



TENTATIVE BUDGET

2023-2024



June 26, 2023

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.

After several years of sharp declines in student enrollment, total student headcount increased slightly for spring 2023 to over 34,300 yet resident full time equivalent students (FTES) declined slightly at the second period reporting for 2022-23 resulting in 22,973 FTES as compared to 23,725 FTES in 2021-22. SOCCCD has approximately 3,130 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 resulting in larger than normal reserves. However, with the downturn in the economy due to inflation and decreased tax revenues, the State budget no longer includes additional one-time revenues and conversely includes significant decreases to the one-time funding that was received in 2022-23. The uncertainty we are facing is whether we will be able to gain the roughly 3,500 FTES back in fiscal year 2023-24 and beyond that we lost due to the COVID-19 pandemic. 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 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 12, 2023. The overall allocation for Proposition 98 funding is \$106.8 billion with \$12.3 billion (10.93%) going to community colleges. The May Revision proposed a \$2.2 billion

decrease from the January proposed budget and a \$3.6 billion decrease from the 2022-23 enacted budget primarily due to inflation and decreased tax collections. The proposed budget includes providing an 8.22% cost of living adjustment (COLA) for the Student Centered Funding Formula (SCFF), the mandated block grant, and certain categorical programs but it also includes over 50 percent cuts to funds received in 2022-23 for deferred maintenance and COVID-19 Block Grant.

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:

- \$678 million for apportionment (8.22%) COLA.
- \$26.4 million for enrollment growth.
- \$2.2 million (8.22%) COLA for mandated cost block grant programs.
- \$83.1 million (8.22%) COLA for Adult Education, CARE, Apprenticeship, CalWORKS, DSPS, EOPS, and Child Care Tax Credit Bailout.
- \$50 million reduction for Student Success Completion grants.

One-time resources:

- \$452 million reduction in deferred maintenance funds already allocated and received in 2022-23.
- \$450 million in 2023-24 and \$94.5 million in 2024-25 for student housing grants. No specific projects have been identified in the budget but if they were to fund the projects in ranked order these funds would entirely cover the first six projects on the list of applications filed in January 2023.
- \$345 million reduction in the COVID-19 Recovery Block Grant already allocated and received in 2022-23.
- \$100 million for student enrollment and retention efforts.
- \$14 million for workforce training grants in collaboration with the California Department of Forestry and Fire protection.
- \$10 million per year for three years for LGBTQ+ programs.

As is common during this time of year, the state legislature has already proposed many changes to the programs listed above. Unfortunately, they are in agreement with the cuts to deferred maintenance but have fortunately rejected the cuts to the COVID-19 Recovery Block Grant. The Governor's proposals have been included 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 includes thirteen funds in accordance with governmental accounting standards. The operating fund (aka the General Fund) has budgeted revenues of \$467.4 million and budgeted expenditures of \$485.3 million, with an anticipated spending down of reserves totaling \$17.9 million leaving \$85.2 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 3.50 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 87.7%, which is less than our recommended budget target of 88% - 92%. This indicator demonstrates the need for continued budget vigilance. The budget includes estimates for 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 2023-24. The PERS rates are set each year by the PERS Board and the 2023-24 rate is 26.68%. The estimated increased costs over the current year are \$2 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, 2023, is only \$12.5 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 2023-24, the District budgeted a \$12 million basic aid allocation towards this.

After providing \$15.3 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 2023-24 fiscal year total approximately \$105 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 24, 2023, 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 percent plus a 20 percent reserve for basic aid. The District has elected to apply for the continuance of the FTES protection through the Emergency Conditions Allowance (ECA) for the 2022-23 fiscal year. With this election, the district is required to maintain reserve

levels equal to at least two months of operating expenditures. In order to maintain this reserve level, the colleges and District Services have designated a reserve equal to 3.75 percent of their projected unrestricted expenditures. The reserves are in accord with Board policy and allow 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 Barnes 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 \$111 million. Major changes since the prior year's adopted budget include a \$6.7 million, 9 percent, increase in the SCFF revenue based on the proposed 8.22% state COLA and a 13 percent increase in the Student Success Incentive funding, offset by the ECA funding phase-out of \$2.4 million.

The college conservatively budgeted \$5.8 million in non-resident tuition revenue, compared to \$8.2 million realized in 2018-19, prior to the pandemic. As of 2022-23 second principal apportionment, the non-resident FTES rose to 671.20 from 641.87 in the prior year after a pandemic-induced decline since 2019-20. The college is optimistic it will continue experiencing enrollment increases again in 2023-24, including in the international student program which accounts for 65 percent of the non-resident student population.

With a 14 percent decline in resident FTES since the pandemic, IVC is planning to use its COVID-19 Recovery Block Grant and other funding sources to continue its engagement and retention efforts. The 2024-25 funding "floor" would soften the drop caused by the ECA funding phasing out, should enrollments continue to decline, while providing the college some stability to implement long-term enrollment strategies.

IVC continues to budget its expenditures conservatively to meet programmatic needs in the most efficient manner. 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 leverage allowable restricted resources. The college continues 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 eight new faculty to begin teaching this fall in the following disciplines: Spanish, Theater Arts, Kinesiology/Women's Basketball, English as a Second Language, Ceramics/3D, and Communication Studies.

Saddleback College

The 2023-24 Tentative Budget for Saddleback College includes a \$3.9 million positive net revenue (surplus) due to the continuing benefits of the increase to the SCFF funding rates and extension of the Emergency Conditions Allowance (ECA) in the 2022-23 State budget. The surplus represents a continuing mismatch between short-term funding and long-term costs. While the adjustment to the funding rates is ongoing, the ECA

provision to allow FTES to be reported at 2019-20 amounts begins phasing out of the three-year credit FTES average starting this year. As a result, the total SCFF revenue increase (7.2%) is less than the State COLA (8.22%). This trend is expected to continue as the ECA provision phases out.

Major changes in appropriations include projected COLA increases for salaries and benefits, utilities, and other costs. The college is also hiring 27 new full-time faculty, which will result in ongoing cost increases as the faculty move across the salary schedule.

The college continues to utilize restricted and one-time funds that have accumulated over the last few years to make strategic investments to ensure a sustainable future. The college also continues 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 28, 2023, Board meeting.

Ann-Marie Gabel

Vice Chancellor, Business Services

South Orange County Community College District

BUDGET DEVELOPMENT GUIDELINES

(Approved by the Board on January 23, 2023)

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 District shall establish the following reserves to meet the total reserve levels recommended by both the California Community Colleges Chancellor's Office and the Government Finance Officers Association of two months of regular unrestricted general fund operating expenditure:

- a. The general fund reserve for economic uncertainties shall be no less than 7.5 percent of the projected unrestricted revenue. A monthly update will be provided to the Board that reviews current revenue, expenditures, and ending balance projections.
- b. A basic aid reserve of no less than 20 percent in accordance with Board Policy 6210 – *Basic Aid Funds Allocation Process*.
- c. Each college and District Services shall maintain a general fund reserve for economic uncertainties of no less than 3.5 percent of the projected unrestricted expenditures.

2. Future Long Term Debt Issues

No 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 the Reserve for Economic Uncertainties identified in Guiding Principle 1.

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 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, unless tied to a specific project.
- 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.

NOTEWORTHY GENERAL FUND ASSUMPTIONS

- Student Centered Funding Formula (SCFF) includes an 8.22% cost of living adjustment (COLA) but due to the decrease in FTES shown below, the overall SCFF increase totals 7.88%.
- 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 for 2022-23. Targets for 2023-24 reflect 0% growth on the 2022-23 P2 FTES.

IVC	2019-20 Annual	2020-21 Recalc	2021-22 Annual	2022-23 P2	2023-24 Target
Credit	8,673.91	8,676.14	7,750.32	7,482.91	7,482.91
Non-Credit CDCP	630.36	606.48	597.99	638.38	638.38
Non-Credit	341.86	271.75	249.30	327.39	327.39
TOTAL	9,646.13	9,554.37	8,597.61	8,448.68	8,448.68
Percentage Change		-1.0%	-10.0%	-1.7%	0.0%

SC	2019-20 Annual	2020-21 Recalc	2021-22 Annual	2022-23 P2	2023-24 Target
Credit	14,680.71	14,394.05	12,904.45	12,650.82	12,650.82
Non-Credit CDCP	444.39	688.52	610.85	541.27	541.27
Non-Credit	1,758.56	1,862.62	1,613.08	1,332.42	1,332.42
TOTAL	16,883.66	16,945.19	15,128.38	14,524.51	14,524.51
Percentage Change		0.4%	-10.7%	-4.0%	0.0%

Total	2019-20 Annual	2020-21 Recalc	2021-22 Annual	2022-23 P2	2023-24 Target
Credit	23,354.62	23,070.19	20,654.77	20,133.73	20,133.73
Non-Credit CDCP	1,074.75	1,295.00	1,208.84	1,179.65	1,179.65
Non-Credit	2,100.42	2,134.37	1,862.38	1,659.81	1,659.81
TOTAL	26,529.79	26,499.56	23,725.99	22,973.19	22,973.19
Percentage Change		-0.1%	-10.5%	-3.2%	0.0%

- Education Protection Act (EPA) funds are budgeted at \$2.3 million (\$100 per FTES). These revenues are from temporary taxes and are budgeted for part-time faculty salaries and benefits.
- Unrestricted Lottery revenue is budgeted at \$4.7 million based on an estimated \$170 per FTES. Lottery funds are paid on all FTES,

including non-resident FTES.

- Interest revenue is budgeted at \$4 million based on estimated earnings from 2022-23.
- Ground lease revenue is budgeted at \$3.6 million which includes revenue from the County of Orange parcel at ATEP and the consumer price index (CPI) escalation of 4.7% for the apartment complex.
- The property and liability insurance coverage is budgeted at \$1.8 million, an increase of \$400,000 (28%) over 2022-23.
- Employee movement on salary schedules (steps and columns) and current negotiated salary increases for all employee groups are budgeted in line item detail and an estimate for negotiations that are currently underway are budgeted in holding accounts.
- The tentative budget includes a 7% 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 0.6% for the adopted budget.
- Workers’ Compensation insurance is budgeted at 1.25% of salaries, the same as 2022-23. The rate will decrease to 1.24% for the adopted budget based on renewals received.
- The unemployment insurance rate for 2023-24 is budgeted at 0.05%, a decrease of .45% from 2022-23.
- The State Teachers Retirement System (STRS) employer contribution rate for 2023-24 is budgeted at 19.1% of salaries, the same as 2022-23.

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 Estimated	2023-24 Budgeted	Annual over 2015-16
STRS Annual Rate	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%	19.100%	
STRS Contribution	6,692,933	8,553,945	9,765,138	11,039,240	11,782,669	12,950,027	13,812,580	17,417,071	26,574,364	19,881,431

- The Public Employees Retirement System (PERS) employer contribution rate approved by the PERS board is 26.68% of salaries, an increase of 1.31% from 2022-23.

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 Estimated	2023-24 Budgeted	Annual over 2015-16
PERS Annual Rate	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%	26.680%	
PERS Contribution	4,491,723	5,646,703	6,282,896	7,617,986	8,816,672	11,653,154	13,323,338	16,026,667	20,356,357	15,864,634

- The General Expenses have the following budgeted amounts:

General Expense Description	FY 2023-24 Amount	Change from FY 2022-23
CSEA Professional Development	\$ 30,000	\$ -
Discrimination/Harassment Investigation Services	\$ 554,040	\$ 89,040
District Services Facilities and Maintenance*	\$ 324,660	\$ 24,660
District-wide IT Maintenance Agreements	\$ 2,161,879	\$ 161,879
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	\$ -
Internal Audit	\$ 333,000	\$ 28,000
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	\$ 150,000	\$ 20,000
Property and Liability Insurance	\$ 1,800,000	\$ 397,789
Surplus Sale	\$ 10,000	\$ -
Taxpayer Relief Act Compliance	\$ 58,000	\$ -
TOTAL GENERAL EXPENSE ACCOUNTS	\$ 6,747,084	\$ 679,368
District Services Facilities and Maintenance*	\$ (324,660)	\$ -
ADJUSTED GENERAL EXPENSE ACCOUNTS	\$ 6,422,424	\$ 679,368

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

The 2023-24 Tentative Budget includes inter-fund transfers as follows:

<u>TO:</u>	<u>FROM:</u>						
	General Fund IVC	General Fund SC	General Fund DS	General Fund Basic Aid	Pension Stabilization Trust Fund	Associated Student Government SC	Total
General Fund IVC (a)					\$ 5,442,987		\$ 5,442,987
General Fund SC (a)					\$ 7,898,288		\$ 7,898,288
General Fund DS (a)					\$ 1,833,000		\$ 1,833,000
Child Development Fund (b)		\$ 100,000				\$ 30,000	\$ 130,000
Capital Outlay (c)				\$ 61,095,869			\$ 61,095,869
Self-Insurance Fund (d)			\$ 616,948				\$ 616,948
Retiree Benefits Fund (e)				\$ 6,582,400			\$ 6,582,400
Retiree OPEB Trust Fund (e)				\$ 13,271,104			\$ 13,271,104
Pension Stabilization Trust Fund (f)				\$ 12,000,000			\$ 12,000,000
Total Transfers	\$ -	\$ 100,000	\$ 616,948	\$ 92,949,373	\$ 15,174,275	\$ 30,000	\$ 108,870,596

a) Pension Stabilization Trust Fund for increased PERS and STRS costs from 2015-16

b) SC funds to support the Child Development Fund and scholarships from SC ASG

c) Basic Aid funds for capital outlay projects and transfer of funds to Capital Outlay for college projects

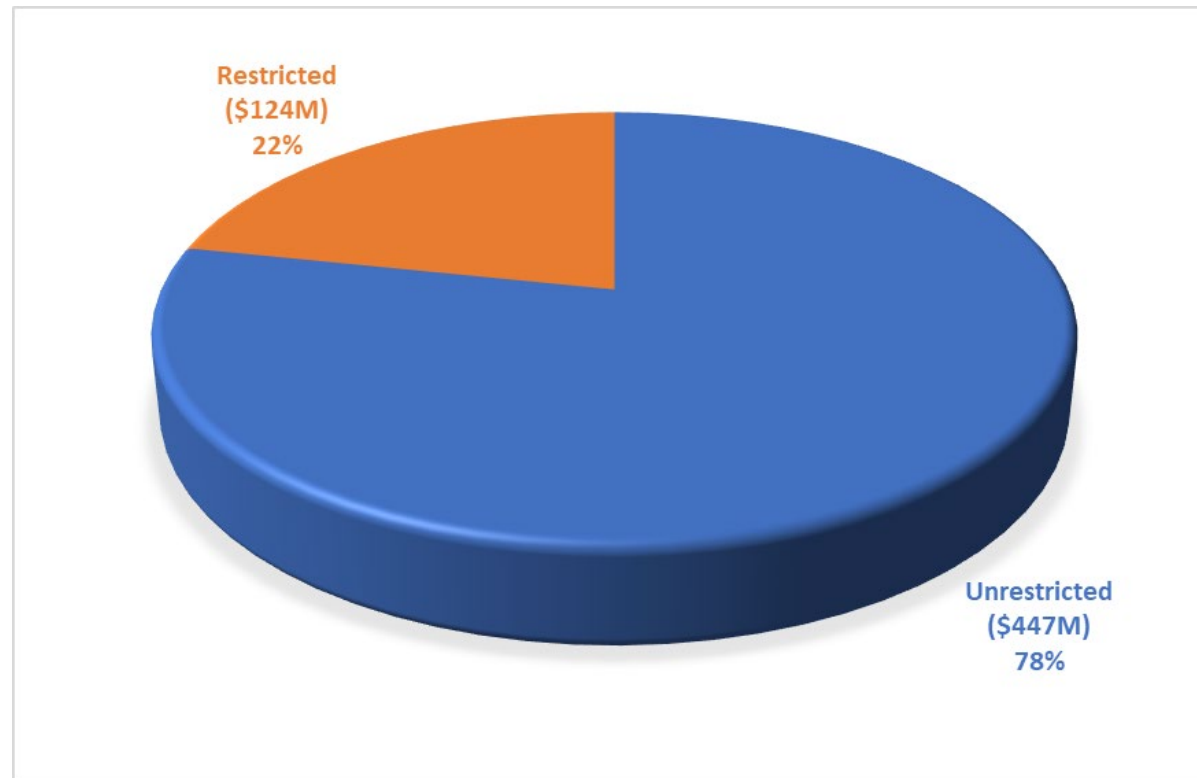
d) DS funds to support the Risk Management Department

e) Basic Aid funds allocated for retiree benefits and transfer of excess funds in OPEB trust to cover retiree benefits

f) Basic Aid funds allocated for Pension Stabilization Trust Fund

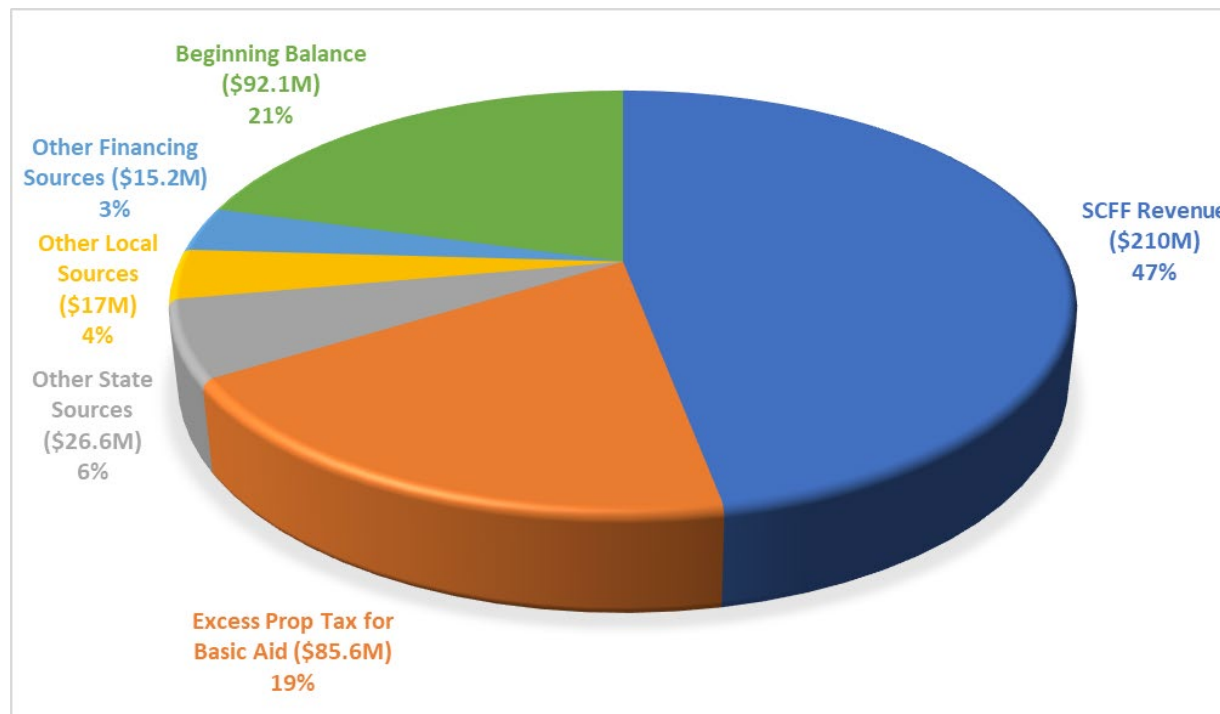
GENERAL FUND REVENUE

The general fund, which totals \$570 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.”



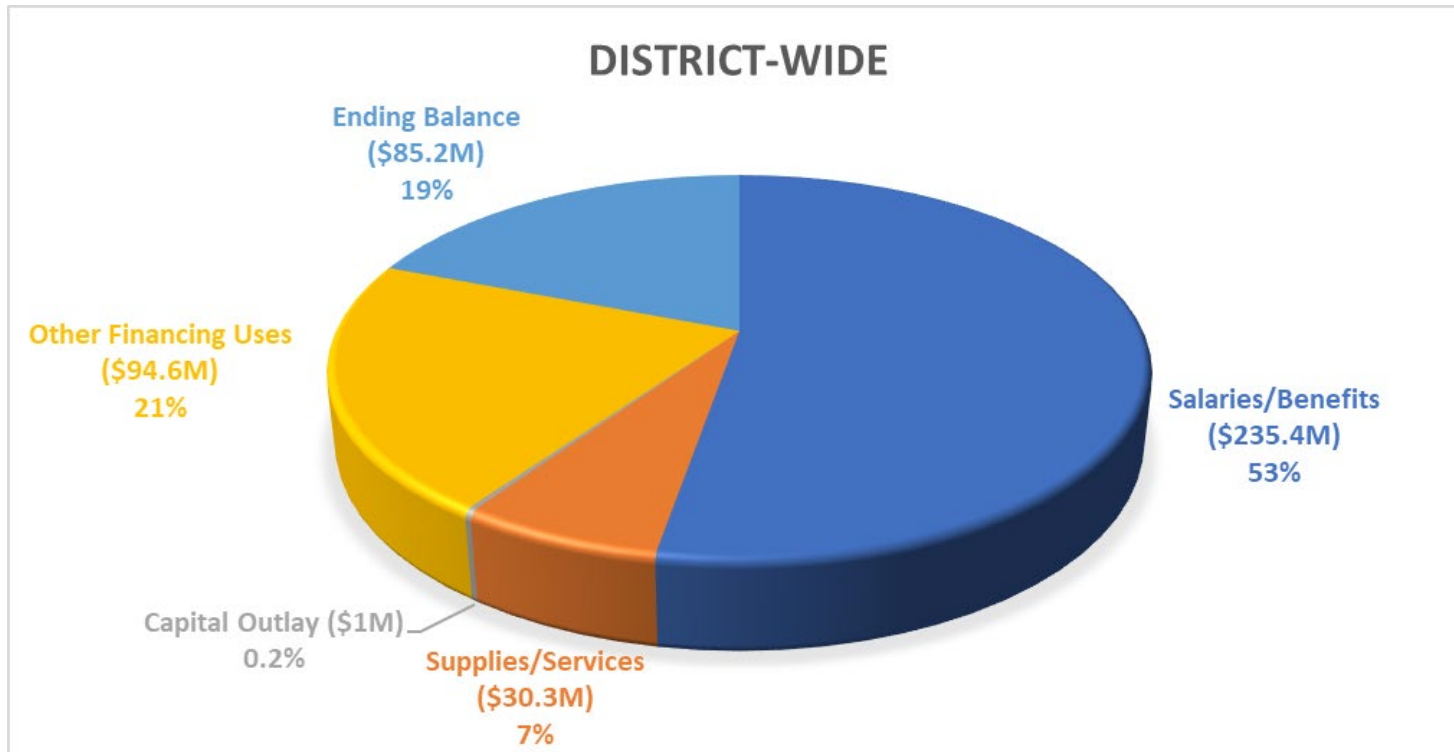
UNRESTRICTED GENERAL FUND REVENUE

The largest segment of the general fund is the *unrestricted portion*, which includes \$355 million in total revenues and other sources of funds and \$92 million in beginning fund balance for a grand total of \$447 million. This fund accounts for resources for the general-purpose programs of the District (78% of the activity). This is an increase of \$11 million over last year due to projected increases in property taxes. Of the total revenues and other sources, 47% 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 (19%), 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.

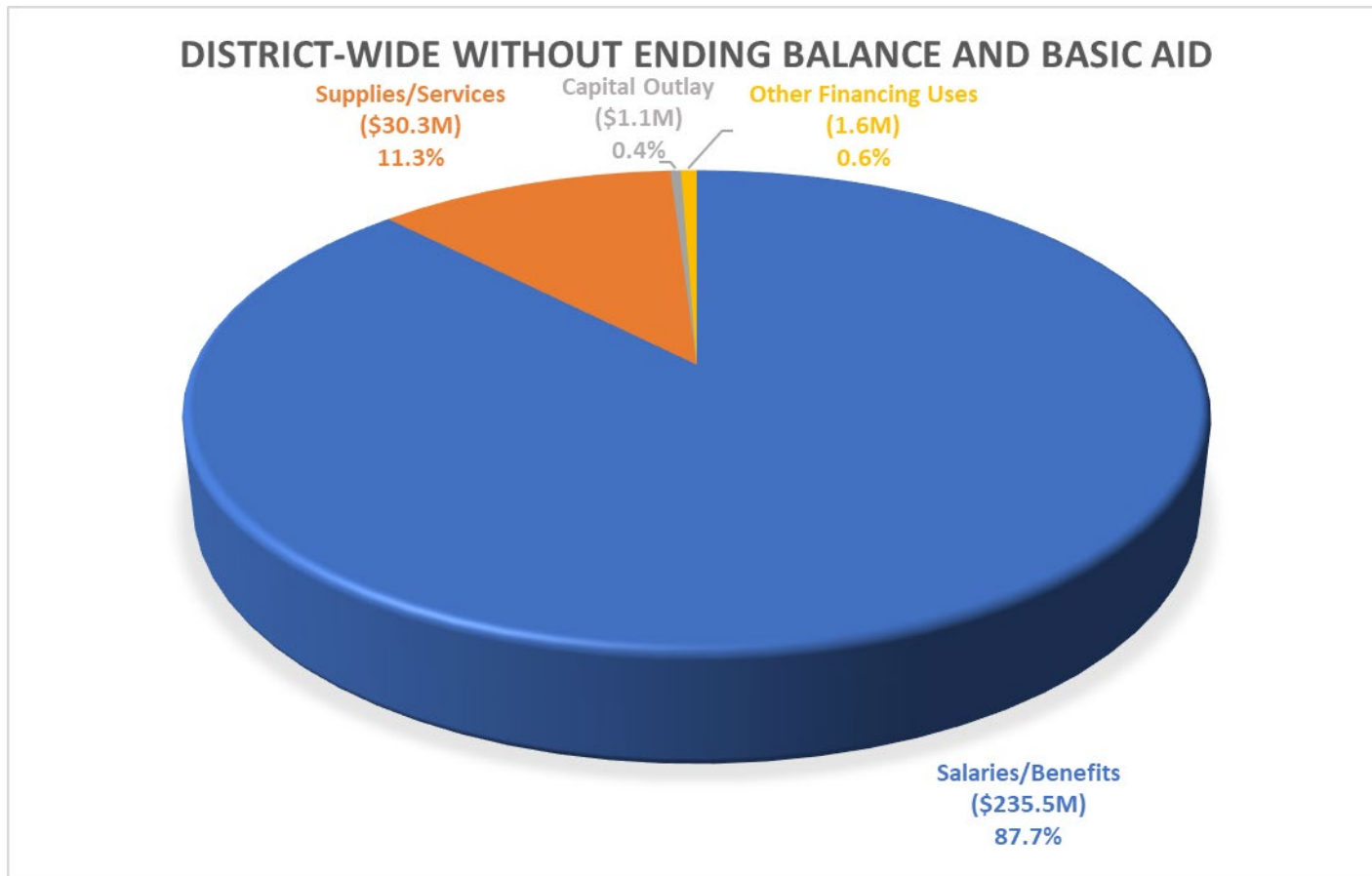


UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES

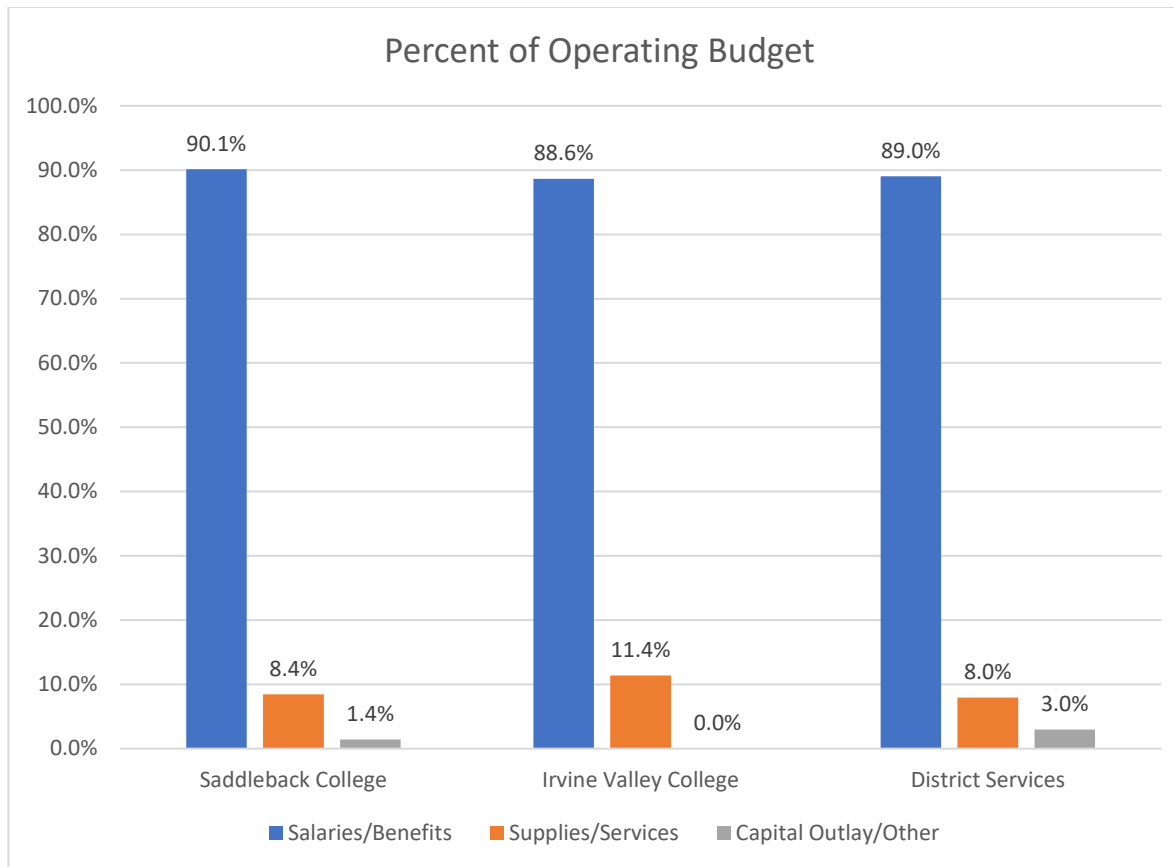
As is common with most other community college districts, the largest category of unrestricted expenditures, representing 53%, is for the Salaries and Benefits of our faculty, staff, and management team members. The remaining unrestricted expenditures cover Supplies and Services (7%), including utilities, insurance, professional development activities, auditing and legal fees, and other operating needs; Capital Outlay (0.2%) for equipment and library purchases; Other Financing Uses (21%) for basic aid projects and other transfers out; and Ending Fund Balance (19%).



Since the District is community-supported (basic aid), the percentages shown above are somewhat skewed due to the basic aid transfers out. Therefore, the following chart has been included in order to monitor the salaries and benefits percentage of overall expenditures excluding the basic aid transfers out and ending fund balances. When we remove the basic aid transfers out and ending fund balances, the percentage of salaries and benefits to total expenditures is at 88%, lower than other community college districts that are not community-supported.



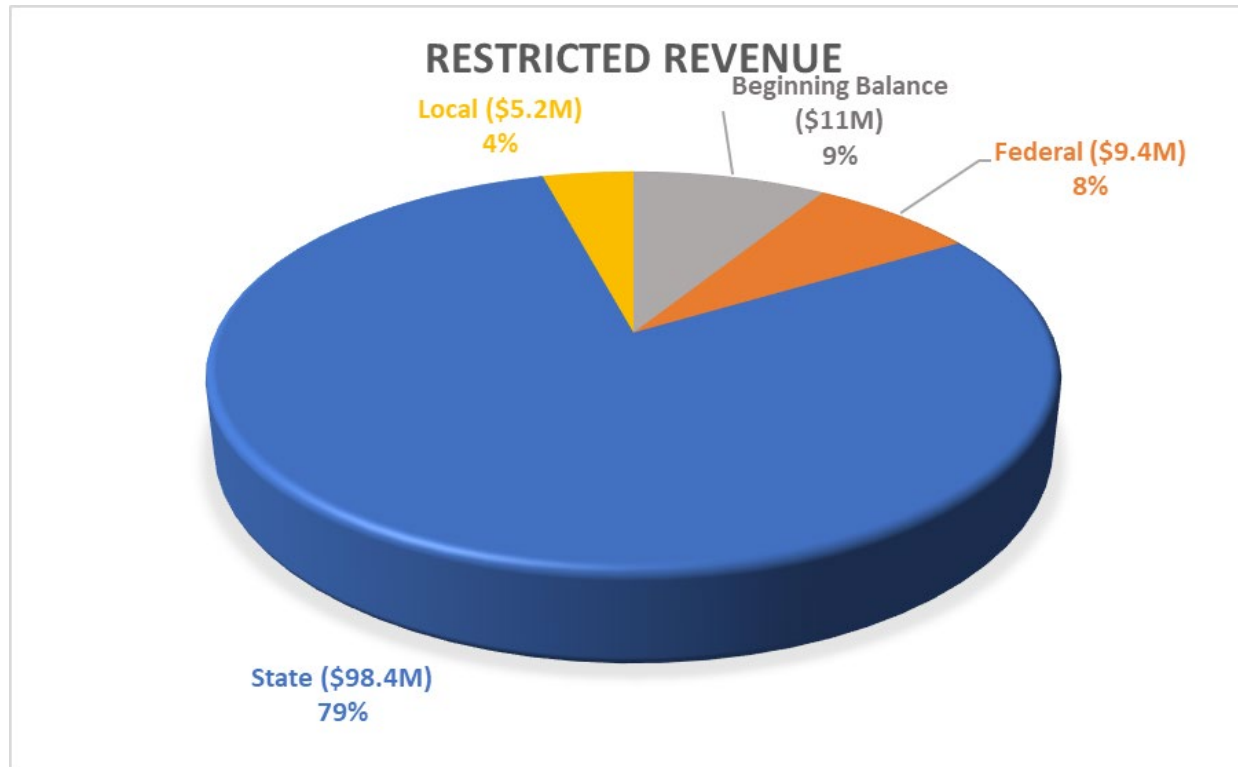
As previously mentioned, most of the expenditures in the unrestricted general fund operating budgets are for employee salaries and benefits. As seen on the following chart, Saddleback College’s salaries and benefits equal 90.1% of its operating budget (this is up from current year’s 85.5%); Irvine Valley College’s salaries and benefits equal 88.6% of its operating budget (this is the up from current year’s 88.2%); and District Services salaries and benefits equal 89.0% of its operating budget (this is up from current year’s 88.9%). These costs reflect the existing salary rates and estimated benefit cost increases.



For fiscal prudence, the District-wide recommended 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. All three areas are well within this range.

RESTRICTED GENERAL FUND

The other segment of the general fund is the *restricted portion (categorical programs and grants)*, representing approximately \$124 million (22%) 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: Career and Technical Education, 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 increased by \$28 million from the current year primarily due to the COVID-19 Recovery Block Grant; Mathematics, Engineering, Science Achievement Program; Student Equity and Achievement Program; and funding received for Physical Plant and Instructional Equipment. 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:	\$ 7,007,788	\$ 2,354,921	\$ -	\$ -	\$ 9,362,709
AANAPISI Project Director		609,988			609,988
College Work Study	443,626	169,103			612,729
Developing Hispanic Serving Institutions Program Title V	1,091,446				1,091,446
Financial Aid Administration	30,000	30,000			60,000
HSI-STEM - CSUF Subaward	25,113				25,113
Institute of Education Sciences - UC Davis Subaward	15,427	19,848			35,275
National Science Foundation	3,828,324	3,200			3,831,524
Perkins	867,314	356,878			1,224,192
Saving Veterans With Interventions Pilot	274,805	286,732			561,537
Science Technology Engineering and Math		833,269			833,269
Temporary Assistance for Needy Families (TANF)	50,968	41,903			92,871
Veterans Affairs Reporting Fees		4,000			4,000
WIOA Adult Education	380,765				380,765
State Funds:	\$ 60,201,332	\$ 37,222,114	\$ 924,220	\$ 75,456	\$ 98,423,122
Adult Education Block Grant	3,525,293	931,291			4,456,584
BFAP Student Financial Aid Administration	711,251	457,199			1,168,450
California Apprenticeship Initiative	120,000	-			120,000
California College Promise	3,138,779	3,634,253			6,773,032
Californians for All CCC	-	103,427			103,427
CalWORKs	414,822	260,236			675,058
Campus Safety and Sexual Assault	14,800	-			14,800
Child Development Training Consortium	32,164	-			32,164
Classified Professional Development				75,456	75,456
College and Career Access Pathways Instructional Materials	22,941	44,362			67,303
Cooperative Agencies Resources for Educ. (CARE)	209,394	141,247			350,641
COVID-19 Recovery Block Grant	5,015,932	2,991,224			8,007,156
Culturally Competent Faculty Professional Develop	43,587	-			43,587
Culturally Responsive Pedagogy & Practices	300,000	-			300,000
Disabled Student Programs and Services (DSPS)	4,565,774	1,357,959			5,923,733
Dreamer Resource Liaisons	224,125	263,894			488,019

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Employer Engagement Funds	215,870	-			215,870
Equal Employment Opportunity			30,000		30,000
Equal Employment Opportunity Best Practices			481,220		481,220
Equal Employment Opportunities Innovative Best Practices			300,000		300,000
Equitable Placement, Support and Completion (AB 1705)	674,926	445,047			1,119,973
Extended Opportunity Program and Services (EOPS)	1,304,767	1,614,383			2,919,150
Financial Aid Technology	51,476	41,177			92,653
Food and Housing Insecurity	481,384	415,908			897,292
Foster Kinship Care	530,583	-			530,583
Guided Pathways	209,410	213,144			422,554
Health Fee Services	500	-			500
Innovation and Effectiveness Grant			113,000		113,000
Integrated Basic Needs Center	789,369	676,174			1,465,543
Invention and Inclusive Innovation	14,000	-			14,000
Learning Aligned Employment Program	1,970,076	1,759,800			3,729,876
LGBTQ+	289,833	179,807			469,640
Mathematics, Engineering, Science Achievement Program	1,650,137	695,561			2,345,698
Mental Health Services	661,650	604,376			1,266,026
NEXTUP	2,002,821	460,815			2,463,636
Nursing Education	263,834	-			263,834
OC Pathways K-16	500,000	100,000			600,000
Physical Plant and Instructional Equipment	1,120,808	2,959,525			4,080,333
Puente Project	-	37,342			37,342
Real Estate Education	185,000	-			185,000
Regional Equity and Recovery Partnerships	140,276	-			140,276
Rising Scholars	348,217	382,500			730,717
State Lottery	1,138,517	721,805			1,860,322
Strong Workforce	7,827,447	2,922,942			10,750,389
Student Equity and Achievement Program	12,888,104	5,212,473			18,100,577
Student Retention and Enrollment	3,144,361	1,566,226			4,710,587
Student Success Completion Grant	2,664,731	3,197,977			5,862,708
Systemwide Technology and Data Security	40,744	42,616			83,360
UCR - Learning Labs	52,203	-			52,203
Veteran Credit Articulation Track Award	286,127	-			286,127
Veteran Resource Center	231,476	2,587,424			2,818,900
Zero Textbook Cost Program	183,823	200,000			383,823

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Local and Other Funds:	\$ 2,957,866	\$ 1,296,346	\$ -	\$ -	\$ 4,254,212
Health Fee Services	1,098,500	700,000			1,798,500
Parking Fee Services	1,477,849	566,000			2,043,849
Material Fees	90,650	16,650			107,300
UCI - Joint Graduate Student/Family Internship Program	-	13,696			13,696
Veterans Affairs Reporting Fees	8,000	-			8,000
Warne Family Endowment	264,362	-			264,362
Arthur N. Rupe Foundation Grant	18,505	-			18,505
Total Restricted General Fund	\$ 70,166,986	\$ 40,873,381	\$ 924,220	\$ 75,456	\$ 112,040,043

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 BP 6200 – *Budget Preparation*, the 2023-24 Tentative Budget includes a reserve for economic uncertainties in the amount of \$27,598,916 which is made up of a reserve for contingency of 7.5 percent of unrestricted operating funds, totaling \$18,217,693 and a reserve for contingency of 3.75 percent of unrestricted operating funds, totaling \$9,381,223. The State Chancellor’s Office recommends reserves of two months of unrestricted general fund operating expenditures. Furthermore, based upon BP 6210 – *Basic Aid Funds Allocation Process*, the 2023-24 Tentative Budget includes a basic aid reserve for unrealized tax collections of 20 percent plus unallocated funds totaling \$17,112,399. These three reserves combined meet the Chancellor’s Office recommended reserve level.

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) 2023-24 Tentative Budget						
	Saddleback College	Irvine Valley College	District Services	Basic Aid	Other	Total
Components of Ending Fund Balance						
Economic Uncertainties	\$ 5,062,580	\$ 3,432,284	\$ 886,359		\$ 18,217,693	\$ 27,598,916
Basic Aid				\$ 17,112,399		\$ 17,112,399
Unassigned	\$ 18,550,646	\$ 16,067,716	\$ 5,844,706	-	-	\$ 40,463,068
Total	\$ 23,613,226	\$ 19,500,000	\$ 6,731,065	\$ 17,112,399	\$ 18,217,693	\$ 85,174,383
<i>% of Total Uses of Funds</i>	<i>17.4%</i>	<i>21.3%</i>	<i>28.1%</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 1999-2000 and has received basic aid receipts as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
1999 - 2019	\$847,194,731
2019 - 2020	\$ 89,488,558
2020 - 2021	\$ 98,757,870
2021 - 2022	\$ 100,870,803
2022 – 2023 (Est)	\$ 93,121,894

The 2022-23 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 2023-24 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2023 - 2024	\$ 85,561,995
2024 - 2025	\$ 93,015,673
2025 – 2026	\$ 95,748,673
2026 – 2027	\$ 98,810,673

The assumptions used to estimate basic aid funds for 2023-24 include funding COLA at 8.22% for the SCFF as proposed in the May Revise. For the following years, SCFF COLA are estimated at 3.94%, 3.29%, and 3.19%, 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. Secured property taxes for 2023-24, and subsequent years, are budgeted with a 3.5% increase over the prior 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 2023-24 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 2023-24 Tentative Budget.

ESTIMATED BASIC AID RESOURCES & PLANNED EXPENDITURES

FY 2023-24 RESOURCES	Amount Approved in April	Tentative Budget
Balance as of July 1, 2023	\$ 36,699,096	\$ 36,635,014
Receipts FY 2023-24	\$ 85,481,892	\$ 85,561,995
Estimated Property Taxes for Basic Aid	\$ 122,180,988	\$ 122,197,009
Contingency for Unrealized Tax Collections (20%)	\$ (17,096,378)	\$ (17,112,399)
Unallocated Funds	\$ -	\$ -
Total Allocated Funds FY 2023-24	\$ 105,084,610	\$ 105,084,610
Budgeted Expenditures		
2023-24 Long-Term Obligations and Fixed Expenses	\$ 32,633,504	\$ 32,633,504
Funds for Technology and Capital Projects	\$ 72,451,106	\$ 72,451,106
Total Approved and Budgeted Projects	\$ 105,084,610	\$ 105,084,610

FY 2023-24 RESOURCES	Amount Approved in April	Tentative Budget
Basic Aid Projects		
Closed Projects	\$ 364,098,674	
Prior Approved Open Projects	\$ 840,383,796	
Total Prior Approved Projects	\$ 1,204,482,470	
Less Expenses and Commitments as of March 2023	\$ 985,374,363	
Net Uncommitted Balance	\$ 219,108,107	
New FY 2023-24 Project Funding		
Long Term Obligations & Fixed Expenses		
DW Credit Card/Bank Fees*	\$ 650,000	
Pension Stabilization Trust*	\$ 12,000,000	
Retiree Benefits Expenses*	\$ 19,853,504	
SOCCCD - Legislative Advocacy Services*	\$ 130,000	
Capital Projects/Scheduled Maintenance/Renovation		
DW – ADA Transition Plan Projects*	\$ 3,000,000	
DW – ATEP Site Development*	\$ 3,500,000	
DW – Planning	\$ 1,500,000	
IVC – Baseball Team Room	\$ 75,000	
IVC – EV Chargers	\$ 277,000	
IVC – Fine Arts Promenade Landscape/Hardscape/Coffee Structure*	\$ 7,270,565	
SC – ATEP First Building*	\$ 25,232,548	
SC – Baseball Turf and Scoreboard Replacement*	\$ 600,000	
SC – Science and Math Building	\$ 12,004,294	
SC – SM Electrical	\$ 800,000	
SC – Solar Canopy Phase II*	\$ 1,193,258	
SC – Student Housing and Village Demolition Phases 1 & 2	\$ 122,041	

**Reflects an augmentation to an existing project*

FY 2023-24 RESOURCES	Amount Approved in April	Tentative Budget
IT Projects		
DW – Banner Implementation*	\$ 7,700,000	
DW – Datacenter UPS Refresh	\$ 155,000	
DW – DTSMP Strategic Initiatives for 2023-24	\$ 225,000	
DW – HR/Business Service Integrated Software*	\$ 1,475,000	
DW – Maintenance, Updates and Modernization of Legacy Systems	\$ 225,000	
DW – Replace District-wide Security Log Correlation Platform	\$ 200,000	
DW – Student Information System Enhancement*	\$ 1,814,400	
IVC – AB 1111 Common Course Numbering	\$ 125,000	
IVC – Campus Desktop Refresh*	\$ 300,000	
IVC – DTSMP Baseline - Minor Technology Projects	\$ 550,000	
IVC – DTSMP Strategic Initiatives for 2023-24	\$ 525,000	
IVC – Palo Alto Firewalls for IVC Servers	\$ 300,000	
SC – AB 1111 Common Course Numbering	\$ 125,000	
SC – Building Fiber Redundancy	\$ 1,300,000	
SC – Business Continuity & Offsite Replication at ATEP	\$ 332,000	
SC – DTSMP Strategic Initiatives for 2023-24	\$ 225,000	
SC – Palo Alto Firewalls for SC Servers	\$ 300,000	
SC – Security Camera Lifecycle	\$ 500,000	
SC – Virtual System Refresh / DaaS	\$ 500,000	
Total FY 2023-24 Funded Projects	\$ 105,084,610	
Cumulative Total - Basic Aid Approved Projects	\$ 1,309,567,080	

**Reflects an augmentation to an existing project*

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, Saddleback College has budgeted a \$100,000 augmentation, 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.

Major Basic Aid Capital Construction Projects:

- Saddleback College projects include: a) Gateway Building – construction; b) Quad Renovation – construction; c) Science Math Building – construction; d) Parking Lot 12 Expansion and Softball Field Renovation – construction; e) Solar Canopies (first and second phases) – design and construction; f) Greenhouse Biology/Horticulture – design; g) Baseball Turf and Scoreboard Replacement – design; and h) Central Plant – design.
- Irvine Valley College projects include: a) Arts Village – construction; b) Fine Arts Promenade Landscape/Hardscape/Coffee Structure/Performing Arts Yard renovation – design and construction; c) Parking Lot 7 temporary to permanent/sidewalk to baseball – design; d) B200 Physical Sciences – B222 construction; and e) Student Services and Student Union Buildings – design.
- ATEP project: Saddleback College @ ATEP – 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 Banner implementation, Datacenter UPS refresh, District Technology Strategic Master Plan (DTSMP) strategic initiatives, replacement of district-wide security log correlation platform, and maintenance, updates, and modernization of the legacy system.

The final category consists of college-requested items such as DTSMP strategic initiatives, Palo Alto firewalls, security camera updates, AB1111 common course numbering, and upgrades to classroom technology along with faculty and staff computers.

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

Project Description	District-wide	Saddleback College	Irvine Valley College	District Services	Total
Basic Aid Projects:					
CIC Projects	\$ 28,734,753	\$ 124,684,792	\$ 73,628,450		\$ 227,047,995
IT Projects	\$ 21,413,980	\$ 15,075,938	\$ 6,982,589		\$ 43,472,507
State Funded Capital Outlay Projects:					
State Portion		\$ 21,642,000	\$ -		\$ 21,642,000
Basic Aid Match		\$ 71,999,260	\$ 36,421,686		\$ 108,420,946
State Scheduled Maintenance Projects		\$ 12,961,481	\$ 5,178,317		\$ 18,139,798
College Funded Capital Outlay Projects		\$ 2,318,101			\$ 2,318,101
Non-Resident Capital Outlay Funds		\$ 1,106,404	\$ 2,053,433		\$ 3,159,837
Student Housing Planning Grants		\$ 283,000	\$ 178,000		\$ 461,000
Redevelopment Funds		\$ 32,213,575	\$ 18,723,875	\$ 9,270,154	\$ 60,207,604
Future Capital Outlay Project Funds	\$ 41,614,060	\$ 13,400,457	\$ 7,600,000	\$ 1,117,868	\$ 63,732,385
Total	\$ 91,762,793	\$ 295,685,008	\$ 150,766,350	\$ 10,388,022	\$ 548,602,173

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 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.

An actuarial study is conducted annually to update the status of the District's irrevocable trust and determine any unfunded liabilities. The District's OPEB liability was updated in January 2023 with the completion of a required actuarial study. 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 \$7,551,240. The District's actuarial accrued liability for past service is estimated at \$140,574,020 which was underfunded by \$12,302,264. The actuarial determined normal cost of \$7,551,240 and the net unfunded liability of \$12,302,264 are 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 \$12 million DRAC allocation for 2023-24. 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 2023-24 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 2023-2024**

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) & (100)	(12)	(40)	(68)	(71), (72), (78)	(84)	(95) & (96)	(97)	
BEGINNING FUND BALANCE	9712 \$ 103,116,136	\$ 3,160,426	\$ -	\$ 432,154,635	\$ 2,194,069	\$ 141,646,452	\$ -	\$ 767,000	\$ 49,000	\$ 683,087,718
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199 \$ 9,362,709	\$ -	\$ 87,865	\$ -	\$ -	\$ 200,000	\$ 25,038,531	\$ -	\$ -	\$ 34,689,105
Other State Sources	8600-8699 125,002,885	-	-	40,242,798	-	-	4,045,824	-	-	169,291,507
Other Local Sources	8800-8899 316,884,621	1,860,320	1,249,185	15,108,871	30,000	6,972,900	-	521,000	91,000	342,717,897
Total Revenue	451,250,215	1,860,320	1,337,050	55,351,669	30,000	7,172,900	29,084,355	521,000	91,000	546,698,509
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919 \$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Fiscal Agent Pass-Thru	8970-8979 -	-	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981 15,174,275	-	130,000	61,095,869	616,948	31,853,504	-	-	-	108,870,596
Other Incoming Transfers	8982-8989 -	-	-	-	-	-	-	-	-	-
Total Other Sources	15,249,275	-	130,000	61,095,869	616,948	31,853,504	-	-	-	108,945,596
BASIC AID ALLOCATION	-	-	-	-	-	-	-	-	-	-
DRAC ALLOCATION	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	466,499,490	1,860,320	1,467,050	116,447,538	646,948	39,026,404	29,084,355	521,000	91,000	655,644,105
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999 \$ 109,701,129	\$ 37,342	\$ 12,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,751,115
Classified Salaries	2000-2999 76,154,114	816,631	898,383	1,798,342	405,634	-	-	167,786	-	80,240,890
Employee Benefits	3000-3999 88,809,963	394,809	443,306	905,948	234,314	5,784,000	-	75,614	-	96,647,954
Supplies & Materials	4000-4999 12,544,196	12,000	12,389	45,427	1,000	-	-	175,350	-	12,790,362
Services & Other Operating	5000-5999 82,112,325	3,759,964	12,463	27,783,860	247,840	518,050	-	577,150	94,500	115,106,152
Capital Outlay	6000-6999 6,419,006	-	-	517,672,197	2,000	-	-	19,000	-	524,112,203
Total Expenditures	375,740,733	5,020,746	1,379,185	548,205,774	890,788	6,302,050	-	1,014,900	94,500	938,648,676
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399 \$ 93,666,321	\$ -	\$ -	\$ -	\$ -	\$ 15,174,275	\$ -	\$ 30,000	\$ -	\$ 108,870,596
Other Outgoing Transfers	7400-7499 -	-	-	-	-	-	-	-	45,500	45,500
Payments to Students	7500-7699 15,034,189	-	87,865	-	-	-	29,084,355	140,600	-	44,347,009
Total Other Uses	108,700,510	-	87,865	-	-	15,174,275	29,084,355	170,600	45,500	153,263,105
TOTAL USES OF FUNDS	484,441,243	5,020,746	1,467,050	548,205,774	890,788	21,476,325	29,084,355	1,185,500	140,000	1,091,911,781
SURPLUS / (DEFICIT)	\$ (17,043,479)	\$ (3,160,426)	\$ -	\$ (431,758,236)	\$ (243,840)	\$ 17,550,079	\$ -	\$ (664,500)	\$ (49,000)	\$ (435,369,402)
ENDING FUND BALANCE	\$ 86,072,657	\$ -	\$ -	\$ 396,399	\$ 1,950,229	\$ 159,196,531	\$ -	\$ 102,500	\$ -	\$ 247,718,316
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties	\$ 27,598,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,598,916
Assigned Reserve, Basic Aid	17,112,399	-	-	-	-	-	-	-	-	17,112,399
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	159,196,531	-	102,500	-	159,299,031
Assigned Fund Balance	-	-	-	396,399	1,950,229	-	-	-	-	2,346,628
Unassigned Fund Balance	40,463,068	-	-	-	-	-	-	-	-	40,463,068
TOTAL ENDING FUND BALANCE	\$ 85,174,383	\$ -	\$ -	\$ 396,399	\$ 1,950,229	\$ 159,196,531	\$ -	\$ 102,500	\$ -	\$ 246,820,042

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2023-2024
 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	\$ 19,696,079	\$ 6,450,451	\$ 26,146,530	\$ 19,500,000	\$ 4,517,774	\$ 24,017,774	\$ 6,851,208	\$ -	\$ 6,851,208
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199	\$ -	\$ 7,007,788	\$ 7,007,788	\$ -	\$ 2,354,921	\$ 2,354,921	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	60,201,332	60,201,332	-	37,222,114	37,222,114	-	924,220	924,220
Other Local Sources	8800-8899	-	2,957,866	2,957,866	-	1,296,346	1,296,346	-	-	-
Total Revenue		-	70,166,986	70,166,986	-	40,873,381	40,873,381	-	924,220	924,220
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919	-	-	-	-	-	-	-	-	-
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981	(898,274)	898,274	-	-	-	-	-	-	-
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-	-	-
Total Other Sources		-	898,274	-	-	-	-	-	-	-
BASIC AID ALLOCATION		-	-	-	-	-	-	-	-	-
DRAC ALLOCATION		139,917,561	-	139,917,561	91,527,565	-	91,527,565	24,133,056	-	24,133,056
TOTAL SOURCES OF FUNDS		139,917,561	71,065,260	210,084,547	91,527,565	40,873,381	132,400,946	24,133,056	924,220	25,057,276
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ 61,365,326	\$ 6,262,633	\$ 67,627,959	\$ 38,002,592	\$ 2,727,400	\$ 40,729,992	\$ 1,276,314	\$ 66,864	\$ 1,343,178
Classified Salaries	2000-2999	25,646,804	10,160,881	35,807,685	19,183,049	8,010,457	27,193,506	12,576,070	130,658	12,706,728
Employee Benefits	3000-3999	35,582,830	7,193,346	42,776,176	23,935,119	4,567,452	28,502,571	7,744,438	64,242	7,808,680
Supplies & Materials	4000-4999	1,005,663	7,271,368	8,277,031	896,677	3,241,489	4,138,166	87,200	16,299	103,499
Services & Other Operating	5000-5999	10,450,569	36,534,176	46,984,745	9,510,128	16,543,917	26,054,045	1,843,729	646,157	2,489,886
Capital Outlay	6000-6999	950,948	2,266,675	3,217,623	-	3,092,883	3,092,883	108,500	-	108,500
Total Expenditures		135,002,140	69,689,079	204,691,219	91,527,565	38,183,598	129,711,163	23,636,251	924,220	24,560,471
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 616,948	\$ -	\$ 616,948
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	7,826,632	7,826,632	-	7,207,557	7,207,557	-	-	-
Total Other Uses		100,000	7,826,632	7,926,632	-	7,207,557	7,207,557	616,948	-	616,948
TOTAL USES OF FUNDS		135,102,140	77,515,711	212,617,851	91,527,565	45,391,155	136,918,720	24,253,199	924,220	25,177,419
SURPLUS / (DEFICIT)		\$ 4,815,421	\$ (6,450,451)	\$ (2,533,304)	\$ -	\$ (4,517,774)	\$ (4,517,774)	\$ (120,143)	\$ -	\$ (120,143)
ENDING FUND BALANCE		\$ 24,511,500	\$ -	\$ 23,613,226	\$ 19,500,000	\$ -	\$ 19,500,000	\$ 6,731,065	\$ -	\$ 6,731,065
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ 5,062,580	\$ -	\$ 5,062,580	\$ 3,432,284	\$ -	\$ 3,432,284	\$ 886,359	\$ -	\$ 886,359
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		18,550,646	-	18,550,646	16,067,716	-	16,067,716	5,844,706	-	5,844,706
TOTAL ENDING FUND BALANCE		\$ 23,613,226	\$ -	\$ 23,613,226	\$ 19,500,000	\$ -	\$ 19,500,000	\$ 6,731,065	\$ -	\$ 6,731,065

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2023-2024
 Revenues, Expenditures and Change in Fund Balance

		Basic Aid		Other		TOTAL		
		General Fund Unrestricted	General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	
BEGINNING FUND BALANCE	9712	\$ 25,279,777	20,820,847	\$ -	\$ 20,820,847	\$ 92,147,911	\$ 10,968,225	\$ 103,116,136
SOURCES OF FUNDS								
REVENUES:								
Federal Sources	8100-8199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,362,709	\$ 9,362,709
Other State Sources	8600-8699	-	26,579,763	75,456	26,655,219	26,579,763	98,423,122	125,002,885
Other Local Sources	8800-8899	-	312,630,409	-	312,630,409	312,630,409	4,254,212	316,884,621
Total Revenue		-	339,210,172	75,456	339,285,628	339,210,172	112,040,043	451,250,215
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	-	75,000	-	75,000	75,000	-	75,000
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981	-	15,174,275	-	15,174,275	14,276,001	898,274	15,174,275
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-
Total Other Sources		-	15,249,275	-	15,249,275	14,351,001	898,274	15,249,275
BASIC AID ALLOCATION		85,561,995	(85,561,995)	-	(85,561,995)	-	-	-
DRAC ALLOCATION		-	(255,578,182)	-	(255,578,182)	-	-	-
TOTAL SOURCES OF FUNDS		85,561,995	13,319,270	75,456	13,394,726	353,561,173	112,938,317	466,499,490
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ 100,644,232	\$ 9,056,897	\$ 109,701,129
Classified Salaries	2000-2999	-	446,195	-	446,195	57,852,118	18,301,996	76,154,114
Employee Benefits	3000-3999	-	9,722,536	-	9,722,536	76,984,923	11,825,040	88,809,963
Supplies & Materials	4000-4999	-	25,500	-	25,500	2,015,040	10,529,156	12,544,196
Services & Other Operating	5000-5999	780,000	5,728,193	75,456	5,803,649	28,312,619	53,799,706	82,112,325
Capital Outlay	6000-6999	-	-	-	-	1,059,448	5,359,558	6,419,006
Total Expenditures		780,000	15,922,424	75,456	15,997,880	266,868,380	108,872,353	375,740,733
OTHER FINANCING USES:								
Interfund Transfers Out	7300-7399	\$ 92,949,373	\$ -	\$ -	\$ -	\$ 93,666,321	\$ -	\$ 93,666,321
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	15,034,189	15,034,189
Total Other Uses		92,949,373	-	-	-	93,666,321	15,034,189	108,700,510
TOTAL USES OF FUNDS		93,729,373	15,922,424	75,456	15,997,880	360,534,701	123,906,542	484,441,243
SURPLUS / (DEFICIT)		\$ (8,167,378)	\$ (2,603,154)	\$ -	\$ (2,603,154)	\$ (6,075,254)	\$ (10,968,225)	\$ (17,043,479)
ENDING FUND BALANCE		\$ 17,112,399	\$ 18,217,693	\$ -	\$ 18,217,693	\$ 86,072,657	\$ -	\$ 86,072,657
COMPONENTS OF ENDING BALANCE								
Assigned Reserve, Economic Uncertainties		\$ -	18,217,693	\$ -	18,217,693	27,598,916	\$ -	27,598,916
Assigned Reserve, Basic Aid		17,112,399	-	-	-	17,112,399	-	17,112,399
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	40,463,068	-	40,463,068
TOTAL ENDING FUND BALANCE		\$ 17,112,399	\$ 18,217,693	\$ -	\$ 18,217,693	\$ 85,174,383	\$ -	\$ 85,174,383

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2023-2024**

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 \$ 2,849,961	\$ 310,465	\$ 3,160,426	\$ -	\$ 134,197,538	\$ 7,448,914
SOURCES OF FUNDS							
REVENUES:							
Federal Sources	8100-8199 \$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Other State Sources	8600-8699 -	-	-	-	-	-	-
Other Local Sources	8800-8899 1,657,320	203,000	1,860,320	10,900	5,500,000	1,462,000	6,972,900
Total Revenue	1,657,320	203,000	1,860,320	210,900	5,500,000	1,462,000	7,172,900
OTHER FINANCING SOURCES:							
Sale of Surplus	8910-8919 -	-	-	-	-	-	-
Fiscal Agent Pass-Thru	8970-8979 -	-	-	-	-	-	-
Interfund Transfers In	8980-8981 -	-	-	6,582,400	13,271,104	12,000,000	31,853,504
Other Incoming Transfers	8982-8989 -	-	-	-	-	-	-
Total Other Sources	-	-	-	6,582,400	13,271,104	12,000,000	31,853,504
BASIC AID ALLOCATION	-	-	-	-	-	-	-
DRAC ALLOCATION	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	1,657,320	203,000	1,860,320	6,793,300	18,771,104	13,462,000	39,026,404
USES OF FUNDS							
EXPENDITURES:							
Academic Salaries	1000-1999 \$ 13,258	\$ 24,084	\$ 37,342	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999 706,951	109,680	816,631	-	-	-	-
Employee Benefits	3000-3999 315,010	79,799	394,809	5,784,000	-	-	5,784,000
Supplies & Materials	4000-4999 11,500	500	12,000	-	-	-	-
Services & Other Operating	5000-5999 3,460,562	299,402	3,759,964	9,300	448,750	60,000	518,050
Capital Outlay	6000-6999 -	-	-	-	-	-	-
Total Expenditures	4,507,281	513,465	5,020,746	5,793,300	448,750	60,000	6,302,050
OTHER FINANCING USES:							
Interfund Transfers Out	7300-7399 \$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,174,275	\$ 15,174,275
Other Outgoing Transfers	7400-7499 -	-	-	-	-	-	-
Payments to Students	7500-7699 -	-	-	-	-	-	-
Total Other Uses	-	-	-	-	-	15,174,275	15,174,275
TOTAL USES OF FUNDS	4,507,281	513,465	5,020,746	5,793,300	448,750	15,234,275	21,476,325
SURPLUS / (DEFICIT)	\$ (2,849,961)	\$ (310,465)	\$ (3,160,426)	\$ 1,000,000	\$ 18,322,354	\$ (1,772,275)	\$ 17,550,079
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 152,519,892	\$ 5,676,639	\$ 159,196,531
COMPONENTS OF ENDING BALANCE							
Assigned Reserve, Economic Uncertainties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid	-	-	-	-	-	-	-
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	1,000,000	152,519,892	5,676,639	159,196,531
Assigned Fund Balance	-	-	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 152,519,892	\$ 5,676,639	\$ 159,196,531

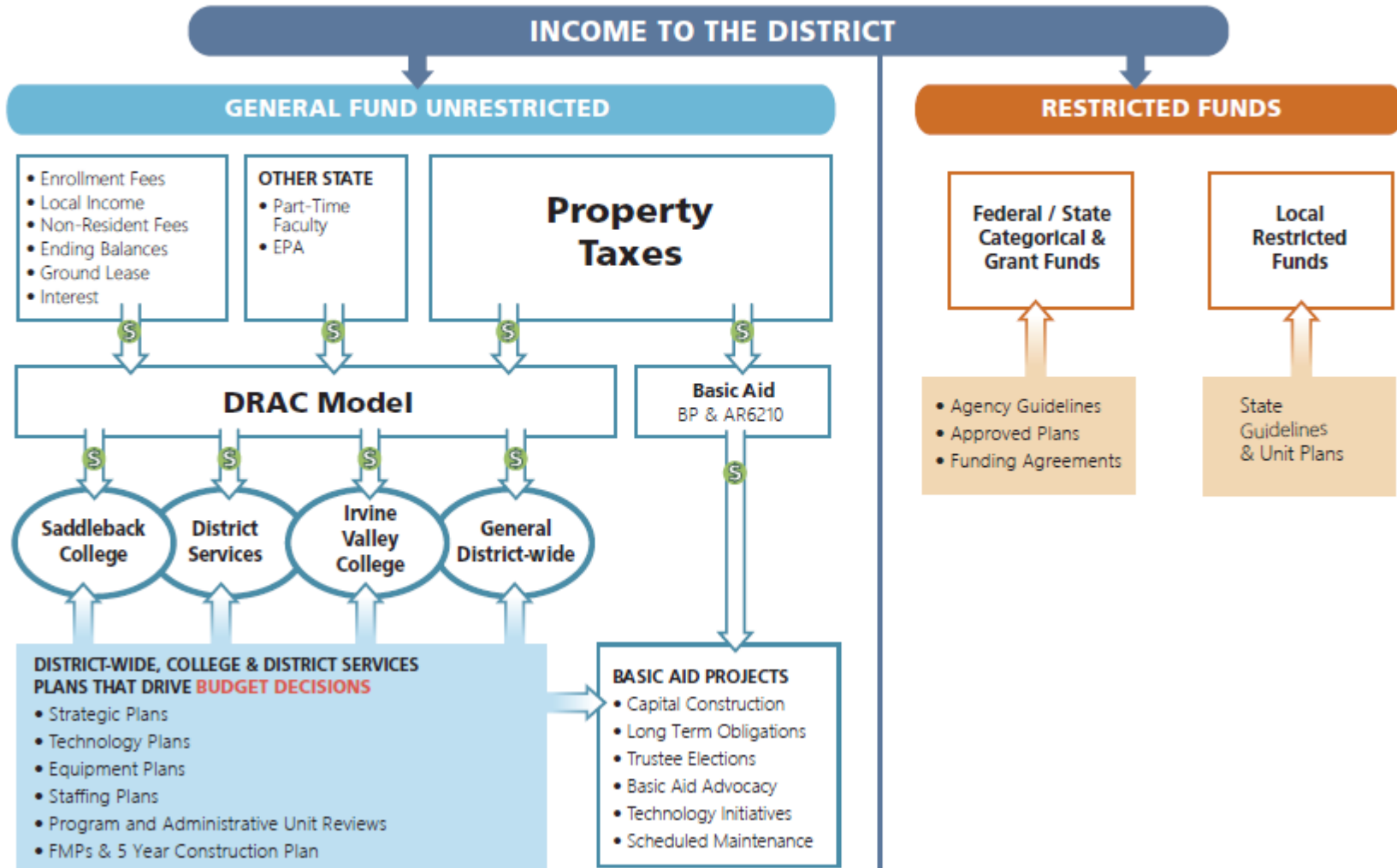
SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2023-2024
 Revenues, Expenditures and Change in Fund Balance

	Student Financial Aid Fund			Associated Student Government Funds			Student Representation Fee Funds		
	Saddleback College (84)	Irvine Valley College (84)	Total	Saddleback College (95)	Irvine Valley College (96)	Total	Saddleback College (97)	Irvine Valley College (97)	Total
BEGINNING FUND BALANCE	9712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,000	\$ -	\$ 49,000
SOURCES OF FUNDS									
REVENUES:									
Federal Sources	8100-8199	\$ 12,893,723	\$ 12,144,808	\$ 25,038,531	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	1,878,201	2,167,623	4,045,824	-	-	-	-	-
Other Local Sources	8800-8899	-	-	-	248,000	273,000	521,000	55,000	36,000
Total Revenue		14,771,924	14,312,431	29,084,355	248,000	273,000	521,000	55,000	91,000
OTHER FINANCING SOURCES:									
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981	-	-	-	-	-	-	-	-
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-	-
Total Other Sources		-	-	-	-	-	-	-	-
BASIC AID ALLOCATION									
DRAC ALLOCATION									
TOTAL SOURCES OF FUNDS		14,771,924	14,312,431	29,084,355	248,000	273,000	521,000	55,000	36,000
USES OF FUNDS									
EXPENDITURES:									
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	-	-	-	71,099	96,687	167,786	-	-
Employee Benefits	3000-3999	-	-	-	20,203	55,411	75,614	-	-
Supplies & Materials	4000-4999	-	-	-	110,550	64,800	175,350	-	-
Services & Other Operating	5000-5999	-	-	-	93,048	484,102	577,150	76,500	18,000
Capital Outlay	6000-6999	-	-	-	3,000	16,000	19,000	-	-
Total Expenditures		-	-	-	297,900	717,000	1,014,900	76,500	18,000
OTHER FINANCING USES:									
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	27,500	18,000
Payments to Students	7500-7699	14,771,924	14,312,431	29,084,355	47,600	93,000	140,600	-	-
Total Other Uses		14,771,924	14,312,431	29,084,355	77,600	93,000	170,600	27,500	18,000
TOTAL USES OF FUNDS		14,771,924	14,312,431	29,084,355	375,500	810,000	1,185,500	104,000	36,000
SURPLUS / (DEFICIT)		\$ -	\$ -	\$ -	\$ (127,500)	\$ (537,000)	\$ (664,500)	\$ (49,000)	\$ -
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 12,500	\$ 90,000	\$ 102,500	\$ -	\$ -
COMPONENTS OF ENDING BALANCE									
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	12,500	90,000	102,500	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 12,500	\$ 90,000	\$ 102,500	\$ -	\$ -

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 exceed 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 achieve 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. Additionally, each college and District Services must maintain a general fund reserve for economic uncertainties of no less than 3.5% of the projected unrestricted expenditures for the colleges and District Services.
- **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; water conservation projects, and energy savings projects. 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.