



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

| *Community College District*

# **Governor's January Budget Proposal**

**January 18, 2022**



# Governor's Proposal:

- Overall
  - The state budget proposal has \$286 billion in spending, a 9% increase over current fiscal year. General fund spending increases by \$3 billion, to \$213 billion overall.
- Proposition 98 Funding
  - Estimated at \$102 billion, the highest funding level in history and \$8.2 billion more than 2021 funding act.
- Non-Proposition 98 Funding
  - Continued support to buy down CalSTRS and CalPERS employer rates (unspecified amount).



# Community College System:

- 5.33% COLA
  - Approximately \$6.3M in additional, ongoing revenue for the District
- 0.5% Growth:
  - The District will almost certainly be unable to access any growth funding
- Significant one-time funds
  - Deferred maintenance and funds to support retention and enrollment strategies are slated to receive large one-time enhancements that could provide greater than \$5 million



# Community College System:

- \$100M to augment Student Success Completion Grants
  - Will expand CalGrant eligibility
- Other Items
  - Augment Part-Time Faculty Health Insurance Program
  - Increase support for financial aid administration
  - Modernize CCC technology and protect sensitive data



# Hold Harmless:

- Hold Harmless provision will continue through FY 2024-25
- The Governor’s Budget proposes to extend the revenue protections in a modified form to avoid creating sharp fiscal declines in 2025-26. Under the proposal, a district’s 2024-25 funding would represent its new “floor,” below which it could not drop.
- Under this proposal, districts would not receive COLAs beginning in FY 2025-26 if their SCFF calculation was less than their new revenue “floor”.



# Hold Harmless:

- Under this proposal, the next three fiscal years provide financial stability to the District.
- The SCFF “Cliff”, which could have resulted in greater than \$10 million in revenue losses beginning in FY 2025-26, is now largely mitigated.
- Advocacy to include COLAs in FY 2025-26 and beyond for districts still negatively impacted by SCFF will continue.

