

SPARC Presentation Overview from August 29, 2024 Meeting

State Budget:

- No cuts to core community college programs and services in the state budget for the current fiscal year (July 1, 2024-June 30, 2025). To accomplish this with the projected budget deficit, the legislature and Governor relied on reserves, clawing back unused funds, deferrals (IOU's) and other one-time options to avoid reductions. This could have impacts in future budget years unless state revenues improve and / or expenses moderate.
- A small COLA (1.07%) was provided to selected categorical programs. Not all state funded programs received a COLA. The minimal / non-existent COLA means that programs relying on those state resources would need to cover our local COLA (3%) and other program costs within their existing budget. While not a "cut" this is a reduction in spending power.

Local Budget:

- I reviewed the SPARC Presentation FY 24-25 Adopted 20240819 and the FY 24-25 RA Workbook SPARC excel documents. Key points covered were:
 - The net impact of SB 893 as the expense indicated under district wide allocations is offset somewhat by the fees paid on behalf of students from SB 893
 - 5.5 million is set aside for scheduled maintenance in FY 24-25.
 - The adopted budget balances at \$273,170,954 (anticipated revenues = anticipated expenses) with the sites (three colleges, district office and facilities) receiving \$197,431,239 and district wide allocations of \$75,739,715. The sites receive as additional revenue to cover expenses from the district wide allocations (Salary Commitments, Office Hours, etc.....)
 - The current RA provides Skyline College the largest allocation among the five sites and is projected to be \$59,941,685 for the upcoming fiscal year.
 - The baseline increase in out budget is 4.38% which is the most in three years but also is the third lowest percentage increase in the last ten years.
 - Part of that reduction in the baseline was a decrease related to an adjustment in international student (Step 4 of the RA) revenue along with a negative adjustment in Step 7 because anticipated revenues were not sufficient to cover anticipated expenses.
 - Based on our Fund 1 tracker, we do not anticipate net additional resources in FY 24-25 and project a loss of spending power that will not impact positions or discretionary funds in the upcoming year but will not provide any additional resources for increased discretionary allocations or additional positions.
- A budget recommendation will be made at the 9/12/24 SPARC meeting to propose a roll forward (no increases / decreases) for FY 24-25.