HARTNELL COLLEGE

Final Budget FY 2026-27

September 1, 2026

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Our Mission

We advance social and economic justice through the transformative power of education.

AGENDA

1) State Economy
2) Final Budget Summary
3) Multi-Year Projections
4) Future Considerations, Recommendations and Reminders

1) STATE ECONOMY

STATEWIDE ECONOMIC OUTLOOK

2026 - 07.29.26 Annual Budget Workshop

Context for Enacted Budget

- Balances the budget for both 2026-27 and 2027-28, eliminating projected deficits through stronger-than-expected revenues.
- Protects core investments in education, healthcare, workforce development, and affordability while delaying reductions and preserving key state programs.
- Strengthens long-term fiscal resilience through reserve deposits, spending delays, targeted revenue measures, and strategies to address revenue volatility.

2) FINAL BUDGET SUMMARY

Final Budget Summary

General Unrestricted Fund Budget is balanced at $92.2M.

- Includes 4.31% COLA revenue
- Salary and benefits account for 79% of total expenditures.
- Estimated year-end Fund Balance (reserve) is 23% or $21.1M.

- **All identified requirements have been funded, including adjustments to employee benefits.**
  - Step and column increases.
  - STRS rate remains at 19.10 percent (same as 2025-26).
  - PERS rate decrease to 26.4 percent (down from 26.81%).
  - Workers compensation rate increase to 1.9293% (up from 1.777%)
  - Health and welfare benefits increase by an estimated 10.2%.
- **All District Funds are projected to have a positive balance at the end of 2026-27.**

Changes from Tentative Budget

General Unrestricted Fund	Tentative Budget	Final Budget	Difference	Notes
Revenue	**$ 85,759,201**	**$ 92,187,116**	**$ 6,427,915**	1
Expenses				
Academic Salaries	29,215,324	29,245,912	30,588	
Classified Salaries	16,601,516	16,989,585	388,069	
Payroll Costs/Benefits	26,117,012	26,829,404	712,392	
Supplies/Materials	1,454,369	1,522,201	67,832	
Operating Expenses	11,808,864	16,944,509	5,135,645	
Capital Outlay	125,778	125,582	(196)	
Other Outgo-Student FA/(Indirect Costs)	436,338	529,923	93,585	
Total Expenses	**$ 85,759,201**	**$ 92,187,116**	**$ 6,427,915**	2
Net Surplus/(Deficit)	**$ -**	**$ -**	**$ -**	

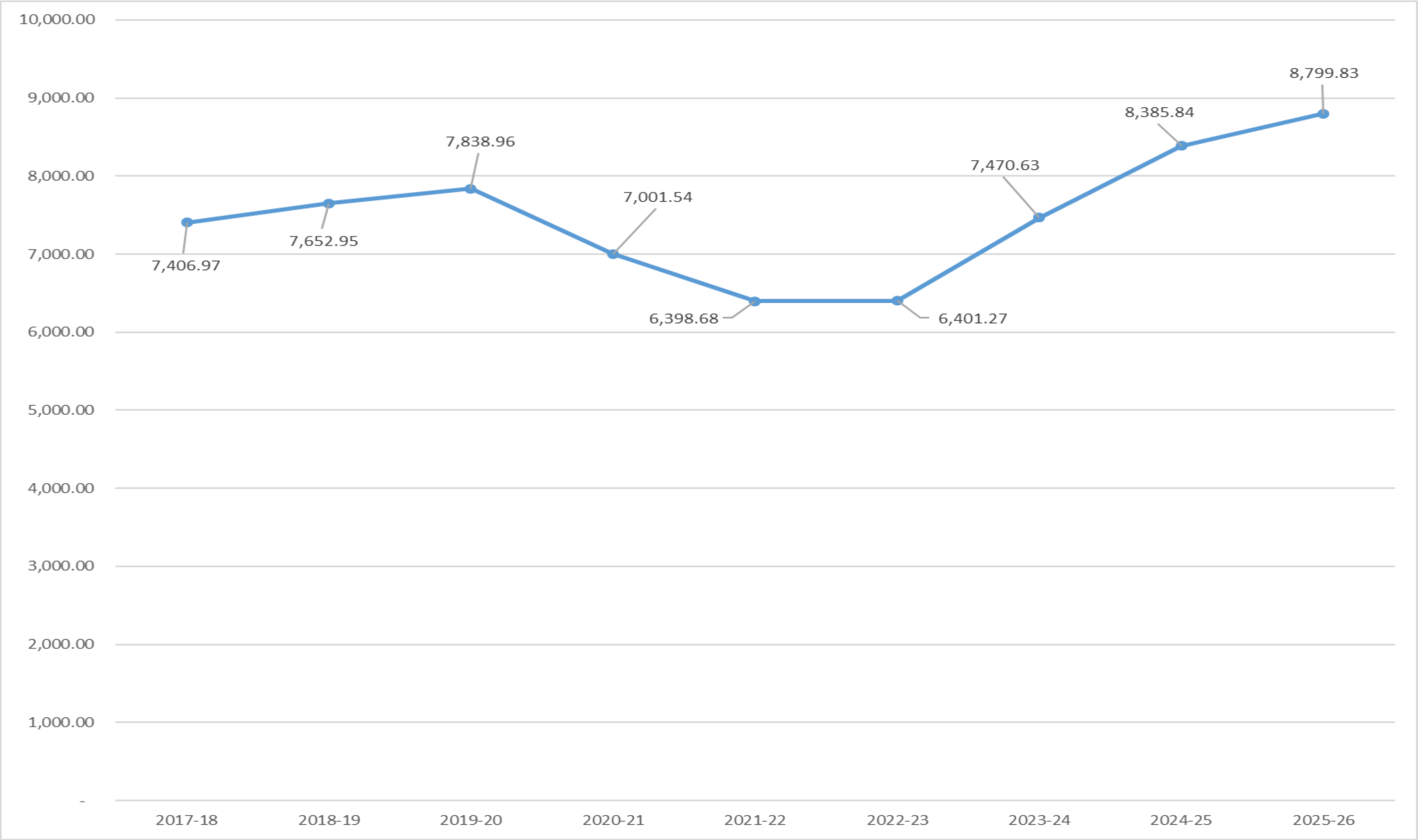
Note 1: adjustments to apportionment and other state and local revenues
Note 2: adjustments to expenses related to personnel costs, supplies, and other operating expenses

Budget Summary by Fund

Funds	Projected Beginning Fund Balance July 1, 2026	Budgets 2026-27		Ending Fund Balance June 30, 2027
		Revenue	Expense	
General				
Unrestricted (11)	21,103,364	92,187,116	92,187,116	21,103,364
Restricted (12 & 13)	609,666	47,516,128	47,770,270	355,524
Unrestricted One-Time (14)	877,048	-	877,048	-
Total	**$ 22,590,078**	**$ 139,703,244**	**$ 140,834,434**	**$ 21,458,888**
Special Revenue				
Bookstore (31)	908,531	86,734	4,053	991,212
Child Development (33)	1,070,047	1,012,956	1,012,956	1,070,047
Total	**$ 1,978,578**	**$ 1,099,690**	**$ 1,017,009**	**$ 2,061,259**
Capital Projects				
Capital Outlay Projects (41)	17,437,414	668,214	4,842,426	13,263,202
Facilities Development (44)	8,636,571	701,898	2,244,800	7,093,669
Measure T Bond (46)	64,623,225	2,000,000	18,351,935	48,271,290
Total	**$ 90,697,210**	**$ 3,370,112**	**$ 25,439,161**	**$ 68,628,161**
Enterprise				
Cafeteria - The Grille (52)	342,434	718,918	833,220	228,132
Starbucks (55)	83,716	637,537	596,304	124,949
Contract Services (59)	61,198	2,785	-	63,983
Total	**$ 487,348**	**$ 1,359,240**	**$ 1,429,524**	**$ 417,064**
Internal Service				
Self-Insurance (61)	481,671	19,888	127,026	374,533
Retiree Health Benefits (62)	13,673,998	898,324	8,750	14,563,572
PARS Pension Benefits (63)	3,701,356	222,081	10,000	3,913,437
Total	**$ 17,857,025**	**$ 1,140,293**	**$ 145,776**	**$ 18,851,542**
Fiduciary				
Associated Students Trust (71)	351,905	128,229	178,672	301,462
Student Representation Fee Trust (72)	124,656	45,492	42,525	127,623
Student Financial Aid Fund Trust (74)	-	32,828,172	32,828,172	-
Scholarships and Loan Trust (75)	194,832	76,652	162,499	108,985
Athletics Trust (79)	85,350	66,558	73,985	77,923
Total	**$ 756,744**	**$ 33,145,103**	**$ 33,285,853**	**$ 615,994**
All Funds Total	**$ 134,366,984**	**$ 179,817,682**	**$ 202,151,757**	**$ 112,032,909**

3) MULTI-YEAR PROJECTIONS

ENROLLMENT TREND



REVENUE ASSUMPTIONS

- **COLA:** 2.30%, 4.31%, 3.30%, 3.09% and 3.11%
- **Growth:** 2.5%, 2.20%, 0.50%, 0.50% and 0.50%
- **Supplemental & Student Success:** 7.86%, 6.86%, 4.86%, 4.50% and 3.86%
- **Deficit Factor:** 0.0% system wide.

EXPENSE ASSUMPTIONS

- **Step/Column:** 3.8% at 60% of total positions

- **Medical Benefits:** 16.5%, 14%, 9%, 9% and 9%

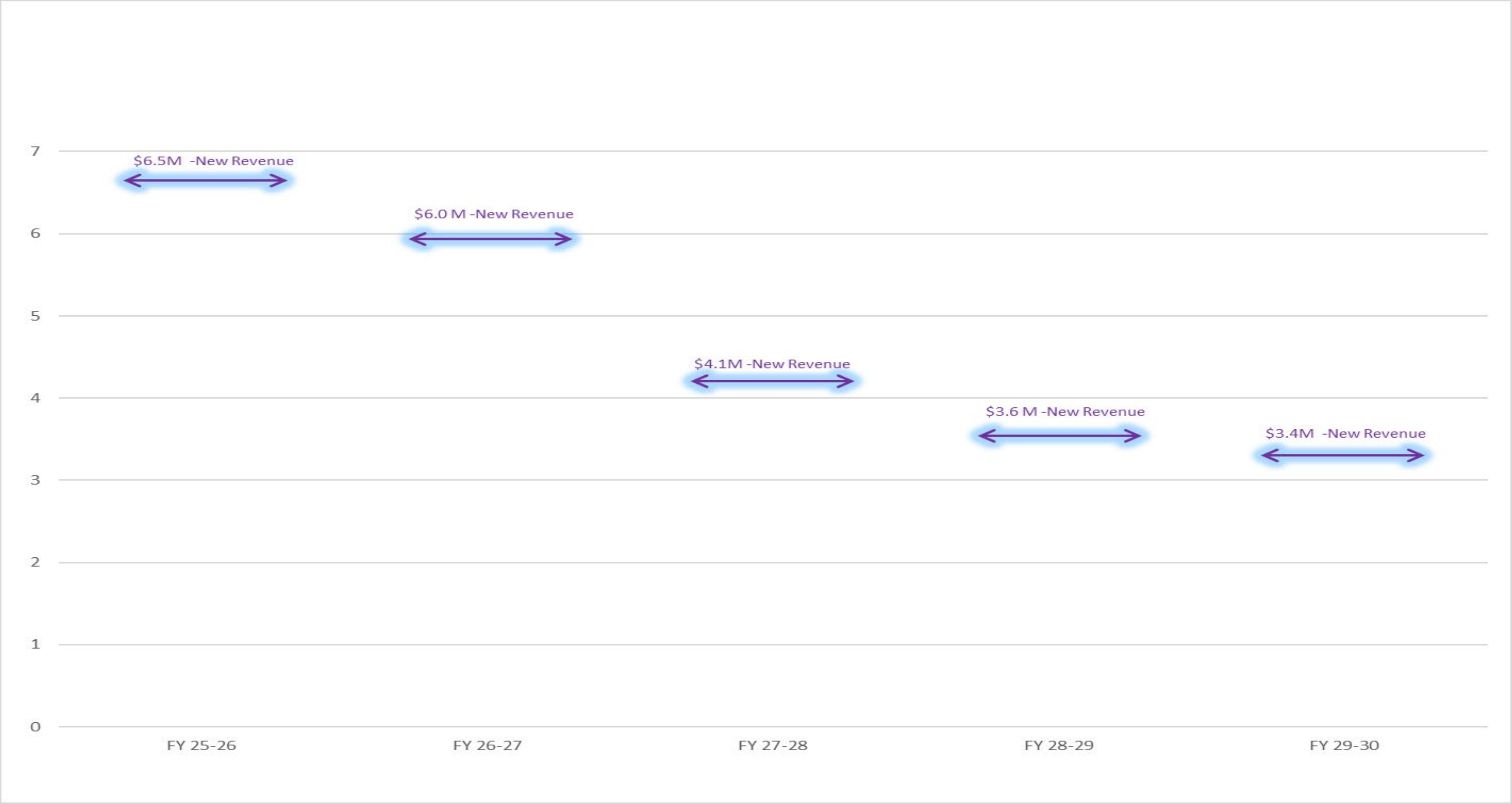
- **Fixed Costs:** 4.6%, 4.31%, 3.5% 3.5% and 3.5% annual increase

- **Additional Cost for Growth(Adjunct Budget):** 28.9%, 8.1% and 3.37%

MULTI-YEAR PROJECTIONS

HARTNELL COMMUNITY COLLEGE DISTRICT	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1. Assumptions					
COLA	2.30	4.31	3.30	3.09	3.11
Growth	2.50	2.20	0.50	0.50	0.50
Base, Supplemental and Student Success	7.86	6.86	4.86	4.50	3.86
2. Difference between ongoing Revenues & Expenses [Structural Surplus/(Deficit)]	-	167,986	601,178	0	1,047,694
3. Total Estimated Revenue Increase (COLA @2.3%,4.31%,3.3%, 3.09% and 3.11%)	6,535,339	5,959,899	4,072,027	3,608,131	3,367,308
4.A. Salary and Benefit Allocation					
Step, Column, Longevity, compensation study Increases, etc.	706,053	567,677	586,410	604,530	623,331
Medical Plan Rate Increase (estimated @ 16.5%, 14%, 9%, 9% and 9%)	1,687,692	1,668,258	1,165,755	1,267,176	1,381,222
PERS Rate Increase (-0.35%, 0.10%, 1.0%, -0.30% and 0%)	(47,263)	13,504	135,036	(40,511)	-
STRS Rate Increase (0%, 0%, 0%, 0% and 0%)	-	-	-	-	-
Worker's Comp Rate Increase (0.1128%, 0%, 0%, 0% and 0%)	-	-	-	-	-
STRS Onbehalf payments	-	-	-	-	-
Labor Agreements	1,158,218	2,152,683	1,788,918	-	-
4.B. Total Salary and Benefit Allocation	3,504,701	4,402,122	3,676,120	1,831,195	2,004,553
4.C. Operating Allocation					
Fixed Costs (Utilities/Net Operating Increases (@4.6%, 4.31%, 3.5%, 3.5% and 3.5%))	652,627	680,755	704,582	729,242	754,766
Addtl Cost Associated with Growth (@28.9%, 8.1% and 3.37% as Percent of Adjunct Bdgt)	1,850,448	443,829	292,503	-	-
Learning Sites: King City, Soledad, Alisal and Castroville Sites	-	-	-	-	-
Program Planning and Resource Allocation (Includes new positions and new initiatives.)	359,577	-	-	-	-
Operational Adjustments/Efficiencies	-	-	-	-	-
4.D. Total Operating Allocation	2,862,652	1,124,584	997,085	729,242	754,766
5. Total Estimated Expenditure Increase	6,367,353	5,526,706	4,673,205	2,560,437	2,759,318
6. Cumulative Ongoing Surplus/(Shortfall)	167,986	601,178	0	1,047,694	1,655,684
7. Annual Net Difference Between Revenues and Expenses	167,986	433,193	(601,178)	1,047,694	607,990

REVENUE PROJECTIONS



REVENUE and EXPENSE PROJECTIONS

4) Future Considerations, Recommendations and Reminders

Future Considerations

- Vulnerable to National and State Economic Fluctuations
- Unknown Effects from Federal Changes to Education
- Enrollment and FTES targets must be monitored closely as majority of funding continues to be enrollment-driven
- Adjust district budget as necessary based on finalized allocations and data.