

**Dr. Jose Fierro**  
**President's Message**  
**April 29, 2019**

Dear Colleagues,

On Friday, April 26, the Chancellor's Office released an updated memorandum describing its intent to reduce 2018-19 apportionments (budget). These changes could have a significant impact on Cerritos College if nothing changes between now and the May Revise.

I will outline the details below, but in summary, this decision will reduce Cerritos College's 2018-2019 budget from \$107.6 million to \$96.9 million dollars, which is a potential reduction of \$10.7 million dollars that will place our district in deficit. The budget reduction is due to a Chancellor's Office estimation of a funding shortfall of \$228 million dollars in State revenue.

**Details of Memorandum**

An April 26 memo from the Chancellor's Office regarding the 2018-19 First Principal Apportionment describes its intent to apportion to each district at least their 2017-18 total computational revenue (TCR), adjusted by the 2018-19 COLA. As of the April revision, the Chancellor's Office estimates a \$228 million statewide funding shortfall. This shortfall consists of two elements:

- 1) costs of the 2018-19 TCR statewide are \$84 million higher than assumed in the Budget Act, and
- 2) property tax revenues are \$144 million lower than estimated in the Budget Act.

In order to manage the revenue shortfall, the Chancellor's Office arbitrarily reduced the 2018-19 apportionments for districts who received more than their 2017-18 revenues, as follows:

- A district's TCR was constrained to be no greater than 8.13 percent more than the 2017-18 TCR.
- The difference between the "constrained TCR" and the 2017-18 TCR, adjusted by the COLA, was calculated.
- The amount calculated above was divided by the sum of all the districts' difference to the percentage of the total differences attributable to that district.
- The district's percentage was multiplied by the remaining available revenues to calculate the district's proportionate share of those revenues.
- The proportionate share was added to the district's 2017-18 TCR, adjusted by COLA, to determine the adjusted 2018-19 TCR at this point in time.

We will continue to monitor the budget closely during these changes. We look forward to receiving more information in the May Revise; I will keep the campus informed of future developments.

Jose

Jose Fierro, D.V.M., Ph.D.  
President/Superintendent