

Tentative Budget 2026 - 2027



**South
Orange
County**

**Community
College District**

THE DISTRICT

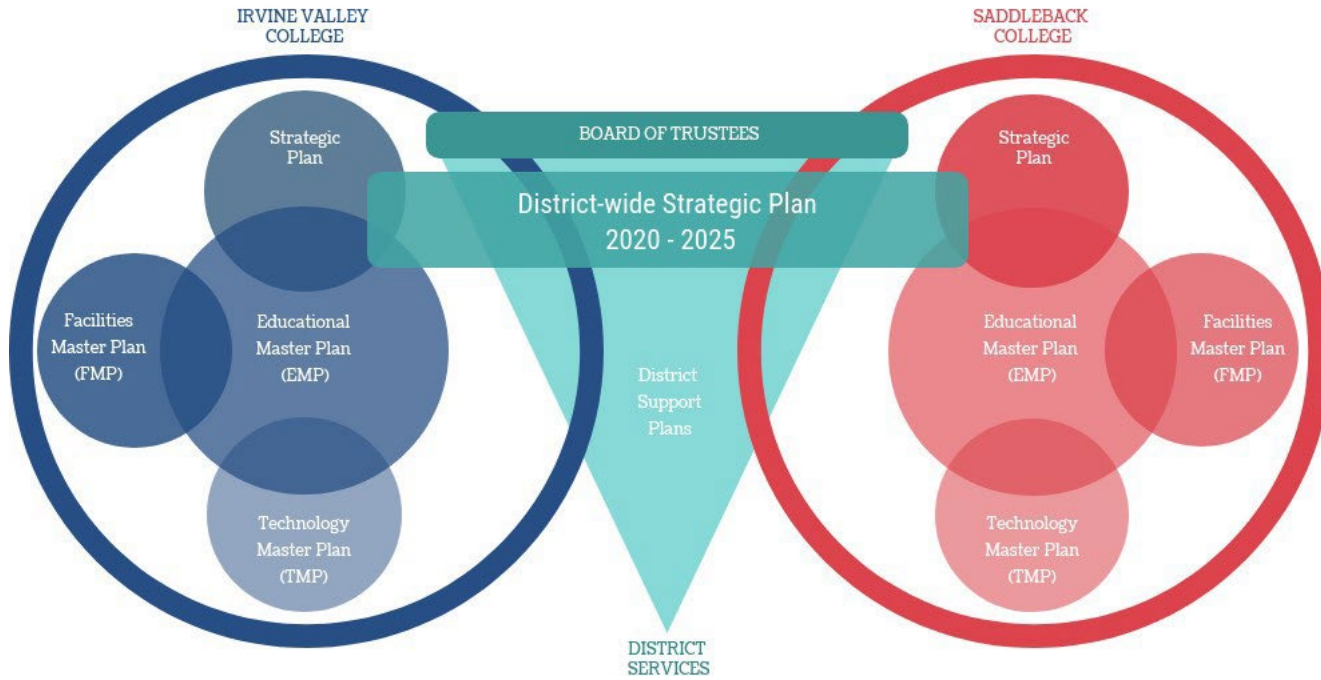
Overview: The South Orange County Community College District (the District) is a multi-campus district encompassing Saddleback College (SC) in Mission Viejo, Irvine Valley College (IVC) in Irvine, and the Advanced Technology & Education Park (ATEP) in Tustin. Founded in 1967, the 382-square mile district 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 for spring 2026 was over 41,800 with 30,188 FTES reported in the second period (P-2) for 2025-26 as compared to 29,807 FTES in 2024-25. The District has approximately 3,600 team members consisting of faculty, management, classified professionals, and police.

Budget Outlook: The District has judiciously monitored spending and scrutinized hiring decisions resulting 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 just over \$16.1 million (or 5.4%) of additional resources to support our students, programs, and employees. Collectively within the various planning committees, and utilizing the priorities and goals from *Inspire 2035*, 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.

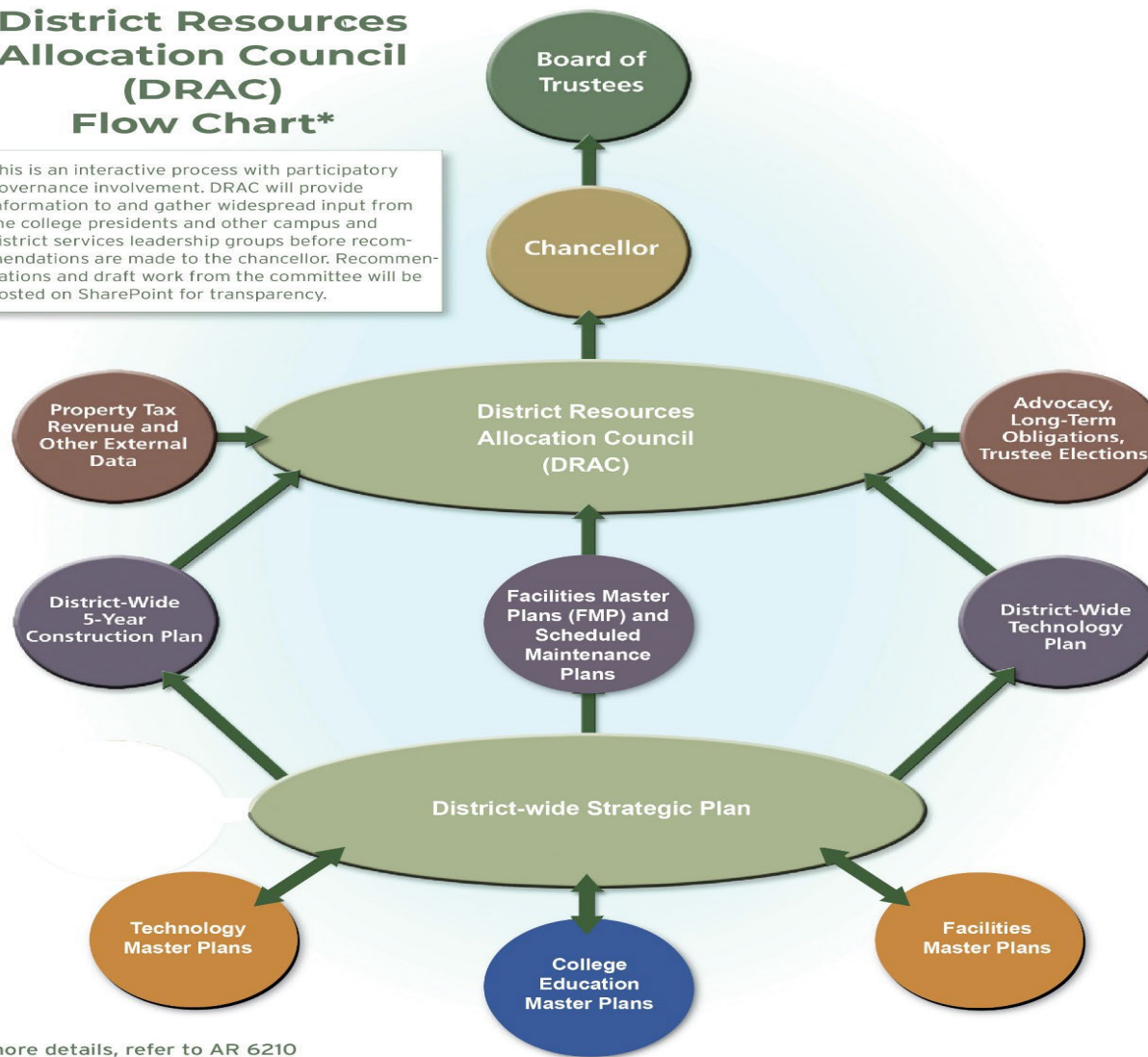
SOCCCD Planning Process



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 *Inspire 2035* adopted in June 2025 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 *Inspire 2035*.

State Budget and the Community College System: The Governor released his *May Revision* on May 14, 2026. The overall projected allocation for Proposition 98 funding is \$127.1 billion, an increase of \$1.6 billion over the January budget. Community colleges are slated to receive \$14.3 billion, an increase of \$179 million (1.3%). The Governor included funding to fully repay the \$408.4 million in deferrals from 2025-26, along with providing \$88.7 million in 2025-26 to cover the costs of the Student-Centered Funding Formula (SCFF) calculation and thus avoiding a deficit for community college districts. There was also a \$38.1 million increase to Calbright College to stabilize its operations. The Governor continued the \$60 million investment in the Rebuilding Nursing Infrastructure Grant Program by reallocating a portion of the Strong Workforce Program toward this effort.

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:

Unrestricted:

- \$438.3 million (4.31%) cost-of-living adjustment (COLA) to fund the statutory COLA of 2.87% plus more. 1.4% of the overall COLA is considered discretionary COLA with language indicating the discretionary COLA can be used to pay for the 14 weeks of paid pregnancy leave proposed. Both amounts have been applied to the DRAC model for 2026-27 and have created a \$3.8 million shortfall in basic aid contingency funds.
- \$33.9 million (0.5%) for enrollment growth. This growth has been incorporated in the DRAC model for 2026-27.
- \$55.3 million (1%) for additional enrollment growth in 2025-26. It is estimated that this could provide \$1.8 million for the DRAC model depending upon total FTES funded at the State level. 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 2027-28 fiscal year.
- \$1.7 million (2.87%) COLA for mandated cost block grant programs which provided \$28 thousand for the DRAC model.

Restricted:

- \$35.1 million (2.87%) COLA for Adult Education, EOPS, CARE, DSPS, Apprenticeship, CalWORKS, and Child Care Tax Bailout. The increases have been incorporated in the revenue projections for 2026-27.
- \$5 million to the California Community Colleges Chancellor's Office to continue the implementation of the systemwide common data platform. No funds will be provided to the District.
- \$2 million to the California Community Colleges Chancellor's Office for the continued creation and expansion of credit for prior learning policies. No funds will be provided to the District.

One-time resources:

- \$120.7 million for deferred maintenance projects. The projected \$3.3 million in funding for our colleges has been incorporated in the budget.
- \$100.6 million for a Student Support Block Grant to provide flexible funding to districts. This is another installment towards the \$60 million grant districts received in 2025-26. Assuming the same allocation methodology, the estimated \$2.1 million for our colleges for this program has been incorporated into the budget. The colleges will have until June 30, 2029, to expend the funds.
- \$100 million has been allocated to K-12 districts to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities. It is anticipated to see more details related to this partnership with K-12 within the budget trailer bills.
- \$36 million for the continued development of a common cloud data platform across the community college system. These funds are primarily utilized by the Chancellor's Office and have not been allocated to individual districts.
- \$35 million to expand the existing credit for prior learning (CPL) policies. The funds are meant to provide a fiscal incentive to districts for implementation of CPL; however, as the allocation method is unknown at this time, these funds are not reflected in the budget.
- \$14.3 million for a California Healthy Schools Pathway Program to strengthen the schools' food service workforce through apprenticeship and training programs. This is a continuation of funding that was provided in 2022 in which competitive grants are available to districts who wish to create the training programs. Our colleges do not participate in the program.
- \$9.7 million for an Adult Learner Demonstration Project to be spent over three years in providing services to assist adult workers with moving into higher wage earning jobs. Since this is a new program, the allocation method is unknown at this time; therefore, it is not included in the budget.
- \$8 million has been reallocated to Basic Needs Center funding away from the Classified Employee Summer Assistance Program for 2026-27 and 2027-28. The intent is to provide funding so classified professionals can access food pantry services. Since this is a new program, the allocation method is unknown at this time; therefore, it is not included in the budget.
- \$736.9 million to fund 10 new and 29 continuing capital outlay projects utilizing Proposition 2 funding that was approved by the voters in 2024. Unfortunately, neither of our two Final Project Proposals (IVC Building A and SC Fine Arts Complex) were included within this allocation.

SOCCCD Budget: In accordance with governmental accounting standards, the Tentative Budget includes 16 funds with budgeted revenues totaling \$764.1 million and budgeted expenditures totaling \$1 billion creating cumulative budgeted ending fund balances of \$497.1 million.

The operating fund (aka the Unrestricted General Fund) has budgeted revenues of \$440.4 million and budgeted expenditures of \$456.4 million, with an anticipated decrease in reserves totaling \$16 million leaving \$108.3 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 SCFF for allocating funds. Through this model, the colleges received \$12.5 million (5%) in additional SCFF funding in the 2026-27 Tentative Budget.

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 87.2 percent, which is well within the range of our recommended budget target of 85-92 percent. The budget includes negotiated salary increases as approved by the Board as well as anticipated increases in health and welfare benefits.

The PERS rates have been steadily increasing for over a decade; however, for the second year in a row, there is a slight decrease in the rates for 2026-27 to 26.40 percent from the current 26.81 percent. While there is a projected increase in 2027-28, future years are expected to see a steady decrease in the rate, while STRS continues to stay at the statutory maximum rate of 19.1 percent for 2026-27. 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, 2026, was just over \$7.6 million. Additional deposits will continue each year to maintain the trust fund and defray the increases for the colleges' and District Services' budgets. In fiscal year 2026-27, the District budgeted \$20 million from the basic aid allocation for this purpose.

After providing \$12.5 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 2026-27 fiscal year total over \$127.3 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 27, 2026, Board meeting. The significantly larger COLA funded in the Governor's *May Revision* resulted in a \$4.5 million increase to the funded SCFF in the DRAC model which caused a shortfall in the basic aid required reserves of \$3.8 million. The colleges' and District Services' reserves have been increased to backfill the overall reserves to stay within the recommended reserve level overall.

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 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. To maintain this reserve level, the colleges and District Services have designated a reserve equal to 4.35 percent of their projected unrestricted expenditures. Overall, 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 2026-27 Tentative Budget reflects a continued commitment to student access, success, and fiscal stewardship, with a total SCFF allocation of \$96.0 million, an increase of approximately \$6.8 million over the prior year driven by improvements across all three components of the Student-Centered Funding Formula.

The Base Allocation of \$69.9 million reflects the state's 4.31% COLA, with funded FTES for 2026-27 at 10,205. The Supplemental Allocation of \$14.3 million reflects the college's sustained focus on serving low-income and disproportionately impacted students. The Student Success Incentive Allocation of \$11.8 million reflects positive student outcomes across degree completion, transfer, CTE credentials, and regional living wage attainment. Non-resident tuition is projected at \$8.1 million for 2026-27.

The college is proud to welcome 11 new full-time faculty this year, including two Biology instructors, two ESL instructors, two Counselors, and one instructor each in Theatre Arts, Public Health, Communication Studies, Philosophy, and History, expanding the academic offerings available to IVC students.

This budget reflects the Board's continued commitment to academic excellence, student equity, and long-term financial sustainability.

Saddleback College

The 2026-27 Tentative Budget for Saddleback College shows \$167.2 million total revenue (1.5% decrease over 2025-26 Adopted Budget) and \$163.8 million in total expenditures and uses of funds (1% decrease). The decrease in appropriation was due to a \$485 thousand prior year negative adjustment to one-time funds. Expenditures and uses of funds 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 \$5.7 million (mostly from FTES growth and COLA); local income (interest and lease revenue) of \$699 thousand; and non-resident tuition of \$908 thousand. The ongoing

SCFF revenue depends on continued growth in FTES, especially as the Emergency Condition Allowance is phased out. Based on the college's sustained growth and the application of the COLA, the 2026–27 budget year no longer includes one-time Stability Funds as part of 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 expenditures 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 31, 2026, 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 20, 2026)

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 above 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 4.31 percent cost of living adjustment (COLA).
- 2025-26 P2 FTES have grown by 1.3 percent overall from prior year. 2026-27 Target amounts include the authorized growth authority of 0.2% applied to the 2025-26 P2 FTES. Whereas the 2026-27 Funded Target amounts are based on the California Community Colleges Chancellor's Office SCFF Estimator.

IVC	2022-23 Recalc	2023-24 Recalc	2024-25 Annual	2025-26 P2	2026-27 Target	2026-27 Funded Target
Credit	7,497.69	8,573.38	9,636.23	9,561.76	9,561.76	8,430.83
Non-Credit CDCP	679.71	922.18	992.46	1,105.91	1,105.91	986.04
Non-Credit	307.09	378.12	381.53	567.31	584.52	787.84
TOTAL	8,484.49	9,873.68	11,010.22	11,234.98	11,252.19	10,204.71
Percentage Change		16.4%	11.5%	2.0%	0.2%	-9.2%

SC	2022-23 Recalc	2023-24 Recalc	2024-25 Annual	2025-26 P2	2026-27 Target	2026-27 Funded Target
Credit	12,768.20	13,872.00	15,228.19	14,737.81	14,737.81	13,902.09
Non-Credit CDCP	627.33	1,263.13	1,737.73	1,251.27	1,251.27	1,371.14
Non-Credit	1,459.15	1,647.94	1,830.58	2,963.95	2,993.13	2,345.21
TOTAL	14,854.68	16,783.07	18,796.50	18,953.03	18,982.21	17,618.44
Percentage Change		13.0%	12.0%	0.8%	0.2%	-7.0%

Total	2022-23 Recalc	2023-24 Recalc	2024-25 Annual	2025-26 P2	2026-27 Target	2026-27 Funded Target
Credit	20,265.89	22,445.38	24,864.42	24,299.57	24,299.57	22,332.92
Non-Credit CDCP	1,307.04	2,185.31	2,730.19	2,357.18	2,357.18	2,357.18
Non-Credit	1,766.24	2,026.06	2,212.11	3,531.26	3,577.65	3,133.05
TOTAL	23,339.17	26,656.75	29,806.72	30,188.01	30,234.40	27,823.15
Percentage Change		14.2%	11.8%	1.3%	0.2%	-7.8%

- Education Protection Act (EPA) funds resulting from the passage of Proposition 55 in the fall of 2016, are budgeted at \$2.8 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 \$6.1 million based on an estimated \$190 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 2025-26.
- Ground lease revenue is budgeted at \$5.7 million, an increase of \$1 million over 2025-26. Ground leases include agreements with various tenants and the County of Orange at ATEP and the apartment complex adjacent to Saddleback College.
- The property and liability insurance coverage is budgeted at \$4.0 million, an increase of \$1 million (34%) over 2025-26. The substantial increase is primarily due to increased FTES and property valuations for new buildings, along with assessments related to AB 218 claims from the District's previous joint powers authority dating back to fiscal years prior to 2015-16.
- Employee advancement on salary schedules (steps and columns) and current negotiated salary increases for all employee groups are budgeted in line-item detail.
- A 10 percent increase for employee benefits including medical, dental, vision, and life insurance has been included. The Adopted Budget will reflect the actual increase of 7.4 percent based on the renewals received after completion of the Tentative Budget.
- Workers' Compensation insurance is budgeted at 1.16 percent of salaries, the same as 2025-26. The rate will increase to 1.26 percent for the Adopted Budget based on market trends and experience.
- The unemployment insurance rate for 2026-27 is budgeted at 0.05 percent, the same as 2025-26.
- The State Teachers Retirement System (STRS) employer contribution rate for 2026-27 is budgeted at 19.1 percent of salaries, the same as 2025-26.

Fiscal Year	2015-16	2022-23	2023-24	2024-25	2025-26	2026-27	Annual Increase
	Actual	Actual	Actual	Actual	Budgeted	Budgeted	over 2015-16
STRS Annual Rate	10.730%	19.100%	19.100%	19.100%	19.100%	19.100%	
STRS Contribution	6,692,933	14,892,847	17,595,826	18,560,803	17,153,210	22,034,539	15,341,606

- The Public Employees Retirement System (PERS) employer contribution rate approved by the PERS board is 26.4 percent of salaries, a decrease of 0.41 percent from 2025-26.

Fiscal Year	2015-16 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budgeted	2025-26 Budgeted	Annual Increase over 2015-16
PERS Annual Rate	11.847%	25.370%	26.680%	27.050%	26.810%	26.400%	
PERS Contribution	4,491,723	13,478,053	14,714,184	15,694,083	17,532,067	22,904,506	18,412,783

- The General Expenses have the following budgeted amounts:

General Expense Description	2026-27 Amount	Change from 2025-26
Business Continuity & Emergency Prep Training	\$ 200,000	\$ -
CSEA Professional Development	\$ 30,000	\$ -
Discrimination/Harassment Investigation Services	\$ 663,617	\$ (36,883)
District Services Facilities and Maintenance*	\$ 353,896	\$ 14,623
District-wide IT Maintenance Agreements	\$ 2,458,469	\$ 162,199
District-wide Strategic Planning	\$ 50,000	\$ -
Employee Safety Compliance Cost	\$ 60,000	\$ -
Faculty Job Fair	\$ 30,000	\$ -
Faculty Load and Compensation (FLAC) Oversight	\$ 180,637	\$ 3,637
Faculty Sabbatical Bond Payments	\$ 20,000	\$ -
Financial Audit	\$ 230,415	\$ 9,500
Internal Audit	\$ 363,578	\$ 18,578
Labor Contract Negotiations	\$ 100,000	\$ -
Legal Advertising	\$ 65,000	\$ -
Legal Fees	\$ 575,000	\$ -
Local Experience Charge – Unemployment Insurance	\$ 100,000	\$ -
Personnel Advertising	\$ 150,000	\$ -
Property and Liability Insurance	\$ 3,993,954	\$ 1,018,012
Taxpayer Relief Act Compliance	\$ 58,000	\$ -
TOTAL GENERAL EXPENSE ACCOUNTS	\$ 9,682,566	\$ 1,189,666
District Services Facilities and Maintenance*	\$ (353,896)	\$ (14,623)
ADJUSTED GENERAL EXPENSE ACCOUNTS	\$ 9,328,670	\$ 1,175,043

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

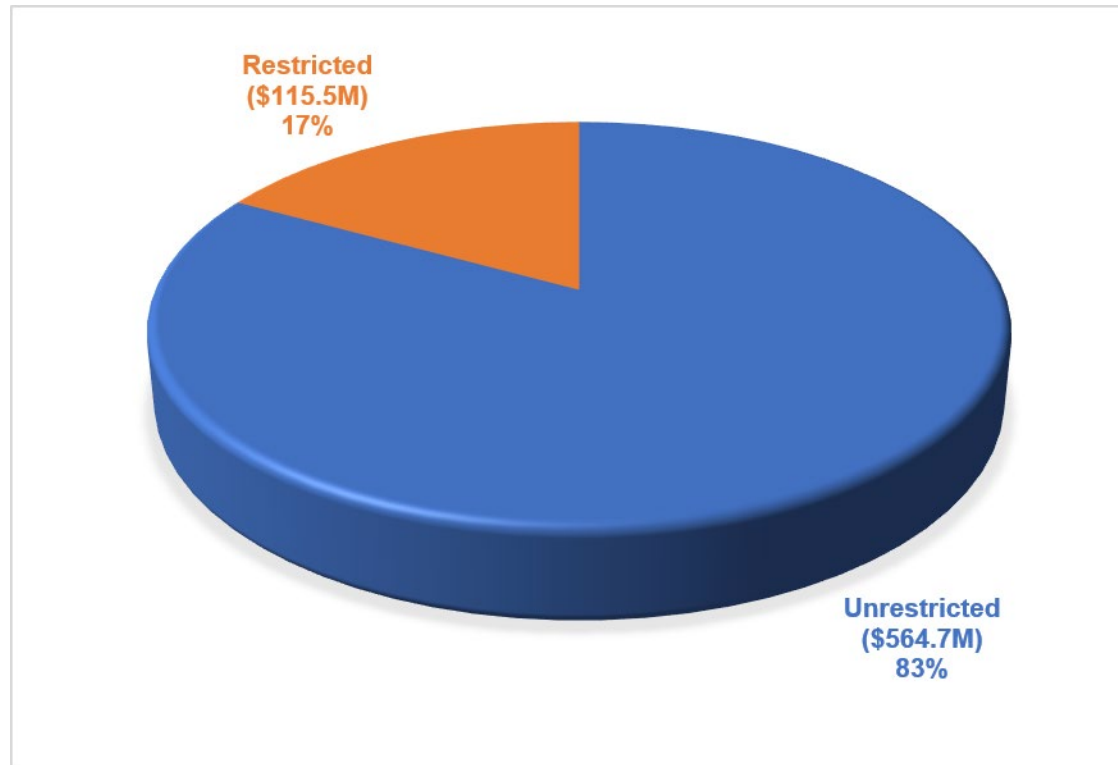
- Interfund transfers are budgeted as follows:

TO:	FROM:								Total
	General Fund SC	General Fund DS	General Fund DW	General Fund Basic Aid	Pension Stabilization Trust Fund	Associated Student Government SC	Capital Outlay	Community Education SC	
General Fund IVC (a)					\$ 6,859,533				\$ 6,859,533
General Fund SC (a,b)					\$ 9,855,535			\$ 51,072	\$ 9,906,607
General Fund DS (a,c)					\$ 2,227,480		\$ 329,562		\$ 2,557,042
Child Development Fund (d)	\$ 250,000					\$ 30,000			\$ 280,000
Capital Outlay (e)	\$ 1,000,000			\$ 100,292,853					\$ 101,292,853
Self-Insurance Fund (f)		\$ 709,116	\$ 902,824						\$ 1,611,940
Retiree Benefits Fund (g)				\$ 9,029,896					\$ 9,029,896
Pension Stabilization Trust Fund (h)				\$ 20,000,000					\$ 20,000,000
Total Transfers	\$ 1,250,000	\$ 709,116	\$ 902,824	\$ 129,322,749	\$ 18,942,548	\$ 30,000	\$ 329,562	\$ 51,072	\$ 151,537,871

- a) Pension Stabilization Trust Fund for increased PERS and STRS costs from 2015-16
- b) Revenue sharing on Contract Education with International Student Office
- c) DS funds to cover resource requests
- d) SC and ASG funds to support the Child Development Fund and the students utilizing the services
- e) Basic Aid funds for capital outlay projects and transfer of SC funds to Capital Outlay for college projects
- f) DS and DW funds to support the Risk Management Department
- g) Basic Aid funds allocated for OPEB Trust Fund
- h) Basic Aid funds allocated for Pension Stabilization Trust Fund

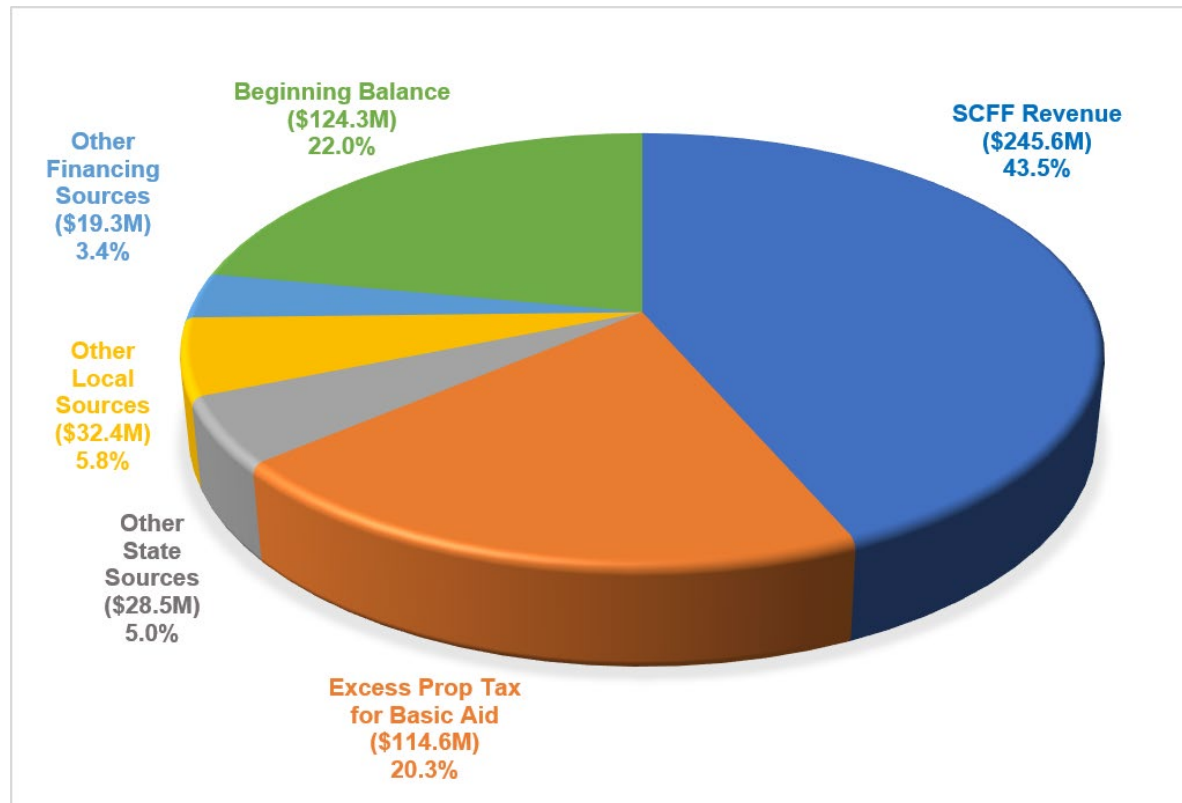
GENERAL FUND REVENUE AND BEGINNING FUND BALANCE

The General Fund encompasses two segments: “Unrestricted” and “Restricted.” The combined General Fund includes \$545.5 million in revenues and \$134.8 million in beginning fund balances for an overall total of \$680.2 million. The Unrestricted General Fund representing \$564.7 million is the operating fund whereby the Restricted General Fund representing \$115.5 million consists of accounts that are required to be recorded in a separate fund.



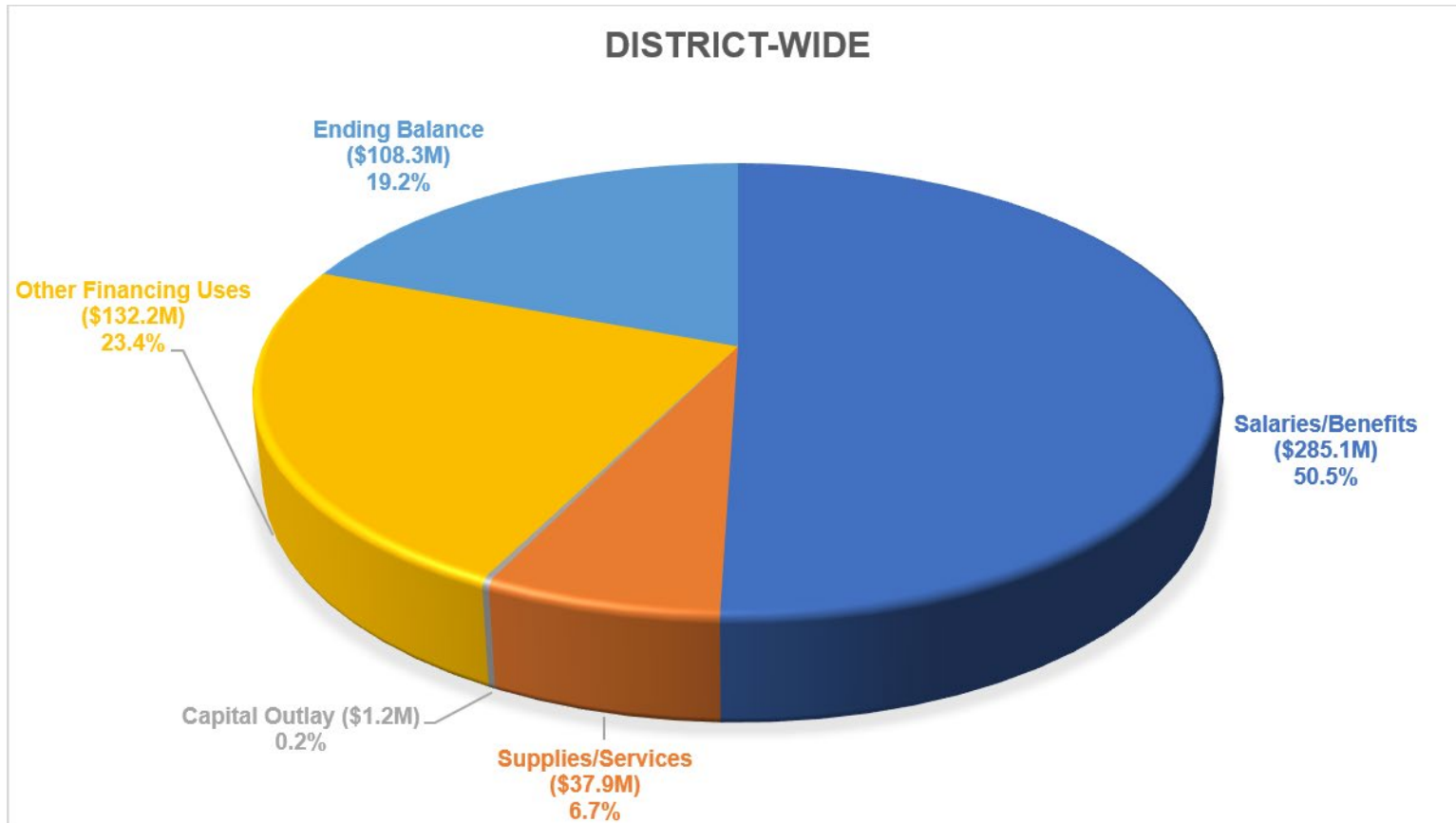
UNRESTRICTED GENERAL FUND REVENUE

The largest segment of the General Fund is the unrestricted portion, which includes \$440.4 million in total revenues and other sources of funds and \$124.3 million in beginning fund balance for a grand total of \$564.7 million. This fund accounts for resources for the general-purpose programs of the District (83% of the activity). The Unrestricted General Fund revenues experienced an increase of \$28.1 million over last year primarily due to projected increases in property taxes. Of the total sources of funds, 43.5 percent is equivalent to the amount that would potentially be received from state apportionment funding as determined by the State Budget Act and 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 (20.3%), Other State Sources (5.0%) including EPA funds and Lottery, Other Local Sources (5.8%), including non-resident tuition, interest, and ground leases, and Other Financing Sources (3.4%), including sale of surplus and interfund transfers. The beginning balance, carried forward from the prior year, is 22.0 percent of available unrestricted funds.

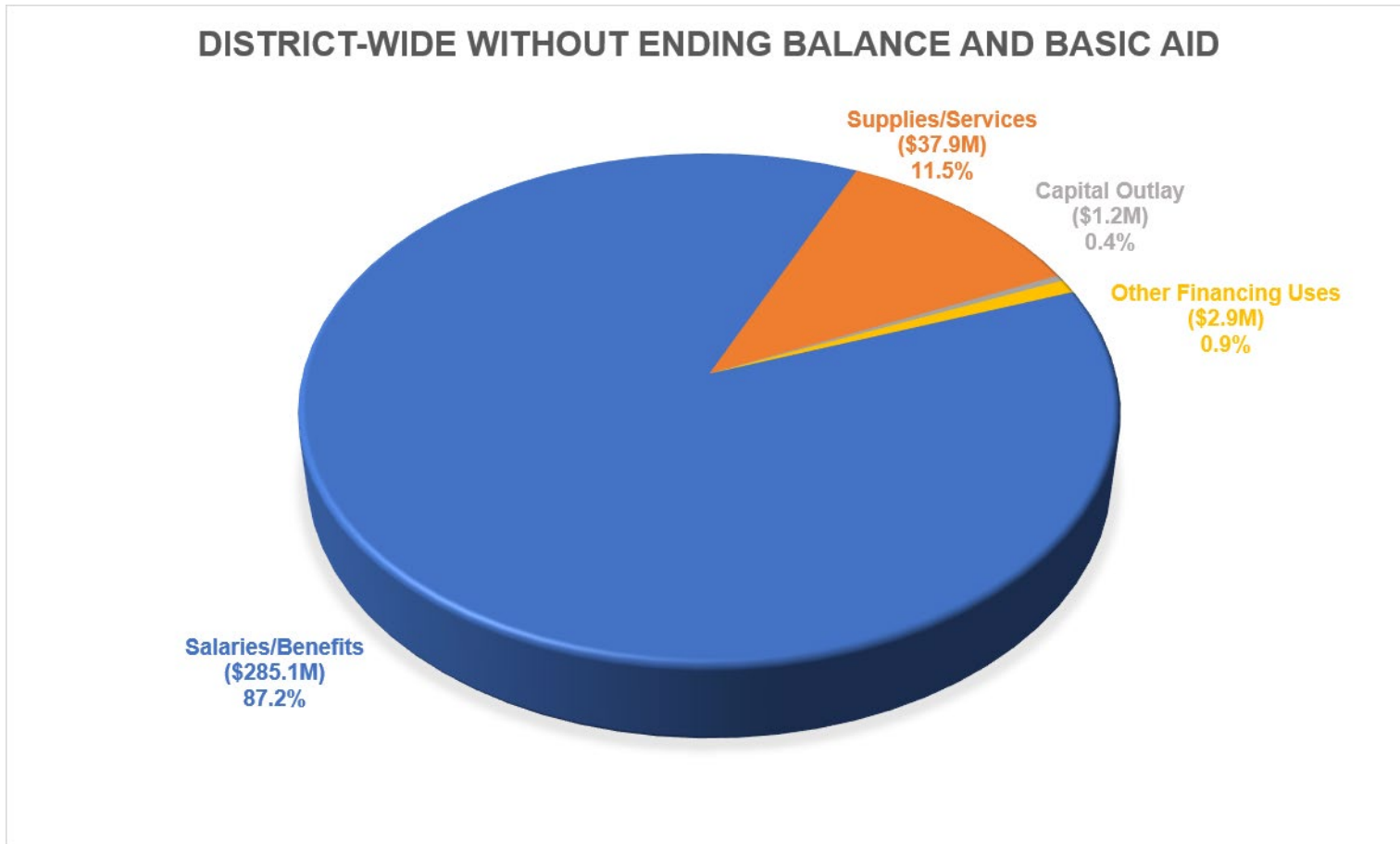


UNRESTRICTED GENERAL FUND OPERATING EXPENDITURES

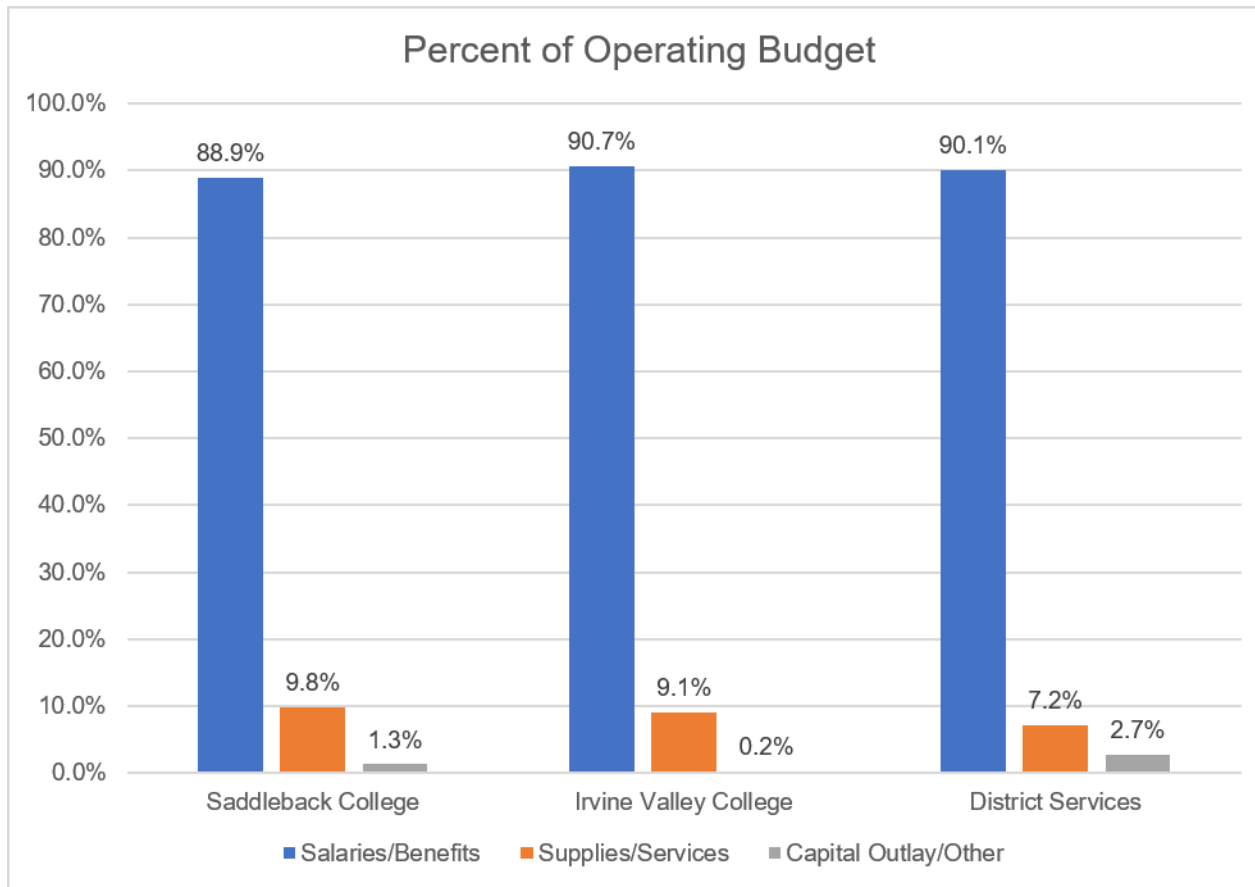
As is common with most other community college districts, the largest category of unrestricted expenditures, representing 50.5 percent, is for the Salaries and Benefits of our faculty, classified professionals, police officers, and management team members. The remaining unrestricted expenditures are for: Supplies and Services (6.7%), including utilities, insurance, professional development activities, auditing and legal fees, and other operating needs; Capital Outlay (0.2%) for equipment and library purchases; Other Financing Uses (23.4%) for basic aid projects and other transfers out; and Ending Fund Balance (19.2%).



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 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 87.2 percent.



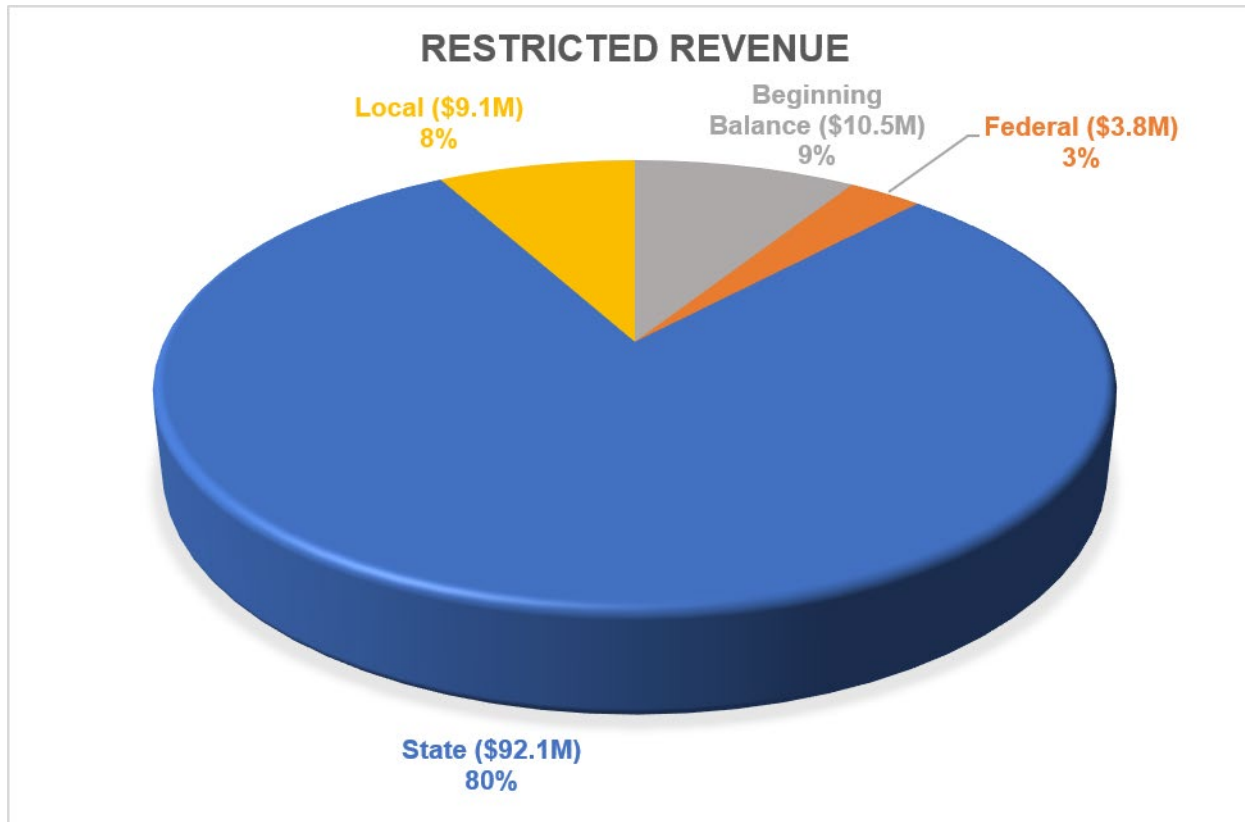
As previously mentioned, most of the expenditures in the unrestricted general fund operating budgets are for employee salaries and benefits. As seen on the following chart, Saddleback College’s salaries and benefits equal 88.9 percent of its operating budget (this is up from current year’s 86.1 percent); Irvine Valley College’s salaries and benefits equal 90.7 percent of its operating budget (this is up from current year’s 90.5 percent); and District Services salaries and benefits equal 90.1 percent of its operating budget (this is up from current year’s 88.5 percent). These costs include negotiated salary increases included on the Board approved salary schedules as well as increases to health and welfare benefits, along with new faculty, classified professionals, and management team member positions that have been funded by the colleges and District Services.



For fiscal prudence, the District-wide recommended target for overall staff costs is not to 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 within this range.

RESTRICTED GENERAL FUND

The other segment of the General Fund is the restricted portion (categorical programs and grants), representing \$115.5 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 Sources:	\$ 2,574,732	\$ 1,270,387	\$ -	\$ 3,845,119
AANAPISI		163,350		163,350
Cal OES Hazard Mitigation Grant Program		124,338		124,338
CalFresh Outreach Program		61,223		61,223
College Corps		59,508		59,508
College Work Study	499,382	333,000		832,382
Developing Hispanic Serving Institutions Program Title V	45,000			45,000
Financial Aid Administration	20,200	18,000		38,200
Foster and Kinship Care Education	200,000			200,000
National Science Foundation	762,273			762,273
Perkins	973,510	446,723		1,420,233
Regional Alliance in STEM Education - CSUF Subaward	9,759			9,759
Temporary Assistance for Needy Families (TANF)	55,744	60,245		115,989
Veterans Affairs Reporting Fees	8,864	4,000		12,864
State Sources:	\$ 58,028,189	\$ 32,370,614	\$ 1,653,288	\$ 92,052,091
AANHPI Student Achievement Program	424,423	327,012		751,435
Adult Education Block Grant	3,590,055	768,641		4,358,696
Butte Conservation Corps	51,000			51,000
California Apprenticeship Initiative	1,926,765			1,926,765
California College Promise	1,942,171	1,466,846		3,409,017
CaWORKs	408,115	427,525		835,640
Child Development Training Consortium	37,950	9,200		47,150
Classified Professional Development			86,044	86,044
College Corps		819,051		819,051
Common Course Numbering	728,194	695,000		1,423,194
Cooperative Agencies Resources for Education (CARE)	307,144	167,016		474,160
COVID-19 Recovery Block Grant	5,933,540	1,850,000		7,783,540
Credit for Prior Learning	50,000	100,000		150,000
Disabled Student Programs and Services (DSPS)	4,697,092	1,670,114		6,367,206
Dream Resource Center Emergency Funds	184,874	269,156		454,030

Program	Saddleback College	Irvine Valley College	District Services	Total
Dreamer Resource Liaisons	333,779	387,293		721,072
Emergency Aid for California Dream Act Application (CADAA) Filers	207,302	123,565		330,867
Employer Engagement Funds	209,385			209,385
Employment Training Panel		46,677		46,677
Equal Employment Opportunity			646,532	646,532
Equal Employment Opportunity Best Practices			146,661	146,661
Equitable Placement, Support and Completion (AB 1705)	175,437	91,000		266,437
Extended Opportunity Program and Services (EOPS)	1,736,792	1,556,031		3,292,823
Financial Aid Technology	82,905	80,130		163,035
Food and Housing Insecurity	181,545	260,000		441,545
Foster and Kinship Care Education	400,000			400,000
Housing for Higher Learning Program		150,000		150,000
Institutional Effectiveness and Partnership Initiative			38,120	38,120
Integrated Basic Needs Center	1,494,617	1,288,035		2,782,652
Jobs First Catalyst Culinary	33,276			33,276
LGBTQ+	471,399	191,292		662,691
Local and Systemwide Technology and Data Security			709,931	709,931
Mathematics, Engineering, Science Achievement Program	1,103,041	1,102,656		2,205,697
Mental Health Services	408,869	291,441		700,310
NEXTUP	3,864,439	478,509		4,342,948
Nursing Enrollment Growth and Retention Grant	623,196			623,196
OC Pathways K-16	100,366			100,366
OCDE K16 Regional Workforce Director		300,000		300,000
Physical Plant and Instructional Equipment	337,103	560,000		897,103
Program Pathways Mapper Sustainability	20,000			20,000
Puente Project	303,561	484,000		787,561
Rebuilding Nursing Infrastructure Grant	1,013,319			1,013,319
Rising Scholars	223,981	218,674		442,655
State Lottery	1,606,951	1,031,720		2,638,671
Strong Workforce	4,560,895	1,921,474	26,000	6,508,369
Student Equity and Achievement Program	11,497,185	4,661,923		16,159,108
Student Financial Aid Administration	709,432	462,492		1,171,924

Program	Saddleback College	Irvine Valley College	District Services	Total
Student Success Completion Grant	3,379,951	4,406,760		7,786,711
Student Support Block Grant	1,950,064	1,370,924		3,320,988
Student Transfer Achievement	261,183	520,000		781,183
Veteran Resource Center	202,825	1,203,788		1,406,613
Wellness Coach Designated Education Program	67,067			67,067
Youth Empowerment Strategies for Success		34,000		34,000
Zero Textbook Cost Program	187,001	578,669		765,670
Local Sources:	\$ 5,221,969	\$ 3,927,000	\$ -	\$ 9,148,969
California Community College Internship Program (CCCIP)		19,000		19,000
Health Fee Services	2,050,000	955,000		3,005,000
Parking Fee Services	1,886,270	997,000		2,883,270
Innovation and Effectiveness Grant		19,000		19,000
Samueli Foundation		1,937,000		1,937,000
Samueli Foundation Student Work-Based Learning	1,285,699			1,285,699
Total Restricted General Fund	\$ 65,824,890	\$ 37,568,001	\$ 1,653,288	\$ 105,046,179

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 2026-27 Tentative Budget includes a reserve for economic uncertainties in the amount of \$54,552,196 which is made up of a reserve for contingency of 7.5 percent of total general unrestricted operating funds, totaling \$22,215,143 and 4.35 percent of unrestricted operating funds for the colleges and District Services, totaling \$13,278,605 and per BP 6210 – *Basic Aid Funds Allocation Process* a basic aid reserve for unrealized tax collections of \$19,058,448. As previously mentioned, the basic aid reserve is short by \$3.8 million due to the significantly larger funded COLA provided in the Governor’s *May Revision* after the basic aid allocations had been made. It is anticipated that this will resolve itself in the Adopted Budget after year-end closing. 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) 2026-27 Tentative Budget						
	Saddleback College	Irvine Valley College	District Services	Basic Aid	Other	Total
Components of Ending Fund Balance						
Economic Uncertainties	\$ 7,071,433	\$ 4,938,928	\$ 1,268,244	\$ 19,058,448	\$ 22,215,143	\$ 54,552,196
Nonspendable Fund Balance			\$ 43,864			\$ 43,864
Unassigned	\$ 27,513,815	\$ 14,361,833	\$ 11,875,824			\$ 53,751,472
Total	\$ 34,585,248	\$ 19,300,761	\$ 13,187,932	\$ 19,058,448	\$ 22,215,143	\$ 108,347,532

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 - 2021	\$ 1,035,441,159
2021 - 2022	\$ 100,870,803
2022 - 2023	\$ 96,138,071
2023 - 2024	\$ 95,852,356
2024 - 2025	\$ 102,577,952
2025 - 2026	\$ 110,632,950

The 2025-26 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 2026-27 and future years to be as follows:

<u>Fiscal Year</u>	<u>Basic Aid Receipts</u>
2026 - 2027	\$ 114,563,179
2027 - 2028	\$ 119,303,179
2028 - 2029	\$ 124,814,827
2029 - 2030	\$ 130,559,789

The assumptions used to estimate Basic Aid funds for 2026-27 include funding COLA at 4.31 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 3.30, 3.09, and 3.11, respectively, growth is estimated at 0.12 percent, with no additional increase in FTES. If growth funding comes in higher in 2026-27, then the amounts listed above could potentially drop by at least \$14 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 2026-27, 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 2026-27 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 the basic aid calculation of available funds for 2026-27.

2026-27 RESOURCES	Approved
Estimated Balance as of July 1, 2026	\$ 35,548,018
Estimated Receipts 2026-27	\$ 114,563,179
Basic Aid Project Funds Returned	\$ 100,731
Estimated Property Taxes for Basic Aid	\$ 150,211,928
Contingency for Unrealized Tax Collections (20%)	\$ (22,912,636)
Total Allocated Funds 2026-27	\$ 127,299,292
Budgeted Expenditures	
2026-27 Long-Term Obligations and Fixed Expenses	\$ 30,759,896
Funds for Technology and Capital Projects	\$ 100,393,584
Total Approved and Budgeted Projects	\$ 131,153,480
Net Decrease in Contingency	\$ (3,854,188)

The detailed schedule on the next two pages shows basic aid funds and projects broken out by location that are included in the 2026-27 Tentative Budget.

2026-27 RESOURCES	Saddleback College	Irvine Valley College	District Services	Districtwide	Total
Basic Aid Projects					
Closed Projects	\$ 248,425,487	\$ 147,242,590	\$ 12,765,177	\$ 177,052,312	\$ 585,485,566
Prior Approved Open Projects	\$ 347,034,663	\$ 179,076,608	\$ -	\$ 394,751,141	\$ 920,862,412
Total Prior Approved Projects	\$ 595,460,150	\$ 326,319,198	\$ 12,765,177	\$ 571,803,453	\$ 1,506,347,978
Less Expenses and Commitments as of March 2026	\$ 506,379,332	\$ 296,887,352	\$ 12,765,177	\$ 537,664,342	\$ 1,353,696,203
Net Uncommitted Balance	\$ 89,080,818	\$ 29,431,846	\$ -	\$ 34,139,111	\$ 152,651,775
New 2026-27 Project Funding					
Long Term Obligations & Fixed Expenses	\$ 9,855,535	\$ 6,859,533	\$ 2,227,480	\$ 11,817,348	\$ 30,759,896
DW Credit Card/Bank Fees*				\$ 750,000	\$ 750,000
Pension Stabilization Trust*	\$ 9,855,535	\$ 6,859,533	\$ 2,227,480	\$ 1,057,452	\$ 20,000,000
Retiree Benefits Expenses*				\$ 9,029,896	\$ 9,029,896
SOCCCD - Legislative Advocacy Services*				\$ 130,000	\$ 130,000
Trustee Election*				\$ 850,000	\$ 850,000
Capital Projects/Scheduled Maintenance/Renovation	\$ 57,524,138	\$ 17,648,340	\$ -	\$ 7,000,000	\$ 82,172,478
ADA Transition Plan Projects*				\$ 3,000,000	\$ 3,000,000
Planning*				\$ 4,000,000	\$ 4,000,000
Campus Police & IT Repurpose SAC Bldg.*		\$ 2,381,287			\$ 2,381,287
Infrastructure*		\$ 4,000,000			\$ 4,000,000
Scheduled Maintenance Projects*		\$ 3,000,000			\$ 3,000,000
Student Services/Student Union Buildings*		\$ 8,267,053			\$ 8,267,053
ATEP First Building*	\$ 1,030,091				\$ 1,030,091
BGS & HS Elevators	\$ 5,000,000				\$ 5,000,000
Central Plant*	\$ 22,395,695				\$ 22,395,695
College Center Renovation*	\$ 7,500,060				\$ 7,500,060
Greenhouse Biology/Horticulture*	\$ 8,122,491				\$ 8,122,491
Infrastructure*	\$ 2,100,000				\$ 2,100,000
Scheduled Maintenance Projects*	\$ 1,297,016				\$ 1,297,016
Solar Canopy Phase III*	\$ 1,315,545				\$ 1,315,545
Solar Canopy Phase IV*	\$ 1,315,545				\$ 1,315,545
TAS Renovation/Campus Support Center*	\$ 3,447,695				\$ 3,447,695
Utility Distribution System 12kv Upgrades*	\$ 4,000,000				\$ 4,000,000

*Reflects an augmentation to an existing project

2026-27 RESOURCES	Saddleback College	Irvine Valley College	District Services	Districtwide	Total
IT Projects	\$ 7,209,087	\$ 2,889,519	\$ 270,000	\$ 7,852,500	\$ 18,221,106
Banner Implementation*				\$ 5,000,000	\$ 5,000,000
Center for Technology Innovation (CTI)*				\$ 500,000	\$ 500,000
Cloud Services*				\$ 577,500	\$ 577,500
Data Warehouse*				\$ 225,000	\$ 225,000
DTSMP Strategic Initiatives*			\$ 270,000		\$ 270,000
Engineering Services - Tier III and Tier IV				\$ 300,000	\$ 300,000
HR/Business Service Integrated Software*				\$ 300,000	\$ 300,000
On-Premise Server and Storage Capacity*				\$ 250,000	\$ 250,000
Privilege Access Management				\$ 500,000	\$ 500,000
Project Management				\$ 200,000	\$ 200,000
AV Upgrade*		\$ 1,589,519			\$ 1,589,519
Campus Desktop Refresh*	\$ 515,562				\$ 515,562
Classroom Technology and Audio Visual Refresh*	\$ 1,450,599				\$ 1,450,599
Firewall Refresh	\$ 630,370				\$ 630,370
Indoor Wireless Access Points	\$ 1,097,687				\$ 1,097,687
Integrated Student Payment Card and POS System		\$ 300,000			\$ 300,000
Marquee Refresh	\$ 483,000				\$ 483,000
Network Switch Refresh	\$ 2,100,000				\$ 2,100,000
Police Dispatch Refresh	\$ 548,437				\$ 548,437
Security Cameras/Server Refresh*		\$ 1,000,000			\$ 1,000,000
Teams Telephony	\$ 383,432				\$ 383,432
Total 2026-27 Funded Projects	\$ 74,588,760	\$ 27,397,392	\$ 2,497,480	\$ 26,669,848	\$ 131,153,480
Cumulative Total - Basic Aid Approved Projects	\$ 670,048,910	\$ 353,716,590	\$ 15,262,657	\$ 598,473,301	\$ 1,637,501,458

*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 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 funded projects, and District/college funded projects. RDA funds are received from six cities within the district, although the state terminated the redevelopment agencies on February 1, 2012. Until the full dissolution of the RDAs, funds are received based on prior “pass-through” agreements and allocated to the colleges and District Services subject to the terms of said agreements following the DRAC model as applicable.

Major Basic Aid Capital Construction Projects:

- Saddleback College projects include: a) Solar Canopies and Battery Storage (phase 2) – construction; b) SC @ ATEP 1st Year – support; c) Central Plant – design and construction; d) College Center Renovation – design; e) Scheduled Maintenance – programming; f) Infrastructure 12kV Utility Distribution – design and construction; g) TAS Renovation/College Support building – programming and design; h) Horticulture/Biology Greenhouse – programming and design; i) BGS and HS Elevators – design; and j) ADA Phase 2 – 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; c) SAC Renovation – programming; d) Scheduled Maintenance – programming; and e) ADA Phase 2 – design.
- 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 and the legacy Workday's cloud-based software for human capital management and finance.
- The second category consists of major district-wide technology projects such as district-wide Cloud services, Center for Technology Innovation (CTI), data warehouse, data security, and server storage and capacity.
- The final category consists of college-requested items such as District Technology Strategic Master Plan initiatives, marquee refresh, police dispatch refresh, Teams telephony, indoor wireless access points, network switch refresh, 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	\$ 36,298,971	\$ 146,046,523	\$ 74,913,173		\$ 257,258,667
IT Projects	\$ 17,678,537	\$ 18,689,303	\$ 9,438,742		\$ 45,806,582
State Funded Capital Outlay Projects:					
State Portion					\$ -
Basic Aid Match		\$ 8,667,410			\$ 8,667,410
State Scheduled Maintenance Projects		\$ 5,628,729	\$ 1,267,705		\$ 6,896,434
Locally Funded Capital Outlay Projects	\$ 475,000	\$ 10,758,477	\$	\$ 729,562	\$ 11,963,039
Non-Resident Capital Outlay Funds		\$ 3,945,736	\$ 3,482,738		\$ 7,428,474
Student Housing Planning Grants		\$ 165,000			\$ 165,000
Redevelopment Funds		\$ 42,167,210	\$ 20,384,732	\$ 12,014,799	\$ 74,566,741
Future Capital Outlay Project Funds	\$ 68,658,389	\$ 24,801,598	\$ 16,423,045	\$ 2,735,438	\$ 112,618,470
Total	\$ 123,110,897	\$ 260,869,986	\$ 125,910,135	\$ 15,479,799	\$ 525,370,817

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 \$750,000 up to \$1,000,000,000 for excess property coverage along with \$100,000 for equipment breakdown, \$4,000,000 for single event cyber along with \$2,000,000 excess cyber coverage, 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 = \$75,000; 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 March 2026 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 \$10,637,585. The District's actuarial accrued liability for past service is estimated at \$192,330,629 which was overfunded by \$12,181,732. The actuarial determined normal cost of \$10,637,585, offset by the amortization of the Net OPEB Asset of (\$1,607,689), totaling \$9,029,896 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 a \$20 million DRAC allocation for 2026-27. The funds are transferred to the colleges and District Services each year based on actual increased expenditures from the 2015-16 base year for employer contributions to 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 2026-27 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 2026-2027**

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 FUNDS
BEGINNING FUND BALANCE	9712	\$ 134,845,706	\$ 1,294,219	\$ -	\$ 404,536,671	\$ 1,610,939	\$ 325,124	\$ 216,438,009	\$ -	\$ 214,000	\$ 33,087	\$ 759,297,755
SOURCES OF FUNDS												
REVENUES:												
Federal Sources	8100-8199	\$ 3,845,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,421,146	\$ -	\$ -	\$ 44,266,265
Other State Sources	8600-8699	120,498,098	-	-	7,061,434	-	-	-	5,492,000	-	-	133,051,532
Other Local Sources	8800-8899	401,778,125	1,832,200	1,495,514	12,479,859	75,000	150,000	16,690,000	-	676,500	83,000	435,260,198
Total Revenue		526,121,342	1,832,200	1,495,514	19,541,293	75,000	150,000	16,690,000	45,913,146	676,500	83,000	612,577,995
OTHER FINANCING SOURCES:												
Sale of Surplus	8910-8919	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Interfund Transfers In	8980-8981	19,323,182	-	280,000	101,292,853	1,611,940	9,029,896	20,000,000	-	-	-	151,537,871
Other Incoming Transfers	8982-8989	-	-	-	-	-	-	-	-	-	-	-
Total Other Sources		19,338,182	-	280,000	101,292,853	1,611,940	9,029,896	20,000,000	-	-	-	151,552,871
TOTAL SOURCES OF FUNDS		\$ 545,459,524	\$ 1,832,200	\$ 1,775,514	\$ 120,834,146	\$ 1,686,940	\$ 9,179,896	\$ 36,690,000	\$ 45,913,146	\$ 676,500	\$ 83,000	\$ 764,130,866
USES OF FUNDS												
EXPENDITURES:												
Academic Salaries	1000-1999	\$ 134,927,905	\$ 55,193	\$ 15,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,998,805
Classified Salaries	2000-2999	87,387,672	770,706	1,113,786	1,643,607	466,402	-	-	-	154,402	-	91,536,575
Employee Benefits	3000-3999	104,538,277	457,169	557,868	952,040	269,014	9,029,896	-	-	80,513	-	115,884,777
Supplies & Materials	4000-4999	16,446,267	7,318	68,760	712,866	2,500	-	-	-	172,865	15,000	17,425,576
Services & Other Operating	5000-5999	66,999,376	1,784,961	19,393	38,455,631	1,254,324	-	555,000	-	248,900	62,492	109,380,077
Capital Outlay	6000-6999	4,305,276	-	-	330,103,445	-	-	-	-	6,000	-	334,414,721
Total Expenditures		414,604,773	3,075,347	1,775,514	371,867,589	1,992,240	9,029,896	555,000	-	662,680	77,492	803,640,531
OTHER FINANCING USES:												
Interfund Transfers Out	7300-7399	\$ 132,184,689	\$ 51,072	\$ -	\$ 329,562	\$ -	\$ -	\$ 18,942,548	\$ -	\$ 30,000	\$ -	\$ 151,537,871
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	34,000	38,595	72,595
Payments to Students	7500-7699	25,168,236	-	-	-	-	-	-	45,913,146	26,820	-	71,108,202
Total Other Uses		157,352,925	51,072	-	329,562	-	-	18,942,548	45,913,146	90,820	38,595	222,718,668
TOTAL USES OF FUNDS		\$ 571,957,698	\$ 3,126,419	\$ 1,775,514	\$ 372,197,151	\$ 1,992,240	\$ 9,029,896	\$ 19,497,548	\$ 45,913,146	\$ 753,500	\$ 116,087	\$ 1,026,359,199
SURPLUS / (DEFICIT)		\$ (26,498,174)	\$ (1,294,219)	\$ -	\$ (251,363,005)	\$ (305,300)	\$ 150,000	\$ 17,192,452	\$ -	\$ (77,000)	\$ (33,087)	\$ (262,228,333)
ENDING FUND BALANCE		\$ 108,347,532	\$ -	\$ -	\$ 153,173,666	\$ 1,305,639	\$ 475,124	\$ 233,630,461	\$ -	\$ 137,000	\$ -	\$ 497,069,422
COMPONENTS OF ENDING BALANCE												
Assigned Reserve, Economic Uncertainties		\$ 54,552,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,552,196
Nonspendable Fund Balance		43,864	-	-	-	-	-	-	-	-	-	43,864
Restricted Fund Balance		-	-	-	-	-	-	-	-	137,000	-	137,000
Assigned Fund Balance		-	-	-	153,173,666	1,305,639	475,124	233,630,461	-	-	-	388,584,890
Unassigned Fund Balance		53,751,472	-	-	-	-	-	-	-	-	-	53,751,472
TOTAL ENDING FUND BALANCE		\$ 108,347,532	\$ -	\$ -	\$ 153,173,666	\$ 1,305,639	\$ 475,124	\$ 233,630,461	\$ -	\$ 137,000	\$ -	\$ 497,069,422

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2026-2027**

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	\$ 31,166,894	\$ 7,336,778	\$ 38,503,672	\$ 22,609,105	\$ 3,169,413	\$ 25,778,518	\$ 13,831,321	\$ -	\$ 13,831,321
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199	\$ -	\$ 2,574,732	\$ 2,574,732	\$ -	\$ 1,270,387	\$ 1,270,387	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	58,028,189	58,028,189	-	32,370,614	32,370,614	-	1,653,288	1,653,288
Other Local Sources	8800-8899	7,198,971	5,221,969	12,420,940	8,319,185	3,927,000	12,246,185	-	-	-
Total Revenue		7,198,971	65,824,890	73,023,861	8,319,185	37,568,001	45,887,186	-	1,653,288	1,653,288
OTHER FINANCING SOURCES:										
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers In	8980-8981	9,906,607	-	9,906,607	6,859,533	-	6,859,533	2,557,042	-	2,557,042
Other Incoming Transfers	8982-8989	150,124,449	-	150,124,449	95,051,516	-	95,051,516	26,663,727	-	26,663,727
Total Other Sources		160,031,056	-	160,031,056	101,911,049	-	101,911,049	29,220,769	-	29,220,769
TOTAL SOURCES OF FUNDS		\$ 167,230,027	\$ 65,824,890	\$ 233,054,917	\$ 110,230,234	\$ 37,568,001	\$ 147,798,235	\$ 29,220,769	\$ 1,653,288	\$ 30,874,057
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ 73,933,658	\$ 5,882,590	\$ 79,816,248	\$ 51,360,689	\$ 2,515,916	\$ 53,876,605	\$ 1,235,052	\$ -	\$ 1,235,052
Classified Salaries	2000-2999	29,406,601	11,518,962	40,925,563	21,994,924	7,902,061	29,896,985	15,967,014	-	15,967,014
Employee Benefits	3000-3999	42,229,308	8,392,659	50,621,967	29,568,607	5,522,120	35,090,727	9,703,682	-	9,703,682
Supplies & Materials	4000-4999	2,070,153	9,502,043	11,572,196	1,411,945	3,068,514	4,480,459	180,427	44,864	225,291
Services & Other Operating	5000-5999	14,049,662	19,546,016	33,595,678	8,919,614	11,823,279	20,742,893	1,975,367	1,608,424	3,583,791
Capital Outlay	6000-6999	872,291	2,256,242	3,128,533	282,799	800,444	1,083,243	93,500	-	93,500
Total Expenditures		162,561,673	57,098,512	219,660,185	113,538,578	31,632,334	145,170,912	29,155,042	1,653,288	30,808,330
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -	\$ 709,116	\$ -	\$ 709,116
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	16,063,156	16,063,156	-	9,105,080	9,105,080	-	-	-
Total Other Uses		1,250,000	16,063,156	17,313,156	-	9,105,080	9,105,080	709,116	-	709,116
TOTAL USES OF FUNDS		\$ 163,811,673	\$ 73,161,668	\$ 236,973,341	\$ 113,538,578	\$ 40,737,414	\$ 154,275,992	\$ 29,864,158	\$ 1,653,288	\$ 31,517,446
SURPLUS / (DEFICIT)		\$ 3,418,354	\$ (7,336,778)	\$ (3,918,424)	\$ (3,308,344)	\$ (3,169,413)	\$ (6,477,757)	\$ (643,389)	\$ -	\$ (643,389)
ENDING FUND BALANCE		\$ 34,585,248	\$ -	\$ 34,585,248	\$ 19,300,761	\$ -	\$ 19,300,761	\$ 13,187,932	\$ -	\$ 13,187,932
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ 7,071,433	\$ -	\$ 7,071,433	\$ 4,938,928	\$ -	\$ 4,938,928	\$ 1,268,244	\$ -	\$ 1,268,244
Nonspendable Fund Balance		-	-	-	-	-	-	43,864	-	43,864
Restricted Fund Balance		-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		27,513,815	-	27,513,815	14,361,833	-	14,361,833	11,875,824	-	11,875,824
TOTAL ENDING FUND BALANCE		\$ 34,585,248	\$ -	\$ 34,585,248	\$ 19,300,761	\$ -	\$ 19,300,761	\$ 13,187,932	\$ -	\$ 13,187,932

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2026-2027**

Revenues, Expenditures and Change in Fund Balance

		Basic Aid		Other		TOTAL					
		General Fund		General Fund		General Fund					
		Unrestricted		Unrestricted		Restricted					
BEGINNING FUND BALANCE	9712	\$	35,557,518	\$	21,174,677	\$	124,339,515	\$	10,506,191	\$	134,845,706
SOURCES OF FUNDS											
REVENUES:											
Federal Sources	8100-8199	\$	-	\$	-	\$	-	\$	3,845,119	\$	3,845,119
Other State Sources	8600-8699	-	-	-	28,446,007	-	28,446,007	-	92,052,091	-	120,498,098
Other Local Sources	8800-8899	-	-	-	377,111,000	-	392,629,156	-	9,148,969	-	401,778,125
Total Revenue		-	-	-	405,557,007	-	421,075,163	-	105,046,179	-	526,121,342
OTHER FINANCING SOURCES:											
Sale of Surplus	8910-8919	\$	-	\$	15,000	\$	15,000	\$	-	\$	15,000
Interfund Transfers In	8980-8981	-	-	-	-	-	19,323,182	-	-	-	19,323,182
Other Incoming Transfers	8982-8989	-	114,563,179	-	(386,402,871)	-	-	-	-	-	-
Total Other Sources		-	114,563,179	-	(386,387,871)	-	19,338,182	-	-	-	19,338,182
TOTAL SOURCES OF FUNDS		\$	114,563,179	\$	19,169,136	\$	440,413,345	\$	105,046,179	\$	545,459,524
USES OF FUNDS											
EXPENDITURES:											
Academic Salaries	1000-1999	\$	-	\$	-	\$	126,529,399	\$	8,398,506	\$	134,927,905
Classified Salaries	2000-2999	-	-	-	598,110	-	67,966,649	-	19,421,023	-	87,387,672
Employee Benefits	3000-3999	-	-	-	9,121,901	-	90,623,498	-	13,914,779	-	104,538,277
Supplies & Materials	4000-4999	-	9,500	-	158,821	-	3,830,846	-	12,615,421	-	16,446,267
Services & Other Operating	5000-5999	-	1,730,000	-	7,347,014	-	34,021,657	-	32,977,719	-	66,999,376
Capital Outlay	6000-6999	-	-	-	-	-	1,248,590	-	3,056,686	-	4,305,276
Total Expenditures		-	1,739,500	-	17,225,846	-	324,220,639	-	90,384,134	-	414,604,773
OTHER FINANCING USES:											
Interfund Transfers Out	7300-7399	\$	129,322,749	\$	902,824	\$	132,184,689	\$	-	\$	132,184,689
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	-	-	25,168,236	-	25,168,236
Total Other Uses		-	129,322,749	-	902,824	-	132,184,689	-	25,168,236	-	157,352,925
TOTAL USES OF FUNDS		\$	131,062,249	\$	18,128,670	\$	456,405,328	\$	115,552,370	\$	571,957,698
SURPLUS / (DEFICIT)		\$	(16,499,070)	\$	1,040,466	\$	(15,991,983)	\$	(10,506,191)	\$	(26,498,174)
ENDING FUND BALANCE		\$	19,058,448	\$	22,215,143	\$	108,347,532	\$	-	\$	108,347,532
COMPONENTS OF ENDING BALANCE											
Assigned Reserve, Economic Uncertainties		\$	19,058,448	\$	22,215,143	\$	54,552,196	\$	-	\$	54,552,196
Nonspendable Fund Balance		-	-	-	-	-	43,864	-	-	-	43,864
Restricted Fund Balance		-	-	-	-	-	-	-	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	53,751,472	-	-	-	53,751,472
TOTAL ENDING FUND BALANCE		\$	19,058,448	\$	22,215,143	\$	108,347,532	\$	-	\$	108,347,532

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2026-2027**

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	\$ 1,294,219	\$ -	\$ 1,294,219	\$ 201,239,057	\$ 15,198,952	\$ 216,438,009
SOURCES OF FUNDS							
REVENUES:							
Federal Sources	8100-8199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	-	-	-	-	-	-
Other Local Sources	8800-8899	1,710,200	122,000	1,832,200	14,140,000	2,550,000	16,690,000
Total Revenue		1,710,200	122,000	1,832,200	14,140,000	2,550,000	16,690,000
OTHER FINANCING SOURCES:							
Sale of Surplus	8910-8919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers In	8980-8981	-	-	-	-	20,000,000	20,000,000
Other Incoming Transfers	8982-8989	-	-	-	-	-	-
Total Other Sources		-	-	-	-	20,000,000	20,000,000
TOTAL SOURCES OF FUNDS		\$ 1,710,200	\$ 122,000	\$ 1,832,200	\$ 14,140,000	\$ 22,550,000	\$ 36,690,000
USES OF FUNDS							
EXPENDITURES:							
Academic Salaries	1000-1999	\$ 25,500	\$ 29,693	\$ 55,193	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	770,706	-	770,706	-	-	-
Employee Benefits	3000-3999	443,845	13,324	457,169	-	-	-
Supplies & Materials	4000-4999	7,318	-	7,318	-	-	-
Services & Other Operating	5000-5999	1,705,978	78,983	1,784,961	530,000	25,000	555,000
Capital Outlay	6000-6999	-	-	-	-	-	-
Total Expenditures		2,953,347	122,000	3,075,347	530,000	25,000	555,000
OTHER FINANCING USES:							
Interfund Transfers Out	7300-7399	\$ 51,072	\$ -	\$ 51,072	\$ -	\$ 18,942,548	\$ 18,942,548
Other Outgoing Transfers	7400-7499	-	-	-	-	-	-
Payments to Students	7500-7699	-	-	-	-	-	-
Total Other Uses		51,072	-	51,072	-	18,942,548	18,942,548
TOTAL USES OF FUNDS		\$ 3,004,419	\$ 122,000	\$ 3,126,419	\$ 530,000	\$ 18,967,548	\$ 19,497,548
SURPLUS / (DEFICIT)		\$ (1,294,219)	\$ -	\$ (1,294,219)	\$ 13,610,000	\$ 3,582,452	\$ 17,192,452
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 214,849,057	\$ 18,781,404	\$ 233,630,461
COMPONENTS OF ENDING BALANCE							
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Fund Balance		-	-	-	-	-	-
Restricted Fund Balance		-	-	-	-	-	-
Assigned Fund Balance		-	-	-	214,849,057	18,781,404	233,630,461
Unassigned Fund Balance		-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 214,849,057	\$ 18,781,404	\$ 233,630,461

**SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET - FISCAL YEAR 2026-2027**

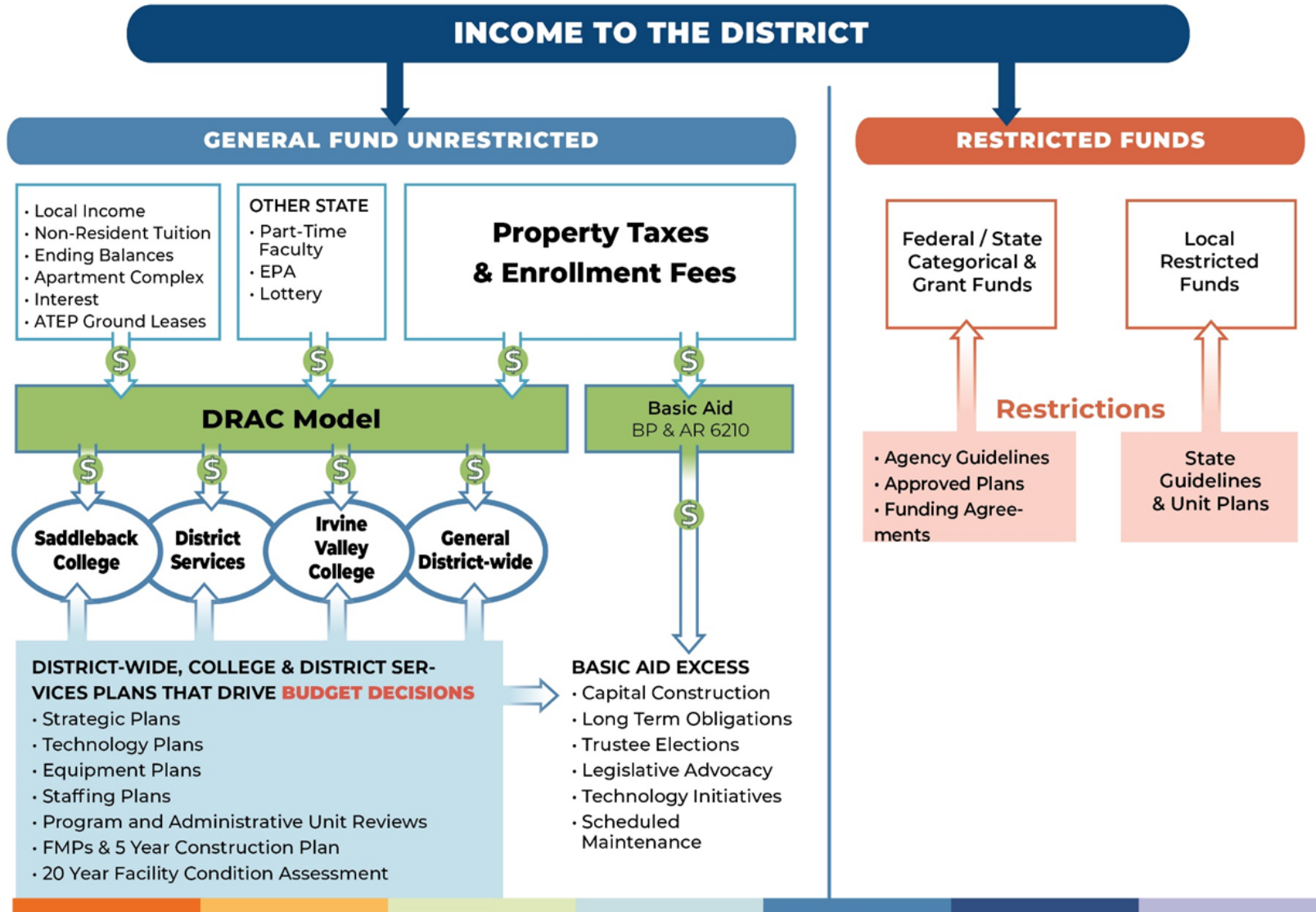
Revenues, Expenditures and Change in Fund Balance

		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	\$ -	\$ -	\$ -	\$ 87,000	\$ 127,000	\$ 214,000	\$ 33,087	\$ -	\$ 33,087
SOURCES OF FUNDS										
REVENUES:										
Federal Sources	8100-8199	\$ 22,970,441	17,450,705	\$ 40,421,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	8600-8699	2,960,000	2,532,000	5,492,000	-	-	-	-	-	-
Other Local Sources	8800-8899	-	-	-	303,500	373,000	676,500	50,000	33,000	83,000
Total Revenue		25,930,441	19,982,705	45,913,146	303,500	373,000	676,500	50,000	33,000	83,000
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		\$ 25,930,441	\$ 19,982,705	\$ 45,913,146	\$ 303,500	\$ 373,000	\$ 676,500	\$ 50,000	\$ 33,000	\$ 83,000
USES OF FUNDS										
EXPENDITURES:										
Academic Salaries	1000-1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	2000-2999	-	-	-	18,836	135,566	154,402	-	-	-
Employee Benefits	3000-3999	-	-	-	4,165	76,348	80,513	-	-	-
Supplies & Materials	4000-4999	-	-	-	144,855	28,010	172,865	15,000	-	15,000
Services & Other Operating	5000-5999	-	-	-	71,644	177,256	248,900	44,837	17,655	62,492
Capital Outlay	6000-6999	-	-	-	-	6,000	6,000	-	-	-
Total Expenditures		-	-	-	239,500	423,180	662,680	59,837	17,655	77,492
OTHER FINANCING USES:										
Interfund Transfers Out	7300-7399	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Other Outgoing Transfers	7400-7499	-	-	-	34,000	-	34,000	23,250	15,345	38,595
Payments to Students	7500-7699	25,930,441	19,982,705	45,913,146	-	26,820	26,820	-	-	-
Total Other Uses		25,930,441	19,982,705	45,913,146	64,000	26,820	90,820	23,250	15,345	38,595
TOTAL USES OF FUNDS		\$ 25,930,441	\$ 19,982,705	\$ 45,913,146	\$ 303,500	\$ 450,000	\$ 753,500	\$ 83,087	\$ 33,000	\$ 116,087
SURPLUS / (DEFICIT)		\$ -	\$ -	\$ -	\$ -	\$ (77,000)	\$ (77,000)	\$ (33,087)	\$ -	\$ (33,087)
ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 87,000	\$ 50,000	\$ 137,000	\$ -	\$ -	\$ -
COMPONENTS OF ENDING BALANCE										
Assigned Reserve, Economic Uncertainties		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-
Restricted Fund Balance		-	-	-	87,000	50,000	137,000	-	-	-
Assigned Fund Balance		-	-	-	-	-	-	-	-	-
Unassigned Fund Balance		-	-	-	-	-	-	-	-	-
TOTAL ENDING FUND BALANCE		\$ -	\$ -	\$ -	\$ 87,000	\$ 50,000	\$ 137,000	\$ -	\$ -	\$ -

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 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 non-resident tuition, local income, pension stabilization support, 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 ground lease tenant rents, 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 fees, and child development funds.
- **Long-Term Obligations** represent obligations that an entity may be required to pay from its resources over an extended period. A common long-term obligation for community colleges is the future liability for retiree benefits, as required under GASB 43 and 45. Other examples include Certificates of Participation (COPs) and other forms of debt, which the District does not currently have.
- **Non-Resident Fees** are charged to a student who resides outside of California for instructional services provided.
- **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 mandatory charges imposed by a governmental entity on real property within its jurisdiction to fund public services that benefit the community. For the District, property taxes are the primary source of revenue.
- **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 their respective projected unrestricted expenditures.
- **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 *Inspire 2035*.

- **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.