



May 26, 2023

The Honorable Phil Ting, Chair
Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee
1020 N Street, Room 502
Sacramento, CA 95814

Re: 2023-24 California Community Colleges State Budget Proposals

On behalf of the Association of California Community College Administrators (ACCCA), the foremost member-supported professional organization for administrators and managers at the California Community Colleges (CCC), I am writing to share our perspective on the CCC proposals in Governor Gavin Newsom's 2023-24 May Revision and the recent budget actions taken by your respective houses.

Cost-of-Living Adjustment (COLA)

ACCCA is supportive of Governor Gavin Newsom and the Legislature approving the \$678 million proposal to apply the 8.22% statutory COLA to the Student Centered Funding Formula (SCFF). An annual COLA is essential for our colleges to keep pace with rising labor and programmatic costs that have been exacerbated by inflation, and we are appreciative that you recognize the importance of providing the SCFF with the full COLA.

While we are appreciative that the Governor and Senate are providing an 8.22% COLA for select categorical programs, we prefer the Assembly's approach that applies the COLA to the categorical programs that have historically received them as well as providing a COLA for basic needs centers, mental health services, rapid rehousing, NextUp, MESA, Puente, veterans resource centers, and Umoja. ACCCA respectfully requests that all categorical programs, not just a select few, receive the statutory COLA as all programs are facing increasing operational costs. For this reason, we support the Assembly's approach.

Deferred Maintenance and COVID-19 Recovery Block Grant

Both the Assembly and Senate State Budget plans adopt the Governor's proposal to reduce the state's commitment to deferred maintenance by \$452 million, a 54% cut from the \$840 million allocated in

the 2022 State Budget Act. Additionally, the Governor is proposing to cut the COVID-19 Recovery Block Grant by \$345 million, a 53% reduction from the \$650 million block grant that was included in the 2022 State Budget Act. We are appreciative that both the Assembly and Senate have rejected the cut to the COVID-19 Recovery Block Grant, as these are crucial one-time discretionary dollars that are supporting our districts in a post-pandemic world.

We understand that you and the Governor have difficult decisions to make regarding the 2023-24 State Budget due to the softening economy and underperforming revenues; however, we strongly oppose using midyear cuts as a solution to balance the Budget. These are dollars that have already been allocated or committed to projects, and pulling them back would be significantly disruptive to our districts. In fact, 99% of the \$840 million from the 2022 State Budget Act has already been committed to projects, which means that this midyear reduction would require districts to terminate projects or eliminate instructional equipment purchases that are critical for students and instructional programs. For these reasons, we implore you to reject both of these midyear cuts in your final State Budget package. We would much rather see these critical funds deferred than to see them cut, as deferrals still allow our districts to commit to these important projects and programs.

We also would like to express our support for the Assembly proposal to permit colleges to use their remaining funds from the COVID-19 Block Grant, the student retention and recruitment initiative, and deferred maintenance funds for any of these purposes. Every community college district is unique, and providing spending flexibility for these dollars empowers districts to fund their distinct priorities and needs.

Full-Time Faculty Trailer Bill Language

The Assembly State Budget plan includes a proposal that would “adopt placeholder trailer bill language to implement recommendations made by the State Auditor to improve colleges’ use of funding to increase full-time faculty, and to achieve the state goal of 75% of instruction taught by full-time faculty.”

While ACCCA is willing to partner with the California Community Colleges Chancellor’s Office and other allies on making effective and reasonable changes to the Full-Time Faculty Obligation (FON), we oppose any proposal that could trigger the need to hire additional new full-time faculty without consideration of whether existing faculty capacity could meet the needs of current enrollment, student success, and equity. It is fiscally unsustainable for the state to require additional hiring when enrollment and corresponding funding levels are declining.

While the full language of the Assembly proposal has not been unveiled, we strongly oppose the tenets of the proposal described above. We also vehemently believe that any proposed changes to the FON should be done via the policy process and not the State Budget trailer bill process. Any proposal to make changes to the FON statute should be vetted by policy and fiscal committees, where policymakers and interest holders can engage in vigorous debates on any proposed changes. The policy process also better allows the public to participate and weigh in on these crucial issues.

Student Housing

When it comes to the proposals presented on the Higher Education Student Housing Grant Program, ACCCA supports the Administration’s and Senate’s strategy to provide \$450 million in 2023-24 and \$95.4 million in 2024-25 for CCC affordable student housing projects.

Looking Forward

We understand that with the softening economy and revenues coming in below projections, you have very difficult decisions to make with the 2023-24 State Budget. Now more than ever, we need to ensure that the state does everything it can to keep our students engaged and to protect our education programs and funding.

We thank you for your consideration of our suggestions and look forward to working with you and the Newsom Administration as you look to finalize the 2023-24 State Budget package.

Sincerely,



Susan K. Bray
Executive Director

cc: Members and staff, Senate Budget and Fiscal Review Committee
Members and staff, Assembly Budget Committee
The Honorable Toni Atkins, Senate President pro Tempore
The Honorable Anthony Rendon, Speaker of the Assembly
Michelle McKay Underwood, Legislative Advocate, School Services of California Inc.
Kyle Hyland, Legislative Advocate, School Services of California Inc.