



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

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25 May 2022

Hon. Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee
1021 O Street, Suite 8630
Sacramento, CA 95814

Hon. Phil Ting, Chair
Assembly Budget Committee
1021 O Street, Suite 8230
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 extremely grateful to Governor Newsom for the generous proposal in the May Revision for the California Community Colleges, and we are thankful to you for your ongoing support of our institutions and students. We are particularly grateful for the augmented 6.56 percent COLA, the increased amount for growth, and other funds that bolster the three pillars of our funding needs: stability, predictability, and flexibility—all within a framework of equity.

We would like to provide you with specific comments on the following:

- 1) Funding Rate and Basic Allocation Increase (Support Senate’s proposal of \$700 million using Administration’s distribution framework).** We are very appreciative of the Governor’s approach to providing our districts with increased funds to assist with locally determined needs. In conjunction with other proposals in the May Revision, the \$375 million base increase will help districts transition to the Student Centered Funding Formula (SCFF).

Given the size of the overall budget surplus, high inflationary pressures, and paucity of districts currently on the SCFF, the League urges adoption of the Senate’s \$700 million proposal for this line item consistent with the Administration’s distribution formula of two-thirds dedicated to a funding rate increase and one-third to the basic allocation. We believe the timing is ripe for this level of investment as our districts are facing unique challenges in accommodating students in this phase of the pandemic. Equally important, the increased investment will help more districts transition on to the SCFF and away from Hold Harmless or other forms of stability.



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- 2) **Discretionary Block Grant (Support while continuing to advocate dedicated non-98 funding for pensions).** The League supports the \$750 million discretionary block grant for community colleges while urging consideration of a dedicated \$3.5 billion line item in the non-Proposition 98 General Fund on behalf of community college districts and K-12 Local Education Agencies (LEAs) to CalSTRS and the CalPERS Schools Pool. An estimated \$1.2 billion of this amount would sustain the employer contribution rates in the short term, while the remaining \$2.3 billion would reduce employers' long-term unfunded liability for both pension systems.
- 3) **Part-Time Faculty Health Benefits (Suggested modifications).** Although officially neutral on this proposal, the League recognizes the Administration's desire to expand access to health care for part-time faculty in the California Community Colleges. As a means of incentivizing districts to participate in this program and ensuring that resources are not left unspent, the League recommends Trailer Bill Language eliminating the district match requirement for this program. Further, the League recommends Budget Bill Language allowing unspent funds in this line item to be used in respective priority order of Part-Time Faculty Office Hours and Part-Time Faculty Compensation.
- 4) **Financial Aid [Fund reforms in AB 1746 (Medina and McCarty)].** While the League is appreciative of the additional money in the current budget to support Completion Grants, we strongly urge you to fund the reforms in AB 1746 with non-Proposition 98 funds to bring equity to our students and remove financial barriers to enrollment. With the support and backing of the California Student Aid Commission and all major parties in the California Community Colleges, we believe this represents the best roadmap for our future. Each of our public higher education segments has done its best to embrace equity and support students on limited funds. It is time for the State of California to modernize its policy by simplifying its structures and funding the true cost of education.
- 5) **Student Housing (Support approved shovel-ready projects).** While we are appreciative of last year's investments in student housing, we believe that the State should maximize its opportunities under the State Appropriation Limit (SAL) by funding, at a minimum, all approved shovel-ready projects in the California Community Colleges. This addresses the dual policy goals of exempting funds from the SAL and reducing the number of students facing housing insecurity.
- 6) **Other May Revision Line Items.** The League strongly supports the additional investment in Deferred Maintenance and five percent increase to the Student Equity and Achievement Program. We also support the use of non-Proposition 98 funds to expand staffing at the Chancellor's Office. The oversight and technical support functions of the Chancellor's Office are critical for our colleges to fulfill the goals laid out in the Budget and Vision for Success.



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We are once again grateful for the unprecedented funding in the May Revision and look forward to working with you on the passage of the Budget Act and related Trailer Bills. With the fluidity of the budget process, 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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