

2023/2024 Governor's January Budget Summary

On January 10, 2023, Governor Newsom released his budget proposal for the 2023-24 fiscal year.

- Under the proposal, the overall state budget would be lower than in 2022-23 by about 3% lower
- General Fund spending would decrease by over \$10 billion – 4.6% lower
 - Due to substantial decline in the share of personal income tax revenues from capital gains
- The Governor's budget projects a deficit of \$22.5 billion for 2023-24, slightly lower than LAO's projection of \$25 billion deficit
- The Governor's budget includes \$18 billion in budget solutions:
 - Most spending solutions are delays, reduction, and trigger restoration that would restore the funds in 2024 if sufficient General Fund revenues are available
- The budget proposal for CCC continues to be shaped by the **Roadmap for the Future**, to advance equity, student success and the prepare students for the future.

Ongoing Funding include:

- \$652.6M: 8.13% Cost-of-living adjustment (COLA) for Student-Centered Funding Formula
- \$28.8M: 0.5% enrollment growth
- \$92.5M: 8.13% COLA for selected categorical programs and the Adult Education program
 - For EOPS, DSPS, CalWORKs, and CARE
 - No COLA for SEAP, Strong Workforce Program, Promise (AB19), Foster Youth (Nextup)

One-time Funding include:

- \$200M: Student retention and enrollment efforts to increase student retention and enrollment
- **-\$213M:** Offset by reduction to prior year deferred maintenance funds (25%)
- \$14M: Workforce Training grants focused on meeting workforce needs to fight wildfires
- \$143.8M: Capital outlay funds to support construction phase
 - Cuyamaca College - \$15.9M for Instructional F Building

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District Revenue Protections

- The 2021 Budget Act extended the SCFF hold harmless provision through 2024-25
- Districts will earn at least their 2017-18 funding adjusted by COLA each year
- The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district's 2024-25 funding representing its new "floor".
- Starting in 2025-26, districts will be funded at their 2024-25 funding amount. This revised hold harmless provision **will no longer** include any COLA
- Districts will not receive any new revenue unless the SCFF calculation is higher than the new floor (base funding).
- 92% of Unrestricted General Fund revenues for the district comes from the SCFF
- Approximately \$5 million is the district's increased cost every year

Dual Enrollment

- The Governor's budget proposal requests community colleges establish dual enrollment agreements with all applicable local educational agencies within their community college districts' service area.
- In addition, it requests that all community colleges develop and offer a one-unity service-learning course that all high school students can access through dual enrollment.
- These service-learning opportunities would serve to encourage and enable high school students to volunteer in their local communities and to participate in civic engagement.