

State of the Budget

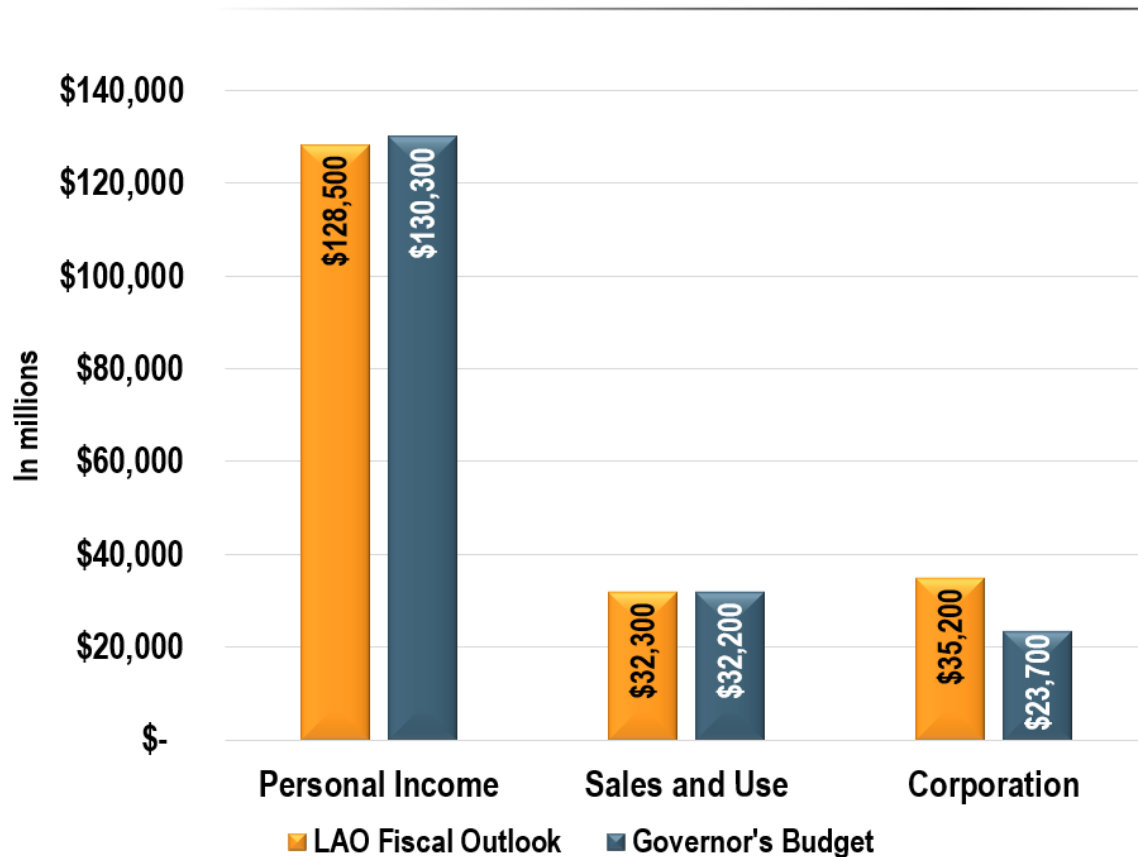
January 26, 2022

2022/23 Governor's Budget Proposal



Economic and Budget Conditions are Positive

Big Three Taxes

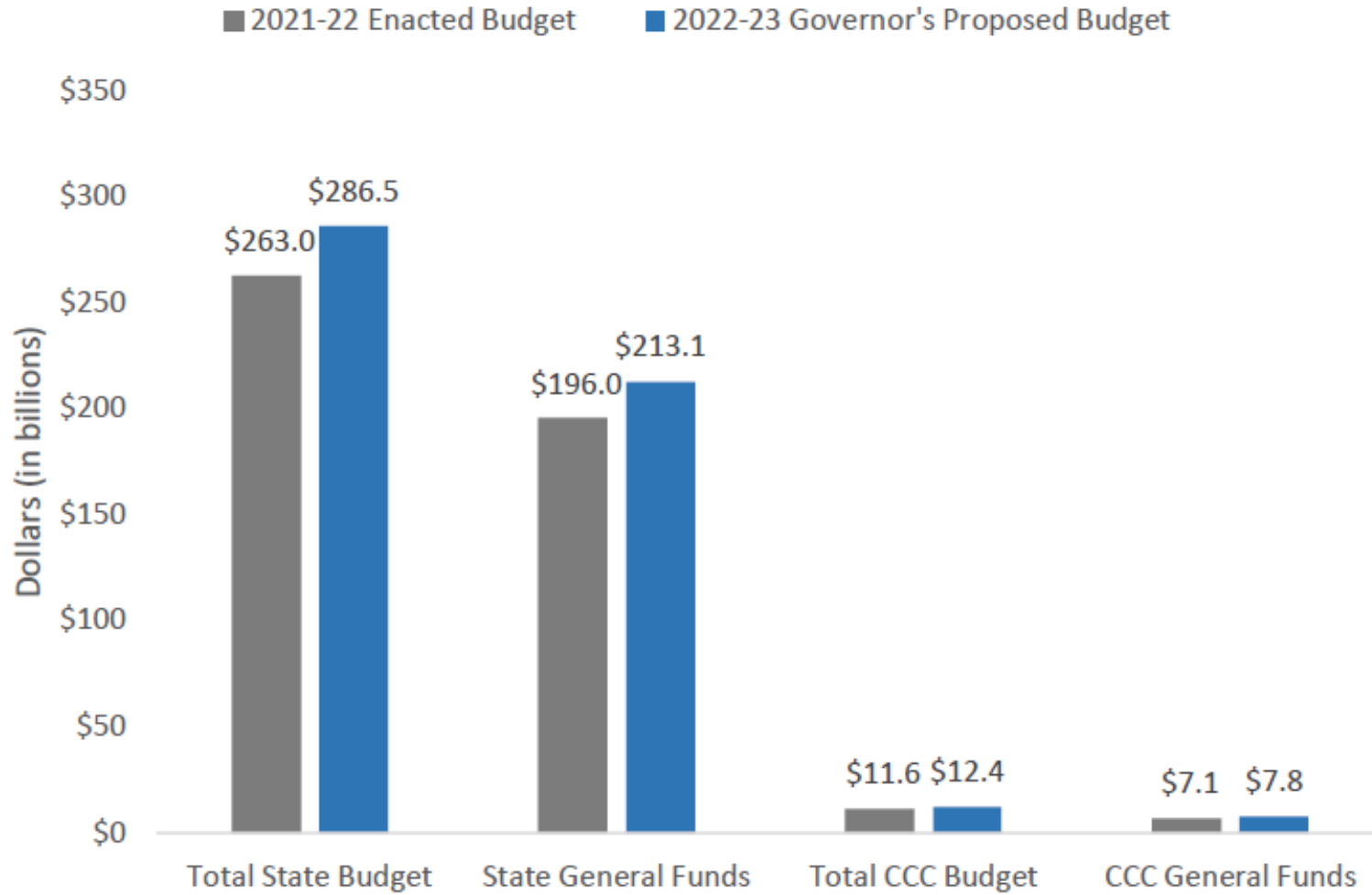


- In 2022-23, over 95% of state general fund revenue comes from the Big Three tax sources
 - Personal income tax (PIT) revenues make up two-thirds of state revenues and 70% of the Big Three revenues
 - Nearly 50% of state income tax is paid by just 1% of Californians—the state’s highest income earners—making PIT a volatile revenue source

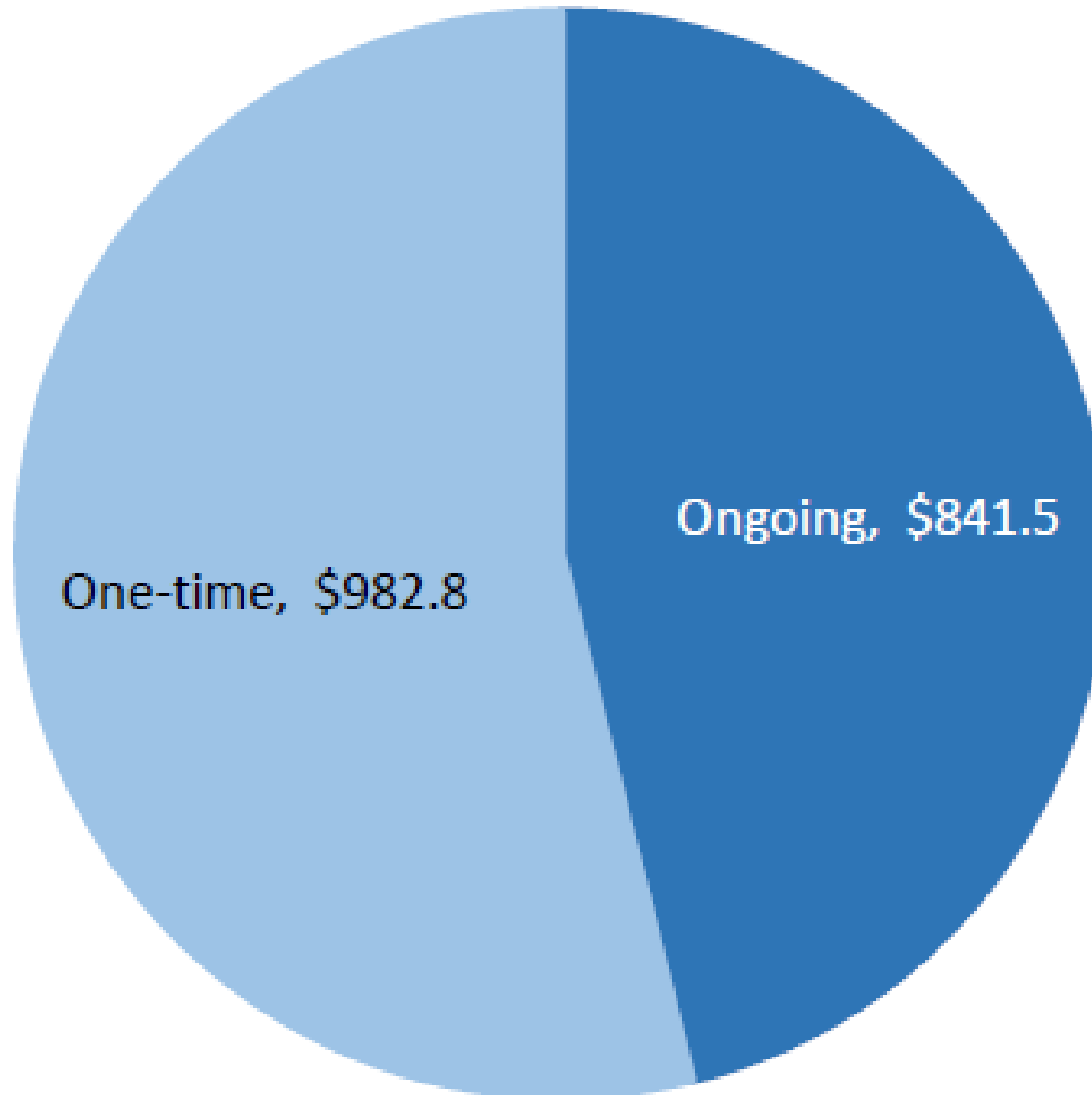
State General Fund Budget Summary

2022-23 Governor's Budget in millions		
	2021-22	2022-23
Prior Year Balance	\$37,011	\$23,650
Revenues and Transfers	\$196,669	\$195,719
Total Resources Available	\$233,680	\$219,369
Non-Proposition 98 Expenditures	\$138,185	\$139,993
Proposition 98 Expenditures	\$71,845	\$73,134
Total Expenditures	\$210,030	\$213,127
Fund Balance	\$23,650	\$6,242
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$20,475	\$3,067
Public School System Stabilization Account	\$6,663	\$9,725
Safety Net Reserve	\$900	\$900
Budget Stabilization Account/Rainy Day Fund	\$19,303	\$20,868

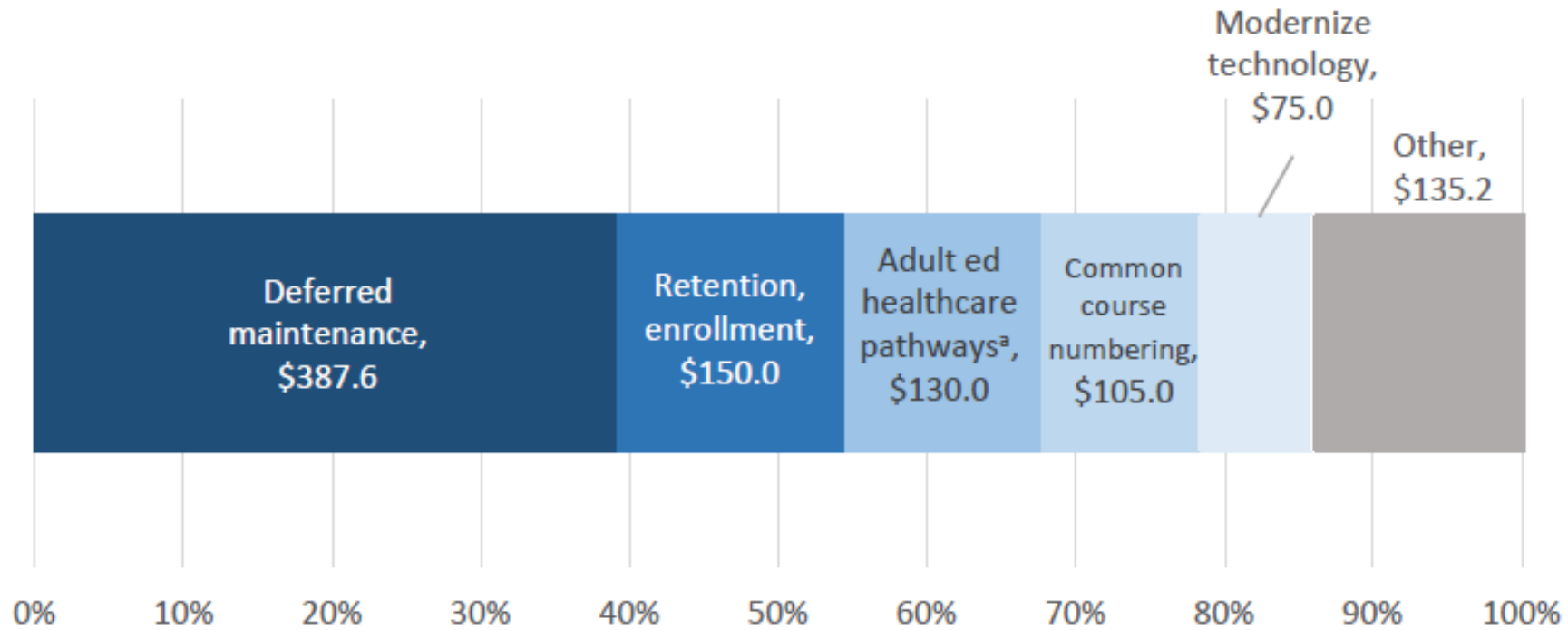
Proposed 2022-23 Budget



Proposition 98 Funding for 2022-23

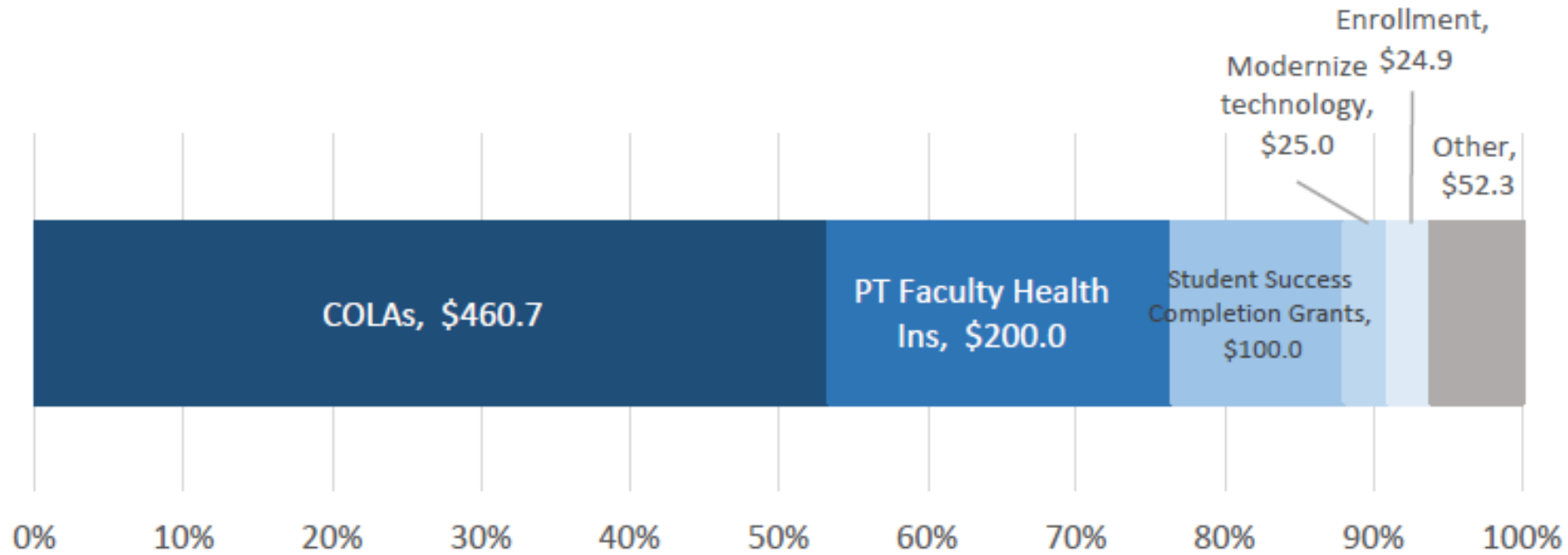


2022-23 Proposed New One-time Investments

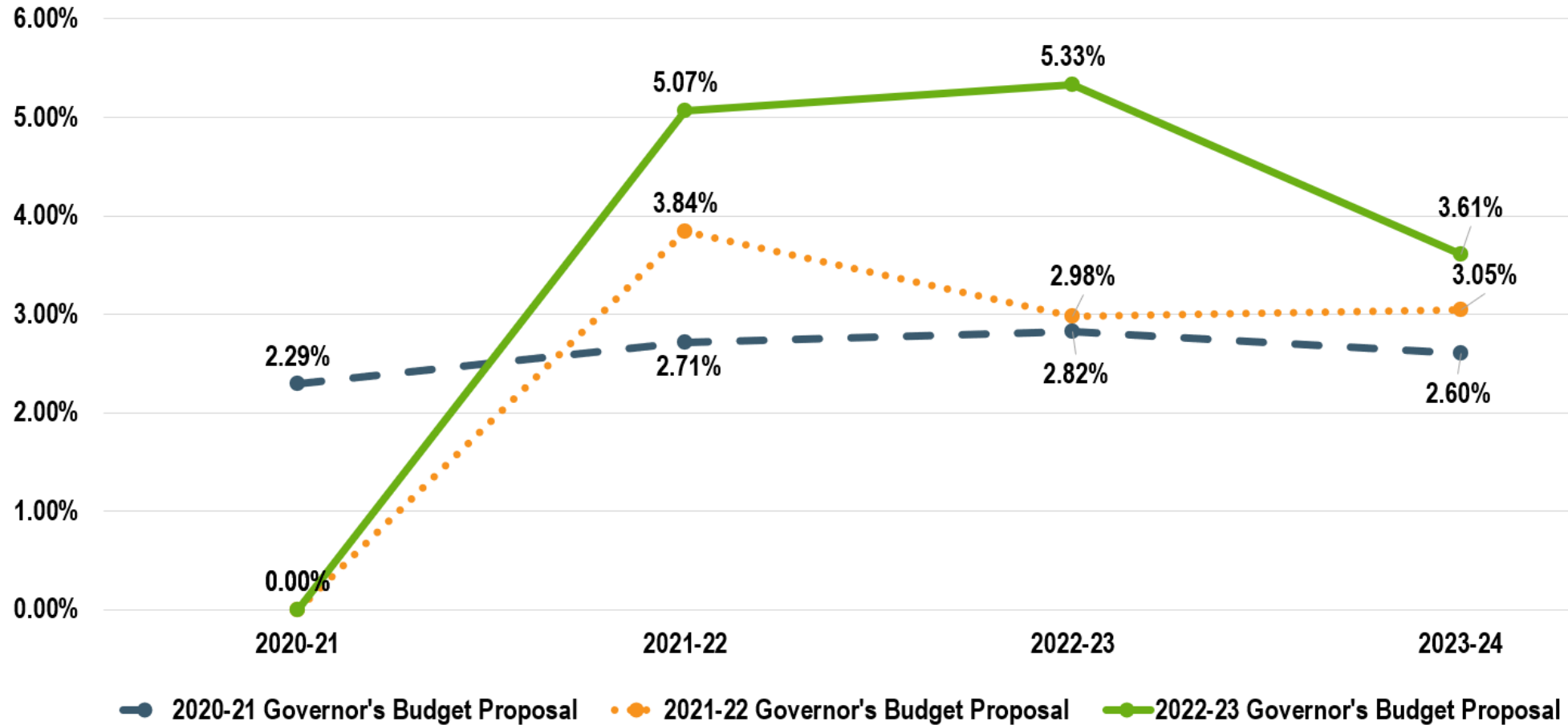


^a A portion of the funding for Adult Ed programs goes to community colleges, with the remainder going to K-12.

2022-23 Proposed New Ongoing Investments



Cost-of-Living Adjustment (COLA)

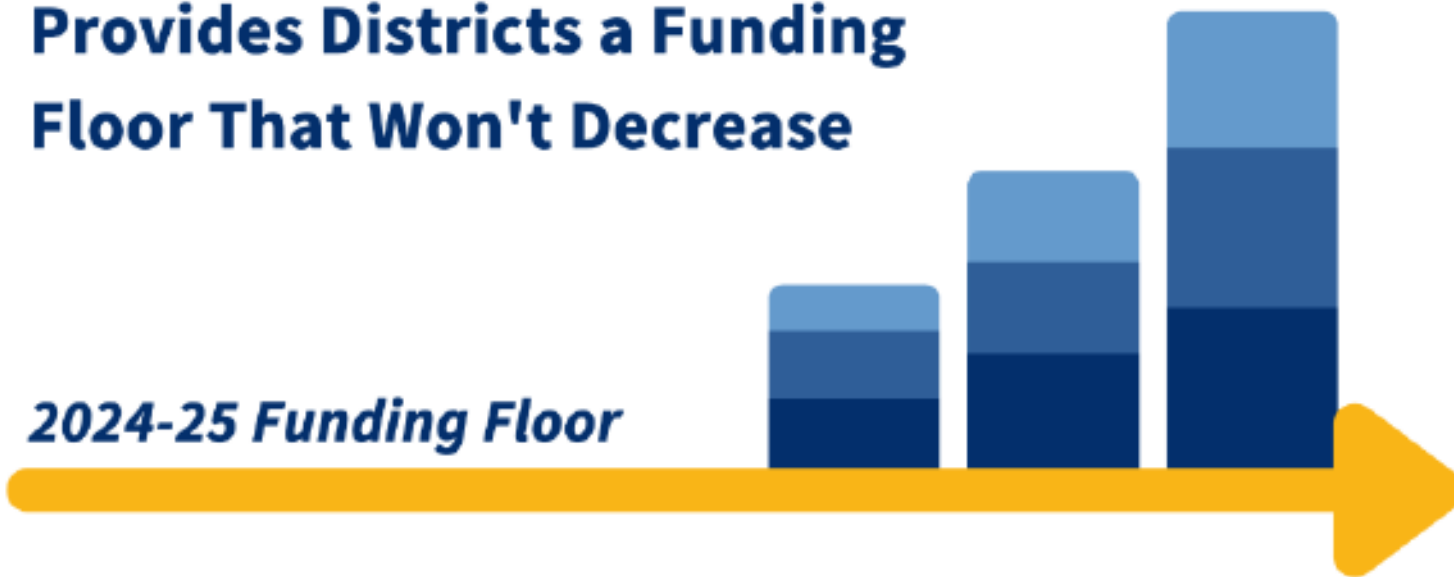


Revenue Protections Extended

Predictability & Stability

Provides Districts a Funding Floor That Won't Decrease

2024-25 Funding Floor



Automatic Cost Increases: CalPERS and CalSTRS Contribution Rates

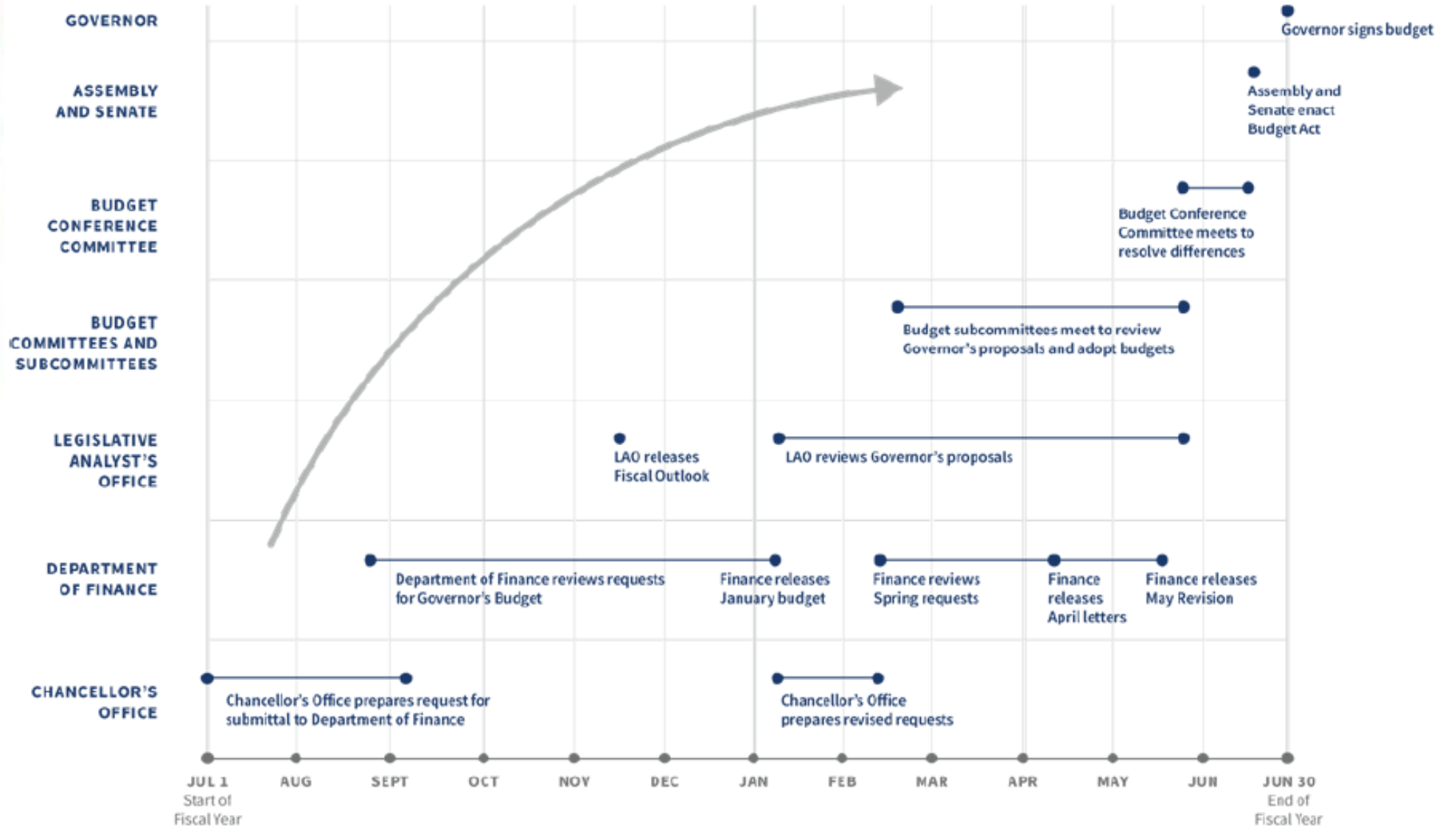
Effective Date	CalPERS Employer Contribution Rate	CalSTRS Employer Contribution Rate
2021-22	22.91%	16.92%
2022-23	26.10%	19.10%
2023-24	27.10%	19.10%
2024-25	27.70%	19.10%
2025-26	27.80%	19.10%

Financial Projection Planning Factors

	2021-22	2022-23	2023-24	2024-25	2025-26
DOF Planning COLA	5.07%	5.33%	3.61%	3.64%	3.62%
State Lottery Funding per FTES	\$228	TBD	TBD	TBD	TBD
Mandated Costs Block Grant Funding per FTES	\$30.16	\$30.16	\$30.16	\$30.16	\$30.16
CalSTRS	16.92%	19.10%	19.10%	19.10%	19.10%
CalPERS	22.91%	26.10%	27.10%	27.70%	27.80%
Unemployment Insurance	0.50%	0.50%	0.20%	0.20%	0.20%

2022-23 State Budget Development

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS




2022-23 Budget Development

February	Budget Committee begins review of Budget Proposal/Assumptions Budget training begins Divisions begin budget development process
March	PRP review Salary Projections
April	Budget review
May	May Revise
June	Tentative Budget
August	Final budget changes
September	Public hearing on the proposed budget Adopt a final budget



Future Meeting Dates	Budget Cycle Development Topics
02/23/2022	Budget Assumptions
03/30/2022	Budget Assumptions Update
04/27/2022	Review Budget
05/25/2022	Review Budget
06/29/2022	Review Budget

The background of the slide is a photograph of the Palomar College campus. It features several tall palm trees in the foreground and middle ground. In the distance, a large sign reads "PALOMAR COLLEGE" with a stylized checkmark above the word "COLLEGE". The sky is clear and blue. A red vertical bar is on the left side of the slide.

Questions / Comments

Thank you