

Governor's 2023-2024 Budget Proposal

BOARD OF TRUSTEES
JANUARY 17, 2023

Governor's Proposed 2023-2024 Budget



- Beginning of the State budget process
 - May Revise
 - Negotiations with Legislature
 - Updated economic projections
 - June Adoption
- “*Broad strokes*”
- Things can and will change



Governor's Proposed Budget Summary

- 2023-2024 Budget Act
 - Projected **\$22.5 billion** budget shortfall
 - Attributable to declines in Personal Income Tax (PIT)
 - PIT accounts for 64% of State Revenue
 - 49% of PIT is from Top 1%
 - Does not forecast recession
 - Uses funding *Shifts, Delays and mid-year cuts* to balance not Reserves



Proposed Ongoing Changes for Community Colleges

- Inflationary Adjustment (COLA) of 8.13%
 - \$652.6 million Systemwide or ~\$12.5 million for SMC
- Inflationary Adjustment of 8.13% for:
 - EOPS, DSPS, CalWorks, CARE and MC Block Grant
- SCFF Growth of 0.5%
 - Not eligible – Hold Harmless
- \$200 k to assist in Chief Business Officer Academy
 - Increase capacity and stability



Proposed One-time Changes for Community Colleges

- \$200 million for Retention and Enrollment Assistance
 - 2021-2022 = \$120 million systemwide - \$1.2 million SMC
 - 2022-2023 = \$150 million systemwide - \$1.76 million SMC
- \$14 million for Workforce Training Grants (Forestry/Fire)
- MID-YEAR CUT:
 - ~~\$213~~ million Physical Plant and Instructional Equipment
 - SMC ~~\$4~~ million reduction



Comparing 2022-2023 Enacted to 2023-2024 Proposed

- 2022-2023 Enacted Budget Act
 - \$1.905 billion in on-going increases
 - \$2.425 billion in one-time increases
- 2023-2024 Governor's Proposal
 - \$771.5 million in on-going increases
 - \$6.8 million in one-time increases



Questions?

