



SAN JOSÉ • EVERGREEN
Community College District

2022-2023 TENTATIVE BUDGET REPORT

JUNE 14, 2022



SAN JOSÉ · EVERGREEN
Community College District

**PRESENTED TO THE BOARD OF
TRUSTEES**
June 14, 2022

Jorge L. Escobar
Vice Chancellor, Administrative Services

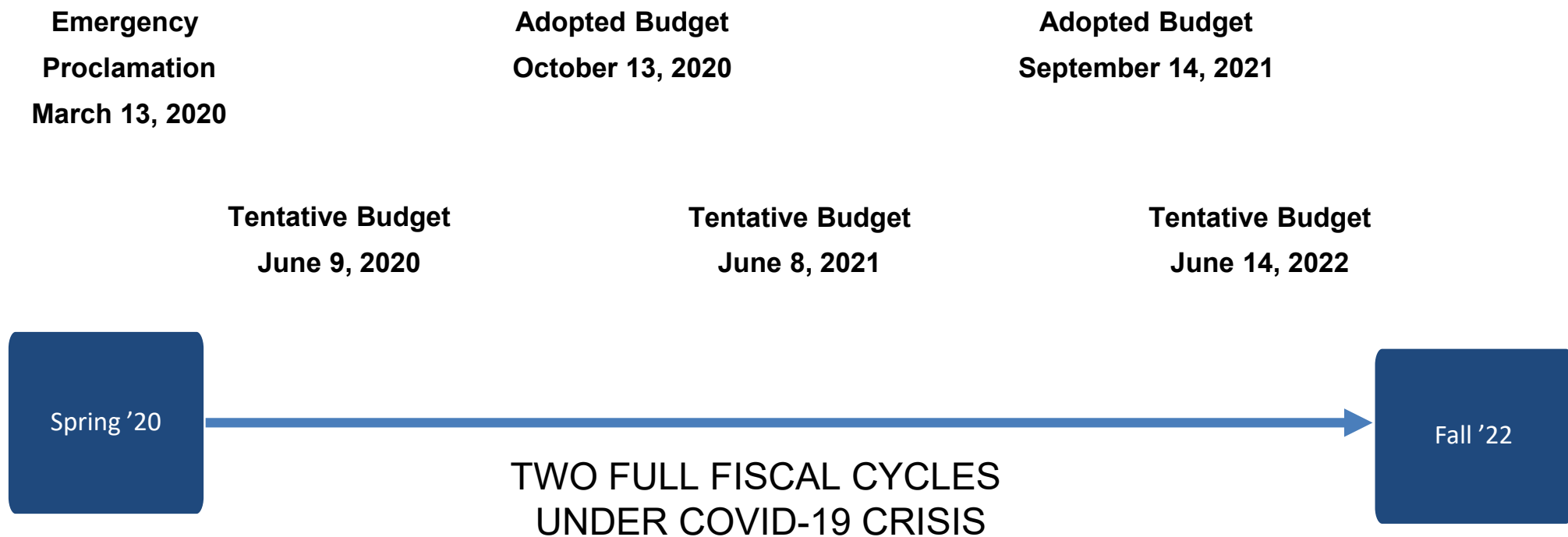


CONGRATULATIONS
Class of 2022!



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Class of 2022!

FISCAL REPORTING TIMELINE

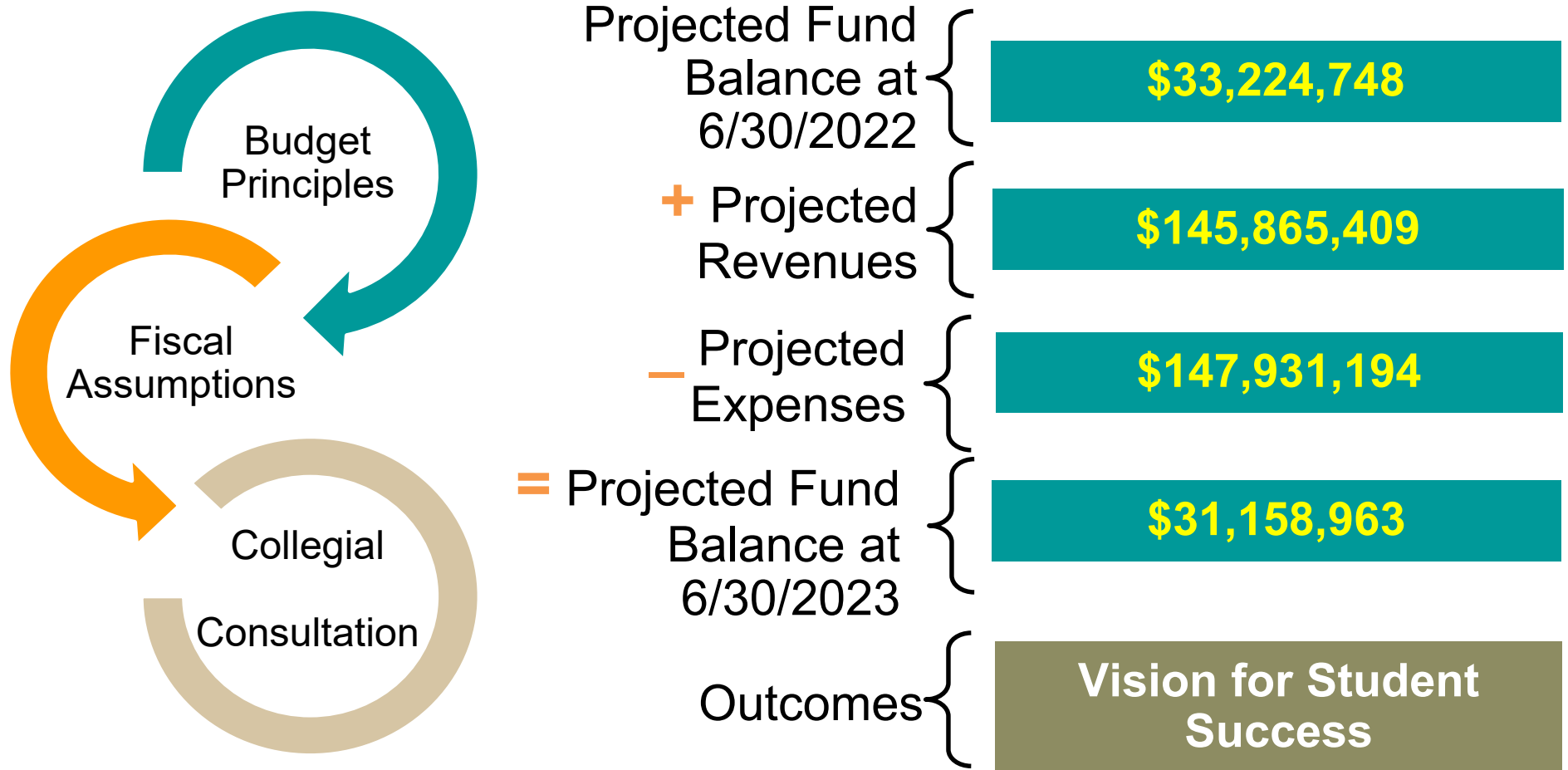


BOARD BUDGET PRINCIPLES

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.

BUDGET PREPARATION ELEMENTS



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

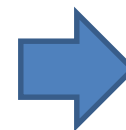
THE ROAD TO ADOPTED BUDGET



**DATA POINT
COUNTY
ASSESSOR'S OFFICE**



**TRANSACTIONS TO
CLOSE
FY21-22**



**PUBLIC
HEARING
SEPTEMBER**



TENTATIVE BUDGET SUMMARY

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT
FY 2022-2023 TENTATIVE BUDGET REPORT - JUNE 14

Tentative Budget

Major Object Description	FY20-21 Adopted Budget	FY20-21 Actuals	FY21-22 Adopted Budget	FY21-22 YTD Actuals	FY22-23 Tentative Budget	FY23-24 Estimated Budget	FY24-25 Estimated Budget
Beginning Fund Balance	25,623,053	25,621,382	27,477,830	29,934,029	33,224,748	31,158,963	31,788,285
<u>Revenues</u>							
Federal	-	39,121	36,000	24,772	38,300	38,300	38,300
State Revenue	10,930,797	11,480,996	10,832,454	11,113,616	9,903,347	10,249,964	10,608,713
Local Revenue	119,819,869	128,895,155	131,251,318	130,697,652	135,070,844	139,798,324	144,691,265
Other Financing Sources	1,141,981	102,078	813,002	297,223	852,918	852,918	852,918
Total Revenues	131,892,647	140,517,349	142,932,774	142,133,263	145,865,409	150,939,506	156,191,196
<u>Expenditures</u>							
Academic Salaries	47,499,983	53,042,904	50,802,183	54,325,985	53,657,249	53,710,906	53,764,617
Classified Salaries	28,980,205	29,203,644	32,076,366	29,233,393	33,007,593	33,040,601	33,073,641
Employee Benefits	37,647,916	35,766,883	40,223,579	38,488,205	42,323,971	42,366,295	42,408,661
Total Personnel	114,128,104	118,013,431	123,102,128	122,047,583	128,988,813	129,117,802	129,246,920
Supplies and Materials	1,377,492	736,941	941,483	668,085	904,758	904,758	904,758
Other Operating Expenses & Services	15,896,882	13,050,348	15,340,964	11,313,644	14,236,571	14,236,571	14,236,571
Capital Outlay	463,603	822,068	216,186	248,687	203,936	203,936	203,936
Other Outgo	6,923,568	3,581,915	5,632,252	4,564,545	5,847,116	5,847,116	5,847,116
Total Non-Personnel	24,661,545	18,191,271	22,130,885	16,794,961	21,192,381	21,192,381	21,192,381
Subtotal Expenditures	138,789,649	136,204,702	145,233,013	138,842,544	150,181,194	150,310,183	150,439,301
Discount Factor	(3,122,767)				(2,250,000)		
Total Expenditures	135,666,882	136,204,702	145,233,013	138,842,544	147,931,194	150,310,183	150,439,301
Net change in Fund Balance	(3,774,235)	4,312,646	(2,300,239)	3,290,719	(2,065,785)	629,323	5,751,895
Ending Fund Balance	21,848,818	29,934,029	25,177,591	33,224,748	31,158,963	31,788,285	37,540,181
	16.10%	21.98%	17.34%	23.93%	21.06%	21.15%	24.95%

FUND BALANCE

Fund Analysis	2017-2018 (Audited)	2018-2019 (Audited)	2019-2020 (Audited)	2020-2021 (Audited)	2021-2022 (Forecasted)	2022-2023 (Tentative)
Beginning Fund Balance (in millions)	\$15.5 M	→ \$15.3 M	→ \$22.6 M	→ \$25.6 M	→ \$29.9 M	→ \$33.2 M
Total Revenues (in millions)	\$116.4 M	\$133.3 M	\$134.0 M	\$140.5 M	\$142.1 M	\$145.8 M
Total Expenditures (in millions)	\$116.7 M	\$126.0 M	\$130.9 M	\$136.2 M	\$138.8 M	\$147.9 M
Ending Fund Balance (in millions)	\$15.3 M	\$22.6 M	\$25.6 M	\$29.9 M	\$33.2 M	\$31.1 M
Ending Fund Balance %	13.11%	17.94%	19.56%	21.98%	23.93%	21.06%
Deficit/Surplus	-\$284 K	\$7.2 M	\$3.0 M	\$4.3 M	\$3.2 M	-\$2.0 M

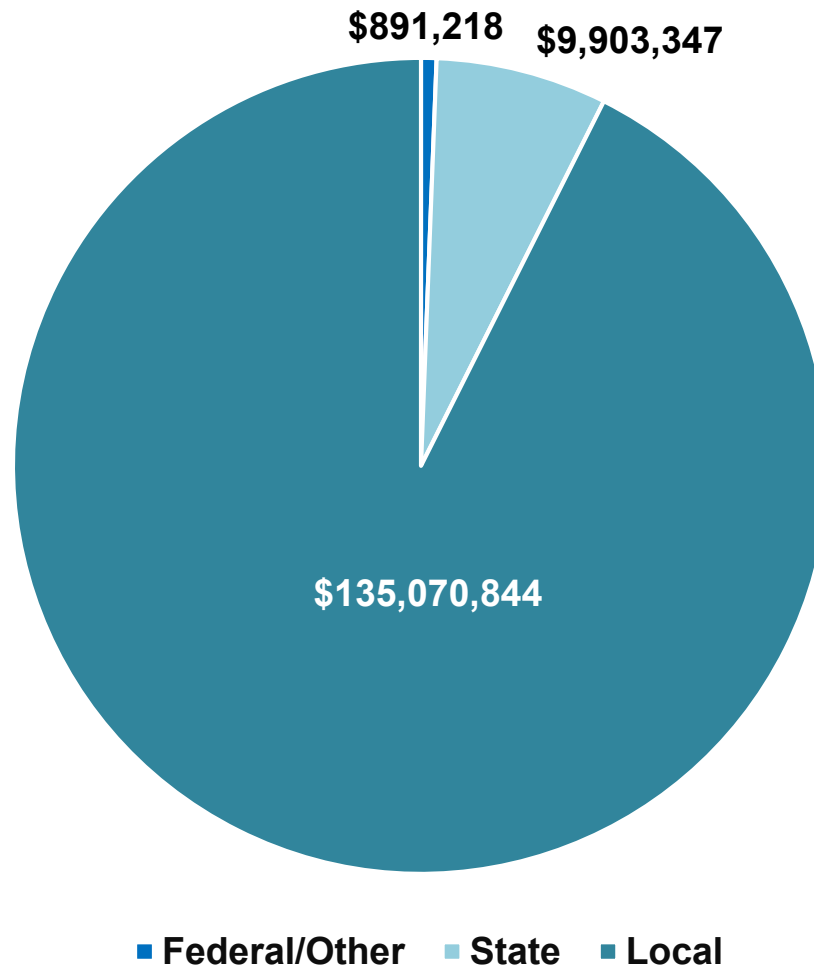


GENERAL FUND REVENUE:

Community Funded
“Basic Aid”

\$145,865,409

REVENUE (SOURCES)



GENERAL FUND 10: SOURCES

District Revenue - Property Taxes One Time and Ongoing	
Secured Property Tax Revenues	\$ 104,009,220.00
Unsecured Roll Property Taxes	\$ 6,873,435.00
Supplemental Secured Property Tax	\$ 2,718,945.00
One-time RDA - AB1290, Residual	\$ 12,202,288.00

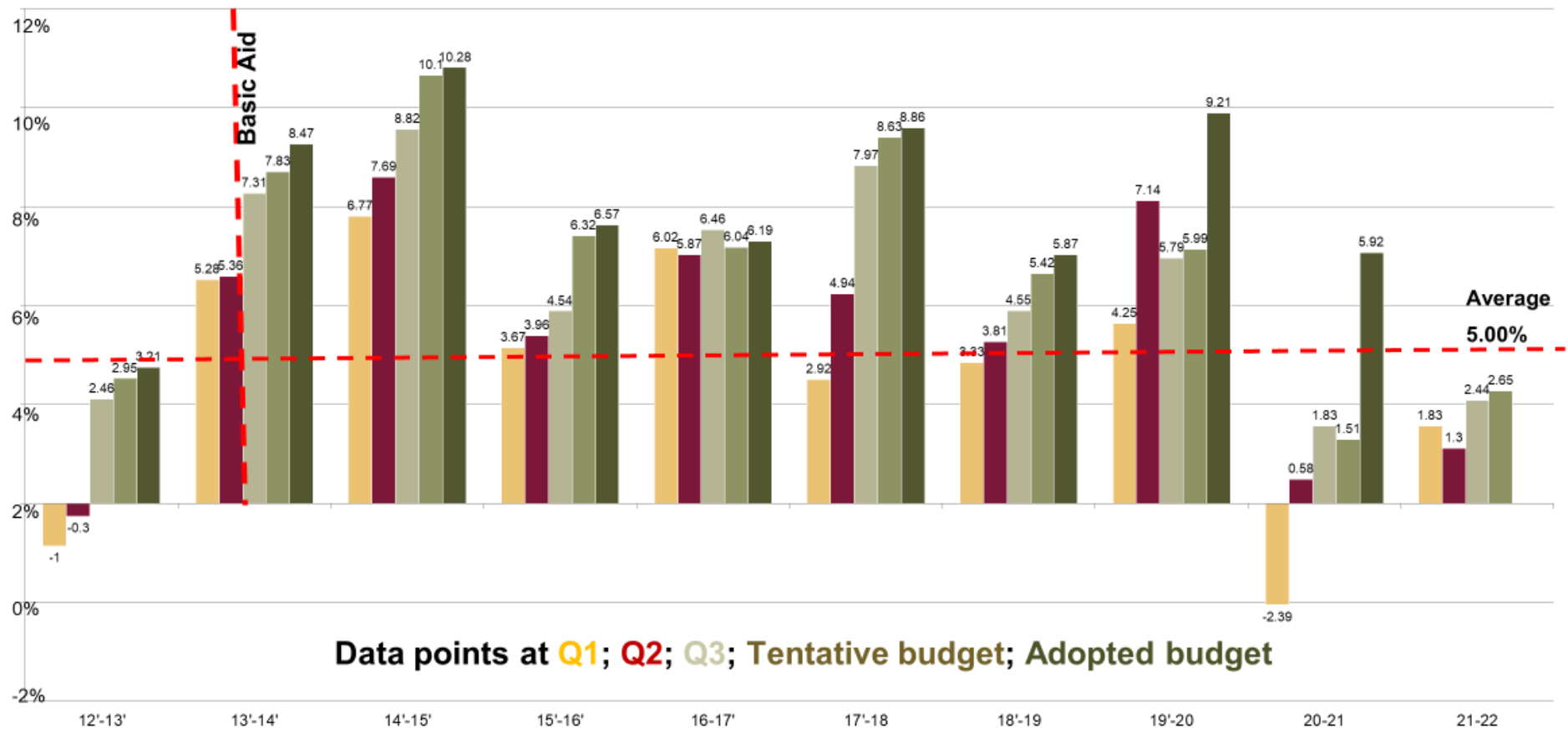
District Revenue - State Apportionment & Others	
State and Local Income	\$ 7,344,013.00
Lottery	\$ 1,485,869.00
EPA	\$ 1,070,341.00
Mandated Cost Reimbursement	\$ 403,124.00
Others	\$ 497,940.00

College Generated Revenue based on FTES	
Enrollment Fees Residents	\$ 5,566,375.00
Enrollment Fees Non-resident and International	\$ 2,573,609.00
Int'L Health Insurance Fee	\$ 344,013.00
Other	\$ 776,237.00

Total Revenue Sources	\$ 145,865,409
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COUNTY ASSESSOR'S DATA POINTS

*Next Tax Data Point is August 26, 2022

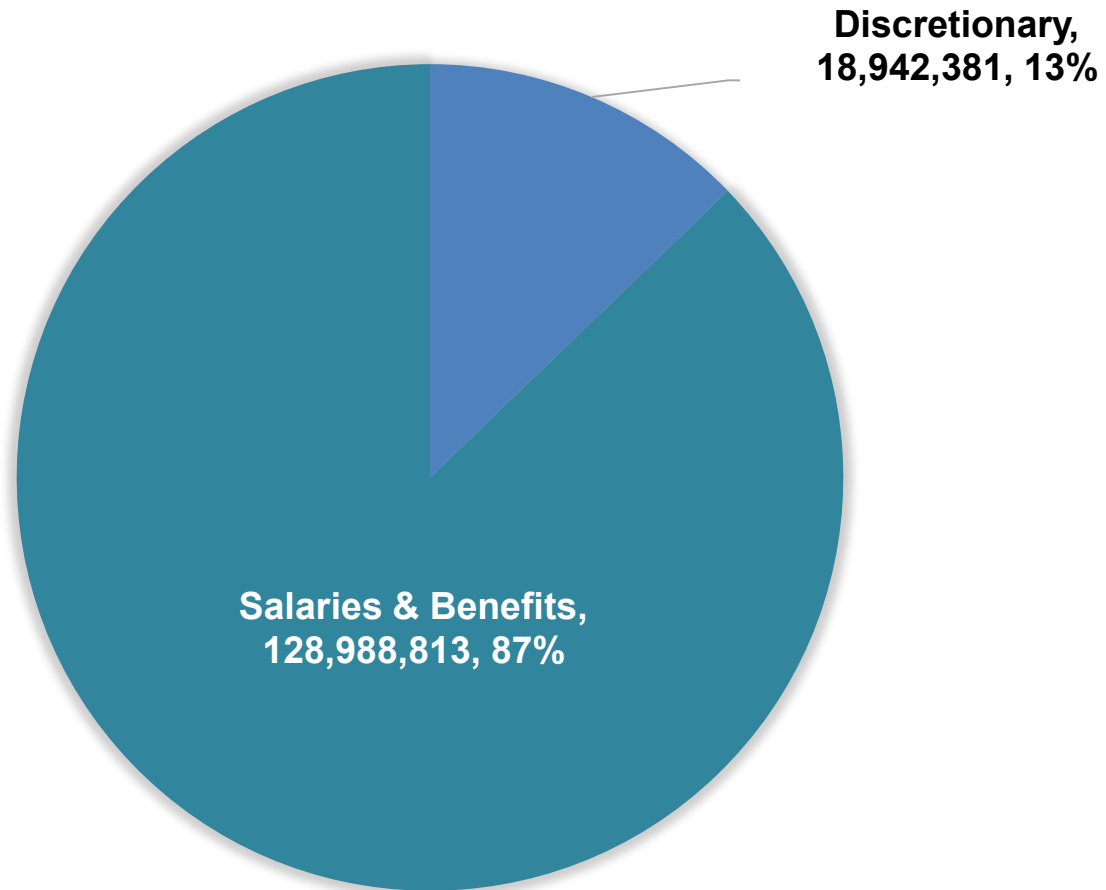




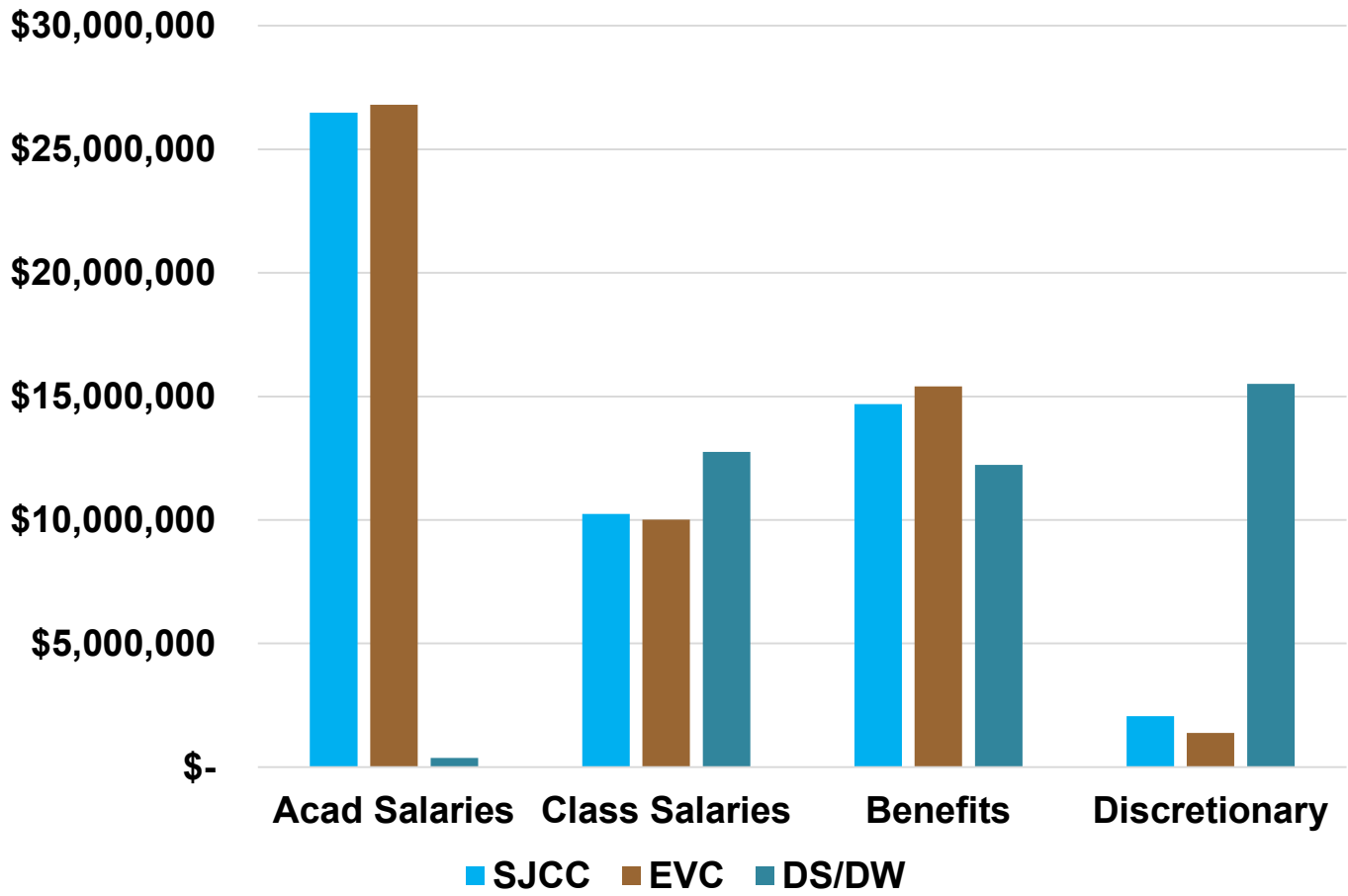
GENERAL FUND EXPENSES

\$147,931,194

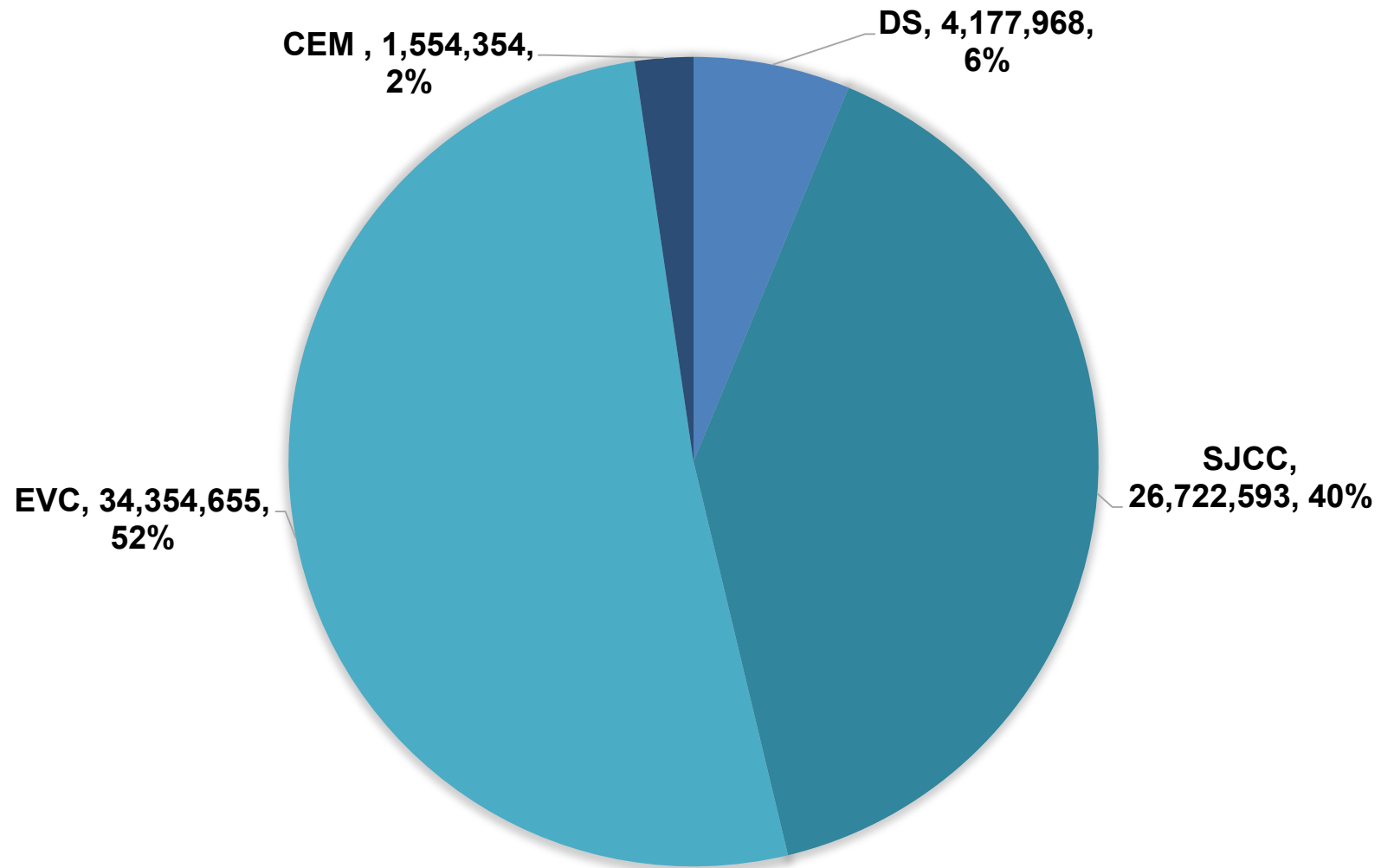
EXPENDITURES (USES)



SALARY, BENEFITS & DISCRETIONARY

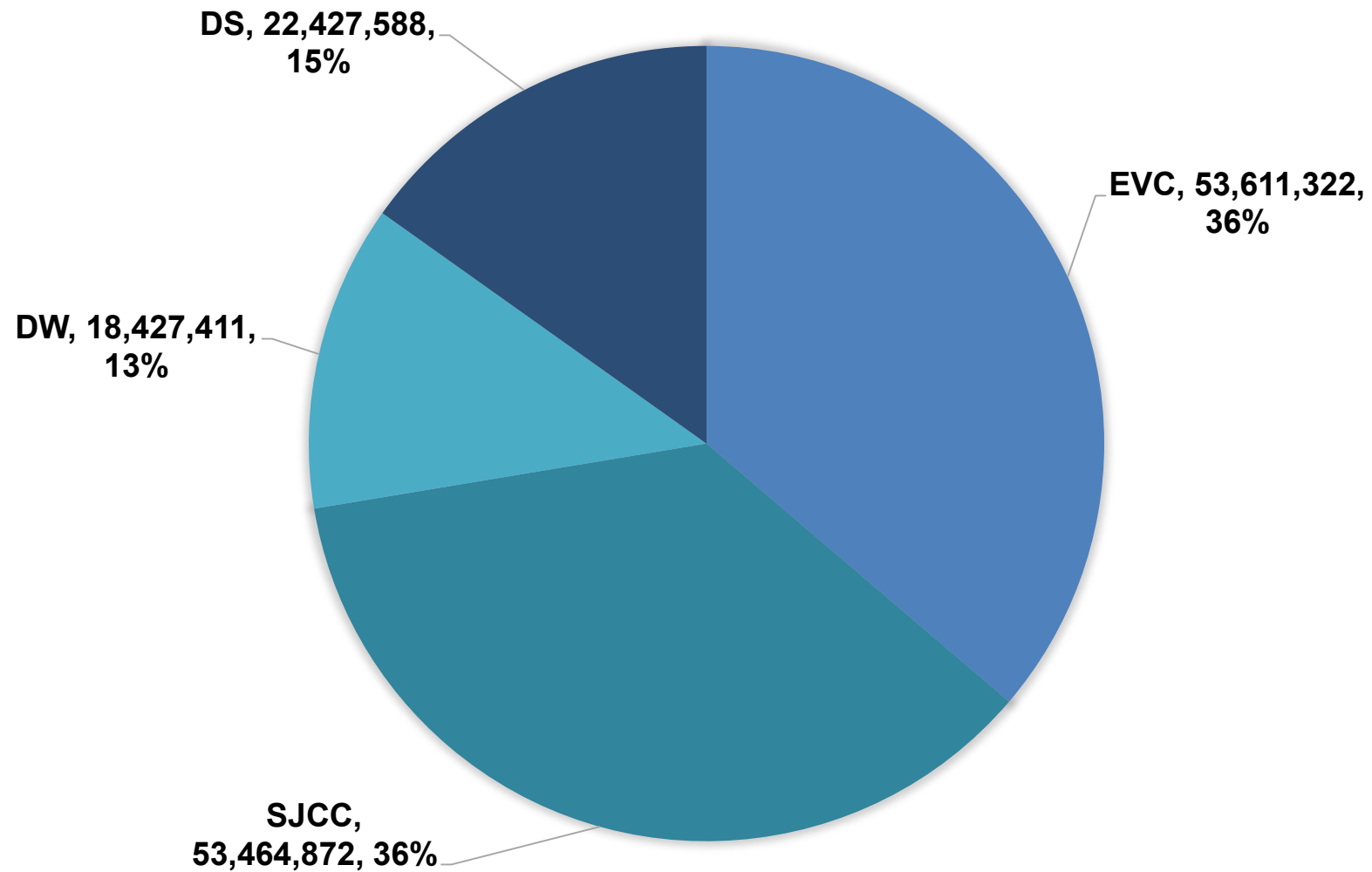


CATEGORICAL PROGRAMS & GRANTS

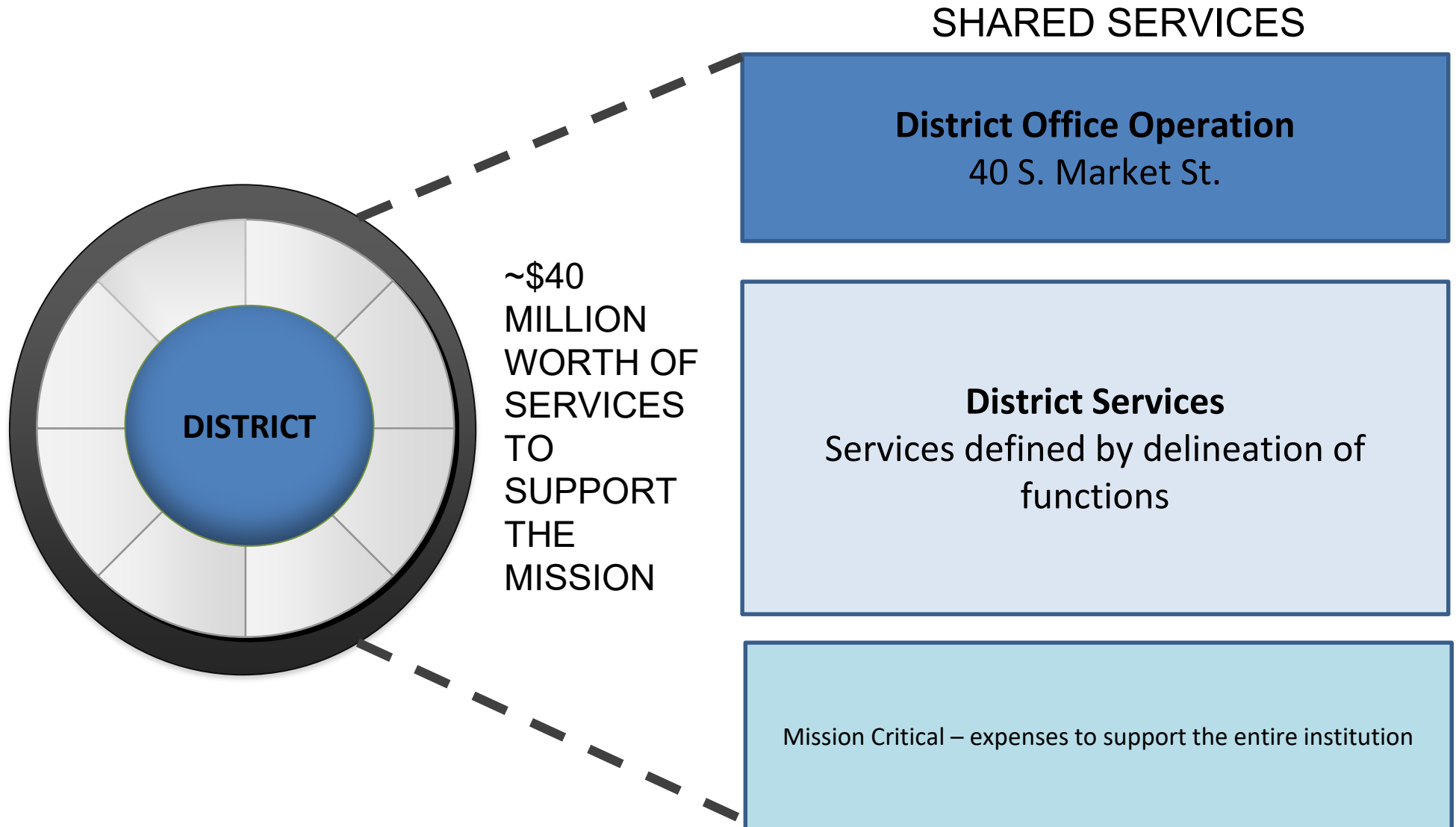


We administer an additional \$66.8M.

EXPENSES PER ENTITY



DISTRICT EXPENSES (DS/DW)



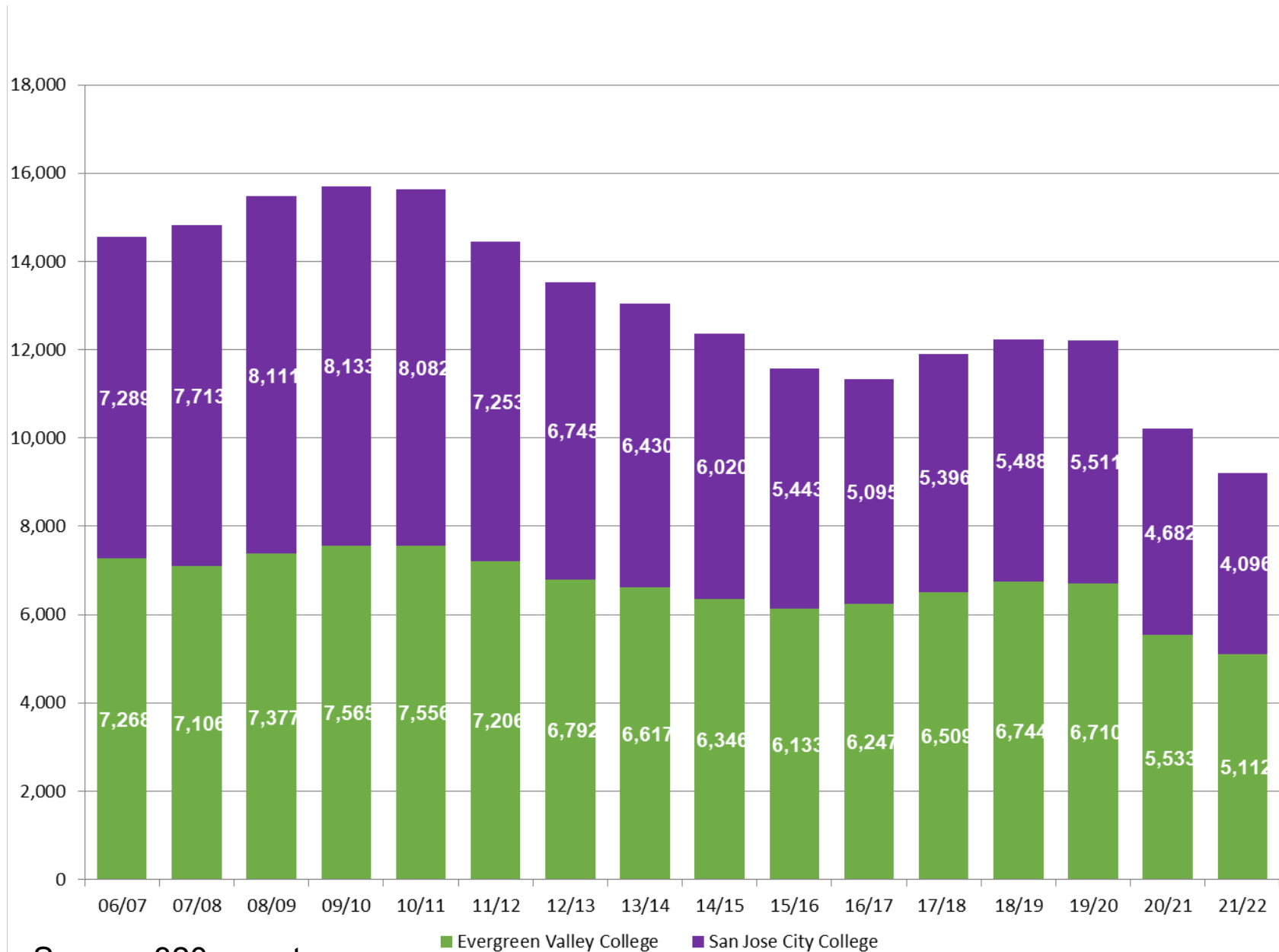
DISTRICT EXPENSES (DS/DW)

					TOTAL
District Office Operation 40 S. Market St	Board, Chancellor, Executive Team, Government Relations, PIO, Inst. Effectiveness, CEM, Foundation	\$4,745,000	Audit, some subscriptions, some licenses, permits, legal, consultants	\$2,875,000	\$7,620,000
District Services based on delineation of functions	Human Resources, Information Technology, Fiscal Services, Bond Program	\$8,930,000	Operating costs (discretionary) needed for each function: HR legal, technology subscriptions, consultants	\$5,600,000	\$14,530,000
Direct Support to the campuses	Reprographics, Help Desk, Maintenance and Operations, Police Services, Purchasing, Warehouse	\$7,931,000 Charged to campuses	Interpreters, student insurance, gas, electric, water, bad debt	\$2,850,000	\$10,781,000
Mission Critical	Vacation liability, STRS on behalf, retiree benefits, OPEB cost, ERP, enterprise applications, security, leases, other liabilities			\$7,300,000	\$7,300,000

Approximately ~\$40 million (50% people and 50% expenses for the entire Institution)

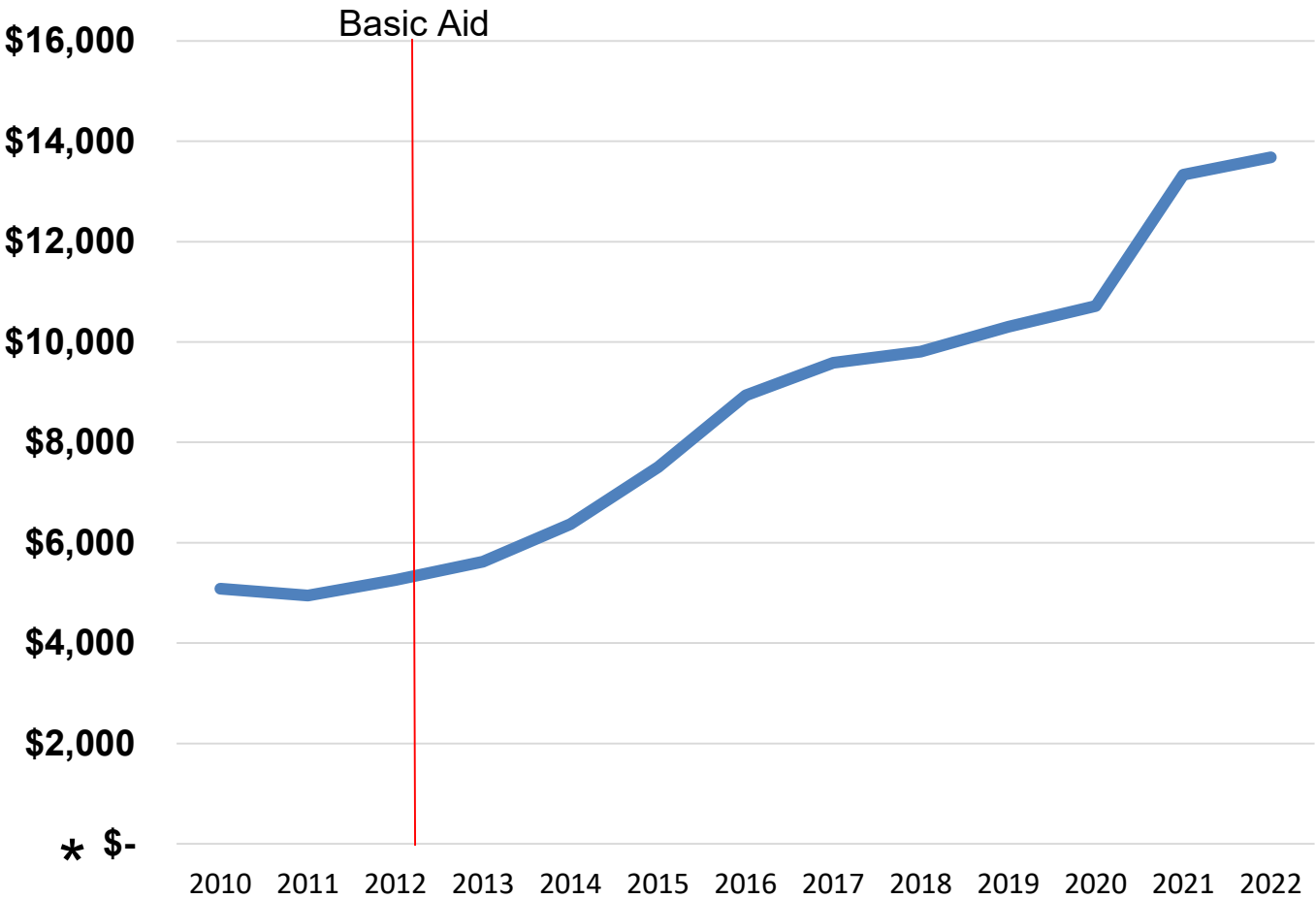
Additional services and transactions support the bond and \$66.8 million of categorical.

HISTORICAL FULL TIME EQUIVALENT STUDENTS



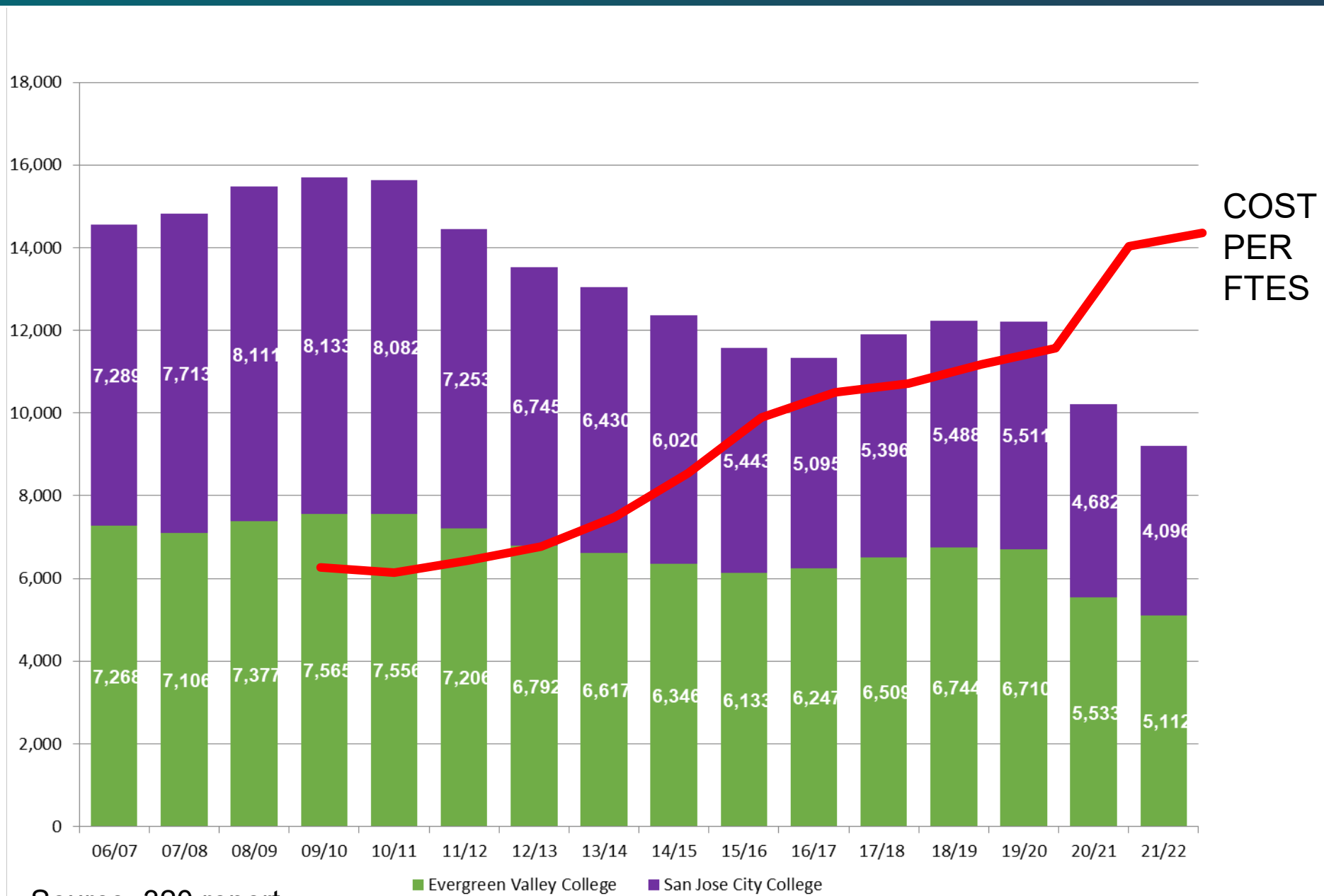
Source: 320 report

COST PER FTES (F10 EXPENSES / FTES)



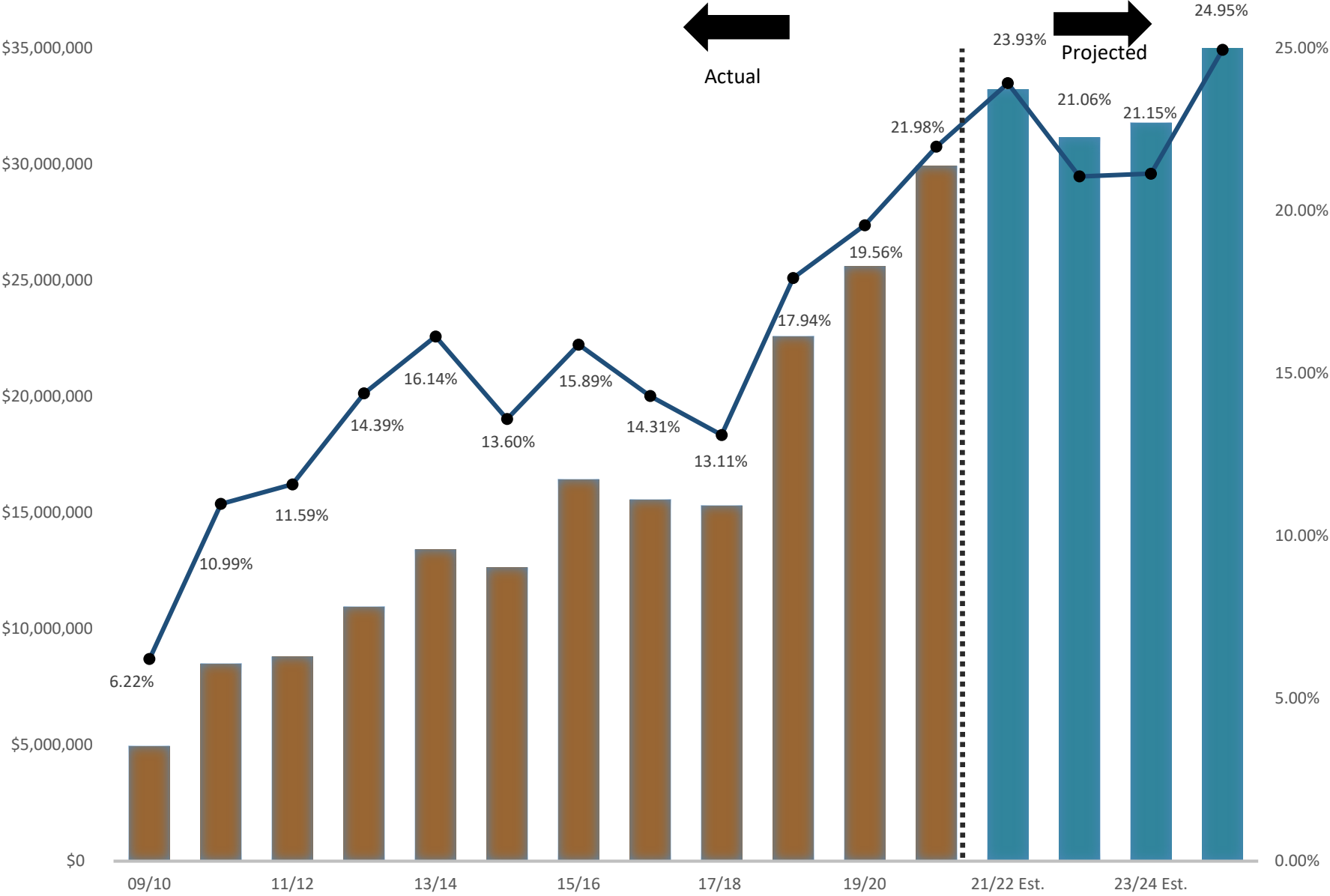
Total cost does not include categorical programs and grants.

HISTORICAL FULL TIME EQUIVALENT STUDENTS



Source: 320 report

ENDING FUND BALANCE



ENDING FUND BALANCES (10, 11, 14, 15) CALIFORNIA COMMUNITY COLLEGES

BAY 10

West Valley-Mission	55.3%
San Mateo	35.2%
Marin	26.3%
San Jose-Evergreen	26.3%
Contra Costa	26.2%
Ohlone	24.1%
Foothill-DeAnza	23.2%
Peralta	19.8%
Chabot-Las Positas	14.4%
San Francisco	10.3%

BASIC AID

West Valley-Mission	55.3%
South Orange	41.8%
San Mateo	35.2%
MiraCosta	29.3%
Sierra	28.6%
San Jose-Evergreen	26.3%
Marin	26.3%
Napa	8.2%

Source: California Community Colleges Summary of Unrestricted General Fund Transactions FY2020-21

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

Coming up next – FY 2022-23 Adopted Budget presentation in September 2022.

THANK YOU