

# Budget Forum

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6/24/2025

Loïc Audusseau - IVP Administrative Services

# Rules of Engagement

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- 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.

# Monthly Budget to Actuals Report

# Intro

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- **Purpose:** Provide monthly transparency on actual expenditures compared to the adopted and adjusted budgets.
- **Background:** Responds to longstanding campus requests for greater budget visibility by VP area.
- **Scope:** Unrestricted General Fund (Fund 11); excludes categorical and restricted funds.

# Summary of Total Fund 11 (Districtwide)

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Category	April 2025	May 2025	June 2025	Change (May → June)
Adjusted Budget	\$192.2 million	\$185.8 million	\$186.6 million	▲ \$0.8 million
Actual Expenditures	\$136.8 million	\$145.7 million	\$155.1 million	▲ \$9.4 million
Encumbrances	\$3.1 million	\$2.6 million	\$2.1 million	▼ \$0.5 million
Remaining Variance	\$52.3 million	\$37.5 million	\$29.5 million	▼ \$8.0 million
Spend Rate	~71%	~78%	~83%	▲ 5%

# Observations and Insights – June vs. May

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- **Sustained Spending Activity:** Actuals rose to \$155.1M, up from ~\$145.5M in May.
- **Improved Budget Utilization:** Districtwide spend rate reached 83.1%, up from 78%.
- **Encumbrances Trending Down:** June encumbrances fell further, signaling closure of prior obligations.
- **Final Surge:** June saw last-minute processing of payroll, invoices, and service orders—typical for fiscal year close.

# Area-by-Area Highlights

VP Area	Adjusted Budget	Actuals	Variance	Spend Rate	Change
President's Office	\$6.18M	\$5.16M	\$1.02M	85.7%	▲ 6%
Human Resources	\$3.06M	\$2.75M	\$0.31M	90.8%	▲ 8%
Academic Affairs	\$99.46M	\$93.00M	\$6.41M	93.6%	▲ 0.6%
Student Services	\$22.55M	\$15.72M	\$6.83M	70.4%	▼ 8%
Administrative Services	\$34.81M	\$26.95M	\$7.86M	80.2%	▲ 4%
District-Wide Costs	\$20.56M	\$11.49M	\$9.07M	59.4%	▲ 4%

# Conclusion & Key Takeaways

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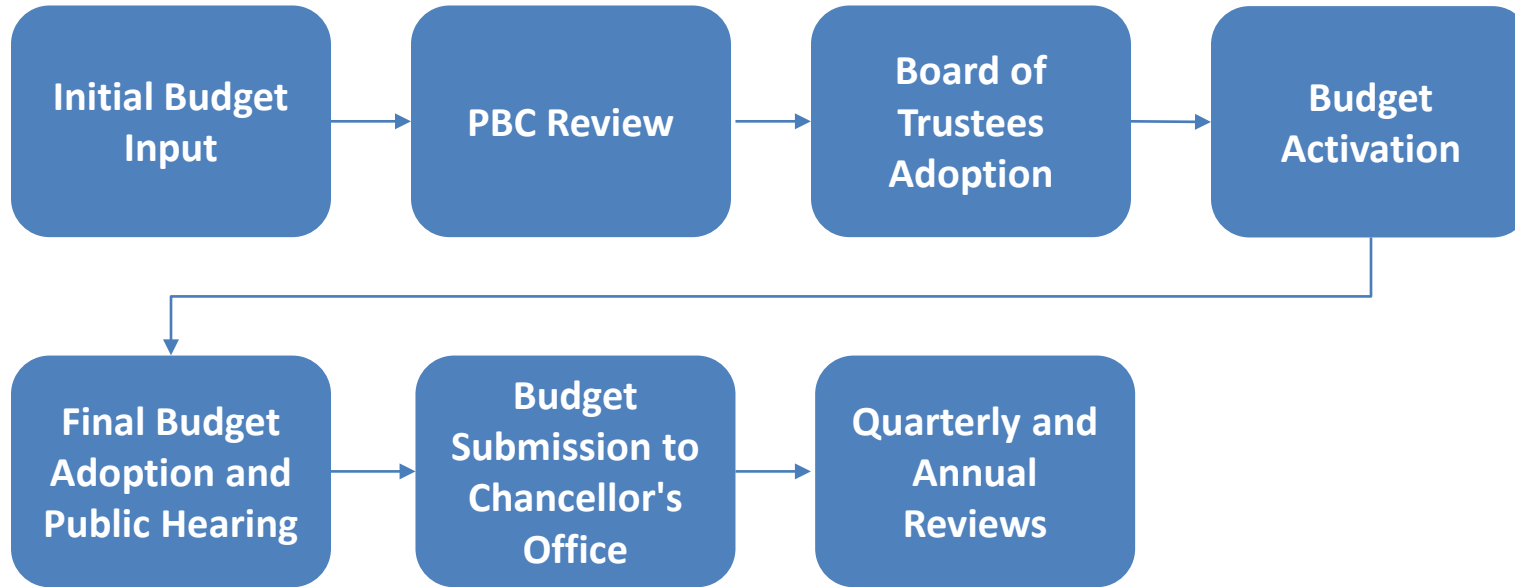
- **Year-End Execution Completed:** Spending pushed above 83%, aligning with fiscal close practices.
- **Academic Affairs Dominance:** Continues to represent the majority of unrestricted expenditures.
- **Student Services Lag:** Low spend rate (70.4%) may reflect vacant positions or unspent program allocations.
- **District-Wide Concerns:** Still low at 59.4%—revisit for delayed transfers or savings.
- **Strategic Insight:** This final report informs carryforward balances and budget rebasing for FY 2025–26.



# Tentative Budget 25-26

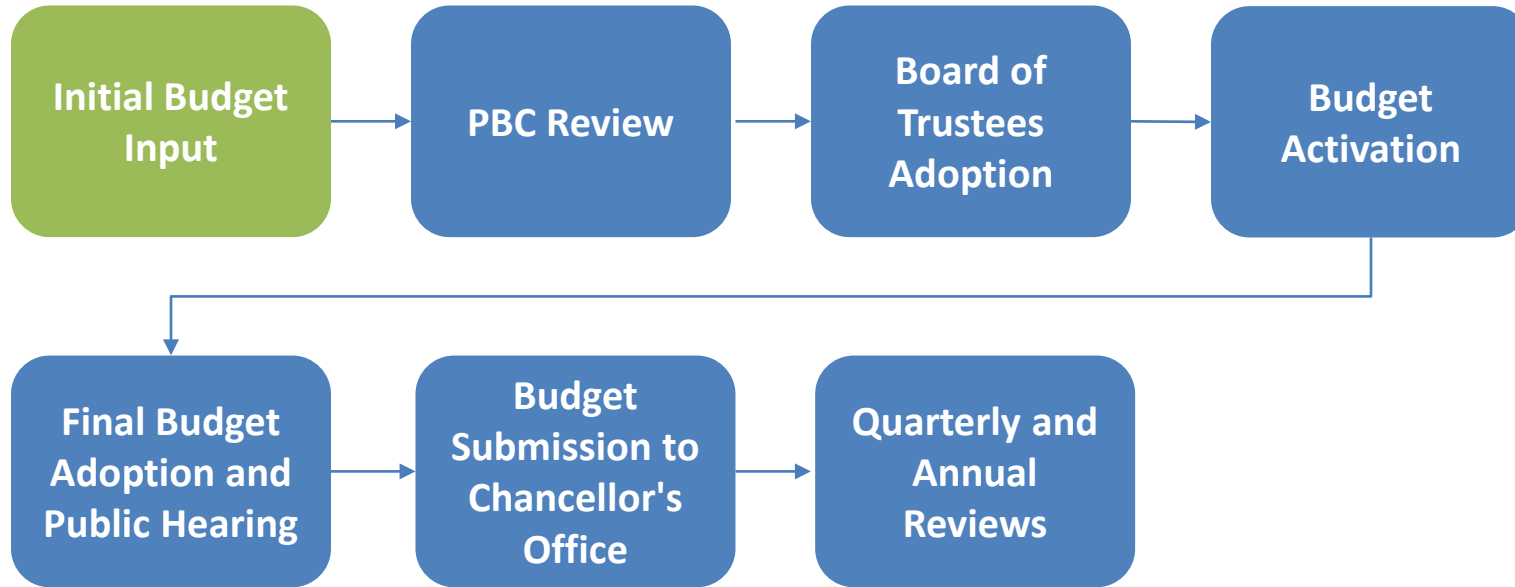
# ECC Budget Process

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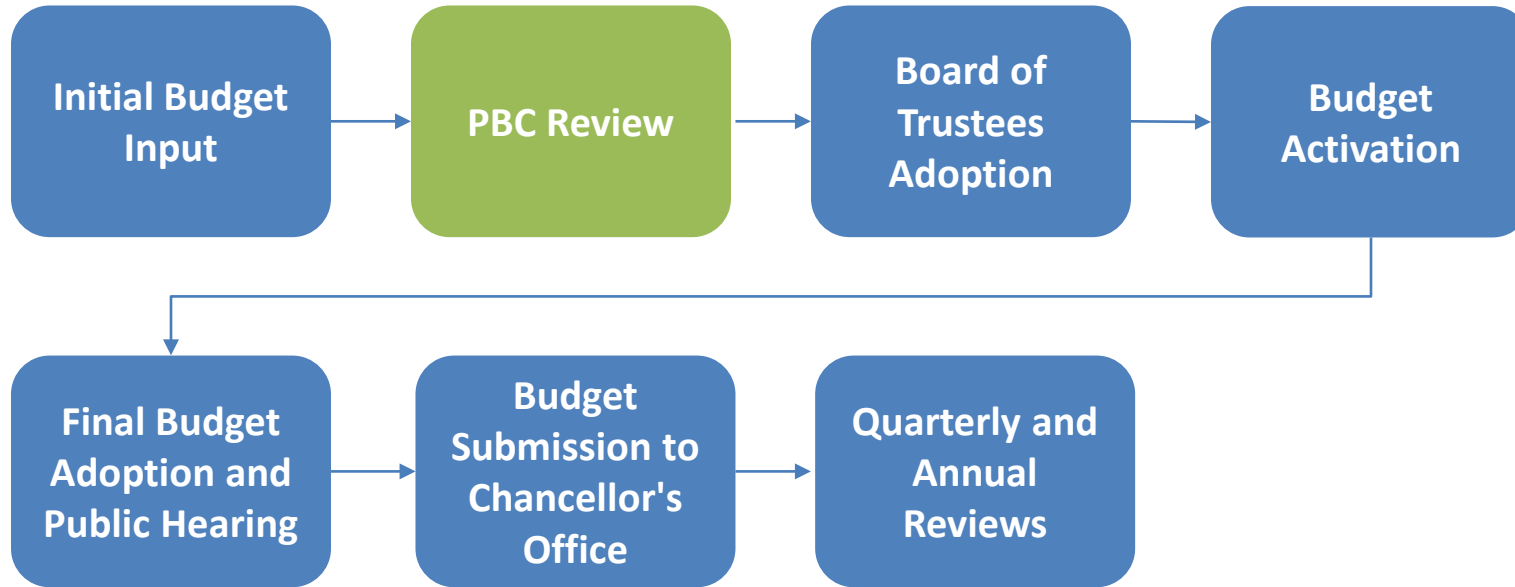
# ECC Budget Process

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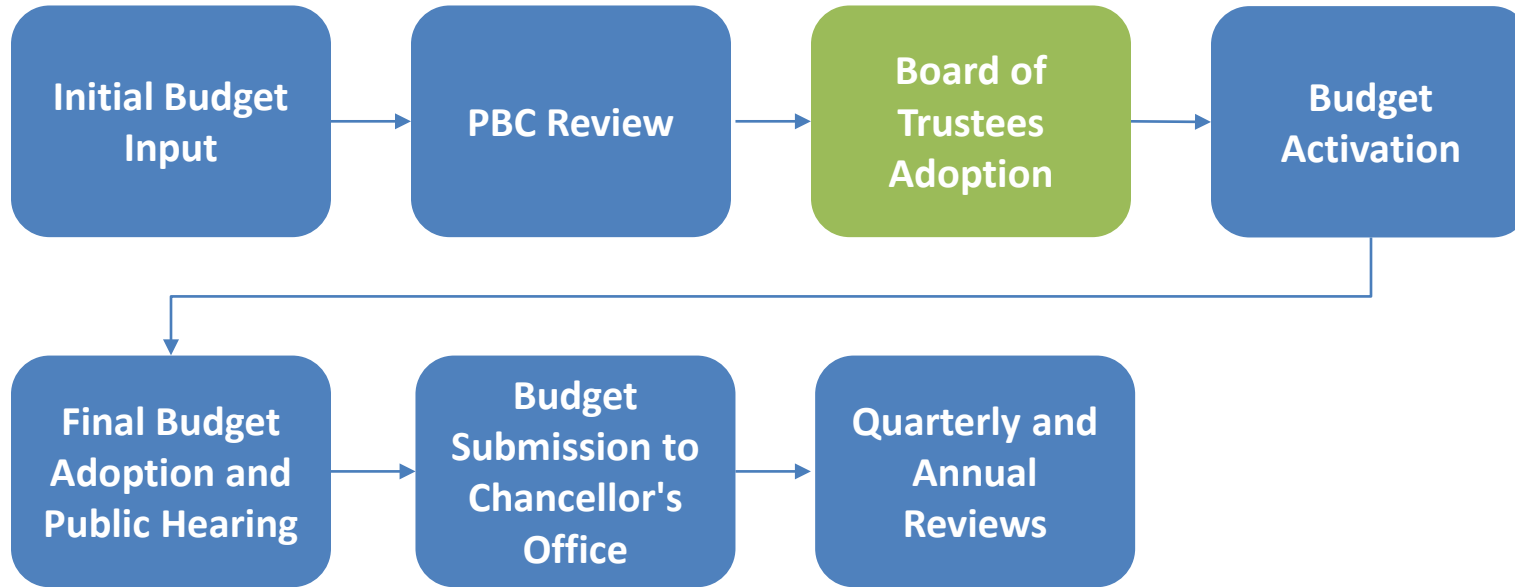
# ECC Budget Process

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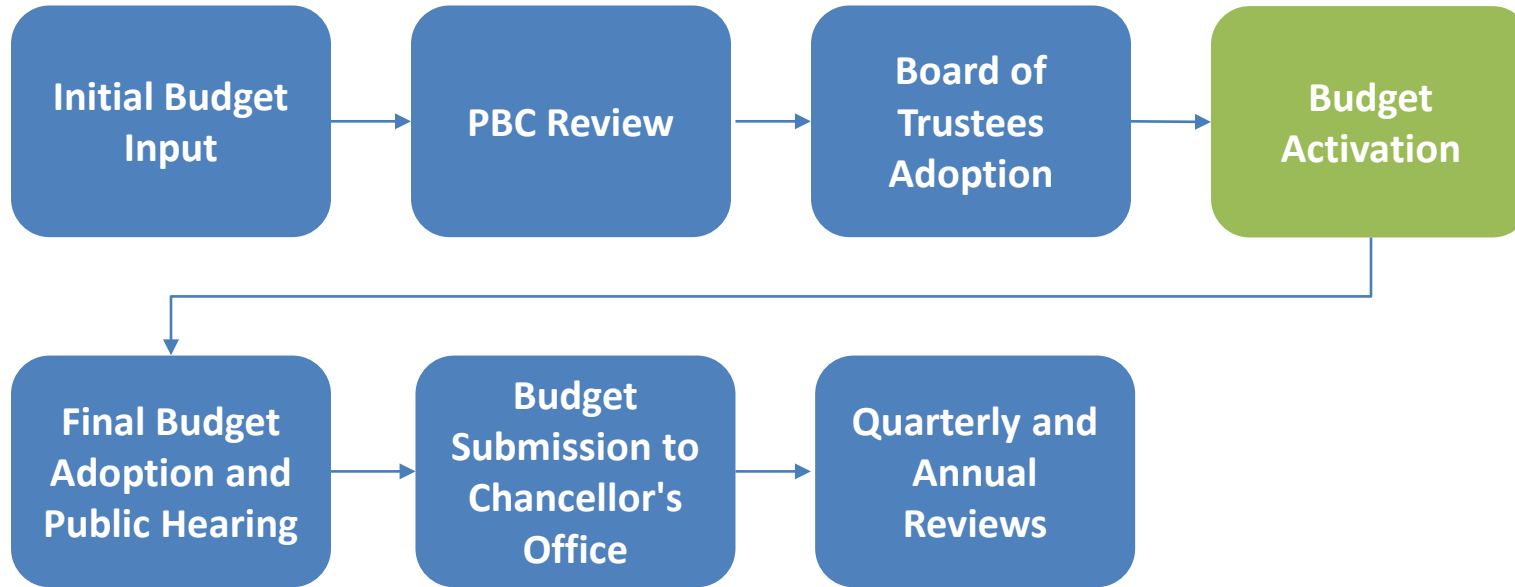
# ECC Budget Process

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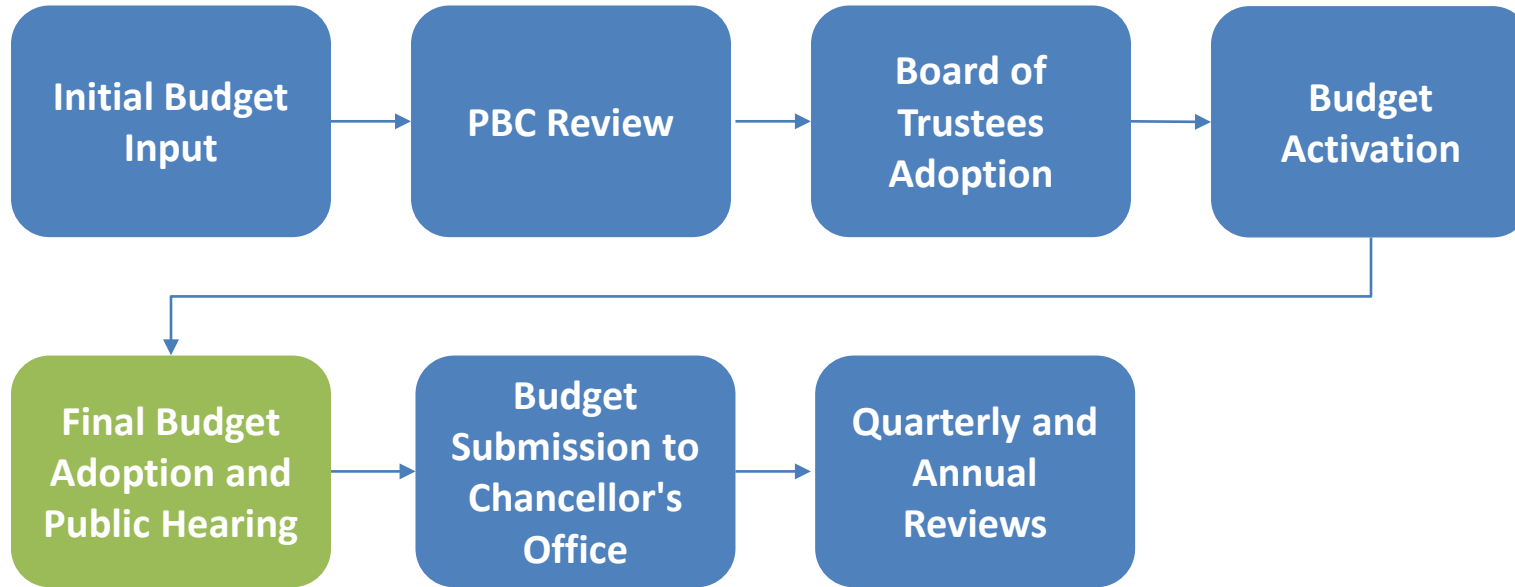
# ECC Budget Process

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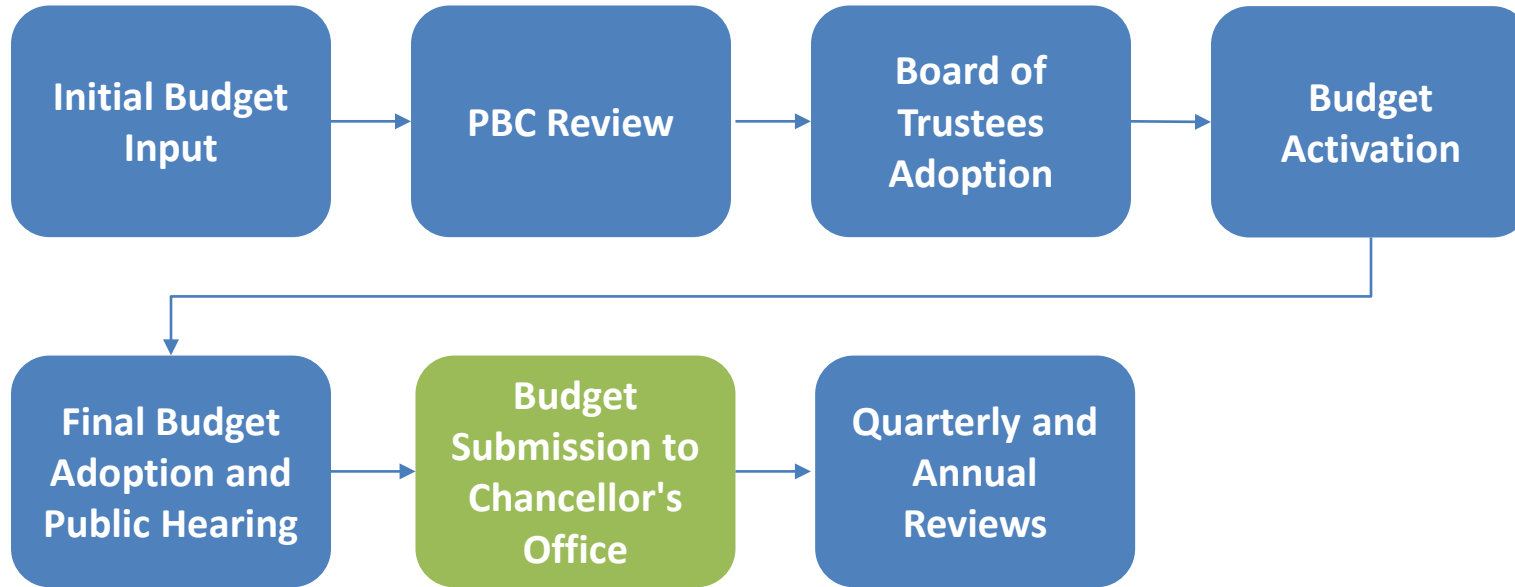
# ECC Budget Process

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# ECC Budget Process

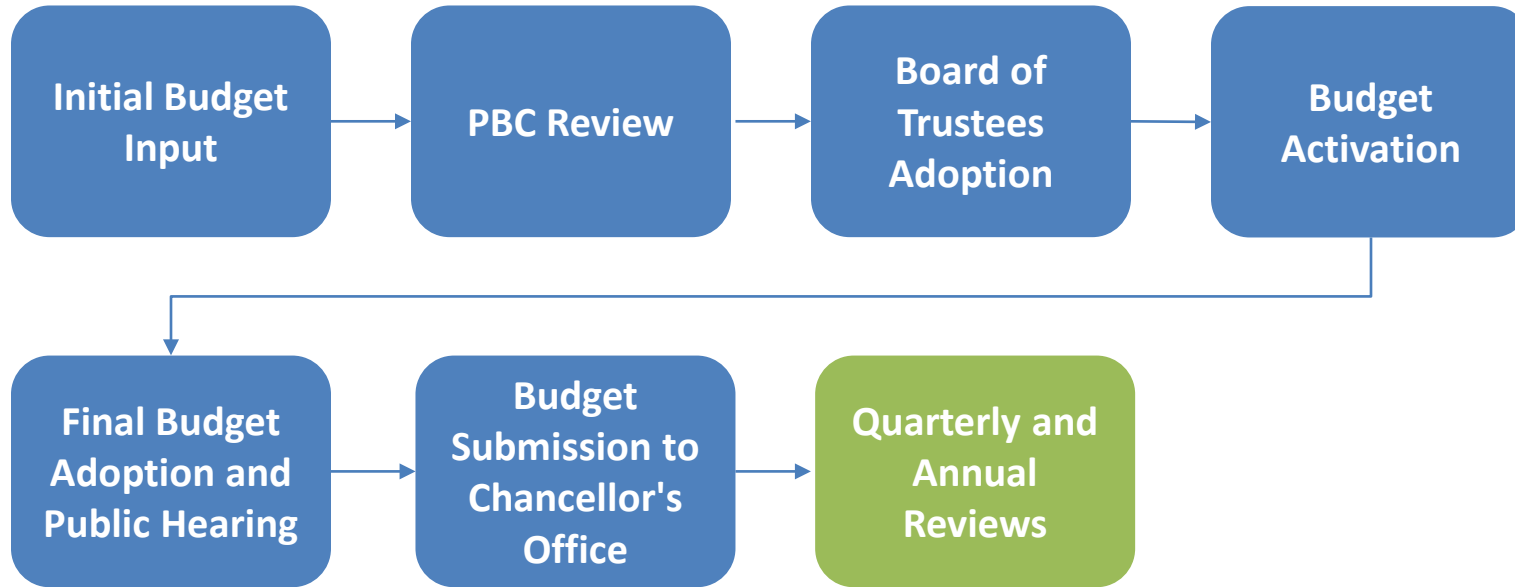
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# ECC Budget Process

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# Purpose of the Tentative Budget

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- **Authorizes the District to begin spending** on July 1, 2025, before the Final Budget is adopted.
- Serves as a **preliminary financial plan** pending final approval on September 12, 2025.
- **Required by state law** to ensure a balanced budget is adopted by June 30.
- Applies to all California community college districts.
- Based on Governor's May Revise and best available information.
- Subject to revision before final budget adoption in September.

# Fiscal Overview

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- Projected Beginning Fund Balance: \$46.55M
- Total Revenues: \$182.1M
- Total Expenditures: \$182.03M
- Estimated Ending Fund Balance: \$46.61M
- Balanced using a combination of one-time/ongoing solutions

# 25-26 Tentative Budget Revenue & Appropriations

	2023-24 Actuals <sup>1</sup>	2024-25 Estimated Actuals	2025-26 Projected Budget	2026-27 Projected Budget	2027-28 Projected Budget
Total Revenues	\$ 176,629,391	\$ 175,568,589	\$ 182,094,448	\$ 188,155,057	\$ 194,344,329
Total Expenditures	\$ 188,222,926	\$ 175,526,697	\$ 182,031,861	\$ 189,823,457	\$ 194,129,733
Surplus / (Deficit)	\$ (11,593,535)	\$ 41,892	\$ 62,587	\$ (1,668,400)	\$ 214,596
Beginning Fund Balance	\$ 58,127,316	\$ 46,506,976	\$ 46,548,868	\$ 46,611,455	\$ 44,943,055
Ending Fund Balance Projections	\$ 46,533,781	\$ 46,548,868	\$ 46,611,455	\$ 44,943,055	\$ 45,157,651
<u>Reserves</u> *					
State Required Reserve (3%)	\$ 5,646,688	\$ 5,265,801	\$ 5,460,956	\$ 5,694,704	\$ 5,823,892
Board Required Reserve (6%)	\$ 11,293,376	\$ 10,531,602	\$ 10,921,912	\$ 11,389,407	\$ 11,647,784

# Revenue & Appropriations Assumptions

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- Estimated **Beginning Fund Balance** = \$ 46.5M
- Projected 2025-26 **Cost of Living Adjustment (COLA)** increase = 2.30% or \$ 3.5M (May Revise)
- **General Apportionment Revenue (SCFF)** = \$ 156M
- **Other revenues** (Federal, State, Local) = \$22M
- **Contributions In** = \$ 3.8M (from STRS PERS Future Pension Liability - Fund 16 – One-time transfer)
- **Total Estimated Revenue: \$182M**

# Revenue & Appropriations Assumptions

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- **Step and Column Movement** for Certificated and Classified employees (including Benefits): \$2.7M
- State Pension Contributions
- Budget for **Utility Cost Increases** (+10% or \$498K)
- Budget for **Interfund Transfers** from F11: \$5.8M (Parking Services / Technology Refresh / Capital Outlay / Property & Liability Insurance)
- Reduced **Supplies, Services & Equipment** budget by \$2.1M
- **SRP savings:** \$8.7M
- **SRP Annual Administration Costs to PARS:** \$1.5M

# Structural Deficit & Sustainability

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- 3rd consecutive year of structural deficit spending
- Budget is balanced through:
  - Targeted expenditure reductions
  - Strategic position management (i.e. SRP)
- Long-term sustainability requires:
  - Continued shared governance input
  - Full implementation of Budget Leadership Strategies

# Addressing the Structural Deficit

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- Although the multi-year **structural deficit** appears to be **resolved**, this outcome is contingent on **three (3) key assumptions**:
  1. Academic Affairs' FTES projections must materialize as expected.
  2. The State must fully honor its Proposition 98 funding obligations.
  3. ECC can maintain strong expenditure control



# Next Steps

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- Legislature and Governor resolve differences in Budget
- **Board approval** of the 25-26 tentative budget on 6/26/25.
- The Governor reviews and acts on the legislative budget proposal and signs the state budget **by June 30th**
- **After June 30th**, State issues Trailer Bill language on specifics of Budget Act
- **Late July:** Preliminary SCFF apportionment revenues will be released to ECC by Chancellor's Office.
- ECC Projected Revenues/Expenditures will be adjusted as necessary for Final Budget
- Board of Trustees Adopts **Final 2024-25 Budget in September**

# Q&A

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