



Budget Forum

FEBRUARY 23, 2026

Today's Presentation

- 2025-26 Current year update
- 2026-27 Proposed State Budget
- 2026-27 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

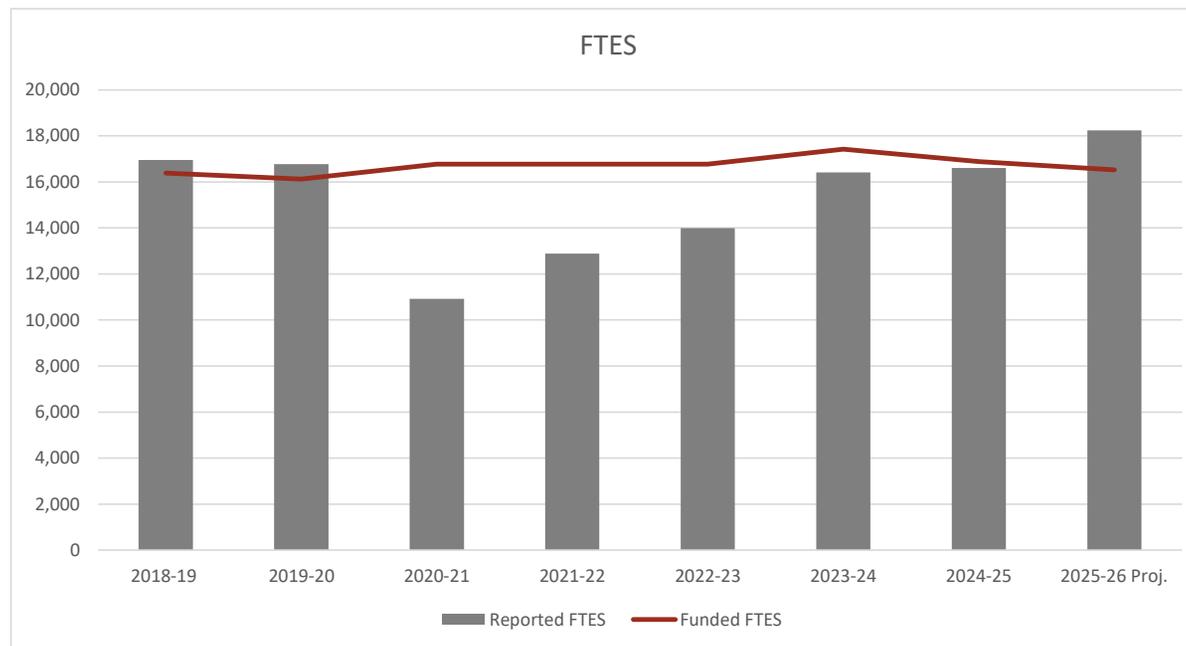
- Hold Harmless through 2024-25 – was the 2017-18 TCR adjusted for COLA
- Hold Harmless Revised -the District's 2025-26 TCR is the new "funding floor", below which it cannot drop and will not be adjusted for COLA

CURRENT YEAR BUDGET UPDATE



2025-26 Enrollment & SCFF Revenue

Approximately 60% of the SCFF comes from FTES



CURRENT YEAR BUDGET UPDATE



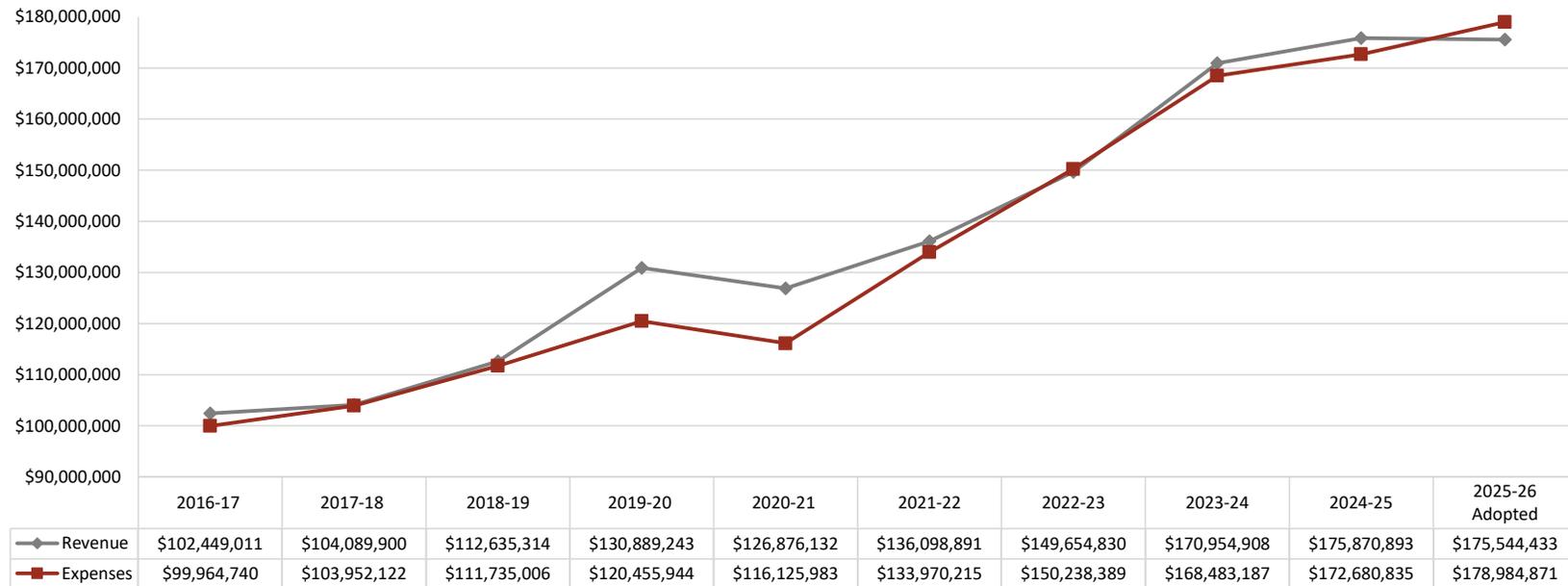
Total Computational Revenue Over the Years

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
Apportionment Period, Protections	R1 June 2023	R1 Feb 2024	R1 Feb 2025	Annual July 2025	25-26 P1	Est with 25-26 projections plus COLA	R1 – Recalculation Apportionment P1 – Period 1
COLA ==>	5.07%	6.56%	8.22%	1.07%	2.30%	3.02%	
Total Computational Revenue (TCR)							
I. Base Allocation (FTES + Basic Allocation)							
College Allocation	5,667,482	7,933,899	8,586,066	8,677,937	8,877,529	9,145,631	
Center Allocation	2,833,740	3,966,948	4,293,032	4,338,967	4,438,764	4,572,814	
Basic Allocation	8,501,222	11,900,847	12,879,098	13,016,904	13,316,293	13,718,445	
FTES Allocation	71,213,969	81,835,036	94,676,551	92,371,346	92,848,579	97,249,414	
Subtotal FTES + Basic Allocation	79,715,191	93,735,883	107,555,649	105,388,250	106,164,872	110,967,859	
II. Supplemental Allocation	24,495,196	25,158,738	27,115,302	30,789,488	34,599,639	35,644,548	Significant Increase
III. Student Success Allocation	13,255,892	15,684,639	16,381,745	15,746,762	16,394,980	17,427,220	
Student Centered Funding Formula (SCFF)							
Calculated Revenue (A)	117,466,279	134,579,260	151,052,697	151,924,500	157,159,491	164,039,627	Adopted Budget TCR B
PY SCFF Calculated Revenue + COLA (B)	120,525,655	125,172,067	145,641,675	152,669,995	155,418,764	161,905,707	
Hold Harmless Revenue/Floor of 2024-25 (C)	104,381,435	111,228,857	120,371,869	121,659,848	152,669,995	152,669,995	Funding floor set by highest TCR in 24/25
Stability Protection Adjustment	3,059,376	-	-	745,495	-	-	
Hold Harmless Protection Adjustment	-	-	-	-	-	-	
Subtotal of total Protection Adjustment	3,059,376	-	-	745,495	-	-	
TCR (Max of A, B, or C)	120,525,655	134,579,260	151,052,697	152,669,995	157,159,491	164,039,627	

CURRENT YEAR BUDGET UPDATE

Revenue & Expense Trend - Actuals

REVENUE & EXPENSE TREND



PROPOSED STATE BUDGET 2026-27 Summary



Released Jan 10, 2026

Overall the State Budget is higher than in 2025-26, increasing about 8.7%

- Fully balanced, with an emphasis on workload adjustments rather than new programs.
- Focuses on advancing prior investments in education, public safety, and housing.
- Builds long-term fiscal resilience to address potential deficits in future budget years.

PROPOSED STATE BUDGET 2026-27 Summary



State Revenues Remain Strong:

- Strong personal income tax and corporation tax performance.
- Third quarter of 2025 gross domestic product grew by 4.5%, the highest growth since mid-2023.
- The U.S. unemployment rate measured at 4.3% while California's rate remained relatively high at 5.5%.
- Housing market is showing modest improvement with permits up from the previous year (though down from prior-month levels).

PROPOSED STATE BUDGET

2026-27 Community Colleges



Governor's key changes in the budget proposal compared to 2025-26

- Focuses on maintaining base funding stability and continued investment in priorities aimed at achieving Vision 2023 and Roadmap Goals.
- Additional ongoing spending includes:
 - 2.41% cost-of-living adjustment (COLA) for community college apportionments.
 - COLAs and adjustments to certain categorical programs.
 - Systemwide enrollment growth of 1.5% over two years.
- One-time funding
- The Governor's proposal includes capital outlay funds from Proposition 2 to support 39 projects.

PROPOSED STATE BUDGET

2026-27 Community Colleges



Targeted Investments in Funding Stability and Enrollment Growth

- A 2.41% COLA totaling \$271.2 million ongoing for the SCFF and select categorical programs.
- \$87.2 million ongoing across 25-26 and 26-27 to support a combined 1.5% enrollment growth.
- \$13.4 million one-time to address current and projected funding Apprenticeship Related and Supplemental Instruction (RSI) shortfalls for 24-25 and 25-26.



PROPOSED STATE BUDGET

2026-27 Community Colleges

Extends Access to Education and Workforce Pathways

- \$38.1 million ongoing for Calbright College to support rapid upskilling and retraining for adult learners.
- \$14.3 million one-time for the California Healthy School Food Pathway Program, which trains food service workers to prepare healthy meals for K-12 students.
- \$100 million one-time for K-12 to provide additional dual enrollment opportunities for high school students.

PROPOSED STATE BUDGET

2026-27 Community Colleges



Removes Barriers for Adult Students and working Learners

- \$36 million one-time and \$5 million ongoing to fully scale the Common Cloud Data Platform and provide a real time view of student data.
- \$35 million one-time and \$2 million ongoing for the Credit for Prior Learning Initiative.

PROPOSED STATE BUDGET

2026-27 Community Colleges



Invests in Core Infrastructure Needs and Student Supports

- \$120.7 million one-time to address deferred maintenance needs and special repairs of facilities.
- Provides \$100 million one-time for the Student Support Block Grant to enhance existing student support programs.

BUDGET PROJECTIONS



2026-27 Unrestricted General Fund

UNRESTRICTED GENERAL FUND	2025-2026 ADOPTED BUDGET	2026-2027 ESTIMATED BUDGET
Revenue	175,544,433	175,544,433
Income Adjustments		1,781,094
Total Revenue	175,544,433	177,325,527
Expenses	178,984,871	178,984,871
Cost Adjustments		-
Total Expenses	178,984,871	178,984,871
Surplus/(Deficit)	(3,440,438)	(1,659,344)
Reserves/Ending Bal	52,911,819	49,471,381
	29.56%	27.64%

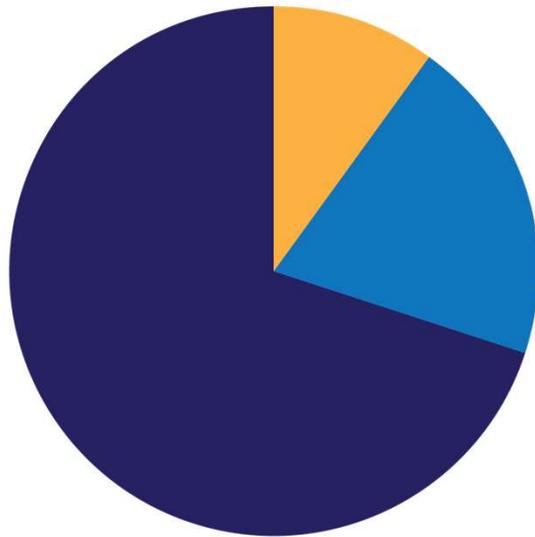
Limited Applied Assumptions:

- Change in SCFF estimation (from Computation B to A)
- Negotiated contracts, utilities and election costs to be determined

ECONOMIC OUTLOOK

- AI, aerospace, and other high-productivity sectors continue to expand, while construction, non-durable goods, leisure and hospitality, and government-funded services face significant headwinds.
- Weak job growth, elevated input costs, and heightened immigration-enforcement activity prolong an employment recession expected to last into early 2026, even as the state continues to outpace the nation in overall productivity.
- Other than the current employment in specific sectors, the forecast does not expect an immediate downturn or an immediate resurgence. Instead, both the nation and the state are poised to muddle through early 2026 before experiencing stronger growth in 2026 and 2027.

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.



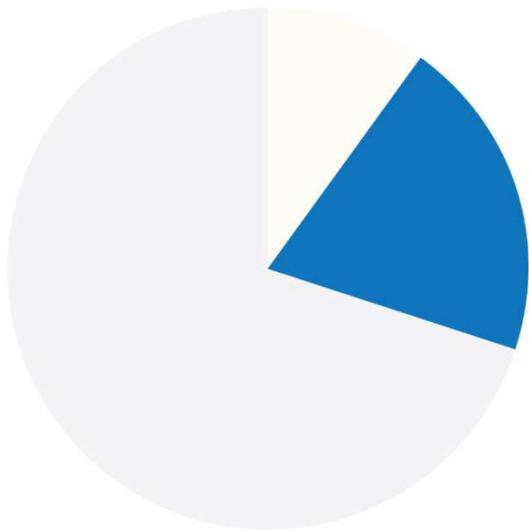
SCFF Student Success Allocation



10% Student Success Allocation (Outcomes)

ADT Earners	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	1,283	1,123	1,115	1,088	1,375
Associate Degree Earners	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	812	728	573	523	544
Baccalaureate Earners	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	0	0	0	0	0
Credit Certificate Earners	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	187	220	217	280	329
Transfer-level Math & English	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	602	534	591	641	732
Transfer to a Four-Year Institution	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	1,062	1,104	925	895	902
Nine or More CTE Units	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	2,648	2,657	2,821	3,212	3,912
Regional Living Wage	Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
	Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
	Number of Recipients	3,346	3,589	3,805	2,114	2,496

SCFF Student Supplemental Allocation



20% Student Supplemental Allocation (Equity)

Pell Grant

Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
Number of Recipients	7,515	6,853	7,190	7,853	9,301

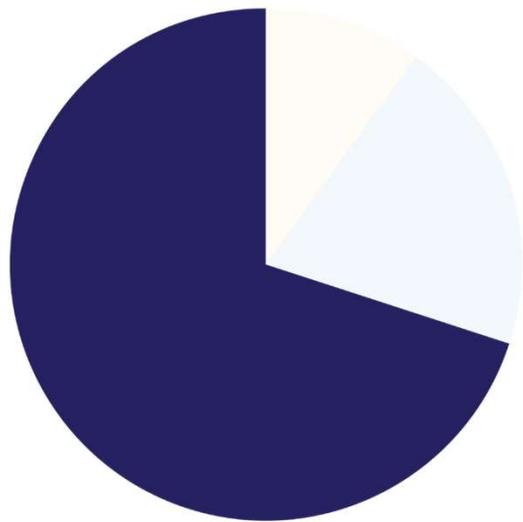
Promise Grant

Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
Number of Recipients	15,458	13,884	14,134	16,152	17,089

AB 540

Fiscal Reporting Year	2021-22	2022-23	2023-24	2024-25	2025-26
Data From:	2020-21	2021-22	2022-23	2023-24	2024-25
Student Headcount	1,619	1,243	566	588	625

SCFF Base & Basic Allocation



70% Base & Basic Allocation (Enrollment/Access)

Targets and Scheduling Principles: AY 2026-27

FTES Targets

- Fall 2026: 7,900
- Spring 2027: 7,500

Increase Efficiency Efforts

- Enforce class size norms outlined in the contract

Growth in Key Areas

- Dual Enrollment
- Rising Scholars
- Evening programming

Varied Learning Options

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

Enrollment Goals

Increase Touchpoints

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

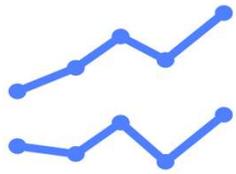
Improve Processes

- 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 blue poster graphic for a budget development workshop. The background shows a white building with a dome and an American flag. The text is white and blue.

Chaffey  College

Budget Development Workshop

Discussion of the district and state budgets

February 25, 2026

1-2:30pm, LLC Classroom #238

Budget information and materials to develop department budgets will be discussed.

In Person!

DISTRICT STRATEGIES

Chaffey's Fiscal Health



Reserve Requirements*

24/25 Actual approx. 4 months (32.63%)

25/26 Adopted Budget approx. 3.5 months

26/27 Q2 Projection projected to be in compliance

*minimum of 2 months of expenditures

50 Percent Law *

24/25 Actual 50.43%

25/26 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 2024

223.6 Compliance
240.2 Reported

Fall 2025

222.6 Compliance
246.0 Reported

Fall 2026

261.6 Advanced

Budgeted Salaries and Benefits of total expenses

24/25 Actual 78.70%

25/26 Budgeted 84.20%

25/26 Q2 Projection 85.86%

OPEB Trust and PST Balances: market value

OPEB:

\$21.9 million market value

\$16.9 million liability as of June 30, 2025

PST:

\$51.4 million market value

\$116.5 million liability as of June 30, 2025

QUESTIONS



Livestream recording will be emailed, and presentation materials will be posted on the Budget & Fiscal Services webpage.

For questions not addressed during the forum, please email Angela Becketl at angela.becketl@chaffey.edu