Greetings! The Spring semester is underway and I would like to take a moment to update you on a few important items. The most important news is that we are serving over 23,000 students. Community colleges have become an even more integral component of the economic recovery process. This fact has been acknowledged by both state and federal officials. However, budget constraints continue to limit the amount of services we are able to provide to the campus community.

The governor was relatively kind to community colleges in his January proposed budget but there is skepticism that these figures may change for the worse due to mounting deficits within the California state budget. The governor’s proposed budget for California community colleges includes:

- **2.2 percent enrollment growth ($126 million).** This proposed augmentation would fund approximately 26,000 full-time equivalent students and help the colleges respond to the tremendous enrollment demand they are currently experiencing.
- **- 0.38 percent COLA (-$22.9 million).** Due to declines in various price indices, the statutory formula for calculating the cost of living (COLA) adjustment for colleges and K-12 schools produces a negative adjustment for 2009-10. Accordingly, the governor proposes making this negative adjustment to college and school apportionments.
- **No increase in student fees for community college students.**
- **2010-11 Property Tax Adjustment.** The Governor’s Budget assumes local property taxes allocated to the community colleges in 2010-11 will decline by $33.7 million from their 2009-10 levels. The governor also identifies another $5.6 million in projected declines in other local revenues (student fees; oil and mineral revenues). The budget proposal makes a corresponding increase of $39.3 million in general fund resources to protect colleges from these declines.
- **Categorical Funding.** The governor proposes reducing funding for Extended Opportunity Programs and Services (EOPS) and Part-Time Faculty Compensation by $10 million each and using these funds to augment SB 70 Career Technical Education funding by $20 million. Additionally, six workload categorical programs sustained COLA reductions totaling $786,000, which represents their share of the -0.38% COLA. With these exceptions, the governor proposes funding categorical programs at the 2009-10 general fund levels.
- **Increased Categorical Flexibility.** The 2009-10 State Budget provided community college districts with flexibility to shift funds among various categorical programs, as well as relief from programmatic requirements. The governor proposes adding EOPS, Fund for Student Success (MESA, PUENTE, and Middle College High School), and Basic Skills to the list of programs subject to the flexibility provisions.
• **SB 70 Trailer Bill Language.** The governor proposes enacting clean-up legislation to clarify that SB 70 CTE funding is not subject to the categorical flexibility provision.

• **Suspension of Mandates.** The governor proposes suspending all community college mandates that have been filed at the Commission on State Mandates.

• **Possibility of additional funding deferrals.** The Governor’s Budget narrative notes that California will likely experience further cash flow challenges in 2010-11, which may necessitate further funding deferrals.

• **Suspension of New Competitive Cal Grant Awards.** The governor proposes that no new Competitive Cal Grant awards be made in 2010-11, resulting in $45.5 million in budget savings. This proposal would disproportionately impact community college students who are the primary recipients of this financial aid.

Our greatest concerns are the loss of COLA, continued reductions in categorical program funding without a backfill of one-time federal recovery funds provided in 2009-10, cuts to part-time faculty compensation and the looming threat of funding deferrals. A review of Cerritos College’s budget indicates that we have not yet balanced our budget with revenue vs. expenditures. Thus, we must use our reserves to balance this year's budget. This will most likely be the case for 2010-11 as well as 2011-12. This is why it is imperative that we continue to find ways to be as fiscally efficient as possible. I wish the information provided could be more definitive but we will not have a clear picture until the state budget is adopted, which will most likely happen in late September.

Leaving the budget scene, the Accreditation Follow-Up Report due on March 15 is nearing completion. It will be shared with the college community within the next few weeks. The Educational Master Plan is in its final stages of revision and has worked its way through the shared governance process.

I am very pleased to report that progress is being made on the improvement of college facilities. Below is an update from Robert Riffle and Jerry Jones.

A meeting with P2S Engineering, Inc. has been scheduled to assess the conditions as well as prepare the construction documents needed to get the various projects to bid. P2S was on campus Wednesday, January 27 to begin the process.

Suggested prioritized areas (some of which may be able to be completed concurrently):
1. Restrooms
2. Interior Finishes
3. Electrical/Mechanical Systems
4. Exterior Appearance

New trash cans, tables and benches will also be placed around the campus; this work will begin right away.
I realize this is a lengthy message but it is important to share all of this information. During difficult times we must continue to focus on providing our students with quality and essential services to promote student success.

“I think a hero is an ordinary individual who finds strength to persevere and endure in spite of overwhelming obstacles.”

- Christopher Reeve (1952-2004)

Sincerely,
Dr. Linda L. Lacy
President/Superintendent