

SPARC Presentation Overview from January 30, 2025 Meeting

State Budget:

- State budget will be impacted by the fires in Southern California. The Governor's proposed budget was formulated prior to that and will likely be changed with the May revision. State budget impacts are unknown at this point but taxpayers in fire areas will have a deferral in their tax due date from April 15, 2025 to October 15, 2025.
 - Governor was projecting a stable budget with some growth related to growing revenues.
 - The Legislative Analyst Office (LAO), a non-partisan state office, cautioned that revenues might trend lower (this was before the fire) as gains were tied to stock market.
 - Governor's proposal has a reserve and allocates a 2.43% COLA for selected programs along with some one-time investments.
 - Capital Outlay funds, funded by Propositions 51 and 2, were designated for a variety of projects throughout the state. A replacement of the Skyline College boiler is on that list and would receive funding if the Governor's proposal is approved.
 - Over the next several months the LAO will provide further updates, the state Chancellor's Office will be involved in advocacy for CCC priorities, the legislative committees will be meeting and the Governor will present a May revise with updated revenue and expense estimate. The May revise will be the first official accounting by the Governor of the Los Angeles Fires and potential impacts to the state budget.
 - By June 15th, the legislature will have a proposed budget to the Governor who will then negotiate with the leaders and land on a final budget on or before June 30.

Local Budget:

- I reviewed the SPARC Presentation FY 25-26 Tentative Budget. Key points covered were:
 - College budget principles align with district budget principles.
 - Skyline is the most efficient college site in the district producing more FTES per dollar spent than the other sites.
 - It is very early in the process and things will be changing over the coming months.
 - The resource allocation model has 8 steps that are used in the allocation of unrestricted resources.
 - Resources are spread among five sites (Skyline, Canada, CSM, District Office, Facilities) and a District Wide Allocation for pooled costs such as, but not limited to, insurance, utilities, technology, public safety, scheduled maintenance, etc. The District Wide allocation may also include board priorities like SB 893.
 - Step 6 allocates resources; Step 7 compares the allocation in Step 6 with the anticipated revenues. If revenues are greater than the resources needed a positive adjustment is made to the site allocations. If needed resources are greater than the revenues available a negative adjustment is made. The sites have had negative adjustments in Step 7 the last four consecutive years.
 - Revenue and expense assumptions are low at this point and will be moving over the upcoming months. For consistency, I will update the tracker on the 6th of each month so we can compare with last year.

Federal

- It was noted that there is a lot of uncertainty right now about federal funding and executive orders. For now, we are in a wait and see mode but will monitor the situation and potential impacts to the campus. It does no one any good to speculate or project at this time.