



SAN JOSÉ • EVERGREEN  
Community College District

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# 2022-2023 ADOPTED BUDGET REPORT

SEPTEMBER 13, 2022



SAN JOSÉ · EVERGREEN  
Community College District

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**PRESENTED TO THE BOARD OF TRUSTEES**  
**September 13, 2022**

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**Jorge L. Escobar**  
*Vice Chancellor, Administrative Services*



# THE ROAD TO ADOPTED BUDGET



**PUBLIC HEARING**

A public hearing regarding the Fiscal Year 2022-2023 budget of the San Jose Evergreen Community College District will be held on September 13, 2022, at 6:15 p.m., in the District Board Room, 40 South Market Street, San Jose, CA 95113. The public is cordially invited to attend this meeting.

The budget may be inspected by the public beginning September 8, 2022, at 3:00 p.m. and thereafter between the hours of 8 a.m. and 5 p.m. Monday through Friday in the Business Office on the 6th Floor of the above address.  
**SJMN #6694927; August 29, 2022**

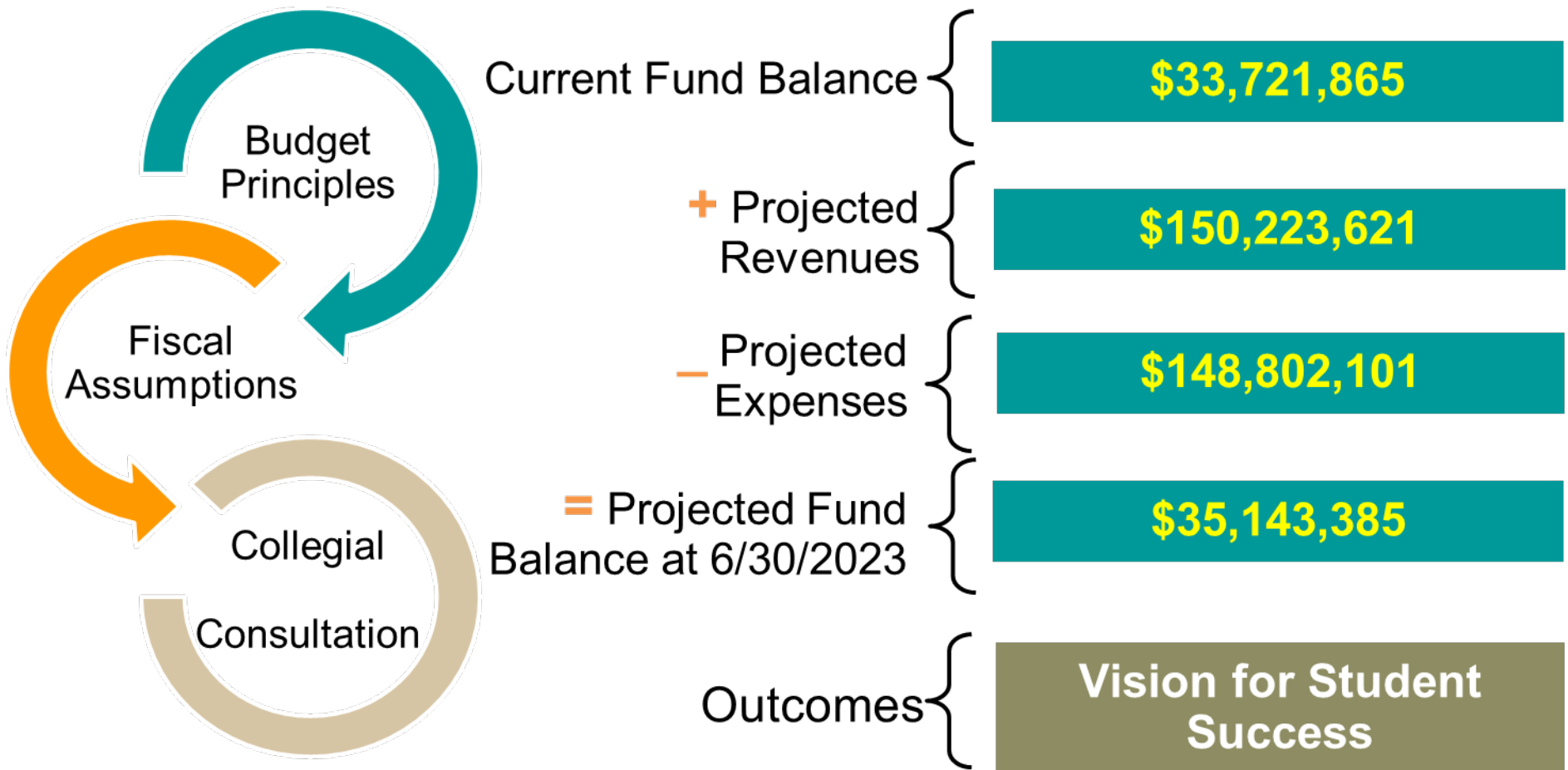


**DATA POINT  
COUNTY  
ASSESSOR'S OFFICE**

**TRANSACTIONS TO  
CLOSE  
FY21-22**

**PUBLIC  
HEARING  
SEPTEMBER**

# BUDGET PREPARATION ELEMENTS



An integrated process to strategically allocate resources to reach institutional outcomes.

# BOARD BUDGET PRINCIPLES

## Adopted February 13, 2018

1. Trustees to provide the Chancellor and staff with policy framework for managing an “appropriate” fund balance & structural balance.
2. Affirm a “student centered” approach that ensures our values of opportunity, equity, and social justice.
3. Compliance with accreditation standards.
4. Distinguish between on-going vs. one-time resources and expenses.
5. Manage all resource allocations or funding reductions systematically to maximize student equity and success.
6. Seek efficiencies and revenue opportunities.
7. Establish and maintain an employee salary and compensation structure that is competitive among the Bay 10 Community College Districts.
8. Maintain a minimum 7% Unrestricted General Fund reserve consistent with board policy.
9. District Stabilization Fund
  - Board authority required to access.
  - Access during economic downturn.
  - Access to avoid or delay staffing reductions for non-grant funded positions.
  - Replenish in healthy fiscal times.
  - Allocate \$250,000 in any given year when property taxes are above 6% and an additional \$250,000 in any given year when property taxes are above 7%.
  - Cap Stabilization Fund at \$2.5M.
10. Establish and maintain a balanced funding model that is centered on our mission, vision, values, Board Ends Policies, and strategic plan.
11. Property Tax projections will be based on 3.5% growth and will be adjusted each period based on County Tax Collector updates.
12. Adopted Budgets and Quarterly Reports will include long- term revenue and expenditure forecasts, enrollment trends, and financial risk analysis.
13. Use data to inform decision-making.
14. Seed Student Opportunity and Access Revenue/Promise from current land-lease proceeds.
15. Financially plan and budget for total cost of ownership, including building-related expenses and program-related expenses.

# FISCAL ASSUMPTIONS

	2020-2021	2021-2022	2022-2023 (Adopted )
Health Premium Blue Cross	6.10 %	0.40%	4.92%
Health Premium Kaiser	6.10%	0.20%	1.75%
Statutory Premium STRS	16.15%	16.92%	19.10%
Statutory Premium PERS	20.70%	22.91%	25.37%
Unemployment Insurance (UI)	0.05%	0.5%	0.65%

# ADOPTED BUDGET SUMMARY

## SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT FY 2022-2023 ADOPTED BUDGET REPORT

### Adopted Budget

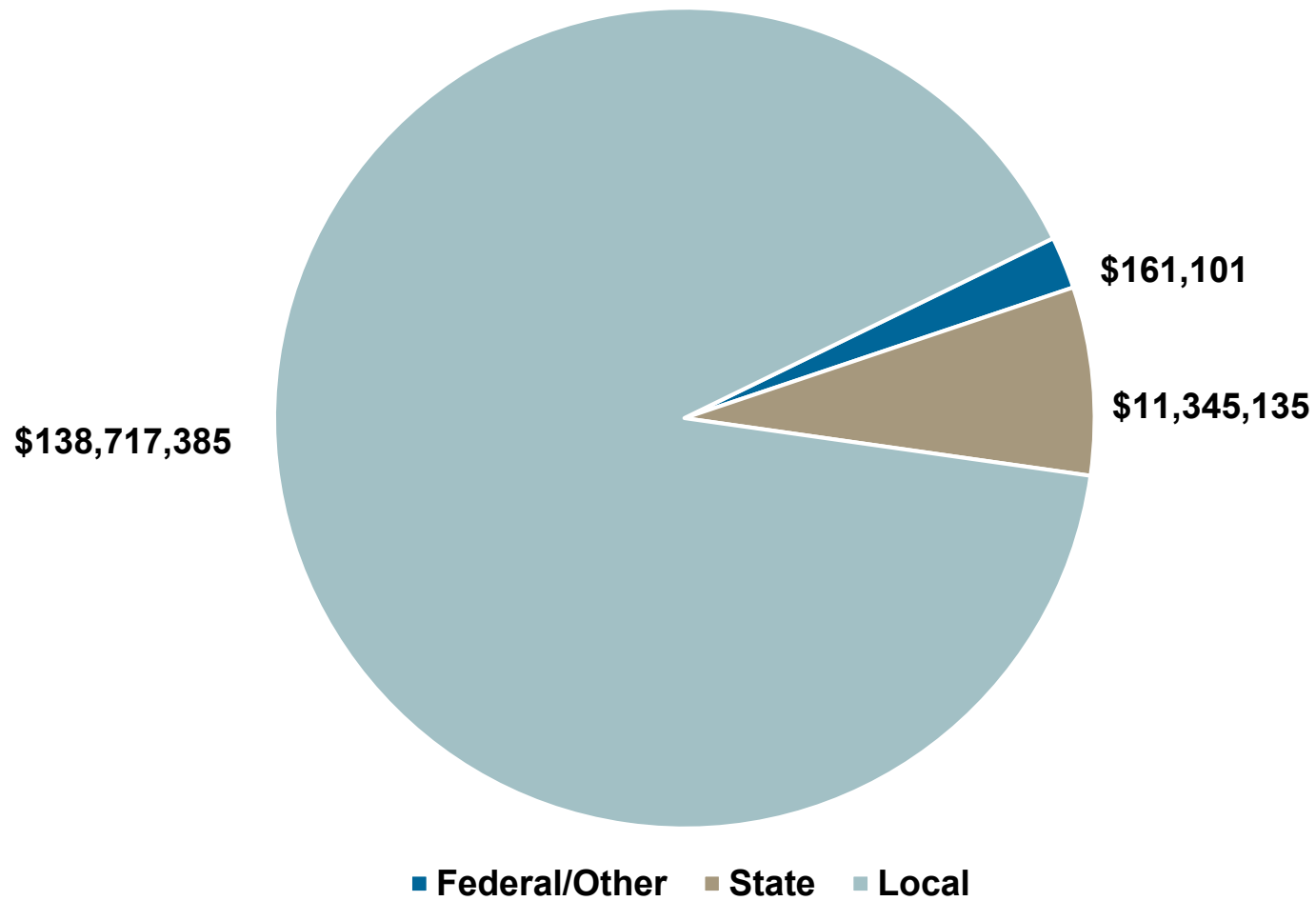
Major Object Description	FY20-21 Adopted Budget	FY20-21 Actuals	FY21-22 Adopted Budget	FY21-22 YTD Actuals	FY22-23 Tentative Budget	FY22-23 Adopted Budget	FY23-24 Estimated Budget	FY24-25 Estimated Budget
Beginning Fund Balance	25,623,053	25,621,382	27,477,830	29,934,029	33,721,865	33,721,865	35,143,385	38,263,122
<u>Revenues</u>								
Federal	-	39,121	36,000	32,239	38,300	36,000	36,000	36,000
State Revenue	10,930,797	11,480,996	10,832,454	13,332,333	9,903,347	11,345,135	11,742,215	12,153,192
Local Revenue	119,819,869	128,895,155	131,251,318	132,278,740	135,870,644	138,717,385	143,572,493	144,572,493
Other Financing Sources	1,141,981	102,078	813,002	487,116	41,418	125,101	125,101	125,101
Total Revenues	131,892,647	140,517,349	142,932,774	146,130,428	145,853,709	150,223,621	155,475,809	156,886,786
<u>Expenditures</u>								
Academic Salaries	47,499,983	53,042,904	50,802,183	53,191,392	53,657,249	53,569,088	54,104,779	54,645,827
Classified Salaries	28,980,205	29,203,644	32,076,366	29,693,521	33,007,593	33,137,165	33,468,537	33,803,222
Employee Benefits	37,647,916	35,766,883	40,223,579	38,142,063	42,323,971	43,690,783	44,127,691	44,568,968
Total Personnel	114,128,104	118,013,431	123,102,128	121,026,976	128,988,813	130,397,036	131,701,006	133,018,016
Supplies and Materials	1,377,492	736,941	941,483	894,768	904,758	894,610	894,610	894,610
Other Operating Expenses & Services	15,896,882	13,050,348	15,340,964	16,449,232	14,236,571	14,108,811	14,108,811	14,108,811
Capital Outlay	463,603	822,068	216,186	274,060	203,936	234,932	234,932	234,932
Other Outgo	6,923,568	3,581,915	5,632,252	3,697,556	5,847,116	5,416,712	5,416,712	5,416,712
Total Non-Personnel	24,661,545	18,191,271	22,130,885	21,315,616	21,192,381	20,655,065	20,655,065	20,655,065
Subtotal Expenditures	138,789,649	136,204,702	145,233,013	142,342,592	150,181,194	151,052,101	152,356,071	153,673,081
Discount Factor	(3,122,767)				(2,250,000)	(2,250,000)		
Total Expenditures	135,666,882	136,204,702	145,233,013	142,342,592	147,931,194	148,802,101	152,356,071	153,673,081
Net change in Fund Balance	(3,774,235)	4,312,646	(2,300,239)	3,787,836	(2,077,485)	1,421,520	3,119,738	3,213,705
Ending Fund Balance	21,848,818	29,934,029	25,177,591	33,721,865	31,644,380	35,143,385	38,263,122	41,476,827
	16.10%	21.98%	17.34%	23.69%	21.39%	23.62%	25.11%	26.99%

# FUND BALANCE

Fund Analysis	2017-2018 (Audited)	2018-2019 (Audited)	2019-2020 (Audited)	2020-2021 (Audited)	2021-2022 (Forecasted)	2022-2023 (Adopted)
Beginning Fund Balance (in millions)	\$15.5 M	\$15.3 M	\$22.6 M	\$25.6 M	\$29.9 M	\$33.7 M
Total Revenues (in millions)	\$116.4 M	\$133.3 M	\$134.0 M	\$140.5 M	\$146.1 M	\$150.2 M
Total Expenditures (in millions)	\$116.7 M	\$126.0 M	\$130.9 M	\$136.2 M	\$142.3 M	\$148.8 M
Ending Fund Balance (in millions)	\$15.3 M	\$22.6 M	\$25.6 M	\$29.9 M	\$33.7 M	\$35.1 M
Ending Fund Balance %	13.11%	17.94%	19.56%	21.98%	23.69%	23.62%
Deficit/Surplus	-\$284 K	\$7.2 M	\$3.0 M	\$4.3 M	\$3.7 M	\$1.4 M

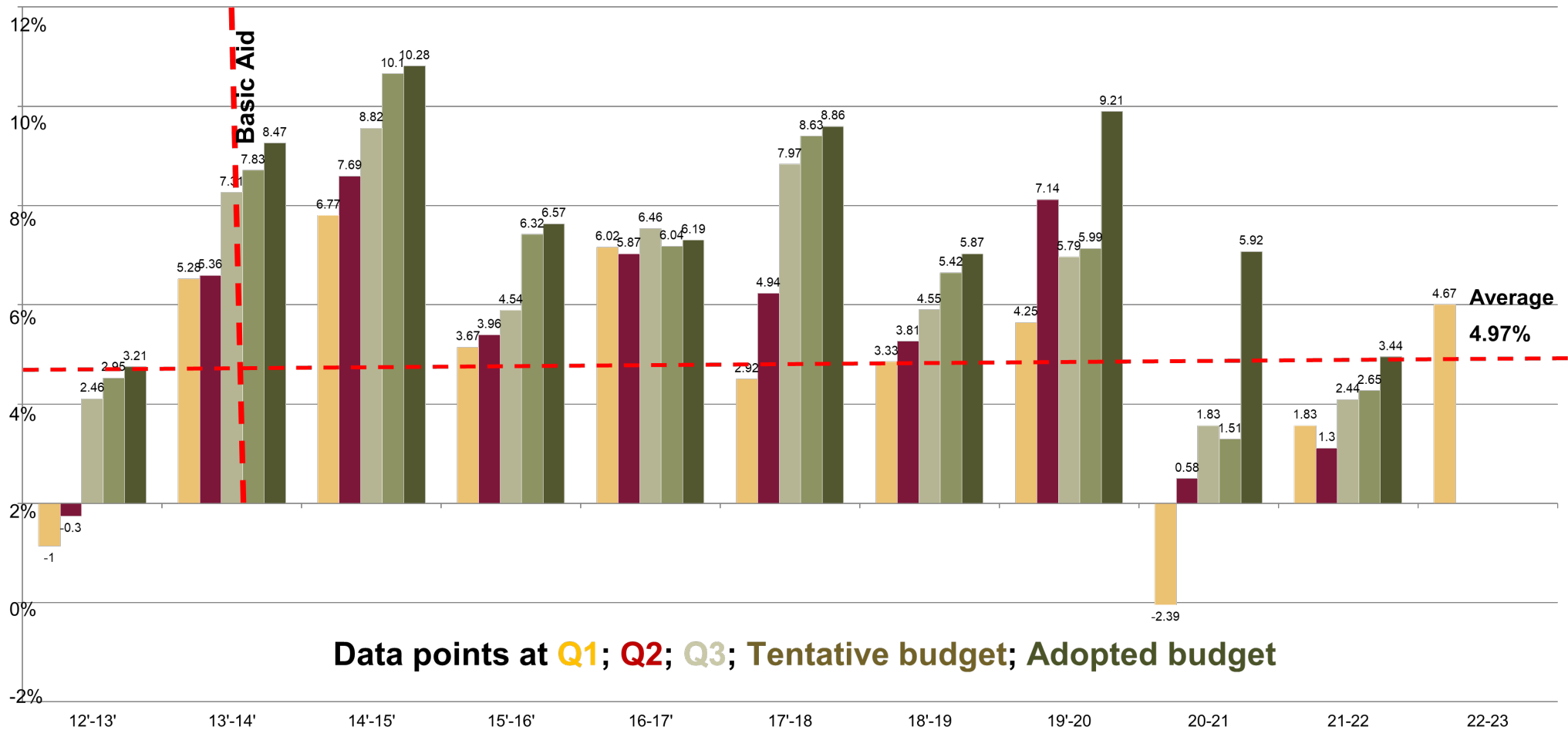


# REVENUE (SOURCES)

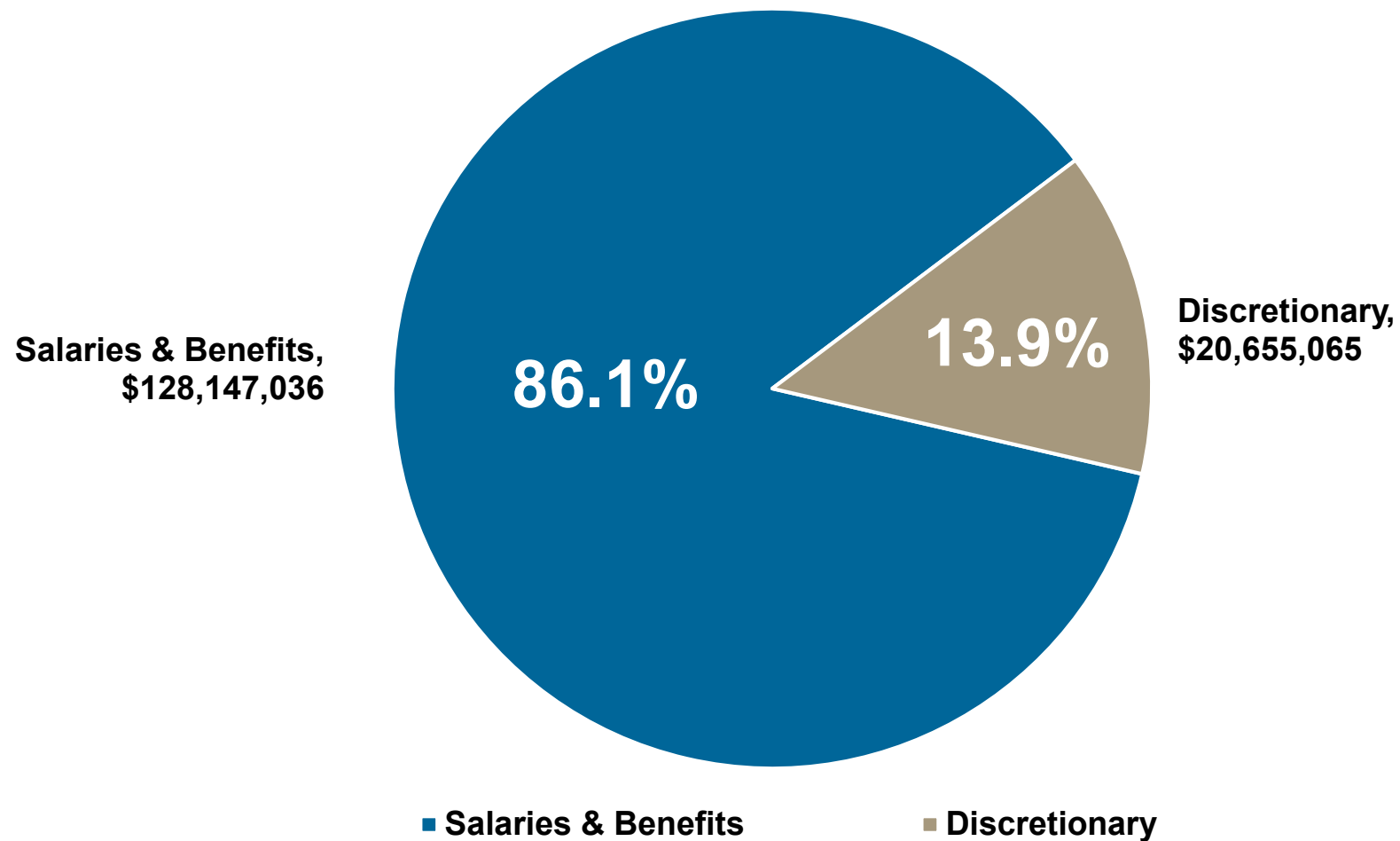


# COUNTY ASSESSOR'S DATA POINTS

## August 26, 2022 Tax Data Point

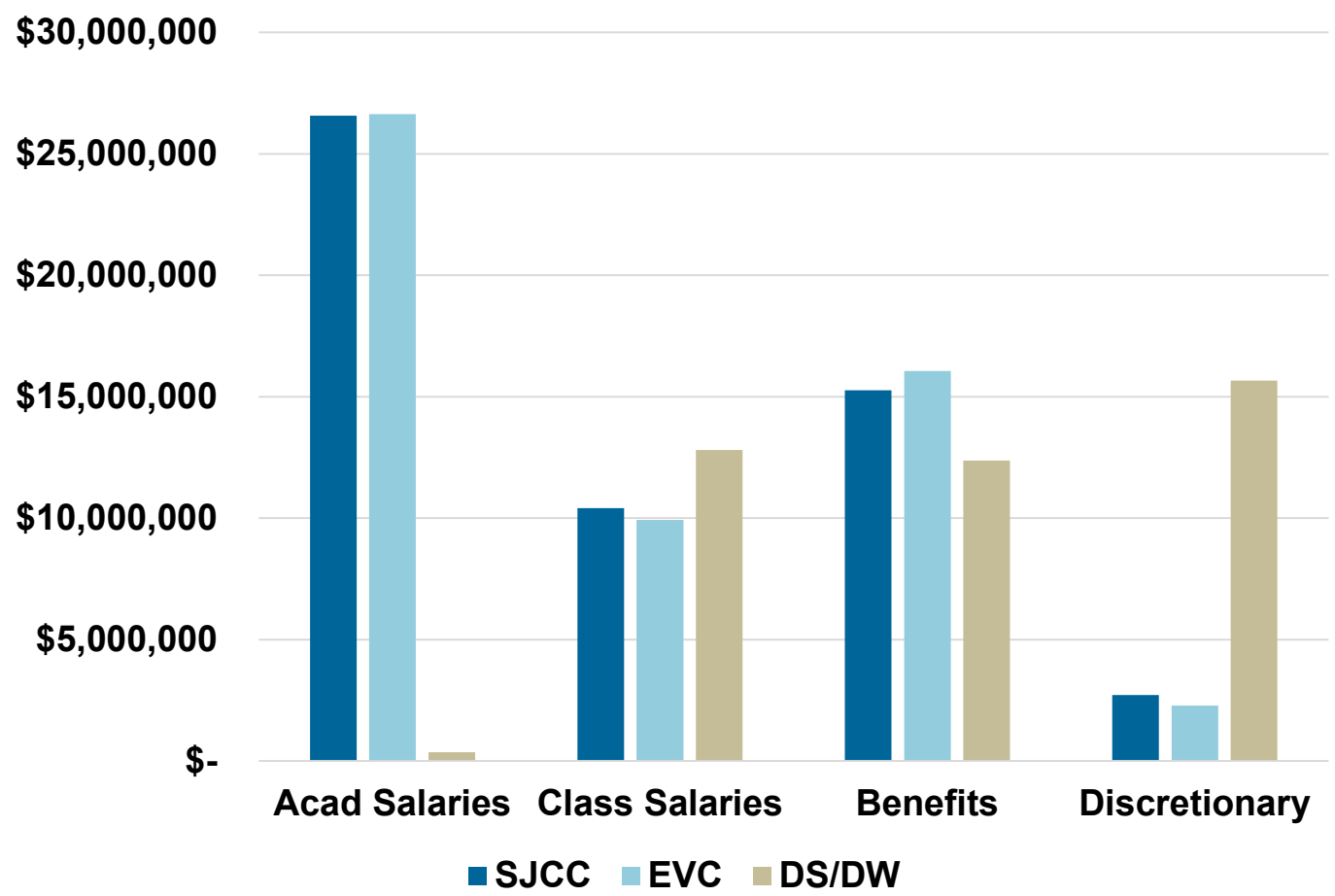


# EXPENSES (USES)



Benefits account for almost **\$44 million of compensation.**

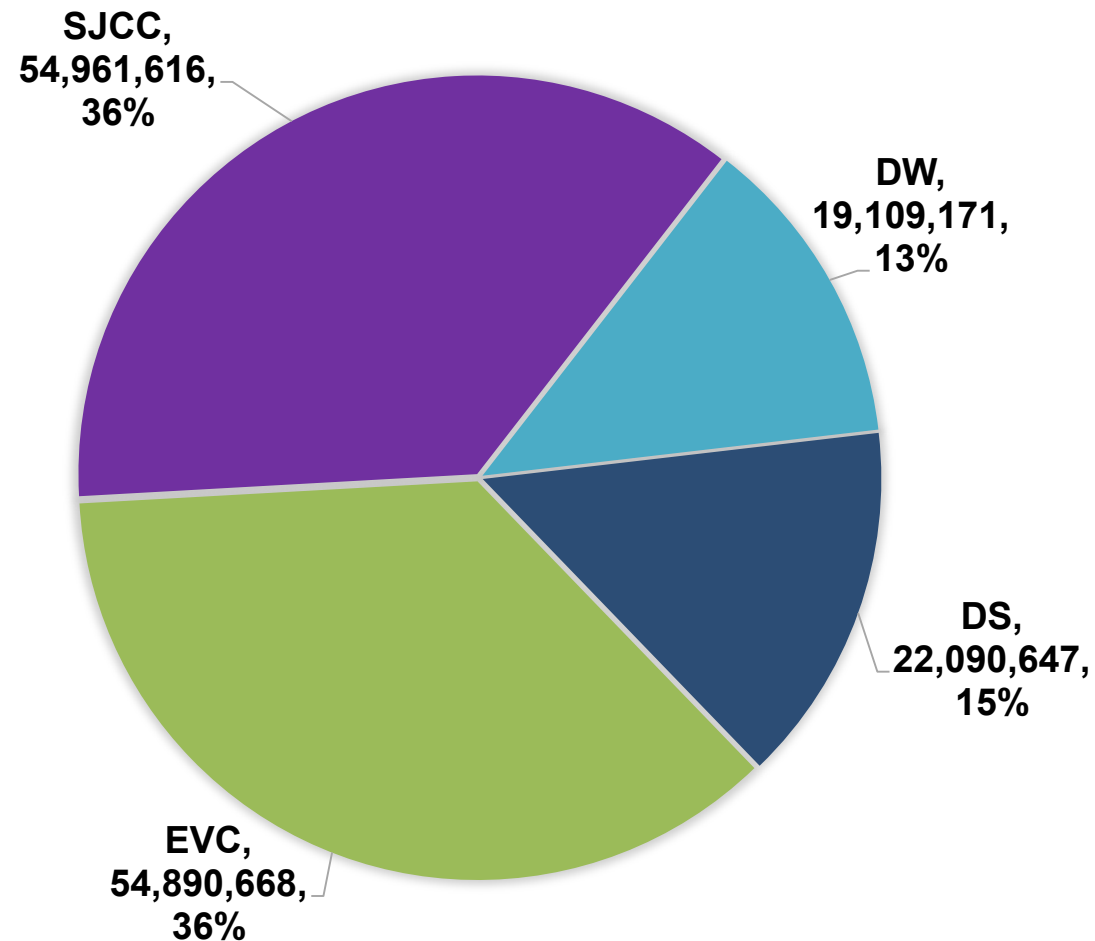
# SALARY, BENEFITS & DISCRETIONARY



Benefits account for almost **\$44 million of compensation.**

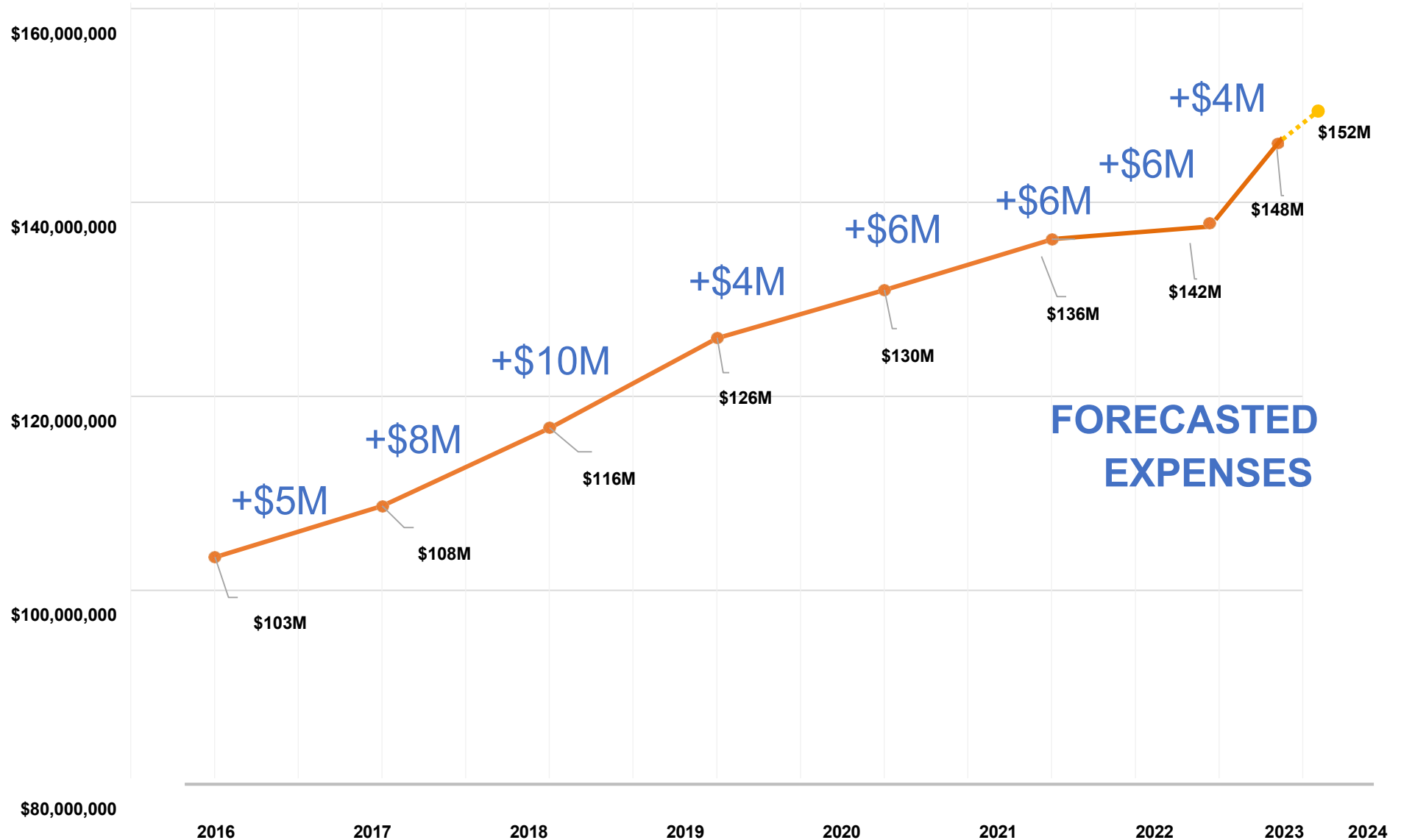


# EXPENSE PER ENTITY

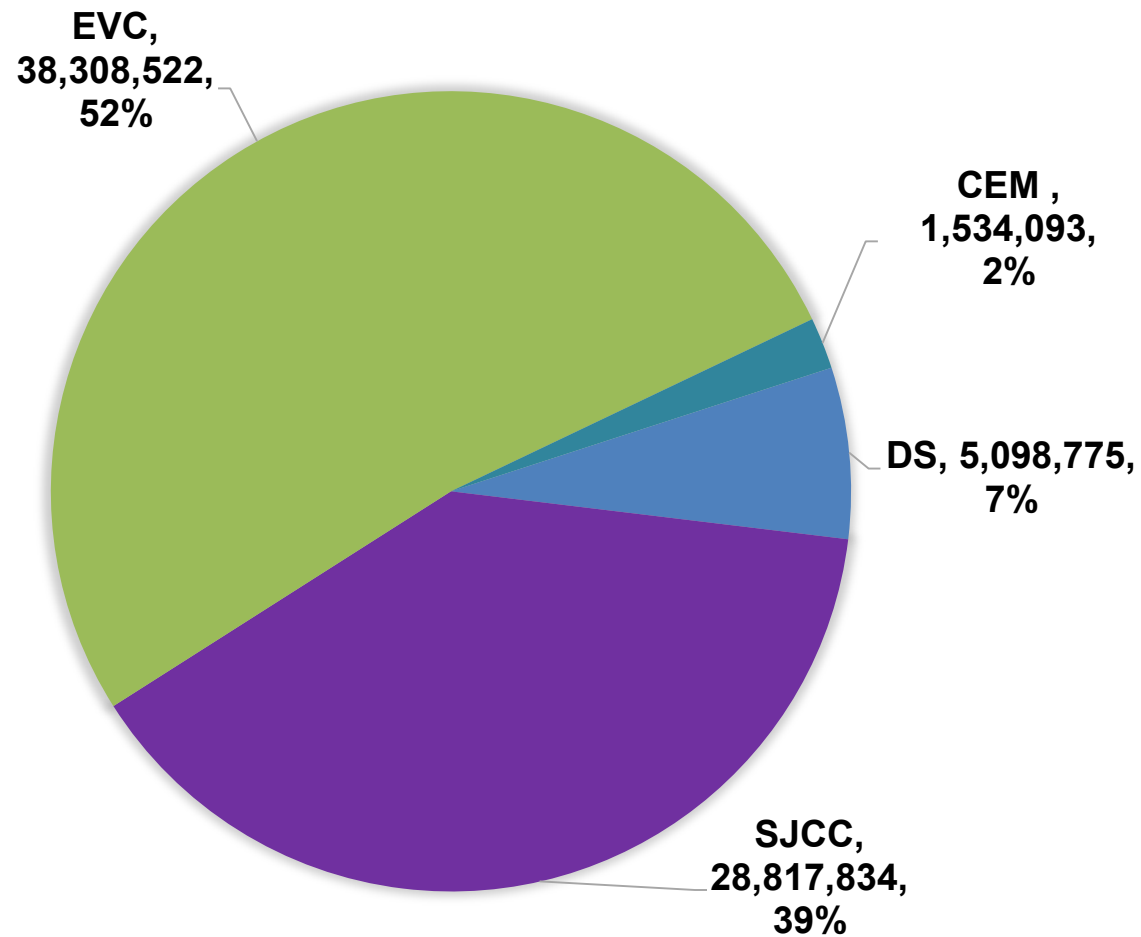


**Districtwide: \$20 million** for services centrally administered in support of the colleges: utilities, insurance, interpreters, bad debt, ERP, technology licenses...

# ANNUAL EXPENSES

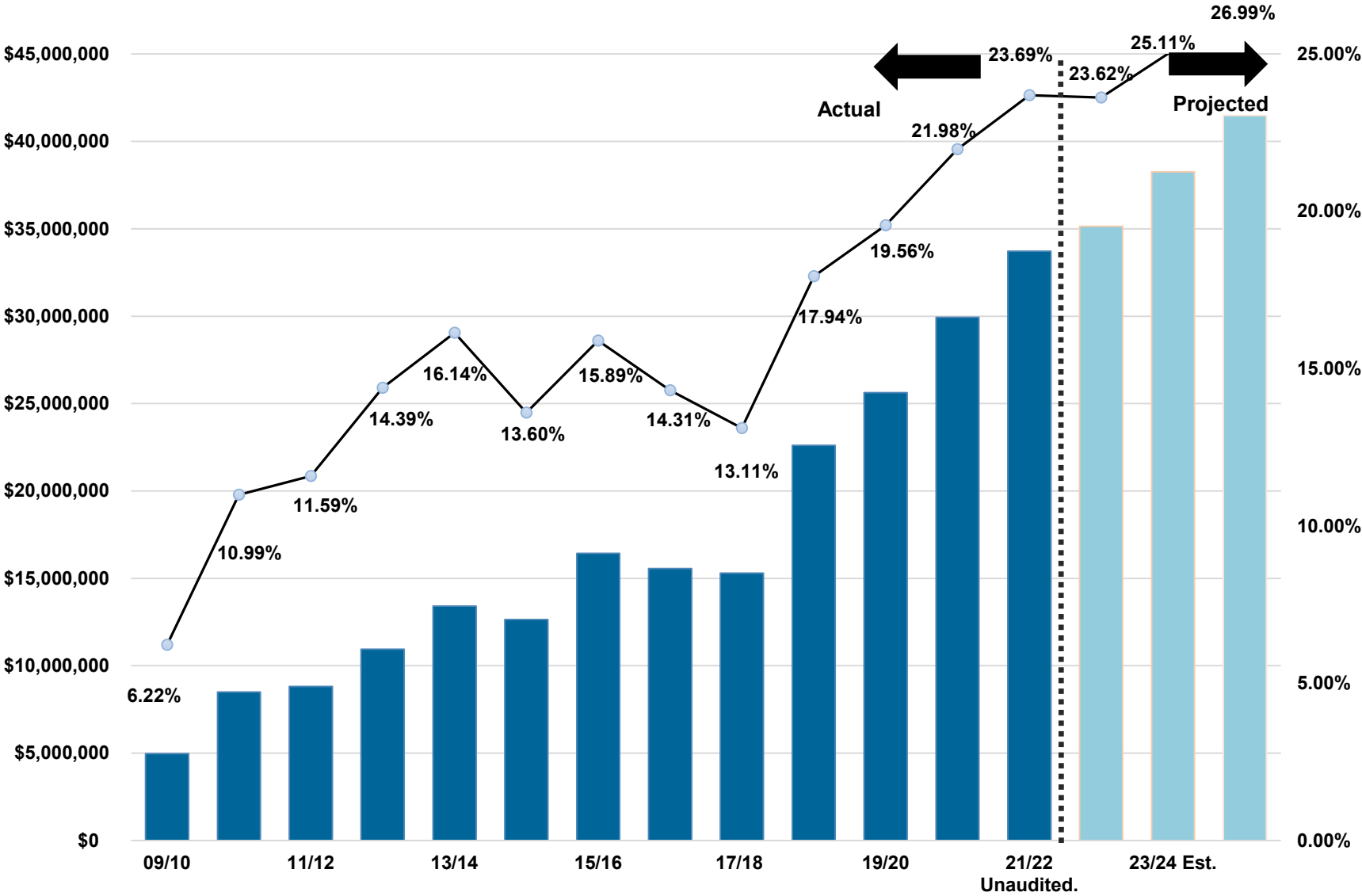


# CATEGORICAL PROGRAMS & GRANTS



We administer an additional \$73.7M.

# ENDING FUND BALANCE





We will remain **optimistic**, and continue to be **realistic and transparent** while responsibly following principle when it comes to fiscal sustainability and management.

**THANK YOU**