College of the Siskiyous

Joint Community College District

2026-2027
Final Budget

September 8, 2026

College of the Siskiyous Joint CCD

2026-2027

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Budget Narrative

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Purpose

Title 5, California Code of Regulations (CCR), Section 58305 requires the District to develop a Final Budget as an update to the Tentative Budget which reflects the Governor's June 2026 signed State Budget. This Final Budget must be adopted by the Board of Trustees no later than September 15th of each year.

Enacted State Budget

The Governor's State Budget was enacted in June 2026 and reflects continued investment in public education while maintaining a focus on fiscal stability and long-term sustainability. The 2026–27 state budget provides increased funding for California Community Colleges, including ongoing investments in apportionment, enrollment growth, student success, equity, and selected categorical programs. While the state budget provides additional resources to the community college system, districts continue to face significant pressures related to enrollment, operating costs, and the long-term sustainability of ongoing revenues.

For California Community Colleges, the 2026–27 enacted budget provides approximately $14.6 billion in Proposition 98 funding. The spending plan includes ongoing increases to the Student-Centered Funding Formula (SCFF), funding for enrollment growth, and increases for selected categorical programs. The budget also provides one-time funding for deferred maintenance, technology infrastructure, student success initiatives, workforce development, and other systemwide priorities.

A significant component of the 2026–27 budget is additional ongoing funding for community college apportionments. The budget provides a 2.87% statutory cost-of-living adjustment (COLA), along with an additional 1.44% ongoing increase above the statutory COLA. The additional 1.44% increase applies to all community college districts, including districts receiving funding under the Hold Harmless provision. The budget also provides funding for enrollment growth.

For College of the Siskiyous, the 2026–27 enacted budget provides additional ongoing state funding; however, the college continues to operate within the constraints of its SCFF funding floor. The Hold Harmless provision that protected districts following implementation of the SCFF expired at the end of 2024–25, and College of the Siskiyous continues to be funded under the district-specific funding floor established as part of that transition. While the college does not receive the statutory 2.87% COLA through the SCFF because it remains funded at its established floor, the additional 1.44% ongoing increase applies to all districts, including College of the Siskiyous. Moving forward, the college's ability to generate additional apportionment above its funding floor remains dependent on enrollment and the factors incorporated into the SCFF.

The 2026–27 enacted budget also establishes a change in the calculation of regular credit enrollment for funding purposes. Beginning in 2026–27, regular credit enrollment funding will be based on the greater of a district's current enrollment or its three-year average enrollment. This change provides additional stability for districts experiencing fluctuations in enrollment and may provide an opportunity for College of the Siskiyous to benefit from its historical enrollment levels as the college works to rebuild and grow enrollment.

Key elements of the 2026–27 enacted budget include:

- Approximately $292 million in ongoing funding associated with the 2.87% statutory COLA for the SCFF, along with approximately $146 million in additional ongoing funding representing a 1.44% increase above the statutory COLA. The additional increase applies to all districts, including those funded under Hold Harmless provisions.
- Ongoing funding for enrollment growth, including an increase in the budgeted systemwide enrollment growth rate from the 0.57% enacted level in 2025–26 to 1.57% in 2026–27. The associated ongoing cost is incorporated into apportionments.
- A new credit enrollment funding methodology beginning in 2026–27, under which regular credit enrollment funding is based on the greater of current-year enrollment or the district's three-year average enrollment. This change is intended to provide greater stability in apportionment funding for districts experiencing enrollment fluctuations.
- Approximately $36 million in ongoing funding for a 2.87% COLA for selected categorical programs, including programs supporting student services and student success.
- $30 million in ongoing funding for the Student Equity and Achievement Program, continuing the state's investment in efforts to improve student access, persistence, completion, and equitable outcomes.
- $121 million in one-time funding for deferred maintenance, including reappropriated funds, to address critical facility maintenance needs throughout the community college system.
- Continued one-time investments in systemwide technology, Credit for Prior Learning, workforce development, student support, financial aid administration, and other student success initiatives.

Overall, the 2026–27 enacted budget provides increased state support for California Community Colleges and creates additional opportunities for districts to benefit from enrollment growth and ongoing apportionment increases. For College of the Siskiyous, however, these investments do not eliminate the college's ongoing structural budget challenges. Continued attention to enrollment growth, expenditure management, sustainable ongoing revenues, and preservation of fiscal reserves remains essential to maintaining the college's long-term financial stability.

District Budget – Key Elements

For the 2026–27 Final Budget, College of the Siskiyous continues to be funded at the District's SCFF funding floor, which was established in the 2022 Budget Act following the expiration of the former Hold Harmless provision. The funding floor is based on the District's total 2024–25 funding level and provides a minimum level of ongoing state apportionment funding.

While the 2026–27 state budget provides a 2.87 percent COLA for SCFF apportionments, College of the Siskiyous will not receive the statutory COLA because the District remains funded at its SCFF funding floor. However, the enacted budget provides an additional 1.44 percent ongoing increase above the statutory COLA that applies to all community college districts, including districts funded at their Hold Harmless or funding floor level. This additional funding increases the District's apportionment by 1.44% above its existing SCFF funding floor. Because further guidance is needed regarding eligible employees and allowable uses related to disability leave, the District is setting these funds aside in Ending Fund Balance until additional direction is available.

Beginning in 2026–27, changes to the SCFF enrollment calculation also provide additional stability for districts experiencing enrollment fluctuations. Regular credit enrollment for funding purposes will be based on the greater of the District's current enrollment or its three-year average enrollment. The District's ability to generate additional ongoing apportionment revenue will continue to depend on enrollment growth and the factors incorporated into the SCFF.

Despite the additional state funding provided in the 2026–27 enacted budget, the District continues to face significant fiscal challenges. The Final Budget reflects a conservative approach to ongoing revenues and expenditures and prioritizes maintaining essential services, protecting the District's fiscal reserves, and addressing the structural imbalance between ongoing revenues and expenditures. Continued enrollment growth, careful expenditure management, and long-term financial planning will be critical to improving the District's fiscal position.

Notable Increased Expenditures

Salary and Benefit Costs

- Includes contractual step and column increases, all approved new positions, and adjustments to fully capture current staffing levels for 2026–27.
- Part-time faculty budget updated to support enrollment recovery and anticipated course offerings.

Resource Allocation Requests (RARs)

The District's participatory governance process allows departments to request additional expenditure levels for various needs. Given the District's current fiscal constraints, the 2026–27 budget process focused on essential and mandatory expenditures. As a result, only RARs identified as mandatory were approved for inclusion in the Final Budget.

The approved mandatory RARs were incorporated into the respective department budgets and are reflected in the 2026–27 Final Budget model. No discretionary RARs were approved for inclusion in the Final Budget.

The following RARs were approved and implemented into the Final Budget model:

- Facilities anticipated utilities increases $70,000
- Technology Services contractual increases $53,470
- Administrative Services contractual increases $38,850
- PIO contractual increases $49,324
- Academic Affairs software increases $20,000
- CTE – RN & CAN program funding increases $11,600
- President's Office contractual increases $5,500
- Instructional expenses in the LAS area for environmental safety, annual subscription costs and maintenance/services increases $14,400

Grand Total of approved RAR's = $263,144

Collective Bargaining Agreements

- The District has not yet reached an agreement with Faculty; estimated costs are not reflected in the projected fund balance based on the last district offer.

California Retirement Systems

- The California State Teachers' Retirement System (CalSTRS) provides retirement, disability, and survivor benefits for California's educators and their families. The employer contribution rate for 2026–27 remains unchanged at 19.10% of creditable earnings. The rate has remained at 19.10% since 2022–23.
- The California Public Employees' Retirement System (CalPERS) Schools Pool, which includes classified school employees as members, funds pension benefits through actuarially determined contributions. The employer contribution rate for 2026–27 is 26.40% of payroll, a decrease from the 2025–26 rate of 26.81%.

Retiree Health Liability

An actuarial study for post-retirement benefits is being performed for FY 25-26 in accordance with GASB 75. Actuarial studies are conducted every two years. The District's long-term OPEB liability as of June 30, 2024, was estimated at approximately $6,243,696. To the extent that benefits are funded through a GASB 75 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to determine the Net OPEB Liability. The FNP, representing assets adjusted for applicable payables and receivables, is $2,307,499. Additional payments against the District's long-term liability are determined during annual budget development.

- The District operates on a “pay-as-you-go” methodology, expensing retiree health benefit costs at the time they are paid. The 2026–27 budget includes $534,546 for retiree health benefits, based on historical expenditure trends.

General Fund – Unrestricted (11)

The General Fund is the principal operating fund of the District. All revenues and expenditures not required by law to be accounted for in a separate fund are included here. This fund is the primary focus of the budget process, as it most heavily impacts ongoing college and district operations.

General Fund – Restricted (12)

This fund supports categorical programs, grants, contracts, and other resources restricted by law, regulation, contract, grant agreement, or other externally imposed conditions.

Major programs include:

- Student Equity and Achievement Program
- Strong Workforce Program (SWP)
- Extended Opportunity Programs and Services (EOPS)
- Disabled Students Programs and Services (DSPS)
- California Work Opportunities and Responsibility to Kids (CalWORKS)
- Career Technical Education programs
- Perkins IV (VTEA) federal grants
- Restricted Lottery (Proposition 20) funds
- Nursing grants

Budgets for these programs are based on prior year awards, adjusted as noted in the Governor’s May Revision, unless official allocations have been received prior to Final Budget adoption.

Bond and Interest and Redemption Fund (21)

This fund services the District’s project-related debt. In 2026–27, debt service will continue through semi-annual payments in August and February.

General Obligation Bond and Interest and Redemption Fund (23)

This fund services General Obligation Bond debt, which began in 2005 to fund campus construction and renovation. Property tax receipts from county residents are used exclusively for debt service, paid semi-annually in August and February.

Proprietary (Enterprise) Funds (32, 35, 39 & 41)

These funds support self-sustaining business operations, including the Bookstore, Food Service, and Residence Halls.

Food Services (32)

The District operates Food Services in-house after discontinuing the outsourced model in 2016–17. The department continues to refine operations and explore cost efficiencies. For 2026–27, Food Services is expected to require a transfer of $50,000 from the Lodges and a budgeted encroachment of $415,700 from the General Fund to support operations.

Residence Hall Revenue and Repair (35/39)

The Residence Hall Revenue Fund (35) accounts for student and group fees, covering salaries, benefits, and operational expenses. Funds are set aside and transferred to the Residence Hall Repair and Replacement Fund (39) to support future improvements and emergency repairs.

Bookstore (51)

The Bookstore continues to adjust to digital resources, online rentals, and Open Educational Resources (OER). The 2026–27 budget anticipates a budgeted encroachment of $194,500 from the General Fund to cover operating expenditures. The District continues to explore alternatives to improve efficiency and reduce reliance on General Fund support.

Capital Projects Funds (41 & 42)

These funds account for resources used in the acquisition, construction, and renovation of major capital projects. Eligible expenditures include site improvements (parking lots, walkways, signage), building renovations, new construction, scheduled maintenance, hazardous substance abatement, and fixed assets. Funding sources may include state capital outlay allocations and local funds.

For 2026–27, construction projects in both Student Housing and the Theater and McCloud Hall Renovation are continuing to be in full swing for the full fiscal year. The TAMHR project is a reimbursement project, and some delay in receipt of funds is anticipated.

With the rental of Temp Building 30 with Cal Fire, the district is budgeting half of the revenue to be transferred from General Fund to use towards future renovations and repairs to the building and surrounding parking area.

All projects are budgeted and tracked to ensure proper use of funds and compliance with applicable requirements.

Student Financial Aid Fund (78)

This fund manages the receipt and disbursement of government-funded student financial aid programs. Major federal programs include Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Direct Loans. State-funded programs include the Full-Time Student Success Grant and Cal Grants. The budget for this fund reflects anticipated allocations and projected student participation for 2026–27.

Foundation and Scholarship (83 & 84)

Since 1992, the College of the Siskiyous Foundation has raised funds to enhance educational quality through program development, facility improvements, equipment purchases, and student scholarships. Scholarships are funded through the generosity of businesses, associations, and individuals to recognize achievement, leadership, and financial need. The Foundation and Scholarship Funds ensure that resources are managed in alignment with donor intent and provide support directly to students in 2026–27.

Reserves

The District's designated ending fund balance is comprised of three primary categories: the **State Required Minimum Reserve**, the **Contingency Reserve**, and the **Undesignated Reserve**. These reserves provide financial stability, protect against unforeseen expenditures, and help manage cash flow.

State Required 16.67% Minimum

In accordance with the State Chancellor's Office Accounting Advisory FS 05-05 and SJCCD AP 6305, the District is required to maintain a minimum unrestricted general fund balance of 16.67% of total expenditures. This amount is segregated to ensure compliance with state requirements and fiscal prudence.

Contingency Reserve

This reserve provides funds to address unexpected expenses during the fiscal year. It ensures that the District can respond effectively to emergent operational needs without impacting ongoing programs or services.

Undesignated Reserve

The undesignated reserve represents the remaining ending balance and is maintained to accommodate potential reductions in revenue, manage cash flow requirements, and cover unanticipated one-time expenditures.

For 2026–27, the Final Budget projects a deficit spending amount of approximately $2,748,488 while maintaining an overall ending fund balance of 29.89%. This includes the 16.67% minimum reserve and an additional 13.22% in remaining reserves, providing current-year fiscal stability. However, actions are needed in the next fiscal year to reduce reliance on deficit spending, establish a balanced budget and ensure long-term financial sustainability.

Compliance

The 2026–27 Final Budget has been developed in full compliance with all applicable external standards and regulations, including but not limited to:

- **Governmental Accounting Standards Board (GASB)** requirements, including post-employment benefits (OPEB) accounting under GASB 75.
- **California Education Code** and **Title 5** regulations governing budget development, reporting, and fiscal accountability.
- **Full-Time Faculty Obligation Number (FON)** and 50% Law compliance, ensuring appropriate instructional staffing levels.
- **EPA funding** and other restricted program requirements.
- All other applicable federal, state, and local fiscal and regulatory guidelines.

The budget demonstrates the District's commitment to responsible fiscal management, transparency, and adherence to legal and regulatory requirements.

Assumptions

Assumptions provide the foundation for developing the annual budget, guiding financial projections for both revenue and expenditures. They establish the framework for resource allocation and ensure that budget decisions are made with consistent, transparent criteria.

The 2026–27 budget was developed through a collaborative district-wide process involving the Board of Trustees, Superintendent/President, College Council, and the Integrated Planning and Budget Committee. Each department—Academic Affairs, Student Services, Administrative Services, and the President's Office—provided input during the development process.

Key assumptions for the 2026–27 Final Budget include:

- Revenue projections are based on the enacted 2026–27 State Budget, the SCFF district funding floor, and anticipated enrollment, student equity metrics, and student success outcomes.
- Expenditure projections include all approved staffing, contractual obligations, collective bargaining agreements, and Resource Allocation Requests (RARs).
- No additional one-time state or federal funds are assumed beyond those officially allocated prior to adoption of the Final Budget.
- The District continues to operate on a "pay-as-you-go" methodology for retiree health benefits (OPEB) and maintains all required and designated reserves.
- Projections account for inflationary adjustments, program growth, and anticipated operational needs while maintaining compliance with legal and regulatory requirements.

These assumptions serve as the foundation for prudent fiscal management and the development of a balanced, sustainable budget.

Guiding Principles

The District's budget is developed in alignment with its strategic priorities and institutional goals. The 2026–27 Final Budget is guided by the following principles:

- Allocate resources to achieve goals and objectives established by the Board of Trustees.
- Support continued improvement of student success, learning outcomes, and equity.
- Provide resources for high-quality, innovative instructional programs and student services.
- Balance enrollment goals with student access and program sustainability.
- Maintain and enhance institutional effectiveness while promoting efficiency and cost-effectiveness.
- Ensure technology, equipment, and infrastructure are maintained and updated to support operations.
- Address total cost of ownership for facilities and maintain campus buildings and grounds.
- Prioritize resource allocations that support long-term fiscal stability while meeting immediate operational needs.

These principles ensure that the budget reflects the District's mission, values, and commitment to student success while maintaining responsible fiscal management.

Recommendation

The 2026–27 Final Budget for College of the Siskiyous and the Siskiyou Joint Community College District has been developed through a comprehensive, collaborative process involving the Board of Trustees, Superintendent/President, College Council, and the Integrated Planning and Budget Committee.

The Final Budget was reviewed by the Integrated Planning and Budget Committee in a joint meeting with College Council on August 24, 2026, with both participatory governance groups passing the final budget for FY 2026-27.

Accordingly, the Superintendent/President forwards this Final Budget to the Board of Trustees for review and adoption, certifying that it has been prepared in accordance with state law, applicable regulations, and sound fiscal practices, and that it provides a framework to support the District's ongoing operations, strategic priorities, and student success initiatives.

Multi-Year Fiscal Projections

The District's multi-year financial projection is included on the final page of this document. The projection includes historical financial data for FY 2022–23 through FY 2024–25, estimated results for FY 2025–26, the FY 2026–27 Final Budget model, and assumptions through FY 2031–32. The projection provides a longer-term view of the District's financial position and shows the impact the current deficit could have on the District's ending fund balance if current revenue and expenditure assumptions continue. This information will be used to help guide future budget decisions and planning.