Budget Analysis Narrative: FY2026 vs. FY2025 (Through July)

Revenue Performance

Total revenues in FY2026 are **$63.98M against a $59.58M budget (107%)**, compared to FY2025, at **$64.70M vs. $58.11M (111%)**.

Key drivers of this variance include:

- **State Appropriations** Final Appropriation from the state was received in July. The college Has received **13.30M in FY 2026** vs. **12.89M in FY 2025** in state appropriations. The increase is due to timing of funds received in FY 26. A portion of the funds received in FY 26 were for FY 25.
- **Federal Grants** saw a significant drop in FY2026 execution (**74.0% vs. 96.0% in FY2025**), due to timing issues on funds received. The funds to make up the difference are yet to be received.
- **Local Funds** were mixed:
  - **Tuition and Fees** remained stable (99% of budget both years).
  - **Private grants and gifts** FY2026 revenue is lower due to the receipt of $1MM semiconductor MFG lab for the EWCHEC in FY 2025.
  - **Other local funds** FY2026 revenues are lower due to insurance proceeds received in FY2025 for HVAC replacement.

Expenditure Trends

Total expenditures in FY2026 are **$55.27M (93.0% of budget)**, slightly higher than FY2025 at **$53.74M (92.0%)**.

Educational & General (E&G) spending trends are consistent year-over-year (~85% execution), and are equal percentage wise in FY2026.

- Physical Plant expenditures for FY 2026 are **lower** due to making the final EWCHEC land lease payment in FY25.
- **Institutional Support** expenditures increased in FY26 due to the addition, and increased salaries across all departments. Expenditures in FY 26 increased to 10.2M from 9.0M in FY25.
- **Student Aid** continues to exceed budget in both years (~127% and 125% respectively), indicating sustained demand and possibly conservative budgeting in this category.
- **Auxiliary enterprises** spending dropped in FY2026 (**66% vs. 79% in FY2025**), due to a reduction in supplies and travel.

Net Position

The net surplus in operating expenditures for FY2026 stands at $8.70M, compared to $11.00M in FY2025, reflecting a decline of approximately $2.26M. Operating activities for FY2025 ended in a surplus of $3,371,519.