



Governor's Revised May Budget

May 17, 2021

Dear Colleagues,

Governor Gavin Newsom presented a revised California budget last week that reflected a much stronger fiscal outlook than projected in January. In his budget, the Governor proposed an ambitious spending plan that includes another round of \$600 stimulus checks to those earning up to \$75,000; expanded efforts to assist the homeless; after-school and summer programs for children while phasing in universal pre-kindergarten; and college savings accounts for low-income children.

The state budget also represents a substantial investment in California community colleges with a strong focus on student needs. The Governor's proposal consists of increases in both ongoing and one-time funding, including restoring college resources; investing in ways for students to access financial aid and basic needs to reduce the total cost of attendance; and investing in the implementation of the community colleges system's Diversity, Equity, and Inclusion (DEI) recommendations to foster inclusive and anti-racist campuses.

Some of the most noteworthy budget proposals for community colleges include the following 2021-2022 funding changes:

College District Funding

- An increase in the proposed COLA for the Student Centered Funding Formula from 1.5% to 4.05%. This will equate to an additional \$3 million in ongoing annual revenue for GCCCD.
- Elimination of all budget deferrals by using one-time funds of \$1.45 billion, which reduces borrowing costs for GCCCD.

College Affordability

- Increasing funding for Zero Cost Textbook pathways from \$15 million to \$115 million in one-time funds.

- Providing \$1 billion to the California Student Aid Commission to support a grant program for displaced workers who want to enroll in an education program, start a business, or get training.

Student Needs

- Ongoing funding of \$30 million to support basic needs centers and coordinators. This is in addition to the \$40 million proposed in January to support targeted basic needs for mental health services and access to technology.

Retention and Enrollment Efforts

- An additional \$100 million in one-time funding for retention and enrollment efforts, which would be allocated to colleges that have been disproportionately affected by enrollment drops related to COVID-19. College districts have already received \$20 million of these funds. GCCCD's initial share of this funding was \$297,000, which was split between the colleges based on a combination of total FTES, and FTES declines since 2019-2020. An additional allocation of about \$1.2 million is anticipated for GCCCD.

Dual Enrollment

- \$75 million in one-time funds for financial incentives to establish or expand dual enrollment through College and Career Access Pathways agreements between community colleges and K-12 school districts.

Diversity, Equity and Inclusion

- The May Revised Budget requires districts to submit board-approved actionable plans detailing their efforts to achieve the goal of reducing equity gaps by 2023 and fully closing the gaps by 2027. The receipt of future Student Equity and Achievement program funds will be contingent on such plans. This proposal modifies the Governor's January proposal that required these plans as a condition of receiving the COLA.

COVID-19 Block Grant

- \$50 million in one-time funds for grants to help colleges transition back to in-person education.

Deferred Maintenance

- \$314 million in one-time state funds and \$250 million in federal funds to address deferred maintenance.

Construction Bond Projects

- The budget also includes bond funding from Proposition 51, approved by voters in 2016, for capital outlay projects, including \$10.2 million for the Liberal Arts/Business/Computer Science Information Systems Building at **Grossmont College** as

the project moves into construction. Sixteen construction projects at community colleges can continue without delay through reappropriations, including Phase 1 of the Instructional Building at **Cuyamaca College**.

Next Steps

In the coming weeks, the Governor's budget proposal will be reviewed by budget committees in the State Assembly and Senate, and then a conference committee will convene to resolve the differences between the Senate and Assembly versions of the budget by June 15. During this time, significant lobbying efforts will take place both at the state and local levels. Governing Board President Brad Monroe and I will be meeting with our local legislators in the coming weeks to advocate for community colleges and to emphasize the need for ongoing funding to continue the great work of our colleges.

While the news of increased funding for community colleges is promising, we need to remain vigilant with our budget planning to align our ongoing expenses with our ongoing revenue. I invite you to listen to the board workshop entitled [External Fiscal Analysis](#) that will be held at 4:15 p.m. tomorrow when we will hear a report from the consulting firm Cambridge West Partnership, LLC on the District's long-term fiscal outlook.

As the 2020-2021 academic year comes to a close, we have much to celebrate as we confer degrees and certificates to nearly 3,700 graduates. Thanks to the dedication and persistence of our students and employees, we have continued to prepare our students for the future. I look forward to the possibilities in 2021-2022.

Take care,

Lynn

Lynn Ceresino Neault, Ed.D., Chancellor