



# Government Relations Webinar

## January 17, 2023

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA





# Inauguration

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA





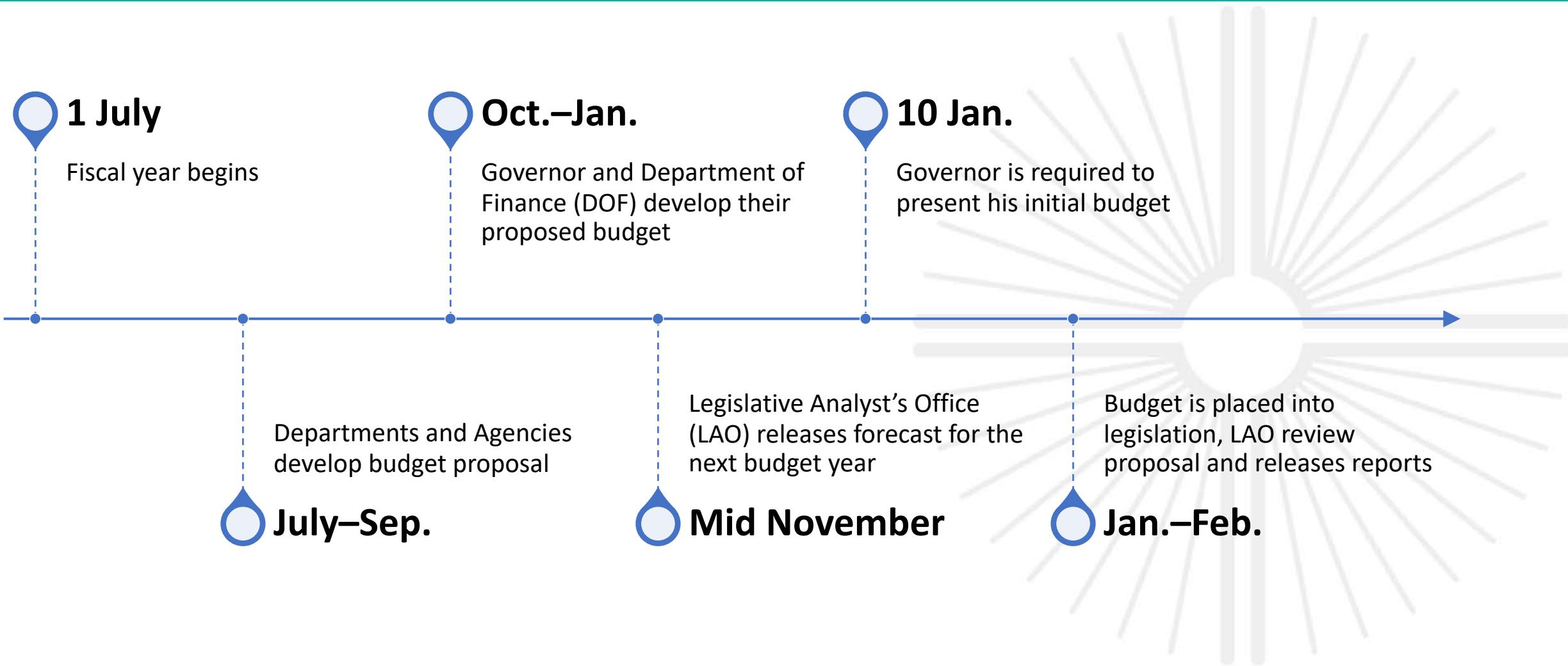


# 2023-24 Budget



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

# Budget Calendar



# Budget Calendar

## Mar.–May

Legislature begins the process of Budget hearings and subcommittee hearings

## May–June

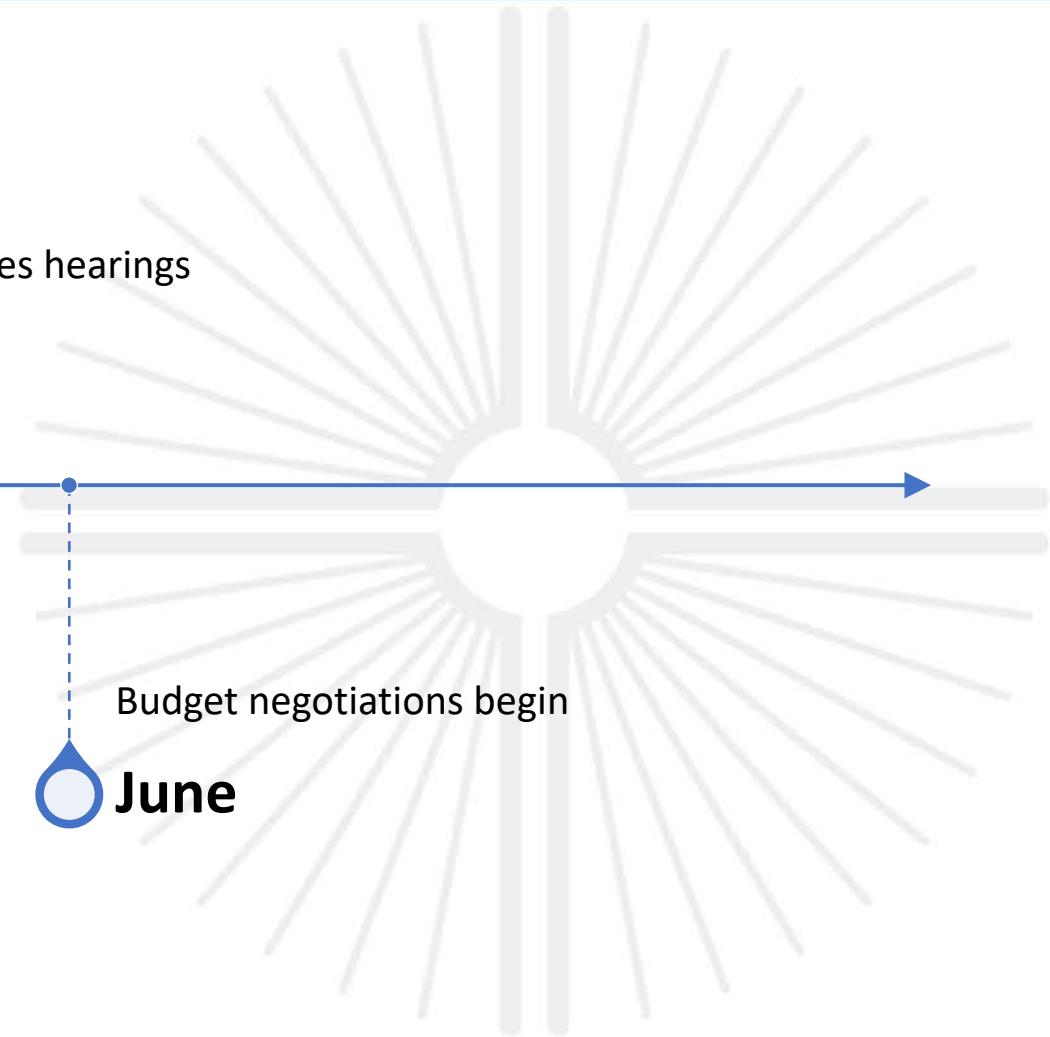
Legislature concludes hearings

Governor must provide an update to his initial budget proposal based on tax receipts collected

**14 May**

Budget negotiations begin

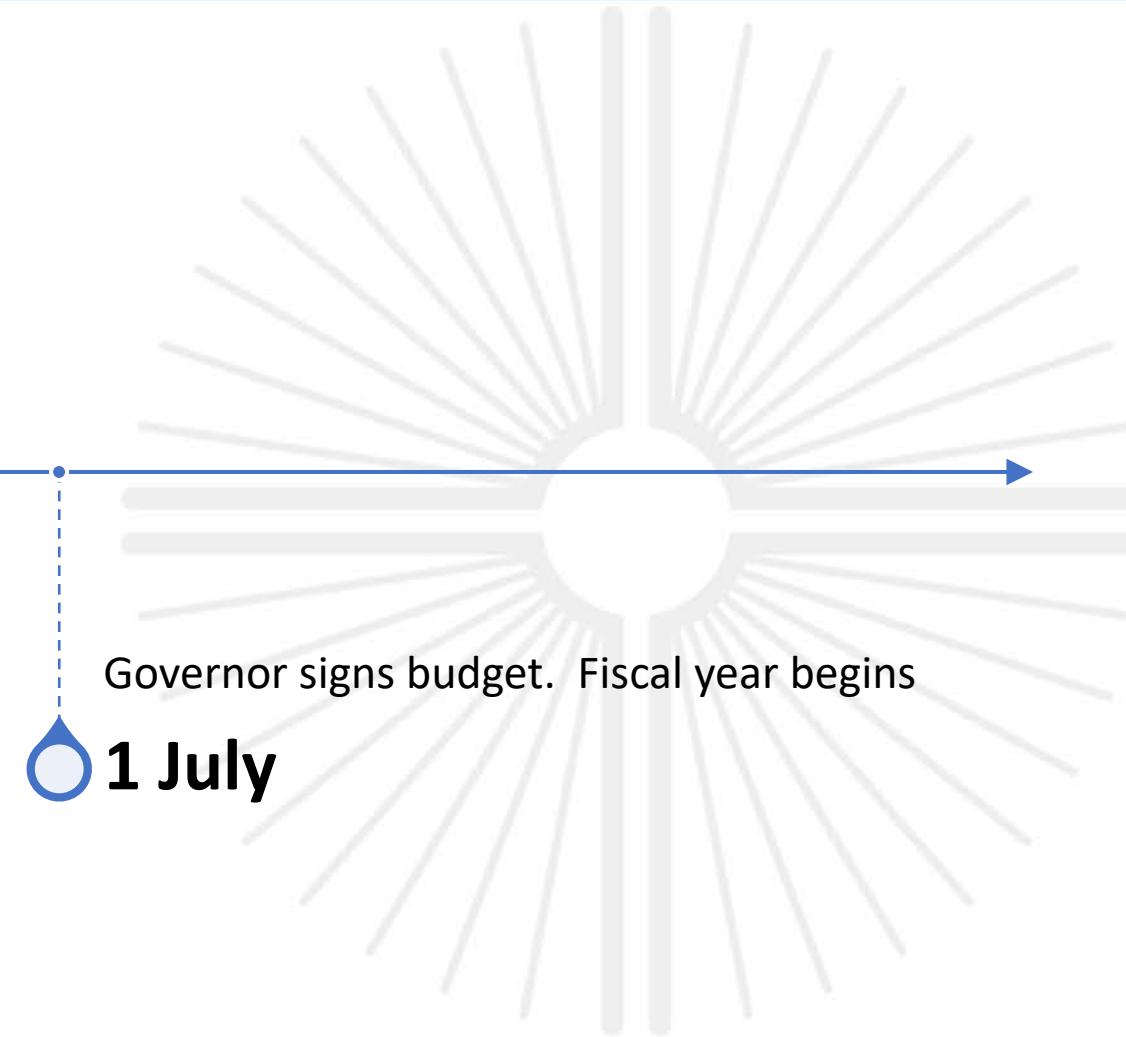
**June**



# Budget Calendar

**15 June**

Budget must passed by Legislature  
(Constitutional deadline)



Governor signs budget. Fiscal year begins

**1 July**

# Shared Advocacy Request for 2023-24 Budget

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**\$400 million for base funding increase**

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\$50 million for faculty and staff

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\$150 million to establish Childcare Expansion Fund

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**\$30 million for technology needs of the colleges**

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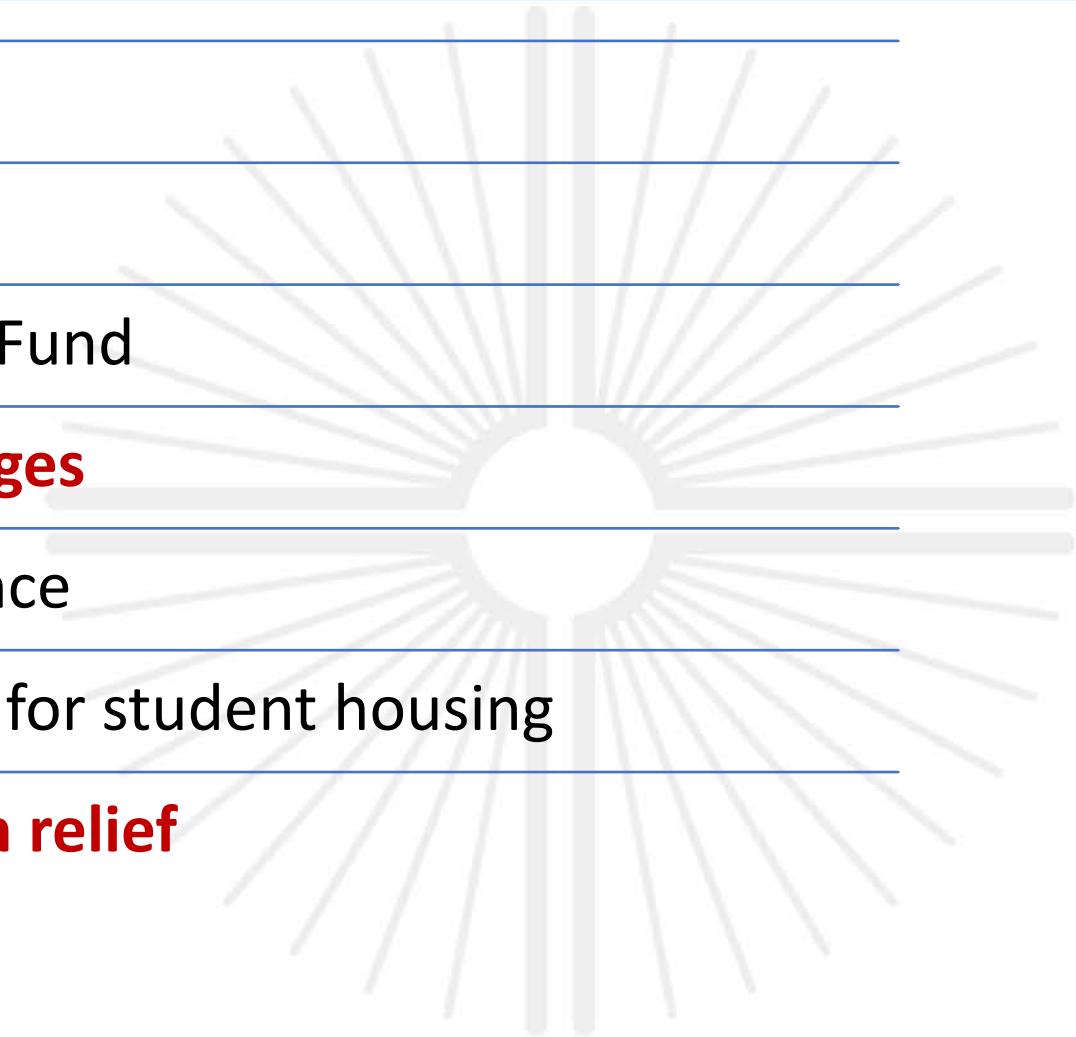
\$150 million one-time for deferred maintenance

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\$900 million one-time for construction grants for student housing

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**Unspecified one-time investment for pension relief**



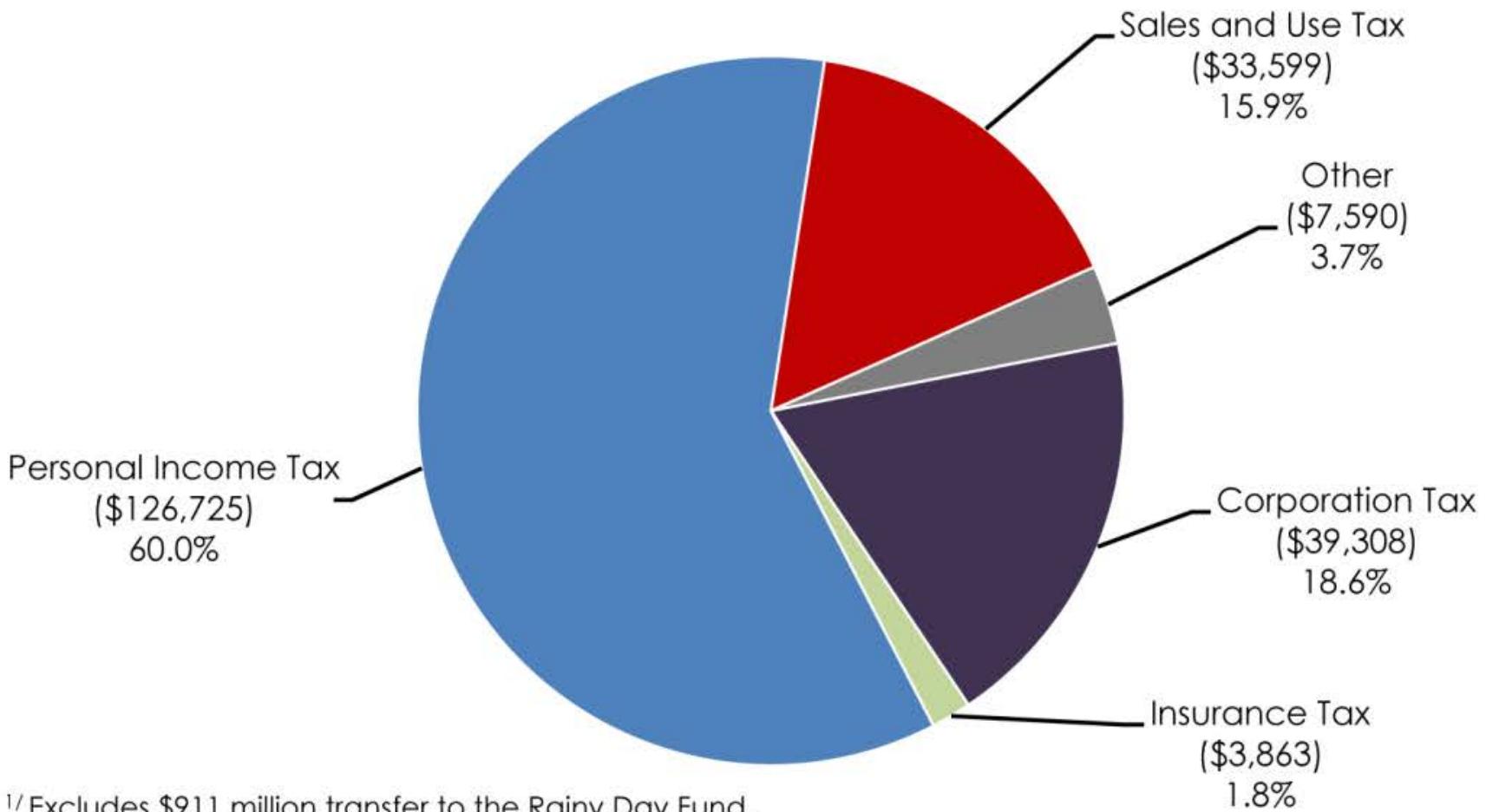
## General Fund Revenue Sources

(Dollars in Millions)

	2022-23	2023-24	Change from 2022-23	
			Dollar Change	Percent Change
Personal Income Tax	\$128,905	\$126,725	-\$2,180	-1.7%
Sales and Use Tax	32,851	33,599	748	2.3%
Corporation Tax	38,482	39,308	826	2.1%
Insurance Tax	3,641	3,863	222	6.1%
Alcoholic Beverage Taxes and Fees	436	441	5	1.1%
Cigarette Tax	49	45	-4	-8.2%
Motor Vehicle Fees	37	37	0	0.0%
Other	6,102	7,067	965	15.8%
<b>Subtotal</b>	<b>\$210,503</b>	<b>\$211,085</b>	<b>\$582</b>	<b>0.3%</b>
Transfer to the Budget Stabilization Account/Rainy Day Fund	-1,620	-911	709	-43.8%
<b>Total</b>	<b>\$208,883</b>	<b>\$210,174</b>	<b>\$1,291</b>	<b>0.6%</b>

Note: Numbers may not add due to rounding.

**2023-24**  
**General Fund Revenues and Transfers<sup>1/</sup>**  
(Dollars in Millions)



<sup>1/</sup> Excludes \$911 million transfer to the Rainy Day Fund.

**2023-24 Governor's Budget**  
**General Fund Budget Summary**  
(Dollars in Millions)

	<b>2022-23</b>	<b>2023-24</b>
<b>Prior Year Balance</b>	\$52,713	\$21,521
Revenues and Transfers	\$208,884	\$210,174
<b>Total Resources Available</b>	<b>\$261,597</b>	<b>\$231,695</b>
Non-Proposition 98 Expenditures	\$160,973	\$143,060
Proposition 98 Expenditures	\$79,103	\$80,554
<b>Total Expenditures</b>	<b>\$240,076</b>	<b>\$223,614</b>
<b>Fund Balance</b>	<b>\$21,521</b>	<b>\$8,081</b>
Reserve for Liquidation of Encumbrances	\$4,276	\$4,276
Special Fund for Economic Uncertainties	\$17,245	\$3,805
<b>Public School System Stabilization Account</b>	<b>\$8,108</b>	<b>\$8,473</b>
<b>Safety Net Reserve</b>	<b>\$900</b>	<b>\$900</b>
<b>Budget Stabilization Account/Rainy Day Fund</b>	<b>\$21,487</b>	<b>\$22,398</b>

Note: Numbers may not add due to rounding.

# Cost of Living Adjustment

CCC Apportionments—An increase of \$652.6 million ongoing Proposition 98 General Fund

Or 8.13-percent cost-of-living adjustment (COLA) for Student Centered Funding Formula apportionments and



\$28.8 million ongoing Proposition 98 General Fund

Or 0.5-percent enrollment growth.



An increase of \$92.5 million ongoing Proposition 98 General Fund to provide an 8.13-percent COLA for select categorical programs and the Adult Education Program.

# COLA Per Joint Budget Analysis

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8.13% COLA for SCFF \$652.6

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0.5% for SCFF growth \$28.8

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8.13% COLA for Adult Education Program \$48.5

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8.13% COLA for Extended Opportunity Programs and Services (EOPS) \$13.8

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8.13% COLA for Disabled Students Programs and Services (DSPS) \$13.0

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COLA and a technical adjustment for Apprenticeship (community college districts) \$4.7

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8.13% COLA for CalWORKs student services \$4.1 Provide 8.13% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements \$3.0

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8.13% COLA for Cooperative Agencies Resources for Education (CARE) \$2.5

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8.13% COLA for Childcare tax bailout \$0.3 Increase FCMAT funding for Professional Learning Opportunities \$0.2

# Dual Enrollment



The Administration **requests** community colleges establish dual enrollment agreements with all applicable local educational agencies within their community college districts' service area, if they have not done so already.



The Administration **requests** that all community colleges develop and offer a one-unit service-learning course that all high school students would have the ability to access through dual enrollment opportunities.



These service-learning opportunities would serve to encourage and enable high school students to volunteer in their local communities and to participate in civic engagement.

# Student Enrollment & Retention



An increase of \$200 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment,



Building on an investment of \$150 million one-time Proposition 98 General Fund and



\$120 million one-time Proposition 98 General Fund for student enrollment and retention in the 2022 and 2021 Budget Acts, respectively.

# Deferred Maintenance



A decrease of approximately \$213 million one-time Proposition 98 General Fund for deferred maintenance needs.



The 2022 Budget Act included approximately \$840 million in one-time funds for 2022-23 to address deferred maintenance and energy efficiency projects across the system.

# Chief Business Officers Mentorship



An increase of \$275,000 Proposition 98 General Fund,



Of which \$200,000 is ongoing, to develop a community college chief business officer professional learning program



Run through the Fiscal Crisis and Management Assistance Team to improve community college district leadership capacity and fiscal accountability.

# Workforce Training Grants



An increase of \$14 million one-time Proposition 98 General Fund to support the administration of workforce training grants



In collaboration with the California Department of Forestry and Fire Protection.

# Enrollment



The Administration will be monitoring district-level enrollment trends as we move past the COVID-19 pandemic.



It is imperative that districts begin to regain some of the enrollment lost during the COVID-19 pandemic.



The Administration will work with stakeholders to consider options to adjust district budgets should a district not display that they are regaining enrollment lost during the COVID-19 Pandemic **entering the 2024-25 academic year**.



In addition to responding to enrollment declines in recent years, the Administration has provided significant financial support to the community colleges, including for student financial aid and basic needs, as well as for community college operations.



This includes providing a funding floor for the Student-Centered Funding Formula's hold harmless provision beginning in fiscal year 2025-26.

# Flexibility

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To support a continued focus toward the goals of the multi-year roadmap,

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The Administration intends to introduce a mechanism as part of the May Revision to provide community college districts that are making progress toward the CCC roadmap goals with

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Additional categorical program spending flexibilities and the ability to consolidate reporting requirements across specified and to be determined categorical programs,

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Provided the goals of the categorical programs and overall progress toward the roadmap goals continue to be met.

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Under the proposal, districts making progress would have the opportunity to submit a streamlined report for the specified programs, as well as spend funds more flexibly across the programs.

# Student Housing: Higher Education Student Housing Grant Program

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The 2021 Budget Act established the Higher Education Student Housing Grant Program to provide grants to construct student housing for low-income students

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\$2 billion one-time General Fund set-aside by the 2021 Budget (\$500 million in 2021-22, \$750 million in 2022-23, and \$750 million in 2023-24)

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2022 Budget Act provided \$200 million one-time General Fund for this program

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A total allotment to \$2.2 billion for student housing grants over the three-year period

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The Budget proposes delaying \$250 million of the anticipated 2023-24 support for affordable student housing projects to the 2024-25 fiscal year

# Student Housing: Block Grant

The 2022 Budget Act also included intent language to provide \$1.8 billion one-time General Fund over a two-year period in 2023-24 and 2024-25, to establish a student housing revolving loan program for the UC, the CSU, and the CCCs

The Budget proposes delaying \$900 million planned in 2023-24 to the 2025-26 fiscal year and delaying \$250 million from the 2024-25 fiscal year to the 2025-26 fiscal year

This delay would result in \$650 million in 2024-25 and \$1.15 billion in 2025-26 being available for the program

# CAL GRANT REFORM

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The Administration remains attentive to the 2022 Budget Act's provisions regarding the fiscal conditions upon which the Cal Grant Reform Act may be implemented

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And will continue to work closely with the Legislature, the Commission, and others as that time draws closer.

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The Cal Grant Reform Act would make significant changes to the state's largest financial aid program, replacing the existing Cal Grant program with a new version of the program that provides:

- A Cal Grant 2 for eligible CCC students with financial need,
  
- And provides a Cal Grant 4 for eligible four-year university students with financial need.

# League's Efforts

## Legislative Talking Points

- League staff developing in time for Legislative Conference

## League's Letter on Budget Priorities

- League staff drafting response prioritizing the needs of our districts
- Will be shared with CEOs and Trustees
- Will be posted on our website



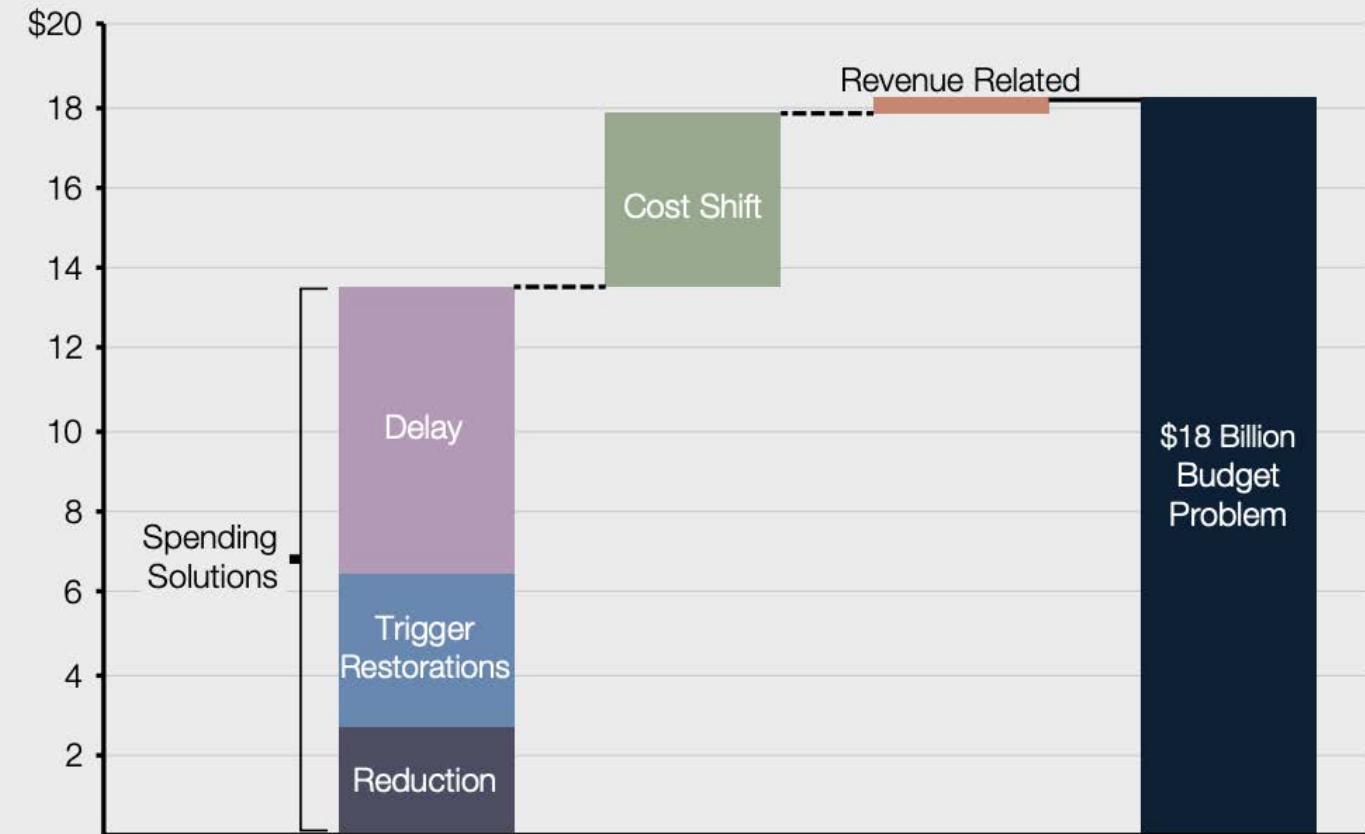
# Legislative Analysts Office 2023-24: Overview of the Governor's Budget

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

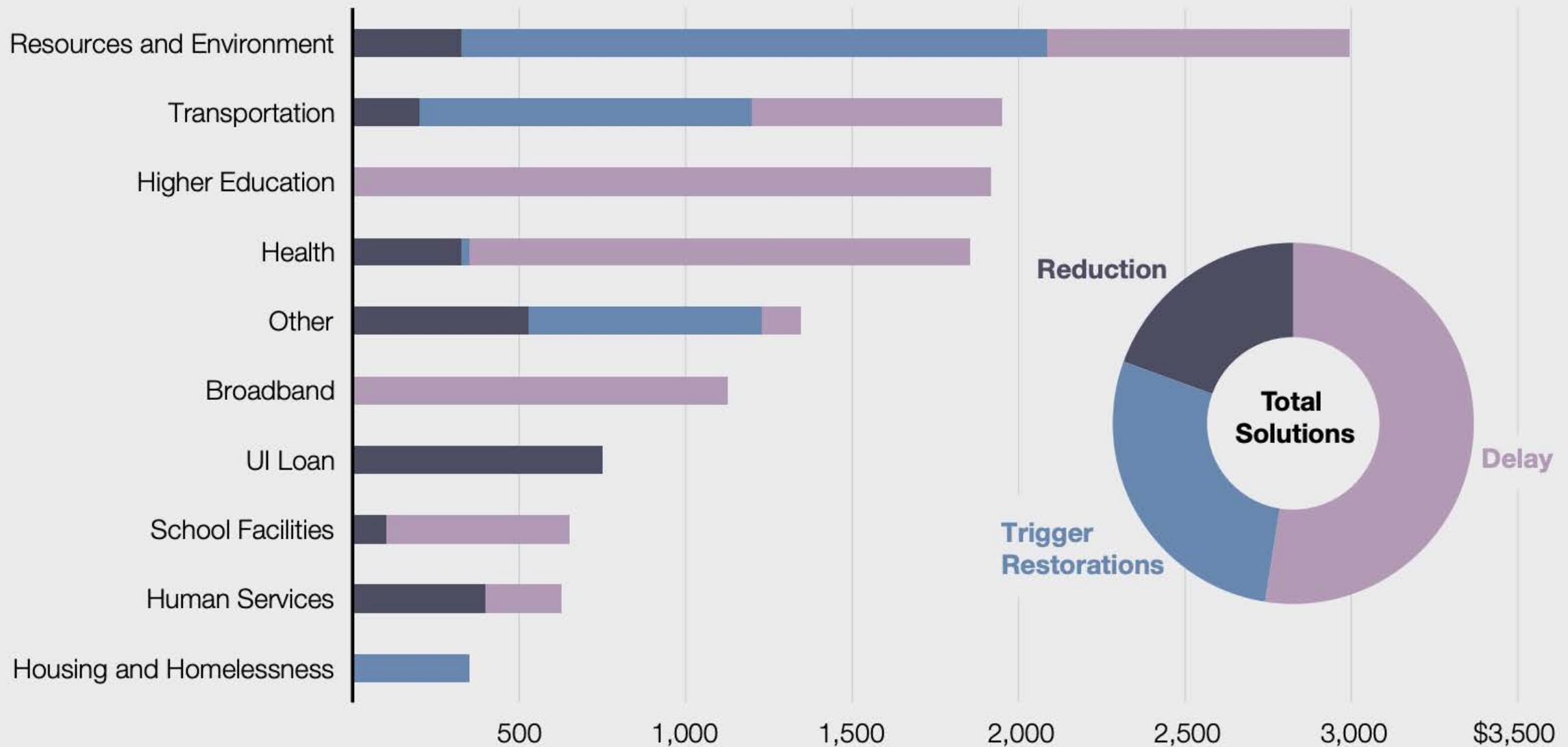


# Governor's Budget Includes \$18 Billion in Budget Solutions

(In Billions)



# Most Spending Solutions Are Trigger Restorations or Delays



# Legislative Analyst's Office

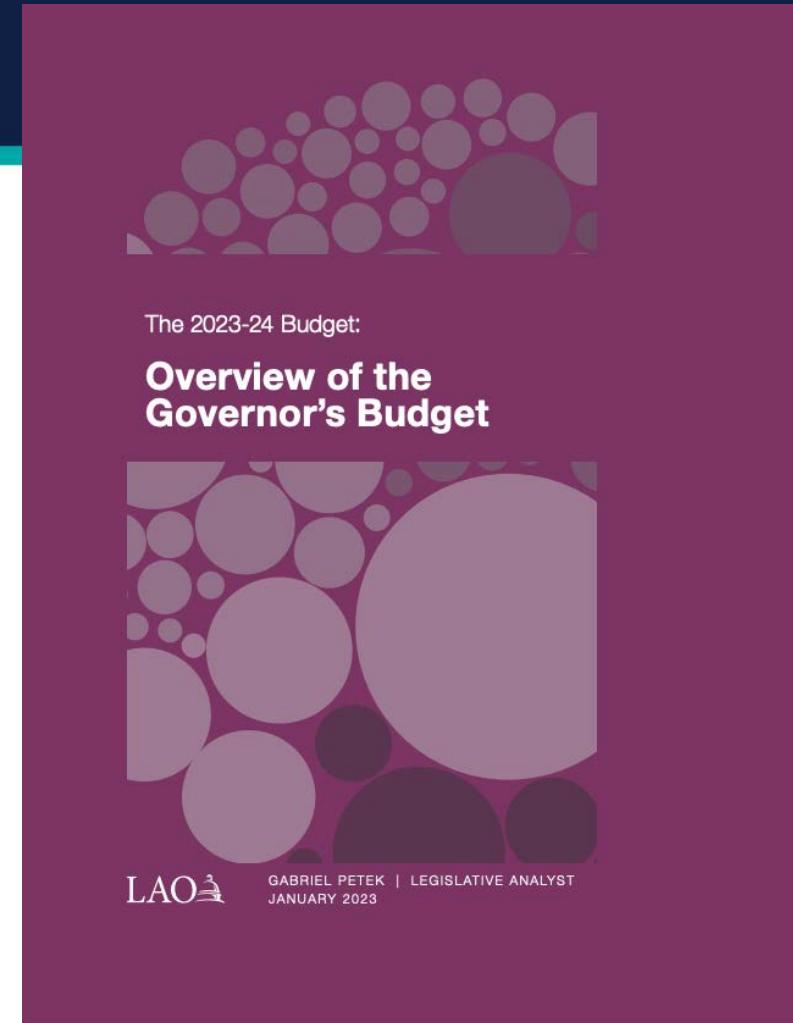
Both the LAO and the administration agree that the state fiscal shortfall is manageable this year.

The Governor's proposal primarily relies on spending-related solutions.

Proposal does not contemplate using any reserves.

LAO believes approach is prudent given risk of a recession, but:

Good chance that revenues will be lower than the administration's projections.



# Recommendations:

The LAO recommends the Legislature:

(1) plan for a larger budget problem and

(2) address that larger problem by reducing more one-time and temporary spending



# 2023-24 Legislature and New Committee Assignments

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

# New Year New Members

## Assembly-80 Members

- 62 Democrats 18 Republicans

## Senate-40 Members

- 32 Democrats 8 Republicans

# Class of 2023-24 State Legislature Stats

22 New Assembly  
Members

- 6 Republicans
- 16 Democrats

11 New State  
Senators

- 4 Republicans
- 7 Democrats

New Members

- 13 Men
- 18 Women

# Changes to Legislative Caucuses

<b>Latino Caucus</b>	<ul style="list-style-type: none"><li>• 2021-22: 30 Members</li><li>• 2023-24 33 Members</li></ul>
<b>Black Caucus</b>	<ul style="list-style-type: none"><li>• 2021-22: 12 Members</li><li>• 2023-24 12 Members</li></ul>
<b>Asian American &amp; Pacific Islander Caucus</b>	<ul style="list-style-type: none"><li>• 2021-22: 8 members</li><li>• 2023-24 9 members</li></ul>
<b>Women's Caucus</b>	<ul style="list-style-type: none"><li>• 2021-22: 39 Members</li><li>• 2023-24 49 Members</li></ul>
<b>LGBTQ+</b>	<ul style="list-style-type: none"><li>• 2021-22: 8 members</li><li>• 2023-24 12 Members</li></ul>

# House Resolution 1

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Resolved by the Assembly of the State of California, That:

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Anthony Rendon is hereby elected as the Speaker of the Assembly to be sworn in on December 5, 2022, to serve as Speaker until June 30, 2023,

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And that Robert Rivas is the Speaker-designate,

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And is hereby elected as the Speaker of the Assembly to be sworn in as Speaker on June 30, 2023.

# Assembly Budget & Appropriations Chairs

## Budget

- Assemblymember Phil Ting, Chair
- Assemblymember Vince Fong, Vice Chair

## Budget Subcommittee No. 2 on Education Finance

- Assemblymember Kevin McCarty, Chair

# Assembly Policy Committees

## Higher Education

- Assemblymember Mike Fong, Chair
- Assemblymember Tri Ta, Vice Chair

## Education

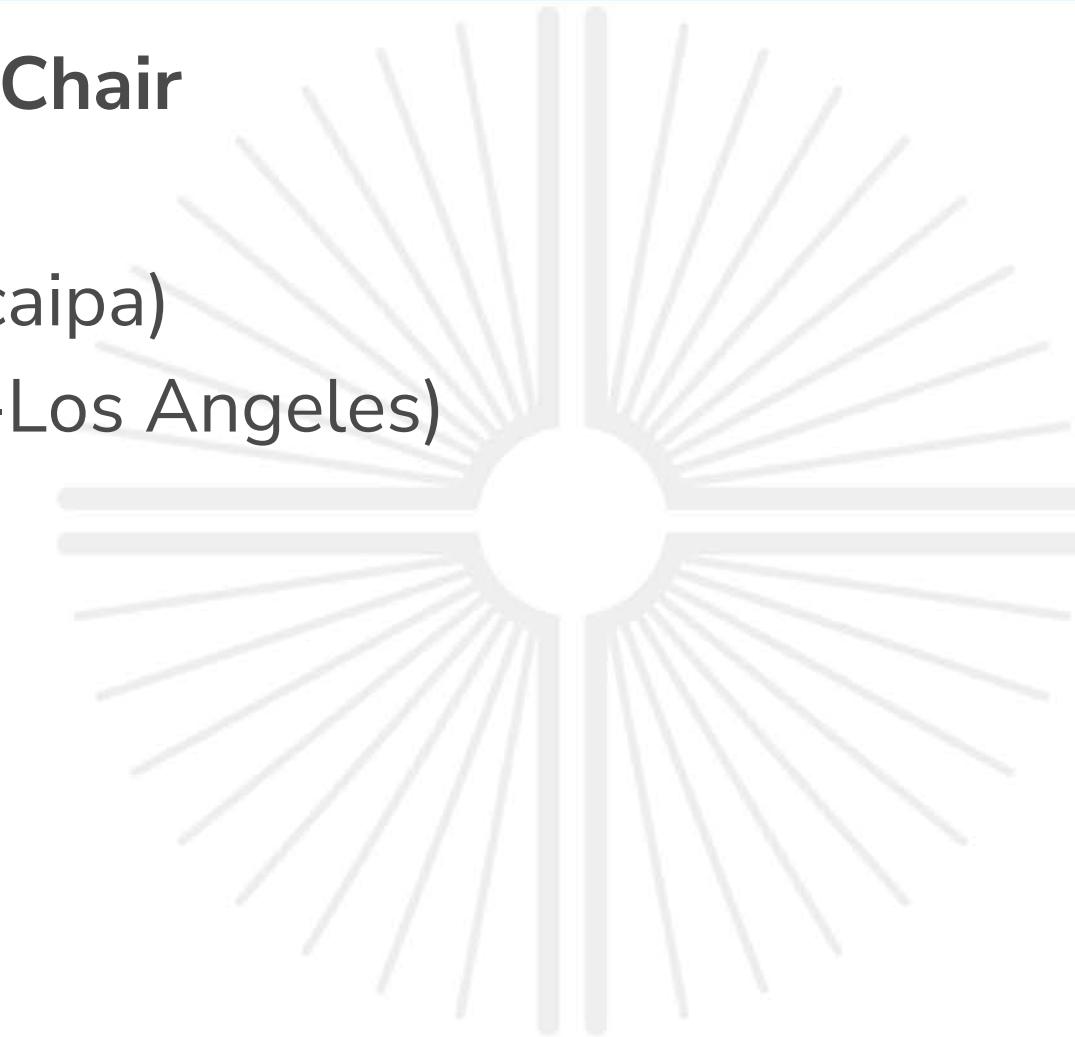
- Assemblymember Al Muratsuchi, Chair
- Assemblymember Megan Dahle, Vice Chair

# *Senate Budget and Fiscal Review*

- Senator Nancy Skinner (D-Berkeley), Chair
- Senator Roger W. Niello (R-Fair Oaks), Vice-Chair
- Senator Josh Becker (D-Menlo Park)
- Senator Anna M. Caballero (D-Merced)
- Senator Brian Dahle (R-Bieber)
- Senator María Elena Durazo (D-Los Angeles)
- Senator Susan Talmantes Eggman (D-Stockton)
- Senator Shannon Grove (R-Bakersfield)
- Senator John Laird (D-Santa Cruz)
- Senator Mike McGuire (D-Healdsburg)
- Senator Caroline Minibar (D-San Fernando Valley)
- Senator Dave Min (D-Irvine)
- Senator Josh Newman (D-Fullerton)
- Senator Rosilicie Ochoa Bogh (R-Yucaipa)
- Senator Steve Padilla (D-San Diego)
- Senator Richard D. Roth (D-Riverside)
- Senator Kelly Seyarto (R-Murrieta)
- Senator Lola Smallwood-Cuevas (D-Los Angeles)

# *Senate Budget Subcommittee #1 on Education*

- Senator John Laird (D-Santa Cruz), Chair
- Senator Dave Min (D-Irvine)
- Senator Rosilicie Ochoa Bogh (R-Yucaipa)
- Senator Lola Smallwood-Cuevas (D-Los Angeles)



# Senate Education Committee

- Senator Josh Newman (D-Fullerton), Chair
- Senator Rosilicie Ochoa Bogh (R-Yucaipa), Vice-Chair
- Senator Dave Cortese (D-San Jose)
- Senator Steven M. Glazer (D-Contra Costa)
- Senator Mike McGuire (D-Healdsburg)
- Senator Lola Smallwood-Cuevas (D-Los Angeles)
- Senator Scott Wilk (R-Santa Clarita)



# A Renewed Commitment to Equity

- The League's 2023
- Annual Legislative Conference
- Sunday, January 29 - Monday, January 30  
Sheraton Grand Hotel Sacramento





Thank you