



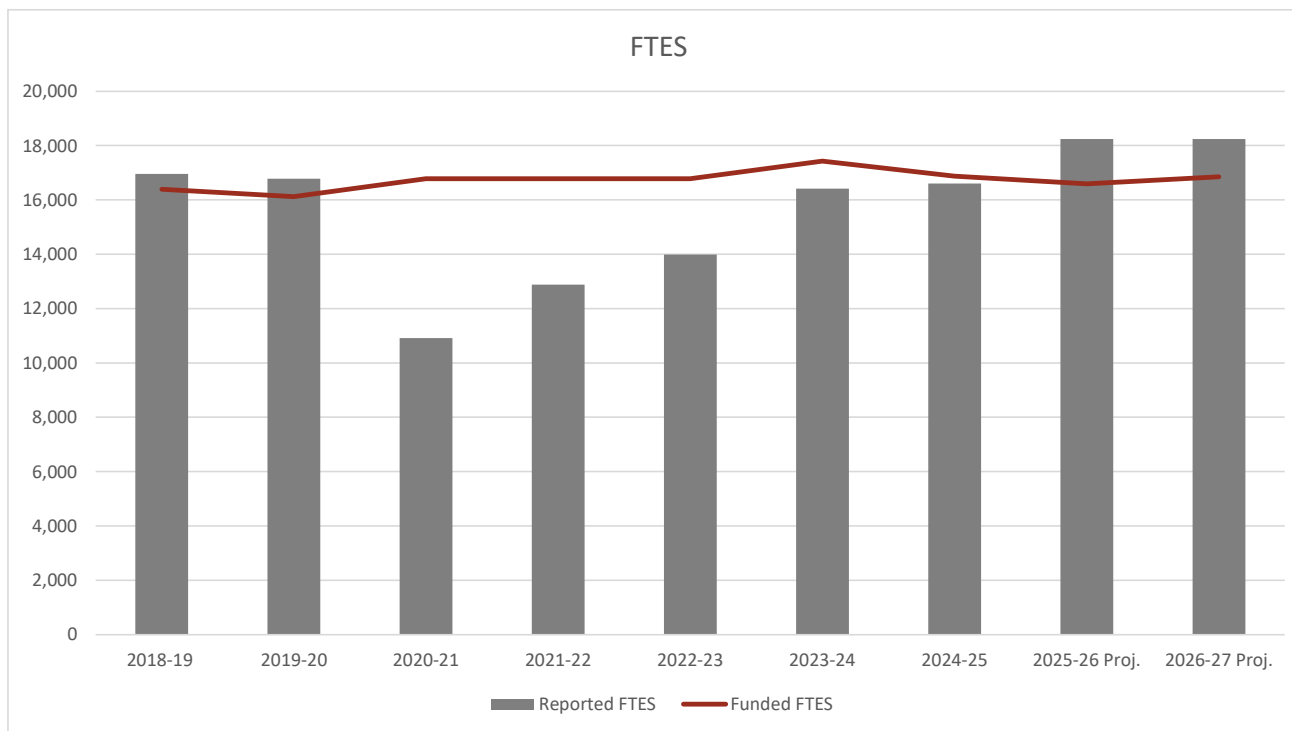
2026-27 Tentative Budget

JUNE 25, 2026

Today's Presentation

- 2025-26 Chaffey College Projected Update
- 2026-27 State Budget
- 2026-27 Chaffey College Tentative Budget
- 2026-27 Challenges and Strategies

Funded Full-time Equivalent Students (FTES)



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

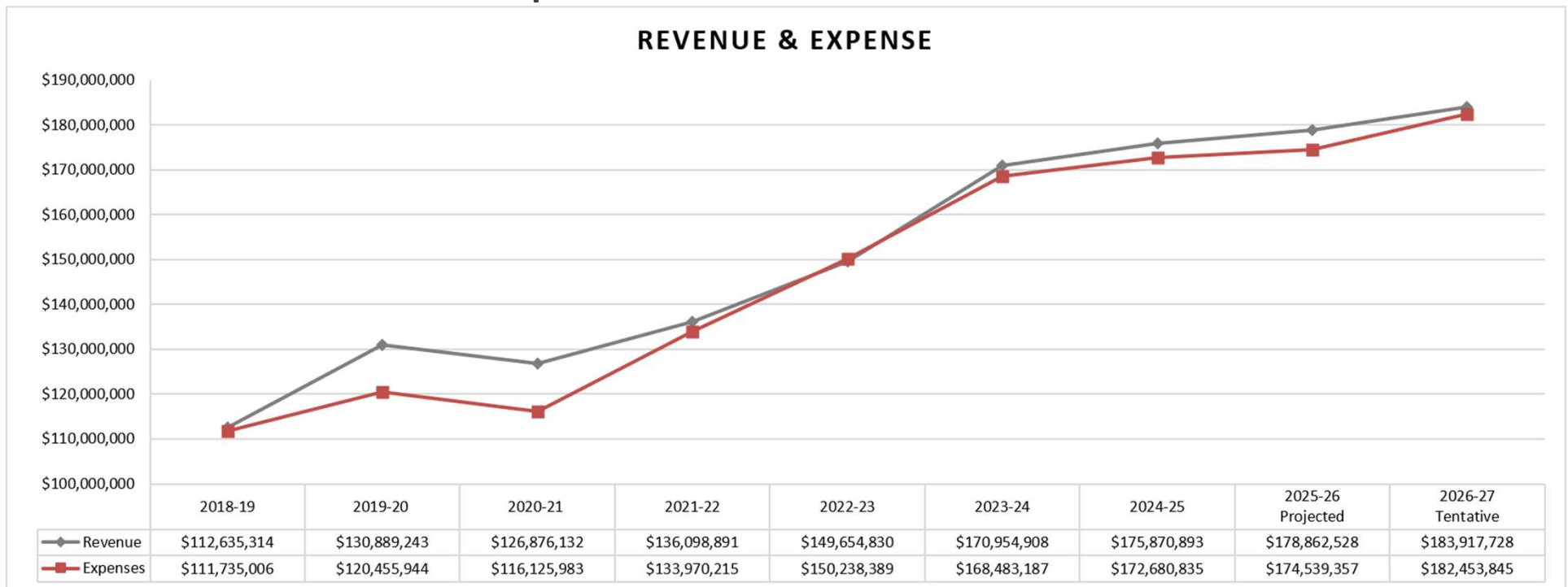
Current Year 2025-26 Summary

Unrestricted General Fund 2024-25 Actual to 2025-26 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





State Budget 2026-27

Why is the State budget important? Over 80% of our 2025-26 budgeted unrestricted general fund (UGF) income is from State general apportionment funds

Revenues Above Expectations

- State Revenue – significant revenue shortfalls, rising costs, and high interest rates.
- Overall State Budget increased by 8.8%.
- State General Fund deficit of \$3 billion for the 2026-27 fiscal year.



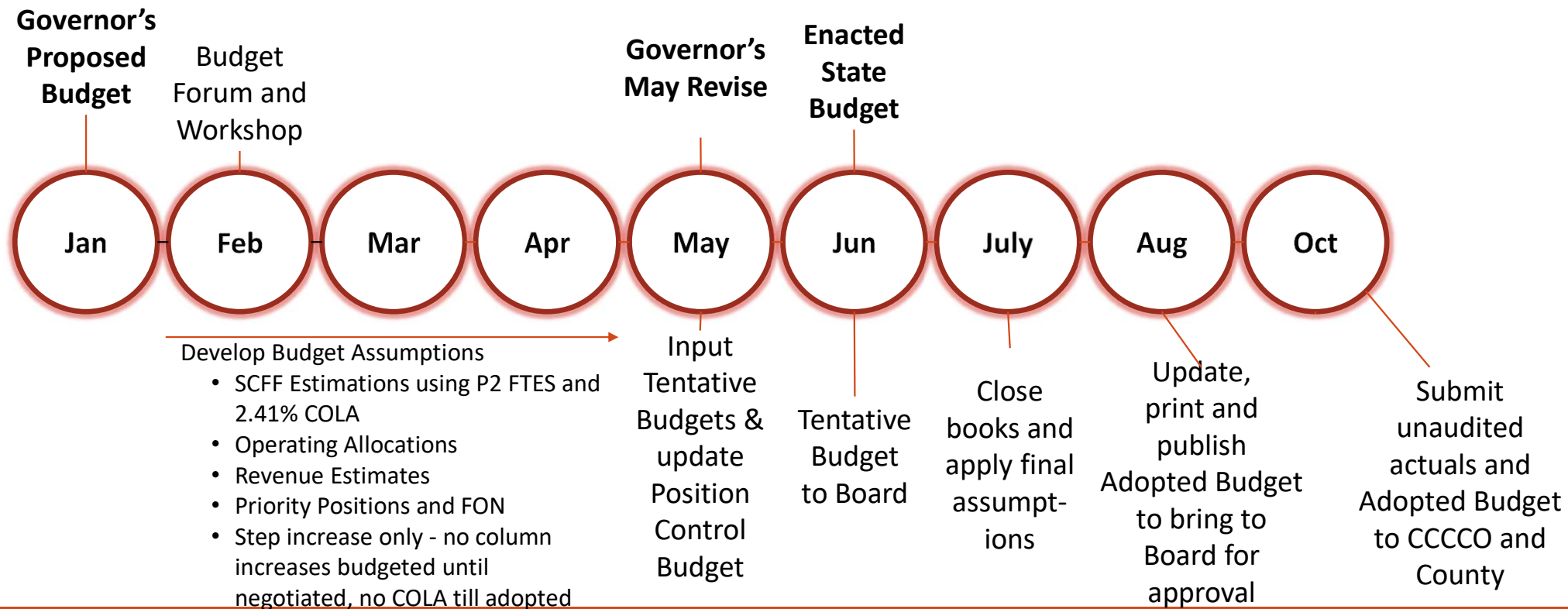
State Budget 2026-27

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 1.5% statewide over two years
- Proposed COLA – 2.41% statewide statutory cost of living adjustment (COLA) for apportionment and selected categorical funds
 - May Revise 4.31%, which includes 2.87% COLA and 1.44% discretionary to absorb paid pregnancy leave
- Use of K-14 Rainy Day Fund

Budget Timeline



2026-27 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 2.41% COLA
- Operating Allocations
- Revenue Estimates
- Priority Positions and FON
- Step increases only. No column salary increases budgeted until negotiated and no COLA till adopted.

Unrestricted General Fund 2026-27 Budget Projections



UNRESTRICTED GENERAL FUND	2025-2026 ADOPTED BUDGET	2025-2026 PROJECTED ACTUALS	2026-2027 TENTATIVE BUDGET
Revenue	175,544,433	175,544,433	175,544,433
Income Adjustments		3,318,095	8,373,295
Total Revenue	175,544,433	178,862,528	183,917,728
Expenses	178,984,871	178,984,871	178,984,871
Cost Adjustments		(4,445,514)	3,468,974
Total Expenses	178,984,871	174,539,357	182,453,845
Surplus/(Deficit)	(3,440,438)	4,323,171	1,463,883
Reserves/Ending Bal	52,911,819	60,675,428	62,139,311
	29.56%	34.76%	34.06%

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>2026-27</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>
STRS	19.10%	19.10%	19.10%	19.10%	19.10%
PERS	26.40%	26.90%	26.90%	26.10%	25.30%

Budget Strategies

- Evaluate programming, improve processes, and increase touchpoints.
- Implement efficiencies in course scheduling.
- Prioritize infrastructure investment with continued utilization of available and allowable restricted funding to support technology enhancements.
- Continued monitoring of vacant personnel positions and operating costs to preserve funding for critical areas, including technology infrastructure, capital projects, the Pension Stability Trust, and institutional reserves.

Questions



Thank You!

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