Tentative Budget

2026-2027

GAVILAN COLLEGE

Gilroy • Hollister • Morgan Hill • San Juan Bautista • San Martin

GAVILAN COLLEGE

2026/2027
TENTATIVE
BUDGET REPORT

Presented to the Board of Trustees

June 9, 2026

Marilyn Morikang, Vice President, Administrative Services

Michelle Anaya, Director Fiscal Services

Prepared in collaboration with Business Services Staff

TENTATIVE BUDGET

FISCAL YEAR 2026 - 2027
JULY 1, 2026 THROUGH JUNE 30, 2027

Gavilan Joint Community College District 5055
Santa Teresa Boulevard
Gilroy, CA 95020

GAVILAN COLLEGE EXECUTIVE CABINET
JULY 1, 2026 – JUNE 30, 2027

Dr. Pedro Avila	Superintendent/President
Dr. Renee Craig-Marius	Assistant Superintendent/ Vice President of Student Services
Marilyn Morikang	Vice President of Administrative Services
Dr. Moaty Fayek	Vice President of Academic Affairs
Lucy Alvarez	Vice President of Human Resources and Labor Relations

PIPR/RAP COMMITTEE

Marilyn Morikang	Co-Chairperson
Veronica Andrade	Faculty Co-Chairperson
Vins Chacho	Administration
Judy Rodriguez	Administration
David Godoy	CSEA
Ken Kennedy	CSEA
Hilary Andrews	Academic Senate
Dr. Renee Craig-Marius	Ex Officio (Resource)
Dr. Moaty Fayek	Ex Officio (Resource)
Michelle Anaya	Resource
Dr. Hazel De Ausen	Resource
Miressa Lira	Resource

2026-2027
TENTATIVE BUDGET

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I. INTRODUCTION

The essential purpose of the Tentative Budget is to establish spending authority for the District from July 1st through the adoption of the Final Budget by the Board of Trustees on September 8 , 2026. This two-stage budget process is necessary due to several unknown factors at the time of development, including:

1. the State's pending budget for the upcoming fiscal year,
2. the State's un-issued Second Principal Apportionment (P2) report for the current fiscal year, and
3. the District's year-end closing process which will be completed in August 2026.

The Tentative Budget is based on revenue projections using the latest available data from the State Chancellor's Office and estimates for local revenue. Expenditure projections reflect current information on known District obligations.

The projected ending fund balance for the Unrestricted General Funds (Ongoing) for the 2025-26 fiscal year is estimated at $15,041,327, representing 22% of total estimated General Fund expenditures and transfers (both Unrestricted and Restricted). This amount becomes the beginning fund balance for the 2026-27 fiscal year.

For 2026-27, projected revenues total $56,616,061, with expenditures at $54,358,586 and transfers out of $2,172,350. Of the total expenditures, approximately 76% is allocated to salaries and benefits. The resulting projected ending fund balance is $12,709,992.

The Tentative Budget Report reflects components of the 2026-27 State budget as of the May Revise along with the District's internal planning assumptions. While the report primarily focuses primarily on the Unrestricted General Fund, it also includes preliminary information on other District funds. The table below summarizes total appropriations by fund type, offering a comprehensive view of projected financial activity across all funds.

Gavilan Joint Community College District
TOTAL APPROPRIATION - ALL FUNDS
FY2026-2027 Tentative Budget

	Governmental Funds Group							Proprietary Funds Group		Fiduciary Funds Group			
	Unrestricted General Ongoing	Unrestricted General Sub-Funds	Grants & Categoricals F270	Parking Fund F260	Capital Outlay F340	Bond Funds Measure X	Debt Services F210/920	Enterprise Fund F59	Self Insurance F610	Student Financial Aid F480	Associated Students F470	Student Center Fee F660	TOTAL ALL FUNDS
Revenues:													
8100 - Federal Revenues	$ -	$ -	$ 1,172,245	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,500,000	$ -	$ -	$ 8,672,245
8600 - State Revenues	24,738,978	-	23,175,480	-	-	-	50,000	-	-	980,000	-	-	$ 48,944,458
8800 - Local Revenues	31,877,083	-	966,638	-	1,409,800	660,000	21,250,000	850,000	-	-	76,916	48,000	$ 57,138,437
8900 - Other Revenues	-	-	1,115,550	-	-	45,000,000	-	-	-	-	-	-	$ 46,115,550
8900 - Transfers In	-	-	399,000	1,048,421	-	-	-	-	429,140	-	-	20,200	$ 1,896,761
Total Revenues	**$ 56,616,061**	**$ -**	**$ 26,828,913**	**$ 1,048,421**	**$ 1,409,800**	**$ 45,660,000**	**$ 21,300,000**	**$ 850,000**	**$ 429,140**	**$ 8,480,000**	**$ 76,916**	**$ 68,200**	**$ 162,767,451**
Expenditures:													
1000: Academic Salaries	$ 17,977,340	$ 1,328,000	$ 4,362,229	$ -	$ -	$ -	$ -	$ 5,000	$ -	$ -	$ -	$ -	$ 23,672,569
2000: Non-Instructional Salaries	12,572,441	688,000	5,323,249	616,324	-	443,200	-	194,728	-	-	13,200	33,566	$ 19,884,707
3000: Employee Benefits	12,670,156	400,460	4,088,646	370,208	-	241,745	-	86,850	-	-	100	18,634	$ 17,876,798
4000: Books and Supplies	584,586	-	1,834,164	15,000	-	-	-	25,000	-	-	20,073	-	$ 2,478,823
5000: Other Operating Expenses	9,062,029	1,543,140	3,112,477	544,619	-	-	26,300	20,000	429,140	-	23,543	16,000	$ 14,777,248
6000: Capital Outlay	1,492,034	-	3,273,631	30,000	15,057,047	93,701,014	-	40,000	-	-	-	-	$ 113,593,726
7000: Other Outgo	-	149,864	420,000	-	-	-	20,530,000	478,422	-	8,480,000	20,000	-	$ 30,078,286
7000: Transfers	2,172,350	-	5,288,929	-	-	-	-	-	-	-	- -	-	$ 7,461,279
Total Expenditures & Transfers	**$ 56,530,936**	**$ 4,109,464**	**$ 27,703,325**	**$ 1,576,150**	**$ 15,057,047**	**$ 94,385,959**	**$ 20,556,300**	**$ 850,000**	**$ 429,140**	**$ 8,480,000**	**$ 76,916**	**$ 68,200**	**$ 229,823,437**
Net Change to Fund Balance	**85,125**	**(4,109,464)**	**(874,412)**	**(527,729)**	**(13,647,247)**	**(48,725,959)**	**743,700**	**0**	**-**	**-**	**-**	**-**	**(67,055,986)**
Beginning Fund Balance	**15,041,327**	**1,693,004**	**874,412**	**527,730**	**13,647,247**	**49,385,958**	**25,393,844**	**1,144,735**	**(0)**	**-**	**302,376**	**57,261**	**108,067,894**
Adjustment to Beg. Fund Balance			-	-	-	-	-	-	-	-	-	-	-
One-Time Transfer to/(from) Fund	**(2,416,460)**	**2,416,460**											
Ending Fund Balance	**$ 12,709,992**	**$ 0**	**$ (0)**	**$ 0**	**$ (0)**	**$ 660,000**	**$ 26,137,544**	**$ 1,144,735**	**$ (0)**	**$ -**	**$ 302,376**	**$ 57,261**	**$ 41,011,908**

II. GENERAL INFORMATION ABOUT GAVILAN COLLEGE

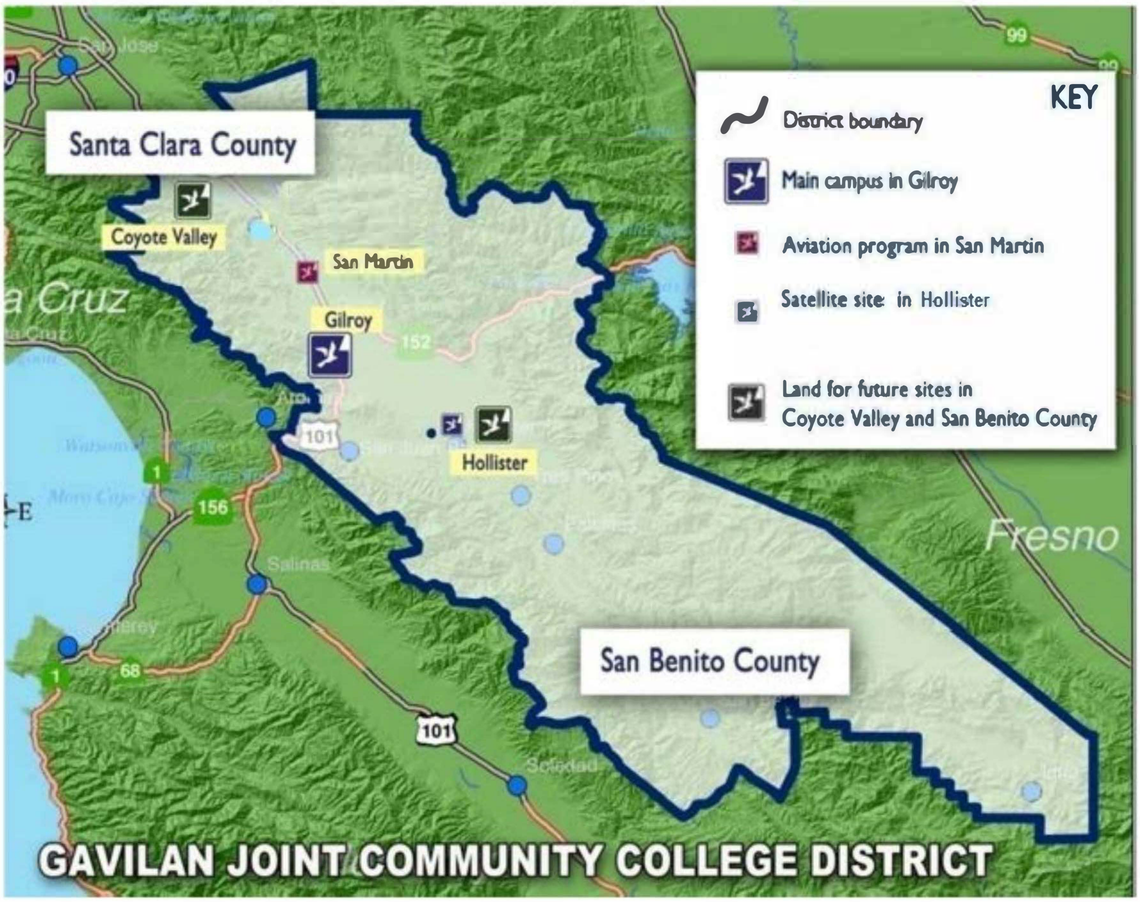
Gavilan Joint Community College District has a rich history in Santa Clara and San Benito Counties. Gavilan College was originally established in 1919 as San Benito County Junior College. It operated under this title until 1963, when a new community college district was formed that included both San Benito and southern Santa Clara Counties. The successful passage of a local bond in 1966 provided the needed funds to construct the present campus at Santa Teresa Boulevard and Castro Valley Road in Gilroy, California. In the fall of 2019, Gavilan College celebrated its 100th year of service as a community college.

Gavilan College is one of 116 California Community Colleges organized into 73 districts with district boundaries that are political subdivisions authorized by the Constitution of the State of California. A seven-member board of trustees governs the Gavilan Joint Community College District. The voters of the communities served by the district elect board members to office. The Board of Trustees is responsible for the overall direction and control of the district to best meet the needs of the community it serves.

The district operates instructional sites in Hollister, San Martin, and Coyote Valley to augment their course offerings at the main (Gilroy) campus. Gavilan College is a comprehensive public community college offering a wide range of services, including programs in liberal arts, pre-professional, business, vocational and technical fields, dual-enrollment, and adult education. Courses are offered in the day, evening and on weekends. In FY 2025-26, Gavilan College served an estimated 10,801 un-duplicated students. Gavilan College employs 205 full time permanent employees and approximately 273 part time faculty and staff employees each semester.

The main campus in Gilroy rests against the foothills that form the western boundary of the Santa Clara Valley. The district is 35 miles south of San Jose, 80 miles south of San Francisco, and 40 miles northeast of the Monterey Coast. The main campus was initially master-planned to accommodate an enrollment of 5,000 students and rests on a 150-acre site that has been carefully planned to take advantage of the beautiful, natural and tranquil setting.

Gavilan College offers a lower division college program that prepares students for transfer to a four-year college or university. The college also offers a variety of technical, occupational and pre-professional courses of study that lead to employment. As of May 2025, students can choose among 133 degrees and certificates, including 30 Associate Degrees for Transfer (ADTs) which provides a direct pathway for students to transfer into the California State University system. Gavilan Joint Community College District serves residents of the Gilroy Unified, Morgan Hill Unified, Aromas-San Juan Unified, and San Benito Joint Union High School Districts. The district comprises of approximately 2,700 square miles in southern Santa Clara County and a large portion of San Benito County (see map).



**Provided by Public Information Office*

San Benito County

San Benito County is located at the southern end of Santa Clara Valley between the Gavilan and Diablo Mountain Ranges. San Benito County is a 1,396 square mile section bordered by Fresno, Merced, Monterey, and Santa Clara Counties. San Benito County's population has been increasing steadily. San Benito has a varied economic base dominated by government, retail trade, and manufacturing industries. Agriculture, by acreage, is San Benito County's most prominent industry with fertile valley soil supporting some of the most productive farmland in the state. The total population of San Benito County in 2025 is 70,082, with approximately 45,355 residents residing in the Hollister limits.

Gilroy

Gilroy is located in southern Santa Clara County and is comprised of 9,376 acres of land located 30 miles south of San Jose and 15 miles northwest of Hollister. Gilroy developed from a rural, agricultural community to a community composed of agriculture, manufacturing, and service industries, along with many commuters to Silicon Valley. Growth in Gilroy has centered on high tech software and support industries as well as several manufacturing and production industries. Gilroy's industrial base includes for sophisticated food processing, high tech software and semiconductors, wood, paper and metal fabrication and wine production. Gilroy's estimated population in 2025 is 60,764.

Morgan Hill

Morgan Hill is located at the southern end of Santa Clara Valley and is 13 miles north of the College. Morgan Hill is 10 miles south of San Jose and 70 miles south of San Francisco. The city limits of Morgan Hill cover approximately 12 square miles. Morgan Hill's desirable location has made the city one of the fastest growing communities in Santa Clara County. Morgan Hill's population was estimated at 46,000 for 2025. There are approximately 7,280 residents in San Martin, Morgan Hill's Southern neighbor.

Coyote Valley

Coyote Valley is north of Morgan Hill and South of Bernal Road in San Jose. Coyote Valley resides within the Gavilan College service area. Classes were held for the first time at this location in the spring of 2017. This site is currently the home of the South Bay Regional Police Academy and JPA.

Accreditation

Gavilan College is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges. Gavilan College went through the accreditation process in March 2025. The Commission has affirmed the district's accreditation for seven years.

Programs and Services

Gavilan College offers an associate of arts degree, an associate of science degree, certificate programs, and comprehensive student support services. Transfer agreements exist between the University of California and California State systems, and the college has completed associate degrees for Transfer (ADTs) per state requirements. These agreements allow students to complete the first two years of a four-year college program at Gavilan. Certificate and career programs are also offered to provide instruction in the skills and knowledge needed to enter a skilled or semi-professional occupation.

Ill. BUDGET DEVELOPMENT at GAVILAN COLLEGE

Introduction

Gavilan College is subject to the provisions of the California Code of Regulations and other laws that regulate the operations of public agencies. The California Code of Regulations requires that the governing board of a public agency adopt a Tentative Budget on or before July 1 and an Adopted Budget no later than September 15 of each year.

This Budget is prepared to comply with the California Code of Regulations. The governing board and district administration uses it in planning for the district's operations for the fiscal year period July 1, 2025, through June 30, 2026. This budget uses assumptions to develop revenue and expenditure projections. The assumptions are based upon information from the May Revise, California Community Colleges Chancellor's Office, and judgments made by district staff and The Planning Integrated Program Review and Resource Allocation Process (PIPR-RAP) Committee as to the financial implications of anticipated district operations.

The Board of Trustees provides budget guidance to the Superintendent/President who in turn formulates goals and objectives for the operating divisions. The board communicates its goals and objectives to the Superintendent/President. The three-year Strategic Plan and the Educational Master Plan are used to implement actions necessary to accomplish the board's goals and the goals identified during the annual planning process at the college. The Board of Trustees adopts a Budget Calendar each year. Budget guidelines are also adopted annually and are used to provide specific directions regarding the allocation of resources to ensure the objectives of the Strategic Plan are achieved. In addition to the governing board's actions, the district's internal participatory governance process operates concurrently to inform all members of the district constituencies about resources expected and allocations of resources consistent with the Strategic Plan, goals, mission, and the Board's Budget Guidelines. The PIPR-RAP Committee is provided full information about the district's operations and financial position.

College Planning, Program Planning, Program Review, and Resource Allocation

College planning at Gavilan College is a complex, dynamic process that integrates multiple stakeholders, goals, and resources to ensure the alignment of the college's mission, vision, and values with its programs and activities. The college's strategic plan provides the framework for decision-making and resource allocation, outlining broad objectives and allowing the administration to define specific implementation activities and measure their effectiveness. However, a strategic plan alone is not sufficient to ensure that the college's programs and activities align with institutional goals and priorities. A systematic and transparent mechanism is necessary for reviewing, evaluating, and funding these programs and activities. This is where the Planning Integrated Program Review and Resource Allocation Process (PIPR-RAP) plays a crucial role.

The fundamental purpose of the PIPR-RAP process is to maintain and improve the effectiveness of every college program and service based on systematic assessment results. The ultimate beneficiaries of this integrated planning and review process are the students and the broader community served by the college.

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PIPR-RAP Process Overview

Program Review:

Every three years, all programs and units at the college must submit a comprehensive program review report. This report includes an assessment of the program's goals, activities, achievements, challenges, and resource needs, along with an action plan for improvement. The program review process supports the creation of a three-year plan, institutional and program improvement through self-study, peer review, and compliance with accreditation and board policies. The PIPR-RAP committee reviews these reports, providing feedback and recognizing accomplishments while using the data to inform future resource allocation decisions.

Resource Allocation:

The PIPR-RAP committee uses the program review reports and action plans to identify and prioritize programs and activities that align with the college's strategic plan. An inclusive budget process, which incorporates input from various stakeholders and considers data such as student learning outcomes, enrollment trends, and labor market needs, guides resource allocation recommendations. The PIPR-RAP Resource Ranking Rubric further assists in evaluating requests by assessing goal alignment with the college's mission and strategic plan and the specificity, measurability, achievability, relevance, and timeliness (SMARTness) of the proposed goals.

Committee Composition:

The PIPR-RAP committee is composed of representatives from various college constituencies, including four professional support staff representatives, four faculty members, two associated student body representatives, four administrative representatives (including the Vice President of Administrative Services), two director/confidential representatives, and ex-officio members such as the Institutional Researcher and Vice President of Academic Affairs. This diverse membership ensures broad representation and input across the college community.

Implementation:

Upon approval of the budget and resource allocation by the College Council, funded programs and units are expected to implement their action plans according to specified timelines and deliverables. These programs must document progress and report any challenges that may affect their implementation.

Annual Update:

Programs and units are required to submit an annual update that evaluates their progress towards meeting their goals, adjusting their action plans as necessary. This continuous assessment ensures that the college's resources are effectively utilized to support student success and institutional goals.

The PIPR-RAP committee plays a vital role in ensuring that the college’s resources are allocated fairly and effectively, fostering a culture of continuous improvement and accountability. By creating living documents that provide comprehensive planning and review data accessible to all stakeholders, the PIPR-RAP process ensures program leadership continuity and supports the integrated planning process. This approach ultimately enhances the quality and relevance of the college’s programs and services, aligning them with strategic goals and improving overall institutional effectiveness. The committee's report and executive summary are included in the appendix.

IV. BUDGET ASSUMPTIONS: Unrestricted General Funds

The Fiscal Office has prepared this Tentative Budget and a five-year budget projection using the most recent information available from the California Community Colleges Chancellor's Office, School Services of California, and internal estimates for local revenues.

Unrestricted General Fund revenue is primarily based on the Student-Centered Funding Formula (SCFF) along with other state and local revenue sources. Expenditure projections are based on current data related to District obligations.

Description	2025-26	2026-27	2027-28	2028-29	2029-30
Cost-of-living adjustment (COLA)	2.30%	4.31%	3.06%	3.34%	3.14%
Growth Funding	2.35%	1.50%	TBD	TBD	TBD
Defitic Factor	0.00%	0.00%	0.50%	0.50%	0.50%
FTES Projections	5,347	5,454	5,563	5,674	5,788
Employee Compensation Step/Column/Longevity Increase	1%	1%	1%	1%	1%
Employee Compensation Negotiated Increase FT Faculty, CSEA and MSC	4.50%	3.31%			
Employee Compensation Negotiated Increase PT Faculty	5.00%	3.81%			
One-Time Salary Compensation ($ per employee)	$4,000.00	$4,000.00			
Increase Operating Cost by California Price Index (CPI)	3.37%	3.08%	2.75%	2.68%	2.74%
Increase Utilities	7%	7%	7%	7%	7%
Lottery Revenue Projections Unrestricted Lottery per FTES	$190.00	$190.00	$190.00	$190.00	$190.00
Lottery Revenue Projections Prop 20 Revenue per FTES	$82.00	$82.00	$82.00	$82.00	$82.00
Mandate Block Grant per FTES	$36.46	$37.34	$38.48	$39.77	$41.02
Interest Rate for Ten-Year Treasuries	4.23%	4.36%	4.50%	4.40%	4.50%
CalSTRS Employer Rate	19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.81%	26.40%	26.90%	26.10%	25.30%
Unemployment Insurance Rate	0.05%	0.05%	0.05%	0.05%	0.05%
State Minimum Wage	$16.90	$17.40	$17.90	$18.40	$18.90

Revenue Assumptions

The District has held FTES (Full-Time Equivalent Students) targets constant over the five-year projection period, as enrollment levels have largely returned to pre-pandemic figures. Despite a 4.31% funded growth rate provided by the State for FY 2026-27, Gavilan continues to have unfunded FTES, and therefore the emphasis remains on student retention overgrowth. Projections for FTES and State COLA have been input into the state's SCFF calculator to estimate annual apportionment revenue.

Lottery Income is projected into two categories: unrestricted and restricted. While restricted lottery revenues are recorded in the Restricted General Fund, the unrestricted portion—currently projected at $190 per FTES—is included in this Tentative Budget under the Unrestricted General Fund.

Restricted General Fund

The Restricted General Fund encompasses categorical and grant-funded programs that are legally or contractually designated for specific purposes. Budgets for these programs are developed based on allocation assumptions provided by the California Community Colleges Chancellor's Office.

In the Governor's May Revision for the 2026-276 fiscal year, a 4.31% cost-of-living adjustment (COLA) is proposed for select categorical programs, including Adult Education, Extended Opportunity Programs and Services (EOPS), Disabled Student Programs and Services (DSPS), CalWORKs, Apprenticeship, and Campus Child Care Support.

Budgets for these restricted funds are updated throughout the fiscal year as final allocation notices and grant awards are received.

Expenditure Budget Assumptions

The most significant expenditure category for the District continues to be personnel costs.

Consistent with its long-standing commitment to maintaining a stable and permanent workforce, Gavilan Joint Community College District prioritizes personnel as a core component of its budget strategy. In the 2025–26 fiscal year, an estimated 76% of the Unrestricted General Fund budget is allocated to salaries and associated benefits.

For the 2026-27 Tentative Budget, personnel expenditures from the Unrestricted General Fund are projected at $43,219.937, This figure includes cost of negotiated compensation of COLA minus 1%, step and column advancements, planned retirements, employee separations, and the continuation of recently approved positions. The table below outlines the Full-Time Equivalent (FTE) positions included in this budget. A more detailed listing by department is provided in the appendix.

Full-Time Equivalent Positions	F100	F270	F260	F590	F660	F800	Total
Full-Time Instruction	57.30	1.80					59.10
Full-Time Counselors	4.30	14.50					18.80
Full-Time Librarian	2.00						2.00
Full-Time Coordinator	1.00						1.00
Full-Time Faculty Reasignment	2.90	1.20					4.10
Total Faculty	**67.50**	**17.50**	**0.00**	**0.00**	**0.00**	**0.00**	**85.00**
Full-Time Classified	80.61	37.07	7.10	1.50	0.50	2.60	129.38
Full-Time Instructional Aides	9.50	2.00					11.50
Total Classified	**90.11**	**39.07**	**7.10**	**1.50**	**0.50**	**2.60**	**140.88**
Administrators and Deans	9.00	2.00					11.00
Management	10.00	6.00		1.00		1.00	18.00
Supervisors and Confidentials	19.10	0.90	1.00				21.00
Total MSC	**38.10**	**8.90**	**1.00**	**1.00**	**0.00**	**1.00**	**50.00**
Total for FY2026-2027 Budget	**195.71**	**65.47**	**8.10**	**2.50**	**0.50**	**3.60**	**275.88**

- The personnel budget also includes estimates for healthcare premiums—covering medical, dental, and vision insurance—as well as statutory benefit contributions. The Public Employees' Retirement System (CalPERS) employer rate has decreased to 26.40%, while the State Teachers' Retirement System (CalSTRS) rate remains at 19.10%.

- The Adjunct/Overload budget supports the class schedule needed to meet the District's FTES targets and to generate any additional FTES for budgeted growth and access. Adjustments to this budget line are made annually based on changes in FTES demand and the availability of full-time faculty.

- Fixed expenditures encompass ongoing operational costs, including software licenses, utility expenses (electricity, gas, water, telecom, and waste disposal), and partnership payments such as those associated with additional FTES generated through the South Bay Regional Public Safety Training Consortium.

V. 5 YEAR BUDGET PROJECTIONS

The 5-Year Budget Projections for the ongoing Unrestricted General Fund (Fund 100) outlines the anticipated financial outlook from fiscal year 2025-2026 through 2029-2030. These projections are based on the most current data, including revenue and expenditure forecasts that reflect the District's ongoing commitments and strategic financial planning. The primary source of revenue continues to be the Student-Centered Funding Formula (SCFF), with projected revenues steadily increasing over the five-year period. The SCFF Total Computational Revenue (TCR) is expected to grow from $49.2 million in 2025-26 to $56.9 million by 2029-30. While these are only projections, the District has prudently incorporated a deficit factor, acknowledging potential shortfalls in state funding, which reduces the net SCFF revenue in future years. Other state and local revenues are projected to remain relatively stable. Expenditure projections have been developed with careful consideration of the District's obligations, with academic and non- instructional salaries, along with employee benefits, constitute the majority of expenditures, reflecting the District's commitment to compensation. The total expenditures, including transfers out, are expected to increase from $52.5 million in 2025-2026 to $59.6 million in 2029-30.

Fund Balance and Reserves:

The reserve percentage of unrestricted general fund expenditures is projected to remain healthy, hovering around 18-22%, which exceeds the Government Finance Officers Association (GFOA) recommended minimum reserve level of 17%.

The fund balance serves as a snapshot of the District's financial standing at the close of the fiscal year. As of June 30, 2026, the projected ending fund balance for the Gavilan Joint Community College District is anticipated to be $15,041,327. Within this sum, the Board has set aside a designated reserve of 17%, $11,677,639. When this balance rolls over into the beginning of the 2026-27 fiscal year, it is classified as "one-time" funds. One-time funds are unspent monies at the conclusion of a fiscal year, originating from budgetary savings and unallocated funds. These funds are not expected to recur in future years. Utilizing one-time funds for ongoing operational costs, such as salaries and benefits for permanent staff, is not considered financially prudent. Instead, these funds are more appropriately allocated for one-time projects or expenditures, ensuring that the District maintains long-term financial sustainability.

Adherence to Budget Guidelines:

These 5-year projections have been carefully developed to align with the 19 budget guidelines set forth by the Board of Trustees. The projections meet all legal, financial, and statutory requirements and reflect a commitment to reducing structural deficits, maintaining financial stability, and ensuring equity in resource allocation. The budget also considers all known and projected increases in fixed costs, including salaries, benefits, and pension rates, while avoiding long-term commitments with one-time funds. Additionally, the District remains committed to maintaining unrestricted reserves of at least two months of total operating expenditures, in line with best practices for financial contingencies.

To provide transparency and context, the Board-approved Budget Guidelines will be included in the appendix of this budget book. These guidelines have served as a foundation for the budget development process, ensuring that all financial decisions are aligned with the District's goals and long-term sustainability.

Gavilan Joint Community College District
5 - YEAR BUDGET PROJECTIONS

Fund 100 - Unrestricted General Fund (Ongoing)

	Estimated Actuals 2025-26	Tentative Budget 2026-27	Projected Budget 2027-28	Projected Budget 2028-29	Projected Budget 2029-30
Revenues:					
SCFF Calculated Revenue	$ 49,118,458	$ 51,428,744	$ 53,004,461	$ 54,815,811	$ 56,597,054
Other State Revenues	3,812,062	3,278,455	3,363,104	3,451,356	3,543,377
Other Local Revenues	1,727,289	1,908,862	1,948,342	1,989,796	2,033,323
Total Revenues & Transfers	**$ 54,657,808**	**$ 56,616,061**	**$ 58,315,907**	**$ 60,256,962**	**$ 62,173,753**
Expenditures:					
1000: Academic Salaries	$ 17,565,766	$ 17,977,340	$ 18,379,674	$ 18,853,003	$ 19,245,844
2000: Non-Instructional Salaries	10,992,473	12,572,441	12,936,459	13,320,589	13,619,624
3000: Employee Benefits	11,991,985	12,670,156	12,973,494	13,374,128	13,626,765
4000: Books and Supplies	980,827	584,586	600,662	616,760	633,659
5000: Other Operating Expenses	8,937,178	9,062,029	9,487,386	9,989,466	10,787,313
6000: Capital Outlay	2,056,740	1,492,034	1,527,391	1,665,296	1,705,089
7000: Other Outgo	-	-	0	-	-
7000: Transfers Out	2,028,609	2,172,350	2,262,193	2,384,435	2,520,129
Total Expenditures &Transfers	**$ 54,553,577**	**$ 56,530,936**	**$ 58,167,259**	**$ 60,203,677**	**$ 62,138,423**
Compensation as a % of Unrestricted General Fund Expenditures & Ongoing Transfers	*77%*	*76%*	*76%*	*76%*	*75%*
Net Change to Fund Balance	**104,231**	**85,125**	**148,648**	**53,285**	**35,330**
Beginning Fund Balance	**17,119,216**	**15,041,327**	**12,709,992**	**12,858,641**	**12,911,926**
One-Time Transfer from Fund Balance	***(2,182,120)***	***(2,416,460)***	***0***	***0***	***0***
Ending Fund Balance	**$ 15,041,327**	**$ 12,709,992**	**$ 12,858,641**	**$ 12,911,926**	**$ 12,947,256**
Unrestricted General Fund Expenditures & Transfers	*56,735,697*	*58,947,396*	*58,167,259*	*60,203,677*	*62,138,423*
Restricted General Fund Expenditures &Transfers	*11,956,296*	*12,110,986*	*12,232,096*	*12,354,417*	*12,477,961*
Total General Fund Expenditures & Transfers	*68,691,993*	*71,058,382*	*70,399,355*	*72,558,094*	*74,616,384*
Ending Fund Balance as a % of General Fund Expenditures & Transfers	*22%*	*18%*	*18%*	*18%*	*17%*
Board Approved 17% Requirement	***11,677,639***	***12,079,925***	***11,967,890***	***12,334,876***	***12,684,785***
Committed Fund Balance	***2,416,460***				
Uncommitted Fund Balance	***947,228***	***630,067***	***890,751***	***577,050***	***262,470***

VI. UNRESTRICTED GENERAL FUND

The Unrestricted General Fund is designated to account for resources available for the general purposes of District operations and support of its education programs. The primary revenue source for the Unrestricted General Fund budget is apportionment revenue. It is a combination of student enrollment fees, local property taxes and state apportionment revenue.

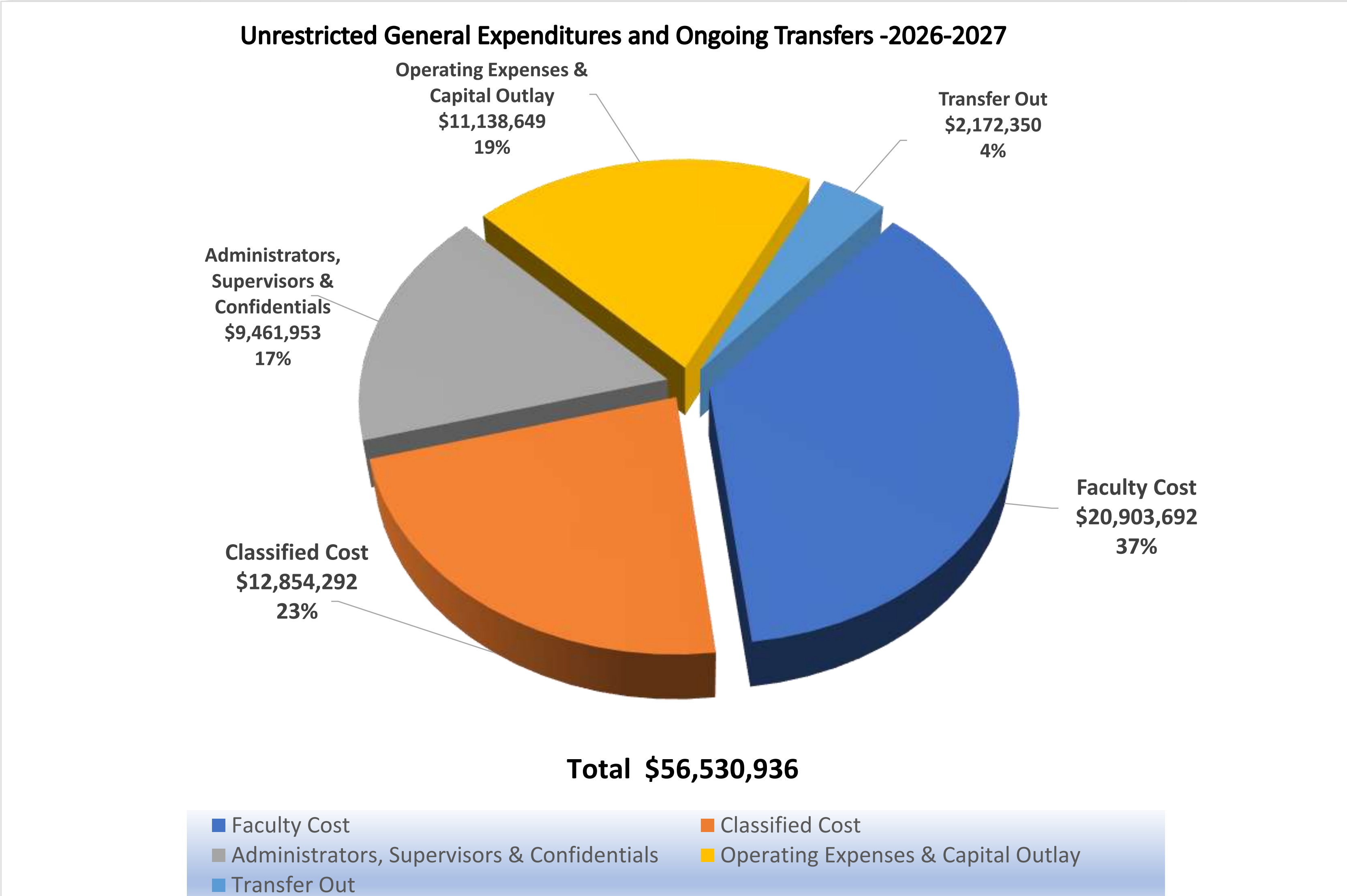
The revenue budget for apportionment under the Student - Centered Funding Formula is based on a combination of

1) Base Allocation, which primarily factors Credit FTES (70% statewide). The base allocation is based on Credit FTES funded on a 3 - year average FTES. In addition, Non Credit and Special Admit FTES are funded at higher rates and the counts are funded based on the current year.
2) Supplemental Allocation, which counts low - income students (20%). The Student Success Allocation is also funded on a 3 - year average.
3) Student Success Allocation, which counts outcomes related to the Vision for Success, with allocations for outcomes of low - income students (10%).

Unrestricted General Fund revenue increased over the prior fiscal year, largely due to the State-applied COLA of 2.3%. Other revenue sources include Lottery funds, mandated cost reimbursements, non-resident tuition, rental income from the Coyote Campus (leased by the South Bay Regional Public Safety Consortium), and allocations for full-time and part-time faculty.

Also reflected in the budget is a non-cash accounting entry of $1,045,641 for State Teachers' Retirement System (STRS) on-behalf payments. This amount represents a portion of STRS contributions made directly by the state on behalf of the District. Although these payments are neither received nor disbursed by Gavilan, a 2016 accounting advisory from the California Community Colleges Chancellor's Office requires the District to record an equal revenue and expenditure entry to reflect the state's contribution in its financial statements. This entry ensures alignment with governmental accounting standards but has no impact on the District's available operating resources. The unrestricted general fund expenditure is based upon data currently available relating to District obligations.

The following pie charts present a graphic picture of the Unrestricted General Fund expenditures broken out by the major account groups.


Unrestricted General Expenditures and Ongoing Transfers -2026-2027
Operating Expenses & Capital Outlay $11,138,649 19%
Transfer Out $2,172,350 4%
Administrators, Supervisors & Confidentials $9,461,953 17%
Faculty Cost $20,903,692 37%
Classified Cost $12,854,292 23%
Total $56,530,936
Faculty Cost
Classified Cost
Administrators, Supervisors & Confidentials
Operating Expenses & Capital Outlay
Transfer Out

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Consolidated Unrestricted General Fund (Ongoing + One-time)

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ -	$ -	$ -
8600 - State Revenues	$ 20,067,290	$ 22,968,998	$ 23,915,622	$ 24,738,978
8800 - Local Revenues	34,325,577	31,475,907	30,742,187	31,877,083
8900 - Transfers In	-	-	-	-
Total Revenues & Transfers	**$ 54,392,868**	**$ 54,444,905**	**$ 54,657,808**	**$ 56,616,061**
Expenditures:				
1000: Academic Salaries	$ 16,793,640	$ 19,213,010	$ 18,645,666	$ 19,305,340
2000: Non-Instructional Salaries	8,876,117	11,592,473	11,435,613	13,260,441
3000: Employee Benefits	11,291,541	12,360,085	12,168,548	13,070,616
4000: Books and Supplies	578,150	726,977	980,827	584,586
5000: Other Operating Expenses	8,433,400	10,968,618	9,466,719	10,605,169
6000: Capital Outlay	1,953,952	1,360,948	2,056,740	1,492,034
7000: Other Outgo	-	-	-	149,864
7000: Transfers Out	1,969,485	2,034,884	2,028,609	2,172,350
Total Expenditures &Transfers	**$ 49,896,286**	**$ 58,256,995**	**$ 56,782,721**	**$ 60,640,400**
Net Change to Fund Balance	**4,496,581**	**(3,812,090)**	**(2,124,913)**	**(4,024,339)**
Beginning Fund Balance	**20,262,663**	**20,859,244**	**20,859,244**	**16,734,331**
Adjustment	-	-	-	-
One-Time Transfer from Fund Balance	***(3,900,000)***	***(2,000,000)***	***(2,000,000)***	***0***
Ending Fund Balance	**$ 20,859,244**	**$ 15,047,154**	**$ 16,734,331**	**$ 12,709,992**

Ending Fund Balance	**2025-26**	**2026-27**
Board Approved 17% Requirement	**11,677,639**	**12,079,925**
Committed for 26/27 One-time Salary	**2,416,460**	**0**
Total Reserves	**14,094,099**	**12,079,925**
Uncommitted Fund Balance	**$ 953,056**	**$ 630,068**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 100 - Unrestricted General Fund (Ongoing)

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ -	$ -	$ -
8600 - State Revenues	$ 20,067,290	$ 22,968,998	$ 23,915,622	$ 24,738,978
8800 - Local Revenues	34,325,577	31,475,907	30,742,187	31,877,083
8900 - Transfers In	-	-	-	-
Total Revenues & Transfers	**$ 54,392,868**	**$ 54,444,905**	**$ 54,657,808**	**$ 56,616,061**
Expenditures:				
1000: Academic Salaries	$ 16,278,800	$ 17,925,010	$ 17,565,766	$ 17,977,340
2000: Non-Instructional Salaries	8,651,170	10,992,473	10,992,473	12,572,441
3000: Employee Benefits	11,213,776	11,991,985	11,991,985	12,670,156
4000: Books and Supplies	571,204	726,977	980,827	584,586
5000: Other Operating Expenses	8,433,400	8,895,937	8,937,178	9,062,029
6000: Capital Outlay	1,933,579	1,360,948	2,056,740	1,492,034
7000: Other Outgo & Transfers Out	1,969,485	2,034,884	2,028,609	2,172,350
Total Expenditures &Transfers	**$ 49,051,414**	**$ 53,928,214**	**$ 54,553,577**	**$ 56,530,936**
Net Change to Fund Balance	**5,341,453**	**516,691**	**104,231**	**85,125**
Beginning Fund Balance	**17,177,763**	**17,119,216**	**17,119,216**	**15,041,327**
Adjustment to Beginning Fund Balance	-	-	-	-
One-Time Transfer from Fund Balance	***(5,400,000)***	***(2,556,100)***	***(2,182,120)***	***(2,416,460)***
Ending Fund Balance	**$ 17,119,216**	**$ 15,079,807**	**$ 15,041,327**	**$ 12,709,992**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 110 - Unrestricted General Subfund (ECA One-Time)

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ -	$ -	$ -
8600 - State Revenues	-	-	-	-
8800 - Local Revenues	-	-	-	-
8900 - Other Revenues	-	-	-	
8900 - Transfers In	$ -	$ -	$ -	$ -
Total Revenues & Transfers	**$ -**	**$ -**	**$ -**	**$ -**
Expenditures:				
1000: Academic Salaries	$ -	$ -	$ -	$ -
2000: Non-Instructional Salaries	-	-	-	-
3000: Employee Benefits	-	-	-	-
4000: Books and Supplies	-	-	-	-
5000: Other Operating Expenses	-	-	-	-
6000: Capital Outlay	-	-	-	-
7000: Other Outgo	-	-	-	-
7000: Transfers Out	-	-	-	-
Total Expenditures &Transfers	**$ -**	**$ -**	**$ -**	**$ -**
Net Change to Fund Balance	**0**	**0**	**0**	**0**
Beginning Fund Balance	**2,000,000**	**2,000,000**	**2,000,000**	**-**
Adjustment	-	-	-	-
One-Time Transfer from Fund Balance	***0***	***(2,000,000)***	***(2,000,000)***	***-***
Ending Fund Balance	**$ 2,000,000**	**$ -**	**$ -**	**$ -**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 111&115 - Unrestricted General Subfund - One-Time Fund

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8900 - Transfers In	$ -	$ -	$ -	$ -
Total Revenues & Transfers	**$ -**	**$ -**	**$ -**	**$ -**
Expenditures:				
1000: Academic Salaries	$ 514,840	$ 1,288,000	$ 1,079,900	$ 1,328,000
2000: Non-Instructional Salaries	224,948	600,000	443,140	688,000
3000: Employee Benefits	77,766	368,100	176,563	400,460
4000: Books and Supplies	6,945	-	-	-
5000: Other Operating Expenses	-	2,072,681	529,541	1,543,140
6000: Capital Outlay	20,373	-	-	-
7000: Other Outgo	-	-	-	149,864
7000: Transfers	-	-	-	-
Total Expenditures &Transfers	**$ 844,872**	**$ 4,328,781**	**$ 2,229,144**	**$ 4,109,464**
Net Change to Fund Balance	**(844,872)**	**(4,328,781)**	**(2,229,144)**	**(4,109,464)**
Beginning Fund Balance	**1,084,900**	**1,740,028**	**1,740,028**	**1,693,004**
Adjustment	-	-	-	-
One-Time Transfer from Fund Balance	***1,500,000***	***2,556,100***	***2,182,120***	***2,416,460***
Ending Fund Balance	**$ 1,740,028**	**$ (32,653)**	**$ 1,693,004**	**$ 0**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 100 - Unrestricted General Fund (Ongoing)

Expenditures & Transfers by Object Category		Tentative Budget 2026-27	% of Total
1100 - Instructional Salaries, Contract or Regular Status		7,171,282	
1200 - Noninstructional Salaries, Contract or Regular Status		3,414,548	
1300 - Instructional Salaries, Other		6,586,528	
1400 - Noninstructional Salaries, Other		804,982	
1000 - Academic Salaries Total	**$**	**17,977,340**	**30%**
2100 - Noninstructional Salaries, Regular Status		10,859,223	
2200 - Instructional Aides, Regular Status		697,892	
2300 - Noninstructional Salaries, Other		607,616	
2400 - Instructional Aides, Other		407,710	
2000 - Classified Salaries Total	**$**	**12,572,441**	**21%**
3100 - Retirement Benefits		6,894,149	
3300 - Medicare & Social Security		1,317,399	
3400 - Health and Welfare Benefits		3,675,775	
3500 - State Unemployment Insurance (UI)		150,757	
3600 - Workers' Compensation Insurance (WC)		403,025	
3700 - Local/Alternative Retirement Systems		229,051	
3000 - Employee Benefits Total	**$**	**12,670,156**	**21%**
4200 - Books, Magazines and Periodicals		0	
4300 - Instructional Supplies and Materials		0	
4400 - Noninstructional Supplies and Materials		584,586	
4000 - Supplies & Materials Total	**$**	**584,586**	**1%**
5100 - Utilities and Housekeeping Services		2,132,527	
5200 - Professional, Contract and Consulting Services		4,558,691	
5300 - Repairs and Maintenance		385,113	
5400 - Dues and Membership		178,298	
5500 - Travel and Conference Expenses		336,528	
5600 - Rents and Leases		333,139	
5800 - Audit, Insurance and Legal Services		696,793	
5900 - Other Operating Expenses		395,940	
5000 - Other Operating Expenses Total	**$**	**9,062,029**	**15%**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 100 - Unrestricted General Fund (Ongoing)

Expenditures & Transfers by Object Category		Tentative Budget 2026-27	% of Total
6100 - Land and Land Improvements		0	
6200 - Buildings and Buildings Improvements		0	
6300 - Library Books		0	
6400 - Equipment		1,492,034	
6000 - Capital Outlay Total	**$**	**1,492,034**	**3%**
7215 - Intrafund Transfers to F115		2,416,460	
7226 - Intrafund Transfers to F260		1,048,421	
7227 - Intrafund Transfers to F270		607,172	
7361 - Interfund Transfers to F610		486,566	
7366 - Interfund Transfers to F660		30,191	
7000 - Other Outgo Total	**$**	**4,588,810**	**8%**
Grand Total - Total Expenditures & Transfers	**$**	**58,947,396**	**100%**

VII. RESTRICTED GENERAL FUND

The Restricted General Fund programs are established for the purpose of providing specialized services. The Restricted General Fund is used to account for resources available for the operation and support of the educational programs that are specifically restricted by laws, regulations, donors, or other outside agencies as to their expenditure. Restricted monies are generally from an external source that requires the monies be used for specific purposes, such as grants and state categorical funding.

Examples of restricted sources of monies include Title V Grant, MESA Grant, Extended Opportunity Programs (EOPS, Student Equity and Achievement Program (SEAP, Disabled Student Programs and Services (DSPS, Strong Workforce, Federal Work-Study Programs, Retention and Enrollment Outreach, Basic Needs, Parking (Includes parking permits, and parking citation revenue and Health Service.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ 3,588,667	$ 2,827,849	$ 804,777	$ 1,172,245
8600 - State Revenues	15,521,692	27,896,667	13,855,538	23,175,480
8800 - Local Revenues	775,952	1,284,385	845,125	966,638
8900 - Other Revenues	1,090,469	578,259	1,115,550	1,115,550
8900 - Transfers In	652,527	348,683	578,259	399,000
Total Revenues & Transfers	**$ 21,629,307**	**$ 32,935,843**	**$ 17,199,249**	**$ 26,828,913**
Expenditures:				
1000: Academic Salaries	$ 3,425,104	$ 3,858,480	$ 3,415,229	$ 4,362,229
2000: Non-Instructional Salaries	4,200,842	5,092,373	4,088,280	5,323,249
3000: Employee Benefits	3,277,720	4,070,198	2,913,456	4,088,646
4000: Books and Supplies	782,811	1,834,164	549,821	1,834,164
5000: Other Operating Expenses	1,993,830	14,516,671	995,462	3,112,477
6000: Capital Outlay	1,097,273	3,559,593	875,504	3,273,631
7000: Other Outgo	401,711	-	410,000	420,000
7000: Transfers Out	5,950,640	1,261,058	4,333,779	5,288,929
Total Expenditures &Transfers	**$ 21,129,931**	**$ 34,192,537**	**$ 17,581,531**	**$ 27,703,325**
Net Change to Fund Balance	**499,376**	**(1,256,694)**	**(382,282)**	**(874,412)**
Beginning Fund Balance	**757,318**	**1,256,694**	**1,256,694**	**874,412**
Ending Fund Balance	**$ 1,256,694**	**$ -**	**$ 874,412**	**$ (0)**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Estimated Actuals 2025-26	Tentative Budget 2026-27
Feredal			
121007 Federal College Work Study	$ 92,909	$ 140,000	$ 161,371
121011 Fresh Success	331,902	333,362	331,902
121050 National Science Foundation FY25	71,903	76,090	-
121014 Perkins Title 1C	165,645	165,645	165,645
271009 Perkins Non-Traditional Careers	100,000	100,000	100,000
121015 Title III HIS STEM 23-24	378,775	-	-
121016 Title III HIS STEM 24-25	728,904	309,242	-
121009 Temporary Assistance for Needy Families	50,112	50,112	50,112
121022 Title V- INICIO 23-24	489,460	-	-
121021 Title V- INICIO 24-25	114,644	420,159	65,197
121029 Title V - Juntos Avanzamos	723,835	239,573	-
121030 Workability	288,641	288,687	288,687
121031 Workability Reallottment	49,996	100,000	-
121034 VA Admin Allowance 23/24	-	1,646	5,222
121035 VA Admin Allowance 24/25	-	-	1,504
121036 VA Admin Allowance 25/26	-	-	1,500
121034 VA Admin Allowance 26/27	-	-	1,500
Total Federal	**$ 3,586,726**	**$ 2,224,515**	**$ 1,172,640**
State			
122006 Adult Education Program Prior Year	-	216,564	165,273
122005 Adult Education Program Current Year	1,778,709	1,663,496	1,847,057
122007 Basic Needs Center - FY22/23	169,038	-	-
122007 Basic Needs Center - FY23/24	199,723	37,386	-
122007 Basic Needs Center- FY26/27	-	-	252,639
122008 Basic Needs Center - FY24/25	-	238,341	-
122009 Basic Needs Center - FY25/26	-	168,945	83,694
272038 Board Financial Aid Program 2%	15,246	-	-

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Estimated Actuals 2025-26	Tentative Budget 2026-27
122044 Board Financial Aid Program 2%	-	2,500	132,938
122001 California College Promise Grant FY23/24	235,138	211,631	-
122002 California College Promise Grant FY24/25	-	16,120	477,852
122003 California College Promise Grant FY25/26	-	-	502,155
122010 CalWorks Santa Clara County	9,344	3,569	34,000
122011 CAlWorks State FY26/27	-	-	331,645
122012 CalWorks State FY24/25	35,771	286,110	-
122013 CalWorks State FY25/26	-	94,192	239,836
675527 CARES Act	108,047	-	-
122015 CARE Current Year	251,697	238,843	291,262
122047 Classified Professional Development FY18/19	-	-	23,537
122059 Common Course Numbering Implementation	-	-	913,043
122050 Covid-19 Recovery Block Grant FY22/23	834,518	-	270,617
122004 Culturally Competent Faculty PD	-	-	49,385
122017 Dream Resource Liaison Support FY23/24	71,784	-	-
122017 Dream Resource Liaison Support FY25/26	-	63,079	
122017 Dream Resource Liaison Support FY26/27	-	-	99,135
122018 Dream Resource Liason Support FY24/25	28,382	46,337	
122018 Dream Resource Liason Support FY25/26			36,056
122040 DSPS Current Year	932,442	810,300	1,107,370
122041 DSPS Prior Year	300,561	321,954	278,357
122048 - English Language Learner Healthcare Pathways	188,149	-	-
122049 - English Language Learner Healthcare Pathways	-	145,389	-
122019 EDD TAA Program	1,381	-	-
122020 EOPS Current Year	1,146,211	1,156,380	1,249,507
122021 EOPS Prior Year	30,748	4,613	93,127
122023 Equal Employment Opportunity 22/23	61,658	68,586	-
122024 Equal Employment Opportunity 23/24	-	24,536	114,352

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Estimated Actuals 2025-26	Tentative Budget 2026-27
122025 Equal Employment Opportunity 24/25	-	-	136,986
122026 Equal Employment Opportunity 25/26	-	-	138,888
12202 Equal Employment Opportunity 26/27	-	-	138,888
122051 Equal Employment Opportunity Best Practices	104,655	2,627	-
122028 Financial Aid Technology FY20/21	40,089	-	-
122028 Financial Aid Technology FY21/22	44,286	-	-
122028 Financial Aid Technology FY22/23	44,286	-	-
122028 Financial Aid Technology FY23/24	14,529	14,812	11,134
122029 Financial Aid Technology FY24/25		(42,500)	86,427
122030 Financial Aid Technology FY25/26	-	-	44,862
122031 Greater Avenues for Independence (GAIN)	147,000	147,000	147,000
122032 Guided Pathways FY22/23	48,468	32,502	-
122014 IEPI Partnership Resource Teams	152,927	28,870	18,203
122063 Instructional Equipment Allocation	44,334	120,056	335,610
122074 Juvenile Justice Program PY	204,387	331,641	726,297
648127 Learning Aligned Employment Program	35,419	-	-
122034 LGBTQ+ Support Funding PY	23,824	32,928	158,194
122035 LGBTQ+ Support Funding	-	-	50,093
122033 Local/Systemwide Technology & Data Security PY	-	88,553	964,118
122036 Local/Systemwide Technolgy & Data Security CY	465,956	-	175,000
122064 Lottery Prop 20 FY23	314,258	-	-
122064 Lottery Prop 20 FY24	163,837	351,673	315,560
122065 Lottery Prop 20 FY25	-	199,822	144,164
122066 Lottery Prop 20 FY26	-	-	414,688
122067 Lottery Prop20 FY27	-	-	322,688
122037 Mental Health Support - FY25/26	-	72,108	114,953
122038 Mental Health Support - FY24/25	71,817	112,133	-
122039 Mental Health Support- FY26/27	-	-	197,061

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Estimated Actuals 2025-26	Tentative Budget 2026-27
122042 MESA Grant FY25/26	-	-	410,656
122042 Mesa Grant FY26/27 CY	-	-	280,000
122043 MESA Grant FY24/25 PY	-	546,326	381,388
122043 MESA Grant - Prior Year Carryover	342,627	496,345	381,388
122060 Next Up Grant FY23/24	26,836	-	-
122060 Next Up Grant FY24/25	167,242	31,858	-
122060 Next Up Grant CY			203,000
122061 Next Up Grant FY25/26	-	110,931	-
122061 Next Up Grant PY	-	-	92,818
122053 Nursing Enrollment & Retention Grant PY	127,617	59,312	52,118
122052 Nursing Enrollment & Retention Grant CY	-	38,500	90,618
122100 Puente Project	63,405	-	96,057
122057 Rapid Rehousing FY23/24	8,711	-	-
122058 Rapid Rehousing Prior Year	436,414	248,684	253,173
122057 Rapid Rehousing Current Year	-	211,586	464,759
122088 Regional Equity & Recovery Partnerships	109,608	4,698	20,000
122090 Regional K-16 EducationCollabrative C1	8,056	3,485	42,959
122091 Regional K-16 EducationCollabrative C2	457	5,800	64,216
122054 Retention and Enrollment Outreach FY21/22	48,214	-	-
122054 Retention and Enrollment Outreach FY22/23	76,914	40,000	222,550
122055 Retention and Enrollment Outreach FY23/24	-	-	282,752
122070 Rising Scholars Network CY	245,752	134,831	156,657
122099 Seamless Transfer of Ethnic Studies	20,619	19,959	1,337
122075 Strong Workforce Program Local R8 FY23/24	737,105	-	-
122075 Strong Workforce Program Local R9 FY24/25	-	488,494	207,542
122076 Strong Workforce Program Local R10 FY25/26	-	-	748,917
122077 Strong Wrorkforce Program Local R11 FY26/27	-	-	748,917
122079 Strong Workforce Program Regional R8 FY23/24	268,232	141,596	-

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Estimated Actuals 2025-26	Tentative Budget 2026-27
122080 Strong Workforce Program Regional R9 FY24/25		287,552	114,068
122081 Strong Workforce Program Regional R10 FY25/26	-	-	449,754
122082 Strong Workforce Program Regional R11 FY26/27	-	-	449,754
122086 Student Equity & Achievement PY	1,039,423	841,264	245,000
122085 Student Equity & Achievement CY	1,279,598		1,292,394
122045 Student Financial Aid Administration (SFAA) FY23/24	81,896	-	-
122046 Student Financial Aid Administration (SFAA) FY24/25	331,922	3,062	-
122045 Student Financial Aid Administration (SFAA) FY25/26	-	142,048	102,104
122046 Student Financial Aid Administration (SFAA) FY26/27	-	-	244,152
122092 Student Food and Housing Support FY22/23	193,372	-	-
122092 Student Food and Housing Support FY23/24		138,629	-
122094 Student Success Completion Grant FY23/24	1,411,784	-	-
122094 Student Succes Completion Grant FY25/26	-	586,162	-
122095 Student Success Completion Grant FY24/25		637,907	-
122094 Student Success Completion Grant CY	-	-	1,177,232
122095 Student Success Completion Grant PY	-	-	591,070
122096 Student Transfer Achievement Reform Grant	93,277	329,301	172,639
122093 Veteran Resource Center	66,234	53,891	73,440
122097 Water Mgmt Apprenticeship Grant	41,951	124,268	75,732
122098 Zero Textbook Cost Program	56,238	297,861	157,523
122102 Program Pathways Mapper	-	-	40,000
122103 Dream Resource Cntr Emergency Fund (One-Time)	-	-	99,135
122104 Emergency Aid for CADAA (One-Time)	-	100,684	-
122105 Student Support Block Grant (One-Time)	-	33,241	297,987
122106 Credit for Prior Learning	-	-	50,000
Other State	69,997	-	-
999927 STRS On-behalf	603,897	608,897	340,000
Total State	**$ 16,717,345**	**$ 14,253,653**	**$ 25,534,048**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 270 - Restricted General Fund by Grant

	Audited Actuals 2024-25	Estimated Actuals 2025-26	Tentative Budget 2026-27
Local			
64XX27 CalWorks San Benito County	5,479	-	-
65XX27 CalWorks San Benito County	66,493	-	-
123015 EOPS - District Contribution	162,236	169,140	169,140
123002 Medi-Cal Admin Activities (MAA)	9,426	29,736	70,183
123006 MESA Grant - District Contribution	146,001	173,561	173,561
123009 San Benito County Jail	37,700	53,910	72,558
123004 San Jose State STEM Grant	36,550	181,231	118,219
123010 Silicon Valley Higher Education	22,355	-	7,134
123011 Step Up Innovation Mini Grant	-	2,125	-
123001 Health Fee Services	273,530	277,879	280,000
671627 Tipping Point Community Grant	62,413	-	-
123013 Water Pathway Grant 16/17	2,040	5,991	27,533
123014 Water Pathway Grant 17/18	-	-	74,799
123007 Substance Use Prevention Stipend	1,638	4,790	3,511
123022 Bend the Arc	-	5,000	
123024 AEC FTE Revenue	-	200,000	-
Total Local	**$ 825,861**	**$ 1,103,363**	**$ 996,638**
Total Restricted General Fund Expenditures	**$ 21,129,931**	**$ 17,581,531**	**$ 27,703,325**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 260 - Parking Fund

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8800 - Local Revenues	$ 98	$ -	$ -	$ -
8900 - Transfers In	947,843	881,611	998,496	1,048,421
Total Revenues & Transfers	**$ 947,941**	**$ 881,611**	**$ 998,496**	**$ 1,048,421**
Expenditures:				
2000: Non-Instructional Salaries	$ 562,328	$ 549,160	$ 553,962	$ 616,324
3000: Employee Benefits	350,725	353,258	291,958	370,208
4000: Books and Supplies	4,621	8,000	4,196	15,000
5000: Other Operating Expenses	30,169	405,828	82,285	544,619
6000: Capital Outlay	-	27,000	-	30,000
Total Expenditures &Transfers	**$ 947,843**	**$ 1,343,246**	**$ 932,401**	**$ 1,576,150**
Net Change to Fund Balance	**98**	**(461,635)**	**66,095**	**(527,729)**
Beginning Fund Balance	**461,537**	**461,635**	**461,635**	**527,730**
Ending Fund Balance	**$ 461,635**	**$ (0)**	**$ 527,730**	**$ 0**

VIII. CAPITAL OUTLAY FUND

Capital Projects Fund 340 is established to track major facility projects and equipment acquisitions. When there is a state facilities bond, the state partially or fully funds capital outlay projects based on a Five-Year Capital Construction plan submitted annually. The Educational and Facilities Master Plan for Gavilan Joint Community College District integrates the instructional program needs with the facilities necessary to achieve the instructional program requirements and provide direction to the capital construction activities.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 340 - Capital Outlay Projects

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ 5,109,130	$ 5,900,292	$ -
8600 - State Revenues		-		
8800 - Local Revenues	461,113	1,804,983	284,806.00	1,769,983
8900 - Transfers In	3,900,000	2,000,000	2,000,000	-
Total Revenues & Transfers	**$ 4,361,113**	**$ 8,914,113**	**$ 8,185,098**	**$ 1,769,983**
Expenditures:				
4000: Books and Supplies	$ 1,257	$ -	$ -	$ -
5000: Other Operating Expenses	866,814	-	-	-
6000: Capital Outlay	113,911	20,833,415	6,744,608	15,042,230
Total Expenditures &Transfers	**$ 981,982**	**$ 20,833,415**	**$ 6,744,608**	**$ 15,042,230**
Net Change to Fund Balance	**3,379,131**	**(11,919,302)**	**1,440,490**	**(13,272,247)**
Beginning Fund Balance	**8,937,298**	**11,831,757**	**11,831,757**	**13,272,247**
Ending Fund Balance	**$ 12,316,429**	**$ (87,545)**	**$ 13,272,247**	**$ (0)**

IX. GENERAL OBLIGATION BOND FUND

The general obligation bonds associated with Measure X were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds were authorized to be issued by a resolution adopted by the Board of Supervisors of Santa Clara County (the County Resolution), pursuant to a request of the Gavilan Joint Community College District (the District) made by a resolution adopted by the Board of Education of the District (the District Resolution).

The District received authorization at an election held on November 6, 2018, to issue bonds of the District in an aggregate principal amount not to exceed $248,000,000 to finance construction and modernization of certain District property and facilities, the acquisition of equipment, and to pay the costs of issuance associated with the Bonds.

The proposition required approval by at least 55% of the votes cast by eligible voters within the District. The Bond Construction Fund (Measure X) represents the authorized bond issuance of the Measure X Series 2018 A, Series 2018 A-1, Series 2018 B, and 2018 Series B-1.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Measure X - Consolidated by Project

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
Interest and Investment Income	$ 6,322,265	$ 2,136,588	$ 1,671,643	$ 660,000
Sales of Bond Proceeds	-	45,000,000	-	45,000,000
Total Revenues & Transfers	**$ 6,322,265**	**$ 47,136,588**	**$ 1,671,643**	**$ 45,660,000**
Expenditures:				
3101 - San Benito County Campus	$ 22,916,779	$ 1,450,042	$ 90,446	$ 1,359,596
3201 - Site Improvement, Security and Infra	6,679,248	10,895,268	2,516,082	8,507,785
3202 - Library and Student Resource Cente	10,527,472	49,184,247	34,015,386	16,266,994
3204 - STEM Center	88,214	36,480,704	885,673	36,026,412
3205 - Theater Modernization	-	20,191,847	85,093	20,106,754
3208 - Roofing Upgrade Project	2,326,919	285,055	119,391	165,664
3209 - Fire Alarm Panel Upgrade	-	3,492,622	2,220	3,490,402
3901 - IT Infrastructure	4,174,022	290,448	213,318	77,130
3995 - Debt Service	-	203,600	-	203,600
3997 - Program Contingency	(87,293)	6,400,570	-	6,400,571
3998 - Catastropic Contingency	-	-	-	-
3999 - Program Management, Planning and	1,165,513	2,529,856	781,166	1,781,050
Total Expenditures &Transfers	**$ 47,790,874**	**$ 131,404,259**	**$ 38,708,774**	**$ 94,385,959**
Net Change to Fund Balance	**(41,468,609)**	**(84,267,671)**	**(37,037,131)**	**(48,725,959)**
Beginning Fund Balance	**127,891,698**	**86,423,091**	**86,423,089**	**49,385,958**
Ending Fund Balance	**$ 86,423,089**	**$ 2,155,420**	**$ 49,385,958**	**$ 659,999**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 800 - Measure X - Series A

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
Interest and Investment Income	$ 93,201	$ -	$ -	$ -
Total Revenues & Transfers	**$ 93,201**	**$ -**	**$ -**	**$ -**
Expenditures:				
3101 - San Benito County Campus	$ -	$ -	$ -	$ -
3201 - Site Improvement, Security and Infrastruc	(5,750)	-	-	-
3202 - Library and Student Resource Center	10,080	-	-	-
3204 - STEM Center	-	-	-	-
3208 - Roofing Upgrade Project	82,963	-	-	-
3995 - Debt Service	-	-	-	-
3997 - Program Contingency	(87,293)	-	-	-
3999 - Program Management, Planning and Sup	58,754	-	-	-
Total Expenditures &Transfers	**$ 58,754**	**$ -**	**$ -**	**$ -**
Net Change to Fund Balance	**34,447**	**0**	**0**	**0**
Beginning Fund Balance	**(34,447)**	**-**	**-**	**-**
Ending Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 820 - Measure X - Series B

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
Interest and Investment Income	$ 740,009	$ 155,722	$ 160,959	$ 80,000
Total Revenues & Transfers	**$ 740,009**	**$ 155,722**	**$ 160,959**	**$ 80,000**
Expenditures:				
3101 - San Benito County Campus	$ 2,061,207	$ 174,054	$ 26,955	$ 147,099
3201 - Site Improvement, Security and Infrastruc	1,146,279	1,123,492	337,693	914,398
3202 - Library and Student Resource Center	1,834,927	2,835,723	2,212,370	623,353
3208 - Roofing Upgrade Project	2,243,956	285,055	119,391	165,664
3901 - IT Infrastructure	1,431,776	139,328	104,358	34,970
3995 - Debt Service	-	203,600	-	203,600
3997 - Program Contingency	-	55,174	-	55,175
3999 - Program Management, Planning and Sup	747,759	952,258	520,325	464,293
Total Expenditures &Transfers	**$ 9,465,904**	**$ 5,768,684**	**$ 3,321,092**	**$ 2,608,552**
Net Change to Fund Balance	**(8,725,895)**	**(5,612,962)**	**(3,160,133)**	**(2,528,552)**
Beginning Fund Balance	**14,494,580**	**5,768,685**	**5,768,685**	**2,608,552**
Ending Fund Balance	**$ 5,768,685**	**$ 155,723**	**$ 2,608,552**	**$ 80,000**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 830 - Measure X - Series B-1

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
Interest and Investment Income	$ 2,365,439	$ 784,574	$ 418,222	$ 180,000
Total Revenues & Transfers	**$ 2,365,439**	**$ 784,574**	**$ 418,222**	**$ 180,000**
Expenditures:				
3101 - San Benito County Campus	$ 20,855,572	$ 1,275,988	$ 63,491	$ 1,212,497
3201 - Site Improvement, Security and Infrastruc	5,538,719	4,746,602	2,174,389	2,572,213
3202 - Library and Student Resource Center	8,682,465	9,704,607	9,087,353	617,254
3204 - STEM Center	88,214	4,223,020	885,466	3,755,776
3901 - IT Infrastructure	1,446,103	8,186	-	8,186
3999 - Program Management, Planning and Sup	-	209,697	165,122	44,575
Total Expenditures &Transfers	**$ 36,611,073**	**$ 20,168,100**	**$ 12,375,820**	**$ 8,210,502**
Net Change to Fund Balance	**(34,245,634)**	**(19,383,526)**	**(11,957,598)**	**(8,030,502)**
Beginning Fund Balance	**54,413,734**	**20,168,100**	**20,168,100**	**8,210,502**
Ending Fund Balance	**$ 20,168,100**	**$ 784,574**	**$ 8,210,502**	**180,000**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 840 - Measure X - Series C

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
Interest and Investment Income	$ 3,123,616	$ 1,196,292	$ 1,092,462	$ 400,000
Total Revenues & Transfers	**$ 3,123,616**	**$ 1,196,292**	**$ 1,092,462**	**$ 400,000**
Expenditures:				
3201 - Site Improvement, Security and Infrastruc	$ -	$ 3,142,942	$ 4,000	$ 3,138,942
3202 - Library and Student Resource Center	-	36,643,917	22,715,663	15,026,387
3204 - STEM Center	-	12,529,857	207	12,542,809
3205 - Theater Modernization	-	1,000,000	85,093	914,907
3209 - Fire Alarm Panel Upgrade	-	3,492,622	2,220	3,490,402
3901 - IT Infrastructure	1,296,143	142,934	108,960	33,974
3997 - Program Contingency	-	3,057,940	-	3,057,940
3999 - Program Management, Planning and Sup	359,000	457,263	95,719	361,544
Total Expenditures &Transfers	**$ 1,655,143**	**$ 60,467,475**	**$ 23,011,862**	**$ 38,566,905**
Net Change to Fund Balance	**1,468,473**	**(59,271,183)**	**(21,919,400)**	**(38,166,905)**
Beginning Fund Balance	**59,017,832**	**60,486,305**	**60,486,305**	**38,566,905**
Ending Fund Balance	**$ 60,486,305**	**$ 1,215,122**	**$ 38,566,905**	**$ 400,000**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 850 - Measure X - Series D (Unsold)

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
Interest and Investment Income	$ -	$ -	$ -	$ -
Sales of Bond Proceeds	-	45,000,000	-	45,000,000
FY2026-2027 Tentative Budget	**$ -**	**$ 45,000,000**	**$ -**	**$ 45,000,000**
Expenditures:				
3201 - Site Improvement, Security and Infrastruc	-	1,882,232	$ -	$ 1,882,232
3204 - STEM Center	-	19,727,827	-	19,727,827
3205 - Theater Modernization	-	19,191,847	-	19,191,847
3997 - Program Contingency	-	3,287,456	-	3,287,456
3998 - Catastropic Contingency	-	-	-	-
3999 - Program Management, Planning and Sup	-	910,638	-	910,638
Total Expenditures &Transfers	**$ -**	**$ 45,000,000**	**$ -**	**$ 45,000,000**
Net Change to Fund Balance	**0**	**0**	**0**	**0**
Beginning Fund Balance	**-**	**-**	**-**	**-**
Ending Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**

X. DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues accounted for in Debt Service funds are primarily from special property tax levies, interest, or operational income from completed projects financed by revenue bonds, energy loans, or investments are generally maintained in the appropriate county treasury.

The District uses the Debt Service Fund to track the debt-service associated with Measure X general obligation bonds. Revenues are derived from interest earnings and real property tax assessments and are used exclusively for the retirement of the debt associated with the bonds.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Debt Service Consolidated

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ -	$ -	$ -
8600 - State Revenues	70,083	70,000	25,000	50,000
8800 - Local Revenues	$ 20,118,904	$ 21,061,462	$ 21,200,000	$ 21,250,000
8900 - Other Revenues	-	-	-	-
8900 - Transfers In	-	-	-	-
Total Revenues & Transfers	**$ 20,188,986**	**$ 21,131,462**	**$ 21,225,000**	**$ 21,300,000**
Expenditures:				
1000: Academic Salaries	$ -	$ -	$ -	$ -
2000: Non-Instructional Salaries	-	-	-	-
3000: Employee Benefits	-	-	-	-
4000: Books and Supplies	-	-	-	-
5000: Other Operating Expenses	$ 15,531	$ 26,225	$ 6,300	$ 26,300
6000: Capital Outlay	-	-	-	-
7000: Other Outgo	20,752,528	21,408,126	20,525,000	20,530,000
7000: Transfers Out	-	-	-	-
Total Expenditures &Transfers	**$ 20,768,058**	**$ 21,434,351**	**$ 20,531,300**	**$ 20,556,300**
Net Change to Fund Balance	**(579,072)**	**(302,889)**	**693,700**	**743,700**
Beginning Fund Balance	**25,279,215**	**24,700,144**	**24,700,144**	**25,393,844**
Ending Fund Balance	**$ 24,700,144**	**$ 24,397,255**	**$ 25,393,844**	**$ 26,137,544**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 210 - Measure E & X Debt Service

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ -	$ -	$ -
8600 - State Revenues	70,083	70,000	25,000	50,000
8800 - Local Revenues	19,372,912	20,438,949	20,500,000	20,500,000
8900 - Other Revenues	$ -	$ -	$ -	$ -
8900 - Transfers In	-	-	-	-
Total Revenues & Transfers	**$ 19,442,994**	**$ 20,508,949**	**$ 20,525,000**	**$ 20,550,000**
Expenditures:				
1000: Academic Salaries	$ -	$ -	$ -	$ -
2000: Non-Instructional Salaries	-	-	-	-
3000: Employee Benefits	-	-	-	-
4000: Books and Supplies	-	-	-	-
5000: Other Operating Expenses	$ 9,230	$20,000	$ -	$20,000
6000: Capital Outlay	.	-	-	-
7000: Other Outgo	20,752,528	21,408,126	20,525,000	20,530,000
7000: Transfers Out	-	-	-	-
Total Expenditures &Transfers	**$ 20,761,758**	**$ 21,428,126**	**$ 20,525,000**	**$ 20,550,000**
Net Change to Fund Balance	**(1,318,763)**	**(919,177)**	**-**	**-**
Beginning Fund Balance	**19,592,679**	**18,273,916**	**18,273,916**	**18,273,916**
Adjustment	-	-	-	-
Ending Fund Balance	**$ 18,273,916**	**$ 17,354,739**	**$ 18,273,916**	**$ 18,273,916**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 920 - Other Debt Service

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ -	$ -	$ -	$ -
8600 - State Revenues	-	-	-	-
8800 - Local Revenues	745,992	622,513	700,000	750,000
8900 - Other Revenues	$ -	-	$ -	$ -
8900 - Transfers In	-	-	-	-
Total Revenues & Transfers	**$ 745,992**	**$ 622,513**	**$ 700,000**	**$ 750,000**
Expenditures:				
1000: Academic Salaries	$ -	$ -	$ -	$ -
2000: Non-Instructional Salaries	-	-	-	-
3000: Employee Benefits	-	-	-	-
4000: Books and Supplies	-	-	-	-
5000: Other Operating Expenses	6,301	6,225	$ 6,300	$ 6,300
6000: Capital Outlay	-	-	-	-
7000: Other Outgo	-	-	-	-
7000: Transfers Out	-	-	-	-
Total Expenditures &Transfers	**$ 6,301**	**$ 6,225**	**$ 6,300**	**$ 6,300**
Net Change to Fund Balance	**739,692**	**616,288**	**693,700**	**743,700**
Beginning Fund Balance	**5,686,536**	**6,426,228**	**6,426,228**	**7,119,928**
Adjustment	-	-	-	-
Ending Fund Balance	**$ 6,426,228**	**$ 7,042,516**	**$ 7,119,928**	**$ 7,863,628**

XI. PROPRIETARY FUNDS

The Proprietary funds include enterprise funds and internal service funds. The Proprietary Funds Group is used to account for those ongoing activities that, because of their income-producing character, are similar to those found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to business or quasi-business activities are accounted for through these funds.

Enterprise funds are used to account for the activities of the Community Education and Contract Education programs of the District. It is also used to account for facility rentals, and other self-funded programs such as Bach to Blues, Science Alive, student kits, etc.

Self-Insurance Fund is the fund designated by EC §81602 to account for income and expenditures of self-insurance programs authorized by EC §72506(d). This fund is maintained in the county treasury and used to provide for payments on deductible types of insurance policies, losses or payments arising from self-insurance programs, and losses or payments due to noninsured perils. A Self-Insurance Fund is not used to account for a district's participation in a Joint Powers Agreement (JPA).

The Budget and Accounting Manual and generally accepted accounting principles allow both types of business activities to be recorded in the enterprise funds when the intent of the governing board is to operate these programs as a distinct business operation.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 590 - Enterprise Fund

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8600 - State Revenues	$ -	$ -	$ -	$ -
8800 - Local Revenues	595,849	779,274	800,000	850,000
8900 - Other Revenues	-	-	-	-
8900 - Transfers In	-	-	-	-
Total Revenues & Transfers	**$ 595,849**	**$ 779,274**	**$ 800,000**	**$ 850,000**
Expenditures:				
1000: Academic Salaries	$ 39,923	$ 23,171	$ 4,000	$ 5,000
2000: Non-Instructional Salaries	60,789	275,464	149,621	194,728
3000: Employee Benefits	36,448	64,601	57,270	86,850
4000: Books and Supplies	40,716	104,392	20,900	25,000
5000: Other Operating Expenses	151,509	345,569	76,741	20,000
6000: Capital Outlay	27,767	71,900	38,114	40,000
7000: Other Outgo	390	618,848	20,000	478,422
Total Expenditures &Transfers	**$ 357,542**	**$ 1,503,945**	**$ 366,646**	**$ 850,000**
Net Change to Fund Balance	**238,307**	**(724,671)**	**433,354**	**0**
Beginning Fund Balance	**473,074**	**711,381**	**711,381**	**1,144,735**
Adjustment	-	-	-	-
Ending Fund Balance	**$ 711,381**	**$ (13,290)**	**$ 1,144,735**	**$ 1,144,735**

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 610 - Self-Insurance Fund

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8800 - Local Revenues	$ 212	$ -	$ -	$ -
8900 - Transfers In	367,229	346,376	423,101	429,140
Total Revenues & Transfers	**$ 367,440**	**$ 346,376**	**$ 423,101**	**$ 429,140**
Expenditures:				
5000: Other Operating Expenses	$ 367,303	$ 346,376	$ 423,101	$ 429,140
Total Expenditures &Transfers	**$ 367,303**	**$ 346,376**	**$ 423,101**	**$ 429,140**
Net Change to Fund Balance	**138**	**-**	**-**	**-**
Beginning Fund Balance	**(138)**	**(0)**	**(0)**	**(0)**
Adjustment	-	-	-	-
Ending Fund Balance	**$ (0)**	**$ (0)**	**$ (0)**	**$ (0)**

XII. STUDENT FINANCIAL ASSISTANCE FUND

Student Financial Assistance Funds are designated to account for receiving and disbursing federal and state-funded student financial aid. The 2025-26 Gavilan Joint Community College District anticipates disbursements totaling $8.5 million to students. Programs associated with this fund are as follows:

Federal

- Pell Grants
- Supplemental Educational Opportunity Grant (SEOG)
- Direct Loans

State

- Cal Grant
- SFRF Emergency Financial Assistant
- Emergency Financial Assistance Supplemental

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 480 - Student Financial Aid Trust Fund

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8100 - Federal Revenues	$ 7,240,367	$ 6,925,000	$ 7,444,734	$ 7,500,000
8600: State Revenue	957,208	957,000	981,045	980,000
8800: Local Revenue		-	-	-
Total Revenues & Transfers	**$ 8,197,575**	**$ 7,882,000**	**$ 8,425,779**	**$ 8,480,000**
Expenditures:				
Pell Grants	$ 7,027,570	$ 6,700,000	$ 7,127,157	$ 7,180,000
Supplemental Educational Opportunity Grant	123,959	125,000	169,143	170,000
Direct Loans	88,838	100,000	148,434	150,000
Cal Grant	957,208	957,000	981,045	980,000
SFRF Emergency Financial Assistant	-	-	-	-
Total Expenditures &Transfers	**$ 8,197,575**	**$ 7,882,000**	**$ 8,425,779**	**$ 8,480,000**
Net Change to Fund Balance	**-**	**-**	**-**	**-**
Beginning Fund Balance	**-**	**-**	**-**	**-**
Adjustment	-	-	-	-
Ending Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**

XIII. ASSOCIATED STUDENTS OF GAVILAN COLLEGE (ASGC)

The ASGC Operating Fund is money held in trust by the district for organized student body association activities. The District has fiduciary responsibility for these funds. Revenues to the ASGC Operating fund are mostly generated by the sale of student activity fee. Gavilan College students pay a voluntary $6 fee upon registration during each term of the academic year. Other funds deposited to this account include vending machine commissions and contributions from the bookstore. The revenue supports student services, clubs, cultural events, speakers, college wide support grants, scholarships, textbook support programs and many other services and activities to enhance student life and create a sense of belonging.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 470 - Associated Students Trust Fund

	Audited Actuals 2024-25	Adjusted Budget 2025-26	Estimated Actuals 2025-26	Tentative Budget 2026-27
Revenues:				
8800 - Local Revenues	$ 96,713	$ 79,166	$ 70,405	$ 76,916
Total Revenues & Transfers	**$ 96,713**	**$ 79,166**	**$ 70,405**	**$ 76,916**
Expenditures:				
2000: Non-Instructional Salaries	$ 5,077	$ 12,683	$ 13,036	$ 13,200
3000: Employee Benefits	649	193	69	100
4000: Books and Supplies	14,576	24,313	21,242	20,073
5000: Other Operating Expenses	33,411	91,639	25,298	23,543
6000: Capital Outlay	-	1,950	997	-
7000: Other Outgo	25,791	53,032	19,530	20,000
Total Expenditures &Transfers	**$ 79,503**	**$ 183,810**	**$ 80,170**	**$ 76,916**
Net Change to Fund Balance	**17,210**	**(104,644)**	**(9,765)**	**-**
Beginning Fund Balance	**294,931**	**312,141**	**312,141**	**302,376**
Ending Fund Balance	**$ 312,141**	**$ 207,497**	**$ 302,376**	**$ 302,376**

XIV. STUDENT CENTER FEE FUND

Permitted by California Education Code, the Student Center Fee is charged to all students and is designated solely for the purpose of maintaining, operating and remodeling student activity centers throughout the District. The fee is $1 per unit for a maximum of $5 per semester and cannot exceed $10 per academic year. Some students receiving financial assistance may have the fee waived.

Gavilan Joint Community College District
FY2026-2027 Tentative Budget

Fund 660 - Student Center Fund

		Audited Actuals 2024-25		Adjusted Budget 2025-26		Estimated Actuals 2025-26		Tentative Budget 2026-27
Revenues:								
8800 - Local Revenues	$	51,906	$	50,000	$	47,520	$	48,000
8900 - Transfers In		1,886		28,753		52,950		20,200
Total Revenues & Transfers	**$**	**53,792**	**$**	**78,753**	**$**	**100,470**	**$**	**68,200**
Expenditures:								
2000: Non-Instructional Salaries	$	30,748	$	32,459	$	32,510	$	33,566
3000: Employee Benefits		16,294		17,954		17,100		18,634
5000: Other Operating Expenses		6,750		10,000		50,860		16,000
Total Expenditures &Transfers	**$**	**53,792**	**$**	**60,413**	**$**	**100,470**	**$**	**68,200**
Net Change to Fund Balance		**-**		**18,340**		**0**		**-**
Beginning Fund Balance		**57,261**		**57,261**		**57,261**		**57,261**
Adjustment		-		-		-		-
Ending Fund Balance	**$**	**57,261**	**$**	**75,601**	**$**	**57,261**	**$**	**57,261**

Full-Time Equivalent Positions	F100	F270	F260	F590	F660	F800	Total
Full-Time Instruction	57.30	1.80					59.10
Full-Time Counselors	4.30	14.50					18.80
Full-Time Librarian	2.00						2.00
Full-Time Coordinator	1.00						1.00
Full-Time Faculty Reasignment	2.90	1.20					4.10
Total Faculty	**67.50**	**17.50**	**0.00**	**0.00**	**0.00**	**0.00**	**85.00**
Full-Time Classified	80.61	37.07	7.10	1.50	0.50	2.60	129.38
Full-Time Instructional Aides	9.50	2.00					11.50
Total Classified	**90.11**	**39.07**	**7.10**	**1.50**	**0.50**	**2.60**	**140.88**
Administrators and Deans	9.00	2.00					11.00
Management	10.00	6.00		1.00		1.00	18.00
Supervisors and Confidentials	19.10	0.90	1.00				21.00
Total MSC	**38.10**	**8.90**	**1.00**	**1.00**	**0.00**	**1.00**	**50.00**
Total for FY2026-2027 Budget	**195.71**	**65.47**	**8.10**	**2.50**	**0.50**	**3.60**	**275.88**

SUMMARY of Personnel FTE - All Funds

Personnel Type	Unrestricted General Fund	Restricted General Fund	Parking Fund	Enterprise Fund	Student Center Fund	Measure X Fund	Total FTE
Faculty	67.50	17.50					**85.00**
Classified	90.11	39.07	7.10	1.50	0.50	2.60	**140.88**
Admin	38.10	8.90	1.00	1.00		1.00	**50.00**
Grand Total	**195.71**	**65.47**	**8.10**	**2.50**	**0.50**	**3.60**	**275.88**

Division or Administrative Area	Faculty	Classified	Admin	Total FTE
Academic Affairs	7.00	7.65	3.00	**17.65**
Administrative Services		45.60	11.00	**56.60**
Allied Health, Nursing & Athletics	7.80	5.50	3.00	**16.30**
Arts, Humanities and Social Sciences	22.60	3.98	1.00	**27.58**
Career Education & Workforce	17.00	8.88	2.00	**27.88**
Counseling, Student Success & Equity	8.20	7.00	2.00	**17.20**
Educational Partnerships		3.00	1.00	**4.00**
Presidents Office		13.00	17.00	**30.00**
Science, Technology, Engineering and M	10.60	7.62	1.00	**19.22**
Student Services	0.20	14.00	6.00	**20.20**
Student Support Programs	11.60	24.65	3.00	**39.25**
Grand Total	**85.00**	**140.88**	**50.00**	**275.88**

Personnel FTE - FACULTY

Division or Administrative Area/Department or Program	Unrestricted General Fund	Restricted General Fund	Total FTE
Academic Affairs			
Distance Education	2.00		2.00
GCFA	0.40		0.40
Faculty Reassignments	1.20		1.20
Learning Center	1.00	0.40	1.40
Library	2.00		2.00
Total Academic Affairs	**6.60**	**0.40**	**7.00**
Allied Health, Nursing & Athletics			
Athletics	0.80		0.80
Athletics Counseling	0.50	0.50	1.00
Kinesiology	2.00		2.00
Nursing	4.00		4.00
Total Allied Health, Nursing & Athletics	**7.30**	**0.50**	**7.80**
Arts, Humanities and Social Sciences			
Anthropology	1.00		1.00
Art	1.00		1.00
Communications	1.80		1.80
English	4.60		4.60
Ethnic Studies	1.00		1.00
Film & Television	2.00		2.00
History	2.00		2.00
Music	2.00		2.00
Philosophy	0.80		0.80
Political Science	1.00		1.00
Psychology	1.00		1.00
Sociology	0.80		0.80
Spanish	2.00		2.00
Theater	1.00		1.00
Tutoring/Writing Center	0.60		0.60
Total Arts, Humanities and Social Sciences	**22.60**	**0.00**	**22.60**
Career Education & Workforce			
Accounting	1.00		1.00
Administration of Justice	1.00		1.00
Adult Community and Non Credit Counseling		1.00	1.00
Aviation	3.00		3.00
Business	1.00		1.00
Career Education & Workforce Counseling		1.00	1.00
Child Development	2.00		2.00
Computer Science	1.00		1.00
Cosmetology	2.00		2.00
English as a Second Language (ESL)	2.20	0.80	3.00
Water Management		1.00	1.00

Personnel FTE - FACULTY

Division or Administrative Area/Department or Program	Unrestricted General Fund	Restricted General Fund	Total FTE
Total Career Education & Workforce	**13.20**	**3.80**	**17.00**
Counseling, Student Success & Equity			
Counseling	3.80	3.00	6.80
Counseling, Student Success & Equity		1.40	1.40
Total Counseling, Student Success & Equity	**3.80**	**4.40**	**8.20**
Science, Technology, Engineering and Math			
Biology	2.00		2.00
Chemistry	1.00		1.00
Mathematics	5.60		5.60
Physics and Engineering	0.80		0.80
STEM		0.20	0.20
STEM Counseling		1.00	1.00
Total Science, Technology, Engineering and Math	**9.40**	**1.20**	**10.60**
Student Services			
Guided Pathways		0.20	0.20
Total Student Services	**0.00**	**0.20**	**0.20**
Student Support Programs			
Accessible Education Center	4.60	2.50	7.10
CalWorks		1.00	1.00
EOPS		1.00	1.00
EOPS/Foster Youth		1.00	1.00
Rising Scholars Network		1.00	1.00
Veteran's Resource Center		0.50	0.50
Total Student Support Programs	**4.60**	**7.00**	**11.60**
Grand Total	**67.50**	**17.50**	**85.00**

Personnel FTE - CLASSIFIED PERSONNEL

Division or Administrative Area/Department or Program	Unrestricted General Fund	Restricted General Fund	Parking Fund	Enterprise Fund	Student Center Fund	Measure X Fund	Total FTE
Academic Affairs							
Academic Affairs	3.40						3.40
Library	3.00	1.25					4.25
Total Academic Affairs	**6.40**	**1.25**					**7.65**
Administrative Services							
Business Services	9.20					0.80	10.00
Facilities and Maintenance	20.50				0.50		21.00
General Services	3.00						3.00
Payroll	2.00						2.00
Purchasing	1.20					0.80	2.00
Safety & Security			7.10	0.50			7.60
Total Administrative Services	**35.90**		**7.10**	**0.50**	**0.50**	**1.60**	**45.60**
Allied Health, Nursing & Athletics							
Athletics	3.50						3.50
Nursing and Allied Health	2.00						2.00
Total Allied Health, Nursing & Athletics	**5.50**						**5.50**
Arts, Humanities and Social Sciences							
Art							
Arts, Humanities and Social Science	2.00						2.00
Theater	1.63						1.63
Tutoring/Writing Center	0.35						0.35
Total Arts, Humanities and Social Sciences	**3.98**						**3.98**
Career Education & Workforce							
Adult Community and Non Credit							
Aviation	0.63						0.63
Career Education & Workforce	0.50	3.00					3.50
Community Education				1.00			1.00
Continuing Education	1.38	2.37					3.75
English as a Second Language (ESL)							
Total Career Education & Workforce	**2.51**	**5.37**		**1.00**			**8.88**
Counseling, Student Success & Equity							
Counseling							
Counseling, Student Success & Equity		7.00					7.00
Total Counseling, Student Success & Equity		**7.00**					**7.00**
Educational Partnerships							
Outreach and Recruitment	1.00	2.00					3.00
Total Educational Partnerships	**1.00**	**2.00**					**3.00**
Presidents Office							
Capital Projects						1.00	1.00
Human Resources							
Information Technology	9.00						9.00
Institutional Effectiveness	1.00						1.00
Office of the President							

Personnel FTE - CLASSIFIED PERSONNEL

Division or Administrative Area/Department or Program	Unrestricted General Fund	Restricted General Fund	Parking Fund	Enterprise Fund	Student Center Fund	Measure X Fund	Total FTE
Public Information	2.00						2.00
Total Presidents Office	**12.00**					**1.00**	**13.00**
Science, Technology, Engineering and Math							
STEM	4.62	3.00					7.62
Total Science, Technology, Engineering and Math	**4.62**	**3.00**					**7.62**
Student Services							
Admissions & Records	5.90	0.10					6.00
Financial Aid	5.45	0.55					6.00
Hollister Site	2.00						2.00
Total Student Services	**13.35**	**0.65**					**14.00**
Student Support Programs							
Accessible Education Center	4.35	8.40					12.75
Basic Needs & Success		6.05					6.05
CalWorks		0.75					0.75
CARE		0.50					0.50
EOPS		2.80					2.80
Foster Youth		0.30					0.30
Veteran's Resource Center	0.50	0.50					1.00
Special Programs		0.50					0.50
Total Student Support Programs	**4.85**	**19.80**					**24.65**
Grand Total	**90.10**	**39.07**	**7.10**	**1.50**	**0.50**	**2.60**	**140.88**

Personnel FTE - ADMINISTRATORS, SUPERVISORS & CONFIDENTIALS

Division or Administrative Area/Department or Program	Unrestricted General Fund	Restricted General Fund	Parking Fund	Enterprise Fund	Measure X Fund	Total FTE
Academic Affairs						
Academic Affairs	3.00					3.00
Total Academic Affairs	**3.00**	**0.00**				**3.00**
Administrative Services						
Administrative Services	2.00					2.00
Business Services	2.00					2.00
Facilities and Maintenance	3.00					3.00
Payroll	2.00					2.00
Safety & Security			1.00			1.00
South Bay Regional				1.00		1.00
Total Administrative Services	**9.00**		**1.00**	**1.00**		**11.00**
Allied Health, Nursing & Athletics						
Athletics	2.00					2.00
Nursing and Allied Health	1.00					1.00
Total Allied Health, Nursing & Athletics	**3.00**					**3.00**
Arts, Humanities and Social Sciences						
Arts, Humanities and Social Science	1.00					1.00
Total Arts, Humanities and Social Sciences	**1.00**					**1.00**
Career Education & Workforce						
Adult Community and Non Credit		1.00				1.00
Career Education & Workforce		1.00				1.00
Total Career Education & Workforce		**2.00**				**2.00**
Counseling, Student Success & Equity						
Counseling, Student Success & Equity	1.00					1.00
Student Health Services		1.00				1.00
Total Counseling, Student Success & Equity	**1.00**	**1.00**				**2.00**
Educational Partnerships						
Educational Partnerships		1.00				1.00
Total Educational Partnerships		**1.00**				**1.00**
Presidents Office						
Capital Projects					1.00	1.00
Foundation	1.00					1.00
Human Resources	6.30	0.70				7.00
Information Technology	3.00					3.00
Institutional Effectiveness		1.00				1.00
Office of the President	3.00					3.00
Public Information	1.00					1.00
Total Presidents Office	**14.30**	**1.70**			**1.00**	**17.00**

Personnel FTE - ADMINISTRATORS, SUPERVISORS & CONFIDENTIALS

Division or Administrative Area/Department or Program	Unrestricted General Fund	Restricted General Fund	Parking Fund	Enterprise Fund	Measure X Fund	Total FTE
Science, Technology, Engineering and Math						
STEM	1.00					1.00
Total Science, Technology, Engineering and Math	**1.00**					**1.00**
Student Services						
Admissions & Records	1.00					1.00
Financial Aid	1.00					1.00
Hollister Site	1.00					1.00
Student Services	2.80	0.20				3.00
Total Student Services	**5.80**	**0.20**				**6.00**
Student Support Programs						
Accessible Education Center		1.00				1.00
Basic Needs & Success		1.00				1.00
Special Programs		1.00				1.00
Total Student Support Programs		**3.00**				**3.00**
Grand Total	**38.10**	**8.90**	**1.00**	**1.00**	**1.00**	**50.00**

Gavilan Joint Community College District
Budget Guidelines

We will develop a budget that:

1. Meets all legal, financial, and statutory requirements and board policies.

2. Is based upon planning that reflects both current and long-term needs and goals, provided by a second-year budget projection that meets all budget guidelines.

3. Makes steady progress toward reducing or eliminating structural budget issues (e.g., structural deficit, declining revenue, rising costs, lack of ongoing dollars to cover ongoing expenses, etc.) through budget and enrollment strategies and collective bargaining.

4. Has had campus community involvement and consideration during preparation.

5. Includes all contractually negotiated costs and expenses.

6. Includes all known and projected increases in fixed costs; including step, column and longevity salary increases, medical rate increases and STRS & PERS pension rate increases.

7. Includes salaries and benefits with a goal not to exceed 85% of total unrestricted budgeted expenditures.

8. Identifies significant but unfunded items not included in the budget.

9. Highlights unusual items and/or provides information on substantive changes from previous budgets.

10. Limits annual non-trust transfer-in allocations to the unrestricted general fund of less than 2% per year of the total unrestricted expenditure budget from non-general fund sources.

11. Limits annual debt service payments by the unrestricted general fund to 5% of the total unrestricted expenditure budget where such funds do not have a matching revenue stream to offset such costs.

12. Creates time specific plans for the full funding of unfunded liabilities/obligations through specific trust funds and reserve accounts.

13. Is based on sound and well understood enrollment projections and trends.

14. Makes every reasonable attempt to avoid lay/offs and/or hold them to a minimum should layoffs be necessary.

15. Shall make no ongoing long-term commitments with one time money.

16. Will strive to reduce or eliminate any kind of structural deficit.

Budget Criteria

17. Maintain unrestricted reserves of two months of total operating expenditures for contingencies to any expenditure classification.

18. The Budget Guidelines will be reviewed semi-annually by the Board of Trustees and College Staff.

19. Commitment to equity in resource allocation (people, time, and money) to create student experiences that enable all students to succeed, including student populations that have been identified as having disproportionate student success outcomes and those that have been historically marginalize.

Joint Analysis

Governor's 2026-27 May Revision

May 14, 2026

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Purpose of Report

This analysis was prepared by the California Community Colleges Chancellor's Office (Chancellor's Office) with support from the:

- Association of California Community College Administrators (ACCCA),
- Association of Chief Business Officials (ACBO), and
- Community College League of California (League).

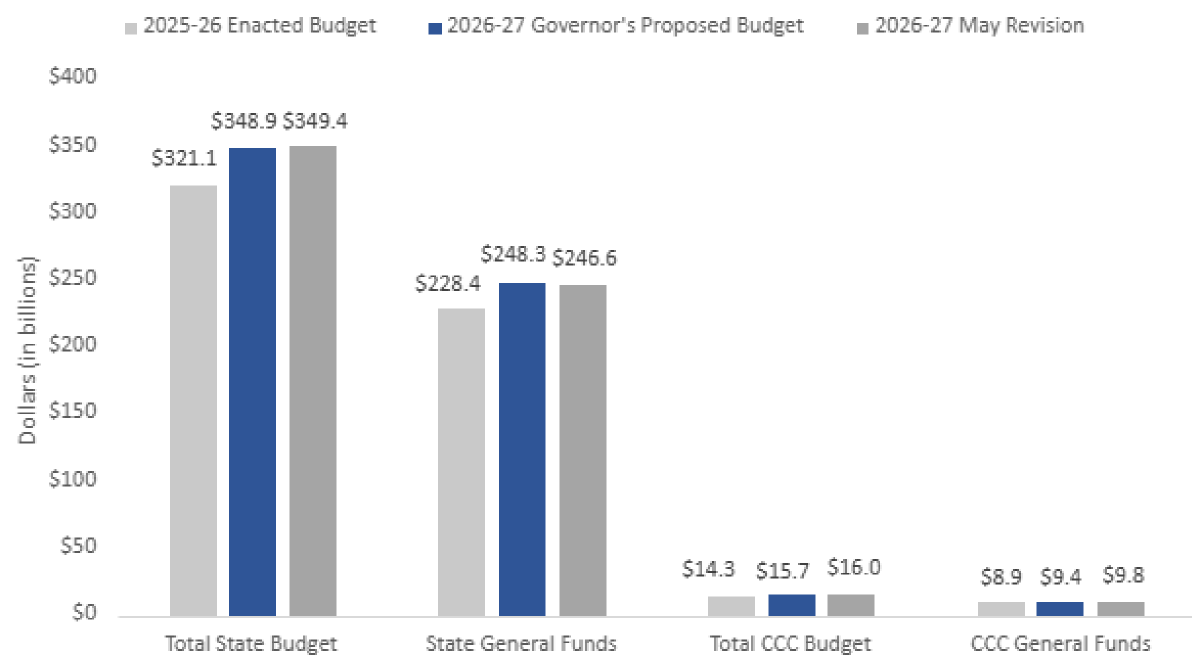
Its purpose is to provide information about the Governor's May Revision as a common resource for each organization's further analyses and advocacy efforts. Over the next couple of months, updated analyses will describe any proposed trailer bills and the enacted budget.

Summary of Key Budget Changes

On Thursday, May 14, Governor Newsom released his May Revision budget proposal for the 2026-27 fiscal year. Following are some key changes in the proposal compared to the enacted budget for 2025-26 and the Governor's Budget for 2026-27 released in January.

- Under the May Revision, the overall state budget would be slightly higher than proposed in January and higher than the 2025-26 enacted budget, increasing by about 8.8% to $349.4 billion. General Fund spending would increase by about $18 billion (8%) over the current year to $246.6 billion.

Figure 1: May Revision for 2026-27 budget reflects increased revenues, most directed to reserves (dollars in billions).



- The budget proposal for the California Community Colleges reflects a focus on maintaining base funding stability and continued investment in priorities toward achieving Vision 2030 and Roadmap goals.

- The revised proposal for ongoing spending includes about $438 million for a 4.31% cost-of-living adjustment (COLA) for community college apportionments, some of it for a discretionary COLA above the statutorily authorized COLA of 2.87%. This is about $198 million more than the Governor's January proposal included for a COLA of 2.41%. As a condition for receiving the discretionary portion of the COLA, districts must implement the provisions of Assembly Bill 65 and provide employees with up to 14 weeks of paid pregnancy disability leave.

- It includes $36.7 million for COLAs and adjustments to certain categorical programs. The proposal continues to include funding for systemwide enrollment growth of 1.5% over two years that was previously proposed.

- The revised proposal maintains the one-time spending proposals included in the January budget and adds one-time funds to continue and scale an adult learner demonstration project.

- The revised proposal continues to include $736.9 million in capital outlay funding from Proposition 2 to support the working drawings and construction phases for 29 continuing projects and the preliminary plans and working drawings of 10 new projects.

Changes in Overall Budget Framework

REVISED BUDGET PROPOSAL PLANS FOR STRUCTURAL DEFICITS

In January, the Administration projected $42.3 billion in revenues above expectations in the 2025 Budget Act related to a stronger-than-expected stock market, leaving a relatively modest deficit of about $3 billion to address. The Governor's May Revision reflects even higher revenue expectations compared to the Governor's Budget and a balanced budget for 2026-27. The Legislative Analyst's Office (LAO) recently updated its forecast of revenues from the state's three largest taxes (income, corporation, and sales), estimating a $25 billion upgrade across the 3-year budget window (prior year, current year, budget year) related to a stock market boom that reflects investor enthusiasm around artificial intelligence. However, the LAO cautioned that these revenues are likely unsustainable and the state still faces structural deficits in future years.

The Administration's new proposal acknowledges the risks of revenue volatility and outlines significant increases in costs, particularly in health and human services programs like Medi-Cal and CalFresh related to federal policy changes, that are contributing to structural imbalances. The May revision begins to address these structural budget shortfalls through some new revenues (limiting business credit use, taxation of software), spending reductions (Medi-Cal asset tests and increased monthly premiums), and deposits to reserves. The proposal is aimed at balancing budgets for both 2026-27 and 2027-28, consistent with the Administration's intent for the state to focus on two-year budget planning.

PROPOSAL AIMS TO BUILD BUDGET RESERVE RESILIENCY

The Governor's revised proposal reflects $29.9 billion in total reserves at the end of 2026-27, up from the $23 billion estimated in January. This includes:

- $15.1 billion in the Budget Stabilization Account (BSA, or "Rainy Day Fund");
- $10.3 billion in the Public School System Stabilization Account (PSSSA); and
- $4.5 billion in the Special Fund for Economic Uncertainties (SFEU).

As agreed to following passage of the 2024 budget, Assembly Bill 179 (Chapter 997, Statutes of 2024) created a "temporary holding account" to preserve a portion of any projected surplus for use in future fiscal years (a provision designed as a pilot project scheduled to sunset after 2030, unless extended). The May Revision includes a transfer of $9.7 billion into this account to support a positive operating balance in 2027-28. Over the last two years, the state has withdrawn $12.2 billion from the BSA and suspended deposits in the fund, creating "true-up" requirements. As in the Governor's Budget, the May Revision proposes to suspend the "true up" for 2025-26 (now $5.4 billion) but make a small "true-up" for 2024-25 and a deposit of about $3.6 billion for 2026-27.

Changes to California Community Colleges Funding

In this section, we detail changes to proposals included in the Governor's Budget (and described in our January analysis) and describe new proposals presented as part of the May Revision.

PROPOSITION 98 ESTIMATES ADJUSTED UPWARD

Minimum Guarantee for Community Colleges Increases

The Governor's Budget in January adjusted Proposition 98 estimates for the current and prior years upward based on revenues that were running ahead of projections. The May Revision projects that the minimum guarantee will increase by about $28 billion over the three-year window, an increase of over $6 billion relative to expectations in the Governor's Budget. Table 1 shows the Department of Finance's estimates of the minimum guarantee for the current and budget years as of the May Revision. The minimum guarantee for 2026-27 is now estimated at $127.1 billion, higher than what was expected in January ($125.5 billion) based on revenues running even further above projections.

Consistent with the Governor's Budget in January, the May Revision proposes to pay off the $1.9 billion settle-up created in 2024-25 but continues to create a new settle-up obligation of $3.96 billion for 2025-26 related to ongoing fiscal uncertainty, an amount that is reduced from the $5.6 billion that was proposed in January but is in contrast to the Senate and Assembly budget blueprints that pledged not to withhold funding from schools and community colleges. The May Revision maintains the proposal to pay off the $408.4 million deferral from 2025-26. Consistent with intent specified in the 2025 Budget Act, transitional kindergarten expansion is funded outside of the Proposition 98 "split."

Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2025-26 Revised	2026-27 Governor's Budget (GB)	2026-27 May Revision	Change From GB (Amount)	Change From GB (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	$87,601	$89,877	$91,997	$ 2,120	2.4%
Local property tax	$33,574	$35,604	$35,140	$(464)	-1.3%
Totals [a]	$121,175	$125,481	$127,137	$1,656	1.3%
COMMUNITY COLLEGES ONLY [b]					
General Fund	$8,148	$9,326	$9,629	$303	3.2%
Local property tax	$ 4,444	$4,785	$4,661	$(124)	-2.6%
Totals	**$12,592**	**$14,111**	**$14,290**	**$179**	**1.3%**

[a] *Revised amount for 2025-26 does not include the $3.96 billion settle-up.*
[b] *CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.*

District Funding Floor Remains in Place

While the 2021 Budget Act's hold harmless provision for the Student Centered Funding Formula (SCFF) expired at the end of 2024-25, the modified revenue protections included in the 2022 Budget Act took effect in the current year. Under that provision, a district's 2024-25 funding represents its new "floor." Districts will be funded at their SCFF generated amount for the year or their "floor" (2024-25 funding amount), whichever is higher. This funding protection does not include adjustments to reflect cumulative COLAs over time, as was the case with the hold harmless provision in effect through 2024-25, so a district's hold harmless amount will not grow. Per trailer bill language from the Administration, the funding protection also does not include the discretionary COLA provided for paid family leave implementation.

Deposit to Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a state reserve for schools and community colleges that receives funding if several conditions are satisfied. Specifically, the state must have paid off all Proposition 98 debt created before 2014-15, the minimum guarantee must be growing more quickly than per capita personal income, and capital gains revenues must exceed 8% of total revenues. In tight fiscal times, the state must withdraw funding from the reserve to supplement the funding schools and community colleges receive under Proposition 98. Increased state revenues are reflected in a revised reserve deposit of $5.3 billion for 2024-25 and 2025-26 in the May Revision.

Based on conditions and projections in January, the Governor's Budget included a $407.1 million mandatory withdrawal for 2026-27, with $44.5 million earmarked for community college apportionment. The May Revision removes this mandatory withdrawal related to the state's higher revenues. The proposal instead projects a balance of $10.3 billion in the PSSSA at the end of the current year resulting from mandated deposits across the three-year budget window of $8.7 billion and a discretionary deposit of $1.6 billion, tied to lowering the 2025-26 settle-up obligation from $5.6 billion to $3.96 billion.

CALIFORNIA COMMUNITY COLLEGES FUNDING ADJUSTED UPWARD

The May Revision adjustments to funding for the California Community Colleges are higher by about $249 million compared to the Governor's Budget, as reflected in Table 2. The system would receive about $635.0 million in ongoing funding, higher than proposed in January, and $815.1 million for one-time programs and initiatives, somewhat higher than what was proposed in January.

Table 2: Proposed 2026-27 Changes in Proposition 98 Funding for the System (In Millions)

	Governor's Budget	May Revision	Change from Governor's Budget
POLICY ADJUSTMENTS			
Ongoing (Proposition 98)			
SCFF statutory COLA (2.87%)	$240.6	$291.9	$51.3
SCFF discretionary COLA (1.4%)	$0.0	$146.4	$146.4
SCFF growth 2025-26 (1.0%)	$55.3	$55.3	$0.0
Increase in support for Calbright College	$38.1	$38.1	$0.0
SCFF growth 2026-27 (0.5%)	$31.9	$33.9	$2.0
Adult Ed COLA (2.87%)	$16.1	$19.2	$3.1
California Healthy School Pathway Program	$14.3	$14.3	$0.0
Student housing lease revenue bond payments	$11.1	$11.1	$0.0
Reallocate funds to Basic Needs Centers	$8.0	$8.0	$0.0
Common Cloud Data Platform	$5.0	$5.0	$0.0
Extended Opportunity Programs and Services (EOPS) COLA (2.87%)	$4.6	$5.4	$0.8
Disabled Student Programs and Services (DSPS) COLA (2.87%)	$4.3	$5.1	$0.8
Credit for Prior Learning	$2.0	$2.0	$0.0
Mandates Block Grant COLA (2.87%) and enrollment-based adjustments	$1.6	$1.7	$0.2
CalWORKs Student Services COLA (2.87%)	$1.4	$1.6	$0.3
Financial aid administration adjustments	$1.2	$1.5	$0.3

Apprenticeship (community college districts RSI) COLA (2.87%) and enrollment-based adjustments	$0.9	$1.0	$0.1
Cooperative Agencies Resources for Education (CARE) COLA (2.87%)	$0.8	$1.0	$0.2
Equal Employment Opportunity Program	$0.3	$0.3	$0.0
Childcare Tax Bailout COLA (2.87%)	$0.1	$0.1	$0.0
Reallocate funds from the Classified Employee Summer Assistance Program	-$8.0	-$8.0	$0.0
Subtotal Ongoing (Proposition 98) Policy Adjustments	**$429.42**	**$635.00**	**$205.58**
One-Time (Proposition 98)			
Deferral Repayment	$408.4	$408.4	$0.0
Deferred Maintenance	$120.7	$120.7	$0.0
Student Support Block Grant	$100.0	$100.6	$0.6
Cover SCFF shortfall for 2025-26	$88.7	$88.7	$0.0
Common Cloud Data Platform	$36.0	$36.0	$0.0
Credit for Prior Learning	$35.0	$35.0	$0.0
Backfill Apprenticeship Funding Shortfall	$13.4	$16.0	$2.6
Adult Learner Demonstration Project	$0.0	$9.7	$9.7
Subtotal One-Time Policy Adjustments	**$802.16**	**$815.12**	**$12.96**
TECHNICAL ADJUSTMENTS			
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth)[a]	-$11.2	$19.4	$30.6
Subtotal Technical Adjustments	**-$11.20**	**$19.40**	**$30.60**
TOTAL CHANGES	**$1,220.38**	**$1,469.52**	**$249.14**

[a] SCFF technical adjustments match estimated resources with DOF's estimates of workload measures including reported FTES, supplemental, and success metrics.

** Any adjustments related to deferrals are not displayed.*

The estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by $491.6 million from $10.2 billion to $10.7 billion. This reflects a proposed COLA of 4.31% ($438.3 million) and $33.9 million for FTES growth of 0.5% and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2025-26 Budget Act to the 2026-27 Governor’s May Revision proposal):

- Property tax revenues are estimated to decrease by $122.8 million from $4.78 billion to $4.66 billion.
- Enrollment Fee revenues are estimated to decrease by $5.2 million from $433.5 million to $428.3 million.
- Education Protection Account funding is estimated to decrease by $114.4 million from $1.65 billion to $1.54 billion.

Table 3 reflects the final SCFF rates for 2024-25 and 2025-26, along with the projected rates for 2026-27, as modified by COLA.

Table 3: Proposed 2026-27 Student Centered Funding Formula Rates (rounded)

Allocations	2025-26 Rates*	Proposed 2026-27 Rates	Estimated Change from 2025-26 (Amount)	Estimated Change from 2025-26 (Percent)
Base Credit*	$5,416.20	$5,649.63	$233.44	4.31%
Incarcerated Credit*	$7,595.29	$7,922.65	$327.36	4.31%
Special Admit Credit*	$7,595.29	$7,922.65	$327.36	4.31%
CDCP	$7,595.29	$7,922.65	$327.36	4.31%
Noncredit	$4,567.26	$4,764.11	$196.85	4.31%
Supplemental Point Value	$1,280.76	$1,335.96	$55.20	4.31%
Student Success Main Point Value	$755.21	$787.76	$32.55	4.31%
Student Success Equity Point Value	$190.49	$198.70	$8.21	4.31%
Single College District				
Small College	$6,658,143.47	$6,945,109.45	$286,965.98	4.31%
Medium College	$8,877,528.70	$9,260,150.18	$382,621.49	4.31%
Large College	$11,096,910.43	$11,575,187.27	$478,276.84	4.31%
Multi College District				
Small College	$6,658,143.47	$6,945,109.45	$286,965.98	4.31%
Medium College	$7,767,836.95	$8,102,630.73	$334,793.77	4.31%
Large College	$8,877,528.70	$9,260,150.18	$382,621.49	4.31%
Designated Rural College	$2,117,699.79	$2,208,972.65	$91,272.86	4.31%
State Approved Centers	$2,219,381.74	$2,315,037.09	$95,655.35	4.31%
Grandparented Centers				
Small Center	$277,424.68	$289,381.68	$11,957.00	4.31%
Small Medium Center	$554,845.87	$578,759.73	$23,913.86	4.31%
Medium Center	$1,109,690.00	$1,157,517.63	$47,827.64	4.31%
Medium Large Center	$1,664,535.87	$1,736,277.36	$71,741.50	4.31%
Large Center	$2,219,381.74	$2,315,037.09	$95,655.35	4.31%

** Ten districts receive higher credit FTE rates, as specified in statute.*

Appendix B compares the Governor's proposed funding adjustments for the system in 2026-27 to the Board of Governors' budget request for the year. Titled "Powering California's Economy: Investing in Students, Workforce, and Innovation," the request advances the system's commitment to Vision 2030 by seeking targeted investments and policy changes that would provide colleges and students with the tools they need to meet California's diverse economic and workforce needs. Below, we highlight a few of the Administration's revised funding and policy proposals, with some context for how the proposals relate to Vision 2030 goals and the system's budget request. Later in this analysis, we detail local funding by program, capital outlay funding, and state operations as reflected in the May Revision.

MAJOR POLICY DECISIONS AIM FOR STABILITY AND CONTINUATION OF RECENT PRIORITIES

Overall, the May Revision maintains the Governor's core investments as specified in the January proposal. The revised proposal includes higher funding for a larger COLA and funding for the same enrollment growth proposals contained in the Governor's Budget. One-time funds are increased from the January proposal, with one new investment.

Provides 4.31% COLA for Apportionments and 1.5% Growth

The proposal includes an increase of nearly $197.7 million **ongoing** above the $240.6 million included in the Governor's Budget to support a larger COLA of 4.31% for apportionments, bringing the total proposed increase for the SCFF to $438.3 million. Of that amount, $291.9 million is for a statutory COLA of 2.87% and $146.4 million is for an additional discretionary COLA of 1.4%. The proposed statutory COLA is slightly higher than the 2.41% proposed in January. As a condition of receiving the discretionary COLA, community college districts would be required to implement the provisions of Assembly Bill 65 (Aguiar-Curry) to provide paid family leave. Trailer bill language specifies that community colleges incurring costs related to providing employees with up to 14 weeks of paid pregnancy disability leave use the discretionary COLA funds to reimburse those costs. Another $36.7 million **ongoing** would support a COLA of 2.87% for selected categorical programs and the Adult Education program, $6.1 million higher than proposed in January for the same programs.

The May Revision maintains the Governor's Budget proposal to fund an additional 1% enrollment growth in 2025-26, along with $33.9 million to fund 0.5% growth in 2026-27 (an increase of $2 million from Governor's budget due to the revised COLA). The proposal does not address the system's request for policy changes to eliminate the 10% cap on funded FTES growth and to fund credit FTES at the higher of the three-year average or the amount reported in the current year.

Addresses Facilities Needs

While the May Revision does not propose ongoing funds for deferred maintenance as requested by the system to begin tackling the estimated needs that exceed $2 billion, it does maintain the January proposal for $120.7 million **one-time** for deferred maintenance needs and special repairs of facilities. This would be the first time the system has received funds for deferred maintenance since the 2022-23 Budget Act.

According to trailer bill language, the funds could be used until June 30, 2031 for scheduled maintenance and special repairs of facilities; hazardous substances abatement; projects related to seismic retrofit and Americans with Disabilities Act compliance; water conservation and energy efficiency projects; childcare facility repair and maintenance; and replacement of instructional equipment and library materials.

Invests in Common Cloud Data Platform

Responding to the system's budget request, the May Revision maintains the proposal for an additional investment of $36 million **one-time** and $5 million **ongoing** to scale up the Common Cloud Data Platform that received one-time funds in the 2025 Budget Act. The platform will address the fragmented data infrastructure across the colleges by integrating a suite of technology tools, including e-Transcripts, the Mapping Articulated Pathways (MAP) platform, and Program Pathways Mapper. The system's goal is to enhance statewide reporting, data sharing, and analytical ability across districts and the Chancellor's Office. A shared technology infrastructure will improve institutional performance, strengthen accountability, and improve efficiency to enhance the public's return on investment in community colleges, and the system aims to onboard all districts to a shared infrastructure by 2030.

According to trailer bill language, the Common Cloud Data Platform will allow role-appropriate access to real-time data for administrators, faculty, staff, and students to support data driven decision-making and facilitate student success and transfer across institutions and systems. The Chancellor's Office must submit a progress report to the Legislature by March 31, 2027. A final report due January 31, 2029 must also summarize the impact on student outcomes and systemwide efficiencies.

Provides Additional Funds to Institutionalize Credit for Prior Learning

Also responding to the system's budget request and building on prior investments, the May Revision continues to include $35 million **one-time** and $2 million **ongoing** for the Credit for Prior Learning (CPL) Initiative.

CPL received funding in the 2024 and 2025 state budgets, and is aimed at providing opportunities for veterans, working adults, and apprentices with a jumpstart of up to one year on completing a degree while reducing debt and preserving benefits for higher degree completion. According to trailer bill language accompanying the 2025-26 State Budget, the initiative is:

- Developing systemwide processes to identify and notify students who qualify for degree-applicable or certificate-applicable CPL and a systemwide technology infrastructure to facilitate that effort;
- Convening systemwide faculty workgroups to promote the adoption of systemwide credit recommendations for prior learning; and
- Partnering with system stakeholder groups, workforce agencies, industry organizations, and independent educational institutions to identify and promote CPL opportunities.

Under the initiative, colleges are required to evaluate prior learning of all incoming students as part of education planning, and to accept transcribed credit for prior learning from other campuses as transfer credit, including for general education and major preparation. The system's budget request emphasizes the goal of implementing CPL at every college district to ensure equitable access for students and to ensure that job training and college are not treated as mutually exclusive enterprises. While systemwide infrastructure, policy, and technology are increasingly in place, more than half of colleges have yet to begin offering and documenting CPL, so additional investments are intended to further scale and institutionalize the practice.

Extends Investment in Student Support Block Grant

The 2025 Budget Act included $60 million one-time to establish the Student Support Block Grant, allocated to districts according to a formula that provided each district with a base amount of $150,000 and distributed remaining funds based on student headcount and the number of students receiving fee waivers and exemptions from nonresident tuition. While the system requested ongoing funding for targeted support for certain learner populations, the Governor's May Revision for 2026-27 instead continues to include an additional $100.6 million **one-time** to enhance existing student support programs through this block grant, which emphasizes skills-based learning, career pathways, and student equity, as detailed in a recent guidance memo from the Chancellor's Office (an increase of $607,000 over the $100 million proposed in January).

As specified in trailer bill language, districts can use block grant funds until June 30, 2030 to provide students help with food, housing, transportation, and other basic needs; childcare or other assistance for student parents; academic or financial aid advising; legal and other support services; mental health services; and/or job placement or other employment assistance. Districts are required to report annually on the use and impact of the funds (beginning December 31, 2027), with the Chancellor's Office reporting to the Legislature on December 31, 2028 and December 31, 2031.

Increases Funding for Calbright

The Governor's Budget proposal included an additional $38.1 million **ongoing** for California Statewide Community Colleges (Calbright College), with an ongoing COLA, which is carried over to the May Revision. The increased funding is intended to support and provide stable funding in base operations as it transitions out of its startup capacity. The college currently receives $15 million per year to offer free online programs geared toward helping individuals acquire and improve skills for in-demand jobs, which would increase to $53.1 million.

Provides Additional Funds for Training Food Service Workers

The 2022 Budget Act included $10 million one-time for the community colleges as part of the California Healthy School Food Pathway Program, a workforce development program aimed at training food service workers to prepare healthy meals for K-12 students. The Governor's Budget for 2026-27 proposed an additional $14.3 million **ongoing** in community colleges for this program, and the May Revision maintains this proposal.

Supports Adult Learner Demonstration Project

The 2024 Budget Act earmarked $5 million of Strong Workforce Program funds to support a demonstration project creating statewide education pathways for low-income workers. These funds were used to support the United Domestic Workers (UDW) Education Pathways Project, a pilot project to create pathways to living wage careers for domestic workers, a population comprising largely low-income women of color. The May Revision includes a new proposal for $9.7 million **one-time** over three years for adult learner demonstration projects aimed at continuing and expanding the UDW initiative. While the 2024 investment involved use of Strong Workforce funds, the current proposal involves new money and would not reduce Strong Workforce funding.

Continues Use of Strong Workforce Program Funds for Nursing

The 2024 Budget Act earmarked $60 million of Strong Workforce Program funds to nursing program expansion via the Rebuilding Nursing Infrastructure Grant Program, intending to expand nursing programs and partnerships over five years via $60 million allocations each year to support the grant program. While the system requested one-time funds to fully restore the Strong Workforce Program to its base funding level, the Governor's May Revision includes this provision for a third year, allocating $60 million from the Strong Workforce Program for the RNI Grant Program.

Shifts Funds to Support Classified Employee Basic Needs

The May Revision maintains the Governor's Budget proposal to temporarily shift $8 million ongoing funds from the Classified Employee Summer Assistance Program to Basic Needs Centers for 2026-27 and 2027-28, to be used for providing classified employees with access to food pantry services. This allocation is consistent with legislative intent in Senate Bill 148 (Chapter 745, Statutes of 2025).

Supports Dual Enrollment Through K-12

The system requested one-time funds for the Chancellor's Office to support a California Community Colleges College and Career Access Pathways (CCAP) Grant Program that would provide a source of funding for all colleges to develop or expand dual enrollment partnerships with local education agencies. While the specific request was not included in the Governor's Budget, the May Revision continues to include $100 million one-time for dual enrollment activities under the K-12 side of the budget, to expand grants to local educational agencies (LEAs) for middle/early college high schools or programs or CCAP partnerships. According the trailer bill language, LEAs are permitted to use grant funds to support professional development of educators to meet minimum standards to teach dual enrollment courses and to collaborate with partner community colleges to allow dual enrollment students to access advising and support services. The funds are particularly aimed at supporting grants for LEAs that do not have any dual enrollment programs as well as those that have higher than average populations of low-income, homeless, foster, or justice-involved students, higher dropout or suspension/expulsion rates, or lower A-G completion rates.

Specifies Requirements for Workforce Pell

Trailer bill language released with the May Revision specifies that the California Student Aid Commission (CSAC) will consult with the California Workforce Development Board (CWDB) prior to approving short-term programs as meeting the requirements to award Workforce Pell Grants. Colleges seeking a determination from CSAC that a program meets the requirements must submit a Workforce Pell Grant program participation agreement and documentation to support that the program meets all federal requirements and regulations, meets the hiring requirements of employers in the relevant sectors or occupations, leads to a recognized postsecondary credential that is stackable and portable, and prepares students to pursue one or more certificates or degrees by ensuring the credits are accepted toward meeting program requirements. Colleges must also provide specified program-level and student-level data for the short-term programs to the Office of Cradle-to-Career Data. Short-term programs must have been offered by the college for at least one year before submitting a request for determination of eligibility for Workforce Pell. CSAC must make a determination of eligibility within 90 days. Pending legislation (Assembly Bill 1534, Irwin) incorporates these requirements and also specifies that short-term programs must maintain completion and job placement rates of 70% for each federal aid award year to remain eligible.

Outlines Consolidation of Student Housing Reports

Trailer bill language specifies that the two annual reports required on campus student housing and on the Higher Education Student Housing Grant Program are to be provided together by February 1 of each year, consolidating the timelines for these reports.

Makes Changes to Education Governance

The May Revision continues to include a proposal to move oversight of the California Department of Education and ultimate responsibility for state oversight and support of local educational agencies under the State Board of Education. The move is intended to reduce fragmentation and streamline accountability for TK-12 education. The proposal also would expand and strengthen the State Superintendent of Public Instruction's (SPI) role in fostering coordination and alignment of state education policies from early childhood through postsecondary education. Pending legislation (Assembly Bill 2117, Alvarez and Patel) would implement the proposal to restructure the roles of the SPI and a new Education Commissioner to be appointed by the Governor. For the community colleges, this would include adding the SPI to the Board of Governors. The Administration's proposal would require the Education Commissioner to establish a task force of education interest-holders to develop recommendations for a second phase of education governance consolidation and streamlining and further refinement of the responsibilities of the SPI. Reforming education governance has long been recommended in legislative and independent reports and, along with Assembly Bill 1098 (Chapter 446, Statutes of 2025) that established the California Education Interagency Council, represents the Administration's efforts to better align policies and planning and improve student pathways across the state's education and workforce systems.

LOCAL SUPPORT FUNDING IS LARGELY STABLE FOR ONGOING PROGRAMS

Table 4 shows proposed local assistance funding by program for the current and budget years as of the May Revision. As the table shows, most categorical programs received level or workload funding in the Governor's revised proposal, with certain programs receiving cost-of-living adjustments consistent with recent practices. Decreases in funding are related to revised estimates of underlying factors.

Table 4: California Community Colleges Ongoing Funding by Program[a] (In Millions)

Program	2025-26 Revised	2026-27 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	$ 10,201.21	$ 10,692.83	$ 491.61	4.82%	COLA, growth, SCFF technical adjustments.
Adult Education Program – Main[b]	$674.16	$693.34	$19.18	2.84%	2.87% COLA
Student Equity and Achievement Program	$523.98	$523.98	$0.00	0.00%	
Student Success Completion Grant	412.60	412.60	$0.00	0.00%	
Strong Workforce Program	290.40	290.40	$0.00	0.00%	Includes $60 million for nursing through 2028-29
Part-time faculty health insurance	200.49	200.49	$0.00	0.00%	
Extended Opportunity Programs and Services (EOPS)	189.30	194.73	$5.43	2.87%	COLA
Disabled Students Programs and Services (DSPS)	178.69	183.81	$5.13	2.87%	COLA
Full-time faculty hiring	150.00	150.00	$0.00	0.00%	
Integrated technology	89.50	94.50	$5.00	5.59%	Ongoing funds added for the Common Cloud Data Platform
California College Promise (AB 19)	91.21	91.21	$0.00	0.00%	
Financial aid administration	83.73	85.22	1.49	1.78%	Waived fees and per unit adjustment
CalWORKs student services	56.92	58.56	1.64	2.87%	COLA
NextUp (foster youth program)	54.11	54.11	0.00	0.00%	
California Online Community College (Calbright College)	15.00	53.10	38.10	254.00%	Ongoing funds added

Basic needs centers	43.29	51.29	$8.00	18.48%	$8 million reallocated from the Classified Employee Summer Assistance Program to Basic Needs Centers for FY 2026-27 and FY 2027-28.
Mandates Block Grant and reimbursements	39.16	40.90	1.74	4.44%	COLA and updated enrollment adjustment
Mathematics, Engineering, Science Achievement (MESA)	39.42	39.42	$0.00	0.00%	
Apprenticeship (community college districts RSI)	35.62	36.62	1.00	2.81%	COLA and updated enrollment adjustment
Cooperative Agencies Resources for Education (CARE)	34.61	35.61	$0.99	2.87%	COLA
Rising Scholars Network	35.00	35.00	0.00	0.00%	
Student mental health services	32.47	32.47	0.00	0.00%	
CA Apprenticeship Initiative	30.00	30.00	0.00	0.00%	
Institutional effectiveness initiative	27.50	27.50	0.00	0.00%	
Part-time faculty compensation	26.54	26.54	0.00	0.00%	
Part-time faculty office hours	23.63	23.63	0.00	0.00%	
Economic and Workforce Development	22.93	22.93	0.00	0.00%	
Homeless and Housing Insecurity Program ("Rapid Rehousing")	20.56	20.56	0.00	0.00%	
California Virtual Campus	20.00	20.00	0.00	0.00%	
California Healthy School Food Pathway Program	0.00	14.34	14.34	N/A	Ongoing funds added
Nursing grants	13.38	13.38	0.00	0.00%	
Puente Project	13.33	13.33	0.00	0.00%	
Equal Employment Opportunity Program	12.77	13.04	0.28	2.17%	Increased funding

Lease revenue bond payments	12.77	12.86	0.09	0.69%	Increased funding
Dreamer Resource Liaisons	11.60	11.60	0.00	0.00%	
Student housing lease revenue bond payments	0.00	11.06	11.06	N/A	Lease revenue debt service for community college housing projects
Veterans Resource Centers	10.82	10.82	0.00	0.00%	
Immigrant legal services through CDSS	10.00	10.00	0.00	0.00%	
Umoja	9.18	9.18	0.00	0.00%	
Asian American and Native Hawaiian and Pacific Islander (AANHPI) Student Achievement Program	8.00	8.00	0.00	0.00%	
Credit for Prior Learning Policies	5.00	7.00	2.00	N/A	
Foster Parent Education Program	6.15	6.15	0.00	0.00%	
Childcare tax bailout	4.42	4.55	0.13	2.87%	COLA
Rising Scholars Network-Textbooks/Digital Course Content for Inmates	3.00	3.00	0.00	0.00%	
Classified Employee Summer Assistance Program	10.00	2.00	-8.00	-80.00%	$8 million reallocated from the Classified Employee Summer Assistance Program to Basic Needs Centers for FY 2026-27 and FY 2027-28.
Middle College High School Program	1.84	1.84	0.00	0.00%	
Academic Senate	1.80	1.80	0.00	0.00%	

Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.38	1.38	0.00	0.00%	
African American Male Education Network and Development (A2MEND)	1.10	1.10	0.00	0.00%	
FCMAT	0.77	0.77	0.00	0.00%	
Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.70	0.70	0.00	0.00%	
Total	**$ 13,780.02**	**$ 14,379.23**	**$599.21**	**4.35%**	

[a] Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.
[b] The Adult Education program total includes resources that go to the K-12 system but are included in the CCC budget. The K-12 Strong Workforce program and K-12 Apprenticeship program are not listed above but are also included in the CCC budget.

Table 5 shows proposed one-time local assistance funding by program for 2025-26. The few one-time investments for the community colleges are primarily related to initiating key provisions of the Master Plan for Career Education.

Table 5: California Community Colleges One-Time Funding by Program[a] (In Millions)

Program	2025-26 Revised	2026-27 Proposed	Explanation of Change
Deferral Repayment	$0.0	408.4	Adds one-time funds to pay off 2025-26 deferral
Deferred Maintenance	0.0	120.7	Adds one-time funds
Student Support Block Grant	60.0	100.6	Additional one-time funds
Cover SCFF shortfall for 2025-26	0.0	88.7	Adds one-time funds
Common Cloud Data Platform	12.0	36.0	Additional one-time funds
Credit for Prior Learning	15.0	35.0	Additional one-time funds

Adult Learner Demonstration Project	0.0	9.7	Adds one-time funds
Backfill Apprenticeship Funding Shortfall	6.3	16.0	Adds one-time funds
Total	**$93.33**	**$815.12**	

CAPITAL OUTLAY INVESTMENTS HIGHER THAN CURRENT YEAR

The Governor's May Revision proposes the same capital outlay funding as outlined in the Governor's Budget. The proposed $736.9 million from Proposition 2 is considerably more than the $68.5 million provided in the 2025 Budget Act. The funding is to support the construction phase for 29 projects and the preliminary plans and working drawings of 10 new projects, as listed in Table 6.

Table 6: Proposed Capital Outlay Projects in the California Community Colleges (In Millions)

District, College	Project	2026-27 State Cost	2026-27 Total Cost	All Years State Cost	All Years Total Cost
NEW PROJECTS - Proposition 2					
Chaffey, Chaffey College	Theater Building Renovation	$1,489,000	$2,143,000	$17,848,000	$25,040,000
Coast, Golden West College	Performing Arts Replacement	$1,542,000	$3,146,000	$21,782,000	$42,824,000
El Camino, El Camino College	New Interdisciplinary Science Center (Replacement)	$4,259,000	$9,883,000	$64,089,000	$146,927,000
Kern, Bakersfield College	BC Fine Arts Replacement	$1,861,000	$3,722,000	$40,278,000	$52,925,000
Kern, Porterville College	PC Career Technology Building	$2,250,000	$3,541,000	$26,067,000	$50,944,000
Los Angeles, LA City College	Communications Building Replacement	$2,441,000	$5,566,000	$36,570,000	$81,231,000
Merced, Merced College	Gym Complex Replacement	$2,461,000	$3,757,000	$35,626,000	$50,571,000
Riverside, Riverside City College	Advanced Technology (Applied Technology)	$4,677,000	$12,044,000	$71,925,000	$178,825,000
Sequoias, Hanford Educational Center	Science Building	$4,182,000	$4,182,000	$51,137,000	$67,082,000
State Center, Reedley College	Modernize Voc-Tech Complex: Aero, Auto, Welding	$2,647,000	$4,073,000	$34,106,000	$51,316,000

CONTINUING PROJECTS - Proposition 2					
Antelope Valley, Antelope Valley College	Gymnasium Replacement	$22,562,000	$42,553,000	$24,184,000	$45,927,000
Citrus, Citrus College	New Career Technical Education Building	$43,784,000	$106,862,000	$47,010,000	$114,887,000
Coast, Golden West College	PE - Rec (Gym) Replacement	$26,907,000	$52,673,000	$28,909,000	$56,801,000
Coast, Orange Coast College	Skills Lab Replacement	$12,086,000	$23,980,000	$13,196,000	$25,998,000
El Camino, El Camino College	Hydronic Line Replacement	$8,530,000	$11,373,000	$9,343,000	$12,457,000
Foothill-DeAnza, De Anza College	Physical Education Complex Renovation	$36,999,000	$49,002,000	$40,385,000	$53,487,000
Hartnell, Hartnell College	Building F, G, H (Gymnasium) Renovation	$17,501,000	$34,471,000	$19,265,000	$37,648,000
Imperial Valley, Imperial Valley College	Gym Modernization	$11,736,000	$23,295,000	$12,775,000	$25,373,000
Kern, Bakersfield College	BC Center for Student Success	$26,363,000	$51,467,000	$28,297,000	$55,336,000
Long Beach, Liberal Arts Campus	Building B Replacement	$24,400,000	$50,765,000	$24,782,000	$51,639,000
Los Angeles, LA City College	Kinesiology South Replacement	$16,008,000	$38,201,000	$17,302,000	$41,270,000
Los Angeles, LA Pierce College	Sewer Utility Infrastructure Replacement	$6,576,000	$8,769,000	$7,268,000	$9,692,000
Los Angeles, LA Trade-Tech College	Advanced Transportation & Manufacturing Replacement	$83,567,000	$200,960,000	$89,614,000	$215,809,000
Los Angeles, LA Valley College	Sewer Utility Infrastructure Replacement	$5,203,000	$6,938,000	$5,794,000	$7,726,000
Los Rios, American River College	Davies Hall Replacement Health and Safety	$55,655,000	$73,977,000	$59,984,000	$79,749,000
Mendocino-Lake, Willits Center	Willits Center Phase II	$13,022,000	$26,115,000	$14,365,000	$28,181,000
Merced, Merced College	Music Art Theater Complex	$22,604,000	$43,291,000	$24,073,000	$47,206,000

Mt. San Antonio, Mt. San Antonio College	Library Replacement	$53,066,000	$146,638,000	$56,962,000	$157,509,000
North Orange County, Fullerton College	STEM Vocational Center	$25,092,000	$51,627,000	$27,014,000	$55,471,000
Peralta, Merritt College	Replace Bldgs E and F - Kinesiology and Physical Training	$20,769,000	$49,880,000	$22,445,000	$53,877,000
Rio Hondo, Rio Hondo College	Business and Art Building Replacement	$21,133,000	$41,829,000	$22,727,000	$45,016,000
Riverside, Ben Clark Training Center	Education Center Building 2 at Ben Clark Training Center	$14,634,000	$35,659,000	$15,969,000	$38,844,000
Riverside, Moreno Valley College	Library Learning Resource Center (LLRC)	$40,665,000	$97,285,000	$43,662,000	$104,628,000
Riverside, Norco College	Library/Learning Resource (LLRC) and Student Services (SS)	$31,247,000	$75,351,000	$33,759,000	$81,389,000
Riverside, Riverside City College	Cosmetology Building	$18,240,000	$44,145,000	$19,857,000	$47,989,000
San Mateo, Skyline College	Boiler Plant Replacement	$5,519,000	$7,320,000	$5,973,000	$7,925,000
Shasta-Tehama-Trinity Jt., Shasta College	Life Sciences (Building 1600) Renovation	$7,757,000	$15,127,000	$8,437,000	$16,560,000
State Center, Clovis Community College	Kinesiology and Wellness Center	$22,251,000	$44,388,000	$23,933,000	$47,752,000
State Center, Reedley College	Modernization of Agriculture Instruction Complex	$15,204,000	$29,235,000	$16,499,000	$31,825,000
Total		**$736,889,000**	**$1,535,233,000**	**$1,163,211,000**	**$2,345,656,000**

STATE OPERATIONS RECEIVES SOME NEW CAPACITY

The Chancellor’s Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing initiatives like Guided Pathways, reforms to remedial education and transfer, and the Student Centered Funding Formula, as well as the statewide components of Vision 2030. In addition, the Chancellor’s Office provides technical assistance to districts and conducts regional and statewide professional development activities. Consistent with actions taken to apply administrative efficiency reductions to all state agencies, the Chancellor’s Office saw reductions in its operational budget in the 2024 and 2025 Budget Acts, increasing its challenge to oversee the 116

California Community Colleges and the more than 2.1 million students they serve with the smallest staff capacity among California's higher education system offices.

While the system requested $5 million ongoing to increase its staff capacity with 27 new positions, the Governor's May Revision continues to include the proposal put forth in the Governor's Budget for $614,000 **ongoing** General Fund to support four new positions and a new unit within the Chancellor's Office. The funds would support an attorney to monitor changes to federal laws, regulations, and policies to discern the impacts of federal policy adjustments on the system. They would also support a supervisor and two analysts for a Contracts Oversight Unit to prepare, review, and oversee contracting and grant policies and procedures. The May Revision keeps level the additional $12.2 million the Chancellor's Office receives in special funds and reimbursements for its operations.

Next Steps

Following release of the Governor's May Revision, the budget process moves very quickly. LAO typically publishes analyses of the May Revision within a few days. Budget subcommittees convene to review the proposals and often take action on both January and May proposals within about a week. Subcommittees report their recommendations to full committees, which in turn report to their respective houses. The state constitutional deadline for the Legislature to approve a budget is June 15. (See Appendix A for a more complete overview of the state budget process.)

For more information throughout the budget process, please visit the Budget News section of the Chancellor's Office website:

https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News

Appendix A: Overview of the State Budget Process

The Governor and the Legislature adopt a new budget every year. The Constitution requires a balanced budget such that, if proposed expenditures exceed estimated revenues, the Governor is required to recommend changes in the budget. The fiscal year runs from July 1 through June 30.

Governor's Budget Proposal. The California Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. The Director of Finance, who functions as the chief financial advisor to the Governor, directs the preparation of the Governor's Budget. The state's basic approach is incremental budgeting, estimating first the costs of existing programs and then adjusting those program levels. By law, the chairs of the budget committees in each house of the Legislature—the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee—introduce bills reflecting the Governor's proposal. These are called budget bills, and the two budget bills are identical at the time they are introduced.

Related Legislation. Some budget changes require that changes be made to existing law. In these cases, separate bills—called "trailer bills"—are considered with the budget. By law, all proposed statutory changes necessary to implement the Governor's Budget are due to the Legislature by February 1.

Legislative Analyses. Following the release of the Governor's Budget in January, the LAO begins its analyses of and recommendations on the Governor's proposals. These analyses, each specific to a budget area (such as higher education) or set of budget proposals (such as transportation proposals), typically are released beginning in mid-January and continuing into March.

Governor's Revised Proposals. Finance proposes adjustments to the January budget through "spring letters." Existing law requires Finance to submit most changes to the Legislature by April 1. Existing law requires Finance to submit, by May 14, revised revenue estimates, changes to Proposition 98, and changes to programs budgeted based on enrollment, caseload, and population. For that reason, the May Revision typically includes significant changes for the California Community Colleges budget. Following release of the May Revision, the LAO publishes additional analyses evaluating new and amended proposals.

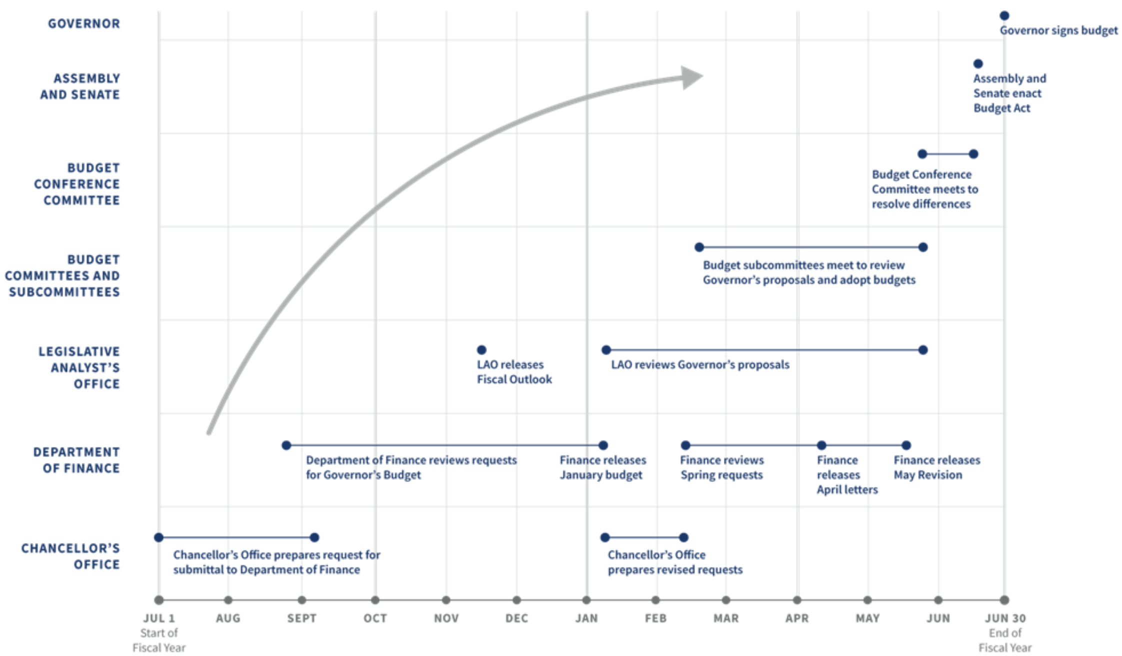
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can adopt, reject, or modify the proposal. Any January proposals not acted on remain in the budget by default. May proposals, in contrast, must be acted on to be included in the budget. In addition to acting on the Governor's budget proposals, subcommittees also can add their own proposals to the budget.

When a subcommittee completes its actions, it reports its recommendations back to the full committee for approval. Through this process, each house develops a version of the budget that is a modification of the Governor's January budget proposal.

A budget conference committee is then appointed to resolve differences between the Senate and Assembly versions of the budget. The administration commonly engages with legislative leaders during this time to influence conference committee negotiations. The committee's report reflecting the budget deal between the houses is then sent to the full houses for approval.

Budget Enactment. Typically, the Governor has 12 days to sign or veto the budget bill. The Governor also has the authority to reduce or eliminate any appropriation included in the budget. Because the budget bill is an urgency measure, the bill takes effect as soon as it is signed.

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



Appendix B: Board of Governors' Budget and Legislative Request Compared to Governor's May Revision

The system budget request included investments needed to ensure that system programs and activities work together to achieve *Vision 2030* goals and support students' economic mobility.

Board of Governor's Request	Governor's May Revision
Ongoing Investments	
Core Resources. Funds to ensure operational resources keep pace with evolving demands • Expeditious repayment of deferrals to ensure fiscal stability • $62.9 million to fund 1% enrollment growth and full funding of all enrollment growth in current year • $60 million to reestablish an ongoing Deferred Maintenance and Instructional Materials Program • $25.3 million to enact policy change eliminating the 10% cap on funded FTES growth • $24.3 million to enact policy change to modify SCFF formula to fund credit FTES at the higher of the three-year average or the amount reported in the current year (rather than the current policy of using the three-year average)	• Fully repays the $408.4 million deferral from 2025-26 State Budget • Provides $291.9 million for a COLA of 2.87% to general apportionments and $36.7 million for the same COLA to selected categorical programs; also provides $146.4 million for an additional discretionary COLA of 1.4% (for a total apportionments COLA of 4.3%) • Provides $33.9 million for 0.5% enrollment growth in 2026-27 and $55.3 million for 1% growth in 2025-26 (for a total of $89.2 million for 1.5% growth across the two years) • Includes $38.1 million to increase funding for Calbright College and proposes ongoing COLA • See one-time investment in deferred maintenance
Pathways and Student Supports. Funds to provide supports for students, including specific learner populations • $62.3 million for Student Equity and Achievement Program to meet growing demand and offset inflationary cost pressures • $15 million increase for Dreamer Resource Liaisons • $14.2 million for Veterans Resource Centers • $10 million increase for Immigrant Legal Services • $10 million increase for Student Financial Aid Administration • $7.5 million to sustain and scale the United Domestic Workers (UDW) Education Pathways Project • $2.5 million for African American Male Education Network and Development (A2MEND) Program • $1 million to launch 10 new Umoja programs	• See one-time investments for the Student Support Block Grant and Adult Learner Demonstration Project
Partnerships and Coordination. Funds to strengthen cross-sector partnerships and coordination	• Provides $2 million for Credit for Prior Learning Initiative • See one-time investment for RSI

• $60 million to expand California Apprenticeship Initiative and $9 million for Related and Supplemental Instruction (RSI) Program • $41.1 million to support collaboration to expand sector-based workforce training and connect targeted populations to career education pathways • $2 million to institutionalize Credit for Prior Learning through outcomes-based funding model	
Capacity to Support the System. $14.3 million through a 1% set-aside from selected categorical programs to establish the Vision 2030 Innovation Catalyst Fund to allow Chancellor's Office more capacity to evaluate models, seed and scale effective practices, and align resources and policy	Not included
Faculty and Staff Supports. • $55 million to fully fund 90% reimbursement rate for Part-Time Faculty Office Hours Program • $25 million to ensure faculty and staff have access to professional development that strengthens their capacity to improve student outcomes under Vision 2030 • $5 million to sustain and scale AI training for educators and partners	Not included
Technology and Data Sharing. • $10.6 million for COLA for Integrated Technology categorial program • $9 million to expand the Common Cloud Data Platform (CCDP) • $3.9 million to support California Virtual Campus (CVC)	Provides $5 million to scale the CCDP
One-Time Investments	
Pathways and Student Supports. Funds to provide supports for students, including specific learner populations • $60 million over three fiscal years to restore Strong Workforce Program to its base level from 2023-24 State Budget prior to Rebuilding Nursing Infrastructure grant program carve-out • $24.2 million to support a dual enrollment grant program • $2.5 million for the College of Adaptive Arts for adults with intellectual and developmental disabilities at West Valley College	• Includes $100.6 million for the Student Support Block Grant • Provides $100 million ***to K-12*** for dual enrollment initiatives • Provides $9.7 million over three years to support Adult Learner Demonstration Project
Partnerships and Coordination. Funds to strengthen cross-sector partnerships and coordination • $35 million to scale Credit for Prior Learning	• Provides $35 million for Credit for Prior Learning Initiative • Includes $16 million to address RSI funding shortfalls

• $20 million to create pipeline of skilled workers through the Los Angeles Recovery and Rebuild Initiative • $15 million to address projected RSI shortfalls in 2024-25 and 2025-26 • $3 million to establish Native American Graves Protection and Repatriation Act Compliance Grant Program • $1.5 million to strengthen Beyond Barriers Demonstration Project partnership with state social services agencies • $1.2 million for a Rural College Transfer Collaborative to improve access to Associate Degrees for Transfer in high-demand fields	
Faculty and Staff Supports. $10 million to launch AI professional development and literacy efforts	Not included
Technology and Data Sharing. $36 million to expand the CCDP	Includes $36 million to fully scale the CCDP
Deferred Maintenance.	Provides $120.7 million to address deferred maintenance and special repairs of facilities
Non-Proposition 98 Investments	
Capacity to Support the System. Funds to support 27 new positions to support implementation of legislative mandates and Vision 2030 priorities. • $813,000 to establish Contracts Oversight Unit with 6 new positions. • $793,000 for 4 new positions in Educational Service and Support Division. • $693,000 for 3 new positions to support building out the systems, policies, and practices to advance Vision 2030. • $692,000 for 3 new positions to assist in building out the technology infrastructure critical to achieving Vision 2030 goals. • $670,000 for 4 new positions to strengthen the Workforce and Economic Development Division's support of local programs and grants. • $607,000 for 4 new positions to establish Office of Civil Rights to ensure compliance with Title IX. • $551,000 for 2 new attorneys to support colleges with federal policy changes. • $150,000 for 1 new position to monitor and support compliance with the 50% Law.	Provides $614,000 to establish Contracts Oversight Unit with 3 staff and to add one attorney to monitor and support changes to federal laws and regulations
Technology. $45 million from Proposition 4 to establish a grant program to support microgrids on college campuses	Not included

Financial Aid. $1.1 billion in additional support for the statewide lease revenue bond approach to allowing construction of affordable student housing projects	Not included

Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

Based on the information used in developing the May Revision, it would be reasonable for districts to plan their budgets using information shown in Table C-1 below.

Table C-1: Planning Factors for Proposed 2025-26 Budget

Factor	2024-25	2025-26	2026-27
Cost-of-living adjustment (COLA)	1.07%	2.43%	2.87%
State Lottery funding per FTES[a]	$273	$272	TBD
Mandated Costs Block Grant funding per FTES	$35.64	$36.46	$37.51
RSI reimbursement per hour	$10.05	$10.32	$10.61
Financial aid administration per College Promise Grant	$0.91	$0.91	$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	27.05%	26.81%	26.40%
State Teachers' Retirement System (CalSTRS) employer contribution rates	19.10%	19.10%	19.10%

[a] 2026-27 estimate not available, will be updated when 2026-27 budget bill is complete.

STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues by specified deadlines. Financial reporting deadlines are shown in Table C-2.

Table C-2: Financial Reporting Deadlines for 2026-27

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2026	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2026	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2026	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2026	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2026	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2026	59106

If the governing board of any district fails to develop a budget as described, the chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not imposed on a district if the chancellor determines that unique circumstances made it impossible for the district to comply with the provisions or if there were delays in the adoption of the annual state budget.

The total amount proposed for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).

STATE REQUIREMENTS RELATED TO EXPENDITURES

State law includes two main requirements for districts' use of apportionments. The Chancellor's Office monitors district compliance with both requirements and annually updates the Board of Governors.

Full-Time Faculty Obligation

Education Code Section 87482.6 recognizes the goal of the Board of Governors that 75% of the hours of credit instruction in the California Community Colleges should be taught by full-time faculty. Each district has a baseline reflecting the number of full-time faculty in 1988-89. Each year, if the Board of Governors determines that adequate funds exist in the budget, districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in funded credit full-time equivalent students. Funded credit FTES includes emergency conditions allowance protections, such as those approved for fires and for the COVID-19 pandemic. Districts with emergency conditions allowances approved per regulation will not have their full-time faculty obligation reduced for actual reported FTES declines while the protection is in place. The target number of faculty is called the Faculty Obligation Number (FON). An additional increase to the FON is required when the budget includes funds specifically for the purpose of increasing the full-time faculty percentage. The chancellor is required to assess a penalty for a district that does not meet its FON for a given year.

Fifty Percent Law

A second requirement related to budget levels is a statutory requirement that each district spend at least half of its Current Expense of Education each fiscal year for salaries and benefits of classroom instructors. Under existing law, a district may apply for an exemption under limited circumstances.

Appendix D: Districts' Fiscal Health

The Board of Governors has established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. These standards are intended to be progressive, with the focus on prevention and assistance at the initial level and more direct intervention at the highest level.

Under that process, each district is required to regularly report to its governing board the status of the district's financial condition and to submit quarterly reports to the Chancellor's Office three times a year in November, February, and May. Based on these reports, the Chancellor is required to determine if intervention is needed. Specifically, intervention may be necessary if a district's report indicates a high probability that, if trends continue unabated, the district will need an emergency apportionment from the state within three years or that the district is not in compliance with principles of sound fiscal management. The Chancellor's Office's intervention could include, but is not limited to, requiring the submission of additional reports, requiring the district to respond to specific concerns, or directing the district to prepare and adopt a plan for achieving fiscal stability. The Chancellor also could assign a fiscal monitor or special trustee.

The Chancellor's Office believes that the evaluation of fiscal health should not be limited to times of crisis. Accordingly, the Fiscal Forward Portfolio has been implemented to support best practices in governance and continued accreditation, and to provide training and technical assistance to new chief executive officers and chief business officers through personalized desk sessions with Chancellor's Office staff.

The Chancellor's Office's ongoing fiscal health analysis includes review of key financial indicators, results of annual audit reports, and other factors. A primary financial health indicator is the district's unrestricted reserves balance. **The Chancellor's Office recommends that districts adopt policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of general fund operating expenditures or revenues, consistent with Budgeting Best Practices published by the Government Finance Officers Association.**

Districts are strongly encouraged to regularly assess risks to their fiscal health. The Fiscal Crisis and Management Assistance Team has developed a Fiscal Health Risk Analysis for districts as a management tool to evaluate key fiscal indicators that may help measure a district's risk of insolvency in the current and two subsequent fiscal years.

Appendix E: Glossary

Appropriation: Money set apart by legislation for a specific use, with limits in the amount and period during which the expenditure is to be recognized.

Augmentation: An increase to a previously authorized appropriation or allotment.

Bond Funds: Funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds.

Budget: A plan of operation expressed in terms of financial or other resource requirements for a specific period.

Budget Act (BA): An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget, amended by the Legislature, and signed by the Governor.

Budget Year (BY): The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

Capital Outlay: Expenditures that result in acquisition or addition of land, planning and construction of new buildings, expansion or modification of existing buildings, or purchase of equipment related to such construction, or a combination of these.

Cost of Living Adjustment (COLA): Increases provided in state-funded programs intended to offset the effects of inflation.

Current Year (CY): The present state fiscal year, beginning July 1 and ending June 30 (in contrast to past or future periods).

Department of Finance (DOF or Finance): A state fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor.

Education Protection Account (EPA): The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and amended by Proposition 55 in November 2016. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. These funds are set to expire on December 31, 2030.

Expenditure: Amount of an appropriation spent or used.

Fiscal Year (FY): A 12-month budgeting and accounting period. In California state government, the fiscal year begins July 1 and ends the following June 30.

Fund: A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations.

General Fund (GF): The predominant fund for financing state operations; used to account for revenues that are not specifically designated by any other fund.

Governor's Budget: The publication the Governor presents to the Legislature by January 10 each year, which includes recommended expenditures and estimates of revenues.

Lease Revenue Bond: Lease-revenue bonds are used in the state's capital outlay program to finance projects. The revenue stream paying the debt service on the bond is created from lease payments made by the occupying entity to the governmental financing entity which constructs the facility or causes it to be constructed.

Legislative Analyst's Office (LAO): A nonpartisan office that provides fiscal and policy advice to the Legislature.

Local Assistance: Expenditures made for the support of local government or other locally administered activities.

May Revision: An update to the Governor's Budget presented by Finance to the Legislature by May 14 of each year.

Past Year or Prior Year (PY): The most recently completed state fiscal year, beginning July 1 and ending June 30.

Proposition 98: A section of the California Constitution that, among other provisions, specifies a minimum funding guarantee for schools and community colleges. California Community Colleges typically receive 10.93% of the funds.

Related and Supplemental Instruction (RSI): An organized and systematic form of instruction designed to provide apprentices with knowledge including the theoretical and technical subjects related and supplemental to the skill(s) involved.

Reserve: An amount set aside in a fund to provide for an unanticipated decline in revenue or increase in expenditures.

Revenue: Government income, generally derived from taxes, licenses and fees, and investment earnings, which are appropriated for the payment of public expenses.

State Operations: Expenditures for the support of state government.

Statute: A law enacted by the Legislature.

Workload Budget: The level of funding needed to support the current cost of already-authorized services.