



# **Overview of the 2018-19 Governor's Budget**

*January 2018*

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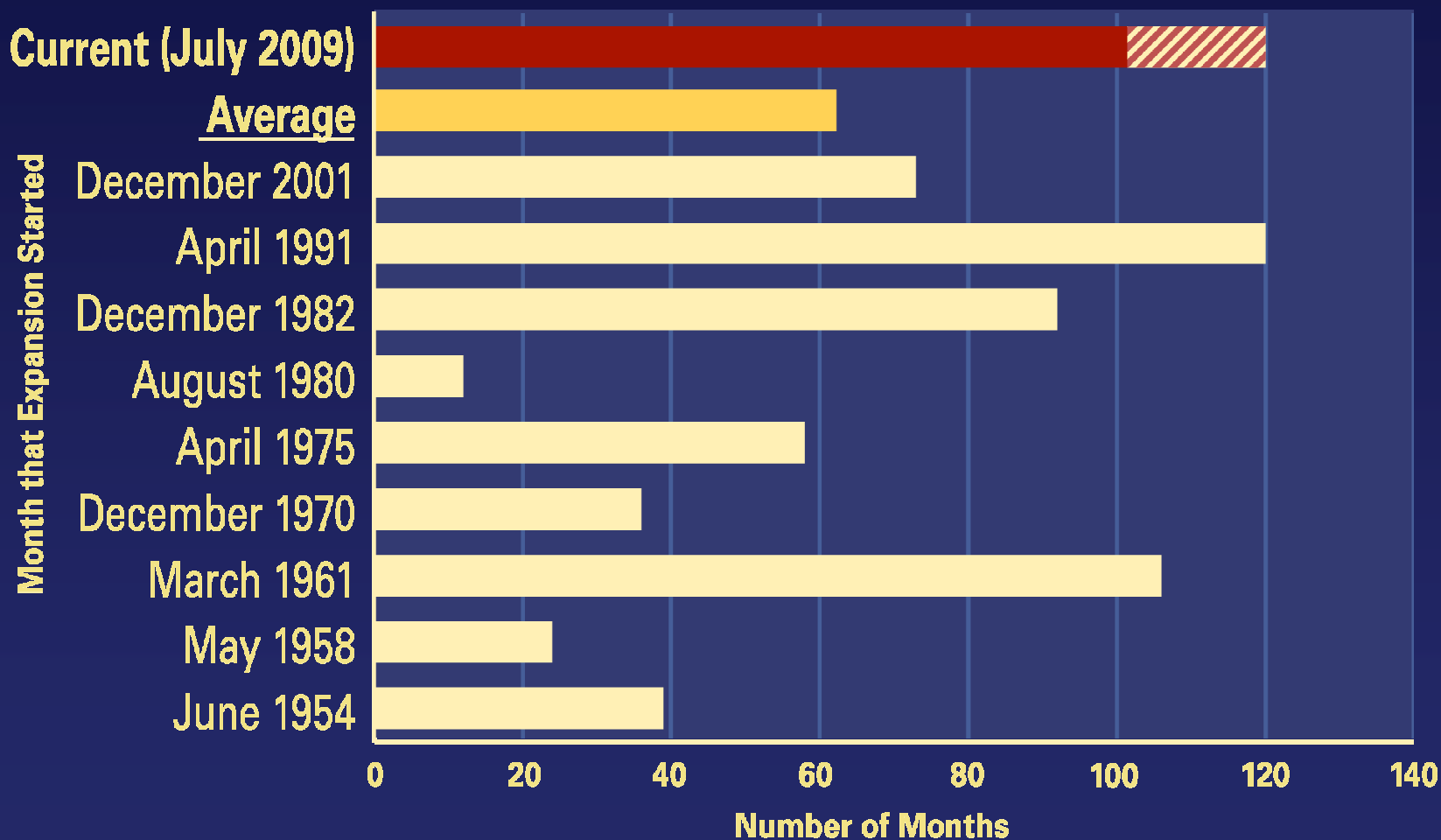
# Summary of the 2018-19 Governor's Budget

- One-time budget surplus, but massive uncertainty
- Full Implementation of Local Control Funding Formula
- Fully fills the Rainy Day Fund to 10 percent of tax revenues
- Creation of online community college
- Extension of Cal Competes and hiring tax credits
- First full year of SB1 transportation funding
- Cap and Trade funding plan to come at State of State

# Uncertainties and the 2018-19 Governor's Budget

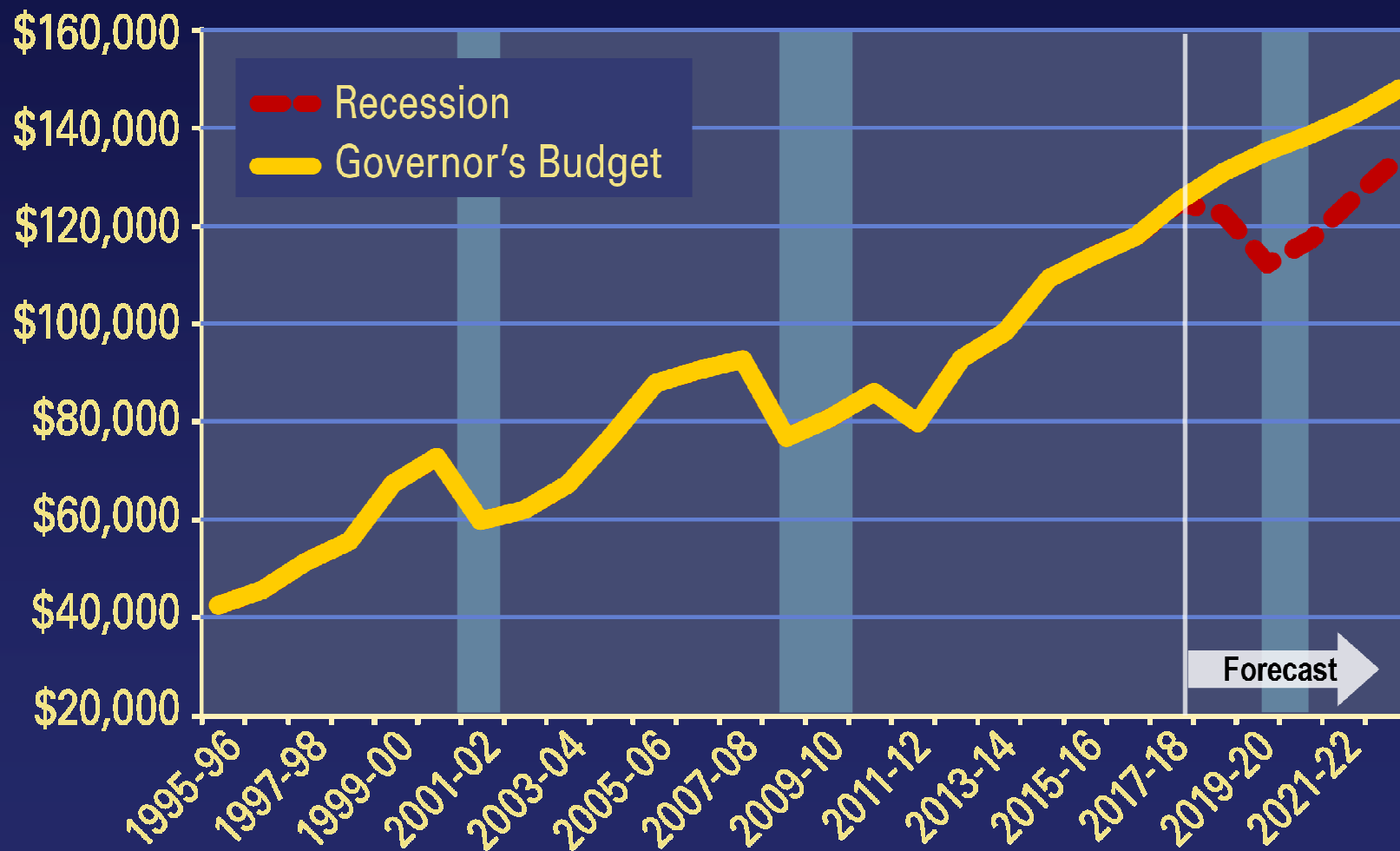
- Federal Government
  - Implications of Tax Bill
  - CHIP Reauthorization
  - Potential for Federal Cost Shifting
- Next Recession?

# Budget Assumes Current Recovery Would Match Longest Ever

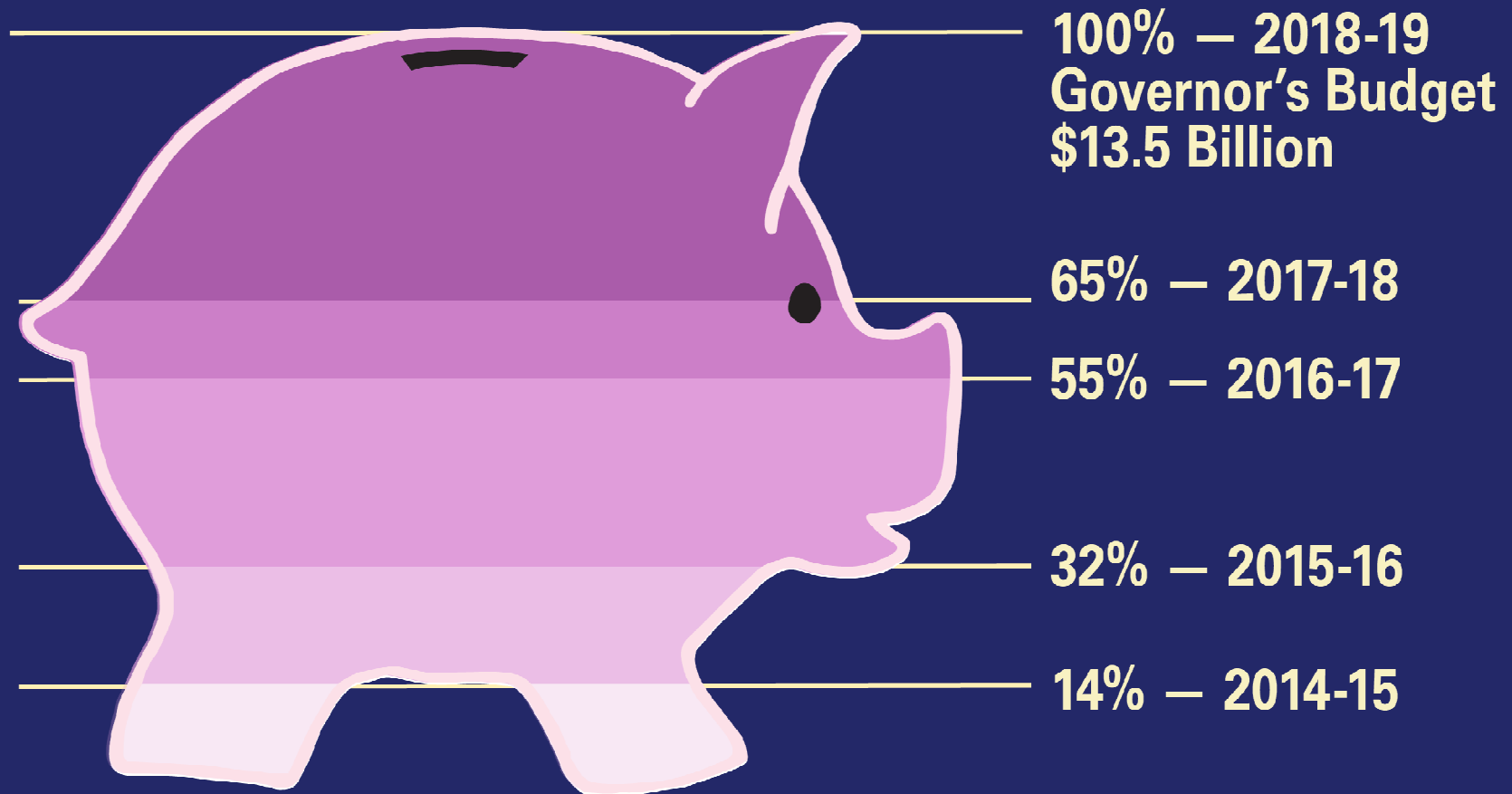


# Annual Revenue Could Drop by Over \$20 Billion in a Recession

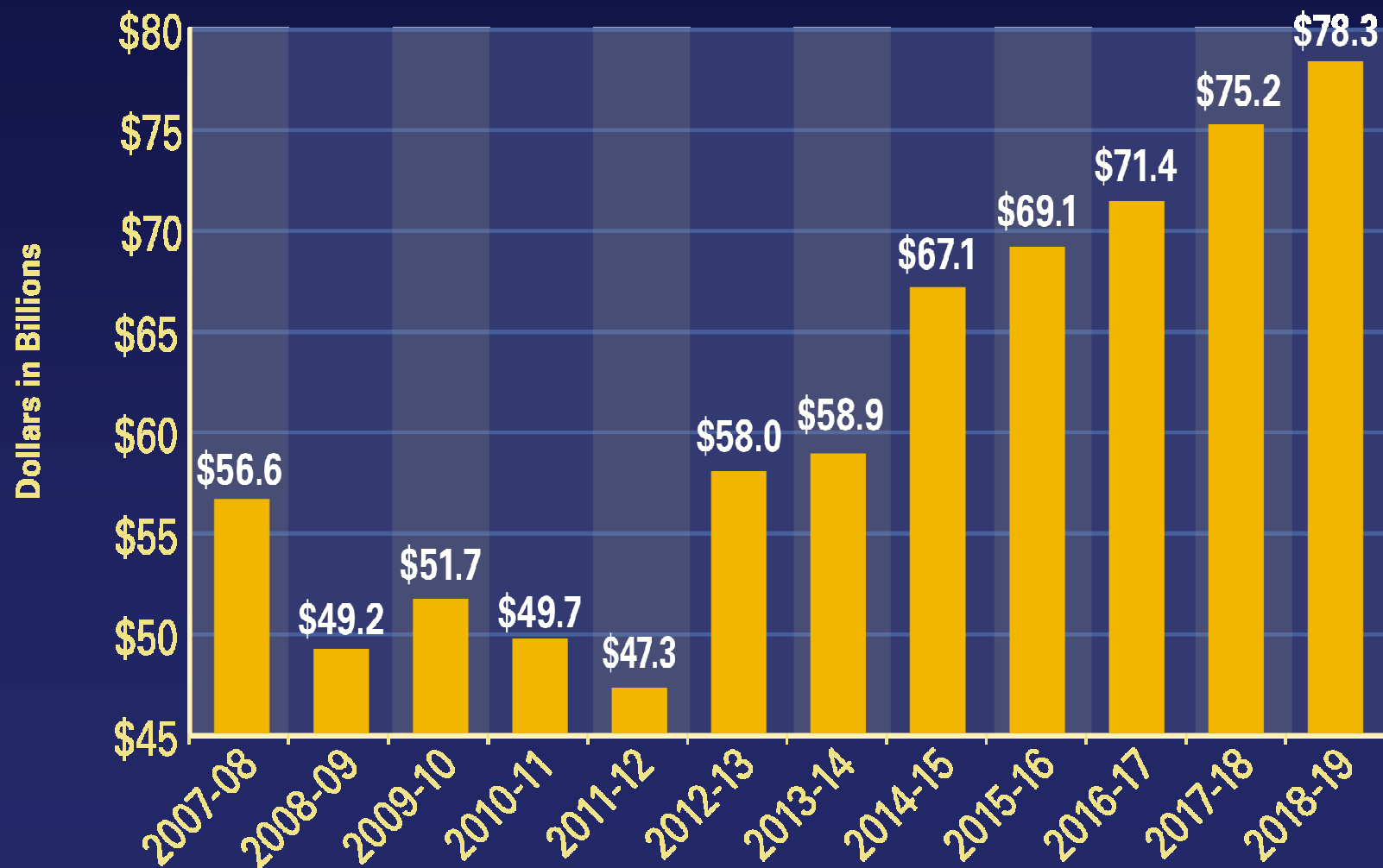
(Dollars in Millions)



# Filling Up the Rainy Day Fund Before the Next Recession

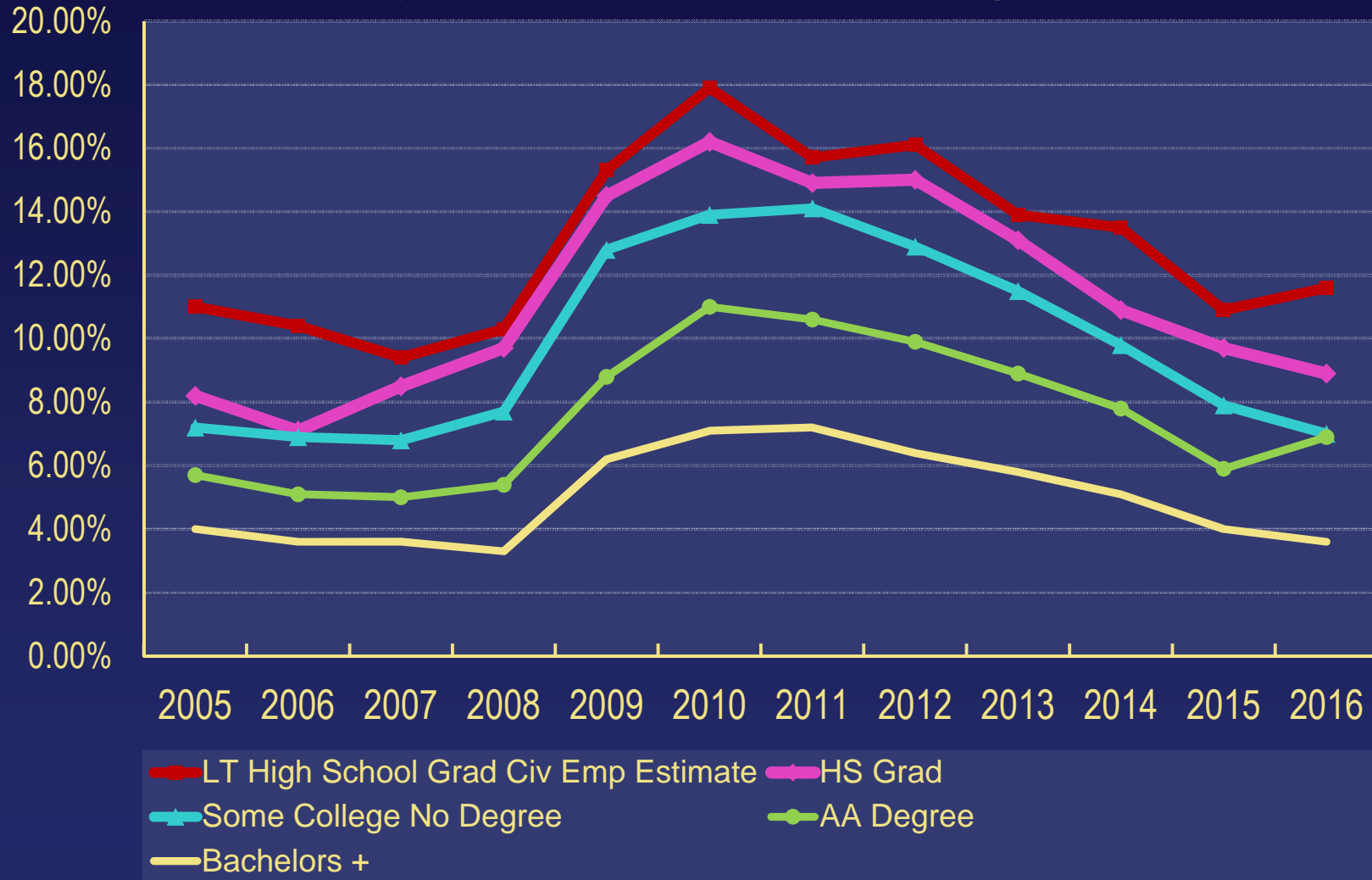


# School Funding Has Increased by 66 Percent Since 2011



# Online Community College

## Unemployment Rate California Residents Age 25-34





# Student-Focused Funding Formula



New Student-Focused Formula Apportionments:



50% based on full-time equivalent student enrollment



25% based on students receiving California College Promise Grants and Pell Grants



25% based on short and long-term student success metrics (degrees, certificates, awards, and ADTs)



Hold Harmless Provisions

# Proposed Community College Budget

