

Joint Analysis

Enacted 2023-24 Budget

July 10, 2023



California Community Colleges



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ASSOCIATION OF CALIFORNIA
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 support from the:

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

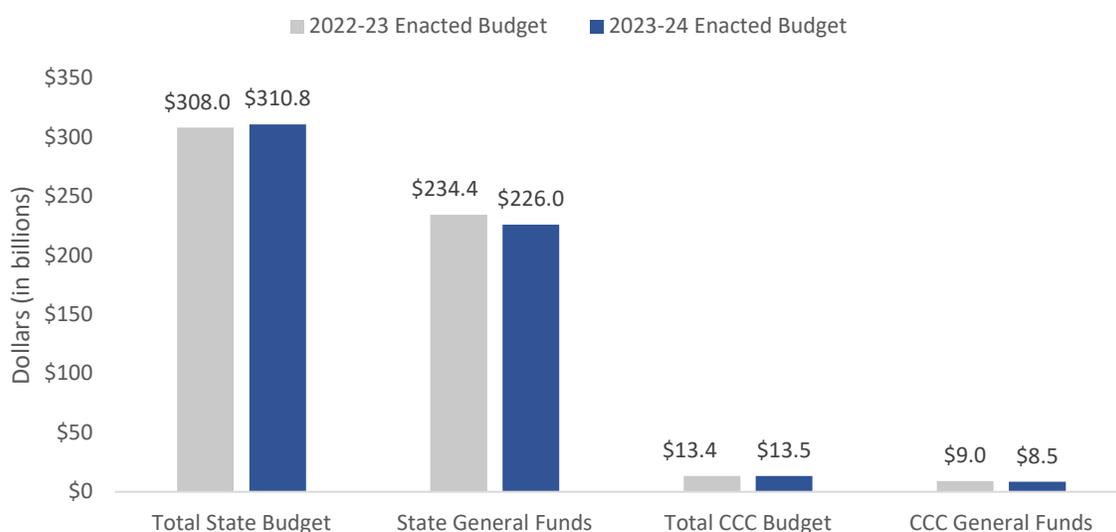
This analysis builds on a May 12, 2023 analysis of the Governor’s May Revision budget proposal, and presents details about the 2023-24 budget as enacted by the Governor and Legislature. It focuses on appropriations and policy changes included in Senate Bill 101, the 2023 Budget Act; Assembly Bill 102, amending sections of SB 101; and Senate/Assembly Bill AB 117, the higher education trailer bill.

Key Features of the 2023-24 Budget

On July 10, 2023, Governor Newsom signed the 2023-24 Budget Act.¹ In total, the 2023-24 budget reflects state expenditures of approximately \$310 billion. Below are some key features of the final budget, followed by more detailed discussions of budget adjustments for the community college system.

- The 2023 Budget Act reflects total state expenditures of approximately \$310 billion, a less than one percent increase over the 2022-23 enacted budget. General Fund spending decreases by more than 3% from its level in the 2022-23 enacted budget, to \$226 billion.

Figure 1: Enacted Budget for 2023-24 reflects a total increase of \$2 billion from 2022-23 (dollars in billions).



¹ On June 27, 2023, Governor Newsom signed SB 101, the two-party budget agreement for 2023-24. The final Budget Act is reflected in AB 102 which includes final negotiations between the Governor, Assembly, and Senate. This report reflects the language in AB 102 and SB 117, the Higher Education Trailer Bill.

- The enacted budgets for each segment of higher education continue to be shaped by multi-year frameworks introduced in 2022-23, including the Roadmap for the Future for the California Community Colleges. The Roadmap is intended to advance equity, student success and the system’s ability to prepare students for California’s future. Along with the Compacts for the University of California (UC) and California State University (CSU) systems, the Roadmap is part of the Administration’s agenda to help the state reach a goal of having 70% of working-age Californians possess a degree or credential by 2030.
- The enacted budget for the community colleges reflects stable total funding. It includes about \$790 million in ongoing adjustments to the Student Centered Funding Formula (SCFF), of which \$678 million is for an 8.22% cost-of-living adjustment (COLA). Another \$112.4 million is provided for an 8.22% COLA to various categorical programs.
- One-time funding in the enacted budget is limited. It includes \$50 million to continue supporting college efforts to increase student retention rates and enrollment, but in the context of a similar reduction to the prior-year allocation for that purpose.
- Similarly, the enacted budget reduces funds allocated in 2022-23 for deferred maintenance by \$500 million but provides \$5.7 million in new one-time funds, resulting in a reduction of \$494.3 million from the amount initially provided. The budget provides flexibility for the use of remaining funds for deferred maintenance, retention/enrollment, and the COVID-19 Block Grant.
- The Budget Act includes \$232.3 million in capital outlay funding from Propositions 1A, 203, 153, 47, 1D, 51 and 55 to support the preliminary plans and working drawings and construction phases for two new and 12 continuing projects.

Budget Overview

The Budget Act includes components of the Governor’s May Revision and additions or modifications adopted by the Legislature on June 15, along with other agreed upon changes between the Legislature and Governor. The 2023-24 budget provides total additional resources of \$308.6 million (see Table 3) to California Community Colleges apportionments and categorical programs as compared to the 2022 Budget Act.

BUDGET REFLECTS LOWER REVENUES AND SUBSTANTIAL BUDGET DEFICIT

Significant revenue shortfalls related to a downturn in the stock market have led to a budget deficit now estimated to be \$31.5 billion, up from an estimated \$22.5 billion in the Governor’s January proposal. The enacted budget now projects total revenues of \$211 billion, although the state’s delay of the 2022 tax filing deadline from April to October and high interest rates increase the uncertainty in revenue projections. The budget allows the governor to delay one-time spending commitments, with notification to the Legislature,

before March 1 in the event of further revenue declines. The budget projects total reserves of \$38 billion, including \$22.3 billion in the state’s Rainy Day Fund. It includes overall state General Fund spending of \$226 billion, a decline of more than three percent compared to the enacted budget for 2022-23.

The state’s efforts to build reserves over the last couple of years will somewhat mitigate the impact of the budget deficit for 2023-24. The enacted budget uses several mechanisms to close the projected shortfall, including some funding delays and reductions from the 2021-22 and 2022-23 budgets, and some internal fund shifts and internal borrowing.

INVESTMENTS FOCUS ON MAINTAINING FUNDING COMMITMENTS

The enacted budget does not use any of the state’s constitutional reserves to address the budget deficit. Total reserves are estimated to be \$37.8 billion, including:

- \$22.3 billion in the Budget Stabilization Account (BSA, also known as the “rainy day fund”), created in 2014 by Proposition 2;
- \$10.8 billion in the Public School System Stabilization Account (PSSSA), also established by Proposition 2 and requiring deposits during years when revenues are strong and there is substantial growth in the Proposition 98 minimum funding guarantee;
- \$900 million in the Safety Net Reserve, created by the Legislature in 2018 to set aside funds to protect the Medi-Cal and CalWORKS programs; and
- \$3.5 billion in the Special Fund for Economic Uncertainties (SFEU), the state’s discretionary reserve that is equal to the difference between General Fund resources and General Fund spending and provides the state with flexibility to adapt to unexpected changes in revenues or spending needs during the year.

The budget avoids major cuts to ongoing programs and increases funding for some, including K-12 schools, higher education institutions, welfare payments, and health coverage. Some major expenditures include:

- Retaining \$51.4 billion in climate projects, a five percent reduction from the \$54.3 billion initially established in the last two state budgets, but a smaller cut than originally proposed in January;
- \$1 billion for the state’s Homeless Housing, Assistance, and Prevention program, marking the third straight year of that level of funding for grants to local governments for emergency shelter, housing, outreach and other services;
- \$2.8 billion to increase pay for state-subsidized child care providers over a two-year period, along with a cap on the co-payments low-income families must pay, limiting the fees to no more than one percent of income for families earning at least 75% of the state’s median income (fees are waived for families earning less than that);
- \$500 million to make permanent a 10% temporary increase in benefits for CalWORKs recipients; and

- An increase of 8.22% to the Local Control Funding Formula for K-12 schools and \$300 million to be allocated to schools with the highest concentrations of poor students, funding referred to as an “equity multiplier.”

California Community Colleges Funding

The Budget Act of 2023 reflects a small increase in overall funding for community colleges, with increases in ongoing funding provided as COLAs. The budget reflects some of the priorities included in the System Budget Request, as shown in Appendix B.

PROPOSITION 98 ESTIMATE HIGHER THAN LAST YEAR

Table 1 shows the budget’s estimates of the minimum guarantee for the prior, current and budget years. For each year, the operative test is Test 1, which links the minimum guarantee to a share of state General Fund revenue (approximately 40%). The minimum guarantee is \$108.3 billion, \$953 million higher than in 2022-23.

Table 1: Estimates of the Proposition 98 Minimum Guarantee (In Millions)

Minimum Guarantee	2021-22	2022-23	2023-24	Change From 2022-23	Percent Change
General Fund	\$ 83,754	\$ 78,117	\$ 77,457	\$ (660)	-1%
Local property tax	26,800	29,241	30,854	1,613	6%
Totals	\$ 110,554	\$ 107,358	\$ 108,311	\$ 953	0.89%

CALIFORNIA COMMUNITY COLLEGES FUNDING INCREASES

Table 2 shows Proposition 98 funding for the California Community Colleges for 2021-22, 2022-23, and 2023-24. Proposition 98 funding for the California Community Colleges increases in 2023-24 by one percent; this increase includes higher resources from local property taxes. The share of Proposition 98 funding for the system is slightly above the traditional share of 10.93% in each of these years.

Table 2: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2021-22 Enacted	2022-23 Enacted	2023-24 Enacted	Change From 2022-23	Percent Change
General Fund	\$ 8,678	\$ 8,544	\$ 8,453	\$ (91)	-1%
Local property tax	3,515	3,787	4,003	216	6%
Totals ^a	\$ 12,193	\$ 12,331	\$ 12,456	\$ 125	1%

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

District Revenue Protections Extended in Modified Form

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 will represent its new “floor.” 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. 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, so a district’s hold harmless amount would not grow.

Predictability & Stability

Provides Districts a Funding Floor That Won't Decrease



Additional Resources Primarily for COLA

The Budget Act includes \$308.6 billion in policy adjustments compared with 2022-23 expenditure levels. Most notable among the ongoing adjustments, the budget includes \$790 million for an 8.22% COLA for the SCFF and some categorical programs. The budget cuts some prior-year one-time funding, but provides flexibility across several sources of one-time funds. These changes are summarized in Table 3.

Table 3: 2023-24 Changes in Proposition 98 Funding for the System (In Millions)

Program Areas	Adjustments
POLICY ADJUSTMENTS	
Ongoing (Proposition 98)	
SCFF COLA (8.22%)	\$678.0
SCFF Growth (0.5%)	\$26.4
Provide 8.22% COLA for Adult Ed	\$49.1
Provide 8.22% COLA for Extended Opportunity Programs and Services (EOPS)	\$13.9

Provide 8.22% COLA for Disabled Students Programs and Services (DSPS)	\$13.1
Provide 8.22% COLA for CalWORKs Student Services	\$4.2
Provide 8.22% COLA for NextUp	\$4.1
Provide 8.22% COLA for Basic Needs Centers	\$3.3
Provide 8.22% COLA for MESA	\$3.0
Provide 8.22% COLA and enrollment-based adjustment for Mandates Block Grant and Reimbursements	\$2.2
Provide 8.22% COLA for Cooperative Agencies Resources for Education (CARE)	\$2.5
Provide 8.22% COLA for Mental Health Services	\$2.5
Provide 8.22% COLA for Rapid Rehousing	\$1.6
Provide 8.22% COLA for Puente	\$1.0
Provide 8.22% COLA for Veterans Resource Centers	\$0.8
Provide 8.22% COLA for Umoja	\$0.7
Provide 8.22% COLA for Childcare Tax Bailout	\$0.3
Increase FCMAT funding for Professional Learning Opportunities	\$0.2
Financial Aid Administration workload adjustment	-\$3.1
Provide 8.22% COLA and technical adjustment for Apprenticeship	-\$4.9
Reduce Student Success Completion Grant for enrollment-based adjustment	-\$50.0
Subtotal Ongoing Policy Adjustments	\$748.9
One-Time (Proposition 98)	
Support retention and enrollment strategies	\$50.0
Workforce Training Grants	\$14.0
Provide funding for new LGBTQ+ Pilot Program	\$10.0
Provide funding for deferred maintenance	\$5.7
Provide funding for the Equal Employment Opportunity Program	\$4.2
East Los Angeles College Entrepreneurship and Innovation Center	\$2.5
Support study of online courses and programs	\$0.5
Provide funding for FCMAT Professional Learning Opportunities	\$0.1
Reduce prior-year funding for retention and enrollment strategies	-\$55.4
Reduce prior-year deferred maintenance funding	-\$500.0
Subtotal One-Time Policy Adjustments	-\$468.4
TECHNICAL ADJUSTMENTS	
Student Centered Funding Formula (SCFF) Technical Adjustments	\$28.1
Subtotal Technical Adjustments	\$28.1
TOTAL CHANGES	\$308.6

Appendix B compares the Enacted Budget to the 2023-24 Board of Governors' budget request. Below we update information on the administration's more significant policy decisions and related information.

MAJOR POLICY DECISIONS CONTINUE STATE'S FOCUS ON ROADMAP

The multi-year Roadmap introduced in the 2022-23 budget continues to shape the community college system's budget for 2023-24. Building on the Vision for Success goals, the roadmap aims to advance equity, student success, and the system's ability to prepare students and contribute to a state goal of having 70% of the working-age population with a college degree or credential. The budget includes a COLA and some additional funds for enrollment and retention efforts, and allows districts more flexibility in the use of funds in pursuit of the roadmap's goals.

Apportionments Receive 8.22% COLA and 0.50% Growth

The Budget Act includes \$26.4 million **ongoing** to fund 0.5% enrollment growth and \$678 million **ongoing** to support an 8.22% COLA for apportionments, the same COLA proposed for K-12. Another \$112.4 million ongoing would support a COLA of 8.22% for categorical programs and the Adult Education program.

The estimated and proposed 2023-24 Total Computational Revenue (TCR) for the SCFF increases by \$398 million from \$9 billion at the Governor's Budget to \$9.4 billion at the Enacted Budget. This reflects \$678 million for a proposed COLA of 8.22%; \$26.4 million for FTES growth of 0.5%; and modified estimates for hold harmless and other underlying estimation factors.

Table 4 reflects the final SCFF rates for 2022-23 and the projected rates for 2023-24, as modified by COLA and other base adjustments. SCFF rates for 2023-24 are estimates and final rates will be provided at the Advance Apportionment. The distribution of funds across the three allocations (base, supplemental, and student success) is determined by changes in the underlying factors. Table 5 shows the estimated rates for college types and centers.

Table 4: 2023-24 Student Centered Funding Formula Rates (rounded)

Allocations	2022-23 Rates	2023-24 Rates	Change from 2022-23 (Amount)	Change from 2022-23 (Percent)
Base Credit ^a	\$4,840	\$5,238	\$398	8.22%
Incarcerated Credit ^a	6,788	7,346	\$558	8.22%

Special Admit Credit ^a	6,788	7,346	\$558	8.22%
CDCP	6,788	7,346	\$558	8.22%
Noncredit	4,082	4,417	\$335	8.22%
Supplemental Point Value	1145	1,239	\$94	8.22%
Student Success Main Point Value	675	730	\$55	8.22%
Student Success Equity Point Value	170	184	\$14	8.22%

^a Ten districts receive higher credit FTE rates, as specified in statute.

Table 5: 2023-24 SCFF Rates for Colleges and Centers (rounded)

Basic Allocations	2022-23	2023-24	Change from 2022-23 (Amount)	Change from 2022-23 (Percent)
Single College District				
Small College	5,950,421	6,439,546	489,125	8.22%
Medium College	7,933,899	8,586,065	652,166	8.22%
Large College	9,917,373	10,732,581	815,208	8.22%
Multi College District				
Small College	5,950,421	6,439,546	489,125	8.22%
Medium College	6,942,161	7,512,806	570,645	8.22%
Large College	7,933,899	8,586,065	652,166	8.22%
Designated Rural College	1,892,601	2,048,173	155,572	8.22%
State Approved Centers	1,983,474	2,146,516	163,042	8.22%

Grandparented Centers				
Small Center	247,936	268,316	20,380	8.22%
Small Medium Center	495,869	536,629	40,760	8.22%
Medium Center	991,736	1,073,257	81,521	8.22%
Medium Large Center	1,487,605	1,609,886	122,281	8.22%
Large Center	1,983,474	2,146,516	163,042	8.22%

Reduces Deferred Maintenance Funds

The 2022 Budget Act included approximately \$840 million in **one-time** funds for 2022-23 to address deferred maintenance and energy efficiency projects across the system. The 2023 Budget Act reduces that appropriation for 2022-23 by \$500 million to approximately \$340 million but appropriates \$5.7 million **one-time** for 2023-24, resulting in a total of \$346.4 million available across 2022-23 and 2023-24.

Adjusts Support for Retention and Enrollment Efforts

The 2022 Budget Act included \$150 million in **one-time** funds for student retention and recruitment activities. The 2023 Budget Act reduces that appropriation for 2022-23 by \$55.4 million to \$94.6 million but appropriates \$50 million **one-time** for 2023-24 to continue college efforts to increase student retention rates and enrollment.

Revises COVID-19 Recovery Block Grants

The 2022 Budget Act provided \$650 million in **one-time** funds to be used for purposes related to the impact of the COVID-19 pandemic, including student support, reengagement strategies, and professional development. While the May Revision had proposed a reduction to those funds, the 2023 Budget Act maintains the full funding.

Provides Flexibility in the Use of Some Funds

The enacted budget includes provisions to allow community college districts more flexibility in the use of some funds:

- In the context of the reduction in deferred maintenance funds, remaining one-time funds provided to districts for retention and enrollment efforts, the COVID-19 Block Grants, and deferred maintenance and instructional equipment can be used for any of these purposes. The amount remaining is roughly \$1.1 billion.
- The enacted budget approves Chancellor’s Office priority language to expand the use of Strong Workforce program funds to students to cover third-party certification and licensing fees.

The budget does *not* include a provision to allow colleges flexibility in the use of funding for the Student Equity and Achievement Program, Financial Aid Administration, and Student Mental Health (as had been proposed in the May Revision).

Changes Investments in Affordable Student Housing

As part of the Budget Act of 2021, the state created the Higher Education Student Housing Grant Program to support the construction of affordable student housing across the three public higher education segments. The program was to receive funding over three years for three rounds of grants. The 2023 Budget Act eliminates the General Fund appropriation for the grants but provides \$78.5 million ongoing General Funds to support debt service for student housing projects in 2022-23 and 2023-24 funded with lease revenue bonds. UC and CSU housing projects will be funded with revenue bonds issued by those systems, and community college housing projects will be funded through local revenue bonds to be issued by community college districts or as part of a state pool. SB 117 also indicates intent to reserve \$81.3 million for a future round. For 2023-24, the budget act specifies community college construction projects that have been approved for funding using local revenue bonds, listed in Table 6.

Table 6: 2023-24 Community College Student Housing Construction Projects

District	Campus	District Requested Project Funding
Construction Projects		
Cabrillo CCD	Cabrillo College/UC Santa Cruz	\$ 111,787,000
Riverside CCD	Riverside City College/UC Riverside	\$ 75,000,000
Merced CCD	Merced College/UC Merced	\$ 50,000,000
San Diego CCD	San Diego City College	\$ 75,000,000
Cerritos CCD	Cerritos College	\$ 67,995,000
San Mateo County CCD	College of San Mateo	\$ 55,854,000
Redwoods CCD	College of the Redwoods	\$ 28,415,000
Total Construction		\$ 464,051,000

The enacted budget also appropriates \$200 million in **one-time** General Funds for the California Student Housing Revolving Loan Fund, which provides zero-interest loans for constructing affordable student housing and affordable faculty and staff housing. The budget designates 25% (\$50 million) to be available to community college district applicants, with the remainder to be allocated to the UC and CSU systems. It includes language specifying an intent to appropriate another \$300 million per year for the next five years, 2024-25 through 2028-29, with the same percentage allocation (25%, or \$75 million) to be available for community college districts. Unused funds from one segment could be made available to accommodate excess demand in another segment.

Makes Changes to Several Student Aid Programs

The enacted budget makes several revisions to student aid programs that are relevant to community college students:

- It extends by one year the timing of tying the maximum Cal Grant A and B tuition award amount for students attending private universities to whether the number of new transfer students accepted by the institutions who have been given associate degree for transfer (ADT) commitments in the prior award year exceeds statutory targets. For 2023-24, the maximum award amount will remain at \$9,358. Beginning in 2024-25, the maximum award amount will be either \$9,358 or \$8,056, with receipt of the higher amount conditioned upon achieving the target for ADTs.
- It extends by one year the requirement to use the 3-year cohort default rate certified in 2020 in determining an institution's eligibility for initial and renewal Cal Grant awards, with the 2020 rate now to be used through the 2024-25 academic year.
- It includes additional forms of financial aid in determining a students' Middle Class Scholarship Program (MCSP) award, relevant for students enrolled in upper division coursework in a community college baccalaureate program. It would reduce the amount of a student's MCSP award if the MCSP award, in combination with other grants or scholarships treated as estimated financial assistance, exceeds the allowable gift aid under federal regulations (except that current and former foster youth would continue to receive the full amount they are eligible for under the MCSP formula).
- It allocates funds to provide student members of the Board of Governors with \$4,000 in financial assistance per semester for each year of their term, aid that would be in addition to any need-based financial aid and any private grants and scholarships the students may receive.
- It increases the Student Success Completion Grant award amount to \$5,250 per semester for eligible students who are current or former foster youth enrolled in 12 or more units per semester (the award amounts for other students remain at \$1,298 per semester for those taking 12-14 units and \$4,000 per semester for those enrolled in 15 units).

The budget does not include additional language about the implementation of Cal Grant reform. The 2022-23 state budget enacted the Cal Grant Reform Act, a longstanding priority of the California Community Colleges system and our student-led organizations, overhauling and modernizing the state Cal Grant program for community college students. When it goes into effect in the 2024-25 academic year, the Cal Grant Reform Act would entitle all community college students with financial need to a revised "Cal Grant 2" financial aid award that would increase with inflation over time and continue to support students' total cost of attendance beyond tuition. The Cal Grant Reform Act depends on the Department of Finance determining, in the spring of 2024, that there will be sufficient revenues in the 2024-25 fiscal year to support this expansion of financial aid.

Makes Appropriations for Specific Initiatives

The Budget Act provides **one-time** funds for a couple of specific initiatives, including:

- \$2.5 million **one-time** for allocation to East Los Angeles College for the creation of a Small Business Entrepreneurship and Innovation Center.
- \$500,000 **one-time** to the Chancellor's Office for use in contracting with a third-party research institution to conduct a study of online and hybrid course offerings across the system. The study will review outcomes and costs associated with online courses and programs and develop recommendations to ensure an appropriate mix of online and in-person offerings to support student success and equitable outcomes.

The enacted budget amends language to allow county juvenile halls, in addition to state prisons, to be eligible for online textbook funding. The budget also indicates an intent to provide \$60 million annually for 2024-25 through 2028-29 to expand community college nursing programs and Bachelor of Science in nursing partnerships to grow, educate, and maintain the next generation of registered nurses, subject to future legislation.

Clarifies Hiring Obligations

The enacted budget clarifies obligations of the Chancellor's Office and community college districts regarding Equal Employment Opportunity (EEO) funds. By October 1, 2023, the Chancellor's Office must implement a policy to verify that districts conduct the demographic analyses of their employment processes that are required by existing state regulations. By January 24, 2024, the Chancellor's Office must create a process to verify districts' proper implementation of strategies to promote faculty diversity. Conducting required analyses and implementing EEO best practices (Multiple Methods) identified by the Chancellor's Office are required as conditions for districts to receive EEO funds.

The budget also includes a requirement for the Chancellor's Office to implement a policy to verify that districts are using designated full-time faculty funding provided in 2018 and 2021 for that purpose. It includes a requirement that districts annually report to the Chancellor's Office their progress in both increasing the percentage of instruction by full-time faculty and increasing faculty diversity. The Chancellor's Office will be required to synthesize the information into an annual systemwide report.

LOCAL SUPPORT FUNDING INCREASES OR IS STABLE FOR ONGOING PROGRAMS

Table 7 shows ongoing local assistance funding by program for 2022-23 and 2023-24. As the table shows, some categorical programs receive cost-of-living adjustments while most others receive level or workload-based funding.

Table 7: California Community Colleges Ongoing Funding by Program^a (In Millions)

Program	2022-23 Enacted	2023-24 Enacted	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	8734.0	9421.1	687.1	7.9%	COLA, growth, and other base adjustments
Adult Education Program – Main	603.1	652.2	49.1	8.1%	COLA
Student Equity and Achievement Program	524.0	524.0	0.0	0.0%	
Student Success Completion Grant	412.6	362.6	-50.0	-12.1%	Adjust for revised estimates of recipients
Strong Workforce Program	290.4	290.4	0.0	0.0%	
Part-time Faculty Health insurance	200.5	200.5	0.0	0.0%	
Extended Opportunity Programs and Services (EOPS)	169.2	183.1	13.9	8.2%	COLA
Disabled Students Programs and Services (DSPS)	159.7	172.8	13.1	8.2%	COLA
Full-time Faculty Hiring	150.0	150.0	0.0	0.0%	
California College Promise (AB 19)	91.2	91.2	0.0	0.0%	
Integrated Technology	89.5	89.5	0.0	0.0%	
Financial Aid Administration	81.6	78.5	-3.1	-3.8%	Workload adjustment
Apprenticeship (community college districts)	69.2	64.3	-4.9	-7.1%	COLA and program reduction

CalWORKs student services	50.9	55.1	4.2	8.3%	COLA
NextUp (foster youth program)	50.0	54.1	4.1	8.2%	COLA
Basic Needs Centers	40.0	43.3	3.3	8.2%	COLA
Mandates Block Grant and Reimbursements	36.1	38.3	2.2	6.1%	COLA and enrollment-based adjustment
Mathematics, Engineering, Science Achievement (MESA)	36.4	39.4	3.0	8.2%	COLA
Cooperative Agencies Resources for Education (CARE)	30.9	33.5	2.5	8.2%	COLA
Student Mental Health Services	30.0	32.5	2.5	8.2%	COLA
Institutional Effectiveness Initiative	27.5	27.5	0.0	0.0%	
Part-time Faculty Compensation	26.5	26.5	0.0	0.0%	
Rising Scholars Network	25.0	25.0	0.0	0.0%	
Part-time Faculty Office Hours	23.6	23.6	0.0	0.0%	
Economic and Workforce Development	22.9	22.9	0.0	0.0%	
California Virtual Campus	20.0	20.0	0.0	0.0%	
Homeless and Housing Insecurity Program 'Rapid Rehousing'	19.0	20.6	1.6	8.2%	COLA
Calbright College	15.0	15.0	0.0	0.0%	
Nursing Grants	13.4	13.4	0.0	0.0%	

Lease Revenue Bond Payments	12.8	12.8	0.0	0.0%	
Equal Employment Opportunity Program	12.8	17.0	4.2	32.8%	Add one-time funding
Puente Project	12.3	13.3	1.0	8.2%	COLA
Dreamer Resource Liaisons	11.6	11.6	0.0	0.0%	
Classified Employee Summer Assistance Program	10.0	10.0	0.0	0.0%	
Immigrant Legal Services through CDSS	10.0	10.0	0.0	0.0%	
Veterans Resource Centers	10.0	10.8	0.8	8.2%	COLA
Umoja	8.5	9.2	0.7	8.2%	COLA
AANHPI Student Achievement Program	8.0	8.0	0.0	0.0%	
Foster Care Education Program	6.2	6.2	0.0	0.0%	
Childcare Tax Bailout	4.0	4.3	0.3	8.2%	COLA
Middle College High School Program	1.8	1.8	0.0	0.0%	
Academic Senate	1.7	1.8	0.1	6.6%	6.56% COLA
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.4	1.4	0.0	0.0%	
African American Male Education Network and Development (A2MEND)	1.1	1.1	0.0	0.0%	
Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.7	0.7	0.0	0.0%	

FCMAT	0.6	0.8	0.2	35.1%	Increase for FCMAT Professional Learning Opportunities
Total	\$ 12,155.70	\$ 12,891.58	\$ 735.88	6.1%	

^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.

^c See [Makes Appropriations for Specific Local Initiatives](#) section for breakdown

Table 8 shows one-time local assistance funding for 2022-23 and 2023-24. Given the state budget deficit, community colleges receive few one-time investments. The largest amount provided is \$50 million **one-time** for retention and enrollment efforts, but in the context of a reduction of about \$55 million to the funding provided in 2022-23. It also includes \$14 million **one-time** to support workforce training grants in collaboration with the California Department of Forestry and Fire Protection, and \$10 million **one-time** in each of the next three years to support LGBTQ+ student support centers (with a maximum of \$900,000 allowed per district).

Table 8: California Community Colleges One-Time Funding by Program^a (In Millions)

Program	2022-23 Revised	2023-24 Enacted	Explanation of Change
Retention and enrollment strategies (one-time)	94.6	50.0	Reduces prior year funding by \$55.4 million (from \$150) and adds one-time funds for 2023-24
Workforce Training Grants	0.0	14.0	One-time funds added
LGBTQ+ Pilot Program	0.0	10.3	One-time funds added
College-specific allocations	171.5	2.5	One-time funds added for East Los Angeles College Entrepreneurship and Innovation Center
FCMAT Professional Learning Opportunities	0.0	0.1	One-time funds added

Deferred maintenance	340.7	5.7	Reduce prior year funding by \$500 million (from \$840.7) and adds one-time funds for 2023-24
Study online course and program offerings	0.0	0.5	One-time funds added

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

CAPITAL OUTLAY INVESTMENTS ARE LOWER THAN IN 2022-23

The Budget Act includes \$232.3 million **one-time** in capital outlay funding from Propositions 1A, 203, 153, 47, 1D, 55, and 51, down from \$403 million provided in the 2022 Budget Act. The funding would support the construction phase for two new and 12 continuing projects, as listed in Table 9.

Table 9: Capital Outlay Projects in the California Community Colleges (In Millions)

District, College	Project	2023-24 State Cost	2023-24 Total Cost	All Years State Cost	All Years Total Cost
NEW PROJECTS					
Proposition 51					
Coast, Golden West College	Fine Arts Renovation	\$1.39	\$2.58	\$16.00	\$31.28
San Mateo, College of San Mateo	Building 9 Library Modernization	\$1.76	\$3.52	\$22.25	\$43.92
CONTINUING PROJECTS					
Proposition 1A					
Redwoods, College of the Redwoods	Physical Education Replacement	\$0.26	\$72.30	\$77.68	\$77.68
Proposition 203					
Redwoods, College of the Redwoods	Physical Education Replacement	\$0.15	\$72.30	\$77.68	\$77.68
Proposition 153					
Redwoods, College of the Redwoods	Physical Education Replacement	\$0.04	\$72.30	\$77.68	\$77.68
Proposition 47					

Redwoods, College of the Redwoods	Physical Education Replacement	\$0.16	\$72.30	\$77.68	\$77.68
Proposition 1D					
Redwoods, College of the Redwoods	Physical Education Replacement	\$55.53	\$72.30	\$77.68	\$77.68
Proposition 55					
Compton, Compton College	Visual and Performing Arts	\$12.53	\$16.68	\$13.33	\$17.79
Desert, College of the Desert	Science Building Renovation	\$6.85	\$13.71	\$7.44	\$14.88
Grossmont-Cuyamaca, Grossmont College	Instructional Building 1	\$15.93	\$31.51	\$16.93	\$33.51
Sierra Jt., Sierra College	Applied Technology Center Modernization	\$19.90	\$37.39	\$21.28	\$41.79
Proposition 51					
Chabot-Las Positas, Chabot College	Building 3000 Maintenance Operations Warehouse & Garage	\$10.06	\$27.63	\$10.73	\$28.98
Grossmont-Cuyamaca, Grossmont College	Liberal Arts/Business/Computer Science Information Systems	\$11.46	\$22.23	\$12.41	\$24.40
Los Angeles, Los Angeles Mission College	Plant Facilities Warehouse & Shop Replacement	\$7.32	\$24.16	\$7.83	\$25.92
Redwoods, College of the Redwoods	Physical Education Replacement	\$16.15	\$72.30	\$77.68	\$77.68
Riverside, Norco College	Center for Human Performance and Kinesiology	\$28.56	\$51.49	\$30.21	\$54.19
Shasta/Tehama/Trinity, Shasta College	Building 800 Renovation	\$5.97	\$11.03	\$6.46	\$12.00
Sierra Jt., Sierra College	New Science Building	\$27.47	\$54.97	\$29.81	\$58.72
West Valley-Mission, West Valley College	Theater Renovation/Expansion	\$10.81	\$29.02	\$11.63	\$30.66
Total		\$232.30	\$398.22	\$283.99	\$495.72

STATE OPERATIONS RECEIVES LEVEL FUNDING

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, equitable placement reforms, transfer alignment, and the Student Centered Funding Formula. In addition, the Chancellor's Office provides technical assistance to districts and conducts regional and statewide professional development activities. The 2022-23 budget provided an increase of \$3.9 million over the prior year to support 26 new positions to

better support curriculum-related reforms and technology modernization efforts across the system as well as improved operational capacity in general. The 2023 Budget Act keeps funding about level at about \$25.7 million in non-Proposition 98 General Fund and \$12.2 million in special funds and reimbursements for Chancellor’s Office operations.

Conclusion

The Appendices contain additional information as follows:

- Appendix A: Overview of the State Budget Process
- Appendix B: Board of Governors’ Budget and Legislative Request Compared to Enacted Budget
- Appendix C: Local Budgets and State Requirements
- Appendix D: Districts’ Fiscal Health
- Appendix E: Glossary

Although the budget has been enacted, the Governor and Legislature could make changes to the budget in “clean-up” legislation over the summer or later this year. The Chancellor’s Office will post updates concerning any changes made to the budget on the [Budget News](#) section of the website.

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 Legislative Analyst’s Office (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.

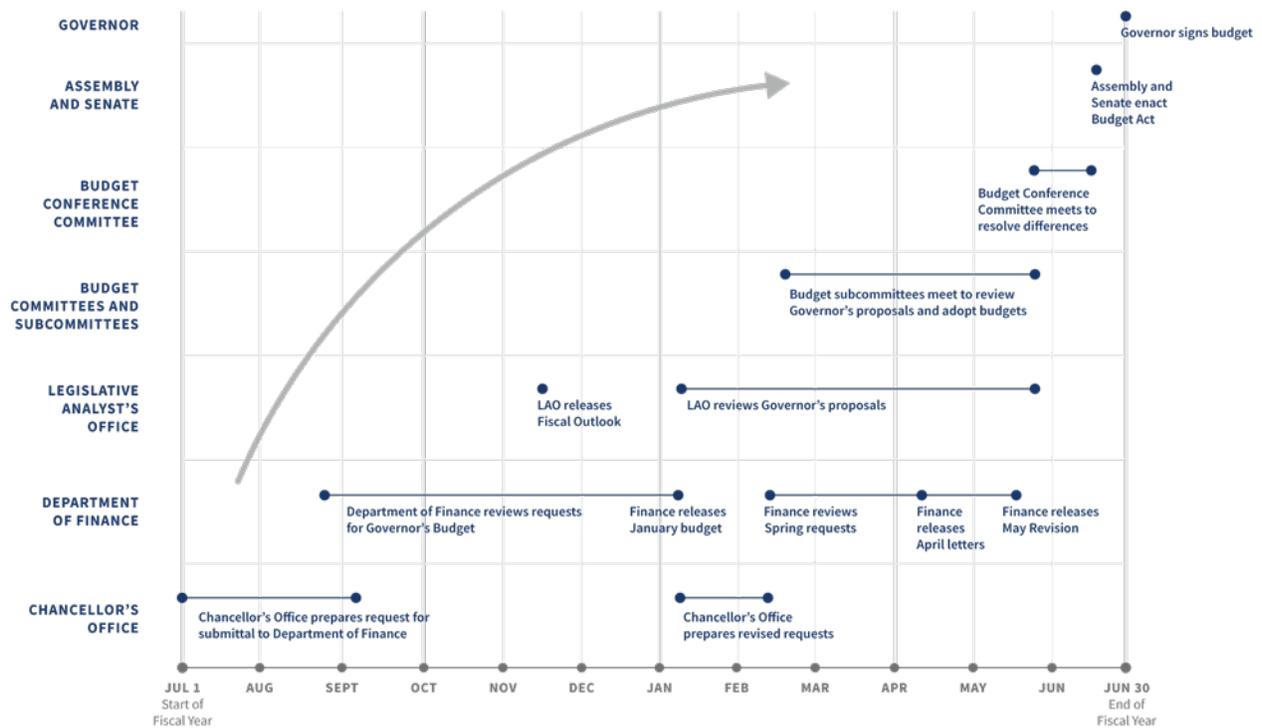
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can 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 Enacted Budget

Board of Governor's Request	Enacted Budget
Ongoing Investments	
Foundational Resources. \$400 million for base funding increase.	Provides \$678 million for a COLA of 8.22% and \$26.4 million for 0.5% enrollment growth.
Diversity, Equity and Inclusion. \$2 million to leverage federal match for Foster and Kinship Care Education program; \$80 million for expanded campus childcare; \$60 million increase to DSPS.	Not funded. Includes new monitoring and reporting requirements related to appropriate use of Equal Employment Opportunity funds and progress on faculty/staff diversity.
Pathways and Student Supports. \$70 million for implementation of corequisite support models.	Provides \$112.4 million for 8.22% COLA for selected categorical programs.
Support for Faculty and Staff. \$50 million for faculty supports across hiring, parity, curriculum development and office hours; \$10 million for CCC Teacher Preparation Program	Not funded. Includes new monitoring and reporting requirements related to appropriate use of full-time faculty hiring funds and progress on increasing full-time faculty.
Technology and Data Sharing. \$30 million for technology capacity to support flexible and online learning modalities; \$200,000 for streamlined reporting process; \$92 million for Common ERP (beginning in 2024-25).	Not funded.
College Affordability and Supports. \$10 million for structural reforms to financial aid administration; policy changes to cover Student Success Completion Grants for student Board of Governors members and to extend eligibility for AB 540 tuition exemption to students who have completed 60 units or an ADT.	Increases Student Success Completion Grant amount for current and former foster youth to \$5,250. Provides funding to cover \$4,000 per semester of financial assistance for student BOG members, above and beyond whatever other financial aid they receive.
One-Time Investments	
Pathways and Student Supports. \$150 million to establish Childcare Expansion Fund for upgrading facilities and enhancing partnerships for campus childcare; \$23 million to incentivize colleges to identify and implement changes to structures and processes to reduce excess units; \$2.7 million for Intersegmental Transfer Success Collaborative of cross-segment disciplinary faculty; \$231,000 for analysis of online learning innovations; \$20 million for infrastructure for students with disabilities.	Instead, it provides \$50 million to support college efforts and strategies to increase student retention rates and enrollment (but in the context of a reduction of \$55.4 million in the funds provided in 2022-23 for this purpose).

<p>Technology and Data Sharing. \$2.2 million for creation of streamlined reporting tool; \$300 million for Common ERP (in 2024-25)</p>	<p>Not funded, but provides \$500,000 to allow contracting for a study of online and hybrid course offerings across the system.</p>
<p>Institutional Quality and Capacity. \$150 million one-time for deferred maintenance.</p>	<p>Decreases 2022-23 funds for deferred maintenance by \$500 million. Provides \$5.7 million one-time for deferred maintenance and allows flexibility in the use of some other funding for that purpose.</p>
<p>Non-Proposition 98 Investments</p>	
<p>College Affordability and Supports. \$900 million one-time for construction grants for student housing</p>	<p>Provides approval for \$464.1 million to be issued by districts as local revenue bonds for housing projects, and states intent to approve additional \$81.3 million in other legislation, for a total of \$545.4 million.</p>
<p>Pension Relief. Unspecified one-time investment to allow redirection of resources toward student success goals.</p>	<p>Not funded.</p>
<p>Capacity to Support the System. \$963,000 ongoing for 5 additional Chancellor’s Office staff to support NOVA platform</p>	<p>Not funded.</p>
<p>Workforce Education. Policy changes to revise Economic Workforce Development program to emphasize collaboration, coordination, and expanded work-based learning.</p>	<p>The agreement approves Chancellor’s Office priority language to expand the use of Strong Workforce Program funding to support student grants for third-party certifications and work-based learning programs.</p>

Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

Based on the information used in developing the 2022 enacted 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 2022-23 Budget

Factor	2021-22	2022-23	2023-24
Cost-of-living adjustment (COLA)	5.07%	6.56%	8.22%
State Lottery funding per FTES ^a	\$228	\$237	TBD
Mandated Costs Block Grant funding per FTES	\$30.16	\$32.68	\$35.37
RSI reimbursement per hour	\$6.44	\$8.82	\$9.98
Financial aid administration per College Promise Grant	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	22.91%	25.37%	26.68%
State Teachers' Retirement System (CalSTRS) employer contribution rates	16.92%	19.10%	19.10%

^a 2023-24 estimate not 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 2023-24

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2023	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2023	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2023	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2023	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2023	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2023	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 purpose 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).

Deferrals: Late payments to districts when the state cannot meet its funding obligations. Deferrals allow districts to budget for more money than the state will provide in a given year. A district is permitted to spend as if there is no deferral. Districts typically rely on local reserves or short-term loans (e.g., TRANS) to cover spending for the fiscal year.

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.

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.

Tax and Revenue Anticipation Notes (TRANS): Short-term debt instruments issued in anticipation of taxes or other revenues to be collected at a later date.

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