SOUTHWESTERN COMMUNITY COLLEGE DISTRICT

Adopted Budget

FY 2026-2027

Presentation to Governing Board
September 21, 2026

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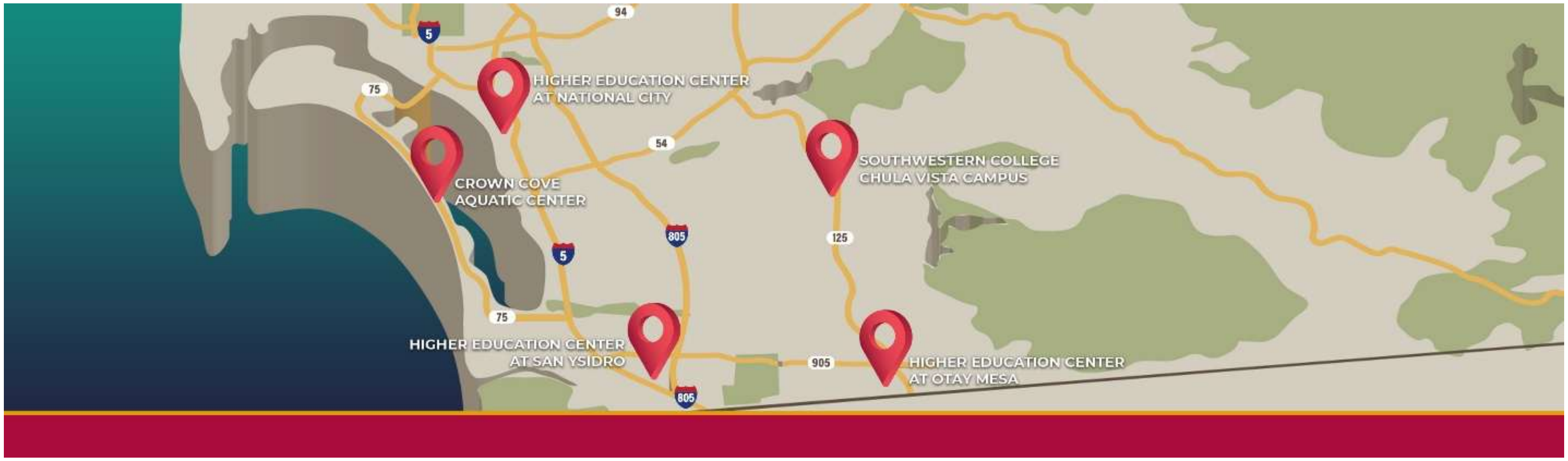
Southwestern CCD Service Area



State Budget Main Steps

January 10th
Proposed Budget Introduced

February 2026 Final Recalculation for 2024-2025

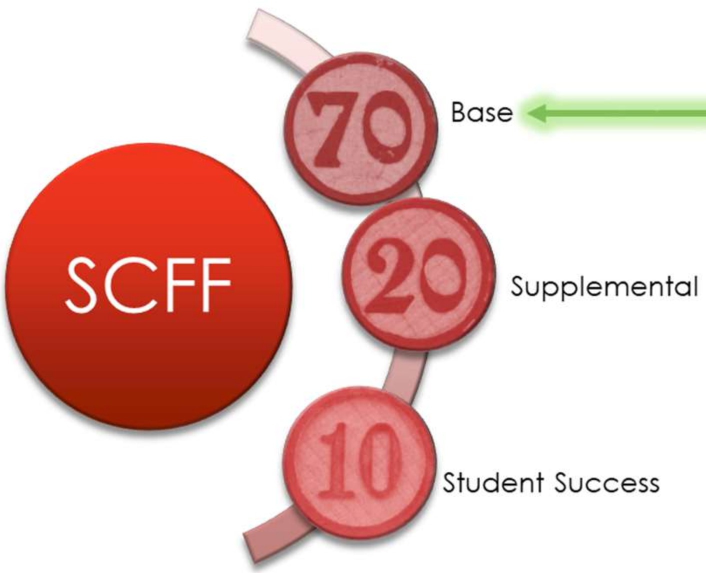
May 14th
May Revise Released

June 15th
Legislature Approves Budget

Enacted State Budget Overview

- California Budget: http://www.ebudget.ca.gov/
- Funds 2.87% COLA (Including Apportionments)
- Discretionary (Super) COLA 1.44%
- 5.74% COLA for SEAP ($30.1M)
    - One-time
- Enrollment Growth
    - For 2025-2026 – 1% ($55.3M)
    - For 2026-2027 – 0.5% ($33.9M)
- One-Time Funding
    - $120.7M (Total) for Deferred Maintenance
    - $147.2M (Total) Student Support Block Grant

Change to the Student-Centered Funding Formula



Student-Centered Funding Formula (SCFF) base allocation is changed, to allow a district's funded credit FTES to be the greater of the existing 3-year rolling average or the current-year credit FTES

2026-2027 Enacted Budget Deferral

- Pays system-wide deferral of $408.4 million

Other changes

Miscellaneous Policy Changes

Implements state approval process for short-term programs aligned with federal Workforce Pell requirements.

Increases the eligibility from age 28 to age 30 commencing with the 2026-27 award year through the 2030-31 award year for the Cal Grant Transfer Entitlement Program.

Awards may be used for occupational/technical training programs of not less than 8 weeks (previously 4 months). Award amounts are based on program length.

For award years 2026–27 through 2030–31, the age limit rises from under 28 to under 30 by December 31 of the award year.

Other changes

Miscellaneous Policy Changes

Implements state approval process for short-term programs aligned with federal Workforce Pell requirements.

Increases the eligibility from age 28 to age 30 commencing with the 2026-27 award year through the 2030-31 award year for the Cal Grant Transfer Entitlement Program.

Authorizes the Part-Time Faculty Health Insurance Program to include vision or dental benefits.

The enacted budget authorizes reimbursement of dental and vision benefits under the program going forward.

CCCCO Joint Analysis – Enacted Budget

- Repays SCFF deferral from 2025-26
- Pays off the $1.9B settle-up created in 2024-25
  - Created a new one though - $3.96B settle-up
- Adjusts Prop. 98 split percentage to be 88.9% for TK-12 and 11.1% for Community Colleges
- There continues to be on going concerns about structural deficits

THE ASSOCIATION OF CALIFORNIA COMMUNITY COLLEGE ADMINISTRATORS
Celebrating 50 YEARS
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1976-2026

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COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

CCLC Settle-up visual

2025–26 PROPOSITION 98

The budget leaves $3.9 billion of the guarantee unpaid

The obligation remains due if revenues hold—making the timing and allocation of the settle-up consequential.

TOTAL CONSTITUTIONAL GUARANTEE

$125.3B

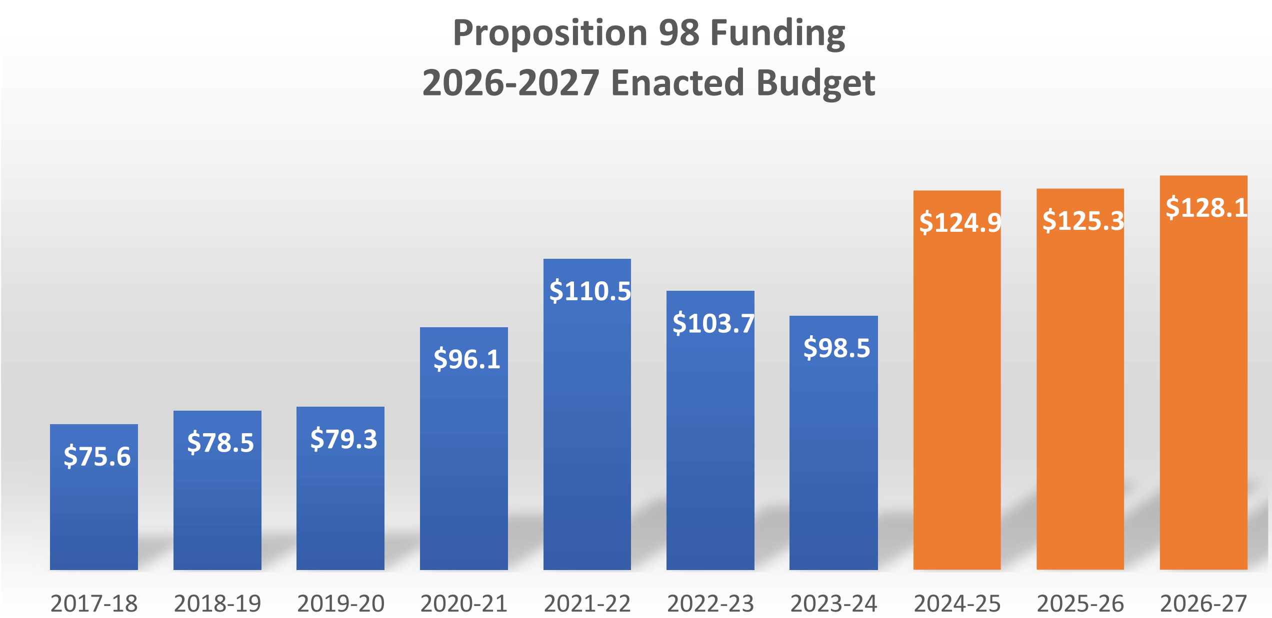
$3.9B

STILL OWED AS SETTLE-UP

The settle-up is not a bonus—it is funding already owed under the guarantee.

Prop. 98

- **Proposition 98 calculated as follows**
  - 2024-2025 $124.9B
  - 2025-2026 $125.3B
  - 2026-2027 $128.1B
- **Settle-up**
  - Maintained a $3.9B for 2025-2026
  - IF revenues remain strong, enacted budget proposes to pay in the 2027-2028 Budget Act



Discretionary COLA

- Statutory COLA 2.87% for both SCFF and Restricted Programs
- Discretionary COLA 1.44%
- The Budget requires all TK-14 local educational agencies, to provide all employees with up to 14 weeks of paid pregnancy disability leave beginning on January 1, 2027.
- Discretionary COLA is available to support any costs related to providing all employees with up to 14 weeks of paid pregnancy disability leave beginning January 2027.

2026-2027
Adopted Budget

2026-2027

SCFF

- **Base Rates - FTES**

Credit	Incarcerated	Special Admin	CDCP	Noncredit
$5,649	$7,922	$7,922	$7,922	$4,764

- **Base Rates – College-Centers**

Single College	Centers
$9,260,150	Up to $2,315,037

- **Supplemental Point Value**

AB540 Students	Pell Grant	Promise Grant
	$1,335	

- **Student Success Main and Equity Point Value**

All Students (Main)	Pell / Promise Grants (Equity)
$787	$198

***Showing partial formula information**

All Revenue Adopted Budget FY 2026-2027

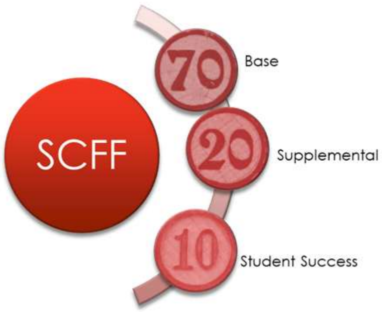
		FY 2026-27 Adopted Budget All Funds
General Fund:		
Unrestricted	$	175,719,478
Restricted		49,810,345
Total General Fund	$	225,529,823
Other Funds:		
Capital Outlay	$	2,630,256
Proposition Z Construction Bond Fund		1,128,552
Proposition SW Bond Fund		3,000,000
Enterprise Funds		
Bookstore		2,451,850
Food Services		2,300,799
Civic Center-Facilities Leasing		1,185,735
Fitness Center		1,100,100
Associated Student Organization (ASO)		342,313
Student Representation Fee		67,236
Student Center		78,000
Total Other Funds	$	14,284,841
Total Budgeted Revenue	**$**	**239,814,664**

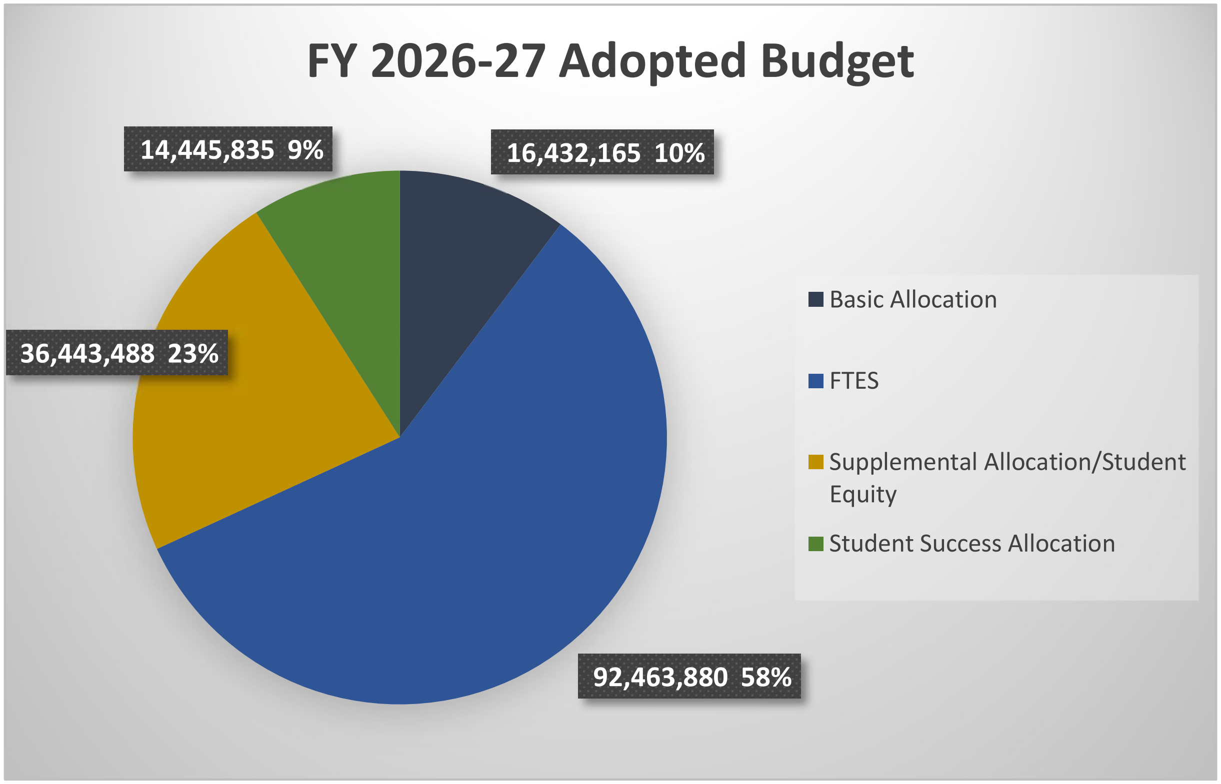
General Fund

Fund 12 - Restricted

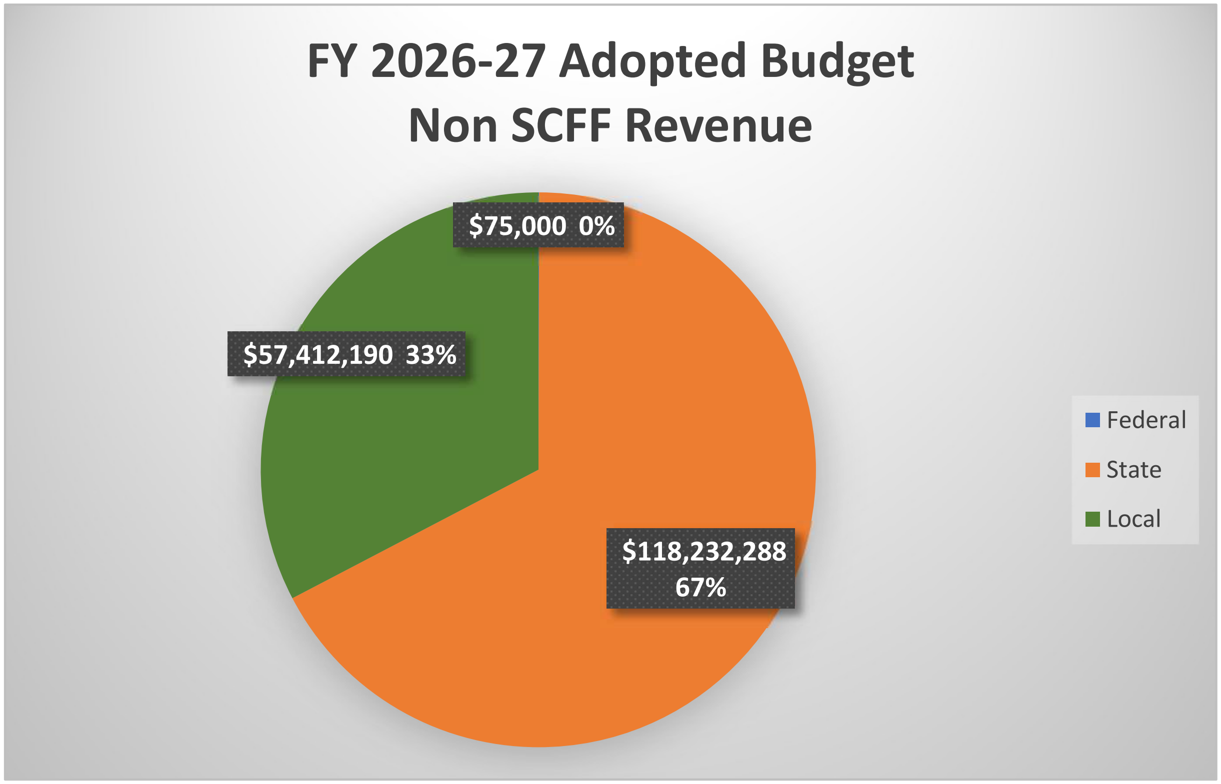
Fund 11 - Unrestricted

Unrestricted Revenue
Adopted Budget FY 2026-2027



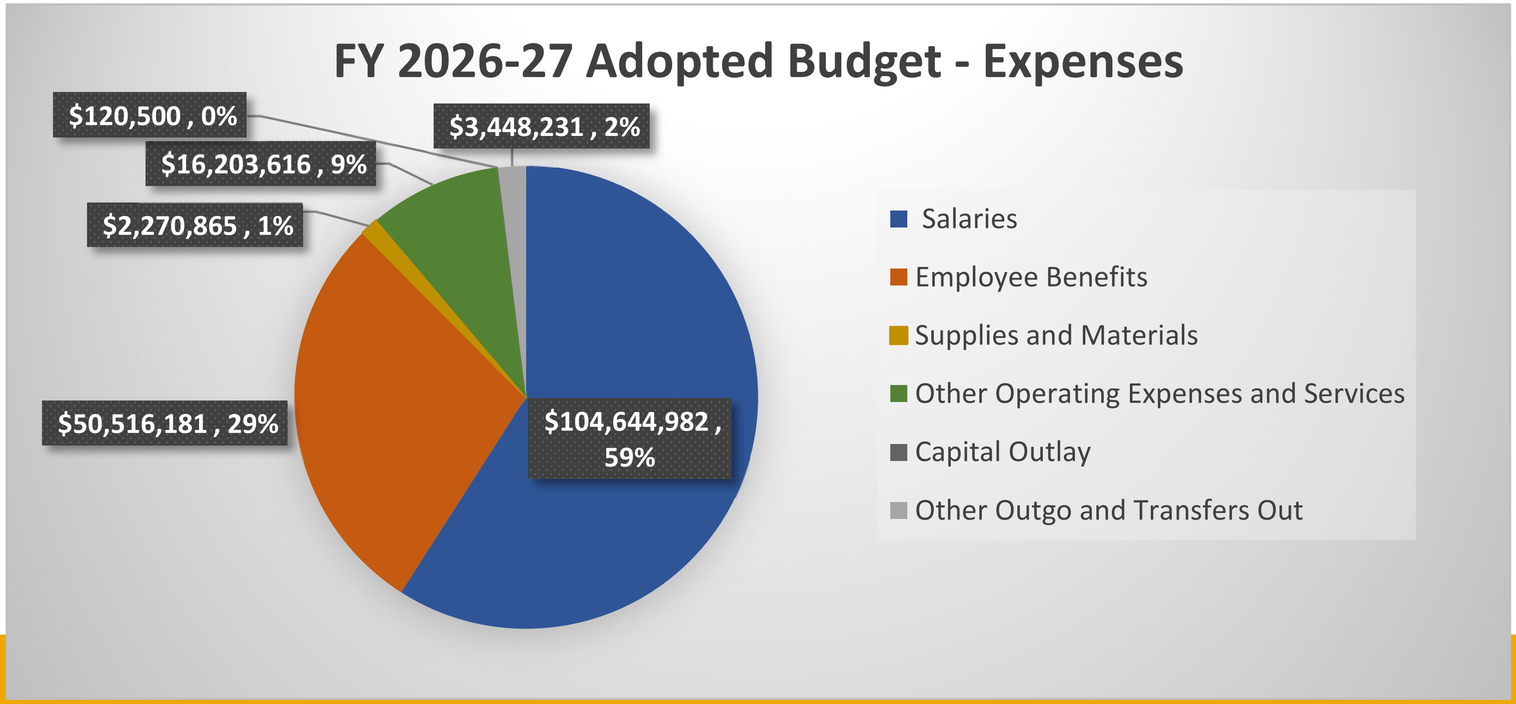


Unrestricted Revenue
Adopted Budget FY 2026-2027



2026-2027 Adopted Budget Unrestricted General Fund Expenses

- Personnel Benefit costs increased by 7% from previous FY
- Operational / Services expenses increased by 8%



Unrestricted General Fund Balance FY 2026-2027

Beginning Fund Balance		$27,134,036
Revenues	$175,719,478	
Expenses	177,204,375	
Difference of Revenue over Expenses		(1,484,897)
Unaudited Fund Balance		$25,649,139

Restricted Revenue Adopted Budget FY 2026-2027

Restricted Fund 12		FY 2026-27 Adopted Budget
Revenue		
Federal	$	7,592,588
State		35,224,512
Local		4,273,514
Transfers In		2,719,731
Total Revenue	$	49,810,345
Expenses		
Salaries	$	19,030,989
Employee Benefits		8,130,163
Total Personnel Expenses	$	27,161,152
Supplies and Materials	$	4,700,423
Other Operating Expenses and Services		13,395,110
Capital Outlay		1,401,855
Other Outgo and Transfers Out		3,151,805
Total Other Expenses	$	22,649,193
Total Expenses	$	49,810,345
Excess (Deficit)	**$**	**-**

Prudency in Budget Development

- On-going concerns of structural deficits continue
- State included efforts to hedge revenue volatility, by increasing state reserves and finding new revenue streams and delayed spending. Examples include:
  - New revenue stream introduced is SB122 – sales tax increases to certain digital products, detrimental to our operations
  - Delayed spending is the settle up amount, it delays cash being sent to districts, also detrimental to operations
- Student Centered Funding Formula
  - 2025-2026 ended with a small deficit factor (0.3341%) of $507,536
- Cost of health care benefits continue to outpace expected averages
- PERS/STRS Contribution rate increases
- Southwestern CCD continues to use quality and careful judgement as we develop and allocate resources to garner the utmost benefit out of every dollar.

Other Information

- CCCCO Joint Analysis - Enacted Budget
- California Senate Bill 122

Thank you!