



State of the Budget

06/23/2021

Legislature 2021-22 State Budget

- As expected, the Legislature passed the 2021-22 State Budget on June 14, 2021; meeting the constitutional deadline to send a balanced State Budget to the Governor.
- The budget bill – Assembly/Senate Bill 128 – does not represent a final agreement with the Governor.
- Governor Newsom is expected to reach an agreement with the Senate and Assembly before July 1, 2021, and the 2021 Budget Act will be amended to include the final deal between the Legislature and the Administration

The background of the slide is a collage of US dollar bills, including \$100 and \$20 bills, with various details like the Treasury seal and serial numbers visible. The bills are slightly faded and overlaid with text.

Governor's May Revision

- Revenue projections
 - Based on Department of Finance (DOF) estimates
- Expenditures of \$93.7 billion

Legislature State Budget

- Revenue projections
 - Based on Legislative Analyst's Office (LAO) estimates
 - Increase of \$4 billion
- Expenditures of \$96.1 billion

Budget Differences – CCC Expenditures

	May Revision	Legislature Budget
Deferral Paydown (one-time)	407.9	254.9
COLA for Apportionments	296.5	371.2
Vocational English as a Second Language	50.0	0.0
Basic Needs Centers and Coordinators	30.0	30.0
Student Mental Health and Technology	30.0	30.0
Student Equity and Achievement Program	23.8	23.8
Growth for Apportionments	23.6	23.6
Work-Based Learning Initiative (Earn and Learn) (one-time)	20.0	0.00
COLA for Select Categorical Programs	17.5	17.5
California Apprenticeship Initiative	15.0	15.0
Strong Workforce Program	12.4	40.0

Budget Differences – CCC Expenditures

	May Revision	Legislature Budget
Deferred Maintenance	0.0	0.0
Online Tools	10.6	10.6
Guided Pathways Technology	10.0	0.0
Common Course Numbering (one-time)	10.0	10.0
Competency-Based Education Pilot (one-time)	10.0	10.0
Work-Based Learning in Targeted Fields (one-time)	10.0	0.0
CENIC Broadband	8.0	8.0
Dreamer Resource Liaisons	5.8	5.8
Library Services Platform	4.0	4.0
Faculty Professional Development (one-time)	4.0	4.0

Budget Differences – CCC Expenditures

	May Revision	Legislature Budget
Instructional Materials for Dual Enrollment Students (one-time)	2.5	2.5
CCC Jobs Registry (one-time)	1.0	1.0
Adult Education Program Technical Assistance	1.0	1.0
AB 1460 Implementation / Anti-Racism Initiatives (one-time)	0.6	5.6
Adult Education Additional 2.31% COLA		12.7
Increase Support for Umoja		4.9
Increase Support for MESA		8.2
Increase Support for Puente		7.3
Increase Support for EOPS		20.0
Eliminate CalBright		-15.0

Budget Differences – CCC Expenditures



	May Revision	Legislature Budget
Increase Support for Financial Aid Administration		10.0
Increase Support for Part-Time Faculty		75.0
Increase Full-Time Faculty Hiring		170.0
Rising Scholars		10.0
Historically Black Colleges and Universities Transfer		1.3
Make Conforming Adjustments from Higher CCC COLA		-0.6

Budget Differences – CCC Expenditures

Some key educational investments included in the Legislature's package that are not included in the Governor's May Revision include:

- \$2.8 billion to reduce the California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) employer pension rates
- Full retirement of deferrals
- Increased Cost-of-Living Adjustment (COLA) of 5.07% (versus 4.05%) for the Student Centered Funding Formula (SCFF)



Palomar College Multi-Year Projections based on Legislature Budget (5.07% COLA)

Component	2020-21 Estimated Actuals	2021-22 Projection	2022-23 Projection	2023-24 Projection	2024-25 Projection
Total Revenue	\$129,819,649	\$137,705,104	\$141,456,962	\$145,866,829	\$152,035,571
Total Expense	\$124,421,326	\$136,435,350	\$145,543,232	\$151,314,090	\$157,882,610
Change in Fund Balance	\$5,398,323	\$1,269,754	(\$4,086,271)	(\$5,447,261)	(\$5,847,039)
Reserve %	21.07%	20.14%	16.07%	11.86%	7.66%

