

# Governor's FY 2023-24 Proposed Budget



**Board of Trustees Meeting**

January 18, 2023

**Iris Ingram, Vice Chancellor, Business Services**

# Highlights

- \$297B in total spending
  - \$223.6B from General Fund
    - Slightly less than current year expenditures
    - No new funding priorities
    - Continued reliance on one-time expenditures
- No planned use of Reserves to cover shortfall
  - Will continue required increase to Rainy Day Fund
- Too early to predict economic outlook
  - More detail and explicit strategies to deal with projected shortfalls in MAY  
REVISE

# Budget Balancing Tactics

- Funding Delays = \$7.4 B
  - Multi-year investments will continue, but all/portion of funding will be delayed to budget out years
  - Overwhelmingly capital based, not service based
- Spending Reductions = \$5.7 B
  - Pulling back items primarily for the 2022 Budget Act
  - \$3B from the \$10B inflation resiliency included last year
- Fund Shifts = \$4.3 B
  - Using special funds for some expenditures rather than General Fund
  - Bonds to cash
- Trigger Reductions = \$3.9 B
  - Improvements in economic outlook will “trigger” lower reductions or no reductions
- Borrowing/Revenue increases = \$1.2B
  - Borrowing from special funds

# Impact on Community Colleges

- Increase of \$778 M to Prop 98
  - 2% increase
- \$652.6 M for COLA of 8.13% to apportionments
  - \$92.5 M for some categorical programs and Adult Education
- \$28.8 M to fund 0.5% Growth
- \$200 M in One-time funds
  - Reduces FY2023-24 spending for Student Housing from \$750M to \$500 M
  - Increase to workforce training grants (CalFIRE) of \$14 M

# What's Next?

- Hearings and meetings in February – March
  - Senate Budget Subcommittee
  - Assembly Budget Subcommittee
- May Revise
- June 12, 2023 Tentative Budget approval by RSCCD Board of Trustees
- June 15, 2023 deadline for Legislature to approve State Budget

# Specific Community Colleges Funding Proposals

- \$9.1 billion – Student Centered Funding Formula (an estimated increase of 4.2% over last year)
- \$651.7 million – Adult Education Program (increase due to COLA)
- \$524 million – Student Equity and Achievement Program
- \$412.6 million – Student Success Completion Grant
- \$290.4 million – Strong Workforce Program
- \$200.5 million – Part-time Faculty Health Insurance
- \$182.9 million – Extended Opportunity Programs and Services (increase due to COLA)
- \$172.7 million – Disabled Students Programs and Services (increase due to COLA)
- \$150 million – Full-time faculty hiring
- \$91.2 million – California College Promise
- \$89.5 million – Integrated technology
- \$81.6 million – Financial aid administration
- \$73.9 million – Apprenticeship (increase due to COLA)
- \$55 million – CalWorks student services (increase due to COLA)
- \$50 million – NextUp foster youth program