FY20-21 TENTATIVE BUDGET

Board of Trustees

June 9, 2019
An integrated process to strategically allocate resources to reach outcomes.
<table>
<thead>
<tr>
<th>Currently Adopted Budget Principle as of 2018</th>
<th>Proposed Budget Principle March 10, 2020 Recommendations use color RED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affirm a “student-centered” approach that ensures our values of opportunity, equity, and social justice.</td>
<td>Budget preparation should follow a “student-centered” approach to ensure our values of opportunity, equity, and social justice are represented in the allocation of resources.</td>
</tr>
<tr>
<td>Seed Promise from current land-lease proceeds.</td>
<td>Promise Program and Basic Needs initiatives from auxiliary services and non-traditional sources of funding such as land leases, one-time RDA, or facility rentals.</td>
</tr>
<tr>
<td>Seek efficiencies and revenue opportunities.</td>
<td>Seek efficiencies and revenue opportunities that are financially self-sustainable and aligned with the mission and strategic objectives of the Colleges and District.</td>
</tr>
<tr>
<td>Use data to inform decision making.</td>
<td>Develop systems and practices to use data to inform decision making and to measure the outcomes of all investments to ensure the best and most equitable use of funds.</td>
</tr>
<tr>
<td>Distinguish between on-going vs. one-time resources and expenses.</td>
<td>Distinguish between on-going vs. one-time resources and expenses so as not to create long-term liabilities unless funding sources are stable.</td>
</tr>
<tr>
<td>Manage all resource allocations or funding reductions systematically to maximize student equity and success.</td>
<td>The Resource Allocation Model “RAM” ought to be reflective of the Basic Aid status of the District and follow shared governance practices to: • Maximize equitable student access and opportunity and the achievement of student success metrics; • Measure the impact of resources allocated to each entity; • Set clear business rules; • Provide definition of metrics and measurable indicators; and, RAM should be comprehensive, efficient, and automated, yet simple; RAM should be transparent.</td>
</tr>
</tbody>
</table>

Recommended language: Institutional Initiatives and Board Ends Policies that are Board Approved through a Board Resolution (i.e. The Promise Program and Basic Needs) shall be supported through unrestricted sources of funding so that they can earmark funds to be used to meet those needs without constituting a gift of public funds.
Key revenue and expense variables remain uncertain at this point.
REVENUE:
Community Funded “Basic Aid”

$134,053,363
### CARES-Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act – Restricted funds

<table>
<thead>
<tr>
<th>Cares Act Grant Applications</th>
<th>SJCC</th>
<th>EVC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student grant</td>
<td>$ 1,137,482</td>
<td>$ 1,974,993</td>
</tr>
<tr>
<td>Institutional grant</td>
<td>$ 1,137,482</td>
<td>$ 1,974,992</td>
</tr>
<tr>
<td>MSCI grant</td>
<td>$ 164,245</td>
<td>$ 317,569</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,439,209</td>
<td>$ 4,267,554</td>
</tr>
</tbody>
</table>

How The $2 Trillion Breaks Down

The CARES Act provides relief to several groups impacted by the coronavirus pandemic.

- **Individuals**: $560 billion (estimated)
- **Public health**: $153.5 billion
- **State & local governments**: $339.8 billion
- **Small businesses**: $377 billion
- **Big corporations**: $500 billion
- **Education/other**: $43.7 billion (estimated)
- **Safety net**: $26 billion

Source: Estimates for third relief bill based on bill text, committee and administration numbers.
Credit: Audity Carter/MPP
COUNTY ASSESSOR’S DATA POINTS

Basic Aid

Data points at Q1; Q2; Q3; Tentative budget; Adopted budget

Average 6.26%
We had some good years.

Since we became a basic aid district, we have received additional funds which allowed us to rehire based on the Redesign Initiative, compensate employees, and cover for increased cost of benefits.

We now must plan for technology and innovative practices in the budget to serve the most vulnerable students.
EXPENSES

$134,088,539
SJECCD TOTAL EXPENSES F10

Year Over Year Expenses

Thousands

- 140,000.00
- 120,000.00
- 100,000.00
- 80,000.00
- 60,000.00
- 40,000.00
- 20,000.00
- 0.00

FY11/12 (a) FY12/13 (a) FY13/14 (a) FY14/15 (a) FY15/16 (a) FY16/17 (a) FY17/18 (a) FY18/19 (a) FY19/20 (est.)
The largest investment is in our human capital.
<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Headcount</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulltime Faculty</td>
<td>243.0</td>
<td>241.1</td>
</tr>
<tr>
<td>Adjunct Faculty</td>
<td>501.0</td>
<td>213.1</td>
</tr>
<tr>
<td>Classified</td>
<td>319.0</td>
<td>304.2</td>
</tr>
<tr>
<td>MSC</td>
<td>87.0</td>
<td>87.0</td>
</tr>
<tr>
<td>Executive</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Hourly/Professional</td>
<td>209.0</td>
<td>various</td>
</tr>
<tr>
<td>Student Worker</td>
<td>339.0</td>
<td>various</td>
</tr>
</tbody>
</table>
Ending Fund Balance (General Fund 10)
We should expect a realistic EFB to remain at approximately 15-17% and dollar value of ~20-25M.

Adopted budget will assume less revenue, less expenses and some additional investments i.e. professional development.
THE FY20-21 TENTATIVE BUDGET IS BALANCED

THE FY20-21 ADOPTED BUDGET WILL HAVE ADJUSTMENTS BASED ON STATE’S DETAILS

THE FY21-22 WILL BE VERY DIFFERENT BASED ON STATE AND COUNTY DETAILS
SUMMER BUDGET REVIEW TIMELINE

Spring

- In Person
  - January
  - March 11

Summer

- Online Modality and Remote Work
  - Potential based on new guidelines
  - Partial return to in-person work
  - Hybrid, Blended or Online Potential
  - Alternative Remote Work

Today

- June 9, 2020

Fall

- Adoption of Budget
  - September, 2020

Emergency Proclamation
- March 13, 2020
OPERATIONAL BUDGET REVIEW

- History and projections of property taxes
- Total cost of instruction (fall, winter, spring, summer)
- H&W; retirement and other staffing costs
- Enrollment projections and attrition models
- Fiscal impact to categorical funds (State)
- International students; auxiliary functions; facility rentals
- Matriculation and other fees revenue
- Total cost of ownership across all functions and departments
We expect that a portion of the CARES Act will cover some of the additional expenses due to the migration to online learning.

We expect that at the end of the Emergency, SJECCD will file with FEMA for reimbursement for some T&M and emergency response expenses – amount is undetermined and timing of reimbursement could take years to receive.

However, neither will cover for lost revenue.
FY20-21 CONSIDERATIONS FOR REVIEW

ACADEMIC BUDGET CONSIDERATIONS

Space Utilization
CAP/LOAD RATIO
# LECTURE ROOMS
# LABS AVAILABLE

Staffing Plan
50% LAW
75/25
FON
NON INSTRUCTIONAL

Academic Pathways
ADTs
Dual Enrollment
IGETC

Strategic Schedule
PRIME TIME
MORNING
EVENING
WEEKEND
OFFSITE OFFERINGS

Section Offering
# CREDIT
# NON CREDIT
# ADULT EDUCATION
# DUAL ENROLLMENT

STUDENT CENTRIC VIEW
REIMAGINE VISION, ENHANCE OBJECTIVES AND DEFINE KEY RESULTS (OKR)

Take our District to where the people are.

Monitor enrollment and demographic changes in our feeder schools.

Develop service standards focused on student success through a professional and personalized approach.

Inspire to lead in a culturally rich District with emphasis on equity and social justice.
Creating Impact Through Budget Allocations

Align with Board Ends Policies & Vision for Student Success

- Quality of instruction and services with a student centered culture.
- Dual enrollment; start early middle college @Milpitas; expand to other districts.
- Launch employment-related initiatives for career readiness.
- Study AB705 results; strategic use of adjunct office hours.
- Guided Pathways: UC/CSU transfer, on-time degree completion.
- Identify outcome-driven strategies and potential barriers that impact enrollment, retention and graduation.
- Maximize categorical programs and grants.
- Streamline operations, systems, data, reporting (simplify, eliminate, automate.)
CREATING IMPACT THROUGH BUDGET ALLOCATIONS (cont.)

**Organizational Health**
- Digital transformation and technologies
- Operational effectiveness (simplify, automate, eliminate)
- Effective execution of Measure X
- Professional development and mobility
- Talent acquisition

**Big ticket items**
- Housing solutions
- Homelessness
- Food insecurities
- Mental health
- Resource Allocation Model
- Productivity
- Accreditation
- A culture of innovation
- SJCC’s centennial anniversary
We’ll remain **optimistic**, continue to be **realistic** and **transparent**, and will be **responsible** when it comes to fiscal sustainability and management.