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 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)	$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.