

California Community Colleges Governor's 2022-23 May Revision Summary

Overall Budget Framework

- In January proposal a \$45.7 billion was projected in surplus for 2022-23
- May revision projects a \$49.2 billion in budget surplus for 2022-23
- The spending proposals plan includes 94% of the surplus on one-time expenditures due to the potential for declines in capital gains

Ongoing Funding – Student Center Funding Formula (SCFF)

- **Cost-of-Living Adjustment (COLA):**
 - \$493 million to support a 6.56% COLA for apportionments
 - COLA increased from 5.33% in January to 6.56%
 - \$8 million in additional ongoing annual revenue for the District
- **Enrollment Growth:**
 - \$26.2 million ongoing to fund 0.5% enrollment growth
- **Basic Allocation Increase:**
 - \$125 million to increase the basic allocation within the base
- **Base Funding Increase:**
 - \$250 million to increase the funding rates for the base, supplemental, and success allocations
- **New Funding Floor:**
 - To avoid sharp fiscal declines in 2025-26, the hold harmless provisions that currently protect community colleges with declining enrollments would be replaced by a *new funding floor*
 - The District's 2024-25 funding would represent the new floor (revised hold harmless amount)
 - Funding in future years could not drop below this level, but this revised hold harmless provision would no longer include adjustments to reflect cumulative COLA's over time, as is the case with the current provision through 2024-25
 - The District will not receive any new revenue until the SCFF calculation is higher than the 2024-25 funding level. Which means we have to increase FTES, Supplemental allocation, and student success metrics.

Other Ongoing Funding

- **Part-Time Faculty Health Insurance:** The budget proposes \$200 million in ongoing funding for the part-time faculty health insurance program. This would allow the state to reimburse districts for part-time faculty health insurance at a higher rate than the current reimbursement rate.
- **Technology Modernization:** \$25 million to address modernization of technology infrastructure
- **Equal Employment Opportunity Best Practices:** \$10 million to implement EEO best practices
- **Categorical Programs COLA:** The budget proposes 6.56% COLA for EOPS, DSPS, CalWORKS, Adult Ed, Mandated Block Grant
- **Student Success Completion Grants:** The budget includes \$50 million (down from \$100 million in January) to support expanded Cal Grant eligibility for CC students
- **Student Equity & Achievement Program:** The budget includes 5% increase to SEAP - \$25 million.

One-Time Funding

- **Student Needs:** \$130 million in one-time funding is included for adult education healthcare pathways, and \$20 million to support emergency student financial assistance grants to AB 540 students.
- **Retention and Enrollment Efforts:** The budget includes \$150 million in one-time to support student retention and enrollment strategies, with \$2.3 million projected for our District.
- **Deferred Maintenance:** More than \$1.5 billion in one-time funds are included to address deferred maintenance and energy efficiency projects system wide.
- **Discretionary Block Grants:** \$750 million in one-time to address issues related to the pandemic and to reduce long-term obligations such as buying down pension liabilities. Districts would spend the funds over a five-year period.
- **Technology Modernization:** \$75 million in one-time funding to address modernization of technology infrastructure

CalPERS & CalSTRS Employer Contribution Rates

	2020-21	2021-22	2022-23	% Increase from PY
CalPERS	20.7%	22.91%	25.37%	10.7%
CalSTRS	16.5%	16.92%	19.10%	12.9%