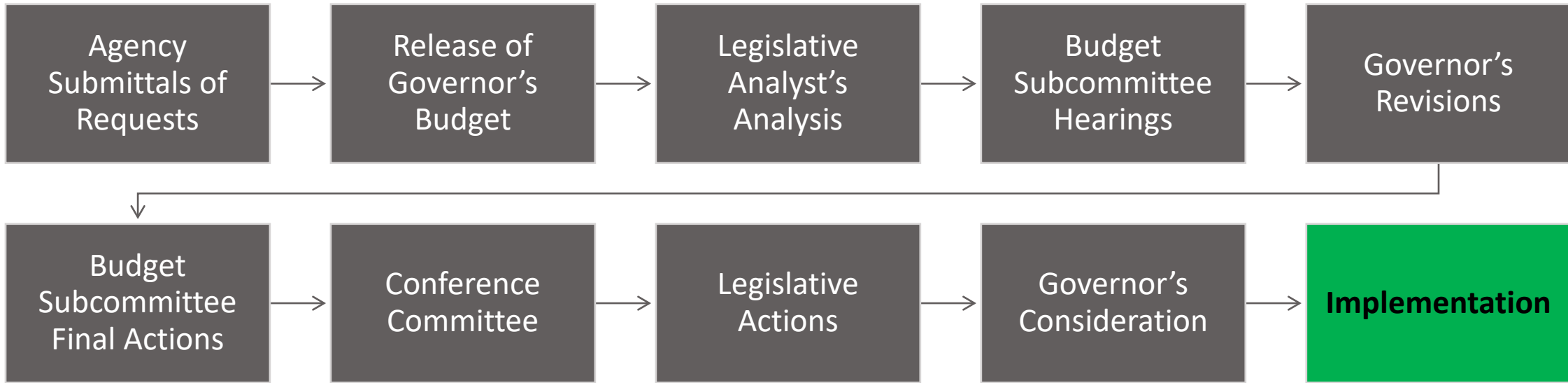


Enacted State Budget FY 2024-25

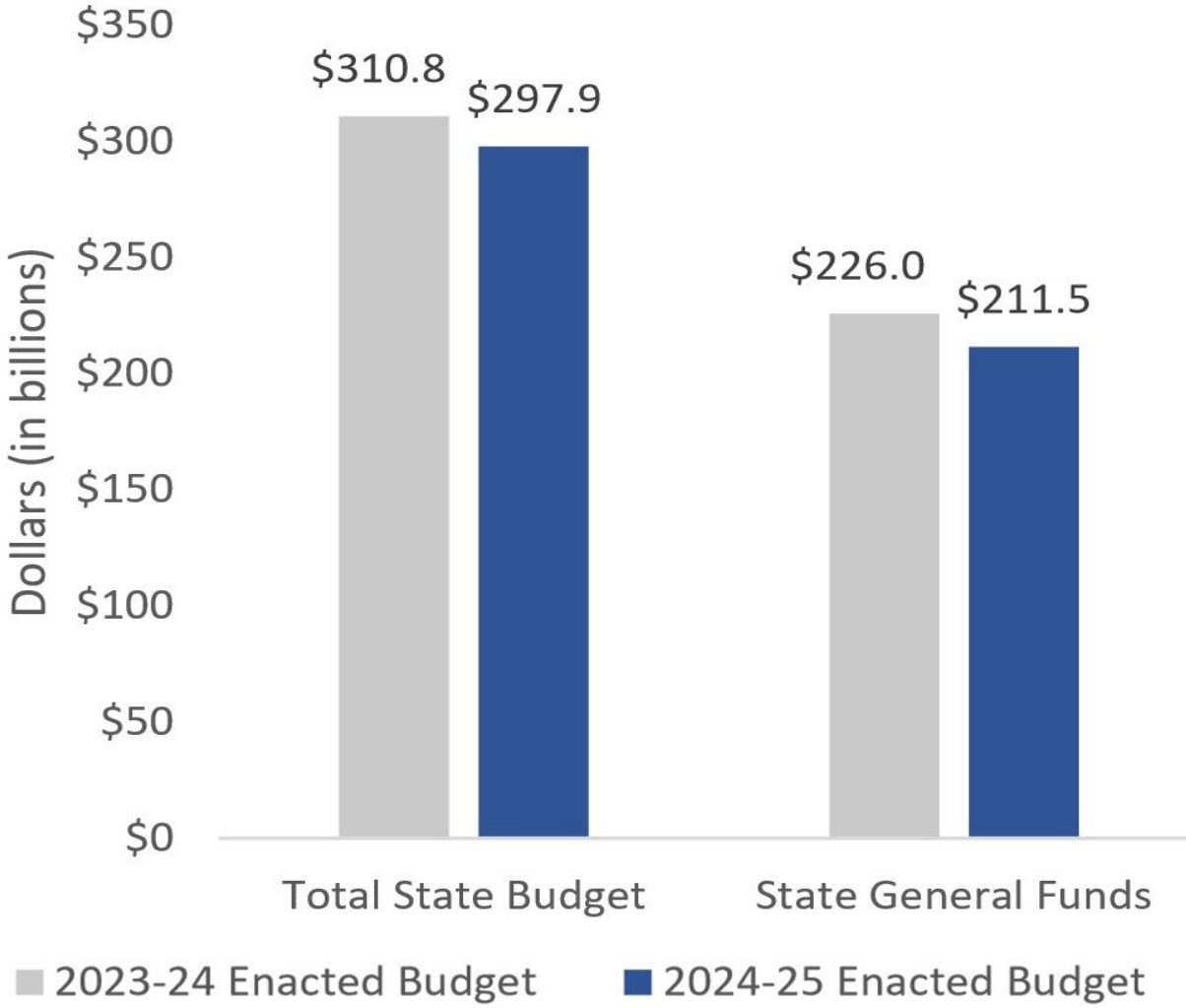
Budget Committee
September 5, 2024

MSJC | Mt. San Jacinto
College

State Budget Development Process



2024-25 vs. 2023-24 Enacted Budget



[2, p. 3]

2024-25 California State Budget Features

- **Proposes legislation requiring the state to set aside a portion of anticipated surplus funds to be allocated in a subsequent Budget Act so that state does not commit revenues until they have been realized** [1, p. 1]
- **Imposes Government Efficiency & Cost Saving Measures by reducing nearly all state departments' budgets beginning in 2024-25:** [1, pp. 101-102]
 - Vacant Position Funding Reduction & Elimination of Positions: \$1.5B savings in 2024-25 and the elimination of approximately 10,000 positions starting in 2025-26 and ongoing
 - State Operations Ongoing Reductions: 7.95% reduction across-the-board beginning in 2024-25
- **Solve a \$46.8B deficit through a mix of solutions:** [1, pp. 2-4]
 - Reductions: \$16B
 - Revenue/Internal Borrowing: \$13.6B
 - Reserves: \$6B
 - Fund Shifts: \$6B
 - Delays/Pauses: \$3.1B
 - Deferrals: \$2.1B

Proposition 98 Funding by Source (In Millions)

Minimum Guarantee	2022-23	2023-24	2024-25	Change From 2023-24	Percent Change
General Fund	\$73,946	\$67,094	\$82,613	\$15,519	23%
Local property tax	29,774	31,389	32,670	1,281	4%
Totals ^a	\$103,720	\$98,484	\$115,283	\$16,800	17%

^aOf the \$103.7 billion for 2022-23, the 2024 Budget Act accrues approximately \$6.2 billion of the state's general fund costs to the 2026-27 through 2035-36 fiscal years for budgetary and financial reporting purposes. [2, p. 7]

- Depletes Public School System Stabilization Account by withdrawing \$8.4B to cover costs for 2023-24; projects contributions of approximately \$1.1B over the 2024-25 fiscal year [1, p. 12]
- Suspends Proposition 98 minimum guarantee for 2023-24 creating a maintenance factor obligation of approximately \$8.3B [1, p. 12]

CCC Student Centered Funding Formula (SCFF)

- **Statewide SCFF, \$9.57B** [2, p. 13]
 - 1.07% COLA, \$100.22M [1, p. 23][2, p. 8]
 - 0.5% Growth, \$28.1M [1, p. 23][2, p. 8]
 - Includes \$22.1M one-time Proposition 98 General Fund Support [1, p. 23]
- **Budget reflects deferrals to SCFF:** [1, p. 23][2, p. 7]
 - \$446.4M deferred from 2023-24 to 2024-25
 - **\$243.7M deferred from 2024-25 to 2025-26**

CCC Other Ongoing Statewide Policy Adjustments

- **1.07% COLA for Adult Ed., EOPS, DSPS, Apprenticeship, CalWORKS, Mandates Block Grant, CARE, Childcare Tax Bailout** [1, p. 23][2, p. 8]
- **\$1.93M for Financial Aid Administration Adjustments** [2, p. 8]

CCC One-Time Statewide Policy Adjustments

- **Strong Workforce Program Reprogramming**
 - **General Allocation: (\$65M)** [2, p. 8]
 - **Nursing Infrastructure Grant: \$60M** [1, p. 24][2, p. 8]
 - **Pathways for Low-Income Workers: \$5M** [1, p. 24][2, p. 8]
- **\$20M to Support Campus Financial Aid Offices** [1, p. 24][2, p. 8]
- **\$12M to Support E-Transcript California Development & Integration** [1, p. 24][2, p. 8]
- **\$6M for Mapping Pathways for Credit for Prior Learning** [1, p. 24][2, p. 8]

Questions?

Sources

- [1] Newsom, Gavin; Governor. California State Budget: 2024-25
<https://ebudget.ca.gov/2024-25/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>

- [2] CCC, ACBO, ACCCA, CCLC Joint Analysis – Enacted 2024-25 Budget
<https://www.cccco.edu/-/media/CCCCO-Website/docs/report/2024-joint-analysis-enacted-budget-a11y.pdf?la=en&hash=43144455FF416E10D3B68007AA34582948DA51A4>