

***The* COMMUNITY COLLEGE UPDATE**

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Budget Conference Committee Acts on 2019-20 State Budget

Last night, the Budget Conference Committee took the next step in adopting a 2019-20 State Budget. Compromise was reached between the Legislature and Newsom Administration, making line item vetoes from Governor Gavin Newsom unlikely. Once adopted by each house's budget committee early this week, both houses will vote on the 2019-20 State Budget by Saturday, June 15, but the vote could occur on Friday.

While many details are not yet available, the following actions were approved by the Budget Conference Committee and will form the basis of the 2019-20 State Budget for California Community Colleges:

- Approve the Proposition 98 level and Public School System Stabilization Account rainy day fund deposit as proposed by Governor Newsom at the May Revision
- Make the following changes to the Student Centered Funding Formula:
 - Cap the student success allocation to 10% of the total formula allocation
 - Clarify that for 2018-19, transfer data is based on publicly available information,
 - Starting in 2019-20, transfer data is based on recently enrolled students
 - Implement a three-year rolling average for the student success metrics
 - Implement an unduplicated count for the highest award obtained
- Provide California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) employer contribution rate relief at the same statewide funding level as proposed in the May Revision (\$500 million in 2019-20 and \$350 million in 2020-21), but divided into the two retirement systems instead of only to CalSTRS
 - Effective CalSTRS and CalPERS employer contribution rates are currently unknown
- \$5 million ongoing increase to veterans resource centers
- \$3.9 million one-time fund to address student hunger and basic needs
- Provide no additional full-time or part-time faculty funding
- Approve Online College funding as proposed by Governor Newsom at the May Revision
- Retain the K-12 Strong Workforce Development program under the California Community Colleges

While these are the most significant actions known at this time from the Budget Conference Committee, many additional details are expected to become available over the next few days and weeks. We will provide additional information as it becomes available and strategies for incorporating these changes into your local budgets.