



## District Consultation Council Meeting

January 23, 2023

2:00 p.m.

Zoom Teleconference | Meeting ID: 976 5725 0668

<https://nocccd-edu.zoom.us/j/97657250668>

### AGENDA

#### TELECONFERENCE RESOLUTION & MEETING SUMMARY

1. Resolution No. 22/23-04, Authority to Hold Virtual Meetings **Action**
2. November 28, 2022 Summary **Action**

#### STRATEGIC GOALS & PLANNING

1. Governor's 2023-24 Budget Proposal **Information**
2. Contribution for Capital Projects **Action**
3. Emergency Conditions Recovery Plan Update **Information**

#### OPERATIONAL REVIEW

- 1.

#### POLICY

1. Revised BP 6250, Budget Management **Action**
2. Revised AP 7120-4, Management Employee Hiring **Action**
3. Proposed Board Policy on Districtwide Ethics **Information**

#### OTHER ITEMS

1. Pilot Hybrid Remote Workgroup Update **Information**

**DISTRICT CONSULTATION COUNCIL**  
**November 28, 2022**

**SUMMARY**

**MEMBERS PRESENT:** Byron D. Clift Breland, Jim Bunker, M. Leonor Cadena, Jennifer Combs, Damon De La Cruz, Carlos Diaz, Raine Hambly, Geoff Hurst, Cherry Li-Bugg, Kathleen McAlister, Fola Odebunmi, Jeremy Peters, Valentina Purtell, Irma Ramos, Jeanette Rodriguez, JoAnna Schilling, Melissa Serrato, Pamela Spence, Kai Stearns, and Fred Williams.

**VISITORS:** Simone Brown Thunder and Danielle Davy.

Chancellor Byron D. Clift Breland called the Zoom teleconference meeting to order at 2:04 p.m.

**TELECONFERENCE RESOLUTION & SUMMARY**

**Teleconference Resolution:** There was consensus to approve Resolution No. 22/23-03 to authorize remote teleconference DCC meetings for 30 days.

**Summary:** The summary of the October 24, 2022 meeting was approved as submitted.

**STRATEGIC GOALS & PLANNING**

**Budget Update:** Fred Williams, Vice Chancellor of Finance & Facilities, reviewed the Legislative Analyst's Office Fiscal Outlook for Schools and Community Colleges with DCC.

The majority of the report focuses on Prop 98 calculations and the use of the State's rainy-day funds (currently established at \$8.3 billion), but does report on the estimated COLA for the next several years. The current COLA estimates are: 8.73% for 2023-24; 5.3% for 2024-25; 4.5% for 2025-26; and 4.2% for 2026-27. As a reference, the average COLA for the past 20 years has been approximately 2.8%. Other information presented shows that while 2023-24 will likely have a significant deficit, using reserves should be able to cover on-going commitments and partly fund COLA at 8.38%. Current economic conditions point to an elevated risk of a recession starting in 2023-24 with sluggish growth in 2024-25, but some improvements in the 2025-26 and 2026-27 fiscal years. Vice Chancellor Williams cautioned that there is uncertainty in education funding in the near future, but rainy-day funds will help smooth over the next several years. The report also includes recommendations to consider reductions to programs that are under capacity or lower priorities or to review existing programs with more oversight. There is also an option given to fund a lower COLA than the starting estimates.

The next budget milestone will be the release of the Governor's January Budget Proposal.

**One-time Funding Request:** In May 2021, the Board adopted BP 3580, Sustainability Plan which requires the District to maintain and continue to evaluate a sustainability plan. In February 2022, AP 3580, Environmental Sustainability was adopted and it provides guidelines for implementing principles of environmental sustainability in the institutional design, services, and operations of the District to meet or exceed all applicable statewide policies, target and goals, relevant to sustainability using guidelines established by Advancement for Sustainability in Higher Education (AASHE) using the sustainability, tracking, advancement & rating system (STARS) as the guide.

Per AP 3580, the Chancellor has designated the Vice Chancellor, Finance and Facilities the responsibility of publishing a sustainability plan and creating a formal committee to oversee the implementation of the administrative procedure and to prepare a report for the Board of Trustees on the status and progress of the various sustainability goals. Vice Chancellor Williams has formed a committee which has been convened and they agreed to prepare a Request for Proposal (RFP) to hire a firm that will assist the District and campuses to develop the plan and assist in gathering of data to meet the inventory and benchmark requirements.

This plan was presented to Chancellor's Staff on November 9 and they recommended that the resource request include a position at each campus to work with the campus sustainability committee and to hire a firm that will help develop the plan and assist in the gathering of data. At its November 14 meeting, the Council on Budget and Facilities approved the one-time funding request of \$1 million dollars and moving it to DCC for consideration and approval.

During the discussion, members asked for a breakdown of how the \$1 million figure was arrived at, and others shared how time-consuming sustainability efforts are because they require extensive gathering of data and expertise which necessitate a consultant in order to truly move the campuses forward and towards STARS approval. Vice Chancellor Williams noted that there is \$10 billion available in state sustainability funding and the District needs to have some of these items in place in order to participate in that funding.

**There was consensus to allocate \$1 million for the implementation of AP 3580 in order to hire a sustainability firm and to help the campuses staff a position to focus on sustainability for the next two years.**

**NOCCCD IEPI Partnership Resource Team Spring 2023:** Cherry Li-Bugg, Vice Chancellor of Educational Services & Technology, shared that the District applied for IEPI Partnership Resource Team (PRT) Technical Assistance visits on the topic of enrollment management which was approved. The PRT visits will occur in the Spring 2023 and will require DCC support to select participants from all sites for the visits.

Vice Chancellor Li-Bugg stated that assistance in several areas was requested and includes transforming the academic calendar, discussing the possibility of accommodating a formal full-fledged winter intersession, potentially moving up the fall registration calendar to the spring term so students have an opportunity to register for fall, and the creation of an annual registration calendar/plan for students in alignment with guided pathways. The visit was shared with DCC because when the time comes to select participants, DCC will be heavily relied on.

Chancellor Cliff Breland thanked Dr. Li-Bugg for her work and noted that just because the District applied for assistance in these areas, it does not mean that they will be implemented and also noted that the timing was ideal in advance of the upcoming accreditation visits. Participation information will be provided from Vice Chancellor Li-Bugg and the Presidents as we get closer to the visits.

## **OPERATIONAL REVIEW**

**Membership Addition of NOCE Student Leader to the Council on Budget and Facilities:** To ensure equity among the three schools, a request for the addition of a student leader from NOCE to the Council on Budget and Facilities (CBF) membership in alignment with student representation from Cypress College and Fullerton College was proposed. The proposal was

approved by CBF membership at its November 14 meeting and forwarded to DCC for consideration and approval.

Valentina Purtell, NOCE President, thanked Raine Hambly for bringing the long overdue item forward and noted that if approved, a similar item would be presented for DCC so that the Decision Making Resource Manual can also be updated.

Members inquired if student representatives on shared governance committees would be compensated. Vice Chancellor Williams noted that the matter has been discussed in Chancellor's Staff and the team is supportive especially since there have been difficulties with student participation. Irma Ramos, Vice Chancellor of Human Resources, clarified that the campuses have been tasked with putting a process in place to compensate students.

**There was consensus to add a NOCE student representative to the Council on Budget & Facilities Committee membership.**

## **POLICY**

**New AP 7120-13, Employee Records: Gender Identity, Gender Expression, and Chosen Name:** DCC received a second reading of proposed revisions to AP 7120-13, Employee Records: Gender Identity, Gender Expression, and Chosen Name in order to align with the District's inclusive, supportive, and non-discriminatory work environment so that employees have the option to identify themselves with their chosen name on records and documents where legal names are not required by law or District policy. Simone Brown Thunder, District Manager of Human Resources, thanked Janelle Herman, GLADE, and other FSA members who provided feedback that was incorporated into the current draft and noted that a Q&A was being developed to help everyone have a better understanding of the AP.

During the discussion, members asked if the AP was vetted by legal counsel due to recent cases involving faculty being disciplined and subsequently suing (it was clarified that the procedure does not mention disciplinary action) and approved a suggestion to change "recourse" in section 5.0 to instead read, "appropriate course of action." [emphasis added]

**There was consensus to adopt AP 7120-13 and post it on the District website.**

**Revised AP 7120-4, Management Employee Hiring:** DCC received a fifth reading of the proposed revisions to AP 7120-4, Management Employee Hiring which incorporated revisions based on the feedback received at the October 24 DCC meeting that was shared by Simone Brown Thunder, District Manager of Human Resources.

During the discussion, members shared the following:

- Section 3.1: This new section needs to be added to include the definition of diversity as outlined in the District EEO Plan.
- Section 3.0: Concern about the committee composition reflecting broad representation and how that will be defined; the need for more clarification on how the diversity definition will be interpreted by the committee because it is too vague; adding the definition is a first step, but criteria is needed to identify what could be missing from the committee to ensure diversity; what the reference to Title 5 is trying to satisfy in this section since it's not a

requirement; problematic for representatives who are elected to the committee (not appointed) and the potential for subsequent interference; a desire to remove this section altogether; the intent of this section is to be self-reflective and not aimed at telling constituent groups what to do, but to have a process with an outside eye to ensure that best practices are in place; it serves as an opportunity to go beyond the rhetoric and is a call for all of us to truly look deeper into all of our organizations and be flexible to have the right representation from each group if necessary; it is an exception and not the rule and has only been used a few times in the past; it is included in order to provide flexibility, but the goal is for the committee to make a decision; it was changed at the request of DCC from Human Resources making the decision, to the Chancellor; it is a complex topic, but if language is not included it will provide no options; and where would the additional members that would be added to provide diversity come from and who would make that determination?

- Section 4.3: The Fullerton College Faculty Senate approved having one Adjunct Faculty United representative, one United Faculty representative, and four Senate representatives because three is not enough, and the addition of one more management representative if there is an imbalance as a result. The Cypress College Academic Senate was OK with one adjunct representative and one from United Faculty, and would prefer to have the additional seat for faculty. Members asked if adjuncts will be compensated for participating (yes) and whether there would be provisions for United Faculty to fill a vacant adjunct seat (no). It was noted that if faculty representatives are being added other groups will want additional representation as well to an already large committee.
- Section 5.1.1: Change “certain exceptions” to “noted exceptions” to make the exceptions more explicit.
- Section 5.1.4: Make it explicit that students must complete search committee training.
- Section 8.2: Concern with the executive officer selecting the chair in consultation with the committee; it should be the committee selecting the chair in consultation with the executive officer.
- Sections 8.8.1-8.8.4: CSEA expressed concern about the revisions to these sections which take away from the power of the committee and should still be included. (The difference between search committees and hiring committees was clarified and it was highlighted that these are search committees.)
- Concerns about the job announcement reduction was voiced, but not detailed.

Chancellor Clift Breland called for a vote on the proposed revisions to AP 7120-4 with two additions based on the discussion that included: 1) the definition of diversity and 2) updating the composition for Vice President/Dean committees to include one United Faculty representative and three campus senate faculty representatives.

**There was not consensus to approve the revisions with ten members voting yes, eight members voting no, one abstention, and four absences.**

AP 7120-4 will return to a future meeting for consideration.

## **STRATEGIC GOALS & PLANNING**

**Pilot Hybrid Remote Workgroup:** Chancellor Byron D. Clift Breland reported that the Remote/Hybrid Workgroup met for the first time where input was provided on several areas including impact on departments, challenges, and strengths. The goal of the workgroup is to

bring ideas and practices forward and continue to collect data to see how the flexible schedule is working for students. He reiterated that any workgroup recommendations would be presented to DCC with items negotiated as needed during the process. He noted that the next meeting would take place on November 29 and an update would be provided at the next DCC meeting.

The District is currently operating under a 3/2 schedule (3 days in-person, 2 days remote) as determined by the area manager and is expected to continue the schedule into the spring semester.

**ADJOURNMENT:** The meeting adjourned at 4:05 p.m.

DRAFT

# DISTRICT CONSULTATION COUNCIL

Agenda Item Submittal Form

Date: January 17, 2023

From: Byron D. Cliff Breland, Chancellor

Re: Agenda Item for District Consultation Council Meeting of January 23, 2023

1. AGENDA ITEM NAME

**Resolution No. 22/23-04, Authority to Hold Virtual Meetings Pursuant to AB 361**

2. AGENDA ITEM ACTION (Please check all that apply.)

Information Only		Second Reading	
Review/Discussion		Action	X
First Reading		Consent Agenda Item	

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION: **5 minutes**

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

**In light of California remaining in a state of emergency due to the COVID-19 pandemic and the District continuing a 3 days on-site/2 days remote work schedule through the Fall semester, it is recommended that the District Consultation Council (DCC) conduct its meetings remotely. In order to conduct Zoom meetings, DCC must adopt a resolution to authorize remote meetings pursuant to AB 361.**

5. RECOMMENDATION:

**It is recommended that DCC approve Resolution No. 22/23-04 authorizing remote teleconference DCC meetings for 30 days pursuant to AB 361.**

6. OTHER PEOPLE CONSULTED, INFORMED OR ATTENDING MEETING ABOUT THIS ITEM:

**RESOLUTION OF THE DISTRICT CONSULTATION COUNCIL  
OF THE NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT**



**Resolution No. 22/23-04, Authority to Hold Virtual Meetings Pursuant to AB 361 –  
Open Meetings: State and Local Agencies: Teleconferences**

**WHEREAS**, on March 4, 2020, pursuant to the California Emergency Services Act and Government Code Section 8625, Governor Gavin Newsom declared a statewide emergency arising from the coronavirus (COVID-19); and

**WHEREAS**, the aforementioned declaration of emergency has not been rescinded, and, thus, remains in effect; and

**WHEREAS**, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Brown Act pertaining to teleconferenced meetings; and

**WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 which indicated that Executive Order N-29-20's authorization for holding virtual meetings would expire on September 30, 2021; and

**WHEREAS**, on September 16, 2021, Governor Newsom signed AB 361 (Rivas) as urgency legislation effective immediately, which provides that legislative bodies may continue to meet remotely during a declared State of Emergency subject to certain conditions; and

**WHEREAS**, AB 361 amends the Brown Act (Government Code section 54953) to add the following provision:

(e)(1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

- (A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing. [-OR-]
- (B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. [-OR-]
- (C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.;

**WHEREAS**, AB 361 further amends the Brown Act (Government Code section 54953) to add the following provision:

(e)(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.  
[-AND-]

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person; [-OR-] (ii) state or local officials continue to impose or recommend measures to promote social distancing.

**WHEREAS**, according to the Orange County Health Care Agency (OCHCA) COVID-19 data page, as of January 12, 2023 there were 2,246 positive cases reported over a seven-day period and 278 current hospitalizations<sup>1</sup>;

**WHEREAS**, the CDC has established a “Community Transmission” metric with 3 tiers designed to reflect a community’s COVID-19 case rate and percent positivity;

**WHEREAS**, Orange County currently has the community transmission metric of “medium”<sup>2</sup>; and

**THEREFORE, BE IT RESOLVED** that the District Consultation Council of the North Orange County Community College District hereby makes the following findings:

(1) The District Consultation Council has reconsidered the circumstances of the Governor’s March 4, 2020 declaration of a state of emergency due to the COVID-19 pandemic, and the District Consultation Council finds that the declared state of emergency remains active, and continues to directly impact the ability of District Consultation Council members to meet safely in person.

**BE IT FURTHER RESOLVED**, that based on the findings herein, the District Consultation Council shall hold meetings via teleconference as permitted by Government Code section 54953(e) for the next thirty (30) days from the date of this Resolution;

**BE IT FURTHER RESOLVED**, that any meetings held via teleconference pursuant to this Resolution shall comply with all requirements of Government Code section 54953(e)(2), including, but not limited to, Government Code section 54953(e)(2)(E), which provides: “The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.”

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<sup>1</sup> OCHCA COVID-19 Case Counts and Testing Figures

<sup>2</sup> CDC COVID-19 County Check

**BE IT FURTHER RESOLVED**, that not more than thirty (30) days from the date of this Resolution, the District Consultation Council shall again reconsider the circumstances of the state of emergency declared by the Governor on March 4, 2020, in order to determine whether such circumstances warrant the District Consultation Council continuing to hold teleconference meetings as permitted by Government Code section 54953(e).

**PASSED AND ADOPTED** by the District Consultation Council of the North Orange County Community College District on this 23<sup>rd</sup> day of January 2023.

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Byron D. Clift Breland, Chair  
District Consultation Council of the  
North Orange County Community College District

# DISTRICT CONSULTATION COUNCIL

Agenda Item Submittal Form

Date: January 13, 2023

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for District Consultation Council Meeting of January 23, 2023

1. AGENDA ITEM NAME

**Governor’s 2023-24 Budget Proposal**

2. AGENDA ITEM ACTION (Please check all that apply.)

Information Only	X	Second Reading	
Review/Discussion		Action	
First Reading		Consent Agenda Item	

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION: **10 minutes**

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

**On January 10, 2023, the Governor introduced the 2023-24 budget proposal. Attached is the Joint Analysis provided by the State Chancellor’s Office and an economic overview provided by School Services of California. While staff continue to review the details of the proposal, some highlights include:**

- **The proposal tackles a budget deficit while seeking to keep prior year promises without touching the Rainy Day Funds**
- **Very few new programs**
- **8.13% COLA for the Student Centered Funding Formula and categorical programs, including adult education**
- **A portion of deferred maintenance funds allocated in FY 2022-23 will be reinvested in retention and enrollment efforts.**

5. RECOMMENDATION:

**Members are asked to receive and review the information on the Governor’s 2023-24 budget proposal.**

6. OTHER PEOPLE CONSULTED, INFORMED OR ATTENDING MEETING ABOUT THIS ITEM:

# *Joint Analysis*

## Governor's January Budget

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January 10, 2023



California Community Colleges



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ASSOCIATION OF CHIEF BUSINESS OFFICIALS



ASSOCIATION OF CALIFORNIA  
COMMUNITY COLLEGE ADMINISTRATORS



COMMUNITY COLLEGE  
LEAGUE OF CALIFORNIA

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# Purpose of Report

This analysis was prepared by the California Community Colleges Chancellor’s Office (Chancellor’s Office) with review and support from the:

- Association of California Community College Administrators (ACCCA),
- Association of Chief Business Officials (ACBO), and
- Community College League of California (League).

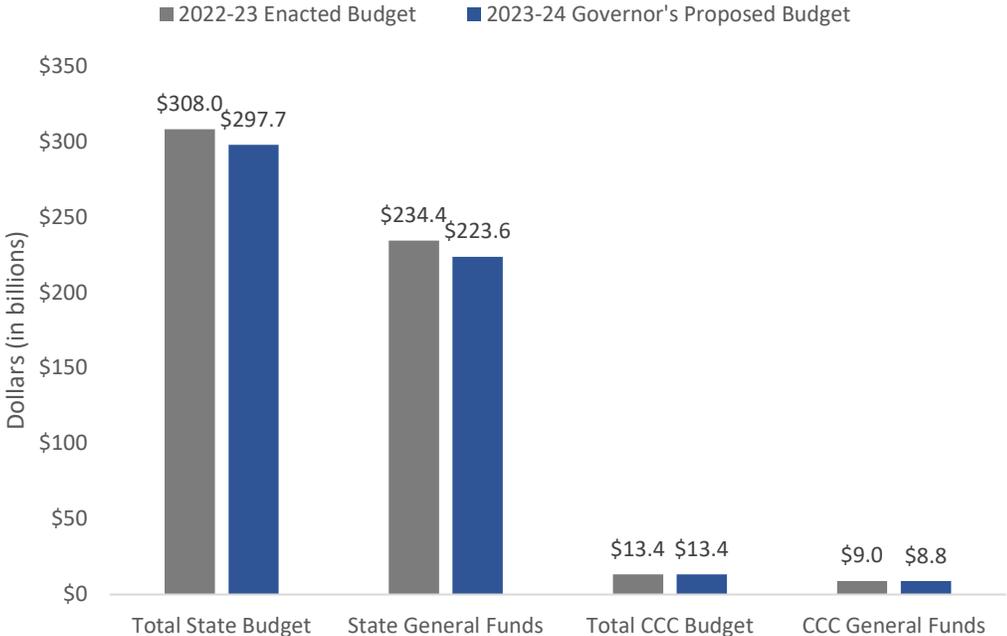
Its purpose is to provide information about the Governor’s January budget proposal as a common resource for each organization’s further analyses and advocacy efforts. Over the next several months, updated analyses will describe the proposed trailer bills, the Governor’s May Revision, and the enacted budget.

# Summary of Key Budget Changes

Today, Governor Newsom released his budget proposal for the 2023-24 fiscal year. Following are some key changes in the proposal compared to the enacted budget for 2022-23.

- Under the proposal, the overall state budget would be lower than in 2022-23, decreasing by about 3% to \$297.7 billion, affected by a substantial decline in the share of personal income tax revenues from capital gains. General Fund spending would decrease by over \$10 billion (4.6%) to \$223.6 billion.

Figure 1: Proposed 2023-24 budget reflects projected deficit of \$22.5 billion (dollars in billions).

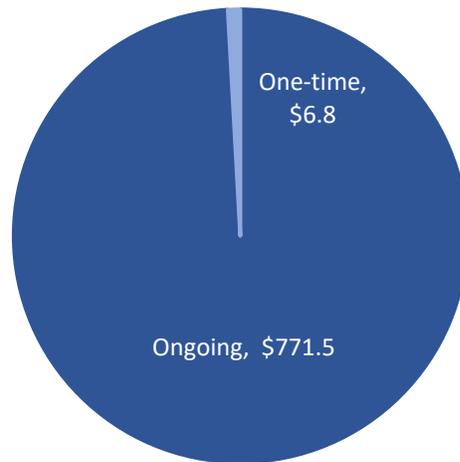


- The budget proposal for the California Community Colleges continues to be shaped by the [Roadmap for the Future](#), introduced in 2022-23 and intended to

advance equity, student success and the system’s ability to prepare students for California’s future. The Roadmap is part of the Administration’s agenda to help the state reach a goal of having 70% of working-age Californians possess a degree or credential by 2030. Budget investments across higher education aim to support students to improve educational outcomes, close equity gaps, address basic needs, and increase affordability.

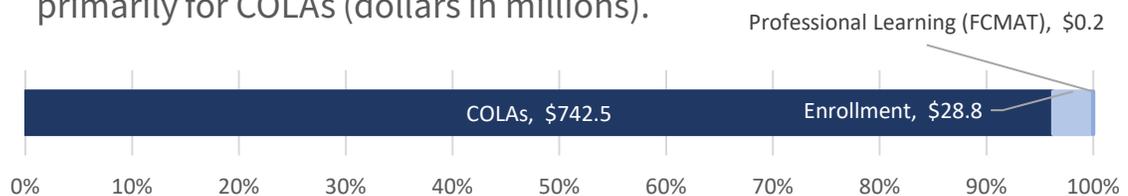
- The proposed budget for 2023-24 provides about \$778 million in Proposition 98 augmentations over the prior year, nearly all of it as ongoing spending.

Figure 2: Most new Proposition 98 funding for 2023-24 represents ongoing funds for COLAs (dollars in millions).



- The proposal for additional ongoing spending includes \$652.6 million for an 8.13% cost-of-living adjustment (COLA) for community college apportionments, about \$90 million for COLAs and adjustments to certain categorical programs, and \$28.8 million for systemwide enrollment growth of 0.5%.

Figure 3: Proposed new ongoing spending in 2023-24 is primarily for COLAs (dollars in millions).



- One-time funding in the proposal is largely dedicated to student retention and enrollment efforts in the context of enrollment that has dropped by over 16% since the beginning of the pandemic. The \$200 million proposed for that purpose is offset by a proposal to reduce that approximate amount of one-time funding for deferred maintenance included in the 2022-23 budget.

- The Governor’s proposal includes a total \$143.8 million in capital outlay funds to support the construction phase for 10 continuing projects. Four of the projects would be funded with \$53.6 million from Proposition 55 and the other six projects with \$90.1 million from Proposition 51.

## **State Budget Overview**

The Governor’s Budget proposes additional ongoing resources of approximately \$770 million to California Community Colleges appropriations and categorical programs, as compared to the 2022 Budget Act.

### **BUDGET REFLECTS CONCERNS ABOUT ECONOMY AND REVENUES**

The 2022 Budget Act was enacted in the context of strong revenues combined with concerns about a downturn in the stock market, increased interest rates, and the possibility of a recession. The state’s investments for the current year focused on supporting pandemic recovery, providing middle class tax rebates, and one-time spending on the environment, education, transportation, and housing.

Priorities in the Governor’s proposed budget for 2023-24 focus on key investments made in recent budgets. The proposal includes:

- Funding for key education priorities of implementing universal transitional kindergarten, increasing subsidized child care availability, implementing universal school meals, and maintaining higher education compacts with the University of California (UC) and California State University (CSU) and the multi-year roadmap with the California Community Colleges;
- Maintenance of most funding allocated in the two prior budgets for advancing the Administration’s climate agenda, with plans to pursue additional federal funds;
- Continuing investment in the expansion of health care access, including reproductive health care and behavioral health services; and
- Maintenance of recent budgets’ investments to address homelessness and most of the planned allocations for housing production incentives.

## **Economic Conditions Create a Budget Deficit**

The budget outlook has declined since the 2022 Budget Act, with revenues falling behind budget act projections across 2021-22, 2022-23 and 2023-24 by over \$40 billion according to the [Legislative Analyst’s Office](#) (LAO). The 2022 Budget Act assumed that the state would end 2023-24 with a deficit of nearly \$3 billion, a problem that is compounded by revenue shortfalls related to a downturn in the stock market. The revenue losses are partially offset by reductions to required formula-driven spending (such as Proposition 98 spending and deposits to the Budget Stabilization Account), but the LAO’s analysis may understate the overall state budget problem as it did not consider the impact of persistent high inflation. According to the [LAO](#), required withdrawals from the Proposition 98 reserve in response to the shortfall in revenues should cover the costs of existing K-14 programs adjusted by COLA through 2025-26, but it leaves no money for additional spending beyond current programs.

The Governor’s Budget largely aligns with the LAO’s analysis, although it projects a slightly lower deficit of \$22.5 billion for 2023-24 (compared to LAO’s projection of \$25 billion). The budget reflects \$35.6 billion in reserves, including \$22.4 billion in the state’s Rainy Day Fund. The state’s efforts to build reserves over the last couple of years will somewhat mitigate the impact of the expected budget deficit for 2023-24. The plan uses several mechanisms to close the projected shortfall, including some funding delays and reductions from the 2021-22 and 2022-23 budgets, fund shifts, and limited borrowing. Some reductions are included in a trigger that would restore the funds in January 2024 if sufficient General Fund revenues are available.

## **District Revenue Protections**

The 2021 Budget Act extended the Student Centered Funding Formula’s (SCFF) hold harmless provision through 2024-25, under which districts will earn at least their 2017-18 total computational revenue (adjusted by COLA each year). The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district’s 2024-25 funding representing its new “floor.” Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their “floor” (2024-25 funding amount), whichever is higher. This revised hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time, as is the case with the provision in effect through 2024-25, so a district’s hold harmless amount would not grow.

## **PROPOSITION 98 ESTIMATE INCREASES**

### **Minimum Guarantee for Community Colleges Increases by about 2%**

Each year, the state calculates a “minimum guarantee” for school and community college funding based on a set of formulas established in Proposition 98 and related statutes. To determine which formulas to use for a given year, Proposition 98 lays out three main tests that depend upon several inputs including K-12 attendance, per capita personal income, and per capita General Fund revenue. Depending on the values of these inputs, one of the three tests becomes “operative” and determines the minimum guarantee for that year. The state rarely provides funding above the estimated minimum guarantee for a budget year. As a result, the minimum guarantee determines the total amount of Proposition 98 funding for schools and community colleges. Though these formulas determine total funding, they do not prescribe the distribution of funding within the segments. The Governor and Legislature have significant discretion in allocating funding to various programs and services.

Table 1 shows the budget’s estimates of the minimum guarantee for the prior, current, and budget years. The community college share of Proposition 98 funding is at the traditional share of 10.93% in each of these years. Included in this share is some K-12 funding, including a portion of Adult Education funding, a small amount of pass-through funding for school district-based apprenticeship programs and funding for K-12 Strong Workforce programs.

**Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)**

Source	2021-22 Revised	2022-23 Revised	2023-24 Proposed	Change From 2022-23 Amount	Change From 2022-23 Percent
<b>ALL PROPOSITION 98 PROGRAMS</b>					
General Fund	\$83,630	\$79,103	\$79,613	\$510	1%
Local property tax	26,785	27,889	29,204	1,315	5%
<b>Totals</b>	<b>\$110,415</b>	<b>\$106,991</b>	<b>\$108,816</b>	<b>\$1,825</b>	<b>2%</b>
<b>COMMUNITY COLLEGES ONLY <sup>a</sup></b>					
General Fund	\$8,790	\$8,713	\$8,758	\$45	1%
Local property tax	3,512	3,648	3,811	164	4%
<b>Totals</b>	<b>\$12,301</b>	<b>\$12,360</b>	<b>\$12,569</b>	<b>\$209</b>	<b>2%</b>

<sup>a</sup> CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.

### Estimate for Current Year Has Decreased

The estimate of the Proposition 98 minimum guarantee for 2021-22 increased very slightly but the estimate for 2022-23 decreased as compared to projections when the 2022-23 budget was enacted in June of last year. Changes to the estimates can occur if school enrollment, economic growth, or state revenues turn out to be different than expected. Specifically, the revised estimate for 2022-23 is lower than was projected in June because of weaker than expected revenues.

### Revised Deposits to Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a new state reserve for schools and community colleges. Under Proposition 2, transfers are made to this account if several conditions are satisfied. Specifically, the state must have paid off all Proposition 98 debt created before 2014-15, the minimum guarantee must be growing more quickly than per capita personal income, and capital gains revenues must exceed 8% of total revenues. In tight fiscal times, the state must withdraw funding from the reserve to supplement the funding schools and community colleges receive under Proposition 98. The Governor’s budget reflects revised 2021-22 and 2022-23 payments, and a 2023-24 payment of \$3.7 billion, \$1.1 billion, and \$365 million, respectively, for a total revised account balance of more than \$8.5 billion at the end of 2022-23 (compared to the projected \$9.5 billion in the 2022 Budget Act).

Though these transfers change *when* the state spends money on schools and community colleges, they do not directly change the *total amount* of state spending for schools and community colleges across fiscal years. Specifically, required transfers to the PSSSA count toward Proposition 98 totals in the year the transfer is made. As a result, appropriations

to schools and community colleges in such a year could be lower than otherwise required by Proposition 98. However, in a year when money is spent out of this reserve, the amount transferred back to schools and community colleges is over and above the Proposition 98 amount otherwise required for that year.

## California Community Colleges Funding

The Governor’s Budget includes \$771 million in ongoing policy adjustments for the community college system, compared to 2022-23 expenditure levels, as reflected in Table 2. Considering technical adjustments along with changes to funding, the system would receive approximately \$461 million in additional funding.

**Table 2: Proposed 2023-24 Changes in Proposition 98 Funding for the System (In Millions)**

<b>POLICY ADJUSTMENTS</b>	
<b>Ongoing (Proposition 98)</b>	
Provide 8.13% COLA for SCFF	\$652.6
Provide 8.13% COLA for Adult Education Program	\$48.5
Provide 0.5% for SCFF growth	\$28.8
Provide 8.13% COLA for Extended Opportunity Programs and Services (EOPS)	\$13.8
Provide 8.13% COLA for Disabled Students Programs and Services (DSPS)	\$13.0
Provide COLA and a technical adjustment for Apprenticeship (community college districts)	\$4.7
Provide 8.13% COLA for CalWORKs student services	\$4.1
Provide 8.13% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements	\$3.0
Provide 8.13% COLA for Cooperative Agencies Resources for Education (CARE)	\$2.5
Provide 8.13% COLA for Childcare tax bailout	\$0.3
Increase FCMAT funding for Professional Learning Opportunities	\$0.2
<b>Subtotal Ongoing (Proposition 98) Policy Adjustments</b>	<b>\$771.5</b>
<b>One-Time (Proposition 98)</b>	
Support retention and enrollment strategies	\$200.0
Workforce Training Grants	\$14.0
Prior year SCFF funding	\$5.7
FCMAT Professional Learning Opportunities	\$0.1
Reduce prior year deferred maintenance funding	-\$213.0
<b>Subtotal One-Time Policy Adjustments</b>	<b>\$6.8</b>
<b>TECHNICAL ADJUSTMENTS</b>	
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth)	-\$314.4
<b>Subtotal Technical Adjustments</b>	<b>-\$314.4</b>
<b>TOTAL CHANGES</b>	<b>\$463.9</b>

The estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by \$367 million from \$8.7 billion to \$9.1 billion. This reflects a proposed COLA of 8.13% (\$652.6 million) and FTES growth of 0.5% (\$28.8 million) and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2022-23 Budget Act to the 2023-24 Governor’s Budget proposal):

- Property tax revenues are estimated to increase by \$158.6 million from \$3.653 billion to \$3.811 billion.
- Enrollment Fee revenues are estimated to increase by \$3 million from \$399.5 million to \$402.5 million.
- Education Protection Account funding is estimated to increase by \$186.7 million from \$1.43 billion to \$1.62 billion.

Table 3 reflects the 2022-23 Advance rates, along with the projected rates for 2023-24, as modified by COLA.

**Table 3: Proposed 2023-24 Student Centered Funding Formula Rates (rounded)**

<b>Allocations</b>	<b>2022-23 Advance Rates</b>	<b>Estimated Proposed 2023-24 Rates**</b>	<b>Estimated Change from 2022-23 Advance</b>	<b>Estimated Change from 2022-23 (Percent)</b>
Base Credit*	\$ 4,840	\$ 5,234	\$ 394	8.13%
Incarcerated Credit*	6,788	7,340	552	8.13%
Special Admit Credit*	6,788	7,340	552	8.13%
CDCP	6,788	7,340	552	8.13%
Noncredit	4,082	4,414	332	8.13%
Supplemental Point Value	1,145	1,238	93	8.13%
Student Success Main Point Value	675	730	55	8.13%
Student Success Equity Point Value	170	184	14	8.13%
<b>Single College District</b>				
Small College	5,950,421	6,434,191	483,769	8.13%
Medium College	7,933,899	8,578,925	645,026	8.13%
Large College	9,917,373	10,723,656	806,282	8.13%
<b>Multi College District</b>				
Small College	5,950,421	6,434,191	483,769	8.13%
Medium College	6,942,161	7,506,559	564,398	8.13%
Large College	7,933,899	8,578,925	645,026	8.13%
Designated Rural College	1,892,601	2,046,469	153,868	8.13%
State Approved Centers	1,983,474	2,144,731	161,256	8.13%

<b>Grandparented Centers</b>				
Small Center	247,936	268,093	20,157	8.13%
Small Medium Center	495,869	536,183	40,314	8.13%
Medium Center	991,736	1,072,365	80,628	8.13%
Medium Large Center	1,487,605	1,608,548	120,942	8.13%
Large Center	1,983,474	2,144,731	161,256	8.13%

\*Ten districts receive higher credit FTES rates, as specified in statute.

\*\*Estimated 2023-24 rates will change based on updated 2022-23 data and revenues.

Appendix B compares the Governor’s proposed funding adjustments for the system in 2023-24 to the Board of Governors’ budget request. Below we highlight a few of the Administration’s policy decisions and related information. Later in this analysis, we detail local funding by program, capital outlay funding, and state operations.

## MAJOR POLICY DECISIONS CONTINUE STATE’S FOCUS ON ROADMAP

The multi-year [Roadmap](#) introduced in the 2022-23 budget continues to shape the Administration’s proposed budget. The roadmap builds on existing efforts toward achieving the *Vision for Success* goals, with some additional expectations for the system over the next several years. The proposed budget provides funding for a COLA and enrollment growth, targets more one-time funds for enrollment and retention efforts, and allows districts more flexibility in the use of funds in pursuit of the roadmap’s goals.

### Apportionments Receive 8.13% COLA and 0.5% Growth

The proposal includes an increase of \$28.8 million **ongoing** to fund 0.5% enrollment growth and \$652.6 million **ongoing** to support a COLA of 8.13% for apportionments, the same COLA proposed for K-12. Another \$92.5 million **ongoing** would support a COLA of 8.13% for selected categorical programs and the Adult Education program.

### District Flexibility Increases

To support the roadmap and provide districts with an opportunity to maximize use of their funds, the Administration intends to introduce a mechanism as part of the May Revision to provide additional flexibility in the spending of certain categorical dollars to community college districts that are making progress toward the roadmap goals. Under the proposal, districts would have the option to submit a streamlined report for the specified programs and to spend funds flexibly across them.

### Retention and Enrollment Receives Additional Support

The proposed budget reflects continuing concern about the significant loss of enrollment across the community colleges, which has declined by more than 16% since the beginning of the pandemic. Building on prior investments of \$120 million in 2021-22 and \$150 million in 2022-23, the proposal includes \$200 million **one-time** to continue supporting community college efforts and focused strategies to increase student retention rates and overall enrollment. Districts have used the prior funding for a variety of efforts to recruit, retain, and re-enroll students, including to:

- Increase outreach and marketing efforts via mail, email, text, phone and social media, and through participation in virtual and in-person community events;
- Expand financial supports for students through emergency grants, book and transportation vouchers, and support for technology, food, housing, childcare and other needs;
- Remove financial holds, relax payment policies, and streamline burdensome administrative procedures;
- Offer alternative course schedules and modalities;
- Implement online student services and expand hours of service for virtual and in-person services;
- Increase training and resources for faculty and staff; and
- Expand and deepen collaboration both on campus and with external partners to provide enhanced student services and improved educational options.

### Deferred Maintenance Funds are Redirected

The 2022 Budget Act included approximately \$840 million in **one-time** funds for 2022-23 to address deferred maintenance and energy efficiency projects across the system. The Governor’s Budget proposes to decrease that amount by \$213 million, providing a source of funding to support the additional investment for retention and enrollment efforts in the budget year.

Currently, all \$840 million in one-time deferred maintenance funds allocated in FY 2022-23 are scheduled to be distributed to districts via the Apportionment process by June 2023, prior to the expected enactment of the 2023-24 budget. As of January 2023, \$504 million has been distributed.

Since the approval of the 2022 Budget Act, 71 districts have certified how they will spend their allocated funds. The 71 districts that have a certified plan have allocated \$829 million to address the following needs on their campuses:

- \$199 million for instructional equipment and library materials;
- \$534.4 million for deferred maintenance projects;
- \$34.6 million for water conservation projects; and
- \$61 million for energy efficiency projects.

### Increasing Fiscal Accountability is a Priority

The Governor’s proposed budget includes \$275,000 (\$75,000 **one-time** and \$200,000 **ongoing**) to develop and maintain a community college district leadership and fiscal accountability program, through the Fiscal Crisis and Management Assistance Team (FCMAT). FCMAT provides services to help local TK-14 educational agencies identify, prevent, and resolve financial, operational and data management challenges through management assistance and professional learning opportunities, and the proposed funding would be intended to provide services targeted to the needs of community college districts.

## Fire Protection is a Focus

The Governor's proposed budget includes \$14 million **one-time** Proposition 98 funds for workforce training grants focused on meeting workforce needs to fight wildfires, to be administered in collaboration with the California Department of Forestry and Fire Protection.

## Dual Enrollment and Service Learning are Encouraged

The Governor's budget proposal includes language requesting that community colleges establish dual enrollment agreements with all applicable local educational agencies (LEAs) within their community college districts' service area. It also requests that colleges develop and offer a one-unit service-learning course that all high school students can access through dual enrollment.

## Affordable Student Housing Funding Extended by One Year

As part of the Budget Act of 2021, the state created the Higher Education Student Housing Grant Program to support the construction of affordable student housing across the three public higher education segments. The program was to receive funding over three years for three rounds of grants, with an investment of \$750 million one-time expected in FY 2023-24. The Governor's budget proposes to reduce that investment to \$500 million **one-time** and extend the remaining \$250 million to FY 2024-25, which will provide an opportunity for a fourth round of awards.

## Cal Grant Reforms Targeted for 2024-25

The Fiscal Year 2022-23 State Budget enacted the Cal Grant Reform Act, a longstanding priority of the California Community Colleges system and our student-led organizations, overhauling and modernizing the state Cal Grant program for community college students. When it goes into effect in the 2024-25 academic year, the Cal Grant Reform Act would entitle *all* community college students with financial need to a revised "Cal Grant 2" financial aid award that would increase with inflation over time and continue to support students' total cost of attendance beyond tuition. The Cal Grant Reform Act depends on the Department of Finance determining, in the spring of 2024, that there will be sufficient revenues in the 2024-25 fiscal year to support this expansion of financial aid.

## LOCAL SUPPORT FUNDING IS LARGELY STABLE FOR ONGOING PROGRAMS

Table 4 shows proposed ongoing local assistance funding by program for the current and budget years. As the table shows, most categorical programs received level or workload funding in the Governor's proposal, with certain programs receiving cost-of-living adjustments consistent with recent practices. Decreases in funding are related to revised estimates of underlying factors.

**Table 4: California Community Colleges Ongoing Funding by Program<sup>a</sup> (In Millions)**

Program	2022-23 Revised	2023-24 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	\$8,734.0	\$9,101.0	\$367.0	4.2%	COLA, growth, and other base adjustments (estimated based on available info)
Adult Education Program – Main <sup>b</sup>	603.1	651.7	48.5	8.0%	COLA
Student Equity and Achievement Program	524.0	524.0	0.0	0.0%	
Student Success Completion Grant	412.6	412.6	0.0	0.0%	
Strong Workforce Program	290.4	290.4	0.0	0.0%	
Part-time faculty health insurance	200.5	200.5	0.0	0.0%	
Extended Opportunity Programs and Services (EOPS)	169.2	182.9	13.8	8.13%	COLA
Disabled Students Programs and Services (DSPS)	159.7	172.7	13.0	8.13%	COLA
Full-time faculty hiring	150.0	150.0	0.0	0.0%	
California College Promise (AB 19)	91.2	91.2	0.0	0.0%	
Integrated technology	89.5	89.5	0.0	0.0%	
Financial aid administration	81.6	81.6	0.0	0.0%	
Apprenticeship (community college districts)	69.2	73.9	4.7	6.7%	COLA and technical adjustment
CalWORKs student services	50.9	55.0	4.1	8.13%	COLA
NextUp (foster youth program)	50.0	50.0	0.0	0.0%	
Basic needs centers	40.0	40.0	0.0	0.0%	
Mathematics, Engineering, Science Achievement (MESA)	36.4	36.4	0.0	0.0%	

Mandates Block Grant and reimbursements	36.1	39.1	3.0	8.39%	COLA and enrollment-based adjustment
Cooperative Agencies Resources for Education (CARE)	30.9	33.5	2.5	8.13%	COLA
Student mental health services	30.0	30.0	0.0	0.0%	
Institutional effectiveness initiative	27.5	27.5	0.0	0.0%	
Part-time faculty compensation	26.5	26.5	0.0	0.0%	
Rising Scholars Network	25.0	25.0	0.0	0.0%	
Part-time faculty office hours	23.6	23.6	0.0	0.0%	
Economic and Workforce Development	22.9	22.9	0.0	0.0%	
California Virtual Campus	20.0	20.0	0.0	0.0%	
Homeless and Housing Insecurity Program ("Rapid Rehousing")	19.0	19.0	0.0	0.0%	
California Online Community College (Calbright College)	15.0	15.0	0.0	0.0%	
Nursing grants	13.4	13.4	0.0	0.0%	
Lease revenue bond payments	12.8	12.8	0.0	0.0%	
Equal Employment Opportunity Program	12.8	12.8	0.0	0.0%	
Puente Project	12.3	12.3	0.0	0.0%	
Dreamer Resource Liaisons	11.6	11.6	0.0	0.0%	
Immigrant legal services through CDSS	10.0	10.0	0.0	0.0%	
Veterans Resource Centers	10.0	10.0	0.0	0.0%	
Classified Employee Summer	10.0	10.0	0.0	0.0%	

Assistance Program					
Umoja	8.5	8.5	0.0	0.0%	
Asian American and Native Hawaiian and Pacific Islander (AANHPI) Student Achievement Program	8.0	8	0.0	0.0%	
Foster Parent Education Program	6.2	6.2	0.0	0.0%	
Childcare tax bailout	4.0	4.3	0.3	8.13%	COLA
Digital Course Content for Inmates	3.0	3.0	0.0	0.0%	
Middle College High School Program	1.8	1.8	0.0	0.0%	
Academic Senate	1.8	1.8	0.0	0.0%	
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.4	1.4	0.0	0.0%	
African American Male Education Network and Development (A2MEND)	1.1	1.1	0.0	0.0%	
Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.7	0.7	0.0	0.0%	
FCMAT	0.6	0.8	0.2	35.1%	Increase for FCMAT Professional Learning Opportunities

<sup>a</sup> Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

<sup>b</sup> The Adult Education program total includes resources that go to the K-12 system but are included in the CCC budget. The K-12 Strong Workforce program and K-12 Apprenticeship program are not listed above but are also included in the CCC budget.

Table 5 shows proposed one-time local assistance funding by program for 2023-24. Given the expected state budget deficit, the budget proposal for community colleges includes only a few one-time investments.

**Table 5: California Community Colleges One-Time Funding by Program<sup>a</sup> (In Millions)**

Program	2022-23 Revised	2023-24 Proposed	Explanation of Change
Retention and enrollment strategies	150.0	200.0	One-time funds added
Workforce Training Grants	0.0	14.0	One-time funds added
FCMAT Professional Learning Opportunities	0.0	0.08	One-time funds added
Deferred maintenance	627.7	N/A	Reduce prior year funding by \$213 million (from \$840.7)

<sup>a</sup> Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

## CAPITAL OUTLAY INVESTMENTS ARE LOWER

The Governor’s proposal includes \$143.8 million in total capital outlay funding from both Proposition 55 and Proposition 51, substantially lower than in the 2021-22 and 2022-23 budgets. Voters approved Proposition 55 in 2004 and Proposition 51 approved by voters in 2016. The funding is to support the construction phase for 10 continuing projects, as listed in Table 6.

**Table 6: Governor’s Proposed Capital Outlay Projects in the California Community Colleges (In Millions)**

District, College	Project	2023-24 State Cost	2023-24 Total Cost	All Years State Cost	All Years Total Cost
<b>CONTINUING PROJECTS</b>					
<b>Proposition 55</b>					
Compton, Compton College	Visual and Performing Arts	\$12.53	\$16.68	\$13.33	\$17.79
Desert, College of the Desert	Science Building Renovation	\$6.85	\$13.71	\$7.44	\$14.88
Grossmont-Cuyamaca, Cuyamaca College	Instructional Building 1	\$15.93	\$31.51	\$16.93	\$33.51
Sierra Jt., Sierra College	Applied Technology Center Modernization	\$18.30	\$34.19	\$19.68	\$36.89
<b>Proposition 51</b>					
Chabot-Las Positas, Chabot College	Building 3000 Maintenance Operations Warehouse & Garage	\$10.06	\$27.63	\$10.73	\$28.98

Los Angeles, Los Angeles Mission College	Plant Facilities Warehouse & Shop Replacement	\$7.32	\$24.16	\$7.83	\$25.92
Riverside, Norco College	Center for Human Performance and Kinesiology	\$28.56	\$51.49	\$30.21	\$54.19
Shasta/Tehama/Trinity, Shasta College	Building 800 Renovation	\$5.97	\$11.03	\$6.46	\$12.00
Sierra Jt., Sierra College	New Science Building	\$27.47	\$54.97	\$29.81	\$58.72
West Valley-Mission, West Valley College	Theater Renovation/Expansion	\$10.81	\$29.02	\$11.63	\$30.66
<b>Total</b>		<b>\$143.79</b>	<b>\$294.38</b>	<b>\$154.05</b>	<b>\$313.54</b>

**STATE OPERATIONS RECEIVES LEVEL FUNDING**

The Chancellor’s Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing several recent initiatives including Guided Pathways, basic skills reforms, and the Student Centered Funding Formula. In addition, the Chancellor’s Office provides technical assistance to districts and conducts regional and statewide professional development activities. The current-year (2022-23) budget provided an increase of \$3.9 million over the prior year to support 26 new positions to better support curriculum-related reforms and technology modernization efforts across the system as well as improved operational capacity in general. The Governor’s budget proposal for 2023-24 keeps funding level at about \$25.7 million in non-Proposition 98 General Fund and \$12.2 million in special funds and reimbursements for Chancellor’s Office operations.

**Next Steps**

For more information throughout the budget process, please visit the Budget News section of the Chancellor’s Office website:

<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>

## Appendix A: Overview of the State Budget Process

The Governor and the Legislature adopt a new budget every year. The Constitution requires a balanced budget such that, if proposed expenditures exceed estimated revenues, the Governor is required to recommend changes in the budget. The fiscal year runs from July 1 through June 30.

**Governor’s Budget Proposal.** The California Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. The Director of Finance, who functions as the chief financial advisor to the Governor, directs the preparation of the Governor’s Budget. The state’s basic approach is incremental budgeting, estimating first the costs of existing programs and then adjusting those program levels. By law, the chairs of the budget committees in each house of the Legislature—the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee—introduce bills reflecting the Governor’s proposal. These are called budget bills, and the two budget bills are identical at the time they are introduced.

**Related Legislation.** Some budget changes require that changes be made to existing law. In these cases, separate bills—called “trailer bills”—are considered with the budget. By law, all proposed statutory changes necessary to implement the Governor’s Budget are due to the Legislature by February 1.

**Legislative Analyses.** Following the release of the Governor’s Budget in January, the LAO begins its analyses of and recommendations on the Governor’s proposals. These analyses, each specific to a budget area (such as higher education) or set of budget proposals (such as transportation proposals), typically are released beginning in mid-January and continuing into March.

**Governor’s Revised Proposals.** Finance proposes adjustments to the January budget through “spring letters.” Existing law requires Finance to submit most changes to the Legislature by April 1. Existing law requires Finance to submit, by May 14, revised revenue estimates, changes to Proposition 98, and changes to programs budgeted based on enrollment, caseload, and population. For that reason, the May Revision typically includes significant changes for the California Community Colleges budget. Following release of the May Revision, the LAO publishes additional analyses evaluating new and amended proposals.

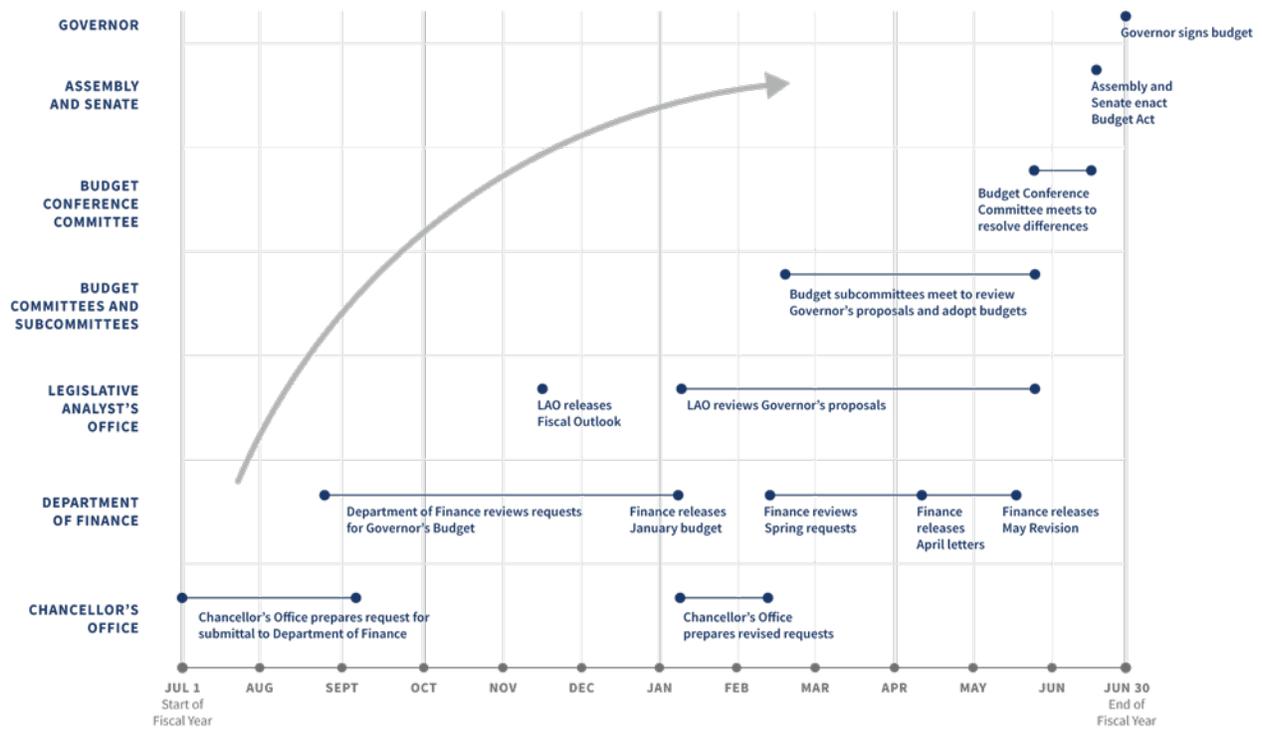
**Legislative Review.** The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can adopt, reject, or modify the proposal. Any January proposals not acted on remain in the budget by default. May proposals, in contrast, must be acted on to be included in the budget. In addition to acting on the Governor’s budget proposals, subcommittees also can add their own proposals to the budget.

When a subcommittee completes its actions, it reports its recommendations back to the full committee for approval. Through this process, each house develops a version of the budget that is a modification of the Governor’s January budget proposal.

A budget conference committee is then appointed to resolve differences between the Senate and Assembly versions of the budget. The administration commonly engages with legislative leaders during this time to influence conference committee negotiations. The committee’s report reflecting the budget deal between the houses is then sent to the full houses for approval.

**Budget Enactment.** Typically, the Governor has 12 days to sign or veto the budget bill. The Governor also has the authority to reduce or eliminate any appropriation included in the budget. Because the budget bill is an urgency measure, the bill takes effect as soon as it is signed.

## SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



## Appendix B: Board of Governors’ Budget and Legislative Request Compared to Governor’s Budget Proposal

The system budget request considered fiscal needs over multiple years to support the system in achieving the *Vision for Success* and Roadmap goals; it focused on leveraging prior year investments and furthering recent reforms.

Board of Governor’s Request	Governor’s Budget Proposal
<b>Ongoing Investments</b>	
<b>Foundational Resources.</b> \$400 million for base funding increase.	Provides \$652.6 million for a COLA of 8.13% and \$28.8 million for 0.5% enrollment growth.
<b>Diversity, Equity and Inclusion.</b> \$2 million to leverage federal match for Foster and Kinship Care Education program; \$80 million for expanded campus childcare; \$60 million increase to DSPS.	Not funded.
<b>Pathways and Student Supports.</b> \$70 million for implementation of corequisite support models.	Provides \$92.5 million for 8.13% COLA for selected categorical programs and the Adult Education Program.
<b>Support for Faculty and Staff.</b> \$50 million for faculty supports across hiring, parity, curriculum development and office hours; \$10 million for CCC Teacher Preparation Program	Instead, it includes \$200,000 for operation of a district leadership and fiscal accountability program with FCMAT.
<b>Technology and Data Sharing.</b> \$30 million for technology capacity to support flexible and online learning modalities; \$200,000 for streamlined reporting process; \$92 million for Common ERP (beginning in 2024-25).	Instead, it offers streamlined reporting and district spending flexibility for certain categorical programs to districts making progress toward Roadmap goals.
<b>College Affordability and Supports.</b> \$10 million for structural reforms to financial aid administration; policy changes to cover Student Success Completion Grants for student Board of Governors members and to extend eligibility for AB 540 tuition exemption to students who have completed 60 units or an ADT.	Not funded.
<b>One-Time Investments</b>	
<b>Pathways and Student Supports.</b> \$150 million to establish Childcare Expansion Fund for upgrading facilities and enhancing partnerships for campus childcare; \$23 million to incentivize colleges to identify and implement changes to structures and processes to reduce excess units; \$2.7 million for Intersegmental Transfer Success Collaborative of cross-segment disciplinary faculty; \$231,000 for analysis of online learning innovations; \$20 million for infrastructure for students with disabilities.	Instead, it provides \$200 million to support college efforts and strategies to increase student retention rates and enrollment, and \$14 million for workforce training grants related to forestry and fire protection.

<b>Technology and Data Sharing.</b> \$2.2 million for creation of streamlined reporting tool; \$300 million for Common ERP (in 2024-25)	Not mentioned.
<b>Institutional Quality and Capacity.</b> \$150 million one-time for deferred maintenance.	Decreases 2022-23 funds for deferred maintenance by \$213 million to cover the cost of additional investment in retention and enrollment strategies described above. Provides \$75,000 to develop the leadership and fiscal accountability program with FCMAT (see ongoing funding above).
<b>Non-Proposition 98 Investments</b>	
<b>College Affordability and Supports.</b> \$900 million one-time for construction grants for student housing	Delays \$250 million of the anticipated support for housing projects to 2024-25 (so provides \$500 million rather than \$750 million in 2023-24).
<b>Pension Relief.</b> Unspecified one-time investment to allow redirection of resources toward student success goals.	Not funded.
<b>Capacity to Support the System.</b> \$963,000 ongoing for 5 additional Chancellor’s Office staff to support NOVA platform	Not funded.
<b>Workforce Education.</b> Policy changes to revise Economic Workforce Development program to emphasize collaboration, coordination, and expanded work-based learning.	Not mentioned.

## Appendix C: Local Budgets and State Requirements

### BUDGET PLANNING AND FORECASTING

Based on the information used in developing the state budget, it would be reasonable for districts to plan their budgets using information shown in Table C-1 below.

**Table C-1: Planning Factors for Proposed 2023-24 Budget**

Factor	2021-22	2022-23	2023-24
Cost-of-living adjustment (COLA)	5.07%	6.56%	8.13%
State Lottery funding per FTES <sup>a</sup>	\$228	\$237	TBD
Mandated Costs Block Grant funding per FTES <sup>b</sup>	\$30.16	\$32.68	\$32.68
RSI reimbursement per hour <sup>b</sup>	\$6.44	\$8.82	\$8.82
Financial aid administration per College Promise Grant <sup>b</sup>	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	22.91%	25.37%	25.20%
State Teachers' Retirement System (CalSTRS) employer contribution rates	16.92%	19.10%	19.10%

<sup>a</sup> 2023-24 estimate not available

### STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues by specified deadlines. Financial reporting deadlines are shown in Table C-2.

**Table C-2: Standard Financial Reporting Deadlines in Place for 2023-24**

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2023	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2023	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2023	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2023	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2023	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2023	59106

If the governing board of any district fails to develop a budget as described, the chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not

imposed on a district if the chancellor determines that unique circumstances made it impossible for the district to comply with the provisions or if there were delays in the adoption of the annual state budget.

The total amount proposed for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).

## STATE REQUIREMENTS RELATED TO EXPENDITURES

State law includes two main requirements for districts' use of apportionments. The Chancellor's Office monitors district compliance with both requirements and annually updates the Board of Governors.

### Full-Time Faculty Obligation

Education Code Section 87482.6 recognizes the goal of the Board of Governors that 75% of the hours of credit instruction in the California Community Colleges should be taught by full-time faculty. Each district has a baseline reflecting the number of full-time faculty in 1988-89. Each year, if the Board of Governors determines that adequate funds exist in the budget, districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in funded credit full-time equivalent students. Funded credit FTES includes emergency conditions allowance protections, such as those approved for fires and for the COVID-19 pandemic. Districts with emergency conditions allowances approved per regulation will not have their full-time faculty obligation reduced for actual reported FTES declines while the protection is in place. The target number of faculty is called the Faculty Obligation Number (FON). An additional increase to the FON is required when the budget includes funds specifically for the purposes of increasing the full-time faculty percentage. The chancellor is required to assess a penalty for a district that does not meet its FON for a given year.

### Fifty Percent Law

A second requirement related to budget levels is a statutory requirement that each district spend at least half of its Current Expense of Education each fiscal year for salaries and benefits of classroom instructors. Under existing law, a district may apply for an exemption under limited circumstances.

## Appendix D: Districts' Fiscal Health

The Board of Governors has established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. These standards are intended to be progressive, with the focus on prevention and assistance at the initial level and more direct intervention at the highest level.

Under that process, each district is required to regularly report to its governing board the status of the district's financial condition and to submit quarterly reports to the Chancellor's Office three times a year in November, February, and May. Based on these reports, the Chancellor is required to determine if intervention is needed. Specifically, intervention may be necessary if a district's report indicates a high probability that, if trends continue unabated, the district will need an emergency apportionment from the state within three years or that the district is not in compliance with principles of sound fiscal management. The Chancellor's Office's intervention could include, but is not limited to, requiring the submission of additional reports, requiring the district to respond to specific concerns, or directing the district to prepare and adopt a plan for achieving fiscal stability. The Chancellor also could assign a fiscal monitor or special trustee.

The Chancellor's Office believes that the evaluation of fiscal health should not be limited to times of crisis. Accordingly, the Fiscal Forward Portfolio has been implemented to support best practices in governance and continued accreditation, and to provide training and technical assistance to new chief executive officers and chief business officers through personalized desk sessions with Chancellor's Office staff.

The Chancellor's Office's ongoing fiscal health analysis includes review of key financial indicators, results of annual audit reports, and other factors. A primary financial health indicator is the district's unrestricted reserves balance. **The Chancellor's Office recommends that districts adopt policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of general fund operating expenditures or revenues, consistent with Budgeting Best Practices published by the Government Finance Officers Association.**

Districts are strongly encouraged to regularly assess risks to their fiscal health. The Fiscal Crisis and Management Assistance Team has developed a Fiscal Health Risk Analysis for districts as a management tool to evaluate key fiscal indicators that may help measure a district's risk of insolvency in the current and two subsequent fiscal years.

## Appendix E: Glossary

**Appropriation:** Money set apart by legislation for a specific use, with limits in the amount and period during which the expenditure is to be recognized.

**Augmentation:** An increase to a previously authorized appropriation or allotment.

**Bond Funds:** Funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds.

**Budget:** A plan of operation expressed in terms of financial or other resource requirements for a specific period.

**Budget Act (BA):** An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget, amended by the Legislature, and signed by the Governor.

**Budget Year (BY):** The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

**Capital Outlay:** Expenditures that result in acquisition or addition of land, planning and construction of new buildings, expansion or modification of existing buildings, or purchase of equipment related to such construction, or a combination of these.

**Cost of Living Adjustment (COLA):** Increases provided in state-funded programs intended to offset the effects of inflation.

**Current Year (CY):** The present state fiscal year, beginning July 1 and ending June 30 (in contrast to past or future periods).

**Deferrals:** Late payments to districts when the state cannot meet its funding obligations. Deferrals allow districts to budget for more money than the state will provide in a given year. A district is permitted to spend as if there is no deferral. Districts typically rely on local reserves or short-term loans (e.g., TRANS) to cover spending for the fiscal year.

**Department of Finance (DOF or Finance):** A state fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor.

**Education Protection Account (EPA):** The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and amended by Proposition 55 in November 2016. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. These funds are set to expire on December 31, 2030.

**Expenditure:** Amount of an appropriation spent or used.

**Fiscal Year (FY):** A 12-month budgeting and accounting period. In California state government, the fiscal year begins July 1 and ends the following June 30.

**Fund:** A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations.

**General Fund (GF):** The predominant fund for financing state operations; used to account for revenues that are not specifically designated by any other fund.

**Governor's Budget:** The publication the Governor presents to the Legislature by January 10 each year, which includes recommended expenditures and estimates of revenues.

**Legislative Analyst's Office (LAO):** A nonpartisan office that provides fiscal and policy advice to the Legislature.

**Local Assistance:** Expenditures made for the support of local government or other locally administered activities.

**May Revision:** An update to the Governor's Budget presented by Finance to the Legislature by May 14 of each year.

**Past Year or Prior Year (PY):** The most recently completed state fiscal year, beginning July 1 and ending June 30.

**Proposition 98:** A section of the California Constitution that, among other provisions, specifies a minimum funding guarantee for schools and community colleges. California Community Colleges typically receive 10.93% of the funds.

**Related and Supplemental Instruction (RSI):** An organized and systematic form of instruction designed to provide apprentices with knowledge including the theoretical and technical subjects related and supplemental to the skill(s) involved.

**Reserve:** An amount set aside in a fund to provide for an unanticipated decline in revenue or increase in expenditures.

**Revenue:** Government income, generally derived from taxes, licenses and fees, and investment earnings, which are appropriated for the payment of public expenses.

**State Operations:** Expenditures for the support of state government.

**Statute:** A law enacted by the Legislature.

**Tax and Revenue Anticipation Notes (TRANS):** Short-term debt instruments issued in anticipation of taxes or other revenues to be collected at a later date.

**Workload Budget:** The level of funding needed to support the current cost of already-authorized services.

# COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

An Overview of the 2023–24 Governor's Budget Proposals



BY SSC TEAM

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posted January 10, 2023

## Overview of the Governor's Budget Proposals

Today, California seemed to turn the page in State Budget development: from COVID-19 pandemic budgeting since May 2020 to more business as usual. And unfortunately for Governor Gavin Newsom, business as usual comes with a softening economy.

Thankfully, California is better prepared to weather the proverbial storm due to the significant rainy-day deposits and investments made during the good years that allows the state to address an estimated budget gap of \$22.5 billion with relatively little disruption through funding delays, shifts, and some reductions. Perhaps foreshadowing a more gloomy May Revision on the horizon, Governor Newsom purposefully chose *not* to draw from the state's reserve accounts to close the budget gap. He is likely holding that option back in case the economic dam breaks.

For education, Governor Newsom proposes a State Budget to preserve investments made during the boom years; the number of significant changes for 2023–24 can be counted on one hand. However, the changes proposed, as we will detail in this article, are significant for community college districts across the state and include a proposed mid-year cut to previously budgeted one-time funds. But at least for now, gone are the litany of new ongoing and one-time categorical programs that have filled the Proposition 98 guarantee during those years.

## The Economy and Revenues

Governor Newsom assumes a slowing but still growing economy at the national and state level; however, identified risks to his assumptions are strewn throughout his budget proposal. In fact, the Governor began his press conference standing beside a chart showing a sharp decline in capital gains revenues as a percentage of personal income, which he referred to as the California economy's electrocardiogram, or EKG. This is because the largest source of state General Fund revenues is derived from taxes on personal income, including capital gains. One percent of the state's highest income earners generated over 26% of all gross income and they paid 49% of all personal income taxes in 2020. According to the Governor's Budget Summary, "[t]hese two related phenomena—significant reliance of the General Fund on capital gains and on taxes paid by a small portion of the population—underscore the difficulty in forecasting personal income tax revenue" and, by extension, General Fund revenues.

To underscore the state's reliance on its richest residents, capital gains revenue has made up between 8.5% and 12.6% of total annual General Fund revenues over the last decade. The Governor's Budget assumes a modest reduction in the share of revenues that come from stock market investments in 2023 to 8.3%, consistent with the assumption that the overall economy is cooling (while avoiding a recession). Importantly, the Newsom Administration assumes that Wall Street investors will remain cool-headed and that each of the major market indexes will not decline and instead will grow modestly from their November 2022 levels.

This may prove to be a risky assumption. As it is, the Governor's Budget recognizes a budget shortfall of \$29.5 billion over the three-year budget window (2021–22, 2022–23, and 2023–24). Despite this somber picture, Governor Newsom manages to present a balanced budget proposal without dipping into reserves. If the economy worsens from the assumptions he uses to build his budget—such as protracted and sustained inflation, slower growth in personal income, and contracting employment—he and lawmakers may need to dip their hands into rainy day funds to avoid untenable budget reductions to programs and services, including public education, that they value.

Relative to the key General Fund drivers, the Governor's Budget makes significant reductions to the "Big Three" tax revenues relative to the 2022–23 Enacted Budget across the three-year budget window, for a total downward adjustment of \$31.7 billion.

**Big Three Tax Revenues**  
(in millions)

	2021-22		2022-23		2023-24	
	2022-23 Enacted Budget	Governor’s Budget	2022-23 Enacted Budget	Governor’s Budget	2022-23 Enacted Budget	Governor’s Budget
Personal Income Tax	\$136,497	\$136,762	\$137,506	\$128,905	\$143,755	\$126,695
Corporation Tax	\$46,395	\$45,298	\$38,464	\$38,482	\$42,013	\$39,308
Sales and Use Tax	\$32,750	\$32,915	\$33,992	\$32,851	\$35,145	\$33,599

Again, the Governor’s Budget revenue estimates do not forecast a recession—even a mild one—and contain underlying assumptions that would significantly impact state revenues, particularly personal income tax revenues.

The 2022-23 Enacted Budget’s reliance on one-time spending (93% of new money was committed to one-time expenses) provides some budget resilience moving into 2023-24. Additionally, reserves will cushion further declines in state revenues. But the Governor’s Budget is balanced delicately on what some may say are risky assumptions.

**Proposition 98 Minimum Guarantee and Reserve**

As expected, given trends in state General Fund revenues, the Proposition 98 minimum guarantee for K-12 and community college education has declined relative to the 2022-23 Enacted Budget. Specifically, the Governor estimates the minimum guarantee for fiscal year 2023-24 to be \$108.8 billion, representing a \$1.5 billion reduction compared to Enacted Budget estimates. Test 1 remains operative through the budget window (2021-22, 2022-23, and 2023-24), meaning that public education funding is a simple percentage of General Fund revenues (approximately 38%). The Proposition 98 minimum guarantee decreases by \$4.7 billion over the three-year period.

**Proposition 98 Minimum Guarantee**

2021-22		2022-23	
2022-23 Enacted Budget	Governor’s Budget	2022-23 Enacted Budget	Governor’s Budget
\$110.2 billion	\$110.4 billion	\$110.4 billion	\$106.9 billion
Change	(\$200 million)	Change	(\$3.5 billion)

General Fund expenditures toward the minimum guarantee decrease in the Governor’s Budget due to offsetting increases in local property taxes. For 2022-23, the General Fund portion of Proposition 98 is estimated to decrease by \$153 million. Additionally, General Fund expenditures for Proposition 98 decrease by \$1.3 billion in 2023-24. Together, these adjustments result in a General Fund savings of approximately \$1.5 billion, which will be partially encumbered by a required adjustment to the minimum guarantee from the expanded eligibility of transitional kindergarten (TK).

The Governor’s Budget maintains the commitment to expand TK, requiring a “rebench” of the Test 1 minimum guarantee percentage for the increased cost of serving more TK students. The TK rebench increases public education’s share of General Fund revenues from 38.3% to 38.6%.

**Proposition 98 Reserve**

Deposits to and withdrawals from the Public School System Stabilization Account (Proposition 98 Reserve) are formula-driven and reliant on trends in state General Fund revenues inclusive of capital gains. The Governor’s Budget revises prior-year deposits based on updated revenues, and estimates a required \$365 million deposit in 2023-24. The revised and estimated deposits result in an account balance of \$8.5 billion (down from \$9.5 billion in the 2022-23 Enacted Budget).

2021-22		2022-23	
2022-23 Enacted Budget	Governor’s Budget	2022-23 Enacted Budget	Governor’s Budget
\$4.0 billion	\$3.7 billion	\$2.2 billion	\$1.1 billion
Change	(\$300 million)	Change	(\$1.1 billion)

**Student Centered Funding Formula and Enrollment**

The Governor’s Budget proposes \$652.6 million to fund the 8.13% cost-of-living adjustment (COLA) for apportionments, which is applied to the rates within the Student-Centered Funding Formula (SCFF).

The Governor’s Budget Summary highlights the financial support that the state has given to the California Community Colleges (CCCs) over the past several years, including providing a funding floor for the SCFF’s hold harmless provision beginning in fiscal year 2025-26; the Governor does not propose changing this date nor mentioned the current emergency conditions allowance. Additionally, the Administration says that it will be monitoring district-level enrollment trends as we move past the COVID-19 Pandemic and highlights the importance for districts to begin regaining some of the enrollment lost during the COVID-19 pandemic. To address the enrollment issue, the Administration plans on working with stakeholders to consider options to adjust district budgets should a district not display that they are regaining enrollment lost during the COVID-19 pandemic entering the 2024-25 academic year.

The Governor proposes to provide \$28.8 million to fund student enrollment growth of 0.5%. The estimate for local property tax collections for the community colleges has increased by \$164 million, which reduces state aid accordingly in 2023-24.

**CCC Roadmap to California’s Future**

In the 2022-23 Enacted Budget, the Governor established a multiyear Roadmap with the CCCs that continues to shape the Administration’s approach to its Budget proposal. In the Governor’s Budget Summary, the Administration states its intent to introduce a mechanism in the May Revision to provide community college districts that are making progress toward the CCC roadmap goals with additional categorical program spending flexibilities, which would include the ability to consolidate reporting requirements across specified and to-be-determined categorical programs. There is no more information on this proposal at the moment, but the details will likely be discussed and fleshed out as we get closer to the May Revision.

**Student Retention**

The Governor cites that enrollment has dopped by 16% at CCCs since the beginning of the COVID-19 pandemic and thus implores community colleges to continue their outreach, recruitment, reengagement, and retention efforts. To assist with enrollment, the Governor proposes \$200 million in one-time funding to support CCC efforts to increase student retention rates and enrollment. This investment builds on the \$150 million and \$120 million in one-time dollars included in the 2022 and 2021 State Budget Acts, respectively.

**CCC Facilities and Deferred Maintenance Cut**

The 2022-23 Enacted Budget included approximately \$840 million in one-time funds for deferred maintenance and energy efficiency projects across the system. To address the budget deficit, Governor Newsom proposes to decrease this amount by approximately \$213 million.

It is important to note that all of the \$840 million allocated for deferred maintenance in the 2022–23 Enacted Budget is scheduled to be distributed to districts by June 2023, which is prior to the enactment of the 2023–24 State Budget, making the timing of the proposed \$213 million decrease complicated unless the Governor proposes an early action budget package.

### **Other CCC Apportionments and Programs**

Other community college programs that are funded outside of the SCFF that would also receive an 8.13% COLA under the Governor’s Budget proposal are: Adult Education, Extended Opportunity Programs and Services, Disabled Students Programs and Services, Apprenticeship, CalWORKs Student Services, Mandates Block Grant and reimbursements, Cooperative Agencies Resources for Education, and the childcare tax bailout.

Additionally, the Governor proposes the following investments into other CCC programs:

- \$14 million one-time to support the administration of workforce training grants in collaboration with the California Department of Forestry and Fire Protection
- \$275,000, of which \$200,000 is ongoing, to develop a community college chief business officer professional learning program run through the Fiscal Crisis and Management Assistance Team to improve community college district leadership capacity and fiscal accountability

### **Dual Enrollment**

The Governor’s Budget Summary includes a narrative that the Administration requests community colleges establish dual enrollment agreements with all applicable local educational agencies within their community college districts’ service area. Additionally, the Administration requests that all community colleges develop and offer a one-unit service-learning course that all high school students would have the ability to access through dual enrollment opportunities. There are no specifics on whether there would be financial incentives for expanding dual enrollment or providing this course.

### **Higher Education Student Housing Grant Program**

The 2021–22 Enacted Budget established the Higher Education Student Housing Grant Program to provide grants for the CCCs, California State University (CSU), and University of California (UC) to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. In addition to \$2 billion one-time (non-Proposition 98) set-aside by the 2021–22 Enacted Budget (\$500 million in 2021–22, \$750 million in 2022–23, and \$750 million in 2023–24), the 2022–23 Enacted Budget provided an additional \$200 million one-time (non-Proposition 98) for this program, bringing the total allotment to \$2.2 billion for student housing grants over the three-year period. The Governor’s Budget proposes to reduce that investment to \$500 million one-time for the 2023–24 fiscal year and extend the remaining \$250 million to the 2024–25 fiscal year, which will provide an opportunity for a fourth round of awards.

Additionally, the 2022–23 Enacted Budget included intent language to provide \$1.8 billion one-time (non-Proposition 98) over a two-year period in 2023–24 and 2024–25, to establish a student housing revolving loan program for the higher education segments. Governor Newsom is proposing to delay \$900 million planned in 2023–24 to the 2025–26 fiscal year and delay \$250 million from the 2024–25 fiscal year to the 2025–26 fiscal year. This delay would result in \$650 million in 2024–25 and \$1.15 billion in 2025–26 being available for the program.

### **Retirement Systems**

Governor Newsom does not propose additional funding for the California State Teachers’ Retirement System (CalSTRS) or the California Public Employees’ Retirement System (CalPERS) employer contribution rate relief. Based on current assumptions, CalSTRS employer contributions stay constant at 19.10% for 2023–24, while CalPERS employer contributes rates increase from 25.37% to 27.00%.

### **The Rest of Higher Education**

The Administration maintains its multiyear compacts between the UC and CSU reflecting substantial and sustained funding increases for the UC and CSU, in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. This includes \$227.3 million ongoing to support a 5% base increase for the CSU and \$215.5 million ongoing to support a 5% base increase for the UC.

The Governor’s 2023–24 State Budget proposal also expands these investments in college affordability with the following investments:

- \$227 million one-time to support a modified version of the Middle-Class Scholarship that will focus resources toward reducing a student's total cost of attendance
- \$1.4 million one-time, \$469,000 of which is ongoing, to assess the California Student Aid Commission's (CSAC) current information technology system, address cybersecurity issues, and support two positions
- \$241,000 ongoing for one position at CSAC to support human resources and to distribute toolkits to high schools to help students complete their financial aid applications
- Finally, the budget summary notes that it remains “attentive” to the 2022–23 Enacted Budget provisions that would activate the Cal Grant Reform Act.

### **K-12 Education Proposals**

The Governor’s Budget proposes providing \$4.2 billion ongoing for the K-12 Local Control Funding Formula (LCFF), which reflects the 8.13% statutory COLA. The Budget utilizes \$613 million in one-time resources to support the ongoing cost of the LCFF in 2022–23 and approximately \$1.4 billion in one-time resources to support the ongoing cost of the LCFF in 2023–24. The Governor’s Budget also includes \$300 million ongoing to establish an “equity multiplier” as an add-on to the LCFF for low-income students.

Analogous to the reduction in Deferred Maintenance funds, the Administration proposes to reduce the Arts, Music, and Instructional Materials Discretionary Block Grant from \$3.5 billion to approximately \$2.3 billion.

To help address the current budget gap, the Administration proposes to delay/reduce two K-12 facilities funds: the 2023–24 planned \$550 million California Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities Grant Program investment would be delayed to 2024–25, and the School Facility Program planned allocation in 2023–24 would be reduced from \$2.1 billion to \$2.0 billion.

### **In Closing**

The Governor’s proposals are largely to be expected in a softening economy, with a focus on maintaining programs instead of creating new ones. That said, community colleges are continuing to face local challenges head on, and, with a notable exception to continue focus on student retention, the Governor proposes to utilize Proposition 98 funding in a discretionary manner to meet local needs.

# DISTRICT CONSULTATION COUNCIL

Agenda Item Submittal Form

Date: January 18, 2023

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for District Consultation Council Meeting of January 23, 2023

1. AGENDA ITEM NAME

**Contribution for Capital Projects**

2. AGENDA ITEM ACTION (Please check all that apply.)

Information Only		Second Reading	
Review/Discussion	X	Action	X
First Reading		Consent Agenda Item	

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION: 10 minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

**As we have seen escalation increases for our capital construction, several projects are coming in costlier than expected.**

**At Cypress College there are two projects that need additional funding:**

- Cypress Culinary Swing Space (\$1 million) due to additional requirements for the dining room and restroom facilities and ADA Lot 1 upgrades**
- Phase III for the LLRC Data Center which would provide additional electrical capacity and HVAC upgrades (\$1 million)**

**At Fullerton College the increase in the Performing Arts Complex is estimated at an additional \$8 million in costs. Campus staff have filled the gap by reducing scope or eliminating future projects. A new addition has been identified for ADA purposes: A new elevator for the 100 Building to replace the 1100 Building elevator upon its demolition (\$2 million).**

**At the Anaheim Campus, the swing space for NOCE during the replacement of the upper deck is estimated at \$1.5 million over the existing budget.**

**At its December 12, 2022, meeting, the Council on Budget and Facilities approved the one-time funding request of \$5.5 million dollars to be moved forward to the District Consultation Council for consideration and approval.**

5. RECOMMENDATION:

**It is recommended that the District Consultation Council allocate \$5.5 million of one-time dollars for capital facilities as follows:**

*NOTE: Please forward this form by required dates with all backup material to the Chancellor's Office.*

Cypress College	\$2.0 million
Fullerton College	\$2.0 million
Anaheim Campus	\$1.5 million
<b>TOTAL</b>	<b>\$5.5 million</b>

6. OTHER PEOPLE CONSULTED, INFORMED OR ATTENDING MEETING ABOUT THIS ITEM:

**Members of the Council on Budget and Facilities**

**ADDITIONAL PAGE**

**North Orange County Community College District  
One-time Funding Discussion  
DCC  
January 23, 2023**

Districtwide	Districtwide
Sustainability	1,000,000
<i>Repayment of Financial Aid Payments to Fraudulent Students</i>	<i>\$ 10,700,000</i>
Contribution for Capital Projects	5,500,000

Unallocated	<b>10,343,423</b>
Total	<u><u>\$ 27,543,423</u></u>

<b>Uncommitted Fund Balance</b>	
Unallocated Resources	\$ 17,612,711
2021-22 SCFF Hold Harmless	9,930,712
Total	<u><u>\$ 27,543,423</u></u>

-  Placeholder
-  Approved at DCC on 11/28/22
-  New Request

# DISTRICT CONSULTATION COUNCIL

Agenda Item Submittal Form

Date: January 18, 2023

From: Cherry Li-Bugg, VC, EST

Re: Agenda Item for District Consultation Council Meeting of January 23, 2023

1. AGENDA ITEM NAME

**Emergency Conditions Recovery Plan Update**

2. AGENDA ITEM ACTION (Please check all that apply.)

Information Only	X	Second Reading	
Review/Discussion		Action	
First Reading		Consent Agenda Item	

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION: **15 minutes**

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

In October 2022, the District submitted an Emergency Conditions Application to the state Chancellor’s Office, which was approved by the CCCCCO. Part of the requirements for the approval of the District’s EC application is that we provide an update on our recovery plan and submit this update to our Board for approval before the end of February 2023. The district office and the three campuses have been collaborating on this update and will be submitting this update for Board approval at its February 14, 2023 meeting. We want to make sure that DCC is aware of this development and, therefore, it is here as an information item.

In summary, the District and the campuses have been laser focused on increasing enrollment and improving student success. Major activities have been focused on the following areas:

1. Marketing
2. Scheduling practices
3. Outreach
4. Recruitment/Retention
5. Equity Intervention

The update includes details on the major activities the campuses have conducted in these areas and evidence of success. The major piece of evidence of success is that enrollment is trending upward for spring 2023, which is the primary goal of our EC application.

5. RECOMMENDATION:

**It is recommended that DCC receive as information a summary of NOCCCD’s Emergency Conditions Recovery Plan Update.**

*NOTE: Please forward this form by required dates with all backup material to the Chancellor's Office.*

6. OTHER PEOPLE CONSULTED, INFORMED OR ATTENDING MEETING ABOUT THIS ITEM:

Campus and District Research and Planning staff; Chancellor's Staff

# DISTRICT CONSULTATION COUNCIL

Agenda Item Submittal Form

Date: January 13, 2023

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for District Consultation Council Meeting of January 23, 2023

1. AGENDA ITEM NAME

**Revised BP 6250, Budget Management**

2. AGENDA ITEM ACTION (Please check all that apply.)

Information Only		Second Reading	X
Review/Discussion		Action	X
First Reading		Consent Agenda Item	

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION: **5 minutes**

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

**BP 6250 revision included updates to the District’s unrestricted reserves with a suggested minimum of two months of total General Fund operating expenditures to comply with the emergency condition allowances. Additional revisions included grammatical corrections and updates to the listing of corresponding board policies and administrative procedures.**

5. RECOMMENDATION:

**It is recommended that upon DCC consensus, revised BP 6250, Budget Management be forwarded to the Board of Trustees for their consideration.**

6. OTHER PEOPLE CONSULTED, INFORMED OR ATTENDING MEETING ABOUT THIS ITEM:

**Members of the Council on Budget and Facilities**

## **BP 6250 Budget Management**

Reference:

**Title 5 Sections 58307, [and](#) 58308**

- 1.0 The budget shall be managed in accordance with Title 5 and the ~~CCC~~ [California Community Colleges](#) Budget and Accounting Manual. Budget revisions shall be made only in accordance with these policies and as provided by law.
- 2.0 The District's unrestricted general fund reserves shall be no less than ~~5% of unrestricted~~ **two months of total** general fund expenditures.
- 3.0 Revenues accruing to the District in excess of amounts budgeted shall be added to the District's reserve for contingencies. They are available for appropriation only upon a resolution of the Board [of Trustees](#) that sets forth the need according to major budget classifications in accordance with applicable law.
- 4.0 Board approval is required for changes between major expenditure classifications.
  - 4.1 Transfers from the reserve for contingencies to any expenditure classification must be approved by a two-thirds vote of the members of the Board [of Trustees](#). Transfers between expenditure classifications must be approved by a majority vote of the members of the Board.

See [Board Policy 6200, Budget Preparation; Administrative Procedure 6250, Budget Management; Board Policy 6300, Fiscal Management;](#) Administrative Procedures ~~6003~~ [6300, Fiscal Management](#).

**Date of Adoption:** February 12, 2002

**Date of Last Revision:** August 26, 2014

# DISTRICT CONSULTATION COUNCIL

Agenda Item Submittal Form

Date: January 18, 2023

From: Simone Brown Thunder, District Manager, Human Resources

Re: Agenda Item for District Consultation Council Meeting of January 23, 2023

1. AGENDA ITEM NAME

**AP 7120-4 Management Employee Hiring**

2. AGENDA ITEM ACTION (Please check all that apply.)

Information Only		Sixth Reading	X
Review/Discussion		Action	X
First Reading		Consent Agenda Item	

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION: **15 minutes**

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

**Human Resources identified a need to evaluate the current management employee hiring process as part of the continuous improvement goals. Human Resources contracted with a facilitator to host a two-day workshop to review the process through a “Kaizen” Lean methodology. Participants from across the District (Faculty & Staff) identified process changes, resulting in the reduction of steps, from 83 (eighty-three) to 21 (twenty-one), along with other efficiencies. A sub-group of the participants were tasked with revising the Management Hiring Policy (Administrative Procedure 7120-4) based on the recommended changes. Attached is the proposed revised Administrative Procedure (AP) 7120-4.**

**At the DCC meeting on November 28, 2022, attendees provided feedback on the proposed AP 7120-4. A vote was taken with a recommendation to have further discussion. Based on the feedback and discussion, the document was revised further (content changed is highlighted in red text). See sections 3.1; 4.3.4; 4.3.5; 5.3.3; and 8.2.**

5. RECOMMENDATION:

**It is recommended that upon DCC consensus, revised AP 7120-4, Management Employee Hiring be approved and posted on the District website.**

6. OTHER PEOPLE CONSULTED, INFORMED OR ATTENDING MEETING ABOUT THIS ITEM:

- Human Resources
- EEO Advisory Committee
- Chancellor’s Staff
- District Management Association

*NOTE: Please forward this form by required dates with all backup material to the Chancellor's Office.*

## **AP 7120-4 Management Employee Hiring**

Reference:

**Education Code Sections 87100, et seq., 87400 and 88003;**  
**[Title 5 California Code of Regulations Section 53024](#)**  
**ACCJC Accreditation Standard III.A.1;**  
**WASC/ACS Criterion 2, Indicator 2.4; Criterion 3, Indicators 3.1 and 3.2**

1.0 **Application:** This procedure shall apply to the selection of administrators for regular management positions within the North Orange County Community College District. This procedure shall not apply to the selection of temporary special project administrators.

2.0 **Allocation of Administrative Positions:** The need for administrator hiring and administrative staff allocations shall be determined by the Chancellor, in consultation with the executive officers of the District, taking into consideration local **[College and District staffing recommendations and procedures](#)** developed in accordance with established planning processes, District-wide planning needs and budgetary considerations.

**[3.0 The Office of Diversity shall review the composition of the search committee and may require the committee to select additional or alternate committee members to ensure a diverse committee composition to allow a variety of perspectives in the assessment of applicants. If it is determined that additional or alternate committee members are required, the search committee chair and Executive Officer will be notified, and the appropriate constituency group\(s\) will be consulted to provide alternate or additional committee member\(s\) that will satisfy 5 CCR § 53024. If the committee disagrees with the determination, the Chancellor will be consulted to provide the final determination and approval of the search committee composition.](#)**

**[3.1 Diversity: For the purpose of this procedure, diversity is defined as outlined in the District's EEO Plan.](#)**

### ~~3.0~~ **Screening [Search](#) Committee Composition**

~~3.1~~ **3.1 Chancellor:** The ~~composition of the screening~~ **[search](#)** committee (**[committee](#)**) for the position of Chancellor shall be determined by the Board of Trustees and shall include representation broadly reflective of the District's **[constituencies and will include an Equal Employment Opportunity/Diversity representative](#)**. (See AP 2431, Chancellor Selection.)

~~3.2~~ **3.2 President/Vice Chancellor ([Executive Officers](#)):** The ~~screening~~ committee for the position of **[President or Vice Chancellor](#)** shall be comprised of the following:

~~3.2.1~~ **[4.2.1](#)** The Vice Chancellor of Human Resources or designee.

~~3.2.1~~ **[4.2.2](#)** **Two (2)** management representatives selected by the District Management Association.

~~3.2.2~~ **[4.2.3](#)** ~~Three (3)~~ **Four (4)** management representatives selected by the Chancellor, broadly reflective of the **[Campus or District](#)** community, **[as appropriate](#)**.

## **AP 7120-4 Management Employee Hiring**

~~3.2.2~~ **4.2.4** ~~Two (2)~~ **One (1)** faculty representatives ~~jointly~~ selected by the United Faculty ~~and Adjunct Faculty United.~~

**4.2.5** **One (1) faculty representative selected by the Adjunct Faculty United.**

~~3.2.4~~ **4.2.6** ~~One (1)~~ **Five (5)** faculty representatives ~~selected by each~~ **the campus Academic/Faculty Senate or one (1) from each Senate, for a total of three (3), for the Vice Chancellor recruitment.**

~~3.2.3~~ **4.2.7** Two (2) classified representatives selected by California School Employees Association (CSEA).

~~3.2.5~~ **4.2.8** One (1) confidential representative selected by the Confidential Employees Group.

~~3.2.6~~ **4.2.9** One (1) student representative selected by the ~~each~~ Associated Student Body/**Student Leadership Program (NOCE).**

~~3.2.9~~ **4.2.10** One (1) community representative selected by the Chancellor (optional).

~~3.2.10~~ **4.2.11** A non-voting Equal **Employment** Opportunity/Diversity representative selected by the Chancellor.

~~3.3~~ ~~President or Provost: The screening committee for the position of President or Provost shall be comprised of the following:~~

~~3.3.1~~ ~~One (1) management representative selected by the District Management Association.~~

~~3.3.2~~ ~~One (1) faculty representative jointly selected by the United Faculty and Adjunct Faculty United.~~

~~3.3.3~~ ~~Two (2) classified representatives selected by CSEA.~~

~~3.3.4~~ ~~Five (5) faculty representatives selected by the campus Academic/Faculty Senate.~~

~~3.3.5~~ ~~One (1) confidential representative selected by the Confidential Employees Group.~~

~~3.3.6~~ ~~One (1) student representative selected by the ASB (college) or the Academic Senate (NOCE).~~

~~3.3.7~~ ~~The Vice Chancellor of Human Resources or designee.~~

~~3.3.8~~ ~~Four (4) management representatives selected by the Chancellor, broadly reflective of the campus community, including representation from the affected campus.~~

## **AP 7120-4 Management Employee Hiring**

~~3.3.9 One (1) community representative selected by the Chancellor (optional).~~

~~3.3.10 A non-voting Equal Opportunity/Diversity representative selected by the Chancellor.~~

~~3.4.3~~ **4.3** ~~Executive Vice President or Vice President/Dean:~~ The screening committee for the position of ~~Executive Vice President or Vice President~~ **Dean** shall be comprised of the following:

~~3.4.3.1 One (1)~~ **Two (2)** management representatives selected by the District Management Association; ~~or if the campus senate decides to include one (1) faculty union representative in 3.4.4 on the committee, then there will be two (2) management representatives selected by the District Management Association.~~

~~3.4.5~~ **4.3.2** ~~Two (2)~~ **Three (3)** management representatives selected by the President/~~Provost~~, broadly reflective of the campus community.

**4.3.3** **One (1) faculty representative selected by the Adjunct Faculty United.**

**4.3.4** **One (1) faculty representative selected by the United Faculty.**

**4.3.5** **Three (3) faculty representatives selected by the campus Academic/Faculty Senate.**

~~3.4.3~~ ~~Three (3) faculty representatives selected by the campus Academic/Faculty Senate.~~

~~3.4.2~~ **4.3.6** Two (2) classified representatives selected by CSEA.

~~3.4.6~~ **4.3.7** One (1) student representative selected by the ~~Associated Student Body (college)~~ **Student Leadership Program (NOCE)**, ~~or the Academic Senate (NOCE).~~

~~3.4.7~~ **4.3.8** One (1) community representative selected by the President/~~Provost~~ (optional).

~~3.4.8~~ **4.3.9** A non-voting Equal **Employment** Opportunity/Diversity representative selected by the President/~~Provost~~.

~~3.5~~ ~~Dean:~~ The screening committee for the position of ~~Dean~~ shall be comprised of the following:

~~3.5.1~~ ~~One (1) management representative selected by the District Management Association.~~

~~3.5.2~~ ~~Two (2) classified representatives selected by CSEA.~~

~~3.5.3~~ ~~One (1) faculty union representative selected according to the agreement(s) between the three Academic Senates, United Faculty, and~~

## **AP 7120-4 Management Employee Hiring**

### ~~Adjunct Faculty United.~~

- ~~3.5.4 Three (3) faculty representatives selected by the campus Academic/Faculty Senate; or if the campus senate decides not to include the one (1) faculty union representative, then there will be four (4) faculty representatives selected by the campus Academic/Faculty Senate.~~
- ~~3.5.5 Two (2) management representatives selected by the President/Provost, broadly reflective of the campus community.~~
- ~~3.5.6 One (1) student representative selected by the ASB (college) or the Academic Senate (NOCE).~~
- ~~3.5.7 One (1) community representative selected by the President/Provost (optional).~~
- ~~3.5.8 A non-voting Equal Opportunity/Diversity representative selected by the President/Provost.~~

### ~~3.6~~ **4.4 Other Administrator Positions**

- ~~3.6~~ **4.4.1** The ~~composition of screening~~ committees for other administrator positions shall be determined by the appropriate Executive Officer **and supervising administrator** using the appropriate consultation processes. The committee shall include representatives of **applicable** affected constituencies ~~appropriate~~ **related** to the nature of the position, ~~and may include the supervising administrator.~~
- ~~3.6~~ **4.4.2** The ~~screening~~ committees for other administrator positions shall include a non-voting Equal **Employment** Opportunity/Diversity representative selected by the Executive Officer.

## **45.0 Responsibilities of ~~Screening~~ **Search** Committee Members**

### **45.1 Responsibilities of All Committee Members**

- 45.1.1** In addition, ~~e~~Committee members shall **be active participants** participate in all aspects of the **search** process, **with certain exceptions for a student representative (per 5.1.4 and 8.3) and replacement committee member (per 8.3). This includes,** ~~including,~~ **is** not limited to the following:
- 45.1.1.1** **Completion of** Training **identified by Human Resources** to meet the employment objectives of the District, which includes in the management hiring procedure and equal **employment opportunity; diversity, equity, inclusion, and anti-racism in the search process; and standard search committee procedures.**
- 45.1.1.2** Development of ~~rating~~ **evaluative** criteria and interview questions.
- ~~4.1.1.3~~ Establishment of timelines for screening and interviewing.

## **AP 7120-4 Management Employee Hiring**

- ~~45.1.1.3~~ 4 Development of protocol for performance tests, if conducted.
- ~~45.1.1.4~~ 5 Evaluation and rating of ~~candidates~~ applicants.
- ~~45.1.1.5~~ 6 Interviewing of candidates.
- ~~45.1.1.6~~ 7 Recommendation of finalists.
- 45.1.2 Committee members and administrative support staff assigned to assist the committee shall sign a confidentiality agreement and maintain strict confidentiality throughout the entire hiring search process and after the process is completed.
- 45.1.3 A committee member who fails to participate in ~~the paper screening~~ applicant material evaluation ~~or~~ and all interviews shall be removed from the committee with the exception of the student representative.
- 5.1.4 A student representative serving on the committee may participate in one or more of the activities below after completion of required search committee training (per 5.1.1.1):**
  - 5.1.4.1 Development of evaluative criteria, interview questions and protocol for performance tests, if conducted.**
  - 5.1.4.2 Evaluation, rating, and selection of candidates to be interviewed.**
  - 5.1.4.3 Interviewing of candidates and recommendation of finalists.**
  - 5.1.4.4 Final interviews of candidates with campus Executive Officers.**
- 45.2 Responsibilities of Committee Chair
  - 45.2.1 The committee chair shall be responsible for the following:
    - 45.2.1.1 Ensuring compliance with District policies and procedures in conjunction with the ~~hiring~~ search process.
    - 45.2.1.2 Convening and conducting committee meetings, with ~~according~~ reasonable consideration to the schedules of committee members.
    - 5.2.1.3 Reviewing applicant demographic data in relation to availability data; consult with the Office of Human Resources, if needed.**
    - ~~45.2.1.4~~ 3 Coordination of candidate interviews.

## **AP 7120-4 Management Employee Hiring**

- ~~45.2.1.54~~ Communicating with applicants, as required.
- ~~45.2.1.65~~ Maintaining committee records (includes the collection and submission of all committee materials to the Office of Human Resources).
- 5.2.1.7 Maintaining communication with the Office of Human Resources during all phases of the search process to update applicant workflows in the applicant tracking system.
- 5.2.1.8 Ensuring the equity, diversity, and inclusion qualifications and criteria are meaningfully applied.
- ~~45.2.1.96~~ Performing other duties determined by agreement with the committee.
- 45.2.2 The hiring site will be responsible for providing clerical assistance to the chair.
- 45.2.3 The chair may be removed for nonperformance of duties specified in this section, by mutual agreement of the Executive Officer and a majority of the members of the search ~~screening~~ committee.
- 45.3 Responsibilities of the Equal **Employment** Opportunity/Diversity Representative
  - 45.3.1 The Equal Employment Opportunity (EEO)/Diversity Representative shall ensure that no candidate is discriminated against on the basis of race, color, gender, gender identity, sexual orientation, religion, national origin, age, disability, veteran, or marital status (for the most current categories review the unlawful discrimination policy) and shall serve as the committee liaison to the Executive Officer, with responsibility for reporting noncompliance.
  - 5.3.2 The EEO/Diversity Representative shall ensure that all equity, diversity, and inclusion qualifications and criteria are meaningfully applied throughout the evaluation process.
  - ~~45.3.32~~ Any allegation of noncompliance shall be investigated by the District Director, EEO and Compliance, Office of Human Resources and reported to the Executive Officer, who shall take appropriate corrective action, if warranted.
  - 5.3.4 At the first committee meeting, the EEO/Diversity Representative shall review and discuss with the committee the EEO/Diversity Representative Checklist related to implicit bias in the search process.

## **AP 7120-4 Management Employee Hiring**

~~45.3.53~~ The ~~Equal Opportunity~~ **EEO/Diversity Representative** will be a non-voting member of the committee. **The EEO/Diversity Representative shall not be a direct report of the hiring manager conducting the search.** ~~and except as to performance of the responsibilities described in section 4.3.1, will observe but not participate in paper screening or deliberations regarding the selection of candidates.~~

### **56.0 Development and Distribution of Job Announcement**

#### **56.1 Development of Job Announcement**

~~56.1.1~~ The job announcement for the position shall be developed by the ~~District~~ Office of Human Resources in collaboration with **the hiring manager** ~~appropriate Executive Officer~~ and ~~screening~~ **the search committee**, and shall include the following information:

~~56.1.1.1~~ The position **title**.

~~56.1.1.2~~ The major duties of the position as specified in the approved District job description, which shall also include the following statement: "Sensitivity to and understanding of the ~~disabilities~~ **disability, gender, gender identity, sexual orientation,** and ethnic backgrounds of **community college students, faculty, and staff.**"

~~56.1.1.3~~ The qualifications for the position, which shall include the minimum qualifications for service as required by law, and/or such other qualifications as established by the District.

~~56.1.1.4~~ The desirable qualifications for the position, which would clearly render the applicant better able to perform the job, but which are not required for satisfactory performance. Desirable qualifications must be bona fide occupational qualifications, which are specific and directly reflective of the ~~screening~~ **evaluative** criteria to be utilized in the selection process.

**6.1.1.5 The required diversity minimum qualification; the required diversity desirable qualification; and a minimum of one (1) additional diversity desirable qualification, as approved by the Office of Human Resources.**

~~56.1.2~~ The job announcement shall be reviewed by the ~~Executive Officer~~ **committee chair** for final approval.

~~56.1.3~~ The ~~District~~ Office of Human Resources shall review the job ~~description~~ **announcement** for accuracy, clarity, and consistency with legal requirements and District policy, and shall prepare and publish a final job announcement, which shall include complete information regarding the application procedure and requirements.

## **AP 7120-4 Management Employee Hiring**

### **56.2 Distribution of Job Announcement**

**56.2.1** The ~~District~~ Office of Human Resources, in consultation with the ~~screening~~ committee chair, shall determine the closing date for the position such that the job announcement will be distributed at least **two** ~~six~~ weeks prior to the closing date.

**56.2.2** The ~~District~~ Office of Human Resources will advertise and distribute position announcements, as practicable and appropriate, **to include diverse advertising sources and networks.**

### **67.0 Application Requirements**

**67.1** Applications shall be submitted **electronically through the District's applicant tracking system.** ~~to the District Office of Human Resources.~~

**67.2** A complete **online** application ~~packet~~ must include the following:

**67.2.1** Completed ~~District~~ application, **certified** ~~signed~~ by the applicant.

**67.2.2** ~~Letter of application~~ **Cover letter** ~~which provides examples from background and experience to~~ **which** demonstrates **how** the candidate's knowledge and expertise apply to the position.

**67.2.3** Resume of education and professional experience.

**67.2.4** Academic transcripts ~~of undergraduate and graduate course work,~~ **when applicable (unofficial transcripts may be submitted with application or at the finalist phase, per the job announcement;** candidates selected for employment will be required to provide official transcripts ~~and verification of experience~~ prior to the first day of service).

**67.2.5** Documentation of required licenses/certificates (unofficial documentation may be submitted with application **or at the finalist phase, per the job announcement;** candidates selected for employment will be required to provide official documentation prior to the first day of service).

**67.2.6** Additional requirements ~~as~~ may be ~~established~~ **requested** by the ~~screening~~ committee, including, but not limited to, the following:

**67.2.6.1** Current letters of recommendation.

~~6.2.6.2 Current job description.~~

**67.3** Except for letters of ~~reference~~ **recommendation**, required application materials must be submitted **through the District's applicant tracking system to be considered** ~~with the District application, as a complete packet.~~ Applicants shall bear the sole responsibility for ensuring that applications ~~packets~~ are complete when submitted. **Application materials submitted outside of the applicant**

## **AP 7120-4 Management Employee Hiring**

~~tracking system or after the closing date of the job announcement~~ Facsimile applications, applications/materials received after the closing date, and loose materials submitted independently of the application packet (with the exception of letters of reference), will not be accepted. Examination of application materials packets for completeness will be the responsibility of **the Office of Human Resources** the screening committee.

~~67.4~~ Applicants who apply for are interested in more than one position must submit a separate and complete online application packet for each position.

### ~~78.0~~ **Screening Search Committee Operating Procedures**

~~7.1~~8.1 The initial meeting of the ~~screening~~ committee shall be convened by the Executive Officer or designee, ~~who shall provide each member of the committee with a copy of the hiring procedure. The committee, in consultation with the Executive Officer or designee, shall select a chair from among the committee membership and shall establish the decision-making process and the level of agreement required to act, particularly with respect to the selection of final candidates.~~

8.2 The committee members, in consultation with the Executive Officer or designee, shall select a chair from among the committee membership.

~~7.2~~8.3 With the exception of the student representative, no additions or replacements to the committee membership shall be made subsequent to the initial meeting **first scheduled candidate** of the **interview**, screening committee. **If a replacement is made prior to the first candidate interview, the replacement committee member must participate in all aspects of the search process, except for 5.1.1.2 and 5.1.1.3 (optional for replacement committee members). Student representatives may participate in any phase of the search process (per 5.1.4).**

~~7.3~~8.4 The ~~screening~~ committee shall develop the following for use in evaluating candidates applicants against the advertised job announcement, which shall be approved by the District Office of Human Resources prior to consideration of applicant materials by the ~~screening~~ committee:

~~7.3~~8.4.1 Paper screening Evaluative criteria, and interview questions, and diversity, equity, and inclusion competencies, to be evaluated throughout the search process.

~~7.3~~8.4.2 Protocol for an administrative demonstration, writing sample, and/or other performance indicators appropriate for the position.

~~7.3~~8.4.3 Parameters for conducting interviews and if conducted, administration of performance tests.

### ~~78.54~~ Initial Evaluation ~~Screening~~ of Applications

~~7.4.1~~ The ~~screening~~ committee, or such representatives of the committee as the committee may designate, will examine each applicant's materials for

## **AP 7120-4 Management Employee Hiring**

~~completeness and evidence of compliance with the required qualifications as advertised in the job announcement.~~

8.5.1 After the job announcement has closed, the Office of Human Resources shall examine each applicant's materials for completeness and analyze the demographics of the initial applicant pool compared to the availability data. If approved by Human Resources, the applicant pool will be released to the chair. Incomplete applications will not be considered.

8.5.2 If the applicant pool is not approved by Human Resources, the Vice Chancellor of Human Resources or designee will make recommendations that may include extending the application deadline (repost), increasing recruitment efforts, or cancelling the recruitment. If the recruitment efforts have offered an opportunity for participation of a wide diversity of potential applicants or further recruitment efforts would be futile, Human Resources will notify the Chair to move forward in the search process.

~~7.4.2~~ ~~Materially incomplete applications and applications not signed by the applicant will not be considered.~~

~~7.4.~~8.5.3 ~~After completion of the initial screening~~ Once the applicant pool is released to the chair, ~~the candidates~~ those remaining in the applicant pool shall be independently assessed by each member of the ~~screening~~ committee using their established evaluative ~~rating~~ criteria. ~~developed by the committee.~~

~~7.4.~~8.5.4 Committee members shall avoid any discussion of ratings, rankings, or recommendations of ~~candidates~~ the applicants until independent evaluations of all ~~candidates~~ applicants have been completed and entered into the District's applicant tracking system by each committee member.

~~7.4.~~8.5.5 The committee will then discuss the ratings and evaluate the merits of the ~~candidates~~ applicants to determine if there is an adequate and qualified pool of ~~professionally qualified candidates~~ with which to continue the selection process.

~~7.4.5.~~8.5.5.1 If the pool is deemed adequate by the committee, the committee shall proceed with the selection of candidates for interview.

~~7.4.5.~~8.5.5.2 If the pool is not deemed adequate by the committee or the Office of Human Resources, the committee shall discuss the matter with the Executive Officer or designee, who shall determine the action to be taken after consultation with the committee.

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8.5.6 If adverse impact is found at any phase in the applicant review process, Human Resources may remove any nonessential qualifications that may have caused the adverse impact; extend the recruitment; or close the recruitment (per Title 5, sections 53023 and 53024).

8.5.7 The Office of Human Resources shall analyze (on an annual basis) the applicant pool demographics of those who initially applied compared to the demographics of those who are minimally qualified, selected for interview, and hired to determine if adverse impact exists.

### ~~7.5~~8.6 Selection of Candidates for Interview

~~7.5~~8.6.1 The ~~screening~~ committee shall determine an initial pool of potential candidates for interview. Prior to scheduling of interviews, the committee chair and/or other committee designee representative(s) of the screening committee, ~~as the committee prefers,~~ shall notify consult with the Vice Chancellor of Human Resources or designee of the recommended interview candidates so that Human Resources can to ensure that they all candidates possess the required experience and qualifications for the position.

~~7.5~~8.6.2 After determination of the candidates cleared for interview pursuant to section ~~7.5.1~~8.6.1, the committee chair shall:

~~7.5.2~~8.6.2.1 Notify the ~~screening~~ committee regarding the candidates cleared for interview.

~~7.5.2~~8.6.2.2 Establish an interview schedule and notify the candidates to be interviewed.

~~7.5.3~~8.6.2.3 ~~Mail to~~ Notify each interview candidate with information ~~a confirmation letter~~ detailing the interview appointment time and place, a map and parking permit, and other appropriate materials.

~~7.5~~8.6.3 The ~~District~~ Office of Human Resources will notify the candidates not selected for interview.

### ~~7.6~~8.7 Interview and Performance Tests

~~7.6~~8.7.1 The circumstances of each interview and performance test, if conducted, shall be as similar as is practicable and provided to all interview candidates.

~~7.6~~8.7.2 Each committee member shall independently assess each candidate using the ~~rating~~ criteria developed by the committee.

~~7.6~~8.7.3 Committee members shall avoid any discussion of ratings, rankings, or recommendations of the candidates until all interviews and performance

## **AP 7120-4 Management Employee Hiring**

tests, if conducted, have been completed and independent evaluations have concluded. ~~been completed by each committee member.~~

### ~~7.7.~~8.8 Selection of Finalists

~~7.7.~~8.8.1 The committee chair shall lead the discussion, which shall focus on the strengths and weaknesses of the candidates to determine ~~the candidates~~ those to be recommended as finalists to the supervising administrator. The committee chair or committee designee shall provide a list of the finalists to the Office of Human Resources.

8.8.2 Through the District's applicant tracking system, the Office of Human Resources will conduct reference checks, verify educational minimum qualifications, and any additional required qualifications for the selected finalist(s) and provide the results to the committee chair and/or designee.

~~7.7.~~8.8.3 The committee chair and/or designee ~~other members of the committee, as the committee prefers,~~ shall ~~conduct reference checks of each of the recommended finalists,~~ conduct a verbal reference check of the finalist(s) with a Supervisor, which shall include investigation of professional experience and personal qualities relevant to performance in the position. ~~Following a discussion of the results of the reference checks, the committee shall make a final determination of the candidates to be recommended as finalists.~~

~~7.7.3~~ ~~The supervising administrator may meet with the committee to clarify the reasons for the number of finalists recommended by the committee.~~

~~7.7.3.1~~ ~~If, after discussion, the supervising administrator is not satisfied with the committee's recommendation, the supervising administrator may request the committee to reconsider.~~

~~7.7.3.2~~ ~~If, after reconsideration, the committee forwards the same recommendation, the appropriate Executive Officer, in consultation with the supervising administrator, will determine whether to continue the process.~~

~~7.7.~~8.8.4 The supervising administrator, committee chair, and/or the appropriate Executive Officer may conduct independent reference checks and interviews of the finalist(s).

~~7.7.5~~ ~~Prior to any decision regarding the candidate to be offered the position, the supervising administrator will meet with the committee to discuss the strengths and weaknesses of the finalists.~~

~~7.7.6~~8.8.5 ~~After discussion with the committee,~~ The supervising administrator will recommend to the appropriate Executive Officer the ~~candidate~~ finalist to be offered the position. Where the position is at the salary level of Dean or above, final recommendation of the ~~candidate~~ finalist to be offered the

## **AP 7120-4 Management Employee Hiring**

position will be determined by the Executive Officer in consultation with the Chancellor. If approved, the supervising administrator shall notify the successful ~~candidate~~ **finalist (offer contingent upon the successful completion of a background check and any District employment requirements)** and confirm the ~~candidate's~~ **finalist's** acceptance. Upon notification by the supervising administrator that a ~~candidate~~ **finalist** has accepted the position, the **committee chair or Executive Officer shall notify the Office of Human Resources. The employment of the finalist will not be authorized until approved by the Board of Trustees (BP 7110, Section 2.0).** The Office of Human Resources will notify the remaining candidates.

~~7.7.7~~**8.8.6** In the event the successful ~~candidate~~ **finalist** does not accept the offer of employment the appropriate ~~Executive Officer,~~ **supervising administrator,** in consultation with the supervising administrator **Human Resources** the screening committee, shall determine the next action to be taken.

**8.8.7 In the event the new hire does not continue employment within eight (8) months of their hire date, the supervising administrator in consultation with Human Resources may select a finalist from the original recruitment.**

### **8.9.0 Executive Officer Positions**

**8.9.1** The Board of Trustees may employ a search consultant to administer the ~~hiring~~ **search** process for executive officer positions. The provisions of section ~~8.7.1~~ notwithstanding, where the Board elects to retain a search consultant, the Board may designate the consultant as chair of the ~~screening~~ committee. **Consultants must have the ability to recruit diverse applicants and support an equity-minded search process.**

**8.9.2** Campus forums and/or site visits may be conducted as part of the ~~hiring~~ **search** process for executive officer positions.

**8.9.2.1** If a site visit is conducted as part of the ~~hiring~~ **search** process for the Chancellor position, the Board of Trustees shall determine the composition of the visiting team, which shall include one or more members of the ~~screening~~ committee.

**8.9.2.2** If a site visit is conducted as part of the ~~hiring~~ **search** process for an executive officer position other than the Chancellor, the composition of the visiting team shall be determined by the Chancellor. The visiting team shall include at least two members of the ~~screening~~ committee who shall be from different constituencies.

**8.9.3** The Chancellor's Staff ~~group~~ will interview finalists for executive officer positions and provide feedback to the Board of Trustees for the Chancellor position, and to the Chancellor for other executive officer positions.

## **AP 7120-4 Management Employee Hiring**

- §9.4 The Board of Trustees will interview finalists for the Chancellor position and make a final decision regarding the candidate to be offered the position.
- §9.5 The Board of Trustees will interview finalists for all other executive officer positions and, in consultation with the Chancellor, make a final decision regarding the candidate to be offered the position.

See Board Policy 7110, Authority to Hire.

**Date of Adoption:** May 27, 2003

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September 14, 2016 Chancellor's Staff  
February 23, 2015 District Consultation Council  
July 28, 2008 (correction to section 5.1.1)  
February 12, 2008