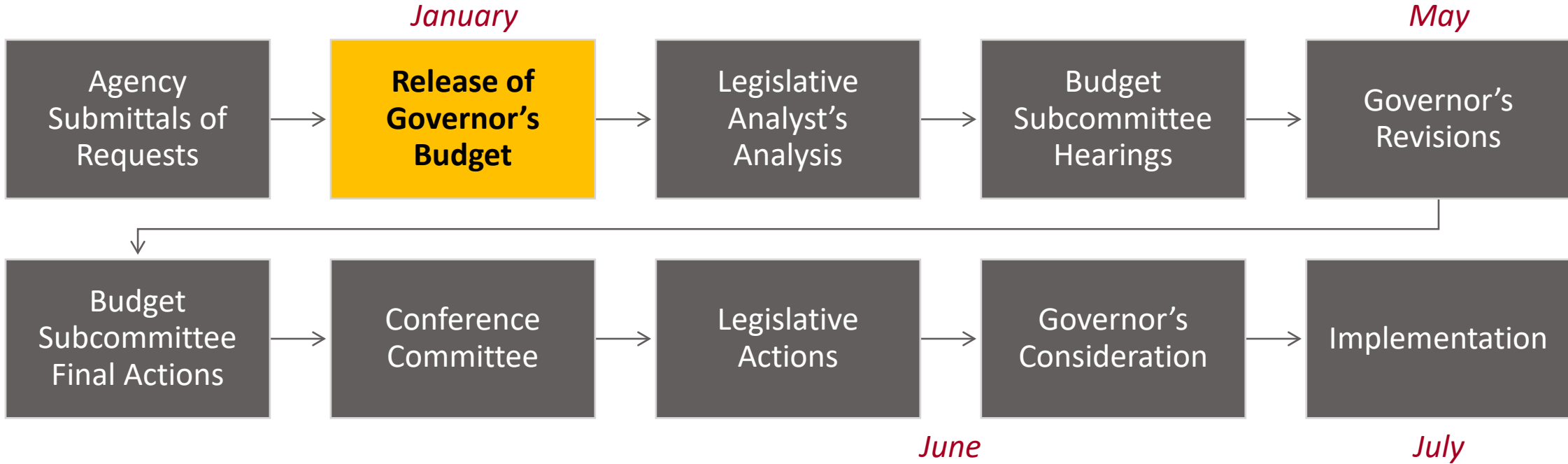


# **Governor's Proposed 2024-2025 Budget**

Business Services Team Meeting  
01/30/2024

# State Budget Development Process



# 2024-25 Proposed Budget Priorities

- **Maintain fiscal stability**
- **Continue efforts to address priority issues, such as:**
  - Homelessness
  - Combatting effects of climate change
  - Avoid harmful cuts in programs essential to the well-being of Californians

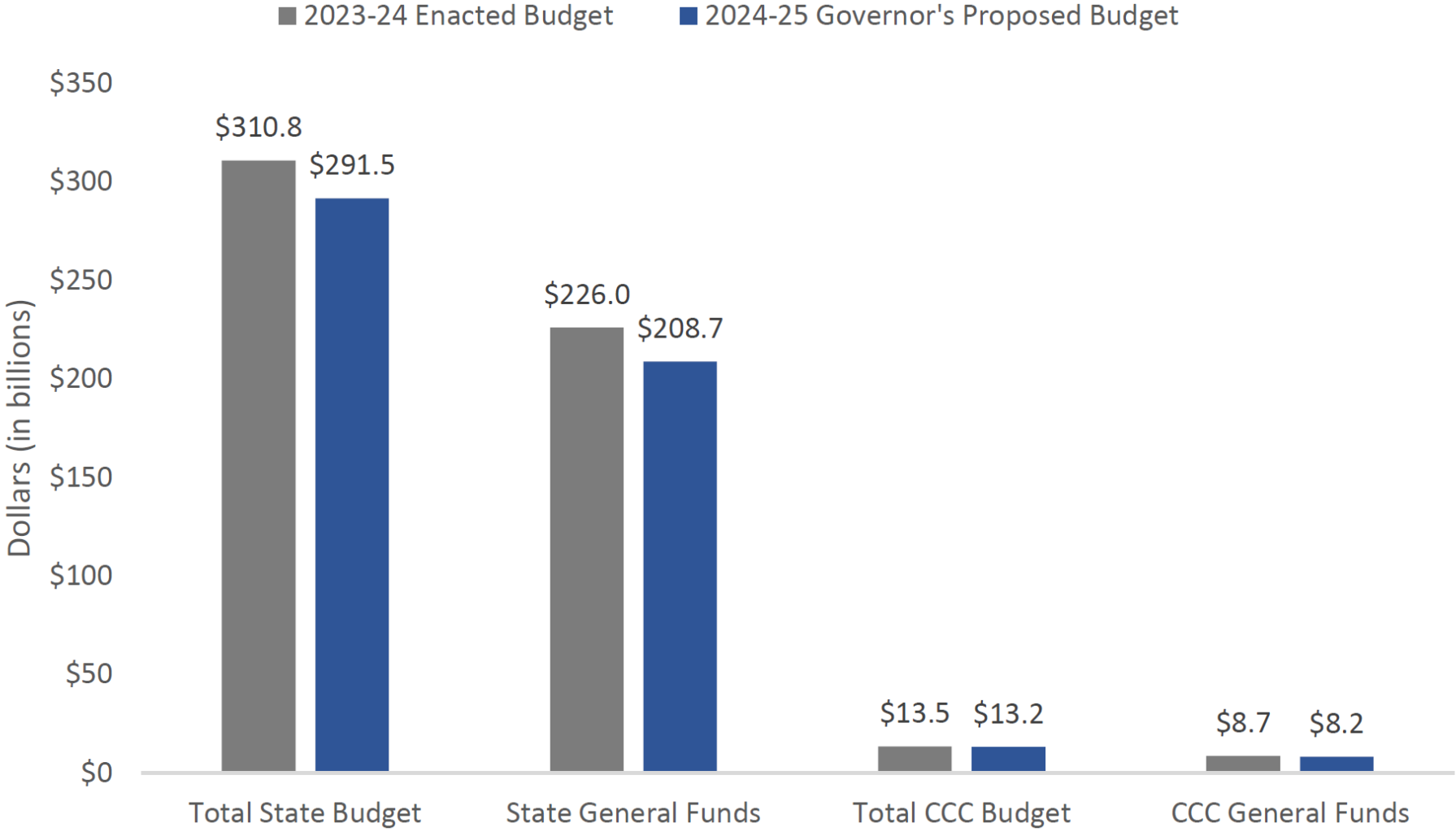
# 2024-25 Proposed Budget Features

- **Identifies developments over last two (2) years generating budget shortfall facing lawmakers:**
  - Substantial decline in the stock market that drove down revenues in 2022
  - Unprecedented delay in critical income tax collections
- **Projected \$37.9B budget gap**
  - Reserves (\$13.1B)
  - Reductions (\$8.5B)
  - Revenue/Internal Borrowing (\$5.7B)
  - Delays (\$5.1B)
  - Fund Shifts (\$3.4B)
  - Deferrals (\$2.1B)

# 2024-25 Proposed Budget Features

- **Notes improved conditions:**
  - Stock market rose throughout 2023 making up most losses from 2022
  - California's GDP remained strong in 2023
- **Identifies potential risk factors that could negatively impact ongoing economic & revenue growth:**
  - Significant shock from tightening financial conditions
  - Stock market and asset price volatility and declines
  - Geopolitical turmoil

# 2024-25 Proposed Budget vs. 2023-24 Enacted Budget



# Proposition 98 Funding by Source (In Millions)

Source	2022-23 Revised	2023-24 Revised	2024-25 Proposed	Change From 2023-24 (Amount)	Change From 2023-24 (Percent)
<b>ALL PROPOSITION 98 PROGRAMS</b>					
General Fund	\$68,563	\$74,633	\$76,894	\$2,261	3.0%
Local property tax	29,742	30,953	32,185	1,232	4.0%
<b>Totals</b>	<b>\$98,306</b>	<b>\$105,586</b>	<b>\$109,050</b>	<b>\$3,493</b>	<b>3.3%</b>
<b>COMMUNITY COLLEGES ONLY <sup>a</sup></b>					
General Fund	\$7,634	\$8,189	\$8,193	\$4	0.0%
Local property tax	3,860	4,036	4,210	175	4.3%
<b>Totals</b>	<b>\$11,494</b>	<b>\$12,225</b>	<b>\$12,403</b>	<b>\$179</b>	<b>1.5%</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.

# CCC Student Centered Funding Formula (SCFF)

## Statewide SCFF, \$9,463.13M

- **0.76% COLA, \$69.15M**
- **0.5% Growth, \$29.59M**
- **\$486.2M of SCFF costs (approx. 5.14%) for 2024-25 covered by *one-time* reserve funds**
- **\$235.9M in *one-time* reserve funds added for 2023-24 to offset low revenues bringing total *one-time* funding for 2023-24 SCFF funding to \$525.9M**



# CCC Other Statewide Policy Adjustments

- **Ongoing Investments:**

- **0.76% COLA** for Adult Ed., EOPS, DSPS, CalWORKS, Mandates Block Grant, Apprenticeship, CARE, & Childcare Tax Bailout
- **\$0.65M** increase Mandates Block Grant & Reimbursements
- **\$50.0M** increase to Student Success Completion Grant
- **\$1.53M** increase to Financial Aid Administration

- **One-time Investments:**

- **\$60.0M** to expand nursing program capacity

# Questions?