

# Kern Community College District

- Governor Newsom's budget should be considered a win for community colleges.
- The state's primary revenue sources—the personal income tax, sales tax, and corporate tax—have been coming in behind projections, bringing in less revenue to date than budgeted and is estimated to be around a \$31.5 billion shortfall up from \$22.5 billion in January but consistent with the May revise.
- Key investments in the budget include: universal transitional kindergarten, increased child care, climate agenda, health care access, homelessness and housing.

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## Apportionments

- The Governor continues to propose to extend the revenue protections in a modified form, with a goal of avoiding sharp fiscal declines in 2025-26 and supporting a smooth transition to the SCFF formula over time. Under the proposal, a district's 2024-25 funding would represent its new "floor," below which it could not drop. Funding rates would continue to increase to reflect the statutory COLA if provided, but this revised hold harmless provision would no longer automatically include adjustments to reflect cumulative COLAs over time.
- The adopted state budget allocates a cost-of-living adjustment (COLA) of 8.22 percent on the SCFF, but ends up being 7.9% net of adjustments.
- Enrollment growth of 0.5% is proposed for SCFF.

# **Kern Community College District**

Major Policy Decisions Framed Around Multi-Year “Road Map”

- Expects Improved Student Educational Outcomes
- Seeks to Advance Equity
- Expects Increased Intersegmental Collaboration
- Seeks Improved Workforce Preparedness

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## Significant KCCD Categoricals

Program	January	May
Adult Education Program	COLA	COLA
Student Equity and Achievement Program	No Change	No Change
Strong Workforce	No Change	No Change
Extended Opportunity Programs and Services (EOPS)	COLA	COLA
Disabled Student Programs and Services (DSPS)	COLA	COLA
Apprenticeship	COLA	COLA + Reduction = -7.1%
CalWORKS student services	COLA	COLA
NextUp, Basic Needs, Umoja, Veterans, CARE and MESA		COLA

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## **Prior Year COVID Block Grant**

- The May Revision includes a reduction in the 2022-2023 COVID block grant from \$650 million in one-time funds down by \$345 million to \$305 million. Adopted budget keeps the Block Grant whole at \$650 million

## **Other One-Time Items**

- The 2022 Budget Act included \$150 million in one-time funds for student retention and recruitment activities. The 2023 Budget Act reduces that by \$55.4 million to \$94.6 million but appropriates \$50 million one-time for 2023-24 to continue college efforts to increase student retention rates and enrollment.

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## Capital Outlay

- Nothing new proposed for KCCD.

## Deferred Maintenance

- The deferred maintenance of \$840.7 million in **one-time** funds for 2022-23 was decreased by \$500 million in the adopted budget. This equates to a decrease of over 59%. There is \$5.9 million in funding budgeted for 2023-24.

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## Changes to Student Housing

- The 2023 Budget Act eliminates the 2022-23 General Fund appropriation for the grants but provides \$81.3 million ongoing General Funds to support debt service for student housing projects in 2022-23, 2023-24, and 2024-25 funded with revenue bonds. Community college housing projects will be funded through local revenue bonds to be issued by community college districts or as part of a state pool.

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## CalPERS/CalSTRS

- California State Teachers' Retirement System (CalSTRS) rate is projected to remain flat for the upcoming year, however California Public Employees' Retirement System (CalPERS) rate increases in 2023–24.

	2020-21	2021-22	2022-23	2023-24
CalPERS	20.70%	22.91%	25.37%	26.68%
CalSTERS	16.15%	16.92%	19.10%	19.10%