

OFFICE OF THE PRESIDENT/SUPERINTENDENT
PRESIDENT'S CAMPUS UPDATES



March 15, 2019

Dear Colleagues,

This email contains important information regarding recent changes to the state budget. Please review this email carefully and feel free to ask any questions.

Last week, we were informed by the Chancellor's Office of an anticipated shortfall in revenue for the 2018-19 academic year. The shortfall will affect all community colleges in the state, not just Cerritos College. The revenue shortfall is due in part to a shortfall in property taxes compared to the Department of Finance budget projections.

Because of the state budget shortfall, our district revenue may be **reduced by 5.03 percent**, which is equivalent to **\$5,425,187**. Please keep in mind that this amount is not a final number; depending on how the Chancellor's Office and the State decide to address this situation, the deficit could be lower or higher.

It was made clear to us that we could move forward with some level of security that all community college districts will receive at least the same revenue allocation that we received in 2017-2018, plus COLA. We as a district are vigorously opposed to this approach to settle the state deficit. If the Chancellor's Office was to only allocate the 2017-2018 base allocation plus COLA, the budget reduction to Cerritos College would be **\$11,776,199, which is about 9 percent lower than our current allocation**. As you can imagine, this would be problematic for our campus as we created our budget based on projections given to us last year and updated earlier this year. Given the information provided, we are recalculating our spending projections and priorities to be ready to absorb this new challenge from the State.

We are actively working to manage the situation in the best possible way for Cerritos College with the information provided so far. Once I receive more information, I will send another update. Attached you will find the new financial information received from the Chancellor's Office.

Thanks,
Jose

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**California Community Colleges
2018-19 First Principal Apportionment
Cerritos CCD
Exhibit C-Page 1**

Total Computational Revenue and Revenue Source

Total Computational Revenue

I. Base Allocation	67,358,685
II. Supplemental Allocation	27,940,357
III. Student Success Allocation	12,570,290
IV. Other Adjustments	-
	SCFF Calculated Revenue 107,869,332
	Hold Harmless Calculation (2017-18 TCR+COLA) 96,093,133
	Total Computational Revenue 107,869,332

Revenue Sources

Property Tax	19,234,276
Less Property Tax Excess	-
Student Enrollment Fees	5,020,367
State General Apportionment	
General Apportionment	62,865,569
Full-Time Faculty Hiring Apportionment (2015-16 Funds Only)	1,064,895
Total State General Apportionment	63,930,464
Education Protection Account	14,259,038
Available Revenue	102,444,145
Deficit Factor	5.03%
Revenue Shortfall	5,425,187
Total Revenue Sources	107,869,332

Supporting Sections

Section Ia: Base Allocation

FTES

	2016-17 Funded	2017-18 Funded	Stability	Restoration	Stability Adjustment	Adjustment	2018-19 Applied #1	Credit 3 Year Average
Credit	16,303.43	16,194.72	-	-	(899.43)	-	15,295.29	15,958.17
Special Admit Credit		81.08	-	-	(11.62)	-	69.46	
Incarcerated Credit		-	-	-	-	-	-	
Non-Credit*		273.91	19.87	-	-	-	293.78	
CDCP*		249.77	(104.32)	-	-	-	145.45	
Total	16,303.43	16,799.48	(84.45)	-	(911.05)	-	15,803.98	15,958.17

	2018-19 Applied #2	Growth	Stability Paid	2018-19 Paid	Rate \$	Total FTES Revenue \$	2018-19 Reported	2018-19 Unapplied
Credit	15,958.17	-	-	15,958.17	3,727.00	59,476,112	15,295.29	-
Special Admit Credit	69.46	-	-	69.46	5,457.00	379,043	69.46	-
Incarcerated Credit	-	-	-	-	5,457.00	-	-	-
Non-Credit*	293.78	-	(19.87)	273.91	3,347.00	916,777	293.78	-
CDCP*	145.45	-	104.32	249.77	5,457.00	1,362,995	145.45	-
Total	16,466.86	-	84.45	16,551.31		62,134,927	15,803.98	-

* Only FTES workload with stability.

Section Ib: Base Allocation - Restoration Target

	2015-16	2016-17	2017-18	Total Target \$
Credit	-	1,021.54	-	3,807,279
Special Admit Credit	-	-	-	-
Incarcerated Credit	-	-	-	-
Non-Credit	-	(60.78)	-	(193,734)
CDCP	-	18.72	-	99,231
Total	-	979.48	-	3,712,776

Total \$ Equivalent

3,712,776

Section Ic: Base Allocation - Growth Target

	FTES	1.21% 2018-19 Growth FTES
Credit	15,958.17	193.13
Special Admit Credit	81.08	0.98
Incarcerated Credit	-	-
Non-Credit	273.91	3.31
CDCP	249.77	3.02
Total	16,562.93	200.45

Total \$ Equivalent

752,730