DATE: September 25, 2009

TO: All Faculty and Staff

FROM: Geraldine M. Perri, Superintendent/President

RE: 2009-10 Budget

I would like to express my sincere appreciation to all who attended our All-Campus Budget Forum on September 17, 2009. I am pleased that many Citrus College faculty, staff and students have shown interest and concern regarding our college budget and what impact the ongoing state financial crisis will have on us now and in the future. For those of you who were unable to attend the Budget Forum, here are a few highlights:

**The State Budget**

As you no doubt recall, the California State Legislature did not reach agreement on the final state budgets for 2008/2009 or 2009/2010 until late in July. At that time we learned that the community college system would receive "mid-year cuts" for 2008/2009, which would among other things, eliminate the cost-of-living allowance (COLA); reduce state funding for mandates by $4 million; and defer cash payments to the community colleges in the amount of $340 million.

Ongoing revenue shortfalls in the state, including a $53 million property tax shortfall; a $21 million shortfall in student fees and $120 million reduction to general purpose funds, resulted in a community college system budget for 2009/2010 that eliminated all FTES growth funding and provided for a zero COLA. In addition, the community college budget received $333 million in cuts to categorical programs, and student fees were increased from $20 to $26 per credit unit, effective fall 2009.

It was initially hoped that federal funds provided through the State Stabilization provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) would allocate $130 million to California’s community colleges; however, that amount has now been reduced to $37 million resulting in only 28 percent for categorical backfill.
In addition, for 2009/2010, the State Chancellor was authorized to reduce base workload measures (FTES) of the colleges in proportion to cuts in the general apportionment funding. This resulted in a reduction of Citrus’ funded FTES from 11,974 to 11,552.

There were few silver linings in the immense dark cloud cast over us by the state for 2009/2010; however, the state did not suspend Proposition 98, and the budget contained language authorizing districts to transfer funds between some categorical programs.

Our Local Budget

As you recall, in the fall of 2008, Citrus College took proactive measures and the college working together made reductions in almost every area of the college budget. These measures have helped us weather the financial storm we continue to face, and I would like to once again thank our college community and our board of trustees for their leadership, foresight and willingness to address the problem early and in a spirit of collegiality.

Even so, with the reduction of our funded level of FTES to 11,552 for 2009-10, we have had to once again reduce our instructional offerings for this academic year. In addition, we will continue to defer the filling of all but essential vacant positions; limit travel; minimize equipment and supply purchases; decrease the level of hourly support; reduce institutional memberships; and limit the use of consultants and contract agreements. My heartfelt thanks to everyone as we continue to work together and share ideas, information and expertise on how to best serve our students in these difficult times.

Many challenges lay ahead for the coming year. There is still uncertainty regarding federal ARRA funding; a continued property tax shortfall is projected; and there is an ongoing structural imbalance in the state budget. All of this poses a potential mid-year cut in state funding for 2009/2010. Our resolve to work together is imperative for accomplishing our goals and remaining vital and productive until our state and national economies recover.

For more specifics on the local budget, the PowerPoint presentation that was presented at the Budget Forum has now been posted online at http://www.citruscollege.edu/admin