

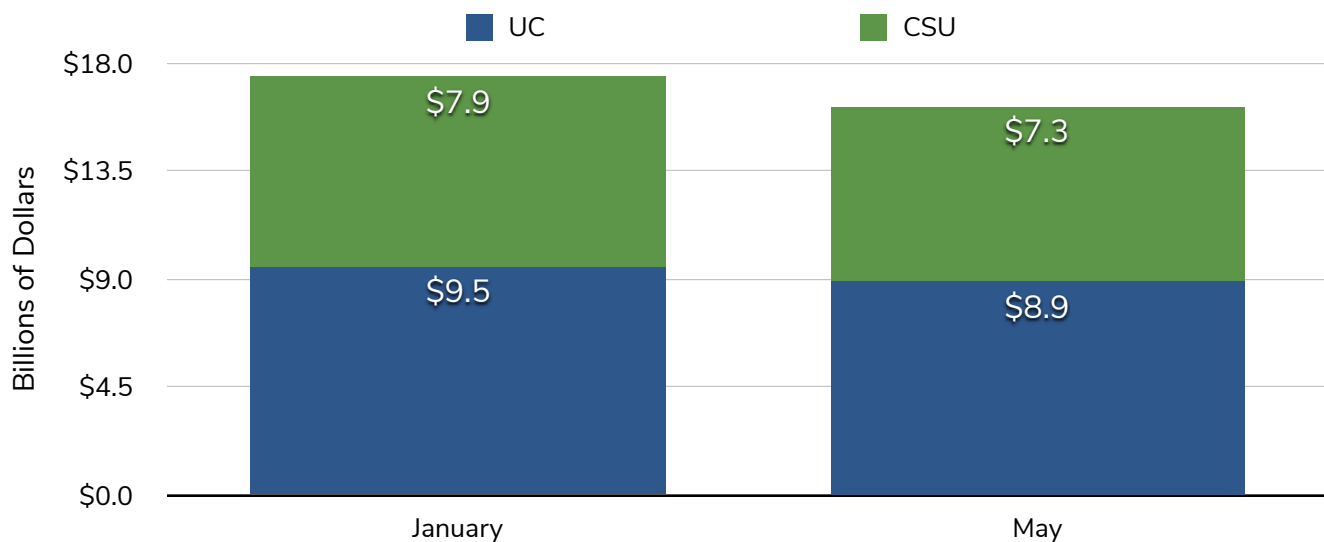


CALIFORNIA BUDGET BASICS

UC & CSU

California has two public four-year university systems—California State University (CSU) and University of California (UC). CSU provides undergraduate and graduate education to roughly 481,000 students on 23 campuses, and UC provides undergraduate, graduate, and professional education to about 285,000 students on 10 campuses. Assuming that the UC Board of Regents and CSU Board of Trustees do not raise tuition rates this year, undergraduate tuition will be \$11,442 at UC and \$5,742 at CSU in 2020-21—the same level it has been since 2018-19. The average campus fee is estimated to increase by 5% in 2020-21, to \$1,524 at UC and \$1,675 at CSU.

Comparing January and May Core Funding for UC and CSU



Data from the California Department of Finance

The state’s primary financial aid program is the **Cal Grant** program that provides financial aid awards to students who meet specified eligibility requirements and who attend one of the state’s qualifying public institutions or independent and private institutions. Students who are ineligible for the Cal Grant entitlement program can compete for financial aid awards available through the Cal Grant competitive program. Costs for the program have increased dramatically in recent years (particularly since the Great Recession) due to an increased number of students participating in the program, and UC and CSU tuition increases. Since 2012-13, total funding for the Cal Grant Program has grown by \$890 million, a roughly 58 percent increase.

Unless additional federal funding is received, the UC and CSU systems are likely to face difficult

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WHAT'S IN THE 2020-21 BUDGET

choices in coming months about possible tuition increases, pay cuts and reductions in academic programs and services not seen since the Great Recession. As of June 2020, neither university system has indicated whether they would increase tuition as a result of lower state spending.

The enacted 2020-21 budget maintains the current Cal Grant eligibility rules and award amounts, ensuring that those who currently receive financial aid continue to do so. The enacted budget still maintains the 5% increase in base funding proposed in January—**\$169 million for UC and \$199 million for CSU**. However, if additional federal funding isn't received, the budget institutes a trigger cut that reduces the state's share of funding for UC and CSU by 10%—an amount totaling **\$370 million for UC and \$400 million for CSU**. These cuts would be fully restored if the state receives \$14 billion in federal funds by October 1, 2020, or the amount of cuts could be reduced if the funds received are less than \$14 billion.

The budget also provides one-time General Fund dollars for summer-term financial aid—\$6 million for CSU and \$4 million for UC. This support will help low-income students graduate on time and could ease capacity constraints (i.e. full classes) during the normal academic year. The final budget agreement also provides local assistance funds from the California Dreamer Service Incentive Grant program for emergency financial aid to undocumented students, with \$3 million allocated to the CSU and \$1 million to the UC. Lastly, the federal CARES Act provided CSU with approximately \$525 million and UC with approximately \$260 million—of which 50% of the funds must be allocated to emergency financial aid.

UC & CSU KEY FACTS

- ➔ **Tuition Increases:** The price of undergraduate tuition and fees, (adjusted for inflation) has increased six-fold at UC and at CSU by 15 times over the last 40 years
- ➔ **Other Costs:** The non-tuition cost-of-attendance has also been increasing—California students spend an average of \$2,020/month (or \$18,180 per 9-month academic year) on food, housing, books, supplies, and transportation
 - ▶ In a [2016 survey](#), 40% of UC undergraduates reported they experienced food insecurity and 5% had experienced homelessness
- ➔ **Financial Aid:** About half of California's undergraduates across CCC, UC, and CSU receive some type of financial aid
 - ▶ About 391,000 students are expected to get Cal Grant financial aid in 2019-20
- ➔ **Improving Graduation Rates:** Graduation rates at CSU are slowly improving with the implementation of the [Graduation Initiative 2025](#), with 28% of CSU students now graduating in 4 years, up from 15% in 2015
 - ▶ At UC about 60% of students graduate in 4 years and 80% in 6 years
 - ▶ The most recent national average 4-year-graduation-rate is 42%
- ➔ **Capacity Constraints:** Within the CSU system, 7 campuses are fully impacted (i.e. no room for new enrollment in any of the undergraduate programs)—about 32,000 eligible freshmen and transfer applicants were denied admission to their preferred CSU campus due to capacity issues in 2018

*Data from the 2020-21 enacted budget, LAO, [The Hechinger Report](#), [California Budget & Policy Center](#), the [University of California](#), and [California State University](#) unless otherwise specified.