

Governor's 2023-24 January Budget Proposal

Consultation Council

January 24, 2023



Kern Community College District

- Governor Newsom’s budget proposal should be considered a win for community colleges.
- The state’s primary revenue sources—the personal income tax, sales tax, and corporate tax—have been coming in behind projections, bringing in less revenue to date than budgeted and is estimated to be around a \$24 billion shortfall.
- Key investments in the budget include: universal transitional kindergarten, increased child care, universal school meals, climate agenda, health care access, homelessness and housing.

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Apportionments

- The Governor continues to propose to extend the revenue protections in a modified form, with a goal of avoiding sharp fiscal declines in 2025-26 and supporting a smooth transition to the SCFF formula over time. Under the proposal, a district's 2024-25 funding would represent its new "floor," below which it could not drop. Funding rates would continue to increase to reflect the statutory COLA if provided, but this revised hold harmless provision would no longer automatically include adjustments to reflect cumulative COLAs over time.
- The proposed budget uses a cost-of-living adjustment (COLA) of 8.13 percent on the SCFF. However, there is a technical adjustment that brings the effective rate down to 4.2 percent.
- Enrollment growth of 0.5% is proposed for SCFF.

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Major Policy Decisions Framed Around Multi-Year “Road Map”

- Expects Improved Student Educational Outcomes
- Seeks to Advance Equity
- Expects Increased Intersegmental Collaboration
- Seeks Improved Workforce Preparedness

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Significant KCCD Categoricals

Program	Proposed Change
Adult Education Program	COLA
Student Equity and Achievement Program	No Change
Strong Workforce	No Change
Extended Opportunity Programs and Services (EOPS)	COLA
Disabled Student Programs and Services (DSPS)	COLA
Apprenticeship	COLA
CalWORKS student services	COLA

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Capital Outlay

- Nothing new proposed for KCCD.

Deferred Maintenance

- The deferred maintenance of \$840.7 million in **one-time** funds for 2022-23 is now being decreased by \$213 million or roughly 25%. There isn't anything currently planned for 2023-24.

Other One-Time Items

- The Governor is proposing to use \$200 million of the money saved above to support enrollment and retention strategies.

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CalPERS/CalSTRS

- California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) Rate increases in 2022–23.

	2020-21	2021-22	2022-23	2023-24
CalPERS	20.70%	22.91%	25.37%	27.00%
CalSTRS	16.15%	16.92%	19.10%	19.10%