GOVERNOR NEWSOM MAKES ADDITIONAL $12 BILLION COMMITMENT TO HIGHER EDUCATION, CALLS FOR 70% OF CALIFORNIA ADULTS TO HAVE A COLLEGE CREDENTIAL

The new budget reflects a historic commitment to affordability via student housing and reinvests significantly in the California Community Colleges, California State University and University of California system

Governor Gavin Newsom proposed a once-in-a-generation $12 billion increase for higher education over his January proposal, with sweeping one-time and ongoing investments in college affordability, strengthening college pathways, improving time to degree and graduation, while also addressing the impacts of the COVID-19 pandemic on students. The investments are focused on helping students that stand to benefit the most from higher education while closing persistent racial equity gaps that have only become worse during the COVID-19 pandemic. The Governor’s May budget proposal is in stark contrast to the budget outlook in January.

The total higher education budget proposed in the Governor’s May Revise stands at $48 billion, up from $36 billion in January. The largest and most significant investment is a one-time $4 billion allocation to establish a low-cost student housing grant program to expand affordable student housing options, tackling head-on the housing crisis amongst California students, a major barrier to college affordability. The Governor also proposes making financial aid for summer courses a permanent offering at the University of California (UC) and California State University (CSU), while maintaining his commitment to the current Cal Grant program.

“This historic investment in student housing will go a long way toward meeting students’ basic needs and freeing up critical resources for college. In partnership with the legislature, the Governor has the opportunity to make college even more affordable by investing in the Cal Grant Equity Framework, which would open the door to state aid for hundreds of thousands of low-income students, particularly in our community colleges, so they are supported in enrolling in and completing college,” said Jessie Ryan, executive vice president of the Campaign for College Opportunity.

At his budget press conference, the Governor announced welcome news that he is committed to setting a college degree attainment goal of 70% of California adults—a policy strategy the Campaign has been calling for since the Governor first announced his candidacy in 2018. In this budget, the Governor articulates his intention to work with the UC and CSU on a multi-year
agreement that could result in additional money to their base funding allocation, closing equity gaps, improving time to degree, reducing cost of attendance, increasing enrollment of California students, improving faculty diversity and better aligning courses with student and workforce needs. To kick off this work, the Governor proposes raising ongoing base funding for UC and CSU to above pre-pandemic levels and backfilling the cuts sustained by the systems in 2020 resulting from COVID-19.

The importance of transforming California’s transfer function and better streamlining pathways to degree is also a centerpiece of the Governor’s May budget proposal. The Governor continues to urge the UC and CSU to use the Associate Degree for Transfer as a vehicle to admit first-time freshmen applicants. The Governor also proposes nearly $200 million for the California Community Colleges (CCC) to acquire new pathway mapping software to guide students toward transfer and degree attainment ($10 million), develop a common course numbering system to eliminate duplicative and confusing course numbering across the 116 campuses ($10 million) and $150 million to support the implementation of Guided Pathways, of which the Associate Degree for Transfer is central.

“We applaud Governor Newsom for keeping his focus on helping all students reach their college dreams. Setting specific degree attainment goals and aligning those with higher education investments to expand capacity, improve transfer, make college affordable and close racial equity gaps will shape California’s future economy. The Governor’s budget, together with a commitment to expand Cal Grant, can ensure California does recover with equity and keeps the college promise for millions of students across the state,” concluded Ryan.

To read the official budget documents produced by the Department of Finance, click here.

Key Higher Education Highlights

Restoring Base Funding

- Fully retire payment deferrals to CCCs
- Provide $302.4 million to the UC and $299 million to the CSU to offset reductions from the previous budget
- Five percent ongoing base General Fund increases to the CSU and the UC beginning in 2021-22

Elevating Racial Equity

- **Closing Equity Gaps at UC, CSU, and CCC:** Calls on public higher education segments to take action to significantly reduce equity gaps, with the goal of fully closing equity gaps
- **$23.8 million** increase to Student Equity and Achievement Program funding
• **$20 million** one-time investment toward implementation of Equal Employment Opportunity Programs (EEOP) best practices across CCCs

**Higher Education Coordination and Goal Setting**

• Sets an **ambitious college attainment goal of 70 percent** degree attainment for adults in California.
• **$150 million** to support Guided Pathways implementation at CCCs
• **$250 million** to fund **regional K-16 collaboratives** to streamline occupational pathways and align higher education with workforce needs
• **$10 million** to create a **common course numbering system** at CCCs
• Establish a dual admissions pathway enabling first-time freshmen applicants to be considered for **guaranteed admission to a UC or CSU campus of their choice upon completion of an Associate Degree for Transfer** or another transfer pathway at a California Community College

**Supporting Students Basic Needs**

• **$4 billion investment in student housing**
• **$30 million** to establish basic needs centers and hire basic needs coordinators at California’s Community Colleges
• **$35 million to expand broadband internet access** to underserved communities
• **$11.6 million** increase in funding to support Dreamer Resource Liaisons and immigrant student services at CCCs

**Increasing Affordable Access to a College Degree**

• **$1 billion** for a one-time grant program to support workers displaced by COVID-19 seeking educational opportunities
• **$115 million one-time** funding to develop and implement zero-textbook-cost programs at CCCs
• Maintains resident undergraduate tuition and fees at current levels for the 2021-22 academic year at the CSU and UC
• Makes **summer financial aid resources available for UC and CSU students** on a permanent, ongoing basis

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**About Campaign for College Opportunity:**
The Campaign for College Opportunity is a California non-profit bipartisan policy and research organization focused on a single mission: to ensure all Californians have an equal opportunity
to attend and succeed in college in order to build a vibrant workforce, economy and democracy. For more information, visit www.CollegeCampaign.org / Facebook.com/CollegeCampaign or follow @CollegeOpp.