



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

| *Community College District*

# **FY 2021-22 Governor's Budget Proposal**

**January 22, 2021**



# What We'll Cover:

- **Governor's January Budget Proposal**
  - Released on January 8<sup>th</sup>, Governor Newsom's proposed budget provides a stark contrast to the previous pessimistic assumptions
- **Federal Stimulus Funds**
  - The latest round of \$20.2 billion in federal funds for higher education provide welcome relief for the colleges and its students
- **Enrollment Update**
  - With enrollment continuing to decline it is imperative to evaluate FTES targets and recognize the financial challenges it presents



# Governor's Proposal:

- Overall
  - The proposed budget is reflective of updated revenue assumptions that align with actual tax receipts; the state's original revenue forecasts proved far more pessimistic than what ultimately materialized
- Proposition 98 Funding
  - Estimated at \$85.8 billion, the highest funding level in history.
- Non-Proposition 98 Funding
  - \$2.3 billion to buy-down employer pension rates in FY 2021-22 (CalPERS and CalSTRS).



# Budget Windfall:

- Governor's Proposal
  - Recognizing \$15 billion in one-time revenue (LAO had projected \$26 billion)
- Uses:
  - Paying off two-thirds of the K-14 deferrals
  - Deposit \$3 billion into the Public School System Stabilization Account
  - Other proposals (\$600 relief payments, additional assistance to small businesses, homelessness, etc.)



# Community College System:

- 1.5% COLA
  - Approximately \$1.7M in additional, ongoing revenue for the District
  - K-12 received a 3.84% COLA
- 0.5% Growth:
  - The District will almost certainly be unable to access any growth funding
- \$150M for emergency financial aid for students
  - Assuming funding is distributed by FTES, the District should anticipate receiving approximately \$2.2M



# Community College System:

- \$100M to address food and housing insecurity
  - Assuming funding is distributed by FTES, the District could anticipate receiving approximately \$1.5M
- Other Items
  - Technology Access for students
  - Professional Development for Faculty to teach online
  - Zero-Textbook-Cost Degrees



# Federal Stimulus Funds:

<b>Higher Education Relief Fund (ESTIMATED)</b>			
	Institutional Aid	Student Aid	Total Allocation
Chabot College	7,097,580	2,227,420	9,325,000
Las Positas College	4,524,254	1,489,746	6,014,000
<b>District Total</b>	<b>\$11,621,834</b>	<b>\$3,717,166</b>	<b>\$15,339,000</b>

*Source: American Council on Education*





# Federal Stimulus Funds:

- Approximately 25% of the funds in direct emergency grants to students
  - The dollars in direct emergency student aid is likely to have the same high level of flexibility for institutions to set their specific criteria for qualifications
- Institutional Funds
  - While no official or formal guidance has been released from the Department of Education, early indications are greater flexibility will be granted to these funds than previous institutional dollars
- California Advocacy
  - California was successful in advocating for distribution of dollars based upon headcount as opposed to the previous FTES methodology





**Questions?**