportunities through this program. This funding will allow an additional 20 institutions to participate in the program and will create up to 1,200 new positions. It will also provide funding for an additional 400 positions at the 20 institutions currently participating in the program.

Assumption Program of Loans for Education— This program assumes up to \$11,000 in student loans for teachers who agree to teach up to four years in a shortage area. The Assumption Program of Loans for Education (APLE) program is being expanded from 5,500 awards in the current year to 6,500 awards in 2000-01. The Administration strongly supports the expansion of the APLE Program along with a number of other new teacher recruitment programs designed to place more fully-credentialed teachers in the classroom.

Cal Grant T—The Administration is proposing the elimination of this program, which provides grants for students enrolled in teacher preparation programs. The current \$10.0 million funding for the Cal Grant T program is being redirected to partially fund additional Cal Grant A and B awards. The Administration believes that the APLE program is more effective than the Cal Grant T program in terms of ensuring that teachers enter and remain in the teaching profession. The existing APLE program grants warrants for 5,500 teachers each year. The Budget increases this program to serve an additional 1,000 teachers, resulting in a future State commitment of \$11.0 million.