DATE:              July 9, 2009
TO:                Citrus College Colleagues
FROM:              Geraldine M. Perri, Superintendent/President
RE:                State Budget

I hope this e-memo finds you doing well and enjoying some of the pleasures of the summer season. As promised, I would like to provide you with an update on the state budget and inform you of measures being taken by the college community to address the state budget crisis.

To date, the State Legislature has not reached an agreement on the revisions to the state budget for prior year or for current year 2009-10. Recent word from the California Community College League (CCLC) notes that the state year-end revenues have fallen $1.8 billion below the May Revise estimates. These recent revenue projections have placed the state in what is referred to as a "Test 1" situation concerning Prop 98, thus implying a potential loss of funds to K-14 in 2009-10. In addition, with the recent decrease in state revenues, the state controller announced that deferral payments to community colleges would not be made this week and would be held until July 30th.

In terms of the overall budget impact to Citrus College, we have been informed that the early budget reduction projections will most likely remain constant. For 2009-10, the League has projected a reduction of $2,350,000 of general apportionment dollars with a potential offset of $700,000 from student fee revenue (from $20/unit to $26/unit) thus resulting in a reduction to the general fund of $1,650,000. In addition, the reduction to the 2009-10 categorical programs is pegged at around $1,989,274. The 2008-09 reduction to Citrus College is projected to be $1,684,000, thereby, reducing the college’s projected ending balance significantly.

In November 2008, we began implementing budget reduction strategies knowing that our revenue for the year would most likely decline. Our reduction strategies helped us to ensure that the college would have a solid ending balance. As we look toward the 2009-10 budget year, we have once again, made several reductions to our projected expenditures. The college’s instructional schedule, which was originally planned to accommodate enrollment growth, has now been targeted to yield close to 12,000 FTES. We have been informed by the
state that there will be zero funding for enrollment growth. In addition to a reduction of the class
schedule, other college wide reductions are occurring by deferring the filling of many vacancies,
limiting travel, minimizing equipment and supply purchases, decreasing the level of On-Call
hourly support, reducing college memberships and limiting the use of consultants and contract
agreements, etc.

The upcoming academic year will undoubtedly be a challenge for us as we continue to work to
support the educational goals of our students on a very limited budget. I am grateful to you for
your support of the college's efforts to reduce our expenditures and to find new and innovative
cost efficient ways to function.

I will continue to keep you apprised of state budget developments as they occur.

Once again, thank you for your commitment to Citrus College and the advancement of our
students.