

Summary of the 2019-20 Governor's Budget Proposal

Underlying factors:

- Prop 98 growth is slowing, primarily due to ADA declines
- Rainy day fund reserve is now \$13.5 billion, with plans to grow to \$19.4 billion by 2022-23
- Additional reserves are being set aside
- Economic growth will slow
- Three-year revenue estimate (2018-19 through 2019-2020) increased by \$5.2 billion over prior estimate
- Early response from assemble and senate is generally positive

Budget specifics

- Freezes SCFF at the 70-20-10 split from 2018-19 (rather than shift to 65-20-15)
- Adds 3.46% COLA to SCFF
- Adds a 10% limitation on SCFF growth in student outcomes
- Provides for 0.55% growth funding
- Student fees remain the same
- Continued state bond funding for SCC Library
- Adds a second year to the Promise Program
- 3.46% COLA on most categorical programs
- Continues the planned \$20 million for online college
- \$10 million for legal services to undocumented students, faculty, and staff
- \$3 billion direct payment to STRS, not funded out of Prop 98
 - Expected to reduce employer rate increases to STRS by about 1%
- Cal Grant expansion
 - Adds Cal Grant A award of \$6,000
 - Increases Cal Grant B from \$1,648 to \$6,000
 - Increases Cal Grant C books and supplies award from \$1,094 to \$4,000
- \$10 million for "cradle-to-career" longitudinal data system
- See attached list for categorical program proposals



Local Support Funding by Program

Table 5 shows proposed local assistance funding by program for the current and budget years. As the table shows, most categorical programs received level or workload funding in the Governor’s proposal.

Table 5: California Community Colleges Funding by Program^a (Dollars in Millions)

	2018-19	2019-20	CHANGE FROM 2018-19	
	REVISED	PROPOSED	AMOUNT	PERCENT
Student Centered Funding Formula	\$7,156	\$7,504	\$348	5%
Student Equity and Achievement Program	475	475	0	0%
Strong Workforce Program	255	171	-84	-33%
Student Success Completion Grant	132	143	11	8%
Adult Education Program	131	135	4	3%
Disabled Students Programs and Services (DSPS)	120	125	4	3%
Extended Opportunity Programs and Services (EOPS)	112	116	4	3%
California College Promise (AB 19)	46	80	34	74%
Financial aid administration	92	77	-15	-16%
Full-time faculty hiring	50	50	0	0%
CalWORKs student services	45	47	2	3%
Apprenticeship (CCC districts)	53	44	-9	-17%
Integrated technology	42	42	0	0%
Mandates Block Grant and reimbursements	33	34	1	3%
Institutional effectiveness initiative	29	28	-1	-5%
Part-time faculty compensation	25	25	0	0%
Online education initiative	58	23	-35	-60%
Economic and Workforce Development	23	23	0	0%
NextUp (foster youth program)	20	20	0	0%
California Online Community College	120	20	-100	-83%
Cooperative Agencies Resources for Education (CARE)	16	17	1	3%
Lease revenue bond payments	32	16	-16	-49%
Nursing grants	13	13	0	0%
Part-time faculty office hours	62	12	-50	-80%
Legal services	10	10	0	0%
Fund for Student Success	9	9	-1	-8%
Foster Parent Education Program	5	5	0	0%
Veterans Resource Centers	13	5	-8	-63%
Childcare tax bailout	4	4	0	3%
Other ^b	3	3	0	0%
Equal Employment Opportunity Program	5	3	-2	-43%
One-time program funding ^c	31	-	-31	-100%
Deferred maintenance and instructional equipment (one time)	28	-	-28	-100%
College-specific allocations	16	-	-16	-100%