



Governor Newsom 2022-23 Budget Proposal

Government Relations Update
January 11, 2022



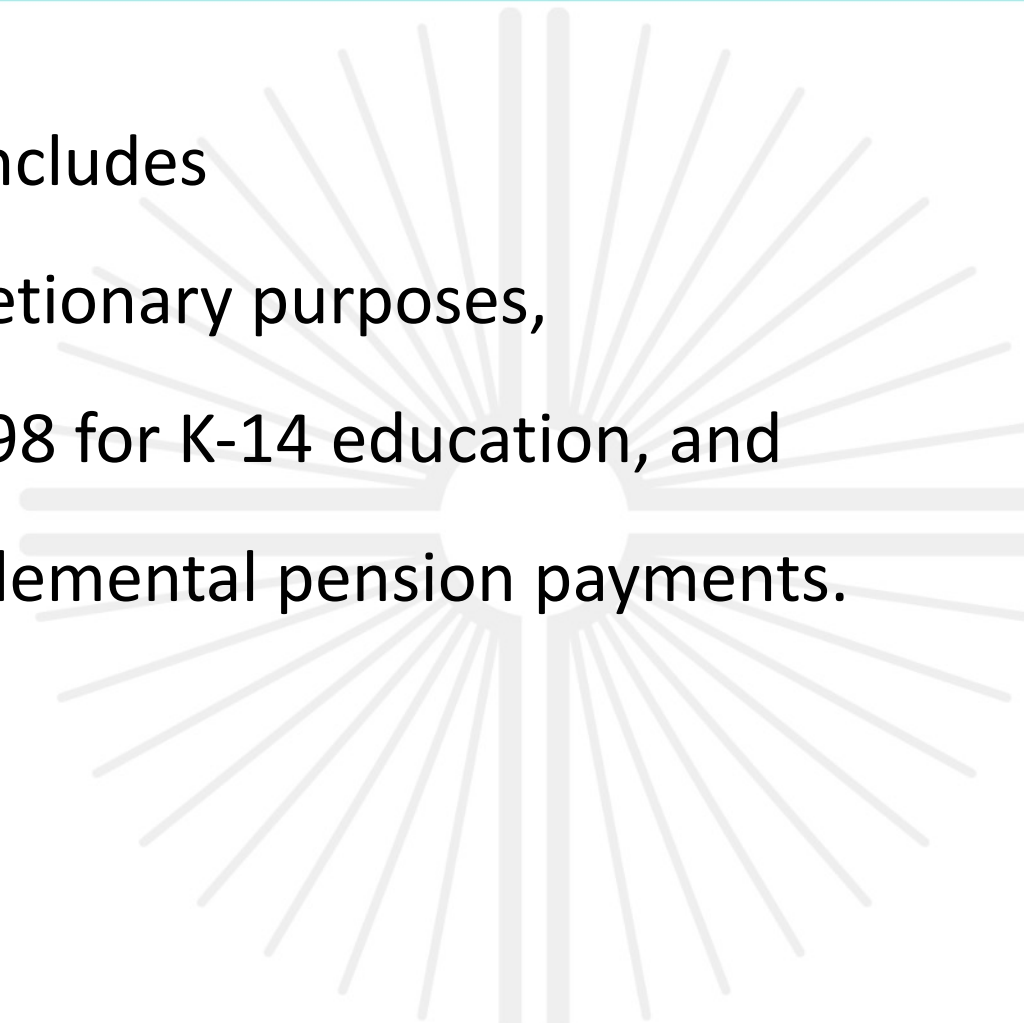
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Overview



2022-23 Budget--State Surplus

- \$45.7 billion in projected surplus, which includes
 - \$20.6 billion in General Fund for discretionary purposes,
 - \$16.1 billion in additional Proposition 98 for K-14 education, and
 - \$9 billion in reserve deposits and supplemental pension payments.
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Gann Limit

The Budget projects the State Appropriations Limit or "Gann Limit" will likely be exceeded in the 2020-21 and 2021-22 fiscal years.

Any funds above this limit are constitutionally required to be allocated evenly between schools and a tax refund.

An updated calculation of this limit, and proposals to address it, will be included in the May Revision.

Governor provided an estimate of \$2.6 billion, but this is likely to change.



Key League Priorities

Cost Of Living Adjustment

An increase of \$409.4 million ongoing Proposition 98 General Fund to provide

for a 5.33-percent COLA for apportionments, consistent with K-12, and

\$24.9 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.



Pension Obligations

The Budget works to buy down the state's share of unfunded liabilities within the California Public Employees Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS).

CalPERS \$3.9 billion in additional payments in 2022-23; district share remains constant at 2021-22 level at 22.91% and

Another \$8.4 billion projected to be paid over the next three years

\$3.7 billion General Fund for the statutorily required annual state contribution to CalSTRS; district contribution to remain constant at 2021-22 level at 16.92%.

SCFF & Hold Harmless

Permanently extends the hold harmless provision to create 2024-25 as the new funding floor for districts.

Statutory, not cumulative, COLA to apply to hold harmless districts commencing in 2025-26.

Adopts recommendation of the SCFF Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF's supplemental allocation.





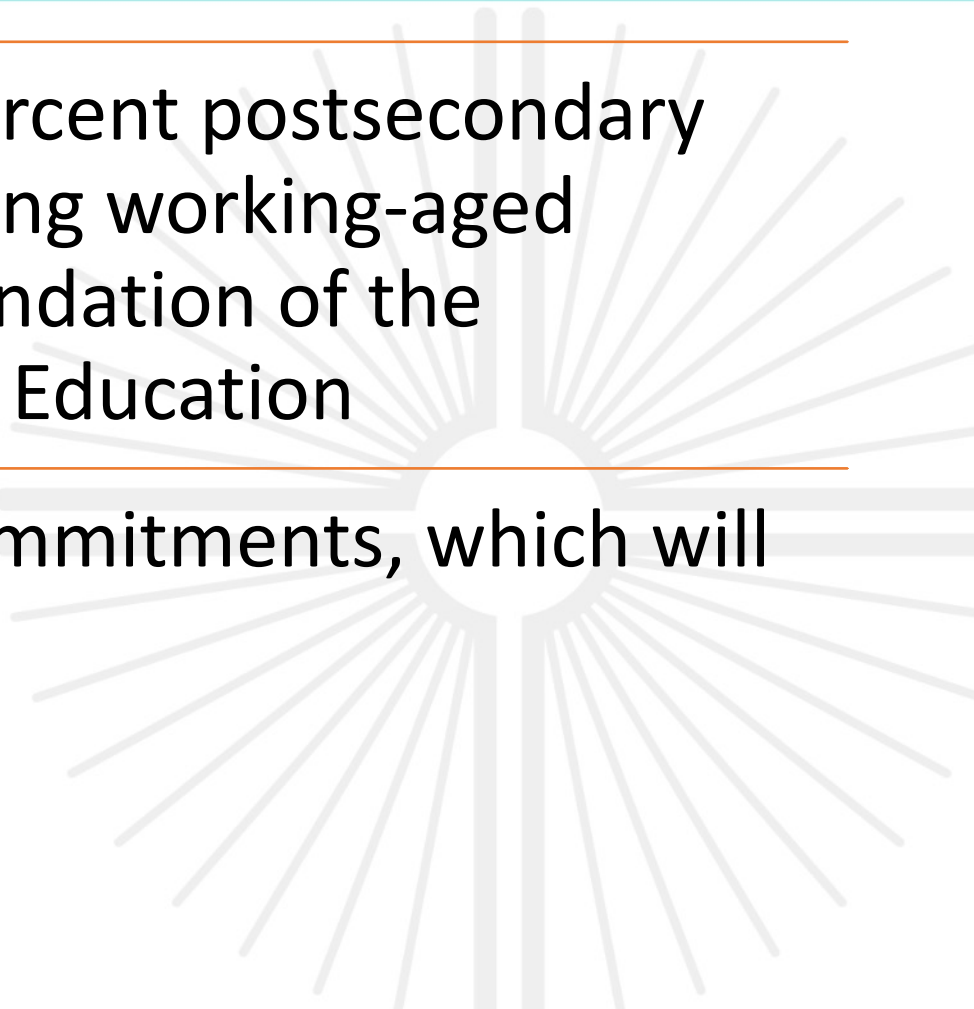
CCC Roadmap



Higher Education Compact & Roadmap

An overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030 per the recommendation of the Governor's Council for Post-Secondary Education

Specific metrics for these goals and commitments, which will be shared as part of the May Revision



Key Goals for Road Map

Improving	educational outcomes for CCC students
Improving	student success and advancing equity
Increasing	intersegmental collaboration to benefit students
Supporting	workforce preparedness and high-demand career pipelines

Investments intended to align with the roadmap



\$100 million ongoing Proposition 98 General Fund for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for community college students.



\$105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system



\$65 million one-time Proposition 98 General Fund for community colleges to implement the transfer reform



\$25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that maps intersegmental curricular pathways

Investments intended to align with the roadmap



An increase of \$10 million ongoing Proposition 98 General Fund to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.



An increase of \$10 million ongoing Proposition 98 General Fund to augment resources provided to community college financial aid offices.



An increase of \$10 million ongoing Proposition 98 General Fund to expand the availability of foster youth support services offered by the NextUp program from 20 districts to 30 districts.



Other Investments



Part-Time Faculty Health Insurance

To support community college part-time faculty

An increase of \$200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program

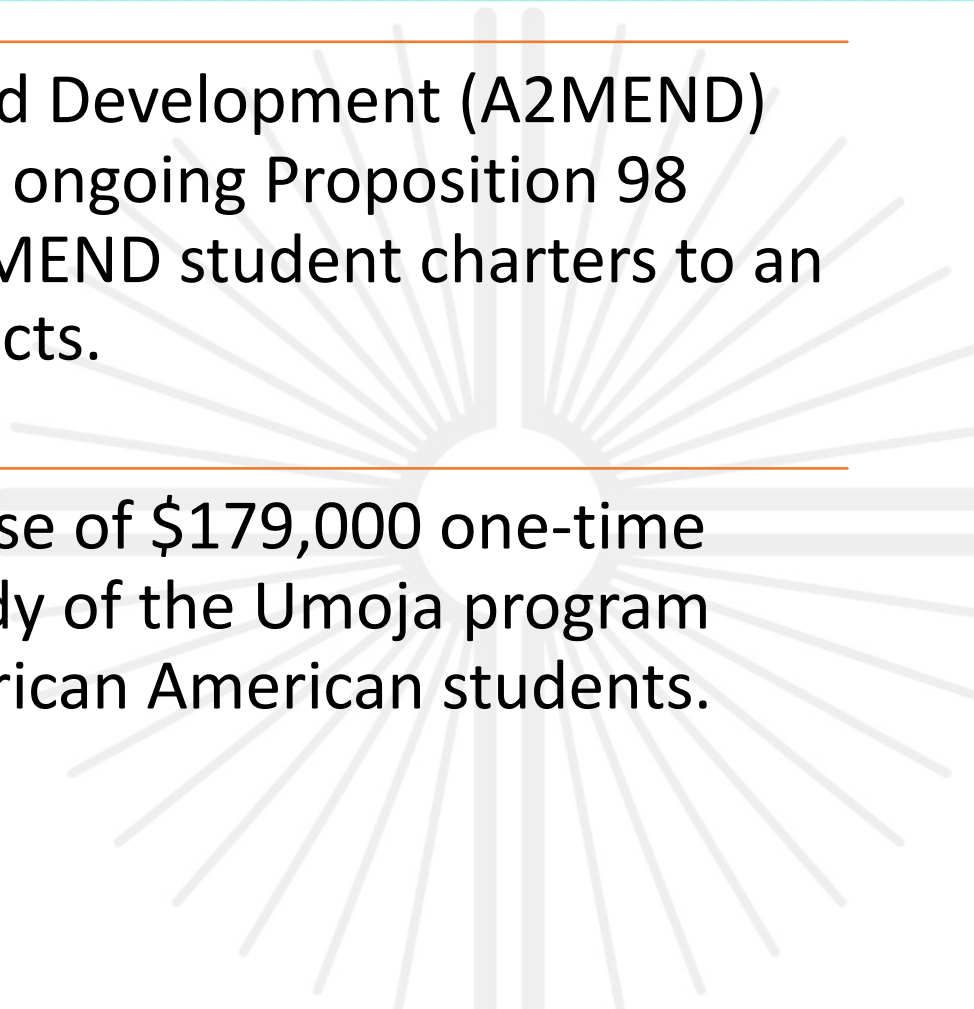
To expand healthcare coverage provided to part-time faculty by community college districts.



A2MEND and UMOJA

African American Male Education Network and Development (A2MEND) Student Charters—An increase of \$1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.

Support for Umoja Program Study—An increase of \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.

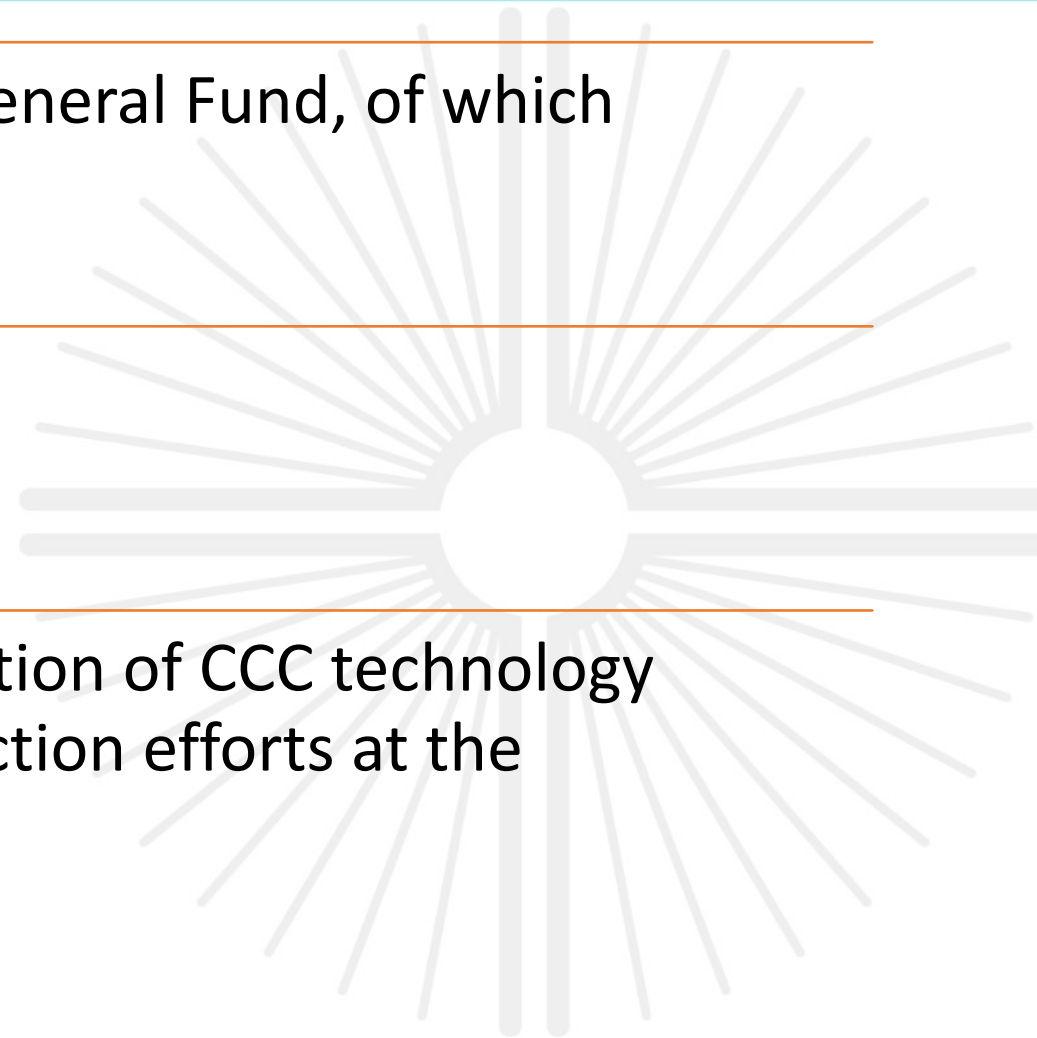


CCC Technology Modernization and Sensitive Data Protection—

An increase of \$100 million Proposition 98 General Fund, of which

\$75 million is one-time and

\$25 million is ongoing, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges.



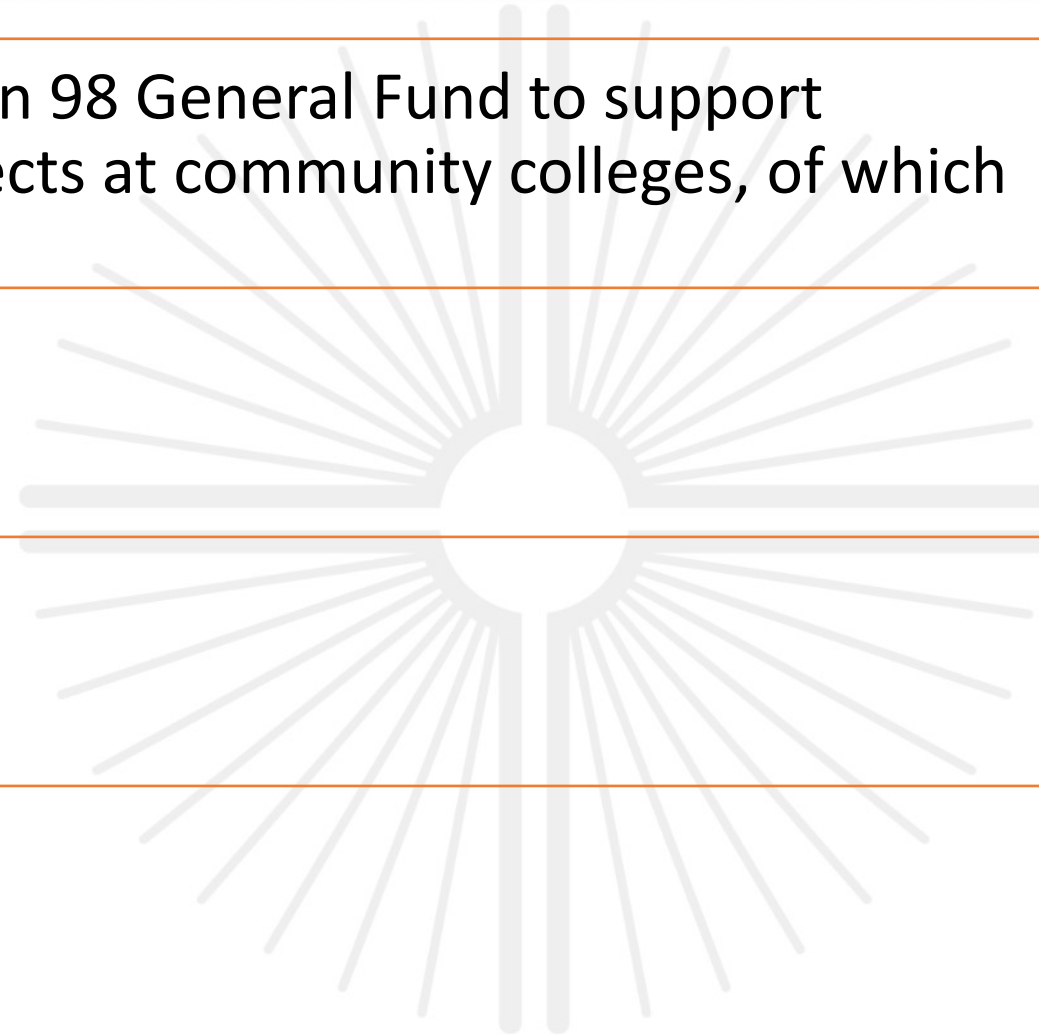
Deferred Maintenance

An increase of \$387.6 million one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges, of which

\$108.7 million is from 2022-23,

\$182.1 million is from 2021-22, and

\$96.8 million is from 2020-2021



CCC Facilities

\$373 million General Obligation bond funding for the construction phase of 17 projects anticipated to complete design by spring 2023,

and the working drawings phase of 1 project.

This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.



Supporting Students

\$150 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment. To engage and connect with:

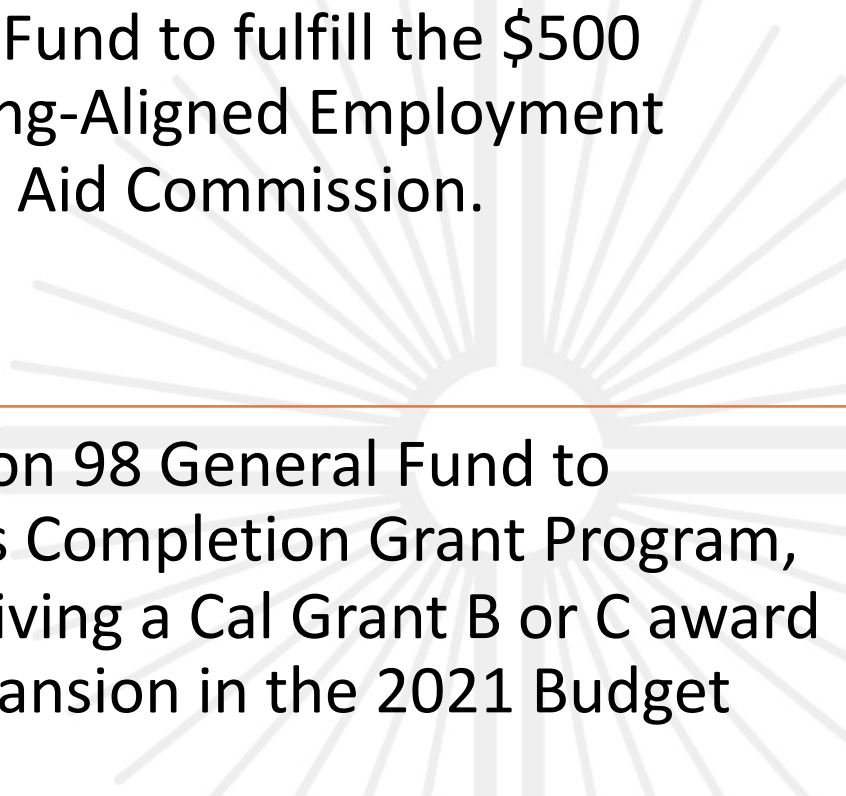
Former students who may have withdrawn from college due to COVID-19,

Current and prospective students who are hesitant to remain or enroll in college.

- Including non-native English speakers,
- first-generation college students,
- working learners,
- student parents, and
- re-entry students.

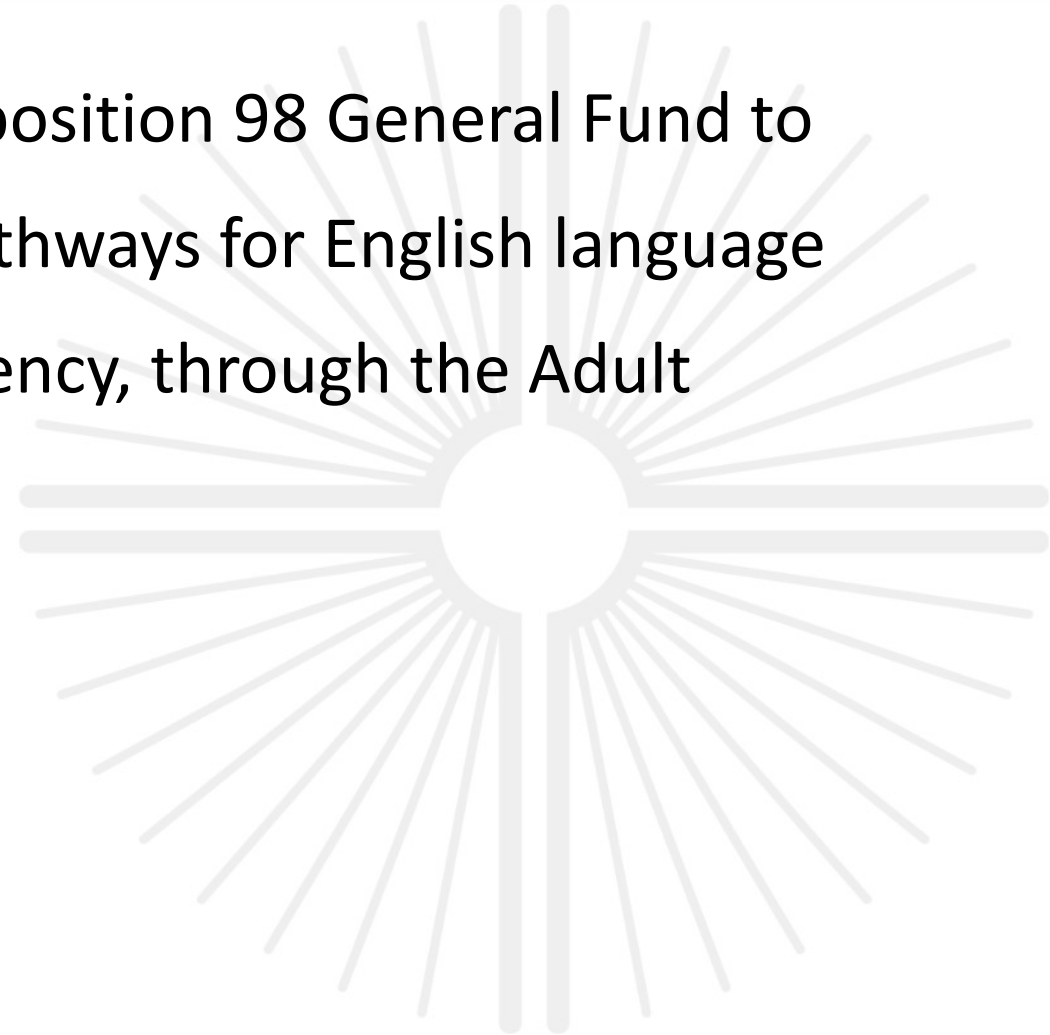
It is the expectation of the Administration that community college districts aim to offer at least 50 percent of their lecture and laboratory course sections as in-person instruction for the 2022-23 academic year.

Affordability

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- An increase of \$300 million one-time General Fund to fulfill the \$500 million total commitment to support the Learning-Aligned Employment Program administered by the California Student Aid Commission.
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- An increase of \$100 million ongoing Proposition 98 General Fund to support the community college Student Success Completion Grant Program, providing funds for newly eligible students receiving a Cal Grant B or C award as a result of the CCC Cal Grant entitlement expansion in the 2021 Budget Act.
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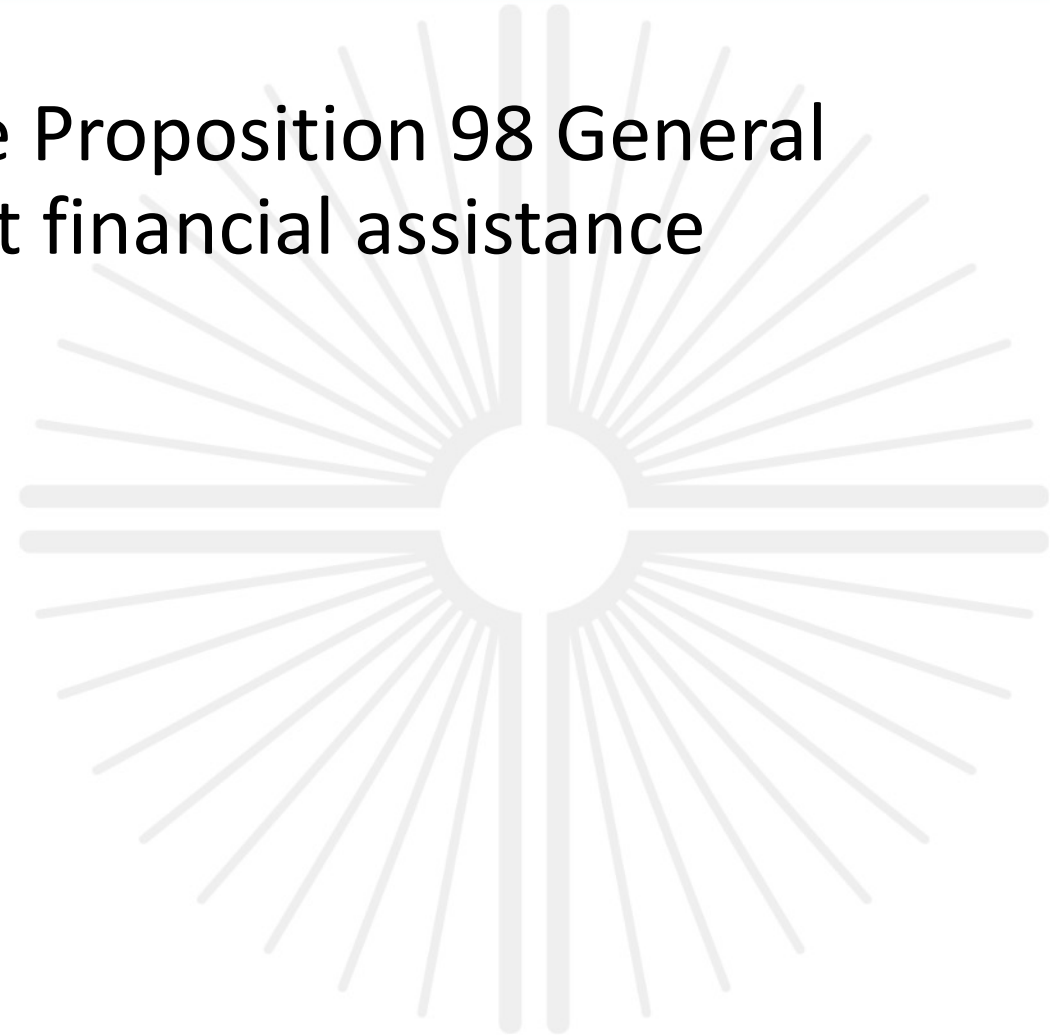
Healthcare Vocational Education

- An increase of \$130 million one-time Proposition 98 General Fund to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program, of which
 - \$30 million is for 2022-23,
 - \$50 million is for 2023-24, and
 - \$50 million is for 2024-25,



Emergency Financial Assistance Grants for AB 540 Students—

- An increase of \$20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.



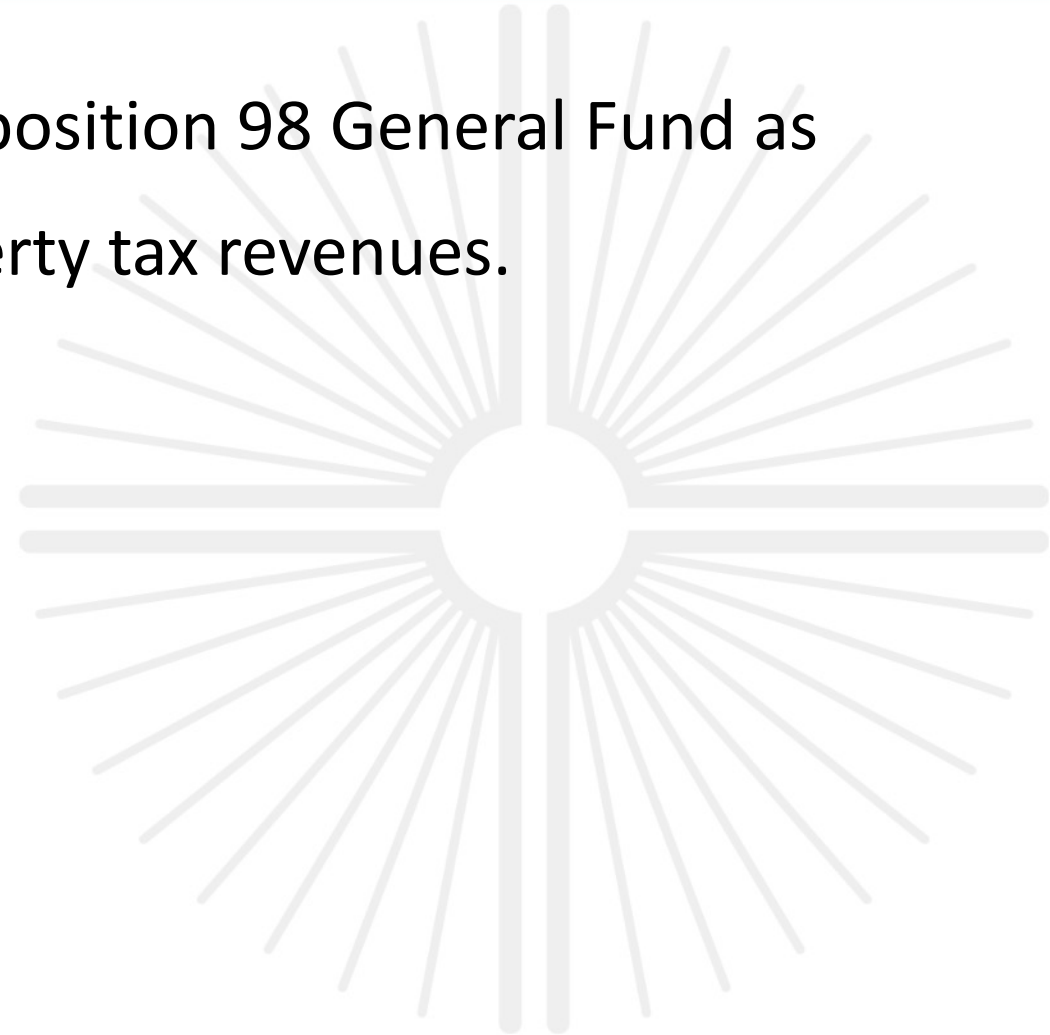
Pathways Grant Program for High-Skilled Careers & CCC Teacher Credentialing Partnership Program

An increase of \$20 million one-time Proposition 98 General Fund for a grant program that incentivizes public-private partnerships that prepare students in grades 9 to 14 for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare.

An increase of \$5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program.

Local Property Tax Adjustment

- A decrease of \$230.5 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.



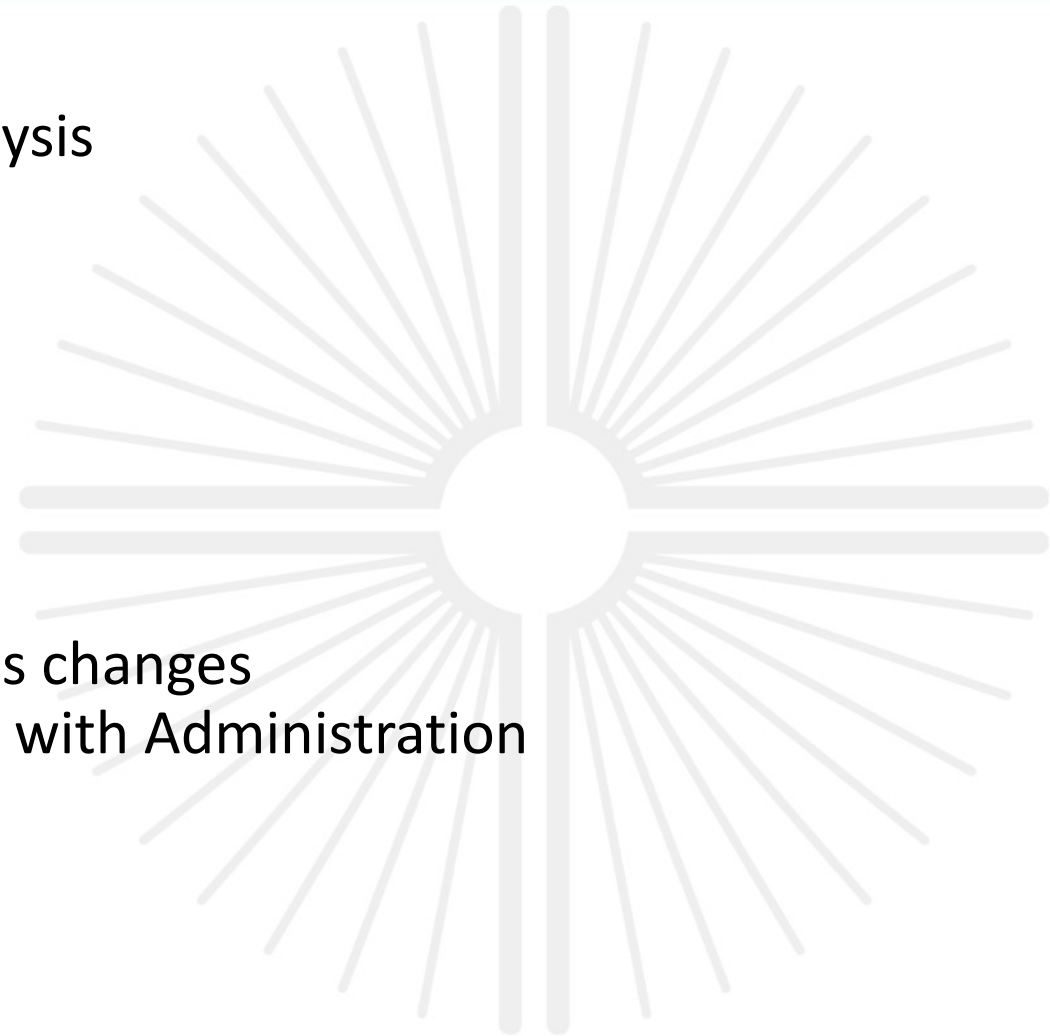


Budget Process



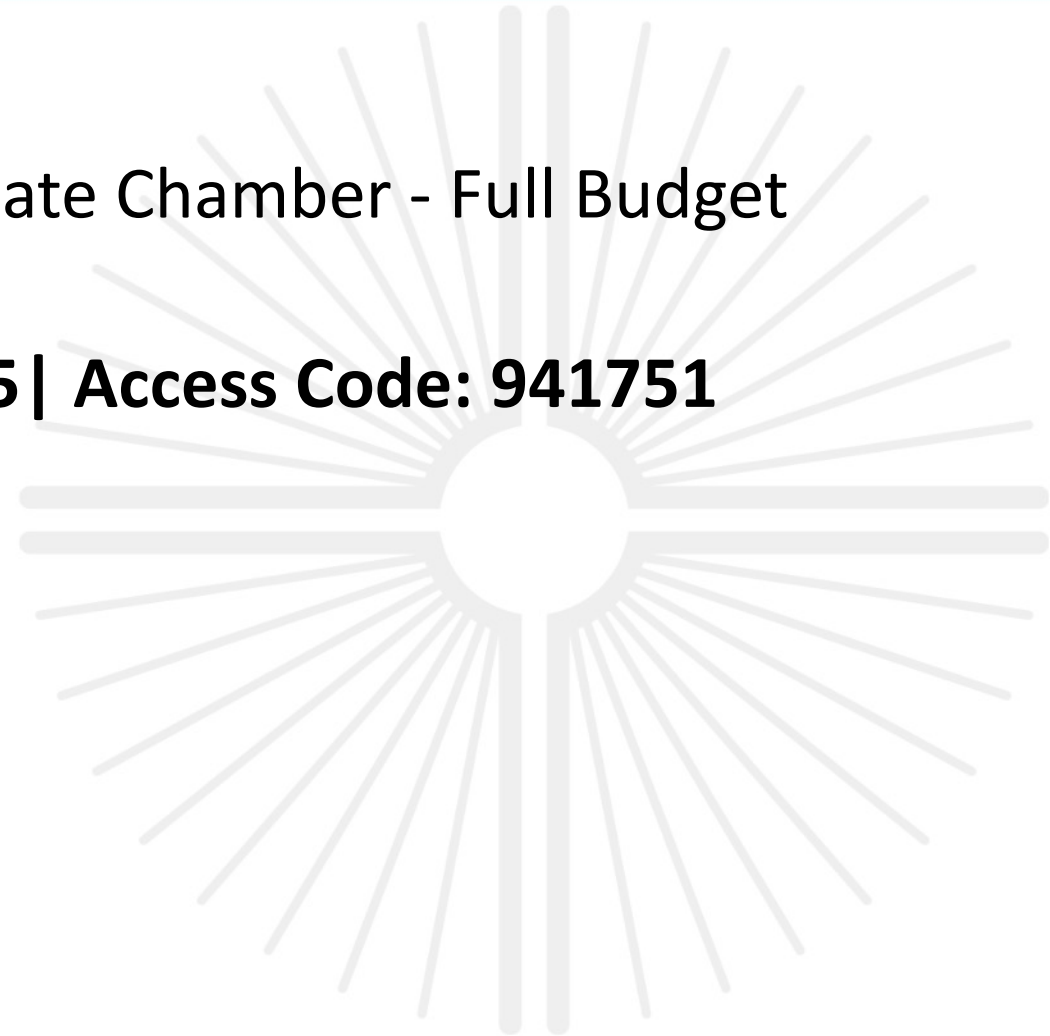
Budget Process

- January-February
 - Legislative Analyst's Office releases their analysis
 - Budget and spot bills introduced
- March-May
 - Sub-committees meet and take actions
 - Sends report back to Budget Committee
- May -June
 - May Revise is released by Governor
 - Sub-Committee and Budget Committee assess changes
 - Conference Committee and final deliberation with Administration
 - Legislature acts by June 15
 - Governor signs by the end of June



Senate Budget Hearing

- **NEXT HEARING:**
- January 19, 2022, at 10:00 a.m. in the Senate Chamber - Full Budget Hearing
- **Participant Phone Number: 844-291-4185 | Access Code: 941751**





Engaging the Budget Process

Engaging the Budget Process

- Via the subcommittee process
 - Remote testimony if applicable
 - Letters in support of CCC budget
- As part of the May Revise process
 - Engage your delegation
 - And sub-committee members





QUESTIONS





2022 Annual Legislative Conference

January 30-31, 2022
In-Person Event (Sacramento, CA)

REGISTRATION IS NOW OPEN!



Thank You!

