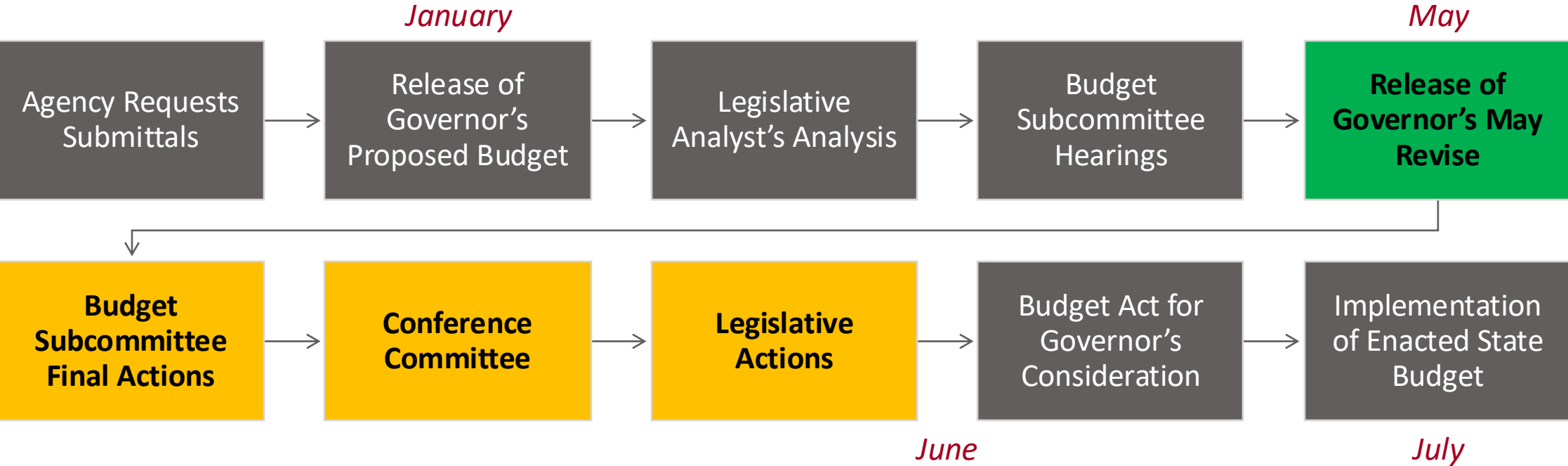


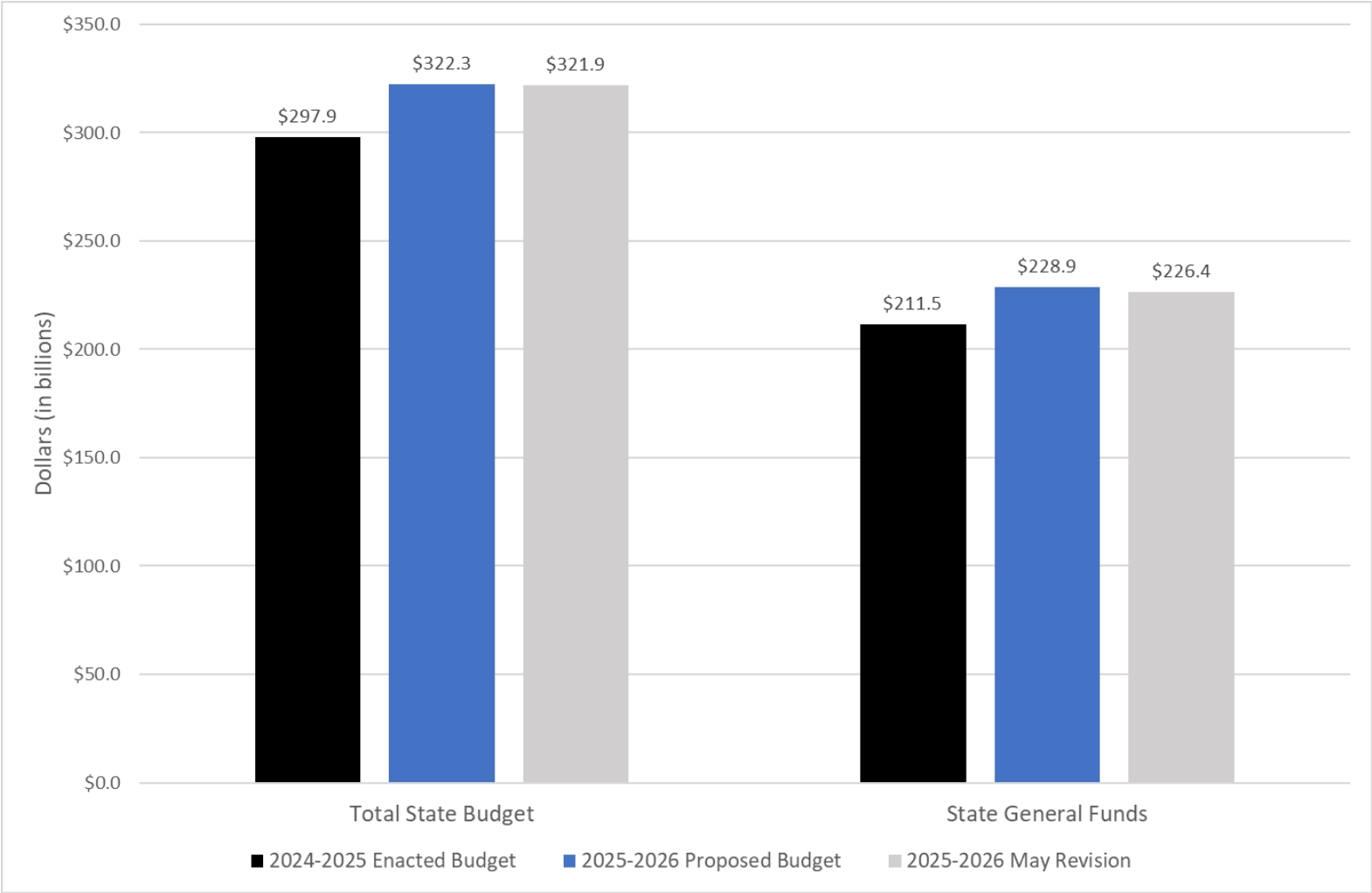
Governor's May Revision & MSJC's Tentative Budget FY 2025-26

Board of Trustees Meeting
June 12, 2025

State Budget Development Process



2025-26 Budget Proposals vs. 2024-25 Enacted Budget



[2, p. 3]

2025-26 Governor's May Revise Budget Features

- Assumes “growth recession – marked by a substantial slowdown in Gross Domestic Product (GDP) with lower job growth and higher unemployment” as a consequence of increases on import tariffs [1, p. 2] [1, p. 73] [1, p. 77]
- Downward pressure on revenue expectations coupled with upward pressure on expense, due largely to significant increases in State’s Medi-Cal program expenditures, have produced a \$12B deficit [1, p. 1] [2, p. 4]
- Deficit Solutions: [1, pp. 4-5] [2, p. 4]
 - Reductions (\$5B)
 - Revenue/Borrowing (\$5.3B)
 - Fund Shifts (\$1.7B)

Proposition 98 Funding by Source (In Millions)

Source	2024-25 Revised	2025-26 Governor's Budget (GB)	2025-26 May Revision	Change From GB (Amount)	Change From GB (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$86,620	\$84,603	\$80,747	\$(3,856)	-4.6%
Local property tax	32,317	34,321	33,821	\$(500)	-1.5%
Totals	\$118,937	\$118,924	\$114,568	\$(4,356)	-3.7%
COMMUNITY COLLEGES ONLY ^a					
General Fund	\$9,036	\$9,041	\$8,472	\$(569)	-6.3%
Local property tax	4,232	4,538	4,438	\$(100)	-2.2%
Totals	\$13,268	\$13,579	\$12,910	\$(669)	-4.9%

^a CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.

[2, p. 6]

CCC Student Centered Funding Formula (SCFF)

- **Statewide SCFF, \$9.98B** [2, p. 8]
 - 2.30% COLA, \$217.49M [1, p. 23] [2, p. 7]
 - 2.35% Growth, \$139.94M [1, p. 23] [2, p. 7]
 - Defers \$531.6M in SCFF funding from 2025-26 to 2026-27 [1, p. 23]
 - Withdraws \$59M from Proposition 98 Rainy Day Fund to support SCFF costs in 2025-26 [1, p. 24]
- **Adoption of May Revision would entirely drain Proposition 98 Rainy Day Fund at the end of 2025-26** [1, p. 13] [2, p. 7]

CCC Other Ongoing Statewide Policy Adjustments

- **2.30% COLA for Adult Ed., EOPS, DSPS, Apprenticeship, CalWORKS, Mandates Block Grant, CARE, Childcare Tax Bailout** [1, p. 23][2, pp. 7-8]
- **\$10M for Rising Scholars Network Expansion** [1, p. 24] [2, p. 7]
- **\$5M for Credit for Prior Learning Expansion** [1, p. 24] [2, p. 7]
- **\$3.31M for Financial Aid Administration Adjustments** [2, p. 7]

CCC One-Time Statewide Policy Adjustments

- **\$25M to Develop Career Passport** [1, p. 24] [2, p. 8]
- **\$15M to Expand Credit for Prior Learning** [1, p. 24] [2, p. 8]
- **\$12M for Common Cloud Data Platform** [1, p. 24] [2, p. 8]
- **\$6.6M to Expand e-Transcript California** [2, p. 8]

MSJC 2025-26 Tentative Budget Overview

Fund	Description	FY 2025-2026 Tentative Budget
11	General -- Unrestricted	\$ 183,112,802
11	BOT Special Reserve	\$ 30,179,903
12	General -- Restricted	\$ 53,190,781
12	Parking	\$ 1,337,335
12	Health Center	\$ 1,998,008
12	Instructional Equipment Block Grant	\$ 2,321,307
32	Cafeteria	\$ 3,716,621
33	Child Development	\$ 2,084,126
41	Capital Outlay Projects	\$ 53,460,357
43	Bond Projects	\$ 23,676,081
61	Self-Insurance	\$ 11,844,444
71	Student Government Association	\$ 839,606
72	Student Representation Fee	\$ 149,692
74	Student Financial Aid	\$ 48,471,212
79	Foundation	\$ 9,347,034
TL	Total	\$ 425,729,309

Features of 2025-26 MSJC Tentative Budget

Revenue

- 2.30% COLA on apportionment
- 3% deficit applied to general fund revenue
- \$840K SCFF one-time

Expense

- Step & column raises
- PERS & STRS employer contribution increases
- Health & welfare benefit cost increases
- Categorical grants budgeted at 95% of FY 2024-25 levels
- Funding for secondary effects, HVAC Controls & Gym project, wayfinding, & energy projects

2025-26 Tentative Budget Allocation Model

Unrestricted Revenues & Beginning Fund Balance		Ongoing	One-Time	Combined
	Unaudited Beginning Balance	\$ -	\$ 47,541,183	\$ 47,541,183
	FY 2025-2026 Projected Revenue			
	Apportionment Entitlement	\$ 125,214,181	\$ 840,000	\$ 126,054,181
	Less 3% Apportionment Deficit Factor	\$ (3,756,425)	\$ (25,200)	\$ (3,781,625)
	Other Revenue	\$ 14,630,688	\$ -	\$ 14,630,688
		\$ 136,088,444	\$ 814,800	\$ 136,903,244
	Less BOT Required Intrafund Transfer			
	17% of Projected Revenue	\$ (23,273,551)	\$ -	\$ (23,273,551)
	BOT Required Reserve Unaudited Beginning Balance	\$ 22,281,926	\$ -	\$ 22,281,926
		\$ (991,625)	\$ -	\$ (991,625)
	Less Other Intrafund Transfers			
	Instructional Block Grant	\$ (340,000)	\$ -	\$ (340,000)
		\$ (340,000)	\$ -	\$ (340,000)
	Total Unrestricted Revenues & Beginning Fund Balance	\$ 134,756,819	\$ 48,355,983	\$ 183,112,802

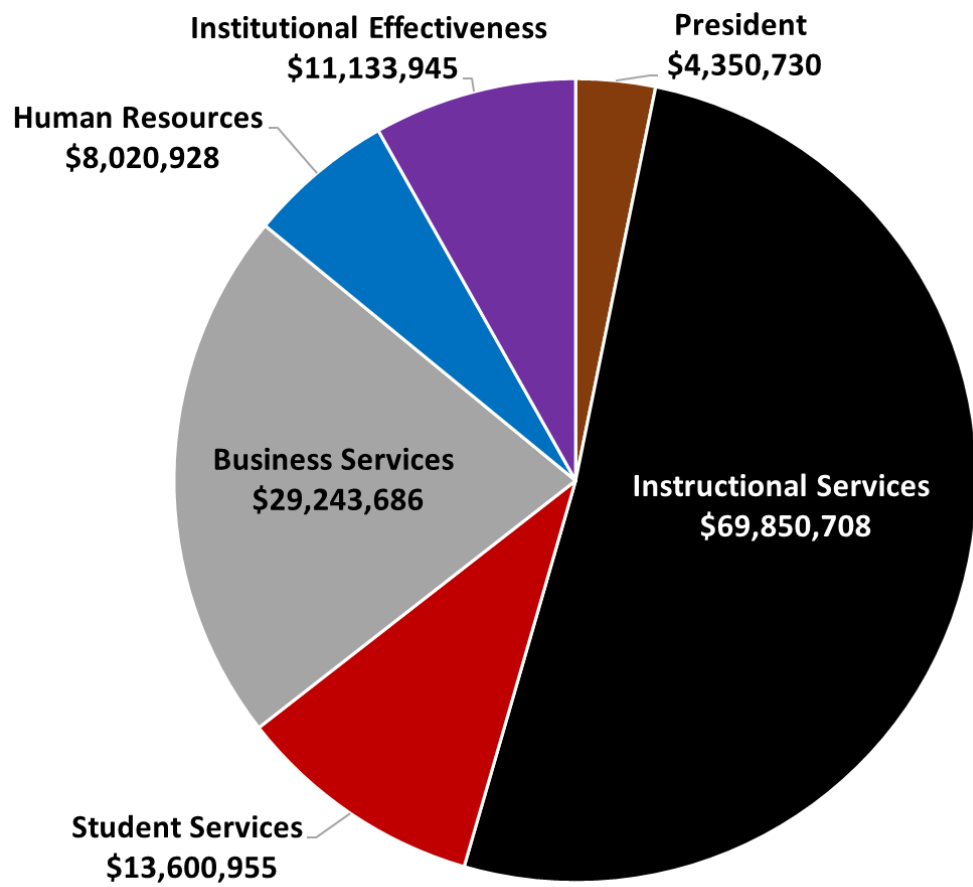
2025-26 Tentative Budget Allocation Model

Unrestricted Expenditures & Ending Fund Balance	Ongoing	One-Time	Combined
Expenditure Budget			
PY Base Expenditure Budget (FY 2024-2025)	\$ 121,550,124	\$ 10,115,782	\$ 131,665,906
FY 2025-2026 Budget Adjustments	\$ 9,683,904	\$ (5,148,858)	\$ 4,535,046
	\$ 131,234,028	\$ 4,966,924	\$ 136,200,952
Interfund Transfers			
Childcare	\$ 56,261	\$ -	\$ 56,261
Self Insurance	\$ 317,231	\$ 5,000,000	\$ 5,317,231
Capital Outlay	\$ -	\$ 10,000,000	\$ 10,000,000
	\$ 373,492	\$ 15,000,000	\$ 15,373,492
Other Outgo			
Student Financial Services	\$ 85,000	\$ -	\$ 85,000
	\$ 85,000	\$ -	\$ 85,000
Contingencies & Reserves			
One-time Economic Reserve	\$ -	\$ 814,800	\$ 814,800
Unrestricted Reserve	\$ -	\$ 30,638,558	\$ 30,638,558
	\$ -	\$ 31,453,358	\$ 31,453,358
Total Unrestricted Expenditures & Ending Fund Balance	\$ 131,692,520	\$ 51,420,282	\$ 183,112,802



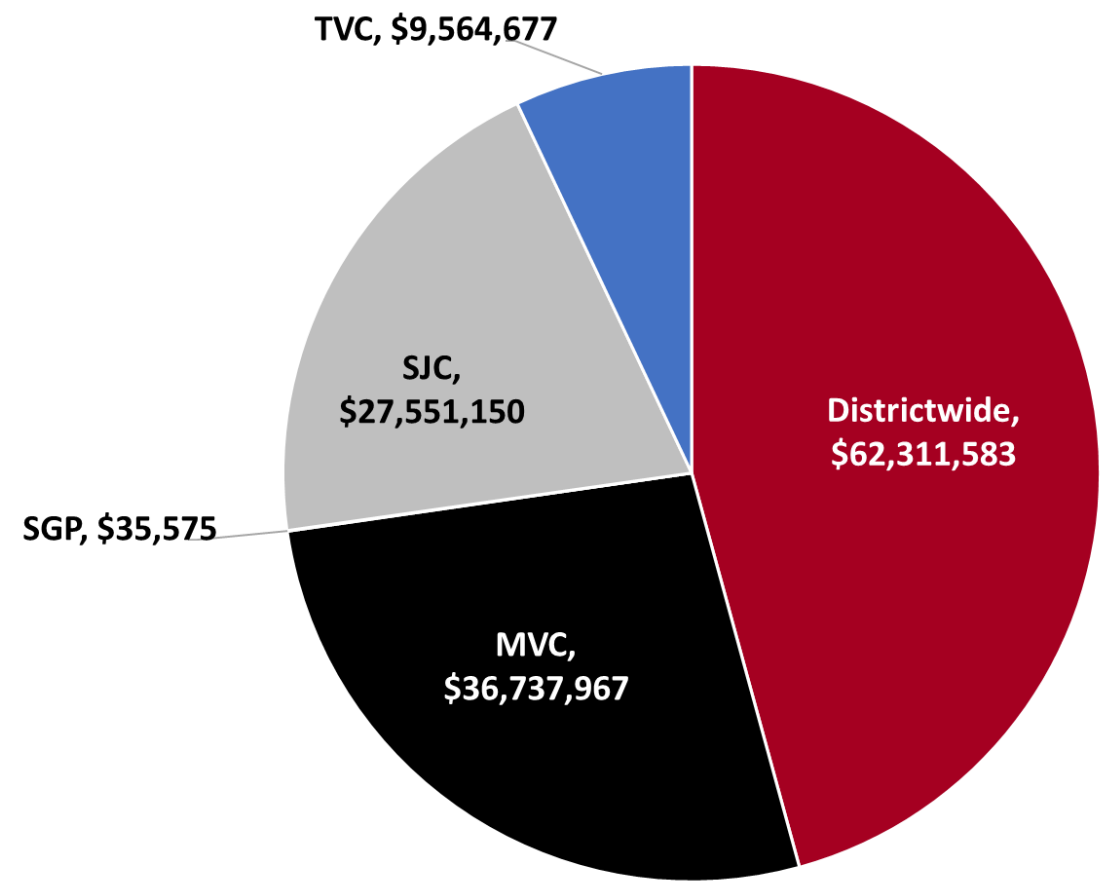
2025-26 MSJC Tentative Budget Expenditures by Division

Unrestricted General Fund – Expenditure Budget



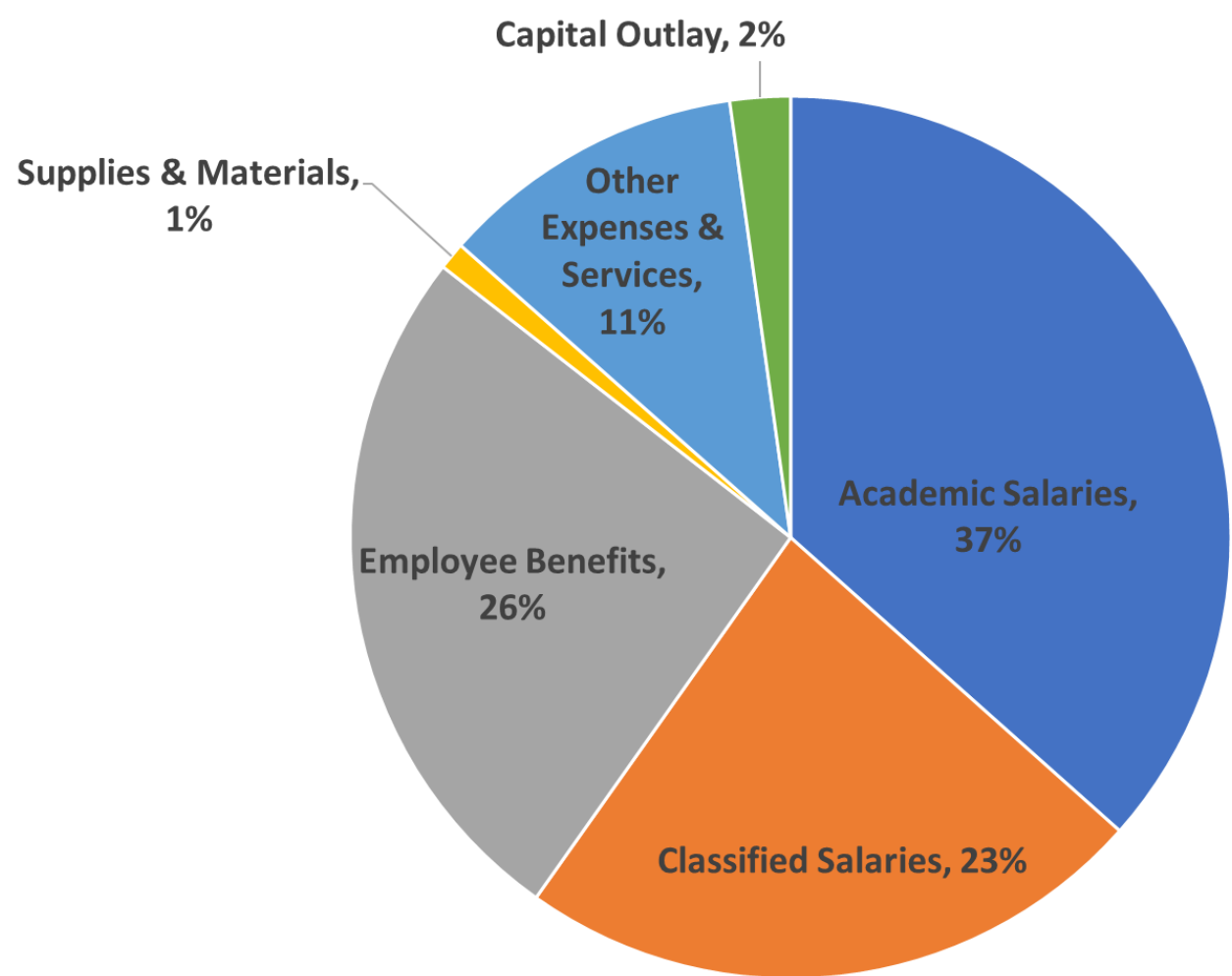
2025-26 MSJC Tentative Budget Expenditures by Location

Unrestricted General Fund – Expenditure Budget

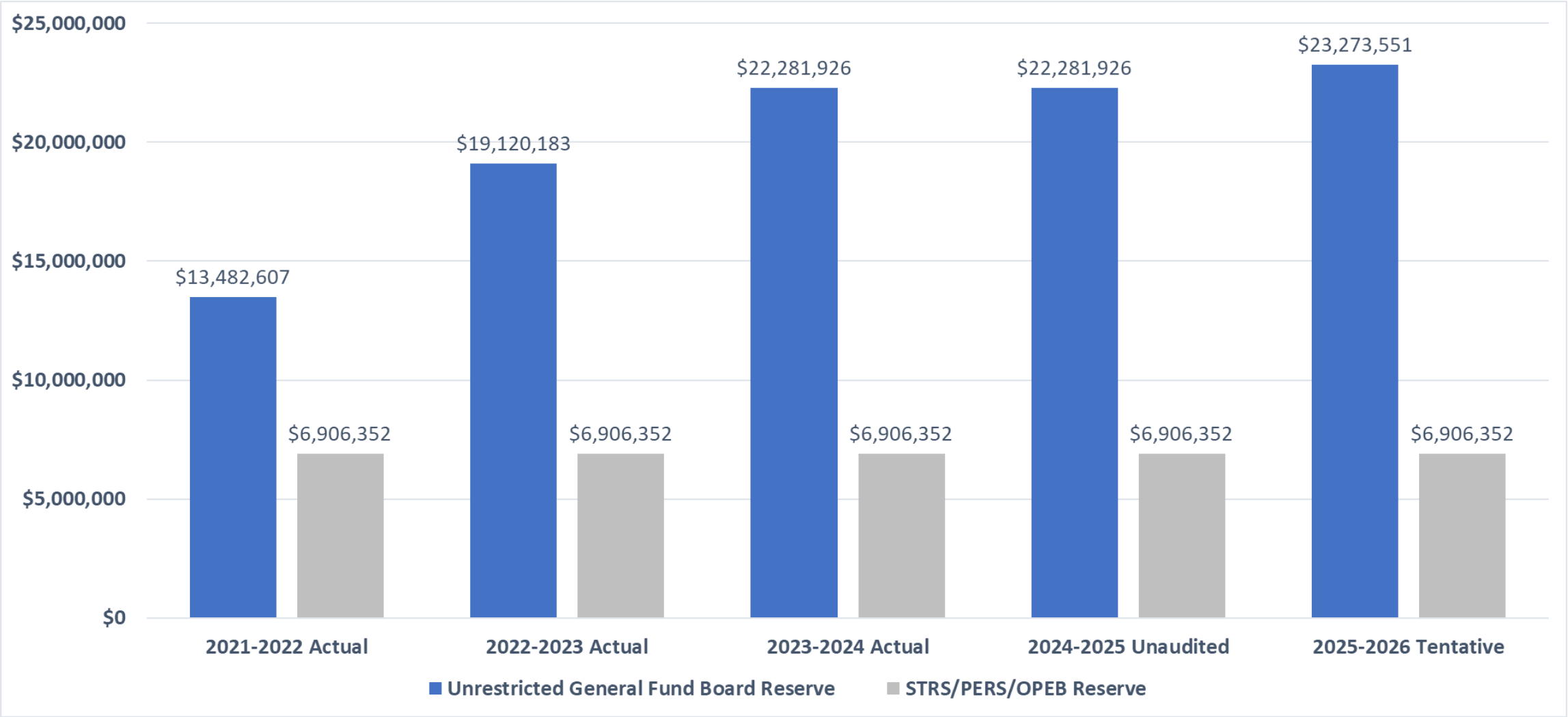


2025-26 MSJC Tentative Budget Expenditures by Percent

Unrestricted General Fund Expenditure Budget – 86% Salary/Benefits



Board of Trustees Special Reserve Fund



Questions?

Sources

- [1] Newsom, Gavin; Governor. May Revision: 2025-26
<https://ebudget.ca.gov/FullBudgetSummary.pdf>
- [2] CCC, ACBO, ACCCA, CCLC Joint Analysis – Governor’s 2025-26 May Revision
<https://www.cccco.edu/-/media/CCCCO-Website/docs/report/2025-joint-analysis-may-revision.pdf?la=en&hash=CCF0C65CDB1B44841CC158AAE73AFB7BF0C0351B>