Cañada College

REDWOOD CITY, CA

2025-26 Adopted Budget & Multiyear Budget Projections

Planning and Budgeting Council Meeting
October 15, 2025

Agenda

- Federal Grant Funding Loss and Impact
- State Budget Outlook
- District Budget Outlook
- Adopted Budget 2025-26 and Multiyear Budget Projections
- Recommendations

Federal Funding Loss and Impact on the College Operations

- **Total federal funding loss: ~$1.1 million from DHSI and AANAPISI programs**
- **3.6 FTE* positions supported by these grants will be impacted**

Federal Fiscal Year	DHSI ** Title V: (Fund 30169) Allocation	SFSU AANAPISI*** Title III (Fund 30170) Allocation
Year 1 (10/01/2022-09/30/2023)	$ 599,911	$ 115,000
Year 2 (10/01/2023-09/30/2024)	$ 599,776	$ 115,000
Year 3 (10/01/2024-09/30/2025)	$ 596,948	$ 115,000
Funds Received (Year 1-3)	**$ 1,796,635**	**$ 345,000**
Year 4 (10/01/2025-09/30/2026)	$ 518,784	$ 115,000
Year 5 (10/01/2026-09/30/2027)	$ 354,406	$ 115,000
Funds Lost/Not Approved (Year 4-5)	**$ 873,190**	**$ 230,000**
Affected Positions	**3 FTE**	**.6 FTE**

*FTE = Full-Time Equivalent
** DHSI = Developing Hispanic-Serving Institutions
***AANAPISI = Asian American and Native American Pacific Islander-Serving Institutions

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State Budget Outlook & Fiscal Risks

- The state budget relies heavily on one-time funds, not ongoing revenue.
- Economic volatility (capital gains, tax delays) drives large year-to-year swings.
- The May Revision shows a $12 B deficit for FY 2025-26.
- Proposition 98 funding for K-14 is highly sensitive to state revenues.
- Many one-time programs expire after 2025-26, creating future funding gaps.
- Ongoing cost pressures will outpace revenue growth in out-years.

District Budget Outlook & Fiscal Risks

- **Property Taxes:** Slower growth as the real estate market cools.
- **Enrollment:** Modest FTES recovery; long-term uncertainty.
- **Personnel Costs:** Pending labor negotiations and contract renewals may increase salary and benefit obligations.
- **Insurance & Utilities:** Rising premiums and energy costs.
- **Capital Improvements:** Significant facility needs with limited funding.
- **Scheduled Maintenance:** Deferred projects continue to grow without sufficient funding.
- **New Initiatives:** Expansion must align with sustainable resources.
- **Inflation & Tariffs:** Increasing construction and material costs.

<u>Outlook per Peter's Presentation:</u>

Stable but cautious — slower revenue growth, rising fixed costs, and unfunded capital needs require disciplined budgeting and reserve planning.

College Multiyear Projections-Appendix 1

Recommendation:

- **Pause on New Positions:** Do not approve new positions unless they are essential and can be fully funded from existing resources or vacancy savings.
- **Prioritize Essential Needs:** Focus on critical programs and investments that align with the Educational Master Plan (EMP).
- **Maintain Financial Resilience:** Strengthen reserves to address revenue uncertainty, cost increases, and deferred maintenance needs.
- **Plan for Sustainability:** Align future initiatives and investments with projected resources to ensure ongoing financial health.

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Thank you

Basic Aid or "Community-Supported: District

- A district becomes basic aid or "community-supported" when its share of local property taxes plus student fees exceeds the state funding guarantee, as determined by the formula.

- SMCCCD attained basic aid status in 2011.

- The District keeps the higher revenues as local property tax values accumulate above the state apportionment.
  - Higher salaries in comparison with other districts
  - Additional student support program
  - Innovative Projects

- Other basic aid community college districts: Marin, Mira Costa, South Orange, Napa Valley, San Luis Obispo County, and Sierra.