

2021-2022
District Budget Advisory Committee (DBAC)

Meeting Agenda - January 25, 2022

Location: Via Zoom

<https://fhda-edu.zoom.us/j/92153445785?pwd=M3Q4ZXQzNlgwS1FNQXILTzh5TGJUZz09>

Time: 1:30-3:00 p.m.

Note Taker: Carla Maitland

Time	Agenda Topic	Discussion Leader
1:30-1:50	Governor's Proposed Budget Memo for FY 2022-2023	Cheu
1:50-2:05	ACCCA and ACBO Annual Workshop on the Governor's Proposed Budget 2022-23	Cheu
2:05-2:15	Santa Clara County Assessor's Annual Report 2021-2022	Cheu
2:15-2:30	1320 Costs for FY 2020-21 and FY 2021-22	Cheu
2:30-2:45	Part-time Faculty Office Hours	Cheu
2:45-3:00	Other	Cheu
Handouts:	Governor's Proposed Budget Memo for FY 2022-2023 ACCCA and ACBO Annual Workshop on the Governor's Proposed Budget 2022-23 Santa Clara County Assessor's Annual Report 2021-2022 1320 Costs for FY 2020-21 and FY 2021-22	

Joint Analysis

Governor's January Budget

January 10, 2022
updated January 11, 2022



California Community Colleges



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ASSOCIATION OF CHIEF BUSINESS OFFICIALS



ASSOCIATION OF CALIFORNIA
COMMUNITY COLLEGE ADMINISTRATORS



COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

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Purpose of Report

This analysis was prepared by the California Community Colleges Chancellor’s Office (Chancellor’s Office) with support from the:

- Association of California Community College Administrators (ACCCA),
- Association of Chief Business Officials (ACBO), and
- Community College League of California (League).

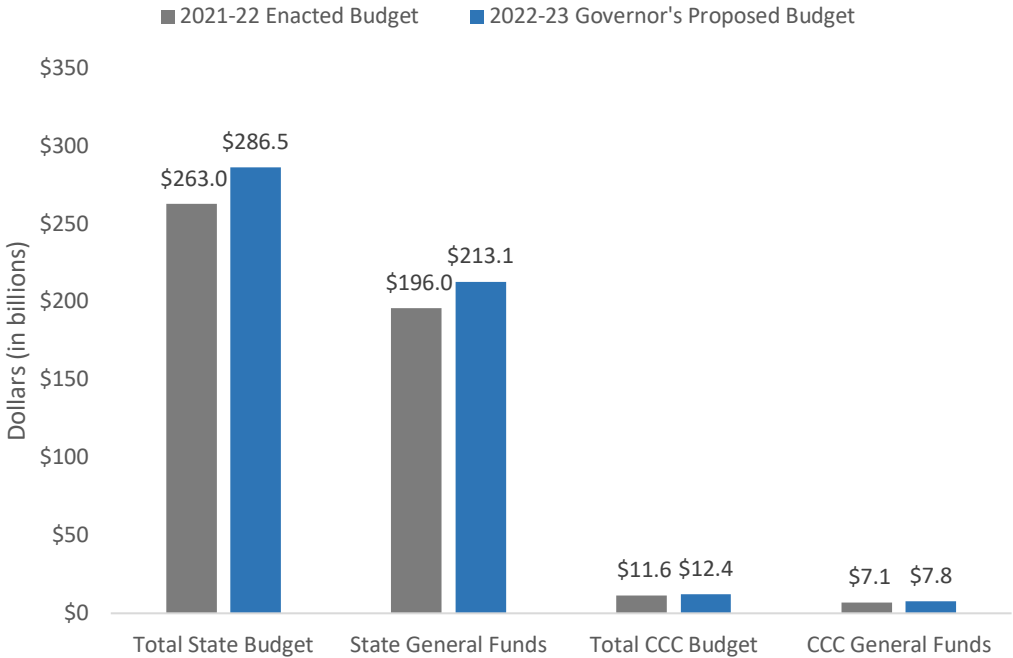
Its purpose is to provide information about the Governor’s January budget proposal as a common resource for each organization’s further analyses and advocacy efforts. Over the next several months, updated analyses will describe the proposed trailer bills, the Governor’s May Revision, and the enacted budget.

Summary of Key Budget Changes

Today, Governor Newsom released his budget proposal for the 2022-23 fiscal year. Following are some key changes in the proposal compared to the enacted budget for 2021-22.

- Under the proposal, the overall state budget would be higher than in 2021-22, increasing by about 9% to \$286 billion. General Fund spending would increase by about \$3 billion (1.5%) to \$213 billion.

Figure 1: Proposed 2022-23 budget reflects surplus of more than \$45 billion (dollars in billions).

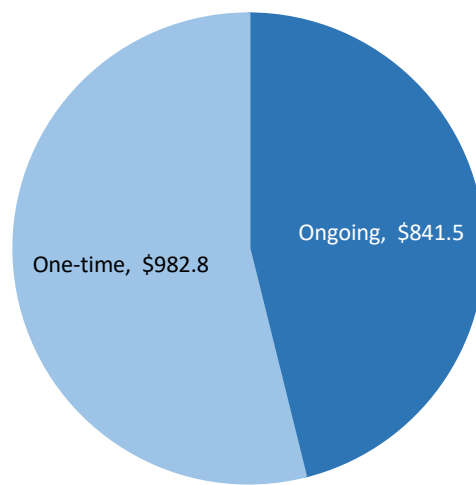


- The budget proposal for the California Community Colleges is shaped by a multi-year “road map to California’s future” which will be refined in advance of the May Revision. With a focus on equity and student success, the framework builds on

existing efforts toward achieving the *Vision for Success* goals, while establishing some additional expectations for the system over the next several years. Key goals and expectations in the road map include increased collaboration across segments and sectors to enhance timely transfer; improved time-to-degree and certificate completion; closure of equity gaps; and better alignment of the system with K-12 and workforce needs.

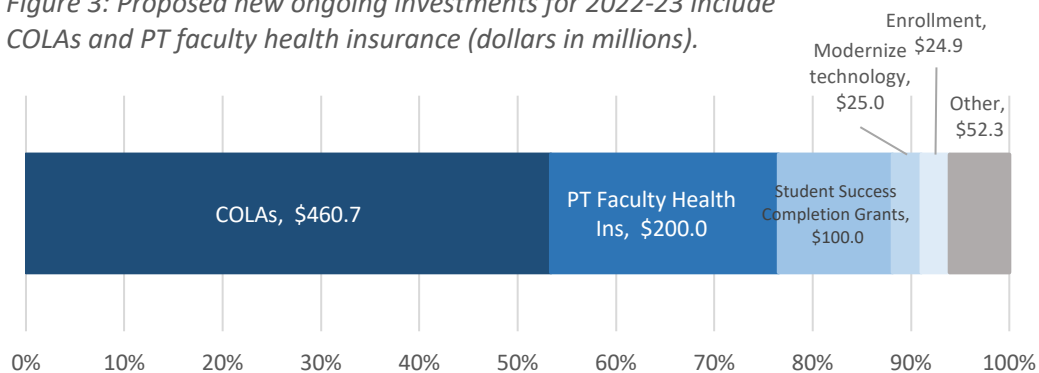
- The proposed budget for 2022-23 provides about \$1.8 billion in Proposition 98 augmentations over the prior year, including \$842 million (46%) in ongoing spending and \$983 million (54%) in one-time funding.

Figure 2: Majority of new Proposition 98 funding for 2022-23 represents one-time investments (dollars in millions).



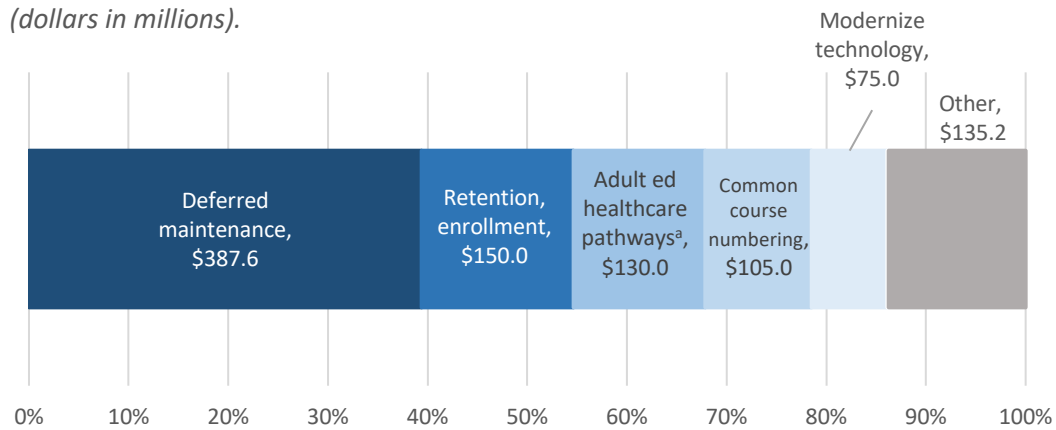
- The proposal for additional ongoing spending includes \$409.4 million for a 5.33% cost-of-living adjustment (COLA) for community college apportionments, and \$24.9 million for systemwide enrollment growth of 0.5%. Additional ongoing funds are proposed to augment the Part-Time Faculty Health Insurance Program, cover the added costs for Student Success Completion Grants related to expanded Cal Grant eligibility, and support technology modernization.

Figure 3: Proposed new ongoing investments for 2022-23 include COLAs and PT faculty health insurance (dollars in millions).



- One-time funding proposals are dedicated to deferred maintenance, student retention and enrollment efforts, implementation of common course numbering, technology modernization, and several investments focused on education pathways.

Figure 4: Proposed one-time investments for 2022-23 of \$983 million include deferred maintenance and retention/enrollment strategies (dollars in millions).



^a A portion of the funding for Adult Ed programs goes to community colleges, with the remainder going to K-12.

- The Governor’s proposal includes \$373 million in capital outlay funding from Proposition 51 to support the working drawings and construction phases for 18 continuing projects.
- The proposed budget invests an additional \$1.4 million in state operations to support nine (9) new positions in 2022-23, with ongoing conversations about additional resources to be included in the May Revision. In addition, another \$1.4 million is planned for 2023-24 to support 10 more new positions. The added resources are intended to support modernization efforts and increased state operations capacity to lead the system in achieving its *Vision for Success* goals and other state priorities.

State Budget Overview

The Governor’s Budget proposes additional ongoing resources of approximately \$840 million to California Community Colleges appropriations and categorical programs, as compared to the 2021 Budget Act.

BUDGET FOCUSED ON EQUITABLE RECOVERY FROM THE PANDEMIC

The 2021 Budget Act reflected a correction to the overestimated deficit for the prior year (2020-21) and substantial recovery to the state’s finances following the pandemic-induced recession. It focused investments on supporting California families and businesses that continued to struggle, and made deposits to reserves as protection against the next economic downturn. Some of the main priorities in the Governor’s Budget are aimed at continuing efforts to support pandemic recovery. The proposal includes:

- A \$2.7 billion Emergency Response Package, including a \$1.4 billion emergency appropriation request, to bolster COVID-19 testing, accelerate vaccination efforts, support healthcare workers, and battle misinformation;
- \$1.5 billion over two years to accelerate the development of affordable housing;
- \$1.2 billion to fight and prevent wildfires, including funds for new state fire crews, helicopters, and other equipment;
- \$750 million for drought response, including funds for water conservation and efficiency, replenishing groundwater supplies, and helping farmers; and
- Investments in rural workforce development programs that would assist with climate change response and fire prevention.

Economic and Budget Conditions are Positive

The budget outlook has improved since the 2021 Budget Act, with rapidly growing revenues related to strong growth in retail sales and stock prices. State revenues are higher than predicted by over \$10 billion in 2021-22 compared to estimates in the Budget Act, according to the Legislative Analyst's Office (LAO). Much of the revenue gains have been in sales taxes and income tax withholding, which the LAO notes are historically more stable revenue streams. It notes that lawmakers will have to consider the implications of the State Allocation Limit (SAL or Gann Limit), approved as a constitutional amendment by the voters in 1979 to limit state spending. Absent specific policy decisions to exempt spending from the SAL, half of the revenue above the limit must be returned to the taxpayers with the other half going to K-12 and community colleges.

The Governor's Budget is based on a projected surplus of \$45.7 billion for 2022-23 and nearly \$35 billion in reserves, including \$21 billion in the state's Rainy Day Fund. As expected by the LAO, the Administration estimates that the state will exceed the Gann Limit over the 2020-21 and 2021-22 fiscal years, and intends to include proposals to address the issue in the May Revision

The budget summary notes that the economic forecast used to develop the budget does not consider the surge of the Omicron variant, so the COVID-19 pandemic remains a risk to the forecast. Capital gains revenues are approaching a peak level, and a stock market reversal could lead to a substantial decline in revenues.

Federal Funds Have Continued Impact on the State Budget

The federal government took a number of actions during 2020 and 2021 that continue to have implications for the state budget for 2022-23. The American Rescue Plan (ARP) provided about \$27 billion to the state of California, some of which was used to offset existing General Fund costs. In addition, the ARP included an enhanced federal match for state Medicaid programs (including home and community-based services) through the end of the national public health emergency. Together these actions contributed to state savings during 2020-21 and 2021-22, and to the discretionary surplus for 2022-23.

PROPOSITION 98 ESTIMATE INCREASES

Minimum Guarantee for Community Colleges Increases by 5%

Each year, the state calculates a “minimum guarantee” for school and community college funding based on a set of formulas established in Proposition 98 and related statutes. To determine which formulas to use for a given year, Proposition 98 lays out three main tests that depend upon several inputs including K-12 attendance, per capita personal income, and per capita General Fund revenue. Depending on the values of these inputs, one of the three tests becomes “operative” and determines the minimum guarantee for that year. The state rarely provides funding above the estimated minimum guarantee for a budget year. As a result, the minimum guarantee determines the total amount of Proposition 98 funding for schools and community colleges. Though these formulas determine total funding, they do not prescribe the distribution of funding within the segments. The Governor and Legislature have significant discretion in allocating funding to various programs and services.

Table 1 shows the budget’s estimates of the minimum guarantee for the prior, current, and budget years. The community college share of Proposition 98 funding is at the traditional share of 10.93% in each of these years. Included in this share is some K-12 funding, including a portion of Adult Education funding, a small amount of pass-through funding for school district-based apprenticeship programs and funding for K-12 Strong Workforce programs.

Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2020-21 Revised	2021-22 Revised	2022-23 Proposed	Change From 2021-22 Amount	Change From 2021-22 Percent
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$70,035	\$71,845	\$73,134	\$1,289	2%
Local property tax	25,901	27,219	28,846	1,627	6%
Totals	\$95,936	\$99,064	\$101,980	\$2,916	3%
COMMUNITY COLLEGES ONLY ^a					
General Fund	\$7,392	\$7,528	\$7,827	\$299	4%
Local property tax	3,374	3,546	3,766	220	6%
Totals	\$10,766	\$11,075	\$11,593	\$519	5%

^a CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.

Estimates for Prior and Current Years Have Increased

Estimates of the minimum guarantee for 2020-21 and 2021-22 have increased substantially compared to projections when the 2021-22 budget was enacted in June of last year, which can occur if school enrollment, economic growth, or state revenues turn out to be different than expected. Specifically, the revised estimates for 2020-21 and 2021-22 are higher than was projected in June because of stronger than expected revenues.

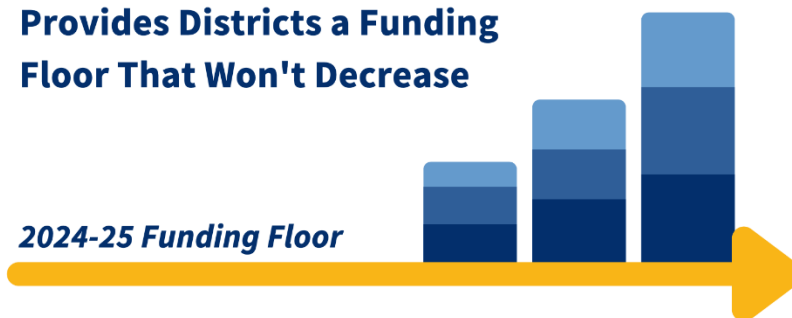
District Revenue Protections Extended in Modified Form

In response to the disruptions of the COVID-19 pandemic, providing fiscal stability was a top priority. While the temporary protections under the COVID-19 Emergency Conditions Allowance expire at the end of 2021-22, the 2021 Budget Act extended the Student Centered Funding Formula's (SCFF) existing minimum revenue (hold harmless) provision by one year, through 2024-25. Under this provision, districts will earn at least their 2017-18 total computational revenue, adjusted by COLA each year, if applicable.

The Governor's Budget proposes to extend the revenue protections in a modified form to avoid creating sharp fiscal declines in 2025-26. 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 in the budget act language, but this revised hold harmless provision would no longer automatically include adjustments to reflect cumulative COLAs over time, as is the case with the current provision in effect through 2024-25.

Predictability & Stability

Provides Districts a Funding Floor That Won't Decrease



The proposal also indicates support for the recommendation made by the Student Centered Funding Formula Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF's supplemental allocation when a reliable data source is available.

Required Transfer to Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a new state reserve for schools and community colleges. Under Proposition 2, transfers are made to this account only if several conditions are satisfied. That is, the state must have paid off all Proposition 98 debt created before 2014-15, the minimum guarantee must be growing

more quickly than per capita personal income, and capital gains revenues must exceed 8% of total revenues.

Though these transfers change *when* the state spends money on schools and community colleges, they do not directly change the *total amount* of state spending for schools and community colleges across fiscal years. Specifically, required transfers to the PSSSA count toward Proposition 98 totals in the year the transfer is made. As a result, appropriations to schools and community colleges in such a year could be lower than otherwise required by Proposition 98. However, in a year when money is spent out of this reserve, the amount transferred back to schools and community colleges is over and above the Proposition 98 amount otherwise required for that year.

California Community Colleges Funding

The Governor’s Budget includes \$841.5 million in ongoing policy adjustments for the community college system, compared to 2021-22 expenditure levels, as reflected in Table 2. The system would receive approximately \$1.8 billion in additional funding for one-time and ongoing programs and initiatives.

Table 2: Proposed 2022-23 Changes in Proposition 98 Funding for the System (In Millions)

TECHNICAL ADJUSTMENTS	
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth)	\$3.0
Subtotal Technical Adjustments	\$3.0
POLICY ADJUSTMENTS	
Ongoing (Proposition 98)	
Provide 5.33% COLA for SCFF	\$409.4
Augment Part-Time Faculty Health Insurance Program	\$200.0
Augment Student Success Completion Grants	\$100.0
Provide 5.33% COLA for Adult Ed	\$29.9
Modernize CCC technology and protect sensitive data	\$25.0
Fund 0.5% enrollment growth for SCFF	\$24.9
Increase support for financial aid administration	\$10.0
Increase support for NextUp Program	\$10.0
Implement Equal Employment Opportunity best practices	\$10.0
Provide 5.33% COLA for Extended Opportunity Programs and Services (EOPS)	\$8.3
Provide 5.33% COLA for Disabled Students Programs and Services (DSPS)	\$6.7
Provide 5.33% COLA for Apprenticeship	\$1.6
Provide 5.33% COLA for CalWORKs Student Services	\$2.5

Provide 5.33% COLA for Mandates Block Grant and Reimbursements	\$2.1
Expand African American Male Education Network and Development (A2MEND) student charters	\$1.1
Provide 5.33% COLA for Childcare Tax Bailout	\$0.2
Subtotal Ongoing (Proposition 98) Policy Adjustments	\$841.5
One-Time (Proposition 98)	
Address deferred maintenance	\$387.6
Support retention and enrollment strategies	\$150.0
Support health-care focused vocational pathways in Adult Ed ^a	\$130.0
Implement common course numbering systemwide	\$105.0
Modernize CCC technology and protect sensitive data	\$75.0
Implement transfer reforms of AB 928	\$65.0
Implement program pathways mapping technology	\$25.0
Provide emergency financial assistance grants to AB 540 students	\$20.0
Implement pathways grant program for high-skilled careers	\$20.0
Support Teacher Credentialing Partnership Program	\$5.0
Study Umoja Program best practices	\$0.2
Subtotal One-Time Policy Adjustments	\$982.8
TOTAL CHANGES	\$1,827.3

^a Funding for health care pathways in Adult Ed would be spent over three years.

The estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by \$437.3 million from \$7.9 billion to \$8.4 billion. This reflects a proposed COLA of 5.33% (\$409.4 million) and FTES growth of 0.5% (\$24.9 million) and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2021-22 Budget Act to the 2022-23 Governor’s Budget proposal):

- Property tax revenues are estimated to increase by \$230.5 million from \$3.54 billion to \$3.77 billion.
- Enrollment Fee revenues are estimated to decrease by \$2.6 million from \$441.5 million to \$438.9 million.
- Education Protection Account funding is estimated to increase by \$218.5 million from \$1.37 billion to \$1.58 billion.

Table 3 reflects the final SCFF rates for 2020-21 and 2021-22, along with the projected rates for 2022-23, as modified by COLA and other base adjustments. The distribution of funds across the three allocations (base, supplemental, and student success) is determined by changes in the underlying factors.

Table 3: Proposed 2022-23 Student Centered Funding Formula Rates (rounded)

Allocations	2020-21 Rates	2021-22 Rates	Proposed 2022-23 Rates	Change From 2021-22	Percent Change
Base Credit ^a	\$4,009	\$4,212	\$4,436	\$224	5.33%
Supplemental Point Value	948	996	1049	53	5.33%
Student Success Main Point Value	559	587	618	31	5.33%
Student Success Equity Point Value	141	148	156	8	5.33%
Incarcerated Credit ^a	5,622	5,907	6,222	315	5.33%
Special Admit Credit ^a	5,622	5,907	6,222	315	5.33%
CDCP	5,622	5,907	6,222	315	5.33%
Noncredit	3,381	3,552	3,741	189	5.33%

^a Ten districts receive higher credit FTE rates, as specified in statute.

Appendix B compares the Governor’s proposed funding adjustments for the system in 2022-23 to the Board of Governors’ budget request. Below we highlight a few of the administration’s more significant policy decisions and related information. Later in this analysis, we detail local funding by program, capital outlay funding, and state operations.

MAJOR POLICY DECISIONS FRAMED AROUND “ROAD MAP TO CALIFORNIA’S FUTURE”

The budget proposal is shaped by a multi-year road map that enhances the system’s ability to prepare students for California’s future, a collaborative plan developed by the Administration and the Chancellor’s Office. With a focus on equity and student success, the framework builds on existing efforts toward achieving the Vision for Success goals, while establishing some additional expectations for the system over the next several years. To fund this collaborative plan, the budget includes additional Proposition 98 resources for the colleges as well as additional resources for the Chancellor’s Office to better support the colleges in meeting the *Vision for Success* goals and newly established expectations. The proposal is made in the context of a goal of achieving 70% postsecondary degree and certificate attainment among working-age Californians by 2030, a recommendation of the Governor’s Council on Post-Secondary Education, which is accompanied by proposals for multi-year compacts with the University of California (UC) and California State University (CSU) along with the road map for the community college system.

Road Map Includes New Goals and Expectations

Key goals and expectations in the road map include increased collaboration across segments and sectors to enhance timely transfer; improved time-to-degree and certificate completion; closure of equity gaps; and better alignment of the system with K-12 and workforce needs.

Higher Expectations for Student Educational Outcomes. The road map seeks to:

- Increase the percentage of students earning degrees, certificates and specific skill sets for in-demand jobs by 20% by 2026;
- Decrease the median units to completion by 15%, and establish systemwide stretch goals regarding the number of students completing or transferring within the minimum amount of time necessary;
- Increase the number of transfers to the UC or CSU in proportion to enrollment growth in those systems; and
- Annually publish, for all colleges, the 2-year associate degree graduation rate and the share of first-time students with sophomore standing when entering their second year, disaggregated for underrepresented and Pell students.

Advancing Equity. The road map intends to:

- Improve systemwide graduation rates, transfer rates, and time to completion among underrepresented and Pell students to meet the average of all students by 2026; and
- Close equity gaps in access to dual enrollment programs.

Expects Increased Intersegmental Collaboration. The road map expects:

- Full participation in the Cradle-to-Career Data System;
- Efforts to adopt a common intersegmental learning management system;
- Collaboration with the UC and CSU on a higher education student success dashboard within the Cradle-to-Career framework to identify and address equity gaps; and
- Efforts to establish an integrated admissions platform common to the UC, CSU and community colleges.

Seeks improved Workforce Preparedness. The road map intends to support workforce preparedness and high-demand career pipelines, including goals to:

- Increase the percentage of K-12 students who graduate with 12 or more college units through dual enrollment by 15%;
- Establish a baseline for credit-for-prior-learning offerings and increase the offerings annually, and launch 10 new direct-assessment competency-based education programs;
- Increase the percentage of completing students who earn a living wage by 15%;
- Focus on establishing or expanding programs that address workforce needs in healthcare, climate response, education and early education; and
- Establish pathways in those fields from high school through university, including development of Associate Degree for Transfer and transfer pathways along with

dual enrollment opportunities that ensure transfer of community college credits toward degree programs.

Apportionments Receive 5.33% COLA and 0.50% Growth

The proposal includes an increase of \$24.9 million ongoing to fund 0.5% enrollment growth and \$409.4 million ongoing to support a 5.33% COLA for apportionments, the same COLA proposed for K-12. Decisions about any COLA were historically made by the Legislature during the annual budget process, but the budget plan in 2019-20 implemented a new policy for the K-12 system's Local Control Funding Formula (LCFF). Under this policy, LCFF receives an automatic COLA unless the minimum guarantee is insufficient to cover the associated costs. In that case, the COLA would be reduced to fit within the guarantee. The statute is silent on community college programs, but the proposed COLA for community colleges for 2022-23 matches that provided for K-12, as was the case in the Enacted Budget for the current year.

College Affordability Efforts Continue

Expands Support for Completion Grants. Related to the 2021 Budget Act's expansion of the Cal Grant entitlement program, the Governor's Budget includes \$100 million **ongoing** for students eligible for the Student Success Completion Grant due to expanded Cal Grant eligibility for community college students.

Provides Emergency Financial Assistance for AB 540 Students. The proposal includes \$20 million **one-time** to support emergency student financial assistance grants to eligible AB 540 students.

Expands Support for Financial Aid Administration. The budget proposal includes \$10 million **ongoing** to augment resources for community college financial aid offices.

Makes Other Investments in College Affordability. The Governor's Budget includes several other investments in college affordability, including an increase of \$515 million ongoing to support a modified version of the Middle Class Scholarship Program, \$300 million one-time for the Learning-Aligned Employment Program administered by the California Student Aid Commission, and \$10 million for outreach to assist student loan borrowers.

Addressing Student Needs Remains a Concern

Builds on Efforts to Retain and Enroll Students. The budget proposal includes \$150 million in **one-time** funds for student retention and enrollment efforts, building on the \$120 million included in the 2021 Budget Act (\$20 million of which was provided in an Early Action package in 2020-21). The funds are aimed at supporting community college efforts and high-touch strategies to increase student enrollment and retention rates. As with the prior round of funding, the focus is on engaging with former students who may have withdrawn due to the impacts of the pandemic, and connecting with current and prospective students who may be hesitant to enroll in college due to the impacts of COVID-19.

Expands Student Support Programs. The Governor’s Budget proposes an increase of \$1.1 million **ongoing** to support the expansion of African American Male Education Network and Development (A2MEND) student charters to additional college districts. It also includes \$10 million ongoing to expand availability of foster youth support services through the NextUp program, seeking to expand the program from 20 to 30 districts. It provides \$179,000 one-time for a study of the Umoja program, to better understand the practices that promote student success for African American students.

Expresses Concern about Learning Disruptions. The budget proposal includes language expressing concern about the disruptions to student learning caused by the pandemic, and the disproportionate impact on underserved student populations. It indicates that districts should strive to meet the needs of their diverse student populations through various instructional modalities, given that some students may be best served by an online course format while others may be better served by in-person courses. The Administration expects districts to aim to offer at least 50% of lecture and laboratory course sections in-person in 2022-23, provided that approach is consistent with the district’s student demand and with public health guidelines in place at the time.

Streamlining Academic Pathways is an Enduring Priority

Invests in Common Course Numbering. The 2021 Budget Act included \$10 million **one-time** to plan for and begin developing a common course numbering system statewide, as a means of facilitating the alignment of curriculum, easing student course selection, promoting timely program completion, and supporting students who attend multiple colleges and those preparing to transfer. To further support that goal, the Governor’s Budget includes \$105 million one-time to support systemwide implementation of common course numbering.

Supports Transfer Reform. Following the passage of AB 928 (Chapter 566, Statutes of 2021), the proposal includes \$65 million **one-time** to implement the bill’s transfer reform provisions. Those provisions require the system to participate in an intersegmental committee charged with oversight of the Associate Degree for Transfer and to develop and implement procedures to place students who declare a goal of transfer on the ADT pathway if one exists for their chosen major, unless they opt out.

Invests in Technology to Navigate Pathways. The proposal includes \$25 million **one-time** to facilitate the procurement and implementation of software that clearly maps out intersegmental curricular pathways, in order to help students select a pathway, facilitate streamlined transfer between segments, and reduce excess unit accumulation. It also includes \$100 million (\$75 million one-time and \$25 million ongoing) to address modernization of technology infrastructure, including sensitive data protection.

Increases Support for Teacher Preparation Partnerships. The Governor’s Budget includes \$5 million **one-time** to support the CCC Teacher Credentialing Partnership Program, created via legislation several years ago (SB 577, Chapter 603, Statutes of 2018). The program provides grants to community colleges in areas of the state with low rates of K-12 credentialed public school teachers to form partnerships with four-year institutions that have approved teacher preparation programs. The grants support the offering of

teacher credential coursework remotely at the participating community college as a means of increasing access to teacher credentialing programs in underserved areas of the state.

Supports Grants for High-Skilled Career Pathways. The proposal includes \$20 million **one-time** for a grant program to support public-private partnerships that prepare students in high school and community college for specific high-skill fields, including science, technology, engineering, and mathematics (STEM) fields; health care occupations; and education and early education.

Invests in Healthcare-Focused Adult Ed Pathways. The budget proposal includes \$130 million **one-time** to support healthcare-focused vocational pathways for English language learners through the Adult Education Program. The funding would be spread across three years (\$30 million in 2022-23, \$50 million in 2023-24, and \$50 million in 2024-25), and be intended to support learners across all levels of English proficiency.

Invests in K-12 Educational Pathways to Workforce and Higher Education. The Governor proposes \$1.5 billion one-time Proposition 98 for K-12 over four years to support the development of high school pathway programs focused on technology (including computer science, green technology, and engineering), health care, education (including early education), and climate-related fields. These programs would focus on developing local partnerships that bring together school systems, higher education institutions, employers, and other partners.

College Workforce and Its Diversity Receives Support

Addresses Needs of Part-Time Faculty. Building on investments in part-time faculty office hours in the 2021 Budget Act, the proposal includes \$200 million **ongoing** to augment the Part-Time Faculty Health Insurance Program as a means of incentivizing districts to expand healthcare coverage for their part-time faculty.

Invests in Diversifying the Workforce. Building on a \$20 million one-time investment in the 2021 Budget Act, the Governor's Budget includes \$10 million **ongoing** to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.

Efforts to Address Deferred Maintenance Continue

Building on the \$511 million in one-time funds provided in the 2021 Budget Act, the Governor's Budget includes \$387.6 million **one-time** Proposition 98 funds to address deferred maintenance and energy efficiency projects across the system.

Buys Down State Pension Liabilities

The Governor's Budget proposes to contribute \$3.5 billion towards state pension liabilities. The payment would reduce state-level pension liabilities. Since the Governor proposes a supplemental payment using Proposition 2 debt repayment funding, the investment would not directly reduce the CalPERS Schools Pool liability. It is however important to note that the projected 22-23 district employer contribution rates (from the April 2021 CalPERS board actions) are based on a 7 percent rate of return, which CalPERS

exceeded by approximately 14 percent. This additional gain will be offset by the discount rate change approved at the November 2021 CalPERS meeting. Updated CalPERS actuarial projections, including employer contribution rates, are anticipated in April 2022. Available estimates of the employer contribution rates are as shown in Table C-1 in Appendix C.

LOCAL SUPPORT FUNDING ACROSS PROGRAMS IS STABLE OR INCREASES

Table 4 shows proposed local assistance funding by program for the current and budget years. As the table shows, most categorical programs received level or workload funding in the Governor’s proposal, with certain programs receiving cost-of-living adjustments consistent with recent practices. Decreases in funding are related to removing one-time funding allocated in 2021-22 or to revised estimates of underlying factors.

Table 4: California Community Colleges Funding by Program^a (In Millions)

Program	2021-22 Revised	2022-23 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	\$7,927.0	\$8,364.3	\$437.3	5.5%	COLA, growth, and other base adjustments (includes property tax, enrollment fee, and EPA adjustments)
Adult Education Program – Main ^b	\$566.4	\$596.3	29.9	5.3%	5.33% COLA
Student Equity and Achievement Program	\$499.0	\$499.0	0.0	0.0%	
Deferred maintenance (one-time)	\$511.0	\$387.6	N/A	N/A	Additional one-time funding for 2022-23
Strong Workforce Program	\$290.4	\$290.4	0.0	0.0%	
Student Success Completion Grant	\$162.6	\$262.6	100.0	61.5%	Adjust for revised estimates of recipients , with \$100M augmentation based on increased Cal Grant eligibility
Part-time faculty health insurance	\$0.5	\$200.5	200.0	40816.3%	Add \$200M ongoing funds
Integrated technology	\$65.5	\$164.5	99.0	151.1%	Includes one-time (\$75M) and ongoing funding (\$25M) for Data Modernization and Protection. Removes \$1M in one-time funding
Full-time faculty hiring	\$150.0	\$150.0	0.0	0.0%	
Retention and enrollment strategies (one-time)	\$100.0	\$150.0	N/A	N/A	Additional one-time funding for 2022-23
Extended Opportunity Programs and Services (EOPS)	\$135.3	\$142.4	7.1	5.3%	5.33% COLA
Disabled Students Programs and Services (DSPS)	\$126.4	\$133.1	6.7	5.3%	5.33% COLA
Adult Education Program - Healthcare Vocational Education (one-time) ^b	\$0.0	\$130.0	N/A	N/A	One-time funding spread across 3 years.

Common course numbering (one-time)	\$10.0	\$105.0	N/A	N/A	Additional one-time funding for 2022-23
Financial aid administration	\$74.3	\$79.1	4.8	6.5%	Increase of \$10 million and adjustments for revised estimates of fee waivers
California College Promise (AB 19)	\$72.5	\$66.0	-6.5	-9.0%	Adjust for revised estimates of first-time, full-time students
Transfer Reforms (one-time)	\$0.0	\$65.0	N/A	N/A	Add one-time funding for AB 928 transfer reform implementation.
Apprenticeship (community college districts)	\$60.1	\$61.7	1.6	2.7%	5.33% COLA for a portion of the program
CalWORKs student services	\$47.7	\$50.3	2.5	5.3%	5.33% COLA
Mandates Block Grant and reimbursements	\$33.7	\$35.8	2.1	6.3%	Revised enrollment estimates and 5.33% COLA
Student mental health services	\$30.0	\$30.0	0.0	0.0%	
Basic needs centers	\$30.0	\$30.0	0.0	0.0%	
NextUp (foster youth program)	\$20.0	\$30.0	10.0	50.0%	Add ongoing funding
Institutional effectiveness initiative	\$27.5	\$27.5	0.0	0.0%	
Program Pathways Mapping Technology (one-time)	\$0.0	\$25.0	N/A	N/A	Add one-time funding
Part-time faculty compensation	\$24.9	\$24.9	0.0	0.0%	
Online education initiative	\$23.0	\$23.0	0.0	0.0%	
Economic and Workforce Development	\$22.9	\$22.9	0.0	0.0%	
Part-time faculty office hours	\$112.2	\$22.2	N/A	N/A	Remove one-time funding
Cooperative Agencies Resources for Education (CARE)	\$19.7	\$20.8	1.1	5.3%	5.33% COLA
Emergency financial assistance grants (one-time)	\$150.0	\$20.0	N/A	N/A	Additional one-time funding for 2022-23 (specific to AB 540 students)
Pathways Grant Program for High-Skilled Careers (one-time)	\$0.0	\$20.0	N/A	N/A	Add one-time funding
California Online Community College (Calbright College)	\$15.0	\$15.0	0.0	0.0%	
Nursing grants	\$13.4	\$13.4	0.0	0.0%	
Lease revenue bond payments	\$12.8	\$12.8	0.0	0.0%	
Equal Employment Opportunity Program	\$2.8	\$12.8	10.0	357.1%	Add ongoing funding
Dreamer Resource Liaisons	\$11.6	\$11.6	0.0	0.0%	
Mathematics, Engineering, Science Achievement (MESA)	\$10.7	\$10.7	0.0	0.0%	

Immigrant legal services through CDSS	\$10.0	\$10.0	0.0	0.0%	
Veterans Resource Centers	\$10.0	\$10.0	0.0	0.0%	
Rising Scholars Network	\$10.0	\$10.0	0.0	0.0%	
Puente Project	\$9.3	\$9.3	0.0	0.0%	
Student Housing Program	\$9.0	\$9.0	0.0	0.0%	
Umoja	\$7.5	\$7.7	0.2	2.7%	\$0.2 million one-time for a study on Umoja
Foster Parent Education Program	\$5.7	\$5.7	0.0	0.0%	
Teacher Credentialing Partnership (one-time)	\$0.0	\$5.0	N/A	N/A	Add one-time funding
Childcare tax bailout	\$3.7	\$3.9	0.2	5.3%	5.33% COLA
Middle College High School Program	\$1.8	\$1.8	0.0	0.0%	
Academic Senate	\$1.7	\$1.7	0.0	0.0%	
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	\$1.4	\$1.4	0.0	0.0%	
African American Male Education Network and Development (A2MEND)	\$0.0	\$1.1	N/A	N/A	Add ongoing funding
Transfer education and articulation	\$0.7	\$0.7	0.0	0.0%	
FCMAT	\$0.6	\$0.6	0.0	0.0%	
Deferrals--Student Centered Funding Formula	\$1,453.0	\$0.0	N/A	N/A	Remove one-time funding used to pay off 2020-21 deferrals.
Support zero-textbook-cost degrees (one-time)	\$115.0	\$0.0	N/A	N/A	Remove one-time funding
Basic needs for food and housing insecurity (one-time)	\$100.0	\$0.0	N/A	N/A	Remove one-time funding
College-specific allocations (one-time)	\$67.9	\$0.0	N/A	N/A	Remove one-time funding
Guided Pathways implementation (one-time)	\$50.0	\$0.0	N/A	N/A	Remove one-time funding
EEO best practices (one-time)	\$20.0	\$0.0	N/A	N/A	Remove one-time funding
Workforce investment initiatives with CWDB (one-time)	\$20.0	\$0.0	N/A	N/A	Remove one-time funding
Culturally Competent Professional Development (one-time)	\$20.0	\$0.0	N/A	N/A	Remove one-time funding
LGBTQ+ support (one-time)	\$10.0	\$0.0	N/A	N/A	Remove one-time funding
Competency-based education (one-time)	\$10.0	\$0.0	N/A	N/A	Remove one-time funding
AB 1460 implementation (one-time)	\$5.6	\$0.0	N/A	N/A	Remove one-time funding
Community college law school initiative (one-time)	\$5.0	\$0.0	N/A	N/A	Remove one-time funding

Instructional materials for dual enrollment (one-time)	\$2.5	\$0.0	N/A	N/A	Remove one-time funding
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^a Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

^b The Adult Education program total includes resources that go to the K-12 system but are included in the CCC budget. The K-12 Strong Workforce program and K-12 Apprenticeship program are not listed above but are also included in the CCC budget.

CAPITAL OUTLAY INVESTMENTS LOWER FOR NOW, BUT MAY INCREASE

The Governor’s proposal includes \$373 million in capital outlay funding from Proposition 51, approved by voters in 2016, down from \$578 million provided in the 2021 Budget Act. The funding is to support the construction phase for 18 continuing projects, as listed in Table 5. Over the next few months, as districts obtain State approval of their Preliminary Plans/Working Drawings package, the Governor’s Budget will likely include them as a continuing project.

Table 5: Governor’s Proposed Capital Outlay Projects in the California Community Colleges (In Millions)

District, College	Project	2022-23 State Cost	2022-23 Total Cost	All Years State Cost	All Years Total Cost
CONTINUING PROJECTS					
El Camino, El Camino College	Music Building Replacement	\$27.09	\$54.54	\$29.06	\$58.48
Los Angeles, East Los Angeles College	Facilities Maintenance & Operations Replacement	\$11.59	\$27.97	\$12.42	\$29.76
Los Angeles, Los Angeles Mission College	Plant Facilities Warehouse and Shop Replacement	\$0.21	\$0.72	\$7.12	\$23.62
Los Angeles, Los Angeles Pierce College	Industrial Technology Replacement	\$17.00	\$41.41	\$18.18	\$44.01
Los Angeles, Los Angeles Trade-Technical College	Design and Media Arts	\$35.78	\$85.60	\$38.19	\$90.88
Los Angeles, Los Angeles Valley College	Academic Building 2	\$23.74	\$57.56	\$25.38	\$61.14
Los Angeles, West Los Angeles College	Plant Facilities/Shops Replacement	\$5.73	\$14.20	\$6.17	\$15.18
Mt San Antonio, Mt San Antonio College	Technology and Health Replacement	\$77.43	\$187.26	\$82.67	\$197.85
North Orange County, Cypress College	Fine Arts Renovation	\$19.38	\$31.85	\$20.89	\$34.37
North Orange County, Fullerton College	Music/Drama Complex-Buildings 1100 and 1300 Replacement	\$40.49	\$51.74	\$43.79	\$55.86
Rio Hondo, Rio Hondo College	Music/Wray Theater Renovation	\$11.56	\$26.59	\$12.54	\$28.82

Sierra Joint, Sierra College	Gymnasium Modernization	\$26.48	\$35.54	\$28.89	\$38.55
Sonoma County, Public Safety Training Center	Public Safety Training Center Expansion	\$4.93	\$7.28	\$5.32	\$7.94
Sonoma County, Santa Rosa Junior College	Tauzer Gym Renovation	\$9.87	\$19.47	\$10.76	\$21.32
South Orange County, Saddleback College	Science Math Building Reconstruction	\$20.34	\$46.62	\$21.64	\$49.65
West Hills, West Hills College Lemoore	Instructional Center Phase 1	\$23.54	\$31.70	\$25.18	\$34.09
West Valley Mission, Mission College	Performing Arts Building	\$14.43	\$17.11	\$15.45	\$33.58
Yuba, Yuba College	Building 800 Life and Physical Science Modernization	3.46	4.48	3.85	4.92
Total		\$373.04	\$741.62	\$400.38	\$827.83

STATE OPERATIONS RECEIVES ADDITIONAL FUNDING

The Chancellor’s Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing several recent initiatives including Guided Pathways, basic skills reforms, and a new apportionment funding formula. In addition, the Chancellor’s Office provides technical assistance to districts and conducts regional and statewide professional development activities. The current-year (2021-22) budget provides \$19.7 million in non-Proposition 98 General Fund and \$11.6 million in special funds and reimbursements for Chancellor’s Office operations.

Responding to the Board of Governors’ request for additional capacity to lead the system, the Governor’s Budget includes an initial increase of \$1.4 million ongoing non-Proposition 98 General Funds to support nine (9) new positions at the Chancellor’s Office in 2022-23, with conversations ongoing about the potential for additional state operations resources to be included in the May Revision. In addition, the proposal states an intent to provide an additional \$1.4 million in 2023-24 for 10 more new positions. The new resources are intended to allow the Chancellor’s Office to better support curriculum-related reforms and technology modernization efforts, in addition to increased operational capacity for research, data analysis, legal affairs, governmental relations, and fiscal health monitoring.

Next Steps

For more information throughout the budget process, please visit the Budget News section of the Chancellor’s Office website:

<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>

Appendix A: Overview of the State Budget Process

The Governor and the Legislature adopt a new budget every year. The Constitution requires a balanced budget such that, if proposed expenditures exceed estimated revenues, the Governor is required to recommend changes in the budget. The fiscal year runs from July 1 through June 30.

Governor’s Budget Proposal. The California Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. The Director of Finance, who functions as the chief financial advisor to the Governor, directs the preparation of the Governor’s Budget. The state’s basic approach is incremental budgeting, estimating first the costs of existing programs and then adjusting those program levels. By law, the chairs of the budget committees in each house of the Legislature—the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee—introduce bills reflecting the Governor’s proposal. These are called budget bills, and the two budget bills are identical at the time they are introduced.

Related Legislation. Some budget changes require that changes be made to existing law. In these cases, separate bills—called “trailer bills”—are considered with the budget. By law, all proposed statutory changes necessary to implement the Governor’s Budget are due to the Legislature by February 1.

Legislative Analyses. Following the release of the Governor’s Budget in January, the LAO begins its analyses of and recommendations on the Governor’s proposals. These analyses, each specific to a budget area (such as higher education) or set of budget proposals (such as transportation proposals), typically are released beginning in mid-January and continuing into March.

Governor’s Revised Proposals. Finance proposes adjustments to the January budget through “spring letters.” Existing law requires Finance to submit most changes to the Legislature by April 1. Existing law requires Finance to submit, by May 14, revised revenue estimates, changes to Proposition 98, and changes to programs budgeted based on enrollment, caseload, and population. For that reason, the May Revision typically includes significant changes for the California Community Colleges budget. Following release of the May Revision, the LAO publishes additional analyses evaluating new and amended proposals.

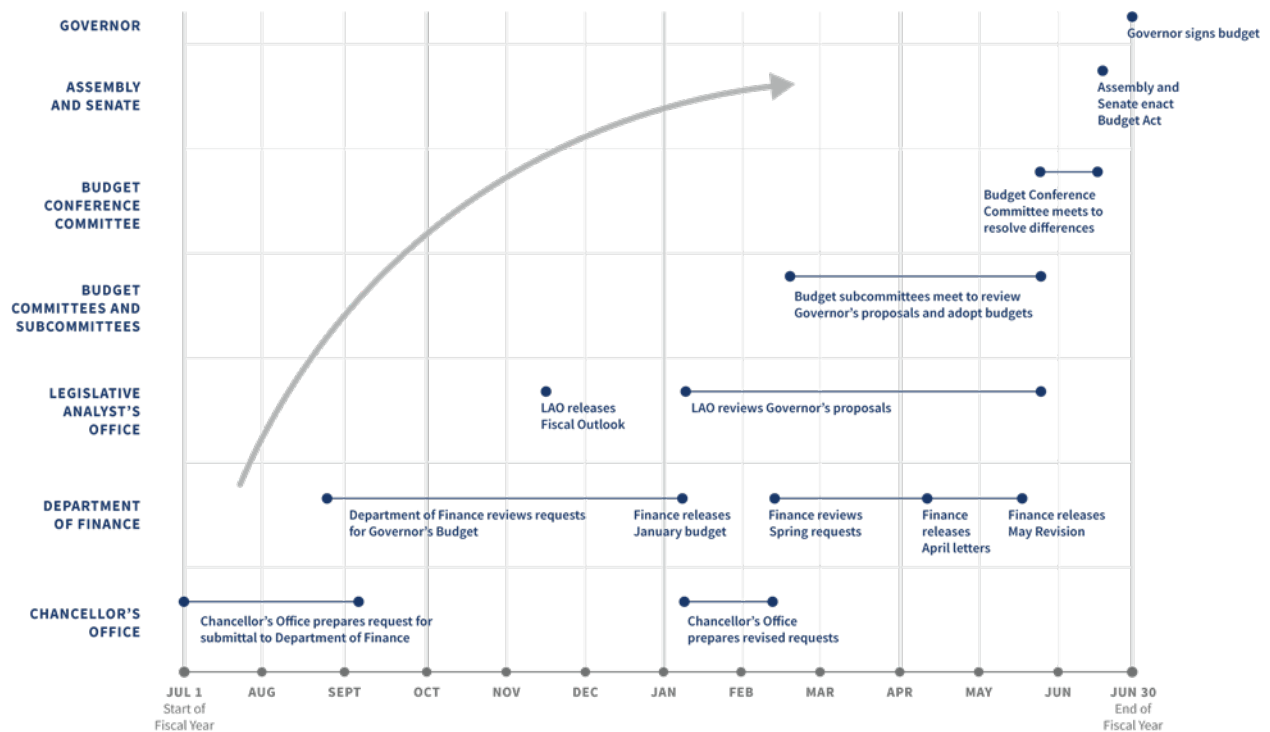
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can adopt, reject, or modify the proposal. Any January proposals not acted on remain in the budget by default. May proposals, in contrast, must be acted on to be included in the budget. In addition to acting on the Governor’s budget proposals, subcommittees also can add their own proposals to the budget.

When a subcommittee completes its actions, it reports its recommendations back to the full committee for approval. Through this process, each house develops a version of the budget that is a modification of the Governor’s January budget proposal.

A budget conference committee is then appointed to resolve differences between the Senate and Assembly versions of the budget. The administration commonly engages with legislative leaders during this time to influence conference committee negotiations. The committee’s report reflecting the budget deal between the houses is then sent to the full houses for approval.

Budget Enactment. Typically, the Governor has 12 days to sign or veto the budget bill. The Governor also has the authority to reduce or eliminate any appropriation included in the budget. Because the budget bill is an urgency measure, the bill takes effect as soon as it is signed.

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



Appendix B: Board of Governors' Budget and Legislative Request Compared to Governor's Budget Proposal

Board of Governor's Request	Governor's Budget Proposal
Ongoing Investments	
Foundational Resources. \$500 million for base funding increase.	Provides \$409 million for a COLA of 5.33% and \$25 million for 0.5% enrollment growth.
Students' Equitable Recovery. \$50 million for basic needs, \$20 million to expand NextUp Program, \$2 million for Foster and Kinship Care Education program, unspecified amount to scale the Military Articulation Platform, and funds to cover a 3% augmentation for DSPS and CalWORKS.	Provides \$10 million to expand NextUp.
Diversity, Equity and Inclusion. \$51 million to support districts in connecting hiring practices and procedures to DEI efforts.	Provides \$10 million to support EEO best practices to diversify faculty, staff and administrators.
Support for Faculty and Staff. \$25 million for professional development.	Instead, it provides \$200 million to augment the Part-Time Faculty Health Insurance Program.
Enrollment and Retention Strategies. \$20.3 million to recover from pandemic enrollment declines, particularly among underserved student groups.	See one-time funding provided below.
Technology Capacity to Support Teaching and Learning. \$22 million for district cybersecurity staff, \$9 million for distance education (DE) professional development, \$1.25 million for cybersecurity teams, \$1 million for Ed Tech Portfolio security, \$1 million for DE teaching and learning support, and \$750,000 for CCCApply hosting and maintenance.	Provides \$25 million to address modernization of CCC technology infrastructure (and additional one-time funding described below).
College Affordability and Supports. \$20 million for local financial aid administration.	Provides \$10 million to augment resources for financial aid offices. Also includes \$100 million for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B/C eligibility.
One-Time Investments	
Students' Equitable Recovery. \$1.1 million to expand A2MEND Student Charters, \$179,000 to study Umoja program elements affecting Black student success.	Provides the requested funding for A2MEND and the Umoja program study. Also includes \$150 million to support high-touch strategies to increase student retention rates and enrollment; \$20 million for emergency grants to AB 540 students; and \$65 million to support implementation of the transfer reform provisions of AB 928.

<p>Diversity, Equity and Inclusion. \$40 million for innovations in colleges’ efforts to implement culturally competent practices.</p>	<p>See ongoing funding above for increased diversity in hiring.</p>
<p>Support for Faculty and Staff. \$100 million to support full-time faculty and \$300 million for part-time faculty.</p>	<p>See ongoing funding described above.</p>
<p>Technology Capacity to Support Teaching and Learning. \$40 million for Ed Tech Portfolio, \$28.5 million for district enrollment security upgrades, \$6.5 million for CCCApply enhancements and modernization.</p>	<p>Provides \$75 million to address modernization of CCC technology infrastructure; \$105 million to support systemwide implementation of common course numbering; and \$25 million for software that maps out intersegmental curricular pathways.</p>
<p>Non-Proposition 98 Investments</p>	
<p>Supporting Institutional Quality and Capacity. \$75 million ongoing for the Physical Plant and Instructional Support program, unspecified ongoing funds to assist in covering increases to CalPERS and CalSTRS, \$150 million one-time for deferred maintenance, \$100 million one-time for Guided Pathways implementation, and \$1.5-\$2.5 million one-time and \$250,000 ongoing to support development of a streamlined reporting process and tool.</p>	<p>Provides \$373 million of Proposition 51 funds for facilities. Also provides \$387.6 million in one-time Proposition 98 funds for deferred maintenance.</p>
<p>Capacity to Support the System. Additional Chancellor’s Office staffing, including 9 Educational Services & Workforce Development positions, 6 Fiscal Services positions, 4 Legal positions, 4 Communications and Governmental Relations positions, and 8 Technology and Research positions.</p>	<p>Provides \$1.4 million ongoing to support nine (9) new positions in 2022-23, and states intention to provide additional \$1.4 million in 2023-24 for another 10 positions.</p>
<p>Students’ Equitable Recovery. Requests (1) policy recommendations from independent research entity on how to ensure guaranteed admission to UC or CSU for transfer students without loss of units; (2) removal of sunset data on CCAP programs; and (3) reauthorization and recasting of EWD program to support a student-centered approach that expands work-based learning.</p>	<p>See one-time Proposition 98 funding for AB 928 implementation above.</p>
<p>College Affordability and Supports. \$500 million one-time and \$50 million ongoing to develop affordable student housing program. Also requests (1) unspecified revenues and statutory authority to ensure equitable student access to books and materials; (2) identification of a dedicated revenue source for increasing Cal Grant amounts for CCC students to address the total cost of attendance; and (3) expanded eligibility for AB 540 nonresident tuition exemption.</p>	<p>See above the ongoing Proposition 98 funding related to Cal Grant eligibility expansion, and the one-time funding for AB 540 students.</p>

Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

Based on the information used in developing the state budget, it would be reasonable for districts to plan their budgets using information shown in Table C-1 below.

Table C-1: Planning Factors for Proposed 2022-23 Budget

Factor	2020-21	2021-22	2022-23
Cost-of-living adjustment (COLA)	0.00%	5.07%	5.33%
State Lottery funding per FTES ^a	\$238	\$228	TBD
Mandated Costs Block Grant funding per FTES	\$30.16	\$30.16	\$30.16
RSI reimbursement per hour	\$6.44	\$6.44	\$6.44
Financial aid administration per College Promise Grant	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	20.70%	22.91%	TBD ^b
State Teachers' Retirement System (CalSTRS) employer contribution rates	16.15%	16.92%	19.10%

^a 2022-23 estimate not available

^b Updated CalPERS employer contribution rates anticipated in April 2022. Current estimates at 26.10%.

STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues by specified deadlines. Financial reporting deadlines are shown in Table C-2.

Table C-2: Standard Financial Reporting Deadlines in Place for 2022-23

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2022	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2022	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2022	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2022	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2022	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2022	59106

If the governing board of any district fails to develop a budget as described, the chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not imposed on a district if the chancellor determines that unique circumstances made it

impossible for the district to comply with the provisions or if there were delays in the adoption of the annual state budget.

The total amount proposed for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).

STATE REQUIREMENTS RELATED TO EXPENDITURES

State law includes two main requirements for districts' use of apportionments. The Chancellor's Office monitors district compliance with both requirements and annually updates the Board of Governors.

Full-Time Faculty Obligation

Education Code Section 87482.6 recognizes the goal of the Board of Governors that 75% of the hours of credit instruction in the California Community Colleges should be taught by full-time faculty. Each district has a baseline reflecting the number of full-time faculty in 1988-89. Each year, if the Board of Governors determines that adequate funds exist in the budget, districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in funded credit full-time equivalent students. Funded credit FTES includes emergency conditions allowance protections, such as those approved for fires and for the COVID-19 pandemic. Districts with emergency conditions allowances approved per regulation will not have their full-time faculty obligation reduced for actual reported FTES declines while the protection is in place. The target number of faculty is called the Faculty Obligation Number (FON). An additional increase to the FON is required when the budget includes funds specifically for the purposes of increasing the full-time faculty percentage. The chancellor is required to assess a penalty for a district that does not meet its FON for a given year.

Fifty Percent Law

A second requirement related to budget levels is a statutory requirement that each district spend at least half of its Current Expense of Education each fiscal year for salaries and benefits of classroom instructors. Under existing law, a district may apply for an exemption under limited circumstances.

Appendix D: Districts' Fiscal Health

The Board of Governors has established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. These standards are intended to be progressive, with the focus on prevention and assistance at the initial level and more direct intervention at the highest level.

Under that process, each district is required to regularly report to its governing board the status of the district's financial condition and to submit quarterly reports to the Chancellor's Office three times a year in November, February, and May. Based on these reports, the Chancellor is required to determine if intervention is needed. Specifically, intervention may be necessary if a district's report indicates a high probability that, if trends continue unabated, the district will need an emergency apportionment from the state within three years or that the district is not in compliance with principles of sound fiscal management. The Chancellor's Office's intervention could include, but is not limited to, requiring the submission of additional reports, requiring the district to respond to specific concerns, or directing the district to prepare and adopt a plan for achieving fiscal stability. The Chancellor also could assign a fiscal monitor or special trustee.

The Chancellor's Office believes that the evaluation of fiscal health should not be limited to times of crisis. Accordingly, the Fiscal Forward Portfolio has been implemented to support best practices in governance and continued accreditation, and to provide training and technical assistance to new chief executive officers and chief business officers through personalized desk sessions with Chancellor's Office staff.

The Chancellor's Office's ongoing fiscal health analysis includes review of key financial indicators, results of annual audit reports, and other factors. A primary financial health indicator is the district's unrestricted reserves balance. **The Chancellor's Office recommends that districts adopt policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of general fund operating expenditures or revenues, consistent with Budgeting Best Practices published by the Government Finance Officers Association.**

Districts are strongly encouraged to regularly assess risks to their fiscal health. The Fiscal Crisis and Management Assistance Team has developed a Fiscal Health Risk Analysis for districts as a management tool to evaluate key fiscal indicators that may help measure a district's risk of insolvency in the current and two subsequent fiscal years.

Appendix E: Glossary

Appropriation: Money set apart by legislation for a specific use, with limits in the amount and period during which the expenditure is to be recognized.

Augmentation: An increase to a previously authorized appropriation or allotment.

Bond Funds: Funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds.

Budget: A plan of operation expressed in terms of financial or other resource requirements for a specific period.

Budget Act (BA): An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget, amended by the Legislature, and signed by the Governor.

Budget Year (BY): The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

Capital Outlay: Expenditures that result in acquisition or addition of land, planning and construction of new buildings, expansion or modification of existing buildings, or purchase of equipment related to such construction, or a combination of these.

Cost of Living Adjustment (COLA): Increases provided in state-funded programs intended to offset the effects of inflation.

Current Year (CY): The present state fiscal year, beginning July 1 and ending June 30 (in contrast to past or future periods).

Deferrals: Late payments to districts when the state cannot meet its funding obligations. Deferrals allow districts to budget for more money than the state will provide in a given year. A district is permitted to spend as if there is no deferral. Districts typically rely on local reserves or short-term loans (e.g., TRANS) to cover spending for the fiscal year.

Department of Finance (DOF or Finance): A state fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor.

Education Protection Account (EPA): The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and amended by Proposition 55 in November 2016. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. These funds are set to expire on December 31, 2030.

Expenditure: Amount of an appropriation spent or used.

Fiscal Year (FY): A 12-month budgeting and accounting period. In California state government, the fiscal year begins July 1 and ends the following June 30.

Fund: A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations.

General Fund (GF): The predominant fund for financing state operations; used to account for revenues that are not specifically designated by any other fund.

Governor's Budget: The publication the Governor presents to the Legislature by January 10 each year, which includes recommended expenditures and estimates of revenues.

Legislative Analyst's Office (LAO): A nonpartisan office that provides fiscal and policy advice to the Legislature.

Local Assistance: Expenditures made for the support of local government or other locally administered activities.

May Revision: An update to the Governor's Budget presented by Finance to the Legislature by May 14 of each year.

Past Year or Prior Year (PY): The most recently completed state fiscal year, beginning July 1 and ending June 30.

Proposition 98: A section of the California Constitution that, among other provisions, specifies a minimum funding guarantee for schools and community colleges. California Community Colleges typically receive 10.93% of the funds.

Related and Supplemental Instruction (RSI): An organized and systematic form of instruction designed to provide apprentices with knowledge including the theoretical and technical subjects related and supplemental to the skill(s) involved.

Reserve: An amount set aside in a fund to provide for an unanticipated decline in revenue or increase in expenditures.

Revenue: Government income, generally derived from taxes, licenses and fees, and investment earnings, which are appropriated for the payment of public expenses.

State Operations: Expenditures for the support of state government.

Statute: A law enacted by the Legislature.

Tax and Revenue Anticipation Notes (TRANS): Short-term debt instruments issued in anticipation of taxes or other revenues to be collected at a later date.

Workload Budget: The level of funding needed to support the current cost of already-authorized services.



ACCCA AND ACBO

The Association of California Community College Administrators
and The Association of Chief Business Officials

present

The Annual Workshop on the Governor's Proposed Budget 2022-23

Wednesday, January 19, 2022



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Administrators
and The Association of Chief Business Officials**

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**The Annual Workshop on the
Governor’s Proposed State Budget
2022–23**

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***Governor's Proposals for the
2022–23 State Budget and
California Community Colleges***

***Summary Prepared by
School Services of California Inc.***

Summary of the Governor’s Proposals for the 2022–23 State Budget and California Community Colleges

By School Services of California Inc.

Introduction

It is not often that we experience a crisis, such as the global health pandemic, that turns our collective and individual lives upside down and inside out, while we enjoy the fruits of an exuberant economy that yields unprecedented revenues. And yet, here we are with the release of Governor Gavin Newsom’s 2022-23 State Budget—a \$286 billion spending plan that aims to tackle COVID-19 head on, builds upon and expands critical services for Californians, and strengthens the resiliency of the state to address uncertainties and crises we cannot yet see.

For education, Governor Newsom proposes a wide range of new investments. The significant funding surpluses of California’s COVID-19 economy can support an increase in programmatic offerings through existing education programs and additional investments in several education areas.

Overview of the Governor’s Budget Proposals

Governor Newsom’s Budget proposal seeks to strike a balance between ensuring that the needs of every Californian, and especially the most vulnerable Californians, are met through an array of programs while ensuring that the state is equipped to respond to shocks spawned by natural disasters or economic downturns. To this end, his 2022-23 State Budget proposes investments in California’s core infrastructure to combat the threat of wildfires that have devastated so many lives. The Budget continues and expands programs to address climate change, including workforce investments and funding to green California’s school bus fleets. The Budget recognizes the continuing impacts on COVID-19 and proposes over \$2 billion to increase the state’s capacity to slow the spread of the virus through increased testing capacity and vaccination efforts. Additionally, the struggles of small businesses persist as business owners try to recover from the instability of the last two years and the recent omicron surge. Consequently, Governor Newsom augments federal aid to buoy small businesses.

These investments, alongside obligated spending on public education, are viewed by the Governor as essential to protect California in the here and now. However, he is equally committed to fiscal prudence and laying a budget foundation against future risks. The 2022-23 State Budget plan reflects over \$34 billion in reserves: \$20.9 billion in the state’s Rainy Day Fund to address fiscal emergencies and \$3.1 billion in operating reserves. Additionally, the Budget includes a sizable deposit into the Proposition 98 reserve (totaling \$9.7 billion). Putting money into a savings account is one way to address future uncertainties; another is to reduce spending obligations. In this regard, Governor Newsom proposes to accelerate buying down the state’s retirement liabilities with \$3.8 billion in the Budget year and another \$8.4 billion over the next three years. While this is welcome news for the stability of the retirement systems of educators, they do not directly benefit education employers.

One of Governor Newsom’s Budget hallmarks is his reliance on onetime spending. We have seen this pattern since he took office, and perhaps was most stark with the 2021 Budget Act. The Governor’s 2022-23 State Budget reflects this tool to ensure stability and budget resilience over time with 86% of his spending proposals being onetime in nature. With this approach, and a deliberate and thoughtful combination of onetime and ongoing investments, Governor Newsom proposes a Budget that is structurally balanced through 2025-26.

The Economy and Revenues

The forecast upon which Governor Newsom bases his proposed State Budget assumes continued economic growth in California. He remains confident in the state’s recovery from the pandemic and in the stability of a strengthened economy. California’s labor force participation rate is expected to improve, along with job growth and reduced unemployment. Resumed tourism and travel into the state is expected to bolster growth in low-wage, high-touch sectors that have been disproportionately impacted by the COVID-19 pandemic, and wage growth (particularly in low-wage sectors) is expected to increase.

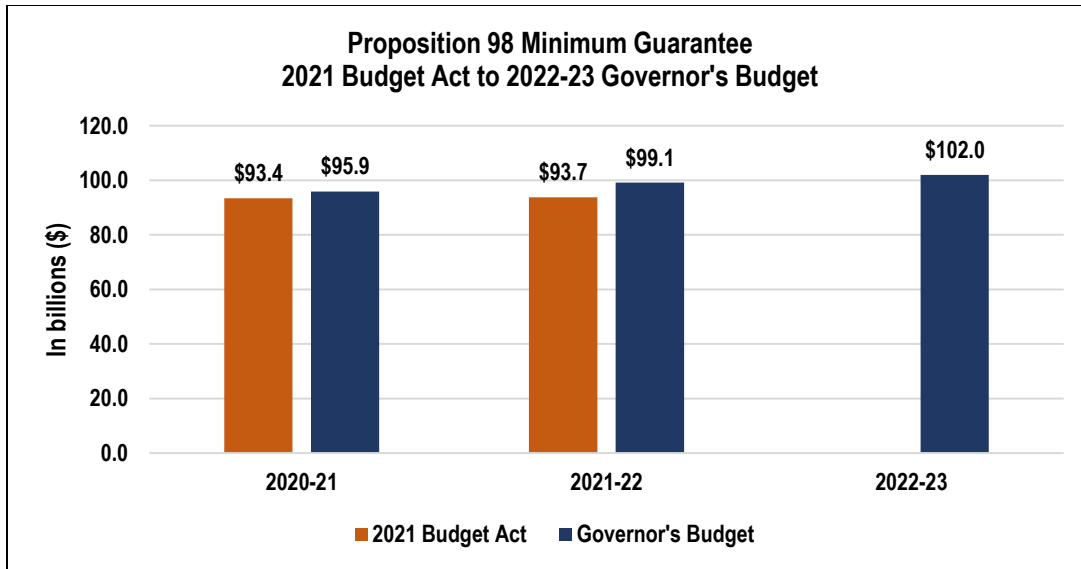
This positive forecast is reflected in the revenue assumptions from the state’s largest revenue source—the “Big Three” taxes. The 2022-23 Governor’s Budget assumes that tax revenues from two of the three main taxes (the personal income and sales and use tax) will increase from 2021-22.

Big Three Taxes (in billions)		
	2021-22	2022-23
Personal Income Tax	\$120.9	\$130.3
Sales and Use Tax	\$30.9	\$32.2
Corporation Tax	\$32.9	\$23.7

Robust state revenues provide the state a general fund surplus of \$45.7 billion surplus for the 2022-23 fiscal year, of which over \$16 billion must be spent on public education through adjustments and increases in the Proposition 98 minimum guarantee. The Legislative Analyst’s Office predicted in its November 2021 *Fiscal Outlook* that the state would have revenues in excess of its constitutional spending limit (or “Gann Limit”). The Governor holds off on addressing this issue in his January proposal; preferring to wait until the May Revision with clearer revenue estimates before addressing any spending limitations.

Proposition 98 Minimum Guarantee and Reserve

The Proposition 98 minimum guarantee for 2022-23 is expected to increase by \$8.3 billion over the 2021 Budget Act to \$102 billion. In addition, the minimum guarantee for 2020-21 and 2021-22 increases over budget act estimates by \$2.5 billion and \$5.4 billion, respectively.



Test 1 remains operative through the budget window and with an adjustment to the minimum guarantee to account for the additional four-year-olds anticipated to be served by Transitional Kindergarten (\$639.2 million), Proposition 98 spending would represent 38.4% of General Fund revenues in 2022-23.

Given the robust state revenues, Proposition 2 requires the state to make deposits into the Proposition 98 reserve when certain conditions are met. The 2022-23 Governor’s Budget includes a \$3.1 billion deposit, which accompanies adjusted deposits of \$3.1 billion and \$3.6 billion in 2020-21 and 2021-22, respectively, bringing the total deposit amount to \$9.7 billion by the end of the budget year.

Student Centered Funding Formula and Enrollment

The Governor’s Budget proposes \$409.4 million to fund the 5.33% cost-of-living adjustment (COLA) for apportionments, which is applied to the rates within the Student Centered Funding Formula (SCFF).

The Governor acknowledges that the SCFF hold harmless provision is set to expire after the 2024-25 fiscal year. To prevent fiscal declines between 2024-25 and 2025-26, Governor Newsom proposes creating a funding floor for community college districts that allows transition to the core formula over time. This language would effectively allow funding rates to continue to increase by the statutory COLA but removes its application to the hold harmless provision commencing with 2025-26 and permanently extends the revised hold harmless provision.

The Newsom Administration also states that it supports the recommendation made by the SCFF Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF’s supplemental allocation once a reliable and stable data source is available. There is no timetable available as to when this metric will be included within the supplemental allocation.

The Governor proposes to provide \$24.9 million to fund student enrollment growth of 0.5%. The estimate for local property tax collections has increased by \$230.5 million, which reduces state aid accordingly in 2022-23.

CCC Roadmap to California's Future

The Administration and the Chancellor's Office have developed a collaborative multiyear roadmap that focuses on equity and student success to enhance the system's ability to prepare students for the future. To assist in the goals outlined in the roadmap, the Governor proposes the following invests in his 2022-23 State Budget blueprint:

- \$100 million ongoing for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for California Community College (CCC) students
- \$105 million one-time to support the systemwide implementation of a common course numbering system pursuant to the provisions of Assembly Bill (AB) 1111 (Berman, Statutes of 2021)
- \$65 million onetime for community colleges to implement the transfer reform provisions required by AB 928 (Berman, Statutes of 2021)
- \$25 million onetime to assist community colleges with the procurement and implementation of software that maps intersegmental curricular pathways
- \$10 million ongoing to support the sustainable implementation of Equal Employment Opportunity Program best practices to diversify CCC faculty, staff, and administrators
- \$10 million ongoing to augment resources provided to CCC financial aid offices
- \$10 million ongoing to expand availability of foster youth support services offered by the NextUp program from 20 districts to 30 districts

Student Enrollment and Retention

To mitigate the enrollment declines exacerbated by the COVID-19 pandemic, Governor Newsom proposes \$150 million onetime to continue to support community college efforts and focused strategies to increase student retention rates and enrollment.

The Governor's Budget Summary also states that it is the expectation of the Administration that community college districts aim to offer at least 50% of their lecture and laboratory course sections as in-person instruction for the 2022-23 academic year, provided the approach is consistent with student learning modality demand and public health guidelines in place at the time. It is unclear at this point whether this expectation will be formalized in trailer bill language.

CCC Facilities and Deferred Maintenance

Governor Newsom proposes \$373 million onetime in general obligation bond funding for the construction phase of 17 projects anticipated to complete design by spring 2023, and the working drawings phase of one project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.

The Administration also proposes an increase of \$387.6 million one-time to support deferred maintenance and energy efficiency projects at community colleges, of which \$108.7 million is from 2022-23, \$182.1 million is from 2021-22, and \$96.8 million is from 2020-21.

Other CCC Apportionments and Programs

The other community college programs that are funded outside of the SCFF that would also receive a 5.33% COLA under the Governor's State Budget proposal are: Adult Education, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services, Apprenticeship, CalWORKs Student Services, Mandates Block Grant and Reimbursements, and the Childcare Tax Bailout.

Additionally, the Governor proposes the following investments into other CCC programs:

- \$200 million ongoing to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts
- \$130 million onetime (of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25) to support healthcare-focused vocational pathways for English language learners through the Adult Education Program
- \$100 million (of which \$75 million is one-time and \$25 million is ongoing) to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges
- \$20 million onetime to support emergency student financial assistance grants to eligible AB 540 students
- \$20 million onetime for a grant program that incentivizes public-private partnerships that prepare students in grades 9-14 for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare
- \$5 million onetime to support the CCC Teacher Credentialing Partnership Program

COVID-19 Pandemic

Governor Newsom proposes \$2.7 billion to continue the state's fight against the COVID-19 pandemic. His proposals focus on continued economic growth, keeping schools open, and supporting medical surge efforts. The proposal calls for the Legislature to take early action to allocate \$1.4 billion of the \$2.7 billion to increase vaccination rates and expand testing through

June 30, 2022, and \$1.3 billion through June 30, 2023, to support continued distribution and administration of vaccines and boosters, statewide testing, and support of hospitals to address medical surges.

The Governor also calls for early action to ensure the safety of our state's workforce by modifying the previous COVID-19 Supplemental Paid Sick Leave (SPSL) provided for under Senate Bill 95 (Chapter 13/2021), which expired on September 30, 2021. Recall that SPSL provided employees with up to 80 hours of COVID-19-related paid sick leave for themselves or a family member subject to quarantine or isolation, to attend a vaccine appointment, or if they were unable to work or telework due to vaccine-related symptoms. Beyond the call to action, the Governor's Budget Summary provides no additional information related to paid COVID-19 leave nor did the Governor say more about this proposal during his press conference.

Retirement Systems

Governor Newsom does not propose additional funding for the California State Teachers' Retirement System (CalSTRS) or the California Public Employees' Retirement System (CalPERS) employer contribution rate relief. Based on current assumptions, CalSTRS employer contributions would increase from 16.92% to 19.10% in 2022-23, while CalPERS employer contributes rates would increase from 22.91% to 26.10%.

The Rest of Higher Education

The Administration has worked with each higher education segment (CCC, California State University [CSU], and University of California [UC]) to develop multiyear compacts and a roadmap that provides sustained state investments in exchange for clear commitments from each segment to expand student access, equity, and affordability, and to create pathways for students to study and enter careers in health, education, climate action, and technology. While each segment has their own compact/roadmap with the state, they are forged with the understanding that they work toward aligned goals and achieve an increased level of intersegmental collaboration.

Building on the 2021 State Budget Act's expansion of Cal Grant financial aid entitlement, the Governor's 2022-23 State Budget proposal expands these investments in college affordability with the following:

- An increase of \$515 million ongoing, for a total of \$632 million ongoing, to support a modified version of the Middle-Class Scholarship Program and help cover non-tuition costs for more families
- An increase of \$300 million one-time to fulfill the \$500 million total commitment to support the Learning-Aligned Employment Program administered by the California Student Aid Commission
- Modification of the Cal Grant B Dreamer Service Incentive Grant program to increase participant stipends from the equivalent of a \$10-hourly wage to the equivalent of a \$15-hourly wage, and to authorize any unexpended funds to be provided to UC and CSU to support their California Dream Loan programs

The Budget includes \$304.1 million ongoing for the CSU, including \$211.1 million ongoing for a 5% increase in base resources. Similarly, the Budget proposes \$307.3 million in ongoing General Fund augmentations for the UC, including \$200.5 million ongoing for a 5% increase in base resources. The Governor also proposes \$100 million for both the CSU and UC for deferred maintenance and energy efficiency projects.

K-12 Education Proposals

The Governor proposes providing \$3.3 billion ongoing for the K-12 Local Control Funding Formula (LCFF), which reflects the 5.33% statutory COLA.

The Governor is also proposing a number of investments outside of the LCFF such as \$54.4 million in educator workforce investments, an additional \$3.4 billion for the Expanded Learning Opportunities Program, \$1.5 billion for school transportation programs, \$1.5 billion to support the development of career pathway programs, and \$500 million to expand and strengthen access to dual enrollment opportunities.

The Governor's Budget proposes an unprecedented onetime non-Proposition 98 General Fund investment totaling \$2.225 billion to fund new K-12 construction and modernization projects through the School Facility Program.

In Closing

Educators are working diligently to meet the learning and nonacademic needs of their students and their families. We at School Services of California Inc. continue to be in awe of that monumental task. In 2022-23, we hope that the Governor and Legislature will provide the resources needed to best support educators throughout California. The Governor's Budget proposal is a starting point in that conversation, which will last the next several months.

***Reactions to the Governor's
Proposals—Excerpts***

Reactions to the Governor's Proposals—Excerpts

Legislative Leadership

The Senate's budget priority is to put California's wealth to work for those who need it most—middle class families and those struggling to get by. The Governor's initial budget proposal is in line with that goal, and we are already working to ensure the final 2022-23 budget will meet the needs of the present, build for the future, and reflect the lessons of the past. The responsible budgets Democratic Legislators and Governors have enacted over the last decade, using vital tools provided to us by the voters, have put us in position to make important investments in schools and infrastructure, grow the targeted tax credits that have proved so successful for families and small businesses, restore the California dreams of affordable housing and affordable college, and, most important, create a healthier, more sustainable and equitable California

—*Senate President pro Tempore Toni Atkins (D-San Diego)*

The Governor's proposal sets the stage for continued, careful implementation of last year's bold budget initiatives and new investments in education, transportation, and climate-related infrastructure to benefit all Californians. I want to thank the Governor for his continued support of expanding health care coverage to all Californians. At the start of session last week, I told my Assembly colleagues, 'Let's get to work.' That work will include budget collaboration with the Governor and Senate Pro Tem Atkins to fund state and local responses to our public health challenges, especially COVID-19. This is especially important to support Californians facing the Omicron spike.

—*Assembly Speaker Anthony Rendon (D-Lakewood)*

Legislative Budget and Policy Committee Chairs

We're a stronger state when we are all doing better. Clearly, with Omicron cases surging, we should consider taking some early budget actions to respond, including more COVID sick time. In the long term, we must continue making sure California's strong economic recovery touches every resident. We do that by following through on the bold investments we made in last year's budget, which are working to lift up Californians still struggling from the pandemic. I'm happy to see a number of the Governor's priorities is aligned in the Assembly Budget Blueprint, **Delivering Prosperity & Strengthening the Future**, unveiled last month, including:

- **New Initiatives From 2021 Budget Are Implemented:** Universal Transitional Kindergarten; climate resiliency to address wildfire and drought; expanded broadband access; youth behavioral health initiative for mental health needs
- **Critical Services:** Continued investments in housing and homelessness; easier application process for safety net programs; improved EDD efficiency; more resources for violence and suicide prevention
- **Infrastructure:** School facilities, transportation/public transit, courthouse modernization

- **Preparing For the Future:** More robust public health infrastructure; increased workforce training/readiness for high demand jobs; record reserves for possible economic downturn

—*Assembly Budget Committee Chair Phil Ting (D-San Francisco)*

I look forward to reviewing the governor’s plan and working with Pro Tem Atkins, legislative colleagues, and the administration to create a 2022-23 budget that further moves toward an equitable economy for all. As the pandemic continues to ravage families, schools and small businesses, we will pay particular attention to supporting those still struggling as well as increased investments in affordable and homeless housing, our essential workforce, health and mental health services, education infrastructure and actions that strength California’s leadership on climate protection.

—*Senate Budget and Fiscal Review Committee Chair Nancy Skinner (D-Berkeley)*

As Chair of the Assembly Budget Subcommittee on Education Finance, I look forward to digging into the Governor’s TK-16 education proposals and craft a final budget plan. Schools and students will benefit to see Prop 98 school funding and per-pupil resources at an all-time high. I’m pleased to see funding to implement Universal Transitional Kindergarten, and for new child care slots and higher reimbursement rates. This will be a key issue for the Legislature as we work to make high quality 0-5 early education universal for all families... We want to finish Cal Grant reform and make college debt-free. We’ll also fine tune the UC/CSU enrollment promise to expand access for our hard working students. Lastly, we’ll be looking to use one-time resources to significantly expand affordable housing for college students struggling to make ends meet.

—*Assembly Budget Subcommittee on Education Finance
Chair Kevin McCarty (D-Sacramento)*

Current figures show the state now has a projected surplus of \$45.7 billion, which includes \$20.6 billion in General Fund for discretionary purposes, \$16.1 billion in additional Proposition 98 for K-12 schools and community colleges, the highest per student investment in Prop 98 recorded in California history, and \$9 billion in reserve deposits and supplemental pension payments. Californians collective future rests wholeheartedly on the success of students who continue to face a challenge unlike any we have known in our lifetimes. The Governor’s proposal to increase the Local Control Funding Formula (LCFF) Cost Of Living Adjustment (COLA) by 5.33 percent, the highest COLA since the Great Recession, address enrollment loss, alleviate COVID-19 demands on schools, and bolster resources in higher education are a good start for our work ahead.

—*Senate Budget Subcommittee on Education Chair John Laird (D-Santa Cruz)*

I am proud to see the Governor’s commitment to higher education and the goals of the 2021-2022 Budget agreement. As students have experienced numerous setbacks in the last two years, the Governor’s 2022-2023 Budget importantly addresses equity gaps, enrollment numbers, the digital divide, and mental health resources. I am glad to see that the Governor’s Budget further sets aside funding for student housing, foster youth, and builds on last year’s work of expanding the Middle Class Scholarship and Cal Grant.

—*Assembly Higher Education Committee Chair Jose Medina (D-Riverside)*

As chair of the Senate Education Committee, I am delighted by the historic funding for education, which will continue to set California as an educational leader across the nation. Specifically, I celebrate the additional option for an ADA hold-harmless, as well as investments in green school buses, \$373 million for early learning rate reform, additional \$3.4 billion for expanded learning, \$1.5 billion for new career pathways, \$500 million for special education, and addressing the total cost of attendance in higher education through efforts such as student housing. Together—along with many other priorities—we will further improve the quality of education for California students and the day-to-day reality for schools in our state.

—*Senate Education Committee Chair Connie Leyva (D-Chino)*

Education Stakeholders

The Governor’s 2022-23 budget proposal gives us the opportunity to continue to collaborate on a multi-year roadmap to improve equity and student success in tandem with other higher education partners. Recognizing that higher education is still the best path to social mobility, the governor’s proposed budget for 2022-23 provides the investment and support needed to help achieve our shared student success goals. It supports students with improved access to financial aid, adds momentum to efforts to strengthen enrollment and retention, supports teacher training and pathways for students entering fields in early childhood education, healthcare and climate change response. The proposed budget makes critical investments in supporting part-time faculty, advances work to diversify community college faculty and staff and makes improvements to outdated technology infrastructure. We look forward to working with the Legislature as the budget process advances over the next weeks and months.

—*California Community Colleges Chancellor Eloy Ortiz Oakley*

I am grateful to Gov. Newsom for his longstanding support of the California Community Colleges and willingness to propose a meaningful increase in our funding to help foster student success and to assist our institutions through this period of pandemic and economic uncertainty. . . Gov. Newsom stands shoulder-to-shoulder with the League in promoting an equitable society where all can participate and prosper, and we appreciate his recognition that community colleges are essential to advancing this vision. We will be devoting the next six months to maximizing resources for our institutions and students, and we look forward to working with the Administration and Legislature on these shared priorities.

—*Community College League of California President and CEO Larry Galizio*

FACCC is grateful for the proposed funding allocated to community colleges for this upcoming budget year. Community colleges play a critical educational and economic role in our state as we focus on recovering with equity.

We appreciate the Governor's proposal to allocate \$200 million in ongoing Proposition 98 funding to the Part-Time Faculty Health Insurance Program to expand healthcare coverage to part-time faculty. Part-time faculty often work across multiple districts to piece together a full-time schedule while not receiving the same pay or benefits of their full-time colleagues.

We also look forward to working with the Legislature and the Governor on the proposed changes to the Student Centered Funding Formula. California's Community College districts have relied on the existing hold harmless policy to ensure a base level of funding and any proposal that would potentially decrease funding for a district would be harmful for students.

Opportunities to increase our system's lowest per pupil funding are infrequent. We must take advantage of the budget surplus to truly be equitable and increase support for community college students. We look forward to working with the Governor's office, legislative leaders, and other stakeholders to consider these additions in the final budget.

—*The Faculty Association of California Community Colleges*

We applaud Governor Newsom for making a record \$102 billion investment in K-14 public education in his budget proposal today. Governor Newsom is leading with his values, continuing to deliver on his bold commitment to fully fund our public schools and to ensure every student in California receives the resources and support they need to succeed.

We are grateful to Governor Newsom for including \$200 million in ongoing funding for healthcare coverage for part-time community college faculty. Governor Newsom understands that the best way to ensure a quality education for our nearly two million community college students is to invest in the health of part-time faculty. We look forward to working with the governor and the legislature to ensure all part-time faculty have access to quality, affordable healthcare coverage.

We applaud Governor Newsom's \$2.7 billion commitment to address the COVID-19 pandemic, including \$1.4 billion in immediate funding. We urge the state of California to move without delay to use some of these resources to continue to get rapid tests and high quality masks into our schools as soon as possible.

COVID supplemental sick leave is a vital public health tool, necessary for controlling the spread of the virus in workplaces, particularly in our schools. Governor Newsom stated the need for reinstating COVID-specific sick leave for workers in his January budget proposal and we remain committed to working with the governor and the legislature to deliver on this urgent need.

Finally, the governor continues his commitment to address our education staffing crisis, proposing additional resources in his budget to tackle this critical issue. We look forward to working with him to find solutions to ensure that we have proper and adequate staffing levels to provide the clean, safe, and successful learning environment the students of California deserve.

—*California Federation of Teachers President Jeff Freitas*

***Budget Subcommittees on Education—
Member Rosters***

Budget Subcommittees on Education—Member Rosters

Senate

Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee—D-Berkeley

Budget Subcommittee 1 on Education

John Laird, Chair—D-Santa Cruz

Dave Min—D-Irvine

Rosilicie Ochoa-Bogh—R-Yucaipa

Assembly

Philip Ting, Chair, Assembly Committee on Budget—D-San Francisco

Budget Subcommittee 2 on Education Finance

Kevin McCarty, Chair—D-Sacramento

James M. Gallagher—R-Yuba City

Alex Lee—D-San José

Jose Medina—D-Riverside

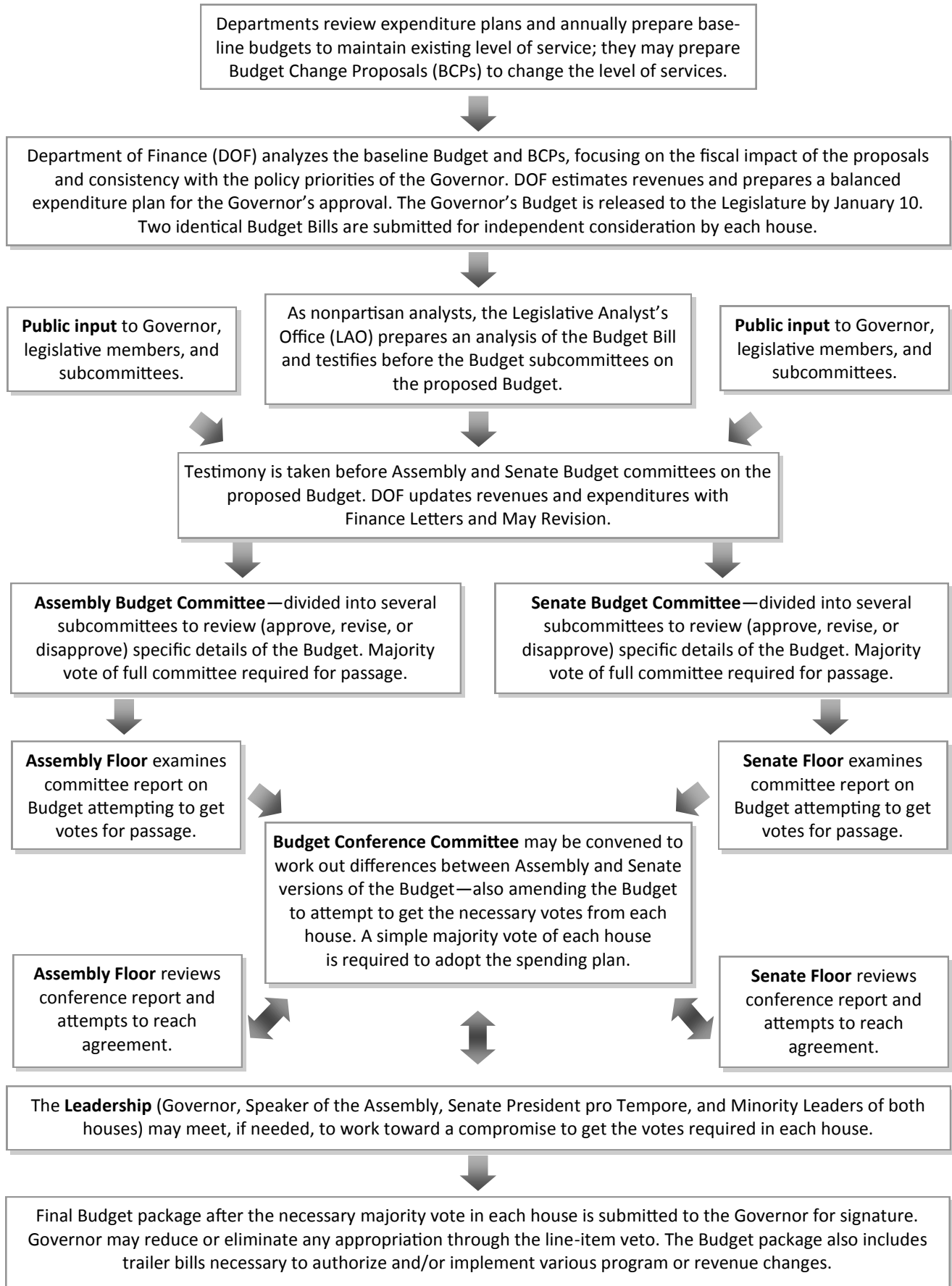
Patrick O'Donnell—D-Long Beach

Eloise Gómez Reyes—D-San Bernardino

Suzette Martinez Valladares—R-Santa Clarita

State Budget Process

THE ANNUAL BUDGET PROCESS



***2022–23 Governor’s State Budget
Summary—Excerpts***

INTRODUCTION

California's years of fiscal prudence enabled it to respond quickly to protect lives during the COVID-19 Pandemic, while making significant investments to support greater opportunity for all Californians. This included expanding paid family leave, establishing a Young Child Tax Credit, launching universal transitional kindergarten, expanding afterschool and summer programs, and providing universal no-cost school meals. It also included streamlining pathways from K-12 to higher education to connect degrees to careers and expanded financial aid to keep college costs down. In addition, California expanded health care subsidies for the middle-class and access to Medi-Cal for young adults and seniors, regardless of immigration status. The state also continued to expand and improve its emergency preparedness and response capacity, while dealing with extreme weather and record wildfires.

The state's continuing economic growth provides opportunities to build on these efforts and provide a strong foundation for California's future. The Governor's Budget supports the safety and health of all Californians—including continued support for the state's science-based approach to the COVID-19 Pandemic—and builds on California's innovation and entrepreneurial spirit to address climate change and build a more inclusive economic future.

The state now has a projected surplus of \$45.7 billion, which includes \$20.6 billion in General Fund for discretionary purposes, \$16.1 billion in additional Proposition 98 for K-14 education, and \$9 billion in reserve deposits and supplemental pension payments.

OVERALL BUDGET STRUCTURE

The state's budget resilience is stronger than ever: the result of building reserves, eliminating budgetary debt, reducing retirement liabilities, and focusing on one-time spending over ongoing investments to maintain structurally balanced budgets over the long term. These efforts enabled the state to protect programs during the COVID-19 Recession while responding immediately to combat the pandemic. The Budget allocates 86 percent of the discretionary surplus to one-time investments, and is projected to be structurally balanced in 2025-26, the last year in the multi-year forecast.

The Budget reflects \$34.6 billion in budgetary reserves. These reserves include: \$20.9 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$9.7 billion in the Public School System Stabilization Account; \$900 million in the Safety Net Reserve; and \$3.1 billion in the state's operating reserve. The Rainy Day Fund is now at its constitutional maximum (10 percent of General Fund revenues) requiring \$2.4 billion to be dedicated for infrastructure investments in 2022-23.

The Budget accelerates the paydown of state retirement liabilities as required by Proposition 2, with \$3.9 billion in additional payments in 2022-23 and nearly \$8.4 billion projected to be paid over the next three years.

The Budget projects the State Appropriations Limit or "Gann Limit" will likely be exceeded in the 2020-21 and 2021-22 fiscal years. Any funds above this limit are constitutionally required to be allocated evenly between schools and a tax refund. An updated calculation of this limit, and proposals to address it, will be included in the May Revision.

The economic forecast, finalized last November, does not consider the surge of the Omicron variant, thus the COVID-19 Pandemic remains a risk to the forecast. Strong stock market performance has generated a significant increase of volatile capital gains revenue that is approaching its prior peak levels (as a share of the state's economy) in 2000 and 2007. A stock market reversal could lead to a substantial decrease in revenues. Given the state's history of boom and bust cycles, additional deposits into the state's reserves would further prepare the state for future economic slowdowns. However, deposits into the reserves count towards the State Appropriations Limit. Therefore, any additional deposits would have to be carefully balanced against other spending priorities.

COVID-19 PANDEMIC

As the pandemic approaches two years, the state continues its science- and data-driven fight against COVID-19. California continues efforts to increase vaccination rates and expand testing to help slow the spread of the virus. To continue these efforts, the Administration is requesting early action to allocate an additional \$1.4 billion required to continue these efforts for the remainder of the fiscal year. The Budget also reflects \$1.3 billion for 2022-23 to continue COVID-19 efforts. This funding will support continued vaccine distribution and administration, including booster shots, and statewide testing, to keep Californians safe and the economy moving forward. The state also continues to support statewide hospital and medical surge efforts, precautionary measures in state institutions, contact tracing, and efforts to protect public health at the border.

To permanently expand the state's ability to protect public health and address social determinants of health, the Budget includes \$300 million General Fund for the Department of Public Health and local health jurisdictions. The Budget also includes major ongoing investments to modernize public health data systems that have been critical during the COVID-19 Pandemic.

EDUCATION AND PARENTS AGENDA

The Budget includes total funding of \$119 billion for K-12 education. K-12 per-pupil funding totals \$15,261 Proposition 98 General Fund—its highest level ever—and \$20,855 per pupil when accounting for all funding sources.

Last year's budget made major investments to benefit all parents, especially those with young children, with the centerpiece being launching universal transitional Kindergarten to all four-year-olds. The Budget includes \$1 billion Proposition 98 General Fund to begin the first year of this program, increasing access to at least 56,000 children and reducing student-to-adult ratios, with full implementation planned by 2025-26. With this change, schools are encouraged to use State Preschool programs to provide wraparound care for income-eligible students so they may have a full day of developmentally appropriate care and education. The Budget also includes nearly \$309 million total funds to focus the State Preschool program to better serve dual language learners and students with disabilities.

Parents' lives were upended by the COVID-19 Pandemic. The Budget recognizes the critical need for child care to support working parents by adding an additional 36,000

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slots on top of 110,000 slots added in the 2021 Budget Act, with the goal of adding 200,000 slots by 2025-26.

The 2021 Budget Act made a \$1.8 billion Proposition 98 General Fund down payment to expand after-school and summer programs to extend learning opportunities and address learning gaps caused by the pandemic. This investment helped provide families the opportunity for a 9-hour day filled with developmentally appropriate academics and enrichment, including six weeks during the summer. The Budget continues these opportunities with an additional \$3.4 billion Proposition 98 General Fund ongoing to support access to expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Linked to this expansion is an additional \$937 million Proposition 98 General Fund to support integrating arts and music into enrichment programs.

The Young Child Tax Credit, established in 2019, provides a \$1,000 refundable tax credit to low-income earners with a child age 5 or younger. The Budget expands this tax credit to families that file returns without income, allowing more families to benefit, and proposes to index the credit to inflation, which will prevent the erosion of its value.

HIGHER EDUCATION

The Budget proposes multi-year compacts with the University of California (UC) and California State University (CSU), and a multi-year roadmap for the California Community Colleges (CCCs). These include an expectation of ongoing base augmentations for the UC and the CSU to aid the systems in achieving goals that include expanding access for California students, reducing total cost of attendance through timely degree completion, and closing equity gaps. Building on earlier efforts to better connect students to careers and strengthen occupational pathways that improve student economic mobility, the compacts will also center around better aligning curricula and student learning objectives to the state's workforce needs. The Administration is also establishing an overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030, a recommendation of the Governor's Council on Post-Secondary Education.

Following the landmark expansion of the financial aid entitlement to all CCC students, the Budget further supports efforts to reduce the overall cost of attendance by continuing a second year of funding to support the construction of affordable student housing and a second year of funding for learning-aligned employment, and

supporting the first year of a revamped Middle Class Scholarship that will help reduce the total cost of college for more California families.

EXPANDING OPPORTUNITY AND STRENGTHENING CALIFORNIA'S FUTURE

California is uniquely positioned to confront climate change while simultaneously investing in expanding opportunity and strengthening California's future. The Budget focuses new investments in the continued growth of the state's economy and opportunity for all Californians, and positions the state as a global leader in innovation and solutions to both mitigate and adapt to the changing climate.

California is home to industries that have fundamentally altered the way the world lives and communicates. This leadership will be furthered by encouraging the development of climate solutions that prepare and protect communities, create jobs, and fuel economic growth.

ECONOMIC GROWTH AND JOB CREATION

The Budget restores business tax credits, including research and development credits and net operating losses that were limited during the COVID-19 Recession, and proposes an additional \$250 million per year for three years for qualified companies headquartered in California that are investing in research to mitigate climate change.

The Budget also includes a new tax credit for those that opt in to develop green energy technologies—totaling \$100 million per year for three years. So Californians can share more broadly in the gains from these innovations, these new credits will be structured so that when the business becomes profitable, a share of the profits will be repaid to the state. The state also plans to develop naturally occurring resources of lithium—a critical component of advanced battery technology—to improve the state's ability to store renewable energy while creating high-paying jobs and generating benefits for surrounding communities and all Californians.

The Budget also proposes direct investments in climate-related research and development at the UC, including \$185 million for applied research, regional networks of climate-focused technology incubators, and workforce development and training hubs. These investments will support the next generation of inventions and innovations to address climate change.

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In addition to the federal Infrastructure Investment and Jobs Act (IIJA) of 2021, which will deliver billions of dollars for infrastructure to California, the Budget makes an historic state investment of over \$20 billion in infrastructure-related investments to prepare and protect California communities from climate change. These investments will further facilitate economic growth and create thousands of jobs.

STRENGTHENING SMALL BUSINESS

California small businesses are drivers of economic growth—creating two-thirds of the state's new jobs during the recovery. Last year's budget created the nation's largest small business relief program—providing billions in needed relief to thousands of small businesses, and the Budget proposes approximately \$500 million in additional tax relief over several years through state conformity for qualified California recipients of federal relief grants in significantly impacted industries. To further encourage small business creation, the Budget waives initial filing fees for new businesses. In addition, the Budget permanently expands programs that provide technical assistance and access to capital to spur business creation in underserved communities. The Budget also includes \$150 million one-time General Fund to support small businesses previously waitlisted in prior rounds of the state's Small Business COVID-19 Relief Grant Program.

The Budget also allocates \$3 billion General Fund over the next two years to reduce the Unemployment Insurance Trust Fund debt owed to the federal government. Over the long-term, this will reduce costs to the state and benefit employers by reducing debts accumulated during the pandemic.

EXPANDING WORKFORCE TRAINING AND OPPORTUNITY

So more Californians can participate in California's economic growth, the Budget includes a multipronged strategy to train workers for jobs critical to California's economic growth and to meet growing demands for teachers and health care workers.

These investments start in the K-12 school system with \$1.5 billion Proposition 98 General Fund to support the development of college and career pathways focused on education, health care, technology, and climate-related fields. Promoting pathways that allow students to move seamlessly from high school to college to career will improve the number of students who pursue and achieve post-secondary education and training. These funds will focus on creating local partnerships that bring

together school systems, higher education institutions, and employers to develop integrated pathways to college and careers in these high-demand fields.

In addition, the Budget invests \$1.7 billion to expand the state's health and human services workforce, including training strategies to increase the state's workforce of nurses, social workers, emergency medical technicians, behavioral health care providers, and community health care workers.

Building upon last year's multi-billion dollar investment in teacher preparation, retention, and training, the Budget waives certain teacher examination fees and encourages the development of new integrated teacher preparation programs to address the state's shortage of qualified teachers.

CLIMATE CHANGE AND WORKFORCE

The Budget includes multiple workforce investments with a focus on climate change, including \$35 million General Fund for the UC to create regional workforce development and training hubs focused on climate change; \$30 million General Fund over two years to the CCC to train, develop, and certify forestry professionals; and \$60 million General Fund over three years for the California Workforce Development Board's Low Carbon Economy Workforce grant program to support workforce development programs that align with strategies in the state's Climate Change Scoping Plan.

Last year, \$600 million was allocated to the Community Economic Resilience Fund for regional strategies that support economic and workforce transitions caused by the COVID-19 Pandemic, climate change, and other factors. The Budget complements this effort with \$450 million General Fund over three years starting in 2023-24 to support local governments as local economies adjust, \$215 million General Fund over two years to support an oil and gas well capping initiative to improve the safety of communities while providing high-quality jobs, and \$50 million General Fund to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.

ADDRESSING CLIMATE CHANGE

Building on last year's historic \$15 billion in climate investments, the Budget integrates climate, equity, and economic opportunity across the state's budget—including housing, health, and education—to mobilize a coordinated state response to the climate crisis.

WILDFIRES

California experienced 4 of the 20 largest wildfires in its history in 2021. Last year, the state expanded firefighting capacity and invested \$1.5 billion to significantly increase the state's ability to prevent wildfires. The Budget proposes an additional \$1.2 billion over two years to continue investments in forest health and fire prevention, including a major new reforestation effort. The Budget also makes a major investment to expand firefighting efforts, including new dedicated aircraft and hand crews, as well as \$400 million to address the effects of the recent prolonged wildfire seasons on CAL FIRE firefighters.

DROUGHT

Despite recent rain, dry conditions may extend to a third consecutive year, requiring the state to prioritize State Water Project allocations for health and safety needs and to maintain salinity control in the Bay-Delta to protect endangered species. Building upon last year's three-year, \$5.2 billion allocation to support drought response and long-term water sustainability, the Budget includes an additional \$750 million General Fund to address immediate drought response needs, including \$250 million set aside as a contingency. These investments will expand support for critical drinking water emergencies and mitigate drought damage to fish and wildlife, and the investments will also support small farmers and ranchers and water systems facing a loss of water supply.

TRANSPORTATION

The IIJA will deliver more than \$10 billion of new formula-based transportation funding to California over the next five years and billions of dollars in additional funding from new competitive grants. This measure could also provide billions in additional funds for clean drinking water, clean energy, toxic cleanup, broadband, and other infrastructure investments.

The Budget includes an additional \$9.1 billion (\$4.9 billion General Fund and \$4.2 billion Proposition 1A bond funds) to support the continued development of a first-in-the-nation, electrified high-speed rail system in California, regional transit and rail projects, bicycle and pedestrian projects, and climate adaptation projects, with a particular focus on aligning the state's transportation system with its climate goals. The Budget also includes \$1.2 billion General Fund for improvements to the state's goods

movement infrastructure, including improving data interconnectivity to reduce congestion and increase supply chain efficiency, thereby reducing harmful emissions from this critical sector.

The Budget adds an additional \$6.1 billion (General Fund, Proposition 98 General Fund, federal funds, and Greenhouse Gas Reduction Fund) over five years, which builds on last year's unprecedented zero-emission package, for a total of \$10 billion to advance California's climate and transportation goals. These funds are focused on supporting zero-emission vehicles and charging infrastructure in low-income communities across the state, including funding for community-based projects. The Budget also invests significantly in replacing heavy-duty trucks and buses with zero-emission vehicles, given their disproportionate impact on low-income communities and communities near California's ports, as well as green school transportation to reduce harmful emissions from aging diesel-fueled bus fleets and reduce ongoing school transportation costs.

ENERGY

The Budget makes investments to meet the state's clean energy goals with \$2 billion General Fund over two years to provide incentives for long-duration-storage projects, renewable hydrogen, and industrial decarbonization, including in the food processing sector. The Budget also includes funding for decarbonization and electrification of existing buildings in disadvantaged communities, as well as infrastructure improvements to facilitate the development of offshore wind energy production.

HOUSING

Since 2019, California has invested significant funding for affordable housing development throughout the state, and has enacted laws to hold local jurisdictions accountable for meeting their regional housing needs. The Budget builds upon the \$10.3 billion housing investment made last year with a focus on aligning housing goals and climate goals.

The Budget proposes an additional \$1.5 billion over two years to accelerate the development of affordable housing. The focus of the majority of these investments is on development in and near downtowns throughout the state. Building housing near jobs, schools and other amenities reduces commutes and greenhouse gas emissions.

IMPROVING HEALTH CARE AFFORDABILITY

California has advanced multiple measures in recent years to improve health care affordability—expanding Covered California premium subsidies for the middle class, increasing access to Medi-Cal for children, young adults, and older adults regardless of immigration status, providing greater coverage for preventative services, and taking actions to reduce prescription drug costs. The 2021 Budget Act also included \$1.4 billion to transform California's behavioral health system for children and youth.

The Budget will make California the first state to realize the goal of universal access to health coverage for all Californians by closing a key gap in preventative coverage for individuals ages 26 to 49, regardless of immigration status. The Budget also continues progress in improving health care affordability and proposes \$30 million to create the Office of Health Care Affordability, charged with increasing the transparency of pricing, developing specific cost targets for different sectors of the health care industry, and imposing financial consequences for entities failing to meet these targets.

The Budget continues efforts to improve preventative care for families with children and includes \$400 million (General Fund and federal funds) for provider payments focused on closing equity gaps for children's preventative care measures, maternity care, depression screenings, and follow up behavioral health emergency visits. The Budget also includes \$53.2 million (General Fund and federal funds) to reduce premiums for children, pregnant women, and working disabled adults in Medi-Cal.

Finally, while other states seek to limit a woman's ability to receive reproductive care, the Budget expands access to reproductive healthcare services, and invests to improve clinical infrastructure and expand the workforce in reproductive healthcare services—continuing California's commitment to a woman's right to choose.

HOMELESSNESS

The state has invested billions of dollars in recent years to provide funding to local governments for critical housing supports and homelessness services, marked by last year's three-year, \$12 billion allocation. The state has also invested in new housing through Homekey—an effort started during the COVID-19 Pandemic that has acquired and converted a variety of building and housing types—including hotels, motels, and commercial buildings—to house individuals and families experiencing homelessness. This effort was also expanded last year to include the development of a behavioral health continuum of housing and community care facilities.

The Budget proposes an additional \$2 billion General Fund over two years to continue the state's efforts to address homelessness by investing in behavioral health housing and encampment cleanup grants. These investments are intended to serve as a bridge to other related efforts such as Homekey and California Advancing and Innovating Medi-Cal (CalAIM), which will redesign Medi-Cal to better serve Californians, including individuals experiencing homelessness and provide long-term care.

CRIME

Personal safety is one of the most basic needs—and expectations—of all Californians. The Budget provides \$285 million General Fund over three years for grants to bolster local law enforcement response to organized retail theft crime, as well as to assist local prosecutors in holding perpetrators accountable. The Budget expands the California Highway Patrol's retail theft task force and also includes \$18 million General Fund over three years for the Attorney General to prosecute organized retail theft crimes, and \$5 million ongoing General Fund for the Attorney General to continue leading anti-crime task forces throughout the state.

In addition, the Budget makes one-time General Fund investments of \$25 million to provide matching grants for local government gun buyback programs, \$20 million to support small businesses victimized by retail theft, and \$20 million for a drug interdiction program at the California-Mexico border.

LOOKING AHEAD

While California's economy is much improved from this time a year ago, considerable risks remain, including a potential stock market decline that could affect higher-income households that contribute substantially to state revenues. A strong reserve was critical to the state's response to the COVID-19 Pandemic and the resulting recession, and reserves will remain critical to balancing the budget in the event of an economic downturn. If current budgetary conditions continue, expenditures are expected to be near or exceed the State Appropriations Limit—and increased deposits into the reserves are not currently exempt from this limit. If the state's expenditures exceed the limit, tax refunds and supplemental school payments are required.

In addition to strengthening reserves, it is essential that one-time revenues be used for one-time expenditures in order to maintain fiscal stability. Maintaining a balanced

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budget over the long-term will minimize disruptions to core programs such as education and health care when revenues decline.

SUMMARY CHARTS

This section provides various statewide budget charts and tables.

**2022-23 Governor's Budget
General Fund Budget Summary**

(Dollars in Millions)

	2021-22	2022-23
Prior Year Balance	\$37,011	\$23,650
Revenues and Transfers	\$196,669	\$195,719
Total Resources Available	\$233,680	\$219,369
Non-Proposition 98 Expenditures	\$138,185	\$139,993
Proposition 98 Expenditures	\$71,845	\$73,134
Total Expenditures	\$210,030	\$213,127
Fund Balance	\$23,650	\$6,242
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$20,475	\$3,067
Public School System Stabilization Account	\$6,663	\$9,725
Safety Net Reserve	\$900	\$900
Budget Stabilization Account/Rainy Day Fund	\$19,303	\$20,868
Note: Numbers may not add due to rounding.		

General Fund Expenditures by Agency

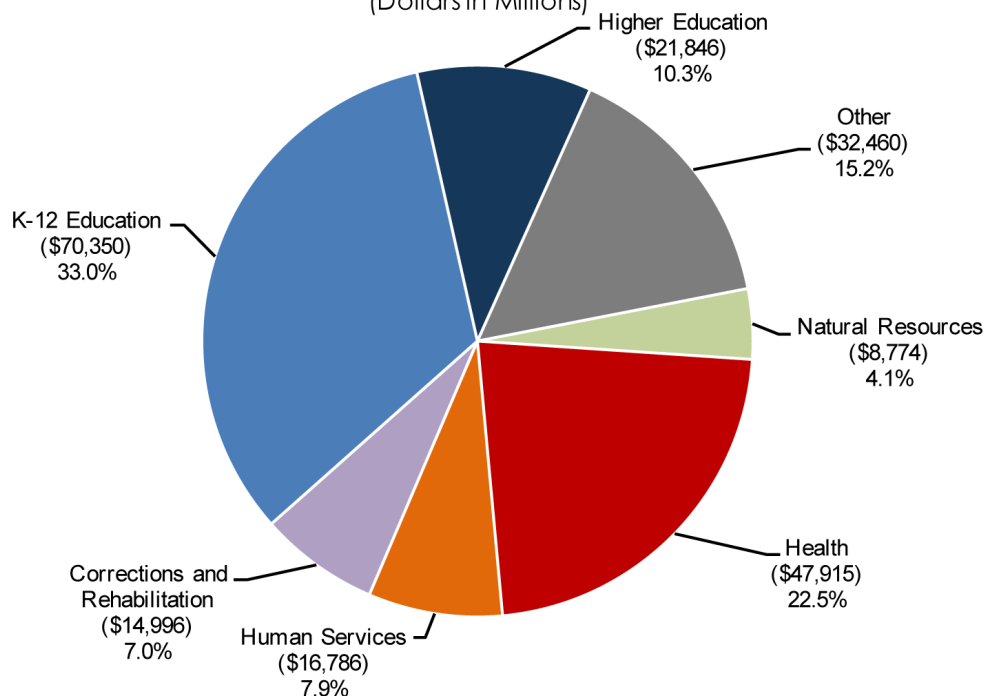
(Dollars in Millions)

	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$12,396	\$9,061	-\$3,335	-26.9%
Business, Consumer Services & Housing	2,016	1,078	-938	-46.5%
Transportation	2,161	1,700	-461	-21.3%
Natural Resources	9,684	8,774	-910	-9.4%
Environmental Protection	3,580	1,226	-2,354	-65.8%
Health and Human Services	56,324	64,701	8,377	14.9%
Corrections and Rehabilitation	14,757	14,996	239	1.6%
K-12 Education	69,422	70,350	928	1.3%
Higher Education	21,312	21,846	534	2.5%
Labor and Workforce Development	982	2,179	1,197	121.9%
Government Operations	10,739	5,270	-5,469	-50.9%
General Government:				
Non-Agency Departments	1,823	1,796	-27	-1.5%
Tax Relief/Local Government	638	640	2	0.3%
Statewide Expenditures	4,196	9,510	5,314	126.6%
Total	\$210,030	\$213,127	\$3,097	1.5%

Note: Numbers may not add due to rounding.

**2022-23
General Fund Expenditures**

(Dollars in Millions)



General Fund Revenue Sources

(Dollars in Millions)

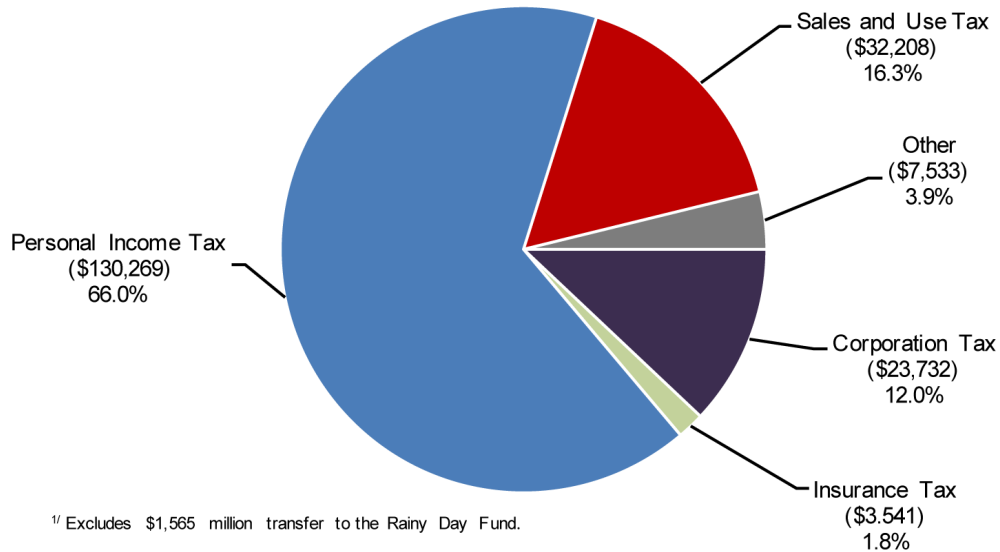
	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Personal Income Tax	\$120,873	\$130,269	\$9,396	7.8%
Sales and Use Tax	30,866	32,208	1,342	4.3%
Corporation Tax	32,863	23,732	-9,131	-27.8%
Insurance Tax	3,448	3,541	93	2.7%
Alcoholic Beverage Taxes and Fees	423	421	-2	-0.5%
Cigarette Tax	58	51	-7	-12.1%
Motor Vehicle Fees	36	37	1	2.8%
Other	13,118	7,024	-6,094	-46.5%
Subtotal	\$201,685	\$197,283	-\$4,402	-2.2%
Transfer to the Budget Stabilization Account/Rainy Day Fund	-5,016	-1,565	3,451	-68.8%
Total	\$196,669	\$195,718	-\$951	-0.5%

Note: Numbers may not add due to rounding.

2022-23

General Fund Revenues and Transfers^{1/}

(Dollars in Millions)

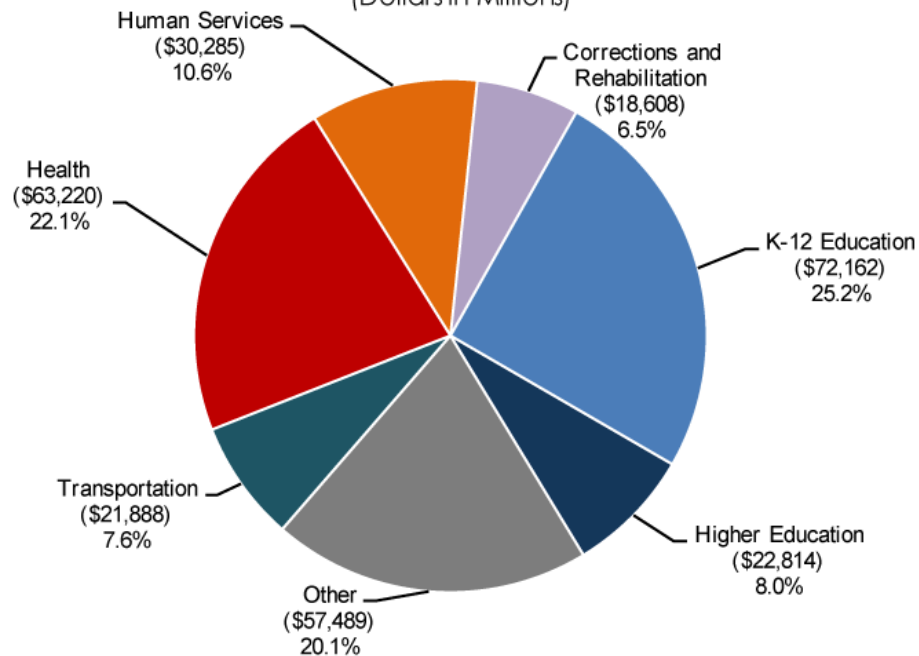


2022-23 Total State Expenditures by Agency
(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$9,061	\$3,631	\$146	\$12,838
Business, Consumer Services & Housing	1,078	1,210	937	3,225
Transportation	1,700	16,093	4,095	21,888
Natural Resources	8,774	1,757	611	11,142
Environmental Protection	1,226	4,296	15	5,537
Health and Human Services	64,701	28,805	-	93,506
Corrections and Rehabilitation	14,996	3,612	-	18,608
K-12 Education	70,350	325	1,488	72,163
Higher Education	21,846	232	736	22,814
Labor and Workforce Development	2,179	965	-	3,144
Government Operations	5,270	339	8	5,617
General Government:				
Non-Agency Departments	1,796	1,786	2	3,584
Tax Relief/Local Government	640	3,464	-	4,104
Statewide Expenditures	9,510	-1,212	-	8,298
Total	\$213,127	\$65,303	\$8,037	\$286,467

Note: Numbers may not add due to rounding.

**2022-23
Total State Expenditures
(Including Selected Bond Funds)**
(Dollars in Millions)



2022-23 Revenue Sources

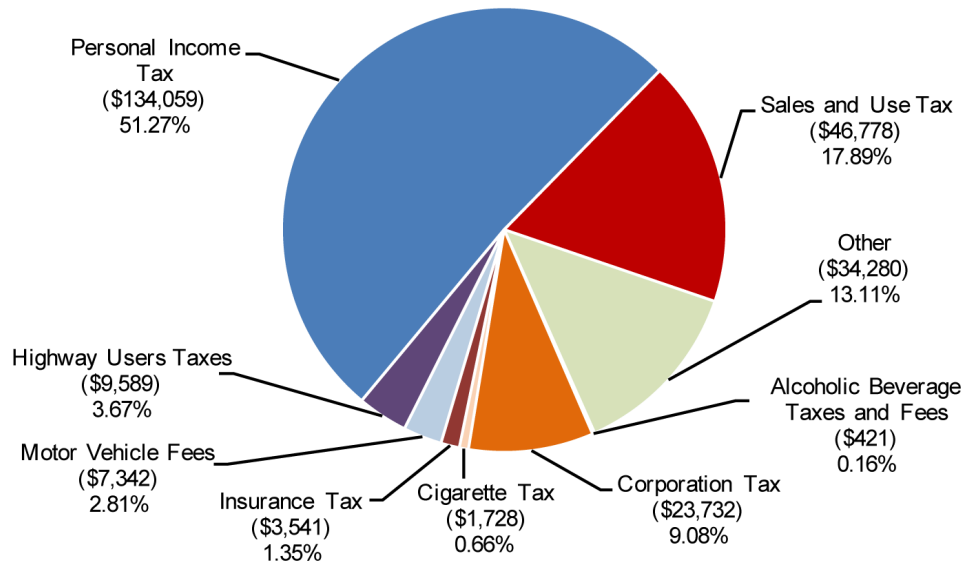
(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2021-22
Personal Income Tax	\$130,269	\$3,790	\$134,059	\$9,521
Sales and Use Tax	32,208	14,570	46,778	1,897
Corporation Tax	23,732	-	23,732	-9,131
Highway Users Taxes	-	9,589	9,589	766
Insurance Tax	3,541	-	3,541	93
Alcoholic Beverage Taxes and Fees	421	-	421	-2
Cigarette Tax	51	1,677	1,728	-227
Motor Vehicle Fees	37	7,305	7,342	346
Other	7,024	27,256	34,280	-9,332
Subtotal	\$197,283	\$64,187	\$261,470	-\$6,069
Transfer to the Budget Stabilization Account/Rainy Day Fund	-1,565	1,565	-	-
Total	\$195,718	\$65,752	\$261,470	-\$6,069

Note: Numbers may not add due to rounding.

2022-23 Total Revenues and Transfers

(Dollars in Millions)



HIGHER EDUCATION

California's exceptional system of higher education—with its focus on access and affordability, equity, and innovation—makes it unique among all other states and plays a central role in the state's present and future economic success. California's institutions of higher education have helped position the state to address the numerous challenges presented by the COVID-19 Pandemic, shifts in the nature of work, and the impacts of climate change.

The 2021 Budget Act included significant investments in financial aid and supports to address student basic needs, reduce student housing costs, develop zero-textbook-cost degrees, and establish child savings accounts to reduce the overall cost of attendance. Further, the 2021 Budget Act also provided learning-aligned, long-term career development and training opportunities that support students' upward economic mobility.

The Governor's Budget builds upon these investments with multi-year compacts with the University of California (UC) and California State University (CSU) and a multi-year roadmap with the California Community Colleges (CCCs) that focus on shared priorities benefitting students. Shared priorities include focusing on closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing the predictability of student costs, increasing California resident undergraduate enrollment, improving faculty diversity, and better aligning curricula and student learning objectives with workforce needs. The shared emphasis on these high-priority areas will be critical in ensuring that public higher education continues to power California's path of sustainable and inclusive growth.

HIGHER EDUCATION

The Budget proposes total funding of \$39.6 billion (\$26 billion General Fund and local property tax and \$13.6 billion other funds) for the three higher education segments and the California Student Aid Commission. The elevated levels of total funding in 2020-21 and 2021-22 in the figure below reflect the allocation of approximately \$2.7 billion (2020-21) and \$5.5 billion (2021-22) in one-time federal COVID relief funds to the state's public segments of higher education and the California Student Aid Commission. Although some of these funds remain available in 2022-23, they are displayed in the year in which they were received. The figure on Higher Education Expenditures displays additional detail about funding for higher education.

Higher Education Expenditures (Dollars in Millions)

	2020-21 ^{3/}	2021-22 ^{3/}	2022-23	Change from 2021-22	
				Dollars	Percent
University of California					
Ongoing General Fund	3,465.3	4,011.0	4,318.5	\$307.5	7.7%
One-Time General Fund	8.7	741.8	295.0	-	-
Total Funds ^{1/}	\$9,247.8	\$11,328.3	\$10,437.8	-\$890.5	-7.9%
California State University					
Ongoing General Fund	4,025.6	4,597.4	4,983.2	\$385.8	8.4%
One-Time General Fund	15.2	981.4	234.4	-	-
Total Funds ^{1/}	\$8,291.5	\$10,471.8	\$8,453.6	-\$2,018.3	-19.3%
California Community Colleges					
General Fund & Property Taxes	11,897.9	12,158.4	12,718.3	\$559.9	4.6%
Total Funds	\$18,068.3	\$19,091.0	\$16,789.1	-\$2,301.8	-12.1%
California Student Aid Commission					
General Fund ^{2/}	2,000.0	2,689.4	3,457.3	\$767.9	28.6%
Total Funds	\$2,427.7	\$3,595.6	\$3,877.8	\$282.1	7.8%
General Fund	\$21,412.7	\$25,179.4	\$26,006.7	\$827.3	3.3%
Total Funds	\$38,035.3	\$44,486.7	\$39,558.2	-\$4,928.5	-11.1%

^{1/} These totals include tuition and fee revenues and other funds the universities report as discretionary.

^{2/} General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately \$400 million in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.

^{3/} 2020-21 Total Funds include federal Coronavirus Response and Relief Supplemental Appropriations Act funding provided directly to colleges and universities, and 2021-22 Total Funds include federal American Rescue Plan Act of 2021 funding provided directly to colleges and universities.

MULTI-YEAR FRAMEWORK FOR HIGHER EDUCATION

The Administration worked with the UC, CSU, and the CCC Chancellor's Office to develop multi-year compacts and a roadmap that will provide sustained state investments in exchange for clear commitments from each segment to expand student

access, equity, and affordability and to create pathways for students to study and enter careers in health, education, climate action, and technology. Each compact/roadmap is a discrete agreement with the state; however, they are forged with the understanding that each segment must work toward aligned goals and achieve an increased level of intersegmental collaboration. These agreements will provide California students with more opportunities to transfer to four-year institutions and graduate within expected timeframes, in preparation for the jobs that will drive California's economy now and into the future.

The UC and CSU compacts build upon the segments' respective UC 2030 and Graduation Initiative 2025 goals. Over a five-year period, the compacts emphasize student-centered priorities including closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing predictability, increasing California resident undergraduate enrollment of both freshmen and transfer students, and better aligning curricula and student learning objectives with workforce needs.

Similarly, the roadmap for the CCC system builds upon the system's existing Vision for Success and focuses on student success by enhancing intersegmental collaboration to facilitate effective and timely transfer of CCC students to public and independent postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs.

To further align each segment's goals and the compacts/roadmap, the Administration is also establishing—at the recommendation of the Governor's Council for Post-Secondary Education—an overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030.

The Budget includes funding equivalent to a five-percent increase in base General Fund resources annually over five years for UC and CSU, contingent on the ability of each segment to advance these shared goals, which are outlined in greater detail in the following sections. In the coming months, the Administration will continue to work with the segments to refine specific metrics for these goals and commitments, which will be shared as part of the May Revision.

COLLEGE AFFORDABILITY

State support helps to keep the overall cost of attendance down for students attending California's postsecondary education systems. The 2021 Budget Act made significant investments to increase college affordability, including investments in learning-aligned employment opportunities for UC, CSU, and CCC students; education and training grants for displaced workers; funds to establish child savings accounts for low-income students in public secondary schools based on Local Control Funding Formula definitions; funds to develop zero-textbook-cost degrees; and numerous investments supporting student basic needs and emergency financial aid.

The 2021 Budget Act also expanded the Cal Grant financial aid entitlement to cover students taking a less traditional path to college by eliminating the age and time-out-of-high-school requirements for CCC students, including CCC students with dependent children. Last year, the Middle Class Scholarship was also revamped to focus on reducing students' total cost of attendance.

The 2022-23 Budget expands these investments in college affordability with the following:

- An increase of \$515 million ongoing General Fund, for a total of \$632 million ongoing General Fund, to support a modified version of the Middle Class Scholarship Program and help cover non-tuition costs for more families.
- An increase of \$300 million one-time General Fund to fulfill the \$500 million total commitment to support the Learning-Aligned Employment Program administered by the California Student Aid Commission.
- An increase of \$100 million ongoing Proposition 98 General Fund to support the community college Student Success Completion Grant Program, providing funds for newly eligible students receiving a Cal Grant B or C award as a result of the CCC Cal Grant entitlement expansion in the 2021 Budget Act.
- Modification of the Cal Grant B Dreamer Service Incentive Grant program to increase participant stipends from the equivalent of a \$10 hourly wage to the equivalent of a \$15 hourly wage, and to authorize any unexpended funds to be provided to UC and CSU to support their California Dream Loan programs.

The multi-year compacts with UC and CSU, and a multi-year roadmap with the CCC Chancellor's Office, are also focused on improving equity and outcomes, which can

increase student success while reducing total cost of attendance through timely degree completion.

STUDENT LOAN BORROWER ASSISTANCE

According to The Institute for College Access and Success, average student debt for bachelor's degree earners nationwide grew by approximately 56 percent from 2004 to 2019, from \$18,550 to \$28,950 when adjusted for inflation. Although student loans are an important postsecondary education financing mechanism for many students, it is crucial for prospective and current student loan borrowers to understand their loan options, and for borrowers to understand repayment options.

The Budget includes \$10 million one-time General Fund in 2022-23 to support the Department of Financial Protection and Innovation's outreach and education efforts to assist student loan borrowers.

CLIMATE INITIATIVES

Climate emergencies are increasing in both frequency and intensity, disproportionately impacting low-income individuals and communities of color. As detailed in the Climate Change chapter, the Budget proposes a wide-reaching set of investments to integrate climate solutions with equity and economic opportunity. To efficiently implement the state's climate agenda, California will need to continually generate new approaches to identifying and mitigating the impacts of climate change on the environment, public health, communities, and businesses, and to help current and future workers develop the skills needed for transitioning into a cleaner and more sustainable economy.

Recognizing the role of higher education in developing a more sustainable future, the Budget includes \$318 million one-time General Fund for five climate initiatives across the UC and CSU, with an emphasis on equity-focused research, job creation, and workforce development:

- \$100 million at the UC for matching applied research grants, \$50 million for regional incubators, and \$35 million for workforce development and training hubs.
- \$83 million to create the CSU Bakersfield Energy Innovation Center and \$50 million to support the CSU University Farms.

These initiatives will drive the types of research, entrepreneurship, and training that can help accelerate climate mitigation, develop a decarbonized economy, and support workers. When paired with the Budget's other climate-related proposals in housing, transportation, and healthcare, these investments facilitate California's ability to continue to be a leader in addressing climate issues while advancing equitable opportunities.

REWARDING CALIFORNIA EXCELLENCE AND INNOVATION

The state's public colleges and universities are home to a wide range of leading-edge research centers, technology-driven partnerships, and creative problem-solvers. Individuals and teams are constantly making great strides that help address many of California's biggest challenges by fostering climate resilience, social justice, and economic growth.

These innovators have an extraordinary impact and inspire the next generation of entrepreneurs. To that end, the Budget includes \$30 million one-time General Fund to establish the Golden State Awards program and provide up to 30 grants to innovative projects that are either based at or associated with a public college or university in California. The California Education Learning Lab, under the Governor's Office of Planning and Research, will oversee the grant-making process. A committee of 12 experts from diverse disciplines and sectors of society selected by the Governor, the Senate President pro Tempore, and the Assembly Speaker, will select the grant recipients. The resulting state-level public forum will elevate achievements from California innovators, recognizing today's innovators and inspiring future generations of California excellence.

CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the country, serving roughly one out of every four of the nation's community college students, or approximately 1.8 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2020-21, the CCCs awarded over 116,000 certificates and 201,000 degrees and transferred over 114,000 students to four-year institutions.

CCC ROADMAP TO CALIFORNIA'S FUTURE

The Administration and the CCC Chancellor's Office have developed a collaborative multi-year roadmap that focuses on equity and student success, enhancing the system's ability to prepare students for California's future. The roadmap builds upon existing efforts taken by colleges toward meeting the goals established in the CCC system's Vision for Success and establishes shared expectations of the community college system for fiscal year 2022-23 and beyond, including investing available Proposition 98 resources for the colleges to support these efforts and providing additional fiscal resources to the Chancellor's Office to better support the colleges in meeting these goals. The roadmap works in tandem with the UC and CSU compacts to increase transfer capacity and streamline transfer pathways between the segments.

Key goals and expectations in the roadmap include enhancing intersegmental and cross-sectoral collaboration for timely transfer of CCC students, increasing transfers to the state's four-year postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs. Specifically, goals and expectations in the roadmap include:

- Improving educational outcomes for CCC students:
 - Increasing the percentage of CCC students who acquire associate degrees, credentials, certificates, and specific skill sets that prepare them for in-demand jobs by 20 percent by 2026.
 - Decreasing the median units to completion by 15 percent and establishing systemwide stretch goals regarding the number of students completing their educational program or transferring to a four-year institution within the minimum amount of time necessary.
 - Proportionally increase the number of CCC students transferring annually to a UC or CSU relative to enrollment growth at the UC and CSU.
 - Annually publishing the two-year associate degree graduation rates for all community colleges and the percentage of first-time students meeting sophomore standing when entering their second year, disaggregated to reflect underrepresented students and Pell Grant students to facilitate evaluations of equity gaps.

- Improving student success and advancing equity:
 - Improving systemwide graduation rates, transfer rates, and time to completion among traditionally underrepresented students and Pell Grant students such that they meet the average of all students by 2026.
 - Closing equity gaps between the types of students able to access a dual enrollment program.
- Increasing intersegmental collaboration to benefit students:
 - Fully participating in the implementation of the Cradle-to-Career Data System.
 - Supporting efforts for CCCs to adopt a common intersegmental learning management system.
 - Utilizing systemwide data collected for purposes of the Cradle-to-Career Data System, collaborating with the CSU and UC to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
 - Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
 - Increasing the percentage of K-12 students who graduate with 12 or more college units earned through dual enrollment by 15 percent.
 - Establishing a baseline for credit for prior learning offerings and increasing these offerings annually, in addition to launching 10 new direct-assessment competency based education programs.
 - Increasing the percentage of completing students who earn a living wage by 15 percent.
 - Within the aforementioned increases, focusing on establishing or expanding programs that address California's workforce needs in healthcare, climate action, education and early education.
 - Establishing coordinated educational pathways from high school through four-year institutions in the high-need fields of education, healthcare, technology, and climate action, including collaborating with UC and CSU to develop Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields. Dual enrollment opportunities should

ensure that CCC course credits earned by high school students are accepted for transfer credit and apply toward degree programs.

The 2022-23 Budget includes several investments intended to align with the roadmap:

- Building upon the 2021 Budget Act's expansion of the Cal Grant entitlement program, the Budget includes \$100 million ongoing Proposition 98 General Fund for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for community college students.
- Building upon a \$10 million one-time Proposition 98 General Fund investment in the 2021 Budget Act to plan for and begin developing a common course numbering system throughout the CCCs, the Budget includes an increase of \$105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system pursuant to the provisions of Chapter 568, Statutes of 2021 (AB 1111).
- An increase of \$65 million one-time Proposition 98 General Fund for community colleges to implement the transfer reform provisions required by Chapter 566, Statutes of 2021 (AB 928).
- An increase of \$25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that maps intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.
- An increase of \$10 million ongoing Proposition 98 General Fund to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.
- An increase of \$10 million ongoing Proposition 98 General Fund to augment resources provided to community college financial aid offices.
- An increase of \$10 million ongoing Proposition 98 General Fund to expand availability of foster youth support services offered by the NextUp program from 20 districts to 30 districts.
- An initial increase of \$1.4 million ongoing General Fund to support 9 new positions at the CCC Chancellor's Office in 2022-23, and an additional \$1.4 million ongoing General Fund to support 10 additional new positions in 2023-24. These new resources will aid the CCC Chancellor's Office in supporting curriculum-related reforms;

technology modernization efforts; and increased state operations capacity for data analysis, research, legal affairs, districts' fiscal health monitoring, and government relations. The Administration intends to work with the Chancellor's Office in consideration of additional state operations resources for inclusion in the May Revision.

SUPPORTING STUDENT ENROLLMENT AND RETENTION

The community colleges continue to see enrollment declines exacerbated by the COVID-19 Pandemic that diverge from enrollment patterns observed during prior economic recessions and highlight the unique challenges presented by the COVID-19 Pandemic. To build on an investment of \$120 million one-time Proposition 98 General Fund for student enrollment and retention in the 2021 Budget Act, the Budget includes an additional \$150 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment. Efforts include engaging with former students who may have withdrawn from college due to COVID-19, and connecting with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.

The disruptions to student learning caused by the COVID-19 Pandemic disproportionately affect many student populations regularly served by the CCC system, including non-native English speakers, first-generation college students, working learners, student parents, and re-entry students. Given these challenges, community college districts should strive to meet the needs of their diverse student populations: some may be best served by the flexibility offered by an online course format, while others may be better served by in-person instruction. It is the expectation of the Administration that community college districts aim to offer at least 50 percent of their lecture and laboratory course sections as in-person instruction for the 2022-23 academic year, provided the approach is consistent with student learning modality demand and public health guidelines in place at the time.

CONTINUED IMPLEMENTATION OF THE STUDENT CENTERED FUNDING FORMULA

The Administration continues to support the Student Centered Funding Formula (SCFF), which has provided fiscal stability for districts during the COVID-19 Pandemic, and continues to prioritize access and student success. As districts enter their fourth year of implementation of the SCFF, its hold harmless provision—which ensures that districts

receive the greater of the formula's core funding computation or their 2017-18 funding level annually adjusted by a cost-of-living adjustment (COLA)—is currently set to expire after 2024-25. To prevent fiscal declines between 2024-25 and 2025-26, the Budget proposes statute to create a funding floor for districts that allows all districts to transition to the core formula over time. Effectively, this allows funding rates to continue to increase by the statutory COLA, but removes its application to the hold harmless provision commencing with 2025-26 and permanently extends the revised hold harmless provision.

Further, the Administration supports the recommendation made by the Student Centered Funding Formula Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF's supplemental allocation once a reliable and stable data source is available.

OTHER BUDGET ADJUSTMENTS

- **CCC Apportionments**—An increase of \$409.4 million ongoing Proposition 98 General Fund to provide a 5.33-percent COLA for apportionments and \$24.9 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.
- **Deferred Maintenance**—An increase of \$387.6 million one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges, of which \$108.7 million is from 2022-23, \$182.1 million is from 2021-22, and \$96.8 million is from 2020-2021.
- **Part-Time Faculty Health Insurance**—To support community college part-time faculty, the Budget includes an increase of \$200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts.
- **Healthcare Vocational Education**—An increase of \$130 million one-time Proposition 98 General Fund, of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- **CCC Technology Modernization and Sensitive Data Protection**—An increase of \$100 million Proposition 98 General Fund, of which \$75 million is one-time and \$25 million is ongoing, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges.

- **Emergency Financial Assistance Grants for AB 540 Students**—An increase of \$20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.
- **Pathways Grant Program for High-Skilled Careers**—An increase of \$20 million one-time Proposition 98 General Fund for a grant program that incentivizes public-private partnerships that prepare students in grades 9 to 14 for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare.
- **CCC Teacher Credentialing Partnership Program**—An increase of \$5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program.
- **African American Male Education Network and Development (A2MEND) Student Charters**—An increase of \$1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.
- **Support for Umoja Program Study**—An increase of \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.
- **Local Property Tax Adjustment**—A decrease of \$230.5 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **CCC Facilities**—General Obligation bond funding of \$373 million one-time for the construction phase of 17 projects anticipated to complete design by spring 2023, and the working drawings phase of 1 project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.

CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll more than 477,000 students. In 2020-21, the CSU awarded more than 132,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs. The CSU strives to better fulfill its mission through the Graduation Initiative 2025, which aims to increase four-year graduation rates, increase two-year transfer graduation rates, and eliminate equity gaps. The CSU is an especially important institution for providing four-year education in

some of the most underserved regions of the state, including the Far North, the Central Valley, and the Inland Empire.

SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT

The Budget reflects a multi-year compact that provides substantial and sustained funding increases to CSU in exchange for commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes \$304.1 million in ongoing General Fund augmentations for the CSU, including \$211.1 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.

In addition, the Budget includes \$233 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center, to support equipment and facilities at the CSU University Farms, and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of CSU's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the CSU:
 - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 14,000 additional full-time students).
 - For this enrollment growth, maintaining—at minimum—a share of transfer student admissions at least consistent with existing transfer admissions practices.
- Improving student success and advancing equity:
 - Raising graduation rates to be within the top 25 percent of comparable national peer institutions by 2025, including by improving four-year first-time student graduation rates by 30 percent (9 percentage points) by 2025.
 - Eliminating gaps in graduation rates between Pell Grant and non-Pell Grant students, as well as underrepresented minority students and non-underrepresented minority students, by 2025.

HIGHER EDUCATION

- Advancing systemwide and campus-level re-enrollment campaigns and establishing campus retention targets beginning in spring 2022.
- Expanding credit opportunities, particularly for underrepresented minority students and Pell Grant students, in intersession and summer session with the goal of closing gaps in credit accumulation.
- Providing every CSU student access to a real-time digital degree planner by June 2022.
- Increasing the affordability of a CSU education:
 - Reducing the cost of instructional materials by 50 percent by 2025, saving CSU students \$150 million annually.
 - Implementing strategies that increase the overall affordability of on-campus housing, such as including student housing as part of future capital campaigns.
- Increasing intersegmental collaboration to benefit students:
 - Fully participating in the implementation of the Cradle-to-Career data system.
 - Supporting efforts for CSU campuses to adopt a common intersegmental learning management system.
 - Collaborating with the UC and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
 - Supporting efforts to establish an integrated admissions platform common to UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
 - Increasing the number of students who enroll in STEM, Education and Early Education disciplines, and Social Work by 25 percent by 2026-27. The goal is to expand and support high-demand career pipelines for climate action, healthcare, social work, and education.
 - Establishing a goal to increase the number of Early Education degree pathways available to students by 2025 for applicable campuses.
 - Collaborating with the CCCs to develop educator (early, primary, and secondary), healthcare, technology, social work, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields, with an initial priority on Educator pathways.

- Collaborating with the CCCs to develop expanded pathways for high school students in the education, healthcare, technology, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and count toward CSU degree programs.
- Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Doubling opportunities for students who want research assistantships or internships—with an emphasis on underserved students—by 2025.
- Providing access to online course offerings:
 - Ensuring that by 2025 every student who wants to take online courses will be able to do so by increasing online course offerings above pre-pandemic levels.
 - Increasing concurrent student enrollment in online courses delivered by sister CSU campuses by a multiple of 10 by 2025 – from 500 to 5,000 enrollments.
 - Expanding digital tools to students to access learning material online so that every student has access to appropriate technology for online learning (e.g., CSUCCESS).

DETAILED BUDGET ADJUSTMENTS

ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$211.1 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of \$81 million ongoing General Fund to support California resident undergraduate student enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.
- **Foster Youth Supports**—An increase of \$12 million ongoing General Fund to increase support for foster youth students.

ONE-TIME ADJUSTMENTS

- **Deferred Maintenance and Energy Efficiency**—An increase of \$100 million one-time General Fund for deferred maintenance and energy efficiency projects at CSU campuses.
- **CSU Bakersfield Energy Innovation Center**—An increase of \$83 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center.
- **University Farms**—An increase of \$50 million one-time General Fund for equipment and infrastructure improvements at CSU University Farms.

UNIVERSITY OF CALIFORNIA

The UC offers formal undergraduate and graduate education. The UC is the public segment authorized to independently award doctoral degrees and is designated as the state's primary academic agency for research. Its ten campuses enroll approximately 290,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2020-21, the UC awarded more than 85,000 degrees, including more than 65,000 undergraduate degrees. In the 2021 calendar year, two UC faculty members received Nobel Prizes, bringing the total number of UC faculty and staff who have been awarded Nobel Prizes since 1934 to 70.

SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT

The Budget reflects a multi-year compact for substantial and sustained funding increases to UC, in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes \$307.3 million in ongoing General Fund augmentations for the UC, including \$200.5 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 7,132 full-time equivalent students.

In addition, the Budget includes \$295 million one-time General Fund to expand climate-focused research, innovation and entrepreneurship, and workforce development and training; to advance dyslexia research; and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of UC's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the UC:
 - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 7,000 additional full-time equivalent students), with a significant portion of the new enrollment growth occurring at the following campuses—UC Berkeley, UC Los Angeles, and UC San Diego.
 - Maintaining UC's existing systemwide goal to enroll one new California resident transfer student for every two new California resident freshmen.
 - Increasing graduate student enrollment by roughly 2,500 full-time equivalent students.
- Improving student success and advancing equity:
 - Improving systemwide undergraduate graduation rates, including an increase to 76 percent for the four-year freshman graduation rate and 70 percent for the two-year transfer graduation rate.
 - Eliminating gaps between overall four-year freshman graduation rates and those of underrepresented students by 2030, with a goal of reducing the gap by half by the end of the 2025-26 academic year.
- Increasing the affordability of a UC education:
 - Working to offer every UC undergraduate a pathway for debt-free education by 2030, with a goal to offer debt-free pathways to half of undergraduates by the 2025-26 academic year.
 - Setting goals for each campus to eliminate textbook costs for all lower-division undergraduate courses and a substantial portion of upper division and graduate courses.
 - Setting aside 45 percent of new revenue generated from undergraduate tuition and systemwide fee increases for financial aid.
 - Including student housing as part of ongoing capital campaigns.
- Increasing intersegmental collaboration to benefit students:
 - Fully participating in the implementation of the Cradle-to-Career Data System.

- Supporting efforts for UC undergraduate campuses to adopt a common intersegmental learning management system.
- Collaborating with the CSU and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
- Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
 - Increasing the number of students graduating with degrees or credentials in STEM, and Education or Early Education disciplines, and academic doctoral degrees, by 25 percent by 2026-27. The goal is to support high-demand career pipelines for technology, climate action, healthcare, and education.
 - Collaborating with the CCCs to develop technology, educator, healthcare, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields.
 - Collaborating with the CCCs to develop expanded pathways for high school students in the technology, education, healthcare, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and apply toward UC degree programs.
 - Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Providing access to online course offerings:
 - Doubling the number of student credit hours generated through undergraduate online courses compared to a pre-pandemic baseline by 2030.

DETAILED BUDGET ADJUSTMENTS

ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$200.5 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of \$67.8 million ongoing General Fund to support California resident undergraduate student enrollment growth of 6,230 full-time equivalent students, and \$31 million ongoing General Fund to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses.
- **Foster Youth Supports**—An increase of \$6 million ongoing General Fund to increase support for foster youth students.
- **Firearm Research**—An increase of \$2 million ongoing General Fund to support research conducted by the University of California Firearm Violence Research Center.
- **Graduate Medical Education**—A decrease of \$582,000 ongoing General Fund to adjust the Proposition 56 revenue offset amount for a statewide grant program and maintain \$40 million ongoing for graduate medical residency slots.

ONE-TIME ADJUSTMENTS

- **Climate Initiatives**—An increase of \$185 million one-time General Fund to support three complementary climate initiatives, including \$100 million for climate action research seed and matching grants available to researchers from the UC system and other institutions, \$50 million for regional climate innovation incubators, and \$35 million to establish climate workforce development and training hubs.
- **Deferred Maintenance and Energy Efficiency**—An increase of \$100 million one-time General Fund for deferred maintenance and energy efficiency projects at UC campuses.
- **Dyslexia Research**—An increase of \$10 million one-time General Fund to support the University of California San Francisco Dyslexia Center.

CALIFORNIA STUDENT AID COMMISSION

Administered by the California Student Aid Commission, the state's primary financial aid program is the Cal Grant Program. The Cal Grant entitlement program provides financial aid awards to students who meet specified eligibility criteria, and who attend one of the state's qualifying public institutions or independent and private institutions. Students who are ineligible for the Cal Grant entitlement program can compete for financial aid awards available through the Cal Grant competitive program.

The Budget assumes total financial aid expenditures of \$3.8 billion, of which \$3.4 billion supports the Cal Grant Program and Middle Class Scholarship Program. In 2020-21, approximately 141,000 students received new Cal Grant awards, and approximately 232,000 students received renewal awards.

The state's Cal Grant entitlement program is estimated to provide over 502,000 financial aid awards to students who meet specified eligibility criteria in 2022-23, including more than 170,000 awards to CCC students newly eligible due to the entitlement expansion made in the 2021 Budget Act. Students who demonstrate financial need, but do not meet all of the criteria for entitlement awards, may qualify for one of 13,000 proposed competitive Cal Grant awards. The majority of these awards provide a stipend to cover some living expenses, such as housing, food, and transportation.

SIGNIFICANT ADJUSTMENTS

- **Middle Class Scholarship**—An increase of \$515 million ongoing General Fund, for a combined total of \$632 million, to support a modified version of the Middle Class Scholarship Program that will focus resources toward reducing a student's total cost of attendance.
- **Learning-Aligned Employment Program**—An increase of \$300 million one-time General Fund for the Learning-Aligned Employment program, which provides a two-year total of \$500 million when combined with funds provided to establish the program in the 2021 Budget Act.
- **Cash for College Program**—An increase of \$500,000 one-time General Fund to expand and supplement existing Cash for College Regional Coordinating Organizations that offer technical assistance to help complete college financial aid applications.

- **Financial Aid Programs**—An increase of \$479,000 ongoing General Fund for 5 positions at the California Student Aid Commission to support financial aid programs.
- **Cal Grant Program Adjustments**—A decrease of \$43.8 million one-time General Fund in 2021-22 and an increase of \$143.8 million ongoing General Fund in 2022-23 to reflect:
 - Revised estimates of the number of new and renewal Cal Grant awardees in 2021-22 and 2022-23.
 - The impact of the UC's recently adopted cohort-based tuition model, which increases Cal Grant tuition and fee award amounts for some UC students beginning in the 2022-23 academic year.

SCHOLARSHARE INVESTMENT BOARD

The ScholarShare Investment Board administers the Golden State ScholarShare College Savings Trust Program (ScholarShare 529), the California Memorial Scholarship Program (CMS), and the California Kids Investment and Development Savings Program (CaKIDS).

The CaKIDS program funds college savings accounts targeted to low-income and underrepresented public school students, in addition to establishing college savings accounts for all newborns. The 2021 Budget Act provided approximately \$1.9 billion in one-time federal and state funds to establish college savings accounts for all current low-income public school students in grades 1-12 in 2021-22, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

SIGNIFICANT ADJUSTMENTS

- **Future CaKIDS Cohorts**—Approximately \$170 million ongoing General Fund to establish college savings accounts for incoming first-grade cohorts of low-income public school students, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

- **CalKIDS Implementation**—An increase of \$5 million one-time General Fund for CalKIDS participant notification and marketing costs, and \$238,000 ongoing General Fund to support 2 additional staff for CalKIDS.
- **Financial Literacy**—An increase of \$5 million ongoing General Fund for financial literacy outreach efforts that will inform families of the long-term benefits of savings associated with CalKIDS.

STUDENT HOUSING

The 2021 Budget Act established the Higher Education Student Housing Grant program to provide one-time grants for CCCs, CSU, and UC to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. The goal of the program is to expand the availability of affordable student housing, thereby relieving one of the largest financial pressures students face and supporting timely degree completion among California students.

The 2021 Budget Act also appropriated \$500 million one-time General Fund for the Higher Education Student Housing Grant program in 2021-22, of which up to \$25 million is available for CCC planning grants for student housing. The Department of Finance received 114 applications totaling approximately \$3.2 billion from CCCs, CSU, and UC in the initial application filing round. By March 1, Finance will provide the Joint Legislative Budget Committee a list of projects proposed to be funded with the 2021-22 appropriation. The funds available in 2021-22 will be appropriated for specific projects and planning grants to be identified in subsequent legislation.

The Budget provides \$750 million one-time General Fund for the second installment of a planned \$2 billion one-time General Fund appropriation over a three-year period.

HASTINGS COLLEGE OF THE LAW

Hastings College of the Law is affiliated with the UC system, but is governed by its own Board of Directors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also offers programs leading to Master of Laws; Master of Studies in Law; and Master of Science, Health Policy and Law degrees. In 2020-21, UC Hastings enrolled 944 full-time equivalent students. Of these, 813 were Juris Doctor students.

SIGNIFICANT ADJUSTMENTS

- Base Growth—An increase of \$2 million ongoing General Fund to support operating costs.

CALIFORNIA STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and the Legislature. The Library collects, preserves, generates, and disseminates information, and provides critical assistance to libraries across the state. The Library administers programs funded by state and federal funds to support local and public library programs.

SIGNIFICANT ADJUSTMENTS

- Digitization of Significant Materials—An increase of \$12.8 million one-time General Fund and \$1.2 million ongoing General Fund for 9 positions, equipment, and other resources to support the digitization of historically and culturally significant materials, improved cataloging of library collections, and specialized digital concierge services for state agencies.
- Online Job Training and Workforce Development—An increase of \$8.8 million one-time General Fund to support two additional years of free online job training and educational upskilling programs available through local public libraries.
- Lunch at the Library—An increase of \$5 million ongoing General Fund and 2 positions to expand the number of library jurisdictions providing summer meal programs for students in low-income communities.
- Building Rental Costs—An increase of \$2.2 million ongoing General Fund for increased building rental expenses at the Library and Courts II building.

OFFICE OF PLANNING AND RESEARCH

The Governor's Office of Planning and Research serves as the Administration's staff for long-range planning and research, and constitutes the state's comprehensive planning agency.

SIGNIFICANT ADJUSTMENTS

- Golden State Awards—\$30 million one-time General Fund for the California Education Learning Lab to establish and support the Golden State Awards Program.
- Carnegie Science Grant—\$20 million one-time General Fund to support a grant to Carnegie Science for the Pasadena Climate Research Hub facility.
- California Education Learning Lab Restoration—An increase of \$2 million ongoing General Fund to restore the 2020 Budget Act reduction to the California Education Learning Lab's grant pool.
- Individualized Adaptive Learning—\$1 million ongoing General Fund for the California Education Learning Lab to establish an open educational resources platform offering free and responsive homework modules in STEM.

***2022–23 Governor’s State Budget
“E-Pages” for California
Community Colleges***

6870 Board of Governors of the California Community Colleges

The Board of Governors of the California Community Colleges was established in 1967 to provide statewide leadership to California's 73 community college districts, which operate 116 community colleges. The Board has 18 voting members as specified in statute. Twelve members are appointed by the Governor, require Senate approval for six-year terms, and must include two current or former local board members. Five members are appointed by the Governor to two-year terms and include two students, two faculty members, and one classified member. The Lieutenant Governor also serves as a member of the Board.

The objectives of the Board are to:

- Provide direction and coordination to California's community colleges.
- Apportion state funds to districts and ensure prudent use of public resources.
- Improve district and campus programs through informational and technical services on a statewide basis.

Because community college programs drive the need for infrastructure investment, each community college district has a related capital outlay program to support this need. For specifics on the community college capital outlay program, see "Infrastructure Overview."

3-YEAR EXPENDITURES AND POSITIONS †

	Positions			Expenditures		
	2020-21	2021-22	2022-23	2020-21*	2021-22*	2022-23*
5670 Apportionments	-	-	-	\$8,850,501	\$9,650,961	\$9,741,699
5675 Special Services and Operations	157.3	188.2	197.2	2,808,493	2,463,783	2,641,510
5685 Mandates	-	-	-	33,442	33,666	35,795
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	157.3	188.2	197.2	\$11,692,436	\$12,148,410	\$12,419,004
FUNDING				2020-21*	2021-22*	2022-23*
0001 General Fund				\$116,554	\$19,582	\$20,964
0001 General Fund, Proposition 98				7,392,365	7,528,298	7,826,919
0342 State School Fund				1,197	2,892	2,892
0574 1998 Higher Education Capital Outlay Bond Fund				-	1,446	16
0658 1996 Higher Education Capital Outlay Bond Fund				-	186	-
0814 California State Lottery Education Fund				274,681	273,023	272,647
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund				25	25	25
0942 Special Deposit Fund				155	155	155
0986 Local Property Tax Revenues				3,326,923	3,546,320	3,765,884
0992 Higher Education Fees and Income				439,987	438,939	440,328
0995 Reimbursements				82,658	86,452	86,462
3085 Mental Health Services Fund				97	110	110
3273 Employment Opportunity Fund				1,436	-	-
6028 2002 Higher Education Capital Outlay Bond Fund				-	162	19
6041 2004 Higher Education Capital Outlay Bond Fund				-	15	-
6049 2006 California Community College Capital Outlay Bond Fund				2,383	680	93
6087 2016 California Community College Capital Outlay Bond Fund				-	125	2,490
8505 Coronavirus Relief Fund				53,975	-	-
8506 Coronavirus Fiscal Recovery Fund of 2021				-	250,000	-
TOTALS, EXPENDITURES, ALL FUNDS				\$11,692,436	\$12,148,410	\$12,419,004

† Fiscal year 2020-21 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2020-21 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

LEGAL CITATIONS AND AUTHORITY

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

6870 Board of Governors of the California Community Colleges - Continued

DEPARTMENT AUTHORITY

Education Code, Division 7.

MAJOR PROGRAM CHANGES

- CCC Apportionments—An increase of \$434.3 million Proposition 98 General Fund, which includes the following significant adjustments:
 - \$409.4 million for a 5.33-percent cost-of-living adjustment (COLA).
 - \$24.9 million available for 0.50-percent enrollment growth.
- Deferred Maintenance—An increase of \$387.6 million one-time Proposition 98 General Fund to support deferred maintenance projects at community colleges, of which \$108.7 million is from 2022-23, \$182.1 million is from 2021-22, and \$96.8 million is from 2020-2021.
- Part-Time Faculty Health Insurance—An increase of \$200 million Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance program to incentivize the expansion of healthcare coverage provided to part-time faculty by community college districts.
- CCC Retention and Enrollment Strategies—An increase of \$150 million one-time Proposition 98 General Fund to support community college efforts to increase student retention rates and enrollment by primarily engaging with former students who may have withdrawn from college due to the impacts of COVID-19, and with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.
- Healthcare Vocational Education—An increase of \$130 million one-time Proposition 98 General Fund, of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- Augmentation for Student Success Completion Grant—An increase of \$100 million Proposition 98 General Fund for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for community college students.
- CCC Technology Modernization and Sensitive Data Protection—An increase of \$100 million Proposition 98 General Fund, of which \$75 million is one-time, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges.
- Common Course Numbering—An increase of \$105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system pursuant to the provisions of AB 1111 (Chapter 568 of the Statutes of 2021).
- Implementation of Transfer Reforms—An increase of \$65 million one-time Proposition 98 General Fund for community colleges to implement the transfer reform provisions required by AB 928 (Chapter 566 of the Statutes of 2021).
- Program Pathways Mapping Technology—An increase of \$25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that clearly maps out intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.
- Adult Education COLA—An increase of \$29.9 million Proposition 98 General Fund to reflect a 5.33-percent cost-of-living adjustment for the Adult Education Program.
- Emergency Financial Assistance Grants for AB 540 Students—An increase of \$20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.
- Pathways Grant Program for High-Skilled Careers—An increase of \$20 million one-time Proposition 98 General Fund for a grant program that incentivizes public-private partnerships that prepare students in grades 9 to 14 for the high-skill fields of technology, education and early education, STEM, and health care fields.
- Financial Aid Administration—An increase of \$10 million Proposition 98 General Fund to augment resources provided to community college financial aid offices.
- Augmentation for NextUp Program—An increase of \$10 million Proposition 98 General Fund to expand the NextUp program from 20 districts to 30 districts.
- Equal Employment Opportunity (EEO) Programs—An increase of \$10 million Proposition 98 General Fund to support the sustainable implementation of EEO best practices to diversify community college faculty, staff, and administrators.

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- CCC Teacher Credentialing Partnership Program—An increase of \$5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program.
- CCC Chancellor’s Office Personnel Funding and Positions—An increase of \$1.4 million General Fund to support 9 new positions in 2022-23, and an additional \$1.4 million General Fund to support 10 additional new positions in 2023-24, for the CCC Chancellor’s Office to support curriculum-related reforms; technology modernization efforts; and increased state operations capacity for data analysis, research, legal affairs, districts’ fiscal health monitoring, and government relations.
- African American Male Education Network and Development (A2MEND) Student Charters—An increase of \$1.1 million Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.
- Support for Umoja Program Study—An increase of \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.
- Local Property Tax Adjustment—A decrease of \$230.5 million Proposition 98 General Fund as a result of increased offsetting local property tax revenues.

DETAILED BUDGET ADJUSTMENTS

	2021-22*			2022-23*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Apportionments Cost-of-Living Adjustment	\$-	\$-	-	\$409,449	\$-	-
• Augmentation for Part-Time Faculty Health Insurance	-	-	-	200,000	-	-
• Provide Funding for CCC Retention and Enrollment Strategies	-	-	-	150,000	-	-
• Adult Education Healthcare Vocational Pathway	-	-	-	130,000	-	-
• Augmentation for Deferred Maintenance	182,087	-	-	108,702	-	-
• Augmentation for Student Success Completion Grant Funding to Reflect Expanded Cal Grant Program	-	-	-	100,000	-	-
• Hold Harmless Funding for Student-Centered Funding Formula	-	-	-	37,534	-	-
• Support for Data System Modernization and Sensitive Data Protection	75,000	-	-	25,000	-	-
• Support for Program Mapping Software	-	-	-	25,000	-	-
• Enrollment Growth Adjustment	-	-	-	24,870	-	-
• Augmentation for Financial Aid Administration	-	-	-	10,000	-	-
• Augmentation for NextUp Program	-	-	-	10,000	-	-
• Support for CCC Equal Employment Opportunity Programs	-	-	-	10,000	-	-
• Provide Funding for African American Male Education Network and Development (A2MEND) Student Charters	-	-	-	1,100	-	-
• Personnel Funding for Chancellor’s Office State Operations	-	-	-	1,052	-	7.0
• Personnel Funding for CCC Technology Infrastructure	-	-	-	314	-	2.0
• Support for Umoja Program Study	-	-	-	179	-	-
• Emergency Financial Assistance Funding for AB 540 Students	20,000	-	-	-	-	-
• Provide Funding for Common Course Numbering	105,000	-	-	-	-	-

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6870 Board of Governors of the California Community Colleges - Continued

	2021-22*			2022-23*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Provide Funding for Implementation of AB 928 (Ch. 566, St. 2021)	65,000	-	-	-	-	-
• Provide Funding for Pathways Grant Program for High-Skilled Careers	20,000	-	-	-	-	-
• Provide Funding for the CCC Teacher Credentialing Partnership Program	5,000	-	-	-	-	-
Totals, Workload Budget Change Proposals	\$472,087	\$-	-	\$1,243,200	\$-	9.0
Other Workload Budget Adjustments						
• 2022-23 EPA Adjustment	-	-	-	218,465	-	-
• Adult Education Program Cost-of-Living Adjustment	-	-	-	29,868	-	-
• Extended Opportunity Programs and Services Cost-of-Living Adjustment	-	-	-	8,259	-	-
• Disabled Student Programs and Services Cost-of-Living Adjustment	-	-	-	6,737	-	-
• Apprenticeship Cost-of-Living Adjustment	-	-	-	3,596	-	-
• Adjust Apportionments to Reflect Revised Estimates of Offsetting Student Fees	3,982	-	-	2,593	-	-
• Student Services for CalWORKs Students Program Cost-of-Living Adjustment	-	-	-	2,544	-	-
• Mandate Block Grant Cost-of-Living Adjustment	-	-	-	1,811	-	-
• Offsetting Oil and Mineral Revenue Adjustment	-	-	-	1,621	-	-
• Adjust Mandate Block Grant Funding to Reflect Updated Enrollment	-	-	-	318	-	-
• Campus Childcare Tax Bailout Program Cost-of-Living Adjustment	-	-	-	198	-	-
• Technical Adjustment for Cradle-to-Career System	150	-	-	150	-	-
• Informational Net Offsetting Local Revenue Adjustment	-	10,955	-	-	230,519	-
• Lottery Revenue Adjustment	-	39,911	-	-	39,535	-
• 2021-22 EPA Adjustment	150,920	-	-	-	-	-
• 2021-22 Net Offsetting EPA Adjustment	-150,853	-	-	-	-	-
• Informational State School Fund Pass-Through Adjustment	-	-	-	-	-	-
• Shift Facilities Planning Support Between Bond Funds	-	-	-	-	-	-
• Informational Oil and Mineral Revenue Adjustment	-	-1,621	-	-	-1,621	-
• Informational Offsetting Student Fee Revenue Adjustment	-	-3,982	-	-	-2,593	-
• Financial Aid Administration Per Unit Adjustment	-	-	-	-2,598	-	-
• Financial Aid Administration 2% of Waived Fees Adjustment	-	-	-	-2,627	-	-
• Adjustment for California College Promise to Reflect Estimated Participation	-	-	-	-6,520	-	-
• Other Base Apportionment Adjustments	-	-	-	-34,512	-	-
• 2022-23 Net Offsetting EPA Adjustment	-	-	-	-218,367	-	-
• Adjust Apportionments to Reflect Revised Local Revenue Estimate	-10,955	-	-	-230,519	-	-
• Salary Adjustments	549	201	-	550	201	-
• Benefit Adjustments	249	92	-	288	106	-

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	2021-22*			2022-23*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Lease Revenue Debt Service Adjustment	36	-	-	17	-	-
• Authorized Positions, Salaries, and Wages Realignment	-	-	49.3	-	-	49.3
• Miscellaneous Baseline Adjustments	-	-	-	-	-	-
• Retirement Rate Adjustments	-17	-7	-	-17	-7	-
Totals, Other Workload Budget Adjustments	-\$5,939	\$45,549	49.3	-\$218,145	\$266,140	49.3
Totals, Workload Budget Adjustments	\$466,148	\$45,549	49.3	\$1,025,055	\$266,140	58.3
Totals, Budget Adjustments	\$466,148	\$45,549	49.3	\$1,025,055	\$266,140	58.3

PROGRAM DESCRIPTIONS

5670 - APPORTIONMENTS

This program supports the general education programs of the community colleges, including for general purpose apportionments.

5675 - SPECIAL SERVICES, OPERATIONS AND INFORMATION

This program includes the development, implementation, and coordination of policies and procedures regarding education programs and funding other than apportionments. Such programs include student financial aid, academic counseling, foster care education, and support for disabled students and CalWORKs participants.

5685 - MANDATES

This program provides funds to community college districts to support the costs of performing state mandates.

DETAILED EXPENDITURES BY PROGRAM †

		2020-21*	2021-22*	2022-23*
PROGRAM REQUIREMENTS				
5670	APPORTIONMENTS			
	Local Assistance:			
0001	General Fund	\$4,745,738	\$5,131,787	\$5,251,948
0342	State School Fund	1,197	2,892	2,892
0814	California State Lottery Education Fund	274,681	273,023	272,647
0986	Local Property Tax Revenues	3,326,923	3,546,320	3,765,884
0992	Higher Education Fees and Income	439,987	438,939	440,328
0995	Reimbursements	8,000	8,000	8,000
8505	Coronavirus Relief Fund	53,975	-	-
8506	Coronavirus Fiscal Recovery Fund of 2021	-	250,000	-
	Totals, Local Assistance	\$8,850,501	\$9,650,961	\$9,741,699
SUBPROGRAM REQUIREMENTS				
5670015	Apportionments			
	Local Assistance:			
0001	General Fund	\$4,528,395	\$5,011,147	\$5,127,712
0342	State School Fund	1,197	2,892	2,892
0814	California State Lottery Education Fund	274,681	273,023	272,647
0986	Local Property Tax Revenues	3,326,923	3,546,320	3,765,884
0992	Higher Education Fees and Income	439,987	438,939	440,328
8505	Coronavirus Relief Fund	53,975	-	-
8506	Coronavirus Fiscal Recovery Fund of 2021	-	250,000	-

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6870 Board of Governors of the California Community Colleges - Continued

	<u>2020-21*</u>	<u>2021-22*</u>	<u>2022-23*</u>
Totals, Local Assistance	\$8,625,158	\$9,522,321	\$9,609,463
SUBPROGRAM REQUIREMENTS			
5670019 Apprenticeship			
Local Assistance:			
0001 General Fund	\$43,649	\$60,117	\$61,718
Totals, Local Assistance	\$43,649	\$60,117	\$61,718
SUBPROGRAM REQUIREMENTS			
5670023 Apprenticeship Training and Instruction			
Local Assistance:			
0001 General Fund	\$35,694	\$37,523	\$39,518
Totals, Local Assistance	\$35,694	\$37,523	\$39,518
SUBPROGRAM REQUIREMENTS			
5670035 Expand the Delivery of Courses through Technology			
Local Assistance:			
0001 General Fund	\$138,000	\$23,000	\$23,000
Totals, Local Assistance	\$138,000	\$23,000	\$23,000
SUBPROGRAM REQUIREMENTS			
5670036 Calworks Services			
Local Assistance:			
0995 Reimbursements	8,000	8,000	8,000
Totals, Local Assistance	\$8,000	\$8,000	\$8,000
PROGRAM REQUIREMENTS			
5675 SPECIAL SERVICES AND OPERATIONS			
State Operations:			
0001 General Fund	\$17,400	\$20,607	\$22,013
0574 1998 Higher Education Capital Outlay Bond Fund	-	1,446	16
0658 1996 Higher Education Capital Outlay Bond Fund	-	186	-
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	10	10	10
0942 Special Deposit Fund	155	155	155
0995 Reimbursements	5,224	9,018	9,028
3085 Mental Health Services Fund	97	110	110
6028 2002 Higher Education Capital Outlay Bond Fund	-	162	19
6041 2004 Higher Education Capital Outlay Bond Fund	-	15	-
6049 2006 California Community College Capital Outlay Bond Fund	2,383	680	93
6087 2016 California Community College Capital Outlay Bond Fund	-	125	2,490
Totals, State Operations	\$25,269	\$32,514	\$33,934
Local Assistance:			
0001 General Fund	\$2,712,339	\$2,361,820	\$2,538,127
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	15	15	15
0995 Reimbursements	69,434	69,434	69,434
3273 Employment Opportunity Fund	1,436	-	-
Totals, Local Assistance	\$2,783,224	\$2,431,269	\$2,607,576
SUBPROGRAM REQUIREMENTS			
5675019 Student Financial Aid Administration			
Local Assistance:			
0001 General Fund	\$78,718	\$74,332	\$79,107
Totals, Local Assistance	\$78,718	\$74,332	\$79,107
SUBPROGRAM REQUIREMENTS			
5675022 Student Success Completion Grant			

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6870 Board of Governors of the California Community Colleges - Continued

		<u>2020-21*</u>	<u>2021-22*</u>	<u>2022-23*</u>
	Local Assistance:			
0001	General Fund	\$170,365	\$162,602	\$262,602
	Totals, Local Assistance	<u>\$170,365</u>	<u>\$162,602</u>	<u>\$262,602</u>
	SUBPROGRAM REQUIREMENTS			
5675023	Extended Opportunity Programs and Services			
	Local Assistance:			
0001	General Fund	\$132,691	\$154,947	\$163,206
	Totals, Local Assistance	<u>\$132,691</u>	<u>\$154,947</u>	<u>\$163,206</u>
	SUBPROGRAM REQUIREMENTS			
5675027	Disabled Students			
	Local Assistance:			
0001	General Fund	\$124,288	\$126,401	\$133,138
	Totals, Local Assistance	<u>\$124,288</u>	<u>\$126,401</u>	<u>\$133,138</u>
	SUBPROGRAM REQUIREMENTS			
5675030	CCCCO State Operations Budget			
	State Operations:			
0001	General Fund	\$16,799	\$20,607	\$22,013
0574	1998 Higher Education Capital Outlay Bond Fund	-	1,446	16
0658	1996 Higher Education Capital Outlay Bond Fund	-	186	-
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	10	10	10
0995	Reimbursements	5,224	9,018	9,028
3085	Mental Health Services Fund	97	110	110
6028	2002 Higher Education Capital Outlay Bond Fund	-	162	19
6041	2004 Higher Education Capital Outlay Bond Fund	-	15	-
6049	2006 California Community College Capital Outlay Bond Fund	2,383	680	93
6087	2016 California Community College Capital Outlay Bond Fund	-	125	2,490
	Totals, State Operations	<u>\$24,513</u>	<u>\$32,359</u>	<u>\$33,779</u>
	SUBPROGRAM REQUIREMENTS			
5675031	Student Services for CalWORKs Recipients			
	Local Assistance:			
0001	General Fund	\$46,941	\$47,739	\$50,283
	Totals, Local Assistance	<u>\$46,941</u>	<u>\$47,739</u>	<u>\$50,283</u>
	SUBPROGRAM REQUIREMENTS			
5675035	Foster Care Education Program			
	Local Assistance:			
0001	General Fund	\$5,654	\$5,654	\$5,654
0995	Reimbursements	6,112	6,112	6,112
	Totals, Local Assistance	<u>\$11,766</u>	<u>\$11,766</u>	<u>\$11,766</u>
	SUBPROGRAM REQUIREMENTS			
5675040	Student Equity and Achievement Program			
	Local Assistance:			
0001	General Fund	\$525,220	\$498,981	\$498,981
	Totals, Local Assistance	<u>\$525,220</u>	<u>\$498,981</u>	<u>\$498,981</u>
	SUBPROGRAM REQUIREMENTS			
5675045	Legal Services			
	Local Assistance:			
0001	General Fund	\$10,000	\$10,000	\$10,000
	Totals, Local Assistance	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
	SUBPROGRAM REQUIREMENTS			
5675050	California State Pathways in Technology			

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6870 Board of Governors of the California Community Colleges - Continued

		<u>2020-21*</u>	<u>2021-22*</u>	<u>2022-23*</u>
	Local Assistance:			
0001	General Fund	\$-	\$20,000	\$-
	Totals, Local Assistance	<u>\$-</u>	<u>\$20,000</u>	<u>\$-</u>
	SUBPROGRAM REQUIREMENTS			
5675061	Academic Senate for the Community Colleges			
	Local Assistance:			
0001	General Fund	\$1,685	\$1,685	\$1,685
	Totals, Local Assistance	<u>\$1,685</u>	<u>\$1,685</u>	<u>\$1,685</u>
	SUBPROGRAM REQUIREMENTS			
5675069	Equal Employment Opportunity			
	Local Assistance:			
0001	General Fund	\$22,767	\$2,767	\$12,767
3273	Employment Opportunity Fund	1,436	-	-
	Totals, Local Assistance	<u>\$24,203</u>	<u>\$2,767</u>	<u>\$12,767</u>
	SUBPROGRAM REQUIREMENTS			
5675073	Part-Time Faculty Health Insurance			
	Local Assistance:			
0001	General Fund	\$490	\$490	\$200,490
	Totals, Local Assistance	<u>\$490</u>	<u>\$490</u>	<u>\$200,490</u>
	SUBPROGRAM REQUIREMENTS			
5675077	Part-Time Faculty Compensation			
	Local Assistance:			
0001	General Fund	\$24,907	\$24,907	\$24,907
	Totals, Local Assistance	<u>\$24,907</u>	<u>\$24,907</u>	<u>\$24,907</u>
	SUBPROGRAM REQUIREMENTS			
5675081	Part-Time Faculty Office Hours			
	Local Assistance:			
0001	General Fund	\$102,172	\$22,172	\$22,172
	Totals, Local Assistance	<u>\$102,172</u>	<u>\$22,172</u>	<u>\$22,172</u>
	SUBPROGRAM REQUIREMENTS			
5675098	Integrated Technology			
	Local Assistance:			
0001	General Fund	\$41,890	\$140,503	\$114,503
	Totals, Local Assistance	<u>\$41,890</u>	<u>\$140,503</u>	<u>\$114,503</u>
	SUBPROGRAM REQUIREMENTS			
5675100	California Statewide Community College			
	Local Assistance:			
0001	General Fund	\$15,000	\$15,000	\$15,000
	Totals, Local Assistance	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$15,000</u>
	SUBPROGRAM REQUIREMENTS			
5675107	Vocational Education			
	State Operations:			
0942	Special Deposit Fund	\$155	\$155	\$155
	Totals, State Operations	<u>\$155</u>	<u>\$155</u>	<u>\$155</u>
	Local Assistance:			
0995	Reimbursements	63,322	63,322	63,322
	Totals, Local Assistance	<u>\$63,322</u>	<u>\$63,322</u>	<u>\$63,322</u>
	SUBPROGRAM REQUIREMENTS			
5675109	Institutional Effectiveness			
	Local Assistance:			
0001	General Fund	\$167,500	\$27,500	\$177,500

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6870 Board of Governors of the California Community Colleges - Continued

		<u>2020-21*</u>	<u>2021-22*</u>	<u>2022-23*</u>
	Totals, Local Assistance	\$167,500	\$27,500	\$177,500
	SUBPROGRAM REQUIREMENTS			
5675115	Fund for Student Success			
	Local Assistance:			
0001	General Fund	\$163,740	\$162,460	\$161,239
	Totals, Local Assistance	\$163,740	\$162,460	\$161,239
	SUBPROGRAM REQUIREMENTS			
5675119	Economic Development			
	Local Assistance:			
0001	General Fund	\$290,929	\$313,329	\$313,329
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	15	15	15
	Totals, Local Assistance	\$290,944	\$313,344	\$313,344
	SUBPROGRAM REQUIREMENTS			
5675120	K-12 Strong Workforce Program			
	Local Assistance:			
0001	General Fund	\$163,500	\$163,500	\$163,500
	Totals, Local Assistance	\$163,500	\$163,500	\$163,500
	SUBPROGRAM REQUIREMENTS			
5675123	Transfer Education and Articulation			
	Local Assistance:			
0001	General Fund	\$779	\$187,679	\$2,079
	Totals, Local Assistance	\$779	\$187,679	\$2,079
	SUBPROGRAM REQUIREMENTS			
5675125	Curriculum Standards and Instructional Service			
	State Operations:			
0001	General Fund	\$601	\$-	\$-
	Totals, State Operations	\$601	\$-	\$-
	SUBPROGRAM REQUIREMENTS			
5675133	Physical Plant and Instructional Support			
	Local Assistance:			
0001	General Fund	\$606,080	\$182,087	\$108,702
	Totals, Local Assistance	\$606,080	\$182,087	\$108,702
	SUBPROGRAM REQUIREMENTS			
5675150	Campus Childcare Tax Bailout			
	Local Assistance:			
0001	General Fund	\$3,645	\$3,707	\$3,905
	Totals, Local Assistance	\$3,645	\$3,707	\$3,905
	SUBPROGRAM REQUIREMENTS			
5675156	Nursing Program Support			
	Local Assistance:			
0001	General Fund	\$13,378	\$13,378	\$13,378
	Totals, Local Assistance	\$13,378	\$13,378	\$13,378
	PROGRAM REQUIREMENTS			
5685	MANDATES			
	Local Assistance:			
0001	General Fund	\$33,442	\$33,666	\$35,795
	Totals, Local Assistance	\$33,442	\$33,666	\$35,795
	SUBPROGRAM REQUIREMENTS			
5685010	Mandates			
	Local Assistance:			

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6870 Board of Governors of the California Community Colleges - Continued

		2020-21*	2021-22*	2022-23*
0001	General Fund	\$33,442	\$33,666	\$35,795
	Totals, Local Assistance	\$33,442	\$33,666	\$35,795
	TOTALS, EXPENDITURES			
	State Operations	25,269	32,514	33,934
	Local Assistance	11,667,167	12,115,896	12,385,070
	Totals, Expenditures	\$11,692,436	\$12,148,410	\$12,419,004

† Fiscal year 2020-21 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2020-21 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

EXPENDITURES BY CATEGORY †

1 State Operations	Positions			Expenditures		
	2020-21	2021-22	2022-23	2020-21*	2021-22*	2022-23*
PERSONAL SERVICES						
Baseline Positions	138.9	138.9	138.9	\$12,383	\$13,656	\$13,656
Authorized Positions, Salaries, and Wages Realignment	-	49.3	49.3	-	3,605	3,830
Other Adjustments	18.4	-	9.0	1,565	750	1,450
Net Totals, Salaries and Wages	157.3	188.2	197.2	\$13,948	\$18,011	\$18,936
Staff Benefits	-	-	-	4,221	7,709	8,419
Totals, Personal Services	157.3	188.2	197.2	\$18,169	\$25,720	\$27,355
OPERATING EXPENSES AND EQUIPMENT				\$6,945	\$6,639	\$6,424
SPECIAL ITEMS OF EXPENSES				155	155	155
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$25,269	\$32,514	\$33,934

2 Local Assistance	Expenditures		
	2020-21*	2021-22*	2022-23*
Grants and Subventions - Governmental	11,654,336	12,103,063	12,372,256
Rents and Leases	12,831	12,833	12,814
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$11,667,167	\$12,115,896	\$12,385,070

† Fiscal year 2020-21 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2020-21 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS †

1 STATE OPERATIONS		2020-21*	2021-22*	2022-23*
	0001 General Fund			
APPROPRIATIONS				
001 Budget Act appropriation		\$16,799	\$19,676	\$22,013
Allocation for Employee Compensation		-	549	-
Allocation for Staff Benefits		-	249	-
Section 3.60 Pension Contribution Adjustment		-	-17	-

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6870 Board of Governors of the California Community Colleges - Continued

1 STATE OPERATIONS	2020-21*	2021-22*	2022-23*
Technical Adjustment for Cradle-to-Career System	-	150	-
Prior Year Balances Available:			
Item 6870-001-0001, Budget Act of 2016	601	-	-
Totals Available	\$17,400	\$20,607	\$22,013
TOTALS, EXPENDITURES	\$17,400	\$20,607	\$22,013
0574 1998 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$1,446	\$16
TOTALS, EXPENDITURES	-	\$1,446	\$16
0658 1996 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$186	-
TOTALS, EXPENDITURES	-	\$186	-
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$10	\$10	\$10
TOTALS, EXPENDITURES	\$10	\$10	\$10
0942 Special Deposit Fund			
APPROPRIATIONS			
Government Code section 16370	\$155	\$155	\$155
TOTALS, EXPENDITURES	\$155	\$155	\$155
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$5,224	\$9,018	\$9,028
TOTALS, EXPENDITURES	\$5,224	\$9,018	\$9,028
3085 Mental Health Services Fund			
APPROPRIATIONS			
003 Budget Act appropriation	\$97	\$106	\$110
Allocation for Employee Compensation	-	3	-
Allocation for Staff Benefits	-	1	-
TOTALS, EXPENDITURES	\$97	\$110	\$110
6028 2002 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$162	\$19
TOTALS, EXPENDITURES	-	\$162	\$19
6041 2004 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$15	-
TOTALS, EXPENDITURES	-	\$15	-
6049 2006 California Community College Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,383	\$682	\$93
Section 3.60 Pension Contribution Adjustment	-	-2	-
TOTALS, EXPENDITURES	\$2,383	\$680	\$93
6087 2016 California Community College Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$30	\$2,490
Allocation for Employee Compensation	-	66	-
Allocation for Staff Benefits	-	31	-
Section 3.60 Pension Contribution Adjustment	-	-2	-

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6870 Board of Governors of the California Community Colleges - Continued

1 STATE OPERATIONS	2020-21*	2021-22*	2022-23*
TOTALS, EXPENDITURES	-	\$125	\$2,490
Total Expenditures, All Funds, (State Operations)	\$25,269	\$32,514	\$33,934

2 LOCAL ASSISTANCE	2020-21*	2021-22*	2022-23*
0001 General Fund, Proposition 98			
APPROPRIATIONS			
101 Budget Act appropriation (Apportionments and Community College Programs)	\$2,320,465	\$4,513,369	\$4,767,806
2021-22 Net Offsetting EPA Adjustment	-	-150,853	-
Adjust Apportionments to Reflect Revised Estimates of Offsetting Student Fees	-	3,982	-
Adjust Apportionments to Reflect Revised Local Revenue Estimate	-	-10,955	-
103 Budget Act appropriation (Lease Revenue Debt Service)	12,831	12,797	12,814
Lease Revenue Debt Service Adjustments	-	36	-
105 Budget Act appropriation (Online College)	15,000	15,000	15,000
107 Budget Act appropriation (Fiscal Crisis and Management Assistance Team)	570	570	570
108 Budget Act appropriation (Student Success Completion Grant)	159,365	162,602	262,602
121 Budget Act appropriation	23,100	-	150,000
201 Budget Act appropriation (Adult Education Program)	543,564	566,376	726,244
203 Budget Act appropriation (K-12 Strong Workforce Program)	163,500	163,500	163,500
295 Budget Act appropriation (State Mandates)	13	13	13
296 Budget Act appropriation (State Mandates)	33,429	33,653	35,782
Article XIII, Section 36 of the California State Constitution (Proposition 30-transfer to Education Protection Account)	1,564,565	1,365,421	1,583,886
2021-22 EPA Adjustment	-	150,920	-
Education Code 84321.62(g) (Repayment of 2020-21 Apportionments Deferral)	1,078,858	-	-
Pending Legislation (Augmentation for Deferred Maintenance)	96,826	-	-
Chapter 144, Statutes of 2021 (Deferred Maintenance)	509,254	-	-
Chapter 144, Statutes of 2021 (Guided Pathways)	50,000	-	-
Support for Data System Modernization and Sensitive Data Protection	-	75,000	-
Chapter 144, Statutes of 2021 (Retention and Enrollment Strategies)	100,000	-	-
Provide Funding for Common Course Numbering	-	105,000	-
Emergency Financial Assistance Funding for AB 540 Students	-	20,000	-
Provide Funding for Implementation of AB 928 (Ch. 566, St. 2021)	-	65,000	-
COVID-19 Response Block Grant	33,045	-	-
Chapter 144, Statutes of 2021 (Zero-Textbook-Cost Degree Programs)	115,000	-	-
Chapter 144, Statutes of 2021 (Student Basic Need)	100,000	-	-
Chapter 144, Statutes of 2021 (Equal Employment Opportunity Programs)	20,000	-	-
Chapter 144, Statutes of 2021 (Highroads Training Partnership and Regional Partnerships)	20,000	-	-
Provide Funding for the CCC Teacher Credentialing Partnership Program	-	5,000	-
Chapter 144, Statutes of 2021 (Faculty Professional Development)	20,000	-	-
Chapter 144, Statutes of 2021 (LGBTQ Pilot Program)	10,000	-	-
Provide Funding for Pathways Grant Program for High-Skilled Careers	-	20,000	-
Chapter 144, Statutes of 2021 (Reedley College)	1,000	-	-
Chapter 144, Statutes of 2021 (Mira Costa College)	3,500	-	-
Chapter 144, Statutes of 2021 (Rio Hondo College)	6,600	-	-
Chapter 144, Statutes of 2021 (Riverside Community College District)	2,000	-	-
Chapter 144, Statutes of 2021 (Palo Verde College)	3,000	-	-
Chapter 144, Statutes of 2021 (Chaffey College CORE Academy)	1,000	-	-
Chapter 144, Statutes of 2021 (Chaffey College InTech Center)	3,000	-	-
Chapter 144, Statutes of 2021 (Bakersfield College)	6,000	-	-
Chapter 144, Statutes of 2021 (College of Siskiyous and Shasta College)	710	-	-

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6870 Board of Governors of the California Community Colleges - Continued

2 LOCAL ASSISTANCE	2020-21*	2021-22*	2022-23*
Chapter 144, Statutes of 2021 (College of the Redwoods)	500	-	-
Chapter 144, Statutes of 2021 (Rio Hondo College Training Center)	400	-	-
Chapter 144, Statutes of 2021 (Community Colleges Pathway to Law School Initiative)	5,000	-	-
Chapter 144, Statutes of 2021 (San Jose-Evergreen Community College District)	1,000	-	-
Chapter 144, Statutes of 2021 (San Diego College of Continuing Education)	35,127	-	-
Chapter 144, Statutes of 2021 (San Bernardino Community College District)	4,015	-	-
Prior Year Balances Available:			
Education Code 84321.62(h) (Repayment of 2020-21 Apportionments Deferral)	-	229,780	-
Education Code section 84321.61 (Deferral)	330,128	-	-
Pending Legislation (Augmentation for Deferred Maintenance)	-	182,087	108,702
TOTALS, EXPENDITURES	\$7,392,365	\$7,528,298	\$7,826,919
0001 General Fund			
APPROPRIATIONS			
Education Code section 27007(c)(1)(A)	\$11,000	-	-
Prior Year Balances Available:			
Reappropriation from Proposition 98 per Item 6870-488, Budget Act of 2018	89,156	-	-
TOTALS, EXPENDITURES	\$100,156	-	-
Loan repayment per Education Code section 41329.52	-1,002	-1,025	-1,049
NET TOTALS, EXPENDITURES	\$99,154	-\$1,025	-\$1,049
0342 State School Fund			
APPROPRIATIONS			
Article XVI, Section 8.5 of the California State Constitution	\$3,908,383	\$5,818,982	\$3,908,383
Informational State School Fund Pass-Through Adjustment	-	-1,910,599	-
Education Code section 12320 (Federal Oil and Mineral Revenue)	1,197	4,513	2,892
Informational Oil and Mineral Revenue Adjustment	-	-1,621	-
Totals Available	\$3,909,580	\$3,911,275	\$3,911,275
TOTALS, EXPENDITURES	\$3,909,580	\$3,911,275	\$3,911,275
Less funding provided by General Fund	-3,908,383	-3,908,383	-3,908,383
NET TOTALS, EXPENDITURES	\$1,197	\$2,892	\$2,892
0814 California State Lottery Education Fund			
APPROPRIATIONS			
Government Code section 8880.5	\$274,681	\$233,112	\$272,647
Lottery Revenue Adjustment	-	39,911	-
TOTALS, EXPENDITURES	\$274,681	\$273,023	\$272,647
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$15	\$15	\$15
TOTALS, EXPENDITURES	\$15	\$15	\$15
0986 Local Property Tax Revenues			
APPROPRIATIONS			
Local property tax revenue (amount counted toward apportionments)	\$3,326,923	\$3,535,365	\$3,765,884
Informational Net Offsetting Local Revenue Adjustment	-	10,955	-
TOTALS, EXPENDITURES	\$3,326,923	\$3,546,320	\$3,765,884
0992 Higher Education Fees and Income			
APPROPRIATIONS			
Student fee revenue (amount counted toward apportionments)	\$439,987	\$442,921	\$440,328
Informational Offsetting Student Fee Revenue Adjustment	-	-3,982	-
TOTALS, EXPENDITURES	\$439,987	\$438,939	\$440,328
0995 Reimbursements			
APPROPRIATIONS			

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6870 Board of Governors of the California Community Colleges - Continued

2 LOCAL ASSISTANCE	2020-21*	2021-22*	2022-23*
Reimbursements	\$77,434	\$77,434	\$77,434
TOTALS, EXPENDITURES	\$77,434	\$77,434	\$77,434
3207 Education Protection Account			
APPROPRIATIONS			
Article XIII, Section 36 of the California State Constitution (Proposition 30)	\$1,564,565	\$1,365,421	\$1,583,886
2021-22 EPA Adjustment	-	150,920	-
TOTALS, EXPENDITURES	\$1,564,565	\$1,516,341	\$1,583,886
Less funding provided by General Fund	-1,564,565	-1,516,341	-1,583,886
NET TOTALS, EXPENDITURES	-	-	-
3273 Employment Opportunity Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$1,436	-	-
TOTALS, EXPENDITURES	\$1,436	-	-
8505 Coronavirus Relief Fund			
APPROPRIATIONS			
162 Budget Act appropriation	\$53,975	-	-
TOTALS, EXPENDITURES	\$53,975	-	-
8506 Coronavirus Fiscal Recovery Fund of 2021			
APPROPRIATIONS			
162 Budget Act appropriation	-	\$250,000	-
TOTALS, EXPENDITURES	-	\$250,000	-
Total Expenditures, All Funds, (Local Assistance)	\$11,667,167	\$12,115,896	\$12,385,070
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$11,692,436	\$12,148,410	\$12,419,004

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FUND CONDITION STATEMENTS †

	2020-21*	2021-22*	2022-23*
3273 Employment Opportunity Fund[§]			
BEGINNING BALANCE	\$1,436	-	-
Adjusted Beginning Balance	\$1,436	-	-
Total Resources	\$1,436	-	-
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
6870 Board of Governors of the California Community Colleges (Local Assistance)	1,436	-	-
Total Expenditures and Expenditure Adjustments	\$1,436	-	-
FUND BALANCE	-	-	-

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6870 Board of Governors of the California Community Colleges - Continued**CHANGES IN AUTHORIZED POSITIONS †**

	Positions			Expenditures		
	2020-21	2021-22	2022-23	2020-21*	2021-22*	2022-23*
Baseline Positions	138.9	138.9	138.9	\$12,383	\$13,656	\$13,656
Authorized Positions, Salaries, and Wages Realignment	-	49.3	49.3	-	3,605	3,830
Salary and Other Adjustments	18.4	-	-	1,565	750	751
Workload and Administrative Adjustments						
Personnel Funding for CCC Technology Infrastructure						
Spec In Info Sys & Analysis	-	-	2.0	-	-	200
Personnel Funding for Chancellor's Office State Operations						
Community College Program Asst II	-	-	2.0	-	-	129
Info Tech Spec II	-	-	1.0	-	-	81
Research Data Spec II	-	-	1.0	-	-	66
Spec In Academic Plan & Develmt	-	-	3.0	-	-	223
TOTALS, WORKLOAD AND ADMINISTRATIVE ADJUSTMENTS	-	-	9.0	\$-	\$-	\$699
Totals, Adjustments	18.4	49.3	58.3	\$1,565	\$4,355	\$5,280
TOTALS, SALARIES AND WAGES	157.3	188.2	197.2	\$13,948	\$18,011	\$18,936

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INFRASTRUCTURE OVERVIEW

The California Community Colleges (CCC) comprise the largest postsecondary system of education in the nation. The CCC system serves approximately 1.8 million students annually at 73 locally-governed community college districts encompassing 116 campuses, 78 approved off-campus centers, and 24 district offices. The districts' assets include more than 25,000 acres of land, 6,000 buildings, and 87 million gross square feet of space. The system also holds instruction at numerous off-campus outreach centers.

SUMMARY OF PROJECTS

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680	CAPITAL OUTLAY Projects				
0001597	North Orange Community College District, Fullerton College: Business 300 and Humanities 500 Buildings Modernization Construction		-	14,056	-
0001600	San Francisco Community College District, Ocean Campus: Utility Infrastructure Replacement Construction		-	58,082	-
0001601	San Francisco Community College District, Alemany Center: Seismic and Code Upgrades Construction		-	10,933	-
0001602	Pasadena Community College District, Pasadena City College: Armen Sarafian Building Seismic Replacement Construction		1,364	39,857	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680		CAPITAL OUTLAY Projects			
0002129	Allan Hancock Joint Community College District, Allan Hancock College: Fine Arts Complex		22,873	-	-
	Construction		22,873	-	-
0002131	Santa Monica Community College District, Santa Monica College: Math/Science Addition		37,031	-	-
	Construction		37,031	-	-
0002473	Yuba Community College District, Woodland College: Performing Arts Facility		574	16,472	-
	Working Drawings		574	-	-
	Construction		-	16,472	-
0002477	San Mateo County Community College District, Skyline College: Workforce and Economic Development Prosperity Center		-	23,033	-
	Construction		-	23,033	-
0002479	Los Rios Community College District, Natomas Education Center: Natomas Center Phase 2 and 3		379	27,632	-
	Working Drawings		379	-	-
	Construction		-	27,632	-
0002482	Sonoma County Community College District, Santa Rosa Junior College: Science and Mathematics Replacement		30,882	-	-
	Construction		30,882	-	-
0002483	Mt. San Jacinto Community College District, Menifee Valley Center: Math and Sciences Building		-	25,460	-
	Construction		-	25,460	-
0002484	West Hills Community College District, North District Center: Center Expansion		2,704	-	-
	Construction		2,704	-	-
0002485	Long Beach Community College District, Pacific Coast Campus: Construction Trades Phase 1		6,712	-	-
	Construction		6,712	-	-
0002486	Coast Community College District, Golden West College: Language Arts Complex		21,515	-	-
	Construction		21,515	-	-
0002488	Sequoias Community College District, College of the Sequoias: Basic Skills Center		-	13,876	-
	Construction		-	13,876	-
0002489	Monterey Peninsula Community College District, Fort Ord Center: Public Safety Center Phase 2		-	289	-
	Working Drawings		-	289	-
0002490	Mt. San Antonio Community College District, Mt. San Antonio College: New Physical Education Complex		49,200	-	-
	Construction		49,200	-	-
0002491	Imperial Valley Community College District, Imperial Valley College: Academic Buildings Modernization		-	7,883	-
	Construction		-	7,883	-
0002492	Peralta Community College District, Merritt College: Child Development Center		-	5,692	-
	Construction		-	5,692	-
0002496	Rancho Santiago Community College District, Santa Ana College: Russell Hall Replacement		16,473	-	2,719
	Construction		16,473	-	2,719
0002497	Peralta Community College District, Laney College: Learning Resource Center		-	22,812	-
	Construction		-	22,812	-
0003339	Redwoods Community College District, College of the Redwoods: Arts Building Replacement		-	25,946	-
	Construction		-	25,946	-
0005036	Redwoods Community College District, College of the Redwoods: Physical Education Replacement		2,123	63,839	-
	Working Drawings		2,123	-	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures		
		2020-21*	2021-22*	2022-23*
5680	CAPITAL OUTLAY Projects			
	Construction	-	63,839	-
0005037	Santa Monica Community College District, Santa Monica College: Arts Complex Consolidation	334	9,821	-
	Working Drawings	334	-	-
	Construction	-	9,821	-
0005038	Los Rios Community College District, American River College: Technical Building Modernization	-	28,647	-
	Construction	-	28,647	-
0005039	Los Angeles Community College District, Los Angeles City College: Theater Arts Replacement	-	14,124	-
	Construction	-	14,124	-
0005040	Los Rios Community College District, Folsom Lake College: Instructional Buildings Phase 2.1	502	29,494	-
	Working Drawings	502	-	-
	Construction	-	29,494	-
0005041	West Valley-Mission Community College District, West Valley College: Learning Resource Center Renovation	-	17,815	-
	Construction	-	17,815	-
0005042	San Mateo County Community College District, College of San Mateo: Water Supply Tank Replacement	4,727	-	-
	Construction	4,727	-	-
0005043	Santa Barbara Community College District, Santa Barbara City College: Physical Education Replacement	-	32,521	-
	Construction	-	32,521	-
0005044	Cerritos Community College District, Cerritos College: Health Sciences Building #26 Renovation	-	11,512	-
	Construction	-	11,512	-
0005045	Rio Hondo Community College District, Rio Hondo College: Music/Wray Theater Renovation	400	-	11,559
	Working Drawings	400	-	-
	Construction	-	-	11,559
0005046	Kern Community College District, Delano Center: LRC Multi-Purpose Building	-	14,411	-
	Construction	-	14,411	-
0005047	Chaffey Community College District, Chino Campus: Instructional Building 1	-	11,764	-
	Construction	-	11,764	-
0005048	State Center Community College District, Clovis Community College: Applied Technology Building, Phase 1	-	24,089	-
	Construction	-	24,089	-
0005049	Los Rios Community College District, Elk Grove Center: Elk Grove Center Phase 2	-	8,102	-
	Construction	-	8,102	-
0005050	State Center Community College District, Fresno City College: New Child Development Center	-	12,261	-
	Construction	-	12,261	-
0005051	State Center Community College District, Reedley College: New Child Development Center	-	9,121	-
	Construction	-	9,121	-
0005052	Kern Community College District, Porterville College: Allied Health Building	-	9,743	-
	Construction	-	9,743	-
0005053	South Orange County Community College District, Irvine Valley College: Fine Arts Building	-	20,838	-
	Construction	-	20,838	-
0005054	Long Beach Community College District, Liberal Arts Campus: Music/Theatre Complex (Building G&H)	-	20,609	-
	Construction	-	20,609	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680		CAPITAL OUTLAY Projects			
0005055	San Mateo County Community College District, Canada College: Building 13 - Multiple Program Instructional Center		-	8,135	-
	Construction		-	8,135	-
0005056	Peralta Community College District, College of Alameda: Replacement of Buildings B and E (Auto and Diesel Technologies)		836	15,291	-
	Working Drawings		836	-	-
	Construction		-	15,291	-
0005057	San Bernardino Community College District, San Bernardino Valley College: Technical Building Replacement		-	31,422	-
	Construction		-	31,422	-
0005058	South Orange County Community College District, Saddleback College: Gateway Building		-	23,626	-
	Construction		-	23,626	-
0005059	Butte-Glenn Community College District, Butte College: Technology Remodel		5,804	-	-
	Construction		5,804	-	-
0005060	Monterey Peninsula Community College District, Monterey Peninsula College: Music Facility Phase 1		-	78	-
	Working Drawings		-	78	-
0005061	Merced Community College District, Merced College: Agricultural Science and Industrial Technologies Complex		12,169	-	-
	Construction		12,169	-	-
0005062	Santa Clarita Community College District, College of the Canyons: Modernize Academic Building-Boykin Hall		-	4,332	-
	Construction		-	4,332	-
0005063	Lake Tahoe Community College District, Lake Tahoe Community College: RFE and Science Modernization Phase 1		-	8,233	-
	Construction		-	8,233	-
0005064	Peralta Community College District, Laney College: Modernize Theatre Building		419	7,290	-
	Working Drawings		419	-	-
	Construction		-	7,290	-
0005065	Mt. San Jacinto Community College District, Mt. San Jacinto College: Science and Technology Building		-	18,025	-
	Construction		-	18,025	-
0005066	Peralta Community College District, Merritt College: Horticulture Building Replacement		502	9,034	-
	Working Drawings		502	-	-
	Construction		-	9,034	-
0005067	West Hills Community College District, West Hills College Lemoore: Instructional Center Phase 1		984	-	23,543
	Working Drawings		984	-	-
	Construction		-	-	23,543
0006503	Sierra Joint Community College District, Sierra College: Gymnasium Modernization		1,268	1,141	26,479
	Preliminary Plans		1,268	-	-
	Working Drawings		-	1,141	-
	Construction		-	-	26,479
0006504	Barstow Community College District, Barstow College: Hydronic Loop and Water Infrastructure		459	9,329	-
	Preliminary Plans		459	-	-
	Working Drawings		-	282	-
	Construction		-	9,047	-
0006505	Yuba Community College District, Yuba College: Fire Alarm System Upgrade		377	3,645	-
	Preliminary Plans		228	-	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680		CAPITAL OUTLAY Projects			
	Working Drawings		149	-	-
	Construction		-	3,645	-
0006545	Los Rios Community College District, Rancho Cordova Educational Center: Rancho Cordova Phase 2		389	8,509	-
	Preliminary Plans		247	-	-
	Working Drawings		142	-	-
	Construction		-	8,509	-
0006546	West Valley-Mission Community College District, Mission College: Performing Arts Building		574	450	14,430
	Preliminary Plans		574	-	-
	Working Drawings		-	450	-
	Construction		-	-	14,430
0006547	Los Angeles Community College District, Los Angeles Valley College: Academic Building 2		931	706	23,743
	Preliminary Plans		931	-	-
	Working Drawings		-	706	-
	Construction		-	-	23,743
0006548	North Orange County Community College District, Cypress College: Fine Arts Renovation		1,512	-	19,377
	Preliminary Plans		734	-	-
	Working Drawings		778	-	-
	Construction		-	-	19,377
0006549	Compton Community College District, Compton College: Physical Education Complex Replacement		1,548	21,534	-
	Preliminary Plans		757	-	-
	Working Drawings		791	-	-
	Construction		-	21,534	-
0006550	El Camino Community College District, El Camino College: Music Building Replacement		1,969	-	27,087
	Preliminary Plans		986	-	-
	Working Drawings		983	-	-
	Construction		-	-	27,087
0006551	Los Angeles Community College District, East Los Angeles College: Facilities Maintenance & Operations Replacement		829	-	11,588
	Preliminary Plans		471	-	-
	Working Drawings		358	-	-
	Construction		-	-	11,588
0006552	Sonoma County Junior College District, Santa Rosa Junior College: Tauzer Gym Renovation		887	-	9,873
	Preliminary Plans		459	-	-
	Working Drawings		428	-	-
	Construction		-	-	9,873
0006553	Los Angeles Community College District, Los Angeles Trade-Technical College: Design and Media Arts		1,370	1,040	35,782
	Preliminary Plans		1,370	-	-
	Working Drawings		-	1,040	-
	Construction		-	-	35,782
0006554	Long Beach Community College District, Pacific Coast College: Construction Trades II		1,268	14,786	-
	Preliminary Plans		778	-	-
	Working Drawings		490	-	-
	Construction		-	14,786	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680		CAPITAL OUTLAY Projects			
0006560	Grossmont-Cuyamaca Community College District, Cuyamaca College: Instructional Building Phase 1		590	415	-
	Preliminary Plans		590	-	-
	Working Drawings		-	415	-
0006561	Grossmont-Cuyamaca Community College District, Grossmont College: Liberal Arts/Business/Computer Science Information Systems		941	10,214	-
	Preliminary Plans		543	-	-
	Working Drawings		398	-	-
	Construction		-	10,214	-
0006562	Los Angeles Community College District, West Los Angeles College: Plant Facilities/Shops Replacement		252	193	5,728
	Preliminary Plans		252	-	-
	Working Drawings		-	193	-
	Construction		-	-	5,728
0006563	Sonoma County Junior College District, Public Safety Training Center: Public Safety Training Center Expansion		229	169	4,925
	Preliminary Plans		229	-	-
	Working Drawings		-	169	-
	Construction		-	-	4,925
0006564	Riverside Community College District, Riverside City College: Life Science/ Physical Science Reconstruction		1,623	27,354	-
	Preliminary Plans		926	-	-
	Working Drawings		697	-	-
	Construction		-	27,354	-
0006565	Antelope Valley Community College District, Antelope Valley College: Gymnasium Renovation		870	11,510	-
	Preliminary Plans		503	-	-
	Working Drawings		367	-	-
	Construction		-	11,510	-
0006566	San Bernardino Community College District, Crafton Hills College: Performing Arts Center Replacement		600	6,675	-
	Preliminary Plans		279	-	-
	Working Drawings		321	-	-
	Construction		-	6,675	-
0006567	Los Angeles Community College District, Los Angeles Pierce College: Industrial Technology Replacement		673	509	16,998
	Preliminary Plans		673	-	-
	Working Drawings		-	509	-
	Construction		-	-	16,998
0006568	Napa Valley Community College District, Napa Valley College: Modernize Industrial Technology Building 3100		245	2,756	-
	Preliminary Plans		131	-	-
	Working Drawings		114	-	-
	Construction		-	2,756	-
0006569	Coast Community College District, Orange Coast College: Chemistry Building		1,400	18,794	-
	Preliminary Plans		673	-	-
	Working Drawings		727	-	-
	Construction		-	18,794	-
0006570	Chabot-Las Positas Community College District, Chabot College: Building 3000 Maintenance Operations Warehouse & Garage		425	249	-
	Preliminary Plans		425	-	-
	Working Drawings		-	249	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680		CAPITAL OUTLAY Projects			
0006571	Siskiyou Joint Community College District, College of the Siskiyous: Theatre Arts Building Remodel/Addition		965	1,076	-
	Preliminary Plans		965	-	-
	Working Drawings		-	1,076	-
0008104	Peralta Community College District, College of Alameda: Aviation Complex Replacement		539	514	-
	Preliminary Plans		539	-	-
	Working Drawings		-	514	-
0008105	South Orange County Community College District, Saddleback College: Science Math Building Reconstruction		1,300	-	20,342
	Preliminary Plans		795	-	-
	Working Drawings		505	-	-
	Construction		-	-	20,342
0008106	San Francisco Community College District, San Francisco City College: Cloud Hall Reconstruction		897	678	-
	Preliminary Plans		897	-	-
	Working Drawings		-	678	-
0008107	Sierra Joint Community College District, Sierra College: Science Building Phase 1		1,207	1,138	-
	Preliminary Plans		1,207	-	-
	Working Drawings		-	1,138	-
0008108	Yuba Community College District, Yuba College: Building 800 Life and Physical Science Modernization		187	203	3,464
	Preliminary Plans		187	-	-
	Working Drawings		-	203	-
	Construction		-	-	3,464
0008109	Shasta-Tehama-Trinity Joint Community College District, Shasta College: Building 200 Modernization		1,375	14,214	-
	Preliminary Plans		816	-	-
	Working Drawings		559	-	-
	Construction		-	14,214	-
0008110	North Orange County Community College District, Fullerton College: Music/Drama Complex-Buildings 1100 and 1300 Replacement		1,658	1,637	40,492
	Preliminary Plans		1,658	-	-
	Working Drawings		-	1,637	-
	Construction		-	-	40,492
0008111	Mt. San Antonio Community College District, Mt. San Antonio College: Technology and Health Replacement		5,243	-	77,425
	Preliminary Plans		2,528	-	-
	Working Drawings		2,715	-	-
	Construction		-	-	77,425
0008112	Riverside Community College District, Norco College: Center for Human Performance and Kinesiology		-	2,702	-
	Preliminary Plans		-	1,654	-
	Working Drawings		-	1,048	-
0008959	North Orange County Community College District, Anaheim Campus: Tower First Floor Life/Safety Renovation		-	716	-
	Preliminary Plans		-	410	-
	Working Drawings		-	306	-
0008960	Compton Community College District, Compton College: Visual and Performing Arts Replacement		-	798	-
	Preliminary Plans		-	454	-
	Working Drawings		-	344	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2020-21*	2021-22*	2022-23*
5680		CAPITAL OUTLAY Projects			
0008961	Sierra Joint Community College District, Sierra College: Applied Technology Center Modernization		-	1,380	-
	Preliminary Plans		-	697	-
	Working Drawings		-	683	-
0008962	Desert Community College District, College of the Desert: Science Building Renovation		-	586	-
	Preliminary Plans		-	320	-
	Working Drawings		-	266	-
0008963	Shasta-Tehama-Trinity Joint Community College District, Shasta College: Building 800 Renovation		-	482	-
	Preliminary Plans		-	257	-
	Working Drawings		-	225	-
0008964	Ventura Community College District, Moorpark College: Administration Building Reconstruction		-	411	-
	Preliminary Plans		-	244	-
	Working Drawings		-	167	-
0008965	West Valley-Mission Community College District, West Valley College: Theater Renovation/Expansion		-	823	-
	Preliminary Plans		-	435	-
	Working Drawings		-	388	-
0008966	Los Angeles Community College District, Los Angeles Mission College: Plant Facilities Warehouse and Shop Replacement		-	304	208
	Preliminary Plans		-	304	-
	Working Drawings		-	-	208
TOTALS, EXPENDITURES, ALL PROJECTS			\$253,107	\$923,840	\$375,762
FUNDING			2020-21*	2021-22*	2022-23*
6041	2004 Higher Education Capital Outlay Bond Fund		\$-	\$3,480	\$-
6087	2016 California Community College Capital Outlay Bond Fund		253,107	920,360	375,762
TOTALS, EXPENDITURES, ALL FUNDS			\$253,107	\$923,840	\$375,762

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

3 CAPITAL OUTLAY		2020-21*	2021-22*	2022-23*
6041 2004 Higher Education Capital Outlay Bond Fund				
APPROPRIATIONS				
301	Budget Act appropriation	-	\$3,480	-
TOTALS, EXPENDITURES		-	\$3,480	-
6087 2016 California Community College Capital Outlay Bond Fund				
APPROPRIATIONS				
301	Budget Act appropriation	\$57,300	\$577,949	\$373,043
Prior Year Balances Available:				
	Item 6870-301-6087, Budget Act of 2019 as reappropriated by Item 6870-492, Budget Act of 2020	195,807	188,298	2,719
	Item 6870-301-6087, Budget Act of 2020 as reappropriated by Item 6870-492, Budget Act of 2021	-	162,718	-
	Item 6870-302-6087, Budget Act of 2019 as added by Chapter 363, Statutes of 2019	-	517	-
Totals Available		\$253,107	\$929,482	\$375,762
Unexpended balance, estimated savings		-	-6,403	-
Balance available in subsequent years		-	-2,719	-
TOTALS, EXPENDITURES		\$253,107	\$920,360	\$375,762
Total Expenditures, All Funds, (Capital Outlay)		\$253,107	\$923,840	\$375,762

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6870 Board of Governors of the California Community Colleges - Continued

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.



Lawrence E. Stone, Assessor



**Santa Clara County Assessor's
Annual Report 2021-2022**

Visit us online at www.sccassessor.org

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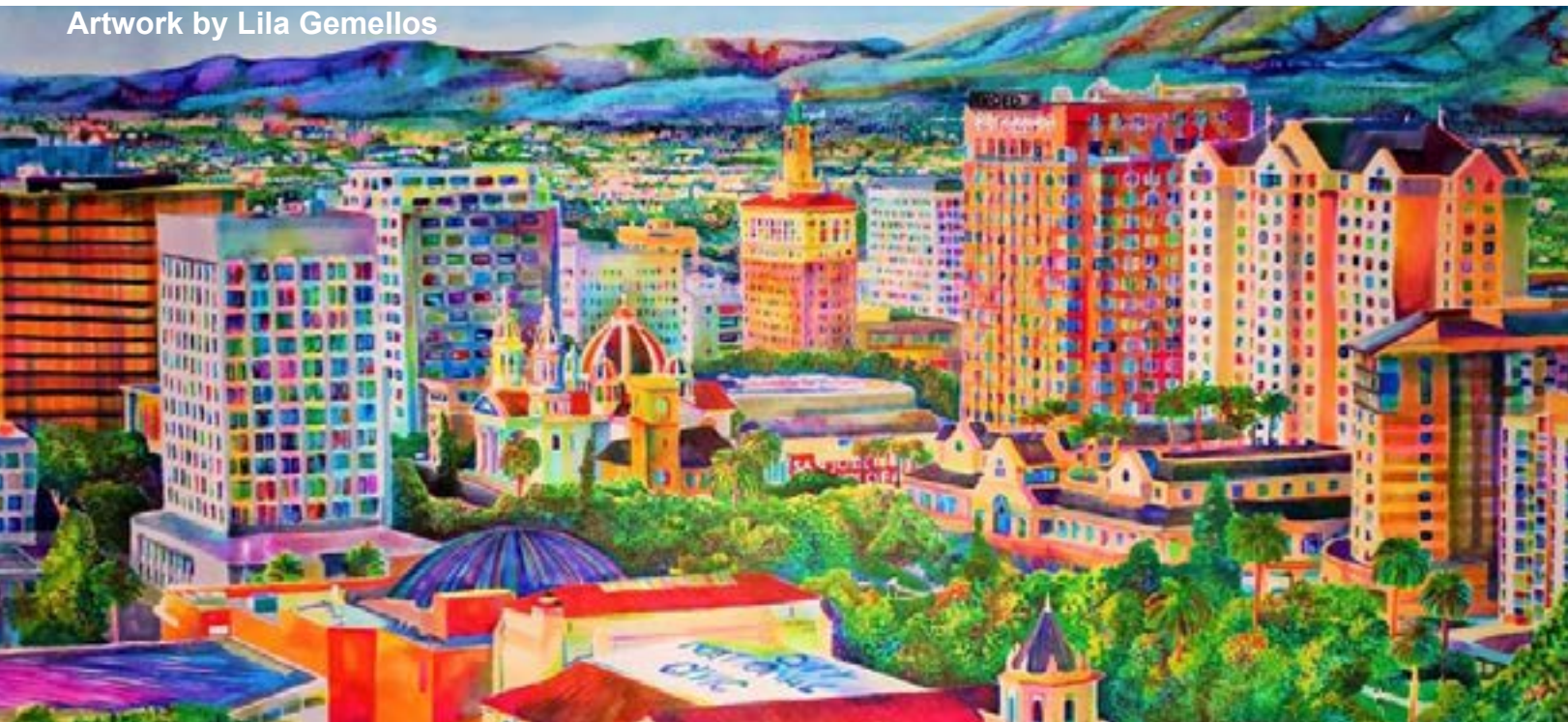
Santa Clara County Assessor’s Mission Statement

The Santa Clara County Assessor’s Office Mission is to produce an annual assessment roll, including all assessable property, in accordance with legal mandates in a timely, accurate, and efficient manner; and provide current assessment related information to the public, and to governmental agencies, in a timely and responsive way.

Responsibility of the Assessor’s Office

The Assessor has the responsibility to locate all taxable property in the County, identify ownership, establish a value for all property subject to local property taxation, list the value of all property on the assessment roll, and apply all legal exemptions. The Santa Clara County Assessor does not compute property tax bills, collect property taxes, establish property tax laws, establish rules by which property is assessed, or set property tax rates. The assessments allow the County of Santa Clara to collect and allocate property tax revenue, which supports essential public services provided by the County, local schools, cities, and special districts.

Artwork by Lila Gemellos



Cover Images, clockwise from the top. Impressive new construction projects that are planned or underway in Santa Clara County: Jay Paul CityView, six interconnected 19-story office buildings. Urban Catalyst, Icon/Echo Towers, 21-story office, and 27-story residential towers. KT Urban Woz Way, two 20-story office towers. Urban Community/Westbank Park Habitat, 20-story office tower.

A Message from Lawrence E. Stone

Looking back over the past year, coping with the COVID-19 pandemic and the shelter-in-place order that suddenly presented serious challenges, not only to public health, but to the Silicon Valley economy, I have never been more impressed by the resilience, adaptation and success achieved by our Santa Clara County community, and the Assessor’s Office, in particular.

At the beginning of the year, a contentious presidential election was on the horizon, COVID-19 deaths were skyrocketing, and the early development of a vaccine looked promising, but was still uncertain. It was only natural to be apprehensive, even despondent, about the Silicon Valley economy and real estate property values. In the Assessor’s Annual Report last year, I predicted significant declines in the market value of real estate that would inevitably require significant assessment reductions.

How would businesses, particularly hospitality and retail, adapt to restrictive and continually changing public health orders that, by design, kept customers away from businesses? How would local businesses, ordered to close, survive? What impact would employees sheltered in place or working remotely have on the local real estate economy? Would corporate and industrial investments in local real estate markets remain, or would values impacted by remote work trends create a sell off of property, leading to an exodus of people and companies from Santa Clara County? The outlook was dire.

Instead, our community and Silicon Valley’s private and public sector leadership responded decisively, adapting quickly to working remotely and social distancing requirements. Technological innovations, such as Zoom, enabled us to engineer working relationships remotely. Restaurants and their patrons embraced open-air dining and home delivery services. Though sometimes difficult, most of us managed to stay safe and conduct business, including essential government services. The Office of the Assessor was available for business throughout the COVID-19 year.

As a result, the 2021/22 Santa Clara County assessment roll, including all real and business property, grew by \$25.4 billion to a record \$576.9 billion, a 4.6 percent increase over the prior year. The annual assessment roll reflects the total net assessed value of all real and business property in Santa Clara County as of January 1, 2021.

Looking forward to the next lien date, January 1, 2022, the outlook for a robust recovery appears extremely promising. The pandemic will likely remain an obstacle, but vaccination rates in Santa Clara County are the best in the nation, our business and community leadership has demonstrated a strong and solid commitment to our success. Technology companies and commercial real

estate developers continue to design and develop impressive, multi-story office buildings and corporate campuses. Residential housing values continue to increase, entrepreneurship and innovation led by record venture capital investment is driving the Silicon Valley economy, and higher education in the Bay Area remains the envy of the nation.

What’s Inside the Annual Report?

The Assessor’s Annual Report offers comprehensive statistical analysis of the local assessment roll, including all real and business property, legal exemptions and assessment appeals. Assessment information is provided by property type, city and school district.

The Assessor’s Annual Report is an important source of information for public finance officials, real estate professionals, tax experts, academics, as well as business, government, and community leaders seeking insights into real estate trends in Santa Clara County.

Role of the Assessor’s Office

The Assessor’s Office annually determines the assessed value of all real and business property. The assessment roll is comprised of 529,005 assessable roll units, and is the basis upon which property taxes are levied. Property taxes are an essential source of revenue supporting basic public services provided by schools, cities, special districts and local governments, critical to the vitality of our region.

Assessment Roll Growth

Roll growth is determined by the combined net annual assessment of transfers of ownership, new construction, the annual statutory increase limited to two percent, business property, and exemptions. The change in the assessed value of individual properties is the difference between the prior assessed value and the new market value. When a change in ownership or new construction occurs, the real property is assessed at fair market value. This newly established value is referred to as the “base year value” and cannot increase more than two percent per year, unless there is a subsequent change in ownership or new construction.

The largest drivers of growth this year were changes of ownership and new construction, contributing \$14 billion and \$6.69 billion respectively. Both of these factors are impacted by economic and business cycles. For example, in Santa Clara County, changes in ownership generates an increase in assessments because the appreciation of real estate is a near constant, except during the most severe recessions. However, property sales volume varies due to market conditions. New construction, the second largest contributor to assessment growth, is considered a leading indicator of trends in the real estate cycle.

The County experienced an 18 percent decline in the assessment growth from transfers of ownership, year over year. Commercial property assessments also declined by 21 percent from the prior year. Many commercial property owners and developers took a “wait and see” approach, hesitating to commit to any meaningful economic activity while the pandemic raged. Interestingly, the assessment of residential property transfers actually increased by 2.4 percent.

Roll growth due to new construction declined by 21 percent to \$6.7 billion from \$8.5 billion the prior year. During the pandemic, new construction was disrupted by work stoppages, and labor and material shortages. Local planning and building departments were disrupted as they scrambled to adapt to shelter-in-place mandates. Going forward, however, construction is expected to resume to pre-pandemic levels as the corporate commitment to Silicon Valley remains strong.

Proposition 13 generally limits assessed value growth to 2 percent annually, except for the reassessment of transfers of ownership or new construction. The limit is tied to the California Consumer Price Index (CCPI). In 2021/2022, the CCPI was just 1.036 percent for properties not affected by transfers of ownership or new construction, creating a loss in anticipated property tax revenue for schools and local government.

Growth Driven by Location

Roll growth in Mountain View, at 8 percent, was the standout among the 15 cities, exceeding the average of 4.6 percent. Sunnyvale, Monte Sereno and Morgan Hill all had assessed roll growth exceeding 5 percent. All other jurisdictions, including the unincorporated areas exceeded 4 percent, with the exception of Cupertino, which increased at a meager 3.6 percent.

Challenges

The last fiscal year has been both the most challenging and rewarding of my career. It was a year of constant adaptation, to shelter-in-place requirements, mask mandates, vaccination administration, budget reductions,

working remotely, and a re-organization to reduce expenses. Yet, my staff’s commitment to their essential role, producing an accurate assessment roll, combined with excellent customer service, never wavered. And, more importantly, we achieved all this while keeping employees safe throughout the worst of the pandemic.

Accomplishments

- For the 26th consecutive year, completed the annual assessment roll by the state-mandated July 1, 2021 deadline.
- Completed 98.7 percent of real property assessments.
- Completed 99.47 percent of business personal property assessments.
- Completed 711 audits of companies mandated by state law.
- Processed 100 percent of recorded deeds.
- Completed all exemption claims file by eligible non-profit organizations, homeowners and veterans.
- Processed 65,297 business accounts.
- Processed 59,130 title documents.
- Successfully defended assessed values before the Assessment Appeals Board, retaining 96.8 percent of the assessed value in dispute.
- Resolved 2,619 assessment appeals.

Modernization, Management and Service

I am committed to employee safety, productivity, process improvement, efficiency, fiscal responsibility, and customer service. I am proud of my staff’s accomplishments and improvements in each of these areas:

- Complied with OSHA COVID-19 safety requirements, the Santa Clara County Public Health Department’s shelter-in-place orders, and vaccination directives.
- Returned \$1.68 million one-time savings of the Assessor’s budget to the County General Fund. During my 26 year tenure as Assessor, I have returned \$23 million to the County General Fund, unspent.
- Reorganized the Standards, Services and Exemption Division, achieving \$1.6 million in annual structural savings, while increasing efficiency and productivity.

- Administered an annual budget based on service levels, including measurable increases in productivity.
- Assisted 32,083 taxpayers who contacted the office by telephone, and 2,722 who visited the public service counter. My office implemented an online reservation system for in-person public service, coupled with stringent safety measures to maintain accessibility for seniors and others who need on-site customer service.
- Completed 9,044 hours of professional training, including 1,739 hours of State Board of Equalization training, in addition to County initiated leadership classes.
- Achieved a department wide customer satisfaction rating of 95.4 percent from independent surveys of taxpayers who contacted the Assessor’s Office for assistance.
- Replaced our legacy document management system with a modern system supporting current security standards, file formats, and process workflows and successfully converted 20 million documents to the new system.
- Scanned 32,644 documents into the document management system, demonstrating our commitment to a paperless work environment.
- Over 880,000 visitors accessed the assessor’s website, totaling 1.77 million page views.
- Hosted 8 community webinars addressing Prop. 19, reaching over three thousand stakeholders, including realtors, the California Bar Association, and title companies.
- Levied penalties on businesses totaling \$24,000 with unrecorded changes of ownership and recovered \$108 million from businesses who failed to file their annual business property statements.

Leadership and Legislative Initiatives

Collaborating with the California Assessor’s Association, we advocate for legislation conducive to efficient and equitable property tax administration. For example, we determined whether various deadline extensions due to the COVID-19 crisis were necessary, especially in cases of assessment appeals, we helped draft enabling legislation for Prop. 19, and we advocated for augmented state funding of Assessor’s Offices throughout the state.

We work closely with the California State Board of Equalization to further professional development of staff throughout California. We are a leader in education, developing curricula and delivering it via the California Assessors’ Administrative Services Association. We believe that furthering the education of staff results in the best customer service delivery to the taxpayers of Santa Clara County.

Challenges Ahead

Our response to the COVID-19 pandemic demonstrated amazing flexibility and resilience. We successfully completed the annual assessment roll and delivered a quality

assessment product in compliance with our California Constitutional mandate.

The future is uncertain, but it appears that a robust economic rebound will emerge as vaccination rates continues to increase. Real estate developers continue to see opportunity in the county and new construction of all types or real estate is expected to drive assessment roll growth next year.

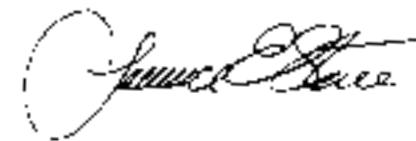
The residential real estate market continues to appreciate to record levels. This too will drive roll growth next year. It seems unsustainable in the long term, and may lead to a correction when equilibrium returns to the market.

Trends and Future Goals

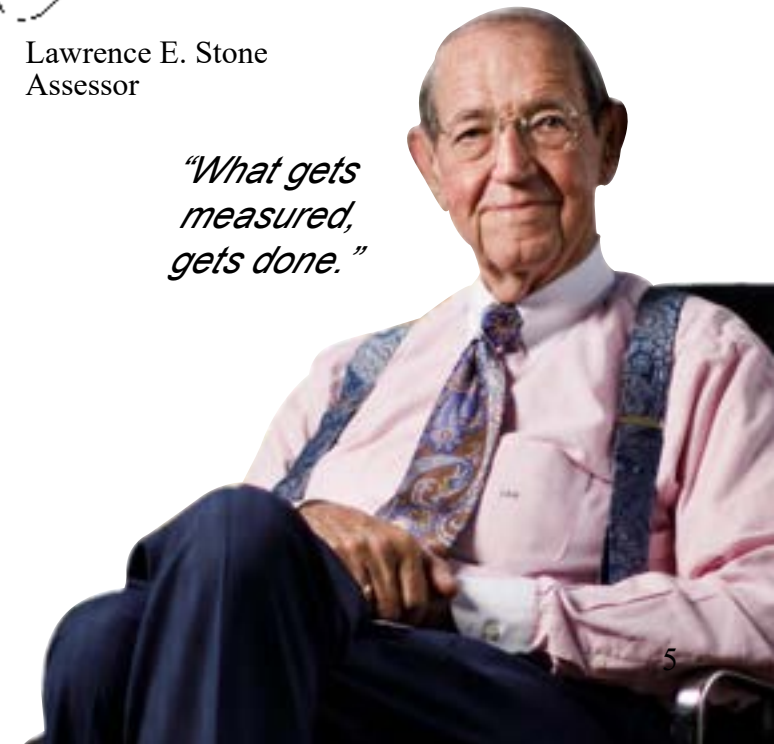
As County Assessor, I remain committed to performance and productivity. I have implemented performance based budgeting that ties mission and goals to the budget, critically evaluates performance and focuses resources on improvements to quality, service, innovation and accountability.

Assessor’s Office staff are talented, dedicated and ethical and serve our community exceedingly well. They strive to treat all taxpayers with the highest degree of courtesy and professionalism.

For 27 years, it has been my honor to serve the taxpayers, property owners and public agencies in Santa Clara County. And, it is my privilege to continue leading an important county function that renders fair and accurate assessments, supporting schools, cities and local public agencies, vital to our community.



Lawrence E. Stone
Assessor



“What gets measured, gets done.”

Factors Causing Changes to the Roll Compared to the Prior Year			
Factor	Current Year (AV*)	Previous Year (AV*)	Net Change (AV*)
Business Personal Property	\$44,455,650,560	\$45,331,043,107	(\$875,392,547)
Exemptions	(\$31,333,367,608)	(\$30,823,301,130)	(\$510,066,478)
Proposition 8 net changes	(\$1,811,725,352)	(\$2,050,409,497)	\$238,684,145
Corrections/Board/Other	\$537,706,626,809	\$537,034,966,189	\$671,660,620
New Construction	\$6,690,044,268	\$0	\$6,690,044,268
Change in Ownership	\$14,001,465,631	\$0	\$14,001,465,631
Total Roll	\$576,904,260,355	\$551,542,708,166	\$25,361,552,189

*AV= Assessed Value

How are tax bills calculated?

Once the Assessor delivers the annual roll to the County Finance Agency, they calculate and issue property tax bills in early October. Property taxes are calculated by multiplying the basic one percent tax rate plus the annual rate to service each jurisdiction's payment on general obligation bonds, special fees, and any other bonded indebtedness imposed by public agencies and approved by the voters. Property tax revenue supports K-12 school and community college districts, as well as local government agencies including cities, the county and special districts. Redevelopment Successor Agencies continue to receive a portion of property taxes to service outstanding debt incurred by Redevelopment Agencies while they existed.

The annual assessment roll is the foundation of the property tax system and as such it must be complete, accurate and consistently delivered to serve the community and agencies that depend on the revenue it generates. The Assessor's Office does not calculate or collect taxes, nor does the Assessor forecast or allocate tax revenues. For information regarding the collection of and allocation of property taxes, please visit the Department of Tax and Collections (DTAC) online at www.scctax.org or call (408) 808-7900.

Top 15 Taxpayers for Santa Clara County for FY 2020-2021

Firm	Type of Business	Assessed Value	Taxes Paid
GOOGLE, INC.	Internet	\$8,831,675,833	\$105,798,878
PACIFIC GAS & ELECTRIC CO.	Utilities	\$2,511,014,384	\$66,251,127
CAMPUS HOLDINGS, INC.	Computer Manufacturing	\$3,652,054,476	\$43,287,876
APPLE COMPUTER, INC.	Computer Manufacturing	\$1,932,561,304	\$23,088,583
CISCO TECHNOLOGY, INC.	Computer Manufacturing	\$1,517,606,211	\$18,124,359
WESTFIELD MALLS	Retail	\$1,198,731,500	\$15,520,732
APPLIED MATERIALS, INC.	Chip Manufacturing Equipment	\$1,145,700,280	\$13,515,188
INTEL CORPORATION	Chip Manufacturing	\$1,090,141,602	\$12,899,044
LOCKHEAD MARTIN	Aerospace	\$891,098,033	\$10,589,600
ESSEX PORTFOLIO LP	Real Estate Management	\$836,678,920	\$10,024,615
FRIT SAN JOSE TOWN & COUNTRY VILLAGE, LLC	Corporate Service Company	\$655,151,539	\$9,783,950
PACIFIC BELL TELEPHONE CO. DBA AT&T CA	Communications	\$376,145,984	\$9,734,644
INTUITIVE SURGICAL, INC.	Medical Device Manufacturer	\$491,514,374	\$9,239,254
CW SPE, LLC	LLC	\$771,596,716	\$9,093,267
GP IX SAC II PROPERTIES, LLC	LLC	\$745,701,200	\$8,942,406

Where do my property taxes go?

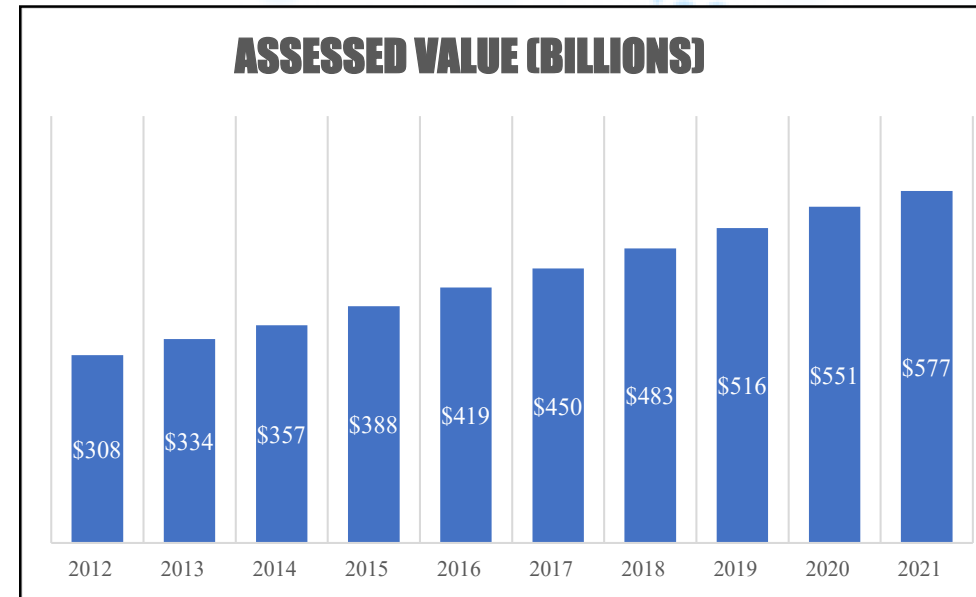
Santa Clara County Average Property Tax Revenue Allocation 2021-2022

The County Assessor's Office does not calculate taxes or allocate tax revenues.



*Image compliments of Sunnyvale Heritage Park Museum

The Assessment Roll



“Property tax, plus all other special assessments for fiscal year 2020-2021, is \$6,936,634,340.”

The assessment roll is comprised of the secured roll (property subject to lien) and the unsecured roll (property on which property taxes are not a lien against improvements on leased land). Exemptions from property taxation fall into two broad categories: homeowners and “other” exemptions, such as non-profit organizations, churches, charitable institutions, colleges, hospitals, affordable housing and private schools. Only homeowners' exemptions are backfilled by the state and comprise only \$1.7 billion of the total \$33 billion in exemptions.

Improvements (the value of buildings or structures situated on land) reflect values assessed by both the Real Property and Business Divisions. Prop. 13 provides that once a base year value is established as a result in a change of ownership or new construction, the base year can increase by no more than two percent annually, or the California Consumer Price Index (CCPI), whichever is lesser. The CCPI has been less than two percent in three of the last ten years, and ten times since the passage of Prop. 13 in 1978.

Summary Report: 2021-2022 Assessment Roll Totals

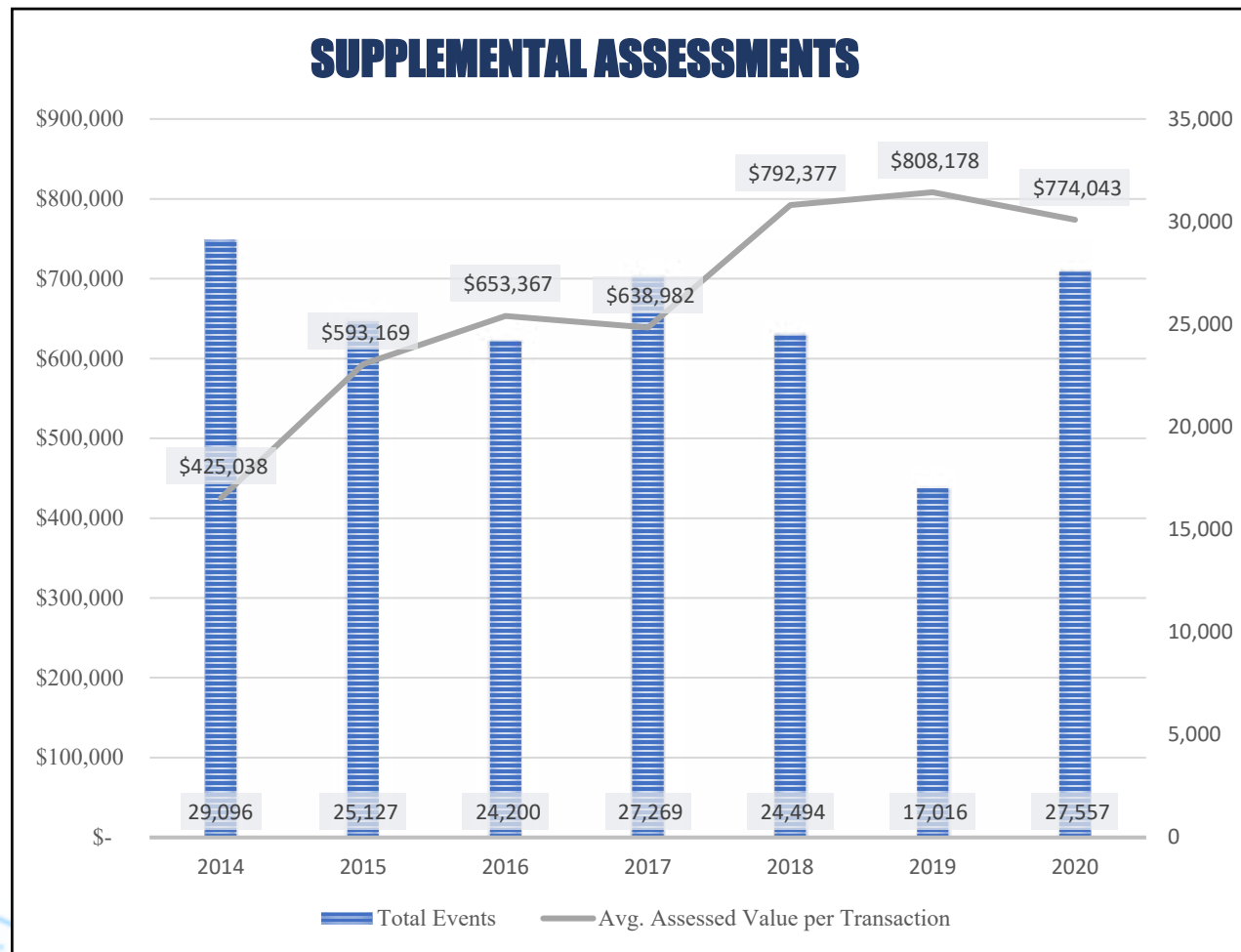
Assessment Type	2021-2022	2020-2021	Dollar Change	Percent Change
Land	\$286,689,631,738	\$272,285,752,426	\$14,403,879,312	5%
Improvements (Real Property)	\$277,092,345,665	\$264,749,213,763	\$12,343,131,902	5%
Improvements (Business Division)	\$2,950,671,724	\$2,889,051,702	\$61,620,022	2%
Total Improvements	\$280,043,017,389	\$267,638,265,465	\$12,404,751,924	5%
Subtotal	\$566,732,649,127	\$539,924,017,891	\$26,808,631,236	5%
Personal Property	\$6,235,975,120	\$5,948,789,766	\$287,185,354	5%
Mobile Homes	\$865,664,756	\$798,587,758	\$67,076,998	8%
Subtotal	\$7,101,639,876	\$6,747,377,524	\$354,262,352	5%
Total Gross Secured	\$573,834,289,003	\$546,671,395,415	\$27,162,893,588	5%
Less: Non-Reimbursable Secured Exemptions	(\$28,022,688,740)	(\$27,063,856,359)	(\$958,832,381)	4%
NET SECURED	\$545,811,600,263	\$519,607,539,056	\$26,204,061,207	5%
Total Gross Unsecured	\$34,403,338,960	\$35,694,613,881	(\$1,291,274,921)	-4%
Less Non-Reimbursable Unsecured Exemption	(\$3,310,678,868)	(\$3,759,444,771)	\$448,765,903	-12%
NET UNSECURED	\$31,092,660,092	\$31,935,169,110	(\$842,509,018)	-3%
TOTAL LOCAL ROLL	\$576,904,260,355	\$551,542,708,166	\$25,361,552,189	5%
Homeowners' Exemption	\$1,721,855,800	\$1,770,130,021	(\$48,274,221)	-3%

Supplemental assessments were created by Senate Bill 813 in 1983 to close inequities in Proposition 13. Prior to the creation of supplemental assessments, changes in assessed value, due to a change in ownership or completion of new construction, would not result in higher taxes until the tax year following the Lien Date, when the new values were placed on the assessment roll. In some instances, taxes on the new assessments would not be collected for up to 21 months. This resulted in serious differences in tax treatment for transactions that may have only been separated by one day. Supplemental assessments are designed to identify changes in assessed value that occur during the fiscal year, including changes in ownership and new construction, creating a substantial amount of new revenue for schools and local government. They are in addition to the annual assessment and property tax bill.

A supplemental tax bill is issued only on the added value, and is prorated for the remaining portion of the fiscal year. The entire new assessed value is reflected on the regular roll bill the next fiscal year.

The Assessor's Office produces a supplemental roll that generates significant revenue, not part of the annual roll. The assessed value of all supplemental assessments for calendar year 2020 totaled \$21.3 billion, a dramatic increase from the prior year total of \$13.7 billion. The number of supplemental assessments also increased from 17,000 to 27,000, due to the implementation of a direct assessment application for residential transfers of ownership.

The chart below reflects the number of supplemental assessments processed and the average supplemental assessed value per transaction for each calendar year.

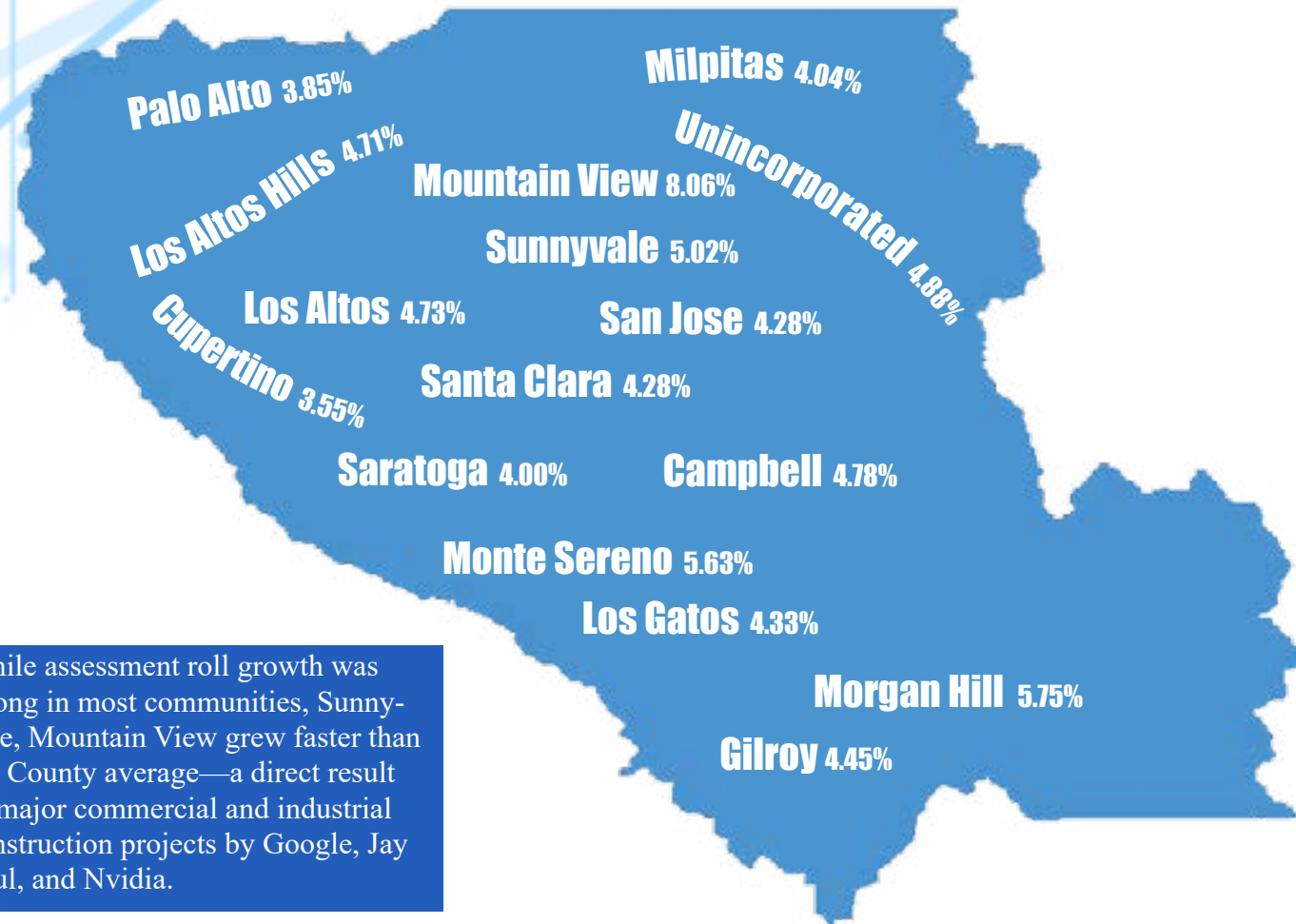


County*	Net Secured Roll	Net Unsecured Roll	Total Net Roll	% Increase over Prior Year	Avg. Per Capita	Population
Santa Clara	\$545,811,600,263	\$31,092,660,092	\$576,904,260,355	4.60%	\$298,270	1,934,171
Alameda	\$329,499,202,788	\$17,165,799,328	\$346,755,002,116	4.30%	\$209,318	1,656,591
San Francisco	\$291,894,672,529	\$16,774,138,496	\$308,668,811,025	3.58%	\$352,760	875,010
San Mateo	\$255,814,987,683	\$9,996,830,828	\$265,811,818,511	4.16%	\$347,355	765,245
Contra Costa	\$227,255,929,451	\$6,371,167,054	\$233,627,096,505	3.44%	\$202,475	1,153,854
Sonoma	\$99,036,551,075	\$3,247,331,795	\$102,283,882,870	3.20%	\$211,240	484,207
Marin	\$88,016,346,763	\$1,716,464,259	\$89,732,811,022	3.93%	\$348,107	257,774
Monterey	\$73,348,896,412	\$3,341,376,606	\$76,690,273,018	3.78%	\$175,365	437,318
Solano	\$60,152,334,245	\$2,541,170,739	\$62,693,504,984	2.97%	\$142,964	438,527
Santa Cruz	\$51,167,425,927	\$1,035,947,483	\$52,203,373,410	3.49%	\$199,925	261,115
Napa	\$43,932,678,970	\$1,627,386,255	\$45,560,065,225	3.35%	\$331,016	137,637
San Benito	\$9,928,563,508	\$446,400,335	\$10,374,963,843	6.49%	\$163,318	63,526

County*	Net Secured Roll	Net Unsecured Roll	Total Net Roll	% Increase Over Prior Year	Avg. Per Capita	Population
Los Angeles	\$1,706,356,284,695	\$56,714,147,269	\$1,763,070,431,964	3.70%	\$175,527	10,044,458
Orange	\$654,865,750,820	\$23,199,112,232	\$678,064,863,052	3.47%	\$215,002	3,153,764
San Diego	\$589,029,483,462	\$16,332,151,661	\$605,361,635,123	3.49%	\$182,591	3,315,404
Santa Clara	\$545,811,600,263	\$31,092,660,092	\$576,904,260,355	4.60%	\$298,270	1,934,171
Alameda	\$329,499,202,788	\$17,165,799,328	\$346,665,002,116	4.30%	\$209,264	1,656,591
Riverside	\$319,939,724,243	\$10,307,859,936	\$330,247,584,179	5.64%	\$134,550	2,454,453
San Francisco	\$291,894,672,529	\$16,774,138,496	\$308,668,811,025	3.58%	\$352,760	875,010
San Mateo	\$255,814,987,683	\$9,996,830,828	\$265,811,818,511	4.16%	\$347,355	765,245
San Bernardino	\$250,846,380,419	\$13,191,490,045	\$264,037,870,464	6.50%	\$121,346	2,175,909
Contra Costa	\$227,255,929,451	\$6,371,167,054	\$233,627,096,505	3.44%	\$202,475	1,153,854
Sacramento	\$184,891,603,907	\$6,619,417,144	\$191,511,021,051	5.32%	\$122,684	1,561,014
Ventura	\$152,003,126,472	Not Available	\$152,003,126,472	N/A	\$181,991	835,223
Kern	\$89,687,251,563	\$9,336,504,390	\$99,023,755,953	0.92%	\$108,318	914,193
Fresno	\$86,191,278,240	\$4,027,204,387	\$90,218,482,627	4.19%	\$87,874	1,026,681
San Joaquin	\$86,186,211,733	\$4,487,818,505	\$90,674,030,238	6.73%	\$115,724	783,534

*sorted by net secured roll

Assessment Growth by City



While assessment roll growth was strong in most communities, Sunnyvale, Mountain View grew faster than the County average—a direct result of major commercial and industrial construction projects by Google, Jay Paul, and Nvidia.

Net Assessment Roll Growth By City

City	Secured City	Secured RPTTF*	Unsecured City	Unsecured RPTTF*	Net Roll	Growth %	Percent of Roll
Campbell	\$10,611,263,634	\$1,397,673,051	\$256,559,762	\$106,704,329	\$12,372,200,776	4.78%	2.14%
Cupertino	\$27,083,468,890		\$1,724,247,088		\$28,807,715,978	3.55%	4.99%
Gilroy	\$9,968,898,669		\$296,112,343		\$10,265,011,012	4.45%	1.78%
Los Altos	\$18,702,154,929		\$123,403,929		\$18,825,558,858	4.73%	3.26%
Los Altos Hills	\$9,322,116,432		\$3,447,749		\$9,325,564,181	4.71%	1.62%
Los Gatos	\$13,362,944,816	\$1,891,297,788	\$248,375,152	\$49,064,944	\$15,551,682,700	4.33%	2.70%
Milpitas	\$10,946,282,678	\$9,481,026,383	\$835,349,447	\$1,082,385,691	\$22,345,044,199	4.04%	3.87%
Monte Sereno	\$2,565,235,761		\$673,806		\$2,565,909,567	5.63%	0.44%
Morgan Hill	\$7,398,469,690	\$3,721,227,859	\$203,198,815	\$157,543,302	\$11,480,439,666	5.75%	1.99%
Mountain View	\$30,537,743,197	\$5,021,064,516	\$1,385,997,245	\$636,928,758	\$37,581,733,716	8.06%	6.51%
Palo Alto	\$41,743,865,568		\$2,283,406,108		\$44,027,271,676	3.85%	7.63%
San Jose	\$172,895,219,493	\$33,390,149,147	\$4,842,807,465	\$4,732,662,301	\$215,860,838,406	4.28%	37.42%
Santa Clara	\$39,620,417,482	\$4,636,364,116	\$6,747,206,002	\$1,259,871,212	\$52,263,858,812	4.28%	9.06%
Saratoga	\$17,496,991,236		\$46,610,292		\$17,543,601,528	4.00%	3.04%
Sunnyvale	\$51,902,116,438	\$2,006,530,558	\$3,543,324,755	\$131,110,306	\$57,583,082,057	5.02%	9.98%
Unincorporated	\$20,109,075,689	\$2,243	\$395,669,291		\$20,504,747,223	4.88%	3.55%
Total	\$484,266,264,602	\$61,545,335,661	\$22,936,389,249	\$8,156,270,843	\$576,904,260,355	4.60%	100%

*Redevelopment Property Tax Trust Fund

Real Property Distribution By City

City Name	Total Value	Exemptions*	Net Total	Parcel Count
Campbell	\$12,159,546,933	\$214,712,647	\$11,944,834,286	12,205
Cupertino	\$26,198,594,820	\$135,857,482	\$26,062,737,338	16,593
Gilroy	\$10,230,233,872	\$385,260,050	\$9,844,973,822	14,629
Los Altos	\$19,120,639,741	\$431,088,448	\$18,689,551,293	11,116
Los Altos Hills	\$9,356,272,442	\$34,718,453	\$9,321,553,989	3,208
Los Gatos	\$15,573,275,146	\$339,464,603	\$15,233,810,543	11,038
Milpitas	\$20,333,695,268	\$321,015,794	\$20,012,679,474	19,899
Monte Sereno	\$2,566,132,966	\$897,205	\$2,565,235,761	1,291
Morgan Hill	\$11,367,672,410	\$337,357,794	\$11,030,314,616	13,121
Mountain View	\$35,630,852,213	\$645,676,674	\$34,985,175,539	19,838
Palo Alto	\$48,782,114,409	\$7,275,976,470	\$41,506,137,939	20,677
San Jose	\$209,809,537,798	\$6,134,719,210	\$203,674,818,588	240,744
Santa Clara	\$44,443,249,102	\$2,290,912,103	\$42,152,336,999	29,669
Saratoga	\$17,722,605,307	\$230,766,761	\$17,491,838,546	11,141
Sunnyvale	\$52,740,655,762	\$617,766,429	\$52,122,889,333	33,088
Unincorporated	\$27,746,899,214	\$7,881,542,250	\$19,865,356,964	25,431
Total	\$563,781,977,403	\$27,277,732,373	\$536,504,245,030	483,688

* See Pg. 15 for more information on exemptions

Real Property Distribution of Value* by Type

Property Type	Property Value	Value Growth %	Percent of Total Value	Parcel Count	Parcel %
Single Family Detached	\$287,825,426,748	5%	54%	338,149	70%
Condominiums	\$55,838,663,581	5%	10%	91,483	19%
Office	\$52,546,572,694	8%	10%	5,294	1%
Apartments 5+ Units	\$41,911,245,022	5%	8%	5,920	1%
R&D Industrial	\$23,192,735,955	7%	4%	790	0%
Other Industrial Non-Manufacturing	\$17,079,856,329	7%	3%	3,431	1%
Specialty Retail and Hotels	\$16,271,319,622	4%	3%	5,700	1%
Single Family 2-4 Units	\$10,421,521,235	4%	2%	15,036	3%
Major Shopping Centers	\$9,445,871,522	0%	2%	864	0%
Other Urban	\$7,455,569,139	-3%	1%	6,715	1%
Public & Quasi-Public	\$6,092,869,139	19%	1%	2,571	1%
Other Industrial Manufacturing	\$3,695,268,310	-3%	1%	2,066	0%
Agricultural	\$2,442,610,893	4%	0%	5,346	1%
Electronics & Machinery Manufacturing	\$2,197,502,746	-10%	0%	171	0%
Residential Misc.	\$87,212,095	19%	0%	152	0%
Total	\$536,504,245,030	5.0%	100%	483,688	100%

*Net of non-reimbursable exemptions; does not include mobile homes; includes possessory interest assessments which, until 2014-15, were on the unsecured roll

Proposition 13

Passed by the voters in June 1978, Proposition 13 (Prop. 13) amended the California Constitution, limiting the assessment and taxation of property in California. It restricts both the tax rate and the annual increase of assessed value as follows:

- The property tax cannot exceed one percent of a property's taxable value (plus service fees, improvement bonds, and special assessments, many of which require voter approval).
- A property's original base value is its 1975-76 market value. A new base year value is established by reappraisal whenever there is a change in ownership or new construction. An increase in the assessed value of real property is limited to no more than two percent per year.
- The adjusted (factored) base year value of real property is the upper limit of value for property tax purposes.
- Business property, boats, airplanes, and certain restricted properties are subject to annual reappraisal and assessment.

During a recession, the gap between the market value and assessed value of single-family homes declines. However, as the economy recovers, the gap widens.

The chart below provides a snapshot as of December 31, 2020, based upon market value as of March 1, 1975, or the subsequent date of acquisition, plus the inflation rate not to exceed two percent per year for properties in Santa Clara County. For example, 21 percent of all current single-family homeowners purchased their property before 1989; however, they only account for six percent of all property taxes paid by homeowners. In contrast, homes purchased in the last ten years account for 61 percent of the total property tax paid by homeowners. The disparity is even greater among owners of commercial, industrial, and multifamily properties.

Q. How many properties are still protected by Prop. 13, passed by the voters in 1978?

A. All properties in Santa Clara County and throughout California receive the full protections and benefits of Prop. 13, whether a property was purchased last year or in 1975. A base year value is established at the time of purchase or new construction, and increases in the assessed value are limited to an inflation factor of no more than two percent annually.

Q. What happens when a property transfers ownership?

A. The Assessor determines if a reappraisal is required under State law. If required, an appraisal is made to determine the new base value of the property. The sales price, if known, is a strong indicator, but not the sole factor in setting the assessment. The property owner is notified of the new assessment and has the right to appeal both the value and the reappraisal decision. The reappraisal of property acquired by inheritance from an estate or living trust occurs as of the date of the death of the former owner, not on the date of distribution to the beneficiary. An assessment will be made in the name of the estate even if the property is sold rather than distributed to the heirs.

Distribution of Secured Assessment Roll by Base Year and Property Type (Gross AV)

Base Year Lien Date	Single-Family/Condominium			Multifamily Housing			Commercial, Industrial, Other		
	Assessed Value	AV %	Parcel %	Assessed Value	AV %	Parcel %	Assessed Value	AV %	Parcel %
Prior to 1979	\$6,078,236,212	2%	11%	\$1,431,078,535	2%	14%	\$15,228,894,978	9%	14%
1979-1988	\$12,921,394,447	4%	10%	\$2,708,508,592	5%	14%	\$6,489,020,142	4%	9%
1989-1998	\$31,720,648,814	9%	14%	\$3,500,480,900	6%	13%	\$9,179,266,129	6%	11%
1999-2008	\$86,055,930,478	25%	22%	\$12,581,441,631	22%	22%	\$25,665,307,917	16%	19%
2009-2018	\$139,393,080,614	41%	32%	\$29,063,060,612	50%	28%	\$74,919,510,422	46%	34%
2019-to date	\$67,908,961,919	20%	11%	\$8,970,147,468	15%	9%	\$29,967,007,593	19%	12%
Total	\$344,078,252,484	100%	100%	\$58,254,717,738	100%	100%	\$161,449,007,181	100%	100%

Who benefits from Prop. 13?

Every property owner benefits from Prop. 13; however, the longer a property is owned, the greater the property tax benefit. For example, 21 percent of all single-family properties purchased before 1989 have not had their assessed value adjusted beyond the Prop. 13 two percent cap or the CCPI, whichever is lower. However, these properties only comprise six percent of the total assessed value for all single-family properties. In contrast, of the 429,637 residential properties in the county, 185,840 were purchased between 2009 and 2020, accounting for 43 percent of the total number of residential properties. These property owners are paying a greater share of the total property taxes. The assessed value of these residential properties was \$207.3 billion, 60 percent of the total. The table below provides a snapshot as of December 31, 2020, based upon market value as of March 1, 1975, or the subsequent date of acquisition, plus the inflation rate, not to exceed two percent per year for properties in each city in the county. For example, in Sunnyvale, 42 percent of the properties were acquired in the last ten years and are paying 69.5 percent of the total property taxes.

Distribution of Assessment Roll by Year and Percentage

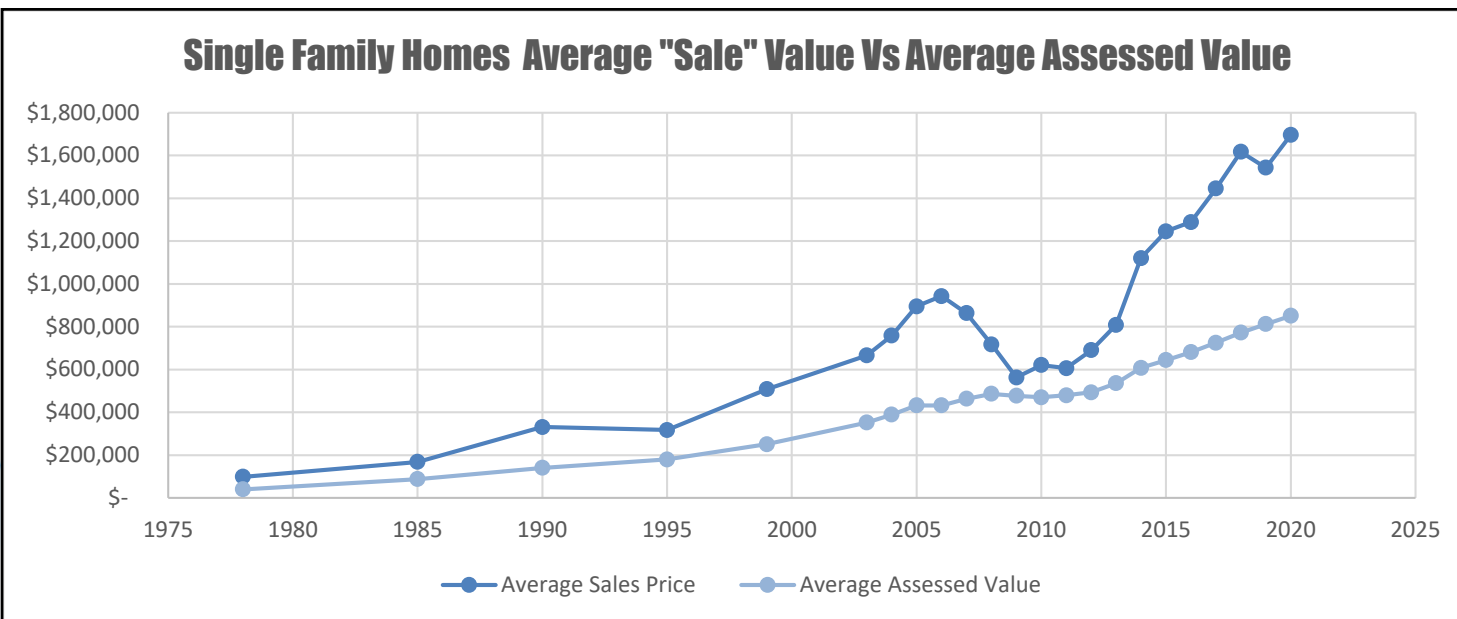
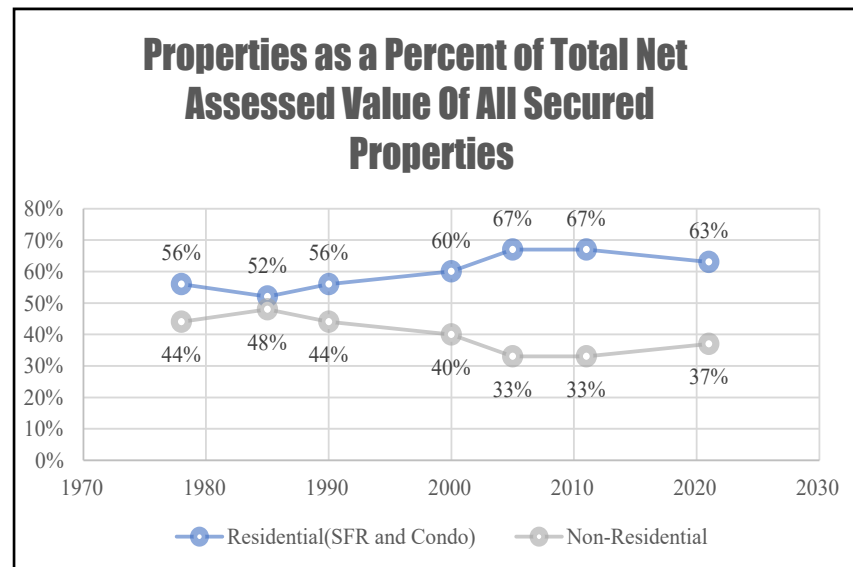
City Name	% Type	Prior to 1979	1979-1988	1989-1998	1999-2008	2009-2018	2019-to date
Campbell	Gross AV	1.81	3.86	8.05	20.78	41.50	24.00
	Parcel	11.23	10.17	14.41	21.48	30.81	11.90
Cupertino	Gross AV	1.26	3.98	9.27	23.47	48.28	13.75
	Parcel	10.10	11.16	17.40	28.03	25.98	7.33
Gilroy	Gross AV	1.04	2.73	5.25	25.13	43.87	21.97
	Parcel	5.94	6.79	9.11	20.54	40.61	17.02
Los Altos	Gross AV	1.84	3.86	10.17	24.18	41.28	18.67
	Parcel	14.61	10.69	15.63	21.14	28.64	9.29
Los Altos Hills	Gross AV	1.88	4.70	10.58	25.65	43.58	13.62
	Parcel	14.14	13.05	15.96	19.62	28.86	8.37
Los Gatos	Gross AV	2.18	3.98	8.56	21.67	42.84	20.77
	Parcel	12.25	10.35	14.31	19.87	30.89	12.34
Milpitas	Gross AV	6.28	3.08	7.93	19.89	41.74	21.08
	Parcel	9.26	8.73	14.21	20.24	32.82	14.74
Monte Sereno	Gross AV	1.99	4.19	12.02	24.74	35.69	21.37
	Parcel	14.56	11.00	16.19	19.05	25.17	14.02
Morgan Hill	Gross AV	1.40	3.04	7.58	23.56	38.77	25.64
	Parcel	4.61	6.24	11.89	21.71	35.96	19.60
Mountain View	Gross AV	1.61	3.74	4.81	16.40	51.75	21.69
	Parcel	12.09	7.71	12.27	23.11	32.10	12.72
Palo Alto	Gross AV	9.54	4.96	8.50	21.90	38.76	16.34
	Parcel	15.69	11.31	15.12	21.73	27.66	8.49
San Jose	Gross AV	2.23	3.64	7.81	24.45	41.70	20.17
	Parcel	10.17	10.01	13.94	22.30	32.58	11.01
Santa Clara	Gross AV	3.73	3.02	7.91	17.23	50.78	17.33
	Parcel	14.02	9.08	11.47	22.06	32.11	11.27
Saratoga	Gross AV	2.78	4.09	12.64	26.49	38.47	15.54
	Parcel	14.19	10.11	18.18	21.31	27.51	8.70
Sunnyvale	Gross AV	2.64	2.78	6.56	18.49	50.41	19.13
	Parcel	13.42	9.70	13.39	21.46	30.52	11.51
Unincorporated	Gross AV	22.60	9.14	6.98	19.38	28.63	13.27
	Parcel	14.91	11.07	13.07	20.46	29.91	10.58

Historical Trends of Assessed Values in Santa Clara County

Properties as Percent of Total Assessed Value of All Secured Properties

Roll Year	Residential %	Industrial %
2004	65.51%	34.49%
2005	67.38%	32.62%
2006	67.86%	32.14%
2007	67.67%	32.33%
2008	66.83%	33.17%
2009	65.46%	34.54%
2010	65.89%	34.11%
2011	66.72%	33.28%
2012	66.50%	33.50%
2013	66.95%	33.05%
2014	66.76%	33.24%
2015	65.55%	34.45%
2016	64.64%	35.36%
2017	64.19%	35.81%
2018	63.86%	36.14%
2019	63.90%	36.10%
2020	63.16%	36.84%
2021	63.07%	36.93%

This chart compares the total net assessed value of residential properties to other property, including commercial and industrial properties. Since Prop. 13 passed in 1978, the portion of the net secured assessment roll of commercial and industrial properties has declined 8 percent, a trend consistent with data from other counties. The reason for this shift is likely the growth of residential properties. Between 1978 and 2020, the number of residential parcels grew by 49 percent, while the number of nonresidential actually shrunk by 8 percent. Within a similar timeline, the population grew 49 percent.



Property Tax Exemptions

“Under Section 4(b) of Article XIII of the California Constitution, the Legislature has the authority to exempt property (1) used exclusively for religious, hospital, or charitable purposes, and (2) owned or held in trust by nonprofit organizations operating for those purposes. This exemption from property taxation, popularly known as the welfare exemption, was first adopted by voters as a constitutional amendment on November 7, 1944. With this amendment, California became the last of 48 states in the country to provide such an exemption from property taxes.

When the Legislature enacted Section 214 of the Revenue and Taxation Code to implement the Constitutional provision in 1945, a fourth purpose, scientific, was added to the three mentioned in the Constitution. Section 214 parallels and expands upon the Constitutional provision that property used exclusively for the stated purposes (religious, hospital, scientific, or charitable), owned by qualifying nonprofit organizations, is exempt from taxation if certain requirements are met. An organization’s primary purpose must be either religious, hospital, scientific, or charitable. Whether its operations are for one of these purposes is determined by its activities. A qualifying organization’s property may be exempted fully or partially from property taxes, depending on how much of the property is used for qualifying purposes and activities.”*

The table entitled “Qualifying Exemption 2021-2022” illustrates the various types of properties receiving exemptions in Santa Clara County, as well as the sum of those exemptions. As you can see, the magnitude of the welfare and institutional exemptions dwarfs the more commonly known homeowners’ exemption.

Exemption	Roll Unit	Total Value
Private and Parochial Schools (less than Collegiate Grade)	138	\$847,721,585
Hospitals	39	\$2,160,030,936
Other Religious and Charitable Properties	1,537	\$8,855,317,188
Religious Properties	616	\$904,969,220
Disabled Veterans	1,057	\$144,712,386
Churches	95	\$150,652,184
Privately Owned Colleges	492	\$17,462,788,977
Cemetery	35	\$181,801,237
Historical Aircraft	7	\$322,586
Other	76	\$625,051,309
Total Non-Reimbursable Exemptions	4,092	\$31,333,367,608
Reimbursable Exemptions (Homeowners' Exemptions)	245,579	\$1,721,855,800
Total Exemptions	249,671	\$33,055,223,408

Santa Clara County's Largest Exemption: Stanford University

“The College Exemption is available to property used exclusively for educational purposes by a nonprofit educational institution of collegiate grade. The property may be either owned or leased, but it must be used for educational purposes as of the January 1 Lien Date. Buildings under construction or renovation, and the land required for their convenient use, and equipment in them may also qualify for the exemption if the intended use when completed will qualify the property for exemption ... The courts have construed that ‘used exclusively for the purposes of education’ to include any facilities that are ‘reasonably necessary for the fulfillment of a generally recognized function of a complete and modern college.’” **

Leland Stanford Junior University, founded in 1885, is granted the title of the largest exemption in Santa Clara County annually. With 357 total exempt properties, the exemptions at the time of the 2021 Lien Date summed up to \$15,954,808,967. This figure includes Stanford Medical Center and the Lucille Packard Children’s hospital, teaching and research institutes.

*Assessors’ Handbook, Section 267, Welfare, Church, and Religious Exemptions

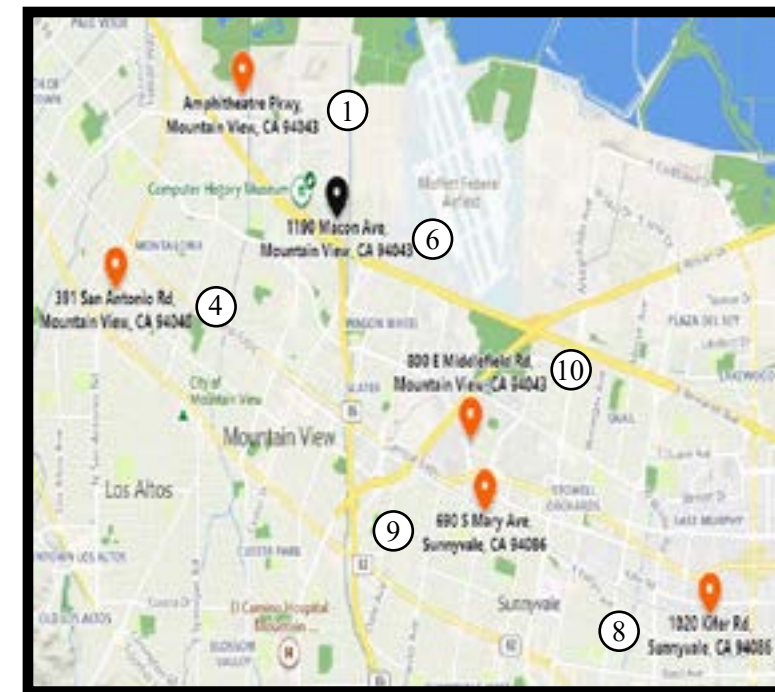
**The College Exemption is provided for in Section 3(e) of Article XIII of the California Constitution, implemented by Section 203 of the Revenue and Taxation Code



New Construction

Added Assessed Value due to Changes in New Construction by City and Major Property Type, Value and Parcel Count: 2021-2022							
City Name	Agricultural & Misc.	Industrial & Manufacturing	Multifamily Housing	Office	Retail	Single-Family Housing	Total
Campbell	\$27,972	\$390,000	\$15,912	\$498,474	\$1,661,000	\$39,833,282	\$42,426,640
	2	1	1	2	1	188	195
Cupertino	\$17,342,351	\$52,445,619	\$3,944,975	\$716,452	-\$859,889	\$79,790,759	\$153,380,267
	2	3	6	5	3	239	258.00
Gilroy	\$6,261,993	\$1,412,432	\$7,485,987		\$9,677,861	\$38,344,529	\$63,182,802
	5	2	1		3	122	133.00
Los Altos	-\$368,555		\$823,526	\$5,502,708		\$95,821,699	\$101,779,378
	6		3	2		354	365
Los Altos Hills	-\$1,891,290					\$82,361,322	\$80,470,032
	2					146	148
Los Gatos	\$6,403,965		\$464,407	\$4,834,858	\$887,478	\$49,997,190	\$62,587,898
	2		4	4	4	246	260
Milpitas	\$19,477,438	\$22,604,147	\$143,273,348		\$18,675,798	\$14,713,355	\$218,744,086
	5	5	6		3	143	162
Monte Sereno						\$14,600,696	\$14,600,696
						80	80
Morgan Hill	\$4,773,422	\$69,048,292	\$23,661,852	\$760,000	\$1,031,995	\$12,021,069	\$111,296,630
	2	8	2	1	3	147	163
Mountain View	\$577,023,650	\$138,536,554	\$126,553,459	\$501,915,037	\$35,359,750	\$100,438,795	\$1,479,827,245
	8	9	11	9	4	443	484
Palo Alto	\$2,867,066	\$14,625,598	\$13,386,217	\$142,493,145	\$52,054,904	\$238,381,809	\$463,808,739
	16	2	5	9	19	451	502
San Jose	\$309,117,542	\$139,782,318	\$584,710,496	\$602,241,778	\$126,704,415	\$299,562,158	\$2,062,118,707
	30	19	52	27	29	2,233	2,390
Santa Clara	\$21,740,512	\$172,347,668	\$133,753,353	\$195,795,778	\$11,093,343	\$69,673,423	\$604,404,077
	3	13	12	9	5	467	509.00
Saratoga	\$1,168,107			\$1,221,836	\$168,386	\$67,184,007	\$69,742,336
	3			2	3	251	259
Sunnyvale	-\$181,082	\$569,539,272	\$252,353,339	\$102,644,033	\$52,328,359	\$97,672,740	\$1,074,356,661
	5	29	23	17	9	506	589
Unincorporated	\$9,611,820	\$1,322,853	\$81,840			\$76,301,561	\$87,318,074
	45	2	1			446	494
Total	\$973,374,911	\$1,182,054,753	\$1,290,508,711	\$1,558,624,099	\$308,783,400	\$1,376,698,394	\$6,690,044,268
	136	93	127	87	86	6,462	6991

Major New Construction				
On Map	Assessee	Property Type	City	Net Change
1	PLANETARY VENTURES, LLC / 1	Agricultural & Miscellaneous	Mountain View	\$487,320,040
2	SJSC PROPERTIES, LLC	Multifamily Housing	San Jose	\$220,643,829
3	CAP TRANCHE 2, LLC	Office	San Jose	\$183,000,000
4	MGP IX SAC II PROPERTIES, LLC	Office	Mountain View	\$168,937,031
5	PEERY, RICHARD T. TRUSTEE & ET AL	Office	San Jose	\$155,355,350
6	BACCARAT SHORELINE, LLC	Office	Mountain View	\$149,140,873
7	ADOBE, INC.	Agricultural & Miscellaneous	San Jose	\$127,720,000
8	INTUITIVE SURGICAL, INC.	Industrial & Manufacturing	Sunnyvale	\$111,876,746
9	PATHLINE PARK I, LLC	Industrial & Manufacturing	Sunnyvale	\$102,692,335
10	LINKEDIN CORPORATION	Industrial & Manufacturing	Mountain View	\$101,779,630



FAQ **Q. I am remodeling my home, will the improvements be reassessed?**

A. Remodeling that does not involve adding to the size of the structure or to the amenities provided within the structure is generally not considered new construction and is not subject to reassessment. The exception are those situations where the remodeling is so extensive as to constitute the “substantial equivalent” of a new structure. If a remodeling project is extensive, the property owner is encouraged to contact the Assessor’s staff in advance by email at rp@asr.sccgov.org or (408) 299-5300, to obtain a better understanding of how the project will be treated for assessment purposes.

FAQ **Q. Appraising and Assessing: Is There a Difference?**

A. Yes. An appraisal is the process of estimating value. Most taxpayers assume the marketplace exclusively determines a property’s assessment. However, the market value may be only one component in the process of determining the property’s assessed value. While at least one of the three approaches to value, (1) sales comparison, (2) income, and (3) cost, is always considered in the appraisal of a property, the Assessor is required to incorporate additional factors when determining when and how to assess property under State law. Frequently, court decisions, laws, and rules put into effect by the State Legislature and State Board of Equalization amend the assessment process, and redefine what, when and/or how the Assessor must determine the assessed value of a property.

What is Proposition 8?

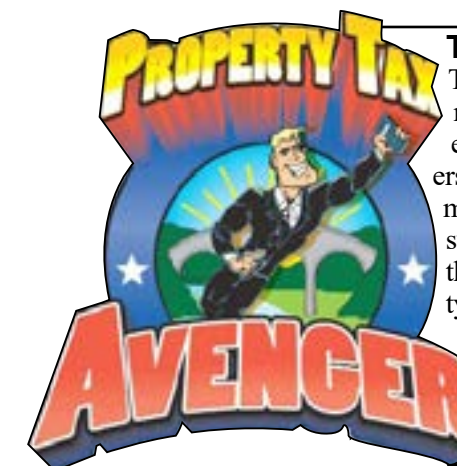
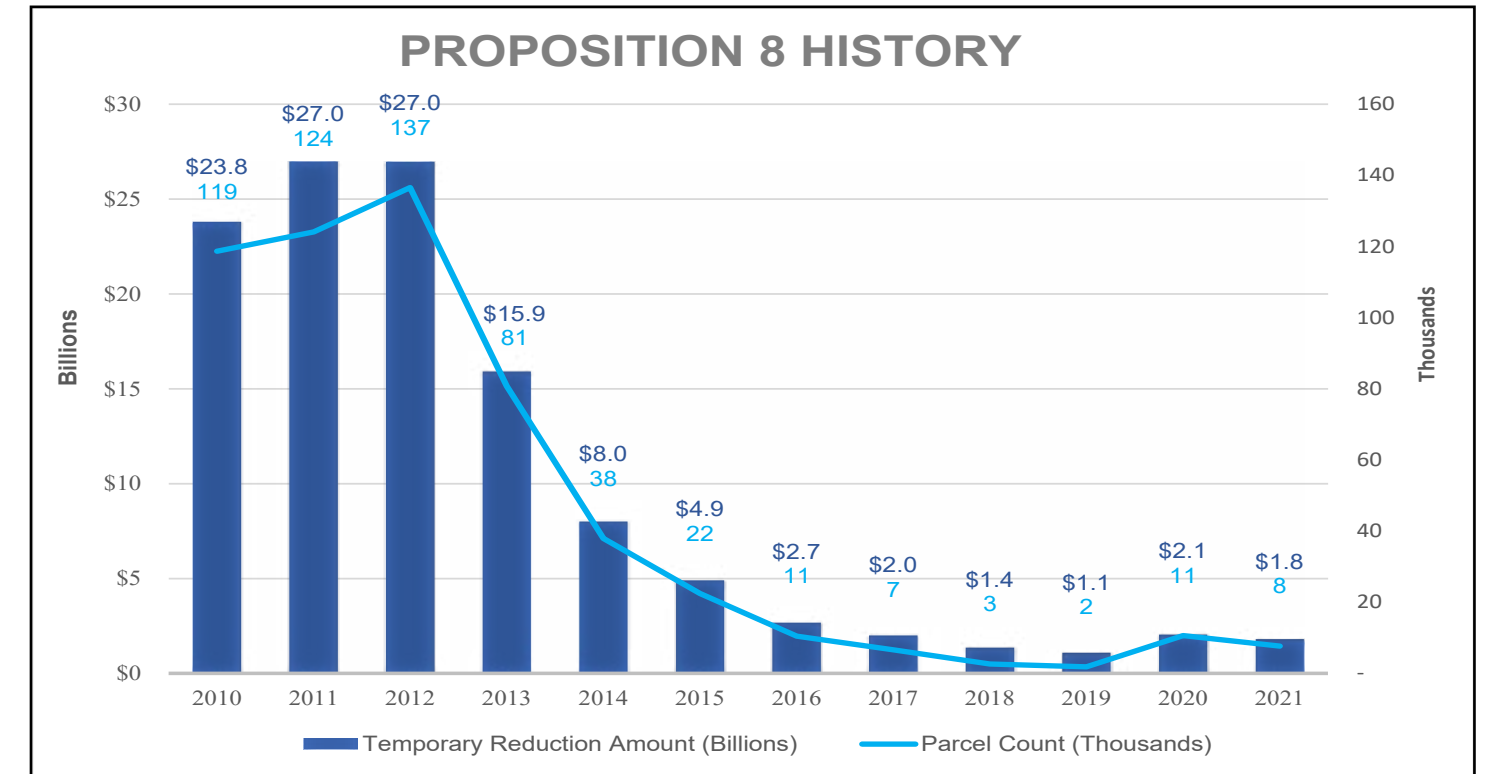
Top 10 Changes in Ownership

Property Type	City	Net AV	Net Changed AV	% Increase Over Prior Year
Office	Cupertino	\$346,000,000	\$159,136,113	46.0%
Office	San Jose	\$310,499,900	\$188,536,838	60.7%
Office	Palo Alto	\$300,840,297	\$103,699,727	34.5%
Office	San Jose	\$274,999,900	\$44,824,611	16.3%
Multifamily Housing	San Jose	\$175,951,172	\$13,636,436	7.8%
Office	San Jose	\$175,337,872	\$65,340,673	37.3%
Industrial & Manufacturing	San Jose	\$160,000,000	\$60,870,118	38.0%
Office	Santa Clara	\$153,574,719	\$29,068,703	18.9%
Multifamily Housing	San Jose	\$145,063,951	(\$55,314)	-0.0%
Industrial & Manufacturing	Sunnyvale	\$141,274,000	\$25,346,316	17.9%

Added AV Due to Changes in Ownership by City and Major Property Type, Value and Parcel Count

City	Agricultural & Miscellaneous	Industrial & Manufacturing	Multifamily Housing	Office	Retail	Single-Family Housing	Total
Campbell	\$5,320,361 5	\$13,944,124 9	\$26,677,986 38	\$47,267,600 7	\$30,321,411 12	\$251,697,440 434	\$375,228,922 505
Cupertino	-\$253,913 4	\$94,519,205 13	\$71,144,454 16	\$189,403,593 9	\$4,385,534 3	\$406,589,825 407	\$765,788,698 452
Gilroy	\$72,630,031 96	\$18,718,132 8	\$26,047,576 76	\$5,090,250 2	\$5,830,560 11	\$146,200,829 782	\$274,517,378 975
Los Altos	\$4,514,944 11		\$2,216,557 1	\$5,033,250 8	\$12,267,648 3	\$555,171,451 363	\$579,203,850 386
Los Altos Hills	\$5,906,372 8	\$30 1				\$211,362,996 111	\$217,269,398 120
Los Gatos	\$10,719,717 24		\$14,894,370 16	\$8,862,122 18	\$38,978,828 16	\$364,863,838 452	\$438,318,875 526
Milpitas	\$2,633,471 9	\$88,168,218 13	\$66,562,773 13	\$1,713,089 1	\$49,778,798 4	\$297,775,393 715	\$506,631,742 755
Monte Sereno	\$5,024,218 2					\$87,683,911 65	\$92,708,129 67
Morgan Hill	\$32,043,405 28	\$24,320,551 11	\$5,279,395 7	\$1,602,058 5	\$2,149,125 4	\$261,781,845 833	\$327,176,379 888
Mountain View	\$27,978,799 15	\$35,755,334 5	\$123,915,318 26	\$6,746,011 6	\$31,047,042 8	\$503,311,108 648	\$728,753,612 708
Palo Alto	\$22,312,530 12	\$58,702,194 6	\$20,367,295 17	\$228,541,060 22	\$3,871,461 8	\$777,443,407 539	\$1,111,237,947 604
San Jose	\$202,964,284 135	\$291,593,726 103	\$193,686,858 299	\$475,527,248 67	\$136,864,702 80	\$3,979,691,330 8616	\$5,280,328,148 9300
Santa Clara	\$4,976,270 12	\$161,263,757 28	\$28,450,894 50	\$93,634,662 10	\$31,241,439 15	\$755,936,702 1140	\$1,075,503,724 1255
Saratoga	\$4,453,021 14			\$516,392 3	\$2,102,232 5	\$383,829,045 321	\$390,900,690 343
Sunnyvale	\$23,972,038 12	\$115,064,754 14	\$247,076,829 58	\$35,539,080 6	\$74,131,116 23	\$818,164,791 1046	\$1,313,948,608 1159
Unincorporated	\$63,176,286 215	\$252,970 3	\$2,347,697 6	\$1,114,132 4	\$168,931 3	\$456,889,515 737	\$523,949,531 968

Proposition 8, passed by California voters in November 1978, entitles property owners to the lower of the fair market value of their property as of the Lien Date (January 1, 2021), or the factored base year value. The factored base year value is the assessed value as determined at the time of purchase or construction, increased each year by no more than two percent, or the CCPI, whichever is lower. When the market value of a property declines below the factored base year value, the Assessor is required to proactively reduce the assessed value to reflect the lower fair market value of their property. Properties where the market value exceeds the assessed value as of January 1, 2021, are not eligible for an adjustment.



The Property Tax Avenger is on your side

To help new and prospective homeowners better understand how supplemental assessments affect them, the Assessor's Office has created a fun and informative video to eliminate surprises about a confusing part of purchasing a new home. New homeowners often assume their property taxes were taken care of during escrow, or as part of the monthly mortgage payments, only to receive a supplemental assessment followed by a supplemental tax bill. The "Tax Avenger" video provides a collection of information on the Assessor's website, including a "Supplemental Estimator" that enables a new property owner to calculate the estimated taxes based upon the anticipated purchase price and month of acquisition. The "Estimator" assists taxpayers to better understand how supplemental assessments and taxes are calculated by the Assessor and the Tax Collector. Find the Tax Avenger video on the [Santa Clara County Assessor's Office YouTube channel](#)

Temporary Declines in Assessed Value

Properties with Temporary Decline by City and Property Type								
City	Commercial Properties		Townhouse/Condo		Single-Family Housing		Total	
	Value	Parcel Count	Value	Parcel Count	Value	Parcel Count	Value By City	Parcel Count
Campbell	(\$9,117,538)	9	(\$10,258,705)	120	(\$4,037,100)	29	(\$23,413,343)	158
Cupertino	(\$32,993,682)	10	(\$7,788,335)	85	(\$4,472,036)	28	(\$45,254,053)	123
Gilroy	(\$17,582,536)	28	(\$1,618,806)	34	(\$19,232,054)	193	(\$38,433,396)	255
Los Altos	(\$697,929)	2	(\$2,699,792)	22	(\$6,509,113)	19	(\$9,906,834)	43
Los Altos Hills	(\$1,319,318)	2			(\$39,915,990)	20	(\$41,235,308)	22
Los Gatos	(\$7,492,815)	9	(\$6,685,175)	67	(\$27,755,369)	32	(\$41,933,359)	108
Milpitas	(\$46,624,826)	23	(\$38,911,198)	560	(\$5,710,512)	41	(\$91,246,536)	624
Monte Sereno					(\$17,857,851)	9	(\$17,857,851)	9
Morgan Hill	(\$14,749,928)	11	(\$7,660,362)	187	(\$7,502,197)	68	(\$29,912,487)	266
Mountain View	(\$39,711,618)	16	(\$52,216,653)	429	(\$7,626,500)	37	(\$99,554,771)	482
Palo Alto	(\$75,515,883)	12	(\$9,614,099)	72	(\$19,090,646)	32	(\$104,220,628)	116
San Jose	(\$479,935,009)	139	(\$206,590,193)	3,000	(\$91,362,267)	641	(\$777,887,469)	3,780
Santa Clara	(\$48,609,729)	13	(\$42,774,862)	469	(\$17,668,865)	123	(\$109,053,456)	605
Saratoga	(\$1,444,924)	3	(\$4,556,714)	38	(\$98,425,474)	86	(\$104,427,112)	127
Sunnyvale	(\$60,850,519)	22	(\$58,220,174)	560	(\$26,315,772)	148	(\$145,386,465)	730
Unincorporated	(\$64,547,088)	85	(\$186,200)	3	(\$67,268,996)	160	(\$132,002,284)	248
Total	(\$901,193,342)	384	(\$449,781,268)	5,646	(\$460,750,742)	1,666	(\$1,811,725,352)	7,696

Reversing last year's trend, the number of decline in value assessments dropped from 10,629 to 7,696, a surprise given the uncertainty of the COVID-19 pandemic. And, the amount of reduction declined from \$2.1 billion to \$1.8 billion. The reversal was due to the strength in the residential market, where the number of declines fell by 2,945 properties. The number of commercial properties assessed at less than their factored base year value increased only slightly. Surprising, given the concern for the effect of COVID-19 on the demand for commercial/industrial property.

The number of residential sales was nearly identical in 2019 and 2020, but the median price of single-family properties prices rose 3.5 percent year over year. Appreciation in the single-family market was particularly strong in the fourth quarter of 2020, relative to the end of 2019, recording a 6.5 percent increase in the average sales price and a 4.8 percent increase in the median sales price, countywide. The market for condominiums and townhomes was relatively static year over year, with the number of sales and sales prices changing only slightly.

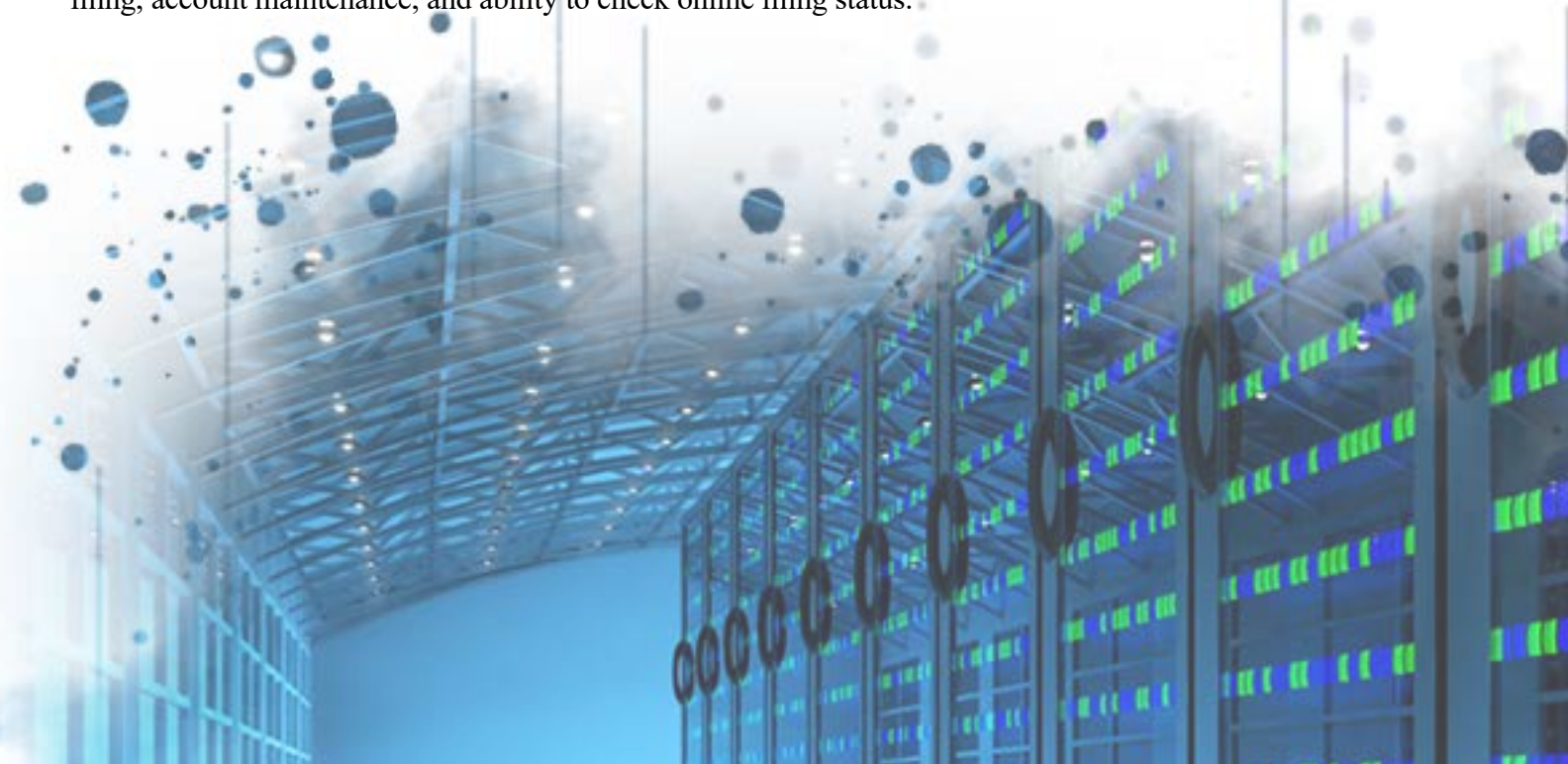
The greatest beneficiary of the strength in the single-family market has been the city of San Jose. The number of properties assessed less than their factored base year value declined by 2,128 properties, resulting in an increase in assessed value of nearly \$230 million, which equates to \$2.3 million in property taxes.

Real estate in Santa Clara County remains in high demand. The commercial market, after a bit of uncertainty, still sees demand, particularly for Class A Office and other quality property types. The residential market remains strong.

Business Personal Property

The assessed value of business personal property is derived from over 50,000 business property statements filed by taxpayers annually, of which, 26,961 were filed electronically. Electronically filed business property statements improve accuracy and reduce paperwork for both the Assessor and the taxpayer. While Santa Clara County ranks sixth in population and has historically ranked fourth in total assessed value, it reports the second largest assessed value of business personal property in the state.

When the filing period opens in January 2022, the Assessor's website (www.sccassessor.org) will have a new landing page for business statement filing. Improvements include ease of navigation, improved multiple account filing, account maintenance, and ability to check online filing status.



Business and Personal Property Distribution by City						
City	Gross Secured	Gross Unsecured	Gross Exemptions	Net Total	Percent of Value	Value of Growth
Campbell	\$68,418,243	\$375,979,881	\$17,031,634	\$427,366,490	1%	14%
Cupertino	\$1,029,472,298	\$1,729,307,474	\$13,801,132	\$2,744,978,640	7%	-10%
Gilroy	\$126,076,566	\$300,238,808	\$6,278,184	\$420,037,190	1%	9%
Los Altos	\$34,364,102	\$130,730,093	\$29,086,630	\$136,007,565	0%	-3%
Los Altos Hills	\$3,704,857	\$3,460,539	\$3,155,204	\$4,010,192	0%	3%
Los Gatos	\$53,462,172	\$333,179,397	\$68,769,412	\$317,872,157	1%	-4%
Milpitas	\$424,840,407	\$1,922,356,687	\$14,832,369	\$2,332,364,725	6%	0%
Monte Sereno		\$1,119,933	\$446,127	\$673,806	0%	28%
Morgan Hill	\$90,487,166	\$364,993,516	\$5,355,632	\$450,125,050	1%	4%
Mountain View	\$622,073,779	\$2,816,073,919	\$841,589,521	\$2,596,558,177	6%	0%
Palo Alto	\$304,378,742	\$3,480,754,920	\$1,263,999,925	\$2,521,133,737	6%	0%
San Jose	\$2,744,139,750	\$9,791,133,329	\$349,253,261	\$12,186,019,818	30%	0%
Santa Clara	\$2,443,027,690	\$8,078,821,978	\$410,327,855	\$10,111,521,813	25%	1%
Saratoga	\$15,264,024	\$50,249,363	\$13,750,405	\$51,762,982	0%	0%
Sunnyvale	\$1,826,141,010	\$3,707,605,550	\$73,553,836	\$5,460,192,724	14%	-4%
Unincorporated	\$266,460,794	\$1,317,333,573	\$944,404,108	\$639,390,259	2%	18%
Total	\$10,052,311,600	\$34,403,338,960	\$4,055,635,235	\$40,400,015,325		

TOP 25 Companies 2021-2022

Just two percent of all businesses account for over three quarters of the assessed value of business personal property. Below are the top 25 companies in Santa Clara County as of the Lien Date, January 1, 2021, ranked by the gross assessed taxable value of business property, including computers, machinery, equipment, fixtures, and furniture, ranging from \$181 million to \$4.4 billion. All business property is assessed annually at market value. [Note: The ranking only includes business property and does not include the assessed value of real property or exempt value.]

Rank	Name	Last year rank	Rank	Name	Last year rank
1	APPLE COMPUTER, INC.	1	14	HEADWAY TECHNOLOGIES, INC.	26
2	CISCO SYSTEMS, INC.	2	15	KLA CORPORATION	14
3	GOOGLE, LLC	3	16	PALO ALTO NETWORKS, INC.	16
4	INTEL CORPORATION	4	17	XERES VENTURES, LLC	15
5	MICROSOFT CORPORATION	5	18	HEWLETT PACKARD ENTERPRISE COMPANY	18
6	APPLIED MATERIALS, INC.	6	19	FORTY NINERS SC STADIUM COMPANY, LLC	24
7	NVIDIA CORPORATION	7	20	HP, INC.	13
8	LOCKHEED MARTIN CORPORATION	10	21	ADOBE, INC.	19
9	HGST, INC.	11	22	2016 ESA PROJECT COMPANY, LLC	21
10	VANTAGE DATA CENTERS 4, LLC	9	23	WESTERN DIGITAL TECHNOLOGIES, INC.	20
11	INTUITIVE SURGICAL, INC.	8	24	GILEAD SCIENCES, INC.	35
12	EQUINIX, LLC	12	25	SYNOPSIS, INC.	25
13	A100 US, LLC	17			



Business and Personal Property Distribution of Value by Type							
Property Type	Gross Secured	Gross Unsecured	Exemptions	Net Total	% of Value	Value Growth	Number of Assessments
Aircraft	\$386,591	\$997,746,087	\$713,177	\$997,419,501	2%	-5%	716
Apartments	\$166,666,154	\$18,509,425	\$10,989,570	\$174,186,009	0%	-1%	993
Boats		\$49,384,666	\$0	\$49,384,666	0%	11%	1,822
Computer Manufacturers	\$1,629,868,734	\$5,052,788,329	\$0	\$6,682,657,063	17%	3%	225
Electronic Manufacturers	\$2,191,525,823	\$3,695,381,780	\$0	\$5,886,907,603	15%	-7%	829
Financial Institutions	\$11,671,782	\$231,860,909	\$0	\$243,532,691	1%	-1%	516
Leased Equipment		\$1,046,712,278	\$6,651,758	\$1,040,060,520	3%	-11%	6,353
Mobile Homes	\$865,664,756		\$1,665,691	\$863,999,065	2%	8%	11,542
Other	\$661,762,579	\$4,428,144,309	\$2,667,613,802	\$2,422,293,086	6%	47%	1,596
Other Manufacturing	\$1,022,512,729	\$2,220,017,493	\$4,525,637	\$3,238,004,585	8%	5%	2,335
Professional Services	\$2,682,759,624	\$13,060,670,592	\$1,348,915,421	\$14,394,514,795	36%	-5%	11,584
Retail	\$142,492,314	\$2,505,321,244	\$14,560,179	\$2,633,253,379	7%	-5%	6,789
Semiconductor Manufacturing	\$677,000,514	\$1,096,801,848	\$0	\$1,773,802,362	4%	2%	35
Total	\$10,052,311,600	\$34,403,338,960	\$4,055,635,235	\$40,400,015,325			45,335

Assessment Appeals Process

In Santa Clara County, a Notification of Assessed Value, indicating the assessed (taxable) value of each property, is mailed in June to all property owners on the secured roll. A taxpayer who disagrees with the assessed value is encouraged to take advantage of the Assessor's online tool at www.sccassessor.org. Last year, approximately 360,000 property owners were able to review the comparable sales used to determine their assessment. Property owners can also request an informal review before August 1. If the Assessor agrees that a reduction is appropriate, an adjustment is made prior to the mailing of the property tax bill in October.

If a difference of opinion still exists, the taxpayer may file a free, formal assessment appeal online at www.sccgov.org/assessmentappeals. The appeal is then set for hearing before the local, independent Assessment Appeals Board. In Santa Clara County, an appeal must be filed between July 2 and September 15 with the Clerk of the Board (Clerk to the County Board of Supervisors). State law requires that all assessment appeals be resolved within two years of filing, unless the property owner signs a waiver of the statute. To appeal a roll change or supplemental assessment, typically triggered by a change in ownership, audit, or completed new construction, the appeal must be filed within 60 days of the date of the notice of the supplemental assessment.

Homeowners filing an appeal are encouraged to request a hearing before a Value Hearing Officer. This streamlined program was created with homeowners in mind and is designed to help process resolution of residential assessment appeals. On average, residential appeals were resolved within 17 months in the last fiscal year, longer than usual because of the mass cancellations of hearings last year due to COVID-19.

If the Assessment Appeals Board or Value Hearing Officer renders a decision granting a temporary reduction in value Prop. 8, then the value and the corresponding reduction in property taxes apply only to the property tax due for the year the application was filed.

Assessment Appeals Filed in 2020-2021				
City	Non-Residential		Residential	
	Sum at Risk	Appeals	Sum at Risk	Appeals
Campbell	\$487,313,570	58	\$19,730,243	47
Cupertino	\$2,880,337,491	115	\$54,998,785	99
Gilroy	\$270,472,655	62	\$4,217,188	23
Los Altos	\$74,427,333	30	\$83,274,388	106
Los Altos Hills	\$4,370,000	2	\$107,600,798	63
Los Gatos	\$238,734,182	46	(\$4,760,877)	64
Milpitas	\$2,676,355,085	138	\$19,243,478	91
Monte Sereno			\$17,182,184	19
Morgan Hill	\$65,356,309	52	\$10,643,277	27
Mountain View	\$1,539,895,846	141	\$37,965,257	96
Palo Alto	\$1,886,041,717	136	\$232,354,520	195
San Jose	\$8,002,176,835	900	\$170,515,982	640
Santa Clara	\$6,625,898,349	289	\$20,350,990	107
Saratoga	\$23,482,772	12	\$95,963,759	121
Sunnyvale	\$4,972,293,626	295	\$59,749,089	196
Unincorporated	\$168,451,454	79	\$87,082,892	131
Waiting for Validation	\$216,589,015	34		
Total	\$30,132,196,239	2,389	\$1,016,111,953	2,025

Should the Assessment Appeals Board order a change in the base year value set by the Assessor for new construction or a change in ownership, the reduction in value applies to the tax bill(s) for the year the application was filed, and establishes a new base year value for the future. When a taxpayer disputes the Assessor's decision to reassess a change in ownership, the matter is heard and adjudicated by an independently appointed, legal hearing officer. Between July 1, 2020 and June 30, 2021, the Assessor's Office resolved 2,587 appeals. Over 90 percent of enrolled assessed values, disputed by appellants, were preserved by the Assessment Appeals Board and the Value Hearing Officers. The Clerk of the Board's Office held 27 additional hearings to the regular schedule in the fiscal year in order to "catch up" with the cancelled hearings in early 2020.

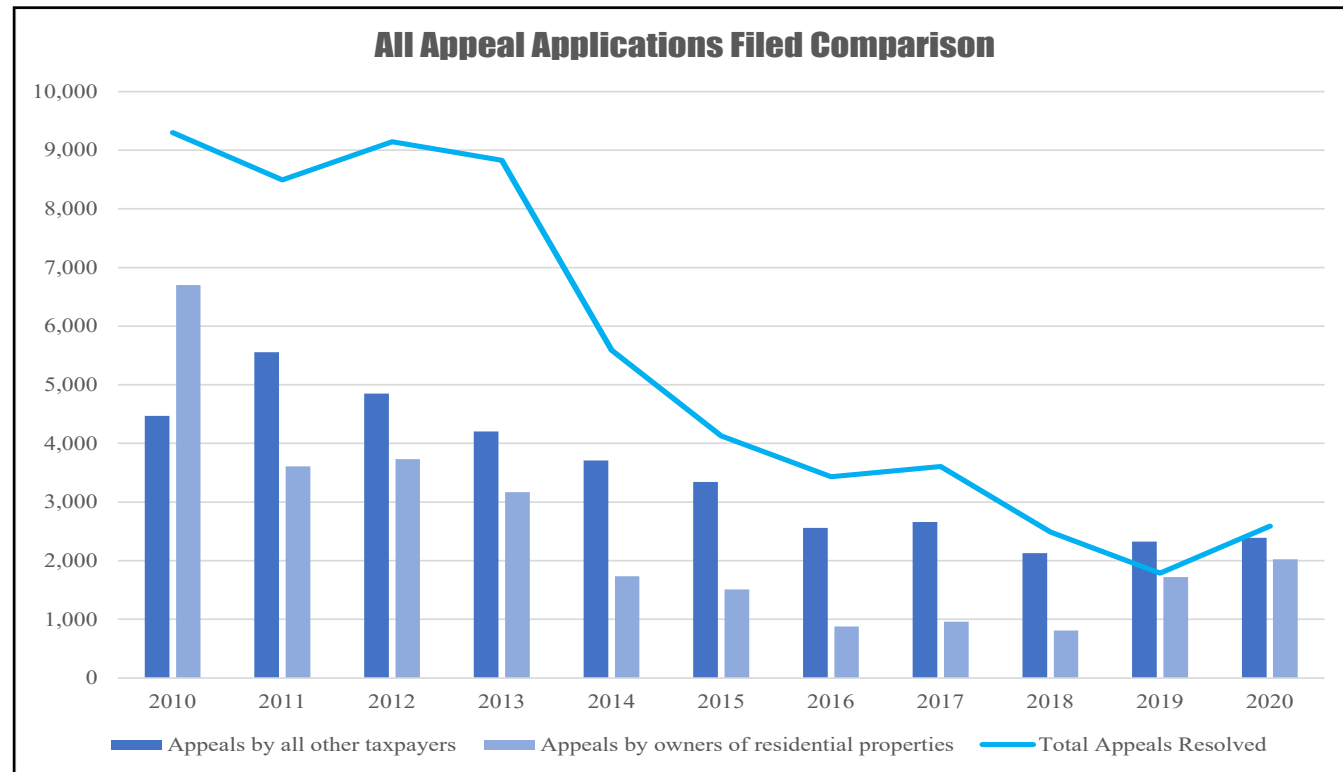
Appeals Filed

Modest Increase in Appeals Applications Indicative of Strong Underlying Economy

Though the fiscal year began with COVID-19, the public health shelter-in-place orders newly in effect, and with much uncertainty facing the economy, the number of assessment appeals applications filed for the period increased only modestly, from 3,455 to 3,612, a 4.5 percent increase. However, the value at risk, compared year to year, increased 18 percent mostly due to commercial and industrial filings. The assessed value of appeals filed by five companies—Apple, Hitachi, Juniper Networks, Applied Materials and SF Forty-Niners— totals just over \$37 billion in disputed value. Due to the strength of the residential real estate market, the relative value of its value in dispute is small.

The total amount of assessed value in dispute filed by commercial property owners was \$30.1 billion in 2020-21. As appeals filed by major corporations can include multiple years and take longer to resolve, the total assessed value in dispute has continued to increase at a faster pace than the appeals resolved annually. In 2021, the top 25 companies with the highest assessed values in dispute totaled \$66.5 billion. Eight years ago, the total was \$27 billion. Ten companies account for 79 percent of the total value in dispute, ranging between \$2.3 billion and \$16.7 billion. In total, the amount in dispute as of July 1 was \$100 billion.

Valid Assessment Appeals Filed				
Year	Appeals	Total Local Roll	Value at Risk	% at Risk
2020	3,612	\$551,542,708,166	\$25,999,965,821	4.71
2019	3,524	\$516,068,803,614	\$20,946,681,786	3.80
2018	3,061	\$483,248,439,238	\$21,140,364,864	4.37
2017	2,992	\$450,190,625,516	\$23,407,192,356	5.20
2016	3,871	\$419,270,051,518	\$24,197,544,372	5.77
2015	3,549	\$388,335,251,577	\$25,779,884,633	6.64
2014	5,004	\$357,339,245,945	\$25,274,187,756	7.07
2013	5,693	\$334,580,873,994	\$23,595,764,078	7.05



What our Customers are Saying

- ✓ Courteous 96%
- ✓ Professional 95%
- ✓ Prompt 95%
- ✓ Overall Satisfaction 95%

Quick Courteous **Kind**
Professional Efficient
Wonderful Supportive
Service Clear **Patient**
Customer **Respectful**
Service Diligent

Informative

In 2020, the Assessor's Office shifted to electronic [customer satisfaction surveys](#) away from more costly and cumbersome paper and telephone tools. The surveys continue to measure clarity of information, courtesy, helpfulness, professionalism, promptness, and overall satisfaction.



"Mr. Larry Stone's speech was very powerful, informative and helped a lot."

Reaching Out to the Community

County Assessor Larry Stone enjoys speaking to neighborhood associations, realtors, business organizations, and civic groups like Rotary, City Councils, School Boards, and Chambers of Commerce. Last year, he delivered over 50 speeches. To request the Assessor to speak, go to www.sccassessor.org.



Performance Counts

Led by County Assessor Larry Stone, the Assessor's Office has implemented an ambitious performance-based budgeting and management initiative. Based on the simple idea that what gets measured gets done, the Assessor's Office has a clear mission statement and measurable performance indicators designed to quantify improvement over time, all tied directly to the budget.

Performance Measures

The following are the Assessor's comprehensive performance measures for Fiscal Year 2020-21. By reporting high-level quantitative and qualitative data that track levels of customer satisfaction, timeliness of product delivery, accuracy of assessments and overall efficiency, these measures allow the Assessor to identify and record service levels from year to year, designed to achieve specific continuous improvement objectives. The data is compiled from the results of similar, more detailed measures in each Division of the Assessor's Office. The performance measures were developed in collaboration with both line staff and managers.

1. Completed 99.1 percent of assessments

The assessment roll is the basis by which property taxes are levied. The completeness of the assessment roll assures public agencies dependent upon property tax revenue that the assessment roll accurately reflects current market activity.

2. Delivered supplemental assessments to the Tax Collector in an average of 171 days

Supplemental assessments occur upon a "change in ownership" or "new construction" of real property. This performance measure ensures timely notification to those property owners who acquire or complete new construction on their property.

3. Resolved all Assessment Appeals in an average of 640 days

By statute, assessment appeals must be resolved within two years of filing, unless a waiver is executed by the taxpayer. This performance measure ensures a timely equalization of assessments for property owners. The average number of days to resolve a residential appeal was 502 days.

4. Earned a 99.3 percent customer satisfaction rating from all office surveys

This outcome measures cumulatively the satisfaction level of both our internal and external customers who rely on the Assessor for timely service and accurate information.

5. Managed resources with total expenditures at 96.3 percent of budget

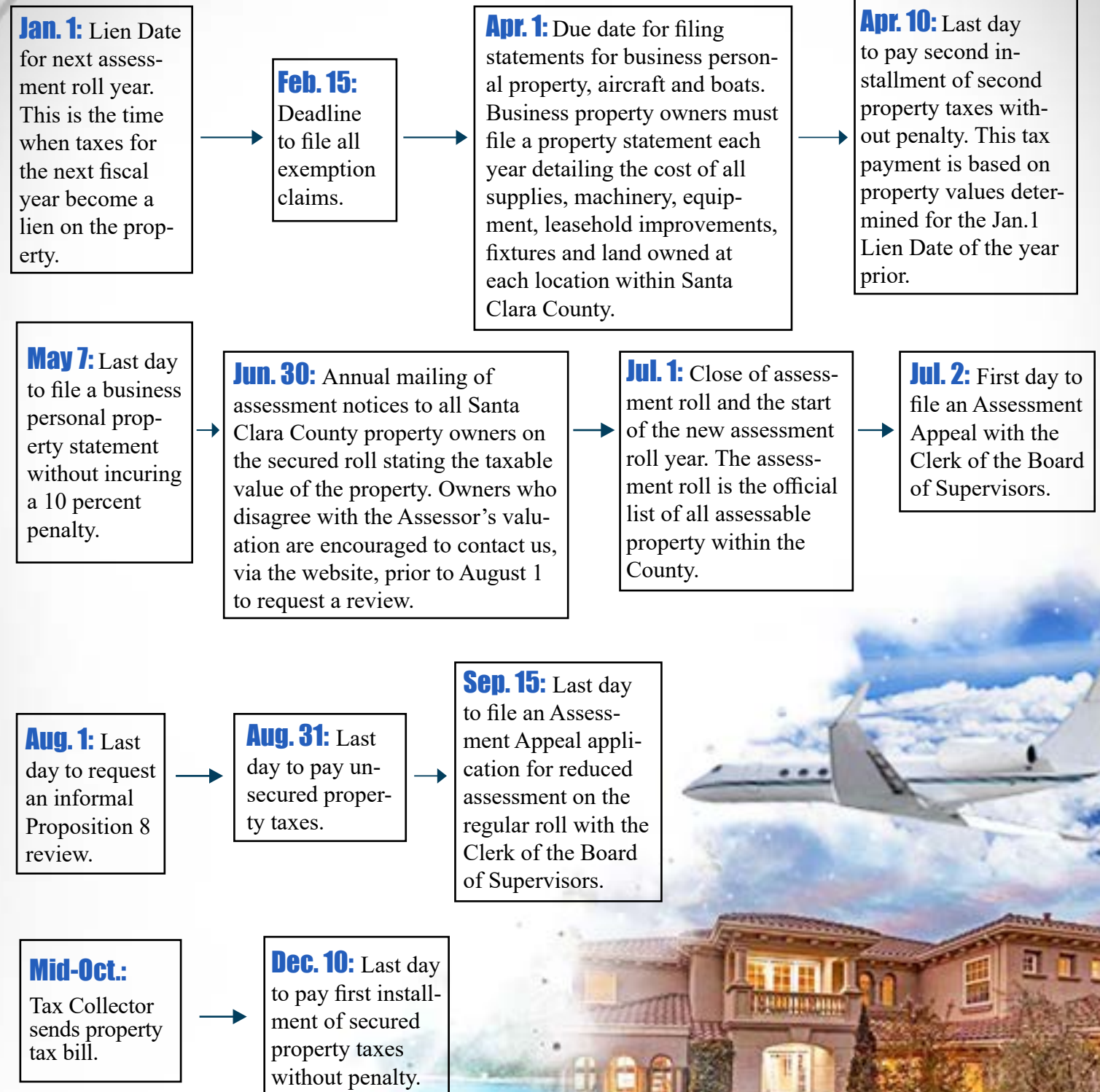
The budget/cost ratio compares the department's actual bottom line expenditures at the end of the fiscal year to the budget to ensure that costs do not exceed anticipated resources.

Cost Accounting

A critical component of the Assessor's performance-based budget and management system is the comprehensive cost accounting system that allows the Assessor to financially account for nearly every task performed by office staff. The data captures the fully loaded cost, including compensation, benefits, overhead, etc., of activities such as the cost of a residential or commercial appraisal, or an audit of a major company.

Managers use the cost accounting data to measure performance and establish quality standards, allocate work assignments, and measure completion rates. Managers are able to review hours worked, essential for calculating the cost per unit. This information is critical for achieving increased productivity, and improving customer service to property owners, taxpayers, and public agencies that depend on property tax revenue.

Property Assessment Monthly Calendar



ORGANIZATIONAL OVERVIEW



Business Division (Business Personal Property - BPP)

Division Description - Responsible for locating, valuing and enrolling all taxable business personal property, including property (owned and leased) such as computers, supplies, machinery, equipment, and fixtures, as well as mobile homes, airplanes and boats. The Division is responsible for the administration of assessment appeals involving business personal property. Once every four years, most businesses with personal property are subject to audit. Ninety-two percent of all personal property is owned by five percent of all business entities.

Staff Composition - In addition to clerical staff, there were 46 certified auditor-appraisers, including 36 employees who have advanced certification awarded by the State Board of Equalization. The staff is comprised of accountants and experts skilled in auditing and assessing high-tech businesses.

Major Accomplishments	2020-2021	2021-2022
Business Assessments on Secured Roll	2,297	2,305
Mobile Home Parcels Assessed (BPP) Appraisals Enrolled	11,452	11,542
Total Business Personal Property (BPP) Assessment Activities	51,891	50,746
Business Audits	61,078	57,979
	711	

Administration Division

Division Description - The Administration Division implemented and monitored teleworking policy, administered new supplemental leave policies, procured a myriad of COVID-19 safety supplies, facilitated emergency administration of excess shots, monitored vaccination and emergency notification in case of infections, prepared the annual budget and administered the Voluntary Separation Incentive Program. The Division was instrumental to the success of the office's adaptation to the COVID-19 crisis.

Staff Composition - A staff of ten includes two certified appraisers and one advanced certified appraiser who are certified by the State Board of Equalization. Employees possess backgrounds in assessment operations, policy development, strategic planning, communications, fiscal and contract management, accounting, and personnel.

Major Accomplishments
The Administration Division implemented and monitored teleworking policy, administered new supplemental leave policies, procured a myriad of COVID-19 safety supplies, facilitated emergency administration of wastage shots, monitored vaccination and emergency notification in case of infections, prepared the annual budget and administered the Voluntary Separation Incentive Program. The unit was instrumental to the success of the office's adaptation to the COVID-19 crisis.

Assessor's Office (as of 6/30)	2019-2020	2021-2022
Actual Expenses	\$41,223,606	\$43,310,122
Authorized Positions	274	249

Assessment Standards, Services, and Exemptions Division

Division Description - Responsible for locating and identifying ownership and reappraisability of all taxable real property, as well as approving and enrolling all legal property tax exemptions. Professional staff members monitor assessment appeal information; process legal appeals; maintain and update assessment maps; manage the public service center, document imaging center; and oversee quality control.

Staff Composition - A majority of the divisional staff members possess expert knowledge in exemption law, cartography and/or the legal complexities of property transfers. In addition, 16 employees are certified as Assessment Analysts and one staff member is a State Board of Equalization certified advanced appraiser.

Major Accomplishments	2020-2021	2021-2022
Ownership Title Documents Processed	65,112	59,130
Organizational Exemption Claims	4,232	4,092
Parcel Number Changes	2,106	1,314
Reassessment Parent/Child Exclusions	2,866	3,216

Real Property Division

Division Description - Responsible for valuing and enrolling all taxable real property (land and improvements). The Division provides assessment-related information to the public, and cooperates with other agencies regarding assessment and property tax related matters.

Staff Composition - In addition to clerical staff, there are 85 certified real property appraisers, including 66 appraisers who hold advanced certificates issued by the State Board of Equalization.

Major Accomplishments	2020-2021	2021-2022
Real Property Parcels	483,413	483,688
Reappraisable Changes of Ownership	18,641	19,378
Permits Processed	24,870	26,932
Temporary Decline in Value Parcels	10,617	7,707
Parcels with New Construction	8,526	6,875

Information Systems Division

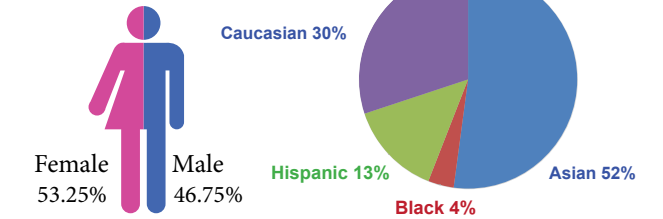
Division Description - Responsible for providing systems support to all other divisions in the pursuit of preparing and delivering the secured, unsecured and supplemental assessment rolls.

Staff Composition - The staff is composed of business systems analysts, full stack developers, technology architects, systems administrators, and IT service specialists, as well as management staff. The staff has a broad knowledge of application development, network administration, and maintenance of legacy systems. This unit is an independent Information Services group reporting directly to the Assessor.

Major Accomplishments
Developed and implemented new workflow for Business Property Statement processing and assessment; a modern document management system; conversion of legacy files to the new system; internal comprehensive customer service survey measurement system; and partial implementation of a new commercial/industrial appraisal system.

The Assessor's Team Here to Help

STAFF Composition



James Abe, Raji Abraham, Shalini Agrawal, Linda Aguilar, Annabelle Alquiza, Medel Angel, Rafael Aranda, Norman Arias, Michael Arriola, Audrey Atkins, Tuan Au, Anita Badger, Jeffrey Barlow, Julie Barraza, Deborah Bathurst, Feliza Bautista, Melvin Bautista, Jeannie Bauzon, John Belo, Alana Beltran-Balagso, Janeth Berg, Neeraj Bhardwaj, Matthew Boxberger, Jon Bredeson, Khoi Bui, Phoebe Cabaluna, Charmaine Cabuag, Simon Calaunan, Carol Callahan, Mia Campana, Jackie Cantu, Jocelyn Champlin, Deborah Chavez, Joshua Chen, Win Chen, Min Cheng, Arthur Chien, Bordon Chin, Queenie Ching, Jae Choe, Mei Chou, Dawn Cieslik, Dick Cloyd, Daniel Cooper, Kent Corey, Domonique Craft, Melody Dejesus, David Del Real, Barry Delfin, Sourita Dey, Chris Dickson, Deborah Dini, James DiTomaso, Sall Duke, Tara Duncan, James Duong, Thy Duong, Tony Duong, Soman Easaw, James Egan, Gloria Elia, Sandra Emerson, Cathleen Espinoza, Aaron Feldman, Cecilia Feng, Richard Fisher, Ibrahim Fofanah, Henderson Ford, Gemma Foster, Maria Galeana Castillo, Nora Galvez, Leo Garcia, Gabriel Garcia, Joseph Garcia, Lizuarte Garcia, Maylina Garcia, Jack Gaskins, Matthew Gleason, Vipin Goel, Sally Gonzaga, Manuela Gonzalez, Teresa Gonzalez, James Gray, Russel Gray, Jared Gregory, Maria Salome Grepo, Kevin Gruidl, Evguenia Guilbert, Xin Guo, Brook Haile, Virginia Hamley, Cara Heaney, Brenda Hidalgo, Julius Ho, Stella Hong, Joshua Howell, Jau-Horng Hsu, Christopher Hughes, Jenny Huynh, Tri Huynh, Yong Jin Im, Julie Jacobson-Gentry, Patricia Jadrach, Michelle Jergensen, Carlos Jimenez, David Johnston, Elaine Kan, Dae-Sun Kang, Karen Klein, Karen Kloster, Michael P Kofnovec, Meiyee Kong, Melissa Kong, James Kostmayer, Jeffrey Kwan, Wei Jim Lai, Lori Lammle, Ching-Fu Lan, Arnold Lau, Kathleen LeGrande, Young Lee, Kristen Leglu, Bertha Legorreta, Amber Leon, Richard Leong, Matthew Leslie, Elizabeth Leyva, Thida Lim-Santos, Steve Lin, David Liu, Carl Lombard, Vanessa Lopez, Vickie Lopez, Fraser Louie, Kari Luescher, Brett Lunceford, Melody Luong, David Luu, Trinh Luu-Nguyen, Teresa Macy, Amy Martinez, Frank Masi, Eric Matsuda, Aden Mengistie, Nedra Millwood, Tiffany Ming, Carol Mondino, Dulce Monsivais-Lopez, Gregory Monteverde, Hazel Morales, Susan Murphy, Jeannette Murray, Quoc Ngo, Bao Nguyen, Caroline Nguyen, Davis Nguyen, Linda Nguyen, Loan Nguyen, Wayne Nguyen, Y Nguyen, Diane Paskert, Swathi Pathak, David Peak, Sylvia Pedraza, Thuy Pham, Phu Phan, Michelle

We Aim to Speak Your Language

Answers to some of the most frequently asked questions have been translated into seven additional languages and provided on our website. Below are the languages available for this content:

- Chinese - 中文
- Hindi - हिन्दी
- Japanese - 日本語
- Korean - 한글
- Spanish - Español
- Tagalog - Tagalog
- Vietnamese - Tiếng Việt

Pine, Chris Piscitelli, Janene Pratt, Lynn Quan, Noe Quinanola, Deepali Raisinghani, Michael Randle, Shashank Ranjan, John Recchio, Alfredo Resurrecion, Roy Rivas, Shellys Rizo, Juan Rodriguez, Emilie Roy, Marie Rueda, Maria Sarabia, Selu Sataraka, Sheryl Schenkman, Laura Scott, Kristina Seldal, Alfredo Semene, Chetan Shah, Naren Shah, David Shank, Vijay Shankarappa, Mai Shearer, Tommy Shing, Anil Siddam, Esmeralda Silveira, John Sleeman, Hector Solorzano, Cheryl Soriano, Debra Spolski, Kim Starrett, Marian Stewart, Lawrence E Stone, Roopa Subramanian, Christine Swensen, Michael Swigart, Khadiza Tahera, Marcus Tai, Kim Tang, Kevin Tanner, Jasmine Ting, Khanh Tran, Natalie Tran, Peter Tran, Tran Tran-Galligan, Shradha Upadhyay, Carmen Valles, Susan Vasconcelos, Malthi Venkateswaran, Jackie Ventimiglia, Athena Wang, Wendy Watson, Joseph White, David Wierzba, Rob Willet, Mullissa Willette, Yeongtyan Wong, Richard Xavier, Wen Xia, Vanessa Yang, Autumn Young, Guillermo Young, Michelle Zaffa, Eric Zamudio, Jennifer Zenni, Diane Zertuche, Jinlin Zhang, Li Zhao, Veronica Zuniga

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Disclaimer: This document presents a distribution of the 2021-2022 Santa Clara County property tax local assessment roll by City/Redevelopment Successor Agency and major property types. It does not include state-assessed property (unitary roll). It is not the source document for deriving the property tax revenues to be received by any public entity. For example, the Controller's AB8 calculations do not include aircraft assessed valuation, which is incorporated into this report. Numbers reported in tables and charts reflect up to 0.01 units. Items less than 0.01 units have been reported as a dash. Minor discrepancies may occur due to rounding calculations and/or clarification in definition of terms. Published November 2021.

Net Secured Assessed Value (AV) and Number of Parcels (APN) by City and Property Type												
City	Row Type	Agricultural & Miscellaneous	Industrial & Manufacturing	Mobile Home	Multifamily Housing	Office	Retail	Single-Family and Condo Housing	Net Secured	Other Exemption	Homeowner Exemption	
Campbell	APN 157		289	108	756	218	260	10,529	12,317		113	5,868
	AV	\$180,440,327	\$677,707,646	\$14,086,866	\$1,609,072,896	\$981,923,231	\$945,451,290	\$7,600,254,429	\$12,008,936,885	\$219,028,491		41,654,200
Cupertino	APN 223		59		579	225	148	15,375	16,609		79	9,369
	AV	\$168,735,197	\$1,175,857,454		\$1,522,720,366	\$6,750,140,207	\$1,381,256,846	\$16,084,758,820	\$27,083,468,890	\$144,598,228		65,573,200
Gilroy	APN 638		224	171	648	100	317	12,724	14,822		145	6,645
	AV	\$398,044,868	\$663,475,908	\$12,857,655	\$553,306,787	\$109,883,355	\$960,642,346	\$7,270,687,750	\$9,988,898,669	\$387,411,769		46,512,200
Los Altos	APN 152		30		138	281	176	10,366	11,143		72	6,712
	AV	\$88,604,421	\$16,008,337		\$286,676,072	\$614,362,323	\$441,934,565	\$17,254,569,211	\$18,702,154,929	\$452,848,914		46,977,000
Los Altos Hills	APN 207		21	1				2,998	3,227		14	1,879
	AV	\$260,055,885	\$2,830,441	\$42,176				\$9,059,187,930	\$9,322,116,432	\$37,860,867		13,153,000
Los Gatos	APN 355		55	58	454	277	211	9,695	11,105		71	5,814
	AV	\$325,282,988	\$200,280,590	\$4,796,786	\$723,982,596	\$1,181,649,332	\$593,398,580	\$12,224,851,732	\$15,254,242,604	\$372,494,714		40,691,000
Milpitas	APN 388		398	399	373	177	189	18,394	20,318		120	9,594
	AV	\$534,413,858	\$4,194,667,388	\$28,764,486	\$2,218,321,494	\$322,026,130	\$1,454,897,952	\$11,674,217,753	\$20,427,309,061	\$331,226,614		67,145,400
Monte Sereno	APN 37		2					1,252	1,291		1	777
	AV	\$21,404,832	\$2,611,199					\$2,541,219,730	\$2,565,235,761	\$897,205		5,439,000
Morgan Hill	APN 475		234	450	323	98	221	11,790	13,591		123	7,002
	AV	\$441,476,330	\$850,922,352	\$39,235,162	\$518,036,573	\$136,702,795	\$553,610,543	\$8,579,713,794	\$11,119,697,549	\$338,462,027		49,918,400
Mountain View	APN 280		339	840	1,517	413	386	16,917	20,692		110	9,702
	AV	\$1,989,409,821	\$4,762,977,834	\$73,164,829	\$5,611,189,997	\$6,232,025,564	\$1,531,263,278	\$15,358,776,390	\$35,558,807,713	\$694,118,279		67,943,400
Palo Alto	APN 487		174	8	838	577	384	18,244	20,712		311	10,852
	AV	\$431,341,181	\$2,047,665,001	\$120,444	\$2,377,085,739	\$7,246,290,199	\$1,844,148,494	\$27,797,214,510	\$41,743,865,568	\$7,342,627,583		75,959,800
San Jose	APN 3,846		2,819	6,672	11,013	2,163	3,240	217,848	247,601		1,597	121,629
	AV	\$5,609,676,181	\$16,237,991,762	\$427,700,710	\$23,464,142,085	\$14,051,824,195	\$11,801,473,495	\$134,692,560,212	\$206,285,368,640	\$6,268,308,908		852,710,600
Santa Clara	APN 456		941	1	2,010	291	433	25,599	29,731		256	13,533
	AV	\$2,196,058,081	\$9,748,911,591	\$159,917	\$6,172,115,168	\$7,406,461,747	\$1,926,117,117	\$16,806,687,353	\$44,256,510,974	\$2,629,495,194		94,729,600
Saratoga	APN 349		37	1	23	88	67	10,582	11,147		47	6,853
	AV	\$215,706,749	\$44,633,359	\$64,329	\$10,997,879	\$165,948,299	\$173,521,825	\$16,886,118,796	\$17,496,991,236	\$240,878,095		47,965,400
Sunnyvale	APN 287		557	2,796	2,125	356	415	29,364	35,900		148	18,552
	AV	\$682,452,420	\$10,829,083,231	\$261,156,321	\$7,340,887,428	\$9,210,146,676	\$2,338,070,100	\$23,246,850,820	\$53,908,646,996	\$658,149,776		129,918,600
Unincorporated	APN 6,919		318	38	311	30	122	17,960	25,698		333	10,798
	AV	\$2,965,361,724	\$214,054,027	\$1,849,384	\$168,595,225	\$26,152,528	\$135,815,410	\$16,597,249,634	\$20,109,077,932	\$7,904,282,076		75,565,000

Net Secured Assessed Value (AV) and Number of Parcels (APN) by High School and Elementary Districts and by Major Property Type												
Elementary School District	Row Type	Mobile Home	Multifamily Housing	Single-Family Housing	Non-Residential	Net Secured	Net Unsecured	Grand Total	Other Exemption	Homeowner Exemption	Total Value	Growth
Campbell Union High School District												
Burbank	AV		\$132,062,999	\$279,975,506	\$76,642,047	\$488,680,552	\$3,708,257	\$492,388,809	\$9,775,629	\$1,855,000		4%
	APN		179	597	115	891			4	265		
Cambrian	AV	\$4,882,753	\$706,036,055	\$5,633,438,787	\$1,246,574,035	\$7,590,931,630	\$124,827,714	\$7,715,759,344	\$95,022,715	\$33,012,000		5%
	APN	25	472	8,326	494	9,317			43	4,634		
Campbell Union	AV	\$14,765,331	\$4,145,278,554	\$15,989,818,988	\$6,239,951,284	\$26,389,814,157	\$805,250,148	\$27,195,064,305	\$686,105,498	\$81,561,200		4%
	APN	135	2,368	21,165	1,499	25,167			201	11,651		
Moreland	AV		\$1,511,196,587	\$7,920,735,832	\$1,203,265,934	\$10,635,198,353	\$131,495,790	\$10,766,694,143	\$156,853,326	\$44,987,600		5%
	APN		1,091	10,772	305	12,168			57	6,425		
Union Elementary	AV	\$32,860	\$352,651,714	\$10,434,849,675	\$908,089,406	\$11,695,623,655	\$90,309,624	\$11,785,933,279	\$105,225,388	\$58,037,000		6%
	APN	1	378	13,650	257	14,286			72	8,292		
Total	AV	\$19,680,944	\$6,847,225,909	\$40,258,818,788	\$9,674,522,706	\$56,800,248,347	\$1,155,591,533	\$57,955,839,880	\$1,052,982,556	\$219,452,800		
APN		161	4,488	54,510	2,670	61,829			377	31,267		
East Side Union High School District												
Alum Rock Union	AV	\$5,930,732	\$818,710,310	\$8,507,026,787	\$1,490,870,913	\$10,822,538,742	\$161,386,158	\$10,983,924,900	\$1,002,570,149	\$70,397,600		4%
	APN	132	865	19,778	1,153	21,928			224	9,874		
Berryessa Union	AV	\$68,115	\$906,559,678	\$12,614,080,333	\$956,245,020	\$14,476,953,146	\$211,087,341	\$14,688,040,487	\$181,010,129	\$85,748,600		3%
	APN	1	98	22,866	482	23,447			130	12,252		
Evergreen	AV	\$37,617,507	\$200,753,203	\$18,570,071,104	\$1,611,756,056	\$20,420,197,870	\$178,956,775	\$20,599,154,645	\$284,626,684	\$105,119,000		3%
	APN	579	71	25,608	766	27,024			146	15,021		
Franklin McKinley	AV	\$134,042,636	\$949,298,939	\$7,339,419,073	\$2,746,974,448	\$11,169,735,096	\$434,264,607	\$11,603,999,703	\$931,533,179	\$58,240,000		4%
	APN	2,237	938	15,240	1,677	20,092			134	8,321		
Mount Pleasant	AV	\$91,045	\$14,711,159	\$2,555,974,283	\$175,370,514	\$2,746,147,001	\$9,158,309	\$2,755,305,310	\$24,806,255	\$18,289,600		4%
	APN	1	28	5,007	179	5,215			30	2,613		
Oak Grove	AV	\$98,521,508	\$2,127,070,244	\$14,025,733,764	\$3,395,309,742	\$19,646,635,258	\$1,089,271,547	\$20,735,906,805	\$567,223,270	\$101,948,000		5%
	APN	1,352	518	26,281	572	28,723			159	14,556		
Orchard	AV	\$51,994,684	\$1,332,786,434	\$1,679,776,618	\$8,766,409,635	\$11,830,967,371	\$1,422,854,949	\$13,253,822,320	\$134,659,001	\$11,645,200		3%
	APN	913	32	2,373	1,332	4,650			25	1,664		
Total	AV	\$328,266,227	\$6,349,889,967	\$65,292,081,962	\$19,142,936,328	\$91,113,174,484	\$3,506,979,686	\$94,620,154,170	\$3,126,428,667	\$451,388,000		
APN		5,215	2,550	117,153	6,161	131,079			848	64,301		

Net Secured Assessed Value (AV) and Number of Parcels (APN) by High School and Elementary Districts and by Major Property Type											
Elementary School District	Row Type	Mobile Home	Multifamily Housing	Single-Family Housing	Non-Residential	Net Secured	Net Unsecured	Grand Total	Other Exemption	Homeowner Exemption	Total Value Growth
Fremont Union High School District											
Cupertino Union	AV		\$3,231,178,419	\$36,408,809,830	\$8,338,673,507	\$47,978,661,756	\$1,889,618,103	\$49,868,279,859	\$323,323,378	\$159,210,800	5%
	APN		1,561	36,419	1,262	39,242			146	22,746	
Sunnyvale Elementary	AV	\$91,795,001	\$5,167,183,094	\$12,997,731,132	\$19,708,454,178	\$37,965,163,405	\$3,157,966,689	\$41,123,132,094	\$432,521,885	\$70,768,600	5%
	APN	974	1,349	17,098	1,334	20,755			109	10,112	
Total	AV	\$91,795,001	\$8,398,361,513	\$49,406,540,962	\$28,047,127,685	\$85,943,825,161	\$5,047,586,792	\$90,991,411,953	\$775,845,263	\$229,979,400	
Total	APN	974	2,910	53,517	2,596	59,997			255	32,858	
Gilroy Unified High School District											
Gilroy Unified	AV	\$13,531,497	\$557,460,364	\$8,520,865,295	\$3,025,428,818	\$12,117,285,974	\$345,966,436	\$12,463,252,410	\$397,246,145	\$54,538,400	4%
	APN	187	661	14,275	3,035	18,158			161	7,792	
Los Gatos - Saratoga Joint Union High School District											
Lakeside Union	AV		\$1,286,640	\$150,876,489	\$24,974,017	\$177,137,146	\$15,705	\$177,152,851	\$1,519,312	\$749,000	5%
	APN		1	175	122	298			2	107	
Loma Prieta Union	AV		\$204,489	\$254,997,274	\$54,017,855	\$309,219,618	\$887,022	\$310,106,640	\$892,334	\$1,425,200	6%
	APN		2	329	245	576			1	204	
Los Gatos Union	AV	\$4,796,786	\$434,370,307	\$12,272,617,049	\$1,989,510,143	\$14,701,294,285	\$235,513,811	\$14,936,808,096	\$258,478,988	\$37,214,800	4%
	APN	58	244	8,841	1,412	10,555			52	5,317	
Saratoga	AV	\$64,329	\$8,377,654	\$12,993,176,722	\$466,958,666	\$13,468,577,571	\$35,902,641	\$13,504,480,212	\$220,563,451	\$30,713,200	4%
	APN	1	17	6,913	564	7,495			33	4,388	
Total	AV	\$4,861,115	\$4,444,239,090	\$25,671,667,534	\$2,535,460,881	\$28,656,228,620	\$272,319,179	\$28,928,547,799	\$479,934,773	\$69,353,200	
Total	APN	59	264	16,258	2,343	18,924			86	9,909	
Milpitas Unified High School District											
Milpitas Unified	AV	\$28,818,926	\$1,819,315,398	\$11,532,793,015	\$6,506,513,303	\$19,887,440,642	\$1,901,284,591	\$21,788,725,233	\$317,237,594	\$67,131,400	4%
	APN	400	368	18,219	1,420	20,407			122	9,592	
Morgan Hill Unified High School District											
Morgan Hill Unified	AV	\$40,059,349	\$527,016,506	\$12,566,720,623	\$3,269,065,231	\$16,402,861,709	\$463,233,638	\$16,866,095,347	\$401,371,334	\$72,835,000	5%
	APN	466	342	17,475	3,384	21,667			174	10,277	

Elementary School District	Row Type	Mobile Home	Multifamily Housing	Single-Family Housing	Non-Residential	Net Secured	Net Unsecured	Grand Total	Other Exemption	Homeowner Exemption	Total Value Growth
Mountain View - Los Altos District											
Los Altos Elementary	AV	\$42,176	\$1,584,274,555	\$24,927,252,132	\$2,447,329,135	\$28,958,897,998	\$254,959,234	\$29,213,857,232	\$629,015,893	\$60,975,600	6%
	APN	1	193	13,878	938	15,010			102	8,712	
Mountain View Elementary	AV	\$73,164,829	\$4,230,418,355	\$12,879,911,137	\$15,569,345,625	\$32,752,839,946	\$2,119,299,877	\$34,872,139,823	\$682,775,435	\$57,562,400	7%
	APN	840	1,411	14,396	1,386	18,033			98	8,219	
Total	AV	\$73,207,005	\$5,814,692,910	\$37,807,163,269	\$18,016,674,760	\$61,711,737,944	\$2,374,259,111	\$64,085,997,055	\$1,311,791,328	\$118,538,000	
Total	APN	841	1,604	28,274	2,324	33,043			200	16,931	
Palo Alto Unified High School District											
Palo Alto Unified	AV	\$120,444	\$2,377,187,709	\$32,010,282,267	\$11,503,966,190	\$45,891,556,610	\$2,416,270,206	\$48,307,826,816	\$15,109,524,234	\$84,849,800	4%
	APN	8	857	20,079	1,786	22,730			506	12,122	
Patterson Joint High School District											
Patterson Joint	AV			\$649,226	\$38,145,513	\$38,794,739	\$59,148	\$38,853,887	\$0	\$154,000	-1%
	APN			3	429	432			0	22	
San Benito Joint Union High School District											
North County Joint	AV				\$44,521,496	\$44,521,496	\$1,082,816	\$45,604,312	\$0	\$42,000	2%
	APN				220	220			0	6	
San Jose Unified High School District											
San Jose Unified	AV	\$36,550,024	\$8,405,614,756	\$41,083,064,087	\$13,264,313,240	\$62,789,542,107	\$2,730,471,516	\$65,520,013,623	\$2,253,739,705	\$233,982,000	5%
	APN	470	4,880	60,443	4,604	70,397			526	33,423	
Santa Clara Unified High School District											
Santa Clara Unified	AV	\$227,108,533	\$11,036,126,183	\$19,524,271,836	\$33,626,605,254	\$64,414,111,806	\$10,877,555,440	\$75,291,667,246	\$2,795,067,829	\$118,862,800	3%
	APN	2,762	2,184	29,431	2,644	37,021			283	16,972	
Santa Clara County											
Grand Total	AV	\$863,999,065	\$52,577,130,305	\$343,674,918,864	\$148,695,281,405	\$545,811,329,639	\$31,092,660,092	\$576,903,989,731	\$28,021,169,428	\$1,721,106,800	
Grand Total	APN	11,543	21,108	429,637	33,616	495,904			3,538	245,472	

Explanation of Terms*

*Explanation of terms are provided to simplify assessment terminology, but do not replace legal definitions.

Ad Valorem Property Tax

Taxes imposed on the basis of the property's value.

Assessed Value (AV)

The taxable value of a property against which the tax rate is applied.

Assessment Appeal

Due process initiated by taxpayer if the assessed value of their property cannot be agreed upon with the Assessor.

Assessment Appeals Board (AAB)

A three-member panel appointed by the Board of Supervisors to resolve disputes between the Assessor's Office and property owners. Qualifying property owners may alternatively select a Value Hearing Officer (VHO), who is typically a real estate professional, to hear their appeal. The VHO process is considered an expedient and convenient alternative to the more formal Board proceedings, and may provide a faster resolution to an appeal.

Assessment Roll

The official list of all property within the County assessed by the Assessor.

Base Year Value (BYV)

The fair market value of a property at the time of the 1975 lien date, or on the date of the subsequent new construction or change in ownership.

Basic Aid

"Basic Aid" school districts fund their revenue limit entirely through property taxes and receive no general purpose State aid.

Business Personal Property

Property which is movable and not affixed to the land, and which is owned and used to operate a business, such as machinery, equipment, computers, furniture and supplies.

Change in Ownership

A transfer of real property resulting in the transfer of the present interest and beneficial use of the property.

California Consumer Price Index (CCPI)

Determined annually by the California Bureau of Labor Statistics.

Escaped Assessments

Assessments levied outside the normal assessment period for the lien date(s) in question.

Exclusions

Qualifying transfers of real property which are excluded from reappraisal if a timely claim is filed with the Assessor's Office.

Exemption

Legally qualified deduction from the taxable assessed value of the property.

Factored Base Year Value (FBYV)

A property's base value, adjusted annually by the change in the CCPI, not to exceed 2 percent. It is the upper limit of taxable value each year.

Fiscal Year

The period beginning July 1 and ending June 30.

Fixture

Tangible property securely affixed to real property.

Full Cash Value (FCV)

The amount of cash or its equivalent value that property would bring if exposed for sale in the open market, and as further defined in Revenue & Taxation Code §110.

Improvements

Buildings or structures generally attached to the land.

Lien

The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.

Lien Date

The date when taxes for any fiscal year become a lien on property. The Lien Date for California property is 12:01 a.m. January 1.

New Construction

The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement.

Personal Property

Any property except real estate, including airplanes, boats, and business property.

Possessory Interest (PI)

Interest of a lessee in government-owned property. Examples of a PI include the exclusive right to use public property at an airport, such as a car rental company's service counter or a concession stand at the county fair. In both cases, the vendors are subject to property taxes.

Proposition 13 (Prop. 13)

Passed by California voters in June 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.

Proposition 8 (Prop. 8)

Passed by California voters in November 1978, Proposition 8 requires the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.

Real Property

Land that has been legally defined and improvements that have been made to the land.

Secured Roll

Assessment roll on which the taxes are secured by a lien against the real estate.

Special Assessments

Direct charges or flat fees against property which are included in the total tax bill, but are not based upon the Assessor's valuation of the property. Examples are sewer charges or school parcel taxes.

State Board of Equalization (BOE)

The Board consists of four members elected by California voters by district, and the State Controller. Their duties include administering various State taxes and fees, and serving as an appellate body for property, business, and income tax assessments. Through guidelines and rules, the Board promotes uniformity in local assessment practices.

Supplemental Assessment

Upon a change of ownership or completion of new construction, a supplemental assessment is issued in addition to the annual regular assessment and is based on the net difference between the previous assessed values and the new value for the remainder of the assessment year(s).

Tax Rate

The ratio of the tax to the tax base. The minimum ad valorem property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher due to voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.

Tax Roll

The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.

Tax Rate Area (TRA)

A geographic area having the same property tax allocation factors.

Transfer of Ownership

Change in ownership or change in manner in which property is held.

Unsecured Roll

Assessment roll consisting largely of business personal property on which the property taxes are not secured by a lien against the real estate.





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Office of the County Assessor

Lawrence E. Stone, Assessor
County of Santa Clara Government Center
70 West Hedding Street, East Wing, 5th Floor
San Jose, California 95110-1771
www.sccassessor.org

Santa Clara County Board of Supervisors

Mike Wasserman, District 1
Cindy Chavez, District 2
Otto Lee, District 3
Susan Ellenberg, District 4
Joe Simitian, District 5

County Executive

Dr. Jeffrey V. Smith
www.sccgov.org

Questions? We have answers. Go to www.sccassessor.org

¿No habla inglés? La Oficina del Tasador tiene empleados que hablan español. Llámenos al (408) 299-5500.

您需要任何語言方面的協助嗎？我們財稅估價（估稅）部門的工作人員能流利地說你的語言來協助您的需要
 請撥 (408) 299-5500 與我們聯絡，謝謝

Cần giúp? Văn Phòng Giám Định có nhân viên thông thạo ngôn ngữ của quý vị. Xin gọi cho chúng tôi tại (408) 299-5500.

General County financial information, including taxes by tax rate areas and methods of property tax revenue allocation:

Santa Clara County Finance Agency • (408) 299-5200

Santa Clara County Office of the Assessor:

Public Service • (408) 299-5500

Real Property (land and improvements)
 (408) 299-5300 • rp@asr.sccgov.org

Personal Property, including Businesses, Mobile Homes, Boats and Airplanes
 (408) 299-5400 • busdiv@asr.sccgov.org

Property Tax Exemptions
 (408) 299-6460 • exemptions@asr.sccgov.org

Change in Ownership Issues
 (408) 299-5540 • propertytransfer@asr.sccgov.org

Mapping • (408) 299-5550 • mapping@asr.sccgov.org

Administration • (408) 299-5588 • Fax (408) 297-9526

Tax bills, payments, delinquency, or the phone number of the appropriate agency to contact about a special assessment:

Santa Clara County Department of Tax and Collections • (408) 808-7900 • www.scctax.org

Filing Assessment Appeals:

Santa Clara County Assessment Appeals Board Clerk (Clerk of the Board of Supervisors)
 (408) 299-5088 • www.sccgov.org/assessmentappeals

Recording Documents:

Office of the County Clerk-Recorder
 (408) 299-5688 • www.clerkrecorder.org

California State Board of Equalization:

The State Board of Equalization is responsible for assuring that county property tax assessment practices are equal and uniform throughout the state. For more information, contact the State Board at (916) 274-3400, or www.boe.ca.gov.

Thank you for requesting a paper copy of the annual report.

Please e-mail us at assessor@asr.sccgov.org if your address has changed or to receive the report electronically. Scan the QR code to download this report in pdf format.



