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 $29.5 million ongoing Proposition 98** 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 A²MEND, 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 (A²MEND)	$2.5 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 $29.5 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 subset of categoricals, many other categorical 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.