



C H A B O T - L A S P O S I T A S

Community College District

FY 2025-26

Governor's January Budget Proposal

January 21, 2025



Governor's Proposed FY 2025-26 Budget

- State Budget Overview
 - Total expenditure budget of \$322 billion, a greater than \$24 billion increase from FY 2024-25
 - General fund expenditure budget of \$229 billion, a \$17 billion increase over from FY 2024-25
 - Budget is balanced with a small surplus; this is reflective of a stronger than anticipated stock market and continued savings from cost cutting done in FY 2024-25
 - Proposed COLA of 2.43% systemwide and nominal enrollment growth funding equivalent to 0.5%



Other Highlights

- COLA of 2.43% provided for nearly all categorical programs
- \$30 million in ongoing funding to expand Rising Scholars Network
- \$29 million in ongoing funding and \$134 million in one-time funding to create a Common Cloud Data Platform
 - Goal is to integrate a suite of technology tools, including e-Transcripts, and mapping articulated and program pathways
- \$168 million in one-time funding for Statewide Technology Transformation
 - Goal is to standardize and streamline data collection to support seamless educational and career transfers. Monies are spread out over several years.
- \$100 million (almost all one-time) to build and scale up credit for prior learning allowing real-world experience to be converted to college credit; focus on military and veterans



Hold Harmless sunseting in FY 2025-26

- FY 2025-26 is first year without Hold Harmless protection with cumulative COLAs
 - FTES three-year average based on FY 2023-24, FY 2024-25 and FY 2025-26
 - Supplemental points will be based on FY 2024-25 headcount of AB 540 students, Pell Grant recipients, and California Promise Grant recipients.
 - Success points three-year headcount average based on FY 2022-23, FY 2023-24, and FY 2024-25
- The District's Total Computational Revenue (TCR) will no longer receive cumulative COLAs
 - No new unrestricted, ongoing funding until the District's SCFF calculation exceeds its Hold Harmless calculation
 - This is the calculation to watch during the FY 2025-26 budget cycle



Next Steps

- The Governor's January Budget Proposal is the first milestone in building next year's state budget
- The Legislative Analyst's Office (LAO) will now begin its analyses of the Governor's recommendations; information from LAO will trickle out through March
- The May Budget Revision from the Governor is typically a much more detailed proposal and is the basis for back-and-forth negotiations between the Governor and Legislature. LAO also weighs in with its analyses of the May proposals
- Final enacted budget will be passed by June 15th
 - Failure to do so triggers lawmakers to forfeit pay and reimbursable expenditures



Questions?