

GOVERNMENT RELATIONS UPDATE

October 28, 2020



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA





Overview

- Fiscal forecasts
- Legislative Update
- Federal Updates
- 2020 Elections











Economic Update

In the second quarter of 2020, California personal income increased by 9.7 percent on a year-over-year basis (up \$254.4 billion) driven by record-high transfer payments of \$355.8 billion, including the \$600 per week in additional Federal unemployment assistance that expired at the end of July, support for independent contractors, regular unemployment insurance, and one-time stimulus checks.

All other major personal income components for California fell on a year-over-year basis in the second quarter of 2020, with a total decline of 4.4 percent (down \$101.4 billion) led by decreases in total wages (down \$59.5 billion), proprietors' income (down \$26.9 billion), and other components (down \$15.0 billion).



U.S. personal income increased by 10.4 percent year-over-year in the second quarter of 2020 (up \$1.9 trillion).
Transfers also drove personal income growth, up a record-high \$2.6 trillion. All other major U.S. personal income components also fell on a year-over-year basis.





Department of Finance October 2020

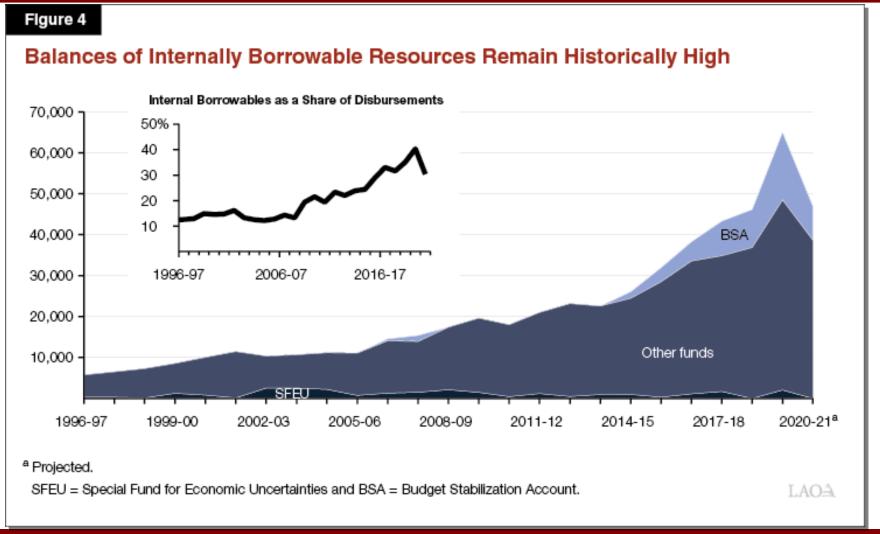
2020-21 Comparison of Actual and Forecast Agency General Fund Revenues

		(Dol	lars in Milli	ons)				
SEPTEMBE	R 2020					2020-21	YEAR-TO-D	ATE
			Percent	İ				Percent
Forecast	Actual	Change	Change		Forecast	Actual	Change	Change
\$6,262	\$9,278	\$3,016	48.2%		\$32,265	\$38,932	\$6,667	20.7%
1,719	2,184	465	27.1%		5,090	6,731	1,641	32.2%
1,509	2,013	504	33.4%		6,538	6,867	329	5.0%
65	205	140	214.0%		695	804	109	15.7%
0	0	0	0.0%		0	0	0	0.0%
36	26	-10	-27.5%		97	59	-38	-39.6%
33	33	0	1.5%		102	109	7	6.8%
4	5	2	42.8%		15	16	0	2.1%
179	225	46	25.8%		609	607	-2	-0.3%
\$9,806	\$13,970	\$4,164	42.5%		\$45,410	\$54,123	\$8,713	19.2%
	\$6,262 1,719 1,509 65 0 36 33 4 179	\$6,262 \$9,278 1,719 2,184 1,509 2,013 65 205 0 0 36 26 33 33 4 5 179 225	\$6,262 \$9,278 \$3,016 1,719 2,184 465 1,509 2,013 504 65 205 140 0 0 0 36 26 -10 33 33 0 4 5 2 179 225 46	SEPTEMBER 2020 Forecast Actual Change Change \$6,262 \$9,278 \$3,016 48.2% 1,719 2,184 465 27.1% 1,509 2,013 504 33.4% 65 205 140 214.0% 0 0 0 0.0% 36 26 -10 -27.5% 33 33 0 1.5% 4 5 2 42.8% 179 225 46 25.8%	Forecast Actual Change Change	Percent Forecast Actual Change Change Forecast \$32.265 1,719 2,184 465 27.1% 5,090 1,509 2,013 504 33.4% 6,538 65 205 140 214.0% 695 0 0 0 0.0% 0 0 0 0 0 0 0 0 0	SEPTEMBER 2020 Percent Forecast Actual Change Change Forecast Actual Change S6.262 \$9,278 \$3,016 48.2% \$32,265 \$38,932 1,719 2,184 465 27.1% 5.090 6,731 1,509 2,013 504 33.4% 6,538 6,867 65 205 140 214.0% 695 804 0 0 0 0 0 0 0 0 0	SEPTEMBER 2020 Percent Percent



LAO: An Update on California's Cash Management Situation







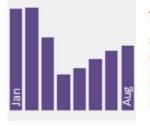


LAO: October 2, 2020 Snapshot of the California Economy: August 2020:

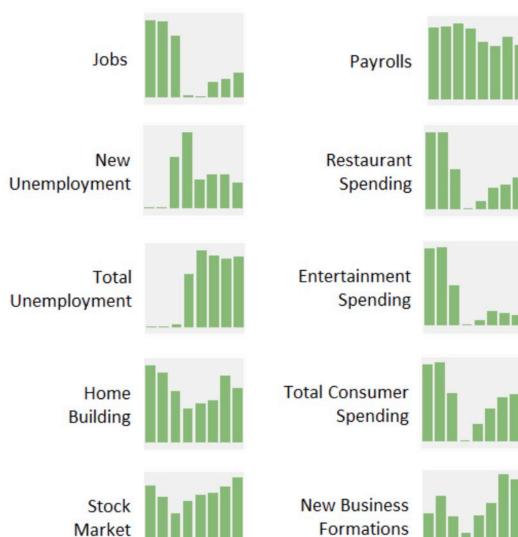
Bottom Line: The California economy still showing signs of recovery, but not as strong as in June or July.

California Economy

January 2020 to August 2020 Measured by 10 key variables



The graph on the left shows a composite of the 10 variables. Individual data shown below.







2021-22: They Are Coming Back!

COVID-19 brought significant disruption to the legislative process.

Many bills held back because of lack of ability of the legislature to consider their implications – not due to fiscal and policy concerns.

Of the around 100 bills to be considered that were introduced and impacted community colleges, only five were signed into law.

Focus will be on low-cost, but high-profile legislation.

Response to COVID-19 and cost pressures due to reduced revenue will continue to dominate the discussion in the 2021-22 legislative session.



Legislation that Could Come Back:

- Associate Degree for Transfer reform.
- Broadband accessibility.
- COVID-19 related legislation.
- Ethnic studies graduation requirement for community colleges.
- Expansion of community college baccalaureate degree program.
- Financial aid modernization.
- Mandated increase in sick leave for faculty and staff.
- Reduction of probation for new classified employees from one year to six months.
- Student trustee rights.
- Penalties for mistakes made when providing employee contact information to collective bargaining units.



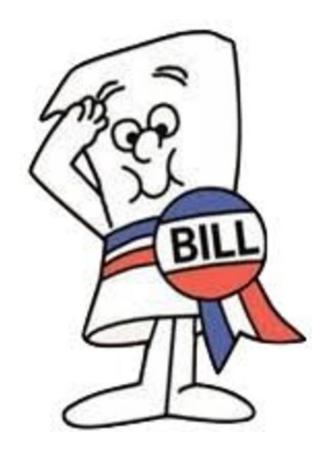
Bills for Discussion

Academic Affairs:

AB 1460 (Weber) CSU Ethnic Studies AB 2288 (Low) Nursing Programs

Basic Needs:

AB 2416 (Gabriel) Satisfactory Academic Progress AB 2884 (Berman) Lottery Dollars SB 1232 (Glazer) Cal Works







Academic Affairs

AB 1460 (Weber) Ethnic Studies

Would require the California State University make a a three-unit ethnic studies course as a graduation requirement. The CSU has adopted an alternative ethnic studies requirement.

Signage or veto will likely influence discussion on ethnic studies at the

Location: Signed into law.

AB 2288 (Low) Nursing Programs

Would provide more flexibility for nursing programs facing a reduction in clinical training hours due to the COVID-19 crisis.

Location: Signed into Law.





Basic Needs



AB 2416 (Gabriel) – Satisfactory Academic Progress

Would require colleges to consider homelessness as a mitigating factor when considering appeals for students who fail to maintain satisfactory academic progress.

Location: Signed into Law.

AB 2884 (Berman) Lottery Dollars

Would permit lottery dollars to be spent on student basic needs such as food and housing assistance.

Location: Signed into Law.

SB 1232 (Glazer) CalWORKs

Would permit CalWORKs recipients at public universities to receive a \$500 per semester benefit to pay for books and permit them to request reimbursement for classroom-related expenses above the allocated \$500. Implementation of the bill is contingent on an appropriation via the state budget, which did not occur for 2020-21.

Location: Signed into Law.





2021-2022 Priorities



Adequate resources for the colleges and districts



What does recovery from COVID-19 look like?

3

Racial equity





Stimulus 4.0: Not Looking Good

- State budget predicated on federal stimulus dollars.
- Significant differences between Senate Republicans and House Democrats.
- President Trump has sent conflicting messages:
 - No deal until after he gets re-elected.
 - \$2.5 Billion
 - \$1.6 Trillion
 - \$1.8 Trillion
- November elections and Supreme Court nomination have pushed serious consideration of Stimulus 4.0 off.



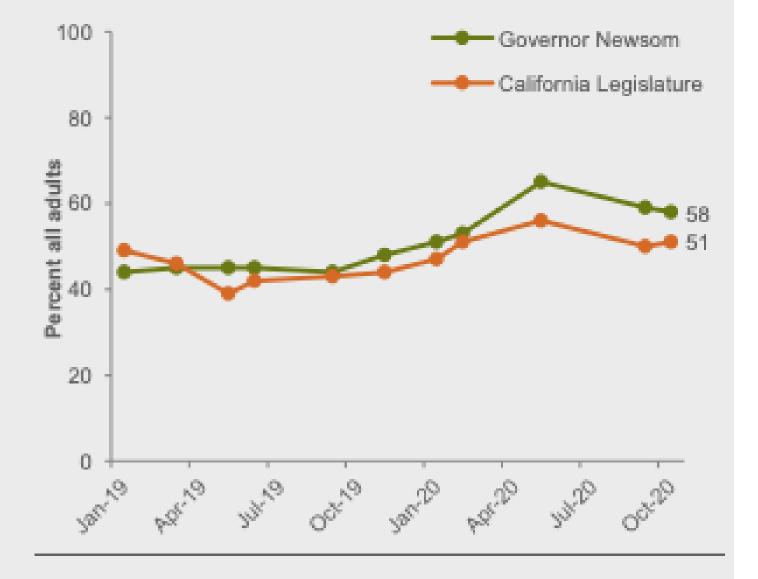






PPIC Survey October 2020

Approval ratings of state elected officials







"Do you think things in California are generally going in the right direction or the wrong direction?"

		Right direction	Wrong direction	Don't know
All adults		55%	39%	5%
Likely voters		50	46	4
Party	Democrats	73	22	4
	Republicans	13	84	3
	Independents	47	49	4
	Central Valley	51	46	3
	Inland Empire	47	48	5
Region	Los Angeles	58	35	7
	Orange/San Diego	54	43	2
	San Francisco Bay Area	64	31	5





"Do you think things in the United States are generally going in the right direction or the wrong direction?

		Right direction	Wrong direction	Don't know
All adults		33%	62%	5%
Likely voters		25	72	3
Party	Democrats	16	81	3
	Republicans	46	51	3
	Independents	24	71	5
	Central Valley	40	55	5
	Inland Empire	37	62	1
Region	Los Angeles	31	63	5
	Orange/San Diego	29	68	3
	San Francisco Bay Area	27	68	5





"Would you say that California is in an economic recession, or not? *If yes:* Do you think it is in a serious, a moderate, or a mild recession?"

		Region					
	All adults	Central Valley	Inland Empire	Los Angeles	Orange/ San Diego	San Francisco Bay Area	Likely voters
Yes, serious recession	31%	28%	31%	38%	23%	31%	34%
Yes, moderate recession	29	33	31	27	24	28	32
Yes, mild recession	11	11	7	12	15	11	10
Yes, don't know (volunteered)	1	1	1	2	_	_	1
Not in a recession	23	24	25	18	31	24	20
Don't know	4	3	4	4	6	5	4





"How concerned, if at all, are you that you will get the coronavirus and require hospitalization? Are you very concerned, somewhat concerned, not too concerned, or not at all concerned?"

	All		Household incom	ne	Race/Ethnicity		icity	
	adults	Under \$40,000	\$40,000 to under \$80,000	\$80,000 or more	African Americans	Asian Americans	Latinos	Whites
Very concerned	28%	34%	30%	17%	48%	19%	39%	19%
Somewhat concerned	33	29	33	38	17	47	32	31
Not too concerned	21	18	22	25	16	19	15	27
Not at all concerned	18	19	15	20	18	15	13	22







HISTORICAL VOTER REGISTRATION STATISTICS FOR 60-DAY REPORTS FOR GENERALS IN PRESIDENTIAL ELECTION YEARS

TOTAL VOTER REGISTRATION

Report Date	Eligible Voters ¹	Registered Voters	<u>Percent</u>
September 4, 2020	25,082,189	21,240,236	84.68%
September 9, 2016	24,848,567	18,251,826	73.45%
September 7, 2012	23,780,847	17,259,680	72.58%
September 5, 2008	23,171,364	16,171,772	69.79%
September 3, 2004	22,036,187	15,625,180	70.91%
September 8, 2000	21,430,179	15,126,262	70.58%

¹The figures given are unofficial but are based on U.S. Census data, as adjusted by information from the California Department of Finance and the California Department of Corrections and Rehabilitation.





REGISTRATION	BY	POL	ITICAL	PARTY
				1 /31 1 1

Report Date	Democratic	<u>Republican</u>	No Party Preference	<u>Other</u>
September 4, 2020	9,859,577 46.4%	5,132,076 24.2%	5,038,390 23.7%	1,210,193 5.7%
September 9, 2016	8,251,570 45.2%	4,888,719 26.8%	4,267,218 23.4%	844,319 4.6%
September 7, 2012	7,478,915 43.3%	5,197,177 30.1%	3,672,229 21.3%	911,359 5.3%
September 5, 2008	7,101,442 43.9%	5,227,489 32.3%	3,151,369 19.5%	691,472 4.3%
September 3, 2004	6,754,308 43.2%	5,466,404 35.0%	2,671,142 17.1%	733,326 4.7%
September 8, 2000	6,887,954 45.5%	5,287,090 35.0%	2,151,750 14.2%	799,468 5.3%



California Early Voting Statistics: October 26, 2020: https://electproject.github.io/Early-Vote-2020G/CA.html

Mail Ballots Returned and Accepted by Party Registration

Party	Returned Ballots	Freq. Distribution	Requested Ballots	Return Rate
Democrats	3,878,461	54.9	10,147,716	38.2
Republicans	1,523,207	21.6	5,326,623	28.6
No Party Affiliation/Minor	1,660,928	23.5	6,506,721	25.5
TOTAL	7,062,596	100.0	21,981,060	32.1



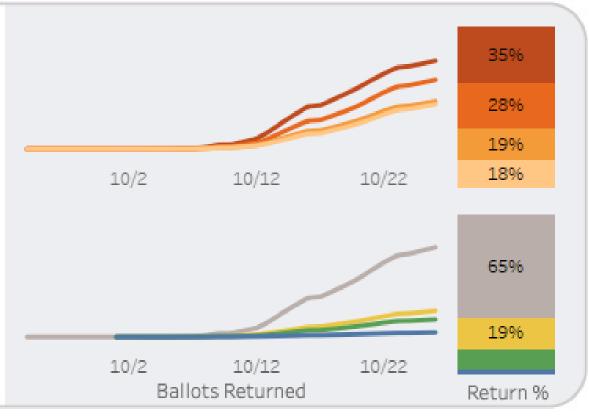


October 26, 2020

Demographics - Ballots Mailed and Returned

Age Group 18 4,911,375 2,492,333 (51%) $65 \pm$ 50-64 5,699,101 1,957,618 (34%) 5,206,777 1,347,512 (26%) 35-49 6,163,807 1,265,133 (21%) 18-34 Ethnic Group White/Oth 12,792,193 4,592,675 (36%) Latino 5,828,724 1,344,831 (23%) 2,544,593 895,734 (35%) Asian 815,550 229,356 (28%) Af Am Ballots Mailed % Returned by Demographic

Trend and Share of Electorate



Number	Subject
Prop 14	Issues \$5.5 billion in bonds for state stem cell research institute
Prop 15	Requires commercial and industrial properties to be taxed based on market value and dedicates revenue
Prop 16	Repeals Proposition 209: Ending the ban on affirmative action
Prop 17	Restores the right to vote to people convicted of felonies who are on parole
Prop 18	Allows 17-year-olds who will be 18 at the time of the next general election to vote in primaries and special elections
Prop 19	Changes tax assessment transfers and inheritance rules
Prop 20	Makes changes to policies related to criminal sentencing charges, prison release, and DNA collection
Prop 21	Expands local governments' power to use rent control
Prop 22	Considers app-based drivers to be independent contractors and enacts several labor policies related to app-based companies
Prop 23	Requires physician on-site at dialysis clinics and consent from the state for a clinic to close
Prop 24	Expands the provisions of the California Consumer Privacy Act (CCPA) and creates the California Privacy Protection Agency to implement and enforce the CCPA
Prop 25	Replaces cash bail with risk assessments for suspects awaiting trial







LAO's analysis of Prop 15

- Increased Taxes on Commercial Land and Buildings.
- Housing and agricultural land continue to be taxed based on the original purchase price.
- Impacts owners of commercial land and buildings worth more than \$3 million.
- By 2025, would generate \$8 billion to \$12.5 billion in most years.
- The value of commercial property can change a lot from year to year. This means the amount of increased property taxes also could change a lot from year to year.
- 60 percent would go to cities, counties, and special districts.
- 40 percent would increase funding for schools and community colleges.

Click on your county to see how much your county would reclaim when we pass Prop 15!

Alameda	Butte	Contra Costa
		SHAPPACT OF BUILDING AND SHAPE
El Dorado	Fresno	Kern
		TALE STREET
Los Angeles	Marin	Merced
Monterey	Orange	Placer
Riverside	Sacramento	San Bernardino
Riverside	Sacramento	San Bernarumo
San Diego	San Francisco	San Joaquin
41-04	A	
San Luis Obispo	San Mateo	Santa Barbara
Santa Clara	Santa Cruz	Solano
A STATE OF THE PARTY OF THE PAR		
Sonoma	Stanislaus	Tulare
	Ventura	

Estimated revenue generated by the Schools & Communities First Initiative



Sacramento County

COUNTY

COUNTY GENERAL	\$40,376,000
OTHER	\$59,000

Counties provide:

- Health care services from fighting epidemics, like the coronavirus, to community clinics to mental health services
- Social services to reduce homelessness, help keep seniors living in their own homes, child nutrition, foster care, and park and recreation programs
- Firefighters and the equipment they need to effectively protect human life and limit damage from wildfires and natural disasters

COMMUNITY COLLEGES

LOS RIOS CCD \$23,931,365

Community Colleges provide

- More than 75% of our nurses, firefighters and EMT's are trained through community colleges
- Nearly half of students earning a bachelor's degree from a University of California campus in science, technology, engineering and mathematics transferred from a California community college.
- Twenty-nine percent of University of California graduates and 51% of California State University graduates started at a community college.
- Academic counseling, financial aid, tutoring, child care







"It's consistent with California's progressive fiscal values, it will exempt small businesses and residential property owners, it will fund essential services such as public schools and public safety, and, most importantly, it will be decided by a vote of the people."







PPIC POLL: "If the election were held today, would you vote yes or no on Proposition 15?"*

"Proposition 15 is called the 'Increases Funding Sources for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property. Initiative Constitutional Amendment.' If the election were held today, would you vote yes or no on Proposition 15?"*

Likely voters only		Yes	No	Don't know
All likely voters		49%	45%	6%
	Democrats	71	22	7
Party	Republicans	18	75	8
	Independents	42	55	3
Region	Central Valley	42	54	4
	Inland Empire	48	48	3
	Los Angeles	55	40	5
	Orange/San Diego	53	41	6
	San Francisco Bay Area	50	40	10
Homeownership	Own	41	53	6
	Rent	64	32	4





LAO Analysis of Proposition 16



- Repeals Proposition 209— Section 31 of Article I of the California Constitution.
- Eliminates the ban on the consideration of race, sex, color, ethnicity, or national origin in:
 - o public education,
 - o public employment, and
 - o public contracting.
- Would allow state and local entities to establish a wider range of policies and programs so long as they are consistent with federal and state law related to equal protection.



League of Women Voters Prop 16: Opportunity for All

- Prop 209 is a failed experiment. It is time to repeal it by passing Prop 16.
- The nationwide Black Lives Matter demonstrations have surfaced the fact that discrimination and inequity are still deeply ingrained in our institutions.
- At the same time, the pandemic and its economic repercussions
 disproportionately impact people of color and other historically marginalized
 communities.
- Prop 16 won't allow quotas for college admissions. Quotas are and will remain illegal if Prop 16 passes.
- It also won't allow discrimination in any form. California has some of the strongest anti-discrimination laws in the nation, none of which will be altered by Prop 16.





PPIC Poll: If the election were held today, would you vote yes or no on Proposition 16?"*

"Proposition 16 is called the 'Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions. Legislative Constitutional Amendment.' If the election were held today, would you vote yes or no on Proposition 16?"*

Likely voters only		Yes	No	Don't know
All likely voters		37%	50%	12%
	Democrats	61	27	12
Party	Republicans	11	77	12
	Independents	22	63	16
	Central Valley	33	59	8
Region	Inland Empire	35	54	11
	Los Angeles	41	46	12
	Orange/San Diego	32	52	16
	San Francisco Bay Area	40	46	14
Gender	Men	36	54	10
	Women	39	47	14

Ballot campaigns set state record as most expensive https://calmatters.org/newsletters/whatmatters/2020/10/california-ballot-campaigns-record/



- Prop. 22: Most money spent by a supporting campaign. Uber, Lyft and Doordash have plowed \$190 million into a campaign to exempt themselves from a new state labor law. The unions in opposition have raised \$16 million.
- Prop. 23: Most money spent by an opposing campaign. DaVita and other private dialysis clinics have raised \$105 million opposing stricter clinic regulations, while unions supporting the measure have raised \$7 million.
- Prop. 15: A pretty equal split. Unions and the Chan Zuckerberg Initiative have raised \$57 million supporting a tax hike on some commercial properties, while business groups have raised \$60 million opposing it.
- Prop. 21: A single-handed effort. The AIDS
 Healthcare Foundation contributed almost all of the
 \$40 million in support of stronger rent control,
 compared to \$77 million raised by a diverse coalition
 of opposition groups.

Senate Body

Assembly Body

Session	Dem	Rep	Supermajority
2017-18	26	14	Yes/No
2019-20	29	11	Yes
2021-22	?	?	?

Session	Dem	Rep	Ind	Supermajority
2017-18	55	25		Yes/No
2019-20	61	28	1	Yes
2021-22	?	?	?	?



Assembly: Changes to the Body













at least 11 new members









Susan Eggman Talmantes (13 AD) Stockton

Kansen Chu (25 AD) San Jose Jay Obernolte (33 AD) Big Bear Lake Monique Limon (37 AD) Santa Barbara Christy Smith (38 AD) Santa Clarita Ian Calderon (57 AD) Whittier Vacant (67 AD) Lake Elsinore Tyler Diep (72 AD) Westminster William Brough (73 AD) South Orange County Todd Gloria (78 AD) San Diego





Key Assembly Races

DISTRICT	INCUMBENT (IF APPLICABLE)	CHALLENGER
13 th AD (Stockton)	Kathy Miler (Dem)	Carlos Villapudua (Dem)
35 AD (San Luis Obispo)	Jordan Cunningham (Rep)	Dawn Addis (Dem)
36 AD (Lancaster)	Tom Lackey (Rep)	Steve Fox (Dem)
42 AD (Yucaipa)	Chad Mayes (Ind)	Andrew Kotyuk (Rep)
55 AD (Yorba Linda)	Phillip Chen (Rep)	Andrew Rodriguez (Dem)
59 AD (Los Angeles)	Reginald Jones-Sawyer (Dem)	Efren Martinez (Dem)
68 AD (Irvine)	Steven Choi (Rep)	Melissa Fox (Dem)
72 AD (Westminster)	Janet Nguyen (Rep)	Diedre Thu-Ha Nguyen (Dem)
74 AD (Laguna Beach)	Cottie Petrie Norris (Dem)	Diane Dixon (Rep)
76 AD (Encinitas)	Tasha Boerner Horvath (Dem)	Melanie Burkholder (Rep)
77 AD (San Diego)	Brian Mainschein (Dem)	June Yang Cutter (Rep)



Senate: Changes to the Body:

at least six new senators,

(three Assemblymembers, three new to Sacramento)













Cathleen Galgiani (5 SD) Stockton

Jerry Hill (13 SD) San Mateo Jim Beall (15 SD) San Jose

Hannah Beth Jackson (19 SD) Santa Barbara

Bill Monning (17 SD)Carmel

Mike Morrell (23 SD)Rancho Cucamonga)





Key Senate Races

DISTRICT	INCUMBENT (IF APPLICABLE)	CHALLENGER
11 SD (San Francisco)	Scott Wiener (Dem)	Jackie Fielder (Dem)
15 SD (Santa Clara)	Dave Cortese (Dem)	Ann Ravel (Dem)
21 SD (Santa Clarita)	Scott Wilk. (Rep)	Kipp Mueller (Dem)
23 SD (San Bernardino)	Rosilicie Ochoa Bogh (Rep)	Abigail Medina (Dem)
29 SD (Anaheim)	Ling Ling Chang (Rep)	Josh Newman (Dem)
37 SD (Irvine)	John Moorlach (Rep)	Dave Min (Dem)



Legislature: Change is coming



- 2021---Potentially two special elections (State Senate)
 - Holly Mitchell-LA Supervisor
 - Ben Hueso SD Supervisor
- 2022---Redistricting
- 2024---Largest cohort of members are termed out
 - President pro Tempore Toni Atkins
 - Speaker Anthony Rendon

