

# Governor's 2023-2024 Budget Proposal

DPAC

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# 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?

