# Budget Forum

10/30/25

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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 Context
- Fund 11 Overview
- 25-26 Budget to Actuals
- Looking Ahead

# State Context

# State Budget

- **General Fund revenues** are **$4.5 B (≈ 9%) above** 2025-26 Budget Act estimates.
- **Expenditures** also running **$2.1 B (≈ 3.3%) above** projections.
- **Personal Income Tax:** $3.9 B collected — **+14.7%** vs. forecast.
- **Corporate Tax:** $90.4 M — **-2.1%** below estimates.
- **Sales & Use Tax:** $76.9 M — **-0.9%** below estimates.

# State Budget

- **Cash position remains strong**; expected to improve further following Oct 15 tax filings from L.A. County wildfire-affected residents.
- **Upcoming indicators:** October **DOF Finance Bulletin** and **LAO November forecast** will shape the Governor’s January Budget Proposal.

# State Key Highlights

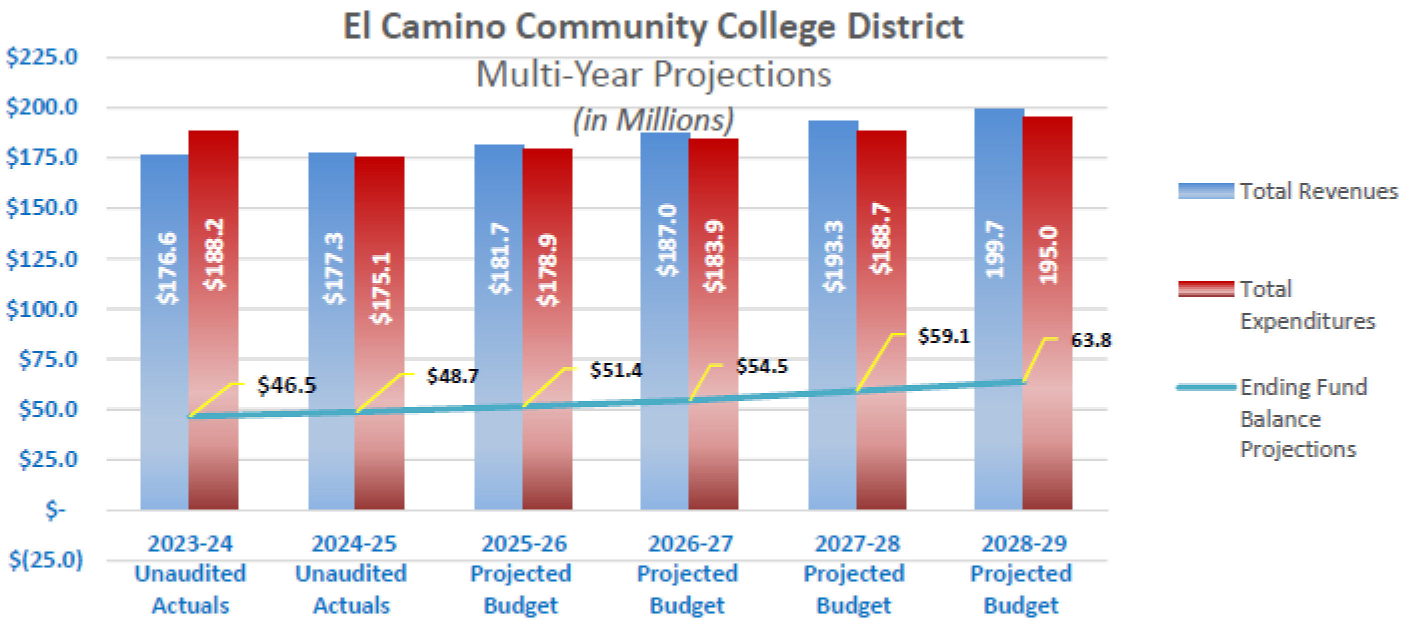
- **Unemployment steady** at 5.5%.
- California's **job market is essentially flat** month-to-month, with public-sector job losses offset by service sector gains.
- State **revenues remain well above forecast**, suggesting stronger-than-expected income and corporate collections, providing fiscal breathing room for 2025-26.
- **Caution:** State still faces a **projected structural deficit** and potential fiscal impacts from federal **H.R. 1 legislation**.

# Fund 11

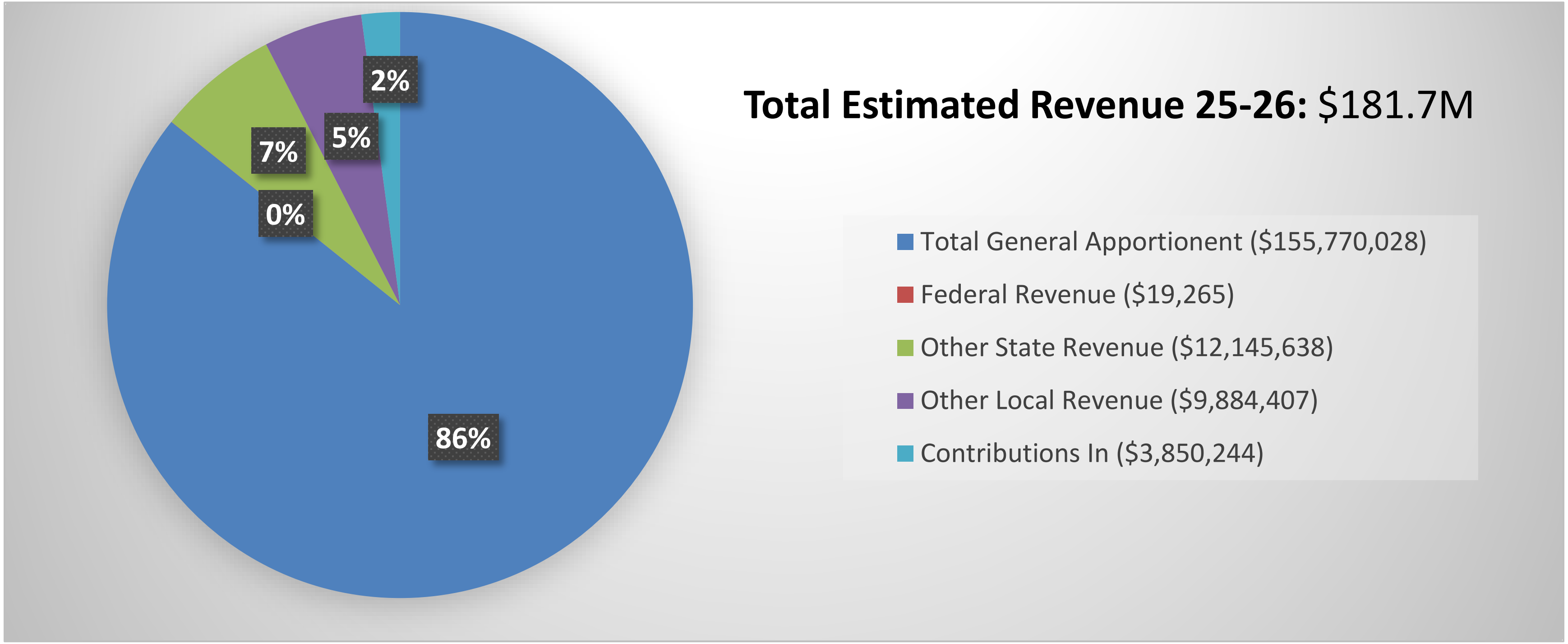
# 25-26 Final Budget & MYP

| | 2023-24 Actuals | 2024-25 Unaudited Actuals | 2025-26 Projected Budget | 2026-27 Projected Budget | 2027-28 Projected Budget | 2028-29 Projected Budget |
|---|---|---|---|---|---|---|
| Total Revenues | $ 176,629,391 | $ 177,263,777 | $ 181,669,581 | $ 186,953,205 | $ 193,327,373 | $ 199,653,306 |
| Total Expenditures | $ 188,222,926 | $ 175,092,007 | $ 178,926,391 | $ 183,902,168 | $ 188,708,444 | $ 194,974,492 |
| Surplus / (Deficit) | $ (11,593,535) | $ 2,171,770 | $ 2,743,190 | $ 3,051,037 | $ 4,618,929 | $ 4,678,814 |
| Beginning Fund Balance | $ 58,127,316 | $ 46,506,976 | $ 48,678,746 | $ 51,421,936 | $ 54,472,973 | $ 59,091,902 |
| **Ending Fund Balance Projections** | **$ 46,533,781** | **$ 48,678,746** | **$ 51,421,936** | **$ 54,472,973** | **$ 59,091,902** | **$ 63,770,716** |
| Reserves * | | | | | | |
| CCCCO Recommended Reserve Level (17%) | $ 31,997,897 | $ 29,765,641 | $ 30,417,486 | $ 31,263,369 | $ 32,080,435 | $ 33,145,664 |
| Board Recommended Reserve Level (20%) | $ 37,644,585 | $ 35,018,401 | $ 35,785,278 | $ 36,780,434 | $ 37,741,689 | $ 38,994,898 |

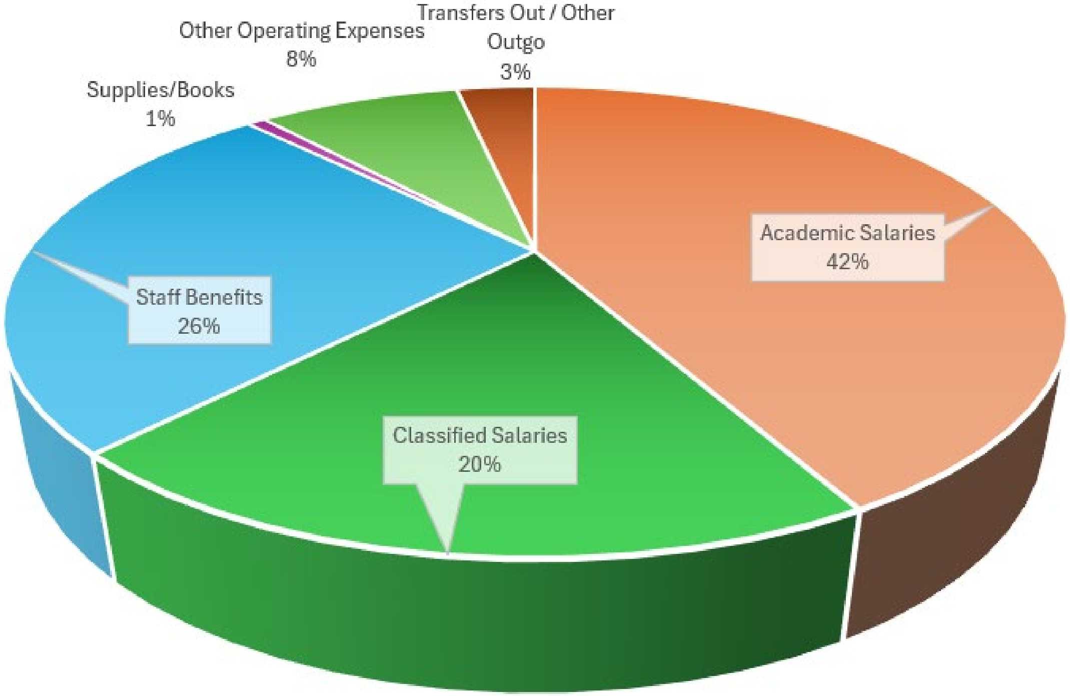
# ECC Multi-Year Projections (MYP)



# All Revenues Breakdown



# 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** |

# 25-26 Budget to Actuals Report

# Summary of Total Fund 11* (Districtwide)

- **Total Adjusted Budget:** $182.45 million
- **Total Actual Expenditures:** $41.1 million
- **Total Encumbrances:** ~$7 million
- **Total Remaining Variance:** $134.4 million
- **Overall spend rate:** 22.5% of budget utilized (actuals only)

**As of 10/13/25.*

# Summary of Total Fund 11* (Districtwide)

| Metric | September | October | Change | Observation |
|---|---|---|---|---|
| **Total Adjusted Budget** | $182.12 M | $182.45 M | ▲ $0.33 M | Essentially unchanged — reflects minor budget adjustments or corrections. |
| **Total Actual Expenditures** | $15.66 M | **$41.08 M** | **▲ $25.42 M** | Spending nearly **tripled**, driven by faculty payroll, instructional expenses, and fall-term activity. |
| **Total Encumbrances** | $7.47 M | $6.97 M | ▼ $0.50 M | Slight decrease — suggests several previously encumbered items were converted to actual expenditures. |
| **Total Remaining Variance** | $158.98 M | **$134.40 M** | **▼ $24.58 M** | Reflects the drawdown from September's unspent balance as spending accelerates. |
| **Overall Spend Rate** | 9.0 % | **22.5 %** | **▲ 13.5 pts** | Districtwide execution has moved from early-year lag to steady operational activity. |

# Area-by-Area Highlights

| VP Area | Adjusted Budget | Sept Actuals | Oct Actuals | Change (Δ $) | Sept Spend Rate | Oct Spend Rate | Δ Rate |
|---|---|---|---|---|---|---|---|
| **President's Office** | $5.51 M | $0.45 M | $1.10 M | **+ $0.65 M** | 8 % | 20 % | ▲ 12 pts |
| **Human Resources** | $2.92 M | $0.29 M | $0.67 M | **+ $0.38 M** | 10 % | 23 % | ▲ 13 pts |
| **Academic Affairs** | $68.70 M | $8.63 M | $24.91 M | **+ $16.28 M** | 13 % | 36 % | ▲ 23 pts |
| **Student Services** | $21.72 M | $1.56 M | $4.62 M | **+ $3.06 M** | 7 % | 21 % | ▲ 14 pts |
| **Administrative Services** | $28.88 M | $3.42 M | $6.75 M | **+ $3.33 M** | 12 % | 23 % | ▲ 11 pts |
| **District-Wide Costs** | $54.72 M | $1.32 M | $3.02 M | **+ $1.70 M** | 2 % | 6 % | ▲ 4 pts |
| **District Total** | **$182.1 M** | **$15.7 M** | **$41.1 M** | **+ $25.4 M** | 9 % | 23 % | ▲ 14 pts |

# Observations and Insights

- **District spending accelerated sharply** — total expenditures rose from $15.7 M to $41.1 M, lifting the overall spend rate from 9 % to 22.5 %.
- **Academic Affairs** drove most of the increase (+$16 M), now accounting for over one-third of all District spending.
- **Administrative Services** and **Student Services** more than doubled their spending, reflecting facility, IT, and student-program costs starting to post.
- **Human Resources** and the **President's Office** show steady but moderate growth, consistent with regular payroll and contracts.
- **District-Wide Costs** remain low (6 % spent), expected to rise later with insurance, utilities, and debt service.

# Observations and Insights

- **Encumbrances dropped slightly** (from \$7.5 M → \$7.0 M) as obligations converted into actual expenditures.
- **Variance decreased** by about **\$25 M**, indicating progress toward planned budget utilization.
- **Academic Affairs' spend rate** jumped from 13 % to 36 %, aligning with fall-term instructional payrolls and benefits.
- **Overall budget levels** remain stable at roughly **\$182 M**, confirming no major mid-year reallocations.
- **Bottom line:** District financial activity has normalized—spending is now aligned with operational cycles, with no red flags but continued monitoring recommended to sustain pacing.

# Looking Ahead

# Looking Ahead

- Governor’s January Budget Proposal
- Fiscal Discipline: Continued spending monitoring & pacing
- Enrollment & revenue outlook

# Q&A