RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: Fiscal Resources Committee

Agenda for Wednesday, October 21, 2026

1:30 p.m. - 3:00 p.m.
Zoom Meeting

1. Welcome
2. State/District Budget Update – Iris Ingram
   - CCC – 2027-28 BOG Budget and Legislative Request - Leading California's Future: Preparing Students for a Changing Economy
   - SSC – The Legislative Session is Over – What Happens Next?
   - SSC – Annual Inflation Holds at 3.4% as Energy Pressures Continue
   - SSC – ED Interagency Agreements Update
   - SSC – Proposition 98 Battle Escalates
   - SSC – PPIC Poll Shows Majority Support for Competing Tax Measures
   - SSC – California Revenues Remain Above Forecast
   - SSC – A Tale of Two Economies: Growth Persists as Risks Mount
   - SSC – By the Way…CDE Releases Classified Employee Staffing Ratio Report
   - SSC – Governor Newsom Fills Remaining BOG Seats
   - SSC – Governor Newsom Takes Final Action on 2026 Bills
   - SSC – Second Lawsuit Filed over Proposition 98 Funding
   - SSC – Fourth Quarter Lottery Apportionment for 2025-26
   - SSC – BOG Approves 2027-28 System Request
   - SSC – Keeping Your Community College District's Fiscal Facts at Your Fingertips
   - SSC – September Consumer Price Index Update
   - DOF - Finance Bulletin-September 2026
3. Salaries & Benefits - % of Total Expenditures (Instructional vs Non-Instructional by Location)
4. FRC Committee 2025-26 Accomplishments and 2026-27 Goals - **ACTION**
5. Fund 79 (Diversified Trust Fund)
6. Reserve allocation to SCC
7. Standing Report from District Council – Claire Coyne
8. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of October 14, 2026
   - Monthly Cash Flow Summary as of September 30, 2026
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes
9. Approval of FRC Minutes – September 16, 2026
10. Other

Next FRC Committee Meeting: November 18, 2026, 1:30 – 3:00 pm

The Rancho Santiago Community College District aspires to provide equitable, exemplary educational programs and services in safe, inclusive, and supportive learning environments that empower our diverse students and communities to achieve their personal, professional, and academic goals.

California Community Colleges

Leading California's Future: Preparing Students for a Changing Economy

2027-28 Board of Governors

Budget and Legislative Request

September 2026

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EXECUTIVE SUMMARY

The California Community Colleges Chancellor presents the 2027-28 System Budget and Legislative Request, outlining the investments and policy priorities needed to advance Vision 2030 and prepare Californians for the opportunities of tomorrow. Serving more than 2.2 million students across 116 colleges, the nation's largest and most diverse higher education system is a critical driver of educational attainment, workforce development, and economic mobility throughout the state.

Now at the midpoint of Vision 2030, the system has made remarkable progress toward advancing equity in access, equity in success, and equity in support. Over the past several years, the Legislature and Governor have made significant investments in the California Community Colleges to expand workforce development, modernize technology infrastructure, strengthen transfer and student success, and improve educational opportunities for millions of Californians. At the same time, California's economy is entering a period of profound transformation driven by advances in artificial intelligence and the transition to a green economy. Community colleges are uniquely positioned to prepare students for these emerging opportunities by equipping learners with durable skills that employers increasingly demand.

The Board of Governors' 2027-28 Budget and Legislative Request continues to advance Vision 2030 by prioritizing core operations, accountability, and measurable outcomes. As a new Administration prepares to shape California's next chapter, this request offers a practical roadmap for sustaining recent progress, maximizing the return on the state's investments, and ensuring that California’s community colleges remain the state's primary engine for economic mobility.

Overall, the 2027-28 Shared Advocacy Request, “Leading California’s Future: Preparing Students for a Changing Economy,” includes **$351.5 million** in one-time and **$305.7 million** in ongoing Proposition 98 resources, along with a few proposals for technical policy changes.

2027-28 Budget Requests Summary

Core Resources

Base funding is essential to sustaining progress under Vision 2030 and maximizing the state's recent investments in the California Community Colleges. Stable, ongoing resources strengthen institutional capacity and enable colleges to continue advancing student success while meeting the evolving needs. Additionally, continued investment in core resources allows campuses to build on recent gains, thereby contributing to sustainable, long-term progress.

Proposal	Total Request
Student Centered Funding Formula and Base Adjustments	$60.8 million one-time Proposition 98 $193.2 million ongoing Proposition 98
Investments in District Capacity	$60 million ongoing Proposition 98 $45 million one-time Proposition 4 $70 million ongoing General Fund

Equitable Baccalaureate Attainment

One of Vision 2030's clear goals is to create seamless educational pathways from high school through community college, transfer, and finally, to baccalaureate degree completion. Strengthening this continuum through strategic investments will enable more seamless student pathways and help more Californians successfully complete a bachelor's degree.

Proposal	Total Request
California Early College Demonstration Initiative Phase II	$24 million one-time Proposition 98 $1.5 million ongoing Proposition 98
Transfer Success Initiative	$20 million one-time Proposition 98
Program Pathways Mapper	$6.7 million one-time Proposition 98 $6 million ongoing Proposition 98

Equitable Workforce and Economic Development

California's economic future depends on expanding opportunity and connecting more residents to quality careers. Community colleges are uniquely positioned to connect

learners with high-quality careers and create pathways to family-sustaining jobs. At the same time, continued investment in workforce programs will position more Californians to participate in and benefit from the state's economic growth.

Proposal	Total Request
Strong Workforce Program Restoration	$60 million one-time Proposition 98
Employer Tax Credit Pilot Program	$4.5 million ongoing General Fund
Internship Demonstration Project	$5 million one-time Proposition 98
Apprenticeship Degree Pathways Demonstration Project	$25 million one-time Proposition 98

The Future of Learning and Generative Artificial Intelligence

California Community Colleges must build the infrastructure necessary to ensure students, faculty, and colleges can effectively participate in an increasingly AI-driven economy. While AI presents significant opportunities to improve teaching, learning, student services, and operational efficiency, realizing these benefits requires coordinated investments in statewide and local infrastructure. Without a deliberate strategy, colleges will adopt AI unevenly, creating disparities in access, capacity, cybersecurity, and student outcomes across regions and communities.

To support equitable, secure, and effective AI adoption across the system, California Community Colleges seek investments in three interconnected areas: workforce capacity and professional learning, shared technology and cybersecurity infrastructure, and local innovation that can be scaled statewide.

Proposal	Total Request
Innovative Teaching and Artificial Intelligence Professional Development	$10 million one-time Proposition 98 $30 million ongoing Proposition 98
Technology Interoperability Block Grant	$100 million one-time Proposition 98
Shared Agentic Artificial Intelligence Enablement Infrastructure	$6 million one-time Proposition 98 $3 million ongoing Proposition 98
Artificial Intelligence Workflows for Operational Efficiency and Classroom Success	$9 million one-time Proposition 98 $12 million ongoing Proposition 98

Proposal	Total Request
Artificial Intelligence Innovation Fund	$25 million one-time Proposition 98

Chancellor's Office Capacity

The Chancellor's Office serves as the backbone of the California Community Colleges system, providing the leadership and infrastructure needed to drive statewide priorities and support institutional success. In recent years, the scope and complexity of these responsibilities have grown substantially, driven by increasing statewide and national demands for greater accountability, innovation, data capacity, and measurable student outcomes. To meet these demands, we request 18 new permanent positions within the Chancellor's Office to provide timely guidance to colleges, strengthen oversight of public investments, support continuous improvement, and scale innovative practices that improve student outcomes.

Proposal	Total Request
Requests for Chancellor's Office Positions	$3.3 million ongoing General Fund

In total, the budget request reflects $351.5 million one-time Proposition 98 General Fund requests, $305.7 million in ongoing Proposition 98 General Fund requests, approximately $77.8 million in General Fund requests, and $45 million in one-time Proposition 4 bond fund requests.

2027-28 Policy Requests Summary

Proposal	Request
California Apprenticeship Initiative Program Flexibility	Transition the California Apprenticeship Initiative from a competitive grant program to a flexible categorical funding model that provides ongoing support for apprenticeship capacity, employer engagement, and statewide program expansion.
Distance Education Access for Incarcerated Students	Authorize cross-enrollment in distance education for incarcerated students, allowing them to enroll in courses offered by other community colleges to complete their education.

Proposal	Request
Economic and Workforce Development Program Modernization	Modernize the Economic and Workforce Development Program through statutory updates that strengthen regional coordination.
Streamline Legislative Reporting Requirements	Enact targeted statutory changes to modernize legislative reporting requirements by aligning reporting cycles with program implementation timelines and ensuring reporting requirements reflect available data.

APPENDIX A: SHARED ADVOCACY REQUEST PROCESS

Existing law requires the Board of Governors, in consultation with institutional representatives of the California Community Colleges and statewide student, faculty and staff organizations, to develop criteria and standards for the purpose of making the annual budget request for the California Community Colleges to the Governor and the Legislature.

In May, the Chancellor's Office began the process to develop the 2027-28 Board of Governors' Budget and Legislative Request by asking Consultation Council partners, system constituents, and Executive leadership to submit concepts for inclusion. On August 10, the Chancellor's Office invited Consultation Council members to attend a working session to discuss the proposals. During the workshop, members reviewed and provided feedback on proposals. Consultation Council members were also invited to provide feedback via a survey. This document reflects feedback provided throughout the consultative process; therefore, it is the intent that this Request serve as the primary framework for coordinated advocacy for all California's community colleges.

In the context of fiscal uncertainty, this Shared Advocacy Request presents a forward-thinking approach that focuses on advancing the three Strategic Directions of Vision 2030:

- Equitable Baccalaureate Attainment;
- Equitable Workforce and Economic Development; and
- Generative Artificial Intelligence and the Future of Learning.

APPENDIX B: CORE RESOURCES BUDGET REQUEST

Base funding is essential to sustaining progress under Vision 2030 and maximizing the state's recent investments in the California Community Colleges. Stable, ongoing resources strengthen institutional capacity and enable colleges to continue advancing student success while meeting the evolving needs. Additionally, continued investment in core resources allows campuses to build on recent gains, thereby contributing to sustainable, long-term progress.

Student Centered Funding Formula and Base Adjustments

Enrollment Growth

Community colleges have made remarkable progress in rebuilding enrollment since the pandemic, with enrollment at nearly 2.3 million students, and growth occurring across nearly every student demographic. The 2026-27 State Budget made significant progress toward supporting this recovery by providing $153.1 million ongoing across the 2025-26 and 2026-27 fiscal years to fund a combined 2.5% enrollment growth and by adopting the Board of Governors' proposal to calculate credit FTES using the higher of actual enrollment or the three-year average. These actions ensure that funding more accurately reflects current enrollment trends and provides colleges with more timely resources to serve students.

While these investments represent an important step forward, systemwide enrollment growth continues to exceed available funding. Districts have increased enrollment through multiple access points, including dual enrollment, outreach to stopped-out learners, credit for prior learning, apprenticeships, career education, noncredit programs, and more. Without sufficient funding, districts will face difficult choices that potentially limit access, delay course availability, constrain student support services, and reduce their ability to respond to regional workforce needs. Ongoing state support that keeps pace with rising demand will enable colleges to hire faculty and staff, increase course offerings, and provide the academic and support services needed for students to thrive.

To ensure our open access mission remains a reality for every prospective student, we request **$134.8 million ongoing Proposition 98 General Fund** to support 1% enrollment growth in the current year (2026-27) and an additional 1% enrollment growth in the

budget year (2027-28), for a combined total of 2% enrollment growth. By fully funding the true amount of enrollment, the state will ensure that colleges are not inadvertently disincentivized from successfully expanding access and have the resources to continue serving every learner seeking an affordable pathway to higher education, workforce training, and economic mobility. Updated estimates of actual enrollment growth in 2026-27 will be provided following the 2026-27 First Principal Apportionment in February 2027.

We also request statutory changes to remove the 10% growth cap, a limit that prevents over cap districts from being fully resourced so they can appropriately continue serving all students. Because the annual state budget already determines the statewide level of funded enrollment growth, the separate statutory limitation on district-level growth creates an additional fiscal constraint. Eliminating the cap would provide greater flexibility for districts experiencing rapid enrollment increases. Based on the growth-related need identified during the 2025-2026 Second Principal Apportionment, we estimate this policy change could result in an annual cost of **$21.4 million ongoing Proposition 98 General Fund.**

Statewide Student Success and Equity Initiatives

California's students bring diverse experiences, cultures, and aspirations to our system, but they do not all face the same barriers to educational success. Community colleges offer a diverse portfolio of statewide equity initiatives that provide culturally responsive and inclusive academic and nonacademic support for students who have been historically marginalized. While each program is designed to address the unique experiences and barriers of the students they serve, they represent an inclusive and comprehensive strategy to advancing student equity. Collectively, these statewide networks expand access to wraparound supports that help students persist, complete their educational goals, and enter California's workforce.

While existing resources support baseline strategies, they are insufficient to drive the institutional innovation needed to implement evidence-based models at scale. Now, more than ever, at a time of growing enrollment and uncertainty surrounding federal grants, colleges need integrated systems, partnerships, and student support models that can braid multiple funding sources to provide comprehensive, fiscally sustainable services.

The Board of Governors requests funding to systemize and expand all proven statewide equity initiatives, including but not limited to **$60.8 million one-time and $37 million ongoing Proposition 98 General Fund** for the programs listed in table below. Of the specified programs, we request that the Administration prioritize the initiatives included in the 2026-27 Shared Advocacy Request, which proposed increased funding levels for A^{2}MEND, Umoja, and Veterans Resource Centers. We also request a 3% set-aside from each of these programs for the Chancellor's Office to provide guidance and technical assistance.

These investments will help build lasting institutional structures by allowing colleges to develop staff expertise through professional development, embed effective practices into campus operations, coordinate holistic academic and student supports, and build durable partnerships that expand culturally responsive pathways to persistence, transfer, completion, and workforce. Additional funding will ensure that every learner, regardless of background or life experience, has an equitable opportunity to succeed and develop a sense of belonging.

Program	Funding Requested	Purpose of Funding
African American Male Education Network and Development (A^{2}MEND)	$10 million ongoing	Additional funding would help campuses strengthen promising practices including counselor engagement, transfer and dual enrollment planning, academic progress monitoring, and culturally affirming programming. We also request technical updates to the budget bill language, including removal of the 50-college program cap.
Asian American, Native Hawaiian, Pacific Islander Student Achievement Program (AANPI SAP)	$800,000 one-time	Launch a Promise Pathway Pilot to connect dual enrollment and outreach, provide a culturally responsive summer leadership experience, workforce experiences, and ultimately transfer pathways.
Native American Student Support and Success Program	$60 million one-time	This funding will provide a five-year investment to sustain the 20 existing programs and expand to 20 additional colleges, allowing more colleges to establish dedicated personnel, intentional tribal relationships, holistic academic and student supports (including dual enrollment) and peer leadership structures.

Program	Funding Requested	Purpose of Funding
Umoja	$1 million ongoing	Modernize and expand Umoja by establishing programs at up to 10 additional campuses, increasing capacity at existing programs, developing dual enrollment pathways, improving data infrastructure, and strengthening tutoring, mentoring, mental health, and workforce supports.
Veterans Resource Centers	$26 million ongoing	Increased funding would provide the staffing capacity necessary to move beyond compliance and deliver the comprehensive, wraparound academic, career, mental health, and student support services the more than 98,000 community college veterans and military-connected students.
Totals	$60.8 million one-time Proposition 98 General Fund $37 million ongoing Proposition 98 General Fund	

Categorical Programs and Cost-of-Living Adjustments

The California Community Colleges administer more than 40 ongoing categorical programs that are fundamental to advancing statewide goals for access and success. These programs not only provide targeted support for students with the greatest needs, but they also strengthen workforce preparation. Over the past several years, the Legislature has made significant investments to establish new programs and expand student services. Colleges have built the staffing, systems, and infrastructure necessary to implement these initiatives, making sustained funding essential to protecting the state's investments.

While the 2026-27 State Budget provided important cost-of-living adjustments for a subset of categoricals, many other programs face growing workload and funding pressures. As inflation increases operating costs, one-time resources expire, and student participation grows, districts are increasingly turning to unrestricted general funds to maintain these programs' service levels, reducing resources available for instruction and other core operations.

The Board of Governors requests cost-of-living adjustments (COLAs) for all ongoing categorical programs and targeted augmentations for programs with documented structural funding shortfalls resulting from increased demand, expanded statutory

responsibilities, or rising operating costs, which are noted in the table below. Consistent and predictable support for categorical programs maintains the state's prior commitments, preserves colleges' capacity to deliver high-quality services, and ensures that students continue to receive timely academic and support services. Estimated program funding needs will be provided to the Administration in Fall 2026. Additionally, we request the COLA be applied to the Student Centered Funding Formula, consistent with existing statutory requirements.

Program	Justification for Additional Funding
Academic Senate for California Community Colleges	ASCCC's operational funding has remained unchanged despite increasing responsibilities to support statewide curriculum, transfer, professional development, and implementation of major legislative initiatives.
Basic Needs Centers	Increasing numbers of students are relying on campus basic needs services as the cost of living continues to rise and federal changes under H.R. 1 place additional financial pressures on low-income students.
California College Promise (AB 19)	Current appropriations are insufficient to fully fund fee waivers for eligible first-time, full-time students.
Integrated Technology	Ongoing technology investments have not kept pace with rapidly evolving cybersecurity threats, AI, enterprise software, and digital infrastructure needs.
Part-Time Faculty Office Hours Program	Current appropriations are insufficient to reimburse districts at the 90% statutory rate, limiting equitable access to faculty supports outside the classroom.
Related and Supplemental Instruction	Existing funding levels have not kept pace with program demand, limiting colleges' ability to expand apprenticeship and workforce training opportunities that respond to regional labor market needs.
Student Financial Aid Administration	Funding has remained essentially flat for more than two decades despite substantial increases in financial aid recipients, new state and federal program requirements, and significantly greater administrative workload.
Student Success Completion Grant	Expanded eligibility and higher award amounts have outpaced available funding, forcing many colleges to reduce awards or deny grants to otherwise eligible students.

Resources for Implementation of Legislative Mandates and Budget Priorities

While this Shared Advocacy Request generally focuses on our system’s allocation of resources, it also highlights the need for critical investments to build capacity within the Chancellor’s Office to facilitate the implementation of recently enacted bills. While the

Governor considers action on 2026 state legislation, the Chancellor's Office intends to pursue the resources necessary to carry out any new policies and educational reforms.

In addition, the Chancellor's Office will submit a request for positions to ensure sufficient capacity to implement the priorities outlined in this Request and in the Governor's January budget proposal. Without these resources, the essential work of driving innovation, transformation, and continuous improvement across the system will be absorbed into existing staff responsibilities, risking uneven implementation and potential misalignment with the Administration's core objectives. As we finalize our positions request for budget and legislative implementation, we request the Administration consider setting aside $2 million General Fund in the Governor's Budget for additional Chancellor's Office capacity.

Investments in District Capacity

Affordable Student Housing Lease Revenue Bond

California's affordable housing crisis continues to threaten student success and the state's long-term economic vitality. Nearly 60% of California community college students have experienced housing insecurity and nearly one in five have experienced homelessness. Housing instability disproportionately affects low-income students, parenting students, foster youth, veterans, working adults, and other historically underserved populations, creating significant barriers to enrollment, persistence, and completion. Expanding affordable student housing advances Vision 2030 by reducing the total cost of attendance, improving student outcomes, and expanding equitable access to higher education.

The Legislature has made significant progress through the Higher Education Student Housing Grant Program established by Senate Bill 169 (2021) and the statewide lease revenue bond financing authorized by Senate Bill 155 (2024), which is supporting 11 community colleges in constructing housing projects. The Chancellor's Office recently received 19 additional affordable student housing applications, requesting approximately $1.3 billion in state funding to construct nearly 3,800 new student beds. This demonstrates that demand for affordable student housing continues to far exceed available resources.

The Board of Governors supports providing authority to fully deploy any remaining capacity under the SB 155 statewide lease revenue bond program by reallocating unexpended bond authority to additional eligible community college projects. While this action would maximize the state's existing investment and allow several additional projects to move forward without requiring new appropriations, available funding will address only a portion of the documented need. Therefore, we continue to request authorization for a second statewide lease revenue bond or another state financing mechanism to support affordable student housing projects. This request would likely require a future ongoing General Fund investment of between **$60 to $70 million General Fund annually** to reflect the rents needed to support the associated bond capacity. Updated funding estimates, scoring rankings, and financing options will be provided to the Administration in Fall 2026.

Campus-Based Microgrids

California's community colleges are among the state's most accessible public institutions, serving as centers for education, workforce training, student services, and community in every region of California. During wildfires, extreme heat, floods, power outages, and other emergencies, many colleges have also become trusted gathering places for their communities, providing shelter, information, and continuity when other public services are disrupted. With the right investments in renewable energy sources, our campuses can serve as natural community hubs during emergencies, providing shelter, power, and essential services.

We request **$45 million one-time from Proposition 4 (2024)** to establish a grant program that supports the development of microgrids on California Community Colleges' campuses. Microgrids are localized energy systems that can operate independently from the main grid during power outages, increasing energy efficiency, reducing greenhouse gas emissions, and integrating renewable energy sources. Colleges equipped with microgrids can serve as community resilience hubs, offering shelter, power, and essential services during emergencies, an important step in advancing community engagement and enabling colleges to lead by example in the clean energy transition. These systems also offer hands-on learning opportunities for students in high-demand fields such as clean energy technology, engineering, and environmental science, preparing students for the green and blue economy jobs of the future.

Deferred Maintenance

California's community colleges oversee an extensive infrastructure network, spanning more than 6,000 buildings across 115 physical campuses, 83 approved off-campus centers, and 24 separately reported district offices. The 2026-27 State Budget provided $120.7 million one-time for deferred maintenance and instructional equipment, reaffirming the state's commitment to preserving these critical assets. However, as facilities continue to age and construction costs increase, the need to maintain safe, modern learning environments and replace outdated instructional equipment continues to grow. The 2026-27 Five-Year Capital Outlay Report estimates that systemwide deferred maintenance needs now exceed $2.2 billion.

To continue making progress in addressing this backlog, we request **$60 million ongoing Proposition 98 General Fund** for deferred maintenance and instructional equipment. This investment will help colleges preserve existing facilities, protect prior state and local capital investments, and provide students with high-quality environments and industry-standard equipment needed to prepare for California's innovative economy.

APPENDIX C: EQUITABLE BACCALAUREATE ATTAINMENT BUDGET REQUEST

One of Vision 2030's clear goals is to create seamless educational pathways from high school through community college, transfer, and finally, to baccalaureate degree completion. Strengthening this continuum through strategic investments will enable more seamless student pathways and help more Californians successfully complete a bachelor's degree.

California Early College Demonstration Initiative Phase II

The 2026-27 Budget Act included a $10 million investment to launch the California Early College Demonstration Initiative (CECDI), a regional demonstration effort focused on designing, implementing, and evaluating comprehensive dual enrollment and early college systems through partnerships between local educational agencies and community college districts. While the initial investment supports a limited number of participating regions, the initiative is intended to generate practical lessons about the policies, structures, and supports needed to implement comprehensive early college pathways at scale.

CECDI builds on more than a decade of experience with College and Career Access Pathways (CCAP) partnerships and other successful dual enrollment models across California. Drawing from these efforts, the initiative seeks to identify and institutionalize promising practices, reduce unnecessary variation in implementation, and develop a more coherent statewide approach to dual enrollment and early college.

To support "Phase II" of CECDI and expand participation beyond the initial demonstration regions, we request **$24 million one-time Proposition 98 General Fund**. Funding would support the planning, implementation, and expansion of comprehensive early college pathways; strengthen coordination between K-12 and community college partners; enhance student outreach, onboarding, advising, and academic support services; support faculty collaboration and pathway design; improve data collection and reporting capacity; and expand access to dual enrollment and early college opportunities for students. This investment would enable additional regions to implement and refine

comprehensive early college models while building the evidence, capacity, and infrastructure needed for future statewide expansion.

The California Community Colleges have demonstrated a strong track record of successfully implementing major dual enrollment initiatives, including the CCAP program and other dual enrollment authorities. As participation has expanded statewide, so too have the responsibilities of the Chancellor's Office. Pursuant to Education Code Section 76004, every CCAP partnership agreement must be filed with the Chancellor's Office before implementation, and the Chancellor is authorized to void any agreement that does not comply with the intent and requirements of the statute. This responsibility creates an ongoing statewide obligation to review agreements, provide oversight, support compliance, identify implementation challenges, and promote effective practices across districts. Yet no state funding has ever been provided to support these implementation, oversight, technical assistance, accountability, and continuous improvement responsibilities.

Therefore, we request **$1.5 million ongoing Proposition 98 General Fund** to support statewide implementation, technical assistance, evaluation, and professional learning. Funding would support implementation coaching, communities of practice, resource and toolkit development, dissemination of promising practices, cross-regional collaboration, evaluation activities, and coordination among participating districts and partners. These resources will help ensure consistent implementation across regions, document effective practices, and support the development of scalable models that can inform future statewide policy and investment decisions.

Transfer Success Initiative

For most Californians seeking a bachelor’s degree, community college transfer is a primary pathway to economic opportunity. Yet a 2024 California State Auditor’s report found that only about 21% of students who entered community college intending to transfer did so within four years. Among those who did not transfer, approximately 96% never applied to a California State University (CSU) or University of California (UC), even though nearly 131,000 had accumulated at least 60 transferable units and nearly 16,000 had earned an Associate Degree for Transfer (ADT).

California has invested significantly in transfer reform through the ADT, Common Course Numbering, Cal-GETC, and the Common Cloud Data Platform. The next step is making these reforms work more effectively for students**.** We request **$20 million one-time Proposition 98 General Fund** to establish the Transfer Success Initiative. Of this amount we request 5% be set aside to support Chancellor's Office coordination, implementation, data analysis, and evaluation, with $19 million directed to colleges. The $19 million would strengthen processes within existing Transfer Centers through smart technologies and AI capabilities that help identify transfer-intending students, track progress, flag critical milestones, and connect students with timely support. Funding would also strengthen existing transfer pathways and develop new pathways that expand opportunities for students to complete a bachelor's degree.

The goal is to use the infrastructure California has already built, strengthen the pathways available to students, and make transfer easier to navigate and complete.

Program Pathways Mapper

As students attend multiple colleges, pursue transfer, and balance education with work and family responsibilities, clear and connected academic pathways have become essential to student success. With nearly 45% of students enrolling at more than one college during their educational journey, information about degree requirements, transfer pathways, and career opportunities often remains fragmented across institutions and districts, making it difficult for students to identify the most efficient route to their educational goals. This complexity contributes to excess unit accumulation, delayed completion, and barriers to successful transfer. Program Pathways Mapper (PPM) addresses this critical challenge by serving as the community colleges' statewide, faculty-approved digital platform that connects programs, coursework, transfer opportunities, and career outcomes through a single student-centered experience.

PPM has served more than 1.3 million students cumulatively and nearly 80% of California Community Colleges, with growing participation from the CSU and UC. PPM supports Cal-GETC and Common Course Numbering, providing the digital infrastructure needed to connect California's transfer reforms into a seamless student experience. While the initial investment supported the design and establishment of the platform, ongoing resources are needed to complete statewide implementation, onboard the remaining colleges and

university partners, maintain accurate pathway information, and continuously improve the platform as educational policies and programs evolve. With a strong foundation already in place, the next phase is ensuring equitable statewide implementation.

We request **$6.7 million one-time and $6 million ongoing Proposition 98 General Fund** to sustain, expand, and modernize Program Pathways Mapper as California's statewide digital infrastructure for educational planning. The one-time investment will complete the phase-in stage across all public higher education segments, onboard the remaining institutions, and expand faculty-approved pathway maps to create a truly statewide student experience, while ongoing funding will ensure that pathways remain current as curriculum, transfer requirements, and degree programs evolve. By supporting continuous integration with statewide student-facing systems and providing the long-term operational capacity needed to maintain PPM as a reliable, state-owned platform, California will reduce reliance on proprietary commercial systems, ensuring that future policy reforms can be implemented efficiently across California's higher education ecosystem.

APPENDIX D: EQUITABLE WORKFORCE AND ECONOMIC DEVELOPMENT BUDGET REQUEST

California's economic future depends on expanding opportunity and connecting more residents to quality careers. Community colleges are uniquely positioned to connect learners with high-quality careers and creating pathways to family-sustaining jobs. At the same time, continued investment in workforce programs will position more Californians to participate in and benefit from the state's economic growth.

Strong Workforce Program Restoration

The Strong Workforce Program is California Community Colleges' primary investment in workforce education, providing the foundation for career technical education, employer partnerships, regional workforce planning, and work-based learning aligned with regional labor market needs. As California continues to strengthen its talent pipeline for high-demand industries, colleges must have the capacity to not only prepare students for employment but also connect them to meaningful careers through coordinated employer engagement, career navigation, and paid work-based learning experiences. While the Strong Workforce Program is a significant workforce investment in our students, recent funding shifts have reduced the program's flexibility to respond to regional workforce priorities.

We request **$60 million one-time Proposition 98 General Fund** over the next two fiscal years to fully restore the Strong Workforce Program to its base funding level from the 2023-24 State Budget. While the Rebuilding Nursing Infrastructure (RNI) Grant Program will help address California's severe nursing shortage, the reduced level of resources available for the core Strong Workforce Program creates some geographic and demographic inequities due to the distributional effects associated with program resource availability in different regions of the state. Each college has received approximately a 20% reduction in Strong Workforce grant funding, despite rising costs and varying regional workforce demands. Restoring the Strong Workforce Program to its current level and separately funding the RNI program will empower colleges to be agile and responsive to their communities and learners, support equitable workforce development across the state, and foster the collaboration necessary to advance the state's workforce goals.

Employer Tax Credit Pilot Program

The Board of Governors has identified paid, high-quality work-based learning as an important strategy for improving student success and economic mobility, but our experience is that expanding internships at scale requires substantially greater employer incentives to further participation. Research indicates that structured work experiences are associated with stronger academic engagement, clearer career goals, persistence, and employment outcomes, while internships also help students build professional networks and social capital that can be especially valuable for first-generation and historically underserved students. At the same time, employers increasingly place a premium on prior work experience, making employer partnerships and meaningful workplace experiences critical as the nature of work evolves.

We request **$1.5 million one-time General Fund per year for three years** for the California Community Colleges to establish an Employer Tax Credit Pilot Program. This proposal requests the tax credit be structured in such a manner that it would not impact the computation of the Proposition 98 minimum guarantee. The three-year pilot would test whether a targeted employer incentive can expand access to paid, credit-bearing internships, particularly among small and midsize employers that may otherwise lack the capacity to participate. Beginning with 10 colleges, the pilot would target at least 50 employers and 100 paid internships annually and would be evaluated to determine whether the credit attracts new employers, creates internships that would not otherwise exist, encourages future student and employer participation, and improves student completion and employment outcomes. The results of this pilot would establish an evidence base for determining whether future investments should be pursued to create a broader employer tax credit and inform what level of incentive is necessary to sustain employer participation.

The pilot is intended to provide participating employers with a tax credit equal to 50% of eligible student wages, while employers would continue to fund no less than the remaining half.

Internship Demonstration Project

California's community colleges offer work-based learning through a range of programs and employer partnerships, but these opportunities are not consistently integrated into

academic and career pathways. A planned internship demonstration model will test the establishment of a model for how colleges can better connect academic programs, career services, and regional employer partnerships to create more consistent access to paid, career-aligned internships. This pilot will build on existing work-based learning efforts while strengthening institutional structures to expand student participation and align internships with career education pathways.

We request **$5 million one-time Proposition 98 General Fund** to scale the recently established Internship Demonstration Project across roughly 10 districts throughout the system. This investment would provide pilot colleges with dedicated resources to strengthen student participation, deepen employer partnerships, and develop sustainable approaches for integrating paid internships into career education pathways. Funding would also support pilot colleges in examining the data, technology, and institutional structures needed to coordinate opportunities and understand student and employer outcomes, ensuring work-based learning become an intentional part of the college experience.

Apprenticeship Degree Pathways Demonstration Project

Registered apprenticeships are one of California's most effective workforce strategies, combining paid employment with classroom instruction to prepare students for high-demand careers. Yet apprenticeship and higher education often operate as separate systems, limiting opportunities for apprentices to earn college degrees that recognize their learning and support long-term career advancement. As California expands apprenticeship opportunities across healthcare, transportation, construction, clean energy, public service, and other critical industries, stronger alignment between apprenticeship and community college degree pathways will enable more working learners to earn stackable credentials that translate into greater economic mobility and educational attainment.

We request **$25 million one-time Proposition 98 General Fund** to establish the Apprenticeship Degree Pathways Demonstration Project. This demonstration project would support the development and validation of statewide models that align registered apprenticeship programs with community college associate degrees while identifying pathways into baccalaureate attainment. Through regional partnerships with

apprenticeship sponsors, employers, labor organizations, colleges, and state agencies, the pilot will support curriculum alignment, credit for prior learning, degree mapping, and technical assistance that recognize apprenticeship learning, align on-the-job training with academic credit, and create stackable educational pathways for working learners.

By connecting education and employment through an integrated earn-and-learn pathway, the initiative is designed to produce scalable models that can be replicated across California's high-demand industries. It will establish a blueprint for strengthening educational mobility while preparing a highly skilled workforce that meets California's evolving economic needs.

APPENDIX E: THE FUTURE OF LEARNING AND GENERATIVE ARTIFICIAL INTELLIGENCE BUDGET REQUEST

California Community Colleges must build the infrastructure necessary to ensure students, faculty, and colleges can effectively participate in an increasingly AI-driven economy. While AI presents significant opportunities to improve teaching, learning, student services, and operational efficiency, realizing these benefits requires coordinated investments in statewide and local infrastructure. Without a deliberate strategy, colleges will adopt AI unevenly, creating disparities in access, capacity, cybersecurity, and student outcomes across regions and communities.

To support equitable, secure, and effective AI adoption across the system, California Community Colleges seek investments in three interconnected areas: workforce capacity and professional learning, shared technology and cybersecurity infrastructure, and local innovation that can be scaled statewide.

Innovative Teaching and Artificial Intelligence Professional Development

Low-income, first-generation, and underrepresented students face the greatest risk when AI preparation varies across colleges and regions. Extending tailored professional development to all faculty, including part-time faculty and classified staff, will assist in minimizing likely regional and institutional equity gaps. As the state's largest provider of workforce education, community colleges must ensure faculty, staff, and administrators have the capacity to thoughtfully integrate AI into teaching, learning, and technology functions while preparing students to succeed in an increasingly AI-fueled workforce.

We request **$10 million one-time and $30 million ongoing Proposition 98 General Fund** to launch AI professional development and literacy efforts. This investment will establish the human infrastructure necessary for responsible AI adoption across California Community Colleges by creating shared statewide resources, professional learning systems, and local capacity to effectively integrate AI into teaching, learning, student services, and institutional operations. Specifically, funds would help establish a centralized professional learning portal, accessible AI literacy modules, foundational data governance and ethical frameworks, and comprehensive guidance that support responsible implementation across the system. Coordinated through the Chancellor's

Office and the statewide AI Professional Development Council, this initiative will provide consistent leadership, professional learning, and implementation support so that all colleges can benefit from shared expertise rather than developing independent approaches.

Ongoing funding will sustain long-term institutional capacity by providing stipends for full- and part-time faculty and classified professionals to redesign curriculum, modernize assessment, develop discipline-specific instructional practices, and participate in ongoing professional learning. It will also support continuous updates to AI literacy resources, statewide evaluation of effective practices, and ongoing coordination to ensure colleges remain responsive as AI and instructional practices continue to evolve.

By establishing a coordinated statewide approach and ensuring every educator has access to high-quality professional learning, we better prepare students with the knowledge, skills, and competencies needed to thrive in an economy where AI literacy is increasingly essential for educational success, career advancement, and lifelong learning.

Technology Interoperability Block Grant

Technology is now essential to teaching, learning, student services, and the day-to-day operations of our colleges. Districts must continually invest in software, hardware, cloud services, cybersecurity, and data infrastructure while responding to emerging challenges such as financial aid fraud and rapidly evolving AI technologies. These pressures will increase as SB 122 (2026) expands California's sales and use tax to software and Software-as-a-Service (SaaS) beginning January 1, 2027, adding a new recurring cost to technology contracts used by colleges and the Chancellor's Office.

At the same time, California has invested in statewide technology infrastructure designed to make the community college system easier for students to navigate and better connected to education and employment. The next step is ensuring that every district has the resources and connectivity to fully participate in these systems. We request **$100 million one-time Proposition 98 General Fund** for a Technology Interoperability Block Grant. We further request that 5% of the funding be allocated to support coordination and statewide implementation, with $95 million distributed to districts.

Funding would help districts maintain essential technology and cybersecurity while connecting local systems to statewide infrastructure, including the Common Cloud, Career Passport, Mapping Articulated Pathways, and Program Pathways Mapper. It would also support smart technologies and AI capabilities that advance interoperability and the technology needed to capture and track apprenticeships, internships, and other work-based learning experiences through common platforms. Although the funding would flow primarily to districts, the purpose is statewide: give colleges the resources to participate in an integrated technology ecosystem where information can follow students across colleges, programs, credentials, transfer pathways, apprenticeships, internships, and employment.

The goal is to maintain the technology colleges need today while connecting the statewide infrastructure California needs for tomorrow.

Shared Agentic Artificial Intelligence Enablement Infrastructure

California's community colleges currently lack shared AI capabilities, creating a risk that each technology system or application will implement inconsistent approaches that cannot be effectively scaled. Rather than developing separate siloed AI capabilities within each statewide platform, we request a modest investment of approximately **$6 million one-time and $3 million ongoing Proposition 98 General Fund** to establish a shared agentic AI enablement layer for the California Community Colleges' statewide technology ecosystem.

This investment would support the establishment of common infrastructure, services, governance, and technical capacity that can be integrated across systems such as the Common Cloud Data Platform, CCCStart, Career Passport, and other Chancellor's Office technology platforms. The architecture would support the development of a coordinated set of Chancellor's Office AI agents and services that can operate across platforms while also being embedded within individual applications where appropriate.

This shared approach would avoid duplicative development, improve future interoperability, support strengthened security and governance, and allow future AI capabilities to be deployed more rapidly across the statewide technology portfolio. This represents a focused, achievable infrastructure investment that builds upon existing modernization efforts while helping move away from siloed platform development. This

capability is also expected to increase the Chancellor's Office's ability to connect disparate systems, extract greater value from the data sets it maintains, automate appropriate cross-system processes, and provide more integrated services to students, colleges, and staff.

Artificial Intelligence Workflows for Operational Efficiency and Classroom Success

California's community colleges currently face a fragmented and increasingly costly AI environment, with individual colleges and technology systems relying on commercial platforms or developing separate capabilities that are difficult to secure and maintain across the system. Without shared infrastructure, the system risks creating inconsistent approaches to responsible AI adoption. At the same time, commercial enterprise AI solutions are increasingly expensive to deploy at scale.

To address these challenges, we request **$9 million one-time and $12 million ongoing Proposition 98 General Fund** to establish an intersegmental artificial intelligence partnership with UC San Diego (UCSD), the San Diego Supercomputer Center (SDSC), and Corporation For Education Network Initiatives In California (CENIC), expanding access to the CENIC AI Resource (CENIC AIR) to all community colleges. The one-time capital investment would fund inference-optimized AI hardware within CENIC AIR, granting all 116 community colleges access to sovereign supercomputing infrastructure powering California's top research institutions. This would also enable similar AI workloads to be processed at a fraction of the cost of commercial solutions, addressing the data-scraping and privacy concerns inherent in vendor platforms. The ongoing funding would support the hosting, power, staffing, and maintenance required to sustain the infrastructure, along with the systems engineering, technical training, platform integration, and governance needed to operationalize it systemwide.

The shared infrastructure would create a common foundation for responsibly deploying and evaluating AI applications in teaching and learning. For example, faculty-vetted AI tutoring tools have demonstrated the potential to improve student outcomes, including reducing failure rates in foundational mathematics from 35% to 11%. A shared infrastructure model will help scale these applications securely and equitably across the system.

Artificial Intelligence Innovation Fund

While statewide professional learning provides the foundation for responsible AI adoption, innovation often begins at the local level where faculty, staff, and college leaders develop solutions to address the unique needs of their students and communities. California's community colleges have a long history of transforming locally developed innovations into statewide models that improve student success, educational access, and institutional effectiveness. However, colleges currently lack a dedicated funding source to pilot, evaluate, and scale emerging AI applications before they become broader system investments.

To accelerate responsible innovation, we request **$25 million one-time Proposition 98 General Fund** to establish the Artificial Intelligence Innovation Fund. Administered by the Chancellor's Office, this fund would provide competitive grants to districts and regional partnerships to pilot AI applications that may improve teaching, learning, student success, and institutional effectiveness. The Innovation Fund grants would support the development of open-source solutions, cross-functional collaboration, and rigorous evaluation so that successful innovations can be replicated across the system rather than developed independently by individual institutions.

This proposal builds on a proven state model. California's 2015 Higher Education Innovation Awards demonstrated that relatively modest seed investments can produce transformative statewide results. Bakersfield College's Program Pathways Mapper, initially supported through a $1 million innovation award, ultimately evolved into California's statewide transfer mapping platform following additional state investments.

Similarly, the AI Innovation Fund would allow participating colleges to develop, test, and refine promising AI applications while the Chancellor's Office evaluates outcomes, disseminates effective practices, and identifies innovations appropriate for broader statewide implementation. By creating a structured pathway from local innovation to statewide adoption, the Artificial Intelligence Innovation Fund will encourage collaboration across the system, accelerate the responsible use of AI, and position community colleges to remain at the forefront of educational innovation while improving student success and workforce preparation.

In closing, these five investments establish the human, technical, and innovation infrastructure necessary for responsible AI adoption across California Community Colleges. The professional development initiative builds workforce capacity, the Artificial Intelligence and Cybersecurity Initiative creates shared statewide computing infrastructure, and the Artificial Intelligence Innovation Fund supports locally developed solutions that can be evaluated and scaled across the system. By combining state-level infrastructure with local implementation and innovation, these proposals will ensure all colleges, regardless of size or resources, can participate in the responsible use of AI while strengthening student success, workforce preparation, cybersecurity, and institutional effectiveness.

APPENDIX F: CHANCELLOR'S OFFICE CAPACITY BUDGET REQUEST

The Chancellor's Office serves as the backbone of the California Community Colleges system, providing the leadership and infrastructure needed to drive statewide priorities and support institutional success. In recent years, the scope and complexity of these responsibilities have grown substantially, driven by increasing statewide and national demands for greater accountability, innovation, data capacity, and measurable student outcomes. To meet these demands, we request 18 new permanent positions and **$3.3 million ongoing General Fund** to provide timely guidance to colleges, strengthen oversight of public investments, support continuous improvement, and scale innovative practices that improve student outcomes.

Division	Overview of Division	Justification for New Positions
College Finance and Facilities Planning Division	The College Finance and Facilities Planning Division oversees the fiscal and facilities policies that govern the distribution and stewardship of state resources to community colleges, including Proposition 98 and capital outlay investments.	We request three (3) positions to strengthen ongoing fiscal oversight of Proposition 98 resources, ensure compliance with audit findings, and maintain the timely and accurate distribution of billions of dollars in state funding.
Climate Unit	The proposed Climate Unit would coordinate the system's response to California's climate and clean energy priorities, connecting institutional resilience, facilities, workforce development, instruction, and community partnerships.	We request four (4) positions to establish dedicated capacity to move the system from climate planning to implementation, helping colleges access investments, implement projects, develop climate workforce pathways, and coordinate efforts across the system.
Educational Services and Support Division	The Educational Services and Support Division advances student success by supporting high-quality instruction, academic pathways, student services, and systemwide initiatives that improve access, persistence, completion, and transfer.	We request two (2) positions to strengthen implementation of key student success priorities, provide sustained coordination and technical assistance to colleges, and ensure the system can translate recent investments and policy changes into improved student outcomes.

Division	Overview of Division	Justification for New Positions
Information, Security, Technology and Innovation Division	The Information, Security, Technology and Innovation Division leads efforts to modernize the system's technology, data, cybersecurity, and digital infrastructure and ensure these tools support student success and system operations.	We request three (3) positions to provide the specialized capacity needed to implement and secure increasingly complex statewide technology and data systems, protect existing investments, and respond to growing cybersecurity and privacy risks.
Office of Civil Rights	A new Office of Civil Rights within the Chancellor's Office would provide centralized systemwide leadership, guidance, and accountability to help colleges consistently meet their federal and state civil rights and Title IX obligations.	We request four (4) positions to establish dedicated capacity for ongoing compliance monitoring, technical assistance, training, reporting, and implementation of existing civil rights requirements across the system.
Workforce and Economic Development	The Workforce and Economic Development Division advances career education and workforce development by connecting colleges with employers, industry, labor, and workforce partners and aligning programs with evolving regional and statewide economic needs.	We request two (2) positions to strengthen administration and coordination of existing workforce investments and expand the system's ability to align regional partnerships, programs, and resources with California's changing workforce needs.

APPENDIX G: POLICY REQUEST DETAILS

California Apprenticeship Initiative Program Flexibility

Registered apprenticeships provide students with a direct pathway to high-quality careers by combining paid employment with classroom instruction and industry-recognized credentials. While the California Apprenticeship Initiative has successfully expanded registered apprenticeship opportunities through competitive grants, access remains uneven across the state, with many colleges lacking the capacity to develop and sustain apprenticeship programs. Dedicated apprenticeship personnel at colleges would cultivate employer partnerships, navigate the apprenticeship registration process, coordinate student recruitment and support services, and improve program implementation. We support policy changes that would transition the initiative to a flexible categorical program, enabling the Chancellor's Office to strategically invest in institutional capacity.

Distance Education Access for Incarcerated Students

Access to higher education should not depend on where a student is incarcerated. Although the Rising Scholars Network has significantly expanded educational opportunities in California's prisons, students often cannot complete their programs because required courses are unavailable at their home college. We support policy changes that would expand cross-enrollment in distance education for incarcerated students, enabling them to access courses offered by other community colleges, thereby strengthening pathways to successful transfer, workforce, and reentry.

Economic and Workforce Development Modernization

We seek to modernize the Economic and Workforce Development (EWD) Program through targeted statutory updates that strengthen regional coordination, improve alignment with statewide workforce and economic development strategies, and enhance the program’s ability to respond to emerging industry needs. Specifically, this proposal would update existing language to support more effective employer engagement, prioritize regional sector strategies aligned with California Jobs First, K-16 Collaboratives, and workforce partners, and improve credit mobility and program responsiveness across colleges. These changes will establish a clearer, more coordinated framework for regional workforce development. Upon implementation of this updated framework, the Board of

Governors intends to pursue additional funding in future years to support full program scale and long-term sustainability.

Streamline Legislative Reporting Requirements

The Chancellor's Office is committed to providing the Legislature with timely, accurate, and meaningful information that supports evidence-based policymaking. However, several statutory reporting requirements no longer align with current data collection practices, program planning cycles, or federal privacy laws, resulting in reports that are burdensome to produce while providing limited value for evaluating long-term outcomes. We request targeted statutory changes to modernize legislative reporting requirements by aligning reporting timelines with program implementation cycles, improving data quality, and providing greater flexibility where required information is unavailable.

Specifically, we propose updating the Student Equity and Achievement Program and Strong Workforce Program reports to align with each program's local planning cycle by transitioning from annual to three and four-year reporting, respectively. We also request aligning the California Adult Education Program report with the program's required three-year consortium plans by transitioning to a triennial reporting cycle and updating statutory deadlines to reflect when complete statewide outcomes data become available. Finally, we propose targeted revisions to the Nursing Program and Dual Enrollment reporting statutes to clarify that required reports include all data that is available, reasonably obtainable, and reportable without compromising student privacy.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

The Legislative Session Is Over—What Happens Next?

BY KYLE HYLAND Copyright 2026 School Services of California, Inc. posted September 11, 2026

With the Legislature concluding its work for the 2025-26 legislative session on September 1 (see "Legislature Wraps up the 2025-26 Legislative Session" in the September 2026 *Community College Update*), attention now turns to Governor Gavin Newsom and the hundreds of bills awaiting his consideration.

The Legislature is now on final recess. Although the 2025-26 legislative session does not formally adjourn sine die until November 30, lawmakers are not scheduled to return before then unless a special session is called.

In the meantime, Governor Newsom has until September 30 to sign or veto bills sent to him after the end of session. That leaves several weeks for the Administration to work through legislation addressing nearly every major policy area in the state, including numerous measures affecting community college districts (CCDs).

How the Bill Signing Process Works

The Governor announces legislative actions through press releases that typically group bills by subject area, such as education, health care, labor, public safety, housing, and energy. Major measures may also receive individual announcements or public signing ceremonies.

Education measures are frequently included among the later batches of bills acted upon during the end-of-session signing period. As a result, CCDs should not read much into a bill remaining unsigned during the first few weeks of September, as significant education measures may remain pending until close to the September 30 deadline.

When the Governor signs a bill, it is chaptered by the Secretary of State and becomes state law. Most nonurgency statutes enacted this year will take effect January 1, 2027, although individual measures may specify a different operative date. Urgency measures and budget bills generally take effect immediately upon signature.

When the Governor vetoes legislation, the bill is returned to the Legislature with a message explaining his objections. These messages can be particularly informative because they often identify the Administration's fiscal, implementation, policy, or legal concerns and can provide guidance for pursuing similar legislation in the future.

That dynamic will be somewhat different this year. Since Governor Newsom will leave office in January 2027, legislation reintroduced next year will ultimately be considered by a new Governor and Administration that may approach the issue differently.

Newsom's Final End-of-Session Decisions

This year's signing period is notable because it represents Governor Newsom's final opportunity to consider a full slate of legislation before leaving office. His decisions over the next several weeks will help shape his final policy record in areas ranging from education and labor to housing, health care, climate, and public safety.

While the Legislature can override a gubernatorial veto with a two-thirds vote in both houses, successful overrides are exceedingly rare in California, with the last occurring in 1980. Consequently, lawmakers seeking to revive proposals rejected by Governor Newsom are much more likely to introduce new legislation during the 2027-28 legislative session than attempt an override.

What Comes Next

Governor Newsom has until Wednesday, September 30, 2026, to act on bills subject to the end-of-session deadline. With several significant education measures still awaiting action, the coming weeks will determine which proposals become law and which are vetoed.

We will provide timely updates in subsequent *Community College Update* articles on the Governor's actions, with particular focus on measures most relevant to CCDs. Stay tuned.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Annual Inflation Holds at 3.4% as Energy Pressures Continue

BY WENDI MCCASKILL, EDD

BY RAPHAEL GUZMAN

Copyright 2026 School Services of California, Inc. posted September 11, 2026

The Bureau of Labor Statistics released the latest inflation figures today, September 11, 2026, showing consumer prices rose 0.4% in August, while the annual inflation rate held at 3.4%. Core inflation, which excludes the more volatile food and energy components, increased 0.3% for the month and eased slightly from 2.5% to 2.4% over the past year. For California local educational agencies (LEAs), the current inflation figures do not affect the statutory cost-of-living adjustment (COLA) for 2026-27, which is already set at 2.87%. However, continued inflationary pressure, particularly if higher energy costs spread more broadly through the economy, could influence the price trends that ultimately affect the statutory COLA for 2027-28.

Energy Drives Much of the Monthly Increase

Energy was one of the clearest sources of inflationary pressure in August. The energy index increased 2.1%, reversing declines in June and July. The index for gasoline rose 3.9% and accounted for more than one-third of the monthly increase in the overall Consumer Price Index (CPI). Compared with a year ago, the energy index is up 16.3%, gasoline is up 27.4%, and fuel oil is up 52.0%. By comparison, core inflation was 2.4%, while prices for commodities excluding food and energy increased just 0.7%. This increase was attributed to higher prices for communication, lodging away from home, airline fares, education, and used cars and trucks. For now, the data suggest that much of the recent inflationary pressure remains concentrated in energy. The question is whether it stays there.

Oil Markets Add to the Uncertainty

Oil prices retreated today after a sharp run-up earlier in the week, with U.S. West Texas Intermediate crude falling back below $100 per barrel and Brent remaining above $100. Despite Friday's decline, both benchmarks were headed toward weekly gains of approximately 9.0% as markets continued to react to developments in the Middle East. Some pressure eased following reports of planned discussions in Oman regarding shipping through the Strait of Hormuz. At the same time, developments near another major shipping route in Yemen have added to uncertainty surrounding global shipping and energy markets.

Recent developments in Yemen, including changes in control of areas near the Bab el-Mandeb Strait, have raised additional concerns about shipping through this major international trade route. Shipping through the strait has declined substantially since disruptions began in late 2023. With shipping through the Strait of Hormuz also constrained, the developments have increased concerns about disruptions to two strategically important shipping routes and added to uncertainty in global energy markets and the economy.

What Happens Beyond Energy?

The August CPI report offers some reassurance that higher energy prices have not yet translated into broad-based acceleration in inflation. Core inflation eased from 2.5% in July to 2.4% in August. Food prices rose 2.7% from a year ago, shelter rose 3.0%, and transportation services rose 2.4%.

But sustained increases in energy costs can eventually affect the price of transporting goods, manufacturing products, operating equipment, and providing services. Persistent disruption to major shipping routes can also increase transportation and insurance costs and lengthen supply chains.

The distinction between a temporary energy-price shock and a sustained increase therefore matters. If oil prices decline as supply conditions stabilize, much of the current pressure could remain concentrated in energy and eventually dissipate. If oil remains near or above $100 per barrel for an extended period, the risk increases that higher energy costs will work their way more broadly through the economy.

The Impact on COLA

Today's CPI report does not change the statutory COLA for 2026-27. The more relevant question for LEAs is what the current inflation environment could mean for 2027-28. Importantly, California's statutory COLA is not calculated using the CPI. It is based on the annual percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services. Today's CPI report therefore should not be interpreted as an estimate of the eventual 2027-28 statutory COLA. Nevertheless, the CPI provides an important indication of the broader inflationary environment. If elevated energy prices persist and begin increasing the costs of other goods and services, those broader price pressures could ultimately affect the price index used to calculate COLA.

The August data present a split picture: headline inflation remains at 3.4%, and core inflation has eased to 2.4%, while energy prices are 16.3% higher than a year ago and gasoline is up 27.4%. Whether those energy pressures persist, and whether they spread to other parts of the economy, will be important to watch in the months ahead.

For LEAs, the next significant state fiscal update will come with the release of the 2027-28 Governor's Budget in January, including the Administration's projections for the budget-year and out-year COLAs used in multiyear projections.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

ED Interagency Agreements Update

BY KYLE HYLAND

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posted September 14, 2026

The Trump Administration has continued efforts to reduce the role of the U.S. Department of Education (ED) by shifting administration of education programs to other federal agencies through a series of interagency agreements (IAAs).

While President Donald Trump has called for eliminating ED, the Administration cannot unilaterally abolish a department created by Congress or permanently transfer statutory responsibilities that federal law assigns to ED. Such changes generally require congressional action.

The Administration has instead used IAAs to have other federal agencies perform administrative functions associated with ED programs. An IAA can change which agency performs certain work, but it does not by itself rewrite federal education law or transfer final statutory authority assigned by Congress to ED.

Interagency Agreements

To date, ED has entered into 14 IAAs involving the Departments of Labor (DOL), Health and Human Services (HHS), Treasury, State, Interior (DOI), and Justice (DOJ), which can be found below:

Interagency Agreement	Receiving Agency	Programs/Functions Affected
Workforce Development Partnership	DOL	Perkins V Career Technical Education (CTE) programs and Workforce Innovation and Opportunity Act Title II adult education programs, including grant administration, technical assistance, and monitoring
Elementary and Secondary Education Partnership	DOL	Numerous Office of Elementary and Secondary Education K-12 programs, with the DOL handling grant administration, competitions, and technical assistance

Postsecondary Education Partnership	DOL	Most Office of Postsecondary Education (OPE) grant programs, including programs supporting college access, student success, and institutions of higher education
Indian Education Partnership	DOI	Indian education programs spanning K-12, higher education, and CTE and vocational rehabilitation, including grant administration and technical assistance
International Education and Foreign Language Studies Partnership	State	Fulbright-Hays and other international education and foreign language programs, including program administration and data collection
Section 117 Foreign Gift Reporting Partnership	State	Higher Education Act (HEA) Section 117 foreign gift and contract reporting by colleges and universities, including administration and oversight of disclosures
Foreign Medical Accreditation Partnership	HHS	National Committee on Foreign Medical Education and Accreditation functions involving foreign medical school accreditation standards
Child Care Access Means Parents in School Partnership (CCAMPIS)	HHS	CCAMPIS grants supporting campus-based child care for low-income student parents, including grant competitions and technical assistance
Family Engagement and School Support Partnership	HHS	Programs including Project SERV (School Emergency Response to Violence), School Safety National Activities, Ready to Learn, Full-Service Community Schools, Promise Neighborhoods, and Statewide Family Engagement Centers
Federal Student Assistance Partnership	Treasury	Federal student loan operations, including defaulted loan collections, servicing, and other student aid administrative functions
Special Education and Rehabilitative Services Partnership	HHS	Office of Special Education and Rehabilitative Services functions, including the Office of Special Education Programs and Rehabilitation Services Administration, covering Individuals with Disabilities Education Act special education programs and vocational rehabilitation
Civil Rights Partnership	DOJ	Assistance to ED's Office for Civil Rights with evaluation, investigation, and resolution of education civil rights matters

Student Privacy Protection Partnership	DOJ	Student privacy and parental rights functions, including coordination and enforcement involving Family Educational Rights and Privacy Act
Training and Advisory Services Partnership	DOJ	School desegregation training and technical assistance, including assistance with developing and implementing desegregation plans

Importantly, ED states that the agreements do not change congressionally authorized funding levels, program eligibility, or legal protections. Requirements under federal laws including the HEA, Perkins V, and other applicable federal education laws remain in effect.

Community College Implications

Several of the Administration's IAAs directly affect programs and functions important to community colleges. Under the Postsecondary Education Partnership, DOL is assuming administrative responsibilities for most OPE grant programs, including programs supporting college access, student success, and institutions of higher education. DOL is also assuming responsibilities for Perkins V CTE and Workforce Innovation and Opportunity Act Title II adult education programs.

Other agreements shift administration of the CCAMPIS program to HHS, Section 117 foreign gift and contract reporting to the Department of State, and certain federal student loan operations to Treasury.

For community college districts, these changes could mean interacting with different federal agencies for grant administration, technical assistance, reporting, and other administrative functions. However, the agreements do not themselves alter underlying statutory requirements, eligibility rules, or congressionally authorized funding levels.

Congress Considers Competing Approaches

Because IAAs themselves cannot permanently transfer statutory responsibilities assigned to ED, Congress is considering competing approaches to the Administration's restructuring.

In July, the House Education and Workforce Committee approved ten "Less Bureaucracy, Better Education" bills intended to begin codifying the Administration's restructuring plan. Of particular relevance to community colleges, the measures would statutorily transfer covered responsibilities involving CTE and adult education, higher education, federal student aid, international education, foreign funding, and campus-based child care to other federal agencies.

Meanwhile, bipartisan S. 5046 (Kaine, D-VA) would move in the opposite direction by prohibiting transfers involving four major ED offices, including the OPE. If enacted, S. 5046 would therefore restrict several existing IAAs. However, the measure does not expressly protect every ED office affected by the Administration's

restructuring, including Federal Student Aid, the Office of Career, Technical, and Adult Education, the Office for Civil Rights, and the Student Privacy Policy Office.

Outlook

Neither congressional approach currently has a clear path to enactment.

The House Republican bills would face a significant hurdle in the Senate, where most legislation requires 60 votes to overcome a filibuster. S. 5046 has bipartisan support and has advanced through the Republican-led Senate Health, Education, Labor, and Pensions Committee, but Senate leadership would need to provide floor time. Even if approved by the Senate, it would also need to pass the Republican-controlled House and be signed by President Trump, whose Administration is implementing the agreements the bill seeks to restrict.

In the meantime, the Administration can continue using available statutory authorities to have other agencies perform certain ED functions, but it cannot unilaterally eliminate ED or permanently transfer responsibilities that Congress has assigned to ED.

For community colleges, the immediate takeaway is that HEA, Perkins V, federal student aid requirements, and other federal education laws remain in effect regardless of which federal agency performs administrative functions under an IAA. The longer-term question is whether Congress will make these arrangements permanent, restrict them, or leave the underlying federal statutes unchanged.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Proposition 98 Battle Escalates

BY MEGAN BAIER

BY PATTI F. HERRERA, EDD

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posted September 17, 2026

Alleging that the withholding of $5.8 billion in Proposition 98 funds for two consecutive years violates the state's constitution and contravenes the will of the voters when they passed the initiative to establish a guaranteed level of funding for public education in 1988, the California Teachers Association (CTA) filed suit against the Department of Finance Director Joe Stephenshaw and the California State Controller Malia Cohen.

At issue is that, as part of the State Budgets adopted by the Legislature and signed by Governor Gavin Newsom in fiscal years 2024-25 and 2025-26, the state knowingly appropriated less than its estimates of the Proposition 98 minimum guarantee by $1.9 billion and $3.9 billion, respectively, citing state revenue volatility as justification.

In the suit filed with the Alameda County Superior Court (Court) on September 15, 2026, the CTA is calling on the Court to:

- Require the state to fully appropriate the 2025-26 Proposition 98 minimum guarantee as required by the California Constitution
- Prohibit the state from withholding Proposition 98 funds in 2025-26 using the statutory "settle up" mechanism as its authority
- Prohibit the state from withholding Proposition 98 funds in *future* fiscal years using the statutory "settle up" mechanism as its authority
- Declare that the state violated the California Constitution when it withheld Proposition 98 funds in 2024-25 and 2025-26
- Declare that the California Proposition 98 certification statutes do not authorize the state to appropriate less funds to local public education agencies than the minimum funding level determined by the California Constitution

The CTA argues that Section 8's provision within Article XVI of the California Constitution requires that the annual State Budget adoption process "first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education," and when combined with the Education Code Section (EC §) 41202 relating to Proposition 98, requires the state to appropriate the full amount for public education to satisfy its Proposition 98 obligation. Moreover, the CTA highlights that EC § 41202 identifies that "an appropriation that is withheld, impounded, or made without provisions for its allocation to school districts or community college districts shall not be considered to be 'moneys applied by the State'" to meet the constitutional minimum funding level.

The lawsuit alleges that deliberately under-appropriating Proposition 98 defeats its purpose and intent, which is to insulate schools and students from the politics of annual budget making. Finally, the CTA warns that, absent judicial intervention and "[if] the State can simply refuse to appropriate the minimum guarantee by any amount of its choosing, Proposition 98's minimum guarantee will be rendered meaningless."

Following the filing and announcement of the CTA lawsuit, the California School Boards Association (CSBA) issued a press release welcoming CTA's decision to challenge the two withholdings and also announced that it too will be filing a separate lawsuit against the state's recent budget approaches to Proposition 98 next week. In the press release, CSBA President Dr. Debra Schade stated that "[attempts] to normalize manipulations of Proposition 98 chip away at the security of our school funding model and diminish conditions for California students."

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

PPIC Poll Shows Majority Support for Competing Tax Measures

BY KYLE HYLAND Copyright 2026 School Services of California, Inc. posted September 18, 2026

The Public Policy Institute of California (PPIC) released its latest statewide survey this week, providing a snapshot of voter sentiment less than two months before the November 3, 2026, general election. The survey finds likely voters remain pessimistic about the direction of the state and its economy, even as majorities support several tax-related measures on the November ballot.

According to the PPIC, 52% of likely voters believe California is headed in the wrong direction, while 47% believe it is headed in the right direction. Economic sentiment is even more pessimistic, with 73% expecting the state to experience bad economic times over the next 12 months. At the same time, 51% of likely voters approve of Governor Gavin Newsom's job performance, while 48% approve of the job the California Legislature is doing.

Against that backdrop, Proposition 3, the ballot measure with the greatest implications for public education, has majority support among likely voters.

Proposition 3—Extending the Tax on High Incomes

Proposition 3 would make permanent the higher personal income tax rates on high-income earners that voters originally approved in 2012 and extended in 2016. The higher rates currently apply to individuals earning more than approximately $371,000 annually, with the income thresholds adjusted annually for inflation, and are scheduled to expire in 2031.

According to the Legislative Analyst's Office (LAO), making the rates permanent would maintain approximately $5 billion to $15 billion in annual state revenue, depending largely on economic and stock market conditions. The LAO estimates that roughly 40% of this revenue would support schools and community colleges, with the remainder supporting other state programs.

The PPIC found that 58% of likely voters support Proposition 3, compared with 40% who oppose it. The measure is also attracting considerable voter attention, with 17% identifying Proposition 3 as the ballot measure in which they are most interested, second only to Proposition 39, the voter identification initiative, at 23%.

Billionaire Tax Narrowly Above 50%

Proposition 40, the so-called billionaire tax, would impose a one-time 5% tax on certain taxpayers with assets valued at more than $1 billion. The LAO estimates that the tax would generate tens of billions of dollars in temporary state revenue spread over several years, with 90% dedicated to health care and the remaining 10% available for food assistance, education-related programs, and administration.

Of particular importance to public education, Proposition 40 expressly excludes its revenues from the Proposition 98 minimum guarantee and the state's constitutional spending limit. The measure also prohibits the new revenues from supplanting existing state funding for health care, education, or food assistance. The LAO estimates that taxpayer responses to the tax could reduce ongoing state income tax revenues by less than $1 billion annually.

The PPIC found that 52% of likely voters support Proposition 40, while 46% oppose it. Sixteen percent identified Proposition 40 as the ballot measure in which they are most interested.

Competing Measures Complicate the Picture

Propositions 41 and 42 also have majority support and could conflict with Proposition 40. Proposition 41 would prohibit new state taxes that exclude their revenues from California's constitutional spending limit. Because Proposition 40, the billionaire tax, exempts its revenues from the spending limit, Proposition 41 could prevent Proposition 40 from taking effect if both measures pass and Proposition 41 receives more affirmative votes.

Proposition 42 would prohibit new state taxes on the ownership of personal property other than real estate and certain retroactive state taxes. According to the LAO, Proposition 42 could prevent Proposition 40 from taking effect if voters approve both measures and Proposition 42 receives more "yes" votes.

The PPIC found that 51% of likely voters support Proposition 41 and 54% support Proposition 42. This means all three measures currently have majority support, even though Propositions 41 and 42 could invalidate Proposition 40 if they receive more votes. If voters approve more than one measure, the final vote totals could ultimately determine whether the billionaire tax takes effect.

Looking Ahead to November

Beyond the ballot measures, the PPIC found Democrat Xavier Becerra leading Republican Steve Hilton 60% to 38% among likely voters in the race to succeed Governor Newsom. In congressional races, 62% of likely voters statewide say they would vote for the Democratic candidate in their district, compared with 36% who would vote for the Republican candidate. The PPIC also found that 58% of likely voters consider voting in this year's midterm election more important than in past midterms.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

California Revenues Remain Above Forecast

BY WENDI MCCASKILL, EDD

BY MICHELLE MCKAY UNDERWOOD

Copyright 2026 School Services of California, Inc.

posted September 23, 2026

The Department of Finance (DOF) released its September *Finance Bulletin* (Bulletin), yesterday September 22, 2026, updating economic conditions and California General Fund revenues through August. U.S. headline inflation remained at 3.4% in August, unchanged from July but one-half percentage point above its August 2025 level. Core inflation (which excludes food and energy) continued to moderate, declining from 2.5% in July to 2.4% in August. Energy prices remain a significant source of inflationary pressure. Gasoline prices were 27.4% higher than a year earlier, accelerating from 24.6% in July.

The September Bulletin reports August General Fund cash receipts of $15.5 billion, $1.5 billion, or 10.9%, above the 2026 Budget Act forecast for August. Personal income tax receipts were $1.47 billion above forecast, while corporation tax receipts were $56 million above forecast, and sales and use tax receipts were $19 million above forecast. Looking more broadly, preliminary General Fund agency cash receipts since the April forecast are $2.4 billion above projections. However, the DOF notes that $828 million of the overage is attributable to cash collected during the 2025-26 fiscal year.

2026-27 Comparison of Actual and Forecast General Fund Revenues, August
(Dollars in millions)

Revenue Source	Forecast	Actual	Difference	Percent Difference
Personal Income Tax	$8,363	$9,836	$1,473	17.6%
Corporation Tax	$305	$362	$56	18.5%
Sales and Use Tax	$4,121	$4,140	$19	0.5%
"Big Three" Total	$12,789	$14,338	$1,548	12.1%

Source: California DOF, September 2026 Bulletin
Note: Slight differences may occur due to rounding

Labor market conditions improved in August, although California's labor force continued to contract. The unemployment rate held steady at 5.1%, while the labor force declined by 50,500 people. Civilian employment declined by 36,500 people, while the number of unemployed declined by 14,000. Despite the contraction in the labor force, California added 39,400 nonfarm payroll jobs. Private education and health services led the gains, adding 18,600 jobs, followed by government with 9,800 jobs and leisure and hospitality with 7,800 jobs.

National labor market conditions improved in August. The U.S. unemployment rate held steady at 4.1% while the labor force increased by 683,000 people. The nation added 162,000 nonfarm payroll jobs. The largest gains were seen in leisure and hospitality, government, education and health services, and construction.

Housing indicators also showed improvement. California's median sales price for an existing single-family home increased 1.6% from July to $901,420 and was 0.1% higher than a year earlier. Sales increased 2.4% from July and were 1.4% higher than in August 2025. Through July, total housing permits were 16.5% above the same period in 2025, reflecting a 41.6% increase in multifamily permits, partially offset by a 0.8% decline in single-family permits.

Overall, the September Bulletin continues to present a mixed picture. General Fund revenues remain above forecast, and both California and the nation added jobs in August. At the same time, California's labor force continued to contract, and inflation remains elevated, with higher gasoline prices contributing significantly to the increase in headline inflation since February. Revenue performance over the coming months, especially during the more significant tax collection periods, will provide a clearer indication of the state's fiscal position as the 2027-28 Governor's Budget approaches.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

A Tale of Two Economies: Growth Persists as Risks Mount

BY PATTI F. HERRERA, EDD
BY WENDI MCCASKILL, EDD
Copyright 2026 School Services of California, Inc.
posted October 1, 2026

Just before UCLA Anderson Forecast (Forecast) Faculty Director Sebastian Edwards opened the fall 2026 conference with the latest projections for the U.S. and California economies, the Bureau of Economic Analysis (BEA) released revised national gross domestic product (GDP) figures for the first half of 2026.

According to the BEA revisions, U.S. economic output grew more strongly than previously estimated. First quarter annual GDP was revised upward by 0.4 percentage points, from 2.1% to 2.5%. Second quarter estimates were revised more sharply, by 0.7 percentage points, from 1.5% to 2.2%. As a measure of economic health, UCLA Economist Clement Bohr noted that the U.S. economy remains strong amid geopolitical volatility and a speculative artificial intelligence (AI) environment, which underpins current trends.

National Forecast—Is the Economy Getting Out of Control?

Entitled "Is the Economy Getting Out of Control?," Bohr began his overview of the U.S. forecast with four factors that have gained recent attention: (a) inflation, namely energy prices; (b) long-term U.S. Treasury rates; (c) AI's increasing share of GDP; and (d) mixed labor market signals.

Inflation. The Forecast's summary of current inflationary trends attributes the rise in prices predominantly to the sustained spread of geopolitical tensions in the Middle East and Eastern Europe. The shock to the world's oil supply that the U.S. war with Iran created was exacerbated by Ukraine's campaign against Russian refineries, which produce a significant share of global diesel upon which logistics, agriculture, and industrial production rely. While the rise in prices was once impacted by the Trump Administration's tariff regime, the Forecast notes that they are no longer driving prices upward since the U.S. Supreme Court struck down the broadly applied tariffs under the International Emergency Economic Powers Act.

The Forecast expects moderate inflation in the long term; however, given the dim prospects of resolving the current geopolitical tensions constraining oil supplies, UCLA economists predict a shorter-term surge in headline and core inflation through mid-2027 before abating toward the Federal Reserve's 2.0% target.

U.S. Treasury Interest Rates. Growing concerns among investors about sustained inflationary pressures, global geopolitical hazards, and the weakening fiscal health of many developed countries, including the U.S., are directly impacting interest rates on long-term treasurys. Long-term U.S. interest rates have risen sharply in recent months, with the ten-year Treasury yield climbing from 3.97% in late February to above 5.0% in September. While private long-term debt issuance among AI companies also contributes to the rise in rates, UCLA economists explain that the aggregate value of AI long-term private debt ($303 billion) is dwarfed by government debt, highlighting that outstanding U.S. Treasury debt measured $31.8 trillion in August. Investor demands for higher yields on long-term Treasury are expected to keep interest rates between 4.5% and 5.0% through 2028.

AI and GDP. As noted earlier, national economic output remains robust despite headwinds from deportations, import duties, and rising oil prices that, under most conditions, would have stifled growth. UCLA economists explain that AI is driving this trajectory. First, as previously reported, capital outlay from AI "hyperscalers" to build data centers is expected to reach over $1 trillion in 2027. AI companies have leveraged their entire operating cash flow to support these investments, with aggregate spending among them expected to exceed cash flow this year. Exuberance over AI's promise is also driving up consumption, as investors see their wealth rise. UCLA economists measure the impact of this wealth effect on consumption to be 0.5 percentage points of GDP over the last few years. The aggregate effect of AI capital expenditures and AI wealth boost, UCLA economists highlight that AI drives nearly half of core GDP.

Labor Market. The labor market remains stable with slow growth but is sending mixed signals. The U.S. unemployment rate of 4.1% in August trends with historical standards, signaling a fully employed labor force. UCLA economists highlight that the modest decline in unemployment is due to labor force participation (age eligible workers leaving the labor market) contracting faster than unemployment. The Forecast projects a stable labor market with monthly payroll growth of zero to 50,000 and an unemployment rate near 4.2% through the forecast period.

California Forecast—Growing, Fast and Slow

The mixed-signal nature of the national economy also applies to the California economy, as UCLA Economist Thomas Ash noted in his presentation entitled, "Growing, Fast and Slow." California economic output continues to outpace the U.S. In the first quarter of 2026, California GDP reached 3.7%, well above the national rate of 2.1% (note: the BEA revised this figure to 2.5%). When compared to other states, including New York and Massachusetts, which, like the Golden State, benefit from venture capital investments, California continues to outproduce on a per capita basis.

Conversely, California's labor market signals weakening below headline numbers. California's labor force declined 1.8% over the last year, compared with 0.57% nationally. The state's unemployment rate remained about one percentage point above the U.S. rate, reflecting weakness in sectors disproportionately important to California, including technology and entertainment. While recent payroll growth has been concentrated primarily in health care and social services, education, and retail, UCLA economists predict weakening in these sectors due to government budget constraints, reductions in federal health care support, and immigration-related workforce disruptions. Thus, for labor market trends to change, California will need a rebound in durable-goods manufacturing and technology.

Similarly, California's housing market remains unaffordable without clear signals of a turnaround. The Forecast highlights three headwinds for housing in the state: the availability of construction workers due to deportations, inflation and interest rates making the dream of home ownership out of reach for many, and sustained tariff policies that are driving up the cost of construction.

Against this backdrop, UCLA economists provide a dimmer forecast than June, but only modestly. They anticipate that geopolitical tensions will subdue the state's economy for the remainder of 2026 before it recovers in early 2027 and accelerates in both 2027 and 2028.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

By the Way . . . CDE Releases Classified Employee Staffing Ratio Report

BY TEDDI WENTWORTH

BY KATHLEEN SPENCER

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posted October 6, 2026

The California Department of Education (CDE) has released the Classified Employee Staffing Ratio Workgroup Legislative Report, which includes recommended staffing ratios for classified employees in California community colleges. Education Code Section 45118 required the CDE to convene the workgroup to develop recommendations for both TK-12 schools and community colleges across specific classified employee groups. While the report addresses both educational settings, the workgroup recognizes that community colleges have distinct operational and staffing needs that may not be adequately reflected through TK-12 staffing models. For community college districts, the report emphasizes that appropriate staffing levels should consider multiple factors beyond student enrollment, including the number of faculty and managers supported by classified staff, the size and complexity of community college facilities, and the services provided. The workgroup also recommends further examination of classified staffing needs through a report focused specifically on California community colleges.

The ratios provided within the report are not mandates, but recommendations that a local educational agency may use if they see the need to develop staffing ratios within their local context.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Governor Newsom Fills Remaining BOG Seats

BY KYLE HYLAND Copyright 2026 School Services of California, Inc. posted October 7, 2026

On September 18, 2026, Governor Gavin Newsom announced the appointments of Ian Vargas Polo and Katie Porter to the California Community Colleges Board of Governors (BOG), filling the remaining vacancies on the 18-member board.

Vargas Polo, of Oceanside, has served as Regional Affairs Director for Region X of the Student Senate for California Community Colleges since 2026, where he also serves as Vice Chair and Communications Officer. He has also served as a Peer Advisor for MiraCosta College since 2026 and previously served as a Campus Ambassador for the college. Vargas Polo's appointment does not require Senate confirmation.

Porter, of Irvine, has been a Professor at the University of California, Irvine School of Law since 2025. She previously represented California's 47th Congressional District in the U.S. House of Representatives from 2023 to 2025 and the 45th Congressional District from 2019 to 2023. Before serving in Congress, Porter was a law professor at various institutions from 2004 to 2018. Porter's appointment requires Senate confirmation.

With these appointments, all 18 seats on the BOG have now been filled. State law provides for 17 gubernatorial appointees—including 12 public members, two students, two faculty members, and one classified employee—with the Lieutenant Governor serving as the 18th member. The BOG sets policy and provides guidance for California's 116 community colleges.

The next BOG meeting is scheduled to take place on Tuesday, November 17, 2026.

School Services of California Inc.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Governor Newsom Takes Final Action on 2026 Bills

BY KYLE HYLAND Copyright 2026 School Services of California, Inc. posted October 8, 2026

Governor Gavin Newsom completed his bill actions on Wednesday, September 30, 2026, marking the conclusion of the final bill-signing period of his gubernatorial career. Of the 1,160 bills sent to his desk this year, Newsom signed 1,040 and vetoed 120, for a veto rate of 10.3%. Over his full tenure, Newsom vetoed approximately 13.5% of the bills that reached his desk.

With the Governor's actions now complete, we provide an update below on how several of the most significant education measures, highlighted in our September 2026 *Community College Update* article "Legislature Wraps up the 2025-26 Legislative Session," ultimately fared. For measures with more significant operational, fiscal, or programmatic implications for community college districts (CCDs), we will provide additional analysis in subsequent Community College Update articles.

Bills Signed by Governor Newsom

Assembly Bill (AB) 167 **(Committee on Budget, Statutes of 2026)—Higher Education Budget Trailer Bill**. This is the higher education budget cleanup trailer bill that provides an additional $325,000 to the Student Support Block Grant and extends the grant expenditure period through June 30, 2030, modifies community college student housing and LGBTQ+ student support funding requirements, and delays by one year the temporary expansion of the age limit for the Community College Transfer Cal Grant Entitlement Award.

AB 1331 **(Elhawary, Statutes of 2026)—Workplace Surveillance**. This bill restricts employers from using workplace surveillance tools to monitor employees in workplace bathrooms and provides employees specified protections related to surveillance devices while using those facilities.

AB 1534 **(Irwin, Statutes of 2026)—Federal Workforce Pell Grant Program: Local Workforce Development Boards: Participant Training Requirement**. This bill establishes requirements and consumer protections for public colleges participating in the federal Workforce Pell Grant program. Beginning July 1, 2028, it also requires local workforce development boards to ensure at least 50% of participants in adult and dislocated worker programs receive workforce training services.

AB 1552 **(Jackson, Statutes of 2026)—Public Postsecondary Education: Civic Engagement: Recommendations Report**. This bill requires the California Community Colleges (CCC) and California State University (CSU) chancellors, in consultation with their academic senates, to report recommendations to the Legislature before the 2028-29 academic year on strengthening students' knowledge of American democracy and civic engagement opportunities.

AB 1669 **(Pacheco, Statutes of 2026)—Student Health: Medical Leaves of Absence: Mental Health**. Beginning with the 2027-28 academic year, this bill requires community colleges and other specified postsecondary institutions to adopt and publicize written policies allowing voluntary medical leaves of absence for up to one academic year or a longer period established by the institution.

AB 1728 **(Alanis, Statutes of 2026)—Community Colleges: Common Course Numbering System: Career Technical Education Public Safety Courses**. This bill requires the CCC, by December 31, 2027, to develop a plan for implementing common course numbering for specified career technical education public safety courses, with implementation contingent upon an appropriation.

AB 1809 **(Fong, Statutes of 2026)—Public Contracts: School and Community College Districts**. This bill extends authorization for TK-14 districts to use job order contracting through January 1, 2037, and revises related contracting requirements.

AB 1871 **(Fong, Statutes of 2026)—Dual Enrollment: College and Career Access Pathways Partnerships**. This bill streamlines College and Career Access Pathways participation by eliminating the principal-recommendation requirement and four-course-per-term limit while retaining the 15-unit cap and revises annual reporting requirements.

AB 1883 **(Bryan, Statutes of 2026)—Workplace Surveillance Tools**. This bill restricts employers from using certain artificial intelligence-enabled workplace surveillance tools, including tools that collect neural data or recognize an individual's emotional state.

AB 1961 **(Ahrens, Statutes of 2026)—Civil Actions: Protective Orders: Workplace Violence**. This bill expands workplace violence restraining order protections available to employers and collective bargaining representatives on behalf of employees.

AB 1985 **(Irwin, Statutes of 2026)—Student Health: Athletic Coaches and Trainers: Mental Health Training**.This bill requires athletic coaches, including assistant coaches, and trainers at community colleges and other specified postsecondary institutions to complete student mental health training covering suicide prevention by July 1, 2028, and every two years thereafter, as a condition of employment or volunteer service.

AB 2017 **(Haney, Statutes of 2026)—State Holidays: Eid**. This bill adds Eid al-Fitr and Eid al-Adha as state holidays and authorizes TK-14 schools to close on those days, subject to applicable local procedures and collective bargaining requirements.

AB 2121 **(Berman, Statutes of 2026)—Community Colleges: Current Expense of Education: Exclusions**.This bill temporarily allows CCDs to exclude specified unrestricted General Fund expenditures from the current expense of education used in the 50% Law calculation when those expenditures maintain student support functions previously funded by federal discretionary grants terminated, nonrenewed, or defunded due to federal action on or after September 10, 2025. The exclusion is capped at the specified amount of prior federal grant funding and remains available through 2030-31 or until that funding is fully restored to every CCD, whichever occurs first.

AB 2206 **(Fong, Statutes of 2026)—Teacher Credentialing: Community College Baccalaureate Degrees**.This bill prohibits community colleges from serving as teacher preparation institutions for purposes of recommending candidates for teaching credentials.

AB 2212 **(Bauer-Kahan, Statutes of 2026)—Postsecondary Education: Sexual Harassment, Harassment, Intimidation, and Bullying Policies: Student Training**. Beginning August 1, 2027, this bill expands postsecondary sexual harassment protections to address technology-facilitated sexual harassment and requires annual student training to cover sexual exploitation and technology-facilitated sexual harassment.

AB 2251 **(Rodriguez, Celeste, Statutes of 2026)—Student Financial Aid: Cal Grant Program: Cost of Attendance**. Beginning with the 2027-28 academic year, this bill requires institutions participating in the Cal Grant program to develop and implement a cost of attendance policy and an adjustment process for financial aid.

AB 2422 **(Caloza, Statutes of 2026)—Student Financial Aid: Delayed Financial Aid Awards: Extensions**. Beginning with the 2027-28 academic year, this bill requires CCDs to extend specified enrollment and financial deadlines and refrain from imposing punitive actions when a student's financial aid award is delayed due to circumstances outside the student's control.

AB 2466 **(Fong, Statutes of 2026)—Strong Workforce Program: Work-Based Learning Opportunities: Regional Consortia**. This bill authorizes Strong Workforce Program funds allocated to regional consortia to provide direct support to students, employers, or both, for paid work-based learning opportunities. It also extends the California Community Colleges Chancellor's Office (CCCCO) deadline for revising related policies, regulations, and guidance to June 30, 2027.

AB 2504 **(Bauer-Kahan, Statutes of 2026)—Community Colleges: Artificial Intelligence: Pilot Program**. Upon appropriation, this bill requires the CCCCO to establish the Future of Creative Industries Pilot Program to provide reskilling and upskilling opportunities for workers displaced or at risk of displacement by generative artificial intelligence.

AB 2540 **(Stefani, Statutes of 2026)—Public Health: Public Postsecondary Education: Student Health Centers: Abortion by Medication Techniques**. Subject to an appropriation, this bill requires community colleges with student health centers to offer access to medication abortion services beginning January 1, 2029, promote awareness of those services, and post information online. Colleges may provide access through referrals or other arrangements with external providers.

AB 2580 **(Muratsuchi, Statutes of 2026)—Teacher Credentialing: Programs of Professional Preparation: California State University and Community College Partnerships**. This bill requires the CCCCO and CSU to develop a plan by July 1, 2027, to expand community college CSU teacher preparation partnerships, particularly in rural areas.

AB 2694 **(Alvarez, Statutes of 2026)—Public Postsecondary Education: Community Colleges: Statewide Baccalaureate Degree Program**. Beginning January 1, 2028, this bill revises the approval process for community college baccalaureate degree programs, including procedures for evaluating unmet workforce needs, program duplication, and consultation with the CSU and University of California.

AB 2768 **(Ahrens, Statutes of 2026)—Student Financial Aid: Waiver or Deferment of Fees and Costs: Foster Youth**. This bill requires CCDs and other specified postsecondary institutions, upon initial enrollment, to either waive qualifying current and former foster youths' unpaid enrollment fees and costs or defer payment until their initial financial aid disbursement.

Senate Bill (SB) 947 **(McNerney, Statutes of 2026)—Employment: Automated Decision Systems**. This bill establishes employee protections governing employers' use of automated decision systems, including notice and human-review requirements for specified employment decisions.

SB 951 **(Reyes, Statutes of 2026)—Employment: Technological Displacement: Notice**. This bill expands California WARN Act requirements for specified layoffs, relocations, or terminations involving technological displacement, including displacement associated with artificial intelligence.

SB 960 **(Cabaldon, Statutes of 2026)—Public Postsecondary Education: Community Colleges: Statewide Baccalaureate Degree Program**. Beginning January 1, 2028, this bill establishes a five-tier framework based on district completion and transfer outcomes to determine eligibility to offer baccalaureate degree programs. It also revises workforce-need, program-duplication, and admissions requirements.

SB 1255 **(Reyes, Statutes of 2026)—Postsecondary Education: Designation of California Hispanic-Serving Institutions**. Upon appropriation, this bill establishes criteria and procedures for California postsecondary institutions, including community colleges, to receive designation as California Hispanic-Serving Institutions.

SB 1328 **(Cervantes, Statutes of 2026)—Public Postsecondary Education: Equity in Higher Education Act: Campus Contact**. This bill extends requirements to designate a point of contact for LGBTQ+ faculty, staff, and students to community college branch campuses, satellite locations, and other sites beyond the main campus.

Bills Vetoed by Governor Newsom

AB 664 **(Alvarez, D-San Diego)—Community Colleges: Baccalaureate Degree Program: Southwestern Community College District**. This bill would have authorized the CCCCO to approve up to four specified baccalaureate degree programs at Southwestern CCD.

In his veto message, Governor Newsom cited his approval of AB 2694 and SB 960, which establish a comprehensive statewide framework for community college baccalaureate programs. He indicated that Southwestern CCD's proposed programs could be considered through that framework, making a separate district-specific authorization unnecessary.

AB 713 **(Solache, D-Lynwood)—Public Postsecondary Education: Student Employment**. This bill would have prohibited the CCC, CSU, and University of California from disqualifying students from employment for failing to provide proof of federal work authorization, subject to specified exceptions. It also would have required these institutions to treat the federal prohibition on hiring undocumented noncitizens as inapplicable to branches of state government.

In his veto message, Governor Newsom expressed concern that the bill could expose public colleges and universities to federal lawsuits and their employees to criminal prosecution. He stated that the legal uncertainty should be resolved through the courts before California's public higher education institutions are required to implement the proposal.

AB 1383 **(McKinnor, D-Inglewood)—Public Employees' Retirement Benefits**.This bill would have modified provisions of the Public Employees' Pension Reform Act (PEPRA), including increasing the pensionable compensation limit and modifying benefit formulas for specified public employees.

In his veto message, Governor Newsom expressed concern that the bill would partially reverse PEPRA reforms, significantly increase state and local government costs, and expose public retirement systems to additional risk.

AB 2142 **(Garcia, D-Rancho Cucamonga)—School Districts: Community College Districts: Short-Term Employees: Classified Service**. This bill would have created a rebuttable presumption that a TK-14 district must convert a short-term employee position into a classified service position when specified conditions are met, including when an employee exceeds prescribed time thresholds or is repeatedly rehired to perform substantially the same duties.

In his veto message, Governor Newsom acknowledged the goal of preventing employees from being repeatedly hired as short-term workers without the benefits of permanent employment but expressed concern that the bill's thresholds and legal standards would create significant implementation challenges. He also cited potentially significant state and local costs and indicated that such expenditures should be considered through the annual budget process.

AB 2301 **(Soria, D-Merced)—Community Colleges: Baccalaureate Degree in Nursing Pilot Program**.This bill would have required the CCCCO to establish a pilot program authorizing up to ten CCDs to offer Bachelor of Science in Nursing degrees.

In his veto message, Governor Newsom stated that the proposal would duplicate existing CSU nursing programs and could increase competition for limited clinical placements. He favored strengthening pathways from community college associate degrees in nursing to CSU bachelor's degrees rather than creating duplicative programs.

Looking Forward

Unless otherwise specified, bills enacted during the 2026 legislative session will take effect January 1, 2027, while urgency statutes and certain budget-related measures take effect immediately.

Although the California Constitution permits the Legislature to override a gubernatorial veto with a two-thirds vote of each house, successful overrides are exceedingly rare. The Legislature has not overridden a Governor's veto in more than four decades, including during periods of one-party supermajority control. Despite Democrats holding supermajorities in both houses, an override of Governor Newsom's vetoes would represent a significant departure from longstanding legislative practice.

Barring a special session called by Governor Newsom, lawmakers will next return to Sacramento on December 7, 2026, to convene the 2027-28 legislative session for organizational purposes before returning in January to begin regular legislative work.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Second Lawsuit Filed over Proposition 98 Funding

BY MEGAN BAIER

BY PATTI F. HERRERA, EDD

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posted October 9, 2026

The California School Boards Association (CSBA) has filed a lawsuit against Department of Finance Director Joe Stephenshaw and the California State Controller Malia Cohen, alleging the state has violated its constitutional requirements under Proposition 98 to fully fund the minimum guarantee for public education. The lawsuit, filed on September 22, 2026, is separate from a lawsuit filed by the California Teachers Association (CTA) (see "Proposition 98 Battle Escalates" in the September 2026 *Community College Update*) and raises distinct legal arguments regarding the state's obligations under Proposition 98.

At issue is whether the state violated the requirements of Proposition 98 by knowingly appropriating less than the constitutionally required minimum funding guarantee in the 2025-26 fiscal year by $ 3.9 billion.

In its lawsuit filed in Alameda County Superior Court, CSBA is asking the court to:

- Declare that the California Constitution requires the state to set aside sufficient funding to meet the Proposition 98 minimum funding guarantee before allocating revenues to non-education programs
- Declare the state's $3.9 billion underfunding of Proposition 98 in the 2025-26 fiscal year unconstitutional
- Require the state to fully fund the 2025-26 fiscal year minimum guarantee
- Require the state in future fiscal years to fund the Proposition 98 minimum funding guarantee before appropriating funds for non-education programs

CSBA's central argument rests on Article XVI, Section 8 of the California Constitution, which states that "from all state revenues there shall first be set apart the monies to be applied by the state for support of the public school system." CSBA contends that this language establishes a constitutional obligation to fund the Proposition 98 minimum guarantee for public education before allocating state revenues to other programs. By appropriating less than the required minimum funding guarantee over the last two fiscal years and instead directing those funds for other purposes, CSBA argues that the state has violated the constitutional requirement.

The lawsuit further alleges that the state's decision to knowingly underfund the minimum guarantee undermines the fundamental purpose of Proposition 98, to protect public education funding from the competing priorities and political negotiations of the annual State Budget process. CSBA argues that without judicial intervention, the minimum funding guarantee risks becoming unenforceable and will expose public schools to greater fiscal uncertainty, undermining the protections established by California voters.

We will continue to monitor developments in both CSBA's and CTA's lawsuits against the state. The outcomes of these cases could have significant implications for the state's Proposition 98 funding obligations and the development of the 2027-28 State Budget.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Fourth Quarter Lottery Apportionment for 2025-26

BY KYLE HYLAND Copyright 2026 School Services of California, Inc. posted October 13, 2026

The State Controller's Office (SCO) released the 2025-26 fourth quarter Lottery apportionment to community college districts (CCDs). CCDs received $31.19 per full-time equivalent student (FTES) for the unrestricted Lottery apportionment and $33.27 per FTES for the Proposition 20 apportionment. The actual fourth quarter apportionment amounts are down slightly from the accrual projections provided in June—$34.86 per FTES for the unrestricted Lottery apportionment and $33.98 per FTES for the Proposition 20 apportionment. Final apportionment amounts for the year, excluding any prior-year adjustments, are as follows:

Quarter	Unrestricted Lottery per ADA (Resource Code 1100)	Proposition 20 per ADA (Resource Code 6300)
First	$79.47	–
Second	$54.73	$27.99
Third	$31.34	$33.30
Fourth	$31.19	$33.98
Total	**$196.73**	**$95.27**

At this time, the California State Lottery Commission has not released revised projections for 2026-27. The most recent projections recommend that CCDs budget $274.00 per FTES ($190.00 per FTES in unrestricted Lottery revenues and $84.00 per FTES in Proposition 20 revenues). We expect to see the 2026-27 first quarter Lottery apportionment released at the end of December or early January.

For more information on the Lottery apportionments and projections, visit the California Community Colleges Chancellor's Office Lottery website here. For the apportionment details, please visit the SCO website here.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

BOG Approves 2027-28 System Request

BY KYLE HYLAND Copyright 2026 School Services of California, Inc. posted October 13, 2026

At its September 15, 2026 meeting, the California Community Colleges (CCC) Board of Governors (BOG) approved the Budget and Legislative Request for 2027-28 (System Request) presented by the California Community Colleges Chancellor's Office (CCCCO) staff.

Development of the System Request began in May, when the CCCCO solicited concepts from Consultation Council partners, system constituents, and executive leadership. The proposals were subsequently reviewed and refined through the consultation process, including an August working session with Consultation Council members. The resulting System Request, titled *Leading California's Future: Preparing Students for a Changing Economy*, is intended to serve as the primary framework for coordinated systemwide advocacy.

The System Request seeks to build upon recent state investments and advance the goals of Vision 2030, with particular emphasis on core resources, baccalaureate attainment, workforce and economic development, and artificial intelligence (AI). In total, the request includes $351.5 million in one-time and $298.2 million in ongoing Proposition 98 resources, as well as approximately $77.8 million in General Fund requests and $45 million in one-time Proposition 4 bond funds.

We highlight the proposals and corresponding financial requests below. (Unless otherwise noted, funding requests would utilize Proposition 98 funds. Additional details on each proposal are available in Appendices B through G of the System Request, which can be found in item 4.4 of the BOG September 15 agenda).

Core Resources	
Student Centered Funding Formula and Base Adjustments	$60.8 million one-time $185.7 million ongoing
Investments in District Capacity	$60 million ongoing $45 million one-time (Proposition 4) $70 million ongoing (non-Proposition 98)
Equitable Baccalaureate Attainment	
California Early College Demonstration Initiative Phase II	$24 million one-time $1.5 million ongoing
Transfer Success Initiative	$20 million one-time
Program Pathways Mapper	$6.7 million one-time $6 million ongoing
Equitable Workforce and Economic Development	
Strong Workforce Program Restoration	$60 million one-time
Employer Tax Credit Pilot Program	$4.5 million over three years (non-Proposition 98)
Internship Demonstration Project	$5 million one-time
Apprenticeship Degree Pathways Demonstration Project	$25 million one-time

The Future of Learning and Generative Artificial Intelligence	
Innovative Teaching and AI Professional Development	$10 million one-time $30 million ongoing
Technology Interoperability Block Grant	$100 million one-time
Shared Agentic AI Enablement Infrastructure	$6 million one-time $3 million ongoing
AI Workflows for Operational Efficiency and Classroom Success	$9 million one-time $12 million ongoing
AI Innovation Fund	$25 million one-time
Chancellor's Office Capacity	
Requests for Chancellor's Office Positions	$3.3 million ongoing (non-Proposition 98)

Of particular note, the core resources request includes $134.8 million ongoing to support 1% enrollment growth in 2026-27 and an additional 1% in 2027-28. The BOG also requests elimination of the statutory 10% district-level enrollment growth cap, which the CCCCO estimates would require $21.4 million ongoing. Other core resource proposals include investments in statewide student success and equity initiatives, categorical program cost-of-living adjustments and augmentations, affordable student housing, campus-based microgrids, and deferred maintenance and instructional equipment.

2027-28 Legislative and Policy Requests

In addition to its budget proposals, the BOG approved four legislative and policy requests:

- **California Apprenticeship Initiative Program Flexibility**—Transition the California Apprenticeship Initiative from a competitive grant program to a flexible categorical funding model providing ongoing support for apprenticeship capacity, employer engagement, and statewide expansion.
- **Distance Education Access for Incarcerated Students**—Authorize incarcerated students to cross-enroll in distance education courses offered by other community colleges when needed to complete their education.
- **Economic and Workforce Development Program Modernization**—Update the Economic and Workforce Development Program through statutory changes intended to strengthen regional coordination.
- **Streamline Legislative Reporting Requirements**—Modernize statutory reporting requirements by better aligning reporting cycles with program implementation timelines and available data.

Now that the System Request has been approved, the CCCCO will present the proposals to the Governor's Administration, Department of Finance, Legislature, and system interest holders. For the legislative and policy requests, the CCCCO will likely seek legislators to author the proposals; however, some could also be pursued through the State Budget process and accompanying budget trailer bills.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Keeping Your Community College District's Fiscal Facts at Your Fingertips

BY KATHLEEN SPENCER
BY MATT PHILLIPS, CPA
BY RAPHAEL GUZMAN

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As business services departments close the books, chief business officials (CBOs) are once again working through financial reports containing hundreds of pages of important fiscal information. From the Adopted Budget and Quarterly Financial Status Reports (CCFS-311Q) through the Annual Financial and Budget Report (CCFS-311), key data points evolve throughout the fiscal year as assumptions are updated with actuals and new projections. Enrollment and full-time equivalent student (FTES) estimates are refined through the apportionment reporting cycles, while Student Centered Funding Formula (SCFF) revenue, reserve levels, cash, and other fiscal indicators may also change as new information becomes available.

Understanding these reports is only part of the CBO's job. Just as important is the ability to translate complex financial information into a handful of meaningful data points that the community college district's (CCD) chief executive officer (CEO), governing board, and executive cabinet can easily understand and use. Communicating this information can become more challenging as the year progresses and the numbers continue to change.

One thing that we find helpful in translating this information is the creation of a "Fingertip Facts" index card. The index card contains key data points that may be useful to the CEO, governing board, CBO, and executive cabinet. Think about the questions that can come up during a board meeting, at a conference, or even during an informal conversation in the community: *How is enrollment doing? How are our SCFF metrics? What is our reserve percentage? What does a 1% salary increase cost?* Having these numbers at their fingertips allows CCD leaders to quickly reference current information rather than relying on memory or estimating an answer.

Fingertip Facts should be updated regularly at each financial reporting period and should be tailored to the issues that matter most locally. The information included will vary by CCD based on local circumstances, priorities, and frequently discussed topics. Some Fingertip Facts to consider include:

- **Enrollment Headcount**: Current student headcount for the reporting period, including a breakout of credit, noncredit, and total enrollment.
- **Enrollment Trend**: Is enrollment growing, stable, or declining? By how much compared with the previous year or other relevant comparison period? Do we have unfunded growth?
- **FTES**: Current actual and projected FTES, including funded FTES when useful for explaining the CCD's apportionment.
- **FTES Trend and Target**: Are FTES tracking above or below budget assumptions and the CCD's enrollment management target? Include the amount or percentage variance when appropriate.
- **SCFF**: Current estimated total revenue and the relative contribution of the base, supplemental, and student success allocations. Consider noting the current apportionment period and any applicable funding protection. (SCFF Resource Estimator Tool available: Student Centered Funding Formula Dashboard)
- **Supplemental and Student Success Metrics**: Key counts or trends that materially affect SCFF revenue, such as Pell Grant recipients, California College Promise Grant recipients, AB 540 students, degrees and certificates, transfers, and other student success outcomes.
- **Budget Size**: Total General Fund revenues and expenditures.
- **Spending**: Is the CCD operating with a surplus, breaking even, deficit spending, or experiencing a structural deficit? Include the amount when appropriate.
- **Reserve Percentage**: Current-year unrestricted reserve percentage and projected reserve levels in outyear projections. Consider separately identifying committed and assigned amounts.
- **Cash Balance**: Cash balance as of the most recent reporting period, along with any significant short-term cash flow considerations.
- **Ending Fund Balance**: Projected unrestricted ending fund balance for the current year and future years included in outyear projections.
- **Cost of 1%**: Estimated ongoing cost of a 1% compensation increase, broken out by employee group or bargaining unit.
- **Total FTEs**: Total staffing full-time equivalents (FTEs), with useful breakouts such as faculty, adjunct faculty, classified employees, administrators, and bargaining unit members.

- **Local Items**: Include data points that regularly surface in conversations within your CCD. For example, if the CCD anticipates participating in a Tax and Revenue Anticipation Note, consider including the amount and anticipated receipt date. Other locally relevant information could include significant restricted carryover balances, nonresident enrollment and tuition revenue, capital or bond program information, local property tax trends, or other frequently referenced data points.

Every CCD's Fingertip Facts will look different because every CCD has different circumstances, conversations, and local priorities. The important question for the CBO is: What are the numbers your CEO, governing board, and cabinet should always have at their fingertips?

Once those numbers are identified, keep the index card simple, update it regularly, and make it easy to access, whether that means a physical index card that fits in a wallet or, in today's digital world, a PDF that can be quickly accessed from a phone. The goal is simple: when a question comes up, CCD leaders can reference the current facts and provide an accurate answer in the moment rather than relying on their best recollection. For CBOs looking for another way to make complicated financial information accessible and useful, Fingertip Facts can be a simple but effective addition to the budget communication toolbox.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

September Consumer Price Index Update

BY PATTI F. HERRERA, EDD

BY WENDI MCCASKILL, EDD

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posted October 15, 2026

The Bureau of Labor Statistics (BLS) released its September Consumer Price Index (CPI) report yesterday, October 14, 2026, showing consumer prices rose 0.6% in September, up from 0.4% in August. Annual inflation rose from 3.4% to 3.7%. Core inflation, excluding the more volatile commodities of food and energy, rose more modestly by 0.3% for the second consecutive month, while its annual rate rose from 2.4% to 2.6%.

For California Community Colleges (CCCs) and local educational agencies, these figures do not change the 2026-27 statutory cost-of-living adjustment (COLA), which remains 2.87%. However, the latest report reinforces the need to monitor inflation and its possible implications for operating costs and the 2027-28 statutory COLA, particularly in light of today's release indicating that energy costs are impacting prices more broadly.

Gasoline prices increased 9.1% in September, accounting for more than half of the monthly CPI increase. The overall energy index rose 5.2%, up from 2.1% in August. Compared with a year ago, energy prices were up 20.4%, and gasoline prices rose 34.2%. For CCCs, sustained energy price increases could put additional pressure on transportation and facilities budgets. Higher fuel costs can also affect the cost of delivering supplies and providing contracted services. The extent of those effects will depend on local purchasing arrangements, contracts, and consumption.

September also brought increases in shelter, recreation, used cars and trucks, education, airline fares, medical care services, and apparel. Shelter prices rose 0.4% for the month and 3.2% over the year. Food prices were unchanged for the month and up 2.5% year over year. The increase in annual core inflation changes the picture presented by the August BLS report, when core inflation had eased. Energy remains the dominant contributor to the monthly increase, but September's results also show inflationary pressure in other categories. These figures alone do not establish that higher energy costs caused those increases or that inflation will continue accelerating.

In addition, September's rise in headline and core inflation could strengthen the case for another Federal Reserve (Fed) interest rate hike at its October meeting later this month, as policymakers weigh inflation against employment and other economic conditions. For CCCs, a further increase in the Fed rate could impact borrowing costs and financing arrangements.

As discussed in prior articles (see "Rising Prices and the Statutory COLA" and "Annual Inflation Holds at 3.4% as Energy Pressures Continue" in the May 2026 and September 2026 *Community College Update*, respectively), California's statutory COLA is calculated using the federal Implicit Price Deflator for State and Local Government Purchases of Goods and Services issued by the Bureau of Economic Analysis, rather than the CPI released by the BLS. The September inflation rate therefore should not be interpreted as an estimate of the eventual 2027-28 statutory COLA.

However, persistent increases in energy and other costs could affect the broader price trends reflected in the index used to calculate COLA. For CCCs, the practical concern is how those pressures affect expenditures. Monitoring transportation, utilities, supplies, and contracted services will help districts identify emerging cost pressures and adjust their multiyear budget assumptions accordingly.

We will continue to monitor economic indicators and broad economic conditions and provide updates as things progress. As usual, we will also provide updated projections and analysis as part of our analysis of the 2027-28 Governor's Budget.

Salaries & Benefits - % of Total Expenditures

Instructional vs Non-Instructional by Location

FY 2024-25 Actuals/FY 2025-26 Actuals/FY 2026-27 Adopted Budget

FD 11 UGF 2024/25 Actual

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	124,667,564	58,818,137	33,622,796	7,278,639	224,387,136
Total Expenses (1xxx-6xxx)	128,705,670	64,732,469	46,112,613	7,810,293	247,361,045
% of Total	***96.86%***	***90.86%***	***72.91%***	***93.19%***	***90.71%***

FD 11 UGF 2024/25 Actuals - Instructional

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	79,708,021	34,453,678	-	3,078,860	117,240,559
Total Expenses (1xxx-6xxx)	81,277,986	39,407,593	-	3,078,860	123,764,439
% of Total	***98.07%***	***87.43%***	***0.00%***	***100.00%***	***94.73%***

FD 11 UGF 2024/25 Actuals - Non-Instructional

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	44,959,543	24,364,459	33,622,796	4,199,779	107,146,577
Total Expenses (1xxx-6xxx)	47,427,684	25,324,876	46,112,613	4,731,433	123,596,606
% of Total	***94.80%***	***96.21%***	***72.91%***	***88.76%***	***86.69%***

FD 11 UGF 2025/26 Actual

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	141,639,910	64,227,760	37,601,731	6,433,290	249,902,691
Total Expenses (1xxx-6xxx)	146,341,930	66,584,299	50,179,093	6,782,091	269,887,413
% of Total	***96.79%***	***96.46%***	***74.94%***	***94.86%***	***92.60%***

FD 11 UGF 2024/25 Actuals - Instructional

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	89,417,022	37,901,437	-	2,902,839	130,221,298
Total Expenses (1xxx-6xxx)	91,354,802	39,343,447	-	2,902,839	133,601,088
% of Total	***97.88%***	***96.33%***	***0.00%***	***100.00%***	***97.47%***

FD 11 UGF 2024/25 Actuals - Non-Instructional

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	52,222,888	26,326,323	37,601,731	3,530,451	119,681,393
Total Expenses (1xxx-6xxx)	54,987,128	27,240,852	50,179,093	3,879,252	136,286,325
% of Total	***94.97%***	***96.64%***	***74.94%***	***91.01%***	***87.82%***

FD 11 UGF 2026/27 Adopted Budget

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	140,880,151	70,092,291	41,376,511	7,104,486	259,453,439
Total Expenses (1xxx-6xxx)	152,065,226	78,294,293	54,375,220	7,547,486	292,282,225
% of Total	***92.64%***	***89.52%***	***76.09%***	***94.13%***	***88.77%***

FD 11 UGF 2025/26 Adopted Budget - Instructional

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	81,606,192	33,641,974	-	3,247,947	118,496,113
Total Expenses (1xxx-6xxx)	85,334,617	38,988,001	-	3,247,947	127,570,565
% of Total	***95.63%***	***86.29%***	***0.00%***	***100.00%***	***92.89%***

FD 11 UGF 2025/26 Adopted Budget - Non-Instructional

	SAC	SCC	DSO	IC	Total District
Total Salaries/Benefits (1xxx-3xxx)	59,273,959	36,450,317	41,376,511	3,856,539	140,957,326
Total Expenses (1xxx-6xxx)	66,730,609	39,306,292	54,375,220	4,299,539	164,711,660
% of Total	***88.83%***	***92.73%***	***76.09%***	***89.70%***	***85.58%***

Fiscal Resources Committee

2025-2026 Accomplishments

1. Developed District Budget Calendar.
2. Reviewed, evaluated and updated the Budget Allocation Model (BAM) based on the Student Centered Funding formula (SCFF).
3. Developed assumptions for the Tentative and Adopted Budgets.
4. Reviewed and clarified the charge of FRC.

Fiscal Resources Committee

2026-2027 Goals

1. Develop District Budget Calendar.
2. Review, evaluate and update as needed the Budget Allocation Model (BAM) based on the Student Centered Funding formula (SCFF).
3. Develop assumptions for the Tentative and Adopted Budgets.
4. Monitor State budget development and recommend adjustments.

Vacant Funded Positions for FY 2026-27- Projected Annual Salary and Benefits Savings
As of October 14, 2026

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2025-26 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Glomba, Irena	1028144	Assistant to the Vice Chancellor, Human Resources	District	05/15/2026	-	Hired CL26-01392 Guadarrama, Aida#1264403 Eff:7/1/2026	11-0000-660000-53110-2120	-	
11	Keung, Chi-Chung	2712975	Chief Communication Officer	District	02/06/2026	255,171	CL25-01343. Interim Fields, Eugene (1062647) 7/14/26-6/30/27	11-0000-671000-52200-2110	373,012	
11	Kim, Tae H	2657415	Director,Facility Planning,Construction &Support Services	District	01/30/2026	-	Hired CL26-01365 Vejar, Jaime (3004698) Eff:7/28/26	11-0000-710000-54132-2110	-	
11	O'Connor, Adam	1871524	Assistant Vice Chancellor, Fiscal Services	District	11/02/2026		Hired CL25-01354 Day, Emily#2996081 Eff:7/1/26	11-0000-672000-54211-2110	-	684,213
11	Principal HR Analyst(Reorg1471)	Reorg1471	Principal Analyst Human Resources (Reorg1471)	District	07/01/2025	-	Hired CL25-01251 Melissa Gunther2812896	11-0000-673000-53110-2110	-	
11	Waters, David	2579077	Chief District Safety and Security	District	08/01/2025	204,186	Both Michael Jensen 1167609 & Francisco Prado#1327363 will share interim Chief position50% until 9/30/26	11-0000-677000-54161-2110-50% 11-0000-695000-54161-2110-50%	311,201	
11	Hoffman, Simon Bart	1029672	Vice President, Administrative Service	SAC	06/30/2026	292,667	CL26-01466 Interim assignment Jim Kennedy. Receiving 5% stipend until 6/30/27 paid from his CEC F/T acct.	11-0000-679000-17100-2110	438,121	
25%-fd 11 75%-fd 12	Martinez, Daniel	2258354	Assoc Dean, College Research	SAC	06/30/2026	-	Hired AC26-01361 Zhang, Xi (3013950) Eff:9/8/26	11-0000-679000-11600-1210-25% 12-2412-649000-11600-1210-25% 12-2549-649000-11600-1210-50%	-	1,169,429
11	Eidgahy, Saeid	2428867	Dean, Science & Math	SAC	12/31/2026	136,973	AC26-01461	11-0000-601000-16100-1210	175,450	
11	Plair, Vincent E	2963235	Director, Criminal Justice Academies	SAC	06/05/2026	162,375	AC26-01434 Interim McKenzie, Tracy (1069462) Eff:10/5/2026	11-0000-601000-15712-1210	231,640	
11	Sergeyeva, Larisa	2453059	Dean, Human Services & Technology	SAC	01/20/2025	236,644	AC26-01433 Interim Dean Humble, Dina Eff:7/27/26 (2366791)	11-0000-601000-15705-1210	324,219	
11	Cuellar, Estela	1028371	Director, Special programs	SCC	12/22/2023	154,642		11-3230-619000-25210-2110	243,662	
11	Beers-McCormick, Lynnette	1026914	English Instructor	SCC	06/30/2027	-		11_0000_150100_25315_1110-83% 11_0000_619000_25315_1250-17%	-	
11	Reorg#1418 Director Campus Budget & Accounting	Reorg#1418	Director Campus Budget & Accounting	SCC	07/01/2025	174,144		11-0000-679000-27105-2110	271,128	899,243
11	Jordan, Loretta	1028234	Assistant Vice President Student Services	SCC	06/30/2025		Position Eliminated Reorg#1483	11-0000-649000-29050-1210	-	
11	Park. Jason	2730022	VP, Academic Affairs	SCC	06/30/2026	292,667	Voelcker, Aaron J (1985186) Interim Assignment Eff:7/1/26	11-0000-601000-25051-1210	384,453	
						1,909,469			2,752,885	

Fund	Classified	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes		2025-26 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Application Specialist IV (Reorg1470)	Reorg1470	Application Specialist IV	District	07/01/2025	137,873		11-0000-678000-54144-2130	212,108	
11	Ceja, Fabiola	1069201	Payroll Specialist	District	08/21/2026	83,554		11-0000-672000-54215-2130	137,627	
11	Eng, Gregory	2258588	P/T Reprographics Technician	District	01/03/2024	29,834		11-0000-677000-52500-2310	40,664	
11	Guadarrama, Aida	1264403	Executive Secretary	District	07/01/2026	120,959	CL26-01440. Esther Odegard substitute 1026531 until 10/31/26	11-0000-673000-53110-2130	204,723	
11	Herrera, Christian A	2899789	Purchasing Service Assistant	District	04/24/2026	-	WOC Alcocer, Jorge 7/1/26-9/11/2026. Hired CL26-01401 Pantoja, Shadia #3014524 Eff: 9-1-26	11-0000-677000-54151-2130	-	
14%-fd 11 86%-fd 12	Information Security Specialist (Reorg14	Reorg1430	Information Security Specialist	District	07/01/2025	-	Hired CI25-01252 Bruce, Andrew#2982356	11-0000-678000-54145-2130-14% 12-2141-678000-54145-2130-86%	-	
11	Jahshan, Madeline L	2768074	Desktop Publishing Technician	District	02/12/2026	83,303		11-0000-677000-52600-2130	127,912	
11	Johnson, Maureen	1026840	Payroll Specialist	District	06/30/2026	-	Hired CL26-01432 Ramirez, Ramiro#3019637 Eff:9/28/26	11-0000-672000-54215-2130	-	
11	Lammoglia, Fernando	2338935	Network Specialist II	District	12/08/2025	-	Hired CL25-01333 Landrum, Derrick#3019665 Eff:10/26/26	11-0000-678000-54145-2130	-	
11	Maldonado, Lysette	2729497	Human Resources Specialist	District	12/18/2025	-	Claudia#3004275 Eff:7/13/26	11-0000-673000-53110-2130	-	
11	Procurement Specialist (Reorg1447)	Reorg1447	Procurement Specialist (Reorg1447)	District	07/15/2024	75,312	Reorg#1447 Changed position to Procurement Specialist	11-0000-677000-54151-2130	131,203	1,524,757
75%-fd 11 25%-fd 12	Nguyen, Huong	1025853	Resource Development Coordinator	District	12/31/2025	-	Hired CL26-01346 Rosas, Juliana A (2676910 Eff: 8/3/26. WOC Luna, Tracie#1525221 12/11/26-6/31/26 and 7/1/26-8/31/26	11-0000-679000-53345-2130-75% 12-1801-679000-53345-2130-25%	-	
11	Palomares, Vanessa	1851190	Business Services Coordinator	District	10/19/2022	85,507		11-0000-701000-53350-2130	145,108	
11	Santillan, Jason	1834093	Lead Custodian	District	09/25/2026	61,075		11-0000-653000-54133-2130	113,606	
11	Senior Communications Dispatcher (Reo	Reorg1436	Senior Communications Dispatcher	District	07/01/2025	-	Hired CL25-01359 Lopez, Lynnmarie (2144400)	11-0000-677000-54164-2130-50% 11-0000-695000-54164-2130-50%	-	
11	Senior District Safety Officer(Reorg1469	Reorg1437	Senior District Safety Officer	District	07/01/2025	83,421		11-0000-695000-54167-2130	142,263	
60%-fd 11 40%-fd 12	Shipma, Phil	1209698	Senior District Safety Officer	District	05/31/2026	66,484		11-0000-677000-54166-2130-60% 12-3610-695000-54166-2130-40%	114,366	
11	Tran, John	1030000	Media Systems Electronic Technician, Lead	District	12/29/2023	92,889	WOC Stephen Avila#2322397 7/1/25-6/30/26 and 7/1/26-12/31/26	11-0000-678000-54142-2130	155,176	
11	Yniguez, Barbara	2424789	Executive Secretary	District	11/30/2025	-	Hired CL26-01400 Shapero, Stacey-Ann (3014516) Eff:9/8/26. WOC Gutierrez-Lucero, Maria Del Pilar #1030911	11-0000-672000-54211-2130	-	
11	Abrahams, Lawrence	1761488	Athletic Equipment Coordinator	SAC	04/13/2026	-	Hired CL26-01403 Stevenson, Christopher (2192369) Eff:9/9/26	11-0000-619000-15440-2130	-	
11	Adomo, Jessy	2205622	Skilled Maintenance Worker	SAC	02/19/2025	-	Hired CL25-01169 Avila, Christopher#2044430 Eff:10/20/25	11-0000-651000-17400-2130	-	
11	Applewhaite, Neal	2814213	Custodian(GY)	SAC	03/24/2025	-	Hired CL25-01237 Reynel, Alan#1772354 Eff:1-26-2026	11-0000-653000-17200-2130	-	
56%-fd 11 44%-fd 12	Barriere, Helen	2640394	Student Services Coordinator-MESA	SAC	03/21/2025	57,364		11-2470-633000-15340-2130-56% 12-2470-633000-15340-2130-44%	79,110	
11	Boster, Toinette	1029574	Division Administrative Assistant	SAC	06/30/2025	-	Hired CL25-01185 Palafox, Anay#2299314 Eff:11/14/25	11-0000-601000-15716-2130	-	
11	Briseno, Jennifer	2712369	P/T Student Services Specialist	SAC	02/14/2024	-	Hired CL25-01127 Garcia, Jannely#2920018 Eff:8/19/25	11-0000-696000-19720-2310	-	
11	Britton, Bailey	2882736	Library Clerk	SAC	09/20/2025	-	Hired 1568561 Amaya, Yareni Eff:11/3/25	11-0000-612000-15915-2130	-	
50%-fd 11 50%-fd 12	Cabrera, Juan	2218013	Adminssions and Records Specialist II	SAC	05/01/2025	-	Interim Torres, Leticia#2788706 Eff:7/1/25-6/30/26 Hired 2942439 Perez Mauleon, Laura	11-0000-620000-19215-2130	-	
11	Campbell, Robert	2672582	Science Lab Coordinator	SAC	11/25/2025	-	Hred CL26-01380 Thompson, Emily #3016627 Eff:9/8/26			
11	Chatman, Daniel	2740296	Custodian	SAC	06/25/2025	-	Hired CL26-01363 Jackson, James#2995243 Eff:6/29/26	11-0000-653000-17200-2130	-	
11	Chavarria, Kathy	2768065	P/T Admissions/Records Specialist I	SAC	12/08/2024	27,113		11-0000-620000-18100-2310	28,469	
11	Dam, Amy	2836066	Administrative Secreatry	SAC	02/03/2025	79,347		11-0000-679000-11501-2130	136,706	
11	Foster, Karlee	2997235	Fine Arts/Thea Facilities Technician	SAC	08/25/2026	-	Hired CL26-01465 Morrow, Benjamin #1370636. Effective 10/5/26	11-0000-601000-15565-2130	-	
11	Garcia, Jannely	2920018	P/T Student Program Specialist	SAC	08/05/2026	26,921	WOC Montoya-Miller, Morgan#2827387	11-0000-696000-19720-2310	36,693	
11	Garcia, Jose	1026942	P/T Custodian	SAC	04/01/2024	22,118		11-0000-653000-17200-2310	23,224	
11	Garcia Pedroza, Vanessa	2901287	Facilities Coordinato	SAC	10/24/2025	50,669		11-0000-683000-17100-2130	90,313	
11	Guillen Flores, Jabin	1031003	Custodian	SAC	11/17/2025	69,177		11-0000-653000-17200-2130	123,073	
11	Hernandez, Eric	1027374	P/T Custodian	SAC	05/01/2022	22,118		11-0000-653000-17200-2310	30,147	
20%-fd 11 80%-fd 12	King, James	1029512	Publications Assistant	SAC	03/27/2026	14,711		11-0000-619000-18100-2130-20% 12-1102-619000-18100-2130-30% 12-1106-619000-18100-2130-50%	25,472	
11	Lopez, Marlina	2706768	P/T Admissions/Records Specialist I	SAC	08/19/2026	26,452		11-0000-620000-19205-2310	36,054	
11	Linares, Nestor	1933720	Gardener/Utility Worker	SAC	06/30/2026	-	CL26-01438 Lateral Transfer Sanchez Nunez, Hugo#2815472 eff:9/14/26	11-0000-655000-17300-2130	-	
11	Martinez Giron, Andy	2913694	Lead Custodian(SW)	SAC	01/05/2026	-	Change of Assignment Tuon, Sophanareth # (1028354) Eff:5/4/2026. Site submitted ESC on 9/11/26	11-0000-653000-17200-2130	-	
11	McKowan, Essence	2420015	Auxiliary Services Specialist	SAC	09/30/2026	53,671		11-0000-699000-14121-2130	84,088	
11	Medina, Emiliano	1030631	Custodian	SAC	08/07/2026	23,828		11-0000-653000-17200-2310	32,477	
11	Mejia, Joanne	1233047	Administratice Clerk	SAC	05/12/2025	-	Hired CL26-01360 Aguirre, Jerilyn#2383176	11-0000-601000-15705-2130	-	1,319,490
35%-fd 11 65%-fd 31	Miranda Zamora, Cristina	1339369	Auxiliary Services Specialist	SAC	11/19/2019	25,257		11-0000-699000-14121-2130-35% 31-0000-691000-14121-2130-65%	44,418	
11	Naguib-Estefanous, Nancy A	2018465	Senior Clerk	SAC	10/02/2022	66,237		11-0000-646000-19405-2130	118,826	

Vacant Funded Positions for FY 2026-27- Projected Annual Salary and Benefits Savings
As of October 14, 2026

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2025-26 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Nieto, Vicente	1988380	Sr Custodian/Util Worker	SAC	05/31/2026	70,272	1028117 Tuon, Suonphatheros out of class assignment	11-0000-653000-17510-2130	109,032	
11	Osuna, Maria	2446842	High School & Community Outreach Specialist	SAC	08/11/2025	36,994		11-0000-649000-18100-2310	50,423	
11	Powers, Jennica	2778085	Research Analyst	SAC	06/01/2025	-	Hired CL25-01352 Sechang, Seallong T (2998865) eFF:7/13/26	11-0000-679000-11600-2130	-	
11	Ralston, Lance	1026806	HVAC Mechanic	SAC	05/22/2024	-	Hired CL24-00926 Do, Dan#1752463 Eff:3/28/25	11-0000-651000-17400-2130	-	
11	Razo, Mariano	1029552	Custodian	SAC	03/25/2024	-	Hired CL25-01237 Vilchis, Eric #2277706 Eff:2/9/2026	11-0000-653000-17200-2130	-	
82%-fd 11 18%-fd 13	Reimer, Lillian	1025907	Admissions/Records Specialist I	SAC	08/16/2022	-	Reorg1338 eliminated position, added Administrative Clerk/Bil. Hired CL24-00853 Arvizu, Gloria#1030824	11-0000-620000-18100-2130-82% 12-1102-620000-18100-2130-18%	-	
25%-fd 11 75%-fd 12	Reimer, Tracy	1417177	Counseling Assistant	SAC	02/17/2025	-	Hired CL25-01268 Fuentes Guzman, Elena #2971025 Eff:3/9/26	11-2250-643000-19300-2130-25% 12-2250-643000-19300-2130-64% 12-2090-643000-19300-2130-11%	-	
50%-fd 11 50%-fd 13	Retana, Karen	1980573	Senior Clerk	SAC	05/26/2025	-	Hired 2073585 Serratos, Aimee	11-0000-709000-11300-2130-50% 13-3411-709000-11300-2130-50%	-	
11	Rodriguez, Fidel	1029186	Lead Custodian	SAC	07/31/2024	-	Hired CL24-01064 Chatman, Daniel#2740296 Eff:6/26/25	11-0000-653000-17200-2130	-	
11	Rodriguez, Hector	2611615	Gardener/Utility Worker	SAC	05/03/2022	-	Hired CL25-01120 Favela, Alonso#2429383 Eff:8/18/25	11-0000-655000-17300-2130	-	
11	Sandoval, Miriam	2603233	Student Services Specialist	SAC	07/25/2025	-	Hired CL25-01244 Peinder, Sheyla#1868535 Eff:1/5/2026	11-0000-619000-15056-2130		
11	Santamaria, Mark	1028966	HVAC Mechanic	SAC	11/02/2024	-	Hired CL25-0125 VU, Quang Eff:1/5/26 Termed Ramos, Edward#2919448 Eff:8/25/25.Hired CL25-01168 Ramos, Edward#2919448 Eff:8/25/25	11-0000-651000-17400-2130	-	
11	Serna, Ashley	2039756	Intermediate Clerk	SAC	04/15/2025	-	Hired CL25-01188 Resendiz, Stephanie#2225830 Eff:11/3/25	11-0000-631000-15310-2130	-	
50%-fd 11 50%-fd 13	Serratos, Aimee	2073585	Senior Clerk	SAC	04/15/2026	31,794		11-0000-709000-11300-2130-50% 13-3411-709000-11300-2130-50%	57,427	
40%-fd 11 60%-fd 12	Student Services Specialist	REORG#1190	Student Services Specialist	SAC	12/29/2019	28,865	Reorg#1190 (Nguyen, Cang#1030027)	11-0000-632000-19510-2130-40% 12-2416-632000-19510-2130-60%	50,763	
11	Taylor, Katherine A.	1028961	P/T Admissions/Records Specialist I	SAC	10/01/2020	-	Hired CL25-01338 Dimalanta, Bernadette (2954618) Eff:8/1/26	11-0000-620000-19205-2310-100%	-	
11	Tuon, Sophanareth	1028354	Lead Custodian	SAC	05/04/2026	90,203	Change of Assignment Tuon, Sophanareth # (1028354) Eff:5/4/2026. Site submitted ESC on 9/11/26	11-0000-653000-17200-2130	162,775	
11	Atwood, Lee	1028727	Lead Maintenance Worker	SCC	01/02/2026	101,905		11-0000-651000-27400-2130	167,480	
11	Accountant Reorg 1413		Accountant Reorg 1413	SCC	07/01/2026	83,421		11-0000-679000-27105-2130	142,263	
11	A&R Spec III 10/1 + Bilingual Reorg 1389		P/T A&R Spec III 10/1 + Bilingual (1 of 2)	SCC	07/01/2026	31,847		11-0000-620000-28100-2310	43,407	
11	A&R Spec III 10/1 + Bilingual Reorg 1389		P/T A&R Spec III 10/1 + Bilingual (2 of 2)	SCC	07/01/2026	31,847		11-0000-620000-28100-2310	43,407	
11	Barriga Orozco, Carlos	2282309	Custodian	SCC	03/14/2025	24,746		11-0000-653000-27200-2310	33,729	
11	Calderon, Alfredo	1586163	Gardener/Utility Worker	SCC	09/02/2025	28,634		11-0000-655000-27300-2310	30,066	
11	Ceja, Daniel	1100167	Lead Custodian	SCC	05/19/2025	71,205	WOC Ramirez, Margarito#2443392 Eff:7/1/25-11/30/2025	11-0000-653000-27200-2130	125,602	
30%-fd 11 70%-fd 12	DelaTorre, Irma	1027036	Administrative Clerk	SCC	12/31/2024	21,649		12-1542-649000-29905-2130-70% 11-0000-645000-29905-2130-30%	38,073	
11	Dominguez, Oswaldo	2740147	Custodian	SCC	04/20/2026	24,746		11-0000-653000-27200-2310	25,983	
50%-fd 11 50%-fd 12	Dulalas, Luminacion Y	1026995	Adm/Rec Tech Specialist	SCC	07/01/2026	61,738		11-0000-620000-29100-2130-50% 12-2572-631000-29325-2130-50%	97,721	
11	Espinoza, Laura	1027423	Curriculum Specialist	SCC	08/19/2025	92,889		11-0000-601000-25051-2130	155,176	
50%-fd 11 50%-fd 12	Gardea, Maria Adilene	1292404	Division Admin Assistant	OEC	08/23/2026	42,429		11-0000-601000-18100-2130-50% 12-1102-619000-18100-2130-50%	72,096	
60%-fd 11 40%-fd 12	Gardea, Maria Adilene	1292404	Adminstrative Clerk	OEC	05/12/2024	36,983	WOC Ramirez, German#1375816 8/31/26-12/31/26	11-0000-620000-28100-2130-60%, 12-1102-620000-28100-2130-23% 12-2462-620000-28100-2130-17%	64,684	
60%-fd 11 40%-fd 12	Gaston, Vanessa	1029787	P/T Adminstrative Clerk	OEC	04/13/2025	19,108		11-0000-620000-28100-2310-60%, 12-1102-620000-28100-2310-40%	26,044	**2,868,017**
11	Gilbert, Jessica	1905429	PT Administrative Clerk	SCC	12/31/2023	31,193		11-0000-601000-25051-2310	42,516	
11	Hernandez, Guadalupe	1492326	Custodian	SCC	04/04/2023	60,021		11-0000-653000-27200-2130	83,457	
11	Karimpour, Jennifer	1679262	Auxiliary Services Specialist	SCC	11/01/2024	72,162		11-0000-691000-24126-2130	126,906	
11	Lawerence, Dominic	2846963	Transfer Center Specialist	SCC	01/06/2026	75,312		11-0000-631000-29305-2130	131,203	
11	Lopez Gomez, Valentin	1810444	Custodian	SCC	11/25/2025	61,450		11-0000-653000-27200-2130	112,351	
11	Luna, Miguel	2098323	Student Services Coordinator	SCC	09/18/2025	92,890		11-0000-631000-29325-2130-50% 11-0000-633000-29325-2130-50%	155,178	
	McMinimy, Tawny	1030826	Auxiliary Services Sp	SCC	09/26/2023	31,193		11-0000-696000-24129-2310	42,516	
11	Medina, Alfonso	1030217	Custodian	SCC	10/17/2025	61,450		11-0000-653000-27200-2130	112,297	
11	Najera, Ruth	2669392	Library Technician	SCC	11/28/2025	69,072		11-0000-612000-25430-2130	122,693	
11	Nguyen, Jay	1062155	P/T Admission & Records Specialist I	SCC	10/31/2023	26,452		11-0000-620000-29110-2310	36,054	
11	Orozco-Barriga, Carlos	2282309	P/T Custodian	SCC	03/14/2025	24,746		11-0000-653000-27200-2310	33,729	
11	Ramirez, Margarito	2443392	Custodian	SCC	03/31/2026	61,450		11-0000-653000-27200-2130	85,405	
11	Ruesga, Elias	2090990	Custodian (GY)	OEC	04/11/2025	61,450		11-0000-653000-28100-2130	112,297	
11	Sanchez Nunez, Hugo	2815472	Gardener/Utility Worker	SCC	09/13/2026	60,923		11-0000-655000-27300-2130	117,304	
11	Student Serv Spec 10/1 + Bilingual Reorg 1389		Student Serv Spec 10/1 + Bilingual Reorg 1389	OEC	07/01/2026	31,847		11-0000-649000-28100-2310	43,407	
11	Student Serv Spec 10/1 + Bilingual Reorg 1389		Student Serv Spec 10/1 + Bilingual Reorg 1389	OEC	07/01/2026	31,847		11-0000-649000-28100-2310	43,407	
11	Sura, Alma	1030200	Instructional Center Technician	OEC	03/03/2025	63,659		11-0000-110100-25350-2210	115,310	
11	Tran, Kieu-Loan T.	1030029	Admission Records Specialist III	SCC	03/01/2020	72,162		11-0000-620000-29100-2130	126,906	
11	Yamamoto, Fumiko	2814889	Accountant	SCC	09/28/2025	35,951		11-0000-649000-29200-2310	49,001	
11	Zul, Armida	1029218	Custodian	OEC	09/30/2024	60,021	CL25-01125	11-0000-653000-28100-2130	110,348	
						3,501,718			5,712,264	
						5,411,186			**8,465,149**	

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY2026-27, 2025-26, 2024-25
YTD Actuals- September 30, 2026

	FY 2026/2027												
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	$107,271,683	$116,413,119	$101,487,727	$114,721,637	$114,721,637	$114,721,637	$114,721,637	$114,721,637	$114,721,637	$114,721,637	$114,721,637	$114,721,637	**Total**
Total Revenues	28,000,427	8,838,991	37,834,108	0	0	0	0	0	0	0	0	0	74,673,526
Total Expenditures	18,858,991	23,764,384	24,600,197	0	0	0	0	0	0	0	0	0	67,223,572
Change in Fund Balance	9,141,436	(14,925,392)	13,233,910	0	0	0	0	0	0	0	0	0	7,449,954
Ending Fund Balance	116,413,119	101,487,727	114,721,637	114,721,637	114,721,637	114,721,637	114,721,637	114,721,637	114,721,637	114,721,637	114,721,637	114,721,637	

	FY 2025/2026												
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	$101,397,475	$118,420,629	$103,084,933	$101,983,310	$82,965,966	$82,170,849	$110,673,336	$98,943,948	$71,217,300	$71,040,758	$74,346,913	$62,392,826	Total
Total Revenues	33,882,478	5,192,837	21,697,262	10,896,331	24,110,339	53,683,243	12,573,287	(1,367,579)	23,717,996	28,492,120	13,920,918	84,470,994	311,270,225
Total Expenditures	16,859,325	20,528,533	22,798,885	29,913,675	24,905,456	25,180,755	24,302,675	26,359,069	23,894,539	25,185,965	25,875,005	39,592,136	305,396,017
Change in Fund Balance	17,023,154	(15,335,696)	(1,101,623)	(19,017,344)	(795,117)	28,502,487	(11,729,388)	(27,726,648)	(176,543)	3,306,155	(11,954,087)	44,878,858	5,874,208
Ending Fund Balance	118,420,629	103,084,933	101,983,310	82,965,966	82,170,849	110,673,336	98,943,948	71,217,300	71,040,758	74,346,913	62,392,826	107,271,683	

	FY 2024/2025												
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	$108,927,679	$113,085,702	$101,086,771	$91,653,213	$78,119,390	$77,033,785	$90,289,535	$84,911,303	$78,359,641	$75,133,044	$82,781,649	$67,396,799	Total
Total Revenues	19,472,410	7,948,041	12,511,262	8,911,894	24,669,507	35,190,919	15,440,007	15,578,467	21,020,528	30,233,290	14,459,329	79,548,729	284,984,384
Total Expenditures	15,314,386	19,946,973	21,944,820	22,445,717	25,755,112	21,935,168	20,818,240	22,130,129	24,247,125	22,584,685	29,844,179	45,548,053	292,514,588
Change in Fund Balance	4,158,023	(11,998,932)	(9,433,557)	(13,533,824)	(1,085,605)	13,255,750	(5,378,232)	(6,551,662)	(3,226,597)	7,648,605	(15,384,850)	34,000,676	(7,530,204)
Ending Fund Balance	113,085,702	101,086,771	91,653,213	78,119,390	77,033,785	90,289,535	84,911,303	78,359,641	75,133,044	82,781,649	67,396,799	101,397,475	

Fiscal Resource Committee
Via Zoom Video Conference Call

Meeting Minutes for September 16, 2026

FRC Members present:
SAC: Claire Coyne, James Kennedy, Reza Mirbeik
SCC: Albert Alvano, Alicia Ayers, Tara Kubicka-Miller, Aaron Voelcker
District: Iris Ingram, Emily Day, Sarah Fisher, Madeline Grant

FRC Members absent: Joanne Mejia, Arlene Satele, Veronica Gonzales
Alternates present: Vaniethia Hubbard, Christopher Sweeten, Thao Nguyen
Guests present: Jason Bui, Steven Deeley, Gina Huegli, Rasel Menendez, Barbara Yniguez (as recorder)

1. Welcome

VC Ingram welcomed all to the September meeting of the FRC and called the meeting to order at 1:32 p.m. Quorum was achieved.

2. State/District Budget Update – Ingram

- 2026-27 Adopted Budget
- 9/14/2026 Board PowerPoint presentation on the 2026-27 Adopted Budget
- SSC – State Auditor Releases Report on District Reserves
- SSC – Second House Suspense File Hearing Results
- SSC – Top Legislative Issues—August 21, 2026
- SSC – LAO Releases Updated "Big Three" Revenues
- SSC – DOF Reports July Revenues as Economic Conditions Remain Mixed
- SSC – Technically Balanced, 2026-27 Budget Leaves State with $29 Billion Structural Deficit According to LAO
- SSC – Legislature Wraps up the 2025-26 Legislative Session
- SSC – President Trump signs Stopgap Funding Measure
- SSC – Governor Signs Bills on Veterans, Sexual Harassment Procedures, and CalPERS
- DOF – Finance Bulletin-August 2026

VC Ingram called attention to the above items provided for review. The Adopted Budget was approved by the Board of Trustees on September 14.

3. District's Reserve Policies and Practices

Placed on agenda for discussion and is referenced within agenda item 2 under the State Auditor Report on District Reserves. Coyne had requested this item be placed as a separate agenda item for discussion.

A presentation was provided by Day. It was pointed out the links do not function within the presentation but these links were provided in the meeting chat during the meeting.

Six districts were reviewed by the State Auditors: Antelope Valley, Butte Glenn, Kern, Mt. San Jacinto, San Francisco, and Calbright Online Community College. Over a number of years the unrestricted reserve levels showed an increase. The data used is from each district's 311 report for FY24-25.

Coyne had expressed the desire to discuss RSCCD's reserve policies and practices. AR 6305 Reserves was last revised in May 2024 and speaks about having 2-months of reserves based on funds 11, 12, and 13. A review and explanation of the figures and calculations was provided for context of the Unrestricted General Fund balance.

VC Ingram shared that a number of points made by the State Auditor were that a number of districts collected reserves but had no maximum reserve level established. There was not a specific plan for how the reserves were accumulated and spent down. They also only covered the unrestricted general fund balance (fund 11 and 13, one-time and ongoing) as opposed to including fund 12 (restricted, categoricals and grants) which was not included in the review of the six districts. There was also a comparison of community colleges to K-12 which has a different funding structure and guarantee with respect to revenue.

Coyne asked what recommendations resulted from this audit and where does RSCCD sit with these recommendations. VC Ingram pointed out the State Auditor did not provide specific direction but raised a number of questions. One observation was they said the colleges did not designate their reserves in a way that defined a spending plan impacting student outcomes. It is felt that RSCCD reserves would not meet that criticism; ours are labeled and designated to what they can be used for and when, and could be related to student outcomes. The other issue questioned by the State Auditor was the level; the GFOA recommendation is for two months operating cash reserves as a minimum.

It was noted that the CCCCO has not yet provided an official response.

Recommendation by the state auditor stated reserves should be labeled for a specific purpose and tied to student outcomes. RSCCD meets that criteria.

Multi-year projections based on projected future revenues and expenditures to determine year-end funding balances. Fund 12 is included because of the risk analysis conducted three years ago. The number of faculty and staff paid out of fund 12 was above 30 percent at the time, so fund 12 is included to ensure these people are also covered.

Further discussion ensued and clarification was provided.

4. Multi-year Projections

Day explained our projection shows five years of data. The first year is FY25-26; revenue, expenditures and FTES are based either on the early recal, our P3 320 report, and our recorded expenses for fiscal year end 06-30-2026. FY26-27 represents our Adopted Budget and 3-year projections (FY27-28, FY28-29, and FY29-30) based on assumptions. These assumptions impact revenues and expenditures.

Data reflecting the two multi-year projection scenarios was presented with comparison provided. The charts are available for reference as part of the agenda package (pages 21-22).

Grant asked how these projections are created and whether there is input from the colleges. Are these projections provided to the budget committees? Coyne shared there are similar projection-based questions in their Enrollment Management Committee. VC Ingram stated projections are based on information from a number of sources. A brief explanation was provided. The projected growth from the two campuses is reviewed at the Cabinet weekly along with the FTES the campuses plan to report via the 320 report. This data is taken into account when projections are prepared.

Further discussion ensued and clarification was provided.

5. Economic Development Report – Sarah Fisher

Fisher presented the 2025-2026 Annual Progress Report for Economic Development and Workforce Innovation. There has been an effort to increase Contract Education. Information concerning Economic Development Performance, Industry-Driven Regional Collaborative, California Employment Training Panel contract (earned funding/reimbursed by State and including $1M agreement for partnership with industry and business in the region). Artificial Intelligence Workforce Training, a key program to contract education, was also discussed. Work continues to develop relationships with employers via collaboration with our Customized Training Institute (CTI) and employer engagement teams by conducting mixers and summits. Both SAC and SCC have been significantly represented via Regional Strong Workforce investments. Economic and workforce development

space is building industry regional advisories: e.g., community health-worker, automotive. Work-based learning expansion via engagement with the business community was also discussed. (page 23-27)

6. AR 7400 Travel

Coyne called attention to item 6 at the beginning of the meeting stating the request was that it be included as an action item. It was requested that it be converted to an action item per the previous request.
Coyne motioned to amend the agenda to convert item 6, AR 7400 Travel, to an action item from a discussion item. Kubicka-Miller provided the second.

Roll call vote was taken. 9 yes; 1 no – Motion passed.

Motion to approve amendment of AR 7400 was requested and Coyne provided the first with second by Alvano.

Discussion ensued.

Kubicka-Miller presented a summary of AR 7400 discussions. It was reviewed by both SAC and SCC College Councils with forward recommendations being made. At the request of FRC, the summary document was developed to clearly show language differences: SAC (red) and SCC (blue), and same (purple). Primary area of change is section 3, Travel Advances. An explanation of prior travel advance policy was shared and it was pointed out the change being requested is to go back to the previous policy. It was pointed out that evidence of cost estimates must be provided. Coyne pointed out that the language recommended by SAC is on par with what SCC recommends. With that in mind, Coyne suggested moving forward with the shorter language provided by SCC (blue).

Day shared Thao Nguyen reviewed 2025-2026 conference claim forms. During that time, over 800 claims were processed. The total amount approved on these forms (estimate vs. actuals) were analyzed. Results showed there appears to be an overestimation of costs per event. On the average, actuals were 79 percent of the cost estimate. In addition, nearly 35 percent of conference claims reflect less than 75 percent of the original cost estimate. This suggests a significant number of conference request cost estimates were overstated relative to actual incurred expenses.

Prior to the AR referenced previously (2019), the Accounts Payable (AP) team witnessed large numbers of funds needing to be returned/reimbursed to the district. Overestimation of cost estimates has continued. Further, the AP team does not have the bandwidth to follow-up/chase reimbursement of overestimated travel advance funds. Funds which are not returned to the district reflect a gift of public funds. Day asked that the cost overestimation trend, the volume of same, and the bandwidth of AP team to perform collections activity be considered.

VC Ingram expressed concern for the overall fiscal health of the district. Although not at RSCCD during 2019, it is assumed the AR was changed at least in part due to the outstanding advances which would be absorbed by the district. Many of the estimates presented in the 2025-2026 data were off by 20-25 percent. It was emphasized that AP does not have the staffing or time to perform as a collection agency and that uncollected funds are a gift of public funds.

The process, policy, personal experiences, and perspectives were presented and further discussed.

Coyne moved to amend the motion to approve the amendment and incorporate SCC's language to revise AR 7400. Second by Grant.

Moved and seconded to vote on the amended version of AR 7400 using language proposed by SCC (blue).
VC Ingram reminded that the FRC vote, as well as all committees, are recommendations with respect to AR and any other policy or procedure.

Roll call vote was taken. 8 yes; 2 no; 1 abstain. Motion passed.

7. 2027-28 Draft Budget Calendar

This is not an action item. It is a draft for discussion only.
Coyne asked if there were substantive changes as compared to previous years. There are no changes other than dates due to the day of the week. Dates are governed by external reporting deadlines.

Coyne moved to waive the second reading and put this to a vote at this time. Second was provided by Kennedy. Moved and seconded that second reading of the Budget Calendar be waived and approved as shown.

Roll call vote was taken. Motion passed unanimously.

8. Standing Report from District Council – Claire Coyne

District Council has not met since the last FRC in August. The next meeting is October 5.

9. Informational Handouts

- District-wide expenditure report link: https://intranet.rsccd.edu
- Vacant Funded Position List as of September 9, 2026
- Monthly Cash Flow Summary as of August 31, 2026
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

VC Ingram called attention to the handouts listed above.

10. Approval of FRC Minutes – August 19, 2026 – ACTION

Motion to approve was made by Coyne with second by Kennedy.
Roll call vote was taken and passed unanimously.

11. Other

Thank you to VC Ingram for sharing the board report summary as it was helpful to those who were unable to attend.

Motion to adjourn was made by Kennedy with all in agreement signing off.

Meeting adjourned at 3:05pm.

Next FRC Committee Meeting: Wednesday, October 21, 2026, 1:30 pm – 3:00 pm

DRAFT