

2024-25 PRELIMINARY BUDGET OUTLOOK AND BUDGET PRINCIPLES

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PRELIMINARY BUDGET OUTLOOK



Interest rates have peaked, labor market still strong but housing market is in recession



Major revenues reflect modest but slowing growth



Cost drivers, particularly labor, are growing at a higher rate



State projecting \$38 billion deficit

BUDGET PRINCIPLES

Continue to follow best practices

Adapt to higher labor costs

Prioritize funding for Climate Action and Adaptation Plan

Funding shall reflect Board's strategic priorities

Continue to fund reserves and balance short and long-term view

BOARD BUDGET TOUCH POINTS



QUESTIONS

