Adopted Budget
Fiscal Year 2014/2015

September 9, 2014

D. Smith
The Bottom Line

Ending Fund Balance (General Fund 10)

- Actual vs. Projected
- 2006-2007 to 2016-2017
- Percentages and Budget Amounts Provided
What’s Included

- Provided 4.5% overall compensation increase in FY2013/2014
- Provided $2.3 million Board Initiatives; approximately 25 Redesign & Student Success positions in FY2014/2015
- $1.1 million direct College Support Services; e.g., EMP, FMP, contracts, licenses, legal, contract work
- $500K indirect College Support Services; e.g., Board Elections, outreach
- Health & Welfare, PERS, STRS, step & column changes
- $750K Milpitas operations FY2016/2017
What’s Not Included

- Compensation allowance, set aside has not been allocated FY2014/2015
- Board Initiatives – only $275K remains unallocated, earmarked for FY2015/2016
- Resources to directly address Board “Ends Policies” advancement; $0 allocated in FY2014/2015 and beyond
Board of Trustee Principles

1. Trustees to provide the Chancellor & staff with policy framework for managing an “appropriate” fund balance & structural balance

2. Validate “student-centered” approach

3. Compliance with accreditation standards

4. Distinguish between on-going vs. one-time savings & needs

5. Add back slowly and strategically to maximize program initiatives

6. Seek efficiencies and revenue opportunities
# The Dollars

<table>
<thead>
<tr>
<th></th>
<th>Unaudited Actuals FY2013/14</th>
<th>Adopted Budget FY2014/15</th>
<th>Estimated Budget FY2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$10.9M</td>
<td>$13.4M</td>
<td>$12.2M</td>
</tr>
<tr>
<td>Revenues</td>
<td>$85.6M</td>
<td>$88.5M</td>
<td>$90.8M</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$83.1M</td>
<td>$89.7M</td>
<td>$89.1M</td>
</tr>
<tr>
<td>Net Change</td>
<td>$2.5M</td>
<td>($1.2M)</td>
<td>$1.7M</td>
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<tr>
<td>Ending Fund Balance</td>
<td>$13.4M</td>
<td>$12.2M</td>
<td>$13.9M</td>
</tr>
<tr>
<td></td>
<td>16.1%</td>
<td>13.6%</td>
<td>15.6%</td>
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</tbody>
</table>
### Where Our Dollars Go

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Adopted Budget FY2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
</tr>
<tr>
<td>Certificated</td>
<td>$37.5M</td>
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<tr>
<td>Classified</td>
<td>$18.3M</td>
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<tr>
<td>Benefits</td>
<td>$19.3M</td>
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<tr>
<td>Total Personnel</td>
<td>$75.1M 84%</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>$1.0M</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$10.3M</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$0.1M</td>
</tr>
<tr>
<td>Other Outgo</td>
<td>$3.3M</td>
</tr>
<tr>
<td>Total Operations</td>
<td>$14.6M 16%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$89.7M</td>
</tr>
</tbody>
</table>
# New State Categorical Funds

<table>
<thead>
<tr>
<th>Program</th>
<th>FY2013/2014</th>
<th>FY2014/2015</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Success &amp; Support Program</td>
<td>$1,095,507</td>
<td>$2,557,119</td>
<td>$1,461,612</td>
</tr>
<tr>
<td>Physical Plant &amp; Instructional Support</td>
<td>$344,171</td>
<td>$1,700,870</td>
<td>$1,356,699</td>
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<tr>
<td>Student Equity</td>
<td>$0</td>
<td>$801,174</td>
<td>$801,174</td>
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The Basic Aid Story

FY2012/2013 became Basic Aid
- 6 districts are Basic Aid
- 66 districts depend on State funding
- $2.2M in “excess” received

FY2013/2014 $10.5 in “excess” due to Basic Aid

FY2014/2015 tax collector estimate 6.77%,
$13.2 “excess” projected

FY2015/2016 and beyond – use conservative 3% estimate
Total Apportionment, Enrollment Fees, Education Protection Account (EPA) and Property Tax – A Look Forward

- Student Enrollment fees, FY2013-14: $4,646,512
- Property Taxes, FY2013-14: $71,556,493
- EPA, FY2013-14: $1,288,194
- One Time Settlement Taxes, FY2013-14: $2,554,807

- Student Enrollment fees, FY2014-15: $4,774,291
- Property Taxes, FY2014-15: $76,402,750
- EPA, FY2014-15: $1,336,501

- Student Enrollment fees, FY2015-16: $4,917,520
- Property Taxes, FY2015-16: $78,694,833
- EPA, FY2015-16: $1,379,596

- Student Enrollment fees, FY2016-17: $5,065,046
- Property Taxes, FY2016-17: $81,055,677
- EPA, FY2016-17: $1,417,894

- Actual versus Entitlement vs Projection:
  - FY2013-14: Actual $80,046,006, Entitlement $69,582,654, Projection $80,046,006
  - FY2014-15: Actual $82,513,542, Entitlement $69,339,931, Projection $82,513,542
  - FY2015-16: Actual $84,988,949, Entitlement $71,923,956, Projection $84,988,949
  - FY2016-17: Actual $87,538,617, Entitlement $74,614,246, Projection $87,538,617

- Excess:
  - FY2013-14: $10,463,353
  - FY2014-15: $13,173,612
  - FY2015-16: $13,064,993
  - FY2016-17: $12,924,371

- san jose evergreen COMMUNITY COLLEGE DISTRICT
Basic Aid
2013-2014 as of August 28, 2014
Total “Excess” Apportionment

Talking Points
• FTES cap 14,276
• Actual FTES 13,052
• Below cap 1,224
• Each FTES worth $4,655
• Below cap FTES $5.7M

“Excess” above FTES cap
$4.8M

“Excess” as a result of FTES below cap
$5.7M

Total $10.5M
“Excess”
Future Funding Needs/Priorities

- Compensation considerations
  Each 1% = $700,000
- Board Initiatives – Student Success, Redesign, High Impact
- Consideration for reserve designations
  1. Basic Aid contingency
  2. STRS & PERS increases
  3. Health premium increase
  4. Healthcare “Cadillac Tax”, Affordable Care Act
  5. Catastrophic events, stabilization funds
- Earmarks to achieve Board “Ends Policies”
Board Initiatives/Strategic Priorities

I. High Impact

- Academic Goals Setting and Planning
- Degree Completion
- Accelerated Basic Skills
- Early Alerts
- Learning Communities
- Professional Development
- Curriculum Redesign
- Basic Skills Faculty Hiring Processes
Board Initiatives/Strategic Priorities (continued)

II. Board Strategic Student Success Initiatives

- Organizational Redesign
- Noncredit/Adult Education
- Career and Technical Education
- Strategic Communication
  - Internal
  - External
Global Ends Statement

Ensure all students, especially those with educational and/or socioeconomic challenges, have the skills and capabilities to be successful in the next stage of life.
Global Ends Statement

- Career Development
- Transferability
- College Readiness
- Institutional Excellence
- Student Success
- College Experience
Organizational Priorities: From Good to Great!

- Take care of staff
  - Competitive salaries & benefits
- Manage budget to highest standards
- Apply opportunity resources
  - Board initiatives
    - High Impact
    - Redesign Phase II
    - Student Success
- Apply opportunity resources to achieve
  Global Ends Policies
Final Thoughts

- A strong budget
- Property taxes are the big driver
- Remain student-centered & focused
- Preserve & value relationships: open, honest, transparent, and with integrity, always!
- Our District Budget Committee is briefed and involved
- It’s a matter of priority
- And our future is bright!