

# FY 2014-2015 ADOPTED BUDGET



August 25, 2014



Presented By:

Dr. Debra L. Fitzsimons  
Vice Chancellor, Business Services

# THE DISTRICT . . . . .



**Overview:** 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 four years, SOCCCD enrollments have remained stable. Total headcount is over 43,000 and full time equivalent students (FTES) number over 27,000. Demand for online courses and certificate programs continue to increase dramatically.

**Planning Efforts:** During the last several years, great strides have been made to district-wide planning and budgeting processes. The district-wide planning processes were developed and became integral to all aspects of college and district-wide decision-making and resource allocations in a transparent, inclusive and open process. This was in response to accreditation recommendations. The District-wide Planning Council (DWPC) continues to implement the recommendations and oversee the strategic planning processes.

**Major Capital Projects:** Major projects at Saddleback College include a) continued design of the Technology and Applied Sciences (ATAS) Swing Space and Renovation projects; b) preparation for construction on the Communication Arts project; and c) initial studies on the Site Improvement project, the Fine Arts Complex HVAC & Interior Improvements project and the Athletic Stadium Renovation project.

Irvine Valley College projects include: a) surety negotiation and close out of the Life Sciences Building project; b) jurisdictional approval and construction preparation for the Barranca Road connection; c) construction on the A400 Design/Build project; d) design for A200 project and design for the New IVC Building project at ATEP.

The ATEP project also continues with demolition and planning projects. District-wide projects include IT fiber cabling and phase 2 conditions assessments/survey of utility and infrastructure.

With the advent of the Capital Improvement Committee (CIC) and Basic Aid Allocation Recommendation Committee (BAARC) process and the addition of two construction managers at district level and one at Saddleback College, the resources are being planned and brought into place to address many additional projects including at Saddleback College: a) the unexpected BGS Fire Repair; b) Learning Resource Construction Defects; c) Central Plant/CoGen Upgrade, and; d) Exterior Campus Lighting.

At Irvine Valley College: additional projects included a) Campus Lighting/Walkways; b) Field Repairs, and; c) Student Services Center HVAC.

**Major Technology Initiatives:** This year's proposed technology projects recommended by the District-wide Technology Committee (DTC) fall into five general categories. The first category is improvements to network infrastructure, typified by projects such as the district-wide replacement of desktop computers, servers, fiber optic cabling, network switches, and digital phones. The second category is enterprise resource planning (ERP) software, where we are replacing aging software for human resources and finance with modern versions as well as adding new capabilities such as e-transcripts, email archiving and college-prioritized enhancements to our student information system. The third category builds upon SOCCCD's national reputation in creating software to increase student success, exemplified by systems such as My Academic Plan (MAP) and Sherpa, to re-architect the online class schedule to add intelligent recommendations for student success. The fourth category consists of security-related items and ranges from software that helps student services coordinate assistance for troubled students to improvements in network security and role management. Finally, some technology funds are reserved to implement unfunded statewide mandates such as changes in registration priorities and the handling of course prerequisites.

**Human Resources:** Human Resources has been extremely busy this past academic year and has completed the 2014 recruiting season for faculty positions, again leading other community colleges in California with the highest number of new faculty positions. A faculty member serves an average of 20.6 years in the District. This long-term investment represents an annual expenditure for salaries and benefits of 85% to 89% of the entire fiscal budget.

**State Budget and the Community College System:** The final State budget was enacted on June 20, 2014. The passage of Proposition 30 in fall of 2012 created the Educational Protection Account (EPA) and provided temporary funding for education through 2016 and 2019. The spending plan for EPA funds received by SOCCCD is included in the adopted budget.

Some of the highlights of the adopted budget related to community colleges are:

- Enrollment fees remain at \$46 per unit
- \$ 102 million for .85% COLA
- \$ 162.8 million for 2.75% growth; the governor will push back the implementation of a revised growth formula until the 2015-16 fiscal year
- Beginning in 2015-2016, a proposed increase in the funding rate for enhanced non-credit courses
- \$30 million increase for DSPS
- \$50 million (one-time) for Economic and Workforce Development Programs (categorical)
- \$70 million for student equity plans

- \$100 million for the Student Success and Support Program
- \$37.5 million for Prop 39 energy efficiency projects
- \$49.5 million for earlier mandate reimbursement claims
- \$148 million for Scheduled Maintenance and Instructional Equipment with no local match requirement; districts have flexibility on spending categories that must be fully committed this year

The biggest policy issue that was included in the State budget is a plan for fully funding the CalSTRS defined benefit program over the next 30 years. The unfunded liability is estimated at \$74.4 billion. The Governor's plan will begin closing the funding gap, which includes increasing the state's share of funding the Defined Benefit Plan from the current level of 3 percent of payroll to 6.3 percent of payroll, phase in of an increase in teacher/employee contributions from 8 percent of pay to 10.25 percent over a three-year period, and phase in of an increase in employer contributions over a seven-year period. The initial cost increase for districts would be approximately \$28 million. Eventually, employer contributions will increase from the current 8.25% to 19.1% over 7 years.

**SOCCCD Budget:** The District budget for all funds totals over \$655 million. Because the District is self-sufficient and is a basic aid district, it is essential that the budget is conservative, and the district continues to maintain stable funding for the colleges by closely monitoring income and expenses. For this coming year, property tax revenues remain a constant, reliable funding stream. The adopted budget includes conservative estimates for property tax revenues, enrollment fees, non-resident tuition, EPA funds, Lottery, interest, and other miscellaneous revenue. Due to the short-term nature of the EPA funds, they continue to be budgeted for part-time faculty salary and benefits at both colleges.

The major changes between the tentative budget and the adopted budget include a reduction in COLA from 0.86% to 0.85%, a reduction in growth from 3% to 2.75%, an increase in the Unrestricted General Fund beginning balance (\$4.4M), and an overall increase in the Restrict General Fund.

After following the SB361 funding formula for the colleges through the District Resource Allocation Council (DRAC) model, excess property tax revenues available for basic aid distribution this fiscal year total over \$38 million. These funds are used for capital expenditures and other one-time projects in lieu of bonds that other community colleges use.

The District continues to face challenges balancing a budget where the increases in commitments for salaries, benefits, and retirement contributions to STRS and PERS surpass the new available income. On top of very low COLA increases in recent years, the EPA funds will go away after 2019 causing additional fiscal constraints.

The general fund budget provides for colleges' operations, district-wide general expenses, District Services, and a general reserve of 7.5%. The strong reserve is necessary for a self-

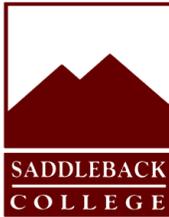
sufficient district and allows the District to manage cash-flow throughout the year as well as prepare for unforeseen expenditures and emergencies.

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

***Dr. Debra L. Fitzsimons***

*Vice Chancellor, Business Services  
South Orange County Community College District*

# SADDLEBACK COLLEGE BUDGET MESSAGE



Saddleback College is pleased to submit its Adopted Budget to the Board of Trustees and Chancellor. This budget uses income and expenditure simulations in accordance with the Adopted State budget.

Saddleback is primarily funded through the State SB361 apportionment calculation, and the budget proposes a 0.85% cost-of-living-adjustment (COLA), and 2.75% for growth. The college has used these assumptions to develop income and expenditure projections. Expenditure assumptions include funding for all existing personnel; replacement of vacant faculty, classified and management positions; step and column increases, and projected fringe benefit and health and welfare increases. The college must invest growth income into achieving enrollment growth to continue to secure this growth funding. Expenditure simulations include the replacement of thirteen and the addition of six new full-time faculty positions.

Ongoing expenditure increases in salaries, to include step and column, retirement contributions, and health and welfare benefit increases exceed COLA income of 0.85%, as proposed in the State budget. Both the State Teachers Retirement System (STRS) and Public Employee Retirement System (PERS) have adopted revised contribution rates through 2020-2021, and the projected employer contribution rates rise sharply over that period. The increase for 2014-2015 is minimal; however, it is projected that by 2020-21, Saddleback College will be required to pay an additional \$3,692,601 for STRS and \$1,437,264 for PERS, based on 2013-2014 expenditures. Below is a summary of COLA revenue and 'automatic' salary and benefit expenditure increases:

COLA (0.85%) Revenue	\$612,713
Step and Column Increases	\$702,376
Health and Welfare Increase	\$605,732
STRS/PERS Increase	<u>\$267,195</u>
Total Increased Expenditures	<u>\$1,575,303</u>

The college completed the second year of a revised College Resource Prioritization Process in May. This revised process prioritizes requests by division and unit, rather than by college-wide committee. This ensures those more knowledgeable and familiar with the requests set funding priorities. This process also ensures completion of program and administrative unit reviews by December 31<sup>st</sup>, with resource requests completed by January. Requests relating to personnel, equipment, facilities, technology and 'other' must be delineated as a need in the program or administrative unit review and/or be linked to the college strategic plan. As the College Adopted Budget is developed, these prioritized requests are considered for funding.

The district-wide strategic plan for 2014-2020 includes an objective, 'to develop and initiate multi-year financial planning.' This will be an important process and tool for multi-year budget simulation from both a district-wide and college perspective, and the college looks forward to partnering in its development. This tool will be especially critical as the district faces rising health and welfare, STRS and PERS rates.

The continuing trend of annually increasing costs for existing personnel in the areas of step and column movement, fringe benefit increases, health and welfare increases, and the need to invest growth income into achieving increased FTES, presents an ongoing challenge. These budget pressures coupled with substantially increased demands placed on faculty, staff and management, have created a challenge as the college pursues its top goal to significantly improve student success numbers and rates of degrees, certificates, and transfers.

Although Saddleback has continued funding and fiscal challenges, this Adopted Budget is balanced. Faculty, staff and management remain committed to meeting the college mission and moving towards its vision of 'being the first choice.' We appreciate our successful partnership with the Board of Trustees, Chancellor, District Services, Irvine Valley College and the South Orange County community.

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*Tod A. Burnett, Ed.D. President, Saddleback College and Carol Hilton, Vice President for Administrative Services*

# IRVINE VALLEY COLLEGE BUDGET MESSAGE



Irvine Valley College (IVC) is pleased to present to the Board of Trustees and the Chancellor a balanced FY 2014-15 Adopted 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 between all college constituent groups and dedicated staff.

The unrestricted General Fund budget recommended through the District Resource Allocation Council (DRAC) is \$53.2 million. Major components of the budget are a \$49.3-million allocation based on the SB361 state apportionment model, a \$4.1-million projected revenue from non-resident tuition, and assessments for district services and general expenses totaling \$6.4 million. Of the total budget, \$46 million, or 86.5%, has been committed to salaries and benefits, with the remainder budgeted for non-personnel expenditures and a contingency reserve.

Following the state apportionment model, the budget includes funding for a 2.75% enrollment growth. This will allow the college to serve approximately 250 additional full-time equivalent students (FTES) beginning in 2014-15. The budget also includes funding for a cost of living adjustment (COLA) of 0.85% for classified, administrators, and managers.

With the passage of Proposition 30 in 2012, the colleges began to receive funding in 2012-13, which allowed IVC to pre-pay its entire retirement incentive obligation of \$1.8M at the end of 2012-13. Although this large payment left a small amount of ending fund balance, the resulting freed-up funds will allow the college to maintain a healthy reserve in 2013-14 and thereafter. In 2014-15, the college was able to set aside a contingency reserve of \$1 million taking advantage of these savings achieved in 2013-14.

The budget also includes \$493,350 to match the B100 Roof and HVAC Maintenance scheduled maintenance project. Other new projects proposed for basic aid funding are the new ATEP building, the B400 Life Sciences Building Labs and Entrance Control project, and the B200 Rebuild Classroom Wing and Labs project. IVC is grateful to the District and the Board of Trustees for their continued support of the College's capital improvement projects.

The state budget also includes additional funding for Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), the California Work Opportunity and Responsibility to Kids (CalWORKs), and Student Success and Support Program (SSSP). Although College-specific allocation amounts will be announced later this fall, the SSSP program augmentation will likely exceed \$1 million, which would come with additional matching requirements from the State. The college is strategizing as to how to meet the SSSP mandates, while leveraging college resources to match the State allocation. Lastly, the State budget includes \$1.1 million for the 2014-15 Physical Plant and Instructional Support, which will fund equipment purchases in support of instruction as well as provide supplemental funding for building maintenance.

Irvine Valley College is thankful to the Board of Trustees and the Chancellor for their support during this unstable economic period. This support goes a long way in empowering IVC to remain devoted to student learning through exemplary teaching, integrated support services, effective stewardship, and continued accessibility in a diverse community.

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*Dr. Glenn Roquemore, President, Irvine Valley College*  
*Davit Khachatryan, Vice President for Administrative Services*

# ADVANCED TECHNOLOGY AND EDUCATION PARK BUDGET MESSAGE



In 2004, the SOCCCD was conveyed 68.37-acres of land from the Department of the Navy on the former Marine Helicopter Base in Tustin and named the Advanced Technology & Education Park (ATEP). The District opened with a 1-1/2 acre temporary campus in fall 2007 to begin serving students and the community while the 68-acre development planning is under way. Irvine Valley College oversees the day-to-day operations of the 14,088 square feet of buildings at the ATEP site while the district services ATEP development team at South Orange County Community College District oversees development of site planning and partnerships for the full site. Much has happened this year that will support future development and increase the efficiencies for development of the site. An overview of these changes is listed below under accomplishments.

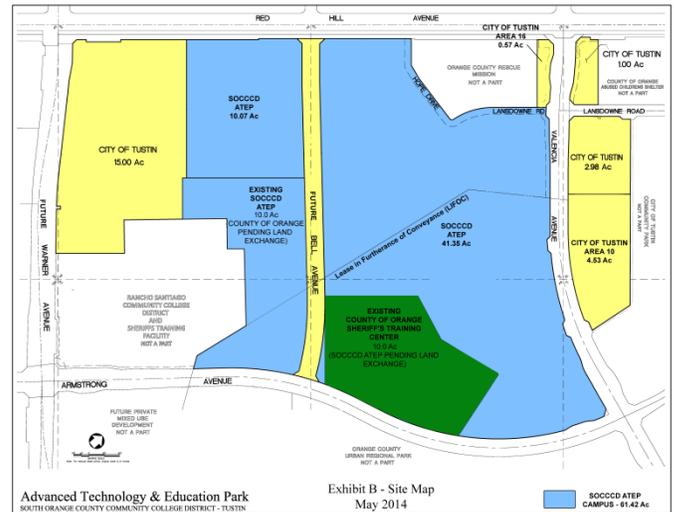
## Mission

The stated mission of ATEP is to provide development opportunities for Irvine Valley College and Saddleback College as well as land use partners to support community, business and industry workforce development needs. This campus site will focus on Career Technology Education (CTE).

## Accomplishments

Recent accomplishments in the planning and development of the ATEP site include:

- The land exchange agreement between the City of Tustin, the County of Orange, and the District were approved providing a campus development site that includes: reconfiguration for campus development; improved infrastructure options; shared costs for constructing Bell Avenue for better access and added Average Daily Trips (ADTs); and supporting the eventual exchange of 10 acres with the County of Orange.
- A development agreement was approved by the City of Tustin and the SOCCCD Board of Trustees that will be for a period of 20 years that will: support a more uniform and orderly development of the property; provide for new entitlements and permitted use including up to 49% of non-education use; significantly increase the density and intensity of use on the site; eliminate uncertainty in the application of the rules and regulations in the MCAS Tustin Specific Plan; and, provide for public services appropriate for the development and use of the SOCCCD property.



- The temporary ATEP campus buildings were transferred to the City of Tustin as the land exchange became final during the summer 2013. The agreement includes a three-year lease back to the District for IVC to continue to utilize the current campus for instruction, at a cost of \$1 per year. IVC is developing a contingency plan to support key programs now operating at the ATEP site.
- A national search for education institution partners continues as C.B. Richard Ellis, commercial real estate brokers, provides efforts on the District's behalf to advertise partnership opportunities at the development site. A plan is being developed to seek non-education ground lease partners for the site. These partnerships will embrace opportunities for college program synergies to support student training and success. These future partners will provide important ground lease income to the District in support of the ongoing and future costs related to site infrastructure and buildings.
- Demolition of the base buildings and at ground structures continues on schedule. With the finalization of the land exchange agreement and development agreement with the City of Tustin and County of Orange, demolition of all structures, ground and in-ground structures, and surface grading on these parcels will commence with the appropriate environmental and remediation consultants. The next phase of building and facility demolitions at the ATEP site is moving forward. Navy review of the plans and their approval to proceed is our next step. Once this has occurred an announcement will go out using our regular district process to obtain bids and pricing by interested qualified contractors.
- The City of Tustin and the District will construct an extension of Bell Avenue going through the ATEP development area. The road will be dedicated to the city upon completion and provide for important access and increases in average daily trips. Related demolition will begin in 2014 and the road could be completed in 2015.
- Recently ATEP was included in the new District-wide Strategic Plan: 2011-2014 and Long Range Education & Facilities Master Plan: 2011-2031. Staff from both colleges along with District Services staff participated in these planning efforts.
- A number of Board of Trustee decisions have been made to clarify and direct the development of the ATEP site. These include: assignment of future construction space for each college; the District will coordinate and operate all site ground lease related activities; the colleges will pursue instructional partnership opportunities; the colleges will coordinate program and course offerings at the ATEP site; and the identification of external funding to support site development will be a high priority.

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*Dr. Debra L. Fitzsimons, Vice Chancellor, Business Services*

*Dr. Randy Peebles, Associate Vice Chancellor, ATEP*

# BUDGET DEVELOPMENT GUIDELINES

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## **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, in accordance with the district's mission statement.

## **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 the 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 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 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 2007-2008 to fund medical, dental, vision, and Medicare plans for SOCCCD retirees. An actuarial study is conducted at a minimum of every two years 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 3110 will be followed when allocating basic aid funds.

**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.

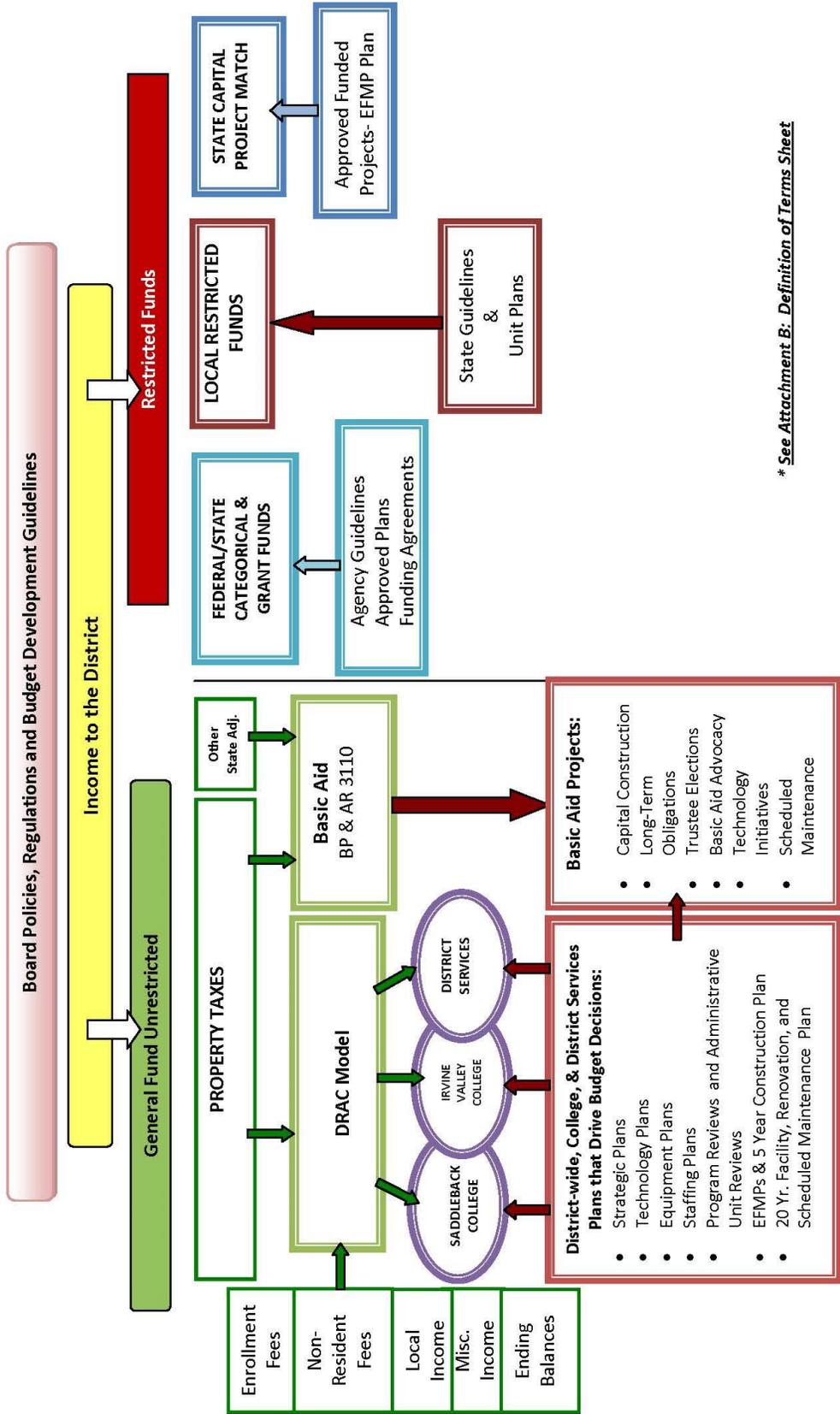
**10. Funding for Growth**

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.

**11. Budget Planning**

College budget planning will take into consideration the 50% Law and Faculty Obligation Number (FON).

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RESOURCE ALLOCATION PROCESS**



**\* See Attachment B: Definition of Terms Sheet**

## SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS

Allocated Area	* Unrestricted	*Restricted	Total
Saddleback College	\$ 91,994,081	\$24,008,174	\$116,002,255
Irvine Valley College	\$ 53,234,436	\$10,600,111	\$ 63,834,547
ATEP Operating & Capital Project	\$ 697,083	\$ 3,973	\$ 701,056
District Services	\$ 14,867,265	\$ 314,797	\$ 15,182,062
District-wide General Expense	\$ 3,713,692		\$ 3,713,692
Part-Time Faculty Parity Funds	\$ 509,463		\$ 509,463
Basic Aid Funds**			
- Capital Outlay Projects	\$ 43,761,973		\$ 43,761,973
- Other Basic Aid Expenses	\$ 1,552,872		\$ 1,552,872
- Contingency and Unallocated	\$ 12,785,498		\$ 12,785,498
Reserves for Economic Uncertainties	\$ 11,452,534		\$ 11,452,534
<b>TOTALS***</b>	<b><u>\$ 234,568,897</u></b>	<b><u>\$ 34,927,055</u></b>	<b><u>\$269,495,952</u></b>

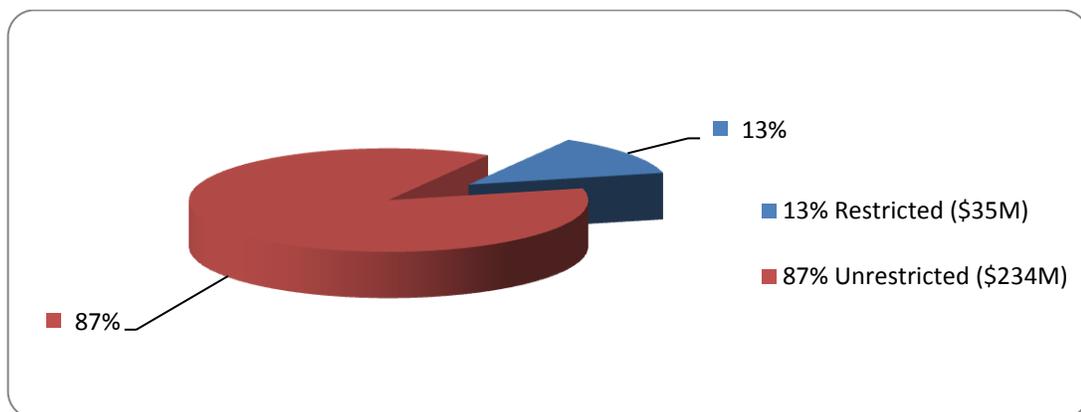
\* See pages 25 through 29 (Total of revenue, expenditures and ending balance for each budget location)

\*\*Prior Year Beginning balance of Basic Aid funds (\$2.4 M) is in the Capital Outlay fund.

\*\*\*The basic aid total was based on conservative property tax estimates.

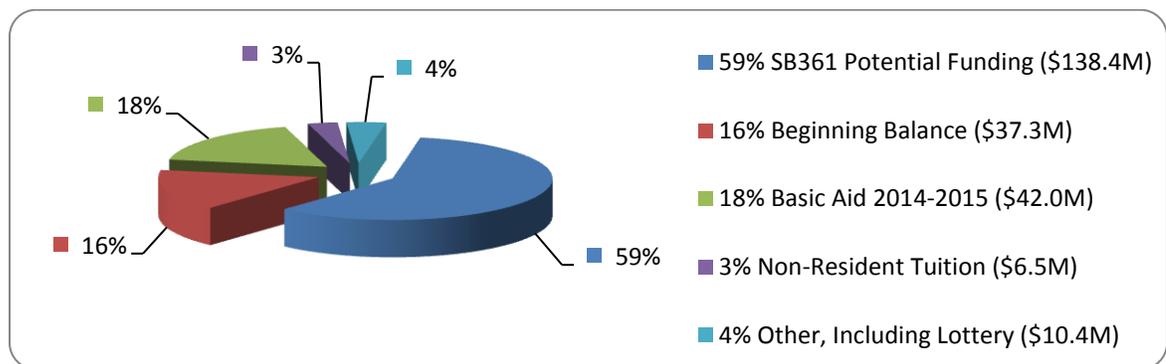
## GENERAL FUND REVENUE

The general fund, which totals \$269 million, 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.”

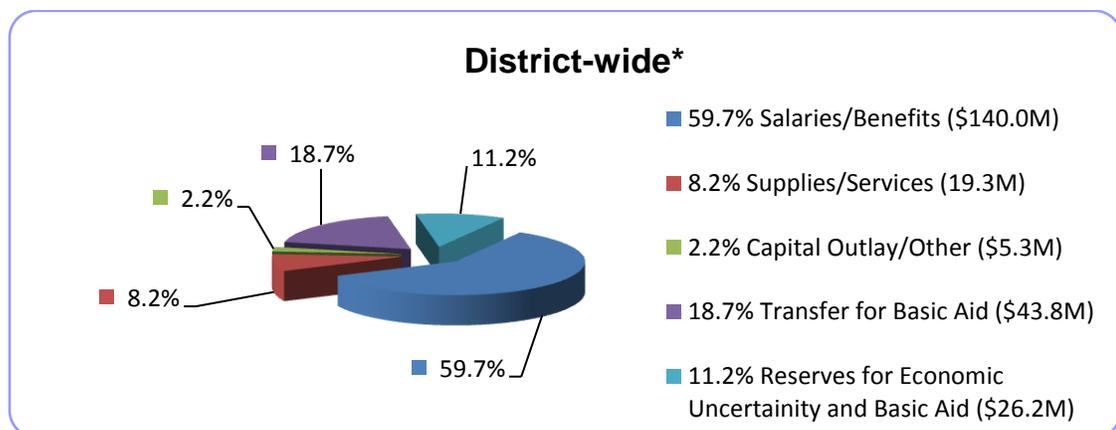


## UNRESTRICTED GENERAL FUND REVENUE

The largest segment of the general fund is the *unrestricted portion*, which accounts for resources for the general purpose programs of the District, approximately \$234.6 million (87% of the activity). This is an increase of \$16 million over last year due to state funded COLA, growth, and increased beginning balance. Of the resources, 59% is equivalent to the amount that would be calculated in the state-developed funding formula established by SB361. The total amount that is equivalent to what would be potentially 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. The computational revenue recognizes changes in the 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 Basic Aid (18%), Non-Resident Tuition (3%), and other sources, including Prop 30 EPA funds and Lottery (4%). The beginning balance, carried forward from the prior year, is (16%) of available unrestricted funds.



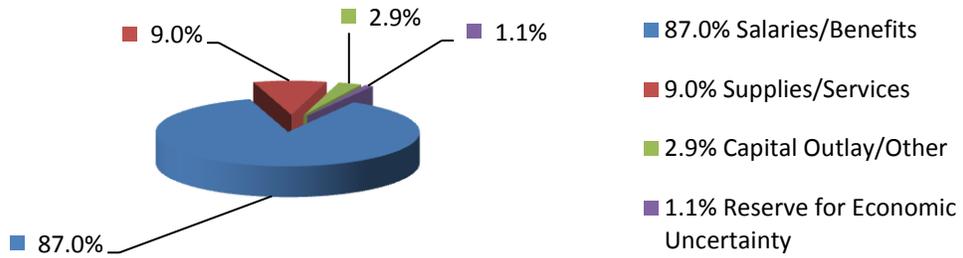
## UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES



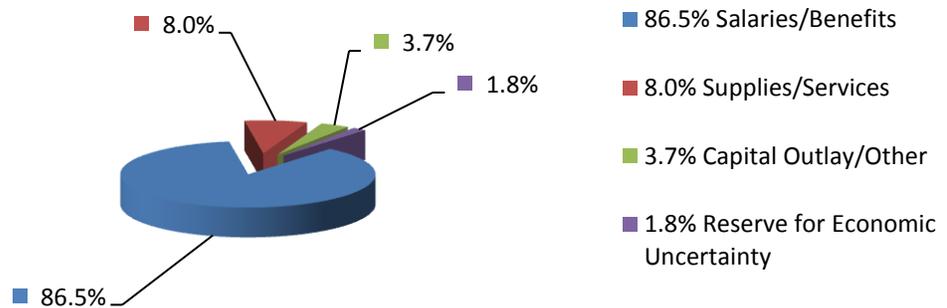
\*Note: These percentages are based on the entire District budget that includes all reserves and Basic Aid funds. Without reserves and Basic Aid funds, the percentage for salaries and benefits would be 85.1%.

Most of the expenditures in the general fund operating budgets are for employee salaries/benefits as seen below. Compared to last fiscal year, Saddleback College salaries and benefits are up to 87.0% of its operating budget (from 86.1%) and Irvine Valley College salaries and benefits are down to 86.5% (from 89.0%) of its operating budget. District Services salaries and benefits equal 86.9% (up from 84.5%) of its operating budget.

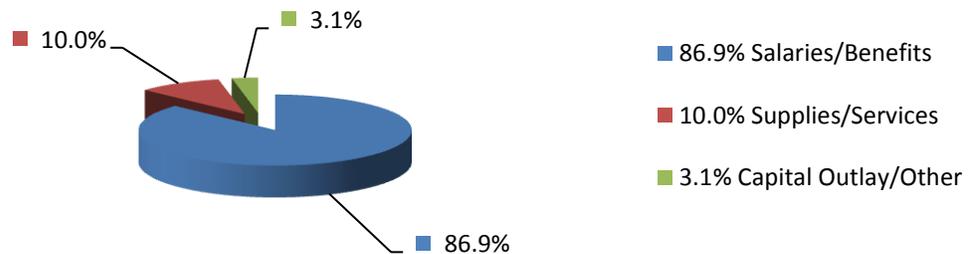
### Saddleback College



### Irvine Valley College

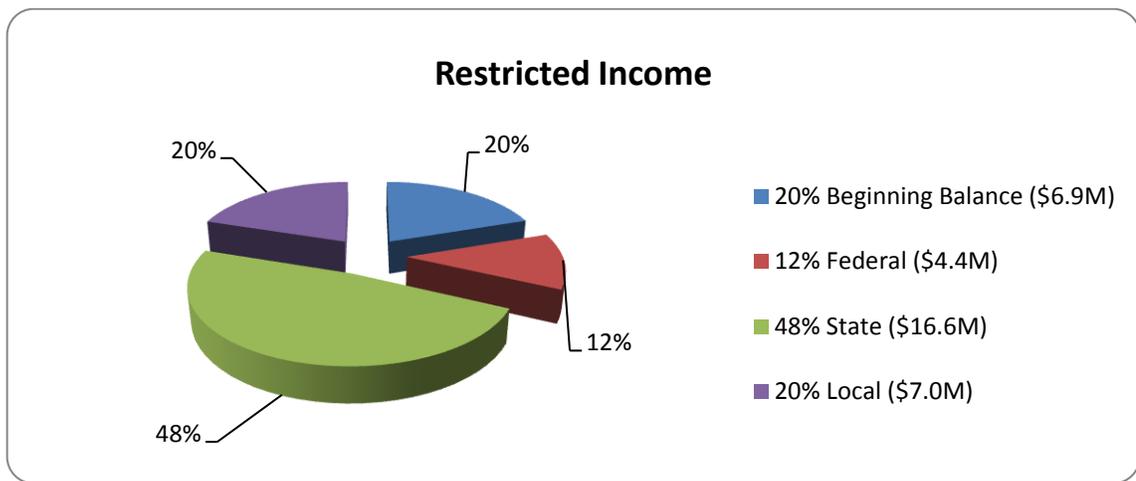


### District Services



## RESTRICTED GENERAL FUND

The other segment of the general fund is the *restricted portion (categorical aid and grants)*, approximately \$34.9 million (13% 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 are mostly services targeted for specific population groups, are: Perkins Title I-C, Student Success and Support (formerly Matriculation), Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and Cooperative Agencies Resources for Education (CARE). The restricted general fund decreased by \$1 million from the prior year due to a smaller beginning balance and decreased federal revenue.



## NOTEWORTHY GENERAL FUND ASSUMPTIONS

- FTES targets have been increased by 2.75% to align with the State apportionment formula, and growth funds were provided to the colleges in the DRAC funding model.

	FY 2010-2011 Actual	FY 2011-2012 Actual	FY 2012-2013 Actual	FY 2013-2014 Actual (Annual)	FY 2014-2015 Target
IVC	10,373	9,354	9,329	9,419	9,721
SC	18,126	18,484	18,475	15,541	18,253
<b>TOTAL</b>	<b>28,499</b>	<b>27,838</b>	<b>27,804</b>	<b>24,960</b>	<b>27,974</b>

- Proposition 30 Education Protection Act (EPA) funds are budgeted at \$2.8 million based on \$100 per FTES. These revenues are from temporary taxes that will expire in FY 2015-2016 and FY 2018-2019 and are budgeted for part-time faculty salaries and benefits.

- Enrollment fees remain at \$46 per unit. Budgeted revenue decreased from prior year to reflect an increased number of students receiving State fee waivers. This assumes that the colleges will meet their DRAC model enrollment targets.
- Lottery revenue is budgeted at \$3.6 million based on a conservative estimate of \$125 per FTES funding. This is a slight increase over last year's adopted budget. Lottery funds are paid on all FTES, including non-resident.
- Employee movement on the salary schedule (step and column increases) is included for all employee groups. The State COLA of 0.85% is added to the salary schedules for classified employees, administrators and managers.
- The budget includes an overall cost increase of 5.9% for employee benefits including PPO medical insurance, HMO medical insurance, dental insurance, vision insurance and life insurance.
- Workers' compensation insurance remains budgeted at 1.8% of salaries.
- The unemployment insurance rate remains at 0.05% of salaries.
- The Public Employees' Retirement System (PERS) contribution rate is budgeted at 11.771% of salaries, which is up from 11.442% last year.
- The State Teachers' Retirement System (STRS) contribution rate increased from last year from 8.25% of salaries to 8.88%.
- The budget for property and liability insurance coverage increased \$90,000 to \$1,150,000.
- Instructional equipment and scheduled maintenance funds of 3.2 million are included in the budget.

The General Expenses have the following budgeted amounts:

<u>EXPENSE</u>	<u>AMOUNT</u>
District Office Facilities and Maintenance	\$ 300,000
Discrimination/Harassment Investigation Services	\$ 100,000
District-wide IT Maintenance Agreements	\$ 676,346 *
District-wide Strategic Planning	\$ 110,000
Faculty Job Fair	\$ 25,520
Financial Audit	\$ 135,000
IT Projects Carry-over	\$ 243,826
Labor Contract Negotiators	\$ 100,000
Legal Advertising	\$ 30,000
Legal Fees	\$ 475,000
Mandated Costs	\$ 0
Offsite Technology Security	\$ 115,000
Personnel Advertising	\$ 130,000
Phone System Maintenance Agreement	\$ 200,000 *
Property & Liability Insurance	\$ 1,150,000
Recruitment	\$ 125,000
Sabbatical Bond Payments	\$ 18,000
Safety Compliance Cost	\$ 40,000
Taxpayer Relief Act Compliance	\$ 40,000 *
<b>TOTAL GENERAL EXPENSE ACCOUNTS</b>	<b><u>\$4,013,692</u></b>
District Office Facilities and Maintenance**	\$ <300,000>
<b>ADJUSTED GENERAL EXPENSE ACCOUNTS</b>	<b><u>\$3,713,692</u></b>

\*Change in fixed expenses compared to the Tentative Budget

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

The FY 2014-2015 Adopted Budget includes inter-fund transfers as follows:

<b>From Unrestricted General Fund:</b>	<b>To Other Funds:</b>			<b>Total</b>
	<b>Child Development</b>	<b>Capital Outlay</b>	<b>Self Insurance</b>	
Irvine Valley College (a)	\$154,000	\$493,350		\$647,350
Saddleback College (b)	\$250,000			\$250,000
District Service (c)			\$200,000	\$200,000
Basic Aid (d)		\$43,761,973	\$100,000	\$43,861,973
<b>Total Transfers</b>	<b>\$404,000</b>	<b>\$44,255,323</b>	<b>\$300,000</b>	<b>\$44,959,323</b>

(a) Transfer from IVC General Fund to support Child Development and Scheduled Maintenance Match

(b) Transfer from SC General Fund to support Child Development

(c) DS Insurance Department expenses

(d) Basic Aid funds allocated for approved capital outlay projects and insurance deductibles based on BAARC recommendations

## FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

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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.

Based on BP 3100, the FY 2014-2015 Adopted Budget includes a reserve of 7.5% of unrestricted operating funds, with a total amount of \$11,452,534. The amount in the SOCCCD reserve is higher than the minimum recommended by the State Chancellor's Office, which is 5%. The colleges also maintain their own reserves. This year each college has budgeted \$1 million for reserves.

### BASIC AID STATUS

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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 State computational revenue. The District, therefore, is self-sufficient and does not rely on state apportionment. 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 basic aid district in the FY 1999-2000 and has received basic aid receipts as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>	<u>% Change</u>
1999 – 2000	\$ 5,676,800	
2000 – 2001	\$ 9,192,300	61.9%
2001 – 2002	\$ 13,719,277	49.2%
2002 – 2003	\$ 18,419,919	34.3%
2003 – 2004	\$ 27,356,952	48.5%
2004 – 2005	\$ 40,162,878	46.8%
2005 – 2006	\$ 46,899,203	16.8%
2006 – 2007	\$ 52,896,017	12.8%
2007 – 2008	\$ 50,692,873	(4.2%)
2008 – 2009	\$ 51,179,365	1.0%
2009 – 2010	\$ 39,022,021	(23.8%)
2010 – 2011	\$ 38,737,963	(0.7%)
2011 – 2012	\$ 39,301,044	1.5%
2012 – 2013	\$ 46,888,399	19.3%
2013 - 2014	\$ 43,788,270	(6.6%)

The District estimates that property tax receipts above the state-calculated allocation amount for FY 2014-2015 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>	<u>% Change</u>
2014 - 2015	\$ 41,457,317	(5.3%)
2015 - 2016	\$ 39,090,303	(5.7%)
2016 – 2017	\$ 36,560,262	(6.5%)
2017 - 2018	\$ 33,859,311	(7.4%)

The FY 2013-2014 Basic Aid Receipts were increased after final property tax receipts were posted.

The assumptions used to estimate basic aid funds in future years are: for FY 2014-2015, SB361 funding COLA is estimated at 0.85%, growth is 2.75% and enrollments fees are \$46 per unit. For the following years, SB361 COLA is estimated at 2% and growth is estimated at 2%.

The Orange County Auditor-Controller’s office is consulted regularly in order to conservatively project the District’s property tax revenue. The FY 2014-2015 estimates are based on that information and historical trends. For the FY 2014-2015, property taxes are budgeted with a 1% increase over FY 2013-2014. For the following three years, secured taxes are estimated to increase 2% per year. Unsecured, homeowners, and supplemental taxes are estimated to remain constant with no increase.

During FY 2011-2012, BP 3110 and AR 3110 were developed to guide the Basic Aid allocation process. The Basic Aid Allocation Recommendation Committee (BAARC) followed this process in its recommendation for allocating the FY 2014-2015 basic aid funds. As this process was begun early in the budget cycle and was based on estimates, the adopted budget reflects a balance of unallocated funds.

The schedule below shows basic aid funds and projects that were approved and are included in the FY 2014-2015 Adopted Budget.

**ESTIMATED BASIC AID RESOURCES & PLANNED EXPENDITURES**

<b><u>FY 2014-2015 RESOURCES</u></b>	<b><u>AMOUNT</u></b>
Balance at July 1, 2014	\$ 18,591,571
Receipts FY 2014-2015	<u>\$ 41,457,317</u>
Estimated Property Taxes for Basic Aid	\$ 60,048,888
Contingency for Unrealized Tax Collections (20%)	<u>(\$ 8,291,463)</u>
<b>TOTAL AVAILABLE FY 2014-2015</b>	<b><u>\$51,757,425</u></b>
<b><u>BUDGETED EXPENDITURES</u></b>	
FY 2014-2015 Board of Trustee Election	\$ 400,000
FY 2014-2015 Legislative Advocacy Services	\$ 75,000
FY 2014-2015 Insurance Deductibles	\$ 100,000
Funding for Capital & IT Projects	<u>\$46,688,390</u>
Total Budgeted Expenditures	\$47,263,390
Unallocated Funds	<u>\$ 4,494,035</u>
<b>TOTAL APPROVED AND BUDGETED PROJECTS</b>	<b><u>\$51,757,425</u></b>

The following projects were previously approved by the Board of Trustees and are in various stages of completion. The project total includes prior year expenditures and remaining balances budgeted in FY 2014-2015.

<b><u>BASIC AID PROJECT NAME</u></b>	<b><u>PROJECT TOTAL</u></b>
<b>CLOSED PROJECTS</b>	\$171,397,951
<b>PRIOR APPROVED BASIC AID PROJECTS</b>	\$333,943,758
<b><u>NEW FY 2014-2015 PROJECTS</u></b>	<b><u>PROJECT TOTAL</u></b>
<b><u>Long Term Obligations &amp; Fixed Expenses</u></b>	
Insurance Deductibles*	\$100,000
SOCCCD – Legislative Advocacy Services*	\$75,000
Board of Trustee Election*	\$400,000
<b><u>Capital Projects/Defects/Scheduled Maintenance/Renovation</u></b>	
IVC – ATEP Building*	\$8,950,000
IVC – Fine Arts*	\$795,000
IVC – A200 Student Success Center	\$458,910
IVC – B200 Rebuild Classroom Wing and Labs	\$400,000
IVC – B400 Life Science Labs & Entrance Controls	\$410,000
IVC – Scheduled Maintenance-B100 Roof & HVAC Maint (50% Coll Match)	\$493,350
SC - ATAS Renovation *	\$11,225,000
SC – ATAS Swing Space*	\$729,000
SC – Athletics Stadium Renovation	\$950,000
SC – Central Plant/CoGen Upgrade	\$750,000
SC – Digital Security Access	\$650,000
SC – Fire Alarm System Upgrade	\$500,000
SC – Gateway Building*	(\$655,115)
SC – LRC Defects*	\$750,000
<b><u>ATEP Development &amp; Operations</u></b>	
ATEP Support (security, maintenance and operations support)*	\$509,058
<b><u>Capital Programs Planning, Technical, Specialty, Legal Consulting</u></b>	
ATEP Site Development*	\$1,900,000
DSA Project Close Out*	\$60,000
DSA Inspector, Engineering and PM Services*	\$175,000
Design/Build Specialty Consultant*	\$175,000
District-wide Mapping	\$400,000
Facilities System*	\$125,000
FPP, IPP, 5 Year Plans*	\$35,000
Lease/Lease Back Consultant*	\$75,000
Legal Counsel for Facilities Related Issues*	\$300,000
Project Pre-planning and Investigation	\$200,000
<b><u>IT Projects</u></b>	
End-of-Life Core Network/Tech Refresh*	\$1,484,658
Campus Desktop Refresh*	\$1,999,334
Student Information System Enhancements*	\$1,512,000

HR/Business Services Integrated Software*	\$6,250,000
Automate Electronic Transcript Receiving	\$453,600
Automated Password Reset & Single Sign On Assessment	\$115,600
Class Schedule Upgrade & Recommendation	\$735,000
Degree Audit/MAP Upgrade*	\$332,640
DW Automatic Email Archive	\$165,000
DW Network Security	\$369,895
DW Server/Storage Maintenance	\$950,000
MySite Security Phase II*	\$252,000
SIS AR Enhancement/Electronic Refunds	\$600,000
Student Conduct & Incident Reporting	\$13,060
Support Multiple Prerequisites	\$302,400
Wireless Coverage Expansion	\$738,000
IT Contingency *	\$55,000
<b>TOTAL FY 2014-2015 PROJECTS</b>	<b>\$47,263,390</b>
<b>CUMULATIVE TOTAL – BASIC AID PROJECTS</b>	<b><u>\$552,605,099</u></b>

*\*Reflects an augmentation to an existing project*

## OTHER FUNDS

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

The Community Education funds are intended to be self-supporting from income derived by 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 primary 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. Currently, the Saddleback College Community Education Fund is self-supporting. The Irvine Valley College Community Education Fund has one program that is being restructured and has been moved to the General Fund for additional college support for program expansion. The remaining programs in the Community Education Fund are self-supporting.

### **Child Development Fund (Fund #12)**

The Child Development funds are intended to be self-sufficient. The District operates child development programs at both colleges 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, Irvine Valley College provides \$184,000 of support from the unrestricted general fund (16% of funding), and Saddleback College provides \$250,000 (26% of funding). The child development program is also not charged for administration or operations, so it is currently not self-supporting.

### **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, and district funded projects. The next table is a schedule of planned projects.

## CAPITAL OUTLAY PROJECTS – FUND 40

	<b>FY 2014-2015</b>
<u>Project Description</u>	<b>Adopted</b>
	<b>Budget</b>
<b>BASIC AID PROJECTS Balance (Including required college match)</b>	\$220,265,767
<b>LOCAL PROJECTS</b>	
District-wide Video Conferencing	\$190,615
District Technology Enhancement	\$45,622
DSA Closeout/Five Year Plan/CEQA	\$73,983
State Scheduled Maintenance Projects (including required college match)	\$396,381
SC - Future Parking Lot Projects	\$656,198
SC - Future Capital Outlay Projects	\$5,027,169
District - Future Capital Outlay Projects	\$23,237,460
Redevelopment Funds Reserved for Future Capital Projects (Lake Forest, Mission Viejo, Tustin, Orange County, Irvine, Santa Ana, San Clemente, San Juan Capistrano)	\$25,652,212
<b>Total Fund 40</b>	<b>\$275,545,407</b>

### **Facilities Corporation Capital Outlay Projects Fund (Fund #41)**

The District established the Facilities Corporation capital outlay projects fund to account for the transactions related to the New Markets Tax Credit (NMTC) funding that was being explored to assist with the funding of the development of ATEP. Since there currently are no NMTC funding opportunities anticipated for FY 2014-2015, no budget has been established.

### **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.

### **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 OPEB Trust fund. The current year's annual accrual of retiree benefits for existing employees is also made in this fund.

An actuarial study is conducted at a minimum of every two years 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 \$3,250,000. The District's actuarial accrued liability for past service is estimated at \$80,372,000 and is sufficiently funded that no additional funds are needed for FY 2014-2015. An irrevocable trust was established in FY 2007-2008 to fund the OPEB obligation in accordance with GASB 43 and 45. A new updated actuarial study will be conducted in January 2015 so that planning can be done for the OPEB Trust for FY 2015-2016.

**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, former employees, and their eligible dependents for medical, dental, and vision upon retirement. The District's OPEB liability was updated in January 2014 with the completion of a required actuarial study.

**Foundation Funds (Funds #73 through 76)**

These are funds that account for the operations of Saddleback College, Irvine Valley College, District, and ATEP foundations which are overseen by each of their respective boards of directors. The foundations are auxiliary organizations and are considered component units of the District. The foundation budgets are brought annually to the Board of Trustees for their approval at the Adopted Budget stage in August.

**ASG Funds (Funds #95 and #96)**

The ASG organizations are auxiliaries of the District. The budgets are brought to the Board of Trustees independently from the SOCCCD Tentative Budget for board approval.

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## BUDGET TABLES

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The Adopted Budget FY 2014-2015 for all District funds is summarized on the following pages. A new chart displaying the changes between the Tentative Budget and Adopted Budget for the General Fund is included.

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*Dr. Debra L. Fitzsimons, Vice Chancellor of Business Services*  
*Kim McCord, Executive Director of Fiscal Services*

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT**  
**ADOPTED BUDGET - FISCAL YEAR 2014-2015**  
**Revenues, Expenditures and Change in Fund Balance**

	General Fund (01)	Community Education (07) & (09)	Child Development (12)	Capital Outlay (40)	Self-Insurance (68)	Retiree Benefit (71)	Retiree OPEB (72)	TOTAL ALL FUNDS
<b>SOURCES OF FUNDS</b>								
BEGINNING FUND BALANCE:	9712 \$ 44,236,531	\$ 1,021,864	\$ 34,579	\$ 226,994,749	\$ 1,697,976	\$ 1,445,786	\$ 95,537,245	\$ 370,968,730
REVENUES:								
SB361 Revenue	Various \$ 138,366,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,366,683
Basic Aid	41,957,317	-	-	-	-	-	-	41,957,317
Federal Sources	8100-8199 4,402,878	-	-	-	-	-	-	4,402,878
Other State Sources	8600-8699 24,490,086	-	-	-	-	-	-	24,490,086
Other Local Sources	8800-8899 16,042,457	2,519,125	1,665,614	4,195,335	4,500	5,000	6,000,000	30,432,031
Total Revenues	225,259,421	2,519,125	1,665,614	4,195,335	4,500	5,000	6,000,000	239,648,995
BASIC AID INCOMING TRANSFERS	8980-8989 -	-	-	43,861,973	100,000	-	-	43,961,973
INCOMING TRANSFERS	8980-8989 -	-	404,000	493,350	200,000	-	-	1,097,350
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 269,495,952</b>	<b>\$ 3,540,989</b>	<b>\$ 2,104,193</b>	<b>\$ 275,545,407</b>	<b>\$ 2,002,476</b>	<b>\$ 1,450,786</b>	<b>\$ 101,537,245</b>	<b>\$ 655,677,048</b>

	General Fund (01)	Community Education (07) & (09)	Child Development (12)	Capital Outlay (40)	Self-Insurance (68)	Retiree Benefit (71)	Retiree OPEB (72)	TOTAL ALL FUNDS
<b>USES OF FUNDS</b>								
EXPENDITURES:								
Academic Salaries	1000-1999 \$ 70,886,553	\$ 149,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,035,554
Other Staff Salaries	2000-2999 46,086,852	790,708	1,504,933	1,418,080	138,940	-	-	49,939,513
Employee Benefits	3000-3999 39,578,000	208,072	506,493	168,020	47,203	-	3,950,000	44,457,798
Supplies & Materials	4000-4999 5,637,251	94,549	61,831	6,543	2,000	-	-	5,802,174
Services & Other Operating	5000-5999 23,397,149	1,580,444	11,690	9,084,189	544,642	90,000	390,000	35,098,114
Capital Outlay	6000-6999 11,856,016	718,215	19,246	264,571,320	26,000	-	-	277,190,797
Payments to Students	7500-7699 756,776	-	-	-	-	-	-	756,776
Total Expenditures	198,198,597	3,540,989	2,104,193	275,248,152	758,785	90,000	4,340,000	484,280,716
OTHER FINANCING USES:								
Transfers Out	7300-7400 \$ 1,197,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197,350
Basic Aid Transfers Out	7300-7400 43,861,973	-	-	-	-	-	-	43,861,973
Debt Service	7100-7199 -	-	-	-	-	-	-	-
Total Other Uses	45,059,323	-	-	-	-	-	-	45,059,323
<b>TOTAL USES OF FUNDS</b>	<b>243,257,920</b>	<b>3,540,989</b>	<b>2,104,193</b>	<b>275,248,152</b>	<b>758,785</b>	<b>90,000</b>	<b>4,340,000</b>	<b>529,340,039</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 26,238,032</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,255</b>	<b>\$ 1,243,691</b>	<b>\$ 1,360,786</b>	<b>\$ 97,197,245</b>	<b>\$ 126,337,009</b>

	General Fund (01)	Community Education (07) & (09)	Child Development (12)	Capital Outlay (40)	Self-Insurance (68)	Retiree Benefit (71)	Retiree OPEB (72)	TOTAL ALL FUNDS
COMPONENTS OF ENDING BALANCE								
Reserve, Economic Uncertainties/Fund Bal.	\$ 13,452,534	\$ -	\$ -	\$ 297,255	\$ 1,243,691	\$ 1,360,786	\$ 97,197,245	\$ 113,551,511
Reserve, Unrealized Tax Collections (Basic Aid)	12,785,498	-	-	-	-	-	-	12,785,498

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT  
ADOPTED BUDGET - FISCAL YEAR 2014-2015**

**Revenues, Expenditures and Change in Fund Balance**

	Saddleback College			Irvine Valley College			District Services		
	General Fund		Total	General Fund		Total	General Fund		Total
	Unrestricted	Restricted		Unrestricted	Restricted		Unrestricted	Restricted	
<b>SOURCES OF FUNDS</b>									
BEGINNING FUND BALANCE: 9712	\$ 5,134,233	\$ 5,020,559	\$ 10,154,792	\$ 2,577,143	\$ 1,594,967	\$ 4,172,110	\$ 945,008	\$ 296,054	\$ 1,241,062
REVENUES:									
SB361 Revenue									
Basic Aid	\$ 78,263,141	-	\$ 78,263,141	\$ 42,841,394	-	\$ 42,841,394	\$ 13,922,257	-	\$ 13,922,257
Federal Sources	-	3,833,648	3,833,648	-	569,230	569,230	-	-	-
Other State Sources	4,788,487	10,869,509	15,657,996	2,550,190	5,753,694	8,303,884	-	18,743	18,743
Other Local Sources	3,808,220	4,284,458	8,092,678	5,265,709	2,682,220	7,947,929	-	-	-
Total Revenues	86,859,848	18,987,615	105,847,463	50,657,293	9,005,144	59,662,437	13,922,257	18,743	13,941,000
RESTRICTED BASIC AID	-	-	-	-	-	-	-	-	-
INCOMING TRANSFERS	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 91,994,081</b>	<b>\$ 24,008,174</b>	<b>\$ 116,002,255</b>	<b>\$ 53,234,436</b>	<b>\$ 10,600,111</b>	<b>\$ 63,834,547</b>	<b>\$ 14,867,265</b>	<b>\$ 314,797</b>	<b>\$ 15,182,062</b>

**USES OF FUNDS**

**EXPENDITURES:**

Academic Salaries	\$ 42,340,503	\$ 3,262,518	\$ 45,603,021	\$ 22,680,058	\$ 970,879	\$ 23,650,937	\$ 1,180,342	-	\$ 1,180,342
Other Staff Salaries	17,707,968	6,345,696	24,053,664	11,472,451	2,470,382	13,942,833	7,747,558	-	7,747,558
Employee Benefits	19,999,051	2,372,264	22,371,315	11,878,155	1,134,637	13,012,792	3,996,551	-	3,996,551
Supplies & Materials	1,485,077	2,309,162	3,794,239	679,273	971,896	1,651,169	158,743	-	158,743
Services & Other Operating	6,803,306	3,999,455	10,802,761	3,561,104	2,130,345	5,691,449	1,320,806	314,797	1,635,603
Capital Outlay	2,408,176	5,131,889	7,540,065	1,316,045	2,652,386	3,968,431	263,265	-	263,265
Payments to Students	-	487,190	487,190	-	269,586	269,586	-	-	-
Total Expenditures	90,744,081	23,908,174	114,652,255	51,587,086	10,600,111	62,187,197	14,667,265	314,797	14,982,062

**OTHER FINANCING USES:**

Transfers Out	\$ 250,000	\$ 100,000	\$ 350,000	\$ 647,350	\$ -	\$ 647,350	\$ 200,000	\$ -	\$ 200,000
Basic Aid Transfers Out	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Total Other Sources (Uses)	250,000	100,000	350,000	647,350	-	647,350	200,000	-	200,000

**TOTAL USES OF FUNDS**

	<b>90,994,081</b>	<b>24,008,174</b>	<b>115,002,255</b>	<b>52,234,436</b>	<b>10,600,111</b>	<b>62,834,547</b>	<b>14,867,265</b>	<b>314,797</b>	<b>15,182,062</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COMPONENTS OF ENDING BALANCE**

Reserve, Economic Uncertainties/Fund Bal.	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Reserve, Unrealized Tax Collections (Basic Aid)	-	-	-	-	-	-	-	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT  
ADOPTED BUDGET - FISCAL YEAR 2014-2015**

**Revenues, Expenditures and Change in Fund Balance**

	ATEP		OTHER*		Total General Fund	
	General Fund Unrestricted	General Fund Restricted	General Fund Unrestricted	General Fund Restricted	General Fund Unrestricted	General Fund Restricted
<b>SOURCES OF FUNDS</b>						
BEGINNING FUND BALANCE:	\$ 188,025	\$ 2,123	\$ 190,148	\$ 28,478,419	\$ 37,322,828	\$ 6,913,703
REVENUES:						
9712 SB361 Revenue	\$ -	\$ -	\$ -	\$ 3,339,891	\$ 138,366,683	\$ -
Various Basic Aid	509,058	-	509,058	41,448,259	41,957,317	-
8100-8199 Federal Sources	-	-	-	-	4,402,878	-
8600-8699 Other State Sources	-	-	-	509,463	7,848,140	16,641,946
8800-8899 Other Local Sources	-	1,850	1,850	-	9,073,929	6,968,528
Total Revenues	509,058	1,850	510,908	45,297,613	197,246,069	28,013,352
RESTRICTED BASIC AID	-	-	-	-	-	-
INCOMING TRANSFERS	-	-	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 697,083</b>	<b>\$ 3,973</b>	<b>\$ 701,056</b>	<b>\$ 73,776,032</b>	<b>\$ 234,568,897</b>	<b>\$ 34,927,055</b>
<b>USES OF FUNDS</b>						
EXPENDITURES:						
1000-1999 Academic Salaries	\$ -	\$ -	\$ -	\$ 452,253	\$ 66,653,156	\$ 4,233,397
2000-2999 Other Staff Salaries	237,797	-	237,797	105,000	37,270,774	8,816,078
3000-3999 Employee Benefits	120,132	-	120,132	77,210	36,071,099	3,506,901
4000-4999 Supplies & Materials	20,000	100	20,100	13,000	2,356,093	3,281,158
5000-5999 Services & Other Operating	312,154	3,873	316,027	4,951,309	16,948,679	6,448,470
6000-6999 Capital Outlay	7,000	-	7,000	77,255	4,071,741	7,784,275
7500-7699 Payments to Students	-	-	-	-	-	756,776
Total Expenditures	697,083	3,973	701,056	5,676,027	163,371,542	34,827,055
OTHER FINANCING USES:						
7300-7400 Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ 1,097,350	\$ 100,000
7300-7400 Basic Aid Transfers Out	-	-	-	43,861,973	43,861,973	-
7100-7199 Debt Service	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	43,861,973	44,959,323	100,000
<b>TOTAL USES OF FUNDS</b>	<b>697,083</b>	<b>3,973</b>	<b>701,056</b>	<b>49,538,000</b>	<b>208,330,865</b>	<b>34,927,055</b>
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,238,032</b>	<b>\$ 26,238,032</b>	<b>\$ -</b>
COMPONENTS OF ENDING BALANCE						
Reserve, Economic Uncertainties/Fund Bal.	\$ -	\$ -	\$ -	\$ 11,452,534	\$ 13,452,534	\$ -
Reserve, Unrealized Tax Collections (Basic Aid)	-	-	-	12,785,498	12,785,498	-
						\$ 13,452,534
						\$ 12,785,498
						\$ -
						\$ -
						\$ 26,238,032
						\$ 243,257,920

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT**  
**ADOPTED BUDGET - FISCAL YEAR 2014-2015**  
**Revenues, Expenditures and Change in Fund Balance**

	Community Education Fund		Child Development Fund		
	Saddleback College (09)	Irvine Valley College (07)	Saddleback College (12)	Irvine Valley College (12)	Total
<b><u>SOURCES OF FUNDS</u></b>					
BEGINNING FUND BALANCE:	\$ 1,001,492	\$ 20,372	\$ 1,021,864	\$ 11,641	\$ 34,579
REVENUES:					
SB361 Revenue	-	-	-	-	-
Basic Aid	-	-	-	-	-
Federal Sources	-	-	-	-	-
Other State Sources	-	-	-	-	-
Other Local Sources	1,951,200	567,925	2,519,125	954,573	1,665,614
Total Revenues	1,951,200	567,925	2,519,125	711,041	1,665,614
RESTRICTED BASIC AID	-	-	-	-	-
INCOMING TRANSFERS	-	-	-	250,000	404,000
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 2,952,692</b>	<b>\$ 588,297</b>	<b>\$ 3,540,989</b>	<b>\$ 972,682</b>	<b>\$ 2,104,193</b>
<b><u>USES OF FUNDS</u></b>					
EXPENDITURES:					
Academic Salaries	1000-1999	\$ 134,844	\$ 14,157	\$ 149,001	-
Other Staff Salaries	2000-2999	611,299	179,409	790,708	1,504,933
Employee Benefits	3000-3999	141,957	66,115	208,072	506,493
Supplies & Materials	4000-4999	87,000	7,549	94,549	61,831
Services & Other Operating	5000-5999	1,435,950	144,494	1,580,444	11,690
Capital Outlay	6000-6999	541,642	176,573	718,215	19,246
Payments to Students	7500-7699	-	-	-	-
Total Expenditures	2,952,692	588,297	3,540,989	972,682	2,104,193
OTHER FINANCING USES:					
Transfers Out	7300-7400	-	-	-	-
Basic Aid Transfers Out	7300-7400	-	-	-	-
Debt Service	7100-7199	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
<b>TOTAL USES OF FUNDS</b>	<b>2,952,692</b>	<b>588,297</b>	<b>3,540,989</b>	<b>972,682</b>	<b>2,104,193</b>
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
COMPONENTS OF ENDING BALANCE					
Reserve, Economic Uncertainties/Fund Bal.	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve, Unrealized Tax Collections (Basic Aid)	-	-	-	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT**  
**Changes from Tentative Budget to Adopted Budget**  
**Revenues, Expenditures and Change in Fund Balance**  
**GENERAL FUND**

	Unrestricted General Fund		Restricted General Fund	
	Tentative Budget	Adopted Budget	Tentative Budget	Adopted Budget
<b>SOURCES OF FUNDS</b>				
BEGINNING FUND BALANCE:	\$ 32,897,491	\$ 37,322,828	\$ 4,862,224	\$ 6,913,703
REVENUES:				
SB361 Revenue	\$ 138,698,686	\$ (332,003)	\$ -	\$ -
Basic Aid	39,207,314	2,750,003	-	-
Federal Sources	-	-	4,080,289	4,402,878
Other State Sources	7,409,049	439,091	10,059,680	16,641,946
Other Local Sources	8,559,760	514,169	5,993,164	6,968,528
Total Revenues	193,874,809	3,371,260	20,133,133	28,013,352
RESTRICTED BASIC AID	-	-	-	-
INCOMING TRANSFERS	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 226,772,300</b>	<b>\$ 7,796,597</b>	<b>\$ 24,995,357</b>	<b>\$ 34,927,055</b>
<b>USES OF FUNDS</b>				
EXPENDITURES:				
Academic Salaries	\$ 67,077,924	\$ (424,768)	\$ 3,512,540	\$ 4,233,397
Other Staff Salaries	36,667,136	603,638	6,632,020	8,816,078
Employee Benefits	36,153,062	(81,963)	3,245,499	3,506,901
Supplies & Materials	2,207,435	148,658	1,871,030	3,281,158
Services & Other Operating	16,128,204	820,475	5,300,353	6,448,470
Capital Outlay	2,624,325	1,447,416	3,252,377	7,784,275
Payments to Students	-	-	743,638	756,776
Total Expenditures	160,858,086	2,513,456	24,557,457	34,827,055
OTHER FINANCING USES:				
Transfers Out	\$ 789,450	\$ 307,900	\$ 437,900	\$ 100,000
Basic Aid Transfers Out	43,861,973	-	-	-
Debt Service	-	-	-	-
Total Other Sources (Uses)	44,651,423	307,900	437,900	100,000
<b>TOTAL USES OF FUNDS</b>	<b>205,509,509</b>	<b>2,821,356</b>	<b>24,995,357</b>	<b>34,927,055</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 21,262,791</b>	<b>\$ 4,975,241</b>	<b>\$ -</b>	<b>\$ -</b>
COMPONENTS OF ENDING BALANCE				
Reserve, Economic Uncertainties/Fund Bal.	\$ 13,444,502	\$ 8,032	\$ -	\$ -
Reserve, Unrealized Tax Collections (Basic Aid)	7,818,289	4,967,209	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT**  
**Changes from Adopted Budget to Adopted Budget**  
**Revenues, Expenditures and Change in Fund Balance**  
**GENERAL FUND**

	Unrestricted General Fund		Restricted General Fund	
	Adopted Budget FY 2013-2014	Adopted Budget FY 2014-2015	Adopted Budget FY 2013-2014	Adopted Budget FY 2014-2015
<b>SOURCES OF FUNDS</b>				
<b>BEGINNING FUND BALANCE:</b>	\$ 27,594,916	\$ 37,322,828	\$ 6,724,707	\$ 6,913,703
<b>REVENUES:</b>				
SB361 Revenue	\$ 134,939,936	\$ 138,366,683	\$ -	\$ -
Basic Aid	39,269,228	41,957,317	-	-
Federal Sources	-	-	1,437,406	2,965,472
Other State Sources	7,769,806	7,848,140	7,591,748	16,641,946
Other Local Sources	8,438,713	9,073,929	5,777,753	6,968,528
Total Revenues	190,417,683	197,246,069	14,806,907	28,013,352
<b>RESTRICTED BASIC AID</b>	-	-	-	-
<b>INCOMING TRANSFERS</b>	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 218,012,599</b>	<b>\$ 234,568,897</b>	<b>\$ 21,531,614</b>	<b>\$ 34,927,055</b>
<b>USES OF FUNDS</b>				
<b>EXPENDITURES:</b>				
Academic Salaries	\$ 64,055,996	\$ 66,653,156	\$ 3,276,622	\$ 956,775
Other Staff Salaries	36,307,416	37,270,774	4,942,527	3,873,551
Employee Benefits	33,485,916	36,071,099	2,330,264	1,176,637
Supplies & Materials	2,750,359	(394,266)	2,340,380	940,778
Services & Other Operating	15,592,079	16,948,679	5,068,288	1,380,182
Capital Outlay	2,706,789	1,364,952	3,075,092	4,709,183
Payments to Students	-	-	398,441	358,335
Total Expenditures	154,898,555	163,371,542	21,431,614	13,395,441
<b>OTHER FINANCING USES:</b>				
Transfers Out	\$ 3,109,000	\$ 1,097,350	\$ 100,000	\$ 100,000
Basic Aid Transfers Out	33,804,051	43,861,973	-	-
Debt Service	2,254,321	(2,254,321)	-	-
Total Other Sources (Uses)	39,167,372	44,959,323	100,000	100,000
<b>TOTAL USES OF FUNDS</b>	<b>194,065,927</b>	<b>208,330,865</b>	<b>21,531,614</b>	<b>34,927,055</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 23,946,672</b>	<b>\$ 26,238,032</b>	<b>\$ -</b>	<b>\$ -</b>
<b>COMPONENTS OF ENDING BALANCE</b>				
Reserve, Economic Uncertainties/Fund Bal.	\$ 12,229,176	\$ 13,452,534	\$ -	\$ -
Reserve, Unrealized Tax Collectors (Basic Aid)	11,717,496	12,785,498	-	-

## APPENDIX A

**The following Funds are used at South Orange County Community College District:**

<b>FUND NUMBER</b>	<b>DESCRIPTION</b>	<b>DEFINITION</b>
01	General Fund	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.
07	Community Education Fund – Irvine Valley College	Irvine Valley College provides community education seminars, short courses, workshops, and programs to support community needs not met by the traditional college curriculum.
09	Community Education Fund – Saddleback College	Saddleback College provides community education seminars, short courses, workshops, and programs to support community needs not met by the traditional college curriculum.
12	Child Development Fund	The District operates child development programs at both colleges for the benefit of children ages 18 months to 5 years. Services are provided to students and the community on a fee basis. The child development program is not charged for administration and operations.
40	Capital Outlay Fund	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, American with Disabilities Act, and District funded projects.
41	Facilities Corporation Capital Outlay Projects Fund	The District established the Facilities Corporation capital outlay projects fund to account for the transactions related to funding for the development of ATEP, when it is needed.
68	Self-Insurance Fund	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.

## APPENDIX A

<b>FUND NUMBER</b>	<b>DESCRIPTION</b>	<b>DEFINITION</b>
71	Retiree Benefits Fund	The District pays premiums for health care coverage for retirees according to Board Policies and contract agreements with employee groups. This fund is used to pay premiums. The current year's annual accrual of retiree benefits for existing employees is also made in this fund.
72	Retiree (OPEB) Trust	This fund is used to account for the activities of the District's irrevocable trust, established 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.
73	Saddleback College Foundation	This fund is used to account for the activities of organizations known as foundations. The foundation provides scholarships for students and supplements the needs of the college.
74	Irvine Valley College Foundation	This fund is used to account for the activities of organizations known as foundations. The foundation provides scholarships for students and supplements the needs of the college.
75	District Foundation	This fund is used to account for the activities of organizations known as foundations. The foundation supplements any needs the District may have.
76	ATEP Foundation	This fund is used to account for the activities of organizations known as foundations. This account may supplement needs the District may have related to ATEP.
84	Student Financial Aid Fund	This clearing account is used to account for the deposit and direct payment of government-funded student financial aid, including grants and loans.

## APPENDIX A

<b>FUND NUMBER</b>	<b>DESCRIPTION</b>	<b>DEFINITION</b>
95	Associated Student Government – Saddleback College	This fund is used to account for monies held in trust by the college for organized student body associations. The fund is subjected to the approval of the governing board.
96	Associated Student Government - IVC	This fund is used to account for monies held in trust by the college for organized student body associations. The fund is subjected to the approval of the governing board.
99	District Depository	This fund is a clearing account used to deposit bank card payments, cash, and checks received by the District for enrollment fees, material fees, applications, parking fees and fines, health center business, fine arts tickets sales, Child Development Center fees, library fines, and career center testing fees. The District deposits this money in Fund 99 and promptly issues a check for deposit by the Orange County Department of Education into the Orange County Treasurer Educational Pool. This process is used because the Orange County Department of Education does not accept bank card payments or cash for deposit, nor do they accept the large volume of personal checks processed by the District daily.

## 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. Beginning FY 2011-2012, they are conducted at District Services.
- **Basic Aid** occurs when the local property tax revenue in a community college district exceeds the total funding that the state would have provided, as calculated by SB361 apportionment. Apportionment is the method by which the 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. K-12 school districts also can be basic aid districts.
- **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, approved by the Board of Trustees and charged with recommendations for the income allocation model on which the budget is based. It is charged with development and oversight of the allocation process for Unrestricted General Funds and it makes recommendations to the Chancellor.
- **DRAC Model** is an allocation model for the District. It distributes available general fund unrestricted resources (according to the state funding formula SB 361) and other funding such as enrollment fees, non-resident fees, local income, miscellaneous income, and ending balances. It is 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, fair, and equitable distribution of revenues.
- **Education and Facilities Master Plan (EFMP)** is a facilities planning endeavor with major updates conducted every five years. Information is captured from a variety of sources, both internal and external, to facilitate data driven decision making. Meetings were hosted with participatory governance groups and with community involvement. The results connect capital expenditure decisions directly to planning efforts. The District-wide Education and Facilities Master Plan (EFMP) 2011-2031 is in a 5-volume comprehensive document. The product is a long-term plan for continuous quality improvements focusing on strategies for academic excellence and facilities improvements.

## APPENDIX B

### *South Orange County Community College District*

#### **RESOURCE ALLOCATION DEFINITION OF TERMS**

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

- **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 charged to a student for instructional services provided to that student and these fee levels are set by the state.
- **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, 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. Included are not only actual liabilities, but also un-liquidated encumbrances. 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 debt.
- **Miscellaneous Income** is income that is outside of the SB 361 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.
- **Other State Adjustments** include state funds such as the excess funds provided to basic aid districts distributed by the State Chancellor's Office when Partnership for Excellence (PFE) was folded into SB 361 for other districts. These monies are not legislatively guaranteed.

## APPENDIX B

### *South Orange County Community College District*

#### **RESOURCE ALLOCATION DEFINITION OF TERMS**

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

- **Program Reviews** are a process to examine the effectiveness of an academic program. The process typically provides feedback (a) to the academic 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.
- **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 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 programs specifically restricted by law, regulations, donors, or other outside agencies. Examples of Restricted Funds at SOCCCD are EOPS, DSPS, and grants.
- **Scheduled Maintenance** The state refers to scheduled maintenance as state funds that were formerly provided for major repairs of buildings and equipment and had required a local match. For the last few years, state scheduled maintenance funds had not been allocated to community colleges. However, in the current state budget year, scheduled maintenance funds are being distributed to the districts again. At the District, the local definition of scheduled maintenance for basic aid purposes 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 Match** are match funds provided by the California Community College Chancellor's Office for district capital construction projects that meet their criteria for receiving a match of dollars from the state. These matching funds are matched by the local district.
- **Strategic Plans** refer to the Strategic Plans at both the colleges and the SOCCCD District-wide Strategic Plan being developed based on several planning documents at both the colleges and district-wide.
- **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.

APPENDIX B:  
*South Orange County Community College District*

**RESOURCE ALLOCATION DEFINITION OF TERMS**

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

- **5 Year Construction Plan** uses the project lists developed during the Education and Facilities Master Planning process. The college presidents work every year with their campuses to provide revisions to the two colleges' project priorities. The separate campus priority lists are merged into one district-wide project priority list vetted through SOCCCD Chancellor's Executive Team and approved by the Board of Trustees for submittal to the State Chancellor's office. This Five Year Construction Plan is the basis for the State 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.
- **20 Year Facility, Renovation, & Scheduled Maintenance Plan** will be a plan developed by the Capital Improvement Committee to create a 20 year projection of District-wide facility needs including projected cost and revenue. Facility needs are defined as new facilities, renovation of existing facilities, scheduled maintenance and maintenance backlog. This plan will be developed objectively by applying uniform data driven criteria to assess facility needs District-wide. This plan will be reviewed annually by the committee.