

Government Relations Webinar

May 21, 2024

A laptop screen displaying a video conference with ten participants in a grid layout. The participants are diverse in age and ethnicity. The laptop is being used by someone whose hands are visible at the bottom of the frame, typing on the keyboard.

❖ Legislative Update
❖ Budget Update

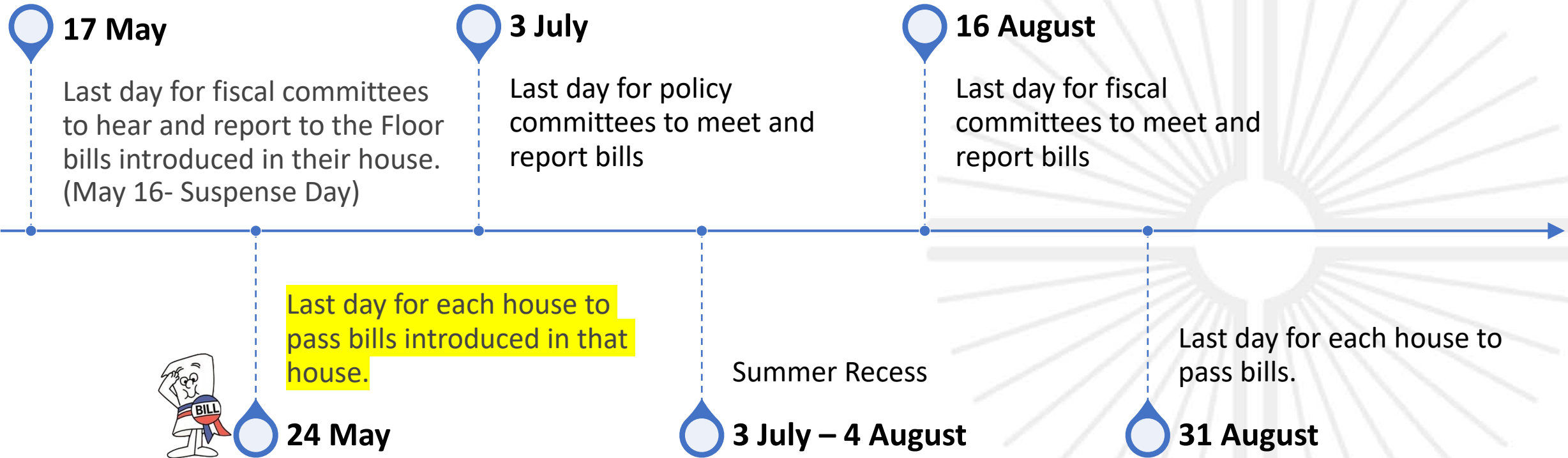


Legislative Update

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA



Legislative Timeline



Suspense Day – May 16th

Committees:

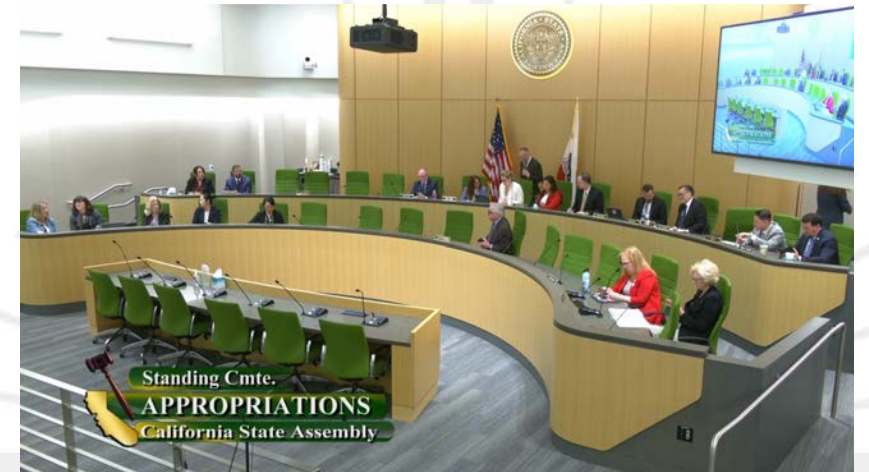
- Assembly Appropriations Committee
- Senate Appropriations Committee

There are three actions:

- Pass, Pass as amended, and Hold in committee

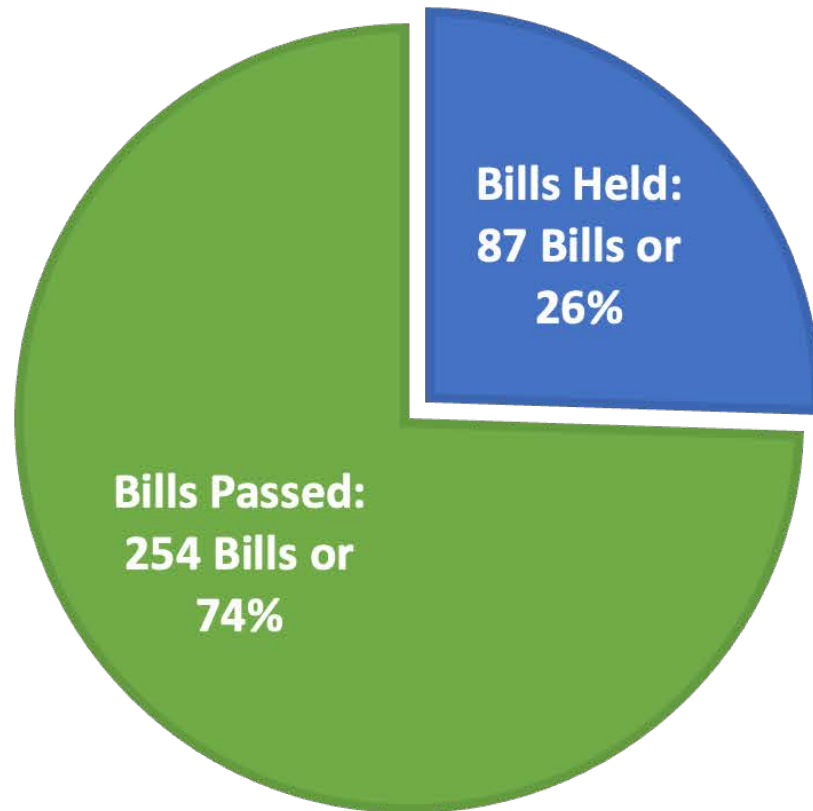
What is the suspense file?

- Bills with a significant cost are referred to as the Suspense File.
- These bills are considered at one hearing after the May Revision to give the committee a better sense of the available revenue.
- It is intended to give a space for the state to examine bills in overall fiscal spending
- Allows legislative leadership to hold or amend problematic bills

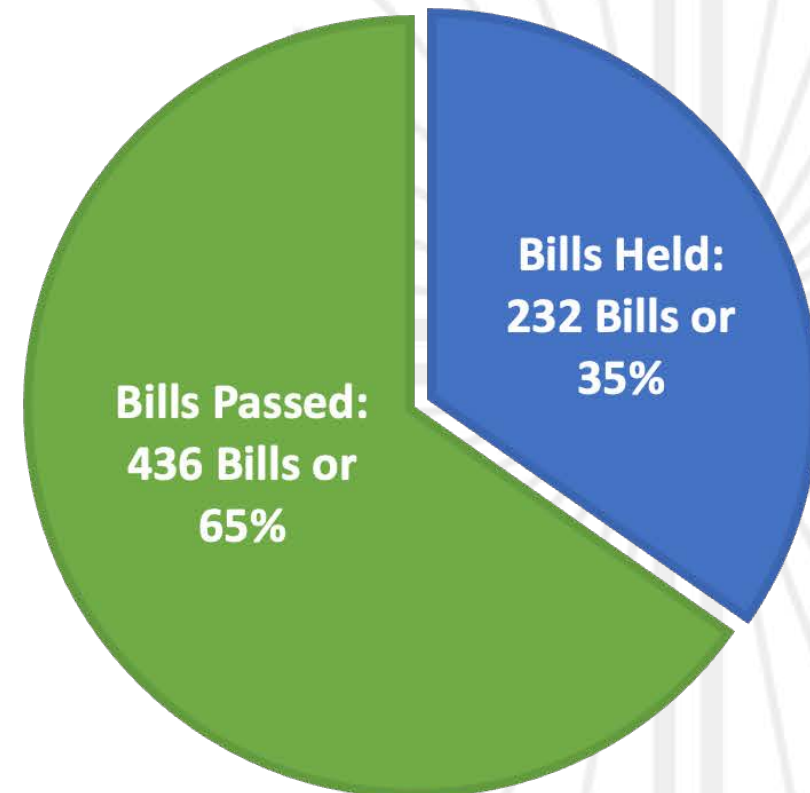


May 16th Suspense Results

SENATE SUSPENSE RESULTS (341 TOTAL BILLS)



ASSEMBLY SUSPENSE RESULTS (668 TOTAL BILLS)



Suspense Results – Key Actions

- ✓ SB 1388 (Archuleta): Community College Reserves: **HELD BY COMMITTEE. NO LONGER MOVING FORWARD**
- ✓ SB 895 (Roth): Community College BSN Pilot Program: **PASSED BY COMMITTEE. ON THE SENATE FLOOR.**



Suspense Amendment– AB 2104

AB 2104 (Soria): Baccalaureate Degree in Nursing Pilot Program

This bill would authorize 15 community college districts to offer a Bachelor of Science in Nursing degree. The Chancellor would identify eligible community college districts based on specified criteria.

05/16/24 Amendments: The Assembly Appropriations Committee amended this bill down to 10 community college districts.

Location: Assembly Floor

League Position: **SUPPORT**



Update on Sponsored Legislation

SB 895 (Roth): Baccalaureate Degree in Nursing Pilot Program

This bill would authorize 15 community college districts to award Bachelor of Science in Nursing (BSN) degrees. Participating districts must have a nationally accredited Associate Degree in Nursing (ADN) program.

04/25/24 Amendments: Colleges in "Candidate" status in receiving national accreditation may be provisionally selected to participate in the pilot program and may commence the program upon final accreditation. Priority will be given to colleges in the Central Valley. Sunset date extended to 2034.

Location: Senate Floor

League Position: SUPPORT/SPONSOR

Looking Forward: Assembly Higher Ed Committee



Mike Fong, Chair: East Los Angeles

Tri Ta, Vice Chair: Golden West, Coastline

Dr. Joaquin Arambula: Fresno City

Phillip Chen: Santiago Canyon

Bill Essayli: Norco

Jacqui Irwin: Moorpark



Evan Low: Mission, San Jose City, De Anza

Tasha Boerner: San Diego City

Corey Jackson: Moreno Valley, Mt. San Jacinto

Sharon Quirk-Silva: Cerritos, Cypress, Fullerton

Al Muratsuchi: El Camino

League Bill Positions: A Snapshot

Academic Affairs

AB 359 (Holden): CCAP Partnerships – CEOCCC Position: **OPPOSE unless amended**

AB 2277 (Wallis): Part-Time Faculty Instructional Hours – **OPPOSE**

Nursing

SB 895 (Roth): Community college BSN Pilot Program – **SUPPORT**

AB 2104 (Soria): Community college BSN Pilot Program – **SUPPORT**

Student Services

AB 2707 (M. Fong): Student Housing Study – **SUPPORT**

AB 1818 (Jackson): Overnight Student Parking Lots – **OPPOSE**

AB 2193 (Holden): Civil Liability for Hazing – **OPPOSE**

Financial Aid and Fees

AB 3015 (Ramos): Nonresident Tuition and Fees: Exemption for Federally Recognized Tribes – **SUPPORT**

AB 1160 (Pacheco): Student Debt Collection– CEOCCC Position: **OPPOSE**

Employee-Employer Relations

AB 2088 (McCarty): Senior Management Employees – **OPPOSE**

AB 2421 (Low): Confidential Communications – **OPPOSE**

AB 2931 (M. Fong): Classified employees: Merit system part-time student-tutors – **SUPPORT**

Resolutions

ACR 147 (Alvarez): First-Gen College Celebration Day – **SUPPORT**

SCR 140 (Dodd): Community College Month – CEOCCC Position: **SUPPORT**

New Bill Position: AB 1160 (Pacheco)

AB 1160 (Pacheco) Student Debt Collection

- Expands existing law that prohibits withholding transcripts from students due to owed debt to include diplomas as well.
- Requires colleges to grant a one-time exemption from an enrollment or registration hold on a current or former student on the grounds that the student owes an institutional debt.
- Requires colleges to implement any “drop for nonpayment” disenrollments before disbursing financial aid refunds or electronic transfers, and students shall not otherwise incur any institutional debt for tuition or fees associated with the term when dropped for nonpayment.
- Prohibits engaging a third-party debt collector before 180 days have passed from the first communication from the institution of higher education requesting payment.
- Requires specific reporting from colleges.
- Prohibits colleges from collecting debt through tax offsets. This effectively ends the Chancellor’s Office Tax Offset Program (COTOP).

New Bill Position: AB 1160 (Pacheco)

AB 1160 (Pacheco) Student Debt Collection

Concerns:

- Implementing a system to track the one-time exemption will be expensive and lead to a loss of revenue.
- Some colleges disburse financial aid before the school year starts, so students can have money to buy books and pay for course-related costs. This would prohibit colleges from disbursing financial aid early.
- The definition of institutional debt is vague and does not consider debt for prior semesters, only future and current semesters.
- Colleges currently use COTOP to regain lost funds from student debt, not third-party debt collectors. Colleges would no longer be able to use this resource.
- Overall: This bill would lead to increased costs for colleges, create an administrative burden, and remove the main mechanism colleges use to regain funding lost due to unpaid student debt.

Location: Senate Education Committee, May 29th hearing

CEOCCC Position: OPPOSE

New Bill Position: AB 359 (Holden)

AB 359 (Holden): College and Career Access Pathways Partnerships

Permits a community college district to enter into an agreement with a school district, county office of education, or charter school outside their service area if either the following conditions are met:

1. The governing board of the school district, county office of education, or charter school has sent a request letter to the governing board of the community college district within their local service area requesting to establish a CCAP partnership, and the request has been denied *in writing*.
2. The governing board of the school district, county office of education, or charter school has sent a request letter to *the chief executive office* of the community college district requesting to establish a CCAP partnership, and at least **90** days have passed since the initial request without a *written response from the chief executive office* of the community college district.

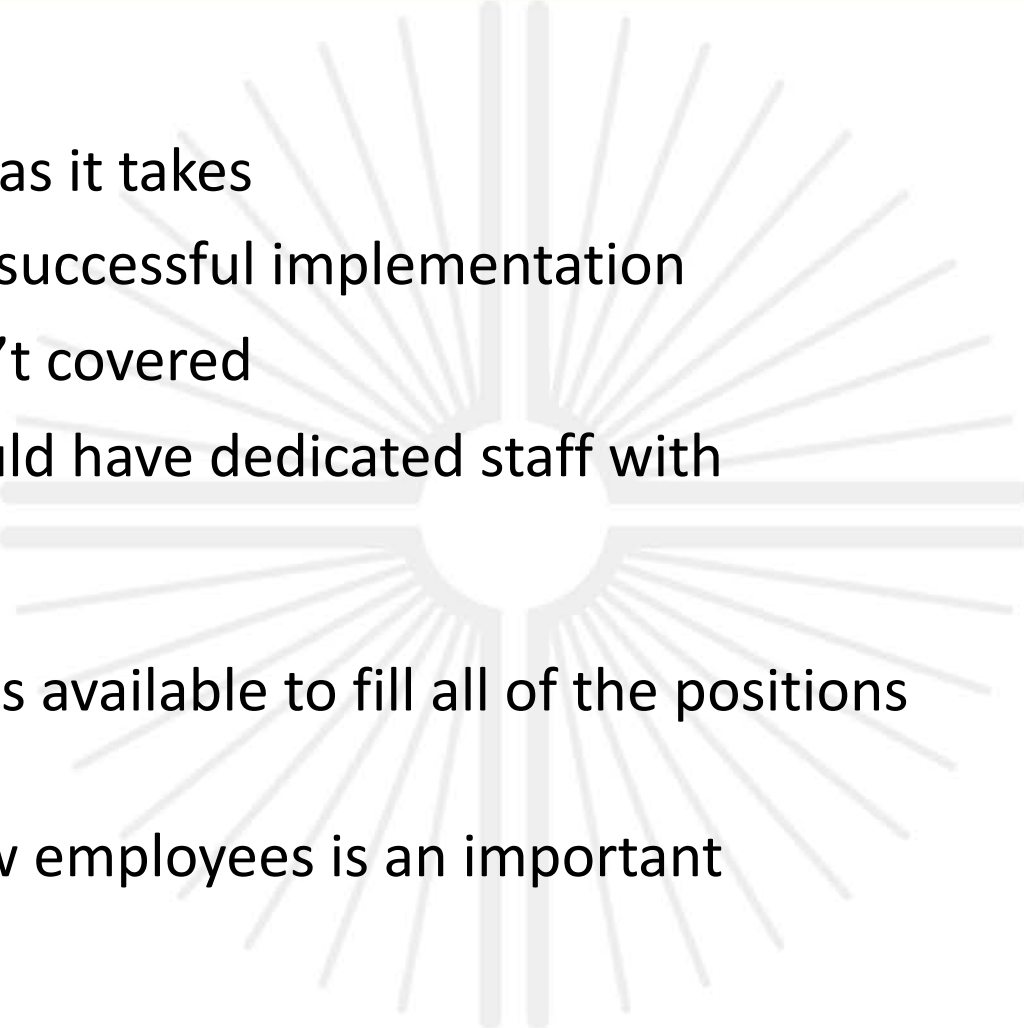
Other amendments:

Supplemental agreements removed

Location: Senate Education Committee, May 29th Hearing

CEOCCC Position: OPPOSE UNLESS AMENDED

Overarching Thoughts on Bill Title IX Package

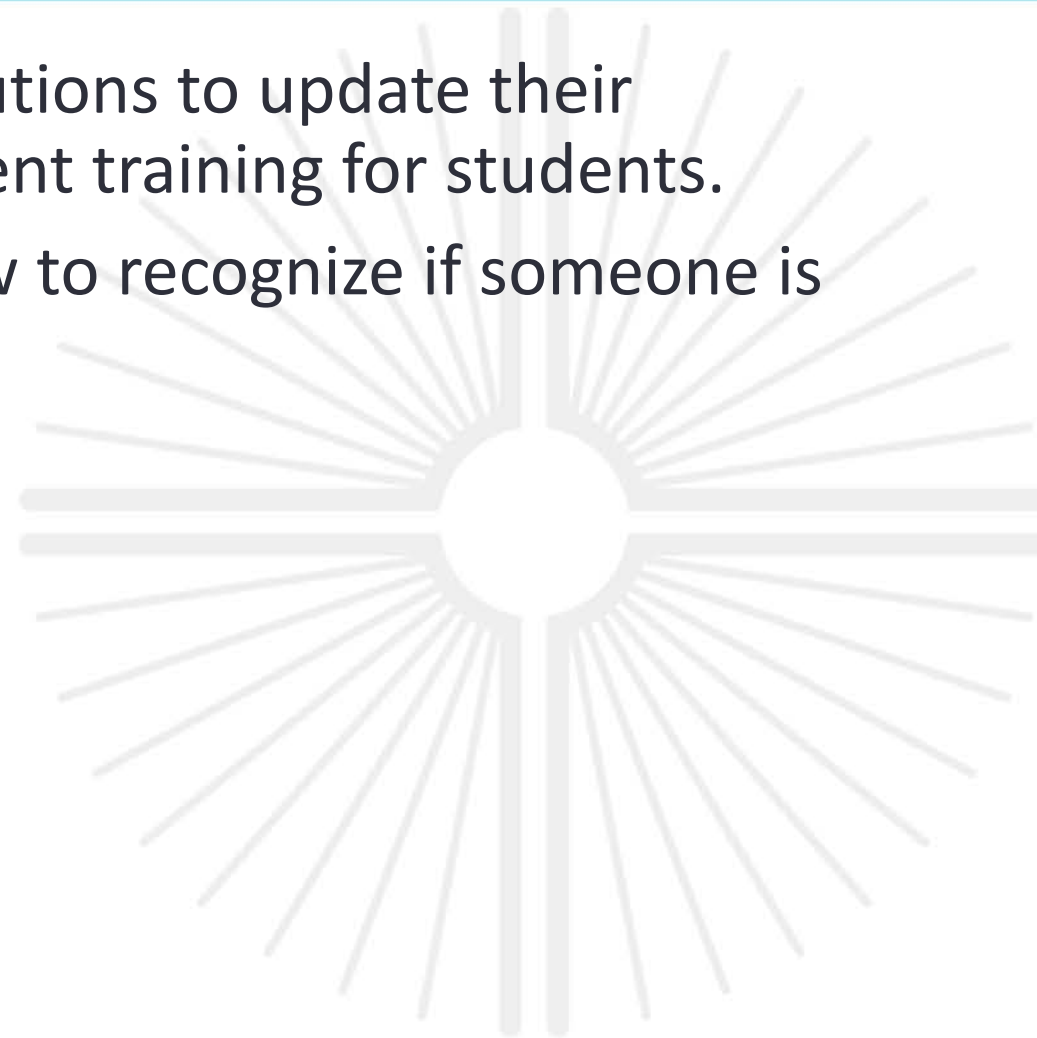
- Challenging to implement in a good budget year
 - Committee staff will work on the issue for as long as it takes
 - The goal is to provide adequate funding to ensure successful implementation
 - The non-profit institutions, for the most part, aren't covered
 - These bills seem to suggest that each campus should have dedicated staff with dedicated purposes and dedicated space.
Burnout to existing employees in this field.
 - It's unclear if there are enough qualified employees available to fill all of the positions envisioned by the bill package.
 - Interplay of 50% and the significant number of new employees is an important consideration
- 

AB 2608 (Gabriel): Postsecondary education: sexual violence and sexual harassment: training

This bill requires **all** higher education institutions to update their annual sexual violence and sexual harassment training for students.

- To include additional topics, including how to recognize if someone is at risk of drug-facilitated sexual assault.

Location: Senate Rules Committee



Reporting and Auditing

SB 1166 (Dodd): Public postsecondary education: annual report: sex discrimination

Requires districts to report to the Chancellor's office on they ensure campus programs and activities are free from sex discrimination. The Chancellor's office must file this report once a year with the state legislature.

AB 2326 (Alvarez): Public postsecondary education: sex discrimination policies

Locally elected board and the CEO must ensure their colleges are free from discrimination. The President of the Board and Chancellor would be required to present to the Budget subcommittees the annual report.

AB 2407 (Hart): Public postsecondary educational institutions: sexual harassment complaints: state audits

The California State Auditor, by January 1, 2026, and every 3 years thereafter, to conduct an audit of the CCC, the CSU, and the UC regarding their respective handling and investigation of sexual harassment complaints.

Employment: Hiring and Termination

AB 810 (Friedman): Postsecondary education: hiring practices: academic, athletic, and administrative appointments

Requires the governing board of a CCC to have an applicant disclose if they had any final administrative decision or final judicial decision of sexual harassment in the last seven years from previous employers.

AB 1905 (Addis): Public postsecondary education: employment: settlements, informal resolutions, and retreat rights

Each governing board must adopt a written policy on settlements and informal resolutions of complaints of sexual harassment in cases where the respondent is an employee of the institution and would require final action by the board of a community college district.

Strengthening Protocols and Staff on Sexual Assault and Harassment

AB 2047 (M. Fong): Postsecondary education: discrimination prevention: systemwide office

Creates a systemwide Title IX and nondiscrimination office, reporting directly to the systemwide governing board, with the responsibility to ensure compliance of each college's Title IX office.

AB 2492 (Irwin): Public postsecondary education: sex discrimination complaints: advocates and coordinators

This bill requires each public postsecondary education institution to establish a confidential student advocate to assist students who have filed a complaint of sex discrimination, confidential staff and faculty advocate, and a confidential respondent services coordinator. These positions would be independent from of a Title IX office, including the Title IX coordinator.

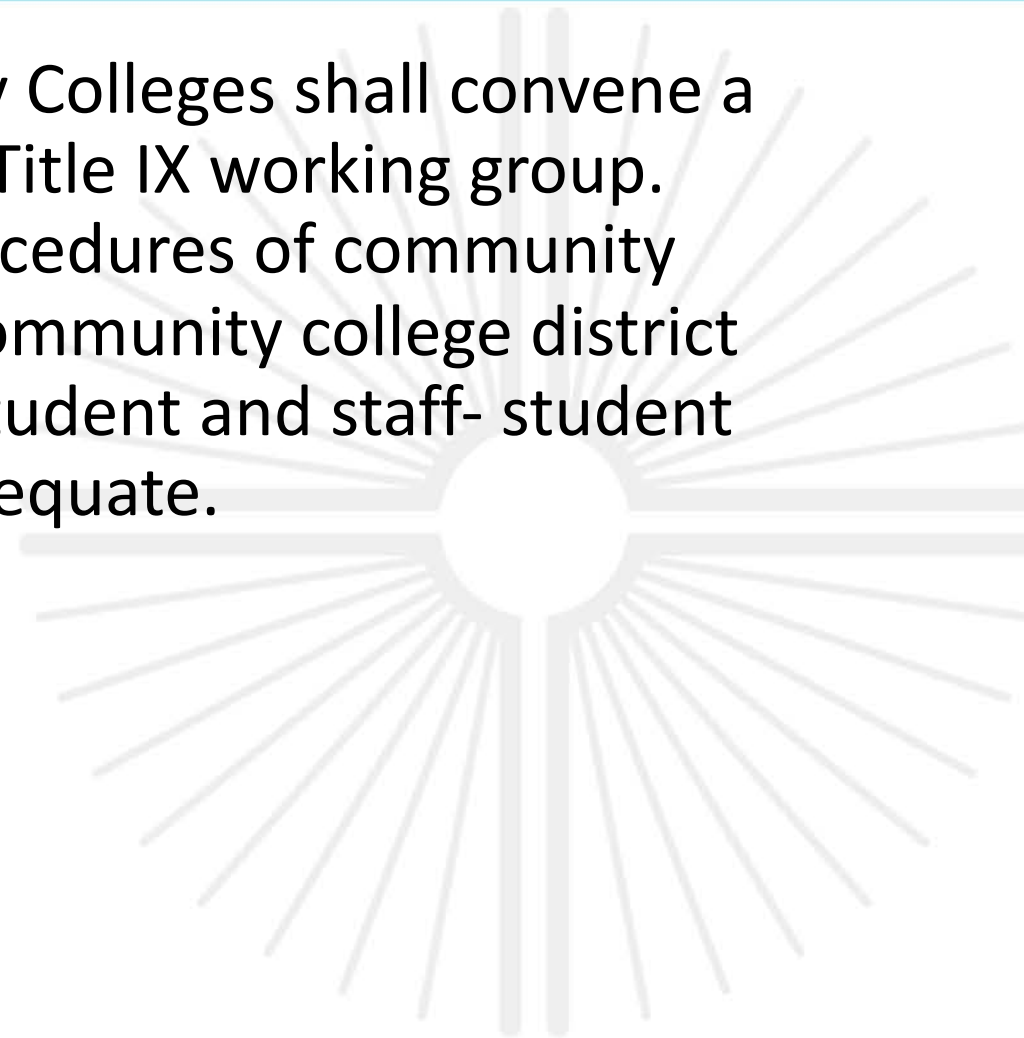
AB 1575 (Irwin): Public postsecondary education: sexual harassment, sexual violence, and discrimination: disciplinary actions: confidential advocates and advisers

Each public segment must adopt a policy permitting a student to be represented by an adviser if the student receives a notification of disciplinary action. The adviser may be a confidential advocate.

AB 2048 (M. Fong): Postsecondary education: discrimination prevention: campus-based offices

The Chancellor of the California Community Colleges shall convene a community college sexual harassment and Title IX working group. Focusing on the review the policies and procedures of community college districts and determine if existing community college district policies and procedures regarding faculty-student and staff- student relationships and sexual harassment are adequate.

Location: Assembly Floor



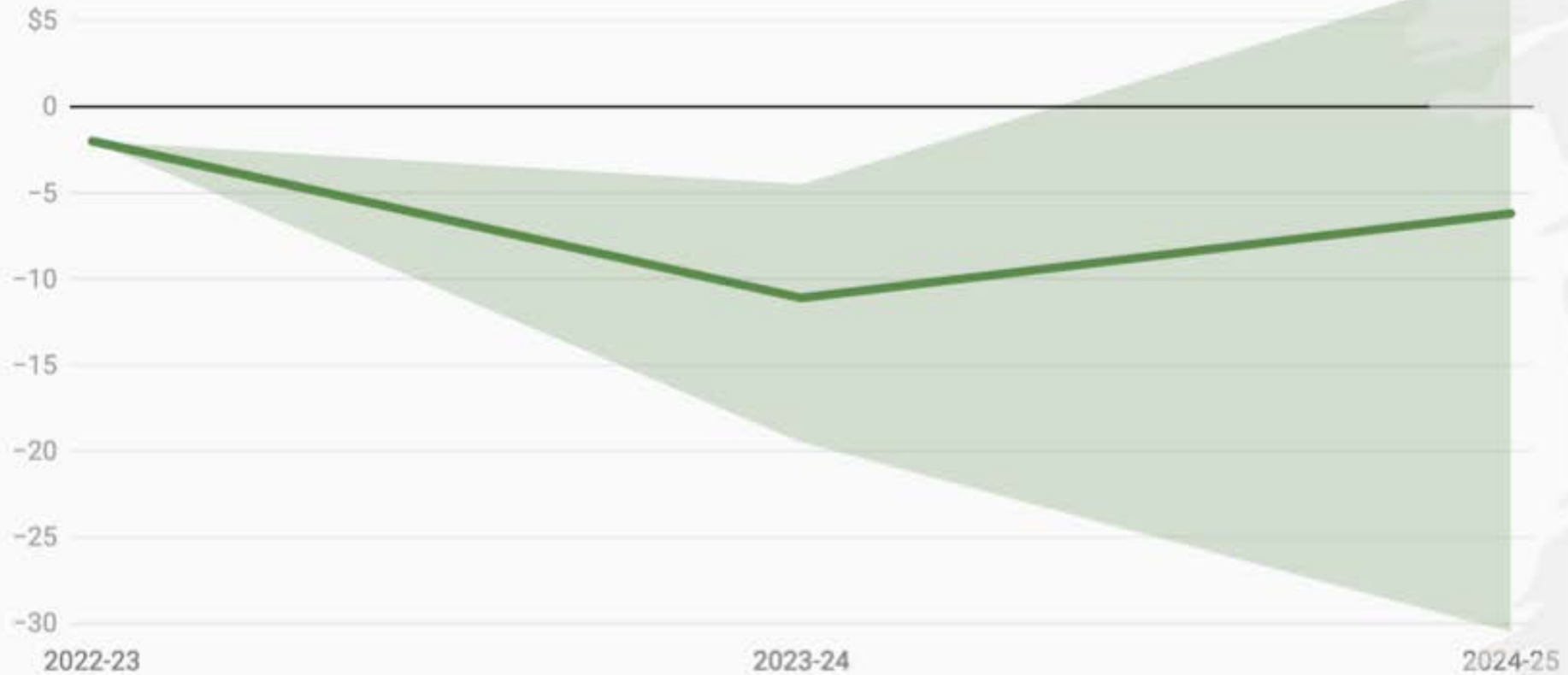


Budget Update

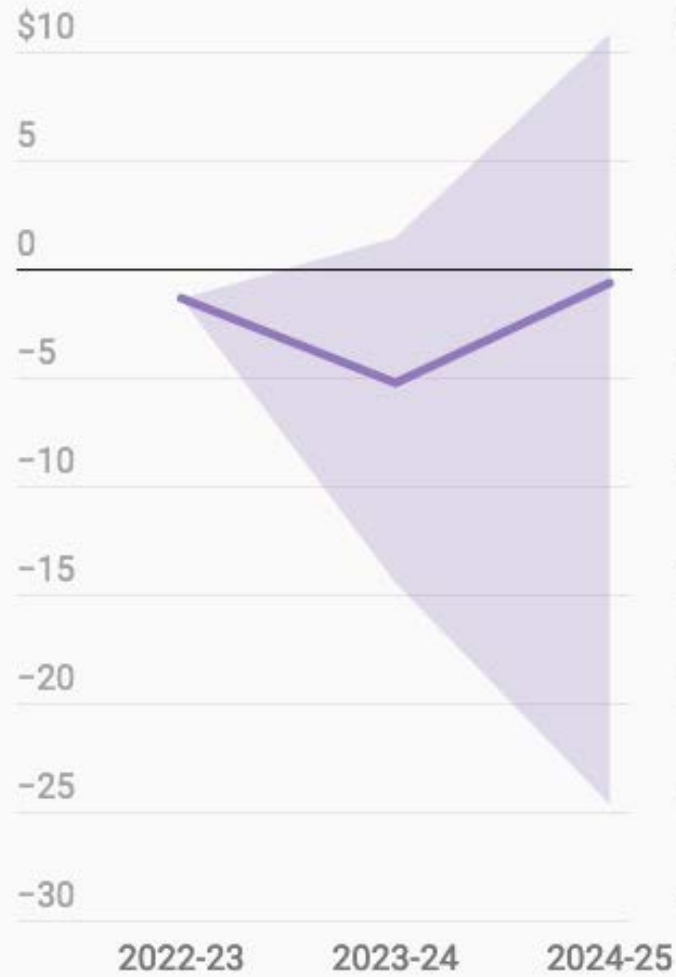
COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

How Much Could Revenues Differ From Governor's Budget Projections?

LAO Forecast Minus Governor's Budget (In Billions)

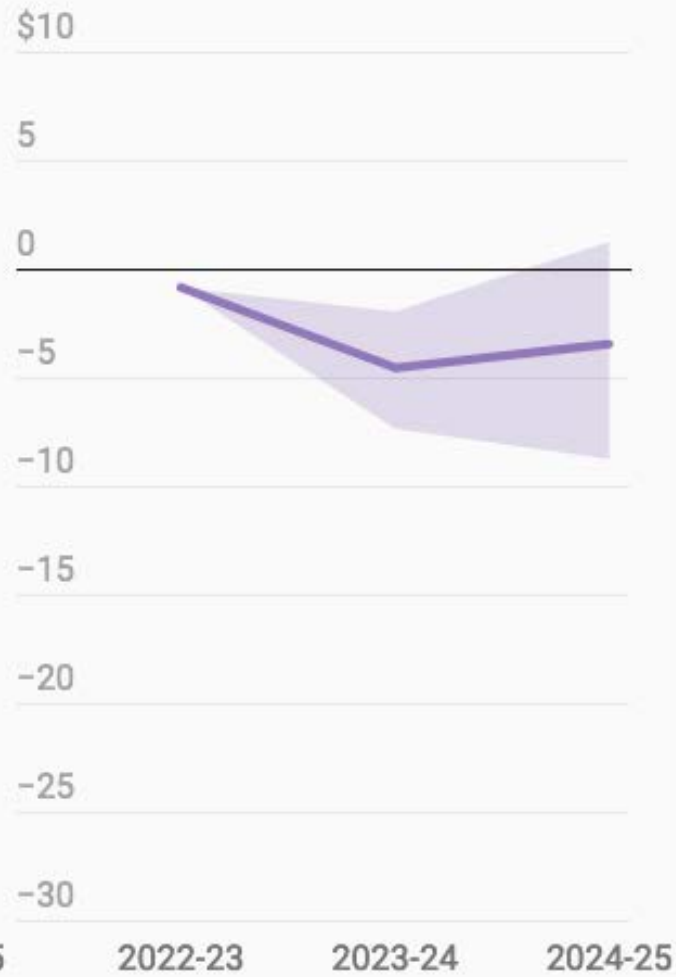


Personal Income Tax



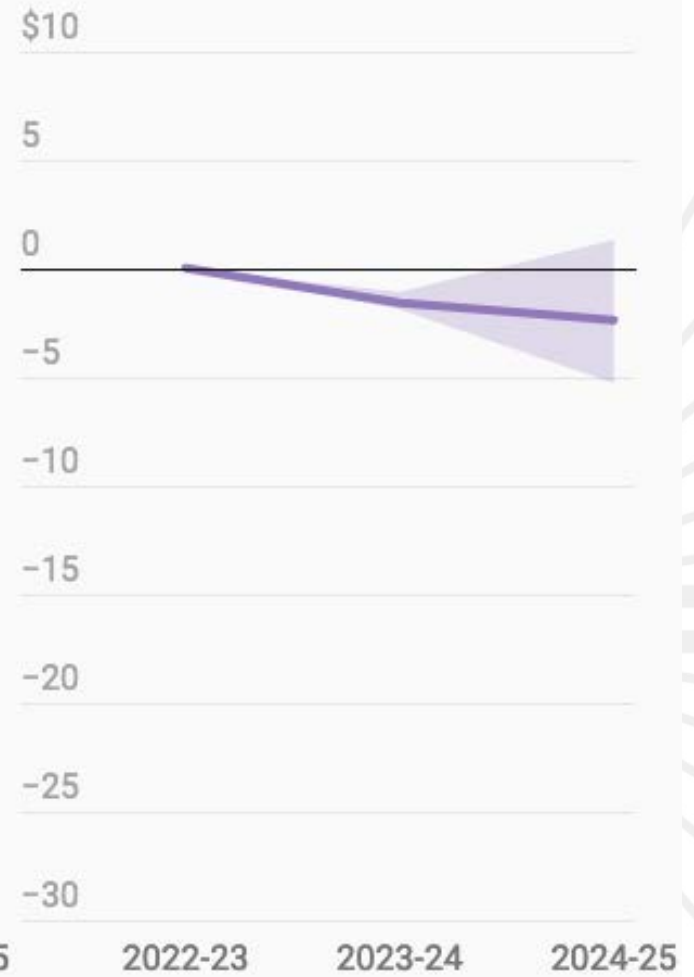
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Corporation Tax



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Sales Tax



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2024-25 May Revision
General Fund Budget Summary
(Dollars in Millions)

	2023-24	2024-25
Prior Year Balance	\$46,260	\$9,726
Revenues and Transfers	\$189,354	\$205,249
Total Resources Available	\$235,614	\$214,975
Non-Proposition 98 Expenditures	\$153,450	\$124,368
Proposition 98 Expenditures	\$72,438	\$76,606
Total Expenditures	\$225,888	\$200,974
Fund Balance	\$9,726	\$14,001
Reserve for Liquidation of Encumbrances	\$10,569	\$10,569
Special Fund for Economic Uncertainties	-\$843	\$3,432
Public School System Stabilization Account	\$2,590	-
Safety Net Reserve	\$900	-
Budget Stabilization Account/Rainy Day Fund	\$22,555	\$19,429
Note: Numbers may not add due to rounding.		



Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2023-24 Revised	2024-25 Governor's Budget (GB)	2024-25 May Revision	Change From GB (Amount)	Change From GB (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$71,500	\$76,894	\$76,606	\$(288)	-0.4%
Local property tax	31,072	32,185	32,524	\$339	1.1%
Totals	\$102,572	\$109,050	\$109,129	\$79	0.1%
COMMUNITY COLLEGES ONLY ^a					
General Fund	\$7,851	\$8,193	\$8,336	\$143	1.7%
Local property tax	4,075	4,210	4,285	\$75	1.8%
Totals	\$11,926	\$12,403	\$12,621	\$218	1.8%

^a CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.

CCC ONGOING INVESTMENTS

- COLA of 1.07% for SCFF and a small number of other categoricals.
- Provide for 0.5% enrollment growth (\$28.9 million, or \$1.49 lower than the January proposal)
 - Worth about \$142.82 million in increased funding (\$33.0 million more than the January budget)
 - COLA is Consistent with K-12 COLA



ONE-TIME INVESTMENTS

Nursing one-time funding remains the same at level: \$60 million

But, additional one-time funds provided for:

- \$12 million for expanded E-transcripts
- \$12 million for common cloud data platform demonstration
- \$6 million for credit for prior learning
- \$5 million for pathways for low-income workers demonstration project

AFFORDABLE HOUSING

- Affordable housing moved to state lease program for the majority of approved projects
 - 13 funded in this manner
 - 4 by CSU/UC partners
 - 2 using other streams

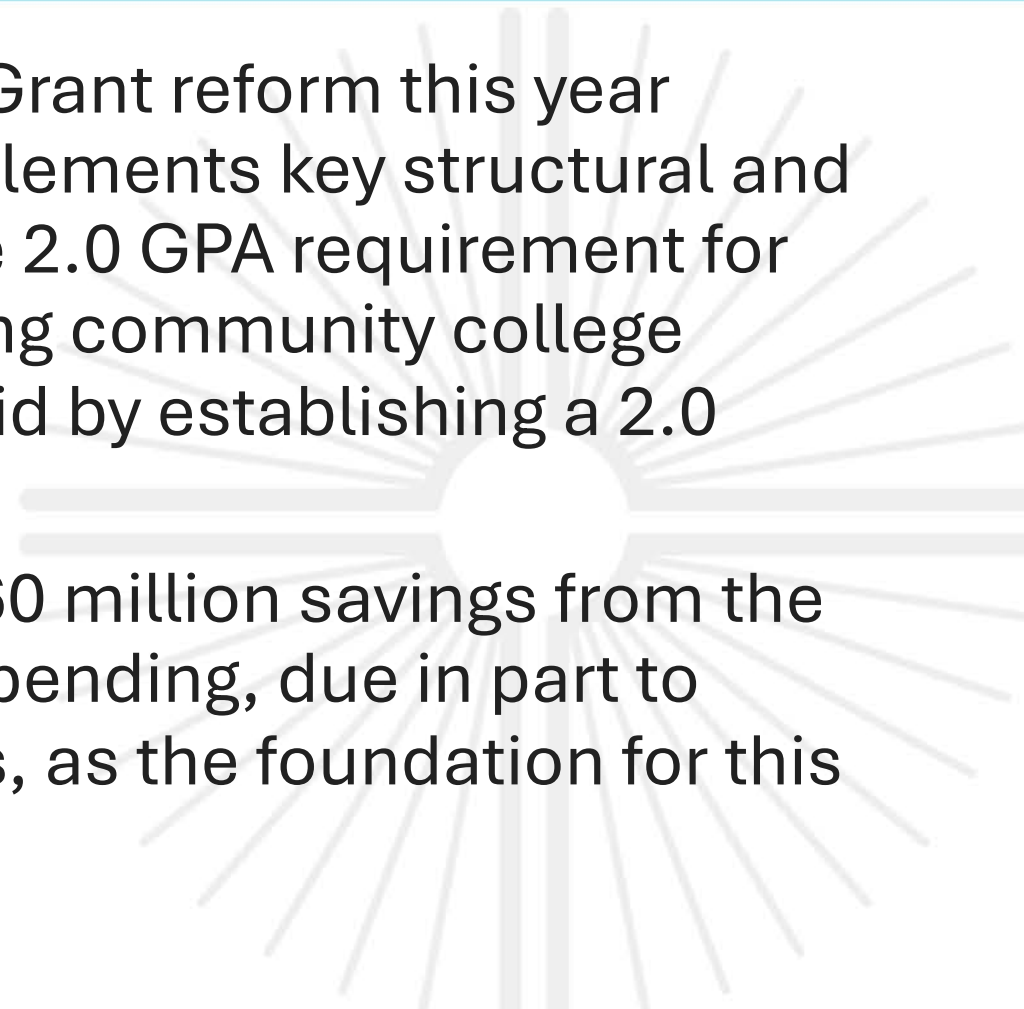


FINANCIAL AID

- Cal Grant reform funding is not provided in the budget proposal
 - Unclear if there will be an agreement on alternative path, and
 - Middle class scholarship: a \$510-million reduction (\$100 million remaining)



Fix financial aid coalition's talking points

- “We urge the Legislature to initiate Cal Grant reform this year through a one-time investment that implements key structural and eligibility changes while maintaining the 2.0 GPA requirement for community college students but allowing community college students a shorter on-ramp to access aid by establishing a 2.0 GPA.
 - The Coalition recommends using the \$60 million savings from the January Budget's increased Cal Grant spending, due in part to projected growth in Cal Grant recipients, as the foundation for this investment.”
- 

Use of PSSSA RESERVES for CCC



JANUARY PROPOSAL

MAY REVISE



\$235.9 MILLION FOR 2023-24

\$532.5 MILLION FOR 2023-24



\$486 MILLION FOR 2024-25

\$381.5 MILLION FOR 2024-25

\$8.8 Billion Solution

Legislative Analyst's Office

Feb 29, 2024: Senate Budget #1 briefing

Funding Maneuver That “Accrues” Costs to Future Years; The state would remove the budgetary cost of previous payments to schools from its books in 2022-23.

The state would not reduce any previous payments to schools or attempt to recoup this funding in subsequent years. Instead, it would attribute the costs to the non-Proposition 98 side of the budget over several subsequent years.

In effect, the state would (1) use its cash resources to finance payments to schools that exceed the Proposition 98 guarantee in the prior year and (2) create an internal obligation to recognize the underlying budgetary cost in the future.

Senate Subcommittee Hearing: Revised Funding Maneuver Involves the Same Downsides as the January Proposal

- The maneuver establishes a new type of internal obligation, creates pressure for similar cost shifts in the future, and reduces budget transparency.
- Under the May Revision, the maneuver would increase state costs by nearly \$1.8 billion per year over the next five years (up from \$1.6 billion under the Governor's budget).
- Rejecting the maneuver and addressing the drop in 2022-23 in other ways would allow the state to avoid these significant downsides.



What if we suspended Prop 98?



- While typically a tool to spend less on education
- LAO assumed state would need to make a base payment of \$9.8 billion higher for 2022-23
- Suspension would then be used to prevent \$9.8 from growing
- There be a maintenance factor
- Which would be calculated as an outyear payment
- would be no mandated timeline for payment

What if we did deferrals?

- A one-time budget solution, similar to reserves
- Adds to an out year of said amount, knocking the budget out of balance
- Would need to add more deferrals to keep up
- State would have more control
- In 2000's took 12 years to pay back



Assembly Hearing: Community College Budget

- Thinking of the big picture for those that will be around for a long time
- Concerned with depletion of reserves,
- Starting from the question about what do the cuts mean for students?
- Asked about various programs, including:
 - New one-time programs
 - Part-time faculty health care
 - Strong workforce
 - Nursing: requested data



LAO: How would cuts help avoid using reserves?

- What happens if you sweep unencumbered funds, and how does that help with Prop 98?
- \$860 million identified funds that could help in the current year
- Wouldn't have to use reserves in the same manner



DOF on Mandatory Reserves

- The Department of Finance raised an issue with the PSSSA formula
- That the formula dictates how the state is allowed to withdraw from the K-14 rainy day fund
- DOF stated there are mandatory withdrawals right now, both in the current year and the budget year
- Based on that formula, even if you use those unencumbered resources in the current year, you would have an even greater mandatory withdrawal in the budget year



CTA LETTER TO THE LEGISLATURE



CTA encourages the rejection of the maneuver as they argue it is unconstitutional because it undermines the Prop 98 guarantee



Represents a reduction of \$11.9 billion to the Proposition 98 minimum Guarantee



A \$6.8 billion reduction for 2023-24 and \$5.1 billion for 2024-25.



Previous attempts to retroactively recalculate the Guarantee have been challenged and resolved through litigation and budget compromises.

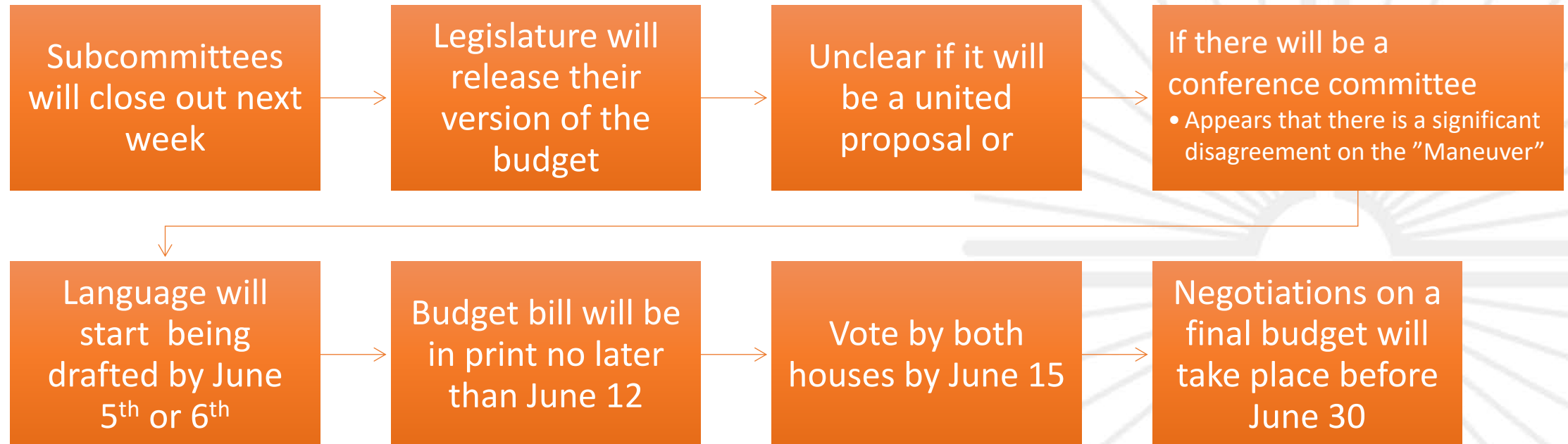


The current certification statute prohibits retroactive adjustments to the Proposition 98 funding level after the fiscal year ends.



CTA suggests that the legislature explore suspension of the Guarantee for 2023-24

What happens next?



Thank you!

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

