

2022-23 POLICY AGENDA

Amidst the ongoing pandemic and other extreme crises like homelessness and wildfires, the state has experienced a surge in revenues creating unprecedented funding opportunities in the budget. The League shares with Governor Newsom and state legislative leaders the need to move our economy and society from a K-shaped economy, where only a few can benefit, to an E-shape, where all can participate and prosper. With the proper investments, California Community Colleges are uniquely positioned to make that happen.

The League is appreciative of Governor Newsom's January budget proposal for its vital recognition of the California Community Colleges and offers the following perspectives on some of the pieces.

COLA at 5.33% (\$409.4 million)/Growth at 0.5% (\$24.9 million)

- Exceptionally important proposal to keep pace with rising costs.
- Allows for critical decisions to be made at the local level.
- Should additional funds become available in May, the League urges an additional unallocated increase to the base to be used for locally-determined needs in helping achieve equity and success.

Student Centered Funding Formula (Permanently Extend Revised Hold Harmless Starting in 2025-26 Using 2024-25 as Floor with full funding rates subject to the statutory COLA; Adjust Supplemental Allocation to Include Unduplicated First-Generation Student Metric)

- Significant proposal for districts on Hold Harmless to avoid fiscal cliff.
- Forthcoming enrollment data will better inform future reforms.
- First-generation student metric is important to advance equity.

Deferred Maintenance and Instructional Equipment (\$387.6 million one-time)

- Significantly addresses infrastructure needs.
- Critically important for health and safety of students, faculty, and administrators during the pandemic.
- Helps keep pace for equipment with changing instructional needs as our technology continues to advance.

Pension Obligations

- Proposal for budget contributions to CalPERS and CalSTRS limited to state's share of pension liability.
- Community college districts' share will continue to increase in 2022-23, for CalSTRS from 16.92% to 19.10%, for CalPERS, from 22.91% to an estimated 26.10% (CalPERS to update employer rates in April).
- Should additional funds become available in May, the League urges relief for districts to buy-down increased employer-side pension obligations.

Financial Aid (\$100 million for Student Success Completion Grant Program, \$10 million for Financial Aid Administration)

- Financial aid is critical to twin goals of equity and success.
- Proposals help foster student success and programmatic infrastructure needs.
- Continuing conversation is needed on equity in Cal Grant reform to address the total cost of attendance.