

CCFC Legislative Update

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SCFO–NorCAL Joint Meeting – Facilities Symposium
Wednesday, Dec. 8, 2021

Fiscal Outlook – FY 2022–23

- ▶ LAO issued FY 22-23 Fiscal Outlook on Nov. 17, 2021
- ▶ Anticipates \$31 billion General Fund surplus (outside Prop 98 budget)
- ▶ State Appropriations Limit (aka Gann Limit) is the key budget issue
 - \$14 billion needs to be allocated to meet constitutional requirements for FY 20-21 and FY 21-22
 - Estimated \$12 billion in additional SAL requirements for FY 22-23
- ▶ Prop 98 Minimum Guarantee
 - Nearly \$20 billion in new K-14 funding for next budget cycle
 - Estimated COLA 5.35% for FY 22-23

Bond Bills Pending in Legislature

- ▶ Two bond bills pending: AB 75 (O'Donnell) & SB 22 (Glazer)
 - Target November 2022 ballot
 - Both in the second house education committee
- ▶ AB 75 = \$12 billion K-14 (split TBD)
- ▶ SB 22 = \$15.5 K-University (\$2 billion for CCC)
- ▶ Pending issues:
 - Bond size
 - Which education segments?
 - Program reforms (primarily K-12)
 - What are the Administration's priorities?
 - Will Federal action impact efforts?

Student Housing – New Grant Program

- ▶ SB 169 creates the Higher Education Student Housing Grant Program
 - Provides \$2 billion over three years for CCC, UC, and CSU
 - Commits 50% of funds to CCC
 - Appropriates \$500 million in FY 21-22 (\$250 million for CCC)
 - Up to \$25 million for CCC planning grants
- ▶ Funds one-time grants for *affordable, low-cost* housing options
 - Construction of student housing
 - Acquisition and renovation of commercial properties into student housing
- ▶ Intent for state to provide 100% of construction funding to keep rents affordable

Student Housing – 2021 Proposals

- ▶ Proposals due Oct. 31, 2021 to Department of Finance
 - 92 CCC applications received worth \$1.5 billion
 - 21 construction applications worth \$1.2 billion
 - 71 planning applications worth \$313 million
- ▶ Assembly Budget Subcommittee #2 on Education Finance met Nov. 8, 2021
 - How to maximize available State funds – Revolving Loan Fund?
 - Planning grant requests
- ▶ Next steps
 - DOF will compile list of projects proposed for funding to the Joint Legislative Budget Committee by March 1, 2022
 - Projects will be selected by the Legislature in the budget process

Student Housing – 2021 Review Criteria

- ▶ Proposals *shall* demonstrate:
 - Shovel ready – could begin construction by Dec. 31, 2022 (or earliest possible date thereafter)
 - Affordability test and commitment for the life of the facility
 - First offer housing to low-income students
 - Residents must take a minimum average of 12 degree-applicable units per semester term
- ▶ Projects that *may* be prioritized for selection:
 - Projects that convert commercial space into campus student housing
 - Projects that would serve the greatest percentage of a campus's low-income student population
- ▶ Project selection criteria *may* include:
 - Unmet demand
 - Earliest construction timeline
 - Geographical representation
 - Intersegmental housing
 - Campus enrollment growth

Student Housing – Outstanding Issues

- ▶ Affordable rent cap for the life of the facility
- ▶ How do you fund ongoing operations? M&O? Food service? Student services?
- ▶ Time = money = increased rents to students
 - Regulatory hurdles increase design and construction timeline
- ▶ Chancellor's Office Funding Request for FY 22-23
 - \$50 million ongoing (non-Prop 98) for an affordable housing program
 - Establish clear criteria and standards for CCC student housing

Contact Information

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