



GOVERNMENT RELATIONS UPDATE

ACL | Dec. 2019



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA



Today's Update

- *Budget Revenues Update*
- *Sponsored Legislation*
- *Legislation Recap*
- *Federal Issues*
- *Proposition 13*

A stylized sunburst graphic with a central white circle and numerous light blue lines radiating outwards in a semi-circular pattern.

Budget Revenues Update



Recap of 2019-20 Budget

Community College Funds

- 2019-20 Budget Act provided \$255 million to cover enrollment growth and provide a 3.26 percent COLA for apportionments.
- Using the most recent estimates, the Governor and Legislature would need to appropriate an additional \$103 million for 2018-19 FY to fully fund all districts.

Source	2017-18	2018-19	2019-20	Change	Percent
Community Colleges Only					
General Fund	\$5,257	\$5,427	\$5,485	\$58	1%
Local Property Tax	2,980	3,056	3,244	188	6%
Totals	\$8,237	\$8,483	\$8,729	\$246	3%



LAO Fiscal Outlook

State Revenues

- LAO states the 2020-21 minimum guarantee is up \$3.4 billion (4.2%) over 2019-20.
- The state could use \$1.1 billion of this increase to cover a 1.79 percent statutory cost-of-living adjustment (COLA) and growth.
- An estimated \$2.1 billion would be available for new commitments in 2020-21.

Proposition 2 (Prop 98 Reserves)

- Proposition 2 (2014) created a state reserve specifically for K-14 —the Public School System Stabilization Account.
- Proposition 2 requires deposits into this reserve when a series of conditions are met.
- The state will be required to deposit \$350 million into the Proposition 98 Reserve.



LAO Fiscal Outlook

2018-19 and 2019-20 Revenue Updates

Revenues Up for 2018-19 and But Moderately for 2019-20.

- Compared to estimates in the June 2019 budget act, LAO estimates revenues are up almost \$1 billion in 2018-19 (last year's budget) and about \$160 million in 2019-20 (this fiscal year).
- The increase in 2018-19 is largely driven by higher than anticipated personal income tax collections.
- The increase in 2019-20 is smaller because wage growth and estimated payments from higher-income earners have been slower this fiscal year.

Proposition 98 Minimum Guarantee Revised Up in 2018-19 but Down in 2019-20.

- To date, the LAO estimates the minimum guarantee has increased \$194 million in 2018-19 and decreased \$185 million in 2019-20.
- The increase in 2018-19 is due primarily to our estimate of higher General Fund revenue.
- The decrease in the 2019-20 guarantee is due to estimated lower local property tax revenue.

Definition: One-Time Money



LAO Fiscal Outlook

Overall Analysis

Tough Choices Ahead.

- Chances of an economic slowdown are higher than normal.
- The statutory COLA rate is relatively low compared with district cost pressures.
- If the Legislature were to provide no other ongoing increase in general purpose funding, most districts likely would need to dedicate nearly all of the increase to covering their higher pension costs.
- The Legislature could help districts address these cost pressures by using a portion of the \$2.1 billion for a larger COLA – **OR** – The Legislature also could consider prioritizing one-time spending (such as pensions or deferred maintenance).
- LAO encouraging the Legislature to set aside at least half of the \$2.1 billion for one-time spending to create a buffer in case the guarantee drops in 2020-21 or 2021-22.



CalPERS has now released its estimated rates for the subsequent years, and the rates are as follows:

CalPERS Employer Contribution Rates

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Previous Rates	18.062%	20.733%	23.6%	24.9%	25.7%	26.4%	26.6%	26.5%
Revised Rates	18.062%	19.721%	22.7%	24.6%	25.4%	26.1%	26.3%	26.2%



Sponsored Legislation



Sponsored Legislation

AB 30 (Holden): Would streamline the current process to enter into CCAP dual enrollment partnerships with K-12 districts.

AB 612 (Weber): Statewide MOU between Chancellor's Office and State Department of Social Services to enable access to CalFresh/EBT on campus.

Both **Signed** by Governor Newsom

FACT SHEET

**AB 30 (HOLDEN)
COLLEGE & CAREER ACCESS PATHWAYS
(CCAP) PARTNERSHIPS**

Summary

ASSEMBLY BILL 30 (HOLDEN)
Research has demonstrated that dual enrollment students are more likely to enter college, persist in college to completion, and graduate. Through Assembly Bill 30 (Holden), which amends the Code of Regulations, California can increase access to college opportunities, streamline the process to develop strong partnerships between K-12 and community colleges, and remove barriers for students.

BACKGROUND
Dual enrollment is an effective strategy that leverages partnerships between high school and community college to create seamless pathways from high school to college. Dual enrollment has three key benefits: reduction of time to degree completion, increasing college attainment, and closing achievement gaps for underrepresented students.

Dual Enrollment as an Approach to Reduce Time to Degree Completion
The change in traditional timelines for college completion can become expensive when viewed in terms of college costs, taxpayers' subsidies, and the wages students forfeit with each additional semester of enrollment (DeLorenzo, Althaus, & MacCall, 2002; Gilmore & Hoffmann, 1997). Dual enrollment enables students to acquire college credits early by completing foundational courses while simultaneously completing a high school diploma.

Dual Enrollment as an Approach to Increase College Attainment
Projections suggest that the state will continue to need greater numbers of highly educated workers. In 2030, if current trends persist, 36% of jobs will require at least a bachelor's degree. However, population and education trends suggest that only 25% of working-age adults in California will have bachelor's degrees by 2030—a shortfall of 11 million college graduates (Public Policy Institute of California, 2018). Dual enrollment is a strategy that can lead to more graduates. A California study of 3,000 students, sixty percent students of color and forty percent first generation, found that dual enrollment participants are more likely to graduate from high school, less likely to need basic skills in college, more likely to persist in postsecondary education (Hughes, Rodriguez, Edwards, & Saffell, 2012).

Dual Enrollment as an Approach to Close the Achievement Gap
According to an October 2018 Career Leaders study, students who participate in dual enrollment at a community college during high school are more likely to graduate and enter college and more likely to complete a certificate, degree, or transfer. Any pricing was that students most underrepresented in community colleges often benefit the most.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
Chief Executive Officers of the California Community Colleges (CEOCCC)

**AFFORDABILITY, FOOD & HOUSING ACCESS TASKFORCE
RECOMMENDATIONS**

NEED

Across California concerns about college costs and affordability are widespread. Most research identifies community college students as a population particularly impacted by unaffordable college costs. Unfortunately, 7 in 10 students have experienced food insecurity or housing insecurity or homelessness in the previous year. Therefore, college leaders came together to collaborate around best practices, to remove policy barriers, and to establish effective partnerships.

BACKGROUND

The CEOCCC Affordability, Food & Housing Access Taskforce met with college and community stakeholders, and is now recommending actions based on data-informed, research-driven, promising practices, as cited from the following reports:

- California Community Colleges Chancellor's Office Basic Needs Survey Report.
- Hope Center for College, Community, and Justice.
- College Ready, Hungry, and Homeless Report.
- Struggling to Survive or Striving to Succeed: Food and Housing Insecurities in the Community College.
- United States Government Accountability Office: Food Insecurity - Better Information Could Help Eligible College Students Access Federal Food Assistance Benefits Report.
- California Community Colleges iRealCollege Survey.
- Community College Equity Assessment Lab (CCEAL) CEOCCC Affordability, Food & Housing Access Taskforce/Community College Food and Housing Inventory.

RECOMMENDATIONS

- Expand state financial aid to address the inequities California Community College (CCC) students face in accessing resources and aid to cover the total cost of attending college.
- Expand and increase funding for Student Equity and Achievement (SEA) Program to allow for support of hunger-free campuses, mental health services, and basic needs professional development opportunities for faculty and staff, and emergency financial grants to students.



Sponsored Legislation

Thank YOU for your support!

Focus is now implementation.

- Coordinate statewide MOU and college-level interest
- Partnership with DocuSign for electronic dual enrollment student paperwork





Total Cost of Attendance

CSAC released the 2018–19 Student Expenses and Resources Survey (SEARS) preliminary findings

64%

of students cite cost and school-work balance as the major obstacles to success

\$2K

non-tuition costs per month

Limited or lacking financial aid has



basic needs insecurity



Ideas for 2020

Bill concepts for 2020

- Automatic backfill
- Use of deferred maintenance dollars for residence halls (likely author Assemblymember Medina)
- Non-Prop 98 affordable housing resources
- Statewide student trustee advisory vote



Priorities for 2020

Priority Bills for 2020

- Financial Aid
- Baccalaureate degrees
 - ASCCC has:
 - Removed of opposition to expansion of the California Community Colleges' mission,
 - Recommended that the 15 pilot programs be removed from pilot status,
 - And recommend that any further expansion of baccalaureate degrees occur in allied health fields.



2019 Recess Talking Points

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
2019 POLICY AGENDA
 FALL RECESS 2019



Economic and Social Mobility for All Californians

California's Community colleges are an indispensable investment in our state's present and future prosperity. California's public Community Colleges constitute an accessible path to a better life for generations of low-income and working-class Californians. Our Community Colleges are driven by an enduring vision of equity, and their employees embrace their critical role in lifting the state's economy, closing achievement gaps, and offering quality higher education and workforce development for all Californians.

EDUCATIONAL QUALITY THROUGH HIGHER PER-STUDENT FUNDING

• Fully Fund the SCFF and Backfill Property Tax Shortfalls

There is a critical nexus between per-student funding and educational quality. Access to a greater level of resources enables innovation on campuses and promotes fiscal stability for districts confronting rapidly growing energy, pension, and teaching costs. Our priority is to protect quality public higher education opportunities for Californians by securing a robust investment in California's community colleges.

System	Per-Student Funding
UC	\$33,569
CSU	\$18,445
K-12	\$12,018
CCC	\$8,306

In 2018-19, state leaders adopted a new funding formula predicated on the goal of increasing successful outcomes of low-income and traditionally underserved Californians. We ask State leaders to automatically increase the California Community College general fund allocation to fully fund the Student Centered Funding Formula (SCFF) and, if necessary, to automatically backfill any shortfalls in the SCFF and property taxes. The 21st Century labor market necessitates some postsecondary education. This economic reality requires a continued investment in and protection of the educational opportunities provided by California's public Community Colleges. Therefore, we respectfully ask State leaders to protect funding for colleges.

EQUITY & AFFORDABILITY: RE-ENVISION FINANCIAL AID

• Equitably Fund Financial Aid for Community College Students

As currently structured, Cal Grants continue to distribute less than 10% of its resources to California community college students despite the fact that our students comprise two-thirds of the higher education population. State leaders continue to perpetuate systems that oppresses low-income students of color when they exclude community college students from basic needs proposals and limit access to financial aid. **It's time to reform financial aid to cover community college student's total cost of attendance.**

- Recess Talking Points provided by the League each fall
- Serves as starting points for conversations with legislators during the legislative recess
- Excellent time to invite lawmakers onto campus
- League staff can help coordinate visits



Bills of Interest



Bills of Interest

Affordability

- AB 2 (Santiago) College Promise
- AB 540 (Limon) Service Grants
- AB 943 (Chiu) Emergency Grants

Athletics:

- SB 206 (Skinner) Endorsements

Dreamers

- AB 1645 (Rubio) Dreamer Liaisons

Governance

- AB 130 (Low) Coordinating Body

Funding:

- AB 1727 (Weber) Non-Credit Programs

Labor and Employment

- AB 218 (Gonzalez) Sexual Assault
- AB 500 (Gonzalez) Maternity Leave

Student Advocacy

- AB 1504 (Medina) Student Rep Fee

Taxation

- SB 468 (Jackson) Tax Review Board



Bills of Interest

Affordability:

AB 2 (Santiago) Authorizes the second year of tuition waivers for first-time full-time students.

SIGNED by Governor Newsom.

AB 540 (Limon) Creates 2,000 services incentive grants for AB 540 students receiving a Cal Grant B award.

SIGNED by Governor Newsom.

AB 943 (Chiu) Authorizes colleges to provide emergency grants to students who are in danger of dropping out of school due to a financial emergency.

SIGNED by Governor Newsom.



Bills of Interest

Athletics:

SB 206 (Skinner) Prohibits four year colleges from sanctioning a student athlete from generating income via endorsements starting in and requires the Chancellor's Office to convene a work group to study the issue for community college student-athletes.

SIGNED by Governor Newsom.

Dreamers:

AB 1645 (Rubio) Mandates that CSU and community colleges to create a liaison to AB 540 students to provide information of and connect them to available services.

SIGNED by Governor Newsom



Bills of Interest

Governance:

AB 130 (Low) Would have created a higher education coordinating body that excludes segmental representation.

Vetoed by Governor Newsom

Funding:

AB 1727 (Weber) Would have permitted non-credit programs to capture apportionment based on census day attendance accounting rules.

Vetoed by Governor Newsom

Labor and Employment

AB 218 (Gonzalez) Extends the civil statute of limitations for the recovery of damages for victims of childhood sexual assault from 8 to 22 years.

SIGNED by Governor Newsom



Bills of Interest

Labor and Employment

AB 500 (Gonzalez) Would have required schools and community college districts to provide six weeks of maternity leave.

Vetoed by Governor Newsom

Student Advocacy:

AB 1504 (Medina) Permits the Student Senate for California's Community Colleges to collect a \$1 per student per semester fee to represent students at the state level.

SIGNED by Governor Newsom.



Bills of Interest

Taxation:

SB 468 (Jackson) Would have created a tax review board to evaluate major tax expenditures that cost the state's general fund at least \$1 billion in the last 10 years. It would have asked the University of California to perform this analysis and present the results to the board by July 2021.

Vetoed by Governor Newsom



Federal Issues



Higher Education Act

- Republicans in the Senate and Democrats in the House, introduced released proposals to reauthorize the Higher Education Act.
 - Significant differences between the two proposals.
- Republicans wanted to make relatively small, bipartisan modifications to federal higher education policy while Democrats want significant changes.
- The House proposal, known as the FUTURE Act, was far more comprehensive.
- The FUTURE Act passed yesterday afternoon. The FUTURE Act passed the House in September but was amended in the US Senate Education Committee as part of a compromise.



Higher Education Act: Senate Republicans - S. 2557

Areas of Agreement:

- FASFA simplification.
- Making students in short term programs eligible for Pell Grants.
- Making incarcerated students eligible for Pell Grants.
- Makes the \$255 million for minority serving institutions and Historically Black Colleges permanent.



FUTURE Act

- Permanently fund historically black colleges and universities and other minority-serving institutions (\$255 million in annually)
 - Simplify the Free Application for Federal Student Aid
 - Eliminate paperwork for income-driven student loan repayment plans
 - Eliminate up to 22 questions on the FAFSA and allow the Internal Revenue Service to share applicants' tax information directly with the U.S. Department of Education.
 - Got enough votes to pass the House and will now go back to the Senate for approval of any changes.
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Fiscal Year 2020

- No deal reached between Senate, House and President Trump.
 - Senate and President Trump have proposed spending plans that are significantly below House proposal.
 - Dispute on levels of DOD funding that would likely be redirected to border wall construction at the Mexican border.
 - Continuing resolution funding government likely to pass funding government at 2019 levels to December 20th.
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State Ballot Proposition 13

Ballot Initiatives

- AB 48 (O'Donnell) has qualified as a ballot measure for the March 2020 ballot.
- It was assigned a number by the Secretary of State's Office.

Proposition 13:

- Proposition 13 would authorize \$15 billion for school and college facilities in California, including \$9 billion for preschool and K-12 schools, \$4 billion for universities, and \$2 billion for community colleges.
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Ballot Initiatives

School and College Facilities Bond (March 2020)

Amount	Dedication
\$9.0 billion	Preschool and K-12
\$2.8 billion	new construction of school facilities
\$5.2 billion	modernization of school facilities
\$500 million	providing school facilities to charter schools
\$500 million	facilities for career technical education programs
\$4.0 billion	Universities
\$2.0 billion	capital outlay financing needs of the California State University
\$2.0 billion	capital outlay financing needs of the University of California and Hastings College of the Law
\$2.0 billion	Community colleges

ACL Schedule

January 25, 2020 (in-person or conference call)

- Time: 10:00 a.m. - Noon
- Topic(s): Governor's Actions, Legislative Conference, Introduced Bills, 2020 Talking Points

March 4, 2020 (in-person or conference call)

- Time: 10:00 a.m. - Noon
- Topic(s): Bill review and analysis, Position recommendations

TENTATIVE, April 30, 2020 (in-person or conference call)

- Time: 1:00 p.m. - 3:00 p.m.
- Topic(s): Bill position updates

May 20, 2020 (conference call)

- Time: 10:00 a.m. - Noon
- Topic(s): Bill updates and budget

June 17, 2020 (Conference call only)

- Time: 10:00 a.m. - Noon
- Topic(s): Bills in Second House, Final Budget



Thank You



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