



# 2025-26 Tentative Budget Presentation

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# Agenda

- COLA and the SCFF
- Assumptions
- Overall Budget Summary
- Unrestricted General Fund (UGF)
- UGF Comparisons to Budget and Last Year
- UGF Charts
- January SCFF Projections vs June SCFF Projections
- 5 Year Projection - Flat Enrollment
- Q&A



# A Note about COLA and the SCFF

Student Centered Funding Formula (SCFF) calculations are very complex. COLA impacts the rates used to calculate the SCFF.

Colleges earn the highest of Current Year Calculation, Prior Year Calculation + COLA, or Funding Floor. Note that Prior Year Calculation may be different from prior year funded amount, since the funded amount may be from one of the other ways of determining funding. The SCFF calculation includes three categories: general enrollment (and college size), low income enrollment, and student success. At the time the SCFF was implemented, the systemwide percentages were 70% general enrollment, 20% low income enrollment, and 10% student success. The Chancellor's Office took those percentages and used them to determine a funding rate for each FTES in each category. Since then, the COLA adjusts the funding rates. An individual college or district may have (or have had) changes to their FTES numbers, such that their calculation may no longer be 70/20/10. For example, in the February 2025 calculation (called P1 Exhibit C), the SBCC current year calculation method had 78% general enrollment, 11% low income enrollment, and 11% student success.

The regular credit part of the general enrollment category of the SCFF uses a three year average that considers current year, prior year, and prior prior year. So, for example the 2025-26 calculation will include an average that considers values from 2025-26, 2024-25, and 2023-24. The incarcerated credit, special admit credit, CDCP, and noncredit parts of the general enrollment category of the SCFF do not use a three year average. The college size part of the general enrollment category of the SCFF also does not use a three year average.

The low income enrollment category (called Supplemental Allocation) does not use a three year average, it uses the prior year FTES values for AB540, Pell Recipients, and California Promise Grant (formerly BOG Fee Waiver) Recipients.

The Student Success category uses a different three year average than the regular credit part, it is calculated using prior year, prior prior year, and prior prior prior year. So, for example the 2025-26 calculation will include an average that considers values from 2024-25, 2023-24, and 2022-23. Also, there are three major sections: general success, Pell Grant Recipient success, and California Promise Grant (formerly BOG Fee Waiver) Recipient success. And, within each section there are eight elements considered, each with an assigned weight.

Since there are these complexities, the question of whether we will receive the COLA no longer applies in a simple easy to answer way. It is better to ask whether or not our funding for the coming year will be greater than that for the current year, and by how much.



## Assumptions - System Wide

- Based on the Governor's January Proposal and May Revision
  - 2.3% COLA\*
    - SCFF Calculation
    - "Traditional" Categorical Programs (EOPS, DSPS, CalWORKs)
  - No Deficit Factor in 2024-25 nor 2025-26
  - STRS Rate remaining at 19.10%
  - PERS Rate declines slightly to 26.81%
  - System Growth Funding at 2.35%
  - SCFF deferrals of 5.3% - impacts cash flow, but not budget

\*See previous slide: Note about COLA and SCFF



## Assumptions - Local

- Flat Enrollment
- 50% Decline in International Student Revenue
- Medical Insurance Cost Increase of 8.5%
- Combined Utilities Rate Increase of 10%
- Minimal Step/Column Salary Cost Impact
- Combined UGF Impact of \$2,923,158
- Federal Funding Will Continue

**Santa Barbara City College**  
**2025-2026**  
**FY 2025-2026 Tentative Budget - Subtotal by Fund**

		Governmental Funds for Fiscal Year 2026 Budget								
		Total General Fund		Debt Service	Special Revenue	Capital Projects	Enterprise Fund	Internal Service	*Expendable Trusts	
Major Object	Title	Unrestricted	Restricted	Bond Interest & Redemption	Child Development, Food Service	Equipment, Construction	Campus Store, Extended Learning	Self-Insurance, Fleet Services	Associated Students, Clubs, Federal Aid, Trusts	Total District All Funds
<b>Revenues</b>										
81	Federal Revenues	-	6,102,496	-	14,116	-	-	-	18,325,724	24,442,336
86	State Revenues	62,239,700	68,696,430	12,000	199,752	31,354,945	-	-	1,631,000	164,133,827
88	Local Revenues	62,889,545	4,426,018	4,944,000	2,290,000	1,127,000	1,144,450	15,000	103,000	76,939,013
89	Transfers In	250,000	928,234	-	523,920	750,000	401,080	1,427,480	-	4,280,714
<b>Total Revenues</b>		<b>125,379,245</b>	<b>80,153,177</b>	<b>4,956,000</b>	<b>3,027,788</b>	<b>33,231,945</b>	<b>1,545,530</b>	<b>1,442,480</b>	<b>20,059,724</b>	<b>269,795,890</b>
<b>Expenditures</b>										
10	Academic Salaries	49,659,376	5,447,585	-	192,514	778	35,069	-	1,491	55,336,813
20	Classified Salaries	27,468,550	6,145,404	-	1,085,232	-	556,721	-	17,546	35,273,454
30	Employee Benefits	33,240,945	4,590,765	-	571,064	85	268,205	-	1,940	38,673,005
40	Supplies And Materials	2,023,832	5,698,484	-	1,028,929	6,441	447,440	-	69,037	9,274,163
50	Other Operating Expenses & Services	15,786,944	38,342,453	-	150,048	76,000	218,910	1,432,480	20,007	56,026,842
60	Capital Outlay	537,158	9,393,543	-	-	97,871,922	10,100	8,565	-	107,821,288
70	Other Outgo	-	8,986,135	4,600,000	-	-	-	-	19,947,402	33,533,537
79	Appropriation for Contingencies	-	1,185,783	-	-	-	-	-	-	1,185,783
80	Transfers Out	2,825,060	735,487	-	-	-	-	-	9,000	3,569,547
<b>Total Expenditures</b>		<b>131,541,865</b>	<b>80,525,640</b>	<b>4,600,000</b>	<b>3,027,788</b>	<b>97,955,226</b>	<b>1,536,445</b>	<b>1,441,045</b>	<b>20,066,424</b>	<b>340,694,433</b>
<b>Net Change in Fund Balance</b>		<b>(6,162,620)</b>	<b>(372,462)</b>	<b>356,000</b>	<b>-</b>	<b>(64,723,281)</b>	<b>9,085</b>	<b>1,435</b>	<b>(6,700)</b>	<b>(70,898,544)</b>
<b>Beginning Fund Balance</b>		<b>37,814,162</b>	<b>3,358,650</b>	<b>6,275,698</b>	<b>343,472</b>	<b>16,585,777</b>	<b>6,650,043</b>	<b>152,756</b>	<b>2,668,309</b>	<b>73,848,868</b>
<b>Change in Fund Balance</b>		<b>(6,162,620)</b>	<b>(372,462)</b>	<b>356,000</b>	<b>-</b>	<b>(64,723,281)</b>	<b>9,085</b>	<b>1,435</b>	<b>(6,700)</b>	<b>(70,898,544)</b>
<b>Ending Fund Balance</b>		<b>31,651,542</b>	<b>2,986,187</b>	<b>6,631,698</b>	<b>343,472</b>	<b>(48,137,504)</b>	<b>6,659,129</b>	<b>154,191</b>	<b>2,661,609</b>	<b>2,950,324</b>

\* There are no FY26 budgeted revenue and expenditures under fund 75 (Scholarships), fund 79 (Special Trusts), and fund 81 (Student Clubs).

**Santa Barbara City College**  
**2025-26**  
**Unrestricted General Fund - Fund 11**

Major Object	Title	2021-22 Actuals	2022-23 Actuals	2023-2024 Actuals	2024-25 Adopted Budget	2024-25 Adjusted Budget	*2024-25 Projected Actuals	2025-26 Budget
<b>Revenues</b>								
81	Federal Revenues	-	-	-	-	-	-	-
86	State Revenues	52,175,850	57,014,734	65,525,535	56,797,635	61,025,349	59,669,155	62,239,700
88	Local Revenues	54,960,858	60,018,020	62,325,839	62,168,328	62,099,815	64,187,261	62,889,545
89	Transfers In	4,789,591	266,768	353,284	200,000	200,000	242,967	250,000
<b>Total Revenues</b>		<b>111,926,299</b>	<b>117,299,522</b>	<b>128,204,658</b>	<b>119,165,963</b>	<b>123,325,164</b>	<b>124,099,384</b>	<b>125,379,245</b>
<b>Expenditures</b>								
10	Academic Salaries	43,734,575	45,320,841	51,873,560	48,935,213	50,018,826	49,062,579	49,659,376
20	Classified Salaries	22,531,049	24,525,145	25,705,259	27,296,665	27,579,137	25,512,858	27,468,550
30	Employee Benefits	26,209,478	29,812,325	31,948,845	29,330,434	32,139,561	31,716,985	33,240,945
40	Supplies And Materials	1,785,907	1,576,715	1,889,865	2,042,857	2,039,699	1,771,729	2,023,832
50	Other Operating Expenses & Services	11,957,029	13,672,972	12,072,476	15,625,750	14,973,283	10,971,786	15,786,944
60	Capital Outlay	774,570	579,234	886,178	604,620	622,588	428,677	537,158
70	Other Outgo	1,499,923	437,042	1,192	-	-	516	-
79	Appropriation for Contingencies	-	-	-	-	-	-	-
80	Transfers Out	2,223,028	3,352,000	2,039,068	2,750,000	2,750,000	2,863,648	2,825,060
<b>Total Expenditures</b>		<b>110,715,559</b>	<b>119,276,273</b>	<b>126,416,444</b>	<b>126,585,539</b>	<b>130,123,094</b>	<b>122,328,778</b>	<b>131,541,865</b>
<b>Net Change in Fund Balance</b>		<b>1,210,740</b>	<b>(1,976,751)</b>	<b>1,788,214</b>	<b>(7,419,576)</b>	<b>(6,797,930)</b>	<b>1,770,606</b>	<b>(6,162,620)</b>
<b>Beginning Fund Balance</b>		<b>35,021,354</b>	<b>36,232,094</b>	<b>34,255,343</b>	<b>36,043,556</b>	<b>36,043,556</b>	<b>36,043,556</b>	<b>37,814,162</b>
<b>Change in Fund Balance</b>		<b>1,210,740</b>	<b>(1,976,751)</b>	<b>1,788,214</b>	<b>(7,419,576)</b>	<b>(6,797,930)</b>	<b>1,770,606</b>	<b>(6,162,620)</b>
<b>Ending Fund Balance</b>		<b>36,232,094</b>	<b>34,255,343</b>	<b>36,043,556</b>	<b>28,623,981</b>	<b>29,245,626</b>	<b>37,814,162</b>	<b>31,651,542</b>

\* \$5,046,089 in incurred expenditures have been reclassified to the Covid-19 Recovery Block Grant (Fund 12282).



## 2024-25 UGF Projected Actual Values Comparison

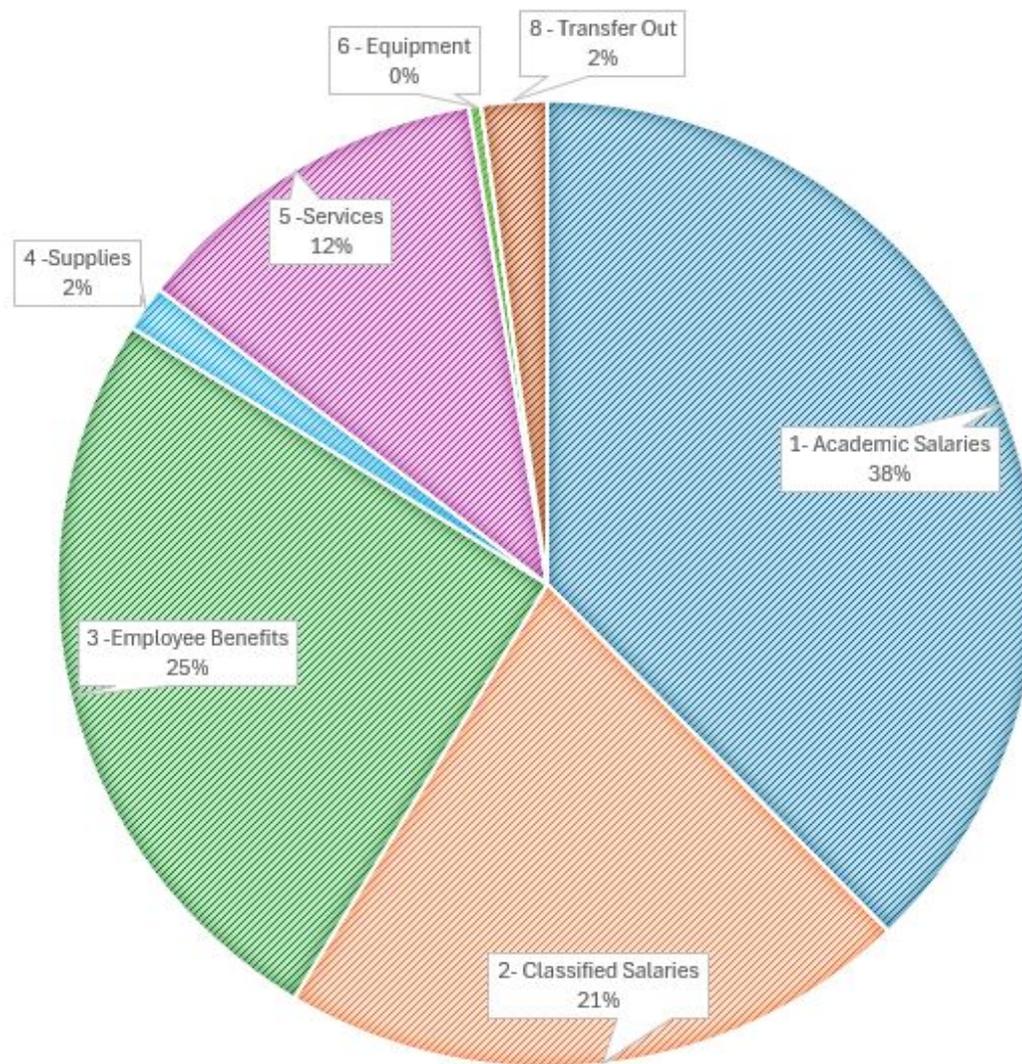
	<u>2024-25 Projected</u>	<u>Covid-19 Block Grant</u>	<u>2024-25 Proj+BG</u>	<u>2024-25 Adjusted Budget</u>	<u>Proj+BG vs Budget</u>	<u>2023-24 Actuals</u>	<u>Proj+BG vs 2023-24</u>
1 - Academic Salaries	\$49,062,579	\$802,264	\$49,864,843	\$50,018,826	(\$153,983)	\$51,873,560	(\$2,008,717)
2 - Classified Salaries	\$25,512,858	\$1,831,708	\$27,344,566	\$27,579,137	(\$234,571)	\$25,705,259	\$1,639,307
3 - Benefits	\$31,716,985	\$1,106,958	\$32,823,943	\$32,139,561	\$684,382	\$31,948,845	\$875,098
4 - Supplies	\$1,771,729	\$169,399	\$1,941,128	\$2,039,699	(\$98,571)	\$1,889,865	\$51,263
5 - Services	\$10,971,786	\$1,100,690	\$12,072,476	\$14,973,283	(\$2,900,807)	\$12,072,476	\$0
6 - Equipment	\$428,677	\$29,263	\$457,940	\$622,588	(\$164,648)	\$886,178	(\$428,238)
7 - Other	\$516	\$0	\$516	\$0	\$516	\$1,192	(\$676)
8 - Transfers	\$2,858,877	\$5,807	\$2,864,684	\$2,750,000	\$114,684	\$2,039,068	\$825,616
	<u>\$122,324,007</u>	<u>\$5,046,089</u>	<u>\$127,370,096</u>	<u>\$130,123,094</u>	<u>(\$2,752,998)</u>	<u>\$126,416,443</u>	<u>\$953,653</u>
	<u>Revenue</u>		<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
Fed	\$59,669,155		\$59,669,155	\$61,025,349	(\$1,356,194)	\$65,525,535	(\$5,856,380)
State	\$64,187,261		\$64,187,261	\$62,099,815	\$2,087,446	\$62,325,839	\$1,861,422
Transfer	\$242,967		\$242,967	\$200,000	\$42,967	\$353,284	(\$110,317)
	<u>\$124,099,383</u>		<u>\$124,099,383</u>	<u>\$123,325,164</u>	<u>\$774,219</u>	<u>\$128,204,658</u>	<u>(\$4,105,275)</u>
<b>Reserves Impact</b>	\$1,775,376		(\$3,270,713)	(\$6,797,930)	\$3,527,217	\$1,788,215	(\$5,058,928)



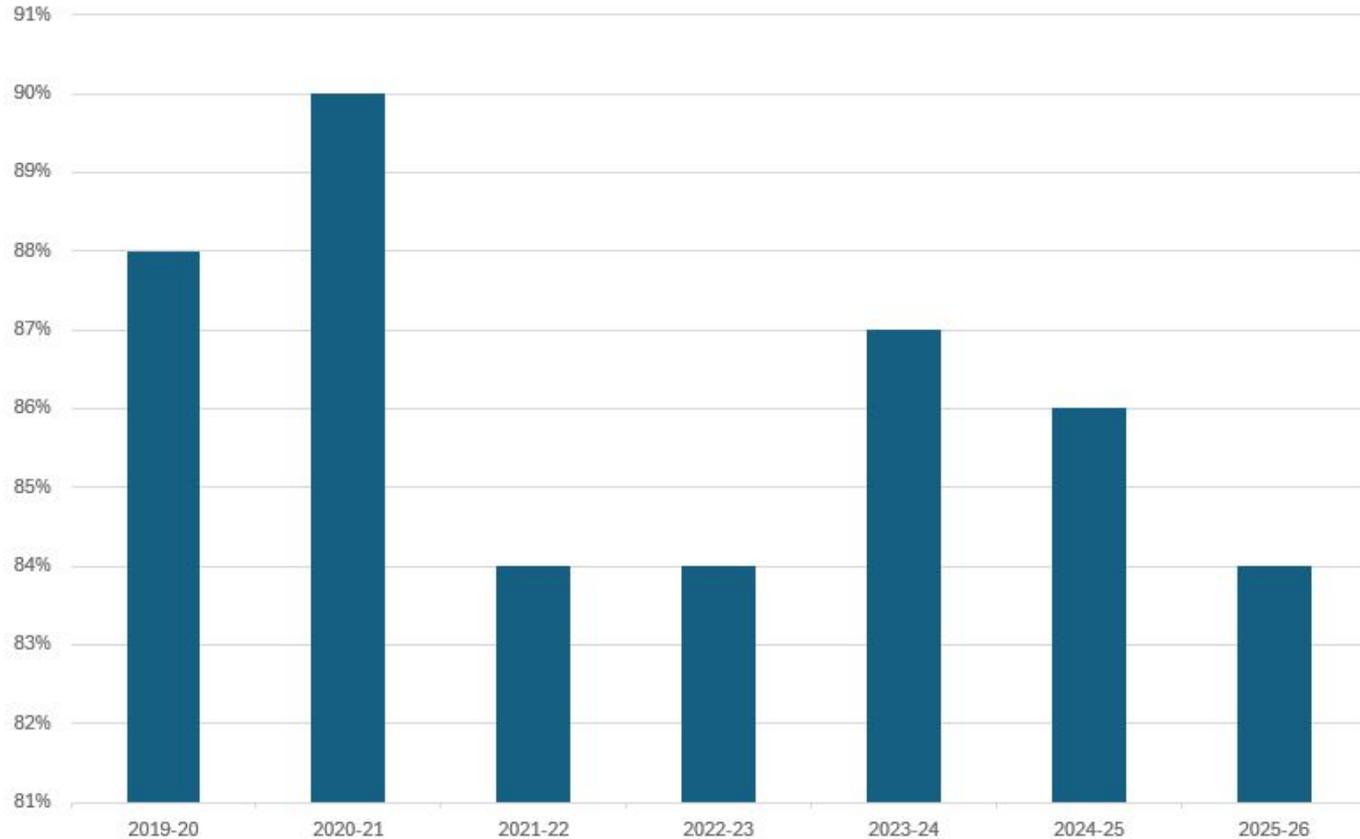
# 2024-25 Projection Comparison Notes

- Academic Salaries very close to budget, but lower than last year primarily in hourly instruction, with some savings in non-instruction, overload, and hourly non-teaching.
- Classified Salaries lower than budget from unfilled positions (Exec Director of IT, Internal Auditor, Purchasing Manager, etc.), but higher than last year due to filled vacancies such as Student Finance Manager, Senior Director of A&R, IT Systems Specialist, etc.
- Benefits higher than budget and last year primarily from early retirement benefits increase.
- Services costs are similar to last year, but below budget from liability insurance, contracts, repairs by vendor, and bad debt expense.
- Transfers out are higher than budget and last year from additional self-insurance expenses, and transfers to balance expenses to revenue in child care, food service, and parking.

2025-26 UGF  
Budget



# UGF Salary + Benefits Percent of Total





## January SCFF Projections vs June SCFF Projections

- January 2025 SCFF Projections used data available from the 2023-24 P2 Exhibit C. That report became available in June 2024.
- June 2025 SCFF Projections used data available from the 2023-24 Recalculation Exhibit C. That report became available in February 2025. Also, the most recent 320 report for the 2024-25 year submitted to the State Chancellor's Office. The Adoption Budget will use the P2 Exhibit C that will become available by the end of June 2025.
- The 2023-24 annual number for the general enrollment section increased from 11,310 to 11,832. The 2024-25 and later annual FTES for the general enrollment section increased from 11,310 to 11,778. These annual increases (when compared to the January projection) improve the three-year average.



## January 2025 SCFF Projection: 11,310 Annual FTES

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
3-Yr Ave FTES	12,252	11,781	11,310	11,310	11,310
Calculated	\$101,082,458	\$99,194,154	\$98,059,647	\$99,675,633	\$100,764,895
Stability	\$104,082,161	\$102,800,860	\$101,152,139	\$101,079,885	\$102,964,929
Funding Floor*	\$93,309,280	\$94,307,689	\$102,800,860	\$102,800,860	\$102,800,860

\*Prior to 2025-26 the Funding Floor was the Hold Harmless, and was calculated based on 2017-18 funded value plus COLA for each year. Beginning in 2025-26 the Funding Floor is equal to the funded amount from 2024-25 with no COLA additions going forward.



## June 2025 SCFF Projection: 11,778 Annual FTES

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
3-Yr Ave FTES	12,369	12,203	11,813	11,778	11,778
Calculated	\$101,082,458	\$101,442,924	\$101,991,023	\$105,044,326	\$109,035,856
Stability	\$104,082,161	\$101,550,349**	\$103,850,709	\$105,152,745	\$109,036,011
Funding Floor*	\$93,309,280	\$94,307,689	\$101,550,349**	\$101,550,349**	\$101,550,349**

\*Prior to 2025-26 the Funding Floor was the Hold Harmless, and was calculated based on 2017-18 funded value plus COLA for each year. Beginning in 2025-26 the Funding Floor is equal to the funded amount from 2024-25 with no COLA additions going forward.

\*\*2024-25 Value based on actual revenue received through May. Value will be updated at Adoption based on the P2 report.

# 5 Year Projections Primary Assumptions

- State Legislative Analyst Office (LAO) COLA\* Projections - November 2024

<https://lao.ca.gov/Publications/Report/4940>

- 3.1% for 2026-27
- 3.8% for 2027-28
- 4.0% for 2028-29
- 2029-30 Not yet projected
- No additional decreases in International or Out-of-State Revenue
- Step/Column Salary Increase of 1%
- Benefits Increase of 4%
- Funded at Highest of
  - Current Year Calculation (called Total Computational Revenue - TCR)
  - Previous Year Calculation + COLA (called Stability)
  - Funding Floor (2024-25 Funded Amount)



FTES (Current Year)  
Credit FTES (3 Year Average)

	Projected Actuals	Tentative Budget	Projections			
	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Stability	Stability	Stability	Stability	TCR	Stability	
11,778	11,778	11,778	11,778	11,778	11,778	11,778
9,796	9,406	9,370	9,370	9,370	9,370	9,370
<b>Revenues</b>						
<b>State Revenues</b>						
*State Principal Apportionment: Ongoing Funding	47,300,904	49,261,797	51,545,056	54,022,003	56,936,895	59,980,908
State Principal Apportionment: One-time Funding	0	0	-	-	-	-
*COLA	2,768,251	2,346,582	-	-	-	-
Other	9,600,000	10,631,321	10,700,000	10,700,000	10,700,000	10,700,000
<b>Total State Revenues</b>	<b>59,669,155</b>	<b>62,239,700</b>	<b>62,245,056</b>	<b>64,722,003</b>	<b>67,636,895</b>	<b>70,680,908</b>
<b>Local Revenues</b>						
*Local Secured Taxes	43,167,975	45,511,953	46,877,312	48,283,631	49,732,140	51,224,104
*Enrollment Fees	8,313,219	6,730,377	6,730,377	6,730,377	6,730,377	6,730,377
International Tuition	4,178,157	2,000,000	2,000,000	3,000,000	3,000,000	3,000,000
Out-of-State Tuition	5,713,862	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Other	2,814,049	3,147,215	3,200,000	3,200,000	3,200,000	3,200,000
<b>Total Local Revenues</b>	<b>64,187,262</b>	<b>62,889,545</b>	<b>64,307,689</b>	<b>66,714,008</b>	<b>68,162,517</b>	<b>69,654,481</b>
Other Financing Sources	242,967	250,000	250,000	250,000	250,000	250,000
<b>Total Revenues</b>	<b>124,099,384</b>	<b>125,379,245</b>	<b>126,802,745</b>	<b>131,686,011</b>	<b>136,049,412</b>	<b>140,585,389</b>
<b>Expenditures</b>						
Academic Salaries	49,062,579	49,659,376	50,155,970	50,657,529	51,164,105	51,675,746
Classified Salaries	25,512,858	27,468,550	27,743,236	28,020,668	28,300,875	28,583,883
Employee Benefits	31,716,985	33,240,945	34,570,583	35,953,406	37,391,542	38,887,204
Supplies And Materials	1,771,729	2,023,832	2,044,070	2,064,511	2,085,156	2,106,008
Other Operating Expenses & Services	10,971,786	15,786,944	14,829,357	14,965,767	15,115,425	15,266,579
Capital Outlay	428,677	537,158	539,079	544,469	560,803	577,627
Other Outgo	516	0	0	0	0	0
Transfers Out	2,863,648	2,676,814	2,400,000	2,400,000	2,400,000	2,400,000
<b>Total Expenditures</b>	<b>122,328,778</b>	<b>131,393,619</b>	<b>132,282,294</b>	<b>134,606,350</b>	<b>137,017,905</b>	<b>139,497,047</b>
Adjustment	-	-	(2,739,775)	(2,920,339)	(968,493)	0
<b>Net Change in Fund Balance</b>	<b>1,770,606</b>	<b>(6,014,374)</b>	<b>(2,739,775)</b>	<b>-</b>	<b>-</b>	<b>1,088,342</b>
Beginning Fund Balance	36,043,556	37,814,162	31,799,788	29,060,013	29,060,013	29,060,013
Change in Fund Balance	1,770,606	(6,014,374)	(2,739,775)	-	-	1,088,342
<b>Ending Fund Balance</b>	<b>37,814,162</b>	<b>31,799,788</b>	<b>29,060,013</b>	<b>29,060,013</b>	<b>29,060,013</b>	<b>30,148,356</b>

# Some Takeaways

- Switching to Standardized Attendance Accounting helps us move to Stability funding, rather than the Funding Floor
- Unless action is taken the UGF Deficit will persist through 2028-29, despite anticipated COLA increases
- The UGF Deficit could worsen if International or Out-of-State revenue declines
- SBCC Leadership is committed to working with all constituencies to resolve the deficit and present a balanced budget by June 2027

