

## 2026/27 Budget Development Memo

To: VPs, Deans, Directors and Budget Managers and Budget Personnel, ADA and Dept. Chairs, Site Coordinators

From: Budget Unit

Date: February 25, 2026

Subject: 2026/27 Discretionary Budget Development

Dear Colleagues:

This memo is your guide to budget development for the 2026/27 fiscal year that starts July 1, 2026. It consists of three parts. **Part 1** is an overview of the district's fiscal condition of its unrestricted general fund (Fund 11) projected for 2026/27 and beyond. **Part 2** discusses other funding sources (PRP funds, lottery, etc.) that may be available. **Part 3** speaks to timelines and general instructions.

**PART 1 - OVERVIEW:** As you should know, the district projects a \$7.2 million deficit in the current fiscal year (2025/26). The projection for next year is equally dreary with a deficit projected at \$6.8 million. Thankfully, the district has sufficient reserves to cover the projected deficits for next year and subsequent years. Given this reality, there will be **limited discretionary budget increases** to department budgets in 2026/27.

The budget office will review and work with each department chair/director/dean to determine if budget augmentation requests submitted during the current year will be added to their base 2025/26 adopted budget amounts set in September or adjustments for inflation can be accommodated for short-term hourly/students, supplies, operations/services, and capital outlay.

**PART 2 – OTHER FUNDING SOURCES:** There are two opportunities for departments to receive other funds outside of the regular budget process (Fund 11). These include one-time resource requests through the annual PRP allocation process and lottery funds to support instructional costs. Like the current year, 2026/27 has \$500K available to fund PRP resource requests. The Research and Planning division supports the allocation of those funds and will send out notice when to apply for them. Lottery funds are controlled by the V.P. of Instruction. The budget office will work with the VP of Instruction to see if some instructional discretionary budget needs can be accommodated with lottery funds (fund 12) in lieu of unrestricted funds (fund 11). Note, lottery dollars are restricted to expenses that are directly related to classroom expenses, so they are not available to non-instruction departments and units.

## **PART 3 – TIMELINES AND GENERAL INSTRUCTIONS**

### **Important dates:**

March 15, 2026: Please contact Pai Wang-Smith for Fund 12 budget development for each Award/Grant/Project by March 15 to set up a budget development meeting.

April 15, 2026: Designated budgets: Susan Garland will reach out to departments for any needed information for FY26-27 designated budgets (short-term hourly/students, supplies, operations/services and capital outlay).

May 15, 2026: The Budget Office sets preliminary discretionary budgets for all departments: short-term hourly/students, supplies, operations/services, and capital outlay.

June 10, 2026: FY26-27 Tentative Budget will be presented to the Governing Board.

July 31, 2026: The Budget Office makes any necessary adjustments to discretionary budgets for all departments.

Sep 9, 2026: FY26-27 Adopted Budget will be presented to the Governing Board.

### **Who do I call for help?**

For general data, policy or program questions, call Ping Lee or Chris Yatooma

For technical support in Financials, call Sergio Almaraz

For general budget questions, call Susan Garland or Brandi Taveuveu

For restricted/categorical (Fund 12) questions, call Pai Wang-Smith