



2010-2011 FINAL BUDGET

August 30, 2010

The District.....



The South Orange County Community College District is a multi-campus district encompassing Saddleback College in Mission Viejo, Irvine Valley College in Irvine, and the Advanced Technology & Education Park (ATEP) in Tustin. Founded in 1967, the 382-square mile district covers almost 50 percent of Orange County and is governed by a seven-member elected Board of Trustees and a Chancellor.

Over the past three years the combined enrollment at the three campuses has increased almost 25%. Total headcount is now over 43,000 and full time equivalent students (FTES) number over 25,000. Online courses and certificate programs continues to increase and distance education enrollments account for more than 15% of FTES.

Construction and renovation initiatives continue at a brisk pace. Staff and programs moved into temporary space while the James B. Utt Library undergoes remodeling at Saddleback College. A new life sciences building is moving forward at Irvine Valley College.

The multi-year, multi-million dollar Student Information System technology project was completed on time and within budget. This award-winning enrollment software provides divisions and schools with more detailed and accurate data and decisions regarding course offering, cancellation, or contract offering.

As accredited institutions, the colleges complete an institutional self study cycle of evaluation every six years. In the 2010-11 academic year, the colleges will submit these studies and undergo site visits from visiting teams representing the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges.

Hundreds of students, faculty, staff, trustees and members of the community will take part in creating a new five year educational and facilities master plan for the district. The master planning effort will be greatly influenced by the college strategic plans and district wide strategic directions, developed with involvement of all constituent groups. Also, the colleges have prepared and prioritized lists of capital needs, both new and renovation, for the next 20 years with accompanying costs estimates.

The South Orange County Community College District is fulfilling its vision to be an educational leader in a changing world and its mission to provide a dynamic learning environment and diverse opportunities to foster student success and contribute to the community.

STATE BUDGET FISCAL YEAR 2010-2011



The Governor released his May Revision on May 13th. It is now up to the Legislative Budget Committees of both houses to put forward their plans to cover the budget deficit to the Joint Budget Conference Committee. The deliberations of the Conference Committee may take two to four weeks, or more, to reconcile the differences. A 2/3 vote is required to pass the budget which will be extremely difficult. The Legislative Analyst Office has recommended the suspension of Proposition 98, reducing funding for Physical Education courses, and increasing student fees.

The most controversial proposal in the Governor's May Revision is (1) the elimination of the CalWORKS program which provides cash assistance and welfare-to-work services to low income families, and (2) state subsidized childcare services to working poor families.

Community College State Chancellor Jack Scott reported one effect of the budget problems is that in the academic year class sections were reduced by 6% throughout California. This means 140,000 community college students were unable to enroll in any classes.

Some of the highlights of the current proposals from the Governor which relate to community colleges are:

- A negative COLA of -.38%
- 2.2% growth funds

Chancellor Bullock has reviewed the final budget and it is balanced as is required by law. It is consistent with the Board of Trustees' budget guidelines that are contained in this document.

David Bugay, Ph.D.

*Acting Vice Chancellor of Business Services
South Orange County Community College District*

BUDGET DEVELOPMENT GUIDELINES

Revised for 2010-2011 Budget

Board Philosophy:

The Board of Trustees shall support and follow fiscal policies that:

1. Ensure wise and prudent use of public resources
2. Promote financial strength and stability
3. Maximize educational opportunities for students

Participatory Governance:

An opportunity for review and input will be provided to the appropriate participatory governance groups prior to adoption of the final budget.

Guiding Principles:

The following guiding principles are provided to District Resources Allocation Council (DRAC) and the college budget committees for use when recommendations are made about the budget.

1. Reserve for Economic Uncertainties

The general fund reserve for economic uncertainties shall be no less than 7.5% of the projected unrestricted revenue. A monthly update will be provided to the Board of Trustees that reviews current revenue, expenditure, and ending balance projections. Any action proposed by a staff member, a Board member, or the Board of Trustees as a governing body, which could potentially reduce the reserve, will be reported to the Board in the monthly update. A reported reduction in the reserve below 7.5% shall be accompanied by a plan that indicates how the reserve shall be restored.

2. Future Long Term Debt Issues

No additional COP, or other long-term debt, will be issued until:

- a. An ongoing revenue stream has been identified that covers the full payment for the existing issues
- b. A dedicated revenue stream has been identified for the payments for the new issue

The Board has identified this principle as having a very high priority.

3. Retirement Incentives

No retirement incentives will be provided unless one-time funds have been identified that will cover the full cost or the plan savings are sufficient to pay the cost of the incentive.

4. Area/College Allocations

The expenditure budgets for each area/college shall not exceed the projected resource allocations. Any college or district balances existing at the end of each fiscal year, either positive or negative, will result in an equivalent adjustment in the allocation in the subsequent year. In addition, the Vice Chancellor of Business Services shall monitor the college budgets to ensure there are no negative balances.

5. Deficit Financing

Deficit financing is defined as a budget in which projected expenditures exceed projected revenue for the year. Deficit financing should not occur for ongoing expenses, such as salary increases. The amount of deficit financing should always be clearly presented in the budget document. Deficit financing shall not result in a reserve balance that is less than 7.5%.

6. Retiree Medical, Dental, Vision, and Medicare Coordination of Benefits (COB) Plans

To be compliant with GASB 43 and 45, an irrevocable trust was formed in 2007-2008 to fund medical, dental, vision, and Medicare plans for SOCCCD retirees. This trust was established and the Keenan Futuris Public Entity Investment Trust Program was selected to organize the structure and operations of the trust. Benefit Trust Company was selected to manage the funds in the trust. An actuarial study is conducted every two years to update the District's OPEB (other post employment benefits) liability.

7. Basic Aid

While the District is a basic aid district:

- a. The expenditure budgets for ongoing purposes shall be the resources that would have been available from state apportionment
- b. Excess revenue above apportionment shall be allocated at the college or district level for one-time purposes such as to cover some of the unfunded obligation for the retiree benefit plans
- c. Excess revenue above apportionment shall not be used for regular ongoing expenditures, such as salaries
- d. Excess revenue above apportionment shall not be used for any other purposes that will jeopardize the District's future financial stability

8. One-time Cost Savings

One-time cost savings shall be allocated to purposes such as the unfunded obligation for the retiree benefit plans, or to one-time expenditures.

9. Full Time Equivalent Student Targets

When developing the target FTES, consideration will be given to the following:

- a. The needs of students and the community
- b. The percentage of growth allocation in the state apportionment formula
- c. The FTES generated in the most recent academic year
- d. The number of FTES the college administration realistically believes can be generated

10. Funding for Growth

The District resource allocation model shall limit funding for growth FTES to a maximum of the SOCCCD individual adjusted growth rate published by California Community College System Office, adjusted by subsequent System Office revisions. District growth funding shall also be constrained by FTES growth achieved by the District up to the maximum amount funded through the SB 361 allocation formula.

ADVANCED TECHNOLOGY AND EDUCATION PARK



The Advanced Technology & Education Park (ATEP) in Tustin is the newest campus of the South Orange County Community College District. Advanced technology, workforce development and career technical education are the major focus areas. Credit classes are offered through Saddleback College and Irvine Valley College in design model making, rapid prototyping, rapid digital manufacturing, and some general education. ATEP has grown not-for-credit workforce training in optics, photonics, environmental compliance, organizational leadership, and other advanced technology areas. Dr. Randy Peebles, Provost, oversees the ATEP campus and future development efforts with support of an academic dean, two managers, staff, and faculty. Plans for an expansion to 28 acres have been approved and architectural planning is under way for future development that will serve the needs of the economy and regional community.



Irvine Valley College Budget Message



Irvine Valley College (IVC) is pleased to present to the Board of Trustees and the Chancellor a balanced 2010-2011 Final Budget. It is the philosophy of IVC to establish a budget in a transparent and collaborative manner, and the current Budget is a product of an open dialogue of all college constituent groups and dedicated staff.

The total unrestricted General Fund budget determined through the District Resource Allocation Council (DRAC) is \$46.5 million. This represents a 5.0 percent increase in the ongoing base compared to 2009-2010, due primarily to enrollment growth. Of the total budget, \$41.5 million, or 89 percent, has been committed to salaries and benefits, with the remainder allocated to operating and other non-personnel expenditures.

The college has fully integrated its strategic planning into the budget development and revenue allocation processes. The fourth year of the strategic planning has rendered objectives and strategies worth over \$1.2 million focusing primarily on personnel resources needed in the areas of facilities and maintenance, library, information technology and classroom support. The increased demand on staffing is due to the enrollment growth the college has been experiencing. Given the limited amount of ongoing resources available to the college, IVC is planning to establish only the most critical positions needed to maintain an effective delivery of instruction, student support and operations.

The Budget funds eleven new full-time instructors joining IVC this fall. This would allow the college to maintain its high level of instruction in light of the number of retirements that took place in 2009-2010. This would also allow the college to maintain its compliance with the 50 percent law.

The College has identified over \$1 million for capital outlay projects to be completed during the year. The support for these vital projects came from a combination of one-time unrestricted and restricted funds earmarked in the final Budget. The College has an extensive list of larger capital outlay and scheduled maintenance projects that remain largely unfunded. These projects are linked to the College's Facilities Master Plan and are based on the educational needs of the institution. Lastly, the unrestricted General Fund Budget includes a reserve of \$400,000 for economic uncertainties.

Categorical projects have been budgeted in accordance with the most up-to-date information available from the state and federal granting agencies. Using unrestricted funds, the College has backfilled some \$500,000 in categorical cuts over the period of two years primarily in the area of staffing. The College remains committed to protecting the vital services it provides to its various student cohorts in order to address their unique needs.

IVC is thankful to the Board of Trustees and the Chancellor for their support of the college and the students during these challenging economic times. The college stays committed to its mission to foster student success and contribute to the community and these projects would go a long way in assisting the College with its mission.

Dr. Glenn Roquemore, President, Irvine Valley College
Davit Khachatryan, Director of College Fiscal Services

Saddleback College Budget Message



Saddleback College's income projections for the Final Budget include growth of 2.2% and a Cost of Living Adjustment (COLA) reduction of (0.38%). These simulations are in accordance with the Governor's May budget proposal, and at the time of submittal of the Final Budget the State has not finalized its budget. This small growth increase combined with a reduction in COLA follows two years of no growth and zero COLA. Meanwhile during this period, enrollments have increased with full time equivalent students (FTES) increasing approximately 10% while expenditures have increased for step and column, COLA, fringe benefits, and health and welfare. This combination of limited revenue growth and expenditure increases has resulted in the college having to make difficult choices.

One underfunded need requiring serious attention is the district's 20 Year Capital and Scheduled Maintenance plan which addresses college scheduled maintenance, renovation, and new capital projects. For Saddleback College this plan totals \$276 million for scheduled maintenance needs alone, and represents \$33.1 million for maintenance backlog, \$70.3 million for deferred renovation projects, and \$172.7 million for scheduled maintenance. This plan calls for a scheduled maintenance allocation of \$7,281,750 in 2010-2011, which represents approximately 9.4% of the college's ongoing income. Considering 88% of ongoing income is committed to salaries and benefits alone, the college cannot fund such a large amount from its operating budget.

For Saddleback College, the 20 Year Capital and Scheduled Maintenance plan includes maintenance backlog, deferred renovation and scheduled maintenance that have not been addressed for various reasons. Saddleback College has many ageing buildings with structural problems, while State funding for scheduled maintenance projects has declined steadily during the last decade, and has now been eliminated. Meanwhile Saddleback College has received limited support from basic to address these needs. The college cannot maintain a standard scheduled maintenance plan until the maintenance backlog and deferred renovations have been alleviated. The college already budgets approximately \$2 million each year for emergency and unexpected facility repairs. The college has placed high importance on facility issues and has struggled to carve out funding from operational budgets to address facility issues.

The college, in collaboration with the District, must address this serious problem. If this problem is not resolved college facilities will continue to deteriorate, and maintenance costs will increase exponentially. The college is also concerned that if attention is not given to expanding, repairing and renovating facilities for instruction, the college's growth will be constrained and its ability to provide world class education and training will be severely impacted. Currently college facilities are at maximum capacity, and funding for the new science building has not yet been obtained, even though this building has been a top priority for the college for several years.

The Final Budget also includes allocations for equipment (\$1.3 million), technology (\$1.06 million), backfill for categorical programs (\$738 thousand), emergency and unexpected facility repairs (\$2 million), and funds for strategic plan initiatives. Ongoing income is insufficient to fund these items; therefore, prior year ending balances have been allocated for this purpose.

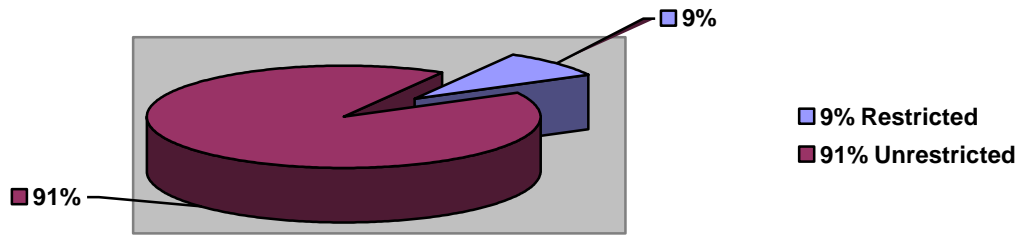
Over the past 18 months, the college has carefully examined its programs, processes and procedures to identify ways to achieve operating efficiencies. This effort has provided significant cost savings and more efficient delivery of services, but these efforts are not sufficient to satisfy the college's unfunded needs going forward.

Although the college has funding needs and challenges, the Final Budget submitted to the Board of Trustees for approval is a balanced budget; however, the college has been unable to fully fund plans, particularly in the area of facilities. College faculty, staff and administrators remain committed to providing outstanding education, training, and support for all of our students, in particular during these difficult economic times when our programs and services are in even greater demand.

Tod A. Burnett, Ed.D, President, Saddleback College
Carol Hilton, Director of College Fiscal Services

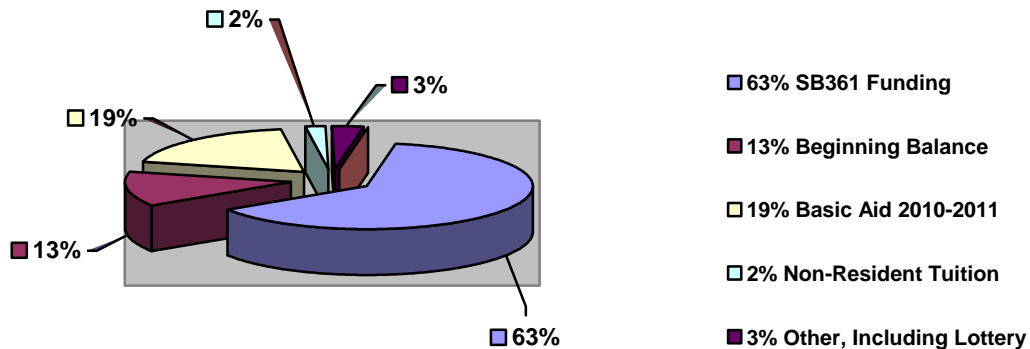
THE GENERAL FUND REVENUE

The general fund consists of accounts that are not required to be recorded in a separate fund. There are two segments of the general fund: “Unrestricted” and “Restricted”.



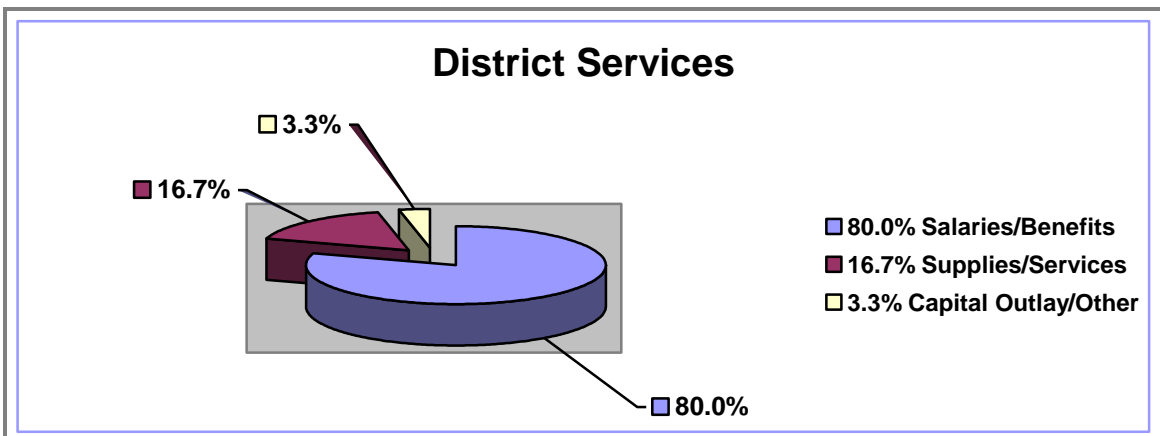
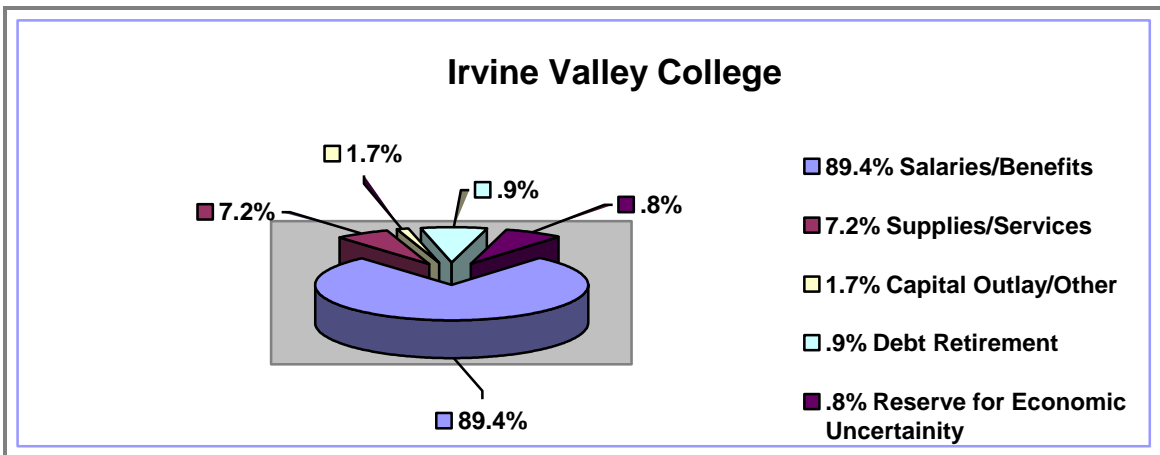
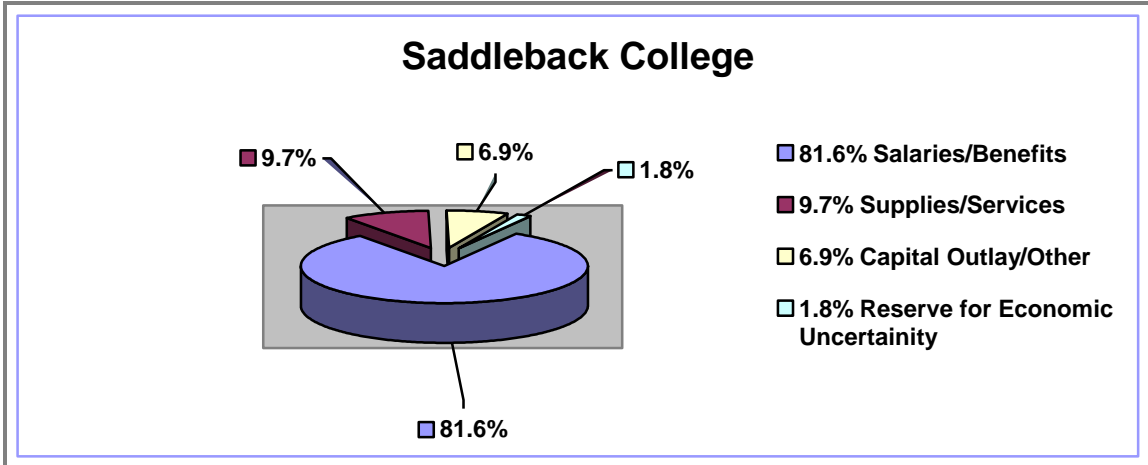
Unrestricted

The largest segment of the fund is the *unrestricted portion*, approximately \$204.3 million (91% of the activity); it accounts for resources for the general purpose programs of the District. Of the resources, 63% comes from a state-developed funding formula established by SB361, which includes state apportionment. The total amount received from State Apportionment funding (SB361) is determined by the State Budget Act and is distributed to the 72 community college districts by formulas developed by the California Community College Chancellor's Office. Apportionment recognizes changes in the Cost-Of-Living-Adjustment (COLA) and student enrollment growth and/or decline. The District will not receive state apportionment funding because local property taxes and student enrollment fees exceed the calculation entitlement. The remaining part of the unrestricted resources comes from 2010-2011 Basic Aid (19%), Non-Resident Tuition (2%), and other sources, including Lottery (3%). The Beginning Balance, carried forward from the prior year is 13% of available unrestricted funds.



General Fund Unrestricted Operating Expenditures

Most of the expenditures in the regular college operating budgets are for employee salaries/benefits as seen below. Saddleback College salaries and benefits equal 81.6% of their operating budget and Irvine Valley College equals 89.4% of its operating budget.



Restricted

The other segment is the *restricted (categorical aid) portion*, approximately \$20 million (9% of the general fund activity); this accounts for federal, state, and local money that must be spent for a specific purpose by law or agreement. Examples of these programs, which mostly are services targeted for specific population groups, are: Perkins Title I-C and Title II Tech Prep, Matriculation, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and Cooperative Agencies Resources for Education (CARE).

NOTEWORTHY GENERAL FUND ASSUMPTIONS

- Employee movement on the salary schedule (step and column increases) is included for employee groups.
- A 1% salary increase is included for classified staff in accordance with the CSEA contract for the period of July 1, 2008 – June 30, 2011.
- No salary increases are included for Administrators, Managers, Faculty or POA.
- The budgeted cost increase for Employee Benefits including PPO medical insurance, HMO medical insurance, dental insurance, vision insurance and Medicare COB is estimated at 4.6%.
- Workers Compensation insurance is budgeted at 1.73%
- The Unemployment Insurance rate for 2010-2011 increased to .72% from .30% in 2009-2010.
- The Public Employees Retirement System contribution rate for 2010-2011 increased to 10.707% from 9.709% in 2009-2010.
- The State Teachers Retirement System contribution rate for 2010-2011 will remain at 8.25%.
- The property and liability coverage decreased 12% over 2009-2010 amounts.
- A transfer of \$8,000,000 is included to cover the annual accrual for current employees' future retirement benefits and the unfunded liability stated in the June 2010 actuarial study.

- The General Expense Accounts include the following budgeted amounts:

Offsite Technology Security	\$ 115,000
Credit Card Service Fees	\$ 400,000
District Office Facilities and Maintenance	\$ 300,000
Discrimination/Harassment Investigation Services	\$ 50,000
Faculty Job Fair	\$ 25,520
Financial Audit	\$ 130,000
I.T. Priority Projects	\$ 450,000
Labor Contract Negotiators	\$ 75,000
Legal Advertising	\$ 15,000
Legal Fees	\$ 400,000
Personnel Advertising	\$ 104,000
Phone System Maintenance Agreement	\$ 190,000
Property & Liability Insurance	\$ 900,000
Sabbatical Bond Payments	\$ 18,000
Safety Compliance Cost	\$ 15,000
Taxpayer Relief Act Compliance	\$ <u>39,500</u>
TOTAL GENERAL EXPENSE ACCOUNTS	<u>\$3,227,020</u>
District Office Facilities and Maintenance	\$ <300,000>
ADJUSTED GENERAL EXPENSE ACCOUNTS	<u>\$2,927,020</u>

- The 2010-2011 Final Budget includes interfund transfers as follows:

From Unrestricted General Fund:	To Other Funds:				
	Child Development	Capital Outlay	Self Insurance	Retiree Benefits	Total
Irvine Valley College	\$234,000				\$234,000
Saddleback College	\$250,000	\$150,000			\$400,000
District Service			\$250,000		\$250,000
One Time Revenue Including Basic Aid		\$27,991,530		\$8,000,000	\$35,991,530
Sub-Total Unrestricted General Fund	\$484,000	\$28,141,530	\$250,000	\$8,000,000	\$36,875,530

FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

Reserve funds are an important solvency safeguard. Examples of needs for the Reserve for Economic Uncertainties are revenue shortfalls, unexpected repairs, and enrollment declines.

The 2010-2011 Final Budget includes a reserve of 7.5% of unrestricted funds.

BASIC AID STATUS

A “basic aid” district is one that receives more revenue from local sources (property taxes and student enrollment fees) than it would receive in total for apportionment. The District began its status as a basic aid district in the 1999-2000 fiscal year and has received basic aid funds as follows:

<u>Year</u>	<u>Basic Aid Receipts</u>
1999 – 2000	\$ 5,676,800
2000 – 2001	\$ 9,192,300
2001 – 2002	\$ 13,719,277
2002 – 2003	\$ 18,419,919
2003 – 2004	\$ 27,356,952
2004 – 2005	\$ 40,162,878
2005 – 2006	\$ 46,899,203
2006 – 2007	\$ 52,896,017
2007 – 2008	\$ 50,692,873
2008 – 2009	\$ 51,179,365
2009 – 2010	\$ 39,022,021

The District estimates that receipts for 2010-2011 and future years to be as follows:

<u>Year</u>	<u>Basic Aid Receipts</u>
2010 - 2011	\$38,984,025
2011 - 2012	\$39,538,907
2012 - 2013	\$38,545,185
2013 - 2014	\$37,493,544

The assumptions used to estimate basic aid funds in future years are, for the 2010-2011 fiscal year, SB361 funding COLA is estimated at -.38%, growth at 2.2% and enrollments fees at \$26 per unit. For the following three years, apportionment COLA is estimated at 1% and growth is estimated at 2%.

For the 2010-2011 fiscal year, secured taxes are estimated to decrease 1%. For the following three years, secured taxes are estimated to increase 2% and unsecured homeowners and supplemental taxes are estimated to remain constant.

The schedule below shows basic aid funds and projects that are included in the 2010-2011 fiscal year Final Budget:

2010-2011 FISCAL YEAR	
Balance at July 1, 2010	\$ 5,700,866
Receipts 2010-2011 Fiscal Year	\$ 38,984,025
Total Available 2010-2011 Fiscal Year	<u>\$ 44,684,891</u>
BUDGETED PROJECTS	
2010-2011 Retiree Benefit Expenses	\$ 8,000,000
Funding for Future Building Projects	\$ 33,692,396
Trustee Elections	\$ 892,495
ATEP – Operating Budget	\$ 2,100,000
TOTAL APPROVED AND BUDGETED PROJECTS	<u>\$ 44,684,891</u>

The following projects were previously approved by the Board of Trustees and are in various stages of completion:

Special Trustee Election	\$ 1,874,192
College Retiree Benefit Liability Contribution	\$ 35,417,938
College/District Contributions for Debt Retirement	\$ 4,380,701
Scheduled Maintenance Project	\$ 5,000,000
Allocation for Salary Schedule Restructure	\$ 4,245,000
Technology Needs for IVC, SC & District	\$ 19,367,618
ATEP – Operating Budget	\$ 1,303,957
ATEP - Utilities	\$ 1,000,000
ATEP - Negotiations	\$ 4,750,000
ATEP – Demolition	\$ 7,000,000
ATEP - Staffing, Equipment and Program Development	\$ 4,000,000
ATEP – Development	\$ 3,750,000
ATEP – Renovation	\$ 15,034,576
ATEP – Parking Lot Renovation	\$ 950,000
Certificate of Participation Debt Retirement	\$ 34,400,000
Campus Appearance	\$ 1,000,000
College Science Equipment & TV Studio Updates	\$ 1,000,000
College Sports Facilities	\$ 1,713,310
College Instructional Equipment Allocation	\$ 1,392,000
IVC – Business & Technology Innovation Center	\$ 12,882,000
IVC – Design and Install Entrance from Barranca	\$ 2,850,000
IVC – Floor Repairs	\$ 58,340
IVC – Life Sciences Project	\$ 17,410,000
IVC – Lot Expansion and Phase 1 of Lot 6	\$ 1,476,759
IVC – Maintenance and Police Facility	\$ 4,553,656
IVC – Modular Building	\$ 370,000
IVC – Modular Building Replacement (CEC)	\$ 197,402
IVC – Landscaping (PAC & BSTIC)	\$ 1,796,000
IVC – Performing Arts Center	\$ 17,006,209
IVC – A300 Remodel	\$ 2,481,000

IVC – Utility Service	\$ 416,000
IVC – Remove/Relocate Police/Maintenance & A500	\$ 484,122
IVC – Science Lab Addition and Remodel	\$ 6,980,000
IVC - Early College Program	\$ 60,000
IVC – Fine Arts Building	\$ 4,652,000
IVC – Replace Main Water Valves	\$ 275,000
IVC – Replace Natural Gas Piping A&B Quads	\$ 230,000
IVC – Replace Exterior A100, A200, A300, A400	\$ 400,000
IVC – SSC HVAC System, B100	\$ 800,000
SC – Building Repairs-Math, Science Engineering Building Soil & Slab Repairs	\$ 2,337,000
SC – Plaza Repairs-Math, Science Engineering Building	\$ 5,081,000
SC – Building Repairs-TAS Building	\$ 1,956,000
SC – Building Repairs-Library Remodel	\$ 20,141,000
SC – Demolition of Lower Campus Buildings	\$ 1,719,000
SC – Golf Driving Range Net Replacement	\$ 300,000
SC – Health Science/District Office Building	\$ 15,251,655
SC – Hire Consultant for Parking/Traffic Study	\$ 48,500
SC – McKinney Theater Lighting and Sound Systems Upgrade	\$ 1,335,000
SC – Mold Abatement and Air Quality Improvements	\$ 8,724,200
SC – New Sciences Building	\$ 3,867,000
SC – Science/Applied Science Building	\$ 14,850
SC – McKinney Theater Restroom Remodel	\$ 2,542,000
SC – Temporary Classroom Facilities	\$ 7,269,285
SC – Demolition and Upper Quad Remodel	\$ 1,000,000
SC – Village Remodel	\$ 4,130,000
SC – Loop Road	\$ 3,442,000
SC – M/S/E/ Renovation	\$ 2,608,344
SC – Village Expansion	\$ 3,942,000
SC – M/S/E Building Ventilation System	\$ 5,000,000
SC – Bridge Replacement	\$ 1,700,000
SC – Pool Deck Replacement	\$ 1,500,000
SC – Roof Replace TAS, Village Building 3 – 8	\$ 1,500,000
SOCCCD – Additional 1% Contingency	\$ 1,278,101
SOCCCD – District Wide Telephone System	\$ 4,499,498
SOCCCD – Student Information System Upgrade – Phase I	\$ 14,102,260
SOCCCD – Replace Human Resources and Budget Development Systems	\$ 897,740
SOCCCD – Fiscal and HR Systems Replacement	\$ 27,500
SOCCCD – Hire Consultant for District Education and Facilities Master Plan	\$ 735,010
SOCCCD – HR Recruitment Work Plan	\$ 85,911
SOCCCD – Legislative Advocacy Services – Basic Aid	\$ 210,000
SOCCCD – Enrollment Management Marketing, Outreach and Recruitment Efforts	\$ 329,830
SOCCCD – IT Projects	\$ 7,976,770
SOCCCD – Legal Defense for Invocation Complaint	\$ 2,000,000
TOTAL PROJECTS FUNDED WITH BASIC AID FUNDS	\$360,509,234

SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS

	* Unrestricted	*Restricted	Total
Saddleback College	\$ 87,435,992	\$13,121,153	\$100,557,145
Irvine Valley College	\$ 46,524,053	\$ 6,104,101	\$ 52,628,154
ATEP Operating & Capital Project	\$ 6,523,117	\$ 251,080	\$ 6,774,197
District Services	\$ 13,697,326	\$ 325,622	\$ 14,022,948
General Expense	\$ 2,927,020		\$ 2,927,020
Part-Time Faculty Parity Funds		\$ 509,463	\$ 509,463
Basic Aid Funds			
- Retirement Benefits	\$ 8,000,000		\$ 8,000,000
- Capital Outlay Projects	\$ 27,991,530		\$ 27,991,530
- Other Basic Aid Expenses	\$ 953,001		\$ 953,001
Reserves for Economic Uncertainties	\$ 10,266,798		\$ 10,266,798
TOTALS	<u>\$ 204,318,837</u>	<u>\$ 20,311,419</u>	<u>\$224,630,256</u>

* See pages 18 through 21 (Total of Revenue and Ending Balance for each budget location)

OTHER FUNDS

Community Education Fund (Fund #07 and Fund #09)

Both colleges provide community education seminars, short courses, workshops, and programs to support community needs not met by the traditional college curriculum; the instruction is consistent with the primary mission of the District. The activities of these programs at Irvine Valley College are accounted for in Fund #07 and at Saddleback College in Fund #09.

Child Development Fund (Fund #12)

The District operates child development programs at both colleges for the benefit of children aged 2-1/2 to 5 years. Services are provided to students and the community on a fee basis. Irvine Valley College provides \$234,000 of support from the unrestricted general fund, and Saddleback College provides \$250,000. The child development program is not charged for administration or operations.

Capital Outlay Projects Fund (Fund #40)

The District maintains the capital outlay projects fund to account for the expenditures of capital outlay and scheduled maintenance projects. This fund is further divided by funding sources; i.e., state apportionment for new construction, state scheduled maintenance, local redevelopment funds, Americans with Disabilities Act, and district funded projects. On the following page is a schedule of planned projects.

CAPITAL OUTLAY PROJECTS

Project Description	% Basic Aid	% State	Project Cost	Cumulative Expenses at June 30, 2010	2010-2011 Final Budget
BASIC AID					
IVC Replace Main Water Valves	100%	0%	\$275,000	\$6,035	\$268,965
IVC Replace Main Gas Piping	100%	0%	\$230,000	\$3,088	\$226,912
IVC Repair Brick Facades	100%	0%	\$400,000	-	\$400,000
IVC SSC HVAC	100%	0%	\$800,000	\$1,346	\$798,654
IVC Landscaping (PAC & BTIC)	100%	0%	\$1,796,000	\$105,493	\$1,690,507
IVC-Utility Service Project	100%	0%	\$416,000	\$346,223	\$69,777
SC-Building Repairs-TAS Building	100%	0%	\$1,956,000	\$153,423	\$1,802,577
SC-Building Repairs – Math, Science Engineering Bldg.	100%	0%	\$2,337,000	\$128,710	\$2,208,290
IVC-Fine Arts	100%	0%	\$4,652,000	\$61,278	\$4,590,722
SC-Science Building (M/S/E annex)	100%	0%	\$3,867,000	\$29,595	\$3,837,405
SC Village Expansion	100%	0%	\$3,942,000	\$3,405,705	\$536,295
IT:SC/IVC/ATEP	100%	0%	\$7,976,770	\$2,906,089	\$5,070,681
SC-Hire Consultant for Parking/Traffic Study	100%	0%	\$48,500	\$24,250	\$24,250
Dist Ed & Facilities Master Plan	100%	0%	\$735,010	\$370,010	\$365,000
SC-Temporary Classroom Facilities	100%	0%	\$7,269,285	\$7,177,117	\$92,168
College Scheduled Maintenance (Includes College Match)	100%	0%	\$5,000,000	\$4,511,854	\$488,146
Replace Student Information System	100%	0%	\$14,102,260	\$14,031,285	\$70,975
IVC-Science Lab Addition	100%	0%	\$6,980,000	\$4,760,460	\$2,219,540
IVC-A-300 Building Remodel	100%	0%	\$2,481,000	\$1,901,922	\$579,078
SC-McKinney Theater Restroom Remodel	100%	0%	\$2,542,000	\$2,364,431	\$177,569
ATEP-Utilities for Hangar and Chapel	100%	0%	\$1,000,000	-	\$1,000,000
ATEP-Negotiations (Includes Local Revenue)	100%	0%	\$4,825,000	\$2,572,209	\$2,252,791
ATEP-Development	100%	0%	\$3,750,000	\$2,357,482	\$1,392,518
ATEP Parking Lot Renovation	100%	0%	\$950,000	\$176,205	\$773,795
Campus Appearance	100%	0%	\$1,000,000	\$594,149	\$405,851
SC Bridge Replacement	100%	0%	\$1,700,000	\$2,693	\$1,697,307
Technology Needs for IVC, SC, ATEP & District	100%	0%	\$11,648,415	\$10,229,409	\$1,419,006
SC M/S/E HVAC	100%	0%	\$5,000,000	-	\$5,000,000
SC Pool Deck	100%	0%	\$1,500,000	\$23	\$1,499,977
SC Roof Replacement	100%	0%	\$1,500,000	\$166,833	\$1,333,167
SC-M/S/E Plaza Repair	100%	0%	\$5,081,000	\$69,288	\$5,011,712
SC-Loop Road	100%	0%	\$3,442,000	\$5,740	\$3,436,260
SC-Renovate Math, Science, & engineering Bldg	100%	0%	\$2,608,344	\$39,000	\$2,569,344
SC-Golf Driving Range Net Replacement	100%	0%	\$300,000	\$101,800	\$198,200
SC-Building Repairs-Library Remodel (Includes State Funds \$15.7mil)*	24%	76%	\$20,542,000	\$1,623,514	\$32,190,486
IVC-Business & Technology Innovation Center (Includes State Funds \$12.7mil)*	44%	56%	\$22,893,000	\$21,083,699	\$4,509,301
IVC-Design and Install Entrance from Barranca	100%	0%	\$2,850,000	\$51,526	\$2,798,474
IVC-Life Sciences Project (Includes State Funds \$17.4mil)	50%	50%	\$34,787,000	\$875,136	\$17,800,864
SC-Demolition and Upper Quad Remodel	100%	0%	\$1,000,455	-	\$1,000,455
ATEP-Renovation	100%	0%	\$15,478,252	\$8,190,175	\$7,288,077
ATEP-Demolition	100%	0%	\$7,000,000	\$73,885	\$6,926,115
SC-Village Remodel	100%	0%	\$4,130,000	\$3,571,149	\$558,851
Reserve for Future Capital Outlay Projects			-	-	\$33,692,396

LOCAL			
District Wide Video Conferencing	100%		\$450,276
Relocatable Building	100%		\$5,000
SC-Future Parking Lot Projects	100%		\$620,906
SC-Future Capital Outlay Projects	100%		\$6,436,181
District-Future Capital Outlay Projects		-	- \$12,830,764
Redevelopment Funds Reserved for Future Capital Projects (Cities of Lake Forest, Mission Viejo, MCAS Tustin, Orange County NDAPP, Irvine, Santa Ana, San Clemente, San Juan Capistrano)		-	- \$8,335,020
Total Fund 40		\$220,791,291	\$94,072,229 \$188,950,605

Self-Insurance Fund (Fund #68)

The self-insurance fund is used to account for the activities of the District’s self-funded programs for property/liability and workers’ compensation programs.

Retiree Benefit Fund (Fund #71)

The District pays premiums for health care coverage for retirees according to Board policies and contract agreements with employee groups. The Retiree Benefit Fund is used to pay premiums. The current year’s annual accrual of retiree benefits for existing employees is also made in this fund.

A May 2010 actuarial study updated the status of the District’s irrevocable trust and determined an unfunded liability of \$4,939,234 for retiree medical, dental, vision, and Medicare benefits plans. The study provides two estimates: 1) the annual accrual to cover the value of benefits “earned” in the current year for existing employees when they retire and 2) the total projected benefits accrual for employees’ past service. The estimate for current year cost is \$2,582,983. The District’s actuarial accrued liability for past service is estimated at \$61,189,900. An irrevocable trust was established in 2007-2008 to fund the OPEB obligation in accordance with GASB 43 and 45.

For 2010-2011 a transfer of \$8,000,000 of Basic Aid Funds will be used to pay the current year’s annual accrual and fund the new liability.

Retiree OPEB Trust Fund (Fund #72)

The Retiree OPEB Trust Fund is used to account for the activities of the District’s irrevocable trust. It was established for the purpose of investment and disbursement of funds irrevocably designated for the payment of obligations to eligible employees (and former employees) and their eligible dependents for medical, dental, and vision upon retirement. The District’s OPEB liability was updated in May 2010 with the completion of a required actuarial study. The study is an estimate of future costs.

BUDGET

The Final Budget for all district funds is summarized on the following pages.

Dr. David Bugay, Acting Vice Chancellor of Business Services
Beth Mueller, District Director of Fiscal Services
Prepared by: Cheryl Clavel, Executive Assistant

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2010-2011**

Revenues, Expenditures and Change in Fund Balance

GENERAL FUND

	Saddleback College			Irvine Valley College			District Services					
	General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	Total			
SOURCES OF FUNDS												
BEGINNING FUND BALANCE:	9712 \$	7,722,587 \$	4,344,789 \$	12,067,376 \$	2,944,523 \$	1,017,391 \$	3,961,914 \$	656,295 \$	296,054 \$	952,349		
REVENUES:												
SB361 Revenue	Various \$	74,130,600 \$	-	74,130,600 \$	39,178,555 \$	-	39,178,555 \$	13,041,031 \$	-	13,041,031		
Basic Aid		-	-	-		-	-	-	-	-		
Federal Sources	8100-8199	-	2,129,282	2,129,282	-	435,243	435,243	-	-	-		
Other State Sources	8600-8699	2,016,239	4,452,158	6,468,397	1,042,840	3,118,753	4,161,593	-	29,568	29,568		
Other Local Sources	8800-8899	3,566,566	2,194,924	5,761,490	3,358,135	1,532,714	4,890,849	-	-	-		
Total Revenue	\$	79,713,405 \$	8,776,364 \$	88,489,769 \$	\$	43,579,530 \$	5,086,710 \$	48,666,240 \$	\$	13,041,031 \$	29,568 \$	13,070,599
RESTRICTED BASIC AID INCOMING TRANSFERS		-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	\$	87,435,992	13,121,153	100,557,145	\$	46,524,053	6,104,101	52,628,154	\$	13,697,326	325,622	14,022,948
USES OF FUNDS												
EXPENDITURES:												
Academic Salaries	1000-1999	37,219,404	2,025,065	39,244,469	20,894,282	710,216	21,604,498	1,110,690	-	1,110,690		
Other Staff Salaries	2000-2999	17,338,760	3,286,173	20,624,933	10,558,845	1,694,636	12,253,481	6,599,210	-	6,599,210		
Employee Benefits	3000-3999	16,768,939	1,301,471	18,070,410	10,129,366	752,776	10,882,142	3,246,616	-	3,246,616		
Supplies & Materials	4000-4999	2,078,982	2,032,389	4,111,371	1,073,452	461,729	1,535,181	112,881	1,000	113,881		
Services & Other Operating	5000-5999	6,419,444	2,357,073	8,776,517	2,260,358	1,811,920	4,072,278	2,169,503	323,622	2,493,125		
Capital Outlay	6000-6999	5,770,221	1,902,521	7,672,742	548,750	597,879	1,146,629	208,426	1,000	209,426		
Payments to Students	7500-7699	-	66,461	66,461	-	74,945	74,945	-	-	-		
Total Expenditures		85,595,750	12,971,153	98,566,903	45,465,053	6,104,101	51,569,154	13,447,326	325,622	13,772,948		
OTHER FINANCING USES:												
Transfers Out	7300-7400	250,000	150,000	400,000	234,000	-	234,000	250,000	-	250,000		
Basic Aid Transfers Out		-	-	-	-	-	-	-	-	-		
Debt Service	7100-7199	-	-	-	425,000	-	425,000	-	-	-		
Total Other Sources (Uses)		250,000	150,000	400,000	659,000	-	659,000	250,000	-	250,000		
TOTAL USES OF FUNDS		85,845,750	13,121,153	98,966,903	46,124,053	6,104,101	52,228,154	13,697,326	325,622	14,022,948		
ENDING FUND BALANCE		1,590,242	-	1,590,242	400,000	-	400,000	-	-	-		
COMPONENTS OF ENDING BALANCE:												
Restricted Balance		-	-	-	-	-	-	-	-	-		
Economic Uncertainties		1,590,242	-	1,590,242	400,000	-	400,000	-	-	-		
Nondesignated Ending Fund Balance	\$	-	-	-	\$	-	-	-	\$	-	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2010-2011**

Revenues, Expenditures and Change in Fund Balance

GENERAL FUND

		ATEP			General Expense Unrestricted	One Time Rev. Incl. Basic Aid Unrestricted	One Time Rev. Incl. Basic Aid Restricted	Total General Fund		
		General Fund Unrestricted	General Fund Restricted	Total				General Fund Unrestricted	General Fund Restricted	Total
<u>SOURCES OF FUNDS</u>										
BEGINNING FUND BALANCE:	9712	4,412,119	\$ 8,489	\$ 4,420,608	\$	\$ 11,107,293	\$	26,842,817	\$ 5,666,723	\$ 32,509,540
REVENUES:										
SB361 Revenue	Various	-	\$ -	\$ -	\$ 2,927,020	\$ (779,989)	\$ -	\$ 128,497,217	\$ -	\$ 128,497,217
Basic Aid		2,100,000	-	2,100,000	-	36,884,025	-	38,984,025	-	38,984,025
Federal Sources	8100-8199	-	-	-	-	-	-	-	2,564,525	2,564,525
Other State Sources	8600-8699	-	220,000	220,000	-	-	509,463	3,059,079	8,329,942	11,389,021
Other Local Sources	8800-8899	10,998	22,591	33,589	-	-	-	6,935,699	3,750,229	10,685,928
Total Revenue		2,110,998	\$ 242,591	\$ 2,353,589	\$ 2,927,020	\$ 36,104,036	\$ 509,463	\$ 177,476,020	\$ 14,644,696	\$ 192,120,716
RESTRICTED BASIC AID INCOMING TRANSFERS	8980-8989	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS		6,523,117	\$ 251,080	\$ 6,774,197	\$ 2,927,020	\$ 47,211,329	\$ 509,463	\$ 204,318,837	\$ 20,311,419	\$ 224,630,256
<u>USES OF FUNDS</u>										
EXPENDITURES:										
Academic Salaries	1000-1999	1,526,380	-	1,526,380	-	-	443,079	60,750,756	3,178,360	63,929,116
Other Staff Salaries	2000-2999	677,078	145,138	822,216	-	-	-	35,173,893	5,125,947	40,299,840
Employee Benefits	3000-3999	449,655	63,524	513,179	-	-	66,384	30,594,576	2,184,155	32,778,731
Supplies & Materials	4000-4999	132,828	3,290	136,118	-	-	-	3,398,143	2,498,408	5,896,551
Services & Other Operating	5000-5999	1,425,223	35,128	1,460,351	2,677,020	953,001	-	15,904,549	4,527,743	20,432,292
Capital Outlay	6000-6999	2,311,953	4,000	2,315,953	250,000	-	-	9,089,350	2,505,400	11,594,750
Payments to Students	7500-7699	-	-	-	-	-	-	-	141,406	141,406
Total Expenditures		6,523,117	251,080	6,774,197	2,927,020	953,001	509,463	154,911,267	20,161,419	175,072,686
OTHER FINANCING USES:										
Transfers Out	7300-7400	-	-	-	-	-	-	734,000	150,000	884,000
Basic Aid Transfers Out		-	-	-	-	35,991,530	-	35,991,530	-	35,991,530
Debt Service	7100-7199	-	-	-	-	-	-	425,000	-	425,000
Total Other Sources (Uses)		-	-	-	-	35,991,530	-	37,150,530	150,000	37,300,530
TOTAL USES OF FUNDS		6,523,117	251,080	6,774,197	2,927,020	36,944,531	509,463	192,061,797	20,311,419	212,373,216
ENDING FUND BALANCE		-	-	-	-	10,266,798	-	12,257,040	-	12,257,040
COMPONENTS OF ENDING BALANCE:										
Restricted Balance		-	-	-	-	-	-	-	-	-
Economic Uncertainties		-	-	-	-	10,266,798	-	12,257,040	-	12,257,040
Nondesignated Ending Fund Balance		-	-	-	-	-	-	-	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2010-2011**

Revenues, Expenditures and Change in Fund Balance

	Community Education Fund			Child Development Fund						
	Saddleback College (09)	Irvine Valley College (07)	Total	Saddleback College (12)		Irvine Valley College (12)				
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
SOURCES OF FUNDS										
BEGINNING FUND BALANCE:	9712	\$ 902,663	\$ (188,319)	\$ 714,344	\$ 218,248	\$ -	\$ 218,248	\$ 82,139	\$ -	\$ 82,139
REVENUES:										
SB361 Revenue	Various	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Aid		-	-	-	-	-	-	-	-	-
Federal Sources	8100-8199	-	-	-	-	-	-	-	-	-
Other State Sources	8600-8699	-	-	-	-	-	-	-	-	-
Other Local Sources	8800-8899	933,329	901,050	1,834,379	543,551	10,000	553,551	835,567	7,125	842,692
Total Revenue		\$ 933,329	\$ 901,050	\$ 1,834,379	\$ 543,551	\$ 10,000	\$ 553,551	\$ 835,567	\$ 7,125	\$ 842,692
RESTRICTED BASIC AID INCOMING TRANSFERS										
	8980-8989	-	-	-	250,000	-	250,000	234,000	-	234,000
TOTAL SOURCES OF FUNDS		\$ 1,835,992	\$ 712,731	\$ 2,548,723	\$ 1,011,799	\$ 10,000	\$ 1,021,799	\$ 1,151,706	\$ 7,125	\$ 1,158,831
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	-	-	-	-	200	200	-	-	-
Other Staff Salaries	2000-2999	489,619	157,040	646,659	638,545	-	638,545	785,854	-	785,854
Employee Benefits	3000-3999	85,311	34,631	119,942	222,613	-	222,613	218,559	-	218,559
Supplies & Materials	4000-4999	45,973	20,217	66,190	25,164	2,717	27,881	45,400	-	45,400
Services & Other Operating	5000-5999	611,089	458,659	1,069,748	4,425	746	5,171	101,893	-	101,893
Capital Outlay	6000-6999	604,000	42,184	646,184	121,052	-	121,052	-	-	-
Payments to Students	7500-7699	-	-	-	-	6,337	6,337	-	7,125	7,125
Total Expenditures		1,835,992	712,731	2,548,723	1,011,799	10,000	1,021,799	1,151,706	7,125	1,158,831
OTHER FINANCING USES:										
Transfers Out	7300-7400	-	-	-	-	-	-	-	-	-
Basic Aid Transfers Out		-	-	-	-	-	-	-	-	-
Debt Service	7100-7199	-	-	-	-	-	-	-	-	-
Total Other Sources (Uses)		-	-	-	-	-	-	-	-	-
TOTAL USES OF FUNDS		1,835,992	712,731	2,548,723	1,011,799	10,000	1,021,799	1,151,706	7,125	1,158,831
ENDING FUND BALANCE		-	-	-	-	-	-	-	-	-
COMPONENTS OF ENDING BALANCE:										
Restricted Balance		-	-	-	-	-	-	-	-	-
Economic Uncertainties		-	-	-	-	-	-	-	-	-
Nondesignated Ending Fund Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -