



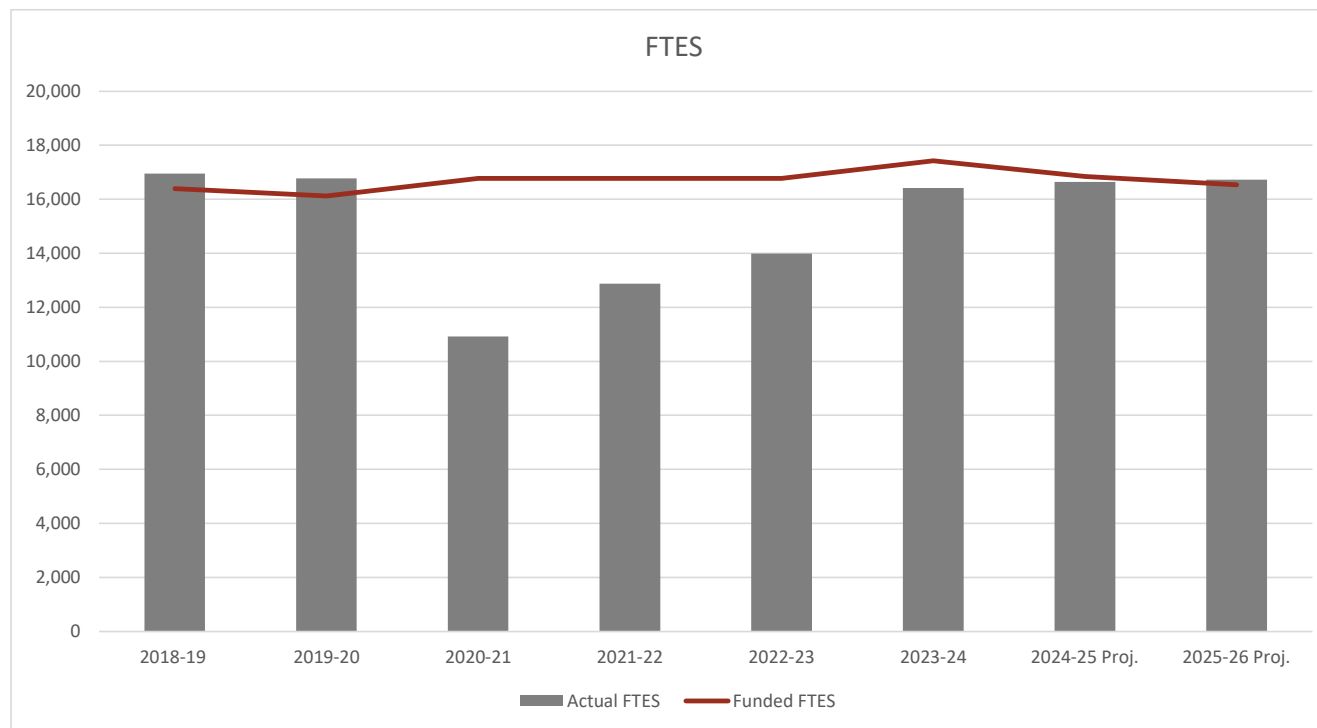
2025-26 Tentative Budget

JUNE 26, 2025

Today's Presentation

- 2024-25 Chaffey College Projected Update
- 2025-26 Governor's Proposed May Revise Budget
- 2025-26 Chaffey College Tentative Budget
- 2025-26 Challenges and Strategies

Funded Full-time Equivalent Students (FTES)



Emergency Conditions Allowance in place for 2020-21, 2021-22 and 2022-23

Current Year 2024-25 Summary

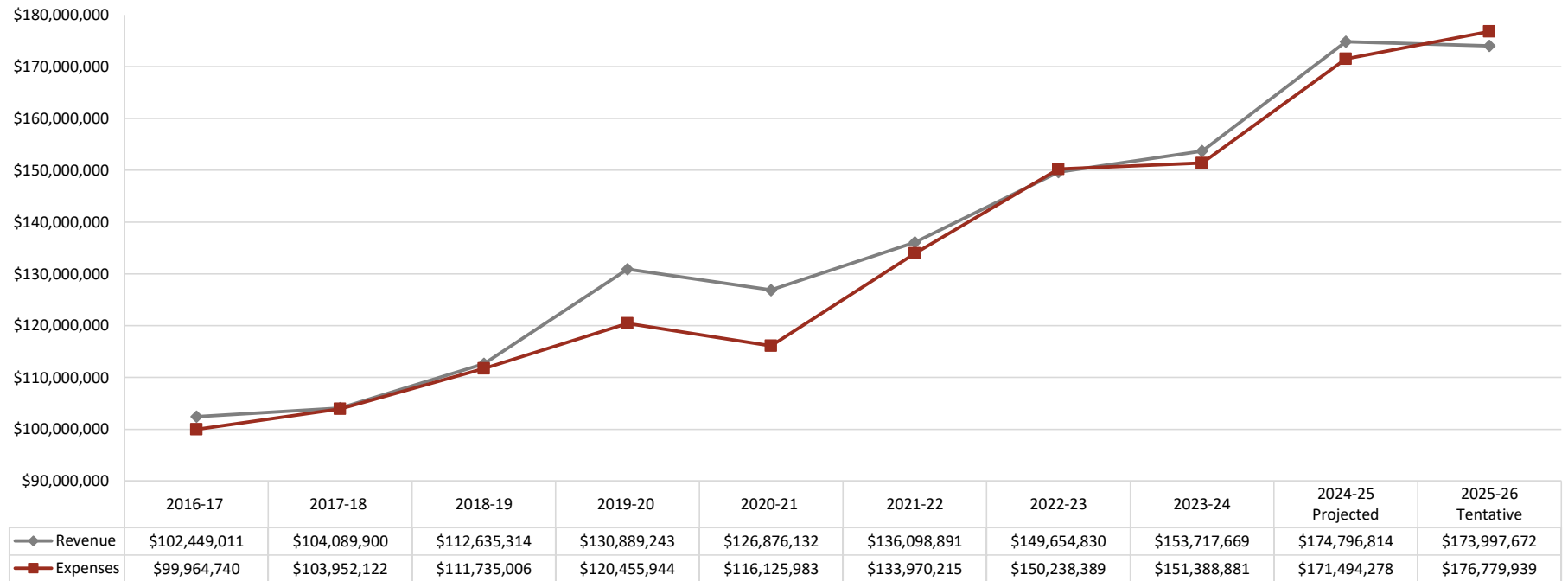
Unrestricted General Fund 2023-24 Actual to 2024-25 Projected

- Increase in Revenues:
 - Apportionment
 - Interest earnings
- Increase in Expenses:
 - Salaries and Benefits (approx. 85% of expenses)
 - Utilities and infrastructure
 - Support capital build out plans and technology infrastructure

Revenue & Expense Trends – Actuals



REVENUE & EXPENSE TREND





State Budget May Revision 2025-26

Why is the State budget important? Over 80% of our 2024-25 budgeted unrestricted general fund (UGF) income is from State general apportionment funds

Lower than expected revenues

- State Revenue – significant revenue shortfalls, rising costs, and high interest rates.
- Overall State Budget increased by 8%.
- State General Fund deficit of \$12 billion for the 2025-26 fiscal year.



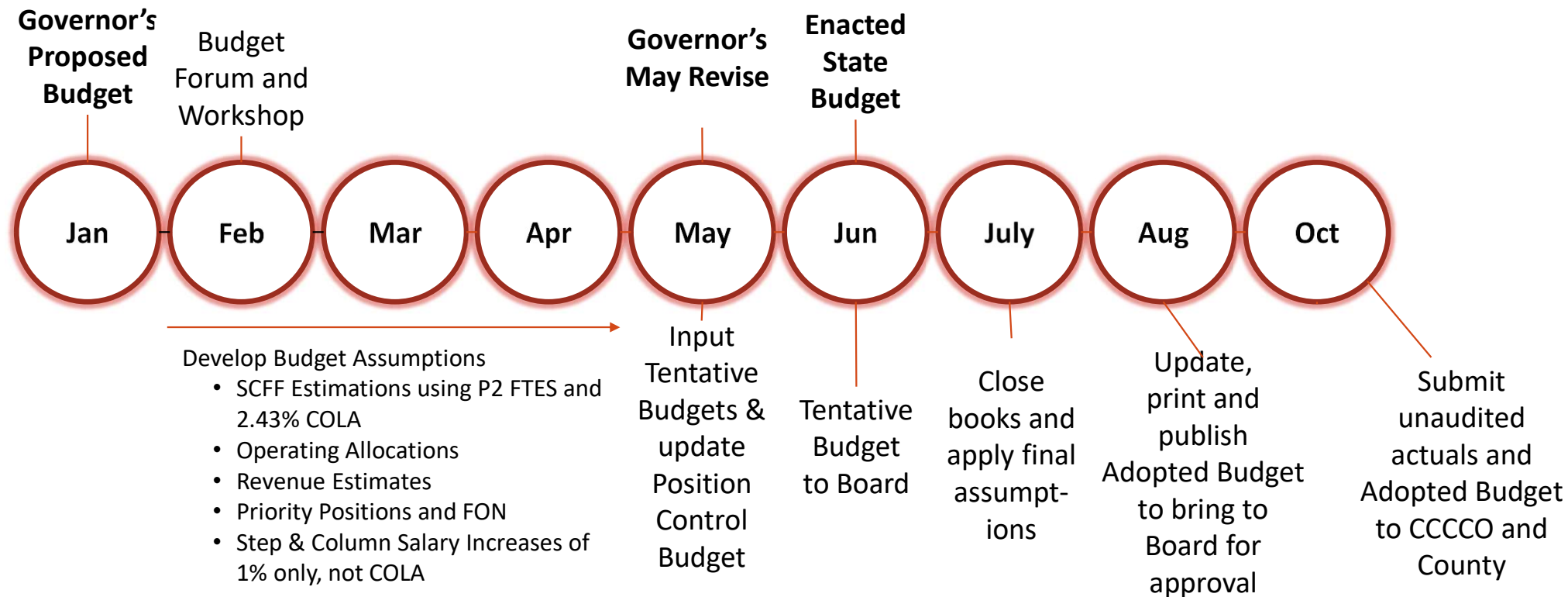
State Budget May Revision 2025-26

California Community Colleges Roadmap Goals: Greater Student Educational Outcomes, Advancing Equity, Increase Intersegmental Collaboration, and Improved Workforce Preparedness.

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.

- Enrollment Growth 2.35% statewide
- Proposed COLA – 2.30% statewide statutory cost of living adjustment (COLA) for apportionment and selected categorical funds
- Student Centered Funding Formula - permanently extend revised Hold Harmless starting 2025-26 using 2024-25 as floor
- Use of K-14 Rainy Day Fund

Budget Timeline



2025-26 Tentative Budget Development

Approval of the tentative budget before July 1 allows the District to spend before the approval of the State budget.

The District's tentative budget is based on the Governor's May Revision Budget and other known information, including:

- SCFF Estimations using P2 FTES and 2.3% COLA
- Operating Allocations
- Revenue Estimates
- Priority Positions and FON
- Step & Column Salary Increases of 1% only, not COLA

Unrestricted General Fund 2025-26 Budget Projections



UNRESTRICTED GENERAL FUND	2024-2025 ADOPTED BUDGET	2024-2025 PROJECTED ACTUALS	2025-2026 TENTATIVE BUDGET
Revenue	169,303,305	169,303,305	169,303,305
Income Adjustments		5,493,509	4,694,367
Total Revenue	169,303,305	174,796,814	173,997,672
Expenses	171,827,285	171,827,285	171,827,285
Cost Adjustments		(333,007)	4,952,654
Total Expenses	171,827,285	171,494,278	176,779,939
Surplus/(Deficit)	(2,523,980)	3,302,536	(2,782,267)
Reserves/Ending Bal	49,708,161	55,378,860	52,596,593
	28.93%	32.29%	29.75%

District Challenges

- Keeping up with inflation.
- Ongoing costs to support multiple instructional modalities, technology infrastructure and software, mental health, and other social services to advance equity.
- Strong reserves must be maintained for future revenue fluctuations
- Planning for increasing pension costs:

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>
STRS	19.10%	19.10%	19.10%	19.10%	19.10%
PERS	27.40%	26.81%	27.50%	28.50%	28.20%

Budget Strategies

- Implement efficiencies in course scheduling
- Continue to evaluate effectively applying the “Summer Shift” to FTES reporting to capture growth
- Continue to monitor vacant personnel positions/operating costs
- Ensure sufficient funding for technology infrastructure
- Continue funding reserve, capital projects, and Pension Stability Trust

Questions



Thank You!

Lisa Bailey – Associate Superintendent, Business Services and Economic Development

Patrick Cabildo – Executive Director, Business Services

Heather McGee Decauwer - Director, Budgeting & Grant Compliance