



GOVERNMENT RELATIONS UPDATE

Advisory Committee on Legislation | May Meeting



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA



Today's Update

- *Budget Update*
- *Legislative Update*
- *Questions*



Budget Update

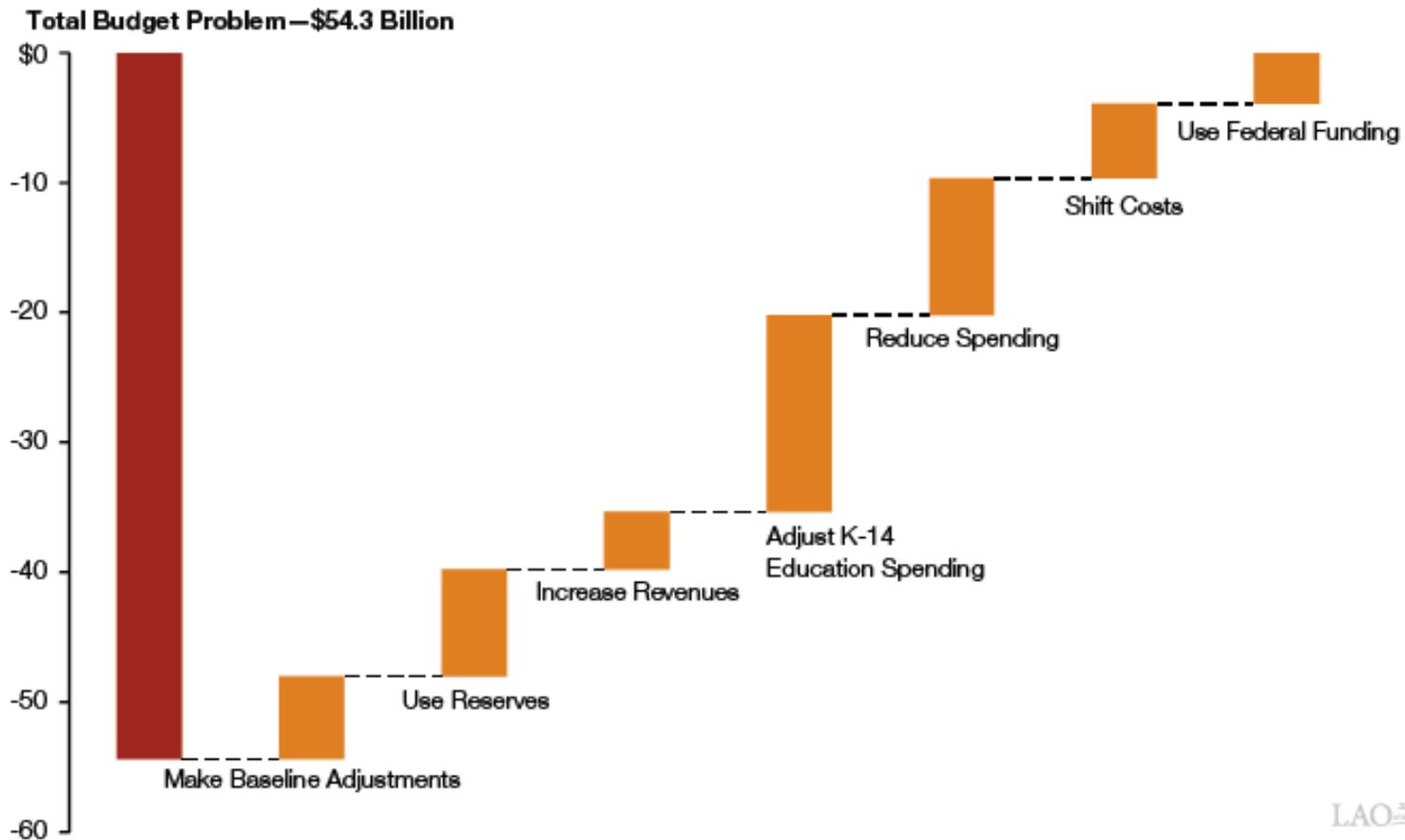


\$54.3 Billion Problem

Figure 3

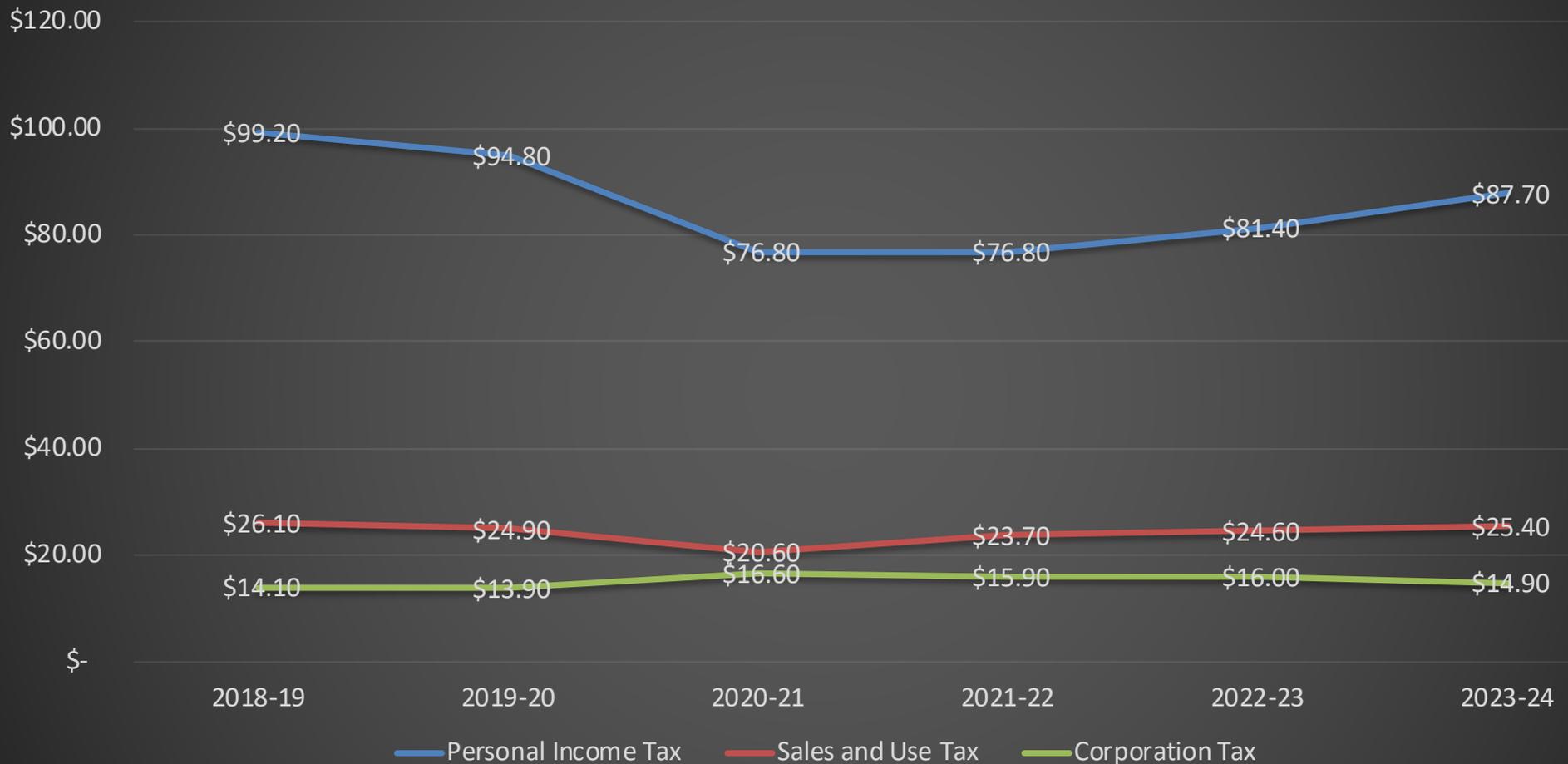
How the Governor Proposes Solving a \$54.3 Billion Budget Problem

(In Billions)





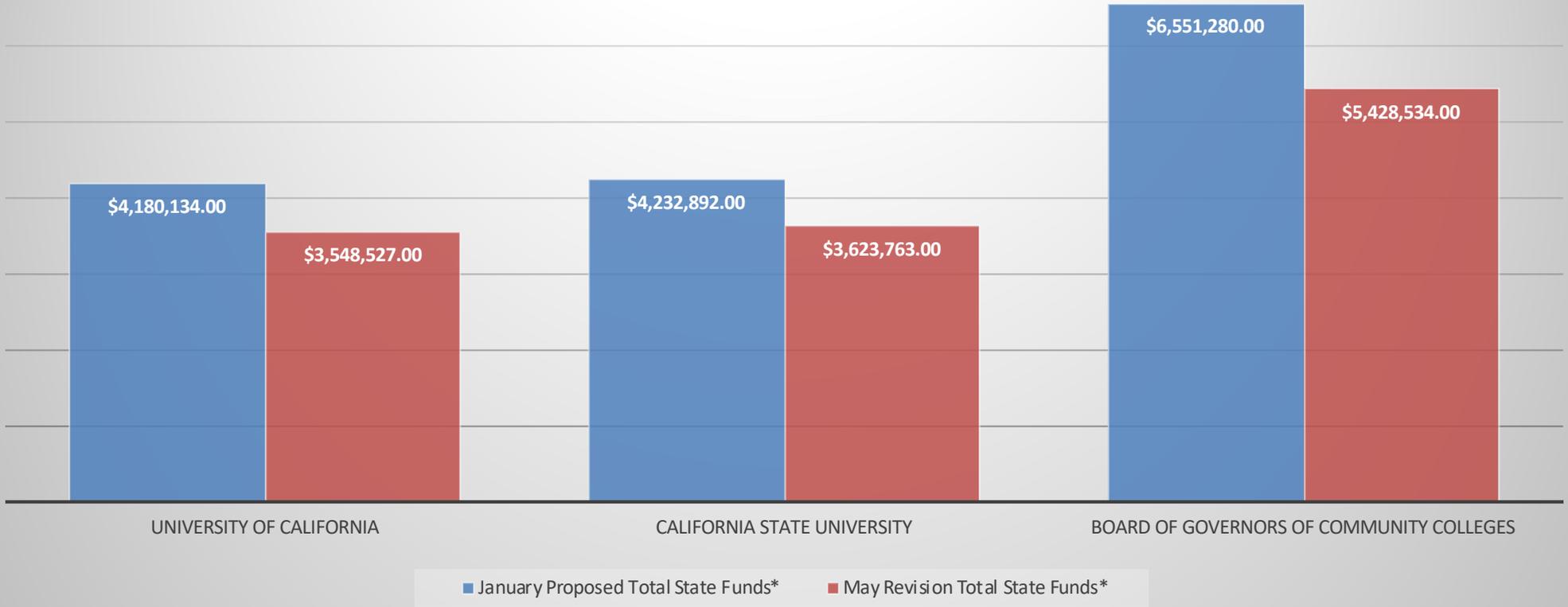
Long Term Revenue Forecast





Pandemic's Impact on Higher Ed

Revised Funding for Higher Education

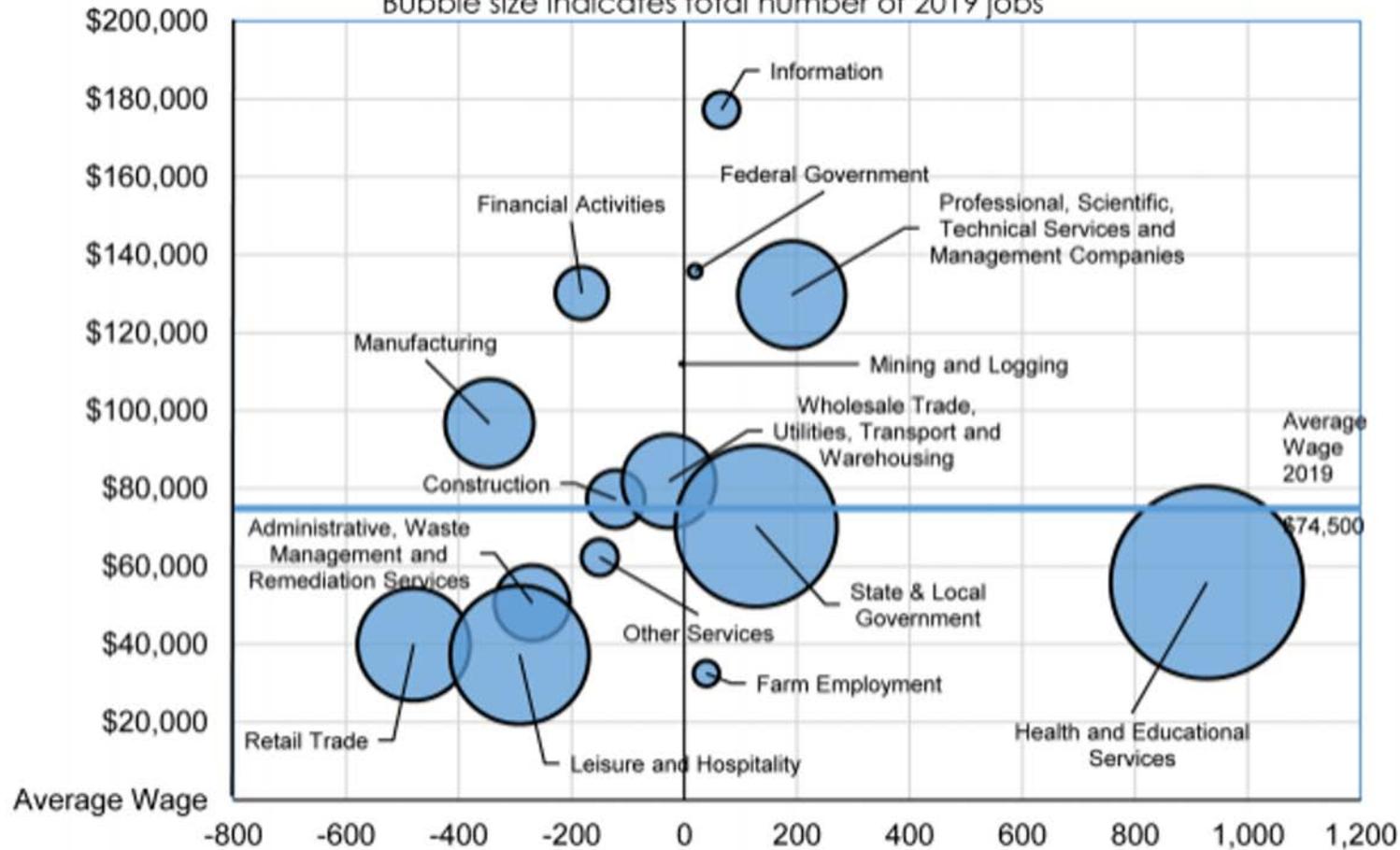




Educational and Health Services Sector Growth

Change in Jobs by Sector: 2020 relative to 2007

Bubble size indicates total number of 2019 jobs



Source: CA Employment Development Department, Labor Market Information Division;
CA Department of Finance, May Revision Forecast.



May Revise Adjustments

Increased revenues from Prop 98 to offset decrease in local property taxes	\$130.10 mil.
Decrease in Prop 98 for food pantries	\$11.40 mil.
Decrease in Prop 98 for Dream Resources Center	\$5.80 mil.



Withdrawn Proposals (From January Gov's Budget)

Dual Enrollment Instructional Material	Proposed ongoing	\$5 mil.
2.31% cost-of-living adjustment for various categorical programs	Proposed ongoing	\$ 9.3 mil.
Faculty Pilot Fellowship	Proposed one-time	\$15 mil.
Part-time faculty office hours	Proposed one-time	\$10 mil.
Zero Textbook Cost	Proposed one-time	\$10 mil.
Work group to develop report required by SB 206	Proposed one-time; now private philanthropy	\$0.7 mil.



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Proposed Year-Over-Year Deferrals



2019-2020 to 2020-2021	\$330.10 mil.
2020-2021 to 2021-2022	\$662.10 mil.



Cuts to Occur in Absence of Federal Action

2.31 % COLA	\$167.7 mil.
Enrollment growth	\$31.9 mil.
Student Centered Funding Formula	\$593 mil.
Apprenticeship programs	\$83.2 overall (40.4 one-time) mil.
CCC Strong Workforce Program	\$135.6 mil.
Student Equity and Achievement Program	\$68.8 mil.
Part-Time Faculty Compensation, Part-Time Faculty Office Hours, Academic Senate	\$7.3 mil.
Calbright College	\$3 mil.



CCC Facilities Via Prop 51

25 new capital outlay projects	\$28.40 million
15 projects in construction phase	\$194.70 million
Total	\$223.10 million



Pension Deferral

- CalPERS State Annual Pension Contribution Payment Offset— The May Revision proposes to redirect the remaining \$2.4 billion over the next two years to pay the state's obligations that will produce more immediate savings to the state and result in a reduction in the state's retirement contribution.
- Suspension of California State Teachers' Retirement Systems (CalSTRS) Annual Rate Increases—the May Revision proposes statutory changes that will suspend the annual rate increases authorized by the Teachers' Retirement Board at the 2019-20 level until 2023-24. This proposal will provide \$1.8 billion General Fund savings over the multiyear to the state's annual contribution to the CalSTRS defined benefit program.



League's Budget Priorities

- A. Flexible COVID-19 block grant honoring local decision-making
 - B. Two-year extension of Hold Harmless in SCFF
 - C. Continue approval of capital outlay projects
 - D. One-year deferral of employer-side pension increases
 - E. Backfill any shortfall in property tax or student fee revenue
 - F. Maintain overall integrity of Proposition 98
 - G. Assure CCC's receive at least statutory split of Proposition 98
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Continued Advocacy Themes



Stability. Predictability. Flexibility.



May Revise Messaging

- Cut to the base is too deep, particularly if the expectation is to maintain the same number of students or grow.
- Cut to Strong Workforce will impede high-cost programs for in-demand jobs.
- Overall budget is predicated on federal action, which is out of our control.
- Budget does not contemplate money to our system for redirected students from UC or CSU.
- As much as we support the deferrals over cuts, the sheer size of the deferral will mortgage our System for years.



Key Budget Dates

May 14 – May Revise

May 19 – Assembly Budget Subcommittee #2

May 20-21 – Joint Budget Advocacy Days

May 25 – Senate Budget Subcommittee #1

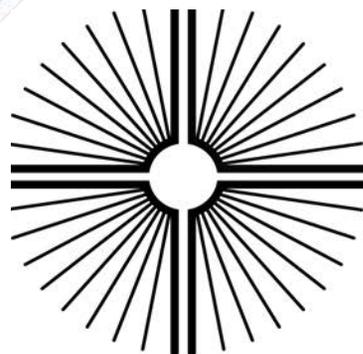
June 15 – Budget deadline



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Joint Advocacy Days May 20-21, 2020



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Legislative Update



Socially Distant Committee Hearings New Reality



Most Senators participated remotely in a recent budget hearing.

Assembly Committee on Higher Education meeting Assembly Floor to comply with social distance standards.





Accelerated Legislative Process

- Due to unplanned recess, the legislature will not be following deadlines announced at the beginning of the session.
- Senate and Assembly will follow separate deadlines until the Second House process starts.
- Significant scale back of legislation to be considered:
 - **14** bills passed out of the Assembly Higher Education Committee
 - **5** bills passed out of the Senate Education Committee.

New Legislative Deadlines							
House	First Policy Committee	First Fiscal Committee	First House	Second Policy Committee	Second Fiscal Committee	Second House	Deadline for Signage
Senate	May 29	June 19	June 26	July 31	Aug. 14	Aug. 31	Sept. 30
Assembly	May 22	June 5	June 19	July 31	Aug. 14	Aug 31	Sept. 30



Priority Bills: Moving Forward

ACA 5 (Weber) Repeal of Proposition 209 – SUPPORT

Would authorize a ballot measure that would repeal the remaining provisions of Prop 209 that prevent government entities from crafting affirmative action policies and programs.

AB 2019 (Holden) County Offices of Education - SUPPORT

Would permit County Offices of Education to enter into College and Career Access Pathways partnerships with community college districts.

SB 1173 (Durazo) Employee Relations – OPPOSE

Would make colleges liable for mistakes made when transmitting employee contact information to collective bargaining units.



Priority Bills: Held Back

AB 2452 (Garcia) State Auditor – OPPOSE

Would have permitted the state auditor to audit the finances of organizations supporting local governments.

AB 2764 (Gloria) Military Course Apportionment - SUPPORT

Would have permitted community college courses offered on military bases to be eligible for apportionment.

AB 2910 (Weber) Student Trustees – SUPPORT if AMENDED

Would have mandated specific rights for student trustees and provided the option for colleges to give them a full vote.



Priority Bills: Held Back

AB 3310 (Muratsuchi) Ethnic Studies – CEO OPPOSE

Would have mandated an ethnic studies course as a condition of graduating from a community college.

AB 2609 (Medina) Classified Employees – OPPOSE

Would have limited the time that a new classified employee could be placed on probation from one year to 6 months.

SB 796 (Leyva) Employee Sick Leave – OPPOSE

Would have required school and community college districts to pay 100% of a salary for an employee on medical leave who has exhausted all available sick leave for up to five months.



AB 2288: Nursing Programs

- Significant cutbacks in clinical training slots for nursing and other allied health programs.
- Will reduce the ability of our colleges to graduate allied health workers in the midst of a global pandemic.
- More flexibility will be needed if colleges are expected to maintain normal graduation rates.



AB 2288 (Low) Nursing Programs

Would provide nursing programs additional flexibility during a state of emergency needed to function if hospitals continue to cut clinical training slots.

Staff Recommendation: **SUPPORT**

