



2024-2025 Analyses of Governor's Budget Proposal From the Governor's Office, CCCCO, TICAS, and more

Collated by the Northern California College Promise Coalition (NCCPC)

Last Updated on 1/16/2024

Resources:

- [First Look: Understanding the Governor's 2024-25 State Budget Proposal by the California Budget & Policy Center](#)
- [January 10, 2024 Budget Proposal](#)

In the News:

- [Advocates, education leaders speak out on Newsom's initial plan for state budget](#) (EdSource 1/12/2024)

To share this resource with others, use the link <https://bit.ly/nccpc-cabudgetanalyses-jan2024>.

From The Education Trust–West 1/18/2024:

Advocates Must Come Together To Ensure Education Investments Remain Intact in Governor Newsom's 2024-2025 State Budget Proposal

California's \$38 billion state budget deficit means education equity advocates must come together to ensure that education remains front and center as the Legislature considers Governor Gavin Newsom's 2024-25 budget proposal announced last week. While the EdTrust-West team was relieved that the governor didn't try to address it by mortgaging the futures of our students of color and multilingual learners, we still have a long road ahead of us this budget season.

Our team is particularly happy to see continued proposed equity-minded investments such as the following:

- Protection of the rollout of key TK-12 initiatives such as transitional kindergarten, expanded learning opportunities, and the Golden State Pathways Program
- Expansion of the implementation of the new math framework
- Protection of funding for California community colleges
- Creation of interagency coordination for recent career education investments, including equity-centered programs like the Golden State Pathways program and the expansion of dual enrollment

- Continued support of the implementation of the Cradle-to-Career Data System, a crucial tool for understanding what's happening with students and educators across the state in real-time

We were, however, disappointed to see that the governor's budget doesn't include funding to implement Cal Grant reform, leaving thousands of students with an unfulfilled promise.

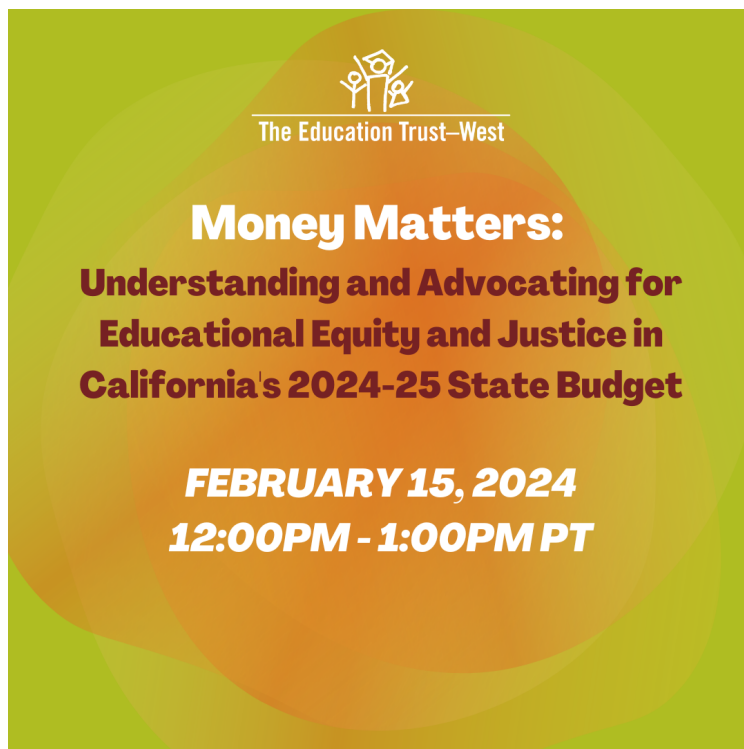
We will be working with legislators and advocates like you in the coming months to ensure that the needs of Black, Latinx, Asian American, Pacific Islander, and Native American students are prioritized in the May budget revision and in the approved budget in June.

To read our full statement, [click here](#).

And please join us on **Thursday, February 15** for a webinar where we will discuss how advocates can come together to continue advocating for California's students through this budget cycle.

REGISTER HERE:

https://edtrust.zoom.us/webinar/register/WN_4p1qxww3Qg2_jLATMiqF4Q



From the NextGen Policy 1/12/2024:

California's 2024-25 State Budget Proposal has arrived! Read all about it!

The California Legislature is officially back in session and its work for the year has now begun with Governor Newsom releasing his 2024-25 state budget proposal earlier this week!

Unfortunately, the Governor's proposed budget confronts a roughly \$38 billion deficit and closes this revenue shortfall through a mixture of cuts, deferrals, use of reserves, and various other budget balancing tools. While the proposed budget does maintain funding for many key programs that protect California's most vulnerable populations and communities, the cuts to critical programs in the environmental and economic equity areas are of real concern to the NextGen team.

Despite the challenge this fiscally constrained budget presents, the NextGen team looks forward to continuing our work with Governor Newsom, the State Legislature, and our partners to help advance equity-centered policy solutions for all Californians.

Read our official response to learn more about the Governor's proposed budget and its impacts across a range of programs:

[Read NextGen's Budget Response!](#)

From the Cal Grant Reform Coalition 1/11/2024:

The Cal Grant Reform Coalition Statement on California Governor Gavin Newsom's Proposed Budget for FY 2024-25

The Cal Grant Reform Coalition looks forward to working with the Newsom Administration & the California Legislature so the final 2024-25 state budget works to fulfill the promise made to thousands of students & implements Cal Grant Reform. Implementing the Cal Grant Reform Act would streamline 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 award for eligible community college students with financial need, and a Cal Grant 4 award for eligible four-year university students with financial need.

Full statement: <https://bit.ly/3SeA1WN>.

From CCCCCO 1/10/2024:

[ADVOCATES] CCC 2024-25 Joint Analysis of the Governor's Budget Proposal



Dear Colleagues,

This morning, Governor Newsom released his proposed budget for 2024-25 fiscal year. As anticipated, the proposal tackles a significant budget deficit of \$37.9 billion, while focusing on stability and support for core ongoing operations.

For California Community Colleges, the budget proposal continues to be shaped by the Roadmap for the Future, introduced in 2022-23 and intended to advance equity, student success and the system's ability to prepare students for California's future. The proposal provides a 0.76% cost-of-living-adjustment and a continued commitment to investment in the expansion of nursing programs at California's Community Colleges. 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.
- 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.
- A plan to fund affordable student housing through a statewide lease revenue bond structure is in development and will be included in forthcoming trailer bill language. Certain affordable student housing projects that do not fit within this approach will be funded through redirected General Funds previously earmarked for debt service/rental subsidy payments for affordable student housing lease revenue bonds.

To assist your review of the recently released budget proposal, attached please find the **2024-25 Joint Analysis of the Governor's January Budget**. This detailed and comprehensive tool serves as a common factual resources to aid in further analysis or advocacy.

The California Community Colleges Chancellor's Office once again partnered with the Association of California Community College Administrators (ACCCA), the Association of Chief Business Officials (ACBO), and the Community College League of California to release this analysis.

We hope you find the information in the *Joint Analysis* valuable. For further budget updates and resources, visit the [Budget News page](#). Thank you for your partnership!

Sincerely,



Wrenna Finche, CPA

Vice Chancellor

Fiscal Health & Accounting

College Finance and Facilities Planning

Office of Institutional Supports & Success

O (916) 445-8026

wfinche@cccco.edu

California Community Colleges Chancellor's Office

1102 Q Street, Sacramento, California 95811

www.cccco.edu

From TICAS 1/10/2024:

TICAS recognizes Gov. Newsom's balance of fiscal reality, key priorities in 2024-25 budget proposal

TICAS recognizes Governor Newsom's balance of fiscal reality, key priorities to higher education funding in proposed budget

Leading advocacy group calls for intentional focus on college affordability, access as part of building state's workforce

In response to California Governor Gavin Newsom's release of his proposed state budget today, [Emmanuel "Manny" Rodriguez](#), Director of Policy and Advocacy for California at The Institute for College Access & Success (TICAS), issued the following statement:

"Earlier today, California Governor Gavin Newsom announced his [proposed state budget for fiscal year 2024-25](#) that reflects what he deemed an approach of 'correction and normalization' after an unprecedented period of growth for the Golden State. As an advocate for college students throughout California, TICAS appreciates the Governor's efforts to keep the multi-year segmental compacts and existing need-based financial aid whole over the long term, while also making key investments in the Cradle-to-Career Data System (C2C) and FAFSA completion.

"However, the Governor's decision to defer the five percent funding growth to the University of California and California State University systems, along with the budget's significant changes to the Student Housing Revolving Loan Fund Program and the undecided fate of Cal Grant Reform will have real impacts on students this year. Notably, a delay or shift in the ability to

deliver more affordable student housing increases the urgent need to strengthen the Cal Grant program to better cover rising non-tuition college costs.

“While we focus on the importance of increasing need-based financial aid further, we also acknowledge and applaud the Governor and the Legislature previous affordability gains, including the California Community College Expanded Entitlement Cal Grant and Universal FAFSA and CADAA Completion. This budget moves those efforts forward through the \$5 million ongoing investment to support the C2C Data System and the \$2 million ongoing investment to establish a Technical Assistance Center – both announced today – which aim to bridge the K-12 and postsecondary spaces to increase access and affordability for all students.

“We also want to recognize the Governor’s 13-month planning process to inform the Master Plan for Career Education and affirm the importance of its founding goal for all Californians to access and afford a quality education throughout life. This planning process must be guided with the understanding that California’s economy relies on more students completing a quality degree or credential program, as acknowledged in our statewide attainment goal of 70% by 2030.

“Today’s budget announcement marks the beginning of important discussions and decisions over the coming months. TICAS looks forward to working with the Newsom Administration and the California Legislature to ensure that the final 2024-25 state budget prioritizes California’s students of today and the workforce of tomorrow by strengthening racial and economic equity, alongside balancing the state’s current year fiscal needs.”

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From Mer, NCCPC 1/10/2024:

The following screenshots were taken during the Governor’s live stream presentation around the budget. Note that this doesn’t capture all updates, but focuses instead on what was shared around education and workforce.



GOVERNOR'S BUDGET 2024-25



KEEPING PROMISES

- Addressing the homelessness crisis
- Fundamental mental health reform
- Creating a safer California
- Transforming TK-16 and career education
- California's Climate Commitment
- Maintaining California's economic dominance

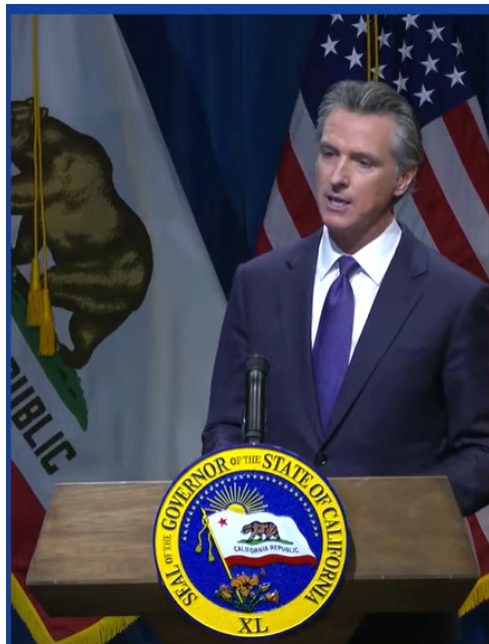


GOVERNOR'S BUDGET 2024-25



CAREER EDUCATION

- **Master Plan on Career Education:**
 - Career pathways / career passports
 - Hands-on learning and real-life skills
 - Collaboration between government and employers
 - Skills map / skills transcript
- **\$3.5 BILLION:** Educator workforce



GOVERNOR'S BUDGET 2024-25



UC AND CSU SYSTEMS

University of California

\$273.3 MILLION ONGOING

- \$227.8 Million: 5% base increase (deferred)
- \$31 Million: Increase resident enrollment (deferred to 2025-26)

California State University

\$240.2 MILLION ONGOING

- 5% base increase (deferred to 2025-26)



GOVERNOR'S BUDGET 2024-25



TRANSFORMING TK - 16

- **\$4 BILLION ONGOING:** Before / after school and summer school
- **\$1.8 BILLION ONGOING:** Universal TK
 - \$2.9 Billion when fully implemented
- **\$1.5 BILLION ONGOING:** Universal school meals
- **\$931 MILLION ONGOING:** Arts, music, and instructional materials discretionary block grant (Prop 28)
- **\$300 MILLION ONGOING:** Equity multiplier



GOVERNOR'S BUDGET 2024-25



TRANSFORMING TK - 16

- **\$7.9 BILLION:** Learning recovery
- **\$5.4 BILLION:** Learning loss mitigation
- **\$4.7 BILLION:** Children and youth behavioral health
- **\$4.1 BILLION:** Community schools
- **\$3.5 BILLION:** Educator workforce
- **\$3.5 BILLION:** Special education

From Governor's Press Office 1/10/2024:

2024-25 State Budget Proposal Protects Core Priorities and Ensures Fiscal Stability

FOR IMMEDIATE RELEASE:
Wednesday, January 10, 2024
Governor's Press Office: (916) 445-4571

January budget proposal closes a \$37.86 billion shortfall while protecting key investments in education, public safety, addressing homelessness, mental health care reform, and climate action

Historic reserves and responsible budgeting over past budget cycles enable the state to maintain fiscal stability amid fluctuation in revenues

SACRAMENTO – Governor Gavin Newsom today introduced his 2024-25 state budget proposal, a balanced funding plan that maintains the state's fiscal stability while preserving key investments for education, public safety, addressing homelessness, mental health care reform, climate action, and other priorities. Using some of the unprecedented budget reserves built up over the years and other tools, this budget responsibly closes a projected \$37.86 billion shortfall.

Recognizing increased uncertainty due to a decline in the stock market and federal tax deadline delays, the 2023-24 state budget passed in June set aside record reserves of close to \$38 billion to prepare for a potential shortfall.

Despite the downward revision, 2022-23 revenues are estimated to still be 23 percent higher than pre-pandemic levels. California's GDP remained strong in 2023, and the state's big three revenues are projected to return to levels consistent with a normal revenue growth trajectory.

"Thanks to the record reserves we have built up and a commitment to fiscal discipline over the years, our state is in a strong position to close this shortfall while protecting key priorities and programs that millions of Californians rely on. This balanced budget plan keeps California on firm economic footing while continuing our work to tackle homelessness, keep communities safe, expand access to high-quality education, overhaul behavioral health care and fight climate change. I look forward to partnering with the Legislature to meet this moment with a balanced approach that meets the needs of Californians and safeguards our state's future."

~ Governor Gavin Newsom

Even after the proposed withdrawals, this budget plan reflects \$18.4 billion in total budgetary reserves, including \$11.1 billion in the Rainy Day Fund.

In addition to addressing the budget shortfall through a balanced package of solutions that avoids deep program cuts, the January budget proposal maintains investments in several priority issues, including:

TACKLING HOMELESSNESS. Governor Newsom has advanced a multi-year \$15.3 billion plan to address homelessness – more than ever before in state history. This budget proposal maintains billions of dollars for an all-of-the-above approach including \$400 million for encampment resolution grants and \$1 billion for Homeless Housing, Assistance and Prevention program grants.

KEEPING CALIFORNIANS SAFE. The budget invests \$1.1 billion over four years to increase the safety and security of our communities, including \$373.5 million to combat organized retail theft; over \$230 million for opioid and fentanyl interdiction and enforcement, naloxone distribution, recovery and support services and more; \$302 million to enhance community public safety through nonprofit security grants, officer training and more; and \$197 million to tackle gun violence.

TRANSFORMING EDUCATION. The budget maintains investments that are critical to improving supports for students, including funding for community schools, universal school meals, expanded learning opportunities, education workforce, and continued implementation of universal transitional kindergarten. Proposition 98 funding for K-12 schools and community colleges is estimated to be \$109.1 billion in 2024-25 and per-pupil funding totals \$23,519 per pupil when accounting for all funding sources.

MENTAL HEALTH REFORM. California has advanced a major transformation of the state's behavioral health services system. This budget includes funding to make wellness coaches available to support children and youth behavioral health and maintains \$7.6 billion from various



funds to implement the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration.

CALIFORNIA'S CLIMATE COMMITMENT. California is advancing a \$48.3 billion multi-year commitment, alongside over \$10 billion from the Biden-Harris Administration in federal climate funding, to implement its nation-leading initiatives to slash pollution and achieve carbon neutrality by 2045, protect communities from harmful climate impacts, deliver 90% clean electricity by 2035, hold big oil accountable, and more.

Additional details on the January budget proposal can be found at www.ebudget.ca.gov.