Budget Update

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June 4, 2021

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Highlights

- Governor's May Revision Proposed Budget for 2021-22
- Ongoing Funding Changes
- One-time Funding Changes
- Legislature's Version of the 2021-22 Budget
- Budget Dates

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State Budget

- Governor's May Revise includes $75.7 billion surplus, plus approx. $25 billion in federal relief funds.
  - The State projects exceeding the GANN Limit by $16 billion for 2020-21 & 2021-22
    - Limits Spending based on Proposition 4 (1979)
    - Amounts over the GANN Limit are split 50% to education and 50% as a rebate to tax payers
      - Proposal reflects rebates during the 2021-22 budget year
      - K-14 would receive excess funds in the 2022-23 year
- Projections to State revenues are higher than Governor's January Preliminary Budget:
  - Personal Income Taxes – are generated by higher income workers earning more and paying more taxes
  - Corporate Taxes – some companies in California are seeing higher profits
  - Sales and Use Taxes – spending from both individuals and businesses receiving stimulus funds and higher income workers spending more than expected

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Ongoing Funding Changes:

- Proposed COLA of 4.05% to the SCFF (Student Centered Funding Formula)
  - 2.3% for 2020-21 FY to be paid in 2021-22
  - 1.7% for 2021-22 FY to be paid in 2021-22
  - Matches the K-12 COLA
- Selected Categorical Programs include proposed COLA of 1.7%
  - DSP&S (Disabled Students Programs and Services)
  - EOPS (Extended Opportunity Programs and Services)
  - CARE (Cooperative Agencies Resources for Education)
  - CalWorks
- 5% Base adjustment:
  - SEA (Student Equity & Achievement Program
  - Strong Workforce

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SEA & Strong Workforce Programs Foothill Est. Allocations:

- Governor's May Revise includes 5% base increases to :
  - SEA (Student Equity & Achievement Program) - from $475 million to $498.8 million
  - Strong workforce from $248 million to $260.4 million

	2020-21	May Revise	Estimated	Est. 2021-22
Program	Allocation	5% Increase	Increase $	Allocation
SEA	$ 4,523,879	5%	$ 226,194	$ 4,750,073
Strong Workforce				
Local	1,303,507	5%	65,175	1,368,682
Regional	$ 703,259	5%	$ 35,163	$ 738,422
Total SWP	$ 2,006,766		$ 100,338	$ 2,107,104

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Ongoing Funding Changes:

- Dreamer Resource Liaison Program:
  - Goes from $5.8 million to $11.6 million
- Student Technological Access and Mental Health Resources
  - $30 million (new)
- Basic Needs Centers
  - $30 million (new)
- Expand Vocational Training for ESL
  - $50 million (new)

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One-time Funding Comparison:

One-time Proposed Funding	Governor's January Budget	Governor's May Revise	Change from January
Emergency Financial Assistance grants for students	$250,000,000	$250,000,000	$0
Students' Basic Needs food & housing	$100,000,000	$100,000,000	$0
Retention and Enrollment Strategies	$20,000,000	**$120,000,000**	**$100,000,000**
Faculty and Professional Development	$20,000,000	$20,000,000	$0
Zero-Textbook Cost pathways	$15,000,000	**$115,000,000**	**$100,000,000**
Deferred Maintenance, Instruct'l Equip. & Library Materials (Add'l $250 M Fed.)	$0	**$314,000,000**	**$314,000,000**
Guided Pathways Continued Implementation (thru June 2026)	$0	**$150,000,000**	**$150,000,000**
Dual Enrollment Through College and Career Access Pathways	$0	**$75,000,000**	**$75,000,000**
Transition back to in-person education	$0	**$50,000,000**	**$50,000,000**

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Other Items:

- Eliminate Budget Deferrals of $1.45 billion
  - Pay back $900 million in July 2021
  - Pay back remainder of $553 million in August 2021
- Student Housing Grants $4 billion
  - Community Colleges allocation is 60%
  - Funds received over 2 years for new or renovated housing
- SCFF Hold Harmless in place through 2023-24
  - Due to new stability fund provision, if FTES does not grow, District would stay at the same funding level for one more year (2024-25)

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Legislature's Version of the 2021-22 Budget (June 1):

- Cost-of-Living (COLA) is 5.07% ($371.2 million ongoing funding)
- Extends hold harmless for the SCFF (Student Centered Funding Formula) by one year, 2024-25
- Ongoing:
  - $30 million to support student mental health Services (not technology)
  - Provides increase to the following categorical programs:
    - $4.9 million for Umoja
    - $7.3 million for Puente
    - $20 million for EOPS
    - $10 million for Financial Aid Administration
  - Eliminate Calbright College = $15 million
  - Provides $170 million ongoing for hiring full-time faculty & $75 million to support part-time faculty compensation and office hours
  - Rejects May Revision to provide $50 million for ESL Students
- One-Time Solutions
  - Provides $15 million for zero-textbook-costs degrees (Governor's May Revise reflects $115 million)
  - Rejects May Revision proposals to support dual enrollment costs ($75 million in May Revise)
  - Approves $250 million of federal dollars for Deferred Maintenance plus one-time of $486.2 million State Prop 98 (May Revise is $314 million)
  - Reduces support for Guided Pathways $50 million (May Revise reflects $150 million)
  - Rejects COVID 19 Block Grant (Transition back to in-person education) of $50 million from May Revise.

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Important Dates:

- May 14, 2021 – Governor's May Revise (State Budget)
  - Joint Analysis by ACBO, ACCCA, and Community College League of California (May 19, 2021 update)
- June 14, 2021 – FHDA's Tentative Budget
  - BP 3100 – Budget Preparation – The Chancellor shall have prepared and submit to the Board of Trustees in June a tentative budget for the ensuing fiscal year.
- June 15, 2021 – State Budget (Legislature passes a balanced budget)
- June 30, 2021 – Governor signs the 2021-22 State Budget
- September 13, 2021 – FHDA's Adopted Budget
  - BP 3110 – Final Budget - On or before September 15 each year the Board of Trustees shall adopt a final budget for the fiscal year.

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Questions?

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