



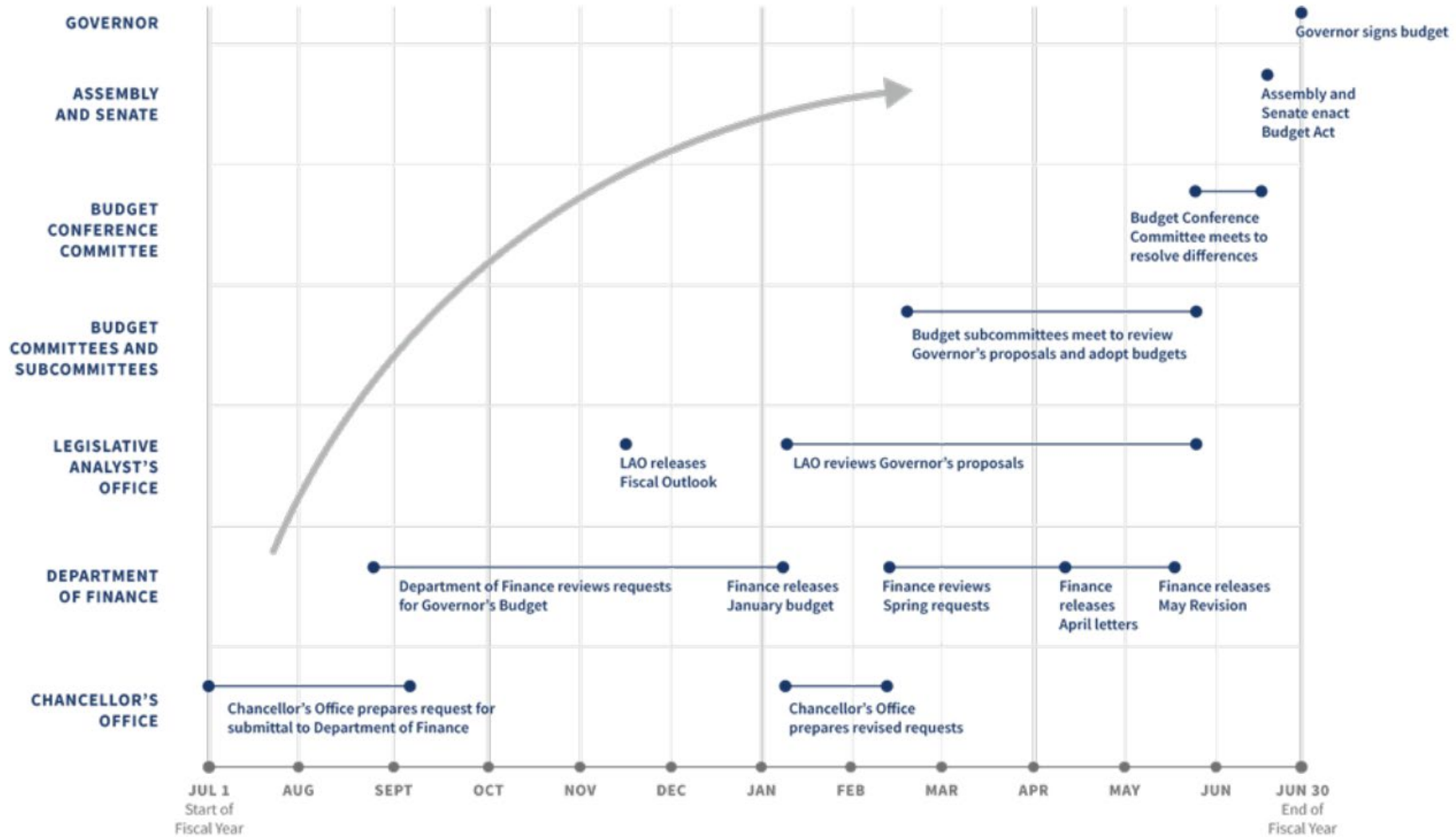
2023-24 Governor's January Budget Proposal Update

Planning and Budget Council Meeting
February 01, 2023

- Sequence of the Annual Budget Process
- Economic and Budget Conditions
- Budget Changes
- Higher Education Update



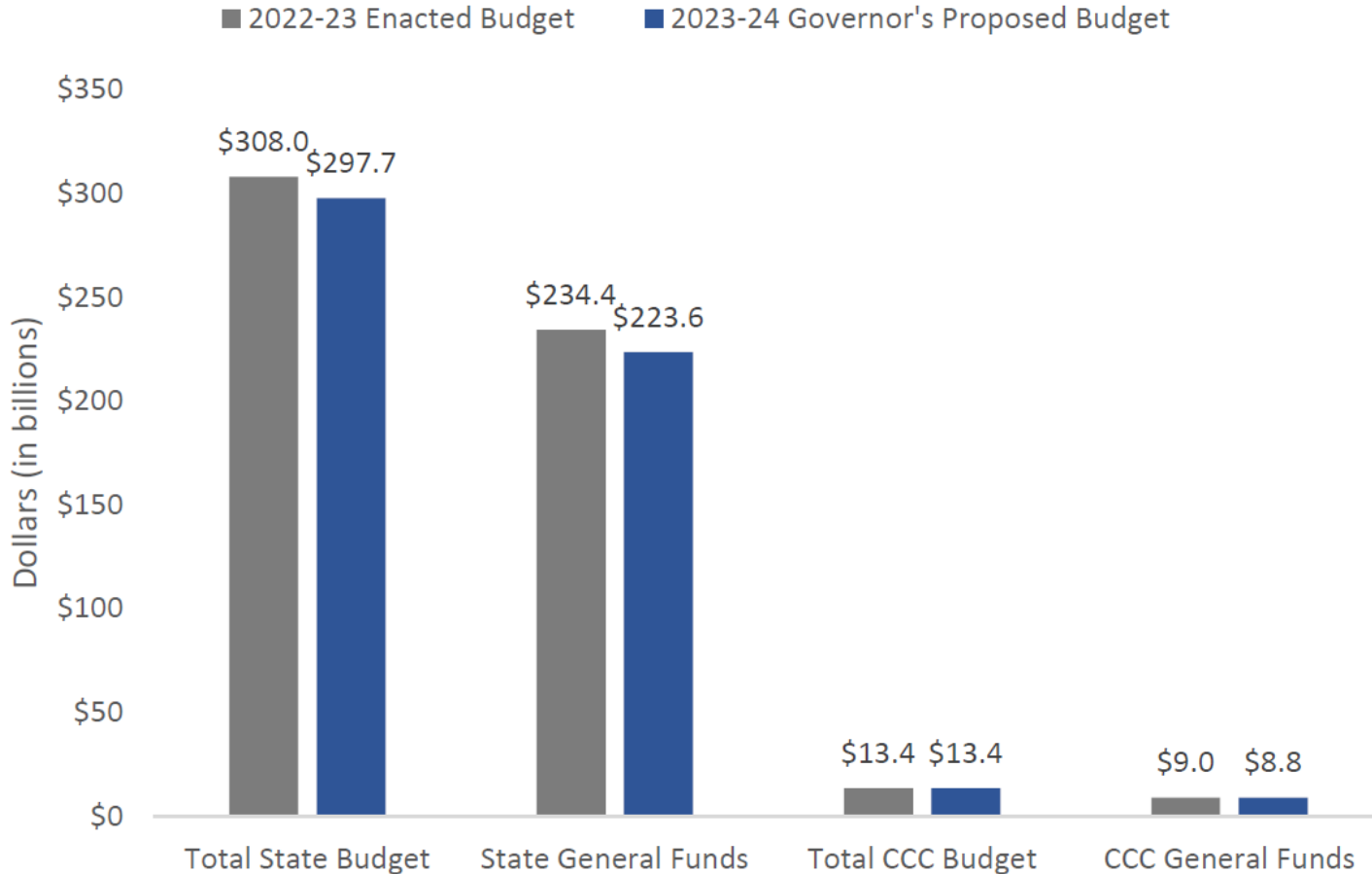
Sequence of the Annual Budget Process



Overview of the Governor's Budget Proposal

- As California shifts from abundance to shortage, vibes were noticeably different from years past when Governor Newsom presented his budget proposal.
- For education, Governor Newsom proposes a State Budget to preserve investments made during the boom years; the number of significant changes for 2023-24 can be counted on one hand.
- The Governor's proposals are largely to be expected in a softening economy, with a focus on maintaining programs instead of creating new ones.

Summary of Key Budget Changes



- The overall State Budget would be lower than 2022-23, decreasing by about 3% to \$297.7 billion, affected by a substantial decline in the share of personal income taxes from capital gains.
- The overall California Community Colleges (CCC) Budget **would stay the same** as 2022-23.

Roadmap for the Future

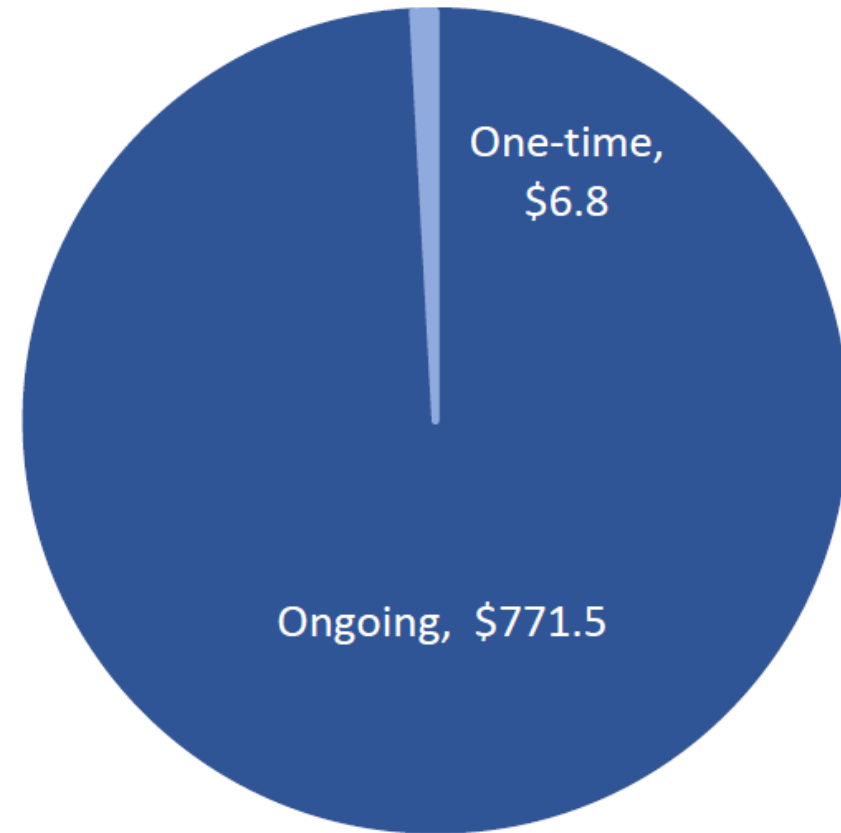
- The budget proposal for the California Community Colleges continues to be shared by the Roadmap for the Future, introduced in 2022-23.
- Roadmap Term: 2022-23 through 2026-27 fiscal academic years.
- Purpose: Intended to support students to improve educational outcomes, close equity gaps, address basic needs, and increase affordability.
- Link: <https://dof.ca.gov/wp-content/uploads/Programs/Education/CCC-Roadmap-May-2022.pdf>

Roadmap for the Future Goals

- **Goals (Aligned with the Vision for Success & our EMP Goals):**
 - Increase the percentage of students earning degrees, certificates, and specific skill sets for in-demand jobs by 20% by 2026.
 - Increase the percentage of TK-12 students who graduate with 12 or more college units earned through dual enrollment by 15%.
 - Focus on establishing or expanding programs that address workforce needs in healthcare, climate action, education, and early education.
 - Increase the number of transfers to the UC or CSU in proportion to enrollment growth in those systems.
 - Decrease the median units to completion in excess of 60 by 15% of the units, and establish systemwide stretch goals regarding the number of students completing or transferring within the minimum amount of time necessary.
 - Establish a baseline for credit for prior learning (CPL) offerings and increase these offerings annually. Increase systemwide access and enrollment into direct-assessment competency-based education (CBE) programs by 15%.
 - Improve systemwide graduation rates, transfer rates, and time to completion among underrepresented Pell Grant recipients and disabled students to meet the average of all students by 2026;
 - Close equity gaps in access to dual enrollment programs
 - Increase the percentage of completing students who earn a living wage by 15%.

California Proposition 98* - Update (Higher Education Agency)

- The proposed budget for 2023-24 provides about **\$778 million** in proposition 98 augmentations over the prior year, including **\$771.5 million (99%)** in ongoing spending and **\$6.8 million (1%)** in one-time funding.



**Proposition 98 requires a minimum percentage of the state budget to be spent on K-14 education, guaranteeing an annual increase in education in the California budget. As a result of Proposition 98, a minimum of 40% of California's general fund spending is mandated to be spent on education and the actual percentage of the general fund spent on education is over 50%.*

Proposed 2023-24 Changes in Proposition 98 Funding for the System

Policy Adjustments*	
<u>Ongoing</u>	
Provide 8.13% COLA for Student Centered Funding Formula (SCFF)	\$652.6
Provide 8.13% COLA for Apportionments and Programs: Adult Education, Extended Opportunity Programs and Services, Disabled Students Programs and Services, Apprenticeship, CalWORKs Student Services, Mandates Block Grant and reimbursements, Cooperative Agencies Resources for Education, and the childcare tax bailout	\$118.9
Subtotal Ongoing Policy Adjustment	\$771.5
<u>One-Time</u>	
Support retention and enrollment strategies	\$200.0
Workforce Training Grants	\$14.0
FCMAT Professional Learning Opportunities	\$0.1
Reduce prior year deferred maintenance funding	-\$213.0
Subtotal One-Time Policy Adjustments	\$6.8
Total Adjustments	\$778.3

* In millions

Support Retention and Enrollment Strategies One-Time Funds

- The proposed budget reflects continuing concern about the significant loss of enrollment across the community colleges, which has declined by more than 16% since the pandemic's beginning.
- Summary of One-Time Retention and Enrollment funding investments:

Fiscal Year	System Investment	Cañada's Allocation
2021-22	\$120 million	\$280,536
2022-23	\$150 million	\$365,177
2023-24*	\$200 million	\$406,903
Total	\$470 million	\$992,616

*Estimated amount based on prior year distribution formula

A large sculpture of a horse skeleton, constructed from weathered driftwood, stands on a grassy lawn. The sculpture is positioned in front of a modern, multi-story building with a glass facade. The building's interior lights are visible through the windows. The sky is overcast and grey. The text "Q & A" is overlaid in the upper center of the image.

Q & A

Thank you!