



Tentative Budget 2025 - 2026



**South
Orange
County**

**Community
College District**





THE DISTRICT

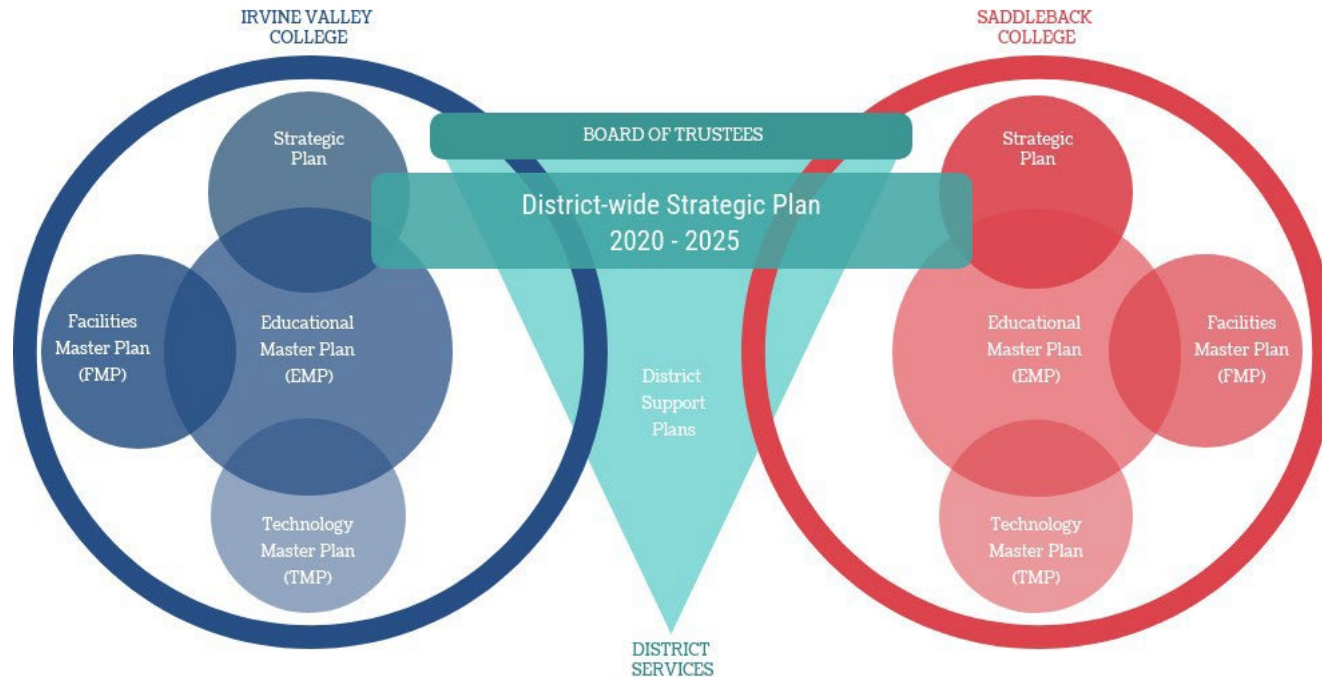
Overview: The South Orange County Community College District (the District) is a multi-campus district encompassing Saddleback College (SC) in Mission Viejo, Irvine Valley College (IVC) in Irvine, and the Advanced Technology & Education Park (ATEP) in Tustin. Founded in 1967, the 382-square mile district covers almost 50 percent of Orange County, is governed by a seven-member elected Board of Trustees with an advisory Student Trustee 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 2025 to over 42,100 with FTES at the second period reporting for 2024-25 of 29,488 FTES as compared to 26,657 FTES in 2023-24. SOCCCD has approximately 3,380 team members consisting of faculty, management, classified professionals, and police.

Budget Outlook: The District has judiciously monitored spending and scrutinized hiring decisions whereby, along with the influx of one-time funding from both federal and state sources during the pandemic, it has resulted in larger than normal reserves. As stated above, the District continues to experience growth in FTES, which, along with other revenue increases, provides the District Resources Allocation Council (DRAC) model with close to \$9 million (or 3.2%) of additional resources to support our students and staff. Collectively within the various planning committees, the colleges and district services discuss district-wide budget impacts and strategies moving forward to ensure fiscal solvency while allocating funding toward implementation of the strategic, facilities, and technology plans. 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, expanding resource development to supplement revenue, and estimating cash flow needs annually for multi-year projects.

Planning Efforts: District-wide planning and budgeting processes stem from the [*2021-2026 District-wide Planning and Decision Making Manual*](#) with input from each of the college's planning committees to ensure broad participation from all constituent groups both locally on each campus and collectively in the District-wide committees. As depicted below, the planning process begins at the colleges and coalesces into a District-wide effort.

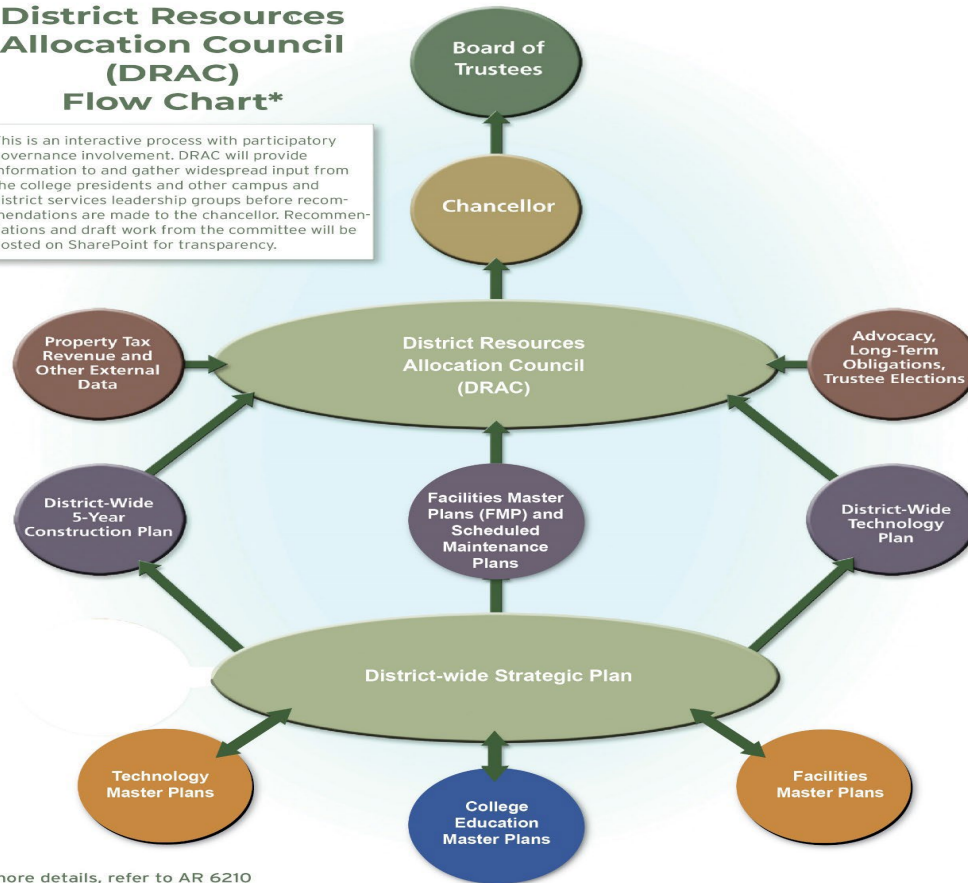
SOCCCD Planning Process



In accordance with accreditation standards, the processes are continually evaluated and improved upon as warranted. 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 allocate resources 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) as depicted in the following graph.

District Resources Allocation Council (DRAC) Flow Chart*

This is an interactive process with participatory governance involvement. DRAC will provide information to and gather widespread input from the college presidents and other campus and district services leadership groups before recommendations are made to the chancellor. Recommendations and draft work from the committee will be posted on SharePoint for transparency.



*For more details, refer to AR 6210

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 14, 2025. The overall projected allocation for Proposition 98 funding is \$114.6 billion which is down from the January Governor's Budget of \$118.9 billion but still slightly up from what was received in 2024-25. Community colleges will experience a modest \$625 million increase in funding over the 2024-25 Enacted Budget going from \$12.3 billion to \$12.9 billion. However, when compared to the January Governor's Budget for 2025-26, there is a

decrease of \$669 million going from \$13.6 billion down to \$12.9 billion. The proposed 2025-26 budget includes providing a 2.30 percent 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 the District, broken down between ongoing resources to existing or new programs and one-time resources, include:

Ongoing resources:

- \$217.5 million for apportionment (2.30%) cost of living adjustment (COLA). This provides an estimated \$5 million increase for the DRAC model.
- \$139.9 million (2.35%) for enrollment growth. If funded, this could increase the DRAC model by over \$15 million. However, due to the impact that this would have on our Basic Aid projects, the decision has been made to defer additional growth revenue to the 2026-27 fiscal year.
- \$26.2 million (2.30%) COLA for Adult Education, EOPS, CARE, DSPS, Apprenticeship, CalWORKS, and Child Care Tax Bailout. This will provide an estimated \$283 thousand increase to our programs.
- \$10 million to expand the Rising Scholars Network which provides educational opportunities to students impacted by the criminal justice system. It is unknown whether our allocation for this program will be increased or not.
- \$5 million for the creation and expansion of credit for prior learning policies. It is unknown how these ongoing resources will be allocated so no estimate has been made of the impact on our District.
- \$1.3 million (2.30%) COLA for mandated cost block grant programs which provided \$22 thousand for the DRAC model.

One-time resources:

The District has not budgeted any additional one-time resources since it is unknown how the two new programs identified below will be allocated.

- \$12 million for the development of a new common cloud data platform across the community college system. It is anticipated that the new system will “support the Career Education Master Plan by integrating the Program Pathways Mapper AI, eTranscript California, the Mapping Articulated Pathways platform, and the CSU Transfer Planner.”
- \$40 million to expand the existing credit for prior learning policies and create a new program by “developing and beta-testing an outcomes-based funding model that will support community college districts in the integration of credit for prior learning into the enrollment process.”
- \$80.9 million to fund 31 capital outlay projects utilizing the newly approved Proposition 2 and the last of Proposition 51 funds that

were approved by the voters in 2024 and 2016, respectively. Unfortunately, neither of our two Final Project Proposals (IVC Building A and SC Fine Arts Complex) were included within this allocation.

The State legislature recently released proposed changes to the budget presented by the Governor. These proposed changes include providing funding for several one-time grants to support emergency financial aid to students, a student support block grant, Dreamer Resource Liaisons, and financial aid community support. Since these proposals are under consideration by the Legislature and require negotiations with the Department of Finance, they have not been included within the Tentative Budget. Where feasible, the District has incorporated the Governor's proposals in the Tentative Budget. All other known changes will be incorporated within the Adopted Budget once the Legislature has passed, and the Governor has signed the final State budget.

SOCCCD Budget: The Tentative Budget includes 16 funds in accordance with governmental accounting standards. The operating fund (aka the Unrestricted General Fund) has budgeted revenues of \$402.5 million and budgeted expenditures of \$401.9 million, with an anticipated increase in reserves totaling \$650 thousand leaving \$111.7 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 the District 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 specify that we follow the Student-Centered Funding Formula (SCFF) for allocating funds.

District-wide operating costs continue to increase from negotiated salary increases, health and welfare benefit increases, and software increases. Personnel costs as a percentage of total budgeted expenditures (excluding basic aid allocations) equal 86.7%, which is well within the range of our recommended budget target of 85% - 92%. The budget includes negotiated salary increases as approved by the Board as well as anticipated increases to health and welfare benefits.

The PERS rates have been steadily increasing for over a decade; however, for the first time in years there is a slight decrease in the rates for 2025-26 to 26.81 percent from the current 27.05 percent. Future years are expected to continue to increase significantly, while STRS continues to stay at the statutory maximum rate of 19.1 percent for 2025-26. In March 2016, the Board approved participation in a Pension Stabilization Fund to offset the increased costs in STRS and PERS rates. The District has made deposits totaling \$70.0 million to the trust but with the withdrawals to fund for the increased costs, the balance on May 31, 2025, was just over \$7.0 million. Additional deposits will continue each year to maintain the trust fund and defray the increases for the college's and District Services' budgets. In fiscal year 2025-26, the District budgeted \$18 million from the basic aid allocation for this purpose.

After providing \$6.0 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 2025-26 fiscal year total over \$123.1 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 28, 2025, 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 accordance 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 Tentative Budget and confirms that it is balanced as required by law.

Irvine Valley College (IVC)

Irvine Valley College's 2025-26 Tentative Budget showcases continued growth and strategic investment, with a total SCFF allocation of \$86.0 million—an increase of approximately \$2.7 million (3.28%) over the prior year. The Base Allocation rose by \$2.1 million (3.34%) due to state-funded COLA and enrollment-driven growth, while the Supplemental Allocation jumped by \$1.46 million (14.0%) as the college deepened its commitment to serving low-income and disproportionately impacted student populations. Although the Success Allocation saw a modest decrease, the college experienced positive momentum in key student achievement metrics, including the completion of credit certificates, transfer-level Math and English, and career technical education (CTE) metrics.

A significant milestone was achieved in 2024-25 as IVC's Resident FTES surpassed the 10,000 mark, qualifying the college as a “medium-sized” institution and triggering a \$1.1 million increase to the Basic Allocation. For 2025-26, the projected funded FTES increase is limited to 8.71 FTES due to statewide growth caps; however, this may be revised upward depending on systemwide performance and the availability of unclaimed growth funding. Meanwhile, nonresident tuition revenue was projected at \$8.7 million reflecting a conservative budget assumption of a 5 percent decline in FTES despite a strong increase in 2024-25, coupled with an approved rate increase for 2025-26. The college will continue to monitor international student travel trends and restrictions closely and adjust projections as needed. Altogether, this budget underscores Irvine Valley College's enduring commitment to responsible stewardship, student achievement, and institutional resilience.

Saddleback College

The 2025-26 Tentative Budget for Saddleback College shows \$155.8 million total revenue (2.5% increase over 2024-25 Adopted Budget) and \$147.2 million in total appropriations (12% decrease). The decrease in appropriation was due to a one-time \$15.1 million prior year positive adjustment to the 2024-25 budget, which increased the 2024-25 appropriation budget. Appropriations include a transfer of 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: Student Centered Funding Formula (SCFF) revenue of \$3.3 million (mostly from FTES growth and COLA); local income (interest and lease revenue) of \$68 thousand; and Non-resident tuition of \$1.1 million. The ongoing SCFF revenue depends on continued growth in FTES, especially as the Emergency Condition Allowance is phased out. Additionally, higher Supplemental and Success outcomes are needed to replace the \$2 million in one-time Stability funds currently included in SCFF revenue. In addition, 2024-25 created the new base level funding for future years. If FTES, Supplemental, and Success levels are not sustained at 2024-25 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 negotiated salary increases, 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 the Adopted Budget after receiving the final State budget. Furthermore, it is anticipated that our reserve balances presented in this budget will increase in the 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 25, 2025, Board meeting.

Ann-Marie Gabel, CPA

Vice Chancellor, Business Services

South Orange County Community College District

BUDGET DEVELOPMENT GUIDELINES

(Approved by the Board on January 21, 2025)

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

Per Board Policy 6200 – *Budget Preparation*, 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.

Any action proposed by a Board member, the Board as a governing body, a college, or District Services which could potentially reduce the reserve, will be reported to the Board in the monthly update. A reported reduction in the reserve below 7.5 percent district-wide or 3.5 percent for the colleges or District Services shall be accompanied by a plan that indicates how the reserve shall be restored.

2. Future Long Term Debt Issues

No long-term debt, such as Certificates of Participation (COPS), will be issued until:

- a. An ongoing revenue stream has been identified that covers the full payment for the existing debt issuances or
- b. A dedicated revenue stream has been identified for the repayment for the new debt issuance.

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. College and District Services Allocations

The expenditure budgets for each college and District Services 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 to the budgeted resources 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 revenues. 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 eligible District 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 annual OPEB liability.

7. Basic Aid

While the District is a basic aid district:

- a. The expenditure budgets for ongoing purposes shall be the resources that would have been funded through the state funding formula.
- b. Excess property tax and enrollment revenue above the calculated state funding formula 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 the calculated state funding formula shall not be used for regular ongoing expenditures, such as salaries, unless tied to a specific project.
- d. Excess revenue above the calculated state funding formula shall not be used for any other purposes that will jeopardize the District's future financial stability.
- e. BP and AR 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 FTES targets, consideration will be given to the following:

- a. The needs of students and the community,
- b. The percentage of growth authority in the state funding 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 the District's FTES growth authority percentage established by the California Community Colleges Chancellor's Office. 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 a 2.30 percent cost of living adjustment (COLA).
- Current year FTES are up as of P-2 reporting. Targets for 2025-26 are based on the reported 2024-25 P-2 FTES in the SCFF calculation.

IVC	2021-22 Annual	2022-23 Recalc	2023-24 Recalc	2024-25 P2	2025-26 Target	2025-26 Funded Target
Credit	7,750.32	7,497.69	8,573.38	9,450.46	9,450.46	8,316.73
Non-Credit CDCP	597.99	679.71	922.18	992.04	992.04	952.08
Non-Credit	249.30	307.09	378.12	413.87	413.87	468.38
TOTAL	8,597.61	8,484.49	9,873.68	10,856.37	10,856.37	9,737.19
Percentage Change		-1.3%	16.4%	10.0%	0.0%	-10.3%

SC	2021-22 Annual	2022-23 Recalc	2023-24 Recalc	2024-25 P2	2025-26 Target	2025-26 Funded Target
Credit	12,904.45	12,768.20	13,872.00	15,008.70	15,008.70	13,709.98
Non-Credit CDCP	610.85	627.33	1,263.13	1,767.08	1,767.08	1,313.78
Non-Credit	1,613.08	1,459.15	1,647.94	1,855.53	1,855.53	1,801.02
TOTAL	15,128.38	14,854.68	16,783.07	18,631.31	18,631.31	16,824.78
Percentage Change		-1.8%	13.0%	11.0%	0.0%	-9.7%

Total	2021-22 Annual	2022-23 Recalc	2023-24 Recalc	2024-25 P2	2025-26 Target	2025-26 Funded Target
Credit	20,654.77	20,265.89	22,445.38	24,459.16	24,459.16	22,026.71
Non-Credit CDCP	1,208.84	1,307.04	2,185.31	2,759.12	2,759.12	2,265.86
Non-Credit	1,862.38	1,766.24	2,026.06	2,269.40	2,269.40	2,269.40
TOTAL	23,725.99	23,339.17	26,656.75	29,487.68	29,487.68	26,561.97
Percentage Change		-1.6%	14.2%	10.6%	0.0%	-9.9%

- Education Protection Act (EPA) funds resulting from the passage of Proposition 55 in the fall of 2016, are budgeted at \$2.7 million (\$100 per funded FTES). These revenues are from temporary taxes and are budgeted for part-time faculty salaries and benefits. The EPA revenues are slated to end in 2030, although discussions have already begun regarding extending the temporary taxes.
- Unrestricted Lottery revenue is budgeted at \$5.3 million based on an estimated \$191 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 2024-25.
- Ground lease revenue is budgeted at \$4.9 million, an increase of \$200 thousand over 2024-25. Ground leases include agreements with various tenants and the County of Orange at ATEP, and the apartment complex adjacent to Saddleback College which incorporated the consumer price index (CPI) escalation of 2.92 percent.
- The property and liability insurance coverage is budgeted at \$2.6 million, an increase of \$464,000 (22%) over 2024-25. The large increase is primarily due to increased FTES and property valuations for new buildings, along with billings related to AB 218 claims from the District's previous joint powers authority dating back to fiscal years prior to 2015-16.
- Employee movement on salary schedules (steps and columns) and current negotiated salary increases for all employee groups are budgeted in line-item detail.
- The Tentative Budget includes an 8 percent cost increase for employee benefits including PPO medical insurance, HMO medical insurance, dental insurance, vision insurance, and life insurance. This rate will decrease to 6 percent at Adopted Budget based on the renewals received.
- Workers' Compensation insurance is budgeted at 1.14 percent of salaries, the same as 2024-25. The rate will increase to 1.16 percent for the Adopted Budget based on renewals received.
- The unemployment insurance rate for 2025-26 is budgeted at 0.05 percent, the same as 2024-25.
- The State Teachers Retirement System (STRS) employer contribution rate for 2025-26 is budgeted at 19.1% of salaries, the same as 2024-25.

Fiscal Year	2015-16 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budgeted	2025-26 Budgeted	Annual Increase over 2015-16
STRS Annual Rate	10.730%	16.920%	19.100%	19.100%	19.100%	19.100%	
STRS Contribution	6,692,933	12,483,970	14,892,847	17,595,826	16,047,390	16,082,604	9,389,671

- The Public Employees Retirement System (PERS) employer contribution rate approved by the PERS board is 26.81 percent of salaries, a decrease of 0.24 percent from 2024-25.

Fiscal Year	2015-16 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budgeted	2025-26 Budgeted	Annual Increase over 2015-16
PERS Annual Rate	11.847%	22.910%	25.370%	26.680%	27.050%	26.810%	
PERS Contribution	4,491,723	14,101,992	13,478,053	14,714,184	16,782,309	16,965,403	12,473,680

- Interfund transfers are as follows:

<u>TO:</u>	<u>FROM:</u>						
	General Fund SC	General Fund DS	General Fund DW	General Fund Basic Aid	Pension Stabilization Trust Fund	Associated Student Government SC	Total
General Fund IVC (a)					\$ 5,998,080		\$ 5,998,080
General Fund SC (a)					\$ 8,904,933		\$ 8,904,933
General Fund DS (a)					\$ 2,249,631		\$ 2,249,631
Child Development Fund (b)	\$ 250,000					\$ 30,000	\$ 280,000
Capital Outlay (c)	\$ 1,000,000			\$ 84,127,416			\$ 85,127,416
Self-Insurance Fund (d)		\$ 784,836	\$ 400,000				\$ 1,184,836
Retiree Benefits Fund (e)				\$ 7,070,606			\$ 7,070,606
Pension Stabilization Trust Fund (f)				\$ 18,000,000			\$ 18,000,000
Total Transfers	\$ 1,250,000	\$ 784,836	\$ 400,000	\$ 109,198,022	\$ 17,152,644	\$ 30,000	\$ 128,815,502

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

b) SC and ASG funds to support the Child Development Fund and the students utilizing the services.

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

d) DS and DW funds to support Risk Management.

e) Basic Aid funds allocated for OPEB Trust Fund from the General Fund.

f) Basic Aid funds allocated for Pension Stabilization Trust Fund.

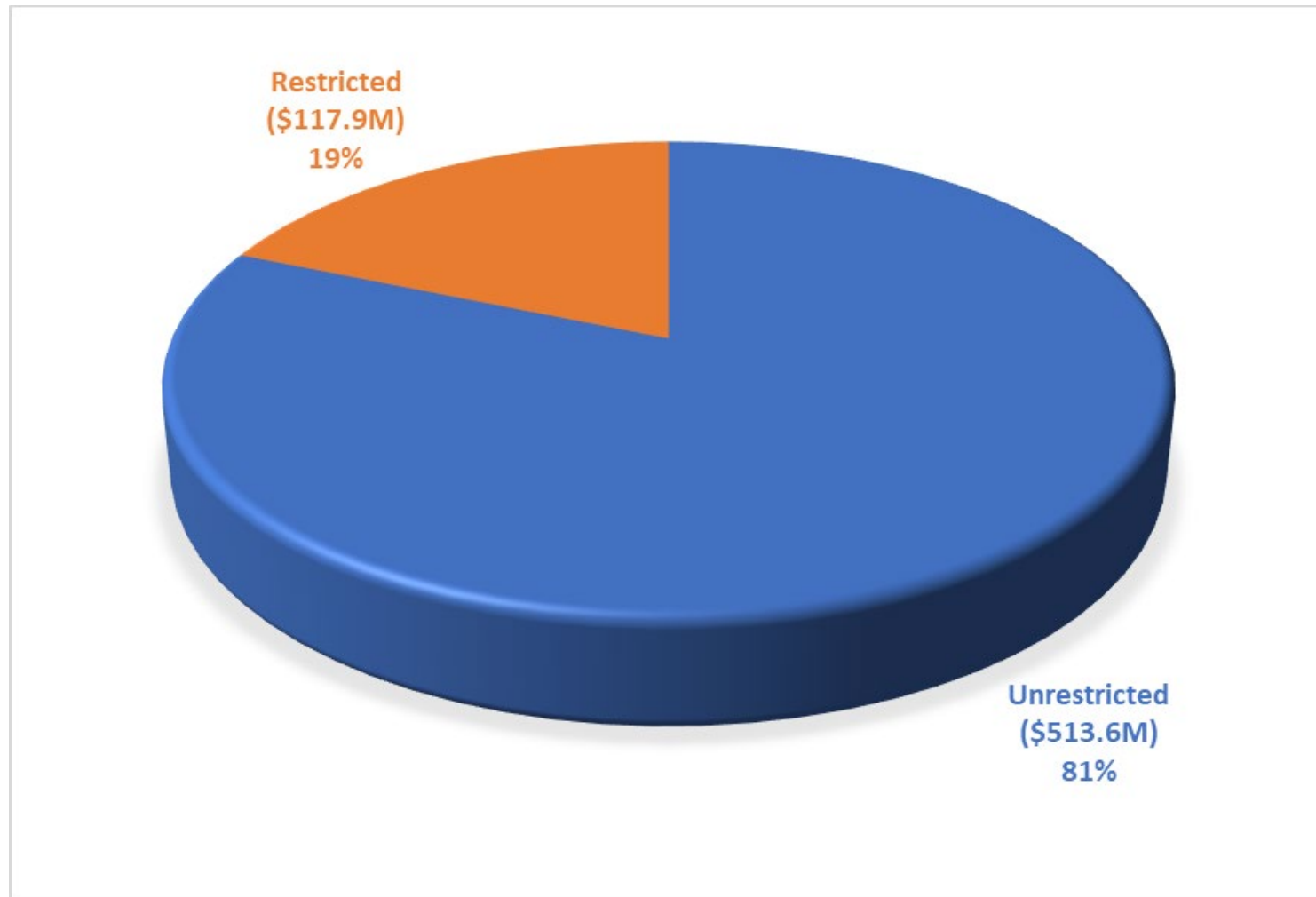
- The General Expenses have the following budgeted amounts:

General Expense Description	2025-26 Amount	Change from 2024-25
Business Continuity & Emergency Prep Training	\$ 100,000	\$ -
CSEA Professional Development	\$ 30,000	\$ -
Discrimination/Harassment Investigation Services	\$ 600,490	\$ 17,490
District Services Facilities and Maintenance*	\$ 339,273	\$ 7,628
District-wide IT Maintenance Agreements	\$ 2,296,270	\$ 130,260
District-wide Strategic Planning	\$ 50,000	\$ -
Employee Safety Compliance Cost	\$ 60,000	\$ -
Faculty Job Fair	\$ 30,000	\$ -
Faculty Load and Compensation (FLAC) Oversight	\$ 177,000	\$ 177,000
Faculty Sabbatical Bond Payments	\$ 20,000	\$ -
Financial Audit	\$ 220,915	\$ 2,310
Internal Audit	\$ 356,347	\$ 12,847
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	\$ 2,554,216	\$ 464,216
Taxpayer Relief Act Compliance	\$ 58,000	\$ -
TOTAL GENERAL EXPENSE ACCOUNTS	\$ 7,982,511	\$ 811,751
District Services Facilities and Maintenance*	\$ (339,273)	\$ (7,628)
ADJUSTED GENERAL EXPENSE ACCOUNTS	\$ 7,643,238	\$ 804,123

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

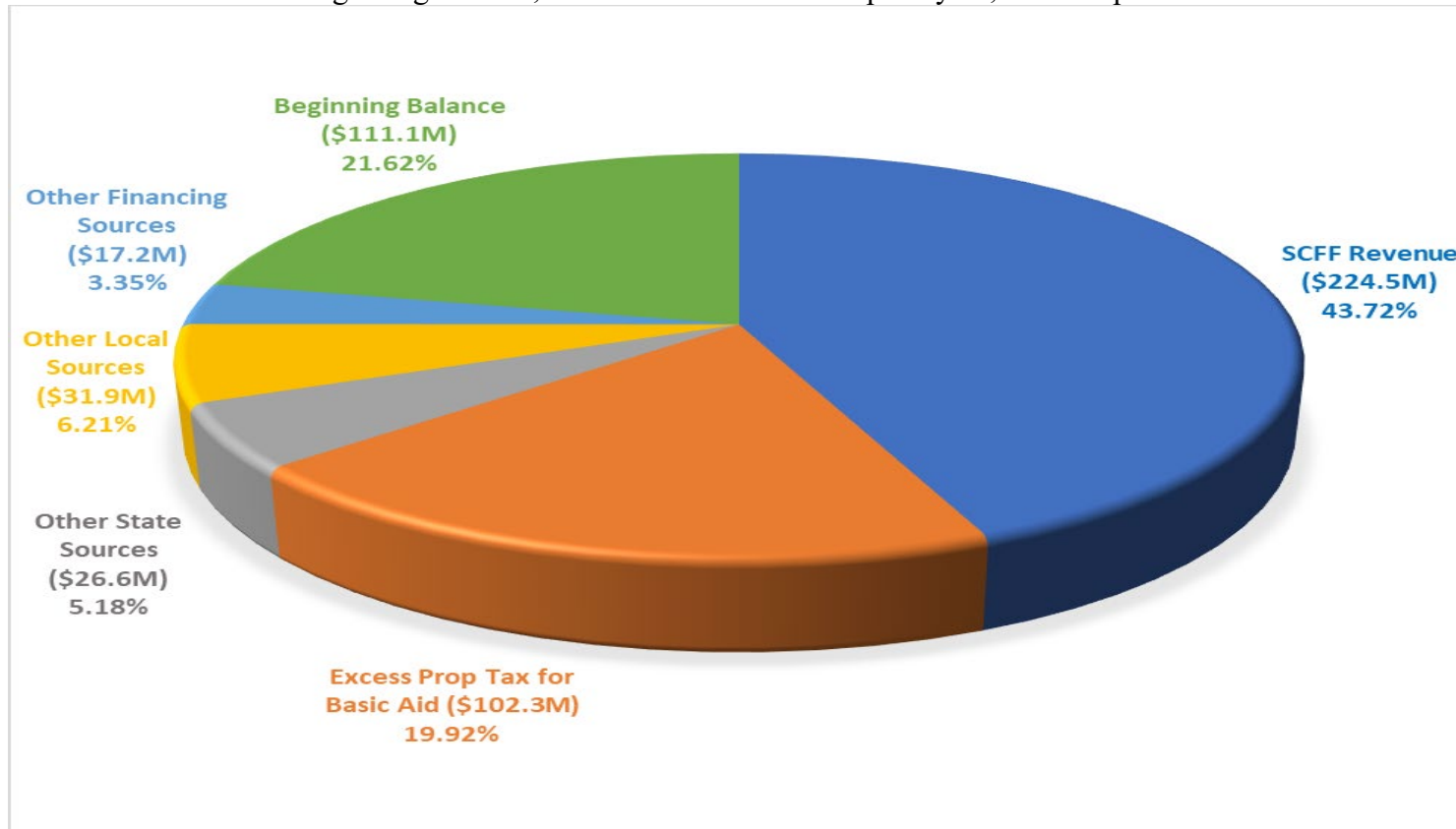
GENERAL FUND REVENUE AND BEGINNING FUND BALANCE

The General Fund encompasses two segments: “Unrestricted” and “Restricted.” The combined General Fund includes \$510.5 million in revenues and \$121.0 million in beginning fund balances for an overall total of \$631.5 million. The Unrestricted General Fund representing \$513.6 million is the operating fund whereby the Restricted General Fund representing \$117.9 million consists of accounts that are required to be recorded in a separate fund.



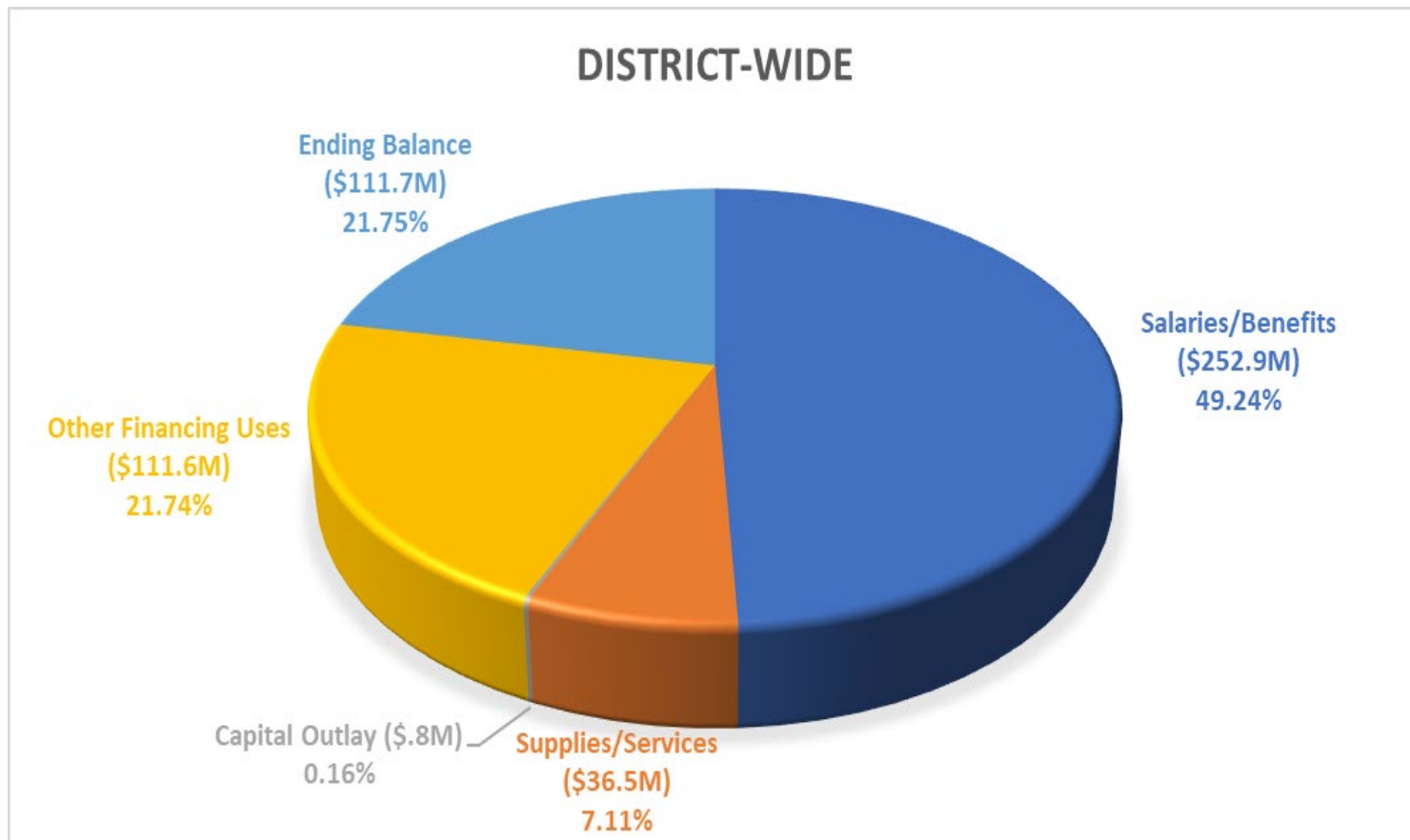
UNRESTRICTED GENERAL FUND REVENUE

The largest segment of the General Fund is the *unrestricted portion*, which includes \$402.5 million in total revenues and other sources of funds and \$111.1 million in beginning fund balance for a grand total of \$513.6 million. This fund accounts for resources for the general-purpose programs of the District (81% of the activity). The Unrestricted General Fund revenues experienced an increase of \$17.6 million over last year primarily due to projected increases in property taxes. Of the total revenues, other sources, and beginning fund balance 43.72 percent 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 (19.92%), Other State Sources (5.18%) including EPA funds and Lottery, Other Local Sources (6.21%), including non-resident tuition, interest, and ground leases, and Other Financing Sources (3.35%), including sale of surplus and interfund transfers. The beginning balance, carried forward from the prior year, is 21.62 percent of available unrestricted funds.

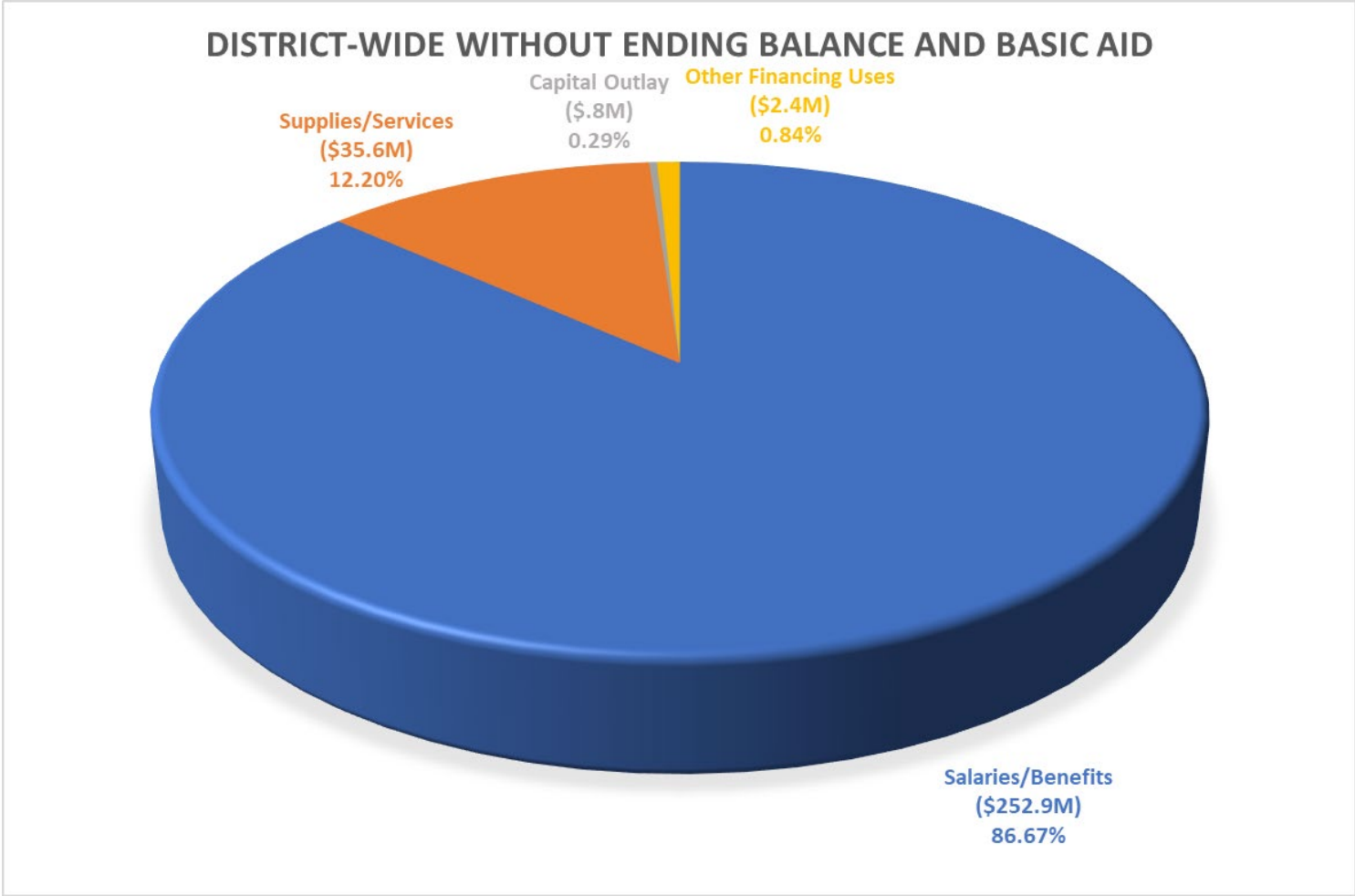


UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES

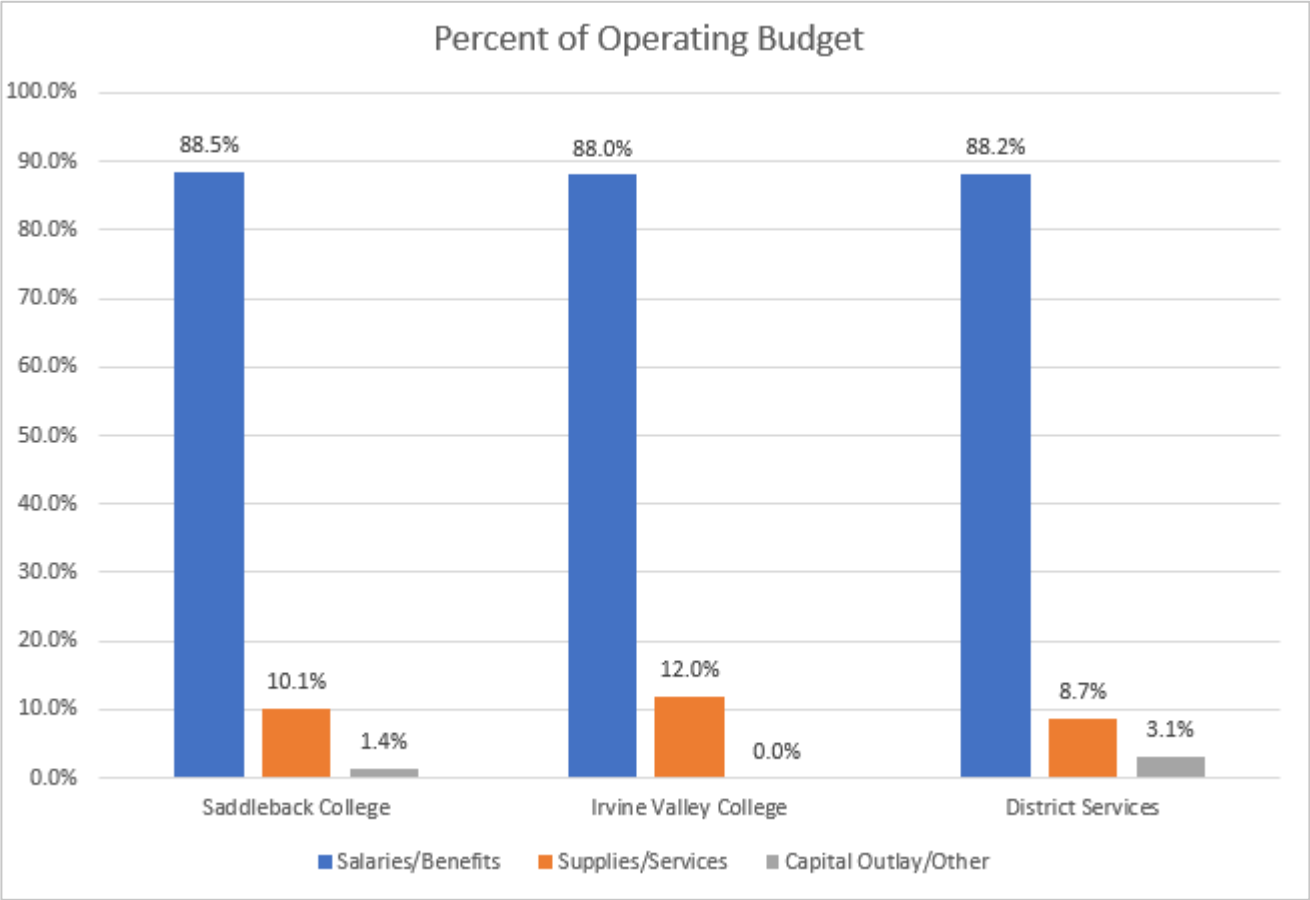
As is common with most other community college districts, the largest category of unrestricted expenditures, representing 49.24 percent, is for the Salaries and Benefits of our faculty, staff, and management team members. The remaining unrestricted expenditures are for: Supplies and Services (7.11%), including utilities, insurance, professional development activities, auditing and legal fees, and other operating needs; Capital Outlay (0.16%) for equipment and library purchases; Other Financing Uses (21.74%) for basic aid projects and other transfers out; and Ending Fund Balance (21.75%).



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 86.67 percent lower than other community college districts that are not community-supported.



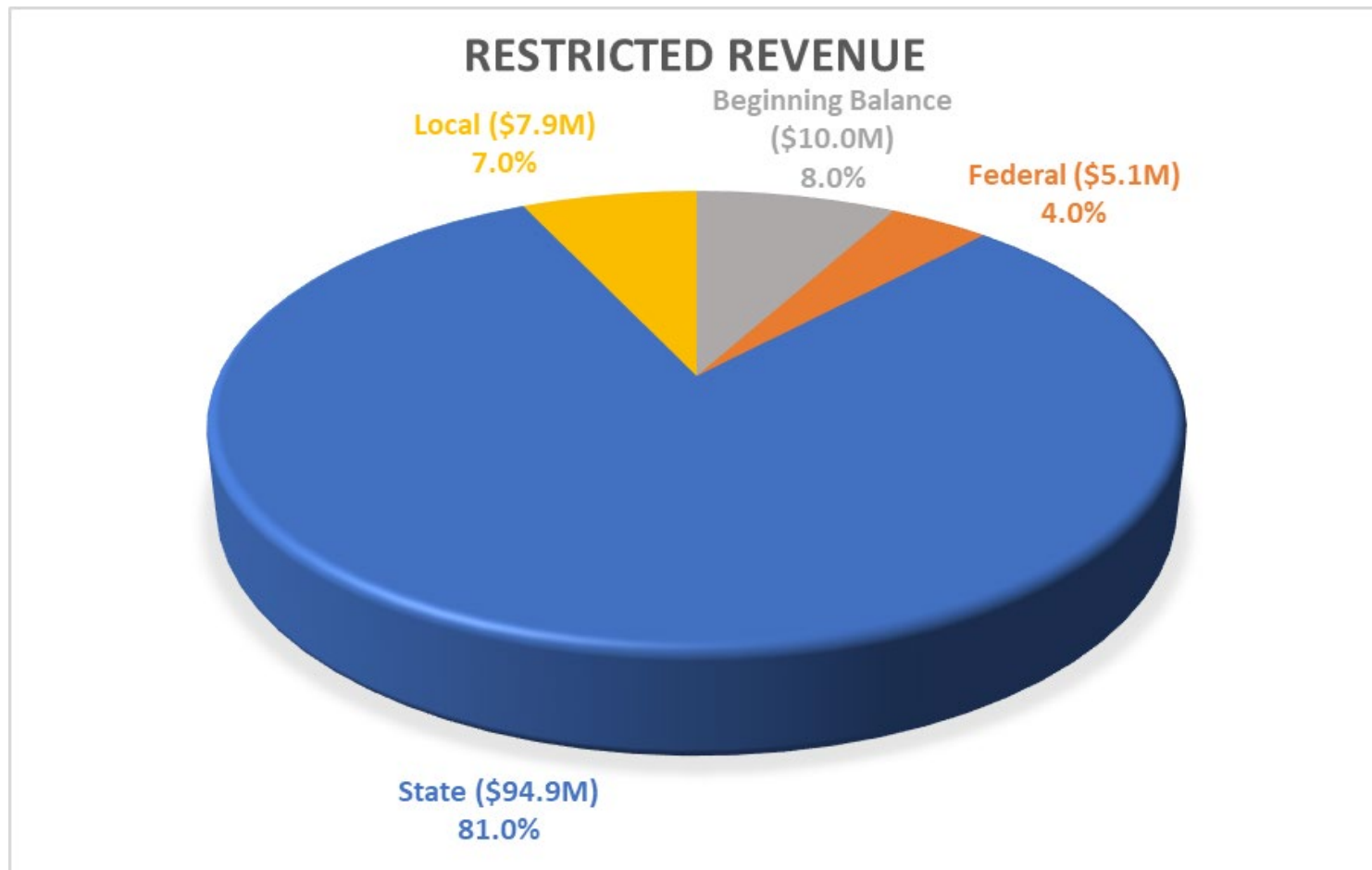
As previously mentioned, most of the expenditures in the unrestricted general fund operating budgets are for employee salaries and benefits. As seen on the following chart, Saddleback College’s salaries and benefits equal 88.5 percent of its operating budget (this is up from current year’s 81.5 percent); Irvine Valley College’s salaries and benefits equal 88.0 percent of its operating budget (this is up from current year’s 82.9 percent); and District Services salaries and benefits equal 88.2 percent of its operating budget (this is up from current year’s 82.7 percent). These costs include negotiated salary increases included on the Board approved salary schedules as well as anticipated increases to health and welfare benefits.



For fiscal prudence, the District-wide recommended target for overall staff costs is to not exceed 85-92 percent 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 \$117.9 million (19%) 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), California Adult Education Program, along with locally collected student health fees and parking fees. 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	Total
Federal Funds:	\$ 3,284,350	\$ 1,792,046	\$ -	\$ 5,076,396
Access and Persistence thru Basic Needs Support		70,000		70,000
AANAPISI		741,154		741,154
Cal OES Hazard Mitigation Grant Program		175,869		175,869
CalFresh Outreach Program		61,223		61,223
College Corps		119,016		119,016
College Work Study	426,347	200,000		626,347
Developing Hispanic Serving Institutions Program Title V	623,954			623,954
Financial Aid Administration	20,200	18,000		38,200
Foster and Kinship Care Education	148,670			148,670
Institute of Education Sciences - UC Davis Subaward	12,136			12,136
National Science Foundation	870,000			870,000
Perkins	801,857	347,846		1,149,703
Regional Alliance in STEM Education - CSUF Subaward	29,000	3,850		32,850
Temporary Assistance for Needy Families (TANF)	56,262	51,088		107,350
Veterans Affairs Reporting Fees	8,864	4,000		12,864
WIOA Adult Education	287,060			287,060
State Funds:	\$ 56,234,014	\$ 37,041,506	\$ 1,632,269	\$ 94,907,789
AANHPI Student Achievement Program	255,204	360,558		615,762
Adult Education Block Grant	3,493,633	632,678		4,126,311
California Apprenticeship Initiative	626,341			626,341
California College Promise	3,055,662	3,671,082		6,726,744
CalWORKs	474,366	388,068		862,434
Classified Professional Development			86,000	86,000
CollegeCorps		1,430,000		1,430,000
Common Course Numbering	845,000	792,845		1,637,845
Cooperative Agencies Resources for Educ. (CARE)	281,881	174,855		456,736
COVID-19 Recovery Block Grant	7,672,360	3,743,569		11,415,929
Culturally Responsive Pedagogy & Practices	66,124			66,124

Program	Saddleback College	Irvine Valley College	District Services	Total
Disabled Student Programs and Services (DSPS)	4,774,431	1,491,837		6,266,268
Dreamer Resource Liaisons	210,844	467,811		678,655
Employer Engagement Funds	286,481			286,481
English Language Learner Healthcare Pathways	262,705	94,997		357,702
Equal Employment Opportunity			546,586	546,586
Equal Employment Opportunity Best Practices			157,333	157,333
Equitable Placement, Support and Completion (AB 1705)	415,000	178,485		593,485
Extended Opportunity Program and Services (EOPS)	1,867,555	1,672,370		3,539,925
Financial Aid Technology	50,569	40,095		90,664
Food and Housing Insecurity	247,000	620,000		867,000
Foster Kinship Care	375,675			375,675
Integrated Basic Needs Center	1,273,676	1,005,197		2,278,873
Learning Lab - AI FAST	149,624			149,624
LGBTQ+	505,649	300,807		806,456
Local and Systemwide Technology and Data Security			600,000	600,000
Mathematics, Engineering, Science Achievement Program	1,184,917	910,000		2,094,917
Mental Health Services	544,722	445,942		990,664
NEXTUP	3,428,801	1,031,396		4,460,197
Nursing Education	104,080			104,080
OC Pathways K-16	292,566			292,566
OCDE K16 Regional Workforce Director		300,000		300,000
Physical Plant and Instructional Equipment	425,000	1,044,618		1,469,618
Puente Project	319,099	925,000		1,244,099
Real Estate Education	139,010			139,010
Rebuilding Nursing Infrastructure Grant	1,150,000			1,150,000
Rising Scholars	80,383	200,000		280,383
State Lottery	1,552,222	978,713		2,530,935
Strong Workforce	4,282,699	1,493,050	242,350	6,018,099
Student Equity and Achievement Program	10,134,614	4,822,921		14,957,535
Student Financial Aid Administration	678,943	440,292		1,119,235
Student Financial Aid Administration One-Time	190,000			190,000

Program	Saddleback College	Irvine Valley College	District Services	Total
Student Success Completion Grant	3,212,992	4,633,136		7,846,128
Student Transfer Achievement	490,000	565,287		1,055,287
Veteran Resource Center	236,511	1,498,788		1,735,299
Wellness Coach Designated Education Program	106,658			106,658
Zero Textbook Cost Program	491,017	687,109		1,178,126
Local and Other Funds:	\$ 6,280,665	\$ 1,694,000	\$ -	\$ 7,974,665
Health Fee Services	1,551,140	955,000		2,506,140
Parking Fee Services	1,793,596	685,000		2,478,596
UCI - Joint Graduate Student/Family Internship Program		19,000		19,000
Arthur N. Rupe Foundation Grant	20,000			20,000
Innovation and Effectiveness Grant		35,000		35,000
Samueli Workbased Learning	2,915,929			2,915,929
Total Restricted General Fund	\$ 65,799,029	\$ 40,527,552	\$ 1,632,269	\$ 107,958,850

FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

Reserve funds are an important financial solvency safeguard. Examples of the need 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 2025-26 Tentative Budget includes a reserve for economic uncertainties in the amount of \$50,644,291 which is made up of a reserve for contingency of 7.5 percent of total general unrestricted operating funds, totaling \$20,508,963 and 3.5 percent of unrestricted operating funds for the colleges and District Services, totaling \$9,682,054 and per BP 6210 – *Basic Aid Funds Allocation Process* a basic aid reserve for unrealized tax collections of 20 percent totaling \$20,453,274. The State Chancellor’s Office recommends reserves of two months of unrestricted general fund operating expenditures. These three reserves combined slightly exceed 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) 2025-26 Tentative Budget							
	Saddleback College	Irvine Valley College	District Services	Basic Aid	Other	Total	
Components of Ending Fund Balance							
Economic Uncertainties	\$ 5,150,717	\$ 3,557,692	\$ 973,645	\$ 20,453,274	\$ 20,508,963	\$ 50,644,291	
Nonspendable Fund Balance			\$ 53,484			\$ 53,484	
Unassigned	\$ 30,060,478	\$ 22,142,308	\$ 8,810,362	\$ -	\$ -	\$ 61,013,148	
Total	\$ 35,211,195	\$ 25,700,000	\$ 9,837,491	\$ 20,453,274	\$ 20,508,963	\$ 111,710,923	
% of Total Uses of Funds	24%	25%	35%				

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	\$ 95,852,356
2024 - 2025	\$ 93,138,239

The 2024-25 basic aid receipts will be adjusted after final property taxes are received.

The District estimates that property tax receipts above the state calculated allocation amount for 2025-26 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2025 - 2026	\$ 102,266,372
2026 - 2027	\$ 107,778,460
2027 - 2028	\$ 111,979,407
2028 - 2029	\$ 116,658,323

The assumptions used to estimate Basic Aid funds for 2025-26 include funding COLA at 2.30 percent and growth at 0.12 percent for the SCFF as proposed in the May Revision. For the following years, SCFF COLA percentages are estimated at 3.02, 3.42, and 3.31, respectively, growth is estimated at 0.12 percent, and no additional increase in FTES. If growth funding comes in higher in 2025-26, then the amounts listed above could potentially drop by at least \$15 million each year.

The Orange County Auditor Controller’s office is consulted regularly to conservatively project the District’s property tax revenue in conjunction with historical trends. Secured property taxes for 2025-26, and subsequent years, are budgeted with a 4.0 percent increase over the prior year. Unsecured taxes, supplemental taxes, and homeowners’ taxes are estimated to remain constant for all years.

ESTIMATED BASIC AID RESOURCES & PLANNED EXPENDITURES

Board Policy and Administrative Regulation 6210 – *Basic Aid Funds Allocation Process* guide the basic aid allocation calculation and process. The District Resources Allocation Council (DRAC) followed this process for its recommendation for allocating the 2025-26 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 2025-26 Tentative Budget.

2025-26 RESOURCES	Approved
Balance as of July 1, 2025	\$ 41,298,718
Estimated Receipts 2025-26	<u>\$ 102,266,372</u>
Estimated Property Taxes for Basic Aid	\$ 143,565,090
Contingency for Unrealized Tax Collections (20%)	\$ (20,453,274)
Total Allocated Funds 2025-26	<u>\$ 123,111,816</u>
Budgeted Expenditures	
2025-26 Long-Term Obligations and Fixed Expenses	\$ 25,950,606
Funds for Technology and Capital Projects	<u>\$ 97,161,210</u>
Total Approved and Budgeted Projects	<u>\$ 123,111,816</u>

2025-26 RESOURCES	Saddleback College	Irvine Valley College	District Services	Districtwide	Total
<u>Basic Aid Projects</u>					
Closed Projects	\$ 169,849,543	\$ 135,029,376	\$ 12,765,177	\$ 159,059,938	\$ 476,704,034
Prior Approved Open Projects	\$ 376,970,794	\$ 170,796,008		\$ 371,774,747	\$ 919,541,549
Total Prior Approved Projects	\$ 546,820,337	\$ 305,825,384	\$ 12,765,177	\$ 530,834,685	\$ 1,396,245,583
Less Expenses and Commitments as of March 2025	\$ 479,602,800	\$ 289,646,357	\$ 12,765,177	\$ 503,901,672	\$ 1,285,916,006
Net Uncommitted Balance	\$ 67,217,537	\$ 16,179,027	\$ -	\$ 26,933,013	\$ 110,329,577
<u>New 2025-26 Project Funding</u>					
<u>Long Term Obligations & Fixed Expenses</u>	\$ 8,904,933	\$ 5,998,080	\$ 2,249,631	\$ 8,797,962	\$ 25,950,606
DW Credit Card/Bank Fees*				\$ 750,000	\$ 750,000
Pension Stabilization Trust*	\$ 8,904,933	\$ 5,998,080	\$ 2,249,631	\$ 847,356	\$ 18,000,000
Retiree Benefits Expenses*				\$ 7,070,606	\$ 7,070,606
SOCCCD - Legislative Advocacy Services*				\$ 130,000	\$ 130,000
<u>Capital Projects/Scheduled Maintenance/Renovation</u>	\$ 46,775,873	\$ 23,234,571	\$ -	\$ 11,750,000	\$ 81,760,444
ATEP Site Development*				\$ 6,750,000	\$ 6,750,000
ADA Transition Plan Projects*				\$ 3,000,000	\$ 3,000,000
Planning*				\$ 2,000,000	\$ 2,000,000
Campus Police & IT Repurpose SAC Bldg		\$ 924,588			\$ 924,588
Parking Lot 7 Temp to Permanent/Sidewalk to Baseball*		\$ 1,000,000			\$ 1,000,000
Student Services/Student Union Buildings*		\$ 21,309,983			\$ 21,309,983
ATEP First Building*	\$ 997,088				\$ 997,088
Baseball Scoreboard Replacement*	\$ 2,577,766				\$ 2,577,766
Central Plant*	\$ 10,393,883				\$ 10,393,883
College Center Renovation*	\$ 2,246,146				\$ 2,246,146
Infrastructure*	\$ 1,000,000				\$ 1,000,000
Math and Computer Science Building*	\$ 1,800,000				\$ 1,800,000
Scheduled Maintenance Projects	\$ 1,500,000				\$ 1,500,000
Solar Canopy Phase II*	\$ 19,648,835				\$ 19,648,835
TAS Renovation/Campus Support Center	\$ 2,709,171				\$ 2,709,171
Utility Distribution System 12kv Upgrades*	\$ 3,902,984				\$ 3,902,984

*Reflects an augmentation to an existing project

2025-26 RESOURCES	Saddleback College	Irvine Valley College	District Services	Districtwide	Total
IT Projects	\$ 2,360,660	\$ 2,801,106	\$ 150,000	\$ 10,089,000	\$ 15,400,766
Banner Implementation*				\$ 6,600,000	\$ 6,600,000
Center for Technology Innovation (CTI)*				\$ 350,000	\$ 350,000
Cloud Services*				\$ 550,000	\$ 550,000
Data Warehouse				\$ 225,000	\$ 225,000
DTSMF*	\$ 500,000	\$ 400,000	\$ 150,000		\$ 1,050,000
HR/Business Service Integrated Software*				\$ 300,000	\$ 300,000
On-Premise Server and Storage Capacity*				\$ 250,000	\$ 250,000
Student Information System Enhancements*				\$ 1,814,000	\$ 1,814,000
24x7 Student Support	\$ 150,000	\$ 150,000			\$ 300,000
AV		\$ 1,000,000			\$ 1,000,000
Campus Desktop Refresh*	\$ 400,000	\$ 550,000			\$ 950,000
Campus Logic	\$ 310,660	\$ 201,106			\$ 511,766
Security Cameras		\$ 500,000			\$ 500,000
Theater Refresh	\$ 1,000,000				\$ 1,000,000
Total 2025-26 Funded Projects	\$ 116,082,932	\$ 64,067,514	\$ 4,799,262	\$ 61,273,924	\$ 246,223,632
Cumulative Total - Basic Aid Approved Projects	\$ 662,903,269	\$ 369,892,898	\$ 17,564,439	\$ 592,108,609	\$ 1,642,469,215

*Reflects an augmentation to an existing project

OTHER FUNDS

Community Education Funds

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.

Child Development Fund

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 and Saddleback College ASG have budgeted augmentations totaling \$280,000 (\$250,000 and \$30,000 respectively), which will be reviewed further in the Adopted Budget.

Capital Outlay Fund

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 grants for new construction, state scheduled maintenance, local redevelopment agency (RDA) funds, basic aid projects, and District/college funded projects. 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) Math and Computer Science – construction; b) Solar Canopies and Battery Storage (phase 2) – design and construction; c) SC @ ATEP 1st Year - support; d) Baseball Scoreboard Replacement – construction; e) Central Plant – design and construction; f) College Center Renovation – design; g) Scheduled Maintenance – programming; h) Infrastructure 12kV Utility Distribution – design and construction; and i) TAS Renovation – programming and design.
- Irvine Valley College projects include a) Parking Lot 7 temporary to permanent/sidewalk to baseball – construction; b) Student Services and Student Union Buildings – construction; and c) Campus Police and Support – programming.
- District-wide projects include a) ADA Transition Plan projects – programming; b) ATEP Site Development – support; and c) Planning.

Major Basic Aid Technology Initiatives: This year's approved basic aid technology projects recommended by the District-wide Technology Committee (DTC) fall into the following 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 the District'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-wide Cloud services, data warehouse, Center for Technology Innovation, and servers.
- The final category consists of college-requested items such as District Technology Strategic Master Plan strategic initiatives, Campus Logic, 24/7 Student Support, Theater refresh, AV upgrades, 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	\$ 31,694,614	\$ 108,437,026	\$ 107,801,557		\$ 247,933,197
IT Projects	\$ 21,433,458	\$ 14,723,945	\$ 7,885,153	\$ 150,000	\$ 44,192,556
State Funded Capital Outlay Projects:					
State Portion		\$ -	\$ -		\$ -
Basic Aid Match		\$ 39,422,808	\$ 2,032,905		\$ 41,455,713
State Scheduled Maintenance Projects		\$ 4,340,680	\$ 1,110,023		\$ 5,450,703
Locally Funded Capital Outlay Projects		\$ 2,318,101			\$ 2,318,101
Non-Resident Capital Outlay Funds		\$ 3,247,740	\$ 2,854,560		\$ 6,102,300
Student Housing Planning Grants		\$ 282,750	\$ 69,336		\$ 352,086
Redevelopment Funds		\$ 49,000,008	\$ 21,666,884	\$ 11,792,204	\$ 82,459,096
Future Capital Outlay Project Funds	\$ 47,285,367	\$ 24,443,509	\$ 18,129,000	\$ 18,514,052	\$ 108,371,928
Total	\$ 100,413,439	\$ 246,216,567	\$ 161,549,418	\$ 30,456,256	\$ 538,635,680

Self-Insurance Fund

The Self-Insurance fund is used to account for the activities of the District's risk management services 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 along with \$100,000 for equipment breakdown, \$4,000,000 for single event cyber, and \$1,000,000 aggregate for active assailant 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 = \$100,000; Equipment Breakdown = \$5,000; and Active Assailant = \$25,000.

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

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

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 2025 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 \$7,070,606. The District's actuarial accrued liability for past service is estimated at \$145,245,218 which was overfunded by \$28,996,190. The actuarial determined normal cost of \$7,070,606 is funded in the Tentative Budget.

Pension Stabilization Trust (PST) Fund

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 an \$18 million DRAC allocation for 2025-26. 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 Funds

The Student Financial Aid Funds are used to account for each college's federal and state financial aid funds received and disbursed to students.

Associated Student Government (ASG) Funds

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 Funds

The Student Representation Fee funds account for the fees collected at each college 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 2025-26 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 2025-2026**

Revenues, Expenditures and Change in Fund Balance

		General Fund	Community Education Funds	Child Development Fund	Capital Outlay Fund	Self - Insurance Fund	Retiree Benefit Fund	Retiree Benefit & Pension Trust Funds	Student Financial Aid Funds	Associated Student Government Funds	Student Representation Fee Funds	TOTAL ALL
BEGINNING FUND BALANCE	9712	\$ 121,050,259	\$ 3,524,604	\$ -	\$ 422,475,883	\$ 1,616,513	\$ -	\$ 203,331,859	\$ -	\$ 205,892	\$ 70,054	\$ 752,275,064
SOURCES OF FUNDS												
REVENUES:												
Federal Sources	8100-8199	\$ 5,076,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,204,189	\$ -	\$ -	\$ 41,280,585
Other State Sources	8600-8699	121,477,775	-	-	5,802,789	-	-	-	4,544,616	-	-	131,825,180
Other Local Sources	8800-8899	366,730,635	2,524,868	1,292,153	25,229,592	55,000	120,000	12,624,000	-	668,500	111,000	409,355,748
Total Revenue		493,284,806	2,524,868	1,292,153	31,032,381	55,000	120,000	12,624,000	40,748,805	668,500	111,000	582,461,513
OTHER FINANCING SOURCES:												
Sale of Surplus	8910-8919	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Interfund Transfers In	8980-8981	17,152,644	-	280,000	85,127,416	1,184,836	7,070,606	18,000,000	-	-	-	128,815,502
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-	-	-	-	-
Total Other Sources		17,182,644	-	280,000	85,127,416	1,184,836	7,070,606	18,000,000	-	-	-	128,845,502
TOTAL SOURCES OF FUNDS		\$ 510,467,450	\$ 2,524,868	\$ 1,572,153	\$ 116,159,797	\$ 1,239,836	\$ 7,190,606	\$ 30,624,000	\$ 40,748,805	\$ 668,500	\$ 111,000	\$ 711,307,015
USES OF FUNDS												
EXPENDITURES:												
Academic Salaries	1000-1999	\$ 122,052,362	\$ 43,089	\$ 14,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,110,274
Classified Salaries	2000-2999	82,112,627	867,169	976,924	1,628,288	437,856	-	-	-	140,518	-	86,163,382
Employee Benefits	3000-3999	83,359,778	390,262	526,803	846,120	253,698	7,070,606	-	-	67,297	-	92,514,564
Supplies & Materials	4000-4999	12,158,876	36,200	30,000	-	2,500	-	-	-	78,458	25,500	12,331,534
Services & Other Operating	5000-5999	87,754,053	4,712,752	23,603	34,839,538	897,000	120,000	480,000	-	250,227	103,939	129,181,112
Capital Outlay	6000-6999	7,235,460	-	-	354,002,952	-	-	-	-	127,000	-	361,365,412
Total Expenditures		394,673,156	6,049,472	1,572,153	391,316,898	1,591,054	7,190,606	480,000	-	663,500	129,439	803,666,278
OTHER FINANCING USES:												
Interfund Transfers Out	7300-7399	\$ 111,632,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,152,644	\$ -	\$ 30,000	\$ -	\$ 128,815,502
Other Outgoing Transfers	7400-7499	-	-	-	283,260	-	-	-	-	-	51,615	334,875
Payments to Students	7500-7699	13,500,772	-	-	-	-	-	-	40,748,805	85,000	-	54,334,577
Total Other Uses		125,133,630	-	-	283,260	-	-	17,152,644	40,748,805	115,000	51,615	183,484,954
TOTAL USES OF FUNDS		\$ 519,806,786	\$ 6,049,472	\$ 1,572,153	\$ 391,600,158	\$ 1,591,054	\$ 7,190,606	\$ 17,632,644	\$ 40,748,805	\$ 778,500	\$ 181,054	\$ 987,151,232
SURPLUS / (DEFICIT)		\$ (9,339,336)	\$ (3,524,604)	\$ -	\$ (275,440,361)	\$ (351,218)	\$ -	\$ 12,991,356	\$ -	\$ (110,000)	\$ (70,054)	\$ (275,844,217)
ENDING FUND BALANCE		\$ 111,710,923	\$ -	\$ -	\$ 147,035,522	\$ 1,265,295	\$ -	\$ 216,323,215	\$ -	\$ 95,892	\$ -	\$ 476,430,847
COMPONENTS OF ENDING BALANCE												
Assigned Reserve, Economic Uncertainties	\$	50,644,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,644,291
Nonspendable Fund Balance		53,484	-	-	-	-	-	-	-	-	-	53,484
Restricted Fund Balance		-	-	-	-	-	-	-	-	95,892	-	95,892
Assigned Fund Balance		-	-	-	147,035,522	1,265,295	-	216,323,215	-	-	-	364,624,032
Unassigned Fund Balance		61,013,148	-	-	-	-	-	-	-	-	-	61,013,148
TOTAL ENDING FUND BALANCE		\$ 111,710,923	\$ -	\$ -	\$ 147,035,522	\$ 1,265,295	\$ -	\$ 216,323,215	\$ -	\$ 95,892	\$ -	\$ 476,430,847

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2025-2026
 Revenues, Expenditures and Change in Fund Balance

		Saddleback College			Irvine Valley College			District Services		
		General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	Total	General Fund Unrestricted	General Fund Restricted	Total
BEGINNING FUND BALANCE	9712	\$ 26,559,097	\$ 7,680,867	\$ 34,239,964	\$ 25,700,000	\$ 2,308,719	\$ 28,008,719	\$ 10,655,635	\$ -	\$ 10,655,635
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199	\$ -	\$ 3,284,350	\$ 3,284,350	\$ -	\$ 1,792,046	\$ 1,792,046	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	56,234,014	56,234,014	-	37,041,506	37,041,506	-	1,632,269	1,632,269
Other Local Sources	8800-8899	6,251,789	6,280,665	12,532,454	9,050,521	1,694,000	10,744,521	-	-	-
Total Revenue		6,251,789	65,799,029	72,050,818	9,050,521	40,527,552	49,578,073	-	1,632,269	1,632,269
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers In	8980-8981	8,904,933	-	8,904,933	5,998,080	-	5,998,080	2,249,631	-	2,249,631
Other Incoming Transfers	8982-8989	140,658,708	-	140,658,708	86,599,734	-	86,599,734	24,750,648	-	24,750,648
Total Other Sources		149,563,641	-	149,563,641	92,597,814	-	92,597,814	27,000,279	-	27,000,279
TOTAL SOURCES OF FUNDS		\$ 155,815,430	\$ 65,799,029	\$ 221,614,459	\$ 101,648,335	\$ 40,527,552	\$ 142,175,887	\$ 27,000,279	\$ 1,632,269	\$ 28,632,548
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ 68,948,240	\$ 4,834,021	\$ 73,782,261	\$ 45,673,477	\$ 1,434,978	\$ 47,108,455	\$ 1,161,646	\$ -	\$ 1,161,646
Classified Salaries	2000-2999	28,767,812	9,739,141	38,506,953	21,269,767	7,077,922	28,347,689	14,650,487	-	14,650,487
Employee Benefits	3000-3999	32,617,817	6,664,233	39,282,050	22,557,519	4,887,582	27,445,101	8,713,779	-	8,713,779
Supplies & Materials	4000-4999	1,702,255	6,925,042	8,627,297	995,152	2,343,691	3,338,843	131,800	8,000	139,800
Services & Other Operating	5000-5999	13,114,840	30,905,835	44,020,675	11,152,420	21,609,858	32,762,278	2,295,875	1,624,269	3,920,144
Capital Outlay	6000-6999	762,368	910,852	1,673,220	-	5,482,240	5,482,240	80,000	-	80,000
Total Expenditures		145,913,332	59,979,124	205,892,456	101,648,335	42,836,271	144,484,606	27,033,587	1,632,269	28,665,856
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -	\$ 784,836	\$ -	\$ 784,836
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	13,500,772	13,500,772	-	-	-	-	-	-
Total Other Uses		1,250,000	13,500,772	14,750,772	-	-	-	784,836	-	784,836
TOTAL USES OF FUNDS		\$ 147,163,332	\$ 73,479,896	\$ 220,643,228	\$ 101,648,335	\$ 42,836,271	\$ 144,484,606	\$ 27,818,423	\$ 1,632,269	\$ 29,450,692
SURPLUS / (DEFICIT)		\$ 8,652,098	\$ (7,680,867)	\$ 971,231	\$ -	\$ (2,308,719)	\$ (2,308,719)	\$ (818,144)	\$ -	\$ (818,144)
ENDING FUND BALANCE		\$ 35,211,195	\$ -	\$ 35,211,195	\$ 25,700,000	\$ -	\$ 25,700,000	\$ 9,837,491	\$ -	\$ 9,837,491
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ 5,150,717	\$ -	\$ 5,150,717	\$ 3,557,692	\$ -	\$ 3,557,692	\$ 973,645	\$ -	\$ 973,645
Nonspendable Fund Balance		-	-	-	-	-	-	53,484	-	53,484
Restricted Fund Balance		-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		30,060,478	-	30,060,478	22,142,308	-	22,142,308	8,810,362	-	8,810,362
TOTAL ENDING FUND BALANCE		\$ 35,211,195	\$ -	\$ 35,211,195	\$ 25,700,000	\$ -	\$ 25,700,000	\$ 9,837,491	\$ -	\$ 9,837,491

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2025-2026

Revenues, Expenditures and Change in Fund Balance

		Basic Aid		Other		TOTAL	
		General Fund Unrestricted		General Fund Unrestricted		General Fund Restricted	
BEGINNING FUND BALANCE	9712	\$ 28,271,924	\$ 19,874,017	\$ 111,060,673	\$ 9,989,586	\$ 121,050,259	
SOURCES OF FUNDS							
REVENUES:							
Federal Sources	8100-8199	\$ -	\$ -	\$ -	\$ 5,076,396	\$ 5,076,396	
Other State Sources	8600-8699	-	26,569,986	26,569,986	94,907,789	121,477,775	
Other Local Sources	8800-8899	-	343,453,660	358,755,970	7,974,665	366,730,635	
Total Revenue		-	370,023,646	385,325,956	107,958,850	493,284,806	
OTHER FINANCING SOURCES:							
Sale of Surplus	8910-8919	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ 30,000	
Interfund Transfers In	8980-8981	-	-	17,152,644	-	17,152,644	
Other Incoming Transfers	8982-8989	102,266,372	(354,275,462)	-	-	-	
Total Other Sources		102,266,372	(354,245,462)	17,182,644	-	17,182,644	
TOTAL SOURCES OF FUNDS		\$ 102,266,372	\$ 15,778,184	\$ 402,508,600	\$ 107,958,850	\$ 510,467,450	
USES OF FUNDS							
EXPENDITURES:							
Academic Salaries	1000-1999	\$ -	\$ -	\$ 115,783,363	\$ 6,268,999	\$ 122,052,362	
Classified Salaries	2000-2999	-	607,498	65,295,564	16,817,063	82,112,627	
Employee Benefits	3000-3999	-	7,918,848	71,807,963	11,551,815	83,359,778	
Supplies & Materials	4000-4999	7,000	45,936	2,882,143	9,276,733	12,158,876	
Services & Other Operating	5000-5999	880,000	6,170,956	33,614,091	54,139,962	87,754,053	
Capital Outlay	6000-6999	-	-	842,368	6,393,092	7,235,460	
Total Expenditures		887,000	14,743,238	290,225,492	104,447,664	394,673,156	
OTHER FINANCING USES:							
Interfund Transfers Out	7300-7399	\$ 109,198,022	\$ 400,000	\$ 111,632,858	\$ -	\$ 111,632,858	
Other Outgoing Transfers	7400-7499	-	-	-	-	-	
Payments to Students	7500-7699	-	-	-	13,500,772	13,500,772	
Total Other Uses		109,198,022	400,000	111,632,858	13,500,772	125,133,630	
TOTAL USES OF FUNDS		\$ 110,085,022	\$ 15,143,238	\$ 401,858,350	\$ 117,948,436	\$ 519,806,786	
SURPLUS / (DEFICIT)		\$ (7,818,650)	\$ 634,946	\$ 650,250	\$ (9,989,586)	\$ (9,339,336)	
ENDING FUND BALANCE		\$ 20,453,274	\$ 20,508,963	\$ 111,710,923	\$ -	\$ 111,710,923	
COMPONENTS OF ENDING BALANCE							
Assigned Reserve, Economic Uncertainties		\$ 20,453,274	\$ 20,508,963	\$ 50,644,291	\$ -	\$ 50,644,291	
Nonspendable Fund Balance		-	-	53,484	-	53,484	
Restricted Fund Balance		-	-	-	-	-	
Assigned Fund Balance		-	-	-	-	-	
Unassigned Fund Balance		-	-	61,013,148	-	61,013,148	
TOTAL ENDING FUND BALANCE		\$ 20,453,274	\$ 20,508,963	\$ 111,710,923	\$ -	\$ 111,710,923	

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2025-2026
Revenues, Expenditures and Change in Fund Balance

Community Education Funds				Retiree Benefit & Pension Trust Funds			
		Saddleback College	Irvine Valley College	Total	Retiree Benefit (OPEB) Trust	Pension Stabilization Trust	Total
BEGINNING FUND BALANCE	9712	\$ 3,524,604	\$ -	\$ 3,524,604	\$ 194,563,592	\$ 8,768,267	\$ 203,331,859
SOURCES OF FUNDS							
REVENUES:							
Federal Sources	8100-8199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	-	-	-	-	-
Other Local Sources	8800-8899	2,442,868	82,000	2,524,868	10,850,000	1,774,000	12,624,000
Total Revenue		2,442,868	82,000	2,524,868	10,850,000	1,774,000	12,624,000
OTHER FINANCING SOURCES:							
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers In	8980-8981	-	-	-	-	18,000,000	18,000,000
Other Incoming Transfers	8982-8989	-	-	-	-	-	-
Total Other Sources		-	-	-	-	18,000,000	18,000,000
TOTAL SOURCES OF FUNDS		\$ 2,442,868	\$ 82,000	\$ 2,524,868	\$ 10,850,000	\$ 19,774,000	\$ 30,624,000
USES OF FUNDS							
EXPENDITURES:							
Academic Salaries	1000-1999	\$ 14,823	\$ 28,266	\$ 43,089	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	867,169	-	867,169	-	-	-
Employee Benefits	3000-3999	377,534	12,728	390,262	-	-	-
Supplies & Materials	4000-4999	36,200	-	36,200	-	-	-
Services & Other Operating	5000-5999	4,671,746	41,006	4,712,752	430,000	50,000	480,000
Capital Outlay	6000-6999	-	-	-	-	-	-
Total Expenditures		5,967,472	82,000	6,049,472	430,000	50,000	480,000
OTHER FINANCING USES:							
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ -	17,152,644	17,152,644
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	-
Total Other Uses		-	-	-	-	17,152,644	17,152,644
TOTAL USES OF FUNDS		\$ 5,967,472	\$ 82,000	\$ 6,049,472	\$ 430,000	\$ 17,202,644	\$ 17,632,644
SURPLUS / (DEFICIT)		\$ (3,524,604)	\$ -	\$ (3,524,604)	\$ 10,420,000	\$ 2,571,356	\$ 12,991,356
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 204,983,592	\$ 11,339,623	\$ 216,323,215
COMPONENTS OF ENDING BALANCE							
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Fund Balance		-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-
Assigned Fund Balance		-	-	-	204,983,592	11,339,623	216,323,215
Unassigned Fund Balance		-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 204,983,592	\$ 11,339,623	\$ 216,323,215

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2025-2026**

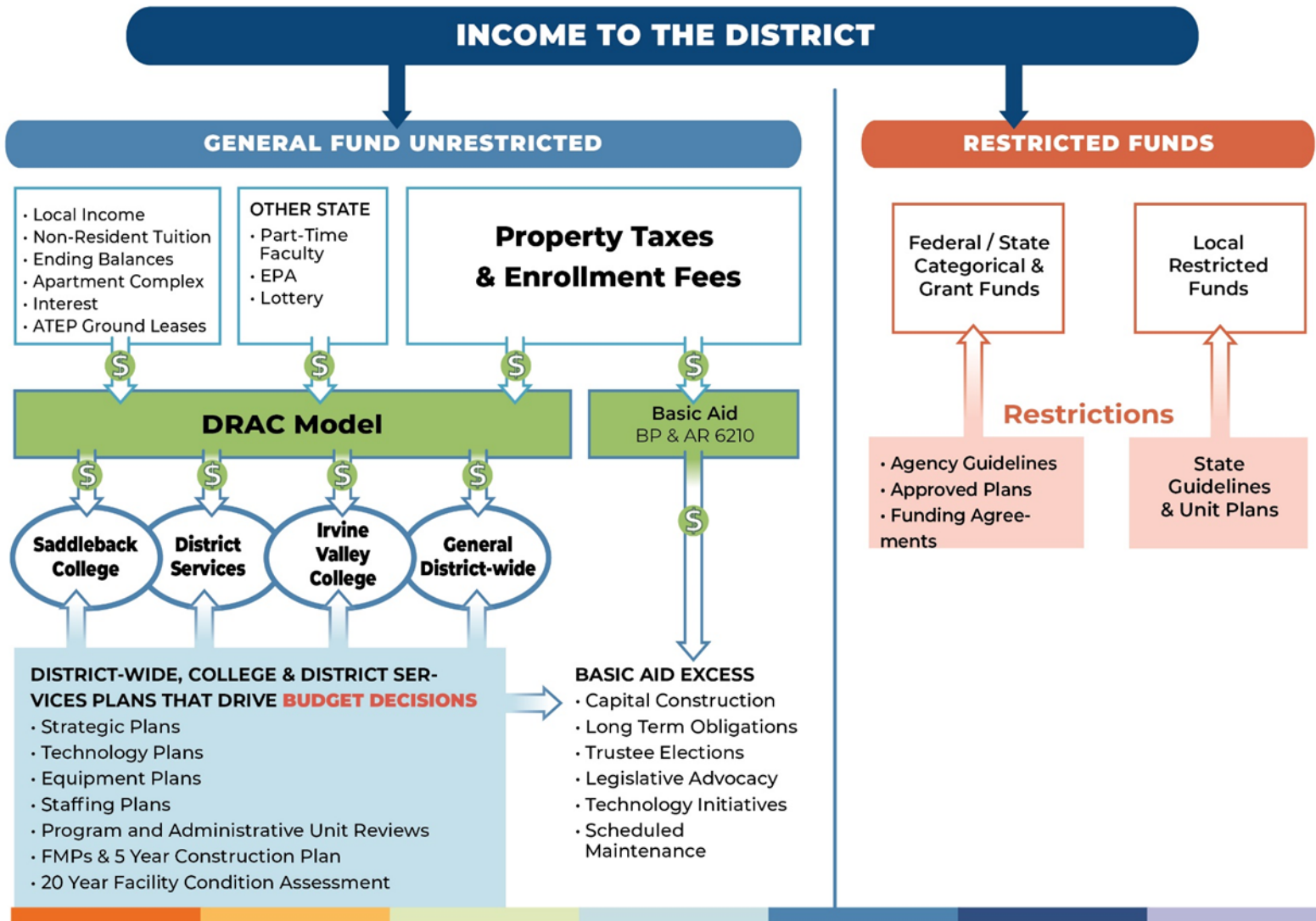
Revenues, Expenditures and Change in Fund Balance

		Student Financial Aid Funds			Associated Student Government Funds			Student Representation Fee Funds		
		Saddleback College	Irvine Valley College	Total	Saddleback College	Irvine Valley College	Total	Saddleback College	Irvine Valley College	Total
BEGINNING FUND BALANCE	9712	\$ -	\$ -	\$ -	\$ 45,892	\$ 160,000	\$ 205,892	\$ 70,054	\$ -	\$ 70,054
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199	\$ 20,729,189	\$ 15,475,000	\$ 36,204,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	2,497,116	2,047,500	4,544,616	-	-	-	-	-	-
Other Local Sources	8800-8899	-	-	-	328,500	340,000	668,500	70,000	41,000	111,000
Total Revenue		23,226,305	17,522,500	40,748,805	328,500	340,000	668,500	70,000	41,000	111,000
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers In	8980-8981	-	-	-	-	-	-	-	-	-
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-	-	-
Total Other Sources		-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS		\$ 23,226,305	\$ 17,522,500	\$ 40,748,805	\$ 328,500	\$ 340,000	\$ 668,500	\$ 70,000	\$ 41,000	\$ 111,000
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	-	-	-	19,300	121,218	140,518	-	-	-
Employee Benefits	3000-3999	-	-	-	1,708	65,589	67,297	-	-	-
Supplies & Materials	4000-4999	-	-	-	30,862	47,596	78,458	25,500	-	25,500
Services & Other Operating	5000-5999	-	-	-	91,630	158,597	250,227	82,004	21,935	103,939
Capital Outlay	6000-6999	-	-	-	120,000	7,000	127,000	-	-	-
Total Expenditures		-	-	-	263,500	400,000	663,500	107,504	21,935	129,439
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	32,550	19,065	51,615
Payments to Students	7500-7699	23,226,305	17,522,500	40,748,805	35,000	50,000	85,000	-	-	-
Total Other Uses		23,226,305	17,522,500	40,748,805	65,000	50,000	115,000	32,550	19,065	51,615
TOTAL USES OF FUNDS		\$ 23,226,305	\$ 17,522,500	\$ 40,748,805	\$ 328,500	\$ 450,000	\$ 778,500	\$ 140,054	\$ 41,000	\$ 181,054
SURPLUS / (DEFICIT)		\$ -	\$ -	\$ -	\$ -	\$ (110,000)	\$ (110,000)	\$ (70,054)	\$ -	\$ (70,054)
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 45,892	\$ 50,000	\$ 95,892	\$ -	\$ -	\$ -
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	45,892	50,000	95,892	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 45,892	\$ 50,000	\$ 95,892	\$ -	\$ -	\$ -

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 and state monies to community college districts according to a specified formula. Under Basic Aid, there is no need to factor in any state aid because 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 District Resources 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) District Services, 4) General Expenditures, and 5) Contingency Reserve. The intention of the model is to achieve a predictable and fair distribution of revenues.
- **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 District and college Strategic Plans.
- **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, ATEP tenants, 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 who resides outside of California for instructional services provided. 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 and 20% of excess property taxes available for basic aid. 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 are EOPS, DSPS, and grants.
- **Scheduled Maintenance Funds** are state or local 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 District and college Strategic Plans.

- **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.