CHABOT-LAS POSITAS | Community College District

FY 2025-26 Adoption Budget

September 9, 2025

California’s FY 2025-26 Budget:

- State Budget Overview
  - Total expenditure budget of $321 billion, a $24 billion increase from FY 2024-25
  - General fund expenditure budget of $228 billion, a $15 billion increase over from FY 2024-25
  - Budget resolved a $12 billion deficit, largely through Medi-Cal changes, internal borrowing, and funding shifts
  - COLA of 2.30% systemwide, Growth Funding of
    - Due to the District still being in Hold Harmless status, this COLA will not be applied to the District’s apportionment revenue yet meaningfully closes the gap between Hold Harmless and SCFF calculations

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

State Budget Overview – District Impact:

- Overall, the District experiences little change from the May Revision and Tentative Budget
  - The COLA of 2.3% has no impact on the District's state apportionment revenue
    - Apportionment revenue stays flat at approximately $140M; the District will be COLA eligible after emerging from Hold Harmless funding
    - The COLA does, however, narrow the gap between the District's Hold Harmless revenue floor and its Student Centered Funding Formula (SCFF) calculation
      - What was once a $20 million gap is projected to shrink to less than $3M
  - Enrollment Growth at 2.35% will not impact the District
    - Although the District is growing its FTES, it is still restoring to its pre-COVID figures
  - No New One-Time Funds
    - Additional funds for deferred maintenance, enrollment retention/recovery, or basic needs are included

CHABOT
LAS POSITAS
COMMUNITY COLLEGE DISTRICT

District Reserves – Strategic Investment:

- With a projected structural deficit of $3.1M, the District's unrestricted reserve will be $16.0M or 10.25% of its expenditure budget
  - Aggressive scheduling to obtain significant year-over-year growth to emerge from Hold Harmless by FY 2026-27
  - Enhancement in the number of Full Time Equivalent Faculty put on schedule
  - Implementation of a Winter Intersession, furthering the District's ability to maintain long-term financial stability
    - One-time funds will be utilized for the Winter Intersession and will not contribute to the structural deficit

CHABOT
LAS POSITAS
COMMUNITY
COLLEGE
DISTRICT

Supplemental and Success Strategies

- Significant progress has been made within the Supplemental and Success metrics in the SCFF
  - Supplemental Metrics
    - Pell Grant recipients has increased by greater than 30%
    - Promise Grant recipients has increased by nearly 24%
      - These increases far outstrip overall enrollment increases, highlighting the persistence and adaptability of District staff
      - An additional 10% increase would generate enough funds to go off Hold Harmless
  - Success Metrics
    - Increases in degree and certificate completions, transfer-level English and math has resulted in a 3% increase in overall dollars within the Success component of the SCFF

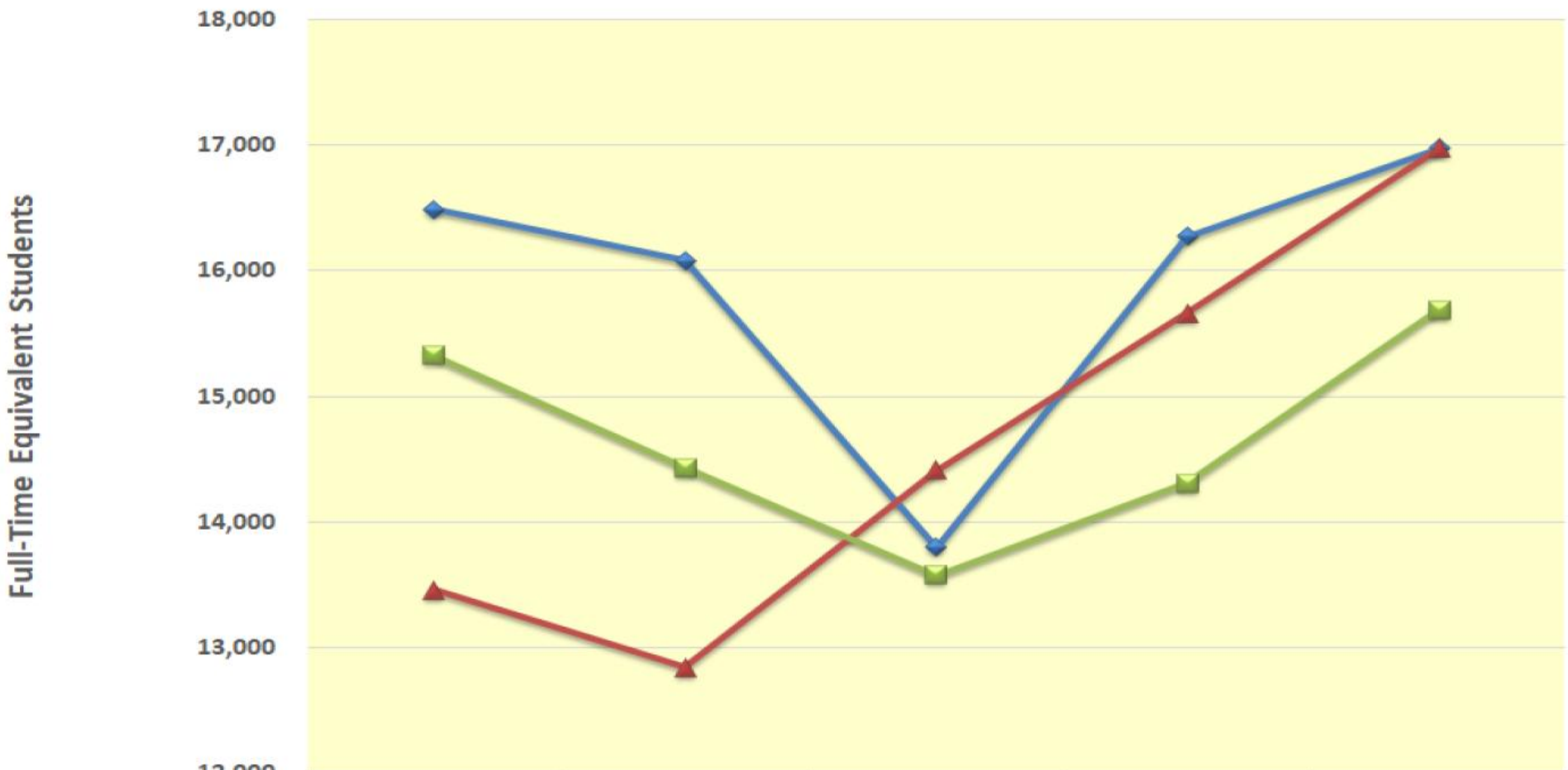
CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

FY 2025-26 Adoption Budget Assumptions:

- Revenue Assumptions
  - COLA not adding to the District’s state apportionment revenue
    - State apportionment of approximately $140M will remain flat year-over-year
    - $3.2M in unrestricted revenue not being provided due to the District’s Hold Harmless status
- Expenditure Assumptions
  - Step and column increases built into position control
- FTES Assumptions – 16,975 (credit and non-credit)
  - Chabot College – 9,975 FTES
  - Las Positas College – 7,000 FTES

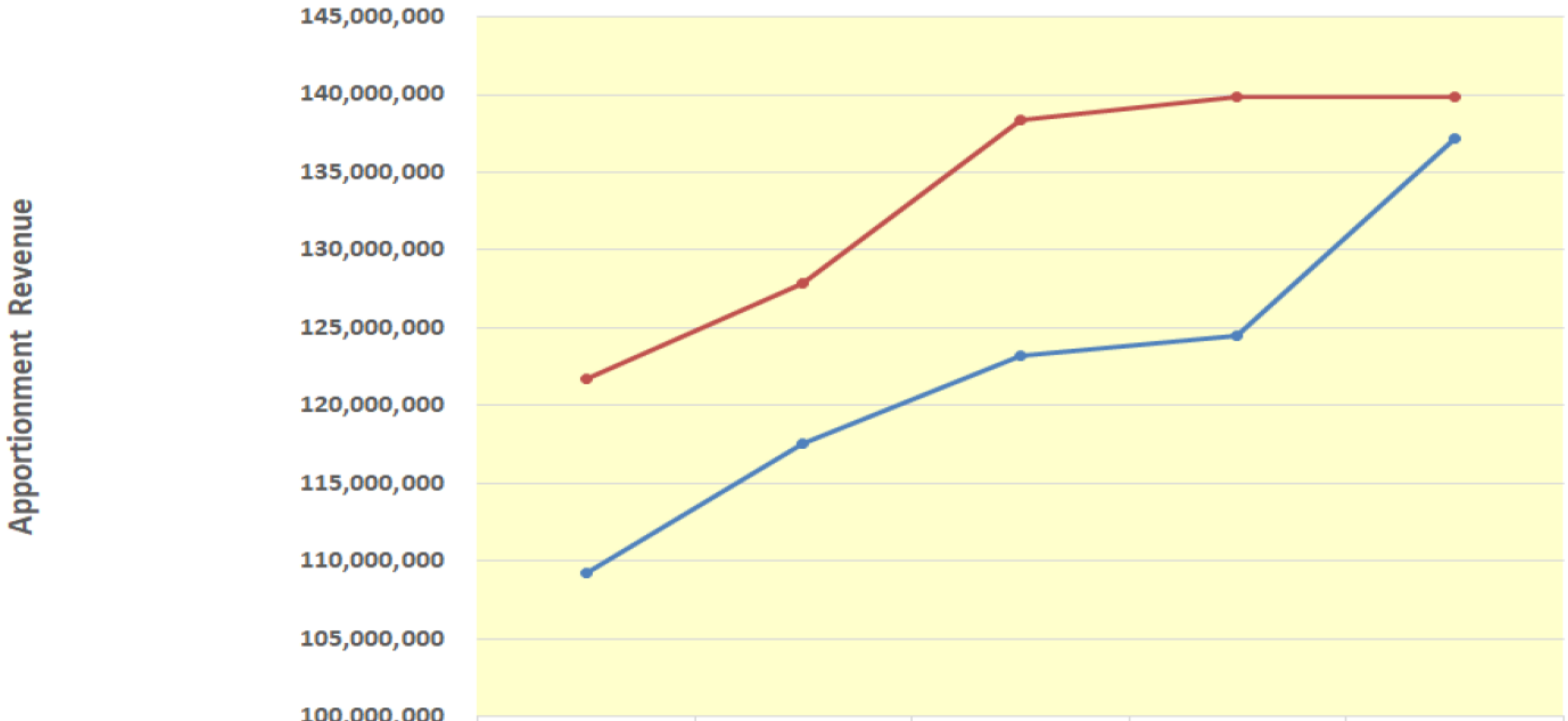
CHABOT
LAS POSITAS
COMMUNITY
COLLEGE
DISTRICT

District FTES History



	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Est.
FTES Goal	16,489	16,082	13,800	16,272	16,975
FTES Actuals	13,463	12,846	14,416	15,667	16,975
3-Year FTES Average	15,324	14,432	13,575	14,310	15,686

District's SCFF Computational and Hold Harmless Revenue



	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Est.
SCFF Total Computational Revenue	109,199,799	117,560,121	123,220,011	124,542,023	137,197,250
Hold Harmless Revenue	121,695,152	127,865,096	138,375,607	139,856,226	139,856,226

Mechanics of Hold Harmless

- Getting out of Hold Harmless status does not mean all the incremental revenue associated with COLA automatically applies to the District's overall apportionment revenue
  - District currently receives approximately $140M in Hold Harmless revenue
    - If COLA were to apply as in past years, the 2.3% COLA would provide the District with $143.2M in apportionment revenue
    - However, if the District were to achieve ***between*** $140-$143.2M through the SCFF calculation, it would be off Hold Harmless but only get the revenue it earned through SCFF
    - Getting off Hold Harmless does not necessarily mean the entire COLA would be earned by the District.

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

Position Control:

Unrestricted Fund				
	FY 2024-25 FTE	FY 2025-26 FTE	Difference	% Difference
Chabot College	259.4	264.4	5.0	1.9%
Las Positas College	205.8	208.4	2.6	1.3%
District/M&O	139.1	140.1	1.0	0.7%
Total	**604.3**	**612.9**	**8.6**	**1.4%**

- $4.2M in budgeted vacant positions (all sites)

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

Conclusion

- This budget is designed to sustain and build on our recent enrollment gains while also prioritizing growth in supplemental and success metrics

- The District remains committed to advocating for improvements to the Student-Centered Funding Formula, with particular attention to strengthening the supplemental component

- Above all, this budget is student-focused with resources aligned to provide maximum instructional and student-support services while valuing our workforce

CHABOT
LAS POSITAS
COMMUNITY
COLLEGE
DISTRICT

Other Highlights – OPEB Actuarial Report

- Other Post Employment Benefits (OPEB) Trust
  - Included as an Information item within tonight's agenda is the latest actuarial report on the District's Retiree Health Benefit liability as of June 30, 2025
  - Of note within the report:
    - Total OPEB Liability (TOL): $131,968,359
    - Fiduciary Net Position (FNP): $ 17,769,772
    - Net OPEB Liability (NOL): $114,198,587
  - NOL is the difference between what an organization expects to owe in the future for OPEB, and the money it has already set aside to pay for them

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

OPEB Actuarial Report

- Who makes up the liability?
  - **Current retirees** - 485 current retirees on health benefits with an average age of 77
    - Annual cost of roughly $7.7M
  - **Current employees** – 236 eligible for retiree health benefits, all hired before 2013; average age of 56 with 20 years of service
  - District contribution is based upon years of service plus age. Achieving 85 (e.g. 25 years of service at age 60) is what triggers 100% District contribution
  - By 2033, the estimated annual cost will be $9.8M with relatively small increases after before a decline in future years

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

OPEB Actuarial Report

- Key Assumptions that drive the figures
  - **Discount Rate** - Assumed investment return net of all investment expenses. The higher the rate, the lower the liability.
    - The actuarial report uses a discount rate of 6.05%
  - **Medical Trend Rate** – The rate at which medical costs are expected to annually increase. The higher the rate, the higher the liability
  - Seemingly small changes in these rates can dramatically affect the NOL

	Discount Rate	Medical Trend Rate
1% Decrease	$128,604,289	$99,567,567
Current	$114,198,587	$114,198,587
1% Increase	$102,048,579	$131,734,698

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

OPEB Actuarial Report

- Future expectations
  - The TOL should remain relatively stable in the $130M range for some time
  - District will continue to make contributions to the irrevocable trust and, over time, see positive investment returns so the NOL will continue to fall
  - Currently about 5% of the District’s unrestricted fund expenditures go towards retiree health premiums; while the overall annual dollar amount will grow, the percentage of the overall expenditures should slowly decrease in the out years
  - Keep the momentum

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

Questions?

CHABOT
LAS POSITAS
COMMUNITY COLLEGE DISTRICT