



san José • evergreen
COMMUNITY COLLEGE DISTRICT

Tentative Budget

Fiscal Year 2014/2015

June 10, 2014

D. Smith



Presentation Outline

- Our Budget Status
- Tentative Budget as Presented
- Major Assumptions
- Unknowns & Variables to Consider
- Board Principles
- Board Initiatives
- Board Priorities
- Organizational Priorities
- Behind the Scenes
- Final Thoughts



Our Budget Status

Projected Year Finished FY 2013/2014

Revenues \$83.0M

Expenditures \$83.1M

Ending Fund Balance 13.0%



Tentative Budget As Presented

Fiscal Year 2014/2015

Revenues \$84.8M

Expenditures \$86.9M

Ending Fund Balance 10.0%



Major Assumptions

- Includes all salary settlements except CSEA which posts at Final
- Full benefits – Medical/Health
- Statutory increases: includes PERS, not STRS (TBD)
- Anticipates 3% property tax increase, following 8% year. Each 1% about \$750,000



Major Assumptions (continued)

- Includes additional Board initiatives
 - High Impact Programs \$100,000
 - Redesign \$950,000
 - Student Success \$750,000
- More \$ necessary to fund priorities
- Does not include FY 2014-15 additional COLA dollars. Each 1% about \$700,000
- Still many unfunded priorities but stand financially strong

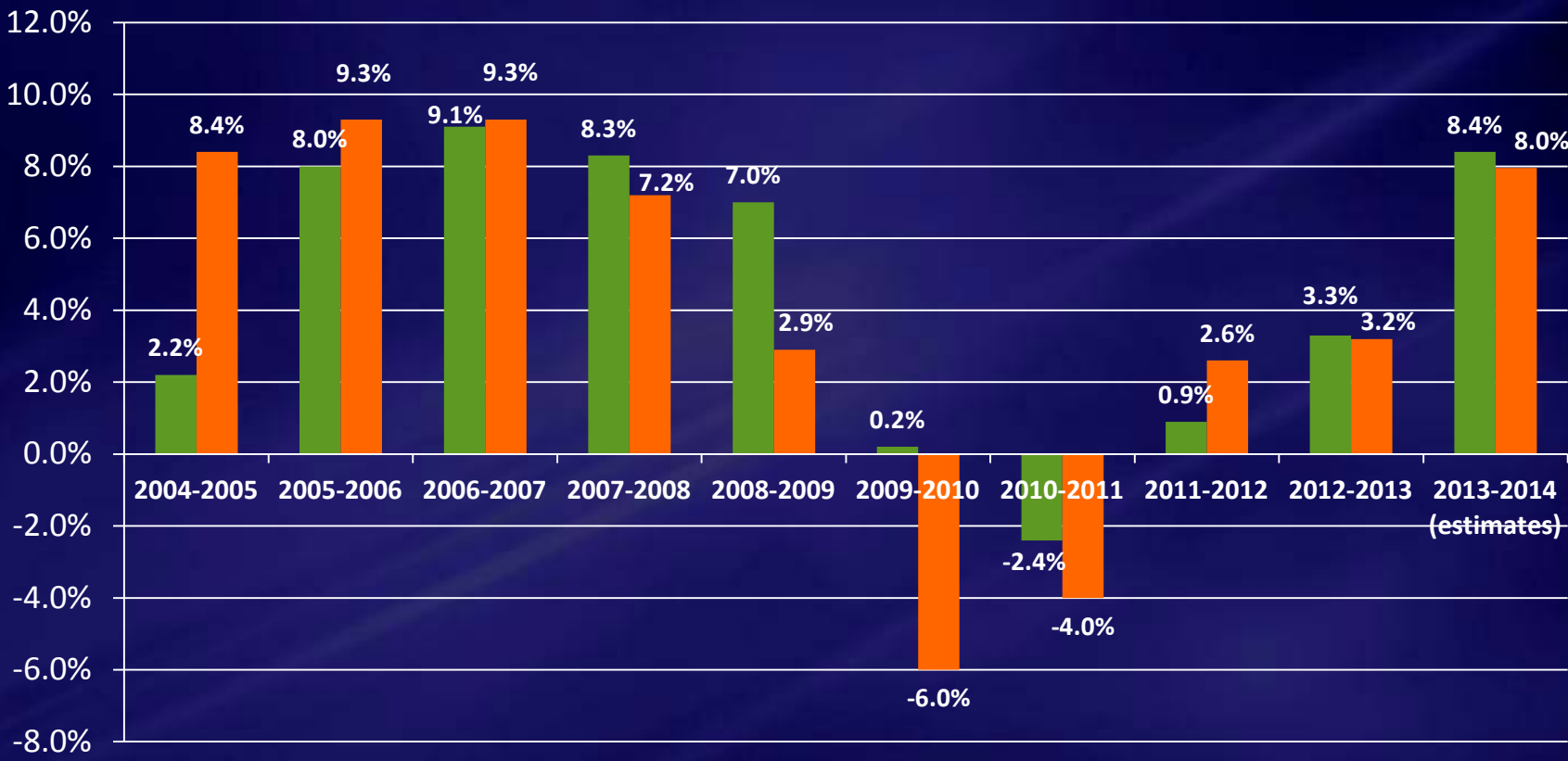


Unknowns & Variables to Consider

- Very conservative with Property Tax outlook
- Recommendation: earn before allocate
- We manage a modest fund balance
 - SJECCD: 10 - 15% range
 - Statewide: 17.6%
- Recommendation: consider reserve designations
 - STRS
 - Milpitas
 - Health Care premiums
 - Affordable Care Act
 - Basic Aid drops/declines
 - GF stabilization monies



Analysis of Relationship Between County Assessed Valuation and District Property Taxes

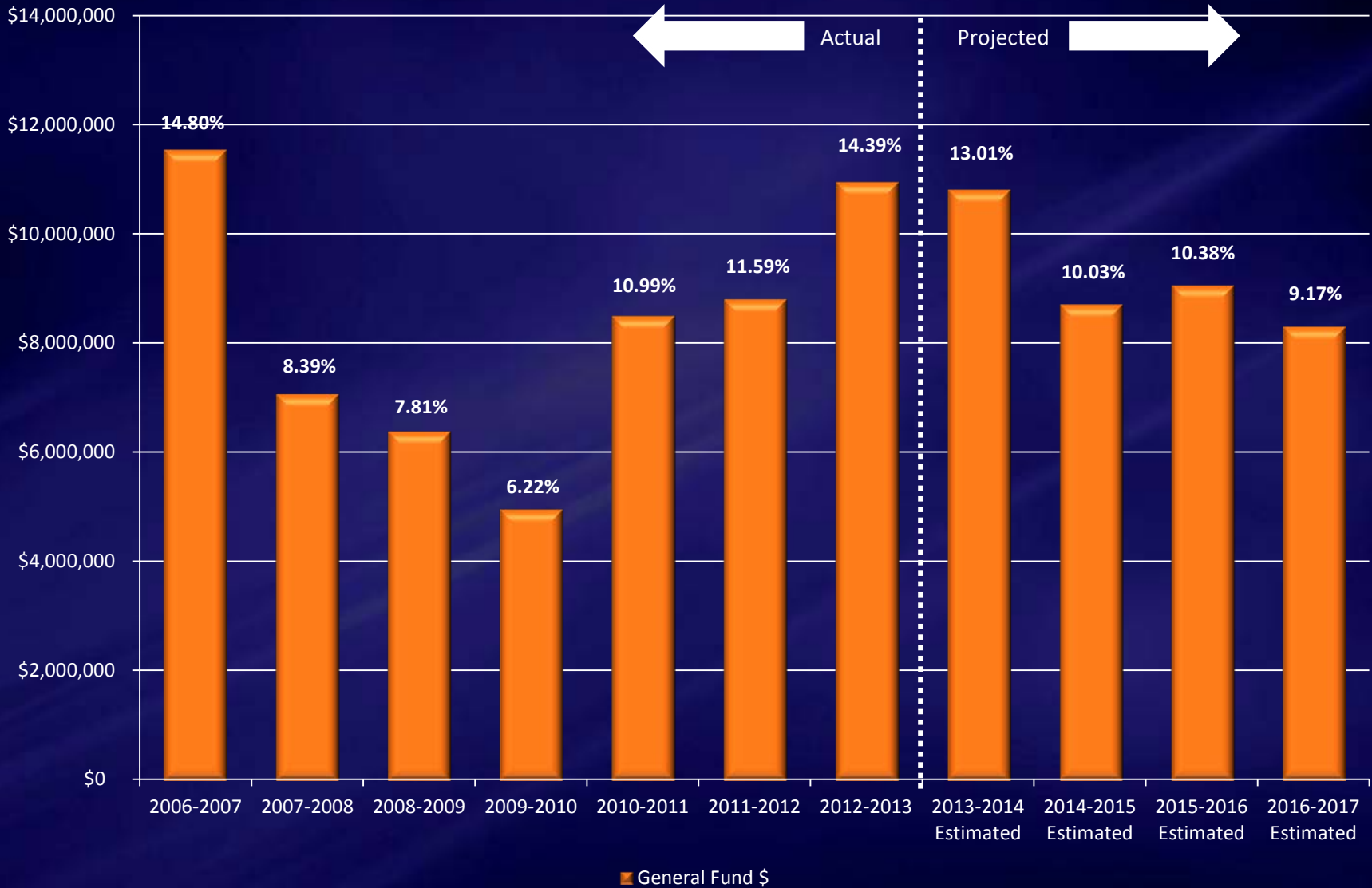


■ Santa Clara County Assessed Valuation

■ District Property Taxes

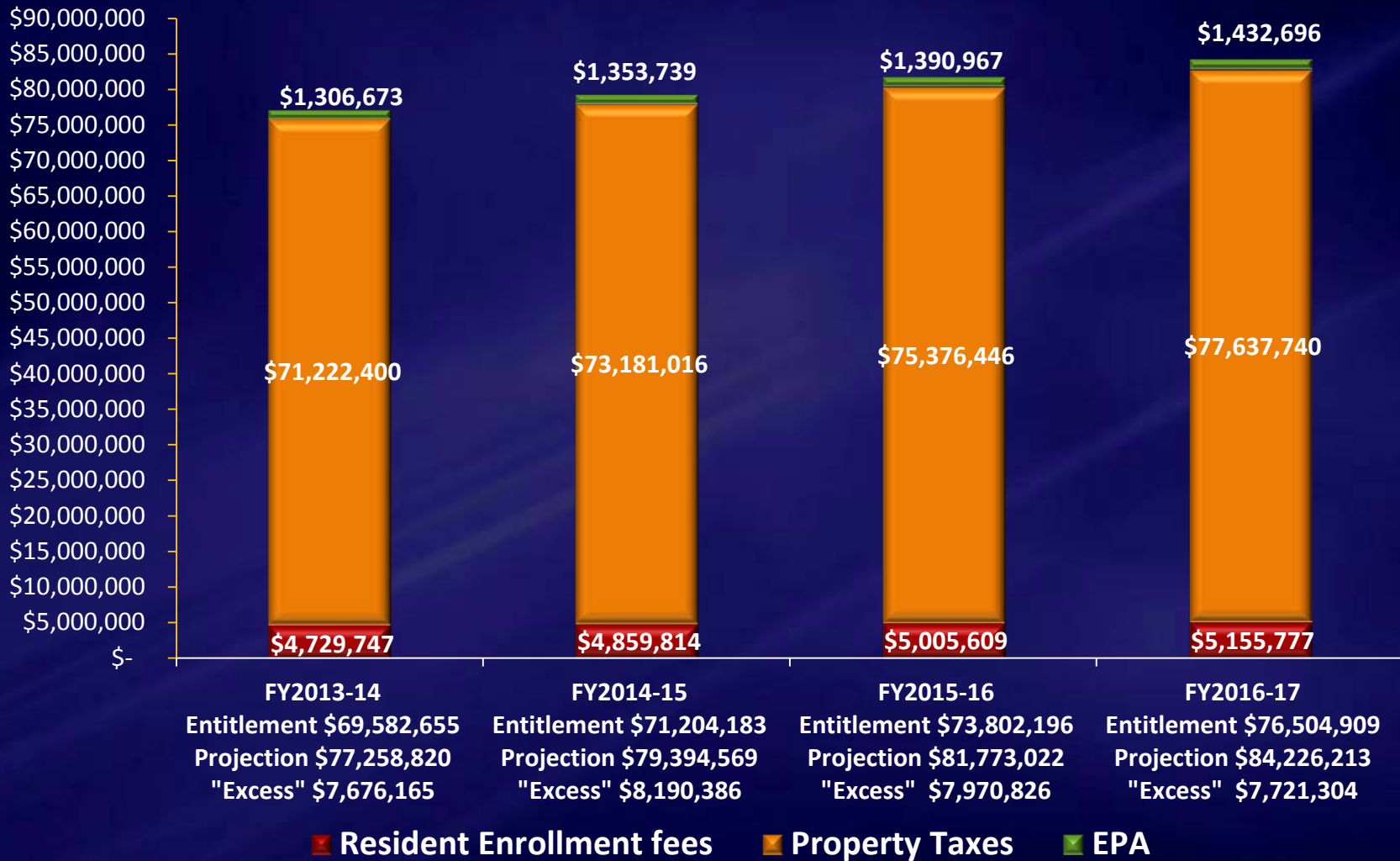


Ending Fund Balance (General Fund 10)





Total Apportionment, Enrollment Fees, Education Protection Account (EPA) and Property Tax – A Look Forward



FY2013-14
 Entitlement \$69,582,655
 Projection \$77,258,820
 "Excess" \$7,676,165

FY2014-15
 Entitlement \$71,204,183
 Projection \$79,394,569
 "Excess" \$8,190,386

FY2015-16
 Entitlement \$73,802,196
 Projection \$81,773,022
 "Excess" \$7,970,826

FY2016-17
 Entitlement \$76,504,909
 Projection \$84,226,213
 "Excess" \$7,721,304



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



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



Organizational Priorities

- Take care of staff
 - Security
 - Accountability
 - Competitive salaries & benefits
- Manage: stabilized budget
 - Highest audit standards
 - Highest credit ratings
 - Conservative – allocate when realized
- Apply new resources to stay competitive
 - Advance Board initiatives





Final Thoughts

- A strong budget
- May Revise signals additional categorical funds coming
- Outstanding financial systems & processes
- Remain student-centered & focused
- Our relationships are strong
- Our processes are transparent
- Our District Budget Committee is briefed and involved
- And our future is bright!