



SAN JOSÉ · EVERGREEN
Community College District

FY 2022-2023 SPRING BUDGET *Study Session*

PRESENTED TO THE BOARD OF TRUSTEES

March 28, 2023

Jorge L. Escobar

Vice Chancellor, Administrative Services



News > Health > News

Death reports show coronavirus hit San Jose's poor, Latino neighborhoods hardest

More than a third of the county's first 100 deaths occurred in just four ZIP codes on the city's East Side

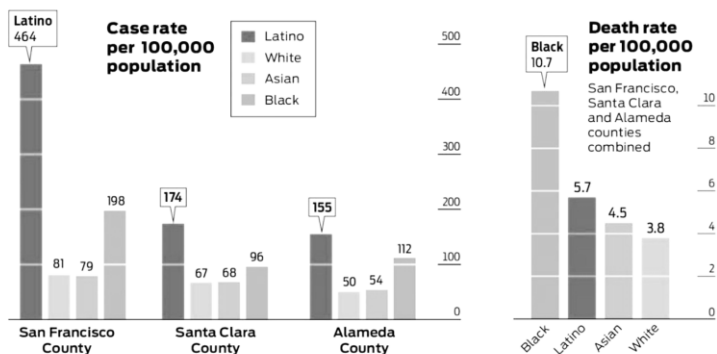
San Francisco Chronicle



Racial disparities in COVID-19

Latinos have disproportionately tested positive for COVID-19 in three of the Bay Area's largest counties, and black people have died from the disease at nearly twice the rate of any other race.

Data as of May 5



Note: The prevalence of testing in each county will likely influence case rates. Due to the relatively low number of deaths in each county, The Chronicle combined them for its analysis. In Santa Clara County, health officials grouped Asian and Pacific Islanders together.

THE NEED IS THERE... COVID HAS MAGNIFIED THE NEEDS

BROOKINGS

AI POLICY 2020



IT HAS ALSO CREATED AN **OPPORTUNITY** TO
THINK ABOUT THE FUTURE OF HIGHER EDUCATION.

THE AVENUE

Mapping racial inequity amid COVID-19
underscores policy discriminations against
Black Americans





BOARD OF TRUSTEES 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.



BOARD OF TRUSTEES BUDGET PRINCIPLES

ADOPTED FEBRUARY 13, 2018



9. District Stabilization Fund (~cont'd)

- 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.

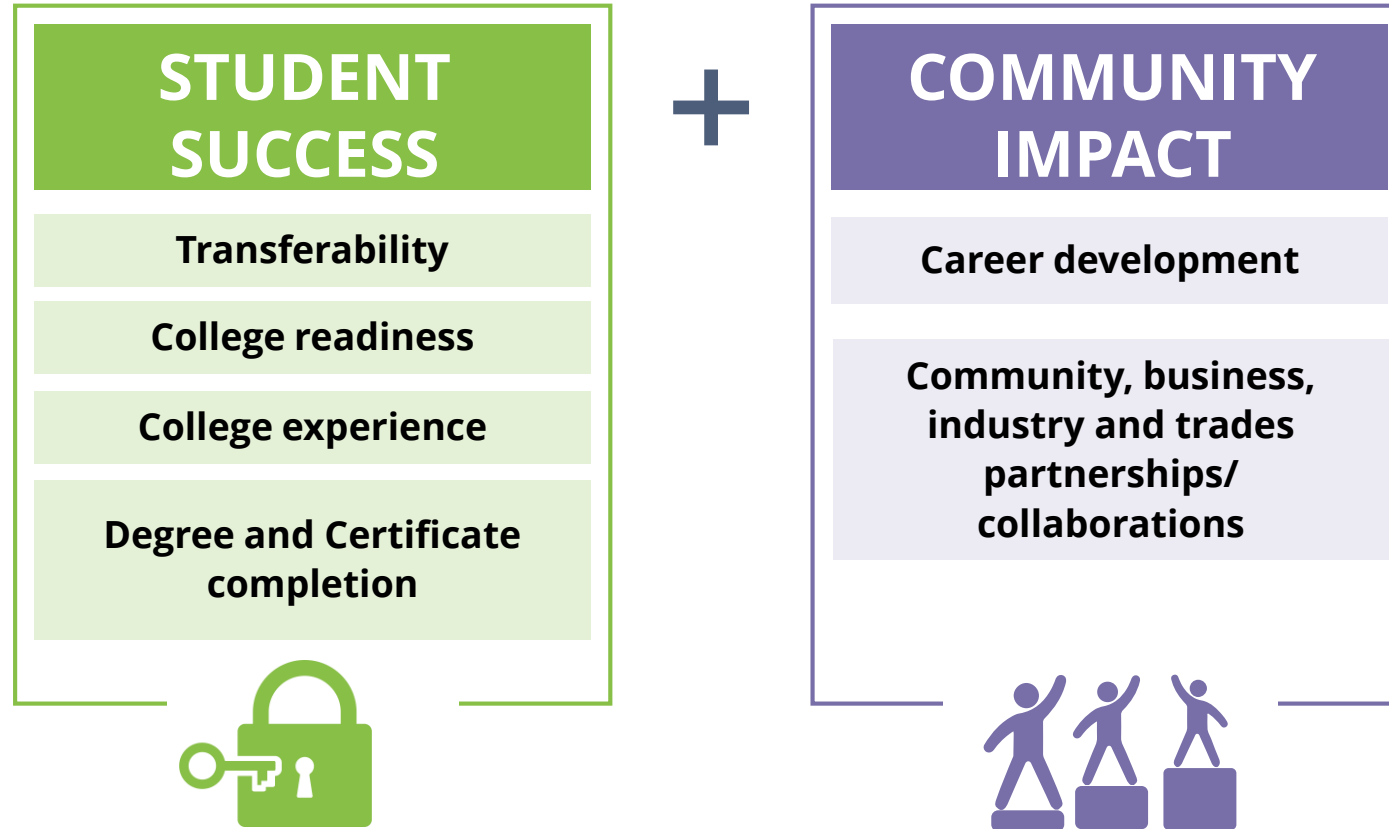
13. Use data to inform decision making.

14. Seed Student Opportunity and Access Revenue/Promise from current land-lease proceeds.

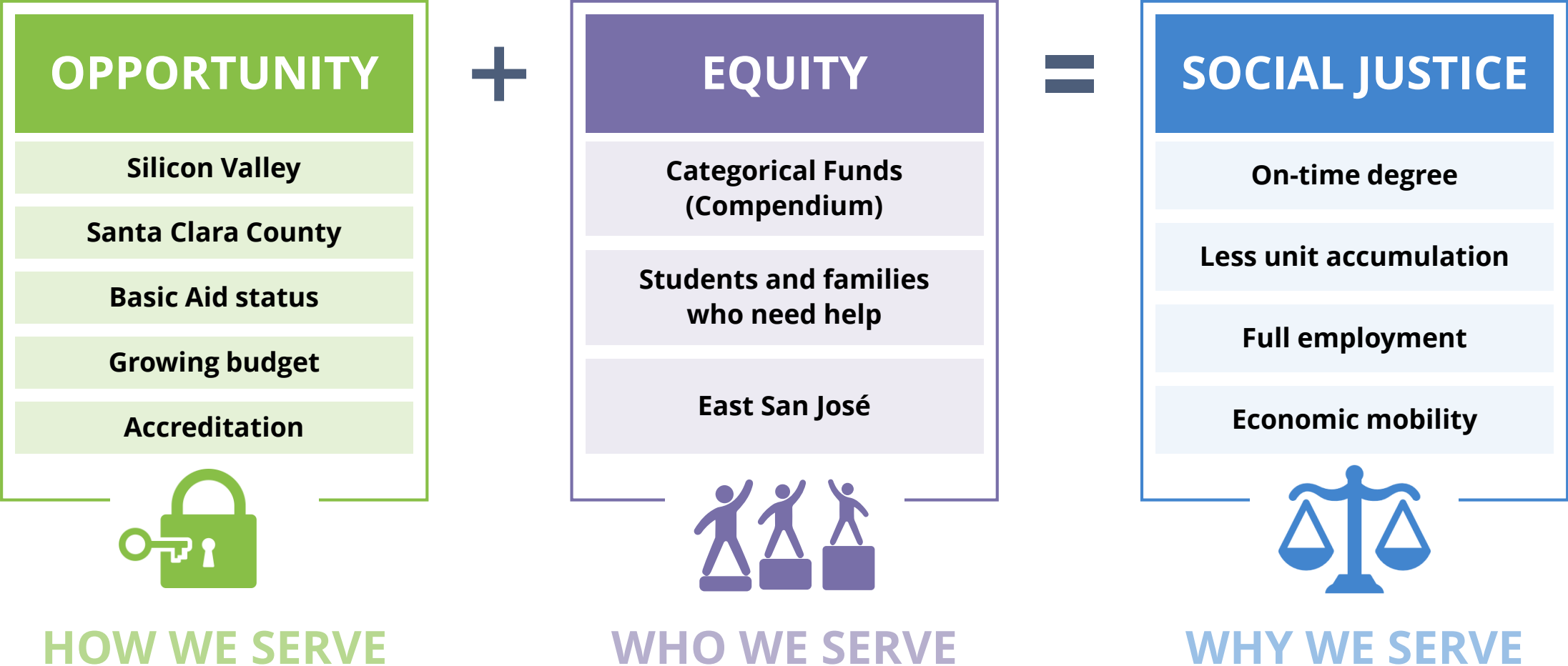
15. Financially plan and budget for total cost of ownership, including building-related expenses, and program-related expenses.



BOARD OF TRUSTEES ENDS POLICIES



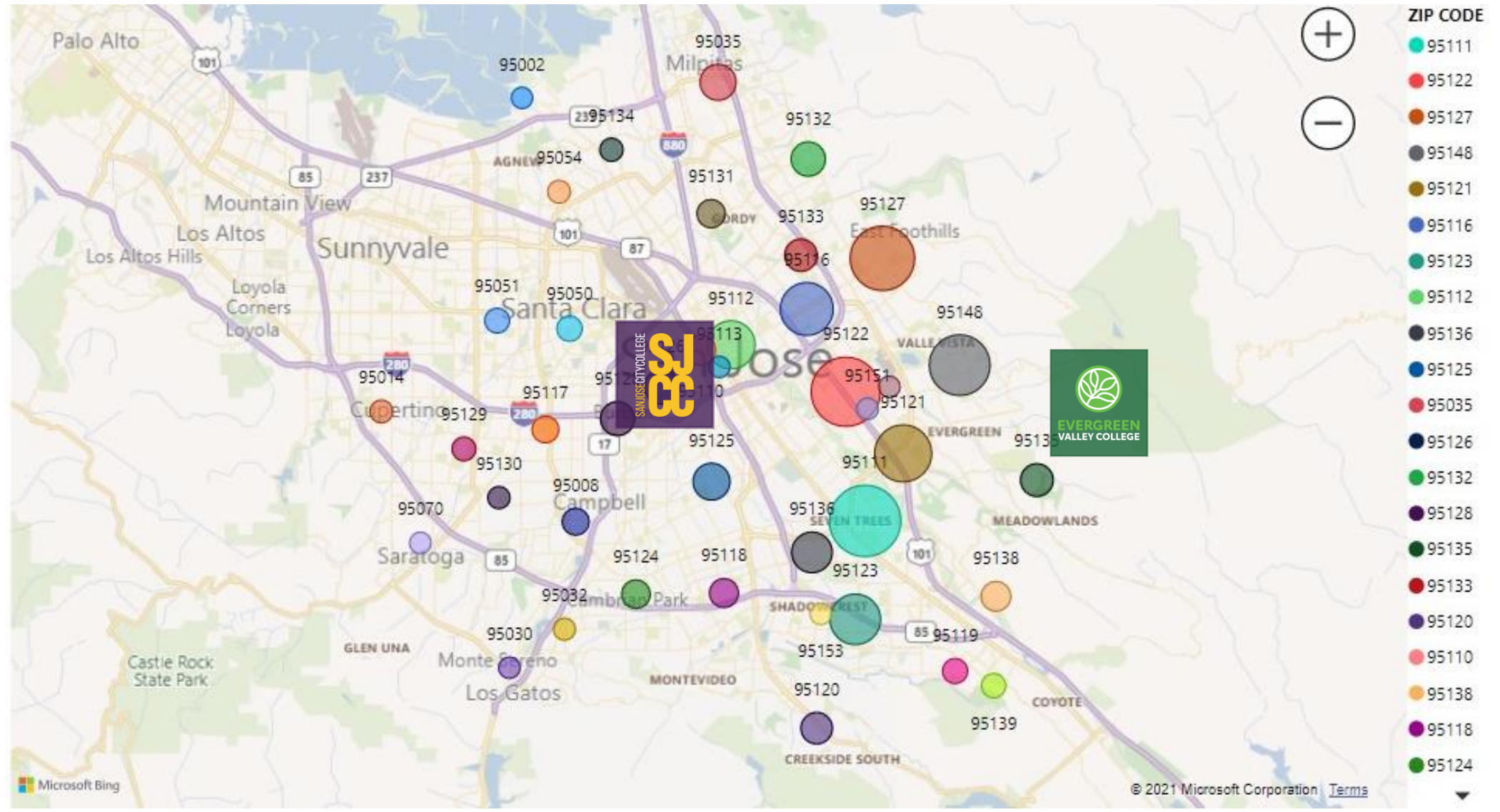
THE SOCIAL JUSTICE EQUATION





STUDENT ENROLLMENT BY ZIP CODE

APPROXIMATELY 40-50% OF OUR ENROLLMENTS COME FROM EAST SAN JOSÉ ZIP CODES





ECONOMIC NEWS

TECH INDUSTRY WORKFORCE DISRUPTIONS



LOCAL:



LAYOFFS AT GOOGLE
12,000 WORKERS
6% of their workforce



LAYOFFS AT META
11,000 WORKERS
13% of their workforce

GLOBAL:

LAYOFFS GLOBALLY IN 2023
105,000+ WORKERS
AT 364 TECH COMPANIES

- *Short-term demand for tech products threw supply out-of-sync with long-term demand.*
- *Tech companies over-hired due to remote work and spike in demand for tech services.*

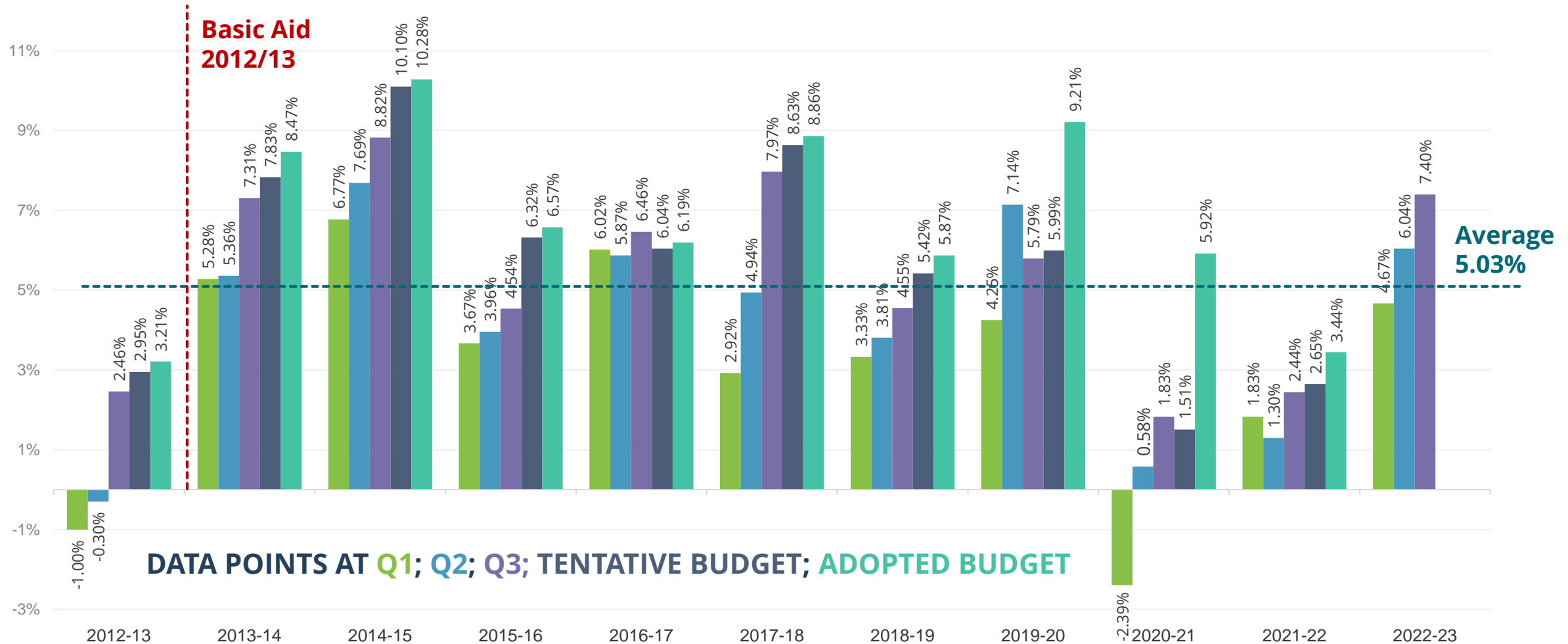
LIST OF AFFECTED COMPANIES:



* Top taxpayer in Santa Clara County

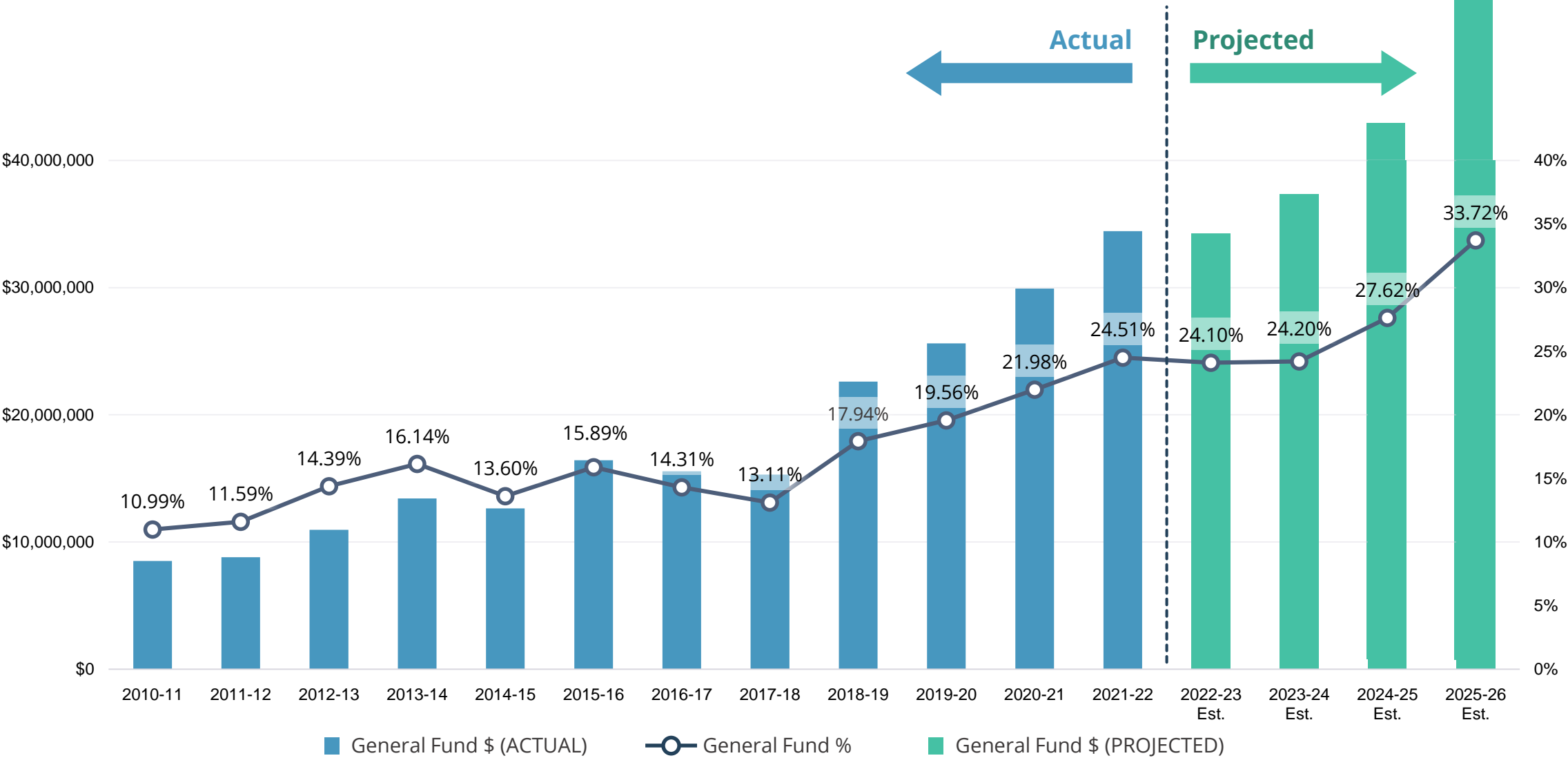
COUNTY ASSESSOR'S DATA POINTS

AS OF FEBRUARY 10, 2023 | NEXT DATA POINT IS MAY 5, 2023



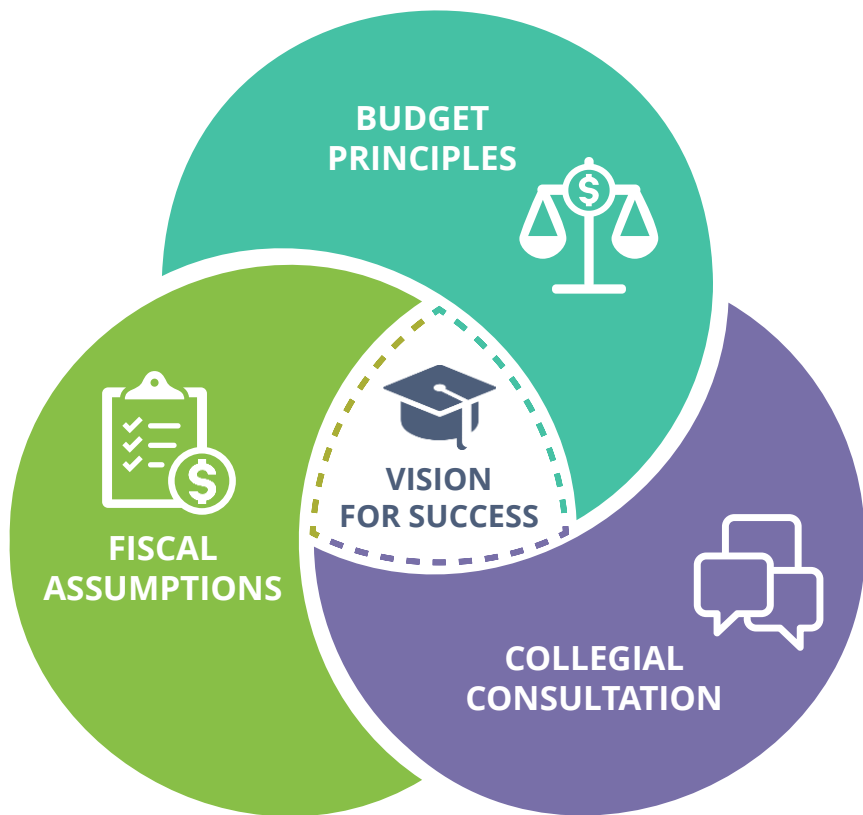
ENDING FUND BALANCE

GENERAL FUND 10 ONLY

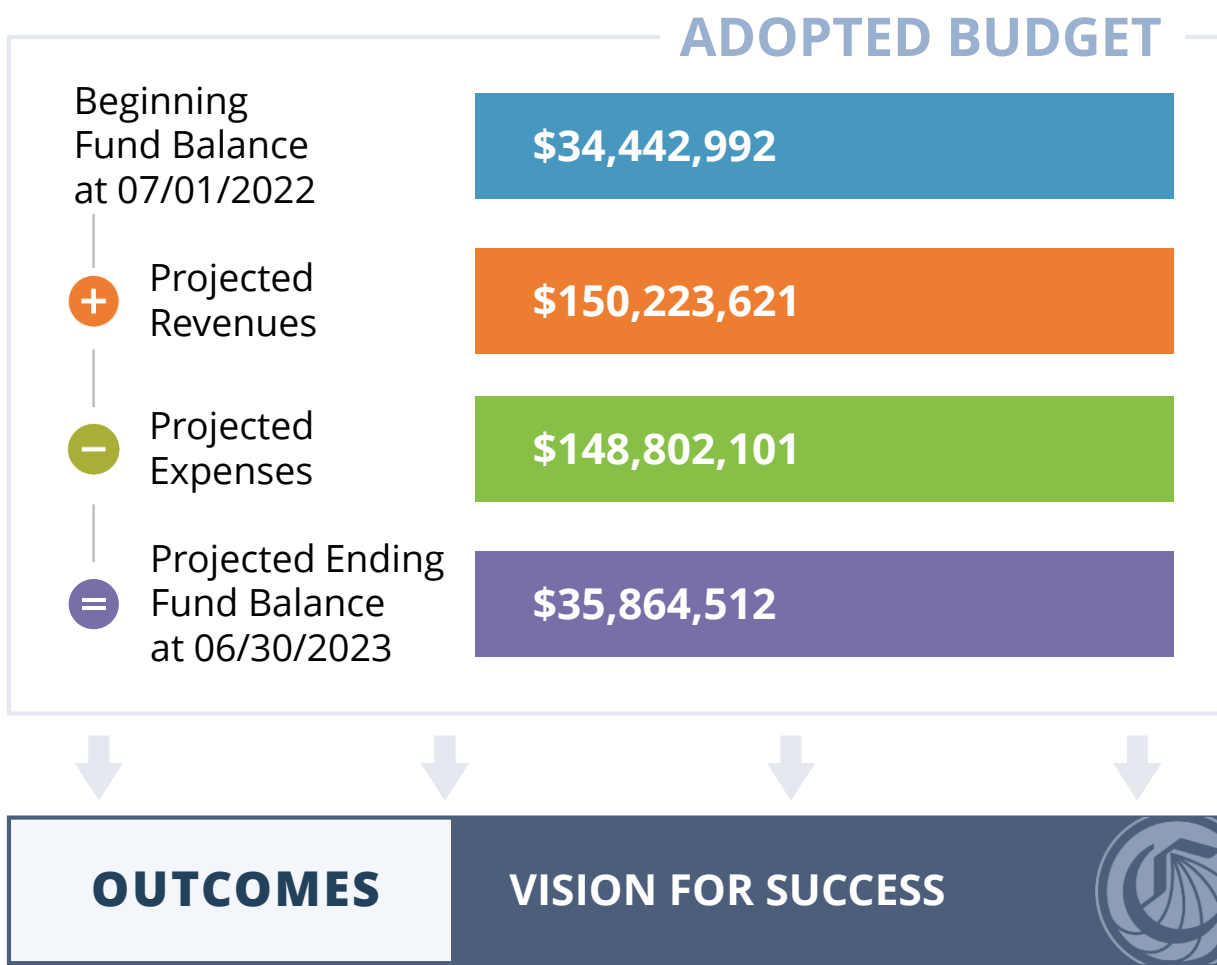


ALIGNING RESOURCES TO OUTCOMES (FUND 10)

AN INTEGRATED PROCESS TO STRATEGICALLY ALLOCATE RESOURCES



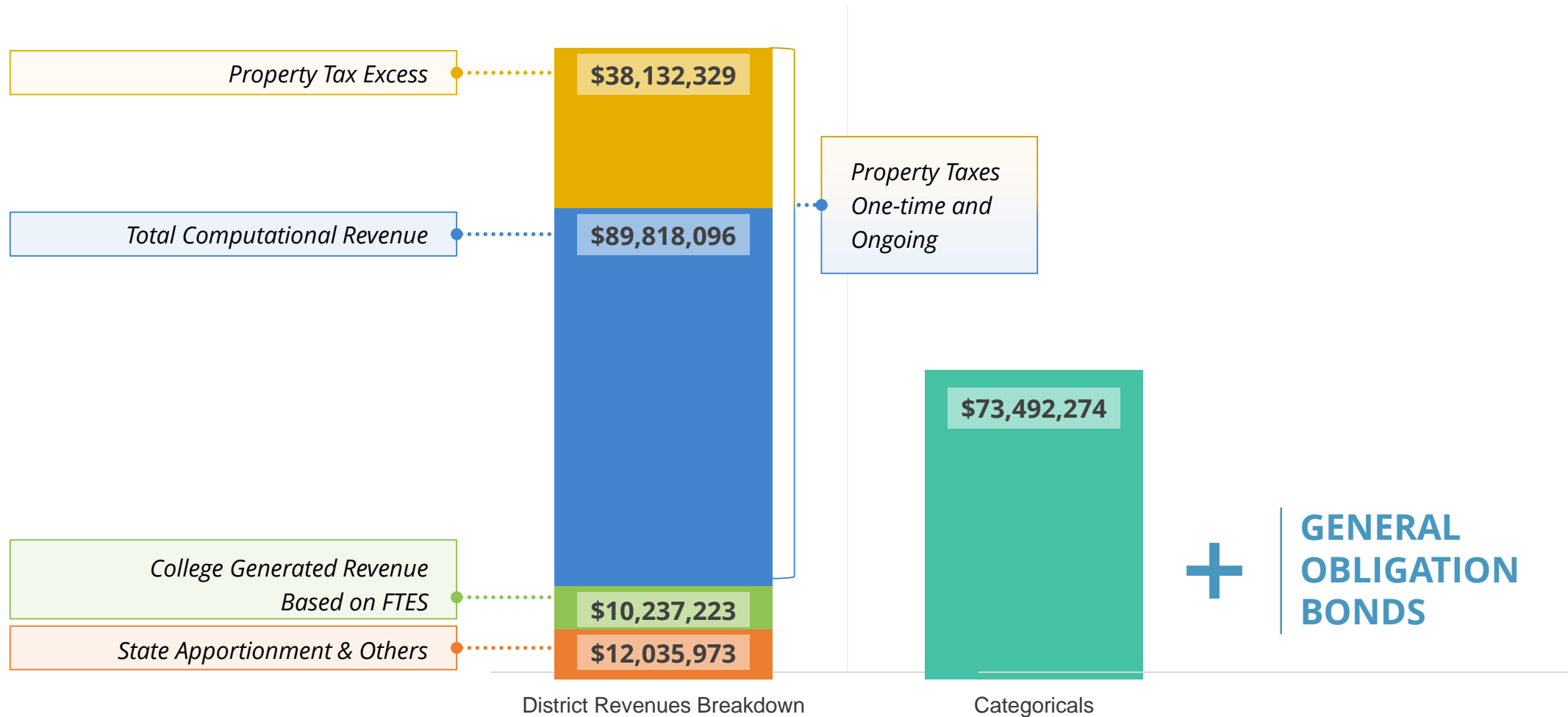
An integrated process to strategically allocate resources to reach institutional outcomes.





DISTRICT REVENUE SOURCES

ADOPTED BUDGET FY 22-23





POSITION CONTROL SUMMARY

BY FUNCTION



Employee Groups	Fall 2003		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	
	#	%	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	%
DO	203	28%	212	202	211	202	211	142	122	106	95	99	97	105	119	119	115	124	117	94	93	10%
Manager/Supervisor/Confidential	42	6%	42	37	42	42	40	33	29	28	26	26	28	35	30	28	27	30	25	22	33	3%
Classified	161	23%	170	165	169	160	171	109	93	78	69	73	69	70	89	91	88	94	92	72	60	6%
SJCC	252	35%	235	245	239	240	241	257	251	220	221	217	228	474	455	477	502	469	491	443	442	46%
Manager/Supervisor/Confidential	21	3%	20	24	22	20	20	19	17	15	16	16	19	20	21	25	24	27	23	27	28	3%
Classified	98	14%	93	94	95	97	97	113	113	85	88	87	91	93	100	105	110	109	108	122	121	12%
Faculty	133	19%	122	127	122	123	124	125	121	120	117	114	118	120	119	121	118	124	129	126	126	13%
Adjunct*	-	-	-	-	-	-	-	-	-	-	-	-	-	241	215	226	250	209	231	168	167	17%
EVC	259	36%	247	260	271	258	260	271	259	247	232	236	240	451	436	436	442	461	486	465	435	45%
Manager/Supervisor/Confidential	21	3%	22	20	22	21	23	23	20	19	17	19	20	19	26	25	24	25	25	25	25	3%
Classified	108	15%	106	111	116	110	107	124	116	109	101	104	106	109	112	121	119	130	128	128	124	13%
Faculty	130	18%	119	129	133	127	130	124	123	119	114	113	114	114	120	120	110	116	122	120	115	12%
Adjunct*	-	-	-	-	-	-	-	-	-	-	-	-	-	209	178	170	189	190	211	192	171	18%
TOTAL	714	100%	694	707	721	700	712	670	632	573	548	552	665	1,030	1,010	1,032	1,059	1,054	1,094	1,002	970	100%
Manager/Supervisor/Confidential	84	12%	84	81	86	83	83	75	66	62	59	61	67	74	77	78	75	82	73	74	86	9%
Classified	367	51%	369	370	380	367	375	346	322	272	258	264	266	272	301	317	317	333	328	322	305	31%
Faculty	263	37%	241	256	255	250	254	249	244	239	231	227	232	234	239	241	228	240	251	246	241	25%
Adjunct*	-	-	-	-	-	-	-	-	-	-	-	-	-	450	393	396	439	399	442	360	338	35%

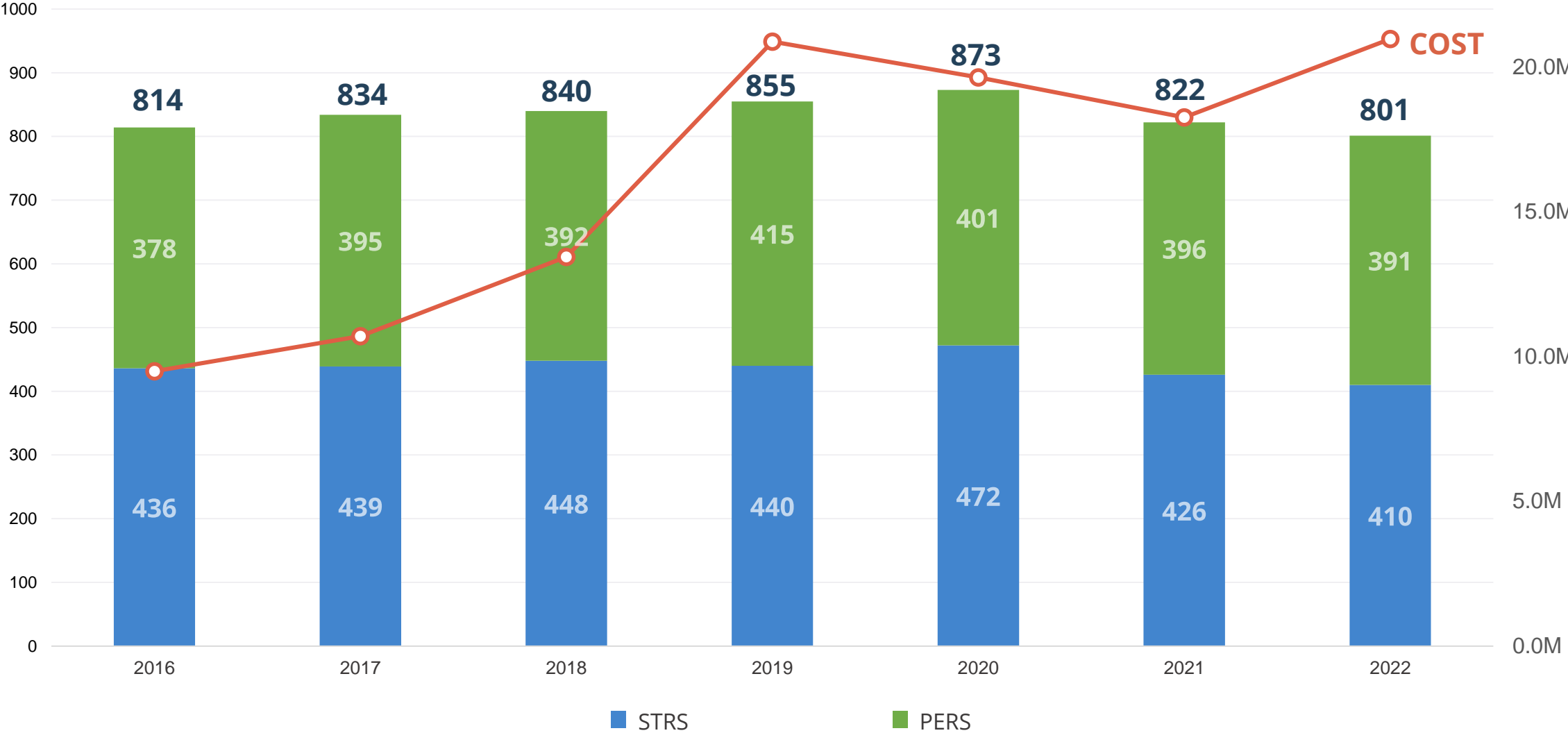
*Adjunct Faculty numbers not recorded prior to Fall 2015.

Basic Aid

Source: SJECCD Datatel Employment Data 2003-2022

DISTRICTWIDE STRS/PERS

HEADCOUNT AND COST



EMPLOYEE MEDICAL INSURANCE

1973 VS. 2023

SAN JOSE COMMUNITY COLLEGE DISTRICT

May 24, 1973

Re Cap of Employee Medical Insurance - Dependent Coverage - May, 1973

BLUE CROSS

Coverage	Number	Rate	Total	Additional to District
Employee only	132	\$27.65	\$3,649.80	None - we pay for All
One Dependent	30	27.26	817.80	\$ 817.80
Two or More	74	39.74	2,940.76	2,940.76
Total for District	236	27.65	6,526.40	\$ 3,758.56

Present Total to District -- 236 @ \$27.65 = \$6,526.40 Per Month X 12 = \$78,316.80

Additional Cost to District -- 3,758.56 45,102.72

New Cost to District per month (May) \$10,283.96 \$123,407.52

KAISER

Coverage	Number	Rate	1973	Total	*Additional to District
Employee only	54	(\$27.65)	\$27.65	\$	None
One Dependent	37	(7.95)	11.10	410.70	\$ 410.70 (based on 73-1
Two or More	82	(20.99)	26.47	2,170.54	2,170.54 (based on 73-1
Total for District	173	27.65	27.65	4,783.45	2,581.24 (based on 73-1

Present cost to District - 173 @ \$27.65 = \$4,783.45 Per Month X 12 = \$57,401.40

Additional Cost to District -- 2,581.24 (new rates) X 12= 30,974.88

New Cost to District per month (May) \$7,364.69 (new rates) X 12 \$88,376.28

All figures based on May, 1973 billing and multiplied by 12 for yearly billing for next year

San José – Evergreen Community College District 2023

Recap of Employee Medical Insurance

BLUE CROSS

Coverage	Number	Rate	Total
Employee Only	62	\$ 1,332.00	\$ 82,584.00
Employee + Spouse	61	2,789.00	170,129.00
Employee + Child	31	2,313.00	71,703.00
Family	115	3,986.00	458,390.00
Total for District	269		782,806.00
Present Total to District --		= \$ 782,806.00	Per Month x 12 \$ 9,393,672.00

KAISER

Coverage	Number	Rate	Total
Employee Only	114	\$ 884.00	\$ 100,776.00
Employee + Spouse	58	1,847.00	107,126.00
Employee + Child	77	1,529.00	117,733.00
Family	128	2,471.00	346,288.00
Total for District	377		641,923.00
Present Total to District --		= \$ 641,923.00	Per Month x 12 \$ 7,703,076.00

Health Waiver

Coverage	Number	Rate	Total
Employees Rate 1	8	\$ 291.66	\$ 2,333.28
Employees Rate 2	1	85.00	85.00
Total for District	9		2,418.28
Present Total to District --		= \$ 2,418.28	Per Month x 12 \$ 29,019.36

Adjunct Kaiser

Coverage	Number	Rate	Total
Employee Only	17	\$ 442.00	\$ 7,514.00
Present Total to District --		= \$ 7,514.00	Per Month x 12 \$ 90,168.00

*Adjunct faculty are excluded from the calculation as the district pays half of their Employee-only premium, and they pay for their dependents' coverage.

HEALTH PREMIUM BENEFITS HISTORY

2013 - 2023



		FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Anthem Blue Cross	Employee Only	\$ 705.84	\$ 767.65	\$ 996.31	\$ 1,170.86	\$ 1,071.18	\$ 1,179.00	\$ 1,251.00	\$ 1,251.00	\$ 1,257.00	\$ 1,332.00
	Employee + Spouse	\$ 1460.15	\$ 1,535.30	\$ 1,992.60	\$ 2,341.71	\$ 2,142.33	\$ 2,468.00	\$ 2,618.00	\$ 2,619.00	\$ 2,630.00	\$ 2,789.00
	Employee + Child	\$ 1194.68	\$ 1,381.77	\$ 1,793.34	\$ 2,107.54	\$ 1,928.1	\$ 2,044.00	\$ 2,169.00	\$ 2,170.00	\$ 2,177.00	\$ 2,313.00
	Family	\$ 2057.51	\$ 2,379.72	\$ 3,088.53	\$ 3,629.64	\$ 3,320.6	\$ 3,523.00	\$ 3,738.00	\$ 3,739.00	\$ 3,751.00	\$ 3,986.00
Kaiser Permanente	Employee Only	\$ 615.39	\$ 631.56	\$ 599.98	\$ 628.30	\$ 665.22	\$ 779.00	\$ 826.00	\$ 840.00	\$ 842.00	\$ 884.00
	Employee + Spouse	\$ 1,353.86	\$ 1,263.12	\$ 1,199.97	\$ 1,256.61	\$ 1,330.43	\$ 1,628.00	\$ 1,728.00	\$ 1,757.00	\$ 1,760.00	\$ 1,847.00
	Employee + Child	\$ 1,107.70	\$ 1,136.81	\$ 1,079.97	\$ 1,130.95	\$ 1,197.39	\$ 1,347.00	\$ 1,430.00	\$ 1,454.00	\$ 1,457.00	\$ 1,529.00
	Family	\$ 1,907.71	\$ 1,957.84	\$ 1,859.95	\$ 1,947.74	\$ 2,062.17	\$ 2,329.00	\$ 2,471.00	\$ 2,513.00	\$ 2,519.00	\$ 2,642.00
	Adjunct Faculty (District Cost Only)	\$ 329.98	\$ 338.30	\$ 321.39	\$ 336.56	\$ 356.33	\$ 389.50	\$ 413.00	\$ 420.00	\$ 421.00	\$ 442.00

Joined Self-Insured Schools of California (SISC)

NEGOTIATED SALARY INCREASE HISTORY

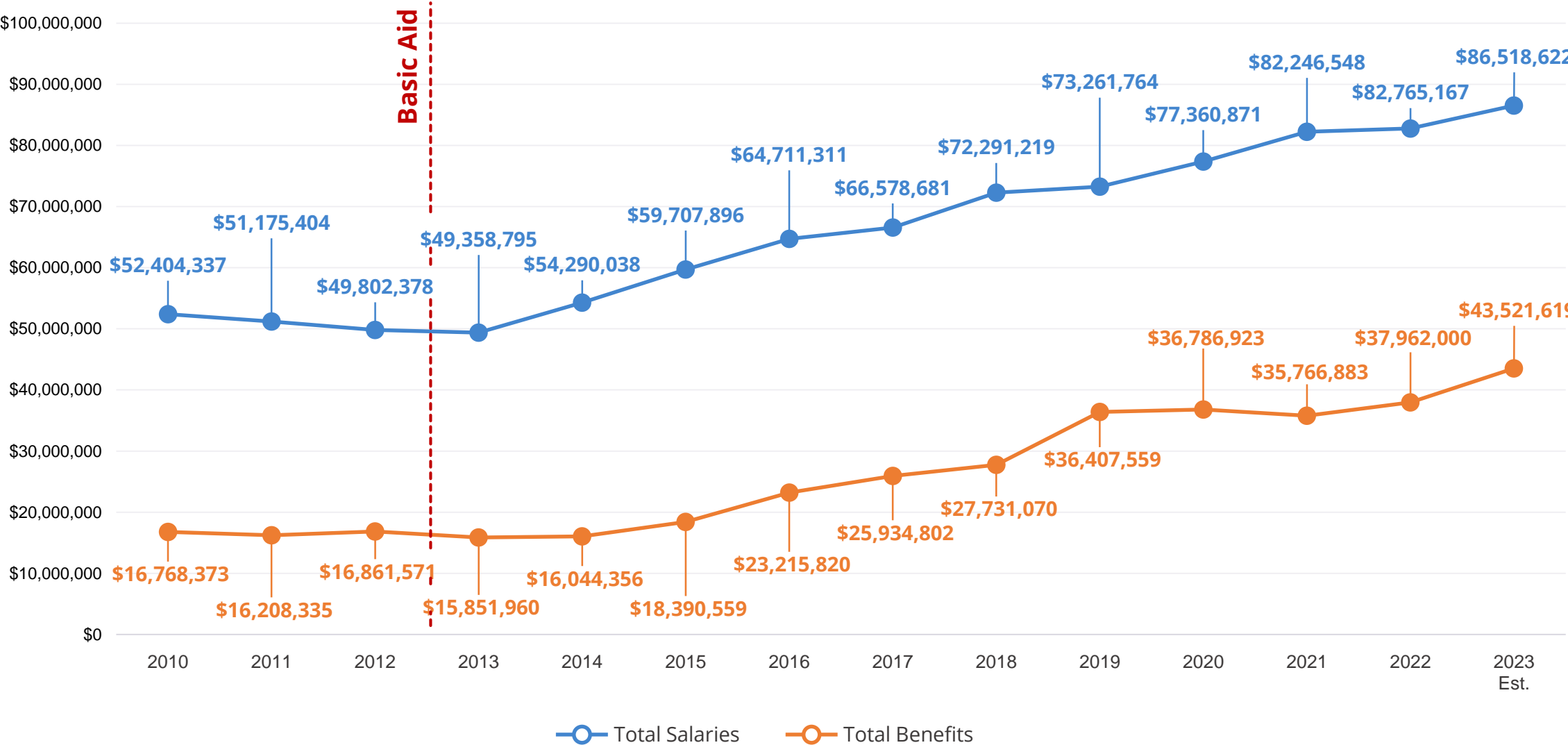
INCREASES PER GROUP



	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Cumulative Salary Schedule Adjustments
AFT 6157	4.3% & prorata change 65% to 65.75% ADJ LE	4.8% & Step 9 added	3.0% & prorata increase from 65.75% to 66.38% ADJ LE	1.5% & Step 10 added	6.0%	2.5% FT New steps 13-19 & prorata change up 2% both ADJ LE (66.38% to 68.38%) & LAB (77% to 79%) & Step 11 added	2.5%	5.0% Create new FT OV schedule, same as ADJ LE & LAB	4.0% ADJ Lecture from 68.68% to 70.72% prorata, no change to others	3.0% ADJ Lecture from 70.72% to 72%, no change to others	36.6%
MSCC & Exec.	3.5% Step F 2.37%	5.0% Longevity change from \$ or % to flat amount up by \$600	3.1%	1.5%	6.0%	3.0% Step F full 5% (increase by 5%-2.37%) above Step E	2.5% Longevity starts \$1200, \$1800, \$2400, \$3000	5.0%	4.0% Longevity starts \$1900, \$2500, \$3100, \$3700	3.0% Longevity starts \$2500, \$3100, \$3800, \$4400	36.6%
CSEA 163	4.5%	5.0% Longevity increase by \$600	3.1% Longevity increase by \$500	1.5%	6.0%	4.0% Eff. 7/1/19 \$600 increase to longevity and 30 yr. increment	2.5% Longevity starts \$2300, \$2900, \$3500, \$4100, \$4700	5.0%	4.0% Longevity starts \$2500, \$3100, \$3700, \$4300, \$4900	3.0% Longevity starts \$2500, \$3100, \$3800, \$4400, \$5000	38.6%

COMPENSATION HISTORY - ACTUALS

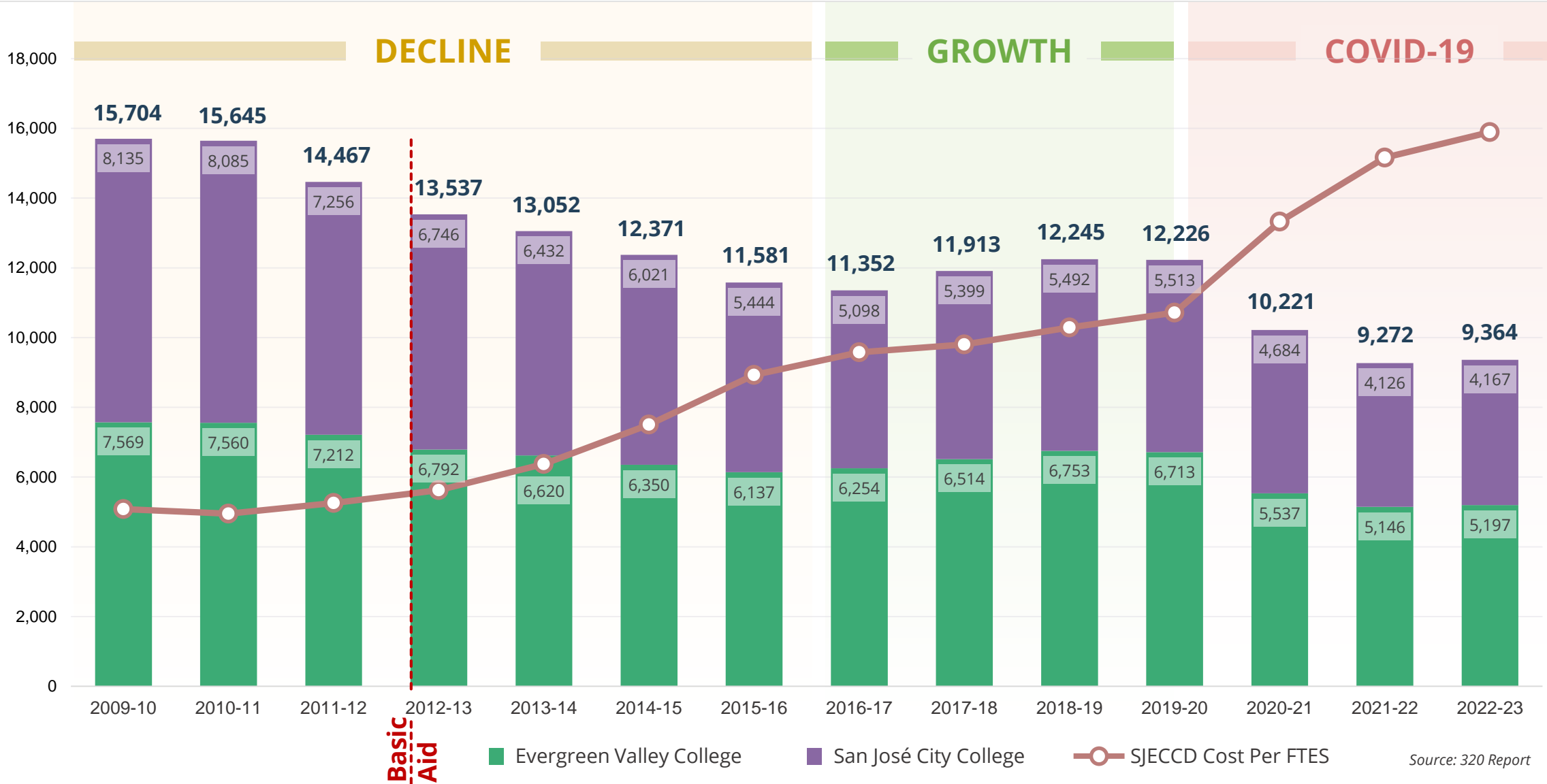
2010 - 2022





HISTORICAL FULL TIME EQUIVALENT STUDENTS (FTES)

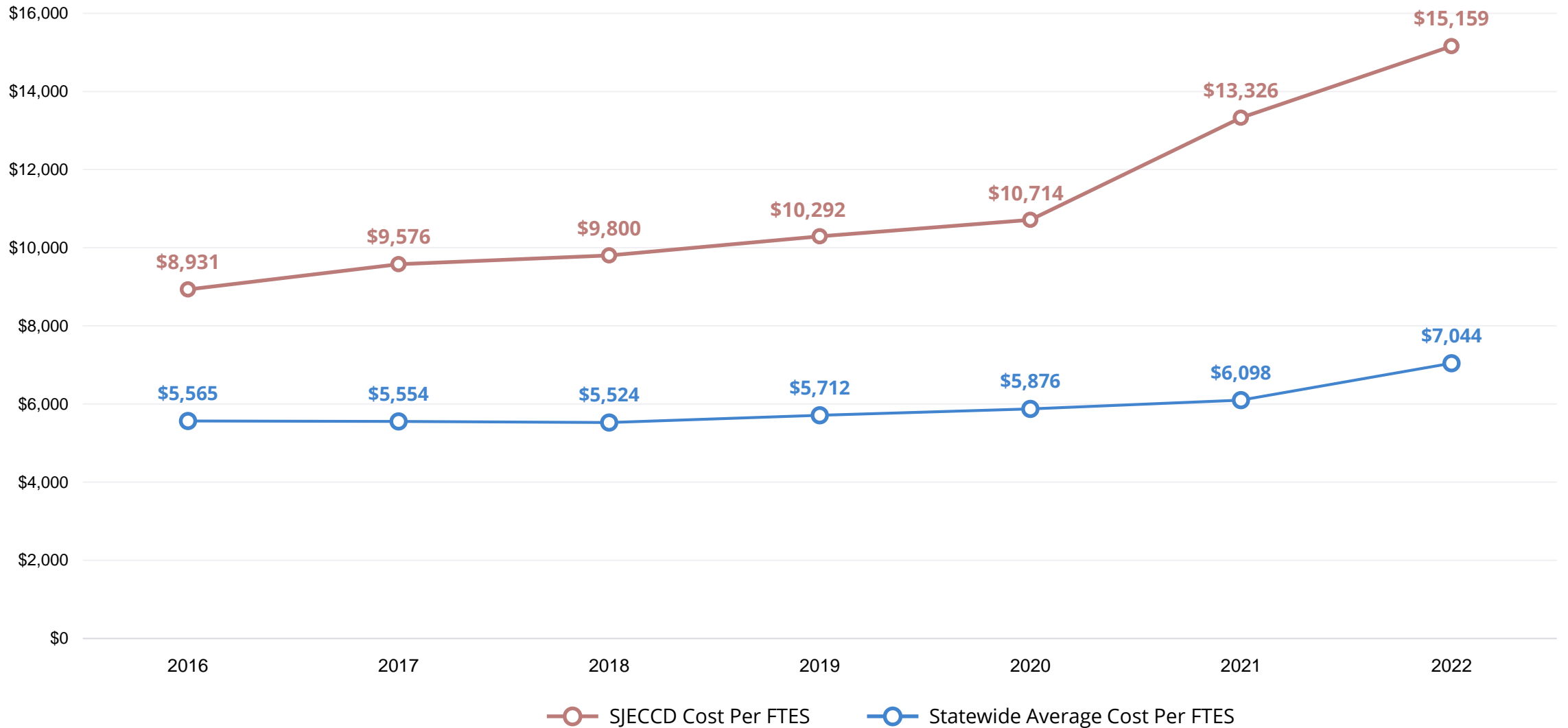
VERSUS GENERAL FUND



Source: 320 Report

COST PER FTES

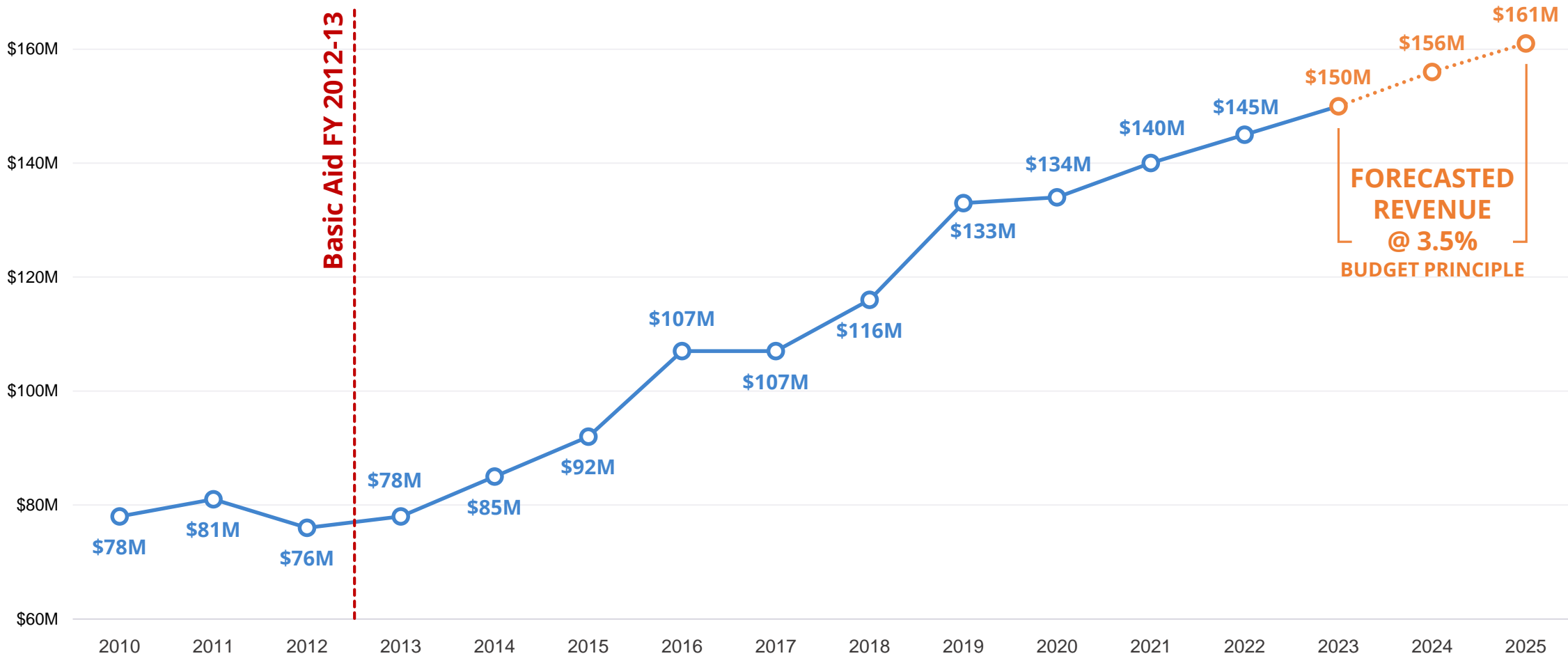
(F10 EXPENSES / FTES)





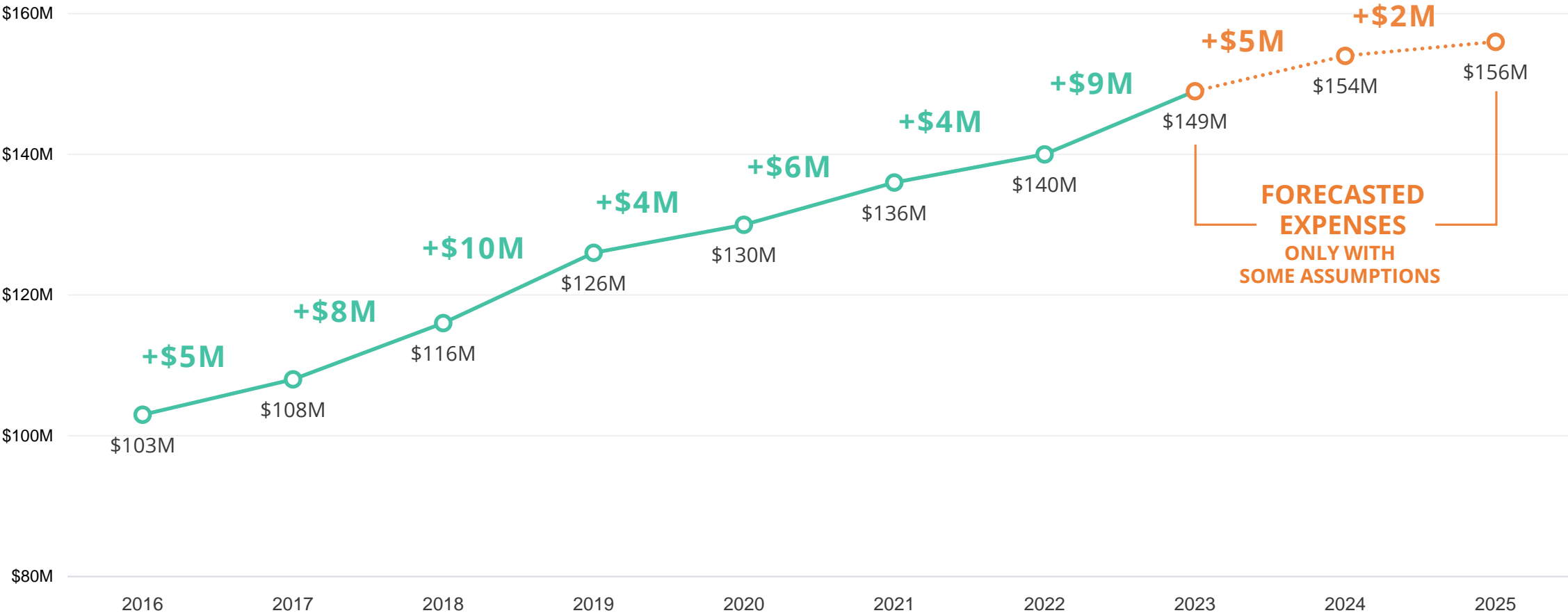
ANNUAL HISTORIC AND FORECASTED REVENUE

2010 - 2025 (F10)



ANNUAL HISTORIC AND FORECASTED EXPENSES

UNRESTRICTED GENERAL FUND (F10)



PUTTING THINGS IN PERSPECTIVE

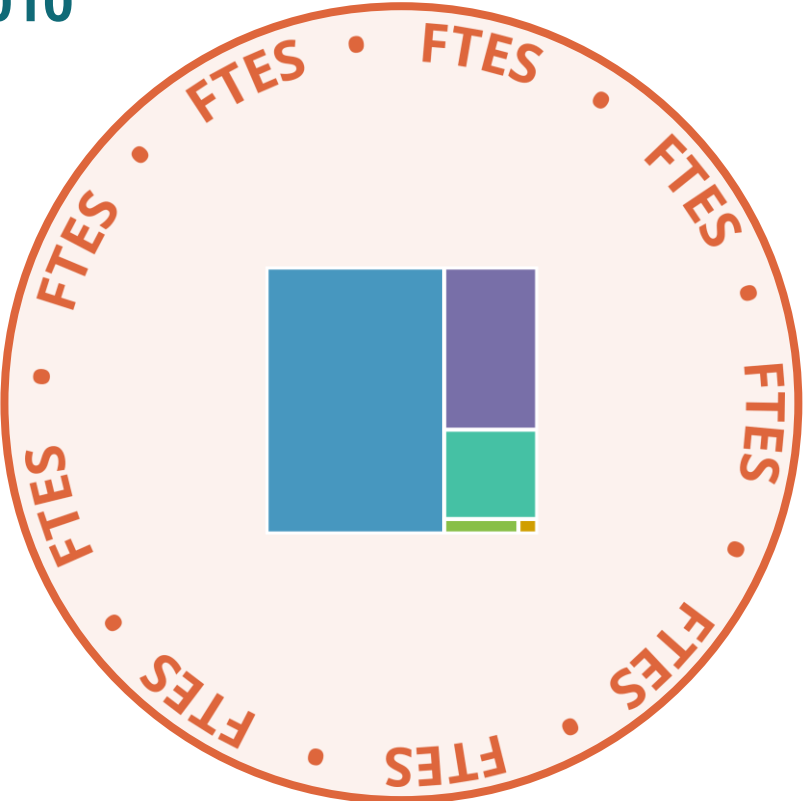
FTES AND COST DRIVERS



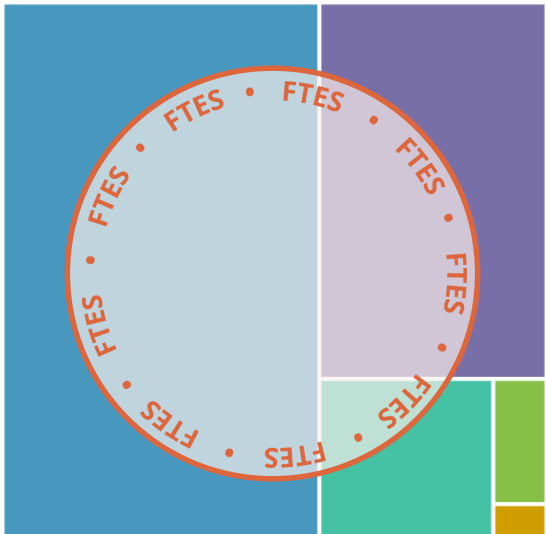
\$79.8M
2010

↑86%

\$148.8M
2023



2010	COST DRIVERS	2023
\$52.4M	Salary	\$86.7M
\$16.7M	Benefits	\$43.7M
\$9.2M	Operating Expenses	\$14.1M
\$1.2M	Capital Outlay & Others	\$3.4M
\$0.3M	Supplies & Materials	\$0.9M



15,645 FTES

↓40%

9,364 FTES



CALIFORNIA COMMUNITY COLLEGE DISTRICTS

EXPENSE PER FTES



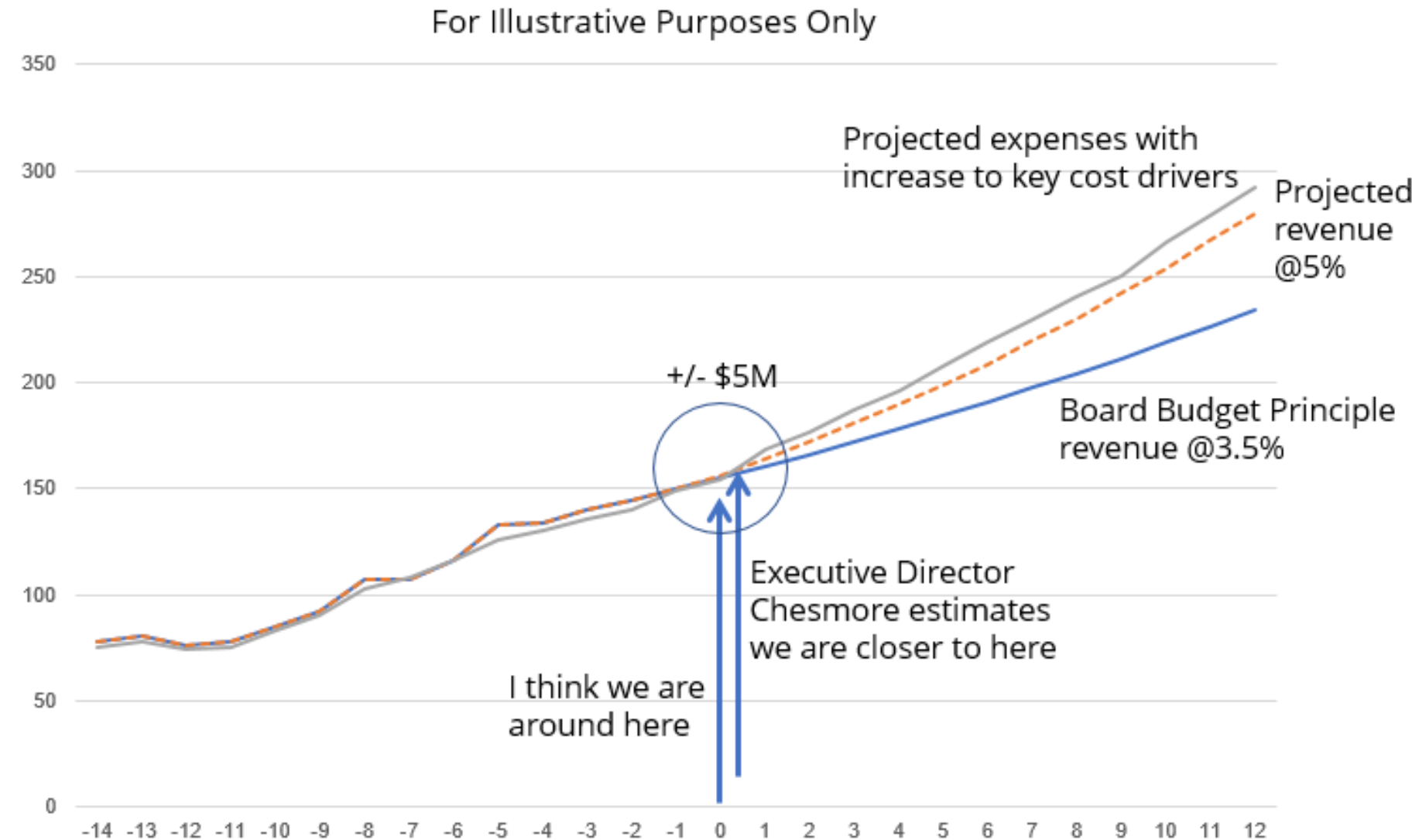
District	Expense Per FTES
Marin Community College District	\$ 21,250
Butte Community College District	\$ 21,110
Compton Community College District	\$ 17,412
San Mateo Community College District	\$ 16,222
San Jose-Evergreen Community College District	\$ 15,980
Copper Mountain Community College District	\$ 15,669
West Valley Community College District	\$ 15,500
Lassen Community College District	\$ 15,392
West Kern Community College District	\$ 15,187
MiraCosta Community College District	\$ 14,979
Napa Community College District	\$ 14,818
Pasadena Community College District	\$ 14,810
Siskiyou Joint Community College District	\$ 14,636
Redwoods Community College District	\$ 14,619
Peralta Community College District	\$ 14,470
Mendocino-Lake Community College District	\$ 14,148
Southwestern Community College District	\$ 12,759
Imperial Community College District	\$ 12,709
Lake Tahoe Community College District	\$ 12,706
San Francisco Community College District	\$ 12,627
Cabrillo Community College District	\$ 12,577
Riverside Community College District	\$ 12,400
Ohlone Community College District	\$ 12,373
Feather River Community College District	\$ 12,108

Top 5% out of 72 districts



CURRENT AND PROJECTED REVENUE AND EXPENSES

INCLUDES INCREASE TO KEY COST DRIVERS



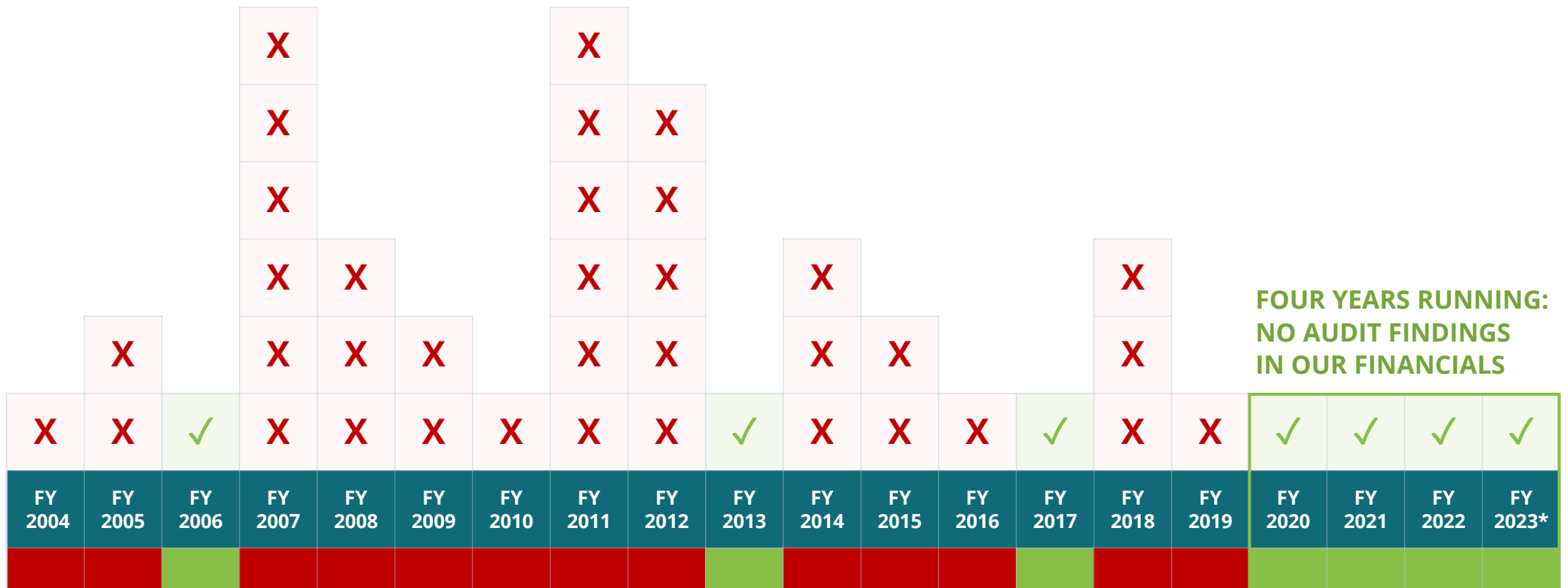
AUDIT FINDINGS

BUILDING A TRACK RECORD OF NO AUDIT FINDINGS

SB 361

THE BIRTH OF BASIC AID

STABILITY & GROWTH

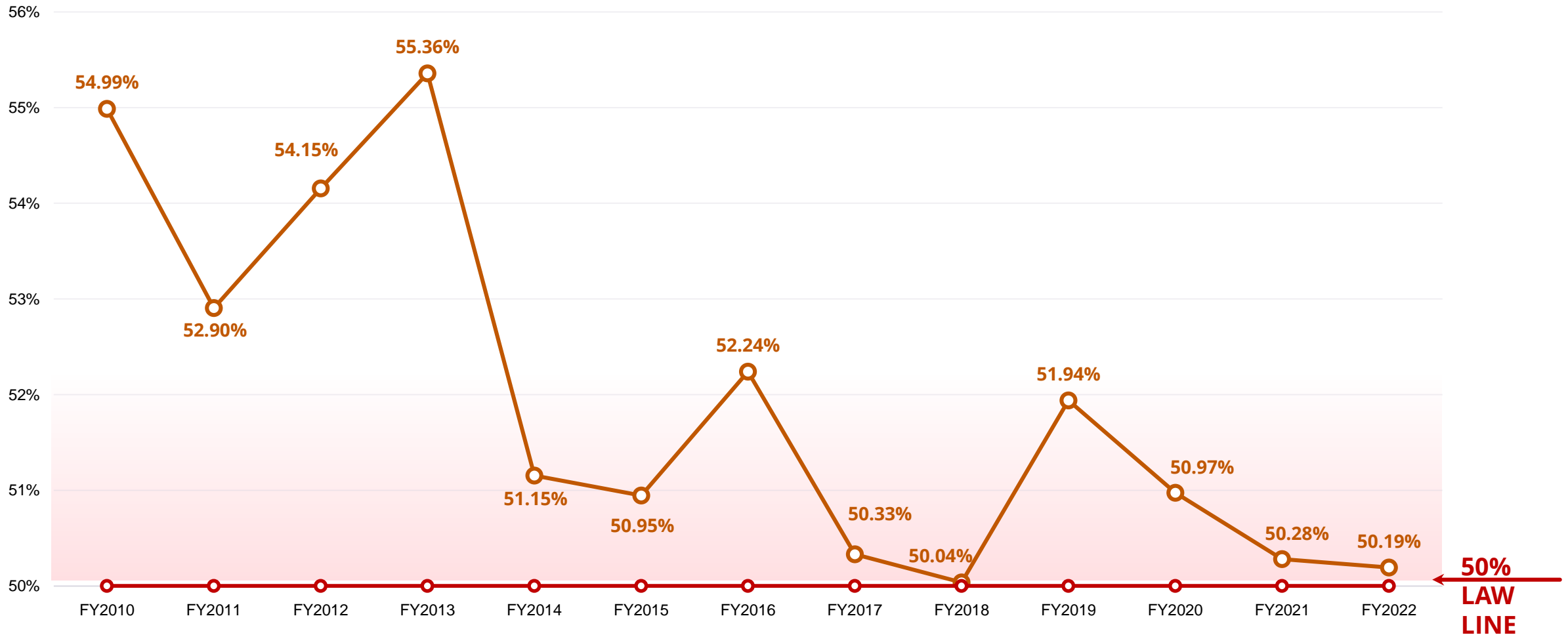


X = 1 audit finding ✓ = no audit findings for the year

*Projected

FIFTY PERCENT LAW

PAST 13 YEARS HISTORY SUMMARY



BIG TICKET ITEMS TO CONSIDER

NEAR FUTURE



**50%
LAW**



**TOTAL COST
OF OWNERSHIP**

**MANAGE
LONG-TERM
LIABILITIES**
(i.e., benefit cost)



75/25



**CENTRALIZATION
VS.
DECENTRALIZATION**



**STAFFING
MODEL**



METRICS

**RIGHT SIZE
OF THE
ORGANIZATION**



**GANN
LIMIT**

