



May 12, 2023

Dear Colleagues,

I want to briefly update the 2023-24 state budget. Community college leaders across the state, including our **Cerritos College students, faculty, staff, and administrators, came together** this spring in various advocacy efforts, working with the Governor and legislators to communicate our students' needs. Today, the Governor released the May Revision that reflects our hard work and collegiality. The state continues to recognize the critical value of community colleges in economic growth, equity, and social mobility for all Californians, and while we still await a few concrete details, below are key highlights:

- Under the May Revision, the overall state budget would be \$306 billion, somewhat higher than proposed in January but slightly lower than the 2022-23 enacted budget (\$308 billion). Compared to the 2022 Budget Act, General Fund spending would decrease by about \$10 billion (4.4%) to \$224 billion.
- Revised proposals for ongoing spending include \$678 million for an 8.22% cost-of-living adjustment (COLA) for community college apportionments.
- The proposal also includes an additional \$3 million for COLAs and adjustments to specific categorical programs, on top of the approximately \$92 million included in the Governor's Budget.
- \$450 million one-time General Fund for 2023-24 and \$95.4 million one-time General Fund for 2024-25 for CCC affordable student housing projects (**it seems like our student housing project is now viable**).
- One-time funding proposals in the revised budget include \$100 million to continue supporting community college efforts and targeted strategies to increase student retention rates and enrollment.
- The proposal also includes an additional \$3 million for COLAs and adjustments to specific categorical programs, on top of the approximately \$92 million included in the Governor's Budget.

I would like to point out the 8.22% COLA for community college apportionments. I sincerely appreciate all our employee groups working with the district to provide the cost-of-living adjustment plus 0.50% to faculty salaries, classified, confidential, management, and contract management employees effective July 1, 2023.

This spring, **collaboration, and advocacy across Cerritos College** and at the state level were fundamental for safeguarding statewide COLA, our student's housing needs, maintenance of funding levels, increased support of categorical programs, and overall minimal financial impact to our community college institutions. Without your support, it is nearly impossible to communicate our

students' needs to the state. And so I would like to thank all of you—managers, faculty, classified, members of our community, and **especially our students**—who reached out to local legislators, met with them in Sacramento, sent letters and resolutions of support, and testified at a variety of Assembly and Senate committee hearings this semester. **This was outstanding work and truly a team effort.**

I also want to point out that the Legislative Analyst's Office continues expressing concern about the potential for a recession as the Federal Reserve repeatedly raises interest rates to slow inflation. The LAO recommends addressing the state's budget shortfall for 2023-24 without using reserves, saving that option to support a safety net and other core services in the event of a recession or higher-than-expected revenue shortfalls in the context of uncertain forecasts. They note that the solid revenues throughout the pandemic allowed for elevated spending that was not expected to be sustained. According to the LAO, the state's allocation of most revenues to one-time purposes provides options to maintain ongoing core spending without dipping into reserves by curtailing temporary spending scheduled to phase in over the next several years.

While we still need to wait until late June for details to be finalized, I would like to provide you with this update, and I encourage you to reach out to me with any questions you may have.

Jose

Jose L. Fierro, D.V.M., Ph.D.
President/Superintendent
Cerritos College
11110 Alondra Blvd
Norwalk, CA 90650