



Governor Newsom 2022-23 May Revision Budget

Government Relations Update

May 17, 2022

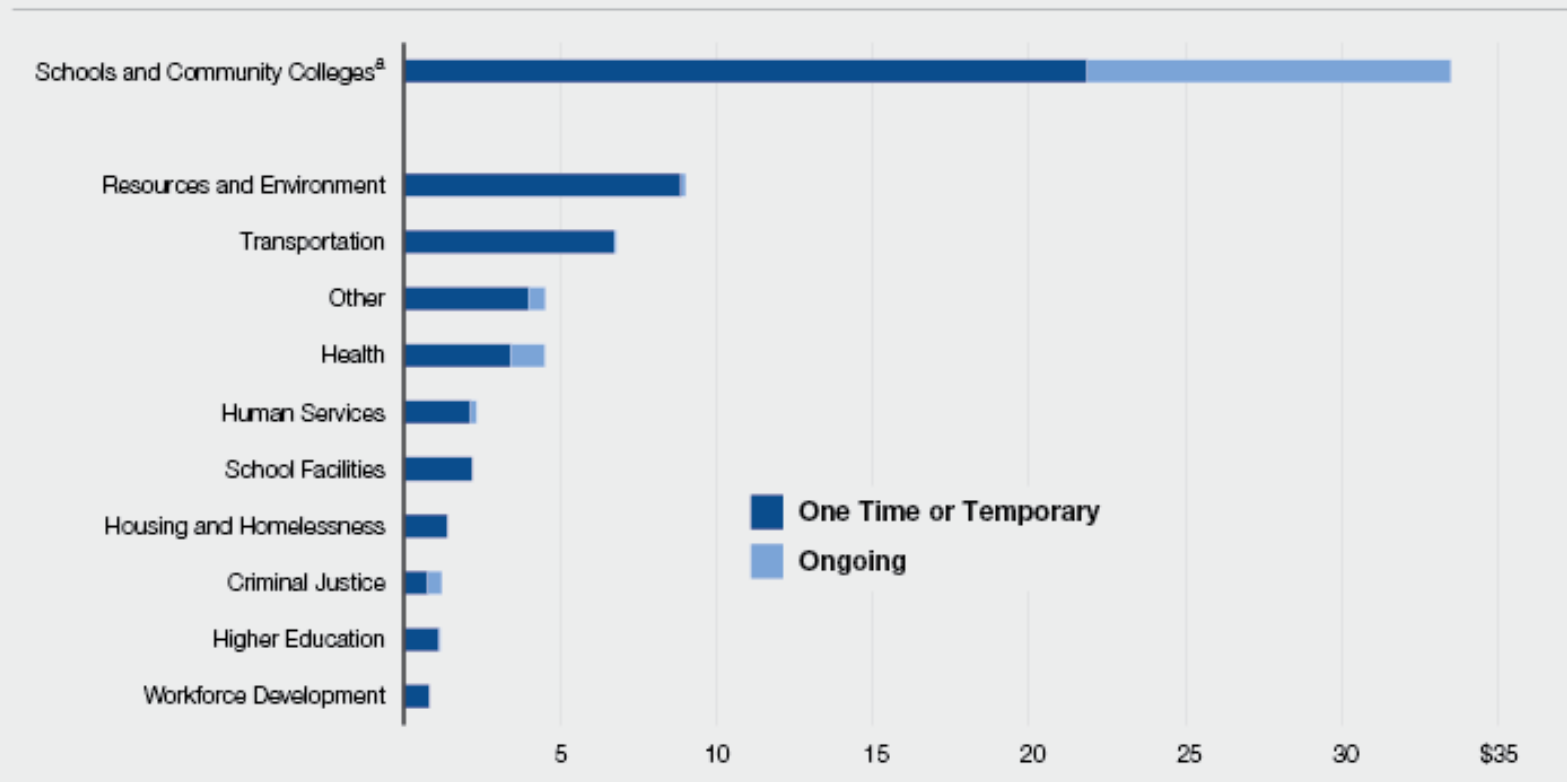


- ▶ Base Increase
- ▶ COLA
- ▶ One Time Block Grant
- ▶ Pension Obligations
- ▶ Deferred Maintenance
- ▶ Financial aid
- ▶ Other Investments

LAO Breakdown of Major Discretionary Spending Choices in 2022-23 Budget

Major Discretionary Spending Choices in 2022-23 May Revision

\$33 Billion Surplus Within School and Community College Budget;
 \$34 Billion in Overall General Fund Surplus Spending Proposals
 (In Billions)





Base Increase



Governor's January Budget: SCFF & Hold Harmless

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

COLA will stop applying 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.



League Priorities: Base Increase



Last summer, the League submitted a Budget Change Proposal to the Chancellor's Office for inclusion in the System's Shared Advocacy Request for an unallocated increase to the base for \$500 million.



League ultimately aligned with Chancellor's Office on a \$300 million basic tech augmentation to support the shift the online and in person instruction

League Priorities: Wyse Plan

Recognizing the significant number of districts that fell under the Emergency Conditions Allowance (ECA), the League advanced a proposal developed by former CEOCCC President Joe Wyse to modify the base year under the Hold Harmless from 2018-19 to 2021-22.

The Wyse Proposal would have the dual benefit of eliminating the uncertainty for districts of whether the ECA would be extended on a year-to-year basis and serve as a necessary bridge to the Governor's plans for SCFF.

Senate Proposal: Ongoing Base Increase

- **\$700 million ongoing base increase above the Governor's proposal**



Governor's May Revision: Base Increase



Increase of \$250 million ongoing Proposition 98 General Fund to increase the SCFF's funding rates for the base, supplemental, and success allocations.



\$125 million ongoing Proposition 98 General Fund to augment the Formula's basic allocation within the base allocation, in recognition of the significant digital footprints that districts have developed to accommodate long-term shifts in student learning modality demand.



Cost-Of-Living Adjustments

January 2022 Governor Proposal: Cost-Of-Living Adjustments

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.

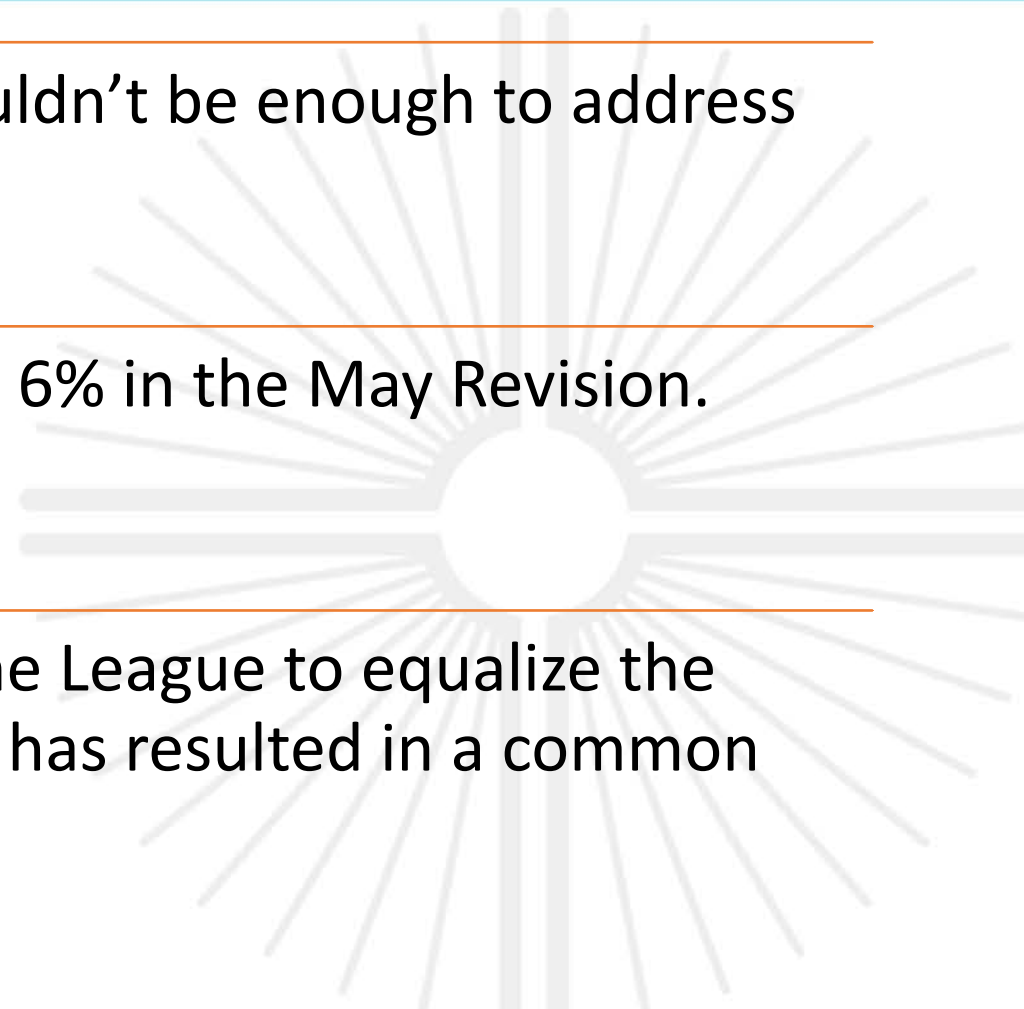


League's Advocacy: COLA

The Governor's proposed a COLA of 5.33 wouldn't be enough to address inflation

League believed that COLA might rise to over 6% in the May Revision.

Notably, last year's aggressive advocacy by the League to equalize the COLA between community colleges and K-12 has resulted in a common proposal for both systems in 2022-23.



Senate Proposal: COLA

No specific plan for funding of
a larger COLA

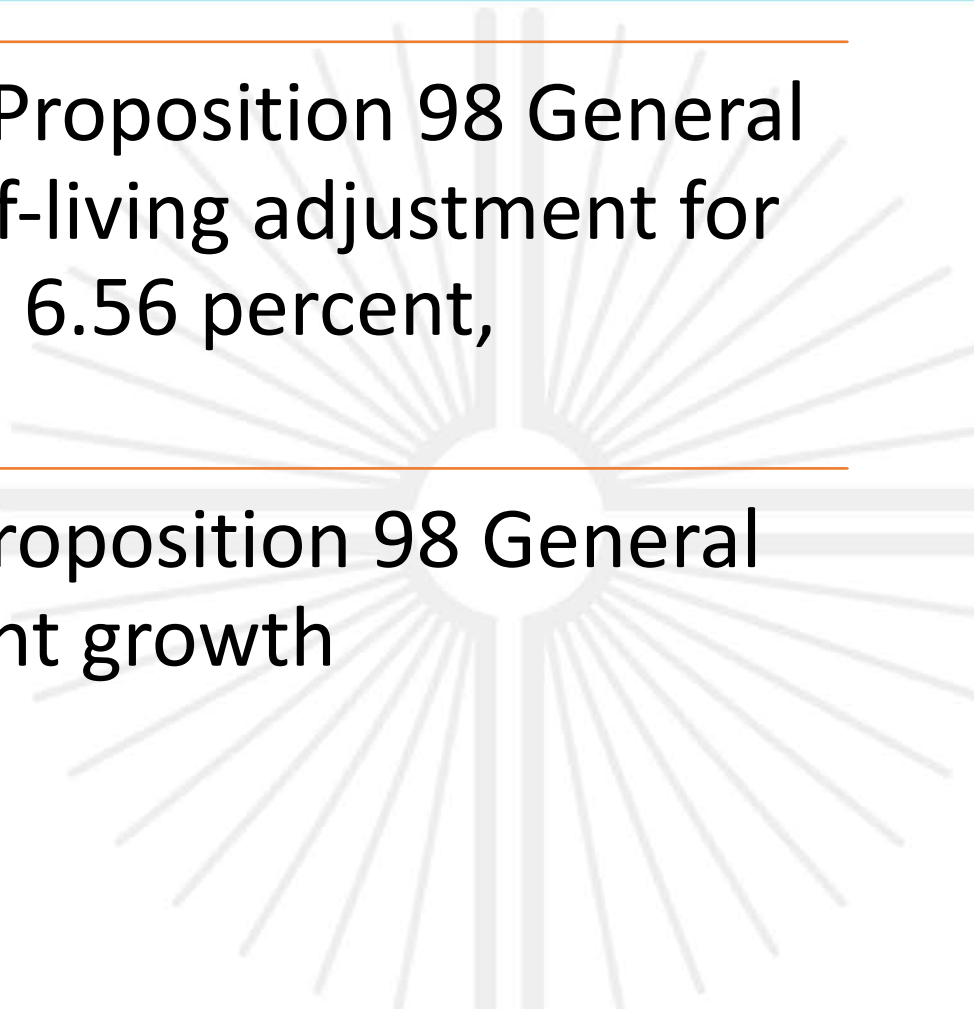
Other than the \$700 base increase

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Governor's May Revision: COLA

An increase of \$83.5 million ongoing Proposition 98 General Fund to reflect a change in the cost-of-living adjustment for apportionments from 5.33 percent to 6.56 percent,

An increase of \$1.3 million ongoing Proposition 98 General Fund to sustain 0.5-percent enrollment growth





One Time Block Grants

Governor's January Budget: 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.

Senate Proposal: Block Grant

- **Community Colleges Flexible Block Grant. \$450 million over the three year period for flexible block grant for basic needs, mental health needs, and COVID-19 related support.**



Governor's May Revision: Block Grant

- An increase of \$750 million one-time Proposition 98 General Fund to community college districts for discretionary block grants to address issues related to the pandemic and to reduce long-term obligations.





Pension Obligations

Governor's January Proposal : 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%.

League Advocacy: Pension Obligation

In February, the LAO observed that “community college pension costs will increase by a total of more than \$120 million in 2022-23, which represents about 30 percent of the COLA funding proposed by the Governor.”

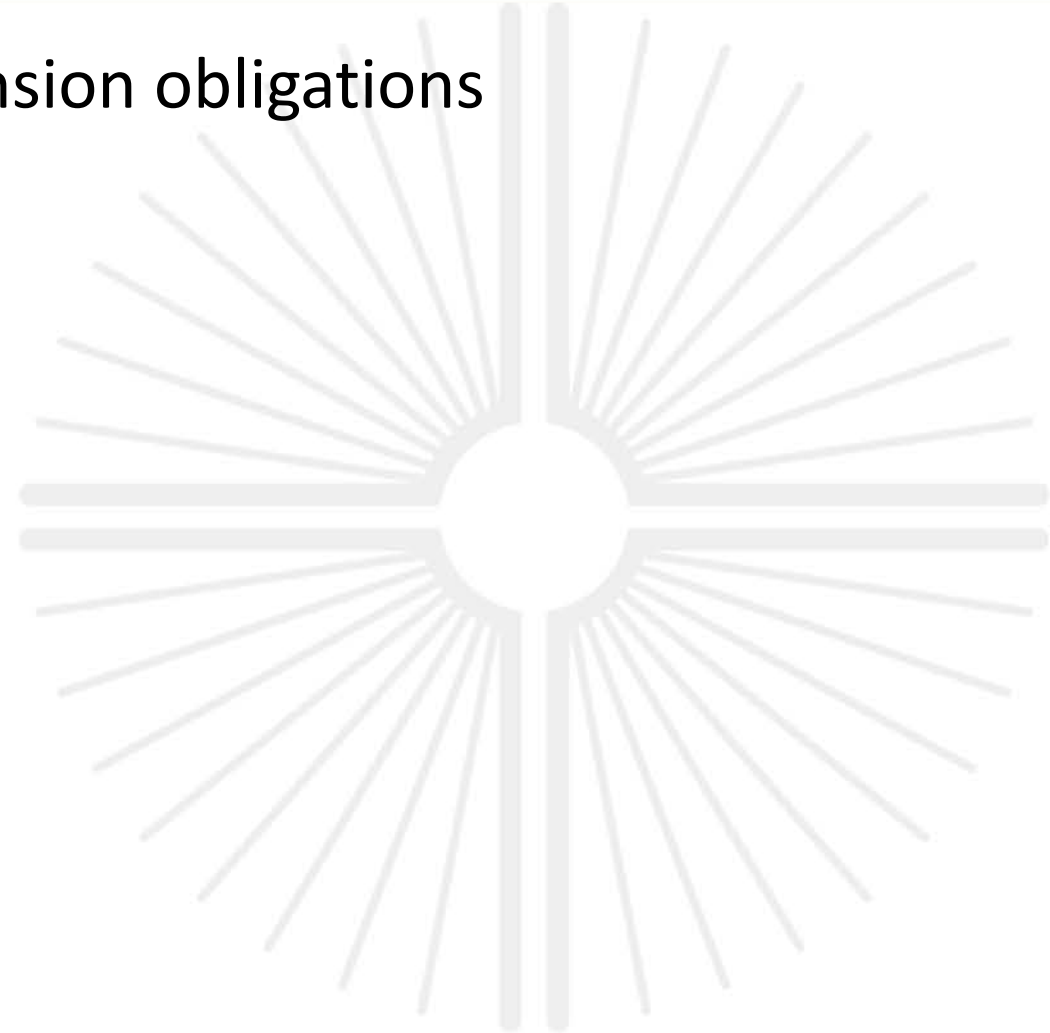
While the budget had subsidized pension rates for districts in 2019-20, 2020-21, and 2021-22, no such proposal was contained in the Governor’s January Budget for 2022-23.

The League placed pension relief as one of its top priorities

League joined coalition effort with CTA and other K-12 and community college organizations to request non-Proposition 98 General Fund on behalf of community college districts and K-12 Local Education Agencies (LEAs) to CalSTRS and the CalPERS Schools Pool.

Senate Proposal: Pension Obligations

- The Senate's proposal did not address pension obligations



Governor's May Revision: Pension Obligation



As part of Discretionary Institutional Block Grants—



Appropriates \$750 million one-time Proposition 98 General Fund, attributable to the 2021–22 fiscal year, to community college districts for discretionary use that would reduce outstanding mandate cost balances for community college districts.



Funds may be used for a variety of one-time costs, including, but not limited to paying down pension obligations



Deferred Maintenance

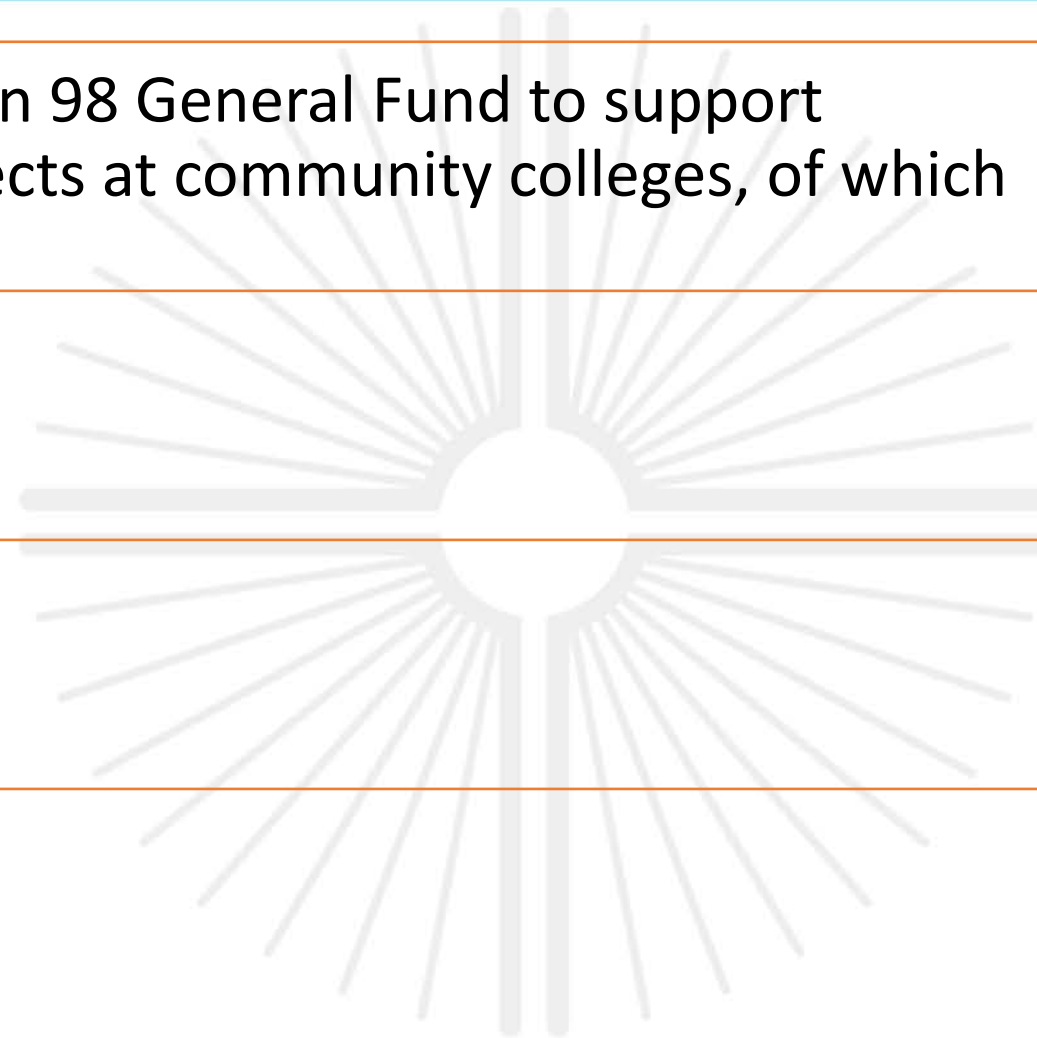
Governor's January Proposal: Deferred Maintenance

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



Governor's January Proposal: 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.



League Priorities: Deferred Maintenance, Capital Outlay, and Student Housing

- Advocate an increase to this item and believe that with the availability of one-time Proposition 98 funds there is a strong probability of success.

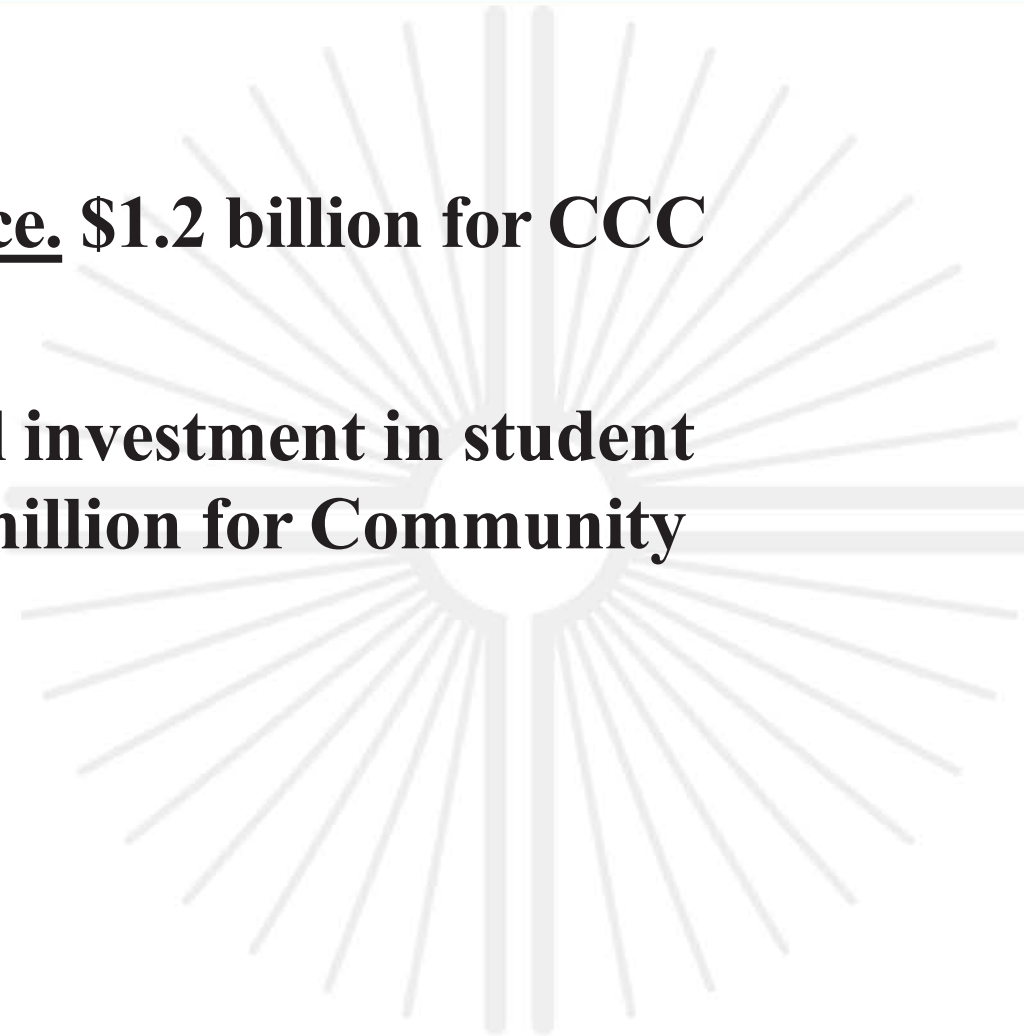
Our advocacy on capital outlay has included support for the \$373 million in the Governor's January Budget proposal for the construction phase of 18 continuing projects

- The League's goal is to direct as much as possible from the SAL to our system while ensuring the process on selecting housing projects for our districts remains reasonable and judicious.

Senate Proposal: Deferred Maintenance

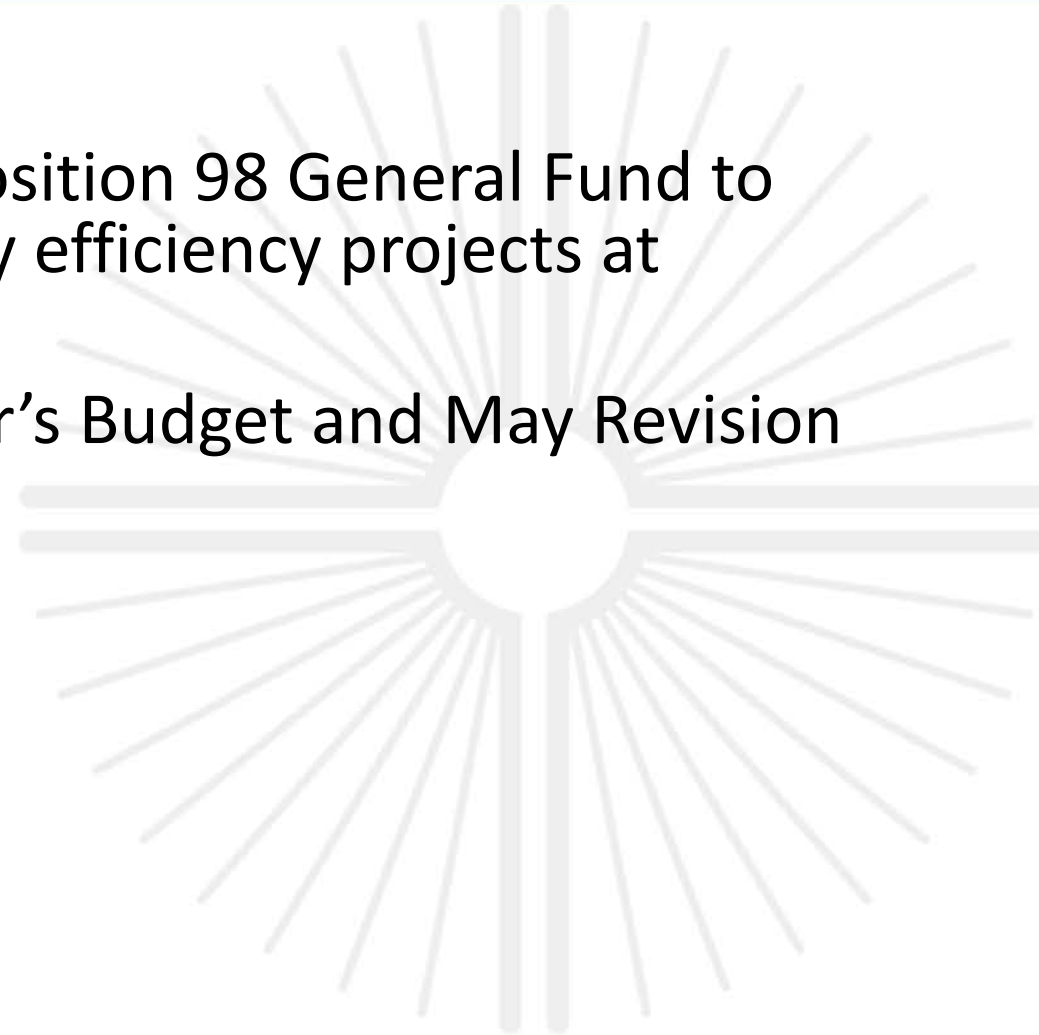
Infrastructure and Deferred Maintenance. \$1.2 billion for CCC deferred maintenance,

Student Housing. \$1.5 billion additional investment in student housing, providing an additional \$500 million for Community Colleges, CSU and UC.



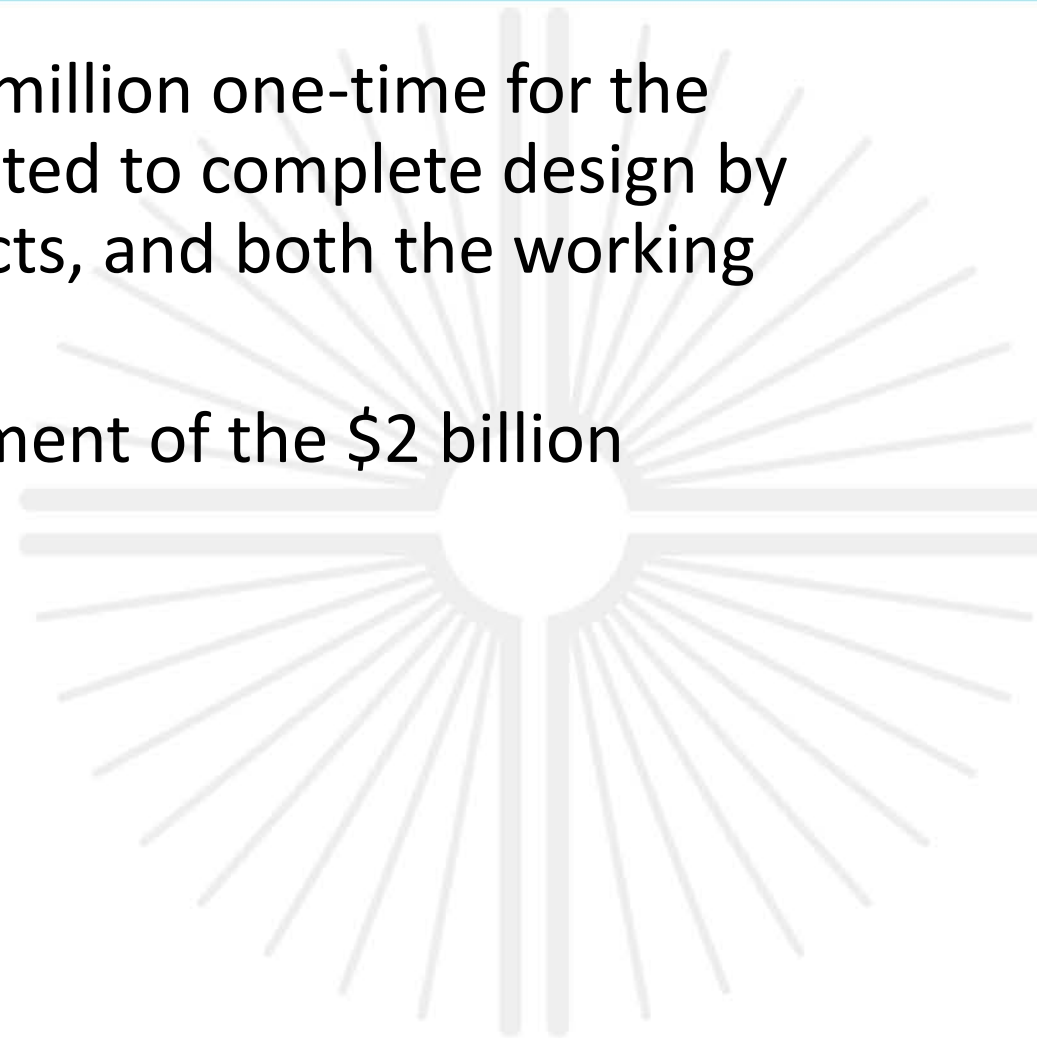
MAY REVISION: DEFERRED MAINTENANCE

- An increase of \$1.1 billion one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges,
- bringing the cumulative total for Governor's Budget and May Revision investments to more than \$1.5 billion,
- of which \$863 million is from 2022-23,
- \$563.5 million is from 2021-22, and
- \$96.5 million is from 2020-21.



Governor's May Revision: CCC Facilities

- General Obligation bond funding of \$403 million one-time for the construction phase of 19 projects anticipated to complete design by Spring 2023, the design phases of 2 projects, and both the working drawings and construction for 1 project.
- This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.



LAO Notes on Gann Limit

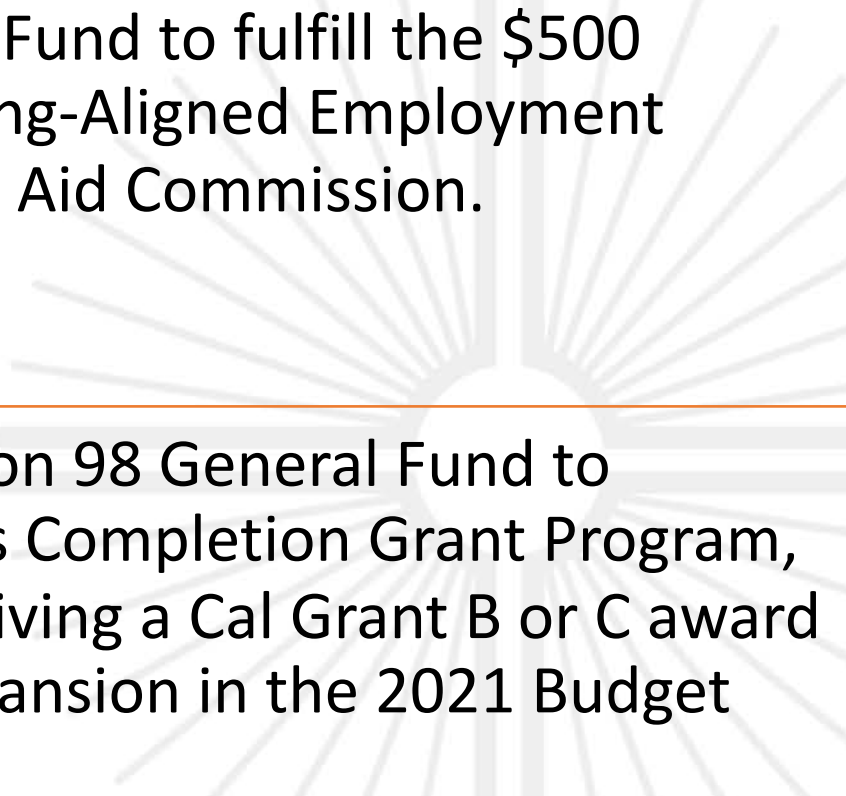
- ***Governor Also Allocates \$5.1 Billion Within K-14 Education Surplus for SAL-Excluded Spending.*** In addition to the \$34 billion in SAL exclusions that use the overall General Fund surplus, the Governor proposes using \$5.1 billion from the surplus within the school and community college budget for SAL-excluded purposes. The largest component is \$3.2 billion for deferred maintenance (\$1.7 billion for schools and \$1.5 billion for community colleges).



Financial Aid

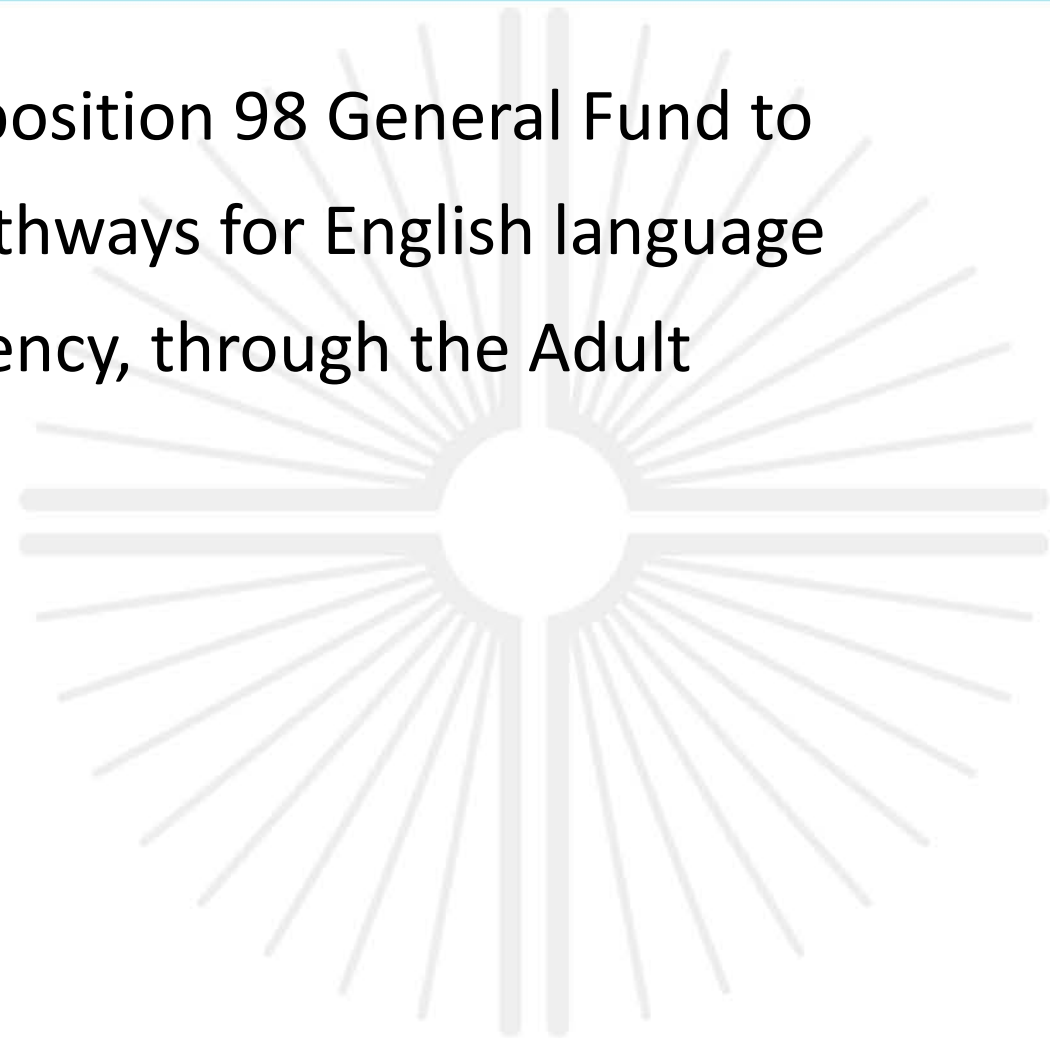


Governor's January Proposal: Financial Aid

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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.
-
- 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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Governor's January Proposal: 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,



League Advocacy: Financial Aid Reform

Reform financial aid to fund the total cost of attendance. the Governor's stops short of funding the type of reform contained in the League-supported [AB 1746 \(Medina and McCarty\)](#), the Cal Grant Reform Act.

In coalition with the California Student Aid Commission, the Chancellor's Office, the Student Senate for California Community Colleges, and many other organizations, the League supports funding the true cost of attendance while simplifying the Cal Grant process for all students.





SENATE BUDGET PLAN

PUTTING WEALTH TO WORK



To Make College More Affordable:

- ▶▶▶ **Cal Grant Improvements.** \$176 million for Cal Grant improvements as transition to broader reforms, including increasing the non-tuition award for Cal Grant B and C students, to help offset growing costs of living, and extending elements of last year's improvement for low-income students attending independent, nonprofit colleges and universities.
- ▶▶▶ **Double CCC Student Success Completion Grant.** \$250 million ongoing to double the Student Success Completion Grant (SSCG), to provide a total of \$8,000 for students taking 15 units and \$2,600 for students taking 12 units. The SSCG offsets total cost of college attendance, to encourage full time attendance, and successful on-time completion.
- ▶▶▶ **Debt Free College by 2025-26.** \$227 million for next step in funding the Middle Class Scholarship to reduce student debt, and fully fund MCS beginning in 2025-26 to provide Debt Free College for all lower and middle income CSU and UC students.



Governor's May Revision: Financial Aid

- The May Revision maintains all financial aid programs, with only caseload adjustments, including support for significant financial aid expansions initiated in the 2021 Budget Act:
- The CCC Cal Grant entitlement expansion and modification of the Middle Class Scholarship program.
- Cal Grant Program Caseload Adjustments—The May Revision reflects updated Cal Grant expenditures based on the latest estimates of enrollment of Cal Grant-eligible students.
- In total, the May Revision reflects estimated Cal Grant expenditures of approximately:
 - \$2.2 billion in 2020-21,
 - \$2.4 billion in 2021-22, and
 - \$2.5 billion in 2022-23



Other Investments



Governor's May Revision: Supporting Apprenticeship



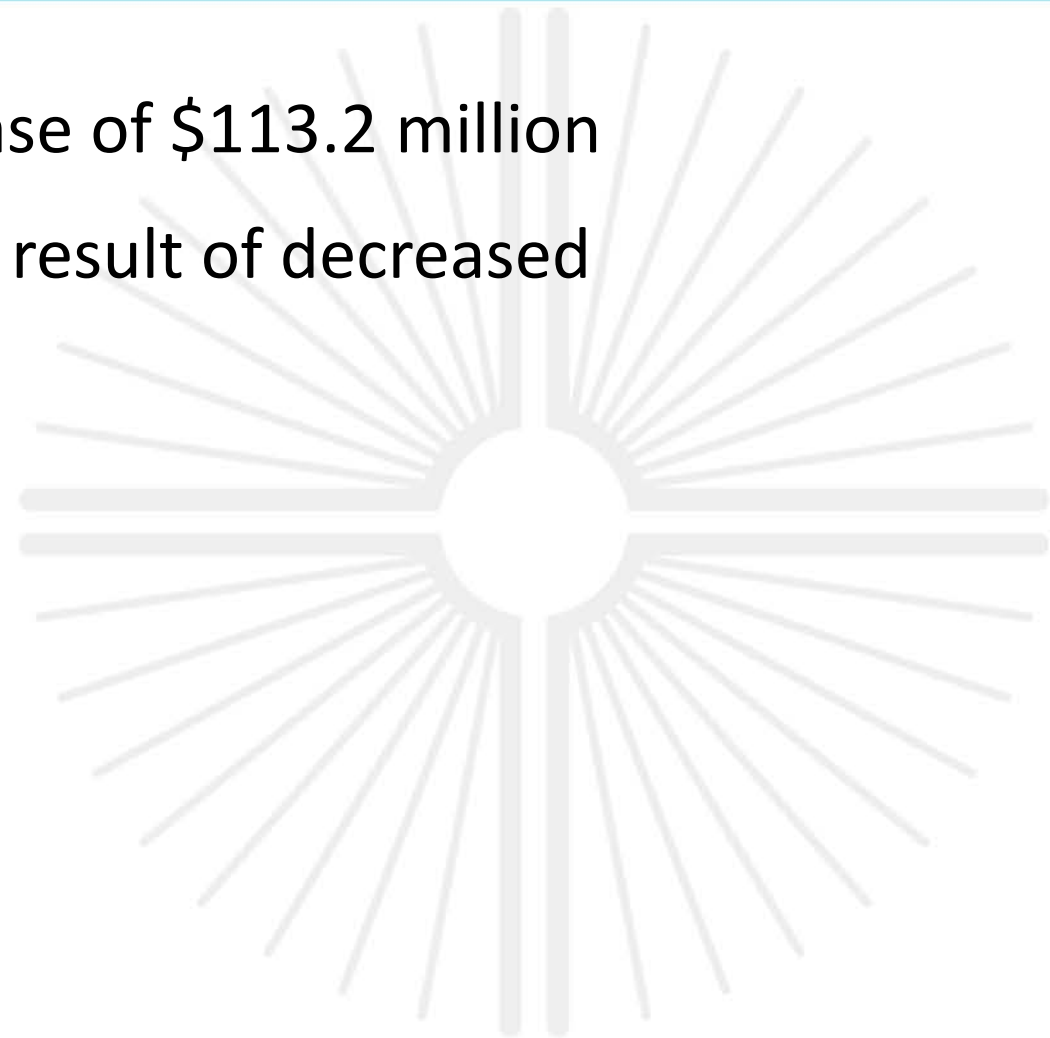
California Healthy School Meals Pathway Program—An increase of \$45 million one-time Proposition 98 General Fund to support the implementation of the California Healthy School Meals Pathway Program, which is a pre-apprenticeship, apprenticeship, and fellowship workforce training pipeline pilot program for school food service workers.



Apprenticeship Program Related and Supplemental Instruction (RSI) Rate—An increase of \$16.9 million ongoing Proposition 98 General Fund to align the apprenticeship program RSI rate with the SCFF credit rate, as opposed to the noncredit rate.

May Revision: Local Property Tax Adjustment

- Local Property Tax Adjustment—An increase of \$113.2 million ongoing Proposition 98 General Fund as a result of decreased offsetting local property tax revenues



Governor's May Revision: Other Issues



Foster Youth Support Services—An increase of \$10 million ongoing Proposition 98 General Fund, above what was provided in the Governor's Budget, to expand availability of foster youth support services offered by the NextUp program. •

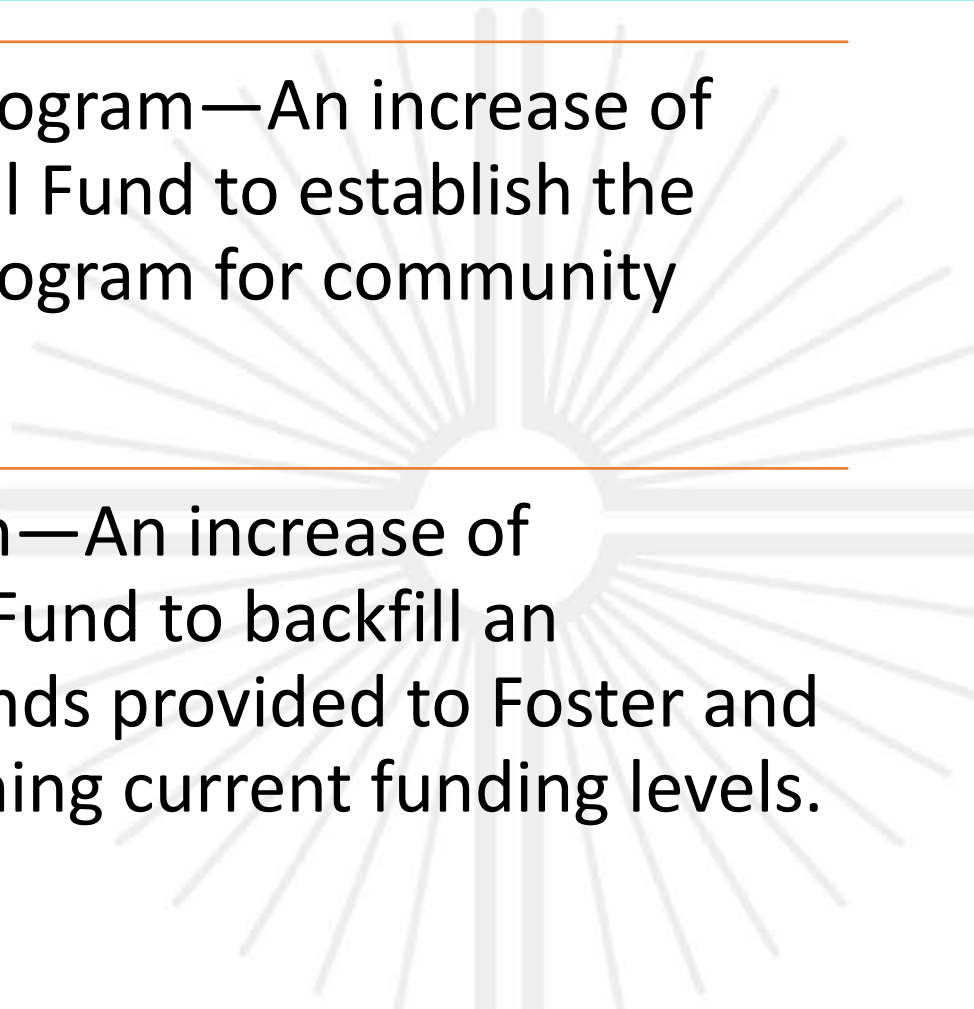


Student Equity and Achievement—An increase of \$25 million ongoing Proposition 98 General Fund for an approximately five-percent increase to the Student Equity and Achievement program.

May Revision: Other Issues

Classified Employee Summer Assistance Program—An increase of \$10 million ongoing Proposition 98 General Fund to establish the Classified Employee Summer Assistance Program for community college classified employees.

Foster and Kinship Care Education Program—An increase of \$500,000 ongoing Proposition 98 General Fund to backfill an estimated decrease in federal matching funds provided to Foster and Kinship Care Education programs, maintaining current funding levels.



Governor's May Revision: Chancellor's Office Support

\$2.6 million ongoing non-Proposition 98 General Fund to support shifting 10 positions proposed in the Governor's Budget for 2023-24 to 2022-23,

7 additional positions to support the implementation of the Cradle-to-Career Data System, assist colleges with affordable student housing, and build capacity to accommodate the increase in contracts and reporting requirements.

Combined with Governor's Budget investments, these augmentations provide the CCC Chancellor's Office a total of \$3.9 million ongoing non-Proposition 98 General Fund for 26 positions in 2022-23, bolstering capacity to support the system.



Other Issues: January Budget

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

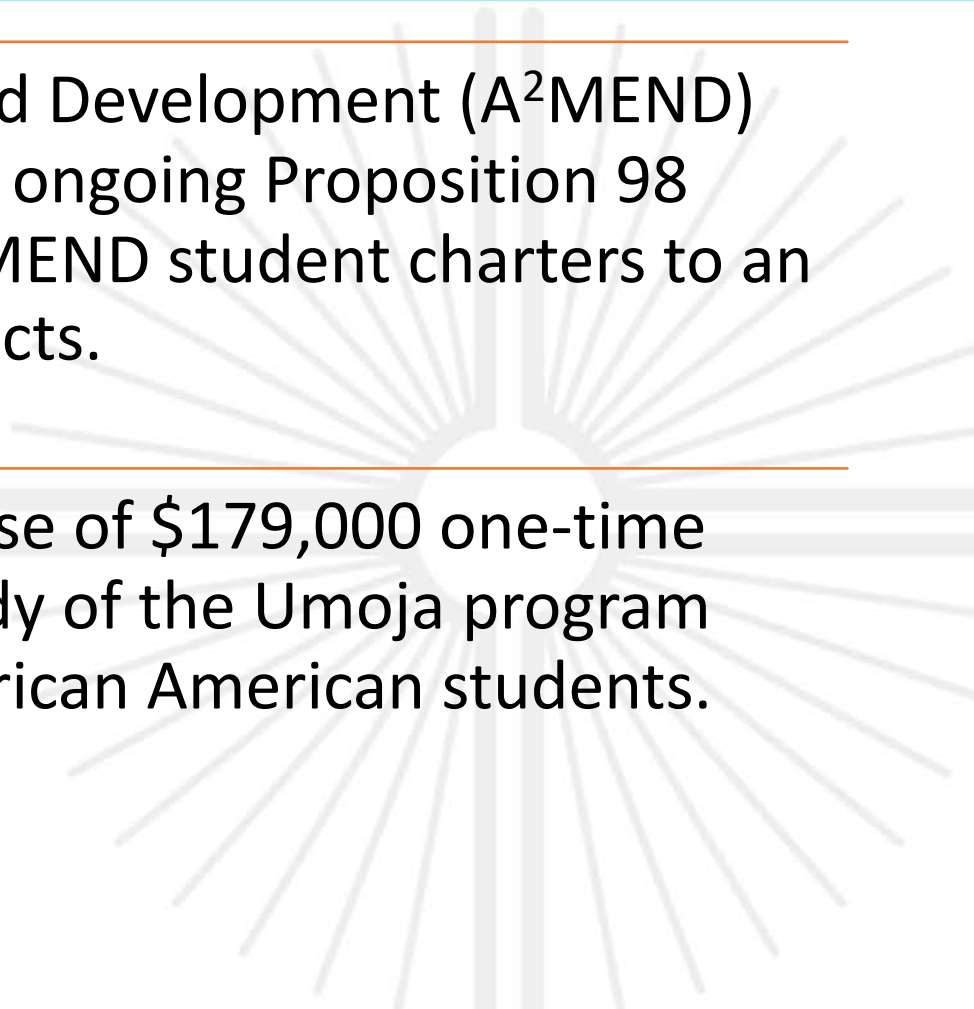
To expand healthcare coverage provided to part-time faculty by community college districts.

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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.

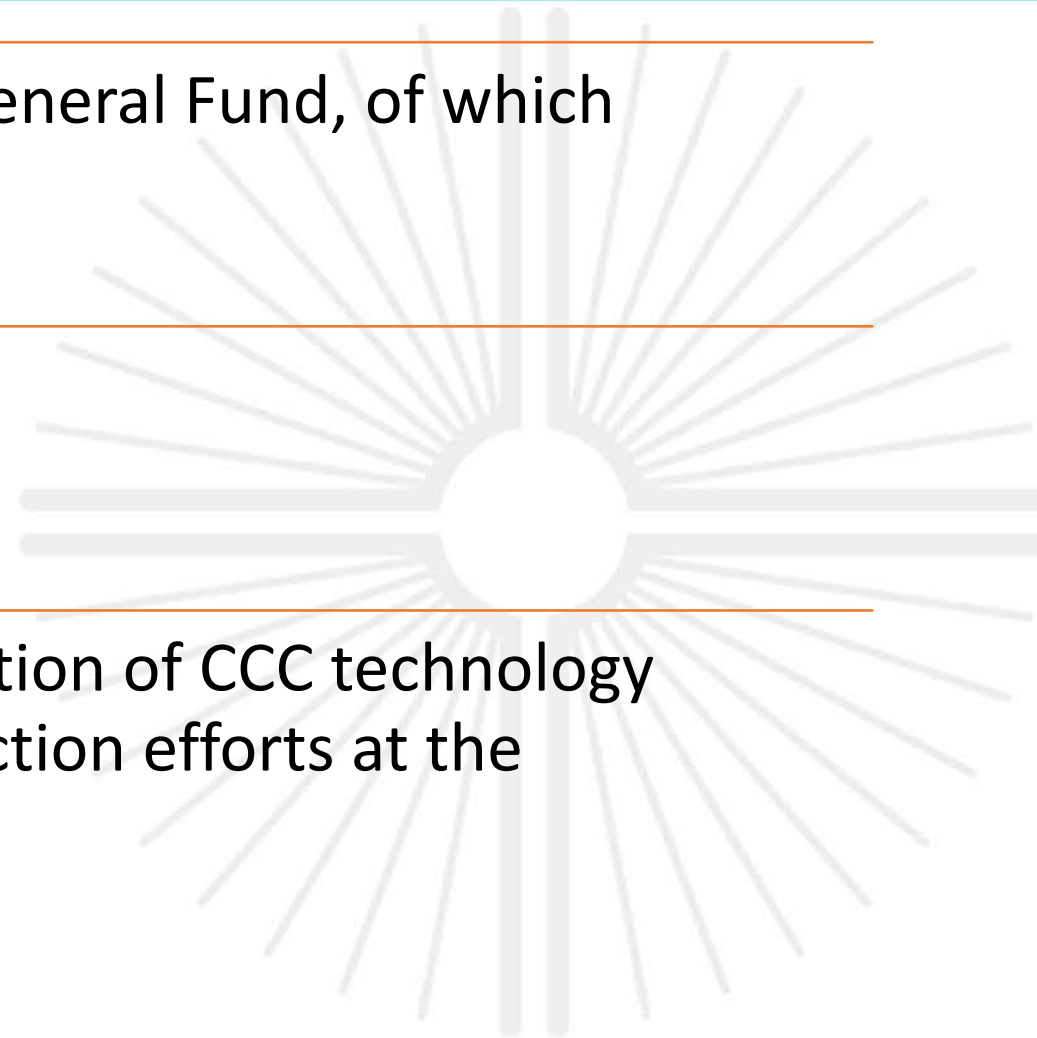


CCC Technology Modernization and Sensitive Data Protection—

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

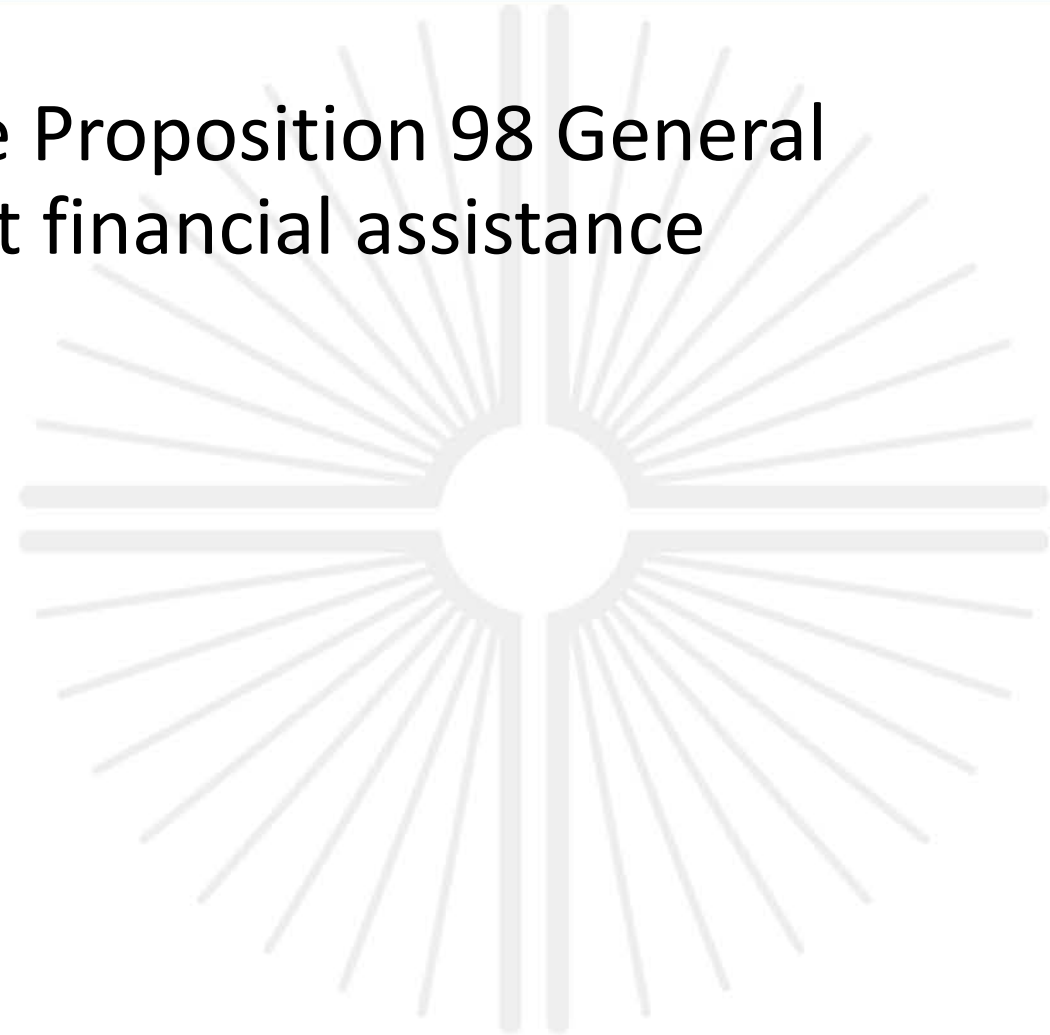
\$75 million is one-time and

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



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.



QUESTIONS






Take Action

- ▶ District/College Template letters
 - ▶ AB 1746 (Medina) Support
 - ▶ AB 1505 (Rodriguez) Oppose
 - ▶ AB 1752 (Santiago) Oppose

Take Action:

<https://ccleague.org/advocacy/legislative-actions>


COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

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Assembly Bill 1746
Author: Assemblymember Jose Medina
Title: The Cal Grant Reform Act

League Position: SUPPORT
Action due by: April 12, 2022 (Committee Deadline)
[Click here to read the bill text](#)

What does the bill do?


- Streamlines and consolidates the existing Cal Grant programs into a Cal Grant 2 Program for community college students and a Cal Grant 4 Program for students attending four-year colleges.
- Expands access to the Cal Grant program by aligning eligibility for the Cal Grant with eligibility for the federal Pell Grant.
- Provides an automatic inflationary adjustment to the Cal Grant award (starting at \$1,656) for community college students.
- Removes the GPA, age, and time-out-of-high-school eligibility requirements for community college students.
- Extends the financial aid application deadline to September 2nd (instead of March 2nd) for community college students.

Why is this significant for community colleges?

- AB 1746 proposes the Cal Grant Equity Framework, using the total cost of attendance as the college affordability benchmark rather than solely tuition.
- The extension of the application deadline and elimination of current GPA requirements would mean that our returning and non-traditional students would have greater access to financial aid.
- According to the California Student Aid Commission (CSAC), under the bill's proposed Cal Grant 2 program, over 109,000 additional community students would receive a Cal Grant— including 73,000 Latino students, 38,000 student parents, and 9,400 Black students.
- The bill recognizes that the cost to attend a CCC is not just tuition and that the total cost of attendance needs to be

Federal Advocacy

Workgroups & Taskforces



Take Action: Financial Aid

AB 1746 (Medina) Cal Grant Reform

Would reform the state's Cal Grant system by matching eligibility requirements with Pell Grants, making it easier for non-traditional students to qualify for financial aid and simplifying the process in which students apply for Cal Grants.

Location: Assembly Committee on Appropriations

Grassroots Action: Submit district template letter.

League Position: **SUPPORT**



Take Action: Collective Bargaining

AB 1505 (Rodriguez) Faculty Obligation Number

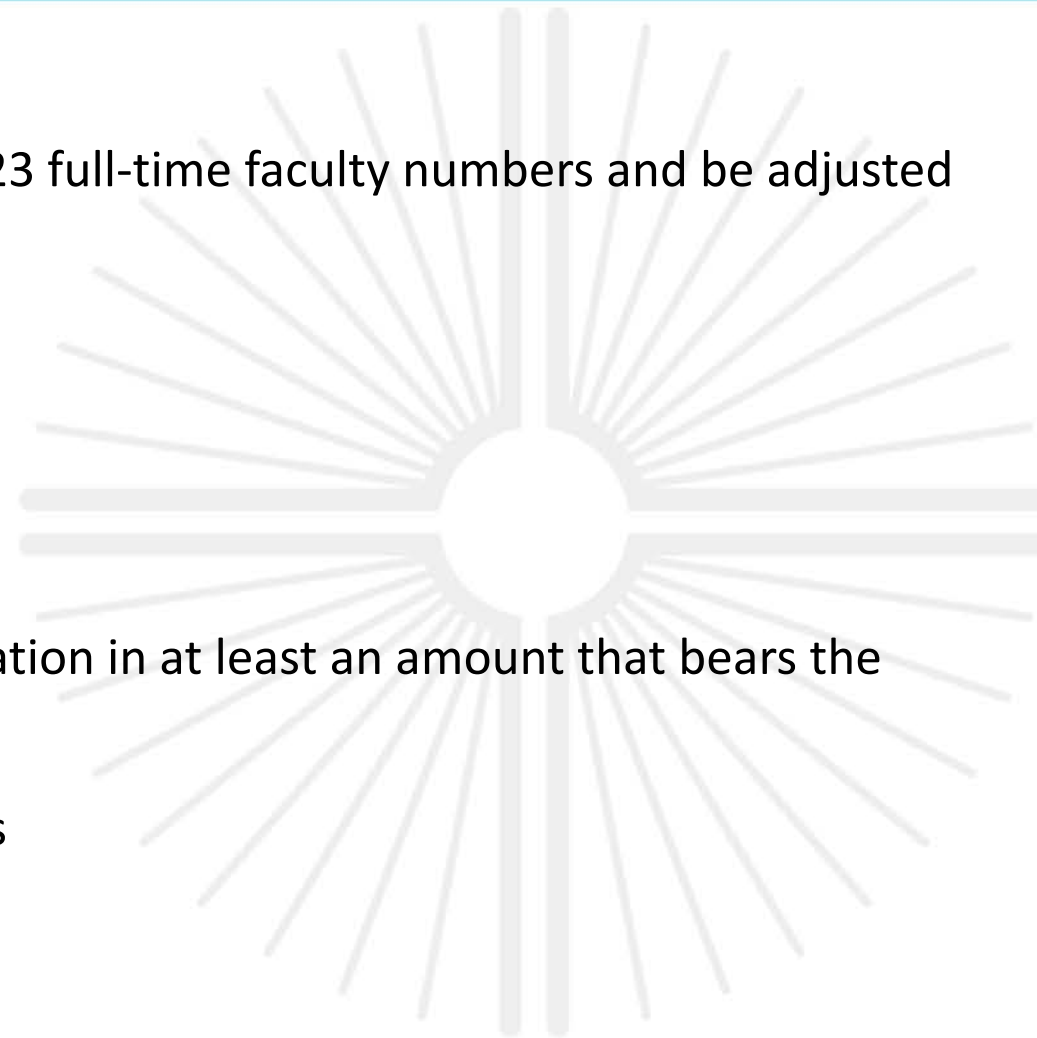
Would re-bench the faculty obligation number to reported Fall 2023 full-time faculty numbers and be adjusted annually after.

Location: Senate Education
Grassroots Action: Submit district template letter.
League Position: **OPPOSE**

AB 1752 (Santiago) Part-Time Faculty Member Pay

Would mandate that part-time faculty members receive compensation in at least an amount that bears the same ratio to the amount provided to full-time faculty members.

Location: Assembly Committee on Appropriations
Grassroots Action: Submit district template letter.
League Position: **OPPOSE**



Bills for discussion

Academic Affairs:

AB 1705 (Irwin) Matriculation: Remediation

AB 2738 (Reyes) Matriculation And Assessment

Transportation:

AB 1919 (Holden) Youth Transit Passes



Academic Affairs

AB 1705 (Irwin) Matriculation: Remediation

Would require that high school transcript be used as the primary means for determining placement in transfer-level English and transfer-level mathematics courses and narrow the use of multiple measures by colleges in the placement and enrollment of students in transfer-level math and English courses.

Leagues Thoughts and Concerns:

- Remediation is a barrier to student success and students should be directly placed into transfer-level English and math as much as possible.
- True problem with current placement rates is lack of funding for student support and faculty professional development.
- Legislation could result in either a reduction of non-credit or placement of students in transfer-level courses inappropriate for their academic goals.
- Recent amendments taken in Assembly Higher Education Committee narrows scope of the bill, but faculty still oppose.

Academic Affairs

AB 2738 (Reyes) Matriculation: Assessment

The intent of this bill is to push colleges to offer a schedule of courses that a student can take to obtain an AA degree in two years. It provides a non-binding goal of completing an AA degree within two years for a student and implements reporting measures for colleges. It would require:

- Colleges to publish schedule of courses that must be completed to obtain an AA or certificate.
- Length of time needed to follow that schedule.
- A college must report the number of students who do not complete an AA degree within two years disaggregated by race, gender and socio-economic status.
- To report AA degree pathways that take longer than two years to both the public and the Chancellor's Office.
- If a college cannot meet the goal of a two-year AA degrees, they must either report the reason they are unable to meet that schedule or create a plan to bring the length of time down to complete that degree to two years.

Sponsor: California Association of Latino Community College Trustees & Administrators

Transportation

AB 1919 (Holden) Youth Transit Pass Pilot Program

Would require transit agencies to offer free youth transit passes to all people 25 years of age and under with California residency, regardless of immigration status, in order to receive specified state funding.





QUESTIONS?





Thank You!

