



Budget Forum

FEBRUARY 24, 2025

Today's Presentation

- 2024-25 Current year update
- 2025-26 Proposed State Budget
- 2025-26 Budget Projections
- Economic Outlook
- Enrollment Update and Strategies

CURRENT YEAR BUDGET UPDATE



Total Computational Revenue Refresher

Total Computational Revenue Refresher

The Student-Centered Funding Formula (SCFF) which emphasizes student success.

The Total Computational Revenue (TCR) is the max of A, B or C.

A. SCFF Calculated Revenue

- Base Allocation - Access (70%) – based on Full Time Equivalent Students (FTES) and basic allocation
- Supplemental Allocation - Equity (20%)
- Student Success Incentive Allocation - Success (10%)

B. Prior Year TCR Stability

- Prior year SCFF calculated revenue plus COLA

C. Minimum Revenue Commitment

- Hold Harmless through 2024-25 – was the 2017-18 TCR adjusted for COLA
- Hold Harmless Revised -the District's 2025-26 TCR will represent its new "funding floor", below which it cannot drop and will not be adjusted for COLA

CURRENT YEAR BUDGET UPDATE

2024-25 Enrollment & SCFF Revenue



Approximately 60% of the SCFF comes from FTES

	2022-2023* Actual	2023-2024* Actual	2024-2025** P1	2025-2026 Projected
FTES	13,984.11	15,264.22	16,272.17	16,900.00
Summer Shift		1,146.90	(1,146.90)	
Reported	13,984.11	16,411.12	15,125.27	16,900.00

* Emergency condition allowance (ECA) were applied for the pandemic in fiscal years 2020-21, 2021-22, 2022-23 as a funding protection. This allowance modified the actual FTES to the 2019-20 funded FTES of 16,773.18.

** The maximum current year TCR is projected to be Computation B - Prior Year TCR Stability as we are not quite at pre-pandemic level which corresponds to our current year budget.

CURRENT YEAR BUDGET UPDATE



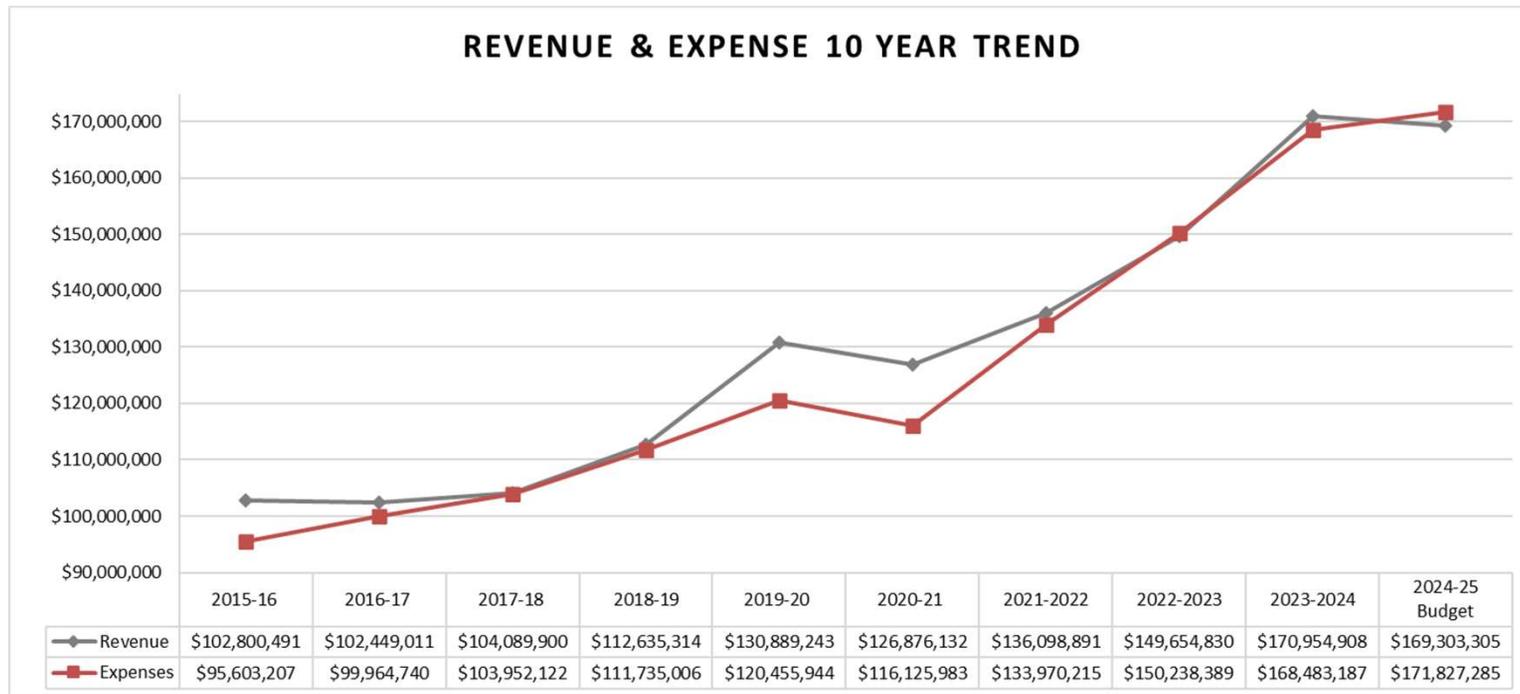
Total Computational Revenue Over the Years

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Apportionment Period, Protections	R1 June 2022	R1 June 2023	R1 Feb 2024	Recalc Nov 2024	P1 Jan 2025	Est with 24-25 projections plus COLA
COLA ==>	0.00%	5.07%	6.56%	8.22%	1.07%	2.43%
Total Computational Revenue (TCR)						
I. Base Allocation (FTES + Basic Allocation)						
College Allocation	5,394,006	5,667,482	7,933,899	8,586,066	8,677,937	8,888,810
Center Allocation	2,697,002	2,833,740	3,966,948	4,293,032	4,338,967	4,444,404
Basic Allocation	8,091,008	8,501,222	11,900,847	12,879,098	13,016,904	13,333,215
FTES Allocation	67,777,643	71,213,969	81,835,036	94,677,110	87,967,983	90,320,336
Subtotal FTES + Basic Allocation	75,868,651	79,715,191	93,735,883	107,556,208	100,984,887	103,653,551
II. Supplemental Allocation	27,035,064	24,495,196	25,158,738	27,115,302	27,405,436	28,071,388
III. Student Success Allocation	11,806,150	13,255,892	15,684,639	16,381,745	16,088,474	16,243,801
Student Centered Funding Formula (SCFF)						
Calculated Revenue (A)	114,709,865	117,466,279	134,579,260	151,053,256	144,478,797	147,968,740
PY SCFF Calculated Revenue + COLA (B)	110,305,451	120,525,655	125,172,067	145,641,675	152,669,525	147,989,633
Hold Harmless Revenue/Floor of 2024-25 (C)	99,344,661	104,381,435	111,228,857	120,371,869	121,659,848	152,669,525
Stability Protection Adjustment	-	3,059,376	-	-	8,190,728	-
Hold Harmless Protection Adjustment	-	-	-	-	-	4,700,786
Subtotal of total Protection Adjustment	-	3,059,376	-	-	8,190,728	4,700,786
TCR (Max of A, B, or C)	114,709,865	120,525,655	134,579,260	151,053,256	152,669,525	152,669,525

R1 – Recalculation Apportionment
P1 – Period 1

CURRENT YEAR BUDGET UPDATE

Revenue & Expense Trend - Actuals



PROPOSED STATE BUDGET

2025-26 Summary



Released Jan 10, 2025

Overall the State Budget is higher than in 2024-2025, increasing about 8%

- The budget outlook has improved as a result of higher state receipts and cost-cutting actions taken during 2024-2025.
- Projects a small surplus of \$363M.
- \$17B in reserve funds to protect against economic downturns.
- Proposal to increase the rainy-day fund cap to 20% of General Fund revenues.
- Proposal to contribute more to rainy day fund during periods of strong economic growth.

PROPOSED STATE BUDGET

2025-26 Summary



- 2024-25 steady increase in revenues, exceeding projections due to:
 - Higher income growth among wealthier tax payers.
 - Strong stock market performance.
 - However, softening labor market/consumer market due to issues such as private sector job losses, declining labor force participation (below 62% due to aging population).
 - Future uncertainties: Impact of recent wildfires on property tax revenues remains unknown; secondary impacts of federal layoffs.

PROPOSED STATE BUDGET

2025-26 Summary



Governor's key changes in the budget proposal compared to 2024-25

- The budget proposal for the California Community Colleges reflects a significant focus on the Master Plan for Career Education and includes a vision of a Career Passport that would follow a student's educational career.
- The proposal for additional ongoing spending includes \$230.4 million for a 2.43% cost-of-living adjustment (COLA) for community college apportionments, about \$28.7 million for COLAs and adjustments to certain categorical programs, and \$30.4 million for systemwide enrollment growth of 0.5%.
- One-time funding in the proposal is dedicated to the establishment of a Systemwide Common Data Platform and scaling up Credit for Prior Learning policies.
- The Governor's proposal includes capital outlay funds from Proposition 51 and Proposition 2 to support 31 projects.

PROPOSED STATE BUDGET

2025-26 Community Colleges



- Enrollment Growth 0.5% statewide.
- Proposed COLA – 2.43% statewide statutory cost of living adjustment (COLA) for apportionment and selected categorical funds.
- Roadmap to the Future continues to shape budget proposal intended to advance equity, student success, and the system’s ability to prepare students for California’s future.

PROPOSED STATE BUDGET

2025-26 Community Colleges



- Statewide Technology Transformation - \$168 million one-time Proposition 98 General Fund for the completion of the Statewide Technology Transformation project.
- Systemwide Common data Platform - \$162.5 million Proposition 98 General Fund, \$29 million of which is ongoing, for scaling of a common cloud data platform across the community college system.
- Expanded Credit for Prior Learning Policies and Career Passport - \$100 million one-time Proposition 98 General Fund, \$7 million of which is ongoing, to build upon existing credit for prior learning policies.

PROPOSED STATE BUDGET

2025-26 Community Colleges



- Community College Facilities - \$51.5 million on-time Proposition 2 bond funds allocated for critical infrastructure, facility modernization, an enrollment growth projects for 28 community college facilities.
- Expansion of Rising Scholars Network - \$30 million ongoing Proposition 98 General Fund to expand the Rising Scholars Network, which provides college education opportunities to student who have be impacted by the criminal justice system with the goal of serving more students through the program.

PROPOSED STATE BUDGET

2025-26 Community Colleges



Impact of Community Colleges:

- COLA, Growth, Career Master Plan, Statewide Technology Transformation, Career Education Master Plan, State Technology Transformation, Statewide Common Data Platform, Rising Scholars Network
- No major new investments but protection for prior funding commitments.
- Cuts in federal programs may threaten services for at-risk populations.

BUDGET PROJECTIONS



2025-26 Unrestricted General Fund

UNRESTRICTED GENERAL FUND	2024-2025 ADOPTED BUDGET	2025-2026 ESTIMATED BUDGET
Revenue	169,303,305	169,303,305
Income Adjustments		-
Total Revenue	169,303,305	169,303,305
Expenses	171,827,285	171,827,285
Cost Adjustments		-
Total Expenses	171,827,285	171,827,285
Surplus/(Deficit)	(2,523,980)	(2,523,980)
Reserves/Ending Bal	49,708,161	47,184,181
	28.93%	27.46%

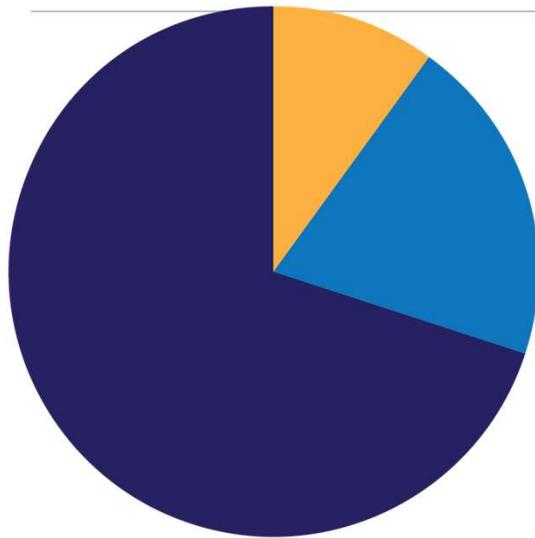
Limited Applied Assumptions:

- No change in SCFF estimation (Computation B)
- Negotiated Contracts, utilities and election costs to be determined

ECONOMIC OUTLOOK

- Cautious optimism: Weak currently, but steady growth expected; improved in outyears.
- Potential inflation pressures from tariffs, immigration policies, and rising housing/food demand over supply.
- If interest rates are lowered by the Federal Reserve, this could stimulate growth and outperform state forecasts.

Student Centered Funding Formula (SCFF)



10% Student Success Allocation (Outcomes)

Metrics are: associate's degrees for transfer, associate's degrees, bachelor's degrees, certificates 16 units or more, completion of transfer-level math and English within the first academic year, transfer to a four-year institution, completion of nine or more Career Technical Education (CTE) units and attaining the regional living wage within one year of leaving community college.

20% Supplemental Allocation (Equity)

Low-income students. Students receiving a Pell Grant, a California College Promise Grant and/or an AB540 waiver for the payment of nonresident tuition.

70% Base & Basic Allocation (Enrollment/Access)

62% Base Allocation (per FTES) and 8% Basic Allocation (by category - single college district, etc.). Credit/noncredit students, Career Development and College Preparation (CDCP) students, Inmates in Correctional Facilities and Special Admit students.

SCFF Student Success Allocation



10% Student Success Allocation (Outcomes)



ADT Earners	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Number of Earners	1,160	1,283	1,123	1,115	1,088

Associate Degree Earners	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Number of Earners	1,003	812	728	573	523

Baccalaureate Earners	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Number of Earners	0	0	0	0	0

Credit Certificate Earners	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Number of Earners	333	187	220	217	280

Transfer Level Math & English	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Count	659	602	534	591	641

Transfer to a Four-Year Institution	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Count	924	1,062	1,104	925	895

Nine or More CTE Units	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Count	2,687	2,648	2,657	2,821	3,212

Regional Living Wage	Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
	Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
	Count	3,468	3,346	3,589	3,805	2,114

SCFF Student Supplemental Allocation



20% Student Supplemental Allocation (Equity)

Pell Grant

Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
Number of Recipients	9,087	7,515	6,853	7,190	7,853

Promise Grant

Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
Number of Recipients	17,929	15,458	13,884	14,134	16,152

AB 540

Fiscal Reporting Year	2020-21	2021-22	2022-23	2023-24	2024-25
Data From:	2019-20	2020-21	2021-22	2022-23	2023-24
Student Headcount	1,502	1,619	1,243	566	588

SCFF Base & Basic Allocation



70% Base & Basic Allocation (Enrollment/Access)

Targets and Scheduling Principles: AY 2025-26

FALL 2025 FTES TARGETS		SPRING 2026 FTES TARGETS	
ACD	2,187	ACD	2,030
ACD-C		ACD-C	
BTH	732	BTH	700
BTH-C		BTH-C	
HW	685	HW	595
MIT	308	MIT	266
PCS	1,725	PCS	1,687
STEM	1,786	STEM	1,477
CM	123	CM	105
ATHL	139	ATHL	126
WED	15	WED	14
OVERALL	7700	OVERALL	7000

Growth in Key Areas

- Dual Enrollment
- Rising Scholars
- Evening programming

Varying Learning Options

- 45% in-person, 55% online
- Expand short term offerings (Fast Track and 14-week)

Increased Efficiency Efforts

- Enforce class size norms outlined in the contract

Enrollment Goals

Increase Touchpoints

- Develop and implement retention strategies for enrolled students
- Market accelerated and alternative term lengths available
- Personalize messaging and marketing

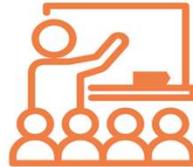
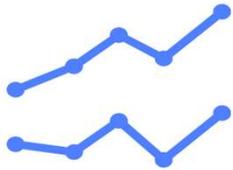
Improve Processes

- Opportunities to personalize the student experience
- Increase comprehensive education plans and use data to inform scheduling and planning

Expand Programming

- Dual Enrollment
- Rising Scholars
- Evening classes

Key Performance Metrics



Trends

- Enrollment by course/section
- Fill rates
- Waitlist data

FTES

- Earned by section and/or department
- Earned by ACC
- Efficiency (minimum enrollment impact)

Pathways

- ACCs (Community)
- Program Pathway Data
- Student Educational Plan Data

DISTRICT STRATEGIES Budget Development

A flyer for a Budget Development Workshop. The background is a blue-tinted image of a classical building with a dome. The text is white and red. It includes the Chaffey College logo, the title "Budget Development Workshop", the date "February 26, 2025", the time "9-10:30am, CAA-211", a Zoom link, and a QR code.

Chaffey  College

Budget Development Workshop

February 26, 2025
9-10:30am, CAA-211

ZOOM LINK:
chaffey-edu.zoom.us/j/85638398978



Budget information and materials to develop department budgets will be distributed

DISTRICT STRATEGIES

Chaffey's Fiscal Health



Reserve Requirements*

23/24 Actual approx. 3.5 months (29.53%)

24/25 Adopted Budget approx. 3.5 months (28.93%)

24/25 Q2 Projection projected to be in compliance

*minimum of 2 months of expenditures

50 Percent Law *

23/25 Actual 50.7%

24/25 Projected to be in compliance

*EC 84362(d) states: "there shall be expended during each fiscal year for payment of salaries of classroom instructors by a community college district, 50 percent of the district's current expense of education."

Faculty Obligation Number (FON)

Fall 2023

249.8 Reported

Fall 2024

223.6 Compliance

240.2 Reported

Fall 2025

222.6 Advanced

Budgeted Salaries and Benefits of total expenses

23/24 Actual 78.64%

24/25 Budgeted 82.72%

24/25 Q2 Projection 85.72%

OPEB Trust and PST Balances: market value

OPEB:

\$19,796,851 market value

\$17.7 million liability as of June 30, 2024

PST:

\$40,125,432 market value

\$125.6 million liability as of June 30, 2024

QUESTIONS

