



# CERRITOS COLLEGE

2025-26 Tentative Budget  
Board of Trustees Meeting



# Agenda

- **May Revision**
- **Tentative Budget**
- **Questions**





# May Revision

- May revision was released May 14, 2025
- May Revision now estimate a \$12 billion the budget deficit.
  - Slowing economy
  - Drop in personal income tax revenues
- May revision addresses the budget shortfall through a combination of the following:
  - Spending reductions
  - Payment deferrals
  - Use of emergency reserves





# May Revision

- \$60 million for expansion of nursing program capacity
- Starting in 2025–26, districts will be funded at their SCFF generated amount that year or their “floor” (2024–25 funding amount), whichever is higher.
  - SCFF funding “floor” is based on 2024–25 funded amount.
  - This revised hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time.





# May Revision

- Minimum Guarantee for CC Drops.
  - Estimated at \$114.6 billion, lower than January's budget proposal.

| <b>Fiscal Year</b> | <b>January Proposal</b> | <b>May Revision</b> | <b>Change</b> |
|--------------------|-------------------------|---------------------|---------------|
| 2024-25            | \$122.3 billion         | \$118.9B            | -\$3.4B       |
| 2025-26            | \$115.8 billion         | \$114.6B            | -\$1.2B       |





# May Revision

## Key Changes to Community Colleges Funding:

- \$210.2 million to fully fund SCFF in 2024–25.
- \$104.7 million to fully fund SCFF in 2025–26.
- \$109.5 million for 2.35% enrollment growth.
- \$217.5 million to fund the 2.3% COLA.





# May Revision

## Reductions and Deferrals:

- \$531.6 million in deferrals from June 2026 to July 2026.
- \$59 million drawn from the PSSSA to cover CCC costs in 2025–26.
- Major program cuts or scale-backs include:

| Program                   | Original             | Revised      |
|---------------------------|----------------------|--------------|
| Collaborative ERP         | \$168M               | Eliminated   |
| Common Cloud Platform     | \$162.5M             | \$12M        |
| Rising Scholars           | \$30M ongoing        | \$10M        |
| Credit for Prior Learning | \$50M + \$7M ongoing | \$15M + \$5M |
| Career Passport           | \$50M                | \$25M        |



# May Revision

## Takeaways:

- Systemwide funding pressure from the TK reallocation.
- Cash flow strain due to deferrals.
- Limited access to new funding opportunities.
- Enrollment growth is funded—strong FTES growth could yield new resources.
- Continued to strive towards our SFF goal of graduating 50% within 5 years or less.





## **SB 101 (Budget Act of 2025)**

- **The legislature approved their version of the State Budget, SB 101 on Friday June 13, 2025.**
- **SB 101 relies more on borrowing than spending cuts to close a projected \$12 billion deficit, pushing off spending cuts and other priorities to future years, even though the budget gap is only expected to grow.**
- **Governor has until June 30 to sign or veto.**





# SB 101 (Budget Act of 2025)

## New Legislative Additions

- **\$100 million one-time for 2024–25 enrollment growth, providing full funding for colleges that recover or expand student headcount.**
- **\$80 million one-time for a Student Support Block Grant, offering colleges flexible resources to bolster student services (e.g., tutoring, basic needs, mental health).**
- **\$44 million one-time to fund 90% reimbursement for part-time faculty office hours, expanding access to student-instructor engagement outside class.**
- **\$20 million one-time for emergency student financial aid, helping students manage short-term financial crises.**





# SB 101 (Budget Act of 2025)

## New Legislative Additions

- **\$15 million one-time for Dream Resource Liaisons, reinforcing campus support for undocumented students.**
- **\$5.1 million one-time for financial aid outreach and community support.**





# SB 101 (Budget Act of 2025)

## Program Adjustments

- **\$168 million withdrawn:** The systemwide Enterprise Resource Planning (ERP) modernization project was fully canceled.
- **\$150.5 million cut** from the proposed Common Cloud Data Platform; only \$12 million was retained for a limited pilot.
- **\$25 million cut:** The Legislature rejected the Career Passport Initiative, a Governor-proposed tool to support prior learning credit and workforce credentialing.





# SB 101 (Budget Act of 2025)

## Other Notable Changes

- Reappropriates \$135 million Proposition 98 General Fund from the 2024-25 funding (unspent) for the Part-Time Faculty Health Insurance program to help reduce the 2025-26 deferral.
- Modifies the May Revision proposal to instead defer \$377.5 million (\$531.6 million) Proposition 98 General Fund from 2025-26 to 2026-27.





# 2025–26 Tentative Budget

- Budget Assumptions
- Tentative Budget
- Questions





# Cerritos College 2025-26 Tentative Budget

Presented By: Felipe Lopez, Executive Vice President

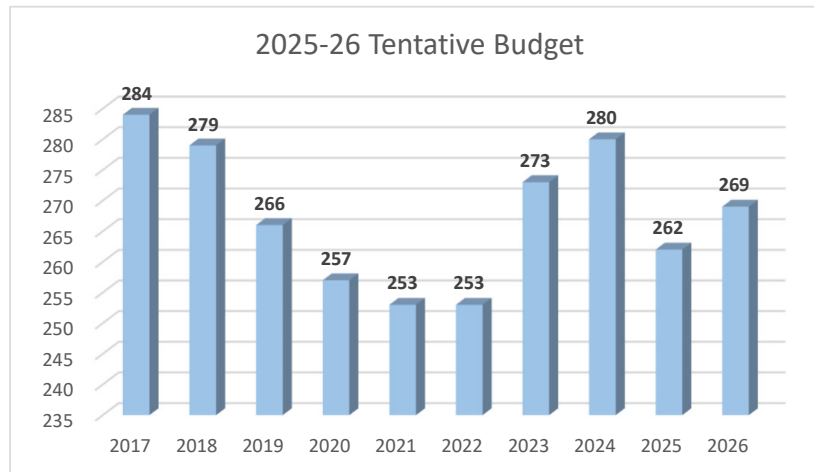
June 18, 2025

## Cost of Living Adjustment (COLA)

| Year    | Tentative Budget | California<br>Community Colleges<br>COLA |
|---------|------------------|--|
| 2016-17 | 0.00%            | 0.00%                                    |
| 2017-18 | 1.56%            | 1.56%                                    |
| 2018-19 | 2.71%            | 2.71%                                    |
| 2019-20 | 3.26%            | 3.26%                                    |
| 2020-21 | 0.00%            | 0.00%                                    |
| 2021-22 | 5.07%            | 5.07%                                    |
| 2022-23 | 6.56%            | 6.56%                                    |
| 2023-24 | 8.22%            | 8.22%                                    |
| 2024-25 | 1.07%            | 1.07%                                    |
| 2025-26 | 2.30%            | 2.30%                                    |

## Full-Time Faculty Obligation (FON)

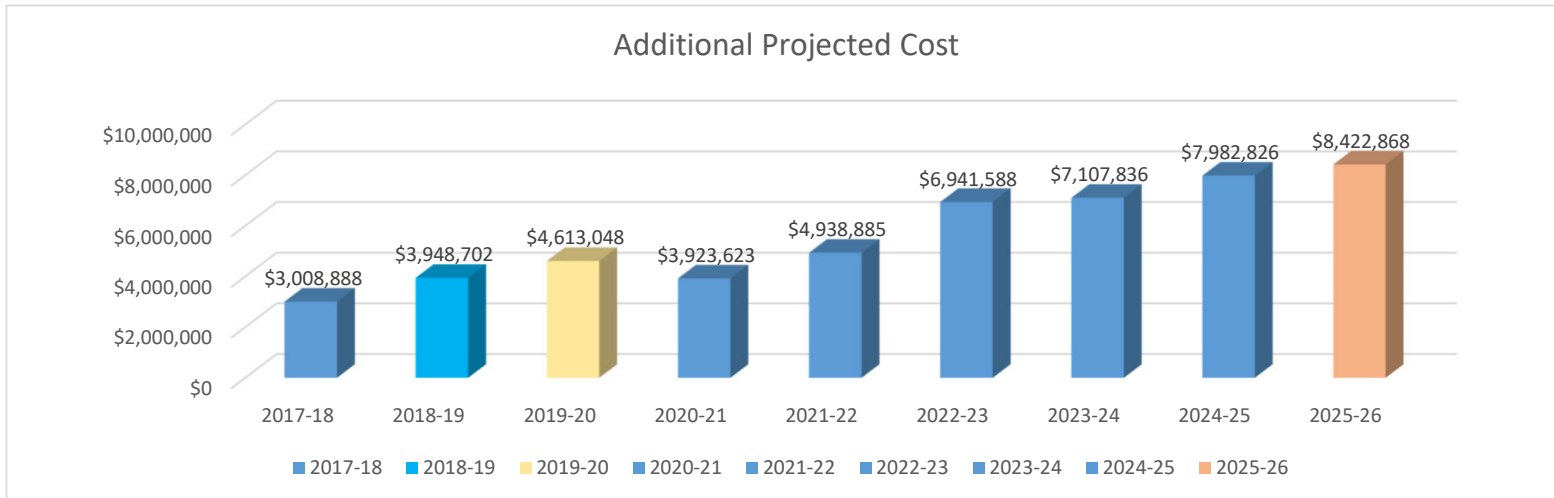
| Year | Tentative Budget |   |
|------|------------------|---|
| 2017 | 284              |   |
| 2018 | 279              |   |
| 2019 | 266              |   |
| 2020 | 257              |   |
| 2021 | 253              |   |
| 2022 | 253              |   |
| 2023 | 273              |   |
| 2024 | 280              |   |
| 2025 | 262              |   |
| 2026 | 269              | * |



\* - Advance FON for Fall 2025

### State Teachers Retirement System (STRS) Contribution Rates

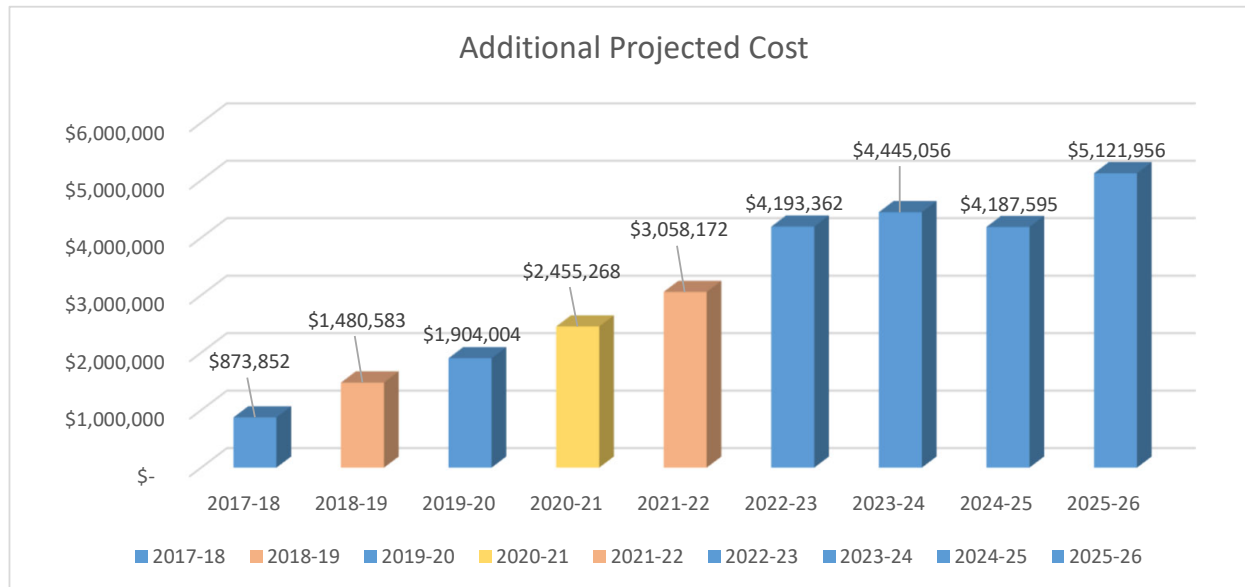
| Fiscal Year | Tentative Budget | Employer | Employee (Pre-2013 hire date) | Employee (Post-2013 hire date) | State |
|-------------|------------------|----------|-------------------------------|--------------------------------|-------|
| 2017-18     | \$ 3,008,888     | 14.43%   | 10.25%                        | 10.21%                         | 6.33% |
| 2018-19     | \$ 3,948,702     | 16.28%   | 10.25%                        | 10.21%                         | 6.33% |
| 2019-20     | \$ 4,613,048     | 17.10%   | 10.25%                        | 10.21%                         | 6.33% |
| 2020-21     | \$ 3,923,623     | 16.15%   | 10.25%                        | 10.21%                         | 6.33% |
| 2021-22     | \$ 4,938,885     | 16.92%   | 10.25%                        | 10.21%                         | 6.33% |
| 2022-23     | \$ 6,941,588     | 19.10%   | 10.25%                        | 10.21%                         | 6.33% |
| 2023-24     | \$ 7,107,836     | 19.10%   | 10.25%                        | 10.21%                         | 6.33% |
| 2024-25     | \$ 7,982,826     | 19.10%   | 10.25%                        | 10.21%                         | 6.33% |
| 2025-26     | \$ 8,422,868     | 19.10%   | 10.25%                        | 10.21%                         | 6.33% |



Note: Plan also allows CalSTRS to annually adjust the employer and state rates beginning July 1, 2021, and caps any such annual increase at 1% for employers and 0.5% for the state

### California Public Employees' Retirement System (CalPERS) Contribution Rates

| Fiscal Year | Tentative Budget | Employer |
|-------------|------------------|----------|
| 2017-18     | \$ 873,852       | 15.53%   |
| 2018-19     | \$ 1,480,583     | 18.06%   |
| 2019-20     | \$ 1,904,004     | 19.72%   |
| 2020-21     | \$ 2,455,268     | 20.70%   |
| 2021-22     | \$ 3,058,172     | 22.91%   |
| 2022-23     | \$ 4,193,362     | 25.37%   |
| 2023-24     | \$ 4,445,056     | 26.68%   |
| 2024-25     | \$ 4,187,595     | 27.05%   |
| 2025-26     | \$ 5,121,956     | 26.81%   |

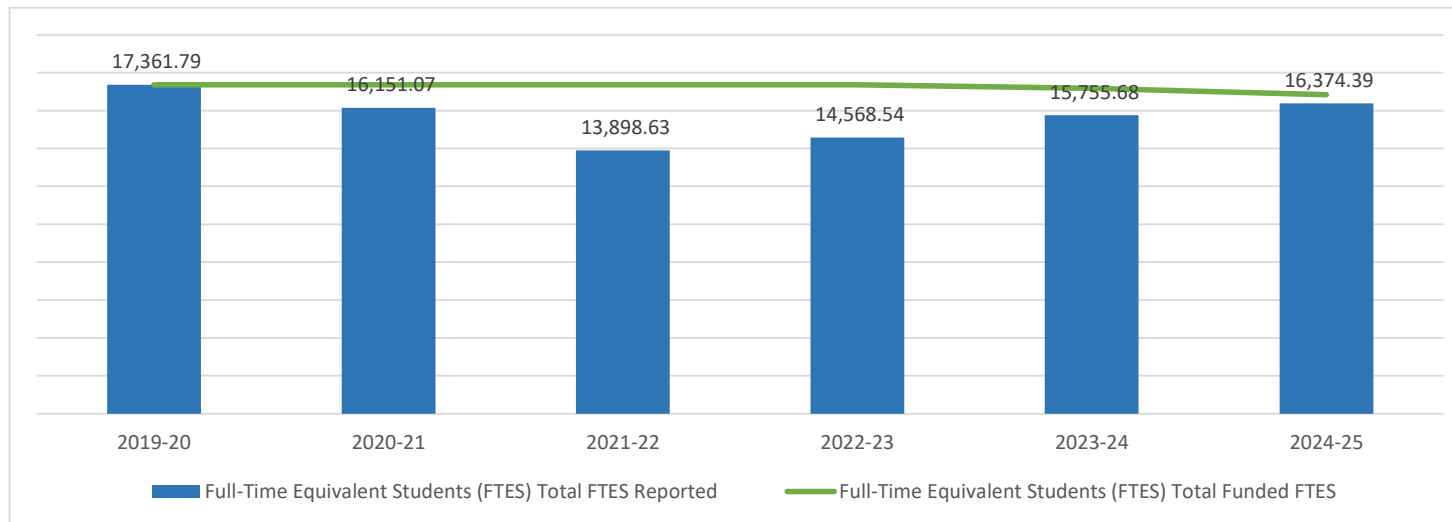


## Statutory Benefits

| Bargaining Units                                   | Academic<br>Adjunct | Academic,<br>Educational<br>Administrators | Classified    |
|--|---------------------|--|---------------|
| State Teachers Retirement System (STRS)            |                     | 19.10%                                     |               |
| Public Employee Retirement System (PERS)           |                     |  | 26.81%        |
| Social Security (OASDHI)                           |                     |  | 6.20%         |
| Medicare   |                     | 1.45%                                      | 1.45%         |
| State Unemployment Insurance (SUI)                 |                     | 0.05%                                      | 0.05%         |
| Worker's Compensation                              |                     | 1.40%                                      | 1.40%         |
| Alternative Retirement Plan (ARP) Academic Adjunct | 3.75%               |  |               |
| <b>TOTAL</b>                                       |                     | <u>22.00%</u>                              | <u>35.91%</u> |

### Full-Time Equivalent Students (FTES)

| Fiscal Year | Credit    | Special Admit | Noncredit | CDCP   | Total FTES Reported | Emergency Condition Allowance (ECA) | Total Funded FTES |
|-------------|-----------|---------------|-----------|--------|---------------------|-------------------------------------|-------------------|
| 2015-16     | 17,324.97 |               | 117.31    | 298.48 | 17,740.76           |                                     | 17,740.76         |
| 2016-17     | 16,303.43 |               | 138.50    | 279.76 | 16,721.69           |                                     | 17,740.76         |
| 2017-18     | 16,254.43 |               | 273.91    | 249.77 | 16,778.11           |                                     | 16,778.11         |
| 2018-19     | 15,237.94 |               | 170.61    | 266.37 | 15,674.92           |                                     | 15,674.92         |
| 2019-20     | 16,757.04 | 145.20        | 144.45    | 315.10 | 17,361.79           |                                     | 17,361.79         |
| 2020-21     | 15,567.44 | 192.97        | 106.00    | 284.66 | 16,151.07           | 1,210.73                            | 17,361.80 *       |
| 2021-22     | 13,250.62 | 272.30        | 98.71     | 277.00 | 13,898.63           | 3,463.17                            | 17,361.80 *       |
| 2022-23     | 13,717.20 | 445.06        | 124.40    | 281.88 | 14,568.54           | 2,793.26                            | 17,361.80 *       |
| 2023-24     | 14,633.91 | 575.80        | 196.20    | 349.77 | 15,755.68           | -                                   | 17,171.10         |
| 2024-25     | 14,997.67 | 788.43        | 315.49    | 272.80 | 16,374.39           | -                                   | 16,839.59 **      |



\* - 3 year average based on emergency conditions allowance

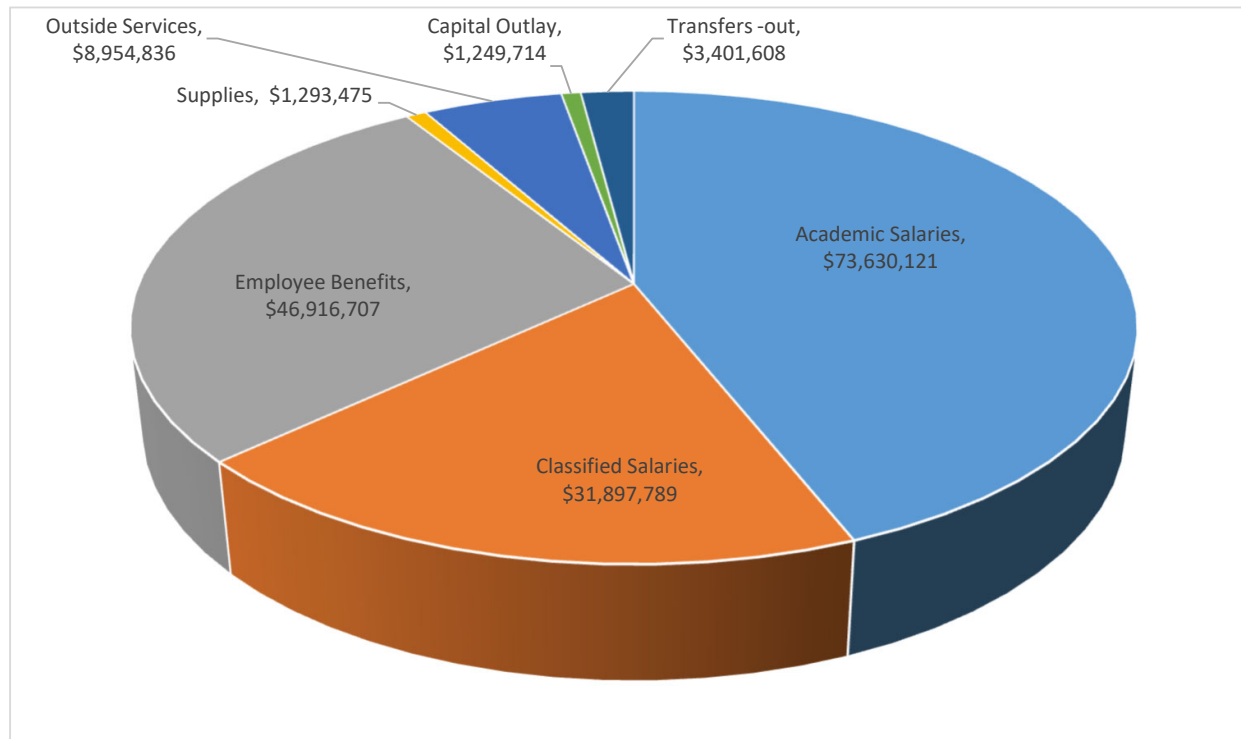
\*\* - as of April 15, 2025 (P2)

## Full-time Equivalent (FTE)

| Employee Group                      | 2025-26<br>Tentative Budget |
|-------------------------------------|-----------------------------|
| Full Time Faculty (CCFF)            | 249                         |
| Classified (CSEA)                   | 348                         |
| Management                          | 57                          |
| Confidential                        | 17                          |
| Child Development Center            | 12                          |
| Executive Committee (President/VPs) | 5                           |
| Board of Trustees                   | 8                           |
| TOTAL                               | <u>696</u>                  |

## Unrestricted General Fund Expenditures

| Description         | 2025-26 Tentative Budget | Percent        |
|---------------------|--------------------------|----------------|
| Academic Salaries   | \$ 73,630,121            | 44.00%         |
| Classified Salaries | \$ 31,897,789            | 19.06%         |
| Employee Benefits   | \$ 46,916,707            | 28.04%         |
| Supplies            | \$ 1,293,475             | 0.77%          |
| Outside Services    | \$ 8,954,836             | 5.35%          |
| Capital Outlay      | \$ 1,249,714             | 0.75%          |
| Transfers -out      | \$ 3,401,608             | 2.03%          |
|                     | <b>\$ 167,344,250</b>    | <b>100.00%</b> |



## Unrestricted General Fund Summary

| Description                | 2025-26 Tentative Budget | Percent      |
|----------------------------|--------------------------|--------------|
| Revenue                    | \$ 169,742,127           | 100.00%      |
|                            |                          |              |
| Academic Salaries          | \$ 73,630,121            | 43.38%       |
| Classified Salaries        | \$ 31,897,789            | 18.79%       |
| Employee Benefits          | \$ 46,916,707            | 27.64%       |
| Supplies & Materials       | \$ 1,293,475             | 0.76%        |
| Other Operating Expenses   | \$ 8,954,836             | 5.28%        |
| Capital Outlay             | \$ 1,249,714             | 0.74%        |
| Interfund Transfers Out    | \$ 3,401,608             | 2.00%        |
| Surplus/(Deficit) Spending | <u>\$ 2,397,877</u>      | <u>1.41%</u> |

**Supplemental Employee Retirement Program (SERP)**

| Description                      | 2025-26<br>Tentative<br>Budget | 2026-27             | 2027-28             | 2028-29             | 2029-30           |
|----------------------------------|--------------------------------|---------------------|---------------------|---------------------|-------------------|
| Academic Salaries and Benefits   | \$ 2,199,956                   | \$ 1,026,608        | \$ 955,856          | \$ 862,444          | \$ 764,544        |
| Classified Salaries and Benefits | \$ 600,242                     | \$ 501,178          | \$ 368,561          | \$ 222,749          | \$ 104,719        |
| Annual Projected Cost Savings    | <u>\$ 2,800,198</u>            | <u>\$ 1,527,786</u> | <u>\$ 1,324,417</u> | <u>\$ 1,085,193</u> | <u>\$ 869,263</u> |

Total Projected Cost Savings \$ 7,606,857

# Questions & Answers

