

AMENDED IN ASSEMBLY APRIL 11, 2019

AMENDED IN ASSEMBLY MARCH 19, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

**ASSEMBLY BILL**

**No. 720**

---

---

**Introduced by Assembly Members Muratsuchi and Smith**

February 19, 2019

---

---

An act to amend Sections 84750.4 and 84750.5 of the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

AB 720, as amended, Muratsuchi. Community colleges: funding: instructional service agreements with public safety agencies.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes community college districts throughout the state, and authorizes these districts to provide instruction at the community college campuses they operate and maintain. Existing law provides for a formula for the calculation of general purpose apportionments of state funds to community colleges. Existing law provides a separate formula for the allocation of apportionments of state funds to community colleges, which uses the numbers of full-time equivalent students as its basis, for use for apportionments for noncredit instruction and instruction in career development and college preparation.

This bill would provide that instruction by community college districts under instructional service agreements with public safety agencies, as defined, would be funded under the apportionment formula used for

instruction in career development and college preparation. The bill would also make various nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 84750.4 of the Education Code is  
2 amended to read:

3 84750.4. (a) (1) The board of governors, in accordance with  
4 this section, and in consultation with institutional representatives  
5 of the California Community Colleges and statewide faculty and  
6 staff organizations, so as to ensure their participation in the  
7 development and review of policy proposals, shall develop criteria  
8 and standards for the purpose of making the annual budget request  
9 for the California Community Colleges to the Governor and the  
10 Legislature, and for the purpose of allocating the state general  
11 apportionment revenues.

12 (2) It is the intent of the Legislature in enacting this section to  
13 adopt a formula for general purpose apportionments that  
14 encourages access for underrepresented students, provides  
15 additional funding in recognition of the need to provide additional  
16 support for low-income students, rewards colleges' progress on  
17 improving student success metrics, and improves overall equity  
18 and predictability so that community college districts may more  
19 readily plan and implement instruction and programs.

20 (3) It is the intent of the Legislature to determine the amounts  
21 appropriated for purposes of this section through the annual Budget  
22 Act. This section shall not be construed as limiting the authority  
23 of either the Governor to propose, or the Legislature to approve,  
24 appropriations for the California Community Colleges programs  
25 or purposes.

26 (b) (1) Commencing with the 2018–19 fiscal year, and each  
27 fiscal year thereafter, the chancellor's office shall annually calculate  
28 a base allocation, a supplemental allocation, and a student success  
29 allocation for each community college district in the state pursuant  
30 to this section. This calculation only applies to the allocation of  
31 credit revenue.

32 (2) Noncredit instruction, and instruction in career development  
33 and college preparation full-time equivalent students (FTES) shall

1 be funded pursuant to the requirements of paragraphs (3) and (4),  
2 respectively, of subdivision (d) of Section 84750.5, as that section  
3 read on January 1, 2018.

4 (3) Instruction provided under an instructional service agreement  
5 between a community college district and a public safety agency  
6 shall be funded as specified in paragraph (3) of subdivision (h) of  
7 Section 84750.5. As used in this paragraph, a public safety agency  
8 includes, but is not necessarily limited to, a fire department, a  
9 police department, a sheriff's office, a public agency employing  
10 paramedics or emergency medical technicians, the Department of  
11 the California Highway Patrol, and the Department of Corrections  
12 and Rehabilitation.

13 (c) For purposes of computing the base allocation, the marginal  
14 funding rate for credit revenue per FTES shall be no less than the  
15 following:

16 (1) Three thousand seven hundred twenty-seven dollars (\$3,727)  
17 for the 2018–19 fiscal year.

18 (2) Three thousand three hundred eighty-seven dollars (\$3,387)  
19 for the 2019–20 fiscal year adjusted for changes in cost-of-living  
20 and other base adjustments.

21 (3) Three thousand forty-six dollars (\$3,046) for the 2020–21  
22 fiscal year adjusted for changes in cost-of-living and other base  
23 adjustments in the prior year and the cost-of-living and other base  
24 adjustments for the 2020–21 fiscal year.

25 (4) Commencing with the 2021–22 fiscal year, the rate specified  
26 in paragraph (3) adjusted for changes in cost-of-living and other  
27 base adjustments in subsequent annual budget acts.

28 (d) (1) The base allocation shall be computed for each  
29 community college district as follows:

30 (A) Each community college district shall receive a basic  
31 allocation based on the number of colleges and comprehensive  
32 centers in the community college district that is consistent with  
33 the basic allocation formula established by the board of governors  
34 pursuant to paragraph (2) of subdivision (d) of Section 84750.5 as  
35 of the 2015–16 fiscal year.

36 (B) Unless otherwise specified in subparagraph (C), each  
37 community college district shall receive an allocation based on  
38 credit base revenues associated with funded FTES as computed  
39 pursuant to subparagraph (A) of paragraph (2) at the rate pursuant  
40 to subdivision (c).

1 (C) (i) Notwithstanding the rate in subdivision (c), for  
2 community college districts that had higher rates used to calculate  
3 their 2017–18 general purpose apportionments, the following rates  
4 shall be used to calculate their base allocations for the 2018–19  
5 fiscal year:

6 (I) For Foothill-De Anza Community College District, the rate  
7 shall be no less than three thousand seven hundred forty-five dollars  
8 (\$3,745).

9 (II) For Lake Tahoe Community College District, the rate shall  
10 be no less than three thousand eight hundred eighteen dollars  
11 (\$3,818).

12 (III) For Lassen Community College District, the rate shall be  
13 no less than three thousand seven hundred ninety-four dollars  
14 (\$3,794).

15 (IV) For Marin Community College District, the rate shall be  
16 no less than four thousand two hundred sixty-one dollars (\$4,261).

17 (V) For MiraCosta Community College District, the rate shall  
18 be no less than three thousand seven hundred thirty-four dollars  
19 (\$3,734).

20 (VI) For San Francisco Community College District, the rate  
21 shall be no less than three thousand seven hundred fifty-six dollars  
22 (\$3,756).

23 (VII) For San Jose-Evergreen Community College District, the  
24 rate shall be no less than three thousand seven hundred forty-four  
25 dollars (\$3,744).

26 (VIII) For Santa Monica Community College District, the rate  
27 shall be no less than three thousand seven hundred seventy-six  
28 dollars (\$3,776).

29 (IX) For South Orange Community College District, the rate  
30 shall be no less than three thousand eight hundred twenty-six  
31 dollars (\$3,826).

32 (X) For West Kern Community College District, the rate shall  
33 be no less than four thousand nine hundred thirty-four dollars  
34 (\$4,934).

35 (ii) Notwithstanding the rate in subdivision (c), for community  
36 college districts that had higher rates used to calculate their  
37 2017–18 general purpose apportionments, the following rates shall  
38 be used to calculate their base allocations for the 2019–20 fiscal  
39 year:

1 (I) For Foothill-De Anza Community College District, the rate  
2 shall be no less than three thousand four hundred three dollars  
3 (\$3,403) adjusted for changes in cost-of-living and other base  
4 adjustments.

5 (II) For Lake Tahoe Community College District, the rate shall  
6 be no less than three thousand four hundred sixty-nine dollars  
7 (\$3,469) adjusted for changes in cost-of-living and other base  
8 adjustments.

9 (III) For Lassen Community College District, the rate shall be  
10 no less than three thousand four hundred forty-seven dollars  
11 (\$3,447) adjusted for changes in cost-of-living and other base  
12 adjustments.

13 (IV) For Marin Community College District, the rate shall be  
14 no less than three thousand eight hundred seventy-two dollars  
15 (\$3,872) adjusted for changes in cost-of-living and other base  
16 adjustments.

17 (V) For MiraCosta Community College District, the rate shall  
18 be no less than three thousand three hundred ninety-two dollars  
19 (\$3,392) adjusted for changes in cost-of-living and other base  
20 adjustments.

21 (VI) For San Francisco Community College District, the rate  
22 shall be no less than three thousand four hundred thirteen dollars  
23 (\$3,413) adjusted for changes in cost-of-living and other base  
24 adjustments.

25 (VII) For San Jose-Evergreen Community College District, the  
26 rate shall be no less than three thousand four hundred one dollars  
27 (\$3,401) adjusted for changes in cost-of-living and other base  
28 adjustments.

29 (VIII) For Santa Monica Community College District, the rate  
30 shall be no less than three thousand four hundred thirty-one dollars  
31 (\$3,431) adjusted for changes in cost-of-living and other base  
32 adjustments.

33 (IX) For South Orange Community College District, the rate  
34 shall be no less than three thousand four hundred seventy-six  
35 dollars (\$3,476) adjusted for changes in cost-of-living and other  
36 base adjustments.

37 (X) For West Kern Community College District, the rate shall  
38 be no less than four thousand four hundred eighty-three dollars  
39 (\$4,483) adjusted for changes in cost-of-living and other base  
40 adjustments.

1 (iii) Notwithstanding the rate in subdivision (c), for community  
2 college districts that had higher rates used to calculate their  
3 2017–18 general purpose apportionments, the following rates shall  
4 be used to calculate their base allocations for the 2020–21 fiscal  
5 year:

6 (I) For Foothill-De Anza Community College District, the rate  
7 shall be no less than three thousand sixty dollars (\$3,060) adjusted  
8 for changes in cost-of-living and other base adjustments in the  
9 prior year and the cost-of-living and other base adjustments for  
10 the 2020–21 fiscal year.

11 (II) For Lake Tahoe Community College District, the rate shall  
12 be no less than three thousand one hundred twenty dollars (\$3,120)  
13 adjusted for changes in cost-of-living and other base adjustments  
14 in the prior year and the cost-of-living and other base adjustments  
15 for the 2020–21 fiscal year.

16 (III) For Lassen Community College District, the rate shall be  
17 no less than three thousand one hundred dollars (\$3,100) adjusted  
18 for changes in cost-of-living and other base adjustments in the  
19 prior year and the cost-of-living and other base adjustments for  
20 the 2020–21 fiscal year.

21 (IV) For Marin Community College District, the rate shall be  
22 no less than three thousand four hundred eighty-two dollars  
23 (\$3,482) adjusted for changes in cost-of-living and other base  
24 adjustments in the prior year and the cost-of-living and other base  
25 adjustments for the 2020–21 fiscal year.

26 (V) For MiraCosta Community College District, the rate shall  
27 be no less than three thousand fifty-one dollars (\$3,051) adjusted  
28 for changes in cost-of-living and other base adjustments in the  
29 prior year and the cost-of-living and other base adjustments for  
30 the 2020–21 fiscal year.

31 (VI) For San Francisco Community College District, the rate  
32 shall be no less than three thousand sixty-nine dollars (\$3,069)  
33 adjusted for changes in cost-of-living and other base adjustments  
34 in the prior year and the cost-of-living and other base adjustments  
35 for the 2020–21 fiscal year.

36 (VII) For San Jose-Evergreen Community College District, the  
37 rate shall be no less than three thousand fifty-nine dollars (\$3,059)  
38 adjusted for changes in cost-of-living and other base adjustments  
39 in the prior year and the cost-of-living and other base adjustments  
40 for the 2020–21 fiscal year.

1 (VIII) For Santa Monica Community College District, the rate  
2 shall be no less than three thousand eighty-six dollars (\$3,086)  
3 adjusted for changes in cost-of-living and other base adjustments  
4 in the prior year and the cost-of-living and other base adjustments  
5 for the 2020–21 fiscal year.

6 (IX) For South Orange Community College District, the rate  
7 shall be no less than three thousand one hundred twenty-six dollars  
8 (\$3,126) adjusted for changes in cost-of-living and other base  
9 adjustments in the prior year and the cost-of-living and other base  
10 adjustments for the 2020–21 fiscal year.

11 (X) For West Kern Community College District, the rate shall  
12 be no less than four thousand thirty-two dollars (\$4,032) adjusted  
13 for changes in cost-of-living and other base adjustments in the  
14 prior year and the cost-of-living and other base adjustments for  
15 the 2020–21 fiscal year.

16 (iv) Commencing with the 2021–22 fiscal year, the rates in  
17 clause (iii) shall be adjusted for changes in the cost-of-living and  
18 other base adjustments in subsequent annual budget acts.

19 (2) To calculate the base allocation for each community college  
20 district, the chancellor’s office shall calculate the three-year rolling  
21 average comprised of funded FTES from the current year, the prior  
22 year, and the year prior to the prior year, as follows:

23 (A) Commencing with the 2018–19 fiscal year, the chancellor’s  
24 office shall compute the sum of annually funded credit FTES from  
25 the current year, the prior year, and the year prior to the prior year,  
26 and divide the sum by three.

27 (B) (i) In computing the three-year average pursuant to  
28 subparagraph (A), credit FTES associated with enrollment growth  
29 proposed in the annual Budget Act shall be excluded from the  
30 three-year average and shall instead be added to the computed  
31 three-year rolling average.

32 (ii) In computing the three-year average pursuant to  
33 subparagraph (A), credit FTES generated by students who meet  
34 the requirements of subdivision (a) of Section 84810.5 and special  
35 admit students pursuant to Sections 76002, 76003, and 76004 shall  
36 be excluded.

37 (C) The sum of a community college district’s computed  
38 three-year FTES rolling average and current year funded FTES  
39 growth shall be multiplied by a community college district’s  
40 applicable base allocation funding rate pursuant to subdivision (c),

1 or subparagraph (C) of paragraph (1), as applicable, to compute a  
2 community college district's base allocation.

3 (D) Community college districts are entitled to the restoration  
4 of any reductions in their base allocation due to decreases in FTES  
5 during the three years following the initial year of decrease if there  
6 is a subsequent increase in FTES.

7 (3) In addition to the amounts computed pursuant to paragraphs  
8 (1) and (2), each community college district shall receive an  
9 allocation based on credit base revenues associated with funded  
10 FTES generated by students who meet the requirements of  
11 subdivision (a) of Section 84810.5 and special admit students  
12 pursuant to Sections 76002, 76003, and 76004. FTES generated  
13 by students who meet the requirements of subdivision (a) of Section  
14 84810.5 and special admit students pursuant to Sections 76002,  
15 76003, and 76004 shall be multiplied by a community college  
16 district's applicable credit revenue rate computed for the 2017–18  
17 fiscal year pursuant to Section 84750.5, as that section read on  
18 January 1, 2018, as adjusted for 2018–19 fiscal year cost-of-living  
19 adjustment and other base adjustments, and adjusted for the  
20 changes in the cost-of-living and other base adjustments in  
21 subsequent annual budget acts.

22 (4) The chancellor shall allocate any funding appropriated in  
23 the Budget Act for enrollment growth to support the following:

24 (A) First, for the stated percentage of enrollment growth in the  
25 Budget Act and consistent with the growth formula used by the  
26 board of governors in the 2015–16 fiscal year.

27 (B) Second, for the amount of uncapped growth attributable to  
28 increases in the amount of a community college district's  
29 supplemental allocation.

30 (C) Third, for the amount of uncapped growth attributable to  
31 increases in the amount of a community college district's student  
32 success allocation.

33 (e) Commencing with the 2018–19 fiscal year, a supplemental  
34 allocation shall be computed for each community college district  
35 based on the total points calculated for each community college  
36 district in accordance with all of the following:

37 (1) The marginal funding rate per point for computing a  
38 supplemental allocation shall be nine hundred nineteen dollars  
39 (\$919) and, commencing with the 2019–20 fiscal year, that rate



1 shall be adjusted for changes in the cost-of-living adjustment and  
2 other base adjustments in subsequent annual budget acts.

3 (2) Each community college district shall be granted one point  
4 for each student who is a recipient of financial aid under the Federal  
5 Pell Grant program (20 U.S.C. Sec. 1070a) based on headcount  
6 data of students in the prior year.

7 (3) Each district shall be granted one point for each student who  
8 is granted an exemption from nonresident tuition pursuant to  
9 Section 68130.5, based on headcount data of students in the prior  
10 year.

11 (4) Each district shall be granted one point for each student who  
12 receives a fee waiver pursuant to Section 76300, based on  
13 headcount data of students in the prior year.

14 (5) For the purposes of calculating the supplemental allocation,  
15 the number of students shall be defined as the number of students  
16 served by the community college district.

17 (6) It is the intent of the Legislature that the annual Budget Act  
18 fully fund increases in the supplemental allocations computed  
19 under this section.

20 (f) Commencing with the 2018–19 fiscal year, a student success  
21 allocation shall be computed for each community college district  
22 based on the total points calculated for each community college  
23 district in accordance with all of the following:

24 (1) (A) The marginal funding rate per point for computing  
25 student success allocation revenue shall be as follows:

26 (i) For the 2018–19 fiscal year, four hundred forty dollars  
27 (\$440).

28 (ii) For the 2019–20 fiscal year, six hundred sixty dollars (\$660)  
29 adjusted for changes in cost-of-living and other base adjustments  
30 specified for the 2019–20 fiscal year.

31 (iii) For the 2020–21 fiscal year, eight hundred eighty dollars  
32 (\$880) adjusted for changes in cost-of-living and other base  
33 adjustment in the prior year and the cost-of-living and other base  
34 adjustments specified for the 2020–21 fiscal year.

35 (iv) Commencing with the 2021–22 fiscal year, the rate specified  
36 in clause (iii) adjusted for changes in cost-of-living and other base  
37 adjustments specified in subsequent annual budget acts.

38 (B) Each community college district shall be granted three points  
39 for each chancellor’s office approved associate degree or approved  
40 baccalaureate degree granted, excluding an associate degree for

1 transfer granted pursuant to Article 3 (commencing with Section  
2 66745) of Chapter 9.2 of Part 40 of Division 5, based on prior year  
3 data.

4 (C) Each community college district shall be granted four points  
5 for each chancellor’s office approved associate degree for transfer  
6 degree granted pursuant to Article 3 (commencing with Section  
7 66745) of Chapter 9.2 of Part 40 of Division 5, based on prior year  
8 data.

9 (D) (i) Each community college district shall be granted two  
10 points for each chancellor’s office approved credit certificate  
11 requiring 18 or more units granted, based on prior year data.

12 (ii) Chancellor’s office approved credit certificates requiring  
13 16 or more units granted may be used to compute these points if  
14 the chancellor’s office adopts regulations authorizing the approval  
15 and issuance of certificates requiring 16 or more units.

16 (E) Each community college district shall be granted two points  
17 for each student who successfully completes both transfer-level  
18 mathematics and English courses within the student’s first  
19 academic year of enrollment, based on prior year data.

20 (F) (i) Each community college district shall be granted one  
21 and one-half points for each student who successfully transfers to  
22 a four-year university, based on prior year data.

23 (ii) The chancellor’s office may reduce a community college  
24 district’s transfer points if a community college district enters into,  
25 or expands, a transfer partnership with a private for-profit college  
26 that has not demonstrated a track record of providing its students  
27 with a baccalaureate degree that leads to a majority of the private  
28 for-profit college’s baccalaureate degree program students  
29 obtaining a regional living wage within one year of completing  
30 their degree program.

31 (iii) The chancellor’s office may reduce a community college  
32 district’s transfer points if a community college district enters into,  
33 or expands, a transfer partnership with a private for-profit college  
34 that does not meet the qualifications to offer its students federal  
35 financial aid.

36 (G) Each community college district shall be granted one point  
37 for each student who successfully completes nine or more career  
38 technical education units, based on prior year data.

1 (H) Each community college district shall be granted one point  
2 for each student who obtains a regional living wage within one  
3 year of community college completion, based on prior year data.

4 (2) (A) Each community college district shall also be granted  
5 additional points for an equity component of the student success  
6 allocation. The marginal funding per point for the equity  
7 component of the student success allocation revenue shall be as  
8 follows:

9 (i) For the 2018–19 fiscal year, one hundred eleven dollars  
10 (\$111).

11 (ii) For the 2019–20 fiscal year, one hundred sixty-seven dollars  
12 (\$167) adjusted for changes in cost-of-living and other base  
13 adjustments specified for the 2019–20 fiscal year.

14 (iii) For the 2020–21 fiscal year, two hundred twenty-two dollars  
15 (\$222) adjusted for changes in cost-of-living and other base  
16 adjustments specified for the prior year and the cost-of-living and  
17 other base adjustments specified for the 2020–21 fiscal year.

18 (iv) Commencing with the 2021–22 fiscal year, the rate specified  
19 in clause (iii) adjusted for changes in cost-of-living and other base  
20 adjustments specified in subsequent annual budget acts.

21 (B) In computing this allocation, each community college district  
22 shall receive points for a student who received a fee waiver  
23 pursuant to Section 76300 and generated points for any of the  
24 metrics described in paragraph (1), based on prior year data. For  
25 each student identified pursuant to this subparagraph, the  
26 community college district shall receive the number of points equal  
27 to the number of points that the student generated for each of the  
28 metrics described in paragraph (1).

29 (C) In computing this allocation, each community college district  
30 shall receive points for a student who received financial aid under  
31 the Federal Pell Grant program (20 U.S.C. Sec. 1070a) and  
32 generated points for any of the metrics described in paragraph (1),  
33 based on prior year data. For each student identified pursuant to  
34 this subparagraph, the community college district shall receive the  
35 number of points equal to the following:

36 (i) Four and one-half points for each chancellor’s office  
37 approved associate degree or approved baccalaureate degree  
38 granted, excluding an associate degree for transfer granted pursuant  
39 to Article 3 (commencing with Section 66745) of Chapter 9.2 of  
40 Part 40 of Division 5, based on prior year data.

- 1 (ii) Six points for each chancellor’s office approved associate  
2 for transfer degree granted pursuant to Article 3 (commencing  
3 with Section 66745) of Chapter 9.2 of Part 40 of Division 5, based  
4 on prior year data.
- 5 (iii) Three points for each chancellor’s office approved credit  
6 certificate requiring 16 or more units granted, based on prior year  
7 data.
- 8 (iv) Three points for each student who successfully completes  
9 transfer-level mathematics and English courses within the student’s  
10 first academic year of enrollment, based on prior year data.
- 11 (v) Two and one-quarter points for each student who  
12 successfully transfers to a four-year university, based on prior year  
13 data.
- 14 (vi) One and one-half points for each student who successfully  
15 completes nine or more career technical education units, based on  
16 prior year data.
- 17 (vii) One and one-half points for each student who obtains a  
18 regional living wage within one year of community college  
19 completion, based on prior year data.
- 20 (3) It is the intent of the Legislature that the annual Budget Act  
21 fully fund increases in the student success allocations computed  
22 under this section.
- 23 (g) To establish a hold harmless protection for community  
24 college districts pursuant to the funding allocation established in  
25 this section, a minimum funding level for all community college  
26 districts shall be computed as follows:
- 27 (1) For the 2018–19 and 2019–20 fiscal years, a level of funding  
28 to ensure that all community college districts receive at a minimum  
29 the total computational revenue the district received in the 2017–18  
30 fiscal year, defined as a district’s final entitlement for general  
31 purpose apportionment based on FTES and the number of colleges  
32 and comprehensive centers the district operates.
- 33 (2) Commencing with the 2020–21 fiscal year, and each year  
34 thereafter, community college districts shall receive the higher of  
35 (A) the funding level determined by the formula established in this  
36 section, or (B) the level of funding determined by multiplying the  
37 community college district’s new FTES by the associated credit,  
38 noncredit, and career development and college preparation rate  
39 received by the district in the 2017–18 fiscal year. The level of  
40 funding shall be adjusted to include a basic allocation based on

1 the number of colleges and comprehensive centers in the district  
2 consistent with the basic allocation rates used in the 2017–18 fiscal  
3 year.

4 (3) (A) From the 2019–20 fiscal year to the 2023–24 fiscal  
5 year, inclusive, for the San Francisco Community College District  
6 and the Compton Community College District, the rates for  
7 computing the hold harmless provisions pursuant to paragraphs  
8 (1) and (2) shall be multiplied each year by the cost-of-living  
9 adjustment identified in the annual Budget Act and adjusted for  
10 increases to FTES. The level of funding for the San Francisco  
11 Community College District and the Compton Community College  
12 District shall be adjusted to include a basic allocation based on the  
13 number of colleges and comprehensive centers in the district  
14 consistent with the basic allocation rates used in the 2017–18 fiscal  
15 year multiplied by the 2018–19 fiscal year cost-of-living  
16 adjustment, and adjusted for changes in the cost-of-living in  
17 subsequent annual budget acts. The intent of these adjustments is  
18 to provide the San Francisco Community College District and the  
19 Compton Community College District with the greater of the  
20 amount that would have been calculated pursuant to the  
21 requirements of Section 84750.5, as that section read on January  
22 1, 2018, adjusted for annual changes in the cost-of-living  
23 adjustment identified in the annual Budget Act and adjusted for  
24 increases in FTES, or the amount computed pursuant to the funding  
25 formula established in this section.

26 (B) For purposes of computing the FTES attributable to this  
27 paragraph and subdivision (d), for five fiscal years beginning in  
28 the 2017–18 fiscal year, the San Francisco Community College  
29 District shall be entitled to restoration of any reduction in  
30 apportionment revenue due to decreases in FTES, up to the level  
31 of attendance of FTES funded in the 2012–13 fiscal year, if there  
32 is a subsequent increase in FTES.

33 (C) (i) For purposes of computing the FTES attributable to this  
34 paragraph and subdivision (d), for five fiscal years beginning in  
35 the fiscal year the Compton Community College District is  
36 accredited under the governing authority of the Board of Trustees  
37 of the Compton Community College District, the board of  
38 governors shall provide allocations to the Compton Community  
39 College District in an amount not less than the total amount that  
40 the district would receive if the level of attendance of FTES was

1 the same level of attendance as in the 2017–18 fiscal year. The  
2 amount shall be adjusted to reflect cost-of-living adjustments,  
3 deficits in apportionments, or both, as appropriate for the applicable  
4 fiscal years.

5 (ii) For purposes of computing the FTES attributable to this  
6 paragraph and subdivision (d), for five fiscal years beginning in  
7 the fiscal year the Compton Community College District is  
8 accredited under the governing authority of the Board of Trustees  
9 of the Compton Community College District, the Compton  
10 Community College District shall be entitled to restoration of any  
11 reduction in apportionment revenue due to decreases in FTES, up  
12 to the level of attendance of FTES funded in the 2017–18 fiscal  
13 year, if there is a subsequent increase in FTES.

14 (iii) In computing statewide entitlements to funding based upon  
15 the attendance of FTES, the Compton Community College District  
16 shall not be credited with more FTES than were actually enrolled  
17 and in attendance.

18 (4) Decreases in a community college district’s total revenue  
19 computed pursuant to the sum of subdivisions (d), (e), and (f), or  
20 computed pursuant to this subdivision shall result in the associated  
21 reduction beginning in the year following the initial year of  
22 decreases.

23 (h) For the fiscal years 2018–19 to 2020–21, inclusive, each  
24 community college district whose increase in 2017–18 general  
25 purpose apportionment funding computed pursuant to Section  
26 84750.5, compared to apportionment funding computed pursuant  
27 to this section, is less than the year-over-year cost-of-living  
28 adjustments applicable to those fiscal years, shall receive  
29 discretionary resources in an amount needed to ensure the  
30 community college district receives no less than their 2017–18  
31 general purpose apportionment funding computed pursuant to  
32 Section 84750.5 adjusted for annual year-over-year cost-of-living  
33 adjustments.

34 (i) The board of governors shall develop the criteria and  
35 standards within the statewide minimum requirements established  
36 pursuant to this section.

37 (j) (1) Except as specifically provided in statute, regulations of  
38 the board of governors for determining and allocating the state  
39 general apportionment to the community college districts shall not

1 require community college district governing boards to expend  
2 the allocated revenues in specified categories of operation.

3 (2) Except as otherwise provided by statute, current categorical  
4 programs providing direct services to students, including extended  
5 opportunity programs and services, and disabled student programs  
6 and services, shall continue to be funded separately through the  
7 annual Budget Act, and shall not be assumed under the budget  
8 formula otherwise specified by this section.

9 (k) It is the intent of the Legislature to allow for changes to the  
10 criteria and standards developed pursuant to subdivisions (a) and  
11 (h) in order to recognize increased operating costs and to improve  
12 instruction.

13 (l) Notwithstanding Subchapter 1 (commencing with Section  
14 51000) of Chapter 2 of Division 6 of Title 5 of the California Code  
15 of Regulations and Section 84751, the chancellor shall allocate  
16 the ongoing funds first appropriated to paragraph (1) of subdivision  
17 (e) of provision (2) of Item 6870-101-0001 of Section 2.00 of the  
18 Budget Act of 2015 (Chapters 10 and 11 of the Statutes of 2015)  
19 to all community college districts, including districts that have  
20 offsetting local revenues that exceed the funding calculated  
21 pursuant to the district's budget formula, on a per FTES basis by  
22 modifying each district's budget formula pursuant to this section.  
23 Any revisions to the budget formula made for the purposes of this  
24 subdivision shall be made and reported consistent with the  
25 requirements of subdivision (i).

26 (m) (1) (A) The governing board of each community college  
27 district shall certify it will do all the following, no later than  
28 January 1, 2019:

29 (i) Adopt goals for the community college district that meet the  
30 following requirements:

31 (I) Are aligned with the systemwide goals identified in the  
32 Vision for Success, which were adopted by the Board of Governors  
33 of the California Community Colleges in 2017.

34 (II) Are measurable numerically.

35 (III) Specify the specific timeline for achievement.

36 (ii) For the meeting when the goals are considered for adoption,  
37 include in the written agenda an explanation of how the goals are  
38 consistent and aligned with the systemwide goals.

39 (iii) Submit the written item and summary of action to the  
40 chancellor's office.

1 (B) The chancellor's office shall make available guidance to  
2 assist governing boards of community college districts in meeting  
3 the requirements of this section. The funds apportioned to a  
4 community college district pursuant to this section, and for excess  
5 tax districts, the Student Equity and Achievement Program, shall  
6 be available to implement the activities required pursuant to this  
7 paragraph.

8 (2) Each community college district shall align its  
9 comprehensive plan pursuant to paragraph (9) of subdivision (b)  
10 of Section 70901 with the adopted local plan goals and align its  
11 budget with the comprehensive plan. The funds apportioned to a  
12 community college district pursuant to this section, and for excess  
13 tax districts, the Student Equity and Achievement Program, shall  
14 be available to implement the activities required pursuant to this  
15 paragraph.

16 (3) If a community college district is identified as needing  
17 further assistance to make progress towards achieving specified  
18 goals, the chancellor's office, with the approval from the board of  
19 governors, may direct the community college district to use up to  
20 1 percent of the district's apportionments allocation on technical  
21 assistance and professional development to support efforts to meet  
22 the district's efforts towards their goals.

23 (4) (A) The chancellor's office shall develop processes to  
24 monitor the approval of new awards, certificates, and degree  
25 programs. The chancellor's office shall also develop a process to  
26 monitor the number of students who transfer to for-profit  
27 postsecondary educational institutions and report on the growth  
28 of transfer to these institutions compared to four-year public  
29 postsecondary educational institutions.

30 (B) The chancellor's office shall also develop minimum  
31 standards, in consultation with the oversight committee established  
32 pursuant to Section 84750.41, for the approval of certificates and  
33 awards that would count towards the funding formula pursuant to  
34 this section.

35 (C) The board of governors shall include instructions in the  
36 audit report required by Section 84040 related to the  
37 implementation of the funding formula pursuant to this section.  
38 The chancellor may require a community college district to repay  
39 any funding associated with an audit exception identified in a



1 community college district’s audit report pursuant to this  
2 subparagraph.

3 (5) Notwithstanding Section 10231.5 of the Government Code,  
4 on or before October 15, 2019, and each year thereafter, the  
5 chancellor’s office shall report to the Legislature, consistent with  
6 Section 9795 of the Government Code, on the course sections and  
7 FTES added at each community college that received  
8 apportionment growth funding in the prior fiscal year, including  
9 the number of course sections and if any course sections and FTES  
10 were added that are within the primary missions of the segment  
11 and those that are not within the primary missions of the segment.

12 (6) (A) On or before July 1, 2022, the chancellor’s office shall  
13 report to the Legislature and the Department of Finance, consistent  
14 with Section 9795 of the Government Code, a description on how  
15 community college districts are making progress on advancing the  
16 goals outlined in the system’s strategic vision plan.

17 (B) The requirement for submitting a report imposed under  
18 subparagraph (A) is inoperative on July 1, 2026, pursuant to  
19 Section 10231.5 of the Government Code.

20 (n) For purposes of this section, the following terms have the  
21 following meanings:

22 (1) “Career development and college preparation” means courses  
23 in programs that conform to the requirements of Section 84760.5.

24 (2) “Chancellor’s office” means the Office of the Chancellor  
25 of the California Community Colleges.

26 (3) “Primary missions of the segment” means credit courses  
27 and those noncredit courses specified in paragraphs (2) to (6),  
28 inclusive, of subdivision (a) of Section 84757.

29 SEC. 2. Section 84750.5 of the Education Code is amended to  
30 read:

31 84750.5. (a) The board of governors, in accordance with the  
32 statewide requirements contained in paragraphs (1) to (9), inclusive,  
33 of subdivision (d), and in consultation with institutional  
34 representatives of the California Community Colleges and  
35 statewide faculty and staff organizations, so as to ensure their  
36 participation in the development and review of policy proposals,  
37 shall develop criteria and standards for the purpose of making the  
38 annual budget request for the California Community Colleges to  
39 the Governor and the Legislature, and for the purpose of allocating  
40 the state general apportionment revenues.

1 (b) In developing the criteria and standards, the board of  
2 governors shall use and strongly consider the recommendations  
3 and work product of the “System Office Recommendations Based  
4 on the Report of the Work Group on Community College Finance”  
5 that was adopted by the board at its meeting of March 7, 2005.  
6 The board of governors shall complete the development of these  
7 criteria and standards, accompanied by the necessary procedures,  
8 processes, and formulas for using its criteria and standards, by  
9 March 1, 2007, and shall submit on or before that date a report on  
10 these items to the Legislature and the Governor.

11 (c) (1) It is the intent of the Legislature in enacting this section  
12 to improve the equity and predictability of general apportionment  
13 and growth funding for community college districts in order that  
14 the districts may more readily plan and implement instruction and  
15 related programs, more readily serve students according to the  
16 policies of the state’s master plan for higher education, and enhance  
17 the quality of instruction and related services for students.

18 (2) It is the intent of the Legislature to determine the amounts  
19 to be appropriated for purposes of this section through the annual  
20 Budget Act. This section shall not be construed as limiting the  
21 authority either of the Governor to propose, or the Legislature to  
22 approve, appropriations for California Community Colleges  
23 programs or purposes.

24 (d) The board of governors shall develop the criteria and  
25 standards within the following statewide minimum requirements:

26 (1) The calculations of each community college district’s  
27 revenue level for each fiscal year shall be based on the level of  
28 general apportionment revenues, state and local, the community  
29 college district received for the prior year plus any amount  
30 attributed to a deficit from the adopted standards to be developed  
31 pursuant to this section, with revenue adjustments being made for  
32 increases or decreases in full-time equivalent students (FTES), for  
33 equalization of funding per credit FTES, for necessary alignment  
34 of funding per FTES between credit and noncredit programs, for  
35 inflation, and for other purposes authorized by law.

36 (2) Commencing with the 2006–07 fiscal year, the funding  
37 mechanism developed pursuant to this section shall recognize the  
38 need for community college districts to receive an annual allocation  
39 based on the number of colleges and comprehensive centers in the  
40 community college district. In addition to this basic allocation, the

1 marginal amount of credit revenue allocated per FTES shall be  
2 funded at a rate not less than four thousand three hundred  
3 sixty-seven dollars (\$4,367), as adjusted for the change in the cost  
4 of living in subsequent annual budget acts.

5 (A) To the extent that the Budget Act of 2006 contains an  
6 appropriation of one hundred fifty-nine million four hundred  
7 thirty-eight thousand dollars (\$159,438,000) for community college  
8 equalization, the Legislature finds and declares that community  
9 college equalization for credit FTES has been effectively  
10 accomplished as of March 31, 2007.

11 (B) The chancellor shall develop criteria for the allocation of  
12 one-time grants for those community college districts that would  
13 have qualified for more equalization under prior law than pursuant  
14 to this section and the Budget Act of 2006, and for those  
15 community college districts that would have qualified for more  
16 funding under a proposed rural college access grant than pursuant  
17 to this section and the Budget Act of 2006, as determined by the  
18 chancellor. Appropriations for the one-time grants shall be provided  
19 pursuant to paragraph (24) of subdivision (a) of Section 43 of  
20 Chapter 79 of the Statutes of 2006.

21 (3) Noncredit instruction shall be funded at a uniform rate of  
22 two thousand six hundred twenty-six dollars (\$2,626) per FTES,  
23 as adjusted for the change in the cost of living provided in  
24 subsequent annual budget acts.

25 (4) Funding for instruction in career development and college  
26 preparation, as authorized pursuant to Section 84760.5, shall be  
27 provided as follows:

28 (A) (i) Beginning in the 2006–07 fiscal year, career  
29 development and college preparation FTES may be funded at a  
30 rate of three thousand ninety-two dollars (\$3,092) per FTES for  
31 courses in programs that conform to the requirements of Section  
32 84760.5. This rate shall be adjusted for the change in the cost of  
33 living or as otherwise provided in subsequent annual budget acts.

34 (ii) Beginning in the 2015–16 fiscal year, career development  
35 and college preparation FTES shall be funded at the same level as  
36 the credit rate specified in paragraph (2). This rate shall be adjusted  
37 for the change in the cost of living or as otherwise provided in  
38 subsequent annual budget acts.

39 (B) Changes in career development and college preparation  
40 FTES shall result in adjustments to revenues as follows:

- 1 (i) Increases in career development and college preparation  
 2 FTES shall result in an increase in revenues in the year of the  
 3 increase and at the average rate per career development and college  
 4 preparation FTES, including any cost-of-living adjustment  
 5 authorized by statute or by the annual Budget Act.
- 6 (ii) Decreases in career development and college preparation  
 7 FTES shall result in a revenue reduction in the year following the  
 8 decrease at the average rate per career development and college  
 9 preparation FTES.
- 10 (5) Except as otherwise provided by statute, current categorical  
 11 programs providing direct services to students, including extended  
 12 opportunity programs and services, and disabled students programs  
 13 and services, shall continue to be funded separately through the  
 14 annual Budget Act, and shall not be assumed under the budget  
 15 formula otherwise specified by this section.
- 16 (6) For credit and noncredit instruction, changes in FTES shall  
 17 result in adjustments in community college district revenues as  
 18 follows:
- 19 (A) Increases in FTES shall result in an increase in revenues in  
 20 the year of the increase and at the amount per FTES provided for  
 21 in paragraph (2) or (3), as appropriate, including any cost-of-living  
 22 adjustment authorized by statute or by the annual Budget Act.
- 23 (B) Decreases in FTES shall result in revenue reductions  
 24 beginning in the year following the initial year of decrease in FTES,  
 25 and at the district’s marginal funding per FTES.
- 26 (C) Community college districts shall be entitled to the  
 27 restoration of any reductions in apportionment revenue due to  
 28 decreases in FTES during the three years following the initial year  
 29 of decrease in FTES if there is a subsequent increase in FTES.
- 30 (7) Revenue adjustments shall be made to reflect cost changes,  
 31 using the same inflation adjustment as required for school districts  
 32 pursuant to paragraph (2) of subdivision (d) of Section 42238.02.  
 33 These revenue adjustments shall be made to the college and center  
 34 basic allocations, credit and noncredit FTES funding rates, and  
 35 career development and college preparation FTES funding rates.
- 36 (8) The statewide requested increase in budgeted workload  
 37 FTES shall be based, at a minimum, on the sum of the following  
 38 computations:
- 39 (A) Determination of an equally weighted average of the rate  
 40 of change in the state’s population of persons between 19 and 24

1 years of age and the rate of change in the state's population of  
2 persons between 25 and 65 years of age, both as determined by  
3 the Department of Finance's Demographic Research Unit as  
4 determined for the preceding fiscal year.

5 (B) To the extent the state's unemployment rate exceeds 5  
6 percent for the most recently completed fiscal year, that positive  
7 difference shall be added to the rate computed in subparagraph  
8 (A). In no event shall that positive difference exceed 2 percent.

9 (C) The chancellor may also add to the amounts calculated  
10 pursuant to subparagraphs (A) and (B) the number of FTES in the  
11 areas of transfer, vocational education, and basic skills that were  
12 unfunded in the current fiscal year. For this purpose, the following  
13 computation shall be determined for each community college  
14 district, and a statewide total shall be calculated:

15 (i) Establish the base level of FTES earned in the prior fiscal  
16 year for transfer courses consisting of courses meeting the  
17 California State University breadth or Intersegmental General  
18 Education Transfer Curriculum requirements or major course  
19 prerequisites accepted by the University of California or the  
20 California State University.

21 (ii) Establish the base level of FTES earned in the prior fiscal  
22 year for vocational education courses consisting of courses defined  
23 by the chancellor's office Student Accountability Model codes A  
24 and B that are consistent with the courses used for measuring  
25 success in this program area under the accountability system  
26 established pursuant to Section 84754.5.

27 (iii) Establish the base level of FTES in the prior fiscal year for  
28 basic skills courses, both credit and noncredit.

29 (iv) Add the sum of FTES for clauses (i) to (iii), inclusive.

30 (v) Multiply the result of the calculation made under clause (iv)  
31 by one plus the community college district's funded growth rate  
32 in the current fiscal year. This figure shall represent the  
33 maintenance of effort level for the budget year.

34 (vi) FTES in transfer, vocational education, and basic skills that  
35 are in excess of the total calculated pursuant to clause (v), shall be  
36 considered in excess of the maintenance of effort level, and shall  
37 be eligible for overcap growth funding if the community college  
38 district exceeds its overall funded FTES.

39 (vii) In no event shall the amount calculated pursuant to clause  
40 (vi) exceed the total unfunded FTES for that fiscal year. To the

1 extent the computation specified in subdivision (c) requires the  
2 reporting of additional data by community college districts, that  
3 reporting shall be a condition of the receipt of apportionment for  
4 growth pursuant to this section and those funds shall be available  
5 to offset any and all costs of providing the data.

6 (9) Except as specifically provided in statute, regulations of the  
7 board of governors for determining and allocating the state general  
8 apportionment to the community college districts shall not require  
9 community college district governing boards to expend the  
10 allocated revenues in specified categories of operation or according  
11 to the workload measures developed by the board of governors.

12 (e) (1) The Chancellor of the California Community Colleges  
13 shall develop, and the board of governors shall adopt, a revised  
14 apportionment growth formula for use commencing with the  
15 2015–16 fiscal year. The chancellor shall allocate apportionments  
16 pursuant to the revised formula only after the revised formula, and  
17 any formulas for adjustment pursuant to paragraph (2), have been  
18 adopted by the board of governors. The revised apportionment  
19 growth formula shall support the primary missions of the segment,  
20 and shall be based on each community’s need for access to the  
21 community colleges, as determined by local demographics. In  
22 developing the revised formula, the chancellor shall consider  
23 multiple factors in determining need; however, the primary factors  
24 shall be:

25 (A) (i) The number of persons under 25 years of age without  
26 a college degree, within a community college district’s boundaries,  
27 and the number of persons 25 to 64 years of age, inclusive, without  
28 a college degree, within a community college district’s boundaries.

29 (ii) Notwithstanding clause (i), the chancellor may use  
30 alternative age ranges depending on the availability of data.

31 (B) The number of persons who are unemployed, have limited  
32 English skills, who are in poverty, or who exhibit other signs of  
33 being disadvantaged, as determined by the chancellor, within a  
34 community college district’s boundaries.

35 (2) Beginning with the 2016–17 fiscal year, the chancellor shall  
36 adjust upward the need determination based on each community  
37 college’s effectiveness in serving residents of neighborhoods,  
38 within or outside of the community college district’s boundaries,  
39 that exhibit the highest levels of need in the state.

1 (3) The chancellor shall calculate each community college  
2 district's proportionate share of the statewide need for access to  
3 the community colleges based on the application of this formula  
4 described in paragraph (1), as adjusted pursuant to paragraph (2).

5 (4) The chancellor shall calculate the difference between each  
6 community college district's proportionate share of the statewide  
7 need for access to the community colleges, as calculated pursuant  
8 to paragraph (3), and its current proportionate share of statewide  
9 enrollment in the community colleges.

10 (5) (A) Until a community college district reaches its highest  
11 level of apportionment revenues previously received, its  
12 apportionment revenues shall be eligible to increase by the lesser  
13 of 1 percent of its current apportionment base, or one-half of the  
14 statewide growth allocation on a proportionate basis, regardless  
15 of need.

16 (B) After a community college district reaches its highest level  
17 of apportionment revenues previously received, it is eligible to  
18 increase its apportionment revenues by the lesser of one-half of 1  
19 percent of its current apportionment base, or one-quarter of the  
20 statewide growth allocation on a proportionate basis, regardless  
21 of its need.

22 (6) The remainder of the apportionment growth funding shall  
23 be allocated to allow each community college district to grow its  
24 apportionment revenues based on its relative share of the difference  
25 between the amounts calculated in paragraph (4), up to a maximum  
26 of its apportionment base for the preceding fiscal year appropriate  
27 to ensure that community college district is advancing the primary  
28 missions of the segment. The maximum established by the  
29 chancellor shall not be less than 5 percent nor greater than 10  
30 percent of a community college district's apportionment base for  
31 the preceding fiscal year.

32 (7) Unless otherwise agreed upon by the board of governors,  
33 apportionment reductions shall be allocated proportionally based  
34 on the most recent levels of apportionment revenues.

35 (8) (A) It is the intent of the Legislature, consistent with  
36 direction provided in the 2014–15 Budget Act, that apportionment  
37 growth funding be expended for purposes of increasing the number  
38 of FTES in courses or programs that support the primary missions  
39 of the segment.

1 (B) (i) Notwithstanding Section 10231.5 of the Government  
2 Code, on or before October 15, 2015, and each year thereafter, the  
3 chancellor shall report to the Legislature on the course sections  
4 and FTES added at each community college that received  
5 apportionment growth funding in the prior fiscal year, including  
6 the number of course sections and if any course sections and FTES  
7 were added that are within the primary missions of the segment  
8 and those that are not within the primary missions of the segment.

9 (ii) A report submitted to the Legislature pursuant to clause (i)  
10 shall be submitted in compliance with Section 9795 of the  
11 Government Code.

12 (C) For purposes of this section, “primary missions of the  
13 segment” means credit courses and those noncredit courses  
14 specified in paragraphs (2) to (6), inclusive, of subdivision (a) of  
15 Section 84757.

16 (f) (1) It is the intent of the Legislature to allow for changes to  
17 the criteria and standards developed pursuant to subdivisions (a)  
18 to (d), inclusive, in order to recognize increased operating costs  
19 and to improve instruction.

20 (2) (A) If the annual Budget Act identifies funds appropriated  
21 specifically for the purposes of this subdivision, the chancellor  
22 shall adjust the budget request formula to allocate those funds  
23 without altering any of the adjustments described in subdivision  
24 (d). At least 30 days before allocating any state general  
25 apportionment revenues using a budget request formula revised  
26 pursuant to this subdivision, the chancellor shall submit to the  
27 Department of Finance and the Legislature a description of the  
28 specific adjustments made to the budget request formula.

29 (B) A report to the Legislature pursuant to subparagraph (A)  
30 shall be submitted in compliance with Section 9795 of the  
31 Government Code.

32 (g) Notwithstanding Subchapter 1 (commencing with Section  
33 51000) of Chapter 2 of Division 6 of Title 5 of the California Code  
34 of Regulations and Section 84751, the chancellor shall allocate  
35 the ongoing funds first appropriated pursuant to paragraph (1) of  
36 subdivision (e) of provision (2) of Item 6870-101-0001 of Section  
37 2.00 of the Budget Act of 2015 (Chapters 10 and 11, Statutes of  
38 2015) to all community college districts, including districts that  
39 have offsetting local revenues that exceed the funding calculated  
40 pursuant to the district’s budget formula, on a per FTES basis by



1 modifying each district’s budget formula pursuant to this section.  
2 Any revisions to the budget formula made for the purposes of this  
3 subdivision shall be made and reported consistent with the  
4 requirements of subdivision (f).

5 (h) This section shall be used to allocate revenue only for the  
6 following purposes:

7 (1) Commencing with the 2018–19 fiscal year, pursuant to  
8 subparagraph (A) of paragraph (3) of subdivision (e) of Section  
9 36 of Article XIII of the California Constitution, to compute  
10 allocations for noncredit instruction and career development and  
11 college FTES.

12 (2) To compute allocations to community college districts for  
13 fiscal years prior to the 2018–19 fiscal year.

14 (3) Commencing with the 2019–20 fiscal year, the funding rate  
15 calculated pursuant to clause ~~(i)~~ (ii) of subparagraph (A) of  
16 paragraph (4) of subdivision (d) shall be used to compute  
17 allocations for instruction provided under an instructional service  
18 agreement between a community college district and a public safety  
19 agency.

O