Advisory Committee on Legislation

January 2021 Update
Items for Discussion

• 2021-2022 Budget

• Legislative Update

• Federal Update
BUDGET UPDATE
Goal: E-Shape

Education and Equity in the Economy
## Spending Increases and Revenue Reductions Proposed for Immediate and Early Action

*(In Millions)*

<table>
<thead>
<tr>
<th>Program/Department</th>
<th>Proposal</th>
<th>2020-21</th>
<th>2021-22</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools and Community College Spending (General Fund)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Education</td>
<td>Expanded learning and academic intervention</td>
<td>$4,557</td>
<td>—</td>
<td>$4,557</td>
</tr>
<tr>
<td>Department of Education</td>
<td>In-person instruction grants</td>
<td>2,000</td>
<td>—</td>
<td>2,000</td>
</tr>
<tr>
<td>California Community Colleges</td>
<td>Emergency student financial aid</td>
<td>100</td>
<td>—</td>
<td>100</td>
</tr>
<tr>
<td>California Community Colleges</td>
<td>Student retention and enrollment strategies</td>
<td>20</td>
<td>—</td>
<td>20</td>
</tr>
<tr>
<td><strong>Totals, Schools and Community Colleges</strong></td>
<td>$6,677</td>
<td>—</td>
<td>$6,677</td>
<td></td>
</tr>
<tr>
<td><strong>Total Early and Immediate Action Proposals</strong></td>
<td>$11,520</td>
<td>$1,308</td>
<td>$12,823</td>
<td></td>
</tr>
</tbody>
</table>
### 2021-22: Addressing Deferrals

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Deferral Action</th>
<th>Amount</th>
<th>Net Deferral</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21&lt;sup&gt;a&lt;/sup&gt;</td>
<td>New deferral</td>
<td>$1,453.0</td>
<td>$1,453.0</td>
</tr>
<tr>
<td>2021-22</td>
<td>Repayment</td>
<td>-$1,126.5</td>
<td>$326.5</td>
</tr>
</tbody>
</table>

<sup>a</sup> Includes new deferral and repayment for the fiscal year 2020-21.
## 2021-22 CCC Budget: Ongoing

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide 1.5% COLA for SCFF</td>
<td>$111.1</td>
</tr>
<tr>
<td>Increase access to online technology as well as mental health services</td>
<td>30</td>
</tr>
<tr>
<td>Fund 0.5% enrollment growth for SCFF</td>
<td>23.1</td>
</tr>
<tr>
<td>Expand California Apprenticeship Initiative</td>
<td>15</td>
</tr>
<tr>
<td>Invest in online education ecosystem and infrastructure</td>
<td>10.6</td>
</tr>
<tr>
<td>Provide 1.5% COLA for certain categorical programs</td>
<td>6.1</td>
</tr>
<tr>
<td>Cover increased costs for broadband access provided by CENIC</td>
<td>8</td>
</tr>
<tr>
<td><strong>Subtotal Ongoing Policy Adjustments</strong></td>
<td><strong>$203.9</strong></td>
</tr>
</tbody>
</table>
## 2021-22 Budget: One-Time

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide emergency financial assistance grants for students</td>
<td>$250</td>
</tr>
<tr>
<td>Address students’ basic needs related to food and housing insecurity</td>
<td>100</td>
</tr>
<tr>
<td>Support retention and enrollment strategies</td>
<td>20</td>
</tr>
<tr>
<td>Expand work-based learning</td>
<td>20</td>
</tr>
<tr>
<td>Increase faculty professional development</td>
<td>20</td>
</tr>
<tr>
<td>Expand Zero-Textbook Cost pathways</td>
<td>15</td>
</tr>
<tr>
<td>Provide instructional materials for dual enrollment students</td>
<td>2.5</td>
</tr>
<tr>
<td>AB 1460 implementation and anti-racism initiatives</td>
<td>.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$681</strong></td>
</tr>
</tbody>
</table>
The 2021-22 Governor’s Budget does not propose further buydowns but continues implementation of the 2021-22 employer contribution reduction.

<table>
<thead>
<tr>
<th>Pension System</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalSTRS Employer Rate</td>
<td>17.10%</td>
<td>16.15%</td>
<td>15.92%</td>
</tr>
<tr>
<td>CalPERS Employer Rate</td>
<td>19.721%</td>
<td>20.70%</td>
<td>23.00%</td>
</tr>
</tbody>
</table>
Assembly Budget Sub #2 Calendar

https://www.assembly.ca.gov/dailyfile

- January 26, 2021: 9 am
- February 1, 2021: 3 pm
- February 9, 2021: 9 am
- February 16, 2021: 2:30 pm
- February 17, 2021: 4 pm
- February 23, 2021: 9 am
- February 24, 2021: 4 pm
- March 2, 2021: 9 am
- March 9, 2021: 9 am
- March 16, 2021: 9 am
League Priorities
League Priorities:
Equity for Educational Quality

- Funding for a Cost-of-Living Adjustment (COLA)
- Buying Down Deferrals
- Addressing Pension Obligations
League Priorities:
Equity for Students

- Reforming Financial Aid
- Funding Mental Health Services
- Flexible Resources for all Students Needs
League Priorities: Equity for Academic Opportunity

- Expand the Community College Baccalaureate Degree Program
- Workforce Based Learning
- Fund a Single Library Services Platform (LSP)
2021-22 Budget and Related News

Materials from the League

- League December Letter

Materials from the CCCCO

- CCCO 2021-22 System Budget & Legislative Request
- 2021-22 Joint Analysis of the Governor's Budget Proposal

Materials from the Administration (Governor and DOF)

- Governor's Budget Summary 2021-22

Materials from the Legislature and Legislative Analyst’s Office (LAO)

- Assembly Budget Committee - Highlights of Governor’s Proposed 2021-22 Budget
- Senate Committee on Budget & Fiscal Review - Summary of Governor's Proposed 2021-22 Budget
- LAO Overview of Governor’s Budget
- LAO 2021-22 Fiscal Outlook
- LAO Fiscal Outlook for Schools and Community Colleges

Federal Items
Legislative Update
• **Some Key Legislative Dates**

  - **Feb. 19** Last day for bills to be **introduced**
  - **Apr. 30** Last day for **policy committees** to meet and report to fiscal committees **fiscal bills** introduced in their house
  - **June 4** Last day for each house to pass bills introduced in that house
  - **June 15** Budget Bill must be passed by midnight
  - **July 14** Last day for **policy committees** to meet and reports bills
  - **Sept. 10** Last day for any bill to be passed
Legislature has reconvened for the 2021 legislative year.

COVID-19 will reduce bandwidth of legislature to consider legislation.

Policy and fiscal committees expected to meet less frequently to follow COVID-19 social distancing protocols.
The legislature is expected to focus on the following issues:

- Direct COVID-19 response.
- Ethnic Studies
- Student trustee rights/
- Student Basic Needs
- Transfer reform.

Expect a comprehensive legislative report once all bills are introduced.
Federal Update
Changes to Federal Leadership:

• Democrats take control of both legislative and executive branches.

• Small Democratic majorities in both the Senate and the House.

• Significant implications for changes to federal fiscal and regulatory possibilities.
Very small Democratic majorities in both the Senate and House will make it essential to achieve bipartisan support for major policy items.

**Budget Reconciliation:**
- Only a majority of vote of the Senate necessary to enact budget related legislation.
- Could include additional stimulus funding.
- $35 Billion proposed for higher education.

**Policy Actions:**
- Will require at least 60 votes in the Senate.
- Authorization of Higher Education Act
- Codification of DACA and comprehensive immigration reform.
Slim party majorities in both the House and Senate could be a signal for continued legislative deadlock.

Potential Executive Actions:

• Appointments
  • Democratic majority will make it easier to confirm Biden appointees.

• Title IX

• Protection of DACA.

• Consumer protection for student at for-profit institutions.
QUESTIONS