

2021-2022 Governor's January Budget Issued January 8th, 2021

Funding for California Community Colleges

Ongoing Funding:

- \$111.1M: 1.5% COLA for the Student-Centered Funding Formula
 - GCCCD = \$1.7 million
 - Will not cover our increased cost in salaries & benefits
- \$23.1M: .5% enrollment growth
 - District will not benefit since our enrollment has been declining
- \$30M: Increase access to online technology and mental health services
- \$15M: Expand California Apprenticeship Initiative
- \$10.6M: Invest in online education ecosystem and infrastructure
- \$6.1M: 1.5% COLA for certain categorical programs (CalWORKS, Campus Childcare, DSPS, EOPS, apprenticeships)

One-time Funding:

- \$250M: Provide emergency financial assistance grants for students, including an Early Action Package intended to go out quickly this spring
- \$100M: Address students' basic needs for food and housing insecurities over three years
- \$20M: Support retention and enrollment strategies
- \$20M: Expand work-based learning
- \$20M: Increase faculty professional development
- \$15M: Expand zero-textbook cost pathways
- The budget proposal includes paying back \$1.1 billion of the \$1.5 billion in deferrals included in the 2020-2021 budget. However, we were advised yesterday that the deferrals will be maintained and GCCCD will have to proceed with a Tax Revenue Anticipation Note (TRAN) in order to maintain operations. Doesn't impact revenue, but has a significant impact on cash flow and we will have issuance costs to pay this year and interest expense to pay next year, both of which are unbudgeted.

Funding for the Strong Workforce program would remain the same at \$248 million and the California College Promise, which offers free tuition to first-time college students, would decrease by 7.8%.

Estimated one-time allocation of \$2.9 billion in federal stimulus funding for higher education in California.

Policy Directions

The 2021-2022 proposed state budget also includes some important policy matters including:

- An expectation that community college districts submit actionable plans to close equity gaps in order to be eligible to receive the 1.5% COLA
- An Early Action Package targeting resources for students most impacted by the economic crisis
- A 10% increase in online courses above the 2018-2019 level
- An expectation for improved alignment across the segments of higher education
- A requirement that high school students apply for federal financial aid in their senior year