



## **Budget Update**

### **2022-2023 Legislative Budget Agreement**

**June 2, 2022**

#### **INTRODUCTION**

The Legislature announced a Legislative Budget Agreement on June 1, 2022. The agreement between the Senate and Assembly summarizes the priorities of the Legislature and builds upon the Governor's Budget Proposals. The specific elements of the agreement will be included in legislation (AB 154 and SB 154) in the coming days and must be passed by the Legislature before June 15, 2022. The legislation must then go to the Governor for his approval before the end of June. Negotiations between the Governor and the leadership of the Legislature will continue until Governor Newsom signs the final version of the budget. The final version of the 2022-23 budget will take effect on July 1, 2022.

Below is a summary of the major provisions of the 2022-23 Legislative Budget Agreement that directly impact the California State University system, its employees and students. Additional information summarizing the final 2022-23 budget will be forthcoming in future Budget Updates.

#### **Base Funding Increase**

**Governor's Proposal:** The Governor's proposal includes a \$211.1 million ongoing General Fund augmentation to base funding in 2022-23 for operating expenses. The proposal initiates a multi-year compact on funding for the CSU which specifies a 5% increase in General Fund appropriations annually through 2026-27. The proposed annual increase in base funding is contingent upon the CSU achieving certain goals outlined in the compact.

**Legislative Agreement:** The Legislative Budget Agreement approves the Governor's \$211.1 million General Fund base funding increase and provides an additional \$100 million in 2022-23 – bringing the total amount to \$311.1 million and a \$200 million additional increase in 2023-24 – bringing the total to \$411.1 million.

#### **Enrollment Growth**

**Governor's Proposal:** The Governor's proposal provides an increase of \$81 million ongoing General Fund to support California resident undergraduate student enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.

**Legislative Agreement:** The Legislative Budget Agreement adopts the Governor’s 2022-23 budget proposal and provides an additional \$17 million ongoing General Fund for enrollment growth in 2023-24. The proposal also increases the enrollment growth target for 2023-24 by 0.5% above the Governor’s proposed 1% target – for a total of 1.5% in 2023-24.

**Affordable Student Housing**

**Governor’s Proposal:** The Governor’s proposal includes \$750 million for affordable student housing split between the University of California (UC), California State University (CSU) and the California Community Colleges (CCC).

**Legislative Agreement:** The Legislative Budget Agreement includes an additional \$2 billion General Fund over three years for student housing projects across the University of California, California State University and the California Community Colleges.

**Deferred Maintenance and Energy Efficiency**

**Governor’s Proposal:** The Governor’s proposal provides \$100 million in one-time General Fund for deferred maintenance and energy efficiency projects.

**Legislative Agreement:** The Legislative Budget Agreement increases the Governor’s proposal for deferred maintenance and energy efficiency to \$125 million in 2022-23 and adds \$100 million in 2023-24.

**Graduation Initiative 2025**

**Governor’s Proposal:** None

**Legislative Agreement:** The Legislative Budget Agreement provides \$25 million in 2022-23, \$45 million in 2023-24 and \$75 million in 2024-25 and ongoing.

**FOR ADDITIONAL INFORMATION CONTACT**

**Ron Rapp, Legislative Director**

**916.715.2805**

**[rrapp@calfac.org](mailto:rrapp@calfac.org)**