Santa Monica College

Board of Trustees

Adopted Budget

September 8, 2026

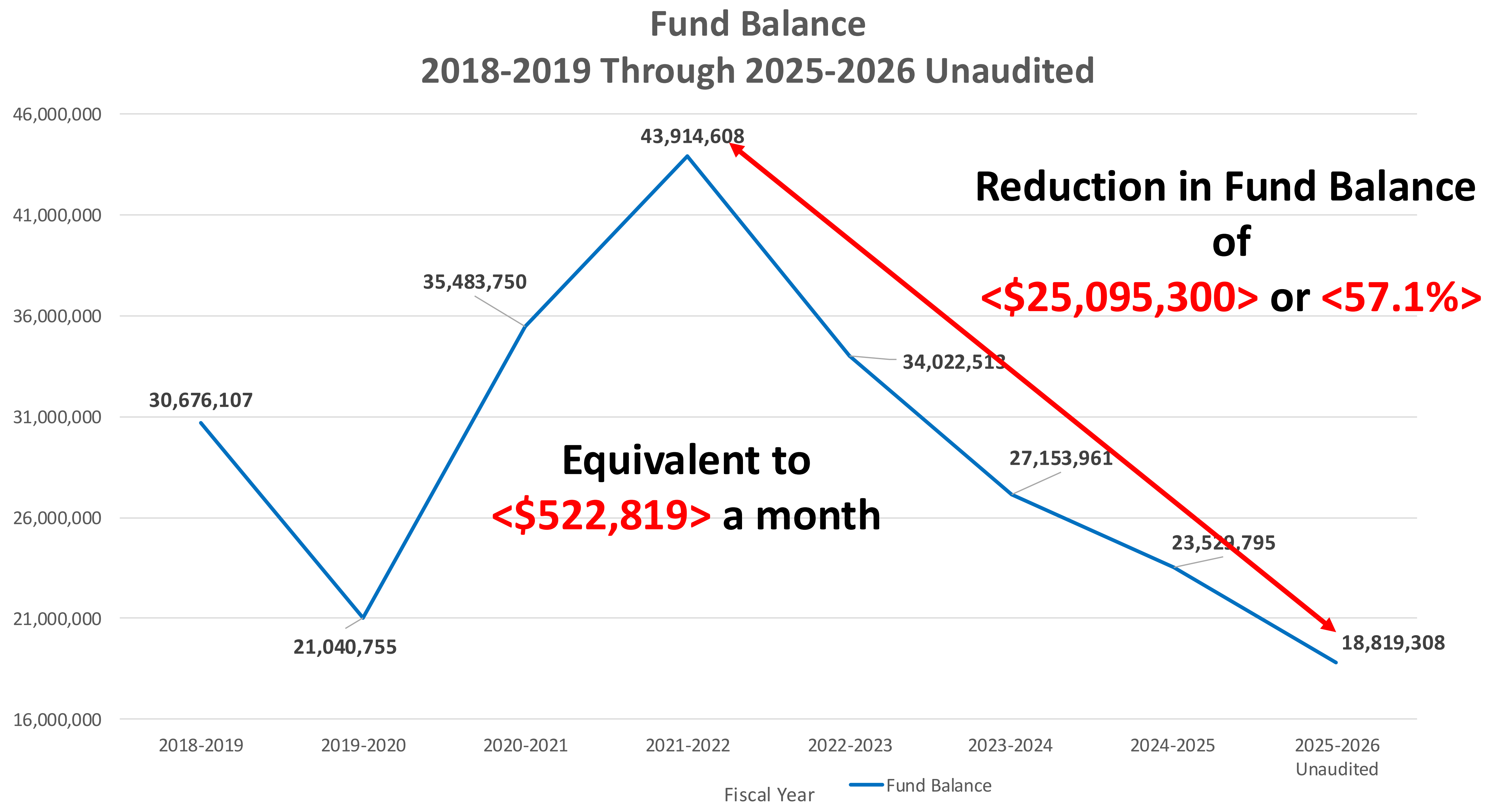
How can I keep up-to-date?

- **DPAC**: Both in-person and online meetings: https://admin.smc.edu/administration/governance/district-planning-policies/meetings.php
- **Budget Committee**: Both in-person and online meetings: https://admin.smc.edu/administration/governance/district-planning-policies/budget-planning-subcommittee.php
- **SMC Budget Office**: Reports, presentations and guides to budget items. https://admin.smc.edu/administration/business-services/budget/
- **Board of Trustee Meetings**: Both in-person and online meetings. https://admin.smc.edu/administration/governance/board-of-trustees/meetings.php

2025-2026
Summary of Changes
Adopted to Final

SANTA MONICA COLLEGE

	2025-2026 Adopted	2025-2026 Unaudited Final	Major Change	Change Amount
Beginning FB	$ 23,529,795	$ 23,529,795	No Change	$ -
Apportionment	$ 168,740,327	$ 168,740,327	No Change	$ -
Non-Apportionment	$ 21,441,560	$ 26,913,541	One-time: Aux = $2.7m; Wildfire = $2.0m; SMCF = $1.0m	$ 5,471,981
STRS On-behalf Payment	$ 6,805,191	$ 7,259,802	Accounting entry only – No budget effect	$ 454,611
Non-Resident Tuition	$ 27,981,784	$ 27,234,888	AB: <7.03%>; FI: <9.46%>	$ (746,896)
Total Revenue	$ 224,968,862	$ 230,148,558	2.3% Difference	$ 5,179,696
Salary and Benefits	$ 207,221,618	$ 207,919,363	Net of $2.2m vacation payouts; $1.0m SMCF sections; attrition, ASCIP	$ 697,745
STRS On-behalf Payment	$ 6,805,191	$ 7,259,802	Accounting entry only – No budget effect	$ 454,611
Supplies/Other Operating/Transfers	$ 21,028,042	$ 19,679,880	AB218 Savings; Utility rebates & lower rates	$ (1,348,162)
Total Expenditure	$ 235,054,851	$ 234,859,045	(0.08%) Difference	$ (195,806)
Surplus/Deficit	$ (10,085,989)	$ (4,710,487)		$ 5,375,502
Ending Fund Balance	$ 13,443,806	$ 18,819,308		$ 5,375,502
	5.72%	8.01%		2.29%


Fund Balance
2018-2019 Through 2025-2026 Unaudited
46,000,000
41,000,000
36,000,000
31,000,000
26,000,000
21,000,000
16,000,000
30,676,107
21,040,755
35,483,750
43,914,608
34,022,513
27,153,961
23,529,795
18,819,308
Reduction in Fund Balance of
<$25,095,300> or <57.1%>
Equivalent to
<$522,819> a month
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026 Unaudited
Fiscal Year
Fund Balance

ACCJC Enhanced Fiscal Monitoring

ACCJC Enhanced Fiscal Monitoring

- Letter received July 24, 2026, District placed on Enhanced Fiscal Monitoring
- Factors identified for "at-risk" designation:
  - Unresolved structural deficit and negative trend in Fund Balance
  - Significant underfunding of Other Post-Employment Benefits (OPEB) liability
  - 34% decline in cash balance over reporting years of 2022-23 through 2024-25
  - Multiple open collective bargaining agreements
- District prepared a response to ACCJC and shared that response with the campus community
- ACCJC has accepted the District response and will continue monitoring

CCCCO
Fiscal Health Resiliency Monitoring

Fiscal Health Resiliency Monitoring

- Letter received August 3, 2026, CCCCO will perform a fiscal and audit review
- Purpose is to:
  - Support proactive engagement
  - Identify fiscal and enrollment trends
  - Provide technical assistance that promotes long-term fiscal stability
- Information may be used to update:
  - Consultation Council
  - Board of Governors
  - FCMAT
- District is working with CCCCO to schedule

Fiscal Health Resiliency Monitoring

- Consultation Council Agenda August 20, 2026
  - Fiscal indicators are reviewed collectively to evaluate trends and conditions that may affect long-term fiscal sustainability. These indicators include:
    - Reserve levels and unrestricted fund balances
    - Enrollment trends and related revenue impacts
    - Cash flow and liquidity
    - Surplus or deficit spending trends
    - Salaries and benefits as a percentage of expenditures
    - Executive leadership turnover
    - Timeliness of required financial reporting
    - Audit findings and compliance issues

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Fiscal Health Resiliency Monitoring

- *“Based on the 2024-25 Fiscal Health and Resiliency Monitoring review, the Chancellor's Office identified the following districts for additional monitoring. As part of this process, the Chancellor's Office will schedule a Fiscal Forward session with each district to review financial data, evaluate key indicators, discuss fiscal trends, and identify opportunities for support and technical assistance.”*
    - Chabot-Las Positas Community College District
    - Mt. San Antonio Community College District
    - Santa Monica Community College District
    - West Kern Community College District

SANTA MONICA COLLEGE

2026-2027
Proposed Adopted Budget

SANTA MONICA COLLEGE

Linking Planning to Budgeting

- District Planning and Advisory Council (DPAC)
- Two new Annual Action Plan Recommendations
- Cost: $20,000

AAP #1: Strategic Data-Informed Scheduling

Budget: $20,000

Purpose/Goal of Action Plan:

Advance Santa Monica College towards a more strategic, coordinated, and data-informed approach to course scheduling and enrollment management.

AAP #2: Educate the campus on the Student-Centered Funding Formula (SCFF)

Budget: $0

Purpose/Goal of Action Plan:

Educate the campus on the SCFF and its implications for funding and student success ensuring college practices translate into recognized success under the SCFF. *(Institutional Effectiveness Committee recommendation*)

Major Assumptions

- Apportionment $174,310,122 - $5.57 million increase from 25-26
  - District is no longer in Hold Harmless
  - District is now in Stabilization – (*PY SCFF increased by COLA*)
    - 2025-26 SCFF: $167,107,777
    - 2025-26 Hold Harmless: $168,740,327
    - 2026-27 SCFF Proj: $173,638,816
    - 2026-27 Stabilization: $174,310,122
- Assuming enrollment meets projections and State fully funds 0.3462% District growth
- Block Grant is not included as the State has yet to finalize allocations

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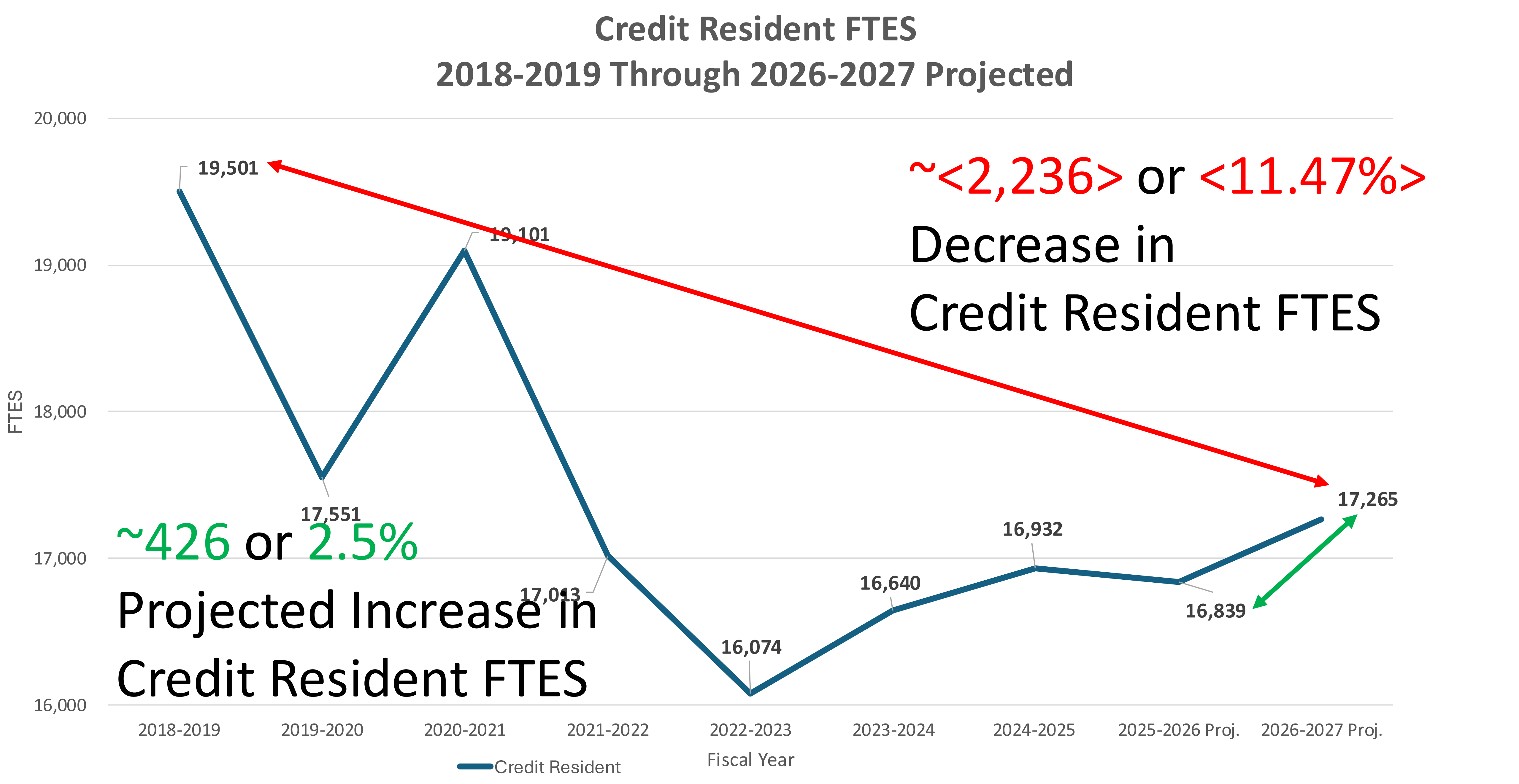
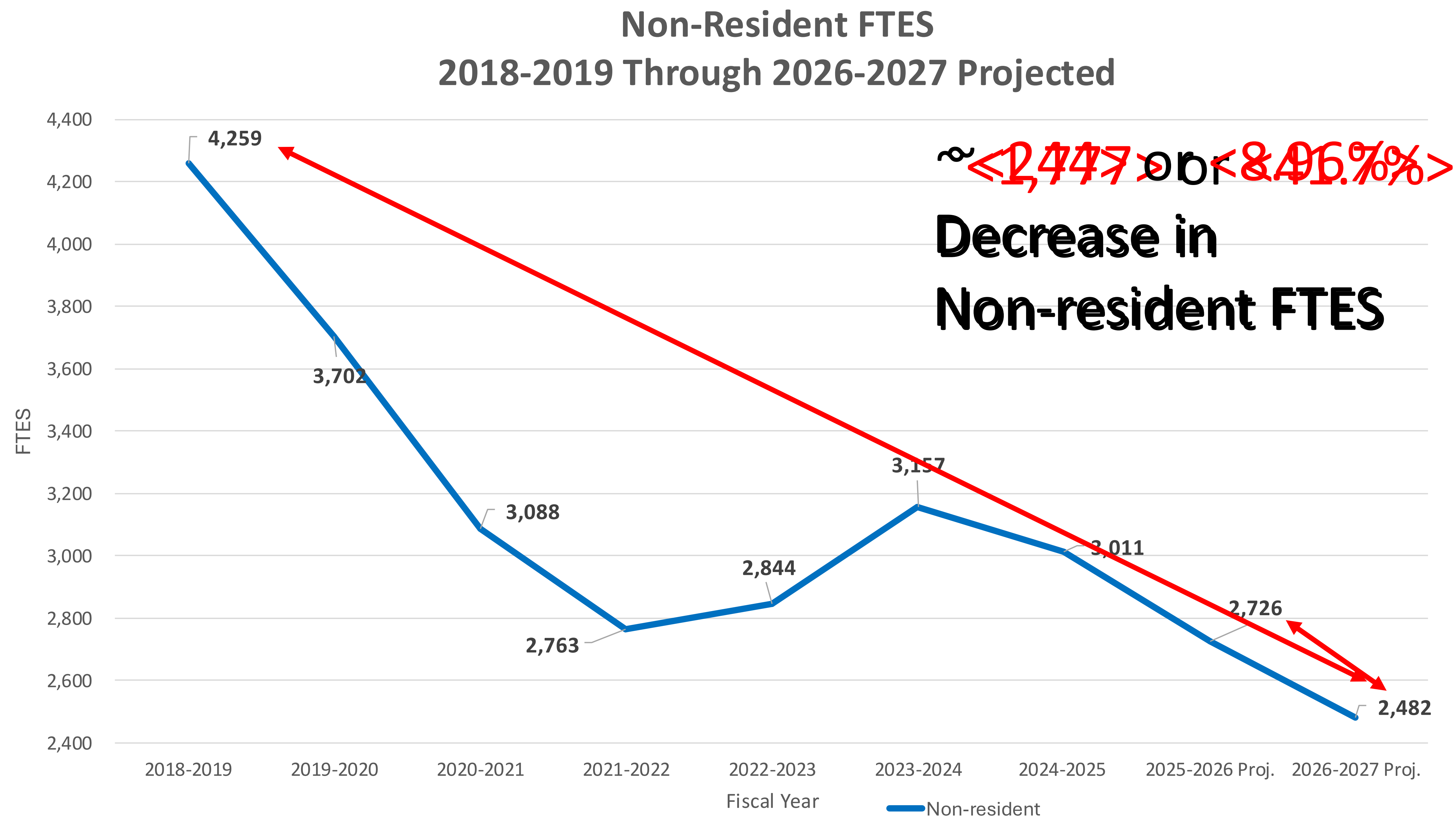
- Projected Credit Resident Enrollment Increase of 2.53% or 426.41 FTES
    - State will only guarantee funding 0.3462% growth or 62.45 FTES
    - In February 2028 State will reallocate unused statewide growth and some unfunded growth may be funded
  - 2018-2019 Final: 19,501
  - 2019-2020 Final Actual: 17,551
  - 2020-2021 Final: 19,101
  - 2021-2022 Final: 17,013
  - 2022-2023 Final: 16,074
  - 2023-2024 Final: 16,640
  - 2024-2025 Final: 16,932
  - 2025-2026 Projected : 16,839
  - 2026-2027 Projected : 17,265



Credit Resident FTES
2018-2019 Through 2026-2027 Projected
20,000
19,000
18,000
17,000
16,000
FTES
19,501
17,551
19,101
17,013
16,074
16,640
16,932
16,839
17,265
~<2,236> or <11.47%>
Decrease in
Credit Resident FTES
~426 or 2.5%
Projected Increase in
Credit Resident FTES
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026 Proj.
2026-2027 Proj.
Fiscal Year
Credit Resident

- Proj. Non-resident Enrollment Decrease of <8.96%> or <244.38> FTES
  - Second largest source of revenue – 11.4% of UGF Revenue
- 2018-2019 Final: 4,259
- 2019-2020 Final: 3,702
- 2020-2021 Final: 3,088
- 2021-2022 Final: 2,763
- 2022-2023 Final: 2,844
- 2023-2024 Final: 3,157
- 2024-2025 Final: 3,011
- 2025-2026 Projected: 2,726
- 2026-2027 Projected: 2,482


Non-Resident FTES
2018-2019 Through 2026-2027 Projected
~<1,777> or <41.7%>
<244> or <8.96%>
Decrease in
Non-resident FTES
4,400
4,200
4,000
3,800
3,600
3,400
3,200
3,000
2,800
2,600
2,400
FTES
4,259
3,702
3,088
2,763
2,844
3,157
3,011
2,726
2,482
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026 Proj.
2026-2027 Proj.
Fiscal Year
Non-resident

- Continuation of Fee Based Instruction: Approximately $2.2 million
- Non-resident Tuition reflects fee increase of 4.52% and FTES decline of <8.96%>
- Non-repetition of one-time items from 2025-26 totaling a revenue reduction of <$6.9> million
    - KCRW prior year reimbursement, SMCF donation for additional sections, Wildfire Assistance, Auxiliary Transfer

- Salaries and Benefits reflect:
  - Reduction in force for management/administration and CSEA
  - Implementation of furloughs for management/administration *(2 days of furlough a month)* and CSEA *(1 day furlough a month)*
  - Implementation of salary freezes for management/administration, SMCPOA and CSEA
  - Increase of step, column and longevity for Faculty
  - Increase in District funded instructional hours of ~2.8%
    - Backfill of SMCF WTH plus 1.57% for growth
    - Credit Efficiency of 89.5%
    - 2022-23: 78.6%; 2023-24: 83.6%; 2024-25: 85.8%: 2025-26 Proj.: 88.7%
- Health and Welfare
  - Current Employees: 6.5% increase
  - Retirees: 6.34% increase plus 25-26 retirees

- Supplies: Continue prior year reductions adj. for PBAR
- Contracts: Continue prior year reductions adj. for PBAR
- Insurance increased by ~18% and $302,572 for AB 218
- Utilities increased by 7% less savings from UUT

Projected Changes in Revenue
2025-2026 Unaudited to 2026-2027 Proposed Budget

2025-2026 Projected	$230,148,558
Apportionment	5,569,795
Interest – Lower Fund Balance	-227,719
Decrease in revenue of <$3,017,272> or <1.31%>	
Non-Resident Tuition/ESL	-1,325,420
Non-repetition of One-time Items	-6,896,527
Other	102,183
2026-2027 Proposed Budget Revenue Projection	$227,131,286

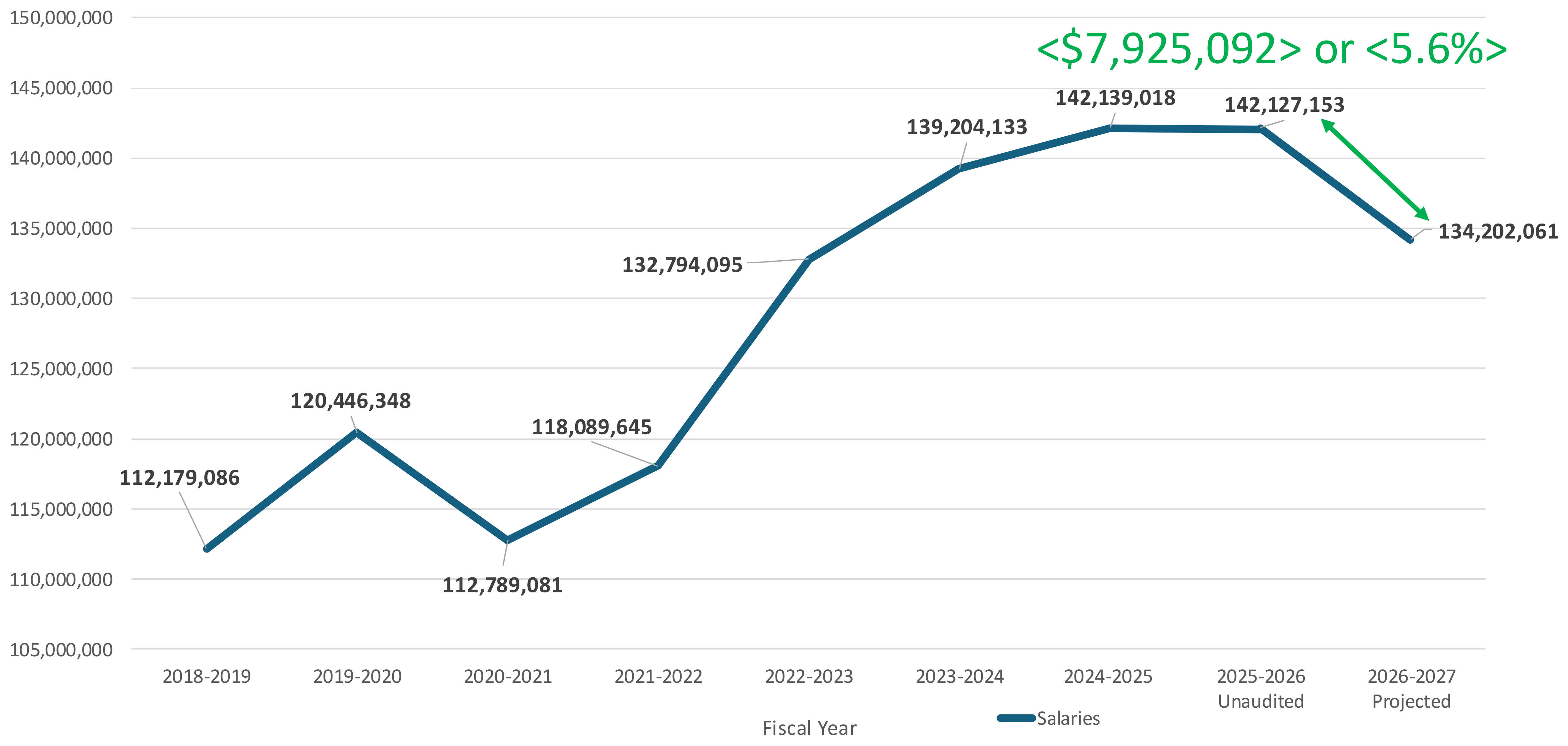
Projected Changes in Expenditures
2025-2026 Unaudited to 2026-2027 Proposed Budget

2025-2026 Projection	$234,859,045
Health and Welfare – Current and Retirees	2,801,396
Increase in Hourly Instruction and Non-Instruction *(Net of intersession banking deferral)*	2,607,979
Step and Longevity *(Faculty only – No Step and Longevity for Management, Administration or CSEA))*	1,259,751
Insurance and Utilities	834,813
Vacancy List	678,984

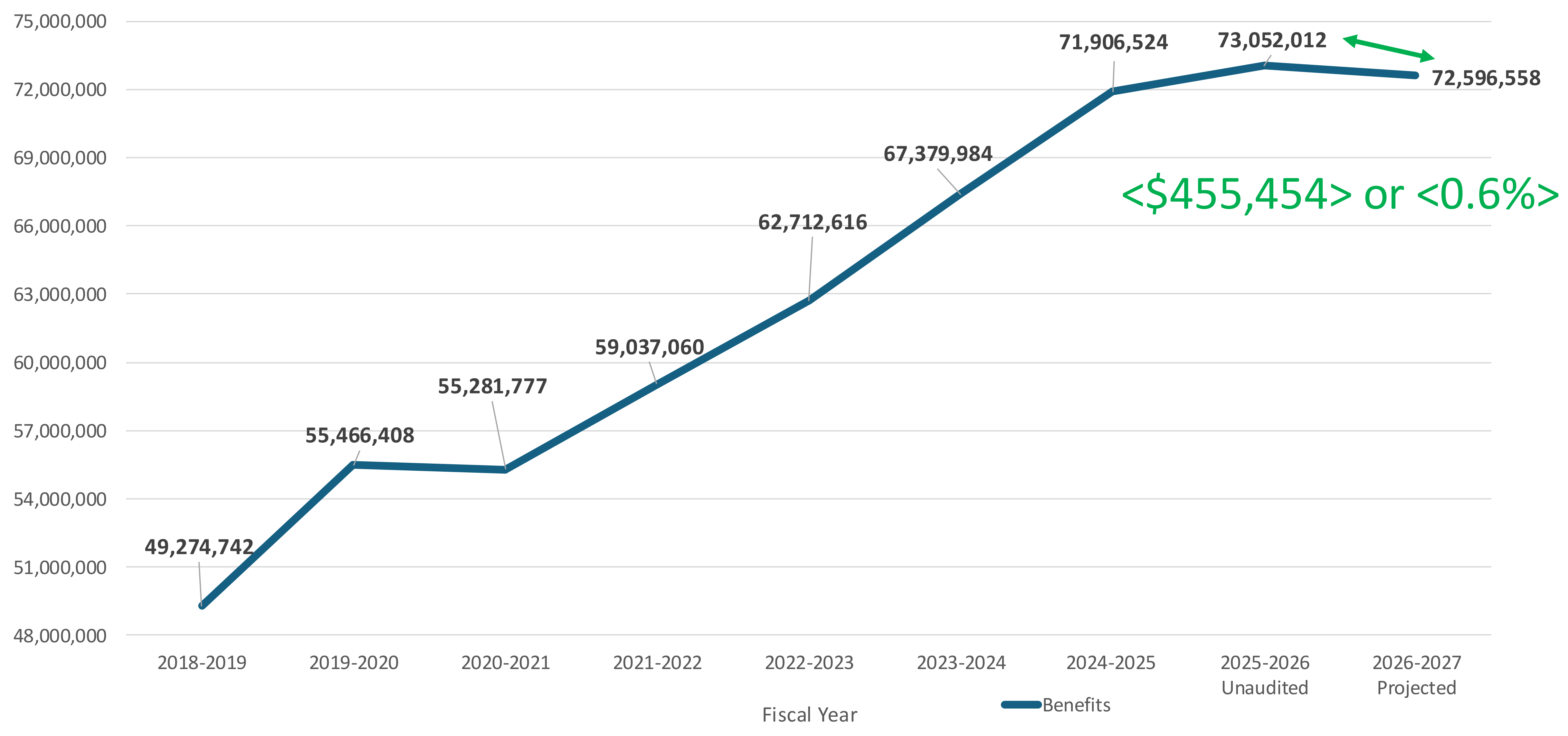
Reduction in expenditure of <$7,426,257> or <3.16%>

Net Vacation Payout w/ Benefits *(25-26: $2,319,049; 26-27: $1,192,821)*	-1,126,228
Furlough of Management/Admin. *(2 days a month)* and CSEA *(1 day a month)* Incl. Benefits	-3,561,708
Full Year Effect of Hiring, Termination and Retirements	-3,955,358
Reduction in Force of Management/Admin, and CSEA Incl. Benefits	-5,664,110
Other	-62,192
2026-2027 Proposed Budget Expenditure Projection	$227,432,788

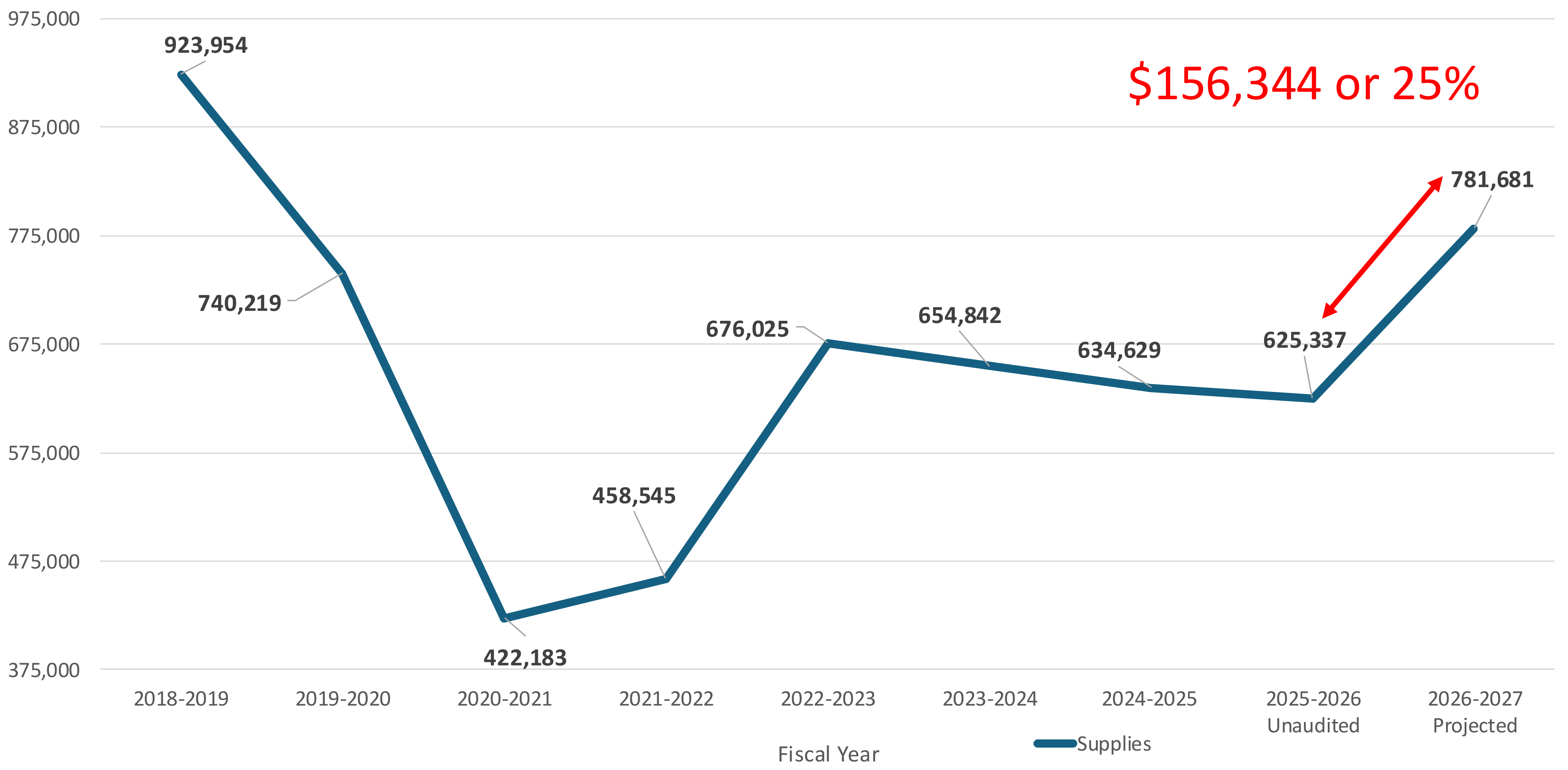
Salaries
2018-2019 Through 2026-2027 Projected



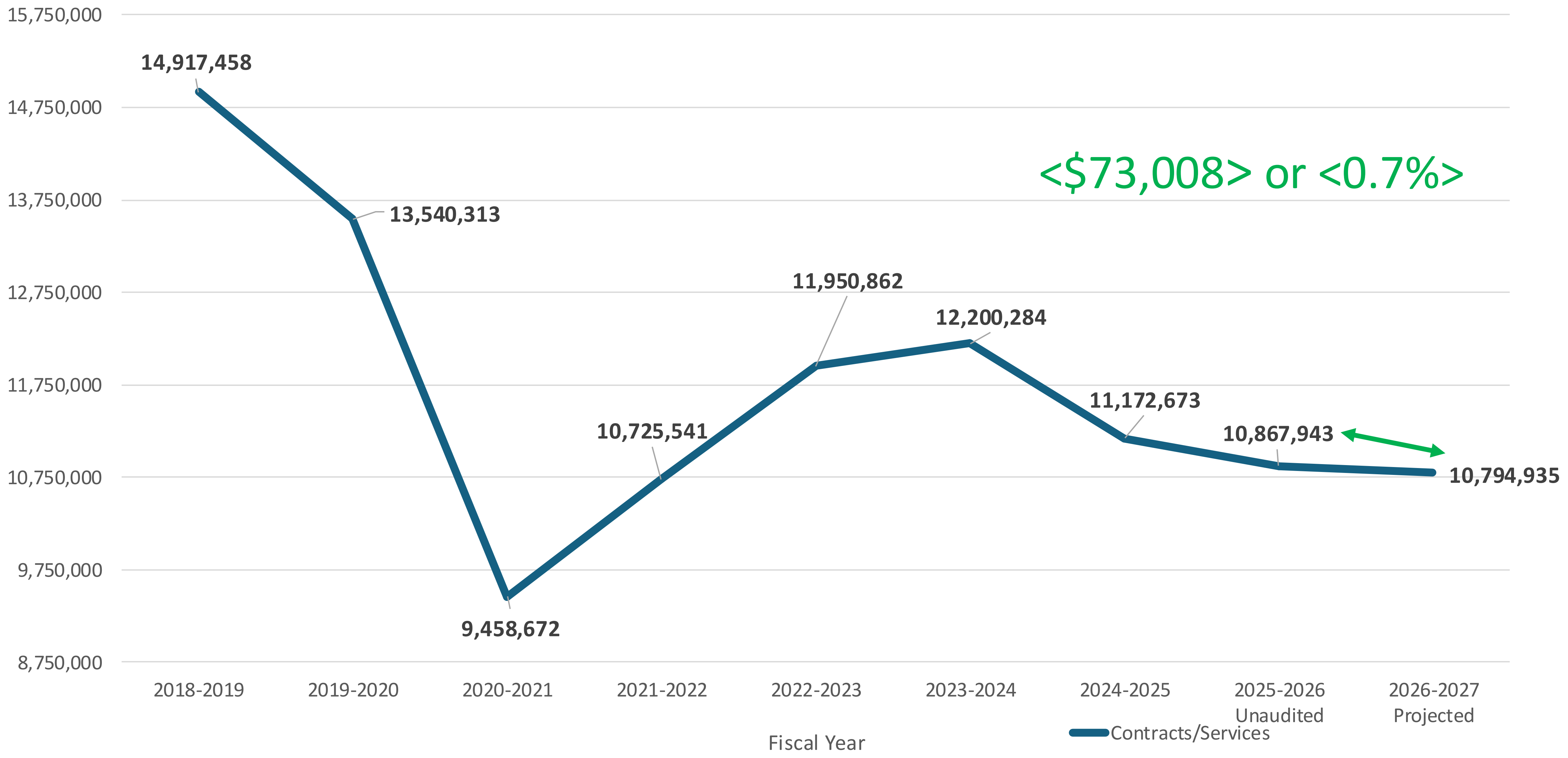
Benefits
2018-2019 Through 2026-2027 Projected



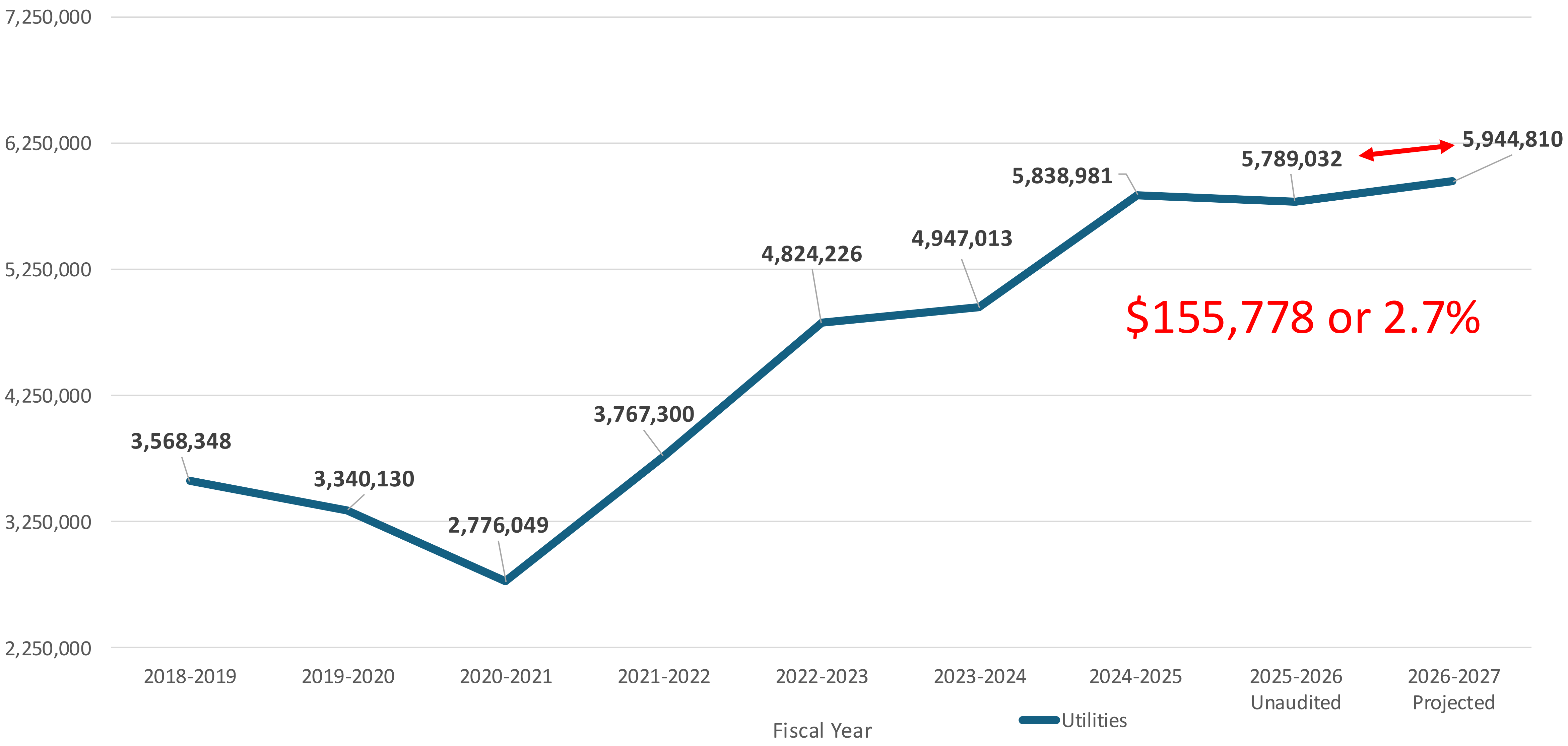
Supplies
2018-2019 Through 2026-2027 Projected

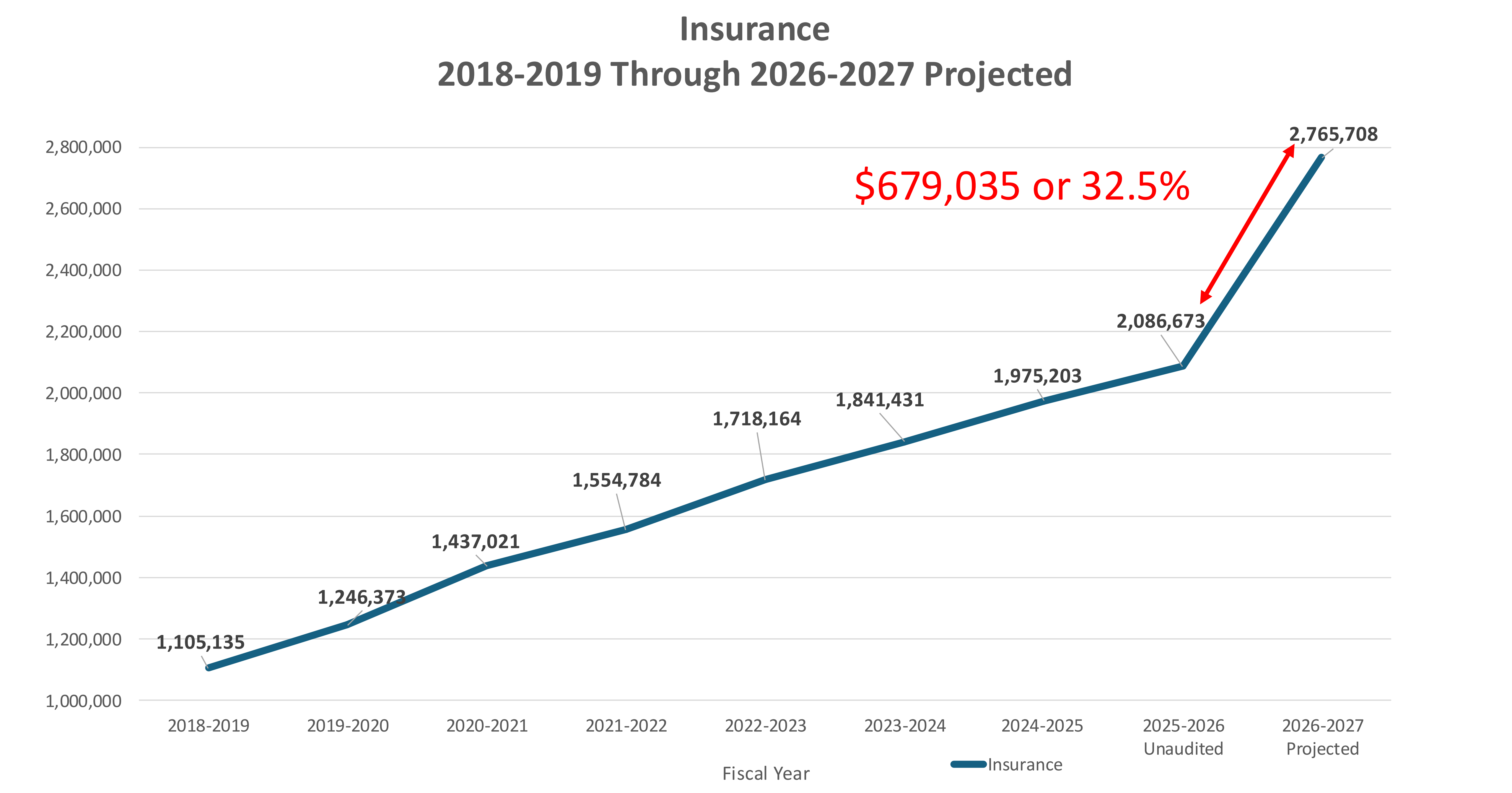


Contracts/Services
2018-2019 Through 2026-2027 Projected



Utilities
2018-2019 Through 2026-2027 Projected




Insurance
2018-2019 Through 2026-2027 Projected
$679,035 or 32.5%
2,800,000
2,600,000
2,400,000
2,200,000
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
1,105,135
1,246,373
1,437,021
1,554,784
1,718,164
1,841,431
1,975,203
2,086,673
2,765,708
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026 Unaudited
2026-2027 Projected
Fiscal Year
Insurance

Fund Balance

	Unaudited 2025-2026	Proposed 2026-2027
Beg. Fund Balance:	23,529,795	18,819,308
Revenue - Ongoing	222,446,401	226,325,654
Expenditures - Ongoing	231,729,731	231,149,961
Structural Surplus/Deficit	<9,283,330>	<4,824,307>
One-time Revenue and Exp. (Net)	4,572,843	4,522,805
Overall Surplus/Deficit	<4,710,487>	<301,502>
Ending Fund Balance:	18,819,308	18,517,806
FB to Total Expenditure and Trfr:	8.01%	8.14%

**Chancellor's Office recommended minimum fund balance is 16.67% or $37,913,046*

	2026-2027	Projected 2027-2028	Projected 2028-2029
Beg. Fund Balance:	18,819,308	18,517,806	13,351,066
Revenue:	227,131,286	230,732,219	237,676,812
Expenditure:	227,432,788	235,898,959	241,409,798
Surplus/Deficit:	<301,502>	<5,166,740>	<3,732,985>
Ending Fund Balance:	18,517,806	13,351,066	9,618,081
FB to Total Expenditure and Trf: **Note: 2026-27 includes Board approved furlough and freeze of longevity, step and column for management and CSEA*	8.14%	5.66%	3.98%
Budget Actions Needed:	-	5,166,740	-
Revised Surplus/Deficit:	-	0	1,433,755
Revised Ending Fund Bal:	-	18,517,806	19,951,561
Revised FB to Tot. Exp and Trf:	-	7.85%	8.26%

	2026-2027	Projected 2027-2028	Projected 2028-2029
Beg. Fund Balance:	18,819,308	18,517,806	13,351,066
Revenue:	227,131,286	230,732,219	237,676,812
Expenditure:	227,432,788	235,898,959	241,409,798
Surplus/Deficit:	<301,502>	<5,166,740>	<3,732,985>
Ending Fund Balance:	18,517,806	13,351,066	9,618,081
FB to Total Expenditure and Trf: **Note: 2026-27 includes Board approved furlough and freeze of longevity, step and column for management and CSEA*	8.14%	5.66%	3.98%
Budget Actions Needed:	-	5,166,740	5,000,000
Revised Surplus/Deficit:	-	0	6,433,755
Revised Ending Fund Bal:	-	18,517,806	24,951,561
Revised FB to Tot. Exp and Trf:	-	7.85%	10.34%

Key Take Aways

- Fall Budget Forum (Nov 2025) Deficit was projected to be <$16,730,361>. Action to date has improved fiscal stability but a structural deficit of approx. $5 million remains
- Projected fund balance is 8.14% or $18,517,806. State recommends a fund balance of 16.67% or $37,913,046
- 2026-27 includes furloughs and freezes of step, column, and longevity for managers and classified staff. These actions help with current-year fiscal stability but are not a long-term solution
- Further budget actions are still required

SANTA MONICA COLLEGE

Special Thank You To…

Veronica Diaz and the Budget Team

John Greenlee, Yu-Ngok Lo
and the Facilities Planning Team

Kim Tran, Irma Haro and the Accounting Team

The Budget Committee

Questions