



January 15, 2019

Sokha Song sat in for Abe Ali

1. Cabinet discussed Governor Gavin Newsom's January proposal for the 2019-20 state budget. Available are both the complete proposal summary ([attached](#)) and just the higher education portion ([attached](#)). The Governor's proposal for California Community Colleges, in brief, is:

- \$402 million in new spending for the California Community College system.
- Prop 98 is \$8.72 billion, with a 10.93% split for community colleges.
- 0.55% Enrollment Growth, an increase of \$26 million.
- 3.46% COLA, an increase of \$248.3 million.
- \$40 million to extend College Promise Grants for a second year. (AB 19 began College Promise last year.)
- \$5 million one-time non-Prop 98 to expand outreach for College Promise Grants.
- Revised Student Success Funding Formula Implementation Plan:
 - o The Budget proposes funding the outcomes included in the Student Success Funding Formula at their current percents (70/20/10 not 65/20/15), adjusted for inflation in 2019-20, pending further review.
 - o The Student Success Allocations capped at a year-over-year increase of no more than 10%.
 - o The transfer student definition is clarified as an unduplicated count.
- \$435,000 one-time non-Prop 98 General Fund for to staff the SCFF Oversight Committee.
- \$10 million ongoing for legal services for undocumented and immigrant CCC students, faculty, and staff.
- 12 new facilities projects in the capital outlay plan, representing \$700 million of Prop 51 funding.
- \$3 billion one-time non-Prop 98 general fund money for pension reduction for K-12 and community colleges.
- Cal Grant Program reform:
 - o \$121 million increase and provide access awards, new or renewal Cal Grant B and C students.
 - o \$9.6 million increase in competitive awards.
- Adult Education Block Grant COLA at 3.46%.

2. Cabinet discussed an in-depth analysis ([attached](#)) developed jointly by ACCCA, ACBO, CCLC and the Chancellor's Office. (See Note¹ for acronyms.)

| Year | DOF | LAO |
|---------|------------|------------|
| 2017-18 | \$75.453 M | \$75.391 M |
| 2018-19 | \$77.867 M | \$77.932 M |
| 2019-20 | \$80.680 M | \$80,765 M |

- The Department of Finance and the Legislative Analyst Office are quite close on estimating the Proposition 98 guarantee. This supports the accuracy of the estimate.
- The Student Centered Funding Formula rates for 2019-20 would not shift from 60% to 65% for the base allocation and from 10% to 15% for the student success allocation, but would instead reflect the 2018-19 rates plus a COLA. The supplemental allocation based on financial aid awards remains at 20%. Year-to-year growth in the student success allocation is limited to 10%. Table 5 in the document gives specific dollar funding rates for each of the factors in the Student Centered Funding Formula. The overall SCFF allocation increases from \$7,156 M to \$7,504 M with an addition of \$348 M which is a 4.86% growth.
- Table 6 in the document gives funding by program.
- For College Promise Grants, funds would be allocated in accordance with AB 19 (2017). Although associated with "free college," the structure of the initiative allows districts to decide how best to use the dollars. Districts can buy out enrollment fees for any first-time, full-time California students for up to two years. Districts also can use the funds to promote college preparedness and attendance or better outcomes for students. The requirements for participation remain unchanged from the original AB 19 implementation.

¹ • Association of California Community College Administrators (ACCCA)
 • Association of Chief Business Officials (ACBO)
 • Community College League of California (CCLC)

3. On the extension of “free community college” from one year to two years, an editorial in the *San Francisco Chronicle* ([attached](#)) opines that “Governor Newsom’s free community college plan won’t be as easy as it sounds.” The central issue cited? “Without concurrent changes in California’s financial aid system and its other institutions of higher education, free community college won’t be the solution it could be.”

4. The governor’s budget provides \$358.7 M in capital outlay funding from Prop 51. For Mt. SAC!!!!

| College | Project | 2019–20 | | All Years | |
|---------|--------------------------------|------------|------------|------------|------------|
| Mt. SAC | New Physical Education Complex | State Cost | Total Cost | State Cost | Total Cost |
| | | 53.993 M | 67.768 M | 57.541 M | 72.238 M |

5. The Governor’s budget includes a one-time, \$2.3 billion CalSTRS payment that would reduce school and community college districts’ share of the unfunded liability for pensions. In addition, the Governor proposes to pay \$350 million in each of the next two years to reduce districts’ statutory employer contributions for 2019-20 and 2020-21. The projected employer contribution rates are:

| Year | Current Funding Plan | Governor’s Budget Proposal | Change |
|---------|----------------------|----------------------------|--------|
| 2019-20 | 18.13% | 17.10% | -1.03% |
| 2020-21 | 19.10% | 18.10% | -1.00% |

6. The Governor’s proposed budget includes \$10 million one-time to begin planning and support the initial costs of a new statewide longitudinal student data system. The system would connect student information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies. The California Department of Education will serve as the fiscal agent for these funds with the education segments expected to participate in the planning and implementation of the new system.

7. A School Services of California report ([attached](#)) projects several financial metrics going forward. For example, K-14 Cost of Living Adjustment (COLA) is compared to Consumer Price Index (CPI).

| Factor | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|----------------|---------|---------|---------|---------|---------|
| Statutory COLA | 2.71% | 3.46% | 2.86% | 2.92% | 2.90% |
| California CPI | 3.58% | 3.18% | 3.05% | 2.92% | 3.15% |

8. Cabinet was joined by Rosa Royce, Chief Compliance & College Budget Officer, and Joumana McGowan, Associate Vice President of Instruction, to present the quarterly update of the Faculty Position Control Report ([attached](#)).

- As of today, 8 full-time faculty have separated from the college, all paid from unrestricted general funds.
- In addition to the 40 full-time, tenure track faculty positions announced from this year’s prioritization, three others are being filled from previously prioritized hires that were unsuccessful.
- Pending is a transfer of John Pelliteri from noncredit counselor to psychology instructor.
- Seven faculty are on paid sabbatical leave.
- Eight faculty are on paid retraining leaves.
- Three faculty are currently funded through Strong Workfare with one more funded position next year.

9. Items for future agendas (items for the next Cabinet meeting are shown in BOLD):
- a. Update on Multiple Measures Placement Workgroup (Audrey, Joumana & Team, 3/19)
 - b. Revisions to AP 5200 Student Health Services (**Audrey, 1/22**)
 - c. Revisions to AP 5020—Non-Resident Tuition (**Mike, 1/22**)
 - d. Review of Holds Placed on Student Registration (**Audrey, Mike, 1/22**)
 - e. Student Centered Funding Formula—Continued Follow Up
 - A. Tracking Student Participation in Cohorts (Student Support Workgroup (**Dale, Antonio, Barbara, 1/22**))
 - B. Noncredit Support of SCFF & Multiple Measures (Madelyn, 3/26)
 - C. Implementing SCFF Research Agenda and Data Reporting/Analytics (Barbara, 3/19)
 - D. Auto Award/Near Completion/Selection of Major (**Audrey, George, Francisco, Dale, 1/22**)
 - E. *EAB Navigate* Schedule Building & Data Analytics (**Student Support Workgroup--Dale, 1/22**)
 - F. Increasing Financial Aid Awards: *ProVerify* software and Case Management (**Audrey, Chau, Dale, 1/22**)

10. Quarterly Reports to Cabinet

- a. Emergency Response Plan Quarterly Report (Duetta & Melonee, 3/26)
- b. Room Utilization/Capacity-Load Ratio Project (Mika, Joumana, Kevin Owen, 4/9)
- c. Faculty Position Control Quarterly Report (Joumana & Rosa, 4/16)
- d. Construction Project/Scheduled Maintenance Quarterly Report (Gary, 4/9)
- e. IT Projects Quarterly Report (Dale, 3/12)
- f. Grants Quarterly Update (Adrienne, 3/19)
- g. Dual Enrollment Offerings at Local High Schools Quarterly Report (Joumana, Joel & Francisco, 2/12)
- h. International Student Quarterly Update (Audrey & Darren, 3/26)
- i. Academic Support Alignment Project Quarterly Report (Madelyn, Meghan, 4/23)