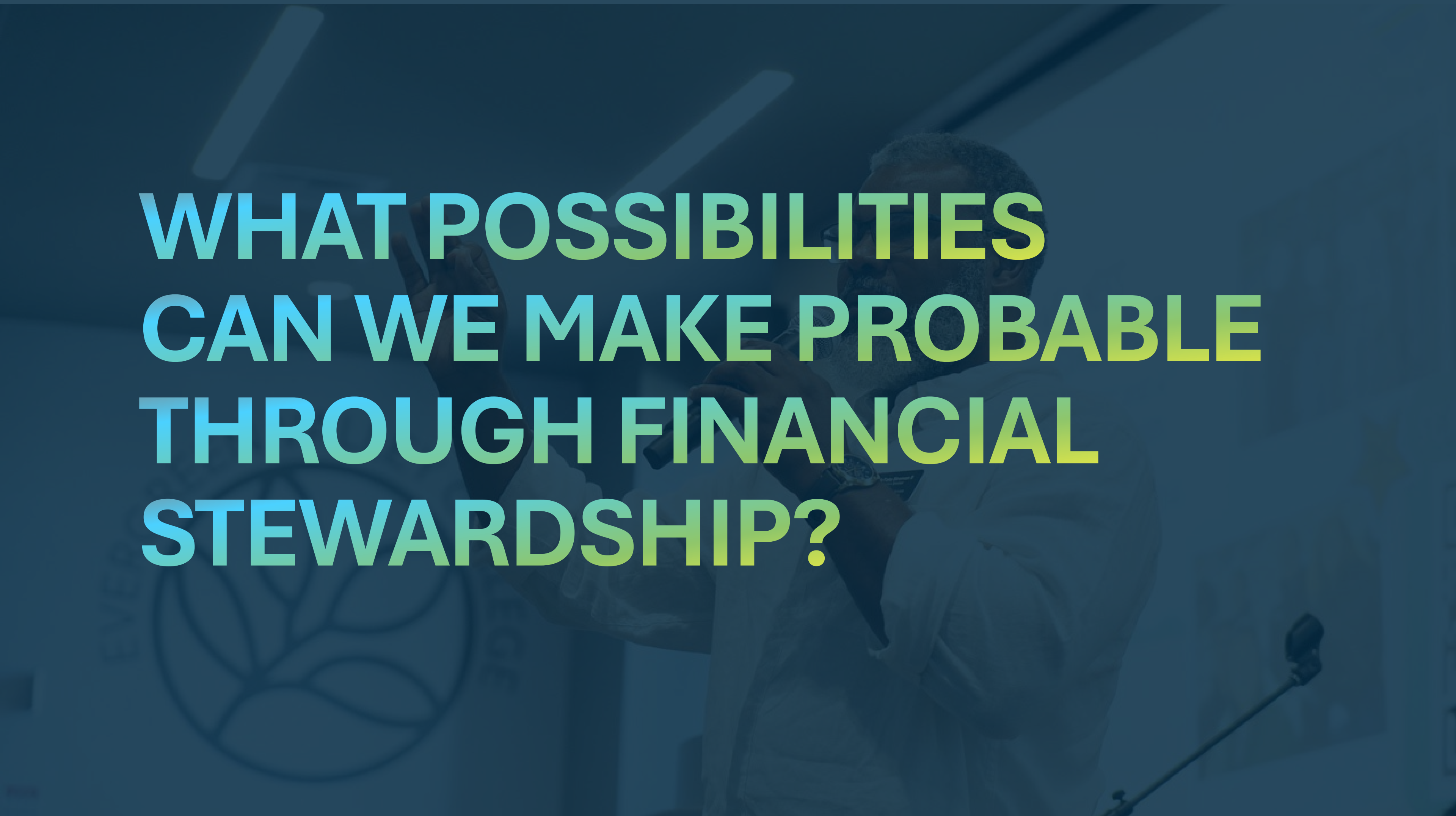

SAN JOSÉ · EVERGREEN
Community College District

# Fiscal Year 2026-27
# Adopted Budget Highlights

September 8, 2026



# WHAT POSSIBILITIES CAN WE MAKE PROBABLE THROUGH FINANCIAL STEWARDSHIP?

# Long-Term Sustainability Requires Disciplined Investment and Strategic Optionality

**Commitment** to Long-Term Sustainability

**Focus** on Student Success Value Creation

Optimizing our Assets through a **Holistic Approach** to Value Stream Mapping

Building Choices and **Strategic Optionality** for the Future

# Budget Outlook and Transformation Agenda Reinforce Fiscal Stability


## BEST PRACTICE BUDGET REPORTING

- Government Finance Officers Association (GFOA) Budget-in-Brief

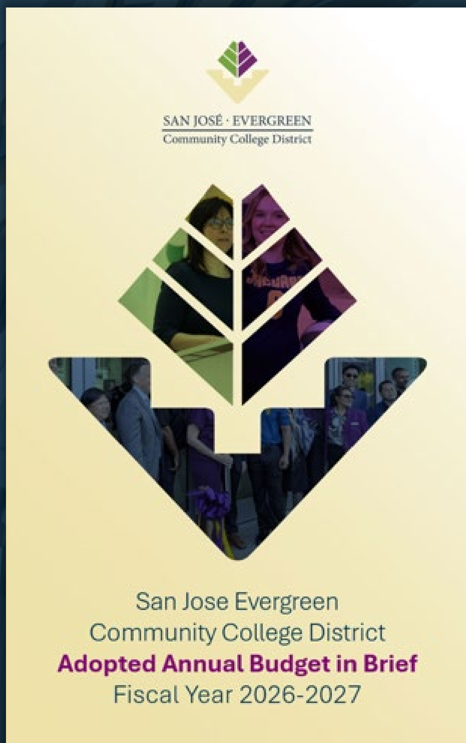
## FINANCIAL YEAR END FY2025-26

- Budget and Projected Actuals

## PATH FORWARD FY2026-27

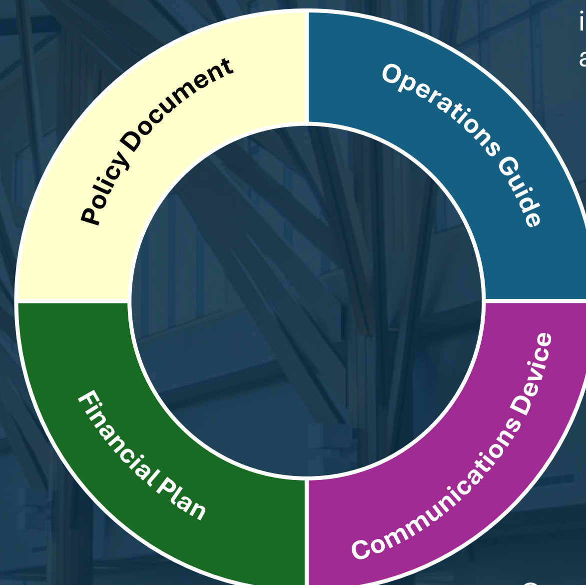
- State Enacted Budget
- District Adopted Budget
- Lean Budgeting for Agile Success

# Budget-in-Brief Improves Transparency, Accountability, and Stakeholder Understanding




Reflects institution's priorities, goals, and objectives

Describes operational aspects including institutional staffing and outcomes.



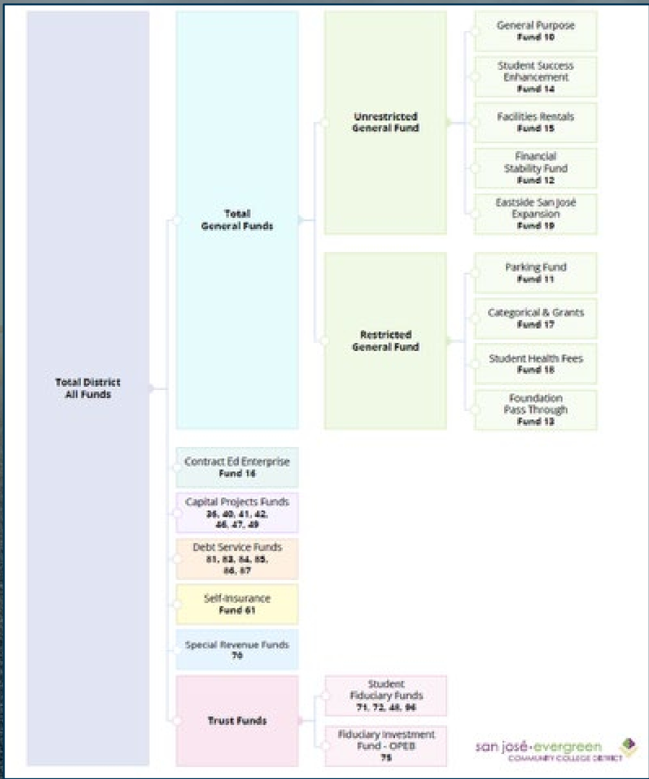

Provides a clear and comprehensive financial plan for the upcoming fiscal year.

Communicates financial and operational information to stakeholders.

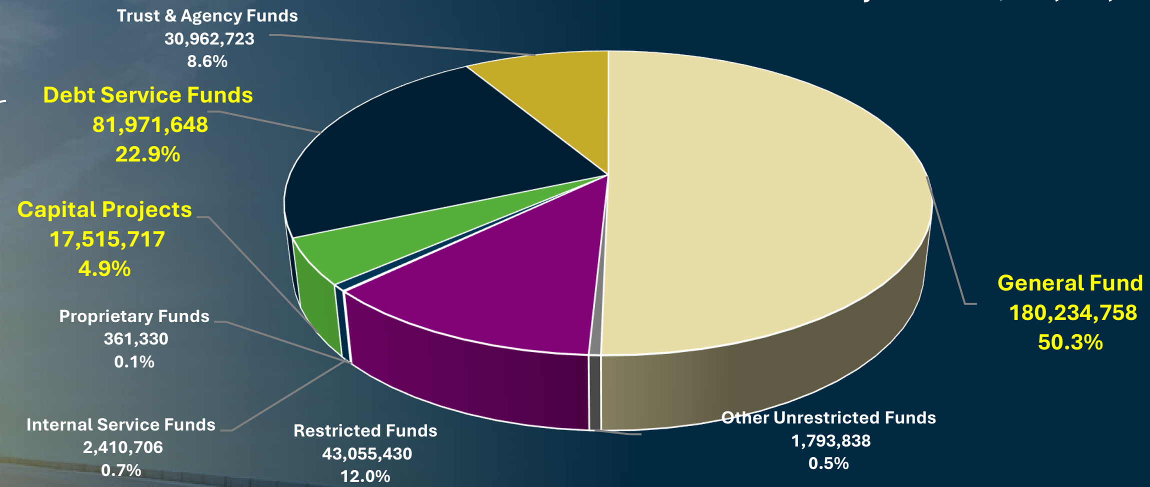
# FY2025-26 Approved Budget and Projected Actuals

Year In Review

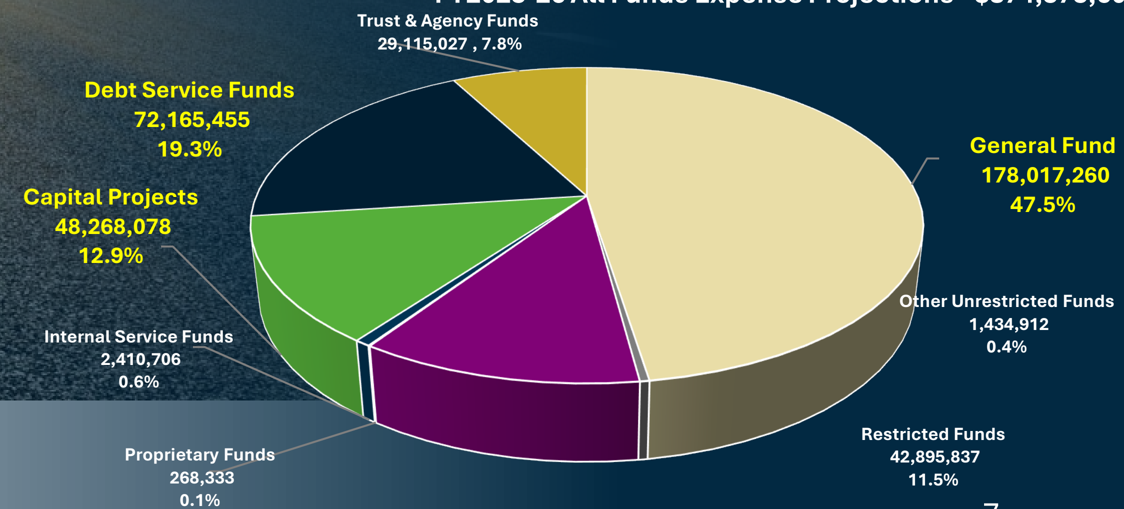
# Capital Investments and Debt Commitments Continue to Drive Spending Over Revenues




**FY2025-26 All Funds Revenue Projections = $358,306,147**




**FY2025-26 All Funds Expense Projections= $374,575,608**



# FY2025-26 Projections - Adopted vs. Tentative General Fund Unrestricted (GFU) Fund 10

| Major Object Description (in $) | (A) FY2025-26 Projections (June) | (B) FY2025-26 Projections (Sept) | (B)-(A) Variance |
|---|---|---|---|
| **Beginning Fund Balance** | 42,893,191 | 42,893,191 | - |
| Revenues | | | |
| Federal | 6,000 | 37,272 | 31,272 |
| State Revenue | 12,008,509 | 12,826,024 | 817,515 |
| Local Revenue | 164,277,901 | 166,018,101 | 1,740,200 |
| Other Financing Sources | 1,563,770 | 1,353,358 | (210,412) |
| Total Revenues | **177,856,180** | **180,234,755** | **2,378,575** |
| **Expenditures** | | | |
| Academic Salaries | 64,243,921 | 64,106,000 | (137,921) |
| Classified Salaries | 32,785,017 | 32,396,199 | (388,818) |
| Employee Benefits | 47,848,503 | 45,159,538 | (2,688,965) |
| Total Personnel | **144,877,441** | **141,661,737** | **(3,215,704)** |
| Supplies and Materials | 1,348,935 | 1,168,635 | (180,300) |
| Other Operating Expenses & Services | 22,154,204 | 18,228,841 | (3,925,363) |
| Capital Outlay | 306,878 | 229,464 | (77,414) |
| Other Outgo | 7,716,462 | 16,728,583 | 9,012,121 |
| Total Non-Personnel | **31,526,479** | **36,355,523** | **4,829,044** |
| Total Expenditures | **176,403,920** | **178,017,260** | **1,613,340** |
| Net change in Fund Balance | **1,452,260** | **2,217,495** | **765,235** |
| Ending Fund Balance | 44,345,451 | 45,110,686 | |
| Fund Balance Ratio | **25.1%** | **25.3%** | |

Variance June to Sept

# FY2025-26 Projections - Adopted vs. Tentative Variance Explanations

| General Fund Unrestricted (GFU) Fund 10 (in $) | FY2025-26 Projections (June) | FY2025-26 Projections (Sept) | Variance |
|---|---|---|---|
| State Appropriations | 7,221,843 | 7,439,526 | 217,683 |
| Interest Income | 2,150,000 | 3,019,496 | 869,496 |
| Indirect Cost Transfers | 361,318 | 150,869 | (210,449) |
| | | | |
| Salaries + Benefits | 144,877,441 | 141,661,737 | 3,215,704 |
| Contract Services | 5,453,196 | 4,024,940 | 1,428,256 |
| Allowance for Bad Debt | 2,000,000 | 1,006,278 | 993,722 |
| Interfunds Transfer - Capital Outlay | - | 3,600,000 | (3,600,000) |
| Interfunds Transfer - OPEB | - | 2,239,593 | (2,239,593) |
| Other | | | 90,416 |
| **Net Change in Fund Balance** | **1,452,260** | **2,217,495** | **765,235** |

# Adopted Budget Update

## FY2026-27 Comparison to Tentative Budget

# Final State Enacted Budget

| (In $ Billions) | 2024-25 Enacted Budget | 2025-26 Enacted Budget | 2026-27 January Proposal | 2026-27 May Revise | 2026-27 Enacted Budget | Increase from 2025-26 |
|---|---|---|---|---|---|---|
| **CALIFORNIA STATE BUDGET** | | | | | | |
| **State Budget** | $297.9 | $321.1 | $348.9 | $349.4 | $351.7 | $30.6 |
| **Budget Deficit** | - | - | $2.9 | - | - | - |
| **Based COLA**<br>**Discretionary**<br>**Total** | 1.07%<br>0.00%<br>1.07% | 2.30%<br>0.00%<br>2.30% | 2.30%<br>0.00%<br>2.30% | 2.87%<br>1.44%<br>4.31% | 2.87%<br>1.44%<br>4.31% | 0.57%<br>1.44%<br>2.01% |
| **Growth Funding** | 0.50% | 2.35% | 1.50% | 1.50% | 2.50% | 1.00% |
| **CALIFORNIA COMMUNITY COLLEGE SYSTEM** | | | | | | |
| **BUDGET** | $14.1 | $14.3 | $15.7 | $16.0 | $15.7 | $1.4 |

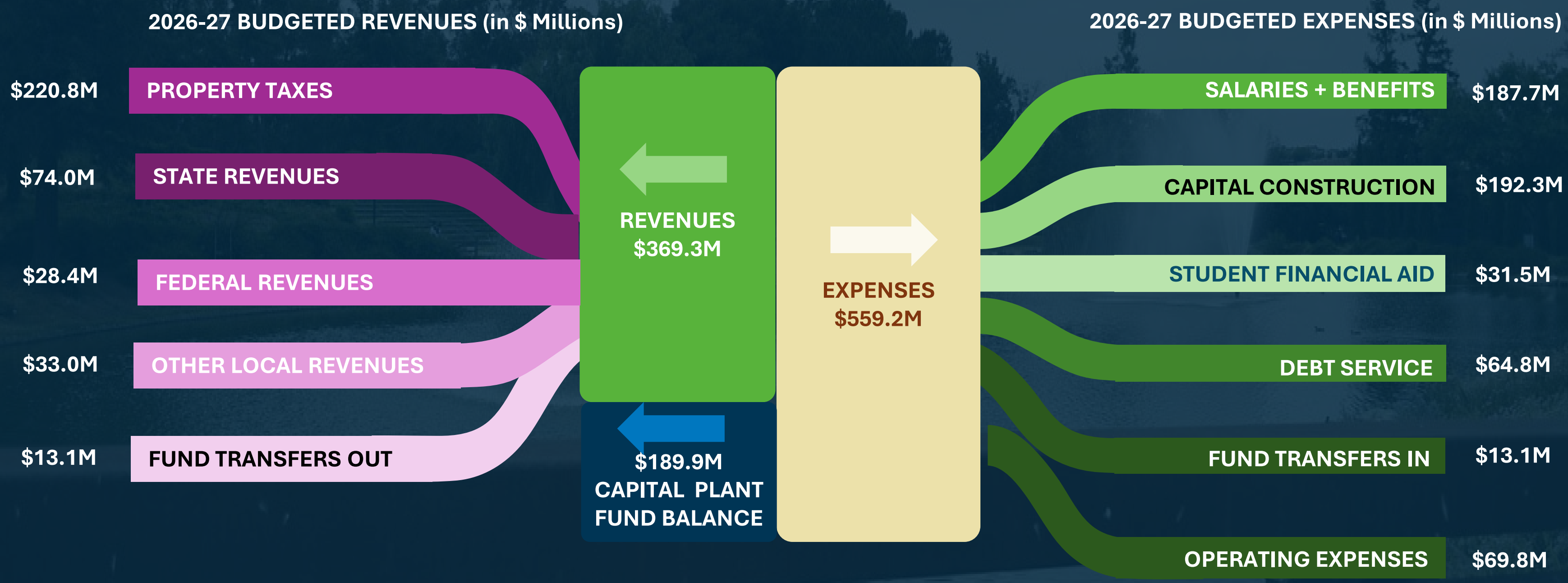
# Key Takeaways from the Governor's Budget

- For the first time since the passage of Prop 98 in 1988, the budget changes the 10.9% historic split between California Community Colleges and K-12 to 11.1%, a $215 million boost to the system.
- 1.44% additional COLA funding to pay for 14 weeks of paid pregnancy disability leave for employees, to start January 1, 2027
- 1% enrollment growth funding for 2025-26 and 1.5% growth in 2026-27

# State Funding Opportunities Improving, But Revenue Volatility Remains a Concern

- For the first time since 2022, the Student Equity and Achievement Program will receive a 5.74% COLA, along with the rest of the categorical programs.
- $120.7 million one-time for deferred maintenance and special repairs
- $100.6 million one-time Student Support Block Grant
- Both the Administration and the Legislative Analyst's Office (LAO) continue to caution that revenues remain highly volatile and may not be sustainable in future years.

# District’s 2026-27 All Funds Budget



# FY2026-27 Budget - Adopted vs. Tentative General Fund Unrestricted (GFU) Fund 10

| Major Object Description (in $) | (A) FY2026-27 Tentative Budget (June Est) | (B) FY2026-27 Adopted Budget (Sept Est) | (B)-(A) Change |
|---|---|---|---|
| **BEGINNING FUND BALANCE** | 45,110,689 | 45,110,689 | - |
| **Revenues** | | | |
| Federal | 6,000 | 6,000 | - |
| State Revenue | 12,369,945 | 12,707,963 | 338,018 |
| Local Revenue | 168,600,084 | 168,600,084 | - |
| Other Financing Sources | 2,141,324 | 2,305,570 | 164,246 |
| **Total Revenues** | **183,117,353** | **183,619,617** | **502,264** |
| Expenditures | | | |
| Academic Salaries | 62,367,229 | 62,152,495 | (214,734) |
| Classified Salaries | 36,889,900 | 36,558,463 | (331,437) |
| Employee Benefits | 53,131,391 | 52,546,814 | (584,577) |
| Total Personnel | **152,388,519** | **151,257,772** | **(1,130,747)** |
| Supplies and Materials | 1,369,254 | 1,368,195 | (1,059) |
| Other Operating Expenses & Services | 20,087,878 | 20,344,104 | 256,226 |
| Capital Outlay | 212,321 | 193,620 | (18,701) |
| Other Outgo | 9,059,381 | 10,455,926 | 1,396,545 |
| Total Non-Personnel | **30,728,834** | **32,361,845** | **1,633,011** |
| **Total Expenditures** | **183,117,353** | **183,619,617** | **502,264** |
| **Net change in Fund Balance** | **-** | **-** | **-** |
| **Ending Fund Balance** | **45,110,689** | **45,110,689** | |
| Fund Balance Ratio | **24.6%** | **24.6%** | |

# FY2026-27 Budget - Adopted vs. Tentative Change in Revenues

| General Fund Unrestricted (GFU) Fund 10 Revenues (in $) | FY2026-27 Tentative Budget (June) | FY2026-27 Adopted Budget (Sept) | FY2026-27 Change | |
|---|---|---|---|---|
| State (Lottery, EPA, Gen Appt) | 7,619,945 | 7,721,963 | 102,018 | Program reimbursements |
| State STRS on Behalf | 4,750,000 | 4,986,000 | 236,000 | STRS on Behalf passthrough revenue offset in expenses |
| Property Taxes | 158,479,795 | 158,479,795 | - | 3.5% budget principle |
| Enrollment Fees | 8,361,289 | 8,361,289 | - | |
| One-Time (Non-Recurring) | 571,803 | 571,803 | - | EVC covid block grant transfer |
| Interest | 1,750,000 | 1,750,000 | - | |
| Other Income | 1,584,521 | 1,748,767 | 164,246 | Lower indirect grant costs |
| **Fund 10 Revenues** | **183,117,353** | **183,619,617** | **502,264** | |

# FY2026-27 Budget - Adopted vs. Tentative Change in Expenses

| General Fund Unrestricted (GFU) Fund 10 Expenses (in $) | FY2026-27 Tentative Budget (June) | FY2026-27 Adopted Budget (Sept) | FY2026-27 Change | |
|---|---|---|---|---|
| Salaries + Benefits (excl STRS on Behalf) | 147,638,519 | 146,271,772 | (1,366,747) | 3% to 5% COLA; vacancy reductions |
| State STRS on Behalf | 4,750,000 | 4,986,000 | 236,000 | |
| Operating Costs | 20,669,453 | 21,230,920 | 561,467 | License renewals |
| Interfund Transfers | 8,487,578 | 8,620,638 | 133,060 | |
| Allowance for Student Bad Debt | 1,000,000 | 675,000 | (325,000) | Revised uncollectible projections |
| Contingency | 571,803 | 1,835,288 | 1,263,485 | 1% of operating budget |
| **Fund 10 Expenses** | **183,117,353** | **183,619,617** | **502,264** | |

# Headwinds Require Continued and Disciplined Fiscal Vigilance, and Tailwinds Create Strategic Optionality

## Constraints

- Soft Enrollment
- Federal Funding Status and Policy Changes
- Fluidity of Housing Market and Real Estate
- Rising Medical Costs

## Mitigation

- Enrollment Management
- Pension Stabilization Program
- OPEB Debt Refinancing
- Lean Budgeting/Strategic Optionality

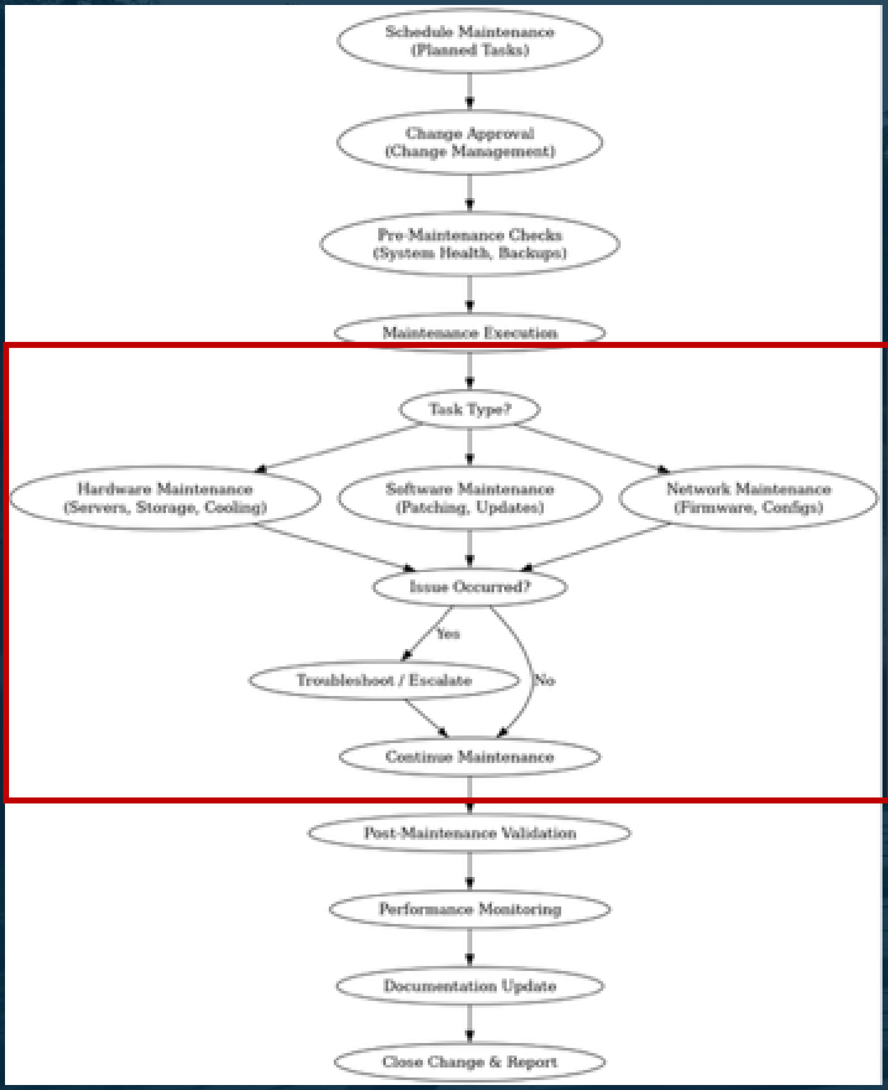
# Building Capacity for Strategic Choices through Lean Budgeting

**ITSS-CTSS Shared Services Operating Model**

# Shared Services Redesign Creates Greater Capacity Without Increasing Costs

| Process/Activity | Roles |
|---|---|
| Administration | AVC, ITSS<br>Exec Director, Network Infrastructure<br>Exec Director, Software Apps + Support<br>Operations Coordinator |
| Data Center Management | System Admins<br>Cloud Engineer |
| Campus Technologies | Supervisor<br>Helpdesk Tech<br>IT Support Specialists |
| Software Support | Supervisor Programmer<br>Programmers |
| Telecom | Voice Technician |
| Reprographics | Repro Tech |
| Cybersecurity Compliance | Network Engineers<br>Security Analyst |

# Data Center Improves Reliability and Reduces Long-Term Operating Costs

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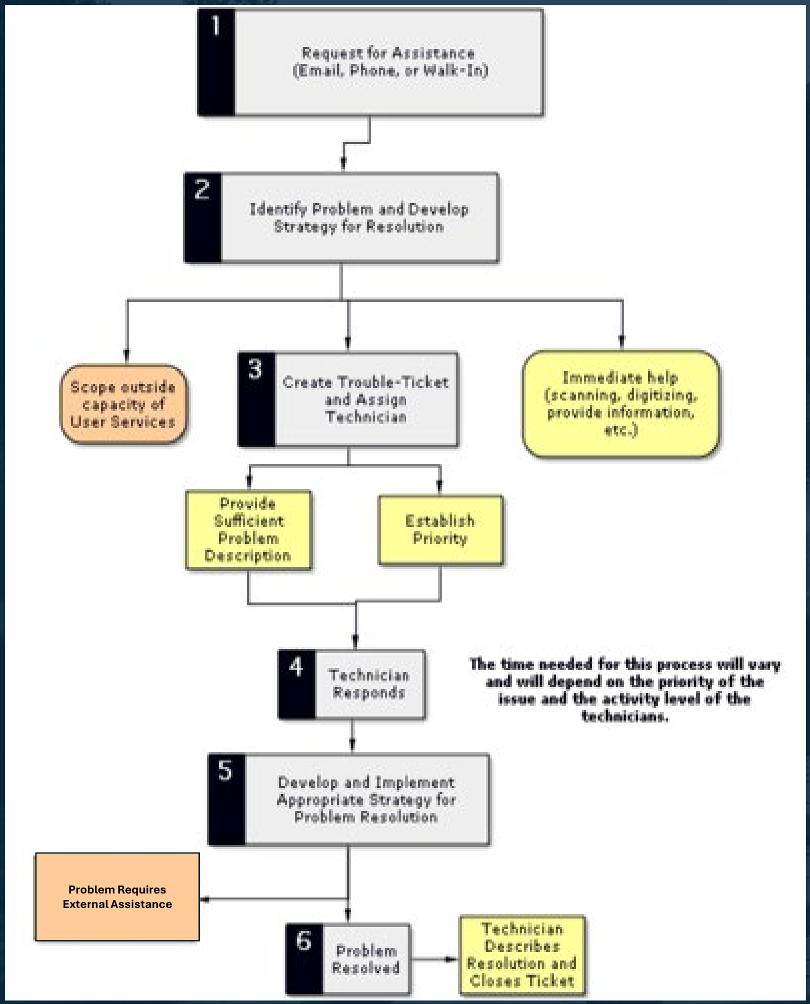
**Centralize Data Centers into One SINGLE Location**

# Centralized Technology Support Improves Service Levels Across Both Colleges




x 3 =

Effective Service Delivery

# Q&A


THINK
AS A SYSTEM
See the bigger picture. Understand how we're connected to create knowledge, opportunities, and impact for student persistence and completion.
RECRUITMENT & REGISTRATION
FINANCIAL AID
FISCAL SERVICES
STUDENT SERVICES
FOUNDATION ENGAGEMENT
TECHNOLOGY
ACADEMIC PROGRAMS
FACILITIES
PROCUREMENT
ACT
LIKE A NETWORK
Connect across disciplines, sectors, and borders to solve complex challenges together.
STUDENTS
GOVERNMENT & POLICYMAKERS
EMPLOYERS & INDUSTRY
FUNDERS & DONORS
COMMUNITY PARTNERS
EMPLOYEES
LEAD
WITH A PURPOSE
Inspire change. Lead with integrity. Create a better future for all.
SEE THE BIGGER PICTURE.
CONNECT BEYOND BOUNDARIES.
DRIVE MEANINGFUL CHANGE
ONE DISTRICT, ONE TEAM.
STRONGER TOGETHER. GREATER IMPACT.
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