



LOS RIOS
COMMUNITY
COLLEGE DISTRICT



Budget and Enrollment Update

February 27, 2026

2026-27 State Budget Revenue Outlook

- GB is built on a stronger near-term revenue outlook and a much smaller projected budget problem
- LAO projects a significantly larger budget problem and a more cautious revenue outlook
- Core difference is revenue assumptions, especially market-driven revenues and related tax collections
- Recent cash updates support the possibility of additional one-time resources this year, even if the state remains cautious on ongoing commitments

Proposition 98 Outlook and Risk

- GB projects a materially higher P98 guarantee across the budget window
- LAO agrees the guarantee is currently higher, but emphasizes volatility in the underlying revenue assumptions
- \$5.6B in P98 settle-up remains delayed due to prior year lawsuit
- Practical effect: short-term relief on the non-P98 side of the budget now, with added pressure in future years
- Possible trigger of P98 “suspension” if revenues are closer to LAO estimates

CCC Budget Proposals

- GB includes key CCC operating items: 2.41% COLA, enrollment growth funding, and payoff of SCFF deferrals
- GB also includes one-time CCC investments (ex: \$100M SSBG, deferred maintenance, and technology projects)
- LAO generally views growth as reasonable and the COLA as supportable (unless revenues weaken significantly)
- LAO otherwise recommends rejecting or reducing most other ongoing augmentations and prioritizing fiscal restraint/risk management

Enrollment Update

- 2025-26 enrollment is up about 5% YOY, on top of a fully restored base from last year
- We expect 2026-27 enrollment growth to be in the low single digits since we have fully restored and likely will not see major increases going forward
- We may modestly augment the instructional program in 2026-27, depending largely on MR and final budget outcomes
- Growth drivers include continued main campus efforts, dual enrollment, employer partnerships
- Future noncredit expansion opportunities exists within our region

Los Rios Growth Funding Gap

- Los Rios has the largest unfunded growth in the state by dollar value
- Current unfunded growth is about \$21.8M, representing just over 4,000 FTES
- This is effectively the enrollment load of a small college, or close to two smaller colleges, without full ongoing funding
- If the proposed additional CCC growth funding is included in the final budget, we estimate it could cover about 75% of our gap
- Growth funding remains one of Los Rios' top budget advocacy priorities, along with the Chancellor's Office and the League



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