

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Governor Newsom Signs 2022-23 State Budget Package



BY KYLE HYLAND

Copyright 2022 School Services of California, Inc.

posted July 1, 2022

Yesterday evening, June 30, 2022, less than 24 hours after the Legislature approved and sent Assembly Bill 178 (“budget bill junior”) and the corresponding budget trailer bills to him, Governor Gavin Newsom signed the 2022-23 State Budget package into law mere hours before the start of the 2022-23 fiscal year.

Below we highlight the relevant State Budget bills that were signed by the Governor yesterday that your community college district should be aware of. As budget bills, all of these measures went into effect immediately upon Governor Newsom’s signature.

Assembly Bill 178—Budget Bill Junior

Assembly Bill (AB) 178, or “budget bill junior,” reflects the budget agreement reached between the Administration and the Legislature. AB 178 will make the necessary amendments to Senate Bill (SB) 154—the main 2022-23 State Budget bill that the Legislature sent to Governor Newsom on June 15—which will capture the deal reached between the parties. After announcing a deal had been reached with the Legislature, SB 154 was signed by Governor Newsom this past Monday, June 27, 2022, the last day for the Governor to act on the measure.

This bill contains some provisional language to implement the higher education portion of the 2022-23 State Budget, but most implementing language is included in the trailer bills analyzed below.

AB 183—Higher Education Trailer Bill

AB 183 is the higher education trailer bill, which contains the higher education provisions of the 2022-23 State Budget. Trailer bills contain the implementing language of the State Budget and thus enact the corresponding changes to state law.

This bill creates a new funding floor for the Student Centered Funding Formula (SCFF) based on a districts’ hold harmless level at the end of 2024-25 meaning that starting in 2025-26, districts will be funded at their SCFF-generated amount that year or their hold harmless amount in 2024-25, whichever is higher. Whereas SCFF rates would continue to receive a cost-of-living adjustment in subsequent years, a district’s hold harmless amount would not grow.

AB 183 also makes multiple changes to the Higher Education Student Housing Grant Program, including funding all of the projects deemed eligible by the Department of Finance (DOF) from the first round of applications submitted, which means that all seven of the California Community Colleges projects that were deemed eligible but not recommended to be funded by the DOF will now be funded. Additionally, the bill allows projects deemed ineligible in 2022 by the DOF to submit their revised and updated applications by October 31, 2022, for priority consideration by January 10, 2023. The bill also includes intent to provide \$1.8 billion in 2023-24 and 2024-25 to support a revolving loan fund for future student housing projects at the three public segments.

Some of the other significant statute changes and investments from the higher education trailer bill include the following:

- Enacts the Cal Grant Reform Act, subject to state General Fund availability over the multiyear forecasts beginning in fiscal year 2024-25
- \$200 million ongoing to increase the Student Success Completion Grant award
- \$200 million ongoing to augment the Part-Time Faculty Health Insurance Program
- \$834.4 million one-time for facilities maintenance and instructional equipment
- \$25 million ongoing to expand the California Community Colleges (CCC) Promise Program to all full-time students, regardless of first-time or returning student status
- \$150 million one-time to support efforts to increase student retention rates and enrollment
- Establishes and funds the CCC Classified Employee Summer Assistance Program
- \$75 million one-time for cybersecurity initiatives
- \$105 million one-time to support the systemwide implementation of a common course numbering system
- \$65 million one-time implementation of the transfer reform provisions
- \$20 million one-time to support emergency student financial assistance grants
- \$64 million one-time to establish the CCC Equitable Placement and Completion Grant Program

AB 182—COVID-19 Recovery Block Grant

This trailer bill provides \$650 million one-time to community college districts (CCD) for the California Community College COVID-19 Recovery Block Grant. The funds will be distributed based on a CCD's actual reported full-time equivalent students as reported at the time of the Second Principal Apportionment for the 2021-22 fiscal year.

The funds may be expended for any of the following purposes:

- Supports to address other barriers to learning as a result of disruption caused by COVID-19, such as access to basic needs and mental health services
- Reengagement strategies for students who received an incomplete or failing grade in the spring 2022 term due to COVID-19 and engagement strategies with high schools and local communities to restore broader access
- Grants to faculty to develop online, accelerated learning modules that allow students who received an incomplete or failing grade in the spring 2022 due to COVID-19 to continue making progress toward their degree rather than retaking courses in the fall 2022 term
- Professional development opportunities for faculty and student services professionals needed to continue educational instruction due to COVID-19
- Investments to close the digital divide, including investments in information technology infrastructure, facilitating student access to technology to be able to access online coursework, and technology, software, or other electronic instruments and materials
- Cleaning supplies and personal protective equipment
- To discharge unpaid fees due or owed by a student to a community college in the district

As a condition of receiving the funds, CCDs are required to report certain metrics and data to the Chancellor's Office regarding employer-sponsored health insurance for part-time faculty for the 2021-22 academic year (report due by March 1, 2023) and the 2024-25 academic year (report due by March 1, 2026).

SB 191—Employment Trailer Bill

This is the employment trailer bill, which includes language that requires, until June 30, 2025, an exclusive representative be entitled to schedule an in-person meeting at a worksite during employment hours if a public employer has not conducted an in-person new employee orientation within 30 days. The applicable employees would be relieved of their other duties in order to attend the meeting, during which an exclusive representative is authorized to communicate to the employees in the applicable bargaining unit for up to 30

minutes on paid time. The bill requires employers to provide an appropriate onsite meeting space within seven calendar days of receiving a request for the meeting.