



**South
Orange
County**

**Community
College District**



Tentative Budget 2024 - 2025

JUNE 24, 2024

THE DISTRICT



**South
Orange
County**
Community
College 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.

Student enrollment continues to rebound with resident full time equivalent students (FTES) exceeding pre-pandemic levels. Total student headcount increased for spring 2024 to over 38,100 with FTES at the second period reporting for 2023-24 of 26,625 FTES as compared to 23,339 FTES in 2022-23. SOCCCD has approximately 3,350 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 has to address deficits in both 2024-25 and 2025-26. Locally our growth in FTES continues to provide much needed resources through our resource allocation model to support our students and staff. 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 as updated for college priorities; while the DTC requests came from the District Technology Strategic Master Plan; 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 10, 2024. The overall allocation for Proposition 98 funding is \$109.1 billion with \$12.6 billion going to community colleges. The May Revision proposed a \$0.8 billion increase

from the January proposed budget. The proposed budget includes providing a 1.07% cost of living adjustment (COLA) for the Student Centered Funding Formula (SCFF), the mandated block grant, and certain categorical programs.

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:

- \$100.2 million for apportionment (1.07%) COLA.
- \$28.1 million (0.5%) for enrollment growth.
- \$0.52 million (1.07%) COLA for mandated cost block grant programs.
- \$12 million (1.07%) COLA for Adult Education, CARE, Apprenticeship, CalWORKS, DSPS, EOPS, and Child Care Tax Credit Bailout.

One-time resources:

- \$60 million to expand nursing programs and Bachelor of Science Nursing partnerships. The funding methodology will be negotiated through the legislative trailer bill process.
- \$12 million to expand the eTranscript California project.
- \$12 million to continue the common cloud data platform demonstration project.
- \$6 million for mapping pathways for Credit for Prior Learning. These funds would be allocated through a competitive grant process.
- \$5 million for educational pathways for low-income workers in the United Domestic Workers (UDW).

As is common during this time of year, the state legislature has already proposed many changes to the programs listed above as they do not agree with many of the budget tactics taken by the Governor. 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 \$501.6 million and budgeted expenditures of \$519.7 million, with an anticipated spending down of reserves totaling \$18.1 million leaving \$95.5 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 4.0 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 (excluding basic aid allocations) equal 86.5%, which is slightly less than our recommended budget target of 87% - 92%. 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 2024-25. The PERS rates are set each year by the PERS Board and the 2024-25 rate is 27.05%. The estimated increased costs over the current year are \$726 thousand. 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 \$59.2 million to the trust but with the withdrawals to fund for the increased costs, the balance on May 31, 2024, is only \$12.1 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 2024-25, the District budgeted a \$15 million basic aid allocation towards this.

After providing \$13.1 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 2024-25 fiscal year total approximately \$111.5 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 29, 2024, 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 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 3.5 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

Irvine Valley College's (IVC) proposed unrestricted general fund Tentative Budget is \$122.1 million for the upcoming fiscal year which represents a 5.9% increase compared to the prior year Adopted Budget. A major change from the previous year's Adopted Budget includes a \$2.2 million (3%) increase in revenue from the Student-Centered Funding Formula (SCFF). The growth is attributed to a proposed 1.07% state cost of living adjustment (COLA) and a rebound in resident student Full-Time Equivalent Students (FTES) to pre-pandemic levels. Additional changes from the previous year's Adopted Budget include a \$2.5 million increase in District-wide state and local revenues primarily driven by earned interest.

The budget projects \$7.9 million in non-resident tuition revenue, marking a \$2.2 million increase over the prior year. As of the 2023-24 second principal apportionment (P2), non-resident FTES increased by 23.4% to 830.71 from 673.02 in the previous year. Compared to 2019-20, IVC has recovered 74.4% of its non-resident FTES and anticipates further enrollment growth in 2024-25 and beyond, especially within its International Student Program.

The above increases are partly offset by a \$1.1 million reduction in the basic allocation of the funding formula due to the college's reclassification from a medium to a small college status. The college's P2 resident FTES was 9,955, which was 45 FTES shy of the 10,000 FTES threshold needed for the medium-size college status. A 0.5 percent FTES growth would reverse this reduction which is very likely to occur in 2024-25.

IVC continues to leverage its COVID-19 Recovery Block Grant (RBG) and other funding sources to enhance student engagement and retention. The College Promise Program remains a cornerstone, offering free tuition to over 2,200 full-time students, 61.3% of whom come from low-income backgrounds. The one-time RBG funds will sustain these enhanced efforts for the next two years, though long-term enrollment prospects remain uncertain due to the state budget projections and a possible economic downturn.

In its commitment to student success, IVC has also hired three new faculty members for the upcoming fall semester within the Chemistry department (two) and Library.

Saddleback College

The 2024-25 Tentative Budget for Saddleback College shows \$154.7 million total revenue (6.3% increase over 2023-24 Adopted Budget) and \$156.0 total appropriations (6.58% increase). Appropriations include a transfer of excess one-time funds to the Capital Outlay Fund, providing flexibility for the addition of new resource requests approved from the college's annual resource allocation process in the final budget, and additional one-time funds to replace furniture, fixtures, and equipment; and accelerate the implementation of the college's Facilities Master, Sustainability, and Scheduled Maintenance plans.

Total revenue includes increases in: SCFF revenue of \$5.9 million (mostly from unbudgeted FTES growth in 2023-24); local income (interest and lease revenue) of \$4 million; and a one-time prior year adjustment of \$5 million. Continuity of SCFF revenue is dependent on continued growth in FTES as the Emergency Condition Allowance phases out, and higher Supplemental and Success outcomes to replace \$2 million of one-time Stability funds included in SCFF revenue. In addition, 2024-25 creates the new base level funding for future years. If FTES, Supplemental, and Success levels are not sustained at current levels, the SCFF funds will not increase with COLAs in 2025-26 and beyond. Additionally, lease revenue will continue to grow, but interest revenue fluctuates with interest rates, so it is an unreliable source for long-term ongoing funding.

Total appropriations include increases for COLA, step and column, benefit rates, and estimated one-time expenses. Faculty positions are budgeted to maintain compliance with the Faculty Obligation Number (FON) and classified positions and other ongoing appropriations are being strategically added through the college's resource allocation process to maintain alignment with changes in ongoing revenues. One-time revenues will continue to be used to make investments in replacement and improvements to capital assets, including ensuring funding for the college's long-term capital plans. The college continues to exercise diligence in its use of resources to achieve District and college goals and maintain its long-term 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 26, 2024, Board meeting.

Ann-Marie Gabel

Vice Chancellor, Business Services

South Orange County Community College District

BUDGET DEVELOPMENT GUIDELINES

(Approved by the Board on January 22, 2024)

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.

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. To the extent feasible and within reason, 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 without including a plan as to how the reserve will be restored going forward.

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. In September 2023 the agreement with Benefit Trust Company was renewed up to an additional five-year term. 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 1.07% cost of living adjustment (COLA).
- Current year FTES are up as of P2 reporting. Targets for 2024-25 reflects 0.1% growth on the 2024-25 Base FTES per the SCFF calculation.

IVC	2020-21 Recalc	2021-22 Annual	2022-23 Recalc	2023-24 P2	2024-25 Target
Credit	8,676.14	7,750.32	7,497.69	8,611.44	8,519.75
Non-Credit CDCP	606.48	597.99	679.71	931.36	929.03
Non-Credit	271.75	249.30	307.09	412.45	407.63
TOTAL	9,554.37	8,597.61	8,484.49	9,955.25	9,856.41
Percentage Change		-10.0%	-1.3%	17.3%	-1.0%
SC	2020-21 Recalc	2021-22 Annual	2022-23 Recalc	2023-24 P2	2024-25 Target
Credit	14,394.05	12,904.45	12,768.20	13,846.65	13,802.57
Non-Credit CDCP	688.52	610.85	627.33	1,014.19	1,027.05
Non-Credit	1,862.62	1,613.08	1,459.15	1,809.37	1,750.96
TOTAL	16,945.19	15,128.38	14,854.68	16,670.21	16,580.58
Percentage Change		-10.7%	-1.8%	12.2%	-0.5%
Total	2020-21 Recalc	2021-22 Annual	2022-23 Recalc	2023-24 P2	2024-25 Target
Credit	23,070.19	20,654.77	20,265.89	22,458.09	22,322.32
Non-Credit CDCP	1,295.00	1,208.84	1,307.04	1,945.55	1,956.08
Non-Credit	2,134.37	1,862.38	1,766.24	2,221.82	2,158.59
TOTAL	26,499.56	23,725.99	23,339.17	26,625.46	26,436.99
Percentage Change		-10.5%	-1.6%	14.1%	-0.7%

- Education Protection Act (EPA) funds are budgeted at \$2.7 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 \$4.9 million based on an estimated \$177 per FTES. Lottery funds are paid on all FTES, including non-resident FTES.
- Interest revenue is budgeted at \$12 million based on estimated earnings from 2023-24.
- Ground lease revenue is budgeted at \$4.7 million which includes revenue from the County of Orange parcel at ATEP, ground lease tenants at ATEP, and the consumer price index (CPI) escalation of 3.47% for the apartment complex.
- The property and liability insurance coverage is budgeted at \$1.8 million, an increase of \$160,000 (10%) over 2023-24.
- 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 10% 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 lower by 5.4% for the Adopted Budget.
- Workers' Compensation insurance is budgeted at 1.24% of salaries, the same as 2023-24. The rate will decrease to 1.14% for the Adopted Budget based on renewals received.
- The unemployment insurance rate for 2024-25 is budgeted at 0.05%, the same as 2023-24.
- The State Teachers Retirement System (STRS) employer contribution rate for 2024-25 is budgeted at 19.1% of salaries, the same as 2023-24.

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 Budgeted	2024-25 Budgeted	Annual Increase 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	8,526,601	9,637,350	10,747,884	11,782,669	11,626,923	12,483,970	14,892,847	14,883,194	15,595,427	8,902,494

- The Public Employees Retirement System (PERS) employer contribution rate approved by the PERS board is 27.05% of salaries, an increase of 0.37% from 2023-24.

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 Budgeted	2023-24 Budgeted	Annual Increase over 2015-16
PERS Annual Rate	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%	26.680%	27.050%	
PERS Contribution	4,491,723	5,644,884	6,248,623	7,566,399	8,816,672	9,272,500	14,101,992	13,478,053	15,414,549	16,233,980	11,742,257

The General Expenses have the following budgeted amounts:

General Expense Description	2024-25 Amount	Change from 2023-24
Business Continuity Training	\$ 100,000	\$ 100,000
CSEA Professional Development	\$ 30,000	\$ -
Discrimination/Harassment Investigation Services	\$ 583,000	\$ 34,171
District Services Facilities and Maintenance*	\$ 328,134	\$ 3,474
District-wide IT Maintenance Agreements	\$ 2,166,010	\$ 161,819
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	\$ 218,605	\$ (6,900)
Internal Audit	\$ 343,500	\$ 11,641
Labor Contract Negotiations	\$ 100,000	\$ -
Legal Advertising	\$ 65,000	\$ -
Legal Fees	\$ 675,000	\$ -
Local Experience Charge – Unemployment Insurance	\$ 100,000	\$ -
Personnel Advertising	\$ 150,000	\$ -
Property and Liability Insurance	\$ 1,760,000	\$ 160,000
Taxpayer Relief Act Compliance	\$ 58,000	\$ -
TOTAL GENERAL EXPENSE ACCOUNTS	\$ 6,837,249	\$ 464,205
District Services Facilities and Maintenance*	\$ (328,134)	\$ (3,474)
ADJUSTED GENERAL EXPENSE ACCOUNTS	\$ 6,509,115	\$ 460,731

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

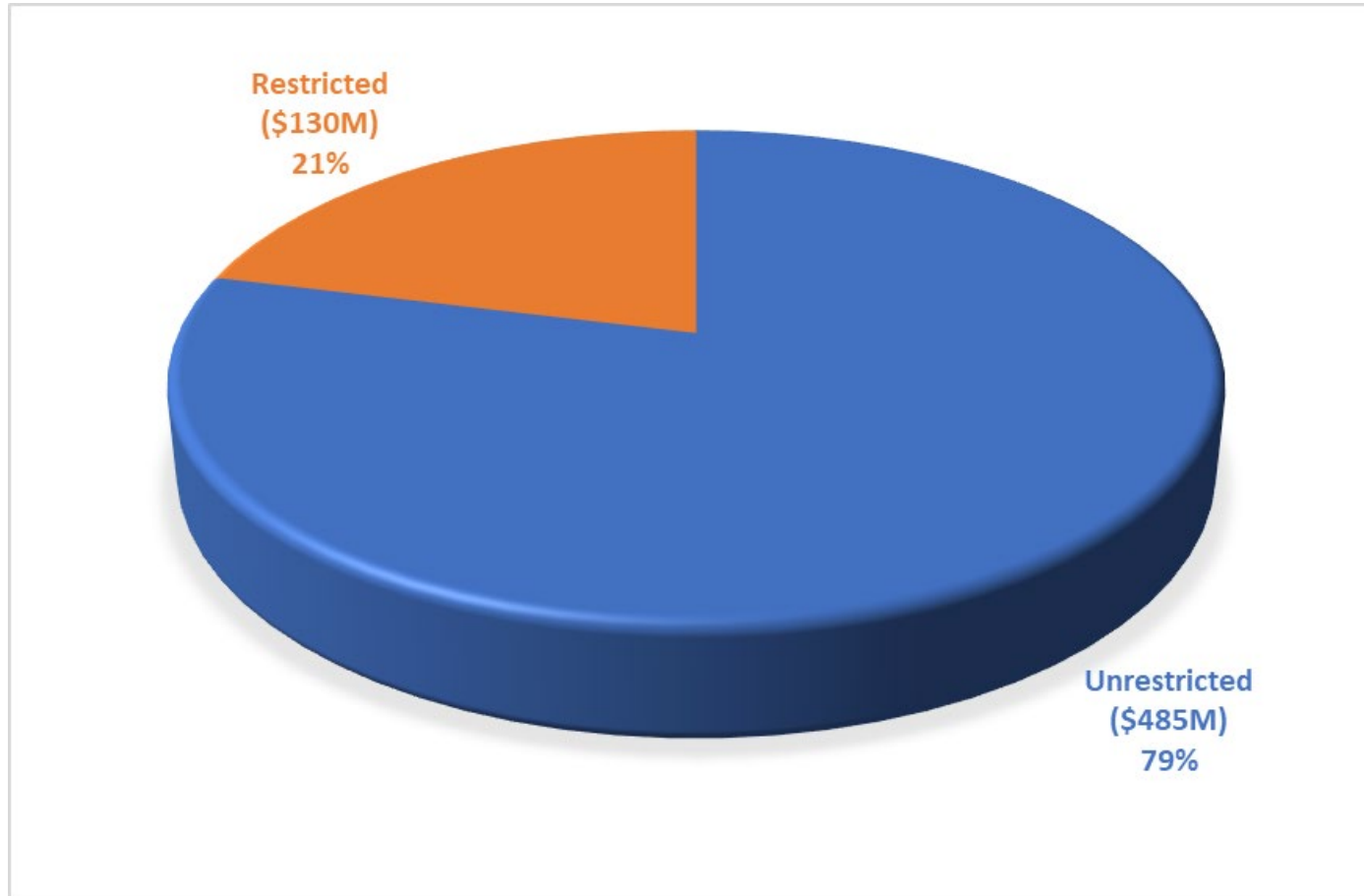
The 2024-25 Tentative Budget includes inter-fund transfers as follows:

	<u>TO:</u>		<u>FROM:</u>			
	General Fund SC	General Fund DS	General Fund Basic Aid	Pension Stabilization Trust Fund	Associated Student Government SC	Total
General Fund IVC (a)				\$ 6,183,786		\$ 6,183,786
General Fund SC (a)				\$ 9,328,290		\$ 9,328,290
General Fund DS (a)				\$ 2,293,989		\$ 2,293,989
Child Development Fund (b)	\$ 250,000				\$ 30,000	\$ 280,000
Capital Outlay (c)	\$ 6,071,614	\$ 1,000,000	\$ 75,147,707			\$ 82,219,321
Self-Insurance Fund (d)		\$ 602,108				\$ 602,108
Retiree Benefits Fund (e)		\$ 200,000	\$ 6,963,948			\$ 7,163,948
Pension Stabilization Trust Fund (f)			\$ 15,000,000			\$ 15,000,000
Total Transfers	\$ 6,321,614	\$ 1,802,108	\$ 97,111,655	\$ 17,806,065	\$ 30,000	\$ 123,071,442

- 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 District and college projects
- d) DS funds to support the Risk Management Department
- e) Basic Aid funds allocated for OPEB Trust Fund and RDS subsidy transferred from the General Fund
- f) Basic Aid funds allocated for Pension Stabilization Trust Fund

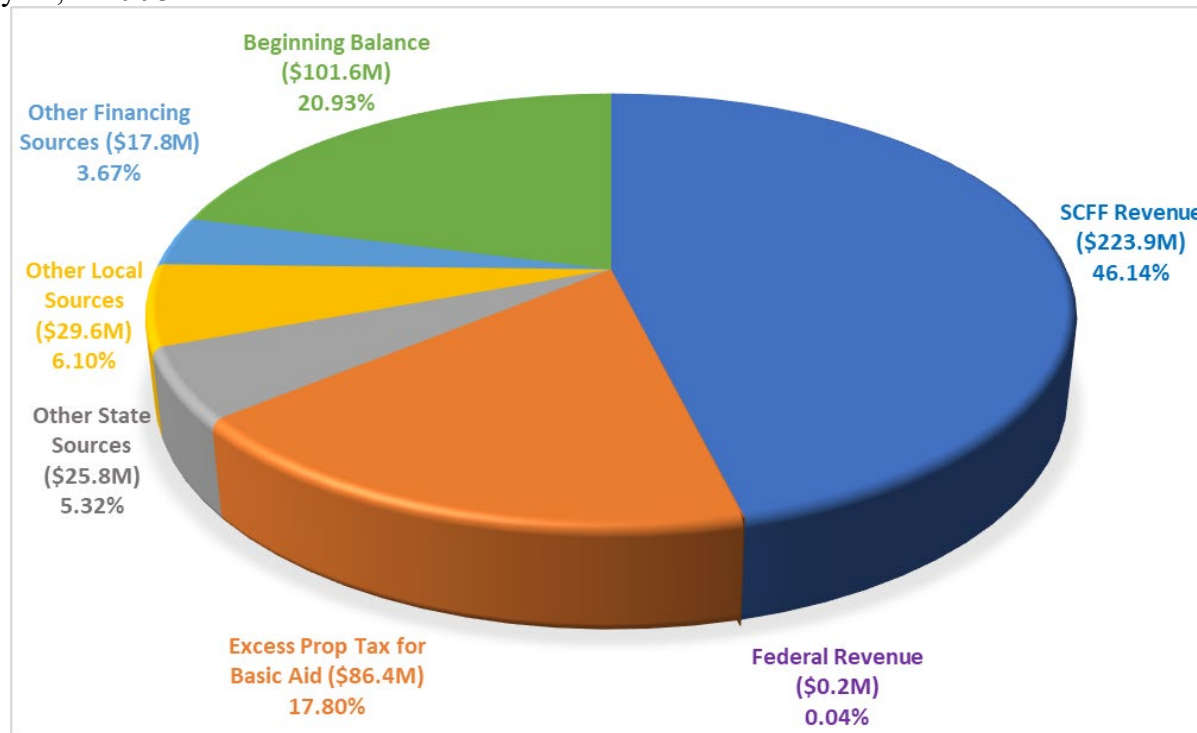
GENERAL FUND REVENUE

The general fund, which totals \$615 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.”



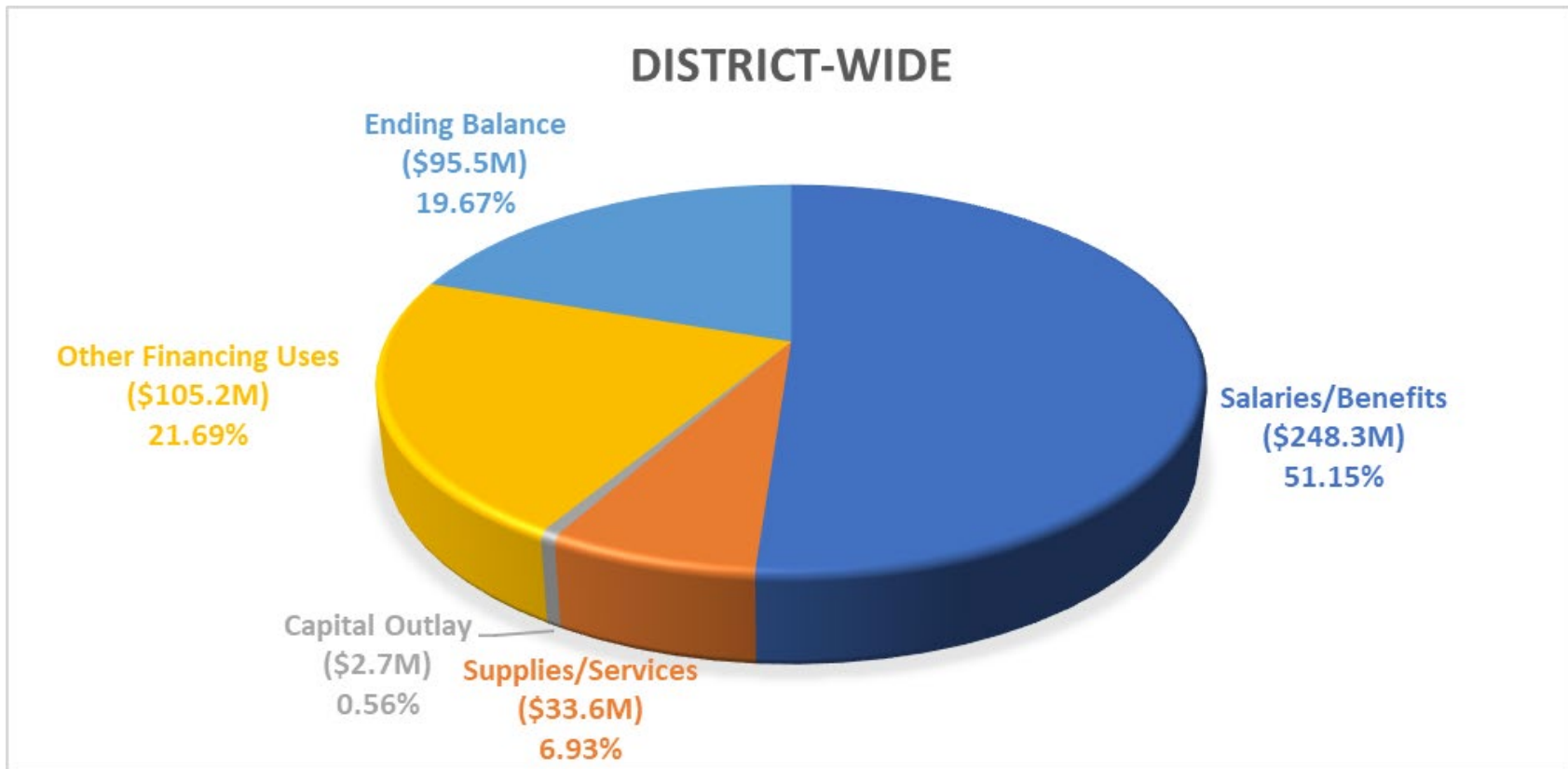
UNRESTRICTED GENERAL FUND REVENUE

The largest segment of the general fund is the *unrestricted portion*, which includes \$383.7 million in total revenues and other sources of funds and \$101.6 million in beginning fund balance for a grand total of \$485.3 million. This fund accounts for resources for the general-purpose programs of the District (79% of the activity). This is an increase of \$29.2 million over last year due to projected increases in property taxes. Of the total revenues and other sources, 46.14% 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 (17.80%), Federal Sources (0.04%), Other State Sources (5.32%), including EPA funds and Lottery, Other Local Sources (6.10%), including non-resident tuition, interest, and ground leases, and Other Financing Sources (3.67%), including sale of surplus and interfund transfers. The beginning balance, carried forward from the prior year, is 20.93% of available unrestricted funds.

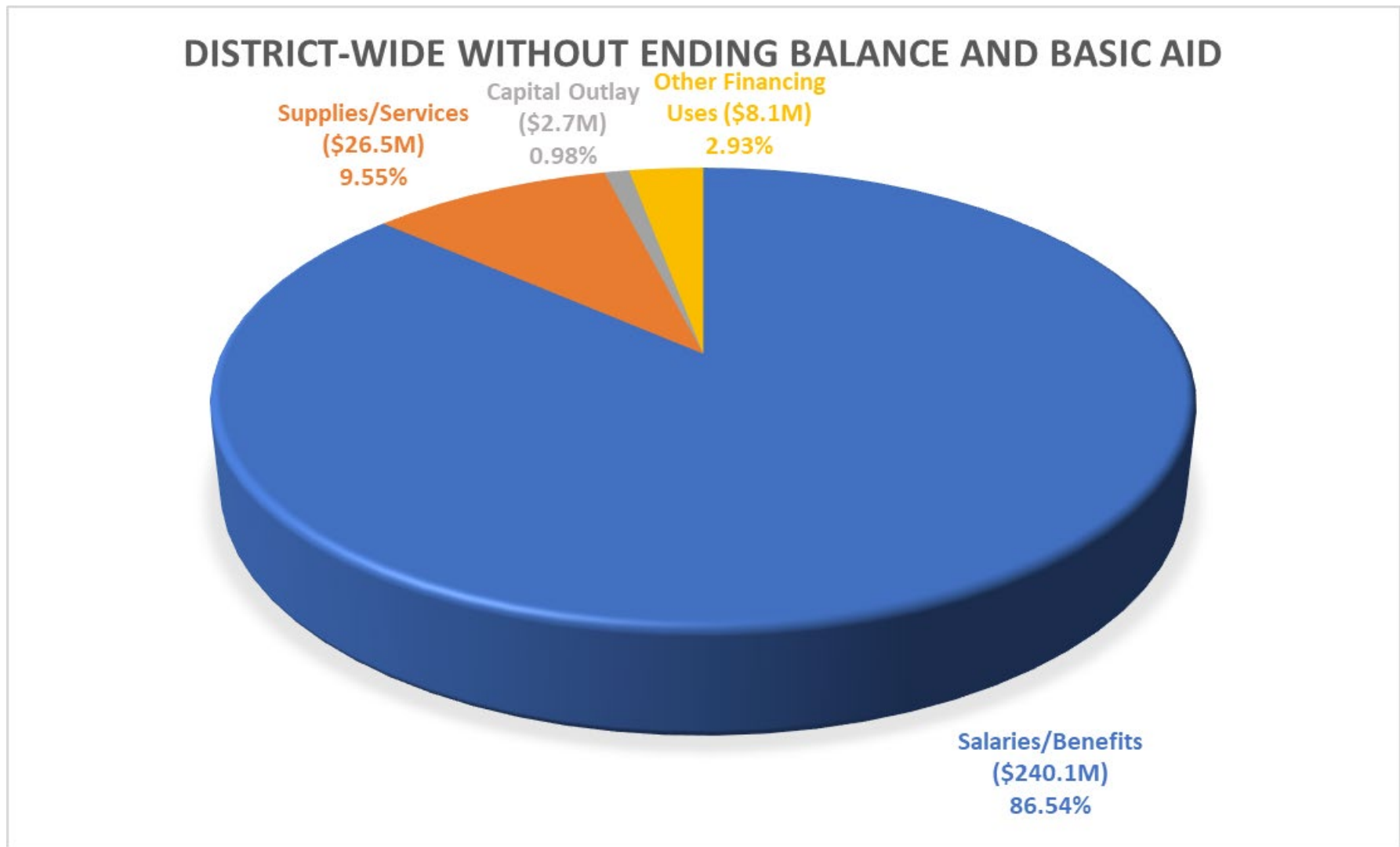


UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES

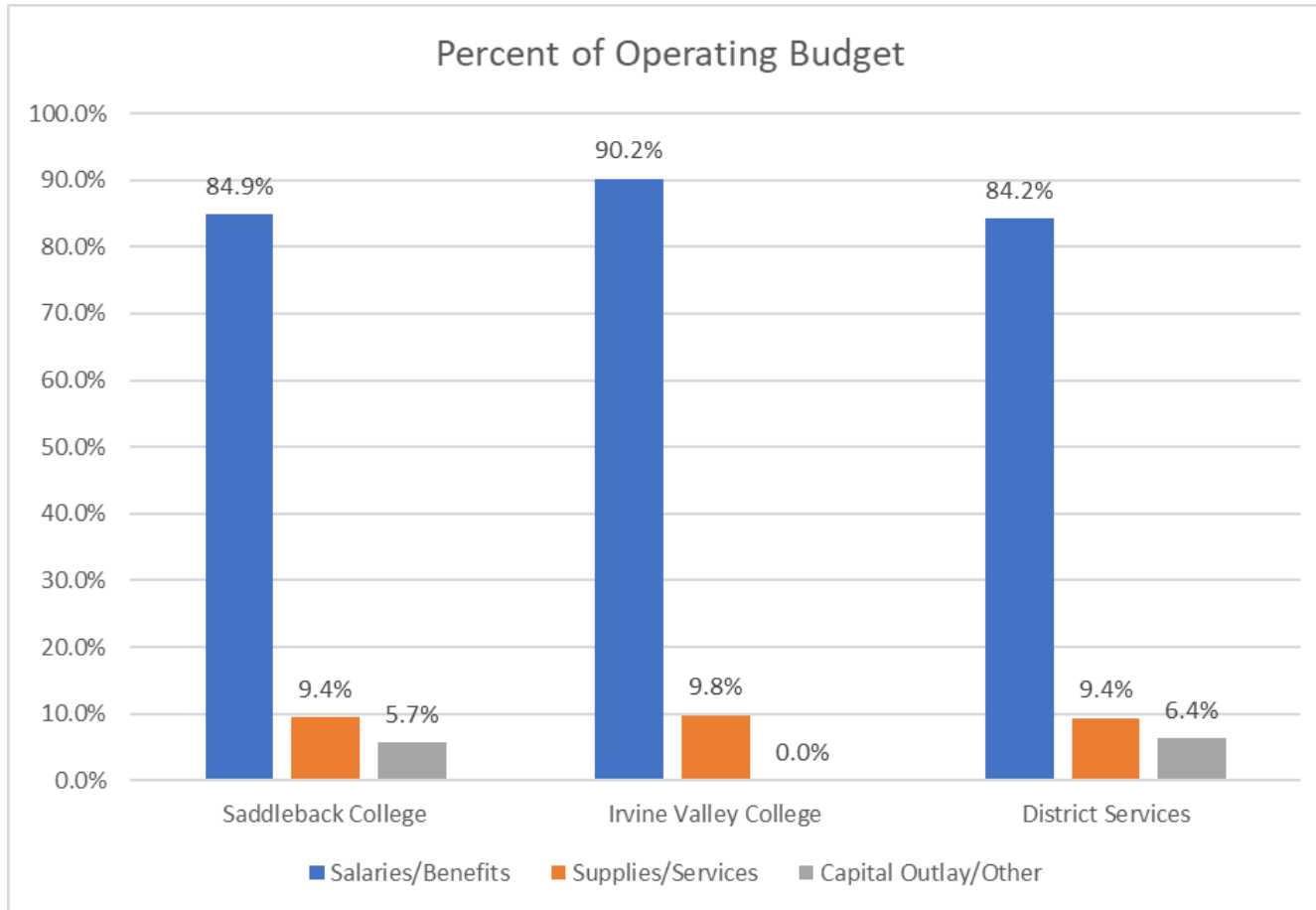
As is common with most other community college districts, the largest category of unrestricted expenditures, representing 51.15%, is for the Salaries and Benefits of our faculty, staff, and management team members. The remaining unrestricted expenditures cover Supplies and Services (6.93%), including utilities, insurance, professional development activities, auditing and legal fees, and other operating needs; Capital Outlay (0.56%) for equipment and library purchases; Other Financing Uses (21.69%) for basic aid projects and other transfers out; and Ending Fund Balance (19.67%).



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 86.5%, lower than other community college districts that are not community-supported.



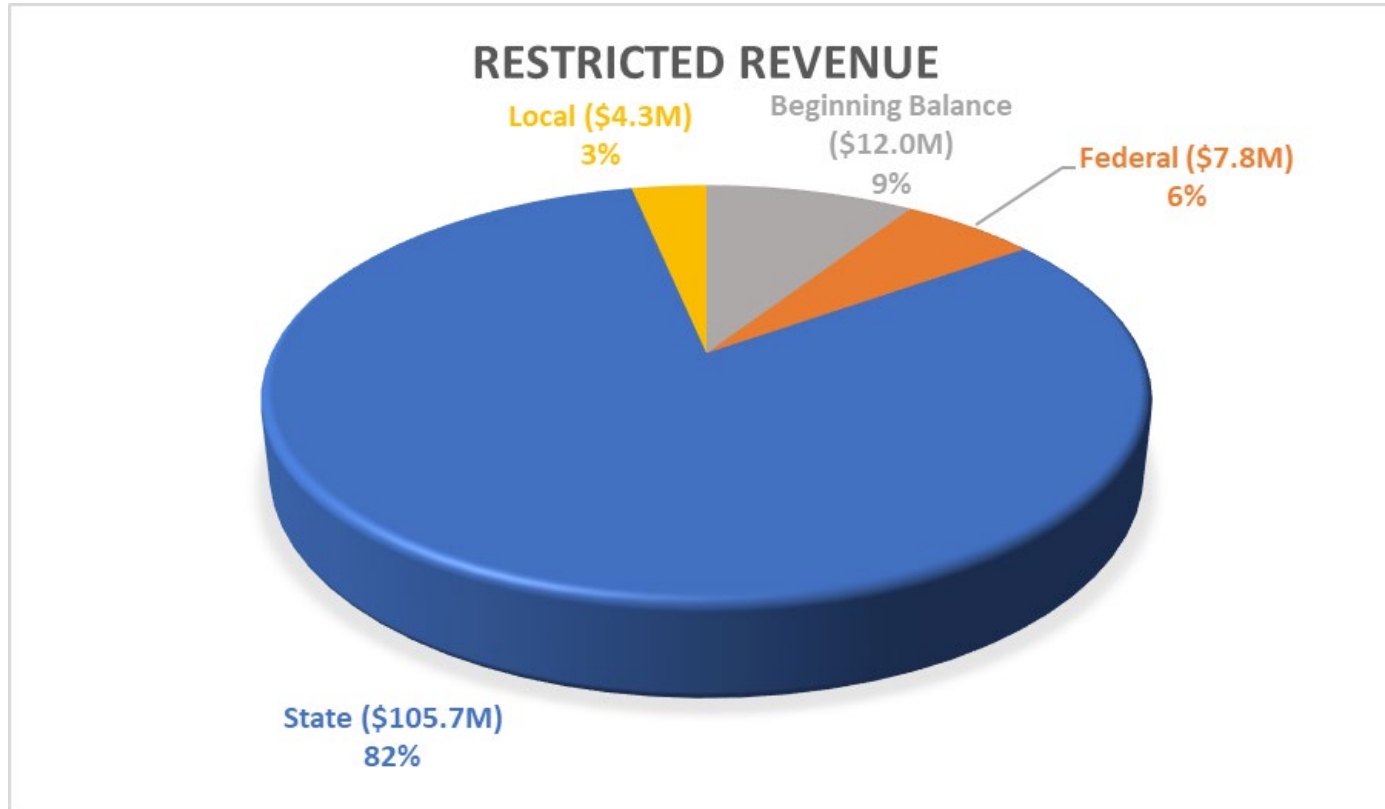
As previously mentioned, most of the expenditures in the unrestricted general fund operating budgets are for employee salaries and benefits. As seen on the following chart, Saddleback College’s salaries and benefits equal 84.9% of its operating budget (this is down from current year’s 86.7%); Irvine Valley College’s salaries and benefits equal 90.2% of its operating budget (this is the up from current year’s 87.2%); and District Services salaries and benefits equal 84.2% of its operating budget (this is down from current year’s 89.2%). These costs reflect the existing salary rates as well as estimated salary increases that may be negotiated as a result of the increase in the COLA and estimated benefit cost increases.



For fiscal prudence, the District-wide recommended target for overall staff costs is to not exceed 87-92% of the total budget so there are sufficient resources for instructional materials, equipment, and other operational costs. All three areas are either below or well within this range.

RESTRICTED GENERAL FUND

The other segment of the general fund is the *restricted portion (categorical programs and grants)*, representing approximately \$130 million (21%) 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 decreased by \$6 million from the current year primarily due to: the reduction in Federal funds including National Science Foundation and Developing Hispanic Serving Institutions Program Title V, reduction in State fund including COVID-19 Recovery Block Grant and 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:	\$ 5,448,171	\$ 2,394,084	\$ -	\$ -	\$ 7,842,255
AANAPISI Project Director		771,561			771,561
CalFresh Outreach		35,595			35,595
College Work Study	449,844	220,000			669,844
Developing Hispanic Serving Institutions Program Title V	829,801				829,801
Financial Aid Administration	30,000	30,000			60,000
Regional Alliance in STEM Education - CSUF Subaward	22,156	7,093			29,249
Institute of Education Sciences - UC Davis Subaward	27,362	19,848			47,210
National Science Foundation	2,519,785	7,714			2,527,499
Perkins	996,828	387,655			1,384,483
Saving Veterans With Interventions Pilot	151,192	162,682			313,874
Science Technology Engineering and Math		699,089			699,089
Temporary Assistance for Needy Families (TANF)	54,670	48,847			103,517
Veterans Affairs Reporting Fees		4,000			4,000
WIOA Adult Education	366,533				366,533
State Funds:	\$ 64,517,035	\$ 39,985,459	\$ 1,173,836	\$ -	\$ 105,676,330
Access and Persistence thru Basic Needs Support		289,517			289,517
AANHPI Student Achievement Program	409,897	379,600			789,497
Adult Education Block Grant	3,410,212	790,011			4,200,223
Adult Learner Strategic Enrollment Management Phase 2	30,000				30,000
BFAP Student Financial Aid Administration	682,327	443,198			1,125,525
Cal LAW	63,639	89,021			152,660
California Apprenticeship Initiative	1,445,457				1,445,457
California College Promise	2,700,457	3,662,652			6,363,109
CalWORKs	508,372	311,776			820,148
Child Development Training Consortium	32,200	6,900			39,100
Classified Professional Development			88,456		88,456
College and Career Access Pathways Instructional Materials	9,460	15,805			25,265
College Corps		1,300,034			1,300,034
Cooperative Agencies Resources for Educ. (CARE)	290,993	143,963			434,956
COVID-19 Recovery Block Grant	9,677,988	5,074,857			14,752,845

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Culturally Responsive Pedagogy & Practices	242,096				242,096
Disabled Student Programs and Services (DSPS)	4,730,388	1,711,897			6,442,285
Dreamer Resource Liaisons	209,588	280,448			490,036
Employer Engagement Funds	299,291				299,291
English Language Learner Healthcare Pathways	225,435	33,871			259,306
Equal Employment Opportunity			423,888		423,888
Equal Employment Opportunities Innovative Best Practices			177,051		177,051
Equitable Placement, Support and Completion (AB 1705)	600,000	445,047			1,045,047
Extended Opportunity Program and Services (EOPS)	1,937,346	1,636,884			3,574,230
Financial Aid Technology	51,204	40,926			92,130
Food and Housing Insecurity	439,507	674,372			1,113,879
Foster Kinship Care	542,701				542,701
Guided Pathways	50,725	42,228			92,953
Innovation and Effectiveness Grant		200,000	51,191		251,191
Integrated Basic Needs Center	848,801	829,380			1,678,181
Learning Aligned Employment Program	1,961,000	1,743,040			3,704,040
LGBTQ+	270,191	250,741			520,932
Mathematics, Engineering, Science Achievement Program	1,613,112	835,369			2,448,481
Mental Health Services	789,480	582,838			1,372,318
NEXTUP	2,506,142	539,339			3,045,481
Nursing Education	224,259	-			224,259
OC Pathways K-16	478,692	100,000			578,692
OCDE K16 Regional Workforce Director		300,000			300,000
Physical Plant and Instructional Equipment	920,808	1,605,589			2,526,397
Puente Project	100,000	131,833			231,833
Real Estate Education	105,000				105,000
Regional Equity and Recovery Partnerships	104,000				104,000
Rising Scholars	260,601	306,511			567,112
Seamless Transfer of Ethnic Studies	40,600	48,695			89,295
State Lottery	1,230,000	770,000			2,000,000
Strong Workforce	7,210,045	2,384,005	258,250		9,852,300
Student Equity and Achievement Program	13,513,349	5,142,652			18,656,001
Student Retention and Enrollment		419,966			419,966
Student Success Completion Grant	2,730,632	3,543,658			6,274,290
Student Transfer Achievement	565,217	565,217			1,130,434
Systemwide Technology and Data Security			175,000		175,000

Program	Saddleback College	Irvine Valley College	District Services	District-wide	Total
Veteran Credit Articulation Track Award	158,664				158,664
Veteran Resource Center	251,202	2,018,262			2,269,464
Zero Textbook Cost Program	45,957	295,357			341,314
Local and Other Funds:	\$ 2,241,863	\$ 2,060,600	\$ -	\$ -	\$ 4,302,463
Health Fee Services	967,000	866,300			1,833,300
Parking Fee Services	1,100,000	1,151,000			2,251,000
Material Fees	78,555	24,300			102,855
UCI - Joint Graduate Student/Family Internship Program		19,000			19,000
Veterans Affairs Reporting Fees	8,000				8,000
Warne Family Endowment	70,308				70,308
Arthur N. Rupe Foundation Grant	18,000				18,000
Total Restricted General Fund	\$ 72,207,069	\$ 44,440,143	\$ 1,173,836	\$ -	\$ 117,821,048

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 2024-25 Tentative Budget includes a reserve for economic uncertainties in the amount of \$28,906,916 which is made up of a reserve for contingency of 7.5 percent of total General unrestricted operating funds, totaling \$19,482,961 and 3.5 percent of unrestricted operating funds for the colleges and District Services, totaling \$9,423,955. 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 2024-25 Tentative Budget includes a basic aid reserve for unrealized tax collections of 20 percent totaling \$17,277,278. 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) 2024-25 Tentative Budget						
	Saddleback College	Irvine Valley College	District Services	Basic Aid	Other	Total
Components of Ending Fund Balance						
Economic Uncertainties	\$ 5,239,323	\$ 3,291,814	\$ 892,818		\$ 19,482,961	\$ 28,906,916
Basic Aid				\$ 17,277,278		\$ 17,277,278
Unassigned	\$ 15,298,942	\$ 24,756,535	\$ 9,216,954	-	-	\$ 49,272,431
Total	\$ 20,538,265	\$ 28,048,349	\$ 10,109,772	\$ 17,277,278	\$ 19,482,961	\$ 95,456,625
<i>% of Total Unrestricted General Fund Uses of Funds</i>						<i>24.5%</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	\$ 96,138,071
2023-2024 (Est)	\$ 91,925,745

The 2023-24 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 2024-25 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2024 - 2025	\$ 86,386,391
2025 – 2026	\$ 99,086,398
2026 – 2027	\$ 104,150,891
2027 – 2028	\$ 108,708,217

The assumptions used to estimate basic aid funds for 2024-25 include funding COLA at 1.07% for the SCFF as proposed in the May Revise. For the following years, SCFF COLA are estimated at 2.93%, 3.08%, and 3.30%, respectively, and growth is estimated at 0.1% for 2024-25 and no additional increase in FTES.

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 2024-25, and subsequent years, are budgeted with a 4.0% 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 2024-25 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 2024-25 Tentative Budget.

ESTIMATED BASIC AID RESOURCES & PLANNED EXPENDITURES

2024-25 RESOURCES	Approved
Balance as of July 1, 2024	\$ 42,437,363
Estimated Receipts 2024-25	\$ 86,386,391
Estimated Property Taxes for Basic Aid	\$ 128,823,754
Contingency for Unrealized Tax Collections (20%)	\$ (17,277,278)
Total Allocated Funds 2024-25	\$ 111,546,476
Budgeted Expenditures	
2024-25 Long-Term Obligations and Fixed Expenses	\$ 23,293,948
Funds for Technology and Capital Projects	\$ 88,252,528
Total Approved and Budgeted Projects	\$ 111,546,476

2024-25 RESOURCES	Amount
Basic Aid Projects	
Closed Projects	\$ 459,456,298
Prior Approved Open Projects	\$ 838,332,630
Total Prior Approved Projects	\$ 1,297,788,928
Less Expenses and Commitments as of March 2024	\$ 1,091,541,758
Net Uncommitted Balance	\$ 206,247,170
New 2024-25 Project Funding	
Long Term Obligations & Fixed Expenses	
DW Credit Card/Bank Fees*	\$ 650,000
Pension Stabilization Trust*	\$ 15,000,000
Retiree Benefits Expenses*	\$ 6,963,948
SOCCCD - Legislative Advocacy Services*	\$ 130,000
Trustee Election	\$ 550,000
Capital Projects/Scheduled Maintenance/Renovation	
DW – ADA Transition Plan Projects*	\$ 800,000
IVC – Baseball Team Room*	\$ 775,000
IVC – SM Infrastructure*	\$ 2,500,000
IVC – Library Maintenance, Renovation, and Related Swing Space*	\$ 3,200,000
IVC – Parking Lot 7 Temp to Permanent/Sidewalk to Baseball*	\$ 2,850,000
IVC – Scheduled Maintenance Projects	\$ 3,900,000
IVC – Student Services/Student Union Buildings*	\$ 18,369,311
SC – ATEP First Building*	\$ 8,162,105
SC – Baseball Turf and Scoreboard Replacement*	\$ 608,198
SC – Quad Barrier*	\$ 1,600,000
SC – Science and Math Building*	\$ 21,376,408
SC – Scheduled Maintenance Projects	\$ 1,000,000
SC – Solar Canopy Phase III	\$ 480,500
SC – Solar Canopy Phase IV	\$ 480,500
SC – SSC Renovation*	\$ 3,000,000
SC – Utility Distribution System 12kv Upgrades*	\$ 1,500,000
<i>*Reflects an augmentation to an existing project</i>	

2024-25 RESOURCES	Amount
IT Projects	
DW – Banner Implementation*	\$ 7,700,000
DW – Data Transformation Initiatives	\$ 600,000
DW – Cloud AWS and Engineering	\$ 510,000
DW – HR/Business Service Integrated Software*	\$ 1,800,000
DW – Student Informaton System Enhancements*	\$ 1,814,400
IVC – Campus Desktop Refresh*	\$ 900,000
IVC – DTSMP - Minor Initiatives*	\$ 500,000
IVC – Outdoor Wireless*	\$ 500,000
IVC – UCAS (Telephony)	\$ 502,200
SC – Datacenter	\$ 300,000
SC – Campus Desktop Refresh*	\$ 1,123,906
SC – DTSMP - Minor Initiatives	\$ 400,000
SC – Network Access Control	\$ 500,000
SC – Server Refresh	\$ 500,000
Total 2024-25 Funded Projects	\$ 111,546,476
Cumulative Total - Basic Aid Approved Projects	\$ 1,409,335,404

**Reflects an augmentation to an existing project*

OTHER FUNDS

Community Education Funds (Fund #07, Fund #09 and Fund #10)

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 \$250,000 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) Quad Barrier – construction; b) Science Math Building – construction; c) Parking Lot 12 Expansion and Softball Field Renovation – construction; d) Solar Canopies (first phase) – construction; e) Solar Canopies and Battery Storage (phases 2, 3, and 4) – design; f) Greenhouse Biology/Horticulture – programming; g) Baseball Turf and Scoreboard Replacement – design; h) Central Plant – design; i) Student Services Center Renovation – programming; j) Landscape Improvements (phase 2) – design; k) Infrastructure 12kv Utility Distribution – design; and l) Emergency Generator Replacement Projects - construction.
- Irvine Valley College projects include: a) Fine Arts Promenade Landscape/Hardscape/Coffee Structure/Performing Arts Yard renovation – design; b) Parking Lot 7 temporary to permanent/sidewalk to baseball – design; c) Student Services and Student Union Buildings – ready to bid; d) Library Maintenance, Renovation, and Related Swing Space – construction; e) Baseball Team Room – design; and f) Infrastructure Electrical Upgrades - 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 Banner implementation, 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 District network refresh, District Firewall refresh, district-wide data transformation initiatives, District Cloud AWS and engineering, 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, server refresh, 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	\$ 27,639,784	\$ 105,341,719	\$ 96,867,551		\$ 229,849,054
IT Projects	\$ 24,986,748	\$ 14,683,991	\$ 6,262,009		\$ 45,932,748
State Funded Capital Outlay Projects:					
State Portion		\$ 5,991,118	\$ -		\$ 5,991,118
Basic Aid Match		\$ 53,783,742	\$ 5,001,893		\$ 58,785,635
State Scheduled Maintenance Projects		\$ 5,343,225	\$ 2,151,501		\$ 7,494,726
Locally Funded Capital Outlay Projects	\$ 187,272	\$ 2,318,101		\$ 106,136	\$ 2,611,509
Non-Resident Capital Outlay Funds		\$ 1,982,552	\$ 3,180,097		\$ 5,162,649
Student Housing Planning Grants		\$ 285,250	\$ 71,836		\$ 357,086
Redevelopment Funds		\$ 40,992,796	\$ 18,342,415	\$ 10,509,865	\$ 69,845,076
Future Capital Outlay Project Funds	\$ 38,447,434	\$ 25,004,830	\$ 11,600,000	\$ 17,974,714	\$ 93,026,978
Total	\$ 91,261,238	\$ 255,727,324	\$ 143,477,302	\$ 28,590,715	\$ 519,056,579

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 \$75,000,000, 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 = \$125,000; 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 2024 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 \$7,729,796. The District's actuarial accrued liability for past service is estimated at \$155,331,756 which was overfunded by \$5,802,963. The actuarial determined normal cost of \$7,729,796 and the amortization of the net OPEB asset of (\$765,848) 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 \$15 million DRAC allocation for 2024-25. 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 2024-25 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 2024-2025**

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),(10)	(12)	(40)	(68)	(71),(72),(78)	(84)	(95),(96)	(97)	
BEGINNING FUND BALANCE	9712 \$ 113,600,172	\$ 3,215,603	\$ -	\$ 402,374,780	\$ -	\$ 196,770,881	\$ -	\$ 270,000	\$ 50,000	\$ 716,281,436
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199 \$ 8,042,255	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ 30,855,000	\$ -	\$ -	\$ 38,928,255
Other State Sources	8600-8699 131,516,201	-	-	13,842,930	-	-	4,051,000	-	-	149,410,131
Other Local Sources	8800-8899 344,131,652	2,882,245	1,109,145	20,619,548	65,000	20,990,000	-	739,500	102,000	390,639,090
Total Revenue	483,690,108	2,882,245	1,140,145	34,462,478	65,000	20,990,000	34,906,000	739,500	102,000	578,977,476
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919 \$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Fiscal Agent Pass-Thru	8970-8979 -	-	-	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981 17,806,065	-	280,000	82,219,321	602,108	22,163,948	-	-	-	123,071,442
Other Incoming Transfers	8982-8989 -	-	-	-	-	-	-	-	-	-
Total Other Sources	17,856,065	-	280,000	82,219,321	602,108	22,163,948	-	-	-	123,121,442
BASIC AID ALLOCATION										
DRAC ALLOCATION	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	\$ 501,546,173	\$ 2,882,245	\$ 1,420,145	\$ 116,681,799	\$ 667,108	\$ 43,153,948	\$ 34,906,000	\$ 739,500	\$ 102,000	\$ 702,098,918
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999 \$ 115,709,007	\$ 40,457	\$ 13,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,763,381
Classified Salaries	2000-2999 79,966,258	957,713	887,274	1,396,941	413,263	-	-	135,601	-	83,757,050
Employee Benefits	3000-3999 93,106,911	460,918	448,954	710,389	246,445	6,280,000	-	65,110	-	101,318,727
Supplies & Materials	4000-4999 13,782,805	12,000	21,000	55,000	1,000	-	-	96,829	8,830	13,977,464
Services & Other Operating	5000-5999 78,007,660	4,626,760	18,000	31,354,736	4,400	496,500	-	442,060	94,340	115,044,456
Capital Outlay	6000-6999 6,783,493	-	-	364,899,027	2,000	-	-	12,000	-	371,696,520
Total Expenditures	387,356,134	6,097,848	1,389,145	398,416,093	667,108	6,776,500	-	751,600	103,170	801,557,598
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399 \$ 105,235,377	\$ -	\$ -	\$ -	\$ -	\$ 17,806,065	\$ -	\$ 30,000	\$ -	\$ 123,071,442
Other Outgoing Transfers	7400-7499 -	-	-	-	-	-	-	-	48,830	48,830
Payments to Students	7500-7699 27,098,209	-	31,000	-	-	-	34,906,000	91,900	-	62,127,109
Total Other Uses	132,333,586	-	31,000	-	-	17,806,065	34,906,000	121,900	48,830	185,247,381
TOTAL USES OF FUNDS	\$ 519,689,720	\$ 6,097,848	\$ 1,420,145	\$ 398,416,093	\$ 667,108	\$ 24,582,565	\$ 34,906,000	\$ 873,500	\$ 152,000	\$ 986,804,979
SURPLUS / (DEFICIT)	\$ (18,143,547)	\$ (3,215,603)	\$ -	\$ (281,734,294)	\$ -	\$ 18,571,383	\$ -	\$ (134,000)	\$ (50,000)	\$ (284,706,061)
ENDING FUND BALANCE	\$ 95,456,625	\$ -	\$ -	\$ 120,640,486	\$ -	\$ 215,342,264	\$ -	\$ 136,000	\$ -	\$ 431,575,375
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties	\$ 28,906,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,906,916
Assigned Reserve, Basic Aid	17,277,278	-	-	-	-	-	-	-	-	17,277,278
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	215,342,264	-	136,000	-	215,478,264
Assigned Fund Balance	-	-	-	120,640,486	-	-	-	-	-	120,640,486
Unassigned Fund Balance	49,272,431	-	-	-	-	-	-	-	-	49,272,431
TOTAL ENDING FUND BALANCE	\$ 95,456,625	\$ -	\$ -	\$ 120,640,486	\$ -	\$ 215,342,264	\$ -	\$ 136,000	\$ -	\$ 431,575,375

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2024-2025
 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	\$ 21,800,042	\$ 7,605,880	\$ 29,405,922	\$ 22,969,093	\$ 4,417,443	\$ 27,386,536	\$ 9,045,810	\$ -	\$ 9,045,810
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199	\$ -	\$ 5,448,171	\$ 5,448,171	\$ -	\$ 2,394,084	\$ 2,394,084	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	64,517,035	64,517,035	-	39,985,459	39,985,459	-	1,173,836	1,173,836
Other Local Sources	8800-8899	-	2,241,863	2,241,863	-	2,060,600	2,060,600	-	-	-
Total Revenue		-	72,207,069	72,207,069	-	44,440,143	44,440,143	-	1,173,836	1,173,836
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		154,754,786	-	154,754,786	99,131,077	-	99,131,077	28,175,157	-	28,175,157
TOTAL SOURCES OF FUNDS		\$ 154,754,786	\$ 72,207,069	\$ 226,961,855	\$ 99,131,077	\$ 44,440,143	\$ 143,571,220	\$ 28,175,157	\$ 1,173,836	\$ 29,348,993
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ 66,622,170	\$ 5,359,211	\$ 71,981,381	\$ 39,670,868	\$ 2,897,167	\$ 42,568,035	\$ 1,093,036	\$ 66,555	\$ 1,159,591
Classified Salaries	2000-2999	26,620,821	10,564,115	37,184,936	19,839,256	8,842,849	28,682,105	13,467,907	171,634	13,639,541
Employee Benefits	3000-3999	39,144,816	7,332,863	46,477,679	25,332,061	5,211,853	30,543,914	8,263,844	87,061	8,350,905
Supplies & Materials	4000-4999	977,927	7,332,041	8,309,968	995,152	4,328,791	5,323,943	87,200	21,194	108,394
Services & Other Operating	5000-5999	13,749,673	33,340,540	47,090,213	8,214,484	12,297,445	20,511,929	2,458,600	827,392	3,285,992
Capital Outlay	6000-6999	2,579,542	2,289,837	4,869,379	-	1,775,614	1,775,614	138,500	-	138,500
Total Expenditures		149,694,949	66,218,607	215,913,556	94,051,821	35,353,719	129,405,540	25,509,087	1,173,836	26,682,923
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ 6,321,614	\$ -	\$ 6,321,614	\$ -	\$ -	\$ -	\$ 1,602,108	\$ -	\$ 1,602,108
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	13,594,342	13,594,342	-	13,503,867	13,503,867	-	-	-
Total Other Uses		6,321,614	13,594,342	19,915,956	-	13,503,867	13,503,867	1,602,108	-	1,602,108
TOTAL USES OF FUNDS		\$ 156,016,563	\$ 79,812,949	\$ 235,829,512	\$ 94,051,821	\$ 48,857,586	\$ 142,909,407	\$ 27,111,195	\$ 1,173,836	\$ 28,285,031
SURPLUS / (DEFICIT)		\$ (1,261,777)	\$ (7,605,880)	\$ (8,867,657)	\$ 5,079,256	\$ (4,417,443)	\$ 661,813	\$ 1,063,962	\$ -	\$ 1,063,962
ENDING FUND BALANCE		\$ 20,538,265	\$ -	\$ 20,538,265	\$ 28,048,349	\$ -	\$ 28,048,349	\$ 10,109,772	\$ -	\$ 10,109,772
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ 5,239,323	\$ -	\$ 5,239,323	\$ 3,291,814	\$ -	\$ 3,291,814	\$ 892,818	\$ -	\$ 892,818
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		15,298,942	-	15,298,942	24,756,535	-	24,756,535	9,216,954	-	9,216,954
TOTAL ENDING FUND BALANCE		\$ 20,538,265	\$ -	\$ 20,538,265	\$ 28,048,349	\$ -	\$ 28,048,349	\$ 10,109,772	\$ -	\$ 10,109,772

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2024-2025
 Revenues, Expenditures and Change in Fund Balance

		Basic Aid		Other		TOTAL		
		General Fund	General Fund	General Fund	Total	General Fund	General Fund	
		Unrestricted	Unrestricted	Restricted		Unrestricted	Restricted	
BEGINNING FUND BALANCE	9712	\$ 29,347,542	\$ 18,414,362	\$ -	\$ 18,414,362	\$ 101,576,849	\$ 12,023,323	\$ 113,600,172
SOURCES OF FUNDS								
REVENUES:								
Federal Sources	8100-8199	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ 7,842,255	\$ 8,042,255
Other State Sources	8600-8699	-	25,839,871	-	25,839,871	25,839,871	105,676,330	131,516,201
Other Local Sources	8800-8899	-	339,829,189	-	339,829,189	339,829,189	4,302,463	344,131,652
Total Revenue		-	365,869,060	-	365,869,060	365,869,060	117,821,048	483,690,108
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981	-	17,806,065	-	17,806,065	17,806,065	-	17,806,065
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-
Total Other Sources		-	17,856,065	-	17,856,065	17,856,065	-	17,856,065
BASIC AID ALLOCATION		86,386,391	(86,386,391)	-	(86,386,391)	-	-	-
DRAC ALLOCATION		-	(282,061,020)	-	(282,061,020)	-	-	-
TOTAL SOURCES OF FUNDS		\$ 86,386,391	\$ 15,277,714	\$ -	\$ 15,277,714	\$ 383,725,125	\$ 117,821,048	\$ 501,546,173
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ 107,386,074	\$ 8,322,933	\$ 115,709,007
Classified Salaries	2000-2999	-	459,676	-	459,676	60,387,660	19,578,598	79,966,258
Employee Benefits	3000-3999	-	7,734,413	-	7,734,413	80,475,134	12,631,777	93,106,911
Supplies & Materials	4000-4999	15,000	25,500	-	25,500	2,100,779	11,682,026	13,782,805
Services & Other Operating	5000-5999	1,330,000	5,789,526	-	5,789,526	31,542,283	46,465,377	78,007,660
Capital Outlay	6000-6999	-	-	-	-	2,718,042	4,065,451	6,783,493
Total Expenditures		1,345,000	14,009,115	-	14,009,115	284,609,972	102,746,162	387,356,134
OTHER FINANCING USES:								
Interfund Transfers Out	7300-7399	\$ 97,111,655	\$ 200,000	\$ -	\$ 200,000	\$ 105,235,377	\$ -	\$ 105,235,377
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	27,098,209	27,098,209
Total Other Uses		97,111,655	200,000	-	200,000	105,235,377	27,098,209	132,333,586
TOTAL USES OF FUNDS		\$ 98,456,655	\$ 14,209,115	\$ -	\$ 14,209,115	\$ 389,845,349	\$ 129,844,371	\$ 519,689,720
SURPLUS / (DEFICIT)		\$ (12,070,264)	\$ 1,068,599	\$ -	\$ 1,068,599	\$ (6,120,224)	\$ (12,023,323)	\$ (18,143,547)
ENDING FUND BALANCE		\$ 17,277,278	\$ 19,482,961	\$ -	\$ 19,482,961	\$ 95,456,625	\$ -	\$ 95,456,625
COMPONENTS OF ENDING BALANCE								
Assigned Reserve, Economic Uncertainties		\$ -	\$ 19,482,961	\$ -	\$ 19,482,961	\$ 28,906,916	\$ -	\$ 28,906,916
Assigned Reserve, Basic Aid		17,277,278	-	-	-	17,277,278	-	17,277,278
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	49,272,431	-	49,272,431
TOTAL ENDING FUND BALANCE		\$ 17,277,278	\$ 19,482,961	\$ -	\$ 19,482,961	\$ 95,456,625	\$ -	\$ 95,456,625

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2024-2025**

Revenues, Expenditures and Change in Fund Balance

	Community Education Funds			Retiree Benefit & Pension Trust Funds				
	Saddleback College	Irvine Valley College	Total	Retiree Benefit Fund	Retiree (OPEB) Trust Fund	Pension Stability Trust Fund	Total	
	(9), (10)	(07)		(71)	(72)	(78)		
BEGINNING FUND BALANCE	9712	\$ 3,106,341	\$ 109,262	\$ 3,215,603	\$ -	\$ 189,961,966	\$ 6,808,915	\$ 196,770,881
SOURCES OF FUNDS								
REVENUES:								
Federal Sources	8100-8199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	-	-	-	-	-	-
Other Local Sources	8800-8899	2,732,245	150,000	2,882,245	90,000	18,000,000	2,900,000	20,990,000
Total Revenue		2,732,245	150,000	2,882,245	90,000	18,000,000	2,900,000	20,990,000
OTHER FINANCING SOURCES:								
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Agent Pass-Thru	8970-8979	-	-	-	-	-	-	-
Interfund Transfers In	8980-8981	-	-	-	7,163,948	-	15,000,000	22,163,948
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-
Total Other Sources		-	-	-	7,163,948	-	15,000,000	22,163,948
BASIC AID ALLOCATION								
DRAC ALLOCATION								
TOTAL SOURCES OF FUNDS		\$ 2,732,245	\$ 150,000	\$ 2,882,245	\$ 7,253,948	\$ 18,000,000	\$ 17,900,000	\$ 43,153,948
USES OF FUNDS								
EXPENDITURES:								
Academic Salaries	1000-1999	\$ 13,917	\$ 26,540	\$ 40,457	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	840,206	117,507	957,713	-	-	-	-
Employee Benefits	3000-3999	373,703	87,215	460,918	6,280,000	-	-	6,280,000
Supplies & Materials	4000-4999	12,000	-	12,000	-	-	-	-
Services & Other Operating	5000-5999	4,598,760	28,000	4,626,760	9,500	437,000	50,000	496,500
Capital Outlay	6000-6999	-	-	-	-	-	-	-
Total Expenditures		5,838,586	259,262	6,097,848	6,289,500	437,000	50,000	6,776,500
OTHER FINANCING USES:								
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,806,065	\$ 17,806,065
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	-	-
Total Other Uses		-	-	-	-	-	17,806,065	17,806,065
TOTAL USES OF FUNDS		\$ 5,838,586	\$ 259,262	\$ 6,097,848	\$ 6,289,500	\$ 437,000	\$ 17,856,065	\$ 24,582,565
SURPLUS / (DEFICIT)		\$ (3,106,341)	\$ (109,262)	\$ (3,215,603)	\$ 964,448	\$ 17,563,000	\$ 43,935	\$ 18,571,383
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 964,448	\$ 207,524,966	\$ 6,852,850	\$ 215,342,264
COMPONENTS OF ENDING BALANCE								
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	964,448	207,524,966	6,852,850	215,342,264
Assigned Fund Balance		-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 964,448	\$ 207,524,966	\$ 6,852,850	\$ 215,342,264

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2024-2025**

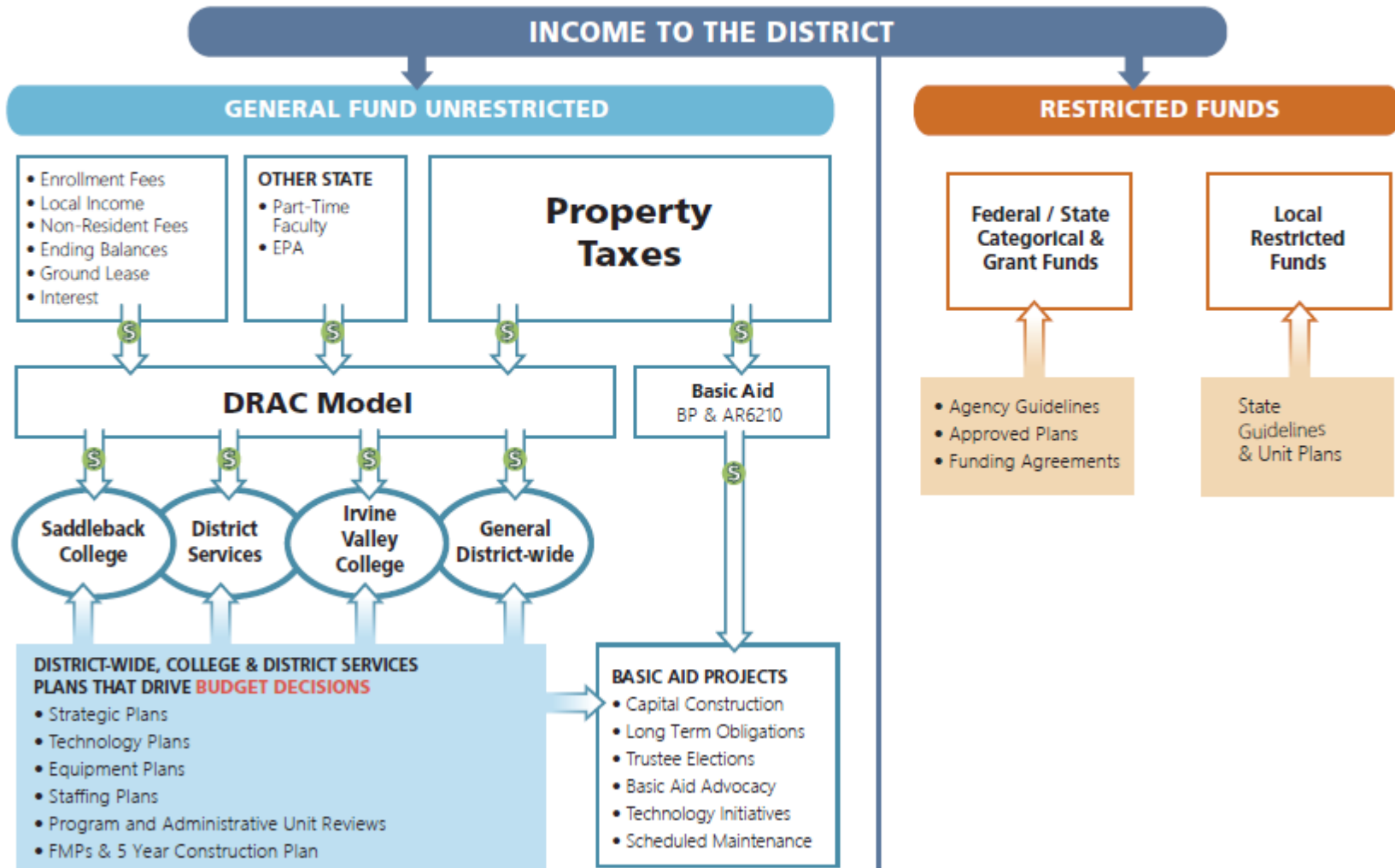
Revenues, Expenditures and Change in Fund Balance

	Student Financial Aid Fund			Associated Student Government Funds			Student Representation Fee Funds		
	Saddleback	Irvine Valley	Total	Saddleback	Irvine Valley	Total	Saddleback	Irvine Valley	Total
	College	College		College	College		College		
BEGINNING FUND BALANCE	9712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
		(84)	(84)	(95)	(96)		(97)	(97)	
		\$ -	\$ -	\$ 80,000	\$ 190,000	\$ 270,000	\$ 50,000	\$ -	\$ 50,000
SOURCES OF FUNDS									
REVENUES:									
Federal Sources	8100-8199	\$ 15,690,000	\$ 15,165,000	\$ 30,855,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	2,003,500	2,047,500	4,051,000	-	-	-	-	-
Other Local Sources	8800-8899	-	-	-	369,500	370,000	739,500	62,000	40,000
Total Revenue		17,693,500	17,212,500	34,906,000	369,500	370,000	739,500	62,000	102,000
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		\$ 17,693,500	\$ 17,212,500	\$ 34,906,000	\$ 369,500	\$ 370,000	\$ 739,500	\$ 62,000	\$ 102,000
USES OF FUNDS									
EXPENDITURES:									
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	-	-	-	19,300	116,301	135,601	-	-
Employee Benefits	3000-3999	-	-	-	1,727	63,383	65,110	-	-
Supplies & Materials	4000-4999	-	-	-	83,062	13,767	96,829	8,830	8,830
Services & Other Operating	5000-5999	-	-	-	186,511	255,549	442,060	74,340	20,000
Capital Outlay	6000-6999	-	-	-	5,000	7,000	12,000	-	-
Total Expenditures		-	-	-	295,600	456,000	751,600	83,170	103,170
OTHER FINANCING USES:									
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	28,830	20,000
Payments to Students	7500-7699	17,693,500	17,212,500	34,906,000	43,900	48,000	91,900	-	-
Total Other Uses		17,693,500	17,212,500	34,906,000	73,900	48,000	121,900	28,830	20,000
TOTAL USES OF FUNDS		\$ 17,693,500	\$ 17,212,500	\$ 34,906,000	\$ 369,500	\$ 504,000	\$ 873,500	\$ 112,000	\$ 152,000
SURPLUS / (DEFICIT)		\$ -	\$ -	\$ -	\$ -	\$ (134,000)	\$ (134,000)	\$ (50,000)	\$ (50,000)
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 80,000	\$ 56,000	\$ 136,000	\$ -	\$ -
COMPONENTS OF ENDING BALANCE									
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned Reserve, Basic Aid		-	-	-	-	-	-	-	-
Nonspendable Fund Balance		-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	80,000	56,000	136,000	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 80,000	\$ 56,000	\$ 136,000	\$ -	\$ -

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 2030.
- **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 (Ending Balance)** 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.