



C H A B O T - L A S P O S I T A S

| *Community College District*

Governor's January Budget Proposal

January 20, 2023



Governor's Proposal:

- Overall

- General Fund revenues anticipated to be \$29.5B less than previously estimated (3-year period) and a budget gap of \$22.5B is now anticipated in FY 2023-24; most of the revenue decrease is attributable to Capital Gains decreases
- Budget is balanced without dipping into reserves; reductions, delays, and fund shifts help achieve this

Proposition 98 Funding

- Has declined approximately \$1.5B relative to the 2022-23 Enacted Budget and now is estimated at \$108.8B for FY 2023-24 (still a very high figure historically)
- Public Education is still a high priority and is largely insulated from reductions



Community College System:

- 8.13% COLA
 - Approximately \$10M in additional, ongoing revenue for the District
- 0.5% Growth:
 - The District will almost certainly be unable to access any growth funding
- Minimal one-time funds
 - Funds to support retention and enrollment strategies are slated to receive another large one-time enhancements that could provide around \$3 million



Enrollment:

- No language changes proposed on Hold Harmless provision; will continue through FY 2024-25
- The Governor does, however, use strong language within his proposal about monitoring district enrollment trends within the community college system:
 - “It is imperative that districts begin to regain some of the enrollment lost during the COVID-19 pandemic. As such, the Administration will work with stakeholders to consider options to **adjust district budgets should a district not display that they are regaining enrollment** lost during the COVID-19 Pandemic entering the 2024-25 academic year.”



Next Steps:

- Tentative Budget
 - As required, the Tentative Budget will be presented to the Board at the June meeting
 - It will consist of assumptions based largely on the Governor's January Budget Proposal
- Adoption Budget
 - Will incorporate the enacted state budget figures and will be presented to the Board prior to September 15th
- Continued Advocacy
 - The language used by the Governor around enrollment is alarming

