



FUTURE FOCUSED FORWARD READY

FY2025-26 Budget Development

BOARD PRESENTATION

April 8, 2025

Timeline

Description	When
Budget data final review by Colleges and last day to submit budget changes and PAFs to District Office	April 25
College campuses to submit completed Tentative Budget workbooks	May 2
Updated Property Tax Information from County	May 9
Finalize Proposed Tentative Budget	May 9
Tentative Budget Review with District Budget Committee/District Council	May 15
Regular Board Meeting Approval	June 10
Submit to County	June 30





2025-26 Revenue Assumptions



EVERGREEN
VALLEY COLLEGE

Revenue Assumptions

PRIMARY SOURCES OF FUNDING – FEDERAL, STATE AND LOCAL

FY2025-26 BUDGET ASSUMPTIONS

- 3.5% increase from prior year
- Funding allocation per Governor's Jan 2026 budget proposal

FY2024-25 Unrestricted General Funds Revenues \$171.4M	Property Taxes	\$147.2M (86%)
	State Grants & Appropriations	\$10.2M (6%)
	Federal	\$0 (0%)
	Enrollment Fees	\$10.2M (6%)
	Other Local Revenue	\$3.8M (2%)



FY2024-25 "All-Funds" Revenues \$362.4M	Unrestricted General Funds	\$171.4M (47%)
	Categorical Funds	\$72.0M (20%)
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	Fiduciary & Trust Funds	\$31.4M (9%)
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2025-26 Governor's January Budget Proposal

MODEST 1.7% PROJECTED INCREASE FOR COMMUNITY COLLEGE SYSTEM

(In \$ Billions)	2023-24 Enacted Budget	2024-25 Enacted Budget	2025-26 January Proposal	Change from Prior Year
CALIFORNIA STATE BUDGET				
State Budget	\$311	\$298	\$322	+8%
Budget Deficit		\$46	-	(\$46)
COLA	3.94%	1.01%	2.43%	+1.42%
Growth Funding	-	0.50%	0.50%	-
CALIFORNIA COMMUNITY COLLEGE SYSTEM				
BUDGET	\$13.5	\$14.1	\$14.5	\$0.4



2025-26 Community College Budget Highlights

CAUTIOUS OPTIMISM

FUTURE FOCUSED
FORWARD READY

Ongoing Resources

- \$27.7 million (2.43%) cost of living adjustment (COLA) for Adult Education, EOPS, CARE, DSPS, Apprenticeship, CalWORKS, and Child Care Tax Bailout.
- \$30 million to expand the Rising Scholars Network which provides educational opportunities to students impacted by the criminal justice system.
- \$29 million for the creation of a systemwide common data platform.
- \$7 million for the creation and expansion of credit for prior learning policies.

One-Time Resources

- **\$168 million for completion of the Statewide Technology Transformation project.**
- **\$133.5 million for the development of a common cloud data platform across the community college system.**
- **\$93 million to expand the existing credit for prior learning policies.**



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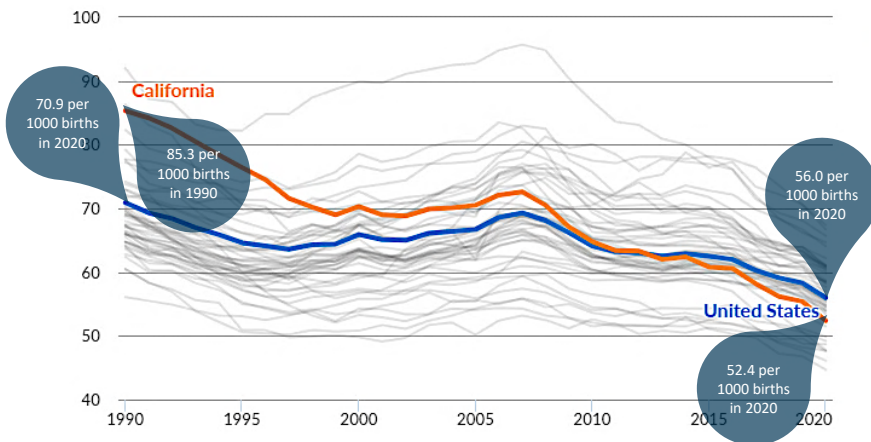


Enrollment Cliff

PROJECTED 29% DECLINE FOR CALIFORNIA FIRST-TIME IN COLLEGE STUDENTS THROUGH 2041

GENERAL FERTILITY RATES DECLINE ACROSS STATES

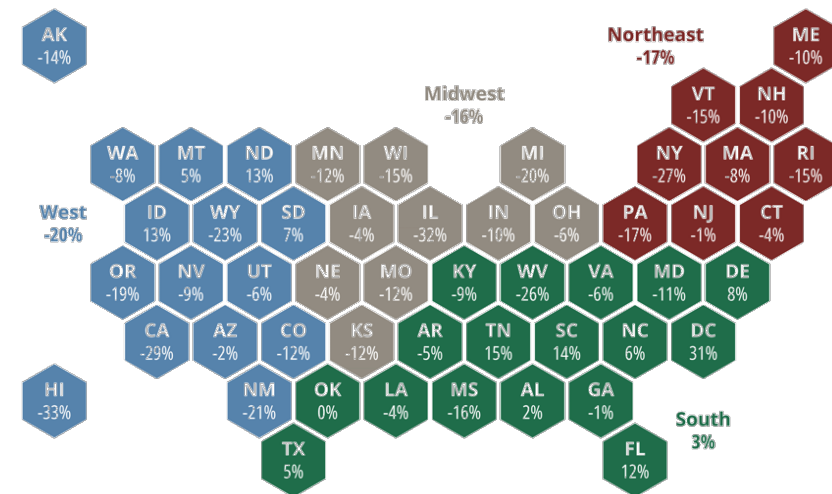
✓ California recorded a rate of 52.4 births per 1,000 women in 2020



Note: The general fertility rate is the number of births per 1,000 women 15 to 44 years old.

Source: Birth Data, National Vital Statistics System (NVSS)
Centers for Disease Control and Prevention (CDC)

PROJECTED PERCENT CHANGE IN HIGH SCHOOL GRADUATES, 2023 TO 2041



Source: Knocking at the College Door | 11th Edition | 2024
Western Interstate Commission on Higher Education (WICHE)



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Community College District

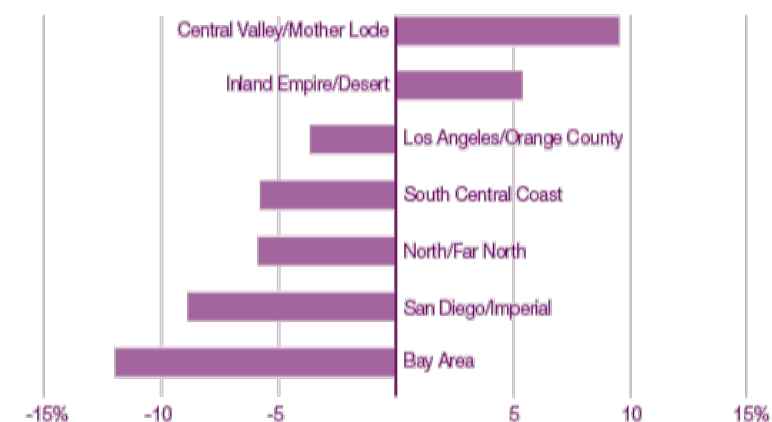
Enrollment Patterns Vary Notably by Region and Category

BAY AREA HAS EXPERIENCED ABOVE AVERAGE POPULATION DECLINES

DUAL ENROLLMENT IS GROWING MUCH FASTER THAN OTHER TYPES OF ENROLLMENT

CCC Enrollment Is Up in the Central Valley and Inland Empire

Percent Change in FTE Students, 2024-25 Compared to 2018-19



Note: Districts are grouped according to the regions used to administer various CCC programs, including career technical education. 2024-25 enrollment levels reflect estimates from Chancellor's Office based on district data reported as of January 2025.

FTE = full-time equivalent.

LAO3

Enrollment Category	2018-19	2024-25 ^a	Change	
			Number	%
Regular Credit	990,925	919,920	-71,005	-7%
Noncredit	70,300	77,907	7,607	11
Dual Enrollment	37,370	57,246	19,876	53
Incarcerated Students	4,697	4,636	-61	-1
Totals	1,103,292	1,059,709	-43,584	-4%

^a Reflects estimate from Chancellor's Office based on district data reported as of January 2025.



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- Federal funding exposure ~ \$3.5M



Federal Funding Exposure

BAY AREA HAS EXPERIENCED ABOVE AVERAGE POPULATION DECLINES

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	AL NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER*	FEDERAL EXPENDITURES
U.S. Department of Education			
Direct			
Student Financial Aid Cluster			
Federal Pell Grant Programs (PELL)	84.063	*	\$ 18,426,208
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	*	702,472
Federal College Work Study Program (FWS)	84.033	PO0033A90065	741,743
Direct Loans	84.268	*	665,608
Subtotal Student Financial Aid Cluster			20,536,031
TRIO Cluster:			
Talent Search	84.044	*	296,861
Upward Bound	84.047	*	292,583
Subtotal TRIO Cluster			589,444
CARES Act Higher Education Emergency Relief Funds (HEERF)			
COVID-19 HEERF Institutional Portion	84.425F	*	14,353
COVID-19 HEERF Minority Serving Institutions	84.425L	*	917
COVID-19 HEERF II Institutional Portion	84.425F	*	1,258,633
COVID-19 HEERF II Minority Serving Institutions	84.425L	*	517,075
COVID-19 HEERF III Institutional Portion	84.425F	*	4,843,219
COVID-19 HEERF III Minority Serving Institutions	84.425L	*	947,170
Subtotal Higher Education Emergency Relief Funds (HEERF)			7,581,367
Title V, Higher Education - Institutional Aid	84.031	*	957,737
AANAPISI-Asian American Nat American	84.031L	*	293,123
Passed through California Community Colleges Chancellor's Office: Career and Technical Education Program:			
VTEA	84.048A	*	460,836
Subtotal Career and Technical Education Program			460,836
Total U.S. Department of Education			30,418,538
U.S. Department of Health and Human Services			
Passed through Foundation for California Community Colleges: YESS - Independent Living Program	93.674	*	14,381
Passed through California Community Colleges Chancellor's Office: Temporary Assistance for Needy Families (TANF)	93.558	*	89,404
Total U.S. Department of Health and Human Services			103,785
U.S. Department of Labor			
Direct Program:			
Veterans' Administrative Reporting Fee	17.802	*	1,921
Total U.S. Department of Labor			1,921
U.S. Department of Agriculture			
Direct Program:			
Calfresh (CSU Chico)	10.561	*	144,240
Total U.S. Department of Agriculture			144,240
NATIONAL SCIENCE FOUNDATION			
Passed through Saddleback College NSF Alliance	47.076	*	199,494
Passed through Regents of U.C. Santa Cruz NSF Teacher Recruit, Prep Induction Pathway	47.076	*	91,228
Total National Science Foundation			290,722
Total Federal Programs			\$ 30,959,206

*Pass-Through number is either not available or not applicable

\$30.9 million Total Federal Awards @ 06/30/2024
Less:
(\$7.5) million One-Time HEERF Funds
(\$20.5) million PELL/SEOG student financial aid
\$2.9 million Competitive Federal Awards
\$0.6 million HSI Si Se Puede
\$3.5 million Potential Federal Exposure



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- Federal funding exposure ~ \$3.5M
- Passthrough Funds (FAFSA)
- Fixed payment schedule





2025-26 Expense Assumptions



EVERGREEN
VALLEY COLLEGE

Expense Assumptions

83% OF GENERAL FUND EXPENSES ARE SALARIES & BENEFITS

**FY2025-26
BUDGET ASSUMPTIONS**

- 3% contractually obligated COLA

FY2024-25

Unrestricted
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Expenses

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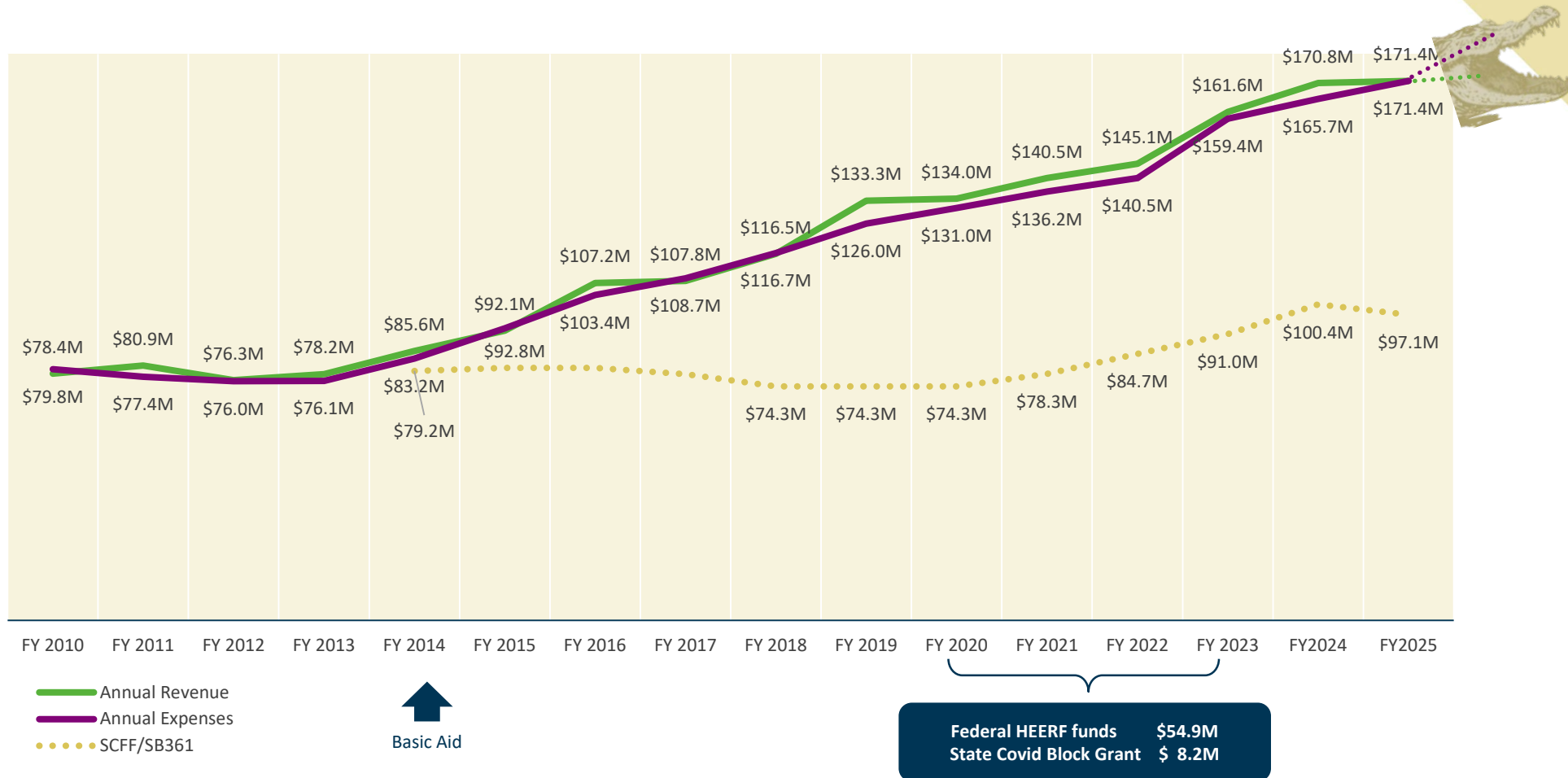
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**FUTURE FOCUSED
FORWARD READY**

District's Actual Spending Exceeds Revenue Growth

5-YEAR ANNUAL EXPENSE GROWTH 5.62%
5-YEAR ANNUAL REVENUE GROWTH 5.08%

FUTURE FOCUSED
FORWARD READY



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FY2024-25

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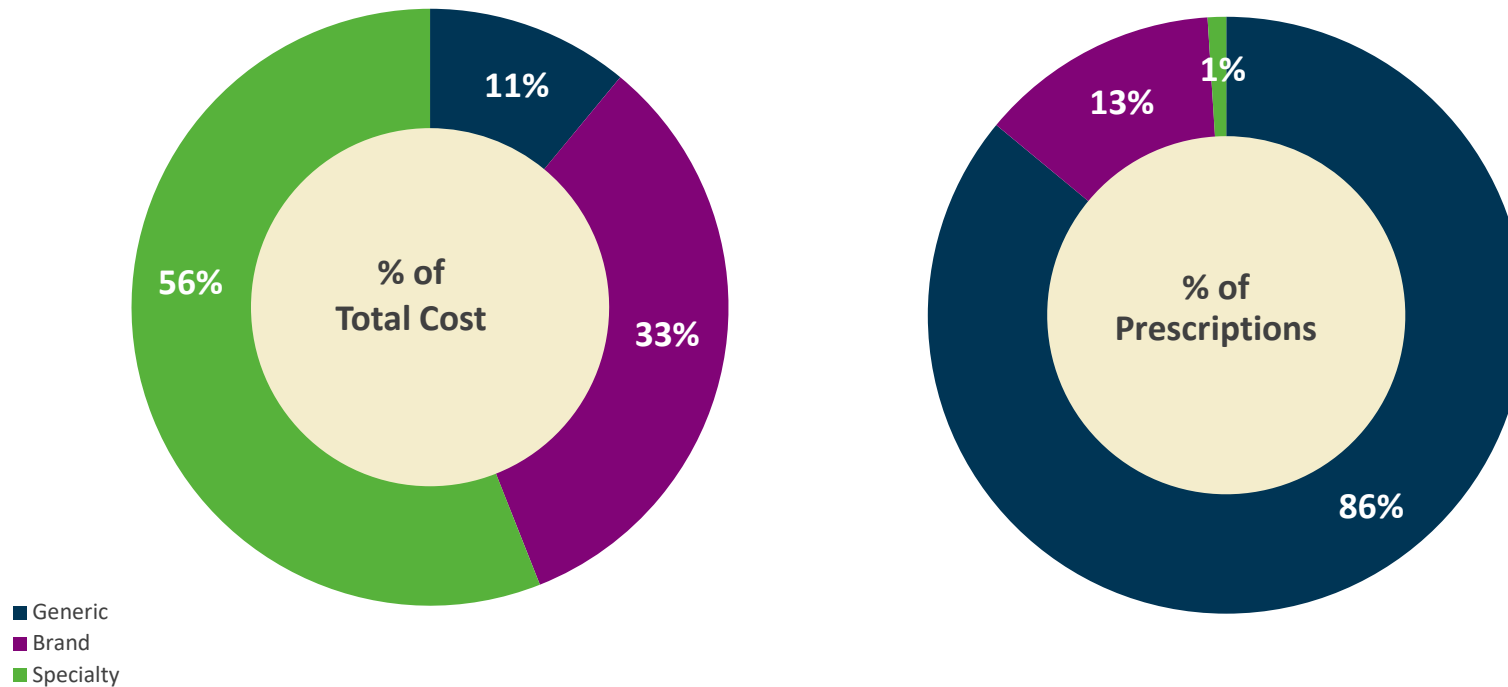
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1% of Specialty Drugs Accounts for 56% of Pharmacy Costs

MEDICAL INFLATION IS PARTLY ATTRIBUTABLE TO RISING COST OF EXPENSIVE DRUGS



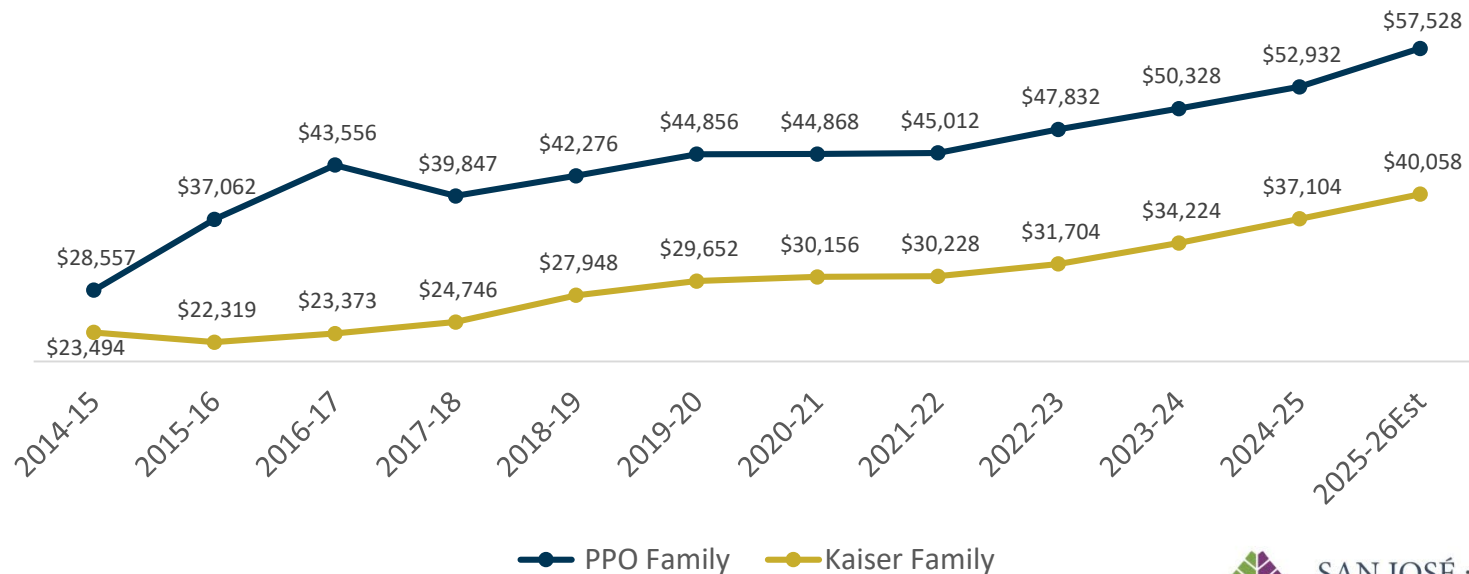
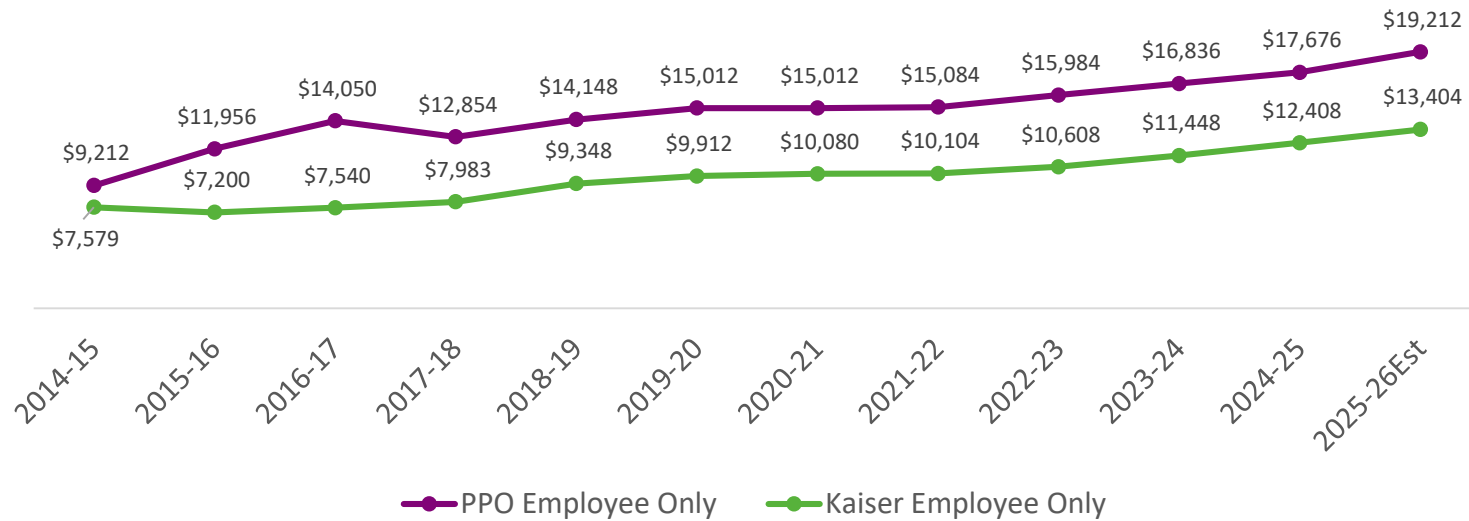
Source: Alliant Employee Benefits (District's Program Administrator)



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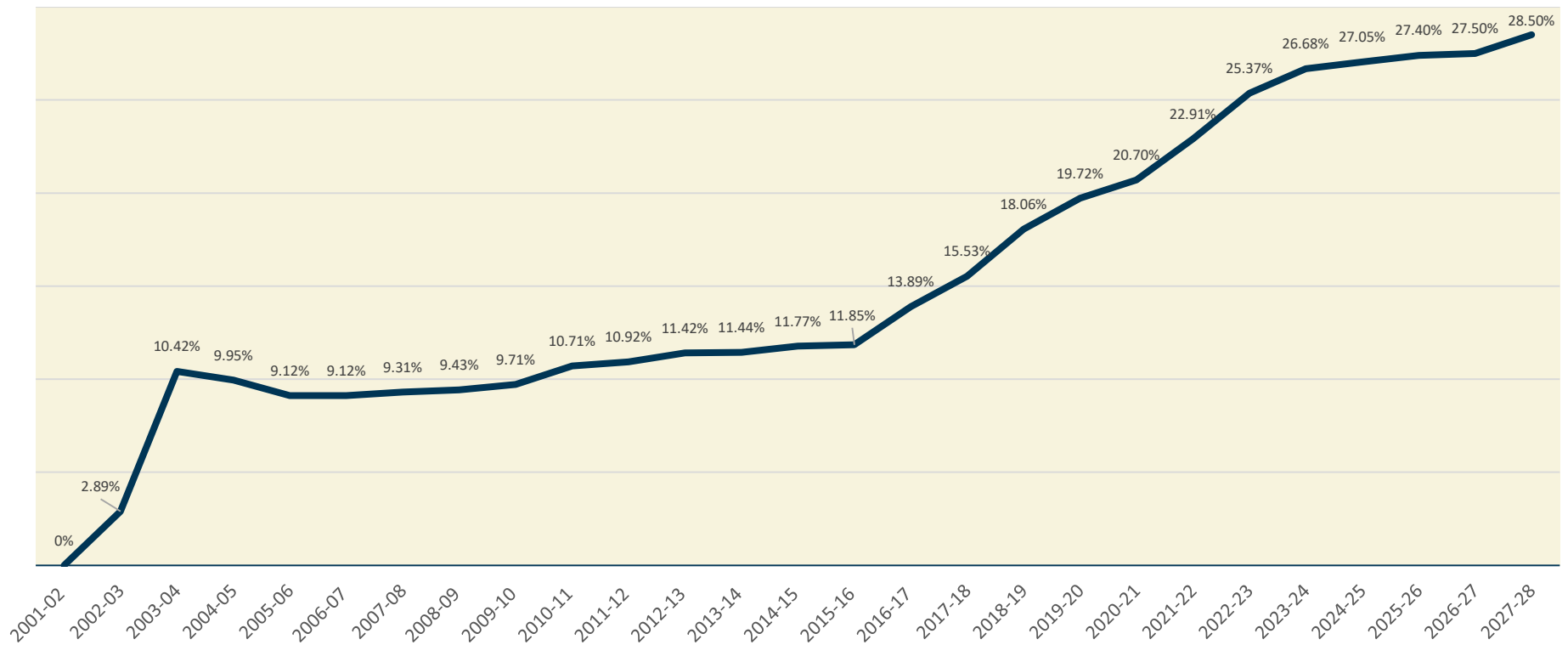
Historical Medical Insurance Costs

FY2025-26 8% PPO INCREASE; 8.4% KAISER INCREASE



Escalating CalPERS Employer Contributions

REVIEW CREATING A PENSION STABILIZATION FUND WITH A FUNDING PLAN



Source: CalPERS School Employer Historical and Projected Contribution Rates



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- Administrative Operational Excellence
- Federal tariff exposure (unknown)

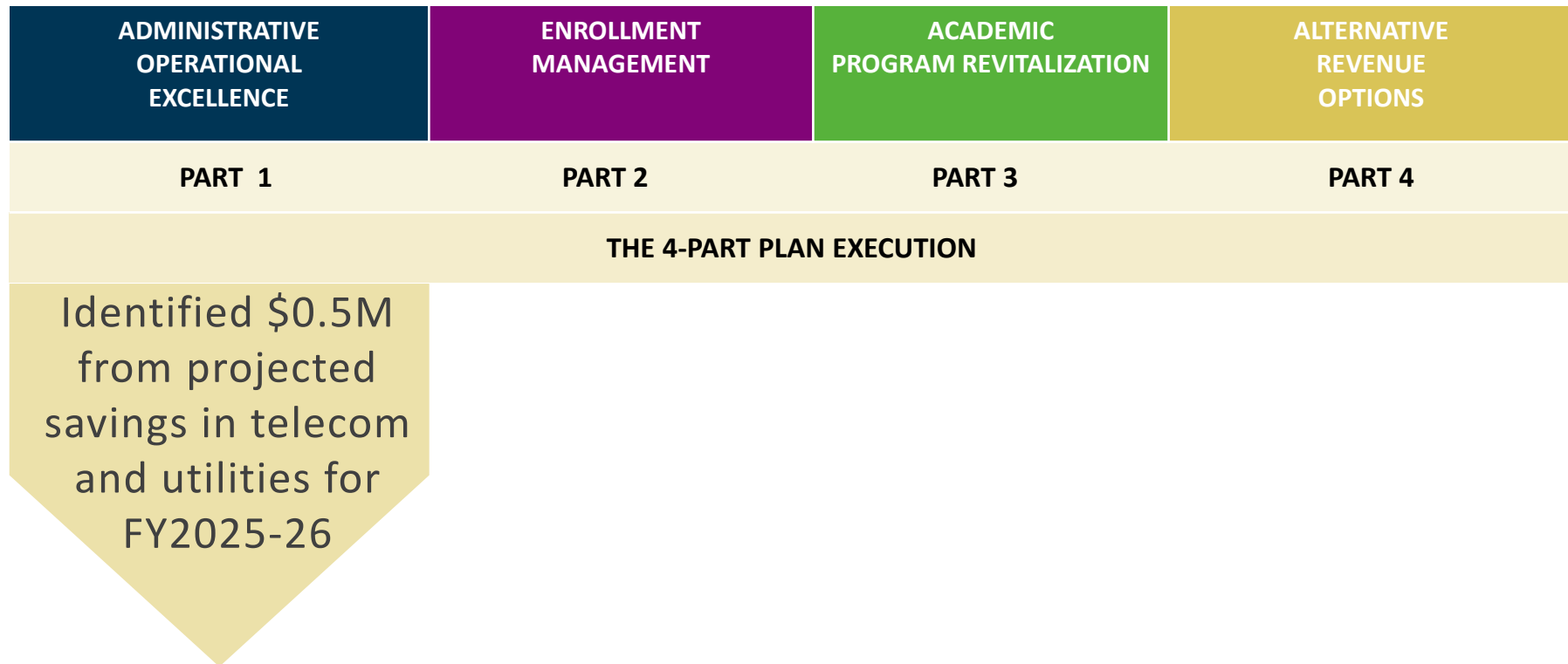
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Setting in Place Tools and Practices with the 4-Part Plan

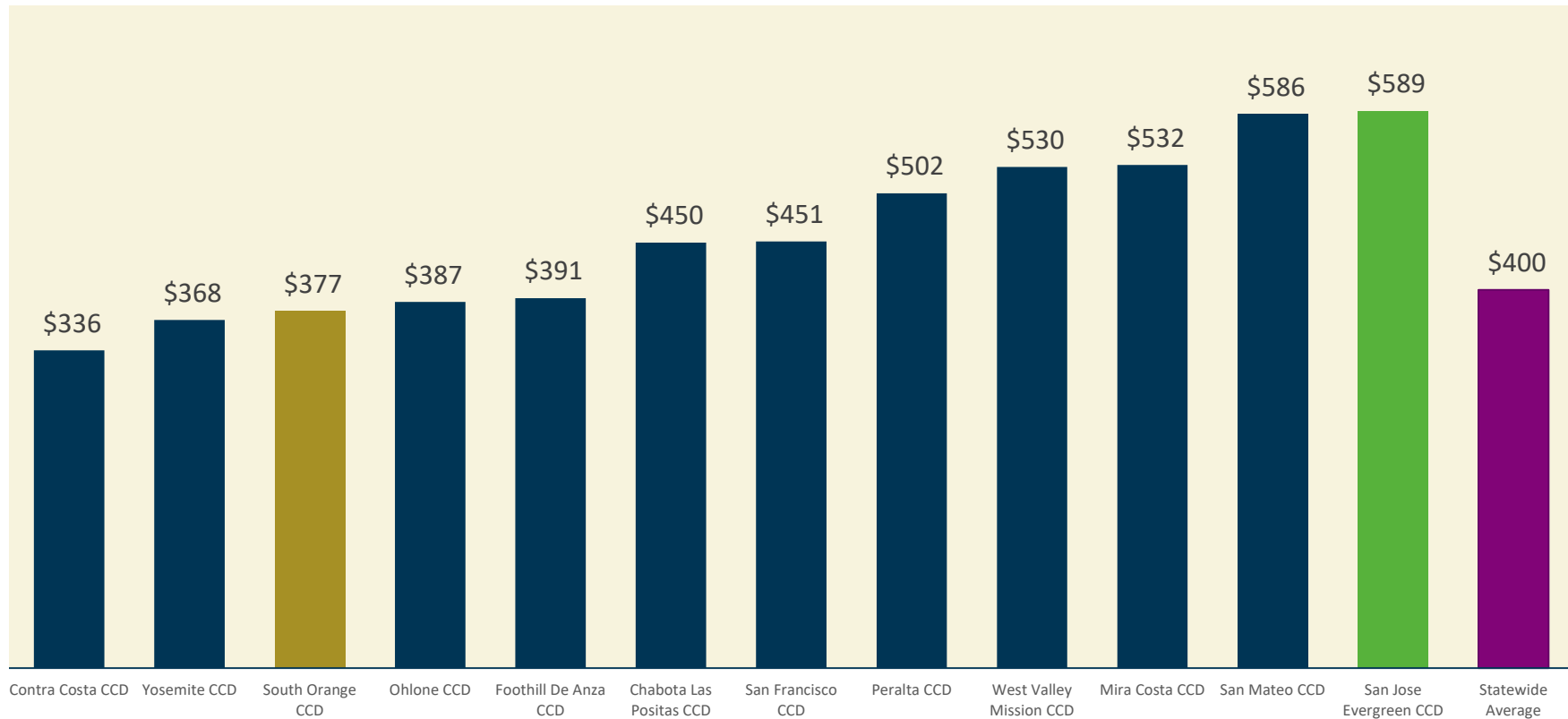
BALANCE NEAR-TERM NEEDS WITH ONGOING COMMITMENT TO FISCAL SUSTAINABILITY

FUTURE FOCUSED
FORWARD READY



District's Cost of Education is Among the Highest

FISCAL STABILITY IS AT RISK WITHOUT ADDITIONAL REFORMS



Source: State Chancellor's Office 2025-26 NonResident Tuition Data Worksheet



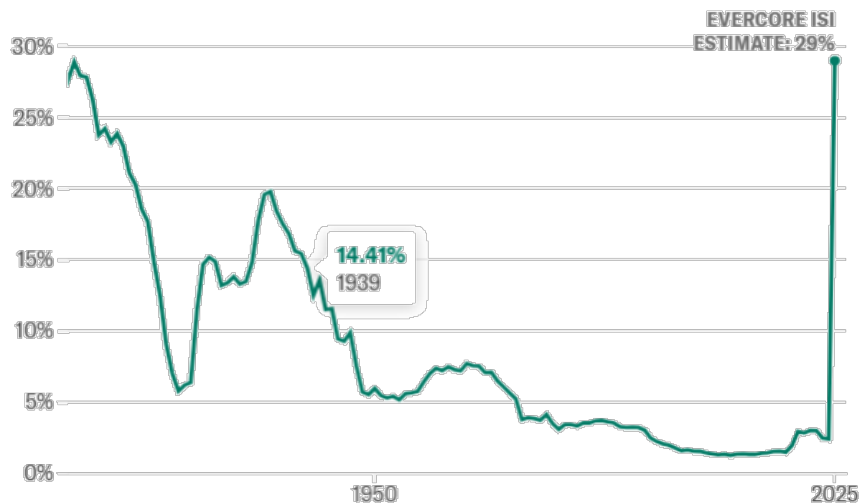
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Bracing for the Higher Cost of Doing Business

ECONOMIC UNCERTAINTY WITH DISRUPTIVE SHIFTS IN TRADE POLICY

US Tariffs Will be the Highest in 100 Years Under Liberation Day Policy

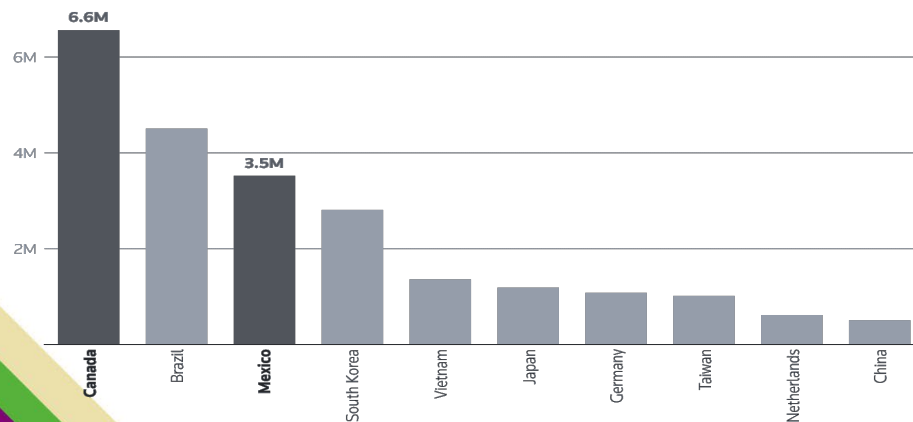
EFFECTIVE TARIFF RATE



Source: Bureau of Economic Statistics; Yale Evercore Lab

Mexico and Canada accounted for almost 40% of US steel imports last year

U.S. imports of steel mill products (Net tons)



Source: U.S. Census Bureau via American Iron and Steel Institute



The S&P 500 Tumbles Toward Bear Market

S&P 500 Index



Source: FactSet

As of April 7, 12:32 p.m. ET

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- 7 state categorical programs to receive COLA



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7 Categorical Programs to Receive COLA

DISTRICT BEARS THE INCREMENTAL COSTS FOR PROGRAMS WITH NO COLA

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Academic Senate				•			
Adult Education Program	•		•	•	•	•	•
Apprenticeship programs	•		•	•	•	•	•
CalWORKs student services	•		•	•	•	•	•
Campus child care support	•		•	•	•	•	•
Disabled Students Programs and Services	•		•	•	•	•	•
Extended Opportunity Programs and Services	•		•	•	•	•	•
Mandates Block Grant	•		•	•	•	•	•
MESA program	•				•		
Middle College High School	•						
NextUp foster youth program					•		
Part-time faculty compensation				•			
Part-time faculty office hours				•			
Puente Project	•				•		
Rapid rehousing					•		
Student basic needs centers					•		
Student mental health services					•		
Umoja program	•				•		
Veteran resource centers					•		

Source: Governor's January Proposed 2025-26 Budget





Q&A