

2024 Budget & Legislative Update

Presentation to SMC Board of Trustees

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2 Budget Act 2024 Progression

- January Governor's Budget – January 10, 2024 – \$37 billion projected deficit
- Early Budget Action – AB 106 – \$20 billion projected deficit remains
- Governor's May Revision to the Budget – May 14, 2024 – \$7 billion added to projected \$20 billion deficit
- Legislature's 2024 Budget Act – AB 107
- 3-Party Agreement, Final Budget – SB 108

3 What's in SB 108 Budget Bill Junior and SB 155 Higher Education Trailer Bill?

- Final conditions of Proposition 98 Suspension agreement
- No significant cuts to K-14 programs
- Modification to usage of 2023-24 Strong Workforce Program monies

4 Prop 98 Suspension - CTA/Governor Deal vs Legislature

- Negotiated deal would maintain K-14 spending in 2022-23, 2023-24, and 2024-25 using a mixture of deferrals, Prop 98 reserves, and Maintenance Factor creation
 - In CTA/Gov Deal baseline funding in 2023-24 would be \$102.6 billion, and 2024-25 would reach \$110.6 billion
- AB 107 / SB 108 / SB 154 version of the suspension is similar, but with different totals in FYs 2023-24 and 2024-25
 - Baseline funding in 2023-24 drops to \$98.5 billion, but then spike up to \$115 billion in 2024-25 plus a \$4.6 billion Maintenance Factor
 - Difference in general fund revenue estimates is due to the Legislature's early suspension/sunset of certain business tax credits and deductions beginning in 2024

5 CCC Major Budget Proposals in 2024 Budget Act

AB 107 / SB 108 Budget Bills contained language to re-appropriate the use of \$65 million from 2023-24 Strong Workforce Program

- Total \$290.4 million provide in 2023 Budget Act
- \$5 million is to be made available for statewide pathways for low-income workers demonstration projects
- \$60 million is to be made available for support of nursing program expansion or enhancement of BSN partnership
 - Details are contained in SB 155 Higher Education Trailer Bill

6 CCC Major Budget Proposals ctd...

- Budget Deferrals
 - Defers \$446.4 million from the SCFF for 2023-24 to 2024-25 (Accounting Purpose Only)
 - Defers \$243.7 million from the SCFF for 2024-25 to 2025-26
- Total Spending up \$202.7 million systemwide
 - 1.07% COLA results in \$113.3 million for SCFF, Growth, and nine core programs
 - \$20 million for assistance related to FAFSA delays
 - \$12 million to expand eTranscript California
 - \$6 million for Mapping Pathways for credit for prior learning

7 CCC Major Policy Updates in 2024 Trailer Bills

- Part-Time Faculty Office Hours
 - Trailer Bill Language increases the reimbursement rate from 50% to 90%, but remains subject to reimbursement claims submitted by Districts
- No Implementation of Cal Grant Equity Framework (CGEF)
 - Initially proposed for phased-in approach by Assembly during budget negotiations

8 SB 895 (Roth) Update

- Baccalaureate of Science in Nursing Pilot Program
- Presented to Governor on September 9, 2024
- Final Amendments reduce number of pilots down to 10 districts and encourage Chancellor's Office to give positive consideration to districts with CSU partnerships
- Action by Governor: (TBD as of September 24, 2024)

9 AB 247 – Prop 2 – Education Facilities Bond

- AB 247 approved by the Legislature and signed by acting Governor Mike McGuire at 11:34pm on July 3, 2024 (26 minutes before Constitutional deadline to reach ballot)
- Secretary of State has assigned the ballot measure as Proposition 2 for November 2024 general election
- \$10 billion total for TK-14
 - \$1.5 billion for Community Colleges (CCCs typically get 10.93% of Prop 98)
- Must remain weary of past bond measure attempt in 2022 (Prop 13)

10 Other Legislation of Note

- AB 2586 (Alvarez) – Undocumented Student Employment
 - Vetoed by Governor
- AB 2500 (Fong) – Student Financial Aid Application Postponement
 - Signed September 22, 2024
- AB 1891 (Weber) – Allied Health Programs
 - Signed September 22, 2024
- SB 1348 (Bradford) – Designation of Black-Serving Institutions
 - Pending Governor Action (as of September 25, 2024)

II Looking Forward to 2025

- Current budget conditions look slightly better than 2023
 - GF Revenues up \$1.7 billion for FY 2024-25
- Housing and Stock Market movements up... signal for potential capital gains and LPT
- Student Housing Legislative Fix
- Interaction Design (IxD) Bachelor's Degree Program

12 Discussion/Questions

- Consider District Budget Request for 2025-26
- General Elections Update in December 2024
- Prep for CCLC Lobby Day in January 2025