

ACCCA and ACBO

The Association of California Community College Administrators
and The Association of Chief Business Officials

present

The Annual Workshop on the Governor's Proposed Budget 2024-25

*Safe Credit Union Convention Center, Sacramento
Wednesday, January 17, 2024*

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Administrators
and The Association of Chief Business Officials***

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***The Annual Workshop on the
Governor’s Proposed State Budget
For 2024-25***

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***Governor's Proposals for the
2024-25 State Budget and
California Community Colleges***

***Summary Prepared by
School Services of California Inc.***

Summary of the Governor's Proposals for the 2024-25 State Budget and California Community Colleges

By School Services of California Inc.

Introduction

When you expect a budget gap of \$68 billion, a budget gap of \$37.9 billion feels like a good day. While there is no debating the magnitude of unrealized revenues from 2022, Governor Gavin Newsom today framed the current budget situation as the state returning to a more normal economic environment from recent years of explosive growth. This is a key difference from the expectations set last fall by the Legislative Analyst's Office (LAO) Fiscal Outlook and the tone set today by Governor Newsom.

The good news for education: no mid-year cuts, no deferrals, no program rollbacks. The bad news for education: a barely growing Student Centered Funding Formula due to a meager cost-of-living adjustment (COLA) and no restorations of prior reductions.

California is better prepared to weather the proverbial storm due to the significant rainy day deposits made during the good years that allows the state to address this budget gap. In addition to reserve withdrawals (including the Proposition 98 Rainy Day Fund), the Governor proposes reductions, internal borrowing, funding delays, funding shifts, and non-Proposition 98 deferrals. It remains to be seen whether one-time funds successfully create a bridge to increased future revenues, or if they eventually run dry and are merely delaying cuts to align actual spending to revenues.

The Economy and Revenues

Governor Newsom assumes a continued slow-growth economy for 2024-25 and notes a possible resurgence of higher inflation and continued elevated interest rates as the biggest near-term threats to the economy. Additional risks include, but aren't limited to, geopolitical tensions, climate change impacts, and the high cost of living in California. Importantly, no recession is forecasted. The Governor's Budget assumes Gross Domestic Product growth to slow to 1.6% in 2024 and 1.2% in 2025, and California unemployment is projected to increase to 5.1% and 5.2% in 2024 and 2025, respectively. Headline inflation is projected to drop to 2.6% in 2024 and 2% in 2025.

As he did last year, the Governor began his press conference standing beside a chart showing fluctuations in capital gains revenues as a percentage of personal income, which he again likened to an electrocardiogram, or EKG. The Governor described the economic situation as a story of correction and normalization following a period of distortion, highlighting the unprecedented surpluses in revenue a couple of years ago followed by the deficits experienced in the current year and projected for the 2024-25 budget year.

The largest source of state General Fund revenues is derived from taxes on personal income, including capital gains, and relies heavily on high-income taxpayers. Personal income tax makes up 65% of pre-transfer General Fund revenue for 2022-23 and is projected to account for 74% of pre-transfer General Fund revenue in 2024-25. One percent of the state's highest income earners

paid 50% of all personal income taxes in 2021, a slight increase from the prior year. According to the Governor’s Budget summary, “[t]hese two related phenomena—significant reliance of the General Fund on capital gains and stock-based compensation, and on taxes paid by a small portion of the population—underscore the difficulty in forecasting personal income tax revenue” and, by extension, General Fund revenues.

Capital gains revenue as a percentage of annual General Fund revenues are projected to stabilize and make up 8.4%, 8.3%, and 8.7% of total annual General Fund revenues for 2022, 2023, and 2024, respectively. The Newsom Administration assumes a stock market that is largely consistent with Wall Street’s mid-November 2023 levels.

The Governor’s Budget recognizes a budget shortfall of \$44 billion over the three-year budget window (2022-23, 2023-24, and 2024-25). The Governor’s Budget draws primarily on the following measures to balance against the shortfall:

- \$13.1 billion in draw down of reserves
- \$8.5 billion in funding reductions without cuts to Proposition 98 programs
- \$5.7 billion in borrowing
- \$5.1 billion in funding delays over three years
- \$3.4 billion in funding shifts from the General Fund to other funds
- \$2.1 billion in deferrals to payroll and University of California/California State University
- \$5.7 billion in withdrawals from the Public School System Stabilization Account (PSSSA)
- \$402 million in tax revenue proposals

The Governor’s Budget makes significant reductions to the “Big Three” tax revenues relative to the 2023-24 Enacted Budget across the three-year budget window, for a total downward adjustment of \$42.9 billion.

Big Three Tax Revenues (In millions)						
	2022-23		2023-24		2024-25	
	2023-24 Enacted Budget	Governor’s Budget	2023-24 Enacted Budget	Governor’s Budget	2023-24 Enacted Budget	Governor’s Budget
Personal Income Tax	\$122,769	\$101,749	\$118,161	\$113,768	\$118,903	\$114,730
Corporation Tax	\$42,091	\$37,140	\$42,081	\$36,913	\$43,369	\$38,055

Big Three Tax Revenues (In millions)						
	2022-23		2023-24		2024-25	
Sales and Use Tax	\$33,072	\$33,186	\$33,366	\$34,643	\$34,383	\$35,123

Again, the Governor’s Budget revenue estimates do not forecast a recession—even a mild one. Risks to the projected continuing slow-growth economy are noted and could lead to a recession in which case a mild recession could lead to General Fund revenue losses between \$20 billion to \$30 billion over the budget window.

Proposition 98 Minimum Guarantee and Rainy Day Fund

Proposition 98 Minimum Guarantee

Based on the Governor’s revenue estimates, which account for lower-than-expected 2022 tax collections, the Proposition 98 minimum guarantee for 2022-23 and 2023-24 are reduced by \$9.1 billion and \$2.7 billion from the 2023-24 Enacted Budget levels, respectively. Further, the Governor expects state revenues to rebound from current levels, which will result in an increase in funding for K-12 and community college agencies in 2024-25, bringing the minimum guarantee to \$109.1 billion by the end of the budget window. Proposition 98 in 2024-25 includes additional funding to cover the increased K-12 costs resulting from Transitional Kindergarten expansion and the required set-aside to support arts and music programs in K-12 schools. Under the Governor’s estimates, Test 1 is operative across the budget window, which means that K-14 education receives nearly 40 cents of every state General Fund dollar.

Proposition 98 Minimum Guarantee, Prior and Current Year (In billions)

	2023-24 Enacted Budget	2024-25 Governor's Budget Adjustments	Minimum Guarantee
2022-23	\$107.4	-\$9.1	\$98.3
2023-24	\$108.3	-\$2.7	\$105.6

Proposition 98 Rainy Day Fund

Changes in state General Fund revenues have similar impacts on the state’s requirement to make deposits into and withdrawals from the Proposition 98 Rainy Day Fund (or the PSSSA). The Governor’s Budget proposes the following activity in the reserve account.

Proposition 98 Rainy Day Fund (In billions)				
	2021-22	2022-23	2023-24	2024-25
Deposits		\$0.3	\$0.3	\$0.8
Withdrawals			-\$3.0	-\$2.7
Fund Balance	\$8.1	\$8.4	\$5.7	\$3.8

Student Centered Funding Formula and Enrollment

The Governor's Budget estimates, and fully funds, a statutory COLA of 0.76% for the Student Centered Funding Formula (SCFF), which is lower than the LAO estimated in its November Fiscal Outlook report (1.26%). Both are significantly lower than the estimate of 3.94% from the 2023-24 Enacted Budget. While there are still two data points outstanding in order to calculate the final statutory COLA—one anticipated in a matter of weeks and the other at the end of April—time will tell whether the Administration or the LAO have a clearer crystal ball, it is very apparent that the statutory COLA will be closer to 1% than 4%.

The Governor estimates that it will cost \$69.1 million ongoing to provide SCFF the COLA. Additionally, the Governor's Budget proposal reflects withdrawals from the K-14 Rainy Day Fund in order to avoid major spending reductions. For the SCFF, the Governor's Budget proposes withdrawals from the K-14 Rainy Day Fund of \$235.9 million for 2023-24 and \$486.2 million in 2024-25.

As a reminder the 2021-22 Enacted Budget extended the SCFF hold harmless provision, by which districts earn at least their 2017-18 total computational revenue (augmented by COLA each year), through the 2024-25 fiscal year. The 2022-23 Enacted Budget extended the hold harmless protections with some modifications. Specifically, the 2022-23 Enacted Budget stipulates that a district's 2024-25 funding become its new "floor" beginning with the 2025-26 fiscal year. This means that beginning in 2025-26, districts will be funded at either their SCFF-generated amount for that year or their 2024-25 "floor" amount, whichever is greater. It is important to note that the modified hold harmless will not include adjustments to reflect COLA over time, meaning a district's hold harmless amount will not grow like it did through 2024-25. Since the 2024-25 funding will lock in districts' new hold harmless "floor," it is a crucial year for community college districts.

Additionally, Governor Newsom also proposes to provide \$29.6 million to fund 2024-25 student enrollment growth of 0.5%.

California Community College (CCC) Facilities and Deferred Maintenance Cut

The 2023-24 Enacted Budget included a net reduction of \$494.3 million deferred maintenance reduction based on reductions and appropriations from the 2021-22, 2022-23, and 2023-24 fiscal years. While the [2024-25 System Budget and Legislative Request](#) included a request for the state to restore the nearly \$500 million cut in deferred maintenance, there is nothing in the Governor's Budget summary that indicates that those dollars will be restored. With the budget situation being what it is, it is very unlikely that those dollars will be restored in the final Enacted Budget.

Proposition 51 (2016) authorized \$2 billion in state General Obligation bonds to support the improvement and construction of community college facilities. The Governor's Budget summary indicates that over 98% of these bonds have been committed to addressing nearly 100 critical infrastructure projects. Governor Newsom is only proposing funding for one project in 2024-25. He is proposing to use \$29.3 million in Proposition 51 dollars for the e Siskiyou Joint Community College District, College of the Siskiyous: Remodel Theater and McCloud Hall project.

Despite the lack of facilities dollars included in the State Budget proposal, Governor Newsom said that his Administration expects to enter into negotiations with the Legislature on their education facilities bond proposals to reach agreement on a bond proposal to be considered in the November 2024 election. Lawmakers have until Thursday, June 27, 2024, to qualify a statewide school facilities bond for the November 5, 2024, General Election ballot.

Other CCC Apportionments and Categorical Programs

Other community college programs that are funded outside of the SCFF that would also receive the 0.76% COLA under the Governor's Budget proposal are: 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. The Governor's Budget assumes \$9.3 million ongoing to cover the COLA for the above programs.

The Governor is also proposing a one-time investment of \$60 million 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. We will get more information about this proposal when trailer bill language is released in a few weeks.

Student Housing

The 2023-24 Enacted Budget shifted the funding sources for all Higher Education Student Housing Grant Program projects from the state General Fund to local lease revenue bonds issued by colleges. This change applied to the 12 prior community college projects originally funded by \$547 million (non-Proposition 98) in the 2022-23 Enacted Budget, the seven new community college housing projects authorized in the 2023-24 Enacted Budget, and any future housing projects.

After the CCC field expressed issues about this shift, lawmakers approved intent language in the higher education budget clean up trailer bill for "a statewide lease revenue bond or other statewide financing or fiscal approach be developed and included to support California community college affordable student housing projects."

The Governor's Budget proposal says that the Administration remains committed to a statewide lease revenue bond approach. While we thought that proposal might be considered for early action, it is not fully fleshed out and won't be released for consideration until the May Revision.

The 2023-24 Enacted Budget provided about \$61.5 million in ongoing (non-Proposition 98) funding for annual rental subsidies for affordable student housing. The Governor's Budget proposal redirects these funds to instead support CCC affordable student housing programs that do not fit within the lease revenue approach referenced above. The specifics of this shift will be shared in upcoming trailer bill language.

To address the projected budget shortfall, the Governor also proposes suspending funding for the California Student Housing Revolving Loan Fund Program, which includes pulling back \$300 million one-time (non-Proposition 98) previously intended to be appropriated for the program for

each year from 2024-25 to 2028-29, and reverting \$194 million of \$200 million one-time (non-Proposition 98) that was appropriated in 2023-24, which is the amount estimated to be net of the program's expected operational costs.

Master Plan on Career Education

On August 31, 2023, Governor Gavin Newsom signed [Executive Order N-11-23](#), launching the development of a new Master Plan on Career Education (Master Plan) that will look to adequately prepare students for the workforce of tomorrow. The Executive Order (EO) requires specified state agencies to develop and submit the proposed Master Plan to the Governor's Office by October 1, 2024.

The first phase in the development of the Master Plan is for the Governor's Office to convene interagency teams at both the state level (under the [Governor's Council for Career Education](#)) and at the regional level (as part of the [K-16 Regional Collaboratives](#)) that will drive results on the tens of billions in workforce investments made in the first four years of the Newsom Administration. The second phase is to engage in a 13-month planning process to investigate how existing policies, investments, and structures can be improved, culminating in the Governor's Master Plan scheduled for publication in the winter of 2024. The three goals of the plan are to ensure that all Californians are:

1. On-ramped into well-paying, purposeful careers.
2. Empowered to build real-life skills.
3. Able to access and afford a quality education throughout life.

While the Governor's State Budget proposal does not offer any new information on the Master Plan, it does clarify that the Governor intends to pursue the timeline stipulated in the EO despite the state's challenging budget circumstances.

Minimum Wage

Governor Newsom does not make any changes to the already enacted California state minimum wage of \$16.00 an hour or to Assembly Bill 1228 (Holden, Statutes of 2023) which raises the minimum wage for fast food workers to \$20.00 an hour, effective April 1, 2024. The proposed Governor's Budget does include an annual budgetary "trigger" which could delay the effective date of Senate Bill 525 (Durazo, Statutes of 2023) which was written to increase the minimum wage for health care workers to \$25.00 an hour effective June 1, 2024.

Retirement Systems

Governor Newsom does not propose additional funding for the California State Teachers' Retirement System (CalSTRS) or the California Public Employees' Retirement System (CalPERS) employer contribution rate relief for community colleges. Based on current assumptions, CalPERS employer contributions would increase from 26.68% to 27.80% in 2024-25, while CalSTRS employer contribution rates are expected to remain the same from the prior year at 19.10%.

The Rest of Higher Education

In order to address the projected budget shortfall, the Governor proposes to defer the planned University of California (UC) 2024-25 Compact investment of \$227.8 million and the planned investment of \$31 million to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students in 2024-25. The Governor argues that these deferrals would largely maintain ongoing UC General Fund at 2023-24 levels, while enabling the UC to use interim financing structures or other internal borrowing to support UC spending at the planned 2024-25 Compact level and at the level necessary to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled in 2024-25.

The Governor takes a similar approach with the California State University (CSU). In order to address the projected budget shortfall, the Governor proposes to defer the planned 2024-25 Compact investment of \$240.2 million to 2025-26. This deferral would largely maintain ongoing CSU General Fund at 2023-24 levels, while enabling the CSU to use interim financing structures or other internal borrowing to support CSU spending at the planned 2024-25 Compact level. The Governor argues that this approach will enable the CSU to continue its efforts to meet the Compact goals to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities.

K-12 Education Proposals

The Governor's Budget also proposes applying the 0.76% COLA to the K-12 Local Control Funding Formula (LCFF) and categorical programs. Of the proposed \$5.7 billion PSSSA withdrawals across the current and budget year, the Administration is proposing to allocate \$5.0 billion for purposes of supporting the LCFF—approximately \$2.8 billion for 2023-24 and another \$2.2 billion for 2024-25.

The Governor's Budget also includes a series of instructional continuity proposals aimed at offsetting student absences and mitigating learning loss. These proposals include:

- Expanding the allowable days and times of day used for the purpose of recovering attendance both for the purpose of apportionment and chronic absentee mitigation,
- Requiring local educational agencies (LEAs) to offer remote instruction during emergencies, including instruction through enrollment at a neighboring LEA, and
- Encouraging hybrid or remote learning opportunities for students who are unable to attend school

Regarding facilities, the Newsom Administration proposes to further delay the planned \$550 million California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program investment to 2025-26 and to reduce a planned 2024-25 investment for the School Facility Program from \$875 million to \$375 million.

Closing

The education world had been expecting the worst since the release of the LAO's economic forecast this past fall, leaving many to let out a sigh of relief at the Governor's Budget release—although a skeptical one. The Governor's Budget benefits from historic rainy day funds to address spending levels that ultimately did not align with the level of revenues generated in 2022-23. For education, these one-time dollars sustain programs that were created or grew significantly during exceptional economic times and lead the community to wonder how they will be sustained after 2024-25.

While not facing mid-year cuts, deferrals, or unfunded COLAs, with the combination of a COLA below 1% and little else, the sigh of relief may be short lived.

Reactions to the Governor's Proposals—Excerpts

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Legislative Leadership

Cautious and mindful – that's the phrase that we need to keep at the forefront as we look at our state revenues and spending, legislation, and how we approach this fiscal year...When I first took office in 2010, California was ill-prepared for the major budget shortfall we endured, and as a result, we saw devastating cuts to core programs and middle-class tax hikes. Now, because of more than a decade of responsible budgeting, we're better prepared to protect the path of progress we've made. Californians are relying on us, and we will not let them down.

—*Senate President pro Tempore Toni Atkins (D-San Diego)*

Governor Newsom has shown a cautious approach and rightfully protected some of the most critical programs and services that benefit everyday Californians along with our most vulnerable families and seniors. We're investing in our kids and public schools, expanding green energy resources to meet our long-term energy needs, advancing desperately needed homelessness funding, and providing resources to combat retail theft and build more workforce affordable housing.

—*Senate President pro Tempore Designee Mike McGuire (D-Healdsburg)*

California's revenue situation is uncertain and can change quickly, so we must be prepared for ongoing challenges. The caucus is committed to fiscal restraint and spending oversight while delivering solutions to improve the quality of life for all Californians and protect the most vulnerable.

—*Assembly Speaker Robert Rivas (D-Salinas)*

Legislative Budget and Policy Committee Chairs

The Assembly will carefully examine the Governor's budget – including key investments in housing, education, and climate – while remaining vigilant about potential shifts in revenue. Our budget subcommittees are ready to quickly begin their work with a focus on oversight, accountability, and protecting our most vulnerable Californians.

—*Assembly Budget Committee Chair Jesse Gabriel (D-Encino)*

I'm glad to see that the Governor's proposal shares the Senate's ongoing commitment to ensuring that Californians, particularly our children, students, seniors, and those who rely on the state's safety net, are prioritized, that school funding remains healthy, and that budget solutions are ones that uplift California's economy, as well as business and consumer confidence.

—*Senate Budget and Fiscal Review Committee Chair Nancy Skinner (D-Berkeley)*

“...with deficits projected in the next few years as well, we will have to balance this coming year’s budget, but help cut the projected deficits in future years in the process. Obviously, we will not want to take steps back in education, health care, climate, homelessness, firefighting, public safety and other places we have made so much progress in recent years, but it will be hard not to have everyone participate in bringing our budget into balance for this year and future years.”

—Senate Budget Subcommittee on Education Chair John Laird (D-Santa Cruz)

I appreciate the work on this draft budget and understand the difficulty and challenges that the 2024-25 fiscal year presents; however, I am disappointed in the Governor’s proposal to eliminate the Student Housing Revolving Loan Fund and provide no allocation to implement the 2022 Cal Grant Reform Act...As an avid supporter of career education, I support the Governor’s goal to ensure our students are prepared to enter the workforce. Developing a Master Plan for Career Education will require collaboration with diverse stakeholders and the Legislature.

—Assembly Higher Education Committee Chair Mike Fong (D-Alhambra)

Education Interest Holders

Gov. Newsom’s proposed budget emphasizes the need to continue growing California’s workforce in high-priority areas, which is at the core of the California Community Colleges’ mission. We appreciate that the governor’s budget maintains investments in areas such as growing community college nursing programs. Additional investment in the student-centered priorities identified in Vision 2030 is essential to meeting California’s ambitious goals — in career education, climate action and emerging technologies — to support economic mobility for all learners and workers.

—California Community Colleges Chancellor Sonya Christian

Governor Newsom’s budget recognizes the essential role of California Community Colleges in advancing equitable economic development for historically underserved communities and families. The Community College League of California and its 116 member colleges appreciate the continued focus on equity, education, and workforce readiness in the proposed budget. We urge the Governor and Legislature to enhance and support local capacity by increasing flexibility to permit our diverse colleges to innovate and adapt to regional economic conditions and community needs.

—Community College League of California President and CEO Larry Galizio

We deeply appreciate the Governor's commitment to Californians to increase pathways to success through Career Education, and his specific support of nursing programs. These efforts directly impact workforces throughout our communities and have been a primary focus of the California Community Colleges. We look forward to working with the Administration and Legislature on expanding our reach in this area, particularly through the Baccalaureate Degree Programs, and expanding our capacity for workforce development.

—California Community College Trustees Board President Andra Hoffman

On behalf of my colleagues, I want to thank Governor Newsom for proposing a budget that focuses on students and recognizes the vital role of the California Community Colleges. As we proceed toward the May budget revision, we urge our elected officials to prioritize funding for financial aid reform and student housing as critical components of student success and equity.

—Chief Executive Officers of the California Community Colleges President Julianna Barnes

With the state facing a \$37.9 billion budget deficit, Governor Gavin Newsom has once again demonstrated his strong support for public education by putting forward a budget proposal that avoids steep cuts to our public schools...In order to fully fund our schools and meet the growing needs of our students and our state, all options should be considered, including new revenue through progressive taxation.

—California Federation of Teachers President Jeff Freitas

Despite fiscal challenges, the budget demonstrates continues commitment to supporting faculty, staff, and the 1.9 million students who rely on California's community colleges. FACCC praises the Governor's investments in the vital career education programs that train California's future workforce, including the expansion of nursing B.S. programs and the Master Plan for Career Technical Education.

—Faculty Association of California Community Colleges

Budget Subcommittees on Education— Member Rosters

Budget Subcommittees on Education—Member Rosters

Senate

Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee—D-Berkeley

Budget Subcommittee 1 on Education

John Laird, Chair—D-Santa Cruz

Dave Min—D-Irvine

Rosilicie Ochoa-Bogh—R-Yucaipa

Lola Smallwood-Cuevas—D-Los Angeles

Assembly

Jesse Gabriel, Chair, Assembly Committee on Budget—D-Encino

Budget Subcommittee 3 on Education Finance

David A. Alvarez, Chair—D-San Diego

Megan Dahle—R-Bieber

Bill Essayli—R-Corona

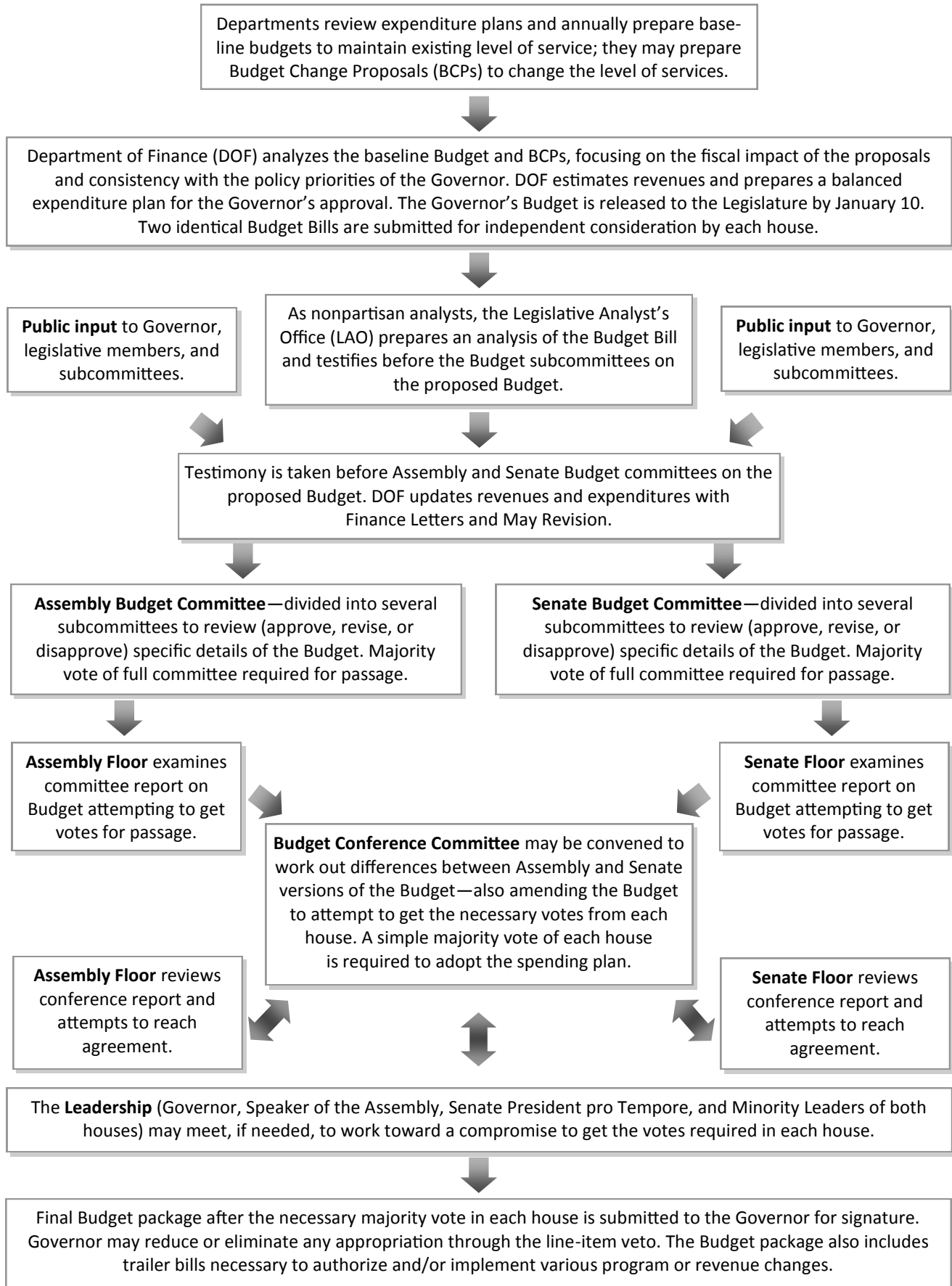
Mike Fong—D-Alhambra

Kevin McCarty—D-Sacramento

Al Muratsuchi—D-Torrance

State Budget Process

THE ANNUAL BUDGET PROCESS



2024-25 Governor's State Budget Summary—Excerpts

INTRODUCTION

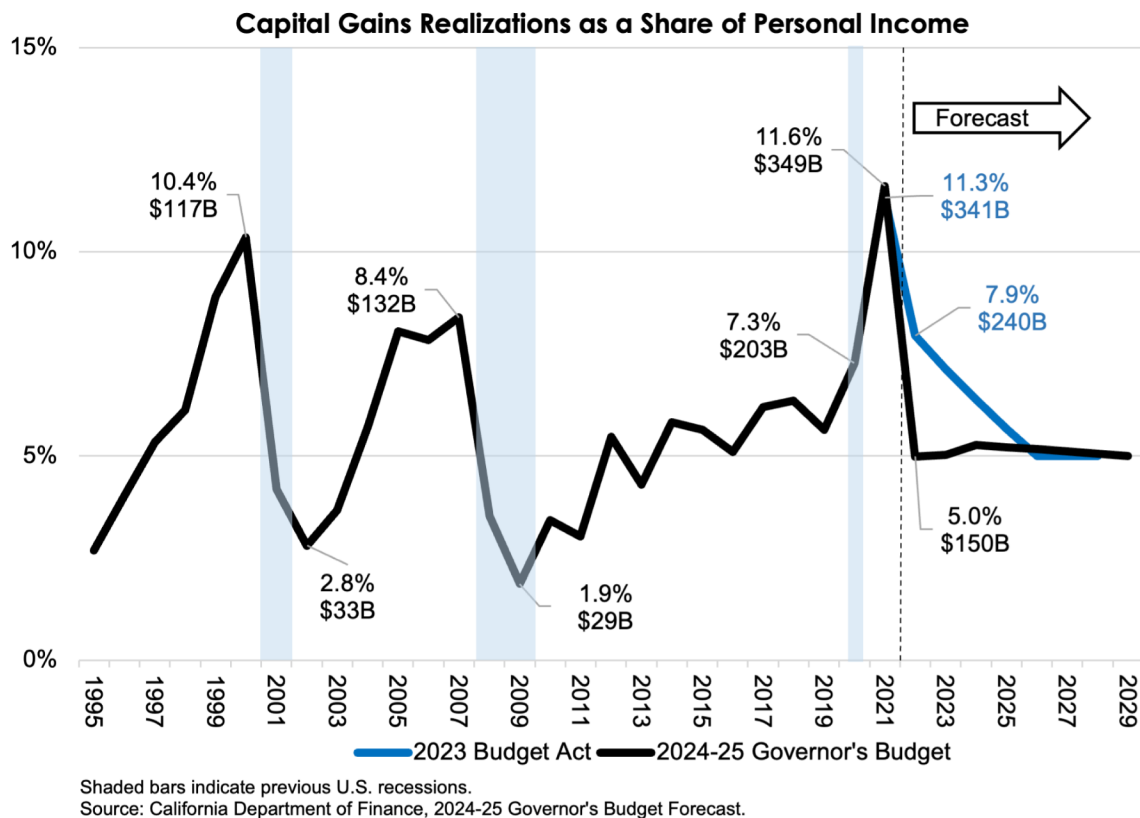
Even as the state faces a shortfall, California continues to expand access to high-quality education, healthcare, and opportunities for innovation and growth—fulfilling promises made while responsibly managing finances into the future. This budget maintains the state's fiscal stability using some of the money saved in historic budget reserves and responsibly closes the shortfall. This balanced budget will allow California to continue to drive important public policy, protect the services Californians depend on most, and support a private sector whose innovation is unmatched anywhere in the world.

The budget shortfall facing lawmakers in 2024—estimated at \$37.9 billion—is rooted in two separate but related developments during the past two years—the substantial decline in the stock market that drove down revenues in 2022 and the unprecedented delay in critical income tax collections. Normally, the bulk of cash data relating to the prior tax year is available by April, leading to a revised May budget informed by actual cash collections. Last year, due to federal tax deadline delays and California's subsequent conformity, the majority of the state's revenues did not arrive until October and November. That means the correction that would have come as part of last year's May Revision is instead being made in this January budget.

The Governor's proposed budgets in January and May 2023 warned of this increased uncertainty, and in June, the state passed a budget that planned accordingly, setting aside record reserves of just under \$38 billion. Now, the state faces a budget that must solve for last year's shortfall while adjusting state spending to ensure continued fiscal stability for years to come.

STEEP MARKET DROP AFTER RECORD RUN-UP

Revenues showed unprecedented strength in the two fiscal years following the COVID-19 Recession, as stock market growth outpaced the slower overall economic recovery. Fueling this growth were capital gains realizations, which have a sizable impact on California revenues. These increased to a record-high \$349 billion in 2021—a 72 percent increase from 2020—representing a record 11.6 percent share of personal income, following a 40 percent increase from 2019 to 2020.

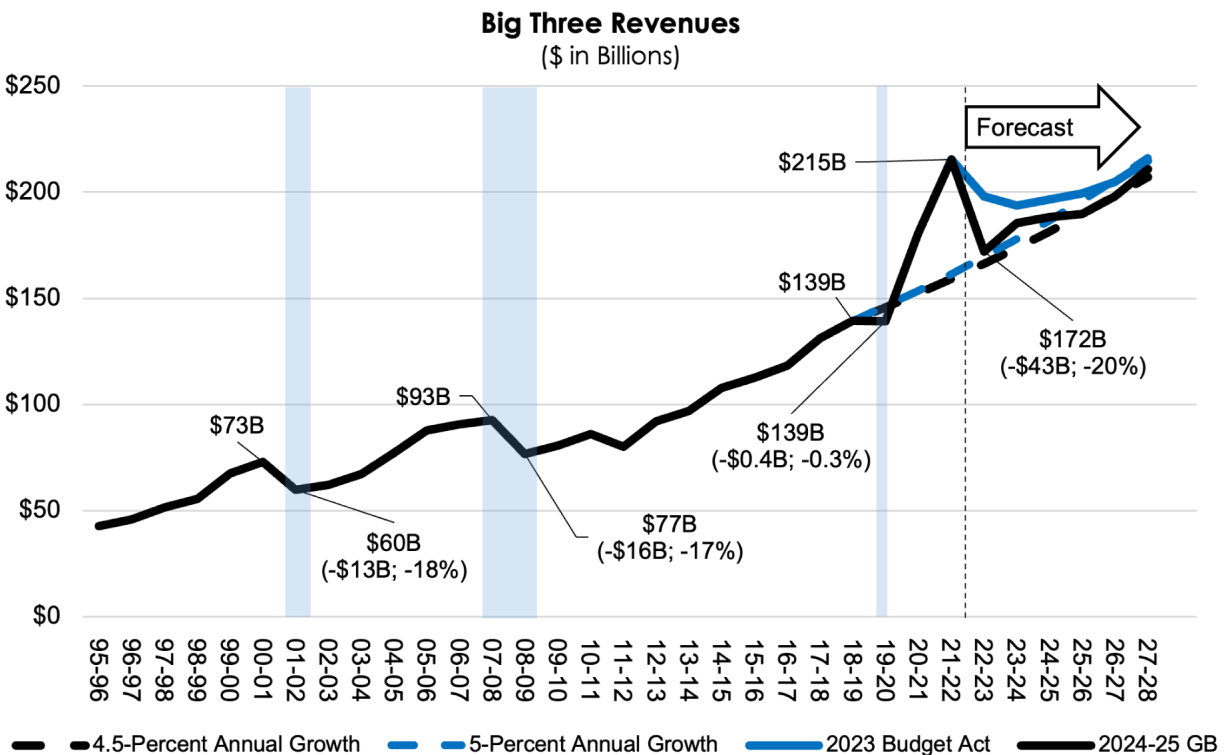


As the markets grew, so did state revenues. Over two fiscal years, from 2019-20 to 2021-22, the state's "Big Three" General Fund revenue sources—personal income, sales, and corporation taxes—grew by 55 percent. By comparison, the other two recent periods of comparable growth were the two years before the 2000-01 revenue peak, which saw growth of 31 percent prior to the Dot-Com Bust, and 31 percent from 2003-04 to 2005-06 before the Great Recession.

The stock market run-up through the end of 2021 led to the tax revenue surge that ended in 2022. The S&P 500 Index, which tracks the country's 500 leading companies, declined by 19 percent in 2022. Over the same period, the NASDAQ Composite Index,

which measures more than 2,500 stocks concentrated in technology companies that are a California mainstay—declined by 33 percent. These represent the most substantial annual declines in these key indices since the onset of the Great Recession in 2008, and a correction from strong prior market performance, a tightened monetary policy by the Federal Reserve Board that drove interest rates upward, and the expectation of a recession that never materialized.

Despite the downward revision in 2022, 2022-23 revenues are estimated to still be 23 percent higher than pre-pandemic levels in 2018-19. Furthermore, the Big Three revenues are projected to revert to levels consistent with a normal revenue growth trajectory, absent the COVID-19 surge and subsequent correction.



Shaded bars indicate previous U.S. recessions.

Source: California Department of Finance, 2024-25 Governor's Budget Forecast.

CONCENTRATION OF HIGH-INCOME EARNERS HEIGHTENED REVENUE IMPACT OF MARKET DROP

The 2022 market decline had an outsized impact on state revenues, since an extremely small share of California taxpayers are responsible for a large share of state revenues. Personal income tax represents roughly two-thirds of all General Fund revenues, and just

one percent of California's total tax returns—180,000—were responsible for half of all personal income tax paid by residents in 2021—or \$62.9 billion. This small share of Californians earns a significant proportion of their income from stock-based compensation and capital gains, making their income—and the tax revenue it generates—significantly more volatile and subject to swings in the financial markets as opposed to changes in the overall economy.

2023'S UNPRECEDENTED TAX FILING DELAY MASKED FULL SCOPE OF REVENUE DROP

With reliable tax filing deadlines, the degree of the revenue drop associated with the 2022 market declines would have become evident as tax receipts were received in the spring. However, due to federal disaster declarations resulting from severe winter storms, the Internal Revenue Service announced that taxpayers in declared counties could delay filing their federal tax returns—first until October 16, and subsequently to November 16. This delay, to which the state conformed for filing purposes, occurred in 55 of the state's 58 counties, comprising 99 percent of all California taxpayers, and affected tax collections that were due as early as January 2023. While past filing delays of several weeks have been manageable, never before had the state's revenue forecasters been confronted with a delay of up to 10 months in receiving critical tax and revenue data—a challenge compounded by the fact that the past several years have also included global financial and economic instability. The COVID-19 Pandemic led to unprecedented economic impacts through 2022. Global supply chains were disrupted, inflation reached record highs, Gross Domestic Product (GDP) contracted at levels unseen since the Great Depression. Beginning in 2023, economic and financial conditions have started to normalize.

Based on the limited data available in the spring of 2023, the enacted 2023-24 budget reflected a decline in the revenue forecast from January. However, because of the unprecedented tax filing and payment delay, the full scope of the estimated revenue decline was unclear until all the delayed tax returns and payments were received by the extended November 16 deadline, which was only two months before the 2024 budget must be proposed to the Legislature. Once processed, personal income tax and corporation tax receipts through November were \$25.7 billion—22 percent—lower than projected at Budget Act. This factor alone is a significant reason why the budget forecasts of the Big Three General Fund revenue sources through 2024-25 have decreased by approximately \$42.9 billion as compared to the 2023 Budget Act, before accounting for budget solutions.

Had the filing delay not been in place, most of the revenue drop would have been reflected in lower tax receipts before the May Revision and incorporated into the 2023 Budget Act projections. This would have resulted in a larger budget gap in 2023, additional solutions to close it, and a smaller shortfall for 2024 than what is now faced.

Lastly, the filing delay resulted in an abbreviated timeline to prepare the Budget. As such, the Administration will continue to assess whether additional corrective actions are necessary during the development of the May Revision.

IMPROVED CONDITIONS, BUT RISKS REMAIN

The stock market rose throughout 2023 and made up most of its losses from 2022, with the S&P 500 increasing by 24 percent in 2023, and the NASDAQ increasing by 43 percent. California's GDP has also remained strong in 2023, averaging 3.9 percent annualized growth through the first three quarters compared to a contraction of 2.2 percent over the same period in 2022. The stock market recovery and improved economic growth support the budget forecast assumptions that revenue growth will resume in 2023-24 following the steep correction in 2022-23, with potential upside through 2024-25 if the markets continue to outperform the forecast. In addition, the Federal Reserve has indicated it intends to cut interest rates throughout 2024, which may stimulate real estate transactions and other sectors of California's economy.

However, several risk factors could negatively impact the economy going forward. For instance, a significant financial shock from tightening financial conditions, stock market and asset price volatility and declines, and geopolitical turmoil are all issues that pose a risk to ongoing economic and revenue growth.

BUDGET RESERVES AND BALANCED SOLUTIONS

While closing a shortfall of \$37.9 billion poses a substantial challenge for lawmakers, it is more manageable because of the state's foresight in building the combined budgetary reserves to a record level in 2023. A withdrawal from the Budget Stabilization Account (BSA) is a significant and appropriate component of the budget's balanced solutions. As its title suggests, a withdrawal from the BSA will help the state maintain fiscal stability, continue its ongoing efforts to address priority issues, such as homelessness and combatting the effects of climate change, and avoid harmful cuts in programs that are essential to the well-being of Californians throughout the state.

Even after the proposed withdrawals, total budget reserves in the coming fiscal year will remain substantial at \$18.4 billion. This includes \$11.1 billion in the BSA, \$3.9 billion in the Public School System Stabilization Account (PSSSA), and \$3.4 billion in the Special Fund for Economic Uncertainties.

The Budget incorporates the following balanced combination of measures to close the shortfall in the budget year:

- **Reserves—\$13.1 billion.** The budget draws upon funds from the state's reserves. Significant solutions in this category include:
 - Withdrawal from Mandatory BSA Balance and Transfer Suspension (\$10.4 billion),
 - Withdrawal from Discretionary BSA Balance (\$1.8 billion), and
 - Withdrawal from the Safety Net Reserve (\$900 million).
- **Reductions—\$8.5 billion.** The budget reduces funding for various items. Significant solutions in this category include:
 - Various Climate Reductions (\$2.9 billion),
 - Various Housing Program Reductions (\$1.2 billion),
 - State Vacant Position Funding Sweep (\$762.5 million),
 - School Facilities Aid Program (\$500 million),
 - Student Housing Revolving Loan Fund Program (\$494 million),
 - Legislative Requests (\$350 million),
 - University of California Los Angeles Institute of Immunology and Immunotherapy (\$300 million), and
 - Middle Class Scholarship Program (\$289 million).
- **Revenue/Internal Borrowing—\$5.7 billion.** The budget includes support from revenue sources and borrows internally from special funds. Significant solutions in this category include:
 - Increasing the Managed Care Organization Tax Support for Medi-Cal (\$3.8 billion) and
 - Conforming to Tax Cuts and Jobs Act Net Operating Loss Limitation (\$300 million).

- **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. Significant solutions in this category include:
 - Transit and Intercity Rail Capital Program (\$1 billion),
 - Full Implementation of DDS Service Provider Rate Reform (\$613 million),
 - Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (\$550 million),
 - Clean Energy Reliability Investment Plan (\$400 million),
 - Behavioral Health Bridge Housing Program (\$235 million), and
 - Vulnerable Community Toxic Clean Up (\$175 million).
- **Fund Shifts—\$3.4 billion.** The budget shifts certain expenditures from the General Fund to other funds. Significant solutions in this category include:
 - Various shifts to the Greenhouse Gas Reduction Fund (\$1.8 billion),
 - State plans retirement contribution reductions using Prop 2 Debt Repayment Funding (\$1.3 billion), and
 - Unemployment Insurance Interest Payment (\$100 million).
- **Deferrals—\$2.1 billion.** The budget defers specific obligations to the 2025-26 fiscal year. Significant solutions in this category include:
 - June to July Payroll Deferral (\$1.6 billion) and
 - University of California and California State University Deferrals (\$499 million).

In addition to the solutions listed above that address the \$37.9 billion gap, the Budget includes withdrawals from the PSSSA of \$5.7 billion to maintain support for Local Educational Agencies and Community College Districts.

LIFTING THE LIMITS ON DEPOSITS TO BUDGET RESERVES

Proposition 2, passed by the voters in 2014, made changes to require 1.5 percent of General Fund tax revenue and a portion of General Fund revenues derived from capital gains to be set aside in reserves and used to pay down debt. The current deposit requirements for the BSA, or Rainy-Day Fund, were established in recognition of the volatility in capital gains revenue and to allow the state to set aside funds during

stock market upswings to mitigate the impact of revenue drops during downturns. However, the state has been constrained in its ability to save during upswings due to Proposition 2's cap on mandatory deposits of 10 percent of General Fund revenues combined with the State Appropriations Limit.

The State Appropriations Limit, also known as the "Gann Limit," was enacted by the voters in 1979 to cap the amount of revenues from the proceeds of taxes that the state can appropriate in a given fiscal year. However, under current law, a deposit in the state savings account is effectively counted as an expenditure. Deposits into the state's reserve accounts are not exempt from the State Appropriations Limit and must count as appropriations subject to the limit. In recent years, strong growth in state revenues has outpaced the growth in the constitutional calculation that set the appropriations limit. This inadvertently, but effectively, created a cap on how much the state could set aside in reserves during the state's recent revenue surpluses, impeding the state's ability to make additional deposits that would have created even greater budget resiliency.

While both voter-approved initiatives promote fiscal prudence and long-term stability in state finance, their interaction has unintentionally eroded the effectiveness of both measures. The Administration and the Legislature should explore changes to law to allow the state to save more during economic upswings, enhancing the state's ability to protect vital programs and services during future budget downturns.

SUMMARY CHARTS

This section provides various statewide budget charts and tables.

**2024-25 Governor's Budget
General Fund Budget Summary**

(Dollars in Millions)

	2023-24	2024-25
Prior Year Balance	\$42,078	\$8,029
Revenues and Transfers	\$196,859	\$214,699
Total Resources Available	\$238,937	\$222,728
Non-Proposition 98 Expenditures	\$155,337	\$131,824
Proposition 98 Expenditures	\$75,571	\$76,894
Total Expenditures	\$230,908	\$208,718
Fund Balance	\$8,029	\$14,010
Reserve for Liquidation of Encumbrances	\$10,569	\$10,569
Special Fund for Economic Uncertainties	-\$2,540	\$3,441
Public School System Stabilization Account	\$5,730	\$3,852
Safety Net Reserve	\$900	-
Budget Stabilization Account/Rainy Day Fund	\$23,132	\$11,106

Note: Numbers may not add due to rounding.

General Fund Expenditures by Agency

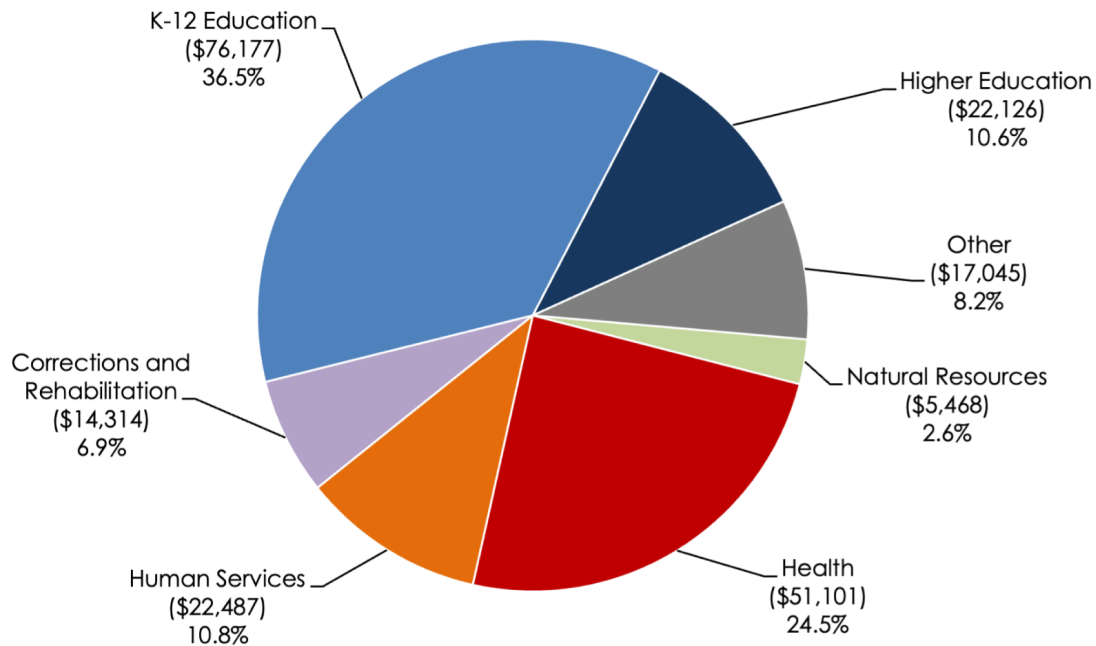
(Dollars in Millions)

	2023-24	2024-25	Change from 2023-24	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$13,346	\$7,514	-\$5,832	-43.7%
Business, Consumer Services & Housing	3,391	654	-2,737	-80.7%
Transportation	1,121	726	-395	-35.2%
Natural Resources	12,263	5,468	-6,795	-55.4%
Environmental Protection	1,466	715	-751	-51.2%
Health and Human Services	74,136	73,588	-548	-0.7%
Corrections and Rehabilitation	15,525	14,314	-1,211	-7.8%
K-12 Education	76,134	76,177	43	0.1%
Higher Education	22,075	22,126	51	0.2%
Labor and Workforce Development	1,077	771	-306	-28.4%
Government Operations	4,791	3,239	-1,552	-32.4%
General Government:				
Non-Agency Departments	2,501	1,553	-948	-37.9%
Tax Relief/Local Government	595	579	-16	-2.7%
Statewide Expenditures	2,487	1,295	-1,192	-47.9%
Total	\$230,908	\$208,718	-\$22,190	-9.6%

Note: Numbers may not add due to rounding.

2024-25 General Fund Expenditures

(Dollars in Millions)

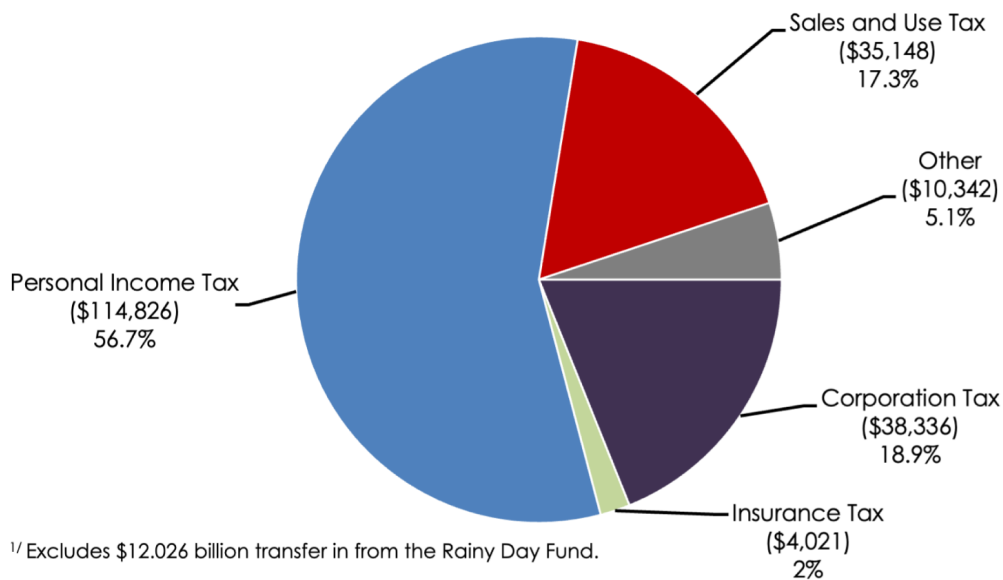


General Fund Revenue Sources

(Dollars in Millions)

	2023-24	2024-25	Change from 2023-24	
			Dollar Change	Percent Change
Personal Income Tax	\$113,768	\$114,826	\$1,058	0.9%
Sales and Use Tax	34,643	35,148	505	1.5%
Corporation Tax	36,913	38,336	1,423	3.9%
Insurance Tax	3,894	4,021	127	3.3%
Alcoholic Beverage Taxes and Fees	427	433	6	1.4%
Cigarette Tax	43	42	-1	-2.3%
Motor Vehicle Fees	46	46	0	0.0%
Other	8,549	9,821	1,272	14.9%
Subtotal	\$198,283	\$202,673	\$4,390	2.2%
Transfer to/from the Budget Stabilization Account/Rainy Day Fund	-1,424	12,026	13,450	944.5%
Total	\$196,859	\$214,699	\$17,840	9.1%

Note: Numbers may not add due to rounding.

2024-25
General Fund Revenues and Transfers^{1/}
 (Dollars in Millions)


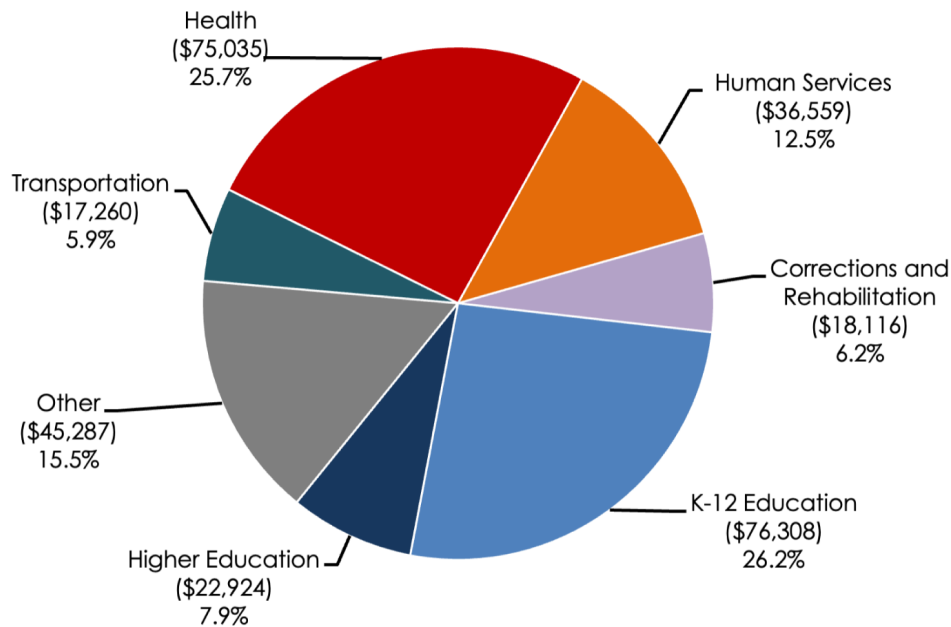
2024-25 Total State Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$7,514	\$5,414	\$262	\$13,191
Business, Consumer Services & Housing	654	1,315	538	2,507
Transportation	726	16,448	86	17,260
Natural Resources	5,468	2,599	466	8,533
Environmental Protection	715	4,111	11	4,837
Health and Human Services	73,588	38,006	-	111,594
Corrections and Rehabilitation	14,314	3,803	-	18,117
K-12 Education	76,177	115	16	76,308
Higher Education	22,126	188	610	22,924
Labor and Workforce Development	771	1,147	-	1,918
Government Operations	3,239	385	-	3,624
General Government:				
Non-Agency Departments	1,553	1,980	2	3,534
Tax Relief/Local Government	579	3,546	-	4,126
Statewide Expenditures	1,295	1,720	3	3,018
Total	\$208,718	\$80,777	\$1,994	\$291,490

Note: Numbers may not add due to rounding.

2024-25
Total State Expenditures
(Including Selected Bond Funds)
(Dollars in Millions)

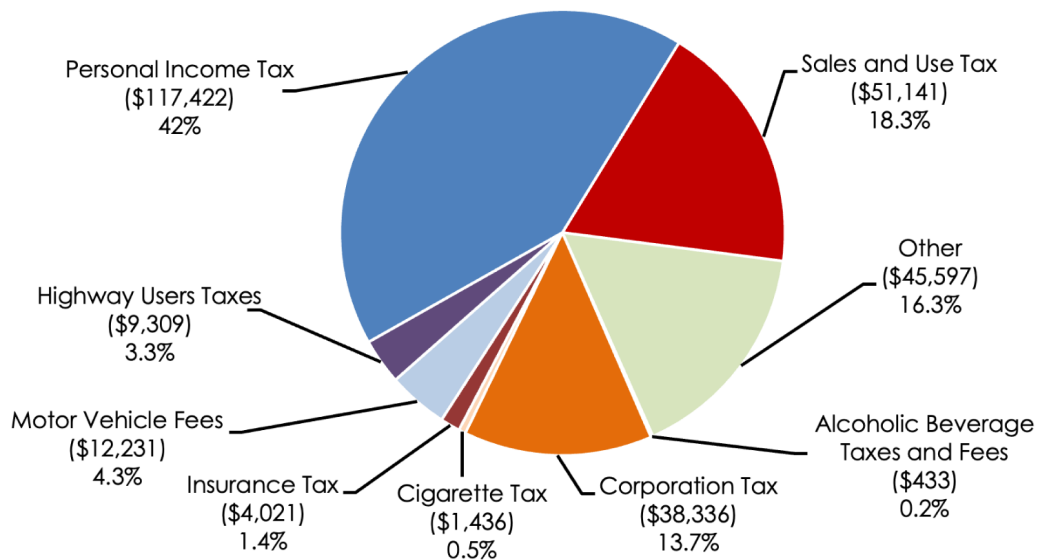


2024-25 Revenue Sources

(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2023-24
Personal Income Tax	\$114,826	\$2,596	\$117,422	\$1,262
Sales and Use Tax	35,148	15,993	51,141	917
Corporation Tax	38,336	-	38,336	1,423
Highway Users Taxes	-	9,309	9,309	164
Insurance Tax	4,021	-	4,021	127
Alcoholic Beverage Taxes and Fees	433	-	433	6
Cigarette Tax	42	1,394	1,436	-41
Motor Vehicle Fees	46	12,185	12,231	380
Other	9,821	35,776	45,597	-350
Subtotal	\$202,673	\$77,253	\$279,926	\$3,888
Transfer to/from the Budget Stabilization Account/Rainy Day Fund	12,026	-12,026	-	-
Total	\$214,699	\$65,227	\$279,926	\$3,888

Note: Numbers may not add due to rounding.

**2024-25
Total Revenues and Transfers**
 (Dollars in Millions)


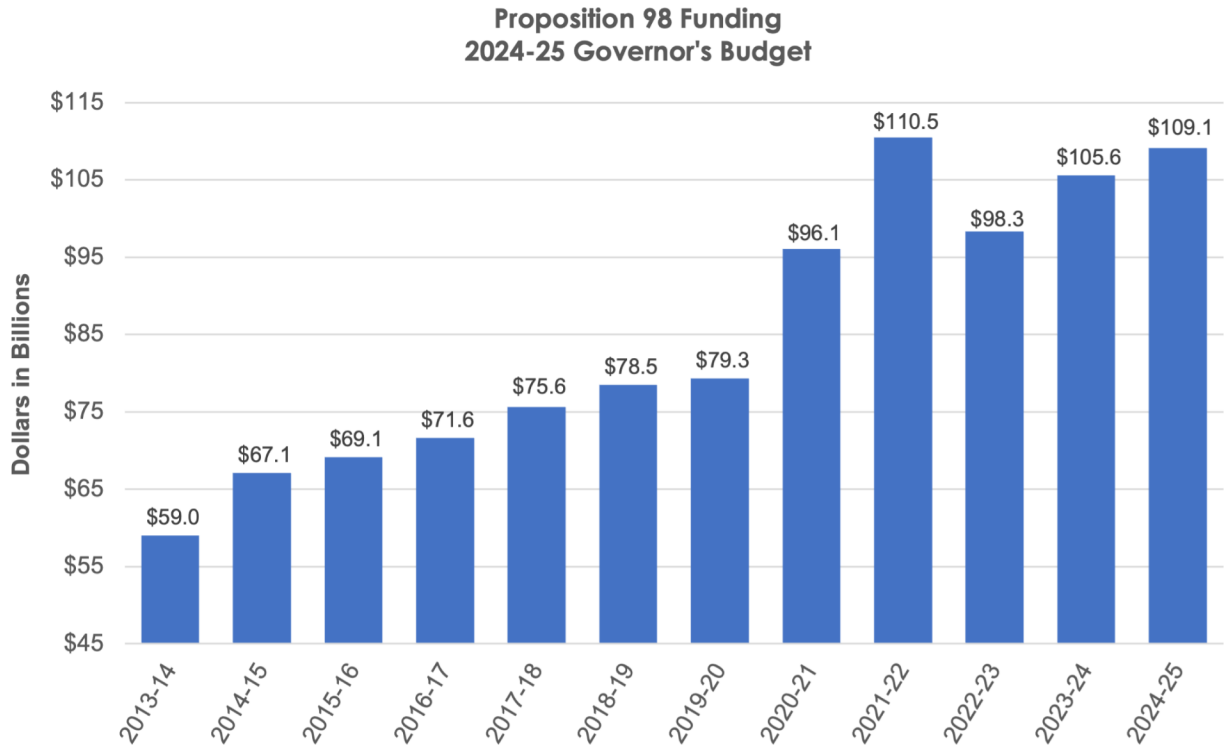
PROPOSITION 98

Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges (collectively referred to as K-14 schools). The Guarantee, which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance growth or decline. The Local Control Funding Formula (LCFF) is the primary mechanism for distributing these funds to support all students attending K-12 public schools in California.

The revised estimates of General Fund revenues result in notable adjustments to the Proposition 98 Guarantee. Proposition 98 funding for K-12 schools and community colleges is estimated to be \$98.3 billion in 2022-23, \$105.6 billion in 2023-24, and \$109.1 billion in 2024-25. These revised Proposition 98 levels represent a decrease of approximately \$11.3 billion over the three-year period relative to the 2023 Budget Act. Recognizing that the delay in the tax filing deadline to November 16 impacted state revenue projections for 2022-23 available at the time the 2023 Budget Act was enacted, the Budget proposes statutory changes to address roughly \$8 billion of this decrease to avoid impacting existing LEA and community college district budgets.

The Guarantee continues to be in a Test 1 for all years 2022-23 through 2024-25. This means that the funding level of the Guarantee is equal to roughly 39 percent of General Fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of General Fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 minimum Guarantee is “rebenched” to reflect the continued implementation of Universal Transitional Kindergarten and the implementation of the Arts and Music in Schools—Funding Guarantee and Accountability Act. The resulting Test 1 percentage is then “rebenched” to increase the percentage of General Fund revenues due to the Guarantee, from 38.6 percent to 39.5 percent.

The Budget includes total funding of \$126.8 billion (\$76.4 billion General Fund and \$50.4 billion other funds) for all K-12 education programs. K-12 per-pupil funding totals \$17,653 Proposition 98 General Fund and \$23,519 per pupil when accounting for all funding sources.



PROPOSITION 98 RAINY DAY FUND

The 2023 Budget Act projected a total balance of \$10.8 billion in the PSSSA. The Budget reflects revised 2022-23 and 2023-24 payments, and a 2024-25 payment, of roughly \$339 million, \$288 million, and \$752 million, respectively, into the PSSSA, and withdrawals of roughly \$3 billion in 2023-24 and \$2.7 billion in 2024-25, for a total revised account balance of more than \$3.8 billion at the end of 2024-25. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the PSSSA is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 Guarantee. The balance of \$5.7 billion in 2023-24 continues to trigger school district reserve caps in 2024-25.

EDUCATIONAL REVENUE AUGMENTATION FUND

Beginning in 1992, the Educational Revenue Augmentation Fund (ERAF) shifted property tax revenues from cities, counties, and special districts to K-14 schools. This provides dollar-for-dollar General Fund savings equal to the amount shifted when Test 1 of Proposition 98 is not operative.

ERAF collected within each county is distributed on a per-average daily attendance (ADA) basis to all non-basic aid school districts, with the intent of directing proportionally more ERAF towards districts that have less property tax revenues on a per-ADA basis. Community Colleges and Special Education Local Plan Areas also receive an allocation. Any ERAF that cannot be absorbed by basic aid schools—which are statutorily ineligible to receive ERAF—is termed “Excess ERAF.” This Excess ERAF is returned to the local agencies from which it was generated.

Charter schools were established in the state in 1992, almost concurrently with the ERAF statutes. However, charter schools are not explicitly addressed within existing ERAF distribution statutes. To explicitly address charter schools and their interaction with existing ERAF distribution statutes, the Budget proposes statutory changes to clarify that charter schools are eligible to receive ERAF.

HIGHER EDUCATION

The Governor's Budget reflects the third year of the multi-year compacts with the University of California (UC) and the California State University (CSU), and a multi-year roadmap with the California Community Colleges (CCCs), that focus on shared priorities benefitting students. Despite the state's current fiscal condition, the Administration remains committed to the shared goals of increasing access to the UC and CSU, improving student success while advancing equity, increasing the affordability of higher education, increasing intersegmental collaboration, and supporting workforce preparedness and high-demand career pipelines.

The Budget proposes total funding of \$44.8 billion (\$26.9 billion General Fund and local property tax and \$17.9 billion other funds) for the higher education segments and the California Student Aid Commission. The figure on Higher Education Expenditures displays additional detail about funding for 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 ^{1/}	\$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 ^{1/}	\$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 ^{2/}	\$21,091.1	\$21,255.3	\$21,611.3	\$355.9	1.7%
California Student Aid Commission					
General Fund ^{3/}	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%
General Fund	\$25,247.8	\$26,361.9	\$26,726.3	\$364.3	1.4%
Total Funds	\$43,389.8	\$44,010.6	\$44,542.4	\$531.8	1.2%
^{1/} These totals include tuition and fee revenues and other funds the universities report as discretionary.					
^{2/} Withdrawals from the Public School System Stabilization Account are reflected in this row.					
^{3/} 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.					

CAREER EDUCATION

On August 31, 2023, Governor Newsom signed Executive Order N-11-23, initiating a comprehensive effort to rearchitect education and workforce systems to better reflect the lived reality of Californians.

Despite challenging budget circumstances, this multi-year effort will advance progress in California by both optimizing delivery of existing investments and developing policy proposals that will better align systems in the future. First, the Governor's Office is convening interagency teams both at the state level (under the Governor's Council for Career Education) and at the regional level (as part of the K-16 Regional Collaboratives) that will drive results on the tens of billions in new workforce investments made in the first four years of the Newsom Administration. Second, the Administration is engaging a 13-month planning process to investigate how existing policies,

investments, and structures can be improved, culminating in the Governor's Master Plan for Career Education scheduled for publication in the winter of 2024.

The goal is to ensure all Californians from cradle to career are:

1. On-ramped into well-paying, purposeful careers.
2. Empowered to build real-life skills.
3. Able to access and afford a quality education throughout life.

UNIVERSITY OF CALIFORNIA

The UC offers formal undergraduate and graduate education, is the public segment authorized to independently award doctoral degrees, and is designated as the state's primary academic agency for research. Its ten campuses enroll nearly 294,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2022-23, the UC awarded more than 86,000 degrees, including over 62,000 undergraduate degrees.

To address the projected budget shortfall, the Budget defers the planned 2024-25 Compact investment of \$227.8 million and the planned investment of \$31 million to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students in 2024-25. These deferrals would largely maintain ongoing UC General Fund at 2023-24 levels, while enabling the UC to use interim financing structures or other internal borrowing to support UC spending at the planned 2024-25 Compact level and at the level necessary to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled in 2024-25.

This approach will enable the UC to continue its efforts to meet the Compact goals to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Administration will continue to monitor the UC's actions toward meeting the Compact goals.

SIGNIFICANT ONGOING BUDGET ADJUSTMENTS

- **Compact Deferral**—A one-time deferral of approximately \$227.8 million General Fund, which represents the 2024-25 five-percent General Fund resource adjustment pursuant to the Compact. In addition to the planned 2025-26 Compact investment, in 2025-26 UC should plan for both the repayment of this one-time deferral and the

approximately \$227.8 million ongoing General Fund to be included within its base budget.

- **Resident Undergraduate Enrollment Growth Deferral**—A one-time deferral of approximately \$31 million General Fund, to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses. In addition to the planned 2025-26 investment to offset revenue reductions associated with the replacement of nonresident undergraduate students at three UC campuses, in 2025-26 UC should plan for both the repayment of this one-time deferral and the \$31 million ongoing General Fund to be included within its base budget.
- **Graduate Medical Education Backfill**—An increase of approximately \$2.6 million ongoing General Fund and \$247,000 one-time General Fund to offset declining Proposition 56 revenue for a statewide grant program and maintain \$40 million in funds for graduate medical residency slots.
- **Medical School Project at UC Merced**—Consistent with the 2019 Budget, an increase of \$14.5 million ongoing General Fund to support a Medical School Project at UC Merced beginning in 2024-25.

SIGNIFICANT ONE-TIME BUDGET ADJUSTMENT

- **Adjustment in Capital Outlay Support**—The Budget proposes to forgo a planned investment of \$300 million one-time General Fund support for the construction of an Institute for Immunology and Immunotherapy at UC Los Angeles. This adjustment was made because the project shifted away from the construction of a new facility to the acquisition and updating of an existing facility.

CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll more than 457,000 students and in 2022-23, the CSU awarded roughly 127,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs. The CSU strives to further fulfill its mission through Graduation Initiative 2025, which aims to increase four-year graduation rates, increase two-year transfer graduation rates, and eliminate equity gaps. The CSU is an important institution for providing four-year education in some of

the most underserved regions of the state, including the Far North, the Central Valley, and the Inland Empire.

To address the projected budget shortfall, the Budget defers the planned 2024-25 Compact investment of \$240.2 million to 2025-26. This deferral would largely maintain ongoing CSU General Fund at 2023-24 levels, while enabling the CSU to use interim financing structures or other internal borrowing to support CSU spending at the planned 2024-25 Compact level.

This approach will enable the CSU to continue its efforts to meet the Compact goals to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Administration will continue to monitor the CSU's actions toward meeting the Compact goals.

SIGNIFICANT BUDGET ADJUSTMENT

- **Compact Deferral**—A one-time deferral of approximately \$240.2 million General Fund, which represents the 2024-25 five-percent General Fund resource adjustment pursuant to the Compact. In addition to the planned 2025-26 Compact investment, in 2025-26 CSU should plan for both the repayment of this one-time deferral and the approximately \$240.2 million ongoing General Fund to be included within its base budget.

CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the country, serving roughly one out of every four of the nation's community college students, or approximately 1.9 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2022-23, the CCCs awarded over 109,000 certificates and 187,000 degrees and transferred over 97,000 students to four-year institutions.

The Budget reflects a continued focus on the CCC multi-year roadmap, which focuses on equity, student success, and enhancing the system's ability to prepare students for California's future.

SIGNIFICANT BUDGET ADJUSTMENTS

- **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.

STUDENT HOUSING

The Higher Education Student Housing Grant Program was established to provide grants for the CCCs, CSU, and UC to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. The 2023 Budget Act shifted the Program's prior and planned General Fund support for UC and CSU affordable student housing grants to UC- and CSU-issued revenue bonds. It also reverted prior and planned General Fund support for CCC affordable student housing grants with the intent to develop a statewide lease revenue bond or other statewide financing approach by the 2024 Budget Act to support CCC affordable student housing projects approved pursuant to the Program. The Administration remains committed to a statewide lease revenue bond approach and is developing a proposal for consideration at the May Revision. In addition, for a limited number of projects that do not currently fit within a statewide lease revenue bond approach, the Administration proposes using resources included in the 2023 Budget to support those projects.

To address the projected budget shortfall, the Budget proposes suspending funding for the California Student Housing Revolving Loan Fund Program, which includes pulling back \$300 million one-time General Fund previously intended to be appropriated for the program for each year from 2024–25 to 2028–29, and reverting \$194 million of

\$200 million one-time General Fund that was appropriated in 2023–24, which is the amount estimated to be net of the Program's expected operational costs.

CALIFORNIA STUDENT AID COMMISSION

Administered by the California Student Aid Commission, the state's primary financial aid program is the Cal Grant Program. This entitlement program provides financial aid awards to students who meet specified eligibility criteria, and who attend one of the state's qualifying public institutions or independent and private institutions. Students who are ineligible for the Cal Grant entitlement program can compete for financial aid awards available through the Cal Grant competitive program.

The Budget assumes total financial aid expenditures of \$3.3 billion, of which \$2.5 billion supports the Cal Grant Program, and \$636.2 million supports the Middle Class Scholarship program. The Budget forgoes a planned one-time Middle Class Scholarship investment of \$289 million. In 2022–23, approximately 384,000 students received new or renewal Cal Grant awards. The Middle Class Scholarship Program and resources to support the construction of affordable student housing are intended to help facilitate students' access toward a debt-free college pathway.

The state's Cal Grant entitlement program is estimated to provide over 377,000 financial aid awards to students who meet specified eligibility criteria in 2023–24. Students who demonstrate financial need, but do not meet all of the criteria for entitlement awards, may qualify for one of 13,000 proposed competitive Cal Grant awards. The majority of these awards provide a stipend to cover some living expenses, such as housing, food, and transportation.

CAL GRANT REFORM

The 2022 Budget Act reflected provisions regarding the fiscal conditions upon which the Cal Grant Reform Act may be implemented. The Cal Grant Reform Act would make significant changes to the state's largest financial aid program, replacing the existing Cal Grant program with a new version of the program that provides a Cal Grant 2 for eligible CCC students with financial need, and provides a Cal Grant 4 for eligible four-year university students with financial need. The Administration remains attentive to the 2022 Budget Act's provisions regarding the fiscal conditions upon which the Cal Grant Reform Act may be implemented, and will continue to work closely with the Legislature, the Commission, and others.

COLLEGE OF THE LAW, SAN FRANCISCO

College of the Law, San Francisco is affiliated with the UC system, but is governed by its own Board of Directors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also offers programs leading to Master of Laws; Master of Studies in Law; and Master of Science, Health Policy and Law degrees. In 2022-23, UC College of the Law, San Francisco enrolled 1,155 full-time equivalent students. Of these, 1,103 were Juris Doctor students.

SIGNIFICANT BUDGET ADJUSTMENT

- **Base Growth**—An increase of \$2.2 million ongoing General Fund to support operating costs. This represents a 3-percent increase base augmentation.

CALIFORNIA STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and the Legislature. The Library collects, preserves, generates, and disseminates information, and provides critical assistance to libraries across the state. The Library administers programs funded by state and federal funds to support local and public library programs.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Support for Local Library Infrastructure**—The Budget proposes to pull back \$131.3 million one-time General Fund of the \$439 million in one-time General Fund support provided for the Local Library Infrastructure Grant Program in the 2021 Budget Act, and proposes to forgo planned one-time General Fund investments of \$33 million in 2024-25, \$33 million in 2025-26, and \$34 million in 2026-27.
- **Statewide Library Broadband Services**—To address the projected budget shortfall, the Budget proposes to pull-back \$34 million of the \$35 million provided to expand broadband access to isolated and under-served communities through a collaborative partnership of local education agencies, and regional libraries due to low participation in the program.

HIGHER EDUCATION

Each year, millions of Californians pursue postsecondary degrees and certificates, enroll in courses, or participate in other kinds of education and training. The three public segments that support these educational opportunities are the University of California (UC), the California State University (CSU), and the California Community Colleges (CCCs).

CALIFORNIA COMMUNITY COLLEGES

The CCCs comprise the largest postsecondary system of education in the nation. The system serves approximately 22 million students annually at 73 locally governed community college districts encompassing 116 campuses, 8,080 approved off-campus centers, and 24 district offices. The districts' assets include 6,000 buildings containing 87 million gross sf on more than 25,000 acres. The system also provides instruction at numerous off-campus outreach centers.

Proposition 51 (Prop 51) of 2016 authorized \$2 billion in state General Obligation bonds to support the improvement and construction of community college facilities. Over 98 percent of these bonds have been committed to addressing nearly 100 critical infrastructure projects.

The Budget includes \$29.3 million Prop 51 for the Siskiyou Joint Community College District, College of the Siskiyous: Remodel Theater and McCloud Hall project.

***2024-25 Governor's State Budget
"E-Pages" for California
Community Colleges***

6870 Board of Governors of the California Community Colleges

The Board of Governors of the California Community Colleges was established in 1967 to provide statewide leadership to California's 73 community college districts, which operate 116 community colleges. The Board has 18 voting members as specified in statute. Twelve members are appointed by the Governor, require Senate approval for six-year terms, and must include two current or former local board members. Five members are appointed by the Governor to two-year terms and include two students, two faculty members, and one classified member. The Lieutenant Governor also serves as a member of the Board.

The objectives of the Board are to:

- Provide direction and coordination to California's community colleges.
- Apportion state funds to districts and ensure prudent use of public resources.
- Improve district and campus programs through informational and technical services on a statewide basis.

Because community college programs drive the need for infrastructure investment, each community college district has a related capital outlay program to support this need. For specifics on the community college capital outlay program, see "Infrastructure Overview."

3-YEAR EXPENDITURES AND POSITIONS [†]

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
5670	Apportionments	-	-	-	\$9,242,740	\$9,958,522	\$10,374,450
5675	Special Services and Operations	171.8	214.1	214.1	2,757,828	2,809,596	2,836,035
5685	Mandates	-	-	-	36,107	38,290	39,232
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		171.8	214.1	214.1	\$12,036,675	\$12,806,408	\$13,249,717
FUNDING					2022-23*	2023-24*	2024-25*
0001	General Fund				\$64,154	\$260,105	\$26,029
0001	General Fund, Proposition 98				7,172,064	7,688,920	8,193,201
0342	State School Fund				6,724	6,545	6,545
0574	1998 Higher Education Capital Outlay Bond Fund				16	-	-
0660	Public Buildings Construction Fund				-62	-	-
0814	California State Lottery Education Fund				367,243	315,905	315,568
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund				-	25	25
0942	Special Deposit Fund				1,256	155	155
0986	Local Property Tax Revenues				3,859,906	4,039,588	4,215,826
0992	Higher Education Fees and Income				399,257	399,257	400,687
0995	Reimbursements				17,300	88,679	88,679
3085	Mental Health Services Fund				106	120	123
3273	Employment Opportunity Fund				-3,891	4,251	-
6028	2002 Higher Education Capital Outlay Bond Fund				19	-	-
6049	2006 California Community College Capital Outlay Bond Fund				93	-	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

6870 Board of Governors of the California Community Colleges - Continued

FUNDING		2022-23*	2023-24*	2024-25*
6087	2016 California Community College Capital Outlay Bond Fund	2,490	2,858	2,879
8506	Coronavirus Fiscal Recovery Fund of 2021	150,000	-	-
TOTALS, EXPENDITURES, ALL FUNDS		\$12,036,675	\$12,806,408	\$13,249,717

† Fiscal year 2022-23 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2022-23 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code, Division 7.

DETAILED BUDGET ADJUSTMENTS

	2023-24*			2024-25*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Apportionments Cost-of-Living Adjustment	\$-	\$-	-	\$69,149	\$-	-
• Enrollment Growth Adjustment	-	-	-	29,588	-	-
• Adjustment for CCC Affordable Student Housing	-10,900	-	-	-61,479	-	-
• Fund SCFF via PSSSA Withdrawal	-235,908	-	-	-486,233	-	-
Totals, Workload Budget Change Proposals	\$-246,808	\$-	-	\$-448,975	\$-	-
Other Workload Budget Adjustments						
• Adjust Apportionments to Reflect Revised Estimates of Offsetting EPA Revenues	609,845	-	-	592,162	-	-
• Other Base Apportionment Adjustments	-	-	-	145,683	-	-
• Adjust Apportionments to Reflect Revised Estimates of Offsetting Student Fees	8,232	-	-	6,802	-	-
• Adult Education Program Cost-of-Living Adjustment	-	-	-	4,911	-	-
• Extended Opportunity Programs and Services Cost-of-Living Adjustment	-	-	-	1,646	-	-
• Disabled Student Programs and Services Cost-of-Living Adjustment	-	-	-	1,313	-	-
• Financial Aid Administration 2% of Waived Fees Adjustment	-	-	-	770	-	-
• Financial Aid Administration Per Unit Adjustment	-	-	-	761	-	-
• Apprenticeship Cost-of-Living Adjustment	-	-	-	656	-	-
• Adjust Mandate Block Grant Funding to Reflect Updated Enrollment	-	-	-	646	-	-
• Student Services for CalWORKs Students Program Cost-of-Living Adjustment	-	-	-	418	-	-
• Mandate Block Grant Cost-of-Living Adjustment	-	-	-	296	-	-
• Campus Childcare Tax Bailout Program Cost-of-Living Adjustment	-	-	-	32	-	-

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6870 Board of Governors of the California Community Colleges - Continued

	2023-24*			2024-25*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Informational Net Offsetting Local Revenue Adjustment	-	37,039	-	-	213,277	-
• Lottery Revenue Adjustment	-	52,204	-	-	51,867	-
• Informational Oil and Mineral Revenue Adjustment	-	1,163	-	-	1,163	-
• 2023-24 EPA Adjustment	-609,806	-	-	-	-	-
• C.S. 19.568 - Allocation to College of the Canyons	1,000	-	-	-	-	-
• C.S. 19.568 - Allocation to Glendale College Foundation	4,500	-	-	-	-	-
• C.S. 19.568 - Allocation to Kern Community College District	1,000	-	-	-	-	-
• C.S. 19.568 - Allocation to Marin County	1,000	-	-	-	-	-
• C.S. 19.568 - Allocation to Napa Valley College Foundation	1,500	-	-	-	-	-
• C.S. 19.568 - Allocation to Orange Coast College Foundation	950	-	-	-	-	-
• C.S. 19.568 - Allocation to Santa Barbara City College Foundation	1,000	-	-	-	-	-
• C.S. 19.568 - Allocation to Santa Monica Community College District	500	-	-	-	-	-
• C.S. 19.568 - Allocation to Santa Rosa Junior College Foundation	1,500	-	-	-	-	-
• C.S. 19.568 - Allocation to the Norwalk Cerritos College Child Development Center	782	-	-	-	-	-
• C.S. 19.568 - Allocation to Yuba Community College District	1,200	-	-	-	-	-
• Control Section 19.56 Administrative Workload Allocation	159	-	-	-	-	-
• Informational State School Fund Pass-Through Adjustment	-	-	-	-	-	-
• Transfer of Adult Education Funds (EO E 23-24-3)	-499,814	-	-	-	-	-
• Informational Offsetting Student Fee Revenue Adjustment	-	-8,232	-	-	-6,802	-
• Other Post-Employment Benefit Adjustments	-63	-7	-	-84	-9	-
• Offsetting Oil and Mineral Revenue Adjustment	-	-	-	-1,163	-	-
• Adjustment to Shift Support for UC-CCC Intersegmental Student Housing Projects (Ch. 189, St. 2023)	-17,021	-	-	-17,021	-	-
• Hold Harmless Funding for Student Centered Funding Formula	-	-	-	-202,399	-	-
• Adjust Apportionments to Reflect Revised Local Revenue Estimates	-37,039	-	-	-213,277	-	-
• 2024-25 EPA Adjustment	-	-	-	-592,090	-	-
• Salary Adjustments	760	84	-	811	90	-
• Benefit Adjustments	475	52	-	641	72	-
• Miscellaneous Baseline Adjustments	-	-	-0.1	-	-	-0.1
• Lease Revenue Debt Service Adjustment	4	-	-	-5	-	-
Totals, Other Workload Budget Adjustments	\$-529,336	\$82,303	-0.1	\$-268,491	\$259,658	-0.1
Totals, Workload Budget Adjustments	\$-776,144	\$82,303	-0.1	\$-717,466	\$259,658	-0.1
Totals, Budget Adjustments	\$-776,144	\$82,303	-0.1	\$-717,466	\$259,658	-0.1

PROGRAM DESCRIPTIONS

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

6870 Board of Governors of the California Community Colleges - Continued**5670 - APPORTIONMENTS**

This program supports the general education programs of the community colleges, including for general purpose apportionments.

5675 - SPECIAL SERVICES, OPERATIONS AND INFORMATION

This program includes the development, implementation, and coordination of policies and procedures regarding education programs and funding other than apportionments. Such programs include student financial aid, academic counseling, foster care education, and support for disabled students and CalWORKs participants.

5685 - MANDATES

This program provides funds to community college districts to support the costs of performing state mandates.

DETAILED EXPENDITURES BY PROGRAM [†]

		<u>2022-23*</u>	<u>2023-24*</u>	<u>2024-25*</u>
	PROGRAM REQUIREMENTS			
5670	APPORTIONMENTS			
	Local Assistance:			
0001	General Fund	\$4,453,592	\$5,189,227	\$5,427,824
0342	State School Fund	6,724	6,545	6,545
0660	Public Buildings Construction Fund	-62	-	-
0814	California State Lottery Education Fund	367,243	315,905	315,568
0986	Local Property Tax Revenues	3,859,906	4,039,588	4,215,826
0992	Higher Education Fees and Income	399,257	399,257	400,687
0995	Reimbursements	6,080	8,000	8,000
8506	Coronavirus Fiscal Recovery Fund of 2021	150,000	-	-
	Totals, Local Assistance	\$9,242,740	\$9,958,522	\$10,374,450
	SUBPROGRAM REQUIREMENTS			
5670015	Apportionments			
	Local Assistance:			
0001	General Fund	\$4,265,372	\$5,042,786	\$5,280,727
0342	State School Fund	6,724	6,545	6,545
0660	Public Buildings Construction Fund	-62	-	-
0814	California State Lottery Education Fund	367,243	315,905	315,568
0986	Local Property Tax Revenues	3,859,906	4,039,588	4,215,826
0992	Higher Education Fees and Income	399,257	399,257	400,687
8506	Coronavirus Fiscal Recovery Fund of 2021	150,000	-	-
	Totals, Local Assistance	\$9,048,440	\$9,804,081	\$10,219,353
	SUBPROGRAM REQUIREMENTS			
5670019	Apprenticeship			
	Local Assistance:			
0001	General Fund	\$114,948	\$64,343	\$64,584
	Totals, Local Assistance	\$114,948	\$64,343	\$64,584
	SUBPROGRAM REQUIREMENTS			
5670023	Apprenticeship Training and Instruction			
	Local Assistance:			
0001	General Fund	\$49,772	\$59,098	\$59,513
	Totals, Local Assistance	\$49,772	\$59,098	\$59,513
	SUBPROGRAM REQUIREMENTS			
5670035	Expand the Delivery of Courses through Technology			
	Local Assistance:			
0001	General Fund	\$23,500	\$23,000	\$23,000
	Totals, Local Assistance	\$23,500	\$23,000	\$23,000

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6870 Board of Governors of the California Community Colleges - Continued

		<u>2022-23*</u>	<u>2023-24*</u>	<u>2024-25*</u>
	SUBPROGRAM REQUIREMENTS			
5670036	Calworks Services			
	Local Assistance:			
0995	Reimbursements	6,080	8,000	8,000
	Totals, Local Assistance	\$6,080	\$8,000	\$8,000
	PROGRAM REQUIREMENTS			
5675	SPECIAL SERVICES AND OPERATIONS			
	State Operations:			
0001	General Fund	\$24,453	\$77,620	\$27,078
0574	1998 Higher Education Capital Outlay Bond Fund	16	-	-
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	-	10	10
0942	Special Deposit Fund	1,256	155	155
0995	Reimbursements	5,266	9,245	9,245
3085	Mental Health Services Fund	106	120	123
6028	2002 Higher Education Capital Outlay Bond Fund	19	-	-
6049	2006 California Community College Capital Outlay Bond Fund	93	-	-
6087	2016 California Community College Capital Outlay Bond Fund	2,490	2,858	2,879
	Totals, State Operations	\$33,699	\$90,008	\$39,490
	Local Assistance:			
0001	General Fund	\$2,722,066	\$2,643,888	\$2,725,096
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	-	15	15
0995	Reimbursements	5,954	71,434	71,434
3273	Employment Opportunity Fund	-3,891	4,251	-
	Totals, Local Assistance	\$2,724,129	\$2,719,588	\$2,796,545
	SUBPROGRAM REQUIREMENTS			
5675019	Student Financial Aid Administration			
	Local Assistance:			
0001	General Fund	\$81,611	\$78,489	\$80,020
	Totals, Local Assistance	\$81,611	\$78,489	\$80,020
	SUBPROGRAM REQUIREMENTS			
5675022	Student Success Completion Grant			
	Local Assistance:			
0001	General Fund	\$412,602	\$362,602	\$412,602
	Totals, Local Assistance	\$412,602	\$362,602	\$412,602
	SUBPROGRAM REQUIREMENTS			
5675023	Extended Opportunity Programs and Services			
	Local Assistance:			
0001	General Fund	\$200,112	\$216,561	\$218,207
	Totals, Local Assistance	\$200,112	\$216,561	\$218,207
	SUBPROGRAM REQUIREMENTS			
5675027	Disabled Students			
	Local Assistance:			
0001	General Fund	\$159,693	\$172,820	\$174,133
	Totals, Local Assistance	\$159,693	\$172,820	\$174,133
	SUBPROGRAM REQUIREMENTS			
5675030	CCCCO State Operations Budget			
	State Operations:			
0001	General Fund	\$24,453	\$27,041	\$27,078
0574	1998 Higher Education Capital Outlay Bond Fund	16	-	-
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	-	10	10

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6870 Board of Governors of the California Community Colleges - Continued

		2022-23*	2023-24*	2024-25*
0995	Reimbursements	5,266	9,245	9,245
3085	Mental Health Services Fund	106	120	123
6028	2002 Higher Education Capital Outlay Bond Fund	19	-	-
6049	2006 California Community College Capital Outlay Bond Fund	93	-	-
6087	2016 California Community College Capital Outlay Bond Fund	2,490	2,858	2,879
	Totals, State Operations	\$32,443	\$39,274	\$39,335
	SUBPROGRAM REQUIREMENTS			
5675031	Student Services for CalWORKs Recipients			
	Local Assistance:			
0001	General Fund	\$50,871	\$55,053	\$55,471
	Totals, Local Assistance	\$50,871	\$55,053	\$55,471
	SUBPROGRAM REQUIREMENTS			
5675035	Foster Care Education Program			
	Local Assistance:			
0001	General Fund	\$6,154	\$6,154	\$6,154
0995	Reimbursements	3,005	6,112	6,112
	Totals, Local Assistance	\$9,159	\$12,266	\$12,266
	SUBPROGRAM REQUIREMENTS			
5675040	Student Equity and Achievement Program			
	Local Assistance:			
0001	General Fund	\$523,981	\$523,981	\$523,981
	Totals, Local Assistance	\$523,981	\$523,981	\$523,981
	SUBPROGRAM REQUIREMENTS			
5675042	Community College Summer Assistance Program			
	Local Assistance:			
0001	General Fund	\$10,000	\$10,000	\$10,000
	Totals, Local Assistance	\$10,000	\$10,000	\$10,000
	SUBPROGRAM REQUIREMENTS			
5675045	Legal Services			
	Local Assistance:			
0001	General Fund	\$10,000	\$10,000	\$10,000
	Totals, Local Assistance	\$10,000	\$10,000	\$10,000
	SUBPROGRAM REQUIREMENTS			
5675061	Academic Senate for the Community Colleges			
	Local Assistance:			
0001	General Fund	\$1,796	\$1,796	\$1,796
	Totals, Local Assistance	\$1,796	\$1,796	\$1,796
	SUBPROGRAM REQUIREMENTS			
5675069	Equal Employment Opportunity			
	Local Assistance:			
0001	General Fund	\$12,767	\$12,767	\$12,767
3273	Employment Opportunity Fund	-3,891	4,251	-
	Totals, Local Assistance	\$8,876	\$17,018	\$12,767
	SUBPROGRAM REQUIREMENTS			
5675073	Part-Time Faculty Health Insurance			
	Local Assistance:			
0001	General Fund	\$200,490	\$200,490	\$200,490
	Totals, Local Assistance	\$200,490	\$200,490	\$200,490
	SUBPROGRAM REQUIREMENTS			
5675077	Part-Time Faculty Compensation			
	Local Assistance:			
0001	General Fund	\$26,542	\$26,542	\$26,542

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6870 Board of Governors of the California Community Colleges - Continued

		<u>2022-23*</u>	<u>2023-24*</u>	<u>2024-25*</u>
	Totals, Local Assistance	\$26,542	\$26,542	\$26,542
	SUBPROGRAM REQUIREMENTS			
5675081	Part-Time Faculty Office Hours			
	Local Assistance:			
0001	General Fund	\$23,626	\$23,626	\$23,626
	Totals, Local Assistance	\$23,626	\$23,626	\$23,626
	SUBPROGRAM REQUIREMENTS			
5675098	Integrated Technology			
	Local Assistance:			
0001	General Fund	\$114,503	\$89,503	\$89,503
	Totals, Local Assistance	\$114,503	\$89,503	\$89,503
	SUBPROGRAM REQUIREMENTS			
5675100	California Statewide Community College			
	Local Assistance:			
0001	General Fund	\$15,000	\$15,000	\$15,000
	Totals, Local Assistance	\$15,000	\$15,000	\$15,000
	SUBPROGRAM REQUIREMENTS			
5675107	Vocational Education			
	State Operations:			
0942	Special Deposit Fund	\$1,256	\$155	\$155
	Totals, State Operations	\$1,256	\$155	\$155
	Local Assistance:			
0001	General Fund	\$-	\$14,000	\$60,000
0995	Reimbursements	2,949	65,322	65,322
	Totals, Local Assistance	\$2,949	\$79,322	\$125,322
	SUBPROGRAM REQUIREMENTS			
5675109	Institutional Effectiveness			
	Local Assistance:			
0001	General Fund	\$122,143	\$41,500	\$27,500
	Totals, Local Assistance	\$122,143	\$41,500	\$27,500
	SUBPROGRAM REQUIREMENTS			
5675115	Fund for Student Success			
	Local Assistance:			
0001	General Fund	\$245,939	\$272,711	\$272,711
	Totals, Local Assistance	\$245,939	\$272,711	\$272,711
	SUBPROGRAM REQUIREMENTS			
5675117	AANHPI Student Achievement Program			
	Local Assistance:			
0001	General Fund	\$8,000	\$8,000	\$8,000
	Totals, Local Assistance	\$8,000	\$8,000	\$8,000
	SUBPROGRAM REQUIREMENTS			
5675119	Economic Development			
	Local Assistance:			
0001	General Fund	\$313,329	\$313,329	\$313,329
0925	California Community Colleges Business Resource Assistance and Innovation Network Trust Fund	-	15	15
	Totals, Local Assistance	\$313,329	\$313,344	\$313,344
	SUBPROGRAM REQUIREMENTS			
5675120	K-12 Strong Workforce Program			
	Local Assistance:			
0001	General Fund	\$163,500	\$163,500	\$163,500
	Totals, Local Assistance	\$163,500	\$163,500	\$163,500

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6870 Board of Governors of the California Community Colleges - Continued

		2022-23*	2023-24*	2024-25*
	SUBPROGRAM REQUIREMENTS			
5675123	Transfer Education and Articulation			
	Local Assistance:			
0001	General Fund	\$2,079	\$2,079	\$2,079
	Totals, Local Assistance	\$2,079	\$2,079	\$2,079
	SUBPROGRAM REQUIREMENTS			
5675132	Student Housing			
	State Operations:			
0001	General Fund	\$-	\$50,579	\$-
	Totals, State Operations	\$-	\$50,579	\$-
	SUBPROGRAM REQUIREMENTS			
5675133	Physical Plant and Instructional Support			
	Local Assistance:			
0001	General Fund	\$-	\$5,732	\$-
	Totals, Local Assistance	\$-	\$5,732	\$-
	SUBPROGRAM REQUIREMENTS			
5675150	Campus Childcare Tax Bailout			
	Local Assistance:			
0001	General Fund	\$3,950	\$4,275	\$4,307
	Totals, Local Assistance	\$3,950	\$4,275	\$4,307
	SUBPROGRAM REQUIREMENTS			
5675156	Nursing Program Support			
	Local Assistance:			
0001	General Fund	\$13,378	\$13,378	\$13,378
	Totals, Local Assistance	\$13,378	\$13,378	\$13,378
	PROGRAM REQUIREMENTS			
5685	MANDATES			
	Local Assistance:			
0001	General Fund	\$36,107	\$38,290	\$39,232
	Totals, Local Assistance	\$36,107	\$38,290	\$39,232
	SUBPROGRAM REQUIREMENTS			
5685010	Mandates			
	Local Assistance:			
0001	General Fund	\$36,107	\$38,290	\$39,232
	Totals, Local Assistance	\$36,107	\$38,290	\$39,232
	TOTALS, EXPENDITURES			
	State Operations	33,699	90,008	39,490
	Local Assistance	12,002,976	12,716,400	13,210,227
	Totals, Expenditures	\$12,036,675	\$12,806,408	\$13,249,717

† Fiscal year 2022-23 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2022-23 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

EXPENDITURES BY CATEGORY †

1 State Operations	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
PERSONAL SERVICES						
Baseline Positions	214.2	214.2	214.2	\$21,371	\$21,371	\$21,371

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

6870 Board of Governors of the California Community Colleges - Continued

1 State Operations	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
Other Adjustments	-42.4	-0.1	-0.1	-3,707	844	901
Net Totals, Salaries and Wages	171.8	214.1	214.1	\$17,664	\$22,215	\$22,272
Staff Benefits	-	-	-	8,455	10,356	10,519
Totals, Personal Services	171.8	214.1	214.1	\$26,119	\$32,571	\$32,791
OPERATING EXPENSES AND EQUIPMENT				\$6,324	\$57,282	\$6,544
SPECIAL ITEMS OF EXPENSES				1,256	155	155
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$33,699	\$90,008	\$39,490

2 Local Assistance	Expenditures		
	2022-23*	2023-24*	2024-25*
Grants and Subventions - Governmental	\$11,990,159	\$12,703,598	\$13,197,434
Rents and Leases	12,817	12,802	12,793
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$12,002,976	\$12,716,400	\$13,210,227

† Fiscal year 2022-23 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2022-23 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS †

1 STATE OPERATIONS	2022-23*	2023-24*	2024-25*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$24,453	\$25,710	\$27,078
Allocation for Employee Compensation	-	760	-
Allocation for Other Post-Employment Benefits	-	-63	-
Allocation for Staff Benefits	-	475	-
Control Section 19.56 Administrative Workload Allocation	-	159	-
001 Budget Act appropriation	-	78,500	-
Adjustment for CCC Affordable Student Housing	-	-10,900	-
Adjustment to Shift Support for UC-CCC Intersegmental Student Housing Projects (Ch. 189, St. 2023)	-	-17,021	-
Totals Available	\$24,453	\$77,620	\$27,078
TOTALS, EXPENDITURES	\$24,453	\$77,620	\$27,078
0574 1998 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$16	-	-
TOTALS, EXPENDITURES	\$16	-	-
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$10	\$10
Totals Available	-	\$10	\$10
TOTALS, EXPENDITURES	-	\$10	\$10
0942 Special Deposit Fund			
APPROPRIATIONS			
Government Code section 16370	\$1,256	\$155	\$155
Totals Available	\$1,256	\$155	\$155

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6870 Board of Governors of the California Community Colleges - Continued

1 STATE OPERATIONS	2022-23*	2023-24*	2024-25*
TOTALS, EXPENDITURES	\$1,256	\$155	\$155
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$5,266	\$9,245	\$9,245
TOTALS, EXPENDITURES	\$5,266	\$9,245	\$9,245
3085 Mental Health Services Fund			
APPROPRIATIONS			
003 Budget Act appropriation	\$106	\$115	\$123
Allocation for Employee Compensation	-	3	-
Allocation for Staff Benefits	-	2	-
Totals Available	\$106	\$120	\$123
TOTALS, EXPENDITURES	\$106	\$120	\$123
6028 2002 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$19	-	-
TOTALS, EXPENDITURES	\$19	-	-
6049 2006 California Community College Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$93	-	-
TOTALS, EXPENDITURES	\$93	-	-
6087 2016 California Community College Capital Outlay Bond Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,490	\$2,734	\$2,879
Allocation for Employee Compensation	-	81	-
Allocation for Other Post-Employment Benefits	-	-7	-
Allocation for Staff Benefits	-	50	-
Totals Available	\$2,490	\$2,858	\$2,879
TOTALS, EXPENDITURES	\$2,490	\$2,858	\$2,879
Total Expenditures, All Funds, (State Operations)	\$33,699	\$90,008	\$39,490

2 LOCAL ASSISTANCE	2022-23*	2023-24*	2024-25*
0001 General Fund, Proposition 98			
APPROPRIATIONS			
101 Budget Act appropriation (Apportionments and Community College Programs)	\$5,527,940	\$5,642,269	\$5,878,113
Adjust Apportionments to Reflect Revised Estimates of Offsetting EPA Revenues	-	609,845	-
Adjust Apportionments to Reflect Revised Estimates of Offsetting Student Fees	-	8,232	-
Adjust Apportionments to Reflect Revised Local Revenue Estimates	-	-37,039	-
Fund SCFF via PSSSA Withdrawal	-	-235,908	-
103 Budget Act appropriation (Lease Revenue Debt Service)	12,817	12,798	12,793
Lease Revenue Debt Service Adjustments	-	4	-
105 Budget Act appropriation (Online College)	15,000	15,000	15,000
107 Budget Act appropriation (Fiscal Crisis and Management Assistance Team)	570	845	770
108 Budget Act appropriation (Student Success Completion Grant)	412,602	362,602	412,602
121 Budget Act appropriation	94,643	-	-
201 Budget Act appropriation (Adult Education Program)	271,259	652,222	657,133
Transfer of Adult Education Funds (EO E 23-24-3)	-	-499,814	-
203 Budget Act appropriation (K-12 Strong Workforce Program)	163,500	163,500	163,500
295 Budget Act appropriation (State Mandates)	13	13	13
296 Budget Act appropriation (State Mandates)	36,094	38,277	39,219
Article XIII, Section 36 of the California State Constitution (Proposition 30-transfer to Education Protection Account)	503,138	1,546,148	954,058
2023-24 EPA Adjustment	-	-609,806	-

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6870 Board of Governors of the California Community Colleges - Continued

2 LOCAL ASSISTANCE	2022-23*	2023-24*	2024-25*
Chapter 50, Statutes of 2023 (Use One-Time Resources to Support the SCFF)	133,988	-	-
Chapter 50, Statutes of 2023 (Adjustment to Deferred Maintenance Funding)	-	5,732	-
Pending Legislation (Nursing Programs at CCCs)	-	-	60,000
Chapter 50, Statutes of 2023 (Provide Funding for CCC Retention and Enrollment Strategies)	-	14,000	-
Chapter 50, Statutes of 2023 (Online Education Review and Recommendations)	500	-	-
TOTALS, EXPENDITURES	\$7,172,064	\$7,688,920	\$8,193,201
0001 General Fund			
APPROPRIATIONS			
Education Code section 17201 (n)	\$17,974	-	-
C.S. 19.568 - Allocation to College of the Canyons	-	1,000	-
C.S. 19.568 - Allocation to Glendale College Foundation	-	4,500	-
C.S. 19.568 - Allocation to Kern Community College District	-	1,000	-
C.S. 19.568 - Allocation to Marin County	-	1,000	-
C.S. 19.568 - Allocation to Napa Valley College Foundation	-	1,500	-
C.S. 19.568 - Allocation to Orange Coast College Foundation	-	950	-
C.S. 19.568 - Allocation to Santa Barbara City College Foundation	-	1,000	-
C.S. 19.568 - Allocation to Santa Monica Community College District	-	500	-
C.S. 19.568 - Allocation to Santa Rosa Junior College Foundation	-	1,500	-
C.S. 19.568 - Allocation to Yuba Community College District	-	1,200	-
C.S. 19.568 - Allocation to the Norwalk Cerritos College Child Development Center	-	782	-
Prior Year Balances Available:			
Reappropriation from Proposition 98 per Item 6870-488, Budget Act of 2018	23,287	168,602	-
TOTALS, EXPENDITURES	\$41,261	\$183,534	-
Loan repayment per Education Code section 41329.52	-1,560	-1,049	-1,049
NET TOTALS, EXPENDITURES	\$39,701	\$182,485	-\$1,049
0342 State School Fund			
APPROPRIATIONS			
Article XVI, Section 8.5 of the California State Constitution	\$8,403,229	\$7,164,798	\$7,312,465
Informational State School Fund Pass-Through Adjustment	-	-155,364	-
Education Code section 12320 (Federal Oil and Mineral Revenue)	6,724	5,382	6,545
Informational Oil and Mineral Revenue Adjustment	-	1,163	-
TOTALS, EXPENDITURES	\$8,409,953	\$7,015,979	\$7,319,010
Less funding provided by General Fund	-8,403,229	-7,009,434	-7,312,465
NET TOTALS, EXPENDITURES	\$6,724	\$6,545	\$6,545
0660 Public Buildings Construction Fund			
Less funding provided by General Fund	-62	-	-
NET TOTALS, EXPENDITURES	-\$62	-	-
0814 California State Lottery Education Fund			
APPROPRIATIONS			
Government Code section 8880.5	\$367,243	\$263,701	\$315,568
Lottery Revenue Adjustment	-	52,204	-
TOTALS, EXPENDITURES	\$367,243	\$315,905	\$315,568
0925 California Community Colleges Business Resource Assistance and Innovation Network Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	-	\$15	\$15
Totals Available	-	\$15	\$15
TOTALS, EXPENDITURES	-	\$15	\$15
0986 Local Property Tax Revenues			
APPROPRIATIONS			
Local property tax revenue (amount counted toward apportionments)	\$3,859,906	\$4,002,549	\$4,215,826
Informational Net Offsetting Local Revenue Adjustment	-	37,039	-

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6870 Board of Governors of the California Community Colleges - Continued

2 LOCAL ASSISTANCE	2022-23*	2023-24*	2024-25*
TOTALS, EXPENDITURES	\$3,859,906	\$4,039,588	\$4,215,826
0992 Higher Education Fees and Income			
APPROPRIATIONS			
Student fee revenue (amount counted toward apportionments)	\$399,257	\$407,489	\$400,687
Informational Offsetting Student Fee Revenue Adjustment	-	-8,232	-
TOTALS, EXPENDITURES	\$399,257	\$399,257	\$400,687
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$12,034	\$79,434	\$79,434
TOTALS, EXPENDITURES	\$12,034	\$79,434	\$79,434
3207 Education Protection Account			
APPROPRIATIONS			
Article XIII, Section 36 of the California State Constitution (Proposition 30)	\$503,138	\$1,546,148	\$954,058
2023-24 EPA Adjustment	-	-609,806	-
TOTALS, EXPENDITURES	\$503,138	\$936,342	\$954,058
Less funding provided by General Fund	-503,138	-936,342	-954,058
NET TOTALS, EXPENDITURES	-	-	-
3273 Employment Opportunity Fund			
APPROPRIATIONS			
101 Budget Act appropriation	-	\$4,251	-
TOTALS, EXPENDITURES	-	\$4,251	-
Less funding provided by General Fund	-3,891	-	-
NET TOTALS, EXPENDITURES	-\$3,891	\$4,251	-
8506 Coronavirus Fiscal Recovery Fund of 2021			
Prior Year Balances Available:			
Item 6870-162-8506, Budget Act of 2021	150,000	-	-
TOTALS, EXPENDITURES	\$150,000	-	-
Total Expenditures, All Funds, (Local Assistance)	\$12,002,976	\$12,716,400	\$13,210,227
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$12,036,675	\$12,806,408	\$13,249,717

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FUND CONDITION STATEMENTS †

	2022-23*	2023-24*	2024-25*
<u>3273 Employment Opportunity Fund[§]</u>			
BEGINNING BALANCE	\$359	\$4,250	-\$1
Adjusted Beginning Balance	\$359	\$4,250	-\$1
Total Resources	\$359	\$4,250	-\$1
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
6870 Board of Governors of the California Community Colleges (Local Assistance)	-	4,251	-
Less funding provided by General Fund (Local Assistance)	-3,891	-	-
Total Expenditures and Expenditure Adjustments	-\$3,891	\$4,251	-
FUND BALANCE	\$4,250	-\$1	-\$1
Reserve for economic uncertainties	4,250	-1	-1

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6870 Board of Governors of the California Community Colleges - Continued

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CHANGES IN AUTHORIZED POSITIONS †

	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
Baseline Positions	214.2	214.2	214.2	\$21,371	\$21,371	\$21,371
Salary and Other Adjustments	-42.4	-0.1	-0.1	-3,707	844	901
Totals, Adjustments	-42.4	-0.1	-0.1	\$-3,707	\$844	\$901
TOTALS, SALARIES AND WAGES	171.8	214.1	214.1	\$17,664	\$22,215	\$22,272

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INFRASTRUCTURE OVERVIEW

The California Community Colleges (CCC) comprise the largest postsecondary system of education in the nation. The CCC system serves approximately 2 million students annually at 73 locally-governed community college districts encompassing 116 campuses, 80 approved off-campus centers, and 24 district offices. The districts' assets include more than 25,000 acres of land, 6,000 buildings, and 87 million gross square feet of space. The system also holds instruction at numerous off-campus outreach centers.

SUMMARY OF PROJECTS

		State Building Program Expenditures	2022-23*	2023-24*	2024-25*
5680	CAPITAL OUTLAY Projects				
0001600	San Francisco Community College District, Ocean Campus: Utility Infrastructure Replacement		-	58,082	-
	Construction		-	58,082	-
0001601	San Francisco Community College District, Alemany Center: Seismic and Code Upgrades		-	10,933	-
	Construction		-	10,933	-
0002134	Coast Community College District, Orange Coast College: Language Arts & Social Sciences Building		-	23	-
	Working Drawings		-	23	-
0002477	San Mateo County Community College District, Skyline College: Workforce and Economic Development Prosperity Center	23,033	-	-	-
	Construction	23,033	-	-	-
0002479	Los Rios Community College District, Natomas Education Center: Natomas Center Phase 2 and 3	27,632	-	-	-
	Construction	27,632	-	-	-
0002484	West Hills Community College District, North District Center: Center Expansion	726	-	-	-
	Construction	726	-	-	-
0002488	Sequoias Community College District, College of the Sequoias: Basic Skills Center	564	-	-	-
	Construction	564	-	-	-
0002489	Monterey Peninsula Community College District, Fort Ord Center: Public Safety Center Phase 2	-	289	-	-
	Working Drawings	-	289	-	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2022-23*	2023-24*	2024-25*
5680		CAPITAL OUTLAY Projects			
0002490	Mt. San Antonio Community College District, Mt. San Antonio College: New Physical Education Complex		-	4,793	-
	Construction		-	4,793	-
0002492	Peralta Community College District, Merritt College: Child Development Center		5,692	-	-
	Construction		5,692	-	-
0002496	Rancho Santiago Community College District, Santa Ana College: Russell Hall Replacement		-	1,697	-
	Construction		-	1,697	-
0002497	Peralta Community College District, Laney College: Learning Resource Center		-	22,812	-
	Construction		-	22,812	-
0005036	Redwoods Community College District, College of the Redwoods: Physical Education Replacement		-	72,298	-
	Construction		-	72,298	-
0005037	Santa Monica Community College District, Santa Monica College: Arts Complex Consolidation		-	9,821	-
	Construction		-	9,821	-
0005038	Los Rios Community College District, American River College: Technical Building Modernization		28,647	-	-
	Construction		28,647	-	-
0005039	Los Angeles Community College District, Los Angeles City College: Theater Arts Replacement		-	14,124	-
	Construction		-	14,124	-
0005040	Los Rios Community College District, Folsom Lake College: Instructional Buildings Phase 2.1		29,494	-	-
	Construction		29,494	-	-
0005041	West Valley-Mission Community College District, West Valley College: Learning Resource Center Renovation		17,815	-	-
	Construction		17,815	-	-
0005043	Santa Barbara Community College District, Santa Barbara City College: Physical Education Replacement		-	32,521	-
	Construction		-	32,521	-
0005044	Cerritos Community College District, Cerritos College: Health Sciences Building #26 Renovation		11,512	-	-
	Construction		11,512	-	-
0005045	Rio Hondo Community College District, Rio Hondo College: Music/Wray Theater Renovation		11,559	-	-
	Construction		11,559	-	-
0005054	Long Beach Community College District, Liberal Arts Campus: Music/Theatre Complex (Building G&H)		20,609	-	-
	Construction		20,609	-	-
0005056	Peralta Community College District, College of Alameda: Replacement of Buildings B and E (Auto and Diesel Technologies)		15,291	-	-
	Construction		15,291	-	-
0005062	Santa Clarita Community College District, College of the Canyons: Modernize Academic Building-Boykin Hall		4,332	-	-
	Construction		4,332	-	-
0005064	Peralta Community College District, Laney College: Modernize Theatre Building		-	7,290	-
	Construction		-	7,290	-
0005066	Peralta Community College District, Merritt College: Horticulture Building Replacement		9,034	-	-
	Construction		9,034	-	-
0005067	West Hills Community College District, West Hills College Lemoore: Instructional Center Phase 1		-	23,543	-
	Construction		-	23,543	-
0006503	Sierra Joint Community College District, Sierra College: Gymnasium Modernization		26,479	-	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2022-23*	2023-24*	2024-25*
5680		CAPITAL OUTLAY Projects			
	Construction		26,479	-	-
0006504	Barstow Community College District, Barstow College: Hydronic Loop and Water Infrastructure		-	9,047	-
	Construction		-	9,047	-
0006545	Los Rios Community College District, Rancho Cordova Educational Center: Rancho Cordova Phase 2		-	8,509	-
	Construction		-	8,509	-
0006546	West Valley-Mission Community College District, Mission College: Performing Arts Building		-	14,430	-
	Construction		-	14,430	-
0006547	Los Angeles Community College District, Los Angeles Valley College: Academic Building 2		-	23,743	-
	Construction		-	23,743	-
0006548	North Orange County Community College District, Cypress College: Fine Arts Renovation		-	19,377	-
	Construction		-	19,377	-
0006549	Compton Community College District, Compton College: Physical Education Complex Replacement		-	21,534	-
	Construction		-	21,534	-
0006550	El Camino Community College District, El Camino College: Music Building Replacement		-	27,087	-
	Construction		-	27,087	-
0006551	Los Angeles Community College District, East Los Angeles College: Facilities Maintenance & Operations Replacement		-	11,588	-
	Construction		-	11,588	-
0006552	Sonoma County Junior College District, Santa Rosa Junior College: Tauzer Gym Renovation		-	12,060	-
	Construction		-	12,060	-
0006553	Los Angeles Community College District, Los Angeles Trade-Technical College: Design and Media Arts		-	35,782	-
	Construction		-	35,782	-
0006554	Long Beach Community College District, Pacific Coast College: Construction Trades II		14,786	-	-
	Construction		14,786	-	-
0006560	Grossmont-Cuyamaca Community College District, Cuyamaca College: Instructional Building Phase 1		415	15,925	-
	Working Drawings		415	-	-
	Construction		-	15,925	-
0006561	Grossmont-Cuyamaca Community College District, Grossmont College: Liberal Arts/Business/Computer Science Information Systems		-	11,464	-
	Construction		-	11,464	-
0006562	Los Angeles Community College District, West Los Angeles College: Plant Facilities/Shops Replacement		-	5,728	-
	Construction		-	5,728	-
0006563	Sonoma County Junior College District, Public Safety Training Center: Public Safety Training Center Expansion		-	4,925	-
	Construction		-	4,925	-
0006564	Riverside Community College District, Riverside City College: Life Science/Physical Science Reconstruction		27,354	-	-
	Construction		27,354	-	-
0006565	Antelope Valley Community College District, Antelope Valley College: Gymnasium Renovation		-	11,510	-
	Construction		-	11,510	-
0006566	San Bernardino Community College District, Crafton Hills College: Performing Arts Center Replacement		6,675	-	-
	Construction		6,675	-	-

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6870 Board of Governors of the California Community Colleges - Continued

		State Building Program Expenditures	2022-23*	2023-24*	2024-25*
5680		CAPITAL OUTLAY Projects			
0006567	Los Angeles Community College District, Los Angeles Pierce College: Industrial Technology Replacement		-	16,998	-
	Construction		-	16,998	-
0006568	Napa Valley Community College District, Napa Valley College: Modernize Industrial Technology Building 3100		-	2,756	-
	Construction		-	2,756	-
0006569	Coast Community College District, Orange Coast College: Chemistry Building		18,794	-	-
	Construction		18,794	-	-
0006570	Chabot-Las Positas Community College District, Chabot College: Building 3000 Maintenance Operations Warehouse & Garage		249	10,058	-
	Working Drawings		249	-	-
	Construction		-	10,058	-
0008104	Peralta Community College District, College of Alameda: Aviation Complex Replacement		-	514	-
	Working Drawings		-	514	-
0008105	South Orange County Community College District, Saddleback College: Science Math Building Reconstruction		20,342	-	-
	Construction		20,342	-	-
0008106	San Francisco Community College District, San Francisco City College: Cloud Hall Reconstruction		-	678	-
	Working Drawings		-	678	-
0008107	Sierra Joint Community College District, Sierra College: Science Building Phase 1		-	27,469	-
	Construction		-	27,469	-
0008108	Yuba Community College District, Yuba College: Building 800 Life and Physical Science Modernization		3,464	-91	-
	Construction		3,464	-91	-
0008109	Shasta-Tehama-Trinity Joint Community College District, Shasta College: Building 200 Modernization		14,214	-	-
	Construction		14,214	-	-
0008110	North Orange County Community College District, Fullerton College: Music/Drama Complex-Buildings 1100 and 1300 Replacement		-	40,492	-
	Construction		-	40,492	-
0008111	Mt. San Antonio Community College District, Mt. San Antonio College: Technology and Health Replacement		4,844	72,581	-
	Construction		4,844	72,581	-
0008112	Riverside Community College District, Norco College: Center for Human Performance and Kinesiology		1,048	28,555	-
	Working Drawings		1,048	-	-
	Construction		-	28,555	-
0008959	North Orange County Community College District, Anaheim Campus: Tower First Floor Life/Safety Renovation		306	10,464	-
	Working Drawings		306	-	-
	Construction		-	10,464	-
0008960	Compton Community College District, Compton College: Visual and Performing Arts Replacement		-	12,530	-
	Construction		-	12,530	-
0008961	Sierra Joint Community College District, Sierra College: Applied Technology Center Modernization		683	19,896	-
	Working Drawings		683	-	-
	Construction		-	19,896	-
0008962	Desert Community College District, College of the Desert: Science Building Renovation		266	6,854	-
	Working Drawings		266	-	-
	Construction		-	6,854	-

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6870 Board of Governors of the California Community Colleges - Continued

State Building Program Expenditures		2022-23*	2023-24*	2024-25*
5680	CAPITAL OUTLAY Projects			
0008963	Shasta-Tehama-Trinity Joint Community College District, Shasta College: Building 800 Renovation	225	5,974	-
	Working Drawings	225	-	-
	Construction	-	5,974	-
0008964	Ventura Community College District, Moorpark College: Administration Building Reconstruction	167	3,909	-
	Working Drawings	167	-	-
	Construction	-	3,909	-
0008965	West Valley-Mission Community College District, West Valley College: Theater Renovation/Expansion	388	10,807	-
	Working Drawings	388	-	-
	Construction	-	10,807	-
0008966	Los Angeles Community College District, Los Angeles Mission College: Plant Facilities Warehouse and Shop Replacement	208	7,319	-
	Working Drawings	208	-	-
	Construction	-	7,319	-
0010515	North Orange County Community College District: Fullerton College: Business 300 Renovation	50	13,956	-
	Working Drawings	50	-50	-
	Construction	-	14,006	-
0010516	Siskiyou Joint Community College District, College of the Siskiyous: Remodel Theater and McCloud Hall	1,653	-	29,292
	Preliminary Plans	577	-	-
	Working Drawings	1,076	-	-
	Construction	-	-	29,292
0011996	Coast Community College District, Golden West College: Fine Arts Renovation	-	1,392	-
	Preliminary Plans	-	702	-
	Working Drawings	-	690	-
0011997	San Mateo County Community College District, College of San Mateo: Building 9 Library Modernization	-	1,760	-
	Preliminary Plans	-	828	-
	Working Drawings	-	932	-
TOTALS, EXPENDITURES, ALL PROJECTS		\$348,550	\$785,806	\$29,292
FUNDING		2022-23*	2023-24*	2024-25*
0574	1998 Higher Education Capital Outlay Bond Fund	\$-	\$264	\$-
0658	1996 Higher Education Capital Outlay Bond Fund	-	150	-
0705	Higher Education Capital Outlay Bond Fund of 1992	-	42	-
6028	2002 Higher Education Capital Outlay Bond Fund	-	160	-
6041	2004 Higher Education Capital Outlay Bond Fund	1,255	65,669	-
6049	2006 California Community College Capital Outlay Bond Fund	-	55,531	-
6087	2016 California Community College Capital Outlay Bond Fund	347,295	663,990	29,292
TOTALS, EXPENDITURES, ALL FUNDS		\$348,550	\$785,806	\$29,292

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

3 CAPITAL OUTLAY	2022-23*	2023-24*	2024-25*
0574 1998 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
301 Budget Act appropriation	-	\$264	-
TOTALS, EXPENDITURES	-	\$264	-
0658 1996 Higher Education Capital Outlay Bond Fund			

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

6870 Board of Governors of the California Community Colleges - Continued

3 CAPITAL OUTLAY	2022-23*	2023-24*	2024-25*
APPROPRIATIONS			
301 Budget Act appropriation	-	\$150	-
TOTALS, EXPENDITURES	-	\$150	-
0705 Higher Education Capital Outlay Bond Fund of 1992			
APPROPRIATIONS			
301 Budget Act appropriation	-	\$42	-
TOTALS, EXPENDITURES	-	\$42	-
6028 2002 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
301 Budget Act appropriation	-	\$160	-
TOTALS, EXPENDITURES	-	\$160	-
6041 2004 Higher Education Capital Outlay Bond Fund			
APPROPRIATIONS			
301 Budget Act appropriation	-	\$55,205	-
Prior Year Balances Available:			
Item 6870-301-6041, Budget Act of 2021	1,255	-	-
Item 6870-301-6041, Budget Act of 2022	-	10,464	-
Totals Available	\$1,255	\$65,669	-
TOTALS, EXPENDITURES	\$1,255	\$65,669	-
6049 2006 California Community College Capital Outlay Bond Fund			
APPROPRIATIONS			
301 Budget Act appropriation	-	\$55,531	-
TOTALS, EXPENDITURES	-	\$55,531	-
6087 2016 California Community College Capital Outlay Bond Fund			
APPROPRIATIONS			
301 Budget Act appropriation	\$68,599	\$120,949	\$29,292
Prior Year Balances Available:			
Item 6870-301-6087, Budget Act of 2018 as reappropriated by Item 6870-492, Budget Act of 2019 and Item 6870-493, Budget Act of 2021	-	23	-
Item 6870-301-6087, Budget Act of 2019 as reappropriated by Item 6870-492, Budget Act of 2020	6,418	100,427	-
Item 6870-301-6087, Budget Act of 2020 as reappropriated by Item 6870-492, Budget Act of 2021	22,960	47,619	-
Item 6870-301-6087, Budget Act of 2021	249,318	118,849	-
Item 6870-301-6087, Budget Act of 2022	-	283,570	-
Item 6870-302-6087, Budget Act of 2022	-	2,187	-
Totals Available	\$347,295	\$673,624	\$29,292
Unexpended balance, estimated savings	-	-9,634	-
TOTALS, EXPENDITURES	\$347,295	\$663,990	\$29,292
Total Expenditures, All Funds, (Capital Outlay)	\$348,550	\$785,806	\$29,292

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

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