



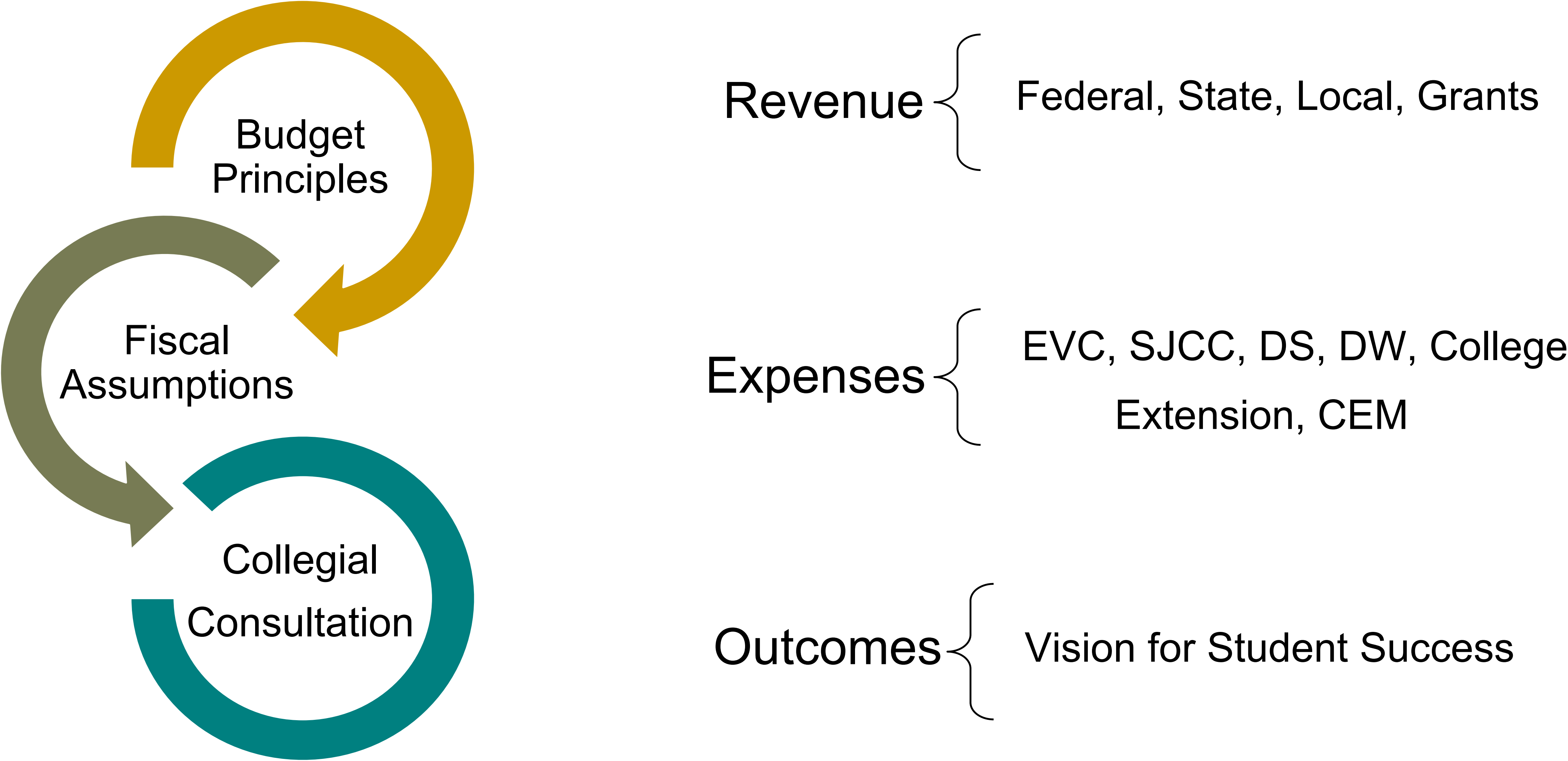
# 2021-2022 TENTATIVE BUDGET REPORT

## District Services



The approval of this tentative budget for FY2021-2022 by the Board of Trustees grants the District spending authority effective July 1, 2021, pending the passage of the State Budget Act and the adoption of the District's Final Budget on September 14, 2021.

# ELEMENTS OF OUR BUDGET PREPARATION



An integrated process to strategically allocate resources to reach outcomes.

## They Are:

- General budget guidelines.
- Overarching values for prioritization and resource allocation.
- Overarching values to help frame and guide budget deliberations.
- Provide a standard against which our fiscal performance will be judged.

# 15 CURRENT BOARD OF TRUSTEES BUDGET PRINCIPLES


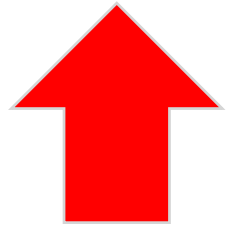
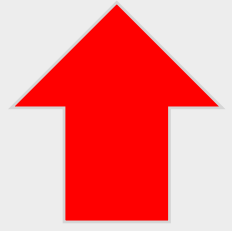
1. Trustees to provide the Chancellor and staff with policy framework for managing an **“appropriate” fund balance and structural balance.**
2. Affirm a **“student-centered”** approach that ensures our values of **opportunity, equity, and social justice.**
3. Compliance with **accreditation standards.**
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.



# 15 CURRENT BOARD OF TRUSTEES PRINCIPLES

9. **District Stabilization Fund: \$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

	2019-2020	2020-2021	2021-2022	
Health Premium Blue Cross	6.10 %	6.10%	No material increase	
Health Premium Kaiser	6.10%	6.10%	No material increase	
Statutory Premium STRS	17.10%	16.15%	15.92%	
Statutory Premium PERS	19.72 %	20.70%	23.00%	
Unemployment Insurance (UI)	0.05%	0.05%	1.23%	

All school districts in Santa Clara County, as part of the School Employer Fund (SEF), the California Employment Development Department (EDD) has determined fiscal year 2021-22 Unemployment Insurance (UI) contribution rate will increase from 0.05% to 1.23% effective July 1, 2021”



# REVENUE:

## Community Funded District “Basic Aid”

---



# TOP 5 TAX PAYERS



Santa Clara County Assessment Roll: \$551.5 billion

Top 5 Tax Payers: \$258M

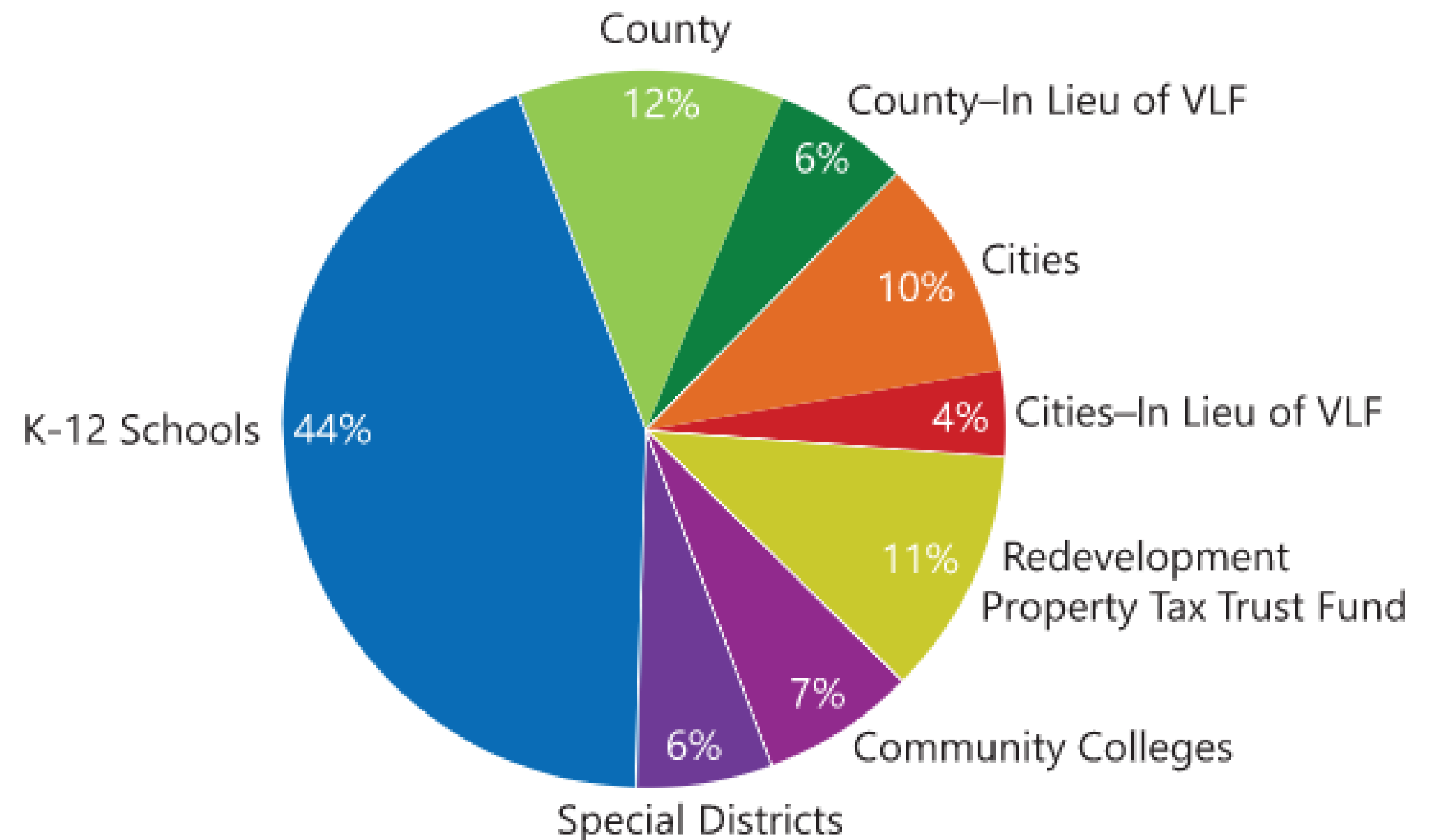
City of San Jose: 240,410 parcels

Latest tax point: 5.33%

# COUNTY PROPERTY TAX DISTRIBUTION FY2020-21

“In 2020 the total net assessed value of all real and business property grew by \$35.5 billion to a total of \$551.5 billion”.

“The assessment roll is comprised of 528,705 assessable roll units, and is the basis upon which property taxes are levied”.



Source:

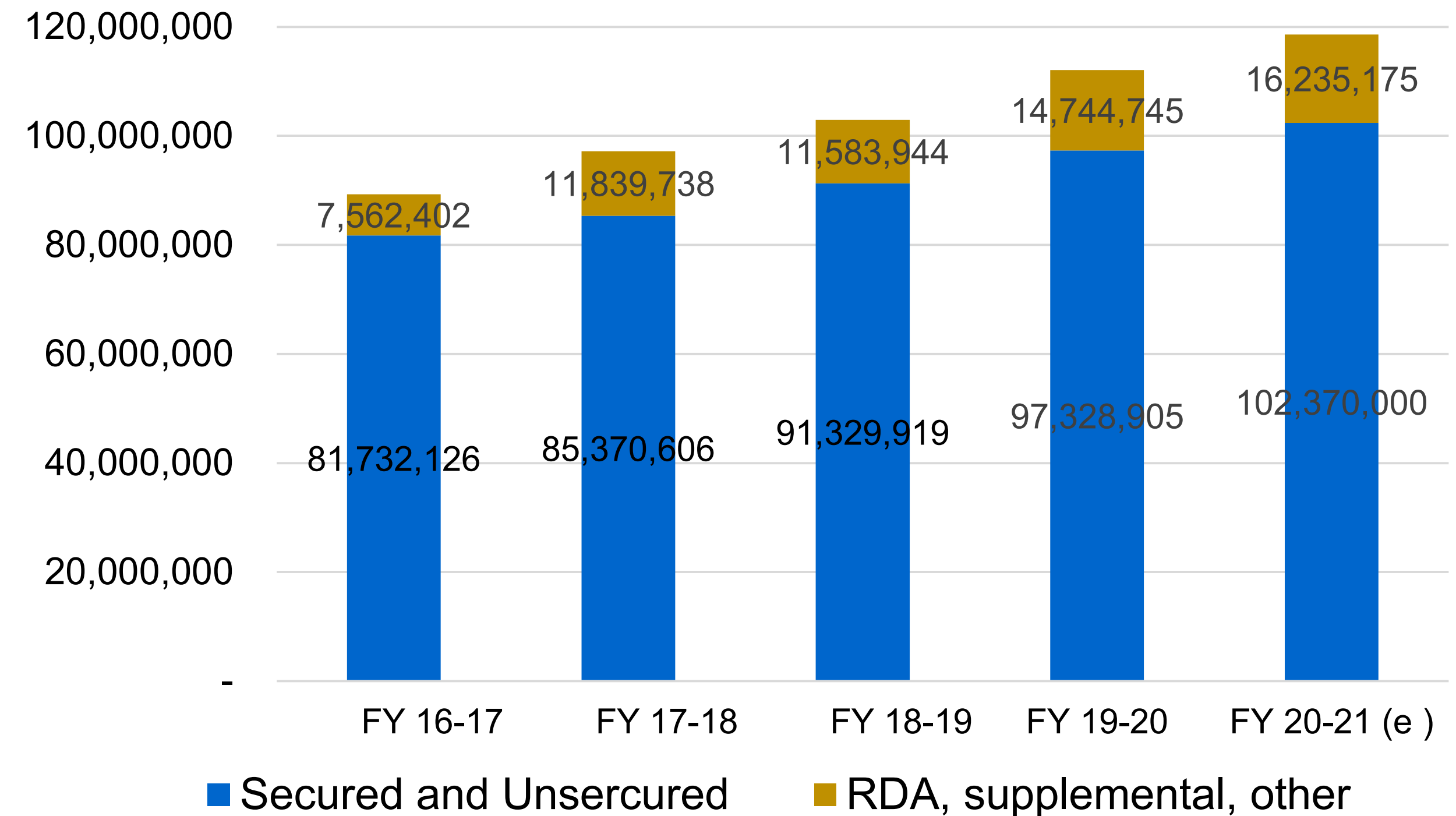


## REVENUE SUPPORTS

- 8 Elementary School Districts
- 6 High School Districts
- County Office of Education
- 4 Community College Districts

## SJECCD SHARE

### Property Tax Data Sources



# FY21-22 BUDGET REVENUE SOURCES

District Revenue - Property Taxes	\$ 122,836,146
-----------------------------------	----------------

District Revenue - State Apportionment	\$ 10,480,609
--	---------------

Mandated Cost Reimbursement	\$ 303,320
-----------------------------	------------

EPA	\$ 1,015,760
-----	--------------

Lottery	\$ 1,523,640
---------	--------------

State and Local Income	\$ 7,637,889
------------------------	--------------

College FTES and Generated Revenue	\$ 9,475,814
------------------------------------	--------------

Enrollment Fees Int'l Students	\$ 1,646,160
--------------------------------	--------------

Enrollment Fees Residents	\$ 6,330,221
---------------------------	--------------

Enrollment Fees non-resident	\$ 1,173,527
------------------------------	--------------

Int'l Health Insurance Fee	\$ 325,906
----------------------------	------------

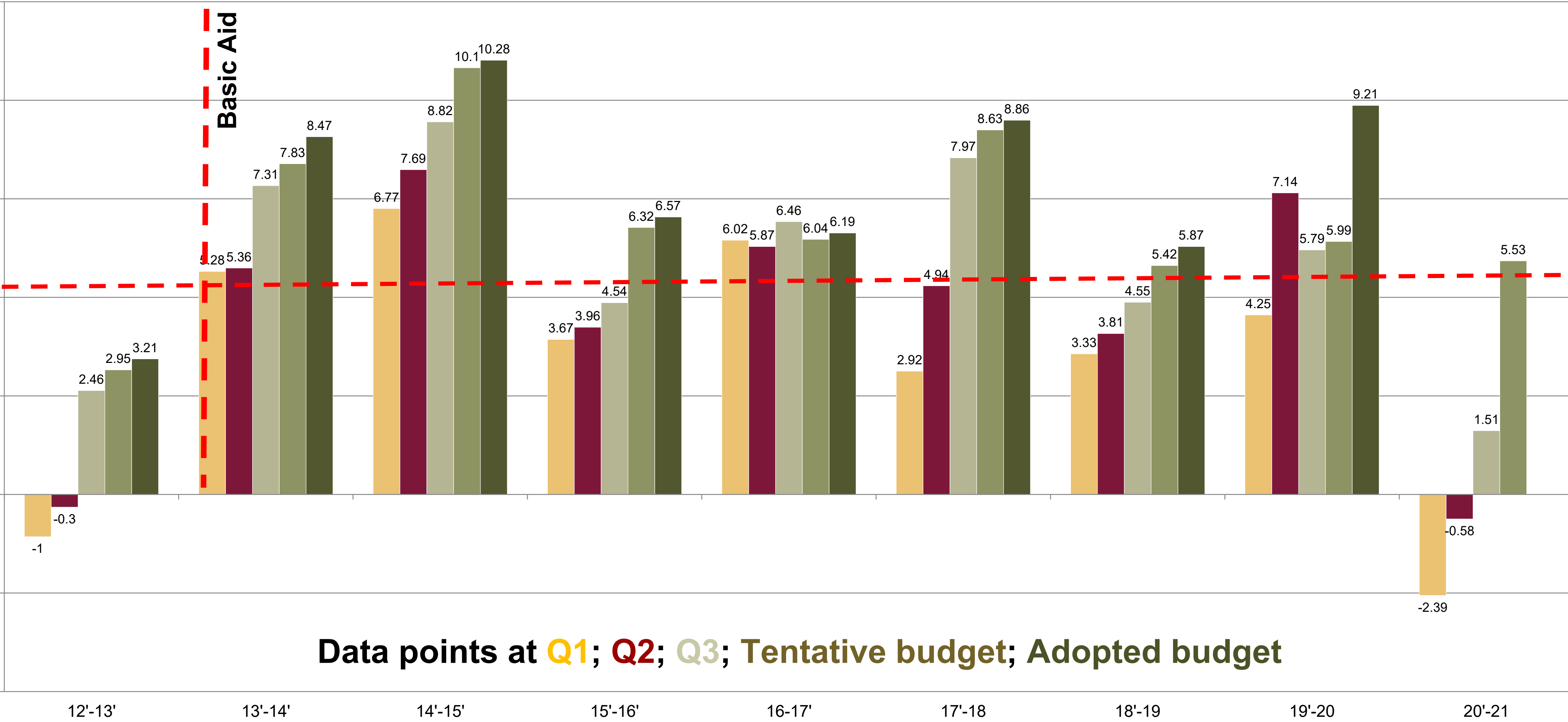
# STUDENT CENTERED FUNDING FORMULA

FY20-21 Apportionment	Base FTES ( Funded) FY 19/20	2.45% Growth	Funded FTES (Funded) FY20/21	Fund Rate FY20/21	FY20/21 Funding
Credit	11,707.82	286.40	11,994.22	\$4,027.00	48,300,724
Special Admit Credit	0.00	0.00		\$5,646.30	0
Non-Credit	277.78	0.00	277.78	\$3,380.63	939,071
<b>Total</b>	<b>11,985.60</b>	<b>286.40</b>	<b>12,272.00</b>		<b>49,239,795</b>
FY20-21 FTES Allocation	49,239,795				
CCCCO Adjustment	-717,507				
Basic Allocation	8,091,004 (Per State Apportionment 3/5/2021_Exh. C))				
Supplemental Allocation	15,642,948 (Per State Apportionment 3/5/2021_Exh. C))				
Student Success Allocation	7,603,859 (Per State Apportionment 3/5/2021_Exh. C))				
Full-Time Faculty Hiring	717,521 (Per State Apportionment 4/7/2021_Exh. A))				
<b>Total Revenue Entitlement</b>	<b>80,577,620</b>				
Estimated Property Taxes	118,605,175 (5.53% Increase over last year)				
Est. Education Protection Account (Prop 55)	1,005,703				
Est. Student Enrollment Fee	6,142,191 (conservative number less 2%)				
<b>Total Estimated Total/Prop 55 Revenue</b>	<b>125,753,069</b>				
<b>Excess Funds Over Revenue Entitlement</b>	<b>45,175,449</b>				

SJECED receives \$45+ million compared to the apportionment formula

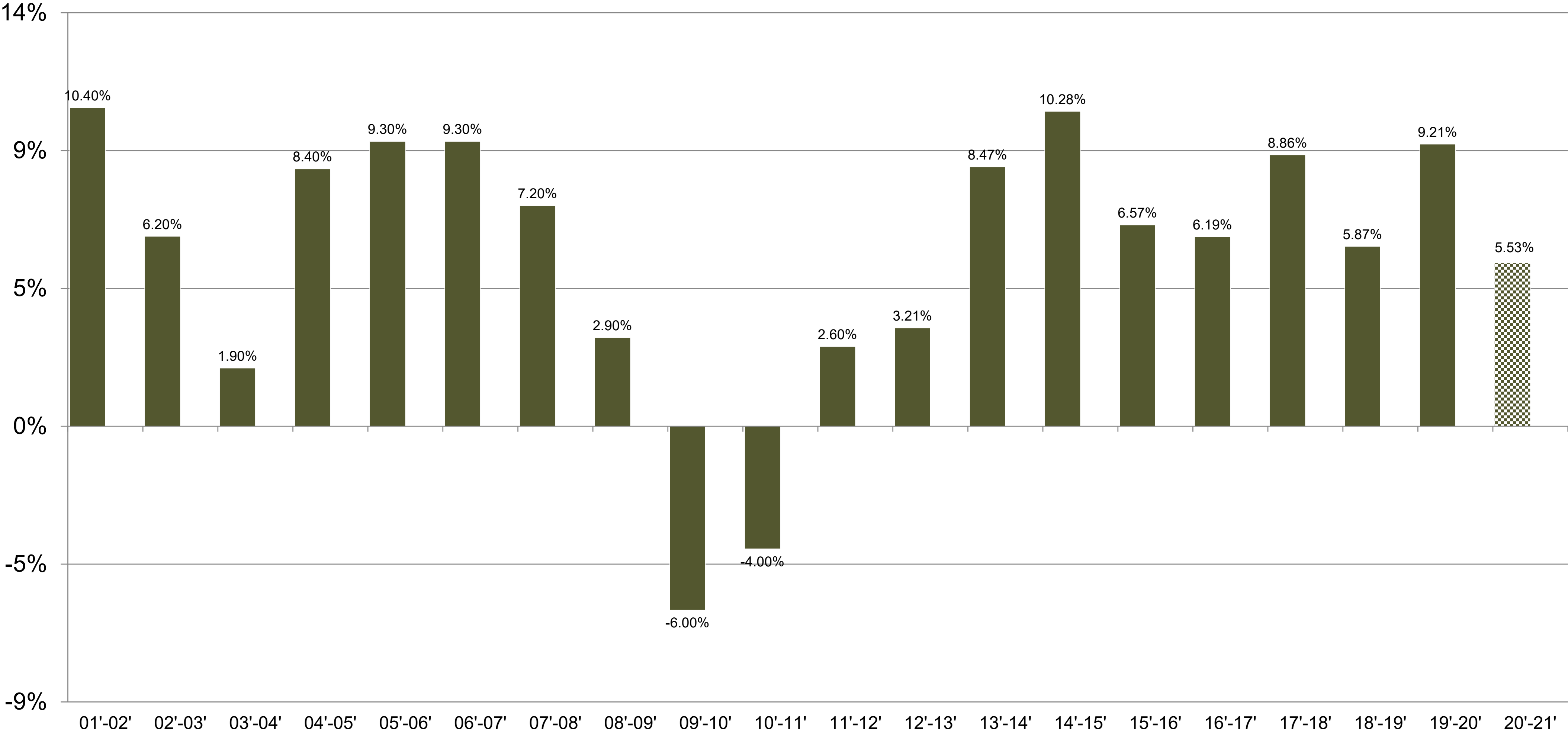


# COUNTY ASSESSOR'S DATA POINTS



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

# PROPERTY TAX CHANGE HISTORY





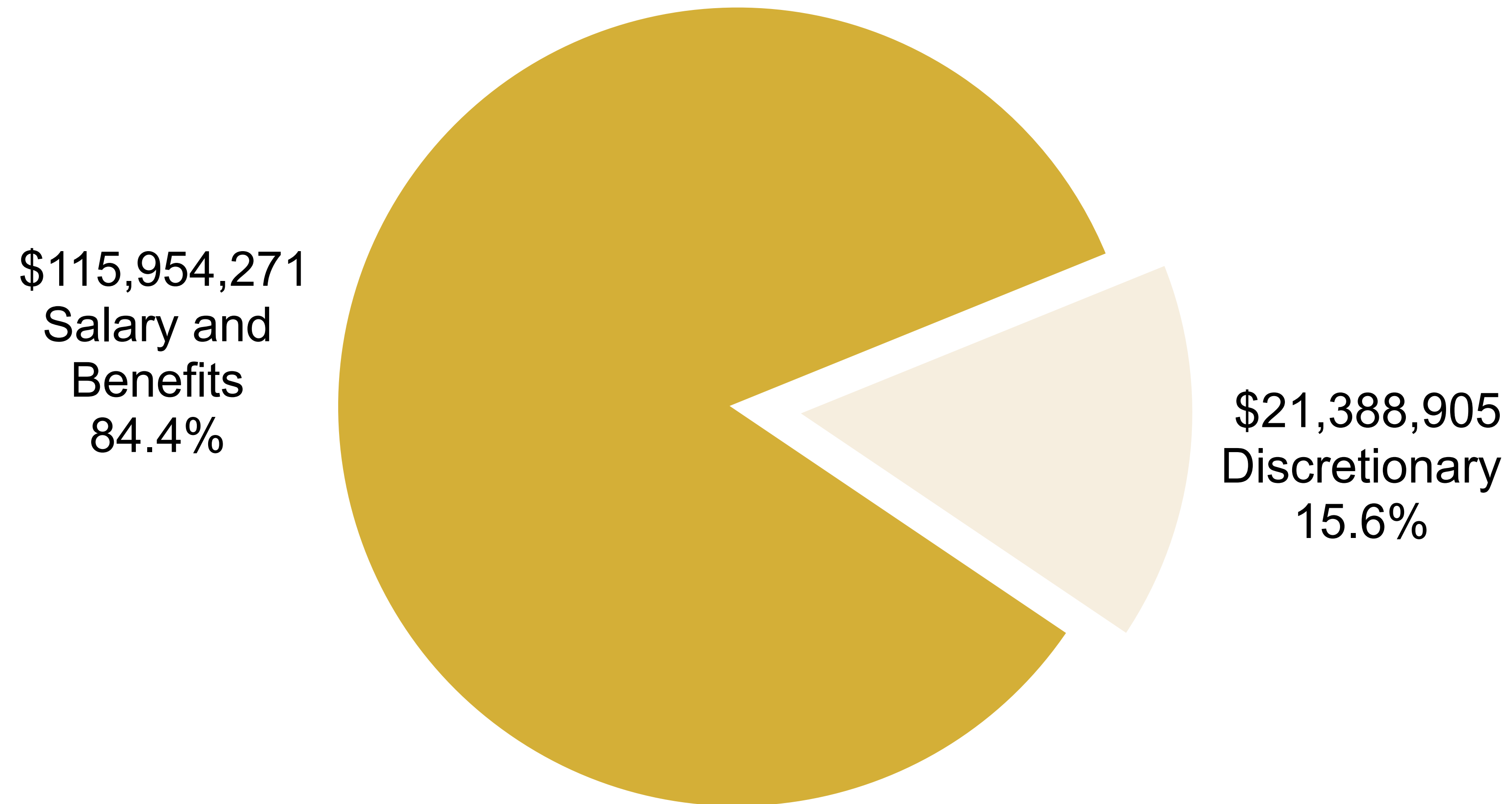


# EXPENSES

---

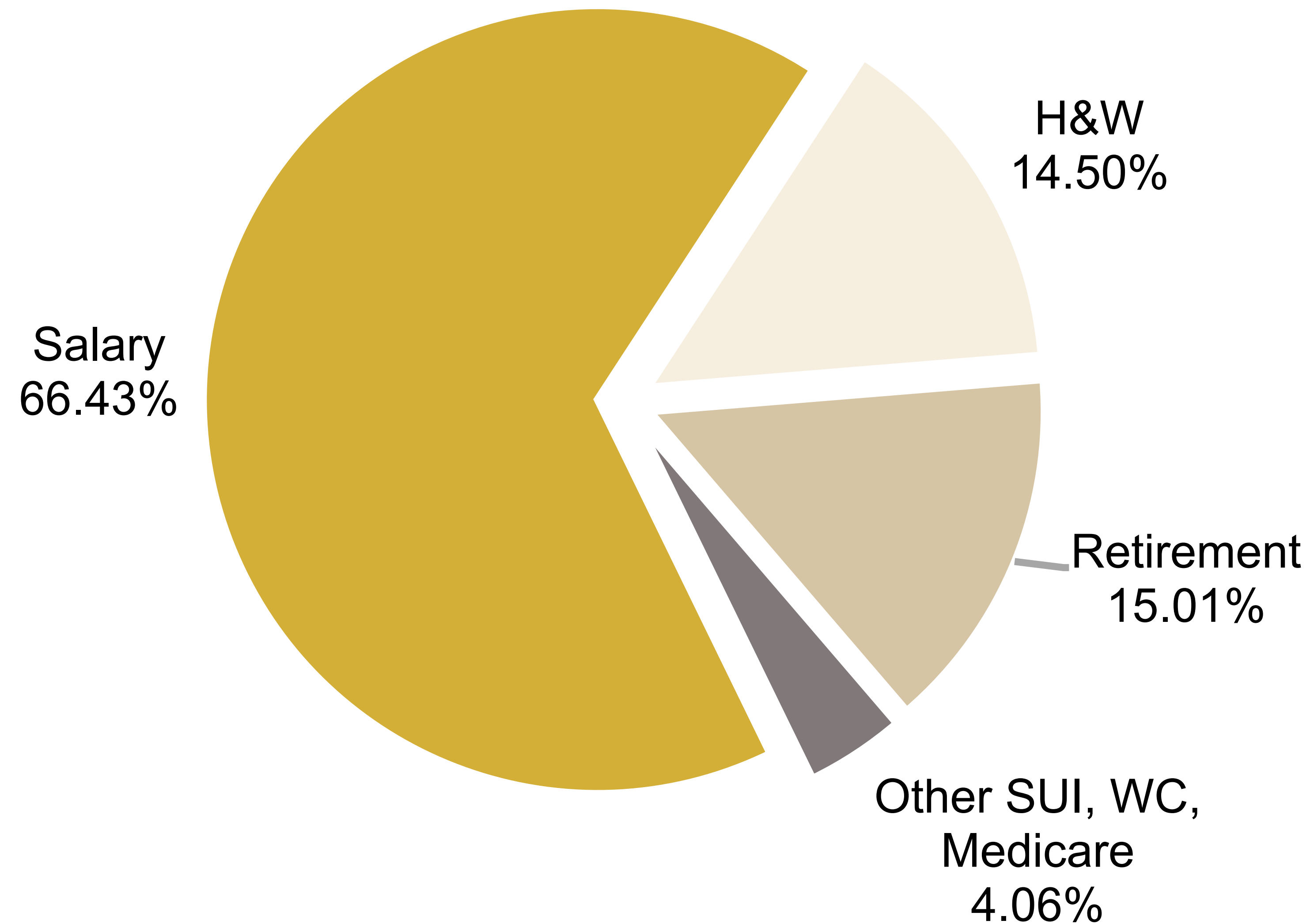


# GENERAL FUND EXPENSES



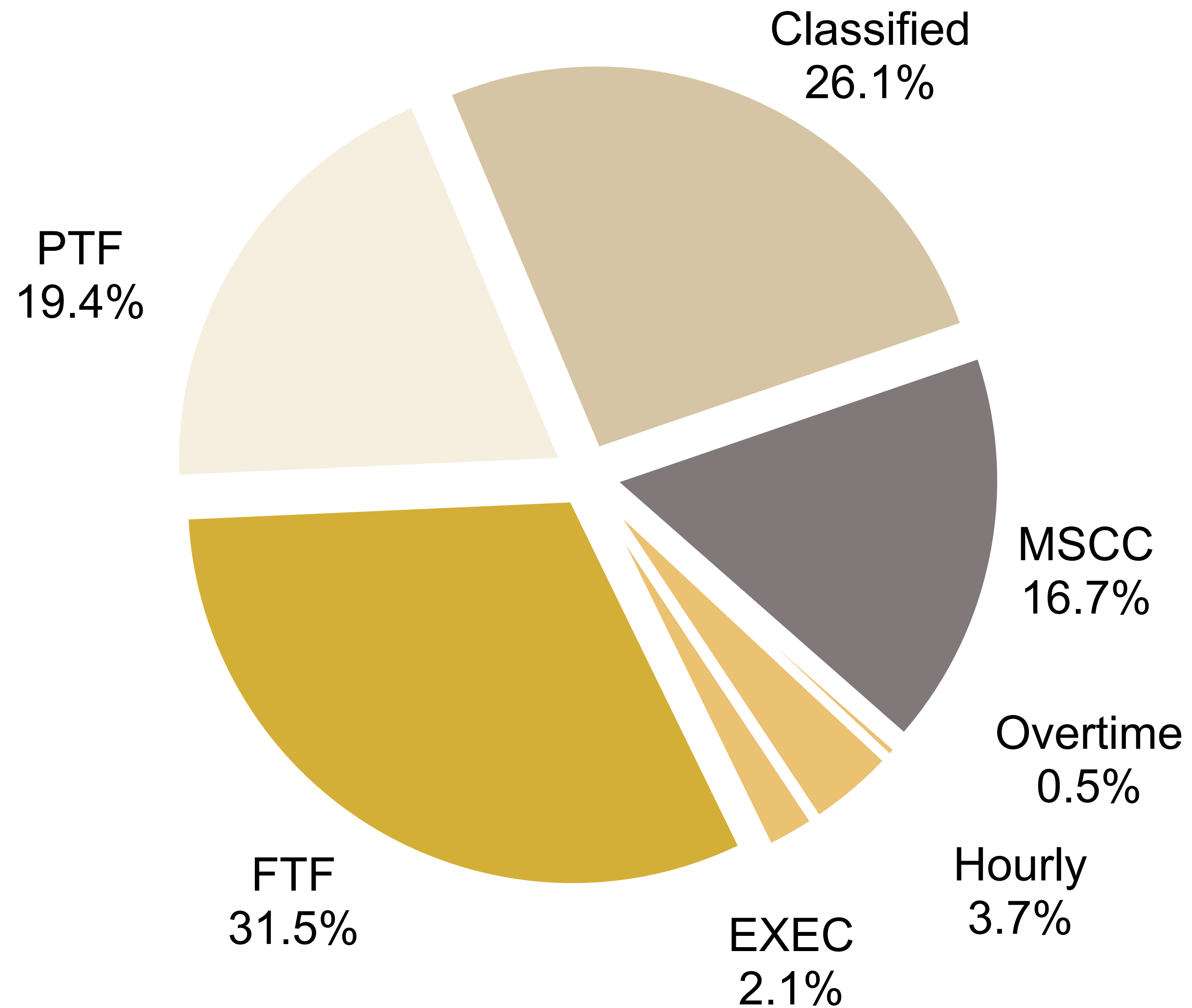
# GENERAL FUND COMPENSATION

Total compensation budget: \$115,954,271





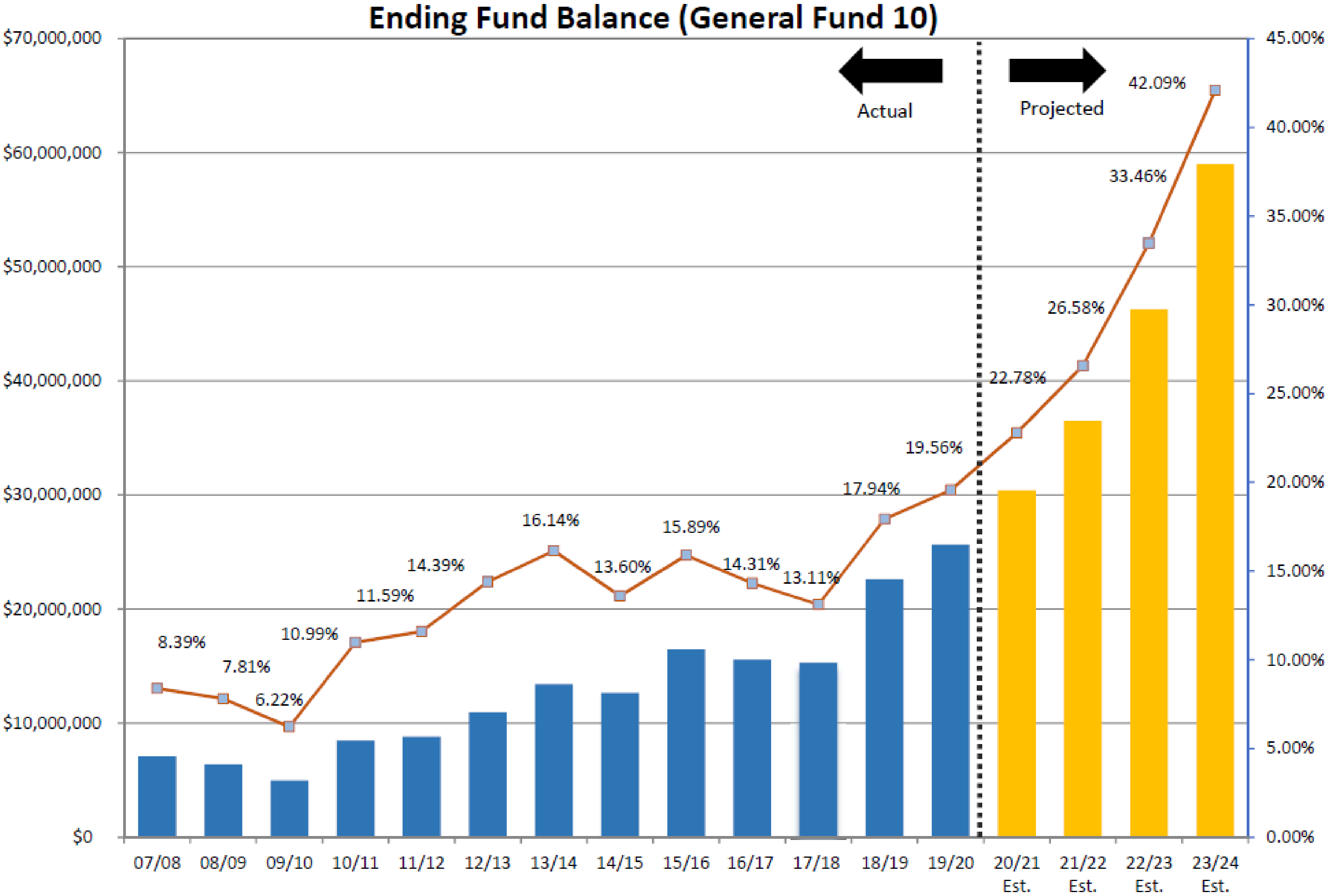
# SALARY BY EMPLOYMENT GROUP



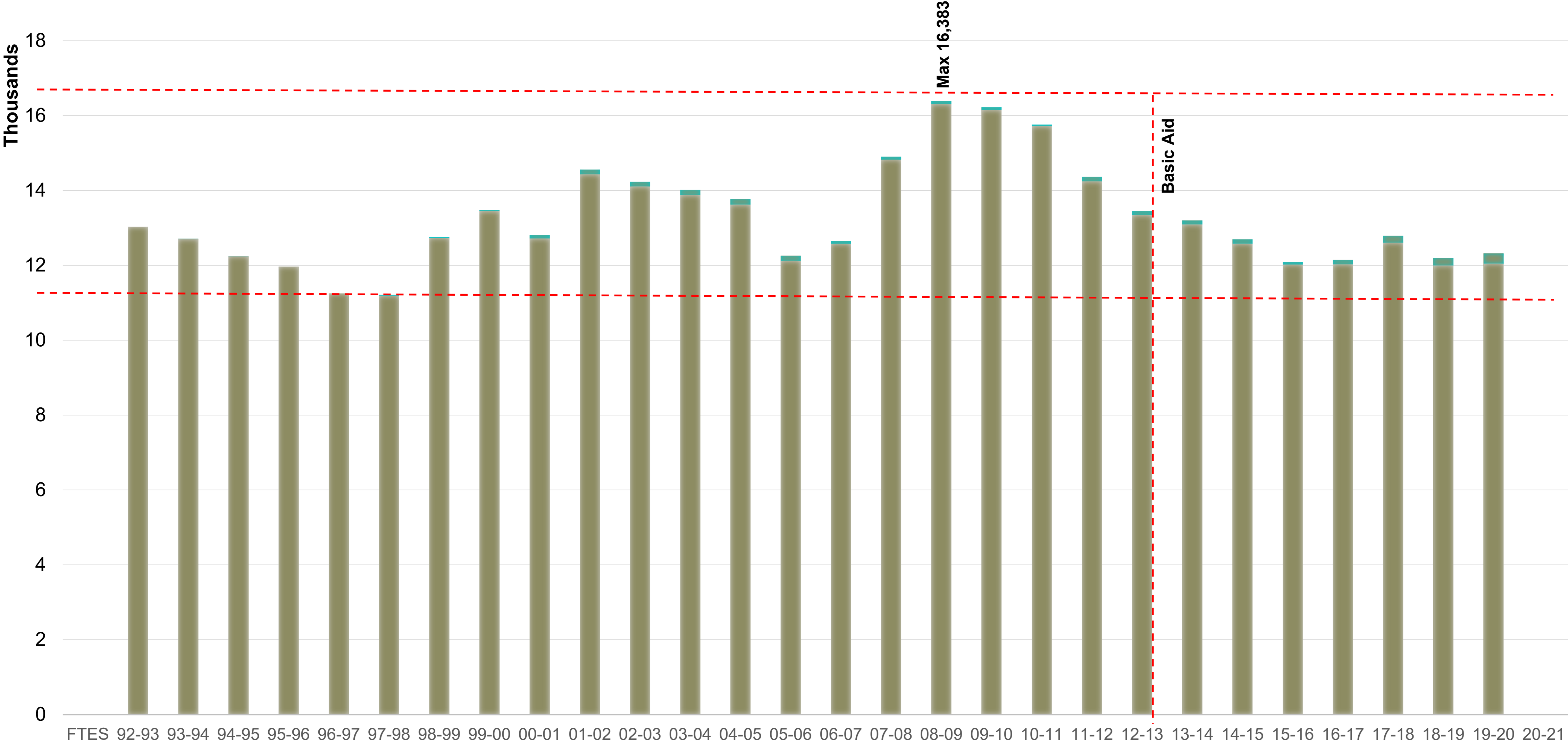
# FUND BALANCE

Fund Analysis	2017-2018 (Audited)	2018-2019 (Audited)	2019-2020 (Audited)	2020-2021 (Estimated)	2021-2022 (Forecasted)
Beginning Fund Balance (in millions)	\$15.5 M	\$15.3 M	\$22.6 M	\$25.6 M	\$30.4 M
Total Revenues (in millions)	\$116.4 M	\$133.3 M	\$134.0 M	\$138.2 M	\$143.4 M
Total Expenditures (in millions)	\$116.7 M	\$126.0 M	\$130.9 M	\$133.4 M	\$137.3 M
Ending Fund Balance (in millions)	\$15.3M	\$22.6 M	\$25.6 M	\$30.4 M	\$36.5 M
Ending Fund Balance %	13.11%	17.94%	19.56%	22.78%	26.58%
Deficit/Surplus	-\$284 K	\$7.2M	\$3.0 M	\$4.7M	\$6.0 M

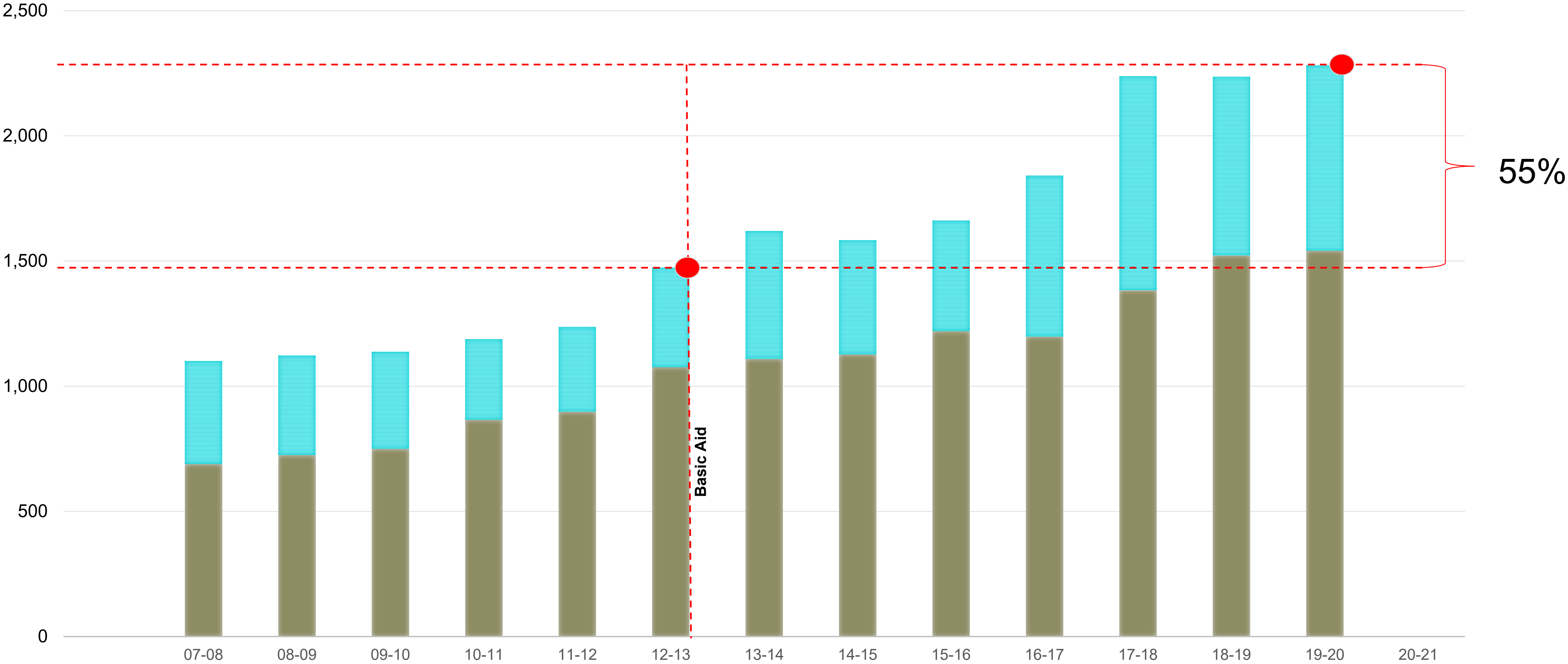
# FORECASTED END OF YEAR FY20-21



# ANNUAL FTES DISTRICT TOTAL



# DEGREES & CERTIFICATES DISTRICT TOTAL





## Board Ends Policies

- UC/CSU transfer
- Degrees and certificates
- On-time degree completion
- Dual enrollment; middle college @Milpitas
- East Side

## Vision for Student Success

- Safe return to campus
- Quality instruction and curriculum
- AB19
- AB705
- Guided Pathways
- Adult Education
- Non credit
- College strategic plans and metrics
- Maximize categorical and grants

- Operational effectiveness: simplify, automate, eliminate
- Effective execution of Measure X (Capital projects)
- Professional development
- Talent acquisition and retention
- Digital transformation: technology assessments and modernization
  - ❖ Cloud strategy
  - ❖ Enterprise data architecture
  - ❖ Business intelligence and analytics
  - ❖ Cybersecurity
  - ❖ Network, storage and computing
  - ❖ Safety, security, sustainability and new construction standards



