

Jolley, Kate

From: Jolley, Kate
Sent: Tuesday, May 19, 2020 6:07 PM
To: Jolley, Kate
Subject: 2020/21 Budget Update for May Revise

Sent bcc: DL.STAFF.ALL

Dear Colleague,

Governor Newsom released the May Revise to the 2020/21 budget on May 14, 2020. Although there was the acknowledgement that community colleges will likely see increased demand, we were not surprised to see reductions to budget allocations that are in line with a likely coronavirus-caused national recession. Our entire college has done an amazing job of implementing the long-range plan back to fiscal health, and while the timing of this recession could not be worse, I am confident that we will get through this challenge as we have many others.

The revised budget proposal includes a significant funding decrease for California community colleges. The proposals were broken into two parts:

1. Reductions that are certain to occur.
2. Reductions that will only occur in the absence of additional funding from the federal government.

Advocating with our state and federal representatives will be critical over the coming months to potentially offset some of the reductions below.

The highlights for changes proposed to occur regardless include:

- Maintaining the College Promise fee waiver and Cal Grant Awards
- Maintaining the EOPS and DSPS programs at current funding levels and keeps the \$10M commitment to support immigrant legal services
- Maintaining the January proposal of \$106.4M for the California Community Colleges System Support Program (and resulting reallocations from other programs)
- Maintaining the January proposal of \$1M for the Equal Employment Opportunity Program
- A reduction of employer PERS (1.97%) and STRS (0.95%) rates for 2020/21 and 2021/22 (unrestricted general fund)
- Providing \$130.1M in backfills for anticipated 2020/21 property tax shortfall
- Funding the capital outlay projects proposed in January
- Deferrals of \$330M in 19/20 and \$662M in 20/21. While this helps offset additional budget reductions, it creates a cash flow deficit that will need to be addressed
- Elimination of proposals from the January budget including:
 - \$700K for the implementation of SB206 for student athletes with the expectation that fundraising be done instead
 - \$11.4M for Food Pantries and \$5.8M for the Dreamer Resource Liaison funding, which are both now required to be funded by Student Equity and Achievement (SEA) funds
 - \$15M for the faculty pilot fellowship program
 - \$10M for part time faculty office hours
 - \$10M for developing and implementing zero cost textbook degrees
 - \$13M for deferred maintenance and instructional materials
 - \$5M for instructional materials for dual enrolled students
- Elimination of the 2.31% COLA for the categorical programs

The highlights for changes proposed to occur unless the state receives additional federal funds include:

- Elimination of \$31.9M for enrollment growth
- Elimination of \$167.7M for the 2.31% COLA for apportionments (unrestricted general fund)
- A reduction of the January proposal of \$83.2M for support of apprenticeship programs, the California Apprenticeship Initiative, and work-based learning models
- A reduction of \$593M (7.7%) to the Student Centered Funding Formula (SCFF) rates (unrestricted general fund)
- A reduction of \$135.6M (57%) to the Strong Workforce Program
- A reduction of \$68.8M (15%) to the Student Equity and Achievement (SEA) program
- A reduction of \$6M (10%) for Adult Education Program
- A reduction of \$7.1M to Part-Time Faculty Compensation (15%) and Office Hours (27%)

Also included are various changes in expectations. These include the expectation that colleges will:

- Set aside a portion of the CARES emergency grants funds for foster youth students
- Create, expand and continually improve the quality of online educational opportunities that are broadly accessible.
- Adopt policies that better enable underrepresented students interested in job reskilling to enroll in college courses and programs.
- Collaboratively adopt the use of a common online learning management system
- Expand opportunities for competency-based education and for credit-by-exam to enable students to earn credit for a broader range of previous experiences and collaboratively develop a common approach to awarding credit for similar learning outcomes
- Establish system-wide policy goals in the following areas:
 - The percentage of courses using open educational resources and offered online.
 - The percentage of students earning credit through competency-based education and/or credit by exam.
 - Providing registration priority to underrepresented students.
- Maintain or further invest in programs that support students' basic needs particularly for underrepresented students
- Use any restricted fund balances to mitigate impacts to programs that support underrepresented students

The state will also be pursuing statutory changes that include:

- The suspension of procedures for the development of short-term Career Education courses and programs
- Extend the hold harmless provision of the SCFF by two additional years

These changes to the budget are not good news for California community colleges, but it is important to remember that there is still a lot of budget process that needs to occur and there are opportunities for this to change. We do not yet know exactly how these changes will affect SRJC and we expect to receive more information from the state in June. Once we have informed projections on the specific impacts for SRJC, I will provide another update to you.

I realize this update may raise concerns, so please feel free to reach out to me with your questions. I'll do my best to answer what I can with the information we currently have from the state. For now, I can simply assure you that while there is much we will have to overcome, I believe we have proven that we are strongest in the face of challenges.

Kate

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