



ACBO Spring Conference May 19, 2021





Federal Affairs Update ACBO Spring Conference

**Tom Downs, Principal
Downs Government Affairs, LLC
May 19, 2021**

U.S. House and Senate Leadership 117th Congress (2021-2022)

U.S. House of Representatives

Speaker of the House

- Rep. Nancy Pelosi (D-CA)

House Majority Leader

- Rep. Steny Hoyer (D-MD)

House Minority Leader

- Rep. Kevin McCarthy (R-CA)

Balance of power: 219D-212R

United States Senate

President of the Senate

- Vice President Kamala Harris

Senate Majority Leader

- Sen. Chuck Schumer (D-NY)

Senate Minority Leader

- Sen. Mitch McConnell (R-KY)

Balance of power: 50D-50R

Key Executive Branch Leadership

President Joe Biden

Agriculture – Tom Vilsack

Commerce – Gina Raimondo

Defense – Lloyd Austin

Education – Miguel Cardona

Energy – Jennifer Granholm

HHS – Xavier Becerra

Vice President Kamala Harris

Homeland – Alejandro Maoyrkas

HUD – Marsha Fudge

Interior – Deb Haaland

Labor – Marty Walsh

Transportation – Pete Buttigieg

Veterans – Denis McDonough

Latest Coronavirus Response Funding

President Joe Biden's \$1.9 trillion American Rescue Plan

- The American Rescue Plan Act (ARPA), signed into law in March 2021, is delivering money to community colleges
- The ARPA has nearly \$40 billion for higher ed institutions (IHEs), a much higher funding level than past legislation. By comparison—
 - ❖ The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of March 27, 2020, included \$14 billion for IHEs
 - ❖ The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of December 27, 2020 included \$21.2 billion for IHEs

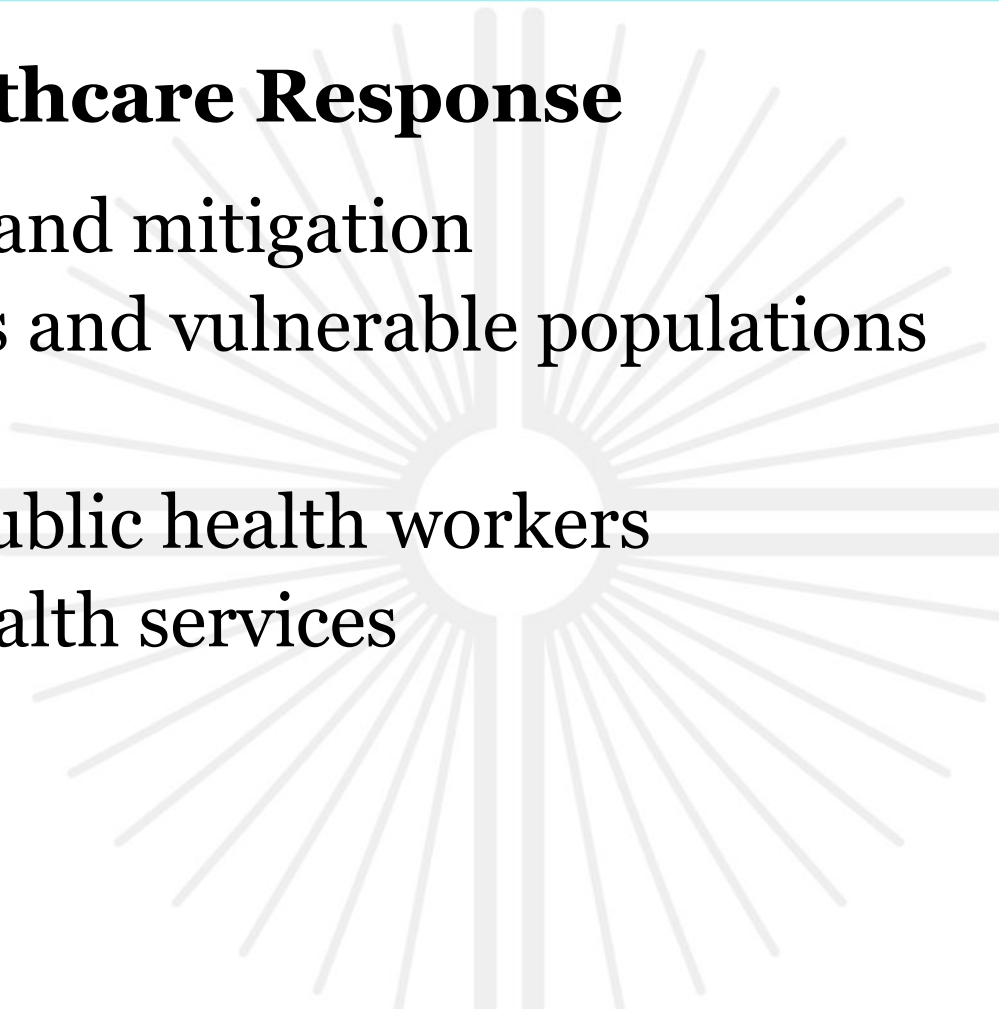
Latest Coronavirus Response Funding

What's included in the American Rescue Plan for IHEs?

- The ARPA includes \$39,584,570,000 in additional funds for IHEs to respond to the coronavirus pandemic's impact
- Funds are to be apportioned under the formula established by the CARES Act Higher Education Emergency Relief Fund (HEERF)
- IHEs must allocate 50% of funds for student aid emergency grants. Undocumented students are among eligible grantees.
- The funds will remain available for obligation by IHEs through September 30, 2023

Latest Coronavirus Response Funding

Other Key ARPA Provisions – Healthcare Response

- \$46 billion for testing, contact tracing, and mitigation
 - \$25 billion to address health disparities and vulnerable populations
 - \$14 billion for vaccines
 - \$7.6 billion to hire 100,000 full-time public health workers
 - \$4 billion for behavioral and mental health services
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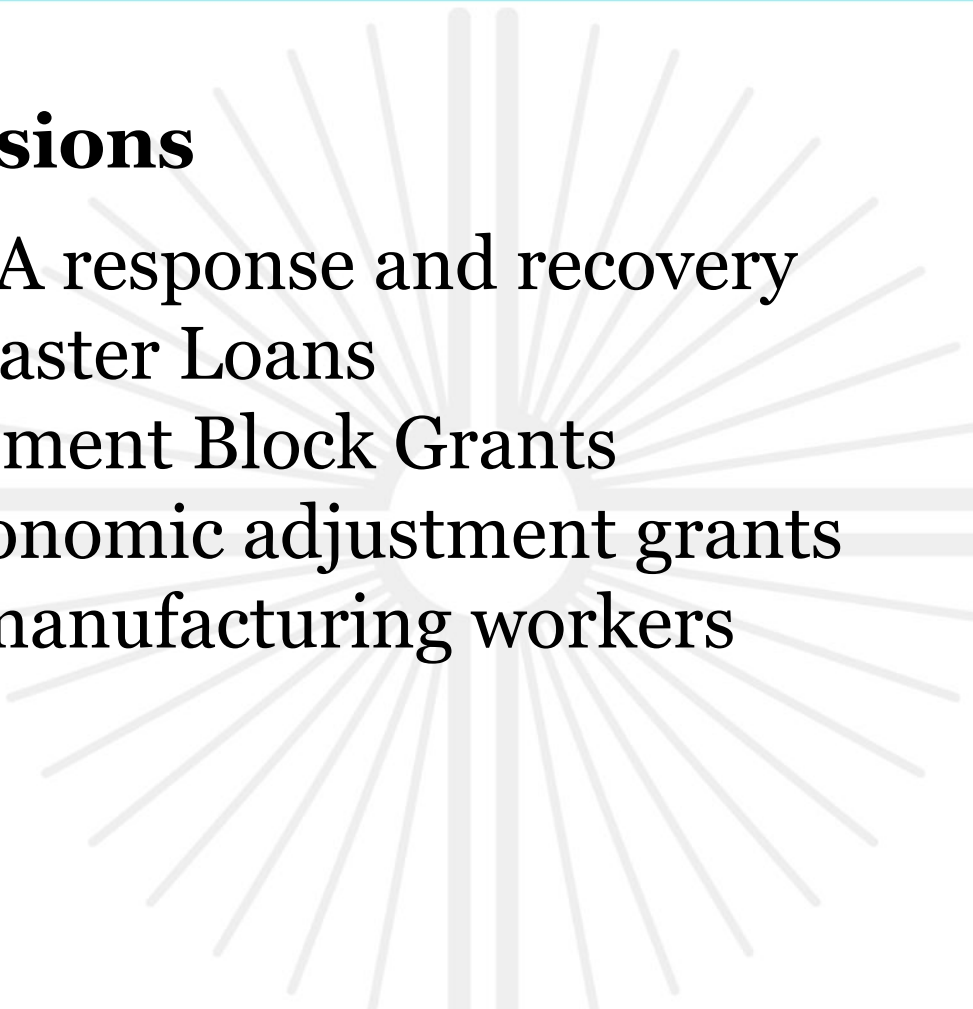
Latest Coronavirus Response Funding

Other Key ARPA Provisions – State & Local Funding

- \$195 billion is set aside for state governments
 - The State of California may consider allocating funds to community colleges to defray costs related to responding to the coronavirus
- \$130 billion is set aside for local governments, to be equally divided between municipalities and counties
 - Community colleges can work with cities and counties to target federal response funds toward areas of greatest need

Latest Coronavirus Response Funding

Miscellaneous ARPA Funding Provisions

- \$50 billion for coronavirus related FEMA response and recovery
 - \$15 billion for SBA Economic Injury Disaster Loans
 - \$14.9 billion for Child Care and Development Block Grants
 - \$3 billion for COVID-19 related EDA economic adjustment grants
 - \$3 billion to retain or rehire aerospace manufacturing workers
- 

Community Project Funding

A new “earmarking” opportunity for community colleges

- California Congressional delegation members are participating in Community Project Funding
 - Opportunities for Community Project Funding are being extended through annual appropriations and multi-year authorization bills
 - This may include earmarking of a broad infrastructure bill, and reauthorization of highway and transit, water resources, and other national programs requiring reauthorization by Congress
- 

The American Families Plan

The Biden administration's new \$1.8 trillion national initiative

- The American Families Plan (AFP) would spend \$109 billion over 10 years to make community college tuition-free
- The AFP also propose to increase the maximum Pell grant by \$1,400, on top of a \$400 increase in the Biden administration's proposed fiscal year (FY) 2022 budget
- The AFP would fund an additional \$62 billion to improve graduation rates at colleges serving low-income students, and \$39 billion for two tuition-free years for low- and middle-income students at minority-serving institutions (MSIs)

Advanced Technological Education (ATE)

The National Science Foundation's Advanced Technical Education (ATE) program funds community college initiatives educating technicians for high-tech jobs

- The ATE program has not been reauthorized in nearly 30 years
- We are coordinating advocacy to reauthorize the ATE program and to increase its budget to \$150 million annually
- Legislation to reauthorize the ATE program and increase its budget is moving forward in the United States Senate

Questions?

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Budget Update



Budget Overview

- Macro View of the State Budget
- League Priorities
- Other Higher Education Priorities
- Workforce Investments
- Student Services/Academic Programs
- Next Steps





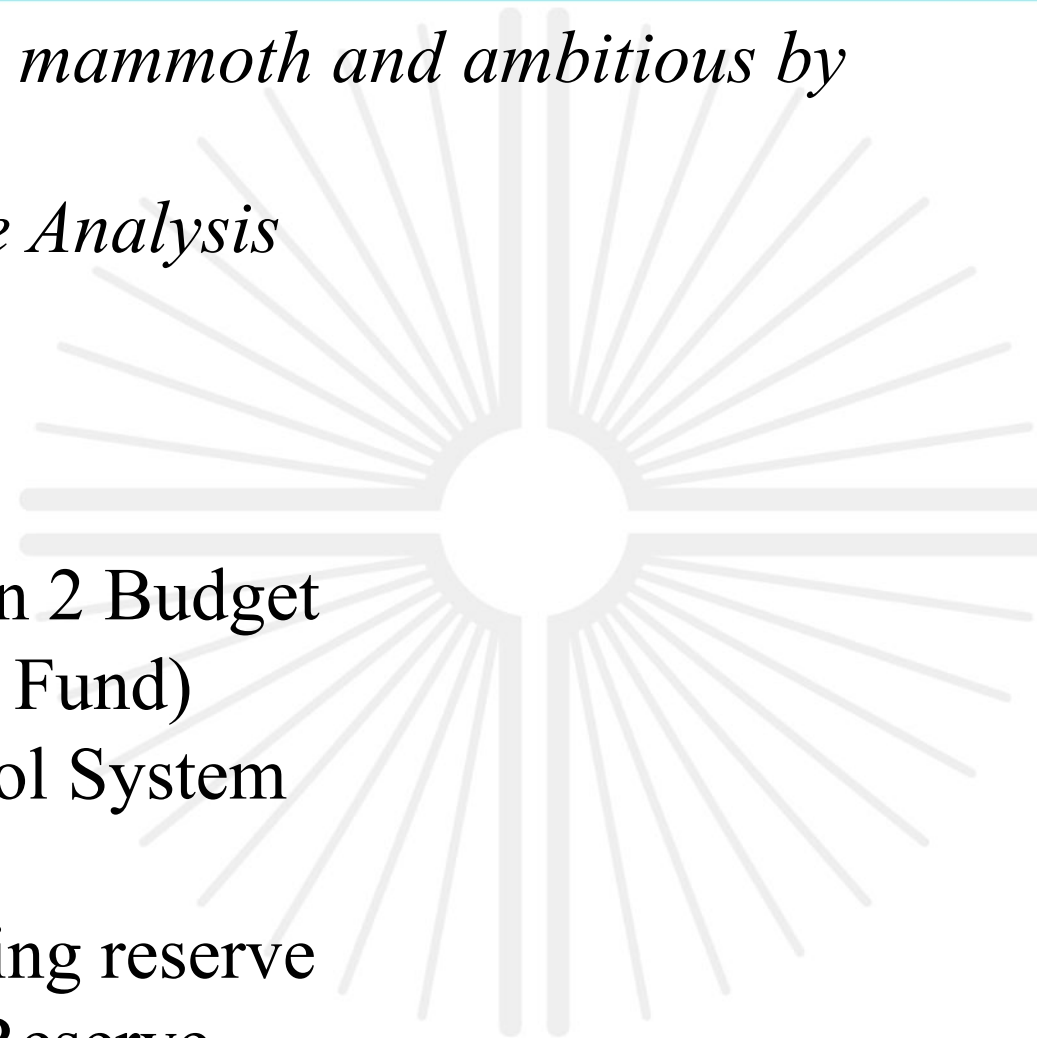
The Macro View of the State Budget



State Budget Overview—May Revise

Governor Newsom's revised budget proposal is mammoth and ambitious by design.

- \$75.4 billion state surplus
- \$25 billion in federal relief
- Deposits to reserves:
 - \$15.9 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund)
 - \$4.6 billion in the Public School System Stabilization Account
 - \$3.4 billion in the state's operating reserve
 - \$450 million in the Safety Net Reserve



State Budget Overview—May Revise

Governor Newsom's revised budget proposal is mammoth and ambitious by design.

Assembly Budget Committee Analysis

- Gann Limit *expected* to be exceeded in 2020-21 and 2021-22 by \$16.2 billion
- Proposition 98 is estimated at \$79.3 billion in 2019-20, \$92.8 billion in 2020-21, and \$93.7 billion in 2021-22, representing a three-year increase in the minimum Guarantee of \$17.7 billion over the level estimated in the Governor's Budget



League Priorities

League Priorities

An unallocated increase to the base, or COLA

Assist with pension obligations

Pay off deferrals

Deferred maintenance and instructional equipment

Multi-year flexibility in one-time funding



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Multi-year flexibility in one-time funding

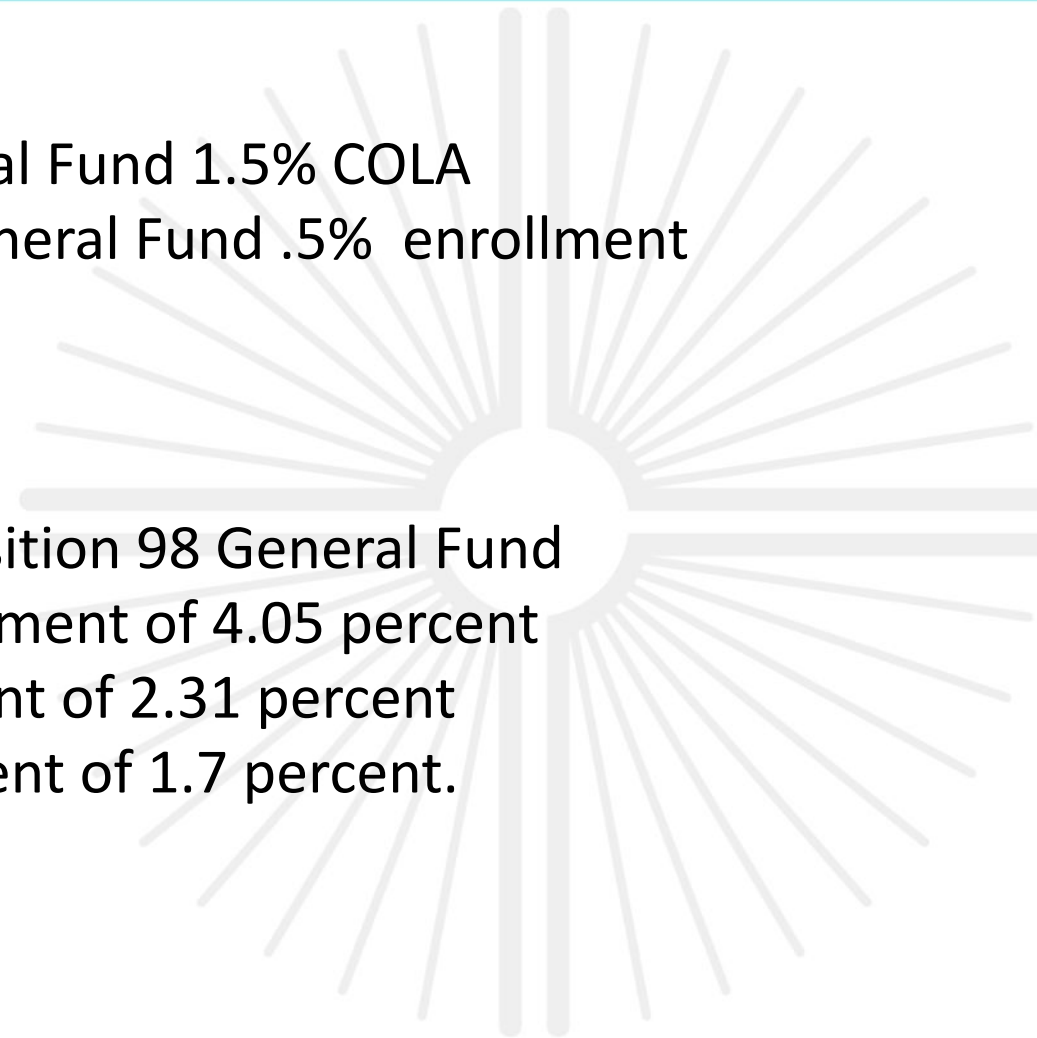
Cost-of-Living Adjustment (COLA)

• January

- \$111.1 million ongoing Proposition 98 General Fund 1.5% COLA
- Plus \$23.1 million ongoing Proposition 98 General Fund .5% enrollment growth

• May

- An **increase** of \$185.4 million ongoing Proposition 98 General Fund
- To reflect a compounded cost-of-living adjustment of 4.05 percent
- Represents a 2020-21 cost-of-living adjustment of 2.31 percent
- And a **revised** 2021-22 cost-of living adjustment of 1.7 percent.



Long-Term Retirement Liabilities

STRONG FISCAL FOUNDATION

\$10.9 Billion: Retirement Liabilities

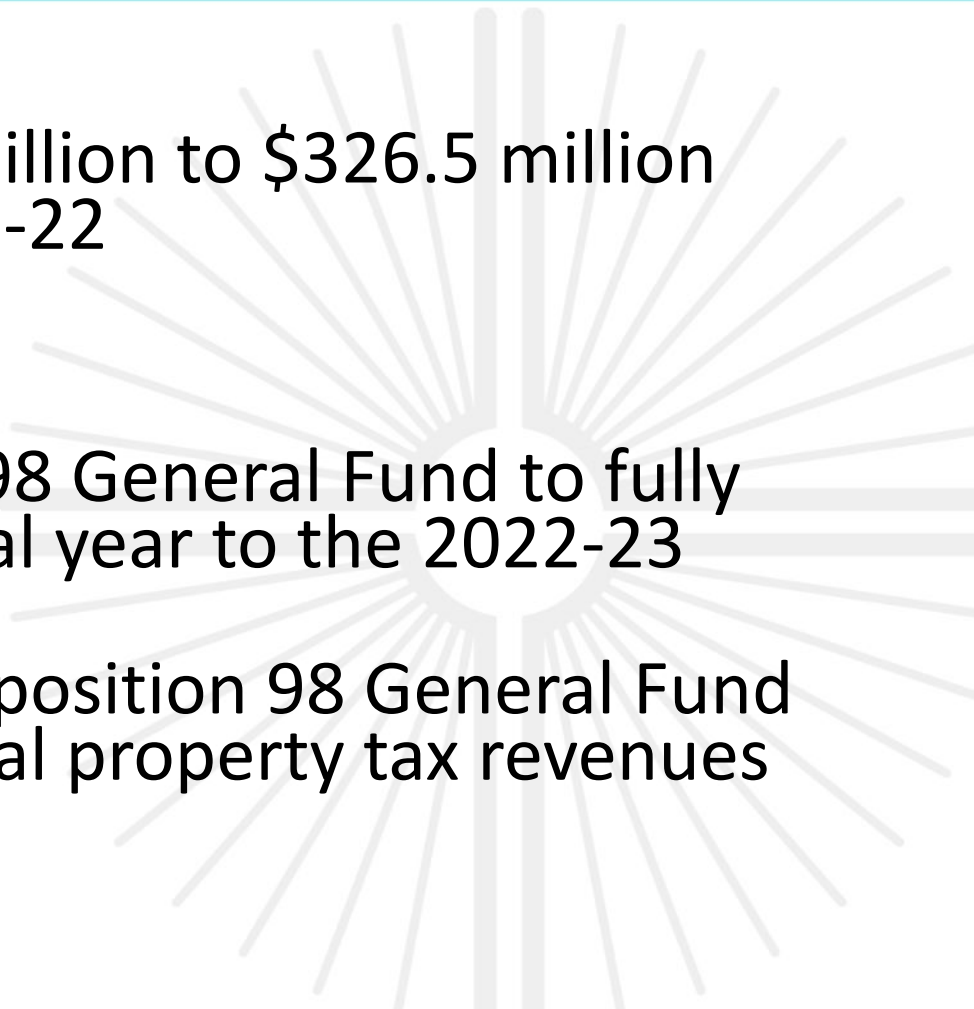
- **\$3.4 Billion:** Additional payments, 2021-2022
- **\$7.9 Billion:** Over next 3 years

Deferrals

- **January**

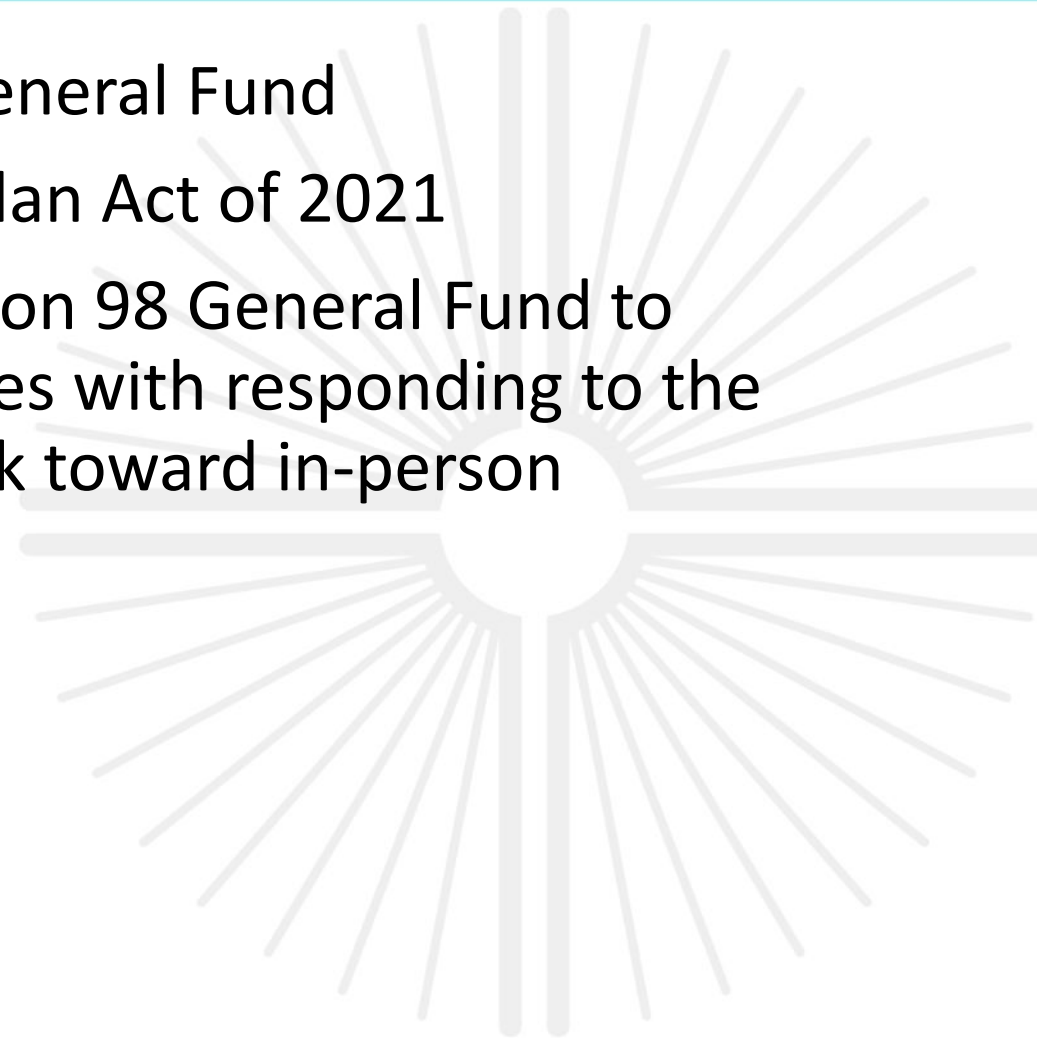
- Reduce deferrals by more than \$1.1 billion to \$326.5 million Proposition 98 General Fund for 2021-22

- **May**

- \$326.5 million one-time Proposition 98 General Fund to fully retire deferrals from the 2021-22 fiscal year to the 2022-23 fiscal year.
 - increase of \$62.4 million ongoing Proposition 98 General Fund as a result of decreased offsetting local property tax revenues
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Deferred Maintenance

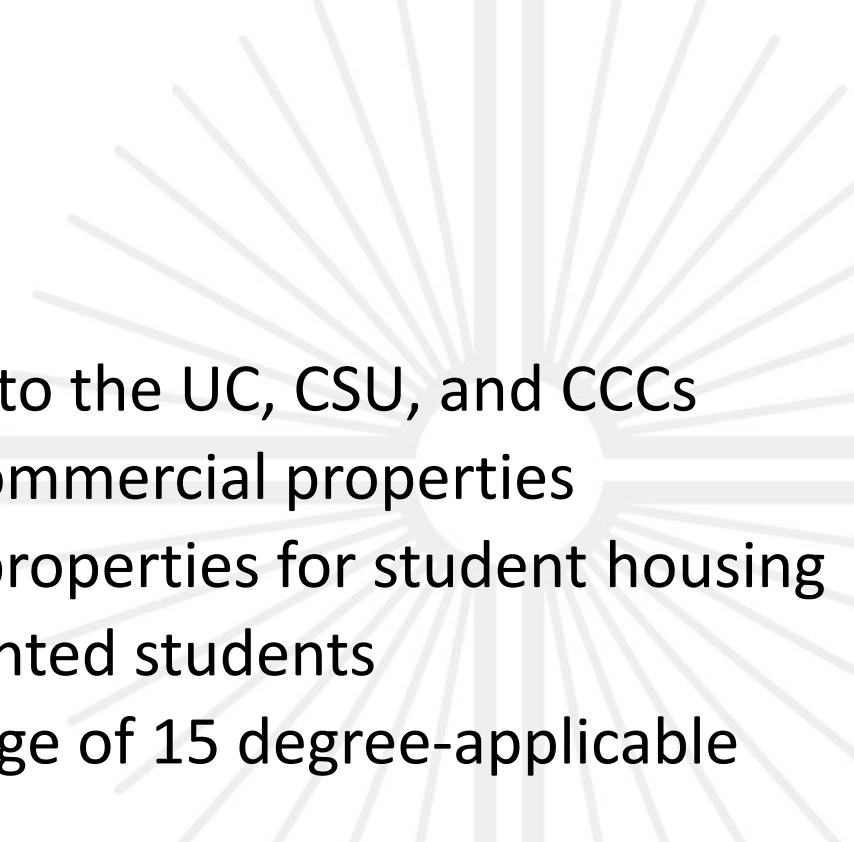
- \$314.1 million one-time Proposition 98 General Fund
- \$250 million one-time American Rescue Plan Act of 2021
- Increase of \$50 million one-time Proposition 98 General Fund to support grants to assist community colleges with responding to the COVID-19 Pandemic and transitioning back toward in-person education





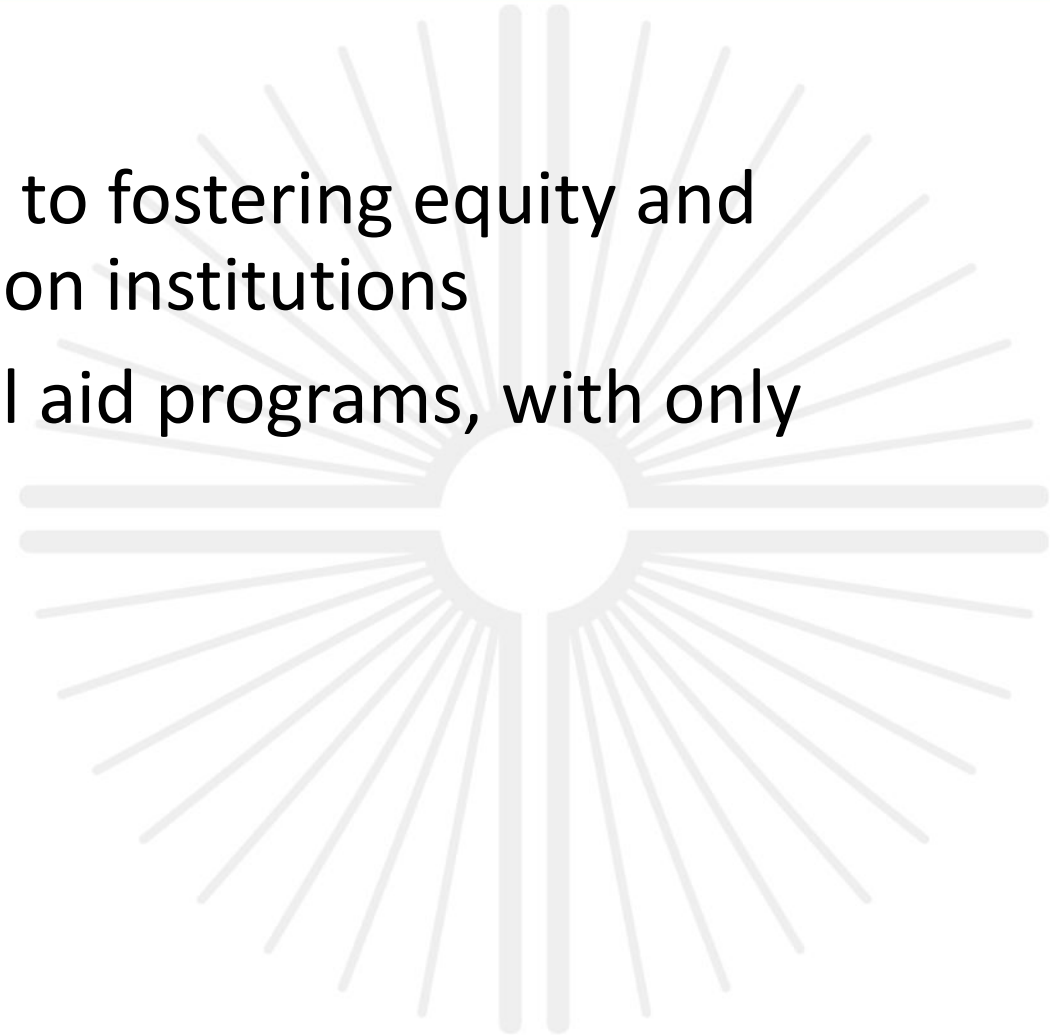
Other Higher Education Issues

Student Housing

- \$4 billion one-time General Fund
 - \$2 billion 2021-22 FY
 - \$2 billion 2022-23 FY
 - California School Finance Authority grants to the UC, CSU, and CCCs
 - Build new student housing or to acquire commercial properties
 - Prioritizing the conversion of commercial properties for student housing
 - Prioritizing low-income and under-represented students
 - Requiring student tenants to take an average of 15 degree-applicable units
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Financial Aid

- The Administration remains committed to fostering equity and access within the State's higher education institutions
- The May Revision maintains all financial aid programs, with only caseload adjustments.



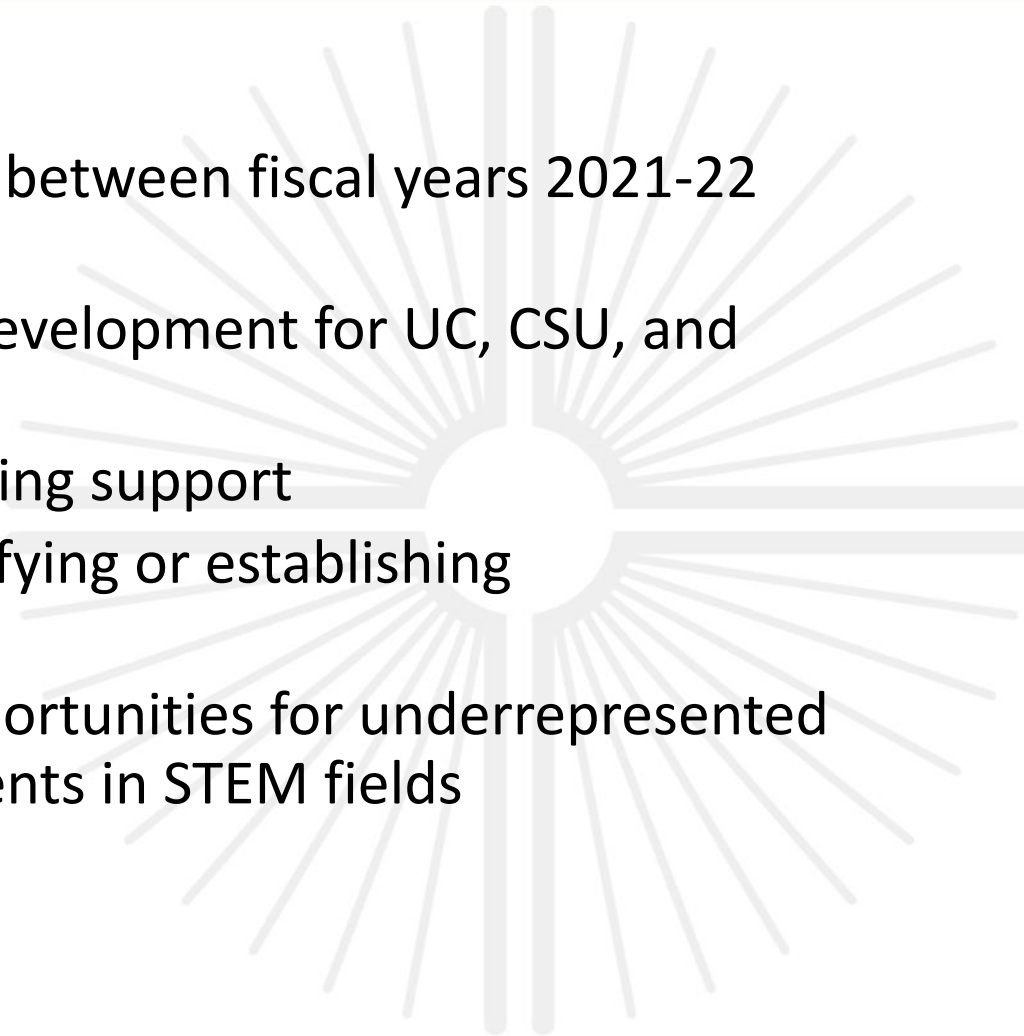


Workforce Investments

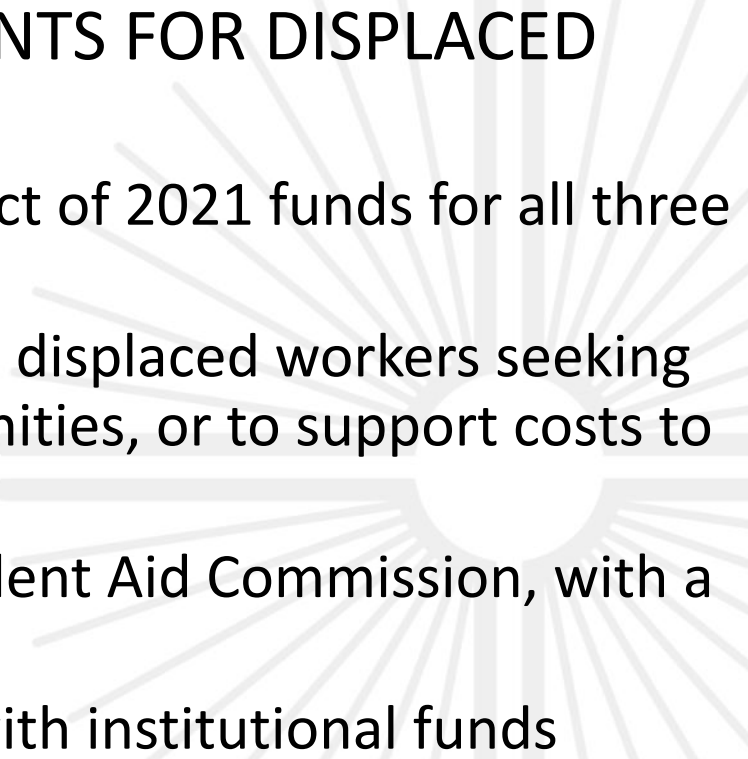
ADVANCING WORKERS IN A POST-COVID ECONOMY

- **LEARNING-ALIGNED EMPLOYMENT**

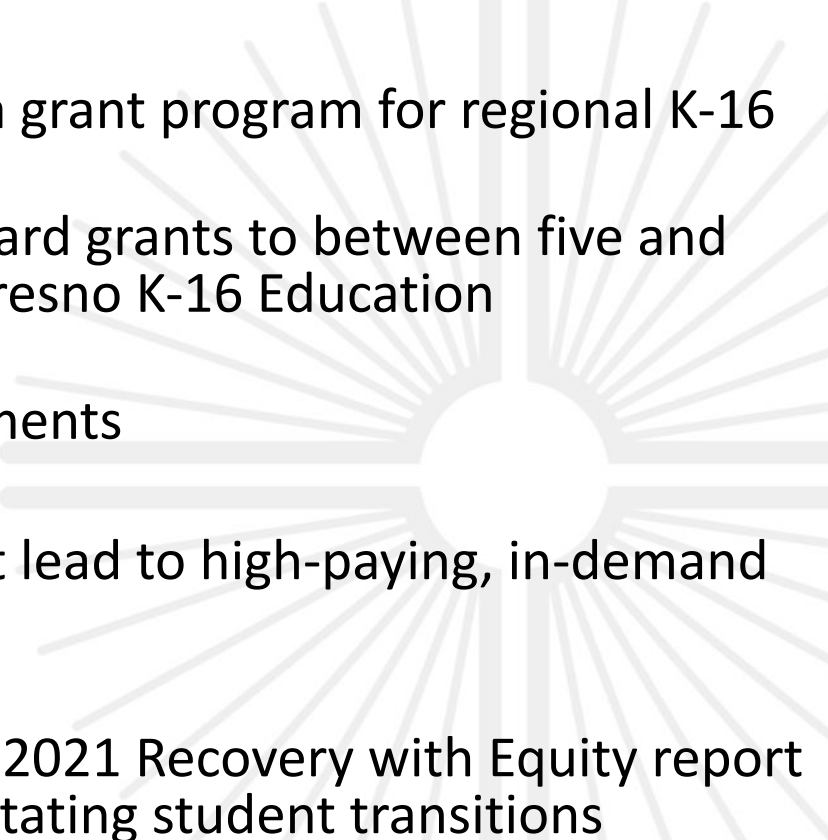
- \$1 billion one-time General Fund, split evenly between fiscal years 2021-22 and 2022-23
- promote learning-aligned, long-term career development for UC, CSU, and CCC students
- Established as an endowment to sustain ongoing support
- Strategically focusing campuses toward identifying or establishing partnerships with external employers
- Prioritizing learning-aligned employment opportunities for underrepresented students, particularly underrepresented students in STEM fields



ADVANCING WORKERS IN A POST-COVID ECONOMY

- EDUCATION AND TRAINING SUPPORT GRANTS FOR DISPLACED WORKERS
 - \$1 billion in one-time American Rescue Plan Act of 2021 funds for all three segments
 - CSAC offer one-time grant program to support displaced workers seeking reskilling and up-skilling, educational opportunities, or to support costs to start a business
 - Grant amounts will be determined by the Student Aid Commission, with a minimum amount of \$1,000 per grant.
 - Encouraging segments to match grant funds with institutional funds
- 

ADVANCING WORKERS IN A POST-COVID ECONOMY

- REGIONAL K-16 EDUCATION COLLABORATIVES
 - \$250 million one-time General Fund set-aside to a grant program for regional K-16 collaboratives
 - Governor's Office of Planning and Research to award grants to between five and eight regional collaboratives, modeled after the Fresno K-16 Education Collaborative.
 - Include at least one institution from all three segments
 - Must consider regional workforce needs
 - Focus on streamlining occupational pathways that lead to high-paying, in-demand jobs
 - Align higher education with workforce needs
 - Must adopt recommendations from the February 2021 Recovery with Equity report related to fostering inclusive institutions and facilitating student transitions
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WORKFORCE-FOCUSED INVESTMENTS: CCC Specific

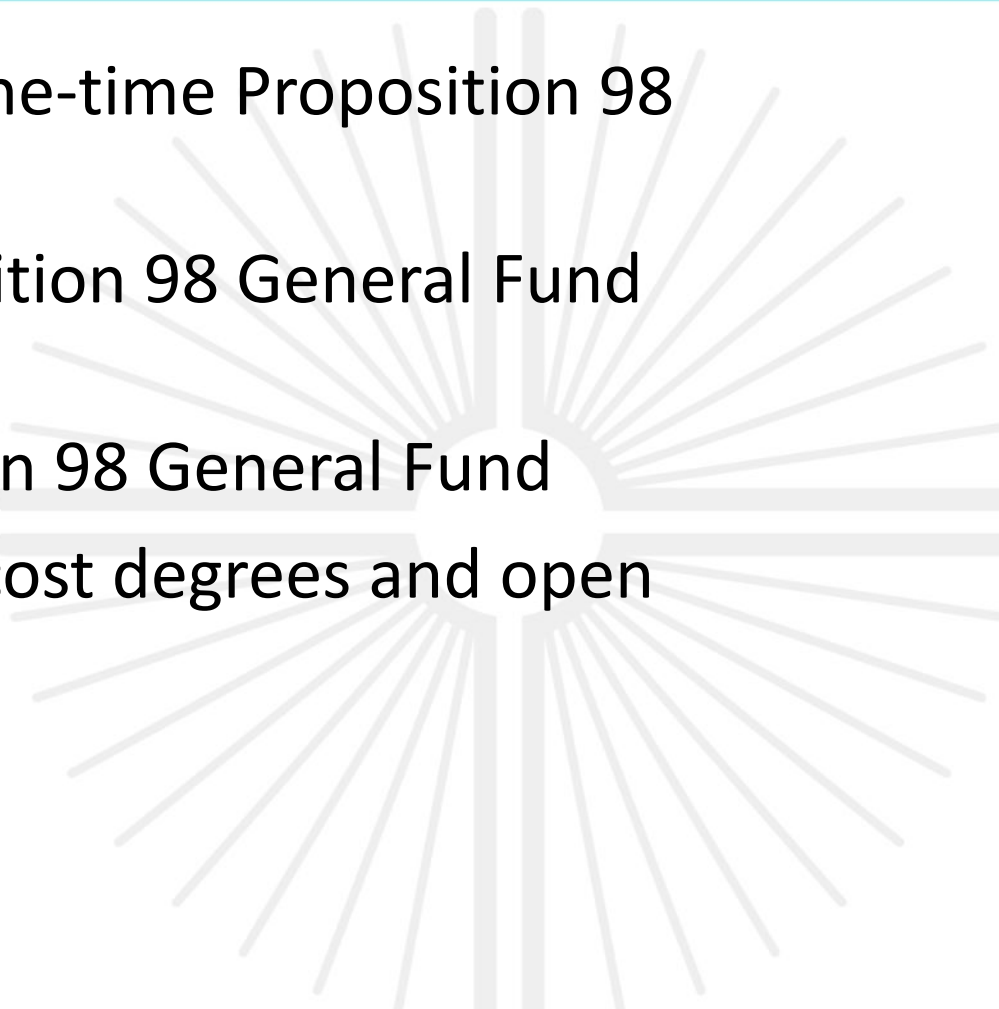
- High Road Training Partnerships and Regional Partnerships—increase of \$20 million **one-time** Proposition 98 General Fund.
- CCC Strong Workforce—increase of \$12.4 million **ongoing** Proposition 98 General Fund to increase program funding by five percent.
- Work-Based Learning—increase of \$10 million **one-time** Proposition 98 General Fund to develop work-based learning opportunities in (1) cloud computing, and (2) zero emissions and supply chain fields.
- Competency-Based Education Pilot—increase of \$10 million **one-time** Proposition 98 General Fund to pilot implementation of competency-based education at select community colleges.
- CCC Registry Modernization—An increase of \$1 million **one-time** Proposition 98 General Fund to support the modernization of the CCC Registry, an online database of job opportunities.



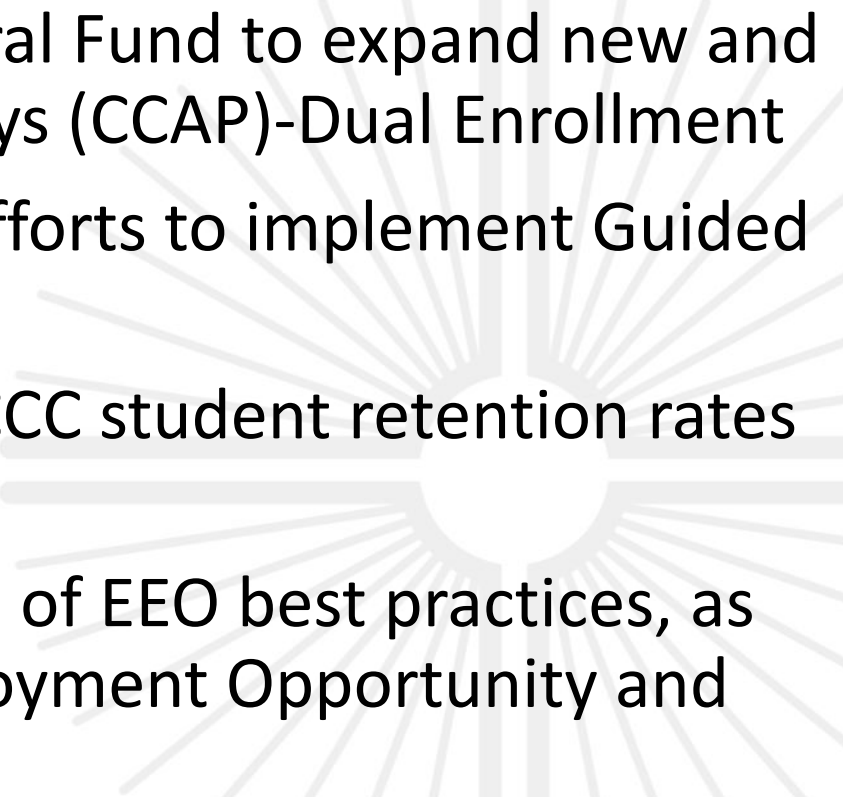
Student Services/Academic Programs



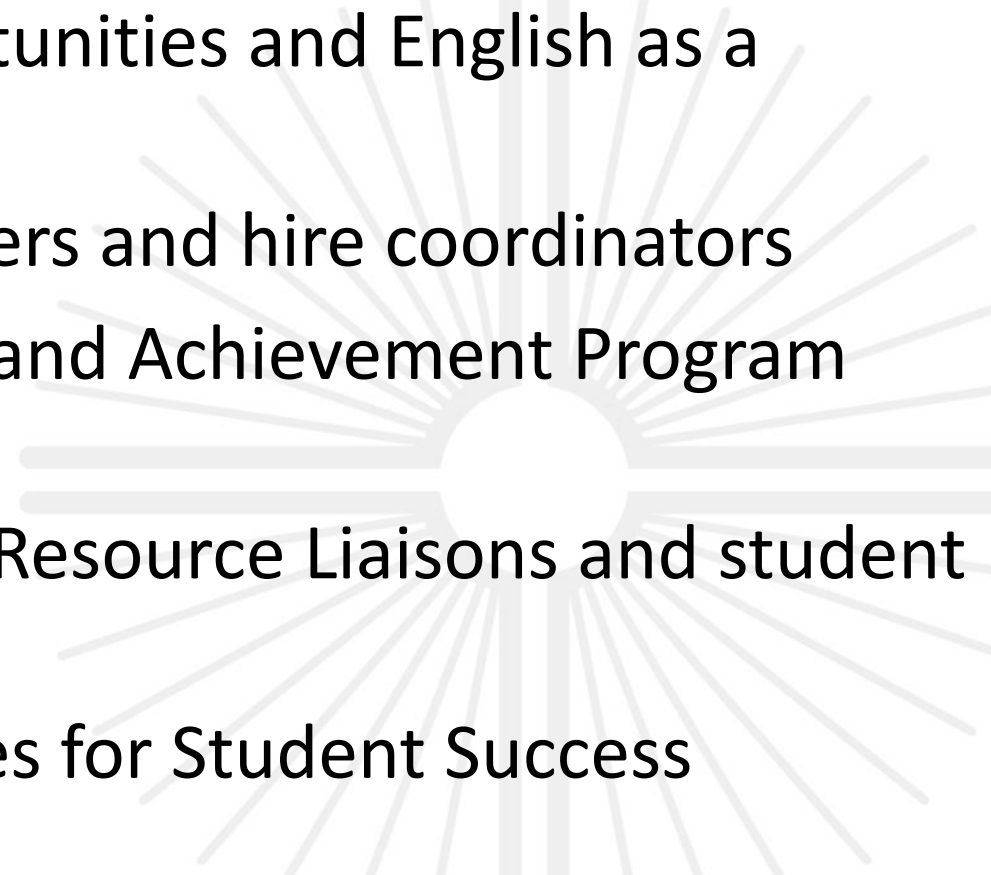
Zero-Textbook-Cost Degree (ZTC) Grant Program (One-Time

- The May Revision proposes \$100 million one-time Proposition 98 General Fund
 - In addition to \$15 million one-time Proposition 98 General Fund proposed in the Governor's Budget
 - A total of \$115 million one-time Proposition 98 General Fund
 - To develop and implement zero-textbook-cost degrees and open educational resources
- 

Student services/Academic Programs: One Time Prop 98 General Fund

- \$75 million one-time Proposition 98 General Fund to expand new and existing College and Career Access Pathways (CCAP)-Dual Enrollment
 - \$150 million to further support colleges' efforts to implement Guided Pathways programs
 - \$100 million to support efforts to bolster CCC student retention rates and enrollment
 - \$20 million to support the implementation of EEO best practices, as developed by the Chancellor's Equal Employment Opportunity and Diversity Advisory Committee
- 

Student Services/Academic Programs: Ongoing Prop 98 General Fund

- \$50 million for vocational training opportunities and English as a Second Language (ESL) programs
 - \$30 million to establish basic needs centers and hire coordinators
 - \$23.8 million to increase Student Equity and Achievement Program funding by five percent
 - \$5.8 million to further support Dreamer Resource Liaisons and student support services
 - \$27.2 million to support revised estimates for Student Success Completion Grant
- 

Technology Investments

- Program Pathways Technology—An increase of \$10 million **ongoing** Proposition 98 General Fund to for the systemwide acquisition of software to assist students with their curricular pathways
- Common Course Numbering—An increase of \$10 million **one-time** Proposition 98 General Fund to plan for and begin developing a common course numbering system throughout the community college system
- Library Services Platform—An increase of \$4 million **ongoing** Proposition 98 General Fund to support a systemwide technology platform

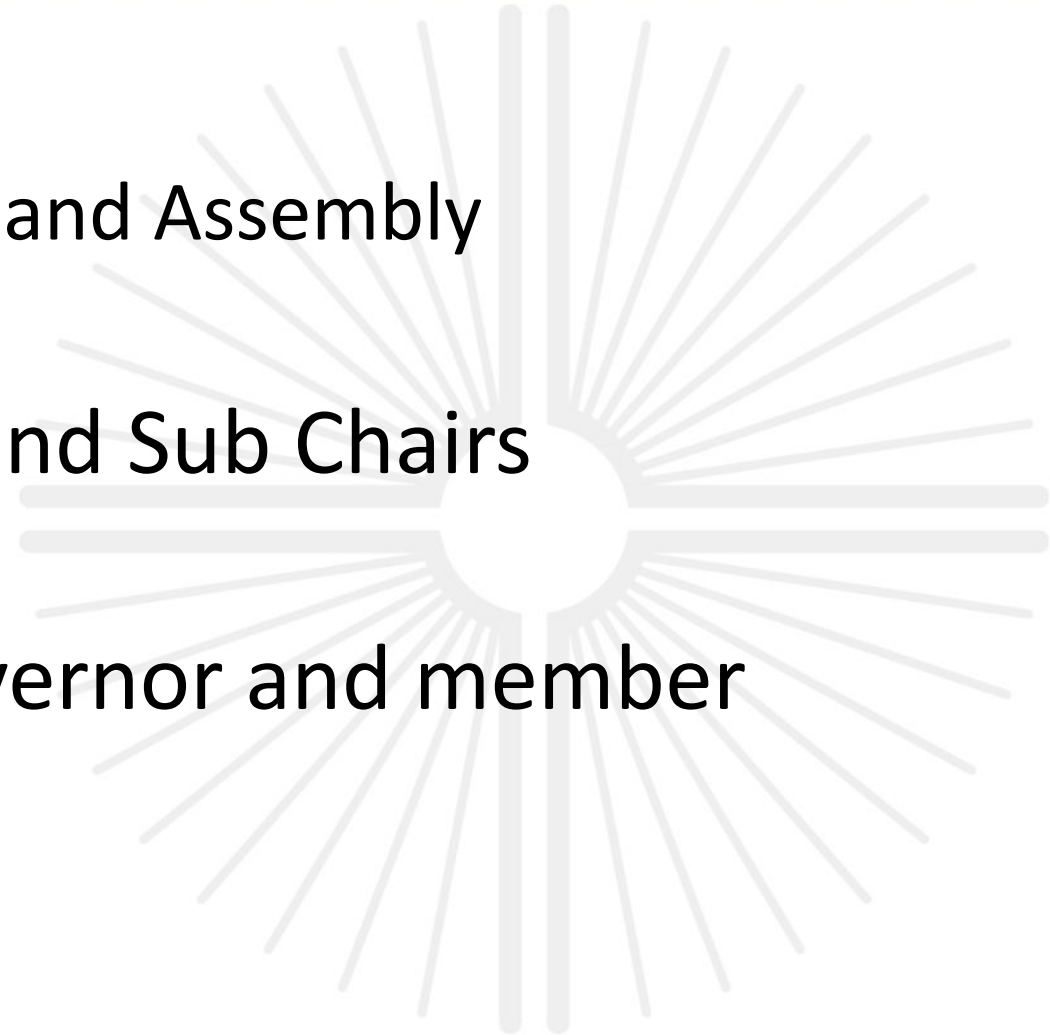


Next Steps



How you can help

- **In next two Weeks**
- Engage your members of the Senate and Assembly
 - Use the League's talking points
- Send letter to the Budget Chair and Sub Chairs
 - Use League's letter template
- Post on social media tagging Governor and member
 - Thank Governor and Members





Legislative Update

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

Senate and Assembly Appropriations Committees

- All legislation with a small fiscal cost must pass out of either the Senate or Assembly Appropriations Committees by May 21st.
- Intended to consider the overall context of approved spending.
- Theoretically focused on fiscal implications of bills.



Senate and Assembly Appropriations Committees



- Opportunity for leadership to amend bills outside of the policy committee process.
- Will likely see a number of bills held in each committee or significantly amended to reduce costs.
- Vast majority of community college related legislation are in these committees

Bills for Discussion:

Basic Needs and Student Mental Health:

AB 775 (Berman) Basic Needs Centers

AB 940 (McCarty) Student Mental Health

AB 1326 (Arambula) County Liaisons

Collective Bargaining:

AB 275 (Medina) Classified Employees

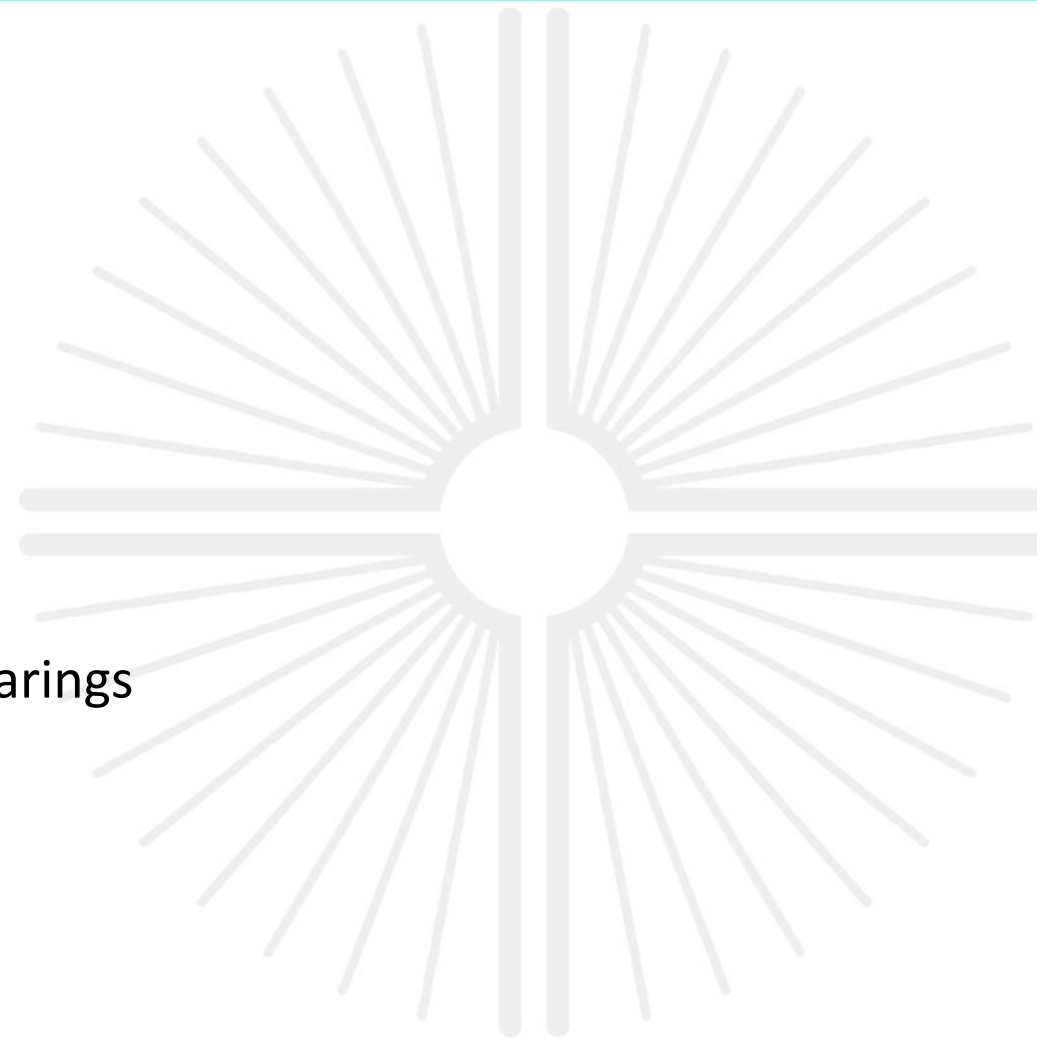
AB 375 (Medina) Part Time Faculty Load

AB 438 (Reyes) Classified Employees: Layoff Notices and Hearings

SB 205 (Leyva) Employee Sick Leave

SB 270 (Durazo) Employee Information

Facilities:



Basic Needs and Student Mental Health:

AB 775 (Berman) Basic Needs Centers

AB 940 (McCarty) Student Mental Health

AB 1326 (Arambula) County Liaisons

AB 775 (Berman) Basic Needs Centers

Would mandate that colleges hire a full-time basic needs coordinator and a basic needs center intended to connect eligible students to programs that might fulfill student basic needs.

Location: Assembly Suspense File

AB 940 (McCarty) Student Mental Health

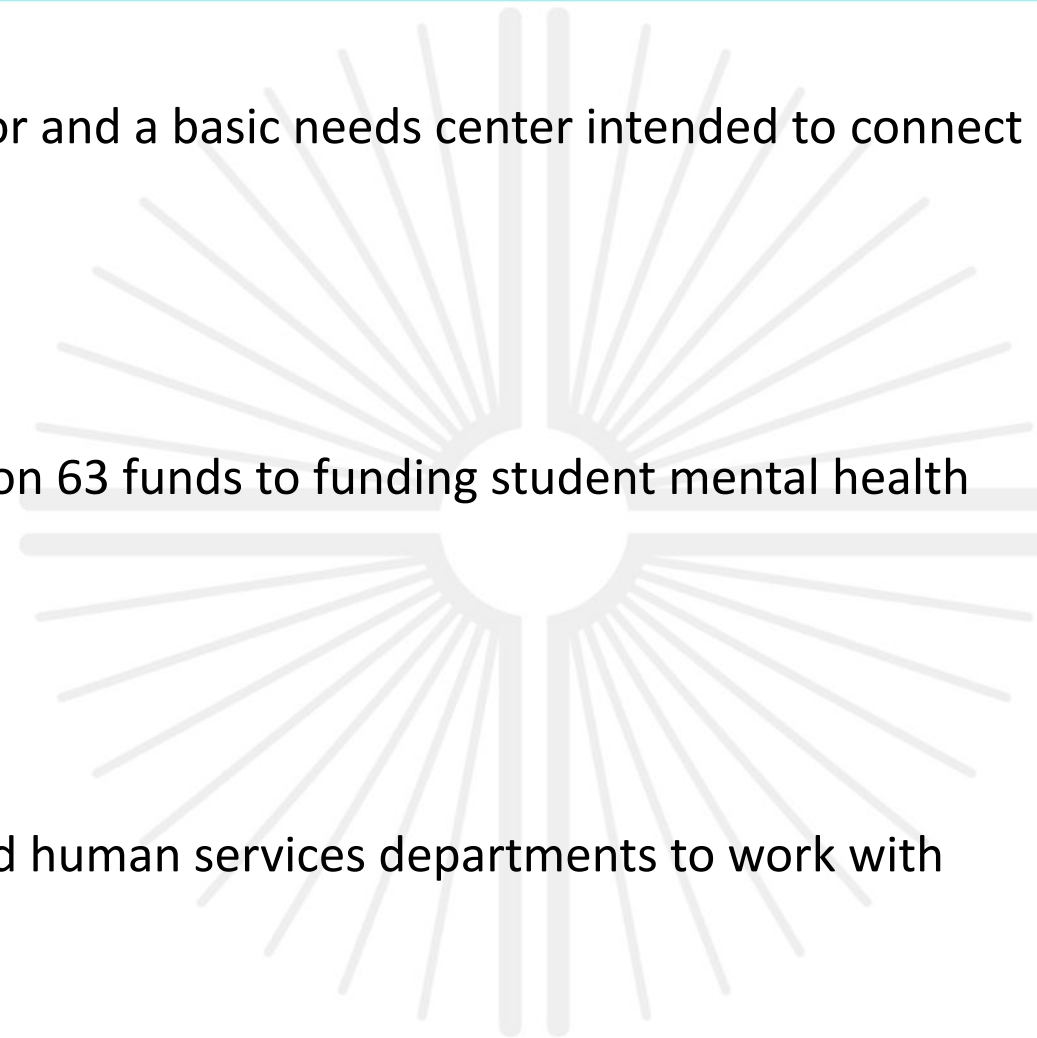
Would appropriate an unspecified amount of dollars from Proposition 63 funds to funding student mental health programs.

Location: Assembly Suspense File

AB 1326 (Arambula) County Liaisons

Would require counties to designate a liaison within their health and human services departments to work with colleges to connect eligible students to basic need services.

Location: Assembly Suspense File



Collective Bargaining :

AB 275 (Medina) Classified Employees

AB 375 (Medina) Part-Time Faculty Load

AB 275 (Medina) Classified Employees

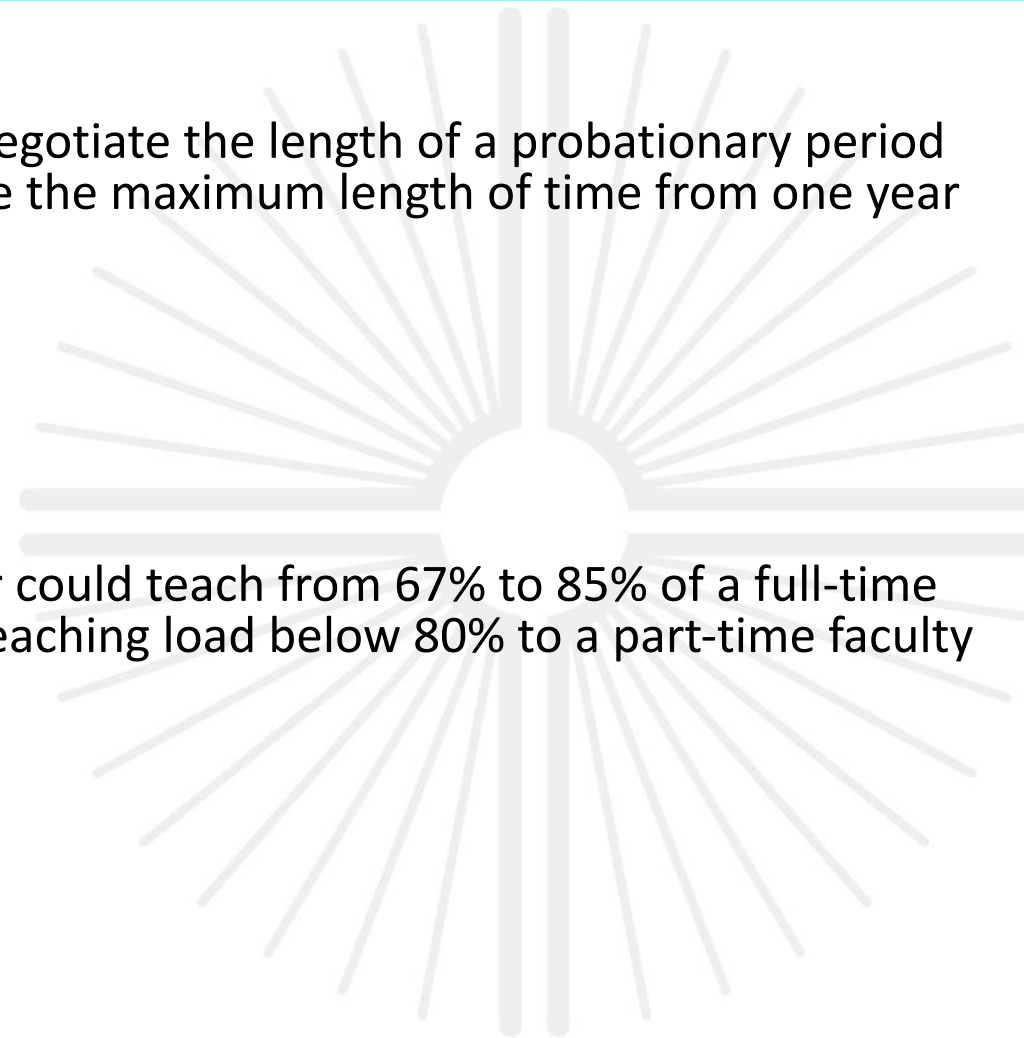
Currently colleges and collective bargaining units are permitted to negotiate the length of a probationary period for a newly hired employee for up to one year. This bill would reduce the maximum length of time from one year to six months.

Location: Senate Education Committee

AB 375 (Medina) Part Time Faculty Load

Would increase the level of teaching load a part-time faculty member could teach from 67% to 85% of a full-time faculty member. A college would be prohibited from assigning a teaching load below 80% to a part-time faculty member who has achieved reemployment rights.

Location: Assembly Suspense File



Collective Bargaining:

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

AB 438 (Reyes) Classified Employees: Layoffs

SB 205 (Leyva) Employee Sick Leave

SB 270 (Durazo) Employee Information

AB 438 (Reyes) Classified Employees: Layoff Notices and Hearings

Would provide classified school employees with the same rights to a notice and hearing with respect to layoffs as is provided to certificated employees of school districts or academic employees at community colleges.

Location: Assembly Suspense File

SB 205 (Leyva) Employee Sick Leave

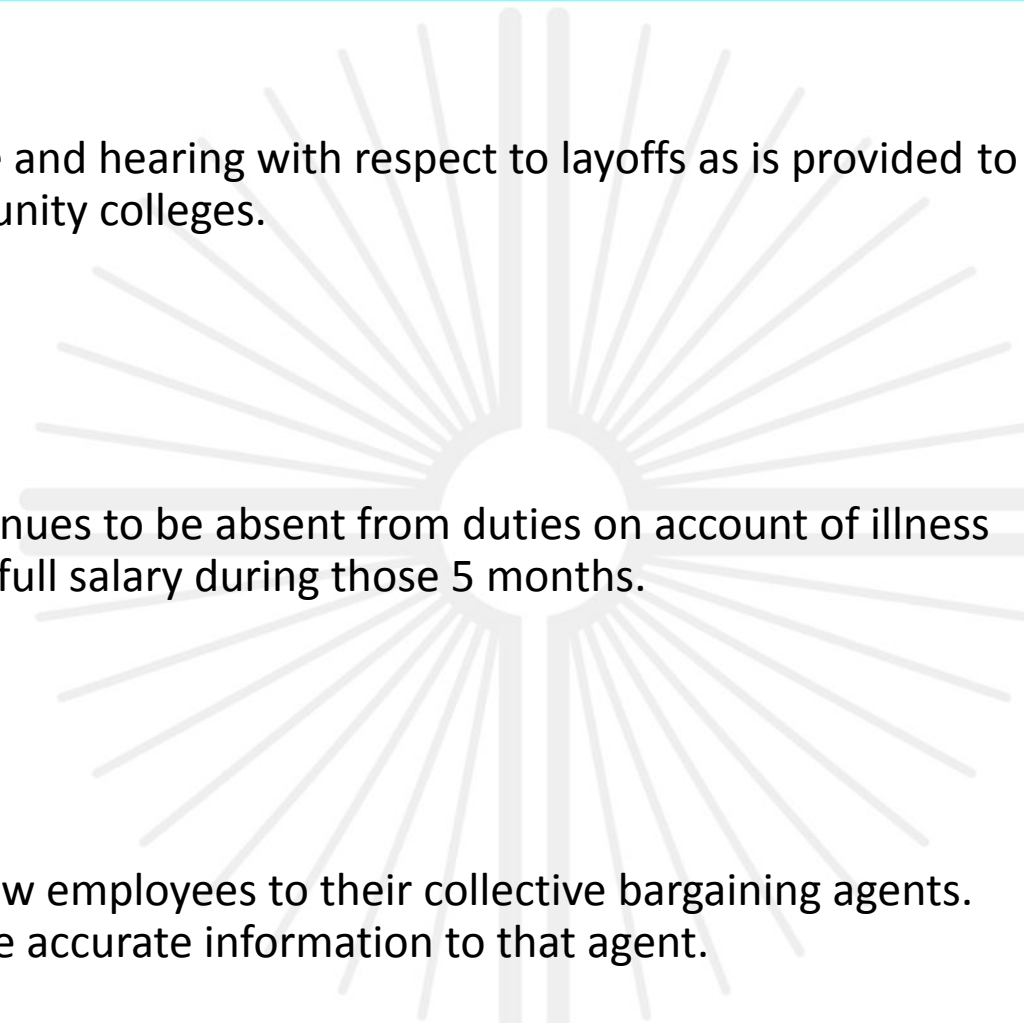
Would require an employee, who exhausts all available sick leave and continues to be absent from duties on account of illness or accident for an additional period of 5 months to receive the employee's full salary during those 5 months.

Location: Senate Suspense File

SB 270 (Durazo) Employee Information

Current law requires public employers to provide contact information of new employees to their collective bargaining agents. This bill would make public employers eligible for fines if they fail to provide accurate information to that agent.

Location: Senate Suspense File



Facilities:

AB 75 (O'Donnell) K-14 Statewide General Obligation Bond

SB 22 (Glazer) K-16 Statewide General Obligation Bond

AB 75 (O'Donnell) K-14 Statewide General Obligation Facility Bond

Would authorize a K-14 facility bond to go onto the 2022 ballot. Does not specify an amount.

Location: Assembly Suspense File

SB 22 (Glazer) K-16 Statewide General Obligation Facility Bond

Would authorize a K-16 facility bond to go onto the 2022 ballot, generating \$15 billion.

Location: Senate Suspense File



Financial Aid Reform: AB 1456 (Medina) Financial Aid Reform

AB 1456 (Medina) Financial Aid Reform

Would reform the state's system of financial aid by:

- Creating two new Cal Grant Awards focused on either four or two year students.
- Significantly expanding number of students eligible for award.
- Two-year award focused on access costs.

Location: Assembly Suspense File



Housing:

AB 306 (O'Donnell) Student and Employee Housing

AB 1377 (McCarty) Student Housing Revolving Loan Fund



AB 306 (O'Donnell) Student and Employee Housing

Would Exclude any employee or student housing built on a school or community college district property from Department of State Architect oversight.

Location: Senate Education Committee

AB 1377 (McCarty) Student Housing Revolving Loan Fund

Would establish a revolving loan fund in which the community colleges, California State University and the University of California can access to build affordable student housing.

Location: Assembly Suspense File

Advocating for an E-Shaped Recovery



Economic recovery starts with **Equity**.

And it starts **right now**.

When we invest in **California Community Colleges**, we all advance.



COMMUNITY
COLLEGE LEAGUE
OF CALIFORNIA

#EquityinEducation
#EShapedRecovery



QUESTIONS

Please insert your questions in the chat





THANK YOU!

