



# FY 2025-26 Budget Preview

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Finance and Business Services  
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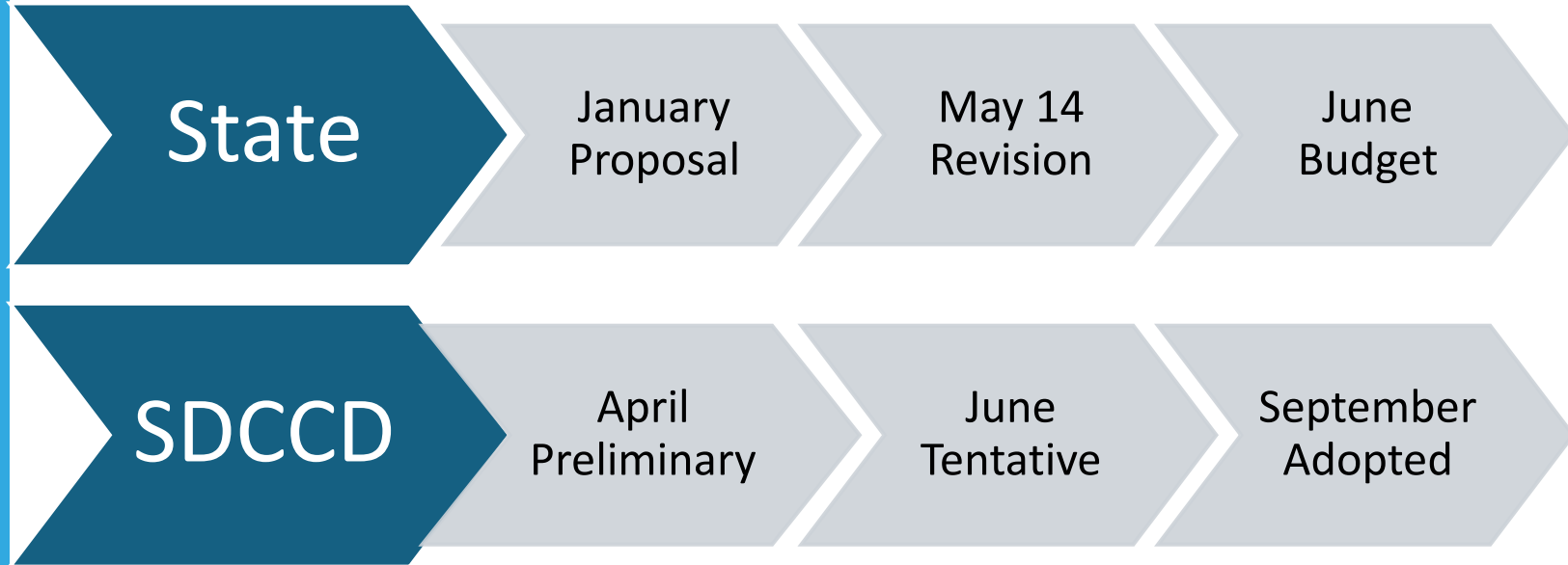
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# Purpose

- The State requires districts to annually adopt a Tentative Budget by June 15th and a final Adopted Budget by September 15th.
- A Preliminary Budget provides an overview based upon the Governor's January 10<sup>th</sup> proposal as an opportunity for faculty and staff to be kept informed in the course of a current academic year of some of the issues to be considered in the development of the upcoming year's Tentative and Adopted Budgets.
- A Preliminary Budget overview also provides an opportunity to identify any current year budget uncertainties or challenges that should be considered in the upcoming budget development process.
- District Budget Planning and Development Council, District Governance Council, and Chancellor's Cabinet are part of the review and planning discussions that occur during the development of annual budgets, which also considers any anticipated or potential increases or decreases to state apportionment revenues or district operating expenses.

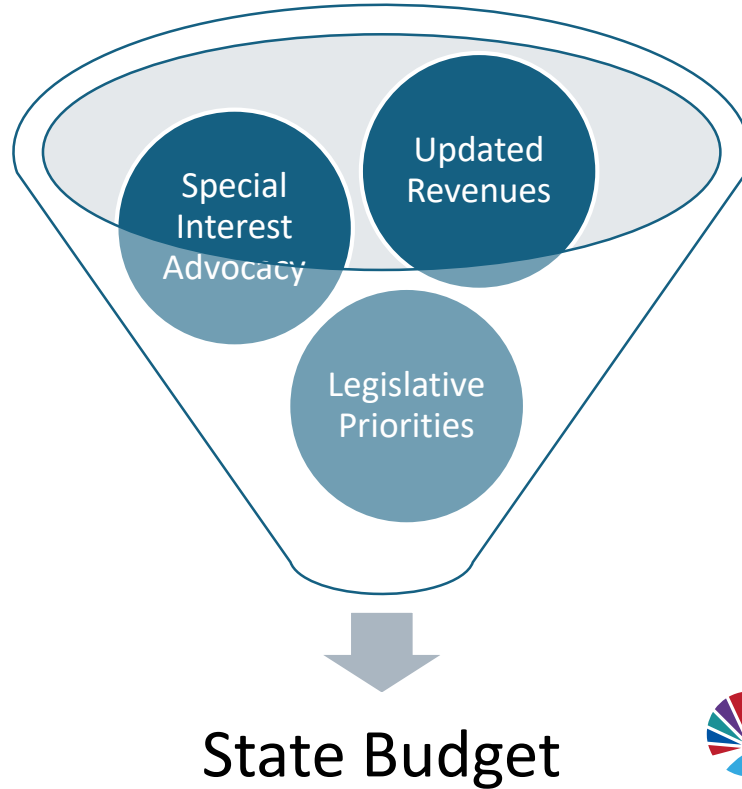
# Processes



# Processes

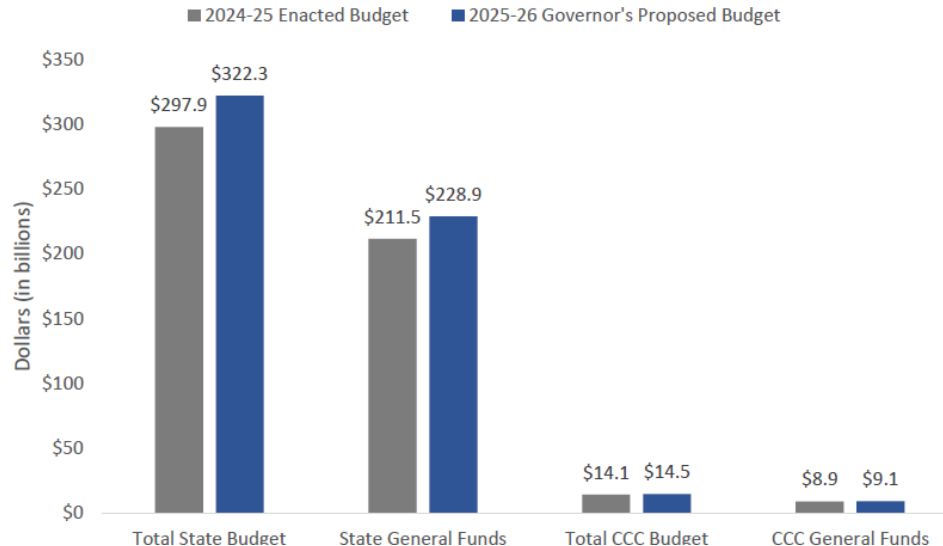
- The Preliminary Budget planning is based upon the Governor's January Budget Proposal, which is the initial proposal for the state's upcoming fiscal year. The FY 2025-26 Budget was released on January 10, 2025.
- Input from the Legislative Analyst Office's (LAO) annual analysis of the Governor's proposal is considered in the development of the District's next fiscal year budget. The LAO's FY 2025-26 Budget: Analysis of Major CCC Proposals report along with information provided by the Department of Finance (DOF) and California Community Colleges Chancellor's Office (CCCCO) also provide information that is considered during the development of the District's upcoming budget.
- Legislative budget hearings are held to work out differences of both legislative houses and also to provide an opportunity for advocacy from various state constituencies regarding the proposed state budget.
- The Governor's May revision to the state budget must be released by May 14th each year. The "May Revise" will provide updated revenue assumptions and additional information to be used in planning for the District's FY 2025-26 Tentative and Adopted Budgets.

# January - June



# Governor Newsom's FY 2025-26 Proposed State Budget

- The Governor projects the FY 2025-26 state budget would increase over FY 2024-25 by about 8% to \$322 billion. General Fund spending would increase by over \$17 billion or 8.2% to \$228.9 billion.
- The Legislative Analyst Office (LAO) estimates that revenues would be lower than the Governor's budget, with 3-year forecasts suggesting revenue growth of around 4% compared with spending growth of 5.8% over 3 years.



# Proposition 98

1. Increase to Minimum Guarantee for K-14 Education projected.
2. Nearly \$359 million in ongoing policy adjustments for the community college system.
3. \$395 million in one-time funding.
4. Total of \$782 million in additional funding for one-time and ongoing programs and initiatives.
5. Proposition 2 created Public School System Stabilization Account (PSSSA), a state reserve for school and community colleges (transfers count toward Prop 98 totals).



# District Overview



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## Budget Planning Assumptions for FY 2025-26

### Continuous Revenues:

- Budget Proposal included funding for a 2.43% and 0.5% Growth
  - SDCCD's share is estimated to be \$7.9 million, which will be addressed in accordance with the current RAF.
- SDCCD's projected unfunded FTES in FY 2024-25 is valued at just over \$3 million. The District continues to advocate for funding these students and for increasing growth funding from the state to 1.5%.
- Rising Scholars Network – base increase of \$30 million to \$55 million ongoing.
- Rebuilding Nursing Infrastructure - \$60 million from Strong Workforce Program

# District Overview



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## Budget Planning Assumptions for FY 2025-26

### One-Time Revenue:

- Budget Proposal includes \$133.5 million for a systemwide Common Cloud Data Platform plus \$168 million to complete the Statewide Technology Transformation.
  - Funding allocated over several years from FY 2023-24 to FY 2029-30.
- Credit for Prior Learning \$100 million.
- LGBTQ+ Pilot Program Year 3 - \$10 million.

# SCFF Revenue

- The Student Centered Funding Formula's (SCFF) hold harmless provision extends through FY 2024-25. Districts earn at least their FY 2017-18 total computational revenue (adjusted by cost-of-living adjustment [COLA] each year).
- Starting in FY 2025-26, districts will be funded at the higher of their SCFF-generated amount, their minimum "floor" (FY 2024-25 funding amount), or through stability (prior year SCFF with COLA), whichever is higher. The hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time, so a district's hold harmless amount will not grow.
- Because SDCCD earned its SCFF funding in FY 2023-24 , we are expected to be in Stability in FY 2024-25, maximizing our funding level at the onset of the new "floor" funding.



# FY 2024-25 Q2 311 Report and Projections

Fiscal Year: 2024

Quarter Ended: 2

As of June 30 for the fiscal year specified

Line	Description	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Projected 2024-2025
<b>I. Unrestricted General Fund Revenue, Expenditure and Fund Balance:</b>					
<b>A.</b>	<b>Revenues:</b>				
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	304,360,281	330,902,635	369,722,717	370,884,174
A.2	Other Financing Sources (Object 8900)	3,504,172	677,187	863,380	1,863,360
A.3	<b>Total Unrestricted Revenue (A.1 + A.2)</b>	307,864,453	331,579,822	370,586,097	372,747,534
<b>B.</b>	<b>Expenditures:</b>				
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	290,078,789	311,000,126	340,016,380	363,746,993
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	4,325,326	5,640,794	3,893,608	6,756,615
B.3	<b>Total Unrestricted Expenditures (B.1 + B.2)</b>	294,404,115	316,640,920	343,909,988	370,503,608
C.	<b>Revenues Over(Under) Expenditures (A.3 - B.3)</b>	13,460,338	14,938,902	26,676,109	2,243,926
<b>D.</b>	<b>Fund Balance, Beginning</b>	21,903,119	35,363,457	50,302,359	76,978,494
D.1	Prior Year Adjustments + (-)	0	0	26	0
D.2	<b>Adjusted Fund Balance, Beginning (D + D.1)</b>	21,903,119	35,363,457	50,302,385	76,978,494
<b>E.</b>	<b>Fund Balance, Ending (C. + D.2)</b>	35,363,457	50,302,359	76,978,494	79,222,420
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	12.0%	15.9%	22.4%	21.4%



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# FTES TARGETS FY 2025-26

	City College	Mesa College	Miramar College	College of Continuing Ed	Total
CCAP	450	375	450	-	1,275
Non-CCAP	7,219	12,975	7,125	9,216	36,535
<i>Total Credit</i>	<i>7,669</i>	<i>13,350</i>	<i>7,575</i>	<i>9,216</i>	<i>37,810</i>
In-Service	-		1,257	-	1,257
<b>Total FTES</b>	<b>7,669</b>	<b>13,350</b>	<b>8,832</b>	<b>9,216</b>	<b>39,067</b>

## FTEF

	City College	Mesa College	Miramar College	College of Continuing Ed	Total
CCAP	30	25	30	-	85
Non-CCAP	481.3	865	475	512	2,333.3
<b>Total FTEF</b>	<b>511.3</b>	<b>890</b>	<b>505</b>	<b>512</b>	<b>2,418.30</b>

*\*Productivity of 15 (City, Mesa, Miramar), 18 (SDCCE)*

# Multi-Year Planning

- Maintain SDCCD's ending general fund ending balance reserve above 16.7% of operating expenditures.
- Utilize reserves to protect and against economic and political uncertainty and fund strategic one-time investments.
- Align General Fund expenses with anticipated revenues to avoid deficit spending.
- Utilize bond measure HH funding efficiently.
- Respond to declining high school graduation rates with offerings for adult students.
- Focus on Dual Enrollment and Pathways.
- Enhance fiscal stability by generating local revenues.
  - Civic Center Leasing, Events, Contract Education, Gifts and Donations, etc.
- Deferred maintenance investments.
- Strategic enrollment growth, including SCFF supplemental allocation.

Questions?



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