



# 2019-20 Budget Act K-12 and Higher Education **CCC ONLY** Conference Committee on AB 74

Senator Holly J. Mitchell, Chair and Assemblymember Philip Y. Ting, Vice Chair

Members: Senator Richard D. Roth, Senator Jim Nielsen, Senator John M.W. Moorlach, Senator Nancy Skinner,  
Assemblymember Kevin McCarty, Assemblymember Jay Obernolte, Assemblymember Chad Mayes, and Assemblymember Shirley N. Weber

Issue	Description
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#### **Issue 10: Proposition 98**

**Governor** funded the Proposition 98 guarantee for the 2017-18 through 2019-20 at \$75.6 billion, \$78.1 billion and \$81.1 billion respectively. Under the Governor’s May Revision proposal, a deposit of \$389 million is made into the Public School System Stabilization Account (PSSSA) in the 2019-20 fiscal year and counts as an appropriation under the guarantee.

The Governor also proposes to change the process adopted in the 2018-19 budget act to certify the Proposition 98 guarantee and use a separate account to help smooth increases and decreases in the guarantee level, which was intended to create stability for LEAs. Specifically, the Governor’s budget proposes to eliminate the separate “true-up” account and no longer adjust the guarantee level down if the prior year calculation changes after the fiscal year is over. The Governor proposes to still make adjustments to increase the guarantee after the fiscal year is over if the calculation results in an increase in a prior year.

**Senate** funded the guarantee at the May Revision levels, although the Senate’s overall budget package includes lower revenues. The Senate makes a deposit of \$90 million into the PSSSA.

The Senate adopted the Governor’s proposal to amend the process for certification of the guarantee in prior years and eliminate the true-up account.

**Assembly** funded the guarantee at the May Revision levels, although the Assembly’s overall budget package includes lower revenues. The Assembly does not make a deposit into the PSSSA.

The Assembly rejected the Governor’s proposal to amend the process for certification of the guarantee in prior years and eliminate the true-up account.

**Conference issues** are overall revenues and the impact on the Proposition 98 funding levels, the corresponding amount required for deposit into the PSSSA, and changes to the Proposition 98 certification process.

Issue	Description
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### Issue 11: Career Technical Education

**Governor** had no proposal.

**Senate** provided \$1 million one-time Proposition 98 General Fund for Mendocino Community College to implement a construction trades program in Lake and Mendocino counties.

**Assembly** provided \$6 million one-time Proposition 98 General Fund (\$1 million each) for workforce development programs at Imperial Valley, Fresno, Bakersfield, Norco, San Bernardino and Modesto community colleges.

The Assembly eliminates the K-12 Strong Workforce Program and shifts \$150 million from that program into the Career Technical Education Incentive Grant (CTEIG) program (for total funding of \$300 million ongoing Proposition 98). In addition, the Assembly eliminates the K-12 Strong Workforce technical assistance providers and instead allows the Department of Education to use up to 2 percent of the CTEIG grant to contract with county offices of education to provide technical assistance to grantees.

**Conference issues** are funding for community colleges workforce programs and the structure of K-12 CTE programs. (BBL and TBL).

Issue	Description
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### **Issue 12: CalSTRS and CalPERS for Local Education Agencies**

**Governor** provided a total of \$3.15 billion one-time General Fund to reduce CalSTRS costs for school districts and community colleges. This includes \$500 million in 2019-20 to reduce districts' rates from 18.1 percent to 16.7 percent, \$350 million in 2020-21 to reduce districts' rates from 19.1 percent to 18.1 percent and \$2.3 billion to pay down districts' long-term unfunded liability.

The Governor provided \$1.1 billion in Proposition 2 funds to CalSTRS in 2019-20 to address the state's share of the unfunded liability. The Governor also provided \$1.8 billion in Proposition 2 funds through 2022-23, as follows: \$802 million in 2020-21, \$615 million in 2021-22, and \$345 million in 2022-23, to be paid towards the state's share of the CalSTRS unfunded liability.

**Senate** approved the Governor's proposal to pay down the district and state share of the CalSTRS unfunded liability.

The Senate provided an additional \$130 million above the Governor's proposed \$500 million, for total of \$630 million in 2019-20 to reduce the district contribution rates for CalSTRS to 16.3 percent. The Senate also provided an additional \$298 million above the Governor's proposed \$350 million, for a total of \$648 million in 2020-21 to reduce district contribution rates for CalSTRS to 21.8 percent.

The Senate also provided \$257 million in 2019-20 to reduce district contribution rates for CalPERS to reduce district contribution rates from 20.7 percent to 18.9 percent. The Senate provided \$264 million in 2020-21 to reduce district contribution rates for CalPERS from 23.6 percent to 21.8 percent.

**Assembly** approved the Governor's proposal to provide \$3.15 billion General Fund to reduce district contribution rates by one percent and to pay down the unfunded liability.

The Assembly rejected the Governor's proposal to provide \$1.1 billion in Proposition 2 funds to CalSTRS in 2019-20 to address the state's share of the unfunded liability. The Assembly appropriated \$1.5 billion in one-time General Fund to reduce CalPERS costs for districts, including: \$175 million to reduce districts' CalPERS contribution rates from 20.7 percent to 19.5 percent in 2019-20, \$175 million to reduce district's CalPERS contribution rates from 23.6 percent to 22.4 percent in 2020-21 and \$1.15 billion to reduce districts' long-term CalPERS unfunded liabilities.

**Conference issues** are the amount of funding provided for CalSTRS and CalPERS on behalf of school districts and community colleges.

Issue	Description
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**Issue 20: Student Centered Funding Formula**

**Governor** proposed to: (1) postpone, for one year, the scheduled changes in the share of apportionment funding linked with the base and student success allocations, and (2) limit growth in a district’s student success allocation such that it can increase no more than 10 percent each year.

**Senate** approved the Governor’s proposal to postpone the scheduled changes to the base and student success allocations. Instead of limiting the growth of a district’s student success allocation to 10 percent, the Senate modified the funding formula by: (1) implementing a three-year rolling average of the student success allocation, and (2) only counting the highest award obtained.

**Assembly** modified the Governor’s proposal, and permanently maintains the formula split as prescribed in 2018-19 – this keeps the student success allocation portion of the formula set at 10 percent of the total allocation. The Assembly also adopted trailer bill language to amend the reporting deadline for the Student Centered Funding Formula oversight committee to review and make recommendations regarding instructional service agreements from June 30, 2021 to January 1, 2020.

**Conference issues** is trailer bill language regarding the student success allocation and deadline for the report on recommendations regarding instructional service agreements.

Issue	Description
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**Issue 21: Online College**

**Governor** had no proposal.

**Senate** had no proposal.

**Assembly** reduced funding to the Online College by \$50 million Proposition 98 General Fund one-time and \$15 million Proposition 98 General Fund ongoing.

**Conference issues** are budget bill language and trailer bill language regarding the funding for the Online College.

Issue	Description
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**Issue 22: Veterans Resource Centers**

**Governor** had no proposal.

**Senate** provided \$15 million Proposition 98 General Fund one-time to expand Veterans Resource Centers (VRC).

**Assembly** provided \$10 million Proposition 98 General Fund ongoing to expand VRC. Additionally, the Assembly also provided \$7.4 million one-time to support specified VRCs as follows: (1) \$3.4 million Proposition 98 General Fund one-time for the creation of a Sacramento City College Veterans Resource/Basic Needs Center, (2) \$1 million Proposition 98 General Fund one-time for the Norco College VRC, (3) \$1 million Proposition 98 General Fund one-time San Bernardino Valley College VRC, and (4) \$2 million Proposition 98 General Fund one-time for Mira Costa College VRC.

**Conference issues** are budget bill language and trailer bill language regarding the funding for various VRCs.

Issue	Description
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**Issue 23: Student Hunger and Homelessness**

**Governor** had no proposal.

**Senate** provided \$14.5 million Proposition 98 General Fund one-time to address student hunger, \$0.5 million Proposition 98 General Fund one-time to conduct an assessment on college-based food programs, and \$9 million ongoing to address student homelessness.

**Assembly** provided \$20 million Proposition 98 General Fund one-time to address basic needs and \$10 million Proposition 98 General Fund one-time for rapid rehousing.

**Conference issues** are budget bill language and trailer bill language regarding the funding to address student hunger and homelessness.



Issue	Description
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**Issue 24: Faculty**

**Governor** had no proposal.

**Senate** provided \$30.6 million ongoing Proposition 98 General Fund for community colleges to increase their percentage of full-time faculty toward meeting the 75 percent full-time faculty target. Additionally, the Senate provided \$397,000 for a cost-of-living adjustment to part-time faculty office hours.

**Assembly** provided \$40 million ongoing Proposition 98 General Fund to increase the hiring of full-time faculty, and also required colleges to use Equal Opportunity best practices when hiring. Additionally, the Assembly provided \$17.28 million ongoing Proposition 98 General Fund to support part-time faculty office hours.

**Conference issues** are budget bill language regarding the funding for full-time faculty, part-time faculty office hours and use of Equal Opportunity hiring practices.

Issue	Description
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**Issue 25: Various CCC Adjustments**

**Governor** provided \$10 million ongoing proposition 98 General Fund to support immigrant legal services.

**Senate** provided: (1) \$81,000 ongoing Proposition 98 General Fund to support the Historically Black Colleges and Universities Transfer Pathway Program, (2) \$282,000 ongoing Proposition 98 General Fund to provide a cost-of-living adjustment to the Fund for Student Success, which supports the Puente and MESA programs, and (3) rejected the Governor’s proposal.

**Assembly** approved the Governor’s proposal and provided: (1) \$3 million ongoing Proposition 98 General Fund to support the Puente Program, (2) \$2 million ongoing Proposition 98 General Fund to support the Umoja program, (3) \$2 million one-time Proposition 98 General Fund for the relocation and expansion of the Palo Verde College Child Development Center, and (4) \$4.6 million one-time Proposition 98 General Fund to support Dreamer Resource Centers. The Assembly also adopted placeholder trailer bill language to exempt San Francisco Community College District’s Fort Mason Center, a federally owned facility, from the Field Act, which requires local education agencies to meet certain seismic standards.

**Conference issues** are budget bill language and trailer bill language regarding the funding for various programs.

**6440 University of California**  
**6610 California State University**  
**6870 California Community Colleges**

Issue	Description
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#### **Issue 35: Support Programs for Formerly Incarcerated Students**

**Governor** provided \$1 million ongoing General Fund to support CSU's Project Rebound.

**Senate** approved the Governor's proposal and provided an additional \$5.5 million one-time for CSU Project Rebound. The Senate also provided \$250,000 one-time to support the UC Berkeley Underground Scholars Program and \$5 million one-time for the CCC Reentry grant program.

**Assembly** provided \$3.3 million ongoing General Fund for CSU Project Rebound.

**Conference issues** are funding for Project Rebound, UC Berkeley Underground Scholars Program and the CCC Reentry grant program, budget bill language and trailer bill language.

**6440 University of California**  
**6870 California Community Colleges**  
**6980 California Student Aid Commission**

Issue	Description
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**Issue 36: Student Outreach**

**Governor** provided: (1) \$5 million one-time General Fund for the Community College Chancellor’s Office (CCCCO) to develop a Student Success Awareness Team, (2) \$5 million one-time General Fund for California Student Aid Commission (CSAC) to conduct student loan awareness, specifically funds will help CSAC: (a) update their website, (b) develop or update training materials for the California Student Opportunity and Access Program (Cal-SOAP), or (c) partner with the State Treasurer’s Office on state refinancing programs and loan forgiveness, and (3) \$10 million one-time General Fund to support innovation grants to education institutions to in the San Joaquin and Inland Empire regions.

**Senate** approved the Governor’s proposal to provide \$10 million one-time for innovation grants in the San Joaquin and Inland Empire. Additionally, the Senate provided UC \$8 million one-time to provide outreach and student support services for low-income and underrepresented minority students. The Senate rejected the Governor’s proposals regarding the CCCC student success awareness team and CSAC student loan awareness.

**Assembly** approved the Governor’s proposal to provide \$5 million to the CCC Chancellor’s Office and \$5 million for CSAC to conduct student loan awareness. The Assembly rejected the Governor’s proposal to provide \$10 million one-time for innovation grants in the San Joaquin and Inland Empire regions, and instead redirects this funding to support Cal-SOAP.

**Conference issues** are budget bill language regarding the CCC Student Success Awareness Team, CSAC student loan awareness and the San Joaquin and Inland Empire innovation grants.

Issue	Description
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#### **Issue 40: Teacher Recruitment and Preparation**

**Governor** provided \$89.8 million one-time General Fund to create the Teacher Service Credit Scholarship Program. The program would provide a \$5,000 scholarship award to specified applicants. The applicant must agree to obtain or have obtained a teaching credential in the subjects of science, technology, engineering, and mathematics (STEM), career technical education in STEM areas, special education, bilingual education or a multiple subject credential. Applicants who teach at a "priority school," which is a school that has a high percentage of teachers holding emergency type permits would receive priority for the awards.

**Senate** modified the Governor's trailer bill language regarding the Teacher Service Credit Scholarship Program to: (1) require applicants to have student loan debt, (2) require awardees to teach at specified priority schools, and (3) require reporting to appropriate policy and fiscal committees of the Legislature regarding outcomes of the program, such as the number of awards, the average student loan debt amount, the number of specified credentials obtained, and information regarding priority schools and districts.

Additionally, the Senate provided \$1.5 million one-time Proposition 98 General Fund to implement the CCC Teacher Credentialing Pilot Program, pursuant to Senate Bill 577 (Dodd), Chapter 603, Statutes of 2018. This program would provide grants to collaboratives of teacher-credentialing higher education institutions and community colleges who offer teacher credentialing programs at community colleges.

**Assembly** rejected the Governor's proposal. Instead, the Assembly redirected the funding to create the Golden State Teacher Grant program. This program would provide up to \$20,000 to students in educator preparation programs that commit to teach in a subject area impacted by the teacher shortage – bilingual education, special education, science, technology, engineering and math (STEM). The student must commit to teach for four years in the subject area after they receive their teaching credential.

**Conference issues** are funding and trailer bill language regarding the Teacher Service Credit Scholarship Program and the Golden State Teacher Grant program, and funding for the CCC Teacher Credentialing Pilot Program.

<b>6100</b>	<b>California Department of Education</b>
<b>6870</b>	<b>California Community Colleges</b>
<b>6440</b>	<b>University of California</b>
<b>6610</b>	<b>California State University</b>

<b>Issue</b>	<b>Description</b>
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#### **Issue 41: Mental Health Services for Students Act**

**Governor** provided \$5.3 million General Fund ongoing to provide mental health services at UC.

**Senate** rejected the Governor’s proposal and instead created the Mental Health Student Services program and provided \$550 million in one-time funding (\$510 General Fund and \$40 million Mental Health Services Act fund) to the Mental Health Services Oversight and Accountability Commission for the Mental Health Student Services Act for the purpose of establishing mental health partnerships between County Mental Health or Behavioral Health Departments and:

- K-12 school districts,
- Charter schools,
- County offices of education,
- California Community Colleges,
- California State Universities, and
- Universities of California

Under the Act, the Commission would determine funding awards based on the level of need and number of students in participating educational entities. Funding would be available to support services that at a minimum include: services provided on K-12 and higher education campuses, suicide prevention services, drop-out prevention services, outreach to high-risk youth, and other strategies that respond to the mental health needs of youth and adult students, as determined by the Commission.

**Assembly** provided: (1) CCC with \$10 million ongoing Proposition 98 General Fund and \$12 million one-time from the Proposition 63 state administration fund, (2) UC with an additional \$2 million ongoing from Proposition 63 funds, and \$3 million one-time from Proposition 63, and (3) CSU with \$3 million ongoing from Proposition 63 funds and \$5 million one-time from Proposition 63 funds to provide mental health services.

**Conference issues.** Amount of funding for mental health services and the provision of mental health services for K-12 and higher education students.