



GOVERNMENT RELATIONS UPDATE

January 2019



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA



Today's Update

- *Budget Update*
- *League Priorities*
- *Sponsored Legislation*
- *Legislative Update*
- *Federal Update*



Governor's Budget

Major Education Proposals

- Expand kindergarten and pre-kindergarten availability (\$1.25 billion one-time) and add 10,000 preschool slots (\$125 million ongoing).
- Funding for University of California (UC) and California State University (CSU) extension programs to expand degree and certificate completion programs for adults.
- Create a supplemental award for Cal Grant recipients who are parents; and increasing the number of competitive Cal Grants (\$171 million ongoing).



Governor's Budget

For California Community Colleges, the Governor makes **four notable expenditures in the 2019-20 Budget:**

1. A second year of free tuition to first-time full-time students and other local College Promise strategies,
2. Increased award amounts and expansion of Cal Grant programs,
3. A buy-down of K-14 PERS and STRS rate increases, and
4. Ongoing increases to funding formula rates.



Governor's CCC Budget

Funding Formula

- Proposes \$248 million to fund the formula rate increases
- Funding rates for 2019-20 would mirror the 2018-19 rates plus a COLA.
- In 2019-20, a district would still receive the greater of:
 1. the amount calculated in for 2019-20,
 2. the amount calculated in 2018-19, or
 3. the amount the district received in 2017-18, adjusted by the COLAs in 2018-19 and 2019-20.



Governor's CCC Budget

Pension Liabilities

- Includes a one-time, \$ 2.3 billion CalSTRS payment that would reduce K-14s unfunded pension liabilities.
- Although rates also could decrease in years after 2020-21, those reductions are not assumed in the Governor's proposals.

YEAR	CURRENT FUNDING PLAN	GOVERNOR'S BUDGET PROPOSED RATES	CHANGE
2019-20	18.13%	17.13%	-1.00%
2020-21	19.10%	18.10%	-1.00%



CCC Budget Advocacy

What's Missing?

Investment in Deferred Maintenance & Instructional Equipment

- Colleges are grappling with aging infrastructure that will need to be replaced, renovated, or retrofitted, and the resources needed to tackle such projects compete with student supports and services.
- The absence of instructional equipment and deferred maintenance funds represent a threat to a college's ability to offer quality learning experiences on a safe, clean, and adequately equipped campus environment.



CCC Budget Advocacy

What's Missing?

ESSENTIAL COLLEGE FACILITIES

- Failing to fund all 19 continuing projects and 40 new projects represents a missed opportunity to:
 - create jobs,
 - preempt substantial building cost increases, and
 - cultivate long-term voter trust in facilities bonds.



Legislative Priorities: Increase Quality of Instruction

An increase in the funding formula rates will:

- Community colleges receive the lowest per pupil funding rate among any of
- Provide flexible dollars that colleges can utilize to hire faculty and staff, pay down increasing PRS/STRS employer contribution costs and other district priorities.
- Helps districts implement state goals of increasing student access, success and equity.
- Governor Newsom proposed increasing the funding formula rate by \$248 million in his January budget proposal.



League Priorities: Protect and Strengthen College Infrastructure

- Colleges are grappling with aging infrastructure that will need to be replaced, renovated or retrofitted.
- Instructional equipment vital to STEM and CTE expenses make these classes far more expensive to operate than the average class.
- Governor Newsom did not propose any funding for instructional equipment or deferred maintained.
- The longer the state waits to fund these items, the more expensive projects become.

Ask: Include funding for deferred maintenance and instructional equipment to ensure colleges can provide a high quality classroom experience.



League Priorities: Invest In Employee Pensions

- Community college employees deserve to know that the pensions they have earned after years of service to community colleges and the State of California.
- Unfunded pension liabilities represent a major fiscal burden to schools and community colleges.
- Increasingly employer contribution rates are crowding out funding for important initiatives intended for student success.

Ask: The legislature to partner with schools and community college districts to buy down pension liabilities to:

- **Ensure our employees have more certainty regarding their retirement**
 - **Colleges aren't forced to cut services that benefit students.**



League Priorities: College Facilities

- California community college students need and deserve to have high quality classrooms, CTE buildings and other facilities to be academically successful.
- In 2016 voters authorized \$2 billion in facility construction. By not fully funding approved projects, the state government is **ignoring the voters will**.
- Massive facilities need of \$42 billion over 10 years.
- The longer we wait, the more expensive these projects will get.
 - Increased labor and materials costs.
 - Increasing interest rates on bonds.
 - Colleges are beginning to be forced to go back to the drawing table to redesign projects and obtain new permits.

Ask: Fully fund the Board of Governor approved facility projects.



League Priorities:

Affordability, Food and Housing Access

- Affordability, food and housing insecurities present a significant barrier to attending colleges.
- 22% of community college students have gone hungry due to lack of access to food.
- 32% of students experience housing insecurity.
- 27% of students receiving financial aid report that they are highly likely to drop a class due to not be able to afford textbooks.
- More than half of all financially needy students report that they would like to take more classes but cannot do so for the need to work.

The League has organized a legislative briefing on this topic on Monday at 4pm in Room 444 – you are invited!



League Priorities: Cal Grant Reform

- The true barrier to financially needy students going to college are living costs like housing, rent or transportation.
- After all available financial aid is taken into account, **it is more expensive for a low income student to attend a community college than a UC or CSU.**
- Despite making up two-thirds of the higher education students in California, community college students receive less than 10% of the funding via Cal Grants.
- Even after receiving all federal, state and institutional aid is taken into account a low income student will likely need to work more than 20 hours a week.

Ask: Strengthen Cal Grant program by making non-traditional students eligible for the Cal Grant entitlement, increase in the access award or increase in number of competitive grants.



League Priorities:

Protect and Expand Dual Enrollment

- Dual enrollment programs are proven to increase student success and equity.
- Creates a college going culture.
- Current process to create partnerships is needlessly complex and reduces the ability of K – 12 and community college districts to work with each other.
- Current sunset date makes it harder for districts to plan for the future.

Ask: Support AB 30 (Holden).



AB 30 (Holden): Protect Access to Dual Enrollment

- Removes existing sunset on CCAP.
- Includes continuation high schools.
- Streamlines the process for developing partnerships between districts.
- Streamlines the dual enrollment application.
- Requires the Chancellor Office to prepare a report on partnerships every five years.



Food Financial Aid: Increasing Access to CalFresh

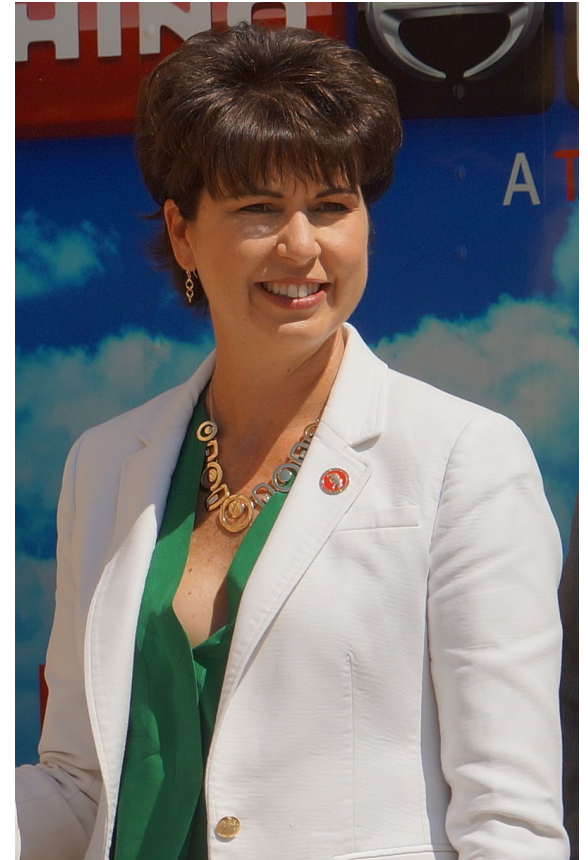
- Would authorize the State Department of Social Services to enter into an MOU with the Chancellor's Office to permit colleges to process EBT cards.
- Will reduce red tape colleges must go through to bring access to Cal Fresh on campus.
- Modeled after AB 1894 (Weber), successful legislation that created a similar authorization for CSU.
- Assembly member Shirley Weber has agreed to carry the bill.
- Based on recommendations and information gathered by the League's Affordability, Food and Housing Taskforce.
- Part of an attempt to destigmatize Cal Fresh by rebranding it as financial aid.



Legislative Update:

Start of the 2019-20 Legislative Session

- Democrats achieve super majorities.
- Supermajority derived from legislators elected in moderate to conservative districts.
- Due to revised term limits, most experienced experienced state legislature since the early 2000s.
- New Senate Education Committee Chair: Senator Connie Leyva





Legislature: Key Dates

- **February 22:** Bill Introduction Deadline
- **March – April:** Policy Committees Convene
- **May 17:** Fiscal Policy Deadline



Legislative Update: Legislation

Affordability:

- AB 2 (Santiago) Free Community College
- AB 151 (Voepel) Cal Grant Transfer Program
- AB 244 (Voepel) Cal Grants
- AJR 2 (Voepel) Pell Grants
- SB 52 (Atkins) Cal Grant C

Taxes and Finance:

- SCA 3 (Hill) Closing Prop 13 Loophole

Facility Bonds

- AB 124 (McCarty) Preschool Facilities
- AB 13 (Eggman) Higher Education
- AB 48 (O'Donnell) Higher Education Facilities Bond
- SB 14 (Glazer) Higher Education Facilities

Higher Education Coordinating Body

- AB 130 (Low) Office of Higher Education performance
- SB 3 (Allen) Office of Higher Education Accountability



Legislative Update: Affordability

AB 2 (Santiago) Free Community College

Would utilize Proposition 98 funds to authorize a second year of free college for first time full time students.

Staff Recommendation: Watch

SB 52 (Atkins) Cal Grant C

Would require CSAC to establish September 2 as the deadline to apply for a competitive Cal Grant.

Staff Recommendation: Watch, but bring back to committee for support if staff determines changes to program will help students.

- AB 151 (Voepel) Cal Grant Transfer Program
- AB 244 (Voepel) Cal Grants
- AJR 2 (Voepel) Pell Grants
- SB 52 (Atkins) Cal Grant C



Legislative Update: Affordability

AB 151 (Voepel) Cal Grant Transfer Program

Would increase the age in which a student can qualify for the Cal Grant entitlement award from 28 to 30.

Staff Recommendation: **Support**

AB 244 (Voepel) Cal Grants

Would increase the Cal Grant Award from \$10,000 to \$15,000.

Staff Recommendation: Watch

AJR 2 (Voepel) Pell Grants

Asks the federal government to increase funding for Pell Grants.

Staff Recommendation: **Support**



Legislative Update: Taxes and Finance

SCA 3 (Hill) Closing Prop 13 Loophole

- Would make inheritors of second homes that are used as rental properties ineligible from inheriting their parent's Proposition 13 tax break.
- Increases funding for schools and local governments.
- Is a modification of Proposition 13 and thus needs a two-thirds vote. Unlikely to get them.

Staff Recommendation: Watch



Legislative Update: Facility Construction

Four bills asking voters to authorize facility bonds have been introduced:

AB 124 (McCarty) Preschool Facilities

Authorizes \$500 million in funding for preschool facility construction.

AB 13 (Eggman) Higher Education

Authorizes to \$7 billion to fund facility construction. Three billion would be earmarked for a CSU campus in Stockton, the rest to be evenly split between UC/CSU.

AB 48 (O'Donnell) K-14 Education Facilities Bond

Authorizes two ballot measures, one in 2020 and 2022 to borrow an unspecified amount to fund K-14 capital outlay products.

SB 14 (Glazer) Higher Education Facilities

Authorizes \$4 billion in spending, to equally be split between UC and CSU.

Staff Recommendation: **Support** AB 48 (O'Donnell).



Legislative Update: Education Coordinating Body

Two bills were introduced that would create a coordinating body similar to the California Postsecondary Education Commission:

AB 130 (Low) Office of Higher Education Performance

SB 3 (Allen) Office of Higher Education Accountability

Both would create an office within the Governor's Office would be charged with maintaining a longitudinal database and will be empowered to review and make recommendations to the Governor and State Legislature on the following:

- State goals and priorities for higher education.
- Need of and locations for new campuses of public higher education colleges.
- Proposals by public segments for new programs.
- Degree of coordination between those segments.

Staff Recommendation: Support if Amended and ask that segmental representatives are required to be part of the advisory body.