

TO: Chief Student Services Officers
Chief Executive Officers
Chief Business Officers

FROM: Rowena M. Tomaneng, Deputy Chancellor

RE: Effective Use of Prop 98 Spending

This memorandum serves as a reminder of the Chancellor's Office's [memo ESS 21-100-002](#) and our commitment to subsidiarity and providing colleges with maximum flexibility to support student success. At the same time, it is important to note that the Chancellor's Office has an obligation and responsibility to provide oversight for all encumbered Proposition 98 funds. It must and will continue to ensure colleges are spending funds in a reasonable amount of time and doing all possible to address student and local needs with these dollars. As a result, the Chancellor's Office would like to remind colleges that we strongly encourage and request college districts to apply the following principles when making decisions on Proposition 98 funds allocated to them:

- Colleges should do all possible to spend down funds within the same year allocated to advance the intended purposes of the respective programs, even if not specifically required.
- If funds are not fully expended within the same year of allocation, the remaining funds should be the first funds expended in the following year.
- Funds should be prioritized to maximize services to students, including, where allowable, in the form of direct aid to students.

Unspent funds do not foster student success. This memo should serve as a reminder that categorical program spending should not be restricted when an accumulation of funds exists. The Chancellor's Office is monitoring spending and is reaching out to colleges with large accumulations of unspent funds to discuss spending plans and options if funds are not expended within a reasonable time. It reserves the right to take actions, including holding back subsequent year allocations, to avoid the unreasonable accumulation of funds.

Please feel free to contact your Chancellor's Office program representative with any questions.

Effective Use of Prop 98 Spending

March 5, 2025

cc: James Todd, Assistant Vice Chancellor of Educational Services and Support
Allison Beer, Dean of Educational Services and Support
Mia Keeley, Dean of Educational Services and Support