

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

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February 4, 2021

Hon. Nancy Skinner, Chair
Senate Budget Committee
State Capitol Room 5094

Hon. Phil Ting, Chair
Assembly Budget Committee
State Capitol Room 6026
Sacramento, CA 95814

**Re: Community College Budget Proposal
6870-101-0001**

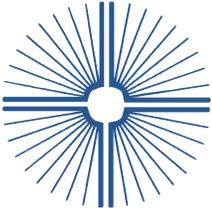
Dear Senator Skinner and Assemblymember Ting:

The Community College League of California (the “League”) is grateful to you and to Governor Newsom for your collective leadership in crafting the community college budget. We share the desire to move from a K-shaped recovery and economy, where only a few can prosper, to an E-shaped or equity-based recovery and economy, where strategic investments in education support a more equitable California.

Representing the local voices of our community college leaders, the League is appreciative of the prospect of additional money in 2021-22 while at the same time mindful of the need to make the best use of available resources. This letter reflects the response of the League to the Governor's proposed January budget and does not account for the possibility of additional Proposition 98 funding based on the newly announced \$10.3 billion in additional revenue (we will send an additional letter on that if warranted). Nonetheless, our priorities are:

- 1) Greater base resources for our districts to keep pace with increasing costs and to maintain capacity for their students and communities;
- 2) Maximize flexibility and local control over funds designated for operational needs and student support;
- 3) Evaluation and analysis of the interplay between state and federal support to ensure that we are not duplicating efforts in some areas while leaving others behind.

With these district/college priorities in mind, we present our perspectives on the Administration's proposal and offer suggestions on other items that were not included. We look forward to discussing these with you as we move forward in the budget process.



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Early Action

\$100 million one-time Proposition 98 General Fund to support emergency student financial assistance grants for full-time, low-income community college students and other students who were previously working full-time, or the equivalent of full-time, who can demonstrate an emergency financial need.

\$20 million one-time Proposition 98 General Fund to support efforts to bolster CCC student retention rates and enrollment.

Response: The League recognizes that community college students are suffering from the pandemic and recession, with low-income individuals and communities of color hit hardest. The social and economic devastation has undoubtedly contributed to lower than anticipated enrollment.

While the League shares the goal of assisting students and stabilizing enrollment, we believe these proposals should be part of a larger conversation on student support and stabilizing enrollment, which must include an evaluation of the interplay between federal resources and proposed state dollars. In determining the best ways to assist students, the League is mindful that nearly 80 percent of community college students attend part-time, and excluding those who are not full-time moves us away from the common goal of an equity-based recovery. To the extent the Legislature approves a package to assist students and stabilize enrollment, we believe districts should be given maximum flexibility on how it is structured and delivered to reflect local needs and decision-making.

Ongoing Funds

\$23.1 million to support 0.5 percent growth

Response: The League supports this proposal and would add that any unused funds for growth be used as a supplemental allocation to base apportionment.

\$111.1 million to support 1.5 percent COLA

Response: While the League is grateful for the consideration of a COLA, we are mindful that this proposal does not address the increase in costs which have accrued over the past two years. As such, we urge your support for a COLA at the level proposed for K-12. Like that of K-12, our leaders cite health care as a leading cost escalator, but there are many others that affect the ability of districts to offer quality programs and services and produce the educational outcomes that we



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desire. To the extent that districts will need to continue borrowing to pay for the remaining deferrals, this adds an increased cost, which also comes from base apportionment. For community colleges to maintain capacity, train the essential workforce for COVID-19, and build an equitably based economy, we cannot be shortchanged on our operational funds.

If the state is unable to grant community colleges parity in the COLA with K-12, we urge a supplemental allocation to the base. To the extent new funds are not available for this purpose, we urge the repurposing of other ongoing funds as noted below.

\$6.1 million for categorical COLA

Response: While the League is appreciative of the proposed COLA for specified categorical programs, we note two concerns with this request. First, the percentage COLA does not reflect the increase in costs over two years, as noted above. Second, the COLA should also cover programs that foster equity, such as Financial Aid Administration and Student Equity and Achievement Program (SEAP).

\$8 million to cover increased costs by CENIC

Response: Support

\$10.6 million for online educational ecosystem and infrastructure

\$30 million to increase access to technology and mental health

Response: The League supports efforts to increase the colleges' technological capacity. Nonetheless, we encourage the Legislature to grant as much flexibility as possible on these line-items, particularly on student support. While the League strongly supports state resources for mental health, we believe it should come from the Mental Health Services Act (Proposition 63) with remaining ongoing Proposition 98 dollars repurposed for an unallocated increase to base apportionment.

\$15 million to expand the California Apprenticeship Initiative

Response: While the League supports the Administration's goal of increasing linkages between higher education and learning, we question whether this proposal reflects the best use of ongoing funds. Our recommendation is to carve out a portion of the \$250 million General Fund allocation for this project and repurpose these funds for an unallocated increase to base apportionment.



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One-Time Funds

\$250 million for emergency grants

\$100 million for student basic needs on housing and food

Response: While the League supports efforts to assist students, we believe the provision of one-time funds should be configured differently. We urge consideration of two block grants, one for student support, the other for district support in such areas as scheduled maintenance. As with the ongoing funds, we believe these actions should not occur without a full evaluation of federal assistance to assure we are not duplicating efforts in some areas while leaving others behind.

\$600,000 for AB 1460 anti-racism initiatives

Response: The League supports efforts to address structural racism. This is an important start.

\$20 million one-time for a systemwide effort to provide culturally competent online professional development for faculty, including leveraging technology to improve learning outcomes.

Response: The League supports dedicated funding for professional development, particularly that which emphasizes cultural competence. While proposed as a systemwide effort, the League urges it to be locally developed and administered.

Deferrals

Repayment of \$1.13 billion of the \$1.45 billion in deferrals for 2020-21, carrying over a remaining deferral of \$326.5 million.

Response: The League appreciates the proposed buy down and urges a complete pay off in 2021-22 if possible. We believe the complete elimination of the deferrals should be a high priority in this budget using either repurposed funds from the January budget or new funds determined in May. A complete buy down of the deferrals will allow districts greater flexibility in spending decisions and provide state lawmakers with more options should tax revenues decline.



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Pensions

*Continued implementation of employer-side cost reduction
CalSTRS rate from 17.1 percent to 15.92 percent
CalPERS rate from 24.9 percent to 23 percent*

Response: The League is highly supportive of this effort and believes it should be made within the context of a larger discussion on alleviating the increasing costs to districts for the CalSTRS and CalPERS obligations.

Financial aid

*Require all high school seniors to complete a FAFSA or CADAA
Expand the number of Cal Grant awards*

Response: The League supports these efforts to improve financial aid and urges a broader discussion with the California Student Aid Commission on shifting our resources away from the current tuition-centered model to one that encompasses the total cost of attendance.

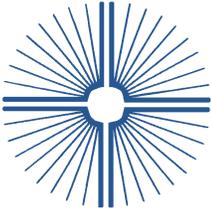
Online courses

Require districts to maintain a number of online courses in 2021-22 that is 10% higher than offered in 2018-19

Response: The League urges careful evaluation of this proposal as it seems misplaced in the budget. On the one hand, districts are offering the vast majority of their courses online, well above that offered in 2018-19, while on the other, districts need the flexibility to best serve their students irrespective of the pandemic. Mandates of this type, which are designed to supersede local control, are appropriately discussed in the policy committees, not the budget process.

Capital outlay

Response: Support the budget proposal.



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Although not included in the Governor's budget, we urge consideration of the following proposals.

\$4 million ongoing to support a digital library platform

Integrated library system: A systemwide Integrated Library System (ILS) would allow for every student in our colleges to access a cloud-based library catalog that can be retrieved through mobile devices and other means. Our state should be moving in this direction not only to keep pace with technology but to increase student success. In monetary terms, a modest ongoing investment of \$4 million is likely to result in annual savings of \$5 million. Moreover, since the current platform is also used at both the California State University and University of California systems, this investment will help community college students who transfer for a four-year degree obtain a level of familiarity with the platform in their lower division experience.

Provide full apportionment to Instructional Service Agreements (ISAs)

ISAs: The League concurs with the findings and recommendations of the Student Centered Funding Formula Oversight Committee that instruction pursuant to ISAs should be fully funded and not penalized on the supplemental and success metrics. The ISAs, which provide a basis for training of police and firefighters, have become all the more critical as we move to more socially just and anti-racist protocols. We cannot overlook the critical role of the community colleges in this work as we move forward with the budget process.

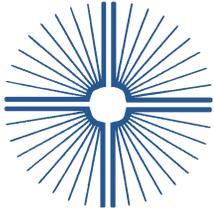
The League is once again grateful to you for your consideration of our positions and to the Governor for his support of community colleges. Because of the fluidity of the budget process, and particularly with the uncertainty in the economy, we retain our right to edit or amend these positions as new information becomes available.

Please do not hesitate to contact us with any questions.

Sincerely,

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Hon. Kevin McCarty, Chair, Assembly Budget Subcommittee # 2
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