



THE GOLDEN SLATE

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Sacramento Scene: A Closer Look at California's Proposed Budget

By Matt Patton, CATA Executive Director

The California Governor's proposed budget for 2024-25 was released in early January. Despite facing a projected \$38 billion deficit, the budget remains optimistic. Governor Newsom plans to employ the following strategies to overcome the budget deficit:

- Draw on the Rainy Day fund (\$13.1 billion)
- Internally borrow (\$5.7 billion)
- Reduce spending (\$8.5 billion)
- Delay spending (\$3.4 billion)
- Reallocate funds (\$5.1 billion)
- Defer spending obligations to the next budget (\$2.1 billion)

Now, the public and the legislature will scrutinize the proposed budget. Governor Newsom will issue the revised budget in May based on public input and revised tax numbers. A budget bill must be agreed upon, passed by the legislature, and signed by the Governor by June 30.

Proposition 98

Proposition 98, which covers the K-12 education portion of the budget, is hyped by the Governor to target investments in community schools, universal school meals, expanded learning opportunities, education workforce, and universal transitional kindergarten.

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Local Control Funding Formula (LCFF)

Despite a 0.76 percent cost-of-living adjustment causing a decrease of \$1.4 billion in discretionary funds for Local Education Agencies (LEAs), the proposed budget fully funds the LCFF. The gap will be bridged by withdrawing from the Public School System Stabilization Account in 2023-24 and 2024-25.

Career Education

Did you notice the removal of the word “technical?”

The budget's emphasis on career education highlights cross-agency collaboration and teacher apprenticeship programs. Proposals include creating an Elementary Arts and Music Education authorization for CTE teachers, broadening pathways for arts instruction, and reinforcing CTE in grades 7 through 12.

In summary, the proposed K-12 educational budget does not include major reductions in any one area. It remains to be seen if projected tax income and legislative input will alter the plan in May and June. From the lens of agricultural education, major funding sources supporting the profession remain intact. Districts may see a slight decrease in funding but not huge cuts.

Higher Education

Career Education

The proposed budget emphasizes the comprehensive initiative launched by Governor Newsom in August to overhaul education and workforce systems in California. Interagency teams will drive results in workforce investments, aiming to ensure Californians are on-ramped into well-paying careers, empowered with real-life skills, and can access affordable, quality education throughout their lives.

University of California

The University of California (UC), faces a projected budget shortfall. To address this, the budget defers planned investments, maintaining ongoing UC General Fund levels and allowing interim financing structures to support spending.



California State University

Similarly, the California State University (CSU) is experiencing budget challenges, leading to deferring the 2024-25 Compact Investment to 2025-26. This strategy aims to maintain ongoing CSU General Fund levels while allowing internal borrowing to support planned spending.

California Community College

The budget proposes ongoing adjustments to California Community Colleges (CCCs), including increased apportionments for cost-of-living adjustments and enrollment growth, as well as support for categorical programs. A withdrawal from the K-14 Rainy Day Fund will be used to cover gaps in the CCC's budget.

In summary, California's proposed budget for the 2024-25 fiscal year outlines a series of strategies to address a significant deficit while maintaining a focus on education. As the budget undergoes scrutiny from the public and legislative bodies, the subsequent revisions in May will reflect the evolving landscape of fiscal priorities.

