ADOPTED BUDGET PRESENTATION FY2026-27

Marilyn Morikang
Vice President of Administrative Services

AGENDA

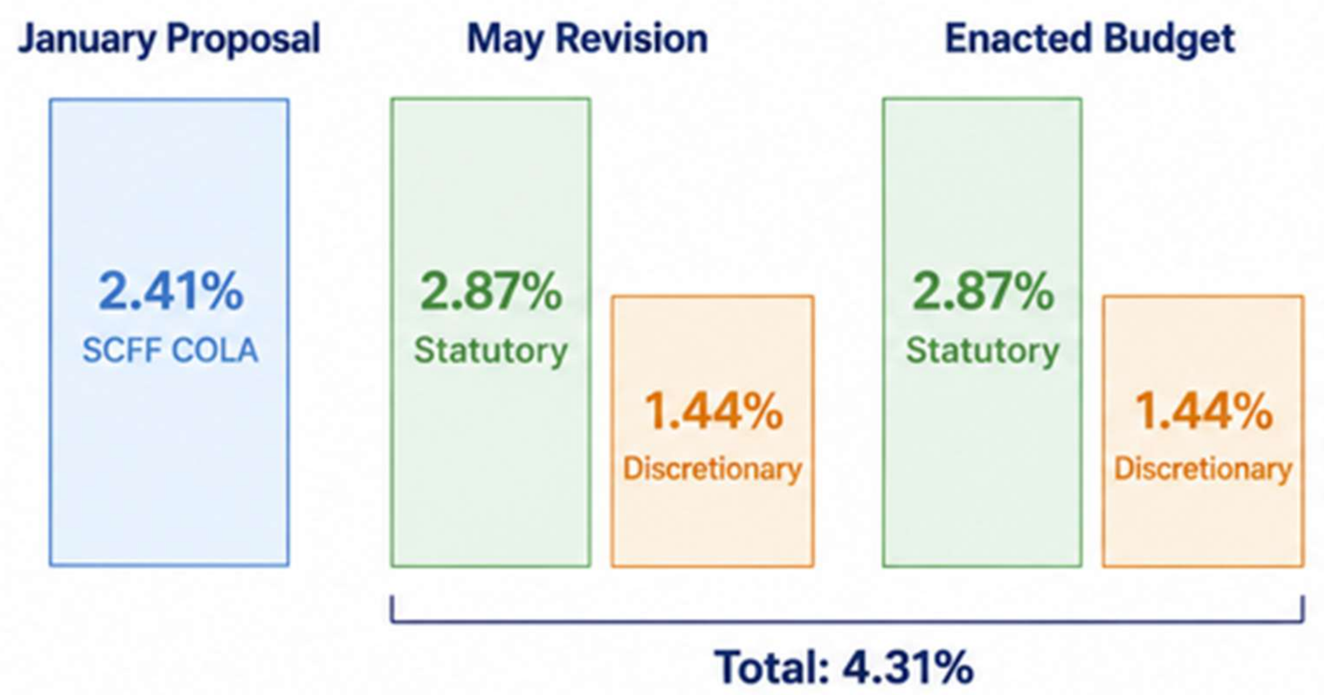
- From Tentative to Final Budget
- How Gavilan Generates Revenue
- 2026–27 Final Budget
- Five-Year Financial Outlook
- Navigating the Budget Book
- Board Action

THANK YOU

Thank you to the Business Services Team for their excellent work and contributions:
Michelle Anaya, Director of Fiscal Services
Accountants – Mikayla Rogers, Mike Fandel, Thinh Nguyen, Connie Phillips, and Ruby Gutierrez
Laura Montes, Fiscal Analyst
&
Thank you to Miressa Lira, Executive Assistant

WHAT CHANGED SINCE TENTATIVE BUDGET

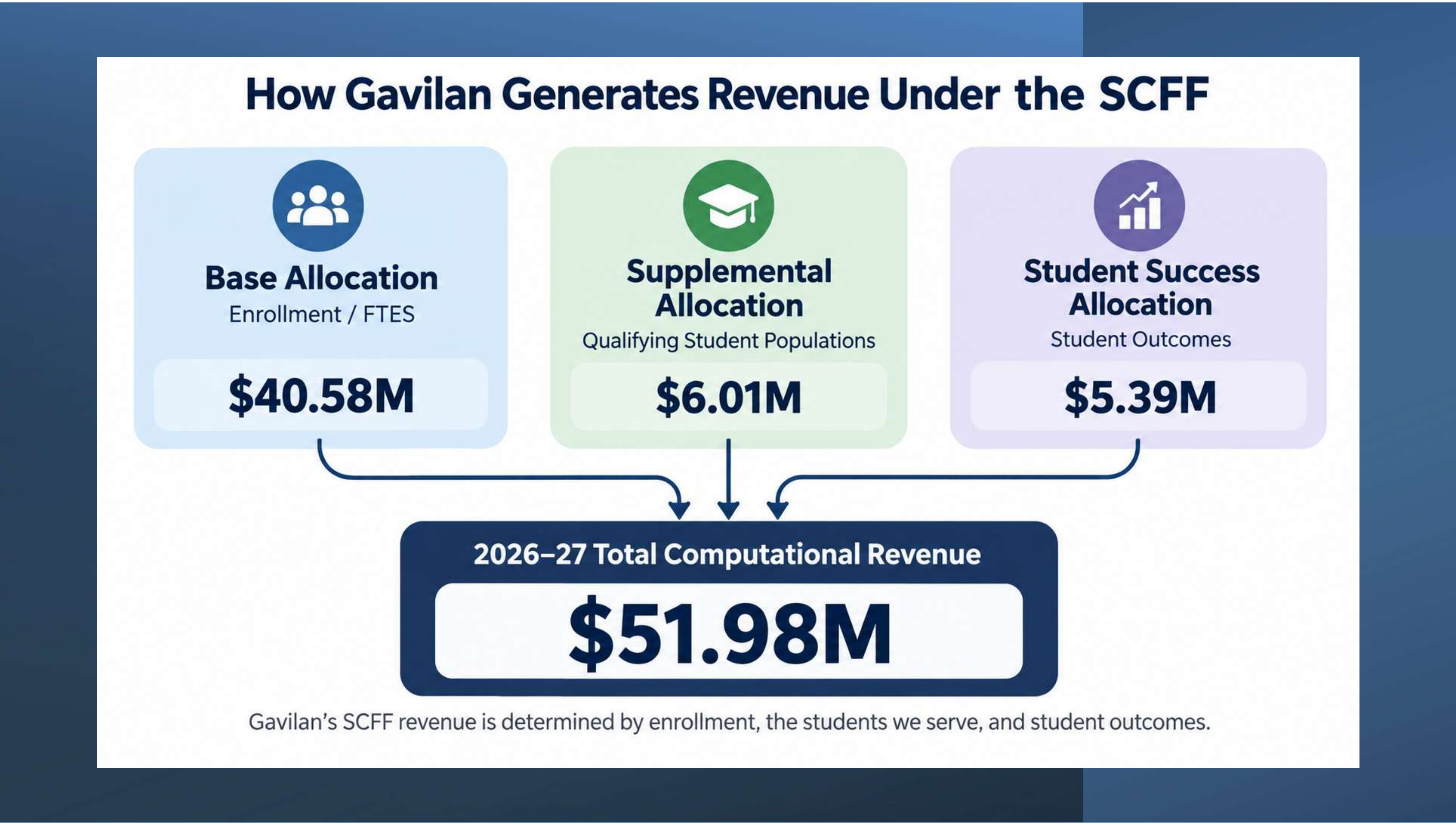
State Budget Update: Key Changes Reflected in the Final Budget

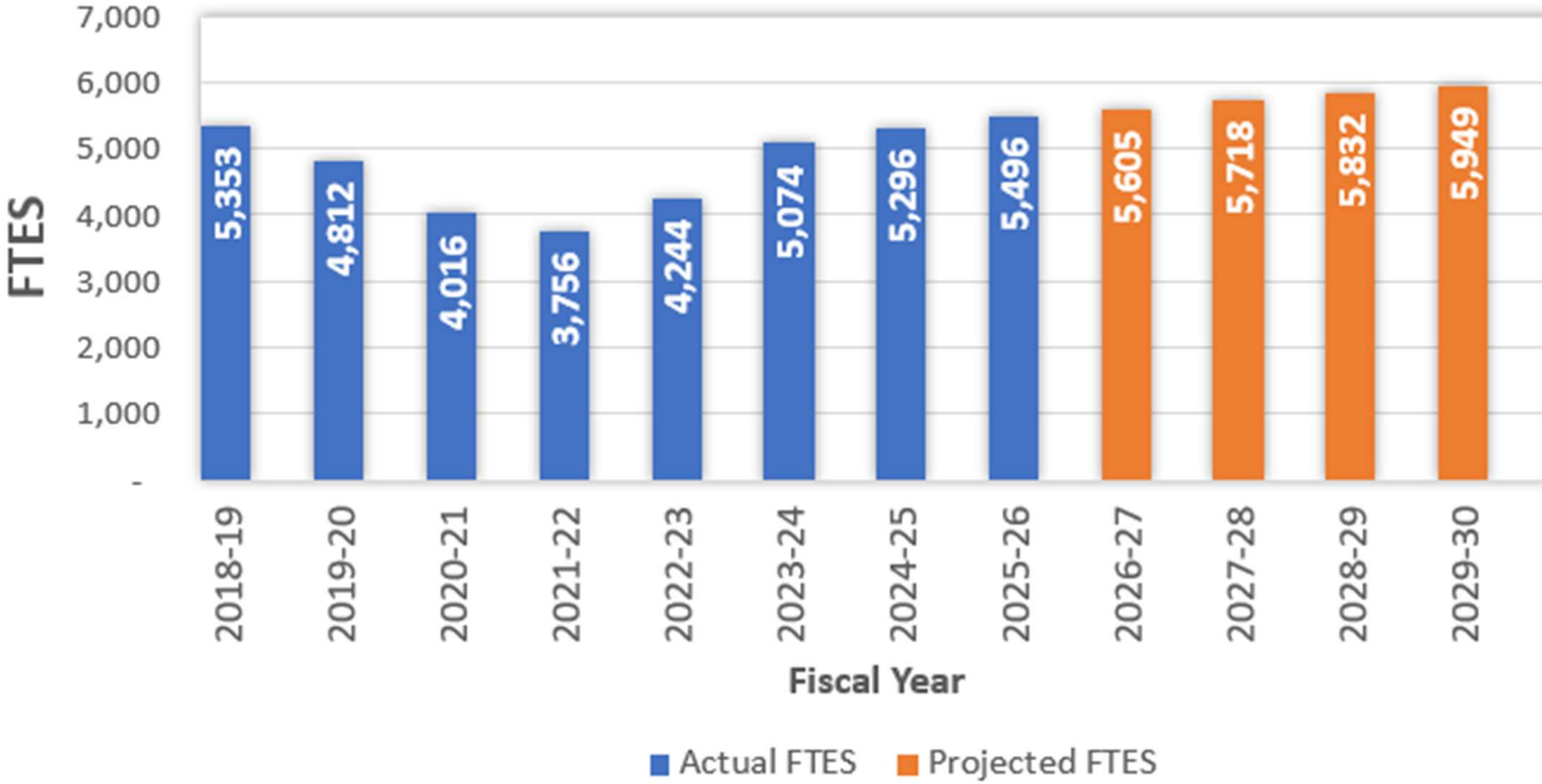


Key changes from Tentative to Final Budget

- **SCFF COLA remains 4.31%**
  - 2.87% statutory
  - 1.44% discretionary
- **Enrollment growth increased**
  - May Revision: **0.5%**
  - Enacted Budget: **1.5%**
- **Credit FTES funding changed**
  - Greater of current-year Credit FTES or three-year average
- **No SCFF deficit at Advance Apportionment**
  - **0.0%**

HOW GAVILAN GENERATES REVENUE


How Gavilan Generates Revenue Under the SCFF
Base Allocation
Enrollment / FTES
$40.58M
Supplemental Allocation
Qualifying Student Populations
$6.01M
Student Success Allocation
Student Outcomes
$5.39M
2026–27 Total Computational Revenue
$51.98M
Gavilan's SCFF revenue is determined by enrollment, the students we serve, and student outcomes.



FTES
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
5,353
4,812
4,016
3,756
4,244
5,074
5,296
5,496
5,605
5,718
5,832
5,949
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26
2026-27
2027-28
2028-29
2029-30
Fiscal Year
Actual FTES
Projected FTES

Projected FTES vs. Funded FTES

5,605.42

Projected FTES

Operational planning target

5,297.58

Funded FTES

Included in 2026–27 revenue estimate

307.84 FTES currently not funded in the budget estimate

Base Allocation — 2026–27 Estimated Revenue

Total Base Allocation

$40.58M

Funded FTES Allocation

Enrollment-based funding

$31.43M

Basic Allocation

Single college + additional rural allocation

$9.15M

Base Allocation is driven by both funded enrollment and Gavilan's basic allocation as a single college, including additional rural funding.

Supplemental Allocation – 2026–27 Estimated Revenues

Estimated Supplemental Allocation

$6.01M

AB 540 Students

Headcount: 129

$172,338

Pell Grant Recipients

Headcount: 1,591

$2,125,508

California College Promise Grant Recipients

Headcount: 2,775

$3,707,281

Estimate based on the latest confirmed student counts available at budget adoption.

Student Success Allocation - 2026-27 Estimated Revenues

Estimated Student Success Allocation

$5.39M

All Students	Pell Grant Recipients	California College Promise Grant Recipients
$4,252,349	$598,641	$538,583

See Budget Book p. 17 and Appendix B1 for detailed calculations.

Student Success Allocation - Recognized Outcomes

The Student Success Allocation uses a three-year average of specified student outcomes.

- Associate Degrees for Transfer
- Associate Degrees
- Baccalaureate Degrees
- Credit Certificates
- Transfer-Level Math & English
- Transfer to a Four-Year University
- Nine or More CTE Units
- Regional Living Wage

Additional equity-based funding is generated for outcomes achieved by Pell Grant and California College Promise Grant recipients.

See Budget Book p. 17 and Appendix B1 for detailed calculations.

How Gavilan Generates Revenue Under the SCFF

Base Allocation
Enrollment / FTES
$40.58M

Supplemental Allocation
Qualifying Student Populations
$6.01M

Student Success Allocation
Student Outcomes
$5.39M

2026–27 Total Computational Revenue
$51.98M

Gavilan's SCFF revenue is determined by enrollment, the students we serve, and student outcomes.

Other State and Local Revenue

Building to Total Unrestricted Revenue

SCFF Revenue
$51.98M

+

Other State Revenue
$3.84M

+

Other Local Revenue
$1.78M

=

2026–27 Total Unrestricted Revenue
$57.59M

Other State Revenue Components

FT & PT Faculty Funds	$1,052,122
Lottery	$1,065,032
Mandated Costs	$187,979
STRS On-Behalf	$1,535,207

Other Local Revenue Components

Coyote Campus Rents	$531,636
Interest Income	$876,197
Non-Resident Tuition	$339,612
Other Local Revenues	$30,551

Unrestricted revenue includes SCFF revenue plus other state and local revenue sources.

WHERE THE MONEY GOES

Board Budget Guidelines provide the framework for resource allocation, fiscal stability, and student-centered decision-making

2026–27 Unrestricted General Fund Expenditures and Ongoing Transfers

Faculty Cost	Classified Cost	Management / Supervisors / Confidentials	Operating Expenses & Capital Outlay	Other Outgo & Transfers
35%	22%	17%	21%	5%
$20.14M	$12.83M	$9.60M	$12.24M	$2.67M

Total Ongoing Expenditures & Transfers

$57.49M

Personnel costs represent approximately 74% of ongoing unrestricted expenditures.

2026–27 Unrestricted General Fund Faculty Cost

$20.14M

Faculty Cost

35% of Total Ongoing UGF Expenditures

67.50

UGF-Funded Faculty FTE

86.00

Total Faculty FTE (All Funds)

See Appendix A1 for budgeted FTE by employee group, funding source, and organizational area.

Key Cost Drivers

- 3.31% salary increase for full-time employees
- 3.81% salary increase for part-time faculty
- Benefits include 19.10% STRS and STRS on-behalf
- Includes reassigned time for governance and strategic faculty assignments

Faculty costs are driven by budgeted staffing levels, negotiated salary schedules, and related benefits.

2026–27 Unrestricted General Fund Classified Cost

$12.83M

Classified Cost

22% of Total Ongoing UGF Expenditures

92.01

UGF-Funded Classified FTE

140.58

Total Classified FTE (All Funds)

See Appendix A1 for budgeted FTE by employee group, funding source, and organizational area.

Key Cost Drivers

- 3.31% salary increase
- Step / longevity
- Benefits include 26.40% CalPERS and health benefits
- Operational support across the College

Classified costs are driven by budgeted staffing levels, negotiated salary schedules, and related benefits.

2026–27 Unrestricted General Fund
Management, Supervisory & Confidential (MSC) Cost

$9.73M

MSC Cost

17% of Total Ongoing UGF Expenditures

39.00

UGF-Funded MSC FTE

51.00

Total MSC FTE (All Funds)

See Appendix A1 for budgeted FTE by employee group, funding source, and organizational area.

Key Cost Drivers

- 3.31% salary increase (ongoing, negotiated)
- Step and longevity movement (where applicable)
- Employee benefits (including PERS and health benefits)
- Supports District leadership, administration, and operational functions across the College

MSC costs are driven by budgeted staffing levels, negotiated salary schedules, and related benefits.

2026–27 Unrestricted General Fund Operating Expenses & Capital Outlay

$12.24M

Operating Expenses & Capital Outlay

21% of Total Ongoing UGF Expenditures

Key Components

Operating Expenses
Supplies, services, utilities, insurance, and other operating costs

Routine Repairs & Maintenance
Ongoing routine repairs and maintenance to preserve District facilities

Capital Outlay
Equipment and other capital needs (non-bond)

Technology
Hardware, software, and network infrastructure

Key Cost Drivers

- Inflationary increases for goods and services
- Maintenance and facility needs
- Technology replacements and system enhancements
- Importantly supports day-to-day operations and student services

Operating expenses and capital outlay support the essential operations and infrastructure that enable the College to serve students.

2026–27 Unrestricted General Fund
Other Outgo and Transfers

$2.67M

Other Outgo and Transfers

5% of Total Ongoing UGF Expenditures

Key Notes

- SERP savings help fund the Classification & Compensation Study
- Includes District support for EOPS and MESA
- DSPS receives net revenue from Education Assistant classes
- Parking costs supported because the District does not charge a parking fee
- Includes transfer to Self-Insurance Fund and SWACC-related obligations

Other outgo and transfers support district-wide obligations and programs that are accounted for in other funds.

2026–27 Ongoing Unrestricted General Fund Budget Summary

$57.59M – **$57.49M** = **+$104K**

Ongoing Revenues	Ongoing Expenditures & Transfers	Net Ongoing Result
$57.59M	**$57.49M**	**+$104K**
SCFF plus other State and local revenue	Operating budget and ongoing support commitments	Addition to fund balance

Ongoing operations are essentially balanced

The 2026–27 Final Budget reflects an essentially balanced ongoing operating budget.

2026–27 One-Time Resources

$4.22M

Total One-Time Expenditures

Supported by accumulated one-time resources

$2.41M

Negotiated One-Time Salary Compensation

$0.8M

Prior Board-Approved One-Time Initiatives

Carried forward into 2026–27

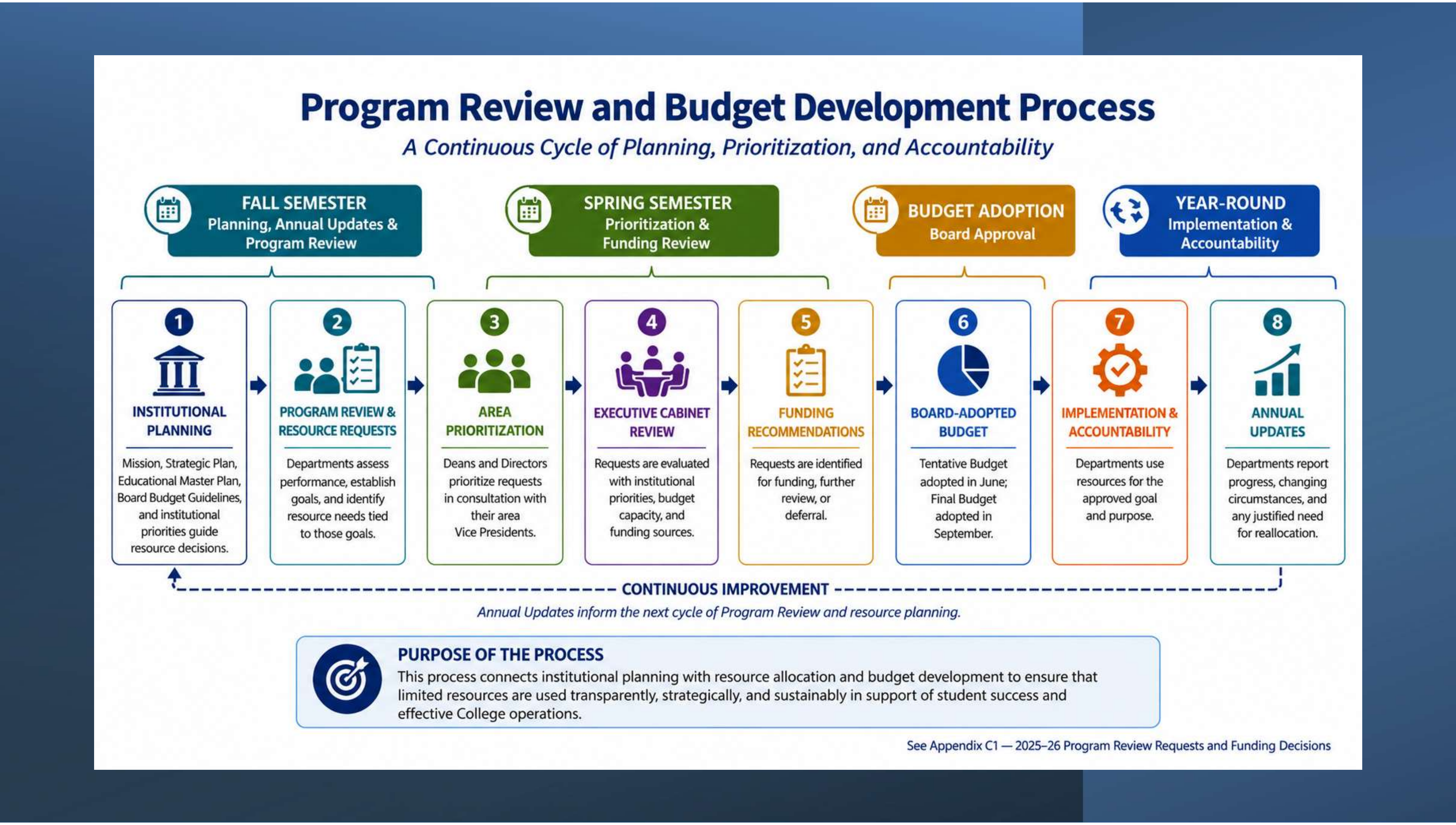
Employee Scholar Program, Salary Study & Website Redesign

$1.0M

Program Review Allocations

$0.3M carried forward + $0.7M new allocation

One-time resources support one-time commitments and do not create ongoing obligations.



Program Review and Budget Development Process
A Continuous Cycle of Planning, Prioritization, and Accountability
FALL SEMESTER
Planning, Annual Updates & Program Review
SPRING SEMESTER
Prioritization & Funding Review
BUDGET ADOPTION
Board Approval
YEAR-ROUND
Implementation & Accountability
1
INSTITUTIONAL PLANNING
Mission, Strategic Plan, Educational Master Plan, Board Budget Guidelines, and institutional priorities guide resource decisions.
2
PROGRAM REVIEW & RESOURCE REQUESTS
Departments assess performance, establish goals, and identify resource needs tied to those goals.
3
AREA PRIORITIZATION
Deans and Directors prioritize requests in consultation with their area Vice Presidents.
4
EXECUTIVE CABINET REVIEW
Requests are evaluated with institutional priorities, budget capacity, and funding sources.
5
FUNDING RECOMMENDATIONS
Requests are identified for funding, further review, or deferral.
6
BOARD-ADOPTED BUDGET
Tentative Budget adopted in June; Final Budget adopted in September.
7
IMPLEMENTATION & ACCOUNTABILITY
Departments use resources for the approved goal and purpose.
8
ANNUAL UPDATES
Departments report progress, changing circumstances, and any justified need for reallocation.
CONTINUOUS IMPROVEMENT
Annual Updates inform the next cycle of Program Review and resource planning.
PURPOSE OF THE PROCESS
This process connects institutional planning with resource allocation and budget development to ensure that limited resources are used transparently, strategically, and sustainably in support of student success and effective College operations.
See Appendix C1 — 2025–26 Program Review Requests and Funding Decisions

FIVE-YEAR FINANCIAL OUTLOOK

FIVE-YEAR FINANCIAL OUTLOOK

Unrestricted General Fund

	Unaudited Actuals 2025-26	Budget 2026-27	Projection 2027-28	Projection 2028-29	Projection 2029-30
Total Unrestricted General Fund Revenues	$57,319,485	$57,593,582	$59,697,758	$61,512,754	$63,397,135
Total Unrestricted General Fund Expenditures & Ongoing Transfers	$54,488,780	$57,489,208	$59,281,626	$61,142,732	$62,957,472
Net Change to Fund Balance	**$2,830,705**	**$104,374**	**$416,132**	**$370,022**	**$439,662**
Beginning Fund Balance	$17,119,216	$14,693,821	$12,386,367	$12,802,499	$13,172,521
One-Time Transfers from Fund Balance	*($5,256,100)*	*($2,411,828)*	*$0*	*$0*	*$0*
Ending Fund Balance	**$14,693,821**	**$12,386,367**	**$12,802,499**	**$13,172,521**	**$13,612,184**

FIVE-YEAR FINANCIAL OUTLOOK

Unrestricted General Fund

	Unaudited Actuals 2025-26	Budget 2026-27	Projection 2027-28	Projection 2028-29	Projection 2029-30
Ending Fund Balance	**$14,693,821**	**$12,386,367**	**$12,802,499**	**$13,172,521**	**$13,612,184**
Unrestricted General Fund Expenditures	$59,744,880	$59,901,036	59,281,626	61,142,732	62,957,472
Restricted General Fund Personnel Cost	11,956,296	12,571,612	12,596,328	12,722,291	12,849,514
Total General Fund Expenditures & Ongoing Transfers	**$71,701,176**	**72,472,648**	**71,877,954**	**73,865,023**	**75,806,986**
Ending Fund Balance as a % of General Fund Expenditures & Ongoing Transfers	**20%**	**17%**	**18%**	**18%**	**18%**
Board Approved 17% Requirement	**12,189,200**	**12,320,350**	**12,219,252**	**12,557,054**	**12,887,188**
BOT Approved Initiatives	**2,411,828**				
Uncommitted Fund Balance	**92,793**	**66,017**	**583,247**	**615,468**	**724,996**

NAVIGATING THE BUDGET BOOK

How the Budget Book Is Organized

1. **Pages 1–8: Context & Planning**
   Introduction, college information, budget development.

2. **Pages 13–22: Assumptions & Outlook**
   SCFF assumptions and five-year projections.

3. **Pages 27–72: Fund Detail**
   Contains the fund sections of the Budget Book. Each section generally begins with a brief narrative or background explanation, followed by detailed fund schedules and supporting worksheets for that fund.

4. **Appendices A1–C1: Supporting Schedules**
   FTE, SCFF Resource Estimator, Program Review funding decisions.

5. **Appendices D1–E1: Reference Materials**
   Board Budget Guidelines and Joint Analysis.

Use the Table of Contents to move from the summary narrative to the detailed fund schedules.

Finding an Individual Fund

1 Start with the Table of Contents

Use the Table of Contents to identify the fund group or section you want to review.

2 Go to the Fund Section

Fund detail begins on page 27:

3 Review the Fund Narrative and Schedules

Each fund section generally includes a brief narrative, followed by the detailed fund schedule and supporting worksheets.

This structure allows readers to move quickly from the summary sections into the detailed fund schedules.

How to Read the Budget Worksheets

1 Read Across: Compare the Columns

Audited Actuals	Unaudited Actuals	Tentative Budget	Final Budget

2 Read Down: Follow the Fund Activity

Revenues & Transfers In → Expenditures & Transfers Out → Net Change to Fund Balance → Beginning Fund Balance → Ending Fund Balance

3 Know What You Are Looking At

- Detail may be by fund, program, grant, project, or bond series
- Unrestricted General Fund separates ongoing and one-time resources
- One-time resources support one-time commitments

Use the same basic approach across individual fund schedules in the Budget Book.

QUESTIONS

BOARD ACTION & NEXT STEPS

Board Action — 2026–27 Final Budget: All Funds Summary

Fund Group	Revenues Budget	Expenditure Budget
11 – Unrestricted General Fund | Ongoing Operations	57,593,580	57,489,208
11 – Unrestricted General Fund | One-Time Funds	0	4,223,947
12 – Restricted General Fund	28,208,685	30,083,363
41 – Capital Outlay Projects Fund	915,940	17,237,018
43 – General Obligation Bond Fund | Measure X	45,600,000	83,567,613
21 – Debt Service Fund | Consolidated	21,350,000	22,027,000
59 - Enterprise Fund	750,000	1,135,981
61 - Self-Insurance Fund	511,372	511,372
74 - Student Financial Aid Trust Fund	8,920,000	8,920,000
71 - Associated Students Trust Fund	81,000	81,000
73 - Student Body Center Fee Trust Fund	78,191	78,191
TOTAL APPROPRIATION	**164,008,768**	**225,354,693**

Gavilan Joint Community College District
TOTAL APPROPRIATION - ALL FUNDS

FY2026-2027 Final Budget

	Governmental Funds Group						Proprietary Funds Group		Fiduciary Funds Group			
	Unrestricted General Ongoing	Unrestricted General One-Time	Restricted General	Capital Outlay	G.O Bond	Debt Service	Enterprise Fund	Self Insurance	Student Financial Aid	Associated Students	Student Center Fee	TOTAL ALL FUNDS
Revenues:												
8100 - Federal Revenues	$ -	$ -	$ 1,287,697	$ -	$ -	$ -	$ -	$ -	$ 7,820,000	$ -	$ -	$ 9,107,697
8600 - State Revenues	33,463,685	-	23,979,040	-	-	50,000	-	-	1,100,000	-	-	$ 58,592,725
8800 - Local Revenues	24,129,895	-	1,387,242	915,940	600,000	21,300,000	750,000	-	-	81,000	48,000	$ 49,212,077
8900 - Other Revenues	-	-	-	-	45,000,000	-	-	-	-	-	-	$ 45,000,000
8900 - Transfers In	-	-	1,554,706	-	-	-	-	511,372	-	-	30,191	$ 2,096,269
Total Revenues	**$ 57,593,580**	**$ -**	**$ 28,208,685**	**$ 915,940**	**$ 45,600,000**	**$ 21,350,000**	**$ 750,000**	**$ 511,372**	**$ 8,920,000**	**$ 81,000**	**$ 78,191**	**$ 164,008,768**
Expenditures:												
1000: Academic Salaries	$ 17,365,246	$ 1,328,000	$ 4,563,442	$ -	$ -	$ -	$ 80,000	$ -	$ -	$ -	$ -	$ 23,336,688
2000: Non-Instructional Salaries	12,765,683	688,000	5,852,651	-	451,234	-	136,185	-	-	12,000	39,338	$ 19,945,091
3000: Employee Benefits	12,449,023	395,828	3,690,360	-	234,902	-	57,155	-	-	180	20,039	$ 16,847,487
4000: Books and Supplies	720,534	-	2,526,619	-	-	-	108,541	-	-	9,150	-	$ 3,364,844
5000: Other Operating Expenses	9,316,347	794,619	3,935,176	-	-	27,000	254,100	511,372	-	39,670	18,814	$ 14,897,098
6000: Capital Outlay	2,199,043	-	3,016,759	17,237,018	82,881,477	-	500,000	-	-	-	-	$ 105,834,297
7000: Other Outgo	577,063	1,017,500	6,498,356	-	-	22,000,000	-	-	8,920,000	20,000	-	$ 39,032,919
7000: Transfers	2,096,269	-	-	-	-	-	-	-	-	-	-	$ 2,096,269
Total Expenditures & Transfers	**$ 57,489,208**	**$ 4,223,947**	**$ 30,083,363**	**$ 17,237,018**	**$ 83,567,613**	**$ 22,027,000**	**$ 1,135,981**	**$ 511,372**	**$ 8,920,000**	**$ 81,000**	**$ 78,191**	**$ 225,354,693**
Net Change to Fund Balance	**104,372**	**(4,223,947)**	**(1,874,678)**	**(16,321,078)**	**(37,967,613)**	**(677,000)**	**(385,981)**	**-**	**-**	**-**	**-**	**(61,345,925)**
Beginning Fund Balance	**14,693,823**	**1,812,119**	**1,874,678**	**16,821,078**	**41,793,875**	**25,443,844**	**1,579,689**	**(0)**	**-**	**331,531**	**57,261**	**104,407,898**
Adjustment to Beg. Fund Balance			-	-	-	-	-	-	-	-	-	-
One-Time Transfer to/(from) Fund Ba	**(2,411,828)**	**2,411,828**										
Ending Fund Balance	**$ 12,386,367**	**$ 0**	**$ (0)**	**$ 500,000**	**$ 3,826,261**	**$ 24,766,844**	**$ 1,193,708**	**$ (0)**	**$ -**	**$ 331,531**	**$ 57,261**	**$ 43,061,973**

SUMMARY & NEXT STEPS

- Load the approved final budget to Banner
- Monitor revenues and expenditures throughout the year
- Bring necessary budget adjustments to the Board through the quarterly reporting process
- Develop the FY 2027–28 Budget Calendar
- Continue the Program Review and College planning cycle

THANK YOU

Thank you to the Business Services Team for their excellent work and contributions:
Michelle Anaya, Director of Fiscal Services
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