



**NOTICE OF PROPOSED RULEMAKING  
AMENDMENT TO CALIFORNIA CODE OF REGULATIONS, TITLE 5 REGARDING  
Reports on Districts' Financial Conditions**

**Notice published November 14, 2018**

**NOTICE IS HEREBY GIVEN** that, pursuant to Standing Order 200, the Board of Governors of the California Community Colleges proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

**PUBLIC HEARING**

A public hearing will be held during the next regularly scheduled Board of Governors meeting on November 13-14, 2018, at 1102 Q Street, Sacramento, California. The Board meeting will commence at the hour of 1:00 p.m., or as soon thereafter as the business of the Agency will permit. The room is wheelchair accessible. Other disability-related accommodations such as materials in alternate media, sign language interpreters, or real time transcription will be provided to persons with disabilities upon request. Parking accessible for persons with disabilities is available near the facility. Persons requesting such accommodations should notify Christina Castro, 1102 Q Street, Suite 4500 Sacramento, CA 95811-6549, ccastro@cccco.edu, 916-323-5889, no less than five working days prior to the meeting. The Chancellor's Office will make efforts to meet requests made after such date, if possible.

At the hearing, any person may present statements or arguments, orally or in writing, relevant to the proposed regulatory action described in the Informative Digest. The Board of Governors requests, but does not require, that persons who make oral comments at the hearing also submit a written summary of their comments. No oral comments will be accepted subsequent to this public hearing.

**WRITTEN COMMENT PERIOD**

Any interested person may submit written comments relevant to the proposed regulatory action. To ensure that your comments have the maximum effect in developing the final regulations, we urge you to identify clearly the specific subdivision of the proposed regulation that each of your comments addresses and to arrange your comments in the same order as the proposed regulation. Please send your comments to:

Regulations Coordinator  
California Community Colleges  
Chancellor's Office  
1102 Q Street, Suite 4550  
Sacramento, CA 95811-6549

Comments may also be submitted by facsimile at 916-322-9030 or by email at [regcomments@cccco.edu](mailto:regcomments@cccco.edu).

Comments must be received by the Regulations Coordinator prior to 4:00 p.m. on December 31, 2018. All written comments received by CCCCO staff during the public comment period are subject to disclosure under the Public Records Act.

## **CHANGES OR MODIFICATIONS TO PROPOSED TITLE 5 AMENDMENTS**

Following the public hearing and considering all timely and relevant comments received, the Board of Governors may adopt the proposed regulations substantially as described in this Notice or may modify the proposed regulations if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified regulation will be available for 15 days prior to its adoption from the Regulations Coordinator and will be provided to those persons who provided contact information and submitted written comments relevant to the proposed regulatory action, or who provided oral comments at the public hearing, or who have requested notification of any changes to the proposal.

## **AUTHORITY AND REFERENCE**

Authority: Education Code sections 66700, 70901, and 84040.

Reference: Education Code sections 70901.

## **INFORMATIVE DIGEST**

Existing regulations require the governing board of a community college district to periodically report on the fiscal condition of the district. Specifically, the governing board is required to submit reports to the Chancellor no later than 45 days following the completion of each quarter. Further, the governing board is required to prepare its annual financial and budget report on or before September 30 of each year. Pursuant to these regulations, two separate reports include a district's year-end financial data: the quarterly financial status report for the fourth quarter (the "311Q") is due August 15, and the annual financial and budget report ("annual") is due October 10.

Following stakeholder consultation, including with the Fiscal Standards and Accountability Committee of the Association of Chief Business Officials, the Chancellor's Office is proposing amendments to the related regulations. Of the two reports including year-end financial data, the annual financial and budget report is more reliable, because it is reconciled to the audited financial statements. Therefore, the proposed amendments would repeal the requirement for a quarterly financial status report for the fourth quarter. (Districts would still be required to produce quarterly reports for the other quarters.) The proposed amendments should alleviate workload and costs at the local level and at the Chancellor's Office, allowing for focus on higher-priority activities. Attachment 1 includes the text of the proposed amendments. These amendments were presented to the Consultation Council on October 18, 2018.

The proposed regulations are presented to the Board of Governors for a first reading and public hearing. The Board of Governors must hold a public hearing for receipt of comments, both written and oral, which are offered concerning the proposed action. It is anticipated that the regulations will be presented to the Board for adoption at its January 16, 2019, meeting.

## **ESTIMATED COST OR SAVINGS OF PROPOSED AMENDMENTS**

The estimated cost or savings of the proposed amendments are anticipated to be as follows:

Mandate on local agencies or community college districts: None

Cost or savings to state agencies: None

Costs to local agencies or community college districts for which reimbursement would be required pursuant to part 7 (commencing with section 17500) of division 4 title 2 of the Government Code: None

Other non-discretionary cost or savings imposed on community college districts: None

Cost or savings in federal funding to state agencies: None

The effect of the adoption of the proposed regulations will not impose increased costs or new costs to community college districts that are required to be reimbursed under section 17561 of the Government Code. Such determination will be made a formal part of the public hearing at the time and place described above. Furthermore, there are no direct costs or indirect costs, or savings to any state agency, no costs or savings in federal funding to the state and no non-discretionary costs or savings to local agencies.

## **CONTACT PERSON**

Inquiries concerning the content of these regulations may be directed to:

Christian Osmena, Vice Chancellor  
California Community Colleges  
Chancellor's Office  
1102 Q Street, Suite 4550  
Sacramento, CA 95811-6549  
E-mail: [cosmena@cccco.edu](mailto:cosmena@cccco.edu)

Inquiries concerning the regulatory process may be directed to the Regulations Coordinator, at [regcomments@cccco.edu](mailto:regcomments@cccco.edu).

## **TEXT OF PROPOSED REGULATIONS AND CORRESPONDING DOCUMENTS**

Copies of the exact language of the proposed regulations, and all of the information upon which the proposal is based, may be obtained online at:

[Board of Governors Meetings Agenda](#)

or [Legal - Regulations](#).

Those who receive the Board of Governors Agenda package for the November 13-14, 2018 meeting can find a further description of the proposal and the full text of the regulations.

You may also request a copy of the proposal from the Regulations Coordinator using the contact information provided above.