



May 14, 2020

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant (2)

Amendment to and Addition of Various Budget Bill Items and Statutory Changes, Support and Local Assistance, Higher Education Departments

On March 4, 2020, the Governor declared a state of emergency to help the state prepare and respond to COVID-19. The impact on the state has resulted in a severe drop in economic activity, with corresponding negative effects on anticipated revenues. As a result of these conditions, all budget change proposals were reevaluated within the context of a workload budget based on the merits of each proposal and ultimately subject to the availability of funding.

As a result, the Administration is withdrawing, without prejudice, specified requests within the Higher Education area that were included in the 2020-21 Governor's Budget. The Administration is also modifying specified requests in this area that were included in the 2020-21 Governor's Budget. Modifications could include either reductions or increases to specific items or programs, or delaying substantial implementation of a new program or activity. Withdrawn requests are included on **Attachment 1 (see rows 1 through 13)**. Additional details on modified requests are listed below and on **Attachment 1 (see rows 14 through 17)**. To the extent there are corresponding Budget Bill language to withdrawn or modified proposals, these are detailed in **Section 1 of Attachment 2**. Although these proposals have substantial merit and may be resubmitted for future consideration, we must pivot to prioritize immediate COVID-19 related needs.

As noted above, pursuant to Budget Letter 20-08, the Department of Finance conducted a thorough assessment of the most critical funding needs within the general framework of workload budget, as defined in Government Code Section 13308.05, and based upon revised expected revenues. This assessment not only resulted in the changes described in the preceding paragraph, but also requires a number of new adjustments and requests that are respectfully submitted and detailed below. Funding detail for these adjustments can be found in **Attachment 1 (see rows 18 through 43)**, and any related Budget Bill or statutory language changes associated with these

adjustments can be found in **Section 2 of Attachment 2**. If necessary, additional information may be included in a Budget Change Proposal or other back-up documentation submitted to the Legislature.

Finally, after conducting a review of all 2020-21 Governor's Budget Proposals, a number of requests are being sustained. Funding detail for these adjustments can be found on **Attachment 1 (see rows 44 through 106)**.

Modified Governor's Budget Proposals:

University of California (UC): Adjustment to Support UC Merced-UCSF Fresno Partnership Branch Medical School Campus—It is requested that Item 6440-001-0001 be decreased by \$13.8 million ongoing to prioritize immediate COVID-19 related needs. **(See row 14 of Attachment 1)**

University of California: Adjustment to Support UC Riverside School of Medicine Operational Costs—It is requested that Item 6440-001-0001 be decreased by \$13.7 million ongoing to prioritize immediate COVID-19 related needs. **(See row 15 of Attachment 1)**

University of California: Adjustment to Develop UC Davis Grant Program for Animal Shelters—It is requested that Item 6440-001-0001 be decreased by \$45 million one-time General Fund to prioritize immediate COVID-19 related needs. It is further requested that statute transmitted with the Governor's Budget be amended to conform to this action. **(See row 16 of Attachment 1 and Section 1 of Attachment 2)**

California Student Aid Commission: Student Loan Debt Service Workgroup and Outreach—It is requested that Item 6980-001-0001 be decreased by \$4.5 million to prioritize immediate COVID-19 related needs. **(See row 17 of Attachment 1)**

New Requests for May Revision:

Scholarshare Investment Board: Statewide Child Savings Account Program—It is requested that statute be adopted to decrease Item 0954-101-0001, Budget Act of 2019, by \$15 million to facilitate budgetary resiliency. **(See Section 2 of Attachment 2)**

California State Library: Reduce Support for the California Library Service Act—It is requested that Item 6120-211-0001 be decreased by \$1,750,000 ongoing to facilitate budgetary resiliency. **(See row 18 of Attachment 1)**

University of California: Language Only: Increase Campus Assessment Supporting UC PATH—It is requested that Provision 3 of Item 6440-005-0001 be amended to increase the UC's authorization to assess campuses to support UC PATH from \$15.3 million to \$46.8 million and to include requiring the UC Office of the President to collaborate with campuses to maximize their use of non-core funds to support the assessment. **(See row 19 of Attachment 1)**

University of California: Adjust Support for Summer Term Financial Aid—It is requested that Item 6440-001-0001 be decreased by \$4 million limited-term General Fund to facilitate budgetary resiliency. **(See row 20 of Attachment 1)**

University of California: Proposition 56 Backfill for Graduate Medical Education—It is requested that Item 6440-001-0001 be increased by \$1,473,000 to reflect declines in Proposition 56 revenues based on updated estimates. This request will maintain the Proposition 56 Graduate Medical Education Program at a total of \$40 million when combined with available Proposition 56 revenues and current General Fund support for the program. **(See row 21 of Attachment 1)**

University of California: Reduce Ongoing Support for UC—It is requested that Item 6440-001-0001 be decreased by \$338,004,000 to facilitate budgetary resiliency, and that provisional language be added to restrict UC from implementing this reduction in a manner that would disproportionately impact on low-income students, students from underrepresented minority groups, and other disadvantaged students. **(See row 23 of Attachment 1)**

University of California: Reduce Ongoing Support for the UC Office of the President, UC PATH, and UC Division of Agriculture and Natural Resources—It is requested that Item 6440-005-0001 be decreased by \$34,388,000 to facilitate budgetary resiliency. **(See row 24 of Attachment 1)**

University of California: Adjustment to Reflect Proposition 99 Resources—It is requested that Item 6440-001-0234 be decreased by \$708,000 to reflect updated revenue estimates. **(See row 25 of Attachment 1)**

University of California: Adjustment to Reflect Breast Cancer Research Fund Estimates—It is requested that Item 6440-001-0007 be decreased by \$248,000 to reflect updated revenue estimates. **(See row 26 of Attachment 1)**

University of California: Adjustment to Reflect Breast Cancer Research Fund Estimates—It is requested that statute be adopted to decrease Item 6440-001-0007, Budget Act of 2019, by \$195,000 to reflect updated revenue estimates. **(See Section 1 of Attachment 2)**

University of California: Adjustment to Develop UC Subject Matter Project to Address Learning Loss in Mathematics, Science, and English/Language Arts—It is requested that Item 6440-062-0890 be added in the amount of \$6 million federal funds to support the development of a UC subject matter project to address learning loss in mathematics, science, and English/language arts. **(See row 27 of Attachment 1 and Section 2 of Attachment 2)**

Hastings College of the Law: Reduce Ongoing Support for Hastings—It is requested that Item 6600-001-0001 be decreased by \$1,523,000 ongoing to facilitate budgetary resiliency. **(See row 28 of Attachment 1)**

California State University (CSU): Reduce Ongoing Support for the CSU—It is requested that Item 6610-001-0001 be decreased by \$398,086,000 to facilitate budgetary resiliency, and provisional language be added to restrict the CSU from implementing this reduction in a manner that would disproportionately impact on low-income students, students from underrepresented minority groups, and other disadvantaged students. **(See row 29 of Attachment 1)**

California State University: Reduce Support for Summer Term Financial Aid—It is requested that Item 6610-001-0001 be decreased by \$6 million limited-term General Fund to facilitate budgetary resiliency. **(See row 30 of Attachment 1)**

California Student Aid Commission: National Voter Registration Act Mandates—It is requested that Item 6980-001-0001 be decreased by \$145,000 to reflect revised estimates of costs to support the National Voter Registration Act Mandates. **(See row 34 of Attachment 1)**

California Student Aid Commission: Adjustment for Revised Cal Grant Costs for Non-Profit Private Institutions—It is requested that Item 6980-101-0001 be decreased by \$8,873,000 to reflect the reduction of the maximum Cal Grant award for private nonprofit institutions from \$9,084 to \$8,056. Current law specifies the application of this adjustment because required students' with associate's degree for transfer admittance levels were not met. **(See row 33 of Attachment 1)**

California Student Aid Commission: Golden State Teacher Grant Program—It is requested that statute be adopted to decrease Item 6980-101-0001, Budget Act of 2019, by \$88,404,000 to facilitate budgetary resiliency. **(See Section 2 of Attachment 2)**

California Student Aid Commission: Offset Cal Grant Costs with Student Loan Operating Fund Revenue—It is requested that Item 6980-101-0784 be added in the amount of \$100,000 and Item 6980-101-0001 be reduced by \$100,000 to reflect a one-time increase in Student Loan Operating Funds revenue that is available to offset the program's General Fund costs. **(See row 31 and 32 of Attachment 1)**

California Student Aid Commission: Child Savings Account Grant Program—It is requested that statute be adopted to decrease Item 6980-103-0001, Budget Act of 2019, by \$15 million to facilitate budgetary resiliency. **(See Section 2 of Attachment 2)**

California Student Aid Commission: Cal Grant Supplement for Students with Dependent Children—It is requested that Item 6980-101-0001 be decreased by \$14,974,000 to reflect revised estimates of costs for the Supplement for Students with Dependent Children. Compared to the Governor's Budget, there are decreased costs of \$20,642,000 in fiscal year 2019-20 to account for an estimated decrease in recipients. **(See row 40 of Attachment 1)**

California Student Aid Commission: Adjustment for Middle Class Scholarship Costs—It is requested that Item 6980-101-0001 be increased by \$6,752,000 to reflect changes consistent with revised estimates of costs of the Middle Class Scholarship Program. Compared to the Governor's Budget, there are increased costs of \$6,752,000 in 2019-20

to account for an estimated increase in new recipients. It is also requested that proposed statute transmitted with the Governor's Budget be amended to reflect the revised cost estimates. **(See row 39 of Attachment 1 and Section 2 of Attachment 2)**

California Student Aid Commission: Adjustment for Revised John. R. Justice Grant Program (JRGJ) Costs—It is requested that Item 6980-101-0001 be amended by increasing reimbursements by \$16,000 to reflect changes consistent with revised estimates of costs of the JRGJ Program. Compared to the Governor's Budget, there are increased costs for the program of \$4,000 in 2019-20. **(See row 38 of Attachment 1)**

California Student Aid Commission: Adjustment for Revised Assumption Program of Loans for Education Program (APLE) Costs—It is requested that Item 6980-101-0001 be decreased by \$42,000 to reflect changes consistent with revised estimates of costs of the APLE. Compared to the Governor's Budget, there are decreased costs of \$1,000 in 2019-20. **(See row 36 of Attachment 1)**

California Student Aid Commission: Adjustment for Revised State Nursing Assumption Program of Loans for Education Program (SNAPLE) Costs—It is requested that Item 6980-101-0001 be decreased by \$11,000 to reflect changes consistent with revised estimates of costs of the SNAPLE. **(See row 37 of Attachment 1)**

California Student Aid Commission: Adjustment for Revised Cal Grant Costs—It is requested that Item 6980-101-0001 be decreased by \$348,000 General Fund and reimbursements be decreased by \$600 million to reflect revised Cal Grant program estimates and available Temporary Assistance for Needy Families (TANF) resources as follows:

- A decrease of \$348,000 in 2020-21 to reflect revised Cal Grant program estimates.
- A decrease of \$600 million General Fund in 2020-21 to reflect a decrease in available TANF resources.

Compared to the Governor's Budget, there are increased costs of \$11,803,000 in 2019-20 to account for an estimated increase in new recipients. **(See row 35 and 42 of Attachment 1)**

California Student Aid Commission: Revise Available College Access Tax Credit Funding—It is requested that Item 6980-101-3263 be decreased by \$4,194,000 to reflect reduced College Access Tax Credit Funding revenue funds. **(See row 41 of Attachment 1)**

California Student Aid Commission: Golden State Teacher Grant Program—It is requested that Item 6980-101-0001 be amended by increasing reimbursements \$15 million to reflect the availability of one-time federal Special Education state level activities funding to support grants to special education teachers through the Golden State Teacher Grant Program. It is also requested that statutory changes transmitted with the Governor's Budget be modified to conform to this action. **(See Section 2 of Attachment 2)**

Use of Restricted Funds Balances Proposed Statutory Amendments: The Administration proposes statute to enable the UC, CSU, and California Community Colleges (CCCs) to use restricted fund balances, except lottery balances, to address COVID-19 related impacts and the loss of revenue from university enterprise functions. Additionally, the Administration proposes statute to authorize the UC to temporarily use the savings from the refinancing of specified debt to address COVID-19 related impacts and the loss of revenue from university enterprise functions. Coupled with these flexibilities, the proposed statute would require the CSU and the CCCs, and explicitly authorize the UC, to use any restricted fund balances to first mitigate the impacts to programs and services that predominantly support underrepresented student access to, and success at, a college or university, and to expand the number of students annually served in online courses and programs. **(See Section 2 of Attachment 2)**

If you have any questions or need additional information regarding this matter, please contact the appropriate Principal Program Budget Analyst for that subject matter area.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Cyndi Hillery, Budget Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
Gabriel Petek, Legislative Analyst (4)
Christopher W. Woods, Senate President pro Tempore's Office (2)
Jason Sisney, Assembly Speaker's Office (2)
Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Alex Khan, Chief Consultant, Assembly Republican Leader's Office
Greg Lucas, State Librarian, California State Library
Elizabeth Vierra, Administrative Services Bureau Chief, California State Library
Kevin Driskill, Fiscal Officer, Administrative Services Bureau, California State Library
Paul Jenny, Interim Executive Vice President and Chief Financial Officer, University of
California Office of the President
Kieran Flaherty, Deputy to the Chief Financial Officer, University of California Office of the
President
David Alcocer, Interim Associate Vice President, Budget Analysis and Planning, University of
California Office of the President
David Seward, Chief Financial Officer, Hastings College of the Law
Carol Cole, Budget Officer, Hastings College of the Law
Ryan Storm, Assistant Vice Chancellor for Budget, California State University
Kara Perkins, Executive Budget Director, California State University
Daisy Gonzales, Deputy Chancellor, California Community Colleges Chancellor's Office
Lizette Navarette, Vice Chancellor, California Community Colleges Chancellor's Office
Virginia Jo Dunlap, Chief Deputy Director and Chief Legal Officer, California Student Aid
Commission
Lilly Myers, Deputy Director, Administration, California Student Aid Commission.
Fiona Ma, California State Treasurer, State Treasurer's Office
Genevieve Jopanda, Chief of Staff, State Treasurer's Office
Becky Grajski, Director of Administration, State Treasurer's Office
Karma Manni, Manager Budget, State Treasurer's Office

GB Withdrawn Issues												
Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant	
1	6120	California State Library	Lunch at the Library	-1,000,000	--	--	Yes	No	MM	AL	JP	
2	6120	California State Library	Online Service Systems (Zip Books)	-1,000,000	--	--	Yes	No	MM	AL	JP	
3	6120	California State Library	Director of Legislative Affairs	-132,000	--	-1.0	Yes	No	MM	AL	JP	
4	6440	University of California	Adjustment to Support University Costs	-169,202,000	--	--	Yes	No	MM	AL	JP	
5	6440	University of California	Adjustment to Support UC Division of Agriculture and Natural Resources Costs	-3,630,000	--	--	Yes	No	MM	AL	JP	
6	6440	University of California	Adjustment to Support the UC San Diego Center for Public Preparedness Multi-Campus Research Initiative	-3,000,000	--	--	Yes	No	MM	AL	JP	
7	6440	University of California	Adjustment to Support Degree Completion Efforts Through University Extension Centers	-4,000,000	--	--	Yes	No	MM	AL	JP	
8	6440	University of California	Adjustment to Develop UC Subject Matter Project in Computer Science	-1,340,000	--	--	Yes	Yes	MM	AL	JP	
9	6600	Hastings College of the Law	Adjustment to Support Hastings Costs	-1389000	--	--	Yes	No	MM	AL	JP	
10	6610	California State University	Adjustment to Support University Costs	-199,043,000	--	--	Yes	No	MM	AL	JP	
11	6610	California State University	Augmentation to Support Degree Completion Through University Extension Centers	-6,000,000	--	--	Yes	No	MM	AL	JP	
12	6980	California Student Aid Commission	Leased Space for CSAC Headquarters	-1,846,000	--	--	Yes	No	MM	AL	JP	
13	6980	California Student Aid Commission	Golden State Teacher Grant Program Administration	--	--	-4.0	Yes	No	MM	AL	JP	
Totals, GB Withdrawn Issues				-391,582,000	0	-5.0						

GB Modify Issues												
Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant	
14	6440	University of California	Adjustment to Support UC Merced-UCSF Fresno Partnership Branch Medical School Campus	-13,800,000	--	--	Yes	No	MM	AL	JP	
15	6440	University of California	Adjustment to Support UC Riverside School of Medicine Operational Costs	-13,700,000	--	--	Yes	No	MM	AL	JP	

16	6440	University of California	Adjustment to Develop UC Davis Grant Program for Animal Shelters	-45,000,000	--	--	Yes	Yes	MM	AL	JP
17	6980	California Student Aid Commission	Student Loan Debt Service Workgroup and Outreach	-4,500,000	--	--	Yes	No	MM	AL	JP
Totals, GB Modify Issues				591,377,000	-604,178,000	0					

New MR BCP Issues

Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant
18	6120	California State Library	Reduce California Library Services Act Augmentation	-1,750,000	--	--	Yes	No	MM	AL	JP
19	6440	University of California	Language Only: Increase Campus Assessment Supporting UC Path	0	--	--	Yes	No	MM	AL	JP
20	6440	University of California	Adjust Support for Summer Term Financial Aid	-4,000,000	--	--	Yes	No	MM	AL	JP
21	6440	University of California	Proposition 56 Backfill for Graduate Medical Education	1,473,000	-1,473,000	--	Yes	No	MM	AL	JP
22	6440	University of California	Adjustment to Reflect Available Resources in the Medical Research Program Account	--	-587,000	--	No	No	MM	AL	JP
23	6440	University of California	Reduce Ongoing Support for the University of California	-338,004,000	--	--	Yes	No	MM	AL	JP
24	6440	University of California	Reduce Ongoing Support for the University of California Office of the President, UC PATH, and UC Division of Agriculture and Natural Resources	-34,388,000	--	--	Yes	No	MM	AL	JP
25	6440	University of California	Adjustment to Reflect Proposition 99 Resources	--	-708,000	--	Yes	No	MM	AL	JP
26	6440	University of California	Adjustment to Reflect Breast Cancer Research Fund Estimates	--	-248,000	--	Yes	Yes	MM	AL	JP
27	6440	University of California	Adjustment to Develop UC Subject Matter Project to Address Learning Loss in Mathematics, Science, and English/Language Arts		6,000,000	--	Yes	No	MM	AL	JP
28	6600	Hastings College of the Law	Reduce Ongoing Support for Hastings	-1,523,000	--	--	Yes	No	MM	AL	JP
29	6610	California State University	Reduce Ongoing Support for the CSU	-398,086,000	--	--	Yes	No	MM	AL	JP
30	6610	California State University	Reduce Support for Summer Term Financial Aid	-6,000,000	--	--	Yes	No	MM	AL	JP
31	6980	California Student Aid Commission	Offset Cal Grant Costs with Student Loan Operating Fund Revenues	-100,000	--	--	Yes	No	MM	AL	JP
32	6980	California Student Aid Commission	Offset Cal Grant Costs with Student Loan Operating Fund Revenue	--	100,000	--	Yes	No	MM	AL	JP
33	6980	California Student Aid Commission	Adjustment for Revised Cal Grant Costs for Non-profit Private Institutions	-8,873,000	--	--	--	--	MM	AL	JP

34	6980	California Student Aid Commission	National Voter Registration Act Mandates	-145,000	--	--	Yes	No	MM	AL	JP
35	6980	California Student Aid Commission	Adjustment for Revised Cal Grant Costs	-348,000	--	--	Yes	No	MM	AL	JP
36	6980	California Student Aid Commission	Adjustment for Revised APLE Costs	-42,000	--	--	Yes	No	MM	AL	JP
37	6980	California Student Aid Commission	Adjustment for Revised SNAPLE Costs	-11,000	--	--	Yes	No	MM	AL	JP
38	6980	California Student Aid Commission	Adjustment for JRJG Costs	--	16,000	--	Yes	No	MM	AL	JP
39	6980	California Student Aid Commission	Adjustment for Middle Class Scholarship Costs	6,752,000	--	--	Yes	No	MM	AL	JP
40	6980	California Student Aid Commission	Cal Grant Supplement for Students with Dependent Children	-14,974,000	--	--	No	No	MM	AL	JP
41	6980	California Student Aid Commission	Revise Available College Access Tax Credit Funding	--	-4,194,000	--	No	No	MM	AL	JP
42	6980	California Student Aid Commission	Baseline Adjustment (TANF)	600,000,000	-600,000,000	--	No	No	MM	AL	JP
43	6980	California Student Aid Commission	Golden State Teacher Grant Program Reimbursements	--	15,000,000	--	--	--	MM	AL	JP
Totals, New MR BCP Issues				-200,019,000	-586,094,000	0					

GB Sustained

Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant
44	0954	Scholarshare Investment Board	Shift in Funding Source for Existing Analyst Position	-153,000	153,000	0.0	Yes	No	GM	JS	JP
45	0954	Scholarshare Investment Board	Section 3.60 Pension Contribution Adjustment	1,000	12,000	--	No	No	GM	JS	JP
46	0954	Scholarshare Investment Board	Allocation for Employee Compensation	3,000	23,000	--	No	No	GM	JS	JP
47	0954	Scholarshare Investment Board	Allocation for Staff Benefits	1,000	12,000	--	No	No	GM	JS	JP
48	0954	Scholarshare Investment Board	Allocation for Other Post-Employment Benefits	1,000	7,000	--	No	No	GM	JS	JP
49	0954	Scholarshare Investment Board	Increased Overhead Costs for Legislative Unit Staffing	--	6,000	--	--	--	GM	JS	JP
50	0989	California Educational Facilities Authority	Section 3.60 Pension Contribution Adjustment	--	6,000	--	No	No	GM	JS	JP
51	0989	California Educational Facilities Authority	Allocation for Employee Compensation	--	12,000	--	No	No	GM	JS	JP
52	0989	California Educational Facilities Authority	Allocation for Staff Benefits	--	6,000	--	No	No	GM	JS	JP

53	0989	California Educational Facilities Authority	Allocation for Other Post-Employment Benefits	--	4,000	--	No	No	GM	JS	JP
54	0989	California Educational Facilities Authority	Increased Overhead Costs for Legislative Unit Staffing	--	3,000	--	No	Yes	GM	JS	JP
55	6120	California State Library	Statewide Library Broadband Services Augmentation	170,000	--	--	No	No	MM	AL	JP
56	6120	California State Library	Section 3.60 Pension Contribution Adjustment	114,000	53,000	--	No	No	MM	AL	JP
57	6120	California State Library	Allocation for Employee Compensation	239,000	109,000	--	No	No	MM	AL	JP
58	6120	California State Library	Allocation for Staff Benefits	125,000	59,000	--	No	No	MM	AL	JP
59	6120	California State Library	Allocation for Other Post-Employment Benefits	74,000	37,000	--	No	No	MM	AL	JP
60	6120	California State Library	Funding for the Braille Institute of America in Los Angeles	500,000	--	--	No	No	MM	AL	JP
61	6120	California State Library	Lease Revenue Debt Service Adjustment	-2,469,000	--	--	No	No	MM	AL	JP
62	6120	California State Library	Central Service Agency Adjustment	-73,000	73,000	--	No	No	MM	AL	JP
63	6120	California State Library	Remove Administration/Distributed Administration Display	0	0	0.0	Yes	No	MM	AL	JP
64	6120	California State Library	SWCAP Apportionment	--	-3,000	--	No	No	MM	AL	JP
65	6120	California State Library	Budget Position Transparency	--	-534,000	-3.1	No	No	MM	AL	JP
66	6120	California State Library	Expenditure by Category Redistribution	--	534,000	--	No	No	MM	AL	JP
67	6440	University of California	Adjustment to Past Year Expenditures and Positions	--	--	854.3	No	No	MM	AL	JP
68	6440	University of California	Proposition 56 Backfill for Graduate Medical Education	2,257,000	-1,579,000	--	Yes	No	MM	AL	JP
69	6440	University of California	Reappropriation of Unexpended Funds from the Breast Cancer Research Account	--	7,422,000	--	Yes	No	MM	AL	JP
70	6440	University of California	Adjustment to Reflect Available Resources in the Medical Research Program Account	--	34,416,000	--	No	No	MM	AL	JP
71	6440	University of California	Adjustment to Reflect Revised Federal Funds Estimates	--	184,000,000	--	No	No	MM	AL	JP
72	6440	University of California	Adjustment to Reflect Revised University Funds Estimates	--	3,391,310,000	--	No	No	MM	AL	JP
73	6440	University of California	Adjustment to Reflect California State Lottery Education Fund Estimates	--	108,000	--	No	No	MM	AL	JP
74	6440	University of California	Adjustment to Reflect Proposition 99 Resources	--	-2,493,000	--	No	No	MM	AL	JP

75	6440	University of California	Adjustment to Reflect Breast Cancer Research Fund Estimates	--	-3,251,000	--	No	No	MM	AL	JP
76	6600	Hastings College of the Law	Lease Revenue Debt Service Adjustment	3,452,000	--	--	Yes	No	MM	AL	JP
77	6600	Hastings College of the Law	Adjustment to Reflect Revised California State Lottery Education Fund Estimates	--	1,000	--	No	No	MM	AL	JP
78	6600	Hastings College of the Law	Adjustment to Reflect Revised University Funds Estimates	--	-6,877,000	5.6	No	No	MM	AL	JP
79	6610	California State University	Section 3.60 Pension Contribution Adjustment	39,297,000	--	--	No	No	MM	AL	JP
80	6610	California State University	Adjustment to Reflect Employee Compensation Increases at the Center for California Studies	0	--	--	No	No	MM	AL	JP
81	6610	California State University	Adjustments to California State University Trust Fund and Federal Funds	--	57,923,000	-1,227.0	No	No	MM	AL	JP
82	6610	California State University	Adjustment to Expenditure by Category	0	--	2,079.0	No	No	MM	AL	JP
83	6610	California State University	Reappropriation for California State University	--	0	--	Yes	No	MM	AL	JP
84	6610	California State University	Technical Adjustments to Align with 7A	0	--	-0.3	No	No	MM	AL	JP
85	6980	California Student Aid Commission	Section 3.60 Pension Contribution Adjustment	157,000	--	--	Yes	No	MM	AL	JP
86	6980	California Student Aid Commission	Adjustment for Chafee Grant Administration Pursuant to Chapter 594, Statutes of 2018	--	0	--	No	No	MM	AL	JP
87	6980	California Student Aid Commission	Dreamer Service Incentive Grant Program	-1,206,000	--	3.0	Yes	No	MM	AL	JP
88	6980	California Student Aid Commission	Child Savings Account Grant Program Administration	0	--	2.0	Yes	No	MM	AL	JP
89	6980	California Student Aid Commission	Grant Delivery System Modernization	5,282,000	--	--	Yes	No	MM	AL	JP
90	6980	California Student Aid Commission	National Voter Registration Act Mandates	479,000	--	6.0	Yes	No	MM	AL	JP
91	6980	California Student Aid Commission	Allocation for Employee Compensation	325,000	--	--	No	No	MM	AL	JP
92	6980	California Student Aid Commission	Allocation for Staff Benefits	164,000	--	--	No	No	MM	AL	JP
93	6980	California Student Aid Commission	Allocation for Other Post-Employment Benefits	105,000	--	--	No	No	MM	AL	JP
94	6980	California Student Aid Commission	Cal Grant Supplement for Students with Dependent Children	21,618,000	--	--	No	Yes	MM	AL	JP
95	6980	California Student Aid Commission	Adjustment for Revised Cal Grant Costs	-62,990,000	--	--	No	Yes	MM	AL	JP
96	6980	California Student Aid Commission	Adjustment for Revised Chafee Costs	--	-149,000	--	No	No	MM	AL	JP

97	6980	California Student Aid Commission	Adjustment for Revised APLE Costs	-594,000	--	--	No	No	MM	AL	JP
98	6980	California Student Aid Commission	Adjustment for Revised SNAPLE Costs	-9,000	--	--	No	No	MM	AL	JP
99	6980	California Student Aid Commission	Adjustment for Revised LEPD Costs	-57,000	--	--	Yes	Yes	MM	AL	JP
100	6980	California Student Aid Commission	Adjustment for Middle Class Scholarship Costs	-6,752,000	--	--	No	Yes	MM	AL	JP
101	6980	California Student Aid Commission	Adjustment for CA Military Department GI Bill Award	--	-118,000	--	No	No	MM	AL	JP
102	6980	California Student Aid Commission	Adjustment for JRJG Costs	--	-14,000	--	Yes	Yes	MM	AL	JP
103	6980	California Student Aid Commission	Revise Available College Access Tax Credit Funding	--	-655,000	--	No	No	MM	AL	JP
104	6980	California Student Aid Commission	Baseline Adjustment (TANF)	60,090,000	-60,090,000	--	Yes	No	MM	AL	JP
105	6980	California Student Aid Commission	Budget Position Transparency	-234,000	--	-4.6	No	No	MM	AL	JP
106	6980	California Student Aid Commission	Expenditure by Category Redistribution	234,000	--	--	No	No	MM	AL	JP
			Totals, GB Sustain Issues	60,151,000	3,600,526,000	1,715					

Section 1

Provisional and changes for withdrawn and modified Governor's Budget proposals:

1. *University of California: UC Extension Degree and Certificate Completion Programs (see Row 7 of Attachment 1).* To effectuate the reduction of this proposal, the following Budget Bill language amendment is necessary:

It is requested that subdivision (a) of Provision 14 of Item 6440-001-0001 be eliminated.

2. *University of California: UC Merced-UCSF Partnership for a Branch Medical School Campus (see Row 14 of Attachment 1).* To effectuate the reduction of this proposal, the following Budget Bill language amendment is necessary:

It is requested that Provision 11 of Item 6440-001-0001 be amended to read:

"11. Of the funds appropriated in this item, ~~\$15,000,000~~ \$1,200,000 shall be available to support operational costs and expanded services provided by the University of California San Francisco School of Medicine Fresno Branch Campus, in partnership with the University of California Merced. These funds shall be used to supplement and not supplant existing funds provided by the University of California for the University of California San Francisco School Of Medicine Fresno Branch Campus."

3. *University of California: UC Riverside School of Medicine Operational Costs (see Row 15 of Attachment 1).* To effectuate the reduction of this proposal, the following Budget Bill language amendment is necessary:

It is requested that Provision 10 of Item 6440-001-0001 is amended to read:

"10. Of the funds appropriated in this item, ~~\$25,000,000~~ \$11,300,000 shall be available to support ~~expanded enrollment and~~ operational costs for the University of California Riverside School of Medicine. ~~These funds shall be used to supplement and not supplant existing funds provided by the University of California for the University of California Riverside School of Medicine.~~"

4. *University of California: UC Davis Grant Program for Animal Shelters (see Row 16 of Attachment 1).* To effectuate the reduction of this proposal, the following Budget Bill language amendment is necessary:

It is requested that subdivision (b) of Provision 14 of Item 6440-001-0001 be amended to read:

"Of the funds appropriated in this item, ~~\$50,000,000~~ \$5,000,000 shall be available for the University of California Davis Koret Shelter Medicine Program to develop a

grant program for animal shelters, pursuant to pending legislation. It is the intent of the Legislature that these funds be directly allocated by the University of California to the University of California Davis Koret Shelter Medicine Program. ~~The University of California and the University of California Davis campus shall not assess administrative costs or charges against these funds.~~ These funds shall be available for encumbrance or expenditure until June 30, 2025."

It is further requested that statute transmitted with the Governors Budget be amended as follows:

Section 92657 of the Education Code is added to read:

"92657. The Legislature finds and declares all of the following:

(a) In 1998, the State of California enacted Senate Bill 1785 (Chapter 752 of the Statutes of 1998) to create new minimum standards for California animal shelters and establish the state's policy that no adoptable or treatable animal should be euthanized.

(b) Since 1998, many California communities have made meaningful strides to reduce the deaths of homeless animals. Public and private sources have funded more low-cost programs for dog and cat spaying and neutering. Animal shelters have sought to modernize their facilities and practices to keep animals healthier during their time at the shelter. Public education campaigns have promoted the importance of adopting pets, and a growing number of private rescue groups have been formed, increasing the degree to which they assist shelters in finding new homes for animals.

(c) Although the number of deaths in California's animal shelters fell from more than 500,000 in 1998 to an estimated 180,000 in 2018, the state's longstanding policy goal has not yet been achieved in every community.

(d) The University of California houses the nation's premier animal sheltering research, service, and teaching program. The shelter medicine program at the University of California, Davis promotes a welfare-centric, life-saving approach to the management of animals in shelters, focused on prevention and grounded in science. The program has been working with shelters across California since its inception, providing advice covering facility design, shelter management, animal husbandry, and myriad veterinary health issues that are unique to sheltering environments.

(e) With an intentional focus on and partnership with communities around California, the state will be well positioned to achieve the state's policy goal that no adoptable or treatable animal should be euthanized."

Section 92657 of the Education Code is added to read:

92658. (a) It is the intent of the Legislature that a ~~five-year program~~ one-time demonstration program, which shall be known as the Animal Shelter Assistance Program, be established to support the state's policy goal that no adoptable or treatable animal is euthanized, and that the program be administered by the University of California pursuant to all of the following principles:

(1) The program shall provide support to all California animal shelters in the form of outreach, regional conferences, and provision of web-based resources based on current best practices.

(2) The program shall offer in-person assessments and in-depth online training to California city, county, or city and county animal control agencies or shelters, societies for the prevention of cruelty to animals, and humane societies, upon request and as feasible.

(3) As a supplement to its outreach and programmatic support, the program shall administer a grant program to aid implementation of best practices in California animal shelters. All funds shall be awarded on the basis of need as determined by an open, competitive process that ensures objectivity, fairness, and sustainability. All California city, county, or city and county animal control agencies or shelters, societies for the prevention of cruelty to animals, and humane societies shall have access and opportunity to voluntarily compete for the funds. The program shall do both of the following:

(A) Develop criteria, procedures, and accountability measures as may be necessary to implement the grant program.

(B) Administer the grant program to ensure that priority is given to underserved populations, including both urban and rural areas and low income communities, where achievement of the state's goal that no adoptable or treatable animal is euthanized has not yet been met.

(4) For purposes of this section, a society for the prevention of cruelty to animals or a humane society shall be a California corporation, duly incorporated in the State of California, in active status, as described on the business search page of the Secretary of State's internet website, and

exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code.

(5) For purposes of this section, the program is encouraged to prioritize assistance for California city, county, or city and county animal control agencies or shelters, societies for the prevention of cruelty to animals, and humane societies that are current on relevant data reporting required under law, and that offer the greatest likely return on one-time investment of state funds.

(b) In designing and promoting the services outlined in subdivision (a), the program shall seek input from relevant stakeholders to ensure that program services and grants effectively reach a wide geography throughout the state, and that regions in northern, central, and southern California, including both urban and rural areas, are adequately considered, with an emphasis on addressing the lifesaving needs within these regions.

(c) The program may give additional consideration to working with communities that do any of the following:

(1) Seek to maximize the number of animals whose lives can be saved.

(2) Demonstrate partnerships among public, private, corporate, or nonprofit entities.

(3) Emphasize volunteer engagement and community outreach components for purposes of increasing the sustainability of the program's investments.

(d) It is further the intent of the Legislature that, on or before March 31, 2022, ~~and every two years thereafter until March 31, 2028~~, the University of California shall report to the Department of Finance and relevant policy and fiscal committees of the Legislature, programmatic and financial information on the preceding two calendar years of the program, including information on the grants made, pending grants, program accomplishments, and the future direction of the program. These reports shall be submitted in compliance with Section 9795 of the Government Code.

(e) Subject to the conditions and requirements established elsewhere in statute, the State Department of Public Health and the Department of Food and Agriculture shall provide to the program, upon proper request, data that will help ensure effective administration of the program.

(f) Toward these ends, the Legislature requests the Regents of the University of California to establish the Animal Shelter Assistance Program and direct the University of California, Davis Koret Shelter Medicine Program to administer the program pursuant to, and consistent with, the principles and goals stated in this article.

5. *University of California: UC Path Assessment (see Row 25 of Attachment 1)*. To effectuate the reduction of this proposal, the following Budget Bill language are necessary:

It is requested that Provision 3 of Item 6440-005-0001 be amended to read:

"The funds appropriated in this item may be encumbered only if the President of the University of California certifies, in writing, to the Director of Finance that there will be no campus assessment for support of that office for the 2020–21 fiscal year, except to supplement funds appropriated in subdivision (b) of Provision 2. This supplemental assessment shall not exceed ~~\$15,300,000~~ \$46,540,000. If additional funds are required, the University of California may request this supplemental assessment be increased, contingent upon approval by the Director of Finance, who shall notify the Joint Legislative Budget Committee. The University of California campuses may only use state General Fund moneys to support the portion of the supplemental assessment that supports UC Path costs associated with state-funded operations."

6. *University of California: Reduce Support for Summer Term Financial Aid (see Row 21 of Attachment 1)*. To effectuate the withdrawal of this proposal, the following Budget Bill language changes are necessary:

It is requested that Provision 8 of Item 6440-001-0001 be eliminated.

7. *California State University: Reduce Support for Summer Term Financial Aid (see Row 31 of Attachment 1)*. To effectuate the withdrawal of this proposal, the following Budget Bill language changes are necessary:

It is requested that Provision 1.35 of Item 6610-001-0001 be eliminated.

8. *California Student Aid Commission: Student Loan Debt Workgroup (see Row 17 of Attachment 1)*. To effectuate the reduction of this proposal, the following Budget Bill language changes are necessary:

It is requested that Provision 1 of Item 6980-001-0001 be amended to read:

"1. Of the funds appropriated in this item, ~~\$5,000,000~~ \$500,000 shall be available on a one-time basis to support the convening of a student loan working group

~~and to support grants to colleges to notify prospective, current, and former federal student loan borrowers of their available loan repayment and debt forgiveness options.~~

(a)(1) Of the funds allocated pursuant to this provision, \$500,000 shall be available for the California Student Aid Commission, in consultation with the Department of Finance, to establish and support the California Student Loan and Debt Service Review Workgroup.

(2) The Workgroup shall research implementable strategies and concepts that are focused on better ensuring prospective, current, and former student loan borrowers are able to access the most financially beneficial loan programs, most affordable repayment plans, and any available debt service forgiveness programs.

(3) The Executive Director of the California Student Aid Commission, in consultation with the Department of Finance, shall designate a representative to lead the Workgroup's efforts. The Workgroup shall consist of the Workgroup's designated lead, two members of the public, and one member from each of the following: the California Student Aid Commission, the Department of Finance, the Department of Social Services, the Employment Development Department, the Franchise Tax Board, and one member of the Scholarshare Investment Board (through the Treasurer's Office). The two members of the public shall be determined by the California Student Aid Commission, in consultation with the Department of Finance.

(4) The Workgroup shall submit a report describing its findings to the Department of Finance and the Legislature no later than September 1, 2021. The report submitted to the Legislature pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

~~(b) Of the funds allocated pursuant to this provision, up to \$375,000 shall be available for the California Student Aid Commission to:~~

~~(1) Contract with a nonprofit agency to develop and operate an informational website that reflects relevant information regarding borrowing, repayment options such as income-based repayment, deferral options, predatory lending, how to read a financial aid letter, how to compare aid packages, and resources such as student loan counseling, student loan debt repayment workshops, and information from organizations or state or federal agencies that provide support services for student borrowers.~~

~~(2) Update existing, or develop new, training curriculum and materials that can be used by high school counselors, financial aid administrators, and California~~

~~Student Opportunity and Access Program consortia to provide information regarding student loans to students who may be considering borrowing as a way to finance their higher education.~~

~~(3) Develop materials to inform students who file a Free Application for Federal Student Aid or a California Dream Act Application for the intended purpose of attending a California higher education institution about student loans, responsible borrowing practices, repayment options, and information on how to access resources available on the Student Aid Commission's website and the nonprofit agency's website, once developed and operational.~~

~~(4) Develop a student loan awareness partnership network to expand the availability of student loan information to current borrowers and prospective borrowers.~~

~~(c) Of the funds allocated pursuant to this provision, the remaining balance after accounting for the allocations pursuant to subdivisions (a) and (b) shall be available to provide grants to the state's public colleges and universities to notify current and former state and federal student loan borrowers of all available state and federal loan repayment options and direct borrowers to the California Student Aid Commission's informational website and the non-profit agency's website, once developed and operational. Priority for available grant funding shall be to colleges and universities that have either a significant proportion of its student body using federal student loans to finance their education, or that have a significant number of federal student loan borrowers."~~

9. *California Student Aid Commission*: Revise Available College Access Tax Credit Funding (**see Row 42 of Attachment 1**). To effectuate the reduction of this proposal, the following Budget Bill language changes are necessary:

It is requested that Provision 1 of Item 6980-101-3263 is amended to read:

"The funds appropriated in this item shall be used to make a supplemental award of up to ~~\$24~~ \$12 to any student who receives a Cal Grant B Access Award in the 2020–21 award year."

Section 2

Provisional and statutory changes for new May Revision Budget Change Proposals:

1. *Scholarshare Investment Board: Children's Savings Account Program.* Decrease Item 0954-101-0001, Budget Act of 2019 by \$15 million.
2. *University of California: Reduce Ongoing Support for the University of California (see Row 24 of Attachment 1).* To effectuate the proposed ten-percent reduction in ongoing support, the following Budget Bill language change is necessary:

It is requested that Provision 15 be added to Item 6440-001-0001:

15. It is the intent of the Legislature that the 10 percent reduction in the University of California's ongoing support not have a disproportionate impact on low-income students, students from underrepresented minority groups, and other disadvantaged students. The University of California shall not implement associated budget adjustments in a manner that disproportionately impacts the enrollment of, and services provided to, such students.

3. *University of California: Reduce Ongoing Support for the University of California Office of the President, UC PATH, and the UC Division of Agriculture and Natural Resources (see Row 25 of Attachment 1).* To effectuate the proposed 10 percent reduction in ongoing support, the following Budget Bill language change is necessary:

It is requested that Provision 2 of Item 6440-005-0001 be amended to read:

"2. Of the funds appropriated in this item:

(a) ~~\$215,249,000~~ \$193,724,000 shall be for the Office of the President of the University of California.

(b) ~~\$52,400,000~~ \$47,160,000 shall be for UC Path.

(c) ~~\$76,230,000~~ \$68,607,000 shall be for the UC Agriculture and Natural Resources division. These funds shall be used to supplement and not supplant other existing funds provided to the UC Agriculture and Natural Resources division by the University of California."

4. *University of California: Increase the University of California's authorization to assess campuses to support UC PATH from \$15.3 million to \$46.8 million and to include requiring the UC Office of the President to collaborate with campuses to maximize their use of non-core funds to support the assessment (see Row 20 of*

Attachment 1). To effectuate the proposed increase in authority to assess campuses to support UC PATH, the following Budget Bill language change is necessary:

It is requested that Provision 3 of Item 6440-005-0001 be amended to read:

"3. The funds appropriated in this item may be encumbered only if the President of the University of California certifies, in writing, to the Director of Finance that there will be no campus assessment for support of that office for the 2020-21 fiscal year, except to supplement funds appropriated in subdivision (b) of Provision 2. This supplemental assessment shall not exceed ~~\$15,300,000~~ \$46,800,000. If additional funds are required, the University of California may request this supplemental assessment be increased, contingent upon approval by the Director of Finance, who shall notify the Joint Legislative Budget Committee. The University of California Office of the President shall collaborate with campuses to maximize their use of non-core funds to support any supplemental assessment. The University of California campuses may only use state General Fund moneys to support the portion of the supplemental assessment that supports UC Path costs associated with state-funded operations."

5. *University of California:* Adjustment to Reflect Breast Cancer Research Fund Estimates. Amendment to Item 6440-001-0007, Budget Act of 2019. To effectuate the revised revenue estimate, the following statutory amendment is necessary:

It is requested that Item 6440-001-0007, Budget Act of 2019 be decreased by \$195,000.

6. *University of California:* Adjustment to Develop UC Subject Matter Project to Address Learning Loss in Mathematics, Science and English/Language Arts (**see Row 28 of Attachment 1**). To effectuate the proposed UC Subject Matter Project to Address Learning Loss in Mathematics and English, Language Arts, add the following item:

6440-062-0890—For support of University of California.....6,000,000

Schedule:

(1) 5440-Support6,000,000

Provisions:

1. Funds appropriated in the item are for the University of California to develop a subject matter project pursuant to Section 99200 of the Education Code to

address learning loss in mathematics, science, and English/language arts in the 2020-21 school year due to the COVID-19 crisis.

- 7. *California State University: Reduce Ongoing Support for the University of California (see Row 31 of Attachment 1).* To effectuate the proposed 10 percent reduction in ongoing support, the following Budget Bill language change is necessary:

It is requested that Provision 4 be added to Item 6610-001-0001:

- 4. It is the intent of the Legislature that the 10 percent reduction in the California State University's ongoing support not have a disproportionate impact on low-income students, students from underrepresented minority groups, and other disadvantaged students. The California State University shall not implement associated budget adjustments in a manner that disproportionately impacts the enrollment of, and services provided to, such students.

- 8. *California Student Aid Commission: Golden State Teacher Grant.* To effectuate the proposed Golden State Teacher Grant Program appropriation adjustments, the following statutory amendment is necessary:

It is requested that Item 6980-101-0001 of Section 2.00 of the Budget Act of 2019 be amended to read:

"6980-101-0001—For local assistance, Student Aid Commission.....1,710,350,000
1,621,946,000

Schedule:

- (1) 5755-Financial Aid Grants Program.....2,790,891,000 2,702,487,000
- (2) Reimbursements to 5755-Financial Aid Grants Program.....-1,080,541,000

Provisions:

- 1. The funds appropriated in this item are for costs of all of the following:
 - (a) The Cal Grant Program, pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code.
 - (b) The Law Enforcement Personnel Dependents Scholarship Program, pursuant to Section 4709 of the Labor Code.
 - (c) The Assumption Program of Loans for Education, pursuant to Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.

(d) The State Nursing Assumption Program of Loans for Education (SNAPLE), pursuant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.

(e) The Middle Class Scholarship Program, pursuant to Article 22 (commencing with Section 70020) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.

(f) The Cash for College Program, pursuant to Article 3.5 (commencing with Section 69551) of Part 42 of Division 5 of Title 3 of the Education Code.

(g) The California Student Opportunity and Access Program (Cal-SOAP), pursuant to Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Notwithstanding Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, \$10,000,000 of the funding of this program is available on a one-time basis to begin a new program in the Inland Empire region and ensure that all existing programs receive the same level of state funding in the 2019–20 fiscal year as those programs received in the 2018–19 fiscal year.

1.5. (a) Of the amount appropriated in this item, ~~\$89,750,000~~ \$1,346,000 is for the Commission's support of to fund the Golden State Teacher Grant Program pursuant to Subdivision (d) of Section 69617 of the Education Code.

(c) Of the amount appropriated in this item, \$9,000,000 is to fund the Cal Grant B Service Incentive Grant Program pursuant to Article 55 (commencing with Section 69438) of Chapter 1.7 of Part 42 of Division 5 of Title 3 of the Education Code.

2. Notwithstanding any other law, the maximum Cal Grant award for:

(a) New recipients attending private, for-profit institutions that are not accredited by the Western Association of Schools and Colleges as of July 1, 2019, shall be \$4,000.

(b) New recipients attending private, for-profit institutions that are accredited by the Western Association of Schools and Colleges as of July 1, 2019, shall be \$8,056.

(c) New recipients attending private, nonprofit institutions shall be \$9,084.

(d) All recipients receiving Cal Grant B access awards shall be \$1,648.

(e) All recipients receiving Cal Grant C tuition and fee awards shall be \$2,462.

(f) All recipients attending community colleges receiving Cal Grant C book and supply awards shall be \$1,094.

(g) All recipients not attending community colleges receiving Cal Grant C book and supply awards shall be \$547.

(h) All University of California student recipients receiving Cal Grant awards shall be the amount approved for mandatory system wide tuition and fees by the Regents of the University of California for the 2019–20 academic year.

(i) All California State University student recipients receiving Cal Grant awards shall be the amount approved for mandatory system wide tuition and fees by the Trustees of the California State University for the 2019–20 academic year.

3. Notwithstanding Provision 2 of this item and any other law:

(a) All Cal Grant A award recipients attending a University of California or California State University and who have a dependent child or dependent children shall also receive an access award. The maximum amount of this access award shall be \$6,000.

(b) All Cal Grant B access award recipients attending a University of California, California State University, or California Community College and who have a dependent child or dependent children shall have a maximum access award of \$6,000.

(c) All Cal Grant C book and supply award recipients attending a California Community College and who have a dependent child or dependent children shall have a maximum book and supply award of \$4,000.

4. Notwithstanding any other law, the Director of Finance may authorize an augmentation, from the Special Fund for Economic Uncertainties established pursuant to Section 16418 of the Government Code, of the amount appropriated in this item to make Cal Grant awards, pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code. No augmentation may be authorized pursuant to this provision sooner than 30 days after the Director of Finance provides notice of the intended augmentation to the chairpersons of the committees in each house of the Legislature that consider appropriations.

5. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund for cash flow purposes, in an amount not to exceed \$125,000,000, provided that:

(a) The loan is to meet cash needs resulting from a delay in the receipt of reimbursements from federal Temporary Assistance for Needy Families (TANF) funds.

(b) The Student Aid Commission has received confirmation from the State Department of Social Services that there are no available TANF resources that could be advanced to them.

(c) The loan is for a short-term need and shall be repaid within 90 days of the loan's origination date.

(d) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code."

9. *California Student Aid Commission: Child Savings Account Grant Program.* To effectuate the proposed Child Savings Account appropriation adjustments, the following statutory amendment is necessary:

It is requested that Item 6980-103-0001, Budget Act of 2019 be decreased by \$15 million.

10. *California Student Aid Commission: Adjustment for Revised Cal Grant Costs for Non-profit Private Institutions (see Row 36 of Attachment 1).* The following Budget Bill language change is necessary.

It is requested that subdivision (c) of Provision 2 of item 6980-101-0001 be amended to read:

"(c) New recipients attending private, nonprofit institutions shall be ~~\$9,084~~ \$8,056."

11. *California Student Aid Commission: Offset Cal Grant Costs with Student Loan Operating Fund Revenue (see Row 33 of Attachment 1).* To effectuate the change of this proposal, add the following item:

6980-101-0784—For local assistance, Student Aid Commission, payable from the Student Loan Operating Fund..... 100,000

Schedule:

(1) 5755-Financial Aid Grants Program..... 100,000

Provisions:

1. The funds available in this item shall be used to support the Cal Grant Program, pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code.

12. *California Student Aid Commission: Golden State Teacher Grant Program Reimbursements (see Row 40 of Attachment 1)*. To effectuate the change of this proposal, Budget Bill language and statutory changes are necessary as follows:

It is requested that subdivision (b) of Provision 1.5 of Item 6980-101-0001 be added to read:

(b) Of the amount appropriated in this item, \$15,000,000 in reimbursement authority is to support grants to students in a professional preparation program leading to a preliminary teaching credential that would be used in the high need field of special education through the Golden State Teacher Grant Program established pursuant to Section 69617 of the Education Code.

"69617. (a) (1) Subject to moneys appropriated by the Legislature for the purposes of this section, the Student Aid Commission shall administer the Golden State Teacher Grant Program. Under the program, the Student Aid Commission shall provide one-time grant funds of up to twenty thousand dollars (\$20,000) to each student enrolled on or after January 1, 2020, in a professional preparation program within an accredited California institution of higher education leading to a preliminary teaching credential, approved by the Commission on Teacher Credentialing, if the student commits to working in a high-need field at a priority school for four years after the student receives the teaching credential.

(2) Funds appropriated for this purpose in the Budget Act of 2019 the Golden State Teacher Grant Program in the Budget Act of 2020 shall be available for encumbrance or expenditure by the commission until June 30, 2022 2023.

(3) These Grant funds shall be used to supplement and not supplant other sources of grant financial aid.

(b) ~~The total number of~~ one-time grant funds issued pursuant to this section shall not exceed ~~4,487~~ the amount appropriated in the Budget Act of 2019 2020.

(c) (1) A grant recipient shall agree to teach in a high-need field at a priority school for four years and shall have five years, upon completion of the recipient's preparation program, to meet that obligation. Except as provided in paragraph (4), a grant recipient shall agree to repay the state ~~five thousand dollars (\$5,000)~~ twenty-five percent (25%) of the total award annually, up to full repayment of ~~twenty thousand dollars (\$20,000) the award~~, for each year the recipient fails to do one or more of the following:

- (A) Be enrolled in or have successfully completed a teacher preparation program approved by the Commission on Teacher Credentialing.
 - (B) While enrolled in the teacher preparation program, maintain good academic standing.
 - (C) Upon completion of the teacher preparation program, satisfy the state basic skills proficiency test requirement pursuant to Sections 44252 and 44252.5.
 - (D) Complete the required teaching service following completion of the recipient's teacher preparation program.
- (2) Nonperformance of the commitment to teach in a high-need field at a priority school for four years shall be certified by the State Department of Education.
- (3) Nonperformance of the commitment to earn a preliminary teaching credential in a high-need field shall be certified by the Commission on Teacher Credentialing to the Student Aid Commission.
- (4) Any exceptions to the requirement for repayment shall be defined by the Student Aid Commission, and may include, but shall not necessarily be limited to, counting a school year towards the required four-year teaching requirement if a grant recipient is unable to complete the school year when any of the following occur:
- (A) The grant recipient has completed at least one-half of the school year.
 - (B) The employer deems the grant recipient to have fulfilled the grant recipient's contractual requirements for the school year for the purposes of salary increases, probationary or permanent status, and retirement.
 - (C) The grant recipient was not able to teach due to the financial circumstances of the school district, including a decision to not reelect the employee for the next succeeding school year.
 - (D) The grant recipient has a condition covered under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.) or similar state law.
 - (E) The grant recipient was called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces of the United States.
- (d) The Student Aid Commission may use up to 1.5 percent of funding appropriated for purposes of this section for outreach and administration.

(e) For purposes of this section, "high-need field" means any of the following:

- (1) Bilingual education.
- (2) Mathematics or science, technology, engineering, and mathematics (STEM), including computer science and career technical education in STEM areas.
- (3) Science.
- (4) Special education.
- (5) Multiple subject instruction.
- (6) Other subjects as designated annually by the Commission on Teacher Credentialing based on an analysis of the availability of teachers in California pursuant to Section 44225.6.

(f) (1) A "priority school" means ~~either of the following criteria:~~

~~(A) or (a)~~ A school with a high percentage, as determined by the Commission on Teacher Credentialing in consultation with the State Department of Education, of teachers holding emergency-type permits over the past three years, based on the most recent data available to the Commission on Teacher Credentialing and the State Department of Education.

~~(B) A school with a high percentage, as determined by the Commission on Teacher Credentialing in consultation with the State Department of Education, of low-income pupils.~~

~~(2) By January 1, 2020, the~~ The Commission on Teacher Credentialing shall publish a list of priority schools by January 1 of ~~any~~ each year for which moneys have been appropriated by the Legislature to support grants pursuant to this section.

~~(2) (3)~~ For purposes of this section, "emergency-type permits" include, but not are limited to, any of the following:

- (A) Provisional internships.
- (B) Short-term staff permits.
- (C) Credential waivers.
- (D) Substitute permits.

(g) The commission may adopt regulations necessary for the implementation of this program."

13. *California Student Aid Commission: Adjustment for Middle Class Scholarship Costs (see Row 40 of Attachment 1)*. The following statutory amendments are necessary:

It is requested that section 70023 of the Education Code be amended to read:

“(a) For each academic year, the commission shall determine an amount sufficient, when combined with other federal, state, or institutionally administered student grants or fee waivers received by eligible students from other sources, to provide scholarships to eligible students in the amounts described in paragraphs (2) and (3) of subdivision (a) of Section 70022. The University of California, the California State University, and the Office of the Chancellor of the California Community Colleges shall provide the commission with any financial aid data that are necessary for the determination of these amounts.

(b) The commission shall annually determine if the amounts appropriated under this section in each fiscal year are sufficient to cover the costs of the scholarships as projected to be awarded pursuant to the program. If those amounts are not sufficient for this purpose, the scholarships shall be reduced proportionately by an equal percentage for all recipients of scholarships under this article.

(c) The commission may adopt regulations necessary to carry out the purposes of this article under subdivision (b) as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For purposes of the Administrative Procedure Act, including Section 11349.6 of the Government Code, the adoption of those regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare, notwithstanding subdivision (e) of Section 11346.1 of the Government Code. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any regulation adopted pursuant to this section shall not remain in effect more than 180 days unless the commission complies with all provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, as required by subdivision (e) of Section 11346.1 of the Government Code.

(d) The unencumbered balance, as of June 30 of each fiscal year, of the amount appropriated from the Middle Class Scholarship Fund pursuant to paragraph (1) of subdivision (e) shall revert to the General Fund.

(e) (1) Upon order of the Director of Finance, the following amounts shall be transferred from the General Fund to the Middle Class Scholarship Fund, and are hereby appropriated to the commission for allocation pursuant to this article:

(A) For the 2014–15 fiscal year, one hundred seven million dollars (\$107,000,000).

(B) For the 2015–16 fiscal year, eighty-two million dollars (\$82,000,000).

(C) For the 2016–17 fiscal year, seventy-one million two hundred forty-four thousand dollars (\$71,244,000).

(D) For the 2017–18 fiscal year, ninety-nine million nine hundred thirty-eight thousand dollars (\$99,938,000).

(E) For the 2018–19 fiscal year, ~~one hundred seven million thirty seven~~
~~(107,037,000)~~ one hundred four million three hundred forty-five thousand dollars
(\$104,345,000).

(F) For the 2019–20 fiscal year, ~~one hundred ten million two hundred forty-eight~~
~~thousand dollars (\$110,248,000)~~ seventeen million dollars (\$117,000,000).

(G) For the 2020–21 fiscal year, one hundred ten million two hundred forty-eight
thousand dollars (\$110,248,000) seventeen million dollars (\$117,000,000).

(H) For the ~~2020–21~~ 2021–22 fiscal year and for each year thereafter, one hundred seventeen million dollars (\$117,000,000).

(2) An annual appropriation to the commission is hereby established in the amounts and for the fiscal years described in paragraph (1) to carry out the purposes of this section and Section 70022.

(3) It is the intent of the Legislature that any savings realized from changes made to the allocations under this subdivision by a bill providing for appropriations related to the Budget Bill for the 2015–16 fiscal year shall be used to support higher education.

(4) The funds transferred and appropriated pursuant to paragraph (1) shall only be available for encumbrance in the fiscal year in which they are transferred, and the General Fund shall have no liability or any obligation beyond the transfers explicitly authorized in paragraph (1) unless a subsequent transfer or allocation is required pursuant to statute.

(5) In any fiscal year, additional appropriations may be enacted pursuant to statute to carry out the purposes of this article.

(6) (A) Beginning with the Governor's Budget proposal for the 2014–15 fiscal year, and in the Governor's Budget for each fiscal year thereafter, the Department of Finance shall include a fund condition statement for the Middle Class Scholarship Fund for the fiscal year of the proposed budget and the two immediately preceding fiscal years prepared in accordance with existing law.

(B) Upon order of the Director of Finance and commencing with the 2013–14 fiscal year, if the May Revision projects a budget deficit for the next fiscal year, the amount specified in paragraph (1) for the fiscal year for which the budget deficit is projected may be reduced by up to 33 percent.

(f) Subject to an appropriation in the annual Budget Act for its purposes, the commission may begin implementation of, and establish outreach services relating to, this article."

14. *University of California*: Subject Matter Project in Addressing Learning Loss in Mathematics and English/ Language Arts **(see Row 28 of Attachment 1)**. The following statutory changes are necessary:

It is further requested that sections 99200 and 99201 of the Education Code be amended to read:

"99200. (a) With funds appropriated therefor, and with the approval of the Concurrence Committee, the Regents of the University of California are requested to establish and maintain cooperative endeavors designed to accomplish the following:

(1) Develop and enhance teachers' subject matter and content knowledge in the subject matter areas specified in Section 99201.

(2) Develop and enhance teachers' instructional strategies to improve pupil learning and academic performance as measured against State Board of Education standards adopted pursuant to Sections 60605 and 60605.8 and, where applicable, to standards adopted pursuant to Section 60811 and any subsequently adopted standards.

(3) Provide teachers with instructional strategies for working with English learners.

(4) Provide teachers with instructional strategies for delivering career-oriented, integrated academic and technical content in a manner that is linked to high priority industry sectors identified in the California career technical education model curriculum standards as adopted by the State Board of Education. The Concurrence Committee, in consultation with the appropriate state entities, industry leaders, representatives of organized labor, educators, and other parties, shall determine the priority of industry sectors.

(5) Provide teachers with access to and opportunity to examine current research that is demonstrably linked to improved pupil learning and achievement as measured by performance levels on state tests administered pursuant to Section 60605, or any successor assessment system, or on English language development assessments developed, pursuant to Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2, or any successor assessments, for English language learners.

(6) Maintain subject-specific professional communities that create and encourage ongoing opportunities for teacher collaboration, learning, and research.

(7) Develop and deploy as teacher leaders, teachers with demonstrated levels of expertise in the classroom and certifiable levels of content knowledge.

(8) Provide teachers with instructional strategies for ongoing collaboration on the delivery of career-oriented, integrated academic and technical content.

(b) The duties of the Concurrence Committee shall include, but need not be limited to, all of the following:

(1) Ensuring that the statewide and local subject matter projects comply with requirements of this chapter.

(2) Developing rules and regulations for the statewide subject matter projects.

(3) On or before January 1, ~~2016~~, 2024 providing a report on the addressing learning loss in mathematics, science, and English/language arts subject matter projects project specified in Section 99201 to the Governor and to appropriate policy and fiscal committees of the Legislature. The report shall include, but need not be limited to, all of the following information, compiled for a ~~four-year~~ three-year period:

(A) The number, and level of experience, of participants in ~~each~~ the addressing learning loss in mathematics, science, and English/language arts subject matter project.

(B) The total amount of funds expended, on an annual basis, for ~~each~~ the addressing learning loss in mathematics, science, and English/language arts subject matter project.

(C) An explanation of the type of professional development activities offered pursuant to ~~each~~ the addressing learning loss in mathematics, science, and English/language arts subject matter project, including the extent to which teachers were provided professional development focused on delivering career-oriented, integrated academic and technical content.

(D) A list of the name and location of each school affiliated with ~~a~~ the addressing learning loss in mathematics, science, and English/language arts subject matter project.

(c) Grants to establish local sites of statewide subject matter projects shall be available to institutions of higher education, county offices of education and school districts, or any combination thereof, with a subject matter proposal approved pursuant to this article. Once established, each subject matter project shall be administered by the University of California in cooperation with the Concurrence Committee. Local sites of statewide subject matter projects shall be distributed throughout the state so that elementary, secondary, and postsecondary school personnel located in rural, urban, and suburban areas may avail themselves of subject matter projects.

(d) The Concurrence Committee shall be composed of individuals who are affiliated with leadership, management, or instruction in education or education policy entities, including educational expertise on instructional strategies for English learners and academic language acquisition. They shall be selected as follows:

- (1) One representative selected by the Regents of the University of California.
- (2) One representative selected by the Board of Trustees of the California State University.
- (3) One representative selected by the State Board of Education, who has significant experience with direct classroom instruction.
- (4) One representative selected by the Governor.
- (5) One representative selected by the Superintendent of Public Instruction.
- (6) One representative selected by the Commission on Teacher Credentialing.
- (7) One representative selected by the Curriculum Development and Supplemental Materials Commission.
- (8) One representative of the California Community Colleges selected by the Board of Governors of the California Community Colleges.
- (9) One representative of an independent postsecondary institution selected by the Association of Independent California Colleges and Universities.

(e) (1) The requirement for submitting a report pursuant to paragraph (3) of subdivision (b) is inoperative on January 1, ~~2018~~, 2026, pursuant to Section 10231.5 of the Government Code.

(2) A report to be submitted pursuant to paragraph (3) of subdivision (b) shall be in compliance with Section 9795 of the Government Code.

99201. The following subject matter projects shall be authorized pursuant to this chapter:

- (a) The California Writing Project.
- (b) The California Reading and Literature Project.
- (c) The California Mathematics Project.
- (d) The California Science Project.
- (e) The California History-Social Science Project.
- (f) The World History and International Studies Project.
- (g) The California Physical Education-Health Project.
- (h) The California Arts Project.
- (i) The California World Language Project.

(j) The Addressing Learning Loss in Mathematics, Science, and English/Language Arts Project."

15. *Higher Education: Use of Restricted Fund Balances Proposed Statutory Amendments.* The following statutory changes are necessary:

It is further requested that sections 84044 of the Education Code be added to read:

84044. (a) Notwithstanding any other provision of law, to mitigate a California Community College's fiscal and programmatic impacts due to COVID-19, and to prepare for, respond to, and ensure all duties and responsibilities of California Community Colleges are carried out to the greatest extent possible, a California Community College district may transfer money from one fund to another fund, or use money in any fund for any use or purpose regardless of the statutory restrictions set forth in the fund's applicable statutes.

(1) As used in this section, the term "Funds," shall mean community college district restricted funding sources and fund balances derived from the application of discretionary fees pursuant to Article 2 of Chapter 2 of Part 47 of Division 7 of Title 3 of the Education Code (Commencing with Section 76350 of the Education Code).

(2) This section shall not authorize any transfer, expenditure, use or loan of money to or from any fund if such transfer, expenditure, use or loan would impair a contractual obligation of a community college district.

(3) If a community college district opts to utilize the flexibility provided in this section, the community college district shall first use the funds to mitigate the impacts to programs and services that predominately support underrepresented student access to, and success at, a community college and to expand the number of students annually served in distance education courses and programs.

(b) This section shall remain in effect only until June 30, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before June 3, 2024, deletes or extends that date.

It is further requested that sections 89763 of the Education Code be added to read:

89763. (a) Notwithstanding any other provision of law, to mitigate the California State University's fiscal and programmatic impacts due to the COVID-19, and to prepare for, respond to, and ensure all duties and responsibilities of the California State University are carried out to the greatest extent possible, the California State University may transfer money from one fund to another fund, or use

money in any fund for any use or purpose including, but not limited to, as specified in California Education Code Section 89721, regardless of the statutory restrictions set forth in the fund's applicable statutes.

(1) As used in this section, the term "Funds," shall mean enterprise and trust funds of the California State University, including any fund subject to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8 of Part 55), and excluding moneys held in the California State University Lottery Education Fund.

(2) This section shall not authorize any transfer, expenditure, use or loan of money to or from any fund if such transfer, expenditure, use or loan would impair a contractual obligation of the California State University, including, but not limited to, contractual obligations incurred by the California State University pursuant to the State Revenue Bond Act of 1947.

(3) If the university opts to utilize this flexibility provided in this section, the university shall first use the funds to mitigate the impacts to programs and services that predominately support underrepresented student access to, and success at, the university and to expand the number of students annually served in distance education courses and programs.

(b) This section shall remain in effect only until June 30, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before June 3, 2024, deletes or extends that date.

It is further requested that sections 92496 of the Education Code be amended to read:

92496. (a) If the university is able to reduce annual debt service costs by refunding, defeasing, or retiring general obligation bonds or State Public Works Board lease revenue bonds, as described in Section 92493, the university shall annually contribute an equal amount to reduce the existing unfunded liability of the University of California Retirement Plan.

(b) Notwithstanding subdivision (a), if the university is able to reduce annual debt service costs by refunding, defeasing, or retiring general obligation bonds or State Public Works Board lease revenue bonds, as described in Section 92493, the university may use the savings from the refunding, defeasing, or retiring general obligation bonds or State Public Works Board lease revenue bonds to mitigate the fiscal and programmatic impacts due to COVID-19. If the university opts to utilize this flexibility, the university is requested to use these funds to mitigate the impacts to programs and services that predominately support underrepresented students access to, and success at, the university.

(c) Subdivision (b) shall remain in effect only until June 30, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before June 3, 2024, deletes or extends that date.

It is further requested that uncodified language be added to read:

It is the intent of the Legislature that the University of California have the flexibility to mitigate the University of California's fiscal and programmatic impacts due to the COVID-19, and to prepare for, respond to, and ensure all duties and responsibilities of the University of California are carried out to the greatest extent possible, by transferring money from one fund to another fund, or use money in any fund for any use or purpose.

(1) For purposes of the section, the term "Funds," shall mean enterprise and trust funds of the University of California, including any fund subject to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 92400) of Chapter 5 of Part 55), and excluding any lottery moneys received by the university pursuant to section 8880.5 of the Government Code and funding subject to the requirements of section 92496 of the Education Code.

(2) This section shall not authorize any transfer, expenditure, use or loan of money to or from any fund if such transfer, expenditure, use or loan would impair a contractual obligation of the University of California, including, but not limited to, contractual obligations incurred by the University of California pursuant to the State Revenue Bond Act of 1947.

(3) If the university opts to utilize the intended flexibility described in this section, the university shall first use the funds to mitigate the impacts to programs and services that predominately support underrepresented student access to, and success at, the university and to expand the number of students annually served in distance education courses and programs.

(b) This section shall remain in effect only until June 30, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before June 3, 2024, deletes or extends that date.