



SAN DIEGO

Community College District

2025-26 ADOPTED BUDGET BOARD OF TRUSTEES PRESENTATION

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FINANCE AND BUSINESS SERVICES**



PARALLEL BUDGET PROCESSES

State

January
Proposal

May 14
Revision

June Budget

SDCCCD

Spring
Preliminary

June Tentative

September
Adopted



CONTEXT FOR 2025-26 STATE BUDGET

- Decision makers concerned about economic environment
- Deficit estimated at approximately **\$12 billion** in 2025-26.
- Deficits likely to be persistent.
- Includes **NO** major core reductions to community college programs or services.

BUDGET OUTLOOK

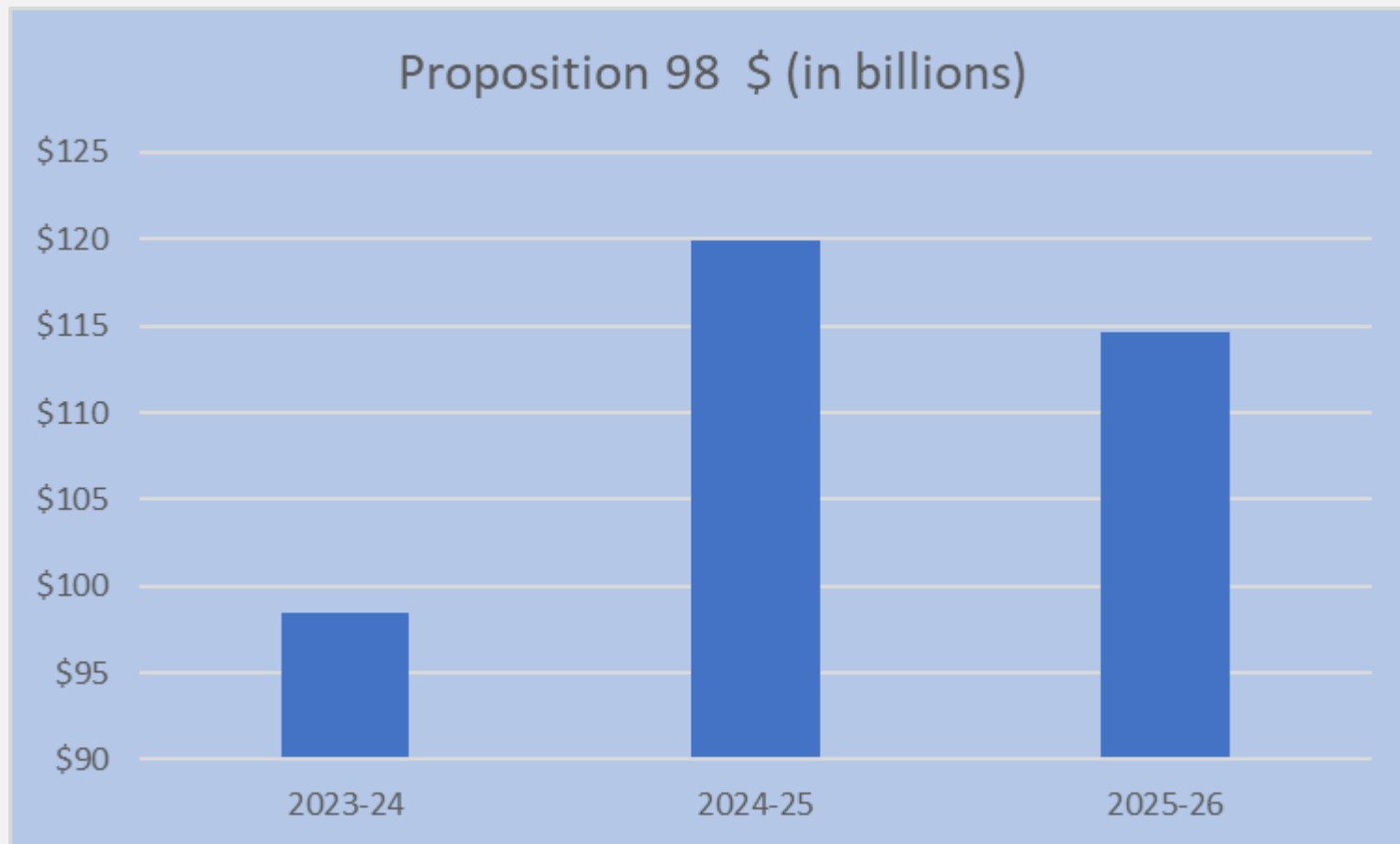
- Revenue volatility - Economic slowdown in progress, tariffs, decreased federal support, stocks inflated by historical measures
- Cost pressures for state related to Medi-Cal and rising inflation
- The budget includes a pre-planned withdrawal of \$7.1 billion from the State reserves and the Rainy Day Fund in 2025-26, leaving \$15.7 billion in state reserves.
- Budget solutions include program reductions, internal borrowing, delays and deferrals, and fund shifting.
- State's boom and bust cycle continues...

PROPOSITION 98

- Proposition 98 (1988) sets a minimum funding guarantee for K-14 education
- The guarantee is determined by different "tests" specified in the Proposition
- 2025-26 is set as Test 1 = No less than 39% of GF revenues (local revenues are on top of the state GF share)
- Responsive to revenue volatility
- Community Colleges receive 10.93% of the guarantee per statute (The 11% Split), but this figure can be manipulated...

PROPOSITION 98 VOLATILITY

- The minimum guarantee has been a roller coaster ride



PROPOSITION 98

- The percentage split can be altered by legislation in any year
- The state has occasionally counted programs against the CCC split that disproportionately benefit K12 programs
- The state utilizes discretion to determine what is counted within the split
- The May Revision proposed a retroactive change to the split by moving all funds for transitional kindergarten to K12 for the 2023-24, 2024-25, and 2025-26 years, depriving CCCs of \$492 million over that period

PROPOSITION 98

- The CCCs engaged in advocacy to reverse the TK shift
- Partial success achieved:
 - The final budget shifts TK revenue in 2025-26, but not in 2023-24 or 2024-25
 - Restored approximately \$260 million in one-time funds to the CCCs
- Biggest impact was the allocation of an additional \$100 million to fund 2024-25 unfunded FTES
 - SDCCD earned an additional \$4.9 million in the FY25 SCFF

2025-26 COMMUNITY COLLEGES BUDGET HIGHLIGHTS

Increase of **\$244.2 million** to support a 2.3% COLA for apportionments and select categorical programs.

Provides a total of **\$140 million** across the 2024-25 and 2025-26 budget years to support a combined enrollment growth of 2.35%.

Provides one-time fire-related tax backfills of **\$3.8 million** in 2024-25 and **\$8 million** in 2025-26.



ONE-TIME FUNDS

- **\$60 million one-time** to establish the Student Support Block Grant.
- **\$20 million one-time** to support emergency financial assistance grants to students.
- **\$15 million one-time** to support Dreamer Resource Liaisons.



NEW AND EXPANDED INITIATIVES

- Technology and Data Systems
 - Provides \$12 million one-time for the Common Cloud Data Platform.
 - Provides \$6.6 million one-time for e-Transcript California.
 - Significantly reduced from the January proposal
- Credit for Prior Learning and Career Passport
 - Provides \$15 million one-time and \$5 million ongoing to scale Credit for Prior Learning.
 - Provides \$25 million one-time to implement the Career Passport.
- Rising Scholars Network
 - Provides \$10 million ongoing for all colleges to participate in the Rising Scholars Network.

STUDENT-CENTERED FUNDING FORMULA (SCFF)

➤ Components

- Basic Allocation – fixed amount based on number of colleges, centers, and Full Time Equivalent Students (FTES)
- FTES Allocation – revenue earned based on three-year average FTES
- Supplemental Allocation – revenue earned based on headcount of AB 540, Pell, Promise Grant
- Success Allocation – revenue earned based on three-year average headcount in various outcome categories

STUDENT-CENTERED FUNDING FORMULA (SCFF)

- Revenue Sources
 - Local property taxes – most stable source of revenue
 - Student Enrollment Fees – fluctuate based on enrollment and proportion of students required to pay fees
 - Education Protection Account (EPA) – volatile, subject to stock market swings
 - State General Fund Allocation – volatile, subject to stock market swings

STUDENT-CENTERED FUNDING FORMULA (SCFF)

Funding tests

- A. SCFF Calculation; or
- B. Stability Protection – one-year protection based on prior year SCFF calculation adjusted by current year cost-of-living adjustment (COLA); or
- C. Hold Harmless –
 - 1. 2024-25 and earlier: District's 2017-18 apportionment revenue as adjusted by annual COLAs
 - 2. 2025-26 and after: District's 2024-25 funding (highest of SCFF Calc, Stability, or Hold Harmless)

Districts are funded on the greatest of their actual SCFF calculation, Hold Harmless (now “Floor”), or Stability figure.

THE APPORTIONMENT CYCLE

| Certification Period | Timing | Payments |
|--------------------------------|---|--|
| Advance Apportionment | July 15th of the current fiscal year | July through January |
| First Principal Apportionment | February 20th of the current fiscal year | February through May |
| Second Principal Apportionment | June 25th of the current fiscal year | June |
| Recalculation | February 20th of the subsequent fiscal year | February of the subsequent fiscal year |

Actual State Funding for the 2024-25 Year will not be known until February 2026
(8 months after the fiscal year ends)

SCFF ADJUSTMENTS

SCFF 2024-25

| | Initial P2 | Early Recalculation |
|------------------|---------------|---------------------|
| SCFF Calculation | \$325,287,361 | \$330,148,788 |
| Stability | \$326,904,880 | \$326,904,880 |
| Hold Harmless | \$319,573,817 | \$319,573,817 |

SCFF FUNDING COMPONENTS

FY 2024-25 SDCCCD SCFF Total Computational Revenue (TCR) Revenue Earned
@ Early Recalculation July 2025

| | |
|-------------------------------|---|
| ➤ Basic Allocation - | \$32,542,257 (three colleges, five centers) |
| ➤ FTES Allocation - | \$226,325,449 (39,213.14) |
| ➤ Supplemental Allocation - | \$43,167,631 (34,480 headcount FY24) |
| ➤ <u>Success Allocation -</u> | <u>\$28,113,451 (36,115 headcount 3-year avg)</u> |
| ➤ Total SCFF | \$330,148,788 |

SCFF FUNDING SOURCES

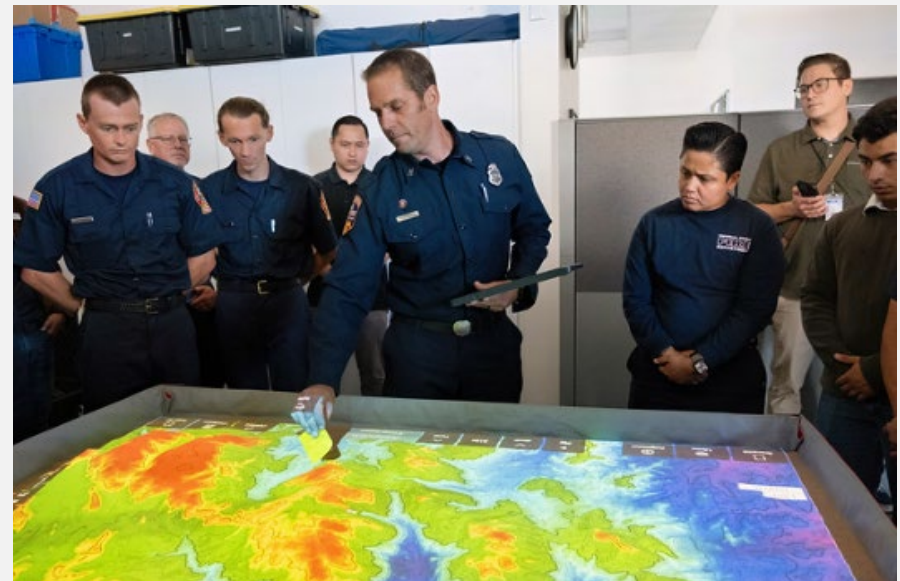
SDCCD SCFF TCR Funding Sources

| | |
|--|----------------------|
| ➤ Local property taxes and ERAF - | \$167,565,210 |
| ➤ Student Enrollment Fees - | \$16,340,116 |
| ➤ Education Protection Account - | \$65,748,326 |
| ➤ <u>State General Fund Allocation -</u> | <u>\$80,495,136</u> |
| ➤ Total | \$330,148,788 |
| ➤ <i>SDCCD FY 2024-25 SCFF TCR</i> | <i>\$330,148,788</i> |

GENERAL FUND UNRESTRICTED

FY2025 RESULTS

- 2024-25 General Fund Unrestricted (GFU) operations are projected to yield a surplus of just over \$7.5 million.
- Preliminary GFU ending fund balance is projected to be over \$94 million (>25% of GFU expenditures)
- Surplus owes to cost controls, adjustment in fair market investment value and other audit adjustments, elimination of 2024-25 state deficit, and position vacancy savings



RECENT GFU ENDING BALANCES

| | FY 2021-22 | FY 2022-23 | FY 2023-24 | Projected FY 2024-25 |
|-------------------|---------------|---------------|---------------|----------------------|
| GFU Revenue | \$307,864,453 | \$331,579,822 | \$370,586,097 | \$373,514,393 |
| GFU Expenditures | \$294,404,115 | \$316,640,920 | \$343,909,988 | \$365,952,381 |
| Ending Balance | \$35,363,457 | \$50,302,359 | \$76,978,494 | \$94,345,297 |
| % of Expenditures | 12.0% | 15.9% | 22.4% | 25.8% |

2025-26 FTES TARGETS

| College | FTES TARGETS | | | | |
|----------------------------|-----------------|------------------|-------------------|------------------|------------------|
| | Summer 2025 | Fall 2025 | Intersession 2026 | Spring 2026 | Total FTEF |
| City College | 450.00 | 3,900.00 | 79.50 | 3,240.00 | 7,669.50 |
| Mesa College | 1,230.00 | 5,970.00 | 360.00 | 5,790.00 | 13,350.00 |
| Miramar College | 584.25 | 3,547.35 | 68.55 | 3,374.85 | 7,575.00 |
| In-Service | 364.00 | 442.00 | - | 451.00 | 1,257.00 |
| CREDIT COLLEGES | 2,264.25 | 13,417.35 | 508.05 | 12,404.85 | 29,851.50 |
| CDCP | 1,301.76 | 3,129.66 | - | 3,185.46 | 7,616.88 |
| Regular NC | 183.24 | 721.62 | - | 694.26 | 1,599.12 |
| SDCCE Total | 1,485.00 | 3,851.28 | - | 3,879.72 | 9,216.00 |
| District Total FTES | 3,749.25 | 17,268.63 | 508.05 | 16,284.57 | 39,067.50 |

PLANNING FACTORS

- COLAs are critical for keeping pace with rising costs. In recent years, COLAs have been widely variable:

| Fiscal Year | COLA % |
|-------------|--------|
| 2023-24 | 8.22 |
| 2024-25 | 1.07 |
| 2025-26 | 2.30 |

- Pension System Costs:

- CalPERS rates are determined annually by the CalPERS Board. CalSTRS rates are determined in statute.

| Fiscal Year | PERS % | STRS % |
|-------------|--------|--------|
| 2023-24 | 26.68 | 19.10 |
| 2024-25 | 27.05 | 19.10 |
| 2025-26 | 26.81 | 19.10 |



SAN DIEGO COMMUNITY COLLEGE DISTRICT
GENERAL FUND UNRESTRICTED - ADOPTED BUDGET
DISTRICTWIDE REVENUE & EXPENSE ALLOCATIONS BY COLLEGE
 FISCAL YEAR 2025-2026
 Campus Target FTES of 39,067

PROJECTED CONTINUOUS REVENUES:

| Apportionment Allocation | Rate per FTES | # of FTES | Anticipated Three Year | Apportionment based on |
|--|---------------|----------------------|---------------------------|---------------------------|
| Student Centered Funding Formula Calculation | | | | |
| Credit Base | \$5,416 | 28,947 | 28,523 | 154,480,351 |
| Special Admit (Preliminary Estimates) | \$7,595 | 904 | 1,010 | 7,673,314 |
| CDCP Base (Preliminary Estimates) | \$7,595 | 7,617 | 7,617 | 57,851,115 |
| Non-Credit Base (Preliminary Estimates) | \$4,567 | 1,599 | 1,599 | 7,302,633 |
| Total FTES (Credit & Non-Credit Combined) | | <u>39,067</u> | | <u>227,307,413</u> |
| Basic Allocation | | | | 33,290,727 |
| FTES | | | | 227,307,413 |
| Supplemental Allocation | | | | 44,160,486 |
| Student Success Allocation | | | | 28,170,903 |
| 2025-26 SCFF Calculated Revenue | | | | <u>332,929,529</u> |
| Stability Protection | | | | 4,812,681 |
| Total Apportionment | | | | <u>337,742,210</u> |

2025-26 SCFF FUNDING

SCFF PROJECTIONS

SCFF 2025-26

| SCFF 2025-26 | |
|------------------|-----------------------|
| | Advance Apportionment |
| SCFF Calculation | \$332,929,529 |
| Stability | \$337,742,210 |
| Hold Harmless | \$330,148,788 |

2025-2026 ADOPTED BUDGET

COMPARISON OF 2024-2025 BUDGETED REVENUE TO 2025-2026 ADOPTED BUDGETED REVENUE

GENERAL FUND UNRESTRICTED REVENUES

| Revenue Source | 2024-2025 Adopted Budget | 2025-2026 Tentative Budget | Changes Over/ (Under) |
|--|--------------------------------|----------------------------------|-----------------------------|
| Apportionment | | | |
| Basic Allocation | \$ 32,542,257 | \$ 33,290,729 | \$ 748,472 |
| Credit FTES | 156,888,700 | 154,480,351 | (2,408,349) |
| Regular Non-Credit CDCP | 55,127,671 | 58,669,762 | 3,542,091 |
| Non-Credit FTES | 4,297,422 | 7,303,892 | 3,006,470 |
| Special Admit | 10,580,058 | 11,076,929 | 496,871 |
| Sub-Total | 259,436,108 | 264,821,663 | 5,385,555 |
| Supplemental Allocation | | | |
| Student Success Allocation | \$ 39,057,441 | \$ 44,160,487 | \$ 5,103,046 |
| Sub-Total | 67,272,558 | 72,920,547 | 5,647,989 |
| Total Apportionment Revenue | 326,708,666 | 337,742,210 | 11,033,544 |
| Lottery | | | |
| FY 2019-20 Full-Time Faculty | \$ 7,453,011 | \$ 7,422,730 | \$ (30,281) |
| FY 2021-22 Full-Time Faculty | 1,922,450 | 1,922,450 | 0 |
| Mandated Cost Reimbursement | 3,025,628 | 3,025,628 | 0 |
| Interest Revenue | 1,514,015 | 1,424,383 | (89,632) |
| Non-Resident Tuition | 2,961,740 | 5,029,818 | 2,068,078 |
| BFAP 2% Unrestricted portion (Previously BOG Fee Waivers Admin.) | 5,000,000 | 5,000,000 | 0 |
| Student Fees | 990,162 | 936,874 | (53,288) |
| Apprenticeship Allowance | 4,600 | 5,600 | 1,000 |
| Enrollment Resident Fee (2%) | 442,585 | 329,649 | (112,936) |
| Part-time Faculty Compensation | 278,062 | 333,471 | 55,409 |
| Part-time Faculty Health Benefits | 901,684 | 895,117 | (6,567) |
| Part-time Faculty Office Hours | 7,380,000 | 8,000,000 | 620,000 |
| Indirect Cost | 937,715 | 2,289,636 | 1,351,921 |
| STRS On Behalf allocation | 1,000,000 | 1,000,000 | 0 |
| Other Local Revenue | - | 9,526,078 | 9,526,078 |
| Transfers In | 921,699 | 190,796 | (730,903) |
| Total Revenue | 361,964,064 | 385,596,487 | 23,632,423 |
| Beginning Balance | \$ 76,978,468 | \$ 94,345,298 | \$ 17,366,830 |
| TOTAL UNRESTRICTED REVENUES | \$ 438,942,532 | \$ 479,941,785 | \$ 40,999,253 |

GFU REVENUE TREND

| General Fund Unrestricted Revenue Trend | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| | Actuals | Actuals | Adopted | Projected | Projected | Projected |
| | Per 311 | Projected | Budget Projections | | | |
| ALL REVENUE SOURCES | | | | | | |
| State Revenues | \$ 184,929,091 | \$ 181,734,090 | \$ 184,906,890 | \$ 190,491,078 | \$ 197,005,873 | \$ 203,526,767 |
| Local Revenues | 185,657,006 | 191,780,303 | 200,689,597 | 205,345,596 | 209,904,268 | 214,711,076 |
| Total Revenue | \$ 370,586,097 | \$ 373,514,393 | \$ 385,596,487 | \$ 395,836,674 | \$ 406,910,141 | \$ 418,237,843 |
| Beginning Fund Balance | \$ 50,302,385 | \$ 86,783,285 | \$ 94,345,297 | \$ 94,345,297 | \$ 95,260,846 | \$ 96,360,807 |
| Total Resources | \$ 420,888,482 | \$ 460,297,678 | \$ 479,941,784 | \$ 490,181,971 | \$ 502,170,987 | \$ 514,598,650 |
| STUDENT CENTERED FUNDING FORMULA | | | | | | |
| Base (Basic + FTES) | \$ 256,025,288 | \$ 258,867,706 | \$ 260,598,141 | \$ 268,320,782 | \$ 278,232,567 | \$ 287,442,065 |
| Supplemental | 38,643,951 | 43,167,631 | \$ 44,160,486 | \$ 45,494,133 | \$ 47,050,032 | \$ 48,607,388 |
| Success | 28,774,790 | 28,113,451 | \$ 28,170,902 | 28,914,519 | 29,903,395 | 30,893,198 |
| Hold Harmless/Stability | - | - | 4,812,680 | 254,567 | - | - |
| Total SCFF | \$ 323,444,029 | \$ 330,148,788 | \$ 337,742,209 | \$ 342,984,001 | \$ 355,185,994 | \$ 366,942,651 |
| Other Revenue | 47,142,068 | 43,365,605 | 47,854,278 | 52,852,673 | 51,724,147 | 51,295,192 |
| Total | \$ 370,586,097 | \$ 373,514,393 | \$ 385,596,487 | \$ 395,836,674 | \$ 406,910,141 | \$ 418,237,843 |
| Beginning Fund Balance | \$ 50,302,385 | \$ 86,783,285 | \$ 94,345,297 | \$ 94,345,297 | \$ 95,260,846 | \$ 96,360,807 |
| Total Resources | \$ 420,888,482 | \$ 460,297,678 | \$ 479,941,784 | \$ 490,181,971 | \$ 502,170,987 | \$ 514,598,650 |

GFU EXPENDITURE TREND

| | General Fund Unrestricted Expenditure Trend | | | | | |
|-------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| | Actuals | Actuals | Adopted | Projected | Projected | Projected |
| | Per 311 | Actuals | Budget Projections | | | |
| Salaries | \$ 206,476,170 | \$ 209,962,570 | \$ 222,341,960 | \$ 226,833,267 | \$ 232,322,632 | \$ 237,689,285 |
| Employee Benefits | 100,113,421 | 110,874,436 | 114,776,635 | 118,242,889 | 122,286,796 | 126,334,489 |
| Non-Personnel Expenses | 37,320,397 | 45,115,375 | 48,477,892 | 49,844,969 | 51,200,752 | 52,629,253 |
| TOTAL | \$ 343,909,988 | \$ 365,952,381 | \$ 385,596,487 | \$ 394,921,125 | \$ 405,810,180 | \$ 416,653,027 |
| Beginning Fund Balance | \$ 50,302,385 | \$ 86,783,285 | \$ 94,345,297 | \$ 94,345,297 | \$ 95,260,846 | \$ 96,360,807 |
| Operating Excess (Deficiency) | 26,676,109 | 7,562,012 | 0 | 915,549 | 1,099,961 | 1,584,816 |
| Ending Fund Balance | \$ 76,978,494 | \$ 94,345,297 | \$ 94,345,297 | \$ 95,260,846 | \$ 96,360,807 | \$ 97,945,623 |
| Total Budget | \$ 420,888,482 | \$ 460,297,678 | \$ 479,941,784 | \$ 490,181,971 | \$ 502,170,987 | \$ 514,598,650 |
| Ending Fund Balance % | 22.4% | 25.8% | 24.5% | 24.1% | 23.7% | 23.5% |

TOTAL DISTRICT BUDGET BY FUND 2024-25 TO 2025-26

DISTRICT BUDGET ALL FUNDS

| Funds | 2024-2025 Total Budget Adopted | 2025-2026 Total Budget Adopted | Changes Over/Under |
|---------------------------------|--------------------------------------|--------------------------------------|-------------------------|
| General Funds | | | |
| General Fund Unrestricted | 438,942,532 | 479,941,785 | 40,999,253 |
| General Fund Restricted | 203,650,408 | 183,333,395 | (20,317,013) |
| Total General Funds | \$ 642,592,940 | \$ 663,275,180 | \$ 20,682,240 |
| Other Funds | | | |
| Bond Interest & Redemption Fund | 207,161,386 | 304,706,114 | 97,544,728 |
| Child Development Fund | 5,187,380 | 5,226,479 | 39,099 |
| Other Special Revenue Fund | 674,477 | 598,980 | (75,497) |
| Capital Outlay Projects Fund | 64,343,096 | 59,081,369 | (5,261,727) |
| Proposition HH Fund | - | 885,781,481 | 885,781,481 |
| Enterprise Funds | 12,371,380 | 13,853,270 | 1,481,890 |
| Internal Services | 36,225,297 | 110,897,041 | 74,671,744 |
| Associated Students | 543,090 | 435,372 | (107,718) |
| Student Representation Fee | 640,007 | 651,307 | 11,300 |
| Student Financial Aid Fund | 63,383,057 | 73,145,370 | 9,762,313 |
| Scholarship / Loan | 59,027 | 59,027 | - |
| Trust and Agency | 2,488,593 | 2,556,437 | 67,844 |
| Retiree Benefit Trust | 9,170,008 | 14,493,772 | 5,323,764 |
| Total Other Funds | \$ 402,246,798 | \$ 1,471,486,019 | \$ 1,069,239,221 |
| Grand Totals | \$ 1,044,839,738 | \$ 2,134,761,199 | \$ 1,089,921,461 |

BUDGET NOTES

- Increased ending balances
- OPEB 30% funded
- Contingencies -
 - RAF allocation (determined in fall)
 - Federal emergencies
 - OPEB contribution
- Awaiting One-time State Allocations -
 - Student Success Grant
 - Emergency Financial Aid
- Compensation Growth
 - Step and Column
- Restricted Funds Not keeping Up

MULTI-YEAR BUDGET PLANNING CONSIDERATIONS

- Maintain SDCCD's strong general fund balances
- Utilize reserves to protect and against economic and political uncertainty
- Make optimum use of restricted funds
- Utilize Measure HH funding efficiently
- Respond to declining high school graduating classes through dual enrollment, pathways, and offerings for adult students
- Strategic focus on all SCFF factors, including the supplemental allocation
- Proceed cautiously due to state and federal budget volatility

