

SUBCOMMITTEE NO. 1

Agenda

Senator John Laird, Chair
Senator Dave Min
Senator Scott Wilk



Thursday, April 25, 2024
9:30 a.m. or Upon Adjournment of Session
1020 O Street- Room 2100

Consultant: Christopher Francis, Ph.D.

Items for Discussion

<u>Item</u>	<u>Department</u>	<u>Page</u>
6870	Board of Governors of the California Community Colleges (CCC)	2
	Issue 1: CCC System Updates	4
	Issue 2: Adjustments for Apportionments and Categorical Programs.....	12
	Issue 3: Enrollment	16
	Issue 4: Student Housing at CCC.....	21

Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

DISCUSSION ITEMS

6870 BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES (CCC)

Overview

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 17 voting members and one nonvoting member 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.

California's community colleges enroll about two million students, more than twice as many as the California State University and University of California systems combined. California's 73 community college districts (districts) serve almost every part of the State. Community colleges offer a variety of educational services, including access to apprenticeships and learning English as a second language, and about 60 percent of students have a goal of earning a two-year or four-year college degree.

On February 23, 2023, following an extensive and nationwide search over the past seven months, the California Community Colleges Board of Governors announced the unanimous selection of Kern Community College District Chancellor Sonya Christian as the next permanent chancellor to lead the largest and most diverse system of public higher education in the nation. Dr. Christian is the first woman and the first person of South Asian heritage to be appointed as permanent chancellor. She began her duties on June 1, 2023.

3-YEAR EXPENDITURES AND POSITIONS †

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
5670	Apportionments	-	-	-	\$9,242,740	\$9,958,522	\$10,374,450
5675	Special Services and Operations	171.8	214.1	214.1	2,757,828	2,809,596	2,836,035
5685	Mandates	-	-	-	36,107	38,290	39,232
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		171.8	214.1	214.1	\$12,036,675	\$12,806,408	\$13,249,717
FUNDING					2022-23*	2023-24*	2024-25*
0001	General Fund				\$64,154	\$260,105	\$26,029
0001	General Fund, Proposition 98				7,172,064	7,688,920	8,193,201
0342	State School Fund				6,724	6,545	6,545
0574	1998 Higher Education Capital Outlay Bond Fund				16	-	-
0660	Public Buildings Construction Fund				-62	-	-
0814	California State Lottery Education Fund				367,243	315,905	315,568
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund				-	25	25
0942	Special Deposit Fund				1,256	155	155
0986	Local Property Tax Revenues				3,859,906	4,039,588	4,215,826
0992	Higher Education Fees and Income				399,257	399,257	400,687
0995	Reimbursements				17,300	88,679	88,679
3085	Mental Health Services Fund				106	120	123
3273	Employment Opportunity Fund				-3,891	4,251	-
6028	2002 Higher Education Capital Outlay Bond Fund				19	-	-
6049	2006 California Community College Capital Outlay Bond Fund				93	-	-
6087	2016 California Community College Capital Outlay Bond Fund				2,490	2,858	2,879
8506	Coronavirus Fiscal Recovery Fund of 2021				150,000	-	-
TOTALS, EXPENDITURES, ALL FUNDS					\$12,036,675	\$12,806,408	\$13,249,717

Issue 1: CCC System Updates

Panel

- Sonya Christian, Chancellor, California Community Colleges
- Justin Hurst, Department of Finance
- Paul Steenhausen, Legislative Analyst’s Office

Available for additional details and questions:

David O'Brien, California Community Colleges Chancellor’s Office

Wrenna Finche, California Community Colleges Chancellor’s Office

Chris Ferguson, Department of Finance

Governor’s Budget Proposition 98 Proposals for CCC

Table 1 from the Legislative Analyst’s Office highlights the Governor’s budget proposals, many of which will be discussed at today’s hearing.

Table 1: Governor’s Budget Proposition 98 Proposals for CCC for 2024-25

Ongoing Spending	2024-25 Amount (In Millions)
COLA for apportionments (0.76 percent) - <i>Covered in Issue 2</i>	\$69
COLA for select categorical programs (0.76 percent) ^a - <i>Covered in Issue 2</i>	9
Enrollment growth (0.5 percent) - <i>Covered in Issue 3</i>	30
Student Success Completion Grant (caseload adjustment)	50
Subtotal	(\$158)
One-Time Initiatives	
Nursing education*	\$60
Subtotal	(\$60)
Total Spending Increases	\$218
^a Applies to the Adult Education Program, apprenticeship programs, CalWORKs student services, campus child care support, Disabled Students Programs and Services, Extended Opportunity Programs and Services, and the mandates block grant.	
COLA = cost-of-living adjustment.	
* Staff notes that this proposal will be covered at a May 2024 Subcommittee No. 1 hearing	

Background

Proposition 98, Projected Budget Deficit, and CCC Systemwide Reserves

Proposition 98 Minimum Guarantee Is Revised Downward Over Budget Window. Proposition 98 (1988) established a constitutional funding formula that sets a minimum annual funding level for schools and community colleges. Commonly known as the “minimum guarantee,” this funding requirement is met through a combination of state General Fund and local property tax revenue. Since the 2023-24 budget was enacted, the administration has revised its estimates of state General Fund revenues down substantially. These downward revenue revisions in turn lead to significant downward revisions in the administration’s estimates of the Proposition 98 minimum guarantee from 2022-23 through 2024-25.

State Faces Unusually Large Drop in 2022-23 Proposition 98 Guarantee. Of the downward revisions, \$9.1 billion is attributable to 2022-23. This is the largest reduction to the guarantee in a prior year since

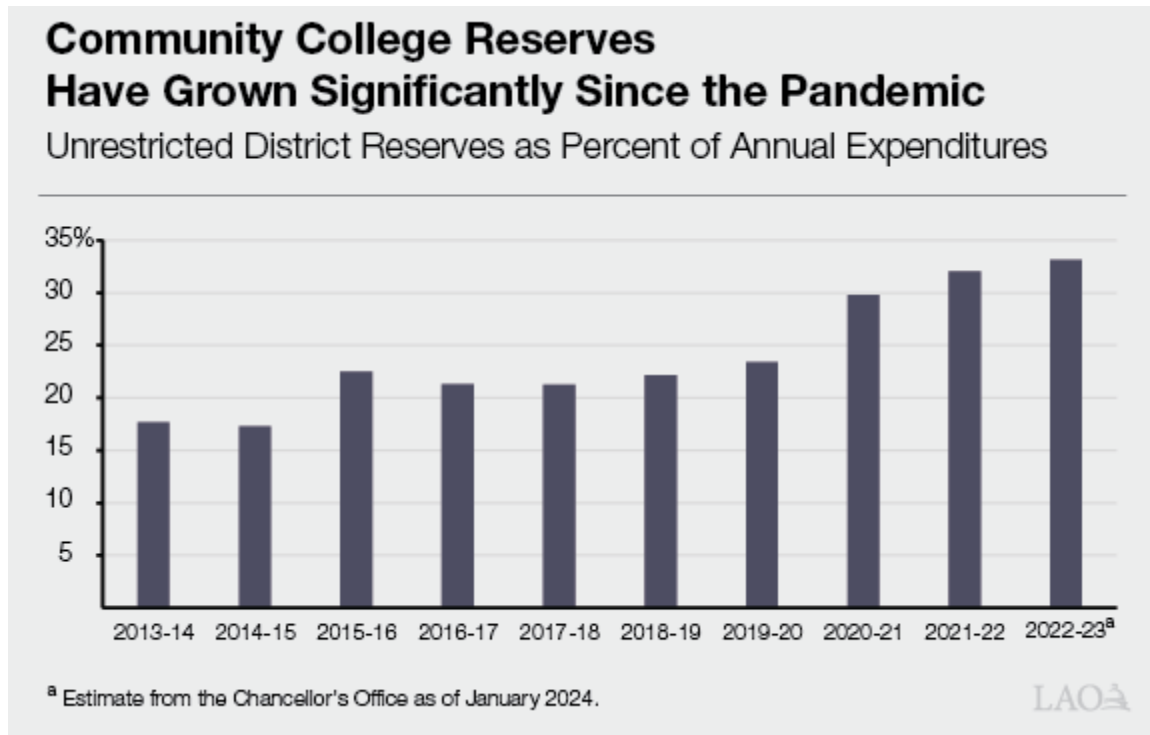
the passage of Proposition 98 in 1988. Previous downward revisions to the prior-year guarantee have been no more than a few hundreds of millions of dollars. The administration attributes the unusually large adjustment primarily to the late tax filing deadline for 2022 returns (November rather than April 2023) and the lack of reliable revenue data prior to budget enactment in June 2023.

Governor Proposes Large Budget Maneuver Relating to Reduction in 2022-23 Guarantee. The Governor proposes to realign Proposition 98 spending with the revised estimate of the minimum guarantee in 2022-23. The main way the Governor addresses the reduction in the guarantee is by proposing to reclassify \$8 billion in Proposition 98 General Fund payments already made to schools and community colleges. Of the \$8 billion, \$910 million would be attributed to community colleges. The \$8 billion would be reclassified as non-Proposition 98 General Fund payments, removed from the state's books in 2022-23, and recognized back on the state's books in even increments spread across 2025-26 through 2029-30. This maneuver would not reduce any previous funding provided to colleges or attempt to recoup any of this funding in subsequent years—districts would retain the associated cash they originally received. Rather than colleges being affected, the impact of the maneuver would occur entirely on the non-Proposition 98 side of the budget beginning in 2025-26. In effect, the state would be borrowing from future non-Proposition 98 funds to pay for 2022-23 school and college spending. Unlike a traditional loan, however, the state would not score this mechanism as borrowing, make payments to an external creditor, or accrue any interest.

Governor Accommodates Higher Proposed Spending in 2024-25 Using More Reserves. To cover his new proposed CCC spending in 2024-25, the Governor proposes to make another discretionary withdrawal from the Proposition 98 Reserve. For schools and colleges combined, the Governor proposes to withdraw \$2.6 billion. Of this amount, \$486 million would be used for ongoing community college apportionment costs. Under the Governor's plan, \$3.9 billion in Proposition 98 reserves would remain available entering 2025-26.

Systemwide Reserves Continue to Increase. In addition to the state's Proposition 98 Reserve, districts maintain their own local reserves. Figure 1 from the Legislative Analyst's Office (LAO) shows that district unrestricted reserves increased over the past several years. Whereas unrestricted reserves totaled \$1.8 billion (22 percent of expenditures) in 2018-19, they grew to an estimated \$3.1 billion (33 percent of expenditures) in 2022-23. Both the Government Finance Officers Association and the Chancellor's Office's recommend that unrestricted reserves comprise a minimum of 16.7 percent (two months) of expenditures.

Figure 1



Funding Increases, Together With Budget Savings, Contributed to Higher Reserve Levels. The increase in districts' local reserves is the result of at least three factors. One factor is that the state notably increased community college funding during the pandemic years despite enrollment drops. Given enrollment drops and large state augmentations (even beyond high COLA rates), districts purposefully have tended not to spend all their state allotments the past few years. Additionally, federal relief funds provided during the pandemic reduced pressure on local and state funds that colleges would otherwise have needed to cover technology and certain other operating costs. Amid these federal and state funding increases, colleges also achieved savings from staff reductions and vacancies.

CCC Roadmap with Governor and Vision 2030

The roadmap for CCC is somewhat different than the compacts for California State University (CSU) and the University of California (UC) in that it does not set forth in advance out year base increases. Instead, it leaves these base increases to be determined depending upon available Proposition 98 funds in future years. The roadmap is similar to the university compacts, however, in setting forth certain expectations to be achieved by the colleges by 2026. Building on the 2017 *Vision for Success* initiative, the 15 expectations for the colleges are the following:

1. Increase student completions rates by specified amounts
2. Decrease average units to completion and time to completion
3. Increase number of students transferring to CSU and UC
4. Annually publish specified student completion rates
5. Close specified achievement gaps for underrepresented and Pell Grant students
6. Close equity gaps in dual enrollment programs
7. Fully participate in implementation of the Cradle to Career data system

8. Support campuses in adopting a common learning management system
9. Develop common tool to identify trends to address equity gaps
10. Support efforts to establish common integrated admissions platform
11. Increase percentage of high school students completing a semester of college credit through dual admission
12. Establish baseline for prior learning credit and launch new direct assessment competency based education programs
13. Increase percentage of completing students earning a living wage
14. Establish/expand programs in early education, education, health care, and climate action fields
15. Establish coordinated educational pathways for high school students in education, health care, technology, and climate action fields

As well, the roadmap emphasizes equitable outcomes for historically under-represented students and regions through equitable improvement of transfer pipelines and “student-centric measures” that require intersegmental collaboration with TK-12 local educational agencies, the CSU and UC, and other state agencies. The CCC is expected to provide updates on strategic collaborations with intersegmental partners, including how the partnerships contributed to advancing the performance outcomes, structural or process changes achieved and needed, and projected annual priority focus areas for collaboration. By August 30 of each year for the term of the agreement, the CCC Chancellor’s Office furnishes a report to the Administration and the Legislature describing what specific actions are planned to achieve each goal.

In September 2023, the Chancellor’s Office released *Vision 2030: A Roadmap for California Community Colleges* that further builds on the Governor’s roadmap and *Vision for Success*. This encompasses three overarching goals, to be achieved through various actions and using six measurable associated outcomes to track progress towards the goals.

- **Goal 1:** Equity in Success. Ensure the academic and career success of all Californians who are current and prospective California community college students.
- **Goal 2:** Equity in Access. Broaden the opportunities for all Californians to participate in higher education by starting or continuing their higher education at a California community college.
- **Goal 3:** Equity in Support. Partner with other systems, agencies, institutions and community-based organizations to provide students the academic, financial and social supports necessary to thrive by taking education opportunities and the accompanying support to Californians.

Achievement Gaps Exist by Ethnicity. According to the most recent data on the Chancellor’s Office, CCC student completion rates by ethnicity are detailed below.

Table 2: Rate of Completion by Student Ethnicity

Student Ethnicity	Rate of Completion
African American	21
American Indian	22
Asian	40
Filipino	30
Hispanic	20
Pacific Islander	23
White, Non-Hispanic	33

Despite a stated goal of increasing with equity the number of California community college students completing a certificate, associate degree or baccalaureate degree by 30 percent by 2030, persistent equity gaps exist.

Deferred Maintenance and Capital Outlay Needs

The CCC system wide assets include more than 25,000 acres of land, 6,000 buildings and 87 million gross square feet, which includes approximately 56 million assignable square feet of space as well as several off-campus outreach centers. In its 2024-25 five-year capital outlay report, the Chancellor's office notes approximately \$27.5 billion in unmet facilities need. This amount includes new facilities for enrollment growth and modernization of existing facilities. Separately, CCC identifies a deferred maintenance backlog total of \$1.6 billion over the five-year period, from 2023-24 through 2027-28 which is not included in the unmet needs.

Recruitment and Retention Efforts During and Post-Pandemic

Colleges Have Been Trying a Number of Strategies to Attract Students. Using federal relief funds, as well as state funds provided in 2021-22 and 2022-23, colleges used various strategies to attract students. All colleges have been offering students special forms of financial assistance. For example, all colleges provided emergency grants to financially eligible students that could be used for any living expense. Some colleges are offering gas cards or book and meal vouchers to students who enroll. Many colleges loaned laptops to students. Many colleges have expanded advertising through social media and other means, including in languages other than English. Additionally, many colleges have increased outreach to local high schools, and many colleges have created phone banks to contact individuals who recently dropped out of college or had completed a CCC application recently but did not register for classes. In addition, a number of colleges have begun to offer more flexible courses, with shorter terms and more opportunities to enroll throughout the year (rather than only during typical semester start dates). The state leveraged budget surpluses in 2021 and 2022 to invest in the COVID-19 Block Grant and specific recruitment and retention strategies to drive enrollment at colleges.

COVID-19 Block Grant (2022). The 2022 Budget Act, through AB 182 (Committee on Budget), Chapter 53, Statutes of 2022, established the Learning Recovery Emergency Fund for emergency COVID-related learning recovery initiatives at the TK-12 schools and community colleges. The grant includes \$650 million one-time Proposition 98 funding for the California Community College COVID-19 Recovery Block Grant to assist with basic needs, mental health needs, professional development opportunities for faculty and student services professionals needed to continue educational instruction due to COVID-19, investments to close the digital divide, and other COVID-19 related support.

CCC Recruitment and Retention Funding (2021 & 2022). The 2021 Budget Act provided \$100 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. The 2022 Budget Act included an appropriation of \$150 million one-time Proposition 98 General Fund for similar purposes.

CCC Flexible Spending (2023). In response to budget deficit, the 2023 Budget Act included trailer bill legislation that allows districts to spend flexibly among the following purposes: 1) Recruitment and retention initiatives, 2) all purposes within the CCC COVID-19 Recovery Block Grant included in the

2022 Budget Act, and 3) the CCC Deferred Maintenance categorical program. The budget agreement also reduced the amount scored to 2022-23 from \$150 million to \$94.16 million Proposition 98 General Fund.

Full-Time and Part-Time Faculty

Instruction at CCC Is Provided by a Mix of Full-Time and Part-Time Faculty. Instruction at the community colleges is provided by nearly 20,000 full-time faculty and about 35,000 part-time faculty. Districts generally require full-time faculty to teach 15 units (credit hours) per semester (commonly five three-unit classes). Full-time faculty are either tenured or on tenure-track and are considered permanent employees of the district. In contrast, part-time faculty members are classified as temporary employees and generally receive fewer employee benefits. Districts can decide whether to retain part-time faculty, who are considered temporary employees, for any given term depending on course scheduling and other considerations. Statute limits part-time faculty to teaching 67 percent of a full-time load at a given district (about ten units per semester or about three classes). Many part-time faculty maintain an outside job, some are retired and teaching only a course or two, and others teach part time at two or more districts (with their combined teaching load potentially equaling, or even exceeding, a full-time teaching load).

Staffing Levels Have Declined, Particularly Among Part-Time Faculty, Over the Past Few Years. While districts are facing pressure to increase salaries and cover pension and health care rate increases, staffing levels systemwide are down. From fall 2019 to fall 2022, the total number of CCC FTE employees declined by 2.5 percent, falling from nearly 66,000 FTE employees in fall 2019 to approximately 64,000 FTE employees in fall 2022. Part-time faculty—which historically have made up nearly half of all CCC employees—experienced the largest decline (14 percent in both FTE and headcount terms). This decline was due to districts offering fewer course sections as a result of lower enrollment. When districts reduce course sections, they typically reduce their use of part-time faculty, who are hired as temporary employees, compared to full-time faculty, who are hired as permanent employees. Most districts across the state have been affected by enrollment declines and, in turn, have experienced staffing reductions. While CCC compensation costs have increased over the past several years, they have been offset somewhat due to these reductions in staffing.

Auditor February 2023 Report on Full-Time Faculty and Diversity Efforts.¹ At the urging of legislators and stakeholders, a State Audit was recently conducted to assess the CCC districts' hiring practices. Specifically, the audit assessed their use of state funds towards promoting diversity and increasing the percentage of instruction taught by full-time faculty. The Chancellor's Office has allocated \$450 million in state funds intended to facilitate full-time faculty hiring through previous budget act agreements. As well, the 2022 Budget Act included \$10 million Proposition 98 General Fund to support the sustainable implementation of EEO best practices to diversify community college faculty, staff, and administrators. Among the key findings were the following:

- Districts have not met the state goal, long-standing since 1988, of having 75 percent of instruction taught by full-time faculty.
- The Chancellor's Office's current method of determining full-time faculty instruction is unsuitable to measure or drive progress toward the 75-percent goal. The current metric measures faculty members, not actual instructional hours, which demonstrates the need for a new metric.
- The Chancellor's Office has not created a valid way to measure districts' progress towards the State's 75 percent goal.

¹ Ibid.

- Some districts did not properly use the funds for hiring full-time faculty. For example, one district spent some of this special funding on part-time faculty costs and another left more than \$4 million unspent over a four-year period.
- The Chancellor's Office has not ensured that the districts use the funding appropriately.
- Districts have made some progress in hiring more diverse faculties, but many students still lack sufficient representation of their own backgrounds among the faculty. 47 percent of community college students in California identify as Hispanic, but only 18 percent of faculty identify as Hispanic.
- The Chancellor's Office does not verify whether the districts adequately implement requirements in order to receive EEO funds.

To address these shortcomings, the Auditor recommended the following steps for the Chancellor's Office:

- Implement and report on a metric to calculate full-time faculty instruction and use it to set benchmarks for the amount of instruction at districts.
- Post on its website each district's report on its use of the funds to hire full-time faculty and verify that the districts are using the funds for their designated purpose.
- Regularly determine the most effective and feasible practices for hiring diverse faculty and verify that districts conduct those and other best practices.

2023 Budget Act Trailer Bill Legislation on Full-Time Faculty. In response to the Auditor's findings, the Budget Act of 2023 higher education budget trailer bill² does the following:

- Requires community college districts, as a condition of receiving funding for FT Faculty, to report its progress in increasing the percentage of instruction by full-time faculty and in diversifying faculty.
- Requires the Chancellor's Office to, no later than May 30 of each year, synthesize the information received from the districts into a systemwide report to be posted on a public website.
- Requires the Chancellor's Office to establish and implement a process that verifies that district expenditures related to FT Faculty are used for that purpose.
- Requires colleges to expand their use of best practices in terms of Equal Employment Opportunity programs to promote faculty diversity by directing the Chancellor's Office to ensure that districts are performing analyses needed to identify and determine the causes of any underrepresentation in the faculty they hire.

Legislative Analyst's Office Assessment and Recommendations to Address Budget Shortfall

State Adopted Many One-Time CCC Initiatives Over Past Three Years. From 2021-22 through 2023-24, the Legislature approved a total of about \$3 billion in one-time Proposition 98 General Fund support for more than 60 one-time CCC initiatives and projects. Some of the largest appropriations were for facilities maintenance, student outreach, student basic needs, and an initiative for faculty to create open educational resources.

State Also Expanded Funding for Ongoing CCC Programs. During the past several years, the state has appropriated ongoing funding both to create new CCC programs and to expand existing ones. For example, the state created a CCC student mental health program and doubled funding for the California Apprenticeship Initiative. In some cases, the CCC augmentations provided by the state have been

² Senate Bill 117 (Committee on Budget and Fiscal Review), Chapter 50, Statutes of 2023

exceptionally large. For example, in 2022-23, the state increased annual funding for the long-standing Part-Time Faculty Health Insurance Program from \$490,000 to \$200.5 million (a 400-fold increase).

Recommendation: Recommend Reverting Unallocated and Unspent Funds to Address CCC Budget Gap in Current Year. The LAO notes that the CCC budget has an approximately \$800 million gap between current spending and available funding under their office’s February revenue estimates. The budget gap could end up being higher or lower depending upon revenue developments over the coming months. Under their recommended approach, Proposition 98 reserves likely could help address a small part of the budget gap in 2023-24, but hundreds of millions of dollars likely still would be needed in other budget solutions. One-time solutions are a typical way for addressing reductions in the current-year minimum guarantee, as these types of solutions tend to be the least disruptive.

Recommendation: Recommend Achieving Ongoing General Fund Savings Outside of Core Programs. Under their February revenue estimates, the LAO identifies approximately \$700 million in ongoing CCC solutions would be required to align ongoing spending with the minimum guarantee in 2024-25. (The \$700 million assumes that the Governor’s CCC COLA proposals, totaling \$78 million, have been withdrawn.) More or less savings might be needed depending on budget developments over the coming months. In thinking about budget solutions for 2024-25, the LAO recommend the Legislature to attempt to preserve funding for key priorities, including CCC’s core instructional mission, student support services, and aid for financially needy students. Areas the Legislature might consider finding savings include athletics, enrichment activities, and aid for non-financially needy students. Reducing these latter types of programs would minimize the negative implications for colleges’ core programs and low-income students.

Staff Comment: Staff notes that the Proposition 98 overview, structure, and Governor’s proposal were discussed in the February 29, 2024 Subcommittee No. 1 hearing.

Suggested Questions to CCC

- *On Overall Challenges.* What are the biggest perceived challenges that the system faces?
- *On Equity Gaps.* What is CCC doing to investigate the causes behind, and ultimately close persistent equity? How will enrollment trends impact this goal?
- *On CCC Flexible Spending.* Please provide the subcommittee with updates on how districts spent flexible funding for recruitment and retention efforts, deferred maintenance, and COVID-19 Block Grant purposes. What challenges, if any, have districts encountered as it implements these initiatives?
- *On Full-Time Faculty.* Trailer bill legislation in the Budget Act of 2023 included multiple requirements regarding full-time faculty. Please provide like a status update on each requirement.

The Legislature authorized CCC to offer limited number of BA degrees, and it further established a process for resolving disputes around program duplication with CSU and UC.

- What efforts are you making internally to avoid duplication with CSU and UC?
- What efforts are you making internally to maintain collaborative intersegmental partnerships?
- What policy changes have you made to avoid duplication and leverage existing strengths of other segments?

Staff Recommendation. Hold Open**Issue 2: Adjustments for Apportionments and Categorical Programs****Panel**

- Justin Hurst, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Wrenna Finche, California Community Colleges Chancellor's Office

Available for additional details and questions:

David O'Brien, California Community Colleges Chancellor's Office

Chris Ferguson, Department of Finance

Governor's Budget

K-14 Rainy Day Fund Support for Student Centered Funding Formula Needs (SCFF). The Governor's budget proposes a withdrawal of \$235.9 million, scored to 2023-24 and \$486.2 million scored to 2024-25 to support SCFF resource needs.

CCC Apportionments Cost-Of-Living Adjustment (COLA). The Governor's budget includes an increase of \$69.1 million Proposition 98 General Fund in 2024-25 and ongoing to provide a 0.76-percent COLA for Student Centered Funding Formula apportionments.

Categorical Program Cost-Of-Living Adjustment (COLA). The Governor's budget also includes an increase of \$9 million Proposition 98 General Fund in 2024-25 and ongoing to provide a 0.76 percent cost-of-living adjustment to the Adult Education Program, apprenticeship programs, CalWORKs student services, campus childcare support, Disabled Students Programs and Services, Extended Opportunity Programs and Services, and the mandates block grant.

Background

Most CCC Proposition 98 Funding Is Provided Through Apportionments. All community college districts (except the statewide online Calbright College) receive funding from apportionments. This funding is available for covering core operating costs.

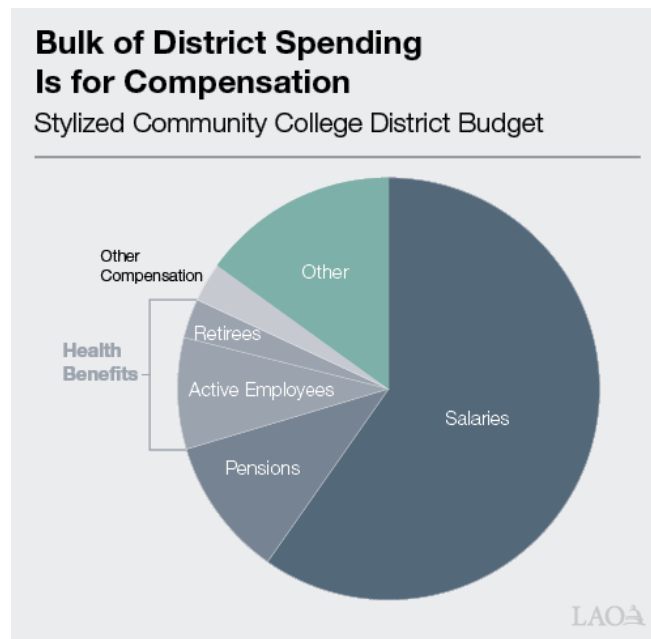
The amount each district receives is based on the state's Student Centered Funding Formula (SCFF). SCFF takes into account many factors, including the amount of credit and noncredit instruction each district provides. In 2023-24, community college districts collectively received 70 percent of all their Proposition 98 funding through apportionments. The remainder of CCC Proposition 98 funding is allocated to community colleges districts through more than 40 categorical programs.

COLAs. Although the state is not statutorily required to provide community colleges a COLA on their apportionment funding (as it is for K-12 schools), the state has a longstanding practice of providing one when there are sufficient Proposition 98 resources. The COLA rate is based on a price index published by the federal government that reflects changes in the cost of goods and services purchased by state and local governments across the country.

COLA for Apportionments in Prior Years. The Budget Act of 2021 provided a 5.07 percent cost-of-living adjustment to apportionments, or \$371.2 million ongoing Proposition 98 General Fund. The Budget Act of 2022 included \$493 million ongoing Proposition 98 General Fund to colleges for a 6.56 percent COLA for apportionments. The Budget Act of 2023 included an 8.22 percent cost-of-living adjustment for apportionments for a total of \$678 million ongoing Proposition 98 General Fund. Collectively, the COLAs over the last three budget agreements are historically large and much higher than the average COLA provided over 30 years—three percent. Because of these apportionments increases—as well as funding increases for numerous categorical programs in recent years—budgeted per-student Proposition 98 funding is at an all-time high.

Compensation Is Largest District Operating Cost. On average, community college districts spend about 80 to 85 percent of their core operating budget on salary and benefit costs. While the exact split varies from district to district, salaries and wages can account for up to about 70 percent of total compensation costs. District pension contributions typically account for another 10 percent to 15 percent of total compensation costs. Health care costs vary among districts, but costs for active employees commonly account for roughly 10 percent of compensation costs, with retiree health care costs typically comprising less than 5 percent. Additionally, districts must pay various other compensation-related costs, including workers' compensation and unemployment insurance, which collectively tend to account for about 5 percent of total costs. Districts' other core operating costs include utilities, insurance, software licenses, equipment, and supplies. On average, about 15 percent of districts' operating budget is for these non-compensation-related expenses.

Figure 2



Legislative Analyst's Office Assessment and Recommendations

Districts Likely to Feel Salary Pressure in 2024-25. Over 2021-22 and 2022-23, both inflation and wage growth (across the nation and in California) were at their highest levels in several decades. Elevated inflation and broad-based wage growth are expected to continue in 2024-25. Although inflation and wage

growth among workers have slowed noticeably over the past year, both are likely to remain above historical averages for the next few years. As a result, community college districts are likely to continue feeling pressure to provide their employees with salary increases. This is particularly true in districts that report having challenges recruiting faculty and other staff due to less competitive salary levels.

Districts' Pension Costs Also Are Rising. About half of CCC employees (namely faculty) participate in the California State Teachers' Retirement System (CalSTRS), with the other half (namely staff and administrators) participating in the California Public Employees' Retirement System (CalPERS). Districts' employer contribution rates for these two systems are set by the respective retirement boards, rather than at the local community college district level (meaning all college districts are subject to the same contribution rates). Districts' pension costs have been increasing over time. In 2013-14, districts' employer contribution rate was 8.3 percent of payroll for CalSTRS and 11.4 percent of payroll for CalPERS. Those rates are up to 19.1 percent of payroll for CalSTRS and 26.7 percent of payroll for CalPERS in 2023-24. Based on current assumptions, districts' CalSTRS contribution rate is expected to stay constant at 19.1 percent in 2024-25, whereas the CalPERS rate is projected to increase to 27.8 percent. (Community colleges are not included in the Governor's CalPERS proposal involving changes in how a previous state supplemental payment is applied.) Accounting for both retirement systems, community college costs are expected to increase by \$76 million in 2024-25.

Colleges Face Various Other Cost Pressures. Similar to other education segments, community college districts generally also expect to see higher costs in 2024-25 for health care premiums, insurance, equipment, supplies, and utilities. Health care costs are the largest of these remaining cost pressures. Districts are likely to face even greater pressure in this area than normal, as premiums in 2024 are increasing at historically high rates. Cost drivers include new medical technologies, increases in prescription drug costs, and inflation. Districts generally cover premium increases for their respective health care plans, though those decisions are collectively bargained. In some cases, employees are responsible for covering all or a portion of the premium increases.

Proposed COLA Worsens State's Funding Shortfall for CCC. Under the Governor's budget, the state has insufficient Proposition 98 funds to cover even existing CCC costs, before applying any COLA in 2024-25. Given Proposition 98 funding is insufficient to cover CCC costs, the Governor proposes to draw down \$486 million in Proposition 98 reserves. The Governor must dedicate \$78 million of his proposed Proposition 98 Reserve withdrawal for covering the added ongoing cost of the proposed COLA for CCC apportionments and certain CCC categorical programs. Historically, the state has not used reserves to augment ongoing spending. Rather, the state historically has used reserves during times of recessions to mitigate program reductions.

Recommendation: Reject Proposal, Revisit Available Funding Next Year. As a first step in addressing the lowered estimates of the minimum guarantee, the LAO recommends the Legislature not provide a COLA to CCC apportionments or any CCC categorical programs, thereby containing ongoing spending in 2024-25. This would result in savings of \$78 million Proposition 98 General Fund relative to the Governor's budget. Under the Governor's budget proposal, one-time reserves are required to cover these higher ongoing costs. Such an approach sets up the state for more difficult choices next year. Were the Legislature not to provide the COLA in 2024-25, it would lessen the ongoing shortfall for CCC programs and allow for better choices in 2025-26. This recommendation is consistent with LAO's recommendations not to increase funding and spending expectations for CSU and UC in 2024-25- which was covered in the March 14, 2024 Subcommittee No. 1 hearing. If sufficient state revenues do not materialize over the coming months, all higher education segments face the further prospect of ongoing program cuts.

While a year without a COLA would have implications for districts, it likely would be manageable given the circumstances. The likely leaner budget year comes after several years of high apportionment funding increases, including a large above-COLA base increase in 2022-23. Districts generally also have relatively high local reserves that could be tapped to address cost increases that are unavoidable in the near term (such as higher health care premiums or software licenses and other technology). The impact of not providing a COLA in 2024-25 also might be mitigated by a weakening statewide labor market and slowing wage growth, making it easier for districts to recruit and retain employees.

Suggested Questions

- If the state's budget situation gets worse, and the state is unable to provide CCC with a COLA, then what will be the impacts across the districts?
- Previous final budget agreements also included COLAs for categorical programs such as Puente Project, Mathematics, Engineering, Science Achievement (MESA), part-time faculty office hours and part-time faculty compensation. Why were these programs not included in the Governor's budget proposal for a COLA?

Staff Recommendation. Hold Open

Issue 3: Enrollment**Panel**

- Justin Hurst, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Wrenna Finche, California Community Colleges Chancellor's Office

Available for additional details and questions:

David O'Brien, California Community Colleges Chancellor's Office

Chris Ferguson, Department of Finance

Governor's Budget

The Governor's budget includes \$29.6 million Proposition 98 General Fund ongoing to support 0.5-percent enrollment. This equates to about 5,400 additional FTE students. The average base rate for each of these students is \$5,440. To be eligible for these growth funds, a district must first recover to its pre-pandemic enrollment level. The Governor's proposed enrollment growth rate of 0.5 percent is the same rate the state has adopted the past three years. The Governor's budget also continues the practice of including provisional language redirecting any unearned enrollment growth funds first to backfilling apportionment shortfalls.

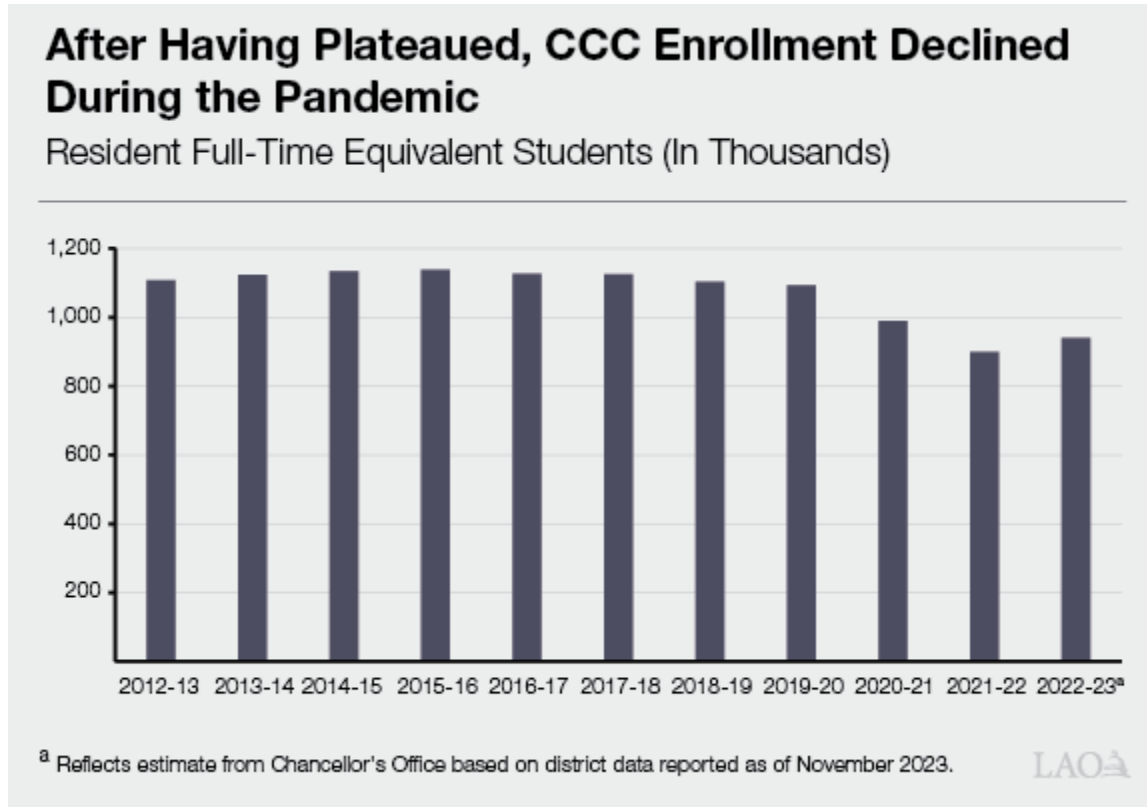
Background

Under the state's *Master Plan for Higher Education* and state law, community colleges operate as open access institutions. That is, all persons 18 years or older may attend a community college. (While CCC does not deny admission to students, there is no guarantee of access to a particular class.) Many factors affect the number of students who attend community colleges, including changes in the state's population, particularly among young adults; local economic conditions, particularly the local job market; the availability of certain classes; and the perceived value of the education to potential students.

Enrollment Trends Before and During Pandemic

Prior to the Pandemic, CCC Enrollment Had Plateaued. During the Great Recession, community college student demand increased as individuals losing jobs sought additional education and training. Yet, enrollment ended up dropping as the state reduced funding for the colleges. A state funding recovered during the early years of the economic expansion (2012-13 through 2015-16), systemwide enrollment increased. Figure 3 from the LAO shows that enrollment flattened thereafter, as the period of economic expansion continued and unemployment remained at or near record lows. The plateau in CCC enrollment during this period was commonly attributed to the long economic expansion, strong labor market, and unemployment remaining at or near record lows.

Figure 3



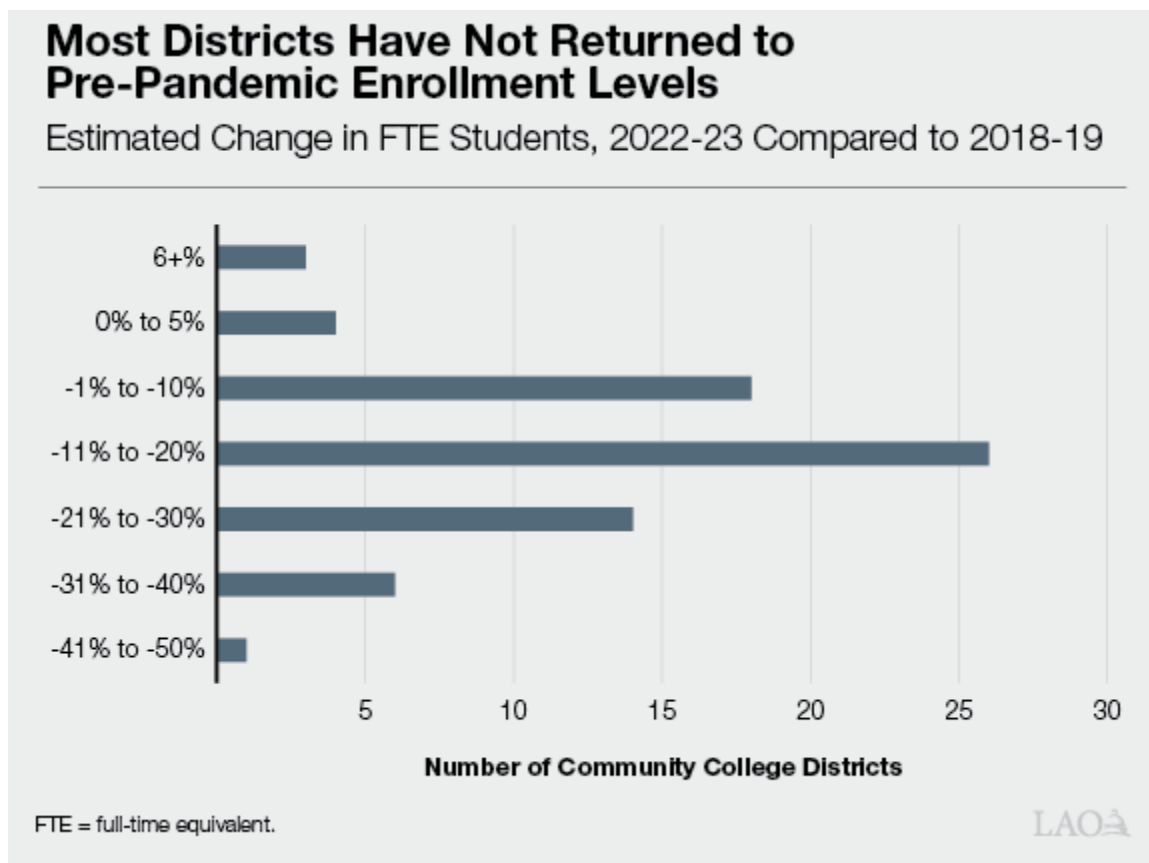
CCC Enrollment Dropped Notably During the Pandemic. Between 2018-19 (the last full year before the start of the pandemic) and 2021-22, full-time equivalent (FTE) students at CCC declined by more than 200,000 (19 percent). While CCC enrollment declines over these years affected virtually every student demographic group, most districts reported the largest enrollment declines among African American, male, lower-income, and older adult students. Although four-year institutions both in California and elsewhere experienced much more modest declines, the impacts the CCCs experienced in California are highly consistent with what was observed across the country among community colleges. For example, when comparing the results of the California Community Colleges to other public two-year colleges using the National Center for Educational Statistics, the decline in headcount across the California Community Colleges is highly similar to that exhibited by public community colleges across the country.

Several Factors Likely Contributed to Enrollment Drops. Community college students are more likely to be underrepresented students of color, low-income students, working students, students with dependent children, non-native speakers of English, first generation college students, and older students. These populations, across a range of indicators, are experiencing far greater health and economic impacts of the pandemic. Over the past couple of years, rising wages, including in low-skill jobs, and an improved job market appear to be major causes of reduced community college enrollment demand. In response to a Fall 2021 Chancellor’s Office survey of former and prospective students, many respondents cited “the need to work full time” to support themselves and their families as a key reason why they were choosing not to attend CCC. For these individuals, enrolling in a community college and taking on the associated opportunity cost might have become a lower priority than entering or reentering the job market.

Current Post-Pandemic Enrollment Trends

Enrollment Levels Are Increasing in Many Districts. After three years of enrollment drops, data from the Chancellor’s Office indicates that enrollment rose overall in 2022-23—increasing by an estimated four percent (in FTE terms) over 2021-22 levels. Figure 4 below shows that while some districts were back at or above their pre-pandemic enrollment levels in 2022-23, most community colleges remained below those levels. Based on information that the LAO received in January 2024 directly from 20 districts (representing more than one-quarter of districts in the state), Fall 2023 enrollment was strong, with districts reporting growth over Fall 2022 levels of between four percent and 18 percent. This data suggests more districts are likely to return to their pre-pandemic levels over the next couple of years.

Figure 4

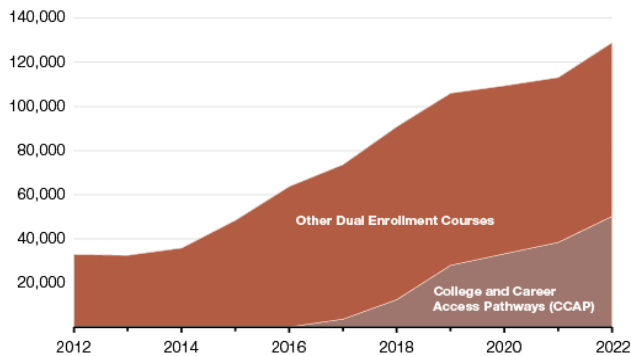


Several Factors Likely Contributing to Recent Enrollment Increases. District administrators cite a number of reasons for the recent rebound in enrollment. Unemployment in the state has ticked up over the past year (increasing from 3.8 percent in September 2022 to 5.1 percent by December 2023), which likely has resulted in more individuals deciding to earn a CCC education. Many districts also have indicated they have increased enrollment among nontraditional students, including dually enrolled high school students and incarcerated students (see Figures 5 and 6). According to the LAO, as of Fall 2022, dual enrollment students account for about 10 percent of total CCC headcount (and about five percent of total CCC full-time equivalent students). Additionally, colleges have cited the recruitment and retention strategies mentioned in the previous section of this background.

Figures 5 and 6

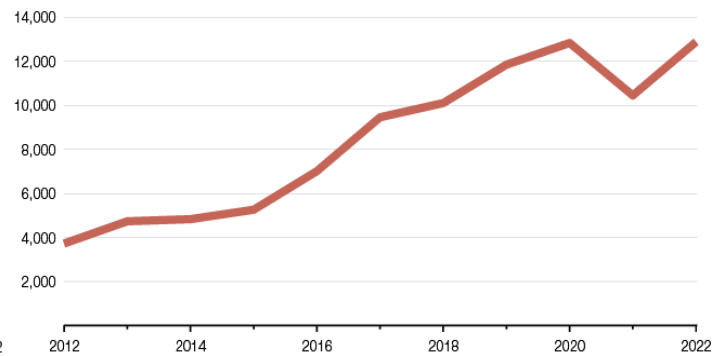
CCC Has Seen Rapid Growth in Dual Enrollment

Fall Headcount of CCC Dual Enrollment Students



CCC Is Also Serving More Incarcerated Students

Fall Headcount of CCC Incarcerated Students



Previous Budget Act Actions. The Budget Act of 2021 included \$24 million Proposition 98 General Fund in 2021-22 and ongoing to support 0.5 percent enrollment growth. The Budget Act of 2022 included \$27 million Proposition 98 General Fund in 2023-24 and ongoing to support 0.5 percent enrollment growth. The Budget Act of 2023 included \$26.4 million Proposition 98 General Fund in 2023-24 and ongoing to support 0.5 percent enrollment growth and also swept the entire \$24 million in enrollment growth funding scored to 2021-22 since it was not earned by districts.

Legislative Analyst's Office Assessment and Recommendations

Likely That Some of 2022-23 Growth Funding Will Not Be Earned by Districts. Based on data reported by the Chancellor's Office to the LAO in early February 2024, \$19 million of \$27 million in 2022-23 enrollment growth funding had been earned by districts. The Chancellor's Office has identified no apportionment funding shortfalls for 2022-23. The Chancellor's Office should have released final 2022-23 enrollment and funding data by the end of February 2024. Any 2022-23 growth funds not earned by districts or not needed for an apportionment shortfall would become available for other Proposition 98 purposes, including Proposition 98 budget solutions.

Better Information Is Coming on 2023-24 Enrollment. As of this writing, estimating 2023-24 CCC enrollment remains difficult given that the Chancellor's Office is still processing Fall 2023 district enrollment submissions and the Spring 2024 term is just beginning. By the time of the May Revision, the Chancellor's Office will have provided the Legislature with preliminary enrollment data for 2023-24. This data will show which districts are reporting enrollment increases and declines and the magnitude of those changes. It also will show how many districts are on track to earn any of the 2023-24 enrollment growth funds. Apportionment data for 2023-24, however, will not be finalized until February 2025, such that the Legislature might not want to take any associated budget action until next year. At that time, if some or all of the 2023-24 enrollment growth funds end up not being earned by districts or needed for an apportionment shortfall, the Legislature could redirect available funds for other Proposition 98 purposes, including Proposition 98 budget solutions.

Several Factors Could Guide 2024-25 Enrollment Growth Decision. If some districts are on track to grow in 2023-24, it could mean they might continue to grow in 2024-25. Student demand also might increase in 2024-25 if the state's unemployment rate continues to tick upward, the job market weakens, or entry-level wage growth slows. These developments often are accompanied by an increase in the number of individuals seeking reskilling or upskilling. By providing funding for enrollment growth in 2024-25, the state could encourage and reward districts for expanding access to students. Countering these growth pressures, however, is demographic data indicating declines in both the college-age population (ages 18-24) and the broader working-age adult population (ages 25-64) in the state.

Recommendation: *Sweep 2022-23 Growth Funds.* Once 2022-23 enrollment and funding data are finalized, the LAO recommends the Legislature use any unearned enrollment growth funds to help achieve Proposition 98 budget savings. Based upon preliminary data, \$8 million would be available as savings. This action could be one of several ways the Legislature achieves Proposition 98 savings. Given the notable downward revisions in the Proposition 98 minimum guarantee over the budget window, such savings would help the state balance the budget.

Recommendation: *Consider Forthcoming Data, Together With State's Budget Condition, to Decide on Growth Funding for 2024-25.* The LAO recommends that the Legislature also use updated enrollment data, as well as updated data on available Proposition 98 funding, to make its decision on CCC enrollment growth for 2024-25. If the updated enrollment data indicate districts are growing in 2023-24, the Legislature could view the Governor's proposed growth funding in 2024-25 as warranted. Ultimately, though, the Legislature will want to weigh the benefits of providing more access to individuals seeking a CCC education with the need to find General Fund savings to address the state's significant budget problem. Were updated revenue estimates at the May Revision to suggest a more significant budget problem for the state, the LAO recommends that the Legislature not provide any growth funding for community colleges in 2024-25.

Suggested Questions for CCC:

- The Budget Act of 2022 included \$27 million one-time Proposition 98 General Fund to support 0.5-percent enrollment growth. Please share an update on funds that were earned due to enrollment growth. Is the system going to reach its target funded with 2022-23 funds?
- How many districts are estimated to rebound from the pandemic enrollment losses by the end of 2023-24? What challenges exist for districts facing difficulties with increasing enrollment?
- What are some best practices that the districts with enrollment rebounds to pre-pandemic levels deployed? How, and can, these practices be applied statewide to all districts?
- Most districts reported the largest pandemic enrollment declines among African American, male, lower-income, and older adult students. How do enrollment trends for these groups look post-pandemic?

Staff Recommendation. Hold Open.

Issue 4: Student Housing at CCC**Panel**

- Alex Anaya Velazquez, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Wrenna Finche, California Community Colleges Chancellor's Office

Available for additional details and questions:

David O'Brien, California Community Colleges Chancellor's Office

Chris Ferguson, Department of Finance

Governor's Budget

Higher Education Student Housing Grant Program Modifications. The Budget Act of 2023 included \$61.5 million non-Proposition 98 General Fund in 2023-24 to debt finance 16 CCC student housing projects. Though the Administration is committed to using a state lease revenue bond to finance 13 of these projects, the associated state program has not yet been established. The Governor intends to submit a proposal designing the new program at the May Revision. Until the new lease revenue bond program is enacted and housing projects have been completed, the state would incur no associated borrowing costs. The Governor's budget therefore proposes to remove the entire \$61.5 million in associated funding in 2024-25.

The Governor's budget also proposes using \$50.6 million General Fund of the \$61.5 million provided in 2023-24 for lease revenue bond debt service for the CCC projects to support one-time payments to three districts for housing projects that are not appropriate for bond funds. The three projects are Santa Rosa City College (\$15 million), Napa Valley College (\$31 million) and Imperial Valley College (\$4.6 million).

California Student Housing Revolving Loan Fund. The budget proposes suspending funding for the program. This action would pull \$300 million General Fund in annual support between 2024-25 and 2028-29 fiscal years and revert \$194 million General Fund in 2023-24.

Background

CCC Housing Is Mostly at Rural Colleges and Decades Old. Prior to 2019, 11 community colleges had student housing programs. Almost all of these colleges were located in rural areas and had longstanding housing programs. In 2019, Orange Coast College opened a student housing facility with 800 beds. This student housing facility is the largest among the community colleges (more than four times larger than at any other, accounting for about one-third of all community college beds in the system). Santa Rosa Junior College recently secured financing for a 352-bed project through the California School Finance Authority. The authority completed a \$68.3 million revenue bond sale in summer 2021 for the project, which is intended to address severe housing shortages and high rental costs in the area due in part to recent wildfires. Community college districts also have the ability to utilize general obligation bonds, which could be used to support housing projects if local voters approve.

CCC Campus	Beds
Cerro Coso College	50
College of the Redwoods	150
College of the Siskiyous	121
Columbia College	196
Feather River College	238
Lassen Community College	108
Orange Coast College	800
Reedley College	140
Shasta College	126
Sierra College	120
Taft College	150
West Hills College Coalinga	169
Total	2368

Data compiled by the Chancellor's Office indicates that students pay on average about \$5,800 per year in a two-person room. These costs do not include food.

Revolving Loan Fund Program (Program). The Budget Act of 2023 included \$200 million General Fund in 2023-24 and \$300 million in each of the 2024-25 to 2028-29 fiscal years for the Program. The California School Finance Authority (CSFA) and the California Educational Facilities Authority (CEFA) administers the Program, which provides zero-interest loans to qualifying University of California (UC), California State University (CSU), and California Community College (CCC) applicants for campus-based affordable student, faculty, and staff housing. In its September 2023 meeting, the CEFA stated its intent to enter an interagency agreement with CSFA to “utilize its staff and consultants to assist CEFA with various aspects of the Program, including, but not limited to, policy development, underwriting criteria, regulation development, financial model development, form development, a loan tracking system, and evaluating applications and projects.” CSFA and CEFA also solicited input from UC, CSU, and other organizations to finalize regulations, technical assistance, and marketing outreach, maximize the financing structures, and with a goal of posting applications by January 2024.

Higher Education Student Housing Grant Program. The Budget Act of 2023 shifted the prior and planned limited-term General Fund support for UC, CSU, and California Community College (CCC) affordable student housing grants to UC-, CSU-, and locally issued bonds respectively. Of note for this subcommittee hearing are the following components of the 2023 Budget Act agreement:

- Shifting \$1.1 billion in current and planned General Fund support for CCC affordable housing student grants to bonds. The bond proceeds may come from local financing issued by community college districts for specified projects. To support the projects, the budget includes an increase of \$61.48 million General Fund in 2023-24 and ongoing.
- Expressing legislative intent that, no later than the adoption of the 2024 Budget Act, a statewide lease revenue bond, or other statewide financing or fiscal approach will be developed and included

within the 2024 Budget Act to support California community college affordable student housing projects that have been approved as part of the Higher Education Student Housing Grant Program.

- Clarifying that the CCC campuses that received General Fund support for grants in the Budget Act of 2022 shall revert those General Fund resources by June 29, 2024, or upon the enactment of the 2024 Budget Act, whichever is later.
- Naming the UC, CSU, and CCC campuses that received funding in 2023-24.
- Shifting the support of three CCC and UC intersegmental projects from CCC to UC. This shift facilitated UC issuance of revenue bonds for the CCC portions of three intersegmental UC-CCC affordable housing projects selected in the Higher Education Student Housing Grant Program. The three intersegmental projects covered through UC revenue bonds the split in the number of beds for low-income students between the participating campuses contained in the Higher Education Student Housing Grant Program applications approved by the state and further defined in the subsequent operating agreements between each UC campus and the CCC district partnership.

Campus awardees were named in the 2022 and 2023 Budget Acts (see Table 3).

Table 3: State-Approved CCC Student Housing Construction Projects

	Project Costs		Current Phase	Beds	
	State ^a	Nonstate		Affordable	Standard
CCC Projects Approved in 2022-23					
Fresno City College	\$34.1	—	Preliminary Plans	354	—
College of the Siskiyous	32.6	—	Preliminary Plans	250	—
Ventura College	62.9	—	Preliminary Plans	320	—
Sierra College	80.5	—	Construction	100	—
Napa Valley College	31.0	—	Construction	154	—
Santa Rosa Junior College	15.0	—	<i>Completed</i>	145	—
Consumnes River College	44.1	—	Preliminary Plans	100	—
Compton College	80.4	—	Working Drawings	360	—
Lake Tahoe CCD	39.4	—	Construction	252	—
Bakersfield College	60.2	\$97.0	Working Drawings	124	404
College of the Canyons	61.9	63.3	Preliminary Plans	70	282
Imperial Valley College ^b	4.6	4.7	Working Drawings	78	—
Subtotals	(\$546.7)	(\$165.0)		(2,307)	(686)

CCC Projects Approved in 2023-24						
San Diego City College	\$75.0	\$147.9		Setting Performance Criteria	808	—
Cerritos College	68.0	12.0		Preliminary Plans	396	—
College of San Mateo	55.9	10.0		Working Drawings	312	—
College of the Redwoods	28.4	24.9		Working Drawings	181	34
Subtotals	(\$227.3)	(\$194.7)			(1,697)	(34)
Totals	\$773.9	\$359.7			4,004	720
Total Debt Service \$61.5 million						
UC/CCC Intersegmental Projects Approved in 2023-24^c						
UC Riverside-Riverside City College	\$126.0	\$186.0	8.9	Construction	652	897
UC Santa Cruz-Cabrillo College	111.8	69.9	8.1	Construction	376	248
UC Merced-Merced College	100.0	—	7.1	Preliminary Plans	488	—
Subtotals	(\$337.8)	(\$255.9)			(1,516)	(1,145)
^a Non-Proposition 98 General Fund.						
^b Imperial Valley College has an intersegmental project with CSU San Diego (which also is receiving \$4.6 million for the project within its budget).						
^c The General Funds for these intersegmental projects are in the UC budget.						

CCC Student Housing Projects for 2024-25. The upcoming 2024-25 fiscal year is the final year of funding for the grant program and the program authority remains for only CCC projects—at roughly \$80 million General Fund. The Chancellor’s Office received applications from colleges in Fall 2023, and ranked the projects based on the criteria described in statute, which includes projected rents, project timeline, and a campus’ unmet need for student housing. Overall, the Chancellor’s Office received 30 applications that requested \$1.6 billion General Fund. Below documents the campus projects by ranking. These projects are documented below in Table 4.

Table 4: Ranked CCC Student Housing Construction Projects for 2024-25

Rank	District	Campus	Estimated State Cost (in millions)	Estimated Local Cost (in millions)	Estimated Total Project Cost (in millions)
1	Kern CCD	Porterville College	30.8	3.34	34.14
2	Contra Costa CCD	Los Medanos College	48.6	29.5	78.1
3	Victor Valley CCD	Victor Valley College	46.5	15.5	62

4	Long Beach CCD	Long Beach City College	60.2	45	105.2
5	Feather River CCD	Feather River College	63.2	11	74.2
6	Southwestern CCD	Southwestern College	81.4	0	81.4
7	Ohlone CCD	Ohlone College	18.3	7.33	25.63
8	Antelope Valley CCD	Antelope Valley College	61.5	0	61.5
9	San Bernardino CCD	Crafton Hills College	46.2	15.1	61.3
10	Rio Hondo CCD	Rio Hondo College	37.2	12.2	49.4
11	South Orange County CCD	Irvine Valley College	71.3	3.71	75.01
12	Mendocino-Lake CCD	Mendocino College	57.1	0	57.1
13	Peralta CCD	College of Alameda	51.7	42.1	93.8
14	Santa Monica CCD	Santa Monica College	51.1	16.7	67.8
15	West Hills CCD	West Hills College	47.7	2.48	50.18
16	Los Rios CCD	American River College	48.1	0	48.1
17	State Center	Fresno City College	60.2	6.21	66.41
18	Riverside CCD	Moreno Valley College	49.8	4.39	54.19
19	West Valley Mission CCD	Mission College	56.9	25	81.9
20	Ventura County CCD	Moorpark College	57.9	3.01	60.91
21	Merced CCD	Merced College	13.8	0	13.8
22	North Orange County CCD	Cypress College	77.7	5.92	83.62
23	Gavilan Joint CCD	Gavilan College	46.8	15.3	62.1
24	Shasta-Tehama-Trinity Joint CCD	Shasta College	64.7	3.37	68.07
25	San Mateo County CCD	Skyline College	60.8	10	70.8
26	Solano CCD	Solano Community College	44.1	0	44.1
27	Chabot-Las Positas CCD	Las Positas College	53.3	5.84	59.14
28	San Jose-Evergreen CCD	Evergreen Valley College	121.8	13.7	135.5
29	Lassen CCD	Lassen College	62.5	0	62.5
30	Yosemite CCD	Columbia College	61.3	0	61.3
		<i>Grand Totals</i>	<i>1652.5</i>	<i>296.7</i>	<i>1949.2</i>

Suggested Questions

- **CCC:** Please provide a brief update on the status of each construction and planning project that was funded in 2022 and 2023 Budget Acts. Are there challenges or difficulties that the Legislature should know about?
- **CCC:** The requested amount for prospective projects exceeds the spending authority that remains in the Grant Program. Given the projected budget deficit and the lack of state funds to continue the program, will the campuses proceed with projects that do not receive state funding? If so, how will the campuses pursue financing these projects and ensuring that beds are affordable for students?
- **CCC:** What is your system's overall long-term goals for student housing and existing challenges in achieving those goals?
- **DOF:** Is the Administration on track with the development of a statewide lease revenue bond for the community college projects? Will the subcommittee receive information on the bond structure today, or before the May Revise?

Staff Recommendation. Hold Open