



DATE: May 15, 2025

TO: Chabot-Las Positas Community College District

FROM: Chancellor Ronald P. Gerhard, CLPCCD

SUBJECT: Governor's 2025-2026 May Revision

Governor Newsom's 2025–26 May Revision was recently released and reflects notable adjustments in response to an anticipated \$12 billion state budget deficit. While core areas of education are prioritized, there are meaningful implications for the California Community Colleges system, particularly for districts like ours that remain in “hold harmless” status under the Student-Centered Funding Formula (SCFF).

Below is a summary of key impacts:

1. COLA is Proposed but Not Applied to Hold Harmless Districts

The May Revision includes a 2.3% cost-of-living adjustment (COLA). However, because our district remains in hold harmless status, **CLPCCD will not receive the COLA as an increase to our total funding.** We will again be eligible to receive COLAs when we emerge from hold harmless status. As a result, our funding remains flat year-over-year, with no new revenue to offset rising operational costs, such as salaries, benefits, and utilities.

2. Growth Funding is Included but CLPCCD Cannot Yet Benefit

The budget also includes 2.35% enrollment growth funding to support districts increasing their FTES. However, districts in hold harmless do not receive growth funding unless their SCFF-calculated revenue exceeds the hold harmless floor.

So, even though our enrollment continues to restore, we will not receive additional apportionment revenue until we "grow out" of hold harmless. We must continue to strengthen enrollment, improve student outcomes, and maximize SCFF performance metrics to move beyond the hold harmless provision in future years.

3. No New One-Time Funds

The May Revision does not include any new one-time discretionary funding for initiatives such as deferred maintenance, enrollment recovery, or basic needs. We will continue to rely on local resources and careful budget management to maintain institutional stability.

In summary, while our funding is protected under hold harmless, we do not benefit from the 2.3% COLA or 2.35% enrollment growth funding proposed in the May Revision. This reinforces the importance of strategically improving our SCFF outcomes so that we are positioned for long-term fiscal sustainability as hold harmless provisions phase out.

We will continue to monitor the state budget as it moves toward final adoption in June and will provide updates as more details become available.

Thank you for your continued commitment to our students and to each other.