

RCCD

RIVERSIDE COMMUNITY
COLLEGE DISTRICT



FY 2025-26

Governor's Budget Proposal

February 4, 2025



State Budget

Economy and Revenues

- Stable Economy for 2025-26
- Robust Growth, Cooling Inflation, Slowing Job Growth
- Uncertainty About Federal Policies with New Administration
- Delay in Income Tax Collections Due to Wildfire Disasters
- GDP Growth Slowdown to 2.14% in 2025 and 1.8% in 2026



State Budget (Cont.)

- Unemployment at 5.2% in 2025 and 5.1% in 2026
- National Inflation at 2.34% in 2025 and 2.2% in 2026
- Personal Income Tax Makes up More than 67% of General Fund Revenues with 1% of States Highest Income Earners Making up 39% of that Number
- Capital Gains Revenue Makes-up 8.5% of Revenues in 2025 and 9.1% in 2026



State Budget (Cont.)

- Estimate Surplus of \$16.5 Billion over 2024-2025 Budget Act
- Proposition 98 Funding Estimate at \$118.9 Billion but Proposal is to Appropriate Only \$117.6 Billion...a difference of \$1.3 Billion...as a Hedge if Estimates are not Realized



State Budget (Cont.)

Projected Future Operating Deficits

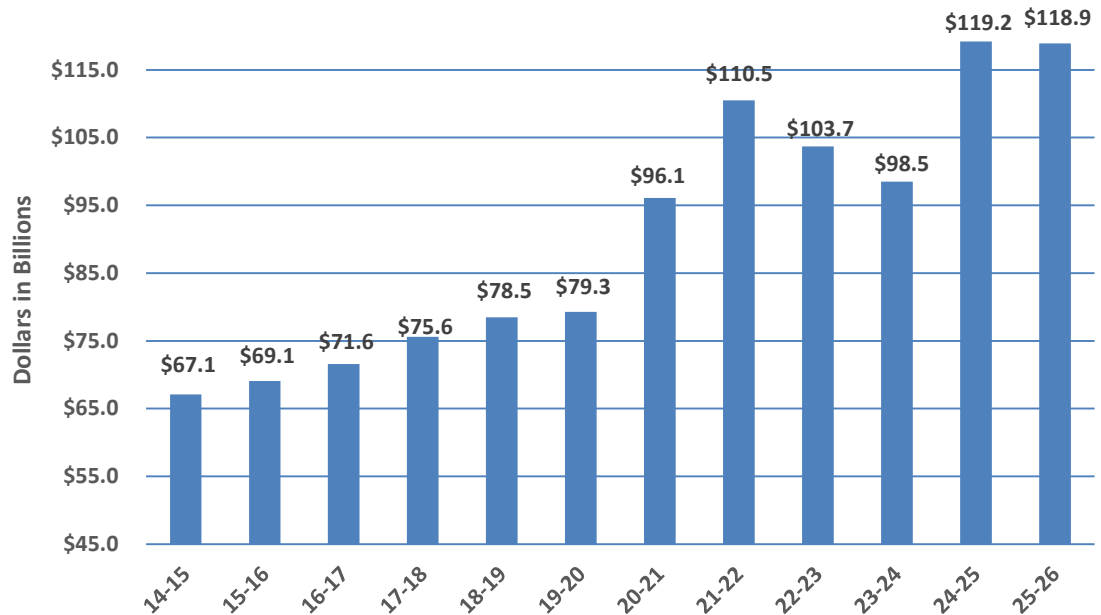
- \$13 Billion – FY 2026-27
- \$19 Billion – FY 2027-28
- \$15 Billion – FY 2028-29



Proposition 98 Minimum Guarantee

- FY 2023-24 approved budget set the K-14 minimum guarantee at \$108.8 billion...now revised to \$98.5 billion.
- FY 2024-25 approved budget set the K-14 minimum guarantee at \$108.8 billion...now revised to \$119.2 billion.
- FY 2025-26 - Governor estimates the guarantee at \$118.9 billion.
 - Community College share of Proposition 98 – 10.93%

Proposition 98
2025-26 Governor's Budget Proposal





FY 2025-2026 Governor’s Budget Proposal

Base Changes *(In Millions)*

<u>Unrestricted Ongoing Revenues</u>	<u>January Proposal</u>
<u>Apportionment</u>	
COLA (2.43%)*	\$ 230.4
Growth (.50%)	<u>30.4</u>
Total Apportionment/Unrestricted Ongoing Revenues	<u>\$ 260.8</u>
 <u>Unrestricted One-Time Revenues</u>	 <u>\$ -</u>
Total Unrestricted Revenues	<u><u>\$ 260.8</u></u>

*This funding increase will be reflected in the rates for the Base, Supplemental, and Student Success allocations under the Student Centered Funding Formula.



FY 2025-2026 Governor’s Budget Proposal

Base Changes (In Millions)

<u>Restricted Ongoing Revenues</u>	<u>Community College System</u>
COLA for Categorical Programs*	\$ 28.5
Common Data Platform	29.0
Financial Aid Administration	1.7
Rising Scholars Network	30.0
Equal Employment Opportunity Program	(1.1)
Credit for Prior Learning	7.0
Total Restricted Ongoing Revenues	<u>\$ 95.1</u>

*Categorical Programs that the Governor’s Budget Proposal included to receive COLA are: DSP&S, EOP&S, CARE, CalWorks, Adult Education, Mandate Block Grants, and Apprenticeship. Large programs such as Student Equity & Achievement and Student Success Completion Grant were not included to receive COLA.



FY 2025-2026 Governor’s Budget Proposal

Base Changes *(In Millions)*

<u>Restricted One-Time Revenues</u>	<u>Community College System</u>
Common Data Platform	\$ 133.5
Statewide Technology Transformation	168.0
Credit for Prior Learning/Career Passport	93.0
LGBTQ + Student Support	<u>10.0</u>
 Total Restricted One-Time Revenues	 <u>\$ 404.5</u>
 Total Restricted Revenues	 <u><u>\$ 499.6</u></u>



FY 2025-2026 Governor’s Budget Proposal

Base Changes *(In Millions)*

<u>Other</u>	<u>Community College System</u>
Deferred Maintenance and Instructional Equipment	\$ -
Propositions 51 & 2 - State GO Bond (28 Projects)*	<u>51.5</u>
Total "Other" Restricted Revenues	<u>\$ 51.5</u>

*Includes: MVC-Library Learning Resource Center- \$3.5 Million; NC-Library Learning Resource Center-\$2.5 Million; RCC-Cosmetology Building-\$1.9 Million; BCTC-Phase 2A Building-\$1.3 Million