



C H A B O T - L A S P O S I T A S

*Community College District*

# **FY 2021-22 Governor's May Revision**

**May 18, 2021**



# Governor's May Revision Proposal:

- California's Budget
  - One year ago, California projected a \$54 billion deficit; today that has completely turned on its head and the state now is predicting a \$75.7 billion surplus
- State Reserves
  - A total of \$24.4 billion in reserves, including \$15.9 billion in the Rainy Day Fund and, notably, \$4.6 billion in the Public School System Stabilization Account
- Gann Limit
  - The Gann Limit, which restricts total resources that can be appropriated by the state, will be exceeded by \$16.2 billion



# Major Proposals:

- Golden State Stimulus
  - In part to comply with the Gann Limit, a second round of state stimulus checks will be distributed to families making less than \$75,000 per year
- Other Investments
  - Universal access to Transitional-Kindergarten
  - Low-income children will be provided \$500 seed money in a college savings account
  - Homelessness and mental health; expand upon existing programs



# Proposition 98:

- An increase of nearly \$6 billion in the Proposition 98 guarantee occurred between January and May for FY 2021-22
  - The guarantee has now hit a new all-time high of \$93.7 billion
- Current year (FY 2020-21) has also seen an adjustment upwards of \$10 billion, providing significant flexibility in addressing system issues caused by the pandemic



# Community College System:

- Cost-of-Living-Adjustment (COLA)
  - FY 2020-21: 2.31% (previously was 0%)
  - FY 2021-22: 1.70% (previously was proposed at 1.5%)
  - Compounded COLA of 4.05% over current levels
    - **District Impact:** An additional \$2.6M in apportionment revenue in FY 2020-21 and another \$2.0M in FY 2021-22. If enacted, this proposal would provide \$4.6M in additional apportionment revenue in FY 2021-22 over current year level
- Other Notable Items
  - \$314M in one-time funds for deferred maintenance
  - \$150M in one-time funds for continued implementation of Guided Pathways
  - \$100M in one-time funds for Zero-Textbook-Cost pathways
  - \$50M in one-time funds in a COVID-19 Block Grant to transition back to in-person instruction
  - The complete elimination of system apportionment deferrals



# Next Steps:

- Tentative Budget
  - As required, the Tentative Budget will be presented to the Board at the June meeting
    - It will consist of assumptions based largely on the Governor's January Budget Proposal
- Adoption Budget
  - Will incorporate the enacted state budget figures and will be presented to the Board prior to September 15<sup>th</sup>



**Questions?**