AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assembly Member Kevin McCarty, Chair

TUESDAY, APRIL 18, 2023

9:00 A.M. - STATE CAPITOL, ROOM 447

This hearing can be viewed via live stream on the Assembly's website at https://assembly.ca.gov/todayevents.

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: BudgetSub2@asm.ca.gov. Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.

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CALIFORNIA COMMUNITY COLLEGES

ITEMS TO BE HEARD

6870 CALIFORNIA COMMUNITY COLLEGES

The Governor's Budget proposes about $17.5 billion in support for the California Community Colleges (CCC) in 2023-24, with about $8.8 billion from state Proposition 98 General Fund, about $3.8 billion from local property taxes, and about $411 million from enrollment fees. The chart below was compiled by the LAO and indicates funding based on the Governor's Budget.

California Community Colleges Funding by Source

(Dollars in Millions Except Funding Per Student)

	2021-22 Revised	2022-23 Revised	2023-24 Proposed	Change From 2022-23 Amount	Change From 2022-23 Percent
Proposition 98					
General Fund	$8,790	$8,713	$8,758	$45	0.5%
Local property tax	3,512	3,648	3,811	164	4.5
Subtotals	**($12,301)**	**($12,360)**	**($12,569)**	**($209)**	**(1.7%)**
Other State					
Other General Fund[a]	$653	$1,166	$963	-$203	-17.4%
Lottery	302	264	264	--[b]	-0.1
Special funds	81	95	95	--	--
Subtotals	**($1,036)**	**($1,525)**	**($1,322)**	**(-$203)**	**(-13.3%)**
Other Local					
Enrollment fees	$409	$409	$411	$1	0.3%
Other local revenue[c]	2,821	2,845	2,867	22	0.8
Subtotals	**($3,230)**	**($3,255)**	**($3,278)**	**($23)**	**(0.7%)**
Federal					
Federal stimulus funds[d]	$2,648	--	--	--	--
Other federal funds	365	365	365	--	--
Subtotals	**($3,014)**	**($365)**	**($365)**	**(--)**	**(--)**
Totals	**$19,581**	**$17,506**	**$17,535**	**$29**	**0.2%**
FTE students[e]	1,107,128	1,106,951	1,106,451	-500	0.0%[f]
Proposition 98 funding per FTE student[e]	$11,111	$11,166	$11,360	$194	1.7%

[a] Includes $564 million in 2022-23 and $363 million in 2023-24 for student housing grants. This latter amount reflects the Governor's proposal to delay one-third of remaining funding until 2024-25, with each segment's remaining allotment adjusted accordingly.

[b] Difference of less than $500,000.

[c] Primarily consists of revenue from student fees (other than enrollment fees), sales and services, and grants and contracts, as well as local debt-service payments.

[d] Consists of federal relief funds provided directly to colleges as well as allocated through state budget decisions.

[e] Reflects budgeted rather than actual FTE students. Actual FTE students are notably lower each year of the period, but certain budget provisions are insulating districts from associated funding declines.

[f] Reflects the net change after accounting for the proposed 0.5 percent systemwide enrollment growth together with all other enrollment adjustments.

FTE = full-time equivalent.

ISSUE 1: ENROLLMENT

The Subcommittee will discuss enrollment trends at community colleges, and the Governor's Budget proposal to provide $29 million ongoing General Fund to support 0.5% enrollment growth (about 5,500 full-time equivalent students).

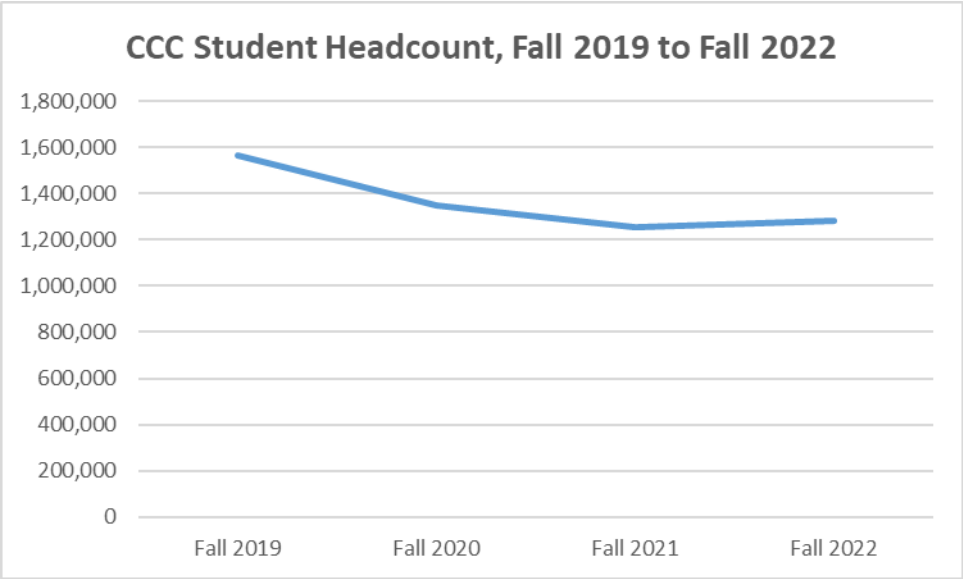
PANEL

- Madison Sheffield, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Lizette Navarette, California Community Colleges Chancellor's Office

BACKGROUND

Community college enrollment grew in Fall 2022, but is still far below pre-pandemic levels. Preliminary Fall 2022 enrollment data indicates good news: the number of enrolled community college students grew when compared to Fall 2021. While the 2% increase is small (nearly 30,000 students), it is the first increase since the COVID-19 pandemic. The Chancellor's Office notes that 71 colleges and noncredit institutions recorded growth, with 18 showing growth of more than 10%.

Overall though, community college enrollment remains far lower than it was a few years ago: there are about 18% fewer community college students when comparing Fall 2022 to Fall 2019. This significant decrease means fewer Californians are accessing higher education, and as discussed in previous hearings, it is impacting undergraduate enrollment at both the California State University and University of California. In the near future, this decline could hurt colleges' budgets, and it could derail recent gains in statewide degree production needed to expand the California economy.



Source: California Community College Chancellor's Office DataMart

The tables below break out enrollment trends by ethnicity and age. While enrollment is down during this four-year period for all ethnicities and ages, declines are more pronounced for Filipino, Asian and American Indian/Alaska Native students, and for 20- to 24-year-olds and 25- to 29-year olds. Additionally, the major decline in Hispanic student enrollment is noteworthy, as Hispanic students comprise the largest ethnic group among students. There are 110,000 fewer Hispanic students in Fall 2022 when compared to Fall 2019. Most ethnicities did show some increase from Fall 2022 when compared to Fall 2021, although students ages 20-29 continued to decline in Fall 2022.

CCC Students by Ethnicity	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Change, 2019-2022	% Change, 2019-2022
African-American	85,482	71,404	66,657	70,106	-15,376	-18%
American Indian/Alaskan	5,665	4,581	4,132	4,313	-1,352	-24%
Asian	165,780	142,092	129,621	130,367	-35,413	-21%
Filipino	43,821	38,900	33,819	31,473	-12,348	-28%
Hispanic	747,950	645,435	604,523	637,914	-110,036	-15%
Multi-Ethnicity	58,330	56,797	53,139	54,421	-3,909	-7%
Pacific Islander	6,202	5,667	5,031	4,994	-1,208	-19%
Unknown	89,023	56,866	57,632	57,128	-31,895	-36%
White Non-Hispanic	365,509	325,192	301,106	294,257	-71,252	-19%

CCC Students by Age	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Change, 2019-2022	% Change, 2019-2022
19 or Less	470,624	430,739	405,542	444,374	-26,250	-6%
20 to 24	447,942	385,935	342,594	332,468	-115,474	-26%
25 to 29	201,353	177,143	155,171	146,098	-55,255	-27%
30 to 34	118,235	107,458	103,066	100,991	-17,244	-15%
35 to 39	81,772	69,684	69,883	70,578	-11,194	-14%
40 to 49	104,074	82,919	84,620	88,454	-15,620	-15%
50 +	143,380	92,892	94,646	101,871	-41,509	-29%
Unknown	382	164	138	139	-243	-64%

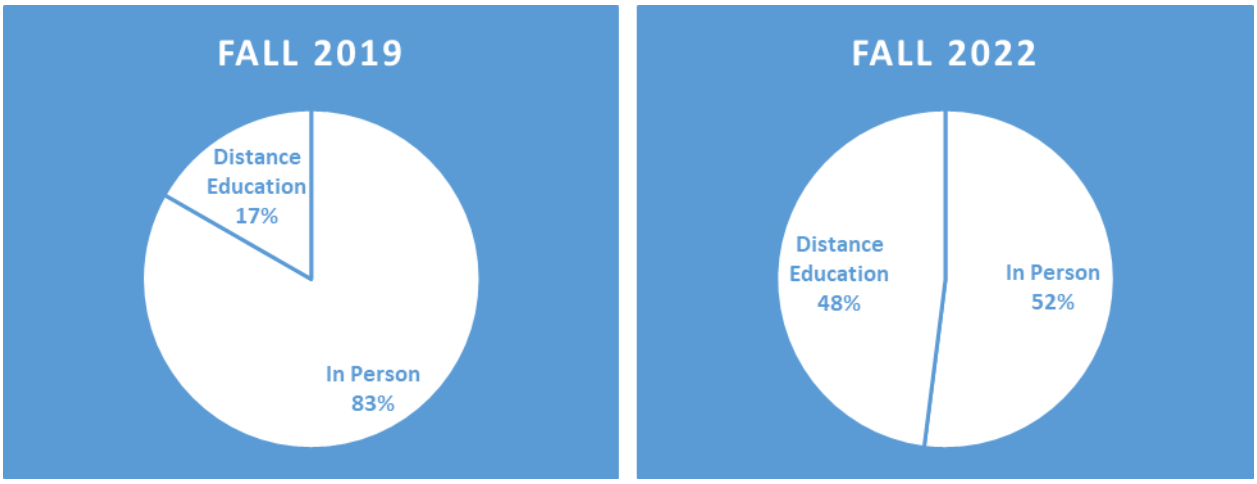
Source: California Community College Chancellor's Office DataMart

Several Factors Likely Contributing to Enrollment Drops. Enrollment drops nationally and in California have been attributed to various factors. Over the past couple of years, rising wages, including in low-skill jobs, and an improved job market appear to be major causes of reduced community college enrollment demand. In response to a Fall 2021 Chancellor's Office survey of former and prospective students, many respondents cited "the need to work full time" to support themselves and their families as a key reason why they were choosing not to attend CCC. For these individuals, enrolling in a community college and taking on the associated opportunity cost might have become a lower priority than entering or reentering the job market.

Colleges Have Been Trying a Number of Strategies to Attract Students. Using federal relief funds, as well as state funds provided in 2021-22 and 2022-23, colleges have been trying various strategies to attract students. All colleges have been offering students special forms of financial assistance. For example, all colleges provided emergency grants to financially eligible students that could be used for any living expense. Some colleges are offering gas cards or book and meal vouchers to students who enroll. Many colleges are loaning laptops to students. Many colleges have expanded advertising through social media and other means, including in languages other than English. Additionally, many colleges have increased outreach to local high schools, and many colleges have created phone banks to contact individuals who recently dropped out of college or had completed a CCC application recently but did not register for classes. In addition, a number of colleges have begun to offer more flexible courses, with shorter terms and more opportunities to enroll throughout the year (rather than only during typical semester start dates).

About half of full-time enrollment is in person. Unlike all other education segments in California, community colleges have not returned to offering a significant majority of their courses in person. According to Fall 2022 data, about 52% of full-time enrollment was in in-person courses, while 48% was in some type of distance education. This compares to 83% in person in Fall 2019.

Colleges continue to report that a large number of students prefer online or other types of distance education courses. It is unclear if the Fall 2022 mix of in-person versus distance education will be the norm going forward, and how this profound change will impact enrollment and student outcomes.



Source: California Community College Chancellor's Office DataMart

GOVERNOR'S 2022-23 BUDGET PROPOSAL

The Governor's budget includes $29 million ongoing Proposition 98 General Fund for 0.5 percent systemwide enrollment growth (equating to about 5,500 additional FTE students) in 2023-24. The state also provided funding for 0.5 percent systemwide enrollment growth in 2022-23 and 2021-22. Consistent with regular enrollment growth allocations, each district in 2023-24 would be eligible to grow up to 0.5 percent. To be eligible for these growth funds, however, a district must first recover to its pre-pandemic enrollment level. Provisional budget language would allow the Chancellor's Office to allocate ultimately unused growth funding to backfill any shortfalls in CCC apportionment funding, such as ones resulting from lower-than-estimated enrollment fee revenue or local property tax revenue. The Chancellor's Office could make any such redirection after underlying apportionment data had been finalized, which would occur after the close of the fiscal year. This is the same provisional language the state has adopted in recent years. After addressing any apportionment shortfalls, remaining unused funding may be redirected to any other Proposition 98 purpose.

The Governor also proposes $200 million one-time Proposition 98 General Fund for student enrollment and retention strategies. This is on top of the $120 million one-time provided in 2021-22 and $150 million one-time provided in 2022-23 specifically for this purpose. The proposed provisions for the new round of funding are the same as the provisions adopted for the earlier rounds of funding. Like the last two rounds of funding, the purpose of these proposed funds is for colleges to reach out to former students who recently dropped out and engage with prospective or current students who might be hesitant to enroll or reenroll at the colleges. Provisional language gives the Chancellor's Office discretion on the allocation methodology for the funds but would require that colleges experiencing the largest enrollment declines be prioritized. The provisional language also permits the Chancellor's Office to set aside and use up to 10 percent of the funds for statewide enrollment and retention efforts.

LAO ASSESSMENT AND RECOMMENDATIONS

Assessment

2021-22 Growth Funding Will Not Be Earned by Districts. Enrollment data released in March indicates that none of the $24 million provided in 2021-22 enrollment growth funding will be earned by districts. That same report also identified no apportionment funding shortfalls. Growth funds not earned by districts or needed for a funding shortfall would become available for other Proposition 98 purposes, including other community college purposes or Proposition 98 budget solutions.

Best Indicator for 2023-24 Enrollment Likely Will Be Updated Data on Current Year. If some districts are on track to grow in the current year, it could mean they might continue to grow in the budget year. By providing funding for enrollment growth in 2023-24, the state could encourage and reward districts for expanding access to students.

Substantial Amount of Round-Two Student Outreach Funding Remains Available. The state is not collecting CCC systemwide data on student outreach expenditures. However, based on our discussions with numerous administrators, districts will have funds still available from 2022-23 allocations for outreach and retention. Districts generally are wrapping up spending of 2021-22 funds for this purpose and just beginning to spend 2022-23 funds. Existing provisional language allows districts to spend these second-round funds through the budget year. In addition, districts have four more years (though 2026-27) to spend a total of $650 million in state COVID-19 block grant funds, which statute also allows colleges to use for enrollment and retention-related purposes. (The Chancellor's Office must report to the Legislature by March 2024 on initial district spending and outcomes using COVID-19 block grant funds.)

Mixed Results on Student Outreach Funding to Date. Some districts might see enrollment increases in 2022-23, though the link to 2021-22 student outreach funds still is not well documented. Moreover, many districts expect to continue experiencing enrollment declines in 2022-23 despite the first-round of student outreach funds. Districts may not be able to counter the underlying economic factors they face to a notable degree. Over time, CCC enrollment has shown a close correlation with the job market, with a strong job market depressing CCC enrollment demand. Spending on advertising, phone calls, and other forms of outreach might not be sufficient to overcome these more fundamental drivers of CCC enrollment. However, to the extent districts consider these outreach and related activities effective in increasing enrollment, they can supplement their remaining student outreach funds with apportionment funding.

Recommendations

Sweep 2021-22 Growth Funds. Once 2021-22 enrollment and funding data are finalized, we recommend the Legislature redirect any unearned enrollment growth funds for other Proposition 98 priorities. Based upon preliminary data, $24 million would be available for other priorities.

Use Forthcoming Data to Decide Enrollment Growth Funding for 2023-24. We recommend the Legislature also use updated enrollment data, as well as updated data on available Proposition 98 funds, to make its decision on CCC enrollment growth for 2023-24. If the updated enrollment data indicate some districts are growing in 2022-23, the Legislature could view growth funding in 2023-24 as warranted. Were data to show that no districts are growing, the Legislature still might consider providing some level of growth funding given that enrollment potentially could start to rebound next year. Moreover, the risk of overbudgeting in this area is low, as any unearned funds ultimately become available for other Proposition 98 purposes.

Reject Proposal for More Enrollment and Retention Funding. We recommend the Legislature reject the Governor's student outreach proposal. Given substantial round-two student outreach funding remains available, along with a substantial amount of other funding that can be used for student outreach, a strong case has not been made that additional funding is needed at this time. The Legislature could repurpose the associated $200 million in one-time funding for other high one-time Proposition 98 priorities or Proposition 98 budget solutions.

STAFF COMMENT/POTENTIAL QUESTIONS

Fall 2022 community college enrollment data indicates good news for the top legislative higher education priority, access to higher education. In a March memo, the Chancellor's Office notes that most student populations exhibited increases in Fall 2022 when compared to Fall 2021, particularly student populations most impacted by the pandemic, including African Americans (+5.3%), Hispanics (+5.7%), Native Americans, (+5.7%), and students between 45-54 years old (+4.5%), and 65 years old and older (+7.4%). Additionally, male students increased by (4.1%), and students 19 and under increased by 9.6%.

However, colleges have a significant challenge in increasing enrollment to pre-pandemic levels within the next few years. Staff notes that the system does appear to be working hard to recruit and retain students. A November 2022 Subcommittee hearing focused on community college enrollment, and allowed multiple districts to share their strategies for increasing enrollment. Strategies include:

- ***Increasing dual enrollment programs.*** Many districts are expanding programs to serve more high school students, allowing students to take community college courses on high school campuses that provide both high school and college credit.

- ***Improving student supports.*** Many districts are providing case managers for students, simplifying basic needs and financial aid applications and processes, and conducting other efforts that significantly increase contact with students.

- ***Addressing student costs.*** Many districts are increasing use of free online resources instead of costly textbooks, waiving past-due fees, expanding Promise programs that offer free tuition, and even paying students to increase the number of units they are taking.

The administration proposal regarding another round of recruitment and retention funding should be carefully considered. It is clear that most colleges will need enhanced recruitment activities for the next several years, and retention has been a major problem for colleges that predates the pandemic. A Fall 2022 presentation by the Chancellor's Office indicated that 84% of credit students who began at a college in 2017-18 had not earned a degree or transferred. That is a shocking percentage.

While recruitment and retention activities are needed, and previous state and federal funding may be having a positive impact, it is unclear whether more funding is needed next year. Many colleges have plans to spend existing one-time money over the next few years, meaning these activities will occur whether the state provides new funding or not. Staff notes that some stakeholders have suggested ongoing funding might be more appropriate to help colleges in these efforts going forward. It seems possible, or even likely, that recruitment and retention activities will become a normal part of college activities.

Finally, staff concurs with the LAO that the Legislature should consider its options for sweeping enrollment growth funding from 2021-22 that will not be used. The funding - $24 million – could be used to support other legislative priorities.

The Subcommittee could consider the following questions:

- Is it likely that the Fall 2022 enrollment increase will be sustained and increases will continue?
- Are there regional differences in enrollment trends?
- Has the Chancellor's Office or anyone else developed best practices for programs that effectively recruit and retain students?
- Is data available to indicate how much previously-appropriated state and federal funding for recruitment and retention strategies is still available for use in 2023-24?
- How are colleges currently thinking about the mix of in-person and online courses?
- What are the longer-term strategies to provide more relevant and attractive programs and courses? What are the budget and policy issues to consider if colleges make major changes to program and course structures?

Staff Recommendation: Hold open until after the May Revision.

ISSUE 2: APPORTIONMENTS/FUNDING FORMULA

The Subcommittee will discuss the Governor's Budget proposal to provide $653 million ongoing Proposition 98 General Fund to support a 8.13% cost-of-living adjustment (COLA), and review issues regarding the Student Centered Funding Formula (SCFF).

PANEL

- Madison Sheffield, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Lizette Navarette, California Community Colleges Chancellor's Office

BACKGROUND

Most CCC Proposition 98 Funding Is Provided Through Apportionments. All community college districts (except the statewide online Calbright College) receive apportionment funding. Apportionment funding is unrestricted, with colleges able to use the funding for their core operating costs. Although the state is not statutorily required to provide a COLA for apportionments (as it is for school districts), the state has a long-standing practice of providing one when Proposition 98 funds are available. The COLA rate is based on a price index published by the federal government that reflects changes in the cost of goods and services purchased by state and local governments across the country.

Compensation Is Largest District Operating Cost. The largest component of a district's budget is spent on salaries. Together, all compensation and compensation-related costs— including salaries, retirement, health care benefits, workers compensation, and unemployment insurance—typically account for 80 percent to 85 percent of a district's budget. The remainder of a district's budget is for various other core operating costs, including utilities, insurance, software licenses, equipment, and supplies.

Staffing Levels Have Declined, Particularly Among Part-Time Faculty. From fall 2019 to fall 2021, the total number of CCC employees (headcount) declined by 8 percent, from 93,000 to 85,000. Part-time faculty—which historically have made up nearly half of CCC employees— experienced the largest decline (12 percent). This decline was due to districts offering fewer course sections as a result of lower enrollment. (When districts reduce course sections, they typically reduce their use of part-time faculty, who are hired as temporary employees, compared to full-time faculty, who are hired as permanent employees.) Other CCC staff (such as classified staff) declined by 5 percent between 2019 and 2021, likely due to a combination of districts eliminating positions due to workload reductions and an inability to fill vacancies. District administrators indicate that vacancies have increased over the past couple of years as a result of a tighter labor market. Across the state, most districts have experienced staffing reductions, thereby generating associated savings.

Legislature has increased apportionment funding in recent years to grow full-time faculty. Recent audit questions whether the funding has gone for that purpose. While apportionment funding is generally flexible, the Legislature has sought to earmark some funds to increase the amount of instruction by full-time faculty occurring within community colleges. The Legislature allocated $50 million annually beginning in fiscal year 2018–19 and another $100 million annually beginning in fiscal year 2021–22, bringing the added systemwide funding for this purpose to $150 million per year. However, a February 2023 report by the State Auditor found that the Chancellor's Office does not require districts to track and report the use of these funds. One of the four districts reviewed for the audit knowingly spent some of its funds on part-time faculty costs, and another district left funds unspent that it could have used to hire more full-time faculty. The other two districts did not track the additional funding separately and cannot demonstrate that the funds were used to create new full-time faculty positions.

Systemwide Reserves Continue to Increase. District unrestricted reserves have increased each year of the pandemic. Whereas unrestricted reserves totaled $1.8 billion (22 percent of expenditures) in 2018-19, they have grown to an estimated $2.7 billion (32 percent of expenditures) in 2021-22. This is nearly double the Government Finance Officers Association's and Chancellor's Office's recommendation that unrestricted reserves comprise a minimum of 16.7 percent (two months) of expenditures. The increase in reserves is the result of several factors, including savings from using fewer part-time faculty and staff vacancies. Also, colleges' receipt of federal relief funds and other COVID-19-related funds during this time reduced pressure on local and state funds to cover technology and certain other costs.

State Adopted New Apportionment Funding Formula in 2018-19. In 2018-19, the state created a new formula to distribute apportionment funding. The new formula includes three components:

- Base Allocation. The base allocation of SCFF gives a district certain amounts for each of its colleges and state-approved centers, in recognition of the fixed costs entailed in running an institution. On top of that allotment, a district receives funding for each FTE student it enrolls ($4,840 in 2022-23 for the regular credit rate). Most FTE student counts (approximately 85 percent) are based on a three-year rolling average. The rolling average is based on a district's FTE count that year and the prior two years. (For example, the 2018-19 calculation was based on a district's FTE count for 2018-19, 2017-18, and 2016-17.)

- Supplemental Allocation. SCFF provides an additional amount (about $1,145 in 2022-23) for every student who receives a Pell Grant, receives a need-based fee waiver, or is undocumented and qualifies for resident tuition. Student counts are "duplicated," such that districts receive twice as much supplemental funding (about $2,290 in 2022-23) for a student who is included in two of these

categories (for example, receiving both a Pell Grant and a need-based fee waiver). The allocation is based on student counts from the prior year.

- Student Success Allocation. The formula also provides additional funding for each student achieving specified outcomes, including obtaining various degrees and certificates, completing transfer-level math and English within the student's first year, and obtaining a regional living wage within a year of completing community college. (For example, a district generates about $2,700 in 2022-23 for each of its students receiving an associate degree for transfer. The formula counts only the highest award earned by a student.) Districts receive higher funding rates for the outcomes of students who receive a Pell Grant or need-based fee waiver, with somewhat greater funding rates for the outcomes of Pell Grant recipients. The student success component of the formula is based on a three-year rolling average of student outcomes. The rolling average is based on outcomes data from the prior year and two preceding years. As with the base allocation, the objective of using a three-year rolling average for this component of SCFF is to smooth associated annual funding adjustments.

This chart indicates the total amount of funding in 2022-23 for the three components:

For each of the three components, the state sets funding rates. In any year in which the state provides a COLA, each of these funding rates increases accordingly, such that the total resulting SCFF-generated apportionment amount effectively has COLA changes embedded within it. The supplemental and student success components of the formula do not apply to incarcerated students, dually enrolled high school students, or students in noncredit programs. Apportionments for those students remain based entirely on enrollment. ("Basic aid" or "fully community-supported" districts receive revenue from local property taxes and enrollment fees that exceed what they generate under SCFF, such that the SCFF calculation does not affect their apportionment funding.)

Districts have multiple funding protections. There are multiple provisions in place to protect districts from severe changes in funding in any given year.

- The Emergency Conditions Allowance is a state regulation that provides the Chancellor's Office with authority to use alternative years of enrollment data in extraordinary cases. The Chancellor's Office typically invokes this authority in response to a single district experiencing an unexpected enrollment decline resulting from a disaster or other emergency (for example, due to a wildfire affecting the ability of a college to remain open). From 2019-20 through 2022-23, however, the Chancellor's Office applied the protection to all districts.

Specifically, it allowed all districts to use pre-pandemic enrollment data to calculate how much they generate from SCFF. Under this protection, districts could use pre-pandemic data for all their student enrollment counts—regular credit counts as well as counts for incarcerated students, dually enrolled high school districts, and noncredit students. Currently, 49 out of the 72 community college districts are using the ECA protection.

- Statute includes a Hold Harmless provision for those districts that would have received more funding under the former apportionment formula. The intent of the hold harmless protection is to provide time for those districts to ramp down their budgets to the new SCFF-calculated funding level or find ways to increase the amount they generate through SCFF (such as by enrolling more financially needy students or improving student outcomes). Through 2024-25, districts funded according to the hold harmless provision receive whatever they generated in 2017-18 under the old formula, plus any subsequent apportionment COLA provided by the state. Currently, 10 out of the 72 community college districts are using the hold harmless protection.

- Stability funding allows a district to receive in a given year the greater of the amount generated by the SCFF formula in that year or the prior year adjusted for any apportionment COLA funded by the state.

Each year, the Chancellor's Office calculates the amount each district generates through (1) the SCFF calculation (using the emergency conditions allowance's alternative enrollment years, if a district has that protection), (2) hold harmless, and (3) stability. Assuming enough funding is available for apportionments, each district receives the highest of those three amounts

GOVERNOR'S 2022-23 BUDGET PROPOSAL

The Governor's Budget includes $653 million to cover an 8.13 percent COLA for apportionments. This is the same COLA rate the Governor proposes for the K-12 Local Control Funding Formula.

LAO ASSESSMENT AND RECOMMENDATIONS

Assessment

Districts Likely to Feel Salary Pressure in 2023-24. Over the past year, both inflation and wage growth (across the nation and in California) have been at their highest levels in several decades. Elevated inflation and broad-based wage growth are expected to continue in 2023-24. Community college districts, in turn, are likely to feel pressure to provide their employees with salary increases. We estimate every 1 percent increase in CCC's salary pool would cost approximately $70 million.

Districts' Other Core Operating Costs Also Are Likely to Increase. Districts' pension costs are expected to increase, albeit modestly compared with recent years. Based on current assumptions, the district contribution rate to the California State Teachers' Retirement System (CalSTRS) stays constant at 19.1 percent in 2023-24, while the district contribution rate to the California Public Employees' Retirement System (CalPERS) increases from 25.4 percent to 27 percent. (About half of CCC employees participate in CalSTRS, with the other half participating in CalPERS.) Community college pension costs are expected to increase by about $73 million in 2023-24. (Unlike in some recent years, the Governor does not have proposals addressing unfunded retirement liabilities or providing district pension relief.) Similar to the other education segments, community college districts generally also expect to see higher costs in 2023-24 for health care premiums, insurance, equipment, supplies, and utilities.

State Likely Has Limited Capacity to Fund a Higher COLA. Since the Governor's budget was released, the state has received updated data used to calculate the COLA rate. Based upon the new data, the estimated COLA rate is somewhat higher (8.40 percent). The COLA rate will be finalized in late April when the federal government releases the last round of data used in the calculation. Though the final rate likely will be even higher than the 8.13 percent COLA rate proposed in January, we are concerned with the state's ability to sustain a higher rate. As we discuss in more detail in The 2023-24 Budget: Proposition 98 Overview and K-12 Spending Plan, we estimate the Proposition 98 minimum guarantee for 2023-24 could be lower than the January budget level due to expected downward adjustments in General Fund revenues. If this were to be the case, the revised minimum guarantee might be unable support even the COLA rate proposed in January, making a higher May COLA rate further out of reach. Growth in the minimum guarantee also might be unable to support the full statutory COLA rates over the subsequent few years.

Per-Student Funding Is Much Higher Today Than Before the Pandemic. We believe most community college districts likely could manage a smaller apportionment COLA without notable fiscal difficulty. Not only are staffing levels down, along with accompanying staffing costs, but budgeted per-student Proposition 98 funding is at an all-time high. In 2018-19 (the year before the pandemic), community college per-student funding also was at an all-time high. Under the Governor's budget, per-student funding would be approximately $700, or nearly 7 percent higher than that pre-pandemic level after adjusting for inflation. Moreover, actual funding per student is significantly above budgeted funding per student. Though enrollment has dropped since 2018-19, funding has not been adjusted accordingly. Rather, a series of hold-harmless provisions has insulated community colleges from the fiscal impact of enrollment declines. We estimate current actual funding per student is approximately $3,000 (30 percent) higher than pre-pandemic levels after adjusting for inflation.

Recommendation

Consider 8.13 Percent Apportionment COLA Rate an Upper Bound. By the May Revision, the Legislature will have updated information on a number of key factors,

including General Fund revenues, the Proposition 98 minimum guarantee, and the statutory COLA rate. Based on these updated data, the Legislature will be able to finalize its apportionment COLA decision. Given the downside risks over the coming months, the Legislature could treat the 8.13 percent COLA rate as an upper bound in 2023-24. Were the estimate of the 2023-24 minimum guarantee to be significantly lower at the May Revision, however, the Legislature may wish to consider a lower rate than 8.13 percent. For planning purposes, each 0.5 percentage point reduction in the COLA rate would reduce apportionment costs by approximately $40 million. (In addition to the risk of General Fund revenue and the minimum guarantee being revised downward, the amount available for an apportionment COLA could depend on the issue discussed below—a potential shortfall in the Governor's budget relating to the apportionment formula.)

STAFF COMMENT

Staff notes that most community colleges, and stakeholders such as the Council of Faculty Organizations and the California Teachers Association, have indicated that a fully-funded COLA is their top priority. Whatever the final COLA calculation is in May, it seems likely that it would require virtually all new ongoing funding, leaving the Legislature with little ability to create new ongoing programs or to augment some existing programs with historically strong legislative support.

As noted by the LAO, most colleges have bolstered reserves and are now receiving far more per-student funding than ever before. However, many colleges are concerned about how their budgets will fare once the Emergency Conditions Allowance expires in June, or when the hold harmless provisions change after 2024-25. More than half of the 72 community college districts are currently receiving artificially high funding for enrollment that is not based on actual enrollment. Colleges could start to see some reduction in funding when the ECA expires, although stability protections will still be in place. More significant budget issues could arise in 2024-25 if colleges do not make major steps toward pre-pandemic enrollment levels in the next year.

The Subcommittee could consider the following questions:

- Do the LAO or DOF have an update on what the COLA may be in the May Revise?
- What are the Legislature's options if there is not enough ongoing Proposition 98 General Fund to fully cover a COLA?
- How many colleges will start to see budget impacts of lowered enrollment in 2023-24?
- What about 2024-25?
- How can the Legislature ensure that money earmarked for increasing full-time faculty is being used for that purpose?

Staff Recommendation: Hold open until after the May Revision.

ISSUE 3: FACILITIES

The Subcommittee will discuss the Governor's Budget proposal to reduce 2022-23 funding for the Physical Plant and Instructional Support categorical program by $213 million one-time Proposition 98 General Fund. The cut would enable another Governor's Budget proposal to provide $200 million one-time Proposition 98 General Fund to support student retention and recruitment activities.

The Subcommittee also will discuss the Governor's Budget proposal to support the construction phases of 10 capital outlay projects supported by general obligation bonds.

PANEL

- Madison Sheffield, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Lizette Navarette, California Community Colleges Chancellor's Office

BACKGROUND

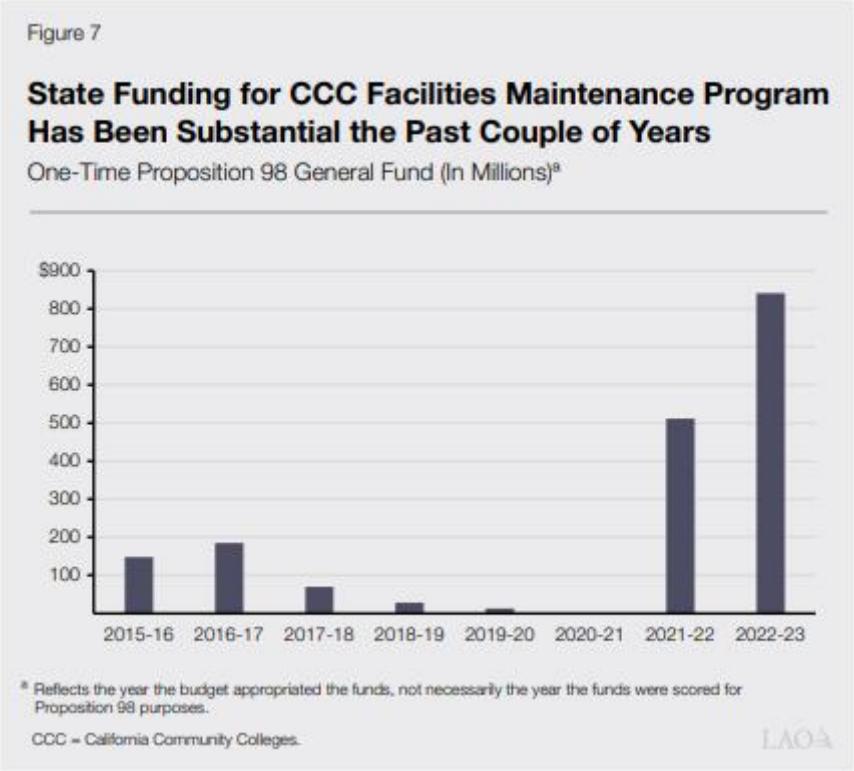
Districts Have Many Facilities and Associated Infrastructure. Collectively, the state's 72 community college districts have 6,000 buildings with 87 million square feet of associated academic space. In addition to academic facilities, districts have a notable amount of campus infrastructure such as central plants and utility distribution systems. Districts also have self-supporting facilities such as parking structures and student unions. These latter types of facilities typically generate their own fee revenue, which covers associated capital and operating costs. Depending on how a district uses them, certain types of district buildings such as an auditorium may be considered academic, nonacademic, or dual purpose. An auditorium may be considered academic, for example, if CCC students use the facility as part of their instructional program (such as a performing arts department). It may be considered nonacademic and self-supporting if used entirely for community purposes.

CCC Maintains Inventory of Facility Conditions. Community college districts jointly developed a set of web-based project planning and management tools called FUSION (Facilities Utilization, Space Inventory Options Net) in 2002. The Foundation for California Community Colleges (the Foundation) operates and maintains FUSION on behalf of districts. The Foundation employs assessors to complete a facility condition assessment of buildings at districts' campuses on a three- to four-year cycle. These assessments, together with other facility information entered into FUSION, provide data on CCC facilities and help districts with their local planning efforts.

State Has a Categorical Program for Maintenance and Repairs. Known as "Physical Plant and Instructional Support," this program allows districts to use funds for facilities maintenance and repairs, the replacement of instruction-related equipment (such as desks) and library materials, hazardous substances abatement, and water conservation projects, among other related purposes. Community college regulations prohibit districts from using categorical program funds for parking garages, student centers, and certain other self-supporting facilities. Within these statutory parameters, districts have flexibility on how to use their categorical funds, but historically they have used about 75 percent for deferred maintenance and related facilities projects, with the remaining 25 percent being used for instructional equipment and library materials. To use this categorical funding for maintenance and repairs, districts must adopt and submit to the CCC Chancellor's Office through FUSION a list of maintenance projects, with estimated costs, that the district would like to undertake over the next five years. In addition to these categorical funds, CCC districts fund maintenance from their apportionments and other district operating funds (for less expensive projects) and from state and local bond funds (for more expensive projects).

State Has Provided Substantial Funding for Categorical Program Over Past Several Years. Historically, the Physical Plant and Instructional Support categorical program has received appropriations when one-time Proposition 98 funding is available and no appropriations in tight budget years. Since 2015-16, the Legislature has provided a total of $1.8 billion for the program. As Figure 7 shows, the largest appropriation came from the 2022-23 budget, which provided $841 million. Districts have until June 2027 to spend these funds. Based on reporting by districts in late fall 2022, districts plan to spend about 75 percent ($630 million) of their 2022-23 funds on various deferred maintenance and related facilities projects, with the remaining funds spent on instructional equipment and library materials.

With Recent Funding, Maintenance Backlog Expected to Shrink Significantly. Entering 2021-22, the Chancellor's Office reported a systemwide deferred maintenance backlog of about $1.6 billion. The Chancellor's Office has not provided an update on the size of the backlog based on the last two years of funding (plus local spending on projects). We estimate, however, that the backlog has been reduced to roughly $700 million.



General obligation bonds approved by voters support community college capital outlay projects. Some funds from Proposition 55 (approved by voters in 2004) and Proposition 51 (approved by voters in 2016) remain for community college capital outlay projects. Proposition 51 was the last statewide general obligation bond approved by voters, and authorized $2 billion for community college facilities. A subsequent bond measure failed in 2020.

Bond-supported projects are selected through a competitive process run by the Chancellor's Office, which then submits proposals to the Department of Finance and Legislature for inclusion in the budget.

GOVERNOR'S 2022-23 BUDGET PROPOSAL

The Governor's Budget proposes to reduce the 2022-23 budget allocation for the Physical Plant and Instructional Support Program by $213 million one-time Proposition 98 General Fund. Funding for the program would decrease from $841 million to $628 million. The administration indicates that the resulting savings would be used to fund the Governor's enrollment and retention strategies proposal.

The Governor's Budget also proposes trailer bill language that would allow colleges to use Physical Plant and Instructional Support funds on child care facilities. Current law is silent on this issue. Both DOF and the CCC Chancellor's Office assert that nothing in statute or community college regulations currently precludes districts from using categorical programs funds for this purpose. No prohibition exists either for child care

centers that also are used for academic purposes (as part of a laboratory whereby CCC child development students observe and interact with children, for example) or for child care purposes only. (As of this writing, the Chancellor's Office has not confirmed the number of child care centers of either type but indicates most currently serve a dual purpose.) By specifying child care centers in statute, DOF has indicated it intends to signal the administration's support for community college districts using state funds for this type of facility.

Finally, the Governor's Budget supports the construction phase of 10 community college projects, as shown in the LAO chart below.

California Community Colleges Capital Outlay Projects

(In Thousands)

		2023-24		All Years	
College	Project	Phase	State Cost	State Cost	Total Cost[a]
Proposition 51 (2016)					
Sierra	New science building	C	$27,469	$29,814	$58,720
Norco	New kinesiology building	C	28,555	31,257	54,193
West Valley	Theater renovation and expansion	C	10,807	11,630	30,663
Chabot	Maintenance and operations building replacement	C	10,058	10,732	28,977
Los Angeles Mission	Plant facilities warehouse and shop replacement	C	7,319	7,831	25,921
Shasta	Building 800 renovation	C	5,974	6,456	11,997
Subtotals, Proposition 51			**($90,182)**	**($97,720)**	**($210,471)**
Proposition 55 (2004)					
Sierra	Applied technology center renovation	C	$18,296	$19,676	$36,893
Cuyamaca	Instructional building replacement	C	15,925	16,930	33,514
Compton	Visual and performing arts building replacement	C	12,530	13,328	17,787
Desert	Science building renovation	C	6,854	7,440	14,879
Subtotals, Proposition 55			**($53,605)**	**($57,374)**	**($103,073)**
Totals			**$143,787**	**$155,094**	**$313,544**

[a] Community college districts typically issue local general obligation bonds to pay for a share of project costs.

C = construction.

LAO ASSESSMENT AND RECOMMENDATIONS

Assessment

Reducing Deferred Maintenance Funding Would Disrupt District Plans and Increase Backlog. As of January 2023, the Chancellor's Office indicates it has disbursed $504 million of the $841 million in 2022-23 funds. The Chancellor's Office is scheduled to disburse the remaining $337 million to districts by June 2023. As discussed above, districts have already identified and planned how they intend to spend their 2022-23 funds. In some cases, districts indicate they have collected bids on projects. Though all categorical program funds likely would not be spent in 2022-23, they would be spent over the coming years. By reducing funding for this purpose, the deferred maintenance backlog will be larger than otherwise. Addressing deferred

maintenance is important because it can help avoid more expensive facility projects, including emergency repairs, in the long run.

Unclear Rationale for Allowing Districts to Fund Nonacademic Facilities. Under the Governor's trailer bill proposal, community colleges could use state funds for maintenance projects at all campus child care centers, even those that do not operate academic programs on behalf of the college. Such a policy conflicts with standard higher education facility policy. Typically, the state does not subsidize nonacademic, self-supporting programs. The fees these programs charge are intended to cover their operations and facilities maintenance costs.

Dual-Purpose Centers Raise a Few Key Issues. Those child care centers that do operate academic programs on behalf of the college still collect fees from the clients using those centers. For other child care centers located throughout the state, these fees would be expected to cover the operations and maintenance of their facilities. Classifying campus child care centers as academic facilities and using state CCC funds for their maintenance thus would provide them with special treatment over other child care centers in the state. The state, however, might want to provide this advantage to campus centers given the academic benefits they provide to the college. The state, alternatively, might want to share facility costs with the campus centers, thereby still providing them with an advantage, but a smaller advantage, over other child care centers in the state.

Recommendation

Reject Proposal to Reduce Funding for Facilities Maintenance. For the reasons stated above, we recommend the Legislature reject the Governor's proposal to reduce funding for the Physical Plant and Instructional Support program by $213 million Proposition 98 General Fund. (Proposition 98 funds must be spent on a Proposition 98 purpose, such that they are not available to help the state address a non-Proposition 98 budget shortfall.) As discussed in the "Enrollment" section of this brief, we also recommend the Legislature reject the Governor's proposal effectively to redirect these facilities funds to a student outreach initiative.

Modify Proposed Language to Fund Only Certain Child Care Facilities. We recommend the Legislature modify the Governor's proposal by clarifying in statute that districts may use categorical program funds for child care centers that also serve an academic purpose. Moving forward, though, the Legislature may want to establish a cost-sharing expectation for these dual-purpose centers, in which fees cover at least a portion of facilities costs. Lastly, we recommend prohibiting districts from using such funds for nonacademic, self-supporting child care centers. The state makes this key distinction for other higher education facility programs.

STAFF COMMENT/POTENTIAL QUESTIONS

At issue for the Legislature is whether to cut previously appropriated funding and redirect it for another purpose. As the LAO notes, the Chancellor's Office does expect to distribute all of the deferred maintenance funding from the 2022 Budget Act by June, before the next Budget Act is approved. If the Legislature approved the Governor's proposal on this issue, colleges would be forced to rearrange their budgets in 2023-24.

While retention and recruitment activities are critical for colleges to regain enrollment, both federal and state funding may still be available in 2023-24 for this purpose. Staff notes that Community College League of California opposes this proposal, and proposes a possible compromise. In a February letter they wrote:

"Many districts have invested significant sums in planning for deferred maintenance projects or instructional equipment purchases, and they have uniformly expressed concern that these investments will now be squandered. Further, just as districts are working with currently available federal support and state block grant funds to increase enrollment, they need to honor commitment to their current students to ensure they can learn in safe and modern facilities with up-to-date instructional equipment.

We respectfully oppose this proposal as presented and request that Deferred Maintenance remain whole while allowing districts the flexibility to utilize up to 25 percent for enrollment strategies. Should additional one-time resources become available in the May Revise, we once again recommend keeping Deferred Maintenance whole while using new dollars to backfill the projected spending on enrollment."

Regarding the capital outlay projects, the Legislature has approved earlier phases of the 10 projects and staff notes no concerns with supporting the construction phases as proposed.

The Subcommittee could consider the following questions:

- What would the impact be on colleges if this shift in funding was enacted?
- How much in previously appropriated federal and state funding for recruitment and retention activities is available to colleges in 2023-24?
- Which activity – deferred maintenance or retention and recruitment activities – is a higher priority for colleges in 2023-24?

Staff Recommendation: Hold open until after the May Revision.

ISSUE 4: OTHER PROPOSALS

The Subcommittee will discuss the Governor's Budget proposals to provide cost-of-living adjustments to seven categorical programs, $14 million one-time Proposition 98 General Fund to support the administration of workforce training grants in collaboration with the California Department of Forestry and Fire Protection, and $200,000 ongoing and $75,000 one-time Proposition 98 General Fund to develop a community college chief business officer professional learning program run through the Fiscal Crisis and Management Assistance Team.

PANEL

- Madison Sheffield, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Lizette Navarette, California Community Colleges Chancellor's Office

GOVERNOR'S 2022-23 BUDGET PROPOSAL

The Governor's Budget proposes cost-of-living adjustrments to the following categorical programs:

- Extended Opportunity Programs and Services (EOPS)
- Disabled Students Programs and Services (DSPS)
- Apprenticeships
- CalWORKS student services
- Mandates Block Grant
- Cooperative Agencies Resources for Education (CARE)
- Childcare tax bailout
- Adult Education

The Governor's Budget also proposes $14 million one-time Proposition 98 General Fund to support workforce training grants that would be coordinated with the California Department of Forestry and Fire Protection (Cal FIRE). The Governor's Budget also reduces General Fund spending on a workforce training program administrered by Cal FIRE by $15 million. Thus this proposal shifts support for this program from the General Fund to Proposition 98 General Fund, and is part of the Administration's effort to address the General Fund shortfall.

The Governor's Budget also includes $275,000 ($75,000 one-time and $200,000 ongoing) to contract with Fiscal Crisis and Management Assistance Team (FCMAT) for the administration of professional learning opportunities through a cohort-based chief business officer mentorship and leadership program. The one-time funding is to be used for planning and curriculum development for a program addressing community college-specific issues.

STAFF COMMENT/POTENTIAL QUESTIONS

Staff has no concerns with the proposed COLA for the seven categorical programs, but notes the Subcommittee has also prioritized other categorical programs for funding increases in recent years. Programs such as the Puente Project, Umoja, and part-time faculty support have rising costs just as other programs do, but would not receive a COLA under the Governor's Budget. Other ongoing programs, such as basic needs centers, also do not receive a COLA. Given the limited amount of ongoing funding likely available this year, the Subcommittee could consider how to prioritize COLAs for many worthy programs.

Regarding the Cal FIRE proposal, the Governor's Budget proposal shifts the funding source of a previously approved program to help reduce General Fund expenditures. The shift would requiring that all training be conducted by community colleges, whereas the previous program would have allowed other providers as well.

- Why were only a few categorical programs proposed to receive a COLA?
- How would the Chancellor's Office and Cal FIRE work together to implement the workforce training program? How many programs would be created, and how many students would be served?
- How many chief business officers would receive training under the Governor's proposal? What issue is this proposal addressing?

Staff Recommendation: Hold open until after the May Revision.

ISSUE 5: CALBRIGHT COLLEGE UPDATE

The Subcommittee will hear an update on Calbright College.

PANEL

- Ajita Talwalker Menon, President and Chief Executive Officer, Calbright College
- Michael Younger, Vice President of Workforce, Strategy and Innovation, Calbright College

BACKGROUND

The 2018 Budget Act created a new online community college to be administered by the CCC Board of Governors. The online college was intended to focus on short-term programs for working adults who have no postsecondary credentials. Trailer bill language required the college to develop at least three short-term program pathways linked with industry needs, and to use existing industry certifications, competency-based learning, and prior learning assessments to reduce the amount of additional courses students need to complete their pathway. The Budget Act provided $20 million ongoing and $100 million Proposition 98 General Fund to launch the college, which is now called Calbright.

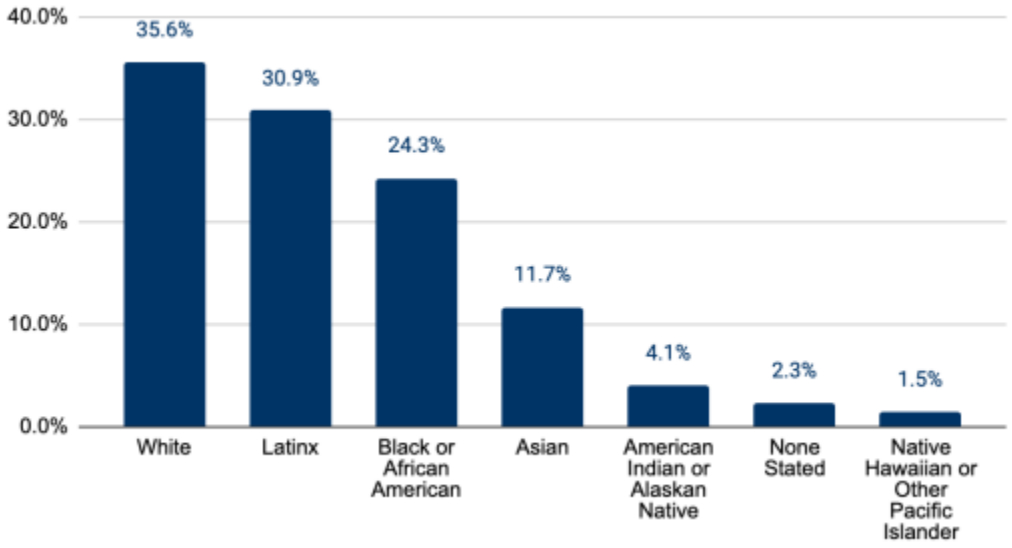
The 2020 Budget Act reduced support for the college by $5 million ongoing and $40 million one-time, leaving the college with $15 million ongoing and $60 million one-time. Calbright has provided the following updates regarding enrollment, faculty and staffing, budget information and partnership plans.

Calbright reports the following updates:

Enrollment and completions. Enrollment grew from 1,011 students in March 2022 to more than 2,100 in March 2023. The chart below indicates the six programs Calbright currently offers, the student headcount by program, the number of certificates awarded and the average number of months it is taking students to complete the program. While enrollment growth has been steady during the past year, the college remains among the smallest colleges in the 115-college California Community College system. Only four colleges – all rural – report smaller enrollment numbers than Calbright. Calbright reports having issued 234 certificates since opening.

Program	Current Enrollment	Certificates Awarded	Average Time to Completion *(months)*
Introduction to IT Support	1,480	88	10.8
Customer Relationship Management	436	75	5.8
Introcution to Cybersecurity	194	34	9.7
Introduction to Data Analysis	34	24	3.8
Medical Coding	20	10	18.7
Upskilling for Equitable Health Impacts	7	3	4.3
Total	**2,171**	**234**	

Calbright's 2022 report to the Legislature indicated that about 50% of its students were ages 25-39, 43% were over 40, and about 7% were under 24. The chart below is from the same report and indicates the ethnicity of students.



Budget. Calbright budget documents indicate the college plans to spend its $15 million ongoing Proposition 98 General Fund allocation in the current year, and about $29 million in one-time funding. This would leave the college with about $4 million in unspent ongoing funding and $42.3 million in unspent one-time funding. The chart below indicates proposed spending for the current fiscal year and is from an August 2022 report.

FY 2022-2023 Final Budget Summary

	Annual Funding	One-Time	Total
Beginning balance	**$8,076,543**	**$71,139,029**	**$79,215,572**
Revenue			
General Apportionments	15,000,000		15,000,000
Local Revenue	12,000	120,372	132,372
Total Revenue	**15,012,000**	**120,372**	**15,132,372**
Expenses			
Academic Salaries	3,691,200		3,691,200
Non Academic Salaries	8,900,856	2,754,600	11,655,456
Benefits - Academic	1,130,141		1,130,141
Benefits - Non Academic	3,884,954	1,278,476	5,163,430
Supplies and Materials	155,000	110,000	265,000
Operating Expenses	1,293,030	17,836,156	19,129,186
Capital Outlay		7,000,000	7,000,000
Total Expenses	**$19,055,181**	**$28,979,232**	**$48,034,413**
Ending Balance	**$4,033,362**	**$42,280,169**	**$46,313,531**
Restricted		42,280,169	42,280,169
Unassigned	4,033,362		4,033,362
Reserves			8.40%

2021 audit was critical of college. A report released by the California State Auditor in May 2021 included several critiques of the college, including:

- Its former executive team's poor management contributed to ineffectively setting up the college.
- There is no detailed strategy for spending the more than $175 million that it expects to receive in state funding.
- It failed to follow sound hiring practices, resulting in a substantial lack of needed experience across key positions.
- It delayed setting up a student support system.
- It's methods for ensuring that students succeed are inadequate—most students have either dropped out or stopped progressing.
- It has not developed a process for helping students obtain well-paying jobs.
- Although Calbright has made recent improvements, it has yet to develop a clear and robust strategy to accomplish its mission.

The Auditor recommended that the Legislature eliminate Calbright as an independent community college district if it did not demonstrate substantive improvements by December 2022. For Calbright, the Auditor recommended the following:

- Develop an implementation plan that outlines the specific steps necessary for it to accomplish its mission, and it should complete the planning process and begin following the plan by November 2021. The plan should include a specific timeline for performing each of the steps it identifies, as well as the estimated costs.

- By November 2021, Calbright should develop and implement specific strategies for the following:
    - Developing educational programs that can benefit its target student population.
    - Enrolling its target student population.
    - Ensuring that its students receive the support they need to graduate.

According to the State Auditor's website, the college has fully implemented three recommendations, partially implemented two recommendations, and five other recommendations are pending.

Upcoming. Calbright's 2021 budget report included the following goals by December 2023:

- Enrollment of 5,000 students
- 1,200 students have completed a Calbright program
- Between 250-550 students(depending on pace of economic recovery) will have attained a positive labor market outcome
- 10 new programs launched, including at least one developed with another California Community College
- 20 external partners
- Full accreditation

STAFF COMMENT/POTENTIAL QUESTIONS

Calbright College has been much discussed in this Subcommittee. The goals of the college – to provide easily accessible certificate programs to unemployed or under-employed adult students - are very worthy. But even before the COVID-19 pandemic, this Subcommittee questioned whether a brand new college, starting without accreditation, faculty, or name recognition, was the right strategy for delivering these programs. Since the pandemic, colleges across the state have developed robust online programs that lead to further questions about the need for an expensive start-up.

In previous years, the Assembly has sought to close Calbright through both budget and policy vehicles. AB 2820 (Medina and Quirk-Silva, 2022), and AB 1432 (Low, 2021) would have both ended Calbright. Both bills were approved in the Assembly but not in the Senate.

The college continues to increase enrollment, and now has 89 employees, including 16 faculty. But certificate production still seems low for a college offering short-term programs, and the college's impacts on its graduates' employment remains unclear. The college has been added to the California Community College Launchboard, which will match student information with the Employment Development Department to track graduates' wages, but Calbright is currently unable to provide meaningful outcomes data.

The Subcommittee could consider the following questions:

- Is the college on track to meet its December 2023 goals?
- How is the college working with employers to facilitate improved employment outcomes for its graduates?
- What is the college doing to track labor outcomes for its graduates?
- How can the Legislature determine whether a Calbright certificate has value and improves students' wages?
- When will Calbright complete all audit recommendations?
- Does Calbright need special, ongoing funding forever? Should the Legislature move the college into the apportionment system, with all other colleges?

This agenda and other publications are available on the Assembly Budget Committee's website at: https://abgt.assembly.ca.gov/sub2hearingagendas. You may contact the Committee at (916) 319-2099. This agenda was prepared by Mark Martin.