



GOVERNMENT RELATIONS UPDATE

Advisory Committee On Legislation | March Meeting



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA



Today's Update

- *Preliminary March 3rd Bond and Parcel Tax Results*
- *Legislative Update*
- *Budget Update*
- *Policy Update*

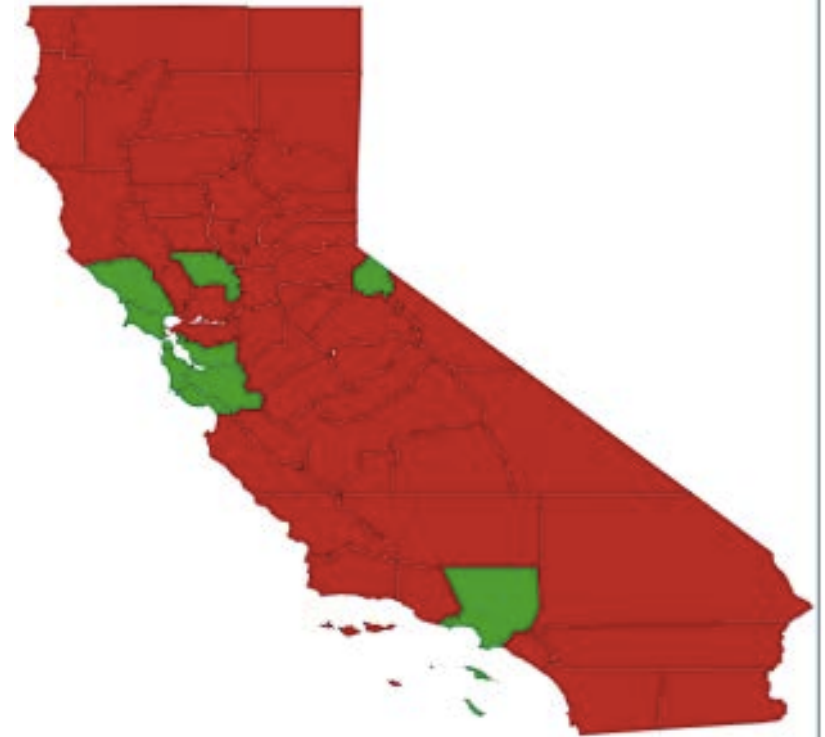
A stylized sunburst graphic with a central white circle and numerous light blue lines radiating outwards, some thicker than others, creating a sun-like effect.

Preliminary Bond and Parcel Tax Results



Proposition 13: Statewide Facilities Bond

- Headed towards defeat.
- 56% against, 44% in favor.
- Lukewarm support in Bay Area and Los Angeles.
- Lost in Sacramento, Central Valley and San Diego
- Potential Factors:
 - Ballot Number
 - Largest bond in state history.





March 3rd Election: Bonds and Parcel Taxes

Preliminary Bond Measure Results			
District	Amount	Percent Yes	Percent No
Cabrillo	\$274 Million	50%	50%
Foothill – De Anza	\$898 Million	56%	44%
Los Rios	\$650 Million	48%	52%
Merced	\$247 Million	45%	55%
Rancho Santiago	\$496 Million	51%	49%
Riverside	\$715 Million	42%	57%
San Francisco	\$825 Million	70%	30%
Yuba	\$228 Million	32%	67%

Preliminary Parcel Tax Results				
District	Annual Raised	Per Parcel	Percent Yes	Percent No
Foothill – De Anza	\$5.6 Million	\$48	60%	40%



Legislative Update



Context: State of the State

- Sharp focus on homelessness and housing prices.
- In a 40 minute speech:
 - Homelessness mentioned 21 times.
 - Housing mentioned 38 times.
- Proposed significant expansion of Medicaid dollars aimed at ameliorating drug and alcohol addiction or serious mental illness.





Context: 2020 Legislative Year

- 2,272 bills introduced.
- 46 identified as directly relating to higher education.
- Many bills directed at UC or CSU.
- Large number of “spot” bills.
- Likely significant increase in number of bills impacting community colleges.

Expect a more extensive bill discussion at our next meeting.



Bills for Discussion:

Academic Affairs:

AB 2019 (Holden) County Offices of Education

AB 3310 (Muratsuchi) Ethnic Studies

Collective Bargaining:

AB 2234 (Chau) Personnel Commissions

AB 2682 (Medina) Classified Employee Probationary Period

SB 796 (Leyva) Sick Leave

College Affordability:

AB 2176 (Holden) Student Transit Passes

AB 2416 (Gabriel) SAP and Homelessness

SB 958 (Leyva) Foster Youth

Governance:

AB 2452 (Garcia) Audit of Trade Associations

AB 2190 (Medina) Board Of Governors

AB 2910 (Weber) Student Trustees

Facilities:

AB 3207 (Gipson) Flexing Deferred Maintenance

AB 3333 (O'Donnell) Capital Outlay



Bills for Discussion: Academic Affairs

AB 2019 (Holden) County Offices of Education

Would permit County Offices of Education to enter in to College and Career Partnerships with their local community college districts.

Staff Recommendation: Support

AB 3310 (Muratsuchi) Ethnic Studies:

Mandates ethnic studies course as graduation requirement for community college students by the 2023-24 academic year. Sponsored by the Los Angeles Community College District.

Staff Recommendation:





Bills for Discussion: Collective Bargaining

AB 2234 (Chau) Personnel Commissions

Would permit personnel commissions to declare that district legal counsel has a conflict of interest and permit them to seek outside counsel.

Staff Recommendation: 🙄

AB 2682 (Medina) Classified Employee Probationary Period

Prohibits colleges from placing new classified employees on probation for a period longer than up to 6 months. Modeled after similar legislation for K-12 that was passed and signed into law last year.

Staff Recommendation: Oppose

SB 796 (Leyva) Sick Leave

Would require districts to pay full salaries of employees who have exhausted all their sick leave for up to five months.

Staff Recommendation: Oppose



Bills for Discussion: College Affordability

AB 2176 (Holden) Student Transit Passes

Would require transit agencies to offer free transit passes to college students as a condition of receiving state transit funds.

Staff Recommendation: Support

AB 2416 (Gabriel) Satisfactory Academic Progress and Homelessness

Would require colleges to consider homelessness as a factor when students appeal the potential loss of the California Promise Grant due to satisfactory academic progress.

Staff Recommendation: Watch

SB 958 (Leyva) Foster Youth

Would expand eligibility for the NextGen support program from those who were in the foster youth system as of at least 16 years of age to those who left the system at 13.

Staff Recommendation: Support



Bills for Discussion: Governance

AB 2452 (Garcia) Audit of Trade Associations

Would permit the state auditor to audit associations that represent local governmental bodies including community colleges if he or she determines they are reckless with public funds.

Staff Recommendation: Oppose

AB 2190 (Medina) Board Of Governors

Currently the Board of Governors contains two student members, of which has a full vote. This bill would provide a full vote to both student members.

Staff Recommendation: Watch



Bills for Discussion: Governance

AB 2910 (Weber) Student Trustees

Proposes the following:

1. Mandates that all student trustee have an advisory vote before full action of board.
2. Mandates that all students have equal compensation with their elected trustee peers.
3. Mandates that student trustees can make motions and seconds.
4. Permits a board to provide a full vote to student trustees.

Original Intention:

To mandate full voting rights for student trustees, participation in closed sessions and their ability to make motions and seconds.

Staff Recommendation: Support if bill is amended strike Items 3 and 4, modifies Item 2 to set a floor of no less than 50% of a trustee stipend, stipulates that a college can exempt advisory votes on personnel matters and this legislation would apply to one student trustee for districts with multiple student trustees.



Bills for Discussion: Facilities

AB 3207 (Gipson) Flexing Deferred Maintenance

Would flex deferred maintenance dollars to be utilized to support the construction or maintenance of student housing.

Staff Recommendation: Support if it pushes forward a recommendation made by the League's Taskforce on Homelessness, Food and Housing Insecurity.

AB 3333 (O'Donnell) Capital Outlay Process

Directs the Chancellor's Office to codify capital outlay process into regulations to consider items vital to the construction or modernization of facilities when scoring projects.

Staff Recommendation: Support



Budget Update



The Big Picture

California's economy will grow faster than the nation's, UCLA forecast predicts

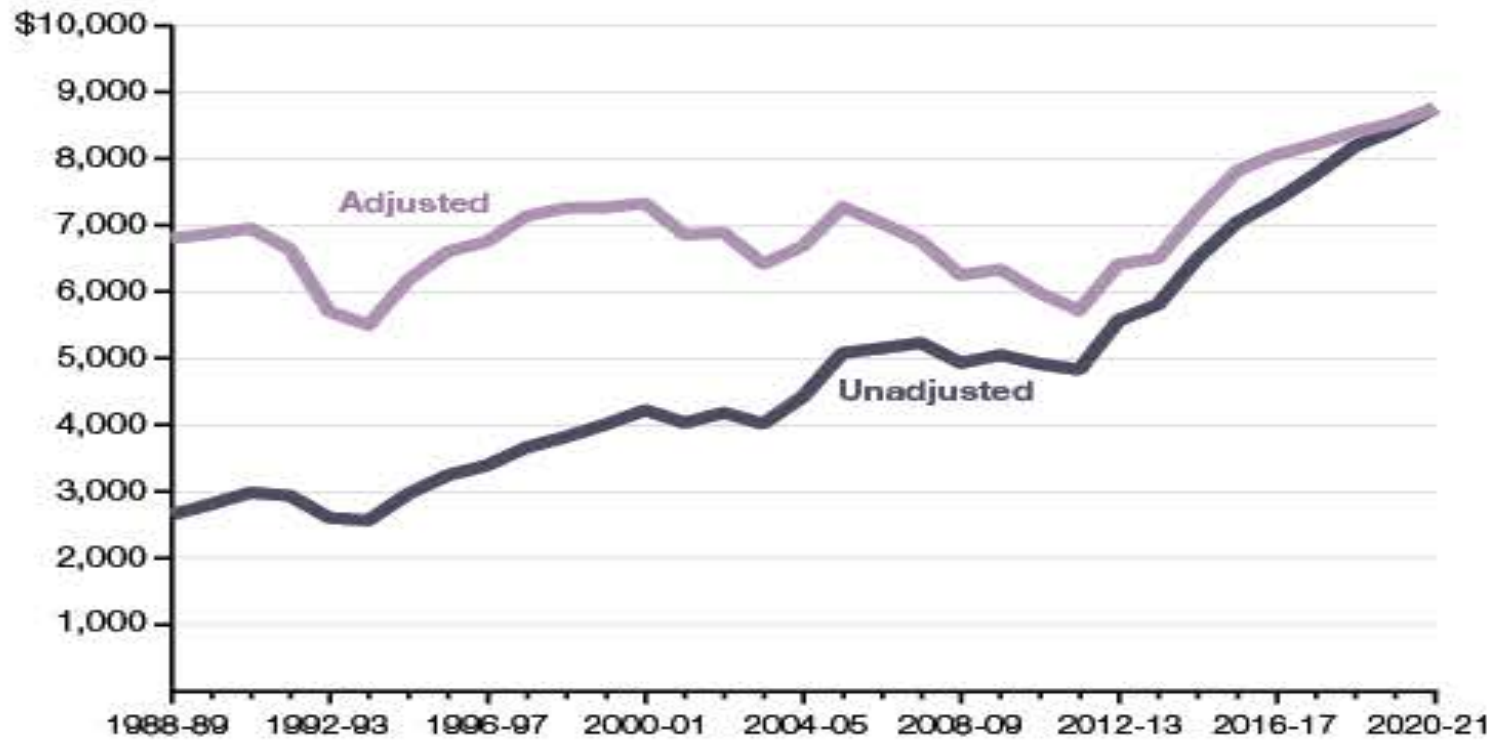
California's economic growth will slow next year but is likely to surpass that of the nation overall, as Golden State employers boost payrolls, according to a new UCLA Anderson School forecast.

Even as recession fears haunt the ongoing expansion, California's economic output expanded by 2.6% this year, albeit down from 3.5% in the last quarter of 2018.



Big Picture

Proposition 98 Funding Per Student at All-Time High 2020-21 Dollars





Big Picture

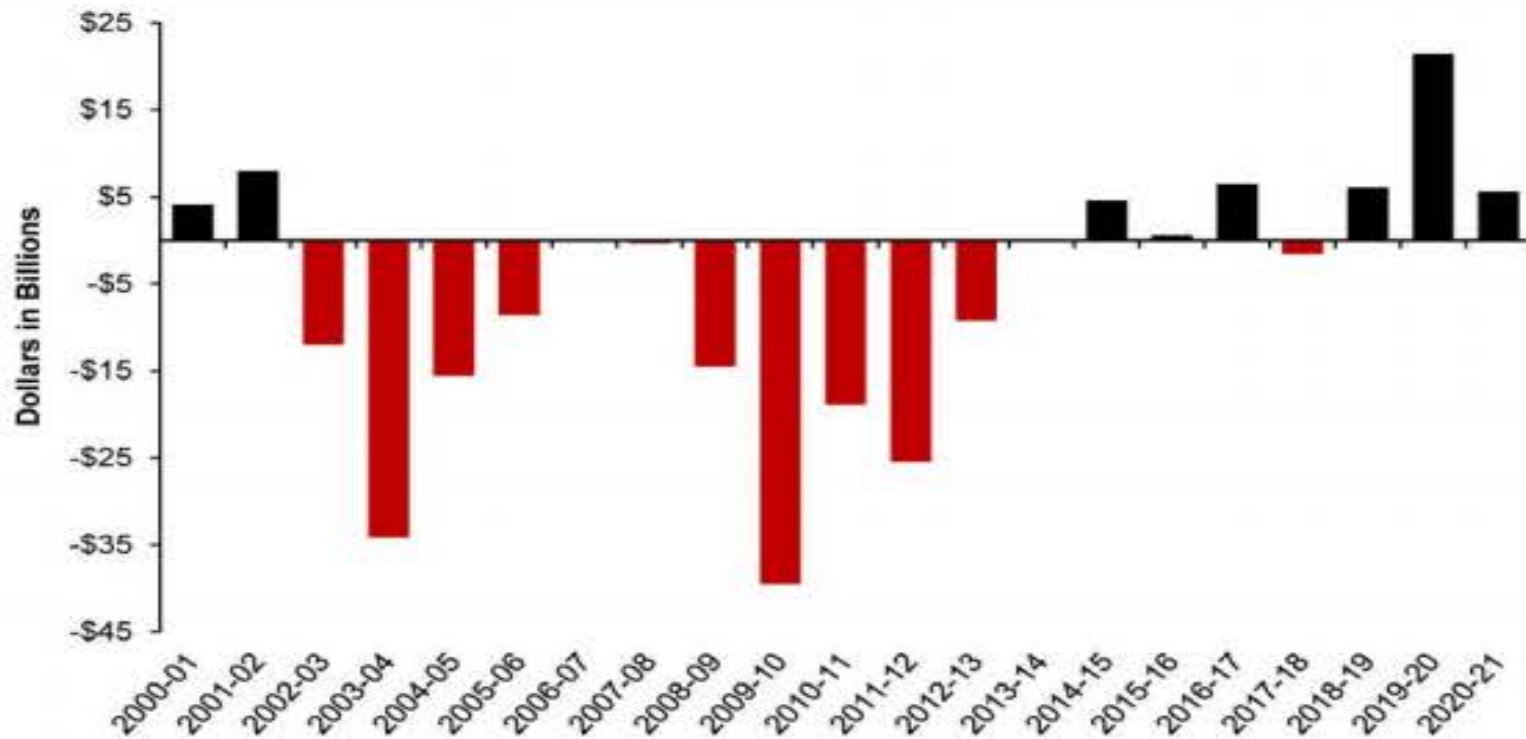
LAO: Risks of a slowdown are higher than normal

- Unstable housing markets
- Issues with trading partners (e.g., Corona virus)
- Slowing of new car sales and business startup funding



Big Picture

Balanced Budgets Have Been Quickly Followed by Huge Deficits^{1/}



^{1/} Budget shortfalls or surplus, measured by the annual Governor's Budget.



CCLC's Budget Priorities

- Increased allocation to the base resulting in higher per-student funding
- Pension buy-down
- Financial aid reform
- Increased deferred maintenance/instructional equipment
- Statewide integrated library system
- Ongoing Proposition 63 revenues for mental health services

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



CCLC's Budget Priorities

**HOW DID
WE DO?**



January Budget Ongoing Policy Adjustments

COLA for Funding Formula, 2.29%	\$167.2
Enrollment Growth, 0.5%	\$31.9
Support existing apprenticeship coursework	\$27.8
Expand California Apprenticeship Initiative	\$15.0
Support districts' food pantry services	\$11.4
Continue legal services for immigrant students, faculty and staff	\$10.0
COLA for certain categorical programs, 2.29%	\$9.2
Dream Resource Liaisons and related services	\$5.8
Instructional materials for dual enrollment	\$5.0
Adjust California College Promise	-\$1.5
Adjust Student Success Completion Grants	-\$9.4
Subtotal (ongoing)	\$272.4



January Budget One-Time Policy Adjustments

Expand workplace learning within Guided Pathways	\$20
Create statewide pilot fellowship for diverse faculty hiring	\$15
Augment support for Part-Time Faculty Office Hours Program	\$10
Expand Zero Textbook Cost Pathways	\$10
Deferred maintenance and instructional equipment*	\$7.6
Subtotal (one-time)	\$62.6

Total Proposed Changes	\$317.7
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The Governor's January Budget proposal provides California Community Colleges with 10.92% of the Proposition 98 split, reflecting a shortfall of .01% (\$11 mil.). The Administration has promised to correct this in the May Revise.

**Proposed figure for Deferred Maintenance covering three years is \$17.2 million (\$8.1 million in 2020-21, \$7.6 million in 2019-20, and \$1.5 million in 2018-19); preliminary analysis used the \$7.6 million figure in the chart.*



January Budget Prior Year Adjustments

Governor's January Budget proposal includes \$272 million in ongoing policy adjustments compared to revised 2019-20 expenditure levels:

2019-20 Revised Budget	\$8,770
Technical Adjustments	
Student Centered Funding Formula Base Adjustments	\$9.7
Remove one-time spending	-\$28.6
Other technical adjustments	\$1.6
Subtotal technical adjustments	-\$17.3



January Budget LAO Analyses

Bulk of COLA Augmentation Needed to Cover Higher Pension Costs.

Higher Education Analysis

Augmenting apportionment funding

can help community colleges cover employee salary increases, higher health care premiums, and higher pension rates, among other cost increases. Under the Governor's budget, we estimate that **districts' pension costs are likely to increase by about \$120 million in 2020-21—absorbing more than two-thirds of the proposed apportionment augmentation.** Under the Governor's budget, districts would have less than \$50 million remaining to cover increases in other compensation and



GABRIEL PETER
LEGISLATIVE ANALYST
FEBRUARY 20, 2020

Long-Term Savings Could Be Achieved Through Supplemental Payments [to CalSTRS and CalPERS].

The 2020-21 Budget: Proposition 98 Education Analysis

These savings could be significant. Given the estimate of savings is based on future investment returns and other economic and demographic assumptions, however, there is uncertainty about the ultimate amount districts would save. Using a recent CalSTRS analysis that included thousands of possible scenarios, **estimated savings over the next few decades from a \$1 billion supplemental payment likely could range from \$1 billion to \$3.3 billion** (including the \$1 billion supplemental payment). Overall, the average savings was \$2.3 billion and in 75 percent of scenarios, the savings exceeded \$1 billion.



GABRIEL PETER
LEGISLATIVE ANALYST
FEBRUARY 24, 2020



January Budget

Streamlining Support and Technical Assistance

Cost shifting of \$125 million creating new program to provide coordinated support

Set-asides for administrative and statewide activities

- Student Equity and Achievement Program
- Cooperating Agencies Foster Youth Educational Support
- CCC Strong Workforce Program

Read the trailer bill:
<https://bit.ly/2Tgw4kV>

Statewide Programs

- Institutional Effectiveness Partnership Initiative
- Integrated Technology
- Transfer Education and Articulation
- Expand Delivery of Courses through Technology
- Statewide media campaigns (from Financial Aid Administration)

Transparency & Adaptability

- Pending trailer bill language will require Board of Governors to adopt annual budget and expenditure reports
- Ability to adapt to college and district needs
- Potential cost savings, efficiencies, and economies of scale

LAO in strong support



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

January Budget Work-Based Learning Initiative

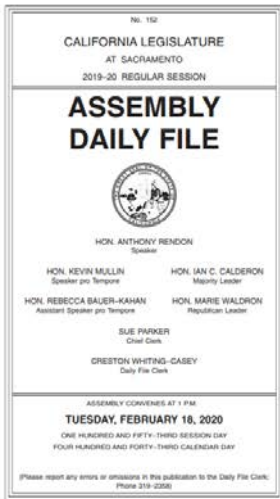
\$20 Million in competitive grants to “expand the use of work-based learning instructional approaches that align with the Guided Pathways framework.”

Administration has made work-based initiatives a cornerstone of the budget

LAO notes there is no baseline data on work-based learning; opposes adding another work-based initiative, particularly funded by one-time dollars



January Budget Major Budget Subcommittee Hearings



Assembly Budget Subcommittee No. 2 on Education Finance

Higher Education Access

March 10

9:00 am

State Capitol Room 447

California Community College Support Budget

May 5

9:00 am

State Capitol Room 447



Senate Budget Subcommittee No. 1 on Education

California Community College Support Budget

April 23

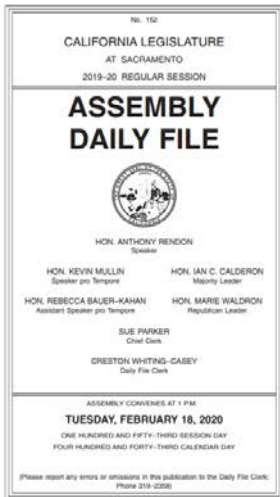
9:30 am or on close of Senate floor session

State Capitol Room 3191

All hearings times and locations are subject to change.



January Budget Budget Subcommittee Rosters



Assembly Budget Subcommittee No. 2 on Education Finance

- Hon. Kevin McCarty, Chair (D- Sacramento)
- Hon. William Brough, Vice Chair (R-San Juan Capistrano)
- Hon. James Gallagher (R-Chico)
- Hon. Monique Limón (D-Santa Barbara)
- Hon. Jose Medina (D-Riverside)
- Hon. Al Muratsuchi (D-Torrance)
- Hon. Patrick O'Donnell (D-Long Beach)



Senate Budget Subcommittee No. 1 on Education

- Hon. Richard Roth, Chair (D-Riverside)
- Hon. Mike Morrell (R-Rancho Cucamonga)
- Hon. Connie Leyva (D-San Bernardino)



January Budget Advocacy

Advocacy themes in the Capitol:

- Student success
- Equity

Voter concerns:

- Housing
- Poverty



January Budget

Connecting advocacy to voter concerns

How much of a problem is homelessness in your part of California? Is it a big problem, somewhat of a problem, or not much of a problem?

61% big problem
25 somewhat of a problem
13 not much of a problem
1 don't know

How much of a problem is housing affordability in your part of California? Is it a big problem, somewhat of a problem, or not a problem?

63% big problem
25 somewhat of a problem
11 not a problem
1 don't know

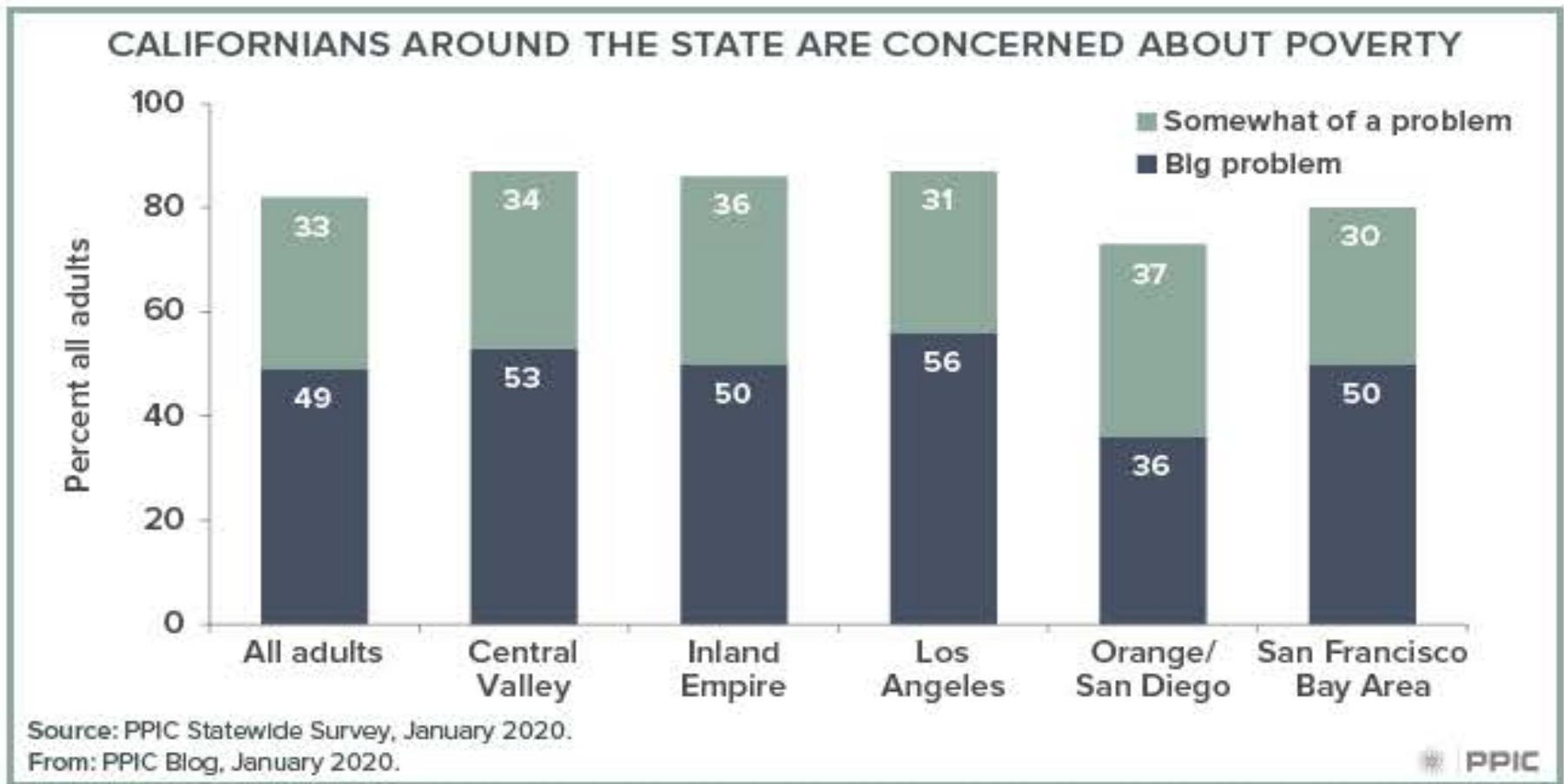
[likely voters only] Proposition 13, is called the “Authorizes Bonds for Facility Repair, Construction, and Modernization at Public Preschools, K–12 Schools, Community Colleges, and Universities. Legislative Statute.” It authorizes \$15 billion in state general obligation bonds for construction and modernization of public education facilities. The fiscal impacts are increased state costs to repay bonds that are estimated at about \$740 million per year, including interest, over the next 35 years. If the election were being held today, would you vote yes or no on Proposition 13?

51% yes
42 no
8 don't know



January Budget

Connecting advocacy to voter concerns





Policy Update



Financial Aid: Cal Grant Modernization

- Consolidates the Cal Grant A, B and C awards and the distinction between entitlement and competitive programs.
- Eliminates current eligibility requirements that lock out non-traditional students.
- Changes eligibility for Cal Grants to expected family contribution (EFC).
- Would provide a prorated access award of up to \$6,000 to community college students.

If fully funded, 300,000 community college students would become eligible for access awards of up to \$6,000.



Financial Aid: Cal Grant Modernization

- Approach considers current approaches to tuition orientated Cal Grant structure, statewide tuition and fee policies and institutional aid programs.
- Recognizes historical state investment in free tuition programs for low-income students funded via Cal Grants or Proposition 98.

Proposed Consolidated Cal Grant Programs		
Program	Tuition	Access
Cal Grant 2	Institutional Aid (CA Promise Grants)	Cal Grant 2 provides access award up to \$6,000.
Cal Grant 4	Cal Grant 4 waives tuition at UC/CSU.	Institutional Aid (Return to Aid Programs)



Financial Aid: Cal Grant Modernization

- Recognizes historical state investment in free tuition programs for low-income students funded via Cal Grants or Proposition 98.
- Significant increase in aid for community college and non-traditional students.
- Total cost: **\$1 Billion.**

System Perspective		
Program	Newly Eligible Students	Funding Increase
Cal Grant 2	300,000	\$800 Million
Cal Grant 4	70,000	\$200 Million



Financial Aid: Student Focused Policies



- Community colleges can and should do a better job at providing financial aid.
- Significant number of qualified low-income students do not access all available financial aid.
- Unnecessary obstacles either slow down or prevent delivery of financial aid aid.



Financial Aid: Student Focused Policies



- Report created by taskforce of CEOs, trustees and financial aid administrators.
- **Key Finding:** Colleges must give space for financial aid offices to innovate or eligible students will not be served.
- Will increase service to low-income students d at the risk of college being sanctioned by federal government for delivering financial aid awards to ineligible populations..
- Link:
https://www.ccleague.org/sites/default/files/pdf/resources/cclc_finaid_report_feb_2020_final.pdf



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

March in March: Funding Full Cost of College

- Student led march to Capitol.
- Goal is to highlight need for an equitable system of financial aid.
- Thursday, March 19th at 9:30 AM.
- Register by clicking here:
- <https://www.studentsenateccc.org/news-events/calendar.html/event/2020/03/19/ssccc-march-in-march/277581>



