

# Governor's 2024-25 Budget Proposal

Dr. Nathaniel Jones III, Interim  
Vice Chancellor, Finance &  
Administration

Mr. Dave Vigo, Budget Director

## GOVERNOR'S BUDGET SUMMARY

Gavin Newsom, Governor  
STATE OF CALIFORNIA



2024-25



# Economic Outlook

- \$37.9B Deficit (DOF)
- \$68B Deficit (LAO)
- Deficit due to lower than projected revenues (Market volatility/Tax filing extension)
- State reserves available to mitigate some of the revenue short fall
- Future characterized by risk & uncertainty



# Governor's Strategy for Addressing \$37.9B Revenue Shortfall

---

---

Reserves—\$13.1 billion. The budget draws upon funds from the state's reserves.

---

Reductions—\$8.5 billion. The budget reduces funding for various items.

---

Revenue/Internal Borrowing—\$5.7 billion. The budget includes support from revenue sources and borrows internally from special funds.

---

Delays—\$5.1 billion. The budget delays funding for multiple items and spreads it across the three-year period, beginning in 2025-26, without reducing the total amount of funding through this period.

---

Fund Shifts—\$3.4 billion. The budget shifts certain expenditures from the General Fund to other funds.

---

Deferrals—\$2.1 billion. The budget defers specific obligations to the 2025-26 fiscal year.

---



# Higher Education

## Higher Education Expenditures

(Dollars in Millions)

	2022-23	2023-24	2024-25	Change from 2023-24	
				Dollars	Percent
University of California					
Ongoing General Fund	4,377.0	4,722.2	4,739.3	\$17.1	0.4%
One-Time General Fund	532.5	148.0	1.1	-	-
Total Funds <sup>1/</sup>	\$10,398.4	\$10,560.3	\$10,643.5	\$83.2	0.8%
California State University					
Ongoing General Fund	5,041.1	5,409.1	5,472.8	\$63.7	1.2%
One-Time General Fund	268.4	35.5	0.0	-	-
Total Funds <sup>1/</sup>	\$8,600.4	\$8,713.6	\$8,914.4	\$200.7	2.3%
California Community Colleges					
General Fund & Property Taxes	12,148.2	12,991.9	13,566.2	\$574.3	4.4%
Total Funds <sup>2/</sup>	\$21,091.1	\$21,255.3	\$21,611.3	\$355.9	1.7%
California Student Aid Commission					
General Fund <sup>3/</sup>	2,880.5	3,055.2	2,946.9	(\$108.3)	-3.5%
Total Funds	\$3,299.8	\$3,481.3	\$3,373.3	(\$108.1)	-3.1%
<b>General Fund</b>	<b>\$25,247.8</b>	<b>\$26,361.9</b>	<b>\$26,726.3</b>	\$364.3	1.4%
<b>Total Funds</b>	<b>\$43,389.8</b>	<b>\$44,010.6</b>	<b>\$44,542.4</b>	\$531.8	1.2%

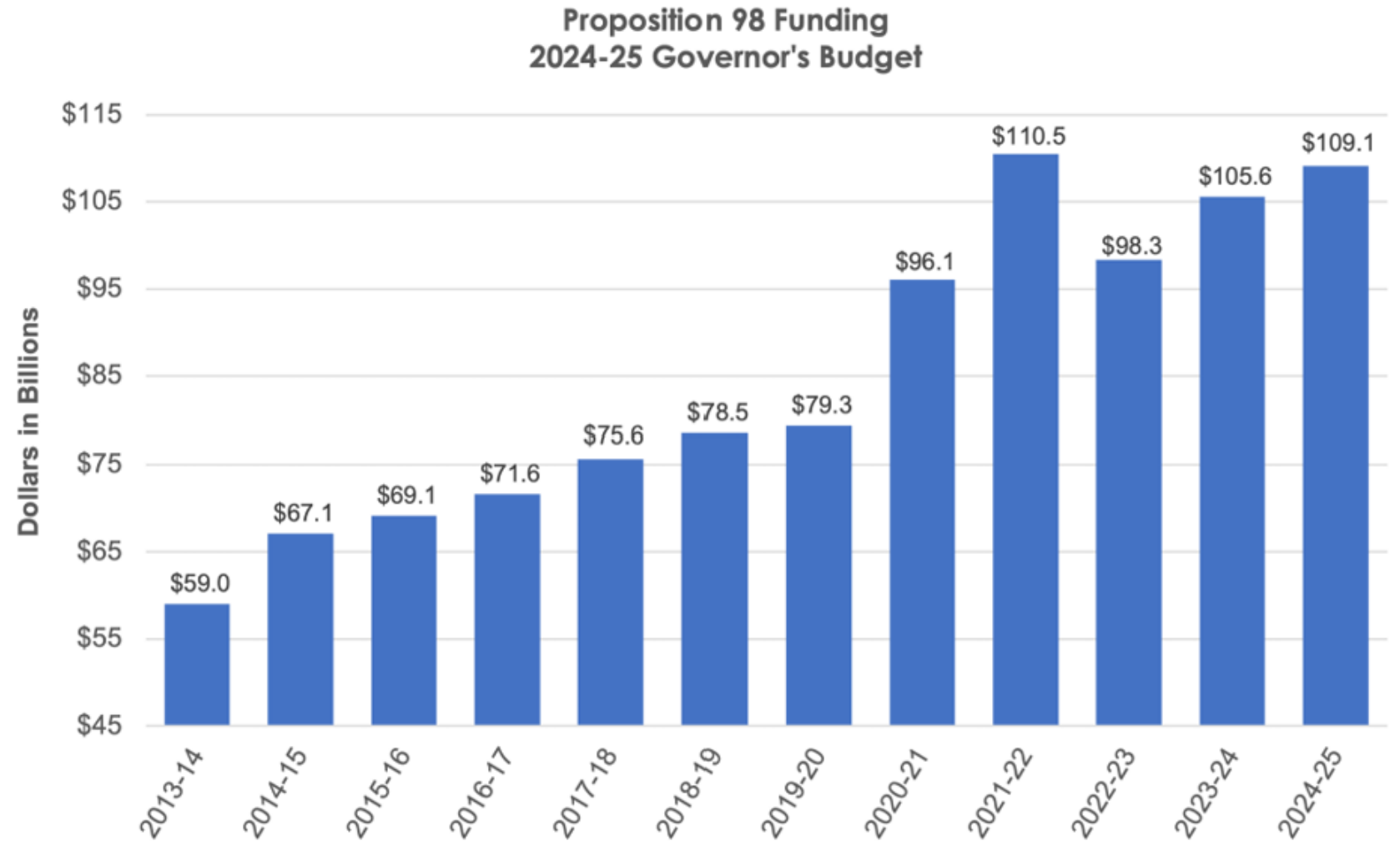
<sup>1/</sup> These totals include tuition and fee revenues and other funds the universities report as discretionary.

<sup>2/</sup> Withdrawals from the Public School System Stabilization Account are reflected in this row.

<sup>3/</sup> General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately \$400 million in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.



# Prop 98 Funding





# Key Budget Adjustments for Community Colleges

**CCC Apportionments**—An increase of \$69.1 million ongoing Proposition 98 General Fund to provide a 0.76-percent cost-of-living adjustment (COLA) for Student Centered Funding Formula apportionments and \$29.6 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.

**CCC Categorical Program COLA**—An increase of \$9.3 million ongoing Proposition 98 General Fund to provide a 0.76-percent COLA for select categorical programs and the Adult Education Program.

**K-14 Rainy Day Fund**—A withdrawal of roughly \$235.9 million in 2023-24, and \$486.2 million in 2024-25, to support Student Centered Funding Formula resource needs.

**Nursing Program Support**—An increase of \$60 million one-time Proposition 98 General Fund to expand nursing programs and Bachelor of Science in Nursing partnerships to develop, educate, and maintain the next generation of registered nurses through the community college system, subject to future statutory changes.





# CA Community College System

- \$69.15M cost-of-living adjustment (COLA) for Student Centered Funding Formula apportionments, at 0.76%
- Consistent with K-12 COLA
- \$29.6M ongoing Proposition 98 General Fund for 0.5% enrollment growth.

Adult Education Program	\$ 4.91
Extended Opportunity Programs and Services (EOPS)	\$1.40
Disabled Student Programs and Services (DPS)	\$1.31
APPRENTICESHIP (Community College Districts RSI)	\$.24
Calworks student services	\$.42
Mandates Block Grant and reimbursement	\$.94
Cooperative Agencies Resources for Education (CARE)	\$.25
Childcare tax bailout	\$.03
Adjustment for financial aid admin	\$1.53



# SCFF Proposed Rates

**Table 3: Proposed 2024-25 Student Centered Funding Formula Rates (rounded)**

Allocations	2023-24 P1 Rates <sup>a</sup>	Estimated Proposed 2024-25 Rates <sup>b</sup>	Estimated Change from 2023-24 (Amount)	Estimated Change from 2023-24 (Percent)
Base Credit <sup>a</sup>	\$5,238	\$5,278	\$40	0.76%
Incarcerated Credit <sup>a</sup>	7,346	7,402	56	0.76%
Special Admit Credit <sup>a</sup>	7,346	7,402	56	0.76%
CDCP	7,346	7,402	56	0.76%
Noncredit	4,417	4,451	34	0.76%
Supplemental Point Value	1,239	1,248	9	0.76%
Student Success Main Point Value	730	736	6	0.76%
Student Success Equity Point Value	184	186	1	0.76%
<b>Single College District</b>				
Small College	6,439,546	6,488,487	48,941	0.76%
Medium College	8,586,065	8,651,319	65,254	0.76%
Large College	10,732,581	10,814,149	81,568	0.76%
<b>Multi College District</b>				
Small College	6,439,546	6,488,487	48,941	0.76%
Medium College	7,512,806	7,569,904	57,097	0.76%
Large College	8,586,065	8,651,319	65,254	0.76%
Designated Rural College	2,048,172	2,063,738	15,566	0.76%
State Approved Centers	2,146,516	2,162,829	16,314	0.76%
<b>Grandparented Centers</b>				





# Public School System Stability Account

(\$10.8B)

Governor's plan withdrawals:

Roughly \$3 billion in 2023-24 and

\$2.7 billion in 2024-25

With a remaining PSSSA balance of more than **\$3.8 billion** at the end of 2024-25



# Nursing Program Funding



An increase of \$60 million one-time Proposition 98 General Fund to expand nursing programs and Bachelor of Science in Nursing partnerships



To develop, educate, and maintain the next generation of registered nurses through the community college system, subject to future statutory changes



Consistent with 2023-24 budget act which intended to provide \$60 million one-time Proposition 98 General Fund per year for five years, starting in the 2024-25 fiscal year



# Affordable Housing



Administration remains committed to a statewide lease revenue bond approach (Budget Summary, Higher Education, p. 30)



Developing a proposal for consideration at the May Revision



Proposes using resources included in the 2023 Budget to support those projects



# FY24-25 Budget Proposal Implications for PCCCD

- Governor's Proposed COLA - .76% (increases PCCCD General Fund Revenues by approx. \$1.12M)
- Salary COLA has to be .85% of State COLA currently at .76% (.646%) {\$900K}
- May need to cover salary/benefit cost increases for certain categorically funded positions



Questions?

