



Overview Governor's 2025-26 January Budget Proposal

January 21, 2025

Kern Community College District

- Governor Newsom proposes a relatively balanced state budget and favorable projections for community colleges.
- The Governor is proposing an overall state budget increase, indicating fiscal year 2025-26 will be approximately 8% higher than the current year. The increase of \$322.2 billion is attributed to higher state receipts and cost cutting actions taken in the current-year budget.
- Despite reports of Proposition 98 funding remaining essentially flat, LAO reports spending on schools and community colleges will increase by \$2.5 Billion: The budget proposal for the California Community Colleges reflects a significant focus on the Master Plan for Career Education, ongoing general fund spending, one-time funding for a Systemwide Common Data Platform & scaling up credit for prior learning policies and capital outlay funds from Proposition 51 and 2.

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Apportionment

The California Community College Budget includes several major investments. With revenues coming in above projections. It should be noted, however, that most of this funding is one-time in nature.

- Compared to the 2024-25 Budget Act, the estimated and proposed Total Computational Revenue for the SCFF increases by \$204.3 million, from \$9.57 billion to \$9.78 billion. This reflects a proposed cost-of-living adjustment (COLA) of 2.43% and FTES growth of 0.5%.

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Significant Kern CCD Categoricals

Another \$28.7 million ongoing would support a COLA of 2.43% for significant Kern CCD Categories (percentage change reflect in millions)

Adult Education Program	2.43% increase, COLA
Student equity and Achievement Program	No Change, 3 rd Year in a row
Strong Workforce	No Change, 3 rd Year in a row
Extended Opportunity Programs and Services (EOPS)	2.43% increase, COLA
Disables Student Programs and Services (DSPS)	2.43% increase, COLA
Apprenticeships	2.45% increase, COLA
CalWORKS Student Services	2.43% increase, COLA

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Capital Outlay

The Governor's proposal includes \$80.9 million in capital outlay funding from Proposition 51 and 2, up from the \$29.3 million provided in the 2024 Budget Act. The funding is to support the construction phase for 2 projects and the preliminary plans and working drawings of 29 additional projects, listed below for Kern Community College District:

KCCD - Bakersfield College

Proposition 2, New Project – Center for Student Success

2025-26 State Cost, \$1,934,000.00

2025-26 Total Cost, \$3,869,000.00

Other One-Time Items

- \$133.5 million one-time and \$29 million ongoing for System-Wide Common Cloud Data Platform
- \$168 million one-time for Statewide Technology Transformation Project
- \$100 million, \$93million and \$7million ongoing to build and scale up Credit for Prior Learning.

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CalSTRS & CalPERS

California State Teachers Retirement System (CalSTRS) and California Public employees' Retirement System (CalPERS) rates in 2025-26. CalSTRS remains flat for the fourth year, while CalPERS increases another 0.35%.

CATEGORY	2022-23	2023-24	2024-25	2025-26
CalPERS	25.3%	26.68%	27.05%	27.40%
CalSTRS	19.10%	19.10%	19.10%	19.10%

