DATE: July 27, 2009
TO: Citrus College Colleagues
FROM: Geraldine M. Perri, Superintendent/President
RE: State Budget Update

This past Friday, after a protracted process, the State Legislature passed a budget with a package of 31 bills which contain $24 billion in budget solutions.

Overall, the general impact to community colleges is as follows:

- An increase in student fees from $20 to $26 per credit unit effective fall 2009
- Elimination of all growth funds for additional full-time equivalent students (FTES)
- No Cost-of-Living Allowance (COLA)
- $333 million reduction to categorical programs ($193 million net cut after backfill with federal funds and fee revenues)
- $120 million reduction to general purpose funds
- $53 million local property tax shortfall budgeted for 2009-10
- $21 million student fee shortfall budgeted for 2009-10
- Deferral of $703 million of general apportionment from 2009-10 to 2010-11
- Language authorizing the State Chancellor to reduce base workload measures in proportion to cuts in general apportionment funding ("This provision will bring the enrollment expectations used in the apportionment process in line with the level of funding provided by the state")
- Language authorizing districts to transfer funds between categorical programs
- No suspension of Proposition 98

While we await final budget details from the State Chancellor's Office, it is anticipated that the impact to Citrus College will be as follows:

- 2008-09 "Mid-year" Reductions: $834,000
- 2009-10 General Apportionment Reductions: $1,650,000
- 2009-10 Categorical Reductions: $1,989,274
In November 2008, we began implementing budget reduction strategies in anticipation of a decline in state revenues to the college for the 2008-09 year. As well, with your support, we have been taking incremental steps to develop a budget for 2009-10 in accordance with earlier state budget reduction proposals.

The college instructional schedule which was originally planned to accommodate enrollment growth has now been targeted to yield close to 11,900 FTES. Given that the Legislature has passed language authorizing the State Chancellor to reduce base workload measures (i.e. FTES), it is anticipated that the level of FTES funding for the college will most likely drop below 11,900.

In addition to a reduction of the class schedule, other college wide reductions include: deferring the filling of many vacancies, limiting travel, minimizing equipment and supply purchases, decreasing the level of hourly support, reducing college memberships, and limiting the use of consultants and contract agreements, etc.

While I am saddened that we will be compromised in serving our students, I am grateful to you for all of your support and assistance in helping to develop a budget in line with state revenue projections. As well, I commend your willingness to find new and innovative cost-efficient ways to serve our students.

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

Sincerely,

Geraldine M. Perri, Ph.D.
Superintendent/President