



san José • evergreen
COMMUNITY COLLEGE DISTRICT

Budget Update

FY2015/2016

Third Quarter Budget Report

May 10, 2016



Budget Overview

Estimated Actuals 2015-2016

Beginning Fund Balance	\$ 12,646,465	13.6%
Revenues	\$ 103,437,493	
Expenditures	\$ 99,811,711	
Ending Fund Balance	\$ 16,272,247	16.3%



The Out-Years

	2016-17	2017-18	2018-19
BFB	\$ 16.3M	\$ 14.6M	\$ 14.4M
Total Revenue	\$ 101.2M	\$ 102.1M	\$ 104.7M
Expenditures	\$ 103.4M	\$ 103.8M	\$ 106.1M
Discount Factor	\$ (1.5M)	\$ (1.5M)	\$ (1.6M)
Total Expense	\$ 101.9M	\$ 102.3M	\$ 104.5M
EFB	\$ 14.6M	\$ 14.4M	\$ 14.6M
	14.4%	14.1%	13.9%



Major Budget Assumptions & Activities

FY2015-2016

- Property taxes at 5.84%.
 - Final index received in June.
- Allocates \$1.2M to Colleges and WFI (one-time dollars).
- Redirected \$500,000 of interpreter expenses from Colleges to District-Wide.
- Redirected utility curtailment participation rebates to the Colleges.



Major Budget Assumptions & Activities FY2015-2016

- Experienced significant categorical increases to EOPS, SSSP, and Student Equity.
- Created an International Student Incentive Program to stimulate enrollment growth.
- Allows entities to carryover unspent discretionary budgets.



Major Budget Assumptions & Activities FY2015-2016

- Allocates \$500,000 to the Financial Stabilization Fund.
- Includes benefit increases: STRS, PERS, and Health and Welfare premiums.
- Does not include any collective bargaining salary settlements.



Major Budget Assumptions The “Out-Years”

- Property tax growth rate at 3.5% above base.
- Applies an Experience Discount Factor of 1.48% between estimated budgets and projected actuals.



Major Budget Assumptions

The “Out-Years”

- Factors STRS & PERS increases at approximately 2% annually.
- Does not include H&W JPA discussions under consideration.
- Does not factor in any future collective bargaining salary schedule agreements.



Major Budget Assumptions The “Out-Years”

- Assigns \$750,000 for the new cost of staffing and operations at Milpitas, beginning in FY2016-17.
- FY2016-2017 provided two additional full-time Faculty to each College.



Final Thoughts

- May Revise, publishes mid-month, watch for one-time dollars.
- Up the road uncertainty:
 - Prop 30 sunsets 12-31-2017, \$1.2M.
 - Renewal subject to passage of State initiative.
- Pace of property tax rate increase has slowed by 4% from prior year.



Final Thoughts

- State budget revenue growth appears to be slowing.
- Budget Allocation Model is under review.
- Our allocation processes must be thoughtful and participatory to achieve the objectives of the accreditation standards.
- Always prepare and plan for our long term stability as we provide new resources for our colleges, students, and classrooms.



Next Activity:

June 14, 2016
Tentative Budget