

Date of Hearing: March 18, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 335 (Gipson) – As Introduced January 28, 2025

SUBJECT: The Designation of California Black-Serving Institutions Grant Program

SUMMARY: Establishes a competitive grant program administered by the California State University Statewide Central Office for the Advancement of Black Excellence to provide monetary resources and support to underserved Black and African American Students and other underserved students. Specifically, **this bill:**

- 1) Defines “grant applicant” as a college or university that applies for a Designation of California Black-Serving Institutions Grant (DCBSIG) and “grant program” as the DCBSIG program.
- 2) Establishes the DCBSIG as a competitive grant program to provide academic resources and support to underserved students including Black and African American students.
- 3) Authorizes the funding for the grant program to be awarded by the California State University Statewide Central Office for the Advancement of Black Excellence (CSU Central Office) to both colleges and universities who have either received the designation of a California Black-Serving Institution and to other colleges and universities who apply for the grant.
- 4) Authorizes the CSU Central Office to do the following:
 - a) Develop and begin accepting grant applications from grant applicants. The CSU Central Office will annually designate an application deadline;
 - b) Process and present each grant application to the governing board of the Designation of California Black-Serving institutions (governing board); and,
 - c) Upon approval of the grant application by the governing board, the CSU Central Office will inform the grant applicant as to whether the college or university will or will not receive the grant.
- 5) Requires the governing board to convene a vote to either approve or deny grant applications.
- 6) Requires colleges and universities who receive the grant to expend 100% of the grant on academic resources and support for underserved students, including Black and African American students.
- 7) Requires colleges and universities who receive the grant to report to the CSU Central Office on how the grant is spent each year by June 30th beginning the year after the grant is received and ending the year the grant is expended.

- 8) Requires, beginning on September 15, 2027, and annually on September 15th thereafter, the CSU Central Office to report to the Legislature, Governor, and Department of Finance, the following: the total amount awarded, the college or university awarded a grant, and a summary of how each college or university expended the grant.
- 9) Creates the Designation of California Black-Serving Institutions Grant Program Fund (fund) within the State Treasury. Authorizes the money in the fund to be allocated to the CSU Central Office upon apportionment by the Legislature. Permits money in the fund to be awarded for grants. Authorizes the fund to accept money from public and private entities, partnerships between public and private entities, cash advances, and transfers from the General Fund.
- 10) Authorizes the CSU Central Office to use three percent of the money in the fund for administrative costs associated with the DCBSIG.
- 11) Appropriates \$75 million from the General Fund to the fund established pursuant to (9). Permits the CSU Central Office to award \$25 million of the funds to California State University campuses who apply for the DCBSIG and \$50 million to community college districts who apply for the DCBSIG. The \$75 million will remain available from the 2026-2027 fiscal year to the 2031-2032 fiscal year.

EXISTING LAW:

- 1) Establishes the Designation of California Black-Serving Institutions (designation) (Education Code (EDC) Section 66076).
- 2) Defines for purposes of the designation an array of terms including applicant, college or university, governing board, managing entity, normal time to degree, and recipient (EDC Section 66076.1).
- 3) Establishes the purpose of the designation to recognize colleges and universities who excel at providing academic resources to African American students. Permits colleges who have a student population of at least 10 percent Black and African American students, or at least 1,500 students who identify as Black and African American students to apply for the designation. Creates the application criteria for the designation including, but not limited to, a strategic plan on how to provide specified services to Black and African American students, academic goals to improve degree attainment and retention amongst Black and African American students, and goals to close the equity gap. Permits colleges and universities to re-apply for the designation and to demonstrate progress on their initial goals and strategic plan. Each initial designation is valid for five years and the renewal designation is valid for an additional five years (EDC Section 66076.2).
- 4) Establishes the CSU Central Office as the managing entity and endows the managing entity with the authority to develop, accept, process, and present to the governing board applications for the designation. Permits the managing entity to inform applications of the outcome of their application for the designation and to provide insignia to those who receive the designation (EDC Section 66076.3).

- 5) Establishes the governing board of the designation and permits the governing board to determine which colleges and universities who apply for the designation will receive the designation. Creates an eight member governing board comprised of the Lieutenant Governor, a member of the public appointed by the Speaker of the Assembly, a member of the public appointed by the President Pro Tempore of the Senate, a designee from each of the public postsecondary education segments, a designee from the Association of Independent California Colleges and Universities, and the Chair of the California Legislative Black Caucus. Permits the governing board to convene twice a year to vote on the approval or denial of applications and requires a 2/3 vote for any approval of the applications. The governing board is subject to the Bagley-Keene Open Meetings Act (EDC Section 66076.4).

FISCAL EFFECT: The measure asks for the Annual Budget Act to appropriate seventy-five million dollars to an account created pursuant to the bill for purposes of providing grant funds to the California Community Colleges (CCC) and the California State University (CSU).

COMMENTS: *Need for the measure.* As explicated by the author, “Black students are historically underrepresented on college campuses. National data shows Black student enrollment declined by 22% (650,000 students) between 2010 and 2020, according to the National Center for Educational Statistics.”

The author further states, “per the Public Policy Institute, in 2020, 36 % of Black Californians made less than twice the poverty level and currently have the lowest household income level of any major racial or ethnic group. Black students face a lack of academic resources and support from their colleges. The Campaign for College Opportunity reports that one-third of Black community college students receive a certificate or degree within six years. This bill seeks to establish the California Black-Serving Institution Grant Program as a competitive grant program. This program will provide academic resources and support to Black, African American, and underserved students.”

Designation of California Black-Serving Institutions Designation (designation). In 2024, California became the first state in the nation to establish a state authorized designation to highlight institutions who enroll a larger population of self-identifying Black and African American students, and are focused on eliminating the equity gaps which exist between Black and African American students and their counterparts. SB 1348 (Bradford), Chapter 627, Statutes of 2024, created the designation, along with the governing board and the managing entity who would oversee the competitive application process for the designation.

In February 2025, state and local leaders celebrated the groundbreaking new law. In a press release from the Office of the Lieutenant Governor, who is also the acting Chair of the governing board, stated: “the law created the Designation of California Black-Serving Institutions, recognizing higher education institutions committed to advancing Black student success. The designation aims to address long-standing systemic barriers that have contributed to disproportionately low college enrollment and graduation rates for Black students in California.”¹ Former State Senator Steven Bradford is quoted saying that, “SB 1348 fills an important void by recognizing the commitment of California colleges and universities that are

¹ <https://ltg.ca.gov/2025/02/07/lt-governor-kounalakis-kicks-off-californias-black-serving-institutions-designation/>

making significant investments in ending historic disparities that exist for Black students. The Black-Serving Institutions will set a high bar for schools and showcase their focus on Black students.”

To the knowledge of Committee staff, the governing board has yet to convene a meeting and neither the Pro Tem of the Senate nor the Speaker of the Assembly have appointed members of the public to the board. The Committee may wish to examine if this bill is premature as the designations have yet to be assigned to colleges or universities.

SB 1348 (Bradford) authorized the CSU Central Office as the managing entity of the designation. Housed within the Sacramento State University, the managing entity has established a landing page for the designation which includes background on the designation, the qualifications required for the designation, and a timeline for the inaugural application cycle for the designation.² The anticipated application timeline is as follows:

March	Application released to the public.
April –May	Technical support available to applicants.
June	Applications due.
July	Institutions notified of their approval or denial of the designation.

To qualify for the designation, an institution must meet the following qualifications:

- 1) Have at least 10 % of the student population enrolled at the college or university identify as Black and/or African American students OR have at least a student population count of 1,500 Black and/or African American students; and,
- 2) Submit an initial or renewal application to the managing entity.

In an article on SB 1348 (Bradford), CalMatters identified sixty public and independent two-year and four-year colleges and universities in California who either had a population of 10% Black and/or African-American students or had 1,500 students who identified as Black and/or African American students.

All applications received by the managing entity in June will be presented to the governing board who will in turn vote on the approval or denial of the applications. The vote, in accordance with the law, requires a 2/3 vote of the governing board members present at the time of the vote.

Minority Serving Institutions. The concept of a minority-serving institution was established in the wake of the Civil Rights Act of 1964 as a tool to provide educational equity to institutions

² <https://www.calstate.edu/impact-of-the-csu/community/central-office-for-the-advancement-of-black-student-success/Pages/california-black-serving-institution-application.aspx>

who were serving predominately underrepresented groups in higher education. Originally comprised of Historically Black Colleges and Universities (HBCU) and Tribal Colleges and Universities, the term has been expanded by amendments to the Federal Higher Education Act of 1965 to include Predominately Black Institutions (PBI), Hispanic-Serving Institutions (HSI), Asian American, Native American, and Pacific Islander-Serving Institution Program (ANNAPISI), and Alaska Native-Serving and Native Hawaiian-Serving Institutions (ANNH).³ Once a postsecondary institution receives one of the above designations as a Minority-Serving Institution, the institution would then qualify to apply for competitive grants and additional federal funding. This measure would align the designation with the Federal Minority Serving Institution designation, as it would provide funding to accompany the designation to assist colleges and universities in providing academic resources and support to underserved Black and African American students.

Affirmative Action and Proposition 209 (1996). In November 1996, the California citizenry voted to amend the California Constitution to prohibit public agencies from discrimination against or providing preferential treatment to any individual or group on the basis of sex, race, color, ethnicity, or national origin. The ballot measure won by over 10% and the constitutional amendment was enacted and resides in Article I, Section 31 of the California Constitution. According to the Pew Research Center, California became the first state to enact a formal ban on racial preferences.

The original analyses of Proposition 209 conducted by the Legislative Analyst office suggested the measure would prevent public colleges and universities from offering scholarships, tutoring, and outreach targeted toward minorities or women.⁴ AB 335 (Gipson) would provide \$75 million for the purpose of offering a competitive grant to colleges and universities for the purpose of providing academic resources and supports to underserved Black and African American students and other underserved students.

In the years since the implementation of Proposition 209, the Legislature has authorized a myriad of programs which provide targeted support to minority and underserving populations. Each year, the California State Legislature provides funding for student success programs at the California Community Colleges (CCC) including Umoja; which is a program dedicated to serving and promoting student success for all students through a curriculum and pedagogy responsive to the legacy of the African and African American Diasporas. In 2022, the Legislature established the Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program at the CCC and appropriated \$8 million to provide grants for colleges who are Asian American and Native American Pacific Islander-Serving (AANHPI) Institutions. The grants provided pursuant to the program were to be used to provide services to the entire student population, however, the college had to report how many AANHPI students were served by the grant funds. In the same Budget Act, the CSU was required to establish the same program and was also provided \$8 million in grant funding. The Legislature has also created the Native American Student Support and Success Program at the CCC and allocated \$30 million for the grants. EDC Section 79520 states the funding is to be used to provide specified services to

³ <https://www2.ed.gov/about/offices/list/ocr/edlite-minorityinst.html>

⁴ https://lao.ca.gov/ballot/1996/prop209_11_1996.html

support Native American students. AB 335 (Gipson) seeks to establish the same type of funding for student support and success program for Black and African American students.

Despite, precedence in Education Code where funding has been provided to the CCC and the CSU for support services to be provided to a specific student population, the Committee may wish to examine if the language of the measure is a potential violation of Proposition 209.

Arguments in support. The need for the measure relies on the data of Black and African American student success. As expounded upon by Compton Community College District, “as data indicates, Black students struggle to complete their bachelor’s degree due to systemic barriers, such as a lack of financial stability and academic support throughout their college experience. Furthermore, according to a survey administered by the California Student Aid Commission, 78% of Black college students in California were food insecure, and 65% were housing insecure in 2023, the highest rates of these basic needs challenges experienced by any group. Assembly Bill 335 offers a unique opportunity to equip Black-Serving Institutions with the fiscal means to help underserved students, including, but not limited to Black and African American students, who lack academic support and struggle with financial insecurity and basic needs so they can finish their academic programs and pursue a bright future.”

Arguments in opposition. As stated by the Pacific Legal Foundation, “providing educational resources and support based on race violates Proposition 209. A college or university cannot grant preferential treatment to nor discriminate against any student on the basis of race, color, ethnicity, or national origin, yet that is what AB 335 requires colleges and universities that receive a grant to do. Moreover, none of the relevant exceptions to Proposition 209 apply here; race-based provision of educational resources is not needed to comply with a court order or consent decree, or to maintain eligibility for a federal program. The Legislature should oppose AB 335 and stand behind Californians’ strong support for fair and equal treatment under Proposition 209.”

Committee comments and author’s amendments. As previously mentioned, the CSU Central Office has yet to publish the application for the California Black Serving Institution Designation. To the knowledge of Committee Staff, the governing board has yet to convene a meeting.

The Committee may wish to consider if the measure is premature and may wish to wait a year to allow for the inaugural application cycle for the designation to occur prior to granting additional responsibilities to the managing entity.

To align the language of AB 335 (Gipson) with existing law, the Committee has suggested and the Author has agreed to the following amendments:

1) Amends Section 66076.1, subdivision (b) to read as follows:

(b) “College or university” means a University of California, California State University, or California Community Colleges campus, or an independent institution of higher education, defined in Section 66010.

2) Amends section 66076.5, subdivision (a) to read as follows:

(a) The Designation of California Black-Serving Institutions Grant Program is hereby established as a competitive grant program to *develop and implement new, or expand existing* ~~provide~~ academic resources and *student support services to underserved students, including, but not limited to Black and African American students.* ~~underserved Black and African American students and other underserved students.~~

3) Amends section 66076.5, subdivision (b) to read as follows:

(b) (1) *A base grant shall two hundred and fifty thousand dollars (250,000) per grant applicant.*

(2) *A supplemental grant awarded by the governing board to a grant applicant shall be at a minimum two hundred and fifty thousand dollars and a maximum of five hundred thousand dollars as determined by the governing board. The funding for the grant program shall be awarded by the managing entity to recipients and other grant applicants.*

4) Deletes section 66076.5, deletes subdivision (c) – (f) and adds the following language:

(c) *A grant applicant is eligible for a grant pursuant to this section if the grant applicant meets all of the following requirements:*

(1) *The grant applicant is a recipient of the Designation of California Black Serving Institution.*

(2) *Submits an application that complies with subdivision (d), to the managing entity on or before the application deadline establish by the managing entity pursuant to subdivision (e)*

(d) (1) *An application for a grant shall include, but is not limited to, all following criteria:*

(A) *A description of the grant applicants experience in providing academic resources and student support services to underserved students, including, but not limited to Black and African American students.*

(B) *A plan for the use of the grant to develop and implement new, or expand existing academic resources and support to underserved students. The plan shall include how the grant will be used to implement the strategic plan pursuant to subparagraph (4) of subdivision (d) of Section 66076.2.*

(C) *An agreement to a .25-to-dollar match for base grant funds awarded to the grant applicant. The grant applicant shall demonstrate how the college or university will allocate .25 for every dollar received as part of a base grant.*

(2) *The managing entity at the directive of the governing board may add additional criteria to the application for a grant.*

(e) *The managing entity shall act as a neutral administrative body for the grant program. The managing entity shall have all of the following duties under the grant program:*

(1) Developing application pursuant to subdivision (d) and a processes for grant applicants to apply for the grant, including, but not limited to setting a deadline for the grant application to be submitted each year on a specified date as determined by the managing entity.

(2) Accepting applications from grant applicants.

(3) Processing and presenting each grant application received to the governing board each year on a date determined by the governing board.

(4) Inform, upon the governing board's decision, the grant applicant as to the outcome of the grant application.

(5) Provide the monetary funds affiliated with the base grant to grant applicants.

(6) Provide the monetary funds affiliated with the supplemental grant, upon approval of the governing board, to approved grant applicants.

(f) The governing board shall determine which grant applicants will be awarded supplemental grants, pursuant to this section, by the managing entity. The grant applications will be presented to the governing board by the managing entity, at a date determined by the governing board after the application deadline established pursuant to subdivision (e).

(1) Convene once a year to vote on awarding supplemental grants to grant applicants.

(2) The governing board shall approve or deny a supplemental grant to grant applicants with experience in providing academic resources and student support services to underserved students, including, but not limited to Black and African American students.

(g) The governing board shall be subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(h) Colleges and universities in receipt of a grant pursuant to this section shall comply with both of the following:

(1) Expend 100 percent of the base grant fund and if provided, the supplemental grant fund, if applicable, on academic resources and student support services to underserved students, including but not limited to Black and African American students. The academic resources and student support services may include, but are not limited to, the following:

(A) Academic and student support learning communities.

(B) Advising and counseling services.

(C) Mental health counseling and awareness services.

(D) Career development, career readiness, and employment services.

(E) Supplemental instruction and tutoring.

(F) Ethnic studies courses and curriculum development.

(G) Student Basic Needs

(H) Workplace development apprenticeship internships and employment opportunities.

(I) Leadership development, internships, and mentorships.

(J) Mentorships

(K) Creation, implementation, and evaluation of concurrent supports or support services to increase the academic success of underserved students.

(L) Culturally-relevant professional development to the applicant's faculty and staff.

(2) Expend twenty percent of the 0.25 – to – dollar matching fund on administrative costs associated with the implementing the academic resources and student support services. The remaining .025 – to – dollar funds shall be expended on academic resources and student support services to underserved students, including but not limited to Black and African American students.

(3) On or before June 30 of the year after the grant is awarded, and each June 30 thereafter, submit a report to the managing entity. The report shall include the following:

(A) The amount of grant funding provided to the grant applicant.

(B) The amount of grant funding spent in the year.

(C) The description of the academic resources and student support services provided by the grant applicant to underserved students.

(D) The number of underserved students, including but not limited to African American and Black students served.

(E) The number of students served who meet any of, or any combination of, the following:

(i) Completed certifications, if applicable

(B) Attained associate degrees, if applicable

(C) Attained associate degrees for transfer, if applicable

(D) Transferred to a four-year university, if applicable

(E) Attained a bachelor's degree, if applicable.

(i) (1) On or before September 15, 2027, and each September 15 thereafter, the managing entity shall submit a report on the grant program to the Department of Finance, the Governor, and the Legislature.

(2) A report submitted pursuant to paragraph (1) shall include an update on the grant program, including all of the following for the previous fiscal year:

(A) The total amount awarded.

(B) Each college and university that received a base grant and supplemental grant, if applicable, and the total amount of grant funding each college and university received.

(C) A copy of each report provided to the managing entity pursuant to paragraph (3) of subdivision (h).

(D) The amount of money used by the managing entity in the previous year for administrative purposes.

(3) A report submitted pursuant to paragraph (1) shall be submitted pursuant to Section 9795 of the Government Code.

(j) Nothing in this section shall be interpreted as prohibiting a college or university from applying for the base or supplemental grant as established above each year. A college or university may apply and be awarded a base or supplemental grant annually pursuant to the approval of the governing board.

5) Deletes the current language of section 66076.6 and adds the following language:

66076.6. (a) The Designation of California Black-Serving Institutions Grant Program Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated to the California State University Statewide Central Office for the Advancement of Black Excellence for allocation without regard to fiscal year for purposes awarding competitive grants to colleges and universities in order to provide academic resources and support to underserved including, but not limited to Black and African American students.

(b) The Designation of California Black-Serving Institutions Grant Program Fund may receive funds from federal, state, local, and private sources.

(c) The California State University Statewide Central Office for the Advancement of Black Excellence may expend up to 3 percent of the moneys in the fund for administrative costs associated with the grant program.

REGISTERED SUPPORT / OPPOSITION:

Support

Antelope Valley Community College District
Campaign for College Opportunity

Chabot Las Positas Community College District
Chief Executive Officers of The California Community Colleges Board
College of Alameda (COA)
Compton Community College District
Contra Costa Community College District
El Camino Community College District
Faculty Association of California Community Colleges
Foothill-de Anza Community College District
Gavilan College
Greater Sacramento Urban League
Grossmont-cuyamaca Community College District
Kern Community College District
Long Beach Community College District
Los Angeles City College (LACC)
Los Medanos College
Modesto Junior College
Mt. San Antonio College
North Orange County Community College District
Pasadena Area Community College District
Riverside Community College District
San Diego College of Continuing Education
Solano Community College
South Orange County Community College District
Southwestern Community College District (UNREG)
Student Senate for California Community Colleges
The Education Trust - West
Victor Valley College
Yuba Community College District

Opposition

Pacific Legal Foundation

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