

Cerritos College

Business Services

Planning and Budget Committee,

On Monday, July 12, 2021, Governor Newsom signed the 2021-22 budget for California. The \$263 billion spending plan is contained in Senate Bill 129. The bill represents an agreement with the Assembly and Senate leadership and amends the placeholder budget bill, Assembly Bill 128. Additional trailer bills to implement various provisions of the budget will be considered over the next couple of months.

Budget Overview

The Budget Act includes components of the Governor's May Revision and additions or modifications adopted by the Legislature on June 14, along with other agreed upon changes between the Legislature and Governor. The 2021-22 budget provides total additional resources of \$3.5 billion to California Community Colleges apportionments and categorical programs, including full repayment of the \$1.5 billion in deferrals of system funding in 2020-21.

California Community Colleges Funding

The Budget Act increases overall funding for community colleges by more than \$3.5 billion over 2020-21 levels through a combination of ongoing and **one-time funds**. It fully pays off the deferral from 2020-21, and makes a number of investments, including in deferred maintenance, instructional equipment, student basic needs, and support for faculty. Many of the new investments are **one-time**, focused on needs revealed by the pandemic.

The Budget Act of 2021 includes additional funding for COVID-19 relief, including more funds to provide emergency financial assistance grants to students and to support student retention efforts. As specified in later sections of the report, the allocation of the additional funds will be done in the same manner used for the SB 85 funds, with similar stipulations about their allowable uses.

The Budget Act includes \$765 million in ongoing policy adjustments compared with revised 2020-21 expenditure levels. Most notably, the proposal includes a COLA of 5.07% for the Student-Centered Funding Formula (SCFF), matching the COLA provided for the K-12 Local Control Funding Formula. It also includes a 1.7% COLA for certain categorical programs, provides substantial one-time funding to address deferred maintenance, and increases both ongoing and one-time funding for a variety of student support needs.

Elimination of Budget Deferrals

The enacted budget uses one-time funds of \$1.4 billion to eliminate the budget deferrals from 2020-21. The deferrals will be paid back in July (\$900 million) and August (\$553.2 million) 2021.

Ongoing Funding Support

The enacted budget outlines roughly \$765 million in ongoing funding. Highlight below are just a few ongoing funding programs:

- COLA for Student-Centered Funding Formula of \$371 million
- Increase number of full-time faculty of \$100 million
- Increase support for targeted student support services of \$74 million, which includes additional funding of \$5 million for Umoja, \$7 million for Puente, \$8 million for MESA, \$20 million for EOPS, \$24 million for Student Equity and Achievement, and \$10 million to support the Rising Scholars
- Support integrated basic needs centers of \$30 million
- Support mental health services of \$30 million

One-Time Funding Support

The enacted budget provides a significant amount of one-time funding. Highlighted below are just a few notable programs:

- Repay deferrals in apportionment payments from 2020-21 totaling \$1.45 billion
- Support of addressing deferred maintenance totaling \$511 million
- Support for expanding zero-textbooks of \$115 million
- Funds to address students' basic needs related to food and housing insecurity of \$100 million
- Support retention and enrollment strategies of \$100 million
- Emergency Grants to Students. The budget includes a total of \$250 million one-time in federal ARP funds to provide emergency financial assistance to low-income California community college students. Of this amount, \$100 million was allocated as part of the Immediate Action Budget consistent with SB 85 to support retention and enrollment strategies.

Although the budget provides significant increases for community colleges, majority of the increases are one-time funding. It is possible that the Governor and Legislature could make changes to the budget. Over the next few weeks we will continue to monitor and analyze budget details as additional trailer bills detailing implementation of various provisions of the budget will be considered over the next couple of months.

The 2021-22 budget forum is scheduled on August 24 and the adopted budget will be presented for approval at the September 15 board meeting.