



Government Relations Webinar

May 16, 2023

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA



Budget Legislation





Budget Update

General Fund Revenue Sources
(Dollars in Millions)

| | 2022-23 | 2023-24 | Change from 2022-23 | |
|---|------------------|------------------|---------------------|----------------|
| | | | Dollar Change | Percent Change |
| Personal Income Tax | \$122,769 | \$118,166 | -\$4,603 | -3.7% |
| Sales and Use Tax | 33,072 | 33,366 | 294 | 0.9% |
| Corporation Tax | 42,091 | 42,081 | -10 | 0.0% |
| Insurance Tax | 3,673 | 3,881 | 208 | 5.7% |
| Alcoholic Beverage Taxes and Fees | 433 | 438 | 5 | 1.2% |
| Cigarette Tax | 47 | 43 | -4 | -8.5% |
| Motor Vehicle Fees | 37 | 37 | 0 | 0.0% |
| Other | 3,551 | 11,042 | 7,491 | 211.0% |
| Subtotal | \$205,673 | \$209,054 | \$3,381 | 1.6% |
| Transfer to the Budget Stabilization Account/Rainy Day Fund | -544 | - | 544 | -100.0% |
| Total | \$205,129 | \$209,054 | \$3,925 | 1.9% |

General Fund Expenditures by Agency

(Dollars in Millions)

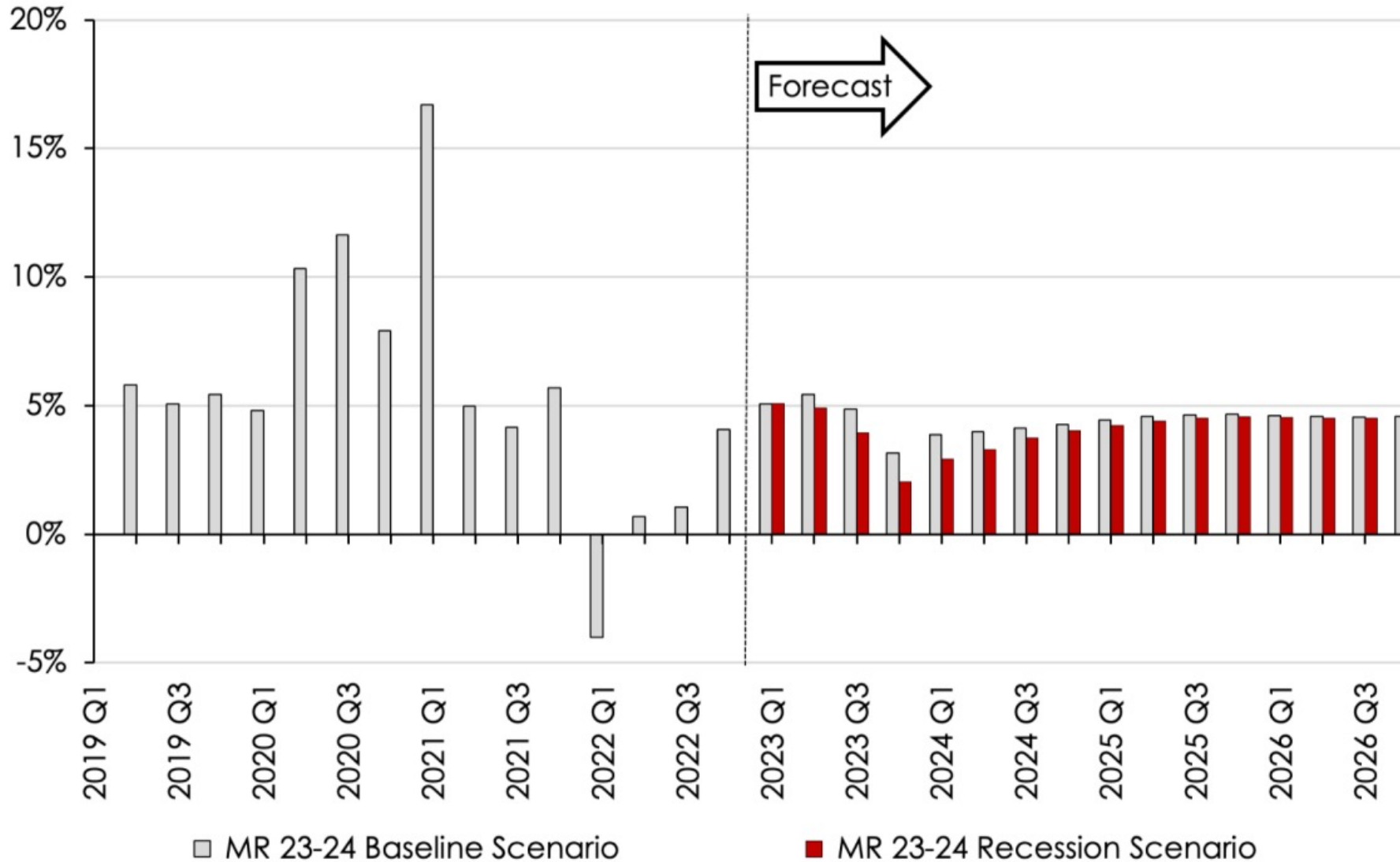
| | 2022-23 | 2023-24 | Change from 2022-23 | |
|---------------------------------------|----------|---------|---------------------|----------------|
| | | | Dollar Change | Percent Change |
| Legislative, Judicial, Executive | \$18,407 | \$9,630 | -\$8,777 | -47.7% |
| Business, Consumer Services & Housing | 3,740 | 1,448 | -2,292 | -61.3% |
| Transportation | 1,986 | 1,190 | -796 | -40.1% |
| Natural Resources | 15,943 | 7,512 | -8,431 | -52.9% |
| Environmental Protection | 3,892 | 339 | -3,553 | -91.3% |
| Health and Human Services | 62,644 | 73,244 | 10,600 | 16.9% |
| Corrections and Rehabilitation | 15,695 | 14,676 | -1,019 | -6.5% |
| K-12 Education | 77,019 | 78,871 | 1,852 | 2.4% |
| Higher Education | 22,659 | 22,598 | -61 | -0.3% |
| Labor and Workforce Development | 1,274 | 856 | -418 | -32.8% |
| Government Operations | 6,892 | 4,439 | -2,453 | -35.6% |
| General Government: | | | | |
| Non-Agency Departments | 2,557 | 2,443 | -114 | -4.5% |
| Tax Relief/Local Government | 668 | 559 | -109 | -16.3% |
| Statewide Expenditures | 3,096 | 6,295 | 3,199 | 103.3% |

Economic Indicators



Annual Percentage Change unless Otherwise Indicated

| Column 1 | 2019 | 2020 | 2021 | 2022 | Forecast | | | |
|---|------|-------|-------|-------|----------|-------|------|------|
| | | | | | 2023 | 2024 | 2025 | 2026 |
| California | | | | | | | | |
| Unemployment Rate (percent) | | | | | | | | |
| May Revision, April 2023 | 4.1% | 10.2% | 7.3% | 4.2% | 4.6% | 5.1% | 5.2% | 5.0% |
| Governor's Budget, November 2022 | 4.1% | 10.3% | 7.4% | 4.4% | 4.5% | 5.1% | 5.2% | 5.0% |
| Civilian Labor Force | | | | | | | | |
| May Revision, April 2023 | 0.7% | -2.3% | 0.1% | 1.4% | 1.0% | 0.8% | 0.6% | 0.5% |
| Governor's Budget, November 2022 | 0.6% | -2.5% | -0.1% | 1.9% | 1.4% | 0.9% | 0.7% | 0.5% |
| Nonfarm Employment | | | | | | | | |
| May Revision, April 2023 | 1.5% | -7.1% | 3.5% | 5.6% | 1.7% | 0.5% | 0.9% | 1.0% |
| Governor's Budget, November 2022 | 1.5% | -7.1% | 3.6% | 6.2% | 1.6% | 0.5% | 0.8% | 1.0% |
| Residential Permits (thousands of units) | | | | | | | | |
| May Revision, April 2023 | 110 | 106 | 120 | 114 | 109 | 115 | 121 | 129 |
| Governor's Budget, November 2022 | 110 | 106 | 120 | 121 | 122 | 127 | 134 | 142 |
| Average Wages | | | | | | | | |
| May Revision, April 2023 | 4.4% | 11.2% | 7.5% | 0.1% | 3.0% | 3.0% | 3.7% | 3.9% |
| Governor's Budget, November 2022 | 4.4% | 11.1% | 7.4% | 0.5% | 3.4% | 3.0% | 3.7% | 3.9% |
| Real Average Wages | | | | | | | | |
| May Revision, April 2023 | 1.4% | 9.5% | 3.2% | -7.3% | -1.3% | -0.1% | 0.8% | 0.9% |
| Governor's Budget, November 2022 | 1.4% | 9.4% | 3.1% | -7.2% | -1.9% | -0.6% | 0.5% | 0.8% |
| Personal Income | | | | | | | | |
| May Revision, April 2023 | 5.6% | 8.7% | 7.7% | 0.4% | 4.6% | 4.1% | 4.6% | 4.6% |
| Governor's Budget, November 2022 | 5.6% | 8.7% | 7.7% | 0.4% | 4.5% | 4.1% | 4.6% | 4.7% |
| CPI Inflation Rate (percent) | | | | | | | | |
| May Revision, April 2023 | 3.0% | 1.7% | 4.3% | 7.4% | 4.3% | 3.1% | 2.9% | 3.0% |
| Governor's Budget, November 2022 | 3.0% | 1.7% | 4.3% | 7.7% | 5.3% | 3.6% | 3.2% | 3.1% |

Personal Income Growth Comparison (Year-over-year % Change)



Source: U.S. Bureau of Economic Analysis, CA Department of Finance, 2023-24 May Revision Forecast.



CALIFORNIA
COMMUNITY
COLLEGES
2023-24 May
Revision

“The May Revision continues to reflect a focus on the CCC multi-year roadmap, which focuses on

- equity,
- student success,
- and enhancing the system’s ability to prepare students for California’s future.”

Cost-Of-Living Adjustment

January 2023

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

May 2023

An increase of \$25.4 million ongoing Proposition 98 General Fund

- or 8.22 percent Cost-of-Living Adjustment (COLA) for student Centered Funding Formula Apportionments

Other Categorical Cost-Of-Living Adjustment

January 2023

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graph TD; A[January 2023] --> B[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.]; B --> C[May 2023]; C --> D[An increase of an additional $3 million ongoing Proposition 98 General Fund to provide an 8.22-percent COLA for select categorical programs and the Adult Education Program.]
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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.

May 2023

An increase of an additional \$3 million ongoing Proposition 98 General Fund to provide an 8.22-percent COLA for select categorical programs and the Adult Education Program.

Enrollment Growth

January 2023

\$28.8 million ongoing Proposition 98 General Fund

Or 0.5-percent enrollment growth.

May 2023

a decrease of \$2.4 million ongoing Proposition 98 General Fund

To sustain a 0.5 percent student enrollment

Fund budget year apportionment with one-time resources

An increase of approximately
\$503 million one-time Prop 98
funds allocated to support SCFF
increase in 2023-24.



Deferred Maintenance



January 2023



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



May 2023



A decrease of approximately \$452 million one-time Proposition 98 General Fund for deferred maintenance needs.

Student Enrollment & Retention



January 2023



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,



May 2023



Now only \$100 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment,

COVID-19 Block Grant

A decrease of \$345 million one-time Proposition 98 General Fund in support of the California Community College COVID-19 Recovery Block Grant,

bringing the block grant amount to \$305 million one-time Proposition 98 General Fund,

reflecting revised estimates of available Proposition 98 resources

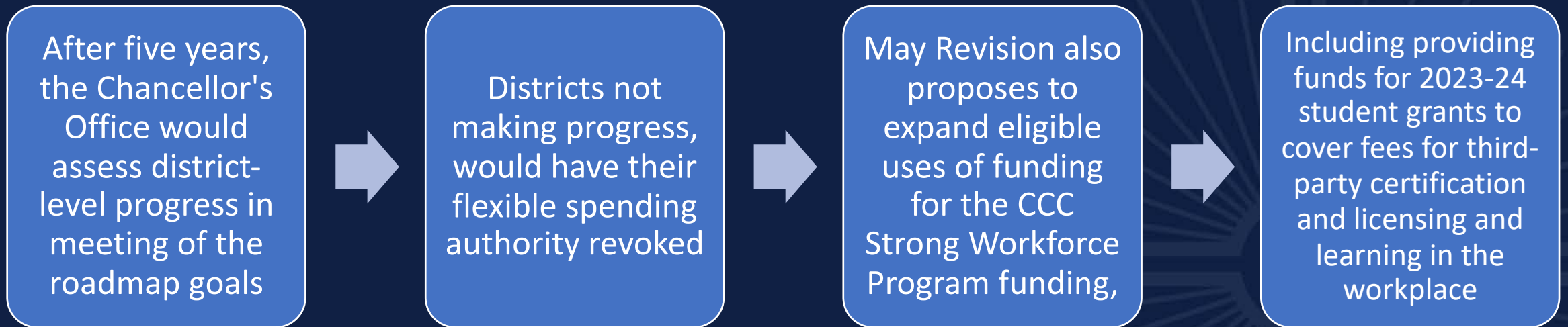


Additional Flexibility

Statutory changes to allow all CCC districts to spend flexibly among specified categorical programs, beginning in 2023-24:

- Student Equity and Achievement Program
- Student Financial Aid Administration
- Student Mental Health Resources

Additional Flexibility





Local Property Tax Adjustment

Decrease of \$19.6 million
ongoing Proposition 98
General Fund

Due to increased
offsetting local property
tax revenues.

CAL GRANT REFORM

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

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

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.

Student Success and Completion Grant Program

\$50 million one-time Proposition 98 General Fund reduction

Reflects revised program participation estimates,

Bringing the cumulative 2023-24 support for this program to a total of approximately \$362.6 million Proposition 98 General Fund.

Housing

- a) The Governor's Budget proposed \$500 million one-time General Fund for 2023-24
- b) and \$250 million one-time General Fund for 2024-25 for affordable student housing projects.
- c) The May Revision instead proposes \$450 million one-time General Fund for 2023-24 and \$95.4 million one-time General Fund for 2024-25 for CCC affordable student housing projects.

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UC and CSU Housing

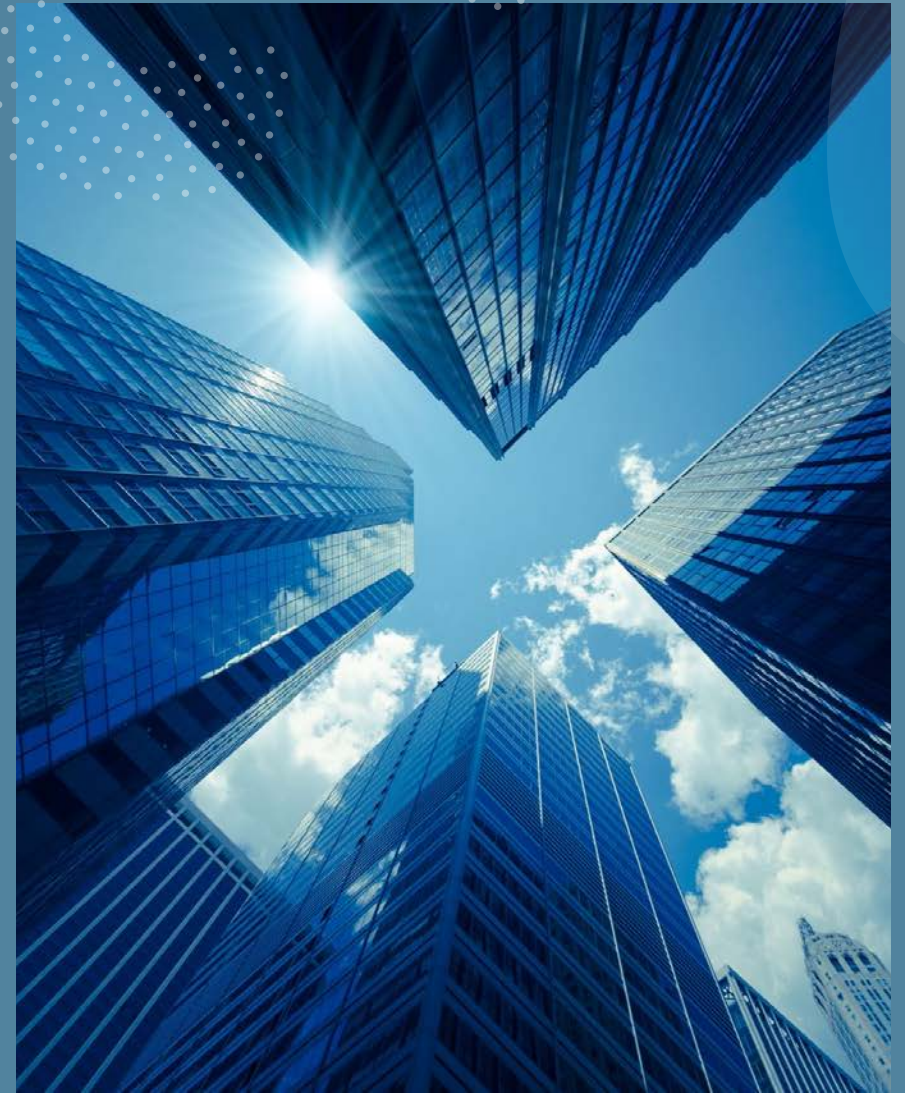
The May Revision also proposes to shift approximately \$1.1 billion

In current and planned General Fund support for UC and CSU affordable student housing grants from General Fund to UC- and CSU-issued bonds

And reflects an increase of \$75 million ongoing General Fund to support the underlying debt service on those bonds.

New Investments

- a) LGBTQ+ Pilot Project—An increase of \$10 million a year for three years in Prop 98 General Fund to support LACCD LGBTQ+ Pilot Project.
- b) East Los Angeles College Entrepreneurship and Innovation Center
 - i) \$2.5 million one-time Prop 98



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.

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.

Legislative Analyst's Office Recommendations:

LAO expressed concerns with COLA using one-time revenues



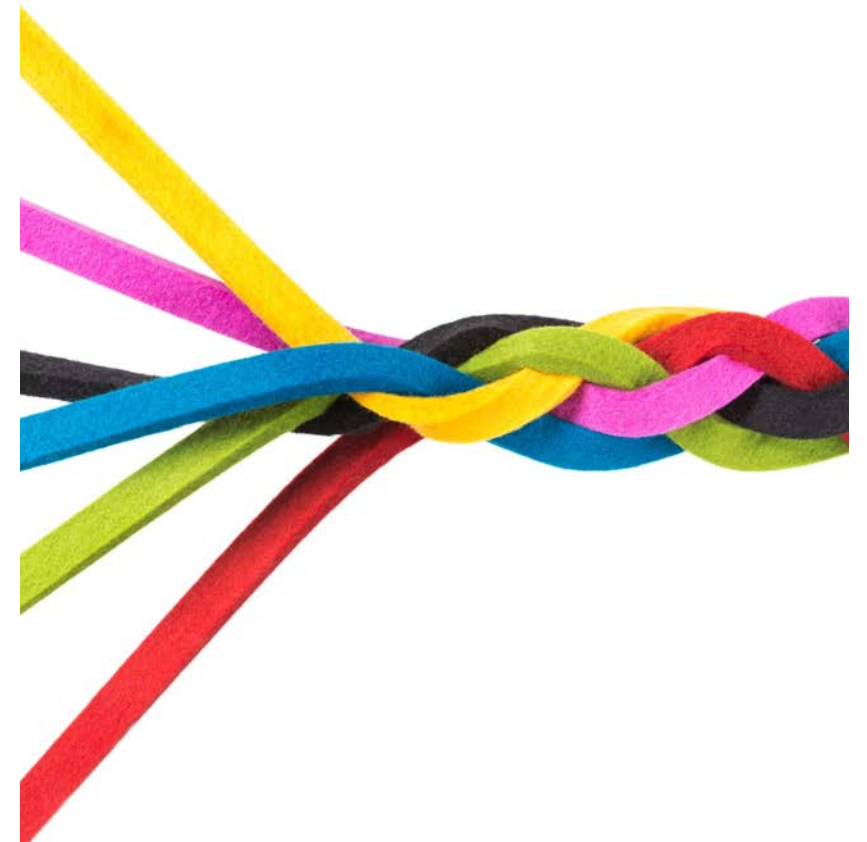
Encouraged a lower COLA, like 5%



Would allow state to fund items like deferred maintenance

Way too early talking points

- League continues to advocate for Flexibility, Stability, & Predictability
 - Tremendously appreciative of COLA
 - Affordable housing critically important, especially with one out of five facing housing issues
 - Concerned with deferred maintenance reduction-Flexibility will help address shortfall





Legislation



May: Appropriations Committees

Key Fiscal Committees:

- Assembly Appropriations Committee
 - Chaired by Assemblymember Holden
- Senate Appropriations Committee
 - Chaired by Senator Portantino

Suspense File:

- Most legislation with a fiscal cost is referred to the Suspense File.
- Intended to give a space for the state to examine all bills in overall fiscal spending.
- Opportunity for legislative leadership to hold or amend problematic bills.

Key Deadlines:

May 19th – Last day for fiscal committees

May 18th – Suspense File bills will be passed, amended or held this week.



Focus: Policy committees have determined this is a good idea, can the state afford to implement it?

The Suspense File

618 bills are on the Assembly Suspense File

- The League is tracking 55 of these bills
- 294 Assembly bills *escaped* the suspense file and are awaiting a vote on the Assembly Floor or are already in the Senate.

417 bills are on the Senate Suspense File

- The League is tracking 19 of these bills
- 99 Senate bills *escaped* the suspense file and are awaiting a vote on the Senate Floor or are already in the Assembly.



Legislation for Discussion

Academic Affairs:

AB 811 (M. Fong) Repeatability: **WATCH**

AB 634 (Ward) CDCP Programs: **SUPPORT**

Collective Bargaining:

AB 260 (Santiago) Part-Time Faculty Pay: **OPPOSE**

AB 1190 (Irwin) Office Hours: **CONCERN**

AB 472 (Wicks) Leaves of Absence

Facilities:

AB 358 (Addis) Housing: **SUPPORT**

SB 532 (Wiener) Ballot Measures: **SUPPORT**

Student Services:

AB 252 (Holden) Athletics: **OPPOSE**

AB 299 (Holden) Hazing: **OPPOSE**

Financial Aid and Basic Needs:

AB 91 (Alvarez) Non-Resident Tuition: **SUPPORT**

AB 610 (Holden) Transit Passes: **SUPPORT**

AB 680 (Rubio) Non-Resident Tuition: **SUPPORT**

AB 1400 (Bryan) HBCU Transfer Students: **SUPPORT**

AB 1542 (M. Fong) BOG Students: **SUPPORT**

SB 629 (Cortese) Community College Fee Waivers: **SUPPORT**

Governance:

AB 1142 (M. Fong) CPEC 2.0: **WATCH**

AB 1541 (M. Fong) Student Trustee Advisory Vote: **SUPPORT**

Legislation: Academic Affairs

AB 811 (M. Fong) Repeatability

Would increase the number of times a student may take a credit course for which they received a substandard grade up to five times. Students who received a satisfactory grade would be permitted to repeat a course at least three times for personal enrichment. Recent amendments narrowed this legislation to focus on the arts, humanities, kinesiology, foreign languages, and ESL.

Position: WATCH

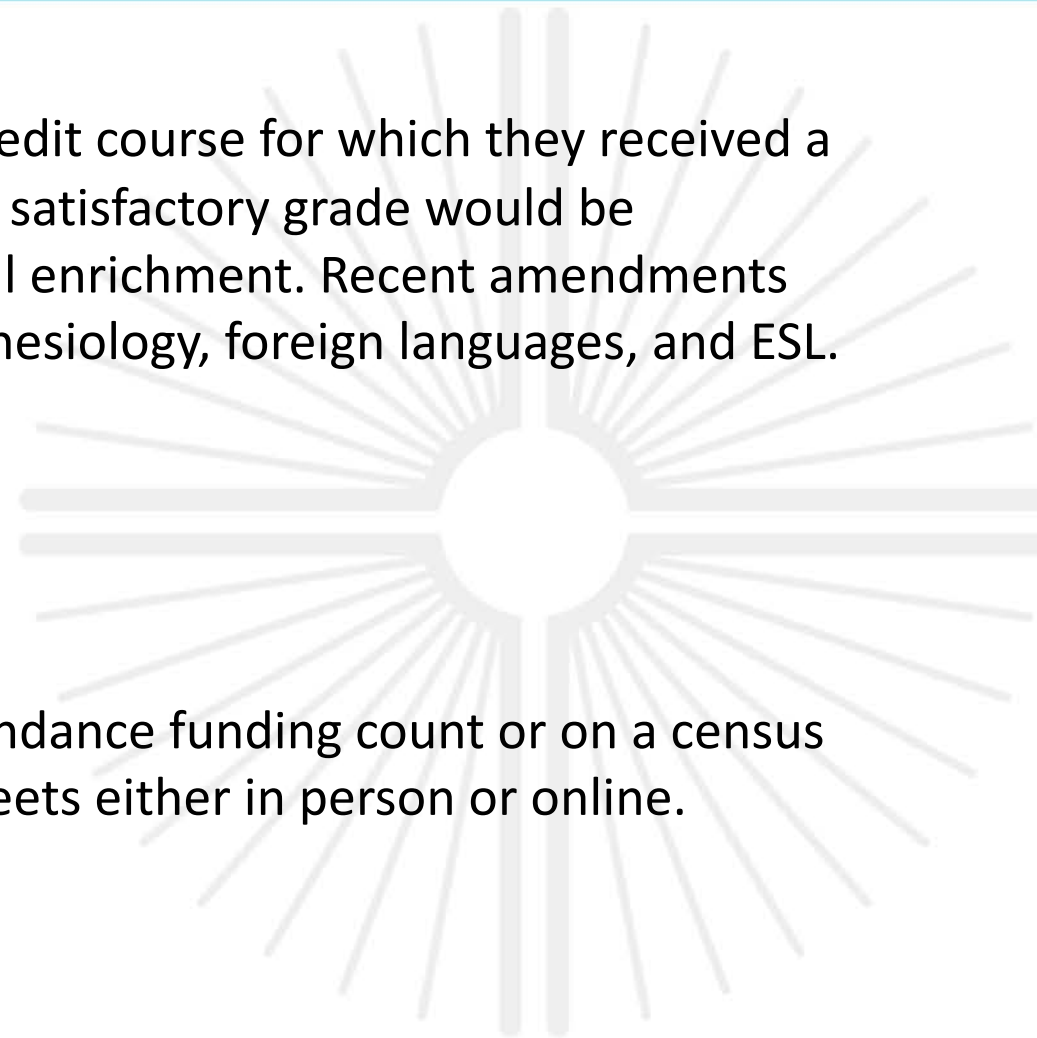
Location: Assembly Suspense File

AB 634 (Ward) CDCP Programs

Would require CDCP courses to be funded via a positive attendance funding count or on a census date basis, depending on when and how often the course meets either in person or online.

Position: SUPPORT

Location: Assembly Suspense File



Legislation: Collective Bargaining

AB 260 (Santiago) Community Colleges: Part-Time Employees

Would require the ratio of pay for part-time faculty members to be equal to their full-time colleagues. This is a requirement upon receipt of funds allocated for student success categorical programs and thus would not be a reimbursable mandate.

Position: **OPPOSE**

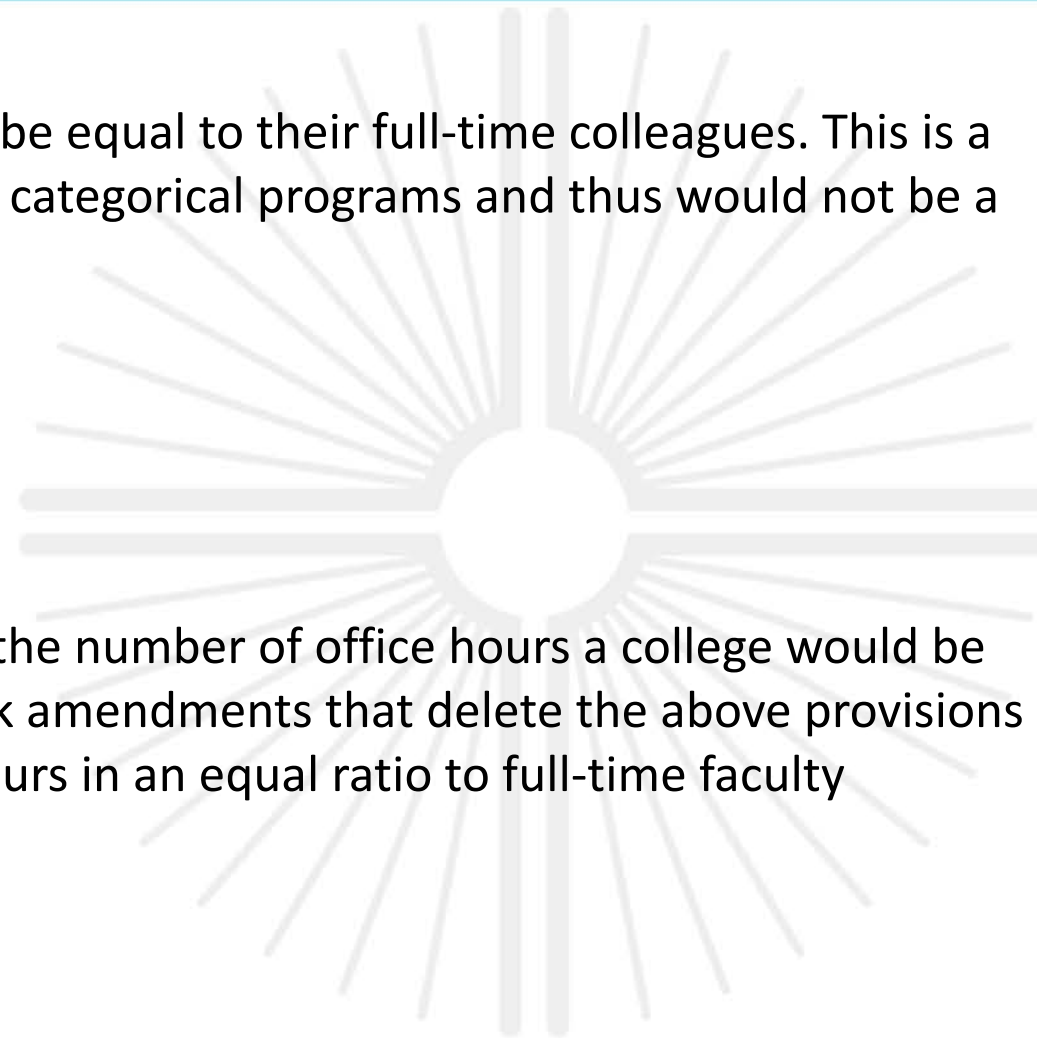
Location: Assembly Suspense File

AB 1190 (Irwin) Part-Time Faculty Office Hours

Originally this bill would have created a prescriptive formula on the number of office hours a college would be required to assign to a part-time faculty member. It recently took amendments that delete the above provisions and instead would require colleges to pay for part-time office hours in an equal ratio to full-time faculty members.

Position: **CONCERN**

Location: Assembly Suspense File



Legislation: Collective Bargaining

AB 472 (Wicks) Compulsory Leaves of Absence

Among other items, would require schools and community colleges to fully compensate an employee for lost wages if that employee was placed on unpaid leave due to an investigation into criminal or administrative charges, but the investigation was found in the employee's favor.

Location: Assembly Suspense File



Legislation: Facilities

AB 358 (Addis) Field Act Exemption

Would exempt community college housing from the Field Act, which requires the Department of General Services to supervise the design and construction of school buildings, except upon request by the community college district.

Position: **SUPPORT**

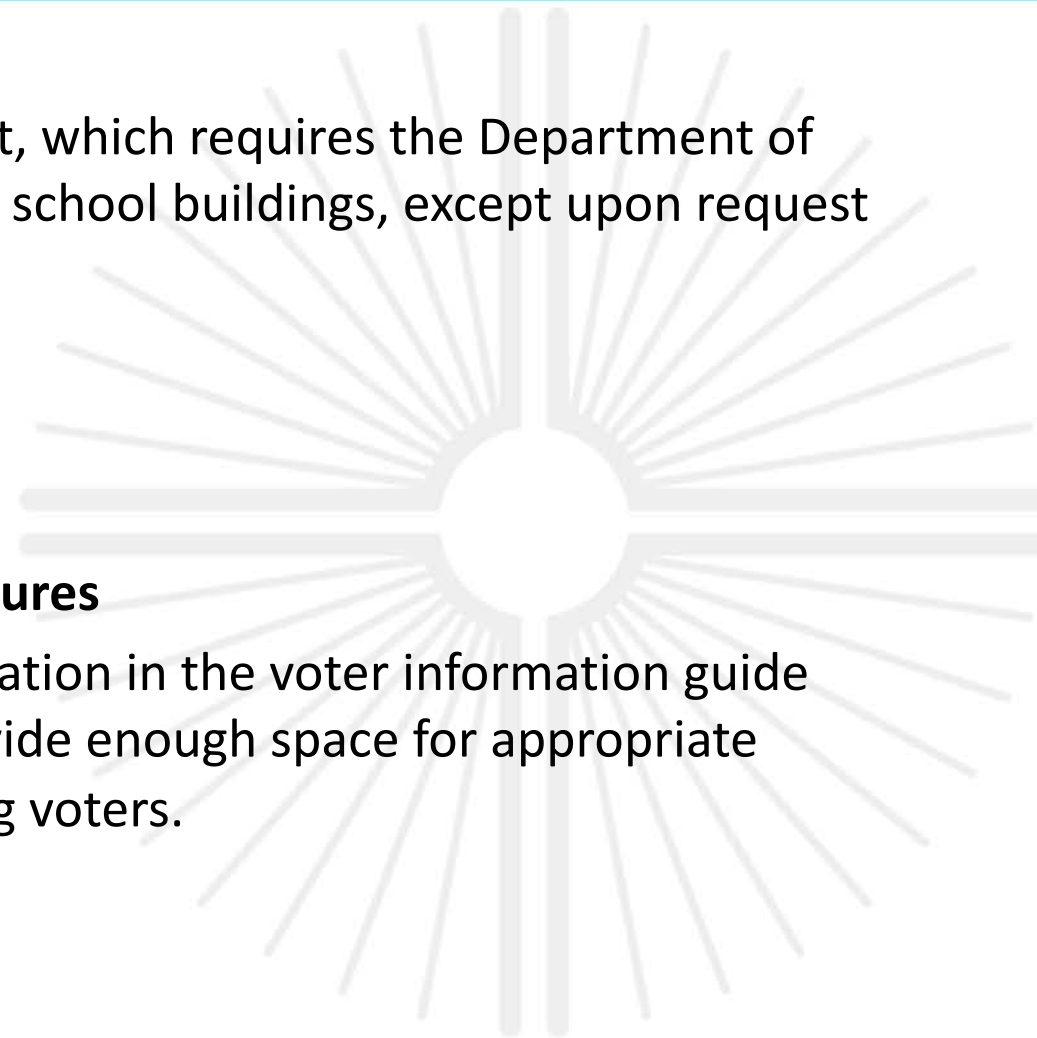
Location: Senate Rules

SB 532 (Wiener) Enhanced Transparency for Local Tax Measures

Would enable local jurisdictions to provide enhanced information in the voter information guide rather than on the 75-word ballot label, which does not provide enough space for appropriate context and explanation, ultimately causing confusion among voters.

Position: **SUPPORT**

Location: Senate Suspense File



Legislation: Student Services

AB 252 (Holden) Student Athlete Protection Act

Would create a regulatory agency empowered to investigate and manage California collegiate athletic practices related to student academic, mental, and physical health. Additionally, it mandates the creation of a degree completion fund for student-athletes that obtain an athletic scholarship.

Position: OPPOSE

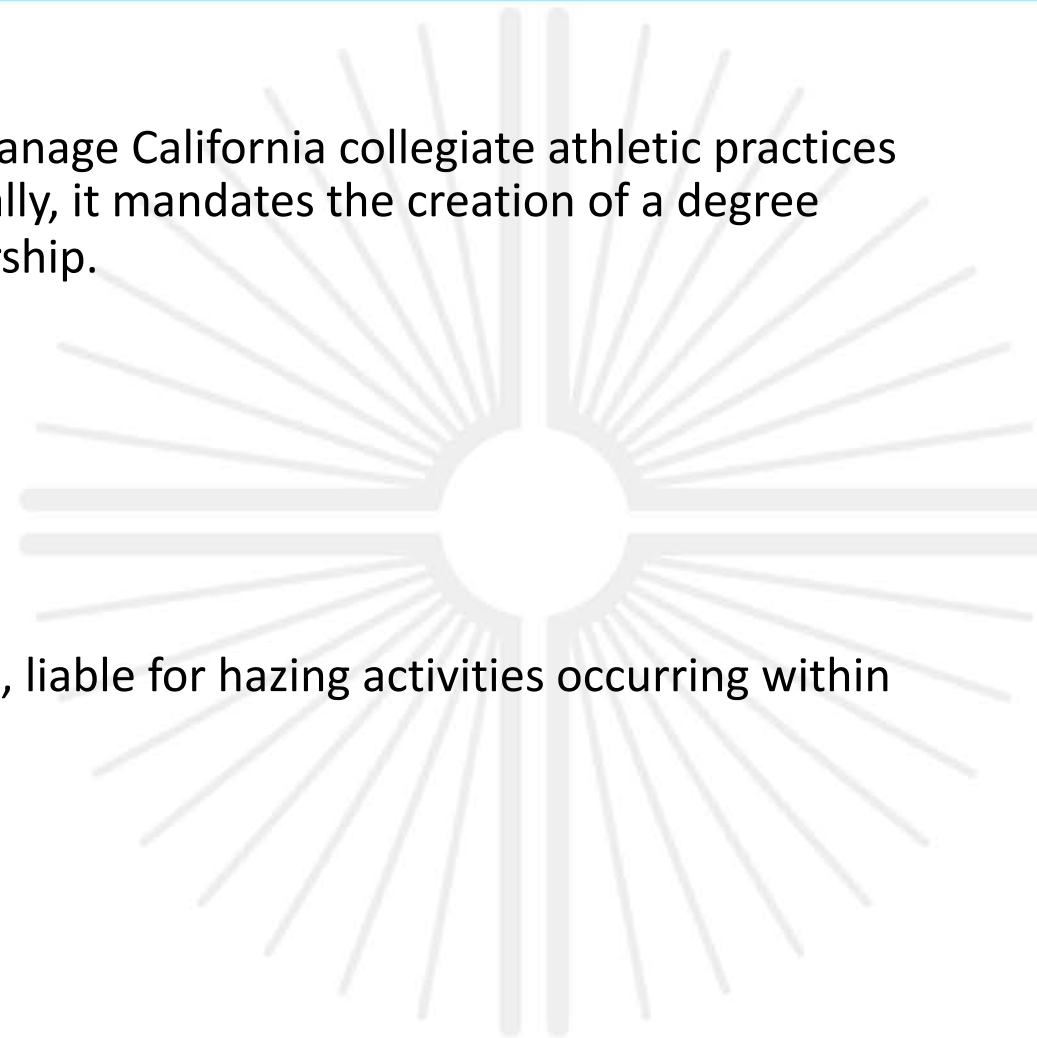
Location: Assembly Suspense File

AB 299 (Holden) Hazing: Institutional Liability

Would make educational institutions, including community colleges, liable for hazing activities occurring within student body organizations affiliated with those institutions.

Position: OPPOSE

Location: Assembly Suspense File



Legislation: Financial Aid and Basic Needs

AB 91 (Alvarez) Exemption from Non-Resident Tuition: SDICCCA

Would exempt from the nonresident tuition fee a nonresident, low-income student who is a resident of Mexico, registers for lower division courses at a San Diego and Imperial Counties Community Colleges Association (SDICCCA) college and has residence within 45 miles of the California-Mexico border.

Position: **SUPPORT**

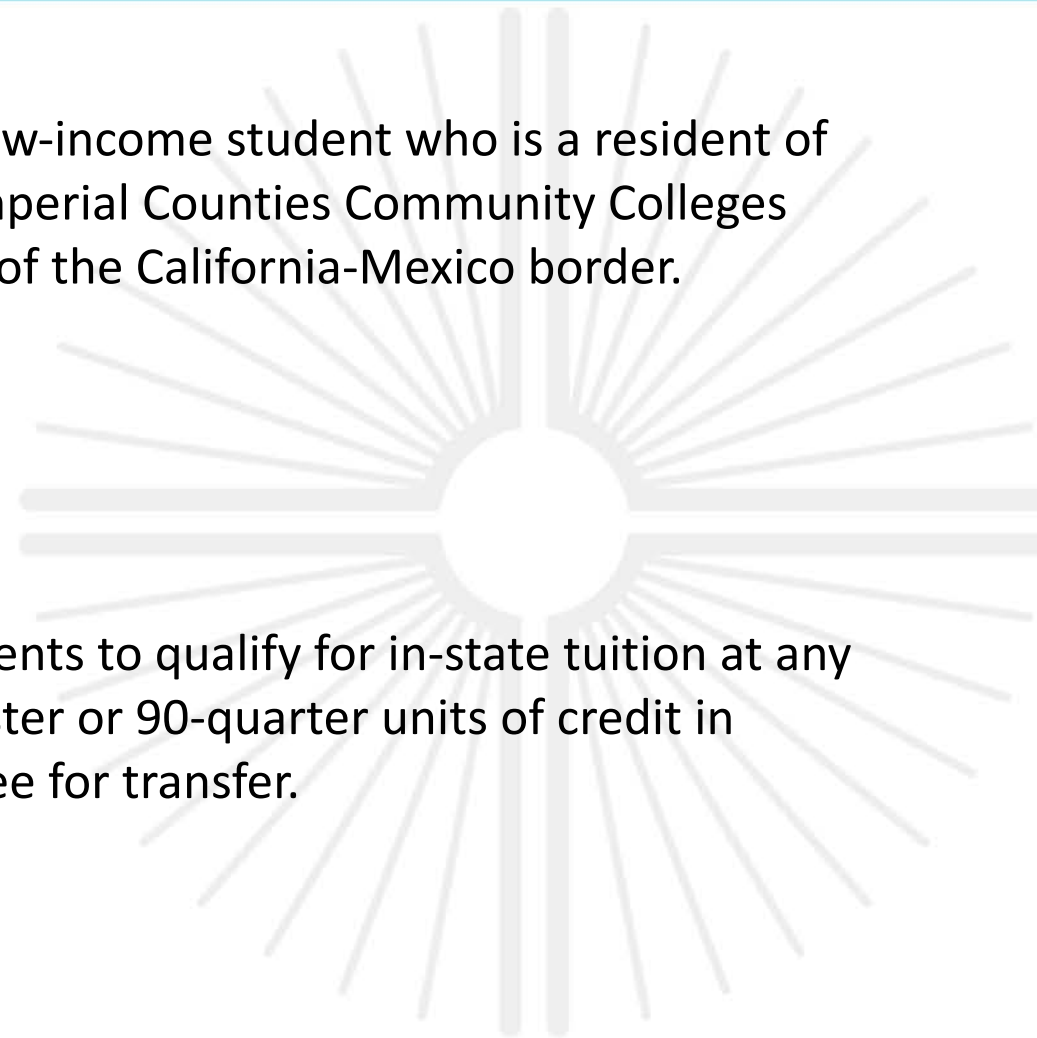
Location: Assembly Suspense File

AB 680 (Rubio) Non-Resident Tuition

Would create a new AB 540 pathway for community college students to qualify for in-state tuition at any California public college or university by (1) completing 60-semester or 90-quarter units of credit in a California community college or (2) attaining an associate degree for transfer.

Position: **SUPPORT**

Location: Assembly Suspense File



Legislation: Financial Aid and Basic Needs

AB 610 (Holden) Transit Passes

Would create a free student transit program by awarding grants to transit agencies for the costs of creating, designing, developing, advertising, distributing, and implementing free transit passes to persons attending certain educational institutions, providing free transit service to holders of those passes.

Position: **SUPPORT**

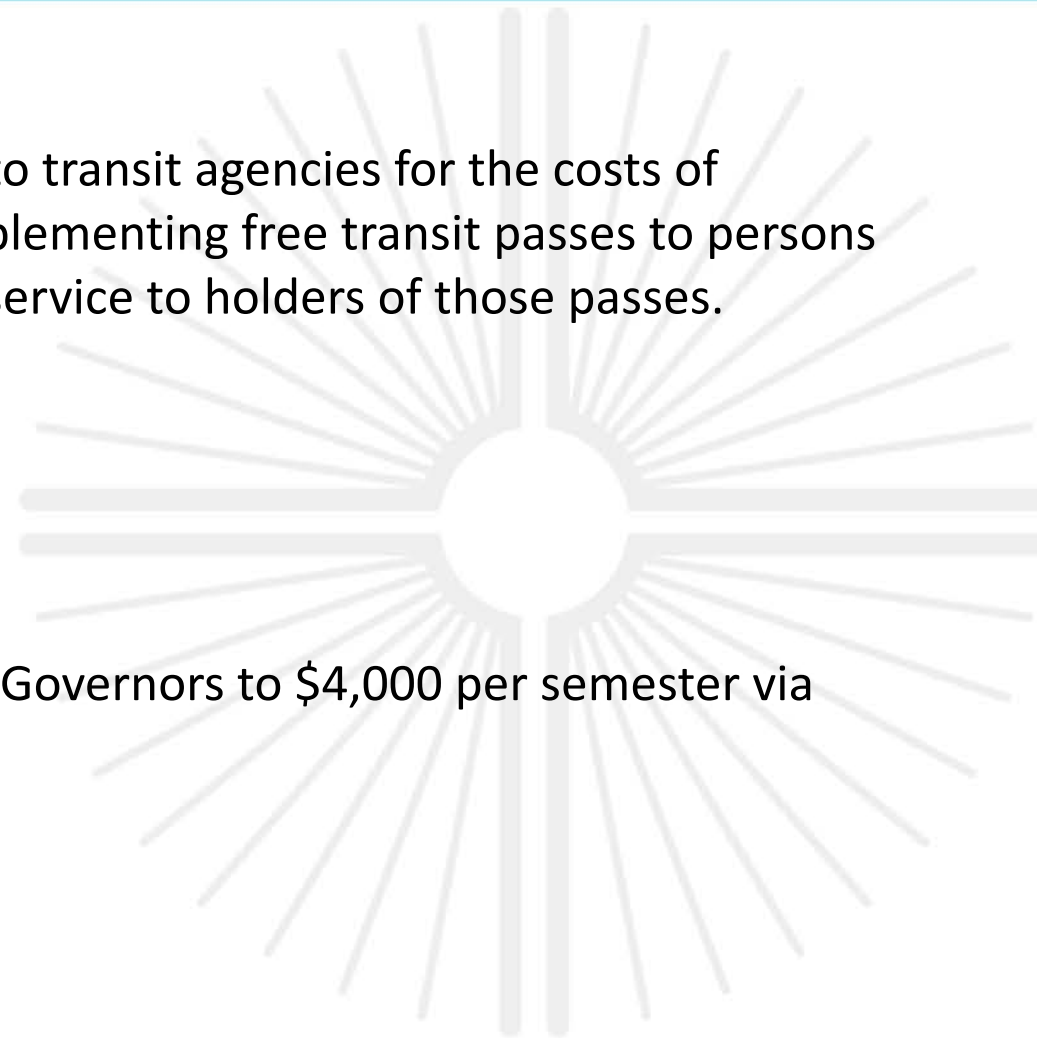
Location: Assembly Suspense File

AB 1542 (M. Fong) Student BOG Member Support

Would increase the pay of each student member of the Board of Governors to \$4,000 per semester via the Student Success Completion Grant.

Position: **SUPPORT**

Location: Assembly Suspense File



Legislation: Financial Aid and Basic Needs

SB 629 (Cortese) Community Colleges: fee waivers

Would authorize any CCD to adopt a policy that uses local unrestricted general funds to provide fee waivers to students with the greatest financial need. Funds can be used to assist students with addressing their total cost of attendance. Districts that benefit from this policy must ensure that 100% of students are completing FAFSA or the California Dream Act Application (CADAA) and must have a fully staffed Basic Needs Center.

Position: **SUPPORT**

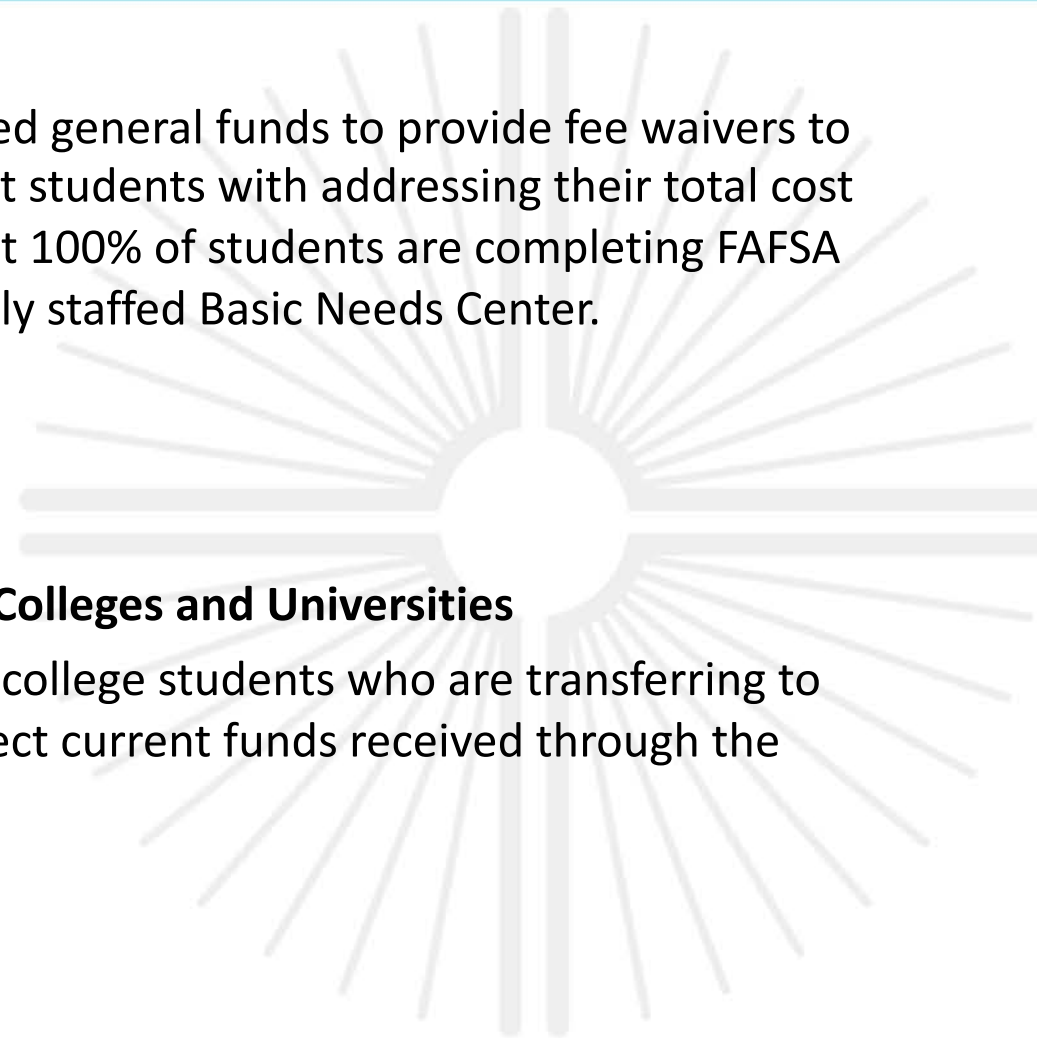
Location: Senate Suspense File

AB 1400 (Bryan) Community College Transfers to Historically Black Colleges and Universities

Would provide up to \$5,000 financial aid scholarships to community college students who are transferring to Historically Black Colleges and Universities. For funding, would redirect current funds received through the College Access Tax Credit Fund.

ACL Position: **SUPPORT**

Location: Assembly Suspense File



Legislation: Governance

AB 1142 (M. Fong) CPEC 2.0

Would establish the Coordinating Commission for Postsecondary Education in California, composed of five public members appointed by the Senate, Assembly, and Governor. Among other items, it would be empowered to:

- Set performance targets for enrollment and completion statewide and by region.
- Conduct a review of statewide and regional gaps in enrollment, completion, and other matters.
- Review and make recommendations on how to create efficiencies in cross-segmental cooperation.
- Evaluate how each segment is responding to the goals outlined by the Governor in the 2022-23 budget.

Position: WATCH

Location: Assembly Suspense File

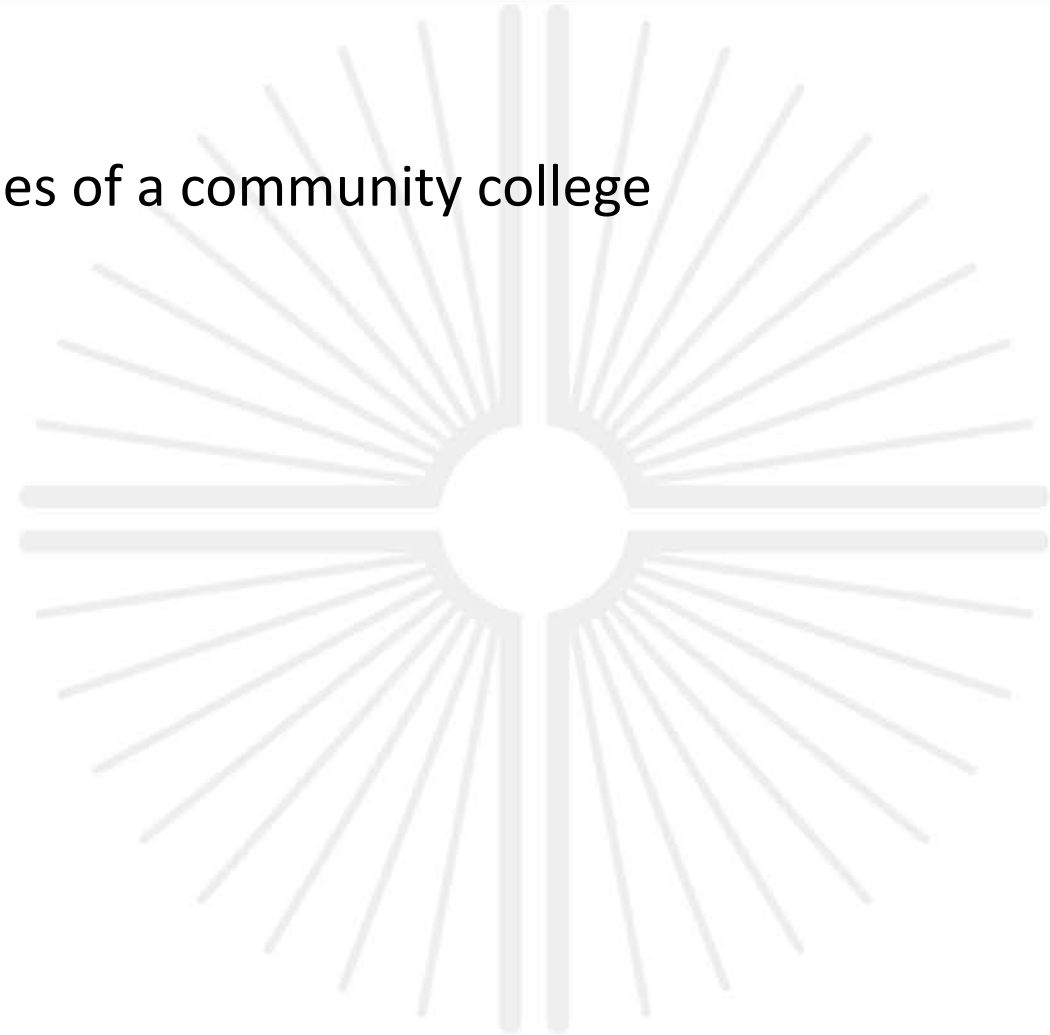
Legislation: Governance

AB 1541 (M. Fong) Student Voting Members

Would give each student member of the Board of Trustees of a community college district an advisory vote.

Position: **SUPPORT**

Location: Assembly Suspense File





Questions?





Thank you and
see you at the next
GR webinar on June 20th!

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

Accreditation site visit around the corner?

Are you aware that the accreditation standards I.B.7, I.C.5, and IV.C.7 require *every institution* to regularly review/evaluate its board policies (BPs) and administrative procedures (APs)?

Enlist the League's assistance by contacting

Dr. Jane B. Wright

Director of Policy and Procedure Services

at jwright@ccleague.org

Did You Know

The League's Policy & Procedure Service (172 BPs + 229 APs = 401 total docs) includes legally compliant templates for addressing:

- ➔ Title IX compliance
 - ➔ Free Speech
 - ➔ Clery Act compliance
 - ➔ Public Records Act
 - ➔ Family Educational Rights and Privacy Act (FERPA)
 - ➔ Student Discipline
 - ➔ Nondiscrimination
 - ➔ Prohibition of Harassment
 - ➔ Service Animals
- and*
- ➔ 37 policies and 40 procedures with direct accreditation standard section references!

Enlist the League's assistance with updating your BPs/APs by contacting **Dr. Jane B. Wright**, Director of Policy and Procedure Services, at jwright@ccleague.org

Call for Proposals
2023 Annual Convention
November 16-18 | Indian Wells

[ccleague.org/
call-for-proposals-AC23](https://ccleague.org/call-for-proposals-AC23)

Celebrate What is "Uniquely Yours"

The Community College League of California is now accepting presentation proposals for our [2023 Annual Convention](#), **November 16-18, at the Renaissance Esmeralda, Indian Wells**. We encourage you to use the League's Annual Convention as an opportunity to share your successes and innovative models with your community college colleagues from across the state. **The convention proposal deadline is Monday, June 19, 2023.**

This year's theme is *Uniquely Yours*. California's great diversity—economies, environment, and cultures—fosters a wide range of ideas and solutions. In context with their communities, each of our community colleges addresses the localized needs and values through education. We invite you to share how our colleges take the lead in innovation and distinctive programming that lends to statewide and national best-practices. **California Community College administrators, faculty, staff, and system partners should submit a proposal that aligns with our theme.**

If you have any questions about the proposal process, contact Yesenia Sandoval Lopez at yesenia@ccleague.org. ***Please note this event will be held in person and registration will open in July.***