

OFFICE OF THE PRESIDENT/SUPERINTENDENT
PRESIDENT'S CAMPUS UPDATES



May 21, 2020

Dear Colleagues,

I hope you are well and enjoying the pleasant weather this week. Below you will find a brief update.

Summary of The Governor's May Revision

The [Governor's May Revision](#) was released last Friday. As we expected, the statewide budget cuts are sobering, and this will have a severe impact on our budget in the next fiscal year and beyond. The public health emergency drastically changed California's budget; prior to the pandemic, the administration projected a \$5.6 billion surplus for 2020-21 and \$21 billion in reserves, including \$18 billion in the state's Rainy Day Fund. In contrast, the administration's May 7 Fiscal Update projected a \$41 billion decline in revenues by the end of 2020-21 and a \$13 billion increase in health and human services program costs and other pandemic-related expenditures. **The result is a projected budget shortfall of \$54 billion**, compared with the Governor's January budget proposal. The May Revision reflects the administration's plan to address this deficit. A few key points I would like to share with you are as follows:

- State and local revenue projections are uncertain due to deadline extensions for a variety of taxes and fees, including state sales and fuel taxes. As a result, the state will have no solid basis for revenue estimates until the second half of July, at the earliest.
- We can expect additional amendments to the budget, sometimes called a "Budget Bill Junior," once additional information about the state's fiscal condition becomes available in August or September. This could include additional programmatic budget adjustments.
- The Governor's May Revision reduces ongoing funding for CCC in 2020-21 by \$1.1 billion compared to the Governor's January proposal. It:
 - reduces Student-Centered Funding Formula support by roughly 10% (including the elimination of a planned COLA)
 - reduces the Strong Workforce Program by 55%
 - reduces five categorical programs, each by 15%
 - reduces Calbright College by 15%,
 - reduces the Adult Education program by 10%
 - eliminates all one-time CCC funding proposed in January
 - shifts June apportionment payments for 2019-20 (\$330 million) and 2020-21 (\$662 million) to the following fiscal years; and
 - reduces employer pension contributions in 2020-21 and 2021-22 by about 2% in each year.

Vice President Felipe Lopez provided a budget update to the Board on Monday, May 18 and you can view the presentation and discussion by clicking on the film icon at the following link: [Item 2.02 Discussion of Statewide Budget](#). The 2020-21 tentative budget will be discussed at the June 17 board meeting as well.

My Thoughts on the Budget News

The projected budget shortfall is very sobering news, and while we are still gathering data to determine the potential impact to the Cerritos College 2020-21 budget, we know that a **16 percent** cut will require us to make thoughtful and challenging decisions to ensure the wellbeing of our students, employees, and institution as a whole. Fortunately, the District diligently maintains strong reserves for a rainy day; however, keep in mind that a **16 percent** cut to our budget is equivalent to approximately **16 million dollars**.

I am not communicating all of this to make you worry; in fact, I have faith that our College will weather this storm, just as we have done in the past. I am sharing these budget projections with you because we all must stay

informed as we enter into a new and challenging fiscal year on July 1. All of us should be prepared to flex our creative muscle, be resilient, and stick together for the good of the Cerritos College family.

CSEA Week

I would like to conclude on a more positive note by recognizing our incredible classified employees. This week is CSEA Week, and every year I am able to join our Cerritos College family in celebrating the work they do throughout the year. I am missing the great conversations, the ice cream social, the Outstanding Classified & Confidential Employees Awards Ceremony, and the annual Family Feud competition (Administration is still undefeated, by the way).

Please join me in expressing appreciation to all of our classified employees across campus. We are especially thankful for our essential employees in Campus Police, Facilities and Grounds, Fiscal Services (including Payroll and Accounts Payable), Information Technology, and Purchasing. This team keeps the campus functional while students and other employees operate remotely, and I know I am speaking for all of us when I say that we are grateful to have each of you on our team.

Be well,
Jose

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