

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.