



2011-2012
FINAL
BUDGET

August 29, 2011

The District



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

Over the past few years, the combined enrollment at the three campuses has increased almost 25%. Total headcount is now over 43,000 and full time equivalent students (FTES) number over 25,000. Demand for online courses and certificate programs continue to increase dramatically.

The District continues to strive to meet the increasing demands brought on by a challenging economy. This year, a new Sciences building construction project was approved for Saddleback College, Irvine Valley College held a groundbreaking for their new Life Sciences building, and ATEP received approval to add an additional building as part of their campus expansion.

The District IT department continues to develop applications to help students monitor, manage and complete their coursework. This year, the department helped the two colleges launch mobile applications and developed additional high-tech, intelligent modules for the Student Information System that will be launched in the fall. These services will greatly assist students, faculty and staff in increasing completion rates.

The colleges completed an institutional self-study evaluation and hosted site visits from visiting teams representing the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges. Some recommendations were made in the report and the district and colleges are working diligently and collegially to make improvements, including development of a district-wide strategic plan. The colleges will prepare a progress report for the commission in the fall.

Hundreds of students, faculty, staff, trustees, and community members have been involved in creating a new five year educational and facilities master plan for the district. The master planning effort has been influenced by the college strategic plans and district wide strategic directions, developed with involvement of all constituent groups. Both colleges have prepared and prioritized lists for maintenance needs and capital improvements over the next 20 years.

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.

South Orange County Community College District
Final Budget
Fiscal Year 2011-2012



The SOCCCD FY 2011-2012 Tentative Budget approved by the Board of Trustees in June was based on the Governor's May Revision. Subsequently, on June 28, 2011, the State Legislature passed the FY 2011-2012 final state budget. This state budget, along with updated property tax and other key information is used as the basis for SOCCCD's Final FY 2011-2012 Budget.

The state budget includes \$1.7 billion reductions to higher education on top of the deep cuts to the UC's, CSU's, and CCC's previously. If the tax projections assumed in the state budget don't materialize, then an additional \$302 million could be on the chopping block, triggered in three levels of increasing tiers (Tier 0, Tier 1, and Tier 2).

This news, although, disheartening, could have been worse. The various possibilities being considered could have been dramatically more harmful to California Community Colleges than what is being implemented.

The highlights of the state budget which relate to community colleges that were already included in the SOCCCD FY 2011-2012 Tentative Budget are:

- An enrollment fee increase to \$36 per unit beginning with the Fall 2011 term.
- 0% COLA
- 0% growth funds

The final state budget:

- Includes the \$400 million state apportionment cut for the community colleges.
- Is offset by \$110 million in student fee revenue originally proposed in January, as well as the new \$129 million deferral from Spring 2012 until October 2012. Although the California Community Colleges did not sustain cuts beyond the \$290 million originally proposed in the governor's January budget, the deferral in funding will increase the cumulative total of delayed state payments to \$961 million, or roughly 17% of the system's annual funding.
- Specifically hits basic aid districts such as SOCCCD, and phases out the special funding for the Partnership for Excellence Program (PFE) program. For FY 2011-12, basic aid districts will receive 50% of the PFE payment it would have otherwise received and will receive no payment in the FY 2012-13 or thereafter. This change has been reflected in the advance apportionment and in the development of the SOCCCD final budget.
- \$800 million in cumulative cuts over the last three fiscal years. Community College State Chancellor Jack Scott reported one negative effect of these cumulative cuts are that class sections were reduced by 6% throughout California and that during last academic year, over 140,000 students were unable to enroll in any classes. This year, community colleges across the state are seeing this percentage grow larger. It is becoming more challenging at our district to address this.

We have also included into the SOCCCD FY 2011-2012 Final Budget projected savings from the FY 2010-2011 Faculty Early Retirement Program. It is estimated to save the district \$3.98 million in *net savings* over five years.

On a positive note, the district has undertaken several important initiatives this past year. Accreditation, planning, quality improvement and evaluation initiatives were conducted. There will be college Accreditation Follow-Up Reports submitted for the Accreditation Follow-Up Visit taking place this fall semester in response to accreditation recommendations in January, 2011. Since receipt of the January action letters, Chancellor Poertner, Presidents Burnett and Roquemore, and campus constituency and participatory governance groups have collectively and collaboratively provided leadership and worked diligently on addressing the recommendations. The work of these groups will be evidenced in the colleges' Accreditation Follow-Up Reports.

As a result of the accreditation recommendations, planning and budget processes are improving. These include the development of a SOCCCD 2011-2031 Education and Facilities Master Plan (EFMP) or Long Term Plan and a District-wide Strategic Plan FY 2011-2014, as well as continuing to implement or develop new planning, program review, and administrative review processes at the colleges and district services. These various planning initiatives should further enhance instruction and student services and facilitate integration of planning across the district with the goal of becoming more data and planning driven and coordinated in our efforts.

The desired outcomes are for:

- Planning to *drive* budget and resource decision-making district-wide
- Increases in transparency, inclusiveness, and open communication of planning and budget decisions and
- Continuous evaluation of planning and processes for effectiveness. We have made strides but recognize that we will need to continually evaluate and improve upon these efforts each year as we fully implement and integrate them.

To improve transparency and understanding of the SOCCCD FY 2011-2012 Final Budget, new information is provided in the packet including a SOCCCD Resources Allocation Flow Chart, Definition of Terms Table, and a Funds Table. We hope you find these new additions helpful.

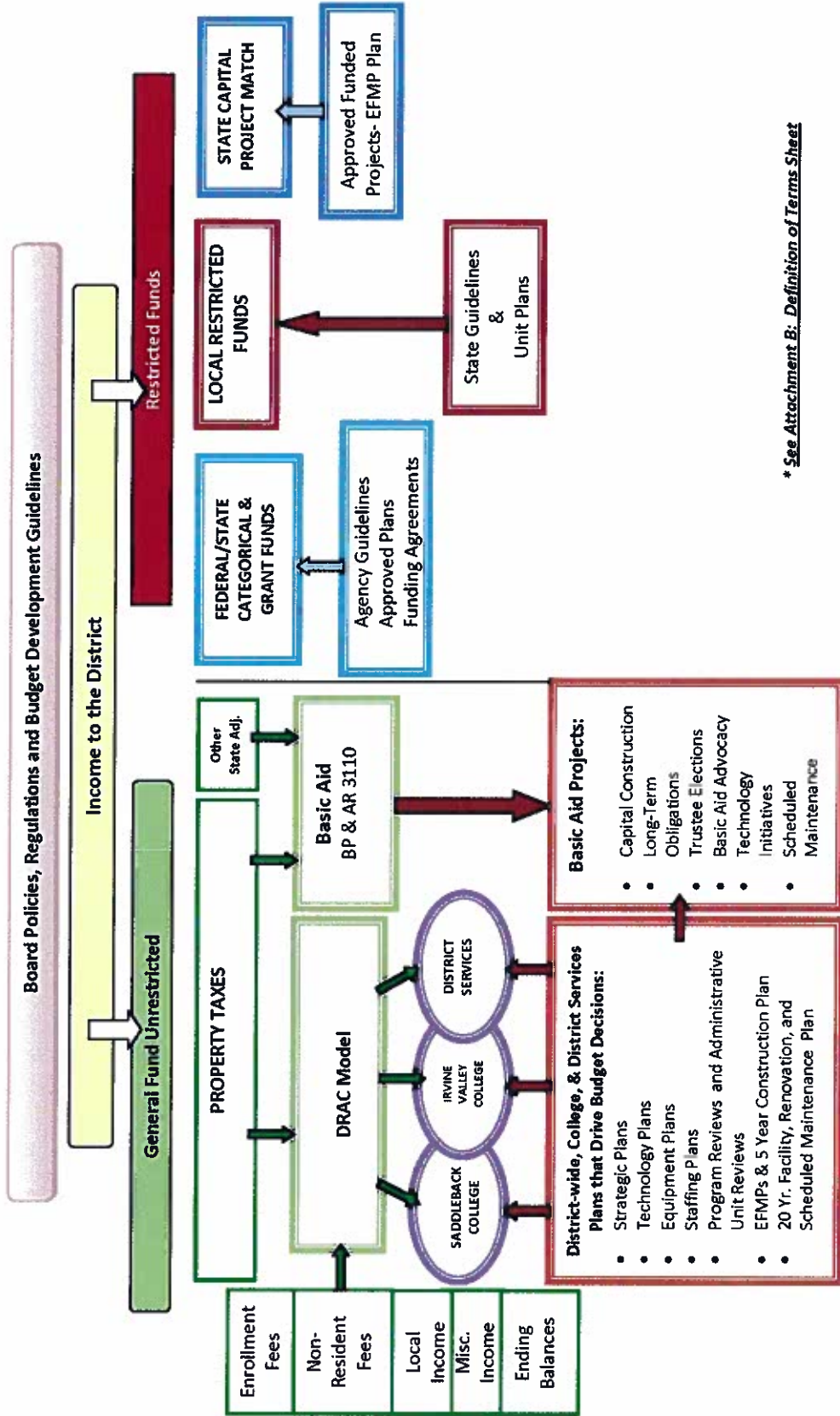
Chancellor Poertner has reviewed the SOCCCD FY 2011-2012 Final Budget and confirms that it is balanced as required by law and that it is consistent with the Board of Trustees' Budget Development Guidelines that are contained in this document.

The final budget is respectfully submitted to the Board for review and approval.

Dr. Debra L. Fitzsimons

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

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RESOURCE ALLOCATION PROCESS



* See Attachment B: Definition of Terms Sheet

BUDGET DEVELOPMENT GUIDELINES

Revised for FY 2011-2012 Final Budget

Board Philosophy:

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

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

Participatory Governance:

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

Guiding Principles:

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

1. Reserve for Economic Uncertainties

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

2. Future Long Term Debt Issues

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

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

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

3. Retirement Incentives

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

4. Area/College Allocations

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

5. Deficit Financing

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

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

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

7. Basic Aid

While the District is a basic aid district:

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

8. One-time Cost Savings

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

9. Full Time Equivalent Student Targets

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

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

10. Funding for Growth

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

Saddleback College Budget Message



Saddleback College is pleased to submit a balanced budget to the Board of Trustees that meets most of our needs with one major exception of scheduled maintenance, which continues to be a serious problem.

The Planning and Budget process is an open and comprehensive process that incorporates many college committees and plans. The Planning and Budget Steering Committee (PBSC) provides process oversight and recommendations are ultimately made to the College President. Beginning in FY 2007-2008 when it became clear that the state would be facing serious financial difficulties, the college planned accordingly and revised its budget practices in preparation for potential cutbacks. The college has greatly limited the addition of new staff and management positions, even though there have been significant workload and program needs. The college also embarked on a multi-year effort for identifying and implementing greater operating efficiencies and has significantly increased its efforts for securing alternative resources. This fiscal prudence has generated a prior year ending balance that enables us to balance the FY 2011-2012 budget.

Our Final Budget projects zero growth and zero Cost of Living Adjustments (COLA), and these income simulations are in accordance with the Governor's budget proposal. The last COLA increase was in FY 2007-2008 but salaries and benefits have continued to increase since that time. Additionally, since FY 2008-2009 the college's state categorically funded programs have been cut by \$1.86M (47.5% overall) adding further pressure to the budget. While we have backfilled some of these cuts with general funds, these programs (after general fund support) have experienced an overall reduction of approximately 30%.

During this period of limited resource growth demand for college programs and services has been increasing, and since FY 2007-2008 the college experienced a 9.8% increase in Full Time Equivalent Students. Consequently, the budget pressures mentioned above, coupled with substantially increased demands placed on faculty, staff and management, has created a challenge as we pursue one of our top goals; to significantly improve student success rates.

The college is firmly committed to implementing its 2010-2013 Strategic Plan that was developed through a college-wide process for identifying and achieving strategic directions and concrete goals and strategies over the next three years. Implementing this strategic plan will result in significant gains for improving student success and moving the college forward, but it will require adequate resources.

A major unfunded need requiring attention is the district's 20 Year Facility, Renovation and Scheduled Maintenance Plan. The District/College Capital Improvement Committee is currently working to refine this plan and to include funding projections, and a new Basic Aid Board Policy is being developed. These are two welcome developments that will assist the college and district in facility planning and resource allocation. We look forward to implementing a plan that will uniformly identify scheduled maintenance needs at the colleges and provide a long-term funding solution to those needs. Since the elimination of State scheduled maintenance funding, combined with ageing facilities at Saddleback and restricted revenue growth, we have been unable to keep pace with maintenance backlog and scheduled maintenance.

Although the college has funding and fiscal challenges, our Final Budget is balanced. Faculty, staff and management remain committed to meeting our mission and moving towards our vision. We appreciate our successful partnership with the Board of Trustees, Chancellor and district office and are hopeful that we can progress further under a new era of resource allocations based on data driven planning.

Tod A. Burnett, Ed.D. President, Saddleback College
Carol Hilton, Director of College Fiscal 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 2011-2012 Final Budget. It is the philosophy of IVC to establish a budget in a transparent and collaborative manner, and the current Budget is a product of an open dialogue of all college constituent groups and dedicated staff.

The unrestricted General Fund budget recommended through the District Resource Allocation Council (DRAC), is \$45.6 million. Major components of the budget are a \$44.7 million allocation based on the SB 361 state apportionment model, a \$2.9 million projected revenue from non-resident tuition and various assessments totaling \$5.9 million. Of the total budget, \$40.5 million, or 89 percent, has been committed to salaries and benefits, with the remainder budgeted for non-personnel expenditures and a contingency reserve.

IVC is in its final year of FY 2006-2012 strategic planning cycle. During this time, the College will finalize the outcomes of various strategies and objectives implemented through this process. In addition IVC will review and update its mission and long-term goals for the next planning cycle.

Last year, IVC successfully completed its long-term Education and Facilities Master Plan (EFMP). Utilizing an independent consulting service, the College conducted an in-depth analysis of various socio-economic and demographic trends in its service area to make sound long-term enrollment projections. Despite the increasing enrollment costs state-wide, the College projects it will continue to have a healthy 2-3% sustainable enrollment growth potential. The success of a long-term build-out of the campus, as outlined in the EFMP, is largely based on the college's ability to support this growth potential both organizationally and fiscally.

Since IVC has assumed the administrative support of the Advanced Technology Education Park (ATEP) and given the proximity of the ATEP site to the College's main campus, there is even a larger potential for growth for the College. This growth opportunity is hindered with no growth funding being available during this fiscal year. On a larger scale, the college is working with the district and Saddleback College to finalize a long-term recommendation for the development of ATEP. A well planned process coupled with an adequate financial support will be imperative in the successful development of the site.

In the capital outlay area, the College has committed \$700,000 to various scheduled maintenance and facilities renovation projects to be completed during the year. The College is particularly excited about the campus signage project planned for completion during the year. The support for these vital projects came from a combination of one-time unrestricted and restricted funds. IVC has an extensive list of larger capital outlay and scheduled maintenance projects that remain largely unfunded. These projects are linked to the 20-year Facility, Renovation and Scheduled Maintenance Plan and the Facilities Master Plan.

Categorical projects have been budgeted conservatively in accordance with the most up-to-date information available from the state and federal granting agencies. The College remains committed to protecting the vital services it provides to its various student cohorts in order to address their unique needs.

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

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

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 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 15,000 square feet of buildings at the ATEP site while the ATEP Development Team at South Orange County Community College District oversees development of site planning and partnerships for the expansion to 68 acres.

Mission

The stated mission of ATEP is to offer applied education and training programs in current and emerging technological careers driven by innovative business, industry and education partnerships. This campus site will focus on Career Technology Education (CTE).

Accomplishments

Recent accomplishments in the planning and development of the ATEP site include: The Board of Trustees, at the February 2011 meeting, authorized the district to proceed with the first building in the approved Phase 3A concept plan development of the site. Building design will begin this year as the colleges agree on the programs to be included in this first building that is estimated at 30,000 gross square feet.



A national search for education institution partners was launched this summer 2011 as C.B. Richard Ellis, commercial real estate brokers, began efforts on the district's behalf to advertise partnership opportunities at the 68 acre site. These partners will provide important income to the district in support of the ongoing and future costs related to site infrastructure and buildings. Commercial and business partners may also be considered as

discussions continue with the City of Tustin regarding pending agreements for our extended use of the property.

The District is pursuing federal funding as part of a New Markets Tax Credit project supporting the first buildings to be constructed in the ATEP Phase 3A Concept Plan. The federal government approved additional funding nationally for these grant-type allocations which will become available early in 2012. The district will be actively seeking these funds for the ATEP development project.

Demolition of the base buildings continues on schedule with over fifty percent completed at this time. All of the remaining buildings on the district site will be demolished by the end of the calendar year with the exception of the helicopter hanger, now in the planning stages for demolition in 2012. The clearing of the land of these buildings for development greatly increases the value of this central Orange County property.

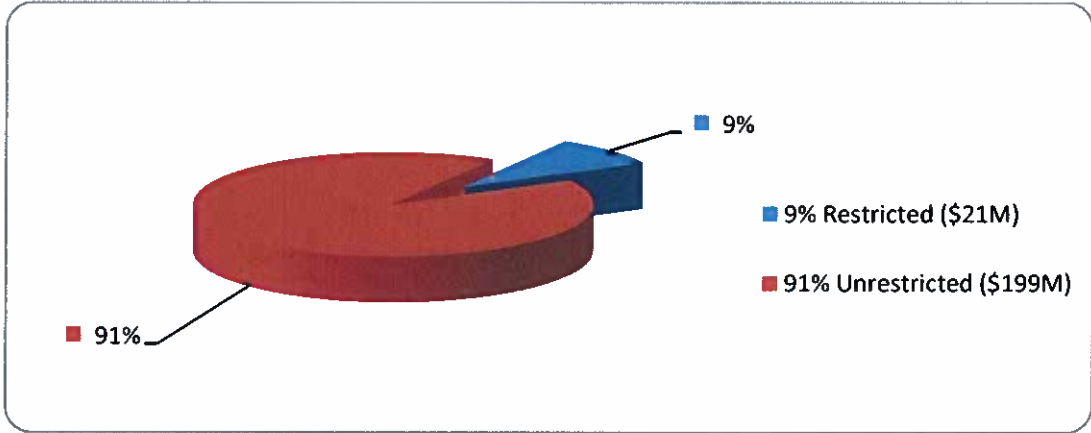
Meetings and discussions are ongoing with the City of Tustin and the County of Orange regarding land exchanges that will enhance the usable shape and configuration of the properties. These land exchanges will be a win-win for all the participants in the Tustin Legacy project and for our future students at the site.

Recently ATEP was included in the new District Wide Strategic Plan and Long Range Education & Facilities Master Plan. Staff from both colleges along with district services staff participated in these planning efforts.

Dr. Randy Peebles, Associate Vice Chancellor, ATEP

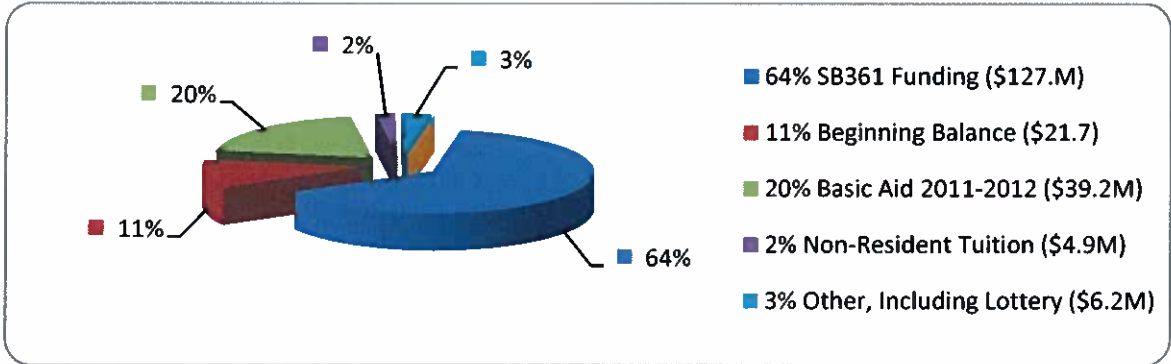
THE GENERAL FUND REVENUE

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

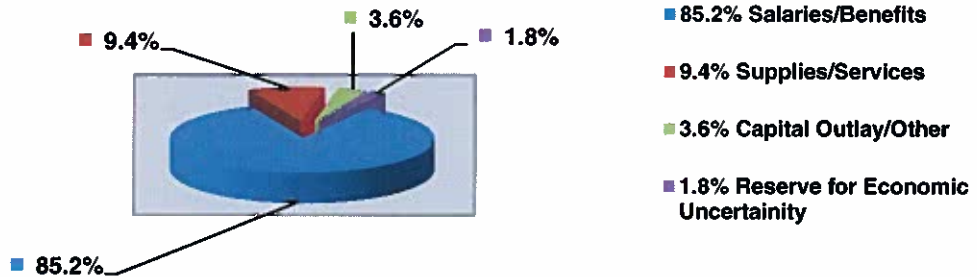
The largest segment of the fund is the *unrestricted portion*, approximately \$199 million (91% of the activity); it accounts for resources for the general purpose programs of the District. Of the resources, 64% comes from a state-developed funding formula established by SB361, which includes state apportionment. 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 FY 2011-2012 Basic Aid (20%), Non-Resident Tuition (2%), and other sources, including Lottery (3%). The Beginning Balance, carried forward from the prior year, is (11%) of available unrestricted funds.



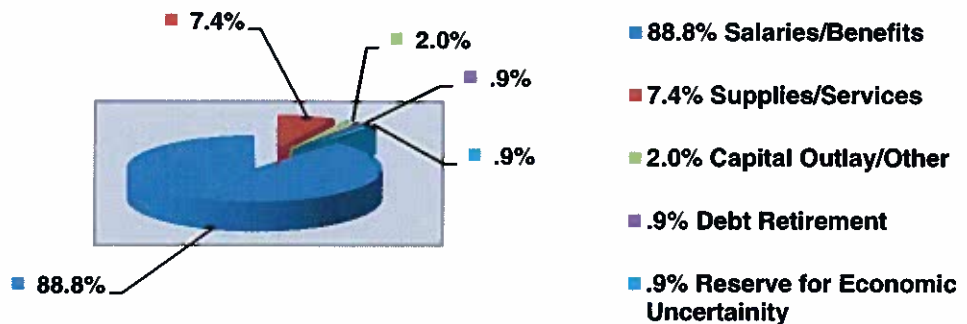
General Fund Unrestricted Operating Expenditures

Most of the expenditures in the regular college operating budgets are for employee salaries/benefits as seen below. Saddleback College salaries and benefits equal 85.2% of their operating budget and Irvine Valley College salaries and benefits equal 88.8% of its operating budget.

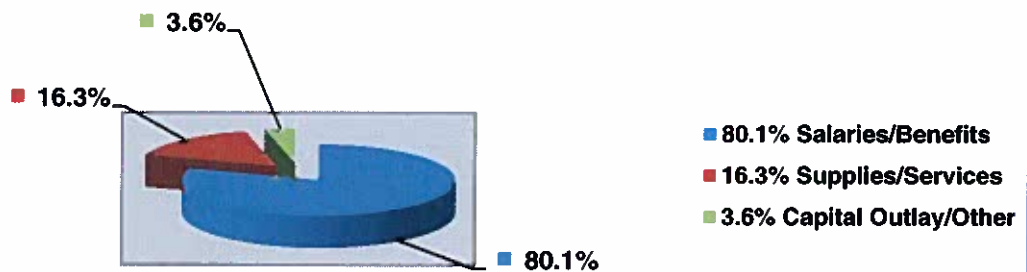
Saddleback College



Irvine Valley College

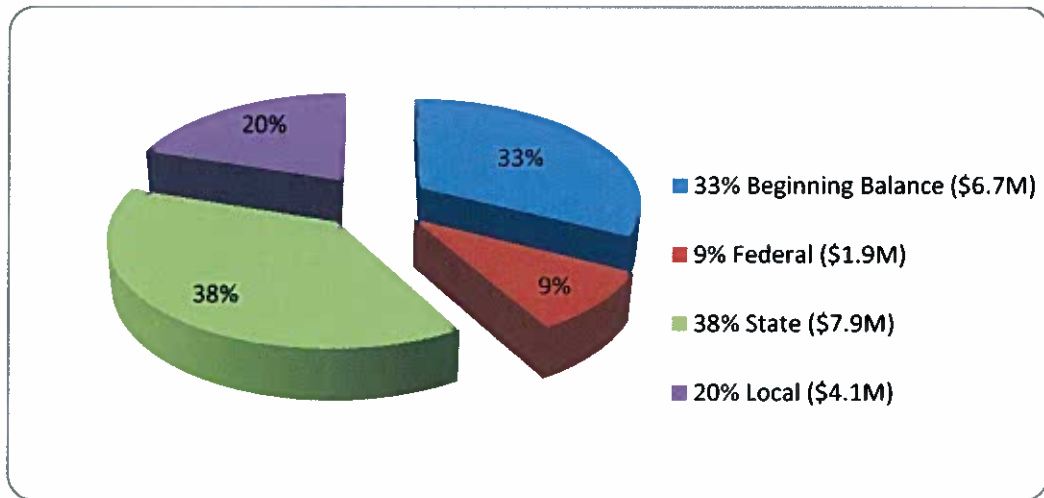


District Services



Restricted

The other segment is the *restricted (categorical aid) portion*, approximately \$21 million (9% of the general fund activity); this accounts for federal, state, and local money that must be spent for a specific purpose by law or agreement. Examples of these programs, which are mostly 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.
- No salary increases are included for Administrators, Managers, Faculty, CSEA or POA.
- The budgeted cost increase for Employee Benefits including PPO medical insurance, HMO medical insurance, dental insurance, vision insurance and Medicare COB is estimated at 5.0%.
- Workers Compensation insurance is budgeted at 1.80%, slightly increasing over the 2010-2011 rate of 1.73%

- The Unemployment Insurance rate for FY 2011-2012 increased to 1.61% from 0.72% in FY 2010-2011.
- The Public Employees Retirement System contribution rate is budgeted at 10.923% a 0.21% increase over FY 2010-2011.
- The State Teachers Retirement System contribution rate for FY 2011-2012 will remain at 8.25%.
- The property and liability coverage is budgeted at the FY 2010-2011 level of \$900,000.
- A transfer of \$2,600,000 is included to cover the annual accrual for current employees' future retirement benefits.
- The state PFE payment is reduced by 50% to \$1,818,462.
- The first of five payments of \$1.08M for the FY 2010-2011 Faculty Early Retirement Program estimated to save the District \$3.98M net savings in five years.
- The District-wide General Expense Accounts include the following budgeted amounts:

<u>EXPENSE</u>	<u>AMOUNT</u>
Offsite Technology Security	\$ 115,000
Credit Card Service Fees	\$ 400,000
District Office Facilities and Maintenance	\$ 300,000
Discrimination/Harassment Investigation Services	\$ 50,000
Faculty Job Fair	\$ 25,520
Financial Audit	\$ 130,000
I.T. Priority Projects	\$ 450,000
Labor Contract Negotiators	\$ 75,000
Legal Advertising	\$ 15,000
Legal Fees	\$ 400,000
Personnel Advertising	\$ 104,000
Phone System Maintenance Agreement	\$ 190,000
Property & Liability Insurance	\$ 900,000
Sabbatical Bond Payments	\$ 18,000
District Wide Strategic Planning	\$ 20,000
Safety Compliance Cost	\$ 15,000
Taxpayer Relief Act Compliance	\$ 39,500
TOTAL GENERAL EXPENSE ACCOUNTS	<u>\$3,247,020</u>
District Office Facilities and Maintenance	\$ <300,000>
ADJUSTED GENERAL EXPENSE ACCOUNTS	<u>\$2,947,020</u>

- The FY 2011-2012 Final Budget includes inter-fund transfers as follows:

From Unrestricted General Fund:	To Other Funds:				
	Child Development	Capital Outlay	Self Insurance	Retiree Benefits	Total
Irvine Valley College	\$234,000				\$234,000
Saddleback College	\$250,000				\$250,000
District Service			\$250,000		\$250,000
One Time Revenue Including Basic Aid		\$36,528,922		\$2,600,000	\$39,128,922
Sub-Total Unrestricted General Fund	\$484,000	\$36,528,922	\$250,000	\$2,600,000	\$39,862,922
Saddleback College Parking		\$100,000			\$100,000
From Capital Outlay Fund:	To SOCCCD Facility Corp:				
Capital Outlay Fund 40	\$12,500,000				\$12,500,000
Total Funds for Transfer	\$12,984,000	\$36,628,922	\$250,000	\$2,600,000	\$52,462,922

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 FY 2011-2012 Final Budget includes a reserve of 7.5% of unrestricted funds, with a total amount of \$10, 210,900.

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 FY 1999-2000 and has received basic aid funds as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
1999 – 2000	\$ 5,676,800
2000 – 2001	\$ 9,192,300
2001 – 2002	\$ 13,719,277
2002 – 2003	\$ 18,419,919
2003 – 2004	\$ 27,356,952
2004 – 2005	\$ 40,162,878
2005 – 2006	\$ 46,899,203
2006 – 2007	\$ 52,896,017
2007 – 2008	\$ 50,692,873
2008 – 2009	\$ 51,179,365
2009 – 2010	\$ 39,022,021
2010 - 2011	\$ 38,737,963

The District estimates that receipts for FY 2011-2012 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2011 - 2012	\$ 39,203,922
2012 - 2013	\$ 36,317,404
2013 - 2014	\$ 35,279,068
2014 - 2015	\$ 34,204,878

The assumptions used to estimate basic aid funds in future years are: for the FY 2011-2012, SB361 funding COLA is estimated at 0%, growth is 0% and enrollments fees are \$36 per unit. For the following three years, SB361 COLA is estimated at 1% and growth is estimated at 1%.

The Orange County Auditor Controllers office is consulted each year in order to project conservatively the District’s property tax revenue. The FY 2011-2012 estimates are based on that information and historical trends. For the FY 2011-2012, property taxes are mainly budgeted according to the percentage of decrease experienced in FY 2010-2011 over FY 2009-2010. Secured property taxes, the largest source of tax revenue, was budgeted at -1.39% less than the receipts for FY 2010-2011. Unsecured taxes were budgeted at -3.5% over FY 2010-2011 based on information from Auditor Controller’s Office. For the following three years, secured taxes are estimated to increase 1% and unsecured homeowners, and supplemental taxes are estimated to remain constant with no increase.

The schedule below shows basic aid funds and projects that are included in the FY 2011-2012 Final Budget:

<u>BASIC AID PROJECT NAME</u>	
<u>FY 2011-2012 RESOURCES</u>	
Balance at July 1, 2011	\$ 3,865,197
Receipts FY 2011-2012	\$ 39,203,922
Total Available FY 2011-2012	\$ 43,069,119
<u>BUDGETED EXPENDITURES PROJECTS</u>	
FY 2011-2012 Retiree Benefit Expenses	\$ 2,600,000
FY 2011-2012 Legislative Advocacy Services	\$ 75,000
Funding for Future Building Projects	\$ 40,394,119
TOTAL APPROVED AND BUDGETED PROJECTS	\$ 43,069,119

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

<u>BASIC AID PROJECT NAME</u>	<u>AMOUNT</u>
Special Trustee Election	\$ 1,398,988
Retiree Benefit Liability Contribution	\$ 38,017,938
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	\$ 19,304,095
ATEP – Operating Budget	\$ 10,963,521
ATEP – First Building	\$ 12,500,000
ATEP - Negotiations	\$ 4,265,883
ATEP – Demolition	\$ 7,000,000
ATEP - Staffing, Equipment and Program Development	\$ 891,611
ATEP – Development	\$ 3,750,000
ATEP – Renovation	\$ 7,964,191
ATEP – Parking Lot Renovation	\$ 176,414
ATEP – Site Development	\$ 390,436
Certificate of Participation Debt Retirement (COP)	\$ 34,400,000
Campus Appearance	\$ 1,000,000
College Science Equipment & TV Studio Updates	\$ 1,000,000
College Sports Facilities	\$ 1,713,310
College Instructional Equipment Allocation	\$ 1,392,000
IVC – Business & Technology Innovation Center	\$ 12,882,000
IVC – Design and Install Entrance from Barranca	\$ 2,850,000
IVC – Floor Repairs	\$ 58,340
IVC – Life Sciences Project	\$ 17,410,000
IVC – Lot Expansion and Phase 1 of Lot 6	\$ 1,476,759
IVC – Maintenance and Police Facility	\$ 4,553,656
IVC – Modular Building	\$ 370,000
IVC – Modular Building Replacement (CEC)	\$ 197,402
IVC – Landscaping (PAC & BSTIC)	\$ 1,796,000
IVC – Performing Arts Center	\$ 17,006,209
IVC – A300 Remodel	\$ 1,902,389

IVC – Utility Service	\$ 416,000
IVC – Remove/Relocate Police/Maintenance & A500	\$ 484,122
IVC – Science Lab Addition and Remodel	\$ 6,980,000
IVC - Early College Program	\$ 60,000
IVC – Fine Arts Building	\$ 4,652,000
IVC – Replace Main Water Valves	\$ 275,000
IVC – Replace Natural Gas Piping A&B Quads	\$ 230,000
IVC – Replace Exterior A100, A200, A300, A400	\$ 400,000
IVC – SSC HVAC System, B100	\$ 800,000
IVC – A400 Building Remodel	\$ 1,000,000
SC – Building Repairs-Math, Science Engineering Building Soil & Slab Repairs	\$ 128,710
SC – Plaza Repairs-Math, Science Engineering Building	\$ 69,288
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	\$ 24,250
SC – McKinney Theater Lighting and Sound Systems Upgrade	\$ 1,335,000
SC – Mold Abatement and Air Quality Improvements	\$ 8,724,200
SC – New Sciences Building	\$ 47,656,346
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	\$ 39,000
SC – Village Expansion	\$ 3,942,000
SC – Bridge Replacement	\$ 1,700,000
SC – Pool Deck Replacement	\$ 1,500,000
SC – Roof Replace TAS, Village Building 3 – 8	\$ 1,500,000
SOCCCD – Additional 1% Contingency	\$ 1,278,101
SOCCCD – District Wide Telephone System	\$ 4,499,498
SOCCCD – Student Information System Upgrade – Phase I/Phase II	\$14,102,260
SOCCCD – Replace Human Resources and Budget Development Systems	\$ 897,740
SOCCCD – Fiscal and HR Systems Replacement	\$ 27,500
SOCCCD – Hire Consultant for District Education and Facilities Master Plan	\$ 735,010
SOCCCD – HR Recruitment Work Plan	\$ 85,911
SOCCCD – Legislative Advocacy Services – Basic Aid	\$ 285,000
SOCCCD – Enrollment Management Marketing, Outreach and Recruitment Efforts	\$ 329,830
SOCCCD – Document Management Solution	\$ 659,202
SOCCCD – IT Projects	\$ 7,976,770
SOCCCD – Legal Defense for Invocation Complaint	\$ 2,000,000
CUMULATIVE TOTAL – BASIC AID PROJECTS	<u>\$392,765,371</u>

SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS

Allocated Area	* Unrestricted	*Restricted	Total
Saddleback College	\$ 86,086,313	\$12,888,784	\$ 98,975,097
Irvine Valley College	\$ 45,638,220	\$ 7,443,425	\$ 53,081,645
ATEP Operating & Capital Project	\$ 918,465	\$ 18,133	\$ 936,598
District Services	\$ 13,864,217	\$ 311,946	\$ 14,176,163
District-wide General Expense	\$ 2,947,020		\$ 2,947,020
Part-Time Faculty Parity Funds	\$ 509,463		\$ 509,463
Basic Aid Funds			
- Retirement Benefits	\$ 2,600,000		\$ 2,600,000
- Capital Outlay Projects	\$ 36,528,922		\$ 36,528,922
- Other Basic Aid Expenses	\$ 88,606		\$ 88,606
Reserves for Economic Uncertainties	\$ 10,210,900		\$ 10,210,900
TOTALS	<u>\$ 199,392,126</u>	<u>\$ 20,662,288</u>	<u>\$220,054,414</u>

* See pages 28 through 31 (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 18 months 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.

Golf Driving Range (Fund #15)

This fund is a mechanism to account for golf driving range receipts at Saddleback College. It's operated by an outside management group.

Capital Outlay Projects Fund (Fund #40)

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

CAPITAL OUTLAY PROJECTS – FUND 40

<u>Project Description</u>	% Basic Aid	% State	Project Cost	Estimated Cumulative Expenses at June 30, 2011	FY 2011- 2012 Final Budget
BASIC AID					
IVC Replace Main Water Valves	100%	0%	\$ 275,000	\$ 82,992	\$ 192,008
IVC Replace Main Gas Piping	100%	0%	\$ 230,000	\$ 44,456	\$ 185,544
IVC Repair Brick Facades	100%	0%	\$ 400,000	\$ 215,836	\$ 184,164
IVC SSC HVAC	100%	0%	\$ 800,000	\$ 21,014	\$ 778,986
IVC Landscaping (PAC & BTIC)	100%	0%	\$ 1,796,000	\$ 251,978	\$ 1,544,022
IVC-Utility Service Project	100%	0%	\$ 416,000	\$ 346,223	\$ 69,777
SC-Building Repairs-TAS Building	100%	0%	\$ 1,956,000	\$ 165,753	\$ 1,790,247
IVC-Fine Arts	100%	0%	\$ 4,652,000	\$ 61,278	\$ 4,590,722
SC-Sciences Building	100%	0%	\$47,656,346	\$ 288,158	\$47,368,188
SC Village Expansion	100%	0%	\$ 3,942,000	\$ 3,880,155	\$ 61,845
SOCCCD Document Management Solutions	100%	0%	\$ 659,203	-	\$ 659,203
IT:SC/IVC/ATEP	100%	0%	\$ 7,976,770	\$ 5,571,957	\$ 2,404,813
District Ed & Facilities Master Plan	100%	0%	\$ 735,010	\$ 691,020	\$ 43,990
SC-Temporary Classroom Facilities	100%	0%	\$ 7,269,285	\$ 7,177,117	\$ 92,168
College Scheduled Maintenance (Includes College Match)	100%	0%	\$ 5,000,000	\$ 4,761,998	\$ 238,002
Replace Student Information System	100%	0%	\$14,102,260	\$14,035,535	\$ 66,725
IVC-Science Lab Addition	100%	0%	\$ 6,980,000	\$ 5,172,990	\$ 1,807,010
SC-McKinney Theater Restroom Remodel	100%	0%	\$ 2,542,000	\$ 2,364,552	\$ 177,448
ATEP-Negotiations (Includes Local Revenue)	100%	0%	\$ 4,340,883	\$ 3,191,055	\$ 1,149,828
ATEP-Development	100%	0%	\$ 3,750,000	\$ 3,087,286	\$ 662,714
ATEP First Building	100%	0%	\$12,500,000	-	\$12,500,000
ATEP Site Development	100%	0%	\$ 340,436	-	\$ 340,436
Campus Appearance	100%	0%	\$ 1,000,000	\$ 738,514	\$ 261,486
IVC-A400 Renovation	100%	0%	\$ 1,000,000	-	\$ 1,000,000
SC Bridge Replacement	100%	0%	\$ 1,700,000	\$ 99,958	\$ 1,600,042
Technology Needs for IVC, SC, ATEP & District	100%	0%	\$11,584,892	\$11,152,988	\$ 431,904
SC Pool Deck	100%	0%	\$ 1,500,000	\$ 1,276,867	\$ 223,133
SC Roof Replacement	100%	0%	\$ 1,500,000	\$ 1,018,768	\$ 481,232
SC-Loop Road	100%	0%	\$ 3,442,000	\$ 218,441	\$ 3,223,559
SC-Golf Driving Range Net Replacement	100%	0%	\$ 300,000	\$ 106,750	\$ 193,250
SC-Building Repairs-Library Remodel (Includes State Funds \$15.7mil & \$15.3mil extra basic aid)	24%	76%	\$20,542,000	\$11,308,681	\$24,505,319
IVC-Business & Technology Innovation Center (Includes State Funds \$12.7mil & \$2.7mil extra basic aid)	44%	56%	\$22,893,000	\$21,598,961	\$ 3,994,039
IVC-Design and Install Entrance from Barranca	100%	0%	\$ 2,850,000	\$ 97,170	\$ 2,752,830
IVC-Life Sciences Project (Includes State Funds \$13.6mil)	50%	50%	\$30,978,000	\$ 1,323,367	\$28,929,633
SC-Demolition and Upper Quad Remodel	100%	0%	\$ 1,000,455	-	\$ 1,000,455
ATEP Renovation	100%	0%	\$ 8,407,867	\$ 8,344,047	\$ 63,820
ATEP-Demolition	100%	0%	\$ 7,000,000	\$ 1,513,289	\$ 5,486,711
SC-Village Remodel	100%	0%	\$ 4,130,000	\$ 3,696,092	\$ 433,908
Reserve for Future Capital Outlay Projects			-	-	\$40,394,119
LOCAL					
District Wide Video Conferencing	100%				\$ 425,502
District Technology Enhancement	100%				\$ 1,138,329
DSA Closeout/Five Year Plan	100%				\$ 223,727
SC-Future Lot Parking Projects	100%				\$ 623,536
SC-Future Capital Outlay Projects	100%				\$ 6,447,356
District-Future Capital Outlay Projects			-	-	\$ 14,151,322
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)			-	-	\$ 9,823,347
Total Fund 40			\$248,147,407	\$113,905,246	\$224,716,399

Facilities Corp. Capital Outlay Projects Fund (Fund #41)

The District established the Facilities Corporation capital outlay projects fund to account for the expenditures related to the development of ATEP. An innovative program funding titled New Market Tax Credits is being explored to assist with the funding of the development of ATEP.

Self-Insurance Fund (Fund #68)

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

Retiree Benefit Fund (Fund #71)

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

An actuarial study is conducted 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 when they retire, and 2) the total projected benefits accrual for employees' past service. The study estimated the cost for the annual accrual for current employees to be \$2,582,983. The District's actuarial accrued liability for past service is estimated at \$61,189,900. The next actuarial study will be done in 2012. An irrevocable trust was established in 2007-2008 to fund the OPEB obligation in accordance with GASB 43 and 45.

For FY 2011-2012, a transfer of \$2,600,000 of Basic Aid Funds will be used to 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 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 May 2010 with the completion of a required actuarial study. The study is an estimate of future costs.

Foundation Funds (Funds #73 through 76)

These are funds that account for the operations of the Saddleback College, Irvine Valley College, District, and ATEP foundations which are overseen by their respective board of directors.

ASG Funds (Funds #95 and #96)

The budgets are brought to the Board of Trustees independently from the SOCCCD Final Budget for board approval.

BUDGET TABLES

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

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

Beth Mueller, District Director of Fiscal Services

Prepared by: Cheryl Clavel, Executive Assistant

Appendix A

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

FUND NUMBER	DESCRIPTION	DEFINITION
1	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.
7	Community Education Fund – IVC	IVC provides community education seminars, short courses, workshops, and programs to support community needs not met by the traditional college curriculum
9	Community Education Fund - Saddleback	Saddleback 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.
15	Golf Driving Range	This fund is used to account for all the accumulation and expenditure of money for the Saddleback college golf driving range.
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 Corp. Capital Outlay Projects Fund	The District established the Facilities Corporation capital outlay projects fund to account for the expenditures related to the development of ATEP.

Appendix A

52	COPS Capital Lease Payments Fund	The fund is used to account for the accumulation and expenditure of moneys for the acquisition or construction of significant capital outlay items, and scheduled maintenance and repairs projects. The fund is used to account for the receipt and expenditure of proceeds from the sale of district bonds.
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 worker's compensation programs.
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	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 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.

Appendix A

76	ATEP 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.
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.
95	Associated Student Government – Saddleback College	This fund is used to account for moneys held in trust by the college for organized student body associations. The fund provides information of the student population and the activities they are involved in throughout the year. The fund is subjected to the approval of the governing board.
96	Associated Student Government-IVC	This fund is used to account for moneys held in trust by the college for organized student body associations. The fund provides information of the student population and the activities they are involved in throughout the year. The fund is subjected to the approval of the governing board.
99	District Depository	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 art tickets sales, Child Development Center fees, library fines, and career center testing. The District deposits this money in Fund 99 and promptly issues a check for deposit by the Orange County Department of Education into 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 Review** are conducted to examine the effectiveness of an administrative unit. Beginning this year, they will be conducted at both District Services and the colleges.
- **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's 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** is referring 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 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) 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 year-long endeavor updated 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 community involvement. The results connect capital expenditures directly to planning efforts. The District-wide Long Term Plan (2011-2031 EFMP) which include the college plans are 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 that 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.
- **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, due to 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 have not been allocated to community colleges. At the district, the working definition for schedule maintenance includes scheduled maintenance or repair of major building systems at the end of their life cycle that require planning, allocation of a significant amount of time and funds, and a high degree of coordination.
- **State Capital Project 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 update the college list of 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 Chancellors Office determination of which projects they will consider for funding. All Initial Project Proposals and Final Project Proposal submittals must be drawn from this list.
- **20 Year Facility, Renovation, & Scheduled Maintenance Plan** is 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 was developed objectively by applying uniform data driven criteria to assess facility needs district-wide. This plan is reviewed annually by the committee.

PLEASE NOTE: Some of the above working definitions related to facilities will be revised by the Capital Improvement Committee and/or the workgroup assigned by the Board Policy and Administrative Regulations Advisory Council to develop Administrative Regulation 3110-Basic Aid.

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2011-2012**

Revenues, Expenditures and Change in Fund Balance

	General Fund (01)	Community Education (07) & (09)	Child Development (12)	Capital Outlay (40)	Facilities Corporation Capital Outlay Projects (41)	Self-Insurance (68)	Retiree Benefit (71)	Retiree OPEB (72)	TOTAL ALL FUNDS
SOURCES OF FUNDS									
BEGINNING FUND BALANCE:									
9712 \$	28,463,180 \$	685,055 \$	84,347 \$	167,728,677 \$	-	2,234,983 \$	1,504,315 \$	64,875,356 \$	265,575,913
REVENUES:									
SB361 Revenue									
Basic Aid	127,350,972 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	127,350,972
Federal Sources	39,203,922	-	-	-	-	-	-	-	39,203,922
Other State Sources	1,909,500	-	-	-	-	-	-	-	1,909,500
Other Local Sources	11,648,542	-	-	16,878,883	-	-	-	-	28,527,425
8800-8899	11,478,298	1,869,868	1,588,643	3,479,917	17,310,000	15,000	-	5,100,000	40,841,726
Total Revenue	191,591,234 \$	1,869,868 \$	1,588,643 \$	20,358,800 \$	17,310,000 \$	15,000 \$	- \$	5,100,000 \$	237,833,545
BASIC AID INCOMING TRANSFERS									
8980-8989	-	-	484,000	100,000	12,500,000	250,000	2,600,000	-	39,128,922
TOTAL SOURCES OF FUNDS	220,054,414 \$	2,554,923 \$	2,156,980 \$	224,716,399 \$	29,810,000 \$	2,499,983 \$	4,104,315 \$	69,975,366 \$	555,872,380
USES OF FUNDS									
EXPENDITURES:									
Academic Salaries	61,660,421	-	200	-	-	-	-	-	61,660,621
Other Staff Salaries	39,771,693	744,920	1,486,904	-	-	163,190	-	-	42,166,707
Employee Benefits	34,363,697	154,775	484,347	-	-	76,156	4,022,315	3,950,000	43,051,290
Supplies & Materials	5,459,896	83,840	76,166	2,653	-	8,700	-	-	5,631,255
Services & Other Operating	18,545,192	875,093	91,436	1,576,813	-	1,181,937	82,000	657,000	23,009,471
Capital Outlay	7,528,724	696,295	5,600	192,264,933	29,810,000	16,500	-	-	230,322,052
Payments to Students	157,618	-	12,337	-	-	-	-	-	169,955
Total Expenditures	167,487,241 \$	2,554,923 \$	2,156,980 \$	193,844,399 \$	29,810,000 \$	1,446,483 \$	4,104,315 \$	4,607,000 \$	406,011,351
OTHER FINANCING USES:									
Transfers Out	834,000	-	-	12,500,000	-	-	-	-	13,334,000
Basic Aid Transfers Out	39,128,922	-	-	-	-	-	-	-	39,128,922
Debt Service	422,424	-	-	-	-	-	-	-	422,424
Total Other Sources (Uses)	40,385,346 \$	- \$	- \$	12,500,000 \$	- \$	- \$	- \$	- \$	52,885,346
TOTAL USES OF FUNDS	207,872,687 \$	2,554,923 \$	2,156,980 \$	206,344,399 \$	29,810,000 \$	1,446,483 \$	4,104,315 \$	4,607,000 \$	458,686,697
ENDING FUND BALANCE	12,181,827 \$	- \$	- \$	18,372,000 \$	- \$	1,053,500 \$	- \$	65,368,366 \$	96,975,683
COMPONENTS OF ENDING BALANCE:									
Restricted Balance	12,181,827	-	-	18,372,000	-	1,053,500	-	65,368,366	84,793,856
Economic Uncertainties	-	-	-	-	-	-	-	-	12,181,827
Non-designated Ending Fund Balance	-	-	-	-	-	-	-	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2011-2012**

Revenues, Expenditures and Change in Fund Balance

GENERAL FUND

	Saddleback College			Irvine Valley College			District Services		
	General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	Total
SOURCES OF FUNDS									
BEGINNING FUND BALANCE:	9712 \$	5,019,597 \$	11,936,755 \$	1,682,375 \$	1,397,630 \$	3,080,005 \$	863,494 \$	296,054 \$	1,159,548 \$
REVENUES:									
SB361 Revenue									
Basic Aid	73,340,055 \$	- \$	73,340,055 \$	39,192,942 \$	- \$	39,192,942 \$	13,000,723 \$	- \$	13,000,723 \$
Federal Sources	-	1,198,905	1,198,905	-	710,595	710,595	-	-	-
Other State Sources	2,132,518	4,339,136	6,471,654	1,111,348	3,540,185	4,651,533	-	-	-
Other Local Sources	3,696,582	2,331,146	6,027,728	3,651,555	1,795,015	5,446,570	-	15,892	15,892
Total Revenue	79,169,155 \$	7,869,187 \$	87,038,342 \$	43,955,845 \$	6,045,795 \$	50,001,640 \$	13,000,723 \$	15,892 \$	13,016,615 \$
RESTRICTED BASIC AID INCOMING TRANSFERS	-	-	-	-	-	-	-	-	-
8980-8989	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	86,086,313 \$	12,888,784 \$	98,975,097 \$	45,638,220 \$	7,443,425 \$	53,081,645 \$	13,864,217 \$	311,946 \$	14,176,163 \$
USES OF FUNDS									
EXPENDITURES:									
Academic Salaries	37,731,574	1,820,577	39,552,151	19,887,387	756,598	20,643,985	1,021,206	-	1,021,206
Other Staff Salaries	17,644,894	2,794,224	20,439,118	10,249,659	2,198,845	12,448,504	6,655,376	-	6,655,376
Employee Benefits	17,977,655	1,403,721	19,381,376	10,409,979	964,887	11,374,866	3,422,129	-	3,422,129
Supplies & Materials	1,580,359	2,426,431	4,006,790	669,668	597,819	1,267,487	141,762	-	141,762
Services & Other Operating	6,515,898	1,904,804	8,420,702	2,720,550	1,957,333	4,677,883	2,118,426	-	2,430,372
Capital Outlay	2,815,006	2,363,955	5,178,961	644,553	885,397	1,529,950	255,318	-	255,318
Payments to Students	-	75,072	75,072	-	82,546	82,546	-	-	-
Total Expenditures	84,265,386	12,788,784	97,054,170	44,581,796	7,443,425	52,025,221	13,614,217	311,946	13,926,163
OTHER FINANCING USES:									
Transfers Out	250,000	100,000	350,000	234,000	-	234,000	250,000	-	250,000
Basic Aid Transfers Out	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	422,424	-	422,424	-	-	-
Total Other Sources (Uses)	250,000	100,000	350,000	656,424	-	656,424	250,000	-	250,000
TOTAL USES OF FUNDS	84,515,386	12,888,784	97,404,170	45,238,220	7,443,425	52,681,645	13,864,217	311,946	14,176,163
ENDING FUND BALANCE	1,570,927	-	1,570,927	400,000	-	400,000	-	-	-
COMPONENTS OF ENDING BALANCE:									
Restricted Balance	1,570,927	-	1,570,927	400,000	-	400,000	-	-	-
Economic Uncertainties	-	-	-	-	-	-	-	-	-
Non-designated Ending Fund Balance	-	-	-	-	-	-	-	-	-

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2011-2012**

Revenues, Expenditures and Change in Fund Balance

GENERAL FUND

	General Fund		ATEP		Total	General Expense		One Time Rev. Incl. Basic Aid		One Time Rev. Incl. Basic Aid		Total General Fund		
	Unrestricted	Restricted	Unrestricted	Restricted		Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Total
SOURCES OF FUNDS														
BEGINNING FUND BALANCE:	918,465	14,133	932,598											
REVENUES:														
SB361 Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Basic Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other State Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Local Sources	-	4,000	4,000	-	-	-	-	509,463	-	-	-	-	1,909,500	-
Total Revenue	918,465	4,000	932,598	4,000	4,000	2,947,020	38,583,617	11,354,274	(1,128,768)	39,203,922	127,350,972	6,727,414	28,463,180	127,350,972
RESTRICTED BASIC-AID INCOMING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8980-8989	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	918,465	18,133	936,598	18,133	936,598	2,947,020	49,937,891	49,937,891	-	199,392,126	20,662,288	20,662,288	220,054,414	220,054,414
USES OF FUNDS														
EXPENDITURES:														
Academic Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Staff Salaries	228,695	-	228,695	-	-	-	-	443,079	-	-	-	-	-	-
Employee Benefits	118,942	-	118,942	-	-	-	-	66,384	-	-	-	-	-	-
Supplies & Materials	43,357	500	43,857	500	500	2,697,020	88,606	-	-	-	-	-	-	-
Services & Other Operating	220,042	10,567	230,609	10,567	10,567	250,000	-	-	-	-	-	-	-	-
Capital Outlay	307,429	7,066	314,495	7,066	7,066	2,947,020	598,069	-	-	-	-	-	-	-
Payments to Students	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	918,465	18,133	936,598	18,133	936,598	2,947,020	598,069	146,924,953	-	-	-	20,562,288	157,618	167,487,241
OTHER FINANCING USES:														
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Basic Aid Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	39,128,922	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-	-	-	39,128,922	-	-	-	-	-	-
TOTAL USES OF FUNDS	918,465	18,133	936,598	18,133	936,598	2,947,020	38,726,991	38,726,991	-	187,210,299	20,662,288	20,662,288	207,872,587	207,872,587
ENDING FUND BALANCE	-	-	-	-	-	-	-	10,210,900	-	12,181,827	-	-	12,181,827	12,181,827
COMPONENTS OF ENDING BALANCE:														
Restricted Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Uncertainties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nondesignated Ending Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
FINAL BUDGET - FISCAL YEAR 2011-2012
Revenues, Expenditures and Change in Fund Balance

	Community Education Fund			Child Development Fund		
	Saddleback College	Irvine Valley College	Total	Saddleback College	Irvine Valley College	Total
	(09)	(07)		Restricted	Restricted	
SOURCES OF FUNDS						
BEGINNING FUND BALANCE:	9712	\$ (118,968)	\$ 685,055	\$ 25,304	\$ 59,043	\$ 85,043
REVENUES:						
SB361 Revenue						
Basic Aid						
Federal Sources						
Other State Sources						
Other Local Sources	883,868	986,000	1,869,868	726,602	846,041	1,572,643
Total Revenue	\$ 883,868	\$ 986,000	\$ 1,869,868	\$ 726,602	\$ 846,041	\$ 1,572,643
RESTRICTED BASIC AID						
INCOMING TRANSFERS	8980-8989			250,000	234,000	484,000
TOTAL SOURCES OF FUNDS	\$ 1,687,891	\$ 867,032	\$ 2,554,923	\$ 1,001,906	\$ 1,139,084	\$ 2,140,990
USES OF FUNDS						
EXPENDITURES:						
Academic Salaries						
Other Staff Salaries	1000-1999					
Employee Benefits	2000-2999	476,015	744,920	731,057	755,847	1,486,904
Supplies & Materials	3000-3999	88,524	154,775	239,807	244,540	484,347
Services & Other Operating	4000-4999	54,590	83,840	27,199	46,250	93,449
Capital Outlay	5000-5999	453,762	875,093	3,843	86,847	95,690
Payments to Students	6000-6999	615,000	696,295		5,600	720,895
Total Expenditures	1,687,891	867,032	2,554,923	1,001,906	1,139,084	2,140,990
OTHER FINANCING USES:						
Transfers Out	7300-7400					
Basic Aid Transfers Out	7100-7199					
Debt Service						
Total Other Sources (Uses)						
TOTAL USES OF FUNDS	\$ 1,687,891	\$ 867,032	\$ 2,554,923	\$ 1,001,906	\$ 1,139,084	\$ 2,140,990
ENDING FUND BALANCE						
COMPONENTS OF ENDING BALANCE:						
Restricted Balance				10,000	6,000	16,000
Economic Uncertainties						
Nondesignated Ending Fund Balance						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -