



TENTATIVE BUDGET

FY 2022-23



June 28, 2022

THE DISTRICT



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

Over the past several years, SOCCCD student enrollments have declined slightly. Total student headcount for spring 2022 is over 32,400 and resident full time equivalent students (FTES) at the second period reporting for FY 2021-22 is 23,572 as compared to 26,530 in FY 2019-20. SOCCCD has approximately 3,050 team members consisting of faculty, management, classified staff, and police.

Budget Outlook: Over the past few years the budget has been supported by the influx of one-time funding from both federal and state sources. The anticipated State budget will once again include one-time revenues to mitigate the impact of declining enrollment as well as the continuing pandemic. The uncertainty we are facing is whether we will be able to gain the roughly 3,000 FTES back in fiscal year 2022-23 and beyond that we lost due to COVID-19. We continue to hold joint meetings with the colleges and district services to discuss district-wide budget impacts and strategies moving forward. These strategies include using a multi-year approach to planning, distinguishing between ongoing and one-time revenues to align with expenses, implementing efficiencies to improve services and lower costs, thoroughly evaluating and assessing all positions as they become vacant, and expanding resource development to supplement revenue.

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

State Budget and the Community College System: The Governor released his May Revision on May 13, 2022. The overall allocation for Proposition 98 funding is \$110 billion with \$12.6 billion (10.93%) going to community colleges. This represents an all-time record on Proposition 98 funding levels. The May Revision proposes over a 5 percent increase from the January proposed budget primarily due to

increased tax collections. The proposed budget includes substantial discretionary surplus to be used for one-time allocations. The budget continues to focus on the pandemic recovery, education, economic growth and job creation, climate change initiatives, and improving health care affordability.

The proposed impacts to the Student Centered Funding Formula (SCFF) include a 6.56% cost of living adjustment (COLA) in addition to increases to the base funding rate and basic allocation. The Department of Finance is proposing a change to the SCFF at the end of the hold harmless period whereby the total computational revenue a district receives in 2024-25 becomes the floor for future funding. This new floor will not be automatically increased by COLA unless specifically provided for within future statutes, but it provides districts with predictability and stability moving forward.

The budget proposes over \$1.3 billion in unrestricted and restricted ongoing funding and over \$2.9 billion in restricted one-time funding for community colleges. Some of the major budget highlights integral to SOCCCD, broken down between ongoing resources to existing or new programs and one-time resources, include:

Ongoing resources:

- \$493 million for apportionment (6.56%) COLA
- \$250 million for SCFF base fund rate increases and \$125 million in basic allocation rate increases (Legislature proposes \$700 million increase)
- \$200 million for the part-time faculty health insurance program.
- \$26.2 million for enrollment growth
- \$2.2 million (6.56%) COLA for mandated cost block grant programs
- \$25 million (5%) increase for the Student Equity and Achievement (SEA) Program
- \$60.2 million (6.56%) COLA for Adult Education, CARE, Apprenticeship, CalWORKS, DSPS, EOPS, and Child Care Tax Credit Bailout
- \$50 million for Student Success Completion grants
- \$25 million for a new program that will allow districts to modernize technology and protect sensitive data
- \$10 million to augment the support for financial aid administration
- \$10 million to implement equal employment opportunity best practices

One-time resources:

- \$750 million block grant to address pandemic and long-term debt issues. The funds are intended to be spent on professional development, campus security infrastructure, technology infrastructure, developing open education resources and zero-textbook-cost degrees, operations costs, and supporting the mental health and wellness needs of students and staff (Legislature proposes \$550 million for basic needs, mental health needs, and COVID-19 related supports)
- \$150 million to further support focused strategies to increase retention rates and enrollment
- \$105 million provided to the Chancellor's Office to implement common course numbering systemwide
- \$75 million to create a new program that will allow districts to modernize technology and protect sensitive data
- \$1.523 billion for deferred maintenance and energy efficiency projects (Legislature proposed \$800 million)
- \$403 million in capital outlay funding for 20 continuing and 2 new projects statewide, including approximately \$20.3 million for Saddleback College Science Math Renovation project.

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

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

SOCCCD Budget: The SOCCCD tentative budget for all thirteen funds totals over \$1.2 billion, which is comprised of \$614 million in beginning fund balances and \$591 million in revenue. Our total budgeted expenditures are \$971 million, and we anticipate spending down our reserves by \$380 million leaving \$235 million in ending fund balance. Because the District is a community-supported (basic aid) district, it is essential that the budget remain conservative. For this coming year, property tax revenues remain a constant, reliable funding stream with an estimated 3.75 percent increase in secured taxes.

Although SOCCCD is only entitled to a minimal amount of state apportionment funding from the EPA funds, proposed changes to the funding formula have an impact on college operating budgets as our Board policies dictate that we follow the SCFF for allocating funds.

District-wide operating costs continue to increase from negotiated salary increases, health and welfare benefit increases, and pension rate increases. Personnel costs as a percentage of total budgeted expenditures equal 89.2%, which is at the low end of our recommended budget

target of 88% - 92%. This indicator demonstrates the need for continued budget vigilance. The budget does not include any negotiated salary increases with our collective bargaining units that may be negotiated as a result of the increase in the COLA.

PERS rates are anticipated to continue to increase significantly over the next several years, while STRS has reached the statutory maximum rate of 19.1% for FY 2022-23. The PERS rates are set each year by the PERS Board and the FY 2022-23 rate is 25.37%. The estimated increased costs over the current year are \$3 million. The Board has approved participation in a Pension Stabilization Fund to offset the increased costs in STRS and PERS rates. SOCCCD has made deposits totaling \$50.7 million to the trust but with the withdrawals to fund for the increased costs, the balance on May 31, 2022, is only \$18.3 million. Additional deposits will continue each year in order to maintain the fund and defray the increases for the college's and district services' budgets. In fiscal year 2022-23, the District budgeted a \$7 million basic aid allocation towards this.

After providing \$14.1 million for COLA and other changes to the SCFF funding formula within the DRAC model, excess property tax revenues available for basic aid distribution for the 2022-23 fiscal year total approximately \$112 million. These funds are used for long-term debt obligations, technology projects, and capital expenditures in lieu of passing a general obligation bond like most other community colleges. They are allocated in the budget based on the recommendations from DRAC and were approved at the April 18, 2022, Board meeting.

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

Irvine Valley College

The unrestricted general fund tentative budget for IVC is \$96.5 million. Major changes since the prior year's adopted budget include a \$4 million, 5.9%, increase in the SCFF revenue based on the state COLA, a higher basic allocation amount, as well as rate increases to other metrics.

The college conservatively budgeted \$5.5 million in non-resident tuition revenue, compared to \$8.2 million realized in 2018-19, prior to the pandemic. The overall decline in non-resident FTES is 45%, which plateaued in spring 2022 at around 280 FTES. The college is optimistic it will start experiencing enrollment increases again in 2022-23, including in the international student program which accounts for 65% of the non-resident student population.

With a 14% decline in resident FTES, IVC is planning to use the federal Higher Education Emergency Relief Funds (HEERF) to continue its

efforts in engaging or reengaging students who would otherwise not enroll or be at risk of not completing their college degrees as a result of the pandemic. The Governor's revised proposal to set the district's 2024-25 funding as its new "floor" would soften the drop in funding should enrollments continue to decline, while providing the college some stability to implement long-term enrollment strategies.

IVC continues to budget its expenditures conservatively and maintain high efficiency. Unrestricted general fund augmentations are made only based on changes in baseline metrics clearly documenting the need. Every effort is made to offset additional costs with savings and/or to utilize other restricted sources while maintaining reasonable levels of innovation funds in those restricted funds. The college is piloting several initiatives using one-time funds to assess their effectiveness while also investing in revenue generating/cost reduction measures, strategic planning goals, and innovative ideas. In addition, the college will continue its practice of reviewing all vacant positions to identify potential efficiencies. To support student success, IVC has hired nine new faculty to begin teaching this fall in the following disciplines: Art/Digital Media Arts, Child Development/Early Childhood Education, Counseling, English, Music, and Physics.

Saddleback College

Since implementing the new Student-Centered Funding Formula (SCFF) three years ago, Saddleback's fiscal health has improved greatly through college and District efforts to: increase the SCFF and other local revenue; decrease ongoing expenses; and leverage basic aid and restricted funds to sustain student and institutional supports to offset the reduced revenue compared to prior statewide funding models. These efforts, combined with increased SCFF funding rates proposed in the 2022-23 May Revise and the Emergency Conditions Allowance (ECA) to report FTES at 2019-20 amounts for 2020-21 and 2021-22, results in a 2022-23 Tentative Budget with a very modest \$506,333 deficit. Boosted by higher funding rates, total SCFF revenue is \$9.7 million (9.4%) higher than the 2021-22 Adopted Budget, exceeding the Hold Harmless guaranteed minimum by \$2.9 million, net of a \$633,024 reduction to fund Irvine Valley College's Hold Harmless deficit.

While the 2022-23 budget significantly expands the college's capacity to meet students' needs, the college continues to face challenges. The revenue above the Hold Harmless will phase out as the ECA allowance is eliminated from the three-year average unless the college can reverse even its modest enrollment decline and/or continue to improve the Supplemental and Student Success allocations. In addition, despite the large increase in SCFF revenue, Saddleback continues to receive less funding per FTES under the SCFF than other colleges in the State, while it also incurs high costs associated with certain instructional programs like Nursing and other lab-based CTE programs and the high costs of goods and services in south Orange County. In light of this, Saddleback is allowed to charge many expenses to basic aid that other colleges in the State are not so fortunate to do, such as, pension stabilization, retiree benefits obligations, bank card fees, technology refresh, and scheduled maintenance. For 2022-23, these expenses total over \$13.6 million for projects attributed solely to Saddleback.

To mitigate declining revenue as the State ECA and Hold Harmless provisions are projected to end, Saddleback continues to make strategic

investments to ensure a sustainable future. Saddleback will continue to exercise diligence in its use of resources to achieve District and College goals and maintain its fiscal health by: growing enrollment through outreach and new program development; improving student success and achievement outcomes; and enhancing facilities, technology, and equipment to improve the quality of services and reduce operational costs.

Looking Ahead: The Tentative Budget gives us the authority to begin spending on July 1. The Legislature is required to adopt a budget by June 15 and the Governor has 12 days to sign or veto the budget. As previously mentioned, we will incorporate program budget changes into our Adopted Budget after receiving the final state budget. Furthermore, it is anticipated that our reserve balances presented in this budget will increase in our Adopted Budget once we finalize our year-end spending and have completely closed our books. The Adopted Budget will be presented to the Board at the August 29, 2022, Board meeting.

Ann-Marie Gabel

Vice Chancellor, Business Services

South Orange County Community College District

BUDGET DEVELOPMENT GUIDELINES

(Approved by the Board on January 24, 2022)

Board Philosophy:

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

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

Participatory Governance:

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

Guiding Principles:

The following guiding principles are provided by the Board of Trustees for use when recommendations are made about the budget.

1. Reserve for Economic Uncertainties

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

2. Future Long Term Debt Issues

No additional Certificates of Participation (COP), or other long-term debt, will be issued until:

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

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

3. Retirement Incentives

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

4. Area/College Allocations

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

5. Deficit Financing

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

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

To be compliant with GASB 43 and 45, an irrevocable trust was formed in FY 2007-08 to fund medical, dental, vision, and Medicare plans for SOCCCD retirees. This trust was established, and the Futuris Public Entity Investment Trust Program was selected to organize the structure and operations of the trust. Benefit Trust Company was selected to manage the funds in the trust. An actuarial study is conducted annually to update the District's OPEB (other post-employment benefits) liability. It is the Board's intent to fully fund the liability once it is identified.

7. Basic Aid

While the District is a basic aid district:

- a. The expenditure budgets for ongoing purposes shall be the resources that would have been available from state apportionment.
- b. Excess revenue above apportionment shall be allocated at the college or district level for one-time purposes, such as to cover some of the unfunded obligation for the retiree benefit plans.
- c. Excess revenue above apportionment shall not be used for regular ongoing expenditures, such as salaries.
- d. Excess revenue above apportionment shall not be used for any other purposes that will jeopardize the District's future financial stability.
- e. Board Policy and Administrative Regulation 6210 – *Basic Aid Funds Allocation Process* will be followed when allocating basic aid funds, unless the Board of Trustees authorizes a departure from the policy.

8. One-time Cost Savings

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

9. Full Time Equivalent Student Targets

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

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

10. Funding for Growth

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

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

Allocated Area	* Unrestricted	*Restricted	Total
Saddleback College	\$ 139,604,051	\$ 49,613,173	\$ 189,217,224
Irvine Valley College	\$ 96,462,252	\$ 31,344,105	\$ 127,806,357
District Services	\$ 26,803,651	\$ 393,736	\$ 27,197,387
Basic Aid			
Basic Aid Allocation/Transfer	\$ 100,159,020		\$ 100,159,020
Basic Aid Contingency	\$ 22,982,724		\$ 22,982,724
Other			
District-wide General Expense	\$ 5,748,505	\$ 93,456	\$ 5,841,961
Part-Time Faculty Parity/STRS & PERS On-Behalf	\$ 12,000,000		\$ 12,000,000
Reserves for Economic Uncertainties	\$ 15,953,298		\$ 15,953,298
TOTALS	<u>\$ 419,713,501</u>	<u>\$ 81,444,470</u>	<u>\$ 501,157,971</u>

** See pages 31 and 32 (Revenues, expenditures and change in fund balance for each budget location)*

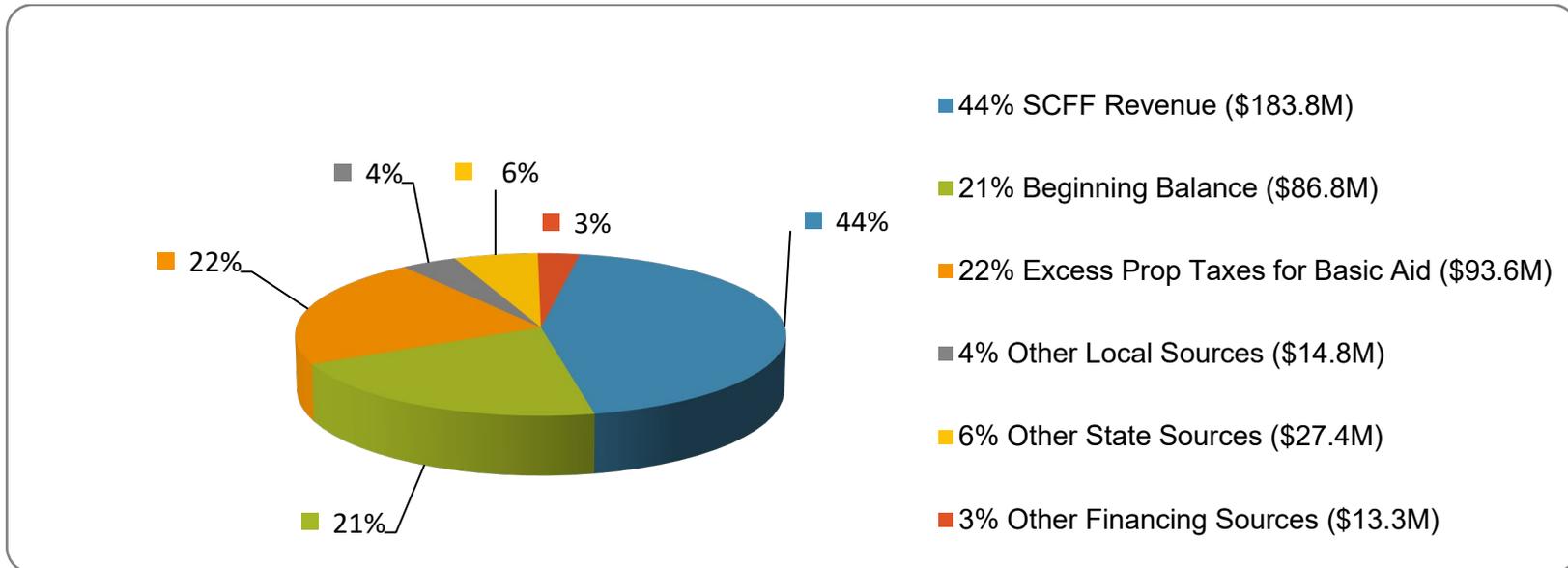
GENERAL FUND REVENUE

The general fund, which totals \$501 million in beginning balances and revenues, consists of accounts that are not required to be recorded in a separate fund. There are two segments of the general fund: “Unrestricted” and “Restricted.”

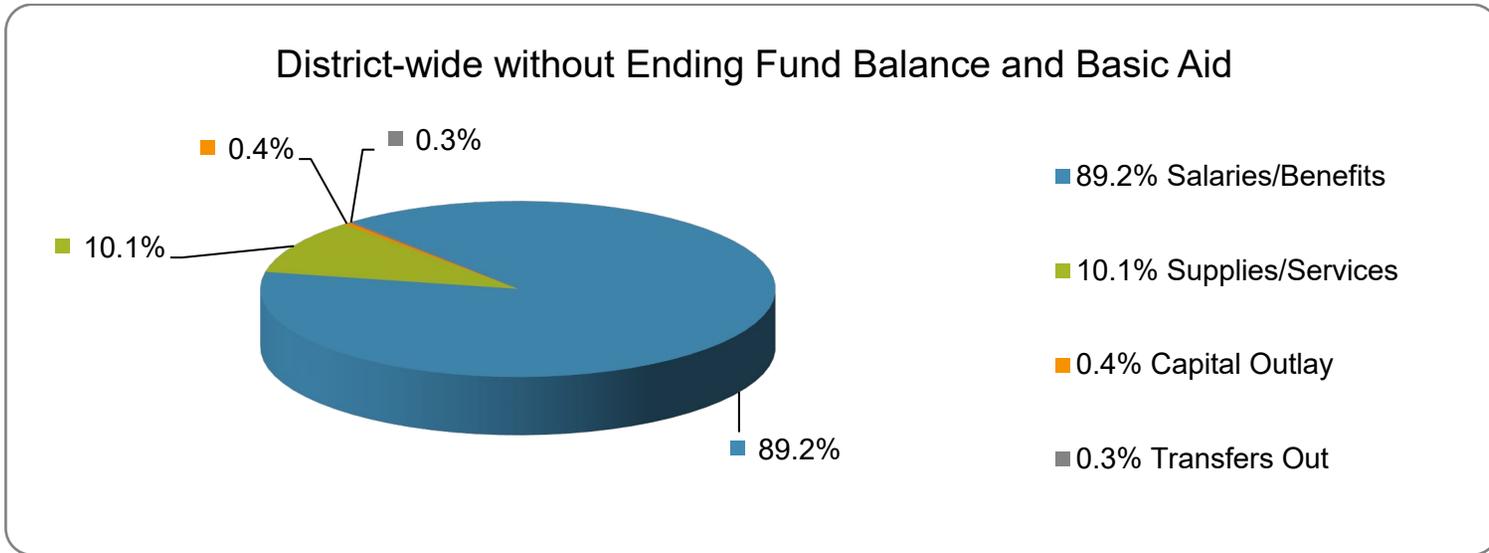
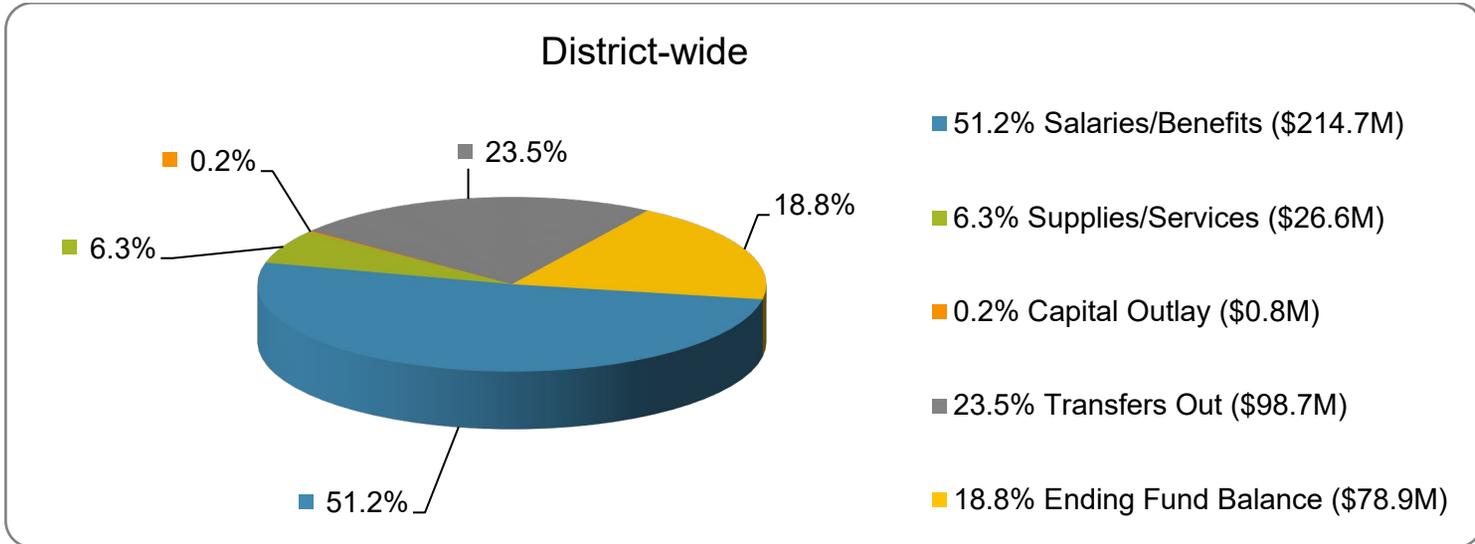


UNRESTRICTED GENERAL FUND REVENUE

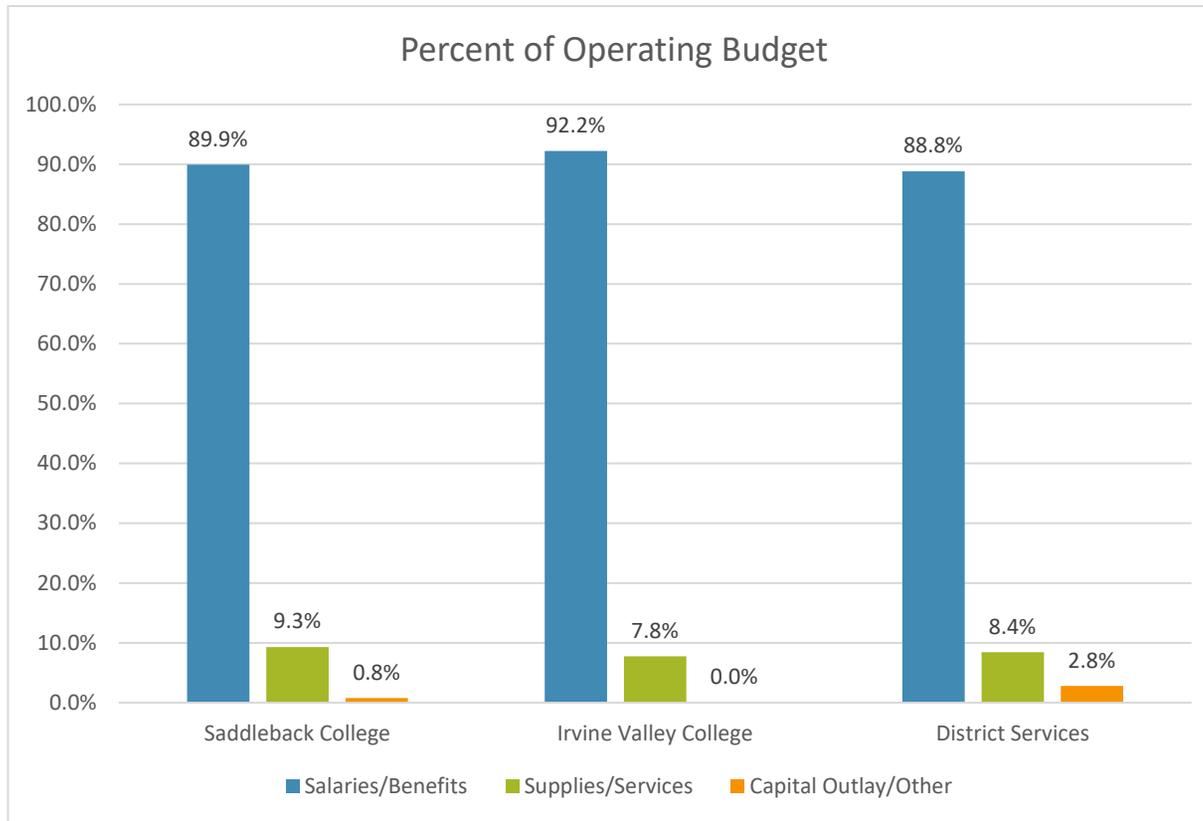
The largest segment of the general fund is the *unrestricted portion*, which includes \$333 million in total revenues and other sources of funds and \$87 million in beginning fund balance for a grand total of \$420 million. This fund accounts for resources for the general-purpose programs of the District (84% of the activity). This is an increase of \$7 million over last year due to projected increases in property taxes and higher beginning fund balances as a result of reduction in anticipated expenditures due to the pandemic. Of the total revenues and other sources, 44% is equivalent to the amount that would be calculated in the SCFF assuming funding for COLA. The total amount that is equivalent to what would be potentially received from state apportionment funding is determined by the State Budget Act and is distributed to the 73 community college districts by formulas developed by the California Community College Chancellor's Office. The District will not receive state apportionment funding because local property taxes and student enrollment fees exceed the calculation entitlement. The remaining part of the unrestricted resources comes from Excess Property Taxes for Basic Aid (22%), Other State Sources (6%), including EPA funds and Lottery, Other Local Sources (4%), including non-resident tuition, interest, and ground leases, and Other Financing Sources (3%), including sale of surplus and interfund transfers. The beginning balance, carried forward from the prior year, is 21% of available unrestricted funds.



UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES



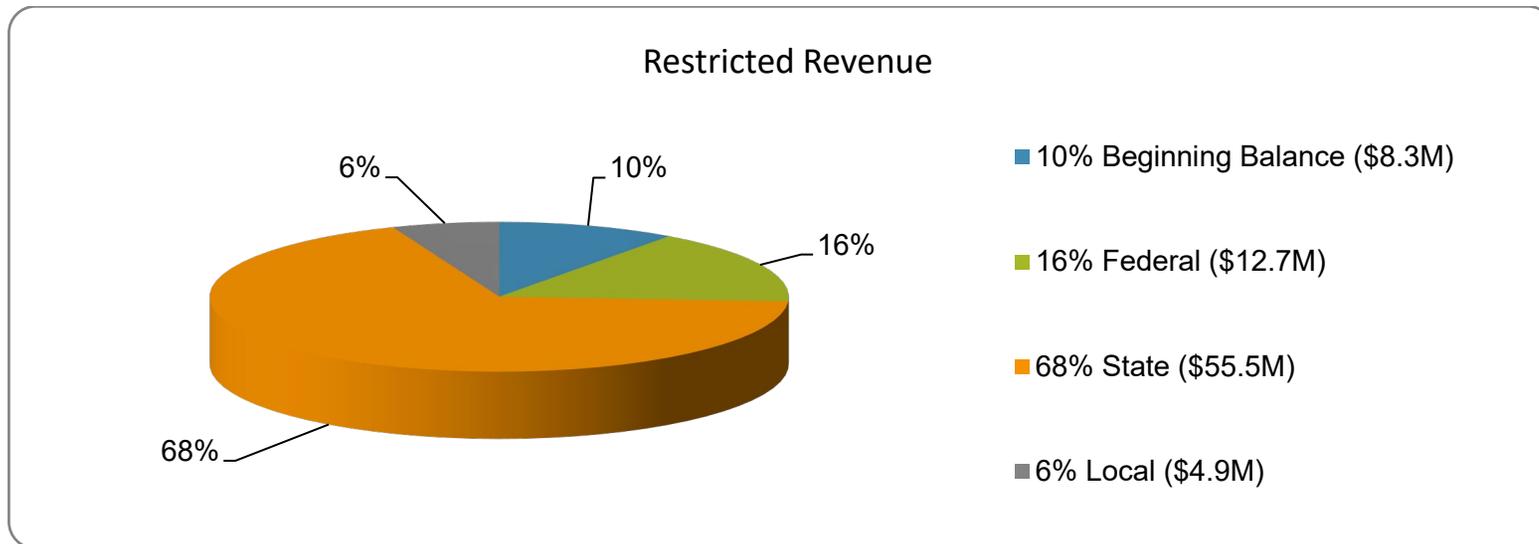
Most of the expenditures in the unrestricted general fund operating budgets are for employee salaries and benefits. As seen below, Saddleback College’s salaries and benefits equal 89.9% of its operating budget (this is down from current year’s 91.6%); Irvine Valley College’s salaries and benefits equal 92.2% of its operating budget (this is the same as the current year’s 92.2%); and District Services salaries and benefits equal 88.8% of its operating budget (this is down from current year’s 89.4%). These costs reflect the existing salary rates and estimated benefit cost increases.



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

RESTRICTED GENERAL FUND

The other segment of the general fund is the *restricted portion (categorical programs and grants)*, representing approximately \$81 million (16%) of the general fund activity. This fund accounts for federal, state, and local money that must be spent for a specific purpose by law or agreement. Examples of these programs, which are mostly services targeted for specific population groups, are: Perkins Title I-C, Student Equity and Achievement (SEA) Program, Strong Workforce, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and California Adult Education Program. The restricted general fund decreased by \$14 million from the current year primarily due to the federal HEERF funds being almost fully spent by 2021-22. All federal, state, and local grants and categorical funding are recognized in the restricted general funds of the District and are used primarily by the colleges for support to educational programs and specialized activities.



A summary of restricted fund programs is provided below.

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Federal Funds:	\$7,898,675	\$4,798,885	-	-	\$12,697,560
AANAPISI		82,508			82,508
College Work Study	248,372	168,864			417,236
Developing Hispanic-Serving Institutions Program – Title V	1,076,951				1,076,951

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Financial Aid Administration	30,000	30,000			60,000
Foster Kinship Care	147,777				147,777
Higher Education Emergency Relief Fund (HEERF)	917,161	3,055,000			3,972,161
HSI-STEM – CSUF Subaward	13,797	30,000			43,797
Institute of Education Sciences – UC Davis Subaward	22,629				22,629
National Science Foundation	4,263,923	98,200			4,362,123
Perkins	806,664	313,703			1,120,367
STEM		974,958			974,958
Temporary Assistance for Needy Families (TANF)	43,941	45,652			89,593
Workforce Innovation and Opportunity Act - Adult Education	327,460				327,460
State Funds:	\$33,100,132	\$21,968,552	\$393,736	\$93,456	\$55,555,876
Adult Education Block Grant	4,061,477	1,235,962			5,297,439
BFAP Student Financial Aid Administration	699,150	396,401			1,095,551
CalFresh Outreach	26,650				26,650
California College Promise	2,001,808	2,480,000			4,481,808
California Fellowship		1,005,000			1,005,000
Californians for All CCC		300,000			300,000
CalWORKs	262,310	247,524			509,834
Campus Safety and Sexual Assault	14,800				14,800
Real Estate Education Center	135,000				135,000
Child Development Training Consortium	29,900				29,900
Classified Professional Development				93,456	93,456
Cooperative Agencies Resources for Educ. (CARE)	76,036	90,784			166,820
Culturally Competent Faculty Professional Development	61,944				61,944
Disabled Student Programs and Services (DSPS)	3,237,221	1,047,135			4,284,356
Dream Resource Liaisons	227,947	232,918			460,865
Employer Engagement	100,435				100,435
Equal Employment Opportunity			393,736		393,736
Extended Opportunity Programs and Services (EOPS)	908,521	1,268,894			2,177,415
Financial Aid Technology	48,902	70,897			119,799
Foundation for CA Community Colleges (FCCC)–REACH	25,000				25,000
FCCC – Adult Learner- Focused SEM	30,000				30,000

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Food and Housing Insecurity		211,195			211,195
Foster Kinship Care	294,074				294,074
Guided Pathways		114,870			114,870
Health Fee Services	1,000				1,000
Institutional Effectiveness Partnership Initiative		2,100			2,100
Invention and Inclusive Innovation	125,000				125,000
Integrated Basic Needs Center		417,992			417,992
LGBTQ+	150,106	100,807			250,913
Mental Health Support	454,000	497,006			951,006
Nursing Education	263,834				263,834
Puente Project		7,700			7,700
Regional Best Practices	17,600				17,600
State Lottery	758,808	430,000			1,188,808
Strong Workforce	6,876,782	3,248,439			10,125,221
Student Equity and Achievement Program	7,913,268	4,944,264			12,857,532
Student Retention and Enrollment	2,328,224	1,281,024			3,609,248
Student Success Completion Grant	1,228,282	1,797,043			3,025,325
Veteran Credit Articulation Track Award	521,374				521,374
Veteran Resource Center	220,679	540,597			761,276
Local and Other Funds:	\$2,951,778	\$1,955,896	-	-	\$4,907,674
Health Fee Services	1,141,835	702,000			1,843,835
Material Fees	90,650	25,300			115,950
Parking Fee Services	1,477,849	1,210,596			2,688,445
UCI -Joint Graduate Student/Faculty Internship Program		14,000			14,000
Veterans Affairs Reporting Fees	8,000	4,000			12,000
Warne Family Endowment	233,444				233,444
Total Restricted General Fund	\$43,950,585	\$28,723,333	\$393,736	\$93,456	\$73,161,110

NOTEWORTHY GENERAL FUND ASSUMPTIONS

- Unrestricted General Fund beginning balance is \$86.8 million. This is composed of the prior year reserve for contingency (\$17 million), location beginning balances (\$40.3 million), and basic aid funds (\$29.5 million) which are included in the basic aid project budget.
- Current year FTES are down as of P2 reporting. However, the District is under an emergency conditions waiver where our funding is based on 2019-20 FTES. Targets for 2022-23 reflect 5% growth on the 2021-22 P2 FTES.

IVC	2018-19 Recalc	2019-20 Annual	2020-21 Recalc	2021-22 P2	2022-23 Target
Credit	9,009.89	8,673.91	8,676.14	7,763.61	8,151.79
Non-Credit CDCP	560.92	630.36	606.48	587.59	616.97
Non-Credit	312.39	341.86	271.75	208.16	218.57
TOTAL	9,883.20	9,646.13	9,554.37	8,559.36	8,987.33
Percentage Change		-2.4%	-1.0%	-10.4%	5.0%

SC	2018-19 Recalc	2019-20 Annual	2020-21 Recalc	2021-22 P2	2022-23 Target
Credit	14,313.36	14,680.71	14,394.05	12,897.73	13,542.62
Non-Credit CDCP	492.14	444.39	688.52	564.29	592.50
Non-Credit	1,845.89	1,758.56	1,862.62	1,551.00	1,628.55
TOTAL	16,651.39	16,883.66	16,945.19	15,013.02	15,763.67
Percentage Change		1.4%	0.4%	-11.4%	5.0%

Total	2018-19 Recalc	2019-20 Annual	2020-21 Recalc	2021-22 P2	2022-23 Target
Credit	23,323.25	23,354.62	23,070.19	20,661.34	21,694.41
Non-Credit CDCP	1,053.06	1,074.75	1,295.00	1,151.88	1,209.47
Non-Credit	2,158.28	2,100.42	2,134.37	1,759.16	1,847.12
TOTAL	26,534.59	26,529.79	26,499.56	23,572.38	24,751.00
Percentage Change		0.0%	-0.1%	-11.0%	5.0%

- Education Protection Act (EPA) funds are budgeted at \$2.5 million (\$100 per FTES). The revenue will be adjusted at the Adopted Budget when FTES estimates are confirmed. These revenues are from temporary taxes and are budgeted for part-time faculty salaries and benefits.

- Unrestricted Lottery revenue is budgeted at \$4 million based on an estimated \$163 per FTES. Lottery funds are paid on all FTES, including non-resident FTES.
- Interest revenue is budgeted at \$1 million based on estimated earnings from 2021-22.
- Ground lease revenue is budgeted at \$3.4 million, an increase of 6%, due to the contract price escalation.
- The property and liability insurance coverage is budgeted at \$1.4 million, an increase of \$100,000 (7.7%) over 2021-22.
- Employee movement on salary schedules (steps and columns) and current negotiated salary increases for all employee groups are budgeted. Additional negotiated salary increases, if any, will be included in the adopted budget.
- The tentative budget includes a 5% cost increase for employee benefits including PPO medical insurance, HMO medical insurance, dental insurance, vision insurance and life insurance. Initial renewal information indicates the final increase will be slightly higher by 0.2% for the adopted budget.
- Workers' Compensation insurance is budgeted at 1.26% of salaries, the same as 2021-22. The rate will decrease to 1.25% for the adopted budget based on renewals received.
- The unemployment insurance rate for 2022-23 is budgeted at 0.2%, the actual rate of 0.5% will be utilized for the adopted budget.
- The Public Employees Retirement System (PERS) employer contribution rate approved by the PERS board is 25.37% of salaries, an increase of 2.46% from 2021-22.

Fiscal Year	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Estimated	2024-25 Estimated	Increase over 2015-16
PERS Annual Rate	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%	25.200%	24.600%	
PERS Contribution	4,491,723	5,646,703	6,282,896	7,617,986	8,816,672	9,450,546	10,459,517	11,582,626	11,505,013	11,231,084	6,739,361
Annual Increase		1,154,980	636,193	1,335,090	1,198,686	633,874	1,008,971	1,123,109	(77,613)	(273,929)	

- The State Teachers Retirement System (STRS) employer contribution rate for 2022-23 is budgeted at 19.1% of salaries, an increase of 2.18% from 2021-22.

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Increase
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	over 2015-16
STRS Annual Rate	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%	19.100%	19.100%	
STRS Contribution	6,692,933	8,553,945	9,765,138	11,039,240	11,782,669	11,432,986	11,978,088	13,521,364	13,521,364	13,521,364	6,828,431
Annual Increase		1,861,012	1,211,193	1,274,102	743,429	(349,683)	545,102	1,543,276	-	-	

The General Expenses have the following budgeted amounts:

EXPENSE	FY 2022-23 AMOUNT	CHANGE from FY 2021-22
CSEA Professional Development	\$ 30,000	
Discrimination/Harassment Investigation Services	\$ 450,000	
District Services Facilities and Maintenance*	\$ 300,000	
District-wide IT Maintenance Agreements	\$ 2,013,000	\$ 72,509
District-wide Strategic Planning	\$ 50,000	
Employee Safety Compliance Cost	\$ 60,000	
Faculty Job Fair	\$ 30,000	
Faculty Sabbatical Bond Payments	\$ 20,000	
Financial Audit	\$ 225,505	\$ 75,505
Internal Audit	\$ 290,000	\$ 10,000
Labor Contract Negotiations	\$ 100,000	
Legal Advertising	\$ 65,000	
Legal Fees	\$ 675,000	
Local Experience Charge – Unemployment Insurance	\$ 100,000	
Offsite Technology Security	\$ 42,000	
Personnel Advertising	\$ 130,000	
Property & Liability Insurance	\$ 1,400,000	\$ 100,000
Surplus Sale	\$ 10,000	
Taxpayer Relief Act Compliance	\$ 58,000	
Total General Expense Accounts	\$ 6,048,505	\$ 258,014
District Services Facilities and Maintenance*	\$ (300,000)	
Adjusted General Expense Accounts	\$ 5,748,505	\$ 258,014

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

The 2022-23 Tentative Budget includes inter-fund transfers as follows:

<u>To:</u>	<u>From:</u>							
	General Fund SC	General Fund IVC	General Fund DS	General Fund Basic Aid	ASG	Retiree OPEB Trust Fund	Pension Stabilization	Total
General Fund IVC (a)							\$4,867,550	\$4,867,550
General Fund SC (a)							\$6,942,976	\$6,942,976
General Fund DS (a)							\$1,402,000	\$1,402,000
Child Development Fund (b)	\$200,000				\$30,000			\$230,000
Capital Outlay (c)				\$88,524,519				\$88,524,519
Self-Insurance Fund (d)			\$475,000					\$475,000
Retiree Benefits Fund (e)				\$2,468,445		\$1,284,342		\$3,752,787
Pension Stabilization Fund (f)				\$7,000,000				\$7,000,000
Student Financial Aid (g)	\$2,693,501	\$1,943,170						\$4,636,671
Total Transfers	\$2,893,501	\$1,943,170	\$475,000	\$97,992,964	\$30,000	\$1,284,342	\$13,212,526	\$117,831,503

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

FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

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

Based on Board Policy 6200 – *Budget Preparation* and Board Policy 6210 – *Basic Aid Funds Allocation Process*, the FY 2022-23 Tentative Budget includes a reserve for contingency of 7.5% of unrestricted operating funds, totaling \$15,953,298; and a reserve for basic aid, totaling \$22,982,724. Combined, these reserves approximate the State Chancellor’s Office’s recommended reserves of two months of general fund operating expenditures.

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

General Fund Reserves (Ending Balances) in 2022-23 Tentative Budget						
	Saddleback College	Irvine Valley College	District Services	Basic Aid	Other	Total
Components of Ending Fund Balance						
Economic Uncertainties					\$15,953,298	\$15,953,298
Basic Aid				\$22,982,724		\$22,982,724
Unassigned	\$17,151,596	\$17,500,350	\$5,315,469			\$39,967,415
Total	\$17,151,596	\$17,500,350	\$5,315,469	\$22,982,724	\$15,953,298	\$78,903,437
<i>% of Total Uses of Funds</i>	<i>14.01%</i>	<i>22.16%</i>	<i>24.74%</i>			

BASIC AID STATUS

A “community-supported” or basic aid district is one that receives more revenue from local sources (property taxes and student enrollment fees) than it would receive in total for state apportionment. The District, therefore, is self-sufficient and does not rely on state apportionment for general operations. The portion of property taxes received above the state calculated allocation is referred to as Basic Aid Receipts. The District returned to its status as a community supported district in FY 1999-2000 and has received basic aid receipts as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
1999 - 2009	\$315,867,194
2009 - 2010	\$ 39,022,021
2010 - 2011	\$ 38,737,963
2011 - 2012	\$ 39,301,044
2012 - 2013	\$ 46,888,399
2013 - 2014	\$ 43,788,270
2014 - 2015	\$ 51,659,425
2015 - 2016	\$ 52,672,948
2016 - 2017	\$ 66,017,281
2017 - 2018	\$ 72,940,087
2018 - 2019	\$ 80,300,099
2019 - 2020	\$ 89,488,558
2020 - 2021	\$ 98,757,870
2021 - 2022 (Est)	\$ 98,149,606

The 2021-22 basic aid receipts will be adjusted after final property taxes are posted.

The District estimates that property tax receipts above the state calculated allocation amount for 2022-23 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2022 - 2023	\$ 93,564,365
2023 - 2024	\$ 95,134,922
2024 - 2025	\$ 96,568,922
2025 - 2025	\$ 98,608,922

The assumptions used to estimate basic aid funds for 2022-23 include funding COLA at 6.56% for the SCFF in addition to increases to the base funding rate and basic allocation as proposed in the May Revise. These amounts differ from the original basic aid calculation which calculated the amount of basic aid funds for allocation. For the following years, SCFF COLA are estimated at 5.38%, 4.02%, and 3.72%, respectively, and growth is estimated at 0.0% for all years.

The Orange County Auditor Controller’s office is consulted regularly in order to conservatively project the District’s property tax revenue in conjunction with historical trends. For 2022-23, secured property taxes are budgeted with a 3.75% increase over 2021-22. For the subsequent years, secured taxes are estimated to increase 3.5% per year. Unsecured taxes, supplemental taxes, and homeowners’ taxes are estimated to remain constant for all years.

Board Policy and Administrative Regulation 6210 – *Basic Aid Funds Allocation Process* guide the Basic Aid allocation calculation and process. The District Resource Allocation Council (DRAC) followed this process for its recommendation for allocating the 2022-23 basic aid funds. As this annual process is early in the budget cycle and based on estimates prior to year-end closing, some final adjustments to funds available will be made in the adopted budget.

The schedule below shows basic aid funds and projects that are included in the 2022-23 Tentative Budget.

ESTIMATED BASIC AID RESOURCES & PLANNED EXPENDITURES

FY 2022-23 Resources	Amount Approved in April	Tentative Budget
Balance at July 1, 2022	\$ 29,221,570	**\$ 37,180,369
Receipts 2022-23	<u>\$ 98,175,550</u>	<u>\$ 93,564,365</u>
Estimated Property Taxes for Basic Aid	\$127,397,120	\$130,744,744
Contingency for Unrealized Tax Collections (20%)	(\$19,635,110)	(\$18,712,873)
Net Amount Available for Allocation	<u>0</u>	<u>(\$4,269,851)</u>
Total Allocated FY 2022-23	<u>\$107,762,010</u>	<u>\$107,762,010</u>
<u>Budgeted Expenditures</u>		
2022-23 Long-Term Obligations and Fixed Expenses	\$10,948,445	\$10,948,445
Funding for Technology and Capital Projects	<u>\$96,813,565</u>	<u>\$96,813,565</u>
Total Approved and Budgeted Projects	<u>\$107,762,010</u>	<u>\$107,762,010</u>

<u>Basic Aid Projects</u>	<u>Project Amount</u>	
Closed Projects	\$352,661,190	
Prior Approved Open Projects	\$744,775,620	
Total Prior Approved Projects	\$1,097,436,810	
Less Expenses and Commitments as of March 2022	\$858,102,792	
Net Uncommitted Balance	\$239,334,018	
<u>New FY 2022-23 Project Funding</u>	<u>Project Amount</u>	
<u>Long Term Obligations & Fixed Expenses</u>		
Credit Card/Bank Fees	\$650,000	
Pension Stabilization Trust*	\$7,000,000	
Retiree Benefits Expenses*	\$2,468,445	
SOCCCD - Legislative Advocacy Services*	\$130,000	
Trustee Election	\$700,000	
<u>Capital Projects/Scheduled Maintenance/Renovation</u>		
DW – ADA Transition Plan Projects*	\$3,000,000	
IVC – B200 Rebuild Classroom Wing & Labs*	\$600,000	
IVC – Arts Village*	\$3,308,032	
IVC – Fine Arts Promenade Landscape/Hardscape/Coffee Structure	\$2,912,467	
IVC – Parking Lot 7 Temp to Permanent/Sidewalk to Baseball	\$400,000	
IVC – Performing Arts Yard Renovation	\$197,436	
IVC – Scheduled Maintenance Infrastructure*	\$2,500,000	
IVC – Scheduled Maintenance Lighting Upgrades*	\$2,000,000	
IVC – Student Services and Student Union*	\$4,789,319	
SC – ATEP First Building*	\$31,032,352	
SC – Baseball Turf & Scoreboard Replacement	\$600,000	
SC – Greenhouse Biology/Horticulture	\$600,000	
SC – Parking Lot 12 Expansion & Softball Field*	\$3,707,853	
SC – Quad Renovation*	\$1,720,199	
SC – Scheduled Maintenance Flooring	\$1,000,000	
SC – Scheduled Maintenance Painting	\$1,000,000	

SC – Scheduled Maintenance Campus Landscaping Improvement Phase I*	\$955,000	
SC – Scheduled Maintenance Campus Landscaping Improvement Phase II	\$2,000,000	
SC – Science Building Renovation*	\$12,004,294	
SC – Solar Canopy Phase I*	\$4,423,587	
SC – Solar Canopy Phase II	\$289,626	
<u>IT Projects</u>		
College Desktop Refresh* (IVC/SC)	\$1,665,000	
College Police Department Cameras (IVC/SC)	\$1,051,000	
College Student Evaluation Tool (IVC/SC)	\$350,000	
DW CCC Apply Migration to SuperGlue	\$250,000	
DW Cable Refresh	\$200,000	
DW Center for Technology Innovation (CTI)	\$350,000	
DW Credit for Prior Learning	\$325,000	
DW Cloud Services*	\$575,000	
DW Firewall Refresh	\$1,200,000	
DW Financial Aid Integration	\$425,000	
DW Information Security Initiatives*	\$200,000	
DW MAP Enhancements*	\$225,000	
DW On-Premise Server and Storage Capacity*	\$300,000	
DW Payroll Processing Integration	\$375,000	
Workday HR/Business Services Integrated Software*	\$1,575,000	
InFORM Data Warehouse Upgrade*	\$750,000	
IVC Domain Name System (DNS) Conversion*	\$300,000	
IVC IDF Cable and Electrical Standardization	\$800,000	
IVC Outdoor Wireless*	\$400,000	
IVC VDI and Other Cloud Exploration	\$400,000	
SC Augmented Reality	\$500,000	
SC Excellence & Innovation for Teaching and Learning Hub	\$675,000	
SC Integrated Student Payment Card & POS System	\$288,000	
SC Intermediate Distribution Facility (IDF) Refresh*	\$500,000	
SC Outdoor Learning Environments	\$1,230,000	
SC Radio Tower Infrastructure	\$225,000	

SC Saddleback Baccalaureate Degree Program	\$175,000	
SC Schedule Development an Event Calendaring	\$300,000	
SC Wayfinding/Digital Signage	\$350,000	
Student Information System Enhancements*	<u>\$1,814,400</u>	
Total FY 2022-23 Funded Projects	<u>\$107,762,010</u>	
Cumulative Total - Basic Aid Approved Projects	<u>\$1,205,198,820</u>	

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

***Beginning balance is composed of \$29,577,379 (Basic Aid beginning fund balance), \$8,289,046 basic aid project funds returned in 2022-23 (Capital Outlay Fund), and \$686,056 carryover of prior year unspent general expenditures (Unrestricted General Fund)*

OTHER FUNDS

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

The Community Education funds are self-supporting with income derived from community education fees. Both colleges provide community education seminars, short courses, workshops, and programs to support community needs not met by the traditional college curriculum; the instruction is consistent with the mission of the District. The income and expenses from the activities of these programs at Irvine Valley College is accounted for in Fund #07, and at Saddleback College in Fund #09.

Child Development Fund (Fund #12)

The Child Development fund is intended to be self-sufficient. The District operates a child development program at Saddleback College for the benefit of children aged 18 months to 5 years. Services are provided to students and the community on a fee basis. Although the intent is for self-sufficiency, the fund has historically required an augmentation from the Unrestricted General Fund, which will be reviewed further in the adopted budget.

Capital Outlay Fund (Fund #40)

The District maintains the Capital Outlay fund to account for the expenditures of capital outlay and scheduled maintenance projects. This fund is further divided by funding sources, i.e., state apportionment for new construction, state scheduled maintenance, local redevelopment funds, basic aid projects, and district/college funded projects. Redevelopment Agency (RDA) funds are received from eight cities within the district, although the state terminated the redevelopment agencies on February 1, 2012. Funds are received based on prior “pass-through” agreements as well as residual funds not needed to pay remaining agency obligations. These funds are distributed each year following the DRAC model allocation.

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

Project Description	District-wide	Saddleback	IVC	District Services	Total
Basic Aid Projects:					
CIC Projects	23,635,233	109,756,875	67,871,880		201,263,988
IT Projects	16,923,079	8,528,200	5,802,615		31,253,894
State Funded Capital Outlay Projects:					
State Portion		16,302,804	13,668,988		29,971,792
Basic Aid Match		60,744,506	36,702,815		97,447,321
College Funded Capital Outlay Projects		2,317,192			2,317,192
Non-Resident Capital Outlay Funds		557,188	2,449,260		3,006,448
Redevelopment Funds	9,135,000	23,138,563	12,649,689	7,284,636	52,207,888
State Scheduled Maintenance Projects		8,271,024	4,067,220		12,338,244
Future Capital Outlay Project Funds	38,506,618	7,330,771	5,000,000	1,305,287	52,142,676
Total Capital Outlay Budget	88,199,930	236,947,123	148,212,467	8,589,923	481,949,443

Major Basic Aid Capital Construction Projects:

Saddleback College projects include: a) Gateway Building – construction; b) Quad Renovation – design and construction; c) Science Math Building Reconstruction – design and construction; d) Parking Lot 12 Expansion and Softball Field Renovation – design and construction; e) Solar Canopies (first and second phases) – design and construction; f) Greenhouse Biology/Horticulture – design; and g) Baseball Turf and Scoreboard Replacement – design and construction.

Irvine Valley College projects include: a) Arts Village –construction; b) Fine Arts Promenade Landscape/Hardscape/Coffee Structure – design; c) Parking Lot 7 temporary to permanent/sidewalk to baseball – design; d) B200 Physical Sciences – B222 construction; e) Performing Arts Yard renovation – design; and f) Student Services and Student Union Buildings – design.

ATEP project: Saddleback College ATEP First Building – design and construction.

District-wide project: ADA Transition Plan projects – design.

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

The second category consists of major district-wide technology projects such as financial aid integration, MAP enhancements, credit for prior learning data warehouse upgrade, cloud services, and a District-wide firewall refresh.

The final category consists of college-requested items such as student evaluation tool, police department cameras, outdoor learning environments, and upgrades to classroom technology along with faculty and staff computers.

Self-Insurance Fund (Fund #68)

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

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

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

Retiree Benefit Fund (Fund #71)

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

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

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

vision upon retirement. The District's OPEB liability was updated in January 2022 with the completion of a required actuarial study.

An actuarial study is conducted annually to update the status of the District's irrevocable trust and determine any unfunded liabilities. The study provides two estimates: 1) the annual accrual to cover the value of benefits "earned" in the current year for existing employees, and 2) the total projected benefits accrual for employees' past service. The current study estimates the cost for the annual accrual for current employees to be \$6,855,864 which is offset by a net OPEB asset of \$4,387,419. The District's actuarial accrued liability for past service estimated at \$129,261,718 is fully funded. The actuarial determined contribution of \$2,468,445 is funded in the tentative budget.

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

The PST fund was established to pre-fund the anticipated costs associated with the increase in pension rates. Annual deposits are made to maintain the fund including a \$7 million DRAC allocation for 2022-23. The funds are transferred to the District each year based on actual increased expenditures from the 2015-16 base year for STRS and PERS.

Student Financial Aid Fund (Fund #84)

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

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

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

Student Representation Fee Fund (Funds #97)

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

BUDGET TABLES

The Tentative Budget for FY 2022-23 for all District funds is summarized on the following pages.

Ann-Marie Gabel, Vice Chancellor, Business Services
Connie Cavanaugh, Executive Director, Fiscal Services

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2022-2023**

Revenues, Expenditures and Change in Fund Balance

	General Fund	Community Education	SC Child Development	Capital Outlay	Self-Insurance	Retiree Benefit & Pension Trust Funds	Student Financial Aid Fund	Associated Student Government Funds	Student Representation Fee Fund	TOTAL ALL FUNDS
	(01)	(07) & (09)	(12)	(40)	(68)	(71), (72), (78)	(84)	(95) & (96)	(97)	
BEGINNING FUND BALANCE	9712 \$ 95,136,285	\$ 2,285,880	\$ -	\$ 352,054,296	\$ 2,765,994	\$ 161,058,676	\$ -	\$ 1,042,714	\$ 63,394	\$ 614,407,239
SOURCES OF FUNDS										
REVENUES:										
SCFF Revenue	Various \$ 183,811,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	183,811,635
Basic Aid	93,564,365	-	-	-	-	-	-	-	-	93,564,365
Federal Sources	8100-8199 12,697,560	-	127,305	-	-	-	23,997,264	-	-	36,822,129
Other State Sources	8600-8699 82,924,876	-	-	29,971,792	-	-	3,225,000	-	-	116,121,668
Other Local Sources	8800-8899 19,710,724	1,929,314	1,327,013	2,263,836	32,000	7,978,445	-	505,000	101,000	33,847,332
Total Revenue	392,709,160	1,929,314	1,454,318	32,235,628	32,000	7,978,445	27,222,264	505,000	101,000	464,167,129
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919 \$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100,000
Fiscal Agent Pass-Thru	8970-8979 -	-	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8989 13,212,526	-	230,000	88,524,519	475,000	10,752,787	4,636,671	-	-	117,831,503
Other Incoming Transfers	8980-8989 -	-	-	9,135,000	-	-	-	-	-	9,135,000
Total Other Sources	13,312,526	-	230,000	97,659,519	475,000	10,752,787	4,636,671	-	-	127,066,503
TOTAL SOURCES OF FUNDS	406,021,686	1,929,314	1,684,318	129,895,147	507,000	18,731,232	31,858,935	505,000	101,000	591,233,632
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999 \$ 100,434,681	\$ 33,758	\$ 58,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100,527,397
Classified Salaries	2000-2999 63,786,822	667,476	812,431	1,264,641	355,869	-	-	148,576	-	67,035,815
Employee Benefits	3000-3999 81,800,834	275,104	418,522	654,282	205,973	11,453,144	-	66,970	-	94,874,829
Supplies & Materials	4000-4999 9,700,529	7,000	16,000	-	23,000	-	-	225,309	-	9,971,838
Services & Other Operating	5000-5999 56,434,078	3,231,856	261,885	14,924,697	506,351	624,000	-	758,853	111,823	76,853,543
Capital Outlay	6000-6999 1,662,737	-	-	464,709,424	12,000	-	-	23,000	-	466,407,161
Total Expenditures	313,819,681	4,215,194	1,567,796	481,553,044	1,103,193	12,077,144	-	1,222,708	111,823	815,670,583
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399 \$ 103,304,635	\$ -	\$ -	\$ -	\$ -	\$ 14,496,868	\$ -	\$ 30,000	\$ -	117,831,503
Other Outgoing Transfers	7400-7499 -	-	-	-	-	-	-	-	52,571	52,571
Payments to Students	7500-7699 5,130,218	-	116,522	-	-	-	31,858,935	164,543	-	37,270,218
Total Other Uses	108,434,853	-	116,522	-	-	14,496,868	31,858,935	194,543	52,571	155,154,292
TOTAL USES OF FUNDS	422,254,534	4,215,194	1,684,318	481,553,044	1,103,193	26,574,012	31,858,935	1,417,251	164,394	970,824,875
SURPLUS / (DEFICIT)	\$ (16,232,848)	\$ (2,285,880)	\$ -	\$ (351,657,897)	\$ (596,193)	\$ (7,842,780)	\$ -	\$ (912,251)	\$ (63,394)	\$ (379,591,243)
ENDING FUND BALANCE	\$ 78,903,437	\$ -	\$ -	\$ 396,399	\$ 2,169,801	\$ 153,215,896	\$ -	\$ 130,463	\$ -	\$ 234,815,996
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties	\$ 15,953,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15,953,298
Assigned Reserve, Basic Aid	22,982,724	-	-	-	-	-	-	-	-	22,982,724
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	153,215,896	-	130,463	-	153,346,359
Assigned Fund Balance	-	-	-	396,399	2,169,801	-	-	-	-	2,566,200
Unassigned Fund Balance	39,967,415	-	-	-	-	-	-	-	-	39,967,415
TOTAL ENDING FUND BALANCE	\$ 78,903,437	\$ -	\$ -	\$ 396,399	\$ 2,169,801	\$ 153,215,896	\$ -	\$ 130,463	\$ -	\$ 234,815,996

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

TENTATIVE BUDGET - FISCAL YEAR 2022-2023

Revenues, Expenditures and Change in Fund Balance

		Saddleback College			Irvine Valley College			District Services		
		General Fund	General Fund	Total	General Fund	General Fund	Total	General Fund	General Fund	Total
		Unrestricted	Restricted		Unrestricted	Restricted		Unrestricted	Restricted	
BEGINNING FUND BALANCE	9712	\$ 17,657,929	\$ 5,662,588	\$ 23,320,517	\$ 16,600,000	\$ 2,620,772	\$ 19,220,772	\$ 6,000,000	\$ -	\$ 6,000,000
SOURCES OF FUNDS										
REVENUES:										
SCFF Revenue	Various	\$ 98,235,567	\$ -	\$ 98,235,567	\$ 61,490,231	\$ -	\$ 61,490,231	\$ 19,401,651	\$ -	\$ 19,401,651
Basic Aid		-	-	-	-	-	-	-	-	-
Federal Sources	8100-8199	-	7,898,675	7,898,675	-	4,798,885	4,798,885	-	-	-
Other State Sources	8600-8699	9,493,475	33,100,132	42,593,607	5,875,525	21,968,552	27,844,077	-	393,736	393,736
Other Local Sources	8800-8899	7,212,334	2,951,778	10,164,112	7,590,716	1,955,896	9,546,612	-	-	-
Total Revenue		114,941,376	43,950,585	158,891,961	74,956,472	28,723,333	103,679,805	19,401,651	393,736	19,795,387
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919	61,770	-	61,770	38,230	-	38,230	-	-	-
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8989	6,942,976	-	6,942,976	4,867,550	-	4,867,550	1,402,000	-	1,402,000
Other Incoming Transfers	8980-8989	-	-	-	-	-	-	-	-	-
Total Other Sources		7,004,746	-	7,004,746	4,905,780	-	4,905,780	1,402,000	-	1,402,000
TOTAL SOURCES OF FUNDS		121,946,122	43,950,585	165,896,707	79,862,252	28,723,333	108,585,585	20,803,651	393,736	21,197,387
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ 55,754,610	\$ 6,528,827	\$ 62,283,437	\$ 34,792,744	\$ 2,079,214	\$ 36,871,958	\$ 1,279,286	\$ -	\$ 1,279,286
Classified Salaries	2000-2999	22,645,369	7,971,962	30,617,331	16,759,211	5,040,934	21,800,145	10,973,868	-	10,973,868
Employee Benefits	3000-3999	31,726,482	5,894,647	37,621,129	21,265,533	3,782,424	25,047,957	6,835,497	-	6,835,497
Supplies & Materials	4000-4999	1,003,117	5,836,627	6,839,744	830,575	1,851,950	2,682,525	103,700	49,060	152,760
Services & Other Operating	5000-5999	10,409,615	17,454,356	27,863,971	5,295,839	13,930,973	19,226,812	1,707,831	344,676	2,052,507
Capital Outlay	6000-6999	713,262	736,628	1,449,890	18,000	81,847	99,847	113,000	-	113,000
Total Expenditures		122,252,455	44,423,047	166,675,502	78,961,902	26,767,342	105,729,244	21,013,182	393,736	21,406,918
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ 200,000	\$ 2,693,501	\$ 2,893,501	\$ -	\$ 1,943,170	\$ 1,943,170	\$ 475,000	\$ -	\$ 475,000
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	2,496,625	2,496,625	-	2,633,593	2,633,593	-	-	-
Total Other Uses		200,000	5,190,126	5,390,126	-	4,576,763	4,576,763	475,000	-	475,000
TOTAL USES OF FUNDS		122,452,455	49,613,173	172,065,628	78,961,902	31,344,105	110,306,007	21,488,182	393,736	21,881,918
SURPLUS / (DEFICIT)		\$ (506,333)	\$ (5,662,588)	\$ (6,168,921)	\$ 900,350	\$ (2,620,772)	\$ (1,720,422)	\$ (684,531)	\$ -	\$ (684,531)
ENDING FUND BALANCE		\$ 17,151,596	\$ -	\$ 17,151,596	\$ 17,500,350	\$ -	\$ 17,500,350	\$ 5,315,469	\$ -	\$ 5,315,469
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		17,151,596	-	17,151,596	17,500,350	-	17,500,350	5,315,469	-	5,315,469
TOTAL ENDING FUND BALANCE		\$ 17,151,596	\$ -	\$ 17,151,596	\$ 17,500,350	\$ -	\$ 17,500,350	\$ 5,315,469	\$ -	\$ 5,315,469

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2022-2023
 Revenues, Expenditures and Change in Fund Balance

		Basic Aid		Other		TOTAL		
		General Fund	General Fund	General Fund	Total	General Fund	General Fund	General Fund
		Unrestricted	Unrestricted	Restricted		Unrestricted	Restricted	
BEGINNING FUND BALANCE	9712	\$ 29,577,379	17,017,617	\$ -	\$ 17,017,617	\$ 86,852,925	\$ 8,283,360	\$ 95,136,285
SOURCES OF FUNDS								
REVENUES:								
SCFF Revenue	Various	\$ -	4,684,186	\$ -	\$ 4,684,186	\$ 183,811,635	\$ -	\$ 183,811,635
Basic Aid		93,564,365	-	-	-	93,564,365	-	93,564,365
Federal Sources	8100-8199	-	-	-	-	-	12,697,560	12,697,560
Other State Sources	8600-8699	-	12,000,000	93,456	12,093,456	27,369,000	55,555,876	82,924,876
Other Local Sources	8800-8899	-	-	-	-	14,803,050	4,907,674	19,710,724
Total Revenue		93,564,365	16,684,186	93,456	16,777,642	319,548,050	73,161,110	392,709,160
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	-	-	-	-	100,000	-	100,000
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Interfund Transfers In	8980-8989	-	-	-	-	13,212,526	-	13,212,526
Other Incoming Transfers	8980-8989	-	-	-	-	-	-	-
Total Other Sources		-	-	-	-	13,312,526	-	13,312,526
TOTAL SOURCES OF FUNDS		93,564,365	16,684,186	93,456	16,777,642	332,860,576	73,161,110	406,021,686
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ 91,826,640	\$ 8,608,041	\$ 100,434,681
Classified Salaries	2000-2999	-	395,478	-	395,478	50,773,926	13,012,896	63,786,822
Employee Benefits	3000-3999	-	12,296,251	-	12,296,251	72,123,763	9,677,071	81,800,834
Supplies & Materials	4000-4999	-	25,500	-	25,500	1,962,892	7,737,637	9,700,529
Services & Other Operating	5000-5999	2,166,056	5,031,276	93,456	5,124,732	24,610,617	31,823,461	56,434,078
Capital Outlay	6000-6999	-	-	-	-	844,262	818,475	1,662,737
Total Expenditures		2,166,056	17,748,505	93,456	17,841,961	242,142,100	71,677,581	313,819,681
OTHER FINANCING USES:								
Interfund Transfers Out	7300-7399	\$ 97,992,964	\$ -	\$ -	\$ -	\$ 98,667,964	\$ 4,636,671	\$ 103,304,635
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	5,130,218	5,130,218
Total Other Uses		97,992,964	-	-	-	98,667,964	9,766,889	108,434,853
TOTAL USES OF FUNDS		100,159,020	17,748,505	93,456	17,841,961	340,810,064	81,444,470	422,254,534
SURPLUS / (DEFICIT)		\$ (6,594,655)	\$ (1,064,319)	\$ -	\$ (1,064,319)	\$ (7,949,488)	\$ (8,283,360)	\$ (16,232,848)
ENDING FUND BALANCE		\$ 22,982,724	\$ 15,953,298	\$ -	\$ 15,953,298	\$ 78,903,437	\$ -	\$ 78,903,437
COMPONENTS OF ENDING BALANCE								
Assigned Reserve, Economic Uncertainties		\$ -	\$ 15,953,298	\$ -	\$ 15,953,298	\$ 15,953,298	\$ -	\$ 15,953,298
Assigned Reserve, Basic Aid		22,982,724	-	-	-	22,982,724	-	22,982,724
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	39,967,415	-	39,967,415
TOTAL ENDING FUND BALANCE		\$ 22,982,724	\$ 15,953,298	\$ -	\$ 15,953,298	\$ 78,903,437	\$ -	\$ 78,903,437

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2022-2023
Revenues, Expenditures and Change in Fund Balance

	Community Education Funds			Retiree Benefit & Pension Trust Funds				
	Saddleback College (09) & (100)	Irvine Valley College (07)	Total	Retiree Benefit Fund (71)	Retiree (OPEB) Trust Fund (72)	Pension Stability Trust Fund (78)	Total	
BEGINNING FUND BALANCE	9712	\$ 2,285,880	\$ -	\$ 2,285,880	\$ 1,902,357	\$ 134,462,452	\$ 24,693,867	\$ 161,058,676
SOURCES OF FUNDS								
REVENUES:								
SCFF Revenue	Various	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Aid		-	-	-	-	-	-	-
Federal Sources	8100-8199	-	-	-	-	-	-	-
Other State Sources	8600-8699	-	-	-	-	-	-	-
Other Local Sources	8800-8899	1,657,320	271,994	1,929,314	10,000	7,468,445	500,000	7,978,445
Total Revenue		1,657,320	271,994	1,929,314	10,000	7,468,445	500,000	7,978,445
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	-	-	-	-	-	-	-
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Interfund Transfers In	8980-8989	-	-	-	3,752,787	-	7,000,000	10,752,787
Other Incoming Transfers	8980-8989	-	-	-	-	-	-	-
Total Other Sources		-	-	-	3,752,787	-	7,000,000	10,752,787
TOTAL SOURCES OF FUNDS		1,657,320	271,994	1,929,314	3,762,787	7,468,445	7,500,000	18,731,232
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ 12,366	\$ 21,392	\$ 33,758	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	543,247	124,229	667,476	-	-	-	-
Employee Benefits	3000-3999	194,731	80,373	275,104	5,656,144	5,797,000	-	11,453,144
Supplies & Materials	4000-4999	6,500	500	7,000	-	-	-	-
Services & Other Operating	5000-5999	3,186,356	45,500	3,231,856	9,000	535,000	80,000	624,000
Capital Outlay	6000-6999	-	-	-	-	-	-	-
Total Expenditures		3,943,200	271,994	4,215,194	5,665,144	6,332,000	80,000	12,077,144
OTHER FINANCING USES:								
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ -	\$ 1,284,342	\$ 13,212,526	\$ 14,496,868
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	-	-
Total Other Uses		-	-	-	-	1,284,342	13,212,526	14,496,868
TOTAL USES OF FUNDS		3,943,200	271,994	4,215,194	5,665,144	7,616,342	13,292,526	26,574,012
SURPLUS / (DEFICIT)		\$ (2,285,880)	\$ -	\$ (2,285,880)	\$ (1,902,357)	\$ (147,897)	\$ (5,792,526)	\$ (7,842,780)
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ -	\$ 134,314,555	\$ 18,901,341	\$ 153,215,896
COMPONENTS OF ENDING BALANCE								
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	134,314,555	18,901,341	153,215,896
Assigned Fund Balance		-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ -	\$ 134,314,555	\$ 18,901,341	\$ 153,215,896

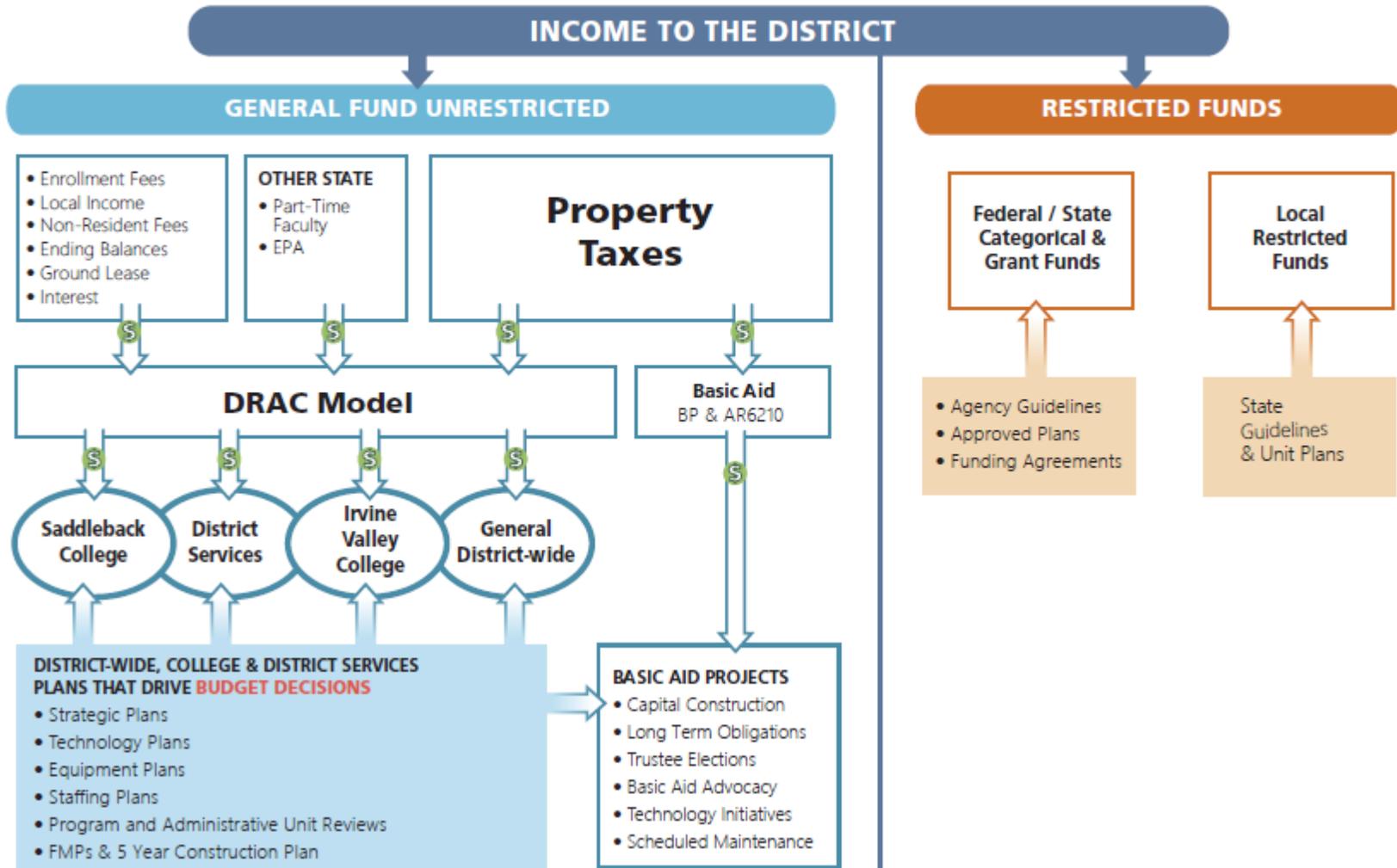
SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2022-2023
 Revenues, Expenditures and Change in Fund Balance

	Student Financial Aid Fund			Associated Student Government Funds			Student Representation Fee Funds		
	Saddleback College	Irvine Valley College	Total	Saddleback College	Irvine Valley College	Total	Saddleback College	Irvine Valley College	Total
	(84)	(84)		(95)	(96)		(97)	(97)	
BEGINNING FUND BALANCE	9712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,152	\$ 13,242	\$ 63,394
SOURCES OF FUNDS									
REVENUES:									
SCFF Revenue	Various	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Basic Aid		-	-	-	-	-	-	-	-
Federal Sources	8100-8199	12,385,786	11,611,478	23,997,264	-	-	-	-	-
Other State Sources	8600-8699	1,620,000	1,605,000	3,225,000	-	-	-	-	-
Other Local Sources	8800-8899	-	-	-	245,000	260,000	505,000	65,000	36,000
Total Revenue		14,005,786	13,216,478	27,222,264	245,000	260,000	505,000	65,000	36,000
OTHER FINANCING SOURCES:									
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8989	2,693,501	1,943,170	4,636,671	-	-	-	-	-
Other Incoming Transfers	8980-8989	-	-	-	-	-	-	-	-
Total Other Sources		2,693,501	1,943,170	4,636,671	-	-	-	-	-
TOTAL SOURCES OF FUNDS		16,699,287	15,159,648	31,858,935	245,000	260,000	505,000	65,000	36,000
USES OF FUNDS									
EXPENDITURES:									
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	-	-	-	65,268	83,308	148,576	-	-
Employee Benefits	3000-3999	-	-	-	17,628	49,342	66,970	-	-
Supplies & Materials	4000-4999	-	-	-	167,737	57,572	225,309	-	-
Services & Other Operating	5000-5999	-	-	-	191,075	567,778	758,853	87,202	24,621
Capital Outlay	6000-6999	-	-	-	8,000	15,000	23,000	-	-
Total Expenditures		-	-	-	449,708	773,000	1,222,708	87,202	24,621
OTHER FINANCING USES:									
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	27,950	24,621
Payments to Students	7500-7699	16,699,287	15,159,648	31,858,935	91,543	73,000	164,543	-	-
Total Other Uses		16,699,287	15,159,648	31,858,935	121,543	73,000	194,543	27,950	24,621
TOTAL USES OF FUNDS		16,699,287	15,159,648	31,858,935	571,251	846,000	1,417,251	115,152	49,242
SURPLUS / (DEFICIT)		\$ -	\$ -	\$ -	\$ (326,251)	\$ (586,000)	\$ (912,251)	\$ (50,152)	\$ (13,242)
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 36,463	\$ 94,000	\$ 130,463	\$ -	\$ -
COMPONENTS OF ENDING BALANCE									
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	36,463	94,000	130,463	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 36,463	\$ 94,000	\$ 130,463	\$ -	\$ -

APPENDIX A

Resource Allocation Process

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



APPENDIX B

South Orange County Community College District

RESOURCE ALLOCATION DEFINITION OF TERMS

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

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

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

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