Contra Costa Community College District
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Budget Meeting

4CD / Local 1 Budget Meeting

July 8, 2026

Agenda Items for July 7, 2027

Items Identified from Previous Meeting (May 27, 2026) listed below:

- Review of State Budget and trailer bills
- Update on Estimated Actuals for 2025-26
- OPEB follow-up items
- Coordination of Retiree Medical Benefits
- Reserves as of Tentative Budget
- Brainstorming

2026-27 State Budget Update

State Budget Update - SCFF

Ongoing Student Centered Funding Formula (SCFF) Components

- 2.87% COLA on SCFF
- Additional 1.44% (augmented) COLA provided to districts to pay for 14-week paid pregnancy leave
    - Hold Harmless Districts will receive a share of $13.3 million to support the 14-week pregnancy leave
- $153.1 million funding for 1% increased growth in 2025-26 and 1.5% in 2026-27
- $47.7 million to shift to greater of three-year average or highest current year (2026-27)

State Budget Update - Categorical

Additional Support for Community Colleges Provided within the budget

- 2.87% COLA on selected categorical funds (Approximately $250k to 4CD)
- $30.1 million for a 5.74% COLA on Student Equity and Achievement (SEAP) (Approximately $650k to 4CD)
- $71.1 million one-time for Dream Resource Centers
- $30 million one-time for LGBTQ+ Supports
- $150 million one-time Student Support Block Grant (Approximately $3 million to 4CD)
- $120.7 million one-time Deferred Maintenance Block Grant (Approximately $2.6 million to 4CD)
- $35 million one-time and $2 million ongoing for Credit for Prior Learning.

State Budget –Other Key Take Aways

- The agreement did not allocate $3.9 billion in Proposition 98 funds, creating a “iou” to TK-14 education. It should also be noted that preschool programs have been moved into Proposition 98 totals.
- While the budget did not change the TK shift, there was an increase to the overall TK-12/CCC split to 88.9%/11.1% on an ongoing basis which restores ongoing funding to Community Colleges.
- Full Funding for PT Office hours was not part of the adoption budget meaning that the program will not be funded at 90% as listed within the law and will have a significant deficit (impact to 4CD is approximately $2 million)

Projecting SCFF Revenue: Four Calculations

SCFF

SCFF Calculated Revenue

Calculated from:

1. Average of the current and two previous year FTES **(or highest year)**
2. Supplemental Student Count
3. Student Success Data

Stability

Prior Year TCR Stability

Calculated from:

1. Prior year SCFF Revenue Calculation
2. Adjusted for current year COLA, if any

Hold Harmless

Minimum Revenue Commitment

Calculated from:

1. Effective 2025-26, will become the 2024-25 funded TCR and will not be adjusted by COLA in future years
2. This can be reset once a district achieves Stability or returns to SCFF calculated funding

Highest Max TCR

Max TCR

Calculated from:

1. The highest value of the three calculated options
2. Becomes the Minimum Revenue Commitment for the following year

Impact of State Budget to 4CD

- The inclusion of the augmented COLA into the SCFF would shift 4CD into stability within the 2026-27 fiscal year
  - This additional funding was included in the budget to fund 14 weeks of paid pregnancy leave
  - Traditionally 4CD has budgeted stability as one time revenue
- 4CD strongly advocated for funding on the greater of the three-year average or the current year and funding of growth which were included in the State Budget
- Highest year should benefit 4CD in 2026-27 to potentially move to SCFF a year early
  - Based on the timing of CCFS 320 submissions, highest year would not be finalized until after the annual 320 submission (meaning July 2027 for the 2026-27 fiscal year)

Timeline for 2025-26 Estimated Actuals

Key Budget Activities - August

Prior
Fiscal Year

Fund Balances and Carryovers finalized and loaded in current year

Current
Fiscal Year

Colleges finalize Adoption Budget

Analysis of budget trailer bills

- Budget Assumptions from the Tentative Budget are adjusted based upon the trailer bills related to the approved State budget

Health and Welfare Benefit Expenses

Health and Welfare expenses have increased more than State COLAs (which were *not funded to 4CD due to Hold Harmless*) in both 2024-25 and 2025-26

- 2024-25 increase $7,531,403
- 2025-26 increase $2,909,912
- 2026-27 increase $338,601 at Tentative Budget

Health and Welfare (H&W)	2018-19 Actuals	2019-20 Actuals	2020-2021 Actuals	2021-2022 Actuals	2022-2023 Actuals	2023-2024 Actuals	2024-2025 Actuals	2025-2026 Adoption Budget	2026-2027 Tentative Budget
Active Employees	$21,050,082	$20,629,809	$20,798,173	$20,758,371	$20,460,178	$21,944,167	$28,741,416	$30,447,747	$30,679,150
Retirees	$13,008,166	$12,793,049	$12,552,709	$11,587,231	$12,269,824	$12,167,300	$12,901,454	$14,105,035	$14,212,233
Total	$34,058,248	$33,422,858	$33,350,881	$32,345,602	$32,730,002	$34,111,467	$41,642,870	$44,552,782	$44,891,383
Percentage Change	**3.06%**	**(1.87%)**	**(0.22%)**	**(3.01%)**	**1.19%**	**4.22%**	**11.04%**	**4.40%**	**0.76%**

2026-27 Structural Deficits Estimated Tentative Budget

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- Tables provide the current year structural deficits based upon the *Estimated Tentative budget* expenditures, including vacant positions

Contra Costa College	FY 2026-27 Tentative Budget	Diablo Valley College	FY 2026-27 Tentative Budget
Revenue*	$39,776,973	Revenue	$106,143,522
Expenditures	$42,475,545	Expenditures	$106,636,778
Increase / (Decrease)	($2,698,572)	Increase / (Decrease)	($493,256)
Beginning Balance	$0	Beginning Balance	$5,526,118
Ending Balance	**($2,698,572)**	Ending Balance	**$5,032,862**

*Revenue at CCC includes one-time $678,112 transfer of reserves to help offset the deficit

Los Medanos College	FY 2026-27 Tentative Budget	District Office	FY 2026-27 Tentative Budget
Revenue	$55,726,338	Revenue	$24,474,360
Expenditures	$55,892,540	Expenditures	$25,238,580
Increase / (Decrease)	($166,202)	Increase / (Decrease)	($717,591)
Beginning Balance	$2,462,648	Beginning Balance	$1,512,068
Ending Balance	**$2,296,446**	Ending Balance	**$747,848**

Other Post Employee Benefits

OPEB
Contributions and Investment Returns

- 4CD's net position has increased from $172 million in 2020-21 to approximately $233 million in 2025-26, or 35.1%, in 5 years
- 2025-26 values are as of June 30, 2026
- Historical Fiduciary Net Position, or value of the Trust, is provided on slide 12

Year	Contribution	Investment Return*	Fiduciary Net Position
2025-26 Est	*$1,000,000*	*$28,808,732*	$233,021,342
2024-25	$1,000,000	$25,486,342	$203,212,610
2023-24	$4,928,500	$14,853,988	$176,726,268
2022-23	$4,630,000	$13,368,865	$156,943,780
2021-22	$4,159,192	-$37,689,480	$138,944,915
2020-21	$3,988,000	$31,135,722	$172,475,203

*Investment Return is the change in value of the trust less contributions

OPEB
Historical Investment Return

- The trust was established in 2009 with an initial amount of $18.8 million
- Historical annual rates of return are listed in the table to right
- Since 2009, the cumulative rate of return is 6.79%

Year	Rate of Return
Since Inception	6.79%
2025 (as of 6/30/2025)	7.65%
2024	10.21%
2023	16.55%
2022	-21.29%
2021	9.90%
2020	15.84%
2019	18.14%
2018	6.56%
2017	14.29%
2016	6.96%
2015	-1.39%

Source: RBOA Board Report April 15, 2026

OPEB Actuarial Liability

Year	Service Cost[1]	Fees[1]	Actuarial Assumptions Changes*	Actuarial Liability	Unfunded Liability	Percent Funded
2025-26 Est	$5,300,000	$783,650	$187,635	$239,333,934	$6,312,592	97.36%
2024-25	$5,095,434	$617,102	$403,424	$233,062,649	$29,850,039	87.19%
2023-24	$5,051,383	$540,853	$690,286	$226,946,689	$50,252,421	77.87%
2022-23	$5,624,452	$487,248	-$34,995,588	$220,664,167	$63,720,387	71.12%
2021-22	$5,494,814	$554,382	$2,602,407	$249,548,055	$110,603,140	55.68%
2020-21	$5,031,066	$515,161	-$4,664,124	$240,896,452	$68,421,249	71.60%

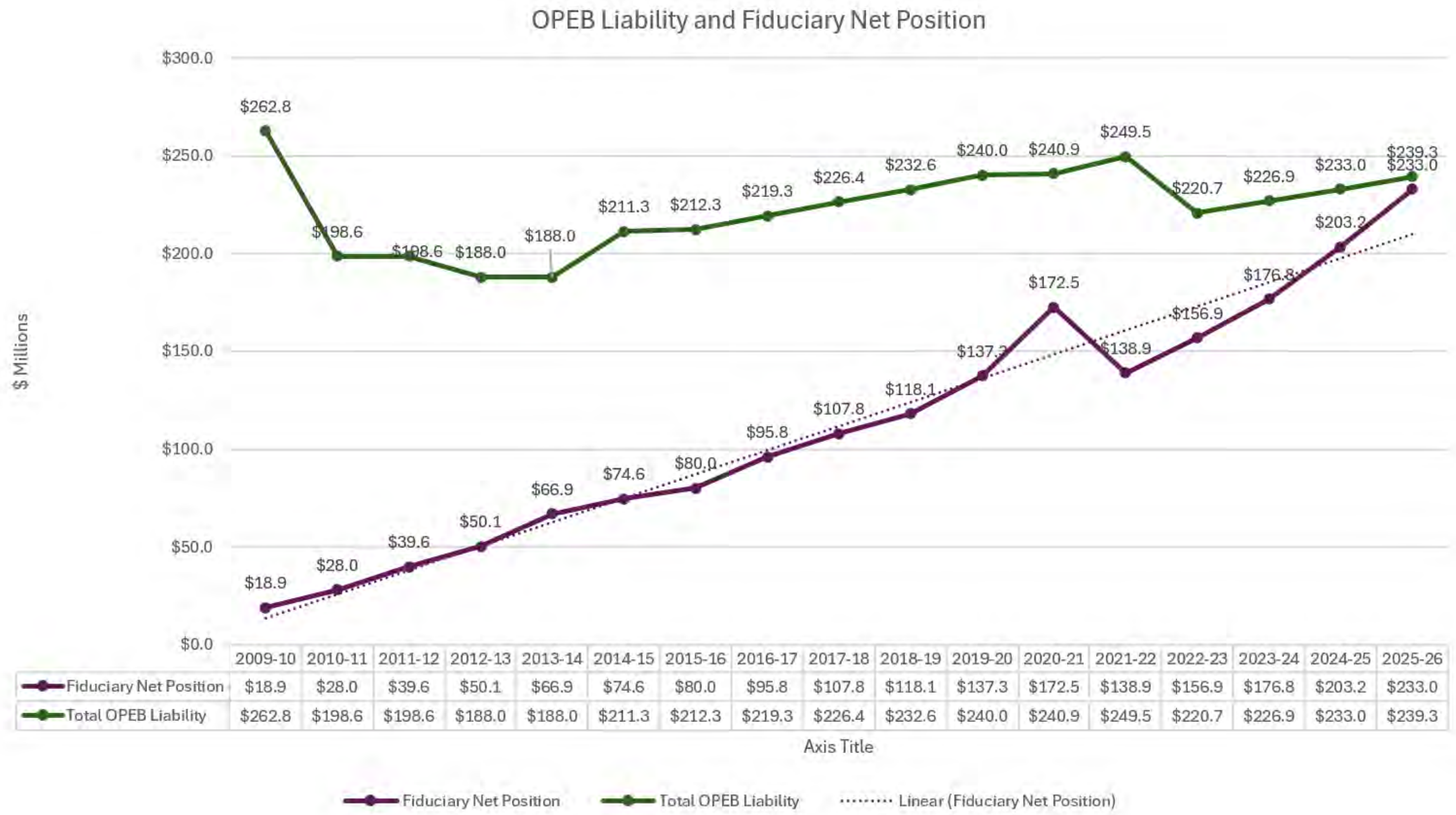
*Actuarial Assumption Changes are Actuarial Liability change less service cost and fees

[1]Service Cost and Fees from Audited Reports

2025-26 value as of June 30, 2026

OPEB Liability and Fiduciary Net Position

2025-26 as of
June 30, 2026



	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Fiduciary Net Position	$18.9	$28.0	$39.6	$50.1	$66.9	$74.6	$80.0	$95.8	$107.8	$118.1	$137.3	$172.5	$138.9	$156.9	$176.8	$203.2	$233.0
Total OPEB Liability	$262.8	$198.6	$198.6	$188.0	$188.0	$211.3	$212.3	$219.3	$226.4	$232.6	$240.0	$240.9	$249.5	$220.7	$226.9	$233.0	$239.3

"Pay as You Go" Retiree Expense

4CD pays retiree health expense from the General Fund as they come each year

Year	Cash In Lieu Expense	Pay As You Go Retiree Health Expense	Total Retiree Expense
2025-26 Est	$395,912	$13,709,123	$14,105,035
2024-25	$413,742	$12,487,712	$12,901,454
2023-24	$335,181	$11,832,119	$12,167,300
2022-23	$343,527	$11,926,297	$12,269,824
2021-22	$333,038	$11,254,193	$11,587,231
2020-21	$386,755	$12,165,954	$12,552,709

Coordination of Retiree Benefits Update

District Reserve Requirements

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Breaking Down 2025-26 Reserves As of Tentative Budget

Fund 11 Operating Ending Balance	**$55,740,523**
BP 5033 Required Reserve	$44,591,706
College/DO 1% Reserve	$2,237,523
College/DO Committed	$3,421,887
College/DO Assigned	$3,010,573
College Unrestricted (DVC and LMC)	$1,359,836
DO/DW Unrestricted	$1,118,998

Estimated BP 5033 Reserve for 2026-27 $44,437,705

Closing The Books

- During the summer 4CD "trues up" the final accounting of the budget for the past fiscal year in order to close the books
- Once all carryover amounts are finalized and ending fund balances are calculated the books are closed
- The Tentative Budget does not include all final expenditures for the current year or complete projected fund balances
- The fund balances are reviewed for accuracy by the external audit firm as part of the annual review process

Brainstorming

Next Meeting

Agenda Items for Next Meeting

- Next Meeting September 3, 2026, 12:30 – 2 p.m.
  - Review Adoption Budget
  - Discuss SCFF Scenarios
  - Calendar of Negotiations/Allocation Timeline
  - Discuss Budget Roadshow for Fall (October)
  - Benefits Update

Back up Slides
For Reference Purposes

Key Budget Activities - July

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Prior
Fiscal Year

CCFS 320 Annual FTES

Begin closing of books

Current
Fiscal Year

Advanced Apportionment Exhibit R

Budget Trailer Bills

- Budget Assumptions from the Tentative Budget are adjusted based upon the trailer bills related to the approved State budget

State Funding Timelines

- Once the State Budget and budget trailer bill are finalized the State Chancellor's Office provides apportionment updates to districts based upon a schedule
- General Funds are distributed based upon the apportionment schedule
  - Because the SCFF is calculated based on a 3-year average (which includes the current year) final revenue is not determined or allocated until FTES are certified through the CCFS 320 process
- Categorical funds and other grants guidelines and schedules are provided via updates to the Compendium of Allocations and Resources which is updated multiple times each year

SCFF Revenue Calculations

- The 3-year credit average for FTES includes the current year meaning July advanced apportionment from the State will not include any growth FTES and will use the prior year P2 (25,340) twice in calculation of the average initially
- The calculations for both Special Admit students and College and Career Development Preparation (CDCP) FTES utilizes current year for funding purposes
- State Apportionment is based upon
  - The advanced apportionment will use the prior year FTES P2 for these categories
  - The March apportionment uses final prior year FTES and current year P1 FTES

Due to State apportionment timing budget "true ups" are often required

State Chancellor's Apportionments

4CD receives funding from State Chancellor based on Apportionment schedules
Total Revenue is updated at each reporting period

July
Advanced
Apportionment
60%

February
First Principal
Apportionment
P1
32%

June
Second Principal
Apportionment
P2
8%

February*
Recalculation
Apportionment
R1

Monthly Payment totals of amount certified

July 8 %
August 8%
September 12%

October 10%
November 9%
December 5%
January 8%

February 8 %
March 8%
April 8%
May 8%

June 8 %

Adjust any necessary prior year's annual certifications.

*Payment adjustments are processed with P1 in February

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Assumptions: Payroll Taxes

Deduction	Groups	Colleague	Effective Date	Source	2023-24	2024-25	2025-26	2026-27
Medicare*	ALL	TAXC	January 1 - December 31	IRS Form 15	1.45%	1.45%	1.45%	1.45%
FICA	Classified	TAXC			6.20%	6.20%	6.20%	6.20%
FICA Wage Base	Classified	TAXC			$160,200	$168,600	$176,100	$184,500
SUI	ALL	TAXC	July 1 - June 30	https://edd.ca.gov/en/payroll_taxes/school_employees_fund/	0.05%	0.05%	0.05%	0.05%
Worker's Compensation	ALL	TAXC	July 1 - June 30	Rates received in April from CCCSIG	1.2449%	1.1420%	1.0212%	1.1143%
STRS	Faculty	BEND/BCIS	July 1 - June 30	https://www.calstrs.com/contributions	19.10%	19.10%	19.10%	19.10%
PERS	Classified	BEND/BCIS	July 1 - June 30	PERS Contribution Circular	26.680%	27.050%	26.810%	26.400%
PERS Earning Limit	Classified		January 1 - December 31	https://www.calpers.ca.gov/employers/policies-and-procedures/circular-letters/200-001-26	$ 330,000	$ 345,000	$ 350,000	$ 360,000
PERS PEPRA Earning Limit with FICA	Classified				$ 146,042	$ 151,446	$ 155,081	$ 159,733
PERS PEPRA Earning Limit No FICA	Classified				$ 175,250	$ 181,734	$ 186,096	$ 191,679
Safety PERS (Classic)	POA	BEND/BCIS	July 1 - June 30	https://www.calpers.ca.gov/page/employers/actuarial-resources/employer-contributions/public-agency-contributions	21.780%	21.920%	21.980%	21.980%
Safety PERS (PEPRA)	POA	BEND/BCIS			14.500%	14.720%	14.960%	14.860%

TOTAL PAYROLL TAXES	2023-24	2024-25	2025-26	2026-27
Total Classified Payroll Deduction Rate	35.62%	35.89%	35.53%	35.2143%
Total Faculty Payroll Deduction Rate	21.84%	21.74%	21.62%	21.7143%
Total POA Payroll Deduction Rate	30.72%	30.76%	30.76%	30.7943%

* Medicare rate for earning over $200k is 2.35%

STRS and PERS Rates and State COLA

FY	State COLA	4CD Funded COLA	STRS %	STRS Change	PERS %	PERS Change
2017-18	1.56%	1.56%	14.43%	1.85%	15.531%	1.643%
2018-19	2.71%	2.71%	16.28%	1.85%	20.733%	5.202%
2019-20	3.26%	3.26%	17.10%	0.82%	19.721%	(1.012%)
2020-21	0.00%	0.00%	16.15%	(0.95%)	20.70%	0.979%
2021-22	5.07%	5.07%	16.92%	0.78%	22.91%	2.21%
2022-23	6.56%	6.56%	19.10%	0%	25.37%	2.46%
2023-24	8.22%	8.22%	19.10%	0%	26.68%	1.31%
2024-25	1.07%	1.07%	19.10%	0%	27.05%	0.37%
2025-26	2.30%	0.00%[1]	19.10%	0%	26.81%	(0.24%)
2026-27	4.31%[2]	TBD%[2]	19.10%	0%	26.40%	(0.41%)

Increases to STRS and PERS contribution rates are applied to all salaries as an ongoing expense.

General Fund Expense for STRS and PERS has increased by over $3.2 million since 2022-23

[1] COLA not received due to Hold Harmless

[2] Full COLA not received due to Hold Harmless, 2.87% COLA + 1.44% Augmented COLA to be applied to 2025-26 SCFF for Stability calculation

2025-26 Structural Deficits Adopted Budget

- Tables provide the current year structural deficits based upon the September 2025 adopted budget and include budgeted expenditures, including vacant positions

Contra Costa College	FY 2025-26 Adoption Budget	Diablo Valley College	FY 2025-26 Adoption Budget
Revenue*	$40,944,450	Revenue	$106,241,627
Expenditures	$43,187,553	Expenditures	$106,704,904
Increase / (Decrease)	($2,243,103)	Increase / (Decrease)	($463,277)
Beginning Balance	$432,839	Beginning Balance	$5,326,725
Ending Balance	**($1,810,264)**	Ending Balance	**$4,863,448**

*Revenue at CCC includes one-time $2,182,758 transfer of reserves to help offset the deficit

Los Medanos College	FY 2025-26 Adoption Budget	District Office	FY 2025-26 Adoption Budget
Revenue	$55,313,689	Revenue	$24,471,351
Expenditures	$55,690,768	Expenditures	$25,188,942
Increase / (Decrease)	($377,079)	Increase / (Decrease)	($717,591)
Beginning Balance	$2,462,648	Beginning Balance	$1,530,516
Ending Balance	**$2,085,569**	Ending Balance	**$812,915**

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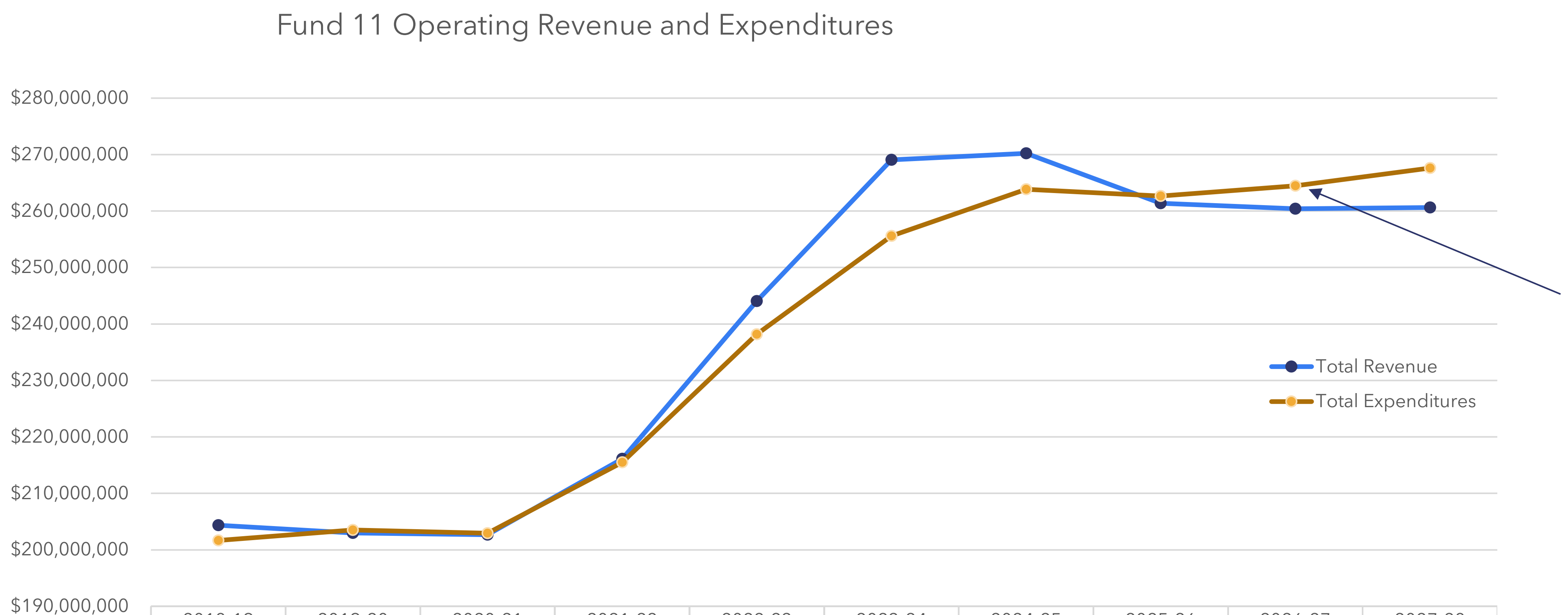
Revenue: Actuals and Projections Tentative Budget

- SCFF Revenue comprises 85-88% of the Fund 11 Operating budget
- Other State Revenue, such as Lottery, Mandated Costs, Full-time Faculty Funding is mostly steady with the Lottery adjusting yearly based upon prior year P2 FTES
- Local Revenue is comprised of nonresident tuition, 2% of enrollment fees, earned interest and other student fees

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 AB	2026-27 Proj.	2027-28 Proj.
Apportionment (SCFF)	$ 174,963,295	$ 178,844,555	$ 180,394,699	$ 190,848,318	$ 210,019,895	$ 230,616,328	$ 229,941,714	$ 229,941,714	$ 229,941,714	$ 229,941,714
Other State Revenue	$ 10,587,239	$ 7,335,356	$ 9,930,290	$ 12,738,413	$ 15,214,443	$ 15,489,473	$ 18,439,856	$ 15,281,352	$ 15,138,012	$ 15,519,751
Federal Revenue	$ 4,845	$ 4,230	$ 3,536	$ 2,528	$ 2,016	$ 2,208	$ 2,624	$ 4,845	$ 4,845	$ 4,845
Local Revenue	$ 18,782,024	$ 16,793,615	$ 12,343,626	$ 12,511,623	$ 18,832,615	$ 22,971,656	$ 21,836,355	$ 16,169,166	$ 15,316,412	$ 15,169,166
Total Revenue	$ 204,337,403	$ 202,977,756	$ 202,672,151	$ 216,100,882	$ 244,068,969	$ 269,079,665	$ 270,220,549	$ 261,397,077	$ 260,400,973	$ 260,635,476

Revenue and Expenditures Updated Multi-Year Projections

This chart reflects the projected one-time savings from vacant positions in the current year and the impact of the Governing Board-approved reductions.



	2018-19 Actuals	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Actuals	2025-26 YTD Estimate	2026-27 Revised Proj.	2027-28 Revised Proj.
Total Revenue	$204,337,40	$202,977,75	$202,672,15	$216,100,88	$244,068,96	$269,079,66	$270,220,54	$261,397,07	$260,400,97	$260,635,47
Total Expenditures	$201,660,05	$203,534,88	$202,920,24	$215,473,31	$238,181,26	$255,577,95	$263,857,11	$262,657,35	$264,488,03	$267,613,11

2026-27 Tentative Budget Structural Deficit

- The Estimated Structural Deficit for the 2026-27 Tentative Budget is $4,087,052
  - Additional Stability revenue is not projected to eliminate these structural deficits in 2026-27
- Other Funds, such as Fund 51: Bookstore and Fund 52: Cafeteria are both utilizing fund balance in Tentative Budget and are projected to exhaust all remaining reserves before the end of FY 2027-28
- Impact of Federal Policy decisions continues to impact Federal Grant revenue and reduce ongoing non-resident (International) student enrollment and revenues which can further impact deficits

OPEB – Key Terms

- Fiduciary Net Position
  - Assets held in the irrevocable OPEB trust, measured at fair value, available solely to pay retiree benefits
- Actuarial Liability
  - Present value of future OPEB benefits earned to date, based on actuarial assumptions.
- Unfunded Liability
  - The portion of earned OPEB benefits not yet covered by trust assets; the gap between liability and assets
- Percent Funded
  - How much of earned OPEB benefits the trust has saved; trust assets divided by total liability

OPEB – Key Terms

- Service Costs
  - Present value of future OPEB benefits earned by active employees this year, increasing the total liability
- Administrative Fees
  - Charges for managing and administering the OPEB trust, including investment, custodial, and compliance services
- Actuarial Assumptions
  - Estimates (medical inflation, discount rate, retirement age, mortality) used to project future OPEB costs. Changes in these assumptions increase or decrease the total liability

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District and College Reserve Requirement

- Board Policy 5033, adopted February 15, 2023, requires 4CD to maintain a reserve of “no less than two months of unrestricted general fund operating expenditures.”
  - As expenditures increase from one year to the next, the total reserve must also be increased
- Each College must also maintain a minimum 1% reserve that is **not** included in the 4CD reserve
- Dedicated reserves for long-term liabilities, such as Load Bank/Vacation, Student Debt, and Other Post Employee Benefits (OPEB), are maintained in addition to these General Fund 11 Operations reserves

These committed reserves, along with restricted reserves, are not available for other purposes and considered to be placed in a lock box

District Reserve Requirement of Two Months Operational Expenses

As a condition of receiving the Emergency Conditions Allocation 4CD was required to adopt a Board Policy which aligned and maintained a minimum of two months operational reserves in the General Fund

- The district's Board of Trustees adopts a policy (BP 5033) aiming to align reserve balances to recommendations included in the Government Finance Officers Association Budgeting Best Practices by no later than February 28, 2023.
- This policy should be provided to the Chancellor's Office along with the Emergency Conditions Recovery Plan mid-year update. Additional information on fiscal resiliency and reserve balance recommendations can be found in memo FS 22-03 Fiscal Forward Portfolio and Budget Architecture and Development Recommendations.

Reserve Classifications

- Restricted – funds that are legally required to be utilized for a specific program or purpose and cannot be used for other purposes

- Committed – funds that have been saved for a specific long-term purpose based upon policy or procedure

- Assigned – funds that are designated for planned short-term projects or priorities

- Unrestricted – funds that are maintained in reserve to support unexpected needs, risk management, or other unforeseen conditions