

June 24, 2020

Dear Colleagues,

I would like to provide you with an update regarding the 2020-21 budget.

2021-21 Statewide Budget Update

Governor Newsom is expected to sign the statewide budget by the end of this month. This amended budget prevents cuts to apportionments and categoricals, but in order to accomplish this, **\$1.45 billion in funding to colleges is deferred to future years**. The revised statewide budget still presents a challenge to Cerritos College, largely because of the deferrals that are being proposed. These deferrals will create cash flow problems for us, meaning we will not be given enough revenues to operate for the entire year. Other budget provisions for community colleges also include the following:

Apportionments

- Rejects the May Revision proposal to cut apportionment funding.
- Approves the May Revision proposal to extend minimum revenue provisions (hold harmless) under the Student-Centered Funding Formula by an additional two years. Please remember, we are **not** a hold harmless district.

Block Grant

- Includes \$120 million one-time from Proposition 98 and federal funds to support a basic needs/learning loss/COVID 19 response block grant to colleges to support expenses such as mental health services, housing and food insecurity, re-engagement for students who left college in Spring 2020, technology and development of online courses, and student supports. Federal portion of funds (\$55 million must be spent by December 31, 2020).

Deferrals

- Approves a \$332 million deferral of community college apportionments from this May and June to the next fiscal year. In other words, community colleges including Cerritos College **did not** receive money to cover May and June operational expenses.
- Approves a \$662.1 million deferral from 2020-21 to 2021-22. Includes trailer bill language to allow hardship exemptions.
- Includes a trigger deferral of \$791.1 million Proposition 98. This deferral would be withdrawn if the state receives federal funding.

Categoricals

- Protects against cuts to any categorical programs, including the Strong Workforce Program and Student Equity and Achievement, keeping the programs at 2019-20 spending levels.
- Creates a food pantry expense within the Student Equity and Achievement Program.
- Provides \$10 million ongoing support for immigrant legal services.

Other Provisions

- Provides \$15 million one-time General Fund (through the Cal Grant program) to support emergency financial aid for undocumented students at UC, CSU and the community colleges. \$11 million of total program resources designated for community colleges.

2020-21 Cerritos College Tentative Budget

At our Board meeting last week, the Board of Trustees approved the [2020-21 Cerritos College Tentative Budget](#). These tentative budget figures will change prior to the adopted budget in October, but we are continuing to expect to make significant reductions in spending across all of the district's program budgets.

The state deferrals will most likely require us to borrow cash in order to cover the totality of our operational expenses for the 2020-2021 year. In the next couple of months, we will explore possibilities of temporary borrowing from the LA County Treasurer (TRANS borrowing).

The Board of Trustees is committed to hearing your feedback during the budget process as well. While we do not have a physical meeting location for board meetings at this time, you can still make a public comment at board meetings. Every board meeting agenda includes instructions on how to give public comment under [Item 1.04 - Comments from the Audience](#). You can submit written comments or record public comments anytime, and your feedback will be communicated during the board meeting.

We remain committed to providing the entire campus community with up-to-date information regarding the status of our budget. Please let me know if you have any questions.

Best,
Jose

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President/Superintendent