



# CALIFORNIA BUDGET BASICS

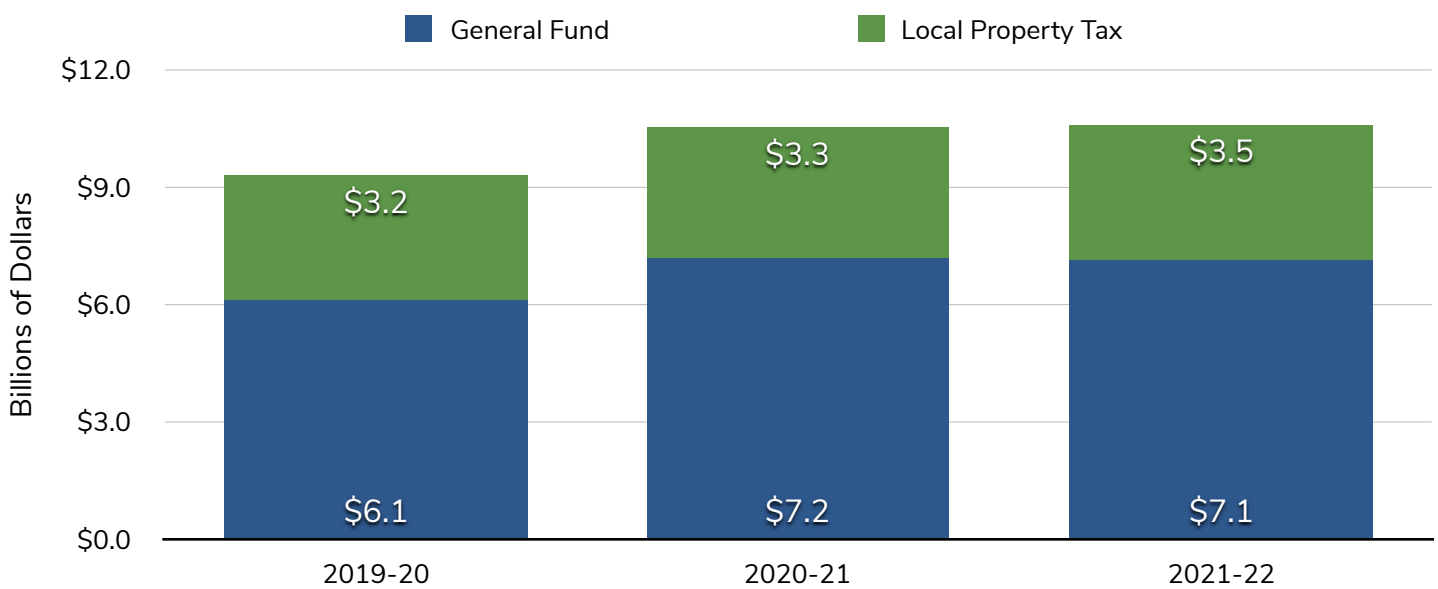
## Community Colleges



California Community Colleges (CCCs) are the largest system of higher education in the nation, serving roughly one-quarter of the nation’s community college students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. CCCs enroll nearly two-thirds of all undergraduates in the state.

As it is with K-12 education, California community colleges are funded through **Proposition 98**, which sets a minimum funding guarantee based on General Fund revenue that must go to K-14 education. The enrollment fee is \$46/unit, so average tuition is \$1,380 per year for full-time-equivalent (FTE) students. The state last raised the CCC enrollment fee in July 2012, and the 2019-20 budget extended a second year of free tuition to first-time, full-time students through the College Promise program.

California Community College Funding by Source



Data from the Legislative Analyst’s Office

The average fees for a non-resident FTE student are \$8,841 per year. About one-third of the Cal Grants (financial aid) available in California go to community college students, despite accounting for nearly two-thirds of all college students in the state. **Per-student Prop 98 funding** is estimated to be around \$9,584 in 2021-22 following the May Revision, up from \$9,038 included in the January proposed budget. **Per-student funding from all sources** is estimated to be \$17,297 in 2021-22 following the May Revision, up from \$15,462 in the January proposed budget.



## WHAT'S IN THE 2021-22 MAY REVISION & FINAL BUDGET

There are also a number of one-time spending proposals in the Governor's May Revision for 2021-22:

- ▶ **\$130 million** of Prop 98 funds to support students' basic needs, particularly those experiencing homelessness and/or food insecurity
- ▶ **\$100 million** of one-time Prop 98 funds to support student retention and enrollment efforts after community college enrollment plummeted during the COVID-19 pandemic (enrollment on average dropped 11% to 12% systemwide in the fall of 2020 compared to the fall of 2019)
- ▶ **\$100 million** of Prop 98 funds to reduce the cost of textbooks and other instructional materials
- ▶ **\$75 million** of one-time Prop 98 funds to expand dual enrollment for high school students at community college campuses

The May Revision also proposed a total of \$4 billion over two years to build affordable student housing at community colleges, UCs, and CSUs—though the final budget reduced that amount to \$2 billion and only includes UC & CSU (see UC & CSU Budget Basic for more information). The final budget also included funding that would make an estimated 133,000 community college students newly eligible for Cal Grants, the state's main source of state-funded financial aid. The final budget also provides \$100 million ongoing to increase the number of full-time faculty members across the community college system.

## RECENT FEDERAL ACTIONS

The first two federal COVID relief bills passed in March and December 2020 allocated nearly \$2 billion to California community colleges. At least \$290 million of these federal funds must be used for emergency student financial aid while the remaining \$1.4 billion is available for college operations. The American Rescue Plan passed in March 2021 directed an additional \$5 billion in funding for emergency financial aid grants and relief funding for both California community colleges and universities.

## COMMUNITY COLLEGES KEY FACTS

- ➔ **Enrollment:** In 2019-20, CCCs awarded over 115,000 certificates and 196,000 degrees, and transferred over 107,000 students to four-year institutions
  - ▶ 29% of UC graduates and 51% of CSU graduates started at a community college
- ➔ **Pandemic Impacts:** Enrollments at California's community colleges were down an average of 11% to 12% systemwide in the fall of 2020, with some campuses reporting a decline of 30% to 50%, for a total decline of nearly 187,000 students compared to fall 2019
- ➔ **Workforce Development:** According to the [Public Policy Institute of California](#) (PPIC), California will face a shortage of 1 million holders of college degrees and certificates needed to fuel its workforce by 2025
  - ▶ They estimate that 38% of all jobs in CA will depend on workers with at least a bachelor's degree, but only 33% of workers will have one
  - ▶ The average lifetime earnings of a graduate with an associate's degree is \$1.6 million—\$400,000 more than a high school graduate
- ➔ **Taxpayer Benefit:** In addition to graduates earning more, taxpayers benefit from investments in CCCs—taxpayers receive \$4.50 for every \$1 invested in students who graduate from a CCC

\*Data from the 2021-22 May Revision & final budget, LAO, [The Campaign for College Opportunity](#), [EdSource](#) (March 2021), and [EdSource](#) (June 2021) unless otherwise specified.