



# 2026 - 2027 Tentative Budget Presentation

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# TOPICS

- State Budget Process
- Timeline
- Reporting Deadlines
- Governor's May Revision Highlights
- Student Centered Funding Formula
- 2025-2026 Estimated Actuals
- Budget Assumptions
- 2026-2027 Tentative Budget

# Navigating the State Budget Process

Each year the Governor and Legislature work to craft the state's spending plan. While the January-to-June period gets the most attention, the process of crafting the budget is an ongoing enterprise, giving Californians ample opportunity to stay engaged and involved year-round.

## The Governor

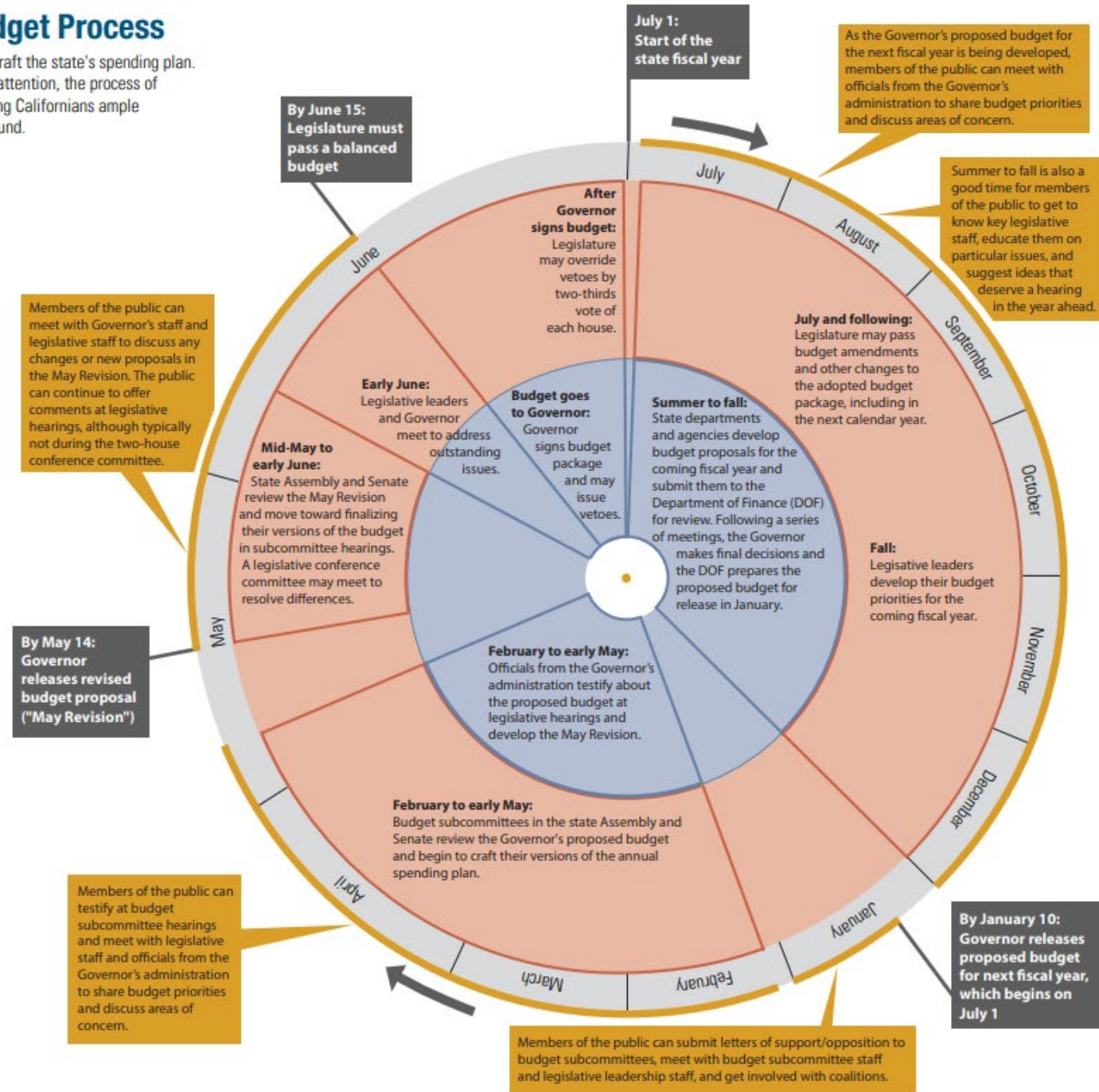
The Governor has the lead role in developing the state budget. Each year, the Governor proposes a spending plan, which is introduced as the budget bill in the Legislature. The Governor can sign or veto the budget bill passed by legislators as well as other bills in the budget package that make policy changes related to the budget. The Governor can also reduce or eliminate individual appropriations using the line-item veto.

## The Legislature

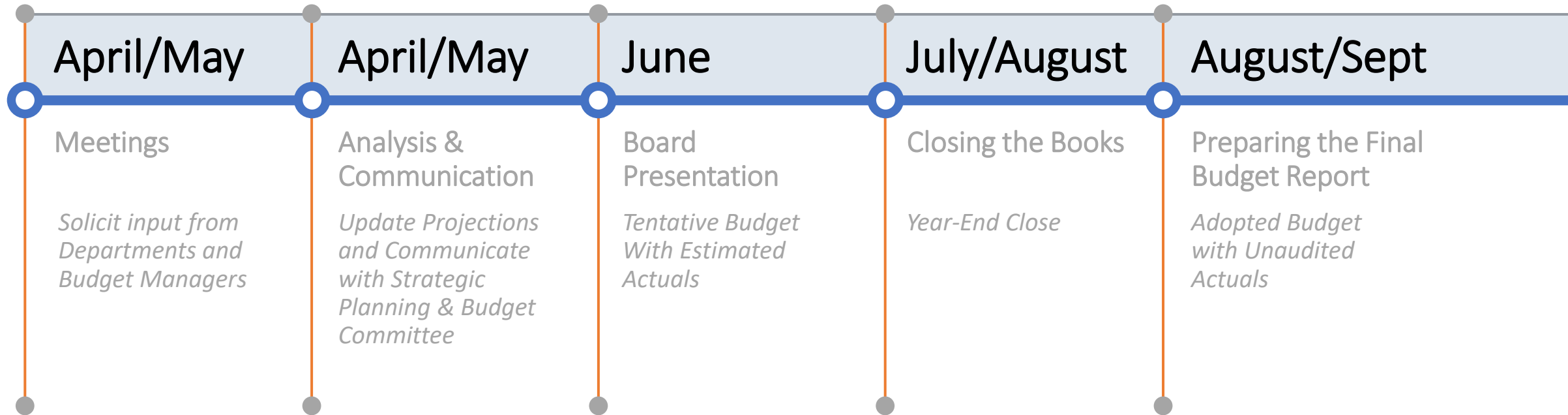
The Legislature – made up of the Assembly and Senate – reviews the Governor's proposed budget and crafts its own version of the spending plan. The Legislature can maintain, modify, or reject the Governor's proposals, with review occurring through each house's budget committee and related subcommittees. The Legislature must pass the budget bill, but not other bills in the budget package, by June 15. The Legislature can override a Governor's veto by a two-thirds vote of each house.

## The Public

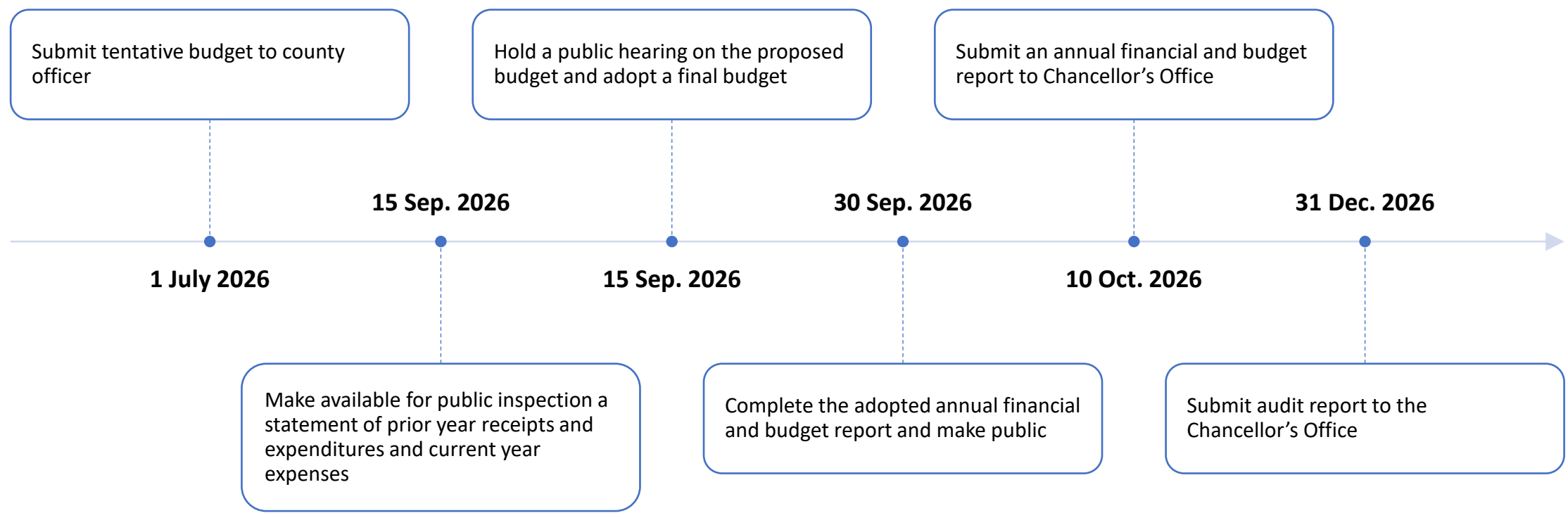
The public has various opportunities for input during the budget process. Members of the public can meet with officials from the Governor's administration and with legislators and their staffs, testify before budget committees and subcommittees, and write letters of support and opposition. Through individual engagement or as part of coalitions, members of the public can express their budget priorities and areas of concern.



# AVC BUDGET DEVELOPMENT TIMELINE



# Financial Reporting Deadlines 2026-2027



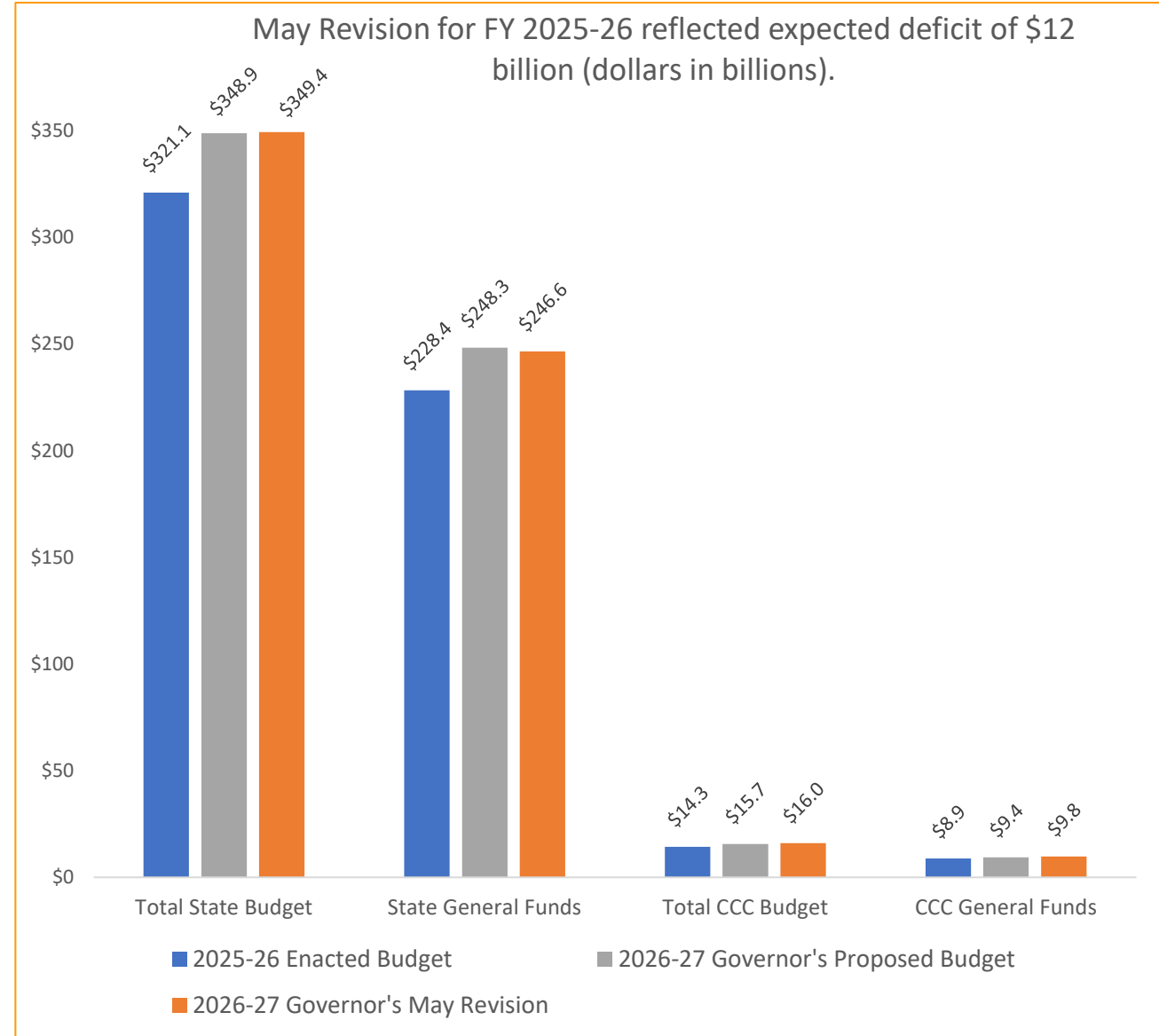
Source: Update on May Revision Joint Analysis

# GOVERNOR'S MAY REVISION HIGHLIGHTS

The overall state budget under the May Revision is slightly higher than proposed in January and higher than the 2025-26 enacted budget, increasing by about 8.8% to \$349.4 billion. General Fund spending would increase by about \$18 billion (8%) over the current year to \$246.6 billion.

The Governor's May Revision reflects even higher revenue expectations compared to the Governor's Budget and a balanced budget for 2026-27. However, the LAO cautioned these revenues are likely unsustainable and the state still faces structural deficits in future years.

The Administration acknowledges risks of revenue volatility and significant cost increases in Medi-Cal and CalFresh related to federal policy changes contributing to structural imbalances. The proposal is aimed at balancing budgets for both 2026-27 and 2027-28.





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## GOVERNOR'S MAY REVISION HIGHLIGHTS

- The May Revision projects that the Proposition 98 minimum guarantee for 2026-27 is now estimated at \$127.1 billion, higher than what was expected in January (\$125.5 billion) based on revenues running further above projections.
- Provides \$291.9 million for a statutory COLA of 2.87% and \$146.4 million for an additional discretionary COLA of 1.4% to general apportionments, for a total SCFF COLA of 4.31% (\$438.3 million).
- Provides \$33.9 million for 0.5% enrollment growth in 2026-27 and \$55.3 million for 1% growth in 2025-26 (total 1.5% growth across two years).
- Fully repays the \$408.4 million deferral from the 2025-26 State Budget.
- Reflects \$29.9 billion in total reserves at the end of 2026-27, up from the \$23 billion estimated in January. This includes \$15.1 billion in the Budget Stabilization Account, \$10.3 billion in the Public School System Stabilization Account, and \$4.5 billion in the Special Fund for Economic Uncertainties

The May Revision adjustments to funding for the California Community Colleges are higher by about \$249 million compared to the Governor's Budget. The system would receive about \$635.0 million in ongoing funding, and \$815.1 million for one-time programs and initiatives. The budget focuses on maintaining base funding stability and continued investment in priorities toward achieving Vision 2030 and Roadmap goals.

The revised proposal includes about \$438 million for a 4.31% COLA for community college apportionments—\$291.9 million for a statutory COLA of 2.87% and \$146.4 million for a discretionary COLA of 1.4% (requires AB 65 implementation providing up to 14 weeks paid pregnancy disability leave). An additional \$36.7 million supports COLAs for selected categorical programs and Adult Education.

The May Revision maintains \$36 million one-time and \$5 million ongoing for the Common Cloud Data Platform, \$35 million one-time and \$2 million ongoing for Credit for Prior Learning, and \$100.6 million one-time for the Student Support Block Grant. New one-time funding of \$9.7 million is added for an Adult Learner Demonstration Project, and \$120.7 million one-time for deferred maintenance (first since the 2022-23 Budget Act).

The revised budget includes \$736.9 million in capital outlay from Proposition 2—considerably more than the \$68.5 million in 2025-26—supporting construction for 29 continuing projects and preliminary plans for 10 new projects, including \$22.6 million in 2026-27 for the AVC Gymnasium Replacement project (\$24.2 million all-years state cost).

**2026-27 Student Centered Funding Formula Rates (rounded)**

<b>Allocations</b>	<b>2025-26 Rates*</b>	<b>Proposed 2026-27 Rates</b>	<b>Estimated Change from 2025-26</b>	<b>% Change</b>
Base Credit	5,416	5,650	234	4.31%
Incarcerated Credit	7,595	7,923	328	4.31%
Special Admit Credit	7,595	7,923	328	4.31%
CDCP	7,595	7,923	328	4.31%
Noncredit	4,567	4,764	197	4.31%
Single College District				
Small College	6,658,143	6,945,109	286,966	4.31%
Medium College	8,877,529	9,260,150	382,621	4.31%
State Approved Centers	2,219,382	2,315,037	95,655	4.31%

<b>Allocations</b>	<b>2025-26 Rates*</b>	<b>Proposed 2026-27 Rates</b>	<b>Estimated Change from 2025-26</b>	<b>% Change</b>
Base Credit	5,416	5,571	155	2.87%
Incarcerated Credit	7,595	7,813	218	2.87%
Special Admit Credit	7,595	7,813	218	2.87%
CDCP	7,595	7,813	218	2.87%
Noncredit	4,567	4,698	131	2.87%
Single College District				
Small College	6,658,143	6,849,232	191,089	2.87%
Medium College	8,877,529	9,132,314	254,785	2.87%
State Approved Centers	2,219,382	2,283,078	63,696	2.87%

## Student Centered Funding Formula (SCFF)

Current split, 70/20/10, is set in statute. No plans to change.

SCFF Oversight Committee will make recommendations but not on split.

Rates will be adjusted annually by any enacted COLA.

From 2025-26 onwards, districts are funded at their SCFF generated amount for that year or their “floor” (2024-25 funding amount).

\*Source: Update on May Revision Joint Analysis

# AVC SERVES



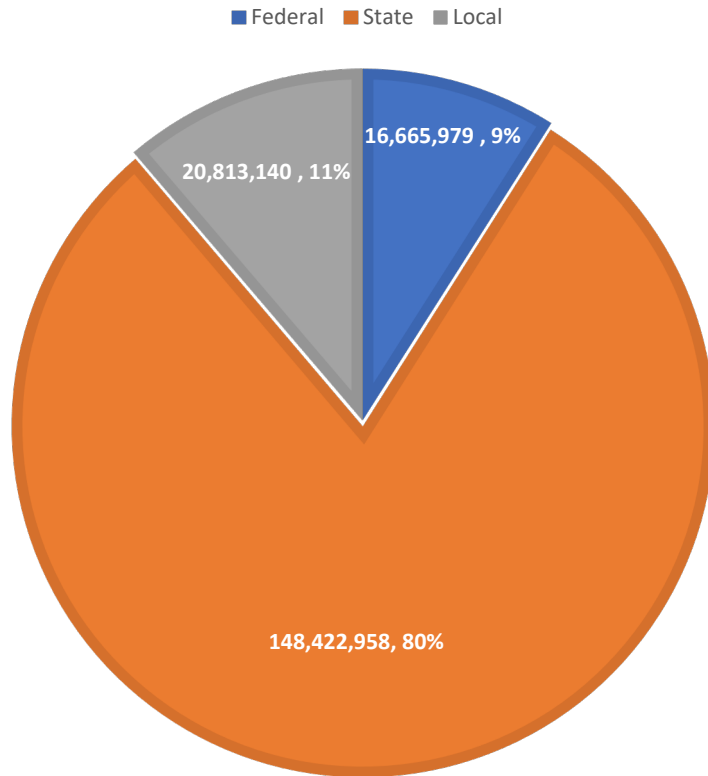
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Resources  
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Success

## UNRESTRICTED GENERAL FUND SUMMARY FUND 10 FY 2025-2026 ESTIMATED ACTUALS

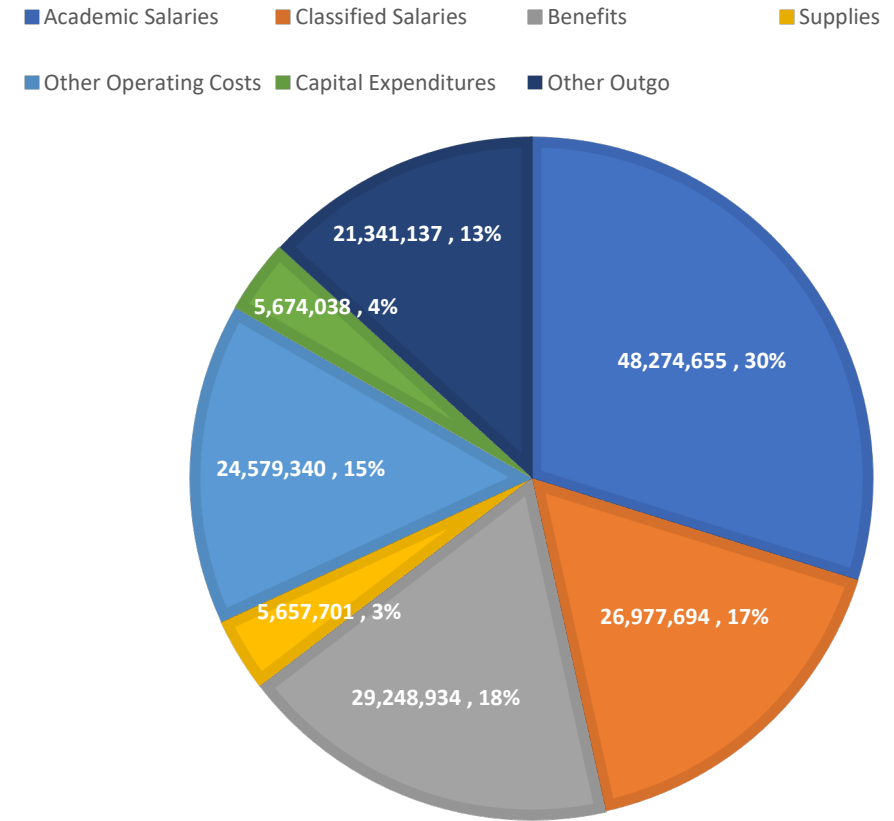
	ESTIMATED ACTUALS	ASSIGNMENTS	ESTIMATED ACTUALS
<b>BEGINNING FUND BALANCE</b>	<b>91,301,365</b>		
<b>REVENUE</b>			
8100-8200 Federal	11,513,895	ERTC One-Time Funds	(15,416,850)
8600-8700 State	99,311,145	Student Housing (Local Contribution)	(10,000,000)
8800-8900 Local/Incoming Transfers	17,375,727	Capital Projects Protection	(6,000,000)
<b>TOTAL REVENUE</b>	<b>128,200,767</b>	ITS Phone Replacement	(750,000)
<b>EXPENDITURES</b>		ITS Equipment Refresh	(750,000)
1100-1400 Academic Salaries	44,022,455	ITS Projects Support (Implementations)	(500,000)
2100-2400 Classified Salaries	20,439,752	Resource Allocation One-Time	(1,500,000)
3100-3800 Employee Benefits	25,485,016	CPOS Student Support	-
4100-4700 Supplies	1,365,561	Professional Development	(50,000)
5100-5800 Other Operating Costs	17,365,450	Pension Rate Stabilization (BP 6250)	(7,300,000)
6100-6700 Capital Expenditures	4,060,787	Assigned Aside for Categorical Salaries + Benefits	(750,000)
TOTAL EXPENDITURES	112,739,021	Leave Payoff	(500,000)
7100-7900 Other Outgo	18,987,113	Cafeteria Support	(350,000)
<b>TOTAL EXPENDITURES &amp; OTHER OUTGO</b>	<b>131,726,134</b>	Reserve for Emergencies (AP 6305)	(500,000)
<b>SURPLUS/(DEFICIT)</b>	<b>(3,525,367)</b>	Scheduled Maintenance Reserve - 1%	(900,556)
<b>ENDING FUND BALANCE</b>	<b>87,775,998</b>	Supplemental Protection	(3,500,000)
<b>ASSIGNMENTS</b>	<b>(48,767,406)</b>	<b>TOTAL ASSIGNED</b>	<b>(48,767,406)</b>
<b>UNASSIGNED ENDING FUND BALANCE</b>	<b>39,008,592</b>		
<b>UNASSIGNED RESERVE %</b>	<b>38.6%</b>		

## GENERAL FUND SUMMARY FUND 10 & 12 FY 2025-2026

### GENERAL FUND REVENUES FY 2025-26



### GENERAL FUND EXPENDITURES FY 2025-26



## 2025-26 ESTIMATED ACTUALS

Fund	Name	Beginning Balance	Revenue	Expenditures	Surplus/ (Deficit)	Ending Balance	Assignments	Unrestricted Balance After Assignments	Reserve	% of Overall Budget
	General Fund									
10	Unrestricted	91,301,365	128,200,767	131,726,134	(3,525,367)	87,775,998	(48,767,406)	39,008,592	39%	51%
12 (13 & 14)	Restricted	4,695,501	57,701,309	30,027,366	27,673,943	32,369,444				12%
21	Bond Interest & Redemption	18,037,417	19,885,547	21,059,070	(1,173,523)	16,863,894				8%
33	Child Development Center	390,102	1,725,665	992,091	733,575	1,123,677				0%
41	Capital Outlay Fund	25,889,929	22,394,938	4,198,129	18,196,809	44,086,738				2%
42	Revenue Bond Construction	80,331,120	4,143,998	11,237,646	(7,093,648)	73,237,472				4%
52	Cafeteria	51,647	238,891	528,144	(289,253)	(237,606)				0%
72	Student Rep	351,626	44,000	124,923	(80,923)	270,703				0%
74	Financial Aid	1,639,325	57,332,715	57,166,638	166,077	1,805,402				22%
75	Scholarships & Loan	37,199	795,522	795,497	26	37,225				0%
<b>Estimated Actuals</b>		<b>222,725,231</b>	<b>292,463,353</b>	<b>257,855,636</b>	<b>34,607,717</b>	<b>257,332,947</b>				<b>100%</b>

# 2026-2027 BUDGET ASSUMPTIONS



- **Revenue Budget Assumptions:**
- Student Centered Funding Formula (SCFF) Funding is Based on Calculated Revenue SCFF COLA – 2.87% Statutory COLA
- Lottery Unrestricted per FTES - \$190.00
- FTES Funded 11,381.18
- TCR Deficit - 3.00%
  
- **Expenditure Budget Assumptions:**
- Step & Column Increases
- Pension Rate Increases
  - CalPERS – 26.81% in 2025-26 and 26.4% in 2026-27
  - CalSTRS – No change - 19.10% in 2025-26 and 2026-27
- California CPI – 3.08%
- Inflationary factor of 5% for supplies and contracts and 8% for utilities and 8% fuel.
- Unemployment Insurance Rate – 0.05%
- Resource Allocation Funding Proposed
- Long Term Commitments
- On-going District Obligations

# AVC SERVES



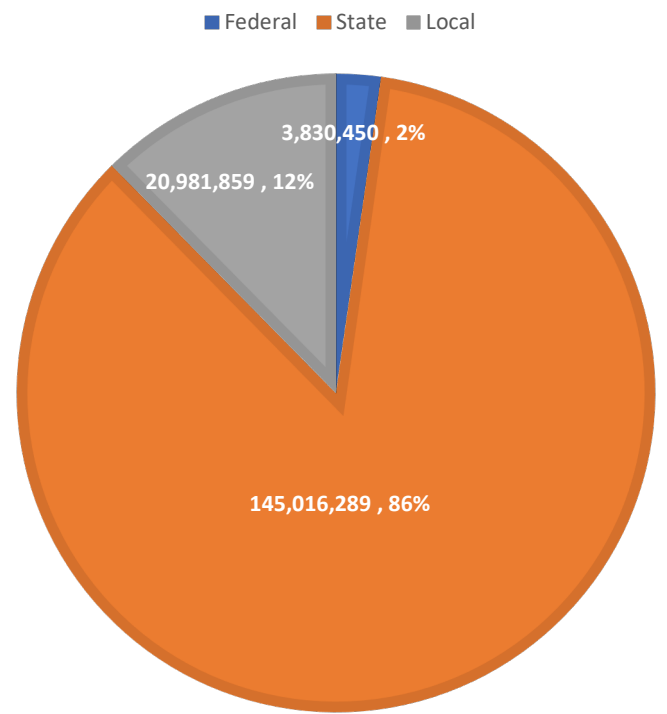
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## UNRESTRICTED GENERAL FUND SUMMARY FUND 10 FY 2026-2027 TENTATIVE BUDGET

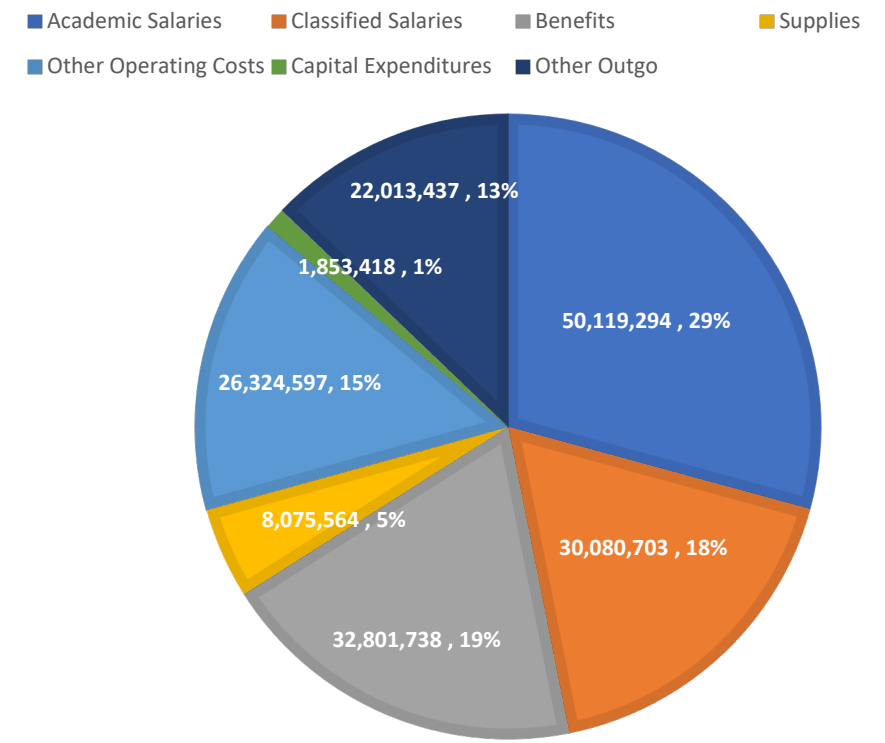
		TENTATIVE BUDGET	ASSIGNMENTS	TENTATIVE BUDGET
<b>BEGINNING FUND BALANCE</b>		<b>87,775,998</b>		
<b>REVENUE</b>				
8100-8200	Federal	4,896	ERTC One-Time Funds	(15,416,850)
8600-8700	State	105,201,455	Student Housing (Local Contribution)	(10,000,000)
8800-8900	Local/Incoming Transfers	17,370,540	Capital Projects Protection	(6,000,000)
<b>TOTAL REVENUE</b>		<b>122,576,891</b>	ITS Phone Replacement	(1,500,000)
<b>EXPENDITURES</b>			ITS Equipment Refresh	(1,750,000)
1100-1400	Academic Salaries	45,737,068	ITS Projects Support (Implementations)	(500,000)
2100-2400	Classified Salaries	23,023,141	Resource Allocation One-Time	(3,000,000)
3100-3800	Employee Benefits	28,640,173	CPOS Student Support	(500,000)
4100-4700	Supplies	2,612,714	Professional Development	(100,000)
5100-5800	Other Operating Costs	20,652,394	Pension Rate Stabilization (BP 6250)	(7,300,000)
6100-6700	Capital Expenditures	969,442	Assigned Aside for Categorical Salaries + Benefits	(750,000)
<b>TOTAL EXPENDITURES</b>		<b>121,634,932</b>	Leave Payoff	(500,000)
7100-7900	Other Outgo	2,382,113	Cafeteria Support	(700,000)
<b>TOTAL EXPENDITURES &amp; OTHER OUTGO</b>		<b>124,017,045</b>	Reserve for Emergencies (AP 6305)	(500,000)
<b>SURPLUS/(DEFICIT)</b>		<b>(1,440,154)</b>	Scheduled Maintenance Reserve - 1%	(2,025,427)
<b>ENDING FUND BALANCE</b>		<b>86,335,844</b>	Supplemental Protection	(3,500,000)
<b>ASSIGNMENTS</b>		<b>(54,042,277)</b>	<b>TOTAL ASSIGNED</b>	<b>54,042,277</b>
<b>UNASSIGNED ENDING FUND BALANCE</b>		<b>32,293,568</b>		
<b>UNASSIGNED RESERVE %</b>		<b>24.5%</b>		

## GENERAL FUND SUMMARY FUND 10 and 12 FY 2026-2027

GENERAL FUND REVENUES FY 2026-27



GENERAL FUND EXPENDITURES FY 2026-27



## 2026-27 TENTATIVE BUDGET

Fund	Name	Beginning Balance	Revenue	Expenditures	Surplus/ (Deficit)	Ending Balance	Assigned Reserves	Unrestricted Balance After Assignments Reserve	% of Overall Budget	
General Fund										
10	Unrestricted	87,775,998	122,576,891	124,017,045	(1,440,154)	86,335,844	(54,042,277)	32,293,568	25%	40%
12 (13 & 14)	Restricted	32,369,444	47,251,707	47,251,707	0	32,369,444				15%
21	Bond Interest & Redemption	16,863,894	19,288,981	20,427,298	(1,138,317)	15,725,577				7%
33	Child Development Center	1,123,677	1,679,871	1,573,371	106,500	1,230,177				1%
41	Capital Outlay Fund	44,086,738	4,803,227	24,700,849	(19,897,622)	24,189,116				8%
42	Revenue Bond Construction	73,237,472	2,193,998	34,006,658	(31,812,660)	41,424,812				11%
52	Cafeteria	(237,606)	367,417	547,673	(180,256)	(417,862)				0%
72	Student Rep	270,703	44,000	132,400	(88,400)	182,303				0%
74	Financial Aid	1,805,402	60,600,635	60,434,558	166,077	1,971,479				19%
75	Scholarships & Loan	37,225	824,025	824,000	25	37,250				0%
<b>TENTATIVE BUDGET</b>		<b>257,332,947</b>	<b>259,630,751</b>	<b>313,915,558</b>	<b>(54,284,806)</b>	<b>203,048,141</b>				<b>100%</b>

# AVC SERVES



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**Equity**  
**Resources**  
**Vision**  
**Education**  
**Success**

## FY 2026-27 Outlook

- 2.87% statutory COLA & 1.4% discretionary COLA
- Structural deficits remain in future years despite current revenue strength
- Ongoing federal policy uncertainty affecting Medi-Cal, CalFresh, and other programs
- Increasing operational costs and inflation continue to pressure budgets
- One-time funds (deferred maintenance, block grant, CPL) require strategic deployment

# Questions?