



san José·evergreen  
COMMUNITY COLLEGE DISTRICT

# Adopted Budget Fiscal Year 2012/2013

D. Smith  
September 11, 2012

# The year finished!

## FY2011-2012 Actuals

<b>Beginning Fund Balance</b>	<b>\$8,503,688</b>	<b>10.99%</b>
<b>Revenues</b>	<b>\$74,981,832</b>	
<b>Expenditures</b>	<b><u>\$75,896,366</u></b>	
<b>(Deficit)/Surplus</b>	<b>(\$914,534)</b>	
<b>Ending Fund Balance</b>	<b><u>\$7,589,154</u></b>	<b>10.00%</b>

# The year ahead!

## FY2012-2013 Adopted

<b>Beginning Fund Balance</b>	<b>\$ 7,589,154</b>	<b>10.00%</b>
<b>Revenues</b>	<b>\$75,816,097</b>	
<b>Expenditures</b>	<b><u>\$76,567,918</u></b>	
<b>(Deficit)/Surplus</b>	<b>(\$715,821)</b>	
<b>Ending Fund Balance</b>	<b><u>\$6,837,333</u></b>	<b>8.93%</b>

**As Our Books Closed**  
**The Standard: 1-2%**  
**Variance – usually positive**

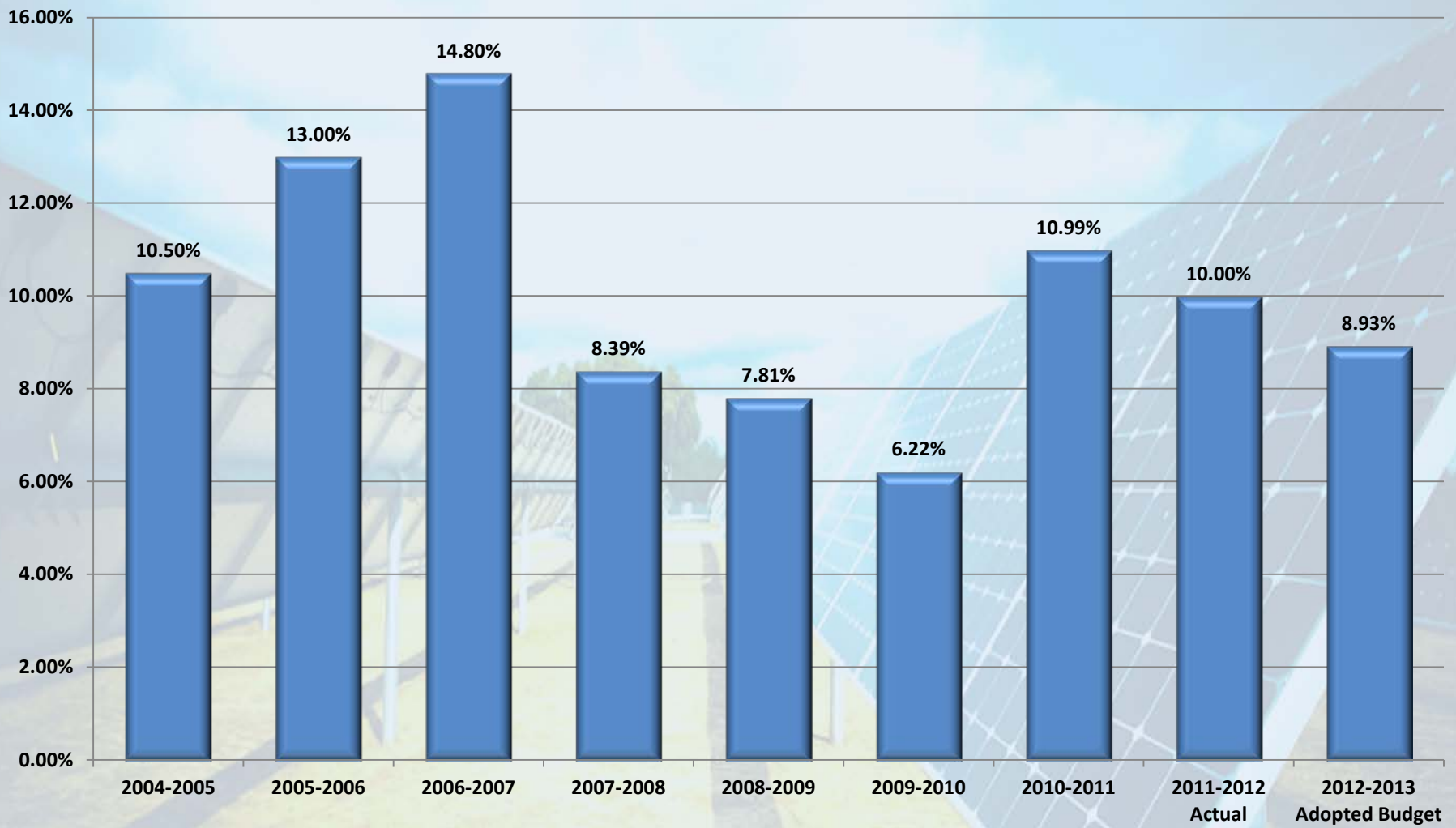
<b>Revenues</b>	<b>\$579,372</b>	<b>0.7%</b>
<b>Expenditures</b>	<b>\$1,264,997</b>	<b>1.6%</b>
<b>San Jose City</b>	<b>\$403,050</b>	<b>1.3%</b>
<b>Evergreen Valley</b>	<b>\$348,439</b>	<b>1.1%</b>
<b>District Office</b>	<b>\$159,100</b>	<b>1.6%</b>
<b>Districtwide</b>	<b>\$354,408</b>	<b>6.1%</b>

**All positive! Well done!**





# Ending Fund Balance



# About the Adopted Budget FY2012-2013

**Projected Finish** **\$6.8M** **8.93%**

**Balanced with one-time and on-going savings.**

- 1. Bookstore Transfer-in** **\$200,000\***
- 2. Enrollment Strategies** **\$880,000\***
- 3. Defunding Positions** **\$1.04M\***

**\*One-time adjustments**

# About the Adopted Budget FY2012-2013

Balanced with one-time and on-going savings.

4. Statutory Benefits	\$670,000
5. Health Benefits	\$1.6M
6. OPEB Refinancing	\$300,000
7. Growth Revenue	\$700,000

- Achieved FY2012-2013 balance by drawing \$715,821 from reserves.
- Preserves 8.9% EFB, achieves Board required 7% minimum.

**Well done!**

# About the Adopted Budget FY2012-2013

## Major Assumptions

- Assumes State Tax Measure (Prop 30) passes
- Assumes spend all budget \$'s
- Assumes no COLA, 1.11% growth, 1% deficit factor
- Enrollment fees \$36 ➡ \$46
- Parking permits \$40 ➡ \$45, daily \$2 ➡ \$3
- Health fee \$17 ➡ \$18

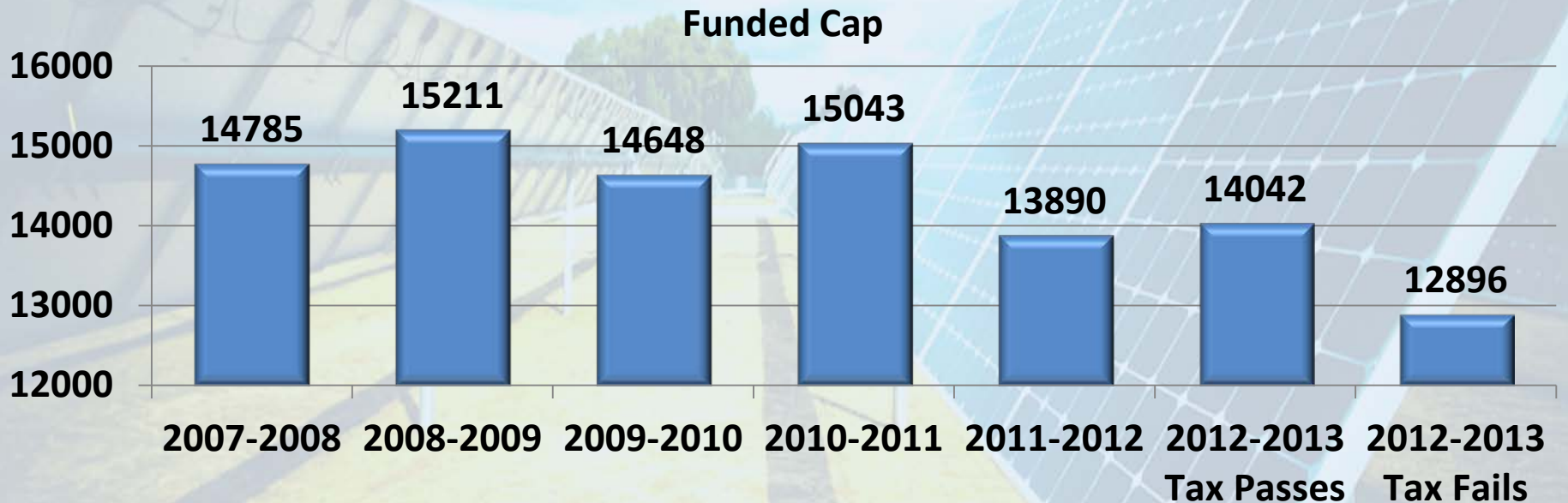
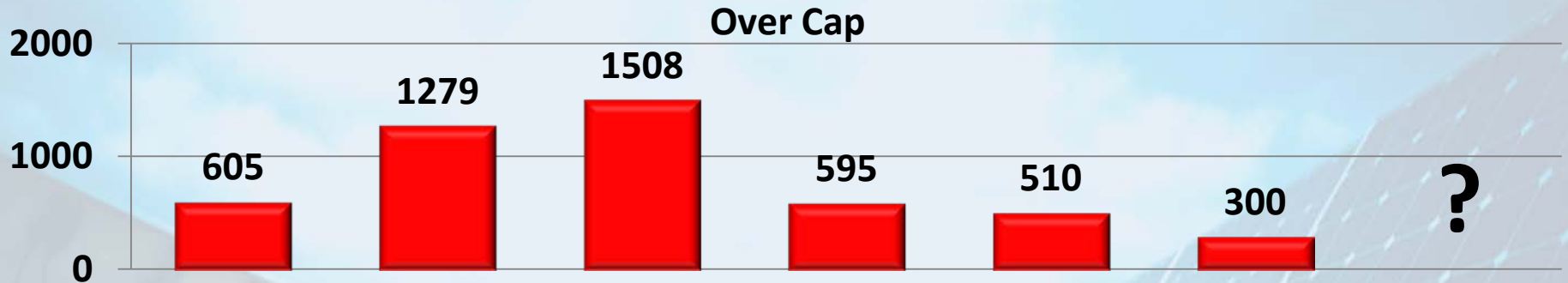


# About the Adopted Budget FY2012-2013

## Major Assumptions

- Assumes enrollment cap 14,042 FTES
- Targets 300 FTES over-cap
- SJCC FTES target 7,276
- EVC FTES target 6,997
- Non-Credit FTES 69

# Enrollment History



# About the Adopted Budget FY2012-2013

## Variables aka Wildcards

- **If Prop 30 tax measure fails: Downside risk!**
- **Workload reduction 1,167 FTES**
- ~~**Reduced apportionment \$4.0M**~~
  - **San Jose/Evergreen becomes fifth Basic Aid community college district in California – estimated loss approximately \$400,000**

# About the Adopted Budget FY2012-2013

## Variables aka Wildcards – The Basic Aid Effect!

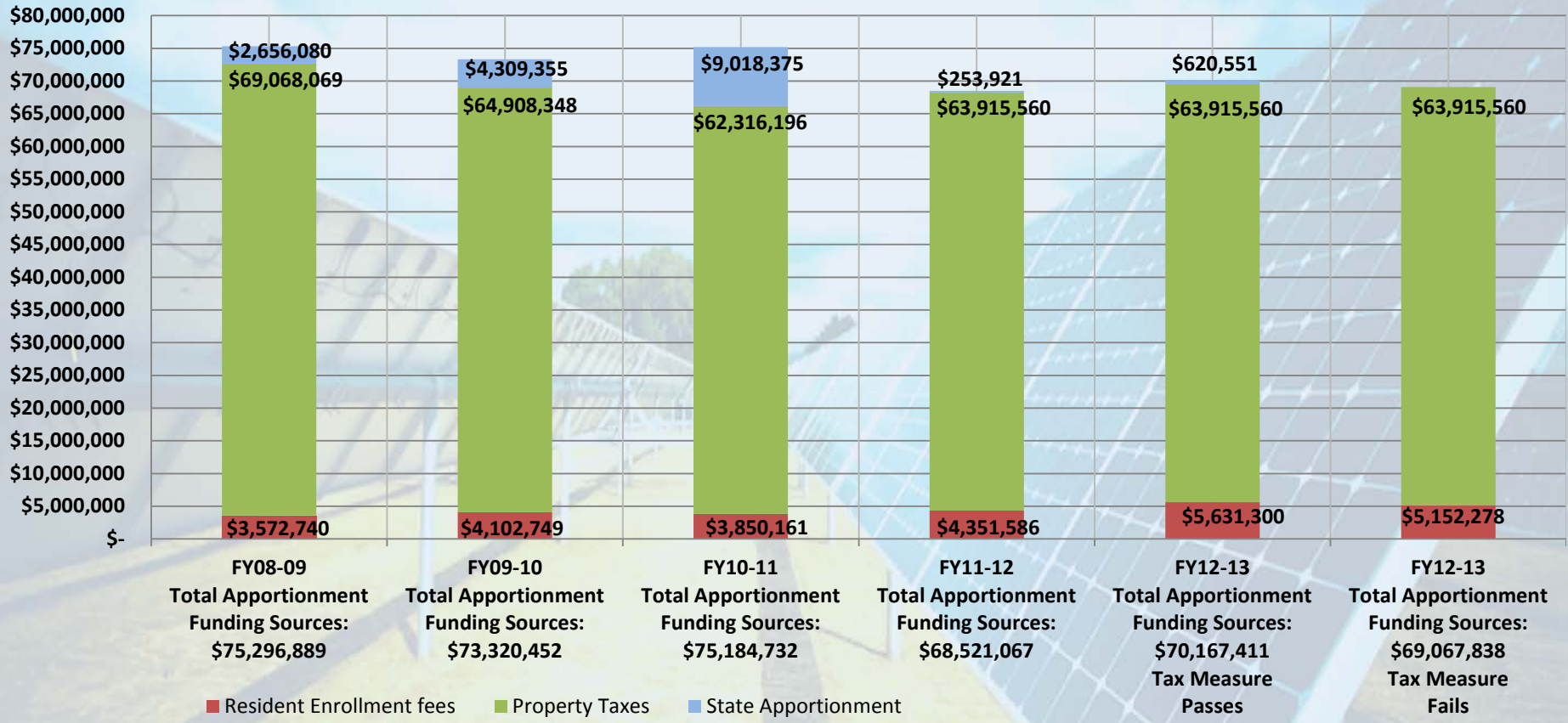
- 1% deficit no longer applies
- Solely dependent on student fee revenue and local property taxes collected
- FTES cap from 14,042 to 12,876
- Funding less predictable, more vulnerable to local economy



# Total Assessed Valuation (in Billions)



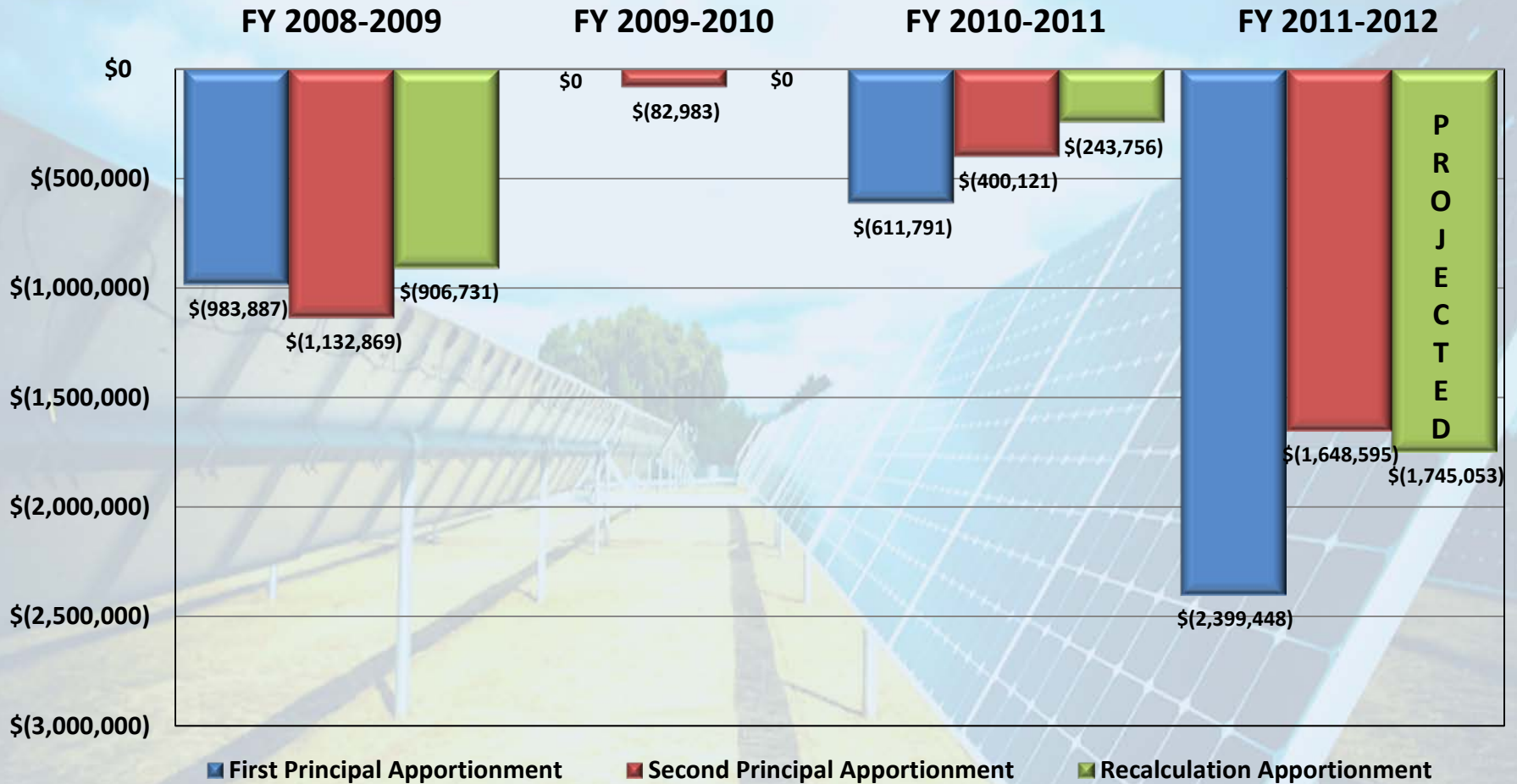
# Total Apportionment, Enrollment Fees and Property Taxes (Assuming Tax Measure Passes in November 2012)



# If the tax measure passes

- **No change to adopted budget**
- **Watch changeable deficit factor – State overestimates revenue**
- **Unclear regarding FY2013-2014, FY2014-2015, new revenue, or not? 4% or not?**

# Deficit Factor Changes During Fiscal Year

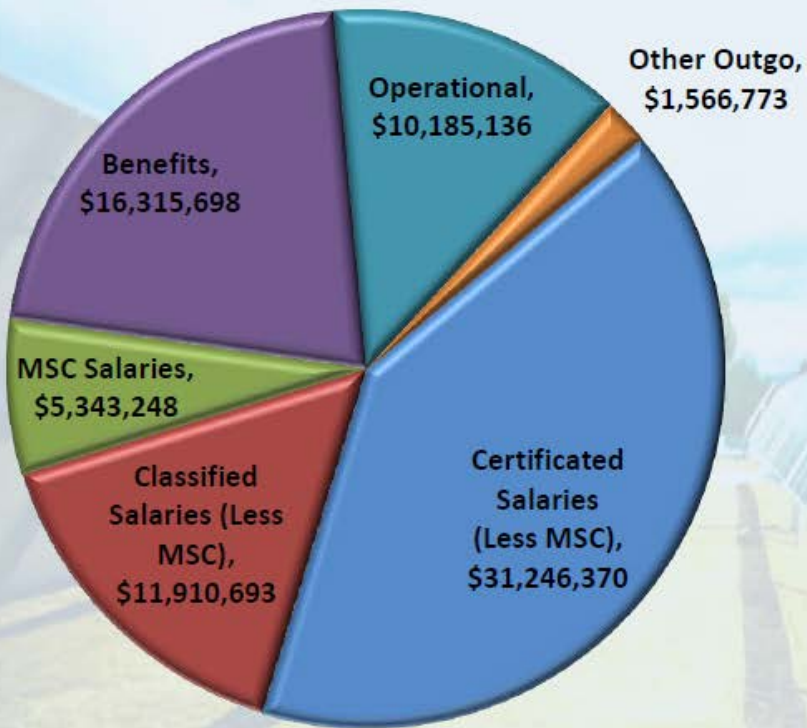






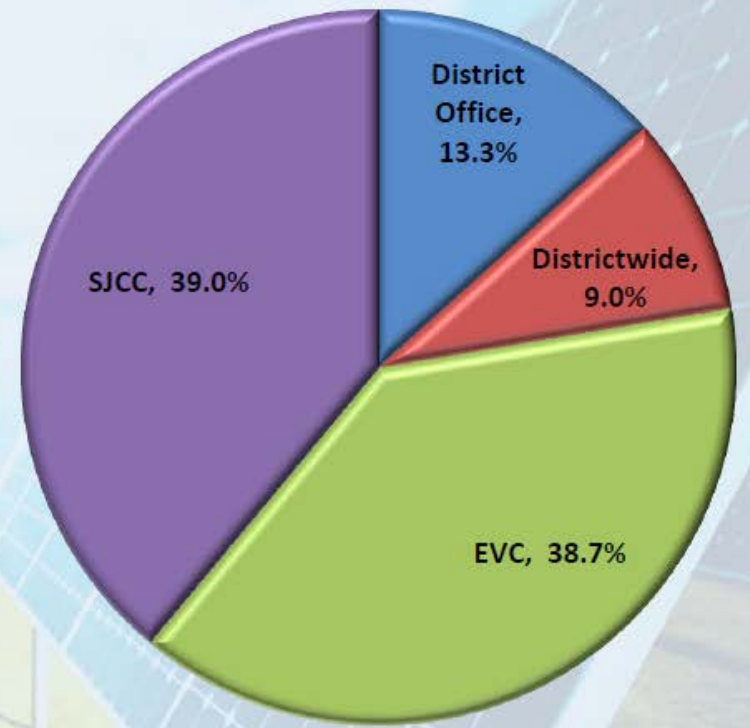
# How We Spend Our Money FY 2012-2013 Adopted Budget (Fund 10)

By Category



Personnel = 84.65%  
Operational & Other Outgo = 15.35%

By Location



## A look ahead FY2013-14

- **Depends on tax measure 4% growth/restoration? \$2.5M**
- **\$2.1M FY2012-13 rebalancing one-timers – new deficit in FY2013-14**
- **Fund 10 OPEB debt service contribution increases \$1.1M**
- **Health and Welfare, other increases – new deficit**

## A look ahead FY2013-14

- **Property taxes, AV growth FY2012-13 greater than 0%**
  - **FY2013-14 greater than 1%**
- **State budget picture**
  - **Very uncertain**
  - **Very changeable**
  - **Our status depends on tax measure and AV growth**



## And Finally the Summary

- FY2011-12:** Strong finish, positive balances, reserves at 10.00%.
- FY2012-13:** Made necessary corrections, need Prop 30 to pass, moderate downside risk, adopted at 8.93%.
- FY2013-14:** Compounding effect of tax measure, Basic Aid and one-time cuts reoccurring, OPEB, Health & Welfare, likely a challenging budget so want to go into FY2013-14 with another strong finish.