Today’s Update

- **Budget Revenues Update**
- **Sponsored Legislation**
- **Legislation Recap**
- **Federal Issues**
- **Proposition 13**
Budget Revenues Update
Community College Funds

• 2019-20 Budget Act provided $255 million to cover enrollment growth and provide a 3.26 percent COLA for apportionments.

• Using the most recent estimates, the Governor and Legislature would need to appropriate an additional $103 million for 2018-19 FY to fully fund all districts.

<table>
<thead>
<tr>
<th>Source</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Colleges Only</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$5,257</td>
<td>$5,427</td>
<td>$5,485</td>
<td>$58</td>
<td>1%</td>
</tr>
<tr>
<td>Local Property Tax</td>
<td>2,980</td>
<td>3,056</td>
<td>3,244</td>
<td>188</td>
<td>6%</td>
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<tr>
<td>Totals</td>
<td>$8,237</td>
<td>$8,483</td>
<td>$8,729</td>
<td>$246</td>
<td>3%</td>
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</table>
State Revenues

• LAO states the 2020-21 minimum guarantee is up $3.4 billion (4.2%) over 2019-20.
• The state could use $1.1 billion of this increase to cover a 1.79 percent statutory cost-of-living adjustment (COLA) and growth.
• An estimated $2.1 billion would be available for new commitments in 2020-21.

Proposition 2 (Prop 98 Reserves)

• Proposition 2 (2014) created a state reserve specifically for K-14 —the Public School System Stabilization Account.
• Proposition 2 requires deposits into this reserve when a series of conditions are met.
• The state will be required to deposit $350 million into the Proposition 98 Reserve.
2018-19 and 2019-20 Revenue Updates


- Compared to estimates in the June 2019 budget act, LAO estimates revenues are up almost $1 billion in 2018-19 (last year’s budget) and about $160 million in 2019-20 (this fiscal year).
- The increase in 2018-19 is largely driven by higher than anticipated personal income tax collections.
- The increase in 2019-20 is smaller because wage growth and estimated payments from higher-income earners have been slower this fiscal year.


- To date, the LAO estimates the minimum guarantee has increased $194 million in 2018-19 and decreased $185 million in 2019-20.
- The increase in 2018-19 is due primarily to our estimate of higher General Fund revenue.
- The decrease in the 2019-20 guarantee is due to estimated lower local property tax revenue.

Definition: One-Time Money
Overall Analysis

**Tough Choices Ahead.**

- Chances of an economic slowdown are higher than normal.
- The statutory COLA rate is relatively low compared with district cost pressures.
- If the Legislature were to provide no other ongoing increase in general purpose funding, most districts likely would need to dedicate nearly all of the increase to covering their higher pension costs.
- The Legislature could help districts address these cost pressures by using a portion of the $2.1 billion for a larger COLA — OR — The Legislature also could consider prioritizing one-time spending (such as pensions or deferred maintenance).
- LAO encouraging the Legislature to set aside at least half of the $2.1 billion for one-time spending to create a buffer in case the guarantee drops in 2020-21 or 2021-22.
CalPERS has now released its estimated rates for the subsequent years, and the rates are as follows:

**CalPERS Employer Contribution Rates**

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</tr>
</thead>
<tbody>
<tr>
<td>Previous Rates</td>
<td>18.062%</td>
<td>20.733%</td>
<td>23.6%</td>
<td>24.9%</td>
<td>25.7%</td>
<td>26.4%</td>
<td>26.6%</td>
<td>26.5%</td>
</tr>
<tr>
<td>Revised Rates</td>
<td>18.062%</td>
<td>19.721%</td>
<td>22.7%</td>
<td>24.6%</td>
<td>25.4%</td>
<td>26.1%</td>
<td>26.3%</td>
<td>26.2%</td>
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</table>
Sponsored Legislation
**AB 30 (Holden):** Would streamline the current process to enter into CCAP dual enrollment partnerships with K-12 districts.

**AB 612 (Weber):** Statewide MOU between Chancellor’s Office and State Department of Social Services to enable access to CalFresh/EBT on campus.

Both **Signed** by Governor Newsom
Thank YOU for your support!

Focus is now implementation.

• Coordinate statewide MOU and college-level interest

• Partnership with DocuSign for electronic dual enrollment student paperwork
Preparing for 2020
CSAC released the 2018–19 Student Expenses and Resources Survey (SEARS) preliminary findings.

64% of students cite cost and school-work balance as the major obstacles to success.

$2K non-tuition costs per month.

Limited or lacking financial aid has basic needs insecurity.
Ideas for 2020

Bill concepts for 2020

• Automatic backfill

• Use of deferred maintenance dollars for residence halls (likely author Assemblymember Medina)

• Non-Prop 98 affordable housing resources

• Statewide student trustee advisory vote
Priority Bills for 2020

• Financial Aid

• Baccalaureate degrees

  ASCCC has:
  – Removed of opposition to expansion of the California Community Colleges’ mission,
  – Recommended that the 15 pilot programs be removed from pilot status,
  – And recommend that any further expansion of baccalaureate degrees occur in allied health fields.
2019 Recess Talking Points

• Recess Talking Points provided by the League each fall

• Serves as starting points for conversations with legislators during the legislative recess

• Excellent time to invite lawmakers onto campus

• League staff can help coordinate visits
Bills of Interest

**Affordability**
- AB 2 (Santiago) College Promise
- AB 540 (Limon) Service Grants
- AB 943 (Chiu) Emergency Grants

**Athletics:**
- SB 206 (Skinner) Endorsements

**Dreamers**
- AB 1645 (Rubio) Dreamer Liaisons

**Governance**
- AB 130 (Low) Coordinating Body

**Funding:**
- AB 1727 (Weber) Non-Credit Programs

**Labor and Employment**
- AB 218 (Gonzalez) Sexual Assault
- AB 500 (Gonzalez) Maternity Leave

**Student Advocacy**
- AB 1504 (Medina) Student Rep Fee

**Taxation**
- SB 468 (Jackson) Tax Review Board
**Affordability:**

**AB 2 (Santiago)** Authorizes the second year of tuition waivers for first-time full-time students.

*SIGNED* by Governor Newsom.

**AB 540 (Limon)** Creates 2,000 services incentive grants for AB 540 students receiving a Cal Grant B award.

*SIGNED* by Governor Newsom.

**AB 943 (Chiu)** Authorizes colleges to provide emergency grants to students who are in danger of dropping out of school due to a financial emergency.

*SIGNED* by Governor Newsom.
Athletics:
SB 206 (Skinner) Prohibits four year colleges from sanctioning a student athlete from generating income via endorsements starting in and requires the Chancellor’s Office to convene a work group to study the issue for community college student-athletes.

**SIGNED** by Governor Newsom.

Dreamers:
AB 1645 (Rubio) Mandates that CSU and community colleges to create a liaison to AB 540 students to provide information of and connect them to available services.

**SIGNED** by Governor Newsom
Governance:
AB 130 (Low) Would have created a higher education coordinating body that excludes segmental representation.

*Vetoed* by Governor Newsom

Funding:
AB 1727 (Weber) Would have permitted non-credit programs to capture apportionment based on census day attendance accounting rules.

*Vetoed* by Governor Newsom

Labor and Employment
AB 218 (Gonzalez) Extends the civil statute of limitations for the recovery of damages for victims of childhood sexual assault from 8 to 22 years.

*SIGNED* by Governor Newsom
Bills of Interest

Labor and Employment
AB 500 (Gonzalez) Would have required schools and community college districts to provide six weeks of maternity leave.

Vetoed by Governor Newsom

Student Advocacy:
AB 1504 (Medina) Permits the Student Senate for California’s Community Colleges to collect a $1 per student per semester fee to represent students at the state level.

SIGNED by Governor Newsom.
Bills of Interest

Taxation:

**SB 468 (Jackson)** Would have created a tax review board to evaluate major tax expenditures that cost the state’s general fund at least $1 billion in the last 10 years. It would have asked the University of California to perform this analysis and present the results to the board by July 2021.

*Vetoed* by Governor Newsom
Republicans in the Senate and Democrats in the House, introduced released proposals to reauthorize the Higher Education Act.

- Significant differences between the two proposals.

Republicans wanted to make relatively small, bipartisan modifications to federal higher education policy while Democrats want significant changes.

The House proposal, known as the FUTURE Act, was far more comprehensive.

The FUTURE Act passed yesterday afternoon. The FUTURE Act passed the House in September but was amended in the US Senate Education Committee as part of a compromise.
Areas of Agreement:

- FASFA simplification.
- Making students in short term programs eligible for Pell Grants.
- Making incarcerated students eligible for Pell Grants.
- Makes the $255 million for minority serving institutions and Historically Black Colleges permanent.
• Permanently fund historically black colleges and universities and other minority-serving institutions ($255 million in annually)

• Simplify the Free Application for Federal Student Aid

• Eliminate paperwork for income-driven student loan repayment plans

• Eliminate up to 22 questions on the FAFSA and allow the Internal Revenue Service to share applicants' tax information directly with the U.S. Department of Education.

• Got enough votes to pass the House and will now go back to the Senate for approval of any changes.
– No deal reached between Senate, House and President Trump.

– Senate and President Trump have proposed spending plans that are significantly below House proposal.

– Dispute on levels of DOD funding that would likely be redirected to border wall construction at the Mexican border.

– Continuing resolution funding government likely to pass funding government at 2019 levels to December 20th.
State Ballot Proposition 13
• AB 48 (O’Donnell) has qualified as a ballot measure for the March 2020 ballot.
• It was assigned a number by the Secretary of State’s Office.

Proposition 13:
• Proposition 13 would authorize $15 billion for school and college facilities in California, including $9 billion for preschool and K-12 schools, $4 billion for universities, and $2 billion for community colleges.
## School and College Facilities Bond (March 2020)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Dedication</th>
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<tbody>
<tr>
<td>$9.0 billion</td>
<td>Preschool and K-12</td>
</tr>
<tr>
<td>$2.8 billion</td>
<td>new construction of school facilities</td>
</tr>
<tr>
<td>$5.2 billion</td>
<td>modernization of school facilities</td>
</tr>
<tr>
<td>$500 million</td>
<td>providing school facilities to charter schools</td>
</tr>
<tr>
<td>$500 million</td>
<td>facilities for career technical education programs</td>
</tr>
<tr>
<td>$4.0 billion</td>
<td>Universities</td>
</tr>
<tr>
<td>$2.0 billion</td>
<td>capital outlay financing needs of the California State University</td>
</tr>
<tr>
<td>$2.0 billion</td>
<td>capital outlay financing needs of the University of California and Hastings College of the Law</td>
</tr>
<tr>
<td>$2.0 billion</td>
<td>Community colleges</td>
</tr>
</tbody>
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January 25, 2020 (in-person or conference call)
• Time: 10:00 a.m. - Noon
• Topic(s): Governor’s Actions, Legislative Conference, Introduced Bills, 2020 Talking Points

March 4, 2020 (in-person or conference call)
• Time: 10:00 a.m. - Noon
• Topic(s): Bill review and analysis, Position recommendations

TENTATIVE, April 30, 2020 (in-person or conference call)
• Time: 1:00 p.m. - 3:00 p.m.
• Topic(s): Bill position updates

May 20, 2020 (conference call)
• Time: 10:00 a.m. - Noon
• Topic(s): Bill updates and budget

June 17, 2020 (Conference call only)
• Time: 10:00 a.m. - Noon
• Topic(s): Bills in Second House, Final Budget
Thank You

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