



**BUDGET COMMITTEE MEETING**

January 28, 2026

Location: Board Room 154

2:30-3:30 p.m.

**APPROVED MINUTES**

**ROLL CALL:**

X	Becky McCall (Chair)		Jackie Parker (Co-Chair)	X	Stacey Bartlett		Elsa Gomez
	Scott Gordon		Jim Harrell		Rob McCandless	X	Jennine Meier
X	Juanne Van Der Linde		Courtney Zimbardo		Student Rep Evelyn Degutis		

Guests: Heidi Diaz, Will Breitbach, Destinee Ecklin, Tim Johnston, Kris Marquez,

1. **CALL TO ORDER:** The meeting was called to order at 2:31 p.m. by Committee Chair, Becky McCall.
2. **APPROVAL OF MINUTES:** November 19, and December 3, 2025. The committee did not have quorum, so approval of the minutes is tabled for our next meeting.
3. **PUBLIC COMMENTS:**
4. **REPORTS:**
5. **DISCUSSION/ACTION:**

**A) Budget Updates from the State**

- No new Budget updates since flex day presentation.
- Becky reviewed her PPT but as the committee was present on flex day she may skip some of those slides.
- Slide 4: COLA does not affect SEAP and Strong Workforce.
- Slide 5: Anticipate changes in the May revise because of gap between LAO and Administrations Budget Proposal.
- Will B.: how is deferred maintenance divided up – Becky will research and get back to the committee. She will go back to prior allocations to review.

**B) Budget Development Update**

- Notes: Starting Summer of 2026, we will be chasing enrollment. We want to capture Summer, Fall, Spring and next Summer.
- Slide 10: The goal is to raise blue bar, but we must also raise green bar in order for the blue to rise. Possible changes would be to move away from the three-year average or use the highest year reported (maybe in the three years) or possibly take out the summer shift.

- Slide 11: This is to show how we front load money and get paid later in the fiscal year. We should really be closer to 50% rather than 33%. Tim mentioned that categorical programs are always in arrears. Becky noted that slide 11 is only showing the 11 fund (District funds).
- Some sources of revenue in the local category – property tax, contract ed sales, rentals and leases community ed fees, nonresident fees.
- State is all apportionment – lottery funds, timber etc.
- Stacey asked what is the 15,000 represent in other income – Becky will research this and get back to the committee.
- Slide 12: Shows the adopted budget and actuals – it is normal to fluctuate. In reviewing some of the instructional and non-instructional line items, we are pretty close with expenditures
- Budget development is underway – position tracking spreadsheet have been sent out; two trainings have occurred this week and Becky is working on a recording to distribute.
- Slide 15: Budget committee will have a first review of the tentative on March 11.
- Becky showed the committee the Intranet website
- Attachment “A” - Becky went over the General Funds worksheet. This is a cheat sheet of all funds and what each intent and purpose is for. Becky offered to dive into any of these funds if anyone would like to during one of the budget committee meetings.
- The Chancellors office has some fiscal webinars coming up. Check out their website for more information.
- Slide 16: Shows links to resources. These will be updated on the Budget Committee website and the intranet site. The goal is to create a central location for the committee and public to go to for information
- Budget development deadlines are about 2 weeks earlier than in prior years. Items are due to be entered into Colleague by February 12<sup>th</sup>. If you have issues, please ask for help. The focus is on fund 11.

#### **6. OTHER:**

Becky sent out a clarification email to managers today regarding the Budget Development Calendar that went to the Board. To clarify there was discussion in the budget development training that the amount required to go through the annual area planning process was confusing. That line has been removed from the calendar. If you have questions, please reach out to Becky.

#### **7. ANNOUNCEMENTS:**

**8. ADJOURNMENT:** Motion to adjourn the meeting by Juanne, 2<sup>nd</sup> by Jennine. Adjourned at 3:18 p.m.

**9. NEXT MEETING:** February 11, 2026

# **BUDGET COMMITTEE BUDGET UPDATE**

**JANUARY 28<sup>th</sup>, 2026**

PRESENTED BY: BECKY MCCALL,  
ASSISTANT SUPERINTENDENT/VICE PRESIDENT OF  
ADMINISTRATIVE SERVICES



**Shasta College**

[www.SHASTAcollege.edu](http://www.SHASTAcollege.edu)

# 2026-2027 STATE BUDGET PROPOSAL SUMMARY:

Governor Newsom released his 2026-2027 Tentative Budget on January 9<sup>th</sup> 2026.

His stated goal is to **"honor the commitments we have already made-to educate our children, care for the vulnerable, protect public safety- and preserve the long-term health of our finances."**



# 2026-2027 STATE BUDGET PROPOSAL SUMMARY:

State income tax revenues are exceeding projections by \$42.3B higher than anticipated in the 2025 Budget Act.

- Fueled by strong stock market performance and increased investments in Artificial Intelligence (AI)

With these improved revenue projections, the deficit has been reduced to \$2.9B, from \$13B deficit projected in the 2025 Budget Act.



# 2026-2027 STATE BUDGET PROPOSAL SUMMARY:

## **Deficits:** *(fiscal shortfalls)*

- 2025-2026 0.02% reduced to 0% and no deficits for 2026-2027

## **Deferrals:** *(delayed payments)*

- 2025-2026 \$408.4M repaid and 2026-2027 no new deferrals

## **Cost Of Living Adjustment (COLA):** \$271.2M

- June 2025- Budget Act 2025- 3.02%
- December 2025- LAO- 2.51%
- **January 2026- Proposed Budget 2.41%**
  - *Includes specific categorical programs, but not all*

## **Enrollment Growth:** \$87.2M (1.5%) over two years

- 1% for 2025-2026 and 0.5% for 2026-2027



# 2026-2027 STATE BUDGET PROPOSAL SUMMARY:

**Deferred Maintenance:** (*Repairs, replacements, and upkeep for campus facilities and operations*) \$120.7M one-time

- First time since 2022-2023 Budget Act

**Flexible Block Grant:** \$100M one-time

- Focus: skills-based learning, career pathways, and student equity

**Common Cloud Data Platform:** \$36M one-time, with \$5M ongoing

- Includes: reporting, e-Transcripts, Mapping Articulated Pathways platform, & Program Pathways Mapper

**Credit for Prior Learning:** \$35M one-time, with \$2M ongoing

- Scale and Institutionalize

**Capital Outlay Funds from Prop 2 to support 39 Projects:** \$736.9M one-time

- 1600 Building Remodel



# 2026-2027 STATE BUDGET PROPOSAL-LAO's RESPONSE:

The Legislative Analysts Office (LAO) projections are not aligned with the Administrations Budget Proposal:

- Their revenue outlook incorporates the strong risk of a stock market downturn, and the administrations higher spending.
  - External threats: Federal Policy Changes, Tariffs and AI Bubble
- They caution that this is not sustainable revenue, and they view it more as a one-time bubble. Their deficit projections range from \$20B to \$35B annually in the next couple years. They state that this is structural rather than cyclical.



# 2026-2027 STATE BUDGET TIMELINE:



# RISKS AND AREAS TO WATCH

US:

Federal Policy changes (Financial Aid, Immigration, Healthcare, etc...)

Tariffs

California:

Prop 98 and Big Three Taxes (AI/Stock Market)

State deficit factor (Governor's estimate vs. LAO)

One time vs. Ongoing Funding- CCC Programs

May Revise– *What sticks, what changes and what is taken out*



# SHASTA COLLEGE BUDGET STATUS

## Unrestricted General Fund 11

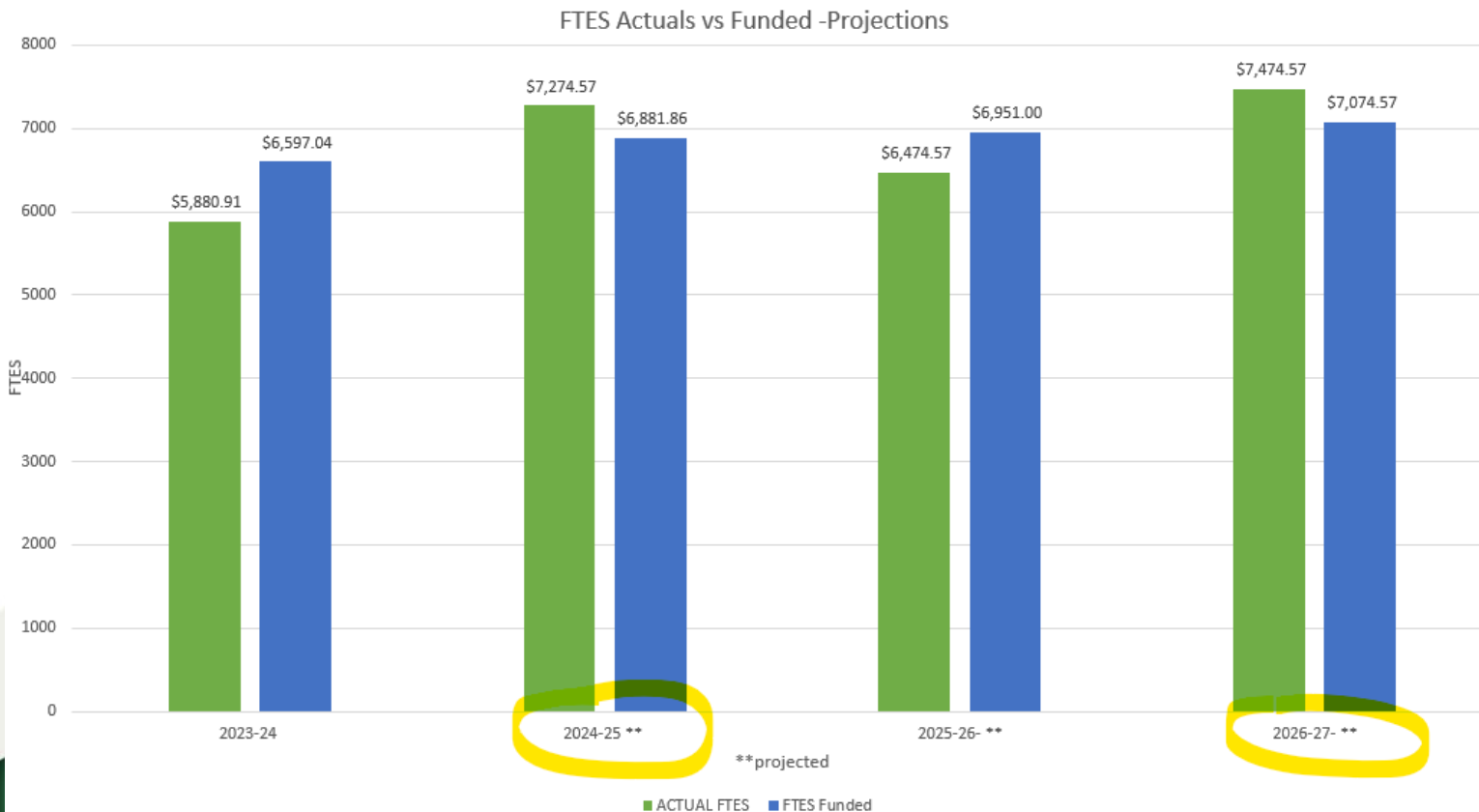
### Income Changes:

- 2024-2025- \$65,706,220 (*projected-finals in February 2026*)
  - No changes as of the 2025/2026 Adopted Budget
- 2025-2026-\$67,000,000 (*projected-update February 2026*)
  - No changes as of the 2025/2026 Adopted Budget
  - Deficit Factor Applied 1.5%
- 2026-2027- \$68,614,700 (*early projection-this will change*)
  - Rebuild Funding Floor



# SHASTA COLLEGE ENROLLMENT REPORTING STATUS

## Full Time Equivalent Student (FTES) Reporting Status:



# SHASTA COLLEGE BUDGET STATUS

## 2025-2026 Mid-Year Actuals -Income Received

YEAR TO DATE INCOME 7/1/2025-12/31/2025			
Major Income Source	Adopted Budget	Actuals Received	Percent of Budget
Federal Income	\$ -	\$ 70.00	100%
State Income	\$41,792,846.00	\$ 18,615,722.00	45%
Local Income	\$29,354,164.00	\$ 5,011,934.00	17%
Other Income	\$ 15,000.00	\$ -	0%
Total Income	\$71,162,010.00	\$ 23,627,726.00	33%



# SHASTA COLLEGE BUDGET STATUS

## 2025-2026 Mid-Year Actuals- Expenditures

YEAR TO DATE EXPENDITURES 7/1/2025-12/31/2025			
Major Object Codes	Adopted Budget	Year To Date Actuals	Percent
Total Academic Salaries	\$ 25,405,419.00	\$ 13,463,203.00	53%
Total Classified Salaries	\$ 17,346,191.00	\$ 8,585,584.00	49%
Total Employee Benefits	\$ 18,362,037.00	\$ 9,602,883.00	52%
Total Supplies	\$ 1,986,881.00	\$ 1,101,180.00	55%
Total Other Operating Expenses	\$ 9,218,891.00	\$ 5,573,083.00	60%
Total Capital Outlay	\$ 914,982.00	\$ 167,158.00	18%
Total Other Outgo	\$ 1,883,135.00	\$ 1,380,323.00	73%
Total Expenditures	\$ 71,737,247.00	\$ 39,873,414.00	56%



# SHASTA COLLEGE BUDGET STATUS

## 2025-2026 Mid-Year Actuals- Income vs. Expenditures

YEAR TO DATE INCOME 7/1/2025-12/31/2025			
Major Income Source	Adopted Budget	Actuals Received	Percent of Budget
Total Income	\$71,762,010.00	\$ 23,627,726.00	33%
Major Object Codes	Adopted Budget	Year To Date Actuals	Percent
Total Expenditures	\$71,737,247.00	\$ 39,873,414.00	56%



# RISKS AND AREAS TO WATCH

Shasta College

Net adds to the General Fund 11

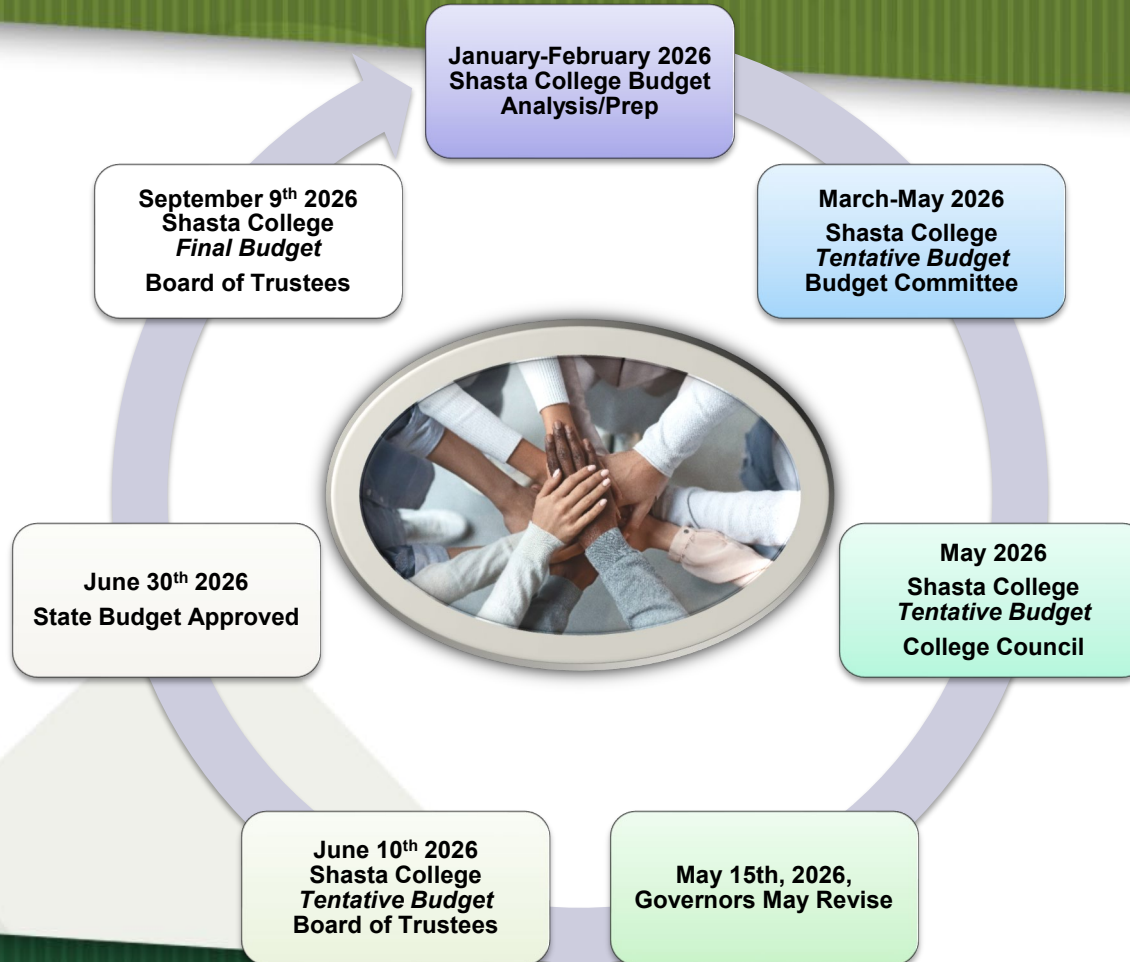
Ongoing commitments- Increases (Employee Benefits, Utilities, etc..)

Grants ending/at risk (Programs, Employees, Impact on Students)

Tightening up and efficient budget process



# 2026-2027 Budget Development Process:



# STATE AND DISTRICT RESOURCES

## STATE:

- State Budget: <https://ebudget.ca.gov/home>
- Legislative Analyst Office: <https://lao.ca.gov/budget>
- CCCO: <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>
  - ACBO/ACCCA/CCLC: [2026\\_Joint-Analysis-Governors-Budgethttps://www.cccco.edu/-/media/CCCCO-Website/docs/budget/2026\\_Joint-Analysis-Governors-Budget.pdf.pdf](https://www.cccco.edu/-/media/CCCCO-Website/docs/budget/2026_Joint-Analysis-Governors-Budget.pdf)
- CAL MATTERS: [Newsom confronts \\$18 billion deficit despite higher revenues](#)

## DISTRICT:

- Budget Committee: [www.shastacollege.edu/budget-committee](http://www.shastacollege.edu/budget-committee)



**Thank you!**



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# ATTACHMENT A

## General Funds

*The General Fund is the primary operating fund of the district. It is used to account for those transactions that, in general, cover the full scope of operations of the district (instruction, administration, student services, maintenance and operations, etc.).*

Fund Number	Fund Title	Funding Source	Funding Purpose/Restrictions on Spending
11	Unrestricted General Fund	<u>State:</u> Apportionment, EPA, Full time Faculty, Parttime Faculty, Timber Tax, Lottery, Block Grant. <u>Local:</u> Property Taxes, Contract Education, Sales, Rentals/Leases, Community Education, Enrollment Fees, Interest income.	General district operations and support of educational programs. Ex: All employee groups salaries/benefits, supplies/materials, travel, professional development, utilities, professional services/consulting, software, technology, other outgo, etc..
12	Restricted General Fund	<u>Federal Grants:</u> College to Career, Work Study , TANF, TRIO/SSS, TRIO/Talent Search, TRIO/Upward Bound, VTEA, & other Misc. <u>State Grants:</u> California Promise Grant, Adult Ed Block Grant, Board Financial Assistance, CalWORKS, CARE Program, Basic Needs, EOPS, EWD Grants, Foster Parent Training, Guided Pathways, Innovation Award, Lottery, NEXTUP, Nursing Grant, PACE, Strong Workforce Program, Student Equity and Achievement Program, Mental Health Support, Technology Grants, K-16 Collaborative Grant, Veterans Resource Grant, other Misc. <u>Local:</u> Health Services Fees, Parking Services Fee, Step-Up, Foundation, Other Misc. <u>Other Misc:</u> Adult Ed Consortium-Member	Restricted funds that are from an external source that require funds to be used for specific purposes. Fiscal Resources for operation and support of the educational programs that are specifically restricted by laws, regulations, donors and other outside agencies regarding their expenditures.

## Debt Service Funds

*Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues to these funds are from special property tax levies for General Obligation (GO) Bonds and operational income for Lease Revenue (LR) Bonds.*

Fund Number	Fund Title	Funding Source	Funding Purpose/Restrictions on Spending
23	2002 GO Bond	Property taxes approved by voters.	Long-term debt principal and interest payments from property taxes collected.
24	Lease Revenue Bond	Transfers in from Funds that benefited from the projects	Principal and Interest payments
25	2016 General Obligation (GO) Bond	Property taxes approved by voters.	Principal and Interest payments

## Special Revenue Funds

*Special Revenue Funds are used to account for the proceeds of specific revenue sources whose expenditures are legally restricted. In general, these funds encompass support services that are not directly related to the educational programs of the District.*

Fund Number	Fund Title	Funding Source	Funding Purpose/Restrictions on Spending
34	Revenue Fund	Bookstore, Campus Center Fee, Dorms, Food Services, Bistro, Starbucks, and Cal Fire.	These activities are supported through current and accumulated income generated within this fund.
35	Revenue Repair/Replacement	Interfund Transfer from General Fund 11	Repair/Replace district infrastructure

36	<b>Auxiliary Fund</b>	Various revenue generated from fundraising, activities and events: Harvest Fest, Gateway to College, Fine Arts, Choir, Symphony, Band, Theatre Concessions, Summer Festival, Athletics, Library Printing, Surplus Sales, Early Childhood Education, Jazz, Business Education, Library Fines, Nursery Sales, Farm/Livestock Sales, Cal Fire Dozer, Timber Sales, Automotive, Grape Sales, Culinary Arts (Bistro), Dental Facility, & QAULIC-B (Block 7).	To be used for specific expenses related to the activity that generated the funds.
37	<b>Parking Improvement Fund</b>	Interfund Transfer from General Fund 11	Parking Lot Improvements

**Capital Projects Funds**

*Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital outlay projects. Resources accumulated for future acquisition or construction of capital projects are recorded in this fund.*

Fund Number	Fund Title	Funding Source	Funding Purpose/Restrictions on Spending
41	<b>Capital Outlay Fund</b>	Property tax allocation, Deferred Maintenance from State, transfers in from Fund 11	Used to accumulate funds for larger and irregular capital projects, purchases such as: construction (new/remodels), transportation, technology, cybersecurity, network infrastructure, physical infrastructure, security, etc...
43	<b>2026 General Obligation Bond Fund</b>	Sale of 2016 General Obligation Bonds, approved by voters	Used to account for the deposit of GO Bond sales/expenses used for acquisition and construction of facilities/equipment.

**Internal Service Funds**

*Internal Service Funds are used to account for the financing of goods or services provided by one department or organization unit to other units on a cost-reimbursement basis.*

Fund Number	Fund Title	Funding Source	Funding Purpose/Restrictions on Spending
61	<b>Self Insurance Fund</b>	Transfers in from Fund 11 for self insured insurance programs.	Designated by Ed Code 81602 to account for income and expenditures of self insurance programs. Property and liability insurance, and other funds set aside that insurance will not cover (ex: underground water piping).

**Trust Funds**

*Trust Funds are part of the Fiduciary Fund Group. They account for assets held by the District in a trustee or agency capacity. No District activities are reported in this fund type.*

Fund Number	Fund Title	Funding Source	Funding Purpose/Restrictions on Spending
71	<b>Associated Students Body Fund</b>	Student Activity Card Sales	Student Senate approved activities
72	<b>Student Representation Fee Fund</b>	Student Rep Fee, from students	Student Senate approved activities- specifically for student advocacy
74	<b>Student Financial Aid Fund</b>	Federal, State and Local grants, specific for Student Financial Aid	Direct aid to students, specified by funding source

<b>75</b>	<b>Scholarship and Loan Fund</b>	Transfers in from Fund 77.	Scholarships to students based on criteria of donor. This account is used to disburse the scholarship and loans to the students.
<b>77</b>	<b>Trustee Scholarship Fund</b>	Endowed gifts from donors with specific use of student scholarships & investment income from accumulated balances.	Scholarships to students based on criteria of donor. This account is used to protect and grow the scholarship fund balance in a trust. When needed, funds are transferred to fund 75 to disburse to students.
<b>78</b>	<b>Student Clubs Fund</b>	Student Club activities	Club approved activities
<b>79</b>	<b>PARS Trust</b>	Trust set up from Fund 11 surplus generated from Federal Stimulus Funds (HEERF), investment earnings from deposit, as well as ERTC Funds.	Reimburse district for PERS and STRS employer contributions.
<b>89</b>	<b>Phi Theta Kappa</b>	Honory Society	Students PTK