

# **Governor's Proposed 2024-25 Budget**

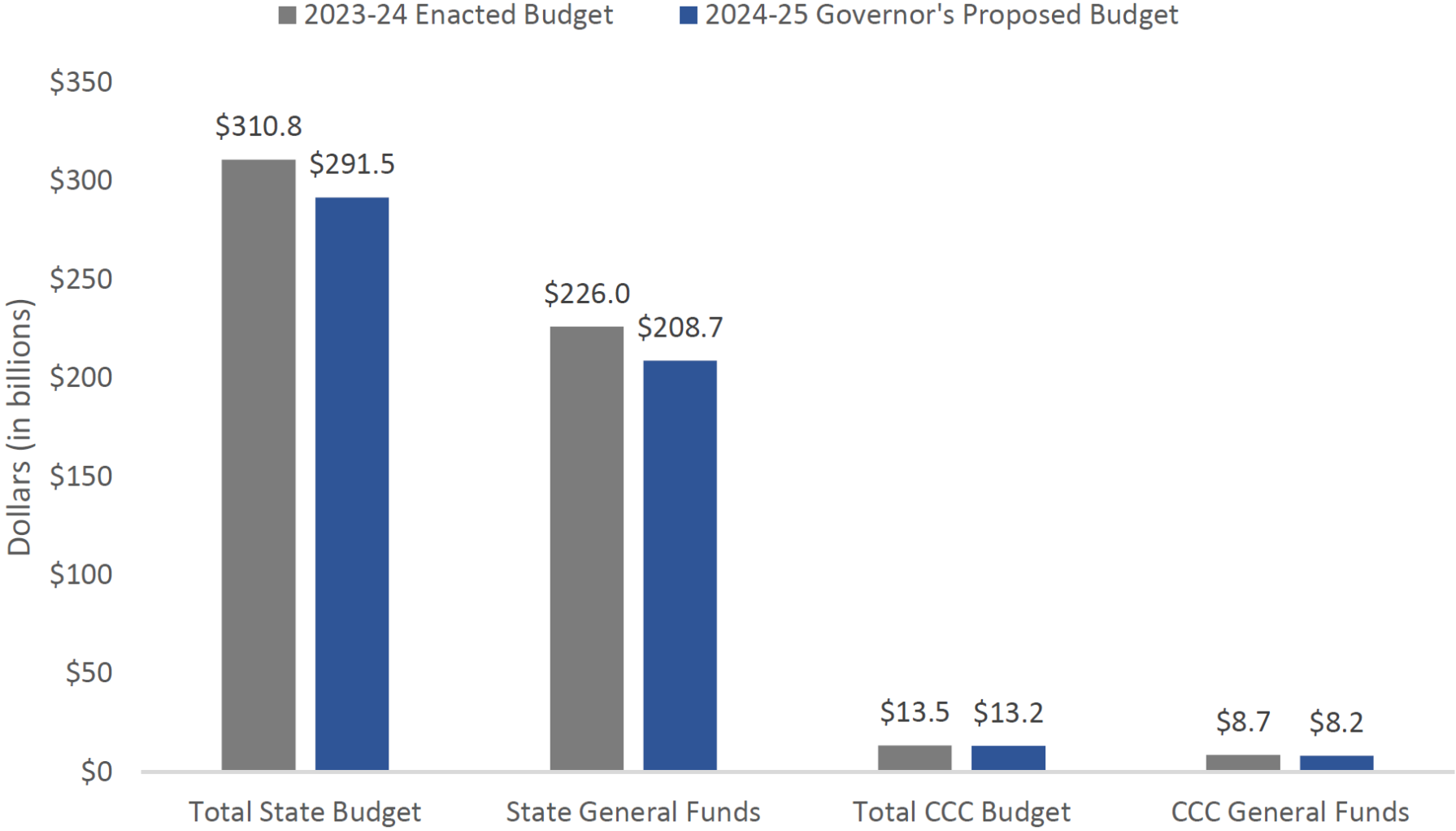
Budget Development Kick-Off Meeting  
03/22/2024

# 2024-25 Proposed Budget Features

- Revenue projections predicated on “continued, but slowing economic growth and does not assume a recession” [1, p. 145]
- **Projected \$37.9B budget gap** [1, pp. 5-7]
  - 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 vs. 2023-24 Enacted Budget



[2, p. 3]

# 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%
Totals	\$98,306	\$105,586	\$109,050	\$3,493	3.3%

[2, p. 6]

- Revised represent a decrease relative to the 2023 Budget Act levels:
  - 2022-23: \$107,358M; approximately \$9,052M decrease
  - 2023-24: \$108,311M; approximately \$2,725M decrease [3, p. 6]
- Governor proposes funding maneuver to address \$8B of 2022-23 shortfall:
  - No changes to funds already distributed on a cash basis
  - Delays recognition of these payments over several fiscal years beginning in 2025-26 [4, p. 2]

# 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>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>

[2, p. 6]

- Revised represent a decrease relative to the 2023 Budget Act levels:
  - 2022-23: \$12,331M; approximately \$837M decrease
  - 2023-24: \$12,456M; approximately \$231M decrease

[3, p. 6]

- Virtually all Proposition 98 change for community colleges predicated on an increase in local property tax collection.

# CCC Student Centered Funding Formula (SCFF)

## Statewide 2024-25 SCFF: \$9,460M [2, p. 8]

- **0.76% COLA, \$69.15M** [1, p. 30] [2, p. 7]
- **0.5% Growth, \$29.59M** [1, p. 30] [2, p. 7]
- **\$486.2M of SCFF costs (approx. 5.14%) for 2024-25 covered by *one-time* reserve funds** [1, p. 30] [2, p. 6]

## Statewide 2023-24 SCFF Adjustment [1, p. 30] [2, p. 6]

- **\$235.9M in *one-time* reserve funds added to offset low revenues bringing total *one-time* funding for 2023-24 SCFF 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 [1, p. 30] [2, p. 7]
- **\$0.65M** increase Mandates Block Grant & Reimbursements [2, pp. 7, 11]
- **\$50.0M** increase to Student Success Completion Grant [2, p. 11]
- **\$1.53M** increase to Financial Aid Administration [2, p. 7]

- **One-time Investments:**

- **\$60.0M** to expand nursing program capacity [1, p. 30] [2, p. 7]

# Outlook

- **Current Data Challenge Governor's Budget Assumptions** [5, pp. 1-2]
  - CA's unemployment rate rose to 5.2% in January 2024
  - Statewide median sale price of existing single-family home decreased to \$788,940 in January 2024
  - 2023-24 year to date State General Fund revenues 4.3% below forecast largely attributable to shortfalls in personal income and corporate taxes
- **Governor's General Fund Multiyear Forecast predicts sizable deficits continuing after 2024-25** [6, p. 1]
  - \$36.5B for 2025-26
  - \$30.2B for 2026-27
  - \$28.5B for 2027-28



# Budget News on MSJC Homepage

Budget News Link  
[www.msjc.edu](http://www.msjc.edu)



The screenshot shows the MSJC homepage with a navigation bar at the top containing links for About, Athletics, Performing Arts, Board of Trustees, Employment, Give, Student Support Hub, and an Enroll Now button. Below the navigation is a large banner for the 60th anniversary (1963-2023) with the MSJC logo. The main content area features a 'Succeed online.' banner with an image of a student on a laptop and text listing services like Financial Aid, Enrollment Services, Counselors, and Document Submission. Below this is a section for 'MSJC Events' with three scheduled events: a Scholars' Workshop | Internship at 11:00 AM on Feb 8, a FAFSA/CADAA Application Workshop at 3:00 PM on Feb 8, and a Babson Financial Literacy Project | Building A Financial Plan For College at 3:30 PM on Feb 8. A 'Budget News' link is located at the bottom of the events section. To the right of the events is a 'my MSJC' sidebar with icons for Self-Service, Canvas, Student Support Hub, Library, Student Email, MSJC Career Coach, Account Management, and For Faculty & Staff. A 'Late-start classes begin in March.' banner is also visible.

# Sources

- [1] Governor's Budget Summary – 2024-25  
<https://ebudget.ca.gov/2024-25/pdf/BudgetSummary/FullBudgetSummary.pdf>
- [2] Joint Analysis: Governor's January Budget  
[https://www.cccco.edu/-/media/CCCCO-Website/docs/report/2024\\_Joint-Analysis-Governors-Budget.pdf?la=en&hash=869B806DA3DBEE3BD6662BD8CF8D1D2518A25525](https://www.cccco.edu/-/media/CCCCO-Website/docs/report/2024_Joint-Analysis-Governors-Budget.pdf?la=en&hash=869B806DA3DBEE3BD6662BD8CF8D1D2518A25525)
- [3] Joint Analysis: Enacted 2023-24 Budget  
[https://www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Joint-Analysis-Enacted-Budget-2023-24\\_Final.pdf](https://www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Joint-Analysis-Enacted-Budget-2023-24_Final.pdf)
- [4] The 2024-25 Budget: The Governor's Proposition 98 Funding Maneuver  
<https://lao.ca.gov/reports/2024/4840/Governors-Prop-98-Funding-Maneuver-021524.pdf>
- [5] DOF Finance Bulletin: March Release  
<https://dof.ca.gov/wp-content/uploads/sites/352/2024/03/Finance-Bulletin-March-2024.pdf>
- [6] 2024-25 Governor's Budget General Fund Multiyear Forecast  
<https://ebudget.ca.gov/reference/MultiYearProjection.pdf>