

May 19, 2009

Dear Colleagues,

As expected, news related to the California State budget is devastating for California Community Colleges. Governor Schwarzenegger predicts that if Propositions 1A-1F do not pass today, the State will face a \$21.3 billion budget shortfall, which translates to a \$5.3 billion cut to education. While information is uncertain at this time, Vice Chancellor for Fiscal Policy Erik Skinner outlined the following cuts to community colleges:

Current Year (2008-09):

- Defer an additional \$115 in apportionment payments from 2008-09 to 2009-10.
- \$85 million in across-the-board cuts to categorical programs.
- Broad flexibility for districts to spend categorical funds to meet local needs. This flexibility applies to all categorical programs except Financial Aid Administration and Cal Works.
- The Administration estimates a \$42.1 million local property tax shortfall and proposes no backfill for the colleges.

Budget Year (2009-10):

- \$221.6 million in across the board cuts to categorical programs. Flexibility noted above.
- Eliminate 1 percent enrollment growth, cut of \$58 million (would leave 2 percent growth funding)
- \$120 million cut to apportionments to implement Legislative Analyst Office's recommendation to lower the funding rate for credit PE and recreation courses to the non-credit rate.
- The Administration projects a \$116.7 million local property tax shortfall and proposes no backfill for the colleges.

Contingency Proposal (assuming propositions do not pass)

- All elements of base proposal.
- Eliminate an additional 1 percent enrollment growth, additional cut of \$58 million (would leave 1 percent growth funding).
- An additional \$122 million in across-the-board cuts to categorical programs.

Once the special election has concluded, the Governor's proposal will receive considerable legislative scrutiny and will require a two-thirds approval by the legislature, which could potentially delay passage of the budget until the fall. However, it is clear the proposed budget will serve as the college's working base budget and that we should anticipate significant cuts regardless of the final outcome. While no exact cuts have been finalized, the college will begin with a focus on low-enrollment courses in the fall, and carefully scrutinize travel and other expenditures throughout the year.

The anticipated deep-level of budget cuts means that the college will begin summer deliberations on potential cost savings strategies. I have asked Adam O'Connor, Director of Budget & Finance, to work with the Budget Development Committee to draft a multi-tiered set of budget reduction options. The President's Advisory Council will meet on Wednesday, June 24 to discuss this work and ways in which the college will move forward. At the district-level, the 401 budget cut suggestions submitted by constituent groups continue to be reviewed and analyzed by the District Planning Council's Budget Subcommittee.

I will continue to work with the Community College League of California and our local legislators to obtain further clarification on this and all aspects of the 2009- 2010 budget and will send regular updates to the college community as information become available. I also encourage you to continue sending in your thoughts and suggestions on ways the college can save money in the coming years.

I see the next several years as a critical time for the Fullerton College, a period in which we will build on our many strengths and demonstrate our ability to grow, innovate, and excel. We will continue to work together as a college community as plan for the future, building on our success and conquering our challenges.

Sincerely,

6/17/2009



Dr. Kathleen Hodge
President, Fullerton College