

Final Budget



2009 - 2010

August 31, 2009

The District.....

The South Orange County Community College District is a multi-campus district encompassing Saddleback College in Mission Viejo, Irvine Valley College in Irvine, and the Advanced Technology & Education Park (ATEP) in Tustin. Founded in 1967, SOCCCD covers 48% of the geographic area of Orange County and is governed by a seven-member elected Board of Trustees and a Chancellor.



Enrollment is up on all three campuses compared to 2007-08. Saddleback College was up 7% in fall semester, 8% in spring and Irvine Valley College was up 12% in fall, 13% in spring. ATEP opened in fall 2007 with just over 400 students and more than 1,100 students attended in spring 2009. For the first time in district history, total headcount exceeded 40,000 and full time equivalent students (FTES) topped 25,000. FTES in online courses has increased more than 200% in the past few years and the colleges continue to add more courses and work towards offering online degrees and certificates. Forty-three new full-time faculty members were hired in 2008-2009 and 20 more will be hired for 2009-2010.

Since the first building phase of Saddleback College 40 years ago, construction and renovation initiatives at the campuses are at the highest level in district history. Because of enrollment growth and the need for space during renovations, new modules were added to the Saddleback College Village. Renovation is nearing completion at the McKinney Theatre and the James B. Utt Library is slated next. At Irvine Valley College the Business Science Technology and Innovation Center is now open for classes and many renovation projects are underway throughout the campus.



The District is in negotiations for master development of the entire 68 acre ATEP property which would bring together community colleges, four year colleges and universities, and industry in creating a campus which offers a blend of both academic and on-the-job training for students. The Board of Trustees approved a concept plan for submittal to the City of Tustin of the first ATEP building expansion, including up to 305,000 square feet of classrooms, labs and educational support.



A comprehensive facilities master plan reflects the shared vision of hundreds of students, faculty, staff, trustees and members of the community. Both Saddleback and Irvine Valley Colleges have strategic plans in place that were developed with involvement of all constituent groups. District adopted goals are integrated with the strategic planning process at the colleges.

A recent socio-economic impact study demonstrated SOCCCD contributes over \$1.7 billion to the economy, brings a return on investment of 15% to state and local government, and graduates earn a 17% rate of return on their investment of time and money.

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

STATE BUDGET FISCAL YEAR 2009-2010



On July 28th the Governor signed a package of bills that revise the 2009-2010 state budget adopted by the legislature in February. He blue penciled liberally but no vetoes were made to the community college provisions. This will be a very lean year for California community colleges; the following year 2010-2011 is shaping up to be even more challenging. It is expected that enrollment will be reduced statewide by 250,000 in 2009-2010.

Some of the highlights of the current state budget which relate to community colleges are:

- No cost of living adjustment (COLA)
- 0% growth funds
- Reduce base workload measures (funded FTES) in proportion to cuts in apportionment funding
- Increase student fees: \$20 to \$26 per unit effective in the fall term
- Cut funding for categorical programs:
 1. 16% cut: CalWorks services, Basic Skills, Disabled Students Programs and Services, EOPS & CARE, Fund for Student Success, Nursing
 2. 17 % cut: SB 70 Career Technical Education
 3. 20 % cut: Telecommunication/Technology
 4. 32 % cut: Academic Senate, Apprenticeship, Child Care Tax Bailout, Economic Development, Equal Employment Opportunity, Transfer Education and Articulation, Matriculation, Part-time Faculty Compensation, Part-time Faculty Health Insurance, Part-time Faculty Office Hours
 5. Elimination: Physical Plant/Instructional Equipment
- There is no relief provided for the 50% law requirements.
- Depending on the economy, there could be additional midyear cuts in 2009-2010

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

Gary L. Poertner

Deputy Chancellor

South Orange County Community College District

BUDGET DEVELOPMENT GUIDELINES

Revised for 2009-2010 Budget

Board Philosophy:

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

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

Shared Governance:

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

Guiding Principles:

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

1. Reserve for Economic Uncertainties

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

2. Future Long Term Debt Issues

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

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

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

3. Retirement Incentives

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

4. Area/College Allocations

The expenditure budgets for each area/college shall not exceed the projected resource allocations. Any college or district balances existing at the end of each fiscal year, either positive or negative, will result in an equivalent adjustment in the allocation in the subsequent year. In addition, the Deputy Chancellor 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

A June 2008 actuarial study provided an update on the status of the unfunded liability for retiree medical, dental, vision, and Medicare COB plans. The recommended annual accrual to cover the current year cost for existing employees when they retire is \$1,811,808. The District's accrued liability for employees past service is estimated at \$51,228,360. To be compliant with GASB 43 and 45, an irrevocable trust was established in 2007-2008 through the Keenan Futuris Public Entity Investment Trust Program. Benefit Trust Company was approved to manage the funds in the trust. The liability was completely funded at the close of 2007-2008.

Another actuarial study should be completed in 2010 to verify current contributions are maintaining the fund on a sound basis.

7. Basic Aid

While the District is a basic aid district:

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

8. One-time Cost Savings

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

9. Full Time Equivalent Student Targets

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

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

10. Funding for Growth

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

ADVANCED TECHNOLOGY AND EDUCATION PARK



The Advanced Technology & Education Park (ATEP) in Tustin opened its initial one-acre campus in August 2007 with just 400 students. In Spring 2009, ATEP had approximately 1,100 students enrolled. Courses are offered through Irvine Valley College, Saddleback College and the Center for Applied Competitive Technologies in such subjects as optics, photonics, design model making rapid prototyping, languages, information security, entrepreneurship and business, as well as math, sciences, and other general education courses. Dr. Randy Peebles, Provost, oversees the ATEP campus with on-site support of an academic dean, two managers, staff members and faculty. Irvine Valley College provides additional resources in security, maintenance and student services. ATEP's next steps are to expand to 30 acres with the Concept 3A plan.



Irvine Valley College Budget Message



Irvine Valley College (IVC) is pleased to present to the Board of Trustees and the Chancellor a balanced 2009-2010 Final Budget. It is the philosophy of IVC to establish a budget in a transparent and collaborative manner and the 2009-2010 Budget is a product of an open dialogue of all college “effective participation” groups and a dedicated work of staff.

The total unrestricted General Fund budget, determined through the District Resource Allocation Council (DRAC), is \$45.5M which represents a 3.7 percent increase in the ongoing base compared to 2008-2009 due primarily to enrollment growth. Of the total budget, \$40M, or 88 percent, has been committed to salaries and benefits, with the remainder allocated to operating and other non-personnel expenditures.

The college has fully integrated its strategic planning into budget development and revenue allocation processes. The third year of the strategic planning has rendered objectives and strategies worth over \$1 million covering a wide range of areas including instruction, safety and security, campus maintenance, and streamlining of business operations. A number of vital strategies were funded at the end of 2008-2009 and in 2009-2010, totaling nearly \$250,000. In addition, the college is currently seeking basic aid funding for a number of vital one-time strategic planning requests including technology, safety and security, equipment and capital outlay. In the current environment of fiscal uncertainty and budget curtailing, IVC was able to carve out \$40,000 to fund new strategies that would enhance the efficiency and effectiveness of the college’s operations and lead to ongoing savings as early as in the current fiscal year.

The Final Budget includes a 1 percent cost-of-living adjustment for certificated and classified employees consistent with the corresponding bargaining agreements. The Budget funds seven new full-time faculty joining IVC this fall. This would allow the college to maintain its high level of instruction in light of the number of retirements that took place in 2008-2009. This would also allow the college to maintain its compliance with the 50% law in 2009-2010. Lastly, the unrestricted General Fund Budget reflects \$600,000 for economic uncertainties.

Categorical projects have been budgeted consistent with information available from the state and federal granting agencies. The State’s budget includes a number of deep cuts to most of the state-funded projects, with Matriculation, EOPS, and DSP&S being the largest ones. Locally, significant cuts have been made in the areas of travel & conference, student benefit payments, counseling, contracts, student work study, and outreach. The college was able to manage these reductions while avoiding a large impact on the general funds. However, as further cuts are anticipated in the near future, the college continues to look into the categorical projects in order to identify further reduction options while delivering a high level of service to students.

IVC is thankful to the Board of Trustees and the Chancellor for their support of the college and the students during these challenging economic times. The college stays committed to its mission to foster student success and contribute to the community.

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

Saddleback College Budget Message



At the time of submittal of the Final Budget a State budget resolution has been reached; however, specific details have not been released. Consequently, a budget has been developed that reflects the information we have, but some adjustments may be necessary when details are known.

The College has been anticipating a State budget crisis of some degree, and has consequently operated conservatively in recent years, controlling the addition of ongoing expenditures and conserving ending balances. The anticipated budget crisis has now materialized, and the College is in the process of taking additional steps to respond to the proposed budget reductions while maintaining programs and services and meeting scheduled maintenance needs. The Saddleback College ending balance for 2008-2009 is \$7.6M, and this balance has been used in part to balance the 2009-2010 budget.

The State budget crisis is real and the College believes that there will be lasting and significant budget reductions for the College to absorb. It is unknown how long the State will take to recover from its bleak financial condition and therefore the College is anticipating lean budget years beyond 2009-2010. College staff are continuing to develop and implement operating efficiencies, and anticipate maintaining this effort into the academic year to help ensure ongoing fiscal stability and efficiency.

Income assumptions for the College's Final Budget include zero cost-of-living and zero growth increases, to ensure compliance with SB361 funding formulas. Expenditure assumptions fund all step and column increases, collective bargaining increases, Health and Welfare and fringe benefit increases, and fully funds all anticipated personnel.

At the time of submission of the Final Budget the State has proposed budget reductions ranging between 16% and 100% for categorical programs including career technical, nursing and economical development grants. Programs that will be affected at Saddleback College are Disabled Students Programs and Services, Equal Opportunity Programs and Services, Cooperative Agency Resource for Education (CARE), Credit and Non-Credit Matriculation, Scheduled Maintenance, Instructional Equipment, Basic Skills, and CalWorks. These categorical budgets have been reduced to match anticipated funding levels. It is hoped the anticipated Federal Stimulus funds are realized to ensure budgets in these programs are not reduced further this fiscal year.

The substantial need for scheduled maintenance funding is ongoing and the backlog of needed projects is over \$119 million. This is an area of the College budget that cannot be ignored because neglect in this area often results in increased costs to repair aging facilities. Limited State scheduled maintenance funds have been reduced significantly in recent years, and for 2009-2010 State funds have been eliminated. The College is hopeful that Basic Aid funds will be available to assist with this need.

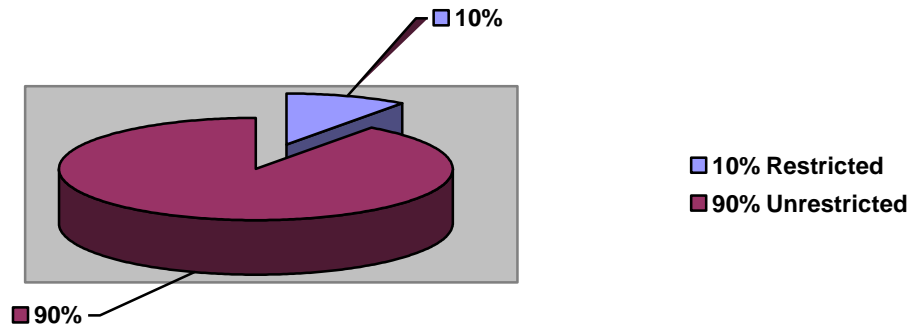
The Final Budget submitted to the Board of Trustees for approval is a balanced budget. The College will be working diligently to keep abreast of State budget deliberations during the year, and to make the adjustments necessary to ensure ongoing fiscal stability for the College and students.

The College faculty, staff, and management are committed to provide outstanding education, training and support to all students, in particular during these challenging times when our services are in greater demand.

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

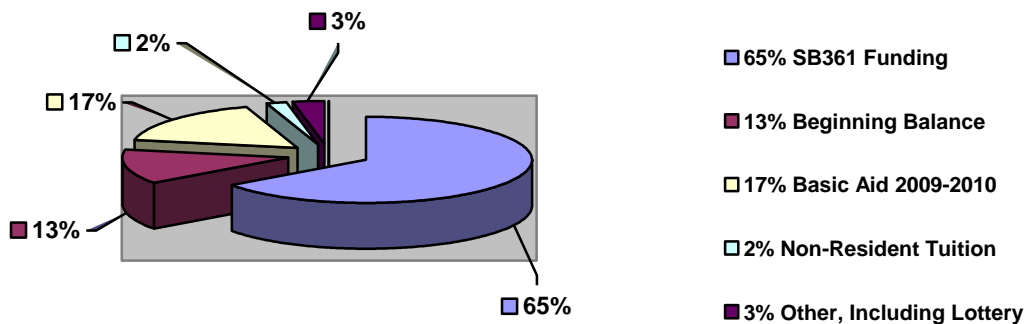
THE GENERAL FUND REVENUE

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



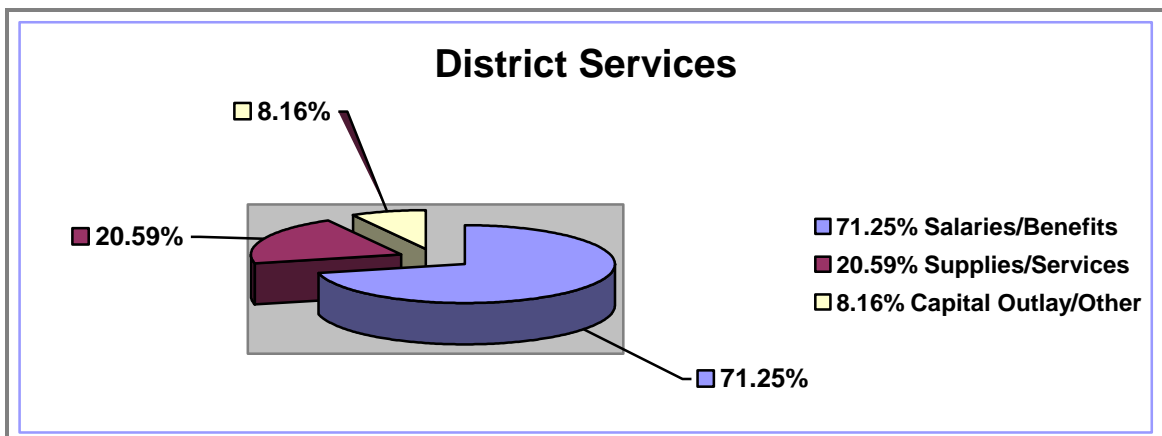
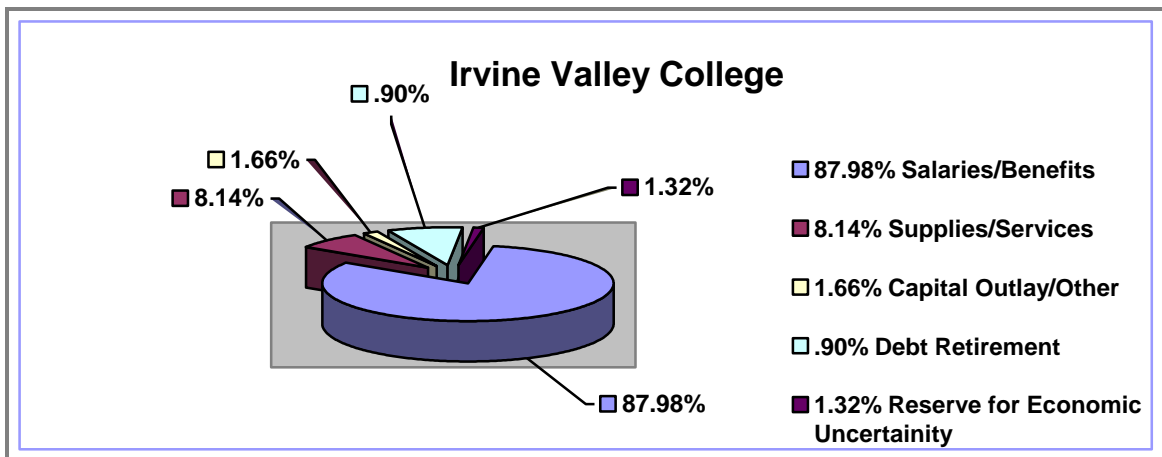
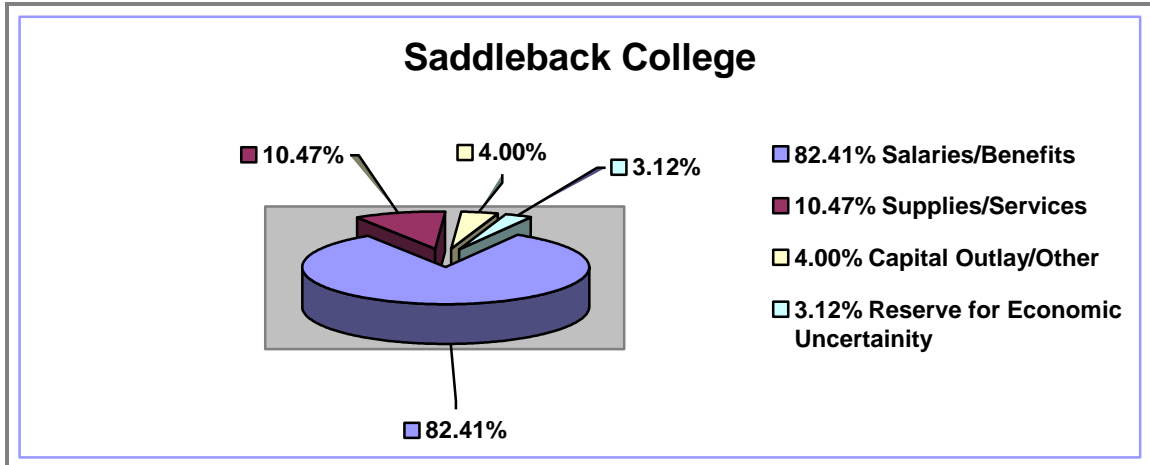
Unrestricted

The largest segment of the fund is the *unrestricted portion*, approximately \$201.2 million (90% of the activity); it accounts for resources for the general purpose programs of the District. Of the resources, 65% comes from a state-developed funding formula established by SB361, which includes state apportionment. The total amount received from State Apportionment funding (SB361) is determined by the State Budget Act and is distributed to the 72 community college districts by formulas developed by the California Community College Chancellor's Office. Apportionment recognizes changes in the Cost-Of-Living-Adjustment (COLA) and student enrollment growth and/or decline. The District will not receive state apportionment funding because local property taxes and student enrollment fees exceed the calculation entitlement. The remaining part of the unrestricted resources comes from 2009-2010 Basic Aid (17%), Non-Resident Tuition (2%), and other sources, including Lottery (3%). The Beginning Balance, carried forward from the prior year is 13% of available unrestricted funds.



General Fund Unrestricted Operating Expenditures

Most of the expenditures in the regular college operating budgets are for employee salaries/benefits as seen below. Saddleback College salaries and benefits equal 82% of their operating budget and Irvine Valley College equals 88% of its operating budget.



Restricted

The other segment is the *restricted (categorical aid) portion*, approximately \$23 million (10% of the general fund activity); this accounts for federal, state, and local money that must be spent for a specific purpose by law or agreement. Examples of these programs, which mostly are services targeted for specific population groups, are: Perkins Title I-C and Title II Tech Prep, Matriculation, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and Cooperative Agencies Resources for Education (CARE).

NOTEWORTHY GENERAL FUND ASSUMPTIONS

- Employee movement on the salary schedule (step and column increases) is included for employee groups.
- A 1% salary increase is included for the faculty in accordance with the Academic Employee Master Agreement for the period July 1, 2007 – July 30, 2010.
- A 1% salary increase is included for classified staff in accordance with the CSEA contract for the period of July 1, 2008 – June 30, 2011.
- No salary increases are included for Administrators, Managers, or POA.
- Budgeted cost increase for PPO medical insurance, HMO medical insurance, dental insurance, Vision and Medicare COB is estimated at 1.5%.
- Workers Compensation insurance is budgeted at 1.80% and Unemployment Insurance remains at .30% for the 2009/2010 Final Budget.
- The Public Employees Retirement System contribution rate for 2009-2010 increased to 9.709% from 9.42% in 2008-2009.
- The State Teachers Retirement System contribution rate for 2009-2010 will remain at 8.25%.
- The property and liability coverage increased 3% over last year, however, the amount budgeted increased \$313,700 because a one time rebate reduced the 2008-2009 budget.
- A transfer of \$2,500,000 is included to cover retiree insurance premiums and the annual accrual for current employees' future retirement benefits.

- The General Expense Accounts include the following budgeted amounts:

Offsite Technology Security	\$ 115,000	
Credit Card Service Fees	\$ 400,000	
District Office Facilities and Maintenance	\$ 300,000	
Discrimination/Harassment Investigation Services	\$ 50,000	
Faculty Job Fair	\$ 25,520	
Financial Audit	\$ 150,000	
I.T. Priority Projects	\$ 450,000	
Labor Contract Negotiators	\$ 75,000	
Legal Advertising	\$ 15,000	
Legal Fees	\$ 400,000	
Personnel Advertising	\$ 104,000	
Phone System Maintenance Agreement	\$ 190,000	
Property & Liability Insurance	\$ 1,022,000	
Sabbatical Bond Payments	\$ 18,000	
Safety Compliance Cost	\$ 15,000	
Taxpayer Relief Act Compliance	\$ 39,500	
TOTAL GENERAL EXPENSE ACCOUNTS		<u>\$3,369,020</u>
District Office Facilities and Maintenance	\$ <300,000>	
ADJUSTED GENERAL EXPENSE ACCOUNTS		<u>\$3,069,020</u>

- The 2009-2010 Final Budget includes interfund transfers as follows:

FROM:	TO:				
Unrestricted General Fund	Child Development	Capital Outlay	Self Insurance	Retiree Benefits	Total
Irvine Valley College	\$234,000				\$ 234,000
Saddleback College	\$250,000	\$150,000			\$ 400,000
District Service			\$230,000		\$ 230,000
One Time Revenue					
Including Basic Aid		\$28,767,968		\$2,500,000	\$31,267,968
Sub-Total Unrestricted General Fund	\$484,000	\$28,917,968	\$230,000	\$2,500,000	\$32,131,968

FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

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

The 2009-2010 Final Budget includes a reserve of 7.5% of unrestricted funds.

BASIC AID STATUS

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

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

The District estimates that receipts for 2009-2010 and future years to be as follows:

<u>Year</u>	<u>Basic Aid Receipts</u>
2009 - 2010	\$33,827,968
2010 - 2011	\$29,906,938
2011 - 2012	\$28,731,559
2012 - 2013	\$27,520,272
2013 - 2014	\$26,247,312

The assumptions used to estimate basic aid funds in future years are, for the 2009-2010 fiscal year, SB361 funding COLA is estimated at 0%, growth at 0% and enrollments fees at \$26 per unit. For 2010-2011, SB361 COLA is estimated to be 0% with growth equal to 1%. The following three years apportionment COLA is estimated at 2% and growth is estimated at 1%.

For the 2009-2010 fiscal year, secured taxes are estimated to decrease 2%. Secured taxes are estimated to decrease again in 2010-2011 by 7%. For each of the following three years, secured taxes are estimated to increase 2% and unsecured; homeowners and supplemental taxes are estimated to remain constant.

The schedule below shows basic aid funds and projects that are included in the 2009-2010 fiscal year Final Budget:

2009-2010 FISCAL YEAR	
Balance at July 1, 2009	\$ 4,129,002
Receipts 2009-2010 Fiscal Year	<u>\$ 33,827,968</u>
Total Available 2009-2010 Fiscal Year	<u>\$ 37,956,970</u>
BUDGETED PROJECTS	
2009-2010 Retiree Benefit Expenses	\$ 2,500,000
Legislative Advocacy	\$ 60,000
Funding for Future Building Projects	\$ 29,896,970
ATEP Development	\$ 1,000,000
ATEP Negotiations	\$ 2,000,000
ATEP – Operating Budget	<u>\$ 2,500,000</u>
TOTAL APPROVED AND BUDGETED PROJECTS	<u>\$ 37,956,970</u>

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

Special Trustee Election	\$ 981,697
College Retiree Benefit Liability Contribution	\$ 27,417,938
College/District Contributions for Debt Retirement	\$ 4,380,701
Scheduled Maintenance Project	\$ 5,000,000
Allocation for Salary Schedule Restructure	\$ 4,245,000
Technology Needs for IVC, SC & District	\$ 19,367,618
ATEP – Operating Budget	\$ 9,203,957
ATEP - Utilities	\$ 1,000,000
ATEP - Negotiations	\$ 4,750,000
ATEP – Demolition	\$ 7,000,000
ATEP - Staffing, Equipment and Program Development	\$ 4,000,000
ATEP – Development	\$ 3,750,000
ATEP – Renovation	\$ 15,034,576
ATEP – Parking Lot Renovation	\$ 950,000
Certificate of Participation Debt Retirement	\$ 34,400,000
Campus Appearance	\$ 1,000,000
College Science Equipment & TV Studio Updates	\$ 1,000,000
College Sports Facilities	\$ 1,713,310
College Instructional Equipment Allocation	\$ 1,392,000
IVC – Business & Technology Innovation Center	\$ 12,882,000
IVC – Design and Install Entrance from Barranca	\$ 2,850,000
IVC – Floor Repairs	\$ 58,340
IVC – Life Sciences Project	\$ 9,930,800
IVC – Lot Expansion and Phase 1 of Lot 6	\$ 1,476,759
IVC – Maintenance and Police Facility	\$ 4,575,000
IVC – Modular Building	\$ 370,000
IVC – Modular Building Replacement (CEC)	\$ 197,402
IVC – Landscaping (PAC & BSTIC)	\$ 1,250,000

IVC – Performing Arts Center	\$ 17,180,000
IVC – A300 Remodel	\$ 2,481,000
IVC – Utility Service	\$ 416,000
IVC – Remove/Relocate Police/Maintenance & A500	\$ 514,000
IVC – Science Lab Addition and Remodel	\$ 6,980,000
IVC - Early College Program	\$ 60,000
IVC – Fine Arts Building	\$ 4,652,000
SC – Building Repairs-Math, Science Engineering Building Soil & Slab Repairs	\$ 2,337,000
SC – Plaza Repairs-Math, Science Engineering Building	\$ 5,081,000
SC – Building Repairs-TAS Building	\$ 1,956,000
SC – Building Repairs-Library Remodel	\$ 20,141,000
SC – Demolition of Lower Campus Buildings	\$ 1,719,000
SC – Golf Driving Range Net Replacement	\$ 300,000
SC – Health Science/District Office Building	\$ 15,251,655
SC – Hire Consultant for Parking/Traffic Study	\$ 48,500
SC – McKinney Theater Lighting and Sound Systems Upgrade	\$ 1,335,000
SC – Mold Abatement and Air Quality Improvements	\$ 9,006,000
SC – New Sciences Building	\$ 3,742,000
SC – Science/Applied Science Building	\$ 14,850
SC – McKinney Theater Restroom Remodel	\$ 2,542,000
SC – Temporary Classroom Facilities	\$ 7,269,285
SC – Demolition and Upper Quad Remodel	\$ 1,000,000
SC – Village Remodel	\$ 4,130,000
SC – Loop Road	\$ 3,442,000
SC – M/S/E/ Renovation	\$ 2,608,344
SC – Village Expansion	\$ 3,942,000
SOCCCD – Additional 1% Contingency	\$ 1,278,101
SOCCCD – District Wide Telephone System	\$ 4,499,498
SOCCCD – Student Information System Upgrade – Phase I	\$14,102,260
SOCCCD – Replace Human Resources and Budget Development Systems	\$ 897,740
SOCCCD – Fiscal and HR Systems Replacement	\$ 27,500
SOCCCD – Hire Consultant for District Education and Facilities Master Plan	\$ 370,010
SOCCCD – HR Recruitment Work Plan	\$ 85,911
SOCCCD – Legislative Advocacy Services – Basic Aid	\$ 210,000
SOCCCD – Enrollment Management Marketing, Outreach and Recruitment Efforts	\$ 329,830
TOTAL PROJECTS FUNDED WITH BASIC AID FUNDS	<u>\$320,126,582</u>

SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS

	* Unrestricted	*Restricted	Total
Saddleback College	\$ 88,312,150	\$15,541,112	\$103,853,262
Irvine Valley College	\$ 45,514,763	\$ 6,617,370	\$ 52,132,133
ATEP	\$ 6,977,425	\$ 179,464	\$ 7,156,889
District Services	\$ 15,549,449	\$ 333,248	\$ 15,882,697
General Expense	\$ 3,069,020		\$ 3,069,020
Part-Time Faculty Parity Funds		\$ 683,475	\$ 683,475
Retirement Benefits	\$ 2,500,000		\$ 2,500,000
Basic Aid Funds for Capital Outlay Projects	\$ 28,767,968		\$ 28,767,968
Other Basic Aid Expenses	\$ 73,646		\$ 73,646
Reserves for Economic Uncertainties	\$ 10,446,173		\$ 10,446,173
TOTALS	<u>\$ 201,210,594</u>	<u>\$ 23,354,669</u>	<u>\$224,565,263</u>

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

OTHER FUNDS

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

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

Child Development Fund (Fund #12)

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

Capital Outlay Projects Fund (Fund #40)

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

CAPITAL OUTLAY PROJECTS

Project Description	% Local and Basic Aid	% State	Project Cost	Estimated Cumulative Expenses at June 30, 2009	2009-2010 Final Budget
BASIC AID					
IVC Landscaping (PAC & BTIC)	100%	0%	\$1,250,000	-	\$1,250,000
IVC-Performing Arts Center (Includes State Funds \$14.5mil)	54%	46%	\$31,652,093	\$31,292,763	\$359,330
IVC-Utility Service Project	100%	0%	\$416,000	\$346,223	\$69,777
SC-Building Repairs-TAS Building	100%	0%	\$1,956,000	\$153,423	\$1,802,577
SC-Building Repairs – Math, Science Engineering Bldg.	100%	0%	\$2,337,000	\$128,710	\$2,208,290
IVC-Fine Arts	100%	0%	\$4,652,000	\$61,278	\$4,590,722
SC-Science Building (M/S/E annex)	100%	0%	\$3,742,000	\$29,595	\$3,712,405
SC Village Expansion	100%	0%	\$3,942,000	\$463,110	\$3,478,890
SC-Hire Consultant for Parking/Traffic Study	100%	0%	\$48,500	\$24,250	\$24,250
IVC-Maintenance and Police Facility	100%	0%	\$4,575,000	\$4,553,656	\$21,344
SC-Mold Abatement and Air Quality Improvements	100%	0%	\$9,006,000	\$8,724,200	\$281,800
College Scheduled Maintenance (Includes College Match)	100%	0%	\$2,059,034	\$2,056,404	\$2,630
SC-Temporary Classroom Facilities	100%	0%	\$7,269,285	\$7,176,817	\$92,468
College Scheduled Maintenance (Includes College Match)	100%	0%	\$5,000,000	\$3,329,567	\$1,670,433
IVC-Remove/Relocate Maintenance, Police, Warehouse & A-500 Buildings	100%	0%	\$514,000	\$484,122	\$29,878
Replace Student Information System Districtwide	100%	0%	\$14,102,260	\$12,931,624	\$1,170,636
IVC-Science Lab Addition	100%	0%	\$6,980,000	\$2,736,299	\$4,243,701
IVC-A-300 Building Remodel	100%	0%	\$2,481,000	\$1,673,414	807,586
SC-McKinney Theater Restroom Remodel	100%	0%	\$2,542,000	\$2,291,569	\$250,431
ATEP-Utilities for Hangar and Chapel	100%	0%	\$1,000,000	-	\$1,000,000
ATEP-Negotiations (Includes Local Revenue)	100%	0%	\$4,825,000	\$1,979,700	\$2,845,300
ATEP-Development	100%	0%	\$3,750,000	\$1,606,675	\$2,143,325
ATEP Parking Lot Renovation	100%	0%	\$950,000	-	\$950,000
Campus Appearance	100%	0%	\$1,000,000	\$378,837	\$621,163
Technology Needs for IVC, SC, ATEP & District	100%	0%	\$11,648,415	\$9,032,145	\$2,616,270
SC-M/S/E Plaza Repair	100%	0%	\$5,081,000	\$69,288	\$5,011,712
SC-Loop Road	100%	0%	\$3,442,000	-	\$3,442,000
SC-Renovate Math, Science, & engineering Bldg	100%	0%	\$2,608,344	\$39,000	\$2,569,344
SC-Golf Driving Range Net Replacement	100%	0%	\$300,000	\$96,800	\$203,200
SC-Building Repairs-Library Remodel (Includes State Funds \$16.3mil)*	23%	77%	\$21,190,000	\$1,112,002	\$20,184,998
IVC-Business & Technology Innovation Center (Includes State Funds \$12.5mil)*	44%	56%	\$22,893,000	\$19,606,471	\$5,986,529
IVC-Design and Install Entrance from Barranca	100%	0%	\$2,850,000	\$9,950	\$2,840,050
IVC-Lot Expansion and Phase 1 of Lot 6	100%	0%	\$1,476,759	\$1,476,759	-
IVC-Life Sciences Project (Includes State Funds \$17.4mil)	36%	64%	\$27,307,800	\$81,776	\$10,433,024
SC-Demolition and Upper Quad Remodel	100%	0%	\$1,000,455	-	\$1,000,455
ATEP-Renovation	100%	0%	\$15,478,252	\$7,739,962	\$7,738,290
ATEP-Demolition	100%	0%	\$7,000,000	\$61,693	\$6,938,307
SC-Village Remodel	100%	0%	\$4,130,000	\$2,259,174	\$1,870,826
Reserve for Future Capital Outlay Projects			-	-	\$29,896,970
LOCAL					
SC-Future Parking Lot Projects	100%		-	-	\$512,356
SC-Future Capital Outlay Projects			-	-	\$2,421,276
District-Future Capital Outlay Projects			-	-	\$5,312,032
Redevelopment Funds Reserved for Future Capital Projects (Cities of Lake Forest, Mission Viejo, MCAS Tustin, Orange County NDAPP, Irvine, Santa Ana, San Clemente, San Juan Capistrano)			-	-	\$6,959,363
Total Fund 40			\$242,455,197	\$124,007,256	\$149,563,938

Self-Insurance Fund (Fund #68)

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

Retiree Benefit Fund (Fund #71)

The District pays health care costs for retirees according to Board policies and contract agreements with employee groups. A June 2008 actuarial study provided an update on the status of the unfunded liability for retiree medical, dental, vision, and Medicare COB benefit plans. The study provides two estimates: the annual accrual to cover the value of benefits "earned" in the current year for existing employees when they retire and the accrual for past service. The current year cost is estimated to be \$1,811,808. The District's liability for past service is estimated at \$51,228,360. This amount was recorded as a liability in 2007-2008 to be compliant with GASB 43 and 45. The liability was met when an irrevocable trust (Fund 72) was funded.

The Retiree Benefit Fund is used to pay insurance premiums for retired employees. For 2009-2010 the revenue received from the ground lease for the Promenade Apartments and a transfer of \$2,500,000 of Basic Aid funds will be used to pay those expenses and fund the current year's annual accrual.

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 by the District for the payment of its obligations to eligible employees (and former employees) and their eligible dependents for medical, dental, and vision benefits upon retirement. The District met its OPEB liability in June 2008 by completely funding the irrevocable trust.

BUDGET

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

Gary L. Poertner, Deputy Chancellor
Beth Mueller, District Director of Fiscal Services
Prepared by: Cheryl Clavel, Executive Assistant

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2009-2010**

Revenues, Expenditures and Change in Fund Balance

GENERAL FUND

		ATEP			General Expense Unrestricted	One Time Rev. Incl. Basic Aid Unrestricted	One Time Rev. Incl. Basic Aid Restricted	Total General Fund		
		General Fund Unrestricted	General Fund Restricted	Total				General Fund Unrestricted	General Fund Restricted	Total
<u>SOURCES OF FUNDS</u>										
BEGINNING FUND BALANCE:	9712	4,474,334	\$ -	\$ 4,474,334	\$ -	\$ 9,864,786	\$ -	\$ 26,572,259	\$ 5,358,132	\$ 31,930,391
REVENUES:										
SB361 Revenue	Various		\$ -	\$ -	\$ 3,069,020	\$ 595,033	\$ -	\$ 130,868,778	\$ -	\$ 130,868,778
Basic Aid		2,500,000	-	2,500,000	-	31,327,968	-	33,827,968	-	33,827,968
Federal Sources	8100-8199		-	-	-	-	-	-	3,246,917	3,246,917
Other State Sources	8600-8699		171,964	171,964	-	-	683,475	2,901,838	10,893,859	13,795,697
Other Local Sources	8800-8899	3,091	7,500	10,591	-	-	-	7,039,751	3,855,761	10,895,512
Total Revenue		2,503,091	\$ 179,464	\$ 2,682,555	\$ 3,069,020	\$ 31,923,001	\$ 683,475	\$ 174,638,335	\$ 17,996,537	\$ 192,634,872
RESTRICTED BASIC AID INCOMING TRANSFERS										
	8980-8989	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS		6,977,425	\$ 179,464	\$ 7,156,889	\$ 3,069,020	\$ 41,787,787	\$ 683,475	\$ 201,210,594	\$ 23,354,669	\$ 224,565,263
<u>USES OF FUNDS</u>										
EXPENDITURES:										
Academic Salaries	1000-1999	1,430,979		1,430,979	-	-	611,337	61,160,902	4,589,768	65,750,670
Other Staff Salaries	2000-2999	840,582	117,326	957,908	-	-	-	35,600,056	5,423,185	41,023,241
Employee Benefits	3000-3999	491,664	39,163	530,827	-	-	72,138	29,904,150	2,398,799	32,302,949
Supplies & Materials	4000-4999	112,124	3,446	115,570	-	-	-	3,833,838	2,591,806	6,425,644
Services & Other Operating	5000-5999	1,526,180	11,214	1,537,394	2,919,020	73,646	-	16,950,705	4,323,709	21,274,414
Capital Outlay	6000-6999	2,575,896	8,315	2,584,211	150,000	-	-	7,570,802	3,300,138	10,870,940
Payments to Students	7500-7699		-	-	-	-	-	-	577,264	577,264
Total Expenditures		6,977,425	179,464	7,156,889	3,069,020	73,646	683,475	155,020,453	23,204,669	178,225,122
OTHER FINANCING USES:										
Transfers Out	7300-7400	-	-	-	-	-	-	714,000	150,000	864,000
Basic Aid Transfers Out		-	-	-	-	31,267,968	-	31,267,968	-	31,267,968
Debt Service	7100-7199	-	-	-	-	-	-	412,000	-	412,000
Total Other Sources (Uses)		-	-	-	-	31,267,968	-	32,393,968	150,000	32,543,968
TOTAL USES OF FUNDS		6,977,425	179,464	7,156,889	3,069,020	31,341,614	683,475	187,414,421	23,354,669	210,769,090
ENDING FUND BALANCE		-	-	-	-	10,446,173	-	13,796,173	-	13,796,173
COMPONENTS OF ENDING BALANCE:										
Restricted Balance		-	-	-	-	-	-	-	-	-
Economic Uncertainties		-	-	-	-	10,446,173	-	13,796,173	-	13,796,173
Nondesignated Ending Fund Balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

