

FACCC State Budget Webinar

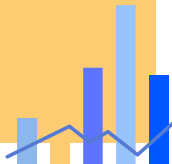
Governor's May Revise Proposal



Overview of the Budget Proposal

Revenue Challenges:

- Total projected **\$27.6 billion deficit**
 - Early action budget items reduced **\$37.9 billion deficit** to **\$20.6 billion deficit**
 - Tax revenue projections being lowered led to **\$7 billion increase** in projected deficit
- Ongoing deficits of **~\$30 billion per year** starting in 2025



Tools Used to Manage Deficit

- **Proposition 98 costs above the revised constitutional guarantee calculation** to the 2025-26, 2026-27, and 2027-28 Budget years.
 - This cost shift is now estimated at **\$8.8 billion**.
 - Governor is prioritizing stabilization of the CCCs
- **Sweep undisbursed one-time funding** recently appropriated
- Reduce state administrative agency costs by 7.6%
 - Will also affect the Chancellor's Office
- Use the entire **\$900 million** balance of the **Safety Net Reserve Fund**
- **Reduce** the proposed reliance on **state rainy day funds** from **\$12.2 billion to \$3.3 billion**.



Broad Community College Budget Updates

- **COLA** increased from **0.76% to 1.07%**
- **Prop 98** guarantee at **\$109.1 billion**
- **Increases withdrawals** from the **Public School System Stabilization Account** to **\$8.4 billion** to maintain predictable support for local educational agencies and community college districts, utilizing the entire reserve





Community College Budget Impacts

- **Cal Grant Reform Act** + Cal Grant California Community College **Expansion of Transfer Portability** changes are not included
- Reduces support for **Golden State Teacher Grant Program** by \$60.2 million General Fund one-time
- Reduces funding for the **Learning Aligned Employment Program** by \$485 million General Fund one-time
- Reduction in \$30 million for Children and Youth Behavioral Health Initiative: **School-Linked Health Partnerships and Capacity Grants**
- Reduction of \$5.5 million in support for Office of Planning and Research's **California Education Learning Lab**





FACCC's Position on the Budget

“FACCC recognizes California Community Colleges have been **shielded from significant budget cuts** in a difficult budget cycle. While we appreciate the Governor’s intention to continue funding core components of our colleges, we are concerned that **some of the proposed budget cuts will disproportionately impact the most vulnerable individuals in our communities.** Reductions to student financial aid, the CalWORKs program, and another delay to the implementation of California Community College CalGrant reform will have **significant consequences for students.** FACCC remains committed to working with the Legislature and Administration to reach a budget agreement that **balances fiscal responsibility with the needs of California community college students.**”

- FACCC Press Release on the May Revise

What's Next

1. **Legislative budget hearings** on the May Revision start this week
2. The Assembly and Senate aim to unite on a **legislative budget plan** in late May or early June
3. Constitutionally required **legislative budget bill** must be passed by **Saturday, June 15**
4. The Governor must **sign or veto** the legislative budget bill by **Thursday, June 27**
5. In late June, **trailer bills to amend statutes** to reflect the budget plan typically are passed
6. The 2024-25 fiscal year begins on **Monday, July 1**



Get Involved

The budget process is ongoing until the final budget is signed. FACCC needs your voice to help ensure the CCC budget is protected.

Meet with your local Assemblymember and Senator

Watch the FACCC CC Advocacy Webinar

Join the FACCC Advocates Listserv

Attend the Advocacy & Policy Conference

Host a **FACCC** Regional Conversation at Your Campus

- Connect with faculty and students from your region.
- Build solidarity and focus on advocacy efforts.
- Bring legislators to campus to discuss the future of our community colleges.



Questions?

You can reach me at
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