

2023-2024
District Budget Advisory Committee (DBAC)

Meeting Agenda - Tuesday, February 20, 2024

Location: Via Zoom

<https://fhda-edu.zoom.us/j/84797486404?pwd=afloVtto6KNCzrehVkrGMlxbDHANWW.1>

Time: 1:30-3:00 p.m.

Note Taker: Trena O'Connor

	Agenda Topic	Discussion Leader
1:30 - 1:50	Governor's 2024-25 Proposed Budget (<i>Information</i>)	Cheu / Puentes-Griffith
1:50 - 2:20	Vacant Position Lists as of December 2023 (<i>Information</i>)	Cheu / Grey / Watson
2:20 - 2:40	Enrollment Update (<i>Information</i>)	Cheu / Puentes-Griffith
2:40 - 3:00	Other	All
Handouts:	<ul style="list-style-type: none"> - Governor's Proposed Budget Summary 2024-25 (Introduction and Education sections only) - Link to Governor's Proposed Budget Summary website: https://ebudget.ca.gov/budget/2024-25/#/BudgetSummary - Joint Analysis Governor's Budget Summary 2024-25 - School Services California Overview of Governor's Budget Proposals 2024-25 - Vacant Position Lists - Classified Services, De Anza, Foothill 	

GOVERNOR'S BUDGET SUMMARY

Gavin Newsom, Governor
STATE OF CALIFORNIA



2024-25

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GOVERNOR
Gavin Newsom

January 10, 2024

Dear Members of the Legislature,

Over the last five years, we have worked together to pass budgets that have reflected our priorities—expanding access to education and health care, combatting crime of all kinds, getting tens of thousands of people out of encampments and into housing, building the infrastructure for California's clean future while creating jobs, and addressing the accelerating threats of global climate change. In that time, we have paid tens of billions toward the state's long-term debt, including the "Wall of Debt" and retirement liabilities, and set aside record reserves to help the state deal with its highly volatile, progressive tax system.

I am proud that California remains the home of innovation and extraordinary entrepreneurship and has so many high-income earners. We ask them to pay their fair share to a state that has provided so much for so many. But this tax system inherently creates swings in revenue. As we experienced in the past couple of years, our well-intentioned laws meant to create big reserves and budget resiliency actually end up limiting how much we can put away for rainy days—we should improve the rules governing how much we are able to save in the good times, so we can be even more resilient during the tougher times.

While we have worked together to be responsible fiscal stewards, this year, we must correct for more volatility than originally anticipated. Because the Internal Revenue Service delayed the tax filing and payment deadline for the majority of our state, our work last year was based on revenue projections that did not include essential cash receipts. We knew the risks of being forced to budget with a blindfold on. Now that the receipts are in, we must bring our books back into balance.

Thankfully, because of our approach over the last several years, we are in a strong position to close this budget gap. Together, we have emphasized one-time spending in strong budget years, limiting the expansion of ongoing programs. We shared the recent windfall with millions of Californians, returning more than \$18 billion in tax refunds over the last two years. And importantly, we set aside record budget reserves of almost \$38 billion.

This budget prioritizes the services and programs that Californians depend on most while making necessary adjustments to ensure long-term fiscal stability. And I am proud to present a balanced budget without any broad-based tax increases.

This January budget is based on projections of future revenues. As we learned last year, those projections can change dramatically based on global and national economic and financial trends. So as we begin our work together this year, we must be mindful of the remaining risks.

As always, I value the partnership we have enjoyed these last five years and look forward to continuing our work together to build a better future for California.

With respect,

/s/ Gavin Newsom

Gavin Newsom

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INTRODUCTION

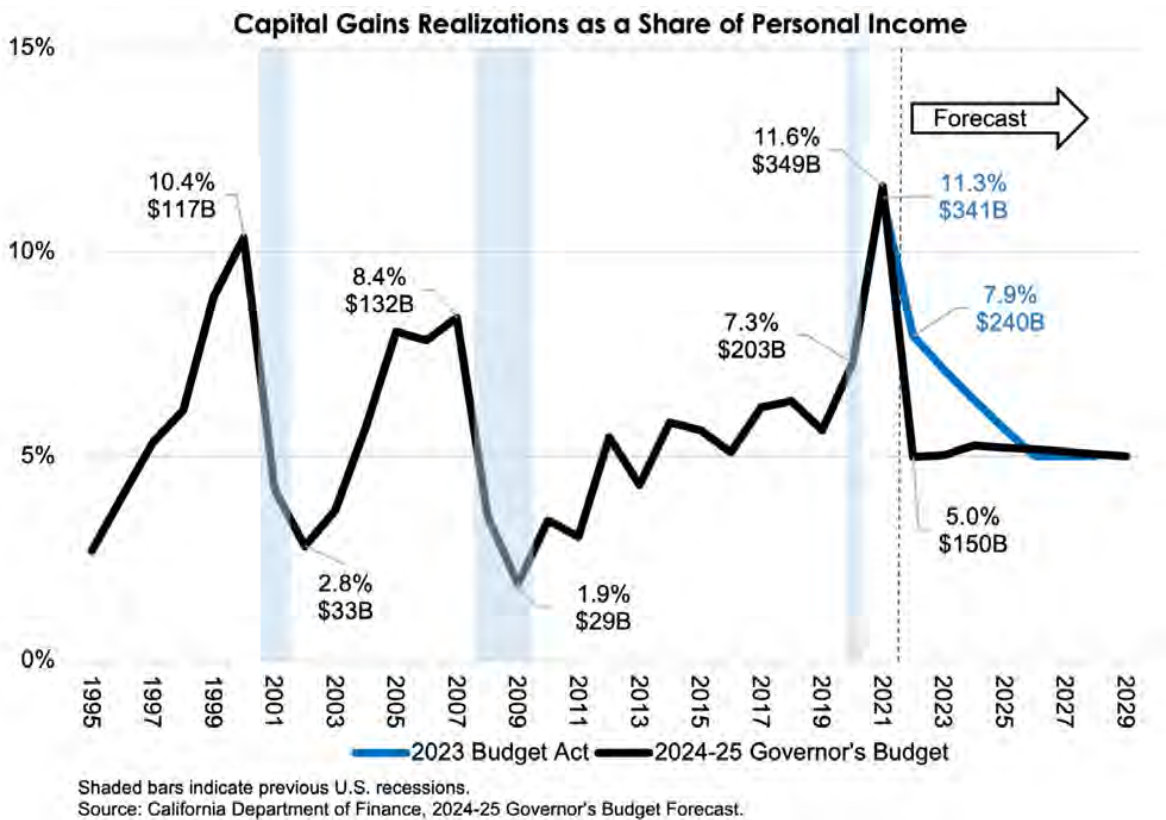
Even as the state faces a shortfall, California continues to expand access to high-quality education, healthcare, and opportunities for innovation and growth—fulfilling promises made while responsibly managing finances into the future. This budget maintains the state's fiscal stability using some of 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.

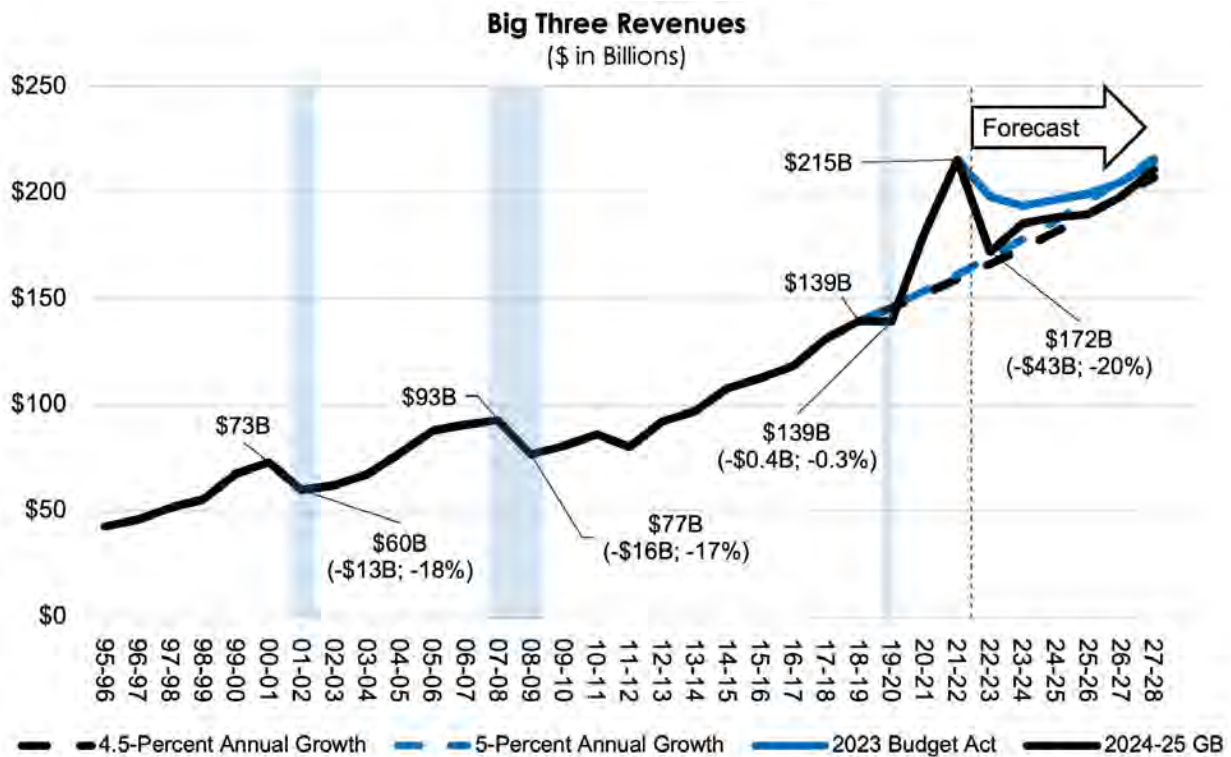


As the markets grew, so did state revenues. Over two fiscal years, from 2019-20 to 2021-22, the state's "Big Three" General Fund revenue sources—personal income, sales, and corporation taxes—grew by 55 percent. By comparison, the other two recent periods of comparable growth were the two years before 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.

INTRODUCTION

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

INTRODUCTION

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.

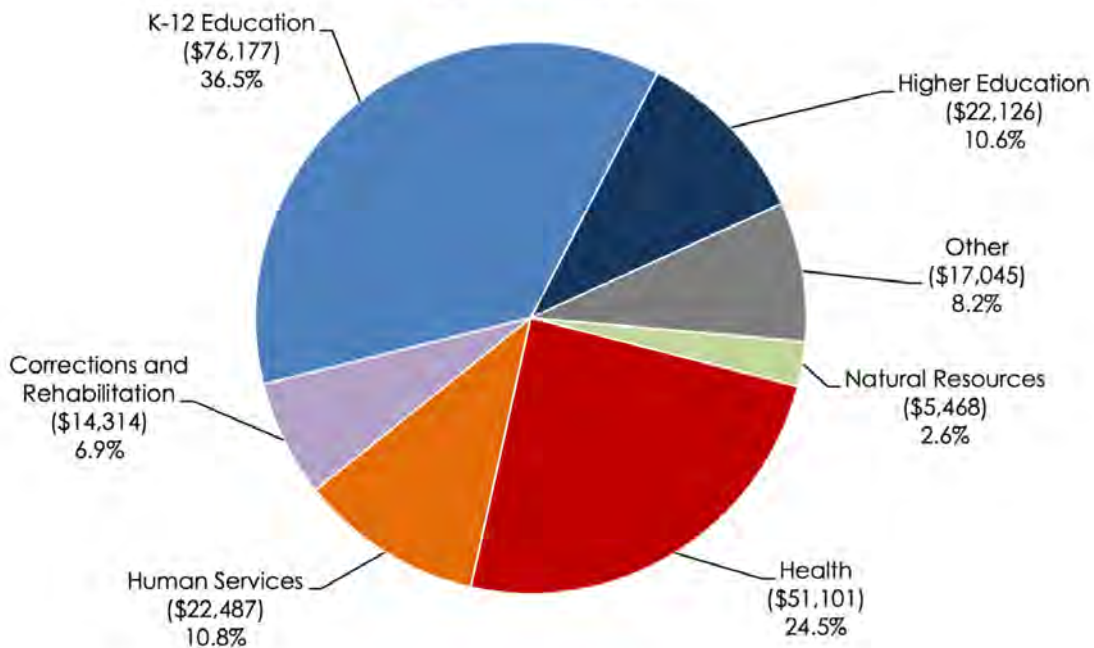
General Fund Expenditures by Agency

(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)

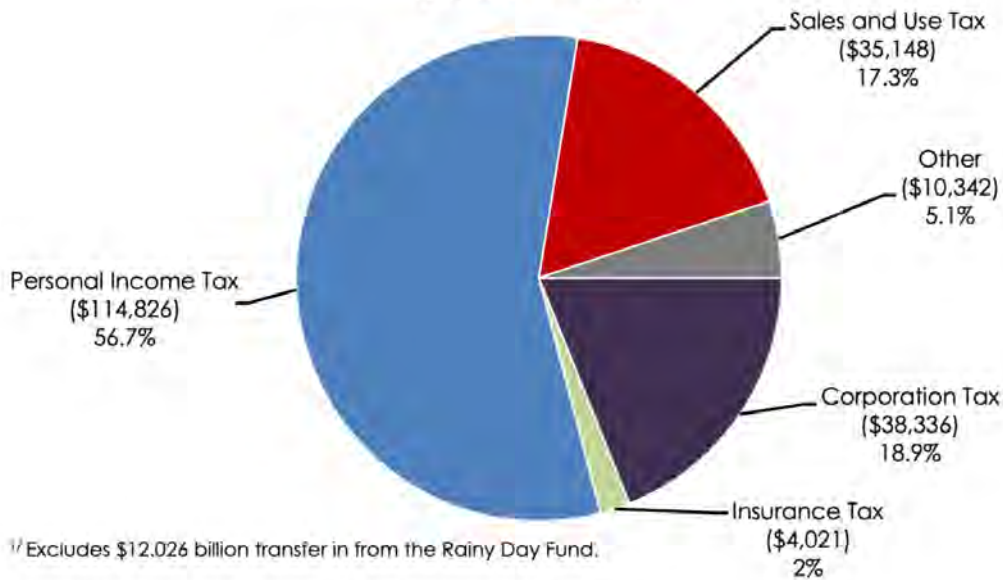


General Fund Revenue Sources
(Dollars in Millions)

	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)



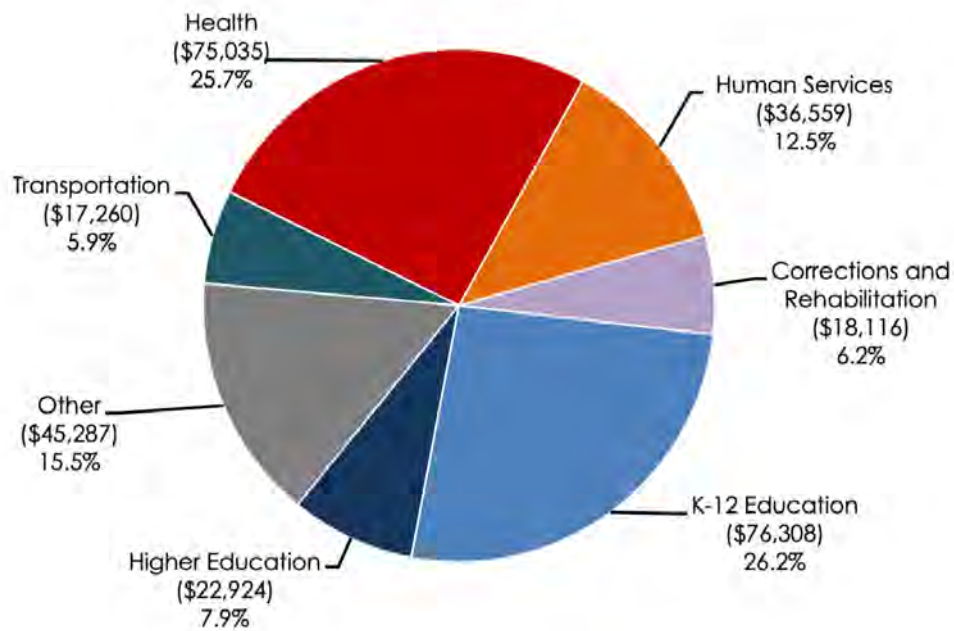
2024-25 Total State Expenditures by Agency

(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

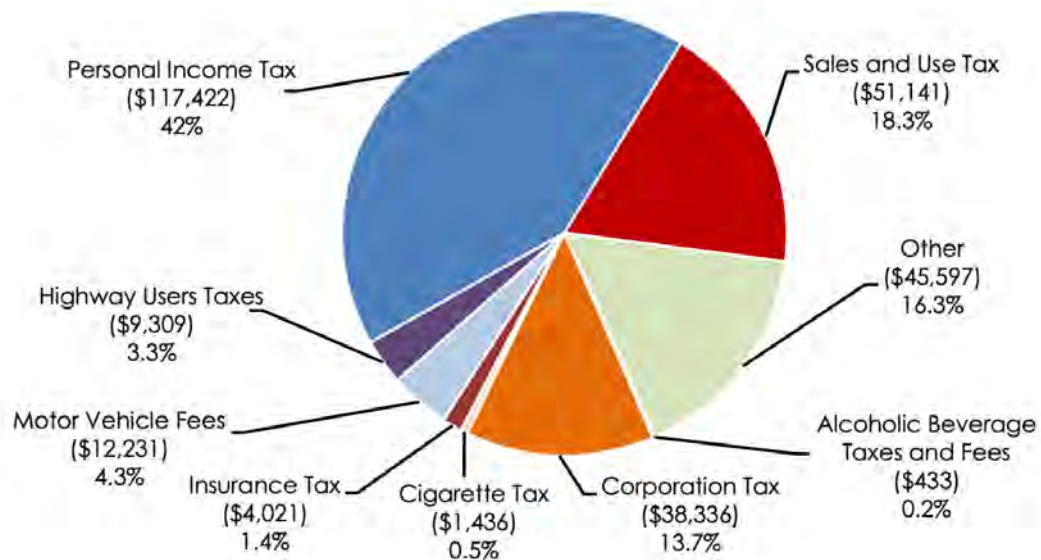
(Dollars in Millions)

	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	12,026	-12,026	-	-
Stabilization Account/Rainy Day Fund				
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)



K-12 EDUCATION

California provides academic instruction and support services to nearly six million students in grades kindergarten through twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, approximately 1,000 local school districts, and nearly 1,300 charter schools provide instruction in English, mathematics, history, science, and other core competencies to provide students with the skills they will need upon graduation to either enter the workforce or pursue higher education.

MAINTAINING PREDICTABLE SUPPORT FOR SCHOOLS

Despite a challenging fiscal environment this year, the Governor's Budget maintains investments that are critical to improving instruction and support for students, including funding for community schools, universal school meals, expanded learning opportunities, education workforce, and continued implementation of universal transitional kindergarten. Over the past five years, the Governor and the Legislature have worked together to augment special education funding by more than \$3.5 billion. The Governor protects those historic increases in the Budget to sustain recent gains for students with disabilities. The Budget uses resources from the Public School System Stabilization Account (PSSSA) to provide fiscal stability, by supporting baseline fiscal adjustments to maintain a level of predictability for students, families, and local educational agencies (LEAs). This approach is critical to the continued implementation of the California for All Kids plan—a whole child framework designed to close opportunity gaps by accelerating learning and holistically supporting student needs.

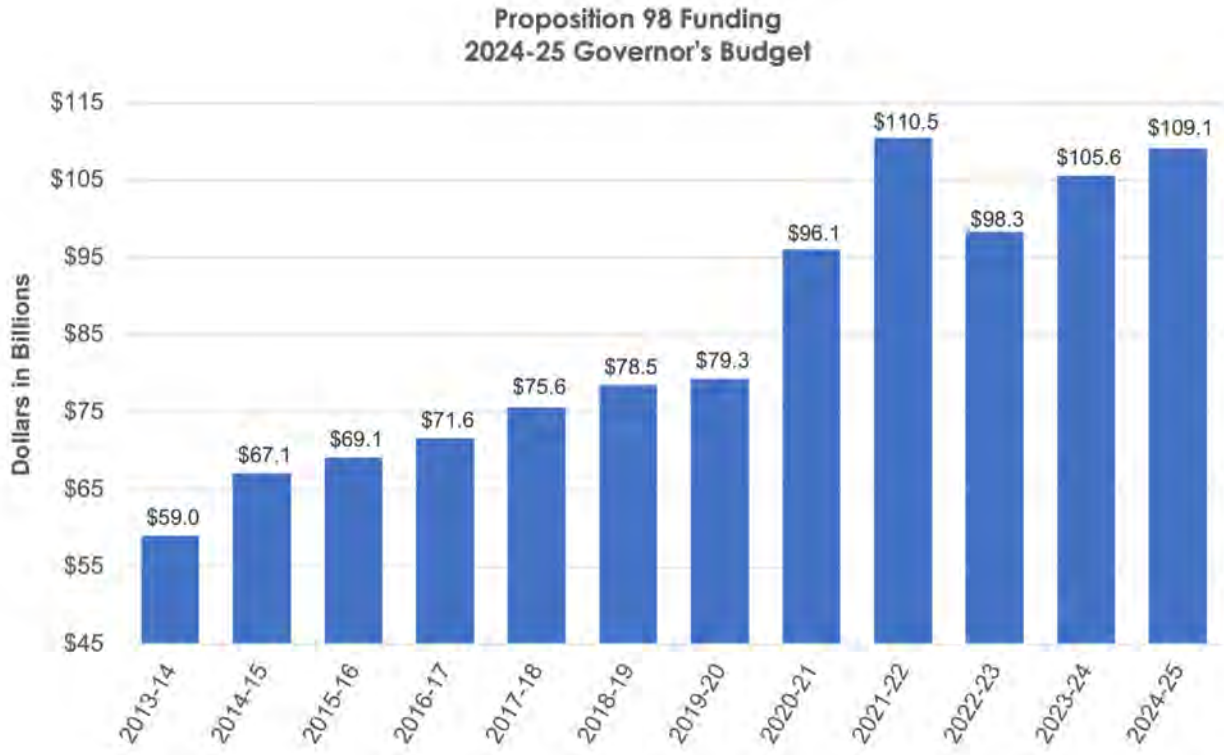
PROPOSITION 98

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.

K-12 EDUCATION

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.

LOCAL CONTROL FUNDING FORMULA

The Budget includes an LCFF cost-of-living adjustment of 0.76 percent. When combined with population growth adjustments, this will result in a decrease of roughly \$1.4 billion in discretionary funds for LEAs. However, to fully fund the LCFF and to maintain the level of current year principal apportionments, the Budget proposes withdrawing approximately \$2.8 billion from the PSSSA to support ongoing LCFF costs in 2023-24, withdrawing approximately \$2.2 billion from the PSSSA to support ongoing LCFF costs in 2024-25, and using available reappropriation and reversion funding totaling \$38.6 million to support ongoing LCFF costs in 2024-25.

CAREER EDUCATION

The Administration intends to continue its cross-agency collaboration and explore teacher apprenticeship programs with partners and the Legislature. Additionally, the Budget directs the Commission on Teacher Credentialing to create a new Elementary Arts and Music Education authorization for career technical education (CTE) teachers, for additional pathways for experienced artists to provide arts instruction in elementary school classrooms, in addition to providing CTE instruction in grades 7 through 12. More information regarding career education can be found in the Higher Education Chapter.

INSTRUCTIONAL CONTINUITY

To provide students with needed instructional continuity including when facing challenges such as severe climate events, illness, or other barriers that impact attendance, the Budget proposes statutory changes to allow LEAs to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss and chronic absenteeism, as well as related fiscal impacts. Specifically, the proposed statutory changes would:

- Allow LEAs to add attendance recovery time to the attendance data submitted to the Department of Education, both for funding purposes (ADA reporting) and chronic absenteeism (individual student attendance reporting). Attendance recovery programs can take the form of Saturday school, intersessional school, or before/after school, and would be exempt from minimum day requirements.
- Require LEAs to provide students with access to remote instruction or support to enroll at a neighboring LEA for emergencies lasting 5 or more days.
- Encourage LEAs to provide hybrid or remote learning opportunities to students who are unable to attend school.

Additionally, the Budget includes \$6 million one-time Proposition 98 General Fund to do the following:

(1) Research existing, and develop new, models of hybrid and remote learning to support students' attendance, including developing and disseminating guidance and resources for LEAs to develop their own hybrid and remote learning programs to enable instructional continuity; and

(2) Investigate local student information systems to identify opportunities and make recommendations to allow LEAs to report individual student absence data to the state in a manner that allows for, at a minimum, local and statewide disaggregation of absences related to emergency events that prevent students from attending school.

CALIFORNIA STATE PRESCHOOL PROGRAM

The California State Preschool Program (CSPP) provides access to subsidized preschool for the state's income-eligible three- and four-year-olds. As part of the state's Universal Pre-Kindergarten initiative, families of four-year-old children may choose to access one year of high-quality, subsidized preschool through either the State Preschool Program, Head Start, or another state- or federally-subsidized program (if they are income-eligible), or through transitional kindergarten.

To support reimbursement rate increases previously supported by available one-time federal stimulus funding, the Budget includes \$53.7 million General Fund. These resources are in addition to approximately \$140.6 million General Fund and \$206.3 million Proposition 98 General Fund identified in the 2023 Budget Act to support the recently ratified collective bargaining agreement with childcare providers. These amounts reflect an identified one-time savings of \$172.1 million General Fund and \$446 million Proposition 98 General Fund, while maintaining the level of support necessary for the Department of Education to meet the collective bargaining agreement requirements and administer the CSPP.

TEACHER PREPARATION AND PROFESSIONAL DEVELOPMENT

Preparing, training, and recruiting a diverse, expert workforce of administrative, credentialed, and classified staff to work in public K-12 schools continues to be critical to the success of the entire system. But staffing shortages persist and make it imperative that barriers to teaching are removed for qualified teacher candidates, and that existing teachers are provided with the training they need to be successful. To this end, the Budget includes several proposals intended to support teachers and improve access to the educator pipeline. This includes recognizing completion of a bachelor's degree as satisfying the basic skills requirement for a credential and improving transcript review to certify subject matter competency. Both proposals will streamline the process and reduce the cost for well-qualified teacher candidates to earn a credential.

The 2023 Budget required LEAs to begin screening students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year. To support training for educators to administer literacy screenings, the Budget proposes \$25 million ongoing Proposition 98 General Fund through the K-12 Mandate Block Grant.

The State Board of Education adopted a new Mathematics Framework in 2023, which is designed to help educators align classroom teaching with California's rigorous mathematics learning standards. Instructional materials aligned to the new mathematics framework are expected to be adopted in 2025. To further assist educators in teaching mathematics aligned to this new framework, the Budget proposes \$20 million one-time Proposition 98 General Fund for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training for mathematics coaches and leaders who can in turn provide training and support to math teachers to deliver high-quality instruction. The Budget also proposes to make statutory changes to focus use of unexpended allocated Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs and incorporated into the existing Local Control and Accountability Plan development process, and to clarify that the allowable uses of the Learning Recovery Emergency Block Grant include professional development aligned to the new mathematics framework.

Additionally, the Budget proposes language to better enable school staff to be equipped with the tools needed to recognize and offer appropriate mental health supports to students in a way that is aligned with other state investments in this area, including professional development opportunities.

SCHOOL FACILITY PROGRAM

The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized \$9 billion in state General Obligation bonds to support K-12 and community college school facilities construction. These funds support new construction, modernization, retrofitting, CTE, and charter school facility projects.

With Proposition 51 bond authority funds nearly exhausted, the 2022 and 2023 Budget Acts provided roughly \$1.3 billion one-time General Fund and \$2 billion one-time General Fund, respectively, for the School Facility Program (SFP), for K-12 school facilities construction. To address the projected budget shortfall, the Budget adjusts a planned 2024-25 investment for the SFP from \$875 million to \$375 million one-time General Fund.

This spring, the 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.

CALIFORNIA PRESCHOOL, TRANSITIONAL KINDERGARTEN AND FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM

The California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (FDK Program) supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The 2022 Budget Act included \$100 million one-time General Fund for the FDK Program, and the 2023 Budget Act reflected an additional \$550 million in 2024-25 to support the FDK Program. To address the projected budget shortfall, the Budget delays the 2024-25 planned \$550 million FDK Program investment to 2025-26.

OTHER K-12 RELATED ISSUES

SIGNIFICANT BUDGET ADJUSTMENTS

- **Local Property Tax Adjustments**—A decrease of \$113 million Proposition 98 General Fund for school districts and county offices of education in 2023-24, and a decrease of \$996 million ongoing Proposition 98 General Fund for school districts and county offices of education in 2023-24, as a result of increased offsetting property taxes.
- **Cost-of-Living Adjustments**—An increase of \$65 million ongoing Proposition 98 General Fund to reflect a 0.76-percent cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier. The specified categorical programs include Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- **County Offices of Education**—A decrease of \$5 million ongoing Proposition 98 General Fund to reflect ADA changes applicable to the county office of education LCFF, and a 0.76-percent cost-of-living adjustment.
- **Zero-Emission School Buses**—The Budget maintains \$500 million one-time Proposition 98 General Fund to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission in 2024-25.
- **Curriculum-Embedded Performance Tasks for Science**—An increase of \$7 million one-time Proposition 98 General Fund to support inquiry-based science instruction

and assessment through the development of a bank of curriculum-embedded performance tasks. Once developed, these performance tasks will be used to develop and measure a student's science subject matter knowledge and critical thinking skills through real world investigations and simulations.

- **Cradle-to-Career Data System**—An increase of \$5 million ongoing Proposition 98 General Fund to support the California College Guidance Initiative.
- **Nutrition**—An increase of \$122.2 million ongoing Proposition 98 General Fund to fully fund the universal school meals program in 2024-25. Over 845 million meals are projected to be served through this program in 2024-25.
- **Broadband Infrastructure Grant**—An increase of \$5 million one-time non-Proposition 98 General Fund to extend the program through 2029. The initial funding for this program was one-time through June 30, 2024. In addition to providing fiber broadband connectivity to the most poorly connected school sites, this funding would also be available for joint projects connecting schools, local libraries and telehealth providers to high-speed fiber broadband.
- **K-12 High Speed Network**—An increase of \$3.2 million ongoing Proposition 98 General Fund to support the K-12 High Speed Network program.
- **Parks Access**—An increase of \$2.1 million ongoing Proposition 98 General Fund for a county office of education to enable fourth graders attending public schools to access California state parks.
- **Inclusive College Technical Assistance Center**—An increase of \$2 million ongoing Proposition 98 General Fund to establish a Technical Assistance Center to:
 - Assist LEAs with the development and submittal of federal comprehensive transition and postsecondary program applications, so that students can apply for the Free Application for Federal Student Aid.
 - Facilitate collaboration between LEAs and institutions of Higher Education to support students, including those with intellectual disabilities, and their parents to plan for postsecondary transition.
 - Assist LEAs with the identification of potential funding sources and student financial assistance opportunities.
- **Homeless Education Technical Assistance Centers**—An increase of \$1.5 million ongoing Proposition 98 General Fund to maintain support for Homeless Education Technical Assistance Centers that were first established through the American Rescue Plan Act's, Homeless Children and Youth Program. This funding would

continue the momentum in increasing homeless youth identification, which is essential to providing the necessary support to improve outcomes.

- **State Special Schools Infrastructure Support**—An increase of \$3.4 million General Fund, of which \$380,000 is ongoing, to replace critical servers, maintain warranty coverage for network infrastructure, and refresh laptops, tablets, and workstations for students and staff at the State Special Schools and Diagnostic Centers.

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.

Joint Analysis

Governor's January Budget

January 10, 2024



California Community Colleges



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COMMUNITY COLLEGE ADMINISTRATORS



COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

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Purpose of Report

This analysis was prepared by the California Community Colleges Chancellor’s Office (Chancellor’s Office) with review and support from the:

- Association of California Community College Administrators (ACCCA),
- Association of Chief Business Officials (ACBO), and
- Community College League of California (League).

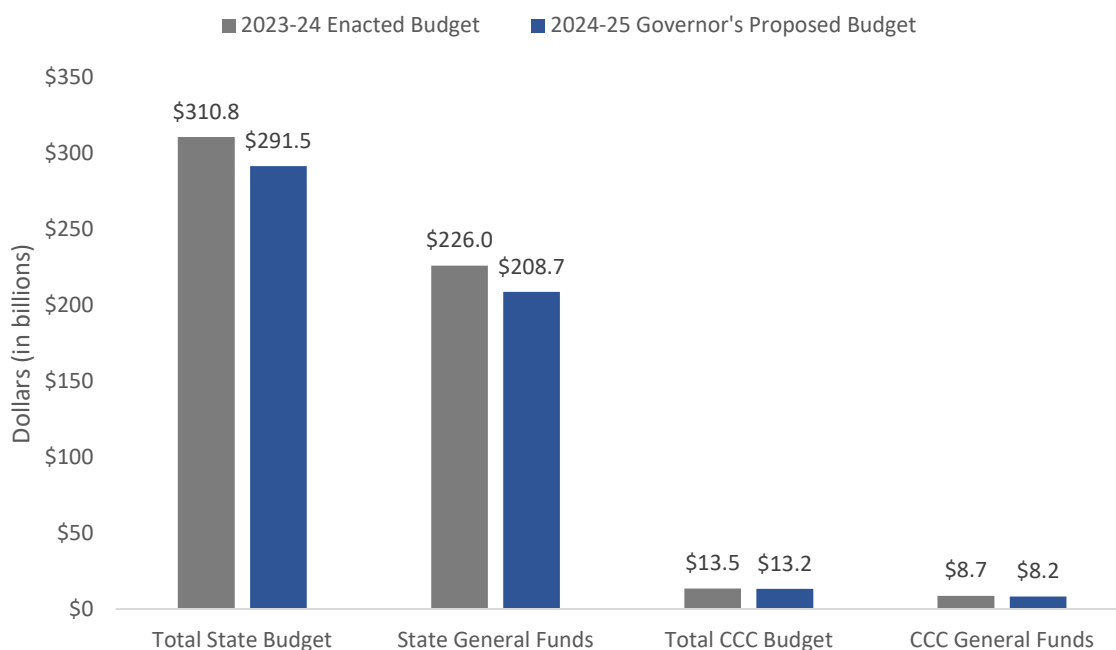
Its purpose is to provide information about the Governor’s January budget proposal as a common resource for each organization’s further analyses and advocacy efforts. Over the next several months, updated analyses will describe any proposed trailer bills, the Governor’s May Revision, and the enacted budget.

Summary of Key Budget Changes

Today, Governor Newsom released his budget proposal for the 2024-25 fiscal year. Following are some key changes in the proposal compared to the enacted budget for 2023-24.

- Under the proposal, the overall state budget would be lower than in 2023-24, decreasing by about 6% to \$291.5 billion, affected by a substantial shortfall in revenues resulting in an overall deficit of \$37.9 billion. General Fund spending would decrease by over \$17 billion (nearly 8%) to \$208.7 billion.

Figure 1: Proposed 2024-25 budget reflects projected deficit of \$38 billion (dollars in billions).



- The budget proposal for the California Community Colleges focuses on stability in the context of the state’s significant budget problem. It includes no major core reductions to programs or services, instead drawing on reserves and cancelling certain one-time projects and programs that were established but not yet funded. Overall, funding declines slightly compared to the current year enacted budget.
- The proposal for additional ongoing spending includes \$69.1 million for a 0.76% cost-of-living adjustment (COLA) for community college apportionments, about \$9.3 million for COLAs and adjustments to certain categorical programs, and \$29.6 million for systemwide enrollment growth of 0.5%.
- One-time funding in the proposal is limited to the expansion of nursing program capacity, with a \$60 million investment in 2024-25 and plans for that level of investment over five years.
- The Governor’s proposal includes capital outlay funds to support the construction phase for only one continuing project, using funds from Proposition 51, although additional projects may be added to the revised proposal in May.

State Budget Overview

The Governor’s Budget proposes modest additional ongoing resources for California Community Colleges appropriations and categorical programs, relying on a withdrawal of Proposition 98 Rainy Day funds.

BUDGET REFLECTS INCREASING REVENUE SHORTFALLS

The 2023 Budget Act was enacted in the context of an expected deficit of \$31.5 billion, using some funding delays and reductions from the two prior years along with internal fund shifts and borrowing to close that shortfall, but the deficit has worsened substantially.

Economic Conditions Create a Larger Budget Deficit

Since the 2023 Budget Act was enacted, revenues have fallen significantly behind budget act projections across 2022-23, 2023-24, and 2024-25 according to the [Legislative Analyst’s Office](#) (LAO). The 2023 Budget Act assumed that the state would end 2024-25 with a deficit of \$14 billion, a problem that is compounded by larger than expected revenue shortfalls. Declines in revenues during 2022 and 2023, related primarily to financial market distress, did not become clear until after the budget was passed due to delayed tax filing deadlines. The LAO now estimates that the state faces a \$68 billion deficit for 2024-25, and annual operating deficits of around \$30 billion per year for 2025-26 through 2027-28, amounting to total deficits that far exceed state reserves (about \$24 billion).

The Governor’s Budget projects a substantial deficit, but one that is smaller than that estimated by the LAO – about \$38 billion rather than \$68 billion. Capital gains represented an unprecedented share of personal income following the COVID-19 recession, reaching

11.6% in 2021 and contributing to significant state budget surpluses. The stock market dropped in 2022 and, while it largely recovered in 2023, capital gains have represented a much more average share of personal income recently, at around 5%. The budget proposal uses several mechanisms to deal with the projected shortfall, including some funding delays and reductions, internal borrowing and fund shifts, and withdrawal of some state reserves, leaving about \$18 billion in various state reserves. The proposal notes that the State Appropriations Limit (Gann Limit) has impeded the effectiveness of state policy to set aside reserves during budget surpluses (primarily Proposition 2), as deposits into reserves are counted as spending subject to the limit. The proposal indicates the need to explore changes to the law to allow for more savings during economic upswings.

District Revenue Protections Continue

The 2021 Budget Act extended the Student Centered Funding Formula’s (SCFF) hold harmless provision through 2024-25, under which districts will earn at least their 2017-18 total computational revenue (adjusted by COLA each year). The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district’s 2024-25 funding representing its new “floor.” This revised hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time, as is the case with the provision in effect through 2024-25. Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their “floor” (2024-25 funding amount), whichever is higher.

PROPOSITION 98 ESTIMATES ADJUSTED DOWNWARD

Minimum Guarantee for Community Colleges Increases by about 1.5% from Revised Amount for Current Year

Each year, the state calculates a “minimum guarantee” for school and community college funding based on a set of formulas established in Proposition 98 and related statutes. To determine which formulas to use for a given year, Proposition 98 lays out three main tests that depend upon several inputs including K-12 attendance, per capita personal income, and per capita General Fund revenue. Depending on the values of these inputs, one of the three tests becomes “operative” and determines the minimum guarantee for that year. The state rarely provides funding above the estimated minimum guarantee for a budget year. As a result, the minimum guarantee determines the total amount of Proposition 98 funding for schools and community colleges. Though these formulas determine total funding, they do not prescribe the distribution of funding within the segments. The Governor and Legislature have significant discretion in allocating funding to various programs and services.

Table 1 shows the budget’s estimates of the minimum guarantee for the prior, current, and budget years. The community college share of Proposition 98 funding is at the traditional share of approximately 11% in each of these years. Included in this share is some K-12 funding, including a portion of Adult Education funding, a small amount of

pass-through funding for school district-based apprenticeship programs, and funding for K-12 Strong Workforce programs.

Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2022-23 Revised	2023-24 Revised	2024-25 Proposed	Change From 2023-24 (Amount)	Change From 2023-24 (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$68,563	\$74,633	\$76,894	\$2,261	3.0%
Local property tax	29,742	30,953	32,185	1,232	4.0%
Totals	\$98,306	\$105,586	\$109,050	\$3,493	3.3%
COMMUNITY COLLEGES ONLY^a					
General Fund	\$7,634	\$8,189	\$8,193	\$4	0.0%
Local property tax	3,860	4,036	4,210	175	4.3%
Totals	\$11,494	\$12,225	\$12,403	\$179	1.5%

^a CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.

Estimates for Current and Prior Years Have Decreased

The estimates of the Proposition 98 minimum guarantee for 2022-23 and 2023-24 decreased as compared to projections when the 2023-24 budget was enacted in June of last year. Changes to the estimates can occur if school enrollment, economic growth, or state revenues turn out to be different than expected. Specifically, the revised estimates for the prior and current years are substantially lower than was projected in June because of weaker than expected revenues. The revisions equate to a reduction of more than \$11 billion over the three budget years.

Withdrawal from Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a new state reserve for schools and community colleges. Under Proposition 2, transfers are made to this account if several conditions are satisfied. Specifically, the state must have paid off all Proposition 98 debt created before 2014-15, the minimum guarantee must be growing more quickly than per capita personal income, and capital gains revenues must exceed 8% of total revenues. In tight fiscal times, the state must withdraw funding from the reserve to supplement the funding schools and community colleges receive under Proposition 98. The Governor’s budget proposal reflects withdrawals from the PSSSA to avoid major spending reductions in the face of the state’s substantial deficit. For the community colleges, the budget proposes withdrawals of \$235.9 million for 2023-24, and \$486.2 million in 2024-25 to support Student Centered Funding Formula resources. The proposal retains a balance of \$3.8 billion in the PSSSA at the end of 2024-25 (compared to the projected \$10.8 billion for 2023-24 in the 2023 Budget Act).

Though these transfers change *when* the state spends money on schools and community colleges, they do not directly change the *total amount* of state spending for schools and

community colleges across fiscal years. Specifically, transfers to the PSSSA count toward Proposition 98 totals in the year the transfer is made. As a result, appropriations to schools and community colleges in such a year could be lower than otherwise required by Proposition 98. However, in a year when money is spent out of this reserve, as is proposed for 2024-25, the amount transferred back to schools and community colleges is over and above the Proposition 98 amount otherwise required for that year.

California Community Colleges Funding

The Governor’s Budget includes \$48 million in ongoing policy adjustments for the community college system, compared to 2023-24 expenditure levels, as reflected in Table 2. However, considering technical adjustments along with changes to funding, the system would receive approximately \$3.6 million less in funding.

Table 2: Proposed 2024-25 Changes in Proposition 98 Funding for the System (In Millions)

POLICY ADJUSTMENTS	
Ongoing (Proposition 98)	
Provide 0.76% COLA for SCFF	\$69.15
Provide for 0.5% enrollment growth	\$29.59
Provide 0.76% COLA for Adult Education Program	\$4.91
Provide 0.76% COLA for Extended Opportunity Programs and Services (EOPS)	\$1.40
Adjustments for financial aid administration	\$1.53
Provide 0.76% COLA for Disabled Students Programs and Services (DSPS)	\$1.31
Provide 0.76% COLA for Apprenticeship (community college districts RSI)	\$0.24
Provide 0.76% COLA for CalWORKs student services	\$0.42
Provide 0.76% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements	\$0.94
Provide 0.76% COLA for Cooperative Agencies Resources for Education (CARE)	\$0.25
Provide 0.76% COLA for Childcare tax bailout	\$0.03
Adjustment for affordable student housing ^a	-\$61.48
Subtotal Ongoing (Proposition 98) Policy Adjustments	\$48.30
One-Time (Proposition 98)	
Expand nursing program capacity	\$60.00
Subtotal One-Time Policy Adjustments	\$60.00
TECHNICAL ADJUSTMENTS	
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth) ^b	-\$111.92
Subtotal Technical Adjustments	-\$111.92
TOTAL CHANGES	-\$3.62

^a Current year funds are redirected to support affordable student housing programs that do not fit within the lease revenue approach. Redirected funds will be returned in a later year.

^b SCFF technical adjustments include DOF’s estimates of workload measures including reported FTES, supplemental, and success metrics.

Compared to the 2023-24 Budget Act, the estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by \$42 million, from \$9.42 billion to \$9.46 billion. This reflects a proposed COLA of 0.76% (\$69.1 million) and FTES growth of 0.5% (\$29.6 million) and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2023-24 Budget Act to the 2024-25 Governor’s Budget proposal):

- Property tax revenues are estimated to increase by \$213 million from \$4.0 billion to \$4.2 billion.
- Enrollment Fee revenues are estimated to decrease by \$6.8 million from \$407.5 million to \$400.1 million.
- Education Protection Account funding is estimated to decrease by \$592 million from \$1.54 billion to \$944.8 million.

Table 3 reflects the 2023-24 Advance rates, along with the projected rates for 2024-25, as modified by COLA.

Table 3: Proposed 2024-25 Student Centered Funding Formula Rates (rounded)

Allocations	2023-24 P1 Rates ^a	Estimated Proposed 2024-25 Rates ^b	Estimated Change from 2023-24 (Amount)	Estimated Change from 2023-24 (Percent)
Base Credit ^a	\$5,238	\$5,278	\$40	0.76%
Incarcerated Credit ^a	7,346	7,402	56	0.76%
Special Admit Credit ^a	7,346	7,402	56	0.76%
CDCP	7,346	7,402	56	0.76%
Noncredit	4,417	4,451	34	0.76%
Supplemental Point Value	1,239	1,248	9	0.76%
Student Success Main Point Value	730	736	6	0.76%
Student Success Equity Point Value	184	186	1	0.76%
Single College District				
Small College	6,439,546	6,488,487	48,941	0.76%
Medium College	8,586,065	8,651,319	65,254	0.76%
Large College	10,732,581	10,814,149	81,568	0.76%
Multi College District				
Small College	6,439,546	6,488,487	48,941	0.76%
Medium College	7,512,806	7,569,904	57,097	0.76%
Large College	8,586,065	8,651,319	65,254	0.76%
Designated Rural College	2,048,172	2,063,738	15,566	0.76%
State Approved Centers	2,146,516	2,162,829	16,314	0.76%
Grandparented Centers				

Small Center	268,316	270,356	2,039	0.76%
Small Medium Center	536,629	540,708	4,078	0.76%
Medium Center	1,073,257	1,081,414	8,157	0.76%
Medium Large Center	1,609,886	1,622,122	12,235	0.76%
Large Center	2,146,516	2,162,829	16,314	0.76%

^aTen districts receive higher credit FTES rates, as specified in statute.

^bEstimated 2024-25 rates may change based on updated 2023-24 data and revenues.

Appendix B compares the Governor’s proposed funding adjustments for the system in 2024-25 to the Board of Governors’ budget request. Below we highlight a few of the Administration’s policy decisions and related information. Later in this analysis, we detail local funding by program, capital outlay funding, and state operations.

MAJOR POLICY DECISIONS FOCUS ON STABILITY

The proposed budget provides funding for a small COLA and enrollment growth, supported by withdrawals from the PSSSA. The limited one-time funds included in the proposal are targeted toward expanding nursing program capacity.

Apportionments Receive 0.76% COLA and 0.5% Growth

The proposal includes an increase of \$29.6 million **ongoing** to fund 0.5% enrollment growth and \$69.1 million **ongoing** to support a COLA of 0.76% for apportionments. While much smaller than in the last few years, the proposed COLA is the same as for the K-12 system. Another \$9.3 million **ongoing** would support a COLA of 0.76% for selected categorical programs and the Adult Education program.

Investment in Nursing Workforce is Proposed

The Governor’s budget addresses the Administration’s commitment to addressing California’s nursing shortage with a proposal to provide \$60 million **one-time** per year over the next five years to expand nursing program capacity in the community colleges and Bachelor of Science in nursing partnerships, following through on intent language included in the current year budget. Provisions governing how the funds are to be spent will be negotiated through the legislative process in spring 2024.

Statewide Funding Plan for Affordable Student Housing to Be Pursued

The 2023 Budget Act eliminated the 2022-23 General Fund appropriation for the Affordable Student Housing grants and instead called for those projects to be funded by locally issued lease revenue bonds. This change retroactively applied to the twelve community college projects originally funded in the 2022 Budget Act, and the seven new community college housing projects authorized in the 2023 Budget Act, as well as any future affordable student housing projects. The 2023 Budget Act provided ongoing funds to support debt service for student housing projects in 2022-23, 2023-24, and 2024-25 funded with lease revenue bonds. UC and CSU housing projects were to be funded with lease revenue bonds issued by those systems, and the Governor’s budget proposal maintains funding for these UC and CSU programs. Community college housing projects

were to be funded through local revenue bonds to be issued by community college districts or as part of a state pool. As an alternative to local lease revenue bonds, in the 2024-25 proposed budget, the Department of Finance (DOF) will pursue a trailer bill for a *statewide* lease revenue bond program by the Governor’s May Revision.

The 2023 Budget Act provided about \$61.5 million in ongoing General Funds for annual rental subsidies for affordable student housing. The Governor’s Budget proposal redirects these current year funds to support CCC affordable student housing programs that do not fit within a statewide lease revenue bond funding approach. Specifics will be shared in future trailer bill language. The proposal assumes redirected funds will be returned later and after determining an appropriate amount of ongoing funding needed to cover rental subsidies.

Cal Grant Reforms to Be Addressed in May Revision

The Fiscal Year 2022-23 State Budget enacted the Cal Grant Reform Act, making *all* community college students with financial need entitled to a revised “Cal Grant 2” financial aid award that would increase with inflation over time to support students’ total cost of attendance beyond tuition. However, implementation of the Cal Grant Reform Act was made dependent on the DOF determining, in the spring of 2024, that there would be sufficient revenues in the 2024-25 fiscal year to support this expansion of financial aid. The Administration will wait to make that determination until May, leaving opportunities for continued advocacy around the importance of the reforms for community college students.

LOCAL SUPPORT FUNDING IS LARGELY STABLE FOR ONGOING PROGRAMS

Table 4 shows proposed ongoing local assistance funding by program for the current and budget years. As the table shows, most categorical programs received level or workload funding in the Governor’s proposal, with certain programs receiving cost-of-living adjustments consistent with recent practices. Decreases in funding are related to revised estimates of underlying factors or removal of one-time funds. Given the expected state budget deficit, proposed one-time local assistance funding is limited to the \$60 million investment to expand nursing program capacity.

Table 4: California Community Colleges Ongoing Funding by Program^a (In Millions)

Program	2023-24 Revised	2024-25 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	\$9,476.31	\$9,463.13	(\$13.18)	-0.14%	COLA, growth, and other base adjustments
Adult Education Program – Main ^b	652.22	657.13	4.91	0.76%	COLA
Student Equity and Achievement Program	523.98	523.98	0.00	0.00%	

Student Success Completion Grant	362.60	412.60	50.00	13.79%	Adjust for revised estimate of recipients
Strong Workforce Program	290.40	290.40	0.00	0.00%	
Part-time faculty health insurance	200.50	200.49	-0.01	0.00%	
Extended Opportunity Programs and Services (EOPS)	183.08	184.48	1.39	0.76%	COLA
Disabled Students Programs and Services (DSPS)	172.82	174.13	1.31	0.76%	COLA
Full-time faculty hiring	150.00	150.00	0.00	0.00%	
California College Promise (AB 19)	91.21	91.21	0.00	0.00%	
Integrated technology	89.50	89.50	0.00	0.00%	
Financial aid administration	78.49	80.02	1.53	1.95%	Waived fees and per unit adjustments
CalWORKs student services	55.05	55.47	0.42	0.76%	COLA
NextUp (foster youth program)	54.11	54.11	0.00	0.00%	
Basic needs centers	43.29	43.29	0.00	0.00%	
Mathematics, Engineering, Science Achievement (MESA)	39.42	39.42	0.00	0.00%	
Mandates Block Grant and reimbursements	38.29	39.23	0.94	2.46%	COLA and enrollment-based adjustment
Apprenticeship (community college districts RSI)	34.34	34.58	0.24	0.70%	COLA
Cooperative Agencies Resources for Education (CARE)	33.48	33.73	0.25	0.76%	COLA
Student mental health services	32.47	32.47	0.00	0.00%	
CA Apprenticeship Initiative	30.00	30.00	0.00	0.00%	
Institutional effectiveness initiative	41.50	27.50	-14.00	-33.73%	Removal of one-time funds
Part-time faculty compensation	26.54	26.54	0.00	0.00%	
Rising Scholars Network	25.00	25.00	0.00	0.00%	
Part-time faculty office hours	23.63	23.63	0.00	0.00%	
Economic and Workforce Development	22.93	22.93	0.00	0.00%	

Homeless and Housing Insecurity Program ("Rapid Rehousing")	20.56	20.56	0.00	0.00%	
California Virtual Campus	20.00	20.00	0.00	0.00%	
California Online Community College (Calbright College)	15.00	15.00	0.00	0.00%	
Nursing grants	13.38	13.38	0.00	0.00%	
Puente Project	13.33	13.33	0.00	0.00%	
Lease revenue bond payments	12.80	12.79	-0.01	0.00%	
Equal Employment Opportunity Program	17.08	12.77	-4.31	-25.26%	Removal of one-time funds
Dreamer Resource Liaisons	11.60	11.60	0.00	0.00%	
Veterans Resource Centers	10.82	10.82	0.00	0.00%	
Immigrant legal services through CDSS	10.00	10.00	0.00	0.00%	
Classified Employee Summer Assistance Program	10.00	10.00	0.00	0.00%	
LGBTQ+ Student Support	10.00	10.00	0.00	0.00%	
Umoja	9.18	9.18	0.00	0.00%	
Asian American and Native Hawaiian and Pacific Islander (AANHPI) Student Achievement Program	8.00	8.00	0.00	0.00%	
Foster Parent Education Program	6.15	6.15	0.00	0.00%	
Childcare tax bailout	4.28	4.31	0.03	0.76%	COLA
Digital Course Content for Inmates	3.00	3.00	0.00	0.00%	
Middle College High School Program	1.84	1.84	0.00	0.00%	
Academic Senate	1.80	1.80	0.00	0.00%	
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.38	1.38	0.00	0.00%	
African American Male Education Network and Development (A2MEND)	1.10	1.10	0.00	0.00%	
FCMAT	0.85	0.77	-0.08	-8.88%	Removal of one-time funds

Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.70	0.70	0.00	0.00%	
Total	\$12,973.99	\$13,003.44	\$29.45	0.2%	

^a Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

^b The Adult Education program total includes resources that go to the K-12 system but are included in the CCC budget. The K-12 Strong Workforce program and K-12 Apprenticeship program are not listed above but are also included in the CCC budget.

CAPITAL OUTLAY INVESTMENTS ARE LIMITED

The Governor’s proposal includes capital outlay funding for only one continuing project using funds from Proposition 51, approved by voters in 2016. The project involves remodeling the theater and McCloud Hall at College of the Siskiyous, with a cost of \$29.3 million in 2024-25. Over the next few months, as districts obtain State approval of their Preliminary Plans/Working Drawings package, the Governor’s revised budget will likely include them as a continuing project.

The Administration also commits to pursuing a statewide education facilities bond, with the exact amount of the bond and the split of funds to be determined through negotiations with the Legislature.

STATE OPERATIONS RECEIVES SMALL INCREASE

The Chancellor’s Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing several recent initiatives including Guided Pathways, basic skills reforms, and the Student Centered Funding Formula, as well as Vision 2030. In addition, the Chancellor’s Office provides technical assistance to districts and conducts regional and statewide professional development activities. The Governor’s budget proposal for 2024-25 raises funding for Chancellor’s Office operations from non-Proposition 98 General Fund by about 5% to \$27.1 million, due primarily to negotiated employee compensation increases for all state employees, and maintains \$12.2 million in special funds and reimbursement authority.

Next Steps

For more information throughout the budget process, please visit the Budget News section of the Chancellor’s Office website:

<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>

Appendix A: Overview of the State Budget Process

The Governor and the Legislature adopt a new budget every year. The Constitution requires a balanced budget such that, if proposed expenditures exceed estimated revenues, the Governor is required to recommend changes in the budget. The fiscal year runs from July 1 through June 30.

Governor’s Budget Proposal. The California Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. The Director of Finance, who functions as the chief financial advisor to the Governor, directs the preparation of the Governor’s Budget. The state’s basic approach is incremental budgeting, estimating first the costs of existing programs and then adjusting those program levels. By law, the chairs of the budget committees in each house of the Legislature—the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee—introduce bills reflecting the Governor’s proposal. These are called budget bills, and the two budget bills are identical at the time they are introduced.

Related Legislation. Some budget changes require that changes be made to existing law. In these cases, separate bills—called “trailer bills”—are considered with the budget. By law, all proposed statutory changes necessary to implement the Governor’s Budget are due to the Legislature by February 1.

Legislative Analyses. Following the release of the Governor’s Budget in January, the LAO begins its analyses of and recommendations on the Governor’s proposals. These analyses, each specific to a budget area (such as higher education) or set of budget proposals (such as transportation proposals), typically are released beginning in mid-January and continuing into March.

Governor’s Revised Proposals. Finance proposes adjustments to the January budget through “spring letters.” Existing law requires Finance to submit most changes to the Legislature by April 1. Existing law requires Finance to submit, by May 14, revised revenue estimates, changes to Proposition 98, and changes to programs budgeted based on enrollment, caseload, and population. For that reason, the May Revision typically includes significant changes for the California Community Colleges budget. Following release of the May Revision, the LAO publishes additional analyses evaluating new and amended proposals.

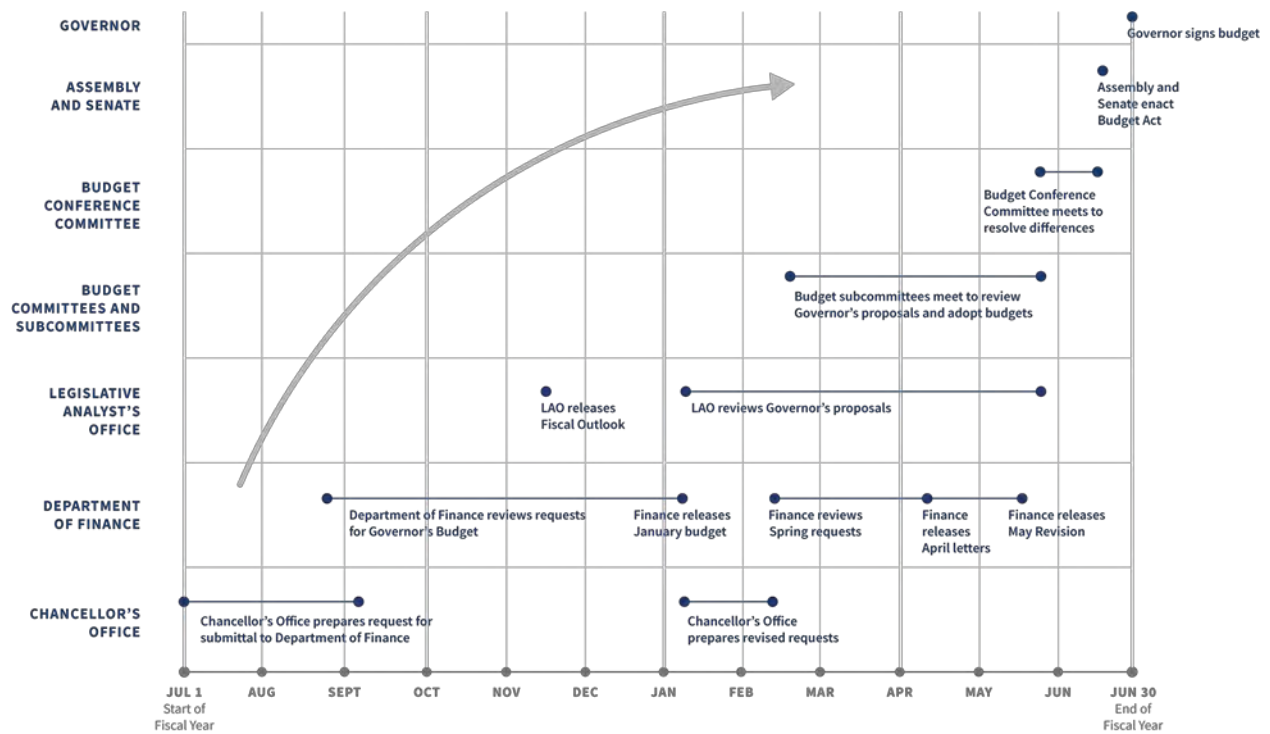
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can adopt, reject, or modify the proposal. Any January proposals not acted on remain in the budget by default. May proposals, in contrast, must be acted on to be included in the budget. In addition to acting on the Governor’s budget proposals, subcommittees also can add their own proposals to the budget.

When a subcommittee completes its actions, it reports its recommendations back to the full committee for approval. Through this process, each house develops a version of the budget that is a modification of the Governor’s January budget proposal.

A budget conference committee is then appointed to resolve differences between the Senate and Assembly versions of the budget. The administration commonly engages with legislative leaders during this time to influence conference committee negotiations. The committee’s report reflecting the budget deal between the houses is then sent to the full houses for approval.

Budget Enactment. Typically, the Governor has 12 days to sign or veto the budget bill. The Governor also has the authority to reduce or eliminate any appropriation included in the budget. Because the budget bill is an urgency measure, the bill takes effect as soon as it is signed.

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



Appendix B: Board of Governors' Budget and Legislative Request Compared to Governor's Budget Proposal

The system budget request considered needs over multiple years to achieve *Vision 2030* and Roadmap goals, and support students' economic mobility.

Board of Governor's Request	Governor's Budget Proposal
Ongoing Investments	
Foundational Resources. \$500 million for base funding increase.	Provides \$69.1 million for a COLA of 0.76% and \$29.6 million for 0.5% enrollment growth.
Pathways and Student Supports. \$60 million increase for DSPTS; \$40 million for Childcare Expansion Fund; \$30 million for California Apprenticeship Initiative; \$6 million to expand Military Articulation Platform. Extension of deadline for common course numbers from 2024 to 2027. Policy changes to provide equitable access to dual enrollment pathways.	See one-time funds for nursing program expansion below.
Support for Faculty. \$50 million for faculty supports (office hours, professional development, curriculum development) and full-time faculty hiring69..	Not included.
Technology and Data Sharing. \$24.9 million to launch Phase 1 of Common ERP transition	Not included.
One-Time Investments	
Pathways and Student Supports.	Provides \$60 million per year for five years to expand nursing program capacity.
Technology and Data Sharing. \$310.1 million for Phase 1 of Common ERP transition (specifies plan to request another \$214 million in 2027-28 for Phase 2).	Not included.
Non-Proposition 98 Investments	
College Affordability and Supports. State-issued lease revenue bonds to support 19 approved and 5 new student housing projects. Policy changes for flexibility in the SSCG program for DSPTS students, and study of structural barriers to residency.	Redirects current year funds and commits to pursuing a statewide lease revenue bond program in the May Revision.
Capacity to Support the System. General Fund support for a new Vice Chancellor of Information Security, Assistant Vice Chancellor of Workforce Development, and Director of Operations and Special Initiatives. Policy changes to streamline legislative reporting requirements.	Not included.
Workforce Education. Policy changes to better align EWD program with Strong Workforce, and to extend use	Not mentioned.

of multi-criteria screening factors for limited enrollment healthcare program admissions.	
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Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

Based on the information used in developing the state budget, it would be reasonable for districts to plan their budgets using information shown in Table C-1 below.

Table C-1: Planning Factors for Proposed 2024-25 Budget

Factor	2022-23	2023-24	2024-25
Cost-of-living adjustment (COLA)	6.56%	8.13%	0.76%
State Lottery funding per FTES ^a	\$237	\$249	TBD
Mandated Costs Block Grant funding per FTES ^b	\$32.68	\$32.68	TBD
RSI reimbursement per hour ^b	\$8.82	\$8.82	TBD
Financial aid administration per College Promise Grant ^b	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	25.37%	26.28%	27.80%
State Teachers' Retirement System (CalSTRS) employer contribution rates	19.10%	19.10%	19.10%

^a2024-25 estimate not available

^bEstimates will be updated when budget bill language becomes available.

STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues by specified deadlines. Financial reporting deadlines are shown in Table C-2.

Table C-2: Standard Financial Reporting Deadlines in Place for 2024-25

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2024	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2024	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2024	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2024	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2024	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2024	59106

If the governing board of any district fails to develop a budget as described, the chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not imposed on a district if the chancellor determines that unique circumstances made it

impossible for the district to comply with the provisions or if there were delays in the adoption of the annual state budget.

The total amount proposed for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).

STATE REQUIREMENTS RELATED TO EXPENDITURES

State law includes two main requirements for districts' use of apportionments. The Chancellor's Office monitors district compliance with both requirements and annually updates the Board of Governors.

Full-Time Faculty Obligation

Education Code Section 87482.6 recognizes the goal of the Board of Governors that 75% of the hours of credit instruction in the California Community Colleges should be taught by full-time faculty. Each district has a baseline reflecting the number of full-time faculty in 1988-89. Each year, if the Board of Governors determines that adequate funds exist in the budget, districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in funded credit full-time equivalent students. Funded credit FTES includes emergency conditions allowance protections, such as those approved for fires and for the COVID-19 pandemic. Districts with emergency conditions allowances approved per regulation will not have their full-time faculty obligation reduced for actual reported FTES declines while the protection is in place. The target number of faculty is called the Faculty Obligation Number (FON). An additional increase to the FON is required when the budget includes funds specifically for the purposes of increasing the full-time faculty percentage. The chancellor is required to assess a penalty for a district that does not meet its FON for a given year.

Fifty Percent Law

A second requirement related to budget levels is a statutory requirement that each district spend at least half of its Current Expense of Education each fiscal year for salaries and benefits of classroom instructors. Under existing law, a district may apply for an exemption under limited circumstances.

Appendix D: Districts' Fiscal Health

The Board of Governors has established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. These standards are intended to be progressive, with the focus on prevention and assistance at the initial level and more direct intervention at the highest level.

Under that process, each district is required to regularly report to its governing board the status of the district's financial condition and to submit quarterly reports to the Chancellor's Office three times a year in November, February, and May. Based on these reports, the Chancellor is required to determine if intervention is needed. Specifically, intervention may be necessary if a district's report indicates a high probability that, if trends continue unabated, the district will need an emergency apportionment from the state within three years or that the district is not in compliance with principles of sound fiscal management. The Chancellor's Office's intervention could include, but is not limited to, requiring the submission of additional reports, requiring the district to respond to specific concerns, or directing the district to prepare and adopt a plan for achieving fiscal stability. The Chancellor also could assign a fiscal monitor or special trustee.

The Chancellor's Office believes that the evaluation of fiscal health should not be limited to times of crisis. Accordingly, the Fiscal Forward Portfolio has been implemented to support best practices in governance and continued accreditation, and to provide training and technical assistance to new chief executive officers and chief business officers through personalized desk sessions with Chancellor's Office staff.

The Chancellor's Office's ongoing fiscal health analysis includes review of key financial indicators, results of annual audit reports, and other factors. A primary financial health indicator is the district's unrestricted reserves balance. **The Chancellor's Office recommends that districts adopt policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of general fund operating expenditures or revenues, consistent with Budgeting Best Practices published by the Government Finance Officers Association.**

Districts are strongly encouraged to regularly assess risks to their fiscal health. The Fiscal Crisis and Management Assistance Team has developed a Fiscal Health Risk Analysis for districts as a management tool to evaluate key fiscal indicators that may help measure a district's risk of insolvency in the current and two subsequent fiscal years.

Appendix E: Glossary

Appropriation: Money set apart by legislation for a specific use, with limits in the amount and period during which the expenditure is to be recognized.

Augmentation: An increase to a previously authorized appropriation or allotment.

Bond Funds: Funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds.

Budget: A plan of operation expressed in terms of financial or other resource requirements for a specific period.

Budget Act (BA): An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget, amended by the Legislature, and signed by the Governor.

Budget Year (BY): The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

Capital Outlay: Expenditures that result in acquisition or addition of land, planning and construction of new buildings, expansion or modification of existing buildings, or purchase of equipment related to such construction, or a combination of these.

Cost of Living Adjustment (COLA): Increases provided in state-funded programs intended to offset the effects of inflation.

Current Year (CY): The present state fiscal year, beginning July 1 and ending June 30 (in contrast to past or future periods).

Department of Finance (DOF or Finance): A state fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor.

Education Protection Account (EPA): The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and amended by Proposition 55 in November 2016. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. These funds are set to expire on December 31, 2030.

Expenditure: Amount of an appropriation spent or used.

Fiscal Year (FY): A 12-month budgeting and accounting period. In California state government, the fiscal year begins July 1 and ends the following June 30.

Fund: A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations.

General Fund (GF): The predominant fund for financing state operations; used to account for revenues that are not specifically designated by any other fund.

Governor's Budget: The publication the Governor presents to the Legislature by January 10 each year, which includes recommended expenditures and estimates of revenues.

Lease Revenue Bond: Lease-revenue bonds are used in the state’s capital outlay program to finance projects. The revenue stream paying the debt service on the bond is created from lease payments made by the occupying entity to the governmental financing entity which constructs the facility or causes it to be constructed.

Legislative Analyst’s Office (LAO): A nonpartisan office that provides fiscal and policy advice to the Legislature.

Local Assistance: Expenditures made for the support of local government or other locally administered activities.

May Revision: An update to the Governor’s Budget presented by Finance to the Legislature by May 14 of each year.

Past Year or Prior Year (PY): The most recently completed state fiscal year, beginning July 1 and ending June 30.

Proposition 98: A section of the California Constitution that, among other provisions, specifies a minimum funding guarantee for schools and community colleges. California Community Colleges typically receive 10.93% of the funds.

Related and Supplemental Instruction (RSI): An organized and systematic form of instruction designed to provide apprentices with knowledge including the theoretical and technical subjects related and supplemental to the skill(s) involved.

Reserve: An amount set aside in a fund to provide for an unanticipated decline in revenue or increase in expenditures.

Revenue: Government income, generally derived from taxes, licenses and fees, and investment earnings, which are appropriated for the payment of public expenses.

State Operations: Expenditures for the support of state government.

Statute: A law enacted by the Legislature.

Workload Budget: The level of funding needed to support the current cost of already-authorized services.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

An Overview of the 2024-25 Governor's Budget Proposals



BY SSC TEAM

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Overview of the Governor's Budget Proposals

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
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

Proposition 98 Minimum Guarantee, Prior and Current Year (In billions)			
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 Siskiyou: 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 (see ["Statewide Facilities Bond Bills Pending in the Legislature"](#) in the June 2023 *Community College Update* article for more specifics about the two bond bills). 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.

**Central Services Vacancy List
As of 01/15/2023**

Unit	Position Number	Position Title	Fund	Fund Name
Administrative	410540	Manager, Operations	114000	General Fund
Administrative	410604	Project Manager	426503	Measure G Bond
Administrative	410648	Manager, Energy and Sustainability	114000	General Fund
Administrative	New	Project Manager II - Bond Funded	426503	Measure G Bond
Administrative	410630	Manager, Contracts and Risk Management	114000	General Fund
Administrative	410625	Director, Equity, Employment & Professional Development	114000	General Fund
Administrative	410002	Vice Chancellor, Human Resources & Equal Opportunity	114000	General Fund
Classified - ACE	430155	Community Services Officer	114000/125000	General Fund/Parking*
Classified - ACE	430767	Community Services Officer	114000/125000	General Fund/Parking*
Classified - ACE	430335	Admin Assistant, Senior	114000	General Fund
Classified - ACE	New	Project Coordinator/Project Manager I	426503	Measure G Bond
Classified - ACE	New	Project Coordinator/Project Manager I	426503	Measure G Bond
Classified - ACE	430176	Client Systems Technician	114000	General Fund
Classified - ACE	430224	Network Administrator II	114000	General Fund
Classified - ACE	430300	Systems Analyst, Senior	114000	General Fund
Classified - ACE	430715	Application Supt Analyst III	114000	General Fund
Classified - ACE	430735	Coord, Technology Resources	114000	General Fund
Classified - ACE	430748	Client Systems Technician	114000	General Fund
Classified - ACE	430685	Buyer	114000	General Fund
Classified - ACE	430205	Human Resources Technician III	114000	General Fund
Classified - ACE	430046	Payroll Technician, Senior	114000	General Fund
Classified - ACE	430250	Accountant, Senior	114000	General Fund
Classified - ACE	431101	Accountant, Senior	121175	CS-California Virtual Campus-OEI V
Classified - ACE	431117	Accountant II	114000	General Fund
Classified - CSEA	430096	Plumber, Apprentice I	114000	General Fund
Classified - CSEA	430107	Journey Plumber	114000	General Fund
Classified - CSEA	430117	Custodian I	114000	General Fund
Classified - CSEA	430519	Grounds Gardener II	114000	General Fund
Classified - CSEA	430635	Fire/LifeSftySysTech, App III	114000	General Fund
Classified - CSEA	New	Utility Maintenance Worker II	114000	General Fund
Classified - CSEA	New	Utility Maintenance Worker II	114000	General Fund
Classified - Police Officers	433181	Police Officer II	114000/125000	General Fund/Parking*
Classified - Police Officers	433194	Police Officer II	114000/125000	General Fund/Parking*
Classified - Police Officers	433395	Police Officer I	114000/125000	General Fund/Parking*
Classified - Police Officers	NEW	Assistant Chief of Police	114000/125000	General Fund/Parking*
Classified - Teamsters	420012	Police Sergeant	114000/125000	General Fund/Parking*

**Central Services Vacancy List
As of 01/15/2023**

Unit	Position Number	Position Title	Fund	Fund Name
Classified - Teamsters	New	Project Manager I	114000	General Fund
Classified - Teamsters	420430	District Help Desk Supervisor	114000	General Fund

* Currently being charged to the General Fund as Parking Fees are not being charged in FY2023-24

Please note:

If the position has someone working out of class but no permanent employee fulfilling the role, it is included as vacant.

If the permanent employee is still working in the role, even if they have announced an imminent retirement, position is not included as a vacancy.

**De Anza College Vacant Positions
(as per Banner 1.16.24)**

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Fund</u>	<u>Status</u>
Administrative - Educational	210530	Director, Nursing	135056	Permanent Vacancy. Currently being Backfilled by Faculty member
Administrative - Educational	210035	Division Dean, Creative Arts	114000	Permanent Vacancy. In Recruitment Req1522 Interim
Classified - ACE	232224	Coordinator, Financial Aid	120071	Permanent Vacancy. Will be recruiting in 2023/24. Limited funds in BFAP.
Classified - ACE	230048	Enrollment Svcs Specialist I	120119	Permanent Vacancy. Under review by dept.
Classified - ACE	230254	Program Coordinator II	115222	Permanent Vacancy. Community Ed.
Classified - ACE	230164	Laboratory Technician, Nursing	114000	Permanent Vacancy. Research possible duplicate position with 230012.
Classified - ACE	230974	Coord, Instruct Supt, Disc	120119	Permanent Vacancy.
Classified - ACE	230161	Student Success Specialist	121260	Permanent Vacancy. Next-Up / Foster Youth. Req1143
Classified - ACE	230008	Health Services Medical Asst	121021	Permanent Vacancy
Classified - ACE	230448	Administrative Assistant II	120119	Permanent Vacancy. Enrollment Svcs. In recruitment Req1404
Classified - ACE	230990	Academic Services Technician	135056	Permanent Vacancy. In recruitment Req1098.
Classified - ACE	230215	Academic Advisor	120119	Permanent Vacancy. Under review by dept. Couns.
Classified - ACE	230555	Administrative Assistant I	122020	Permanent Vacancy. DSP&S Educationally Handicap Program
Classified - ACE	230967	Testing Technician	120119	Permanent Vacancy. Under review by dept.
Classified - ACE	230612	Int'l Student Svcs Specialist	115221	Permanent Vacancy. Under review by dept.
Classified - ACE	230465	Academic Advisor	120119	Permanent Vacancy. Under review by dept. Couns.
Classified - ACE	230128	Testing Technician	120119	Permanent Vacancy. Under review by dept.
Classified - ACE	230406	Enrollment Svcs Specialist I	115221	Permanent Vacancy. Int'l Student Svcs. Under review by dept.
Classified - ACE	230920	Student Success Specialist	120119	Permanent Vacancy. Under review by dept. Outreach

**De Anza College Vacant Positions
(as per Banner 1.16.24)**

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Fund</u>	<u>Status</u>
Classified - ACE	230442	Clinic Nurse	121021	Permanent Vacancy
Classified - ACE	230943	Academic Advisor	120119	Permanent Vacancy. Under review by dept. Couns.
Classified - ACE	230966	Clinic Nurse	121021	Permanent Vacancy
Classified - ACE	230206	Program Coordinator I	114000	Permanent Vacancy. EOPS
Classified - ACE	230206	Program Coordinator I	120031	Permanent Vacancy. EOPS
Classified - ACE	230690	Facilities & Equipment Asst	114000	Permanent Vacancy. Eliminating & replacing with coordinator position. In recruitment Req142!
Classified - ACE	230716	Coord, Instruct Supt, Disc	135111	Permanent Vacancy. 50% 10mo. MESA Program
Classified - ACE	230044	Reprographics Technician	115210	Permanent Vacancy. Under review by dept.
Classified - ACE	230077	Enrollment Svcs Specialist I	114000	Permanent Vacancy. In recruitment Req1453
Classified - ACE	230539	Child Dev Ctr Teaching Asst	331000	Permanent Vacancy
Classified - ACE	230941	Academic Advisor	120119	Permanent Vacancy. Under review by dept. Couns.
Classified - ACE	230976	Administrative Assistant I	120119	Permanent Vacancy. Outreach.
Classified - ACE	230976	Administrative Assistant I	121231	Permanent Vacancy. Outreach.
Classified - ACE	230976	Administrative Assistant I	114080	Permanent Vacancy. Outreach.
Classified - ACE	230998	Coordinator, DSPS	122020	Permanent Vacancy. In recruitment Req426.
Classified - ACE	230108	Academic Advisor	114000	Permanent Vacancy. In recruitment 1473. PE&A.
Classified - ACE	230108	Academic Advisor	120119	Permanent Vacancy. In recruitment 1473. PE&A.
Classified - ACE	230242	Veterans Resource Specialist	114000	Permanent Vacancy as of 11/16/2023.
Classified - ACE	230954	Program Coordinator I	120119	Permanent Vacancy as of 01/02/2024. Outreach.
Classified - ACE	230952	Administrative Assistant I	120119	Permanent Vacancy as of 01/10/2024. Equity Office.
Classified - ACE Hourly	234900	Child Dev Ctr Teaching Asst	331000	Permanent Vacancy
Classified - ACE Hourly	234902	Child Dev Ctr Teaching Asst	331000	Permanent Vacancy

**De Anza College Vacant Positions
(as per Banner 1.16.24)**

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Fund</u>	<u>Status</u>
Classified - ACE Hourly	234903	Child Dev Ctr Teaching Asst	331000	Permanent Vacancy
Classified - ACE Hourly	234904	Child Dev Ctr Teaching Asst	331000	Permanent Vacancy
Classified - ACE Hourly	234828	Community Education Asst	115222	Permanent Vacancy
Classified - ACE Hourly	234824	Clinic Nurse	121021	Permanent Vacancy
Classified - ACE Hourly	234822	Clinic Nurse	121021	Permanent Vacancy
Classified - ACE Hourly	234802	Child Dev Ctr Teaching Asst	331000	Permanent Vacancy
Classified - CSEA	230190	Food Service Operations Coord	128020	Permanent Vacancy
Classified - CSEA	230190	Food Service Operations Coord	114080	Permanent Vacancy
Classified - CSEA	230542	Custodian I	114000	Permanent Vacancy
Classified - CSEA	230178	Food Service Exec Chef, Lead	321000	Permanent Vacancy
Classified - CSEA	230575	Custodian II	115226	Permanent Vacancy
Classified - Teamsters	220156	Enrollment Services Supervisor	114000	Permanent Vacancy as of 11/05/2023. Currently backfilled by WOC.
Classified - Teamsters	220092	Exec Director, Calif Hist Ctr	114080	Permanent Vacancy
Classified - Teamsters	220645	Supv,Enr Svcs Comm, Sys & Tech	114000	Filled. Kim Te as of 02/01/2024 pending BoT approval.
Classified - Teamsters	220010	Asst Director, Child Devel	331000	Permanent Vacancy
Faculty - 10 Months	250444	Instructor	114000	Permanent Vacancy. In recruitment req1133
Faculty - 10 Months	250444	Instructor	135056	Permanent Vacancy. In recruitment req1133
Faculty - 10 Months	250183	Instructor	114000	Permanent Vacancy. Pending RAPP recommendation.
Faculty - 10 Months	250349	Instructor	114000	Permanent Vacancy. In recruitment req1396
Faculty - 10 Months	250016	Instructor	114000	Permanent Vacancy. In recruitment req1135

**De Anza College Vacant Positions
(as per Banner 1.16.24)**

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Fund</u>	<u>Status</u>
Faculty - 10 Months	250049	Instructor	114000	Permanent Vacancy. In recruitment req1382
Faculty - 10 Months	250232	Instructor	114000	Permanent Vacancy. In recruitment req1395
Faculty - 10 Months	258871	Instructor	114000	Permanent Vacancy. In recruitment req1380
Faculty - 10 Months	250434	Instructor	114000	Permanent Vacancy. In recruitment req1134
Faculty - 10 Months	250434	Instructor	135056	Permanent Vacancy. In recruitment req1134
Faculty - 10 Months	250376	Instructor	114000	Permanent Vacancy. In recruitment req1379
Faculty - 10 Months	250502	Instructor	114000	Permanent Vacancy. In recruitment req1385
Faculty - 10 Months	258804	Instructor	114000	Permanent Vacancy. To be eliminated to fund NEW Assistant Athletic Director, Sports Information & Associate Dean, Student Affairs positions approved by RAPP & CC June 2023.
Faculty - 10 Months	250169	Instructor	114000	Permanent Vacancy. Vacant as of Nov 2023 Board. Will be included on next report to RAPP.
Faculty - 10 Months	250324	Instructor	114000	Permanent Vacancy. Vacant as of Nov 2023 Board. Will be included on next report to RAPP.
Faculty - 10 Months	250512	Instructor	114000	Permanent Vacancy. To be eliminated to fund NEW Assistant Athletic Director, Sports Information & Associate Dean, Student Affairs positions approved by RAPP & CC June 2023.
Faculty - 10 Months	250161	Instructor	114000	Permanent Vacancy. To be eliminated to fund NEW Assistant Athletic Director, Sports Information & Associate Dean, Student Affairs positions approved by RAPP & CC June 2023.
Faculty - 10 Months	250139	Instructor	114000	Permanent Vacancy. Pending RAPP recommendation.
Faculty - 10 Months	250182	Instructor	114000	Permanent Vacancy. Vacant as of Nov 2023 Board. Will be included on next report to RAPP.
Faculty - 10 Months	250513	Instructor	114000	Permanent Vacancy. Vacant as of Nov 2023 Board. Will be included on next report to RAPP.
Faculty - 10 Months	250304	Instructor	114000	Permanent Vacancy. Vacant as of Nov 2023 Board. Will be included on next report to RAPP.
Faculty - 10 Months	258814	Instructor, Math (MPS)	114000	Permanent Vacancy. In recruitment req1390
Faculty - 10 Months	258894	Instructor	114000	Permanent Vacancy. In recruitment req1391
Faculty - 10 Months	250189	Instructor,Chicanx/Latinx Stud	114000	Permanent Vacancy. In recruitment req1397

**De Anza College Vacant Positions
(as per Banner 1.16.24)**

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Fund</u>	<u>Status</u>
Faculty - 10 Months	250390	Instructor	114000	Permanent Vacancy. In recruitment req1398
Faculty - 10 Months	250033	Instructor	114000	Permanent Vacancy. Pending RAPP recommendation.
Faculty - 10 Months	250160	Instructor	114000	Permanent Vacancy. Pending Board. Will be included on next report to RAPP.
Faculty - 11-12 Months	250194	Counselor, Psychological Services	121021	Permanent Vacancy. In recruitment req1266
Faculty - 11-12 Months	250375	Faculty Non-Instructional 11	114006	Permanent Vacancy. In recruitment req1265
Faculty - 11-12 Months	250375	Faculty Non-Instructional 11	114000	Permanent Vacancy. In recruitment req1265
Faculty - 11-12 Months	250306	Counselor	114000	Permanent Vacancy. In recruitment req1338
Faculty - 11-12 Months	258712	Counselor, MPS	120119	Permanent Vacancy
Faculty - 11-12 Months	250228	Learning Disability Specialist	122020	Permanent Vacancy
Faculty - 11-12 Months	250228	Learning Disability Specialist	122020	Permanent Vacancy
Faculty - 11-12 Months	250311	Instructor	114000	Permanent Vacancy. Vacant as of Nov 2023 Board. Will be included on next report to RAPP.
Faculty - 11-12 Months	250210	Athletic Director - DA	114000	Permanent Vacancy. Pending RAPP recommendation.
Faculty - 11-12 Months	250202	Articulation Ofr/Tran Svcs Crd	114000	Permanent Vacancy. In recruitment req1449
Faculty - 11-12 Months	250415	Counselor	120119	Permanent Vacancy. In recruitment req1496

Foothill College Vacant Positions (As per Banner as of 1.16.2024)

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>FUND</u>	<u>Status</u>
Administrative - Educational	110021	Division Dean, STEM	114000	Permanent Vacancy - Interim is Zachary Cembellin
Administrative - Educational	110150	Dean, Student Affairs and Activities	128000	Permanent Vacancy - Interim is Catalina Rodriguez
Administrative - Educational	110150	Dean, Student Affairs and Activities	114000	Permanent Vacancy - Interim is Catalina Rodriguez
Administrative - Educational	110360	Dean, Disabled Student Services and Veterans Programs	122010	Permanent Vacancy - Interim is Anthony Cervantes
Administrative - Educational	110365	Director, Business and Education Partnership	135038	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Administrative - Educational	110365	Director, Business and Education Partnership	135062	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Administrative - Program	110005	Director, Campus Bookstore	114000	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Administrative - Program	110434	Associate Vice President, Finance and Administrative Services	114000	Permanent Vacancy
Classified - ACE	130031	Administrative Assistant II	114000	Permanent Vacancy - In recruitment req. 1474 in Cornerstone
Classified - ACE	130048	Administrative Assistant II	115117	Permanent Vacancy - Pending Elimination due to program discontinuance (email to Scott Olsen 12/20/2023)
Classified - ACE	130053	Admin Assistant, Senior	128000	Temporary Vacancy
Classified - ACE	130053	Admin Assistant, Senior	114000	Temporary Vacancy
Classified - ACE	130056	Laboratory Tech, Discipline	114000	Permanent Vacancy
Classified - ACE	130096	Administrative Assistant I	122010	Permanent Vacancy - Old Position-review with HR
Classified - ACE	130096	Administrative Assistant I	114000	Permanent Vacancy - Old Position-review with HR
Classified - ACE	130124	Int'l Student Svcs Spec, Sr	114000	Permanent Vacancy - In recruitment req. 1488
Classified - ACE	130155	Coordinator, Financial Aid	120070	Permanent Vacancy - In recruitment req. 1514 in Cornerstone
Classified - ACE	130155	Coordinator, Financial Aid	114000	Permanent Vacancy - In recruitment req. 1514 in Cornerstone
Classified - ACE	130158	Enrollment Svcs Specialist I	120118	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Classified - ACE	130161	Financial Aid Specialist	114000	Permanent Vacancy - In recruitment req. 1515 in Cornerstone
Classified - ACE	130206	Systems Analyst	114000	Permanent Vacancy - Campus reorg (email to Scott Olsen 12/20/23)
Classified - ACE	130620	Coordinator, Laboratory PSME	114000	Eliminated (Board Approved May. 2023) - Pending HR to update Banner
Classified - ACE	130680	Program Coordinator II	122010	Permanent Vacancy - In recruitment req. 1424 in Cornerstone
Classified - ACE	130720	Coordinator, Student Resources	114080	Permanent Vacancy - Pending Elimination due to reorg (email to Scott Olsen 12/20/2023)
Classified - ACE	130720	Coordinator, Student Resources	128000	Permanent Vacancy - Pending Elimination due to reorg (email to Scott Olsen 12/20/2023)
Classified - ACE	130720	Coordinator, Student Resources	115195	Permanent Vacancy - Pending Elimination due to reorg (email to Scott Olsen 12/20/2023)
Classified - ACE	130760	Admin Assistant, Senior	135062	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Classified - ACE	130760	Admin Assistant, Senior	135055	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Classified - ACE	130791	Administrative Assistant I	120121	Permanent Vacancy - Plan is to hire
Classified - ACE	130798	Program Coordinator II	114080	Permanent Vacancy - Pending Elimination due to program discontinuance (email to Scott Olsen 12/20/2023)
Classified - ACE	130801	Coordinator, Financial Aid	114000	Permanent Vacancy - Financial Aid Reorg (email to Scott Olsen 12/20/23)
Classified - ACE	130801	Coordinator, Financial Aid	120070	Permanent Vacancy - Financial Aid Reorg (email to Scott Olsen 12/20/23)
Classified - ACE	130803	Program Coordinator I	120118	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Classified - ACE	130815	Student Success Specialist	120121	Permanent Vacancy - Pending elimination due to reorg (email to Scott Olsen 12/20/2023)
Classified - ACE	130818	Program Coordinator I	135048	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Classified - ACE	130818	Program Coordinator I	135062	Eliminated (Board Approved Nov. 2023) - Pending HR to update Banner
Classified - ACE	130821	Program Coordinator II	135062	Permanent Vacancy
Classified - ACE	130821	Program Coordinator II	135055	Permanent Vacancy
Classified - ACE	130829	Program Coordinator I	121062	Permanent Vacancy - Pending Elimination due to program discontinuance (email to Scott Olsen 12/20/2023)
Classified - ACE	130846	Administrative Assistant I	121226	Permanent Vacancy - Pending elimination, position created but not needed (email to Scott Olsen 12/20/2023)
Classified - ACE	132214	Coordinator, Financial Aid	120070	Permanent Vacancy - In recruitment req. 1513
Classified - ACE	132220	Financial Aid Specialist	120070	Permanent Vacancy - Plan to hire

Foothill College Vacant Positons (As per Banner as of 1.16.2024)

<u>Unit</u>	<u>Position Number</u>	<u>Position Title</u>	<u>FUND</u>	<u>Status</u>
Classified - ACE	430760	Systems Analyst	114000	Permanent Vacancy - review
Classified - Teamsters	120002	Supervisor, Administrative Services	115117	Permanent Vacancy - In recruitment req. 1478
Classified - Teamsters	120002	Supervisor, Administrative Services	114000	Permanent Vacancy - In recruitment req. 1478
Classified - Teamsters	120130	Senior Enrollment Serv Supv	114000	Permanent Vacancy - Pending elimination due to reorg (email to Elaine Kuo 12/20/2023)
Classified - Teamsters	120305	Assessment Center Supervisor	120118	Permanent Vacancy - Pending elimination due to reorg (email to Elaine Kuo 12/20/2023)
Classified - Teamsters	120326	Program Supervisor	120121	Permanent Vacancy - In recruitment req. 1460
Faculty - 10 Months	150008	Director, Health Services	114000	Permanent Vacancy
Faculty - 10 Months	150010	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150013	Instructor	114000	Permanent Vacancy
Faculty - 10 Months	150035	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150038	Instructor	114000	Permanent Vacancy
Faculty - 10 Months	150094	Librarian	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150099	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150106	Instructor, Biology	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150128	Instructor	114000	Permanent Vacancy
Faculty - 10 Months	150133	Instructor	114000	Temporary Vacancy
Faculty - 10 Months	150175	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150176	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150194	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150219	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150222	Instructor	114000	Permanent Vacancy - SRP
Faculty - 10 Months	150226	Instructor	114000	Permanent Vacancy
Faculty - 10 Months	150238	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	150287	Instructor	114000	Permanent Vacancy - SRP
Faculty - 10 Months	150406	Instructor	114000	Permanent Vacancy - SRP
Faculty - 10 Months	150530	Instructor, Biology	114006	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	158802	Instructor	114000	Permanent Vacancy - SRP
Faculty - 10 Months	158885	Instructor, Communications	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	158888	Instructor, Child Development	114006	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 10 Months	158890	Instructor	114000	Permanent Vacancy - SRP
Faculty - 11-12 Months	150081	Instructor	114000	Permanent Vacancy - SRP
Faculty - 11-12 Months	150083	Instructor	114000	Permanent Vacancy - SRP
Faculty - 11-12 Months	150107	Instructor/Veterinarian, Vet Tech	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty) req. 1458
Faculty - 11-12 Months	150115	Instructor	114000	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty)
Faculty - 11-12 Months	150142	Instructor	114000	Permanent Vacancy - SRP
Faculty - 11-12 Months	150154	Instructor	114000	Permanent Vacancy - SRP
Faculty - 11-12 Months	150286	Instructor	114000	Permanent Vacancy
Faculty - 11-12 Months	150402	Instructor	114000	Permanent Vacancy
Faculty - 11-12 Months	150505	Counselor/Instructor	120118	Eliminated (Board Approved Dec. 2023) - Pending HR to update Banner
Faculty - 11-12 Months	150510	Counselor	120118	Eliminated (Board Approved Dec. 2023) - Pending HR to update Banner
Faculty - 11-12 Months	150527	Counselor	120118	Permanent Vacancy - Faculty Prioritizaiton (hire 16 full-time faculty) req. 1497