

## Board of Trustees Regular/Committee Meeting (IV.C)

Meeting	February 1, 2022
Agenda Item	Resources (IV.C)
Subject	Resources Committee Presentation for FY 2022-23 Governor's Budget Proposal
College/District	District
Funding	N/A
Recommended Action	Information Only

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### Background Narrative:

Staff will present information for the Board's review on the FY 2022-23 Governor's Budget Proposal released on January 10, 2022.

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# FY 2022-23 Governor's Budget Proposal

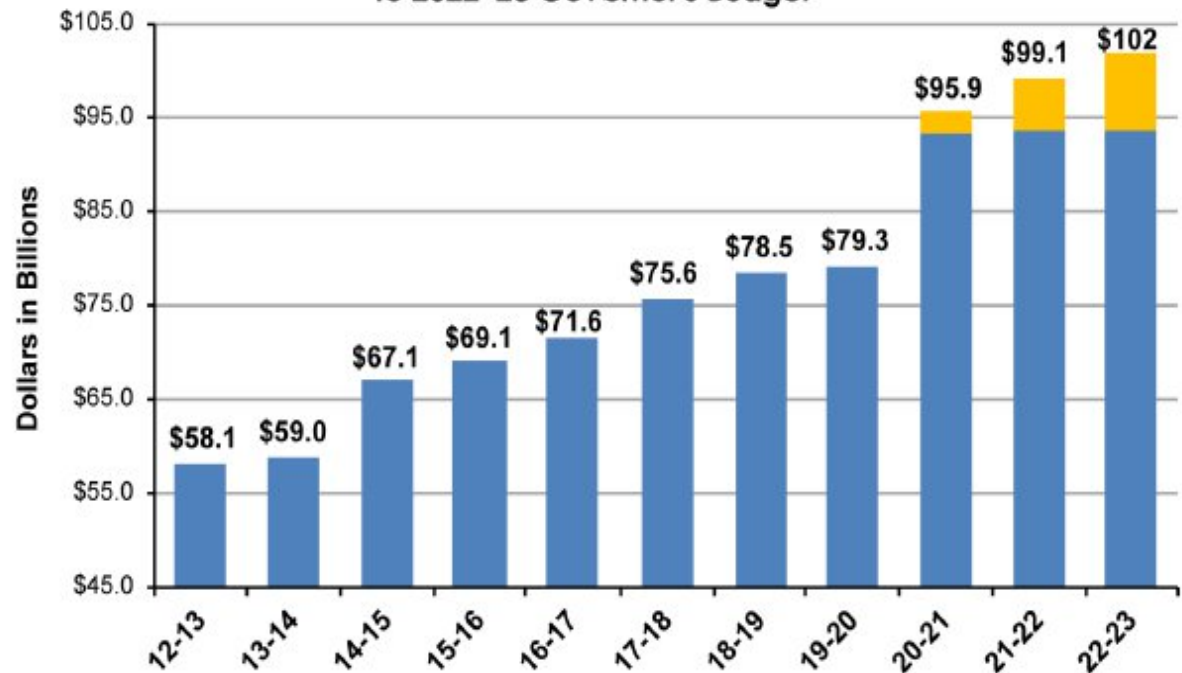
February 1, 2022



# Proposition 98 Minimum Guarantee

- FY 2021-22 approved budget set the K-14 minimum guarantee at \$93.8 billion...now revised to \$99.1 billion.
- FY 2022-23 - Governor estimates the guarantee at \$102 billion.
  - An increase over the 2021 Budget Act of \$8.2 billion, 8.74%
  - Community College share of Proposition 98 – 10.93%
  - 75.56% increase since 2012-13

Proposition 98 Funding 2021 Budget Act to 2022-23 Governor's Budget





# FY 2022-2023 Governor's Budget Proposal

Base Changes  
(In Millions)

<u>Unrestricted Ongoing Revenues</u>	<u>Community College System</u>
<u>Apportionment*</u>	
Growth (.50%)	\$ 25
COLA (5.33%)	409
Total Apportionment/Unrestricted Ongoing Revenues	<u>\$ 434</u>
<u>Unrestricted One-Time Revenues</u>	<u>\$ -</u>
Total Unrestricted Revenues	<u><u>\$ 434</u></u>

\*These funding increases will be reflected in the rates for the Base, Supplemental, and Student Success allocations under the Student Centered Funding Formula.



# FY 2022-2023 Governor's Budget Proposal

Base Changes  
(In Millions)

Restricted Ongoing Revenues

	Community College System
COLA for Categorical Programs	\$ 51
Modernize Technology and Data Protection	25
Part-Time Faculty Health Insurance	200
Support for Financial Aid, Next Up, EEO Best Practices, A2MEND	31
Augment Student Success Completion Grants	100
Total Restricted Ongoing Revenues	\$ 407



# FY 2022-2023 Governor's Budget Proposal

Base Changes  
(In Millions)

<u>Restricted One-Time Revenues</u>	<u>Community College System</u>
Enrollment and Retention	\$ 150
Healthcare Vocational Pathways in Adult Education	130
Common Course Numbering	105
Modernize Technology and Data Protection	75
Implement Transfer Reforms (AB928)	65
Implement Intersegmental Curricular Pathways Mapping	25
Emergency Financial Assistance To AB540 Students	20
Implementation High Skilled Careers Pathways	20
Teacher Credentialing Patnership Program	5
Total Restricted One-Time Revenues	<u>\$ 595</u>
Total Restricted Revenues	<u>\$ 1,002</u>



# FY 2022-2023 Governor's Budget Proposal

## Base Changes (In Millions)

<u>Other</u>	Community College System
Deferred Maintenance and Instructional Equipment	\$ 388
Proposition 51 - State GO Bond (18 Continuing Projects)	373
Total "Other" Restricted Revenues	\$ 761



# FY 2022-2023 Governor's Budget Proposal

Pension Relief - The 2020 Budget Act redirected funds previously designated for a long-term buy down of pension liabilities, and instead used them to reduce employer pension contributions in FY 2020-21 and FY 2021-22 by approximately 2% each year. The Governor's FY 2022-23 Budget Proposal does not provide for any additional pension relief for community college districts.

Instructional Delivery Expectations - The proposed budget expects districts to offer at least 50% of lecture and laboratory course sections in-person, provided it is consistent with student demand and health guidelines.

Hold Harmless Protection - The proposed budget modifies the apportionment "Hold Harmless" protection measures for non-SCFF Districts to establish a new funding "Floor" in FY 2024-25 when "Hold Harmless" expires. Future apportionment revenue would not drop below this "Floor". Funding rates under the SCFF would adjust each year based on COLA but the revised "Hold Harmless" or "Floor" would no longer adjust for COLA.





# FY 2022-2023 Governor's Budget Proposal

Emergency Conditions Allowance - The budget proposal does not extend the emergency conditions allowance and the state Chancellor's Office has indicated that the governor has no interest in extending it, at least until PI FTES attendance is reported. The emergency conditions allowance prevents apportionment decreases due to enrollment declines. However, it does not prevent apportionment decreases if SCFF supplemental or success metrics decline. For FY 2021-22, the districts supplemental metrics declined by approximately 7,300 resulting in a potential apportionment decrease of over \$7 million from what was budgeted in FY 2021-22.