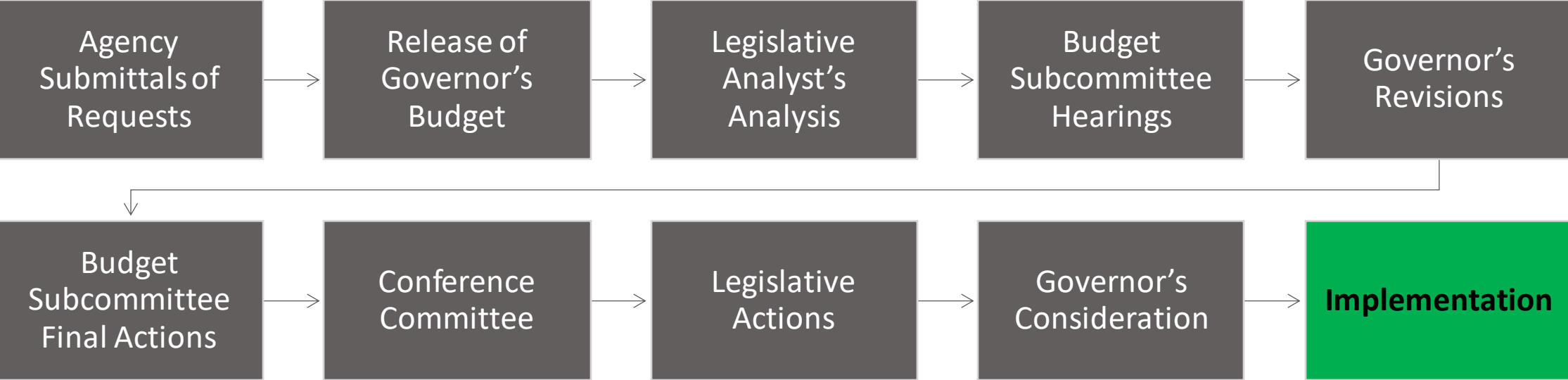


# **Enacted State Budget FY 2023-2024**

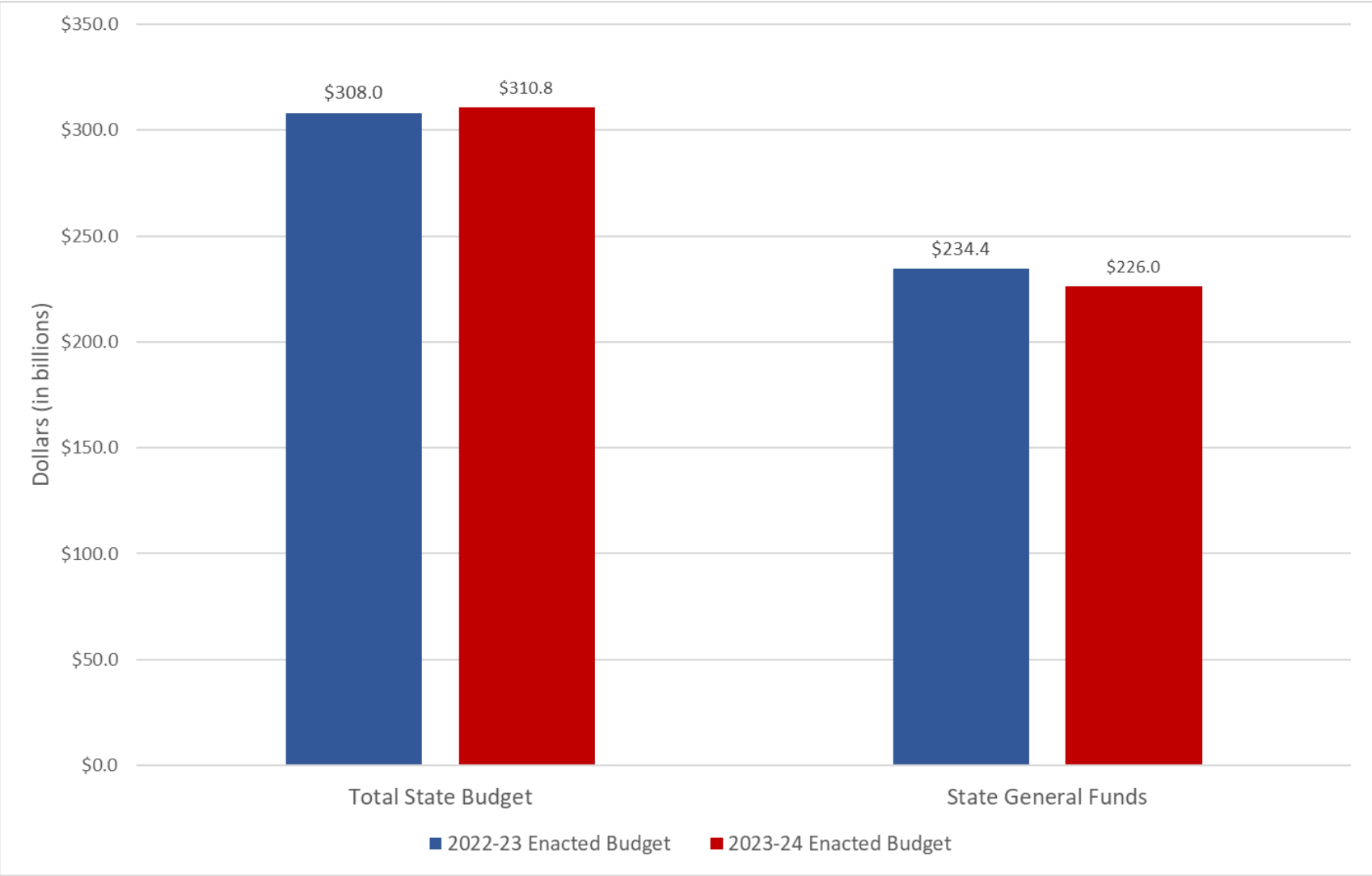
Board of Trustees Meeting  
August 10, 2023

**MSJC** | Mt. San Jacinto  
College

# State Budget Development Process



# State Enacted Budget: 2023-2024 vs. 2022-2023



[5, p. 3]

# 2023-2024 State Enacted Budget Features

- **Prioritizes education, health care, affordable housing, *transit*, climate, *public safety*, and *infrastructure*** [4, pp. 2-3]
- **\$37.8B in total budgetary reserves** [4, p. 4]
  - \$22.3B: Budget Stabilization Account
  - \$10.8B: Public School System Stabilization Account
  - \$0.9B: Safety Net Reserve
  - \$3.8B: Special Fund for Economic Uncertainty
- **Projected \$31.74B budget gap** [4, p. 2]
  - \$8.1B: Reductions/Pullbacks
  - \$0.34B: Trigger Reductions
  - \$7.9B: Delayed Spending
  - \$9.3B: Fund Shifts
  - \$6.1B: Revenue Generation/Borrowing

# Proposition 98 Funding by Source (In Millions)

Source	2021-22 Enacted	2022-23 Enacted	2023-24 Enacted	Change From 2022-23	Percent Change
General Fund	\$ 8,678	\$ 8,544	\$ 8,453	\$ (91)	-1%
Local property tax	3,515	3,787	4,003	216	6%
<b>Totals<sup>a</sup></b>	<b>\$ 12,193</b>	<b>\$ 12,331</b>	<b>\$ 12,456</b>	<b>\$ 125</b>	<b>1%</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.

[5, p. 6]

# CCC Student Centered Funding Formula (SCFF)

## Statewide SCFF, \$9.4B [5, p. 9]

- **8.22% COLA**, \$678M [4, p. 22] [5, p. 7]
- **0.5% Growth**, \$26.4M [4, p. 23] [5, p. 7]
- **\$290M of SCFF costs for 2023-24 covered by *one-time* Proposition 98 funds** [4, p. 23]

# CCC Other Ongoing Statewide Policy Adjustments

- **8.22% COLA** for Adult Ed., EOPS, DSPS, CalWORKS, NextUp, Basic Needs Centers, MESA, Mandates Block Grant, CARE, Mental Health Services, Rapid Rehousing, Puente, Veterans Resource Centers, Umoja, Childcare Tax Bailout, & Apprenticeship [4, p. 23] [5, pp. 7-8]
- **\$0.2M** for FCMAT Professional Learning Opportunities [5, p. 8]
- **-\$50.0M** enrollment-based reduction to Student Success Completion Grant [5, p. 8]
- **-\$3.1M** enrollment-based reduction to Financial Aid Administration [5, p. 8]

# CCC One-Time Statewide Policy Adjustments

- **\$14M** for **Workforce Training Grants** [5, p. 8]
- **\$4.2M** for **Equal Employment Opportunity Program** [5, p. 8]
- **\$0.1M** for **FCMAT Professional Learning Opportunities** [5, p. 8]
  
- **-\$494.3M (net) for Deferred Maintenance**
  - **-\$500M** to Prior Year Funding for Deferred Maintenance & Instructional Support [5, p. 8]
  - **\$5.7M** to Current Year Deferred Maintenance [5, p. 8]
  
- **-\$5.4M (net) to support Retention & Enrollment Strategies**
  - **-\$55.4M** to Prior Year Funding for Retention & Enrollment Strategies [5, p. 8]
  - **\$50M** to Current Year Funding for Retention & Enrollment Strategies [5, p. 8]



# Funding Use Flexibility

**Budget consolidates and creates a flexible block grant that can be spent for any of the purposes of the following grants:**

- Deferred Maintenance
- Retention & Enrollment
- COVID-19 Response Grant

**Budget expands eligible uses of Strong Workforce Program funding to provide funds to students to cover fees for third-party certification & licensing.**

[4, p. 23][5, p. 11]

# Projected Local Impacts of 2023-2024 Enacted State Budget

- **2022-2023 Deferred Maintenance & Instructional Support reduced 59.48% to \$4,099,575 from \$10,117,155 originally allocated – a \$6,017,580 cut to MSJC [9, p. 4]**
- **2022-2023 Retention & Enrollment Outreach reduced 41% to \$734,459 from \$1,244,955 originally allocated – a \$510,496 cut to MSJC [9, p. 6]**
- **Implicit budget cuts to categorical programs not receiving COLA**
- **Recognition of a portion of our 2023-2024 SCFF Deficit Adjusted TCR as one-time revenue due to state budget using one-time resources to fund SCFF**

# Projected Local Impacts of 2023-2024 Enacted State Budget

- **Fallout from Education Protection Account (EPA) Revenue Shortfalls**

- 2022-23 state budget revenues of \$1,433M fell short \$930M [10, p. 2]
- Resulted in “point-in-time revenue deficit” for MSJC at P2 [7, p. 1]

Available Revenue	\$	90,628,227	
2022-23 TCR (Max of A, B, or C)		101,631,874	
10.8270%	Revenue Deficit	\$	(11,003,647) [6, p. 71]

- SB 117 Higher Education Trailer Bill, enacted July 2023, provides general fund revenues to offset the decrease in 2022-23 EPA funding. [8, p. 5][10, p. 2]
- “The deficit factor for each district is estimated to be reduced from 10.83% to 0.96% based on 2022-23 P2 data.” [8, p. 5]
- **2023-24 state budget predicated on EPA revenues of \$1,546M** [10, p. 2]
- **2023-24 Advance Apportionment deficit of \$2,535,112 (2.2926%)** [11, p. 3]

# Questions?

# Sources

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- [5] CCC, ACBO, ACCCA, CCLC Joint Analysis – Enacted 2023-24 Budget  
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- [6] CCC 2022-23 P2 Exhibit C Report  
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- [7] 06/28/2023 CCCCO Memorandum: 2022-23 Second Principal & 2021-22 Recalculation Apportionment  
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- [8] 07/21/2023 CCCCO Memorandum: 2023-24 Advance Apportionment  
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- [10] California State Budget: 2023-24 – 6870 CCC Board of Governors Detail of Appropriations & Adjustments  
<https://ebudget.ca.gov/2023-24/pdf/Enacted/GovernorsBudget/6000/6870RWA.pdf>
- [11] CCC 2023-24 Advance Apportionment Exhibit R Report  
<https://www.cccco.edu/-/media/CCCCO-Website/docs/apportionment/2023-24-ad-exhibitr.pdf?la=en&hash=8A751CAD34941A7ED5A9930F2D2CFB677678F6F0>