

Budget Forum

9/24/25

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Rules of Engagement

- This forum is recorded.
- Feel free to type questions or comments in the Chat during the presentation.
- Hold **verbal** questions until the end
- At the end of the presentation, raise your virtual hand if you have questions or comments.

Agenda

- State and Local Context
- Budget Assumptions & Key Drivers
- All Funds Overview
- Reserves & Fiscal Stability
- Fund 11 Overview
- 25-26 Budget to Actuals
- Looking Ahead

State & Local Context

State & Local Context

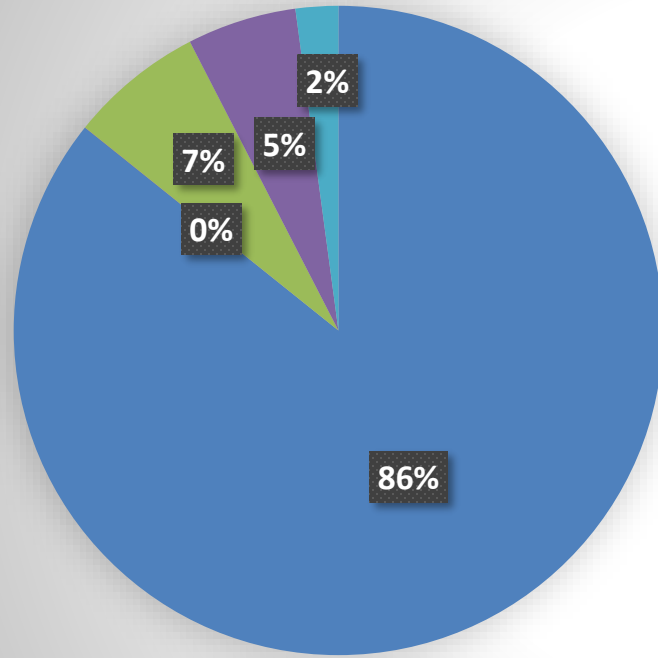
- California is facing a **\$12 billion budget** deficit, driven by Medi-Cal cost overruns, federal tariffs, and emergencies like the LA fires.
- **Proposition 98 minimum guarantee** has been **reduced by \$4.6 billion** across the 3-year window.
- **\$531.6 million statewide deferral** of SCFF apportionments from 2025-26 to 2026-27
- **Key state budget assumptions** (COLA 2.3%, 2.35% enrollment growth).
- **Risks:** State revenue volatility, reliance on FTES.

Budget Assumptions & Key Drivers

Budget Assumptions

- **Beginning Fund Balance: \$48.7M**
- **Projected Revenues: \$181.7M**
- **Projected Expenditures: \$178.9M**
- **Projected Surplus: \$2.74M**
- **Projected Ending Fund Balance: \$51.4M**

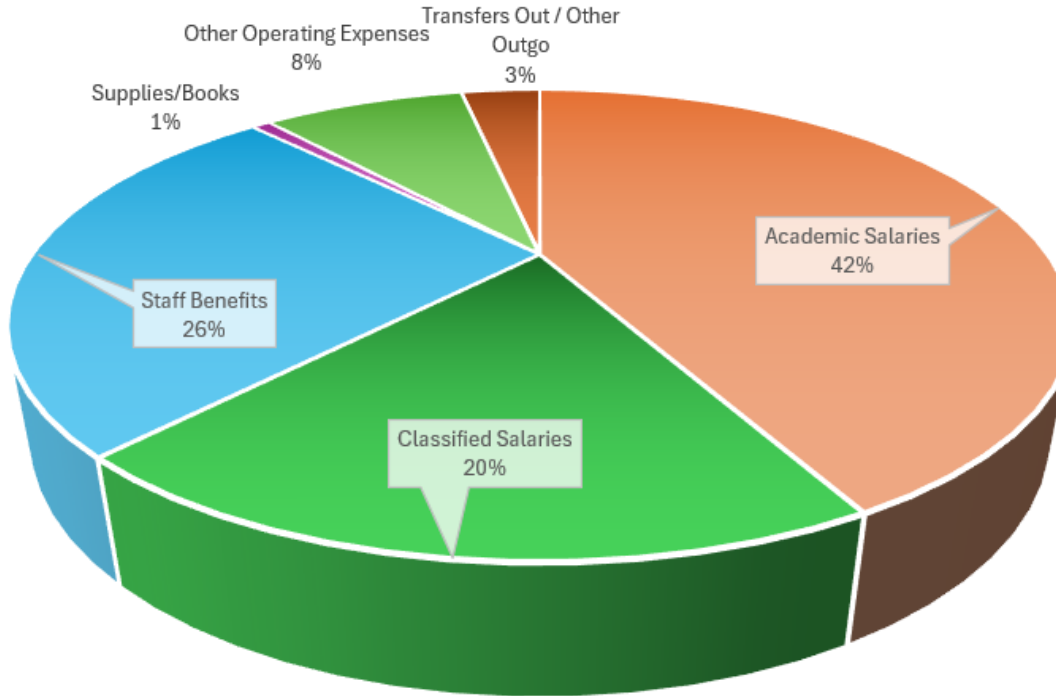
All Revenues Breakdown



Total Estimated Revenue 25-26: \$181.7M

- Total General Apportionment (\$155,770,028)
- Federal Revenue (\$19,265)
- Other State Revenue (\$12,145,638)
- Other Local Revenue (\$9,884,407)
- Contributions In (\$3,850,244)

Fund 11 Expenditures



Appropriations	
Academic Salaries	\$74,906,858
Classified Salaries	\$35,582,441
All Staff Benefits	\$46,367,663
Supplies/Books	\$1,341,500
Other Operating Expenses	\$14,868,194
Capital Outlay	\$45,205
Transfers Out / Other Outgo	\$5,814,530
Total Appropriations	\$178,926,391

Other Key Drivers

- Total Annual generated FTES for 24-25 and 25-26.
- Courses Offerings (5,247 for both academic years)
- Fall 2025 Estimated Faculty Obligation Number (FON): 297
- Step and Column Movement
- SRP Savings (\$ 8.7M) & SRP Annual Administration Costs to PARS (\$1.5M)
- State Pension Contributions (PERS & STRS)
- Utility cost increases of 10% over 2024-25 (\$497,736)
- Reductions to 2025-26 Supplies, Services and Equipment Budgets (-\$ 2.1M)

All Funds Overview

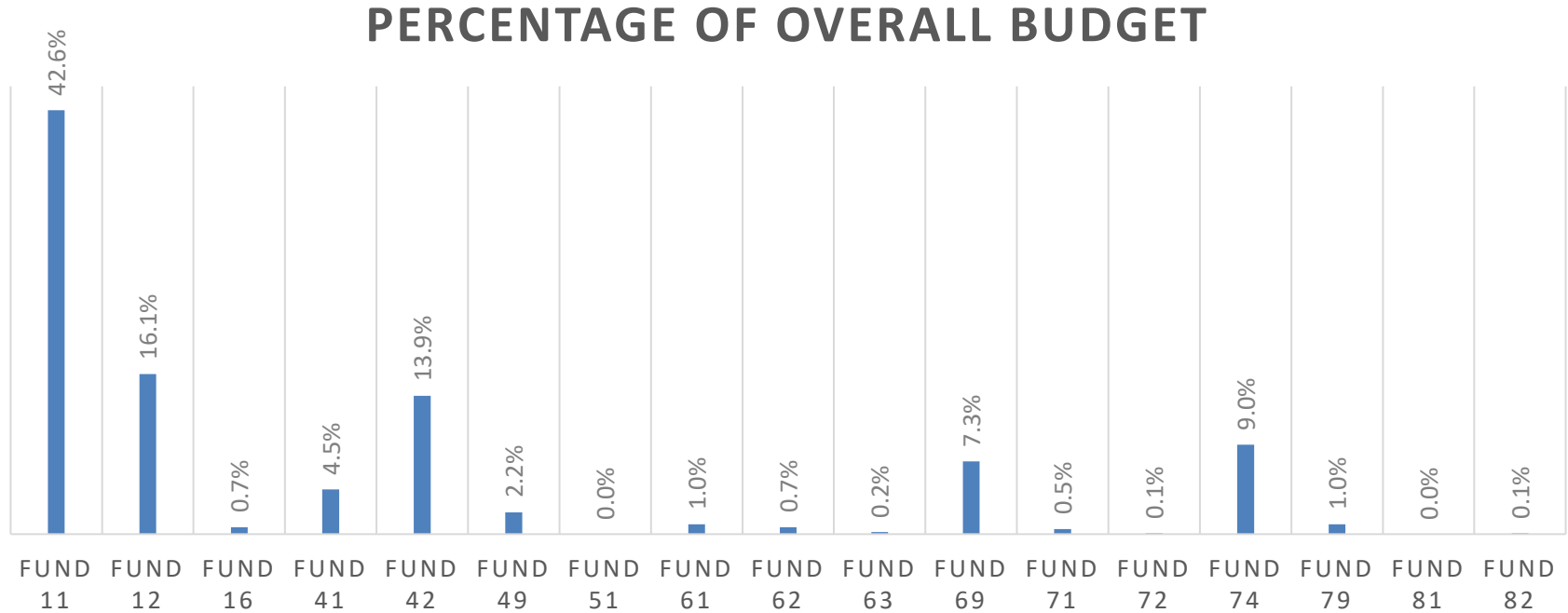
All Funds Overview (17)

- General Fund Unrestricted Fund 11
- General Fund Restricted Fund 12
- STRS/PERS Future Liabilities Fund 16
- Capital Outlay Projects Fund 41
- General Obligation Bond Fund 42
- Safety Training Center Fund 49
- Bookstore Fund 51
- Workers' Compensation Fund 61

All Funds Overview (17)

- Property and Liability Self-Insurance Fund 62
- Dental Self-Insurance Fund 63
- Post-Employment Benefits Irrevocable Trust Fund 69
- Associated Student Body Fund 71
- Student Representation Fees Fund 72
- Student Financial Aid Fund 74
- Auxiliary Services Fund 79
- Student Organizations Fund 81
- Scholarships & Trust/Agency Fund 82

All Funds Overview (17)



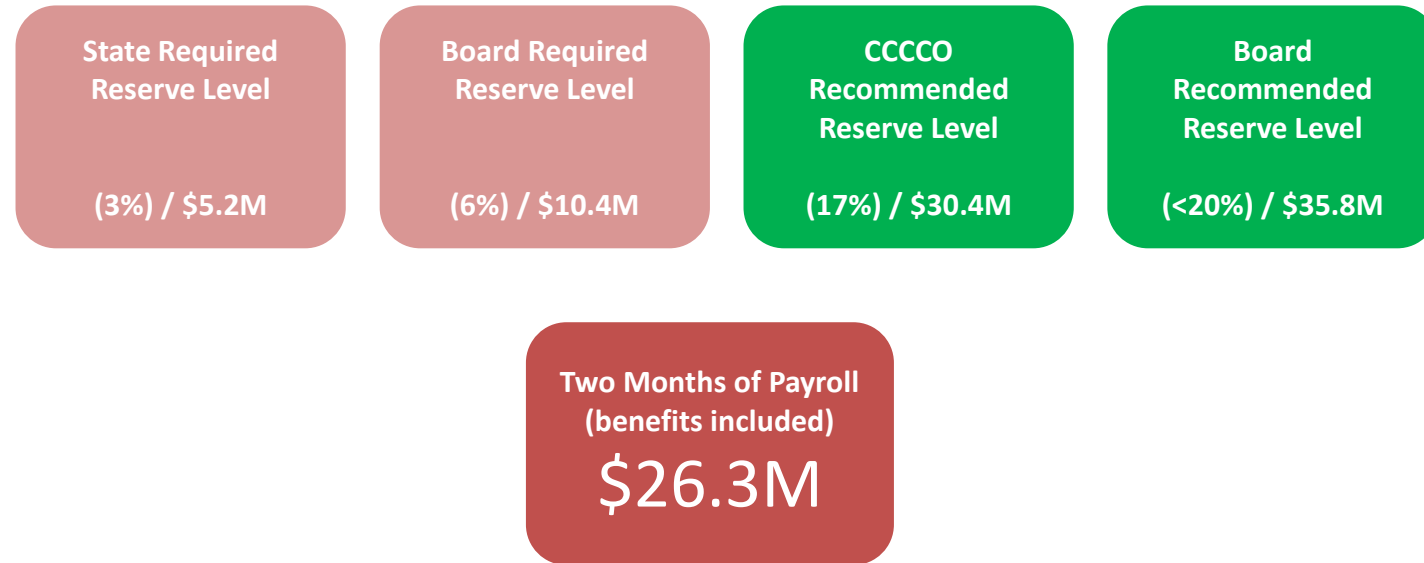
All Funds Overview (17)

- **Beginning Balance: \$250M**
- **Total Available Resources: \$540M**
- **Total Appropriations: \$357.5M**
- **Projected Ending Fund Balance: \$182.6M**

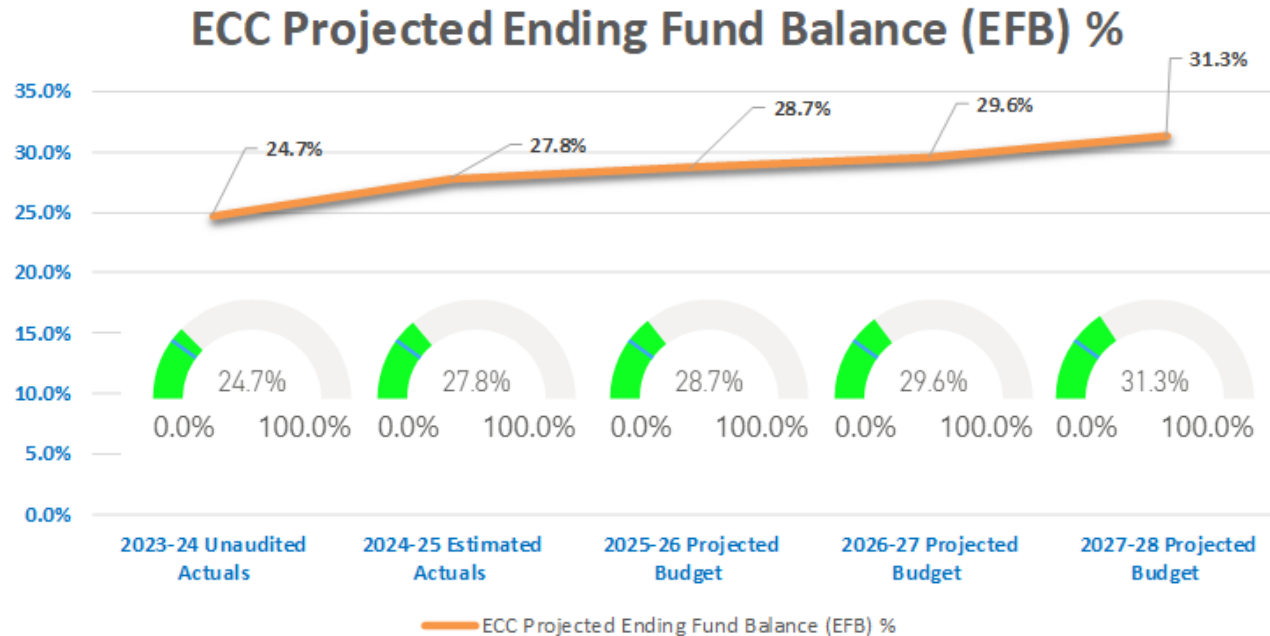
Reserves & Fiscal Stability

Understanding Reserve Levels (25-26)

Reserve Levels = % of total unrestricted General Fund expenditures and other outgo.



Reserves & Fiscal Stability (Fund 11)

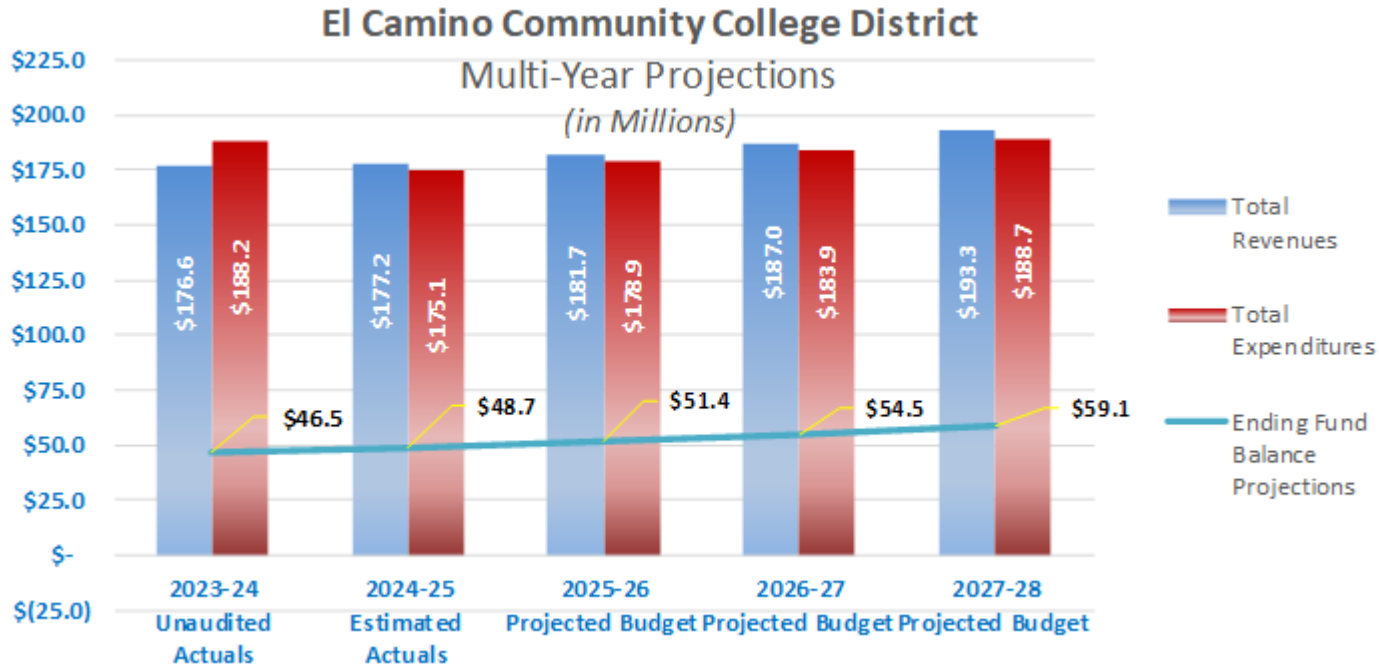


Fund 11

25-26 Final Budget & MYP

	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Projected Budget	2026-27 Projected Budget	2027-28 Projected Budget
Total Revenues	\$ 176,629,391	\$ 177,249,361	\$ 181,669,581	\$ 186,953,205	\$ 193,327,373
Total Expenditures	\$ 188,222,926	\$ 175,090,314	\$ 178,926,391	\$ 183,902,168	\$ 188,708,444
Surplus / (Deficit)	\$ (11,593,535)	\$ 2,159,048	\$ 2,743,190	\$ 3,051,037	\$ 4,618,929
Beginning Fund Balance	\$ 58,127,316	\$ 46,506,976	\$ 48,666,023	\$ 51,409,214	\$ 54,460,250
Ending Fund Balance Projections	\$ 46,533,781	\$ 48,666,023	\$ 51,409,214	\$ 54,460,250	\$ 59,079,180
<u>Reserves *</u>					
CCCCO Recommended Reserve Level (17%)	\$ 31,997,897	\$ 29,765,353	\$ 30,417,486	\$ 31,263,369	\$ 32,080,435
Board Recommended Reserve Level (20%)	\$ 37,644,585	\$ 35,018,063	\$ 35,785,278	\$ 36,780,434	\$ 37,741,689

ECC Multi-Year Projections (MYP)



25-26 Budget to Actuals Report

Summary of Total Fund 11* (Districtwide)

- **Total Adjusted Budget:** \$182.1 million
- **Total Actual Expenditures:** \$15.7 million
- **Total Encumbrances:** \$7.5 million
- **Total Remaining Variance:** \$159 million
- **Overall spend rate:** ~9% of budget utilized (actuals only)

**As of 9/15/25.*

Area-by-Area Highlights

VP Area	Adjusted Budget	Actuals	Variance	Spend Rate
President's Office	\$5.51M	\$0.45M	\$4.75M	8%
Human Resources	\$2.92M	\$0.29M	\$2.53M	10%
Academic Affairs	\$68.70M	\$8.63M	\$59.93M	13%
Student Services	\$21.43M	\$1.56M	\$19.86M	7%
Admin Services	\$28.84M	\$3.42M	\$24.09M	12%
District-Wide Costs	\$54.72M	\$1.32M	\$47.83M	2%
Total	\$182.1M	\$15.7M	\$159.0M	9%

Observations and Insights

- **Front-loaded budgets vs. back-loaded spending:** The District appears to budget conservatively upfront, with much of the spending yet to occur. This is particularly evident in **District-Wide Costs**.
- **Variance is very high across all areas:** Even in Academic Affairs (the heaviest spender), **87% of funds remain**. Careful monitoring will be essential to avoid a late-year spending surge.
- **Encumbrances play a meaningful role:** About **\$7.5M (4%)** is already locked in contracts, which will reduce the variance as the year progresses.

Observations and Insights

- **Risk of under-execution:** If spending rates don't accelerate, large surpluses could emerge — raising questions about whether budgets were overstated or projects delayed.
- The current profile is **consistent with a district early in the fiscal year.**

Looking Ahead

Looking Ahead

- **Cautious optimism** with District's MYP.
- Long-term outlook depends on key assumptions holding.
- **Possible reductions:** temp non-classified, hourly staff, student workers, faculty overload/release time.
- Course cuts and restrictions on blanket POs, travel, conferences, professional development may be needed.
- **Larger measures may include:** hard hiring freeze, employee benefit/contribution changes, additional SERP.

Looking Ahead

- **Monitoring external risks:** SCFF deferrals, possible Prop 98 reductions (due to TK expansion in K-12).
- **Enrollment volatility** adds uncertainty.
- **Focus on:** disciplined spending control, monitoring allocations/POs, timely adjustments to fiscal and enrollment trends.

Q&A

