

Operations Council  
January 22, 2019

Governor's January Budget Proposal Presentation  
2019-20

Presented by:

Kuldeep Kaur

Vice President of Administrative Services

# Overview

- Pay down pension liabilities
  - \$3 billion toward State's share of CalPERS unfunded liability for state employees
  - \$1.1 billion toward State's share of CalSTRS unfunded liability for school and community college employees
  - \$2.3 billion toward district's share of the CalSTRS unfunded liability for school and community college employees
  - \$700 million to subsidize the 2019-20 and 2020-21 employer contributions
- Pay off all remaining budgetary debt and deferrals (\$4.4 billion)
- Increase the Rainy Day Fund (\$15.3 billion by the end of 2019-20, \$19.4 billion by 2022-23)

# Overview cont'd

- Paid Family Leave
  - Goal of ensuring that all babies can be cared for by a parent or a close family member for the first six months. A task force to be evaluate options to increase participation in the program.
- Housing
  - \$1.3 billion in one-time funds to spur housing development to address state's affordability crisis. State tax credits to develop low and moderate income housing.
- Expanded Tax Credit Program (Earned Income Tax Credit)
  - \$1 billion to provide low-income families with young children (under age 6) a \$500 credit. Credit expanded to reach full-time workers earning \$15/hour (400,000 additional families)
- Emergency Services
  - \$200 million to augment CAL Fire's firefighting capabilities, 13 additional year-round engines, deploying new large air tankers, etc.

# California Community Colleges

- COLA 3.46% (\$248.3 million) + COLA proposed to be funded for Adult Education Block Grant, DSPS, EOPS, CalWORKs, and Childcare Tax Bailout programs
- Holding Student Centered Funding Formula (SCFF) factors same as for 2018-19
  - Base allocation at 70% (originally planned to be phase in and decreased to 65% in 2019-20)
  - Supplemental allocation at 20%
  - Success allocation at 10% (originally planned to be phased in and increased to 15% in 2019-20)
- \$26 million for Enrollment Growth (Growth to be capped at 10%)
- \$358.7 million in Proposition 51 bond funds for 12 new and 15 continuing facilities projects (ARC's Tech Ed project included in this list)

# California Community Colleges Cont'd

- \$40 million to expand California College Promise into a second year of free CCC tuition for first time, full-time students
- \$10 million to provide legal services to undocumented and immigrant students, faculty, and staff in the CCC's on an ongoing basis
- Reduction of Employer's contribution for CalSTRS as a result of \$2.3 billion to be applied towards employer's long-term unfunded liability (17.1% in 2019-20 as opposed to 18.13%)

# Implications to Los Rios CCD (ARC)

- COLA of 3.46% (only if district keeps FTES at 2017-18 level)
- Reduction to CalSTRS Employer Rate provides resources set aside for this liability for other district priorities
- Second year of free college for first time, full-time students
- State funding for facilities projects (ARC Tech Ed Modernization)
- Legal services for undocumented and immigrant students, faculty, and staff