

Arlitha Williams-Harmon

From: Arlitha Williams-Harmon
Sent: Wednesday, July 28, 2021 5:21 PM
To: pc_budget
Cc: Maribel Hernandez
Subject: Budget Update
Attachments: Joint Analysis Enacted Budget_2021-22.pdf

Good Afternoon,

We will review the below and attached budget information during the Fall semester. However, I wanted to make sure you received a timely update. 😊

State Budget

On Monday, July 12, 2021, Governor Newsom signed the 2021-22 budget for California. The \$263 billion spending plan is contained in Senate Bill 129. The bill represents an agreement with the Assembly and Senate leadership and amends the placeholder budget bill, Assembly Bill 128. Additional trailer bills to implement various provisions of the budget will be considered over the next couple of months. The Budget Act increases overall funding for community colleges by more than \$3.5 billion over 2020-21 levels through a combination of ongoing and one-time funds. It fully pays off the deferral from 2020-21, and makes a number of investments, including in DEI, deferred maintenance, student basic needs, and support for faculty. Many of the new investments are one-time, focused on needs revealed or exacerbated by the pandemic. Also, the COLA was increased to 5.07% and will be reflected in the KCCD Adopted Budget Allocation.

Please see the attached joint analysis for additional information.

Board Finance & OPEB Committee Recommendations

The Board Finance & Audit Committee met last Thursday and reviewed the 2Q COP report. The Committee discussed various scenarios funding the outstanding debt and OPEB obligations. The committee made a recommendation to use a portion of the District Reserves over the next three years to increase the COP investments. The Board OPEB Committee also met last Thursday and reviewed the new OPEB valuation report. The committee made a recommendation to invest an additional \$5,000,000 from District Reserves to address to the funding percentage level.

Hope you are having a wonderful summer!



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