From: Jolley, Kate
To: Jolley, Kate
Subject: Budget Planning Update and Next Steps
Date: Monday, February 23, 2026 9:16:32 PM

Sent bcc: dl.staff.all

Dear colleagues,

I am writing to build on the update I shared earlier this month regarding the Governor's proposed state budget, our current enrollment outlook, and how these factors continue to shape the District's fiscal planning. As noted in that message, while the state budget proposal includes some positive elements, the District remains below its funded full time equivalent students level (FTES) and is not recovering at the pace projected in the Strategic Enrollment Management Plan for enrollment, supplemental, and student success metrics. As a result, the District continues to face structural fiscal challenges as enrollment recovery continues.

As part of this work, leadership has developed a recommended framework to address a projected $10 million structural budget gap in 2026-27. This projected gap reflects the $8 million fund balance spenddown incorporated into the 2025-26 budget, along with an additional $2 million needed to address anticipated cost increases. The framework is intended to responsibly bridge the District through the next year of the enrollment recovery period while protecting our mission, supporting students, and positioning the institution for long term fiscal sustainability.

This framework prioritizes avoiding layoffs whenever possible, minimizing harm to students, protecting access and completion, preserving the class schedule to the greatest extent possible to support enrollment recovery, and aligning any reductions with workload and enrollment realities. Within these guardrails, the framework includes a menu of potential tools that may be considered, evaluated, negotiated as appropriate, and refined over the coming months.

These options may include the following:

- Executive level compensation reductions – the President and Vice Presidents will be taking a 5% salary reduction in 2026/27
- Furloughs of employee groups
- A hiring freeze across all employee groups, with clearly defined criteria for health and safety, compliance, and other critical needs
    - The five faculty positions previously approved for recruitment will continue as planned
- Component area reductions, which may include reorganizations and reductions in

operating expenses
- Reduction to the schedule of classes
- Suspending transfers to other institutional funds

As part of this process, Dr Garcia will be bringing forward a request to the Board of Trustees at the March meeting to enter a reorganization period. This step would provide the District with the formal authority and timeline needed to evaluate potential organizational changes within the framework described above.

At this stage, no specific decisions have been made for many of the items above. The purpose of sharing this framework and set of potential options is to provide transparency about the types of actions that may be considered as this work continues. Any recommendations that move forward will follow established consultation and negotiation processes and will be informed by updated enrollment, budget, and state funding information.

I recognize that conversations about budget reductions are difficult and can cause concern. At the same time, this work is essential to ensure the District remains financially sound, mission-focused, and positioned to support students as enrollment continues to recover. I appreciate the continued engagement and commitment of our faculty, classified professionals, and administrators as we navigate this work together. I will continue to share updates as additional information becomes available.

Sincerely,
Kate

Kate Jolley
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I acknowledge that Santa Rosa Junior College is on the territorial traditional land of the Pomo People in Santa Rosa and the Coast Miwok People in Petaluma, past and present, and honor with gratitude the land itself and the people who have stewarded it throughout the generations.

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