Board of Trustees
Budget Study Session

Budget Development
2013-2014

D. Smith
February 12, 2013
Background:
What is our current budget status?

Second Quarter Projections
2012-2013
Estimated Ending Fund Balance $8.6M 11.3%
Structurally “Balanced”
- Good Reserves
- Issue: next year’s Structural Balance
- May be “conservative”: Deficit? Other variables?
Background: Budget Outlook

2013-2014

Revenues go up $2.1M

Expenditures go up $4.8M

- Creates structural “imbalance”
- Reserves drop to 7%
- Shaded with conservatism
Background:
Budget Outlook - More Detail

2013-2014

Revenues

3.6% apportionment $2.1M

COLA?

Restoration/Growth?

Deficit Factor 1% or ?
Background:
Budget Outlook - More Detail (cont.)

2013-2014

Expenditures

Adjunct growth $420,000
OPEB Obligation $1.1M
Position Restoration $1.0M
Summer Restoration $880,000
Health, Welfare, Statutory, Operations $1.4M
“Wildcards”
Things that may change

- Deficit factor, property taxes, student fees
- Redevelopment funds
- Year-end variance
- More likely uptick vs. downward
- “Watch” our FTES numbers to be sure we meet enrollment goals
Statewide Initiatives

- Shift Adult Ed to CC’s
- “Wall of debt” $801M ➔ $622M, remains huge, $179M effort
- $49.5M energy efficiency projects per FTES?
- $16.9M expand online
- Policy reform
  1. Census from early to completion
  2. 90 credit unit cap
Previous Rebalancing Strategies

1. Resource development
2. Enrollment management
3. Reduce “restricted program” support
4. Eliminate vacancy $’s
5. Maximize use of other funds
6. Collective Bargaining
* These projections of fund balance are intended to be used as a guide for future decisions to ensure that the District maintains the Board approved 7% fund balance.
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. New: add back slowly and strategically to maximize program initiatives
Confirm: Assumptions

1. Will maintain 7% reserve
   • Statewide average 16.8%
   • Bay 10 average 15.5%
   • SJECCD 12.0% (includes .4% other funds)

2. Assumptions per District Budget Committee/Quarterly Reports

3. Must re-establish structural balance

4. Target growth FTES, plus

5. Budget updated as new information is made available
Timeline & Next Steps

1. “May Revise” July “Budget Act” determines form of new $, new rules, new opportunities
2. Remain student centered
3. Restored positions $1.0M and restored adjunct (summer school) $880,000 is major opportunity $
4. Seek efficiencies, revenue opportunities
5. Tentative Budget June 11, 2013
6. Adopted Budget September 10, 2013