Adopted Budget

FY2016/2017

September 13, 2016
## Our Current Budget Status:

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16 Unaudited Actuals</th>
<th>FY 2016/17 Adopted Budget</th>
<th>FY 2017/18 Estimated Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>$12,646,465</td>
<td>$16,436,065</td>
<td>$15,932,730</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>$107,204,826</td>
<td>$107,291,067</td>
<td>$108,811,172</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>$103,415,226</td>
<td>$109,680,914</td>
<td>$109,332,894</td>
</tr>
<tr>
<td><strong>Discount Factor</strong></td>
<td>N/A</td>
<td>($1,886,512)</td>
<td>($1,880,526)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$103,415,226</td>
<td>$107,794,402</td>
<td>$107,452,368</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$16,436,065</td>
<td>$15,932,730</td>
<td>$17,291,533</td>
</tr>
<tr>
<td></td>
<td>15.9%</td>
<td>14.8%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>
Graphic Portrayal:
Property Taxes at 6.02% over prior year, 3.5% thereafter

Ending Fund Balance (General Fund 10)
## Ending Fund Balance Averages

### Unrestricted General Fund

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Statewide</strong></td>
<td>16.2%</td>
<td>18.7%</td>
<td>17.1%</td>
<td>17.6%</td>
<td>17.5%</td>
<td>17.6%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Basic Aid</strong></td>
<td>14.4%</td>
<td>15.8%</td>
<td>15.8%</td>
<td>17.3%</td>
<td>21.0%</td>
<td>21.9%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bay 10</strong></td>
<td>12.9%</td>
<td>16.5%</td>
<td>16.8%</td>
<td>17.7%</td>
<td>19.7%</td>
<td>19.8%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>SJECCD</strong></td>
<td>6.2%</td>
<td>11.0%</td>
<td>11.6%</td>
<td>14.4%</td>
<td>16.1%</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

*By having an OPEB (Other Post Employment Benefits Trust) SJECCD has less downside exposure than most districts.*
Our Actual Property Tax History
Property Tax Change: Data Points
2013 - 2016
Comparison between New Property Tax at 6.02% and New Benefit Costs

- Property Taxes: 5,063,456
- Benefits:
  - Workers Compensation: 131,176
  - STRS: 613,105
  - PERS: 835,294
  - OASDI/Medicare: 1,966,960
  - Health & Welfare: 6,010
  - State Unemployment Ins.: (232,661)

*Note: Property Tax analysis derived from 6.02% increase over FY 2015/16 property tax base.
**Note: Increased benefits budget for FY 2016/17
Major Observations

- Strong Categorical fund support.
- Again, allocation $500,000 in one-time money to the Colleges.
- Good carryover opportunities.
- Two Additional Full-time Faculty at each college, last year and three this year.
- Targeted FTES goals 6000 at SJCC, 6500 at EVC.
- College budgets adequate to fund at 15.5 FTES/FTEF ratio.
Major Observations

Applied existing Resource Allocation Model for 2016-17.

Resource Allocation Model at work:
- DBC Task Force + College Budget Chairs.
- Five days set aside prior to “visit”.
- Multiple scenarios will be developed, and vetted.
- Expect Colleges first model.
- Led by Consultant, Roy Stutzman.
- Expect organizational “productivity” standards.
- Incentives based.
- College empowerment, opportunity, flexibility, and accountability.
Our Outlook

- Milpitas Extension comes online.
- Accreditation visit October.
- General Obligation Bond Measure X – November.
- Initial Property Tax Increase is 2.4% higher than first data point last year.
- Property tax increase last 3 years, 5 data points, 2.9% to 3.5%, bodes well.
- It’s good to be a “community supported college district”.
Our Outlook

Strong financial position – hitting the marks.

Keep an eye on:
1) Property tax trends.
2) Resource Allocation Model
   • Implications/Changes
3) Collective bargaining needs.
4) Health and Welfare premiums JPA?
5) Burden of STRS/PERS premiums.
Our Outlook

• Keep an eye on:

6) ACA Cadillac Tax Burden, January 2020, $3.2M+ to $4.2M

7) Prop 30 sunset or backfill, December 2018, $1.2M
Put it to work in classrooms.
Attention to Accreditation Principles
  Planning leads to allocations.
Continue to build relationships of advocacy and support between District Services & Colleges
  Work at it!
  Efficiencies
  Open Dialogue
  Build Trust