

# Final Budget



**2008-2009**

August 26, 2008

# The District.....

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

Accredited by the Western Association of Schools and Colleges, Saddleback and Irvine Valley Colleges are comprehensive two-year institutions of higher education which offer associate degrees in academic and occupational subjects, and career education certificates. Our distinguished faculty provides students with excellent academic classes, and professional, vocational and skills training. A recently commissioned study found that our District significantly contributes to the regional economy, accounting for more than \$1.7 billion per year of Orange County's current labor and non-labor income.



A comprehensive facilities master plan reflects the shared vision of hundreds of students, faculty, staff, trustees and members of the community. At Saddleback College, a \$6.8 million "Village" of modular buildings is absorbing classes of students as building renovations are phased in throughout the campus. The Business and General Studies is now ready for classes following an \$8 million renovation. The James B. Utt Library and McKinney Theatre are scheduled to undergo major renovations beginning in 2008-2009.

At Irvine Valley College, the inaugural season debuted in the new \$32 million Performing Arts Center in 2007-2008. Construction on the \$19 million Business Sciences Technology and Innovation Center is complete and the building will open for classes in the Fall of 2008.



Enrollment continues to grow on the initial one acre ATEP campus in course offerings from Saddleback College and Irvine Valley College. The District is now in negotiations for master development of the entire 68 acre 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 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 global community.*

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## STATE BUDGET FISCAL YEAR 2008-2009

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As the District Final Budget for 2008-2009 was prepared the state was in the sixth week of a new fiscal year without a budget. Lacking any new information since the Governor's May Revision, the District's Final Budget uses the same revenue assumptions as were used for the Tentative Budget. If, when the state budget is passed, there is additional state funding eligibility for the District we will make budget revisions accordingly.

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*

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# BUDGET DEVELOPMENT GUIDELINES

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*Revised for 2008-2009 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 supplement 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 used to retire the COP debt and/or allocated at the college or district level for one-time purposes such as, capital projects or to fund 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 COP payments, 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 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

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## ADVANCED TECHNOLOGY AND EDUCATION PARK

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South Orange County Community College District is developing a 68-acre campus called The Advanced Technology & Education Park (ATEP) in Tustin, California as part of a comprehensive redevelopment effort known as Tustin Legacy at the former Marine Corps Air Station – Tustin.

The Advanced Technology & Education Park will open its initial campus in August 2007 at the corner of Red Hill and Valencia with courses from Saddleback College and Irvine Valley College in photonics, rapid prototyping, design model making, languages, and information security, as well as some general education and online courses.

Meanwhile, a master plan for the 68-acre campus is being developed in partnership with technology-focused businesses and other educational institutions to develop a 21<sup>st</sup> century campus concept that embeds education so intimately with workforce development that students will gain valuable, relevant experience while attaining their educational goals.





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# COLLEGE BUDGET DEVELOPMENT

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## *Irvine Valley College*

Irvine Valley College (IVC) is pleased to present to the Board of Trustees and the Chancellor a balanced 2008-2009 Final Budget. It is the philosophy of IVC to establish a budget in a transparent and collaborative manner and the 2008-2009 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 Committee (DRAC), is \$43.6M which represents a 2.3 percent increase in the ongoing base compared to 2007-2008 due primarily to enrollment growth. Of the total budget, \$38.2M, or 87.6 percent, has been either committed to or planned for salaries and benefits, with the remainder allocated to other operating expenses.

IVC has embraced a dynamic strategic planning process with renewed interest and enthusiasm. This powerful tool is utilized extensively in evaluating and approving all major developments of IVC and is shaping the future of the College. The second year of this process rendered objectives and strategies worth over \$500,000 to be funded from a mixture of categorical and unrestricted funds. The objectives cover a wide range of areas including safety and security, course completion rates, student success and persistence, enrollment management and the Early College program. The College has dedicated \$400,000 to fund additional expenditures that will be developed through the strategic planning process.

The \$19M new Business Sciences Technology and Innovation Center will debut in August 2008 with 53,000 square-feet of wireless, energy efficient lecture classrooms, small-group meeting spaces, conference rooms and computer labs. This new addition to the campus is designed to raise IVC’s profile with students and the business community.

The Final Budget does not include a cost-of-living adjustment for employees consistent with the Governor’s revised state budget proposal currently pending legislative approval. The Final Budget funds 15 new full-time instructors joining IVC, and a number of classified instructional positions are in the process of being upgraded. These steps have been taken to further enhance instruction while assisting the College in complying with the 50 Percent Law. Alongside these positions, the College is planning to add classified positions in the areas of facilities management to maintain new buildings and grounds, admissions to serve the growing student population, and Performing Arts Center to support performances. Lastly, the unrestricted General Fund Budget reflects \$600,000 for economic uncertainties.

Categorical projects have been budgeted conservatively pending state and federal revenue information. The Governor’s budget proposed a number of serious cuts to most of the state-funded projects, which would have an adverse impact on the College’s ability to maintain its current levels of service to the student populations assisted by these programs. To the extent that these projects are reduced in the state budget, IVC will take necessary actions to mitigate the impact of the cuts.

The Final Budget reflects basic aid allocations to the College for scheduled maintenance (\$1M), technology (\$600,000), instructional equipment (\$150,000), and campus appearance improvement (\$335,000). The College appreciates the generosity of the Board of Trustees and the support of the Chancellor for granting allocations for these vital projects. IVC 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.

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



## *Saddleback College*

The 2008-2009 Final Budget presented to the Board of Trustees for approval is a balanced budget. This budget has been developed through a collaborative shared governance process, and reflects the institutionalization of many aspects of the Saddleback College Strategic Plan (Strategic Plan).

The current format of the Strategic Plan is in its third year. College faculty and staff are committed to the strategic planning and budgeting process and evaluate and reassess practices ongoing. The Strategic Plan is updated on an annual basis with work and input occurring year round via recommendations to the College President from the College strategic planning groups and Planning and Budget Council. Each year the College increasingly institutionalizes recommendations from the Strategic Plan.

The District Resource Allocation Committee (DRAC) has continued to work effectively and the 2008-2009 unrestricted general fund budget for the College, including prior year ending balances, totals \$84.9 million. This represents an increase in ongoing base revenue of approximately 2.1% when compared to 2007-2008. Revenue and expenditure projections do not include a cost-of-living (COLA) increase because, at the time of submission of the Final Budget, there has been no action by the State regarding a COLA increase. All planned expenditures are fully funded including personnel, step and column movement, fringe benefit costs, health and welfare costs, and funding for 24 new and replacement faculty. The College continues to be cognizant of the 50% law calculation and takes this into consideration during its strategic planning process.

In recent years, as part of the planning process, the College did not fully commit all available ongoing resources to ongoing expenditures. The College projected that the State budget would run into difficulty and therefore deliberately planned a sizeable ending balance to offset anticipated State budget reductions. The prior year ending balance included in the Final Budget is \$8.6 million. This ending balance has in part allowed the College to balance the 2008-2009 budget. A contingency of \$2.5 million has been established to allow for economic uncertainties.

State funded categorical budgets have been established conservatively at 95% of the prior year allocations and will be adjusted to reflect actual allocations once a State budget has been finalized. Additionally, budgets for equipment, technology, scheduled maintenance and campus appearance improvements have been established using basic aid as authorized by the Board of Trustees. The allocation of basic aid funds for these much needed projects is greatly appreciated, and the College thanks the Board of Trustees, Chancellor and Deputy Chancellor for their support.

There is a level of uncertainty for future budget years due to various issues. The State budget outlook and anticipated SB 361 revenue allocations beyond 2008-2009 are cause for concern, together with unknown collective bargaining settlements. Additionally, the College has significant facility issues and has spent higher than average general funds on facilities in the last three years due to the addition of the Village and the remodel of the BGS Building. With future projects planned such as the James B. Utt Memorial Library remodel the additional cost to the College is unknown.

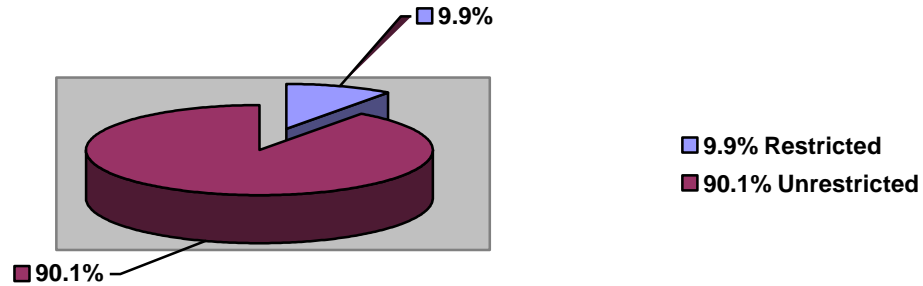
The College Faculty, Staff and Administration are committed to the prudent utilization of available financial resources for students served, and will continue to provide an excellent education and services to these valued students.

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

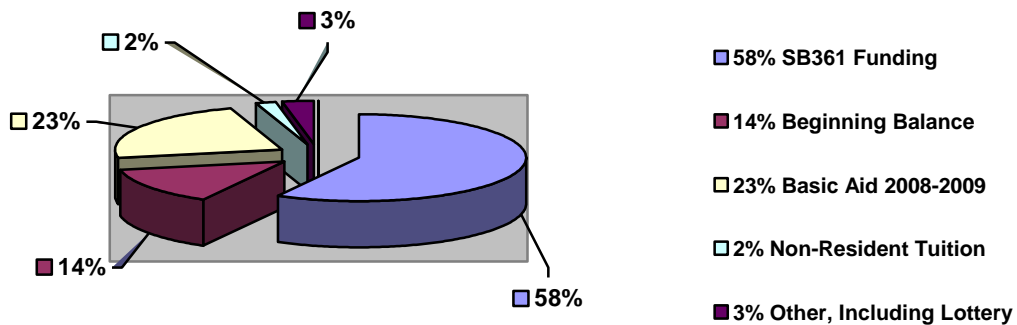
## THE GENERAL FUND REVENUE

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”.



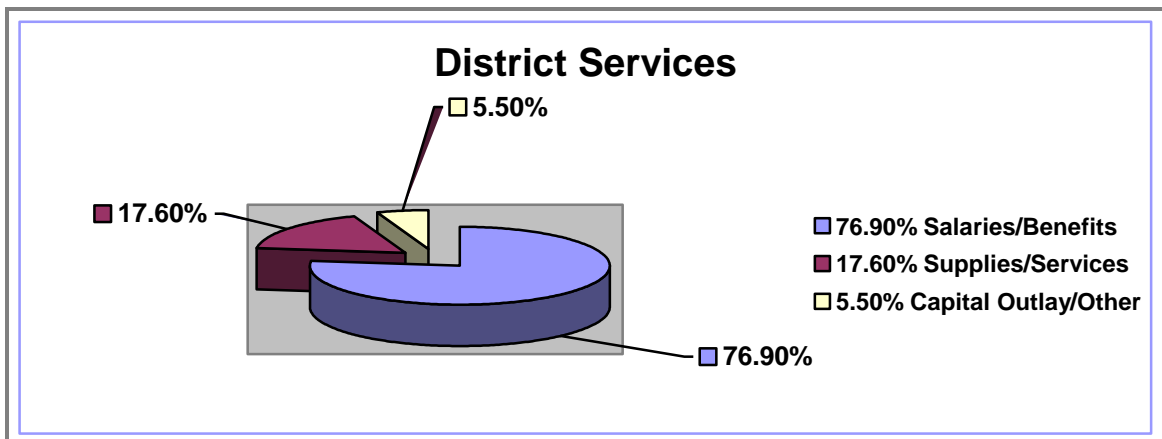
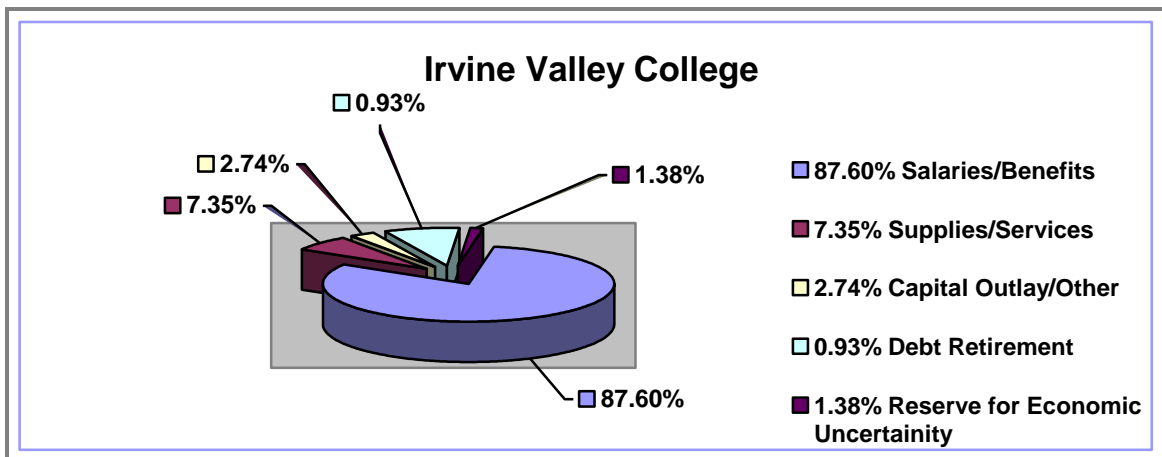
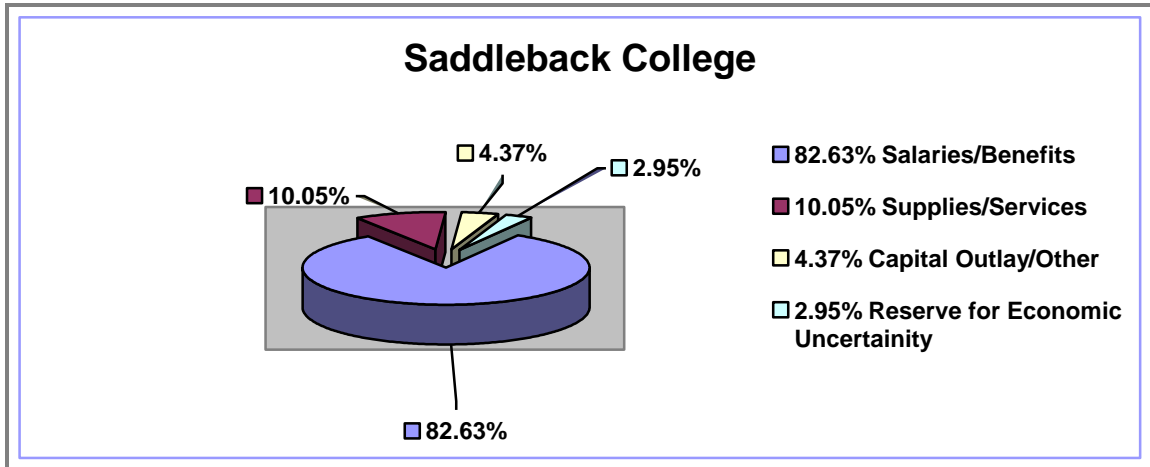
### Unrestricted

The largest segment of the fund is the *unrestricted portion*, approximately \$205 million (90.1% of the activity); it accounts for resources for the general purpose programs of the District. Of the resources, (58%) comes from a state-developed funding formula established by SB361, which includes state apportionment, growth, and State COLA. 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 2008-2009 Basic Aid (23%), Non-Resident Tuition (2%), and other sources, including Lottery (3%). The Beginning Balance, carried forward from the prior year is 14% 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 83% 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 \$22.6 million (9.9% of the general fund activity); this accounts for federal, state, and local money that must be spent for a specific purpose by law or agreement. Examples of these programs, which mostly are services targeted for specific population groups, are: Vocational and Applied Technology Education Act (VATEA), Matriculation, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and Cooperative Agencies Resources for Education (CARE).

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### NOTEWORTHY GENERAL FUND ASSUMPTIONS

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- Employee movement on the salary schedule (step and column increases) is included for employee groups
- Budgeted cost increase for PPO medical insurance, HMO medical insurance, dental insurance, Vision and Medicare COB is estimated at 7%
- Workers Compensation insurance is budgeted at 1.77% and Unemployment Insurance was increased to .30% for the 2008/2009 Final Budget
- The Public Employees Retirement System contribution rate for 2008-2009 was increased to 9.428%
- The State Teachers Retirement System contribution rate for 2008-2009 will remain at 8.25%
- The property and liability coverage program increased 13% due to the addition of new buildings, Student Accident Insurance for 2008-2009 fiscal year increased 5.4%
- A transfer of \$500,000 from Basic Aid funds and revenue received from the ground lease for Promenade Apartments will be used to cover the current year cost of employees for future retirement benefits and insurance premiums for retired employees

- The General Expense Accounts include the following budgeted amounts:

Offsite Technology Security	\$ 115,000	
Credit Card Service Fees	\$ 300,000	
District Office Facilities and Maintenance	\$ 300,000	
Discrimination/Harassment Investigation Services	\$ 50,000	
Faculty Job Fair	\$ 25,520	
Financial Audit	\$ 135,000	
I.T. Priority Projects	\$ 450,000	
Labor Contract Negotiations	\$ 125,000	
Legal Advertising	\$ 15,000	
Legal Fees	\$ 400,000	
Personnel Advertising	\$ 104,000	
Phone System Maintenance Agreement	\$ 192,961	
Property & Liability Insurance	\$ 708,300	
Retiree Benefits – Current Liability	\$ 500,000	
Sabbatical Bond Payments	\$ 18,000	
Safety Compliance Cost	\$ 15,000	
Taxpayer Relief Act Compliance	\$ 39,500	
Election Expenses	\$ 872,560	
<b>TOTAL GENERAL EXPENSE ACCOUNTS</b>		<b><u>\$4,365,841</u></b>
District Office Facilities and Maintenance	\$ <300,000>	
<b>ADJUSTED (TO SADDLEBACK COLLEGE)</b>		<b><u>\$4,065,841</u></b>
<b>Funded by Basic Aid</b>		
Retiree Benefits – Current Liability	\$< 500,000>	
Election Expenses	\$< 872,560>	
<b>ADJUSTED GENERAL EXPENSE ACCOUNTS</b>		<b><u>\$2,693,281</u></b>

- The 2008-2009 Final Budget includes interfund transfers as follows:

<b>FROM:</b>	<b>TO:</b>						
Unrestricted General Fund	Restricted General Fund	Community Education	Child Development	Capital Outlay	Self Insurance	Retiree Benefits	Total
Irvine Valley College	\$ 69,723	\$ 18,112	\$234,000				\$ 321,835
Saddleback College	\$160,365		\$250,000	\$ 100,000			\$ 510,365
District Service One Time Revenue Including Basic Aid	\$450,000			\$42,117,933		\$500,000	\$43,067,933
<b>Sub-Total Unrestricted General Fund</b>	<b>\$680,088</b>	<b>\$ 18,112</b>	<b>\$484,000</b>	<b>\$42,217,933</b>	<b>\$247,903</b>	<b>\$500,000</b>	<b>\$44,148,036</b>

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## FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

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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 2008-2009 Final Budget includes a reserve of 7.5% of unrestricted funds.

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## BASIC AID STATUS

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A “basic aid” district is one that receives more revenue from local sources (property taxes and student enrollment fees) than it would receive in total for 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

The District estimates that receipts for 2008-2009 and future years to be as follows:

<u>Year</u>	<u>Basic Aid Receipts</u>
2008 – 2009	\$ 47,398,334
2009 – 2010	\$ 48,708,717
2010 – 2011	\$ 47,982,019
2011 - 2012	\$ 47,229,084
2012 – 2013	\$ 46,425,138

The assumptions used to estimate basic aid funds in future years are, for the 2008-2009 fiscal year, SB361 funding COLA is estimated at 0%, growth at 0% and enrollments fees at \$20 per unit. For 2009-2010, SB361 COLA is estimated to be 0% with growth equal to 1%. The following three year’s apportionment COLA is estimated at 2% and growth is estimated at 1%.

For the 2008-2009 fiscal year, secured taxes are estimated to increase at 2% with supplemental role taxes projected to decrease 18%. For 2009-2010 through 2012-2013, secured taxes are estimated to increase at 2%. For each of the five years projected, unsecured and homeowners taxes are estimated to increase 0% each year.

The schedule below shows basic aid funds and projects that are included in the 2008-2009 fiscal year Final Budget:

**2008-2009 FISCAL YEAR**

Balance at July 1, 2008	\$ 7,215,171
Estimated Receipts 2008-2009 Fiscal Year	\$ 47,398,334

**Total Available 2008-2009 Fiscal Year** **\$ 54,613,505**

**BUDGETED PROJECTS**

2008-2009 Retiree Benefit Current Year Service Liability	\$ 500,000
Legislative Advocacy	\$ 30,000
Funding for Future Building Projects	\$ 37,832,844
General Election Expense	\$ 872,560
Instructional Equipment	\$ 450,000
ATEP Development	\$ 2,000,000
ATEP Negotiations	\$ 1,500,000
Technology Needs	\$ 4,000,000
Scheduled Maintenance	\$ 3,000,000
Campus Appearance Improvement	\$ 1,000,000
Additional 1% Contingency	\$ 1,278,101
ATEP – Operating Budget	<u>\$ 2,150,000</u>

**TOTAL APPROVED AND BUDGETED PROJECTS** **\$ 54,613,505**

The Board of Trustees has approved the following projects for basic aid funding that are in various stages of completion:

2003-2004 College Retiree Benefit Liability Contribution	\$ 2,819,497
2003-2004 College/District Contributions for Debt Retirement	\$ 1,543,653
2003-2004 Special Trustee Election	\$ 453,867
2004-2005 College Retiree Benefit Liability Contribution	\$ 3,055,490
2004-2005 College/District Contributions for Debt Retirement	\$ 1,351,330
2004-2005 Scheduled Maintenance Project	\$ 1,000,000
2004-2005 Technology Needs for IVC, SC & District	\$ 3,548,415
2005-2006 College Retiree Benefit Liability Contribution	\$ 3,361,039
2005-2006 Scheduled Maintenance Project	\$ 1,000,000
2005-2006 College/District Contributions for Debt Retirement	\$ 1,485,718
2005-2006 Technology Needs for IVC, SC & District	\$ 3,324,203
2005-2006 Allocation for Salary Schedule Restructure	\$ 4,245,000
2006-2007 College Retiree Benefit Liability Contribution	\$ 4,681,912
2006-2007 Technology Needs for IVC, SC & District	\$ 4,395,000
2007-2008 Technology Equipment	\$ 4,100,000
2007-2008 College Retiree Benefit Liability Contribution	\$10,500,000
ATEP – Operating Budget	\$ 4,553,957
ATEP - Utilities	\$ 1,000,000
ATEP - Negotiations	\$ 1,250,000
ATEP – Demolition	\$ 7,000,000
ATEP - Staffing, Equipment and Program Development	\$ 4,000,000



ATEP – Development	\$ 750,000
ATEP – Renovation	\$15,034,576
Certificate of Participation Debt Retirement	\$34,400,000
College Science Equipment & TV Studio Updates	\$ 1,000,000
College Sports Facilities	\$ 1,713,310
College Instructional Equipment Allocation	\$ 942,000
IVC – Business & Technology Innovation Center	\$10,182,000
IVC – Design and Install Entrance from Barranca	\$ 830,000
IVC – Floor Repairs	\$ 58,340
IVC – Life Sciences Project	\$ 7,468,000
IVC – Lot Expansion and Phase 1 of Lot 6	\$ 1,480,000
IVC – Maintenance and Police Facility	\$ 4,575,000
IVC – Modular Building	\$ 370,000
IVC – Modular Building Replacement (CEC)	\$ 197,402
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	\$ 3,200,000
SC – Building Repairs-Math, Science Engineering Building	\$ 2,337,000
SC – Plaza Repairs-Math, Science Engineering Building	\$ 2,300,000
SC – Building Repairs-TAS Building	\$ 1,956,000
SC – Building Repairs-Library Remodel	\$ 4,869,000
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 – Science Building (M/S/E Annex)	\$ 2,689,300
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	\$ 2,100,000
SOCCCD – District Wide Telephone System	\$ 4,499,498
SOCCCD – Student Information System Upgrade – Phase I	\$14,102,000
SOCCCD – Replace Human Resources and Budget Development Systems	\$ 898,000
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	\$ 120,000
SOCCCD – Marketing, Outreach and Recruitment Efforts	\$ 229,830
SOCCCD – One-Time Investment in Enrollment Management	\$ 100,000
<b>TOTAL PROJECTS FUNDED WITH BASIC AID FUNDS</b>	<b><u>\$257,801,048</u></b>

## SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS

	* Unrestricted	*Restricted	Total
Saddleback College	\$ 84,900,771	\$ 14,592,152	\$ 99,492,923
Irvine Valley College	\$ 43,642,143	\$ 6,175,621	\$ 49,817,764
ATEP	\$ 6,769,982	\$ 262,829	\$ 7,032,811
District Services	\$ 13,487,456	\$ 562,028	\$ 14,049,484
General Expense	\$ 4,065,841		\$ 4,065,841
Part-Time Faculty Parity Funds		\$ 1,005,110	\$ 1,005,110
Basic Aid Funds for Capital Outlay			
Projects	\$ 42,117,673		\$ 42,117,673
Other Basic Aid Expenses	\$ 498,000	\$ 260	\$ 498,260
Reserves for Economic Uncertainties	\$ 9,585,097		\$ 9,585,097
<b>TOTALS</b>	<b><u>\$ 205,066,963</u></b>	<b><u>\$ 22,598,000</u></b>	<b><u>\$227,664,963</u></b>

\* See pages 19 through 22 (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, 2008	2008-2009 Final Budget
<b>BASIC AID</b>					
IVC-Performing Arts Center (Includes State Funds \$14.5mil)	54%	46%	\$31,652,000	\$31,254,294	\$397,799
IVC-Utility Service Project	100%	0%	\$416,000	\$346,223	\$69,777
SC-Building Repairs-TAS Building	100%	0%	\$1,956,000	\$152,375	\$1,803,625
SC-Building Repairs – Math, Science Engineering Bldg.	100%	0%	\$2,337,000	\$128,595	\$2,208,405
IVC-Fine Arts	100%	0%	\$3,200,000	\$61,163	\$3,138,837
SC-Science Building (M/S/E annex)	100%	0%	\$2,689,300	\$29,595	\$2,659,705
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	\$4,553,273	\$21,727
SC-Mold Abatement and Air Quality Improvements	100%	0%	\$9,006,000	\$8,695,454	\$310,546
2004-05 College Scheduled Maintenance (Includes College Match)	100%	0%	\$2,059,034	\$2,048,639	\$10,395
SC-Temporary Classroom Facilities	100%	0%	\$7,269,285	\$7,176,367	\$92,918
2005-06 College Scheduled Maintenance (Includes College Match)	100%	0%	\$5,000,000	\$1,818,541	\$3,181,459
IVC-Remove/Relocate Maintenance, Police, Warehouse & A-500 Buildings	100%	0%	\$514,000	\$478,656	\$35,344
Replace Student Information System Districtwide	100%	0%	\$14,102,260	\$8,819,991	\$5,282,269
IVC-Modular Building Replacement (Includes College Match)	100%	0%	\$326,380	\$326,380	-
IVC-Science Lab Addition	100%	0%	\$6,980,000	\$362,837	\$6,617,163
IVC-A-300 Building Remodel	100%	0%	\$2,481,000	\$143,962	\$2,337,038
SC-McKinney Theater Restroom Remodel	100%	0%	\$2,542,000	\$267,956	\$2,274,044
ATEP-Utilities for Hangar and Chapel	100%	0%	\$1,000,000	-	\$1,000,000
ATEP-Negotiations (Includes Local Revenue)	100%	0%	\$2,850,000	\$899,132	\$1,950,868
ATEP-Development	100%	0%	\$2,750,000	\$565,425	\$2,184,575
Campus Appearance Improvement	100%	0%	\$1,000,000	-	\$1,000,000
2004-05 Technology Needs for IVC, SC, ATEP & District	100%	0%	\$11,648,415	\$5,216,797	\$6,431,618
SC-M/S/E Plaza Repair	100%	0%	\$2,300,000	-	\$2,300,000
SC-Loop Road	100%	0%	\$2,100,000	-	\$2,100,000
SC-Health Science/District Office Building	100%	0%	\$15,251,655	\$15,251,655	-
SC-Golf Driving Range Net Replacement	100%	0%	\$300,000	\$91,800	\$208,200
SC-Building Repairs-Library Remodel (Includes State Funds \$16.3mil)	23%	77%	\$21,190,000	\$1,064,635	\$4,960,365
IVC-Floor Repairs	100%	0%	\$58,340	\$58,340	-
IVC-Business & Technology Innovation Center (Includes State Funds \$12.5mil)	45%	55%	\$22,657,000	\$16,561,306	\$3,610,694
IVC-Design and Install Entrance from Barranca	100%	0%	\$830,000	\$9,950	\$820,050
IVC-Lot Expansion and Phase 1 of Lot 6	100%	0%	\$1,480,000	\$1,476,759	\$3,241
SOCCCD-Telephone System	100%	0%	\$4,499,498	\$4,499,498	-
IVC-Life Sciences Project	100%	0%	\$7,468,000	-	\$7,468,000
SC-Demolition and Upper Quad Remodel	100%	0%	\$1,000,455	-	\$1,000,455
ATEP-Renovation	100%	0%	\$15,478,252	\$7,636,301	\$7,841,950
ATEP-Demolition	100%	0%	\$7,000,000	-	\$7,000,000
SC-Village Remodel	100%	0%	\$4,130,000	\$244,229	\$3,885,771
Reserve for Future Capital Outlay Projects			-	-	\$37,832,844
<b>LOCAL</b>					
SC-Scheduled Maintenance Projects			-	-	\$675,522
SC-Future Parking Lot Projects					\$373,886
SC-Future Capital Outlay Projects			-	-	\$2,426,915
District-Future Capital Outlay Projects			-	-	\$3,490,000
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)			-	-	\$5,523,878
<b>Total Fund 40</b>					<b>\$134,554,134</b>

### **Debt Service Fund (Fund #52)**

In October 1986, the District formed a facilities corporation for issuing Certificates of Participation. Proceeds from the Certificate of Participation Issues have been used for Capital Improvements, Scheduled Maintenance, and the District Technology Initiative. The District has made lease payments from various sources of revenue including those from Basic Aid Receipts, the ground lease for the Hillpointe/Promenade Apartments and the unrestricted general fund. The District retired the final COP issue on June 2, 2008, eliminating the need for a budget in 2008-2009.

### **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 supplement 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 2008-2009 the revenue received from the ground lease for the Promenade Apartments and a transfer of \$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.

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## **BUDGET**

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

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











