Fiscal & Policy Webinar
A Monthly Webinar Series by the Office of Institutional Supports & Success

March 24, 2022
Housekeeping Announcements

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Enter questions for the presenters, and read their responses.
Agenda

• Presentation: What Can We Learn from K-12 about Enrollment Trends?

• State Budget Update

• State Legislative Update

• Student Housing Update

• Q&A
What Can We Learn From TK-12 Enrollment Trends?

California Community Colleges
Fiscal and Policy Webinar

Michael Fine, CEO, FCMAT
January 2022
The Big Picture: Declining Population

• California lost population for the first time in state history
  • Birthrates are down, death rates are up, net migration is down
  • Public Policy Institute of California (PPIC) estimates that total fertility rate (TFR) for 2020 is 1.52, down from 2.20 in 2007; a TFR of 2.1 is considered necessary to avoid population decline
  • Fewer teen pregnancies, higher college going rates, college debt, housing costs and broader economics – such as the struggle of young adults to establish financial independence and their own households – all contribute
    • Average age for first marriage for women has surpassed 30 for first time
    • Percent of women in 20s living with parents is 46%
    • Percent of men in 20s living with parents is 51%
Percentage of Growth of Calif Population

<table>
<thead>
<tr>
<th>Period</th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-60</td>
<td>49.0</td>
<td></td>
</tr>
<tr>
<td>1960-70</td>
<td>26.3</td>
<td></td>
</tr>
<tr>
<td>1970-80</td>
<td>18.7</td>
<td></td>
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<tr>
<td>1980-90</td>
<td>25.4</td>
<td></td>
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<td>1990-00</td>
<td>14.1</td>
<td></td>
</tr>
<tr>
<td>2000-10</td>
<td>14.8</td>
<td></td>
</tr>
<tr>
<td>2010-20</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>2020-30</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>2030-40</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>2040-50</td>
<td>1.6</td>
<td></td>
</tr>
</tbody>
</table>
Lots of Talk About Migration Out

• Based on early analysis of 2020 census data, PPIC reports
  • International immigration has slowed, but generating interest is the large migration out of California to other states
  • During the past decade, 6.1 million people moved to other states, while only 4.9 million moved to California from other states
    • Those that move here are more likely to be working age, employed, have higher education levels and earning high wages – concentrated among young college graduates
    • Those that left California cited jobs (49%), housing (23%), or family (29%) as the primary reason
Declining Enrollment Trends

• Pre-pandemic over 60% of California’s traditional public schools were experiencing declining enrollment
  • Between 2018-19 and 2020-21, noncharter enrollment dropped in every county except one, and that county grew by only .7%
• Before the pandemic, schools were experiencing enrollment declines
• In 2020-21, enrollment dropped 2.6%, or 160,000 students, 10 times the rate experienced in the five years preceding the pandemic
• Kindergarten enrollment averages around 8.5%, but in 2020-21 it represented only 7.7%, the lowest share of enrollment in a decade
• In addition to kindergarten, low-income, Black and Native American student subgroups showed the greatest declines
Declining Enrollment is Not New

<table>
<thead>
<tr>
<th>Year</th>
<th>Census Day Enrollment (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>6.287</td>
</tr>
<tr>
<td>2007-08</td>
<td>6.275</td>
</tr>
<tr>
<td>2008-09</td>
<td>6.252</td>
</tr>
<tr>
<td>2009-10</td>
<td>6.192</td>
</tr>
<tr>
<td>2010-11</td>
<td>6.217</td>
</tr>
<tr>
<td>2011-12</td>
<td>6.221</td>
</tr>
<tr>
<td>2012-13</td>
<td>6.227</td>
</tr>
<tr>
<td>2013-14</td>
<td>6.237</td>
</tr>
<tr>
<td>2014-15</td>
<td>6.236</td>
</tr>
<tr>
<td>2015-16</td>
<td>6.227</td>
</tr>
<tr>
<td>2016-17</td>
<td>6.228</td>
</tr>
<tr>
<td>2017-18</td>
<td>6.22</td>
</tr>
<tr>
<td>2018-19</td>
<td>6.186</td>
</tr>
<tr>
<td>2019-20</td>
<td>6.163</td>
</tr>
<tr>
<td>2020-21</td>
<td>6.002</td>
</tr>
<tr>
<td>2021-22</td>
<td>5.888 (Estimate)</td>
</tr>
</tbody>
</table>
Was the Pandemic a Bust or a BIG BUST?

• Preliminary enrollment data from fall 2021 shows some rebound in both kindergarten levels, but overall trend remains downward

<table>
<thead>
<tr>
<th>Change from Prior Year</th>
<th>Fall 2020</th>
<th>Fall 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Enrollment</td>
<td>-2.6%</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Kindergarten</td>
<td>-9.4%</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Transitional Kindergarten</td>
<td>-22.7%</td>
<td>+9.7%</td>
</tr>
</tbody>
</table>

• The lower kindergarten cohort in 2020 extends to first grade in 2021, with fall 2021 first grade down 4.3% over fall 2020; largest decreases in grades 1-5 and 7-9
Change in School Age Population from 2021-22 to 2030-31

<table>
<thead>
<tr>
<th>County</th>
<th>Change by County</th>
<th>% Change by County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>(259,951)</td>
<td>-18.9%</td>
</tr>
<tr>
<td>Ventura</td>
<td>(23,458)</td>
<td>-18.1%</td>
</tr>
<tr>
<td>Sonoma</td>
<td>(10,682)</td>
<td>-18.2%</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>(36,900)</td>
<td>-18.0%</td>
</tr>
<tr>
<td>Monterey</td>
<td>(10,553)</td>
<td>-18.1%</td>
</tr>
<tr>
<td>San Mateo</td>
<td>(11,809)</td>
<td>-14.8%</td>
</tr>
<tr>
<td>San Diego</td>
<td>(52,468)</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Orange</td>
<td>(42,840)</td>
<td>-10.7%</td>
</tr>
<tr>
<td>California</td>
<td>(520,053)</td>
<td>-9.5%</td>
</tr>
<tr>
<td>Alameda</td>
<td>(13,897)</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Fresno</td>
<td>(12,362)</td>
<td>-6.3%</td>
</tr>
</tbody>
</table>

Source: Department of Finance

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First Principal Apportionment (P-1) data released on February 18 is the first official look at 2021-22 data and affirms downward trend across all grade levels and school types.

Compared to 2019-20 (the last ADA reported):

- 88% of school districts reported lower ADA
- 67% of charter schools reported lower ADA
- 56 of 58 county offices of education reported lower ADA
- 538 school districts (more than half) reported declines between 5% and 15%
- 125 charter schools reported ADA increases of 30% or more
P-1 ADA Affirms Trend (Cont.)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Grades TK/K-3</th>
<th>Grades 4-6</th>
<th>Grades 7-8</th>
<th>Grades 9-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20 Annual ADA</td>
<td>1,774,173</td>
<td>1,318,029</td>
<td>918,473</td>
<td>1,850,689</td>
</tr>
<tr>
<td>2021-22 P-1 ADA</td>
<td>1,552,895</td>
<td>1,209,546</td>
<td>822,260</td>
<td>1,783,953</td>
</tr>
<tr>
<td>2019-20 to 2021-22 Change</td>
<td>(221,278)</td>
<td>(108,483)</td>
<td>(96,213)</td>
<td>(66,736)</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-12.47%</td>
<td>-8.23%</td>
<td>-10.48%</td>
<td>-3.61%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>School Districts</th>
<th>Charter Schools</th>
<th>COEs</th>
<th>Statewide</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ADA</td>
<td>Change</td>
<td>ADA</td>
<td>Change</td>
</tr>
<tr>
<td>2020-21</td>
<td>5,208,722</td>
<td>5.17%</td>
<td>666,993</td>
<td>0.80%</td>
</tr>
<tr>
<td>2021-22</td>
<td>4,728,058</td>
<td>-9.23%</td>
<td>640,596</td>
<td>-3.96%</td>
</tr>
<tr>
<td>2019-20 to 2021-22 Change</td>
<td>(471,639)</td>
<td>-9.07%</td>
<td>(21,071)</td>
<td>-3.18%</td>
</tr>
</tbody>
</table>

Reported ADA/Proxy ADA
22-23 Governor’s Budget
Observation from a recent PPIC report

- **Online learning expanded dramatically.** The largest and most immediate effect of the pandemic was the move to online learning. Looking ahead, remote instruction is likely to take on a much larger role in higher education than in the past.

- **Ensuring students have the resources they need**—including access to technology—continues to be vital. Other policy and program changes, including flexible scheduling and online student services, would provide further support.

Reliance on technology is essential and growing…

Districts have accelerated the digitization of their instruction, supports, and interactions.

Districts are no longer just brick-and-mortar institutions, they are cloud-based, technology-dependent institutions.

Data challenges and limited capacity risk undermining key reforms that advance student success.
Districts are operating concurrent campuses
Advocacy Concept: Tech Basic Builds on the Existing Basic Allocation

I. Base = Basic + FTES

II. Supplemental

III. Success
Benefits of the Tech Basic

• **Recognizes that online learning expanded dramatically and will continue to be prominent.** Looking ahead, remote instruction is will play a much larger role in higher education than in the past.

• **Ensuring students have the resources they need**—including access to technology and online student services.

• **Provides higher per student funding.** This is especially critical in an era of inflation, with greater student needs, and momentum toward equitable student success.
State Legislative Update

David O’Brien
Vice Chancellor of Government Relations
AB 75 (O’Donnell)/SB 22 (Glazer) Statewide educational facilities bonds

Both bills would place multi-billion dollar facilities bonds on November 2022 election ballot

• AB 75 - $12 billion bond for K-14
• SB 22 - $15.5 billion bond for higher ed (CCC, CSU, UC)
• Legislature must approve by June 30th in order to make the November ballot

Note that it is likely only one will make the ballot
Would require the CCC Board of Governors to adopt regulations that require the fall of 2023 full-time faculty obligation number for each CCD to be set to the actual full-time faculty number reported for the fall of 2022 and annually adjusted pursuant to these regulations.
AB 2232 (McCarty) HVAC Systems

Would require all K-12 schools, CCC, CSU, and UC campuses to ensure that facilities that have HVAC systems meet minimum ventilation rate requirement. In addition it requires:

• The annual inspection for HVAC systems to include verification that the filters are installed correctly and replaced where needed,

• Schools and campuses to ensure that all classrooms are equipped with a carbon dioxide monitor
AB 2627 (Bauer-Kahan) Personal information: Community Colleges

Would authorize a state or local agency to enter into a MOU with a community college district for the purpose of sharing personal information about users to facilitate outreach and access to support resources, unless the user has not granted permission for that disclosure.
SB 886 (Wiener) CEQA exemption: student housing

This bill would exempt from the California Environmental Quality Act a student housing project or a faculty and staff housing project carried out by a public university or college if the project meets certain requirements.
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Update on the SB 169
Higher Education
Student Housing
Grants Process
DOF & Legislature Student Housing Grant Update

- FY 21-22 applications released by DOF in September
- Project applications due to DOF October 31, 2021
- DOF and Legislature review of applications
- Legislature requests more information from district applicants
- DOF to provide preliminary list of selected projects to Joint Legislative Budget Committee in March
- Joint Legislative Budget Committee holds hearings
- DOF and Legislature announce selected projects
- Projects not selected are held over to 2nd round of grants
- 2022-23 State Budget approved in June.
- Second round of applications (FY 22-23) released in late summer
Higher Education Student Housing Grant Program Overview

- The Higher Education Student Housing Grant Program will receive $2 billion
  - $500 million in FY 21/22
  - $750 million in FY 22/23
  - $750 million in FY 23/24
  - $25 million towards planning grants total
2021-22 Approved Construction Projects

• Proposed for 2021-22 appropriation

• Five (5) community college projects
  • *Imperial Valley College/San Diego State
  • Fresno City College
  • *College of the Siskiyous
  • Ventura College
  • *Sierra College

• $218.9 million in project costs

* Campuses that provide some student housing
Eligible Construction Grant Applications

- Seven (7) construction grant projects deemed eligible
- $332 million in project costs
- DOF is not recommending the projects be funded with the $500 million one-time General Fund
- The Department of Finance will further review these applications and new submissions for inclusion in 2022 and 2023 Budget Acts
## Eligible Construction Grant Applications

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Proposed Grant Amount</th>
<th>Students Housed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield College</td>
<td>$ 60,245,000</td>
<td>154</td>
</tr>
<tr>
<td>College of the Canyons</td>
<td>$ 61,858,000</td>
<td>100</td>
</tr>
<tr>
<td>Compton College</td>
<td>$ 80,389,000</td>
<td>250</td>
</tr>
<tr>
<td>Cosumnes River College</td>
<td>$ 44,144,000</td>
<td>145</td>
</tr>
<tr>
<td>Lake Tahoe Community College District</td>
<td>$ 39,369,000</td>
<td>100</td>
</tr>
<tr>
<td>Napa Valley College</td>
<td>$ 31,000,000</td>
<td>124</td>
</tr>
<tr>
<td>Santa Rosa Junior College</td>
<td>$ 15,000,000</td>
<td>70</td>
</tr>
</tbody>
</table>
2021-22 Approved Planning Grant Projects

• Proposed for 2021-22 appropriation

• 75 campuses

• $18.2 million in planning costs
21-22 Grant Selection Next Steps
Assembly & Senate Review

• Has the college spent any funding on planning?
• Does the college have access to non-state funds to contribute?
• Does the campus have housing?
• Percentage of students that are enrolled full-time
• Percentage of students that are Pell eligible
• The Legislature can also propose to funds additional grants above the $1 billion dedicated for CCCs.
Enter Questions into the Q&A Box
Don’t Miss the Next System Webinar

Chancellor’s Office System Webinar:
Moving the Needle and Ensuring Equity in Equal Employment Opportunities

Wednesday, April 6, 2022 | 9 a.m. – 10 a.m.
Thank you!

Next Fiscal & Policy Webinar: Thursday, April 28
11:00 AM

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