



TENTATIVE BUDGET

FY 2021-22



June 28, 2021

THE DISTRICT



Overview: The South Orange County Community College District (SOCCCD) is a multi-campus district encompassing Saddleback College (SC) in Mission Viejo, Irvine Valley College (IVC) 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, is governed by a seven-member elected Board of Trustees, and led by a Chancellor.

Over the past several years, SOCCCD student enrollments have declined slightly. Total student headcount for spring 2021 is over 37,500 and resident full time equivalent students (FTES) for FY 2020-21 is over 25,300 as compared to 27,400 in FY 2016-17. SOCCCD has approximately 4,000 team members consisting of faculty, management, classified staff, and police.

Budget Outlook: With the influx of over \$62 million in federal funding from the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, the *Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act*, and the *American Rescue Plan (ARP) Act* (collectively the *Higher Education Emergency Relief Funds (HEERF)*) and over \$3.6 million in state funding, the District is in a much better position the next couple of years. Although the HEERF funds are one-time in nature with over 40 percent required to be provided as grants to students, they are helping to offset the millions of dollars in lost revenue experienced due to the Coronavirus pandemic (COVID-19) and are assisting the colleges in preparing for the return to campus. The uncertainty we are facing is whether we will be able to gain the roughly 1,200 full-time equivalent students back in fiscal year 2022-23 and beyond that we lost due to COVID-19. We continue to hold joint meetings with the colleges and district services to discuss district-wide budget impacts and strategies moving forward. These strategies include using a multi-year approach to planning, distinguishing between ongoing and one-time revenues to align with expenses, implementing efficiencies to improve services and lower costs, thoroughly evaluating and assessing all positions as they become vacant, and expanding resource development to supplement revenue.

Planning Efforts: District-wide planning and budgeting processes are continually evaluated and improved. As a part of institutional best practices, the district-wide planning processes were developed and are integral to all aspects of college and district-wide decision-making and resource allocations in a transparent, inclusive, and open process. The District-wide Planning Council (DWPC) implements and oversees the strategic planning processes with other major district-wide committees making recommendations on resources, such as the District Resources Allocation Council (DRAC), the Capital Improvement Committee (CIC), and the District-wide Technology Committee (DTC). This year's CIC requests stemmed directly from the Facilities Master Plan that was adopted in July 2020 and many of the budget decisions made by the colleges are a result of addressing the District-wide Strategic Plan.

State Budget and the Community College System: The Governor released his May Revision on May 14, 2021. The overall allocation for Proposition 98 funding is \$93.7 billion with \$6.3 billion (10.93%) going to community colleges. This is a \$638 million increase from the January proposed budget that was much more conservative and did not include any federal funds from the CRRSA or ARP Acts the State would receive to support recovery. Since then, the State has received the additional federal funds from the CRRSA and ARP Acts, along with improved tax revenues. It is now apparent that California is well on its way to recovery much sooner than anticipated.

The proposed impacts to the Student Centered Funding Formula (SCFF) include a 4.05% COLA and 0.50% growth. The COLA includes backfill for the 2.31% COLA that was not funded for FY 2020-21 (compounded) and the statutory COLA of 1.70% for FY 2021-22 that will increase the funding rates in the SCFF.

The budget proposes over \$540 million in unrestricted and restricted ongoing funding and over \$1.5 billion in restricted one-time funding for community colleges; along with \$2.3 billion reallocated in the current year budget to offset the PERS and STRS rates in 2021-22. Some of the major budget highlights integral to SOCCCD, broken down between ongoing resources to existing programs, ongoing resources for new programs, and one-time resources, include:

Ongoing resources to existing programs:

- \$296.5 million for apportionment COLA (Legislature proposes \$371.191 million)
- \$23.6 million for apportionment growth
- \$23.8 million (5%) increase for the Student Equity and Achievement (SEA) Program
- \$12.4 million (5%) increase for the Strong Workforce Program (Legislature proposes \$40 million)
- \$8.4 million (1.7%) COLA for CalWORKS, DSPS, EOPS, and Mandated Costs Block Grant
- \$1 million (1.6%) increase in the Adult Education program (Legislature proposes \$13.656 million)

Ongoing resources for new programs:

- \$50 million for vocational training and English as a Second Language (ESL) programs (Legislature rejects this proposal)
- \$30 million to provide services and support to students related to mental health resources
- \$30 million for basic needs centers and coordinators
- \$10.6 million for distance education support

One-time resources:

- \$564 million for deferred maintenance and instructional equipment (\$250 million of this is coming from ARP Act funds; however, Legislature proposes a total of \$733.167 million)
- \$150 million to expand Guided Pathways (Legislature proposes \$50 million)
- \$250 million for emergency student financial assistance grants (\$100 million has already been allocated)
- \$115 million for zero-textbook-cost degrees using open educational resources (Legislature proposes \$15 million)
- \$100 million for food and housing insecurity
- \$75 million to expand new and existing College and Career Access Pathways (CCAP) dual enrollment programs (Legislature rejects this proposal)
- \$50 million to help colleges transition back toward in-person instruction (Legislature rejects this proposal)

As noted above, the state legislature has already proposed many changes to the programs listed above and has proposed several additional programs. As such, we have only included the Governor's proposed COLA increase in our tentative budget. We will budget for all other known changes within our adopted budget once the legislature has passed, and the Governor has signed, the final state budget.

The passage of Proposition 55 in the fall of 2016 continues to provide Educational Protection Account (EPA) funds through December 31, 2030 at \$100 per FTES.

SOCCCD Budget: The SOCCCD tentative budget for all thirteen funds totals over \$1.2 billion, which is comprised of \$588 million in beginning fund balances and \$626 million in revenue. Our total budgeted expenditures is \$974 million and we anticipate spending down our reserves by \$348 million leaving \$240 million in ending fund balance. Because the District is a community-supported (basic aid) district, it is essential that the budget remain conservative. For this coming year, property tax revenues remain a constant, reliable funding stream with an estimated 3.8 percent increase in secured taxes.

Although SOCCCD is only entitled to a minimal amount of state apportionment funding from the EPA funds, proposed changes to the funding formula have an impact on college operating budgets as our Board policies dictate we follow the SCFF for allocating funds. In order to maintain operations and serve students in FY 2020-21, we determined that we would make a one-time exception to our Board policy by utilizing our property taxes to fund the calculated COLA of 2.31%. Fortunately, the state is backfilling this amount in the proposed budget bringing us back into compliance with the Board policy.

District-wide operating costs continue to increase from negotiated salary increases, health and welfare benefit increases, and pension rate

increases. Personnel costs as a percentage of total budgeted expenditures equal 89.9%, which is in the middle of our recommended budget target of 88% - 92%. This indicator demonstrates the need for continued budget vigilance. As negotiations are still underway with the collective bargaining units, the budget does not include any negotiated salary increases.

The \$2.3 billion State investment in the pension plans in the current year will reduce the anticipated STRS and PERS rates for fiscal year 2021-22 from 18.1% and 24.9% to 16.92% and 22.91%, respectively. Although, this investment lowered the anticipated rates, it did not eliminate rate increases; therefore, the estimated increased costs for 2021-22 over the current year are \$1.55 million. The Board has approved participation in a Pension Stabilization Fund to offset these increased costs. SOCCCD has made deposits totaling \$44.7 million to the trust but with the withdrawals to fund for the increased costs, the balance at May 31, 2021, is only \$24.8 million. Additional deposits will continue each year in order to maintain the fund and defray the increases for the college and district services budgets. In fiscal year 2021-22, the District budgeted a \$6 million basic aid allocation.

After providing \$2 million for COLA and other changes to the SCFF funding formula within the DRAC model, excess property tax revenues available for basic aid distribution for the 2021-22 fiscal year total approximately \$97 million. These funds are used for long-term debt obligations, technology projects, and capital expenditures in lieu of passing a general obligation bond like most other community colleges. They are allocated in the budget based on the recommendations from DRAC and were approved at the April 26, 2021, Board meeting.

The unrestricted general fund budget provides for each college's operations, district-wide general expenses, District Services, and a general reserve of 7.5%. The reserve is in accord with Board policy and allows the District to manage cash flow throughout the year as well as prepare for unforeseen expenditures and emergencies that may arise during the year. Chancellor Burke has reviewed and approved the budget, and confirms that it is balanced as required by law.

Saddleback College

Saddleback College has been diligently working to eliminate a chronic structural deficit resulting from historic staffing growth in the face of enrollment declines and worsened by the implementation of the SCFF in 2019-20.

Efforts to increase revenue, enrollment, and student achievement have improved each component of the SCFF calculation, but most notably the Supplemental and Student Success allocations. The improvements have reduced the college's hold harmless allocation by 73% from \$2.9 million in 2020-21 to \$783 thousand in 2021-22. Overall, the college's SCFF totals over \$102 million, an increase of 1.21%.

Significant challenges with respect to future revenues include the following:

- 1) The college receives less funding on average from the Supplemental component of the SCFF than other colleges due to the relative affluence of its student population. Only 12.4% of the college's SCFF revenue comes from the Supplemental portion of the SCFF compared to 18.8% for the State average.
- 2) The college offers 9.6% of its courses as noncredit (Emeritus Institute), which are funded lower than all other courses at only 82% of the rate for credit courses, 60% of the rate for CDCP courses, and 58% of the rate for special admit courses.
- 3) The largest section of the SCFF is calculated based on FTES, which declined during the pandemic (less so than the State average but declined nevertheless). The decline is not realized in 2021-22 because of the State's emergency waiver, but if enrollment is not restored when the emergency waiver ends, the college will face an even greater revenue "cliff" when the hold harmless ends in 2024-25 as proposed by the Legislature.

Despite having reduced its expenses and structural deficit from 2019 to 2021, continuing cost increases, limited revenue growth under the SCFF, and the loss of revenue due to COVID-19 contribute toward a projected \$4.3 million deficit in the 2021-22 Tentative Budget. However, we have yet to include the backfill for the loss of revenue in the budget that will bring down the deficit significantly, but this backfilled loss of revenue will be offset by any bargained salary schedule improvements.

While federal stimulus funding will cover many one-time expenses related to COVID-19 and the transition back to campus and will offset some lost revenue into 2021-22, it provides no assistance in addressing longer-term challenges to financial health, including the following.

- 1) The college has many resource-intensive CTE and other programs, which limit student/faculty ratios and are difficult to manage and maintain with limited resources.
- 2) Salaries and benefits comprise 93% of our operating budget, excluding carryover balances, and salary schedule improvements and step and column increases continue to outpace revenue growth.
- 3) Changes to HVAC systems to improve indoor air quality in response to the pandemic will have increased energy costs.

Saddleback continues to evaluate new and replacement position requests with great scrutiny and has implemented an effective resource allocation process that evaluates all requests for both new and replacement personnel, facilities, equipment, and technology based on the overall value (ROI) and alignment with the college's strategic goals. The college will continue to narrow its structural deficit through revenue growth and optimization of its resource allocation processes. Its innovative responses to the financial headwinds associated with the pandemic manifest a culture of financial sustainability through efficiency, entrepreneurship, nimble responsiveness, and vision.

Irvine Valley College

The unrestricted general fund tentative budget for IVC is \$86.3 million. Major changes since the prior year adopted budget include a \$1.5 million decline in non-resident tuition revenue (see below), a \$796,000 increase in the SCFF funding, and a \$2.5 million net increase in the college and non-contingency central fund balances based on one-time savings from remote operations.

The college projects it will receive \$5.9 million in non-resident tuition revenue, compared to \$8.2 million achieved in 2018-19, which is the year prior to a decline caused by the current pandemic, as shown in the table below. Particularly, in the international student program for 2020-21, the college dropped approximately 39% in total units enrolled compared to 2019-20.

Fiscal Year	2018-19 Actual Revenue	2019-20 Actual Revenue	2020-21 Budgeted Revenue	2020-21 Projected Revenue	2021-22 Budgeted Revenue
Non-Resident Tuition Revenue	\$ 8,222,061	\$ 8,082,819	\$ 7,512,183	\$ 6,305,733	\$ 5,947,946

The college is planning to use the federal HEERF funds to backfill the revenue losses in this and other programs. While this would provide much-needed one-time relief, the long-term fiscal forecast remains vague. The college will employ various methods to reengage students who stopped attending IVC due to the pandemic, however as the economy recovers, generally community college attendance rates decline. In addition, the hold-harmless provision, which adds \$2.9 million to the SCFF, is proposed by the Legislature to expire in 2024-25. With declining enrollments, the college will continue to seek opportunities for growth through the supplemental and success allocations under the SCFF.

Given the future fiscal uncertainty, IVC continues to budget its expenditures conservatively. Baseline increases include step and column movement, benefit changes, and other costs of doing business. All vacant positions are reviewed to identify potential efficiencies and restricted funds are used to fund critical needs where possible. To support student success, IVC hired five new faculty to begin teaching this fall in the following programs: Accounting, Chemistry, English as a Second Language (two faculty), and Ethnic Studies/History.

We are grateful to the district leadership and the Board of Trustees for their continued support of the colleges, especially during these challenging times, while we continue to offer pathways for success to our students.

Looking Ahead: The Tentative Budget gives us the authority to begin spending on July 1. The Legislature is required to adopt a budget by June 15 and the Governor has 12 days to sign or veto the budget. As previously mentioned, we will incorporate program budget changes into our Adopted Budget after receiving the final state budget. Furthermore, it is anticipated that our reserve balances presented in this budget will increase in our Adopted Budget once we finalize our year-end spending and have completely closed our books. The Adopted Budget will be presented to the Board at the August 23, 2021, Board meeting.

Ann-Marie Gabel

Vice Chancellor, Business Services

South Orange County Community College District

BUDGET DEVELOPMENT GUIDELINES

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 budget.

Guiding Principles:

The following guiding principles are provided by the Board of Trustees 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 Certificates of Participation (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 or
- 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 and college business officers 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 and beginning fund balance 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 FY 2007-08 to fund medical, dental, vision, and Medicare plans for SOCCCD retirees. This trust was established and the 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 annually to update the District's OPEB (other post-employment benefits) liability. It is the Board's intent to fully fund the liability once it is identified.

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.
- e. BP and AR 6210 will be followed when allocating basic aid funds, unless the Board of Trustees authorizes a departure from the policy.

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, and
- 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 the 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 state funding formula.

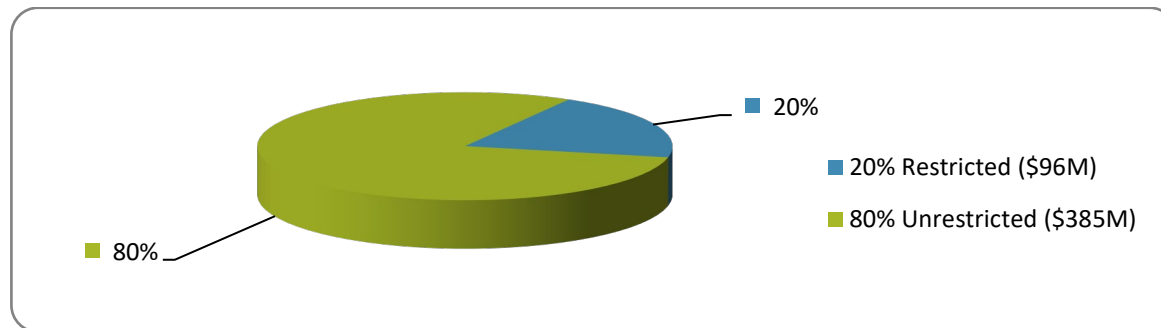
SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS (BEGINNING FUND BALANCE & REVENUES)

Allocated Area	* Unrestricted	*Restricted	Total
Saddleback College	\$ 125,607,514	\$56,035,840	\$181,643,354
Irvine Valley College	\$ 86,271,724	\$39,495,842	\$125,767,566
District Services	\$ 23,833,027	\$ 178,970	\$ 24,011,997
Basic Aid			
Basic Aid Allocation/Transfer	\$ 96,803,337		\$ 96,803,337
Basic Aid Contingency	\$ 19,775,952		\$ 19,775,952
Other			
District-wide General Expense	\$ 5,452,711	\$ 105,856	\$ 5,558,567
Part-Time Faculty Parity/STRS & PERS On-Behalf	\$ 12,562,200		\$ 12,562,200
Reserves for Economic Uncertainties	\$ 14,553,493		\$ 14,553,493
TOTALS	<u>\$ 384,859,958</u>	<u>\$ 95,816,508</u>	<u>\$480,676,466</u>

* See pages 32 and 33 (Revenues, expenditures and change in fund balance for each budget location)

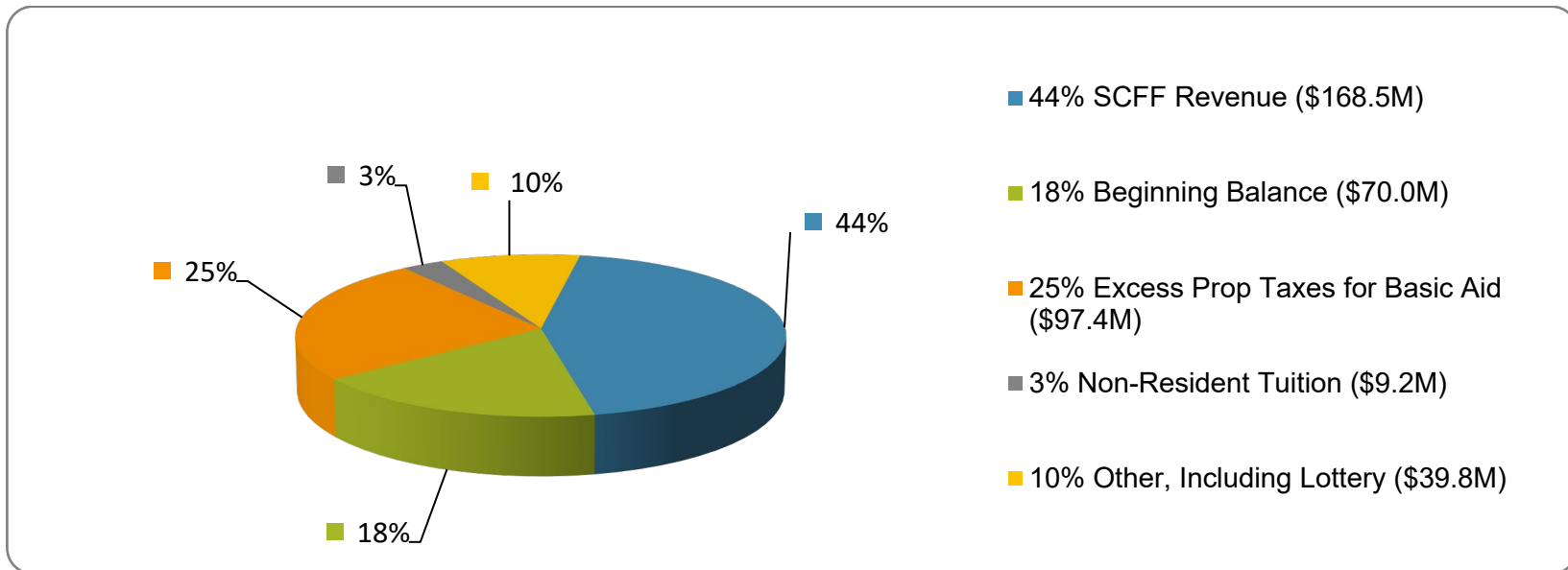
GENERAL FUND REVENUE

The general fund, which totals \$481 million in beginning balances and revenues, 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.”



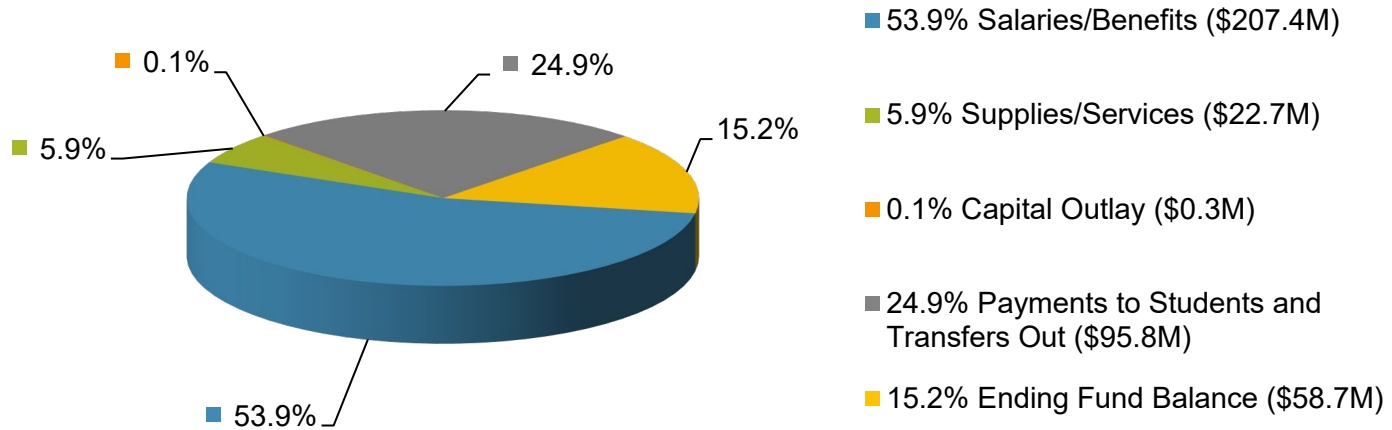
UNRESTRICTED GENERAL FUND REVENUE

The largest segment of the general fund is the *unrestricted portion*, which includes \$315 million in total revenues and other sources of funds and \$70 million in beginning fund balance for a grand total of \$385 million. This fund accounts for resources for the general-purpose programs of the District (80% of the activity). This is an increase of \$2 million over last year due primarily to projected increases in property taxes. Of the total revenues and other sources, 44% is equivalent to the amount that would be calculated in the SCFF assuming funding for COLA. The total amount that is equivalent to what would be potentially received from state apportionment funding is determined by the State Budget Act and is distributed to the 73 community college districts by formulas developed by the California Community College Chancellor's Office. 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 Excess Property Taxes for Basic Aid (25%), Non-Resident Tuition (3%), and other sources, including transfers, EPA funds, interest, ground leases, and Lottery (10%). The beginning balance, carried forward from the prior year, is 18% of available unrestricted funds.

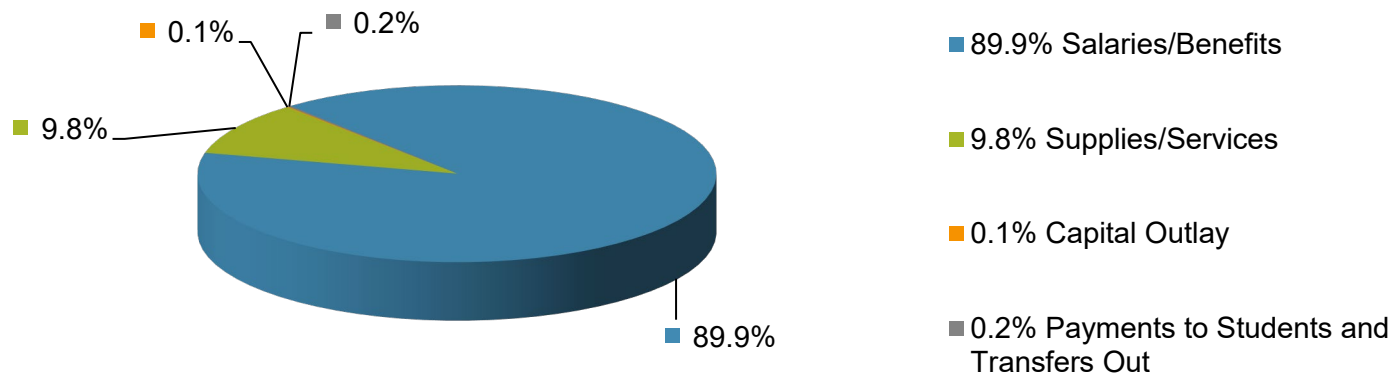


UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES

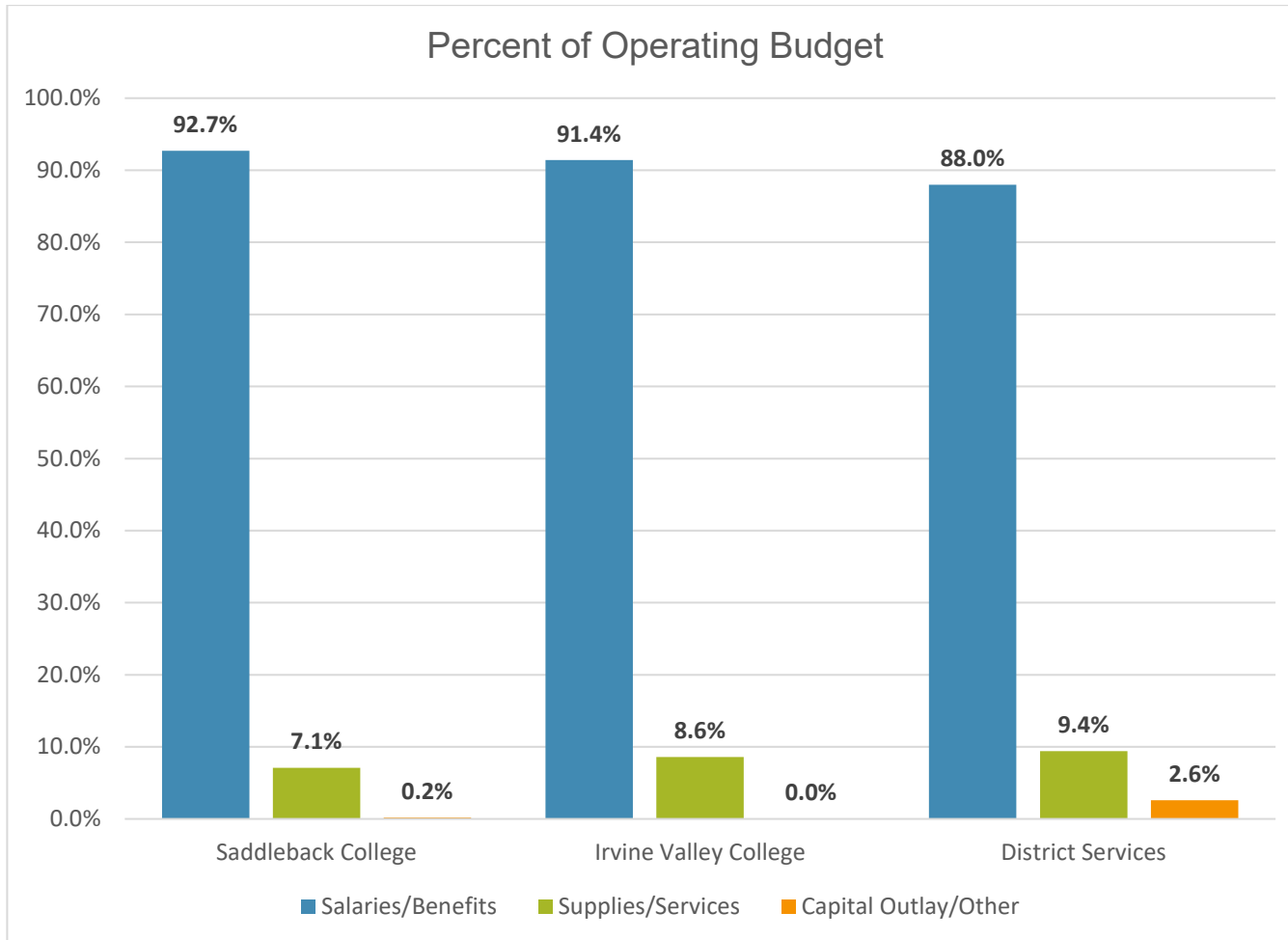
District-wide



District-wide without Reserves and Basic Aid



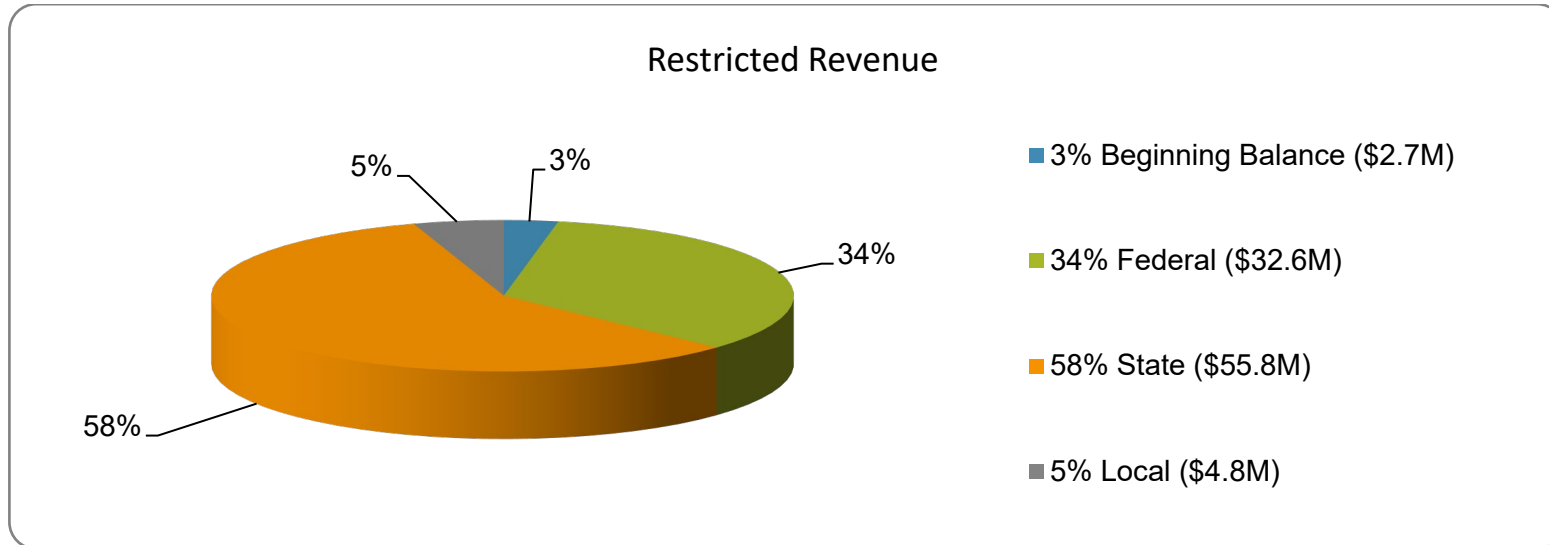
Most of the expenditures in the unrestricted general fund operating budgets are for employee salaries and benefits. As seen below, Saddleback College's salaries and benefits equal 92.7% of its operating budget (this is up from current year's 91.0%); Irvine Valley College's salaries and benefits equal 91.4% of its operating budget (this is up from current year's 90.7%); and District Services salaries and benefits equal 88.0% of its operating budget (this is up from current year's 87.4%). These costs reflect the existing salary rates and estimated benefit cost increases.



For fiscal prudence, the District-wide recommended budget target for overall staff costs is to not exceed 88-92% of the total budget so there are sufficient resources for instructional materials, equipment, and other operational costs. It is advisable to be on the low end of the range.

RESTRICTED GENERAL FUND

The other segment of the general fund is the *restricted portion (categorical programs and grants)*, representing approximately \$96 million (20%) of the general fund activity. This fund accounts for federal, state, and local money that must be spent for a specific purpose by law or agreement. Examples of these programs, which are mostly services targeted for specific population groups, are: Perkins Title I-C, Student Equity and Achievement (SEA) Program, Strong Workforce, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and California Adult Education Program. The restricted general fund increased by \$7 million from the current year primarily due to the CRRSA carryover funds received as part of the federal HEERF funds. The colleges have not included the ARP portion of the HEERF funds in the tentative budget but will include them in the adopted budget. All federal, state, and local grants and categorical funding are recognized in the restricted general funds of the District and are used primarily by the colleges for support to educational programs and specialized activities.



A summary of restricted fund programs is provided below.

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Federal Funds:	\$14,799,487	\$17,800,036	-	-	\$32,599,523
AANAPISI		25,206			25,206
College Work Study	214,888	211,943			426,831

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Developing Hispanic Serving Institutions	564,660				564,660
Financial Aid Administration	57,591	30,000			87,591
Foster Kinship Care	166,667				166,667
Higher Education Emergency Relief Fund (HEERF)	8,309,225	15,646,219			23,955,444
National Science Foundation	4,415,595	1,490,061			5,905,656
Perkins	709,254	353,736			1,062,990
Temporary Assistance for Needy Families (TANF)	42,957	42,871			85,828
WIOA Adult Education	318,650				318,650
State Funds:	\$37,163,368	\$18,297,829	\$178,970	\$105,856	\$55,746,023
Adult Education Block Grant	4,466,896	1,445,406			5,912,302
BFAP Student Financial Aid Administration	539,449	370,802			910,251
CalFresh Outreach	26,650	18,828			45,478
California College Promise	4,026,841	2,245,482			6,272,323
CalWORKs	218,427	232,242			450,669
Child Development Training Consortium	29,900				29,900
Classified Professional Development				105,856	105,856
Cooperative Agencies Resources for Educ. (CARE)	65,580	66,132			131,712
COVID-19 Response Block Grant - State		236,700			236,700
Disabled Student Programs and Services (DSPS)	2,687,409	937,424			3,624,833
Dream Resource Liaisons	69,207	51,417			120,624
Energy Construction & Utilities	119,215				119,215
Equal Employment Opportunity			178,970		178,970
Extended Opportunity Programs and Svcs (EOPS)	737,325	971,562			1,708,887
Financial Aid Technology	150,000				150,000
Foster Kinship Care	263,444				263,444
Guided Pathways	689,094	570,973			1,260,067
Health Fee Services	5,000				5,000
Institutional Effectiveness Partnership Initiative		89,664			89,664
Mental Health Services	187,528	163,630			351,158
Nursing Education	263,834				263,834
Physical Plant and Instructional Equipment		278,475			278,475
State Lottery	900,000	470,000			1,370,000

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Strong Workforce	8,143,329	2,577,956			10,721,285
Student Equity and Achievement Program	11,408,366	4,759,595			16,167,961
Student Retention and Enrollment	239,581	138,068			377,649
Student Success Completion Grant	773,250	1,527,423			2,300,673
Veteran Credit Articulation Track Award	859,673				859,673
Veteran Resource Center	293,370	1,146,050			1,439,420
Local and Other Funds:	\$2,875,382	\$1,969,092	-	-	\$4,844,474
Health Fee Services	1,191,581	699,002			1,890,583
HOAG Memorial Hospital Agreement	6,346				6,346
Material Fees	58,050	21,867			79,917
Mission Hospital Project Koinonia	17,202				17,202
Parking Fee Services	1,593,403	1,230,223			2,823,626
UCI - CCCIP		14,000			14,000
VA Reporting Fees	8,800	4,000			12,800
Total Restricted General Fund	\$54,838,237	\$38,066,957	178,970	\$105,856	\$93,190,020

NOTEWORTHY GENERAL FUND ASSUMPTIONS

- Unrestricted General Fund beginning balance is \$70 million. This is composed of the prior year reserve for contingency (\$14.5 million), location beginning balances (\$36.4 million), and basic aid funds (\$19.1 million) which are included in the basic aid project budget.
- Current year FTES are down as of P2 reporting. However, the District is under an emergency conditions waiver where our funding is based on 2019-20 FTES. Targets for 2021-22 reflect 0% growth on the 2019-20 funded FTES.

IVC	2017-18 Recalc	2018-19 Recalc	2019-20 Annual	2020-21 P2	2021-22 Target
Credit	9,395.30	9,009.89	8,673.91	8,679.44	8,673.91
Non-Credit CDCP	470.73	560.92	630.36	623.31	630.36
Non-Credit	226.63	312.39	341.86	205.43	341.86
TOTAL	10,092.66	9,883.20	9,646.13	9,508.18	9,646.13
Percentage Change		-2.1%	-2.4%	-1.4%	1.5%

SC	2017-18 Recalc	2018-19 Recalc	2019-20 Annual	2020-21 P2	2021-22 Target
Credit	14,561.14	14,313.36	14,680.71	14,313.52	14,680.71
Non-Credit CDCP	506.30	492.14	444.39	530.50	444.39
Non-Credit	1,815.49	1,845.89	1,758.56	1,010.59	1,609.55
TOTAL	16,882.93	16,651.39	16,883.66	15,854.61	16,734.65
Percentage Change		-1.4%	1.4%	-6.1%	5.6%

Total	2017-18 Recalc	2018-19 Recalc	2019-20 Annual	2020-21 P2	2021-22 Target
Credit	23,956.44	23,323.25	23,354.62	22,992.96	23,354.62
Non-Credit CDCP	977.03	1,053.06	1,074.75	1,153.81	1,074.75
Non-Credit	2,042.12	2,158.28	2,100.42	1,216.02	1,951.41
TOTAL	26,975.59	26,534.59	26,529.79	25,362.79	26,380.78
Percentage Change		-1.6%	0.0%	-4.4%	4.0%

- Education Protection Act (EPA) funds are budgeted at \$2.64 million (\$100 per FTES). The revenue will be adjusted at the Adopted Budget when FTES estimates are confirmed. These revenues are from temporary taxes and are budgeted for part-time faculty salaries and benefits.
- Unrestricted Lottery revenue is budgeted at \$4.1 million based on an estimated \$150 per FTES. Lottery funds are paid on all FTES, including non-resident FTES.
- Interest revenue is budgeted at \$2 million based on earnings remaining flat.
- Ground lease revenue is budgeted at \$3 million, an increase of 3%, due to the contract price escalation.
- The property and liability insurance coverage is budgeted at \$1,250,000, an increase of \$50,000 over 2020-21. This is anticipated to increase an additional \$50,000 for the adopted budget based on the renewals received.
- Employee movement on salary schedules (steps and columns) for all employee groups are budgeted. Other negotiated salary increases will be included in the adopted budget if negotiations are completed.
- The tentative budget includes a 3% cost increase for employee benefits including PPO medical insurance, HMO medical insurance, dental insurance, vision insurance and life insurance. Initial renewal information indicates the final increase will be lower for the adopted budget.
- Workers' Compensation insurance is budgeted at 1.32% of salaries, the same as 2020-21. The rate will decrease to 1.26% for the adopted budget based on renewals received.
- The unemployment insurance rate for 2021-22 increased dramatically from 0.05% to 1.23% of salaries. This is due to the large increase in the number of unemployment claims during the pandemic and the associated drain on reserves.
- The Public Employees Retirement System (PERS) employer contribution rate approved by the PERS board is 22.91% of salaries, an increase of 2.21% from 2020-21.

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Increase
	Actual	Actual	Actual	Actual	Actual	Budgeted	Estimated	Estimated	Estimated	Estimated	over 2015-16
PERS Annual Rate	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	26.100%	27.100%	27.700%	
PERS Contribution	4,491,723	5,646,703	6,282,896	7,617,986	8,816,672	9,450,546	10,459,517	11,915,906	12,372,454	12,646,383	8,154,660

- The State Teachers Retirement System (STRS) employer contribution rate for 2021-22 is budgeted at 16.92% of salaries, an increase of 0.77% from 2020-21.

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Increase
	Actual	Actual	Actual	Actual	Actual	Budgeted	Estimated	Estimated	Estimated	Estimated	over 2015-16
STRS Annual Rate	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%	19.100%	19.100%	
STRS Contribution	6,692,933	8,553,945	9,765,138	11,039,240	11,782,669	11,432,986	11,978,088	13,521,364	13,521,364	13,521,364	6,828,431

The General Expenses have the following budgeted amounts:

EXPENSE	FY 2021-22 AMOUNT	CHANGE from FY 2020-21
CSEA Professional Development	\$ 30,000	
Discrimination/Harassment Investigation Services	\$ 450,000	
District Services Facilities and Maintenance*	\$ 300,000	
District-wide IT Maintenance Agreements	\$ 1,952,711	\$ 261,752
District-wide Strategic Planning	\$ 50,000	
Employee Safety Compliance Cost	\$ 60,000	
Faculty Job Fair	\$ 30,000	
Faculty Sabbatical Bond Payments	\$ 20,000	\$ 2,000
Financial Audit	\$ 150,000	\$ 5,000
Internal Audit	\$ 280,000	\$ 10,000
Labor Contract Negotiations	\$ 100,000	
Legal Advertising	\$ 65,000	
Legal Fees	\$ 675,000	\$ 25,000
Local Experience Charge – Unemployment Insurance	\$ 100,000	
Offsite Technology Security	\$ 42,000	\$ (3,000)
Personnel Advertising	\$ 130,000	
Property & Liability Insurance	\$ 1,250,000	\$ 50,000
Surplus Sale	\$ 10,000	\$ 10,000
Taxpayer Relief Act Compliance	\$ 58,000	
TOTAL GENERAL EXPENSE ACCOUNTS	\$ 5,752,711	\$ 360,752
District Services Facilities and Maintenance*	\$ (300,000)	
ADJUSTED GENERAL EXPENSE ACCOUNTS	\$ 5,452,711	\$ 360,752

*Paid to Saddleback College for expenses related to District Services space in the Health Sciences Building

The 2021-22 Tentative Budget includes inter-fund transfers as follows:

<u>To:</u>	<u>From:</u>					
	General Fund SC	General Fund IVC	General Fund DS	Basic Aid	Pension Stabilization	Total
General Fund IVC (a)					\$3,320,400	\$3,320,400
General Fund SC (a)					\$5,200,000	\$5,200,000
General Fund DS (a)					\$1,050,000	\$1,050,000
Capital Outlay (b)				\$83,578,758		\$83,578,758
Self-Insurance Fund (c)			\$450,000			\$450,000
Retiree Benefits Fund (d)				\$5,781,644		\$5,781,644
Pension Stabilization Fund (e)				\$6,000,000		\$6,000,000
Student Financial Aid (f)	\$804,864	\$1,699,308				\$2,504,172
Total Transfers	\$804,864	\$1,699,308	\$450,000	\$95,360,402	\$9,570,400	\$107,884,974

- a) Transfer from Pension Stabilization Trust for increased PERS and STRS costs from 2015-16*
- b) Transfer from Basic Aid for capital outlay projects*
- c) Transfer DS funds to support Risk Management Department*
- d) Basic Aid funds allocated for retiree health benefits liability*
- e) Basic Aid funds allocated for pension stabilization trust fund*
- f) Transfer from college restricted funds to pay student financial aid grants*

FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

Reserve funds are an important financial solvency safeguard. Examples of needs for the reserve for economic uncertainties are revenue shortfalls, unexpected repairs, and enrollment declines occurring during the year.

Based on BP 6200, the FY 2021-22 Tentative Budget includes a reserve for contingency of 7.5% of unrestricted operating funds, totaling \$14,553,493. The State Chancellor’s Office recommends a prudent level of reserve of 5%. Furthermore, based upon BP 6210, the FY 2021-22 Tentative Budget includes a basic aid reserve for unrealized tax collections of 20% totaling \$19,775,952.

As shown below Saddleback College, Irvine Valley College, and District Services have all budgeted prudent reserves within each of their operating budgets.

General Fund Reserves (Ending Balances) in 2021-22 Tentative Budget						
	Saddleback College	Irvine Valley College	District Services	Basic Aid	Other	Total
Components of Ending Fund Balance						
Economic Uncertainties					\$14,553,493	\$14,553,493
Basic Aid				\$19,775,952		\$19,775,952
Unassigned	\$13,378,797	\$8,107,900	\$2,911,020			\$24,397,717
Total	\$13,378,797	\$8,107,900	\$2,911,020	\$19,775,952	\$14,553,493	\$58,727,162
<i>% of Total Uses of Funds</i>	<i>11.92%</i>	<i>10.37%</i>	<i>13.91%</i>			

BASIC AID STATUS

A “community-supported” or 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 state apportionment. The District, therefore, is self-sufficient and does not rely on state apportionment for general operations. The portion of property taxes received above the state calculated allocation is referred to as Basic Aid Receipts. The District returned to its status as a community supported district in FY 1999-2000 and has received basic aid receipts as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
1999 - 2009	\$315,867,194
2009 - 2010	\$ 39,022,021
2010 - 2011	\$ 38,737,963
2011 - 2012	\$ 39,301,044
2012 - 2013	\$ 46,888,399
2013 - 2014	\$ 43,788,270
2014 - 2015	\$ 51,659,425
2015 - 2016	\$ 52,672,948
2016 - 2017	\$ 66,017,281
2017 - 2018	\$ 72,940,087
2018 - 2019	\$ 80,300,099
2019 - 2020	\$ 89,448,558
2020 - 2021	\$ 91,055,908

The District estimates that property tax receipts above the state calculated allocation amount for 2021-22 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2021 - 2022	\$ 97,434,220
2022 - 2023	\$ 99,565,392
2023 - 2024	\$101,586,332
2024 - 2025	\$102,892,826

The 2020-21 basic aid receipts were increased since the original estimates and will be adjusted after final property taxes are posted. Although still conservative, the 2021-22 estimated receipts are also higher due to larger projected property tax revenues.

The assumptions used to estimate basic aid funds for 2021-22 include a SCFF funding COLA at 1.7%. For the following years, funding formula

COLA are estimated at 2.48%, 3.11% and 3.54%, and growth is estimated at 0.0% for all years.

The Orange County Auditor Controller’s office is consulted regularly in order to conservatively project the District’s property tax revenue in conjunction with historical trends. For 2021-22, secured property taxes are budgeted with a 3.8% increase over 2020-21. For the following years, secured taxes are estimated to increase 3% per year. Unsecured taxes, supplemental taxes, and homeowners’ taxes are estimated to remain constant for all years.

BP and AR 6210 – *Basic Aid Funds Allocation Process* guide the Basic Aid allocation calculation and process. The District Resource Allocation Council (DRAC) followed this process for its recommendation for allocating the 2021-22 basic aid funds. As this annual process is early in the budget cycle and based on estimates prior to year-end closing, some final adjustments to funds available are made in the adopted budget.

The schedule below shows basic aid funds and projects that are included in the 2021-22 Tentative Budget.

ESTIMATED BASIC AID RESOURCES & PLANNED EXPENDITURES

<u>FY 2021-22 Resources</u>	<u>Amount</u>
Balance at July 1, 2021	\$ 21,829,237
Receipts 2021-22	<u>\$ 97,434,220</u>
Estimated Property Taxes for Basic Aid	\$119,263,457
Contingency for Unrealized Tax Collections (20%)	(\$19,486,844)
Unallocated Funds	<u>(\$289,108)</u>
Total Allocated FY 2021-22	<u>\$ 99,487,505</u>
<u>Budgeted Expenditures</u>	
2021-22 Long-Term Obligations and Fixed Expenses	\$12,561,644
Funding for Technology and Capital Projects	<u>\$86,925,861</u>
Total Approved and Budgeted Projects	<u>\$99,487,505</u>
<u>Basic Aid Projects</u>	<u>Project Amount</u>
Closed Projects	\$306,944,090
Prior Approved Open Projects	<u>\$699,294,261</u>
Total Prior Approved Projects	\$1,006,238,351

Less Expenses and Commitments as of March 2021	<u>\$797,536,070</u>
Net Uncommitted Balance	\$208,702,281
<u>New FY 2021-22 Project Funding</u>	<u>Project Amount</u>
<u>Long Term Obligations & Fixed Expenses</u>	
DW Credit Card/Bank Fees	\$650,000
Pension Stability Trust*	\$6,000,000
Retiree Benefits Expenses*	\$5,781,644
SOCCCD - Legislative Advocacy Services*	\$130,000
<u>Capital Projects/Scheduled Maintenance/Renovation</u>	
DW – ADA Transition Plan Projects*	\$3,000,000
IVC – B200 Scheduled Maintenance*	\$1,500,000
IVC – Fine Arts Building*	\$6,504,504
IVC – Scheduled Maintenance Infrastructure*	\$500,000
IVC – Scheduled Maintenance Roofs & Mechanical	\$2,500,000
IVC – Student Services and Student Union*	\$10,000,000
SC – ATEP First Building*	\$7,083,321
SC – Gateway Building*	\$6,965,839
SC – Parking Lot 12 Expansion & Softball Field	\$10,189,422
SC – Scheduled Maintenance Infrastructure	\$4,700,000
SC – Scheduled Maintenance Utility Distribution System*	\$6,700,000
SC – Science Building Renovation*	\$6,472,015
SC – Site Work at Outfall*	\$1,170,000
SC – Solar Canopy	\$1,124,760
<u>Capital Programs Planning, Technical, Specialty, Legal Consulting</u>	
ATEP Site Development*	\$2,000,000
<u>IT Projects</u>	
CA Virtual Campus–Online Education Initiative (CVC-OEI) Integration	\$300,000
College Desktop Refresh* (IVC/SC)	\$1,976,000
Data Integration	\$175,000
District Computing Micro Segmentation	\$330,000
DW Cloud Services	\$575,000

DW Network Refresh	\$6,000,000
Electronic Forms Integration	\$200,000
Workday HR/Business Services Integrated Software*	\$1,200,000
InFORM Data Warehouse Upgrade*	\$750,000
IVC Domain Name System (DNS) Conversion	\$325,000
IVC Outdoor Wireless	\$750,000
MAP Enhancements*	\$385,000
Non-Credit Student Support	\$165,600
On-Premise Server and Storage Capacity	\$345,000
SC Intermediate Distribution Facility (IDF) Refresh*	\$500,000
SC Security Camera Refresh	\$150,000
SC Server Refresh*	\$150,000
SIS Development Process Improvements*	\$175,000
Student Information System Enhancements*	\$1,814,400
Student Payment Plans	\$250,000
Total FY 2021-22 Funded Projects	<u>\$99,487,505</u>
Cumulative Total - Basic Aid Approved Projects	<u>\$1,105,725,856</u>

**Reflects an augmentation/adjustment to an existing project*

OTHER FUNDS

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

The Community Education funds are self-supporting with income derived from community education fees. 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 mission of the District. The income and expenses from the activities of these programs at Irvine Valley College is accounted for in Fund #07, and at Saddleback College in Fund #09. Both colleges are currently using HEERF funds to maintain staff and cover lost revenue due to the pandemic.

Child Development Fund (Fund #12)

The Child Development fund is intended to be self-sufficient. The District operates a child development program at Saddleback College for the

benefit of children aged 18 months to 5 years. Services are provided to students and the community on a fee basis. Although the intent is for self-sufficiency, the fund has historically required an augmentation from the Unrestricted General Fund, which will be reviewed further in the adopted budget.

Capital Outlay Fund (Fund #40)

The District maintains the Capital Outlay 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, basic aid projects, and district/college funded projects. Redevelopment Agency (RDA) funds are received from eight cities within the district, although the state terminated the redevelopment agencies on February 1, 2012. Funds are received based on prior “pass-through” agreements as well as residual funds not needed to pay remaining agency obligations. These funds are distributed each year following the DRAC model allocation.

The following table depicts the Capital Outlay fund expenditures and ending fund balance by type and area:

Project Description	District-wide	Saddleback	IVC	District Services	Total
Basic Aid Projects:					
CIC Projects	32,284,317	97,162,456	75,492,939	582,228	205,521,940
IT Projects	25,477,914	8,528,200	5,802,615		39,808,729
State Funded Capital Outlay Projects:					
State Portion		24,341,243	20,838,000		45,179,243
Basic Aid Match		49,410,904	33,627,299		83,038,203
College Funded Capital Outlay Projects		2,636,483			2,636,483
Non-Resident Capital Outlay Funds		1,048,011	2,067,011		3,115,022
Redevelopment Funds	8,485,000	23,245,126	19,176,742	6,280,336	57,187,204
Future Capital Outlay Project Funds	37,129,966	935,126	1,600,000	1,388,244	41,053,336
Total Capital Outlay Budget	103,377,197	207,307,549	158,604,606	8,250,808	477,540,160

Major Basic Aid Capital Construction Projects:

Saddleback College projects include: a) Advanced Technology and Applied Sciences (ATAS) Building – Tennis Court and Connector Road construction completion and closeout and ATAS Building construction; b) Gateway Building – bid and construction; c) Data Center Phase II – design; d) BMS Campus-wide Upgrade – construction; e) Wireless Exterior – construction; f) 12kv System Replacement/Upgrades – design; g) Science Math Building Reconstruction – design; h) Parking Lot 12 Expansion and Softball Field Renovation – design; and i) Solar Canopies (first phase) – design.

Irvine Valley College projects include: a) Parking Lot Phase I and II with Solar – solar carports construction; b) Performing Arts Center Construction Defects – design; c) Fine Arts – design and bid; d) Access Controls – construction; e) B200 Physical Sciences – B230 closeout, B221 closeout, and B222 construction; f) Soccer and Practice Fields – construction; g) Student Services and Student Union Buildings – design; and h) Lighting and Walkways – complete design, bid, and construction.

ATEP project includes: a) Saddleback College ATEP First Building - design.

District-wide projects include: a) Design Standards development; b) ADA Transition Plan projects – bid and construction; and c) Warehouse Canopies – IVC canopy design and construction.

Major Basic Aid Technology Initiatives: This year's approved basic aid technology projects recommended by the District-wide Technology Committee (DTC) fall into three major categories. The first category is enterprise resource planning (ERP) software, such as Workday's cloud-based software for human capital management and finance and SOCCCD's internally created Student Information System (SIS). This category includes funds reserved to implement unfunded statewide mandates.

The second category consists of major district-wide technology projects such as student payment plans, MAP enhancements, non-credit student support, data warehouse upgrade, cloud services, and a District-wide network refresh.

The final category consists of college-requested items such as wireless upgrade, security camera refresh, server hardware refresh, and upgrades to classroom technology along with faculty and staff computers.

Self-Insurance Fund (Fund #68)

The Self-Insurance fund is used to account for the activities of the District's risk management department and the self-funded programs for property, liability, and workers' compensation insurance.

The District belongs to the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for up to \$1,000,000 comprehensive liability insurance and up to \$250,000 for property insurance coverage. The District belongs to the School's Association for Excess Risk (SAFER) Joint Powers Authority for excess insurance coverage for liability losses in excess of \$1,000,000 up to \$50,000,000, and in excess of \$250,000 up to \$500,000,000 for excess property coverage. These pools have stabilized the cost of insurance coverage in recent years. Our deductibles for insurance are as follows: Liability = \$50,000; Property = \$5,000; Electronic Data Processing Equipment = \$250; Crime = \$2,500; Cyber Liability = \$75,000; and Equipment Breakdown = \$5,000.

The District belongs to the Protected Insurance Program for Schools and Community Colleges (PIPS) for workers' compensation for \$1 coverage on all claims.

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 retiree benefit premiums that are reimbursed from the Retiree OPEB Trust fund. The current year's annual accrual of retiree benefits for existing employees is also made in this fund.

Retiree Other Post-Employment Benefits (OPEB) Trust Fund (Fund #72)

The Retiree OPEB Trust fund is used to account for the activities of the District's irrevocable trust. An irrevocable trust was established in FY 2007-08 to fund the OPEB obligation in accordance with GASB 43 and 45 for the purpose of investment and disbursement of funds irrevocably designated for the payment of obligations to eligible employees, former employees, and their eligible dependents for medical, dental, and vision upon retirement. The District's OPEB liability was updated in January 2021 with the completion of a required actuarial study.

An actuarial study is conducted annually to update the status of the District's irrevocable trust and determine any unfunded liabilities. The study provides two estimates: 1) the annual accrual to cover the value of benefits "earned" in the current year for existing employees, and 2) the total projected benefits accrual for employees' past service. The current study estimates the cost for the annual accrual for current employees to be \$5,781,644. The District's actuarial accrued liability for past service estimated at \$112,761,605 is fully funded. The annual accrual amount is funded in the tentative budget.

Pension Stabilization Trust (PST) Fund (Fund #78)

The PST fund was established to pre-fund the anticipated costs associated with the increase in pension rates. Annual deposits are made to maintain the fund including a \$6 million DRAC allocation for 2021-22. The funds are transferred to the District each year based on actual increased expenditures from the 2015-16 base year for STRS and PERS.

Student Financial Aid Fund (Fund #84)

The Student Financial Aid Fund is used to account for federal and state financial aid funds received and disbursed to students.

Associated Student Government (ASG) Funds (Funds #95 and #96)

The ASG organizations are auxiliaries of the District and are used to account for the activities of the SC Associated Student Government (ASG) and the IVC Associated Students (ASIVC).

Student Representation Fee Fund (Funds #97)

The Student Representation Fee fund accounts for the fees collected to support student representation efforts at the federal, state, and local level. AB1504 requires community colleges to charge a \$2 fee to all registered students each semester and provide the opportunity to opt out of the fee. \$1 of the fee is remitted to the statewide associated students organization each spring.

BUDGET TABLES

The Tentative Budget for FY 2021-22 for all District funds is summarized on the following pages.

Ann-Marie Gabel, Vice Chancellor, Business Services

Kim McCord, Executive Director, Fiscal Services

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2021-2022**

Revenues, Expenditures and Change in Fund Balance

	General Fund	Community Education	SC Child Development	Capital Outlay	Self-Insurance	Retiree Benefit & Pension Trust Funds	Student Financial Aid Fund	Associated Student Government Funds	Student Representation Fee Fund	TOTAL ALL FUNDS
	(01)	(07) & (09)	(12)	(40)	(68)	(71), (72), (78)	(84)	(95) & (96)	(97)	
BEGINNING FUND BALANCE	9712 \$ 72,630,381	\$ 35,650	\$ -	\$ 338,583,159	\$ 3,004,787	\$ 173,637,679	\$ -	\$ 720,000	\$ 60,075	\$ 588,671,731
SOURCES OF FUNDS										
REVENUES:										
SCFF Revenue	Various \$ 168,480,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,480,780
Basic Aid	97,434,220	-	-	-	-	-	-	-	-	97,434,220
Federal Sources	8100-8199 32,599,523	-	114,618	-	-	-	42,075,094	-	-	74,789,235
Other State Sources	8600-8699 79,234,335	-	-	45,179,243	-	-	4,026,460	-	-	128,440,038
Other Local Sources	8800-8899 20,636,827	1,926,585	1,500,000	10,199,000	50,000	14,056,644	-	606,407	103,000	49,078,463
Total Revenue	398,385,685	1,926,585	1,614,618	55,378,243	50,000	14,056,644	46,101,554	606,407	103,000	518,222,736
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919 \$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000
Fiscal Agent Pass-Thru	8970-8979 -	-	-	-	-	-	-	-	-	-
Restricted Basic Aid	8980-8989 -	-	-	83,578,758	-	11,781,644	-	-	-	95,360,402
Incoming Transfers	8980-8989 9,570,400	-	-	-	450,000	-	2,504,172	-	-	12,524,572
Total Other Sources	9,660,400	-	-	83,578,758	450,000	11,781,644	2,504,172	-	-	107,974,974
TOTAL SOURCES OF FUNDS	408,046,085	1,926,585	1,614,618	138,957,001	500,000	25,838,288	48,605,726	606,407	103,000	626,197,710
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999 \$ 97,926,992	\$ 46,207	\$ 55,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,029,149
Classified Salaries	2000-2999 61,035,345	666,071	902,000	1,161,532	323,928	-	-	138,584	-	64,227,460
Employee Benefits	3000-3999 79,542,850	255,854	406,655	594,782	188,627	11,381,644	-	61,051	-	92,431,463
Supplies & Materials	4000-4999 5,443,221	20,469	15,000	105,000	23,000	-	-	206,035	-	5,812,725
Services & Other Operating	5000-5999 72,227,867	970,699	129,396	14,231,937	596,121	640,000	-	593,087	118,785	89,507,892
Capital Outlay	6000-6999 3,295,620	2,935	-	460,211,266	12,000	-	-	31,974	-	463,553,795
Total Expenditures	319,471,895	1,962,235	1,509,001	476,304,517	1,143,676	12,021,644	-	1,030,731	118,785	813,562,484
OTHER FINANCING USES:										
Transfers Out	7300-7399 \$ 2,954,172	\$ -	\$ -	\$ -	\$ -	\$ 9,570,400	\$ -	\$ -	\$ -	\$ 12,524,572
Basic Aid Transfers Out	7300-7399 95,360,402	-	-	-	-	-	-	-	-	95,360,402
Other Transfers	7400-7499 -	-	-	-	-	-	-	-	44,290	44,290
Payments to Students	7500-7699 4,162,835	-	105,617	-	-	-	48,605,726	176,000	-	53,050,178
Total Other Uses	102,477,409	-	105,617	-	-	9,570,400	48,605,726	176,000	44,290	160,979,442
TOTAL USES OF FUNDS	421,949,304	1,962,235	1,614,618	476,304,517	1,143,676	21,592,044	48,605,726	1,206,731	163,075	974,541,926
SURPLUS / (DEFICIT)	\$ (13,903,219)	\$ (35,650)	\$ -	\$ (337,347,516)	\$ (643,676)	\$ 4,246,244	\$ -	\$ (600,324)	\$ (60,075)	\$ (348,344,216)
ENDING FUND BALANCE	\$ 58,727,162	\$ -	\$ -	\$ 1,235,643	\$ 2,361,111	\$ 177,883,923	\$ -	\$ 119,676	\$ -	\$ 240,327,515
COMPONENTS OF ENDING FUND BALANCE										
Assigned Reserve, Economic Uncertainties	\$ 14,553,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,553,493
Assigned Reserve, Basic Aid	19,775,952	-	-	-	-	-	-	-	-	19,775,952
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	176,382,136	-	119,676	-	176,501,812
Assigned Fund Balance	-	-	-	1,235,643	2,361,111	1,501,787	-	-	-	5,098,541
Unassigned Fund Balance	24,397,717	-	-	-	-	-	-	-	-	24,397,717
TOTAL ENDING FUND BALANCE	\$ 58,727,162	\$ -	\$ -	\$ 1,235,643	\$ 2,361,111	\$ 177,883,923	\$ -	\$ 119,676	\$ -	\$ 240,327,515

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2021-2022
 Revenues, Expenditures and Change in Fund Balance

		Saddleback College			Irvine Valley College			District Services		
		General Fund	General Fund	Total	General Fund	General Fund	Total	General Fund	General Fund	Total
		Unrestricted	Restricted		Unrestricted	Restricted		Unrestricted	Restricted	
BEGINNING FUND BALANCE	9712	\$ 17,644,104	\$ 1,197,603	\$ 18,841,707	\$ 13,500,000	\$ 1,428,885	\$ 14,928,885	\$ 5,200,000	\$ -	\$ 5,200,000
SOURCES OF FUNDS										
REVENUES:										
SCFF Revenue	Various	\$ 88,485,170	\$ -	\$ 88,485,170	\$ 56,921,099	\$ -	\$ 56,921,099	\$ 17,583,027	\$ -	\$ 17,583,027
Basic Aid		-	-	-	-	-	-	-	-	-
Federal Sources	8100-8199	-	14,799,487	14,799,487	-	17,800,036	17,800,036	-	-	-
Other State Sources	8600-8699	6,723,166	37,163,368	43,886,534	4,202,946	18,297,829	22,500,775	-	178,970	178,970
Other Local Sources	8800-8899	7,499,694	2,875,382	10,375,076	8,292,659	1,969,092	10,261,751	-	-	-
Total Revenue		102,708,030	54,838,237	157,546,267	69,416,704	38,066,957	107,483,661	17,583,027	178,970	17,761,997
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919	55,380	-	55,380	34,620	-	34,620	-	-	-
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-	-	-
Restricted Basic Aid	8980-8989	-	-	-	-	-	-	-	-	-
Incoming Transfers	8980-8989	5,200,000	-	5,200,000	3,320,400	-	3,320,400	1,050,000	-	1,050,000
Total Other Sources		5,255,380	-	5,255,380	3,355,020	-	3,355,020	1,050,000	-	1,050,000
TOTAL SOURCES OF FUNDS		107,963,410	54,838,237	162,801,647	72,771,724	38,066,957	110,838,681	18,633,027	178,970	18,811,997
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ 52,268,391	\$ 6,846,946	\$ 59,115,337	\$ 34,138,073	\$ 3,051,837	\$ 37,189,910	\$ 1,133,132	\$ -	\$ 1,133,132
Classified Salaries	2000-2999	21,387,670	7,729,396	29,117,066	16,249,811	4,613,781	20,863,592	10,545,949	-	10,545,949
Employee Benefits	3000-3999	30,364,971	5,373,816	35,738,787	21,041,922	3,570,164	24,612,086	6,734,926	-	6,734,926
Supplies & Materials	4000-4999	1,024,802	2,046,842	3,071,644	773,648	1,395,229	2,168,877	126,000	50,000	176,000
Services & Other Operating	5000-5999	6,978,721	29,507,737	36,486,458	5,942,370	21,753,469	27,695,839	1,834,000	128,970	1,962,970
Capital Outlay	6000-6999	204,162	2,096,433	2,300,595	18,000	879,025	897,025	98,000	-	98,000
Total Expenditures		112,228,717	53,601,170	165,829,887	78,163,824	35,263,505	113,427,329	20,472,007	178,970	20,650,977
OTHER FINANCING USES:										
Transfers Out	7300-7399	\$ -	\$ 804,864	\$ 804,864	\$ -	\$ 1,699,308	\$ 1,699,308	\$ 450,000	\$ -	\$ 450,000
Basic Aid Transfers Out	7300-7399	-	-	-	-	-	-	-	-	-
Other Transfers	7400-7499	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	1,629,806	1,629,806	-	2,533,029	2,533,029	-	-	-
Total Other Uses		-	2,434,670	2,434,670	-	4,232,337	4,232,337	450,000	-	450,000
TOTAL USES OF FUNDS		112,228,717	56,035,840	168,264,557	78,163,824	39,495,842	117,659,666	20,922,007	178,970	21,100,977
SURPLUS / (DEFICIT)		\$ (4,265,307)	\$ (1,197,603)	\$ (5,462,910)	\$ (5,392,100)	\$ (1,428,885)	\$ (6,820,985)	\$ (2,288,980)	\$ -	\$ (2,288,980)
ENDING FUND BALANCE		\$ 13,378,797	\$ -	\$ 13,378,797	\$ 8,107,900	\$ -	\$ 8,107,900	\$ 2,911,020	\$ -	\$ 2,911,020
COMPONENTS OF ENDING FUND BALANCE										
Assigned Reserve, Economic Uncertainties		-	-	-	-	-	-	-	-	-
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		13,378,797	-	13,378,797	8,107,900	-	8,107,900	2,911,020	-	2,911,020
TOTAL ENDING FUND BALANCE		\$ 13,378,797	\$ -	\$ 13,378,797	\$ 8,107,900	\$ -	\$ 8,107,900	\$ 2,911,020	\$ -	\$ 2,911,020

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2021-2022
 Revenues, Expenditures and Change in Fund Balance

		Basic Aid		Other		TOTAL		
		General Fund	General Fund	General Fund	Total	General Fund	General Fund	General Fund
		Unrestricted	Unrestricted	Restricted		Unrestricted	Restricted	
BEGINNING FUND BALANCE	9712	\$ 19,145,069	14,514,720	\$ -	\$ 14,514,720	\$ 70,003,893	2,626,488	\$ 72,630,381
SOURCES OF FUNDS								
REVENUES:								
SCFF Revenue	Various	\$ -	5,491,484	\$ -	\$ 5,491,484	\$ 168,480,780	\$ -	\$ 168,480,780
Basic Aid		97,434,220	-	-	-	97,434,220	-	97,434,220
Federal Sources	8100-8199	-	-	-	-	-	32,599,523	32,599,523
Other State Sources	8600-8699	-	12,562,200	105,856	12,668,056	23,488,312	55,746,023	79,234,335
Other Local Sources	8800-8899	-	-	-	-	15,792,353	4,844,474	20,636,827
Total Revenue		97,434,220	18,053,684	105,856	18,159,540	305,195,665	93,190,020	398,385,685
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	-	-	-	-	90,000	-	90,000
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Restricted Basic Aid	8980-8989	-	-	-	-	-	-	-
Incoming Transfers	8980-8989	-	-	-	-	9,570,400	-	9,570,400
Total Other Sources		-	-	-	-	9,660,400	-	9,660,400
TOTAL SOURCES OF FUNDS		97,434,220	18,053,684	105,856	18,159,540	314,856,065	93,190,020	408,046,085
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ -	488,613	\$ -	488,613	\$ 88,028,209	\$ 9,898,783	\$ 97,926,992
Classified Salaries	2000-2999	147,202	361,536	-	361,536	48,692,168	12,343,177	61,035,345
Employee Benefits	3000-3999	105,534	12,351,517	-	12,351,517	70,598,870	8,943,980	79,542,850
Supplies & Materials	4000-4999	1,200	25,500	-	25,500	1,951,150	3,492,071	5,443,221
Services & Other Operating	5000-5999	1,188,999	4,787,745	105,856	4,893,601	20,731,835	51,496,032	72,227,867
Capital Outlay	6000-6999	-	-	-	-	320,162	2,975,458	3,295,620
Total Expenditures		1,442,935	18,014,911	105,856	18,120,767	230,322,394	89,149,501	319,471,895
OTHER FINANCING USES:								
Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 2,504,172	\$ 2,954,172
Basic Aid Transfers Out	7300-7399	95,360,402	-	-	-	95,360,402	-	95,360,402
Other Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	4,162,835	4,162,835
Total Other Uses		95,360,402	-	-	-	95,810,402	6,667,007	102,477,409
TOTAL USES OF FUNDS		96,803,337	18,014,911	105,856	18,120,767	326,132,796	95,816,508	421,949,304
SURPLUS / (DEFICIT)		\$ 630,883	\$ 38,773	\$ -	\$ 38,773	\$ (11,276,731)	\$ (2,626,488)	\$ (13,903,219)
ENDING FUND BALANCE		\$ 19,775,952	\$ 14,553,493	\$ -	\$ 14,553,493	\$ 58,727,162	\$ -	\$ 58,727,162
COMPONENTS OF ENDING FUND BALANCE								
Assigned Reserve, Economic Uncertainties		-	14,553,493	-	14,553,493	14,553,493	-	14,553,493
Assigned Reserve, Basic Aid		19,775,952	-	-	-	19,775,952	-	19,775,952
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	24,397,717	-	24,397,717
TOTAL ENDING FUND BALANCE		\$ 19,775,952	\$ 14,553,493	\$ -	\$ 14,553,493	\$ 58,727,162	\$ -	\$ 58,727,162

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2021-2022
Revenues, Expenditures and Change in Fund Balance

	Community Education Funds			Retiree Benefit & Pension Trust Funds				
	Saddleback College (09) & (100)	Irvine Valley College (07)	Total	Retiree Benefit Fund (71)	Retiree (OPEB) Trust Fund (72)	Pension Stability Trust Fund (78)	Total	
BEGINNING FUND BALANCE	9712	\$ 35,650	\$ -	\$ 35,650	\$ 1,486,787	\$ 149,462,082	\$ 22,688,810	\$ 173,637,679
SOURCES OF FUNDS								
REVENUES:								
SCFF Revenue	Various	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Aid		-	-	-	-	-	-	-
Federal Sources	8100-8199	-	-	-	-	-	-	-
Other State Sources	8600-8699	-	-	-	-	-	-	-
Other Local Sources	8800-8899	1,671,506	255,079	1,926,585	25,000	13,281,644	750,000	14,056,644
Total Revenue		1,671,506	255,079	1,926,585	25,000	13,281,644	750,000	14,056,644
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	-	-	-	-	-	-	-
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Restricted Basic Aid	8980-8989	-	-	-	5,781,644	-	6,000,000	11,781,644
Incoming Transfers	8980-8989	-	-	-	-	-	-	-
Total Other Sources		-	-	-	5,781,644	-	6,000,000	11,781,644
TOTAL SOURCES OF FUNDS		1,671,506	255,079	1,926,585	5,806,644	13,281,644	6,750,000	25,838,288
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ 26,805	\$ 19,402	\$ 46,207	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	552,785	113,286	666,071	-	-	-	-
Employee Benefits	3000-3999	182,463	73,391	255,854	5,781,644	5,600,000	-	11,381,644
Supplies & Materials	4000-4999	19,969	500	20,469	-	-	-	-
Services & Other Operating	5000-5999	922,199	48,500	970,699	10,000	530,000	100,000	640,000
Capital Outlay	6000-6999	2,935	-	2,935	-	-	-	-
Total Expenditures		1,707,156	255,079	1,962,235	5,791,644	6,130,000	100,000	12,021,644
OTHER FINANCING USES:								
Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,570,400	\$ 9,570,400
Basic Aid Transfers Out	7300-7399	-	-	-	-	-	-	-
Other Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	-	-
Total Other Uses		-	-	-	-	-	9,570,400	9,570,400
TOTAL USES OF FUNDS		1,707,156	255,079	1,962,235	5,791,644	6,130,000	9,670,400	21,592,044
SURPLUS / (DEFICIT)		\$ (35,650)	\$ -	\$ (35,650)	\$ 15,000	\$ 7,151,644	\$ (2,920,400)	\$ 4,246,244
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 1,501,787	\$ 156,613,726	\$ 19,768,410	\$ 177,883,923
COMPONENTS OF ENDING FUND BALANCE								
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	156,613,726	19,768,410	176,382,136
Assigned Fund Balance		-	-	-	1,501,787	-	-	1,501,787
Unassigned Fund Balance		-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 1,501,787	\$ 156,613,726	\$ 19,768,410	\$ 177,883,923

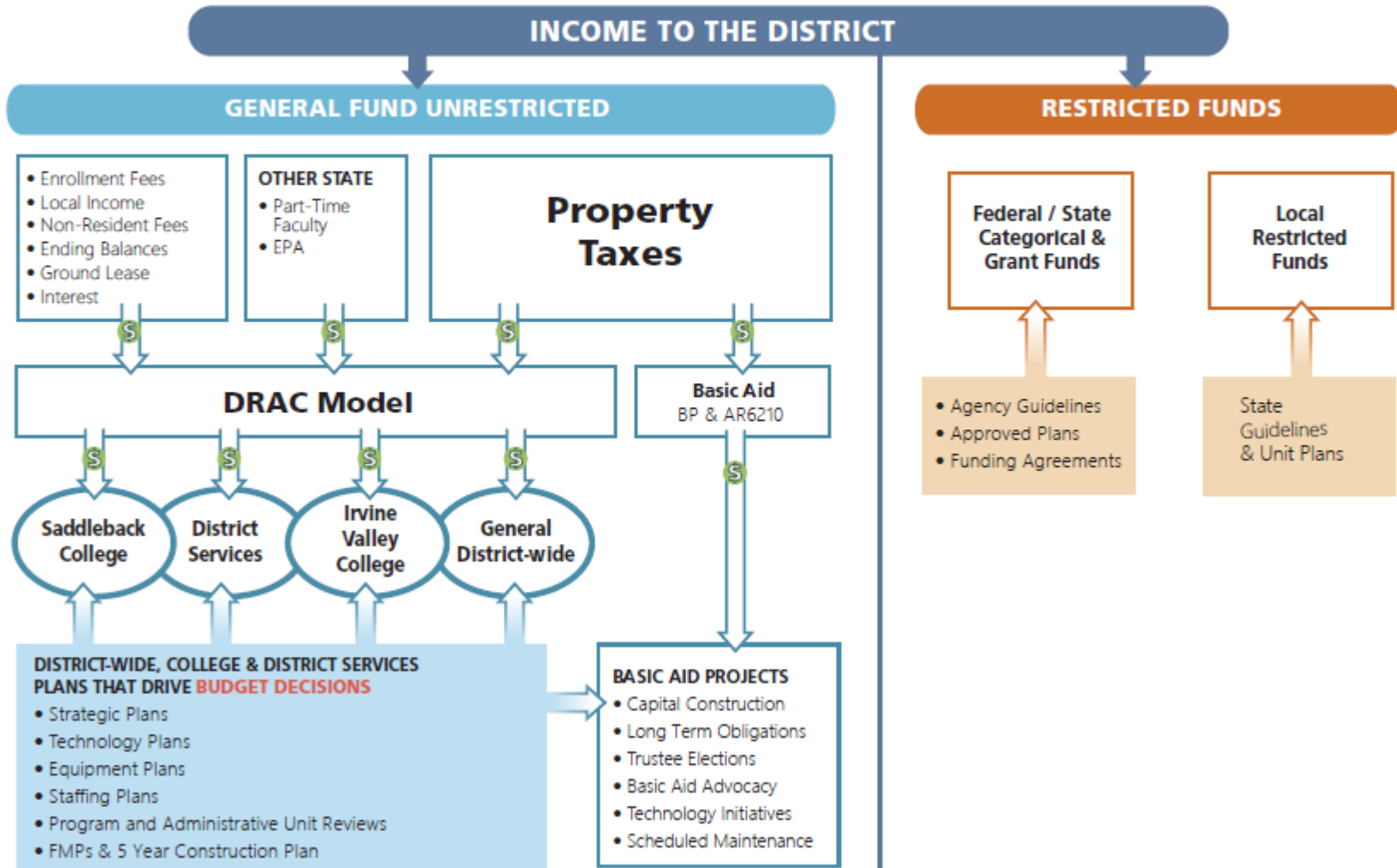
SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2021-2022
Revenues, Expenditures and Change in Fund Balance

	Student Financial Aid Fund			Associated Student Government Funds		
	Saddleback College	Irvine Valley College	Total	Saddleback College	Irvine Valley College	Total
BEGINNING FUND BALANCE	9712	\$ (84)	\$ (84)	\$ (95)	\$ (96)	\$ (200)
	-	-	-	300,000	420,000	720,000
SOURCES OF FUNDS						
REVENUES:						
SCFF Revenue	Various	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Aid		-	-	-	-	-
Federal Sources	8100-8199	21,829,958	20,245,136	-	-	-
Other State Sources	8600-8699	2,106,460	1,920,000	-	-	-
Other Local Sources	8800-8899	-	-	-	-	-
Total Revenue		23,936,418	22,165,136	251,407	355,000	606,407
OTHER FINANCING SOURCES:						
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-
Restricted Basic Aid	8980-8989	-	-	-	-	-
Incoming Transfers	8980-8989	804,864	1,699,308	-	-	-
Total Other Sources		804,864	1,699,308	-	-	-
TOTAL SOURCES OF FUNDS		24,741,282	23,864,444	251,407	355,000	606,407
USES OF FUNDS						
EXPENDITURES:						
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	-	-	65,123	73,461	138,584
Employee Benefits	3000-3999	-	-	16,162	44,889	61,051
Supplies & Materials	4000-4999	-	-	179,735	26,300	206,035
Services & Other Operating	5000-5999	-	-	148,887	444,200	593,087
Capital Outlay	6000-6999	-	-	-	31,974	31,974
Total Expenditures		-	-	409,907	620,824	1,030,731
OTHER FINANCING USES:						
Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Aid Transfers Out	7300-7399	-	-	-	-	-
Other Transfers	7400-7499	-	-	-	-	-
Payments to Students	7500-7699	24,741,282	23,864,444	103,000	73,000	176,000
Total Other Uses		24,741,282	23,864,444	103,000	73,000	176,000
TOTAL USES OF FUNDS		24,741,282	23,864,444	512,907	693,824	1,206,731
SURPLUS / (DEFICIT)		\$ -	\$ -	\$ (261,500)	\$ (338,824)	\$ (600,324)
ENDING FUND BALANCE		\$ -	\$ -	\$ 38,500	\$ 81,176	\$ 119,676
COMPONENTS OF ENDING FUND BALANCE						
Assigned Reserve, Economic Uncertainties		-	-	-	-	-
Assigned Reserve, Basic Aid		-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-
Restricted Fund Balance		-	-	38,500	81,176	119,676
Assigned Fund Balance		-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ 38,500	\$ 81,176	\$ 119,676

APPENDIX A

Resource Allocation Process

Board policies, regulations and budget development guidelines govern income decisions.



APPENDIX B

South Orange County Community College District

RESOURCE ALLOCATION DEFINITION OF TERMS

(To accompany the Flow Chart outlining the Resource Allocation Process)

- **Administrative Unit Reviews (AURs)** are conducted to examine the effectiveness of an administrative unit. They are conducted at both District Services and the colleges.
- **Basic Aid** occurs when the local property tax revenue and student fees in a community college district exceeds the total funding that the state would have provided, as calculated by the state funding formula. Apportionment is the method by which the California Community College (CCC) system office distributes federal, state and local monies to community college districts according to a specified formula. Under Basic Aid, there is no need to factor in any state aid because the property taxes and student fees surpass the minimum funding level established by the state.
- **Capital Construction** refers to large scale building construction projects. They include specific construction projects such as site development, utilities, roads, buildings, and equipment projects. Capital projects may also be thought of in terms of “facilities systems.”
- **DRAC** is the SOCCCD’s District Resource Allocation Council, which is a district-wide participatory governance council, charged with making recommendations for the income allocation model on which the Unrestricted General Fund budget is based; the development of the allocation process; the ongoing oversight of District finances; and monitoring progress made towards completion of the capital improvement and technology basic aid allocations. It makes recommendations to the Chancellor.
- **DRAC Model** is a resource allocation model for the District. It distributes available general fund unrestricted resources (following the state funding formula) and other funding such as enrollment fees, non-resident fees, local income, miscellaneous income, and ending balances. Funds are distributed to five areas: 1) Saddleback College, 2) Irvine Valley College, 3) Contingency Reserve, 4) General Expenditures, and 5) District Services. The intention of the model is to guarantee the colleges a predictable and fair distribution of revenues.
- **Education Master and Strategic Plans (EMSP)** capture information from a variety of sources, both internal and external, to facilitate data driven decision-making. The products are long-term plans for continuous quality improvements focusing on strategies for academic excellence within the CCC Chancellor’s Office Vision for Success.
- **Ending Balances** are one-time remaining funds that are unspent at the end of the fiscal year and are available to be rolled over into the new fiscal year within the fund. They should only be available for one-time purposes. If negative ending balances should occur, they are deducted from the budget for the respective entity in the next year’s budget process.
- **Enrollment Fees** are established by the State and charged to a student for instructional services provided to that student.
- **Facilities Master Plan (FMP)** is the long-term plan for facilities improvements that aligns with the EMSP.

- **Federal, State, Categorical, and Grant Funds** include restricted revenues received from a government or a private or non-profit organization to be used or expended for a specified purpose.
- **General Funds** are used to account for the ordinary operational expenses of the District. These funds are available for any legally authorized purpose not specified for payment by other funds.
- **Local Income** is income derived from non-state and non-federal sources, such as material fees, facility rental, and application fees.
- **Local Restricted Funds** are funds that are non-state and non-federal, but have restrictions or limitations based on their use by the funding source or funding agency. Examples are community education, health services, parking income, and child development funds.
- **Long-Term Obligations** are amounts that an entity may be legally required to pay out of its resources over a longer period of time in the future. An example of a long-term obligation that community colleges typically have is the future retiree benefit liability obligation, as required by GASB 43 and 45. Other examples could include Certificates of Participation (COPs) and other debt, neither of which the District currently has.
- **Miscellaneous Income** is income that is outside of the state funding formula. Examples are unrestricted lottery, interest, mandated costs, and enrollment fee administration.
- **Non-Resident Fees** are charged to a student for instructional services provided to a student who resides outside of California. Revenues are retained by the colleges in addition to revenues received through the DRAC model.
- **Program Reviews** are a process to examine the effectiveness of an academic or student services program. The process typically provides feedback (a) to the academic or student services unit primarily responsible for the program, (b) to the appropriate academic administrators, and (c) to external units in the form of confirmation of the existence of a review process and in the form of summaries of the outcomes.
- **Property Taxes** are compulsory charges levied within boundaries by a governmental unit against the property of persons, natural or corporate, to finance services performed for the common benefit. Property taxes are the primary source of revenue to the District.
- **Reserve** is an amount set aside to provide for estimated future expenditures or losses for working capital, or for other specified purposes. The Budget Guidelines approved by the Board of Trustees require a general fund reserve for economic uncertainties that shall be no less than 7.5% of the projected unrestricted revenue.
- **Restricted Funds** are used to account for resources available for the operation and support of educational or other programs specifically restricted by law, regulations, donors, or other outside agencies. Examples of Restricted Funds at SOCCCD are EOPS, DSPS, and grants. All federal, state, and local funds including state categorical programs and grants are recognized as restricted general fund income to the District.
- **Scheduled Maintenance Funds** are state funds that are provided for major repairs of buildings and equipment. At the District, the working definition of scheduled maintenance includes scheduled maintenance or repair of major building systems at the end of their life cycle that require planning, allocation of a significant amount of time and funds, and a high degree of coordination.
- **State Capital Project Funds** are funds provided by the California Community College Chancellor's Office for District capital construction projects that meet their criteria for receiving funds from the state. These funds are matched by the District.
- **Strategic Plans** refer to the Strategic Plans at both colleges and the SOCCCD District-wide Strategic Plan.

- **Technology Master Plan** is the long-term plan for technology improvements that aligns with the EMSP.
- **Unrestricted Funds** are funds that do not have limitations on their use or disposition by their funding source (i.e., do not have specific restrictions placed upon them). These funds can be used for general purpose operating expenses and support of educational programs of the District.
- **5 Year Construction Plan** uses the project lists developed during the Education and Facilities Master Planning processes. The college presidents work every year with their campuses to update the two colleges' lists of project priorities. The separate campus priority lists are merged into one district-wide project priority list vetted through the Capital Improvement Committee (CIC) and approved by the Board of Trustees for submittal to the CCC Chancellor's office. This Five-Year Construction Plan is the basis for the CCC Chancellor's Office determination of which projects they will consider for funding. All Initial Project Proposal (IPP) and Final Project Proposal (FPP) submittals must be drawn from this list.