



san José • evergreen
COMMUNITY COLLEGE DISTRICT

Board of Trustees Budget Study Session

Budget Development 2013-2014

D. Smith
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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



Ending Fund Balance (General Fund 10)



*** 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.**



Reaffirm: 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. 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